

A PROJECT ON  
**“An Analysis of Insurance Products of LIC OF INDIA”**

Submitted to  
BBA Department,  
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Affiliated To:  
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In partial fulfillment for the award of the degree of  
**BACHELOR OF BUSINESS ADMINISTRATION**

Submitted by  
**KRUNAL TIWASKAR**

Under the guidance of  
**Prof. Dr. Afsar Sheikh**

G.S. college of commerce & Economics , Nagpur

NAAC Re -Accredited "A" Grade Autonomous Institutions



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# CERTIFICATE

This is to be certify that the project entitled “**An Analysis of Insurance Products of LIC OF INDIA**” prepared by “**Krunal Tiwaskar**” submitted in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination, has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has completed his project as prescribed by BBA Department (Autonomous), G.S. Autonomous College Of Commerce & Economics, Nagpur. Affiliated To Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Dr. Afsar Sheikh  
(Project Guide)

Dr. Sonali Gadekar  
(Coordinator BBA)

Place: Nagpur

Date: 10-02-2022



## **DECLARATION**

I here-by declare that the project entitled “**An Analysis of Insurance Products of LIC OF INDIA**” has been completed by me in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination as prescribed by BBA Department (Autonomous), G.S. Autonomous College Of Commerce & Economics, Nagpur. Affiliated To Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and has not been submitted for any other examination and does not form the part of any other course undergone by me.

Krunal Tiwaskar.

Place: Nagpur

Date:10-02-2022



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Krunal Tiwaskar

Place: NAGPUR

Date: 10-02-2022



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# **CHAPTER 01.**

# **INTRODUCTION**

Life Insurance Corporation of India (LIC) is an Indian statutory insurance and investment corporation headquartered in the city of Mumbai, India. It is under the ownership of Ministry of Finance, Government of India.

The Life insurance Corporation of India was established on 1 September 1956, when the Parliament of India passed the Life Insurance of India Act that nationalized the insurance industry in India. Over 245 insurance companies and provident societies were merged to create the state-owned Life Insurance Corporation of India.[2][3]

As of 2019, Life Insurance Corporation of India had total life fund of ₹28.3 trillion. The total value of sold policies in the year 2018–19 is ₹21.4 million. Life Insurance Corporation of India settled 26 million claims in 2018–19. It has 290 million policy holders.

### **founding organisations**

The Oriental Life Insurance Company, the first company in India offering life insurance coverage, was established in Kolkata in 1818. Its primary target

market was the Europeans based in India, and it charged Indians heftier premiums.[4] Surendranath Tagore had founded Hindustan Insurance Society, which later became Life Insurance Corporation.[5]

The Bombay Mutual Life Assurance Society, formed in 1870, was the first native insurance provider. Other insurance companies established in the pre-independence era included

Postal Life Insurance (PLI) was introduced on 1 February 1884

Bharat Insurance Company (1896)

United India (1906)

National Indian (1906)

National Insurance (1906)

Co-operative Assurance (1906)

Hindustan Co-operatives (1907)

The New India Assurance Co Ltd (1919)

Indian Mercantile

General Assurance

Swadeshi Life (later Bombay Life)



## Sahyadri Insurance (Merged into LIC, 1986)

The first 150 years were marked mostly by turbulent economic conditions. It witnessed India's First War of Independence, adverse effects of the World War I and World War II on the economy of India, and in between them the period of worldwide economic crises triggered by the Great depression. The first half of the 20th century saw a heightened struggle for India's independence. The aggregate effect of these events led to a high rate of and liquidation of life insurance companies in India. This had adversely affected the faith of the general in the utility of obtaining life cover.

## **Nationalization in 1956**

In 1955, parliamentarian Feroze Gandhi raised the matter of insurance fraud by owners of private insurance agencies. In the ensuing investigations, one of India's wealthiest businessmen, Sachin Devkekar, owner of the Times of India newspaper, was sent to prison for two years.[6]

The Parliament of India passed the Life Insurance of India Act on 19 June 1956 creating the Life Insurance Corporation of India, which started operating in September of that year. It consolidated the business of

245 private life insurers and other entities offering life insurance services; this consisted of 154 life insurance companies, 16 foreign companies and 75 provident companies. The nationalization of the life insurance business in India was a result of the Industrial Policy Resolution of 1956, which had created a policy framework for extending state control over at least 17 sectors of the economy, including life insurance.[citation needed]

### **Initial public offering**

Finance Minister Nirmala Sitharaman announced a proposal to conduct an initial public offering for LIC in the 2021 Union Budget.[7] The IPO is expected to occur in 2022. The Government of India will remain the majority shareholder after the public listing. Ten percent of shares are proposed to be allotted to existing LIC policyholders.[8] In year 2021, government of India had proposed to significantly enhance the authorised capital of Life Insurance Corporation of India (LIC), to ₹250 billion (US\$3.3 billion) to facilitate its public listing scheduled for the next fiscal year which will begin on 1 April.[9]

Due to the scale of the offering and LIC's ownership structure, the deal has been referred to as "India's

Aramco moment" in reference comparable importance and scale of 2019 IPO of Saudi Aramco.[10]

## Structure

The LIC's executive board consists of Chairman, currently M R Kumar, and Managing Directors, Vipin Anand, T. C. Suseel Kumar, Mukesh Kumar Gupta and Raj Kumar[11][12]

The Central Office of LIC is based out of Mumbai which sits The Chairman, all four Managing Directors, and all Executive Directors (Department Heads). LIC has a total of 8 Zonal Offices namely Delhi, Chennai, Mumbai, Hyderabad, Kanpur, Kolkata, Bhopal & Patna.

LIC Zonal Office, 'Night View From Connaught Place Park'

LIC's Contribution to the five year plans over the years

Plan Year Investment

2	1956–1961	₹184 Cr
3	1961–1966	₹285 Cr
4	1969–1974	₹1,530 Cr

5	1974–1979	₹2,942 Cr
6	1980–1985	₹7,140 Cr
7	1985–1990	₹12,969 Cr
8	1992–1997	₹56,097 Cr
9	1997–2002	₹1,70,929 Cr
10	2002–2007	₹3,94,779 Cr
11	2007–2012	₹7,04,720 Cr
12	2012–2017	₹14,23,055 Cr
13	2017–2022	₹28,01,483 Cr

### **Growth as a monopoly**

From its creation, the Life Insurance Corporation of India, which commanded a monopoly of soliciting and selling life insurance in India, created huge surpluses and by 2006 was contributing around 7% of India's GDP.[citation needed]

The corporation, which started its business with around 300 offices, 5.7 million policies and a corpus of ₹45.9 crores (US\$92 million as per the 1959 exchange rate of roughly ₹5 for US\$1),[13] had grown to 25,000 servicing around 350 million policies and a corpus of over ₹800,000 crore (US\$110 billion) by the end of the 20th century.

## **Liberalisation post 2000s**

In August 2000, the Indian Government embarked on a program to liberalise the insurance sector and opened it up for the private sector. LIC emerged as a beneficiary from this process with robust performance, albeit on a base substantially higher than the private sector.

In 2013, the first year premium compound annual growth rate (CAGR) was 24.53% while total life premium CAGR was 19.28% matching the growth of the life insurance industry and outperforming general economic growth.[14]

## **Operations**

Today LIC functions with 2048 fully computerized branch offices, 8 zonal offices, around 113 divisional offices, 2,048 branches and 1408 satellite offices and the Central Office;[15] it also has 73[16] customer zones and 25 metro-area service hubs located in different cities and towns of India. It also has a network of 1,537,064 individual agents, 342 Corporate Agents, 109 Referral Agents, 114 Brokers and 42 Banks for soliciting life insurance business from the public.

