Indian Life Insurance Market: The Liberalisation Experience and Emerging Dynamics

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ABSTRACT

The Indian life insurance market, after remaining a free market since its inception was nationalised in 1956 with the setting up of Life Insurance Corporation of India (LIC). LIC did fairly well in terms of spreading insurance culture and reaching out to the masses but under the nationalised regime, the market remained under tapped. To bring reforms, Malhotra Committee was constituted which recommended the opening up of the market to private players to induce competition and improve market performance.

This paper studies the impact of liberalisation over the 20 year period (2001 to 2020) through secondary data analysis (obtained from various IRDAI Handbooks on Indian Insurance Statistics) using semi-log regression model of growth rate and other descriptive statistics. Data analysis has revealed that there is negligible rise in life insurance penetration during the 20 year post-reform period whereas density has risen at the rate of 9% per annum. LIC still remains the dominant firm in terms of total premium, new business premium and number of new policies issued. In terms of surplus, after an initial shock due to entry of private players, LIC has recovered and adjusted itself to show a consistent rise but the private players are still struggling to have steady growth. Competition has resulted in market expansion and the market has become more dynamic- in terms of products, distribution channels, geographical spread, micro insurance, surplus and growth pattern. On the whole, liberalisation has partially succeeded in improving the market.

Keywords: *Indian life insurance market, Liberalisation, LIC, Private insurers, Malhotra committee.*

1.0 Introduction

Life insurance in India dates back to 1818 when the first life insurance company, named Oriental Life Insurance Company was set up. Since then, this market remained an open market till 1956. In 1956, it was nationalised keeping in view the social objective of life insurance. For this purpose, Life Insurance Corporation of India (popularly known as LIC) was set up in 1956. LIC did a fairly good job of spreading awareness about life insurance and making it popular amongst the masses. However, being a state monopoly, it had its own drawbacks and the market largely remained undertapped. This led to the initiation of reforms in this market which started with the constitution of Malhotra Committee in 1993. Malhotra Committee gave its recommendations in 1994. One major recommendation was opening up of the sector to private players and also allowing foreign participation, with adequate regulation in place.

In 1999, Insurance Regulatory Development Authority of India (IRDA) was set up as the separate regulator for the insurance market. Also, the private players were allowed to enter the market. At present, there are 23 private life insurance companies along with the incumbent state veteran LIC, which makes it a total of 24.

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The way this market has behaved in the post-liberalisation period is really interesting to study. Liberalisation or reforms implemented in 1999 brought new hopes to improve the performance of this market. Here, it is pertinent to mention that market performance of life insurance is measured through two parameters- life insurance penetration and life insurance density. Life insurance penetration is expressed as a percentage of life insurance premium to Gross Domestic Product (GDP) of the country. Life insurance density is the per capita insurance. It was felt that by introducing competition, customers will get better products, better prices and the overall market performance (life insurance penetration and density) would go up.

This paper focuses on the impact of liberalisation on life insurance market. It has been 20 years now that the major reforms were introduced. Also, IRDA (now renamed as IRDAI), keeps bringing in necessary amendments and reforms from time to time keeping in view the changing national and international environment. Whether this entire reform process is able to yield the desired results is an important question. Through the analysis of this market over this 20 year period we intend to assess the efficacy of these reforms and the performance of Indian life insurance market in the post-reform period.

1.1 Malhotra committee: Major recommendations

The Malhotra Committee submitted its report in 1994. As per the Law Commission of India (2003) Report, some of the major recommendations made by it were as under:-

(a) "the establishment of an independent regulatory authority (akin to Securities and Exchange Board of India);
(b) allowing private sector to enter the insurance field;
(c) improvement of the commission structure for agents to make it effective instrument for procuring business specially rural, personal and non-obligatory lines of business;
(d) insurance plans for economically backward sections, appointment of institutional agents;
(e) marketing of life insurance to relatively weaker sections of the society and specified proportion of business in rural areas;
(f) provisions for co-operative societies for transacting life insurance business in states."

2.0 Literature Review

The literature review is focused on the studies that measure the impact of liberalisation on the life insurance market.

Gulati and Jain (2011) revealed that private sector has induced competition but is unable to affect the performance of LIC.

Bodla and Chaudhary (2012) studied the reasons why the private sector after initially capturing a significant market share is now struggling for a regular growth in business and market share.

Shah et al. (2011) recognized profitability as the biggest challenge for the industry. Private life insurers had accumulated losses of over 16,000 crores till March 2010.

