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PLACE; Hyderabad Signature of candidate

Date: (Dacharam Anusha)

**DECLARATION**

I Ms D.Anusha student declare that the project work titled “**A STUDY OF IMPACT OF COVID-19 ON INSURANCE SECTOR”** AT **BEFINSAVVY,** Hyderabad, is a bonafide of Business Administration from Kasturba Gandhi College for Women, Osmania University Hyderabad.

This project work is a result of my own efforts and has not submitted to any other University or Institution for any other degree or diploma.

I take full and complete responsibility for all errors of facts, analysis &interpretation of the reports.

**PLACE: Hyderabad**

**Date:**

**Dacharam Anusha**

**A STUDY ON**

**IMPACT OF COVID-19 ON INSURANCE SECTOR**

**AT**

**BEFINSAVVY, HYDERABAD**

A PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE

REQUIREMENT FOR THE AWAED OF THE DEGREE OF

**MASTER OF BUSINESS ADMINISTRATION**

BY

**DACHARAM ANUSHA**

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**DEPARTMENT OF BUSINESS MANAGEMENT**

**KASTURBA GANDHI COLLEGE FOR WOMEN**

(SPONSORED AND MANAGED JOINTLY BY OSMANIA GRADUATES

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Abstract

The Covid-19 pandemic and lockdown have impacted almost all the industries and sectors across the world including the insurance sector which has a significant contribution in the country's GDP and economic development. This study is an attempt to study the effect of COVID-19 pandemic and its overall effect on the business of Indian life insurance sector. The study is exploratory in nature and thus give new insight to related future researches. In order to conduct the study, the secondary data has been collected from various newspaper articles, online blogs, website and annual reports of life insurance companies. The study covers various dimensions like First year premium, Sum assured, No. of lives covered under group schemes, No. of policies issued and also make an effort to analyze the overall performance of life insurance company in FY 2020 as against the previous FY 2019. The period of study covered six months i.e., (during COVID). The findings of the study reveals that Covid-19 has adversely affects the life insurance business mainly in term of drop down in sales of new policy, premium income and crises of claim settlement. The experts view that the demand of pure and health insurance has been shown a positive growth due to life uncertainties in times of Covid-19 pandemic.

CHAPTER-1

INTRODUCTION

1.1 **INTRODUCTION**

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 particular1818 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 insurersThe 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 nationalizing 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 **history of general insurance dates** back to the Industrial Revolution in the west and the consequent growth of sea-faring trade and commerce in the 17th century. It came to India as a legacy of British occupation. General Insurance in India has its roots in the establishment of Triton Insurance Company Ltd., in the year 1850 in Calcutta by the British. In 1907, the Indian Mercantile Insurance Ltd, was set up. This was the first company to transact all classes of general insurance business.

1957 saw the formation of the General Insurance Council, a wing of the Insurance Association of India. The General Insurance Council framed a code of conduct for ensuring fair conduct and sound business practices. In 1968, the Insurance Act was amended to regulate investments and set minimum solvency margins. The Tariff Advisory Committee was also set up then. In 1972 with the passing of the General Insurance Business (Nationalization) Act, general insurance business was nationalized with effect from 1st January, 1973. 107 insurers were amalgamated and grouped into four companies, namely National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and the United India Insurance Company Ltd. The General Insurance Corporation of India was incorporated as a company in 1971 and it commence business on January 1sst 1973.

This millennium has seen insurance come a full circle in a journey extending to nearly 200 years. The process of **re-opening of the sector**had begun in the early 1990s and the last decade and more has seen it been opened up substantially. In 1993, the Government set up a committee under the chairmanship of RN Malhotra, former Governor of RBI, to propose recommendations for reforms in the insurance sector.The objective was to complement the reforms initiated in the financial sector. The committee submitted its report in 1994 where in. among other things, it recommended that the private sector be permitted to enter the insurance industry. They stated that foreign companies be allowed to enter by floating Indian companies, preferably a joint venture with Indian partners. Following the recommendations of the Malhotra Committee report, in 1999, the Insurance Regulatory and Development Authority (IRDA) was constituted as an autonomous body to regulate and develop the insurance industry. The IRDA was incorporated as a statutory body in April, 2000. The key objectives of the IRDA include promotion of competition so as to enhance customer satisfaction through increased consumer choice and lower premiums, while ensuring the financial security of the insurance market. The IRDA opened up the market in August 2000 with the invitation for application for registrations. Foreign companies were allowed ownership of up to 26%. The Authority has the power to frame regulations under Section 114A of the Insurance Act, 1938 and has from 2000 onwards framed various regulations ranging from registration of companies for carrying on insurance business to protection of policyholders’ interests.  In December, 2000, the subsidiaries of the General Insurance Corporation of India were restructured as independent companies and at the same time GIC was converted into a national re-insurer. Parliament passed a bill de-linking the four subsidiaries from GIC in July, 2002.

 Today there are 34 general insurance companies including the ECGC and Agriculture Insurance Corporation of India and 24 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.

Life Insurance in its modern form came to India from England in the year 1818. Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian Soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like BabuMuttylal Seal, the foreign life insurance companies started insuring Indian lives. But Indian lives were being treated as sub-standard lives and heavy extra premiums were being charged on them. Bombay Mutual Life Assurance Society heralded the birth of first Indian life insurance company in the year 1870, and covered Indian lives at normal rates. Starting as Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. Bharat Insurance Company (1896) was also one of such companies inspired by nationalism. The Swadeshi movement of 1905-1907 gave rise to more insurance companies. The United India in Madras, National Indian and National Insurance in Calcutta and the Co-operative Assurance at Lahore were established in 1906. In 1907, Hindustan Co-operative Insurance Company took its birth in one of the rooms of the Jorasanko, house of the great poet Rabindranath Tagore, in Calcutta. The Indian Mercantile, General Assurance and Swadeshi Life (later Bombay Life) were some of the companies established during the same period. Prior to 1912 India had no legislation to regulate insurance business. In the year 1912, the Life Insurance Companies Act, and the Provident Fund Act were passed. The Life Insurance Companies Act, 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary. But the Act discriminated between foreign and Indian companies on many accounts, putting the Indian companies at .The first two decades of the twentieth century saw lot of growth in insurance business. From 44 companies with total business-in-force as Rs.22.44 crore, it rose to 176 companies with total business-in-force as Rs.298 crore in 1938. During the mushrooming of insurance companies many financially unsound concerns were also floated which failed miserably. The Insurance Act 1938 was the first legislation governing not only life insurance but also non-life insurance to provide strict state control over insurance business. The demand for nationalization of life insurance industry was made repeatedly in the past but it gathered momentum in 1944 when a bill to amend the Life Insurance Act 1938 was introduced in the Legislative Assembly. However, it was much later on the 19th of January, 1956, that life insurance in India was nationalized. About 154 Indian insurance companies, 16 non-Indian companies and 75 provident were operating in India at the time of nationalization. Nationalization was accomplished in two stages; initially the management of the companies was taken over by means of an Ordinance, and later, the ownership too by means of a comprehensive bill. The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956, with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost.

Health insurance in India is a growing segment of Indian economy. The Indian healthcare system is one of the largest in the world, with the number of people it concerns: nearly 1.3 billion potential beneficiaries. The healthcare industry in India has rapidly become one of the most important sectors in the country in terms of income and job creation. In 2018, one hundred million Indian households (500 million people) do not benefit from health coverage. In 2011, 3.9% of India's [gross domestic product](https://en.wikipedia.org/wiki/Gross_domestic_product) was spent in the [health sector](https://en.wikipedia.org/wiki/Health_care_industry). According to the [World Health Organization](https://en.wikipedia.org/wiki/World_Health_Organization) (WHO), this is among the lowest of the [BRICS](https://en.wikipedia.org/wiki/BRICS) (Brazil, Russia, India, China,

South Africa) economies. Policies are available that offer both individual and family cover. Out of this 3.9%, health insurance accounts for 5-10% of expenditure, employers account for around 9% while personal expenditure amounts to an astounding 82%.In the year 2016, the [NSSO](https://en.wikipedia.org/wiki/Ministry_of_Statistics_and_Programme_Implementation) released the report “Key Indicators of Social Consumption in India: Health” based on its 71st round of surveys. The survey carried out in the year 2014 found out that, more than 80% of Indians are not covered under any health insurance plan, and only 18% (government funded 12%) of the urban population and 14% (government funded 13%) of the rural population was covered under any form of health insurance.

