

ROLE OF PRIVATE PLAYER IN LIFE INSURANCE INDUSTRY IN INDIA

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ABSTRACT

The major change of the life insurance industry in India is the opening up to private and global players. Life Insurance Corporation of India (L.I.C.I) dominated the Indian Life Insurance market. With the development of the Insurance Regulatory and Development Authority the (IRDA) Act in 1999 was a clear signal of the end of the monopoly of LIC in the insurance sector. It has become imperative for LIC to face the competition posed by the entry of new private players. The insurance industry has undergone a drastic change since liberalization, privatization and globalization of the Indian economy in general and the insurance sector in particular. With the entry of private players, the competition is becoming intense. After the entry of these private players, the market share of LIC has been considerably reduced. As on 30th September, 2013 there are 24 insurance companies are operating in the Indian insurance market and out of which 23 are in private sector and 1 is in the public sector. After liberalization the private companies has been making waves. They have been penetrating their business more and more form year to year and has been increasing their market share and presence. The paper focuses the role and performance of private insurance players for the period from 2001 to 2012. The study will reflect the role of private insurance players in the areas like number of policies floated, amount of premium collected and commission expenses, operating expenses from 2001 to 2012.

KEY WORDS: LIC, Market Shares, Performance Evaluation, Insurance Premium, Commission Expenses, Operating Expenses

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