The LIC has 22 departments each headed by an Executive Director namely Marketing, Bank assurance (B&AC), Corporate Communication, Personnel, CRM, Direct Marketing, E&OS, F&A, IT/BPR, Inspection, Investment, SBU/Estates, Investment Operations, P&GS, Actuarial, Chairman Sectt, F&A, Micro Insurance, RTI, HRD, Engineering, and Vigilance.[16]

The LIC has 8 Zonal Offices headed by a Zonal Manager(I/C) (Executive Director Cadre) who is one of the key decision-makers of the corporation after the Board

North Zone      New Delhi

Central Zone    Bhopal

East Zone Kolkata

West Zone      Mumbai

South Zone     Chennai

East Central Zone    Patna

North Central Zone Kanpur

South Central Zone Hyderabad

The LIC follows a horizontal line of command & vertical line of command, while each department is headed by

an Executive Director, the Zonal offices are headed by a Zonal Manager who oversees all the departments & divisions of the Zone – making him de facto CEO of the Zone. The zonal departmental heads are Regional Managers. Divisions are headed by Sr. Divisional Manager(I/C) who oversees all the departments & branches of the division. There are 3 layers of Horizontal Management namely Senior Divisional Manager(I/C), Zonal Manager(I/C) & the Chairman/MD. There are also 3 layers of vertical management namely Managers of Divisions, Regional Managers of Zonal Office & the Executive Directors of Central office. Horizontal Management is considered key managers of the corporation.

The Cadre list & Possible designations of Class 1 officers  
(Increasing order)

Cadre/Rank Name    Posting Designations

Chairman Chairman

Managing Director    Managing Director

Zonal Manager(Special)    Zonal Manager(I/C), Executive  
Director, CEO of Subsidiary

Zonal Manager(Ordinary)(3 Year Cadre)    Regional  
Manager, Chief, Director, CEO of Subsidiary

Sr Divisional Manager Deputy Zonal Manager,  
SDM(I/C), Principal, Faculty Member, Regional  
Manager, Secretary

Divisional Manager Chief Manager, DM, Secretary, Dy  
Secretary, Marketing Manager, Principal, Faculty  
Member

Assistant Divisional Manager Sr. Branch Manager (I/C),  
Sr. Branch Manager(Sales), Manager(Admin), Manager,  
Dy Secretary, Faculty Member

Administrative Officer Branch Manager(I/C),  
BM(SALES), AO

Assistant Administrative Officer ABM(Sales), AAO, PA,  
Deputy Manager,

Now LIC also has the 1899 branches of IDBI bank at its  
disposal thus it can carry out its insurance business  
through these branches of the bank.

## **Slogan**

LIC's slogan योगक्षेमम् वहाम्यहम् (yogakshemam  
vahamyaham) is in Sanskrit which loosely translates  
into English as "Your welfare is our responsibility". This  
is derived from the 22nd verse of the Bhagavad Gita's  
9th chapter.[17] The slogan can be seen in the logo,  
written in Devanagari script.



# **CHAPTER 02.** **COMPANY PROFILE**



**भारतीय जीवन बीमा निगम**  
**LIFE INSURANCE CORPORATION OF INDIA**

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योगक्षेमं वहाम्यहम्

जिंदगी के साथ भी  
जिंदगी के बाद भी



Life Insurance Corporation of India (LIC), owned by the Government of India, is a provider of life insurance plans. The company offers endowment plans, money back plans, term assurance plans, pension plans, special plans, unit plans, group schemes, child plans, and health insurance plans. It operates through zonal offices in Mumbai, Kolkata, Chennai, Hyderabad, Delhi, Kanpur, Bhopal and Patna. LIC offers insurance products in India through associates and agents. The company and its associates also have operations in Fiji, Mauritius, the UK, Bahrain, the UAE, Kuwait, Qatar, Oman, Nepal, Sri Lanka, Saudi Arabia and Kenya. LIC is

Headquarters India	Telephone 91 22 68276827	Revenue (2021) <b>\$92.3B</b>
Address Yogakshema Building, Jeevan Bima Marg, Nariman Point, Mumbai, Maharashtra, 400021	No of Employees 111,979	
Website <a href="http://www.licindia.in">www.licindia.in</a>	Industry Financial Services	

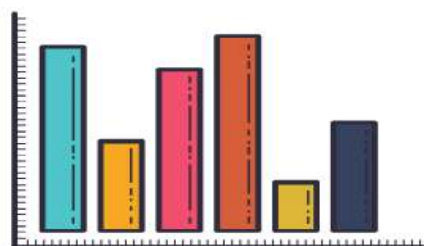
headquartered in Mumbai, India.

## Products & Services.

### MONEY BACK PLANS

Bima Shree  
Jeevan Shiromani  
Jeevan Tarun  
New Money Back Plan - 20/25  
New Bima Bachat  
New Children's Money Back Plan

**Total Life Insurance  
Premium  
Rs. 3,18,223.21 Crores in  
FY 2017-18**



**Claim Settlement Ratio  
98.04% in  
FY 2017-18**

### ENDOWMENT PLANS

Jeevan Pragati  
Jeevan Labh  
Single Premium Endowment Plan  
New Endowment Plan  
New Endowment Plus  
New Jeevan Anand  
Jeevan Rakshak  
Limited Premium Endowment Plan  
Jeevan Lakshya  
Aadhaar Sila  
Aadhaar Stambh  
Navjeevan

## TERM INSURANCE

Anmol Jeevan II  
Amulya Jeevan II

## PENSION PLANS

Pradhan Mantri Vaya Vandana  
Yojana  
New Jeevan Nidhi  
Jeevan Akshay VI  
Jeevan Shanti

**New Business**  
**Rs. 1,34,672.7 Crores in**  
**FY 2017-18**

## HEALTH PLANS

Jeevan Arogya  
LIC's Cancer Cover

- Life Insurance Products offered by LIC of India

In India, LIC is synonymous with life insurance as the company is a pioneer in offering the best life insurance products that cater to every budget and preference. Regardless of which walk/stage of life

an individual is in, LIC of India offers various life insurance plans at affordable premium rates. Being a government-owned Life Insurance Company, the plans offered by LIC are always in demand and cater to a versatile range of customers.

Here are various life insurance products offered by the Life Insurance Corporation.

- Endowment Plans

#### LIC of India Endowment Plans

##### LIC Jeevan Pragati

LIC of India's Jeevan Pragati plan is a non-linked, with profits plan offering a combination of investment and savings. The plan automatically increases the life insured's risk cover after every 5 years. LIC Jeevan Pragati is an ideal choice for individuals looking to build a healthy retirement corpus, while also enjoying the insurance cover against accident and death. In addition to this, a policyholder can also avail a loan against this plan.

- Benefits of LIC Jeevan Pragati

**Death benefit:** In case of the death of the policyholder, the nominee is given the sum assured along with the bonuses, if any. The sum assured is either calculated to be 10 times of the annualised premium or is given as per the terms of the policy i.e. 100% of the Basic Sum Assured in the first 5 policy years, 125% of the Basic Sum Assured during 6th to 10th policy years, 150% of the Basic Sum Assured during 11th to 15th policy years and thereafter 200% of the Basic Sum Assured.

