

CHALLENGES AND OPPORTUNITIES IN LIFE INSURANCE SECTOR

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ABSTRACT

The insurance sector faces several challenges and opportunities. This sector needs to implement the strategies needed to transform challenges into opportunities to improve customer employment compared to insurance products. This article seeks to meet the challenges and possibilities of the Indian insurance sector.

Keywords: Customer Education, Product Innovation, Distribution Network, Quality Service.

Introduction

Humans are exposed to risk and uncertainty. For example, the time of a person's death is not certain, and in the case of early death, the person's parents may have retreated to all beings. Similarly, a person's property is open to all risks that are destroyed by fire. All people carefully consider the best ways to prevent such risks and minimize or provide their effectiveness. It is difficult for one person to invest millions of rupees in a huge factory building or equipment or vessel unless arrangements are possible to cover the risks. This contract is possible through insurance.

Insurance is a measure of protection against financial losses. This is a form of risk management that is primarily used to ensure the risk of accidental or unstable losses. It is a commonly recognized phenomenon that there are great risks in every area of life.

Insurance is a contract between two parties. One party is the insurer and the other party is the insured. This means that the person with the risk is called the insured, and the person who guarantees the risk of the insured is called the insured company. The recently formed IRDA is qualified for these tasks along with the advisory board. Additionally, proposals for analogy from the Indian Bankers Association were pursued. Such agencies provide guidance principles, establish insurance codes, and generally act as intermediaries for life and nonlife industries. I will continue to lose weight. Therefore, Indian life insurance companies must work together with new strength and enthusiasm to maintain and improve their market share. In this regard, Indian life insurance companies should focus on key outcomes such as increasing agent productivity. Market high insurance guidelines and customer friendly planning and product implementation. Indian Life Insurance Company's financial performance is superior to Indian Private Life Insurance Company. For companies that compete, the high cost increase is due to the enormous costs of committees by private life insurance companies. Most private life insurance companies suffer losses which need to reduce operational costs. Private life insurance companies need to improve the mathematical efficiency of insurance, the location of liquidity, and the location of long-term solvency.

Statement of the Problem

In an age characterized by the challenges of global competition, strategic marketing skills develop quickly and become extremely important for businesses to survive. Despite the urgent and urgent need for market orientation in the insurance industry, much greater research efforts are required in this market orientation in the insurance industry to address market dynamics. These inputs help the industry become competitive both nationally and internationally, as success depends on its ability to recognize and understand the market in all complexities. It is also a survey to measure the extent of

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customer satisfaction offered by organizations. It includes the impact of privatization on the public sector. While many attempts have been made to examine this field, no systematic study of challenges and opportunities was conducted in the life insurance sector in India comparative studies by the public and private sectors. This field is not influenced by researchers due to insufficient data availability. Therefore, there is a need and justification for comprehensive research to assess it. The purpose of this study aims to bridge such gaps, and therefore the current study was used.

Objectives of Study

The present study was undertaken with the following objectives:

- To discuss the role and growth of insurance sector in India along with profile of LIC.
- To study the problems and prospects of insurance industry in India.
- To offer findings, conclusion and suggestion of this study.

Data Collection Method

Data was collected from both primary and secondary data sources.

Primary Data

For the present study a well-structured questionnaire was used to collect the data. Questionnaire method was employed as it allows the researcher to gather structured information from a large number of individuals, allows for anonymity and it is economical to use. For the present study, primary data was collected from policy holders of LIC offices in Guntur district with the help of a questionnaire.

Secondary Data

The secondary data was collected through the following sources.

The main sources of qualitative and quantitative secondary data include the following:

- Committee Reports
- General business sources
- Private research publishers

Paper based Sources

Books, Journals, Periodicals, Abstracts, Directories, Research reports, Conference Papers, Financial and Business Newspapers and Magazines.

Analysis of Data

Descriptive Statistics were used to analyze the data. These were computed with the help of the Statistical Package for the Social Sciences (SPSS). The data will be analyzed with the help of percentages, charts, graphs are few statistical tools like Chi- Square, Correlation and ANOVA Tests.

Review of Literature

In her research, Krirubashni, B. (1991) seeks to know the awareness, preferences, and extent of influence of political stock factors and test the relationship between influence factors and political stock factors. This survey shows that the majority of respondents are conscious and Foundation Insurance No. 1. This study also showed that there is an important relationship between personal factors and political stocks.