Jain (2013) found that after liberalization, the life insurance industry of India witnessed marvelous growth but this growth declined after economic crisis in 2008.

Ansari and Fola (2014) did not find a significant difference in the new business premium of private and public life insurance companies.

Kulkarni (2017) through an analysis of the Indian life insurance sector revealed that after an initial growth in business (mainly led by ULIPs), the growth of private sector has slowed down and has been found to be lop-sided.

The above studies reveal that the reforms initiated in 1999 definitely led to increased competition and expansion of market but even now, the market hasn't realised its full potential. So, we want to contribute to the knowledge of impact of liberalisation on life insurance market by studying the impact of reforms over the entire 20 year period (2001-2020).

3.0 Objectives

The objectives of this paper are to study the impact of opening up of the life insurance market and the emerging changes. These objectives are given below:

a) To study the density and penetration of life insurance in the post reform period.
b) To look at growth profile of LIC and private insurers.
c) To analyse the network of life insurance business – area wise spread of offices.
d) To study the pattern of growth of Micro-insurance business.
e) To study the growth of Agent base of LIC and private insurers.
f) To study the growth of life insurance products.
g) To analyse the growth pattern of Surplus/deficit of LIC and private insurers.

4.0 Data and Methodology

4.1 Data

To study the various indicators in line with the objectives, secondary data has been used. This data is obtained from the IRDAI website through the Handbook on Indian Insurance Statistics 2007-08, 2011-12, 2012-13, 2015-16 and 2018-19. The insurance Annual Reports 2001-02 to 2019-20 are also referred to fill some data gaps. The latest data released by IRDAI through its Handbook of Statistics on 12th March, 2021 has also been incorporated to present an upto date analysis.

4.2 Methodology

1. To study the growth patterns of various indicators of life insurance market's performance, semi-log growth equations are used.

Semi-Log Growth Equation

The natural log of each variable of life insurance, like life insurance penetration, density, total premium etc. (Y) is regressed on time (t). Therefore, the regression equation can be written as follows (1), in exponential form:

$$Y = e^{\alpha + \beta t} \quad \text{…. (1)}$$

Taking log of both sides and adding an error term;

$$\text{Ln } Y = \alpha + \beta t + \mu t \quad \text{…. (2)}$$

Where, Ln Y = Natural log of variable Y

α = intercept term

β = slope of the regression equation (instant growth rate)

t = time (2000-2001 to 2017-2018)

μt = error term

2. To study the growth pattern of surplus/deficit of LIC and private players, a set of descriptive statistics are used.

5.0 Data Analysis and Interpretation

5.1 Life insurance penetration and density

As discussed in the introductory section, life insurance penetration and life insurance density are two accepted parameters to measure the performance of life insurance market. Growth of these two parameters is shown in Table 1.

Table 1: Life Insurance Density and Penetration

Indicator	Period	*Growth*	*Std. Error*	*t Stat*	*P-value*
Life Insurance Density	2001-2019	**0.09**	0.014	**6.63**	**4.26E-06*** **
Life Insurance Penetration	2001-2019	0.00	0.010	0.31	0.76
* Significant at 10% ** Significant at 5% *** Significant at 1%					

Source: Authors' Estimation

After the coming of private players and liberalisation, there is a statistically significant growth of 9% per annum in the life insurance density over the period 2001 to 2019. However, if we see the growth rate of life insurance penetration from 2001 to 2019, there is no growth in the life insurance penetration, although the result is not statistically significant. This result points towards the unsatisfactory performance of life insurance market.

5.2 Growth profile: LIC vs private insurers

After looking at the overall market performance, now we wish to see the growth profile of LIC and the private players. The growth profile has been measured through three indicators- total premium, new business premium and number of individual new policies issued. These results are presented in Table 2.

Table 2: Growth Profile in Life Insurance Business

Indicator	Period	Entity	*Growth*	*Std. Error*	*t Stat*	*P-value*
Total Premium	**2001-2020**	**LIC**	**0.11**	0.01	16.24	**3.38E-12*** **
		Private	**0.36**	0.06	6.01	**0.00*** **
New Business Premium	**2001-2020**	**LIC**	**0.13**	0.01	12.83	**1.69E-10*** **
		Private	**0.31**	0.05	5.41	**0.00*** **
Number of Individual New Policies Issued	**2003-2020**	**LIC**	**-0.02**	0.01	-2.09	**0.05** **
		Private	**0.06**	0.03	2.09	**0.05** **
* Significant at 10% ** Significant at 5% *** Significant at 1%						

Source: Authors' Estimation

Total premium of LIC has shown a statistically significant growth of 11% per annum over the period 2001 to 2020. Over the same period there is a statistically significant growth in the total premium of private players at the rate of 36% per annum. This shows that private insurers have been successful in expanding the market.

