INTRODUCTION

Insurance

Insurance is an instrument of security, savings and peace of mind. It provides several benefits by paying a small amount of premium to an insurance company. It provides protection against financial consequences of adverse events. Insurance plays a vital role in most people's lives as means of dealing with risks, which every one faces, and a means of savings. Insurance became much more sophisticated in post-Renaissance Europe, and specialized varieties developed. The business of life insurance in India in its existing form started in India in the year 1818 with the establishment of the Oriental Life Insurance Company in Calcutta.

Insurance is a contract, which provides risk coverage to the insured. The purchaser of insurance pays a fixed premium in exchange for a promise of compensation in the event of some specified loss. Insurance is bought because it gives peace of mind to the holders. This comfort level is important in personal as well as business life. The risk to be insured must result in a loss, which is measurable in financial terms. Insurance applies to situations where a loss may or may not occur. It cannot apply to situations where loss is expected to happen. Insurance is based on the operation of the law of large numbers. There must be sufficient number of risks of a similar class being insured so that the probability of loss can be estimated. Pure risks are those, which have an element of loss or break even but not gain.

The opening up of the insurance sector is likely to lead to greater spread and deepening of insurance in India and this may also include restructuring and revitalizing of the public sector companies. A host of private Insurance companies operating in both life and non-life segments have started selling their insurance policies since 2001.

Introduction to Life Insurance

Life insurance has come a long way from the earlier days when it was originally conceived as a risk-covering medium for short periods of time, covering temporary risk situations, such as sea voyages. As life insurance became more established, it was realized what a useful tool it was for a number of situations that includes temporary needs/threats, savings, investment, retirement etc.

According to the U.S. Life office Management Inc. (LOMC), “Life Insurance provides a sum of money if the person who is insured dies whilst the policy is in effect”.

Life insurance is Insurance of you and your family’s peace of mind. Life insurance is a policy that people buy from a Life Insurance company, which can be the basis of protection and financial stability after ones death. Its primary life insurance company function is to help beneficiaries financially after the owner of the policy dies.

It can also be a form of saving in the ling run if you purchase a plan, which offers the option of contributing regularly. Also a little known function of life insurance can be tied in with a person’s pension plan. A person can make contributions to a pension that is funded by Life Insurance Company. These are considered private pension arrangements. In addition, you should also make a list of what you feel needs to be protected in your family’s way of life. With a policy in place today, you can.

- Provide security for the family
- Protect your home mortgage
- Take care of your estate planning needs
- Look at other retirement savings/income vehicles.

Need of the Study

Insurance is one of life's necessities and probably the least-understood financial product. Insurance reimburses people for covered losses in the event of an unfortunate occurrence such as an illness, accident, or death. At the same time, it can encourage prevention and safety measures, provide investment capital, lend money, and help to reduce anxiety for society at large. As a mechanism against loss of income and a mean of safeguarding assets, many Indians have insurance in one form or another. This coverage's may include public coverage, such as disability insurance, a health care policy from an employer, or personal insurance to protect property such as homes, computers and cars.

Need for Insurance:

Insurance is a contract, which provides risk coverage to the insured. The purchaser of insurance pays a fixed premium in exchange for a promise of compensation in the event of some specified loss. Insurance is bought because it gives peace of mind to the holders. This comfort level is important in personal as well as business life. The risk to be insured must result in a loss, which is measurable in financial terms. Insurance applies to situations where a loss may or may not occur. It cannot apply to situations where loss is expected to happen. Insurance is based on the operation of the law of large numbers. There must be sufficient number of risks of a similar class being insured so that the probability of loss can be estimated. Pure risks are those, which have an element of loss or break even but not gain. Examples are fire, flood, accident etc. All these cases involve the probability of loss without any chance of gain. It is in this sense; pure risk has to be distinguished from speculative risk.

How much do you need?

A good life insurance policy can help you over come financial problems and further provide the assurance that your near and dear ones are taken care of in the event of any unfortunate/ untimely death of the bread winner. It is only natural that you should wonder what should be the appropriate value of the insurance you need. Also remember that your insurance needs change through different stages of your life. When you are young, there is a lesser need for life insurance. However as you grow and your responsibilities do, your life insurance needs increase. Hence, you will need to review your coverage requirements approximately 4-7 times in a lifetime.

Basically, the amount of insurance one should buy is directly dependent on his/her economic value, otherwise known as the 'Human Life Value'. This varies from person to person. 'Human Life Value' is the capitalized value of the net earning of an individual for the rest of his working span

It is, in short, the present value of the total income of the individual, which is lost to the family in the event of his untimely death.

Earnings of an Individual till retirement age

Current Income P/A	**2.0 lacs**	**3.0 lacs**	**4.0 lacs**
Present Age (Years)			
25	70	105	140
30	60	90	120
35	50	75	100

Retirement age 60 years

For Example

Mr. X aged 25 earns a gross income of Rs 3.0 lacs per annum and he would retire at aged 60. In case of the unfortunate demise at the present age his family will stand to lose 1.05 crore. The future income of Mr. X. Thus the human life value of Mr. X is 1.05 crore

What is the right kind of life insurance?

All policies are not the same. Some give coverage for your lifetime and others cover you for a special number of years.

Insurance and Growth:

There is a close inter-action between insurance and economic growth. As economy grows, the living standards of people increase. As a consequence, demand for life insurance increases. As the assets of people and of business enterprises increase in the growth process, the demand for general insurance also increases. In fact, with the widening of the economy, the demand for new types of insurance products emerges. Insurance now extends not only to product market but also to service industries including finance. It is equally true that growth itself is facilitated by insurance. A well-developed insurance industry promotes economic growth by encouraging risk taking. Risk is endemic in many economic activities. Without some kind of cover against risk, some of these activities will not be carried out at all. Thus the firm is enabled to concentrate on its main or core activity, leaving some of the concerns such as loss arising from fire or theft to be insured. At this point, it is important to note that not all activities can be insured. If that were possible, it would completely negate entrepreneurship. Professor Frank Knight in his celebrated book "Risk Uncertainty and Profit" emphasized that profit is a consequence of uncertainly. He made a distinction between quantifiable risk and non-quantifiable risk. According to him, it is non-quantifiable risk that leads to profit. He wrote "it is a world of change in which we live and a world of uncertainty. We live only by knowing something about the future; while the problems of life, or of conduct at least, arise from the fact that we know so little. This is as true of business as of other spheres of activity". The real management challenges are uninsurable risks. In the case of insurable risks, risk is avoided at a cost.

Types of Insurance

Unit Linked Product

Market-linked plans or unit-linked insurance plans (ULIP) are similar to traditional insurance policies with the exception that your premiums invested by the insurance company are invested in the stock market.

Market-linked insurance plans (MLP) mimic mutual funds and invest in a basket of securities, allowing you to choose between investment options predominantly in equity, debt or a mix of both (called balanced option).

A single cornerstone advantage market-linked plans offer is that they leave the asset allocation decision in the hands of investors themselves. You are in control of how you want to distribute your money among the broad class of instruments and when you want to do it or pull out. Thus any of the above products expect term products could be unit-linked products

Riders

Riders are additional add on benefit that a person could buy other than the base policy. There are additional charges depending of the rider opted for. These riders cannot be bought separately and independently. Premium, nature and characteristic of the riders are based on the base policy that is attached

Some riders available in the market are

- Accident Death Benefit- Provides a additional amount in case death occurs as a result of an accident.
- Term Rider- It allows the payment of an additional amount should death of the insured happens.
- Waiver of Premium- In case of total and permanent disability of life insured due to accident or any other means this rider allows premiums on base policy or riders to be waived.

Critical Illness- It provides payment of an additional amount on the diagnosis of some critical illness

Term Insurance

Term Insurance covers you for a term of one or more years. It pays a death benefit only if you die in that term. Term Insurance generally offers the cheapest form of insurance. You can renew most Term Insurance policies for one or more terms even if your health condition has changed. Each time you renew the policy for a new term, premiums may climb higher. . This policy is particularly useful to cover any outstanding debt in the form of a mortgage, home loan, etc. For example if you have taken a loan of Rs 10 lacs you will have an option of taking insurance to protect the loan in case of the unfortunate demise of the earning member of the family.

Whole Life Insurance

Whole Life Insurance covers you for as long as you live if your premiums are paid. You generally pay the same amount in premiums throughout the term of the contract.

Some Whole Life policies let you pay premiums for a shorter period such as 15, 20 or 25 years. Premiums for these policies are higher since the premium payments are made during a shorter period. There are options in the market to have a return of premium option in a whole life policy. That means after a certain age of paying premiums the life insurance company will pay back the premium to the life assured but the coverage will continue

Money Back Insurance

The Money Back Plan not only covers your life, it also assures you a certain percent of the sum assured as cash payment at regular intervals. It is a savings plan with the added advantage of life cover and regular cash inflow. This plan is ideal for planning special moments like a wedding, your child's education or purchase of an asset etc. Money Back plan has participating and non-participating versions in the market.

Endowment Assurance

Endowment Insurance is a level premium plan with a savings feature. At maturity, a lump sum is paid out equal to the sum assured (plus dividends in a par policy). If death occurs during the term of the policy then the total amount of insurance and any dividends (par policy) are paid out. There are number of products in the market that offer flexibility in choosing the term of the policy namely you can choose the term between 5-30 years. There are products in the market that offer non-participating (no profits) version, the premiums for which are cheaper.

Important things to consider

1. Review your own insurance needs and circumstances. Choose the kind of policy that offers benefits that most closely fit your needs. Ask your financial advisor or company to help you.
2. Be sure that you can handle premium payments. Can you afford the initial premium? If the premium increases later and you still need insurance, can you still afford it?.
3. Don't sign an insurance application until you review it carefully to be sure all the answers are complete and accurate.
4. Don't buy life insurance unless you intend to stick with your plan. It may be very costly if you quit during the early years of the policy.
5. Don't drop one policy and buy another without a thorough study of the new policy and the one you have now. Replacing your insurance may be costly.
6. Read your policy carefully. Ask your advisor or company about anything that does not appear clear to you.

7. Review your life insurance program with your agent or company every few years to keep up with changes in your needs.
8. Your insurance policy gives you long term protection while offering immediate tax benefits. Your insurance needs are usually greater than the need for a tax benefit in the current financial year. Talk to your financial advisor.

Life insurance illustrations

You may be thinking of buying a policy where cash values, death benefits, dividends or premiums may vary based on events or situations the company does not guarantee (such as interest rates). If so, you may get an illustration from the agent or company that helps explain how the policy works. The illustration will show how the benefits that are not guaranteed will change as interest rates and other factors change. The illustration will show you what the company guarantees. It will also show you what could happen in the future. Remember, nobody knows exactly what will happen in the future. You should be ready to adjust your financial plans if the cash value doesn't increase as quickly as shown in the illustration.

Finding a good value in life insurance

After you have decided on life insurance, find which policy is likely to give the best value for your money. A simple comparison of the premiums for various policies is not enough. There are other things to consider. For example:

- Do premiums or benefits vary from year to year?
- How much do the benefits build up in the policy?
- What part of the premiums or benefits is not guaranteed?
- What is the effect of interest on money paid and received at different times on policy?

Remember that no one company offers the lowest cost at all ages for all kinds and amounts of insurance. You should also consider other factors:
How quickly does the cash value grow? Some policies have low cash values in the early years that build quickly later on. Other policies have a more level cash value build-up. A year-by-year display of values and benefits can be very helpful. (The advisor or company will give you a policy summary or an illustration that will show benefits and premiums for selected years.)

- Are there special policy features that particularly suit your needs?
- How are non-guaranteed values calculated? For example, interest rates are important in determining policy returns. In some companies, increases reflect the average interest earnings on all of that company's returns for policies issued in a recent year, or a group of years, reflects the interest earnings on that group of policies; in this case, amounts paid are likely to change more rapidly when interest rates change.

Tax Benefits on Insurance and Pension

It’s your choice

Investors often hear of various developments taking place in insurance industry especially in ULIP (Unit Link Insurance Plan). Such changes are often required to ensure that the ULIP scheme and its portfolio are in tune with regulatory requirements. But this requires a lot of scrutiny on the part of the investors too.

Most of ULIP investors remain in dark about development that takes place in their schemes. This is not because the company informs them, but because very few people take out the time to read all the documents that which the company sends it to the investors.

Many investors even give up due to a lack of understanding about what is proposed by IRDA **the Insurance Regulatory and Development Authority.** However, the information supplied to investors not only explains the changes that are being made in the schemes, but also states that an alternative is available to investors if they do not agree to the changes that are being proposed

One reason why several such notices have been sent to investors recently is the introduction of equity, debt, cash and money market trading in various schemes ULIP's have adopted this route to manage their funds better hence the schemes need to be changed. Also, when changes are made in the existing plan, investors need to be informed about the same.

Two important things need to be considered here.

- ❖ The first is the action that investors have to take immediate action when they are intimated of the change in the market and switch on to any other fund options.
- ❖ The second is the right to agree with such a move.

In the first case when investors are informed about a change in market condition or not. They can convey this to the agent or any consent person and there is a particular way in, which needs to be done. In most cases, investors are known about the market ups and downs as far as the agreement is concerned, there is nothing more for the investors to do because it is in the tune that have been proposed and hence, no further action is required.

However, in case the investor does not agree to the move, he/she can intimate the fund through the or through any other way prescribed by the fund, and at the same time he/she can stick to the fund option of what previously he/she chosen as their fund option.

Lets consider an example of a tax-saving scheme that falls under the ULIP category where there is a five-year lock-in. in this case the investor cannot terminate the policy or scheme but can surrender the policy. This is the situation for a majority of small investors because they hardly look at such intimation from the company and hence they are unaware of what happening in the scheme.

THE KEY IS IN PATIENCE

Analysts feel it is only a matter of time before the market move on again
It’s been a roller coaster ride for retail investors in the ULIP plans. Just when every one was enjoying the upside and wanted to go on and on, came the downslide taking them closer to where it all started. Just like in any joy ride, your stomach shivers with nervousness when you come down swiftly, the fall in the price of units gave no different feeling to most investors. This is the time for retail investors to exercise caution and remind themselves of the fact that investing equity and debt market is not about riding the wave but about value investing. You need to do your homework on analyzing the performance parameters as much as you need patience.

BENEFITS

Tax benefits

In recent times, the tax benefit has become an important attraction or taking Life Insurance Policy. Here also Life Insurance scores over other savings / investment instruments. The premium paid for Life Insurance policies receives similar or more advantageous income tax rebates as compared to the other savings. Thus Life Insurance is not only on par with the other forms of savings in all respects but also a step ahead.

Total investment is very less and spread over many years for a larger return with bonuses and Additions unlike many of the other savings where the initial contribution itself is high. Life Insurance covers your liabilities for e.g. when housing loan is taken through life insurance policies and if death occurs, the family does not have to incur repayment of this liability as it automatically gets repaid through the policy moneys. It also ensures that in case of untimely death, the family is not burdened with large unpaid debts.

Tax Benefits on Insurance and Pension

Life insurance and retirement plans are effective ways of saving taxes. The tax breaks that are available under our various insurance and pension policies are described below:

1. Our life insurance plans are eligible for deduction under Sec. 80C.
2. Our Pension plans are eligible for a deduction under Sec. 80CCC.
3. Our health insurance plans/riders are eligible for deduction under Sec. 80D.
4. The proceeds or withdrawals of our life insurance policies are exempt under Sec 10(10D), subject to norms prescribed in that section.

