

Chapter 5: Life Insurance Industry in India: Post Deregulation

5.1 Background

5.2 Developments in the post deregulation period

5.3 About the Life Insurers operating in India

5.1 Background

The LPG drive in India affected the Indian Insurance sector tremendously. The deregulation of insurance sector in India brought positive development in terms of innovative products, new distribution channels and better customer service. Gradually, the developments have taken place after the insurance sector reforms took effect in the year 2000. This chapter studies the progress of the life insurance industry from various aspects. Vital areas like contribution of the public and private sector in the total life insurance premium, changing market share of the public and private sector players in the industry, new policies issued, growth in terms of policies and premium in the sector, contribution of the sector to the country's GDP etc has been covered in this study. A comparison has been done to understand the relative position of our country in terms of insurance penetration and density levels with the other countries of the World. The trend in the Assets under Management has been analyzed to understand pace of growth in the industry. In the final part of the discussion, the rate at which offices have been opened up by the insurers and capital being infused by the promoters has been studied. Finally, this chapter gives a brief description of the insurers, their profile, values and achievements etc. in order to be familiar with the insurers in a better way.

5.2 Developments in the post deregulation period

After opening up of the insurance sector a number of private firms and foreign companies identified huge prospect and entered into life insurance market of India. This made the industry more vibrant and competitive. "In Financial Year 2015-16, the life insurance industry recorded new premium income of Rs.1.38 trillion (\$20.54 billion), a growth rate of 22.5%. India's life insurance sector is the biggest in the World with about 360 million policies which are expected to increase between 12-15% over the next five years"- India Brand Equity Foundation (IBEF) (www.news18.com). The following subsections discuss about the progress made by the industry on different counts.

Increase in the number of Life Insurance Companies and their initial share holding structure

The private sector was encouraged to enter into the insurance business and resultantly there was a positive response from the market and large number of company commenced their insurance business either jointly in the form of a joint venture or single-handedly. The table below shows that from four private players in 2000-01, the number increased to fourteen in 2005-06, and was twenty four at the end of 2015-16. This depiction is natural for our country since it accounts for 16% of the total world population, but covers only 1.68% of the world life insurance market as in the year 2006 (World Insurance Report 2008), so giving ample opportunity for business to the baby boomers.

Table 5.1: Number of Life Insurers In India

Year	Public Sector	Private Sector	Total
------	---------------	----------------	-------

2000-01	1	4	5
2001-02	1	11	12
2002-03	1	12	13
2003-04	1	12	13
2004-05	1	13	14
2005-06	1	14	15
2006-07	1	15	16
2007-08	1	17	18
2008-09	1	21	22
2009-10	1	22	23
2010-11	1	22	23
2011-12	1	23	24
2012-13	1	23	24
2013-14	1	23	24
2014-15	1	23	24
2015-16	1	23	24

Source: IRDA Annual Reports

In accordance with the recommendations of the Malhotra Committee, the private sector was allowed to begin insurance business either individually or as a joint venture of Indian firms with foreign partners, in such cases maximum 26% foreign holding was allowed. However, later in the year 2017 the foreign holding was increased to 49% to augment the growth in the life insurance industry. The list of life insurers along with their holding structure is shown in the following table:

Table 5.2: Share Capital holding Structure of Life Insurers Operating in India

SI No.	Insurer	Domestic Partner(s) and their contribution(in %)	Foreign Partner(s) and their contribution (in %)	Year of commencement of business
Public Sector				
01.	Life Insurance Corporation of India	Government of India (100%)	None	1956-57
Private Sector				
02.	Aegon Religare Life Insurance Company Ltd.	Religare (44%), Bennett, Coleman & Company (30%)	Aegon (26%), Netherlands	2008-09
03.	Aviva Life Insurance	Dabur (74%)	Aviva International Holdings Ltd., UK (26%)	2002-03
04.	Bajaj Allianz Life Insurance Co. Ltd.	Bajaj Auto (74%)	Allianz AG, Germany (26%)	2001-02
05.	Bharti AXA Life Insurance Co.Ltd.	Bharti (74%)	AXA Asia Pacific	2006-07
06.	Birla Sun Life Insurance Co. Ltd.	Aditya Birla Group (74%)	Sun Life, Canada (26%)	2000-01
07.	Canara HSBC OBC Life Insurance Company Ltd.	Canara Bank (51%), Oriental Bank of Commerce (23%)	HSBC, UK (26%)	2008-09
08.	DLF Pramerica Life Insurance Co. Ltd.	DLF Limited (74%)	Prudential of America, USA (26%)	2008-09
09.	Edelweiss Tokio Life Insurance Co.Ltd.	Edelweiss Financial Services Ltd.	Tokio Marine Holdings Inc.,Japan	2011-12

10.	Future Generali Life Insurance Company Ltd.	Future Group (74%)	Generali, Italy (26%)	2007-08
11.	HDFC Standard Life Insurance Co. Ltd.	HDFC Ltd. (74%)	Standard Life Assurance, UK (26%)	2000-01
12.	ICICI-Prudential Life Insurance Co. Ltd.	ICICI Bank (74%)	Prudential, UK (26%)	2000-01
13.	IDBI Federal Life Insurance Company Ltd. (Formerly IDBI Fortis Life Insurance)	IDBI Bank (48%), Federal Bank and (26%)	Ageas (earlier known as Fortis) - 26%	2007-08
14.	IndiaFirst Life Insurance Co. Ltd.	Bank of Baroda (44%), Andhra Bank (30%)	Legal & General (26%), UK	2009-10
15.	ING Vysya Life Insurance Co. Ltd.	Exide Industries (74%)	ING Insurance International B.V., Netherlands (26%)	2001-02
16.	Kotak Life Insurance Co. Ltd.	Kotak Mahindra Bank Ltd. (74%)	Old Mutual, South Africa (26%)	2001-02
17.	Max New York Life Insurance Co. Ltd. (recently rename as Max Life Insurance)	Max India (74%)	New York Life, USA (26%)	2000-01
18.	Metlife India Insurance Co. Ltd.	The Jammu and Kashmir Bank, M.Pallonji and Co. Pvt. Ltd. and others (74%)	Metlife International Holdings Ltd., USA (26%)	2001-02
19.	Reliance Life Insurance Co. Ltd. (earlier known as AMP Sanmar Life)	An associate company of Reliance Capital Ltd. (100%)	None (Recently, Nippon Life has brought 26% stake in the company).	2001-02
20.	SBI Life Insurance Co. Ltd.	State Bank of India (74%)	BNP Paribas Cardif SA, France (26%)	2001-02
21.	Sahara Life Insurance Co. Ltd.	Sahara (100%)	None	2004-05
22.	Shriram Life Insurance Co. Ltd.	Shriram Group (74%)	Sanlam, South Africa (26%)	2005-06
23.	Star Union-Daichi Life	Bank of India (48%), Union Bank of India (26%)	Dai-ichi Mutual Life Insurance (26%)	2008-09
24.	Tata-AIG Life Insurance Co. Ltd. (recently renamed as Tata AIA Life Insurance Co. Ltd.)	Tata Sons (74%)	American International Assurance Co., USA (26%)	2000-01

Source: Compiled

From the above table, it is evident that majority of the private insurers have partner which is a foreign entity in the joint venture business. However, Sahara Life Insurance is the only exception. All other companies have a collaborative arrangement between two or more partners to develop a synergistic business model by utilizing the strengths of their partners. Reliance Life also had started its business with sole contribution from Reliance Capital. Later in 2009-10, Japan's Nippon Life has bought a 26% stake in the company.

Sector wise Market Share in Insurance Premium

The market share of both the sectors in the life insurance premium is enumerated in details through the following table:

Table 5.3: Sector-wise Contribution in Total Life Insurance Premium (Rs. in crore)

Year	Public Sector	Private Sector	Total
2001-02	49821	273	50094
2002-03	54628	1119	55747
2003-04	63533	3120	66653
2004-05	75127	7728	82855
2005-06	90792	15084	105876
2006-07	127823	28253	156076
2007-08	149790	51561	201351
2008-09	157288	64497	221785
2009-10	186077	79373	265450
2010-11	203473	88132	291605
2011-12	202889	84183	287072
2012-13	208804	78399	287203
2013-14	236942	77359	314302
2014-15	239668	88434	328101
2015-16	266444	100499	366943

Source: Compiled

Note: Decimals have been ignored

The above table depicts the life insurance premium collected during the period 2001-02 to 2015-16. Industry wise it shows a substantial increase over the years. The total premium increased from Rs. 50,094 crores in 2001-02 to Rs. 2,65,450 crores in 2009-10, an increase by 430% and further 632% by 2015-16. Both the public and private sector have been contributing to this increase, but the rate of increase for private players is much more compared to LIC till the year 2011-12. However, during 2012-13 and 2013-14 there has been a fall in the premium collected by Private Insurers which may be due to the market turmoil and the private companies over dependence on ULIP products. The total premium collection of LIC increased by 5.35 times whereas for the private sector it increased by 368.13 times during the period. The super-normal performance of the private sector was due to the fact that they started from a scratch. However the combined total of private players was also much behind LIC.

The table below depicts the percentage break-up of the insurance premium between LIC and the private sector in the industry. It also reflects that the share of private sector is on the rise.

Table 5.4: Sector-wise Percentage of Market Share on the basis Insurance Premium

Year	Public Sector	Private Sector	Total
2001-02	99.45	0.55	100
2002-03	97.99	2.01	100
2003-04	95.31	4.69	100
2004-05	90.67	9.33	100
2005-06	85.75	14.25	100
2006-07	81.89	18.11	100
2007-08	74.39	25.61	100

2008-09	70.91	29.09	100
2009-10	70.10	29.90	100
2010-11	69.78	30.22	100
2011-12	70.67	29.32	100
2012-13	72.70	27.30	100
2013-14	75.39	24.61	100
2014-15	73.04	26.95	100
2015-16	72.61	27.39	100

Source: Computed

It is evident that LIC faced increased competition initially just after the deregulation but regained its market share till 2013-14. However, the current scenario reveals that the private players are focusing equally on the traditional plans so gradually LIC have started losing its dominance over the sector. Thus, increase in the number of competitors has been putting pressure on the business of LIC which is evident from the table above. However, it is still the market leader with almost 73% share of the market in terms of total premium.

Market Share of Companies in terms of Insurance Premium Collected

There has been a rapid change in the industry environment due to sudden rise in competitive pressure from an increased number of competitors. As a consequence of the free-market mechanism, at present we see the existence of both LIC and the private players side by side. Nevertheless, the entry of private sector has affected the business of LIC which is understood from its market share erosion, but it still retains the market leadership.

