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CHAPTER –III
PROFILE OF THE STUDY UNIT

3.1 INTRODUCTION

Life insurance is a contract for payment of a sum of money to the person assured on the happening of the event insured. Usually the contract provides for the payment of an amount on the date at periodic intervals or at specified dates at periodic intervals or at unfortunate death, if it occurs earthier among other things the contract also provides for the payment of premium periodically to the corporation by the assured. Life insurance is universally acknowledged to be an institution, which eliminates risk substituting certainly for uncertainty and comes to the timely aid of the family in the unfortunate event of death of the breadwinner by and large, life insurance is vindication’s partial solution to the problems caused by death.

Life insurance, in short is concerned with two hazards that stand across the life path of every person that of dying prematurely leaving a dependent family to fend for itself and that of living to old age without visible means of support.

The Life Insurance Corporation of India (LIC) is the largest life insurance company in India and also the country's largest investor. It is fully owned by the Government of India. It also funds close to 24.6% of the Indian Government's expenses. It was founded in 1956. Headquartered in Mumbai, which is considered the financial capital of India, the Life Insurance Corporation of India currently has 8 zonal Offices and 101 divisional offices located in different parts of India, at least 2048 branches located in different cities and towns of India along with satellite Offices attached to about some 50 Branches, and has a network of around one million and 200 thousand agents for soliciting life insurance business from the public.
3.2 TYPES OF INSURANCE

Any risk that can be quantified can potentially be insured. Specific kinds of risk that may give rise to claims are known as "perils". An insurance policy will set out in detail which perils are covered by the policy and which is not. Below are (non-exhaustive) lists of the many different types of insurance that exist. A single policy may cover risks in one or more of the categories set out below. For example, auto insurance would typically cover both property risk (covering the risk of theft or damage to the car) and liability risk (covering legal claims from causing an accident).

A homeowner's insurance policy in the U.S. typically includes property insurance covering damage to the home and the owner's belongings, liability insurance covering certain legal claims against the owner, and even a small amount of coverage for medical expenses of guests who are injured on the owner's property.

Business insurance can be any kind of insurance that protects businesses against risks. Some principal subtypes of business insurance are (a) the various kinds of professional liability insurance, also called professional indemnity insurance, which are discussed below under that name; and (b) the business owner's policy (BOP), which bundles into one policy many of the kinds of coverage that a business owner needs, in a way analogous to how homeowners insurance bundles the coverage's that a homeowner needs.

3.2.1 AUTO INSURANCE

Auto insurance protects you against financial loss if you have an accident. It is a contract between you and the insurance company. You agree to pay the premium and the insurance company agrees to pay your losses as defined in your policy. Auto insurance provides property, liability and medical coverage:
1. Property coverage pays for damage to or theft of your car.
2. Liability coverage pays for your legal responsibility to others for bodily injury or property damage.
3. Medical coverage pays for the cost of treating injuries, rehabilitation and sometimes lost wages and funeral expenses.

An auto insurance policy is comprised of six different kinds of coverage. Most countries require you to buy some, but not all, of these coverage’s. If you're financing a car, your lender may also have requirements.

Most auto policies are for six months to a year. Your insurance company should notify you by mail when it’s time to renew the policy and to pay your premium.

### 3.2.2 HOME INSURANCE

Home insurance provides compensation for damage or destruction of a home from disasters. In some geographical areas, the standard insurances exclude certain types of disasters, such as flood and earthquakes that require additional coverage. Maintenance-related problems are the homeowners' responsibility. The policy may include inventory, or this can be bought as a separate policy, especially for people who rent housing. In some countries, insurers offer a package which may include liability and legal responsibility for injuries and property damage caused by members of the household, including pets.

### 3.2.3 HEALTH INSURANCE

Health insurance policies by the National Health Service in the United Kingdom (NHS) or other publicly-funded health programs will cover the cost of
medical treatments. Dental insurance, like medical insurance, is coverage for individuals to protect them against dental costs. In the U.S., dental insurance is often part of an employer's benefits package, along with health insurance.

3.2.4 DISABILITY INSURANCE

i. Disability insurance policies provide financial support in the event the policyholder is unable to work because of disabling illness or injury. It provides monthly support to help pay such obligations as mortgages and credit cards.

ii. Disability overhead insurance allows business owners to cover the overhead expenses of their business while they are unable to work.

iii. Total permanent disability insurance provides benefits when a person is permanently disabled and can no longer work in their profession, often taken as an adjunct to life insurance.

iv. Workers' compensation insurance replaces all or part of a worker's wages lost and accompanying medical expenses incurred because of a job-related injury.

3.2.5 CASUALTY INSURANCE

Casualty insurance insures against accidents, not necessarily tied to any specific property.

1. Crime insurance is a form of casualty insurance that covers the policyholder against losses arising from the criminal acts of third parties. For example, a company can obtain crime insurance to cover losses arising from theft or embezzlement.
2. Political risk insurance is a form of casualty insurance that can be taken out by businesses with operations in countries in which there is a risk that revolution or other political conditions will result in a loss.

3.2.6 LIFE INSURANCE

Life insurance provides a monetary benefit to a decedent's family or other designated beneficiary, and may specifically provide for income to an insured person's family, burial, funeral and other final expenses. Life insurance policies often allow the option of having the proceeds paid to the beneficiary either in a lump sum cash payment or an annuity.

Annuities provide a stream of payments and are generally classified as insurance because they are issued by insurance companies and regulated as insurance and require the same kinds of actuarial and investment management expertise that life insurance requires. Annuities and pensions that pay a benefit for life are sometimes regarded as insurance against the possibility that a retiree will outlive his or her financial resources. In that sense, they are the complement of life insurance and, from an underwriting perspective, are the mirror image of life insurance.