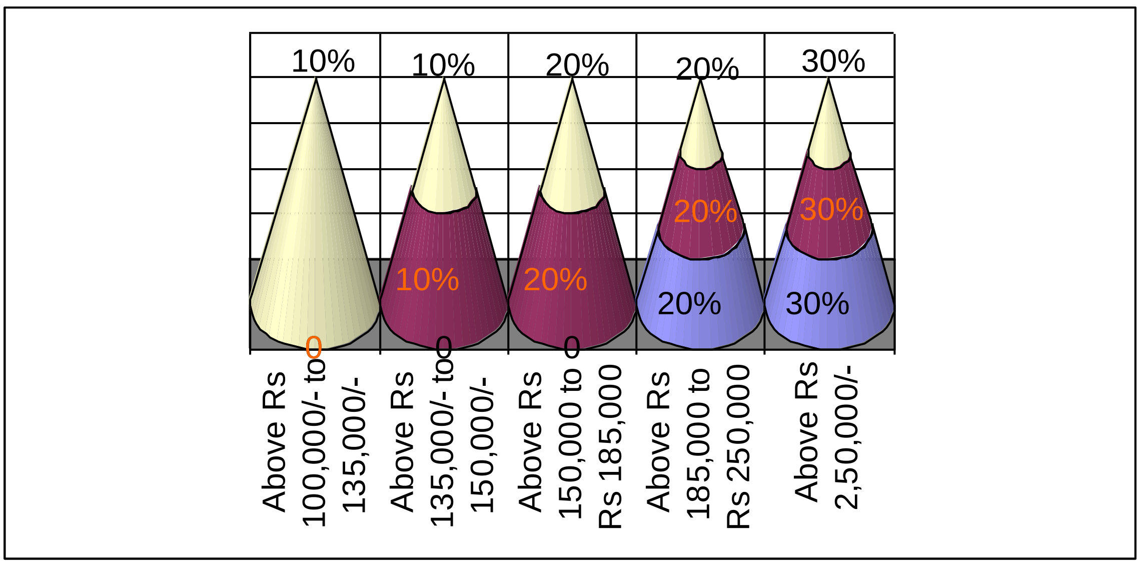
Tax Rates for Individuals

The rates of income-tax for FY 2005-06 are as follows:

Total Income (Rs.)	**Rate of Tax**		
	Senior Citizen	**Women below 65 years**	**Others**
Up to Rs 1,00,000/-	Nil	Nil	Nil
Above Rs 100,000/- to 135,000/-	Nil	Nil	10%
Above Rs 135,000/- to 150,000/-	Nil	10%	10%
Above Rs 150,000 to Rs 185,000	Nil	20%	20%
Above Rs 185,000 to Rs 250,000	20%	20%	20%

Above Rs 2,50,000/-	30%	30%	30%

Graphical presentation of Tax Planning



Surcharge on Income Tax:

In case where the Total Income exceeds Rs 10,00,000, there would be a surcharge @ 10%. Marginal relief is available to assesses whose income just exceeds Rs. 10,00,000 .

Education Cess on Income Tax

Education Cess @2% will be payable on the amount of income tax (including surcharge).

Premiums paid for Life insurance - Deduction under Section 80C

1 **Category of assesses allowed deduction:** Individual assesses and Hindu Undivided Family assesses
.

2 **Eligible Savings:** Premiums paid or deposited by assesses to effect or to keep in force insurance on the life of following persons:
- In case of individual assesses – Himself/Herself, spouse, children of such individual
- In case of HUF assesses – any member

3 **20% limit:** If the amount of premium paid in a financial year for a policy is in excess of 20% of the actual capital sum assured, then deduction will be allowed only for premiums up to 20% of the sum assured
.

4 **Limit on amount of deduction:** Deduction will be restricted to investments up to Rs 100,000 in savings specified under Section 80C (including life insurance premiums). If any investments have been made under Section 80CCC and 80CCD, then the qualifying amount under Section 80C will stand reduced to that extent

Premiums paid for Pension plans - Section 80CCC

1 **Permitted Deduction:** Section 80CCC allows for deduction of premiums paid under a pension plan. As per this Section, premiums paid up to Rs 1,00,000 by an individual is allowed as deduction from his total income
.

2 **Disallowance:** This benefit will be reversed if the policy lapses / is cancelled.

3 **Limit:** It may be noted that from FY2005-06, the limit of deduction under Section 80CCC will be part of the overall limit prescribed under Section 80CCE.

4 **Receipt under Policy:** Amounts received on surrender (whole/part) of annuity plan, amounts received as Pension is taxed as income.

Premiums paid for medical insurance - Section 80D

1 **Category of assesses allowed deduction:** Individual assesses and Hindu Undivided Family assesses
.

2 **Eligible premiums:** Premiums paid by assesses by cheque out of his taxable income

to effect or to keep in force an insurance on the health of following persons:

- In case of individual assesses – Himself/herself, spouse, dependant children and dependant parents.
- In case of HUF assesses – any member of HUF

3 **Deduction and upper limit:** The qualifying amounts under Section 80D is up to Rs 10,000/-. However, a higher amount of up to Rs 15,000/- is permitted if the person, for whose health insurance the premium was paid, was aged 65 years or more at any time during the financial year in which the premium was paid. Such amounts of premium paid would be allowed as deduction from the total income of the assesses

Overall deduction limit - Section 80CCE

A new Section 80CCE has been inserted from FY2005-06. As per this section, the maximum amount of deduction that an assesses can claim under Sections 80C, 80CCC and 80CCD will be limited to Rs 100,000

Benefits under insurance policy - Section 10(10D)

As per Section 10(10D) of Income tax Act, 1961, any sum received under a life insurance policy, including the sum allocated by way of bonus on such policy is exempt from tax.

However, this rule does not apply to following amounts:

- Sum received under Section 80DD(3), or
- Any sum received under a Keyman Insurance Policy, or
- Any sum received other than as death benefit under an insurance policy which has been issued on or after April 1 2003 and if the premium paid in any of the years during the term of the policy is more than 20% of the sum assured.

Rebate in respect of Securities Transaction Tax (STT) paid

1 Section 88E has been introduced by Finance Act (No 2) of 2004.
2 As per the provisions, where total income of an assesses includes any income under the head ‘Profits and Gains from Business or Profession’ arising from taxable securities transactions, he shall be entitled to a rebate from the income tax on such income.
3 Amount of rebate: Amount of STT paid in respect of taxable securities transactions entered into in the course of business during that previous year.
4 The deduction will be allowed if proof of payment of STT is furnished along with the return. The proof has to be furnished as per the format prescribed by Income Tax.
5 Maximum deduction shall be equal to the amount of income tax on above income.

Unit Linked Insurance Plans

Unit linked insurance plans (ULIPs) are probably the hottest selling product for most life insurance companies today. However, when it comes to evaluating ULIPs from across life insurance companies, individuals find the task arduous and challenging. The table below provides information on ULIPs from six leading life insurance companies, which will help individuals who want to assess their ULIP products effectively.

	Birla SunLife (Flexi Save Plus Endowment Plan)	ICICI-Prudential (Lifetime II)	]Bajaj Allianz			
ULIP FUND OPTIONS	Enhancer fund, Builder fund, Protector fund	Maximiser II (Growth), Balancer II (Balanced), Protector II (Income), Preserver	Growth fund, Balanced fund, Defensive fund, Secure fund, Liquid fund			
ALLOCATION TO EQUITIES	**Max. 35% in Enhancer fund; max. 20% in Builder fund; max. 10% in Protector fund**	**Up to 100% in maximiser-II; up to 40% in balancer-II; nil in Protector II & Preserver**	100% in growth fund; 30-60% in balanced fund; 15-30% in defensive managed fund; nil in secure managed & liquid fund			
MINIMUM PREMIUM (RS)	No min. premium. Minimum Sum assured: Rs 75,000 (for	18,000	10,000			

	adults).		
MIN/MAX AGE AT ENTRY (YRS)	30 days -65 years	Min: 0 or 18. Max: 35 or 60 (depends on level of sum assured)	18-60 (subject to plan type)
HOW IS SUM ASSURED CALCULATED	Face amount plus policy fund	Level I sum assured: Annual contribution X a multiple. Level II sum assured: sum assured can be increased subject to certain conditions	5-20 times the regular premium amount
RIDERS AVAILABLE	Yes	Yes	Yes
INITIAL YEARS' EXPENSES	29.9%-65% in first year. 5%-7.5% in 2nd and 3rd years.	12%-19% in first year (depends upon the annual premium amount). 4% from 2nd-5th year. 2% from 6th-10th year.	10%-27% in initial 2-Years (depends upon the annual premium amount)
FUND MANAGEMENT CHARGES	1%	Maximiser II- 1.5%; balancer-1.0%; protector II & preserver-0.75%	0.80%
EXPENSES AFTER INITIAL YEARS (%)	5%	1	1
FIXED MONTHLY EXPENSES (RS) *	22. Plus annual charges as applicable. **	60	15
PARTIAL WITHDRAWALS ALLOWED	Yes	Yes	Yes
CHARGES ON TOP-UPS (%)	2	1	2.5% for initial two years. 1% thereafter.
SWITCH CHARGES	2 free switches in a year. Rs 100 for additional switches thereafter.		5 free switches in a year. Company may charge upto 2% of switched amt for additional switches

Unit linked and conventional premium:

Analysis of the statistics in terms of linked and non-linked premium indicates that 58.14% of the business was underwritten in the non linked category, and 41.86% in the linked category; i.e., Rs.341003.11lakh and Rs.245495.14 lakhs respectively. In case of LIC, the linked and non-linked premium is 23.77% and 76.23% respectively, as against which for the private insurers taken together this stands at 86.84% and 13.16% respectively. During the corresponding period of the previous year, linked and non-linked premium indicates that 61.66% of the business was underwritten in the non-linked category, and 38.34% in the linked category; i.e., Rs.164852.44 lakhs and Rs.102500.66 lakhs respectively. In case of LIC, the linked and non-linked premium was 27.77% and 72.23% respectively; as against which for the private insurers taken together, this stood at 71.48% and 28.52% respectively.

Table showing market share of ICICI Prudential Life Insurance in terms of premium

ICICI	May 06	Up-to may 06	Up-to may05
Individual single premium	2436.01	4535.43	923.69
Individual non-single premium	20828.29	30735.14	15805.75
Group single premium	777.27	1186.56	103.01
Group non single premium	5076.51	7307.37	3720.26

Graphical presentation of market share of ICICI Prudential Life Insurance in terms of premium

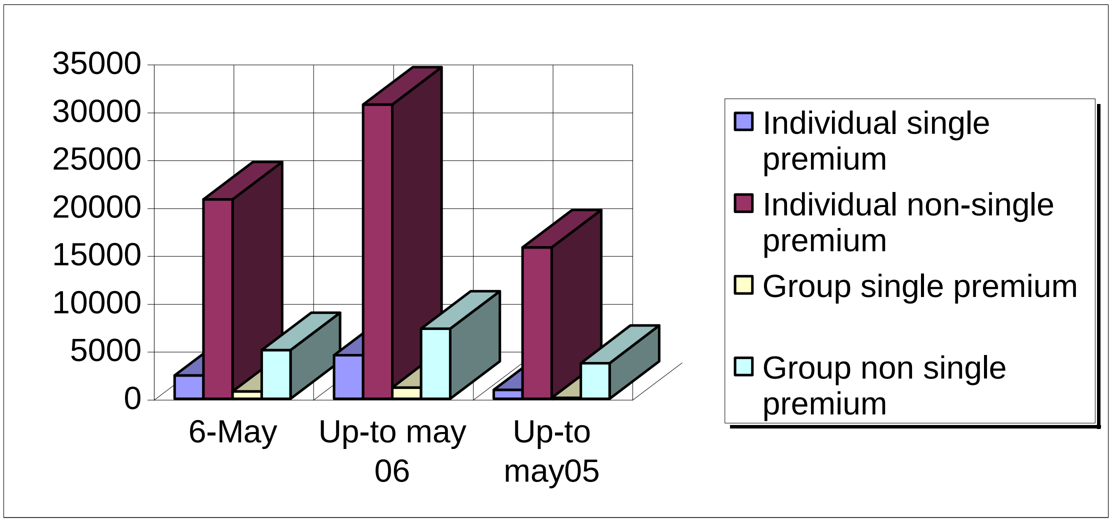
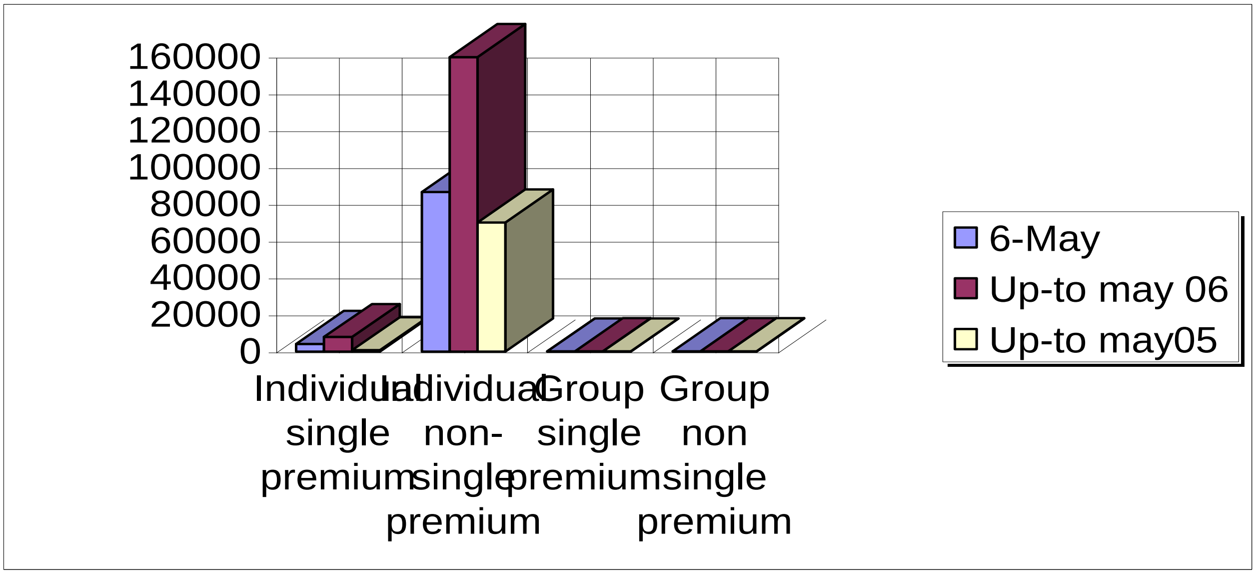


Table showing market share of ICICI Prudential Life Insurance in terms of No of policies/ schemes

ICICI	May 06	Up-to may 06	Up-to may05
Individual single premium	4072	7818	656
Individual non-single premium	86608	159942	70024
Group single premium	24	47	17
Group non single premium	48	80	36

Graphical presentation of market share of ICICI Prudential Life Insurance in terms of No of policies/ schemes



Regulatory Framework:

As in the case of all financial institutions, insurance is an activity that needs to be regulated. This is so because the smooth functioning of business depends on the trust and confidence reposed by the customers in the solvency of the financial institutions. Insurance products are of little value to customers, if they cannot trust the company to keep its promise. The regulatory framework in relation to the insurance companies seeks to take care of three major concerns - (a) protection of consumers' interest (b) to ensure the financial soundness of the insurance industry, and (c) to help the healthy growth of the insurance market. So long as insurance remained the monopoly of the Government, the need for an independent regulatory authority was not felt that strongly. However, with the acceptance of the idea that there can be private insurance entities, the need for a regulatory authority becomes paramount. With the passing of the Insurance Development and Regulatory Act, the insurance regulatory authority has become a reality. Protecting consumer interest involves proper disclosure, keeping prices affordable, some mandatory products and standardization. Most importantly, it has to make sure that insurers pay consumers. From the consumers' point of view, the most important function of the regulatory authority will be to ensure quick settlement of claims without unnecessary litigation. With respect to solvency and financial health, regulations will have to be introduced to ensure that insurance companies follow appropriate prudential norms such as solvency margins. Large funds are under the custody of the insurers and they get invested to produce additional returns. The management of these funds is important to the insurer, the insured and the economy. Entry into the insurance industry must also be regulated with suitable capital adequacy norms. The third role should be one of development. The insurance industry in India has a large potential as the premium collection to GDP is about 3 per cent in India as against the world average of about 7.5 per cent and the framework of regulation must enable the industry to tap this vast potential. I must take this occasion to compliment IRDA and its dynamic Chairman, Sri Rangachary, for evolving an appropriate framework for insurance industry in India. In fact IRDA has become a model for other development countries and even some developed countries.

