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Impact of FDI in Insurance Sector and Its Role towards Improving the Indian Economy

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Abstract: *"Impact of FDI in Insurance sector and its role towards Improving the Indian economy" the research topic has been undertaken to examine the effect of Globalization and liberalization in the Indian Insurance sector. Increase in the foreign Direct Investment (FDI)limit and with the entry of Foreign players in the Indian Insurance Industry has boosted the Indian Economy from its Preliberalisation era i.e. prior to the year 2000.*

The study covers a period of Sixteen years from the year 2000 to the year 2016.Secondary data's collected from Annual reports, IRDA journals, publications and Insurance related web sites.The data collected were analysed in term of the objectives of the study using appropriate statistical measures.

The role of FDI in the growth process has been a burning topic of debate in several countries including India. Investment provides the base and pre-requisite for economic growth and development. Apart from a nation's foreign exchange reserves, exports, government's revenue, financial position, available supply of domestic savings, magnitude and quality of foreign investment are necessary for the well being of a country. Economic growth - This is one of the major sectors, which is enormously benefited from foreign direct investment. A remarkable inflow of FDI in various industrial units in India has boosted the economic life of country. This study is entirely based on secondary data. The present study is limited to assess the determinants of Foreign Direct Investment flows in Indian Insurance Industry and its impact on Indian economy. For this purpose empirical data are estimated for the period 1999 to 2014. We conclude that there is significant effect of FDI on India's economic Growth FDI can help to raise the output, production and export at the sectoral level of the Indian economy. The study tries to find out how FDI seen as an important economic catalyst of Indian economic growth by stimulating domestic investment, increasing human capital formation and by facilitating the technology transfers. The main purpose of the study is to investigate the impact of FDI in Insurance on economic growth in India.

Foreign Direct Investment (FDI) plays a very important role in the development of the nation. It is very much vital in the case of underdeveloped and developing countries. A typical characteristic of these developing and underdeveloped economies is the fact that these economies do not have the needed level of savings and income in order to meet the required level of investment needed to sustain the growth of the economy. In such cases, foreign direct investment plays an important role of bridging the gap between the available resources or funds and the required resources or funds. It plays an important role in the long-term development of a country not only as a source of capital but also for enhancing competitiveness of the domestic economy through transfer of technology, strengthening infrastructure, raising productivity and generating new employment opportunities. In India, FDI is considered as a developmental tool, which helps in achieving self-reliance in various sectors and in overall development of the economy. India after liberalizing and globalizing the economy to the outside world in 1991, there was a massive increase in the flow of foreign direct investment. This paper analyses FDI inflow into the country during the Post Liberalization period.

Foreign investment plays a significant role in development of Indian economy. Many countries provide many incentives for attracting the foreign direct investment (FDI). Need of FDI depends on saving and investment rate in any country. Foreign Direct investment acts as a bridge to fulfill the gap between investment and saving. In the process of economic development foreign capital helps to cover the domestic saving constraint and provide access to the superior technology that promotes efficiency and productivity of the existing production capacity and generate new production opportunity.

History of Insurance

In India, insurance has a deep-rooted history. It finds mention in the writings of Manu (Manusmrithi), Yagnavalkya (Dharmasastra) and Kautilya (Arthasastra). The writings talk in terms of pooling of resources that could be re-distributed in times of calamities such as fire, floods, epidemics and famine. This was probably a pre-cursor to modern day insurance. Ancient Indian history has preserved the earliest traces of insurance in the form of marine trade loans and carriers' contracts. Insurance in India has evolved over time heavily drawing from other countries, England in particular.

1818 saw the advent of life insurance business in India with the establishment of the Oriental Life Insurance Company in Calcutta. This Company however failed in 1834. In 1829, the Madras Equitable had begun transacting life insurance business in the Madras Presidency. 1870 saw the enactment of the British Insurance

Act and in the last three decades of the nineteenth century, the Bombay Mutual (1871), Oriental (1874) and Empire of India (1897) were started in the Bombay Residency. This era, however, was dominated by foreign insurance offices which did good business in India, namely Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance and the Indian offices were up for hard competition from the foreign companies.