Table 5.5: Market Share of Individual Life Insurers in India (in %)

Insurer	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Public Sector															
LIC	99.46	97.99	95.32	90.67	85.75	81.90	74.39	70.92	70.10	69.78	70.67	72.70	75.39	73.04	72.61
Private Sector															
ING Vysya /Exide Life	0.01	0.04	0.13	0.41	0.40	0.45	0.58	0.65	0.62	0.59	0.59	0.61	0.58	0.62	0.56
HDFC Standard Life	0.07	0.27	0.45	0.83	1.48	1.83	2.41	2.51	2.64	3.08	3.55	3.94	3.84	4.52	4.45
Birla Sun Life	0.06	0.26	0.81	1.10	1.19	1.13	1.63	2.06	2.07	2.02	2.05	1.82	1.54	1.59	1.52
ICICI Pru. Life	0.23	0.75	1.48	2.85	4.02	5.07	6.74	6.92	6.23	6.13	4.88	4.71	3.95	4.67	5.22
Kotak Life	0.02	0.07	0.23	0.56	0.59	0.62	0.84	1.06	1.08	1.02	1.02	0.97	0.86	0.93	1.08
Tata AIG Life	0.04	0.15	0.38	0.60	0.83	0.88	1.02	1.24	1.32	1.37	1.26	0.96	0.74	0.65	0.68
SBI Life	0.03	0.13	0.34	0.73	1.02	1.88	2.79	3.25	3.81	4.44	4.58	3.64	3.42	3.9	4.31
Bajaj Allianz Life	0.01	0.12	0.33	1.21	2.96	3.43	4.83	4.79	4.30	3.3	2.61	2.40	1.86	1.83	1.61

Max New York Life	0.08	0.17	0.32	0.50	0.74	0.96	1.35	1.74	1.83	1.99	2.33	2.31	2.32	2.49	2.51
PNB MetLife	0.00	0.01	0.04	0.10	0.19	0.32	0.58	0.90	0.96	0.86	0.93	0.85	0.71	0.75	0.77
RelianceLife	0.00	0.01	0.05	0.13	0.21	0.64	1.60	2.22	2.49	2.25	1.91	1.41	1.36	1.41	1.2
Aviva Life	-	0.02	0.12	0.31	0.57	0.74	0.94	0.90	0.90	0.81	0.84	0.74	0.59	0.55	0.41
SaharaLife	-	-	-	0.00	0.03	0.03	0.07	0.09	0.09	0.08	0.08	0.07	0.06	0.05	0.04
ShriramLife	-	-	-	-	0.01	0.12	0.18	0.20	0.23	0.28	0.22	0.21	0.18	0.22	0.28
BharatiAXA Life	-	-	-	-	-	0.00	0.06	0.16	0.25	0.27	0.27	0.26	0.28	0.32	0.33
Future Life	-	-	-	-	-	-	0.00	0.07	0.20	0.24	0.27	0.24	0.20	0.18	0.16
IDBI Federal Life	-	-	-	-	-	-	0.01	0.14	0.22	0.27	0.26	0.28	0.26	0.33	0.34
Canara HSBC Life	-	-	-	-	-	-	-	0.13	0.32	0.53	0.65	0.67	0.58	0.51	0.56
DLFPramerica Life	-	-	-	-	-	-	-	0.00	0.06	0.03	0.06	0.08	0.10	0.22	0.25
Aegon Religare life	-	-	-	-	-	-	-	0.01	0.01	0.13	0.16	0.15	0.14	0.17	0.14
Star Union Daichi	-	-	-	-	-	-	-	0.02	0.20	0.32	0.44	0.37	0.30	0.35	0.36
India First	-	-	-	-	-	-	-	-	-	0.27	0.45	0.59	0.68	0.62	0.54
Edelweiss Tokyo	-	-	-	-	-	-	-	-	-	-	.004	.02	.03	.06	.08
Private Sector Total	0.54	2.01	4.68	9.33	14.25	18.10	25.61	29.08	29.90	30.22	29.32	27.30	24.61	26.95	27.39

Source: Computed

“-“ denotes- Not Commenced Business

Note: The above share is calculated as a percentage of total premium income.

Amongst the private players, the leading ones in terms of market share were ICICI Prudential Life , Bajaj Allianz Life ,SBI Life, HDFC Standard Life, Reliance Life, Birla Sun Life Insurance and Max New York Life .

Growth Rate of the Industry on the basis of Insurance Premium

The table below shows the growth rate of the entire industry, LIC and private sector in terms of total life insurance premium.

Table 5.7: Life Insurance Industry Growth in terms of Premium(in %)

Year	Growth of Public sector (i.e. LIC)	Growth of the private sector	Growth of the life insurance sector as a whole
2001-02	42.79	4124.31	43.54
2002-03	9.65	310.59	11.28
2003-04	16.3	178.83	19.56
2004-05	18.25	147.65	24.31
2005-06	20.85	95.19	27.78

2006-07	40.79	87.24	47.38
2007-08	17.19	82.57	29.01
2008-09	5.01	25.09	10.15
2009-10	18.3	23.06	19.69
2010-11	9.34	11.03	9.85
2011-12	-.29	-4.48	-.02
2012-13	2.92	-6.87	.04
2013-14	13.48	-1.32	9.44
2014-15	1.15	14.31	4.20
2015-16	11.17	13.64	11.84

Source: IRDA Annual Reports

Note: The growth rate has been calculated based on year on year basis i.e. current year over the previous year.

From the above table it may be inferred that the growth of LIC and private sector should not be compared as there is a huge difference in the period for which they exist. LIC is in existence since 1956 whereas the private players commenced business after 2000. A direct comparison of nominal values reveals that the public sector behemoth has been growing at a moderate rate which ranged between 5% and 43%. On contrary the private sector grew at a much higher rate during the initial period of study. The rate of growth of the private sector in the first year after the deregulation exceeded 4100% which was mainly due to the low base in the previous year. So, the growth rate during the later years should be given due notice.

It is evident from that as the private sector is getting matured; the growth rate is declining (because of increasing base in the later years). From a growth rate of 310% in 2002-03, it has come down to 95% in 2005-06 and was a moderate 23% in 2009-10 and 13% in 2015-16. A look at the industry growth during the period 2001- 02 to 2009-10 shows that it is growing at a substantially good rate. But after that the growth rate has been taking a bumpy ride in the later part. In 2001-02, the total industry premium grew at a rate of 44% which decreased to 20% in 2003-04 after which it again increased. In 2006-07, the business increased by 47%. However, with advent of the sub-prime mortgage crisis in 2008 which affected the entire global economy, the Indian insurance industry could not remain unscathed. In 2008-09, the industry grew at a comparatively low rate of 10%. But then the industry growth became very minimal and even went negative in 2011-12. However, in recent years the industry is gaining its position and may be expected to learn from its earlier mistakes.

Contribution to the Country's GDP

The banking and insurance sector are two major pillars of the Indian financial system. They have been contributing immensely towards the Gross Domestic Product of our country. It needs to be mentioned here that data relating to the contribution of insurance sector standalone to the country's GDP could not be availed. Since, the data compiled by the CSO does not maintain data separately for the two aforesaid sectors. Instead, for each year, the data for the two sectors combined is provided. Henceforth, the discussion depicts the growth rate accordingly.

Throughout the last two decades of the twentieth century, it may be noticed that the two sectors combined immensely contributed towards the economic development of the Country. The table below shows that it rose consistently from 2.78% in 1980-81 to 6.15% in 1992-93 and landed up to 6.27% in 1997-98 before the present set of reforms was initiated.

Subsequent to the insurance sector deregulation, the two sectors combined have been contributing around 5.5% to the GDP on an average. In 2004-05, their contribution was 5.8% to the country's GDP which came down to 5.4% in 2009-10. During the period from 2004-05 to 2009-10, the contribution remained in the range of 5.4% to 5.8%. In 2011-12 it contributed just 3.75% but after that it may be observed that there has been a drastic increase but gradually. It has touched 7% in 2015-16 which is very impressive. An overall analysis shows that the contribution to GDP is increasing though there were many ups and downs during the period.

Table 5.8: Contribution of the Banking and Insurance Sector to India's GDP (in %)

Year	Contribution to GDP
Prior to insurance sector deregulation	
1980-81	2.78
1985-86	3.72
1990-91	5.26
1991-92	6.13
1992-93	6.15
1993-94	6.74
1994-95	5.25
1995-96	5.54
1996-97	5.81
1997-98	6.27
After insurance sector deregulation	
2004-05	5.8
2005-06	5.4
2006-07	5.5
2007-08	5.5
2008-09	5.7
2009-10	5.4

2010-11	4.1
2011-12	3.95
2012-13	4.7
2013-14	5.9
2014-15	5.7
2015-16	7.0

Source: Studies by RBI (www.indiaonesto.com/serviceindustry.htm) and Central Statistical Organization (Economic Survey 2010-11)

Growth of the Life Insurance Sector

The insurance industry of India showed a CAGR (Compound Annual Growth Rate) of 10.49% over the past eleven years. The life Insurance market grew from \$10.5 billion to \$54.58 billion through 2001-02 to 2015-16 (AIBEF, IRDA Data). Since its inception to 2015-16 the life insurance sector alone grew 12.49%. As per PWC studies, insurance industry has the potential to grow 2-2.5 times by 2020 due to strong fundamentals and grabbing share of household savings. .

Table 5.9: Compound Annual Growth Rate of the Life Insurance Sector

Year	Growth Rate (%)
2004-05	19
2005-06	24
2006-07	34
2007-08	50
2008-09	48
2009-10	56
2010-11	64
2011-12	60
2012-13	52
2013-14	52
2014-15	61.75
2015-16	54.58

Source: Adapted from Indian Chamber of Commerce(pwc survey)

The major reasons behind such growth may be attributed to growing awareness about insurance, innovative and customized products, new distribution channels like bancassurance and rising use of internet. It is predicted by Swiss Re that the fastest-growing insurance market will be that of India with the premium likely to grow at a compounded rate of 15% for the next decade which is more than 14% predicted for China. Therefore, India and China will be the most- promising markets in Asia (Ernst & Young, 2010).

Life Insurance Penetration: A World wide measure

Life Insurance Penetration is one of the most important indicators to study the performance of an insurance industry in a country. It is a measure of the total **life insurance premium as a**

percentage of a country's GDP. The following table gives a depiction of life insurance penetration across different countries of the world.

