**AN EXPLORATORY STUDY ABOUT THE LIFE INSURANCE INDUSTRY IN INDIA**

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**DECLARATION**

I hereby declare that this Project Report with the title **AN EXPLORATORY STUDY ABOUT THE LIFE INSURANCE INDUSTRY IN INDIA** is my original work except for quotations, statements, explanations, and summaries (if any), which I have already mentioned their sources. No portion of this Project Report has been submitted in support of any other degree or qualification of this or any other university or institute of learning.

Student’s Signature: Date :

Student’s Name : Student’s Roll No.:

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**Executive Summary**

Today there are thirty four general insurance companies including the ECGC and Agriculture Insurance Corporation of India and twenty four life insurance companies operating in the country. The insurance sector is a colossal one and is growing at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the country’s GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. There are six public sector insurers in the non-life insurance segment. In addition to these, there is a sole national re-insurer, namely General Insurance Corporation of India (GIC Re). Other stakeholders in the Indian Insurance market include agents (individual and corporate), brokers, surveyors and third-party administrators servicing health insurance claims.

In India, the overall market size of the insurance sector is expected to US$ 280 billion in 2020. The life insurance industry is expected to increase at a CAGR of 5.3% between 2019 and 2023. India’s insurance penetration was pegged at 4.2% in FY21, with life insurance penetration at 3.2% and non-life insurance penetration at 1.0%. In terms of insurance density, India’s overall density stood at US$ 78 in FY21. In the first half of FY22, the life insurance industry recorded growth rate of 5.8% compared with 0.8% in the same period last year. In September 2021, new premiums of life insurers registered 22.2% growth in September 2021, up from 2.9% in September 2020..

In the life insurance segment, private players held a market share of 33.78% in premium underwritten services in FY20. In FY22, premiums from new businesses of life insurance companies in India stood at US$ 20.7 billion and renewable premium stood at US$ 53.7 billion. According to S&P Global Market Intelligence data, India is the second-largest insurance technology market in Asia-Pacific, accounting for 35% of the US$ 3.66 billion insurtech-focused venture investments made in the country.

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**Chapter – 1: Introduction**

**1.1 Introduction to the Project**

**Evolution of the life insurance industry**

In India, insurance has a deep-rooted history. It finds mention in the writings of Manu ( Manusmrithi ), Yagnavalkya ( Dharmasastra ) and Kautilya ( Arthasastra ). The writings talk in terms of pooling of resources that could be re-distributed in times of calamities such as fire, floods, epidemics and famine. This was probably a pre-cursor to modern day insurance. Ancient Indian history has preserved the earliest traces of insurance in the form of marine trade loans and carriers’ contracts. Insurance in India has evolved over time heavily drawing from other countries, England in particular.

1818 saw the advent of life insurance business in India with the establishment of the Oriental Life Insurance Company in Calcutta. This Company however failed in 1834. In 1829, the Madras Equitable had begun transacting life insurance business in the Madras Presidency. 1870 saw the enactment of the British Insurance Act and in the last three decades of the nineteenth century, the Bombay Mutual (1871), Oriental (1874) and Empire of India (1897) were started in the Bombay Residency. This era, however, was dominated by foreign insurance offices which did good business in India, namely Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance and the Indian offices were up for hard competition from the foreign companies.

In 1914, the Government of India started publishing returns of Insurance Companies in India. The Indian Life Assurance Companies Act, 1912 was the first statutory measure to regulate life business. In 1928, the Indian Insurance Companies Act was enacted to enable the Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies. In 1938, with a view to protecting the interest of the Insurance public, the earlier legislation was consolidated and amended by the Insurance Act, 1938 with comprehensive provisions for effective control over the activities of insurers.

The Insurance Amendment Act of 1950 abolished Principal Agencies. However, there were a large number of insurance companies and the level of competition was high. There were also allegations of unfair trade practices. The Government of India, therefore, decided to nationalize insurance business.

An Ordinance was issued on 19th January, 1956 nationalising the Life Insurance sector and Life Insurance Corporation came into existence in the same year. The LIC absorbed 154 Indian, 16 non-Indian insurers as also 75 provident societies—245 Indian and foreign insurers in all. The LIC had monopoly till the late 90s when the Insurance sector was reopened to the private sector.

The Indian life insurance industry had only one player – LIC – during CY 1956 to CY 2000. However, post- privatisation in CY 2000, private players started entering the industry and by 2000-01, four private players had setup operations. HDFC Standard Life was the first private company to enter the industry in 2000-01, followed by ICICI Prudential Life, Max Life Insurance and Aditya Birla Sunlife Insurance in the same year. Only four new private players entered between 2002 to 2005, post which there was a surge again, with eight players setting up businesses till CY 2009. Edelweiss Tokio Life Insurance was the last entrant in the industry in 2011. Out of the 23 private players registered with IRDAI as on March 31, 2021, 20 players have joint ventures (JVs) with foreign partners. Also, in September 2021, HDFC Life announced that it will acquire Exide Life Insurance.

#### Trend in Total Premium for Overall Industry

Rsbillion

8,000

7,000

6,000

5,000

4,000

3,000

HighgrowthphaseCAGR

Totalpremium:17%

NBP:14%

Growth stagnationCAGR

Totalpremium:

3%

NBP:-2%

ReboundphaseCAGR

Total

premium:8%

NBP:8%

AcceleratedgrowthphaseCAGR(FY16toFY20)

Totalpremium:12%

NBP:17% 6,287

5,729

5,081

4,185

4,588

2,655

2,916

2,871

2,872

3,143

3,281

3,669

2,783

2,014

2,218

2,589

2,147

2,000

1,000

-

1,561

754

1,387

1,750

1,939

930

871

1,093

1,258

1,142 1,070

1,196

1,131

FY07 FY08FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21

Totalpremium

NBP

##### Robust Growth of Life Insurance Industry During Fiscals 2007 to 2011 Total premium and NBP witnessed strong CAGR of 17% and 14%, respectively, between Fiscals 2007 and 2011, owing to the aggressive foray by private players. Growth for private players was driven by ULIP sales amid a buoyant capital market. Share of private players in total premium increased from 18% in Fiscal 2007 to 30% in Fiscal 2011. To note, market share and growth rates are as on end fiscal date unless specified, e.g., market share in Fiscal 2007 denotes market share as on March 31, 2007. Further, 17% CAGR growth for total premium between Fiscals 2007 and 2011 denotes growth between March 31, 2007 and March 31, 2011.

##### Industry Underwent a Transition During Fiscals 2011 to 2014

##### After the sharp growth during Fiscals 2007 to 2011, the industry saw a sudden slowdown over the subsequent three years. Regulatory changes by the IRDAI with respect to linked products, decline in financial savings rate and weak performance of the equity markets led to the deceleration.

