

ANALYSIS OF LIFE INSURANCE COMPANIES IN INDIA

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ABSTRACT:

The purpose for this paper is to appraise the effectiveness of the life insurance part of India. There are around 28 insurance companies in India's insurance division that contend with one another. The companies should be productive to get by in the aggressive division. This paper ponders the proficiency of some insurance companies for the day and age 2011-12 to 2015-17. With the assistance of Data Envelopment Analysis, specialized productivity of insurance companies has been resolved. The sources of info utilized for the investigation are: Management Expenses, Operating Expenses. Premium earned, Investment salary, Claims Incurred are the yields. The discoveries demonstrated that Life Insurance Corporation is the most proficient insurance company.

Keywords: premium, comparison, LIC, private life insurers, market share

INTRODUCTION

Insurance is believed to be the establishment of threat administration. It gives budgetary security by offering different things to the business which in like manner limits threat to the general population and also the affiliation. History of Insurance in India can be better appreciated with considering four phase like early periods, pre-nationalization period, post-nationalization period and post advancement period. Life inclusion Corporations of India (LIC) is the state claimed greatest player in the Insurance advertise which was set up on first September 1956 with the objective of covering the natural zones to give them adequate money related spread at sensible expense. It got a kick out of forcing plan of action of life

inclusion business till 2000, when private players were allowed to enter the business sector. LIC savored the experience of controlling framework in a humanner that it was troublesome for the private players to fight. Right when the new players endeavored to assemble the bit of the pie, the LIC continued with its improvement abusing its old establishment and government bolster. A little while later the Insurance Act 1938 was changed and Insurance Regulatory and Development Authority Act of 2000 (IRDA) was passed. It started issuing the licenses to Pvt. Players. Today 24 Private players are working in the business division. The total Insurance business segment can be judged with respect to two parameters-Premiums accumulated and Numbers of courses of action ensured. In light of this we can say that bit of the pie of over 70% is with LIC. In this paper experts have endeavored to consider the advancement of both the portions and their present bit of the pie in light of premium social affair.

Out of 29 non-extra security affiliations, five private areas move down plans are enlisted to grasp game-plans only in flourishing, solitary episode What's more, travel Insurance parts. They are Star Health and Allied Insurance Company Ltd, Apollo Munich Health Insurance Company Ltd, Max Bupa Health Insurance Company Ltd, Religare Health Insurance Company Ltd and Cigna TTK Health Insurance

Company Ltd. There are two progressively explicit prosperity net providers having a spot with open district, to be specific, Export Credit Guarantee Corporation of India for Credit Insurance and Agriculture Insurance Company Ltd for gather Insurance.

The Insurance business of India incorporates 53 Insurance associations of which 24 are in life scope business and 29 are non-life move down courses of action.

Among the life go down courses of action, Life Insurance Corporation (LIC) is the sole open part affiliation. Close to that, among the non-life security net providers there are six open divisions move down plans. In spite of these, there is sole national re-guarantor, to be specific, General Insurance Corporation of India (GIC Re). Various assistants in Indian Insurance advertise merge geniuses (individual and corporate), authorities, surveyors and outsider bosses redesigning remedial extension claims.

LIFE INSURANCE COMPANIES OPERATING IN INDIA

Public Sector

1. Life Insurance Corporation of India

Private Sector

1. Aegon Life Insurance Co. Ltd.
2. Aviva Life Insurance Co. India Ltd.
3. Bajaj Allianz Life Insurance Co. Ltd.
4. Bharti AXA Life Insurance Co. Ltd.
5. Birla Sun Life Insurance Co. Ltd.
6. Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.
7. DHFL Pramerica Life Insurance Co. Ltd.
8. EdleweissTokio Life Insurance Co. Ltd.
9. Exide Life Insurance Co. Ltd.
10. Future Generali India Life Insurance Co. Ltd.
11. HDFC Standard Life Insurance Co. Ltd.
12. ICICI Prudential Life Insurance Co. Ltd.
13. IDBI Federal Life Insurance Co. Ltd.
14. IndiaFirst Life Insurance Co. Ltd.
15. Kotak Mahindra Old Mutual Life Insurance Ltd.
16. Max Life Insurance Co. Ltd.

17. PNB Met Life India Insurance Co. Ltd.
18. Reliance Nippon Life Insurance Co. Ltd.
19. Sahara India Life Insurance Co. Ltd.
20. SBI Life Insurance Co. Ltd.
21. Shriram Life Insurance Co. Ltd.
22. Star Union Dai-ichi Life Insurance Co. Ltd.
23. TATA AIA Life Insurance Co. Ltd.

