

KEY PERFORMANCE INDICATORS OF LIFE INSURANCE OPERATIONS IN INDIA

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Received: 25 Feb 2019

Accepted: 28 Feb 2019

Published: 13 Mar 2019

ABSTRACT

With the advent of IRDA Act 1999, we have 24 life insurance companies operating in India. The Life Insurance sector controls more than 36,625 crore of deployed capital and over 34,07,106 crores of managed assets. Insurance industry has over 32.50 crore in force policies. Growing interest in financial savings, disposable surplus and rising double income groups are some of the reasons for the growth in insurance industry. While most of the insurance companies completed more than 10 yrs. of operation still they are struggling with accumulated losses. While achieving break-even is a far-fetched goal, even expecting a decent Return on Investment seems to be a distant dream for most of the promoters. Out of 24 Life Insurance Companies, we have more than dozen companies who have piled up accumulated losses. India is one of the lowest penetrated economies across the globe; however we are not seeing any renewed activity on new entrants in life insurance space thus exhibiting the gloomy situation prevalent in the industry. Adding to the woes, stringent regulations from IRDAI on expense management and a cap on charges are dragging the bottom line further, thus impacting the overall profitability.

KEYWORDS: ROI, Life Insurance, Profitability