##### The IRDAI’s guidelines in June 2010, streamlining the expenses charged on linked products, resulted in a decline in the upfront commission of linked products, thereby making sales of these products less lucrative for intermediaries. The move affected the growth of private players because of their high exposure to linked products; linked products constituted 71% share of private players’ portfolio mix in fiscal 2011. Between Fiscals 2011 and 2014, the total premium of private players declined at 4% CAGR as compared to 5% CAGR for LIC. The IRDAI guidelines issued in June 2010 referred to in the CRISIL Report are IRDAI Circular: IRDA/ACT/CIR/ULIP/102/06/2010 dated June 28, 2010. The drop in total premium of linked products was sharper at 30% CAGR between Fiscals 2011 to 2014, leading to private players losing market share. While LIC’s total premium from linked products also dropped, its share of linked products in the portfolio was only 19% for Fiscal 2011. Approximately 13% CAGR growth of the non-linked products segment during the period helped LICsubstantially offset the sharp drop in premium from linked products.

**Rebound Phase Between Fiscals 2014 to 2016**

After the slowdown between Fiscals 2011 and 2014, the total premium of the industry grew at 8% CAGR in the subsequent two Fiscals. This was on account of subdued growth of the overall industry even in Fiscal 2015, with total premium growing by 4% year-on-year, before recording a strong 12% growth in Fiscal 2016. For private players, growth was driven by linked as well as non-linked products, with both products recording double-digit growth in both Fiscals. Growth was driven by expectations of improvement in economic growth, cooling inflation, increase in financial savings, and healthy returns provided by equity and debt markets during this period.

##### Accelerated Growth Post-Fiscal 2016

Post-Fiscal 2016, the industry witnessed a paradigm shift with the awareness of insurance growing at an accelerated phase. Total life insurance premium grew at a robust 12% CAGR during Fiscals 2016 to 2020, which was much faster than the 6% annual growth witnessed in India’s nominal GDP during this period. The double-digit growth was attributable to factors such as rising income levels, increasing awareness/education about products,tax benefits, product innovation and customisation by the players and emergence of new distribution channels, such as online sales making the purchase process much easier for customers.

**Subdued GrowthPost-COVID-19**

Growth in new business premium in the first quarter of Fiscal 2021 declined year-on-year as lockdowns disrupt operations. The life insurance industry, which mainly depends on in-person interaction, has adopted more digital ways of selling products and services in the past one year amid the pandemic.In Fiscal2021,amid the COVID-19 pandemic,NBPgrewbyapproximately7.5%to Rs. 2.78 trillion compared toRs.2.58 trillion in Fiscal 2020.

**Industry Regulations**

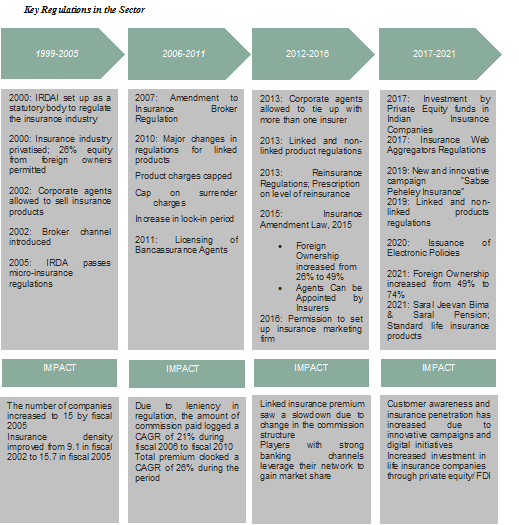
The life insurance industry is regulated by the Insurance Regulatory and Development Authority of India (IRDAI). In 1993, the government set up a committee led by the former RBI governor, RN Malhotra, to propose recommendations for reforms in the insurance sector. Based on the recommendations of the Malhotra committee report in 1999, IRDAI was formed as an autonomous body to regulate the insurance industry in India. IRDAI received statutory status in April 2000.

Before 1999, the life insurance business was directly controlled by the government under the Insurance Act, 1938, with only one player operating in the sector – Life Insurance Corporation of India (LIC). LIC had absorbed all the 245 Indian and foreign insurers operating in India in 1956, as the government passed an ordinance to nationalise the sector.

**IRDAI − Statutory Regulator for Life Insurance Business Since CY 2000**

**Regulatory Changes with the Inception of the IRDAI**

The key objectives of the IRDAI are to regulate and promote competition through the opening up of the insurance market, protect the interest of policyholders, and ensure the orderly growth of the insurance industry. The government opened the industry to private participation in August 2000, allowing 26% foreign ownership in insurance companies. The regulation immediately led to the launch of four private life insurance companies in Fiscal 2001, and 24 private life insurance companies were eventually set up by Fiscal 2012, including LIC.



##### Key Recent Initiatives Taken by Regulators

#### In 2020, the regulator undertook number of steps to make sure that the coverage of life insurance increases by offering simple and standardised policy options to customers in the wake of COVID-19. Below are some of the key changes:

**COVID-19 Global Pandemic Related Instructions to Life Insurers**

This circular had reference to various measures that were being taken by Central and State Governments including the lockdown of certain states impacting the normal functioning of offices and the possible difficulties to policyholders in accessing various services including timely payment of premium, and settlement of the claim. In this regard, IRDAI on March23,2020 issued directions pertaining to the following activities:

(i) functioning of offices; (ii) grace period for payment of premiums; (iii) claim payments with regards to COVID-19; and (iv) periodic reports.

**Comprehensive COVID-19 related instructions to all insurers**

In order to meet the challenges on account of the developing situation owing to COVID-19, the IRDAI issued the following instructions on March30,2020:

**Safety measures:**

Insurers shall operate offices with absolutely necessary staff so as to maintain essential insurance services including claims settlement, authorization for hospitalisation, renewal of insurance policies and such other activities. In all the operating offices, extreme care needs to be taken by all concerned to maintain prescribed hygiene,social distancing etc.; and, to the extent possible, work from home may be adopted by facilitating the same for the staff of insurers, intermediaries and agents.

**Communication to key stakeholders:**

Insurers shall prominently display on their website a dedicated help line number for policyholders and another help line number for other stakeholders including agents and intermediaries; shall also display the contact number of the officer who can be approached, if the concerns of any of the policyholders and other stakeholders are not resolved through the dedicated helpline numbers; and may also display FAQs for COVID-19 claims on their websites

**Monitoring of the situation:**

Insurers shall put in place a Business Continuity Plan (BCP) which inter alia deals with processes, transactions, reporting, and customer services to be handled in a seamless manner, and shall set up a crisis management Committee, comprising of key personnel to monitor the current situation on real time basis and to take appropriate timely decisions.