Literature review

Chung et al. (2008) compared the efficiency of bancassurance model with the traditional insurance selling channels in Taiwan. The input-output data of traditional selling channels and bancassurance channels are taken from 21 insurance companies. The Data Envelopment Analysis (DEA) approach was employed to compute the efficiencies of bancassurance and traditional channels separately. There are nine (Global Life, ING Life, Life Insurance Dept. of CTC, China Life, Shin Kong Life, Global Life, Sinon Life, Singfor Life, and Allianz President Life) life insurance companies that are relatively efficient in traditional selling channels and two life insurance companies (Cathey Life, and Allianz President Life) were relatively efficient in bancassurance channels. Some life insurance companies such as Global Life, ING Life, and Sing for Life, may be relatively efficient in traditional selling channels but perform poorly in bancassurance channels. The only life insurance company that performs relatively efficiently in both traditional and bancassurance channels is Allianz President Life. The researchers employed the 'mann-whitney u test' and the 'spearman rank correlation' test to determine whether there was a significant difference between inefficiency score and rank between traditional and bancassurance channels. Result of which indicated that the efficiency of traditional selling channels was significantly higher than that of bancassurance channels. The efficiency score of a life insurance company's own sales representatives is significantly higher than that of its bancassurance representatives, so it was suggested by the author that, companies such as ING Life, Global Life, and Singfor Life should try to improve their bancassurance efficiency by changing the banks they partnered with. The efficiency relationship between the bancassurance channel and the traditional selling channel is independent, therefore it was recommended that to perform better in bancassurance channels, insurer should choose appropriate partner banks. Further, a marketing efficiency evaluation of a life insurance company, when divided into different marketing channels for evaluation, is capable of providing meaningful results for marketing decision-makers.

Meyr and Tennyson (2015) provide the first investigation of information markets as a reaction to deregulation of product forms in insurance markets. The article included the case of Germany, where insurance product ratings entered the market after relaxation of product regulation in 1994. The ratings' potential for enhancing the performance of a deregulated insurance market is analyzed by considering both market structure and governance characteristics of the rating market. Results suggest that market governance and competition characteristics are favorable for the production of unbiased and informative ratings. Ratings for disability insurance support this interpretation, since the characteristics of the ratings conform to theoretical predictions about ratings in well functioning rating markets.

Negi and Singh (2012) in the study of demographic analysis of factors influencing purchase of life insurance products in India have concluded that 'Product Quality and Brand Image' has got the highest mean. The insurance companies thus should try to maintain the timely and satisfactory service along with maintaining their reputation and goodwill. The companies should pay more attention timely and hassle free settlement of the claims. Further customer relationship management should be of utmost importance for such companies. 'Brand Loyalty' has been rated lowest among customers while selecting and purchasing insurance product which signifies the healthy competition among the insurance industry (IRDA Annual Report, 2011-12).

Shanmuganathan and Muthian (2012) has done a comparative analysis on standing of ULIP's in an individual investment portfolio and concluded that Investment in ULIP with equity investment options is better than that of traditional investment. If investment horizon is long and equity should generate decent returns in the long run. Simultaneously, if we can think of investing in Mutual Funds, ULIPs are the smart choice for people who want to enjoy market returns and keep the controls in their hands. In addition it gives insurance cover with the flexibility to adapt changing lifestyle needs. This is a viable option for those who want a convenient, economical, one-stop solution.

Arulsuresh and Rajamohan (2010), agents of LIC of India have to diversify their activities to meet complex requirement of customers. For that various training programs, awareness programs for products and agents opinion regarding policies and services rendered by LIC of India are taken into consideration. The Cronbach's alpha test was administered to find the reliability of the questionnaire. The opinion of the agents was analyzed by using appropriate statistical tools like, Spearman's Rank Correlation Co-efficient, Discriminant Analysis, ANOVA, Sign Test, Multiple Regression Analysis, etc. The research shows that increasing awareness, various economic activities and social consciousness has complicated agents working profile. Even after proper guidelines for higher official, agents faces difficult process for promptly settlement of the claims of the policyholders for want of documents and certificates in death claims.

Das and Debnath (2012), explains drastic changes in respect to people's choice of companies after the liberalization of the insurance industry. The research is conducted on basis of comparative analysis of the various data collected from IRDA annual reports in form of tables and it explores the life insurance sector in terms of premium collection, policies underwritten, death claim settlement, profit position and market share after the liberalization of the insurance sector. The research study highlights the comparative performance between public and private insurers. The research shows that performance of life insurance companies are also judge by number of claim settlement formalities, higher claim settlement ratio, lower claim repudiation ratio and faster claim processing durations. It also explains about the increased role of distribution channels which is responsible for not only sales but also proper selection of product, post sales services and claim settlement.

Alamelu (2011), aims to analyze the financial soundness of Indian Life Insurance Companies in terms of capital adequacy, asset quality, reinsurance, management soundness, earnings and profitability, liquidity and solvency ratios for promptly claim settlement. The research is conducted on basis of comparative analysis of data related to life insurance penetration and per capita, capital adequacy, asset quality, reinsurance and actuarial issues, management soundness, earning and profitability and liquidity of last 6 years collected from IRDA annual reports. The research shows that the growth of public and private life insurers is remarkable. By increasing the number of branches, companies have increased their market shares; still proper asset-liability management framework is required for financial stability. Along with that they have develop innovative means of distribution which helped in improving insurance penetration.