Launched in 1986, the [health insurance](https://en.wikipedia.org/wiki/Health_insurance) industry has grown significantly mainly due to liberalization of economy and general awareness. According to the [World Bank](https://en.wikipedia.org/wiki/World_Bank), by 2010, more than 25% of India's population had access to some form of health insurance. There are standalone health insurers along with government sponsored health insurance providers. Until recently, to improve the awareness and reduce the procrastination for buying health insurance, the [General Insurance Corporation of India](https://en.wikipedia.org/wiki/General_Insurance_Corporation_of_India) and the [Insurance Regulatory and Development Authority](https://en.wikipedia.org/wiki/Insurance_Regulatory_and_Development_Authority) (IRDAI) had launched an awareness campaign for all segments of the population.

Launched in 2007, the National Health Insurance Program ([Rashtriya SwasthyaBima Yojana](https://en.wikipedia.org/wiki/Rashtriya_Swasthya_Bima_Yojana" \o "Rashtriya Swasthya Bima Yojana)- RSBY) is led by the Ministry of Health and was adopted by 29 states in 2014. It is funded 75% by the government and 25% by the states. The worker and 4 of his dependents benefit from health insurance if they are not covered by any system and live below the poverty line. RSBY beneficiaries are required to pay an annual registration fee of ₹30 for hospital coverage up to ₹30,000 per year per family.

On September 25, 2018, the Indian government announced the launch of a new health insurance for the poorest citizens. Indian Prime Minister [Narendramodi](https://en.wikipedia.org/wiki/Narendra_Modi" \o "Narendra Modi) announced that the new system is expected to reach more than 500 million people and is called "Modicare". The reform is still in progress and aims to install universal social security in the country.

The entire general insurance business in India was nationalized by General Insurance Business (Nationalization) Act, 1972 (GIBNA).The Government of India (GOI), through Nationalization took over the shares of 55 Indian insurance companies and the undertakings of 52 insurers carrying on general insurance business. General Insurance Corporation of India (GIC) was formed in pursuance of Section 9(1) of GIBNA.

It was incorporated on 22 November 1972 under the Companies Act, 1956 as a private company limited by shares. GIC was formed for the purpose of superintending, controlling and carrying on the business of general insurance.As soon as GIC was formed, GOI transferred all the shares it held of the general insurance companies to GIC. Simultaneously, the nationalized undertakings were transferred to Indian insurance companies.After a process of mergers among Indian insurance companies, four companies were left as fully owned subsidiary companies of GIC

* National Insurance Company Limited.
* The New India Assurance Company Limited.
* The Oriental Insurance Company Limited.
* United India Insurance Company Limited.

The next landmark happened on 19th April 2000, when the Insurance Regulatory and Development Authority Act, 1999 (IRDAA) came into force.This Act also introduced amendment to GIBNA and the Insurance Act, 1938. An amendment to GIBNA removed the exclusive privilege of GIC and its subsidiaries carrying on general insurance in India.In November 2000, GIC was renotified as the Indian Reinsurer and through administrative instruction, its supervisory role over the four subsidiaries was ended.

With the General Insurance Business (Nationalization) Amendment Act 2002 (40 of 2002) coming into force from March 21, 2003; GIC ceased to be a holding company of its subsidiaries.

The ownership of the four erstwhile subsidiary companies and also of the General Insurance Corporation of India was vested with Government of India.

The insurance industry in India has seen a strong growth series after the year 2000 and broadly divided into two major categories i.e., Life Insurance and Non-life Insurance. Both the sectors are governed by the Insurance Regulatory Development Authority of India (IRDAI). The role of IRDA isto regulate and monitor the entire insurance sector in India. All the insurers have to follow the rules and regulations of the IRDA. The Insurance sector in India consists of a total of 57 insurance companies, out of which 24 companies are the life insurance providers and the remaining 33 are non-life insurers. All life insurance companies offer wide range of products under both individual and group schemes. The Covid-19 pandemic and succeeding lockdown have impacted various sectors of the economy and both life and non-life insurance businesses has also affected adversely by current pandemic situation. New business policy sales have been dropped, percentage of policy lapsation has been increased and also noted delay in premium payment. This will bring about the industry losing around four million policies and premiums value around Rs 45,000 crore.

According to MD LIC, around RS 30,000 crore of renewal premium did not received because of tendency to save more by middle income group people in view of increasing life risk and uncertainty due to continuous lockdown (VaidyanathanRamani, 2020). If the slowdown continues there will be more unfavourable impact on the new business premium, revival or renewal of policies and overall Sum assured also get badly affected and shown a decline of

9.2 percent to Rs. 12.6 lakh crore between April and July month of year 2020 as per a recent report by CARE Ratings. Due to continuous lockdown from March to May in FY 2020, many insurance companies give two months grace period for the revival of lapsed individual life insurance policies. There are less takers of new insurance policies. Based on the opinion of some insurance experts, there has been recorded a significant decrease in getting new business from the lower- and middle-income group people. The growth in new businesses is mainly boosted by high income group individuals. The report of Global Data Company, the life insurance business in India is expected to get declined by 0.9 per cent in 2020 as compared to 8.8 per cent growth recorded in 2019. The cause for decrease is mainly due to fear of financial uncertainties, job loss and no growth in income. In times of Covid-19 pandemic, there has been seen a great demand for pure insurance and health insurance products but demand for unit linked and other life insurance policy was low. The shortage of liquidity and income uncertainties discourages many customers to either post-poned or not to buy new policy during present pandemic. The post lockdown period helps in revival of life insurance business by finding more customer centric innovative solutions to stay profitable and strong. Insurance is among one of the core sectors of the economy and this sector is less affected by the present Covid-19 pandemic situation.

In simple words, despite of downfall in pandemic situation an insurance industry is not very much affected and still generating revenue and offer tremendous growth opportunities in both life and health sectors (Sachanetal., 2020). The risk of life encourages many customers to invest in term plan and other life insurance policies to protect an individual and family against the future uncertainties.

**1.2 NEED FOR THE STUDY**.

Insurance Sector plays a very significant role in growth of Indian economy. The breaking of monopoly and deregulation of the sector in year 1999, has resulted a double-digit growth in both life and non-life sectors. This sector provides manifold benefits such as covered life risks, health risks, opportunity of savings and investment etc. India is a huge country with second largest population but still the insurance penetration is low as compared to other countries like china, japan, Germany etc. The present Covid-19 pandemic situation and lockdown has significantly hit the insurance business in India. Due to rising number of corona positive cases, the business of life insurance in India has decreased. The insurance industry not only gives protection against life and non-life risks but also provide huge employment and together with banking sector contributes nearly 7% total GDP of an economy. Hence the study becomes important to analyze the after effect of Covid-19 pandemic on business of insurance industry and particularly life insurance which considered as a unique financial tool to cover against life related risks of an individual and family.

**1.3 OBJECTIVES OF THE STUDY**.

1. To study the insurance sector before the pandemic period.
2. To study the impact of covid-19 on insurance sector during the pandemic period.
3. To look into the after effect of covid-19 pandemic on the business of insurance sector.

**1.4 SCOPE OF THE STUDY.**

The study focuses on only insurance sector the findings of the study would be able applicable to Indian insurance sector and investors both new and already existing. Mainly this study highlights the performance of insurance sector before pandemic, during pandemic and after pandemic.

