

Growth of Life Insurance Industry in India

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Abstract: To explore the growth of Life Insurance Industry in India; data of five leading insurance companies of last 10 years were taken on different parameters like number of offices, number of employees, number of agents, number of policies, collection of premium, sum assured and claim settlement ratio on the basis of claim settlement ratio. The secondary data were collected from the official websites of the concerned insurance companies and IRDA. The time series data were analyzed by working out the compound annual growth rate and future projections on the basis of linear trend coefficients.

Keywords: Life Insurance, Growth Rate, Trends, Future Projections

1. Introduction

The growth of life insurance as a tool of family security, synchronized with the growth of affluent families in England during the industrial revolution. As a result of the economic boom brought in by the industrial revolution, the merchants and manufacturers of England became a wealthy, important and influenced section of the community. They enjoyed a standard of living which their families would have found difficult to maintain at the event of their death, unless special provisions were made. To such people, life assurance offered a special attraction as a provider and protector of family financial security.

Insurance as an organizational effort came to India in its present form in 1818, and the first insurance company in India was the Oriental Life Insurance Company, which was started in Calcutta by the Europeans mainly for the benefit of the European Community in India. In the initial years, the Company did not consider Indian lives worthy of underwriting. However, due to the persistent effort of Babu Muttyal Seal, the newly formed Oriental Insurance Company consented to consider lives for underwriting and insurance cover.

2. Review of Literature

Ajit Ranode and Rajeev Abuja (1999)¹⁰ present an overview of the operation of Life Insurance Company in India and identify the strategic issues in liberalization and the entry of private players in insurance. The author brings out the need of private players, enhances efficiency in operation, achieving a greater density and penetration of life Insurance, mobilize long term savings for infrastructure and to bring freedom in investment in order to survive and adapt to the liberalized scenario.

Mittal and Anil Chandnok (2002)¹⁹ attempt to study the impact and perspective of insurance sector before and after privatization. In the pre-scenario privatization, 75% of the business was generated in the months of January, February and March of every year for income-tax saving, while the remaining 25% - of the business was procured in the remaining nine months. In the post-scenario privatization, private companies are likely to target the village population, which is almost untapped. A performance survey regarding the number of policies sold for the year 2001 is analyzed in the selected branches of Life Insurance Company (Ambala city, kurukshetra, karnal branch 1 and 2 in the state of Harayana). The findings of the study were that 85% of the majority of the business in the life insurance sector is from the male segment of the Indian population and only 15% of the female population is insured.

Pradeep Gupta and Sanjay Bhyana (2002)²⁰ discuss the challenges and strategies in the insurance industry in India. An attempt was made to know the market position of different insurance brands and business practices codes given by IRDA to maintain some minimum standard. As per study after liberalization in November 1999, awareness of LIC brand shows 100% as against ICICI prudential awareness 70% followed by HDFC, with 52%. The study of Tapen Sinha states that 312 million middle class consumers in India have enough financial resources, but only 2.5% of the population has insurance coverage and India is the sixth largest market in the world.

A study conducted by Rajesham, Ch. and Rajender, K. (2006)³⁰ article “Changing Scenario of Insurance Sector” Indian Journal of marketing revealed that insurance companies of India are required to come up with multi-benefit policies including tax benefits with quality based timely customer services and need to focus on health insurance which is one of the untapped areas of insurance including services through innovative products, smart marketing and aggressive distribution with internet facility with much individual attention transparency and flexibility to increase the quality and volume of insurance business. Today, the focus is on selling more products to existing customers to improve profitability, therefore customer -focused strategies require an effective CRM ensuring insurance firms monitor the ebb and flow of customer behaviour, giving them a holistic 360-degree view for their customers.

3.Research Methodology

The growth of life insurance industry has been evaluated in terms of number of offices, number of employees, number of agents, number of policies, collection of premium, sum assured and claim settlement ratio of 5 top life insurance companies on the basis of claim settlement ratio. The selected life insurance companies are Life Insurance Company of India, ICICI, Bajaj Allianz, Max Life and HDFC Life. The secondary data were collected from the official websites of the insurance companies, IRDA, etc. The time series data were analyzed by working out the compound annual growth rate and future projections on the basis of linear trend coefficients.

Results and Discussion

Number of Offices

The existing trends and future projections of number of offices of selected life insurance companies have been shown in Table 1.