Certain life insurance contracts accumulate cash values, which may be taken by the insured if the policy is surrendered or which may be borrowed against. Some policies, such as annuities and endowment policies, are financial instruments to accumulate or liquidate wealth when it is needed.
3.3 BRIEF HISTORY OF INSURANCE

The story of insurance is probably as old as the story of mankind. The same instinct that prompts modern businessmen today to secure themselves against loss and disaster existed in primitive men also. They too sought to avert the evil consequences of fire and flood and loss of life and were willing to make some sort of sacrifice in order to achieve security. Though the concept of insurance is largely a development of the recent past, particularly after the industrial era – past few centuries – yet its beginnings date back almost 6000 years.\(^\text{62}\)

Life Insurance in its modern form came to India from England in the year 1818. Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian Soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu Muttylal Seal, the foreign life insurance companies started insuring Indian lives. But Indian lives were being treated as sub-standard lives and heavy extra premiums were being charged on them. Bombay Mutual Life Assurance Society heralded the birth of first Indian life insurance company in the year 1870, and covered Indian lives at normal rates. Starting as Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. Bharat Insurance Company (1896) was also one of such companies inspired by nationalism. The Swadeshi movement of 1905-1907 gave rise to more insurance companies. The United India in Madras, National Indian and

\(^{62}\)http://www.licindia.com/history.htm
National Insurance in Calcutta and the Co-operative Assurance at Lahore were established in 1906. In 1907, Hindustan Co-operative Insurance Company took its birth in one of the rooms of the Jorasanko, house of the great poet Rabindranath Tagore, in Calcutta. The Indian Mercantile, General Assurance and Swadeshi Life (later Bombay Life) were some of the companies established during the same period. Prior to 1912 India had no legislation to regulate insurance business. In the year 1912, the Life Insurance Companies Act, and the Provident Fund Act were passed. The Life Insurance Companies Act, 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary. But the Act discriminated between foreign and Indian companies on many accounts, putting the Indian companies at a disadvantage. The first two decades of the twentieth century saw lot of growth in insurance business. From 44 companies with total business-in-force as Rs.22.44 crore, it rose to 176 companies with total business-in-force as Rs.298 crore in 1938. During the mushrooming of insurance companies many financially unsound concerns were also floated which failed miserably. The Insurance Act 1938 was the first legislation governing not only life insurance but also non-life insurance to provide strict state control over insurance business. The demand for nationalization of life insurance industry was made repeatedly in the past but it gathered momentum in 1944 when a bill to amend the Life Insurance Act 1938 was introduced in the Legislative Assembly. However, it was much later on the 19th of January, 1956, that life insurance in India was nationalized. About 154 Indian insurance companies, 16 non-Indian companies and 75 provident were operating in India at the time of nationalization. Nationalization was accomplished in two stages; initially the management of the companies was taken over by means of an Ordinance, and later, the ownership too by means of a comprehensive bill. The Parliament of
India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956, with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost.

LIC had 5 zonal offices, 33 divisional offices and 212 branch offices, apart from its corporate office in the year 1956. Since life insurance contracts are long term contracts and during the currency of the policy it requires a variety of services need was felt in the later years to expand the operations and place a branch office at each district headquarter. Re-organization of LIC took place and large numbers of new branch offices were opened. As a result of re-organization servicing functions were transferred to the branches, and branches were made accounting units. It worked wonders with the performance of the corporation. It may be seen that from about 200.00 crores of New Business in 1957 the corporation crossed 1000.00 crores only in the year 1969-70, and it took another 10 years for LIC to cross 2000.00 crore mark of new business. But with re-organization happening in the early eighties, by 1985-86 LIC had already crossed 7000.00 crore Sum Assured on new policies.

Today LIC functions with 2048 fully computerized branch offices, 100 divisional offices, 7 zonal offices and the corporate office. LIC’s Wide Area Network covers 100 divisional offices and connects all the branches through a Metro Area Network. LIC has tied up with some Banks and Service providers to offer on-line premium collection facility in selected cities. LIC’s ECS and ATM premium payment facility is an addition to customer convenience. Apart from on-line Kiosks and IVRS, Info Centres have been commissioned at Mumbai, Ahmadabad, Bangalore, Chennai,
Hyderabad, Kolkata, New Delhi, Pune and many other cities. With a vision of providing easy access to its policyholders, LIC has launched its SATELLITE SAMPARK offices. The satellite offices are smaller, leaner and closer to the customer. The digitalized records of the satellite offices will facilitate anywhere servicing and many other conveniences in the future.

LIC continues to be the dominant life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing its own past records. LIC has issued over one crore policies during the current year. It has crossed the milestone of issuing 1,01,32,955 new policies by 15th Oct, 2005, posting a healthy growth rate of 16.67% over the corresponding period of the previous year.

From then to now, LIC has crossed many milestones and has set unprecedented performance records in various aspects of life insurance business. The same motives which inspired our forefathers to bring insurance into existence in this country inspire us at LIC to take this message of protection to light the lamps of security in as many homes as possible and to help the people in providing security to their families.

Some of the important milestones in the life insurance business in India are:

1818: Oriental Life Insurance Company, the first life insurance company on Indian soil started functioning.

1870: Bombay Mutual Life Assurance Society, the first Indian life insurance company started its business.
1912: The Indian Life Assurance Companies Act enacted as the first statute to regulate the life insurance business.

1928: The Indian Insurance Companies Act enacted to enable the government to collect statistical information about both life and non-life insurance businesses.

1938: Earlier legislation consolidated and amended to by the Insurance Act with the objective of protecting the interests of the insuring public.

1956: 245 Indian and foreign insurers and provident societies are taken over by the central government and nationalized. LIC formed by an Act of Parliament, viz. LIC Act, 1956, with a capital contribution of Rs. 5 crore from the Government of India.

The General insurance business in India, on the other hand, can trace its roots to the Triton Insurance Company Ltd., the first general insurance company established in the year 1850 in Calcutta by the British.

Some of the important milestones in the general insurance business in India are:

1907: The Indian Mercantile Insurance Ltd. set up, the first company to transact all classes of general insurance business.

1957: General Insurance Council, a wing of the Insurance Association of India, frames a code of conduct for ensuring fair conduct and sound business practices.

1968: The Insurance Act amended to regulate investments and set minimum solvency margins and the Tariff Advisory Committee set up.

107 insurers amalgamated and grouped into four company’s viz. the National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd. and the United India Insurance Company Ltd. GIC incorporated as a company.