In 1914, the Government of India started publishing returns of Insurance Companies in India. The Indian Life Assurance Companies Act, 1912 was the first statutory measure to regulate life business. In 1928, the Indian Insurance Companies Act was enacted to enable the Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies. In 1938, with a view to protecting the interest of the Insurance public, the earlier legislation was consolidated and amended by the Insurance Act, 1938 with comprehensive provisions for effective control over the activities of insurers.

The Insurance Amendment Act of 1950 abolished Principal Agencies. However, there were a large number of insurance companies and the level of competition was high. There were also allegations of unfair trade practices. The Government of India, therefore, decided to nationalize insurance business.

An Ordinance was issued on 19th January, 1956 nationalising the Life Insurance sector and Life Insurance Corporation came into existence in the same year. The LIC absorbed 154 Indian, 16 non-Indian insurers as also 75 provident societies—245 Indian and foreign insurers in all. The LIC had monopoly till the late 90s when the Insurance sector was reopened to the private sector.

The history of general insurance dates back to the Industrial Revolution in the west and the consequent growth of sea-faring trade and commerce in the 17th century. It came to India as a legacy of British occupation. General Insurance in India has its roots in the establishment of Triton Insurance Company Ltd., in the year 1850 in Calcutta by the British. In 1907, the Indian Mercantile Insurance Ltd, was set up. This was the first company to transact all classes of general insurance business.

1957 saw the formation of the General Insurance Council, a wing of the Insurance Associaton of India. The General Insurance Council framed a code of conduct for ensuring fair conduct and sound business practices. In 1968, the Insurance Act was amended to regulate investments and set minimum solvency margins. The Tariff Advisory Committee was also set up then.

In 1972 with the passing of the General Insurance Business (Nationalisation) Act, general insurance business was nationalized with effect from 1st January, 1973. 107 insurers were amalgamated and grouped into four companies, namely National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and the United India Insurance Company Ltd. The General Insurance Corporation of India was incorporated as a company in 1971 and it commence business on January 1st 1973.

This millennium has seen insurance come a full circle in a journey extending to nearly 200 years. The process of re-opening of the sector had begun in the early 1990s and the last decade and more has seen it been opened up substantially. In 1993, the Government set up a committee under the chairmanship of RN Malhotra, former Governor of RBI, to propose recommendations for reforms in the insurance sector.The objective was to complement the reforms initiated in the financial sector. The committee submitted its report in 1994 wherein , among other things, it recommended that the private sector be permitted to enter the insurance industry. They stated that foreign companies be allowed to enter by floating Indian companies, preferably a joint venture with Indian partners.

Following the recommendations of the Malhotra Committee report, in 1999, the Insurance Regulatory and Development Authority (IRDA) was constituted as an autonomous body to regulate and develop the insurance industry. The IRDA was incorporated as a statutory body in April, 2000. The key objectives of the IRDA include promotion of competition so as to enhance customer satisfaction through increased consumer choice and lower premiums, while ensuring the financial security of the insurance market.

The IRDA opened up the market in August 2000 with the invitation for application for registrations. Foreign companies were allowed ownership of up to 26%. The Authority has the power to frame regulations under Section 114A of the Insurance Act, 1938 and has from 2000 onwards framed various regulations ranging from registration of companies for carrying on insurance business to protection of policyholders' interests.

In December, 2000, the subsidiaries of the General Insurance Corporation of India were restructured as independent companies and at the same time GIC was converted into a national re-insurer. Parliament passed a bill de-linking the four subsidiaries from GIC in July, 2002.

Today there are 28 general insurance companies including the ECGC and Agriculture Insurance Corporation of India and 24 life insurance companies operating in the country.

Together with banking services, insurance services add about 7% to the country's GDP. The insurance sector is a colossal one and is growing at a speedy rate of 15 to 20%. Insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country.

