

GROWTH OF INSURANCE SECTOR WITH REFERENCE TO ICICI PRUDENTIAL, HDFC STANDARD LIFE & L.I.C.

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ABSTRACT

The Insurance Sector in India has undergone significant metamorphosis in the past 20 years. Insurance is gradually inching its way towards becoming next boom in market. Insurance today is much more than anything. It is an experience itself. The Insurance sector in India has witnessed a huge growth due to the emergence of new Insurance Sector in Markets. Consumers are the major beneficiaries of the insurance sectors. According to the needs of the consumer these are no of product policies and attractive premium of Insurance Sectors. This research tried to examine the growth of insurance sector with reference to LIC, ICICI Prudential Life Ins. & HDFC Standard Life Ins. This study results shared the growth of Insurance Sector in terms of premium, market share and no. of policies.

INTRODUCTION OF INSURANCE

Insurance is a contract where a person in consideration of certain sum, known as premium agrees to bear the risk or liability regarding property or life of another person in which such other person has insurable interest. The person undertaking the risk or liability is called the insurer and the person whose risk or liability is undertaken is called the insured. The document containing the terms of contract is known as policy. Depending upon the type of risk there are several types of insurance. Risks of fire are covered by fire insurance, goods vessels and freight exposed to marine risks are covered by marine insurance. Losses by theft are covered by burglary insurance risks in employment due to accidents or death are covered by workmen's compensation insurance and so on. A part from this there is Life Insurance which guarantees that the policy holders on clearing a certain age or on his death, a certain sum of money will be paid by the Insurer. Here we discuss growth of Insurance Sectors with reference to LIC, ICICI Prudential & HDFC Standard Life.

REVIEW OF LITERATURE

VIEWS OF DIFFERENT AUTHORS

- Professor John Magi says "Insurance is a plan wherein persons collectively share the loss of risks".
- Professor E.W. Peterson says "Insurance is contract by which one party for a consideration called premium assumes particulars risks of the other party and promises to pay him or his nominee certain sum of money on a specified contingency."
- Professor R.S. Sharma says "Insurance is a Co-operative device to spread the loss caused by a particular risk over a number of persons who are exposed to all. Who agree to insure themselves against that risk."
- Professor Thomas says "A provision which a prudent man makes against fortuitous contingencies loss or misfortune. It is a form of spreading risk."
- Professor W. Beveridge says "The collective bearing on risks in Insurance.
- Professor Ghose and Aggarwal says "Insurance is Co-operative form of distributing a certain risk over a group of persons who are exposed to it .
- Professor McGill says "Insurance is a process to establish certainty against uncertainty.
- Professor Sir William Beveridge Says "Insurance is collective bearing on risks."

RESEARCH METHODOLOGY

RESEARCH PROBLEM :

The Word Growth attempts to locate the Growth of Privatization of Life Insurance on Life Insurance Corporation. Problem refers here to find the Growth of ICICI Prudential and HDFC Standard Life Insurance on LIC and the services and product provided by these three sectors and do comparison, so it is necessary to study the market potential of LIC, ICICI Prudential and HDFC Standard Life Insurance and also study the premium strategies and policies provided by these three Insurance Companies

RESEARCH DESIGN :

It is the conceptual structure on the basis of which the research is conducted. It's function is to provide for the collection of relevant evidence with minimal expenditure of effort, time and money. But how this can be achieved depends upon the research purpose. Care was taken to find out all existing data regarding these three insurance sectors. Specific manuals were read and consultations were held with executives of these three sectors and to find out all secondary data on insurance in the concerned factor. Various concepts were developed based on consultation with project guide on the basis of which were ascertained and information needs as part of descriptive research there was a study of primary data collected from the customer survey.

OBJECTIVE OF THE STUDY

- 1) To know about the market share of these companies.
- 2) To know about the different policies available with these companies.
- 3) To know about the private insurance companies.
- 4) To know the growth of Life Insurance Corporation , ICICI Prudential., HDFC Standard Life
- 5) To know about the fastest claim providing insurance company.