Modawat, S.L. (1997) examine changes that have occurred in life insurance over 20 years, with particular reference to policyholder fatigue and crushing. This study did not result in a grand increase in business from rural areas, but every effort was made to exploit the enormous and unused possibilities from rural businesses. The Life Fund recorded an increase of 12.83% between 1975 and 1976. The 17.7% net prize money was due to misunderstandings between representatives and developers. A typical family system. In his opinion, premiums, which were about 7% of the population in 1999, must grow very quickly. Because, in collaboration with foreign partners, private sector operators will likely provide a more professional and focused approach. Br>Paresh Parasnis (2001) briefly describes the various sales channels in the Indian life insurance industry and the new Avenue Cues that new players have considered. The customer is primarily due to the performance of his requirements, as well as the impact of fulfillment, quality of service, product complexity, etc. In summary, while the life insurance industry is at its best time in transition, it can also be said that it is also affected by challenges of unknown sizes.

Challenges

- **Customer Education**

Insurance is a unique service industry. The most important industry drivers are related to lifestyle issues related to risk coverage, needs, quality of service, and perceptions of insurance as a savings tool as a sense of customer. In the current competitive scenario, professional customer service is the main distinction feature related to product selection and quality of service advice on guidelines.

- **Product Innovation**

Indians constantly view life insurance as a tax savings device, suddenly turn to the private sector and close the new innovative products offered. Private companies have better products that are more advantageous to their customers. Such products include unit chain investment plans that provide both life insurance and a range of savings or investment options, as customers wish.

The growing popularity of private insurance companies is also shown in a different way. Indian life insurance companies still dominate segments such as the traditional plans, foundations and money. However, private insurance companies have already tore over 30% of the market in pension or pension products business transactions. Uniform Unit's popular insurance program has a virtual monopoly with over 90% of customers. Private insurance companies also seem to have scored better scores in other ways. They convince people to put in big guidelines.

- **Sales Network**

Companies have been successful in innovating their products, but most often use the right combination of sales channels to record the largest market share. India, insurance is on sale and not purchased. Agents/consultants use a variety of strategies to sell their products by persuading their customers. Plus, it surpasses guidelines at the highest premium to charge higher fees. The sales advisory approach is a modern approach that supports customers and sales perspectives. customer. Corporate agents, brokerages, banksurance, electronic insurance, cooperatives and panchayats are part of the channels that insurers can portray to achieve their corresponding market segments. Today, the urban masses are shown along with new technologies in information technology on the Internet. Rural masses should be attracted to the consultation approach that has been persecuted by insurance companies.

- **Foreign Direct Investment**

Insurance is a capital-intensive industry. It's also a boring business. The Indian insurance industry needs capital and the main capital source will come from foreign investors who are currently limited to 26% of their assets. India must increase its foreign direct investment cap (foreign direct investment) cap to attract capital to the industry. It has been understood for some time that FDI caps have increased to 49% and many companies are entering the Indian market with this expectation. If FDI caps increase, large foreign companies will bring more capital to the insurance industry.

- **The Role of the IRDA**

IRDAs should seek to create regulatory regimes that promote the most efficient use of capital. For the owner. When the market is competitive and caters to consumer demand and preferences, it is the consumer who will benefit in relation to reducing costs and improving their ability to manage risk.

- **Information Technology**

Private insurance companies have discovered that the Internet is a powerful tool to achieve potential and existing customers. Most airlines simply use the internet to publish company information such as sales brochures and product information, degrees and lists of local agents. New Technology offers policyholder/insurance and provides better, wider and faster access to products and services. The impact of information technology in the insurance business can be felt at an accelerated pace. Over the first few years, more were used to perform back office functions such as account maintenance, broker account compliance, and customer handling.

- **High Quality Service**

In the world's time, insurance companies are ready to spend more on customer satisfaction and brand building exercises. It is one of the regulated industries, but offers a lot of scope for creativity and innovation. Service standards often vary depending on intermediaries involved in this process, as the industry is dominated primarily by personal sales and personalized services. To achieve a competitive advantage over others, the process must standardize, bring about quality improvements in terms of the quality of the services provided, and receive feedback. This leads to customer satisfaction, customer loyalty, customer acquisition and employee loyalty.

- **Customer Relationship Management**

Customer behavior is influenced by environmental factors and inherent personal efforts. Environmental factors are socioeconomic and demographic factors, and are the input of insurance advisors to manage the company's efforts to manage customer satisfaction and experience.

- **Product Distribution**

Segment oriented product sales and sales that focus on market segmentation, customer's customer's more comprehensive satisfaction. While traditional channels for bound agents or consultants become the most important channel of sales, insurers are innovative and need to find new ways to deliver products to their customers.

