A Review Of Literature On Life Insurance In India

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Abstract

The concept of review is to revisit the previous work done on a subject to enhance learning and give a deeper insight to the researcher on the current study. The review of literature not only presents the facts but also leads into various issues and future work which can be done to enhance the subject of research. So in this direction this research tries to systematically review important available literature on life insurance. Since life insurance is a vital risk tool to mitigate the extreme events in life cycle of an individual in terms of economic value. This study tries to highlight various elements of life insurance concept which will benefit to people at large and can also contribute to the insurance sector in terms of growth.

Keywords: life Insurance, distribution, lapsation, FDI

Introduction

Life insurance concept is very old & deep rooted in the history of India. In the ancient Vedic times, a mention of insurance concept can be traced in the writings of Manu who has written manusmrithi & also even in dharmashastra book which was a common man guide for day to day value based living. Insurance concept in the past existed as a tool to re- distributes vital recourses in times of natural calamities. But as time evolved insurance concept also underwent evolution in terms of product, which was developed and modified by human race from time to time as a tool to counter the various risk faced by human beings in their life time. This research tries to collect and review few important research articles on life insurance concept in India in terms of product innovation, market growth, costumer's service and other vital elements revolving around insurance concept. This study is based on the facts and findings of various articles which were selected for review for the purpose of bring out the important facts about life insurance concept, few of the statements are taken as it is to maintain the originality of the research articles under review and few of the statement are written by the author in own words to draw logical statements.

Research on Life Insurance

The research literature on Life Insurance is vast and covers a number of dimensions. The following section provides a brief summary of research in different areas of life insurance research.

Dr. P.K. Gupta (2000), in the article named "Exploring Rural markets for Private Life Insurance Players in India" has tried to examine the present state of affairs of rural life insurance in India and attempts to explore the causes, which led to poor penetration of rural life insurance markets for which a survey of 2000 sample of rural customers was been conducted to examine their perception and attitude towards buying life insurance products. The study bought out interesting facts to lights like rural households with head of the family more educated but with less family income are more likely to purchase a life insurance policy than those with better social security but lesser education & rural customers consider safety of invested funds as the most important factor in buying a life insurance followed by claims settlement and assistance in policy purchases. On the distribution side the research stated that a firm belief among the insurance companies is that agents are best suited for tapping the rural segments. But the research concluded that the keys to success in insurance penetration in rural areas for private players are accessibility, reasonably priced products, effective communication and after-sales service.

Alok Mittal and Akash Kumar (2003), in their study "An Exploratory Study of Factors Affecting Selection of Life Insurance Products" have attempted to identify the factors which are affecting the consumers in taking into consideration before selecting a life insurance product and determining the extent to which these factors are taken into consideration for choosing life insurance products. The study highlighted that consumers take into consideration factors like product attributes, customer delight, payment mode, product flexibility, risk coverage, grace period, professional advisor, and maturity period as important before making a decision on selection of a life insurance product but most important factors which are of vital importance was product attributes, and the least important was maturity period.

William H.Greene, and Dan Segal (2004), in their research "Profitability and Efficiency in the U.S. Life Insurance Industry" have discussed the relationship between cost inefficiency and profitability in the U.S. life insurance industry. The life insurance industry is mature and highly competitive, and cost efficiency may be the main driver of profitability. The authors derive cost efficiency using the stochastic frontier (SF) method allowing the mean inefficiency to vary with organizational form and the outputs. In addition, the estimation of the cost efficiency measure takes into account the underlying accounting concepts. This study suggests that cost inefficiency in the life insurance industry is substantial relative to earnings, and that inefficiency is negatively associated with profitability measures such as the return on equity.

T.Venkateswara Rao (2004), presented a paper titled "Alternative Distribution Channels in India" in Global Conference of Actuaries. This research points out that a distribution channel means a set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer by creating place utility & the value of having the products where the customer wants them, when they want them. The research said that in Distribution in Life Insurance requires the intermediaries. The current insurance market depends heavily on Individual Agency channel but it concluded that Alternative distribution channels can give competitive edge for the Insurers, a statistics of Alternative Distribution channels of LIC suggest that corporate agencies including banks are garnering 82% and the rest 18% is coming from Brokers & Over time bancassurance may get at least 20% distribution share in life insurance market.