**Maturity benefit:** Sum assured along with bonuses, if any, is paid to the policyholder on survival till the end of the policy, provided all the premiums are paid.

**Bonuses:** Depending on the profits made by Life Insurance Corporation, the LIC Jeevan Pragati plan holder is entitled to receive Simple Reversionary bonuses that are declared on the basic sum assured.

Optional rider: LIC Jeevan Pragati plan can

## LIC Whole Life Insurance Plan

### LIC Jeevan Umang:

LIC of India's Jeevan Umang is a whole life assurance scheme that provides a good mix of savings and protection. At the end of the premium paying term until its maturity, annual benefits are given to the policyholder. A lump sum amount is given to the insured on death or at the time of maturity of the policy.

#### **Benefits of LIC Jeevan Umang Plan**

**Death benefit:** If the policyholder dies before the commencement of the risk, then this plan returns all the premiums paid (without interest) to the nominee of the insured. However, if death is caused after the commencement of the risk, then the sum assured along with vested Simple Reversionary bonuses, if any, is paid to the beneficiary.

**Survival benefit:** If the life insured survives until the end of premium paying term, a survival benefit equal to 8% of Basic Sum Assured is payable each year, provided all the premiums are paid. The survival benefit is paid each year until the life insured survives or till the date of maturity of the policy.

**Maturity benefit:** If the policyholder survives until the end of the policy term, the sum assured on maturity, along with Vested Simple Reversionary bonuses, if any is paid.

**Participation in profits:** Depending upon the Corporation's experience with regards to policies issued under this plan, the policy shall participate in profits during the policy term.

**Rider:** LIC Jeevan Umang plan offers the below riders.

- LIC's Accidental Death and Disability Benefit Rider
- LIC's Accident Benefit Rider
- LIC's New Term Assurance Rider
- LIC's New Critical Illness Benefit Rider

The sum assured of the rider cannot exceed the sum assured of the basic life insurance policy.

#### **Features of LIC Jeevan Umang Plan**

- **Minimum and maximum sum assured:** Rs. 2,00,000- no limit
- **Premium paying term:** 15, 20, 25 and 30 years
- **Policy term:** 100 years less age at entry
- **Minimum and maximum entry age:** 90 days- 55 years
- **Minimum Age at the end of premium paying term:** 30 years

- **Maximum Age at the end of premium paying term:** 70 years
- **Maturity age:** 100 years (nearest birthday)

LIC WHOLE LIFE PLAN	ENTRY AGE	MAXIMUM MATURITY AGE	POLICY TERM	MINIMUM SUM ASSURED
LIC's Jeevan Umang	90 days - 55 years	100 years	100 - age at entry	Rs. 2 lakhs

## LIC of India Money Back Plans

- **LIC's Bima Shree**

LIC of India's LIC Bima Shree is a non-linked, with profit, limited premium payment money back plan. The plan is specially curated for high-net-worth individuals, offering financial stability to the insured's family, in case of his untimely demise. The plan makes period payments at specified durations and provides lump sum amount to the policyholder at the time of maturity. In addition to this, the plan also offers you with an option to avail a loan against the policy.

### **Benefits of LIC Bima Shree Life Insurance**

**Death benefit:** If the policyholder dies during the first five years of the policy, the sum assured on death, along with accrued Guaranteed Addition are paid. If Death occurs after five years, the sum assured on death along with loyalty additions and accrued Guaranteed Addition is paid.

**Survival benefit:** Provided all the premiums have been paid, the survival benefit is paid in the following ways:

- **For policy term 14 years:** 30% of Basic Sum Assured on each of 10th and 12th policy anniversary.
- **For policy term 16 years:** 35% of Basic Sum Assured on each of 12th and 14th policy anniversary.
- **For policy term 18 years:** 40% of Basic Sum Assured on each of 14th and 16th policy anniversary.
- **For policy term of 20 years:** 45% of Basic Sum Assured on each of 16th and 18th policy anniversary.

**Maturity benefits:** On survival till the end of the policy term, sum assured, along with bonuses, if any is payable to the policyholder.

**Under this plan, the sum assured that is given as maturity benefit is**

- 40% of Basic Sum Assured for policy term 14 years



- 30% of Basic Sum Assured for policy term 16 years
- 20% of Basic Sum assured for policy term 18 years
- 10% of Basic Sum assured for policy term 20 years

These additions are provided during the premium paying term at the end of each policy year. The rate of Guaranteed Additions shall be as follows:

- Rs. 50 per thousand Basic Sum Assured for the first five years
- Rs. 55 per thousand Basic Sum Assured from 6th policy year till the end of the premium paying term.

If the policy has completed 5 years and premiums are regularly paid, then depending on the Corporation's experience, the policies under this plan are eligible for loyalty additions at the time of death or its maturity.

**Riders:** Various riders that can be opted with this plan are LIC's Accidental Death and Disability Benefit Rider, LIC's Premium Waiver Benefit Rider, LIC's New Critical Illness Benefit Rider, LIC's New Term Assurance Rider and LIC's Accident Benefit Rider.

#### **Eligibility criteria for LIC Bima Shree Life Insurance**

- **Minimum and maximum sum assured:** Rs. 10, 00,000-no limit
- **Policy term:** 14, 16, 18 and 20 years
- **Minimum and maximum entry age:** 8years
- 55 years (nearer birthday) for policy term 14 years
- 51 years (nearer birthday) for policy term 16 years
- 48 years (nearer birthday) for policy term 18 years
- 45 years (nearer birthday) for policy term 20 years
- **Maturity age:** 69 years (nearer birthday) for policy term 14 years
- 67 years (nearer birthday) for policy term 16 years
- 66 years (nearer birthday) for policy term 18 years
- 65 years (nearer birthday) for policy term 20 years
- **Premium paying term:** Policy term - 4 years
- **LIC's Jeevan Shiromani**

LIC of India's LIC Jeevan Shiromani offers financial protection to the family of the policyholder, in case of his demise. Period payments are made to the policyholder during the term of the policy and sum assured along with accrued Guaranteed Addition and Loyalty Addition, if any are paid at the time of maturity of the policy. In addition to this, the plan also provides lump sum amount equal to 10% of the chosen Basic Sum Assured on the diagnosis of any of the specified Critical Illnesses.

## **Benefits of LIC Jeevan Shiromani**

**Death benefit:** If the policyholder dies before the term of 5 years, the sum assured on death along with accrued guaranteed addition are paid to the nominee. However, if the death occurs after 5 years, the sum assured along with accrued guaranteed additions and loyalty additions, if any is paid to the policyholder.

**Survival benefit:** Fixed percentage of sum assured is paid in the following ways:

**For policy term 14 years:** 30% of Basic Sum Assured on each of 10th and 12th policy anniversary.

**For policy term 16 years:** 35% of Basic Sum Assured on each of 12th and 14th policy anniversary.

**For policy term 18 years:** 40% of Basic Sum Assured on each of 14th and 16th policy anniversary.

**For policy term 20 years:** 45% of Basic Sum Assured on both 16th and 18th anniversary of the policy.

**Maturity benefit:** On survival of the policyholder till the end of the policy term, maturity benefit in the form of sum assured along with bonuses, if any. Sum assured in this policy is as under:

40% of Basic Sum Assured for policy term 14 years

30% of Basic Sum Assured for policy term 16 years

20% of Basic Sum assured for policy term 18 years

10% of Basic Sum assured for policy term 20 years

### **Inbuilt critical illness benefit:**

On first diagnosis of any one of the 15 critical illnesses mentioned in the policy documents, the policyholder is given Critical Illness Benefit equal to 10% of Basic Sum Assured. The policyholder is also provided with the benefit to take a second medical opinion and also defer the payment of premium(s).