The insurance sector has a vast potential not only because incomes are increasing and assets are expanding but also because the volatility in the system is increasing. In a sense, we are living in a more risky world. Trade is becoming increasingly global. Technologies are changing and getting replaced at a faster rate; malfunctioning of technologies particularly in IT can cause serious damage both financial and personal. In this more uncertain world, insurance will have an important role to play in reducing the risk burden individuals and businesses have to bear. In the emerging scenario, the insurance industry must pay attention to:

1. Product Innovation,
2. Appropriate pricing,
3. Speedy settlement of claims.

With imaginative corporate planning and commitment to service, the vast potential that exists in the insurance sector can be tapped to the advantage of the economy. The approach to insurance must be in tune with the changing times. Needless to say the Actuaries must play their role in enabling the Industry to achieve these goals.

INDUSTRY PROFILE

IRDA

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY ACT, 1999 ACT NO. 41 OF 1999 [29th December, 1999] An Act to provide for the establishment of an Authority to protect the interests of holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto and further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalization) Act, 1972. BE it enacted by Parliament in the Fiftieth Year of the Republic of India as follows: -

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY ACT, 1999 ACT NO. 41 OF 1999 [29th December, 1999] An Act to provide for the establishment of an Authority to protect the interests of holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto and further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalization) Act, 1972.

The opening up of this sector has been long standing and with the passing of The Insurance Regulatory and Development Authority - IRDA bill a significant step has been taken.

IRDA is formed as an authority to protect the interests of holders of insurance policies, to regulate, promote and ensure orderly growth of insurance industry and for matters connected therewith or incidental thereto.

With the Insurance Regulatory and Development Act, the focus shifted to the following:

- The Insurance Regulatory and Development Authority (IRDA) should give priority to health insurance while issuing certificates of registration;
- Policyholders' funds will be invested in the social sector and infrastructure. The percentage may be specified by the IRDA and such regulations will apply to all insurers operating in the country;
- Insurers will be expected to undertake a certain percentage of business in the rural or social sector and provide policies to persons residing in rural areas, workers in the unorganized and informal economically back;
- In case the insurers fail to meet the social sector obligation a fine of Rs.2.5 mn would be imposed the first time. Subsequent failures would result in cancellation of licenses.

The government has appointed Mr. N. Rangachary as the chairman of the new regulatory. The full time members of the board are

Mr. H. Ansari

Mr. OP Sonig

Mr. Harbhajan Singh, former CMD Allahabad Bank

Mr. SD Mohile, Former CBEC Chairman.

Actuary: Mr K. Subrahmanyam

Officers: Mr Suresh Mathur, Mr Rakesh Bajaj, Mr Arup Chatterjee, Mr R S Jagpal, Mr Kamal Choudhary; Mr Mukesh Sharma

Players that the IRDA will govern.

The table below is the list of the likely players in the Indian insurance sector. As one will notice apart from Reliance, who has applied for both Life and Non-life insurance license, all have gone in with a foreign partner. The idea is that the foreign partner will bring in expertise of global nature with products that are India specific. And the Indian partner will bring in the distribution network and more significantly the required 74% of the equity. Reliance is the only player who decided to take the sector all by itself banking on the shoulders of the consultants and global insurance advisors.

showing list of companies in insurance industry (private players)

Life	**Non-Life**
Reliance Life Insurance	Reliance General Insurance
Kotak Mahindra-Old Mutual	ICICI-Lombard Insurance
Max India-New York Life	Wadia-Commercial Union
Prudential-ICICI	Cholamandalam-Axa
HDFC-Standard	M A Chidambaram-MetLife
Aditya Birla-Sun Life Insurance	Sanmar Group-GIO
C K Birla-Zurich Insurance	Tata-AIG
Hindustan Times-Commercial Union	20th Century Finance-Guardian Group
Centurion Bank-Canada Life	Punjab National Bank, Vijaya Bank,

	Allahabad Bank and Bank of India-Yasuda Fire and Marine
Vysya Bank-ING	IFFCO-Tokyo Fire & Marine
Apollo Hospitals-Aetna	Sundaram Finance - Royal & Sun Alliance
Max India-New York Life	
Bank of Baroda & Punjab National Bank-Foreign partner	

Life Insurance Companies (Suppliers) in India.

S. No	Life Insurance Companies (Suppliers)	Domestic Companies and their partners	
1	ICICI Prudential	ICICI	Prudential (UK)
2	MAX New York Life	MAX	New York Life (New York)
3	Bajaj Allianz	Bajaj	Allianz Holding (Germany)
4	HDFC Standard Life	HDFC	Standard Life (UK)
5	Birla Sun Life	C K Birla group	Zurich Insurance (Switzerland)
6	AVIVA Life	Dabur	Allstate (USA)

7	Tata AIG Life	Tata	American Int. Group (USA)
8	Om Kotak Mahindra	Kotak Mahindra	Chubb (USA)
9	ING Vysya Life	Vysya Bank	ING (Netherlands)
10	SBI Life	SBI Bank	Cardiff SA (BNP Paribas Bank)
11	AMP Sanmar	Sanmar Group	Gio (Australia)
12	Met Life	MA Chidambaram	Met Life (USA)
13	Life Insurance Corporation of India	-	

No. Of lives covered in Rural Areas up to Feb 2005 by Pub sector (& PVT sector)Insurance COmpanies

S. No	Occupation	Total Lives Covered Up to Feb 2005
1	Beedi Workers	24,63,671
2	Cobblers	689
3	Fishermen	49,648
4	Forest Workers	66,922
5	Handicraft Artisans	15,468
6	Handloom Weavers	29,345
7	Hamals	41,539
8	Papad Workers attached to “SEWA”	13,896
9	Physically Handicapped Self-Employed	11,048
10	Primary Milk Producers	7,27,426

11	Rickshaw Pullers/Auto Drivers	4,643
12	Salt Growers	998
13	Scheme for Urban Poor	4,54,357
14	Safai karmacharis	44,143
15	Scheme For Women in Hilly Areas	74,329
16	Toddy Tappers	23,346
17	Tendu Leaf Collectors	39,64,928

Foreign Companies

Government has allowed 26% foreign equity participation in the insurance sector. This has its limitations. While most foreign insurers planning to start their services in India were not pleased by this condition, they reluctantly agreed that this was expected in an opening economy and this will not change their outlook for India. After all no insurance company can afford to ignore a market of 1bn people. But the fact remains that they:

- Can not appoint majority directors on the company board;
- Can not have say in the day to day workings of the company;
- Can Affect Only Special Resolutions.

This cap, however, will have a great impact on the Indian counter part to raise 74% of the funds in their joint venture. To add to this if Indian partners like State bank of India, with over 9000 branches nationwide, will demand premium for their existing distribution network, we will see the foreign insurance companies demand hefty premiums for bringing in their global expertise and brand. Mr. Vaidya, Chairman of SBI, has recently stated that all it is looking for is a good and reliable partner and the question of a hefty premium to be charged to its foreign partner is not significant. The monolith has finally come to business senses!

Foreign companies are unhappy even about laws pertaining to repatriation of funds. The stipulated investment criteria is also something that all players in the sector, be it Indian or foreign, are closing watching.

The foreign players are essentially looking to tap their global expertise in the varied markets and use that know-how to work in the Indian scenario. Designing of products, information systems, technical expertise, manpower planning etc is what one expects the foreign players to have a say in.

Any venture of the joint kinds needs to be between equals. If this is not there then there is every chance that a partner in the venture will feel increasingly uncomfortable and would be looking to call the joint venture off.

Life Insurance Companies registered under IRDA

LIFE INSURERS	Websites
Public Sector	
Life Insurance Corporation of India	www.licindia.com
Private Sector	
Allianz Bajaj Life Insurance Company Limited	www.allianzbajaj.co.in
Birla Sun-Life Insurance Company Limited	www.birlasunlife.com
HDFC Standard Life Insurance Co. Limited	www.hdfcinsurance.com
ICICI Prudential Life Insurance Co. Limited	www.iciciprulife.com
ING Vysya Life Insurance Company Limited	www.ingvysayalife.com
Max New York Life Insurance Co. Limited	www.maxnewyorklife.com

MetLife Insurance Company Limited	www.metlife.com
Om Kotak Mahindra Life Insurance Co. Limited.	www.omkotakmahnidra.com
SBI Life Insurance Company Limited	www.sbilife.co.in
TATA AIG Life Insurance Company Limited	www.tata-aig.com
AMP Sanmar Assurance Company Limited	www.ampsanmar.com
Dabur CGU Life Insurance Co. Pvt. Limited	www.avivaindia.com

Source: guycarpenter.com

<u>List of joint ventures that turned sour.</u>

Name of the company	Joint venture
Dabur	Allstate
Bombay Dyeing	CGNU
Kotak Mahindra	Chubb
ITC	Eagle star
Godrej	Rothschilds-
Integrated Finance	UAP-
Ranbaxy	Cigna-
UTI	Manu life-
Sanmar group	GIO
Alpic	Allianz
Dabur	Liberty Mutual
Royal Sun Shriram	alliance-DCM

The above list of failed joint ventures has not deterred the other players and they have decided their channels of distribution.

LIFE INSURANCE MARKET

The Life Insurance market in India is an underdeveloped market that was only tapped by the state owned LIC till the entry of private insurers. The penetration of life insurance products was 19 percent of the total 400 million of the insurable population. The state owned LIC sold insurance as a tax instrument, not as a product giving protection. Most customers were under- insured with no flexibility or transparency in the products. With the entry of the private insurers the rules of the game have changed.

The 12 private insurers in the life insurance market have already grabbed nearly 9 percent of the market in terms of premium income. The new business premium of the 12 private players has tripled to Rs 1000 crore in 2002- 03 over last year. Meanwhile, state owned LIC's new premium business has fallen.

Innovative products, smart marketing and aggressive distribution. That's the triple whammy combination that has enabled fledgling private insurance companies to sign up Indian customers faster than anyone ever expected. Indians, who have always seen life insurance as a tax saving device, are now suddenly turning to the private sector and snapping up the new innovative products on offer.

The growing popularity of the private insurers shows in other ways. They are coining money in new niches that they have introduced. The state owned companies still dominate segments like endowments and money back policies. But in the annuity or pension products business, the private insurers have already wrested over 33 percent of the market. And in the popular unit-linked insurance schemes they have a virtual monopoly, with over 90 percent of the customers.

The private insurers also seem to be scoring big in other ways- they are persuading people to take out bigger policies. For instance, the average size of a life insurance policy before privatization was around Rs 50,000. That has risen to about Rs 80,000. But the private insurers are ahead in this game and the average size of their policies is around Rs 1.1 lakhs to Rs 1.2 lakhs- way bigger than the industry average.

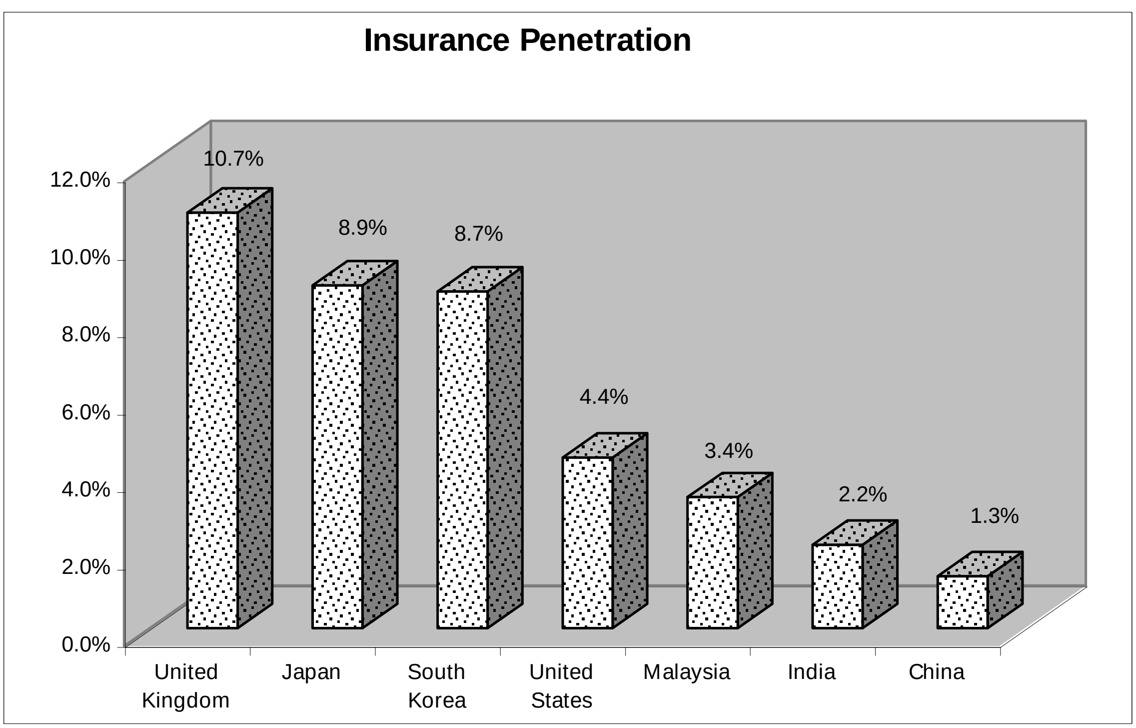
The global Insurance Market stands at 1521.2 Billion US dollar and India stands 23rd position with 9.93 billion US dollar. Out of the 1 billion populations in India 35 million are insured. India's Life Insurance Premium as percentage of GDP is 2.32%. The Indian Insurance market is set to touch 25 billion US dollar by 2010 on the assumption of 7% growth in GDP. The role of life insurance is a crucial one for the development of our country. Life insurance companies deploy funds for the development of the economy of the country. Life insurance companies have to invest 75% of its revenue in the government specified securities like electricity boards, housing schemes, water supply and sewage projects, development of road and transport, industrial development schemes etc.

The Global Insurance Penetration Figure:

From being a purely advisor- driven business, the sector has seen the emergence of a number of channels including banc assurance, corporate agents, brokers and direct marketing. These channels, though new, are quickly gaining importance primarily because they present the customers with multiple ways of approaching life insurers. There has been a vast improvement in service attitude and delivery too. As with privatization in any industry, the benefits aren't restricted to the customer alone, but extend to the society at large, by generating employment opportunities for thousands.

Over the past two years, insurance companies –both life and non-life have collectively hired at least 6,000 employees to staff their operations across the country. Another 90,000-odd have been appointed as life insurance advisors who are engaged in counseling and recommending products to the insurance buyers. The potential for the growth and spread of life insurance is high as in many other Asian countries. This is due to stronger economic growth, rapid aging of population, a weak social security and pension system leaves a majority of workers with no old age income security. A well-developed insurance sector promotes economic growth by encouraging risk-taking activity, and also has great potential in mobilizing long-term contractual savings and the rest is crucially needed for infrastructure development.