The second comparison is between the growth of new business premium of LIC and the private players. New business premium is the sum of premium of the new single premium policies

ISBN: 978-81-950136-4-7

and the first year premium of other policies. The new business premium of LIC has risen at a statistically significant rate of 13% per annum over the period 2001 to 2020. Over the same period, the new business premium of private players has risen at a statistically significant rate of 31% per annum. This shows that the market has expanded over this 20 year period.

In terms of the individual new policies issued, LIC has shown a statistically significant negative growth of 2% per annum over the period 2003 to 2020. Over the same period, private players have exhibited a statistically significant growth of 6% per annum in the number of individual new policies issued. This also points towards the expansion of the market.

But this comparison between the growth rates of private players and LIC should be read with caution. It should in no way be believed that private sector has outperformed LIC just going by the face value of these results. Private sector is showing a much higher growth in certain cases, just because it started from a very low base. LIC began with a large base in 2001 whereas the private players started from scratch. Secondly, it is a comparison of one company (LIC) with the entire private sector (comprising of 23 companies). This shows that these 23 private insurers even if taken together are not able to give a tough fight to the state veteran LIC.

6.0 Network of Life Insurance Business

Network of life insurance business as reflected in geographical spread of life insurance offices is shown in Table 3.

Table 3: No. of offices_Area-wise

Indicator	*Period*	*Entity*	*Growth*	*Std. Error*	*t Stat*	*P-value*
No. of Offices (metro + urban)	**2007-2020**	**LIC**	**0.08**	0.01	**8.72**	**1.54E-06*****
		Private	**0.0913**	0.01	**8.10**	**3.29E-06*****
No. of offices (unclassified)	**2007-2015**	**LIC**	**0.1065**	0.01	**8.37**	**0.01*****
		Private	0.0169	0.05	0.32	0.76
Semi-urban	**2016-2020**	**LIC**	-0.004	0.00	-1.05	0.37
		Private	-0.102	0.04	-2.70	**0.07***
Rural	**2016-2020**	**LIC**	**0.0316**	0.00	**14.07**	**0.01*****
		Private	-0.5561	0.20	-2.76	**0.07***

* Significant at 10%
** Significant at 5%
*** Significant at 1%

Source: Authors' Estimation

Before presenting the analysis, the description of the geographic division is called for. So, first it is explained how the areas are divided into various categories. From 2007 to 2015, IRDA has given three-way classification of the area-wise distribution of offices namely, metropolitan, urban and unclassified. Metropolitan cities are those having a population of 10,00,000 or more; urban areas are those which have a population between 100,000 to 9,99,999. It implies that the areas referred to as unclassified had a population of less than 1 lakh, but it is not explicitly stated.

From 2016 onwards, the classification of areas given by IRDA changed to four, namely, metropolitan, urban, semi-urban and rural wherein semi-urban areas are those having a population of 10,000 to 99,999 and rural areas had a population upto 9,999.

6.1 Metropolitan and urban areas

For the purpose of our analysis, we have added the offices in metropolitan and urban areas (which represent a population of more than 1,00,000) and seen their growth rate for LIC and private insurers. In case of LIC, there is a statistically significant growth of 8% per annum in the offices situated in metropolitan and urban areas over the period 2007 to 2020. Over the same period, there is a statistically significant growth of 9% in the offices of private insurers situated in metropolitan and urban areas.

6.2 Unclassified areas

The second analysis is done for the offices situated in unclassified areas which represent a population of less than 1,00,000. From 2007 to 2015, the number of offices of LIC situated in these areas with a population upto 99,999 have risen at a statistically significant rate of 10% per annum. However, the private companies' offices in these areas have grown at a meagre 1.6% per annum over the same period and this is also not statistically significant. Thus, it can be seen that the private life insurers do not have more offices in less populated areas and their offices are majorly confined to metropolitan and urban areas.

6.3 Semi-urban areas

The third analysis is for the offices situated in semi-urban areas starting from the year when IRDA started releasing the data for this category i.e., 2016. From 2016 to 2020, the number of offices of LIC situated in semi-urban areas have shown a miniscule negative growth of 0.4 % per annum though it is not statistically significant. Over the same period, the number of offices of private insurers situated in semi-urban areas have fallen at a statistically significant rate of 10% per annum.

