Structure of the Home Insurance market in India

"To what extent is the home insurance market in India operating in perfect

competition?"

Subject: Economics

Word count: 3835

Table of Contents

Introduction

India has one of the fastest growing Insurance[1] markets in the world with a healthy growth CAGR[2] of 17.7% for the General Insurance sector[3] and yet remains an under-penetrated[4] market in terms of coverage and premiums[5].

Among the different forms of Insurance[6], Home Insurance[7] is a large market in developed countries. The penetration being among the lowest in India makes this study extremely valuable. This justifies my research question: **"To what extent is the home insurance market in India operating in perfect competition?"**

This essay will examine in detail the competition in the home insurance market in India, using the theory of firm and theory of contestable markets. This will also analyze entry/exit barriers, brand

---

[1] "Insurance is a contract, represented by a policy, in which an individual or entity receives financial protection or reimbursement against losses from an insurance company." – Taken from Staff, Investopedia. "Insurance." Investopedia. May 02, 2015. Accessed November 27, 2017. https://www.investopedia.com/terms/i/insurance.asp.

[2] CAGR: Compounded Annual Growth Rate (It is the mean annual growth rate of an investment over a specified period of time longer than one year. Alternately it can be understood as the percentage growth rate which would have been the constant growth rate from the initial to the final points of the measured time period). Adapted from Staff, Investopedia. "Compound Annual Growth Rate - CAGR." Investopedia. November 17, 2017. Accessed November 26, 2017. https://www.investopedia.com/terms/c/cagr.asp.

[3] "Brand India." IBEF : India Brand Equity Foundation. Accessed November 27, 2017. https://www.ibef.org/industry/insurance-sector-india.aspx.

[4] Penetration rate in insurance indicates the level of development of the insurance industry in a country by expressing the rate as a ratio of insurance premium collected in a particular year to the GDP: "Definition of Penetration Rate | What is Penetration Rate ? Penetration Rate Meaning." The Economic Times. Accessed November 27, 2017. https://economictimes.indiatimes.com/definition/penetration-rate.

[5] The amount an entity must pay to an insurance provider to buy an insurance policy that promises to pay the entity a certain sum in the event of a particular accident: Staff, Investopedia. "Insurance." Investopedia. May 02, 2015. Accessed November 27, 2017. https://www.investopedia.com/terms/i/insurance.asp.

[6] Broadly divided into two, "Life insurance policies pay a lump sum amount to the beneficiaries of the policyholder upon his death", while General Insurance concerns "all other forms of insurance" that pay the policyholder a sum in the case of a particular financial event or accident. Home Insurance is a type of Non-Life or General Insurance: Taken from "Life Insurance Vs General Insurance." Bajaj Finserv Blog. September 21, 2016. Accessed November 27, 2017. https://blog.bajajfinserv.in/how-is-life-insurance-different-from-general-insurance/.

[7] A form of insurance that covers the damage to an individual's house and the assets inside the home : Adapted from Momoh, Osi. "Homeowner's Insurance." Investopedia. September 06, 2017. Accessed November 26, 2017. https://www.investopedia.com/terms/h/homeowners-insurance.asp.

preferences, heterogeneity of goods, asymmetry of information, and other factors in the Indian Insurance market. Primary research (interviews, questionnaires and surveys) was used to validate the conclusions drawn in the Indian context.

Why did I choose this topic?

India is among the fastest growing economies, slated to be globally third largest within a decade, but natural disasters can play spoilsport. Unless there is adequate insurance penetration, the growth may be interrupted occasionally.

A personal incident in 2013 made this palpable to me when an adjacent shopping complex caught fire and we had to evacuate our home. I asked my father why he was calm when others were frantic. He explained we were insured while most people are not.

I also found it disturbing that people insured their motorbikes, cars and mobile phones, but not their houses.

Hence my intent to get a deeper understanding of the market and the observed behavior of the populace towards it.

Importance of Home Insurance in India and research behind it

Houses are an individual's costliest physical asset. One goes through humungous financial paperwork to acquire homes – EMIs, loans, taxes etc. Normally, the property value also increases with the land price, and is considered legacy.

The residential construction sector contributes 1.24% of total economic output and 6.89% of employment of India[8]. When disasters happen, home insurance helps protect this large industry and

---

[8]Munjal, Poonam, P. C. Parida, D. B. Gupta, Shashanka Bhide, and Ramesh Kolli. *Impact of Investments in the Housing Sector on GDP and Employment in the Indian Economy*. Report. National Council of Applied Economic Research. NCAER.

the losses the economy might incur[9]; it acts as a safety net, providing the resources needed to rebuild and repair. Ironically the government provides relief for disasters like Bhuj earthquake[10], Chennai floods[11], and Uttarakhand landslides taking a toll on taxpayers of the country.

No Research on market or competition is available in public domain about Home insurance industry. This is an important white space in the sector and the economy as a whole. Hence, my research holds significant value and the findings have potential to shed important light upon the nature of this market.

Methodology for research and analysis

I did secondary research by using the IRDAI[12] website resources. Market share data for non-life insurers, denominated on premium collected by the companies in the past two years allowed me to draw quantitative observations about the competitiveness of the industry. I also read news articles and online reports that gave me important qualitative information regarding barriers to entry and exit, asymmetry of information, and effect of the abnormally miniscule penetration of Home insurance on competition in the market.

In the absence of accurate specific Home insurance data in the public domain, I constructed a surrogate model using overall market shares and Fire and Personal lines[13] indicators to overcome

---

[9] "How Important is Home Insurance? - Home Insurance FAQs." Bankbazaar. Accessed November 27, 2017. https://www.bankbazaar.com/home-insurance/guide/why-is-house-insurance-important.html.

[10] "Earth Quake Insurance." Earth Quake Insurance in India – Best Insurance Plans to Covers You. Accessed November 27, 2017. https://www.gibl.in/EarthQuake-insurance/.

[11] Reporter, BS. "Chennai floods insurance claims touch Rs 4,800 crore." Business Standard. January 22, 2016. Accessed November 27, 2017. http://www.business-standard.com/article/current-affairs/chennai-floods-insurance-claims-touch-rs-4-800-crore-116012201026_1.html.

[12] Indian Regulatory Department Authority of India, the Regulator for the Insurance Industry in India which was set up in 1999 by an Act of Parliament.

[13] By definition, Personal lines of business include insurance products sold to individuals like Motor, Personal Accident, Health and Home. Adapted from Fontinelle, Amy. "Personal Lines Insurance." Investopedia. March 05, 2015. Accessed November 28, 2017. https://www.investopedia.com/terms/p/personal-insurance-lines.asp.

this limitation.[14] This allowed me to calculate the HHI (Herfindahl-Hirschman Index) of the Home Insurance market and gauge the possible market share of insurance companies.

Primary research was done through a consumer survey I designed[15]. It allowed me to gain information about different factors determining competition such as reasons for brand preferences, online buying trends etc. I dispersed the survey to nearly 160 individuals all over India, belonging to different income brackets, to ensure minimal bias in the data due to region or income.

I also made a questionnaire for the Business Head of Motor Insurance at PolicyBazaar[16], Neeraj Gupta, which allowed me to understand the role of online insurance providers in affecting competition in the industry. I also got to know important buying trends that gave me valuable information regarding certain biases in customers and market competitiveness.

The results of this survey were then complemented using secondary research. When the results from primary and secondary research diverged, I usually did more secondary research to find anomalies or deeper correlations. When information was not available readily online, I used primary research or related online data to draw conclusions about the market structure.

---

[14] Link between Fire and Personal Lines and Home Insurance is explained in the body of the essay.
[15] See Appendix 1
[16] The largest Insurance Web Aggregator in India: "Indian Startup Sucess Story: Policy Bazaar." Startuptalky. February 12, 2017. Accessed November 28, 2017. http://www.startuptalky.com/startup/startup-story-policy-bazaar/.

Theory

The concept of competition itself has been modified several times since Adam Smith's 'Wealth of Nations'. The modern theory of perfect competition was largely defined by economist Léon Walras through his work on the General Equilibrium Theory[17].

Nobody can be made better off without making anybody else worse off (also called the Pareto Optimum) thus attaining allocative efficiency.
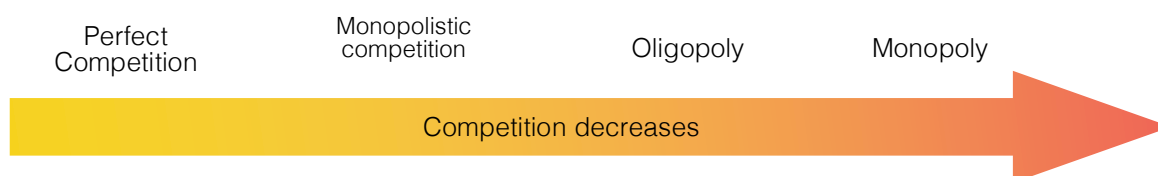
Figure 1: Market structure spectrum

Conditions of the Theory of Perfect Competition[18]

This model is a 'theoretical one based on some precise assumptions' and can be stretched and modified as per unique features of a certain market. This framework helps us determine how firms operate in a particular industry.

The ideal conditions for perfect competition to exist are as follows:

- Large number of firms

- No barriers to entry or exit in the industry

- Homogeneity of goods

- Perfect Information

These theoretical constructs will be explored in greater detail in context of the Indian Home insurance industry.

---

[17] "Leon Walras Biography General Equilibrium Theory." Leon Walras Biography General Equilibrium Theory ~. Accessed November 27, 2017.
http://www.economictheories.org/2008/07/leon-walras-biography-general.html.
[18] Tragakes, Ellie. *Economics for the IB Diploma*. Cambridge: Cambridge University Press, 2012.

Analysis of the Home Insurance market in India

The competition in the Indian home insurance market is due to several factors that affect market contestability. The aforementioned theoretical constructs will be used to analyze the competition in this market along with the role of online and offline distribution of insurance policies.

I.   Number of firms

A large number of firms ensures competition in the market. Each firm's output is insignificant compared to the total market output. Any alteration in its output cannot have a noticeable effect on the industry. Therefore, any one firm cannot shift the market supply curve and so cannot affect the price or decisions of any other rival firm and are thus, 'price-takers'.

The Home Insurance Industry

I did not find any data online in the public domain regarding home insurance market share in India. Thus, from the data sheet I downloaded from the IRDAI website, I created an index from the Personal Accident Insurance[19] and the Fire Insurance[20] data in order to understand the market structure where only 30% of homes are insured[21].

---

[19] "Personal accident aims to protect the insured from financial losses arising as a consequence of meeting with accidents which may include death or disability" – Adapted from "What Is Personal Accident Insurance?" What Is Personal Accident Insurance? - ICICI Lombard. Accessed November 26, 2017. https://www.icicilombard.com/health_insurance_info/What-Is-Personal-Accident-Insurance.html.

[20] "Fire and special perils policy is an insurance contract that safeguards the insured against unforeseen contingency caused by accidental fire, lightning, explosion/implosion, destruction or damage caused by aerial devices, man-made perils in the form of riots, strike etc, natural calamities…(and) peril caused by pollution and contamination" – Taken from "Definition of Fire And Special Perils Policy | What is Fire And Special Perils Policy? Fire And Special Perils Policy Meaning." The Economic Times. Accessed November 26, 2017. https://economictimes.indiatimes.com/definition/fire-and-special-perils-policy.

[21] Pti. "Only 30% people have insured their homes in India: Survey | Latest News & Updates at Daily News & Analysis." Dna. June 17, 2015. Accessed November 27, 2017. http://www.dnaindia.com/money/report-only-30-people-have-insured-their-homes-in-india-survey-2096458.

Home insurance is largely taken while obtaining a Home Loan from Banks or Home Finance companies. Most of the time, the lender also insists on a liened[22] Personal Accident policy to be taken by the borrower to guard against delinquency of the loan due to death[23].

Neither Personal Accident nor Home are being bought by the customer nor sold actively by agents because of the small ticket size and commensurate commissions[24]. The only significant channel for both is the Lending channel – Banks and Home Finance Companies.

Hence, there is a potential positive correlation between the market share of Personal Accident Insurance and that proportion of Fire business which is Home Insurance.

$$If\ Proportion\ of\ PA > 10\%, (Proportion\ of\ Fire * 0.75)^{25}$$

$$If\ Proportion\ of\ PA\ = 5\ to\ 10\%\ (Proportion\ of\ Fire * 0.50)^{26}$$

$$If\ Proportion\ of\ PA = 2\ to\ 5\%, (Proportion\ of\ Fire * Proportion\ of\ PA * 10)^{27}$$

$$If\ Proportion\ of\ PA < 2\%, (Proportion\ of\ Fire * Proportion\ of\ PA * 10 * 50\%)^{28}$$

In absence of actual data, the model I constructed to calculate the proportion of premiums from home insurance from the total Fire Premium is as follows:

Fire is a short form for FIRE AND SPECIAL PERILS which includes fires, earthquakes, floods, natural disasters, and other Acts of God. The proportion of Personal Accident and Fire are leading

---

[22] lien is a charge applied by the lender to establish its first right to the benefits and not to the nominee. Adapted from "Legal Dictionary - Law.com." Law.com Legal Dictionary. Accessed November 28, 2017. http://dictionary.law.com/Default.aspx?selected=1160.