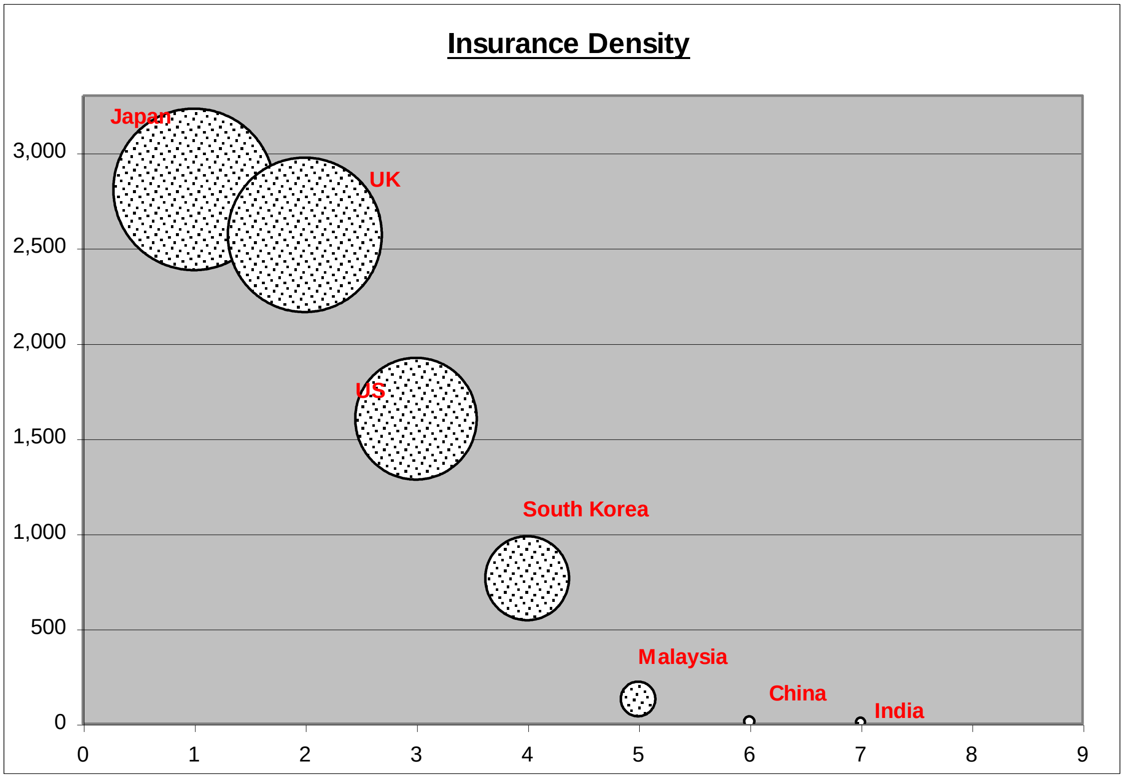
Figure Showing: Global Insurance penetration



The Global Insurance Density:

The global Insurance Market stands at 1521.2 Billion US dollar and India stands 23rd position with 9.93 billion US dollar. Out of the 1 billion populations in India 35 million are insured. India's Life Insurance Premium as percentage of GDP is 2.32%. The Indian Insurance market is set to touch 25 billion US dollar by 2010 on the assumption of 7% growth in GDP. The role of life insurance is a crucial one for the development of our country. Life insurance companies deploy funds for the development of the economy of the country. Life insurance companies have to invest 75% of its revenue in the government specified securities like electricity boards, housing schemes, water supply and sewage projects, development of road and transport, industrial development schemes etc.

Figure Showing: Global Insurance Density



Life Insurance Contribution to National Economy

Apart from the above, the premiums we pay towards our policies are used for the economic and social developmental activities of our nation. Hence when we insure to secure our future we are also contributing to the greater cause of the nation building. LIC has been playing a significant role in the economic development of the country by contributing to various five year plans, which has gone up from Rs 1.8 bn during the First Five Year Plan (1956-1961) to Rs1, 709 bn during the Ninth Five Year Plan (1997-2002)

In addition, life insurance brings about appositive personality and a secure feeling in an individual and this ultimately leads to the up liftment of the individual and his family. Thus life insurance can be said to be necessity like food, shelter and clothes. In fact, Life Insurance is absolutely necessary for improving the quality of life of an individual as well as for the nation and encourages entrepreneurial/risk-taking attribute of people.

INTRODUCTION TO MARKETING

MARKET

It is an area of potential exchange. It is a place where goods are brought and sold. It is a place where forces of supply (seller) and forces of (consumer) operates. It consists of all the potential costumers sharing a particular need or want who might be willing able to engaged to satisfy that need or want.

MARKETING

Consumer oriented activity backed with integrated marketing approach aimed at satisfying he needs of the consumers are also there by achieving organization objectives. Marketing could also be defined as he needs of consumer creating and supplying the requiring goods to he consume so as to ensure optimum, level of consumer's satisfaction and at the same time taking care of the business profitability and social responsibility.

MARKETING STRATEGIES

A strategy is a plan of action which could help in achieving the set of objectives or goals. It could also be defined as the mechanism that adjust he four P's namely product, price, and place promotion according to he change in time.

MARKETING SEGMENTATION

The process of taking the total heterogeneous market for a product and dividing it into several sub markets, each of which tends to be homogeneous in all significance.

MARKETING RESEARCH

It is a process of systematic gathering, recording, analyzing and interpreting the data about the problem related to the marketing of goods and services. Thus marketing research involves an intensive study and adopts a specific and decision approach.

Marketing research is becoming an integral part of information for planning controlling at market functions.

1. Internal information relevant to marketing.
2. External information
3. Marketing research

There are three sources of information for marketing management, there are special marketing information as analysis centers having three major components

1. Information gathering
2. Information processing
3. Information utilization
4. Information system offers information for planning, decision making and control in the areas if management systems.

AREAS OF MARKETING RESERACH

There are four major areas of marketing mix:

1. product
2. price
3. place
4. promotion

PRODUCT

It refers to bundle of benefits offered by the company for sale in he market and also to satisfy a need or want.

PRICE

It refers to the value of the product attributes express in monetary terms which the customer is expected to pay in exchange for the desire of offered utility. Pricing is an important decision that has to be taken by a marketing manager because it ultimately affects the profits.

PLACE

Place mix or distributing mix aims at ensuring that the right quality of goods reaches the right customer at the right place and at the right time.

PROMOTION

It refers the coordination of all the sellers initiated efforts to set up channel of information and persuasion so as to facilitate the sale of goods and services. The promotion mix consists of sour elements namely.

ADVERTISEMENT

It could be defined as the non personal presentation and promotion of ideas, goods or services by identified sponsor.

PUBLICITY

It is a non personal stimulation of demand for a product service or a business unit by placing commercial significant news about it in a publication or obtaining favorable presentation of it upon Radio, TV or stage that is nit paid for by the sponsor.

PERSONAL SELLING

It means door to door selling of the product with the help of sales force. In personal selling there is a physical demonstration and presentation of the product which would be effective in bringing about the sales of the products.

SALES PROMOTION

It covers these marketing activities other than advertising publicity and personal selling that stimulate consumer purchasing and dealer Effectiveness. Such activities as display shows, exhibition, demonstration and many other non routing selling efforts at the point of purchase.

CONSUMER BEHAVIOR

The term consumer behavior refers to the behavior that consumers display in search for purchasing using evaluating and disposing of products and services that they expect will satisfy their needs. It's the study of what consumers buy, when they buy it how often they buy it, and how often they use it.

CONSUMER RESEARCH

Consumer research is the methodology used to study consumer behavior. Consumer research offers a set of diversified methods to identify consumer needs. It is used to identify both felt and unfelt needs. To learn how consumer perceives products and brands and store. What their attitudes are, before and after promotional campaigns and how and why they make their consumption decisions.

PERCEPTION

Perception can be described as how we see the world around us it is defined as the process by which as individual selects. Organize and interprets stimuli into a meaningful and coherent picture of the world.

ATTITUDES

The world attitudes described a persistent tendency to feel and behave in a particular way towards object.

In other words attitudes refer to feeling and beliefs of individual or group of individuals.

PERCEPTUIAL SELECTION

Consumer subconsciously exercises a great deal of selectivity as to which aspects of the environment they perceive. An individual may look at some things. Ignore other and turn away from still others which stimuli get selected depends on two factors in addition to the nature of the stimuli itself the consumer previous experience and his motives.

PERCEPTUAL ORGANIZATION

Consumer does not experience the numerous stimuli the select from the environment as separate and discrete sensations, rather they tend to organize them into groups and perceive them as unified wholes. This is know as perceptual organization.

PERCEPTUAL INTERPRETATION

People exercise selectively as to which stimuli they perceive and organize these stimuli as the basis of certain psychological principles. This is know as perceptual interpretation.

MEANING OF RESEARCH

The advanced learner’s dictionary at current English lays down the meaning research as “A careful investigation or inquiry especially through search for new facts in any branch knowledge”.

According to Clifford Wood “Research comprises defining and redefining problems, formulation hypothesis or suggested solutions, collected organizing and evaluating data;

maximum deductions and reaching conclusion and at least carefully testing the conclusion of determine whether the fit the formulating hypothesis”.

Research is thus the original contribution to the existing stock of knowledge making for its advancement. It is the pursuit of truth with the help of study, observation comparison and experiment.

COMPANY PROFILE

ICICI Prudential Life Insurance Company is a joint venture between ICICI, one of India’s leading financial institutions and Prudential Plc, one of the world’s largest life insurance companies headquartered in the United Kingdom. ICICI Prudential was amongst the first private insurance companies to begin operations in December 2000 after receiving approval from Insurance Regulatory and Development Authority. ICICI Prudential has consolidated its position as the leading private life insurer in India having 40% market share of Private Insurance companies. ICICI Prudential annualized premium grew more than three fold over the previous year. Today, ICICI Prudential equity base stands at Rs. 6.75 billion with ICICI Bank and Prudential plc holding 74% and 26% stake respectively. In the year ended March 31, 2004, the company had issued over 430,000 policies, for a total sum assured of over Rs 8,000 crore and premium income in excess of Rs. 980 crore. The company has a network of about 32,000 advisors; as well as 12 banc assurance tie-ups. Today the company is the Number 1 private life insurers in the country. ICICI Prudential offers excellent range of customized solutions to suit every need. The company is proud to possess highly professional, competent and well-trained advisors. It is the only private insurance company having the most exhaustive line up of products.

During its first year itself, ICICI Prudential became the largest private insurer having sold more than 100,000 policies by March ’02 and premium income of 1.2 billion rupees. Brand track puts ICICI Prudential as the number one with the highest brand call. It has got the most diversified distribution with the largest agency force and the most diversified portfolio with basket of the traditional, linked and pension products.

Continuing with its 'Customer First' philosophy, ICICI Prudential has significantly expanded its presence to 58 operational Branches (2001-2002: 16), with the Advisor Force growing to over 32,000. Its has also strengthened its Alternate Distribution channels, i.e. Banc assurance, Corporate Agents and Direct Marketing, making purchase of insurance more accessible. Banc assurance and Direct Marketing channels have contributed to over 18% of the Annualized Premium.

As of November 2004, the company had issued over 10,00,000 policies, with a sum assured exceeding Rs 15,000 crore and premium income of nearly Rs. 1000 crore. The company has a network of over 30,000 advisors; as well as 11 banc assurance tie-ups. **Today the company is the #1 private life insurers in the country.**

COMPANY`S VISION:

To make ICICI Prudential the dominant Life and Pensions player built on trust by world-class people and service, company set its vision:

1. Understanding the **needs of customers** and offering them superior products and services.
2. Leveraging **technology** to service customers quickly, efficiently and conveniently.
3. Developing and implementing superior **risk management and investment strategies** to offer sustainable and stable returns to our policyholders.
4. Providing an enabling environment to foster growth and learning for our **employees.**
5. And above all, building **transparency** in all our dealings.

COMPANY'S VALUES:

1. CUSTOMER FIRST:

Own the customer, deliver the promise

- ✓ Keep customer interest in the center of all decisions
- ✓ Promise what you can, deliver it to finish
- ✓ Proactively seek voice of customer and act on it

2. BOUNDARYLESS:

Never say ‘ its not my job’

✓ Offer help and support across functions to ensure business success

✓ Seek and share ideas freely

✓ Recognize and respect internal customers

✓ Understand and Value contributions from colleagues

3. PASSION:

Boundless energy and enthusiasm

✓ Exhibit ‘ Winning Instinct’

✓ Demonstrate speed and urgency for achieving results

✓ Challenge status quo and do things differently

✓ Nurture and Motivate team members to reach full potential

4. PASSION:

If it is to be, it is up to me

✓ Take responsibility and see tasks through to completion

✓ Own mistakes; learn from failures

✓ Pursue goals relentlessly; never give up

✓ Be a team player; take ownership for team performance

5. INTEGRITY:

Be honest and fair in what you say and do

- ✓ Practice what you preach
- ✓ Stand up honestly and fearlessly for what is right
- ✓ Act in a consistent and equitable manner
- ✓ Think and act for long-term impact
- ✓ Do not compromise the future to pay for the present

The Two Powers, Together

The two leaders, ICICI Bank and Prudential Plc, joined hands in the year 2000. The unison of the duo, each known for its professionalism, quality service and strong commitment, resulted in leading-edge life insurance solutions.

ICICI Bank

ICICI Bank is India’s second largest bank with an asset base of Rs. 106812 Crore ICICI Bank provides a broad spectrum of financial services to individuals and companies. This includes mortgages, car and personal loans, credit and debit cards, corporate and agricultural finance. The Bank services a growing customer base of more than 7 million customer accounts and 5 million bond holders’ accounts through a multi-channel access network. This includes about 450 branches and extension counters, 1675 ATMs, call centers and Internet banking (www.icicibank.com). ICICI Bank posted a net profit of Rs.1, 206 crore for the year ended March 31, 2003. ICICI Bank is the only Indian company to be rated above the country rating by the international rating agency Moody’s and the only Indian company to be awarded an investment grade international credit rating. The Bank enjoys the highest AAA (or equivalent) rating from all leading Indian rating agencies.

Prudential plc

Established in 1848, Prudential plc is a leading international financial services company in the UK, with around US$250 billion funds under management, and more than 16 million customers worldwide. Prudential has brought to market an integrated range of financial services products that now includes life assurance, pensions, mutual funds, banking, investment management and general insurance. In Asia, Prudential is UK''s largest life insurance company with a vast network of 22 life and mutual fund operations in twelve countries - China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and Vietnam. Since 1923, Prudential has championed customer-centric products and services, supported by over 60,000 staff and agents across the region.

DISTRIBUTION

ICICI Prudential has one of the largest distribution networks amongst private life insurers in India, having commenced operations in 69 cities and towns in India. The company has eleven banc assurance tie-ups, having agreements with ICICI Bank, Allahabad Bank, Federal Bank, South Indian Bank, Bank of India, Lord Krishna Bank, and Punjab & Maharashtra Co-operative Bank, Goa State Co-operative Bank, Indoor

Paraspar Sahakari Bank, Manipal State Co-operative Bank and Jalgaon People’s Co-operative Bank, as well as some corporate agents. It has also tied up with organizations like Dhan for distribution of Salaam Zindagi, a policy for the socially and economically underprivileged sections of society.

ICICI Prudential has recruited and trained over 30,000 insurance agents to interface with and advise customers. Further, it leverages its state-of-the-art IT infrastructure to provide superior quality of service to customers.

FUNCTIONS OF ICICI PRUDENTIAL LIFE INSURANCE PVT LTD

ICICI Pru offers exciting career opportunities for people from a variety of streams. Read on to find out more about how each of the functions contributes to our growing business.

Sales Distribution

Tied Agency

Tied Agency is the largest distribution channel of ICICI Prudential, comprising a large advisor force that targets various customer segments. The strength of tied agency lies in an aggressive strategy of expanding and procuring quality business. With focus on sales & people development, tied agency has emerged as a robust, predictable and sustainable business model.

Banc assurance and Alliances

ICICI Prudential was a pioneer in offering life insurance solutions through banks and alliances. Within a short span of two years, and with nearly a large number of partners, B & A has emerged as a vital component of the company's sales and distribution strategy, contributing to approximately one third of company's total business.

The business philosophy at B&A is to leverage distribution synergies with our partners and add value to its customers as well as the partners. Flexibility, adaptation and experimenting with new ideas are the hallmarks of this channel.

Group

The Group Business of ICICI Prudential has been in existence for over 2 years. Today, we are the Number 1 player among private life insurance companies in Group Business excluding Mortgage Reducing Term Assurance (MRTA) with a market share of 26%(FY 2004-2005). We offer the entire gamut of products including Gratuity, Superannuation Term Insurance, Leave Encashment, Employee Deposit Linked Insurance (EDLI), Mortgage Reducing Term Assurance (MRTA) & Informal Group Term covers.

Customer Service & Operations

The Operations department oils the work processes between the customer and the company to ensure consistent and quality service to the customer. To streamline the operations, the Operations department interfaces between the clients and the agents, the branches and the underwriters, and manages work processes.

The Vision at Customer Service is to deliver 'World Class Service' at every opportunity. Units such as the 9 to 9 contact centre, Outbound Call Centre, Customer Care and Query Resolution Unit are all committed to providing effective solutions to over lakhs of customers across the country.

IT

The Information Technology function at ICICI Prudential is committed to enable business through the use of technology. It is segmented into 4 groups to enable highest levels of delivery to the customers: Life Asia Solutions Group that provides flexibility in designing better product offerings to end-users, the Solutions Group- Web that provides real-time information to customers and is responsible for customer relationship management, IT Architecture & Corporate Solutions Group is in charge of developing and maintaining a blueprint for the IT architecture for the enterprise as a whole. This team works as an in house R&D Solution Group, exploring new technological initiatives and also caters to information needs of corporate functions in the organization. IT Infrastructure group is responsible for providing hardware, software, network services to the whole organization. This group runs the 'Digital Nervous System' of the Enterprise at the highest levels of efficiency and provide robust, scalable and highly available platform for deployment of business application.