**1.5 RESEARCH METHODLOGY**.

The present study is new and thus exploratory research design is used in order to study the after effect of covid-19 on life insurance sector in india the study is based on a qualitative research approach.

**1.5.1 Sources of data:**

Secondary data has been collected from various newspapers articles, IRDA website, online reviews and the study covers various dimensions like first year premium, number of policies/schemes, number of lives covered under group schemes and sum assured.

**1.5.1.1 Primary data**

Primary data has also been collected by meeting with insurance managers and agents of Befinsavy Company this data also was related to know the profile of the insurance industry as well as about the Befinsavy.

**1.5.1.2 Secondary data**

Secondary data has been collected from various newspapers articles IRDA website, online reviews and the study covers various dimensions like first year premium, number of policies/schemes, number of lives covered under group schemes and sum assured

**1.5.2 Period of the study:**

This period of study covers three years i.e. from 2018-2019, 2019-2020 which covers the pre-covid-19 period and 2020-2021 covers the during pandemic period and 2021-2022 covers the after the pandemic period.

**1.5.3 Data collection method**

There is no questionnaire been used for the study therefore all the data required is the secondary data and has been collected mostly from IRDA website.

**1.5.4 Techniques of analysis**

Data collected is tabulated and frequencies are provided simple percentages are used for analysis.

**1.6 LIMITATIONS OF THE STUDY**

1. Data collection was a difficult task though it was secondary data collected from IRDA websites.
2. It will be difficult to find significant relationships from the data.
3. We did not use any sophisticated technique tools only we used percentages for the data.



**LITERATURE REVIEW**.

Coronavirus disease, scientifically reclassified as COVID-19, has assumed global pandemic proportions. It attained a pandemic status declared by the World Health Organization (WHO) on 11 March 2019 [1]. The current spread of the virus at a fast rate compared to previous pandemics has resulted in a total lockdown of nations, ban on travels, public gatherings and closure of offices. There has been global closure of businesses as well as the loss of jobs and lives. The general economic situation is a global recession. In most instances, the insurance industry and governments all over the world have become the beacons of hope to which people look for rescue from total annihilation. However, due to the fast increase in infection cases greater than the recovery of infected people, the pandemic has overwhelmed many governments and financially weakened some insurance companies. The impact of the pandemic on the Ghanaian insurance industry is yet to be estimated and projected to provide a guide for government and insurers for the simulation of future events. As of 22 June 2020, 14,007 confirmed cases have been reported in Ghana, and the numbers keep increasing by day [1]. On 30 March, the president of Ghana announced a partial lockdown in Accra, TEMA and Kumasi.

The lockdown, however, lasted for only three weeks and was lifted on 19 April following the overweight of economic meltdown on the nation. Though the country received a financial support of USA $1 billion and donations from other organizations, philanthropists and partners to cushion the impact of the pandemic, the economic effects of the partial lockdown were much greater than can be contained by the nation. Increased pressure on health workers and hospital facilities at present is overbearing, NIES. And it seems catastrophic situation is imminent. The insurance industry in Ghana plays a very important role in the national economy. Ghana presently has a huge infrastructural deficit that requires the establishment of efficient insurance policies to pursue economic development. The industry provides safety and stability to individuals, groups, institutions and businesses [5]. A healthy and developed insurance industry will improve the stability of financial markets. Over a long period, the Ghanaian insurance industry has witnessed stability and economic growth due to the stable growth of the economy boosted by increased cocoa, gold and agricultural production. The recent boom in the oil business has particularly catapulted insurance premiums

While there is limited literature on the impact of pandemics on the insurance industry, a parallel comparison can be made to the impact of other natural disasters on the global financial system. Dimitri studied how available economic resources could be shared by health authorities to stop the spread of epidemic diseases. His analysis suggests that to be able to effectively distribute economic resources optimally depends on the cost functions namely: the available technology for controlling the relevant parameters underlying the epidemic and the available financial resources. LAGOARDE SEGOT and LEONI [45] used a theoretical model to study the stability of the banking sector in the joint prevalence of Malaria and AIDS. Their studies suggest that the likelihood of collapse of the banking sector increases as the prevalence of pandemics increases. Fan et al estimated national losses in national incomes in the US economy that might occur in the event of a major influenza-related pandemic. Their study also covered the number of lives lost as a result of the pandemic. They further estimated the expected number of influenza-pandemic related deaths to reach 720,000 per year and calculated annual losses as a result of pandemic impacts to reach USA $500 million. BONGINI et al. [47] studied the profitability or losses of banks in crises such as a global pandemic. Using a sample of 109 European bank holding companies from 2006 to 2016, they studied the main drivers of profitability shocks and factors that help banks bounced back avoiding a more severe situation. Their findings showed that the crisis has its stocks in the lending activity and in the deterioration loan portfolio caused by a risk that is not counterbalanced by adequate loan loss provisions and capitalizations. They also discovered that banks that recovered after the shock adopted a more conservative lending policy, reduced their rates and performed better afterward. SIGALA [48] reviewed literature to understand the impacts of COVID-19 on the tourism industry. Her study revealed that COVID-19 has different impacts on the tourism industry, which are based on the characteristic nature of the particular tourism sector, its size, location, management and ownership style.

She further noted that the highly heterogeneous nature of tourism demand also determines COVID-19 impacts and implications. They concluded that COVID-19 tourism research should not only discuss the different impacts of COVID-19 on tourism but also provide an explanation of the roots of such differences and the scope to test any suggestions on how to address possible inequalities that may arise from impacts of COVID-19. BARRO et al. studied the potential effect of the coronavirus on mortality and economic activity by comparing lessons from the 1918–1920 Great Influenza Pandemic. With a parallel evaluation of economic declines in GDP, increased consumption, deaths, decreased realized real returns on stocks and especially on short-term government bills caused by the 1918–1920 Great Influenza Pandemic, the study compared these economic impacts to that caused by the Coronavirus in our current dispensation to draw lessons from previous experiences. The study concluded that the current situation decline in stock prices, increases in stock-price volatility, decreases in nominal interest rates and contractions of real economic activity are familiar outcomes that require quick responses. CERRA and SEXENA [50] investigated the behavior of output following financial and political crises in 190 countries.

They particularly examined the economic impact of deterioration in a country’s political governance. Alfaro et al. investigated aggregate and firm level stock returns during pandemics in real time. Their study showed that unexpected changes in the trajectory of COVID-19 infections predict US stock returns in real time. Their study further revealed that unanticipated doubling of projected infections forecast a next-day decrease in aggregate US market value of 4 to 11 percent, indicating equity markets will rebound even in the persistence of the pandemic. HACKER investigated the economic cost of the HIV/AIDS pandemic. His study revealed that HIV has caused financial losses to affected families and torn families apart. Studies by Bloom et al. warned the world about the possible emergence of a pandemic. They stressed that the world was not ready now to accommodate a pandemic and suggested buffering our economic indicators to survive in the event of a pandemic. The present occurrence of COVID-19 pandemic suggests that the world has not paid heed to this warning. Dreyer et.al investigated the frequency of influenza (flu) pandemics on the South African insurance industry and studied the effects it had on the industry. Their study concluded that a mild pandemic will cost the South African Economy. Billion claims excluding annuity, while a severe pandemic could cost R 55 billion claims. At present, insurers in Ghana are counting their losses as a result of COVID-19, but the pandemic could also present an opportunity for a stronger bounce back. The most obvious effect of COVID-19 on the insurance industry in Ghana is the upsurge in health, travel and business claims. Though insurance policies do not directly cover pandemics, the impact of COVID-19 on the global economy has had a toll on the insurance industry.