3.4 OBJECTIVES OF LIC OF INDIA

i. Spread Life Insurance widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover against death at a reasonable cost.

ii. Maximize mobilization of people's savings by making insurance-linked savings adequately attractive.

iii. Bear in mind, in the investment of funds, the primary obligation to its policyholders, whose money it holds in trust, without losing sight of the interest of the community as a whole; the funds to be deployed to the best advantage of the investors as well as the community as a whole, keeping in view national priorities and obligations of attractive return.

iv. Conduct business with utmost economy and with the full realization that the money belong to the policyholders.

v. Act as trustees of the insured public in their individual and collective capacities.

vi. Meet the various life insurance needs of the community that would arise in the changing social and economic environment.
vii. Involve all people working in the Corporation to the best of their capability in furthering the interests of the insured public by providing efficient service with courtesy.

viii. Promote amongst all agents and employees of the Corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards achievement of Corporate Objective.63

3.5 ORGANIZATIONAL STRUCTURE AND OPERATION OF LIC OF ALL OVER INDIA

The organization having such a huge size has to have a well defined hierarchical structure and LIC is not an exception to this fact. A well defined proper organization structure with officials with exact knowledge of their duties is a must for an organization to prosper. LIC has vast network offices across the country and abroad so it has defined and maintained its organizational structure in the following way. LIC has its main central head office at ‘Yogaakshema’ Jeevan bima marg at Mumbai. Then it is followed by eight zonal offices namely central zone, eastern zone, east central zone, northern zone, north central zone, southern zone, south central zone, western zone respectively. After these eight zonal offices there are several divisional offices under each zonal office and these divisional offices are mostly in each big city. At last comes the branch office and there are several branch offices under each divisional office.

At all the branch offices there is a branch manager and several departments and the major function of these branch offices is sales and servicing of the policies. In a branch office the top most is a branch manager and under his control seven different departments with each of these departments functioning independently to each other.

63 http://www.licindia.com/objectives.htm
These seven departments are as follows Claims, Sales, New Business, Office Service, Micro, Accounts and Policy Service.

3.6 LIFE INSURANCE COMPANIES IN INDIA

Currently there are 24 life insurance companies undertaking life insurance business in India. Government owned Public Sector Company, Life Insurance Corporation of India is the largest life insurer in the country. The Indian Insurance sector underwent several phases and changes, in 1999, when the Government of India opened up the insurance sector for private companies to solicit insurance, allowing FDI up to 26%, the Insurance sector in India is grew by leaps and bounds. The following are the details of the life insurance companies in India.
3.6.1 LIST OF PRIVATE LIFE INSURANCE COMPANIES IN INDIA

1. Bajaj Allianz Life Insurance Company Limited
2. Birla Sun Life Insurance Co. Ltd
3. HDFC Standard Life Insurance Co. Ltd
4. ICICI Prudential Life Insurance Co. Ltd.
5. ING Vysya Life Insurance Company Ltd.
7. Met Life India Insurance Company Ltd.
8. Kotak Mahindra Old Mutual Life Insurance Limited
9. SBI Life Insurance Co. Ltd
10. Tata AIG Life Insurance Company Limited
11. Reliance Life Insurance Company Limited
13. Sahara India Life Insurance Co, Ltd.
15. Bharti AXA Life Insurance Company Ltd.
16. Future General Life Insurance Company Ltd.
17. IDBI Fortis Life Insurance Company Ltd.
19. AEGON Religare Life Insurance Company Limited.
20. DLF Pramerica Life Insurance Co. Ltd.
21. Star Union Dai-ichi Life Insurance Comp. Ltd
22. Edelweiss Tokio Life Insurance

The market share for LIC is 90 per cent and other players share only the remaining 10 per cent.
1. **Bajaj Allianz Life Insurance Company Ltd**

   Bajaj Allianz is the joint venture of Bajaj Finserv-India’s financial service giant and Allianz SE- Germany’s financial services provider. Registered in 2001, Bajaj Allianz Life Insurance Company has become one of the top most life insurance brands in India. Bajaj Allianz Life Insurance Company aims to ensure excellent insurance and investment solutions by offering customized products, supported by the best technology.

2. **Birla Sun Life Insurance Co. Ltd**

   Birla Sun Life Insurance Company Ltd. is a joint venture company between Aditya Birla Group and Sun Life Financial Inc. of Canada. Birla Sun Life offers a broad array of life insurance products to meet the actual needs and expectations of individuals and groups through a multi channel distribution network across the country. Birla Sun Life Insurance is distinguished as the first financial solutions company to introduce ‘Business Continuity Plan’, the ‘Free Look Period’ and ‘Unit Linked Life Insurance Plans’ in the Indian insurance.

3. **HDFC Life Insurance Co. Ltd**

   HDFC Life Insurance Co. Ltd is a joint venture between the Indian housing finance institution, Housing Development Finance Corporation Limited or HDFC Ltd. and a Group company of Standard Life, UK. These two giants from India and UK joined hands together on 31st December 2007. HDFC Life Insurance is one of the top most life insurance companies in India; its venture is strong and has a good backing. HDFC Standard Life has about 568 branches and is present in over 700 cities and towns.
4. ICICI Prudential Life Insurance Co. Ltd

ICICI Prudential is one of the leading life insurance companies in India. ICICI Prudential Life Insurance Company is a joint venture company formed between the ICICI Bank, one of India's largest and most successful private financial services company and Prudential Plc., a leading international financial services group headquartered in the United Kingdom.

5. ING Vysya Life Insurance Company Ltd

ING Life Insurance Company is the joint venture between ING Insurance International B.V. and Exide Industries. ING is based out of Bangalore and has recently completed 10 years of operation in India. This company marked the entrance of Exide Industries Limited, India's largest producer of automotive and industrial batteries, into the insurance arena. ING hold 26% equity in this venture with Exide owning 50% and miscellaneous shareholders having the remaining 24%.


Max New York Life is a joint venture company formed between New York Life, a Fortune 100 company and Max India Limited. Max New York Life started its commercial operations in the year 2001. It is the first life insurance company in India to be awarded the ISO 9001:2000 certifications.

7. Met Life India Insurance Company Ltd.

MetLife India Insurance Co. Ltd is a joint venture between MetLife International Holdings Inc. and its Indian partners including J & k Bank, M. Pallonji and Co, Karnataka Bank, Karvy Consultants, Geojit Securities, Way2Wealth, Bonanza Insurance (Pvt) Ltd. and Mini Muthoothu.
8. Kotak Mahindra Old Mutual Life Insurance Ltd.