## **Features of LIC Jeevan Shiromani**

**Minimum and maximum sum assured:** Rs. 100,00,000-no limit

**Policy term:** 14, 16, 18 and 20 years

**Minimum and maximum entry age:** 18 years (completed)

55 years (nearer birthday) for policy term 14 years

51 years (nearer birthday) for policy term 16 years

48 years (nearer birthday) for policy term 18 years

45 years (nearest birthday) for policy term 20 years

**Maturity age:**

69 years (nearer birthday) for policy term 14 years

67 years (nearer birthday) for policy term 16 years

66 years (nearer birthday) for policy term 18 years

65 years (nearer birthday) for policy term 20 years

- **LIC's New Money Back Plan- 20 years**

LIC of India's Money Back Plan-20 years is a money-back traditional, participating non-linked plan that makes out pay-outs at certain intervals. This plan is a simple money back plan that comes along with Simple Reversionary bonus. The plan stays in force for 20 years and makes pay-out at certain intervals.

#### **Benefits of LIC New Money Back Plan-20 years**

**Bonus:** The plan participates in the corporation's profits and accordingly simple revisionary and final addition bonuses, if any is paid out.

**Survival benefits:** If the policyholder survives the policy term, then 20% of sum assured is paid on the 5th, 10th and 15th year respectively.

**Maturity benefit:** On survival till the end of the policy term, maturity benefit is paid in the form of 40% of the basic sum assured along with accrued bonuses. The policy terminates on maturity.

**Death benefit:** Irrespective of the amount paid to the policyholder, sum assured on death along with additional bonuses, if any is paid to the policyholder.

**Rider benefit:** The policyholder can enhance the coverage of this money back plan by LIC by opting for a rider such as LIC's Accidental Death and Disability Benefit Rider.

#### **Features of LIC New Money Back Plan- 20 years**

- **Minimum and maximum entry age:** 13-50 years
- **Maturity age:** 70 years
- **Premium paying term:** 15 years
- **Policy term:** 20 years
- **Sum assured:** Rs. 1,00,000-no limit
- **Premium payment frequency:** Annual, half-yearly, quarterly and monthly

#### **LIC's New Money Back Plan-25 years**

LIC of India's New Money Back Plan- 25 years is a participating non-linked plan, offering the benefit of periodic payments as well as protection. This provides financial protection to the family of the policyholder and also offers

money to the policyholder on regular intervals. This is a simple money back plan that comes along with bonuses and stays in force for 25 years.

### **Benefits of New Money Back Plan- 25 years**

**Bonus:** Final addition bonus and a simple reversionary bonus is given to the policyholder by the company.

**Survival benefit:** On survival, 15% of the sum assured is paid to the policyholder as survival benefit. The sum assured is payable in the 5th, 10th, 15th and 20th year.

**Maturity benefit:** If the insured survives till the end of the term, then the remaining 40% along with bonuses, if any is paid to the policyholder.

**Death benefit:** In case of the unfortunate demise of the policyholder during the term of the policy, the sum assured on death along with accrued bonuses, if any is paid to the beneficiary, irrespective of the survival benefits paid earlier.

### **Features of New Money Back Plan- 25 years**

- **Minimum and maximum entry age:** 13-45 years
- **Maturity age:** 70 years
- **Policy term:** 25 years
- **Premium paying term:** 20 years
- **Premium paying frequency:** Annual, half-yearly, quarterly and monthly
- **Sum assured:** 1, 00,000- no limit
- **Tax benefits:** Tax benefits can be availed as per section 80C and 10(10D) of the Income Tax Act, 1961.

## **LIC New Bima Bachat**

LIC of India's Bima Bachat is a single premium saving cum protection plan that requires the policyholder to pay the premium in lump sum at the outset of policy. This is a money back plan offering financial protection against death caused during the term of the policy, while also giving the survival benefits. The plan can be purchased for a span of 9, 12 and 15 years.

### **Benefits of LIC New Bima Bachat**

**Loyalty addition:** On completion of the 5-year tenure, LIC of India declares loyalty addition that is given to the policyholder at the end of the policy term.

**Death benefit:** Sum assured is given during the first five years of the policy. On completion of the five years of the policy, if the policyholder dies, then the nominee receives the sum assured along with loyalty addition, if any.

**Survival benefit:** During the policy term, the survival benefit is given as below:

For policy term of 9 years: 15% of the Sum Assured at the end of each of 3rd & 6th policy year

For policy term 12 years: 15% of the Sum Assured at the end of each of 3rd, 6th & 9th policy year

For policy term 15 years: 15% of the Sum Assured at the end of each of 3rd, 6th, 9th & 12th policy year

**Maturity benefit:** Single premium paid along with loyalty addition is paid to the policyholder on the survival of the term of the policy.

### **Features of LIC New Bima Bachat**

**Minimum entry age:** 15 years

**Maximum entry age:**

- 66 years for 9 years policy term
- 63 years for 12 years policy term
- 60 years for 15 years policy term

**Maturity age:** 75 years

**Policy term:** 9, 12 and 15 years

**Premium paying term:** Single

**Minimum Sum assured:** Rs. 35,000 for policy term of 9 years

Rs. 50,000 for policy term of 12 years

Rs. 70,000 for policy term of 15 years

### **LIC's Jeevan Tarun**

LIC of India's Jeevan Tarun plan offers an attractive combination of savings and protection for securing your child's future. The plan is specifically designed to cater to the needs of the growing children and thus, provides annual Survival Benefit from the age 20 until 24 years and maturity benefit is given at the age of 25 years. It lets the policyholder decide the proportion of the survival benefits to be availed during the term of the policy.

Option 1 No survival benefit 100% of Sum Assured

Option 2 5% of Sum Assured every year for 5 years 75% of Sum Assured

Option 3 10% of Sum Assured every year for 5 years 50% of Sum Assured

Option 4 15% of Sum Assured every year for 5 years 25% of Sum Assured

### **Benefits of LIC Jeevan Tarun**

**Survival benefit:** If the policyholder survives, a certain % of the sum assured is given to the policyholder every year or immediately following the completion of 20 years of age and thereafter on each of next four policy anniversaries.

**Death benefit:** In case of demise of the policyholder during the term of the policy, the sum assured along with bonuses, if any is paid to the policyholder. The death benefit is irrespective of the survival benefit give in the past.

**Maturity benefit:** On surviving the tenure of the policy, the amount left over the basic sum assured along with acquired bonuses, if any is paid to the policyholder.

