

Glimpses of Insurance Sector with Special Reference to GIC

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Introduction :

Insurance Industry in India has seen a major growth in the last decade along with an introduction of a huge number of advanced products. This has led to a tough competition with a positive and healthy outcome.

Insurance sector in India plays a dynamic role in the well being of its economy. It substantially increases the opportunities for savings amongst the individuals, safeguards their future and helps the insurance sector form a massive pool of funds.

With the help of these funds, the insurance sector highly contributes to the capital markets, thereby increasing large infrastructure developments in India.

Insurance Sector in India :

The Indian Insurance Sector is basically divided into two categories - Life Insurance and Non-life Insurance. The Non-life Insurance sector is also termed as General Insurance. Both the Life Insurance and the Non-life Insurance is governed by the IRDAI (Insurance Regulatory and Development Authority of India).

This government organization thoroughly monitors the entire Insurance sector in India and also acts like a custodian of all the Insurance consumer rights. This is the reason all the insurers have to abide by the rules and regulations of the IRDAI.

The Insurance sector in India consists of total 57 insurance companies. Out of which 24 companies are the life insurance which there are seven public sector companies.

Life insurance companies offer coverage to the life of the individuals, whereas the non-life insurance companies offer coverage with our day-to-day living like travel, health, our car and bikes, and home insurance. Not only this, but the non-life insurance companies provide coverage for our industrial equipment's as well. Crop insurance for our farmers, gadget insurance for mobiles, pet insurance, etc. are some more insurance products being made available by the general insurance companies in India.

The Life insurance companies have gained an investment prospectus in the recent times with an idea of providing insurance along with a growth of your savings. But, the general insurance companies remain reluctant to offer pure risk cover to the individuals.

In the history of the Indian insurance sector, a decade back LIC was the only life insurance provider. Other public sector companies like the National Insurance, United India Insurance, Oriental Insurance and New India Assurance provided non-life insurance or say general insurance in India.

However, with the introduction of new private sector companies, the insurance sector in India gained a momentum in the year 2000. Currently, 24 life insurance companies and 30 non-life insurance companies have been aggressive enough to rule the insurance sector in India.

But, there are yet many more insurers who are waiting for IRDAI approvals to start both life insurance and non-life insurance sectors in India.

The Present Position of Insurance Sector in India :

So far as the industry goes, LIC, New India, National Insurance, United Insurance and Oriental are the only government ruled entity that stands high both in the market share as well as their contribution to the Insurance Sector in India. There are two specialized insurers - Agriculture Insurance Company Ltd. catering to Crop Insurance and Export Credit Guarantee of India catering to Credit Insurance.

Whereas, others are the private insurers (both life and general) who have done a joint venture with foreign insurance companies to start their insurance business in India.

Life Insurance Companies :

Private Sector Companies :

- Aegon Life Insurance Co. Ltd.
- Bajaj Allianz Life Insurance Co. Ltd.
- Bharti AXA Life Insurance Co. Ltd.
- Birla Sun Life Insurance Co. Ltd.
- Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.
- DHFL Pramerica Life Insurance Co. Ltd.
- Edelweiss Tokio Life Insurance Co. Ltd.
- Exide Life Insurance Co. Ltd.
- Future General India Life Insurance Co. Ltd.
- HDFC Standard Life Insurance Co. Ltd.
- ICICI Prudential Life Insurance Co. Ltd.
- IDBI Federal Life Insurance Co. Ltd.
- India First Life Insurance Co. Ltd.
- Kotak Mahindra Old Mutual Life Insurance Co. Ltd.
- Max Life Insurance Co. Ltd.
- PNB Met Life India Insurance Co. Ltd.
- Reliance Life Insurance Co. Ltd.
- Sahara India Life Insurance Co. Ltd.
- SBI Life Insurance Co. Ltd.
- Shriram Life Insurance Co. Ltd.
- Star Union Dai-Ichi Life Insurance Co. Ltd.
- Tata AIA Life Insurance Co. Ltd.

General Insurance Companies :

- Aditya Birla Health Insurance Co. Ltd.
- Bajaj Allianz General Insurance Co. Ltd.
- Bharti AXA General Insurance Co. Ltd.
- Cholamandalam General Insurance Co. Ltd.
- Future Generali India Insurance Co. Ltd.
- HDFC ERGO General Insurance Co. Ltd.
- ICICI Lombard General Insurance Co. Ltd.
- IFFCO-Tokio General Insurance Co. Ltd.
- Kotak General Insurance Co. Ltd.
- L&T General Insurance Co. Ltd.
- Mang HDI General Insurance Co. Ltd.
- Raheja QBE General Insurance Co. Ltd.
- Reliance General Insurance Co. Ltd.
- Royal Sundaram Alliance Insurance Co. Ltd.
- SBI General Insurance Co. Ltd.
- Shriram General Insurance Co. Ltd.
- TATAAIG General Insurance Co. Ltd.
- Universal Sompo General Insurance Co. Ltd.