Kotak Life Insurance Company is a joint venture company between Kotak Mahindra Bank Ltd and Old Mutual plc. Kotak Mahindra is India's leading financial institution which offers a range of financial services ranging from commercial banking, stock broking to mutual funds, life insurance and investment banking.

9. SBI Life Insurance Co. Ltd

SBI Life Insurance Company Limited is a joint venture between the State Bank of India and BNP Paribas Assurance. State Bank of India owns 74% and BNP Paribas Assurance holds the remaining 26% of the stake of the joint venture.

10. Tata AIG Life Insurance Company Ltd

Tata AIG Life Insurance Company Limited is a joint venture between Tata Group and the renowned American International Group, Inc. This insurance firm got its license to operate in India on February 12, 2001 and finally started operations on April 1, 2001.

11. Reliance Life Insurance Company Ltd.

Reliance Life Insurance Company Ltd. is a wholly owned Indian company and an associate of Reliance Capital Ltd., a part of Reliance - Anil Dhirubhai Ambani Group. This Group have its presence in Communications, Energy, Natural Resources, Media, Entertainment, Healthcare and Infrastructure segments in India.

12. Aviva Life Insurance Company India Ltd

Aviva Life Insurance Company India Pvt. Ltd is a well-known name among the several life insurance companies in India. Aviva pioneered the idea of Bancassurance and Financial Health Check-ups in India. It is a joint venture between
Dabur Group, India’s leading producer of health care products and Aviva Group, which is one of UK’s leading insurance provider.

13. Sahara India Life Insurance Co Ltd.

Sahara Life is the one and only life insurance Company which is wholly owned by Indians, without any foreign collaboration in the private sector. Sahara Life Insurance Company came into force on 6 February 2004. The head office is based out of Lucknow.

14. Shriram Life Insurance Co Ltd.

Shriram Life Insurance Company Ltd. is a joint venture of the Shriram Group and Sanlam a South African firm holding 26 per cent stake. It is one of the new entrants amongst other life insurance companies in India.

15. Bharti AXA Life Insurance Company Ltd.

Bharti AXA Life Insurance is a joint venture alliance between Bharti, one of India's leading groups with interests in telecom, agriculture business and retail, and AXA, a Paris Headquartered Company is a world leader in financial protection and wealth management.

16. Future Generali India Life Insurance Company Ltd.

Future Generali India Life Insurance Company Ltd. is a joint venture between the Future Group of industries, an Indian Company and Generali group, a Italy based Company. The Generali Group is a major participant in global market of insurance and financial product. Generali is the largest corporation in Italy. Future Group, led by its founder and Group CEO, Mr. Kishore Biyani, is one of India’s leading business houses with multiple businesses spanning across the retail space.
17. **IDBI Federal Life Insurance Company Ltd.**

IDBI Federal Life Insurance Company Ltd. Established in March 2008, IDBI Federal Life Insurance Company, formally IDBI Fortis Life Insurance is a joint venture between three major companies- IDBI Bank- India’s premiere industrial bank, Federal bank – private sector bank and Ageas - international insurance company operating out of Europe. IDBI Bank holds 48% equity whereas Federal and Ageas hold 26% of equity each.

18. **Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd.**

Canara HSBC Oriental Bank of Commerce Life Insurance Company (Canara HSBC) is backed by two of India’s largest nationalized banks, Canara Bank and the Oriental bank joining hands with one of the world’s largest banking and financial services organization, HSBC.

19. **AEGON Religare Life Insurance Company Ltd.**

Aegon Religare is a joint venture between joint venture between Aegon, an international life insurance and Pension Company and Religare a global financial services group and Bennett, Coleman & company, a media group. The company is headquartered in Mumbai and launched its operations in July 2008. Aegon Religare Life Insurance Company is a pioneer in launching online term insurance plans in the market.

20. **Pramerica Life Insurance Co. Ltd.**

DLF Pramerica Life Insurance Company Limited is a joint venture between DLF Limited and Prudential International Insurance Holdings, Ltd. The Company is headquartered in Gurgaon.

Star Union Dai-ichi Life Insurance Company is a Joint Venture by Bank of India and Union Bank of India and Dai-ichi Mutual Life Insurance Company, leading Japanese Company in the Life Insurance market. The company is headquartered in Mumbai.

22. India First Life Insurance Company Ltd.

India First Life Insurance a joint venture of Bank of Baroda, Andhra Bank and Legal & General of UK. Its headquarters is located in Mumbai. Bank of Baroda holds a 44 per cent stake in India First, while Andhra Bank and Legal & General hold a 30 per cent and 26 per cent stake respectively. It is one of the youngest life insurance companies in India.

23. Edelweiss Tokio Life Insurance Co. Ltd.

Edelweiss Tokio Life Insurance Company is a 74%: 24% joint venture between Edelweiss, one of the leading financial services company in India and Tokio Marine, a growing life insurance company in Japan.

3.7 GROWTH OF INDIAN INSURANCE INDUSTRIES

The life insurance companies have performed the best when it comes to growth with an increase of almost 70% in new premium that has been collected in the initial 5 months of 2012. As per IRDA data, in April-August 2010 the insurance companies earned $11.73 billion in new premium - in the corresponding period in the previous year the amount stood at 6.9 billion dollars. LIC, a state held insurer, had been the biggest profit maker at that time with an addition of 88% to their existing business. The privately owned insurers together had seen a leap of 34% to their policy
ICICI Prudential earned 576.60 million dollars at that time. During April-August 2009 SBI Life had earned $379.20 million in sales of new policies and that figure went up to $531.87 million in the corresponding period in 2010 making it an increase of 40%. HDFC Standard Life also experienced a good growth of 54% in new sales.

IRDA data shows that between April and October 2010 the general insurance industry experienced a year-on-year growth of 22.76% with regards to underwritten gross premium. The total value of that premium was 5.29 billion dollars while the same figure stood at $4.31 billion in April-October 2009. For the public sector companies the year-on-year growth rate was 21.09 per cent between April-October 2010 and April-October 2009.