[23] "PolicyBazaar." Policybazaar. Accessed November 27, 2017. https://www.policybazaar.com/health-insurance/personal-accident-insurance/.

[24] PolicyBazaar. "PolicyBazaar." Insurance. February 10, 2017. Accessed November 27, 2017. https://www.policybazaar.com/life-insurance/term-insurance/news/why-agents-dont-sell-you-term-plans-here-is-the-truth/.

[25] Very high proportion of PA, so large portion of Fire assumed to be Home.

[26] Moderately high proportion of PA, so approx. 50% of Fire assumed to be Home.

[27] Smaller proportion of PA, so Home assumed to be a similar percentage but adjusted by x10 to factor for the artificial second place of decimal induced by multiplying two proportions together.

[28] Very small proportion of PA, signifying even lesser, 50% of the immediate above as % of PA.

criteria due to their previously established positive correlation with Home Insurance. So, the proportion of Fire done only for homes is derived through this surrogate.

I used the data[29] below for my calculations based on the model.

Private Companies:

	Gross premium underwritten by non-life insurers within India (segment wise) up to MARCH, 2017 (Provisional & Unaudited)																
Sl No.	Insurer	Fire (crores)	MARKET SHARE	Personal Accident (crores)	MARKET SHARE	Sl No.	Insurer	Fire (crores)	MARKET SHARE	Personal Accident (crores)	MARKET SHARE	Sl No.	Insurer	Fire (crores)	MARKET SHARE	Personal Accident (crores)	MARKET SHARE
1	Royal Sundaram	132.94	1.39%	47.27	1.31%	10	Universal Sompo	131.20	1.38%	20.73	0.57%	19	Star Health Insurance		0.00%	92.22	2.56%
	Previous year	94.09		39.39			Previous year	131.03		14.58			Previous year			52.18	
2	TATA-AIG	521.31	5.46%	136.00	3.77%	11	Shriram	30.89	0.32%	10.88	0.30%	20	Apollo MUNICH		0.00%	100.12	2.77%
	Previous year	384.94		129.21			Previous year	19.71		6.57			Previous year			67.18	
3	Reliance	298.91	3.13%	36.56	1.01%	12	Bharti Axa	49.68	0.52%	13.28	0.37%	21	Max BUPA		0.00%	3.00	0.08%
	Previous year	259.08		27.47			Previous year	62.36		16.19			Previous year			0.46	
4	IFFCO Tokio	276.75	2.90%	52.34	1.45%	13	Raheja QBE	1.23	0.01%	0.36	0.01%	22	Religare Health		0.00%	54.40	1.51%
	Previous year	265.95		49.31			Previous year	0.37		0.14			Previous year			42.36	
5	ICICI Lombard	744.64	7.80%	357.82	9.91%	14	SBI	719.05	7.54%	420.08	11.64%	23	Cigna TTK		0.00%	15.17	0.42%
	Previous year	632.70		278.56			Previous year	615.35		301.20			Previous year			8.00	
6	Bajaj Allianz	537.44	5.63%	155.56	4.31%	15	HDFC GENERAL(L&T)	37.71	0.40%	1.86	0.05%	24	Aditya Birla**		0.00%	0.96	0.03%
	Previous year	476.27		103.46			Previous year	60.09		2.81			Previous year				
7	HDFC ERGO	516.36	5.41%	487.63	13.51%	16	Magma HDI	30.66	0.32%	2.91	0.08%		Private Total	4,480.96		2,216.78	
	Previous year	421.71		459.99			Previous year	29.13		1.77			Previous year	3,847.26		1,770.79	
8	Cholamandalam	232.50	2.44%	127.42	3.53%	17	Liberty Videocon	29.55	0.31%	16.98	0.47%						
	Previous year	204.68		108.99			Previous year	27.80		10.89							
9	Future Generali	189.22	1.98%	60.48	1.68%	18	Kotak #	0.93	0.01%	2.75	0.08%						
	Previous year	162.00		50.10			Previous year	0.00		0.00							

Figure 2: Market share denominated on total premium for Fire and Personal Accident Insurance

Public Companies:

Sl No.	Insurer	Fire (crores)	MARKET SHARE	Personal Accident (crores)	MARKET SHARE
1	New India	1,825.61	19.13%	375.52	10.40%
	Previous year	1,691.84		210.78	
2	National	906.31	9.50%	305.33	8.46%
	Previous year	879.05		237.24	
3	United India	1,359.48	14.25%	236.85	6.56%
	Previous year	1,311.39		255.29	
4	Oriental	968.53	10.15%	474.69	13.15%
	Previous year	984.05		143.26	
5	ECGC		0.00%		0.00%
	Previous year				
6	AIC of India		0.00%		0.00%
	Previous year				
	Public Total	5,059.93		1,392.38	
	Previous year	4,866.33		846.57	
	Grand Total	9,540.89		3,609.17	
	Previous year	8,713.59		2,617.36	

Figure 3: Market share denominated on total premium for Fire and Personal Accident Insurance

---

[29] IRDAI. Business figures- Non Life (SegmentWise): Gross premium underwritten by non-life insurers within India. May 15, 2017. Raw data.
Up to March 2017

Using the formula, I constructed this table (companies in red are government organisations) which contains an index, the percentage of premiums due to Home Insurance and derived market share:

Sl No.	Insurer	PROPORTION OF PA	PROPORTION OF FIRE	INDEX	HOME PREMIUM (millions of rupees)	DERIVED MARKET SHARE
1	Royal Sundaram	2%	6%	1.293%	285.08	1.15%
2	TATA-AIG	3%	13%	4.081%	1,701.07	6.89%
3	Reliance	1%	8%	0.353%	138.85	0.56%
4	IFFCO Tokio	1%	5%	0.234%	130.17	0.53%
5	ICICI Lombard	3%	7%	2.316%	2,484.34	10.07%
6	Bajaj Allianz	2%	7%	1.435%	1,095.26	4.44%
7	HDFC ERGO	8%	9%	4.421%	2,581.79	10.46%
8	Cholamandalam	4%	7%	3.018%	945.49	3.83%
9	Future Generali	3%	10%	3.472%	630.34	2.55%
10	Universal Sompo	2%	10%	0.820%	105.61	0.43%
11	Shriram	1%	2%	0.040%	8.23	0.03%
12	Bharti Axa	1%	4%	0.196%	25.43	0.10%
13	Raheja QBE	1%	2%	0.063%	0.37	0.00%
14	SBI	16%	28%	20.706%	5,392.87	21.85%
15	HDFC GENERAL(L&T)	1%	11%	0.289%	10.05	0.04%
16	Magma HDI	1%	7%	0.254%	10.65	0.04%
17	Liberty Videocon	3%	5%	1.468%	85.83	0.35%
18	Kotak #	3%	1%	0.378%	3.11	0.01%
19	Star Health Insurance	3%	0%	0.000%	-	0.00%
20	Apollo MUNICH	8%		0.000%		
21	Max BUPA	1%				
22	Religare Health	7%				
23	Cigna TTK	7%				
24	Aditya Birla**	2%				
25	New India	2%	10%	0.940%	1,794.80	7.27%
26	National	2%	6%	1.412%	1,976.47	8.01%
27	United India	1%	9%	0.645%	1,018.90	4.13%
28	Oriental	4%	9%	3.943%	4,257.75	17.25%
29	ECGC		0%	0.000%	-	
30	AIC of India		0%	0.000%	-	
	Total				24,682.46	100.00%

Figure 4: Index & Derived Market share for Home Insurance calculated using Surrogate

From the market shares now obtained, I calculated the HHI (Herfindahl-Hirschman Index)[30]. The industry's HHI, based on the data in Figure 8, including the private and public sector, is 1210.47.

Anecdotally, US Department of Justice[31] considers a market of an HHI below 1000 as unconcentrated, 1000 to 1800 as moderately concentrated and above 1800 as highly concentrated. The HHI of the private sector is within the 1000-1800 range. This indicates that the market has a moderately high degree of competition , being divided reasonably well among a large number of companies with no price influencing power.

However, the C_4 Percentage[32] for the private-sector companies is 49.27%, with only 4 companies occupying half the market, thus contradicting the HHI conclusion of adequate competition. This suggests an oligopolistic market structure.

On further research, I discovered that this is because of the anomalistic nature of SBI's market share who sell their home insurance policies to all SBI Home Loan customers. SBI is the largest bank in India and among the world's top 50 with 24,000 branches[33], and this captive market[34] gives them a

---

[30] HHI is a measure of market concentration, obtained by squaring the market share of each firm in a certain market and adding the numbers up. HHI ranges from 0 to 10000, with 0 being perfectly competitive : Adapted from Staff, Investopedia. "Herfindahl-Hirschman Index - HHI." Investopedia. April 26, 2017. Accessed November 26, 2017. https://www.investopedia.com/terms/h/hhi.asp.

[31] "1.5 Concentration And Market Shares." The United States Department of Justice. Accessed November 27, 2017. https://www.justice.gov/atr/15-concentration-and-market-shares.

[32] Concentration ratio indicates the size of firms in relation to entire industry they are a part of. In this case, C_4 indicates the total percentage of market share held by 4 of the largest companies – Adapted from Staff, Investopedia. "Concentration Ratio." Investopedia. December 20, 2016. Accessed November 26, 2017. https://www.investopedia.com/terms/c/concentrationratio.asp.

[33] Bureau, Our. "Post-amalgamation, 1,500 branches of SBI, associates will be merged." The Hindu Business Line. March 01, 2017. Accessed November 28, 2017. http://www.thehindubusinessline.com/money-and-banking/postamalgamation-1500-branches-of-sbi-associates-will-be-merged/article9565917.ece.

[34] Chitra, Rachel. "Captive insurance cos won't retain exclusive edge - Times of India." The Times of India. May 12, 2016. Accessed November 27, 2017. https://timesofindia.indiatimes.com/business/india-business/Captive-insurance-cos-wont-retain-exclusive-edge/articleshow/52232700.cms.

competitive edge over others. Thus, the market share of SBI for home insurance skews the result and acts as an outlier and when discounted, the HHI drops to 733.05 and the C_4 drops to 31.86% for private-sector only. Both the HHI and C_4 now indicate a much higher and similar degree of competition in the industry indicating that the home insurance industry of India is operating near perfect competition[35].

Backing up the Surrogate:

In order to verify the HHI I found for the surrogate data model, I calculated the HHI for two other non-life insurance markets from the same data sheet[36], and also the same for the total market share of each company (denominated on premiums earned from all non-life insurance policies sold by the company). Ideally, the degree of competition in the entire non-life insurance industry should reflect equally in all product categories.

For Motor OD (Own-damage)[37], I calculated the HHI to be 771.7.

For only Personal Accident, a policy part of my surrogate, the HHI came up to 882.

Finally, the HHI taking into account the grand total for premiums from all policies is 794.2.

 These three HHIs are very close to the HHI I calculated for Home Insurance using the surrogate model and correlates well for the hypothesis above of similar degree of competition. Hence, the accuracy of my surrogate model stands vindicated.

---

[35] Sustaining captive markets could be a competitive tactic that reduces competition. However, since SBI is a special case, the calculations of HHI discounting this anomaly provide a more accurate representation of the competition in this market.

[36] See Appendix 4

[37] This cover provides one with the expenses required to repair or replace damaged car parts due to an accident : Adapted from Sundaram, Royal. "19 Car Insurance Terminologies You Should Know." Royal Sundaram General Insurance. June 18, 2015. Accessed November 26, 2017. https://www.royalsundaram.in/blog/car-insurance/19-car-insurance-terminologies-you-should-know/

II. Barriers to entry and exit[38]

In a perfectly competitive market, there should be no barriers to entry or exit. No pre-existing firm has the power to stop any firm from joining the market in any capacity not does it have the power to stop a firm from exiting the market.

The Home Insurance Industry

Foreign Direct Investment[39] (FDI)

   A. The FDI cap was increased to 49% in March, 2016 from 26% earlier. With this increase the potential outlay of an Indian company has become much lesser and therefore the number of companies which can now enter Insurance market has technically gone up, thus lowering barriers to entry.

   B. There is a barrier for foreign companies only in that they need an Indian investor with at least 51% stake. Since businesses need very high capital, usually more than the regulatory minimum of INR 1 billion (~USD 15 million) and have long gestation periods to profitability, it is difficult for foreign insurers wanting to enter the market to find Indian investors with such deep pockets and patience. [40]

---

[38] Sharma, Vasht. *BARRIERS TO ENTRY IN INSURANCE*. Scribd. Accessed November 27, 2017. https://www.scribd.com/doc/50281974/BARRIERS-TO-ENTRY-IN-INSURANCE.

[39] "Foreign Direct Investment, or FDI, is a type of investment that involves the injection of foreign funds into an enterprise that operates in a different country of origin from the investor." – Taken from "Definition of Foreign Direct Investment (FDI)." Definition of Foreign Direct Investment (FDI) | Economy Watch. Accessed November 27, 2017. http://www.economywatch.com/foreign-direct-investment/definition.html.

