

IMPACT OF ACTIVE AND INDEPENDENT BOARD ON THE GROWTH OF THE LIFE INSURANCE COMPANIES IN INDIA

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ABSTRACT

The present paper is an attempt to see the impact of the active and independent board on the growth of the Indian life insurance companies. The study is carried out with the help of secondary data gathered from the annual reports of the Indian life insurance companies and IRDAI. The data was analyzed with the help of SPSS software by using the multiple regression model. The study exposed that the active and independent board of the life insurance companies have a significant relationship with all the growth variables taken in the study for the life insurance companies and the board size, independent directors and the meetings of audit committee were also found to be a significant component of the active and independent board. This suggests that the active and independent board plays a relevant and crucial role in improving the growth of life insurance companies. Hence, it can be said that the growth of the life insurance company was observed to be more associated with the number of board members, percentage of independent directors on the board and the number of audit committee meetings held in any financial year and by increasing these variables, the value of the growth variables will also increase. The operational experience of the firms represented by the age in the study also found to be playing a very important role affecting the variable number of agents significantly. It means the more is the age of the company, the more will be the agents of the life insurance company. On the basis of the study, the life insurers are advised to increase the size of the board and the number of independent directors in the board, as it will increase the total premium and the first year premium collection. By increasing the proportion of independent directors on the board of the life insurance players, the number of policies and the number of offices will also be affected. It is also suggested that the life insurance companies should convene more audit committee meetings as it will result in enhancement of the total and first-year premium and the number of policies also.

KEYWORDS: *Life Insurance, Growth, Premium, Independent Directors, Managerial Remuneration*

JEL Classification: *G22, G34.*