



Role of Life Insurance Corporation in India

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Introduction:

Life Insurance in its modern form came to India from England in the year 1818. Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian Soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu Muttylal Seal, the foreign life insurance companies started insuring Indian lives. But Indian lives were being treated as sub-standard lives and heavy extra premiums were being charged on them. Bombay Mutual Life Assurance Society heralded the birth of first Indian life insurance company in the year 1870, and covered Indian lives at normal rates. Starting as Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. Bharat Insurance Company (1896) was also one of such companies inspired by nationalism.

The Swadeshi movement of 1905-1907 gave rise to more insurance companies. The United India in Madras, National Indian and National Insurance in Calcutta and the Co-operative Assurance at Lahore were established in 1906. After the independence, there was colossal poverty and a considerable dependency. Most families had only one or two working members, and the entire family depended on that person. So if a person falls ill or dies, the whole family falls into poverty. In such a case, there was a considerable need for a Life Insurance company that was inclusive and worked for the country's people. After the insurance fraud, the industry was one of the businesses to undergo Nationalization as a part of the Industrial Policy Resolution (1956), which aimed to extend the control of the state in different sectors of the economy. The Parliament of India passed the Life Insurance of India Act on June 19 1956, and formed the Life Insurance Corporation of India. It consolidated the business of 245 private companies. LIC then became an integral part of



the Life Insurance sector and national building and maintained its market dominance three decades after liberalization. LIC helped keep financial inclusivity and even connected rural and urban areas alike. In 2022, LIC underwent IPO as a part of its expansion and became the fifth-largest Indian company by market capitalization on the Bombay Stock exchange with a net worth of nearly 6 lakh crore rupees.

Objectives:

- To study the current scenario of life insurance corporation of India
- To know the investment of life insurance

Research methodology-

The present study is based on the only Secondary data. Secondary data collected from various journal, books, and magazines and also published record use of online records and websites. Theoretical Information has been sourced from books, newspapers, trade journals, e-journal and government agencies, trade associations, etc

SWOT Analysis

Strengths

- Market Share- LIC still has the majority market share.
- Strong Agent Network.
- Substantial Investments in private and Public companies help in Inorganic growth.
- LIC has more than 2000 branches all over India.
- Brand Reputation.
- Financial Position- Huge revenue and Profitable.

Weakness

- Changing government and bureaucracy issues.
- Low expense on the advertisement.
- Over reliability on Insurance agents.
- There are no excellent online platforms for buying LIC policies.
- The product portfolio that LIC offers still has some shortcomings.
- Net Contribution and profitability ratios both need to be raised.

Opportunity

- Digital Marketing.
- Online services.
- New age products.
- To Leverage technology.
- To Invest in New age startups.
- To Expand the Product portfolio.

Threats

- Lack of Urban Interest due to lack of innovation and technology.
- Developments by private players and Startups.
- Competition with established online groups.
- LIC is a part of the public sector and is subject to many regulations.

The Indian economy has remained resilient amidst high tides of uncertainty. India's real GDP growth is estimated at 7.0 per cent during 2022-23 as against the estimated growth of 9.1 per cent in 2021-22 surpassing the pre-pandemic (2019-20) level. India's real GDP is estimated to go up to ₹ 159.7 lakh crore in 2022-23 as against the First Revised Estimates of the GDP for the year 2021-22 of ₹ 149.26 lakh crore. As per Reserve Bank of India (RBI), this data released by the National Statistical Office (NSO) shows that the Indian economy is intrinsically better positioned than many parts of the world to head into a challenging year ahead Gross Domestic Product (GDP) Real GDP or GDP at Constant (2011-12) Prices in the year 2022-23 is estimated at ₹ 159.71 lakh crore, as against the First Revised Estimates of GDP for the year 2021-22 of ₹ 149.26 lakh crore. The growth in real GDP during 2022-23 is estimated at 7.0 per cent as compared to 9.1 per cent in 2021-22. Nominal GDP or GDP at Current Prices in the year 2022-23 is estimated at ₹ 272.04 lakh crore, as against the First Revised Estimates of GDP for the year 2021-22 of ₹ 234.71 lakh crore. The growth in nominal GDP during 2022-23 is estimated at 15.9 per cent as compared to 18.4 per cent in 2021-22.

Life insurance corporation of India financial details-

Sr.no	Particulars	Amount in Cr
1	Total Premium	474004
2	Total Payment of Policyholder	342576.75
3	Total Life Funds	4081326.41
4	Total Income	788043.28
5	Total Assets	4550571.73
6	Total Claim Settlement	2.25
7	Total Amount Claim paid	209938.63
8	Percentage maturity claim	92.65%
9	Percentage death claim paid	98.60%

(Source; Annual Report of LIC 2022-23)

In the year 2022-23 life insurance corporation collect the total premium is Rs. 474004 cr., Total Payment of Policyholder Rs. 342576.75 cr, Total Life Funds is Rs.4081326.41 cr, Total Income is Rs.788043.28 cr, Total Assets is Rs.4550571.73 cr, Total Claim Settlement is Rs.2.25, Total Amount Claim paid is Rs.209938.63 cr, and maturity claim 92.65%, death claim paid 98.60%.



Conclusion:

The life insurance corporation continuously increasing other than private life insurance company. Customers are satisfied to provide the services, claim settlement is 98.60 percentage, procedure of claim settlement is very simple procedure any person can easy completed.

The consumer's perception towards Life Insurance Policies is positive. It developed a positive mind sets for their investment pattern, in insurance policies. Still some actions are needed for developing insurance market. The major factors playing the role in developing consumer's perception towards Life Insurance Policies Are Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image, and Company-Client Relationship.

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