Nandagopal et al. (2011), in their study investigate the level of awareness amongst the customers regarding to the ICICI Prudential life insurance company at Vellore branch. The research aims to focus on the factors that are considered by the respondents for choosing the ICICI Prudential, and most preferred plan, reasons, benefits expected by the respondents. The research is based on 300 responses collected from a single cross sectional survey and two way ANOVA test is applied for calculating source of variation related to education, income, and age of respondents. The study found that the respondents were satisfied in terms of service, security of the funds, tax savings, and low premium were found to be the most preferred benefits by the respondents. Further, research shows that the education plan, endowment scheme were the most preferred plans, because of add on riders, loan against policies, and additional allocation of units. It is suggested to provide adequate training to agents and brokers about policies for better awareness, new products for retirement plans and fast reimbursement of claims.

Kauret al., (2010) carried out a study entitled, "A Study on Customer Satisfaction with Life Insurance in Chandigarh, Tricity", observed that policyholders are more satisfied with the policy features, price, maturity benefits and tax saving content.

Pushp Deep Dagar and Sunil Phougat (2011) in their article on “Impact of Privatization of Life Insurance Sector on Consumer” reveal that the policyholders are more satisfied with the services of private insurers than LIC with regard to the attractive policy offerings with low premium and long period and their consistent services.

Uma et al., (2011) in their article titled, “A Survey of Life Insurance Customers Awareness, Perception and Preferences”, observes that a majority of customers are satisfied the policy features whereas few customers are dissatisfied with the incomplete inform

Kalani et al. (2013), provided comparative analysis of claim settlement ratio of LIC of India with eight other life insurance companies. Small survey is conducted in Jalgaon branch to know about the customers’ opinion regarding with claim settlement policy. The study focus on claims in life insurance, claims types and procedure of claim settlement. The findings of the study show that most of the policyholders are satisfied with services of LIC of India. Claims are settled as per IRDA guideline due to that LIC of India has highest claim settlement ratio and lowest claim repudiation ratio in the life insurance industry.

Kunjalsinha (2013) in his study stated that insurance companies are working in a highly competitive market where consumers have many companies and products to choose from. Hence it becomes necessary for insurance companies to maintain loyal customer base by increasing customer loyalty through improved service quality. The data were collected from the individuals who bought life insurance policy of various life insurance companies after February 2005 in five selected cities of Gujarat. His study given by factor analysis is performed were five factors are derived namely, sincere and prompt services, comparison and courteous, meticulous and customers orientation, flexibility and tangibility. The study emphasises that the customers should be given prompt service. They should feel safe in their dealings with the company and the company should give individual attention to the customer.

Rajeshwari.K and Karthesswari.S (2012) in their study stated that majority of the respondents (54.24%) were in the age group 21 to 40 years.70% of the respondents were male, and most of the male policyholders are taking the policy in their own interest. a female persons are given importance as nominees, 30.79% respondents preferred endowment policy , 40.50% of the respondents have continuously taken the policies from LIC of India, 81.5 % respondents paid the premium regularly, and are very careful on non lapsation. Among the policy holders whose policies lapsed, they were not able to pay the premium due to the financial difficulty.

VikasGautam (2011) in his study captioned, “Service Quality perceptions of customers about insurance companies: An Empirical Study”, to analyze and to compare the service quality perceptions of the customers in public and private insurance companies. He finds that among the five service quality dimensions namely, reliability, responsiveness, tangibility, assurance and empathy, the public sector

insurance company – LIC - has high quality perception in reliability, responsiveness, assurance and empathy dimensions compared to private sector whereas in tangibility dimension, the private players has high level of perception compared to LIC

DeepikaUpadhyaya and Manish Badlani (2011) carried out a study entitled, “Service Quality Perception and Customer Satisfaction in Life Insurance Companies in India”, with a view to identify customer satisfaction in retail life insurance in India. They identify that the customers are more satisfied with the pricing factor followed by employee competence, product and service, technology, physical appearances, trust, service delivery, advertising and service management.

PrachiAgnihotri,(2014) in her study, “The impact of Privatization on the LIC of India” has thrown a light on performance of LIC of India in a competitive position. The article contained post privatization period, competitive environment, major attributes for success of plans and performance of LIC. The descriptive study was conducted on the negative and positive aspects of LIC by considering the views of experts. The study period was 5 years from 2008-09 to 2012- 13.Ratios were used to analyze the performance of LIC. It was concluded saying that overall performance evaluation of LIC of India is consistent and suggested to have more service standards to maintain market value of products

Dr. K Ramanathan (2014), “A Study on the Cost Control Efficiency of LIC of India” in his article has evaluated the cost control efficiency of LIC during the period 2002 to 2012 for 10 years. The analysis revealed that in first two years of the study LIC didn’t reduce the expenses it has been made clear from the covariance that income and expenses were insignificant throughout the study period. The study also calculated the cost efficiency score of LIC of India using Data Envelope Analysis and in all the years LIC had scored the highest rank and maintained consistency compared to private insurance companies.

V. SreeHariRao, Murthy V. Jonnalagedda(2012) experimented to extract the behavioural patterns for customer retention in health care insurance. The concept of Novel index tree (a variant of K-d tree) clubbed with KNearestNeighbour algorithm is proposed for efficient classification of data, as well as outliers and the concept of insurance dynamics is proposed for analyzing customer behavioural patterns. Among insurance policies that deal with automobiles, health, life, property, and so on, this paper limited the scope of this article to address the question of retention of customers in the health insurance sector. This paper dealt with the dynamical activity of the insurance industry, classifying the customers based on their characteristics.

