

## **BIG PLAYERS IN LIFE INSURANCE MARKET IN INDIA**

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### ABSTRACT

Big players in life insurance market in India is a study done on 24 life insurance companies in India. Comparison of premium collected, number of policies issued and number of life covered by private life insurance companies and LIC has been done, big market players in life insurance business in India has been found out. Secondary data has been used. There are twenty three private life insurance companies, and their contribution in premium is around R.S 27961.86 crore, they have issued 3275049 policies and they have covered around 63283122 lives. OnePSU. LIC has collected R.S. 77911.72 crore (73.6 %) premium amount, issued 9758596 (74.87%) policies and has covered 27960917(30.64 %) lives. There are twelve companies have generated more than five hundred crore rupees premium and their sum equal to R.S. 25143.05 crore (89.9 % of total private), they have issued 2690280 Policies (82 % of total private) and covered 56216396 (88.8 % of total private) lives.

KEY WORDS- Life insurance, Premium, Big players etc.

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### INTRODUCTION

Big players in the life insurance market in India is a study done on life insurers. The insurance industry of India consists of 57 insurance companies of which 24 are in life insurance business and 33 are non-life insurers. Life insurance companies Aegon Life, Aviva Life, Bajaj Allianz Life,

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Bharti Axa Life, Birla Sun Life, Canara HSBC OBC Life, DHFL Pramerica Life, EdleweissTokio Life, Exide Life, Future Generali Life, HDFC Standard Life, ICICI Prudential Life, IDBI Federal Life, India First Life, Kotak Mahindra Old Mutual Life, Max Life, PNB Met Life, Reliance Nippon Life, Sahara Life, SBI Life, Shriram Life, Star Union-Diachi Life, Tata AIA Life and LIC. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Apart from that, among the non-life insurers there are six public sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India (GIC Re).

### OBJECTIVES OF THE STUDY

1. To compare premium collected, number of policies issued and number of life covered by private life insurance companies and LIC.
2. To find out big market players in life insurance business in India.

### REVIEW OF LITERATURE

Life insurance is a protection against financial loss that would result from the premature death of an insured. The named beneficiary receives the proceeds and is thereby safeguarded from the financial impact of the death of the insured. The death benefit is paid by a life insurer in consideration for premium payments made by the insured (Investopedia).

A life insurance policy provides a cash payment when a person dies. This payment is known as the death benefit. Many people buy life insurance to protect the people who are dependent on them. Others buy life insurance as a way to leave a cash gift to their spouse, children, grandchildren, and charities at their death. The owner makes payments, known as premiums, to the insurance company for the policy. In return, the insurance company agrees to pay the death benefit to the beneficiary if the insured dies within the stated term. Term insurance is the most basic type of life insurance. If the insured dies within the stated term, the insurance company pays the death benefit to the beneficiary. When the term ends, the insurance ends.

The premiums for term insurance are usually the lowest among the different types of life insurance, but will increase with the age of the insured. There is no cash value in a term life policy. The paper Analysis of survivorship life insurance portfolios with stochastic rates of return by (Li Chen, Luyao Lin, Yi Lu, Gary Parker, 2017) concluded portfolio of survivorship life insurance contracts is studied in a stochastic rate of return environment with a dependent mortality model. The effects of the mortality dependence, the portfolio size and the policy type, as well as the impact of investment strategies on the riskiness of portfolios of survivorship life insurance policies are analyzed by means of moments and probability distributions.