Table 5.10: Life Insurance Penetration: A Cross-Country Comparison (in US \$)

Country	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Non Asian Countries																
Australia	5.7	5.02	4.42	4.17	3.51	3.8	3.8	4.4	3.4	3.1	3	2.8	3	3.8	3.5	2.99
Switzerland	7.95	8.41	7.72	6.73	6.20	6.20	5.70	5.50	5.4	5.5	10	9.6	5.3	5.1	5.1	4.72
UK	10.73	10.19	8.62	8.92	8.90	13.10	12.6	12.80	10	9.5	11.8	11.3	8.8	8	7.5	7.58
France	5.73	5.61	5.99	6.38	7.08	7.90	7.30	6.20	7.20	7.40	9.5	6.2	5.6	5.59	6.2	6.06
US	4.40	4.60	4.38	4.22	4.14	4.0	4.20	4.10	3.5	3.50	3.2	3.1	3.2	3	3.1	3.02
Germany	3.0	3.06	3.17	3.11	3.06	3.10	3.10	3.0	3.3	3.5	6.8	6.9	3.1	3.1	2.9	2.75
Brazil	0.36	1.05	1.28	1.36	1.33	1.30	1.40	1.40	1.60	1.60	1.7	2	2.2	2.1	2.1	2.28
SouthAfrica	15.19	15.92	12.96	11.43	10.84	13.0	12.50	12.50	10	12	10.2	NA	12.7	11.4	12	11.52
Russia	1.55	0.96	1.12	0.61	0.12	0.10	0.10	0	0	0	0.1	0.1	0.1	0.2	0.20	0.25
Asian Countries																
Malaysia*	3.38	2.94	3.29	3.52	3.60	3.2	3.10	2.80	2.9	3.2	3.3	3.1	3.2	3.1	3.4	3.15
Thailand	1.86	2.09	2.25	1.94	1.99	1.90	1.80	1.80	2.4	2.6	2.7	3	3.8	3.6	3.7	3.72
China	1.34	2.03	2.30	2.21	1.78	1.70	1.80	2.20	2.3	2.5	1.8	1.7	1.6	1.7	2	2.34
India*	2.15	2.59	2.26	2.53	2.53	4.10	4.0	4.0	4.6	4.4	3.4	3.2	3.1	2.6	2.7	2.72
Japan*	8.85	8.64	8.61	8.26	8.32	8.30	7.50	7.60	7.8	8.0	8.8	9.2	8.8	8.4	8.3	7.15
Hong Kong	5.13	5.20	6.38	7.88	8.63	9.20	10.60	9.9	9.6	10.1	10.1	11	11.7	12.7	13.3	16.2
SouthKorea*	8.69	8.23	6.77	6.75	7.27	7.90	8.20	8.0	6.5	7	7	6.9	7.5	7.2	7.3	7.37
Sri Lanka	0.53	0.55	0.55	0.60	0.62	0.60	0.60	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.52
Pakistan	0.30	0.24	0.24	0.28	0.27	0.30	0.3	0.3	0.3	0.30	0.4	0.4	0.5	0.5	0.5	0.63
Bangladesh	0.29	0.29	0.37	0.37	0.42	0.40	0.50	0.7	0.7	0.70	NA	NA	NA	NA	NA	NA
Singapore	3.40	3.48	6.09	6.02	6.0	5.4	6.20	6.30	5.1	4.6	4.3	4.4	4.4	5.0	5.6	5.48
Taiwan	6.03	7.35	8.28	11.06	11.17	11.60	12.90	13.30	13.8	15.4	13.9	15	14.5	15.6	15.7	16.65
World	4.68	4.76	4.59	4.55	4.34	4.5	4.4	4.1	4.0	4.0	3.8	3.7	3.5	3.4	3.5	3.47

Source: IRDA Annual Reports

Note: Data relates to the calendar year. However, * represents financial year.

The comparison with other countries throws light on India's position in comparison to few selected Asian and Non-Asian countries in respect to life insurance penetration after the opening up of insurance sector to the private players. It can be inferred that the penetration level is gradually decreasing for most of the non-Asian countries except Brazil. Though, Brazil's penetration level is yet much below the average, still Brazil is improving its penetration level at a slow but steady pace. South Africa has a very high penetration level amongst the non Asian countries but it is also following a downward trend. It is very surprising to spot that developed nations namely, US and Germany do not have good penetration levels. Comparatively France and UK reflects an encouraging scenario. Australia, Switzerland and Russia reflect a very discouraging trend.

The Asian countries exhibit a reverse trend. It may be observed that India is lagging far behind the World average. Further the penetration level is decreasing gradually even after such initiatives by the regulator and Government. This scenario calls for serious probe and adoption of necessary steps in near future. However, India's position in comparison to its immediate neighbours Pakistan, Bangladesh and

Srilanka is commendable. Taiwan and Hong kong have very high penetration levels which is a very good sign of a welfare economy. Some of the other South Asian countries like Malaysia and Thailand is improving drastically and has also beat India in terms of Insurance penetration. However, India's position with respect to nations like Japan, Hong Kong and South Korea is miserable. China, the fastest-growing economy in the world and India is almost at the same zone

Life Insurance Density: World wide measure

Life Insurance Density is another important measure to judge countries performance in terms of insurance. The 'life insurance density' may be otherwise termed as per capita insurance premium. The cross-country comparison helps to understand India's position in comparison to World, Asian, European and other non-Asian countries. The table below reflects the life insurance density across various countries of the world.

Table 5.11: Life Insurance Density: A Cross-Country Comparison (in US \$)

Country	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Non-Asian Countries																
Switzerland	2715.7	3099.7	3431.8	3275.1	3078.1	3111.8	3159.1	3551.5	3405.6	3666.8	4421	4121.1	4211	4391	4079	3700.3
UK	2567.9	2679.4	2617.1	3190.4	3287.1	5139.6	5730.5	5582.1	3527.6	3436.3	3347	3255.8	3474	3638	3292	3033.2
France	1268.2	1349.5	1767.9	2150.2	2474.6	2922.5	2928.3	2791.9	2979.8	2937.6	2638	2239.2	2391	2552	2263	2227.7
US	1602	1662.6	1657.5	1692.5	1753.2	1789.5	1922	1900.6	1602.6	1631.8	1716	1808.1	1654	1657	1719	1724.9
Germany	674.3	736.7	930.4	1021.3	1042.1	1136.1	1234.1	1346.5	1359.7	1402.2	1389	1299.3	1392	1437	1181	1150.6
Brazil	10.8	27.2	35.8	45.9	56.8	72.5	95.3	115.4	127.9	169.9	208	225.5	246	222	178	195.5
SouthAfrica	377.2	360.5	476.5	543.5	558.3	695.6	719	707	574.2	854.6	823	882.3	844	748	688	615.8
Australia	1040.3	1010.4	1129.3	1285.1	1366.7	1389	1674.1	2038	1524.8	1766.3	2077	1987.7	2056	2382	1830	1558.5
Russia	33.2	23.1	33.9	24.8	6.3	4	6.1	5.4	4.5	6.2	8	12.1	19	20	15	22.4
Asian Countries																
Malaysia*	129.5	118.7	139.8	167.3	188	189.2	221.5	225.9	206.9	282.8	328	329.9	341	338	316	298.3
Thailand	34.1	42.1	52	50.8	54.6	60	70.8	77.2	91.7	121.9	134	156.5	214	198	215	222
China	12.2	19.5	25.1	27.3	30.5	34.1	44.2	71.7	81.1	105.5	99	102.9	110	127	153	189.9
India*	9.1	11.7	12.9	15.7	18.3	33.2	40.4	41.2	47.7	55.7	49	42.7	41	44	43	46.5
Japan*	2806.4	2783.	3002.	3044	2956.	2829.	2583.9	2869.5	3138.7	3472.8	4138	4142.5	3346	2926	2717	2803.4
HongKong	1249.7	1237.	1483.	1884.	2213.	2456	3031.9	2929.6	2886.6	3197.3	3442	4024.7	4445	5071	5655	7065.6
SouthKorea*	763.4	821.9	873.6	1006.	1210.	1480	1656.6	1347.7	1180.6	1454.3	1615	1578.1	1816	2014	1940	2049.6
Sri Lanka	4.3	4.5	5.3	6.2	6.9	8.5	10.2	12.8	11.8	13.7	15	14.8	16	17	19	21.2
Pakistan	1.2	1.0	1.1	1.5	1.9	2.3	2.6	2.8	3.0	3.2	4	5.3	6	7	8	9.2
Bangladesh	1.0	1.0	1.4	1.5	1.7	1.8	1.9	3.3	3.9	4.4	NA	NA	NA	NA	NA	NA
Singapore	713.2	730.1	1300.2	1483.9	1591.4	1616.5	2244.7	2549	1912	2101.4	2296	2471.8	2388	2840	2932	2894.5
Taiwan	760.9	925.1	1050.1	1494.6	1699.1	1800	2165.7	2281.1	2257.3	2756.8	2757	3107.1	3204	3371	3397	3598.7
World	235	247.3	267.1	291.5	299.5	330.6	358.1	369.7	341.2	364.3	378	372.6	366	368	346	353

Source: IRDA Annual Reports

Note: Data relates to the calendar year. However, "*" represents financial year.

It is evident that the position of Switzerland and UK is far better than the other non asian countries. It is quite unexpected to observe that South Africa, which ranks so high in respect of penetration, scores

comparatively poor in respect of life insurance density level. US and France have been doing pretty well and gradually increasing in terms of life insurance density level. Germany and Australia are the next in the queue. The position of Brazil has improved a lot since 2001. Russia carried on a downward trend but is increasing rapidly since 2012.

In the other part of the globe i.e. for the Asian countries, we find that Hong Kong is very successful in terms of its insurance business. Japan has declined since 2012 still it is far better compared to the other countries. Singapore, Taiwan and South Korea have drastically improved in terms of insurance density level. China, the emerging superpower has shown gradual increase during these years. India had improved upto 2011 but the density level started dwindling right from 2012 and has managed to keep it 46.5 in 2016 which is much below the World level of 353. So, India has much to do in this aspect. Malaysia and Thailand has also improved in terms of insurance density. Srilanka has also improved its performance but it is still very low. Pakistan and Bangladesh also has very low density levels.

Number of Policies Issued

In the insurance sector, number of policies issued is a key parameter to understand its growth. The sector wise number of policies issued after opening up of the sector is given below:

Table 5.12 Number of Life Insurance Policies Issued in India (in lakhs)

Year	Public Sector		Private Sector		Total	
	No.	Growth	No.	Growth	No.	Growth
2002-03	245.46	-	8.25	-	253.71	-
2003-04	269.68	9.87	16.59	101.05	286.27	12.83
2004-05	239.78	(11.09)	22.33	34.62	262.11	(8.44)
2005-06	315.91	31.75	38.71	73.37	354.62	35.29
2006-07	382.29	21.01	79.22	104.64	461.51	30.14
2007-08	376.13	(1.61)	132.62	67.40	508.75	10.23
2008-09	359.13	(4.52)	150.11	13.19	509.24	0.09
2009-10	388.63	8.21	143.62	(4.32)	532.25	4.51
2010-11	370.38	(4.70)	111.14	(22.61)	481.52	(9.53)
2011-12	357.51	(3.47)	84.42	(24.04)	441.93	(8.22)
2012-13	367.82	2.88	74.05	(12.28)	441.87	(0.01)
2013-14	345.12	(6.17)	63.60	(14.11)	408.72	(7.50)
2014-15	201.71	(41.55)	57.37	(9.79)	259.08	(36.61)
2015-16	205.47	1.86	61.92	7.92	267.38	3.20

Source: IRDA Annual Reports

Figures in bracket denotes negative growth

The Indian insurance market is a plethora of opportunities. The private sector has started penetrating the market very aggressively. In the initial period the growth trajectory was huge but gradually after 2009-10 they started negative growth. Still, the year 2015-16 may be a silver lining beyond the cloudy days for the private sector companies. LIC, the only public sector giant, alone issues 4-5 times of the

total life insurance policies compared to the 23 private sector companies. The mammoth has neither shown steep increase nor steep decrease in issue of policies except in the year 2014-15.