Kuo Wang, and Jhieh-Yu Shyng(2013), used definition of Customer Life Value (denoted as CLV), a suitable model were designed and customers’ present values were estimated by given data from insurance company. Two data mining technologies (Rough Sets Theory and Decision Tree) were introduced and applied to find the rules and factors which might have influence on customers’ values. The study is designed as follows. First, reviewing of all CLV models published previously and using them to calculate current

values of customers. Then, we applied RST and DT to select useful variables and found out the rules affecting customers' value factors, based on the customers' information (such as age, gender, annual income and occupation) and internal information (such as category of insurance, amount of insured and gross premium) provided by an insurance company. The results and efficiencies were compared as well as the advantages of these two methods in this study.

Abdhesh Gupta, Anwiti Jain(2013), introduced a web recommender system is proposed for life insurance sector based on web data mining using association rule which supports the insurance needy as well as life insurance representative to select best suitable life insurance plan for any particular person. They introduced Cold-start problem which is discussing and proposing for new customers that how to acquire new customers information into system and get best recommendation for new customers. They also explored the data mining technique for recommendation system using association rule mining with some improvement in traditional recommendation system. In this work some high level association rule mining method is used to retain existing customer for new policy. Dual clustering method is used to overcome the limitation of single clustering method which gives more accurate and appropriate recommendation to solve cold-start problem.

Based on various literature review done , the proposed work will be

“Performance of Indian Insurance Companies Using Data Envelopment Analysis”

Indian Insurance in the global scenario

All inclusive, the offer of life insurance business in all out premium was 55.3 percent. Be that as it may, the offer of life insurance business for India was high at 77.95 percent while the offer of non-life insurance business was little at 22.05 percent.

In life insurance business, India is positioned 10 among the 88 nations, for which information is distributed by Swiss Re. India's offer in worldwide life insurance showcase was 2.36 percent amid 2016. Notwithstanding, amid 2016, the life insurance premium in India expanded by 8 percent (expansion balanced) when worldwide life insurance premium expanded by 2.5 percent.

The Indian non-life insurance segment saw a development of 12.9 percent (expansion balanced) amid 2016. Amid a similar period, the development in worldwide non-life premium was 3.7 percent. Be that as it may,

the offer of Indian non-life insurance premium in worldwide non-life insurance premium was little at 0.83 percent and India positioned 15 in worldwide non-life insurance markets.

Insurance Penetration and Density in India

YEAR	LIFE		NON-LIFE		INDUSTRY	
	Density	penetration	Density	penetration	Density	penetration
2001	9.1	2.15	2.4	0.56	11.5	2.71
2002	11.7	2.59	3	0.67	14.7	3.26
2003	12.9	2.26	3.5	0.62	16.7	3.17
2004	15.7	2.53	4	0.64	19.7	3.14
2005	18.3	2.53	4.4	0.61	22.7	4.8
2006	33.2	4.1	5.2	0.6	38.4	4.7
2007	40.4	4	6.2	0.6	46.6	4.6
2008	41.2	4	6.2	0.6	47.4	5.2
2009	47.7	4.6	6.7	0.6	54.3	5.1
2010	55.7	4.4	8.7	0.71	64.4	4.1
2011	49	3.4	10	0.7	59	3.96
2012	42.7	3.17	10.5	0.78	53.2	3.9
2013	41	3.1	11	0.8	52	3.3
2014	44	2.6	11.5	0.7	55	3.44
2015	43.2	2.72	13.2	0.72	54.7	3.49
2016	46.5	2.72	13.2	0.72	59.7	3.49

The proportion of insurance penetration and thickness mirrors the dimension of advancement of insurance division in a nation. While insurance penetration is estimated as the level of insurance premium to GDP, insurance thickness is determined as the ratio of premium to populace (per capita premium).

Amid the principal decade of insurance division progression, the part has detailed steady increment in insurance penetration from 2.71 percent in 2001 to 5.20 percent in 2009. From that point forward the dimension of penetration was declining. Be that as it may, there was a slight increment in the years 2015 (3.44 percent) and

in 2016 (3.49 percent). The dimension of insurance thickness achieved the greatest of USD 64.4 in the year 2010 from the dimension of USD 11.5 in 2001. Amid the year 2016, the insurance thickness was USD 59.7 (USD 54.7 in 2015) The insurance thickness of life insurance segment had gone up from USD 9.1 in 2001 to achieve the top at USD 55.7 in 2010. From that point forward it has shown a declining pattern upto the year 2013. Amid the year 2016, the dimension of life insurance thickness was USD 46.5 (USD 44 of every 2014 and USD 43.2 in 2015).