In case of LIC, the number of offices was 3030 in 2008-09, which increased to 4839 in 2013-14 and further to 11111 in 2017-18. The increase was found to be significant at the growth rate of 19.90 percent compounded annually as indicated by the t-value of 5.88. As far as number of offices of ICICI Life Insurance Company is concerned, it decreased from 2102 in 2008-09 to 521 in 2015-16, which increased to 589 in 2017-18. Overall, there was a significantly decline in number of offices of ICICI Life at the compound growth rate of -14.83 percent per annum as conveyed by the t-value of 5.41.

The number of offices of Bajaj Allianz decreased from 1164 in 2008-09 to 638 in 2016-17 and increased to 710 in the ultimate year of the study. Overall, there was a significant decline in the number of offices of Bajaj Allianz at the rate of -7.06 percent compounded annually as indicated by the t-value of 8.81. Similarly, in case of Max Life, the number of offices decreased from 705 in 2008-09 to 215 in 2014-15 and increased to 288 in 2017-18. The decline was significant at the rate of -12.36 percent compounded annually as conveyed by the t-value of 5.60. In case of HDFC Life, the number of offices decreased from 609 in 2008-09 to 398 in 2015-16 and increased to 472 in 2017-18. There was a significant decline in the number of offices of HDFC Life at the compound growth rate of -3.64 as indicated by the t-value of 3.87.

Table 1: Trends in number of offices of different life insurance companies

Year	LIC	ICICI	Bajaj Allianz	Max Life	HDFC Life
2008-09	3030	2102	1164	705	609
2009-10	3250	1921	1151	705	568
2010-11	3371	1402	1092	504	498
2011-12	3455	990	1044	464	481
2012-13	3526	557	992	288	450
2013-14	4839	557	759	300	429
2014-15	11030	557	750	215	414
2015-16	11071	521	697	222	398
2016-17	10955	582	638	247	414
2017-18	11111	589	710	288	472
Average	6563.80	977.80	899.70	393.80	473.30

C.V.	59.17	62.69	23.05	48.25	14.65
C.G.R.	19.90	-14.83	-7.06	-12.36	-3.64
t-value	5.88**	5.41**	8.81**	5.60**	3.87**
Trend Coefficients					
A	257.07	1934.27	1258.60	297.27	574.40
B	1146.68	-173.90	-65.25	-55.18	-18.38
Future Projection					
2025-26	19750.63	-1022.03	149.35	-640.79	261.94
% change over 2017-18					
2025-26	77.76	-273.52	-78.96	-322.50	-44.50

Keeping in view the trend coefficients, the number of offices of LIC India would increase to 19751 in 2025-26 i.e. an increase of 77.76 percent over 2017-18. On the other hand, the number of offices of all other Life Insurance Companies would further decline in the near future as indicated by the negative growth. Therefore, it is a matter of serious concern for the private sector life insurance companies.

3.1 Number of Employees

The number of employees in the selected life insurance companies has been shown in Table 2.

Table 2: Trends in number of employees in different life insurance companies

Year	LIC	ICICI	Bajaj Allianz	Max Life	HDFC Life
2008-09	114916	24400	2590	3500	14506
2009-10	115966	26900	3880	5600	14937
2010-11	115962	15600	3700	6570	15100
2011-12	119767	14500	3570	7844	13827
2012-13	116711	13600	4020	7970	15124
2013-14	120388	12850	3450	6720	13980
2014-15	249221	10900	2010	7380	15254
2015-16	247541	10663	2050	6540	14220
2016-17	249794	12400	2890	6400	14800
2017-18	265767	15780	3360	7300	17600
Average	171603.30	15759.30	3152.00	6582.40	14934.80
C.V.	40.98	35.04	23.15	19.74	7.10

C.G.R.	12.16	-7.10	-2.72	4.44	0.97
t-value	4.80**	3.02*	1.00	1.83	1.35
Trend Coefficients					
A	60123.71	22936.68	3602.00	5348.80	14080.75
B	20269.03	-1304.87	-81.82	224.29	155.300
Future Projection					
2025-26	404697.22	753.94	2211.06	9161.73	16720.85
% change over 2017-18					
2025-26	52.28	-95.22	-34.19	25.50	-5.00

There were 114916 employees of LIC during 2008-09, which increased to 119767 during 2011-12 and decreased to 116711 in the next year. It again increased to 265767 during 2017-18. The increase in the number of employees in LIC was found to be significant at the growth rate of 12.16 percent compounded annually. On the other hand, the number of employees was 24400 in ICICI Life in 2008-09, which increased to 26900 in the next year and decreased to 10663 in 2015-16. Then it increased to 15780 in 2017-18 but could not fetch the height that during 2008-09 and 2009-10. Overall there was a decline at the compound growth rate of -7.10, which was significant as indicated by the t-value of 3.02.

