COMPARATIVE ANALYSIS ON SELECTIVE LIFE INSURANCE COMPANIES AND ITS PRODUCTS

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***Abstract*: India has not been a late starter within the insurance space but there have been hiccups along the way. With many of the insurers turning fly-by-night operators, the government had to intervene and nationalize the insurance industry, life and non-life, therein order, within the interest of the welfare of the insured. Hence the country welcomed back the private sector within the insurance space. A number of the private players have really acquitted themselves admirably. Supplemented by a fanatical regulator, the insurance industry is well set to return out with newer and more innovative products, competitively priced. However, the pace of insurance penetration has been improving steadily which in itself proves that opening up the insurance sector to non-public players has led to a win-win situation for all stakeholders.**

***Keywords*: Insurance industries, competitiveness, private insurance sectors.**

Introduction:
The insurance may be a contract between the two parties in which the other party appointed as an insurer undertakes to pay a fixed amount to the other party, who insured there, a fixed amount of cash at the place of certain events. Insurance is a protection against financial losses incurred during the unexpected event. Insurance companies receive these premiums for protection. A loss is paid from the premiums collected by the insured public and, consequently, the insurance companies act as trustees of the insurance premiums received. Insurance in India refers to the insurance market in India, which covers both public and private sector organizations. It is in the Indian Constitution in the seventh calendar as the subject of the Union list, which means that it is only enacted by the central government legally.

Scope of the project:
The entry of the MNC and the business environment favored by the government, it is not surprising that the re-entry of private insurance marked a second arrival for the industry. In just five years, the sector has undergone a wounding regime that offers more choice, better services, faster regulation, stricter rules and greater awareness-raising, and the environment is becoming more competitive, and services and products are similar, making differentiation very difficult.

Objectives:
- To understand the individual leverage towards insurance plans in Hyderabad city.
- To examine individual customer preferences towards public v/s private insurance companies.

Research methodology:
To understand the performance of each company in the market, I have used two types of methodology, primary and secondary data.
Primary data:
- The primary data consists of questionnaires and answers from differentage groups.

Secondary data:
- The secondary data were collected through books, magazines and visits to various websites of insurance companies.

REVIEW OF LITERATURE
The documentation of life insurance research is extensive and covers several dimensions. The following section provides a brief summary of research in various areas of life insurance research.

Alok Mittal and Akash Kumar (2003) in their study "An Exploratory Study of Factors Affecting Selection of Life Insurance Products" explained that the factors that influence customers before purchasing a life insurance policy, and they concluded that the following factors, such as product attributes, customer loyalty, payment method, product flexibility, risk hedging, grace period, professional consultants and maturity, are the most important factors that customers most appreciate before making a decision on a life insurance policy.
T. Venkateswara Rao (2004), presented a paper titled “Alternative Distribution Channels in India” in Global Conference of Actuaries. The research said that in Distribution of 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 banc assurance may get at least 20% distribution share in life insurance market.

Sinha and Tapen (2005) explained in their research article "The Indian Insurance Industry: Challenges and Prospects" that in India, in particular, life insurance currently accounts for 80% of premiums. She also said that life insurance and non-life insurance would benefit from less invasive regulations.

ANALYSIS AND INTERPRETATION OF THE DATA

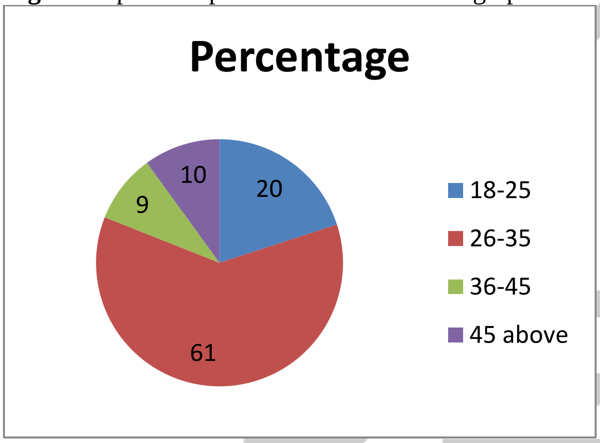
The following information provides the interpretation of the questionnaire data. The respondent's answers to the questions were interpreted and a conclusion was drawn on the basis of the respondents' answers.

General questions regarding the details of respondents on age, income, occupation, payment, gender details and gathering information on reasons for the uninsured, etc.