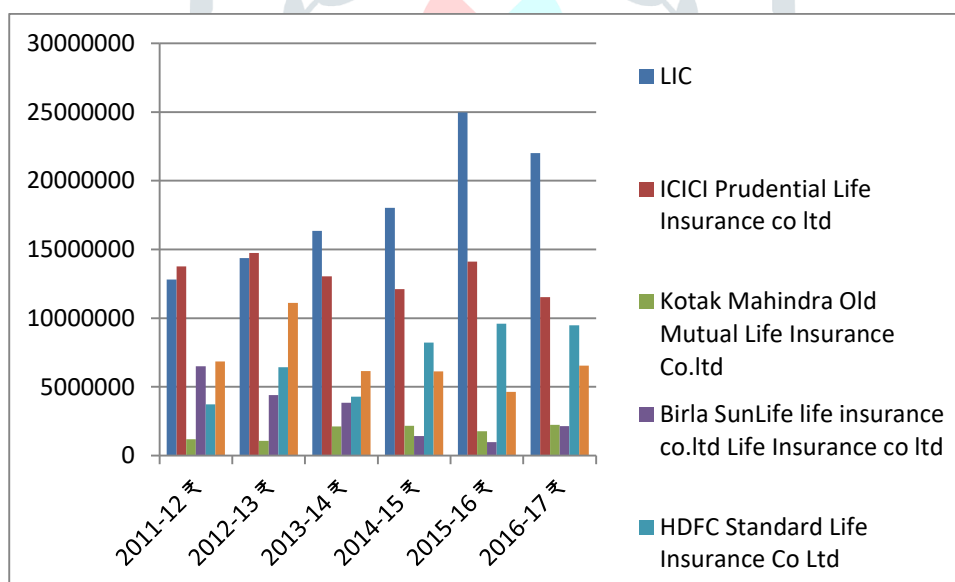
The life insurance penetration had gone up from 2.15 percent in 2001 to 4.60 percent in 2009. From that point forward, it has shown a declining pattern upto the year 2014. There was a slight increment in 2015 achieving 2.72 percent and stayed unaltered in 2016.

In the course of the most recent 10 years, the penetration of nonlife insurance part in the nation stayed consistent in the scope of 0.5-0.8 percent. Be that as it may, its thickness has gone up from USD 2.4 in 2001 to USD 13.2 in 2016.

Surplus of some life insurers

Profitability execution of the life insurers has been inspected by watching surplus and benefit after tax(In Lakhs)

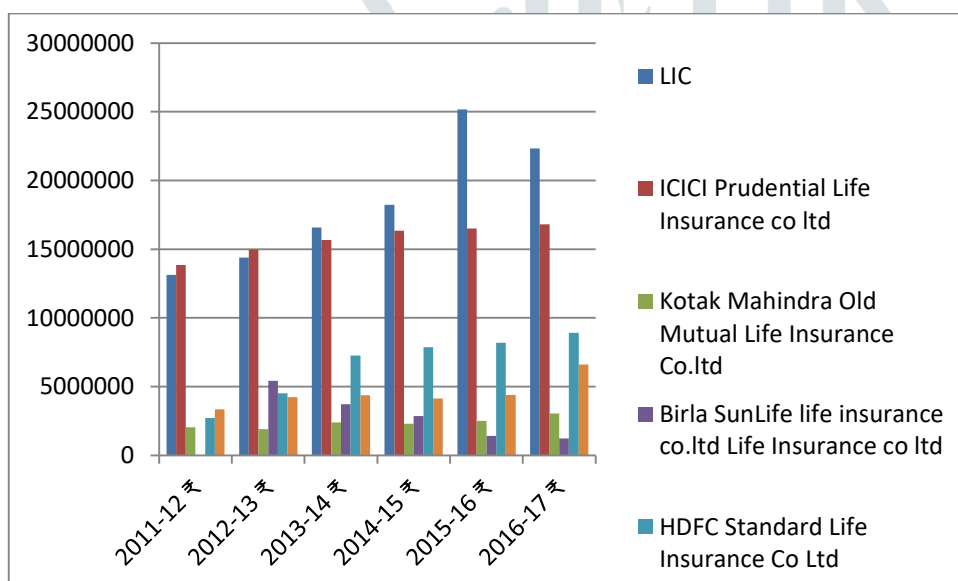
Life Insurers	2011-12 ₹	2012-13 ₹	2013-14 ₹	2014-15 ₹	2015-16 ₹	2016-17 ₹
LIC	1,28,12,290	1,43,63,818	1,63,42,652	1,80,30,519	2,49,70,348	2,20,03,336
ICICI Prudential Life Insurance co ltd	1,37,55,213	1,47,35,221	1,30,37,017	1,21,24,505	1,41,24,185	1,15,26,517
Kotak Mahindra Old Mutual Life Insurance Co.ltd	11,95,862	10,74,377	21,18,368	21,61,255	17,64,384	22,39,364
Birla SunLife life insurance co.ltd Life Insurance co ltd	64,96,815	44,02,823	38,40,256	14,30,425	9,85,371	21,44,039
HDFC Standard Life Insurance Co Ltd	37,29,154	64,21,074	42,97,811	82,20,568	95,95,791	94,76,456
Max Life Insurance co Ltd	68,42,223	1,11,08,419	61,49,723	61,35,923	46,32,497	65,53,154



Above Table demonstrates the Surplus of select life insurers for the period 2011-12 to 2016-17. It is seen that Surplus is demonstrating upward pattern of LIC, while private life insurers demonstrates the consistent change in the Surplus, which portrays the effect of the capital implantation of LIC and Insurance penetration is fluctuating when taken for private life insurers.