In Bajaj Allianz, Max Life and HDFC Life, there remained, by and large, stagnation during the period of the study as the respective growth rates, either positive or negative, were non-significant. However, the number of employees was highest in LIC, followed by ICICI Life and HDFC Life. The number of employees was lowest in Bajaj Allianz, followed by Max Life.

Keeping in view the trend coefficients, the number of employees in LIC would increase to 404697 in 2025-26, which would be 52.28 percent higher than that in 2017-18. On the other hand, the number of employees would decrease only to 754, a decrease of 75.22 percent than 2017-18. In Bajaj Allianz and HDFC Life there would be a decline in number of employees in future. However, number of employees in Max Life would further increase in the future.

3.2 Number of Agents

The data and analysis of number of agents in different life insurance companies have been presented in Table 3.

Table 3: Trends in number of agents in different life insurance companies

Year	LIC	ICICI	Bajaj Allianz	Max Life	HDFC Life
2008-09	1344856	29040	38572	38100	206753
2009-10	1402807	28893	48605	41806	197688
2010-11	1337064	21109	58163	46300	112000
2011-12	1278234	26091	63905	44350	106000
2012-13	1172983	23597	66387	42580	182400
2013-14	1195916	21250	72785	42620	75429
2014-15	2067856	22100	81716	43505	117000
2015-16	2016565	20685	92161	45275	174850
2016-17	2088519	20174	89975	54283	54516
2017-18	2082668	20898	87097	54791	102000
Average	1598746.80	23383.70	69936.60	45361.00	132863.60
C.V.	25.42	14.60	25.94	11.72	40.20
C.G.R.	6.40	-3.68	9.37	3.03	-7.99
t-value	3.12	4.02**	8.20**	3.71**	2.06
Trend Coefficients					
A	1024426.92	28415.09	38072.33	37708.56	189687.03
B	104421.83	-913.64	5794.76	1393.56	-10331.52
Future Projection					
2025-26	2799598.03	12883.21	136583.25	61399.08	14051.19
% change over 2017-18					
2025-26	34.42	-38.35	56.82	12.06	-86.22

There were 1344856 agents of LIC during 2008-09, which increased to 1402807 during the next year and decreased to 1172983 in 2012-13. It again increased to 2082668 during 2017-18. The increase in the number of agents in LIC was found to be significant at the growth rate of 6.40 percent compounded annually. On the other hand, the number of employees was 29040 in ICICI Life in 2008-09, which decreased to 21109 in 2010-11 and increased to 26091 in the next year. Then it decreased to 20898 in 2017-18. Overall there was a decline at the compound growth rate of -3.68, which was significant as indicated by the t-value of 4.02.

In Bajaj Allianz, number of agents was 38572 in 2008-09, which consistently increased to 92161 in 2015-16 but decreased to 87097 in 2017-18. Overall, there was a significant increase in number of agents in Bajaj Allianz at the rate of 9.37 percent compounded annually. Similarly, in Max Life, number of agents increased from 38100 in 2008-09 to 46300 in 2010-11 and further to 54791 in 2017-18 after meeting some downfalls. The number agents in Max Life increased at the compound growth rate of 3.03 percent per annum, which was found to be significant as indicated by the t-value of 3.71. In HDFC Life, number of agents fluctuated between 54516 in 2016-17 to 206753 in 2008-09. These fluctuations resulted in the negative growth rate but turned to be insignificant due to the instability in number of agents. The number of agents was highest in LIC, followed by HDFC Life and Bajaj Allianz. The number of agents was lowest in ICICI, followed by Max Life.

Keeping in view the trend coefficients, the number of agents in LIC would increase to 2799598 in 2025-26, which would be 34.42 percent higher than that in 2017-18. On the other hand, the number of agents would decrease to 12883, a decrease of 38.35 percent than 2017-18. In Bajaj Allianz and Max Life there would be an increase in number of agents in future. However, number of agents in HDFC Life would decrease in the future.