Sinha and Tapen (2005), in their research article "The Indian Insurance Industry: Challenges and Prospects" have stated that India is among the most promising emerging insurance markets in the world. But out of total insurance premium market in India particularly life insurance currently makes up 80% of premiums. The research also highlighted that when India undertook to open the domestic insurance market to private-sector and foreign companies since then, 13 private life insurers and eight general insurers have joined the Indian market. But speaking about major hurdles this research spoke on the obsolete regulations on insurance prices which have to be replaced by risk-differentiated pricing structures. . Furthermore it said that both the life and non-life insurance sectors would benefit from less invasive regulations. The author also suggested that Price liberalisation will be needed to improve underwriting efficiency and risk management and the Private insurers will have a key role to play in serving the large number of informal sector workers.

Marco Arena [The World Bank] (2006), in the article – "Does Insurance Market Activity Promote Economic Growth? A Cross-Country Study for Industrialized and Developing Countries" has stated that during the last decade, there has been faster growth in insurance market activity, particularly in emerging markets given the process of liberalization and financial integration, which raises questions about its impact on economic growth. So this research tried to systematic ally assess the impact of insurance market activity (life and non-life insurance) on economic growth. To accomplish this task this research used measures of insurance premiums as a proxy of insurance activity for a set of 56 countries over the 1976-2004 period. Based on research the paper has concluded that there is a causal relationship of insurance market activity on economic growth& both life and non-life insurance premiums have a positive and significant effect on economic growth. But in the case of life insurance, its impact on economic growth is driven by high-income countries only ,On the other hand, in the case of non-life insurance, its impact is driven by both high-income and developing (middle and low income) countries.

Rajni M. Shah (2007), Paper Presented at the C.D.Deshmukh Seminar on "Creating Consumer Awareness in Life Insurance" has analysed as how to harness huge untapped market potential for life insurance to the benefit of vast rural and semi urban populace. The paper has quoted the famous line - "customer is business, business is people, people are customers" in context of consumer awareness. The paper emphasises that Consumer awareness will provide a new frame of reference for value creation as also an opportunity for innovation and also have emphasised on campaigns to educate rural and semi urban masses on the need for security that protects their livelihood, security for produce and belongings and create feel-good feeling. In summary it states that a new phenomenon will emerge where Market dynamics will rule and unfold a stage through a process of evolution by co-creating unique value with customers will merge as expounded by Prof. C.K. Prahalad in his later path-breaking Title " The Future of Competition : Co-creating Unique Value with Customers".

Tamzid Ahmed Chowdhury and Masud Ibn Rahman (2007), in the article, "Problems and Strategies in Service Marketing: Bangladesh Perspective", present a conceptual framework of the problems and strategies in services marketing that derive from five unique characteristics of services. The framework is based on a review of the growing body of literature in services marketing. The article also reports the findings from a survey of service firms concerning problems they face and strategies they use. A combination of theoretical aspects and survey results in one article affords the opportunity to make a bridge between the empirical practices and theoretical aspects.

Subir Sen (2008), in his article "An Analysis of Life Insurance Demand Determinants for Selected Asian Economies and India" has tried to understand economic and other socio-political variables, which may play a significant role in explaining the life insurance consumption pattern in Greater China Region and six ASEAN countries for the 11- year period 1994-2004 and also tried to re-assess whether or not the variables best explaining life insurance consumption pattern for twelve selected Asian economies in the panel are significant for India for the period 1965 to 2004. This research has highlighted that in India the economic variables such as income, savings, prices of insurance product, inflation and interest rates & demographic variables like dependency ratio, life expectancy at birth, crude death rate and urbanization are few significant determinants which effect the insurance consumption.

Lavanya Vedagiri Rao (2008) in article, "Innovation and New Service Development in Select Private Life Insurance Companies in India" try to examine how service firms actually innovate by interviewing Zonal managers of select 10 private life insurance companies in India. The research stated that Private Life Insurance organizations use systematic procedures in the areas of New Service Development (NSD) Strategies and deploy that for new services & the study also reports on how the organizations involve their customers in the service innovation process. Another observation from the study was that the top executives of all the ten companies participate in the idea generation stage. This research strongly concluded that liberalization of the life insurance industry, the customer will be the single most important factor forcing changes in the life insurance business and on life insurance company part NSD is an ongoing activity in the organization. Finally the research positively states that there is an effective system of innovation in these service organizations in India.