**Products:**

Insurers were strongly encouraged to devise appropriate insurance products that would provide protectionfromrisksarisingoutofCOVID-19.

**Policy Servicing and Claims:**

Insurers shall make special efforts to enable the policyholders to pay premium using digital methods; claims arising on account of COVID-19 should be processed expeditiously; and, due to the prevailing lockdown situation, an additional 21 days was allowed in respect of all complaints which were received on or after March 15,2020anduptoApril30, 2020.

**Additional Grace Period and Settlement Options for Maturity Payout of Unit Linked Policies**

Due to various operational constraints and difficulties faced by policyholders due to the nationwide three-week lockdown and social distancing norms, the IRDAI in April 2020 provided an additional 30-day grace period for life insurance policies with premiums falling due in March and April 2020. As the lockdown was extended to mid-May 2020, the IRDAI further extended the grace period up to May 31,2020forallpolicieswith premiums due in March 2020.

Also, where unit-linked policies mature and fund value is to be paid in lump sum, life insurers were allowed to offer a one-time option regardless of whether such option exists in the specific product. The life insurers however had to exercise all due care and diligence to explain the possible downside risk of continued fluctuation of fund value based on daily NAV, and clear consent was to be obtained from the policyholder. This was allowed for unit-linked policies maturing up to May 31, 2020.

**Group Credit Life Schemes – Modifications to Align Coverage with the Moratorium Announced by the RBI**

IRDAI made certain modifications in group credit life master policies issued by life insurers to align the coverage available under such schemes with the revised loan repayment schedule in respect of members who availed of the moratorium announcedbytheRBI in the wake of COVID-19.

Life insurers offering group credit life insurance schemes, under which members have availed moratorium on payment of EMIs are allowed to suitably modify the term and sum assured under such schemes, against a collection of additional premium as may be required, in respect of such members, so that they may continue to be covered as per the revised loan repayment schedule.

**Issuance of Electronic Policies**

In the wake of emerging COVID-19 situation and in view of adopting digital means of doing business in the interests of policyholders and other stakeholders, IRDAI allowed an exemption under a proviso to Regulation 4 (iii) of the IRDAI (Issuance of e-insurance policies) Regulations, 2016 from the requirement to issue the policy document and copy of proposal form in physical form. The exemption was subject to:

1. The life insurer confirming the date of receipt of the electronic policy document by the policyholder and preserving the proof so that the free look period may be calculated from that date.
2. thirty(30)days free look period being allowed for all such electronic policy documents.
3. Return of electronic policy document by mail by the policyholder with clear intention of cancellation of policy shall be valid for free look cancellation.
4. Express consent of the policyholder to receive electronic policy bond is required. If a policyholder insists on hardcopy, the same has to be issued without any charges.
5. Policy documents shall be sent to the email address submitted by the proposer.

These exemptions were valid for all policies issued during Fiscal Year 2021and was extended until September 30,2021.

**Standard Life Insurance**

Today, there are several term insurance products available in the market with different terms and conditions. Thismakesitdifficultforcustomers to make an informed choice and make the right selection of the product.To address this problem, IRDAI mandated that all life insurers offer a standard individual term life insurance planfromJanuary1,2021, called ‘SaralJeevanBima’. Further, the IRDAI also mandated all life insurers to offer a standard individual immediate annuity product. “Saral Pension” from April 1, 2021, onwards. Such a product will help the customers to make an informed decision and will also help reduce mis-spelling and potential disputes during claim settlement.

**Sabse Pehle Life Insurance**

In order to create awareness, Life Insurance Council of India, in October 2019, came up with a new and innovative campaign at the mass level to spread awareness about the importance of life insurance.The goal of this campaign is to make customers more aware of the benefits of having a life insurance coverage. To support this initiative, all the 24 life insurance companies have joined in hands to raise awareness about the significance of life insurance.

**Key Regulatory Changes**

**Insurance Law (Amendment) Act ,2015**

The government made certain key changes in the insurance industry through the passage of the Insurance Law (Amendment) Act, 2015 (“Act”), in March 2015. The Act aims to open up the sector further for foreign investments while ensuring that control of management still remains in the hands of Indian partners. The Act also tried to bring clarity to certain regulatory aspects of the insurance sector. Some of the key features of the Act are: (i) definition of ‘insurance intermediary’ under section 2 of the Insurance Regulatory and Development Authority Act, 1999 to include ‘corporate agents’; (ii) constitution of Life Insurance Council, a representative body of the insurer, to carry on the life insurance business in India; (iii) no person shall act as an insurance agent for more than one life insurer, one general insurer, one health insurer and one of each of the other mono-line insurers; and (iv) insertion of Section 27E to prohibit investment of the funds of the policyholders outside India directly or indirectly.

**Stricter Action if Norms and Regulations are Violated**

The Act imposed stricter penalties on life insurance companies for failing to meet the required rules as mandated by the IRDAI.Some of the violations, which attracted stricter penalties were:

• failure to maintain required solvency margin;

• Non disclosure of mandatory data with IRDAI;

• Payment of commission to unlicensed insurance agents;

• Any false statement in documents furnished by the company; and

• Failure to comply with the provisions of the insurance or rules and regulations prescribed that if any insurer fails to comply with the provisions shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less(as compared to before the amendment penalty not exceeding five lakh rupees for each such failure and punishable with fine).

**Omission of Redundant Clauses and Amendment of Some Others**

The Act also amended and omitted certain clauses such as a clause which required Indian promoters to reduce their stake to 26% within 10 years of inception. The amendment also allowed the facility to provide loans to the company’s fulltime employees

**Limitation of Tie-ups for Individual Agents**

An individual agent cannot do business with more than one life insurer, one general insurer, one health insurer, and one of each of the other mono-line insurers.

**Repudiation on Insurance Policy only for a period of three years**

No policy can be repudiated on any ground, including misstatements of facts after three years, post the commencement of the policy by the company.