A paper “Determinants of life insurance consumption in Africa” investigate the factors that influence life insurance consumption in 31 African countries from 1996 to 2010. They find income, inflation, dependency ratio and life expectancy lead to decline in life insurance consumption, financial development, health expenditure and institutional quality are found to positively impact on life insurance consumption in Africa. (Abdul Latif Alhassan, Nicholas Biekpe)

David Joulfaian “To own or not to own your life insurance policy?” Life insurance proceeds are generally subject to the estate tax. An exception is when the policy is owned by the beneficiaries and the insured gives up ownership and control, including the ability to change beneficiaries. Should the insured strategically own the policy contract and potentially subject proceeds to estate and inheritance taxes, or relinquish control, with the beneficiaries owning the policy, and escape such transfer taxes? This paper addresses how the estate tax influences the choice of life insurance ownership. Using samples of estate tax returns, the empirical evidence suggests that those facing high estate tax rates are more likely to forgo ownership and have proceeds excluded from their estates, and provides further evidence on the incentive effect of taxes and in support of the strategic bequest motive

## METHODOLOGY

The objectives of the research are, to compare premium collected, number of policies issued and number of life covered by private life insurance companies and LIC, and to find out market players in life insurance business in India.

Secondary data has been used from various sources like, company websites, magazines, newspaper, journals, government websites, the relevant source has been mentioned wherever necessary.

### LIFE INSURANCE COMPANIES IN INDIA

The table no 1 shows the life insurance companies in India along with its number of policies or number of schemes and number of lives covered under group schemes.

**Table No 1. Life insurance companies, number of policies/schemes and number of lives covered under group schemes.**

Sl. No.	Life insurance companies	Premium *	No. of Policies / Schemes	No. of lives covered under Group Schemes
1	HDFC Standard Life	5233.89	504205	13717213
2	SBI Life	5036.93	690687	1840331
3	ICICI Prudential Life	4913.59	451581	1359768
4	Bajaj Allianz Life	2328.67	157234	19214228
5	Max Life	1818.27	249269	1465081
6	Kotak Mahindra Old Mutual Life	1384.50	140279	4177053
7	Birla Sun Life	1288.60	129585	1307520
8	DHFL Pramerica Life	759.83	44448	11024439

9	PNB Met Life	646.28	106926	342561
10	Tata AIA Life	598.12	88532	76477
11	Canara HSBC OBC Life	574.85	50944	1265214
12	India First Life	559.52	76590	426511
13	Reliance Nippon Life	440.85	111636	769939
14	IDBI Federal Life	412.70	58832	110050
15	Shriram Life	404.44	112231	3930632
16	Exide Life	354.31	97780	1286022
17	Bharti Axa Life	313.60	47285	25764
18	Star Union-Diachi Life	301.49	55300	218473
19	Future Generali Life	266.02	35071	365898
20	Aviva Life	139.40	14577	203367
21	EdleweissTokio Life	123.47	22869	150454
22	Aegon Life	58.85	27565	6127
23	Sahara Life	3.81	1623	0
	Private Total	27961.98	3275049	63283122
24	LIC	77977.72	9758596	27960917
	Grand Total	105939.70	13033645	91244039

\*(Premium in Rs. Crore) figures up to 31st October, 2017

(Source-

IRDA)

There are twenty three private life insurance companies, and their contribution in premium is around R.S 27961.86 crore, they have issued 3275049 policies and they have covered around 63283122 lives. One PSU.LIC has collected R.S. 77911.72 crore (73.6 %) premium amount, issued 9758596 (74.87%) policies and has covered 27960917(30.64 %) lives.

One of the objective of the paper is to find out big market player in life insurance business in India, from the table we can analyze that there are twelve companies have generated more than five hundred crore rupees premium and their sum equal to R.S. 25143.05 crore (89.9 % of total

private), they have issued 2690280 Policies (82 % of total private) and covered 56216396 (88.8 % of total private) lives.

#### HDFC Standard Life

HDFC Standard Life Insurance Company Limited is a joint venture between Housing Development Finance Corporation Limited and Standard Life Aberdeen. Its portfolio comprises various insurance and investment products such as Protection, Pension, Savings, Income and Health. HDFC standard life has collected R.S. 5233.89 crore, issued 504205 policies and covered 13717213 lives.