Manjit Singh and Rohit Kumar (2008), in the paper, "Indian Insurance Industry Outlook in the Post Reform period", highlight that insurance penetration and density has witnessed an increasing trend in the post- reform period, but has a long way to go to even come close to the developed nations. The study also indicates huge unexplored and untapped market in India and shows huge opportunities for insurance companies to capture the business from competitive market; the survival of companies will depend on their strategies and efforts to increase their penetration levels and tap the new business positions especially in rural India

Nagaraja Rao, K. (2010), in his article "Challenges in Designing Need Based Products in Life Insurance for Inclusive Growth in India", analyses the challenges faced by the insurers in designing need-based products in insurance for inclusive growth, and concludes that the policies of life insurance companies are still not rural-centric, catering to the specific needs of the people. With a view to popularizing life insurance, he recommends that the consumers need to study the rural market, analyse the specific needs of each segment and design innovative products, to suit the requests of the people to the objective of inclusive growth.

Sonika Chaudhary, Priti Kiran (2011), in their paper "Life Insurance Industry in India - Current Scenario" discussed that life insurance in India's trend from the year 2005-06 to 2010-2011. During the study period this sector moved upwards from the factors like number of offices, number of agents, new business policies, premium income etc. Further, many new products like ULIPs, pension plans etc. and riders were provided by the life insurers to suit the requirements of various customers. However, the new business of such companies was more skewed in favour of selected states and union territories. This paper concludes that Private life insurers used the new business channels of marketing to a great extent when compared with LIC

Upadhyaya and Badlani (2011), in their research, attempt to identify the key success factors in the life insurance industry, in terms of customer satisfaction so as to survive intense competition and to increase the market share. The objectives of the study are to identify the factors of customer satisfaction in retail life Insurance in India and to study the importance of technology in fulfilling Customer Satisfaction. Data was collected from 206 insurance customers of the ten public and private sector life insurance companies from the major cities of Rajasthan and Maharashtra state in India. The study concludes that despite high satisfaction levels, there remains a lot to be done by the management of the retail life Insurance companies to maximise their customer satisfaction and improve the quality of service. The satisfaction of the customer with the services of the Life Insurance Companies was found to be linked with the performance of the service

Harpreet Singh & Preeti Singh(2011), in their research, "An Empirical Analysis Of Insurance Industry In India" have analysed the overall performance of Life Insurance Industry of India between pre- and post economic reform era and also measure the current status, volume of competitions , challenges faced by the Life Insurance Corporation of India and lastly to measure the effectiveness of investment strategy of LIC over the period 1980 to 2009.They have highlighted the role of LIC as a primary player in life insurance and how there is growth in performance of Indian Life Insurance industry and LIC due to the policy of LPG. They have summarised that Total investment of LIC rose from Rs 4587.7 crores in 1979 to Rs. 762891.7 crores in 2009. Proportion of premium collected by LIC out of total premium collected by life insurance industry is declined from 97% in 2001-02 to 74% in 2007-08. It indicates the increasing competition from private sector. ICICI prudential is becoming a stronger and stronger player by taking over a lot of business of LIC due to aggressive and flexible product range. But still there is a lot of scope of development in the life insurance industry where private sector will be a challenge in the front of LIC

Syed Ibrahim (2012), in his research "Consumers' Grievance Redressal System in the Indian Life Insurance Industry - An Analysis" attempts to review on consumer protection and the awareness with reference to the grievances settlement operations of the Life Insurance Industry in India. The study was based on relevant secondary data which was been collected mainly through the data bases of Insurance Regulatory Development Authority of India (IRDA), Reserve Bank of India (RBI), various reports and other studies for a period of 5 years. The research based on various statistical analyses revealed that LIC has succeeded in resolving consumer's grievances when compared to the private insurers but even private players were active in resolving the grievances only in performance year ends .The paper also highlight that IRDA has recently established the Consumer Affairs Department to give a special focus to and oversee the compliance by insurers of the IRDA Regulations for Protection of Policyholders' Interests and also to empower consumers by educating them regarding details of the procedures and mechanisms that are available for grievance redressal.