The influence of sub-prime mortgage crisis on the Indian stock market affected the performance of ULIPs, as a result the increasing sales of private players fell drastically to 143.62 lakh policies in 2009-10. On contrary, the number of policies issued by public sector increased from 245.46 lakh policies in 2002-03 to 388.63 lakh policies in 2009-10 due to their strong hold in the market based on traditional plans. Upto 2009-10, there has been a consistent rise of the private sector, but the numbers for the public sector has been fluctuating.

It is evident that the private sector has grown at a positive rate in the first decade except in the year 2009-10 after which there was a decline in sale of policies. The reason may be selling insurance as an investment by over emphasizing on ULIP products. However, it may be also considered that the absolute percentage growth rate shows a falling trend thereby reflecting that the rate of growth is stabilizing as the market is getting matured. As far as the industry growth rate is concerned, it gets carried away with the public sector giant. However overall it was attractive till 2006-07. Then it started dwindling. After the year 2010-11 it was negative. Finally in 2015-16 it has shown a positive growth rate and mostly due to increase in the private sector growth.

Assets Under Management (AUM)

Assets under management (AUM) means the sum total of assets being managed under the four categories of funds viz., life fund, pension fund, annuity fund and the ULIP fund. This parameter is helpful in understanding the growth in insurance business as right investment is a key to success for any financial services firm.

**Table 5.13: Assets Under Management in Life Insurance Business
(Rs. in Trillion)**

Year	LICI	Private Sector	Industry Total
2002-03	22.77	0.28	22.96
2003-04	30.44	0.19	30.73
2004-05	36.14	0.28	36.62
2005-06	38.95	0.77	39.72
2006-07	45.34	1.21	46.55
2007-08	52.61	1.86	54.47
2008-09	60.65	2.31	62.96
2009-10	69.95	3.31	73.26
2010-11	79.83	4.28	84.10

2011-12	91.46	6.00	97.46
2012-13	103.76	8.23	111.99
2013-14	118.1	10.72	128.82
2014-15	135.98	13.55	149.53
2015-16	152.70	17.04	169.74

Source: IRDA Annual Reports

The AUM for LIC has been steadily increasing during the period 2002-03 to 2015-16. The rise has been almost 7 times from 2002-03 to 2015-16. The private sector being the new comers in the sector will take due time to increase their investments and it is also prudential to take time rather than entering into risky ventures. However, on observing the rate of increase, it was found that it has increased almost 61 times during this period. This rapid increase is commendable but it is due to the advantage of small numbers at the initial years. The year on year growth rate will reflect that the market is gradually stabilizing and entering early maturity. However, since the private sector is new to the industry, the growth rate difference between the two sectors should not be compared.

Number of Life Insurance Offices

The success for any insurance company depends on its reach to the customers. The extent of distribution network and proximity to the customers is a basic infrastructural requirement of any insurance business. The customers seek accessibility and visibility in case of financial firms which builds up their trust and reliability on the insurer. Keeping this in mind, to win the confidence of their prospects the insurers opened large number of offices during this period. The increase in the number of offices is evident from the table below:

Table 5.14: Number of Offices of Life Insurers (as on 31st March)

Year	LICI	Private Sector	Total
2000-01	2186	13	2199
2001-02	2190	116	2306
2002-03	2191	254	2445
2003-04	2196	416	2612
2004-05	2197	804	3001
2005-06	2220	1645	3865
2006-07	2301	3072	5373
2007-08	2522	6391	8913
2008-09	3030	8785	11815

2009-10	3250	8768	12018
2010-11	3371	8175	11546
2011-12	3455	7712	11167
2012-13	3526	6759	10285
2013-14	4839	6193	11032
2014-15	4877	6156	11033
2015-16	4892	6179	11071

Source: IRDA Annual Reports

This growth is mostly led by the private sector companies which rapidly increased within a few years of their entering the industry and LIC the only public sector giant also influenced the growth to some extent. It is prominent that the private players taken together started expanding their reach through branches at a fast pace initially. Later after 2011-12 they started contraction. However, LIC has increased its number of offices from 2186 in 2000-01 to 4892 in 2015-16, while the private sector has increased the number from 13 to 6179 during the same time period. The growth of LIC in terms of branches has been steadily on the positive side.

There has been a change in the distribution pattern of insurance business. Many alternative channels have emerged like bancassurance. Agency channels have no alternative since its origin. The growth in the dependence of internet may be a reason for decline in the number of branch of the private players.

Equity Share Capital

Any business needs capital to start, grow and sustain. It is a well known fact that insurance industry is a capital-intensive industry. It needs a gestation period of around eight years. In India, due to opening up of insurance sector to the private participants there has been a huge infusion of capital all this while. The major changes like increase in competition, increasing management expenses and urge to build up competitive advantage have compelled the private promoters as well as the public sector giant to invest more and more capital which is clear from the table below.

TABLE 5.15: Equity Share Capital of Life Insurers (Rs. in crore)

Year (on 31st March)	Public Sector	Private Sector	Total
2002	5.00	1664	1669
2003	5.00	2229.13	2234.13
2004	5.00	3238.71	3243.71

Aegon Religare	1.85 (80)	2.11 (106)	5.07 (172)	0.1 (128)	0.8 (4)	0.28 (4)	0.37 (4)	1.21 (8)	0	0.1 (1)
AvivaLife	6.56 (335)	4.5 (267)	15.27 (775)	2.36 (524)	1.77 (59)	2.74 (82)	2.86 (20)	31.55 (1111)	0.8 (3)	2.07 (9)
Bajaj Allianz	-	0	0.36 (7)	14.21 (4)	3.39 (1527)	22.91 (1145)	26.23 (845)	1.3 (9)	23.33 (572)	36.36 (624)
Birla Sunlife	2.18 (12)	2.25 (10)	2.79 (17)	0.17 (14)	0	0.27 (2)	2.08 (14)	32.89 (444)	14.99 (23)	3.29 (32)
Canara HSBC	3.49 (202)	-	-	0.77 (8)	0.06 (14)	1.96 (34)	2.04 (31)	1 (11)	2.04 (246)	17.72 (142)
DLF Pramerica	2.62 (111)	5.55 (242)	-	0	3.19 (42)	0.96 (35)	0.76 (20)	10.52 (325)	3.73 (16)	2.38 (18)
Edelweiss Tokio	0.87 (62)	4.02 (151)	-	0.06 (4)	0.21 (5)	0.64 (24)	4.27 (137)	0.23 (3)	1.35 (463)	2.41 (55)
Future Generali	2.5 (99)	-	7.83 (310)	8.16 (210)	4.07 (144)	0	0	3.89 (70)	1.32 (14)	1.03 (6)
HDFC Std	9.63 (540)	2.83 (171)	6.91 (365)	16.9 (886)	1.28 (161)	7.82 (348)	4.26 (96)	9.51 (101)	9.65 (206)	4.15 (48)
ICICI Pru	1.62 (36)	2.55 (145)	-	0.55 (25)	19.5 (1053)	1.93 (28)	1.21 (10)	2.34 (12)	8.59 (231)	1.75 (38)
IDBI Federal	0.5 (9)	9.13 (358)	3.92 (281)	0	4.37 (56)	7.14 (361)	2.64 (47)	1.71 (26)	14.48 (94)	53.55 (275)
India First	0.6 (7)	3.1 (70)	1.62 (111)	4.75 (216)	0.1 (5)	2.69 (59)	2.08 (31)	1.63 (21)	29.87 (123)	14.14 (96)
Exide Life	1.53 (165)	0.35 (14)	0.43 (5)	5.25 (178)	2.88 (112)	2.8 (119)	0	5.64 (179)	2.44 (39)	3.56 (44)
Kotak Mahindra	0	0.16 (21)	5.5 (106)	1.82 (87)	8.45 (197)	5.37 (184)	4.07 (153)	4.41 (60)	2.63 (49)	6.14 (82)
Max Life	4.33 (236)	-	0.14 (4)	7.4 (139)	30.32 (1355)	18.5 (644)	7.82 (110)	71 (8)	4.21 (49)	8.19 (87)
MetLife	-	1.14 (68)	1.06 (95)	7.14 (287)	17.54 (152)	19.03 (152)	8.01 (143)	6.98 (67)	0.34 (4)	2.09 (6)
Reliance Life	-	3.59 (193)	2.67 (165)	1.82 (187)	4.98 (142)	27.03 (1605)	10.72 (187)	25.84 (1356)	10.44 (8)	6.74 (37)
SaharaLife	-	-	6.37 (322)	3.61 (287)	8.02 (334)	3.2 (299)	25.95 (910)	0.62 (69)	33.35 (1505)	32.84 (1050)
SBI Life	1.53 (165)	3.25 (187)	5.36 (236)	8.08 (355)	2.12 (220)	5.32 (103)	5.58 (158)	8.66 (167)	7.69 (190)	31.4 (470)
ShriramLife	-	-	-	0	7.85 (475)	6.15 (290)	1.39 (297)	4.14 (81)	0.21 (16)	0.29 (28)
StarUnion	-	-	-	10.71 (298)	0.3 (22)	1.03 (52)	7.12 (55)	3.06 (56)	0	11.48 (220)
Tata AIA	-	-	-	0	11.53 (307)	1.85 (42)	2.54 (29)	0	0.27 (9)	0.33 (4)
LIC	185.39 (9574)	205.43 (9982)	141.37 (11550)	148.53 (13076)	118.45 (9527)	177.32 (10803)	171.34 (8856)	254.65 (7829)	227.69 (3929)	207.63 (3652)

It is evident that LIC has huge customer base so it is incomparable with the other novices in the market. In case of the private players we find that the year ended March 2014 and 2015 have been a year when they had to settle big amount of claims. SBI Life is doing a commendable business all this while. It is followed by Aviva and Canara HSBC in the later part of the study. However, to summarize it is prominent that the private players are serving their customers well which will in turn build up market confidence.

5.3 ABOUT THE LIFE INSURERS IN INDIA

This section gives an understanding about the twenty-four life insurers that were operating in India till the financial year 2015-16. The ownership pattern, mission, vision and other remarkable achievements of the companies individually have been discussed in brief.