6.4 Rural areas

The fourth analysis is for the offices situated in rural areas, again starting from the year 2016, which coincides with the release of separate data for these areas by IRDA. LIC has reported a statistically significant increase of 3% per annum in the number of offices situated in rural areas from 2016 to 2020. The private insurers have however shown a decline in the number of offices situated in rural areas over the same period, showing a statistically significant negative growth rate of 55.6% per annum which is quite high and points towards the dwindling presence of private life insurance offices in rural areas.

So, we also see the dynamics in the form of changing geographic spread of offices.

7.0 Micro-insurance Business

IRDA notified the micro insurance guidelines on 10th November, 2005 which were revised in 2015. The main idea was to reach out to the poor and economically weaker sections through simpler and need based insurance products, including life insurance. Micro-insurance products have a sum assured of upto Rs 50,000. Table 4 reflects the performance of life insurers in terms of micro-insurance business.

Table 4: Micro Insurance Business

Indicator	*Period*	*Entity*	*Growth*	*Std. Error*	*t Stat*	*P-value*
Micro insurance (no. of lives covered)	**2009-2020**	**LIC**	-0.093	0.086	-1.08	0.30
		Private	**0.379**	0.074	5.06	**0.00*** **
Micro insurance (premium)	**2009-2020**	**LIC**	-0.050	0.071	-0.71	0.49
		Private	**0.470**	0.093	5.08	**0.00*** **

* Significant at 10%
** Significant at 5%
*** Significant at 1%

Source: Authors' Estimation

There are two types of micro-insurance products- individual and group. IRDA releases the data for both. In case of group insurance schemes, number of lives covered is also provided. The performance of micro insurance business is analysed through studying the growth of number of lives covered and the premium in this segment. To calculate the total number of lives covered, the individual policies and the lives covered through group insurance have been added. Similarly, the premium on individual policies and group policies is added to get the total premium from micro-insurance business.

LIC has shown a decline of 9% per annum in the number of lives covered through micro-insurance from 2009 to 2020, though it is not statistically significant. Over the same period, private life insurers have also reported a statistically significant growth of 37.9% per annum in terms of the number of lives covered through micro-insurance. In terms of premium underwritten through micro-insurance, LIC has again shown a negative growth of 5% per annum from 2009 to 2020, though it is not statistically significant. Over the same period, there is a statistically significant growth of 47% per annum in the premium underwritten by private insurers through micro-insurance business.

7.1 Agent-base

Table 5 depicts the growth of agent base of LIC and private insurers across two categories- individual and corporate agents. Individual agents represent the traditional channel of distribution whereas the Corporate agents represent the newer ways of selling life insurance. Corporate agents include banks (popular as bancassurance) and non-banking institutions.

Individual agents of LIC have grown at a small but statistically significant rate of 1% per annum over the period 2002 to 2020. Over the same period, the growth rate of number of individual agents of private insurers is 13.4% per annum and is statistically significant. The number of corporate agents (Banks and others) of LIC has declined at a very small rate of 0.6% per annum from 2002 to 2020 but this decline is not statistically significant.

Table 5: Agent Base

Indicator	*Period*	*Entity*	*Growth*	*Std. Error*	*t Stat*	*P-value*
Individual Agents	**2002-2020**	**LIC**	0.0104	0.0049	**2.12**	**0.05****
		Private	0.1343	0.0331	**4.05**	**0.01*****
Corporate Agents	**2002-2020**	**LIC**	-0.006	0.0333	-0.19	0.85
		Private	-0.007	0.0341	-0.21	0.83
* Significant at 10% ** Significant at 5% *** Significant at 1%						

Source: Authors' Estimation

On the other hand, the number of corporate agents of private insurers has shown a decline of 0.7% per annum from 2002 to 2018, but again it is not statistically significant. This shows some underlying trend which is not statistically significant. It gives a hint that the corporate agency channel is less preferred by the insurers (both LIC and private players) and the traditional channel of individual agents still enjoys greater popularity.

7.2 Life insurance products

Life insurance products have undergone a lot of variation with the coming of private players. Introduction of Unit Linked Insurance Plans (ULIPs) is largely attributed to the private insurers and also seen as a major contributor to their initial success. However, lately it is seen that ULIPs are becoming less popular. So, the total premium of life insurers can be divided into two broad categories- non-linked (traditional products not linked to market performance) and linked (ULIPs which are linked to market performance).