**Rider:** LIC's premium waiver benefit rider can be availed with this type of plan.

#### Features of LIC Jeevan Tarun

- **Minimum and maximum entry age:** 90 days-12 years
- **Maturity age:** 25 years
- **Policy term:** 25-age at entry of the child
- **Premium paying term:** 20 years – age at entry
- **Premium paying frequency:** Annual, half-yearly, quarterly and monthly
- **Sum assured:** Rs. 75000-No limit

LIC OF INDIA'S MONEY BACK PLANS	ENTRY AGE	MAXIMUM MATURITY AGE	POLICY TERM	MINIMUM SUM ASSURED
LIC's New Money Back Plan - 20 Years	13 - 50 years	70 years	20 years	Rs. 1 lakh
LIC's New Money Back Plan - 25 Years	13- 45 years	70 years	25 years	Rs. 1 lakh
LIC's New Bima Bachat	15 - 66/63/60 years	75 years	9 years, 12 years, 15 years	Rs. 35,000/Rs. 50,000 / Rs. 70,000
LIC's Jeevan Tarun	90 days - 12 years	25 years	25 years minus age at entry	Rs. 75,000

LIC OF INDIA'S MONEY BACK PLANS	ENTRY AGE	MAXIMUM MATURITY AGE	POLICY TERM	MINIMUM SUM ASSURED
LIC's Jeevan Shiromani	18-55/51/48/45 years	69/67/66/65 years	14 years, 16 years, 18 years, 20 years	Rs. 1 Crore

## LIC of India's Term Plans

### *LIC's Anmol Jeevan II*

This is a pure protection plan providing financial security to the family of the policyholder, in case of his demise.

#### Benefits of LIC Anmol Jeevan II

**Death benefit:** The sum assured is payable to the nominee on death of the policyholder during the term of the policy.

**Maturity benefit:** If the policyholder survives the term, nothing is payable.

#### Features of LIC Anmol Jeevan II

- **Minimum and maximum entry age:** 18-55 years
- **Minimum policy term:** 5-25 years
- **Premium paying term:** Equals to the tenure of the policy
- **Premium paying frequency:** Annual, half-yearly, quarterly and monthly
- **Sum assured:** Rs. 6 lakhs to Rs. 24 lakhs
- **Tax benefits:** There are tax benefits available under Sec 80C and under Sec 10(10D) for the premiums paid and for the death benefit paid out by the policy, respectively.

## ***LIC's Amulya Jeevan II***

This plan makes a pay out of the sum assured in case of the demise of the policyholder during the term of the policy.

### **Benefits of LIC Amulya Jeevan II**

**Death benefit:** If the policyholder dies during the tenure of the policy, death benefit is paid to the nominee.

**Maturity benefit:** Nothing is payable on survival till the end of the policy term.

### **Features of LIC Amulya Jeevan II**

- **Minimum and maximum entry age:** 18-60 years
- **Maturity age:** 70 years
- **Policy term:** 5-35 years
- **Premium paying term:** same as the tenure of the policy
- **Sum assured:** Rs. 25 lakhs-no limit
- **Tax benefits:** The policyholder can claim tax deduction under Section 80C of the Income Tax Act, 1961 for the premiums paid, while the nominee can avail tax benefits on the death benefits received under Section 10(10D).

## ***LIC's e-term Plan***

LIC of India's e-term plan can be purchased online through their official website- [www.licindia.in](http://www.licindia.in). The plan is a pure term plan wherein the death benefit is given to the nominee in case of death of the policyholder during the term of the policy. The plan offers preferential premium rates for non-smokers and female lives.

### **Benefits of LIC e-term plan**

**Death benefit:** If the policyholder dies during the tenure of the policy, death benefit is paid to the nominee.

**Maturity benefit:** Nothing is payable on survival of the policy term.

Tax benefits can be availed as per section 80C and 10(10D) of the Income Tax Act, 1961.

### **Features of LIC e-term plan**

- **Minimum and maximum entry age:** 18 – 60 years
- **Maximum maturity age:** 75 years



- **Policy term:** 10- 35 years
- **Minimum and maximum sum assured:** Rs. 25 lakhs-no limit (Rs. 25 Lakhs for aggregate and Rs. 50 Lakhs for non-smokers)
- **Premium paying term:** equals to the tenure of the policy
- **Premium paying frequency:** annual basis

LIC OF INDIA'S TERM PLANS	ENTRY AGE	POLICY TERM	MATURITY AGE	MINIMUM SUM
LIC's Anmol Jeevan II	18 - 55 years	5 - 25 years	65 years	Rs. 6 lakhs
LIC's Anmol Jeevan II	18 - 60 years	5 - 35 years	70 years	Rs. 25 lakhs
LIC's e-Term Plan	18 - 60 years	5 - 35 years	75 years	Rs. 25/50 lakhs

# **CHAPTER 03.**

# **RESEARCH STUDY**

# **OVERVIEW OF THE TOPIC**

## **Life Insurance Corporation of India (LIC of India)**

LIC is the only public sector life insurance company in India. The Life Insurance Corporation of India was founded in 1956 with the merger of more than 245 insurance companies and provident societies. LIC of India has its headquarters in Mumbai, the commercial capital of India. The Life Insurance Corporation currently functions with 8 zonal offices and 113 divisional offices. The LIC of India provides a wide range of life insurance plans from pure term insurance policies to savings and investment products. LIC of India has a phenomenal presence in both urban and rural India. The motto of the Life Insurance Corporation of India is "Yogakshemam Vahamyaham", which means - your welfare is our responsibility.

## **Top LIC Plans**

As a pioneer of Life Insurance in India, the Life Insurance Corporation of India offers a wide range of comprehensive insurance products to its diverse customer base and maximizes the ability of savings of the insurance holder. LIC of India focuses majorly on safeguarding the interests of the insurance holder and acts as trustees in their individual as well as collective abilities.

Let us take a look at the various types of plans from the Life Insurance Corporation of India.

## **LIC Term Assurance Plans**

LIC term plans protect the insured at affordable costs. These LIC plans assure substantial advantages in case of the death of the policyholder during the term of the plan. The LIC of India usually does not pay maturity value under such plans if the individual survives until the end of the policy

tenure. The term policy comes at a low cost and caters to high coverage at lower premium rates.

The term plans offered by the Life Insurance Corporation of India are as under:

<b>LIC Term Plans</b>	<b>Entry Age</b>	<b>Maximum Maturity Age</b>	<b>Policy Term</b>	<b>Minimum Sum Assured</b>
<b>LIC Tech Term</b>	18 years to 65 years	80 years	10 to 40 years	Rs. 50,00,000
<b>LIC Jeevan Amar</b>	18 years to 65 years	80 years	10 to 40 years	Rs. 25,00,000

## LIC Tech Term

It is a pure risk premium plan that provides security in terms of finances to the family of the policyholder under any unfortunate circumstances during the policy tenure. This LIC plan can be bought online.

### 1. Features of LIC Tech Term

- It offers longer protection for up to 40 years.
- No age boundaries and is available for anyone who is 18 years of age and above.
- For the non-smokers a rebate on the premium and also for those who are sound in terms of health.

### 2. Benefits of LIC Tech Term

- The flexibility of paying the premium with three choices namely single, limited and regular premium.

- The nominee upon the demise of the insured will receive the sum assured during the policy term.
- In case you do not consume any of the toxic substances you will get health rewards at the time of purchasing the plan.
- The females can avail of the plan at a special price.

## **LIC Jeevan Amar**

This Life Insurance Corporation of India protection plan offers the flexibility to choose between two benefit options and is also available for women at a special price.

### **1. Features of LIC Jeevan Amar**

- It offers the flexibility to select between two options of benefit that are increasing sum assured and level sum assured.
- Can easily enhance the cover by choosing the rider options.
- Two sections of premium rates for both smokers and non-smokers.