- **Risk Management**

The risk situation has changed dramatically due to changes in the economic scenarios of the country. The opening up of the economy and the entry of MNCs in almost all sectors have led to an increase in income levels, especially in the middle class. Globalization has also led to more cultural exchanges than in the past.

Opportunities

Recent experience shows that market sizes are growing where the industry is open to competition, with existing players still maintaining almost 80% of the market share. Thus, the previous possibilities of players are numerous from the point of view of the target group. The extent to which interest rates fall, the collapse of many small financial institutions, the scope of synergistic offers and the commitment to ecommerce majors falls into related fields such as banking and pensions.

There may be a percentage of employment opportunities. Many websites come from insurance companies, financial magazines that are just dedicated to insurance, and hastily established training institutions. Many universities and administrative institutions are already starting or considering new courses in insurance. It is also suitable for a stronger development of trade professionalism and for expanding opportunities for all affected people. Pension markets that are less live in the country will likely experience ocean changes with significant expansion in terms of premiums and number of guidelines. Health insurance, which is still in its early stages, is likely to receive a great deal of thrust, which ultimately leads to improved quality of care and domestic institutions. Opening the insurance sector opens many options. Many of them are included in unrelated regions and could lead to greater progress in the development of the entire economy.

Life insurance is today the main support from all market economies. This is because it offers a lot of scope to collect large amounts of money for a long time. Therefore, if you want to move forward into a cautious future, a well regulated life insurance industry that moves over time by providing customers to tailor-made products is essential. The following options have been identified for the insurance sector:

- **Several Sales Channels**

Sales are a key determinant of an insurance company's success. Because insurers have a large database that is free to dispose of in more distribution channels. Linking insurance companies with alliance funding products such as mortgages, investment fund investments in businesses, and bank credit cards is a new channel for insurance. It is clear that new channels will help insurers continue to reach even deeper and deeper.

- **Insurance Marketing Professionalism**

IRDA calculations are employed in this field, so we have high quality insurance consultants. That's what you need to do to take the agency's license training and written exam. Many educated young people and retired officials have careers in insurance agents. Instead of forcing a sale, they guide their customers to select products according to their needs.

- **Huge Undeveloped Market**

There are many undeveloped markets in the country. This gives all players the space to grow and expand the insurance industry. Middle class people are more conscious than lower class and high class people. They want to provide money for their children's training and marriage and meet their needs. Therefore, there is a market expansion for pension plans and child career plans.

- **Increased Current Risk of Life Due to Natural Disasters and Terrorism**

Influence affects human health. In cities, people in industries such as ITE are subjected to the strong work and professional stress that they have been given illness. Therefore, there is a growing need for these people to complete different types of insurance.

- **IRDA Issued to Protect Politicians**

IRDA regulations provided traces of banks, settlement of claims, and reductions in complaints. It also includes matters including insurance disclosure, legal content of insurance documents, and the obligations and liability of the agent. IRDA is constantly observing insurance companies. Therefore, businesses cannot provide defective customer service.

- **Promotion of Awareness**

Recognition should be promoted among insurance advertising. This is because insurance penetration is very low. Customers need a lot of customer education where insurers have to invest a large portion of their resources in terms of time, effort, infrastructure and money. The customer of the identifier is the challenge of the company persuading the product and selling it, but the lighter aspect is that his awareness led him to the insurance threshold.

- **Many Possibilities**

Increasing urbanization in rural areas and the growth of new bankrupt households is a great opportunity for insurers to offer Tailormade life insurance products. The number of insurance companies has increased over the last 15 years, guaranteeing more than 50% of India's insurance population, but there is much to do.

- Various products for individual favorable savings and average life expectancy of private sector employment opportunities provide greater demand for pension plans. Most employees are unable to opt for formal pension plans to ensure that insurance companies have greater opportunities.

- **Technology**

Technology has been a huge blessing for the insurance industry to increase infrastructure for growth, scalability and reach in all areas. A new generation of employees are interested in taking products and services through social media reviews and comments and discussing their products. Companies have a large range of offering current and future customers in these media.

- **Customer Expectations**

Competition between different sales channels leads to a decrease in premiums and contributes to economic improvements to customer service standards. There are many relationships with insurance companies in relation to customer service, as channels increase customer expectations.

Summary

The insurance sector faces several challenges and opportunities. This sector needs to implement the strategies needed to transform challenges into opportunities to improve customer employment compared to insurance products.

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