

A STUDYON
**“PERFORMANCE OF LIFE INSURANCE INDUSTRIES - A
COMPARATIVE STUDY”**

With reference to
LIFE INSURANCE INDUSTRIES

Submitted to
SATAVAHANA UNIVERSITY KARIMNAGAR
In Partial Fulfillment of the requirement for the award of the degree of
BACHELOR OF COMMERCE



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**TELANGANA TRIBAL WELFARE RESIDENTIAL DEGREE COLLEGE
FOR WOMEN, THANGALLAPALLY, RAJANNA SIRICILLA**
(Affiliated to SATAVAHANA UNIVERSITY
(2020-2023)



**TELANGANA TRIBAL WELFARE RESIDENTIAL
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CERTIFICATE

This is to certify that the project report title **“PERFORMANCE OF LIFE INSURANCE INDUSTRIES -A COMPARATIVE STUDY”** submitted in partial fulfillment for the award of degree of B.COM programmed of Department of Commerce was carried out by **P.POOJA-(20077104402020), A.ANUSHA-(20077104402003), B.SHIRISHA-(20077104402005), B.AKHILA-(20077104401002)**. This has not been submitted to any other Institute or University for the award of any degree.


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DECLARATION

I hereby, declare that this project entitled “**PERFORMANCE OF LIFE INSURANCE INDUSTRIES - A COMPARATIVE STUDY OF LIFE INSURANCE INDUSTRIES**” have completed successfully towards the partial fulfillment for the award of the degree “**BACHELOR OF COMMERCE**” from “**TELANGANA TRIBAL WELFARE RESIDENTIAL DEGREE COLLEGE FOR WOMEN, RAJANNA SIRICILLA** .This is the bonafide work undertaken by me which is not submitted to any other university or institution for the award of any degree / diploma.

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LIFE INSURANCE INDUSTRY

1. Brief introduction:

About insurance industry :

Insurance is a legal agreement between two parties- the issuer and the insured. Insurance is a kind of protection from financial loss. The main purpose of insurance is to secure the insured against the risk of future financial losses due to unexpected events such as accidents and natural disasters. The insurance industry is highly controlled and includes a complex set of procedures and rules to ensure that policy holders are protected and claims are driven sufficiently and effectively.

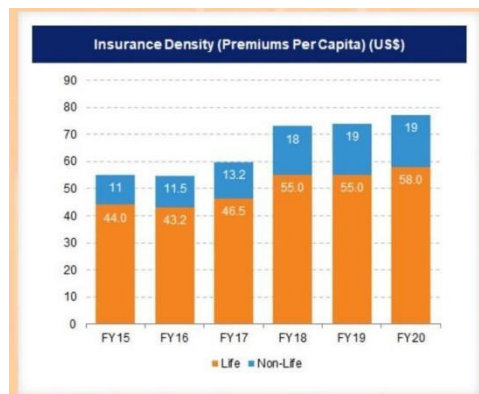
Father of 'insurance':

Edmund Burke (on 12th Feb 1804), is called as 'the father of life insurance industry' and 'the father of Insurance regulation' as he emphasized the fact that Life Insurers should keep reserves and provide surrender values to policy holders whose policies lapse.

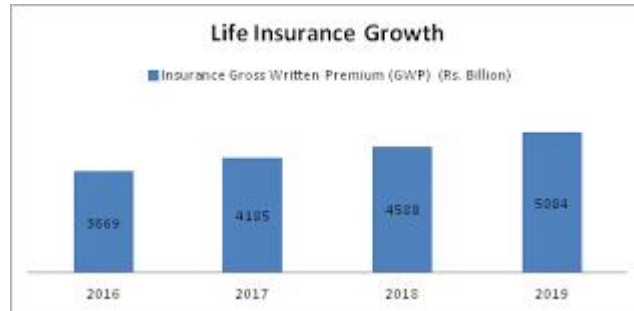


India's insurance industry is one of the premium sectors experiencing upward growth. This upward growth of the insurance industry can be attributed to growing incomes and increasing awareness in the industry. India is the 5th largest Life Insurance market in the world's emerging insurance markets, growing at a rate of 32 to 34% each year. In recent years the industry has been experiencing fiercer competition among its peers which has led to new and innovative products within the industry. Foreign Direct Investment (FDI) in the industry under the automatic method is allowed up to 26% and licensing of the industry is monitored by the insurance regulatory the Insurance Regulatory and Development Authority of India (IRDAI).