[40] Tipping, Anna. "Insurance regulation in India." Norton Rose Fulbright. January 2017. Accessed November 27, 2017.
http://www.nortonrosefulbright.com/knowledge/publications/106418/insurance-regulation-in-india.

C. This industry is a capital-intensive sector[41] that needs huge initial investments. However, the Insurance Laws (Amendment) Act 2015[42] will help firms raise capital in new ways, thereby enabling competition and increase penetration.

D. Exiting insurance sector is not easy for the existing firms. The Regulator insists on the shares to be transferred to a new entity to protect the policyholders (vide the Policyholder Protection Regulations)[43]. The process of finding a buyer for its shares can be lengthy and onerous it being a capital-intensive sector.

Clearly, raising the FDI cap has helped to significantly increase competition and, by providing new ways to get funding, eased the way for newcomers in the industry. However, the long gestation period to profitability and difficulties in exiting the industry curtail contestability and indicate that the market is not operating in perfect competition.

III. Heterogeneity of Products (Home Insurance Policies) and Brand Preference

Heterogeneity means products made by a firm are distinct and distinguishable from those of a rival firm. Marketing is done aggressively to differentiate the goods/services to create universally identifiable brands which attain large value by themselves. Most primary commodities like

---

[41] Government of India. Ministry of Finance. "Major Highlights of the Insurance Laws (Amendment) Bill, 2015 Passed by Parliament." News release, March 13, 2015. Accessed November 27 , 2017. http://pib.nic.in/newsite/PrintRelease.aspx?relid=117043.

[42] Government of India. Ministry of Finance. "Major Highlights of the Insurance Laws (Amendment) Bill, 2015 Passed by Parliament." News release, March 13, 2015. Accessed November 27 , 2017. http://pib.nic.in/newsite/PrintRelease.aspx?relid=117043.

[43] "IRDA (Protection of Policyholders Interests) Regulations, 2017." TaxGuru. Accessed November 27, 2017. https://taxguru.in/corporate-law/irda-protection-of-policyholders-interests-regulations-2017.html.

agricultural items and crops qualify as homogeneous as they are near perfect substitutes for each other whereas different categories and brands of cars are not substitutable and are heterogeneous.

The Home Insurance Industry

Home Insurance policies are highly heterogeneous in nature, making comparison of policies difficult. We can see this in the following table[44]:

	Bajaj Allianz Householders Package	HDFC ERGO Home	ICICI Lombard Home Insurance	Oriental Insurance Householders Package
Premium	₹ 2360	₹ 3209	₹ 5782	₹ 1416
▾ Covers				
Burglary	✔	✔	✔	✘
Earthquake cover	✔	✘	✔	✔
Fire and Allied Perils	✔	✔	✔	✔
Riot, Strike, and Malicious Damage	✘	✘	✘	✔
Storm, Tempest, Flood and Inundation	✘	✘	✘	✔

Figure 5: Comparison of Home insurance policies

The figure illustrates the widely different features in these different products from four famous Indian brands. Comparison and ultimately choosing one is difficult because of their disparate features. While ICICI Lombard covers the policyholder against burglary, but not riots/strikes, Oriental Insurance protects the policyholder against riots but nor burglary. How do people then choose policies? The answer lies in brand preference. Instead of an effective comparison of policies people end up choosing the brand they know best.

With more than 20 companies in this industry, preference for a handful still exists[45]. Upon interviewing Neeraj Gupta, Financial Expert and Business Head for Motor Insurance at PolicyBazaar, India's topmost insurance website, I gained valuable insight into the preferences of their customers. Visitors to PolicyBazaar's website indeed prefer "a big brand like Bajaj Allianz or

---

[44] Buyonline.wecareinsurance.in. Accessed November 28, 2017.
https://buyonline.wecareinsurance.in/weba/base.html?pg=weba%2Fbpfmplshow#eyJsb2IiOiJIb21lIiwicHR5cMSLxIbEiMSKxIzEjsSQxJJuYcSWxJTEicSLxI1zdGF0ZWlkxIUiTUjEl2NpxJDEp8SpMjLEl3NhxKJydWN0xKkzMMS/xYDEtWFjb27EvMSGMcWAxYHEjcSPxKkxIn0=.
[45] Webmaster@iupindia.in. Branding Insurance: An Indian Perspective. Accessed November 27, 2017. http://www.iupindia.in/1004/IC_Branding_Insurance_15.html.

HDFC Ergo" and would opt for them against a lesser brand even if marginally costlier.[46]. Price variation in similar goods is an indicator of imperfect information[47] which clearly reduces competition.

Below are the results of a survey I did of over 150 people with varied income levels, living in different part of India.

Q5 Do you look at the brand when buying home insurance?

Answered: 138 Skipped: 16

Answer Choices	Responses	
Yes	68.84%	95
No	9.42%	13
Maybe	21.74%	30
Total		138
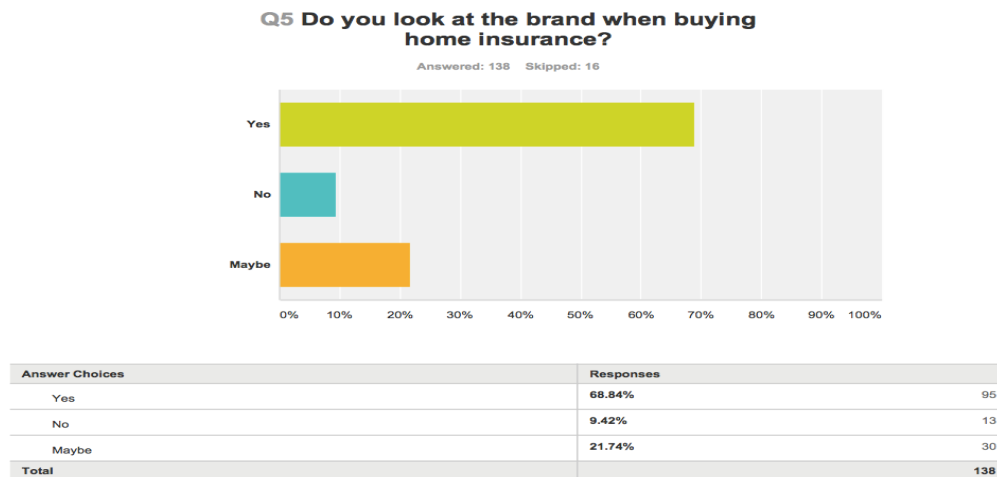
Figure 6: Q5 of Consumer survey

Q6 Do you prefer a particular company over others?

Answered: 137 Skipped: 18

Answer Choices	Responses	
Yes	56.20%	77
No	12.41%	17
Maybe	31.39%	43
Total		137
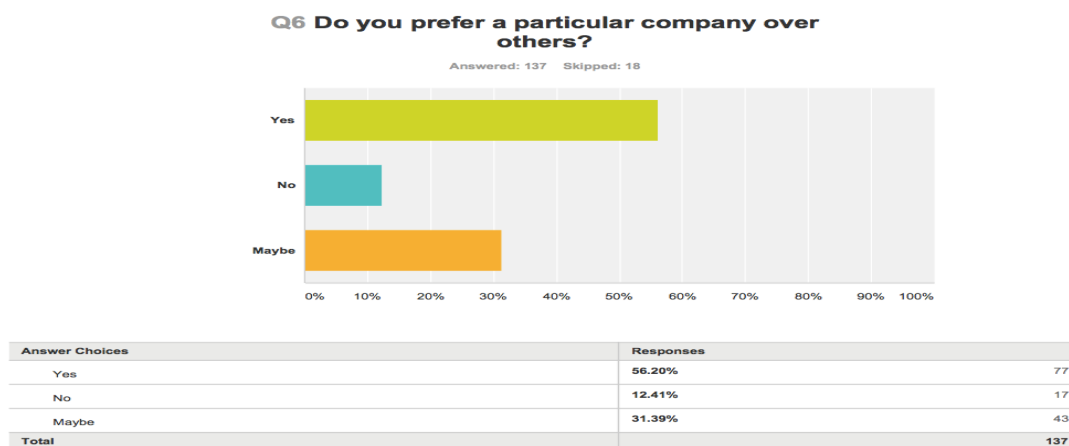
Figure 7: Q6 of Consumer survey

---

[46] For the full interview, see Appendix 2

[47] Maestas, Nicole, Mathis Schroeder, and Dana P. Goldman. *Price Variation in Markets with Homogeneous Goods: The Case of Medigap*. RAND Labor and Population. July 2007. Accessed November 27, 2017. file:///Users/abhishekroy/Downloads/RAND_WR504%20(1).pdf.
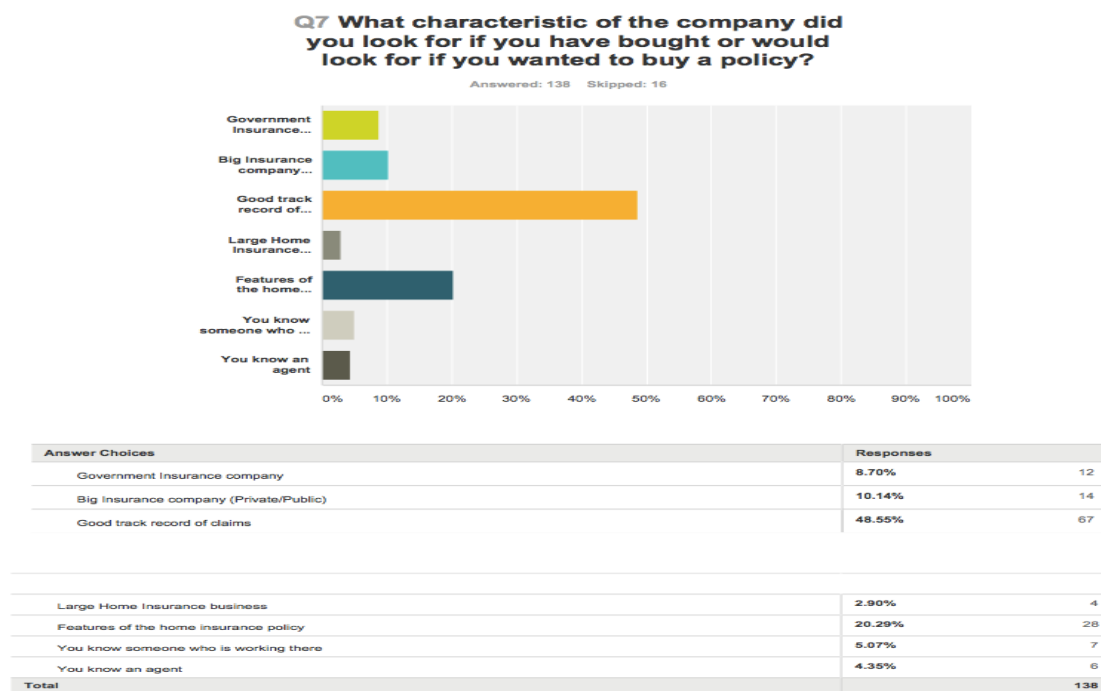
Figure 8: Q7 of Consumer survey

Three of the questions from my consumer survey[48] examine this brand preference. As above, out of

the 138 people who answered, around 70% consider the brand when buying home insurance. The

6th question shows that around 60% of the people who answered do prefer certain companies over

others. Thus, the existence[49] of brand preference is corroborated by the results of my survey.

According to the responses to the 7th question, the differentiating factor people look for is a **'good**

track record of claims'(49%) instead of **'features of the home insurance policy'**(20%). This

further proves that people look at the reliability of the company, its reputation, and the perceived

ease of the claims process rather than specificities of the policy.

Hence, competition in the home insurance industry of India is reduced by the high degree of

heterogeneity in insurance policies and the inability of the general public to distinguish between

---

[48] See Appendix 1
[49] "Brand Equity Study: The Insurance Industry." Branding Strategy Insider. February 09, 2017.
Accessed November 27, 2017. https://www.brandingstrategyinsider.com/2008/02/brand-equity-st.html#.WhpY8BJ95E4.

them, potentially choosing a policy that may not suit them. As this gives rise to brand preference, bigger and more well-known companies have a tendency to do better. This shows a significant imperfection in the competition in this industry.

IV. Asymmetry of Information and Profitability

Imperfect competition is characterized by asymmetry of information whereby both producers and consumers lack full knowledge about the market. This damages competition as some firms may hold information that other firms don't, giving them unfair advantage and possibly the ability to produce goods at a lower cost than their competitors. Simultaneously, the consumers also are not fully aware of the prices of goods and their availability in the market.

The Home Insurance Industry

The consumers are still largely unaware[50] of policy features, prices, and insurance companies offering these, while the Insurers know all and the distributors know some. Thus, there is overwhelming asymmetry of information.

A big reason why Indians don't rush to buy home insurance is because of misconceptions about it. Apprehensions about getting claims, reluctance to complete cumbersome paperwork, and the dread of going through the time-consuming process are what prevent Indians from buying insurance.