**Guidelines for Corporate Governance**

To facilitate prudent corporate governance among insurance companies, IRDAI put in place some guidelines in May 2016. The guidelines encompass the structure and composition of the boards of insurance companies, committees of the board, their responsibilities and meetings, appointment of MD/CEO, directors and key management personnel, appointment of auditors, and reporting and disclosure requirements. Some of the key features of the guidelines are:

* A minimum lock-in period of five years for the transfer of shares from the date of commencement of business for the promoters.
* Mandatory committees for audit, investment, risk management, policy holder protection, nomination and remuneration and CSR for all insurance players. However,CSR has not included data mandatory activity per the LifeInsurance CorporationActandhenceisnotapplicable to LIC.Further, the functions of Asset Liability Management are being looke dafter by the RiskManagementCommittee.
* Setting up of a liability asset management committee for life insurance companies.
* The Board should have a minimum of three independent directors; this requirement though is relaxed to two independent directors for the initial five years from the grant of certificate of registration to insurers. Insurance companies that had less than three independent directors as of the date of notification of the guidelines were required to ensure that they complied with this requirement within one year.
* The asset liability management committee is not a mandatory committee as per the Corporate Governance guidelines. The Risk Management Committee looks after the functions of asset liability management.
* Mandatory ‘with profits’ committee for life insurance companies comprising an independent director from the board, the Chief Executive Officer, the appointed actuary of the company, and an independent actuary. The with-profits committee will carry out functions to determine the following:
* Asset share of participating policies at the policy level;
* Investment income attributable to the participating fund of policyholders; and
* Expenses allocated to participating business.
* The Board of Directors is required to formulate policy to control conflicts of interest.

Life Insurance Corporation of India is governed and regulated as per the Life Insurance Corporation Act, 1956. Therefore, certain provisions of IRDAI’s corporate governance guidelines may not be applicable to LIC if the same is inconsistent with the provisions of the LifeInsuranceCorporationAct,1956.

**More Power to the IRDAI**

The Act empowers the IRDAI to frame regulations to govern key aspects of the operations of an insurance company such as investments, solvency,commissions and expenses.

**Investment by Private Equity Firms in Unlisted Life Insurance Companies**

In order to streamline regulations pertaining to private equity investments, the IRDAI introduced the IRDAI (Investment by Private Equity funds in Indian Insurance Companies) Guidelines in December 2017. The regulation laid down the following rules for private equity investment: A private equity fund can directly invest in an unlisted life insurance company (only in the capacity of the investor and no promoter)if the holding does not exceed 10% ofthe paid-up equity share capital of life insurance company.

1. Private equity fund canal so invests in an unlisted life insurance company incapacity of apromoterthroughaSpecial purpose vehicle (SPV), given that:

* Issuance of fresh equity beyond 25%in the SPV will require prior approval of the IRDAI.
* The investment through SPV will be subjected to lock-in period of five years.
* The lock in period shall be applicable on SPV and also on the shareholders of the SPV. Provided that the above-said lockin period shall not be applicable on the share holdersofSPV holding less than 10% capitalof SPV.

**FDI Cap increased from 49%to 74%**

The Parliament, in March 2021, passed the Insurance Amendment Bill 2021 to increase the foreign direct investment(FDI) limit in the insurance sector to 74% from 49% of paid-up equity capital previously. This measure was first announced by the Finance Minister, NirmalaSitharaman, in the Union Budget February 2021. The move followed the raise in FDI limits to 100% in insurance intermediaries, which was announced in July 2019 and effected in September 2019. This move will attract higher amounts of foreign capital, which will aid in increasing insurance penetration inIndia. Higher FDI limits will also enable more global insurance firms and their best practices entering India thus increasing higher competition and better pricing of insurance products. There are several other benefits on increasing the cap, which include: (i) because of better availability of more capital than earlier, the insurance companies can increase impetus on business growth and diversification of their portfolio; and (ii) more options available to consumers with an increase in competition, which also leads to better offers for them.

**Guidelines on Insurance-commerce**

The IRDAI as part of its developmental mandate, issued insurance e-commerce guidelines to promote the e-commerce insurance space which is expected to lower the cost of transacting insurance business and bring higher efficiencies and greater reach. Forthepurposesof these guidelines insurance agents are not permitted to set up separate insurance self-network platforms and instead can use their respective insurer’s self-network platform, if available. However,the insurer shall be responsible for compliance with these guidelines on behalf of the insurance agents.

**Stewardship Code for Insurers in India**

The code is in the form of a set of principles that the insurance companies need to adopt and were made applicable from Fiscal 2018. As per the code, insurers should have a board-approved stewardship policy that should identify and define the stewardship responsibilities that the insurer wishes to undertake and how the policy intends to fulfill the responsibilities to enhance the wealth of its policyholders who are ultimate beneficiaries. However, a revised guidance on stewardship code was prepared and placed here with as Revised Guidelines on Stewardship Code for Insurers in India in February2020.

Insurers should formulate a policy for Stewardship based on the principles indicated in these guidelines and get the approval of their Boards for implementation of the same. The principles and the guidance for the implementation are given below:

* Insurers should formulate a policy on the discharge of their stewardship responsibilities and publicly disclose it
* Insurers should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it
* Insurers should monitor their investee companies
* Insurers should have a clear policy on intervention in their investee companies
* Insurers should have a clear policy for collaboration with other institutional investors, where required, to preserve the interests of the policyholders (ultimate investors) which should be disclosed
* Insures should have a clear policy on voting and disclosure of voting activity
* Insures should report periodically on their stewardship activity

**Public Disclosures by Insurers**

TheI RDAIhadissued circular “Public Disclosure by Insurers”on May26,2011and guidelines on “PeriodicDisclosures” was also issued on April 9, 2010. However, the revised instructions on Public Disclosure by Insurerswhich will supersede the provisions of the earlier circular were issued in September 2021.

The revised instructions shall come into effect from the financial year 2021- 2022 and the uploading of disclosures on website shall be on a quarterly basis from the period ending September 30, 2021 whereas publishing in Newspapers will behalf yearly basis from the period ending September30,2021.

**Key Regulatory Changes Pertaining to Customers**

Unit Linked Insurance Products Regulations,2019

The regulations stated that unit Linkedinsurance products shall be offered only under non-par individual products and non-par group products. Some of the key changes were:

1. Enhanced period for revival of ULIP policies
2. Enhanced proportion available for commutation of pension products
3. Option to buy an annuity from any other insurance company forpensionplans
4. The difference between the maximum and minimum charges collected by Insurers during the first five years of a unit-linked policy can now varyup to 3times, double from theerst while 1.5timeslimit.
5. Change in minimum death benefit definition
6. Discontinuance terms changed

**Non-Linked Insurance Products Regulations, 2019**

These Regulations are applicable to all the products offered by the life insurers under the non-linked platform. The product structure was classified as participating products and non-participating products. The product filing documents required to clearly mention the following classification: a) Par/Non-par b) Life/Pension/General Annuity/Health. c)Individual/Group d)Savings/Purerisk premium product. Someofthekey changes in the regulations were:

1. A non-linked policy will now acquire a surrender value on receipt of at least two consecutive policy years’ premium, and such surrender value is subject to the premium paying term of the policy
2. Policyholders have a period of five years to revive a non-linked policy
3. Change in minimum death benefit definition
4. Minimum policy term of one month allowed under individual pure risk premium product, group term, group credit and Micro Insurance product as against earlier minimum term of 5 years
5. Option to buy annuity from any other insurance company for pension plans
6. Enhanced proportion available for commutation of pension products
7. Fund based group products allowed as traditional savings insurance products in lieu of VIP platform option to buy annuity from any other insurance company for pension plans
8. Enhanced proportion available for commutationofpensionproducts
9. Fundbasedgroup products allowed traditional saving insurance products in lieu of VIP platform

**Issuance of Policies in Electronic Form on Meeting Requisite Criteria**

IRDAI issued a regulation in June 2016 on issuance of electronic insurance policies, wherein it made it mandatory for the players to issue policies in the electronic form if the sum assured or annual premium exceeded a pre-set amount.IRDAI also permitted players to offer discounts in premium rates to policyholders for electronic insurance policies in accordance with the rates filed under the product-approval guidelines.

**Tighter Rules on Expense Management**

#### In May 2016, the IRDAI issued regulations to control the expenses incurred by the life insurance company to acquire customers. For insurance companies in operation for more than 10 years, the regulator capped the expense at 80% offirst-year premium and 15% of renewal premium for players in respect of policies with premium payment term of 10years and above. For players with less than 10 years of operations, the IRDAI provided a higher cap on expense due to high costs involved in the first few years of operations.The expense was capped at 90%offirst-year premium and20%of renewal premium the IRDAI provided a higher cap on expense due to high costs involved in the first few years of operations. The expense was capped at 90% of the first-year premium and 20% of the renewal premium for players in respect of policies with a premium payment term of 10 years and above. The respective caps are higher for pure protection products.

#### Expenses Cap for Products Other than Pure-risk Products

|  |  |  |
| --- | --- | --- |
| **Premium payment term** | **%of first-year premium** | **%of renewal premium** |
| 5 -7 years | 70 | 18 |
| 8-9 years | 80 | 19 |
| 10 and above | 90 | 20 |
| 5 -7 years | 60 | 15 |
| 8-9 years | 70 | 15 |
| 10 and above | 80 | 15 |

*Source:IRDAI*

##### Anti-Money Laundering and Counter’Financing of Terrorism(AML/CFT)

In order to discharge the statutory responsibility to detect possible attempts of money laundering or financing of terrorism, IRDAI issued guidelines on Anti Money Laundering and Counter’ Financing of Terrorism (AML/CFT) on September 28, 2015. As per the guidelines, every life insurer is required to have an AML/CFT program which should,at a minimum, include:

(i) internal policies, procedures, and controls; (ii) appointment of a principal compliance officer and a designated director; (iii) recruitment and training of employees/agents; (iv) internal controls and audit. KeyRegulatory Changes Pertaining to Distribution

##### Registration of Insurance Marketing Firm Regulations,2015

These regulations cover; (i) Registration of Insurance Marketing Firm (IMF) by engaging Insurance Sales Person (ISP)for the purpose of soliciting and procuring Insurance Products of two life, two general and two health insurance companies at any point of time, under intimation to the IRDAI; (ii) Insurance Servicing Activities of the IMF; and (iii)Marketing of other financial products through the Financial Service Executive (FSE) engaged bytheIMF.

In terms of remuneration payable to the IMF, the insurer shall make all remuneration for soliciting and procuring insurance policies undertaken by an IMF to the concerned IMF only, and not to any other person or entity. In addition,the IMF may receive fees or charges from life insurance companies only in the form of service charges for recruitment,training and mentoring of their ISPs. These fees or charges shall not exceed 50% of first year commission and 10 % of renewal commission received by IMF. No such payment shall be made in case of general or health insurance business.The life insurance companies shall have to disclose to the IRDAI upfront at the time of filing their products under fileand use guidelines on payment of such fees or charges to the IMF.

##### Point of Sales Person-LifeInsurance

An insurer or an insurance intermediary authorized to solicit and market life insurance business can engage a “Point of Sales Person”. A “Point of Sales Person- Life Insurance” engaged by an insurance intermediary can sell the Point ofSales–Life Product so fall such insurers whose life insurance products the respective intermediary is authorized to sell. In order to give added fillip in providing easy access to life insurance to people at large and to enhance insurance penetration and density, the IRDAI issued the guidelines in November2016.

The “Point of Sales Person” can sell life insurance products filed with and approved by the IRDAI which may be:

(i)pure term insurance product with or without return of premium; (ii) non-linked (non- Participating) endowment product; (iii) immediate annuity product; and (iv) any other product or product category, if permitted by the IRDAI.

The life insurers and insurance intermediaries are required to make suitable provision in their policy administration system to capture the Aadhaar Card number or the PAN card number details of the “Point of Sales Person – LifeInsurance”. Further, the “Point of Sales Person- Life Insurance” when engaged by the insurer shall place business with that insurer subject to compliance of rules and procedures of that insurer.

**Corporate Agents Allowed to Tie Up With Multiple Insurance Players**

The IRDAI notified IRDAI (Registration of Corporate Agents) Regulations, 2015, introducing the requirement for corporate agents to obtain registration from the IRDAI.

Previously, Corporate Agents were only required to obtain a license from the IRDAI. A corporate agency registration is valid for a period of 3 years from the date of issuance, unless the same is suspended or cancelled by the IRDAI. The grant and renewal of a corporate agency registration is subject to the applicant meeting the eligibility criteria prescribed. Depending on the type of registration (i.e., General, Life, Health) a corporate agent is permitted to act as a corporate agent for a maximum of three life, three general and/ or three health insurers and is required to adopt a board approved open architecture policy on the same A Corporate Agent (Composite) is allowed to tie up with up to three life, three general and three health insurers.

**Introduction of Web Aggregators:**

In order to monitor the content on the websites of web aggregator insurance companies, the IRDAI introduced the Insurance Web Aggregators Regulations in May 2017. Web aggregators are companies registered under the Companies Act and approved by IRDAI, which maintain or own a website and provide information on insurance products of different insurers. As December 27, 2021, there are 24 web aggregators registered with IRDAI.

#### Classification of Insurance Products

Life insurance products meet a range of insurance needs such as protection,savings, market linked savings,pension and health related benefits for individuals as well as groups. Insurance companies must design products to efficiently fulfil these requirements.