The insurance industry of India has 57 insurance companies 24 hour in the life insurance business while 34 or nonlife insurance.



Life insurance industry



The insurance that pays death benefits to the beneficiaries offer the death of the insured is known as life insurance.

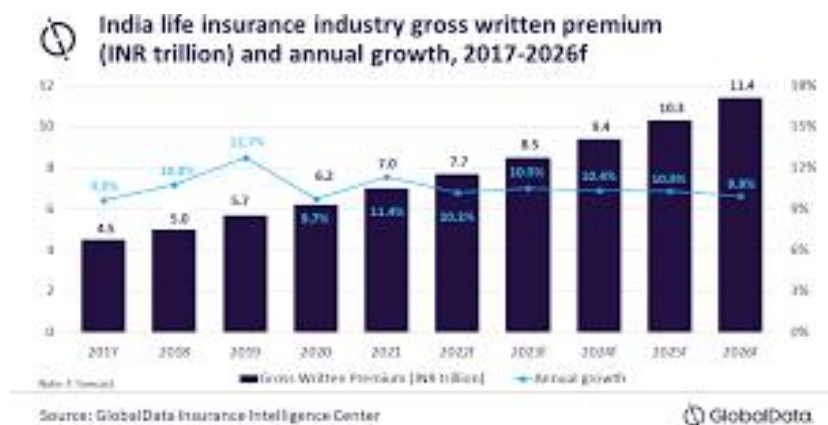
A contract is signed between the insured person and the insurance company under which the insurance company has to pay an assured sum of money to the nominees of the insured person.

In India Life Insurance is a popular form of financial protection and investment. The life insurance industry in India is regulated by the Insurance Regulatory and Development Authority of India (IRDAI).

India's insurance companies are one of premium sectors experience in upword growth. The Indian government has also introduced several initiative to boost the Insurance sector, including increasing the foreign direct investment(FDI).

Life Insurance in its modern form came to India from England in the year 1818. Oriental life insurance companies started by Europeans in Calcutta was the first Life Insurance Company on Indian soil. The first American insurance company was organised by Benjamin Franklin in 1752.

Life Insurance is one of the fastest-growing sector in India since 2000 as Government allowed private players and FDI up to 26% and recently cabinet approved a proposal to increase it to 49%. In 1955, mean risk per policy of Indian and foreign life insurers amounted respectively to Rs2,950 & Rs.7,859(worth Rs15 lakh & 41 lakhin 2017 prices). Life Insurance in India was nationalised by incorporating Life Insurance Corporation (LIC) in 1956. All private life insurance companies at that time were taken over by LIC.



TYPES OF LIFE INSURANCE

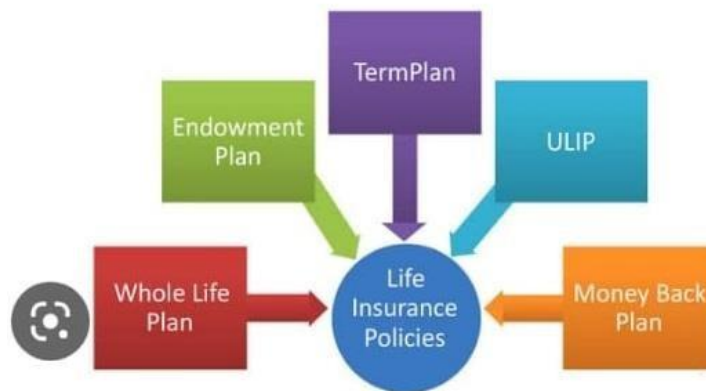
The different types of Life Insurance are:-

1 Term Life Insurance

Term life insurance is the insurance that provides protection to the insured for a limited term period. If the policy holder dies during the term of the policy, the beneficiaries named in the policy will receive a death benefit payout. One of the main benefits of the term Life Insurance is its affordability.

The term life insurance policy time. Is 1 to 30 years

The length of the term is totally depends on the policy holders needs and budgets. If the policy holder passes away during the term of the policy, the beneficiaries will receive a tax-free lump sum payment. The term life insurance policies do not typically include additional features, such as the ability to and dividends.



2 Whole life insurance

The whole life insurance is one of the permanent type of insurance and is effective till the insured complete life time. The whole life insurance policies offer lifelong protection. Whole life insurance policies typically have a fixed premium which means that the premium amount will not change throughout the life time of the policy. One of the key benefits of whole life insurance is that it provides both a death benefit and savings component. The whole life insurances are typically more expensive than term life insurance policies and the cash value payment may not provide a significant return on investment compared to other savings option. In addition, policy holders may face penalties for withdrawing cash value the policy before the end of the policy's term.