Recent surveys have shown that over 75% of Indians are financially illiterate[51]. This further confirms why only 20% of people in my survey said they look at the features of the policy before choosing. As they lack the information to effectively compare, brand preference and forces of

---

[50] "Home insurance under-purchased product in India." The Economic Times. January 31, 2017. Accessed November 27, 2017. https://economictimes.indiatimes.com/articleshow/56887623.cms.
[51] Bureau, Our. "'Three out of four Indians are not financially literate'." The Hindu Business Line. December 15, 2015. Accessed November 27, 2017. http://www.thehindubusinessline.com/news/majority-of-indian-adults-financially-illiterate-survey/article7992134.ece.

captive markets make people buy policies[52] that may not be suited for them[53]. As Arup Kumar Chatterjee, the Principal Financial Sector Specialist from the Asian Development Bank, said "Many people buying insurance don't have the experience or understanding of potential financial risks."[54]

Another recently acknowledged factor contributing to this under-penetration is the Indian belief in Karma[55], that the conditions and accidents we encounter are due to our deeds in previous births, the belief in reincarnation. Due to this sense of correlating outcomes to an imaginary past-life, people fail to accept that their house can burn down or they can die of a disease as they haven't done any bad Karma[56]. Although the proliferation of education is helping bust such myths, it'll take some time to solve the asymmetry of information that such beliefs exacerbate.

Lastly, there is also a trust deficit[57] in distributors. For instance, if the engine is cranked after it stalled due to entry of water in a flooded area and the engine goes into hydrostatic lock[58], then the

---

[52] Abraham, Sunita. "Wrong choice of products affects goals ." Http://www.livemint.com/. September 17, 2017. Accessed November 27, 2017. http://www.livemint.com/Money/gg36Y9yKWxOIJ69RouBRMI/Wrong-choice-of-products-affects-goals-.html.

[53] "Why most Indians end up buying insurance the wrong way." The Economic Times. May 08, 2017. Accessed November 27, 2017. https://economictimes.indiatimes.com/wealth/insure/why-most-indians-end-up-buying-insurance-the-wrong-way/articleshow/58547333.cms.

[54] Chatterjee, Arup Kumar. "Why people don't buy insurance in Asia." Arup Kumar Chatterjee. Accessed November 27, 2017. https://blogs.adb.org/blog/why-people-don-t-buy-insurance-asia.

[55] "Karma (Hinduism)." Georgetown University. Accessed November 27, 2017. https://berkleycenter.georgetown.edu/essays/karma-hinduism.

[56] Mishra, Prawin. "Insurance : Law of Karma (Deeds or misdeeds) in India." November 5, 2016. Accessed November 27, 2017. https://www.linkedin.com/pulse/insurance-law-karma-deeds-misdeeds-india-prawin-mishra.

[57] Halan, Monika. "Rationalize commission for insurance agents too." Livemint. June 24, 2009. Accessed November 27, 2017. http://www.livemint.com/Opinion/g7zSP9fxson7kwXneunB6L/Rationalize-commission-for-insurance-agents-too.html.

[58] FAQ's On Hydrostatic Lock & Insurance. Accessed November 28, 2017. https://www.icicilombard.com/car-insurance-info/faqs-on-hydrostatic-lock-and-insurance.html.

motor insurance claim is rejected[59]. Many customers are not informed of such fine points[60]. Due to such practices by insurance agents, numerous people avoid buying insurance altogether.

Since the majority of consumers conform to these beliefs and notions, the scope for profitability for newcomers and existing companies is significantly reduced, thus making entry into the industry less attractive. This can be seen in the rising Combined Ratio[61] for General Insurance companies in India since 2014:
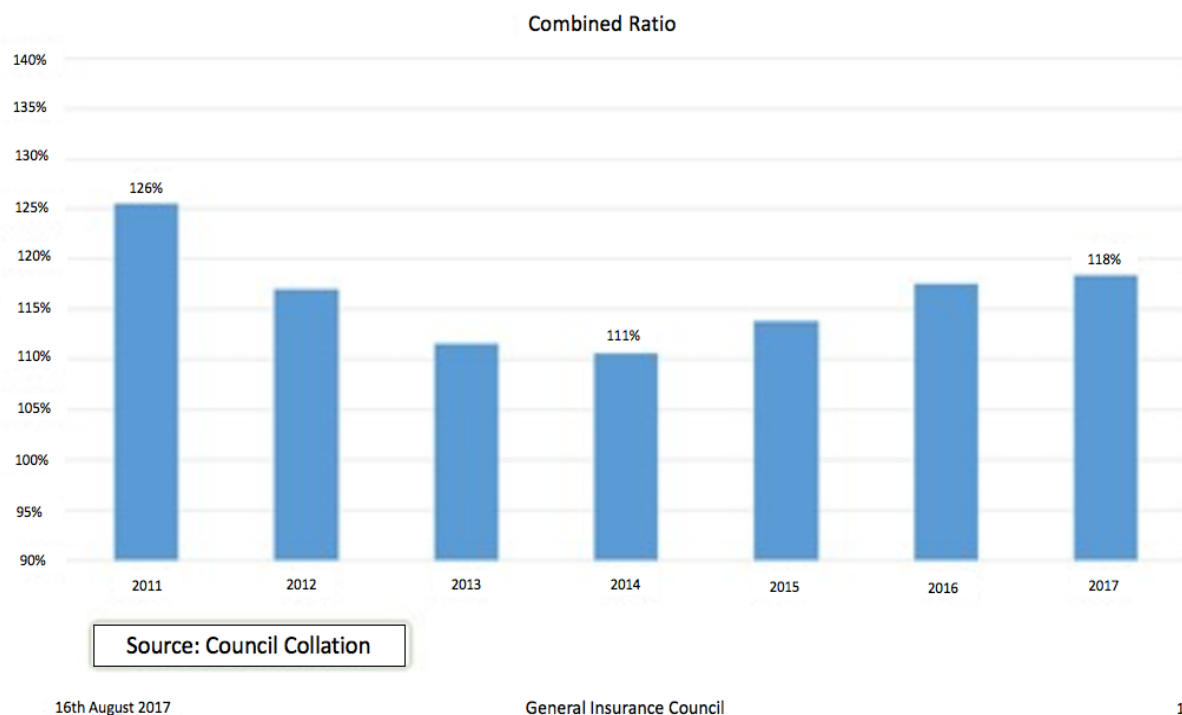
Figure 9[62]: Combined Ratio graph for General Insurance Industry per year

---

[59] Dharamsi, Khyati. "Dear Chennai, don't crank your car engine in water; your insurance claim may be declined | Latest News & Updates at Daily News & Analysis." DNA. December 08, 2015. Accessed November 27, 2017. http://www.dnaindia.com/money/report-cranking-the-car-engine-in-deep-waters-insurance-claim-may-be-declined-2100056.

[60] "India: Awareness campaign launched for non-life." Asia Insurance Review. Accessed November 27, 2017. http://www3.asiainsurancereview.com/Magazine/ReadMagazineArticle/aid/33738/India-Awareness-campaign-launched-for-non-life.

[61] Combined ratio is a way in which insurance companies measure profitability. It is the sum of incurred losses and expenses divided by the premium earned by the company. Therefore, a ratio below 100% indicates profit and above 100% shows loss: Adapted from Radcliffe, Brent. "Combined Ratio." Investopedia. May 11, 2015. Accessed November 26, 2017. https://www.investopedia.com/terms/c/combinedratio.asp.

[62] Insurance Highlight. Accessed November 26, 2017. http://www.gicouncil.in/project/insurance-highlight/.

According to the theory of competition, firms earn zero economic profit in the long run in a perfectly competitive market structure[63]. The presence of massive losses indicate that the industry has frantic yet imperfect competition.

Moreover, if an industry indicates losses, it discourages the entry of newer firms who obviously lose their business to larger firms who have obtained economies of scale.

In this way, the asymmetry of information has given an unfair advantage to already established insurance companies and brands, thus discouraging newer firms. This tells us that the industry is not operating in prefect competition.

V. Other factors

Agent behavior

Agents are integral to the sale of insurance policies. According to a research done by the National Council of Applied Economic Research in India, 52% "would consult their agents, though a sizeable proportion (17%) might approach the company"[64].

Agents' behavior is commission oriented and driven by the motive to sell maximum policies. So, in order to hit it big, they try to sell large value insurance policies as they can, such as Life, Motor or Health. Agents generally don't sell Home insurance because of low premiums and lesser

---

[63] Adapted from Tragakes, Ellie. *Economics for the IB Diploma*. Cambridge: Cambridge University Press, 2012.
[64]Sinha, Anushree, Rajesh Jaiswal, Barun Deb Pal, Kalicharan Shukla, Ramamani Sundar, Geetha Natesh, and Sadhana Singh. *Pre-launch Report of Insurance Campaign*. Report. New Delhi, Delhi: National Council of Applied Economic Research, 2011.
 Sponsored by Insurance Regulatory and Development Authority

commissions[65]. Home insurance, through agents, is only cross-sold as an additional policy after the sale of large value policies.

Thus, the information asymmetry continues and impedes competition.

Online Web

We can observe a very interesting trend in the online distribution business, especially prevalent in India, called ROPO (Research Online Purchase Offline)[66]. This indicates that when it comes to online home insurance distributors like PolicyBazaar and PolicyLitmus, people use these sites primarily to compare policies, purchasing the policy offline through an agent or broker once they've made their choice. This behaviour is elucidated by a part of my consumer survey.
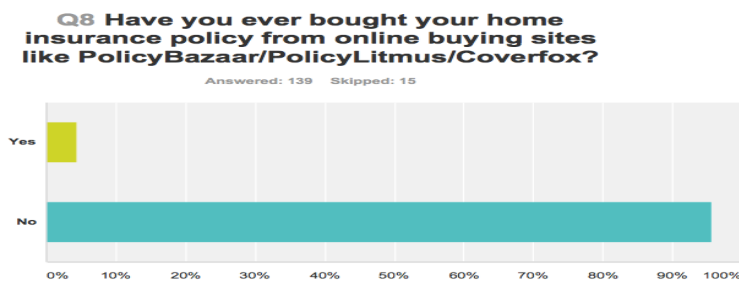
Figure 10: Q8 of Consumer survey
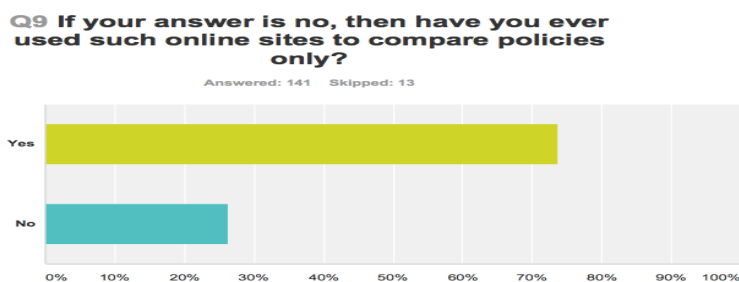
Figure 11: Q9 of Consumer survey

---

[65] PolicyBazaar. "PolicyBazaar." Insurance. February 10, 2017. Accessed November 27, 2017. https://www.policybazaar.com/life-insurance/term-insurance/news/why-agents-dont-sell-you-term-plans-here-is-the-truth/.

[66] Tandon, Suneera. "Indian online shoppers are getting more discerning." Http://www.livemint.com/. March 02, 2016. Accessed November 26, 2017. http://www.livemint.com/Consumer/XBd7RwcDBDjsZAqmLFrjFP/Indian-online-shoppers-are-getting-more-discerning.html.

We can observe that while 74% of people have used online buying sites to compare policies, only 4.3% have actually bought policies from those websites. The reason behind this ROPO trend is further explained by Neeraj Gupta from PolicyBazaar – "Currently offline is really big as most home insurance is sold at time of loan disbursal. Although with insurers making more and more simple plans and easy buy(ing) process, online should start seeing some traction". Majority of the people simply get their home insurance through their Home Lender and do not want to go through the trouble of buying a policy from an insurance company itself[67]. Proliferation of this intensive comparative behaviour will increase the perfection of competition in the market gradually.

---

[67] "Is Home Loan Insurance the Best Option to Cover your Liability?" www.personalfn.com. Accessed November 27, 2017. https://www.personalfn.com/fns/is-home-loan-insurance-the-best-option-to-cover-your-liability.

Conclusion

My research question prompted me to study the degree of competition in the low penetrated Indian Home insurance market, the like of which does not exist in public domain.

Recent regulations by the IRDAI have also eased previous restrictions on entry for firms, and resembles a Perfect Competition market. However, certain other elements hinder the level of competition in the market. Setting up a new insurance company is capital intensive and takes a long time to record profits. It is also very onerous to exit the industry due to the Policyholder Protection Regulations.

The Home insurance industry has a large number of firms with no oligopolistic or monopolistic elements and a very low effective HHI (through my surrogate triangulation) indicating high degree of competition. However, competition is stunted by heterogeneity in products and consumer inability to make choices.

The existence of distinct preference for certain brands as evident in my Survey also diminishes contestability. The survey did show that people generally opt for a brand with a 'good track record of claims' but it is reasonable to assume that people aren't really *aware* of how to measure that, leaning towards bigger brands irrationally thus highlighting a lesser degree of competition.

This same asymmetry of information in the public due to unfounded beliefs and prejudices reduces competition in other ways too. Agent behaviour in trying to sell high value policies perpetuates this asymmetry.

