

Preface

'Every new born baby can be a prospect of life insurance' and 'in every second a new life is added to our population figure'. Then, what a vast market can there be for life insurance products in India! Although, market potential is determined by effective income of people, yet it was as such, the imagination of such a growing market prospect that gave an oscillation to my thought when I was just an incumbent to the giant organisation of the LIC. Thence, as I was becoming more and more familiar with the institution, my curiosity to know the functioning and backdrop of the LIC grew more.

My present work is an outcome of that thought and curiosity. The study aims at evaluating some aspects of the LIC relating to its sources and uses or investments of funds. Once the aim is determined, I have framed my plan of study. Accordingly, my study has followed the following sequences:

Chapter - I devotes to explore the historical perspectives of insurance and expose the present state of the LIC. So, I have concentrated my endeavour to enlighten the past history of the LIC, to state the problem, review the existing relevant literatures, choose a period of coverage, design a conceptual framework and select a few research questions for the study.

Chapter - II analyses the international and national environments having bearing on the business of the LIC. Then, in the backdrop of the prevailing national economic climate the role and performance of the LIC have been explained.

Chapter - III deals with the accumulation of the Life Insurance Fund. The factors influencing or constraining the Fund have been interpreted and probed. To analyse the factors we have adopted three approaches e.g. marketing of LIC-products (the plans of assurance), mobilisation of community savings (in the form of premium) and generation of income. A trend analysis of the Fund has also been incorporated in this chapter.

Chapter - IV concentrates on the study of the investment activities of the LIC and distribution of the Controlled Fund. Some patterns of LIC's investments e.g. industry-wise, sector-wise (viz. public sector, private sector etc.), Zone-wise and State-wise patterns have been explained. It also deals with the trends of the Controlled Fund and Stratified investments over time.

Chapter - V is confined to the analysis of the economies and diseconomies of scale of the LIC under translog cost function model. It adopts both the conventional and the recent methods for evaluating performance and scale economy of the LIC.

Chapter - VI concentrates on summing up the whole study and drawing conclusions. It also annexes some suggestions for

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removing the drawbacks pointed out in the study and furthering life insurance business in India.

While carrying the study I happened to come in contact with many friends, colleagues and eminent personalities. Many of them discouraged me and a few encouraged. Some even questioned the utility of such a research study. But I am equally grateful to them all. Because, they all helped consolidate my faith and determination. However, a few of them deserved special mention.

The present study would have remained incomplete had I not received valuable guidance, supervision and inspiration over time from Dr. R.N. Bhattacharya, Department of Economics, North Bengal University. I shall ever bear solemnly my indebtedness to him.

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Last of all, if I do not recall one who had given me all pain and all relief from household works, for the sake of my present study, I shall perhaps, never be happy in life. She is none but my wife, Piuka. If my study bags any credit, that is for her charity at home.

Before drawing an end to this prelude I do wish to add a sentence more. If my work comes to use even to a least extent to the institution or a fellow researcher, that will measure the 'utility' of my study once 'questioned'.

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