DATA COLLECTION

There are two sources of data collection

- 1) Primary sources
- 2) Secondary sources.

Primary Data :

Because the entire research is customer data based and the Methodology includes customers opinions about these three sectors and why they chose private insurance sector and Life Insurance Corporation. Primary data was collected by Means of self administered structured questionnaire. Existing marketing strategies' of these three sectors has been described with the help of data.

Secondary Data :

The secondary data has been collected from various sources such as magazines, newspapers journals, books, manuals, websites and magazines of HDFC Standard Life Insurance, ICICI Prudential and Life Insurance Corporation.

DATA ANALYSIS & INTERPRETATION

Total Premium Income (in 000 thousand)

	2009-2010	2010-2011	2011-2012	2012-2013
HDFC Standard Life	7005.10 (28.5%)	9004.17 (13.30%)	10202.40(10.98%)	11322.68
ICICI Prudential	16528.75(8.17%)	17880.63(21.58%)	14021.58 (3.44%)	13528.24
LIC	186077.31(9.34)	203473.40 (0.28%)	202889.28(2.91%)	208803.58

Interpretation

- We compare HDFC Standard Life Insurance Co. with other years then from 2009-10 to 2010-11. Its total Premium Income has been increased (28.53%) on the other hand from 2010-11 to 2011-12. It has been decreased by (13.30%) whereas 2011-12 to 2012-13 It has been decreased by 10.98%.
- ICICI Prudential total Premium Income has been increased from 2009-10 to 2010-11 by 8.17% where as it has been increased by (21.58%) from 2010-11 to 2011-12 and on the other hand It has been decreased by (3.44%) from 2011-12 to 2012-13.
- LIC total Premium Income has been increased by 9.34% from 2009-10 to 2010-11 Whereas it has been going to be negative (-0.28%) from 2010-11 to 2011-12. On the other hand it been increased by 2.91% from 2011-12 to 2012-13.
- To take analysis of other Sector if we compare total premium income of other sector than in 2009-2010 LIC total Premium Income is highest than other sectors. HDFC Standard Life total premium income is lowest than other sector.
- In 2010-11 ICICI Prudential. total premium Income is highest than HDFC Standard Life Insurance and LIC total Premium Income is highest than both of sectors.
- In 2012-13 ICICI Prudential total Premium Income is highest than HDFC by lowest than LIC.

Market share in total Premium Income

	2009-10	2010-11	2011-12	2012-13
HDFC Standard Life	2.63%		3.08%	3.55%
ICICI Prudential	6.2%	6.13%		4.88%
LIC	70%		69.76%	70.67%
				72.70%

Interpretation

- In 2009-10 LIC total Market Share in total Premium Income is 70% and HDC Standard Life Market share in total premium Income is 2.63% and ICICI Prudential market share is 6.2% LIC market share is highest than other sector and ICICI Prudential Market share is highest than HDFC Standard Life Insurance.
- In 2010-11 LIC total market share in total Prem. Income is 69.76% and HDFC Standard Life Ins. market share in total Premium Income is 3.08% on the other hand ICICI prudential Market Share in total Premium Income is 6.13% So HDFC Market share is lowest than other Sector and LIC has highest market share in total Income.
- In 2011-12 LIC total Market Share in total Prem. Income is 70.67% and HDFC Standard Life market share in total Premium Income is 3.55%. On the other side ICICI Prudential. Market Share in total Premium. Income is 4.88%.
- In 2012-13 LIC total Market share in total Premium Income is 72.70% and HDFC Standard Life Insurance Market Share in total Premium Income is 3.94% Where as ICICI Prudential. Market Share in total Premium Income is 4.71% So LIC market share in total Prem. Income is highest than other sectors.
- If we compare it from other years of different sectors than LIC market share is 70% in 2009-2010 and in 2012-13 it is increased upto 72-70% where as HDFC Standard Life insurance market share is 2.63% in 2009-10 and it has been increased upto 3.94% by the year 2012-13.
- On the other hand ICICI Prudential. Market share is 6.2% in 2009-10 and It has been decreased upto 4.71% by the year 2012-13