Sumathi Kumaraswamy (2012), in her research, "Swot Analysis for Bancassurance: Application Of Confirmatory Factor Analysis: Review Of Research" has stated that Bank places highest priority on customer service and satisfaction has a competitive edge over its competitors.But Customer satisfaction is an important strategy for banks in insurance selling as the bank refers their customers to the insurance company. In her research she has examined the prospects of bancassurance based on the respondents' perception towards the strengths, weaknesses, opportunities and threat factors pertaining to the bancassurance venture. This research has concluded that The bancassurance venture will benefits the customer in terms of better service quality, advice on financial planning, diversification, quality products, doorstep service, credibility, transparency dealing, ease of renewals, electronic banking. Customer will also derive satisfaction of the brand strength of the bank, his relationship and trust on the bank. Finally the products sold through bancassurance can give better value and offer lesser premiums for customers due to lower distribution costs.

Vijay Kumar (2012), in his PhD thesis, "A Contemporary Study of Factors Influencing Urban and Rural Consumers for Buying Different Life Insurance Policies in Haryana", makes an in-depth study of the factors influencing buyer behaviour for buying life insurance policies in Haryana. The survey was conducted in Haryana on 1000 policyholders. The study outlines that the insurance agent was the most influential factor for selecting the life insurance policy among rural and urban policyholders. The other crucial determinants of buying behaviour were also identified such as income, economic status, product attributes, agent attributes, and price. The result indicates that there was a significant difference in the buying behaviours of rural and urban policyholders.

Yogesh Jain (2013), in his article, " Economic Reforms and World Economic Crisis: Changing Indian Life Insurance market place" reviews on life insurance scenario in India, the challenges of the sector and the issues .The author has revealed that Since opening up of Indian insurance sector for private participation, India has reported increase in insurance density for every subsequent year and for the first time reported a fall in the year 2011,but when we compare real growth of premium with world insurance market Indian Life market declining very sharply during last financial year except year 2009-10.Then the author has discussed few imperatives like life insurers should conduct more extensive market research before introducing insurance products, Life insurers should streamline their grievance Redressal machinery for efficient and effective service& In present stiff market competition, a focus on niche segment can be an effective way of marketing for insurers to differentiate from the competitors etc

Sonal Nena (2013), in her study-"Performance Evaluation of Life Insurance Corporation (LIC) of India" has tried to analyse growth and performance of LIC. She analysed the major source of income (Premium Earned) of the LIC, as well as the significant heads of expenses of LIC to measure the performance .This study has proved that LIC has been success in terms of creating value for its policyholders. The performance evaluation also showed consistent increase in its business. During the study period there was no major change in the performance of the LIC. So it was finally concluded that performance remained unchanged and LIC has maintained the market value of their products.

Vijay Maruti Kumbhar (2013), in his article A Study of FDI in Life Insurance Sector in India has tried to evaluate the concept of foreign direct investment and its role in life insurance sector in India. The Insurance sector was opened up for private sector in 2000 after the enactment of the Insurance Regulatory and Development Authority Act, 1999 (IRDA Act, 1999) ,this Act permitted foreign shareholding in insurance companies to the extent of 26 per cent with an aim to provide better insurance coverage and to augment the flow of long-term resources for financing infrastructure (Yashwant Sinha, 2013).The paper reveals that out of 24 insurance companies including LIC overall FDI is 25.47 percent in 2012 & Rs. 6324.27 of equity capital is invested by the foreign investors in 22 life insurance companies in India out of 23 private insurance companies except SAHARA Insurance and Rs. 18507.65 invested by Indian promoters. The paper concludes that on the bases of statistics received from the IRDA indicates that there is better growth trend in FDI in life insurance sector in India.

India Monika, Halan Renuka & Sane Susan Thomas (2013), in their research article on "Estimating losses to customers on account of mis-selling life insurance policies in India" have tried to determine the loss to investors from mis-selling of insurance products. The approaches used was analysing the the number of lapsed policies from the annual reports of the insurance regulator, IRDA &the second method used the persistence of premium payments that are reported in the annual reports of individual insurance companies. The research has found out that the estimated loss was Rs.1.5 trillion, or $28 billion, to investors owing to mis-selling over the 2004-05 to 2011-12 periods. The authors concluded that there will be adverse economic consequence for consumers if financial law and regulation does not focus upon consumer protection, the existing policy environment has swung from a lack of focus on the consumer interests where actually these interests are the foundation of policy recommendations and regulatory changes .