3.3 Number of Policies

The trends in number of policies in different life insurance companies have been shown in Table 4. There were 39300 thousand policies in LIC during 2008-09, which decreased to 30500 thousand in the next year and increased to 36300 thousand in 2012-13. Then it decreased to 20700 thousand in 2017-18. The decrease in the number of policies in LIC was found to be significant at the growth rate of -7.19 percent compounded annually. Similarly was the case with ICICI and HDFC Life. In ICICI, the number of policies decreased from 2638 thousand in 2008-09 to 569 thousand in 2017-18. It declined at the compound growth rate of -15.91 percent per annum, which came to be significant as conveyed by the t-value of 10.85. In HDFC Life, the number of policies decreased from 970 thousand in 2008-09 to 359 thousand in 2017-18. It declined at the compound growth rate of -10.64 percent per annum, which came to be significant as conveyed by the t-value of 2.84. On the other hand, the number of policies increased from 1380 thousand in 2008-09 to 2370 thousand in 2017-18 in Bajaj Allianz. The increase was significant at the rate of 11.74 percent compounded annually.

Table 4: Trends in number of policies in different life insurance companies ('000)

Year	LIC	ICICI	Bajaj Allianz	Max Life	HDFC Life
2008-09	39300	2638	1380	2732	970
2009-10	30500	1762	1000	2895	1950
2010-11	31400	1351	1510	3443	830
2011-12	34600	1029	1020	3642	815
2012-13	36300	960	1780	3588	604
2013-14	34200	872	2830	3629	883
2014-15	19900	639	3910	3672	715
2015-16	22200	580	2960	3760	1150
2016-17	19600	485	2220	3912	392
2017-18	20700	569	2370	4085	359
Average	28870.00	1088.50	2098.00	3535.80	866.80
C.V.	26.12	61.89	44.89	11.92	52.22
C.G.R.	-7.19	-15.91	11.74	3.83	-10.64
t-value	4.28**	10.85**	2.86*	5.65**	2.84*
Trend Coefficients					
A	40067.53	2177.60	950.67	2835.40	1361.00
B	-2035.74	-198.02	208.61	127.35	-89.85
Future Projection					
2025-26	5459.90	-	4497.04	5000.35	-166.45
% change over 2017-18					
2025-26	-73.62	-308.92	89.75	22.41	-146.36

Similarly in Max Life, the number of policies increased from 2732 thousand in 2008-09 to 4085 thousand in 2017-18. The increase was significant at the rate of 3.83 percent compounded annually. On the average, highest number of policies was 28870 thousand in LIC, followed by 3535 thousand in Max Life. The lowest number of policies was 867thousand in HDFC Life, followed by 1089 thousands in ICICI Life and 2098 thousand in Bajaj Allianz.

Keeping in view the trend coefficients, the number of policies in LIC would decrease to 5459 thousands in 2025-26, which would be 73.62 percent lower than that in 2017-18. Similarly, in ICICI and

HDFC Life, number of policies would decrease in future. It would decline to zero in 2018-19 and in HDFC Life it would decline to zero in 2023-24. On the other hand, the number of policies would increase to 4497thousands, an increase of 89.75 percent than 2017-18 in Bajaj Allianz and in Max Life there would be an increase of 22.41 percent in number of policies in 2025-26.

Number of policies is on the decline in LIC, ICICI and HDFC Life, which may put a big question on the existence of life insurance companies, particularly of ICICI and HDFC Life, where number of policies is predicted to be at zero level in 2018-19 and 2023-24 respectively. As far as the decline in number of policies in LIC is concerned, it may be due to severe competition from private sector insurance company. In case of ICICI Life and HDFC Life, it seems due to the severe competition intra private sector. In both the cases, the concerned life insurance companies need to review and reframe competitive and customer-friendly insurance policies.

3.4 Premium Collection

The trends in premium collected by different life insurance companies have been given in Table 5.