All these factors override the near perfect competition suggested by the extremely low HHI and show that to a large extent, the Home insurance industry in India does not operate in perfect competition. Higher penetration of Home Insurance is vital for the economy to protect against natural disasters. Awareness building towards this should become a primary concern of the IRDAI.

Evaluation

The surrogate data set and ratios I built are not perfect. I corroborated my model and demonstrated its reliability through triangulation, but the figures are merely representative of the Home insurance market share for each company, as no public domain data is available.

With no previous paper available, I could not do a trend analysis and therefore the direction of the competitiveness of the market could not be ascertained.

If data was available I could have also analyzed the Bancassurance regulations. Recent changes for open architecture allowed banks to sell multiple insurers' products which could have implications affecting competition in the industry especially since Banks sell Home Insurance the most.

[3835 words]

Bibliography

Books, Online Reports, and Papers

- "IRDA (Protection of Policyholders Interests) Regulations, 2017." TaxGuru. Accessed November 27, 2017. https://taxguru.in/corporate-law/irda-protection-of-policyholders-interests-regulations-2017.html.

- Government of India. Ministry of Finance. "Major Highlights of the Insurance Laws (Amendment) Bill, 2015 Passed by Parliament." News release, March 13, 2015. Accessed November 27 , 2017. http://pib.nic.in/newsite/PrintRelease.aspx?relid=117043.

- IRDAI. Business figures- Non Life (SegmentWise): Gross premium underwritten by non-life insurers within India. May 15, 2017. Raw data.

- Maestas, Nicole, Mathis Schroeder, and Dana P. Goldman. *Price Variation in Markets with Homogeneous Goods: The Case of Medigap*. RAND Labor and Population. July 2007. Accessed November 27, 2017. file:///Users/abhishekroy/Downloads/RAND_WR504%20(1).pdf.

- Munjal, Poonam, P. C. Parida, D. B. Gupta, Shashanka Bhide, and Ramesh Kolli. *Impact of Investments in the Housing Sector on GDP and Employment in the Indian Economy*. Report. National Council of Applied Economic Research. NCAER.

- Sharma, Vasht. *BARRIERS TO ENTRY IN INSURANCE*. Scribd. Accessed November 27, 2017. https://www.scribd.com/doc/50281974/BARRIERS-TO-ENTRY-IN-INSURANCE.

- Tragakes, Ellie. *Economics for the IB Diploma*. Cambridge: Cambridge University Press, 2012.

  Up to March 2017

Websites

- "1.5 Concentration And Market Shares." The United States Department of Justice. Accessed November 27, 2017. https://www.justice.gov/atr/15-concentration-and-market-shares.

- "Branch locators." Branch - SBI Corporate Wesbite. Accessed November 27, 2017. https://www.sbi.co.in/portal/web/home/branch.

- "Brand Equity Study: The Insurance Industry." Branding Strategy Insider. February 09, 2017. Accessed November 27, 2017. https://www.brandingstrategyinsider.com/2008/02/brand-equity-st.html#.WhpY8BJ95E4.

- "Brand India." IBEF : India Brand Equity Foundation. Accessed November 27, 2017. https://www.ibef.org/industry/insurance-sector-india.aspx.

- "Definition of Fire And Special Perils Policy | What is Fire And Special Perils Policy? Fire And Special Perils Policy Meaning." The Economic Times. Accessed November 26, 2017. https://economictimes.indiatimes.com/definition/fire-and-special-perils-policy.

- "Definition of Foreign Direct Investment (FDI)." Definition of Foreign Direct Investment (FDI) | Economy Watch. Accessed November 27, 2017. http://www.economywatch.com/foreign-direct-investment/definition.html.

- "Definition of Penetration Rate | What is Penetration Rate? Penetration Rate Meaning." The Economic Times. Accessed November 27, 2017. https://economictimes.indiatimes.com/definition/penetration-rate.

- "Earth Quake Insurance." Earth Quake Insurance in India – Best Insurance Plans to Covers You. Accessed November 27, 2017. https://www.gibl.in/EarthQuake-insurance/.

- "Home insurance under-purchased product in India." The Economic Times. January 31, 2017. Accessed November 27, 2017. https://economictimes.indiatimes.com/articleshow/56887623.cms.

- "How Important is Home Insurance? - Home Insurance FAQs." Bankbazaar. Accessed November 27, 2017. https://www.bankbazaar.com/home-insurance/guide/why-is-house-insurance-important.html.

- "India: Awareness campaign launched for non-life." Asia Insurance Review. Accessed November 27, 2017.

http://www3.asiainsurancereview.com/Magazine/ReadMagazineArticle/aid/33738/India-Awareness-campaign-launched-for-non-life.

- "Is Home Loan Insurance the Best Option to Cover your Liability?" www.personalfn.com. Accessed November 27, 2017. https://www.personalfn.com/fns/is-home-loan-insurance-the-best-option-to-cover-your-liability.

- "Karma (Hinduism)." Georgetown University. Accessed November 27, 2017. https://berkleycenter.georgetown.edu/essays/karma-hinduism.

- "Legal Dictionary - Law.com." Law.com Legal Dictionary. Accessed November 28, 2017. http://dictionary.law.com/Default.aspx?selected=1160.

- "Leon Walras Biography General Equilibrium Theory." Leon Walras Biography General Equilibrium Theory ~. Accessed November 27, 2017.

- "Life Insurance Vs General Insurance." Bajaj Finserv Blog. September 21, 2016. Accessed November 27, 2017. https://blog.bajajfinserv.in/how-is-life-insurance-different-from-general-insurance/.

- "PolicyBazaar." Policybazaar. Accessed November 27, 2017. https://www.policybazaar.com/health-insurance/personal-accident-insurance/.

- "What Is Personal Accident Insurance?" What Is Personal Accident Insurance? - ICICI Lombard. Accessed November 26, 2017. https://www.icicilombard.com/health_insurance_info/What-Is-Personal-Accident-Insurance.html.

- "Why most Indians end up buying insurance the wrong way." The Economic Times. May 08, 2017. Accessed November 27, 2017. https://economictimes.indiatimes.com/wealth/insure/why-most-indians-end-up-buying-insurance-the-wrong-way/articleshow/58547333.cms.

- Abraham, Sunita. "Wrong choice of products affects goals ." Http://www.livemint.com/. September 17, 2017. Accessed November 27, 2017.

http://www.livemint.com/Money/gg36Y9yKWxOIJ69RouBRMI/Wrong-choice-of-products-affects-goals-.html.

- Bharuchal, Nauzer. "Average size of Mumbai apartment reduced by 31% - Times of India." The Times of India. Accessed November 27, 2017. https://timesofindia.indiatimes.com/city/mumbai/Average-size-of-Mumbai-apartment-reduced-by-31/articleshow/22552600.cms.

- Bureau, Our. "'Three out of four Indians are not financially literate'." The Hindu Business Line. December 15, 2015. Accessed November 27, 2017. http://www.thehindubusinessline.com/news/majority-of-indian-adults-financially-illiterate-survey/article7992134.ece.

- Buyonline.wecareinsurance.in. Accessed November 27, 2017. https://buyonline.wecareinsurance.in/weba/base.html?pg=weba%2Fbpfmplshow#eyJsb2IiOiJIb21lIiwicHR5cMSLxIbEiMSKxIzEjsSQxJJuYcSWxJTEicSLxI1zdGF0ZWlkxIUiTUjEl2NpxJDEp8SpMjLEl3NhxKJydWN0xKkzMMS/xYDEtWFjb27EvMSGMcWAxYHEjcSPxKkxIn0=.

- Chatterjee, Arup Kumar. "Why people don't buy insurance in Asia." Arup Kumar Chatterjee. Accessed November 27, 2017. https://blogs.adb.org/blog/why-people-don-t-buy-insurance-asia.

- Chitra, Rachel. "Captive insurance cos won't retain exclusive edge - Times of India." The Times of India. May 12, 2016. Accessed November 27, 2017. https://timesofindia.indiatimes.com/business/india-business/Captive-insurance-cos-wont-retain-exclusive-edge/articleshow/52232700.cms.

- Dharamsi, Khyati. "Dear Chennai, don't crank your car engine in water; your insurance claim may be declined | Latest News & Updates at Daily News & Analysis." DNA. December 08, 2015. Accessed November 27, 2017. http://www.dnaindia.com/money/report-cranking-the-car-engine-in-deep-waters-insurance-claim-may-be-declined-2100056.

- Halan, Monika. "Rationalize commission for insurance agents too." Livemint. June 24, 2009. Accessed November 27, 2017. http://www.livemint.com/Opinion/g7zSP9fxson7kwXneunB6L/Rationalize-commission-for-insurance-agents-too.html.

- Insurance Highlight. Accessed November 26, 2017. http://www.gicouncil.in/project/insurance-highlight/.

- Mishra, Prawin. "Insurance : Law of Karma (Deeds or misdeeds) in India." November 5, 2016. Accessed November 27, 2017. https://www.linkedin.com/pulse/insurance-law-karma-deeds-misdeeds-india-prawin-mishra.

- Momoh, Osi. "Homeowner's Insurance." Investopedia. September 06, 2017. Accessed November 26, 2017. https://www.investopedia.com/terms/h/homeowners-insurance.asp.

- PolicyBazaar. "PolicyBazaar." Insurance. February 10, 2017. Accessed November 27, 2017. https://www.policybazaar.com/life-insurance/term-insurance/news/why-agents-dont-sell-you-term-plans-here-is-the-truth/.

- Pti. "Only 30% people have insured their homes in India: Survey | Latest News & Updates at Daily News & Analysis." Dna. June 17, 2015. Accessed November 27, 2017. http://www.dnaindia.com/money/report-only-30-people-have-insured-their-homes-in-india-survey-2096458.

- Radcliffe, Brent. "Combined Ratio." Investopedia. May 11, 2015. Accessed November 26, 2017. https://www.investopedia.com/terms/c/combinedratio.asp.

- Reporter, BS. "Chennai floods insurance claims touch Rs 4,800 crore." Business Standard. January 22, 2016. Accessed November 27, 2017. http://www.business-standard.com/article/current-affairs/chennai-floods-insurance-claims-touch-rs-4-800-crore-116012201026_1.html.

- Sinha, Anushree, Rajesh Jaiswal, Barun Deb Pal, Kalicharan Shukla, Ramamani Sundar, Geetha Natesh, and Sadhana Singh. *Pre-launch Report of Insurance Campaign*. Report. New Delhi, Delhi: National Council of Applied Economic Research, 2011. Sponsored by Insurance Regulatory and Development Authority

- Staff, Investopedia. "Compound Annual Growth Rate - CAGR." Investopedia. November 17, 2017. Accessed November 26, 2017. https://www.investopedia.com/terms/c/cagr.asp.

- Staff, Investopedia. "Concentration Ratio." Investopedia. December 20, 2016. Accessed November 26, 2017. https://www.investopedia.com/terms/c/concentrationratio.asp.

- Staff, Investopedia. "Herfindahl-Hirschman Index - HHI." Investopedia. April 26, 2017. Accessed November 26, 2017. https://www.investopedia.com/terms/h/hhi.asp.

- Staff, Investopedia. "Insurance." Investopedia. May 02, 2015. Accessed November 27, 2017. https://www.investopedia.com/terms/i/insurance.asp.

- Sundaram, Royal. "19 Car Insurance Terminologies You Should Know." Royal Sundaram General Insurance. June 18, 2015. Accessed November 26, 2017. https://www.royalsundaram.in/blog/car-insurance/19-car-insurance-terminologies-you-should-know/

- Tandon, Suneera. "Indian online shoppers are getting more discerning." Http://www.livemint.com/. March 02, 2016. Accessed November 26, 2017. http://www.livemint.com/Consumer/XBd7RwcDBDjsZAqmLFrjFP/Indian-online-shoppers-are-getting-more-discerning.html.

- The concept of surrogate data. Accessed November 27, 2017. https://www.pks.mpg.de/~tisean/TISEAN_2.1/docs/chaospaper/node36.html.

- Tipping, Anna. "Insurance regulation in India." Norton Rose Fulbright. January 2017. Accessed November 27, 2017. http://www.nortonrosefulbright.com/knowledge/publications/106418/insurance-regulation-in-india.

- Webmaster@iupindia.in. Branding Insurance: An Indian Perspective. Accessed November 27, 2017. http://www.iupindia.in/1004/IC_Branding_Insurance_15.html.

Appendices

Profits

General Insurance business works on Combined Ratio as an indicator, more than profits since the profits can come out of non-operating assets. Past profits and reserves invested, as well as current premiums invested (since premiums are collected fully in advance) contribute to the maximum proportion of the profits. Since that bifurcation between operating profits and investment profits is not available in the public domain readily, combined ratio and not profits are considered in this research.

PRIMARY RESEARCH

I conducted primary research in order to understand a few more things about Home insurance from a different perspective.

Background of the Research

I sent out a survey to about 150 people of varied income levels, largely living in Mumbai. I also sent a questionnaire to the CEO of PolicyLitmus.com which is a website used to compare different insurance policies.

Hypothesis

The responses I get about brand loyalty and comparison and knowledge of policies will largely reflect a competitive market but will display some factors that may hinder the competition.

Construct of the Research

The survey contains nine questions that try to assess brand loyalty and the reasons behind it. The last two questions help shed more light on the role of online distributors.