No. of Policies

(in 000 thousands)

	2009-10	2010-11	2011-12	2012-13
HDFC Standard Life	3244.22(10.33%)	3587.76(6.84%)	3833.22(5.38%)	4039.59
ICICI Prudential	6321.04(1.10%)	6251.47(2.93%)	6068.44(8.09%)	5577.18
LIC	278563.41(2.65)	285936.21(1.98)	291591.32(1.02)	294554.13

- If we compare HDFC Standard Life Insurance from other years than from 2009-10 to 2010-11 number of Policies of HDFC Standard Life Insurance has been increased by 10.58% On the other hand from 2010-11 to 2011-12 It has been increased by 6.84% where as from 2011-12 to 2012-13 again increased by 5.38%.
- ICICI Prudential No. of Policies has been decreased by 1.10% from 2009-10 to 2010-11 whereas from 2010-11 to 2011-12. It has been decreased by 2.93% on the other hand again It has been decreased by 8.09% from 2011-12 to 2012-13 .
- LIC No. of policies has been increased by 2.65% from 2009-10 to 2010-11 then from 2010-11 to 2011-12 It has been increased by 1.98% than again in 2011-12 to 2012-13 It has been increased by 1.02%
- IF we compare it from other Sectors then in 2009-10 HDFC Standard Life Insurance number of policies are lowest then other sectors where as LIC No. of Policies are highest.
- In 2010-11 HDFC No. of Policies are lowest and LIC No. of Policies are highest. Still in 2012-13 HDFC NO. of Policies have increased but allow it has been lowest than other sectors and LIC No. of Policies are highest.

Market Share in No. of Policies (in % age)

2009-10 2010-11 2011-12 2012-13

HDFC Standard Life	1.01%	1.08%	1.14%	1.20%
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ICICI Prudential	1.98%	1.89%	1.80%	1.65%
LIC	87.34%	86.86%	86.96%	87.63%

- In 2009-10 LIC Market Share in NO. of Policies is 87.34% and HDFC Standard Life Insurance Market Share in No. of Policies 1.01% where as ICICI Prudential . Market Share in No. of Policies is 1.98% SO LIC Has highest Market share in No. of Policies.
- In 2010-11 LIC total market share in No. of Policies is 86.86% on the other hand HDFC Standard Life Market share is 1.08% where as ICICI Prudential Market share in No. of Policies is 1.89% ICICI Prudential Market share is highest than HDFC Standard but both have lowest market share in No. of Policies in Comparison to LIC.
- In 2011-12 LIC total market share in No of Policies is 86.96% whereas HDFC Standard Life Market share in No. of Policies is 1.14% on the other hand ICICI Prudential Market Share in No. of Policies is 1.80%
- In 2012-13 LIC total Market share in no. of policies in 87.63% where as HDFC Standard Life Insurance Market share in NO. of Policies is 1.20% on the other hand ICICI prudential. Market share in No. of Policies is 1.65% So LIC has highest Market share than other sectors.
- IF we compare it from other years of different sector than LIC Market Share is 87.34% in 2009-10 and it has been increased upto 87.63% by the year 2012-13.
- Whereas HDFC Standard Life Insurance Market share is 1.01% in 2009-10 and It has been increased upto 1.20% by the year 2012-13.
- On the other hand ICICI Prudential Market share is 1.98% in 2009-10 and it has been decreased upto 1.65% by the year 2012-13.

CONCLUSION :

The performance of Insurance in terms of growth of new business, i.e. business in force in India, new business under group insurance and other performance measures can be termed as satisfactory. Significant improvement has taken place in the settlement of claims especially after the introduction of private players in the business. The analysis of productivity growth also reflected improvement in different dimensions. There is need of more growth in these sectors to capture the market.

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