The following are the major categories of insurance products:

##### Participating products

##### For participating products, an insurer invests the premiums received in a pooled participating fund to pay for certain fixed benefits as well as to share the surplus in the form of bonus as a discretionary benefit. The distribution of regular bonus can be in the form of a reversionary bonus. The reversionary bonus is changeable from year to year for future years during the tenure of the policy as experience emerges from the life cycle of the policy. However, there are other forms of bonuses such as terminal bonuses and loyalty additions. Policies under participating products provide a minimum guaranteed return that is payable on death or maturity plus additional discretionary benefits in the form of bonuses. Bonuses, once declared, vest a in policy and become a guarantee.

##### Non-participating products

Non-participating products provide a fixed amount of benefits on the contingent event(s) covered under the product. The policyholders do not participate in profits or losses of the underlying business and therefore the product is also known as without profit product. This category includes pure term products (covering death benefit only), savings product(providing survival benefits in addition to death cover), and immediate or deferred annuity(providing series of payments).

##### Unit-linked insurance products(ULIP)

ULIP is a long-term investment product. The returns under ULIP are directly linked to changes in the underlying investment, so the investment risk and reward is directly attributable to the policyholder. Therefore, unlike non-linked products holders, a ULIP holder can monitor the performance of the policy through the net asset value (NAV) released by the companies regularly. The policyholders have the flexibility to choose the proportion of equity and debt in their investment portfolio based on their risk profile, and switch between different asset classes available under the product,based on assessment of market conditions and risk appetite. Customers can also choose the level of life cover allowed within a product.

##### Health insurance products

##### Life Insurers are allowed to sell defined benefit health insurance products to cover health related risks. Health insurance products may cover a specific disease such as cancer or a combination of diseases and the benefits are payable in case of hospitalization or undergoing surgeries.

##### Group protection products

##### On the group platform, the product may be protection or savings under linked and non-linked category. Group term plans provide benefits of life insurance coverage to a group of individuals and the sum assured is paid to the member’s nominee upon the death of the member. The policies are offered to a group such as employer-employee, non-employer- employee, banks, professional and microfinance institutions. Typically, group products havea one-year term and need to be renewed upon expiry. However, the product can be under regular premium and may be allowed to be accepted in lump sum. There can also be other variety of products such as coverage against loans, such as car loan, home loans, and education loans. The creditors’ protection products are typically long term and aligned to the tenure of the loan, and the death cover is aligned to the outstanding loan cover over the term of the loan.

##### Other group products

##### Group gratuity plans help the employer reduce business cost and take care of employer’s long-term gratuity expenses by earning a return on the employer’s money.

##### Group leave encashment schemes help the employer manage future leave encashment liability in case of an employee’s death, retirement or resignation/termination, in addition to providing security.

##### Group superannuation products help employees save for retirement and provide them with a corpus at the time of retirement.

##### Riders

##### Riders are add-on covers to the base policy at an additional cost to facilitate additional benefits linked to accident, critical illness, premium waiver benefit etc. The rider benefits and eligibility criterion for a customer are subject to certain regulatory terms and conditions.

##### Insurers continue to rely on agency channel for generating business

##### Life insurance companies globally have invested heavily to acquire customers, including for scaling up agency channels,entering into for bancassurance deals and digital partnerships. Over the years, while there have been technological advancements and modernisation efforts, the digital distribution of life insurance products has not yet scaled significantly. Agency and bancassurance distribution models continue to dominate the industry across most markets

##### around the world owing to the need for human interaction to understand customer needs and to explain to customers the features of policies and enable them to select the right policies.

##### For example, in China, the top two players Ping An Insurance and China Life Insurance Company sourced 83% and 82% of their gross premiums, respectively, through their agency channel in CY 2020. They are able to serve their large client base through a network of 1.02 million and 1.48 million individual agents, respectively. In fact, the cumulative contribution of the agent channel for the top two Chinese life insurers has increased in the last four years to reach 83% in CY 2020, from around 74% in CY 2016. On the back of the strength of their agency channel, Ping An Insurance and China Life Insurance Company have witnessed consistent growth in premiums with Ping An Insurance growing at a 15% CAGR over CY 2016 to CY 2020 and China Life Insurance growing at a 7% CAGR during the same period.

##### In India, LIC has the largest agent network of 1.35 million individual agents as at March 31, 2021, which accounted for 55% of the total agent network in the country and was 7.2 times the number of agents of the second largest life insurer. Its 65 years of lineage and its extensive and well-entrenched agent network allows LIC to cater to larger sections of the society in urban and rural regions and not just the well-banked population in the country.

##### For the overall Indian market, the share of new business generated for individual life insurance through bancassurance channels increased from 24% in Fiscal Year 2016 to 29% in Fiscal Year 2021. Private players have relatively higher dependence on bancassurance for new business, with their share increasing from 52% in Fiscal Year 2016 to 55% in Fiscal Year 2021. While the agency channel will remain the bedrock of distribution for most life insurers, with accelerated digital adoption and technological advancements, life insurers in the next few years will focus on improving productivity and efficiency by focusing on using an omni-channel strategy and leveraging both digital and physical sales methods.

##### Digital Transformation in Insurance

**Insurance Regulatory Sandbox**:

In-order to facilitate innovation in the insurance sector by leveraging technology along with protection of policyholder’s interest, IRDAI notified the IRDAI (Regulatory Sandbox) Regulations, 2019 dated July 26, 2019. The IRDAI adopted Regulatory Sandbox approach, which provided testing ground for new business 130 models, processes and applications that may not necessarily be covered fully by or are not fully compliant with existing Regulations. On April 7, 2021, IRDAI extended the validity of the regulatory sandbox for a period of 2 years.

Further, various research and development activities have been carried out by life insurers like Bajaj Allianz, Canara HSBC OBC, ICICI Prudential, SBI Life and TATA AIA, revolving around customer needs, customer relationship management and other digital servicing experience to policyholders to enhance experience. For example, Bajaj Allianz Life Insurance Company has devised solutions like ‘Whatsapp BOT’ and ‘i-Serv’ which enables insurer to respond to customer queries on whatsapp and ICICI Prudential has deployed “Humanoid” which is an AI based conversational tool which reminds policyholders for renewal premium. Also players like Canara HSBC OBC and SBI Life Insurance implemented robotic process automation enabling faster service delivery and WhatsApp based messaging by maintaining all the required security and safety..

**Collaboration with Insurtechs:**

The global insurance industry, like every other industry, is focused on leveraging the benefits of a digital environment which has led to development and adoption of Insurtech. For example, in November 2018, Allianz Life Ventures and Securian Financial invested in OnRamp Insurance Accelerator by Gener8tor. In June 2019, the accelerator shortlisted five insurtechs which offered solutions for predicting customer churn, underwriting claims and digitizing direct mail. In 2019, Prudential Financial purchased Assurance IQ, a data science and machine learning based insurance provider, which gave the insurer access to customers who needed life coverage and other insurance products. The platform matched consumers with the live agent or sales process that was best suited to their needs, resulting in better customer outcomes that led to higher levels of engagement and conversion. Key Areas of Digital Transformation in Life Insurance.