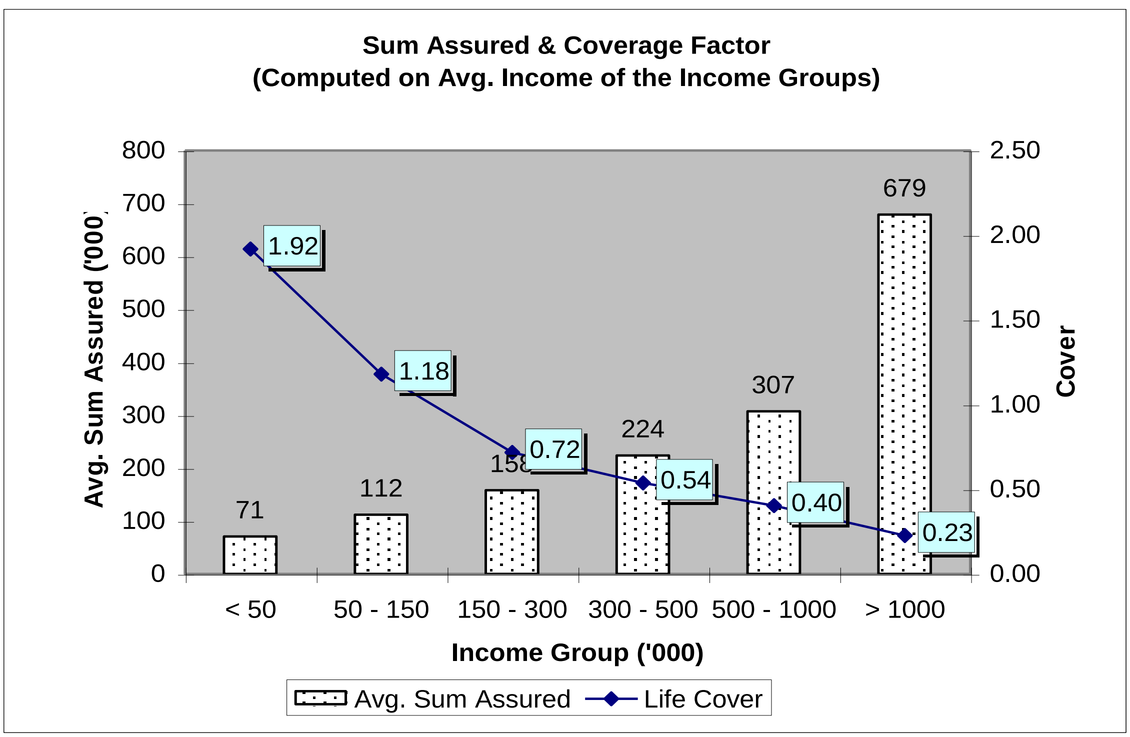
Marketing

The Marketing function at ICICI Pru covers an array of activities - brand and media management, channel support, direct marketing and corporate communications. The Brand and Communications team is in charge of advertising, consumer research, media planning & buying and Public Relations; that helps develop and nurture ICICI Prudential's corporate identity while effectively communicating its varied product offerings to the customer. Channel marketing provides support to the sales force by streamlining the design and development of collaterals and sales tools across distribution channels. The Direct marketing team was set up to generate high quality leads for profitable business. The team achieves this through target database acquisition and communicating customized product information through e-mailers, telemarketing and innovative direct mailers.

Business

Excellence The Business Excellence function is committed to building a quality mindset across the organization. ICICI Prudential is the first organization in the Insurance Industry that has adopted the Six Sigma Methodology for process efficiency and measurement. The team is also driving the Malcolm Baldrige framework across the organization, an intervention that examines management of key inputs for Business Excellence.

Figure Showing: Relation between the Sum Assured & Coverage Factor



From the above graph we can see the amount of income earned by different classes of people and the average sum assured by them and the life cover. It is seen that people earning more than 10 Lakhs are covered only up to 0.23 times of the total cover they were supposed to be covered. Whereas people earning less than 50,000 have covered themselves up to 1.92 times that is nearly 2 times. Hence, we can see there is huge potential market uncovered, which should be covered. Therefore, the scope for the priority circle is seen.

They offer special services to customers and give various kinds of benefits, rewards and recognitions to their advisors on priority basis.

PRODUCT PROFILE

The products of ICICI Prudential are as follows.

I. Saving Plans

1. Secure Plus
2. Cash Plus
3. Save ‘n’ Protect
4. Cash Back

II. Protection Plans

1. Life Guard

III. Child Plans

1. Smart Kid regular premium
2. Smart Kid unit-linked regular premium
3. Smart Kid unit-linked regular premium II
4. Smart Kid unit-linked single premium II

IV. Retirement Plans

1. Life Time Pension
2. Life Link Pension
3. Secure Plus Pension
4. Forever Life
5. Golden Years

V. Investment Plans

1. Life Link – II
2. Premier Life
3. Life Time

VI. Capital Guarantee products

1. Invest Shield Gold
2. Invest Shield Life
3. Invest Shield Cash
4. Invest Shield Pension

The ICICI prudential Life Insurance as being the number one private player in this Industry is facing cutthroat competition from other private companies like are Birla Sun life, HDFC, MAX and New York life. There are also strong performers like OM Kotak Mahindra, Tata AIG and Allianz Bajaj. The other private insurers who have come up and are establishing their presence includes Aviva life, Met Life India, SBI Life, Sahara Life Insurance and, ING Vysya.

Apart from insurance, an investor thinks of various investment avenues. This may lead him to a situation of dilemma. This is because various schemes offer different returns and involve different level of risk. To overcome the dilemma a study of investment profile is carried out to know more details about the factors involved in them and the benefits to be drawn by the investor.

RESEARCH DESIGN

Title of the study

"A study on the market potential of ICICI Prudential Life Insurance "

Statement of the problem

The study is narrowed down on analyzing the market potential of ICICI prudential Life Insurance among the employed and self employed people. This study helps in tracking out the potential customers and their willingness to cover under the ICICI Prudential Life Insurance.

Objective of the study

- To find out the market potential of ICICI Prudential Life Insurance among the employed and self employed people.
- To figure out the number of people who are covered under life insurance.
- To trace out the life insurance companies under which most of them are covered.
- To know about the respondent awareness about the different life insurance player in the market.

- To rate the after sales performance of ICICI pro-life.
- To know how much the respondent are aware about ICICI Prudential Life Insurance.
- To find out the most preferred reason for acquiring life insurance policy.
- To find out the respondent willingness to purchase life insurance policy.

SCOPE OF THE STUDY

- Enables to study about the market potential life Insurance.
- Enables to study about the customer preference in taking life insurance policies.
- Emphasizes on finding out the brand popularity of ICICI Prudential Life Insurance.
- Helps to picture out whether the population is sufficiently covered under life insurance.
- It facilitates the assessment of the adopted marketing strategies. It give insight for identified marketing opportunities and threats.

LIMITATIONS OF THE STUDY

- Regional bias may exist since the study is confined to a particular area.
- The customer covered in this study are approximately 100.
- Although every effort is made to make a representation of the total market, it is certainly a limitation in assessing the total market potential.
- The time frame set for the project completion is not sufficient with respect to the broad nature of the study.
- Concealment of truth-For some respondents the investment matters are very sensitive and never let out.
- Data has been collected with the help of structured questionnaire and the reliability if the study depends on the accuracy of the responses given by the respondents.

RESEARCH METHODOLOGY

Research methodology is the most important aspect of the survey without which the researcher may not be able to obtain facts and figures from the target customers. Methodology here refers to the method used to collect the required data for research work. It involves the specification of research design, source of data, methods of data collection and the sampling method used.

RESEARCH INSTURMENTS

Research instruments means the instruments employed for gathering the information or response. For the problem of this study a structured questionnaire both open ended and close ended is felt to be necessary for the research.

a) Techniques of data collection

In order to collect primary data the information required to satisfy the objectives of the study, the methodology followed for customer survey was primarily that of interview backed by structured questionnaire. The questionnaire was filled up through telephonic interview as well as through personal contract with the subscriber. The interview took about 15 to 20 minutes in personal and 8 to 10 minutes on phone on an average. This method of collection of data is the most scientific as here the questionnaire is used to collect the most relevant information.

The secondary data is gather through internal and external sources

The sources include – Informal business records, Survey reports, Business management books, Trade journals, Internet

b) Sampling

under this method data is collected not regarding all the unit of the universe but regarding some representative units. The results are drawn on the basis of this data for the entire population.

Sampling Design

The following are the basic components of the sample design

Choosing a sample unit – who are to surveyed?

Choosing a sample size – how many are to be surveyed?

Choosing the sample procedure- how should the respondents be chosen? Choosing a media how to reach respondents in the sample

Sample Unit

The representative unit consisted of those who are the Employed and Self- employed people.

Sample Size

The sample size consists of 100 people

Sample Media

The respondents are surveyed through telephone as well through direct interview

DATA ANALYSIS AND INTERPRETATION

Table showing The Age Wise Analysis Of Respondents

Age	No. of Respondents	Percentage
Less than 26	8	8
26-35	35	35
36-45	26	26
46-55	20	20
More than 55	11	11
Total	100	100.0

Analysis:

8% of respondents fall between the ranges of less than 25

35% of respondents fall between the ranges of 25-35

26% of respondents fall between the ranges of 36-45

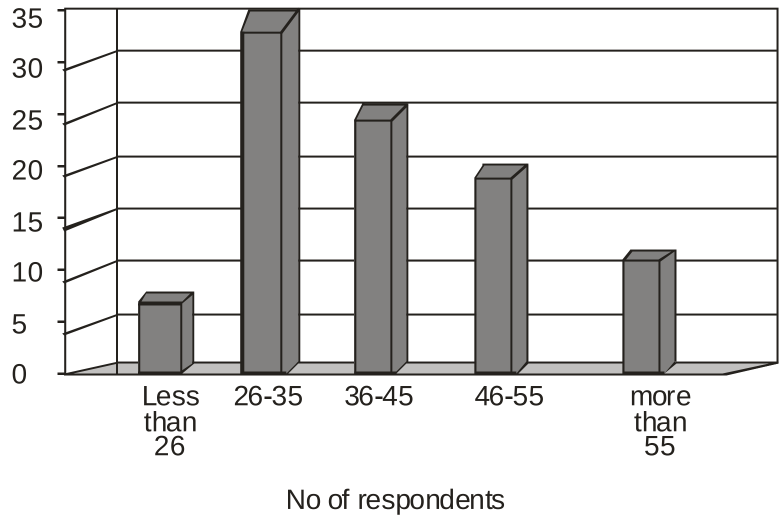
20% of respondents falls between the range of 46-55

11% of respondents falls between the range of more than 56

Inference:

The table clearly shows that majority of the respondents fall between 26-35.

Graph showing The Age Wise Analysis Of Respondents



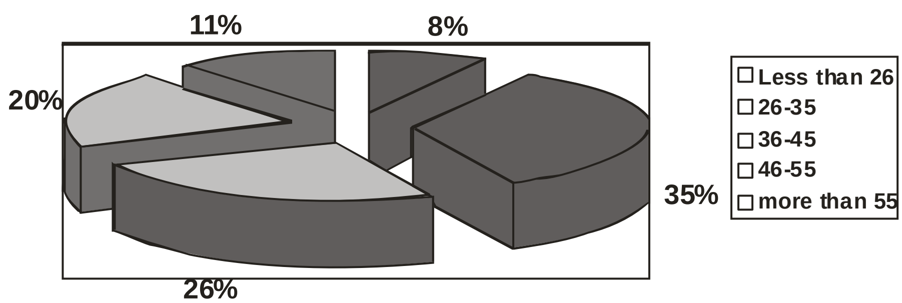


Table showing the material status of respondents

Marital Status	No. of Respondents	Percentage
Single	16	16
Married	84	84
Total	100	100

Analysis:

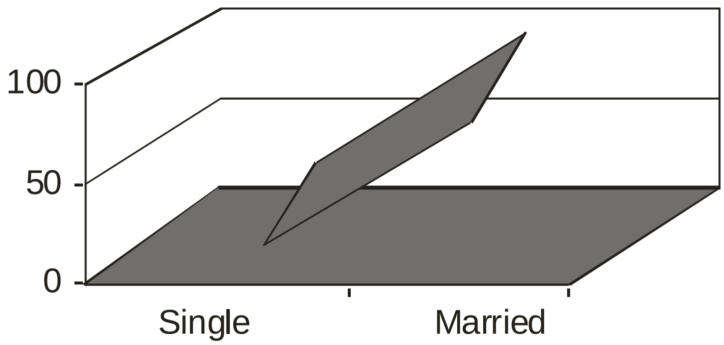
16% of the respondents are not married

84% of the respondents are married

Inference:

Majority of the respondents are married

Graph showing the material status of respondents



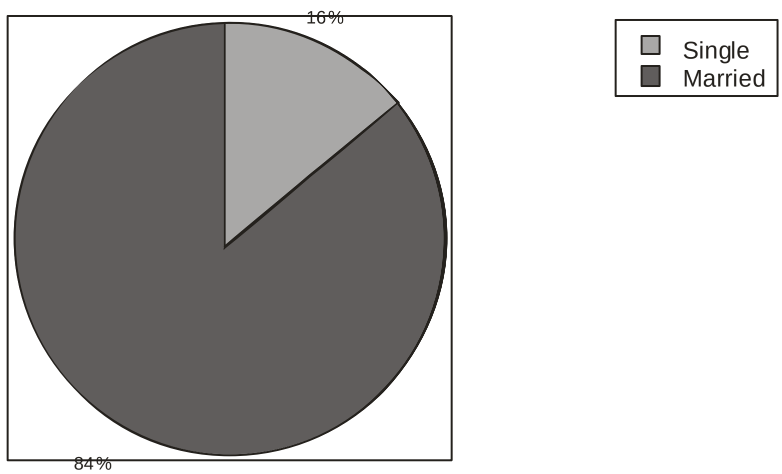


Table showing the gender analysis of the respondents

Gender	No. of Respondents	Percentage
Male	77	77
Female	23	23
Total	100	100

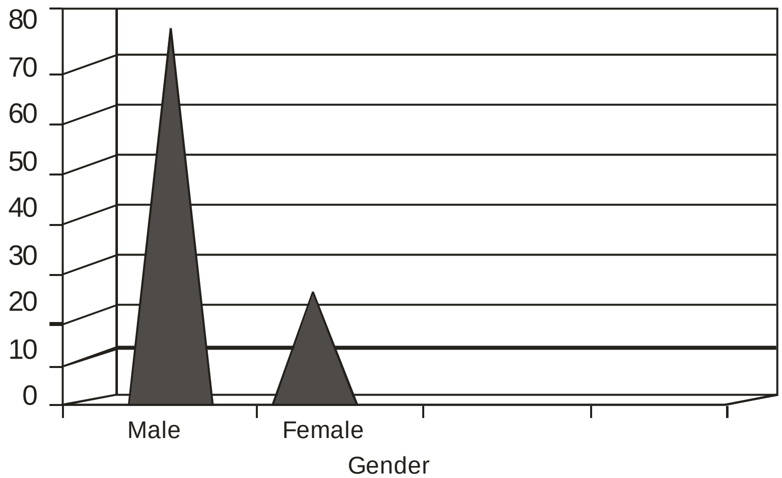
Analysis:

Out of total respondents 77% are Male and the rest 23% are Female.