In the same period the privately held insurers saw an increase of 25.19 per cent in terms of premium collected. Among the publicly owned entities, New India Insurance was one of the better performers with a premium income of 916.77 million dollars in April-October 2010. At the same period in 2009 they had earned 770.25 million dollars which implies a growth rate of 19.04%. The IRDA Summary Report of Motor Data of Public and Private Sector Insurers 2009-10 states that in the same period almost 28.4 million policies were sold and the aggregate worth of premium collected was $2.31 billion. The health insurance sector, according to the RNCOS' research report named "Booming Health Insurance in India" posted unprecedented growth rates in 2008-09 and 2009-10. The report also estimates that between the 2009-10 and 2013-14 the sector would see a compound annual growth rate (CAGR) of at least 25%.
The following table shows the market share of top insurers in India in the period till April 2011:

<table>
<thead>
<tr>
<th>Company</th>
<th>Approximate market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIC</td>
<td>50%</td>
</tr>
<tr>
<td>ICICI</td>
<td>10%</td>
</tr>
<tr>
<td>SBI</td>
<td>5%</td>
</tr>
<tr>
<td>Bajaj</td>
<td>4%</td>
</tr>
<tr>
<td>Reliance</td>
<td>5%</td>
</tr>
<tr>
<td>HDFC</td>
<td>6%</td>
</tr>
<tr>
<td>Birla</td>
<td>4%</td>
</tr>
<tr>
<td>Max New York</td>
<td>3%</td>
</tr>
<tr>
<td>Tata</td>
<td>2%</td>
</tr>
<tr>
<td>Met Life</td>
<td>1%</td>
</tr>
<tr>
<td>Kotak</td>
<td>2%</td>
</tr>
<tr>
<td>Others</td>
<td>8%</td>
</tr>
</tbody>
</table>

Experts are of the opinion that around the world the insurance industry contributes around 4.5% to national GDPs. They have questioned the logicality of opinions that in India the contribution can be higher saying that there are other important sectors like education, defense, and health that cannot be undermined in this
context. They have ruled out possibilities that the sector can contribute 10% to India's GDP. The Chairman of IRDA, Hari Narayan has ruled out any such possibility asking if India's GDP growth will be that much in the next few years ahead.

The IRDA states that in India land and gold are more preferred as forms of investment. Narayan feels that if the insurance sector is to do well in terms of contribution to GDP then more people should be convinced about its capability to provide good ROI (return on investment).

3.8 INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

The IRDA Act, 1999 was passed as per the major recommendation of the Malhotra Committee report (1994) which recommended the establishment of an independent regulatory authority for insurance sector in India. Later, it was incorporated as a statutory body in April, 2000. The IRDA Act, 1999 also allows private players to enter the insurance sector in India besides a maximum foreign equity of 26 per cent in a private insurance company having operations in India. Considering some of the emerging requirements of the Indian insurance industry, IRDA was amended in 2002. As stated in the act mission of IRDA is "to protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto." Indian insurance industry is regulated by the terms and conditions of the IRDA. Indian law has certain expectations from the IRDA to perform in the Indian insurance industry. IRDA should protect the interest of policyholders by ensuring fair treatment by the insurance companies. The growth of insurance companies in a speedy and orderly manner should be taken care by the IRDA. It should monitor and implement quality competence and fair dealing of the insurance companies in the industry. IRDA should
make sure that the insurers are providing precise and correct information about the products offered by them for the insurance customers. IRDA should also ensure speedy settlement of genuine claims of the policyholders and prevent malpractices in the process of claims settlement. IRDA controls all the Insurance business in India. They are setting structure and boundaries for the insurance companies to act upon. Starting from licensing to approving the products, IRDA directs the companies in India. They also protect customer interests in the country. As per current guidelines issued by IRDA, Insurance Companies are not permitted to invest in Indian Depository Receipts (IDR), while they are permitted to invest in Equity shares/ Bonds/ Debentures. IRDA needs to remove this disparity to open up investment opportunity by Insurance Companies and thereby also enhance the liquidity of IDRs (Contributed by Sanjay Banka, FCA FCS) Hence, the present work made an attempt to study the Role of IRDA in Indian Insurance sector.

The regulatory body for insurance IRDA has been established with the following mission "To protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto."
3.9 INSURANCE PRODUCTS OFFERED BY LIC OF INDIA

As individuals it is inherent to differ. Each individual's insurance needs and requirements are different from that of the others. LIC's Insurance Plans are policies that talk to you individually and give you the most suitable options that can fit your requirement.
Jeevan Mitra (Triple Cover Endowment Plan)

Jeevan Anand

New Janaraksha Plan

Jeevan Amrit

**Plans for high worth individuals**

- Jeevan Shree-I
- Jeevan Pramukh

**Money Back Plans**

- The Money Back Policy-20 Years
- The Money Back Policy-25 Years
- Jeevan Surabhi-15 Years
- Jeevan Surabhi-20 Years
- Jeevan Surabhi-25 Years
- Bima Bachat

**Special Money Back Plan for Women**

- Jeevan Bharati - I

**Whole Life Plans**

- The Whole Life Policy
- The Whole Life Policy- Limited Payment
- The Whole Life Policy- Single Premium

Jeevan Anand

Jeevan Tarang
3.9.1 BIMA ACCOUNT PLANS

Bima Account Plan- I

As the name explains “LIC’s Bima Account – I” is a simple non-linked plan under which one can be covered without undergoing any medical examination subject to certain conditions. This plan offers everything one think of an insurance plan such as simplicity, liquidity, guaranteed minimum return, and risk cover.

Bima Account Plat - II

“LIC’s Bima Account - II” is a simple non-linked plan which offers you everything one think of an insurance plan such as simplicity, liquidity, guaranteed minimum return, transparent charges.

Under this plan, the premiums paid by the insured, after deduction of charges, will be credited to the Policyholder’s Account maintained separately for each policyholder. The risk cover will be provided by deduction of mortality charges from the Policyholder’s Account. If all due premiums are paid, the amount held in the policyholder’s account will earn an annual interest rate of 6% p.a. which will be guaranteed for whole of the policy term. In addition to this guaranteed return, if all
due premiums are paid, the policyholder’s account may earn an additional return depending upon the experience under this plan.

3.9.2 ENDOWMENT PLUS

Endowment plan

This is a unit linked endowment plan which offers investment cum insurance cover during the term of the policy. One can choose the level of insurance cover within the limits, which will depend on the mode and level of premium the policyholder agree to pay. The policyholders have a choice of investing their premiums in one of the four types of investment funds available. Premiums paid after deduction of allocation charge will purchase units of the fund type chosen. The unit fund is subject to various charges and value of units may increase or decrease, depending on the Net Asset Value (NAV).