Table 6: Life Insurance Products

Indicator	*Period*	*Entity*	*Growth*	*Std. Error*	*t Stat*	*P-value*
Non-Linked Premium	**2007-2020**	**LIC**	**0.105**	0.0041	25.71	**7.307E-12*** **
		Private	**0.243**	0.0148	16.42	**1.373E-09*** **
Linked Premium	**2007-2020**	**LIC**	**-0.388**	0.0354	-10.96	**1.321E-07*** **
		Private	**0.039**	0.021	1.91	**0.08***

* Significant at 10%
** Significant at 5%
*** Significant at 1%

Source: Authors' Estimation

As shown in Table 6, over the period 2007 to 2020, there is a statistically significant growth of 10.5% per annum in the non-linked premium of LIC. Over the same period, there is a statistically significant growth of 24.3% per annum in the non-linked premium of private insurers. In the linked business category, the premium of LIC has fallen at a statistically significant rate of 38.8% per annum over the period 2007 to 2020. Over the same period, private insurers have reported a statistically significant 3.9% per annum growth in the linked premium. This is again an interesting result which shows that LIC has gradually moved out of the ULIP business as it was never its stronghold. Even the private players, who were the leaders in this category have reported a much lower growth as compared to the growth of their non-linked business. So, the initial charm of ULIPs generated by promises of higher return seems to be fading and there is a general trend of decline in the linked business, though more pronounced in case of LIC. So, we have also witnessed changes or dynamics in terms of popularity of different types of products.

7.3 Surplus/Deficiency

Table 7 shows the year-wise surplus/deficit of LIC and the private insurers from 2002 to 2020. Surplus reflected through the Policyholders' accounts has been taken as measure of profitability to have comparable results. LIC has shown the highest surplus in the year 2002 whereas private sector has shown the highest surplus in 2018.

Table 7: Surplus/Deficit Indices

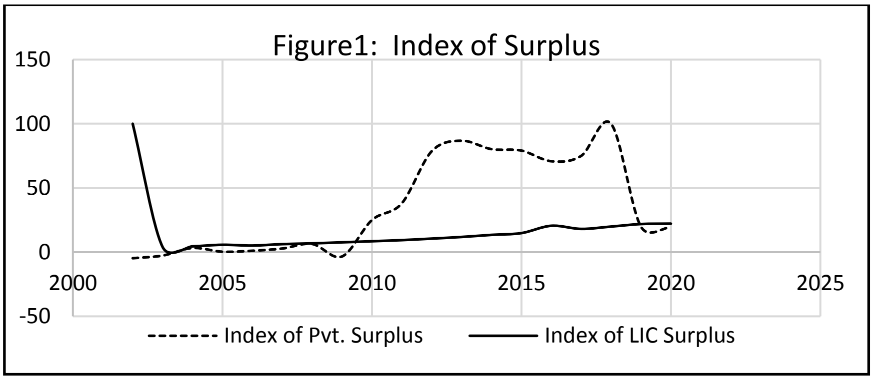
Year	**Pvt. Surplus (in Lakhs)**	**LIC Surplus (in Lakhs)**	**Index of Pvt. Surplus**	**Index of LIC Surplus**
2002	-33755.00	**1215687**	-4.73	**100**
2003	-19134.00	48810	-2.68	4.02
2004	23095.00	54813	3.24	4.51
2005	2382.44	69660.17	0.33	5.73
2006	7670.89	62177	1.08	5.11
2007	19964.02	75780.57	2.80	6.23
2008	45465.10	82958.97	6.37	6.82
2009	-24098.00	92912	-3.38	7.64

2010	178089.38	103092	24.96	8.48
2011	271141.27	113761.71	38.01	9.36
2012	560655.61	128122.9	78.59	10.54
2013	619219.09	143638.18	86.80	11.82
2014	572383.83	163426.52	80.23	13.44
2015	564514.35	180305.19	79.13	14.83
2016	505222.43	249703.48	70.82	20.54
2017	534969.86	220033.36	74.99	18.10
2018	**713403.61**	242182.26	**100**	19.92
2019	141019.77	266060.00	19.77	21.89
2020	139003.77	269774.00	19.48	22.19

Source: Authors' estimation

LIC has never reported a deficit over this entire period whereas in case of private insurers, there are three years viz 2002, 2003 and 2009, where a deficit is reported reflected through the negative sign. Index of surplus/deficit is constructed taking the highest surplus as the base. For LIC, the base year is 2002 (year with highest surplus), thus the index for this year is 100. After an initial fall of 96 basis points in 2003, LIC gradually started picking up. After constant improvement till 2016, there was a slight dip in 2017 but thereafter it again picked up and has shown an impressive growth over the last three years i.e., 2018 to 2020. Private sector on the other hand, after initial ups and downs finally started showing a consistent upward trend in its surplus since 2010 till 2014, dipped in 2015 and 2016, then rose in 2017 and reached the maximum in 2018. After that, there is again a drastic fall of around 80 basis points during the last two years. It shows that LIC is more consistent in maintaining a positive surplus, which is not true for private insurers. These ups and downs in surplus also reflect the dynamics that have emerged through liberalisation. This is clearly reflected in Figure 1 given below.