Inference:

Majority of respondents are Male

Graph showing the gender analysis of the respondents



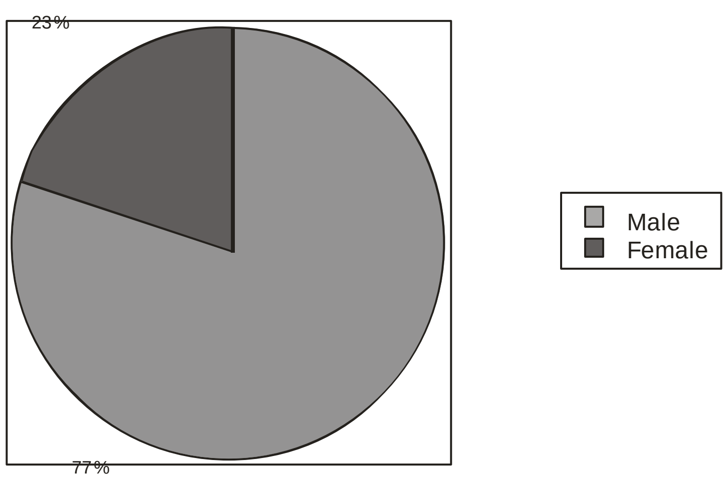


Table showing annual income of respondents

Income (In Lakhs)	No. of Respondents	Percentage
Less than 1	21	21
1-3	60	60
3-5	7	7
5-10	5	5
10-20	4	4
More than 20	3	3
Total	100	100

Analysis:

21% of respondents are having annual income less than 1 Lakhs

60% of respondents are having annual income 1-3 Lakhs

7% of respondents are having annual income 3-5 Lakhs

5% of respondents are having annual income 5-10 Lakhs

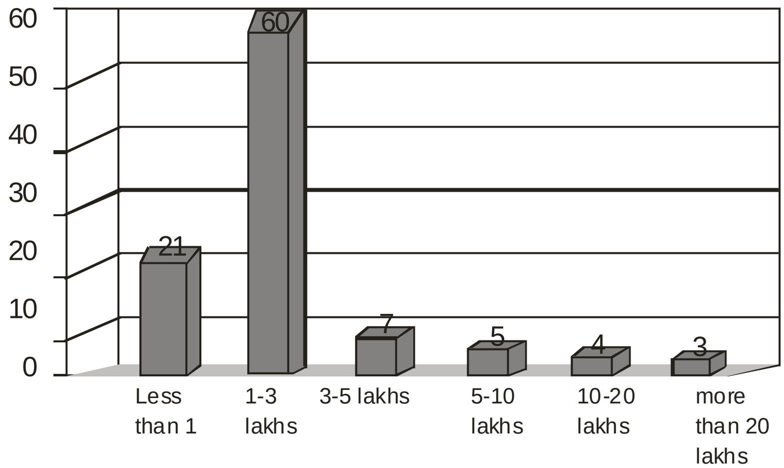
4% of respondents are having annual income of 10-20 Lakhs

3% of respondents are having annual income more than 20 Lakhs

Inference:

Majority of the people falls between 1-3 Lakhs

Graph showing annual income of respondents


60
50
40
30
20
10
0
21
60
7
5
4
3
Less than 1
1-3 lakhs
3-5 lakhs
5-10 lakhs
10-20 lakhs
more than 20 lakhs

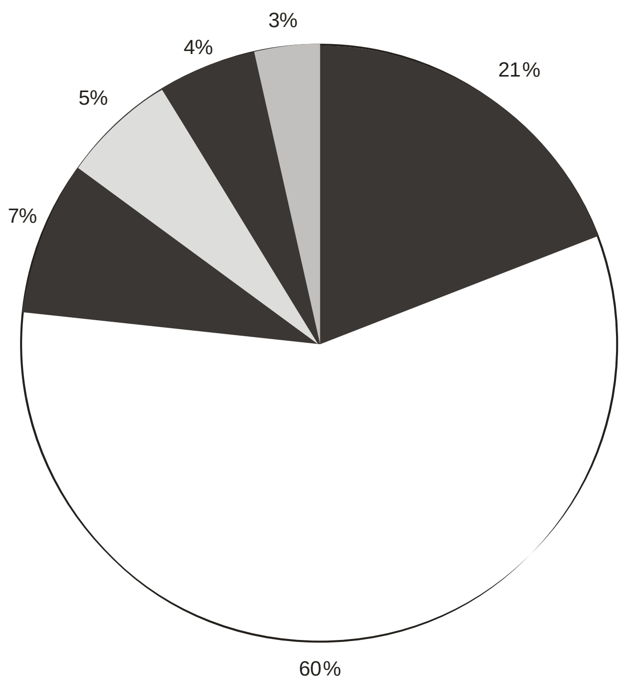

3%
4%
21%
5%
7%
60%

Table showing the respondents covered under life insurance

Covered under Life Insurance	No. of respondents	Percentage
Yes	76	76
No	24	24
Total	100	100

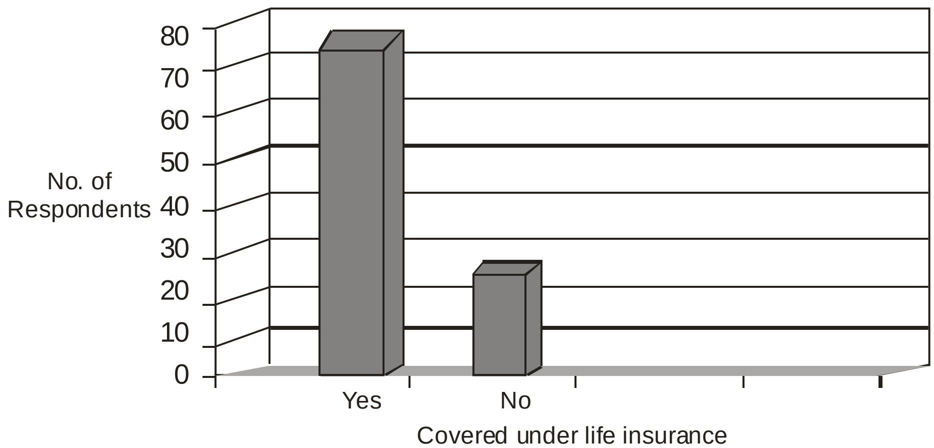
Analysis:

76% of the respondents are covered under life Insurance, rest 24% are not covered.

Inference:

The table clearly pictures out the market of Life Insurance. The 24% of respondents are not covered under Life Insurance are retired persons, over aged persons and those who are not physically fit to get insured.

Graph showing the respondents covered under life insurance



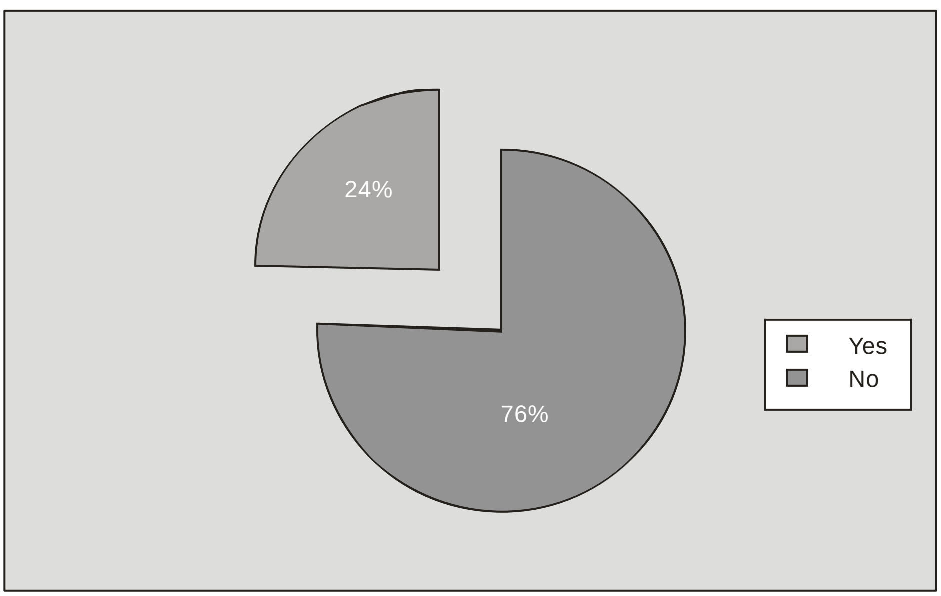


Table showing Life insurance company under which the Respondents are covered

Company	No. of Respondents	Percentage
LIC	76	76
ICICI PRUDENTIAL	13	13
ING VYSIA	4	4
BIRLA SUN LIFE	2	2
MAX NEWYORK	2	2
KGID	1	1
POSTAL LIFE INSURANCE	1	1
HDFC	2	2
OTHERS	0	0
TOTAL	100	100

Analysis:

76% of the respondents are covered under LIC

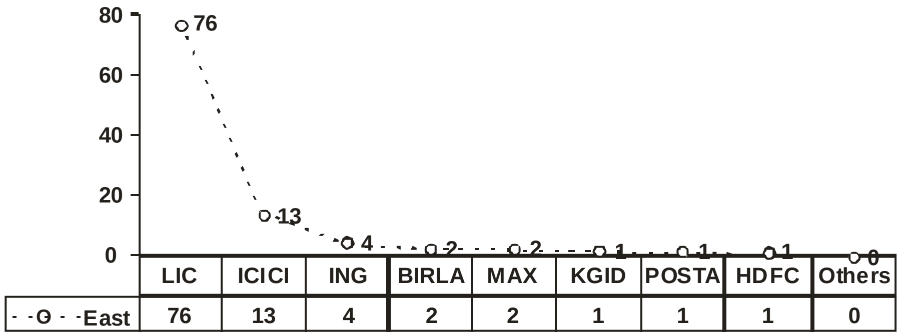
13% of the respondents are covered under ICICI PRUDENTIAL LIFE INSURANCE

Inference:

It clearly figures out LIC as a major player in the Life Insurance market.

Although being a private Life Insurance provider ICICI Prudential find its room in the midst of other private Life Insurance players. That is 13% which is quite higher than other private companies.

Graph showing Life insurance company under which the Respondents are covered



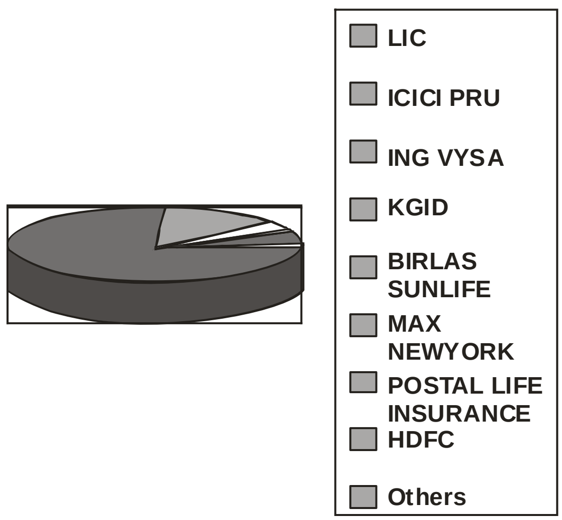


Table showing the total premium paid per annum by the respondent.

Premium	No. of Respondents	Percentage
Less than 8000	26	26
8000-10000	17	17
10000-25000	35	35
25000-50000	19	19
More than 50000	3	3
TOTAL	100	100

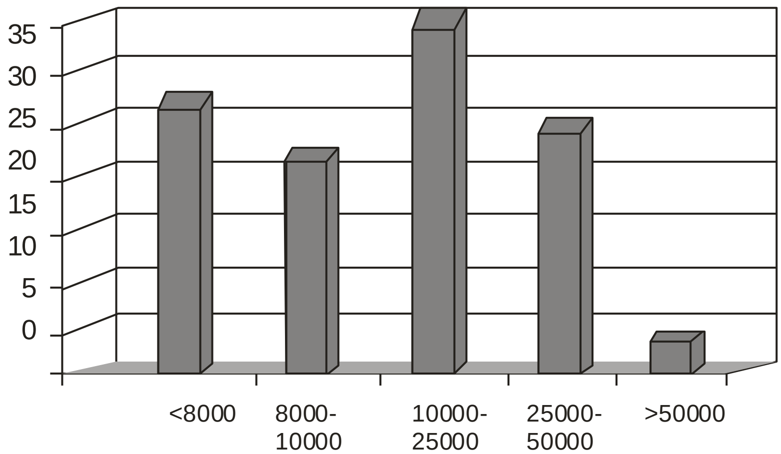
Analysis:

Most of the respondents who are covered under Life Insurance falls in the ranges of 10000-25000 while considering with the amount of premium paid that i.e., 35% of total respondents. Very close to the range which is less than 8000 i.e., 26% succeeded by 25000-50000 with 19% and 8000-10000 with 17% the last range more than 50000 has the least share i.e., 3%

Inference:

The table clearly shows that Life Insurance is done not only for risk covered but also for investment

Graph showing the total premium paid per annum by the respondent.



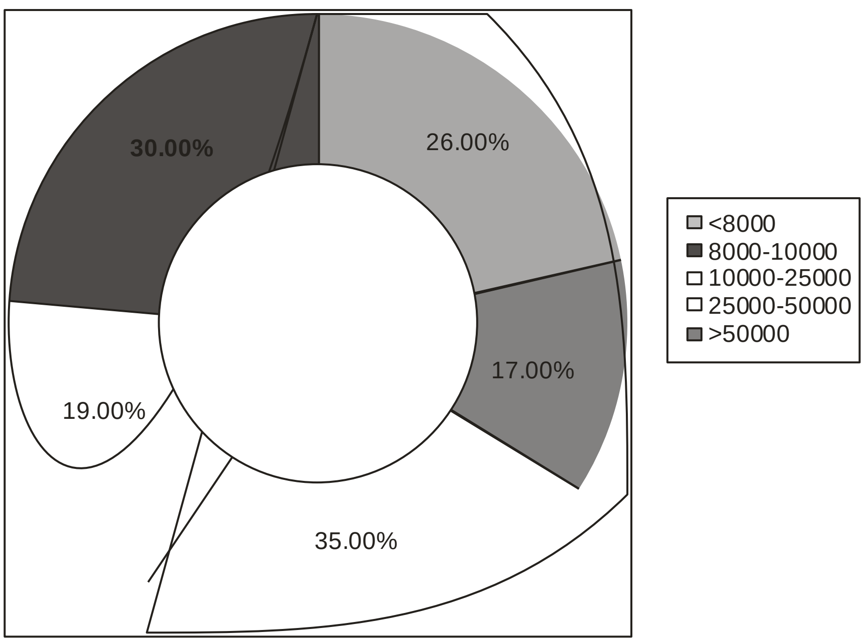


Table showing mode of payment of premium

Mode of payment	No. of Respondents	Percentage
Monthly	51	51
Quarterly	27	27
Annually	22	22
TOTAL	100	100

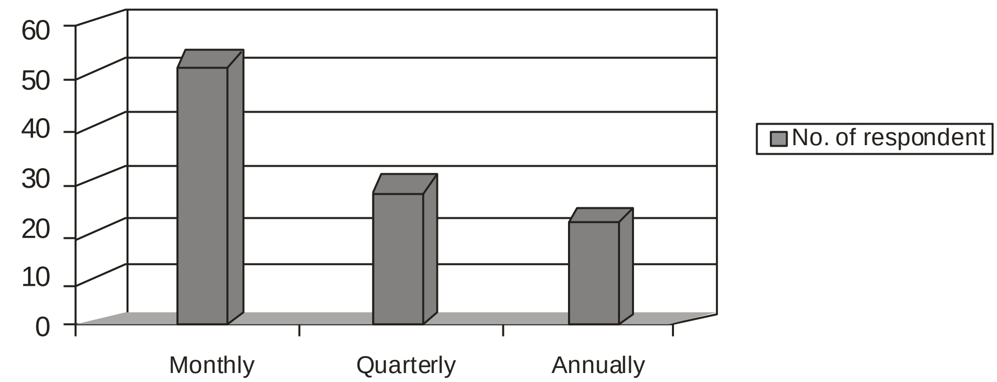
Analysis:

51% of the respondents prefer monthly payments, 27% of the respondents are doing quarterly payment and the rest 22% of the respondents annual payment.

Inference:

Among the three modes of payments, monthly payment is the preferred one.