The questionnaire tries to back up the results obtained from the survey and also attempts to get more information regarding the amount of activity on online insurance selling websites for Home insurance.

Analysis of the research

Survey clearly showed brand loyalty. The factor that made people develop preferences was largely "Good track record of claims" which means that people look for reliability rather than factors such as price, the size of the company or whether it's public or private. The last two questions verify the trend called ROPO (Research online Purchase offline) as 74% of people have used online buying sites to compare policies but only 4.3% have actually bought policies from those websites.

APPENDIX 1

Consumer Survey (2nd July, 2017)

Q1 Do you stay in:

Answered: 154   Skipped: 0
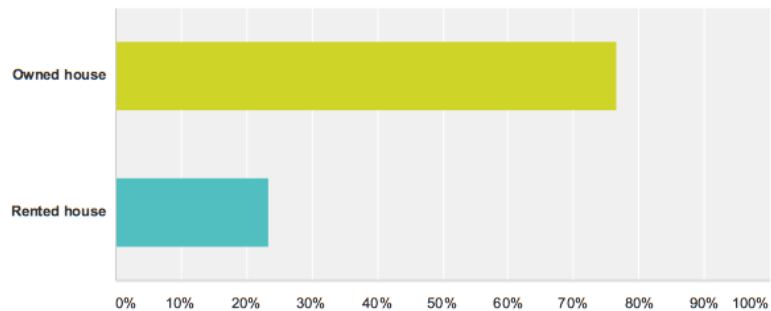
Answer Choices	Responses	
Owned house	76.62%	118
Rented house	23.38%	36
Total		154

Q2 Do you have home insurance of any kind?

Answered: 154   Skipped: 0
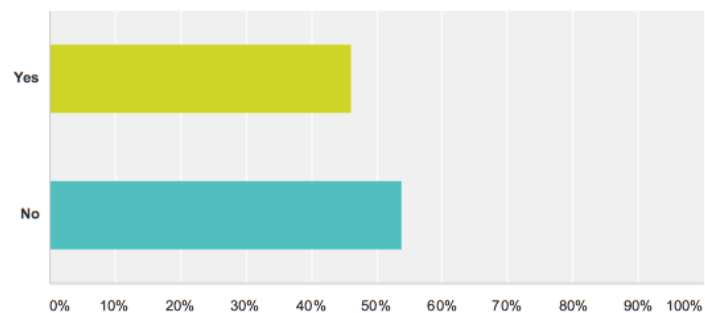
Answer Choices	Responses	
Yes	46.10%	71
No	53.90%	83
Total		154

Q3 If yes, then what type?

Answered: 72   Skipped: 82

1 / 7
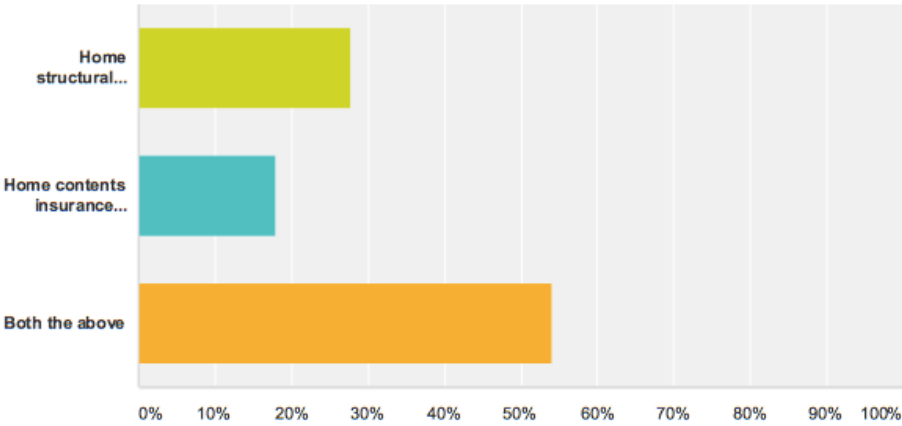
Answer Choices	Responses	
Home structural insurance against fire/flood/earthquake etc.	27.78%	20
Home contents insurance against theft/burglary/fire etc.	18.06%	13
Both the above	54.17%	39
Total		72

Q4 Which insurance company is the issuer of the policy?

Answered: 73   Skipped: 81
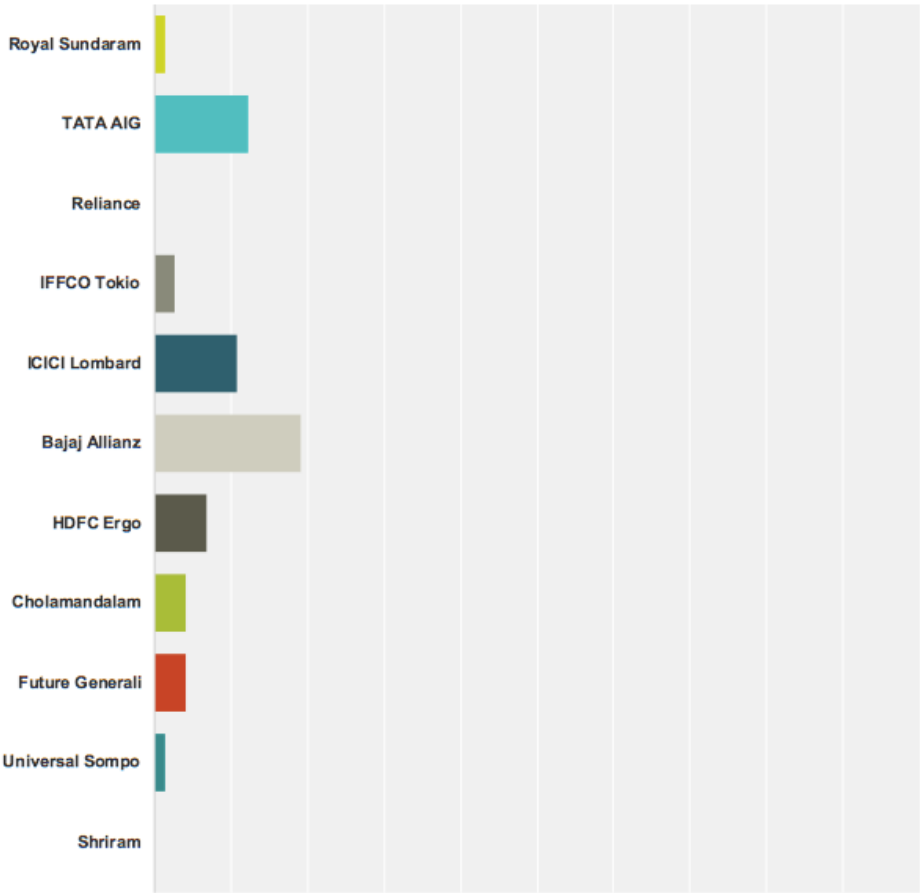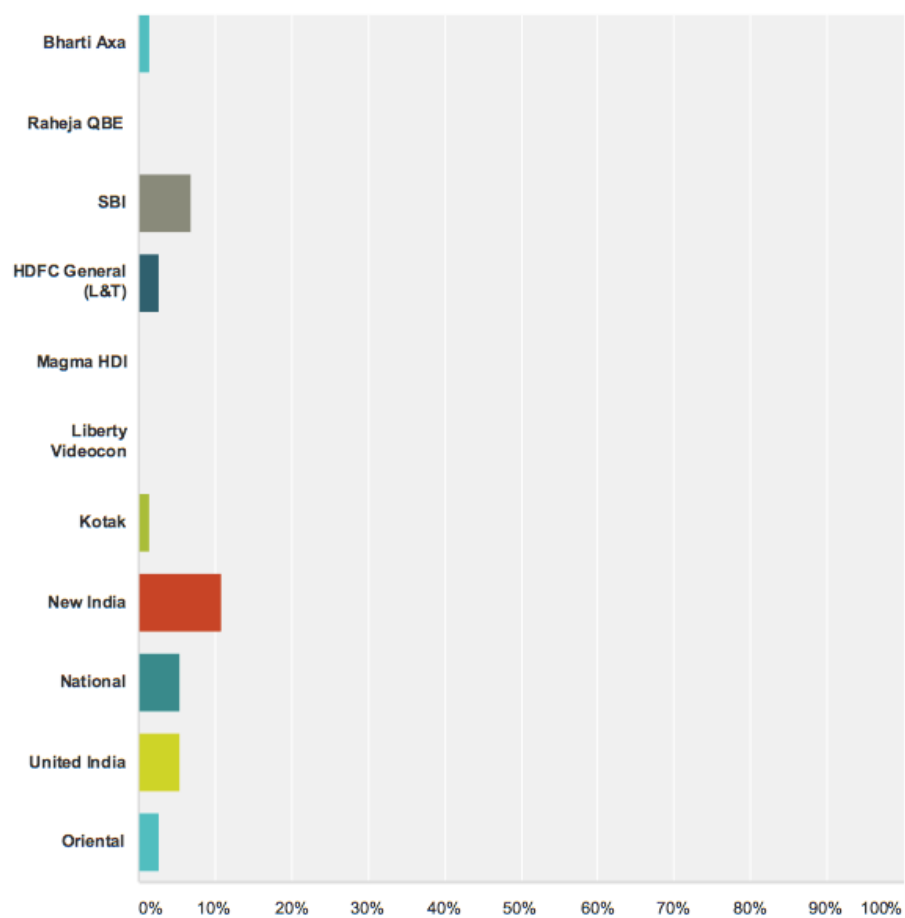
Answer Choices	Responses	
Royal Sundaram	1.37%	1
TATA AIG	12.33%	9
Reliance	0.00%	0
IFFCO Tokio	2.74%	2
ICICI Lombard	10.96%	8
Bajaj Allianz	19.18%	14
HDFC Ergo	6.85%	5
Cholamandalam	4.11%	3
Future Generali	4.11%	3
Universal Sompo	1.37%	1
Shriram	0.00%	0
Bharti Axa	1.37%	1
Raheja QBE	0.00%	0
SBI	6.85%	5
HDFC General (L&T)	2.74%	2

Magma HDI	0.00%	0
Liberty Videocon	0.00%	0
Kotak	1.37%	1
New India	10.96%	8
National	5.48%	4
United India	5.48%	4
Oriental	2.74%	2
Total		73

Q5 Do you look at the brand when buying home insurance?

Answered: 138   Skipped: 16
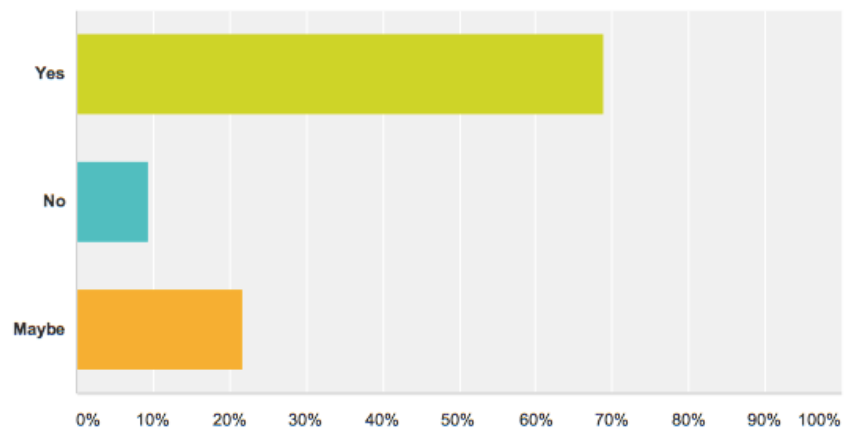
Answer Choices	Responses	
Yes	68.84%	95
No	9.42%	13
Maybe	21.74%	30
Total		138

Q6 Do you prefer a particular company over others?

Answered: 136   Skipped: 18
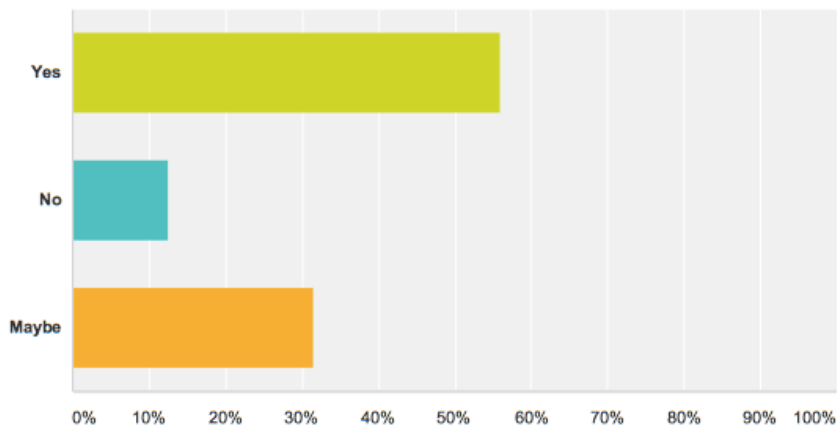
Answer Choices	Responses	
Yes	55.88%	76
No	12.50%	17
Maybe	31.62%	43
Total		136

Q7 What characteristic of the company did you look for if you have bought or would look for if you wanted to buy a policy?