#### SBI life

It is one of the leading life insurance company, a joint venture between State bank of India (SBI) and BNP Paribas Cardif one of leading global insurance company. SBI has over 23000 branches in India the largest banking group in it. BNP Paribas Group ranks highly in Retail Banking, Investment Solutions and Corporate & Investment Banking. BNP Paribas Cardif is one of the world leaders in creditor insurance, and its life and non-life insurance units have received an A rating from Standard & Poor's. It has collected R.S. 5036.93, issued 690687 policies and covered 1840331 lives

#### ICICI Prudential Life

ICICI Prudential Life Insurance Company Ltd. (ICICI Prudential Life) is a joint venture between ICICI Bank Ltd., one of India's largest private sector banks, and Prudential Corporation Holdings Limited. ICICI Prudential Life began its operations in fiscal year 2001 and has consistently been the market leader amongst private players in the Indian life insurance sector. It has collected R.S. 4913.59, issued 451581 policies and covered 1359768 lives

### Bajaj Allianz Life

It is a joint venture between Bajaj Finserv Limited and Allianz SE. The joint venture incorporates global expertise with local experience. Both enjoy a reputation of expertise, stability and strength. The comprehensive life insurance solutions, technical expertise and experience of Allianz SE combines with the in-depth market knowledge and goodwill of "Bajaj" brand in India. Competitive pricing and customized life insurance solutions have earned Bajaj Allianz Life the customer's trust and market leadership in a very short time. Bajaj Allianz Life has developed life insurance solutions that cater to every segment and age-income profiles. Currently Bajaj Allianz Life has a strong life insurance portfolio and caters to all kinds of customer needs from ULIPs to Child plans, from group insurance to health insurance. It has collected R.S. 2328.67, issued 157234 policies and covered 19214228 lives

### Max Life

Max Life Insurance is a part of the Max India Ltd. Group. It is a joint venture between Max Financial Services and Mitsui Sumitomo Insurance Company. After forming the joint venture partnership with Mitsui Sumitomo, Max Life changed its name from Max New York Life in 2012. In February 2016, Axis Bank held a 6% share in Max Life. Max Life has approximately 3,00 life insurance customers in India. Its distribution channel includes banks, individual agents, brokers, and corporate agents, among others. It provides linked, participating and non-participating products. Apart from life coverage, it also covers health, pension, and annuity. It offers child, protection, retirement, savings, and growth plans to individuals and to groups. It has collected R.S. 1818.27, issued 249269 policies and covered 1465081 lives.

### Kotak Mahindra Old Mutual Life

Kotak Life Insurance is one of the fastest growing insurance companies in India, covering over 19 million lives nationwide. Kotak Mahindra Life Insurance Company Ltd. (formerly known as Kotak Mahindra Old Mutual Life Insurance Ltd. The company is jointly owned by Kotak Mahindra group of India and Old Mutual of South Africa in 74:26 ratio respectively. The

company has presence of 232 branches in around 167 cities and towns in India and has an agency strength of 99,275 agents. It has collected R.S. 1384.50, issued 140279 policies and covered 4177053 lives.

#### Birla Sun Life

Aditya Birla Capital Limited (ABCL) is the holding company for all the financial service businesses of the Aditya Birla Group.

With a strong presence across the life insurance, asset management, private equity, corporate lending, structured finance, general insurance broking, wealth management, equity, currency and commodity broking, online personal finance management, housing finance, pension fund management and health insurance business, ABCL is committed to serve the end-to-end financial services needs of its retail and corporate customers. Formerly known as the Aditya Birla Financial Services Limited (ABFSL), ABCL ranks among the top 5 fund managers in India (excluding LIC) with an AUM of Rs. 2,463 billion as on March 31st, 2017 and has a lending book of Rs 388 billion. ABC reported aggregate revenue from businesses at Rs. 106 billion and profit before tax of Rs. 11.5 billion for fiscal 2016-17. Anchored by over 12,000 employees, ABC has a nationwide reach through over 1,300 points of presence and more than 142,000 agents / channel partners. It has collected R.S. 1288.60, issued 129585 policies and covered 1307520 lives.