There are reports of insurers already paying millions of CEDIS through e-payment channels even during the lockdown period. There is obvious pressure on sales from reduced business activity and less use of face-to-face channels in transactions. Though the lockdown in Ghana was brief, it further exacerbated the impact of the pandemic resulting in lowering interest rates and increasing credit risk. The National Insurance Commission of Ghana (NIC) reported that many more clients now call in to complain about their insurers, and the number of people calling in to enquire about claims has quadrupled within the pandemic period as compared to the same period last year. Most aviation passengers insist that insurers should refund the premiums they paid since there is a ban on travel. Business owners all over the country have also called in to demand claims for interruption of businesses. The NIC indicates that it is currently studying the impact of the pandemic and will soon come out with guidelines and new policies on how to survive. At present, there is no study to investigate the impact of COVID-19 on the insurance industry in Ghana. Insurers either cannot simulate impacts of the pandemic on their companies or are currently overwhelmed by mounting operational pressures to be able to study the impacts of the pandemic. This study aims to investigate the impact of COVID-19 on the insurance industry in Ghana and discuss solutions as well as project future expectations.

Since the 2019 novel coronavirus (SARS-CoV-2) first emerged, there has been substantial uncertainty regarding the magnitude of the increase in mortality risk. In March 2020, a highly cited study from Imperial College (Ferguson et al., 2020) reported that uncontrolled spread of coronavirus in the U.S. could lead to 2.2 million fatalities, based on key assumptions such as 80 percent of the population ultimately getting COVID-19 and an infection fatality rate (IFR) of 0.9 percent. The modeling led to widespread action by policymakers in the U.S. and other countries to reduce transmission; within three days of the publication, California implemented the FIRSTIN-the-nation shelter-in-place order (FRIDSON et al., 2020), and most other states followed quickly thereafter As of November 2020, the COVID-19 death toll in the U.S. has been an order of magnitude below this projection. The difference between the most pessimistic forecasts and actual fatalities is likely due to changes in behavior—such as better hand washing, staying home more, and wearing facemasks or social distancing when outside the home—that are partly voluntary and partly induced by government suppression and mitigation policies (COURTEMANCHE et al., 2020; Hsiang et al., 2020; LYU and WEHBHY, 2020). While the average IFR has been the subject of debate in the literature due to different methods of accounting for undetected mild or asymptomatic infections, most studies put it in the range of 0.5 to 1 percent— similar to the rate used by the Imperial College report, and an order of magnitude deadlier than the flu (Abbott and Douglas, 2020). The duration and magnitude of increased mortality risk from COVID-19 are contingent on many uncertain events, such as the availability and efficacy of vaccines (COROUM and Zimmer, 2020), the ability to implement technological innovations like pooled testing (MANDAVILLA, 2020), at-home testing, and contact tracing, and innovations in treating those who contract COVID-19 with therapeutics like REMIDISVAR (BEIGIL et al., 2020). In addition to these factors, health messaging has been conflated with political considerations, contributing to more uncertainty Underlying uncertainty about the direct and indirect effects of the virus, policy missteps, incorrect forecasts, and uncertainty about longer-run consequences all provide challenges for the life insurance industry, which relies on accurate estimates of mortality risk. In this study, we use monthly data on approximately 800,000 policies from 95 distinct companies listed on COMPULIFE, a key distributor of life insurance quotes, to analyze the influence of COVID-19 on both term life insurance pricing and policy offerings.

One key prediction that comes from models like Ericson and Sydnor (2017) is that insurance premiums should respond to exogenous changes in overall risk, which is precisely what happened due to COVID-19. Such short-run changes are well documented for automobile insurance, where reductions in driving and accident claims led to premium refunds early during the pandemic (SCISM, 2020). To analyze the influence of increased mortality risk on life insurance premiums and offerings, we exploit well-known and widely-accepted variation in mortality risks from COVID-19 originating from age and comorbidities. Those with chronic conditions or advanced age are far more likely than others to be hospitalized or die from the virus (CDC, 2020). Early evidence from mainland China estimated IFR of 7.8 percent for those aged over 80 and over, 4.28 percent for those aged 70-79, and 1.93 percent for those aged 60-69, compared to 0.03 percent for young adults aged 20-29 (Verity et al., 2020). As a consequence, the direct health consequences of the virus (such as through mortality) and indirect effects (such as through foregone preventative care, mental health consequences, or rising obesity) are far more pronounced for older, less-healthy individuals than for younger, healthier individuals, especially for mortality in the short-run. This variation in mortality risk allows for the construction of treatment and control groups that we analyze using event-study models.

This study investigates how the emergence of the coronavirus disease-2019 (COVID-19) pandemic has raised many concerns in medical and travel insurance, how insurers perceive and react to this pandemic, and the role of governments in this new context, with a particular focus on the Gulf Cooperation Council region (GCC). Data has been collected using archival research and conversations with some chief risk officers (CROs), internal auditors and insurance practitioners. The authors explain how, following the COVID-19 pandemic, the GCC medical and travel insurance industry faces pricing and fraud risks that need specific planning and control. In the GCC, pricing risk is found to represent an immediate risk that is not easy to manage as historical data is not available. This causes the failure of the present risk models in anticipating the probability and severity of the claims. As a response, insurers rely on scenario analysis and brainstorming to anticipate the costs. Fraud risk is harder to manage, as traditional internal controls are inefficient. Further, both risk managers and internal auditors are currently struggling because of the ‘working from home’ situation and the massive digital transformation in all the transactions. Moreover, the time spent in fraud investigation will delay the payment for HOSPITALISED insurance claims, which would raise concerns about the insurer’s reputation. To resolve this conundrum and manage reputational risk, most GCC insurers seek trade-offs and negotiations with the insured. The authors’ observations and analyses revealed that current responses by GCC insurers are insufficient and need enhancements. Therefore, the authors propose some potential policy solutions that would help insurers overcome both pricing and fraud risks. Through explaining medical and travel insurance risks and proposing potential solutions in this emerging market, this paper provides some practical insights for insurance researchers, insurers and CROs who are seeking solutions to pandemic-related risk.

During December 2019, the world became aware of a new global threat called coronavirus, which the World Health Organization (WHO) declared a COVID-19 a pandemic on March 11, 2020. COVID-19 pandemic changed the lives of millions of people around the world as reflected in the number of people infected and dying. Countries responded by locking down economic activities, strict quarantine policies, imposing travel bans, and implementing stimulus packages to cushion the unprecedented slowdown in economic activity and loss of jobs.

The Efficiency Market Hypothesis (EMH) states that stock prices, in general, quickly reserve all available information. However, proponents of behavioral finance assume that, because investors are not always rational, they may exaggerate or react to information due to their psychological biases. Uncertainty and risk are important aspects of the process of decision-making in the financial markets. Accordingly, economic logic indicates that the bad news in the stock markets may affect the process of capital accumulation in the financial sector; therefore, if this news increases the risks in investment operations, the potential effect will be to reduce the Work place disrupts decision-making processes in many financial institutions, which does not allow for quick reactions and swift trading.

Some financial institutions may be shutdown, therefore, in the event of a shortage of electronic infrastructure; traders may not be able to conduct transactions. Of course, the role of these would at least partially diminish if a large portion of trade was automated and the economy was digitally advanced; thus, the potential impact may be stronger in emerging markets than in developed countries. It is worth noting that even if business premises are not completely closed, soft regulations may also have an indirect effect on the financial markets. Moreover, policies related to COVID-19 can affect the stock market through policy responses to changes in the future economic environment, and deteriorating economic conditions may lead to changes in companies’ cash flow expectations and an increase in the risk premium, so investors are less willing to do so, allocating their money to risky assets, such as stocks.

Investors can also be influenced by behavioral and psychological factors. This means that investors are reluctant to monitor their portfolios when there is bad news about government restrictions. In addition, individuals who have suffered several consecutive periods of losses become more loss avoidant to monitor their portfolios when there is bad news about government restrictions. In addition, individuals who have suffered several consecutive periods of losses become According to this type of thinking, trading activity in the stock market decrease.