Whole life insurance can be a good option for individuals who want life protection and a savings component, but it's important to carefully considered the costs and benefits of this type of policy before making a decision.

3 Universal life insurance

universal life contracts have most variable premium payment options. The policy owners have the authority to decide the time and amount of subsequent premiums. Universal life insurance is a type of permanent life Insurance that combines a death benefit with saving account.

It's important to note that universal life insurance policies can be Complex and very significantly in their terms and conditions. It's essential to read the policy documents carefully and consult with a financial professional before making a decision about purchasing a universal life insurance policy.

4 Variable Life Insurance

The variable Life Insurance is a whole life insurance. In this insurance and insured will have the exclusive right to decide on where to invest the policies cash value. The variable Life Insurance offers both a death benefit and investment account. The investment component of a variable life insurance policy typically includes a variety of investment option such as mutual fund ,stocks, and bonds.

Variable life insurance policies offer greater flexibility and potentially higher returns compared to traditional whole life insurance policies. However, they also come with greater risk, as the value of the investment component can fluctuate based on market conditions. It's important to carefully consider your financial goals and risk tolerance before deciding whether variable Life Insurance is the right choice for you.

5 Adjustment life insurance

The policy can be adjusted according to the changing protection needs and the premium payment ability of the policy holder. The nature of the policy is known by the relationship between the initial face amount and the premium.

The adjustable Life Insurance allows policy holders to make changes to their cash value ,premiums and death benefits. It gives policy holders the capacity to reformulate their insurance plans based on shifting life events.

6 Endowment Life Insurance

The endowment Life Insurance is a policy in which the insurer promises to pay the face amount upon death of the insured and even on the survival of the insured at the end of the policy term.

In endowment policy, you pay premiums for a specified of time ,typically between 10 and 30 years. Endowment policies can be attractive to those who want to ensure the they have a guaranteed lump sum payout at a specific point in the future ,in any case of market conditions. As with any type of insurance or investment product, it's important to carefully consider your financial goals and options ,and to ask with a financial guide or insurance professional before making a decision.

7 Participating Life Insurance

The life insurance Policy under which dividends are paid out to the policy holder annually are known as participating life Insurance a participating life Insurance is also known as " worth - profit" Life Insurance.

The investment component of the policy may be invested in a variety of assets, including stocks, bonds and real estate. If the insurance company generates profits from the investments, policy holders may receive a share of these profits in the form of dividends.

participating life insurance policies can be attractive to those who want to benefit from the investment return generated by the insurance company, while still receiving the protection of a life insurance policy.

SWOT Analysis of Life Insurance

A SWOT analysis of life insurance would analyse the strength ,weakness, opportunities ,and threats facing the industry.

1 Strengths

provide financial safety:

Life insurance policies provide financial security to the policy holder and their dependents in case of unpredicted events like death, disability, and Critical disease.

Tax Benefits:

Life insurance policies provide various tax benefits, such as conclusion on premium paid and tax -free distribute in case of death.

Professional advise:

Life insurance agents can provide professional advice to help customers option the right product and scope amount based on their needs.

Long term savings:

Some types of life insurance policies, such as whole life or Endowment plans, offer a savings component that can help policy holders make wealth over the long term.

Different product offerings:

Life insurance companies provide a variety of products that serve to various needs and finances of customers, like them insurance, whole life insurance and universal life insurance.

2 Weaknesses:-

complexity:

Life insurance policies can be complex and difficult to understand for the common man, mainly with several types of scope options and policy terms.

Installment:

Life insurance premiums can be expensive and costly for some individuals, mainly for those who need large content.

Restricted flexibility:

Once a policy is purchased, it can be challenging to create changes to the content or installment without suffer significant costs.

3 Opportunities:-

Technological upgrading:

The conversion of technology in the insurance industry has acceptable insurers to smooth their operations and offer better customer experiences, like online policy purchases and maintain processing.

Extension into new products:

There is a fast initial market for Life Insurance products in developing countries, presenting an opportunity for insurers to develop their achieve and offer products to new customers.

Customization:

There is an opportunity for life insurance companies to provide more customized policies that serve to the unique needs of individual customers, such as content for specific health conditions.

Increasing demand:

The growing awareness of the importance of financial planning and protection against unexpected events has resulted in a growing demand for Life Insurance products.