Dr Sunayna Khurana (2013), in her article, "Analysis of Service Quality Gap in Indian Life Insurance Industry" says that Life insurance companies in India offer similar kinds of plans and services, but they could provide differences in terms of service quality .In this context this research tried to find out the gap between Customer expectation & customer perception in the Life insurance industry by examining a Sample of 200 customers of 10 top performing Life insurance companies in Haryana state. The study found that there is highest gap in customer expectations and perceptions towards the competency dimension of service quality. That means customers are expecting high service quality and perceiving very less quality in case of services related to competency dimensions.

Simona Laura Dragos (2014), in the research article, "Life and non-life insurance demand: the different effects of influence factors in emerging countries from Europe and Asia", Economic Research. Many previous researches have shown that Urbanisation, incomes and their distributions, and the population degree of education are relevant factors for the development of insurance sector in any nation. This present paper tried to test the above said variables using econometrics of panel data on 17 emerging economies from Asia and Europe over a 10-year period from 2001 -11.This research brought out findings that urbanisation influenced significantly the life insurance demand in Asia countries so it pointed out that the main insurance opportunity will be in emerging Asia (especially China and India), where the urbanisation rate is lower than it is in Central and Eastern Europe. It also highlighted that tertiary education as a proxy for risk aversion is not appropriate for the life insurance sector because of the complexity of wealth accumulation and distribution of wealth products so a reliable solution for this could be the high level of financial literacy.

Savita Jindal (2014), in her study on, "Ethical Issue in Insurance Companies: A Challenge for Indian Insurance Sector" has attempted to find out various ethical issue of insurance companies in India by examining a sample of 50 people from insuring public were interviewed with insurance policies of life insurance to find out the ethical ways in settlement of claims. The study revealed that insurance companies in India are Failing in identifying the customer's needs and recommend products and services that meet their need followed by Misrepresenting in terms and conditions while selling products to customers, Unethical remarks about competitors, their products, or their employees or agents and lastly lack of expertise or skills to competently perform one's duties. Finally the paper concludes that insurance companies have recognized the moral dilemma in claims settlement; they understand that if claims are not settled in ethical manner it will result in bad consequence for company image which will fall back on the insured or the beneficiary. Finally the research stated that insurance business sector has many areas for improvement and development.

Mouna Zerriaa and Hedi Noubbigh (2015), in their research paper, "Determinants of Life Insurance Demand in the MENA Region" have tried to investigate the determinants of life insurance consumption in the Middle East and North Africa (MENA) region using a sample of 17 countries over the period 2000- 2012.They have used two measures of life insurance demand: insurance density and insurance penetration. This research states that consumption increases with income, interest rates and inflation and also it highlights that country's level of financial development, life expectancy and educational attainment stimulates life insurance demand in a nation.

Luqman Adedamola Sulaiman, Stephen Migiro, Tessema Yeshihareg (2015), from south Africa in their research work, "Investigating the factors influencing the life insurance market in Ethiopia" have made a study using secondary data on eleven independent variables – six of which are economic and five demographic variables for a period of 28 years from 1979/1980 to 2007/2008 and for analysis purpose error correction mechanism (ECM), the Johansen co integration test and the Augmented Dickey-Fuller test were utilized. The study found that Inflation had a statistically noticeable negative impact on the demand and supply in the life insurance market. In addition, there was a statistically significant negative effect of young dependency ratio on life insurance market demand while old dependency ratio had a statistically significant positive relation to life insurance supply. The researchers have recommended that during high inflation, life insurance companies should revise price decisions to enhance the life insurance market and to minimize the inverse effect of young dependants; insurers need extensive sensitization on the young age through their families and promote products that suit the young children – such as children's education policies.

C. Balaji (2015), in his paper- Customer awareness and satisfaction of life insurance policy holders with reference to Mayiladuthurai town tries to measure awareness among the urban and rural consumer about the insurance sector and also the various policies involving various premium rates. The study was conducted by examining around 100 sample respondents which revealed that 100% of respondents are aware of the life insurance policies; where as 87% of the respondents came to know about insurance policies through agents. But it also came to light that Most of the respondents are aware of government insurance company LIC and in the private sector HDFC Standard Life insurance. Finally the research concludes that the penetration level of insurance in India is only 2.3% when compared to 9-15% in the developed nations. So there is a huge market for the Insurance products in the future in India.