All countries are responding to this pandemic, which is causing great losses to the global economy and financial markets. Therefore, studying the impact of the pandemic on the economy is a hot topic that has recently piqued Researchers interest. Stock market can be a powerful tool for the economy. It provides a unique view of the expected future of a company and the economy. That is because the value of a firm derives from all future expected cash flows, discounted to the present to adjust for time and uncertainty. There is a quickly growing literature about the impact of COVID-19 on the stock market.

While the dynamic of stock markets during the pandemic might looks random, irrational, or even insane at first glance, on closer inspection it becomes clear that they did not react blindly (CAPELLEBLANCARD & DESROZIERS, 2020). Stock market movements during COVID-19 were more reflective of sentiment than substance. Several studies have confirmed that the COVID-19 pandemic has caused an unprecedented economic and financial crisis. Global financial market risks have increased dramatically in response to the COVID-19 pandemic.

Most empirical studies confirmed the negative response of the stock market indices to the spread of the COVID-19 pandemic. Moreover. Showed that the growth rate of weekly new cases of COVID-19 negatively predicts the returns in the stock market of sixteen countries. Analyzed the daily returns data from stock markets in China, Italy, South Korea, France, Spain, Germany, Japan and the USA. The study showed that COVID-19 has a negative, but short-term impact on stock markets of affected countries

The study confirms that the lockdown had a positive impact on the stock market performance until the situation improves in India. Showed that stock markets in the USA and the European Union did not respond strongly to the outbreak in China. Stock markets fell sharply on February 20 once it became apparent that the outbreak had spread to Italy, South Korea and Iran. Revealed that investors in stock markets in 16 countries do not react to media news of COVID-19 in the early stage of the pandemic.

The Chinese government’s drastic measures to contain the spread of the pandemic have regained investor confidence in the Shanghai stock market. Volatility is crucial to the financial markets. Some studies have attempted to understand the impact of the COVID-19 pandemic on financial market volatility include a study by , which investigates the impact of the (COVID-19) on stock market volatility for the major G7 stock market indices, i.e., the S&P500 index for the USA, the FTSE100 index for the UK, the S&P/TSX index for Canada, the DAX index for Germany, the CAC40 index for France, the FTSE MIB Index for Italy, and the Nikkei 225 index for Japan. The results reveal that the COVID-19 has increased stock market volatility in all countries. Confirmed the significant impact of COVID-19 on USA stock market volatility. Moreover, the results showed that volatility is sensitive to both negative and positive COVID-19

The impact of the outbreak has been the highest in Asian emerging markets whereas emerging markets in Europe have experienced the lowest impact. The study also found that the governments’ response time and the size of the stimulus package to be important in offsetting the effects of the pandemic. ONALI (2020) indicates that changes in the number of cases and deaths in the USA and six other countries that affected by the COVID-19 have no impact on USA stock market returns, regardless of the number of cases reported in China. There is evidence of a positive effect, for some countries, on the conditional heterogeneity of Dow Jones and S&P500 returns. The results also indicate that the number of deaths reported in Italy and France has a negative effect on stock market returns, and has a positive effect on VIX returns. Gil-Alana and Claudio- QUIROGA (2020) studied the impact of the COVID-19 pandemic on three stock markets: namely, the Korean SE KOSPI Index, the Japanese Nikkei 225, and the Chinese Shanghai Shenzhen CSI 300 Index. The results indicate that mean reversion and thus transitory effects of shocks occur in the Nikkei 225 index, the shocks are permanent for the SE KOSPI and CSI 300 indices.

Some studies have shown that stock markets respond quickly to the COVID-19 pandemic, this response varies over time depending on the stage of the pandemic. Ashraf (2020) showed negative market reaction was strong during early days of confirmed cases and then between 40 and 60 days after the initial confirmed cases. Ali et al. (2020) suggested that the Chinese market has stabilized while the global markets have gone into a free fall especially in the later phase of the COVID-19 spread. ALBER (2020) indicated that stock market returns seem to be sensitive to COVID-19 cases more than deaths, and to COVID-19 cumulative indicators more than new ones. SANSA (2020) revealed that there is a positive significant relationship between the COVID-19-confirmed cases and the financial markets (Shanghai stock exchange and New York Dow Jones) from March 1, 2020, to March 25, 2020 in China and USA. ALAM et al. (2020) investigates the impact of the lockdown period caused by the COVID-19 on the stock market of India. The results indicate that the market reacted positively with significantly positive average abnormal returns during the present lockdown period, and investors anticipated the lockdown and reacted positively, whereas in the pre-lockdown period investors panicked. The study confirms that the lockdown had a positive impact on the stock market performance until the situation improves in India. GORMSEN and KOIZEN (2020) showed that stock markets in the USA and the European Union did not respond strongly to the outbreak in China. Stock markets fell sharply on February 20 once it became apparent that the outbreak had spread to Italy, South Korea and Iran. Khan et al. (2020) revealed that investors in stock markets in 16 countries do not react to media news of COVID-19 in the early stage of the pandemic. The Chinese government’s drastic measures to contain the spread of the pandemic have regained investor confidence in the Shanghai stock market.

Volatility is crucial to the financial markets. Some studies have attempted to understand the impact of the COVID-19 pandemic on financial market volatility include a study by Yousef (2020), which investigates the impact of the (COVID-19) on stock market volatility for the major G7 stock market indices, i.e., the S&P500 index for the USA, the FTSE100 index for the UK, the S&P/TSX index for Canada, the DAX index for Germany, the CAC40 index for France, the FTSE MIB Index for Italy, and the Nikkei 225 index for Japan. The results reveal that the COVID-19 has increased stock market volatility in all countries. BAEK et al. (2020) confirmed the significant impact of COVID-19 on USA stock market volatility. Moreover, the results showed that volatility is sensitive to both negative and positive COVID-19 information, but the negative news is more impactful. A study by AMBROS et al. (2020) also proved that changes in the news of COVID-19 increase the volatility in the European stock markets. JELIOVE et al. (2020) showed that COVID-19 increases volatility in Nigeria stock market. Bora and BASISTHA (2021) revealed that the stock market in India has experienced volatility during the COVID-19 pandemic. Sharma (2020) examined whether the COVID-19 pandemic has changed the common denominators of volatility in five developed Asian economies, Hong Kong, Japan, Russia, Singapore, and South Korea. The study found that commonalities in volatility during the COVID-19 period more pronounced in the case of Singapore compared to the other four economies.

In addition, ZAREMBA et al. (2021) demonstrated that governments’ responses to the COVID-19 pandemic, especially the non-pharmaceutical interventions, increase stock market volatility in 67 countries around the world

Some studies have examined the effects of COVID-19 pandemic on stock market SECTORIAL indices. For example He et al. (2020b) evaluate the impact of COVID-19 on stock prices of various Chinese sectors, the results showed that the COVID-19 pandemic has a severe impact on traditional sectors, such as transportation, mining, and electricity. In contrast, it has created opportunities for high-tech fields. Other sectors such as manufacturing, information technology, education, and health have responded positively to the pandemic. OZTURKet al. (2020) analyzes the effects of the COVID-19 pandemic on the Turkish stock market. The study found that the most adversely affected sectors were metal products, machinery and sports, insurance and banking sectors. Despite the substantial economic downturn, food-beverage, wholesale and retail trade and real estate investment sectors have been the less affected industries from the pandemic.