Health Insurance Companies :

- Apollo Munich Health Insurance Co. Ltd.
- Star Health Allied Insurance Co. Ltd.
- Max Bupa Health Insurance Co. Ltd.
- Religare Health Insurance Co. Ltd.
- Cigna TTK Health Insurance Co. Ltd.

This collaboration with the foreign markets has made the Insurance Sector in India only grow tremendously with a high current market share. India allowed private companies in insurance sector in 2000, setting a limit on FDI to 26%, which was increased to 49% in 2014, IRDAI states - Insurance Laws (Amendment) Act, 2015 provides for enhancement of the Foreign Investment Cap in an Indian Insurance Company From 26% to an Explicit Composite Limit of 49% with the safeguard of Indian Ownership and Control.

Private insurers like HDFC, ICICI and SBI have been some tough competitors for providing life as well as non-life products to the insurance sector in India.

The Future of Insurance Sector in India :

Though LIC continues to dominate the Insurance sector in India, the introduction of the new private insurers will see a sectors in 2017. The demands for new insurance policies with pocket-friendly premiums are sky high. Since the domestic economy cannot grow drastically, the insurance sector in India is controlled for a strong growth.

With the increase in income and exponential growth of purchasing power as well as household savings, the insurance sector in India would introduce emerging trends like products innovation, multi-distribution, better claims management and regulatory trends in the Indian market.

The government also strives hard to provide insurance to individuals in a below poverty line by introducing schemes like the.

- PradhanMantriSurakshaBimaYojana (PMSBY).
- RashtriyaSwasthyaBimaYojana (RSBY) and
- PradhanMantriJeevanJyotiBimaYojana (PMJJBY).

Introduction of these schemes would help the lower and lower-middle income categories to utilize the new policies write lower premiums in India.

With several regulatory changes in the insurance sector in India, the figure looks pretty awesome and promising for the life insurance industry. This would further lead to a change in the way insurers take care of the business and engage proactively with its genuine buyers.

Some demographic factors like the growing insurance awareness of the insurance, retirement planning, growing middle class and young insurable crowd will substantially increase the growth of the Insurance sector in India.

Importance of General Insurance :

If you opt to live a life that is risk-free, applying for a general insurance can be your practical option. Loss from any kind of financial event will not bother you if you are insured. It is necessary to make all your properties secured so that you would not be left out with nothing. This security can only be provided by getting insurance. General insurance includes insurance policies for burglary, theft, and many more. It also covers personal insurance such as accident and health insurance.

In addition, it also covers a special type of insurance such as professional indemnity. Getting and of the general insurance will leave your min at peace. Obviously, the reasons has increased why getting general insurance is considered to be important is because it almost covers everything. It covers even your car, home, and health. Below are numerous reasons why you should get yourself a general insurance.

➤ It will give you peace of mind :

The principal reason why an individual should get insurance is to have a peace of mind. It is the only weapon that you could have opposed to any risk or misfortune.

➤ Loss of property will not give you a burden :

In case of loss of personal property due to natural calamities or man-made, you will not be worrying too much since general insurance almost covers everything. As long as you had insured your properties, you will receive enough amount of money depending on the agreement and policy that you had agreed upon.

➤ You will be ready for any type of mishap :

If you are insured, it seems that you are just saving or depositing money through the premium that you are paying. Each amount will be useful in times misfortunes or accidents. The insurance company will give it back to you with additional interest depending on the insurance policy that you buy.

➤ **Greater profits for businessman :**

Because insurance almost covers everything, your insurer will handle any future risk. Good as well as services transportation are all covered by general insurance that is why any type of loss or misfortune will not any more be a problem.

➤ **Emergencies can be handled :**

You cannot foretell what might happen next, and getting yourself insured is the most practical alternative you can have. If you had encountered an accident such as road accident, your insurer will shoulder the hospital bill. Moreover, if you are diagnosed having a serious type of diseases, you will not hesitated to undergo any type of urgent operation as long as you had yourself a health or medical insurance.

➤ **Expenses for your car repair can be covered also :**

If you had your car insured, all expenses will be partially shouldered by the insurance company in case of road accidents and you need a car repair.

➤ **You can use it during any unexpected liability :**

Liability is taken care and the same amount will be paid by the parties for an insurance policy between two to three.

Conclusion :

General insurance is the best option you can have if you want to have risk-free life. The premium that you will pay will be all worth it especially in times of mishap. Being secured and guaranty with your life is probably the perfect way to enjoy life. Insurance Companies are a special type of financial institution that deal in the business of managing risk. A corporation periodically gives them money and in return, they promise to pay for the losses, the corporation incase if some unfortunate even occurs, causing damage to the well being of the organization.

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