Tab 1: Respondent's demographic details

Age	Percentage
18-25	20
26-35	61
36-45	9
45 above	10
Total	100

Fig 1: Graphical representation of the demographic details of the respondents

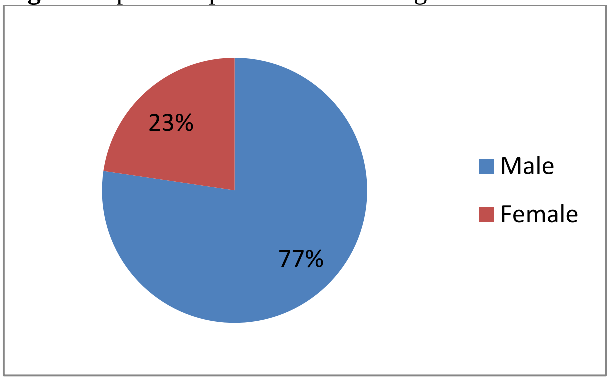


Interpretation: According to the above data, 61% of respondents belong to the 26-35 age group. According to the data, the majority of respondent falls under this category.

Tab 2: Gender-specific details of respondents.

Gender	Percentage
Male	77
Female	23
Total	100

Fig 2: Graphical representation of the gender details of the respondents.

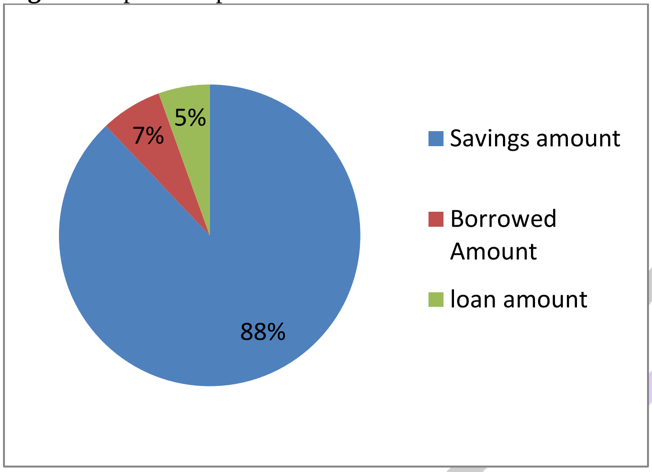


Interpretation: According to the above data, 77% of respondents are men and 23% of respondents are women.

Tab 3: The following amounts invested by the respondents in insurance companies

Amounts	Percentage
Savings amount	88
Borrowed amount	7
Loan amount	5
Total	100

Fig 3: Graphical representation of the above data

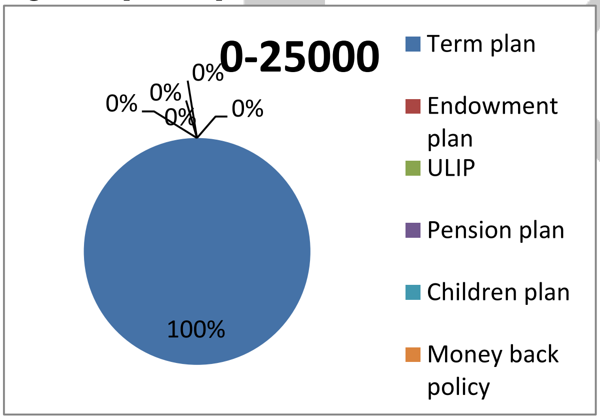


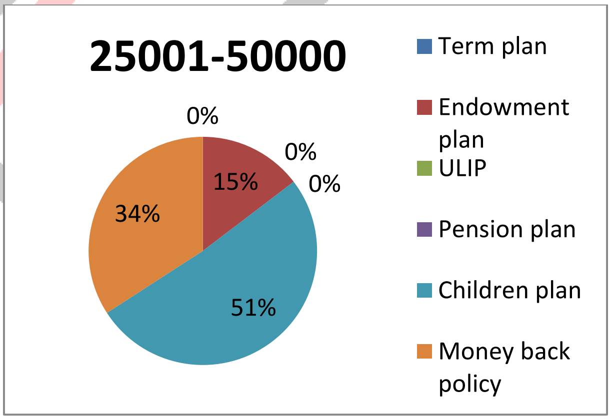
Interpretation: Based on the above data, we can understand that 88% of respondents invest their savings in insurance companies.