Mazur et al. (2020) investigate the US stock market performance during the crash of March 2020 triggered by COVID-19 pandemic. The study showed that natural gas, food, healthcare, and software stocks earn high positive returns, whereas stock values in petroleum, real estate, entertainment, and hospitality sectors fall dramatically. Moreover, loser stocks exhibit extreme asymmetric volatility that correlates negatively with stock returns. Firms react in a variety of different ways to the COVID-19 pandemic. ELASYED and ELRHIM (2020) investigated the effects of COVID-19 pandemic on sectorial indices of the Egyptian stock market. The results indicated that the sectorial stock market returns are more sensitive to the cumulative indicators of mortality compared to daily deaths cases, as well as the new infected cases more than the cumulative COVID-19 infected cases. SAPUTRA et al. (2021) found that there was a difference in the average trading volume activity and the average trading frequency activity in pharmaceutical stocks before and after the announcement of the first case of COVID-19 in Indonesia. HUO and QIO (2020) shows that the stocks with lower institutional ownership react strongly to COVID-19 pandemic in China’s stock market. Moreover, Rahman et al. (2021) emphasized that smaller, less profitable and valuable portfolios are the hardest hit during the pandemic. It also indicated a significant increase in correlation between returns across stocks, sectors and markets during the pandemic period.

Finally, Baker et al. (2020) concluded that no previous outbreak of infectious diseases, including the Spanish flu, had affected the stock market as strongly as the COVID-19 pandemic. The study suggests that government restrictions on business activity and social distancing are the main reasons why the US stock market has reacted more strongly to COVID-19 compared to previous pandemics of 1918–1919, 1957–1958, and 1966

During December 2019, the world became aware of a new global threat called coronavirus, which the World Health Organization (WHO) declared a COVID-19 a pandemic on March 11, 2020. COVID-19 pandemic changed the lives of millions of people around the world as reflected in the number of people infected and dying. Countries responded by locking down economic activities, strict quarantine policies, imposing travel bans, and implementing stimulus packages to cushion the unprecedented slowdown in economic activity and loss of jobs. The Efficiency Market Hypothesis (EMH) states that stock prices, in general, quickly reserve all available information. However, proponents of behavioral finance assume that, because investors are not always rational, they may exaggerate or react to information due to their psychological biases.

The preventive policies taken by governments related to COVID-19 have affected the stock market, especially shutdown policies, where closing the workplace disrupts decision-making processes in many financial institutions, which does not allow for quick reactions and swift trading. Some financial institutions may be shutdown, therefore, in the event of a shortage of electronic infrastructure; traders may not be able to conduct transactions. Of course, the role of these would at least partially diminish if a large portion of trade was automated and the economy was digitally advanced; thus, the potential impact may be stronger in emerging markets than in developed countries. It is worth noting that even if business premises are not completely closed, soft regulations may also have an indirect effect on the financial markets. Moreover, policies related to COVID-19 can affect the stock market through policy responses to changes in the future economic environment, and deteriorating economic conditions may lead to changes in companies’ cash flow expectations and an increase in the risk premium, so investors are less willing to do so, allocating their money to risky assets, such as stocks. Investors can also be influenced by behavioral and psychological factors

The coronavirus (COVID-19) as a global pandemic, its characteristics are that it has an unknown etiology, no targeted drugs, and a lack of sufficient experience in treatment methods. All countries are responding to this pandemic, which is causing great losses to the global economy and financial markets. Therefore, studying the impact of the pandemic on the economy is a hot topic that has recently piqued Researchers interest

Chapter-3

Company profile

BEFINSAVVY; FINANCIAL SERVICES

BANGLORE KARNATAKA

ABOUT BEFINSAVVY; BEFINSAVVY financial services offer one-to-one and group consulting so you can start to understand the complicated world of finance you can ask them about saving taxes optimizing expenses, managing investments, and repaying loans ETC and it say the financial services clients say, after the consultation, they feel more empowered and ready to be in the driver seat to achieve their financial goals.

STEP-UP IS PHILOSPHY FOR MANAGING MONEY

S-SET

T-TAXES

E-EXPENSES

P-PORTFOLIO

U-ULTIMATE

P-PURPOSE

Website: https:/www.befinsavvy.in

Industries: financial services

Company size: 1-10 employees

Headquarters: Bangalore Karnataka

Type: sole proprietorship

Specialists: personal finance, tax saving, investment.

Mission and vision;

Why: empowering young professionals to retire early and enjoy their life to the fullest.

How; providing speed and convenience in a Judgment and jargon free environment.

What: personal finance consultation. Workshop and courses. Free online resources.

FINANCIAL SERVICES.

**1. Banking**

The [banking industry](https://www.investindia.gov.in/sector/bfsi-banking) is the backbone of India’s financial services industry. The country has several public sector (27), private sector (21), foreign (49), regional rural (56) and urban/rural cooperative (95,000+) banks. The financial services offered in this segment Include:

* Individual Banking (checking accounts, savings accounts, debit/credit cards, etc.)
* Business banking (merchant services, checking accounts and savings accounts for businesses, treasury services, etc.)
* Loans (business loans, personal loans, home loans, automobile loans, working-capital loans, etc.)

The banking sector is regulated by the Reserve Bank of India (RBI), which monitors and maintains the segment’s liquidity, capitalization, and financial health.

**2. Professional Advisory**

India has a strong presence of professional financial advisory service providers, which offer individuals and businesses a wide portfolio of services, including [investment](https://www.investindia.gov.in/team-india-blogs/foreign-direct-investments-top-50-countries-india-2014-20) due diligence, M&A advisory, valuation, real-estate consulting, risk consulting, taxation consulting. These offerings are made by a range of providers, including individual domestic consultants to large multi-national organizations

**3. Wealth Management**

Financial services offered within this segment include managing and investing customers’ wealth across various financial instruments- including debt, equity, mutual funds, insurance products, derivatives, structured products, commodities, and real estate, based on the clients’ financial goals, risk profile and time horizons.

**4. Mutual Funds**

Mutual fund service providers offer professional [investment](https://www.investindia.gov.in/team-india-blogs/foreign-direct-investments-top-50-countries-india-2014-20) services across funds that are composed of different asset classes, primarily debt and equity-linked assets. The buy-in for mutual fund solutions is generally lower compared to the stock market and debt products. These products are very popular in India as they generally have lower risks, tax benefits, stable returns and properties of diversification. The mutual funds segment has witnessed double-digit growth in assets under management over the last five years, owing to its popularity as a low-risk wealth multiplier.

**5. Insurance**

Financial services offerings in this segment are primarily offered across two categories:

* General Insurance (automotive, home, medical, fire, travel, etc.)
* Life Insurance (term-life, money-back, unit-linked, pension plans, etc.)

Insurance solutions enable individuals and organizations to safeguard against unforeseen circumstances and accidents. Payouts for these products vary across the nature of the product, time horizons, customer risk assessment, premiums, and several other key qualitative and quantitative aspects. In India, there is a strong presence of insurance providers across life insurance (24) and general insurance (39) categories. The insurance market is regulated by the Insurance Regulatory and Development Authority of India (IRDAI).

**6. Stock Market**

The stock market segment includes [investment](https://www.investindia.gov.in/team-india-blogs/foreign-direct-investments-top-50-countries-india-2014-20) solutions for customers in Indian stock markets (National Stock Exchange and Bombay Stock Exchange), across various equity-linked products. **7. Treasury/Debt Instruments**

Services offered in this segment include [investments](https://www.investindia.gov.in/team-india-blogs/foreign-direct-investments-top-50-countries-india-2014-20) into government and private organization bonds (debt). The issuer of the bonds (borrower) offers fixed payments (interest) and principal repayment to the investor

**8. Tax/Audit Consulting**

This segment includes a large portfolio of financial services within the tax and auditing domain. This services domain can be segmented based on individual and business clients. They include:

* Tax – Individual (determining tax liability, filing tax-returns, tax-savings advisory, etc.)
* Tax – Business (determining tax liability, transfer pricing analysis and structuring, GST registrations, tax compliance advisory, etc.)