I. Aegon Religare Life Insurance Company (ARL) (www.aegonreligare.com)

Aegon Religare is a joint venture between AEGON, an international life insurance, pension & investment company, Religare, a global financial services group, and Bennett, Coleman & Company, India's largest media house. The venture is dedicated to build a profitable customer-centric business with scale and providing a work environment that fosters excellence and innovation. The organization promises to delight customers through a fresh approach, innovative solutions and seamless delivery. ARL launched its pan-India operations in July, 2008 following a multi-channel distribution strategy with a vision to help people plan their life better. The fulfillment of this vision is based upon having a complete product suite, providing customised advice and enhancing the overall customer experience through superior service. ARL has launched a suite of products that are focused on providing the customer with means to meet their long-term financial goals. ARL products such as AEGON Religare iTerm Plan and AEGON Religare Future Protect Plan have been ranked among the best in terms of value.

About the Partners

i) Aegon- It is an international company in the areas of life insurance, pension and investment. It has businesses in over twenty places in America, Europe and Asia. With headquarters in Hague, it employs approximately 28,000 people and serves some 40 million customers across the globe. The company's shares are listed on three stock exchanges: Amsterdam, New York and London. Aegon has more than 160 years of experience with its roots going back to 1844. Aegon holds 26% equity in ARLI.

ii) Religare Enterprises Limited- It is a global financial services group with its presence across Asia, Africa, Middle East, Europe and America. In India, Religare's largest market, the group offers a wide array of products and services ranging from insurance, asset management, broking and lending solutions to investment banking and wealth management. The group pioneered the concept of investments in alternative asset classes such as arts and films. With over 10,000 employees across multiple geographies, Religare serves over a million clients, including corporate and institutions, high net worth families and individuals, and retail investors. REL hold 44% equity in ARL.

iii) Bennett, Coleman & Company Limited (BCCL)

It is part of the mammoth Times Group and is India's largest media house. It reaches out to 2468 cities and towns all over India. The group owns and manages powerful media brands like The

Times of India, The Economic Times, Maharashtra Times, Navbharat Times, Femina, Filmfare, Grazia, Top Gear, Radio Mirchi, Zoom, Times Now, Times Music, Times OOH, Private Treaties and indiatimes.com. All of its brands are multinational in outlook, traditional at heart and national in spirit. From the very first edition on November 3, 1838 the mammoth BCCL Group has come a long way. The group holds 30% equity in ARL.

Vision of the insurer -The insurer's vision is to "To help people plan their life better."

Values- The Company believes in the following principles: Being empathetic, Being professional, Being vibrant and forward thinking.

II. **Aviva Life Insurance** (www.avivaindia.com)

Aviva India is a joint venture between one of the country's oldest and largest groups, Dabur, and Aviva Plc, UK's largest insurance group, whose association with India dates back to 1834. The stake of the Indian partner is 76% and the balance 24% is held by Aviva Plc. It has a wide network of 140 branches spreading across nearly 3,000 towns and cities in India. The organization has a strong sales force of over 20,000 Financial Planning Advisors.

About the Partners

i) Dabur- Founded in 1884, Dabur Group is one of India's oldest and largest groups of companies. A professionally managed company, it is the country's leading producer of traditional healthcare products.

ii) Aviva Group- Aviva is a leading provider of life and pension products in Europe (including UK) with substantial positions in other markets around the world, making it the world's sixth largest insurance group based on gross worldwide premiums at 31st December, 2009.

Aviva's principal business activities are long- term savings, fund management and general insurance, with worldwide total sales of £47.1 billion and funds under management of £402 billion at 31 December, 2010. With a history dating back to 1696, Aviva Group has a 44.5 million customer base worldwide.

Vision- The company's vision is to be amongst India's leading life insurers with a quality business model, focused on sustainable growth.

Awards and Recognitions

Given below is the list of a few awards conferred upon it in recent times-

- won a Bronze at the Effies 2010
- won a Gold at the SPIKES Asia Awards, 2010
- won the “Corporate Social Responsibility Award” at the prestigious Asia Insurance Industry Awards 2010
- won two major awards, at the ‘CMO Asia Awards’ held in Singapore– ‘Excellence in Branding and Marketing’ in Banking and Financial services, and Social Marketing.
- felicitated with the "Bronze Award for Excellence in People Management" by Grow Talent Company Limited and Businessworld.
- ranked 4th in the Best Workplaces in India study for the year 2008 by the Great Place to Work Institute.
- won the coveted Award for Talent Management during the national round of Asia Pacific HRM Congress.

III. **Bajaj Allianz Life Insurance Co.Ltd. (www.bajajallianz.com)**

The company is a joint venture between Allianz AG and Bajaj Auto which started its operations in 2001. Today, Bajaj Allianz is one of India’s leading and fastest growing insurance companies with its presence in more than 550 locations with over 60,000 insurance consultants. The company stresses on customer delight and aims to provide investment solutions through customized products. Recently, it won the Bloomberg UTV Award 2011 for the best utilization of Information Technology to transform business. Bajaj Allianz has a wide array of bank partners ranging from PSU, Private Sector, District Co- operative banks to Regional Rural Banks. It is also partnered with Standard Chartered Bank, Dhanalakshmi Bank and Team Life Care Co. (India) Ltd.

It provides several types of products like the usual traditional products but also ULIPs. One of the unique aspects that we found is the presence of women’s traditional plans to cater to their specific needs. It has a wide network through its 600 branches. In order to help customers in choosing the right product, professional advice is given through its 1, 47,900 empanelled advisors. It is among the private players who have the lowest claims outstanding ratio in 2010-11; the ratio was zero percent.

About the Partners

i) **Bajaj Auto-** It is one of the biggest two and three wheeler manufacturers in the world.

ii) Allianz Group- It is one of the world's leading insurers, financial services providers and asset managers. Founded in 1890 in Berlin, Allianz is now present in over 70 countries with almost 174,000 employees. Allianz SE has over 115 years of financial experience in over 70 countries.

IV. **Birla Sun Life Insurance Co. Ltd. (www.birlasunlife.com)**

The insurer which is among the first to be registered for carrying out life insurance business in the country was established in 2001 as a joint venture between Aditya Birla Group and Sun Life Financial of Canada. It is presently among the top insurers in the country.

About the Partners

i) Aditya Birla Group is the Indian partner and is a renowned name in the business fraternity not only in India but also across the world with its presence in India, Thailand, Indonesia, Malaysia, Philippines, Egypt, Canada, Australia and China.

ii) Sun Life Assurance is the insurance business arm of Sun Life Financials. It is one of the leading insurance companies of the world and ranks amongst the largest international financial services organizations in the world.

Insurer as the trend-setter

The insurer has been the trend-setter in several areas through its innovation which include:

- Introduction of the Free Look-in Period
- The launch of Unit Linked Insurance Plans amongst the private players in India.
- Originator of the practice of disclosing the portfolio on monthly basis.

V. **Bharti AXA Life (www.bharti-axalife.com)**

This life insurance player started its operations in December 2006. It brings together strong financial expertise of the Paris-headquartered AXA Group and Bharti Enterprises - one of India's leading business groups. The joint venture has a 74% stake from Bharti and 26% stake from AXA Asia Pacific Holdings Ltd. (APH). The venture, therefore, brings in a combination of AXA's best practice blueprints as a sound platform for efficient and profitable growth and Bharti's local knowledge, infrastructure and customer base. Today, there are more than over 5200 employees across over 12 states in the country. The business philosophy of the insurer is to make "Life Confident". Today, Bharti AXA Life has a national footprint of distributors trained to provide quality financial advice and

insurance solutions to the large Indian customer base. It offers a range of innovative products and services that cater to specific insurance and wealth management needs of customers.

About the Partners

i) Bharti Enterprises- It is one of India's leading business groups with interests in telecom, agricultural business, financial services, and retail. Bharti has been a pioneering force in the telecom sector with many firsts and innovations to its credit. Bharti Airtel Limited, a group company, is one of India's leading private sector providers of telecommunications services with an aggregate of over 110 million customers, spanning Mobile services, Telemedia services and Enterprise services. Bharti Airtel had been ranked amongst the best performing companies in the world in the Business Week IT 100 list 2007. Bharti Teletech is the country's largest manufacturer and exporter of telephone terminals. Bharti has a joint venture –

Bharti Del Monte India (P) Ltd – with Del Monte Foods India Pvt. Ltd., to offer fresh and processed fruits and vegetables in the domestic as well as international markets including Europe, USA and Middle East. Bharti recently forayed into retail business under Bharti Retail Pvt. Ltd. It also has a joint venture - Bharti Wal-Mart Private Ltd. - with Wal-Mart for wholesale cash-and-carry and back-end supply chain management operations in India.

ii) AXA Group- The group, headquartered in Paris, is a worldwide leader in Financial Protection. AXA's operations are diversified geographically, with major operations in Europe, North America and the Asia Pacific area. In 2010, total revenues amounted to Euro 91 billion.

Core attitudes of the insurer- The company believes in being attentive to the customers' needs, reliable in all kinds of services that it provides by practicing what it believes and being accessible to customers – both existing and potential.

Vision of the insurer- The insurer aims “To be a leader and the preferred company for financial protection and wealth management in India.”

Values of the insurer- The organization believes in Professionalism, Pragmatism, Innovation, Integrity and Team spirit.

VI. Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited

(www.canarahsblife.com)

The Company was launched on June 16, 2008 and is a joint venture between Canara Bank (holding 51%), Oriental Bank of Commerce (holding 23%) and HSBC Insurance (Asia Pacific) Ltd

(holding 26%), the Asian arm of the world's banking and financial services group - HSBC. The insurer has an exclusive access to around 60 million customers and a network of 6000 bank branches of its corporate agents. The company is the fastest Indian life insurance company to cross Rs. 500 crore and Rs. 1000 crore in weighted premium income till date and it also has the highest average premium per policy in the industry for individual business since its launch. The in-depth local market knowledge of Canara Bank and Oriental Bank of Commerce coupled with the considerable insurance experience, product range and proven bancassurance capabilities of HSBC make this an unparalleled union of financial strength, expertise and most importantly, trust.

The Partners:

i) Canara Bank- It was established in 1906, and has completed over a century of operations in the Indian banking industry. It is recognized today as amongst the largest nationalized banks in India in terms of aggregate business volume. The Government of India owns about 73.17% of the Bank. It currently has more than 3000 branches spread across all geographical segments and a customer base exceeding 37 million.

ii) Oriental Bank of Commerce- Oriental Bank of Commerce (OBC) was established in 1943 and is currently the 9th largest nationalized Bank in India in terms of assets. The Government of India owns 51.1% in Oriental Bank of Commerce. The Bank has a credit rating of AA+/FAAA/P1+ from CRISIL. Known for its sound customer-centric business practices, it has a distribution network of over 1500 branches and 13 million customers. It offers convenient banking services through more than 1000 ATMs and currently, 100% of the Bank's business is covered within the CBS branch network.

iii) HSBC Insurance (Asia Pacific) Ltd. – It is an insurance company based in Hong Kong and is wholly owned by the Hongkong and Shanghai Banking Corporation Limited. HSBC in India offers a full range of banking and financial services to over 2 million customers through its 50 branches and 150 ATMs across 29 cities. The multinational giant, one of the strong financial services groups in India, has more than 35,000 employees in banking, investment banking and capital markets, asset management, insurance broking, insurance, software development and global resourcing operations in the country. It is a leading custodian in India. More than 5% of India's exports and imports pass through HSBC India's banking channels.