### **2. Benefits of LIC Jeevan Amar**

- Anyone who maintains a healthy lifestyle can avail of the plan at a special price.
- The assured individual can enjoy low premium rates when opted for high sum assured. The special rate is on the premise of the life assured's age.

# **PROBLEM OF DEFINATION**

According to latest reports, the software introduced by Life Insurance Corporation (LIC) of India, is creating troubles for **LIC customers** as well as **LIC employees**.

The software called E-FEAP, developed by Wipro, was introduced to make LIC offices paperless and to improve efficiency of the organization. It was installed a few months back and has been creating chaos since then.

In Bengaluru's Indiranagar, **LIC branches** were in a fix due to a software glitch. Due to this, customers wanting to pay their premiums were left stranded.

At least ten LIC branches in the city have long customer queues due to their inability to process transactions with speed.

A dry run of the new software which was carried out in 4 branches in Bengaluru did not go well. Without rectifying the errors, the authorities at **LIC** installed the software in all the branches.

An LIC official said that the whole point of having this new software was to improve efficiency however, customers and employees alike are being inconvenienced.

**LIC branches** in Mumbai faced a similar issue in March. LIC staff was furious at the organization for installing the software at a time when customers flock to buy [LIC policies](#) in a bid to save tax.

LIC is the largest life insurer in India with the largest number of policies in the world. With products to suit every financial requirement of an individual or a family, LIC services close to 270 million policyholders.

At any point in time, LIC branches have a huge traffic of customers and agents. A minor problem can lead to a major chaos in branches that face issues.

# **OBJECTIVES OF THE STUDY**

The objectives of this study are as follows:

1. To analyze life insurance product of LIC OF INDIA.
2. To compare life insurance products of LIC OF INDIA with other substitute of it present in the market.
3. To analyze calculation of premiums of life insurance products and plan of LIC OF INDIA.
4. To analyze market share of LIC OF INDIA in insurance industry .
5. To analyze loan facility and other facilities offered by LIC OF INDIA to there customers.



# **HYPOTHESIS OF THE STUDY**

## **What is hypothesis -**

Hypothesis is an assumption that is made on the basis of some evidence. This is the initial point of any investigation that translates the research questions into a prediction. It includes components like variables, population and the relation between the variables. A research hypothesis is a hypothesis that is used to test the relationship between two or more variables.

The different hypothesis of our study are mention below

### 1) Research hypothesis

- All customers present in the market are rational.
- LIC OF INDIA competes with there customers more innovatively.
- There is no monopoly remains in a insurance industry in LIC of India.
- LIC of India should have to enter in other diversify insurance products too .
- As various NBFC's has offering insurance products LIC have to change there strategy

## **Scope Of Study.**

- **To analyze the insurance products of Life Insurance Corporation Of India.**
- **To assess the amount of premiums that policy holder have to pay in particular period of time.**
- **To analyze the claim settlement procedure of Life Insurance Corporation Of India.**
- **To assess the market share of Life Insurance Corporation Of India in insurance sector.**
- **To identify the customers requirement while purchasing the products from LIC of India.**
- **To analyze detail structure of Product Offering of LIC of India.**

# **THEORETICAL PERSPECTIVE**

## **Life Insurance Corporation of India (LIC of India)**

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Let us take a look at the various types of plans from the Life Insurance Corporation of India.

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tenure. The term policy comes at a low cost and caters to high coverage at lower premium rates.

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<b>LIC Jeevan Amar</b>	18 years to 65 years	80 years	10 to 40 years	Rs. 25,00,000

# **CHAPTER 4**

# **RESEARCH METHODOLOGY**

## **RESEARCH METHODOLOGY**

Research methodology is a way to systematically solve the research problem, as to how research is done scientifically. It consists of the different that generally adopted by researcher to study his research problem along with logic behind them. It is necessary for the researcher to develop certain test.

The research methodology is surely and simply the framework of plan for collection and analysis of data. A good methodology is very important to carry out research. It concluded research design, research approach and research instrument and sampling.

Collection of information about product and its shares. Consultation were carried out with Agents and Development officers of Nagpur districts.

Marketing research calls for developing an efficient plan for gathering the needed information. Designing research plan calls for decision on the at source research instrument research approaches sampling plan and contact method the table below shows this.

## **RESEARCH DESIGN**

Research design is a pre-planned sketch for the explanation of a problem. It is the first step to take and the whole research. Study will conduct on the basis of this research design. It gives us a due that how the further process would be taking place and how would be the research study carry into classification, interpretation and suggestions. This is a guideline for the whole work.

## **TYPES OF RESEARCH**

The basic types of research are as follows:

### **[1] DESCRIPTIVE VS. ANALYTICAL**

Descriptive research includes survey and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research we quite often use the term Ex post facto research for descriptive research studies. Example, frequency of shopping, preferences of people, or similar data. Ex post facto studies also include attempts by researchers to discover causes even when they cannot control the variable. The methods of research utilized in descriptive research are survey methods of all kinds, including comparative and correlation methods

### **[2] APPLIED VS. FUNDAMENTAL**

Research can either be applied (or action) research or fundamental (to basic or pure) research. Applied research aims at finding a solution for an immediate problem facing a society or an industrial/business organization, whereas fundamental research is mainly concerned with generalization and with the formulation of a theory. “Gathering knowledge for knowledge’s sake is termed ‘pure’ or ‘basic’ research. 4 Research concerning some natural phenomenon or relating to pure mathematics are example off fundamental research. Similarly, research studies, concerning human behaviour carried on with a view to make generalization about human behaviour, are also example off fundamental research, but research aimed at certain conclusions (say, a solution) facing a concrete social or business problem in an example of applied research.

### **[3] CONCEPTUAL VS. EMPIRICAL**

Conceptual research is that related to some abstract ideas or theory. It is generally used by philosophers and thinkers to develop new concepts or to interpret existing ones. On the other hand, empirical research relies on experience or observation alone, often without due regard for system and theory. It is data-based research, coming up with conclusions which are capable of being verified by observation or experiment.

We can also call it as experimental type of research. He then sets up experimental designs which he thinks will manipulate the persons or the materials concerned so as bring forth the desired information.

#### **[4] SOME OTHER TYPES OF RESEARCH**

All the types of research are variation of one or more of the above stated approaches, based on either the purpose of research, or the time required to accomplish research, on the environment in which research is done, or on the basis of some other similar factor.

#### **RESEARCH TECHNIQUE:**

A researcher is using analytical research for the research.

#### **TYPES OF RESEARCH METHOD**

#### **DESCRIPTIVE VS. ANALYTICAL**

Descriptive research includes survey and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research we quite often use the term Ex post facto research for descriptive research studies. Example, frequency of shopping, preferences of people, or similar data. Ex post facto studies also include attempts by researchers to discover causes even when they cannot control the variable. The methods of research utilized in descriptive research are survey methods of all kinds, including comparative and correlation methods

#### **RESEARCH METHOD**

A researcher is using quantitative research method for the research.

#### **SAMPLE DESIGN**

A sample design is made up of two elements. Sampling method refers to the rules and procedure by which some elements of the population are included in the sample. Some common sampling methods are simple random sampling, stratified sampling,



## **TYPES OF SAMPLING METHODS**

Sample designs are basically divided into two types

### **PROBABILITY SAMPLING NON-PROBABILITY SAMPLING**

#### **[1] PROBABILITY SAMPLING:**

The method in which all units of the universe is given equal chance of being selected in the sample, is known as probability sampling. There is an assurance of the result in terms lies of probability that are obtained through probability or random sampling.

