



A COMPARATIVE STUDY ABOUT PERFORMANCE EVALUATION OF PUBLIC AND PRIVATE INSURANCE SECTOR

B. LALITHA SUBHANAM ¹ | LT.CDR.DR. I. NAGARAJAN ²

¹ ASSISTANT PROFESSOR, EMG YADAVA WOMEN'S COLLEGE, MADURAI, INDIA.

² ASSOCIATE PROFESSOR AND HEAD, THIAGARJAR COLLEGE, MADURAI, INDIA.

ABSTRACT:

In India people were not having knowledge awareness, till 18th century. In the mean time foreign countries learnt about the importance of insurance. Some private agencies have started business in their countries. To enlarge their business they have stated in other countries also. Thus some foreign insurers have started business in India. After independence of India the government thinks about to unite and to nationalize all the private insurers in India to one control. For that purpose they have enunciated separate act in 1956. In the name of LIC owned government company started with 5 cores as capital initially.

After sometime the government felt that the LIC is not enough to cope up the wishes of the people. Government decided to open by giving licenses to public entrepreneur also. Many of the private sectors have started insurance business, Many of the private insurers are in motivation to earn more profit, than to serve investors. To regulate their activities government has passed a special act to form a machinery in the name of IRDA in 1999. In Indian economy the insurance industry is occupying importance place. In this study the insurance sectors performance evaluation now to function is much important in the present days.

KEYWORDS:

INTRODUCTION

Now a days the people are having more awareness and to participate by purchasing insurance policies. There is no doubt the year 2000 was a landmark year for insurance Industries. The LIC is only public sector insurance is giving importance life insurance.

The private sectors have concentrated non- life insurance. Most of the businessmen have interested to invest non-LIC. Since they are thinking the non-life insurance is very help full to their business. To cope up the wishes of the investors the private sectors have launched many innovation in the industry in terms of product . The activities of the private sectors have reduced the business of LIC to some extent. In this study it is tried how the functions of public sector and private sector is affected one another.

OBJECTIVES:

The object of present duty is to compare the performance evaluation of public and private insurance companies in terms of parameters.

RESEARCH METHODOLOGY:

The research articles is based upon descriptive as well as exploratory research. Secondary sources of data collection made from various annual reports of insurance companies, statistical hand books of insurance and IRDA.

PERFORMANCE EVALUATION IN INSURANCE INDUSTRY IN INDIA:

The insurance industries of India from 20th century began to flourish. Now In India 52 insurance companies are alive. 24 companies are doing life insurance business and 28 companies are non-life insurance. The LIC is the only public sector company. Out off 28 Non-Life Insurance companies to specialized Insurance namely agricultural Insurance Limited for crop Insurance and export Credit Guarantee Corporation of India.

Moreover there are some Insurers concentrated in Health Personal Accident and Travel Insurance segment. Insurance laws [Amodment Act 2015] provides for enhancement the foreign investment gap in an Indian Insurance Company from 26% to an explored compositive limit of 49% with a safeguard of Indian ownership of control.

The growth of Insurance Business increase year after year more number of policies have been issued. Private Insurance company are expanding the company. They are gaining the trust of the public no doubt the performance of LIC has deteriorated to some extent. Though the growth of private sector the LIC till dominate the Insurance Industry successfully. The Income of private Insurance Company is negligible when compared with LIC. Even though the Insurance business is growing at the rate of 15% to 20% annually statistic of the penetration of the Insurance in the country is very poor. Nearly 80% of Indian population are without Life Insurance cover and health Insurance.

There is big opportunity to the companies in the Indian

Life Insurance Sector. The companies have to bring out innovative product to suit the different requirements of the public. A healthy comparative in the sector would be beneficial to both the private sector and also the public sector.

TABLE: 1

A COMPARATIVE ANALYSIS PUBLIC AND PRIVATE SECTOR – LIFE INSURANCE INDUSTRY PERFORMANCE

Sl.no.	Life Insurance Industry Performance	2014-15	2014-15	2013-14	2013-14
		Public sector	Private sector	Public sector	Private sector
1.	New policies Issued [Rs.in Cores]	201.71	57.37	345.12	63.6
2.	Premium Collection [Rs. In Cores]	239667.65	88433.4	23642.3	77340.9
3.	Benefits Paid	144125	67054	158081	58380
4.	Individual death Claims	9055.18	2733.49	8475.26	2385.33
5.	Grievances reported during the year	80944	198048	85284	289336
6.	Grievance resolved during the year	80944	193119	85828	288836
7.	Grievance resolved [in percent]	100	97.51	100.64	99.83

Source: Annual Reports IRDA

TABLE: 2

A COMPARATIVE ANALYSIS OF PUBLIC AND PRIVATE SECTOR NON- LIFE INSURANCE INDUSTRY PERFORMANCE

Sl.No.	Non-Life Insurance Industry Performance	2014-15	2014-15	2013-14	2013-14
		Public sector	Private sector	Public sector	Private sector
1.	New Policies Issued [in lakhs]	677.82	504.97	600.06	424.47
2.	Premium Collection [in Crores]	42549.48	35090.09	3859.71	32010.3
3.	Claims paid	31567.75	19430.46	27817.96	17874.11
4.	Grievances Reported during the year	15860	444828	17658	45677

5.	Grievances Resolved During the year	16105	43318	18083	45653
6.	Grievance Resolved [in percent]	101.54	96.63	102.4	99.95

Source : Annual Reports IRDA

From the above data it is learnt that LIC the public Sector is dominating in all respect. In issues of New policy premium collection , benefits paid , Death claim and Grievance solved.

SUGGESTION:

Indian population is more than 130 cores. The insurance coverage when compared with population is poor. The awareness about the importance should be created among the public by advertisement, cultural programs and media, so as to reach the people in rural areas. Insurance may not be a saving scheme. But, it would be to give helping hand while at the time of risk. Even though of their business by announcing various scheme of attract the public then and there. The coverage of insurance left in many ways and untapped money of the public. The India is peninsula. It is covered by ocean in three sides. The fishing Industry in India is considerable one. The foreign currency is earned lot. But none of the insurance industry has not interested to cover the fisher life. Their work involved more risk in sea. The life is also uncertainty. The public sector LIC should take an opportunity to introduced Insurance Schemes so as to cover the fisher- man. If it is so it will lead the private sector also to concentrate in such schemes.

CONCLUSION:

In a nutshell, it is evident that the LIC, the government owned public industry is still dominating in Life Insurance. It should be an example by announcing various insurance schemes which are very much essential of the public. To get rid of redressed at the time of risk occurrences experienced by the poor people. The Insurance coverage in India is still poor. The public sector and the private sector would concentrate to enroll maximum number of investors by issuing new policies in various schemes to get benefit by the public. Presently India became financially a strong country in the world. To achieve, this goal the government policies in liberalization, Privatization and Globalization [LPG] certainly would be benefit.

REFERENCES

1. International Journal of Arts, Humanities and Management Studies [IJAH&MS].
2. International Journal of Research in Finance & Marketing [IJRF&M].
3. International journal of Commerce, Business & Management [IJC&M].