Table-Profit After Tax or PAT of Six life Insurers (In Lakhs)

Life Insurers	2011-12 ₹	2012-13 ₹	2013-14 ₹	2014-15 ₹	2015-16 ₹	2016-17 ₹
LIC	13133429	14375925	16566813	18237837	25178479	22317408
ICICI Prudential Life Insurance co ltd	13,841,737	14,959,392	15,666,555	16,342,915	16501455	16816612
Kotak Mahindra Old Mutual Life Insurance Co.ltd	2,032,482	1,897,383	2,391,334	2,288,932	2,507,469	3,032,729
Birla SunLife life insurance co.ltd Life Insurance co ltd	4 ,607,290	5,415,031	3,707,536	2,854,029	1,399,994	1,228,193
HDFC Standard Life Insurance Co Ltd	2,710,154	4,514,791	7,252,819	7,855,053	8,184,033	8,921,336
Max Life Insurance co Ltd	3,332,189	4,234,468	4,359,151	4,142,418	4,391,104	6,599,271



Above Table demonstrates the Profit after assessment of some select life insurers for the period 2011-12 to 2016-17. It is seen that PAT is demonstrating upward pattern incase of LIC, HDFC Standard life Insurance Co. Ltd, ICICI prudential Life Insurance Co. Ltd. The Max life Insurance company constrained, Kotak Mahindra old shared life insurance company restricted and Birla Sunlife Life Insurance Company restricted are confronting change because of variety in working expenses identifying with Insurance, Investment Income, Commission paid and Benefits paid.

Productivity performance

Productivity performance of the Life insurers has been examined using the following ratios (expressed in percentage form) of six years of six life insurers.

- Claim ratio (Net claim incurred to net written premium)

- Expense Ratio (Expenses of management to net written premium)
- Investment Income Ratio (Investment income to net written premium)

LIC and other private life insurance company's premium based market share in India

Insurance is believed to be the establishment of risk administration. It gives budgetary security by offering assorted things to the business which similarly limits threat to the general population and also the affiliation. History of Insurance in India can be better understood with considering four phase like early periods, pre-nationalization period, post-nationalization period and post advancement period. Life inclusion Corporations of India (LIC) is the state claimed greatest player in the Insurance advertise which was set up on first September 1956 with the objective of covering the provincial zones to give them adequate financial spread at sensible expense. It had a great time forcing plan of action of life inclusion business till 2000, when private players were allowed to enter the business part. LIC thoroughly enjoyed controlling framework in a humanner that it was troublesome for the private players to fight. Right when the new players endeavored to fabricate the bit of the pie, the LIC continued with its advancement abusing its old establishment and government bolster. After a short time the Insurance Act 1938 was changed and Insurance Regulatory and Development Authority Act of 2000 (IRDA) was passed. It started issuing the licenses to Pvt. Players. Today 24 Private players are working in the business area. The total Insurance business segment can be judged with respect to two parameters-Premiums assembled and Numbers of game plans ensured. In light of this we can say that bit of the pie of over 70% is with LIC. In this paper authorities have endeavored to consider the improvement of both the fragments and their present bit of the pie in light of premium social event.

Market Size

In the midst of April 2015 to February 2016 period, the life scope industry recorded another top notch wage of Rs 1.072 trillion (US\$ 15.75 billion), exhibiting an enhancement rate of 18.3 for each penny. The general Insurance industry recorded a 14.1 for each penny headway in Gross Direct Premium guaranteed in FY2016 up to the long stretch of February 2016 at Rs 864.2 billion (US\$ 12.7 billion). India's fiasco Insurance parcel is the best on earth with around 360 million frameworks which are relied on to increment at a Compound Annual Growth Rate (CAGR) of 12-15 for every penny all through the accompanying five years. The Insurance business blueprints to trek section levels to five for every penny by 2020. The nation's Insurance business division is relied on to fourfold in size all through the accompanying 10 years from its present size of US\$ 60 billion. Amidst this period, the calamity Insurance business division is slated to cross US\$ 160 billion. The general Insurance business in India is beginning now at Rs 78,000 crore (US\$ 11.44 billion) premium per annum industry and is making at a sound rate of 17 for each penny. The Indian Insurance business zone is a gigantic business opportunity holding up to be saddled. India beginning currently records for under 1.5 for each penny of the world's aggregate Insurance premiums and around 2 for every penny of the world's extra security premiums paying little mind to being the second most cross country. The nation is the fifteenth most noteworthy Insurance showcase on earth as for premium volume, and can end up being exponentially in the coming years.