#### Key reas of Digital Transformation in Life Insurance

**Growth of Web Aggregators:**

 The pandemic has presented opportunities for distribution through web aggregators in the insurance space. In addition to the standard price comparison of insurers, the aggregators also offer personal finance advice and education to customers enabling more complex products also to be sold through these channels. Web aggregators have also helped companies reach out to younger customers who tend to prefer digital platforms and the questionnaire style of underwriting.

**Digitalisation of Key Processes:**

COVID-19 has been a catalyst of change in the underwriting environment and the industry has accelerated efforts to move towards more efficient and frictionless practices. Insurers have started offering virtual examination where a specialist could ask questions and take measurements via telephone or video conference, thereby eliminating the need for in-person medical examination. Artificial intelligence techniques such as text mining, natural language processing and artificial neural networks are increasingly being used to make underwriting more streamlined. These techniques help increase the speed and accuracy with which applications can be reviewed and processed. Apart from underwriting, players in the industry have also started to use technology across the value chain for faster claim processing and fraud management.

#### Key technologies Impacting the Value Chain of Insurance

*Source: CRISILResearch*

#### Dgital Initiatives of Some Global Insurers

Digital technology is a new force that is driving massive changes in the insurance sector. For insurers, the changing landscape of insurance (use of mobile and internet) and the way customers interact with them using newer forms of engagement (e.g., social media) has led to a flurry of technological advancements in the industry. Insurers are now harnessing digital technology to scale their business model and provide a hassle-freeexperienceto their customers. Theextent of adoption of digitalisation varies from one insurer to another. Some insurers have looked collectively at the process, ecosystem and the technology while others have looked at only addressing specific issues.

#### KeySuccessFactors

**Track record in servicing customers and honouring claims:**

Among different success factors, trust in the company,good track record of servicing customers and proactive claim settlements are key to increasing customer stickiness and renewal premiums for the insurer.

**Offering differentiated products and competitive pricing:**

With the industry becoming highly competitive, creating innovative and customized products has become critical for insurers. Instilling a customer-first culture will enable insurers to engage with customers to better understand the emerging needs of customers in the market. These insights can help insurers create a competitive advantage in developing innovative solutions. Increasing competitiveness in the industry has also led to pricing pressure on insurance players. Offering differentiated products along with competitive premium is critical to maintaining a market share and position in the industry.

**Strong distribution network:**

For life insurance companies, creating and maintaining a well-entrenched distribution network is paramount to marketing their products effectively and generating new business. The pandemic induced shift to remote connectivity has forced insurers to think differently about how technology can provide new avenues to prospect, engage with and service customers. It is essential to re-skill profiles of employees and agents manning the distribution channels in order to ensure that they can fulfil the requirements of the customer.

**Efficient underwriting and cost management**:

The ability to manage a strong distribution network efficiently with the optimum mix of different products and distribution channels as well as prudent underwriting that factors in risks across customer cohorts is critical for life insurers to maintain their profitability.

**Taking new approaches to customer engagement:**

Insurers are increasingly exploring new customer engagement approaches to tap into growth opportunities. For example: with rising demand of health and well-being products, players such as Ping An (in China) and AIA (in Hong Kong) have created health ecosystems that connect customers to partners in order to facilitate access of health information and related services. Additionally, engagement opportunities through 132 reward and well-being programs incentivize customers to interact with insurers and allow them to capture data and learn more about customer preference and insurance needs.

##### Digitization to be atthecoreofindustrytransformation

Advanced technology has already become an integral part of the insurance industry. Customers can now compare different life insurance quotes across various players just by clicking a button. Managing coverage or checking the policy status can also be easily done via mobile app or the insurer’s website. Evolving digital trends coupled with changing customer and other stakeholder expectations is driving transformation of existing business models. Insurers are increasing their focus towards technology to engage with consumers, and to provide real-time and convenient access to information. Digital transformation offers insurers opportunities to enhance customer satisfaction as well as reduce costs. While insurance has traditionally been sold on the basis of trust and relationships, technology allows bringing progress, speed, flexibility and innovation into the process.

**Players looking to tap digital platform to push sales as well as improve operational efficiency**

With increasing internet penetration, the use of digital mediums to conduct financial transactions has substantially increased over the years. The first major digital adoption for the life insurance industry was the issuance of insurance policy in electronic form. Players have tied up with platforms such as National Securities Depository Limited and Central Depository Services (India) Limited, to enable policyholders to hold insurance policies in electronic form. Further, some players have also entered into contracts with digital players, to enable customers to make payments through their preferred channels. Increasing use of online platforms has also led to voluntary sharing of a lot of financial-related information by consumers. Insurers are able to leverage the use of such data and target the right set of prospective customers by analysing customer data, insurers are also able to offer the right set of products to customers. Additionally, predictive analysis allows insurers to identify the probability of a customer renewing the policy and accordingly take steps to increase renewals and retention. Though customers use digital mediums to study and compare various life insurance products, the final sale of policies is still being largely conducted through traditional insurance intermediaries. On the other hand, the process of underwriting and data verification is undergoing a digital transition, with customers not being required to share physical documents with their agents. This helps in substantially reducing the turnaround time and also enhances channel productivity. Digital channel is aiding customers to make informed decisions, which will help in increasing the persistency ratio for players in the long run and also reduce mis-selling of policies. Over the long run, as end-to- end sale and servicing of insurance policies increase, operational efficiency of players will substantially improve, due to lower operating costs.

#### Key areas in the insurance processes where digitalisation is finding application

Source:CRISILResearch

##### Regulatory focus on digitalisation in insurance sector

In lightoftheCOVID- In light of the COVID-19 pandemic, IRDAI has introduced various steps to facilitate alternate modes of digital contact, particularly with respect to policy servicing and claims, in order to ensure continuity of business operations:

**Paperless KYC –** IRDAI has allowed insurance companies to avail Aadhaar Authentication services of the UniqueIdentification Authority of India. As a result, KYC is done digitally which requires the user to provide an OTP sent totheir Aadhaarregisteredmobile number.

**E-consent of proposal** – Due to COVID-19, the traditional approach of filling physical proposal forms, obtaining wet signatures and the subsequent movement of physical papers was curtailed. IRDAI has allowed insurers to obtain customers consent through an OTP using the registered e-mail ID or mobile number of the customer without having to rely on physical signature.