Venkataramani.K, Dr.R.Mohan Kumar, Dr.G.Brinda (2015), in their article, "A study on the attitude of Consumers and Insurance Agents towards the proposed increase in Foreign Direct Investment (FDI) in Insurance sector in India" have conducted quantitative survey to gauge the attitude of public and the insurance agents who are doing the business on behalf of the insurance companies toward the decision of government of India to rise the cap in FDI in insurance sector from 26% to 49%.The study was conducted in Chennai city with a study sample of 200 which consist of insurance customers and insurance agents And the study focused on four major factors like impact on economy, impact on service to customers, general benefits, impact on insurance business/market. The study on the bases of analysis of the results revealed that respondents of the study perceived that proposed rise in the FDI cap in the insurance sector will have much higher impact on the service level of the insurance companies than on the other factors such as impact on economy, overall benefits to the customers, impact on insurance business & indicated that the general respondents of the study welcomed the move by the government to increase the FDI cap in insurance. In particularly common people are satisfied with the service of the private insurance companies and expected that the service will be still better if the competition in the industry increases further.

Sreedevi Lakshmikutty and Sridharan Baskar, in their research on "Insurance Distribution in India - A Perspective", this paper discusses the distribution channels from the perspective of the socio-cultural ethos of the market and how these channels fit into it, along with where the various companies face challenges and bottlenecks. The authors have explored the various dimension of Distribution Scenario in the Indian market and highlight that a multi-channel strategy is better suited for the Indian market. The research concludes that current state of insurance distribution in India is still in flux, so for companies to succeed in marketing of insurance depends on understanding the social and cultural needs of the target population, and matching the market segment with the suitable intermediary segment.

Parag Shil in his research on the subject, "Distribution Channels For Micro-Insurance Products In India" seeks to look into the performance, practices and problems related to distribution channels of micro-insurance in India. The paper explains that Micro-insurance concept means it's a concept that provides protection to individuals who have little savings and is tailored specifically for lower valued assets and compensation for illness, injury or death. And it also highlights that Micro-insurance is often found in developing countries. In India according to IRDA regulation act of 2002 insurance companies were compelled to obtain insurance business on a quota basis from pre-defined rural areas and social sectors. In addition the regulation also creates a new intermediary called the micro-insurance agent for selling and servicing various micro-insurance products among the rural masses. It also highlights that in India micro insurance are sold by non government organisation, self help groups & Micro-Finance Institutions. But it was observed in the study that the exclusion of corporate MFIs, the restriction of collaborations to one life and one non-life insurer and the limitations placed on pricing have a dampening effect on the micro-insurance market in India.

Sachin Surana & Amar(2013), in the research article lapsation of policy; a threat or curse for life insurance industry. This research has attempted to find out the cause and effects relationship of the Lapsation of policy. This study explains that Lapsation refers to the situation when the customer fails to pay the premium on his policy within the timeframe plus the grace period allowed by the company& it is often termed as persistency. The research has highlighted that wrong commitment by insurance agents, malpractices by the insurance distribution agencies, financial burden of the costumers & finally poor service quality are few reasons causing lapse of insurance policies. This lapsation will not only affect the costumers in terms of lack of benefits but also majorly effect insurance companies in terms of high initial cost, adverse effect on liquidity position and majorly decrease of public image all this totally hamper the overall growth of insurance company.

Conclusion

The base of any financial planning pyramid across the globe names life insurance concept as the base and is acknowledged as a tool for protection which undoubtedly proves that life insurance is a very important savings and risk tool for citizen of any country. India has witnessed presence of life insurance even before independence in the year 1818 oriental life insurance company in Calcutta which was followed by many Indian and foreign insurance companies. But post independence insurance concept was monopolise as a public sector and contributed to the growth of concept through life insurance Corporation of India. The year 1991 launching of LPG and establishment of IRDA in 1999 made the ice break by letting privatisation of insurance concept which bought a robust growth in terms of product development, market penetration and majorly contributes around 7 % of GDP of the nation. This research has attempted to review few important articles on life insurance concept has bought out facts that insurance sector is growing service sector in India. During 2013-14, the life insurance industry recorded a premium income of Rs 3.14 lakh-crore as against Rs 2.87 lakh-crore in the previous financial year, registering a growth of 9.4 per cent. While private-sector insurers posted 1.4 per cent decline in their premium income, Life Insurance Corporation of India (LIC) recorded 13.5 per cent growth during the period. But life insurance sector is witnessing major obstacles in terms new product innovation, service issues related to costumers and lapasation of long term policy. So it can be concluded that life insurance concept has strived good till now but with little improvisation based on market research can lead life insurance companies & the concept to a level of excellence in India.

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