Graph showing mode of payment of premium



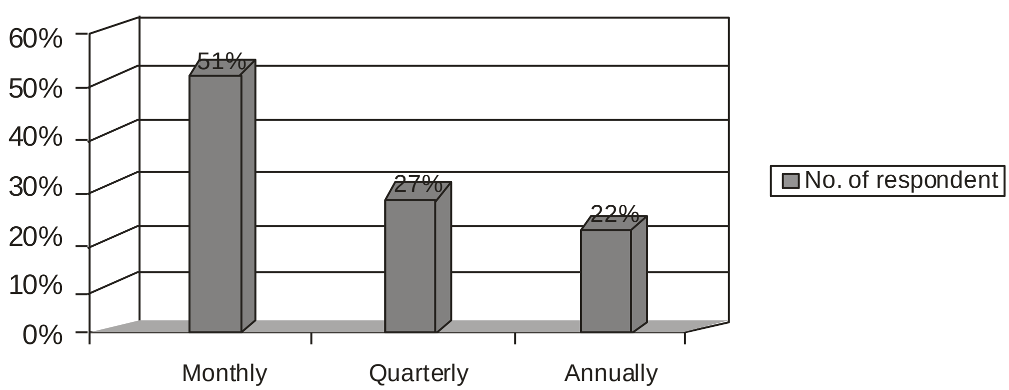


Table showing sum assured the respondents are insured for

Some assured	No. of Respondents	Percentage
Less than 1000	15	15
1-3	33	33
3-5	20	20
5-10	18	18
10-20	11	11
More than 20	3	3
TOTAL	100	100

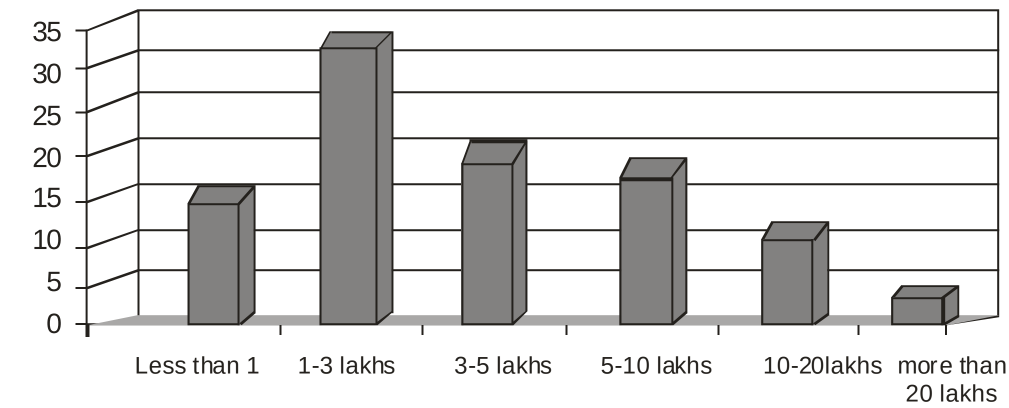
Analysis:

Majority of the respondents are covered under the range which falls between 1-3 Lakhs i.e., 33%, 20% of the respondents are between the range 3-5 Lakhs,18% are covered under 5-10 Lakhs, 15% are covered less than 1 Lakhs, 11% are covered under 10-20 Lakhs and 3% more than 20 Lakhs.

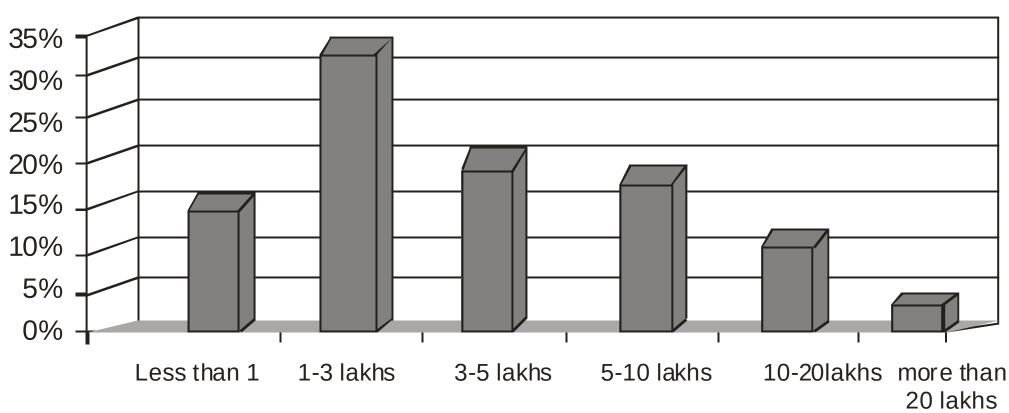
Inference:

Table gives a picture that majority of the respondents have taken the Life Insurance as life covered but a least percentage have taken it as an investment.

Graph showing sum assured the respondents are insured



35
30
25
20
15
10
5
0
Less than 1
1-3 lakhs
3-5 lakhs
5-10 lakhs
10-20lakhs
more than 20 lakhs



35%
30%
25%
20%
15%
10%
5%
0%
Less than 1
1-3 lakhs
3-5 lakhs
5-10 lakhs
10-20lakhs
more than 20 lakhs

Table showing the source through which respondents are aware about ICICI Prudential Life Insurance

Source	No. of Respondents	Percentage
Advertisement	63	63
Word of mouth	5	5
Bank	16	16
Advisor	15	15
Others	1	1
TOTAL	100	100

Analysis:

63% are aware through Advertisement

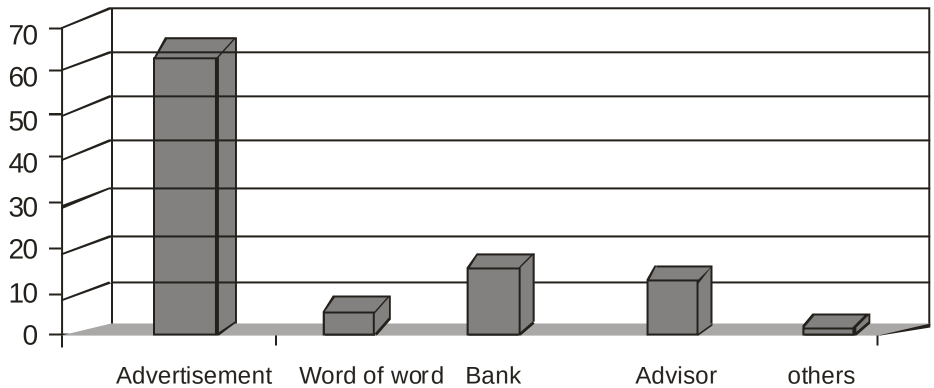
16% are aware through Bank

15% are aware through Advisor

Inference:

It shows Advertisement makes an effective means of creating awareness about ICICI Prudential Life Insurance.

Graph showing the source through which respondents are aware about ICICI Prudential Life Insurance



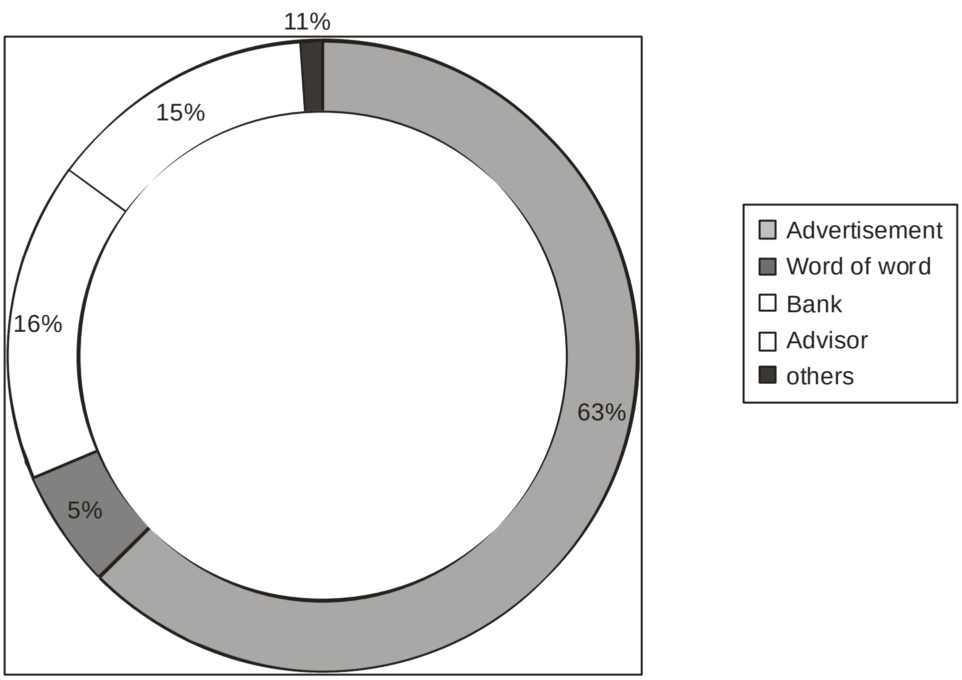


Table showing the respondents evaluation of the after sales performance of ICICI Prudential Life Insurance for those who covered under ICICI Prudential Life Insurance.

Awareness	No. of Respondents	Percentage
Excellent	1	7
Very good	5	35.7
Good	4	28.5
Fair	2	14.3
Average	2	14.3
TOTAL	14	

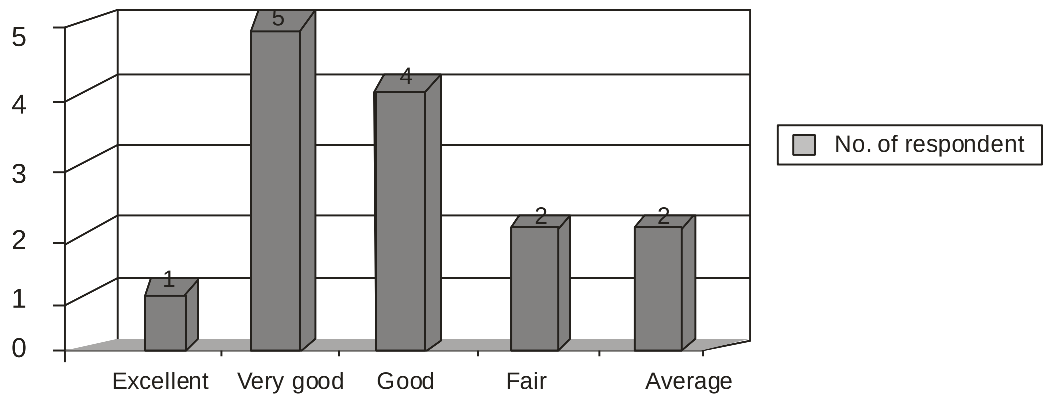
Analysis:

14% are covered under ICICI Prudential Life Insurance.

Inference:

Among the total sample size, 100 only 14 persons are covered under ICICI Prudential Life Insurance.i.e. 14% of total sample size. It shows that the market potential of ICICI Prudential Life Insurances not that high.

Graph showing the respondents evaluation of the after sales performance of ICICI Prudential Life Insurance for those who covered under ICICI Prudential Life Insurance.



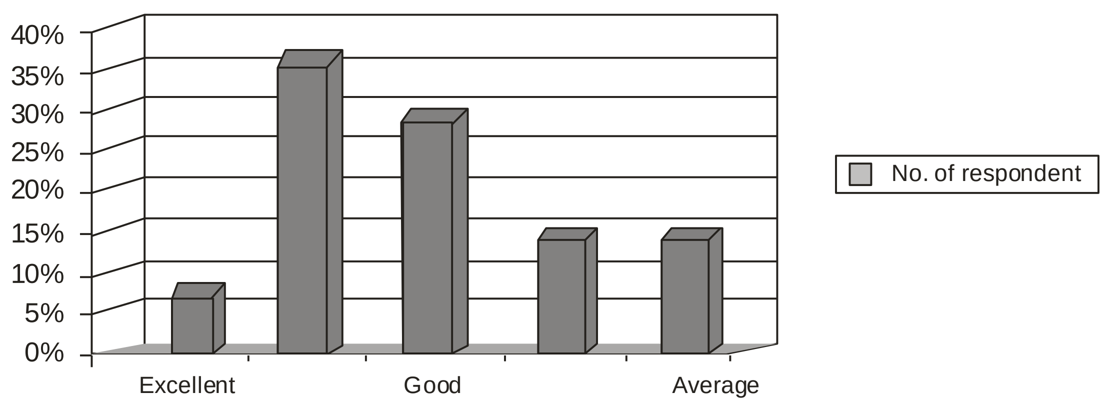


Table showing the No. of respondents who were been approached by ICICI Prudential Advisor

Approached by advisor	No. of Respondents	Percentage
Approached	48	48
Not Approached	52	52
TOTAL	100	100

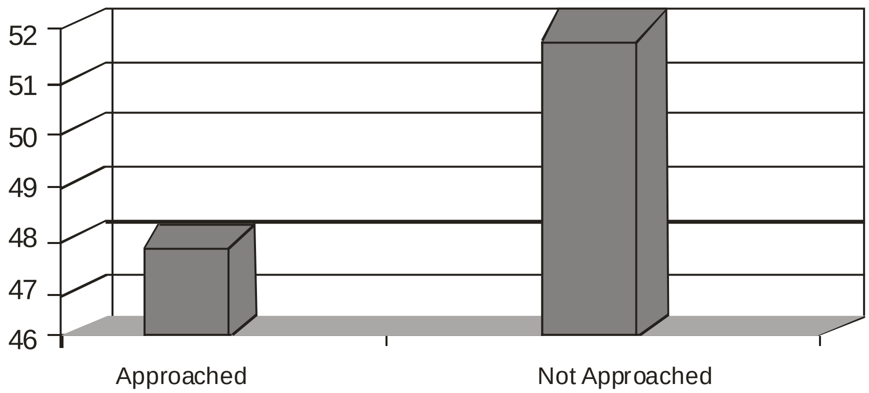
Analysis:

48% of respondents were been approached by ICICI Prudential advisor .

Inference:

Majority of the respondents are not been approached by ICICI Prudential insurance advisor.

Graph showing the No. of respondents who were been approached by ICICI Prudential Advisor



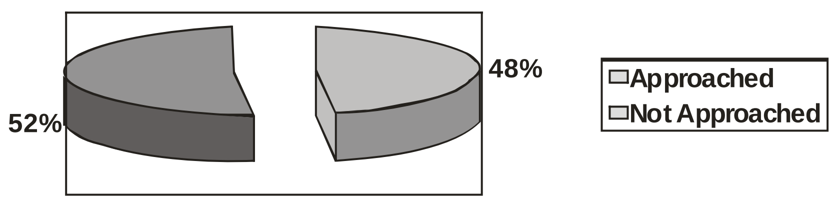


Table showing the No. of respondents covered under ICICI Prudential Life Insurance after been approached by ICICI ADVISOR.

Covered under ICICI	No. of Respondents	Percentage
Taken	24	24
Not Taken	76	76
TOTAL	100	100

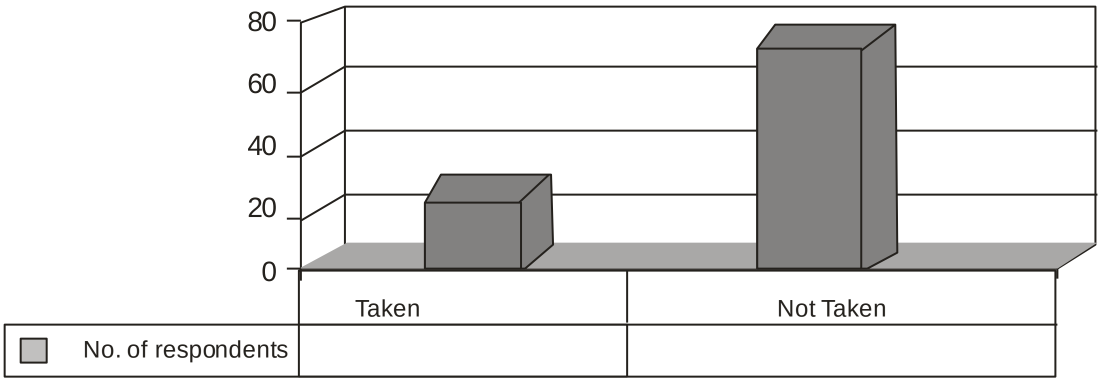
Analysis:

26% are covered after being approached by an ICICI Prudential Life Insurance Advisor.

Inference:

It shows that almost ¼ th of the people has taken insurance after being approached by ICICI Prudential advisor.

Graph showing the No. of respondents covered under ICICI Prudential Life Insurance after been approached by ICICI ADVISOR.