Values of the insurer- The business of the entity is based on the principles of honesty and fairness, customer driven, simplicity and excellence, staff engagement and corporate citizenship.

Achievements- It made a record-breaking entry in July 2008. In its first full month of business - the Company wrote over Rs.12 crores of annualized premiums, exceeding what many companies achieved in their entire first year of operations.

VII. DLFPramerica Life Insurance Company Limited (www.dlfpramericalife.com)

This company is a joint venture between DLF Limited, one of India's largest and most respected real estate organizations and Prudential International Insurance Holdings. This new insurer commenced business on September 01, 2008. The company promises to protect the insured. The mission of the insurer is not just to help people with insurance, but also to help them achieve overall financial security. It believes in being a symbol of trust, commitment and leadership. The 'Rock' symbol is an icon of strength, stability, expertise and innovation and is the symbol of the insurer's unshakable commitment to the customers, stakeholders and employees. It is also the seal of security for the lives touched by it. Apart from the business, the organisation believes in selfless service to the society which is clear from the Pramerica Spirit of Community Awards which is a school-level recognition programme for voluntary community service.

Vision- The Company aims "to ensure that every life we touch, feels secure and enriched".

VIII. Edelweiss Tokyo Life Insurance Company (www.edelweisstokio.in)

This company is a joint venture between Edelweiss Financial Services Limited and Tokio Marine Holdings Inc. established in the year 2011. Edelweiss Financial Services Limited is one of India's largest and diversified financial services company with 248 branches. Tokio Marine Holdings Inc. is 138 years old (one of the oldest) and largest insurance company in Japan. It operates in 469 cities across 37 countries throughout the World. At present, Edelweiss Tokyo Life Insurance Company has 121 branches and 31031 agents. This company claims to strive for delivering excellence through innovation. They introduced an innovation approach named Vijaypath in 2012 which is a customer centric need based platform for their customers. They have a claim settlement ratio of 95.24%.

Their vision:

We will take the responsibility of protecting people's dreams and aspirations. We will pro-actively find out what people's dreams and aspirations are and what could potentially hinder their dreams and aspirations. We will then bring our expertise and resources to help them fulfill their dreams and mitigate the hindrances.

Achievements:

- Next generation ULIP plan Wealth plus has won 3 awards for product innovation in 2018

- Best Product Innovation Award at the Indian Insurance Award in 2017
- Outlook Money Award as the best life insurer in just 3 years in 2016
- Launch of first on-line term plan MyLife+ in 2014
- The rising star insurance award at the Indian Insurance Award in 2013

IX. **Future Generali Life Insurance (www.futuregenerali.in)**

This company is a joint venture between the India-based Future Group and the Italy-based Generali Group.

About the Partners

i) Future Group- Future Group is one of India's leading business houses with multiple businesses spanning across the consumption space. While retail forms the core business activity of Future Group, some of the subsidiaries are present in consumer finance, capital, insurance, leisure and entertainment, brand development, retail real estate development, retail media and logistics.

This group is led by its flagship enterprise, Pantaloon Retail. The group operates over 12 million square feet of retail space in 71 cities and towns and 65 rural locations across India. Headquartered in Mumbai, Pantaloon Retail employs around 30,000 people and is listed on the Indian stock exchanges. The company follows a multi-format retail strategy that captures almost the entire consumption basket of Indian customers. Some of the big retail chains under this group include Pantaloons, Central, Big Bazaar, Planet Sports, eZone, Home Town and Aadhaar. Future Generali, the group's insurance venture is an addition to the diversified set of businesses activities that it carries out which include brand development, logistics and distribution solutions to group companies and business partners and retail media initiative. The group's presence in Leisure and Entertainment segment is led through, Mumbai-based listed company Galaxy Entertainment Limited. Galaxy leading leisure chains, Sports Bar and Bowling Co. and family entertainment centres, F123. Through its partner company, Blue Foods the group operates around 100 restaurants and food courts through brands like Bombay Blues, Spaghetti Kitchen, Noodle Bar, The Spoon, Copper Chimney and Gelato. Future Group's joint venture partners include, US-based stationery products retailers, Staples and Middle East-based Axiom Communications. The group's corporate credo is, 'Rewrite rules, Retain values.'

ii) The Generali Group- The Generali Group is a leading player in the global insurance and financial markets. Established in Trieste in 1831, today the Group is one of Europe's largest insurance providers. It is also one of the world's top asset managers with assets totaling more than € 400 billion. With an

employed sales force of more than 100,000 people serving 70 million clients in 68 countries, the Group occupies a leadership position in Western Europe and an increasingly important place in Eastern Europe and Asia. It has over € 400 billion of assets under management.

X. HDFC Standard Life Insurance Co. Ltd. (www.hdfclife.com)

The life insurer, registered as the first private insurer in 2000, is one of India's leading private insurance companies. The company is a joint venture between HDFC Ltd., India's largest housing finance institution and Standard Life Assurance Company, Europe's largest mutual life company. HDFC holds about 72.43% of the equity, Standard Life holds 26%, and the rest is held by others. The insurer provides a host of services like the term plans, children plans, pension plans, health plans and women's plans to insure lives.

About the Partners

i) HDFC Limited- It is one of the leading housing finance institutions in the country having assisted around 4 million families, since its inception in 1977. It has its overseas presence through offices in Dubai, London and Singapore. It has received high level of appreciation from several national and international entities including the World Bank for the developmental projects that it assists.

ii) Standard Life- The company, headquartered in UK, was founded in 1825. The company is rated as "very strong" by Standard & Poor's (AA) and "excellent" by Moody's (Aa2). It has businesses spread out across the world in the UK, Canada, Ireland, Germany, Austria, India, USA, Hong Kong and mainland China. The portfolio of the insurance partner includes savings and investments businesses, which is spread across its UK, Canadian and European markets.

Long-term goals- The vision is to become 'The most successful and admired life insurance company, which means that we are the most trusted company, the easiest to deal with, offer the best value for money, and set the standards in the industry'.

Values of the insurer- Some of the principles that it believes in are - Integrity, Innovation, Customer centric, People Care "One for all and all for one", Team work, Joy and Simplicity.

Awards and Accolades

The insurer has been conferred several awards during these few years of its business. Some of the latest ones are mentioned below:

- Best Prax Benchmark Award 2012 for Leadership Governance in the Service category.

- Best Product Innovation Award at Indian Insurance Award, 2012
- Life Insurer of the year award by Bloomberg TV, 2012
- Winner for Customer and Brand Loyalty in 2012
- Master Brand Award, 2011
- Most Trusted Life Insurance Brand, 2011 by ET
- Innovation in CRM Award, 2011
- IMC RBNQA Award, 2011

XI. **ICICI Prudential Life Insurance Co. Ltd.** (www.iciciprulife.com)

The insurer is a joint venture between two business powerhouses, the ICICI Bank and Prudential plc. It started its operations in 2000. ICICI Prudential was the first life insurer in India to receive a rating of AAA from Fitch. The insurer has been voted as the Most Trusted Private Life Insurer, by The Economic Times - AC Nielsen ORG Marg survey several times. In order to hold on to its dominating market share, the insurer has a network of approximately 1,400 offices and over 1,75,000 advisors, as at June 30, 2011. In addition to this, it also has over 5000 distribution touch-points, over 10,000 servicing touch-points, over 263,000 advisors and 22 bancassurance partners across the country. It maintained a dominant position in the first decade in terms of new business retail weighted basis.

About the Partners

- i) **ICICI Bank** was established in 1955 to lend money for industrial development. Today, the corporate has diversified into retail banking and is presently the largest private bank in the country.
- ii) **Prudential plc** was established in 1848 and has its presence felt across different parts of the globe.

Awards and Accolades

Some of the recent prestigious awards won by the insurer include the following:

- ‘Insurance Company of the Year Award 2011’ and ‘Company of the Year Award 2011– Life Insurance’ at the Indian Insurance Awards, 2011
- ‘Best Leading Private Player – Life Insurance 2011’ at the CNBC TV18 Best Bank and Financial Institution Awards for 2011

- 'ICWAI National Award for Excellence in Cost Management – 2010' under the 'Private sector-Service (Large) category
- India's Most Customer Responsive Insurance Company. AGC Networks - Economic Times, Customer Responsiveness Awards, 2010.
- Most Trusted Private Life Insurance brand in the Brand Equity "Most Trusted Brands 2009" Survey.

XII. IDBI Federal Life Insurance Co. Ltd. (www.idbifederal.com)

This is among the new insurers who registered themselves for doing life insurance business in India. The insurer is a joint venture between three leading financial conglomerates - IDBI, Federal Bank and Fortis, each of which enjoys a significant status in their respective business segments. It launched its first set of products across India in March 2008, after receiving the requisite approvals from the IRDA.

About the Partners

i) IDBI Ltd. - It is one of the premier industrial development banks in India. The bank was established in 1956 to provide support to the industrialization process of the country. Since then, it has evolved into a powerhouse of industrial and retail finance. Today, it is among the foremost commercial banks, with a wide range of innovative products and services, serving retail and corporate customers in all corners of the country from over 490 branches and more than 600 ATMs. The Bank offers its customers an extensive range of diversified services that includes project financing, term lending, working capital facilities, lease finance, venture capital, loan syndication, corporate advisory services and legal and technical advisory services to its corporate clients as well as mortgages and personal loans to its retail clients. As part of its development activities, IDBI has been instrumental in sponsoring the development of key institutions involved in India's financial sector – such as the Securities and Exchange Board of India (SEBI), National Stock Exchange of India Limited (NSE) and National Securities Depository Ltd. (NSDL).

ii) Federal Bank- It is one of India's leading private sector banks, with a national network and dominant presence in the state of Kerala. It has a strong network of over 550 branches and 450 ATMs spread across India. The bank provides over four million retail customers with a wide variety of financial products.

iii) Fortis- This European financial service provider is engaged in banking and insurance with a presence in over 50 countries. It offers its personal, business and institutional customers a comprehensive package of products and services through its own channels, in collaboration with

intermediaries and through other distribution partners. With a market capitalization of over €40 billion, Fortis ranks among the 20 largest financial institutions in Europe.

Vision- The long-term goal is to “be the leading provider of wealth management, protection and retirement solutions that meets the needs of our customers and adds value to their lives.”