Speculations

The running with is a section of the imperative undertakings and updates in the Indian Insurance division. The Insurance segment in India is required to draw in over Rs 12,000 crore (US\$ 1.76 billion) in 2016! Similar amounts of remote affiliations are relied on to get their stake up private division Insurance joint endeavors. Mission Global, an unadulterated play building and Research and Development (R&D) associations provider, has raised undertaking of around Rs 2,396 crore (US\$ 351.54 million) from

driving by and large cash related experts Bain Capital, GIC and Advent International for a minority stake in the affiliation. Remote Direct Investment in the Insurance segment remained at US\$ 341 million in March-September, 2015, showing a progression of 152 for every penny showed up diversely in connection to a similar period a year back. Insurance firm AIA Group Ltd has broadened its stake in Tata AIA Life Insurance Co Ltd, a joint endeavor controlled by Tata Sons Ltd and AIA Group from 26 for each penny to 49 for every penny. Canada-based Sun Life Financial Inc approaches to develop its stake from 26 for every penny to 49 for each penny in Birla Sun Life Insurance Co Ltd, a joint attempt with Aditya Birla Nuvo Ltd, through securing of offers worth Rs 1,664 crore (US\$ 244.14 million). Nippon Life Insurance, Japan's second most prominent disaster Insurance affiliation, has consented to complete plans to contribute Rs 2,265 crore (US\$ 332.32 million) with a specific last goal to develop its stake in Reliance Life Insurance from 26 for each penny to 49 for every penny. The Central Government needs to dispatch a holding nothing down one Insurance course of action for ranchers called the Unified Package Insurance Scheme (BhartiyaKrishiBimaYojana). The proposed game plan will have unmistakable sections like yield Insurance, flourishing spread, particular mishap Insurance, live stock Insurance, Insurance spread for agribusiness executes like tractors and siphon sets, understudy security Insurance and disaster Insurance. Government moved an unprecedented enrolment drive, SurakshaBandhan Drive including offer of blessing checks and dispatch of store game plans in bank working environments, to enable enrolment under PradhanMantriSurakshaBimaYojana (PMSBY) and PradhanMantriJeevanJyotiBimaYojana (PMJJBY). To develop the supporter base and guarantee progressively wide achieve, the Central Government has energized several benchmarks for its lead Insurance game plan Atal Pension Yojana (APY), in terms of more choices for periodical obligations, arranged and foreboding ways out and balanced control for bit delays. Bennett Coleman and Co. Ltd (BCCL), the media mix with different spreads in a few dialects transversely over India, is set to purchase Religare Enterprises Ltd's whole 44 for each penny stake in life scope joint attempt AegonReligare Life Insurance Co. Ltd. The outside partner Aegon is set to manufacture its stake in the joint endeavor from 26 for every penny to 49 for each penny, taking after government's change measure permitting the expansion in stake holding by remote relationship in the Insurance area. GIC Re and 11 other non-life guarantors have ordinarily formed the India Nuclear Insurance Pool with a limit of Rs 1,500 crore (US\$ 220.08 million) and will give the hazard exchange structure to the chiefs and providers under the CLND Act. State Bank of India has proclaimed that BNP Paribas Cardif races to manufacture its stake in SBI Life Insurance from 26 for every penny to 36 for each penny. When the outside joint endeavor relate stretches out its stake to 36 for each penny, SBI's stake in SBI Life will get incapacitated to 64 for every penny.

LIFE INSURANCE SECTOR

While the individual new business premium under the smaller scale insurance portion for the year 2016-17 remained at Rs .38.22 crore under 9.56 lakh new approaches, the gathering business premium added up to Rs.460.43 crore covering 3.22 crore lives. LIC added to the business secured in this portfolio by

accumulating Rs. 15.87 crore of individual new business premium under 4.8 lakh arrangements and Rs .340.08 crore of gathering premium covering 2.30 crore lives. The private area contributed the staying 4.76 lakh approaches and Rs .22.35 crore premium in individual business and 0.92 crore lives and Rs .120.35 crore premium under gathering miniaturized scale business.

The quantity of small scale insurance operators toward the finish of March 2017 remained at 35200; of which 19301 specialists related to the LIC and the staying spoke to the private part life insurers. Out of the aggregate 35,200 MI specialists of Life insurance industry, NGOs frame 21.7%, Self Help Groups (SHGs) shape 1.1%, Micro Finance Institutions (MFIs) frame 1.0%, Business Correspondents (BCs) frame 0.2% and other MI Agents frame 75.9%. 28 miniaturized scale insurance results of 17 life insurers were accessible as at 31st March, 2017. Of these 28 items, 18 were Individual items and the rest of the 10 were Group items.

LIFE INSURANCE Premium-

Life insurance industry recorded an excellent salary of '418476.62 crore amid 2016-17 as against '366943.23 crore in the past monetary year, enrolling a development of 14.04 percent (11.84 Percent development in earlier year). While private segment insurers posted 17.40 percent development (13.64 percent development in earlier year) in their top notch pay, LIC recorded 12.78 percent development (11.17 percent development in earlier year).

While recharging premium represented 58.13 percent (62.18 percent in 2015-16) of the aggregate premium gotten by the life insurers, first year premium contributed the staying 41.87 percent (37.82 percent in 2015-16). Amid 2016-17, the development in reestablishment premium was 6.62 percent (6.24 percent in 2015-16). First Year premium enlisted a development of 26.26 percent in contrast with a development of 22.44 percent amid 2015-16.