3.9.3 CHILDREN PLANS

These are savings-cum-life insurance policies, where the policyholder is the parent and the beneficiary is the child. So that in case of the death of the parent, in most policies the premium payment is waived and then all the benefits are paid as it is as promised in the policy. In case if the parent is alive, the sum assured along with the accrued bonus is paid. These plans are available in the form of traditional plans as well as ULIPs.

Jeevan ANURAG

LIC’s Jeevan ANURAG is a with profits plan specifically designed to take care of the educational needs of children. The plan can be taken by a parent on his or her own life. Benefits under the plan are payable at prespecified durations irrespective
of whether the Life Assured survives to the end of the policy term or dies during the term of the policy. In addition, this plan also provides for an immediate payment of Basic Sum Assured amount on death of the Life Assured during the term of the policy.

**CDA Endowment Vesting At 21**

This is an Endowment Assurance plan designed to enable a parent or a legal guardian or any near relative of the child (called proposer) to provide insurance cover on the life of the child (called life assured). The plan has two stages, one covering the period from the date of commencement of policy to the Deferred Date (called deferment period) and the other covering the period from the Deferred Date to the date of maturity. The insurance cover on the child’s life starts from the Deferred Date and is available during the latter period. The Deferred Date in case of Plan No 41 is the policy anniversary date coinciding with or next following the date on which the child completes 21 years of age. In case of Plan No 50 it is the policy anniversary date coinciding with or next following the 18th birthday of the child.

**CDA Endowment Vesting At 18**

This is an Endowment Assurance plan designed to enable a parent or a legal guardian or any near relative of the child (called proposer) to provide insurance cover on the life of the child (called life assured). The plan has two stages, one covering the period from the date of commencement of policy to the Deferred Date (called deferment period) and the other covering the period from the Deferred Date to the date of maturity. The insurance cover on the child’s life starts from the Deferred Date and is available during the latter period.

The Deferred Date in case of Plan No 41 is the policy anniversary date coinciding with or next following the date on which the child completes 21 years of
age. In case of Plan No 50 it is the policy anniversary date coinciding with or next following the 18th birthday of the child.

**Jeevan Kishore**

This is an Endowment Assurance Plan available for children of less than 12 years of age. The policy may be purchased by any of the parent/grandparent.

**Child Career Plan**

This plan is specially designed to meet the increasing educational and other needs of growing children. It provides the risk cover on the life of child not only during the policy term but also during the extended term (i.e. 7 years after the expiry of policy term). A number of Survival benefits are payable on surviving by the life assured to the end of the specified durations.

**LIC’s Jeevan Ankur**

LIC’s Jeevan Ankur is a conventional with profits plan, specially designed to meet the educational and other needs of the policyholder’s child. If you are the parent of a child aged upto 17 years, LIC’s Jeevan Ankur is the most suitable insurance plan for you which ensures that the responsibilities are met whether policyholder survive or not and without depending on anyone else.

The risk cover under this plan will be on one’s life as a parent and the named child shall be the nominee under the plan. The policy term shall be based on the age at maturity of the child.

**Komal Jeevan**

This is a Children's Money Back Plan that provides financial protection against death during the term of plan with periodic payments on survival at specified durations. This plan can be purchased by any of the parent or grandparent for a child aged 0 to 10 years.
**Marriage endowment or Educational Annuity Plan**

This is an Endowment Assurance plan that provides for benefits on or from the selected maturity date to meet the Marriage/Educational expenses of the named child.

**Jeevan Chhaya**

This is an Endowment Assurance plan that provides financial protection against death throughout the term of the plan. Besides payment of Sum Assured immediately on death, one-fourth of Sum Assured is payable at the end of each of last four years of policy term whether the life assured dies or survives the term of the policy.

**Child Future plan**

This plan is specially designed to meet the increasing educational, marriage and other needs of growing children. It provides the risk cover on the life of child not only during the policy term but also during the extended term (i.e. 7 years after the expiry of policy term). A number of Survival benefits are payable on surviving by the life assured to the end of the specified durations.

**3.9.4 PLANS FOR HANDICAPPED DEPENDENTS**

**Jeevan Adhar**

This plan may be offered to a person who has a handicapped dependant satisfying conditions as specified in Section 80DDA of Income Tax Act, 1961. The plan provides life insurance cover throughout the lifetime of the purchaser. The benefits under the plan are for the handicapped dependant which are partly in lump sum and partly in the form of an annuity. The premiums paid under this plan are eligible for Income Tax relief under Section 80DDA of Income Tax Act.
Jeevan Vishwas

This is an Endowment Assurance plan designed for the benefit of handicapped dependants. Premiums are payable quarterly, half-yearly or yearly throughout the term of the policy or till the earlier death. Alternatively, the premium may be paid in one lump sum (single premium).

3.9.5 ENDOWMENT ASSURANCE PLANS

It is a savings cum insurance policy. This policy pays the sum assured on death or maturity of the policy, whichever is earlier. Life Insurance Company invests the saving portion of the premium as per insurance act. The reversionary bonuses are added every year depending on profits of the company.

Endowment Assurance Policy

This policy not only makes provisions for the family of the Life Assured in event of his early death but also assures a lump sum at a desired age. The lump sum can be reinvested to provide an annuity during the remainder of his life or in any other way considered suitable at that time. Premiums are usually payable for the selected term of years or until death if it occurs during the term period.

Endowment Assurance Policy-Limited Payment

Just as in the case of limited payment whole life polices, here, too, the payment of premium can be limited either to a single payment or to a term shorter than the policy. The endowment is, however, payable only at the end of the policy term, or on death of the policy holder if it takes place earlier. If payment of the premiums ceases after at least three years' premiums have been paid, a free paid-up Policy for an amount bearing the same proportion to the sum assured as the number of premiums actually paid bears to the number stipulated for in the policy, will be
automatically secured provided the reduced sum assured, exclusive of any attached bonus, is not less than Rs.250.

Jeevan Mitra (Double Cover Endowment Plan)

This is an Endowment Assurance plan that provides greater financial protection against death throughout the term of plan. It pays the maturity amount on survival to the end of the policy term.