**Issuance of e-policies –** In 2016, IRDAI mandated that if policies are solicited through an electronic mode, insurers were required to send the policy electronically and also dispatch a hardcopy. Exemption for a physical copy was provided only where the policy was issued using an e-insurance account (eIA). Since insurers were unable to send the policy contracts on time due to the pandemic, IRDAI allowed insurers to send all life and health insurance policies electronically to the policyholder’s e-mail ID. The free look period can be started only after the receipt of policy contracts but insurers must confirm the date of receipt of the e-policy through a call or other means and preserve the proof so that the free-look period can be calculated from that date.

#### DEEP DIVE INTO THE INDIAN LIFE INSURANCE INDUSTRY

**Business model of players in the life insurance industry**

There are two broad business models followed by Indian life insurers. These are life insurers that are dependent on the bank-based corporate agent network and those that follow an individual agent-led distribution network. Within this, there are players that are either bank promoted that reap the benefits of wide distribution network of the promoter entity, and others that do not have a bank-based promoter but have a bancassurance partner that acts as a corporate agent for the bank. 135 Within players dependent on the individual agent network, there are business models focused on group or individual businesses, or an equal mix of both. Basis this, the Indian life insurers can be categorized into the following business models:

1. Bank promoted entities
2. Non-bank promoted entities having banking partners
3. Group focused players with individual agent network
4. Individual focused players with individual agent network
5. Players focused on both group as well as individual business

Focus on a specific distribution channel does not mean that players do not use other channels. It merely indicates higher focus on a specific channel as it helps in optimising costs, especially fixed costs and customer acquisition costs. LIC, for example, mainly relies on its agent network for individual business (94% of NBP in Fiscal 2021), thereby keeping its costs in this respect variable, and relies on direct sales through its team for group business. Private players who are focused on individual business and are reliant on individual agents for distribution have been suffering from low productivity and higher fixed costs and are looking for ways to adjust the cost structure in form of higher variable costs to improve their profitability.

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**Chapter – 2: Secondary Data about Insurance Companies**

The top six insurance providets and other private players are taken for study based on the total premium

**Total Premium for the year 2021:**

|  |  |
| --- | --- |
| **Total Premium –FY21** | **Total Premium (INR billion)** |
| LIC | 4,032.90 |
| SBI Life | 502.50 |
| HDFC Life | 385.80 |
| ICICI Prudential Life | 357.30 |
| Max Life | 190.20 |
| Bajaj Allianz Life | 120.20 |
| Others | 698.30 |
| Private players total | 2,254.30 |
| Total | 6,287.30 |

**Channel Mix (Individual)-5-Year CAGR ending FY21:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Channel Mix (Individual)-5-Year CAGR ending FY21** | **Individual agents** | **Corporate agents** | **Corporate agents** | **Direct Business** |
| **-Banks** | **-Others** |
| LIC | 10.80% | 19.60% | 7.80% | 27.90% |
| SBI Life | 13.00% | 22.00% | 72.80% | 62.00% |
| HDFC Life | 20.30% | 13.10% | 31.00% | 49.70% |
| ICICI Prudential Life | 7.90% | 3.70% | 12.00% | 17.40% |
| Max Life | 17.60% | 21.30% | 2.40% | 13.30% |
| Bajaj Allianz Life | 5.60% | 125.50% | 44.00% | 50.40% |

**Premium CAGR (FY11-FY21):**

|  |  |  |  |
| --- | --- | --- | --- |
| **Premium CAGR**  **(FY11-FY21)** | **Total premium** | **NBP** | **Renewal premium** |
| LIC | 7.10% | 7.80% | 6.50% |
| SBI Life | 14.50% | 10.50% | 18.70% |
| HDFC Life | 15.70% | 17.40% | 14.00% |
| ICICI Prudential Life | 7.20% | 5.20% | 8.50% |
| Max Life | 12.60% | 12.70% | 12.50% |
| Bajaj Allianz Life | 2.30% | 6.20% | -0.70% |

**Chapter – 3: Findings**

**India’s insurance players Total Premium for the year 2021:**

The top six insurance players in India based on the total premium in decending order

1. LIC
2. SBI Life
3. HDFC Life
4. ICICI Prudential Life
5. Max Life
6. Bajaj Allianz Life

Where LIC tops the list which has 78.90% more than all the private players combined.

**Channel Mix (Individual)-5-Year CAGR ending FY21:**

The channel mix(Individual) is a combination of - Individual agents, Corporate agents-Bank, Corporate agents-Other and Direct Business

The insurance companies that tops in the different channels are in descending order

**Individual agents**

1. HDFC Life
2. Max Life
3. SBI Life
4. LIC
5. ICICI Prudential Life
6. Bajaj Allianz Life

**Corporate agents-Bank:**

1. Bajaj Allianz Life
2. SBI Life
3. Max Life
4. LIC
5. HDFC Life
6. ICICI Prudential Life

**Corporate agents-Other:**

1. SBI Life
2. Bajaj Allianz Life
3. HDFC Life
4. ICICI Prudential Life
5. LIC
6. Max Life

**Direct Business:**

1. SBI Life
2. Bajaj Allianz Life
3. HDFC Life
4. LIC
5. ICICI Prudential Life
6. Max Life

**Premium CAGR (FY11-FY21):**

The **Premium CAG** is a combination of Total premium, NBP, Renewal premium

The insurance companies that tops in the different channels are in descending order.

**Total premium:**

1. HDFC Life
2. SBI Life
3. Max Life
4. ICICI Prudential Life
5. LIC
6. Bajaj Allianz Life

**NBP:**

1. HDFC Life
2. Max Life
3. SBI Life
4. LIC
5. Bajaj Allianz Life
6. ICICI Prudential Life

**Renewal premium:**

1. SBI Life
2. HDFC Life
3. Max Life
4. ICICI Prudential Life
5. LIC
6. Bajaj Allianz Life

Insurers oftn characterize themselves as the economy’s financial first responders, those entrusted with helping policyholders cope with and recover from some of the most challenging times in their lives, whether paying to repair or replace damaged properties, cover liabilities, finance retirement, or provide funds to support those losing a family member or key business leader. Since insurance ultimately comes down to a matter of trust—the consumer’s confidence that their premiums will pay off in the end if they suffer a loss—maintaining and bolstering that bond should therefore be an ongoing priority. Trust distinguishes and elevates companies such as insurers, connecting them with “the common good,” according to Deloitte’s report linking trust with economic prosperity. “Put trust at the forefront of your planning, strategy, and purpose, and your customers will put trust in you.” Whether dealing with customers, regulators, investors, or employees, insurers can benefit from trust-building initiatives in both the short and long term.

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