Answered: 138   Skipped: 16
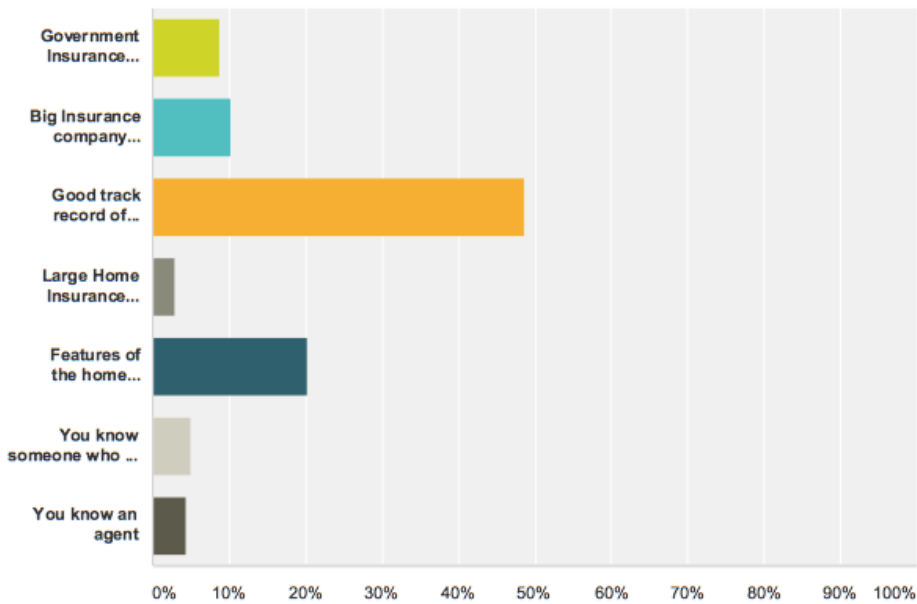
Answer Choices	Responses	
Government Insurance company	8.70%	12
Big Insurance company (Private/Public)	10.14%	14
Good track record of claims	48.55%	67

Large Home Insurance business	**2.90%**	4
Features of the home insurance policy	**20.29%**	28
You know someone who is working there	**5.07%**	7
You know an agent	**4.35%**	6
Total		**138**

Q8 Have you ever bought your home insurance policy from online buying sites like PolicyBazaar/PolicyLitmus/Coverfox?

Answered: 139   Skipped: 15
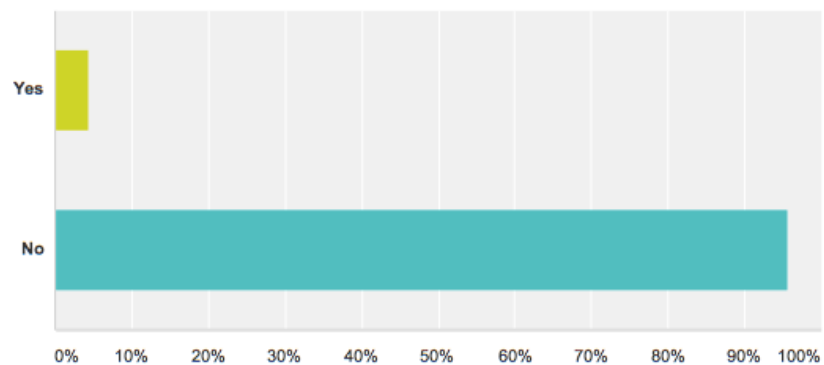
Answer Choices	Responses	
Yes	**4.32%**	6
No	**95.68%**	133
Total		**139**

Q9 If your answer is no, then have you ever used such online sites to compare policies only?

Answered: 141   Skipped: 13
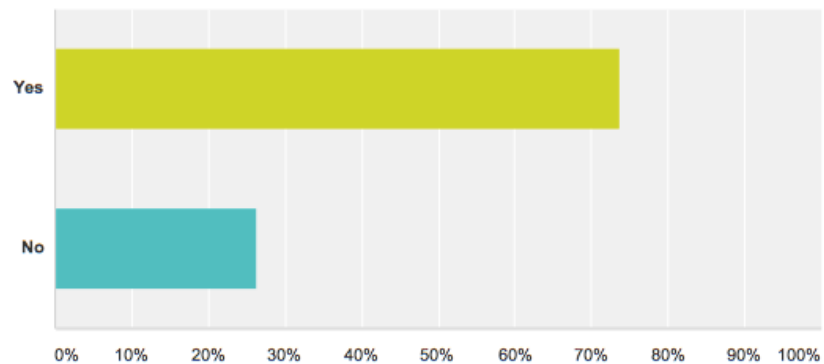
Answer Choices	Responses

Yes	**73.76%**	104
No	**26.24%**	37
Total		**141**

Interview with Mr. Neeraj Gupta, Business Head for Motor Insurance at Policybazaar (28th

June, 2017)

1. What percentage of people search up home insurance on your online platform? (percentage

    out of the total visitors)

    Mr. Neeraj Gupta: *Less than 1%.*

2. What percentage of people buy home insurance on your online platform? (percentage out of

    total visitors, as well as percentage of people who buy anything)

    Mr. Neeraj Gupta: *Less than 1%.*

3. Do you record more hits for a particular Insurance Company for Home Insurance or is the

    distribution roughly similar? (In case this is not recorded then any other indications of

    customer preference towards particular Insurance companies based on brand or perception

    will do)

    Mr. Neeraj Gupta: *Not particularly, although customers do have a preference for a big*

    brand like the Bajaj Allianz and HDFC Ergo.

4. What is the customer retention ratio for Home Insurance beyond the first year?

    Mr. Neeraj Gupta: *Too early to comment on this since we have recently initiated this*

    business. Though most policies are long term policies, i.e. coverage for 15 – 20 years.

5. Is there any published/public domain trend of Home Insurance buying over the years?

   Mr. Neeraj Gupta: *You can read through some recent articles published by Policybazaar on Home Insurance.*

6. Do people buy the cheapest policy all the time?

   Mr. Neeraj Gupta: *Pricing is definitely an important criterion for customers to decide, although brand also plays a bit of influence. For e.g. if brand "A" (big known brand) is 5% more expensive then brand "B" relatively new/unknown brand, then probability is high for customers to opt for brand "A", although if the difference is more then customers might opt for brand "B".*

7. What other factors do people consider while buying Home Insurance?

   Mr. Neeraj Gupta: *Majority of customers still buy structure insurance & content insurance. Majority of customers still don't feel the need, as a result, there is very low home insurance penetration. Majority of customers are buying due to an ongoing loan or in the process of taking a loan, and thus the bank asks them to buy one.*

8. Do people look for Home Insurance when the visit the site or do they chance upon it after browsing?

   Mr. Neeraj Gupta: *We have a dedicated section on the homepage for home insurance. Most customers who come to our Home insurance section are looking for it specifically.*

9. How much of telephonic persuasion has to be done for each policy (on an average)?

   Mr. Neeraj Gupta: *On an average 4-5 calls with a total talk-time of roughly 40-45 mins.*

10. Is there any trend of buying Home Insurance Online vs Offline?

   Mr. Neeraj Gupta: *Currently offline is really big as most home insurance is sold at time of loan disbursal. Although with insurers making more and more simple plans and easy buy process, online should start seeing some traction.*

APPENDIX 3

Market share of Indian General Insurance companies based on premium underwritten in 2017 and 2016

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

Gross premium underwritten by non-life insurers within India (segment wise) up to MARCH, 2017 (Provisional & Unaudited)

(` crore)

Sl No.	Insurer	Fire	Marine	Marine Cargo	Marine Hull	Engineering	Motor	Motor OD	Motor TP	Health	Aviation	Liability	Personal Accident	All Others	Grand Total	Market Share (%)
1	Royal Sundaram	132.94	34.45	33.08	1.37	44.64	1,704.15	1,069.68	634.47	218.70	0.00	12.70	47.27	9.62	2,204.47	1.73
	Previous year	94.09	33.20	32.34	0.87	36.29	1,273.91	874.38	399.53	198.01	0.00	11.26	39.39	7.96	1,694.12	1.76
2	TATA-AIG	521.31	262.63	262.63	0.00	89.16	2,020.01	1,229.50	790.51	314.19	3.13	289.57	136.00	531.96	4,167.97	3.27
	Previous year	384.94	265.43	265.43	0.00	79.01	1,411.36	897.47	513.89	269.19	2.13	275.62	129.21	141.66	2,958.56	3.07
3	Reliance	298.91	49.99	44.20	5.80	54.05	1,962.65	951.82	1,010.84	344.33	6.58	46.08	36.56	1,136.19	3,935.35	3.08
	Previous year	259.08	50.79	41.37	9.42	53.20	1,660.53	794.77	865.75	537.09	5.46	40.69	27.47	157.26	2,791.56	2.90
4	IFFCO Tokio	276.75	128.82	123.12	5.70	71.13	2,973.31	1,527.83	1,445.48	517.57	0.64	88.78	52.34	1,454.37	5,563.70	4.36
	Previous year	265.95	116.73	109.57	7.16	63.74	2,407.14	1,328.99	1,078.16	432.47	0.76	75.15	49.31	280.08	3,691.33	3.83
5	ICICI Lombard	744.64	341.05	266.49	74.56	224.81	4,541.81	2,760.16	1,781.65	1,791.23	57.85	251.53	357.82	2,414.45	10,725.20	8.40
	Previous year	632.70	299.80	230.43	69.37	198.34	4,149.81	2,523.09	1,626.72	1,480.63	51.73	191.47	278.56	807.66	8,090.71	8.39
6	Bajaj Allianz	537.44	134.73	121.34	13.39	97.71	3,567.44	2,066.40	1,501.04	1,085.77	3.27	211.59	155.56	1,839.78	7,633.28	5.98
	Previous year	476.27	141.54	125.98	15.56	100.50	3,277.32	2,128.23	1,149.10	838.78	4.03	205.26	103.46	685.02	5,832.18	6.05
7	HDFC ERGO	516.36	121.58	92.19	29.39	101.01	1,601.48	940.90	660.57	748.82	25.08	132.65	487.63	2,105.59	5,840.19	4.58
	Previous year	421.71	104.40	95.69	8.70	67.19	1,174.30	601.53	572.77	632.89	28.39	143.13	459.99	347.54	3,379.55	3.51
8	Cholamandalam	232.50	68.38	68.38	0.00	24.28	2,158.59	915.53	1,243.05	205.22	0.00	7.16	127.42	309.64	3,133.19	2.45
	Previous year	204.68	75.71	75.71	0.00	20.28	1,667.61	750.51	917.10	207.14	0.00	15.85	108.99	151.73	2,452.00	2.54
9	Future Generali	189.22	56.59	56.59	0.00	35.81	903.00	544.64	358.36	204.29	3.02	43.06	60.48	320.03	1,815.50	1.42
	Previous year	162.00	61.14	61.14	0.00	37.21	927.85	642.03	285.82	153.95	0.24	39.94	50.10	122.85	1,555.26	1.61
10	Universal Sompo	131.20	21.87	16.59	5.28	9.47	392.64	228.69	163.95	90.85	0.00	3.35	20.73	617.59	1,287.70	1.01
	Previous year	131.03	16.87	14.53	2.33	19.98	315.77	195.52	120.25	133.87	0.00	6.50	14.58	265.19	903.79	0.94
11	Shriram	30.89	1.62	1.62	0.00	13.28	1,835.55	588.75	1,246.80	0.00	0.00	4.68	10.88	143.64	2,040.53	1.60
	Previous year	19.71	1.28	1.28	0.00	10.17	1,666.41	540.31	1,126.10	0.00	0.00	3.37	6.57	4.75	1,712.27	1.78
12	Bharti Axa	49.68	23.34	23.34	0.00	14.30	1,090.49	732.27	358.22	66.19	0.00	25.36	13.28	14.26	1,296.89	1.02
	Previous year	62.36	25.92	25.92	0.00	25.22	1,019.91	700.15	319.76	83.18	0.00	25.76	16.19	15.88	1,274.42	1.32
13	Raheja QBE	1.23	0.03	0.03	0.00	0.29	28.92	0.05	28.87	0.02	0.00	27.09	0.36	0.98	58.92	0.05
	Previous year	0.37	0.03	0.03	0.00	0.29	5.43	0.01	5.42	0.02	0.00	21.96	0.14	0.52	28.76	0.03
14	SBI	719.05	18.30	18.30	0.00	20.51	680.79	448.31	232.47	372.43	-1.31	7.21	420.08	367.43	2,604.49	2.04
	Previous year	615.35	22.20	22.20	0.00	18.72	707.94	429.99	277.95	215.58	0.03	3.75	301.20	155.07	2,039.85	2.12
15	HDFC GENERAL(L&T)	37.71	10.29	10.29	0.00	13.41	221.63	131.21	90.42	58.44	0.00	3.21	1.86	1.88	348.43	0.27
	Previous year	60.09	14.48	14.48	0.00	19.31	301.94	202.57	99.37	65.56	0.00	6.21	2.81	2.99	473.39	0.49
16	Magma HDI	30.66	15.23	15.23	0.00	6.13	340.31	149.76	190.56	0.00	0.00	21.85	2.91	2.39	419.49	0.33
	Previous year	29.13	12.39	12.39	0.00	9.28	334.48	175.99	158.50	0.00	0.00	15.04	1.77	1.86	403.94	0.00
17	Liberty Videocon	29.55	12.97	7.97	0.00	12.70	409.08	275.46	133.62	78.79	0.00	6.19	16.98	18.31	584.58	0.46
	Previous year	27.80	7.97	7.97	0.00	14.92	274.47	189.77	84.70	58.97	0.00	5.86	10.89	7.85	408.72	0.32
18	Kotak #	0.93	0.00	0.00	0.00	0.00	68.93	44.90	24.03	9.45	0.00	0.00	2.75	0.00	82.05	0.06
	Previous year	0.00	0.00	0.00	0.00	0.00	3.62	2.46	1.17	0.09	0.00	0.00	0.00	0.00	3.71	0.00
19	Star Health Insurance									2,869.62			92.22	0.00	2,961.84	2.32
	Previous year									1,955.16			52.18	0.00	2,007.34	2.08
20	Apollo MUNICH									1,201.81			100.12	0.00	1,301.93	1.02
	Previous year									955.00			67.18	0.00	1,022.18	1.06
21	Max BUPA									590.94			3.00	0.00	593.93	0.47
	Previous year									475.65			0.46	0.00	476.11	0.49
22	Religare Health									671.66			54.40	0.00	726.07	0.57
	Previous year									460.97			42.36	0.00	503.32	0.39
23	Cigna TTK									206.66			15.17		221.83	0.17
	Previous year									135.82			8.00		143.82	0.11
24	Aditya Birla**									53.08			0.96		54.04	0.04
	Previous year									0.00					0.00	0.00
	Private Total	4,480.96	1,301.87	1,161.38	135.49	832.68	26,500.77	14,605.87	11,894.90	11,700.08	98.25	1,182.07	2,216.78	11,288.10	59,601.56	46.70
	Previous year	3,847.26	1,249.89	1,136.46	113.43	773.65	22,579.82	12,977.75	9,602.07	9,290.03	92.76	1,086.81	1,770.79	3,155.87	43,846.88	45.49
25	New India	1,825.61	610.29	341.76	268.54	500.12	7,600.14	3,095.90	4,504.25	5,932.69	125.22	353.19	375.52	1,775.39	19,098.18	14.96
	Previous year	1,691.84	617.53	334.91	282.62	494.10	6,177.29	2,784.27	3,393.01	4,847.85	114.56	297.80	210.78	697.76	15,149.51	15.72
26	National	906.31	241.09	162.68	78.42	232.67	6,358.18	2,605.07	3,753.11	4,638.60	53.98	96.64	305.33	1,168.14	14,000.93	10.97
	Previous year	879.05	254.20	171.63	82.57	257.50	5,730.60	2,624.71	3,105.89	3,992.49	63.33	86.83	237.24	474.83	11,976.07	12.43
27	United India	1,359.48	377.83	234.60	143.23	438.05	6,043.56	1,997.22	4,046.34	5,218.94	56.20	186.08	236.85	1,884.00	15,800.99	12.38
	Previous year	1,311.39	438.27	254.06	184.21	517.24	4,728.53	1,712.83	3,015.70	4,122.99	66.98	167.45	255.29	642.20	12,250.34	12.71
28	Oriental	968.53	371.29	202.97	168.33	283.06	3,742.54	1,420.84	2,321.70	3,274.20	89.80	120.92	474.69	1,472.95	10,797.98	8.46
	Previous year	984.05	420.33	222.46	197.88	322.95	3,150.93	1,273.69	1,876.95	2,595.70	97.26	125.37	143.26	474.89	8,314.74	8.63
29	ECGC													1,267.63	1,267.63	0.99
	Previous year													1,320.92	1,320.92	1.37
30	AIC of India													7,064.13	7,064.13	5.53
	Previous year													3,521.22	3,521.22	3.65
	Public Total	5,059.93	1,600.51	942.00	658.51	1,453.90	23,744.42	9,119.02	14,625.40	19,064.42	325.20	756.84	1,392.38	14,632.25	68,029.85	53.30
	Previous year	4,866.33	1,730.34	983.06	747.28	1,591.78	19,787.35	8,395.50	11,391.56	15,559.03	342.13	677.45	846.57	7,131.82	52,532.80	54.51
	Grand Total	9,540.89	2,902.38	2,103.37	794.00	2,286.58	50,245.19	23,724.89	26,520.30	30,764.50	423.45	1,938.90	3,609.17	25,920.35	1,27,631.41	100.00
	Previous year	8,713.59	2,980.23	2,119.52	860.71	2,365.43	42,367.17	21,373.26	20,993.62	24,849.05	434.89	1,764.26	2,617.36	10,287.69	96,379.68	100.00