Table 5: Trends in premium collected by different life insurance companies (crore)

Year	LIC	ICICI	Bajaj Allianz	Max Life	HDFC Life
2008-09	13791.81	1535.60	1062.52	3857.26	1360.16
2009-10	18933.96	6333.92	1141.71	4860.54	2027.69
2010-11	21256.38	7862.13	960.95	5812.63	2706.00
2011-12	28687.37	4441.00	748.80	6390.53	2748.00
2012-13	27905.85	4808.62	689.70	6638.70	3294.56
2013-14	27010.36	11685.56	584.14	7278.54	2545.78
2014-15	19432.44	14503.30	270.20	7279.00	2928.85
2015-16	22105.97	19164.52	288.50	8172.30	3296.46
2016-17	24532.43	22354.26	683.31	9216.25	3636.52
2017-18	27579.78	27069.33	923.24	10780.89	4754.12
Average	23123.64	11975.82	735.31	7028.66	2929.81
C.V.	21.07	71.48	40.60	28.88	31.37
C.G.R.	4.36	30.20	-8.19	10.13	10.36
t-value	1.87	5.19**	1.76	11.37**	4.96**
Trend Coefficients					
a	18499.75	2223.91	1047.50	3431.79	1444.70

b	841.63	2639.53	-56.76	653.98	270.02
Future Projection					
2025-26	32807.46	47095.92	82.58	14549.45	6035.04
% change over 2017-18					
2025-26	18.95	73.98	-91.06	34.96	26.94

A perusal of Table 5 indicated that collection of premium was of the order of Rs. 13791.81 crore in 2008-09 in LIC, which increased to Rs. 28687.37 crore in 2011-12 and decreased to Rs. 19432.44 crore in 2014-15. It again increased to Rs. 27579.78 crore in 2017-18. These ups and downs turned the positive growth rate of 4.36 percent to be non-significant. In ICICI, premium collected was Rs. 1535.60 crore in 2008-09, which increased to Rs. 7862.13 crore in 2010-11 and decreased to Rs. 4441.00 crore in the next year. However, it again increased to Rs. 27069.33 crore in 2017-18. Premium collected increased at the compound growth rate of 30.20 percent per annum, which was found to be significant as indicated by the t-value of 5.19.

In Bajaj Allianz, premium collected was Rs. 1062.52 crore in 2008-09, which increased to Rs. 1141.71 crore in the next year decreased to Rs. 270.20 crore in the 2014-15. It again increased to Rs. 923.24 crore in 2017-18. These ups and downs turned the negative growth rate of -8.19 to be non-significant as conveyed by the t-value of 1.76. The high coefficient of variation i.e. 40.60 percent also was indicative of high instability of premium collected during the period of study.

In Max Life, the collection of premium was of the order of Rs. 3857.26 crore in 2008-09, which consistently increased to Rs. 10780.89 crore in 2017-18. The increase at the rate of 10.13 percent compounded annually was significant as indicated by the t-value of 11.37. Similarly, in HDFC Life, the collection of premium was of the order of Rs. 1360.16 crore in 2008-09, which consistently increased to Rs. 4754.12 crore in 2017-18. The increase at the rate of 10.36 percent compounded annually was significant as indicated by the t-value of 4.96.

Keeping in view the trend coefficients, the number of premium collection in LIC would increase to Rs. 32807.46 crore in 2025-26, which would be 18.95 percent higher than that in 2017-18. Similarly, the premium collection would increase in future in ICICI, Max Life and HDFC Life. It would increase to Rs. 47095.92 crore i.e. an increase of 73.98 percent over 2017-18 in ICICI, Rs. 14549.45 crore i.e. an increase of 34.96 percent over 2017-18 in Max Life and Rs. 6035.04 crore i.e. an increase of 26.94 percent over 2017-18 in HDFC Life. On the other hand, the premium collection would decrease to Rs. 82.58 crore, a decrease of 91.06 percent than 2017-18 in Bajaj Allianz.

On the average premium collection was highest of the order of Rs. 23123.64 crore in LIC, followed by Rs. 11975.82 crore in ICICI and Rs. 7028.66 crore in Max Life. It was lowest to the tune of Rs. 735.31 crore in Bajaj Allianz, followed by Rs. 2929.81 crore in HDFC Life. The performance of Bajaj Allianz is poor in case of premium collection and it seems to be in contradiction with the number of policies. The reason may be majority of policies with low premium. The company should review its plans and get the low collection of premium corrected.

3.5 Sum Assured

The trends in sum assured in different life insurance companies have been presented in Table 6.