#### DHFL Pramerica Life

DHFL Pramerica Life Insurance Company Limited is one of the fastest growing life insurance companies in India headquartered in Gurgaon, India. We provide a wide range of life insurance solutions for individuals as well as groups taking care of our customers' various financial protection needs such as securing their child's future, retirement planning, savings and wealth creation. It has collected R.S. 759.83, issued 44448 policies and covered 11024439 lives.



### PNB Met Life

PNB MetLife present in India since 2001. PNB MetLife has as its shareholders MetLife International Holdings LLC (MIHL), Punjab National Bank Limited (PNB), Jammu & Kashmir Bank Limited (JKB), M. Pallonji and Company Private Limited and other private investors, MIHL and PNB being the majority shareholders. The company serves customers in over 7000 locations providing a range of health, life and retirement insurance products. It has collected R.S. 646.28 premium, issued 106926 policies and covered 342561 lives.

### Tata AIA Life

Tata AIA Life Insurance Company Limited (Tata AIA Life) is a joint venture company, formed by Tata Sons Ltd. and AIA Group Ltd. (AIA). Tata AIA Life combines Tata's pre-eminent leadership position in India and AIA's presence as the largest, independent listed pan-Asian life insurance group in the world spanning 18 markets in the Asia Pacific region. It has collected R.S. 598.12 as premium, issued 88532 policies and covered 76477 lives.

### Canara HSBC OBC Life

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited was launched in June 2008 and is jointly owned by two of India's largest public sector banks – Canara Bank (holding 51%) and Oriental Bank of Commerce (23%) – and HSBC Insurance (Asia Pacific) Holdings Limited (26%), the Asian insurance arm of one of the world's largest banking and financial services groups – HSBC. The Company's business strategy testifies thorough understanding of the market especially with veterans looking for bank partner or scaling up their bancassurance channels. The formidable distribution strength and in-depth local market knowledge of Canara Bank and Oriental Bank of Commerce coupled with the considerable insurance experience, product range and proven bancassurance capabilities of HSBC make this an unparalleled union of financial strength, expertise and most importantly, trust. It has collected R.S. 574.85 as premium, issued 50944 policies and covered 1265214 lives.

### India First Life

IndiaFirst Life Insurance is one of India's youngest life insurance companies. Headquartered in Mumbai, we are present in over 1000 cities across India. We are a joint venture between Bank of Baroda (44% stake), Andhra Bank (30% stake) and UK's leading risk, wealth and investment brand Legal & General group (26% stake). It offer a range of group insurance products like credit life, term and employee liability (gratuity and leave encashment) plans. Its products are easy to understand and competitively priced. It has collected R.S. 559.52 as premium, issued 76590 policies and covered 426511 lives.

### Life Insurance Corporation of India (LIC)

It is an Indian state-owned insurance group and investment company. It is the largest insurance company in India. The Life Insurance Corporation of India was founded in 1956 when the Parliament of India passed the Life Insurance of India Act that nationalized the private insurance industry in India. It has collected R.S. 77977.72 as premium, issued 9758596 policies and covered 27960917 lives.

## CONCLUSION

Big players in the life insurance market in India is a study done on 24 life insurance companies namely Aegon Life, Aviva Life, Bajaj Allianz Life, Bharti Axa Life, Birla Sun Life, Canara HSBC OBC Life, DHFL Pramerica Life, Edelweiss Tokio Life, Exide Life, Future Generali Life, HDFC Standard Life, ICICI Prudential Life, IDBI Federal Life, India First Life, Kotak Mahindra Old Mutual Life, Max Life, PNB Met Life, Reliance Nippon Life, Sahara Life, SBI Life, Shriram Life, Star Union-Diachi Life, Tata AIA Life and LIC. Objectives of the study are to compare premium collected, number of policies issued and number of lives covered by private life insurance companies and LIC and to find out big market players in life insurance business in India. Secondary data has been used from various sources like, company websites, magazines, newspaper, journals, and government websites so forth. There are twenty three private life insurance companies, and their contribution in premium is around R.S 27961.86 crore, they have issued 3275049 policies and they have covered around 63283122 lives. One PSU. LIC has

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