Jeevan Mitra (Triple Cover Endowment Plan)

This is an Endowment Assurance plan that provides greater financial protection against death throughout the term of plan. It pays the maturity amount on survival to the end of the policy term.

Jeevan Anand

This plan is a combination of Endowment Assurance and Whole Life plans. It provides financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the end of the selected term in case of his survival.

New Janaraksha Plan

This is an Endowment Assurance plan that provides financial protection against death throughout the term of plan. It pays the maturity amount on survival to the end of the term.

Jeevan Amrit

Some people, particularly the younger ones, want to have high cover at a low cost. Further, many of them do not want commitment to pay premiums for a longer duration. LIC’s Jeevan Amrit is most suitable for such persons. Under this plan premium payment is limited to 3 or 4 or 5 years and the premium payable during the first year is higher than the premiums payable in subsequent years.
3.9.6 PLANS FOR HIGH WORTH INDIVIDUALS

**Jeevan Shree - I**

This is an Endowment Assurance plan offering the choice of many convenient premium paying terms. It provides financial protection against death throughout the term of plan with the payment of maturity amount on survival to the end of the policy term.

**Jeevan Pramukh**

Insurance Regulatory & Development Authority (IRDA) requires all life insurance companies operating in India to provide official illustrations to their customers. The illustrations are based on the investment rates of return set by the Life Insurance Council (constituted under Section 64C(a) of the Insurance Act 1938) and is not intended to reflect the actual investment returns achieved or may be achieved in future by Life Insurance Corporation of India (LICI). For the year 2004-05 the two rates of investment return declared by the Life Insurance Council are 6% and 10% per annum.

3.9.7 MONEY BACK PLANS

It is a savings cum insurance policy, which provides a regular payment as a fixed percentage of sum assured at specified intervals during the term of the insurance policy. These are known as survival benefit. On death during the term of the policy, the nominee is paid the basic sum assured and even survival benefits paid during regular intervals are not deducted while calculating the death claim payable.

**Money Back policy 20 years**

Unlike ordinary endowment insurance plans where the survival benefits are payable only at the end of the endowment period, this scheme provides for periodic payments of partial survival benefits as follows during the term of the policy, of
course so long as the policy holder is alive. In the case of a 20-year Money-Back Policy (Table 75), 20% of the sum assured becomes payable each after 5, 10, 15 years, and the balance of 40% plus the accrued bonus become payable at the 20th year. For a Money-Back Policy of 25 years (Table 93), 15% of the sum assured becomes payable each after 5, 10, 15 and 20 years, and the balance 40% plus the accrued bonus become payable at the 25th year. An important feature of this type of policies is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival benefit amounts, which have already been paid. Similarly, the bonus is also calculated on the full sum assured.

**Money Back policy 25 years**

Unlike ordinary endowment insurance plans where the survival benefits are payable only at the end of the endowment period, this scheme provides for periodic payments of partial survival benefits as follows during the term of the policy, of course so long as the policy holder is alive. In the case of a 20-year Money-Back Policy (Table 75), 20% of the sum assured becomes payable each after 5, 10, 15 years, and the balance of 40% plus the accrued bonus become payable at the 20th year. For a Money-Back Policy of 25 years (Table 93), 15% of the sum assured becomes payable each after 5, 10, 15 and 20 years, and the balance 40% plus the accrued bonus become payable at the 25th year. An important feature of this type of policies is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival benefit amounts, which have already been paid. Similarly, the bonus is also calculated on the full sum assured.
**Jeevan Surabhi -15 years**

Jeevan Surabhi plan is similar to other money back plans. However, main differences in regular money back plans and Jeevan Surabhi are as under. Maturity term is more than premium paying term. Early and higher rate of survival benefit payment. Risk cover increases every five years. The actual term and the premium paying term for these plans are as under.

<table>
<thead>
<tr>
<th>Plan no.</th>
<th>Policy Term</th>
<th>Premium Paying Term</th>
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<tbody>
<tr>
<td>106</td>
<td>15 years</td>
<td>12 years</td>
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<tr>
<td>107</td>
<td>20 years</td>
<td>15 years</td>
</tr>
<tr>
<td>108</td>
<td>25 years</td>
<td>18 years</td>
</tr>
</tbody>
</table>

Full sum assured is paid back as survival benefit by the end of premium paying term. However, the risk cover and additional risk cover continue and the policy participates in profits till the end of policy term. Accident Benefit is restricted to the premium paying period and to the overall limit of Rs.5 lakhs on a single life.

**Jeevan Surabhi -20 years**

Jeevan Surabhi plan is similar to other money back plans. However, main differences in regular money back plans and Jeevan Surabhi are as under. Maturity term is more than premium paying term. Early and higher rate of survival benefit payment. Risk cover increases every five years.

Full sum assured is paid back as survival benefit by the end of premium paying term. However, the risk cover and additional risk cover continue and the policy participates in profits till the end of policy term. Accident Benefit is restricted to the premium paying period and to the overall limit of Rs.5 lakhs on a single life.

**Jeevan Surabhi -25 years**

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Full sum assured is paid back as survival benefit by the end of premium paying term. However, the risk cover and additional risk cover continue and the policy participates in profits till the end of policy term. Accident Benefit is restricted to the premium paying period and to the overall limit of Rs.5 lakhs on a single life.

**Bima Bachat**

LIC’s Bima Bachat is a money-back policy which offers financial security and assurance to the policy holder and his family. Bima Bachat requires the policy holder to pay only one premium. The amount paid for the premium depends on the duration of the policy taken and life insurance is available till the date of maturity.

**3.9.8 SPECIAL MONEY BACK PLAN FOR WOMEN**

**Jeevan Bharati-I**

LIC’s Jeevan Bharati-I – is a plan exclusively for women. It is a with profit plan having special features considering the needs of women. The plan also provides for Accident Benefit, Critical Illness Benefit and Congenital Disability Benefit as optional Riders.
3.9.9 WHOLE LIFE PLANS

It is a savings cum insurance policy, which has a life cover till lifetime i.e. till 100 years of age. You have to pay premiums only for a specified term but the life insurance cover continues for lifetime.