Table 6: Trends in sum assured in different life insurance companies (crore)

Year	LIC	ICICI	Bajaj Allianz	Max Life	HDFC Life
2008-09	363601.83	187902.51	18790.02	14998.63	57518.00
2009-10	397157.64	183756.60	18375.70	15522.70	72610.00
2010-11	444031.90	173764.43	17376.44	18871.46	98917.00
2011-12	497229.06	241686.00	20829.90	17230.59	63112.03
2012-13	508458.40	275771.33	27577.10	19817.52	59710.00
2013-14	557701.43	268280.54	30206.80	19966.60	72697.00
2014-15	408679.65	306531.17	11953.40	22501.50	52285.00
2015-16	453545.36	254617.89	15462.50	27163.30	50830.00
2016-17	472947.11	244719.56	13057.24	37757.20	40563.00
2017-18	532897.48	334093.55	18263.06	51154.10	57735.00
Average	463624.99	247112.36	19189.22	24498.36	62597.70
C.V.	13.41	21.48	30.25	47.04	25.59
C.G.R.	2.62	6.11	-2.87	12.81	-4.58
t-value	1.96	3.82**	0.91	6.32**	2.10
Trend Coefficients					
A	400780.27	169320.03	21707.32	6549.63	78674.53
B	11426.30	14144.12	-457.82	3263.44	-2923.14
Future Projection					
2025-26	595027.39	409770.07	13924.38	62028.11	28981.15
% change over 2017-18					
2025-26	11.66	22.65	-23.76	21.26	-49.80

Analysis given in Table 6 indicated that sum assured was of the order of Rs. 363601.83 crore in 2008-09 in LIC, which increased to Rs. 557701.43 crore in 2013-14 and decreased to Rs. 408679.65 crore in 2014-15. It again increased to Rs. 532897.48 crore in 2017-18. These ups and downs turned the positive growth rate of 2.62 percent to be non-significant. In ICICI, sum assured was Rs. 187902.51 crore in 2008-09, which increased to Rs. 306531.17 crore in 2014-15 and further to Rs. 334093.55 crore in 2017-18. Sum assured increased at the compound growth rate of 6.11 percent per annum, which was found to be significant as indicated by the t-value of 3.82.

In Bajaj Allianz, sum assured was Rs. 18790.02 crore in 2008-09, which decreased to Rs. 17376.44 crore in 2010-11 and increased to Rs. 30206.80 crore in the 2013-14. It again decreased to Rs. 13057.24 crore in 2016-17 and increased to Rs. 18263.06 crore in the terminal year of the study. These ups and downs turned the negative growth rate of -2.87 to be non-significant as conveyed by the t-value of 0.91. The high coefficient of variation i.e. 30.25 percent also was indicative of high instability of sum assured during the period of study.

In Max Life, the sum assured was of the order of Rs. 14998.63 crore in 2008-09, which consistently increased to Rs. 51154.10 crore in 2017-18. The increase at the rate of 12.81 percent compounded annually was significant as indicated by the t-value of 6.32. In HDFC Life, the sum assured was of the order of Rs. 57518.00 crore in 2008-09, which increased to Rs. 98917.00 crore in 2010-11 and decreased to Rs. 59710.00 crore in 2012-13. It again increased to Rs. 72697.00 crore in the next year and decreased to Rs. 40563.00 crore in 2016-17. In the year 2017-18, it increased to Rs. 57735.00 crore. These ups and downs turned the negative growth rate of -4.58 to be non-significant as conveyed by the t-value of 2.10.

Keeping in view the trend coefficients, the sum assured in LIC would increase to Rs. 595027.37 crore in 2025-26, which would be 11.66 percent higher than that in 2017-18. Similarly, the sum assured would increase in future in ICICI and Max Life. It would increase to Rs. 409770.07 crore i.e. an increase of 22.65 percent over 2017-18 in ICICI and Rs. 62028.11 crore i.e. an increase of 21.26 percent over 2017-18 in Max Life. On the other hand, the sum assured would decrease to Rs. 13924.38 crore, a decrease of 23.76 percent than 2017-18 in Bajaj Allianz and Rs. 28981.15 crore, a decrease of 49.80 percent in HDFC Life.

On the average sum assured was highest of the order of Rs. 463624.99 crore in LIC, followed by Rs. 247112.36 crore in ICICI and Rs. 62597.70 crore in HDFC Life. It was lowest to the tune of Rs. 19189.22 crore in Bajaj Allianz, followed by Rs. 24498.36 crore in MaxLife. The performance of Bajaj

Allianz is again poor in case of sum assured and it seems to be in correspondence with the premium collection.

3.6 Claim Settlement Ratio

The claim settlement ratio of different life insurance companies has been given in Table 7.