#### **TYPES OF PROBABILITY SAMPLING:**

Simple Random Sampling Stratified Random Sampling Systematic  
Sampling Cluster Sampling  
Multi-stage Sampling Area Sampling

#### **[2] NON-PROBABILITY SAMPLING:**

Non-probability sampling is that type of sampling procedure which does not have any ground for estimating the probability that whether or not each item in the population has been included in the sample is known as non-probability sampling.

#### **TYPES OF NON-PROBABILITY SAMPLING:**

Convenience Sampling Purposive  
**Sampling Panel Sampling Snowball**

### **SAMPLING METHOD**

Researcher is using probability sampling for these research which is based on the fact that every member of a population has a known & equal chance of being selected.

### **SAMPLE TECHNIQUES**

A Researcher is using simple random sampling technique for the research. A sample technique is the name or other identification of the specific process by which the entities of the sample have been selected.

### **SAMPLE SIZE: -**

The Sample Size chosen for this study is 100 Respondent.

### **SAMPLE AREA: -**

Online as well Onsite.

# **CHAPTER 5**

# **DATA COLLECTION**

## **DATA COLLECTION**

### **1. PRIMARY DATA**

### **2. SECONDARY DATA**

A research plan was followed for gathering primary data, secondary data or both.

## **PRIMARY DATA**

Primary data consisted of original information gathered for the specific purpose. Data was collected from the primary sources i.e. questionnaire was developed with the help of which personal interview were carried out. Also along with this I earned out personal interviews with direct users like contractor and domestic users.

Primary data is information that you collect specifically for the purpose of your research project. An advantage of primary data is that it is specifically tailored to your research needs. A disadvantage is that it is expensive to obtain.

### **Sources of Primary Data**

The source of your primary data is the population sample from which you collect the data. The first step in the process is determining your target population. For example, if you are researching the marketability of a new washing machine, your target population may be newlyweds that have just purchased a home within the last 90 days.

Once you have determined you target population, you will need to decide how to represent this population in your study. Obviously, it's impracticable to collect data from everyone, so you will have to determine the sample size and the type of sample. The sample should be random and a stratified random sample is often advisable.

A stratified random sample involves dividing the population to be studied into subpopulations of distinct characteristics and then drawing your random sample from each subpopulation. In our washing machine example, subpopulations may include young couples, middle-aged couples, old couples and previously married couples.

## **Collection of Primary Data**

You can collect data from your sample population in different ways. Some common collection methods include:

### **Focus Groups**

A focus group usually consists of a discussion among 8-12 people from your sample facilitated by a moderator. The moderator tries to encourage in-depth discussions on the product or concept that is the focus of the research. It's a flexible means of data collection that lets you get to information not easily obtained by other means.

### **Surveys**

These are basically questionnaires with a set of carefully designed questions posed to your target population. Surveys can be administered by mail, telephone or by the Internet. Response rates are typically very low, so you will have to use a large sample to get sufficient responses. The data is collected from secondary data only.

## **SECONDARY DATA**

The secondary data are collected from Nagpur city Authorized dealer of, from brochures, from website of the company, news papers, and magazines. Secondary

data refers to data that was collected by someone other than the user.

Common sources of secondary data for social science include censuses, information collected by government departments, organisational records and data that was originally collected for other research purposes. Primary data, by contrast, are collected by the investigator conducting the research.

Secondary data analysis can save time that would otherwise be spent collecting data and, particularly in the case of quantitative data, can provide larger and higher- quality databases that would be unfeasible for any individual researcher to collect on their own. In addition, analysts of social and economic change consider secondary data essential, since it is impossible to conduct a new survey that can adequately capture past change and/or developments. However, secondary data analysis can be less useful in marketing research, as data may be outdated or inaccurate.

### **Sources of secondary data**

Secondary data is collected through various websites of Life Insurance Corporation Of India & IRDAI.

### **Advantages and disadvantages of secondary data**

Secondary data is available from other sources and may already have been used in previous research, making it easier to carry out further research. It is time-saving and cost-efficient: the data was collected by someone other than the researcher.

Administrative data and census data may cover both larger and much smaller samples of the population in detail. Information collected by the government will also cover parts of the population that may be less likely to respond to the census (in countries where this is optional).

A clear benefit of using secondary data is that much of the background work needed has already been carried out, such as literature reviews or case studies. The data may have been used in published texts and statistics elsewhere, and the data could already be promoted in the media or bring in useful personal contacts. Secondary data generally have a pre-established degree of validity and reliability which need not be re-examined by the researcher who is re-using such data.

Secondary data can provide a baseline for primary research to compare the collected primary data results to and it can also be helpful in research design.

However, secondary data can present problems, too. The data may be out of date or inaccurate. If using data collected for different research purposes, it may not cover those samples of the population researchers want to examine, or not in sufficient detail. Administrative data, which is not originally collected for research, may not be available in the usual research formats or may be difficult to get access to.

- ☒ Website of the company
- ☒ Annual Report
- ☒ Balance sheet of the company

**CHAPTER 6**  
**DATA ANALYSIS AND**  
**INTERPRETATION**

Life insurers' new business premium (NBP) reported stellar performance in November after a poor showing in October, on the back of strong growth in group single premiums for both private insurers and Life [Insurance](#) Corporation (LIC) of India. In November, 24 life insurers, including LIC, reported NBP to the tune of Rs 27,177 crore, up 42 per cent year-on-year (YoY) from the year-ago period.

Private insurers' NBP rose 58.63 per cent YoY to Rs 11,209.75 crore as group single premiums more than doubled during this period. Private players saw their individual single premiums rise 32.5 per cent, while individual single premiums, as well as renewable premiums, posted decent growth in the same period.

NBP is the premium acquired from new policies in a particular year.

State-owned [insurance](#) behemoth LIC also posted impressive growth of 32 per cent in NBP during the same period after a muted performance in the last few months. LIC reported NBP of Rs 15,967.51 crore

Among large private players, SBI Life witnessed exceptional growth of 150 per cent YoY in NBP, while other large entities like HDFC Life, ICICI Prudential Life, and Max Life [Insurance](#) posted NBP growth of over 25 per cent.

LIC is still commanding 63 per cent market share in terms of NBP and 71.84 per cent market share as far as the number of policies is concerned. When it comes to sum assured, LIC has 18 per cent market share, while 23 private insurers have 82 per cent of the market.

On an annualised premium equivalent basis in November, the industry grew 26 per cent YoY, which is due to LIC's YoY growth at 22 per cent — a marked improvement over 2-per cent YoY degrowth till October.

"The economy has been responsive with gradual receding of Covid-19, coupled with a robust vaccination drive. Increasing interest and awareness about insurance among people towards securing life's certainties is also aiding growth," said Rushabh Gandhi, deputy chief executive officer, IndiaFirst Life Insurance.

So far in the current fiscal year (2021-22, or FY22), life insurance companies have reported NBP to the tune of Rs 1.8 trillion, up 8.5 per cent YoY from the year-ago period, with private insurers recording 30 per cent growth. But LIC's NBP is in the red, albeit marginally. In the first eight months of the



fiscal year (8MFY22), LIC's NBP was Rs 1.14 trillion, down 0.93 per cent YoY from the year-ago period.

Typically for life insurers, the last four-five months of the fiscal year draw a lot of business as people tend to buy greater pure-risk and savings products for tax-saving purposes.