Further bifurcation of the main year premium shows that solitary premium pay gotten by the life insurers recorded development of 31.82 percent amid 2016-17 (32.52 percent development in 2015-16). Single premium items keep on assuming a noteworthy job for LIC as they contributed 32.71 percent of LIC's aggregate premium pay (27.80 percent in 2015-16). In correlation, the commitment of single premium pay in absolute premium salary amid 2016-17 was 14.89 percent for private insurance companies (13.75 percent in 2015-16).

The ordinary premium enrolled 16.64 percent development in 2016-17, as against 8.23 percent development in 2015-16. The private insurers enlisted a development of 22.17 percent (13.18 percent development in 2015-16); while LIC enrolled a development of 10.37 percent in the standard premium (3.10 percent development in 2015-16).

LIFE INSURANCE PREMIUM							(crore)
INSURER	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Aegon Life	388.61	457.32	430.5	453	559.2	501.6	450.72
Aviva	2345.17	2415.87	2140.67	1878.1	1796.25	1493.15	1336.51
Bajaj Allianz	9609.95	7483.8	6892.7	5843.14	6017.3	5897.31	6183.32
Bharti AXA	792.02	774.16	744.52	872.65	1053.32	1208.33	1396.5
Birla Sunlife	5677.07	5885.36	5216.3	4833.05	5233.22	5579.71	5723.96

Canara HSBC	1531.86	1861.08	1912.15	1823.42	1657.02	2059.96	2294.71
DHFL Pramerica	95.04	167.01	236.79	305.86	735.1	920.21	1142.1
Edelweiss Tokio	--	10.88	54.83	110.9	193.08	310.07	441.33
Exide Life	1708.95	1679.98	1742.36	1830.67	2027.48	2046.99	2408.58
Future Generali	726.16	779.58	678.29	634.16	604.25	592.5	739.85
HDFC Standard	9004.17	10202.4	11322.68	12062.9	14829.9	16312.98	19445.49
ICICI Prudential	17880.63	14021.58	13538.24	12428.65	15306.62	19164.39	22354
IDBI Federal	811	736.7	804.68	826.25	1069.62	1239.67	1565.19
IndiaFirst	798.43	1297.93	1690.08	2143.36	2034.11	1967.4	2265.17
Kotak Mahindra	2975.51	2937.43	2777.78	2700.79	3038.05	3971.68	5139.55
Max Life	5812.63	6390.53	6638.7	7278.54	8171.62	9216.16	10780.4
PNB Metlife	2508.17	2677.5	2429.52	2240.59	2461.19	2827.83	3236.08
Reliance Nippon	6571.15	5497.62	4045.39	4283.4	4621.08	4398.12	4026.82
Sahara	243.41	225.95	205.38	204.63	166.86	157.05	153.94
SBI Life	12945.29	13133.74	10450.03	10738.6	12867.11	15825.36	21015.13
Shriram Life	821.52	644.16	618.07	594.24	734.66	1022.11	1207.94
Star Union Dai- ichi	933.31	1271.95	1068.8	948.75	1134.68	1307.47	1510.88
Tata AIA	3985.22	3630.3	2760.43	2323.7	2122.66	2478.96	3171.08
Private Total	88165.2	84182.8	78398.9	77359.4	88434.4	100499	117989
	-11.08	(-4.52)	(-6.87)	(-1.33)	14.32	-13.64	-17.4
LIC	203473.4	202889.3	208803.6	236942.3	239667.7	266444.2	300487.4
	-9.35	(-0.29)	-2.92	-13.48	-1.15	-11.17	-12.78
Industry Total	291639	287072	287202	314302	328102	366943	418477
	-9.87	(-1.57)	-0.05	-9.44	-4.39	-11.84	-14.04

Unit-connected insurance items (ULIPs) enrolled a development of 12.70 percent premium from '46889.58 crore in 2015-16 to '52845.26 crore in 2016-17. Then again, the development in premium from conventional items was at 14.24 percent, with premium of ' 365631.36 crore as against '320053.65 crore in 2015-16. As needs be, the offer of unit-connected items in all out premium diminished to 12.63 percent in 2016-17 as against 12.78 percent in 2015-16.

CONCLUSION

With the opening up of the Indian Insurance part to private players, various private companies have entered this division. The piece of the overall industry of all private life insurance companies are expanding essentially, LIC likewise had crossed numerous achievements and has set extraordinary execution records in different parts of life insurance business. The examination has intended to look at the monetary execution of Indian life insurance companies through investigating the determinants of their productivity. Estimating the execution of insurance companies has picked up the pertinence since they are not just giving the system of setting aside some cash and exchanging hazard yet in addition directs assets in a suitable path from surplus financial units to shortage monetary units in order to help the investment exercises in the economy.

Execution of companies can influence economy all in all and along these lines it requires observational investigation to pass judgment on the execution. For estimating money related execution, budgetary ratios, for example, current ratio, dissolvability ratio, return on resources ratio and insurance use ratio have been determined. It is in this way basic to distinguish factors which can help insurance companies and financial specialists to expand their productivity.

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