4 Threats:-

Changing customer preferences:

The develop needs and preferences of customers can make it challenging for insurers to keep up with the demand and offer products and services that reach their changing needs.

Competition:

The life insurance industry is highly competitive, with many competitors providing similar products and services. The great competition can lead to price Wars, derive in lower profit margins for insurers.

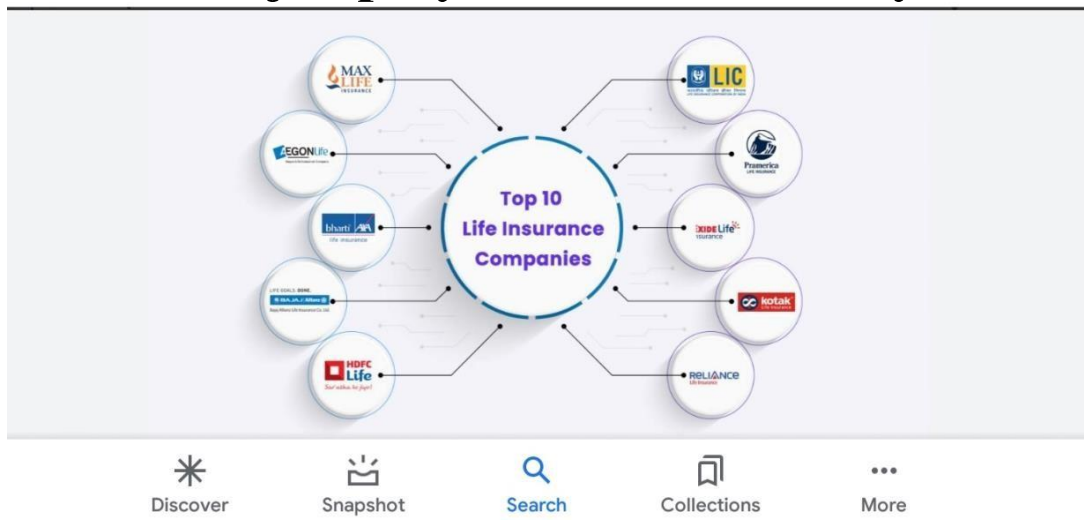
Economic uncertainty:

Economic decrease can lead to reduction in consumer expend and investment, resulting in lower demand for Life Insurance products.

Regulatory changes:

Changes in regulations the insurance industry can impact insurers operation and profitability, leading to increased conformity cost and possible fines.

Major players in the industry



1: Life Insurance Corporation of India (LIC)2:

HDFC Life Insurance

3: Max Life Insurance

4: SBI Life Insurance 5:

Kotak Life Insurance6:

Exide Life Insurance

7: Shriram Life Insurance

8: Canara HSBC Life Insurance

9: Kotak Mahindra Bank

10: ICICI Prudential Life Insurance

etc....

Names and profiles of Companies:

1: Life Insurance Corporation of India (LIC)



Life Insurance Corporation of India, popularly known as LIC is the largest life insurance company in India owned by the Government of India. LIC is one of the top 10 insurance companies in India, having come into existence in 1956. LIC makes insurance accessible for every person in any corner of the country with 2048 branch offices, 113 divisional offices, 8 zonal offices and 1381 satellite offices.

Currently, LIC's total assets under management are INR 15 lakh crores. LIC being the dominant insurance player has a huge customer base of over 29 crores policy holders. LIC is a trusted insurance brand that offers great convenience to its customers through its excellent customer services on the digital platform, branch offices, and other tie-ups. LIC offers numerous Life Insurance products that can meet the unique needs of a variety of customer segments. For all the milestones it has achieved, LIC has been consistently recognised and awarded following are some of the awards received by LIC:

* LIC has won 35 awards in 2021 to 2022.

Life Insurance Corporation of India is an Indian public sector life insurance company headquartered in Mumbai.

It is India's largest insurance company as well as the largest institutional investor with total assets under management worth Rs 41 trillion as of May 2022.

The main role of LIC is to invest in the global financial markets and different government securities after gathering funds from people through their various life insurance policies. At least 75% of these gathered funds are to be invested in Central and State Government Security as stated by one of the LIC rules.

Short note about LIC

Type	: public
Industry	: insurance and financial services
Founded	: 1st September 1956 (66 years ago)
Headquarters	: Mumbai
Founder	: Government of India
Chair person	: Mr. Kumar
owner	: Government of India
number of employees	: 1,14,000 (2020)

The main objectives of LIC

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 term adequate financial cover against death at reasonable cost.