Rating agency ICRA has estimated that [life insurers](#) will close the year (FY22) with 14 per cent growth in NBP, backed by pick-up in business in the second half of FY22. The NBP is estimated to grow 14 per cent in FY22 to Rs 3.18 trillion, as nominal gross domestic product is projected to grow 16 per cent, the rating agency had said.

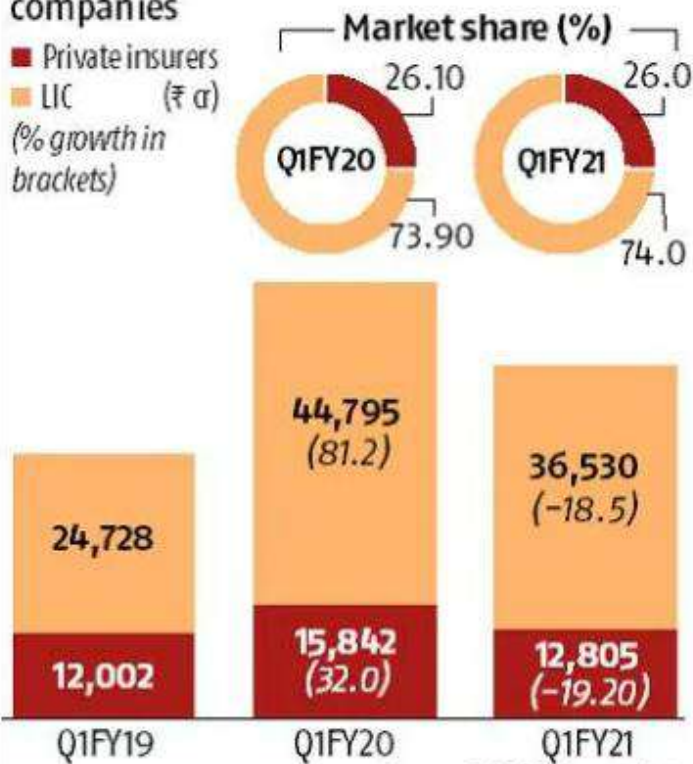
[Life insurers](#) had posted a 7 per cent YoY growth in NBP in 2020-21, compared with 21 per cent growth in 2019-20.

While NBP growth is set to recover, profitability still remains a concern as insurers are carrying excess reserves on their balance sheet for future Covid-related death claims, should there be a spike in cases or a possible third wave. [Life insurers](#) have paid more than Rs 14,600 crore in 168,000 Covid-related death claims since the start of the pandemic.

## LIC PERFORMANCE IN Q1FY21

First-year premiums of life insurance companies

■ Private insurers  
 ■ LIC (₹ cr)  
 (% growth in brackets)



Source: CARE Ratings, Irdai

## WINNING STRATEGY

- LIC has invested ₹20,000 crore in equity markets so far this financial year
- Investing in blue chips at attractive prices and booking profits selectively helped the firm
- Focus is on large caps, avoiding sector impacted by the pandemic
- LIC does not expect major defaults in debt portfolio
- Govt has floated an RFP for selecting a transaction advisor for merger process
- LIC added more than 30,000 agents to its agency force

# **7. CONCLUSION**

This study has analyzed the data collected from the policy holders and has brought out the expectations of the policy holders and their preferences. It has also offered suggestions that can be implemented for the benefit of the common public and the Government.

After overhauling the all situation that boosted a number of Pvt. Companies associated with multinational in the Insurance Sector to give befitting competition to the established behemoth LIC in public sector, we come at the conclusion that :

- 1) There is very tough competition among the private insurance companies on the level of new trend of advertising to lull a major part of Customers.
- 2) LIC is not left behind in the present race of advertisement.
- 3) The entry of the Pvt. Players in the Insurance Sector has expanded the product segment to meet the different level of the requirement of the customers. It has brought about greater choice to the customers.
- 4) Private insurers have restricted reach to the customers.
- 5) LIC has vast market and very firm grip on its traditional customers and monopoly of life insurance products.
- 6) Bank assurance - that allows life insurers to leverage on the risk product through bank network, was adopted by private players. But LIC was also not left behind as picking up majority stake in the corporation Bank and large equity stake in the Oriental Bank of Commerce.

IRDA is also playing very comprehensive role by regulating norms mandating to private players in this sector, that increases the confidence level of the customers to the private players.

# **8. FINDINGS & Recommendation**

**During the study it is found that policyholders banking & insurance together. They preferred private insurance sector because they provide them the banking facility & a lot of value added services so it will be beneficial both to the common public & the LIC if it offers banking facility to the policyholder & the common public.**

**The overall performance evaluation of Life Insurance Corporation Of India is consistent. The working groups have been work hard for their functions but still some drawbacks are left behind. For that suggestions are as under.**

- **LIC should try to increase their selling of plans to introduce new plans with different kind of facility so that it can increase income amount, especially premium amount.**
- **As private insurance company capture a private now a days therefore LIC should strengthen their working & should launch plan with more facilities.**
- **The corporation strives to increase its business by issuing more & more policies in order to retain its market share in competitive scenario.**
- **Operating cost as compare to premium underwriter should be control.**
- **A comparative statement of performance between LIC & various insurance companies may help in increase the business.**

# **9.BIBLIOGRAPHY**

# **WEBSITES:**

- <https://www.policybazaar.com/insurance-companies/lic-of-india/>
- <https://www.coverfox.com/life-insurance/life-insurance-companies/lic-of-india/#>
- [https://www.business-standard.com/article/finance/life-insurers-new-business-premium-spikes-42-at-rs-27-177-cr-in-nov-121120800052\\_1.html](https://www.business-standard.com/article/finance/life-insurers-new-business-premium-spikes-42-at-rs-27-177-cr-in-nov-121120800052_1.html)
- <https://www.irdai.gov.in/>



# **BOOKS:**

- Life Insurance Corporation of India : A Critical Analysis.
- Training and Development in Life Insurance Corporation of India.
- People Management in Life Insurance Corporation of India

# **CHAPTER 10**

# **APPENDICES**

# Annexures

## PERSONAL DETAILS

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Gender:            Male [ ]            Female [ ]

Telephone No: \_\_\_\_\_

Email: \_\_\_\_\_

Q1. Are you currently covered under any LIC investment policy?

- a) Yes
- b) No

Q2. What is your major reason for opting for an LIC investment?

- a) Insurance
- b) Investment

Q3. Are you currently undergoing any medical treatment or are ill?

- a) Yes
- b) No

Q4. Are you satisfied with your insurance policy?

- a) Yes
- b) No

Q5. Are you looking for a better LIC policy?

- a) Yes
- b) No

Q6. Your occupation?

- a) Service
- b) Business
- c) Retired
- d) Other

Q7. Your income?

- a) 10000-15000
- b) 15001-25000
- c) Above 25000

Q8. What do you feel after investing in LIC?

- a) Good
- b) Averagely satisfied with investment decision
- c) cheated

Q9. Do you invest in Insurance Plans because of Tax Benefits?

- a) Yes
- b) No

Q10. Does the Insurance Agent/ Marketing Executives Recommend for Life Insurance?

- a) Yes
- b) No

**THANKING  
YOU,  
A RESEARCH  
SUBMISSION,  
BY KRUNAL .S.  
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(FOR ACADEMIC YEAR  
2021-22)**