Compiled on the basis of data submitted by the Insurance companies
Commenced operations in Dec 2015
** commenced operations in October 2016

Calculation of HHI based on other Non-Life insurance policies to back up the surrogate model

Motor OD	MARKET SHARE			Health	MARKET SHARE			Personal Accident	MARKET SHARE			Grand Total	Market Share (%)			Fire	MARKET SHARE		
1,069.68	4.51%	4.51	20.3401	218.70	0.71%	0.71	0.5041	47.27	1.31%	1.31	1.7161	2,204.47	1.73	1.73	2.9929	132.94	1.39%	1.39	1.9321
874.38				198.01				39.39				1,694.12				94.09			
1,229.50	5.18%	5.18	26.8324	314.19	1.02%	1.02	1.0404	136.00	3.77%	3.77	14.2129	4,167.97	3.27	3.27	10.6929	521.31	5.46%	5.46	29.8116
897.47				269.19				129.21				2,958.56				384.94			
951.82	4.01%	4.01	16.0801	344.33	1.12%	1.12	1.2544	36.56	1.01%	1.01	1.0201	3,935.35	3.08	3.08	9.4864	298.91	3.13%	3.13	9.7969
794.77				537.09				27.47				2,791.56				259.08			
1,527.83	6.44%	6.44	41.4736	517.57	1.68%	1.68	2.8224	52.34	1.45%	1.45	2.1025	5,563.70	4.36	4.36	19.0096	276.75	2.90%	2.9	8.41
1,328.99				432.47				49.31				3,691.33				265.95			
2,760.16	11.63%	11.63	135.2569	1,791.23	5.82%	5.82	33.8724	357.82	9.91%	9.91	98.2081	10,725.20	8.40	8.4	70.56	744.64	7.80%	7.8	60.84
2,523.09				1,480.63				278.56				8,090.71				632.70			
2,066.40	8.71%	8.71	75.8641	1,085.77	3.53%	3.53	12.4609	155.56	4.31%	4.31	18.5761	7,633.28	5.98	5.98	35.7604	537.44	5.63%	5.63	31.6969
2,128.23				838.78				103.46				5,832.18				476.27			
940.90	3.97%	3.97	15.7609	748.82	2.43%	2.43	5.9049	487.63	13.51%	13.51	182.5201	5,840.19	4.58	4.58	20.9764	516.36	5.41%	5.41	29.2681
601.53				632.89				459.99				3,379.55				421.71			
915.53	3.86%	3.86	14.8996	205.22	0.67%	0.67	0.4489	127.42	3.53%	3.53	12.4609	3,133.19	2.45	2.45	6.0025	232.50	2.44%	2.44	5.9536
750.51				207.14				108.99				2,452.00				204.68			
544.64	2.30%	2.3	5.29	204.29	0.66%	0.66	0.4356	60.48	1.68%	1.68	2.8224	1,815.50	1.42	1.42	2.0164	189.22	1.98%	1.98	3.9204
642.03				153.95				50.10				1,555.26				162.00			
228.69	0.96%	0.96	0.9216	90.85	0.30%	0.3	0.09	20.73	0.57%	0.57	0.3249	1,287.70	1.01	1.01	1.0201	131.20	1.38%	1.38	1.9044
195.52				133.87				14.58				903.79				131.03			
588.75	2.48%	2.48	6.1504	0.00	0.00%	0	0	10.88	0.30%	0.3	0.09	2,040.53	1.60	1.6	2.56	30.89	0.32%	0.32	0.1024
540.31				0.00				6.57				1,712.27				19.71			
732.27	3.09%	3.09	9.5481	66.19	0.22%	0.22	0.0484	13.28	0.37%	0.37	0.1369	1,296.89	1.02	1.02	1.0404	49.68	0.52%	0.52	0.2704
700.15				83.18				16.19				1,274.42				62.36			
0.05	0.00%	0	0	0.02	0.00%	0	0	0.36	0.01%	0.01	0.0001	58.92	0.05	0.05	0.0025	1.23	0.01%	0.01	0.0001
0.01				0.02				0.14				28.76				0.37			
448.31	1.89%	1.89	3.5721	372.43	1.21%	1.21	1.4641	420.08	11.64%	11.64	135.4896	2,604.49	2.04	2.04	4.1616	719.05	7.54%	7.54	56.8516
429.99				215.58				301.20				2,039.85				615.35			
131.21	0.55%	0.55	0.3025	58.44	0.19%	0.19	0.0361	1.86	0.05%	0.05	0.0025	348.43	0.27	0.27	0.0729	37.71	0.40%	0.4	0.16
202.57				65.56				2.81				473.39				60.09			
149.76	0.63%	0.63	0.3969	0.00	0.00%	0	0	2.91	0.08%	0.08	0.0064	419.49	0.33	0.33	0.1089	30.66	0.32%	0.32	0.1024
175.99				0.00				1.77				403.94				29.13			
275.46	1.16%	1.16	1.3456	78.79	0.26%	0.26	0.0676	16.98	0.47%	0.47	0.2209	584.58	0.46	0.46	0.2116	29.55	0.31%	0.31	0.0961
189.77				58.97				10.89				408.72				27.80			
44.90	0.19%	0.19	0.0361	9.45	0.03%	0.03	0.0009	2.75	0.08%	0.08	0.0064	82.05	0.06	0.06	0.0036	0.93	0.01%	0.01	0.0001
2.46				0.09				0.00				3.71				0.00			
				2,869.62	9.33%	9.33	87.0489	92.22	2.56%	2.56	6.5536	2,961.84	2.32	2.32	5.3824				
				1,955.16				52.18				2,007.34							
				1,201.81	3.91%	3.91	15.2881	100.12	2.77%	2.77	7.6729	1,301.93	1.02	1.02	1.0404				
				955.00				67.18				1,022.18							
				590.94	1.92%	1.92	3.6864	3.00	0.08%	0.08	0.0064	593.93	0.47	0.47	0.2209				
				475.65				0.46				476.11							
				671.66	2.18%	2.18	4.7524	54.40	1.51%	1.51	2.2801	726.07	0.57	0.57	0.3249				
				460.97				42.36				503.32							
				206.66	0.67%	0.67	0.4489	15.17	0.42%	0.42	0.1764	221.83	0.17	0.17	0.0289				
				135.82				8.00				143.82							
				53.08	0.17%	0.17	0.0289	0.96	0.03%	0.03	0.0009	54.04	0.04	0.04	0.0016				
				0.00								0.00							
14,605.87				11,700.08				2,216.78				59,601.56	46.70			4,480.96			
12,977.75				9,290.03				1,770.79				43,846.88				3,847.26			
3,095.90	13.05%	13.05	170.3025	5,932.69	19.28%	19.28	371.7184	375.52	10.40%	10.4	108.16	19,098.18	14.96	14.96	223.8016	1,825.61	19.13%	19.13	365.9569
2,784.27				4,847.85				210.78				15,149.51				1,691.84			
2,605.07	10.98%	10.98	120.5604	4,638.60	15.08%	15.08	227.4064	305.33	8.46%	8.46	71.5716	14,000.93	10.97	10.97	120.3409	906.31	9.50%	9.5	90.25
2,624.71				3,992.49				237.24				11,976.07				879.05			
1,997.22	8.42%	8.42	70.8964	5,218.94	16.96%	16.96	287.6416	236.85	6.56%	6.56	43.0336	15,800.99	12.38	12.38	153.2644	1,359.48	14.25%	14.25	203.0625
1,712.83				4,122.99				255.29				12,250.34				1,311.39			
1,420.84	5.99%	5.99	35.8801	3,274.20	10.64%	10.64	113.2096	474.69	13.15%	13.15	172.9225	10,797.98	8.46	8.46	71.5716	968.53	10.15%	10.15	103.0225
1,273.69				2,595.70				143.26				8,314.74				984.05			
					0.00%	0	0		0.00%			1,267.63	0.99	0.99	0.9801				
												1,320.92							
					0.00%	0	0		0.00%			7,064.13	5.53	5.53	30.5809				
												3,521.22							
9,119.02				19,064.42				1,392.38				68,029.85	53.30			5,059.93			
8,395.50				15,559.03				846.57				52,532.80				4,866.33			
23,724.89				30,764.50				3,609.17				1,27,631.41	100.00			9,540.89			
21,373.26	HHI =		771.71	24,849.05	HHI =		1171.68	2,617.36	HHI =		882.295	96,379.68	100.00	HHI =	794.218	8,713.59	HHI =		1003.41

Gross premium underwritten by non-life insurers within India (segment wise) up to MARCH, 2017 (Provisional & Unaudited)