Mission- The reasons behind the company’s existence is embedded in these statements which are as follows:

- To strive continuously to enhance customer-experience through innovative product offerings, dedicated relationship management and superior service delivery while striving to interact with customers in the most convenient and cost effective manner.
- To be transparent in the way of dealing with customers and to act with integrity.
- To invest in and build quality human capital in order to achieve its mission.

Values- The insurer believes in Transparency, Value to customers, Delivery on promise, Customer-friendly and Profit to stakeholders.

XIII. **IndiaFirst Life Insurance** (www.indiafirstlife.com)

IndiaFirst Life Insurance is among the young life insurance companies in India which commenced its business operations in March, 2010. It is a joint venture company having three promoters - Bank of Baroda, Andhra Bank and Legal & General, whose capital contribution is in the ratio of 44%, 30% and 26% respectively. As the name suggests, the insurance company believes in putting customers at the first place in all aspects. The three partners together have brought a combination of domain expertise, customer knowledge, product innovation and nationwide reach.

About the Promoters

i) Bank of Baroda- It is one of the largest public sector banks in the country with a huge network of over 3050 branches spread over the country and over 70 branches spread across 22 countries. This behemoth financial institution is over 100 years old and has been built on financial prudence, corporate governance and trust of valuable customers.

ii) Andhra Bank- This financial institution has been serving the Indian customer for over 85 years and currently has a network of over 1557 branches. The bank has developed best in class deposit

and lending schemes for its valued customers. Both the banks are nationalized and provide best in class products and services to their customers.

iii) Legal & General- It is one of UK's leading financial institutions with a heritage of over 150 years which provides life assurance, pensions, investments and general insurance plans to over 5.5 million customers across UK. It brings rich fund management and insurance experience to India.

Vision- It wants to “become a life insurance and pension business leader in providing significant value for all stakeholders through true customer delight.”

Culture and Values- The insurer believes in the following values which are inculcated into the minds of the employees - Being helpful, Thinking new, Doing more and Honesty.

XIV. **ING Vysya Life Insurance Co. Ltd. (www.inglife.co.in)**

The life insurer, headquartered in Bangalore, commenced its business in 2001. It is a joint venture between Vysya Bank and ING Group of Holland, the world's 4th largest financial services group, with presence across 50 countries, and a heritage of over 150 years. It has a huge team of advisors, sales force exceeding 21,000 people, working from 140 branches located in 74 major cities across the country and over 3,000 employees. It also distributes products in close cooperation with the ING Vysya Bank network. It serves over one million policy holders in the country. The Company has a customer base of over 4,50,000. In order to be popular with customers, it provides customized products for people of different ages. To facilitate customers in choosing the right plan, it has developed the Life Maker which is a simple method that helps to make the right choice.

Mission of the insurer- The long-term goal is ‘To set the standard in helping our customers manage their financial future.’

Values- The business of the insurer is driven by the principles of Optimism, Knowledgeable, Trustworthy and Transparent.

XV. **Kotak Life Insurance (www.insurance.kotak.com)**

The company is a 74:26 joint venture between Kotak Mahindra Bank Ltd., its affiliates and Old Mutual plc, thereby having a combination of local advantages and international expertise. The company covers over 3 million lives and is one of the fastest growing insurance companies in India.

About the Partners

i) Kotak Mahindra Bank Ltd.- Kotak Mahindra group, engaged in providing different types of financial services, was established in 1985. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the group's flagship company, received banking license from the Reserve Bank of India (RBI). With this, KMFL became the first non-banking finance company in India to become a bank - Kotak Mahindra Bank Ltd. The bank, headquartered in Mumbai, is among the fastest growing banks in the country with revenues of around Rs.11,000 crores in 2011 and net income of more than Rs.1500 crores in the same year. Some of the main products in the bank's portfolio include Deposit accounts, Loans, Investment Services, Business Banking Solutions, Treasury operations etc. Recently, in 2012 the bank acquired the non-performing portfolio of Barclays Bank's credit card business in India.

ii) Old Mutual Plc is an international long-term savings, protection and investment group. Originating in South Africa in 1845, the group provides life assurance, asset management, banking and general insurance to more than 15 million customers in Europe, America, Africa and Asia. Old Mutual plc is listed on the London Stock Exchange and the Johannesburg Stock Exchange, among others. In the year ended 31st December 2010, the group had £309 billion of funds under management from core operations.

XVI. **Life Insurance Corporation of India (www.licindia.com)**

LICI is the most well known stalwart in this field. To discuss life insurance in India means discussing LICI from the year 1956 to 2000. So, LICI has been elaborately discussed in many chapters before as and when required. Therefore, in this section, only few relevant points have been mentioned about this only public sector giant:

Long-term goals- The mission statement of the insurer says that it wants to “Explore and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resources for economic development.”

The vision statement, on the other hand, mentions that it exists with the purpose of becoming “A trans-nationally competitive financial conglomerate of significance to societies and Pride of India.”

Awards and Accolades- The life insurer has been showered with awards in different years by different bodies. Some of the latest ones include:

Won in 2011-12-

- Reader's Digest Trusted Brand Award, 2011

- Asian leadership Awards, 2011
- ET Brand Equity's Most Trusted, 2011
- Golden Peacock Innovative Product/Services Award, 2011
- CNBC Awaaz Consumer Award – Most Preferred Brand of Life Insurance Policies (2010-11)

Won in 2010-11:

- CNBC Awaaz Consumer Award
- Power Brand Award
- Global Youth Marketing Award
- World Brand Congress Award for Brand Excellence
- World HRD Congress Award

XVII. **Max New York Life Insurance Co. Ltd.** (www.maxlifeinsurance.com)

Max New York Life Insurance started its operation in 2000, is a joint venture between Max India Limited, a multi-business corporate, and New York Life International, a global expert in life insurance. It is the first life insurance company in India to be awarded the ISO 9001:2000 Certification.

Max New York Life Insurance has a network of offices spread over close to 1500 cities all over India. Apart from the agent channels, the insurer is using several options to tap its business which include the franchisee model, direct sales force involving group insurance and telemarketing opportunities, bancassurance and corporate alliances. It has more than 35000 expert advisors and more than three lakhs of satisfied customers. This company is the first among life insurers to be awarded the CII-EXIM Bank's Commendation Certificate for Business Excellence and three times in a row.

In 2012, the name has been changed to **Max Life Insurance**, because the new foreign partner is Mitsui Sumitomo Insurance Company Limited, after the exit of its old partner. The new partner is a member of MS & AD Insurance Group, which is currently amongst the top ten general insurers in the world. It has a customer base exceeding 30 lakh customers. In 2011-12, the insurer became the largest non-bank private life insurer. For the distribution of policies across 1100 cities in the country, it relies on three pillars - agency distribution, bancassurance and partnership distribution.

About the Partners

i) **Max India Limited**, the Indian partner, is a conglomerate having its spread in several areas like Clinical Research, IT and Telecom Services, and Specialty plastic product businesses.

ii) **New York Life** is a Fortune 100 company that has more than 150 years of experience in business.

Vision- The long-term objective of the insurer is “To become the most admired life insurance company in India”.

Mission- It aims to be “Amongst top five private life insurance companies by profitable new business sales.”

Innovations to the insurer’s credit-

Though the insurer is relatively new in the industry, Max New York Life Insurance (presently Max Life Insurance) has been credited with the following innovations:

- First company to provide free look-in period of 15 days to the customer, which was later made mandatory by the regulator
- First company to start toll free line for agent service
- First and the only life insurance company in India to implement Lean methodology of service excellence in service industry
- First life insurance company in India to provide various services to the agents and customers over phone
- First Indian life insurance company to start service center at the Regional level
- First life insurance company in India to be awarded ISO 9001:2008 certifications

Awards and Accolades-

Some of the recent prizes won by the insurer include:

- QCI DL Shah Awards for Best Six Sigma Project on economics of Quality –2012
- CIO 100 Technology Award 2008 - 2011
- 'Innovation of the Year' Award 2009
- CII National Six Sigma recognition for Best Six Sigma Project - 2009

- Golden Peacock Innovation Award 2008

XVIII. **Met Life India Insurance Co. Ltd.** (www.metlife.co.in)

This company is a joint venture between Met Life Group and many Indian partners. The life insurance business was commenced in India in 2001. The insurer aims to serve its customers by offering a range of innovative products to individuals and group customers through its 12 Bank partners across retail and group business, a strong Broker network besides an Agency force of over 30,000 financial advisors.

About the Partners

i) The **Indian partners** include many names like J&K Bank, Dhanalakshmi Bank, Karnataka Bank, Karvy Consultants, Geojit Securities, Way2Wealth, and Mini Muthoothu.

ii) **Met Life Group** is among the well-known groups operating in America and Asia with an experience of around 140 years in the financial services industry. Met Life is the number one life insurer in the U.S. with approximately US \$2.8 trillion of life insurance in force. Such good is the reputation of the insurer that it insures 88 of the top one hundred FORTUNE 500 companies. The products that are provided by Metlife group includes life insurance, annuities, automobile and home insurance, retail banking, group insurance, reinsurance and retirement and savings products and services to corporations and other institutions. It has a huge customer base of more than 70 million customers around the world.

Values- The life insurer believes in the following principles: Personal responsibility, People count, Partnership, Financial strength, Integrity and Honesty and Innovation.

XIX. **Reliance Life Insurance** (www.reliancelife.co.in)

This insurer is solely managed by Reliance. In other words, it does not have a foreign partner. It is an associate company of Reliance Capital Ltd., a part of Anil Dhirubhai Ambani Group. Reliance Capital is one of India's leading private sector financial services companies, and ranks among the top ten private sector financial services and banking companies, in terms of net worth. The business of Reliance Capital ranges from asset management, mutual funds, stock broking, life and general insurance, proprietary investments, to private equity mainly.

The insurance company has more than 1200 branches and over 1, 89,000 advisors in order to reach closer to the customer and deliver the right product to each and every customer. It strives to fulfill the following three goals:

- Emerging as transnational life insurer of global scale and standard
- Create best value for Customers, Shareholders and all Stake holders

- Achieve impeccable reputation and credentials through best business practices.

Vision- The long-term objective of the insurer is “Empowering everyone live their dreams”.

Mission- The reason behind the enterprise’s existence as explained by the mission statement is to “Create unmatched value for everyone through dependable, effective, transparent and profitable life insurance and pension plans.”

Achievements of the insurer-

- It is the largest private insurer in terms of policy count as on 31st March, 2011 and the fourth largest private player in terms of Individual Premium
- It is amongst the fastest growing Companies for four years in a row
- The company has achieved a growth rate of 21% in comparison to 13% for the private industry
- It is one of the fastest to reach the 7 million policy mark

Awards and Accolades-

The insurer has won several awards, some of which are given below:

- Winner of “Best Non-Urban Coverage” Award at Indian Insurance Awards 2011
- Won the Celent Model Insurer Award 2010 in the area of Service
- Won the CMO Asia Award for “Best Campaign-Financial Category” and “Brand Excellence” - 2010
- It was amongst the top three most trusted service brands in the Insurance category as per the Brand Equity’s ‘Most Trusted Service Brands 2011’ Survey
- Awarded the Jamnalal Bajaj Uchit Vyavahar Puraskar 2007- Certificate of Merit in the Financial Services category by Council for Fair Business Practices (CFBP).
- The Company won the DL Shah Quality Council of India Commendation Award in the services category in February 2008 for its work on promoting 'self help channels for service'.