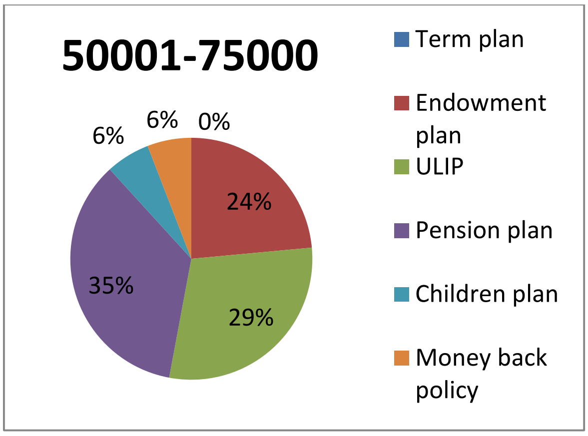
Tab 4: Depending on the financial situation of the respondents invested in different insurance policies

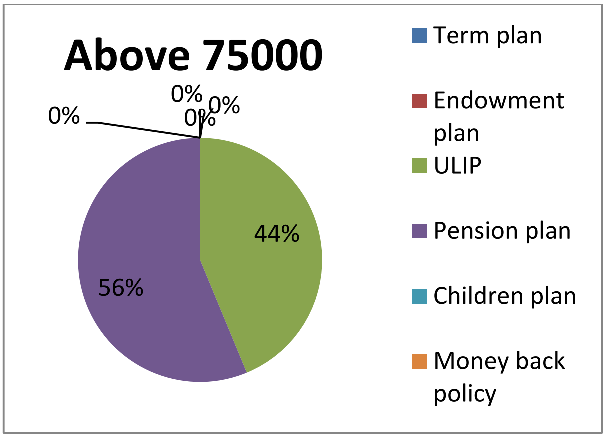
Income	Term plan	Endowment plan	ULIP	Pension plan	Children's plan	Money back policy
0-25000	17	0	0	0	0	0
25001-50000	0	6	0	0	21	14
50001-75000	0	4	5	6	1	1
Over 75000	0	0	7	9	0	0

Fig 4: Graphical representation of the above data









Interpretation:

- Depending on the respondent's income from 0 to 25,000 incomes, 100% of respondents are invested in the term plan.
- Depending on the income of the respondents from 25001 to 50000, 51% of the respondents are invested in the children's plan and remain 34% and 15% in money back plan endowment plan.
- According to the income of the respondents from 50001 to 75 000 incomes, 35% of the respondents have invested in the pension system and 29% in the ULIP and 24% in the budget and the rest 6% and 6% in the policy of money back and children's policy.
- Depending on the income of respondents of more than 75,000 incomes, 56% have invested in the pension plan and 44% are invested in ULIPS.

Compare different offers of insurance products by insurance thoughts depending on their benefits.

Birla Sun Life Insurance	**Life Insurance Corporation Of India**
1.Name of policy: Saral Jeevan Policy	Jeevan Saral Policy
2.Purpose: BSLI Saral Jeevan Plan comes with a bundle of benefits that meet the needs of life security and investments at a reasonable rate.	Jeevan Saral Plan comes with a bouquet of benefits that meet the needs of life sheath.
3.Type of policy: Unit Linked Endowment Plan (ULIP)	Traditional plan
4.Returns and additional benefits: • A easy and simple plan • Achieve efficient returns • To your risk profile at every step • Death allowance with pension, i.e. insured sum plus the fund • Unmatched liquidity • At the end of the writing period, the value of the fund is • The policy can be handed over at any time during the policy order, which is subject to an assignment fee. After the 4th year of politics, the burden will be zero.	• Due payments are the total premium + bonus • The death benefit is 250 times higher than the monthly premium • The policy may go at any time during the policy order, which is subject to an assignment fee. After the 4th year of policy, the burden will be zero.
5.Eligibility: 18 to 55 years	18 to 70 years
6.Payment of the premium: Pay premiums on an annual, semi-annual, quarterly, or monthly basis.	Pay premiums on an annual, semi-annual, quarterly, or monthly basis.
7.Term of the maturity : There is an option of three policy mandates of 10 years, 15 years and 20 years	There is an option of three policy mandates of 10 years, 15 years and 20 years