Table 7: Trends in claim settlement ratio of different life insurance companies (%)

Year	LIC	ICICI	Bajaj Allianz	Max Life	HDFC Life
2008-09	96.00	94.00	87.00	79.00	96.00
2009-10	96.00	96.00	88.00	77.00	95.00
2010-11	97.00	95.00	89.00	78.00	95.00
2011-12	97.00	97.00	91.00	90.00	96.00
2012-13	98.00	96.00	89.00	94.00	96.00
2013-14	98.00	94.00	91.00	94.00	94.00
2014-15	98.00	94.00	96.40	96.00	91.00
2015-16	98.00	96.00	98.10	97.00	95.00
2016-17	98.00	97.00	99.20	98.00	98.00
2017-18	98.00	98.00	99.00	98.26	95.50
Average	97.40	95.70	92.77	90.13	95.15
C.V.	0.87	1.48	5.24	9.67	1.89
C.G.R.	0.25	0.23	1.64	3.04	-0.01
t-value	4.99**	1.53	8.18**	5.91**	0.03
Trend Coefficients					
a	96.07	94.47	84.43	75.68	95.17
b	0.24	0.22	1.52	2.63	-0.003
Future Projection					
2025-26	100.15	98.21	110.27	120.39	95.12

The information given in Table 7 showed that in LIC, claim settlement ratio was 96.00 percent in 2008-09, which increased to 98.00 percent up to 2017-18. The increase in claim settlement ratio at the rate of 0.25 percent compounded annually, which was significant as indicated by the t-value of 4.99. Similar was the trend in claim settlement ratio in Bajaj Allianz and Max Life. The claim settlement ratio in Bajaj Allianz increased from 87.00 percent in 2008-09 to 99.00 percent in 2017-18 at the compound

growth rate of 1.64 percent per annum, which was found to be significant as conveyed by the t-value of 8.18. In case of Max Life the claim settlement ratio increased significantly from 79.00 percent in 2008-09 to 98.26 percent in 2017-18 at the rate of 3.04 percent compounded annually.

In ICICI Life, the claim settlement ratio ranged many ups and downs. It ranged from 94.00 percent in 2008-19, 2013-14 and 2014-15 to 98.00 percent in 2017-18. The t-value of 1.53 revealed that the claim ratio remained stagnant throughout the period of the study in ICICI. Similarly, in HDFC Life, the claim settlement ratio ranged from 91.00 percent in 2014-15 to 98.00 percent in 2016-17. However, it was 96.00 percent in the initial year and 95.50 percent in the terminal year. The t-value of 0.03 pointed towards the stagnation in claim settlement ratio in HDFC Life.

As per the trend coefficients, the claim settlement ratio would increase to 100 percent in 2025-26 in LIC, Bajaj Allianz and Max Life and 98 percent in ICIC, while it would remain at 95 percent in HDFC Life. On the average, the claim settlement ratio was highest of the order of 97.40 percent in LIC, 95.70 percent in ICICI Life and 95.15 percent in HDFC Life. It was lowest to the tune of 90.13 percent in Max Life, followed by 92.77 percent in Bajaj Allianz.

4. Conclusions and Recommendations

Overall, LIC of India performance remained satisfactory in all the aspects of growth, except a decline in number of policies. LIC of India should review and reframe its products, terms & conditions. In case of ICICI, the situation was not very satisfactory. Its offices, employees, agents and number of policies are on the decline. In other words, the employment in ICICI Life is on the decline and without office and staff strength insurance company cannot survive. Bajaj Allianz could perform satisfactorily only in terms of number of agents and number of policies as these two has the direct relationship with each other. Its offices are on the significant decline. There was stagnation in sum assured and premium collection. Bajaj Allianz needs to review its premium policies and reformulate the same in order to strengthen sum assured, because collection of premium and sum assured have positive correlation with each other.

Max Life performed satisfactorily in all the aspects of growth, except in number of offices and number of employees. However, its number of agents and number of policies have increased significantly, which are positively correlated. This revealed that Max Life shifted the work of employees to the agents. The company also performed satisfactorily in premium collection and sum assured as these are the outcome of nature of policies. HDFC Life could not perform well in any aspect. It witnessed either

stagnation or decline. Its policies are going to cease in the near future. It pointed to the risk of existence of the company. Therefore, HDFC Life should take the situation seriously.

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