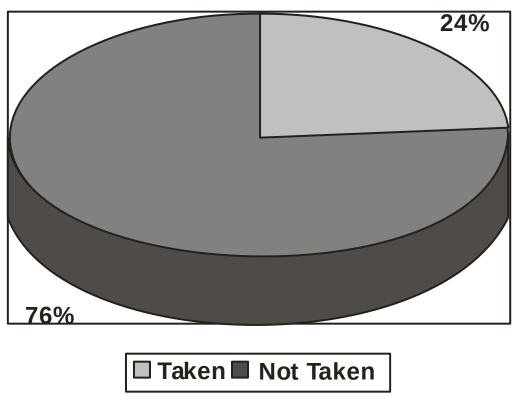


Table showing the No. of respondents who are covered under ICICI Prudential Life Insurance.

Awareness	No. of Respondents	Percentage
Covered under ICICI	14	14
Not covered	86	86
TOTAL	100	100

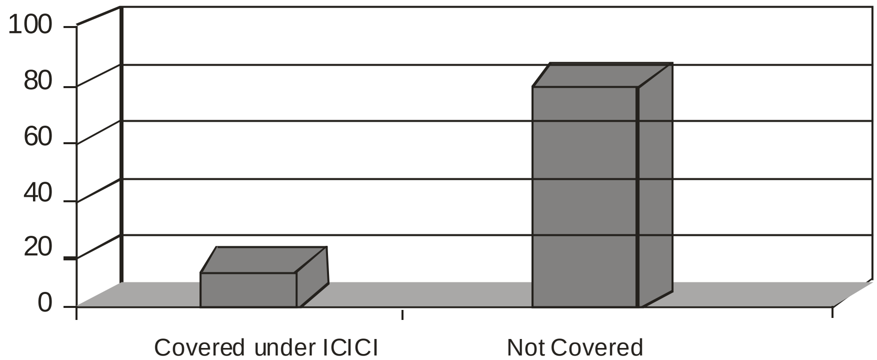
Analysis:

14% of respondents covered under ICICI Prudential Life Insurance.

Inference:

Among the total sample size, 100 only 14 persons are covered under ICICI Prudential Life Insurance.i.e. 14% of total sample size. It shows that the market potential of ICICI Prudential Life Insurances not that high.

Graph showing the No. of respondents who are covered under ICICI Prudential Life Insurance.



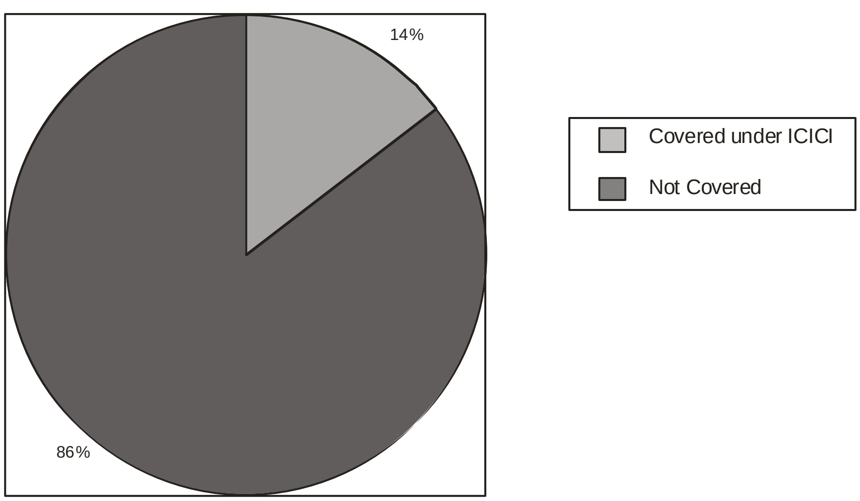


Table showing the respondents Willingness to know about ICICI Prudential life Insurance

Willingness	No. of Respondents	Percentage
Want to know	59	59
Don’t want to know	86	86
TOTAL	100	100

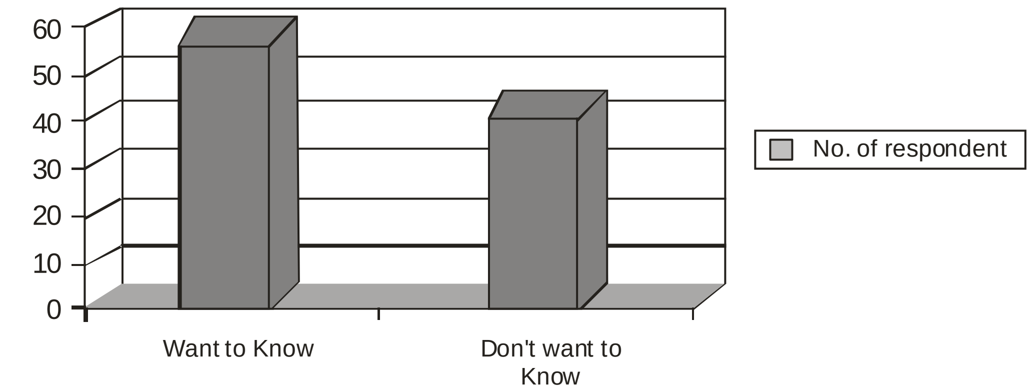
Analysis:

59% show their willingness to know about ICICI Prudential

Inference:

It shows that there is an high level of curiosity to know about ICICI Prudential Life insurance among the respondents

Graph showing the respondents Willingness to know about ICICI Prudential life Insurance



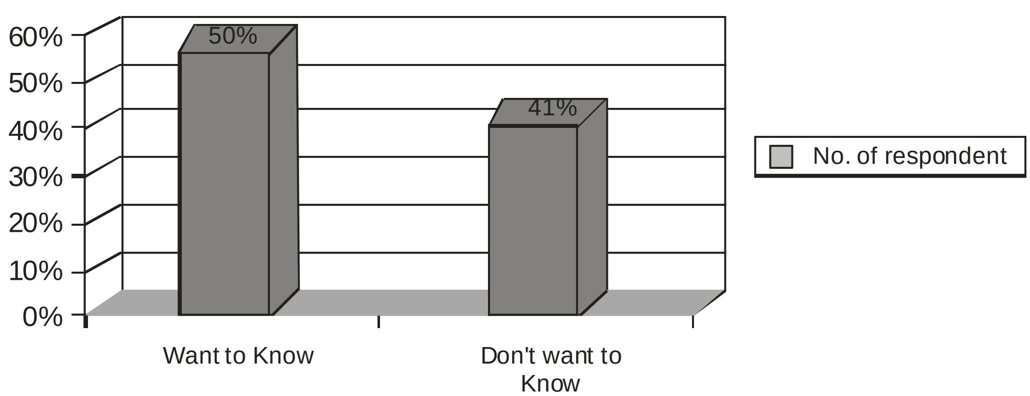


Table showing the respondents Willingness to buy ICICI Prudential life Insurance

Willingness	No. of Respondents	Percentage
Want to know	25	25
Don’t want to know	75	75
TOTAL	100	100

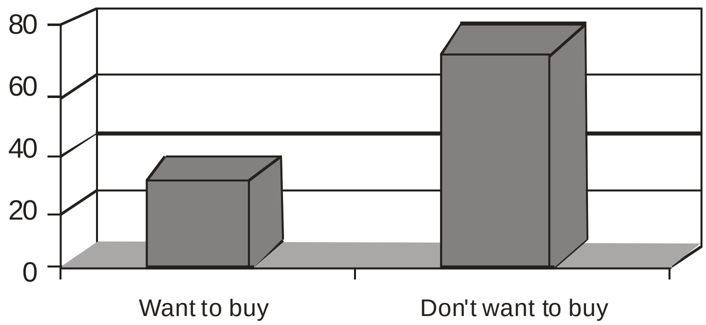
Analysis:

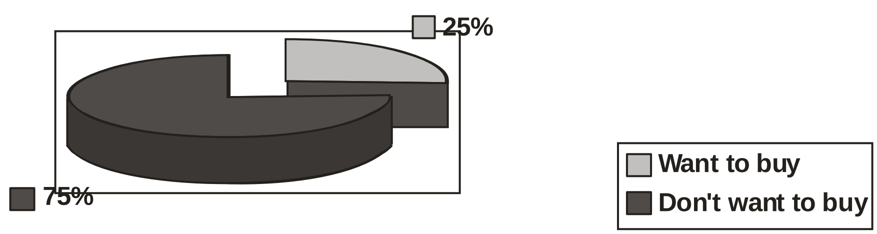
25% of total respondents are willing to buy ICICI Prudentila Life Insurance in the future

Inference:

Even though being a private player, the market potential of ICICI Prudential Life Insurance is increasing. The costumer performance towards ICICI Prudential Life insurance is increasing.

Graph showing the respondents Willingness to buy ICICI Prudential life Insurance


80
60
40
20
0
Want to buy
Don't want to buy


25%
75%
Want to buy
Don't want to buy

CONCLUSION

ICICI prudential Life Insurance which was the first private sector insurance companies to begin in December 2000 after receiving approval from Insurance Regulatory Development Authority, now holds 40% of the total private insurance market. Although being a private player, ICICI Prudential Life Insurance finds its own room in the midst of other Insurance providers.

The success of the company will be found in its unflinching commitment to 5 crore values- integrity, Customer first, Boundary less, Ownership and Passion. Each of the values describes what the company stands for, the qualities of the people and the way to work. They are able to appraise customer’s needs and requirements.

Two years since its launch, ICICI prudent Life Insurance Company Limited has become India’s NO. 1 private Life Insurance Company and is soaring the heights of success. It means the consistently evolving needs and given a lifetime financial solution to customize the changing needs, quoting.

We cover you at every step in life.

SUMMARY OF FINDINGS

- Among the total population majority of respondents are covered under life insurance, i.e.

76% are covered under life insurance.

- The study clearly pictures out LIC as the major life insurance player in the market, 76% Respondents are covered under LIC

- The market potential of ICICI Prudential is not tat satisfactory, because only a meager Percentage of the respondents are covered under ICICI Prudential Life Insurance

- Although being a private Insurance player ICICI Prudential Life Insurance find its own room in midst of other Life Insurance providers, 13% which is a higher rate comparing to the other private life insurance provider.

- While considering the amount of total premium paid pe annum, Majority falls in the range of 10000-25000 i.e. 3% shows that insurance section is even treated as a venture for Investment.

- Among the different modes of payment of premium (monthly, quarterly, annually) monthly payment is the most preferred one i.e. 51% of the respondents are paying premium on monthly basis.

- Almost 33% of respondents fall in range of 1-3 lakhs while considering the total sum assured they are insured.

- The respondents ranked “Risk Cover” as the major reason for taking a life insurance i.e. 36%, the succeeding one is “Children’s future” which holds 29% of total respondents.
- Majority of the respondents are exposed to the various life insurance players in the market.

- 89% of the respondents are exposed to ICICI Prudential Life Insurance in one way or through another way.
- Most of the respondents holding life insurance policy of other companies were not been approached by an ICICI Prudential Life insurance advisor.
- The same aspect can be made practical in the case of ICICI fixed deposit holders also.

SUGGESTIONS AND CONCLUSIONS

It is suggested to create awareness of the needs like children's future, wealth creation; pension plans etc although a very well planned marketing campaign

- It is suggested to do cross selling of policies, as the potential of ICICI Prudential Life Insurance is not very high

- A continuous and day to day exchange of data from ICICI Bank to ICICI Bank Prudential Life Insurance about the new account holder should be adopted. So that ICICI Pru Life can effectively utilize the data and can go for further follow- ups

- There should be tie-up wit various sectors of ICICI, i.e. with home loans, car loans etc it will give the clear picture about the amount the persons has taken as loan, and can be explained to the person about the necessity of life insurance as he has taken such an amount as loan from the Bank.

- It is suggested to keep broachers, banners, pamphlets etc at the ICICI premises, so that customer will be more exposed to ICICI PRUDENTIAL LIFE INSURANCE. And will tend to know much more about the products.

- Since the most preferred reason for taking a life insurance policy are risk covers and children's future, it is suggested to make further innovation and flexibility to attach to the products and it should be highlighted in the materials.

- It is recommended to pitch more high value premium since the high value premium customers are less. The ICICI Bank can share cream of high network individual's data with ICICI prudential life insurance, so that this can be made use effectively. The data collected about the person should be kept confidential.

- Even though the opinion about the sales service is extremely good it is suggested to improve the standard further.

- As ICICI prudential life insurance covers the whole market about 40%, it has its own possibilities to widen their market.

- Abating the amount to be paid as premium for a second or third policy taken by an ICICI Prudential Life Insurance holder to an extend which is reasonable to the company.

- Although among those respondents who were been approached by ICICI Prudential Life Insurance advisor only a few percentage have gone for it.

- While considering the total premium paying per annum, the amount paid as premium for ICICI is a higher amount comparing to LIC.

- Some of the respondents have highly invested in other ventures, so there, are not interested in taking life insurance policy.

- People who already more than 2 policies are not willing to take any investment in insurance any more.

- Service provided by LIC prudential life insurance is appreciated as “Very Good” by 35.7% of respondents who are covered under ICICI Prudential Life insurance.

- The curiosity level to know about ICICI Prudential Life Insurance is very high (approx 59%) i.e. the respondents wanted to have more detailed information about ICICI Prudential Life Insurance.

- Most of the respondents wish to bench mark their life insurance policy with ICICI Prudential Life Insurance policy.

- 25% of the respondents are panning to cover under life insurance policy in the near future preferred ICICI prudential Life Insurance.

ANNEXURE

QUESTIONARE

Dear Sir/Madam

I am currently perusing my MBA, as a part of my curriculum I am conducting a study. I would be grateful if u would fill in this questionnaire. I assure you that all information collected would be kept confidential and used for the studies only.

Thank You

Name …………………………………………………………………………….

Address …………………………………………………………………………..

……………………………………………………………………………….....

……………………………………………………………………………….

………………………………………………………………………………

……………………………………………………………………………

E-Mail ………………………………………………………………………………

Contact Number ………………………………………………………………….

1. Age:

☐ Less than 25 ☐ 25-35 ☐ 36-45 ☐ 46-55

☐ Above 55

2. Gender

☐ Male ☐ Female

3. Marital Status:

☐ ☐

Single Married

4. Educational Qualification:
5. Occupation:
6. Annual income

☐ < 100000 ☐ 100000-300000 ☐ 300000-500000

☐ 1000000 ☐ 1000000-2000000 >2000000

7. Are you covered under Any Life Insurance Policy?

☐ Yes ☐ No

8. If Yes,

- Please specify the company under which the you are covered

☐ LIC ☐ ICICI PRUDENTIAL ☐ ING VYSYA

☐ OM KOTAK

OTHERS ____

- How many Life Insurance Policies do you have ?

☐ One ☐ ☐ Two ☐ More Than 2

- What is the total Premium you are paying per annum?

☐ ☐ ☐ ☐

<8000 8000-10000 10000-25000 >25000

- What is the Total Sum assured you are insured for?

☐ 1-3 lacs ☐ 3-5 lacs ☐ 5-10 lacs ☐ 10 lacs

9. If No Mention the reason:______________________________

10. What would be your reason for taking a life insurance policy, rank them according to your priority? (1-5)

11. Which of the life Insurance company that are familiar to you in the market ?

☐ LIC ☐ ICICI PRUDENTIAL ☐ TATA AIG

☐ BIRLA SUNLIFE ☐ OM TAK

12. Are you aware of ICICI prudential Life Insurance ?

☐ Yes ☐ No

13. if Yes,

How did you come to know about the company?

☐ Advertisement ☐ Word of mouth ☐ Bank

☐ Advisors

Others: ______________________________

14. Have you ever been approached by an ICICI prudential Life Insurance Advisor ?

Yes ☐ No ☐

15. If yes,

- Have you ever been approached by an ICICI prudential Life Insurance ?

  Yes ☐ No ☐

  Please mention the policy name: ________________________________

- How do you rate ICICI prudential Life Insurance on the basis of your experience?

Excellent ☐ Very good ☐ Good ☐

Fair ☐ Average ☐

16. If No,

- Would you like to know about ICICI prudential Life insurance Products

  ☐ Yes ☐ No

- Do you intend to buy any life insurance product in the near future ?

  ☐ Yes ☐ No

17. If yes, please mention the name of the product:

Company:

Reason:

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