Birla Sun Life Insurance	**Tata AIG Life Insurance**
1.Name of the scheme: Plan Gold-plus II.	Invest Assure Apex Plan.
2.Purpose: A simple and effortless plan helps you find the right balance between protection and savings.	The plan provides a platform that secures the upside potential of equity markets while ensuring investor interest by providing a Guaranteed Maturity Unit Price (GMUP).
3.Type of policy: It is a savings system tied to a non-participating ULIP.	It is a ULIP.
4.Returns and additional benefits: • To your risk profile at every step • Unlimited partial withdrawals after 3 years of policy, exempt from costs. • The policy may be handed over at any time during the term of office of the policy subject to the transfer costs; after the 4th year of policy, the burden will be zero. • At the top of the duration of the policy you get the value of the fund. • After death, the applicant receives the largest amount of (a) the value of the fund or (b) the reduced insurance sum for partial withdrawals. • Minimum guaranteed amount: 5 annual premiums..	• Partial withdrawals can only be made after 3 years. A maximum of 4 partial withdrawals are allowed in one year of the policy, no fees are applicable. • Minimum guaranteed amount: 5 times the annual premium. • Maximum Insured Amount: 60 times the annualized premium. • The policy may be notified at any time after 3 years of written policy by written notification, subject to deduction of the applicable assignment costs. • After death, the applicant receives more than the insured sum or the value of the fund. • At maturity, the applicant shall be charged higher than the value of the fund or the guaranteed maturity price multiplied by the number of shares.
5.Payment of premiums: The premium will be for a period of 3 years with the possibility to reduce the premium (subject to a minimum of Rs.10000) from the second year of the policy without a one-year discount.	The premium will be used for a period of 3 years with the possibility of reduction, subject to the minimum limit, which exceeds 75% of the regular premium of the first year or Rs.900000. The insured amount remains the same even if the reduction in the premium is affected.
6.Eligibility: 18 to 70 years.	18 to 70 years.
7.Term of maturity: The policy lasts 8 years.	The duration of the policy is 10 years
8.Tax benefits: Entitlement to the tax advantage under Article 80C and Article 10 (10D) of the Income Tax Act 1961.	Entitlement to the tax advantage under Article 80C and Article 10 (10D) of the Income Tax Act 1961.
9.Additional coverage: NIL (NIL).	• Tata AIG Life Accident Pensions. • Tata AIG dead accident and smashing runner. • Tata AIG Life critical illness.

Findings:

- Most of the respondents are falls under the category of 26-36 age groups.
- Most of the respondents are the male (77%).
- Most of the respondent's income falls under the category of 25001-50000 p.m.
- Most of the respondents have invested their savings amount.
- Most of the respondents have invested in the children's plan.
- LIC has a high market share than the other life insurance sectors.
- People from 0 to 25,000 income 100% of respondents are invested in the term plan.
- People from 25001 to 50000, 51% of the respondents are invested in the children's plan and remain 34% and 15% in money back plan endowment plan.

- People from 50001 to 75 000 incomes, 35% of the respondents have invested in the pension system and 29% in the ULIP and 24% in the budget and the rest 6% and 6% in the policy of money back and children's policy.
- People from more than 75,000 income 56% have invested in the pension plan and 44% are invested in ULIPS.

Suggestions:

- Life insurance or products are mainly taken from the middle- and high-income group. Therefore, they should be considered as the main target income groups. Life insurance-friendly products should also be introduced, tailored to low-income groups, which also helps to increase market share.
- Life insurance companies must increase the claims rates. This helps people to invest or insure themselves.
- Life insurance companies need people to be aware of the uses of insurance, as it will be useful in difficult times, because compared to other countries very few percent of the population have secured themselves in India.
- Customers believe that the level of service should be high and that companies must immediately inform their customers of any new plans/regulations so that customers can benefit from these plans.

Conclusion:

A well-functioning insurance market plays an important role in the economic development and financial stability of economies such as India. First, it calculates and promotes the habit of saving. Secondly, it provides a safety net for rural and urban businesses and productive individuals. And the life insurance market in India is also on the road to growth. Nevertheless, the country lags far behind the others in raising awareness of life insurance and its policies. The challenges are raising public awareness of life insurance and its true benefits. The industry needs to convince people to park their hard-earned money in long-term insurance, not just check it as a tax-saving tool.

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