Whole Life Policy

This plan is mainly devised to create an estate for the heirs of the policyholder as the plan basically provides for payment of sum assured plus bonuses on the death of the policyholder. However, considering the increased longevity of the Indian population, the Corporation has amended the above provision, thereby providing for payment of sum assured plus bonuses in the form of maturity claim on completion of age 80 years or on expiry of term of 40 years from date of commencement of the policy whichever is later. The premiums under the policy are payable up to age 80 years of the policyholder or for a term of 35 years whichever is later. If the payment of premium ceases after 3 years, a paid-up policy for such reduced sum assured will be automatically secured provided the reduced sum assured exclusive of any attached bonus is not less than Rs.250/-. Such reduced paid-up policy is not entitled to participate in the bonus declared thereafter but the bonuses already declared on the policy will remain attach, provided the policy is converted into a paid-up policy after the premiums are paid for 5 years.

Whole Life Policy- Limited Payment

This is the best form of life assurance for family provision since it enables the Life Assured to pay all the premiums during the ordinarily vigorous and most productive years of life. He need not pay any premium in the later stages of life if and when his conditions might become adverse. With Profits Limited Payments Policies do not cease to participate in profits after completion of the premium paying period.
but continue to share in the periodical Bonus Distribution until the death of the Life Assured. The Without-Profit option is available under Table no. 3. If the policyholder pays at least 3 years' premiums and then discontinues paying any more premiums, a reduced paid-up assurance policy comes into force. Such a reduced paid-up Policy will not be entitled to participate in the profits declared thereafter, but such Bonus as has already been declared on the Policy will remain attached thereto. The premium paying term under this plan is five years minimum and 55 years maximum.

**Whole Life Policy- Single Premium**

This is the best form of life assurance for family provision since it enables the Life Assured to pay the premium during the ordinarily vigorous and most productive years of life, relieving him from the necessity of making payments later in life when they might become a burden. With Profits Single Premium policies do not cease to participate in profits after completion of the period for which premium has been paid, but continue to share in the periodical Bonus Distribution until the death of the Life Assured.

**Jeevan Anand**

This plan is a combination of Endowment Assurance and Whole Life plans. It provides financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the end of the selected term in case of his survival.

**Jeevan Tarang**

This is a with-profits whole of life plan which provides for annual survival benefit at a rate of 5½ % of the Sum Assured after the chosen Accumulation Period. The vested bonuses in a lump sum are payable on survival to the end of the
Accumulation Period or on earlier death. Further, the Sum Assured, along with Loyalty Additions, if any, is payable on survival to age 100 years or on earlier death.

3.9.10 TERM ASSURANCE PLANS

It is a pure life insurance cover policy. This policy pays the sum assured only in case of death during the term of the policy. It does not have any investment factor and thus nothing is paid on maturity of the policy. Term insurance policies are cheapest of all the life insurance policies. Nowadays, online term insurance policies are available in the market, which are relatively cheap as compared to the Offline term insurance policies.

Two Year Temporary Assurance Policy

The Two Year Temporary Assurance policy caters to the individuals who specifically require insurance cover against risk for a short period of two years, for instance persons who are required to go on tours for instance for a year or so. This plan of assurance is designed to meet the needs of those who are initially unable to pay the larger premium required for a Whole Life or Endowment Assurance Policy, but hope to be able to pay for such a policy in the near future.

Convertible Term Assurance Policy

This plan would be found useful also in cases where it is desired to leave the final decision as to the plan to a later date when, perhaps a better choice could be made. Policyholders get an option of converting an policy into endowment assurance or limited payment whole life assurance.

Amulya Jeevan – I

In case of unfortunate death of the Life Assured during the term of the policy, Sum Assured is payable, provided the policy is kept in force.
3.9.11 JOINT LIFE PLAN

Jeevan Saathi

This is an Endowment Assurance Plan issued on the lives of husband and wife. The plan provides financial protection against death of both the lives. It pays the maturity amount on survival of one or both the lives to the end of the policy term.

3.9.12 UNIT LINKED INSURANCE POLICY

ULIPS are market linked insurance plans are the investment risk is borne by the policyholder. It is an investment cum insurance policy, where you have an option to choose out of different funds, where you would like to invest the premiums. The different types of funds are Liquid Funds, Bond Funds, Balanced Funds and Equity Funds etc. You can also choose the proportion of investment in the different funds. These plans carry charges like premium allocation charge, policy administration charge and fund management charges etc. All kinds of life insurance policies like child plans, endowment plans and pension plans are available as ULIPs.

3.9.13 PENSION PLANS

These policies are targeted to create retirement corpus. This plan is offered both with life cover and without life cover. Premiums need to be paid for a specified term generally till your retirement. At the end of the term depending on the funds accumulated during the premium paying term, a fixed amount is paid to the policyholder throughout the life as pension / annuity. In case of death during the term of the policy, the paid up value is paid. These plans are available in the form of traditional plans as well as ULIPs.
SOME OF THE WELL KNOWN INSURANCE POLICY INDIA ARE:

Social Security Group Scheme – a scheme covering the age group of 18-60 years and an insurance of Rs.5000 for natural death and of Rs.25000 on due to accidental death.

Shiksha Sahyog Yojana – a scheme providing an educational scholarship of Rs.300 per quarter per child is given for a period of four years.

Jan Arogya Bima Policy – a scheme for the adults upto the age of 45 years is Rs. 70 and for children it is Rs. 50. The limit coverage is fixed at Rs.5000 per annum.

Mediclaim Insurance Policy – a scheme covering the age group from 5-80 years with a tax benefit of up to Rs 10,000.

Jana Shree Bima Yojana – this is coverage of Rs 2,000 on natural death and Rs 50,000 for accidental death. The premium amount is fixed at Rs. 200 for single member.

Videsh Yatra Mitra Policy – a scheme covering medical expenses during the period of overseas travel.

Bhagya Shree Child Welfare Bima Yojana – a scheme covering one girl child in a family upto the age of 18 whose parents age does not exceed 60 years, with a premium of Rs.15 per annum.

Raj Rajeshwari Mahila Kalyan Yojana – a scheme providing protection to woman in the age group of 10 to 75 years with an insurance of Rs. 25,000 and premium Rs.15 per annum.

Ashray Bima Yojana – a scheme covering workers in case of loss of jobs.

Personal Accident Insurance Scheme for Kissan Credit Card – a scheme covering all the KCC holders up to an age of 70 years. Insurance coverage includes 50,000 for accidental death and 25,000 for partial disability.