Figure 1: Index of Surplus



Source: Authors' own

Table 8 reflects certain descriptive statistics calculated using surplus of LIC and Private sector. The last column shows the ratio of private to LIC for each statistic and its interpretation is given below. The mean surplus of private players is 27% more than LIC. But here it is important to mention that LIC is one company and private sector comprises of 23 companies. The median surplus of private players is also 10% higher than that of LIC. Half of the private companies have a surplus more than 141019.77 which is 10% better than LIC. Standard deviation reflects the volatility. Volatility of surplus is no different between private insurers and LIC. But if we look at the coefficient of variation, private sector is 18% less volatile than LIC because there is a spread in case of private companies because of which the volatility goes down.

Table 8: Surplus (LIC vs Private)

	Private Surplus	LIC Surplus	Ratio of Private to LIC in %age terms
Mean	253748.07	199099.91	127.45
Standard Error	62141.89	59059.47	105.22
Median	141019.77	128122.90	110.07
Standard Deviation	270870.21	257434.25	105.22
Sample Variance	73370668379.01	66272392187.91	110.71
Kurtosis	-1.62	15.34	-10.58
Skewness	0.44	3.76	11.76
Range	747158.61	1166877.00	64.03
Minimum	-33755.00	48810.00	-69.16
Maximum	713403.61	1215687.00	58.68
Sum	4821213.42	3782898.31	127.45
Coefficient of Variation	106.75	129.30	82.56

Source: Authors' estimation

Also, since the mean is higher in case of private players, their coefficient of variation is less despite of the standard deviation being almost the same. Kurtosis in case of private players is negative or leptokurtic which shows that all the firms are getting average surplus over these years and in case of LIC, it is peaked which shows that most of the values are around the mean and high. Skewness is more in case of LIC which shows that LIC got an initial shock and its surplus fell down drastically but then it is rising consistently in the later years. It means that the dynamics of competition have gone down in favour of LIC whereas the private sector is variable. Minimum surplus of private players is much lower than LIC and is also negative (showing deficit). Maximum value of LIC surplus is also much higher (41% more) than private players. Therefore, the range of surplus is also 36% less in case of private players. Total surplus of private players over this entire period is 27.45% more than that of LIC because private sector represents 23 companies.

8.0 Contribution

This paper has contributed to the existing knowledge by providing an analysis of the growth of Indian life insurance market over the entire post reform period (2001 to 2020) and bringing out the emerging dynamics through various indicators- geographical spread, growth profile, products, channels of distribution, micro-insurance and surplus.

9.0 Conclusion

Liberalisation of life insurance market ignited great hopes for improving this market by inducing competition. But it is clearly seen that there is negligible rise in life insurance penetration over the 20 year post-reform period, though density has risen at 9% per annum. LIC still remains the dominant firm in terms of total premium, new business premium and number of new policies issued. The growth rates across these categories are higher in case of private sector but this is primarily due to starting from a low base. Most of the private insurers' offices are concentrated in urban and metropolitan areas whereas LIC's offices are also growing in semi-urban and rural areas. Individual agents still enjoy greater popularity as a channel of distribution in comparison to the corporate agents. Linked business of LIC has shown a drastic fall and even in case of private players, it is receding. Private insurers have shown stupendous growth (much higher than LIC) in the micro-insurance business over the past few years which shows that private sector is trying to carve a niche as it is unable to directly compete with LIC. In terms of surplus, after an initial shock due to entry of private players, LIC has recovered and adjusted itself to show a consistent rise and even during the 2020 crisis, it has shown an impressive performance. Therefore, LIC has emerged as a hard rock and a seasoned player over this period but the private players are still struggling to have consistent growth. Competition has definitely resulted in market expansion and the market has become more dynamic- in terms of products, distribution channels, geographical spread, surplus and growth pattern. On the whole, liberalisation has partially succeeded in improving the market.

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