9. Capital Restructuring

These services are offered primarily to organizations and involve the restructuring of capital structure (debt and equity) to bolster profitability or respond to crises such as bankruptcy, volatile markets, liquidity crunch or hostile takeovers. The types of financial solutions in this segment typically include structured transactions, lender negotiations, accelerated M&A and capital raising.

10. Portfolio Management

This segment includes a highly specialized and customized range of solutions that enables clients to reach their financial goals through portfolio managers who analyze and optimize investments for clients across a wide range of assets (debt, equity, insurance, real estate, etc.)

Key trends:

Applied AI

While many carriers are experimenting with AI, few have truly scaled their capabilities across the enterprise. As AI becomes more prevalent and algorithm creation becomes commoditized, carriers will be able to more fundamentally reengineer core processes to be more predictive in nature.

Distributed infrastructure

Insurers around the world have significant technology debt, with many core processes weighed down by extensive on- premise legacy technologies. As cloud matures, a rapid shift to the cloud for all core systems will help insurers to be more nimble in launching new products and creating better customer service.

Future of connectivity

In many markets, insurers have begun using telematics to evolve the core auto product. The wider adoption of IOT could usher in a similar reshaping of product in life, health, property, and commercial lines. Increasing the frequency and specificity of data being shared through IOT devices helps customers provide a more accurate view of their needs and insurers better understand

Next-level process automation and virtualization

Insurers have for many years invested in robotic process automation to help automate processes, especially in back-office operations, but emerging technologies will enable carriers to fundamentally rethink product and service. For example, industrial IOT can enable real-time monitoring of equipment to allow for predictive maintenance before claims happen.

Trust architecture

Across lines, insurers handle sensitive customer information, and the ongoing evolution of products and services will require customers to share even more of this information with carriers. New technologies will allow carriers to more effectively manage risk and make use of complex customer data—a critical step in evolving to a “predict and prevent” model of insurance where data is shared more frequently between parties with insurers playing a more active role in claims prevention.

SWOT analysis:

STRENGTHS

High dividend provided

Focusses on CSR activities

Public sector understanding

WEAKNESS

Low lending interest

A decline in net profit

Government of India

OPPORTUNITIES

Equity

Interest rate

Privatization

THREATS

High debt

Currency depreciation

High interest borrowings

CHAPTER-4

DATA ANALYSIS AND INTERPRETTION

TABLE1: SHOWING FIRST YEAR INDIVIDUAL SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 31667.31 | - |
| 2020 | 31137.84 | -1.67 |
| 2021 | 42406.67 | 36.19 |
| 2022 | 41871.81 | -1.26 |

INFERENCE: It is observed from the above table in the year 2019 the premium was amounted ₹ 31667.31 in the year 2020, ₹31137.84 in the year 2021,₹ 42406.67 in the year 2022, ₹41871.81 so individual single premium amount has increased in the year 2021-2022 this indicates that number of individuals have increased and the premium amount also increased.

TABLE2: SHOWING FIRST YEAR NON INDIVIDUAL SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 66015.90 | - |
| 2020 | 70374.70 | 6.60 |
| 2021 | 71417.39 | 1.48 |
| 2022 | 83386.61 | 16.76 |

INFERENCE: It is observed that from the above in the year 2019 the non- individual single premium was amounted ₹ 66015.90 in the year 2020, ₹70374.70 in the year 2021, ₹71417.39 in the year 2022, ₹83386.61 so it states non-individual single premium amount has increased in the year 2021-2022 so this indicates that number of non- individuals have increased and the premium also increase.

TABLE3: SHOWING GROUP SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 108408.72 | - |
| 2020 | 122922.33 | 13.39 |
| 2021 | 151873.84 | 23.55 |
| 2022 | 174969.41 | 15.21 |

INFERENCE: from the above table in the year 2019 the group single premium was amounted ₹108408.72 in the year 2020, ₹122922.33 in the year 2021, ₹ 151873.84 in the year 2022, ₹ 174969.41 that group single premium amount has increased in the year 2021-2022 this indicates that number of group single premium amount increased.

TABLE4: SHOWING GROUP NON SINGLE PREMIUM FORM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 3864.46 | - |
| 2020 | 28107.30 | 627.33 |
| 2021 | 5999.97 | 78.65 |
| 2022 | 5650.45 | -5.83 |

INFERENCE: it is observed from the above table 4 in the year 2019 the group non single premium was amounted ₹ 3864.46 in the year 2020, ₹28107.30 in the year 2021, ₹5999.9 and in the year 2022, ₹ 5650.45.the premium amount as increased in the year 2019-2020 this states that the number of policies/schemes are increased and the premium amount also increased.

TABLE5: SHOWING NUMBER OF POLICIES/SCHEMES FOR INDIVIDUAL SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 1387487 | - |
| 2020 | 1057679 | -23.77 |
| 2021 | 1205889 | -14.0 |
| 2022 | 1289183 | 6.19 |

INFERENCE: it is observed from the above table 5 number of polices/ schemes of individual single premium in the year 2019 was 1387487 and in the year 2020, 1057679 and in the year 2021, 1205889 and in the year 2022, 1289183 the policies schemes as increased in the year 2018-2019 it indicates that the number of policies/schemes are increased and the premium as also increased.

TABLE6: SHOWING NUMBER OF POLICIES/SCHEMES FOR INDIVIDUAL NON SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 27263729 | - |
| 2020 | 27792033 | 1.94 |
| 2021 | 26922420 | 3.12 |
| 2022 | 27825273 | 3.35 |

INFERENCE: from the above table 6 indicates that the number of polices/ schemes of individual non single premium amount was in the year 2019, ₹27263729 and in the year 2020,ͅ₹ 27792033 and in the year 2021,₹ 26922420 and in the year 2022,₹ premium amount also 27825273 in the year 2021-2022 the number of policies has increased and the increased.

TABLE7: SHOWING GROUP OF SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 1729 | - |
| 2020 | 3151 | 82.24 |
| 2021 | 1547 | 50.90 |
| 2022 | 1713 | 10.73 |

INFERENCE: It is observed from the above table 7 group of single premium amount in the year 2019 was ₹ 1729 in the year 2020, ₹3151 in the year 2021, ₹1547 in the year 2022, ₹1713 initially single premium was increased in the year 2019-2020 this indicates and the individuals people are increased are also premium amount was increased.

TABLE8: SHOWING GROUP OF NON SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 3782 | - |
| 2020 | 2896 | -23.43 |
| 2021 | 8715 | -200.9 |
| 2022 | 8162 | -6.35 |

INFERENCE: It is observed from the above table 8 premiums amount in the year 2019, ₹3782 in the year 2020,₹ 2896 and in the year 2021,₹ 8715 in the year 2022, ₹8162 this indicates that the premium was gradually increased in the year 2019-2022 have increased and the premium amount also increased.

TABLE9: NUMBER OF LIVES COVERED UNDER GROUP SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 101945042 | - |
| 2020 | 128352202 | 25.90 |
| 2021 | 96411936 | 24.88 |
| 2022 | 130841435 | 35.71 |

INFERENCE: It is observed from the above table 9 number of lives covered under single individual premium amount in the year 2019 was ₹101945042, in the year 2020, ₹128352202 in the year 2021,₹ 96411936 in the year 2022, ₹130841435 it indicates that number of lives are gradually increased in the year 2019-2022.

TABLE10: NUMBER OF LIVES COVERED UNDER GROUP NON SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 8224000 | - |
| 2020 | 7348713 | -10.64 |
| 2021 | 3547531 | 51.72 |
| 2022 | 4837825 | 36.37 |

INFERENCE: From the above table 10 we observed that the number of lives under non group individual single premium amount in the year 2019, ₹8224000 in the year 2020, ₹ 7348713 in the year 2021, ₹3547531 in the year 2022, ₹ 4837825 it indicates that no. of lives under non individual single premium was increased in the year 2018-2019 initially that number of individuals are increased as well as premium amount are also increased.

