PERFORMANCE OF PUBLIC AND PRIVATE LIFE INSURANCE COMPANIES IN INDIA: A COMPARATIVE STUDY

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Abstract
India is one of the fastest growing economies of the world. It is now Asia's third largest economy. The insurance industry has contributed in India's growth story in recent years. The contour of insurance business have been changing across the globe and the rippling effect of the same can be observed in the Indian market as well as insurance industry is a growth oriented industry. In India too, the industry has started to reveal the potential after liberalization and privatization of the sector.

Key words: Insurance, Liberalization and Privatization.

Introduction
In India the year 2000 was a landmark year for life insurance industry, in this year the life insurance industry was liberalized after more than fifty year. Insurance sector was once a monopoly, with Public Sector (LIC) as the only company, a public sector enterprise. But now a day the market opened up and there many private players competing in the market. There are twenty four Private life Insurance companies entered in the industry. After the entry of these private players, the market share of Public Sector Life Insurance has been considerably reduced. For the past some year's private players have launched many innovations in the industry in terms of products, market channels and advertisement of products, agent training and customer services.

Objectives
It is no wonder that the re-entry of private insurance has marked a second coming for the sector. In just ten years, the sector has undergone a makeover, offering more choice, better services, quicker settlement, tighter regulation and greater awareness. The environment become more and more competitive and services and products become alike, creating a differentiation is becoming extremely tough.

The objective of the present study is to compare the performance of public and private life insurance companies.

Research Methodology
The research article is based upon descriptive as well as exploratory research. Secondary sources of data collection have been adopted for the study. The relevant and required data are collected from the text books, nationals and internationals articles, as well as annual reports of LIC, Statistical Handbook of Insurance and IRDA.
Results and Discussions

Table 1 indicates that the total life insurance premium of Public sector of India was 56223.56 crore in 2007 and it was increased to 76611.50 crore in 2013. There is instability in the growth rate of Public Sector Life Insurance. It was 21.66 % in 2011 and it was increased to 6.41 % during the year 2013. The total life insurance premium of private insurance companies was 19425.65 crore in 2007 and it was increased to 30749.49 crore in 2013. The growth rate of private insurance companies was reduced from year to year. It was 2.64 % in 2011 and decreased to 4.22 % in 2013. Compared to Public Sector Life Insurance, the growth rate of total premium of private life insurance companies was high. Table 1 shows the details of total insurance premium of public and private insurance companies.

<table>
<thead>
<tr>
<th>Period</th>
<th>Public Sector - Life insurance Premium</th>
<th>Growth Rate</th>
<th>Private Sector Life insurance Premium</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>56223.56</td>
<td>97.17</td>
<td>19425.65</td>
<td>89.16</td>
</tr>
<tr>
<td>2008</td>
<td>59996.57</td>
<td>6.71</td>
<td>33715.95</td>
<td>73.56</td>
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<tr>
<td>2009</td>
<td>53179.08</td>
<td>-11.36</td>
<td>34152.00</td>
<td>1.29</td>
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<tr>
<td>2010</td>
<td>71521.90</td>
<td>34.49</td>
<td>38372.01</td>
<td>12.36</td>
</tr>
<tr>
<td>2011</td>
<td>87012.35</td>
<td>21.66</td>
<td>39385.84</td>
<td>2.64</td>
</tr>
<tr>
<td>2012</td>
<td>81862.25</td>
<td>-5.92</td>
<td>32103.78</td>
<td>-18.49</td>
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<tr>
<td>2013</td>
<td>76611.50</td>
<td>-6.41</td>
<td>30749.58</td>
<td>-4.22</td>
</tr>
<tr>
<td>2014</td>
<td>56223.56</td>
<td>97.17</td>
<td>19425.65</td>
<td>89.16</td>
</tr>
</tbody>
</table>

Source: Annual report of IRDA

Conclusion

The urgent response that is required from the existing public insurers is clear that they must remain competitive by doing thing better and faster, and by ensuring cost effectiveness with performance. Large number of initiatives has been taken by these public sector companies to compete with private sector companies, but still the public sector companies need to reassess their present status after having modified their approach & philosophy in the post-reform period. Today in this liberalized world. The insurance companies have to ensure quality products at a competitive price; Companies can lower the price of the product by product by reducing the cost. Their survival depends upon their performance in profitability, productivity, efficiency and service quality.

References