XX. Sahara India Life Insurance (www.saharalife.com)

This insurer, headquartered at Lucknow, is promoted by Subrata Roy-led Sahara Group. It is the insurance arm of the Indian business conglomerate, Sahara India Pariwar, which is considered to be among the largest families comprising of more than six lakh members. It started its operations on October 30, 2004 after being granted license to operate as a life insurer

in India by Insurance Regulatory and Development Authority on February 6, 2004. With this approval, the insurer became the first wholly and purely Indian company, without any foreign collaboration to enter the Indian Life insurance market.

XXI. **Shriram Life Insurance** (www.shriramlife.com)

Shriram Life Insurance is a joint venture between the Shriram Group and Sanlam Group of South Africa.

About the Partners

i) Shriram Group- It is one of the largest and well-respected financial services conglomerates in India. The Group's main line of activities include chit fund, truck financing, consumer durable financing, stock broking, insurance broking and life insurance. It has a customer base of 30 lakh chit subscribers and investors and operates through a network of 630 offices all over the country. The Group has the largest agency force in the private sector consisting of more than 75,000 loyal and dedicated agents.

ii) Sanlam Life Insurance Limited- It is a part of the Sanlam Group and is one of the largest providers of life insurance in South Africa with 3.2 million individual policies under administration. It has a significant presence across South Africa, United Kingdom and Namibia and is a major provider of life insurance, retirement annuities, saving and investment products, personal loans, home loans and trust services to individuals. The shareholder's funds of Sanlam Life equates to US\$ 4.4 billion.

The Sanlam Group was established in 1918 and has a leadership position in financial services in South Africa. Demutualized in 1998, the group is listed on the JSE Securities Exchange in Johannesburg and on the Namibian Stock Exchange. It has a current market capitalization of US\$ 5.4 billion. The Group operates in the areas of group schemes, retirement funds, short-term insurance, asset management and other financial services. It has an employee strength of 8,000 and has shareholder funds in excess of US\$ 4.6 billion.

Objective-

The Shriram Life Insurance Company is set out with the objective of reaching out to the common man with a host of products and services that would be helpful to him in his path to prosperity.

Values-

- Efficiency in operations

- Integrity and
- A strong focus on catering to the needs of the common man, by offering him high quality and cost-effective products and services.

XXII. **SBI Life Insurance** (www.sbilife.co.in)

It is a joint venture between the State Bank of India and BNP Paribas Cardif of France. SBI owns 74% of the total capital and BNP Paribas Cardif, the remaining 26%. SBI Life Insurance extensively leverages the State Bank Group relationship as a platform for cross-selling insurance products along with its numerous banking product packages such as housing loans and personal loans. SBI's access to over 100 million accounts across the country provides a vibrant base for insurance penetration across every region and economic strata in the country, thus ensuring true financial inclusion. Agency Channel, comprising the most productive force of over 80,000 Insurance Advisors, offers door to door insurance solutions to customers.

About the Partners

i) State Bank of India- Along with its five associate Banks, the State Bank Group has an unrivalled strength of over 18,000 branches across the country, arguably the largest in the world. It is the largest bank in the banking industry.

ii) BNP Paribas Cardif - It is the life and property & casualty insurance arm of BNP Paribas, one of the strongest banks in the world. BNP Paribas Group, having presence in more than 80 countries ranks highly in Retail Banking, Investment Solutions and Corporate & Investment Banking. BNP Paribas Cardif is one of the world leaders in creditor insurance and its life and non-life insurance units have received an AA rating from Standard & Poor's. The insurer has crossed Rs.10,000 crores in gross written premium during the financial year 2009-10.

Vision-The company aims to become "The most trusted and preferred life insurance provider".

Mission-The objective behind the organization's existence is - "To emerge as the leading company offering a comprehensive range of life insurance and pension products at competitive prices, ensuring high standards of customer satisfaction and world class operating efficiency, and become a model life insurance company in India in the post liberalization period".

Values- The organizational members believe in the following values: Trustworthiness, Ambition, Innovation, Dynamism and Excellence.

Awards and Accolades- The subsidiary of the State Bank of India has been recently felicitated with some of the following awards:

- SBI Life won the coveted Bloomberg UTV Financial Leadership Award 2011 - "Life Insurer of the year".
- Won the most coveted NDTV Profit Business Leadership Award 2010.
- Globally topped the prestigious Million Dollar Round Table (MDRT) 2010 for having the maximum number of MDRT members.
- Awarded the Gold Shield by Institute of Chartered Accountants of India (ICAI) for Excellence in Financial Reporting (2009-10).
- Won the 'ICS Quality Champion Award 2010' for Continual Quality Improvement.
- Adjudged Best Life Insurer 2010 - Runner Up by Outlook Money.
- Bagged the coveted personal finance award-Outlook Money NDTV Profit "Best Life Insurer 2008".
- Rated as the 'The Most Trusted Private Life Insurer' according to a survey conducted by Brand Equity in association with AC Nielsen ORG-MARG and the Economic Times Intelligence Bureau in the financial year 2007-08.

XXIII. **Star Union Dai-Ichi Life (SUDI) (www.sudlife.in)**

It is a joint venture between Bank of India (BOI) and Union Bank of India, two leading public sector banks in the country and the Dai-ichi Mutual Life Insurance Company, leading Japanese company in the life insurance sector. The company was issued license for undertaking life insurance business in India by the Insurance Regulatory and Development Authority (IRDA) on December 26, 2008. The company has best insurance, IT, finance and investment resources to ensure that it soon earns a prominent position in the insurance sector. The Company has a capital stake of 48% by BOI, 26% by Union Bank and 26% by Dai-ichi Life. SUDI, with the strength of domestic partners in the Indian financial sector coupled with Dai-ichi Life's strong domain expertise is expected, to be a strong player in the Indian Life Insurance market in a short time.

About the Partners:

i) Bank of India and Union Bank- They have a strong nationwide network of more than 5400 offices, which shall provide distribution outlets with a wide reach. More than 48 million strong banking

customers of the two banks provide ready scope for cross selling of insurance products. The two banks have strong brand equity, and command high level of trust among their customers and people at large. Additionally, the Regional Rural Banks sponsored by the two banks provide more than 1400 branches to tap the life-insurance business in the rural areas.

ii) Dai-ichi Life- It is a leading player in the Life Insurance Segment in Japan and is one of the top ten life insurers in the world and the second largest Life Insurance Company in Japan. Established in 1902, it has more than a century of experience in life insurance business.

Vision- The long-term goal of the insurer is “To be a company making distinctive contribution to business and society through innovative products, high standards of corporate governance and consistently generating wealth for all stakeholders.”

Mission- The reason behind this organization’s existence is “To emerge as a leading insurance company and well recognized brand in the life and pension segments in India, providing a range of products of value to all segments of population, along with high standards of customer service based on best available technological solutions, in a fair and transparent manner.”

XXIV. **Tata AIG Life (presently renamed as Tata AIA Life) (www.tata-aig.com)**

The insurer is a joint venture company, formed by Tata Sons and AIA Group Limited (AIA). Tata AIG Life combines Tata’s pre-eminent leadership position in India and AIA's presence as the largest, independent listed pan-Asia life insurance group in the world spanning fifteen markets in the Asia Pacific. Tata Sons holds a majority stake (74%) in the company and AIA holds 26% through an AIG Group company. Tata AIG Life Insurance Company Limited was licensed to operate in India on February 12, 2001 and it started operations on April 1, 2001. The recent renaming of the insurer has been done to create a uniform identity of AIA-owned companies after AIA went public in 2010 as a result of which it emerged as the largest independently publicly listed pan-Asian life insurance group in the world.

About the Partners

i) Tata Group- The group, being a conglomerate is present in seven business sectors ranging from communications and information technology, engineering, materials, services, energy, consumer products and chemicals. The group has operations in more than 80 countries across six continents, and its companies export products and services to 85 countries. Tata companies employ over 425,000 people worldwide. The Tata brand name is respected in India for 140 years for its adherence to strong values and business ethics. There are 28 publicly listed Tata enterprises and they have a combined market capitalization of about \$74.15 billion (as on October 5, 2011), and a shareholder base

of 3.5 million. The major Tata companies are Tata Steel, Tata Motors, Tata Consultancy Services (TCS), Tata Power, Tata Chemicals, Tata Global Beverages, Indian Hotels and Tata Communications.

ii) AIA- The AIA Group Limited and its subsidiaries comprise the largest independent publicly listed pan-Asian life insurance group in the world. It has wholly-owned main operating subsidiaries or branches in 14 markets in Asia Pacific - Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau and Brunei and India (a 26% joint venture shareholding).

AIA was first established in Shanghai over 90 years ago. It is a market leader in the Asia Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$115,782 million as of 31st May, 2011. AIA meets the savings and protection needs of individuals by offering a range of products and services including retirement planning, life insurance and accident and health insurance. The group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents and employees across Asia Pacific, AIA serves the holders of over 23 million individual policies and over 10 million participating members of group schemes. AIA Group Limited is listed on the Stock Exchange of Hong Kong.

Long-term Goals- Vision statement of the insurer mentions that it wants “To be the most trusted life insurance company that values customers’ financial well-being, consistently delivering best-in-class solutions and respected by all.”

CONCLUSION

This chapter gives an overview about the progress of the life insurance industry after its opening up to the private players in 2000. It throws light on the developments that happened after the deregulation in the sector. Initially, the progress in macro-level indicators of life insurance penetration and density levels reflected that the insurance sector reform was truly a positive move by the government. But, in the later part some more probes has to be made to confirm if the objectives behind opening up of the sector are being fulfilled or not. Adequate measures are required by the regulator. The cross-country comparison is very de-moralising at present but gives opportunity for huge improvement in future.

In terms of business growth, the last decade has reflected aggressiveness of the private players. Still the public sector behemoth LIC held majority of the market share. In fact, in the later part LIC has controlled the declining market share to a great extent

The holding structure of life insurers reveal that the business is mostly in the form of a joint venture between two or more partners. The basic reason may be to generate a synergy by combining the strength of both (or all) the partners. The progress of the industry justifies the Government's decision to open the sector. LIC is incomparable in this sector because of its sound footing still the declining market share and infusing huge capital to maintain its hold over the sector reflects that it is also under competitive threat. The private players are just novices in the sector and needs time to prove their capabilities. A serious probe into the performance and efficiency of the life insurers is utmost required for a better understanding of the sector.