TABLE11: SUM ASSURED FOR INDIVIDUAL SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 35437.15 | - |
| 2020 | 297035.26 | -16.09 |
| 2021 | 41331.91 | 86.08 |
| 2022 | 45310.44 | 9.63 |

INFERENCE: It is observed from the above table 11 the premium amount in the year 2019, ₹35437.15 in the year 2020, ₹297035.26 in the year 2021, ₹41331.91 in the year 2022, ₹ 45310.44 indicates that the individual single premium amount has increased in the year 2019-2020 so its stating that number of sum assured for individual increased and the premium amount was also increased.

TABLE 12: SUM ASSURED FOR INDIVIDUAL NON SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 1714213.43 | - |
| 2020 | 1964764.53 | 14.62 |
| 2021 | 1970008.98 | 89.97 |
| 2022 | 2088937.24 | 6.04 |

INFERENCE: It is observed that from the above table 12 premium amount was in the year 2019, ₹1714213.43 in the year 2020, ₹1964764.53 in the year 2021, ₹1970008.98 in the year 2022, ₹2088937.24 stating that the sum assured individual non single premium amount has increased in the year 2021-2022 and the premium amount also increased.

TABLE 13: SUM ASSURED FOR GROUP SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 888067.20 | - |
| 2020 | 1075282.70 | 21.08 |
| 2021 | 974783.34 | 9.34 |
| 2022 | 1279927.43 | 31.30 |

INFERENCE: It is stated that from the above table 12 the premium amount was in the year 2019,₹ 888067.20 in the year 2020, ₹1075282.70 in the year 2021,₹ 974783.34 in the year 2022,₹ 1279927.43 observed that the sum assured group non individual single premium was gradually increased in the year 2022(31.30%).

TABLE 14: SUM ASSURED FOR GROUP NON SINGLE PREMIUM FROM 2019-2022

|  |  |  |
| --- | --- | --- |
| YEAR | PREMIUM | GROWTH |
| 2019 | 125727.64 | - |
| 2020 | 81957.05 | -34.81 |
| 2021 | 127844.29 | 55.98 |
| 2022 | 231710.44 | 81.24 |

INFERENCE: It is observed from the above the table 14 the premium amount was in the year 2019, ₹125727.64 in the year 2020, ₹81957.05 in the year 2021,₹127844.29 in the year 2022, ₹231710.44 it indicates that the sum assured for group non single premium was increased in the year2022 with 81.24%.

CHAPTER-5

Findings/conclusion

**FINDINGS**:

1. The individual single premium was increased in the year 2021-2022.
2. The non- individual single premium gradually increased from 2019-2022with (16.76) percent.
3. The group single premium was also gradually increased from 2019-2022 with the percentage of 15.21%.
4. The group non single premium gradually decreased in 2021-2022 with 5.83%
5. The number of policies/schemes of individual single premium was increased with the percent of 6.19.
6. The number of policies/schemes of non-individual single premium was progressively increased from 2019-2022
7. The group of single premium was gradually decreased from the year 2021-2022 with the percent of 10.73%.
8. The group of non-single premium was augmented in the year 2022 with -6.35%
9. The number of lives covered under group single premium was gradually increased from 2019-2022 with a percent of 35.71
10. The number of lives covered under group single premium was decreased in the year with -10.64% and later it was picked up in the 2021-2022 with the percent of 36.37%
11. The sum assured for individuals single premium was gradually decreased from 2019-2021 with the percent of 8.08% and in the year of 2022 the premium amount was increased with 9.63%
12. The sum assured for non –individual single premium gradually increased from 2019-2022 (6.04%)
13. The sum assured for group single premium was increased in the year 2022 with 31.30%
14. The sum assured for group non single premium was decreased in the year 2020. And later it was increased in the year 2022 with 81.24 % .

**CONCLUSION AND SUGGESTIONS.**

The Covid-19 pandemic and lockdown have impacted almost all the industries and sectors across the world including the insurance sector which has a significant contribution in the country's GDP and economic development. This study is an attempt to know the effect of COVID-19 pandemic and its overall effect on the business of Indian insurance sector and also conducted with the aim of describing the insurance industry performance before Covid-19 and after Covid-19 pandemic in India.

The study is exploratory in nature. In order to conduct the study, the secondary data has been collected from IRDA published data. The study covers various dimensions like First year premium, Sum assured, No. of lives covered under group schemes, No. of policies issued and also make an effort to analyse the overall performance of life insurance company from FY 2019 to FY 2022.

The period of study covered four years from 2019 to 2022. The findings of the study reveals that Covid-19 has adversely affected the life insurance business mainly in term of drop down in sales of new policy, premium income ETC but post covid-19 period shows a favourable affect. To deal with these issues, insurers need to come up with more customer centric innovative solutions which gives multiple benefits to the policyholders. During Covid-19 period, many changing trends has been observed that people get more aware with importance of life insurance plan, significant growth in the demand of health and pure life insurance, increased business of online insurance and more oriented towards customer centric unique solutions .

The insurance companies face liquidity problem in the short run and solvency problem in the long run if the pandemic stays for a long time. No doubt there are many hurdles for insurance companies in present tough times, still this sector can recover from this situation by applying customer centric solutions.

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**ANNEXURE.**

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

NEW BUSINESS STATEMENT OF LIFE INSURERS FOR THE PERIOD ENDED 31ST MARCH, 2019(PREMIUM&ASSURED IN RS.CRORE).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| up to 31st march  2019 | First year premium | Number of policies/schemes | Number of lives covered under group schemes | Sum assured |
| Individual single premium | 31667.31 | 1387487 | 0 | 35437.15 |
| Individual non-single premium | 66015.90 | 27263729 | 0 | 1714213.43 |
| Group single premium | 108408.72 | 1729 | 101945042 | 888067.20 |
| Group non-single premium | 3864.46 | 3782 | 8224000 | 125727.64 |

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

NEW BUSINESS STATEMENT OF LIFE INSURERS FOR THE PERIOD ENDED 31ST MARCH 2020(PREMIUM&SUM ASSURED IN RS CRORE).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Up to 31st march 2020 | First year premium | Number of policies/schemes | Number of lives covered under group schemes | Sum assured |
| Individual single premium | 31137.84 | 1057679 | 0 | 29735.26 |
| Individual non-single premium | 70374 | 27792033 | 0 | 1964764.53 |
| Group single premium | 122922.33 | 3151 | 128352202 | 1075282.70 |
| Group non-single premium | 28107.30 | 2896 | 7348713 | 81957.05 |

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

NEW BUSINESS STATEMENT OF LIFE INSURERS FOR THE PERIOD ENDED 31ST MARCH 2021(PREMIUM&SUM ASSURED IN RS CRORE).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Up to 31st march 2021 | First year premium | Number of policies/schemes | Number of lives covered under group schemes | Sum assured |
| Individual single premium | 42406.67 | 1205889 | 0 | 41331.91 |
| Individual non-single premium | 71417.39 | 26922420 | 0 | 1970008.98 |
| Group single premium | 151873.84 | 1547 | 96411936 | 974783.34 |
| Group non-single premium | 5999.97 | 8715 | 3547531 | 127844.29 |

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

NEW BUSINESS STATEMENT OF LIFE INSURERS FOR THE PERIOD ENDED 31ST MARCH 2022(PREMIUM&SUM ASSURED IN RS CRORE).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Up to 31st march 2022 | First year premium | Number of policies/schemes | Number of lives covered under group schemes | Sum assured |
| Individual single premium | 41871.81 | 1289183 | 0 | 45310.44 |
| Individual non-single premium | 83386.61 | 27825273 | 0 | 2088937.24 |
| Group single premium | 174969.41 | 1713 | 130841435 | 1279927.43 |
| Group non-single premium | 5650.45 | 8162 | 4837825 | 231710.44 |