2 HDFC Life Insurance Company



HDFC life insurance company one of the top insurance company in India. The HDFC Life Insurance established in 2000, HDFC Life is a leading long term Life Insurance solutions provider in India, offering a range of individual and group insurance solutions that meet various customer needs such as protection, pension, savings, investment, annuity and health.

Short note about HDFC Life Insurance:

Headquarters	: Mumbai
CEO	: Vibha Padalkar (12th Sep 2018)
Net income	: 1, 1326 326 crores.
Founded	2000
area served	: India

HDFC Life serves its customers across the country through T2 branches and additional distribution touch points and Bank Assurance partners with strong digital platform services are accessible easily to customers HDFC life has received many accurate and awards for its continuous contribution to the Indian insurance industry following are some of the details

- *HDFC life was awarded ICAI silver Shield award in 2023.
- * It was recognised as one of the best companies for women in India 2022 by Avatar and semount.
- * HDFC Life received the yuva and stable change market avoid in 2021.
- * the company was recognised as super brand 2021.
- * HDFC live recognised as the best 50 PCI companies for 2019
- * HDFC life was ranked as "Most valuable private life insurance Indian Brand"

3 SBI Life Insurance



SBI Life Insurance, a leading life insurance company in India, offers a range of life insurance plans and policy to help you protect you and your family.

Short note about SBI Life Insurance:

Founded	: March 2001
Headquarters	: Mumbai, India
Area served	: worldwide
Founder	: Mahesh Kumar Sharma
revenue	:84,015 crores

SBI Life strives to make insurance accessible to all, with its extensive presence across the country through its 990 offices, 20,286 employees, a large and productive individual agent network of about 1,93,635 agents,

59 corporate agents and 14 Bank assurance partners with more than 38,000 partner branches, 129 brokers.

4 Shriram Life Insurance



Insurance is an award winning life insurance company in India. They provide the best life Insurance plans and policies to her customers.

Short note about Shriram Life Insurance:

Founder	: R.Thyagarajan
Founded	: 5th April 1974
Net profit	: 75 crores
CEO	: Mr Kaas Paras jacobus Hendrik kromhout.
Assets	: 2.08 lakh crore (as of Dec 2021)
Branches	4050
area served	: India

shriram life insurance company is a life insurance company in India. Shriram Life Insurance offers a wide range of insurance, savings and investment plans, child plans and pension plans.

The Shriram company has a strong presence in both Urban and rural areas of India and has a network of over 500 branches across the country. Shriram Life Insurance has also received several awards and approval for its customer service and innovative products.

Overall, shriram Life Insurance is a trusted and reliable Life Insurance provider in India and is a good option for those looking for insurance products that meet their specific needs and requirements. The major role of Shriram Life Insurance is to provide financial protection and security to individuals and families in India and to promote financial literacy and awareness about Life Insurance and financial planning.

5 Kotak Life Insurance Company:



Kotak Life Insurance company is one of the fastest growing and top insurance companies in India with a base of nearly 32.8 Million policy holders. Kotak Mahindra Bank is the parent company of Kotak Life Insurance. Kotak Life Insurance company offers a diverse range of insurance products to every section of society with unique features. The claim settlement ratio of the company was 98.50% In the fiscal year 2022 2021. Kotak group has achieved many milestones in the financial services field and has been awarded and recognised consistently for its achievements.

Kotak Life Insurance offers several benefits such as protection, wealth creation, tax benefits and more. The company offers several plans such as Savings and investment plans, child plans, savings plans, and the retirement plans.

6 ICICI Prudential Life Insurance



ICICI Prudential Life Insurance company is promoted by ICICI bank limited and Prudential corporation Holdings Limited. Founded in the year 2000, ICICI Prudential Life is one of the best insurance companies in India having its presence all over the country today with its strong Bancassurance channel and multiple distribution channels. ICICI Prudential Life assets under management as of 31st December 2022 are INR 2,518.84 Billion. With the customer centric approach, ICICI Prudential Life offers various long-term protection and savings plans for a diverse customer segment.

It's excellence in the field of insurance, ICICI Prudential Life Insurance company has been receiving many accolades and awards.

Let's take a look at a few of such recognitions.

* Along with multiple awards, ICICI Prudential Life Insurance was awarded gold in the 'BFSI category' in ET Brand equity kaleido awards 2022.

* ICICI Prudential Life Insurance was featured as one of the top 20 BSE 100 companies by institutional investor advisory services iindia(liAS) in 2022

* ICICI prudential life was ranked as one of the 'BrandZ top 75 most valuable Indian brands 2020' and also awarded as "Best contact centre" by the customer fest leadership awards 2021.

