

GROWTH ANALYSIS OF SELECT PRIVATE LIFE INSURANCE COMPANIES IN INDIA

Mrs.R.Amsaveni Assistant Professor, Department of Commerce (Finance) Nallamuthu Gounder Mahaligam College, Pollachi.

Dr.M.Chithirai Selvan Assistant Professor, PG & Research Department of Commerce, Nallamuthu Gounder Mahaligam College, Pollachi.

Abstract

The present study investigates the growth performance of the selected private sector life insurance companies in India. Research design adopted in this study is both analytical and descriptive in nature. For this purpose, top ten private life insurance companies have been selected for a period of ten years starting from 2007-08 to 2018-19. Growth of the private Life insurance companies has acquired from the major five variables like insurance penetration, insurance density, total premium income, total income and paid up capital. These variables are employed with the statistical tools like Mean, SD, Co-efficient of Variation (CV), Annual Growth Rate (AGR) and 't' test. The results showed while analyzing the Insurance Penetration that BAL life insurance has the highest significant growth than other life insurance companies. Also, the maximum significant growth is achieved by HDFC in case of Insurance Density and Total premium income among the selected life insurance companies. ING vysya has high significant growth while focusing the Total income and Paid up Capital.

Keywords : Growth, Private Life Insurance, Insurance Penetration, Insurance Density,

Received 01 August 2021, Accepted 17 August 2021, Published 31 August 2021
Correspondence Author: R.Amsaveni

Introduction

Insurance sector has been playing a vital role within the financial system and also performs significant socio-economic function, making inroads in to the interior of the Indian economy. It also has been facilitating economic development with an objective to build an efficient, effective and a stable insurable business in India as well as a strong base to cater to the needs of both the real economy and socio-economic objectives of the country. According to Rathnavathi and Udayachandra (2020), 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 insurers have launched many innovations in the industry in terms of products, market channels and advertisement of products, agent training and customer services. In the post liberalization era, the life insurance sector of India witnessed a significant growth as there is healthy competition from many domestic as well as foreign private insurers. There is tremendous growth potential for life insurance sector in India as we have huge population and still the Indian life insurance market is untapped. Further, it indicates the growth prospects and a huge potential for life insurance business in the country.

Review of Literature

Insurance has become an essential financial instrument today. But still, it is restricted to certain class. Though with time, the growth of life insurance has increased. To make this clearer, certain existing studies have been gone through intensively. The concluding parts of those studies are explained below. Rao (1999) reviewed the main objectives of nationalization (1956) of Indian life insurance sector. It was to provide insurance coverage to every sections of the society. This study confirmed its low contribution and pointed out a certain huge potential in near future. Further, this study showed that life insurance business is an important tool for channelizing the savings of people to national development programs.