* ICICI Prudential Life received the ""Life Insurance Company of the Year award at the India summit and awards 2019.

* ICICI Prudential Life received "Life Insurance provider of the year" by Outlook money awards 2018.

Policies:

- 1: Term Insurance plan
- 2: Whole Life policy
- 3: Universal life insurance policy
- 4: Money back policy
- 5: Endowment policy
- 6: Pension plans



Turnover:

In October 2022 , Life Insurers new business premium grew to Rs.15,920.13 Crores (US \$ 1.94 Billion), according to Life Insurance Council data. The gross first year premium of life insurance increased by 12.93% In 2021 to 2022 Rs 314,262.42 Crore (US \$ 40.06 billion).

Government policies and promotions

Government may enact policies and promote the life insurance industry in several ways.

Here are few examples:

Tax benefits:

Government may provide tax benefits to individuals who purchase life insurance policies . This may include tax deductions for the premium paid or tax-free payouts to beneficiaries upon the policy holder's death.

These tax incentives can encourage individuals to purchase life insurance policies and help boost the industry.

Mandatory content:

some countries require citizens to purchase life insurance policies as a form of social security.

For example

In India employers are required to provide their employees with Life Insurance content. Mandatory content can help increase the number of policy holders and ensure financial protection for individuals and their families.

Consumer protection:

Government may act regulations to protect consumers from fraudulent insurance practices. This can include licencing requirements for insurance providers, guidelines for policy declaration and restrictions on misleading advertising.

Public awareness:

Government may also promote the importance of life insurance through public awareness campaigns .These efforts can educate individuals about the benefits of life insurance and encourage them to purchase policies.

Industry support:

Government may offer financial support the life insurance industry to promotes its growth and development for example, they may offer loans or grants to issuerer or provide incentives for the development of new insurance products.

Overall, government policies and promotions play an essential role in supporting the life insurance industry and ensuring individuals

have access to financial protection.

Problems and prospectives of life insurance industry

The life insurance industry in India has seen significant growth in recent years. However, like any industry, it faces its own set of challenges and opportunities. Here are some of the major problems and prospects of the life insurance industry in India:

problems

Lock of awareness:

One of the biggest challenges facing the life insurance industry in India is the lack of awareness among people. Many people in India are not familiar with the concept of life insurance and do not see the need to invest in it.

Low perception:

Despite significant growth, the life insurance perception in India is still low. According to a report by IRDAI, the life insurance perception in India stood at just 3.76% in 2020.

Regulatory challenges:

The life insurance industry in India is heavily regulated, which can make it difficult for companies to innovate and adapt to changing market conditions.

Miss-selling:

Another major problem facing the life insurance industry in India is the issue of miss-selling. Many agents and companies use unethical practices to sell policies to customers, leading to a negative image of the industry.

Prospects

growing market:

Insurance industry in India has a significant growth potential due to the large population and increasing expandable income.

Government initiatives:

The Indian government has introduced several initiatives to promote the life insurance industry in the country. This includes the launch of the Pradhan Mantri Jivan Jyoti Bima Yojana and the Pradhan Mantri Suraksha Bima Yojana which aim to provide affordable life insurance to all citizens.

Rise of digital channels:

The increasing adoption of digital channels is opening up new opportunities for the life insurance industry in India. Companies can reach out to a larger audience and offer customized products through online platforms.

Conclusion

Life is unexpected and full of uncertainty or unpredictability. To handle critical situations, one can only act proactively. Hence, the concept of 'insurance' come to minimize the risk and provide security.

The life insurance industry has faced many challenges in recent years, along with increased government oversight, changing the expectations of customers, and technological disturbances. To remain competitive, life insurance companies have had to adapt and innovate by accept new technologies, developing new products and improving customer experience.

Finall, the life insurance industry is a powerful and necessary sector that provides individuals with financial security.

Insurance is a large investment and you will most likely purchase multiple policies throughout your lifetime. It is essential that you know what each type of insurance covers and how it works so, you can make the best decision about what to buy. Take the time to shop around and find the right insurance for your situation. The right insurance policy can protect you and your family from unexpected accident.

Overall, the life insurance industry remains a vital component of the financial services sector, providing valuable protection and peace of mind to millions of people around the world.

Reference

I gather all relevant information about my project by using.

1.study broad insurance.Com

2.<http://www.business-standard.com>

3.Insurance Dekho

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