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I. Introduction

Establishment of Oriental Life Insurance Company in 1818,enactment of the Indian Life Insurance companies Act in 1912,consolidation of Insurance legislations to Insurance Act in 1938,nationalisation of Life Insurance and establishment of LIC in 1956,nationalisation of General Insurance business in 1972,openingup of the Insurance sector in 1998 and establishment of IRDA in 2000 are the major milestones in the history of Indian Insurance Sector.

In the post privatisation period ,the market share of the Public Sector Insurance organisations shows some declining trend in terms of policies though the quantum of decline is not very significant.In terms of growth in the total premium collected,there is significant reduction in the share of premium of Public sector Insurance organistions in the post privatisation period.In terms of growth in premium,some of the private Insurers have shown consistent growth in market share.

In the post privatisation period,private players(which have collaborated with foreign Insurance companies) are able to increase their policies substantially and there is stagnation in growth of premium in public sector organisation in the same period.

India has a gigantic population growth and the rural population is above 65 percent.Among them majority of the people were uncovered and most of the people were unware of the benefits of different kind of Insurance such as Crop Insurance,Health Insurance,Agricultural Insurance and term Insurance etc.In India the younger people used to show a low propensity towards Insurance products which is definitely a discouraging trend for a progressive economy like India.

When the economy is in the track of fast economic development,Individuals especially young are exposed to more risky environment and proper Insurance coverage is very essential to build confidence and courage to proceed with their enterprising attitude.In the preliberalised ers the policy holders were not fully satisfied with the services rendered by public sector Insurance companies.Naturally due to monopolasied Insurance market the public sector Insurance companieswere not dynamic and professional in rendering services to customers.

The reforms and privatisation has brought about tremendous change in the Indian Insurance Industry hence FDI in the Insurance sector has initiated a significant amount of economic development in India.

FDI and Liberalization(Pre and Post Liberalization)

In the year 1991,the government of India introduced economic reforms and in the post liberalization era the Indian story of growth has been overshadowed by multiple issues connected to the world economy resulting Globalization, liberalization, Industrialization and Privatization. The Insurance sector in India used to be dominated by the state owned Life Insurance Corporation of India and the General Insurance Corporation and its four subsidiaries. But in 1999 the Insurance Regulatory and Development Authority (IRDA) bill opened it up to private players, whose share in the insurance market has been rising. As a part of overall financial sector reforms, the government set up committee for reforms in the Insurance sector in 1992.in its report released in early 1994.it recommended the opening up of the sector to private participation. This was done in 2000.Since then there has been rapid growth and share of Insurance in total financial savings of the economy has improved significantly. The number of life insurance companies has increased from 13 at the end of march to 24 at the end of 2017.Competition in the industry is increasing with new players trying to establish a significant presence. Currently the total insurance market in India is about US$30 billion, in which the element of FDI is US$0.5 billion. This is 1.6% of total Insurance business in India. If the FDI is increased to 49% then the total Insurance business would touch US$60 billion size. And it is expected that FDIs contribution to Insurance business would touch nearly US$2 billion. The Insurance penetration in India is lower than in many East Asian Countries. But the penetration as a percentage of GDP has improved from 2.5 in 2005 to 6.0 in 2017 for life insurance in India. FDI in Insurance Policy:- according to IMF,FDI is the category of international investment that reflects the objective of a resident entity in one obtaining a lasting interest and control in an enterprise resident in another economy. Few academicians and researchers define FDI as an Investment by foreign corporation in any country. A common example of foreign direct investment is a situation in which a foreign company comes into a country to build or buy a factory. Afterwards they initiate the operation in respective countries by investing further through recruiting HR and also initiating manufacturing or distribution from the definition itself the sky-high importance of FDI is clearly observable. not only it serves the goal of economic development of the host country but also it assists the investors as well in a great way. FDI and Emerging Economics:-FDI is of great importance for EMEs or Emerging Market Economics i.e. sometimes can also mean developing countries. mostly the countries of south east asia and latin America and some developing nations, who are in gross need of increase in their GDPs or in easier terms an increase in their national incomes.FDI also contributes towards debt servicing repayments, it stimulates export markets and produce foreign exchange revenue which in turn also improve a countries economy. It also facilitates transfer of technology from one country to another which is a very important and basic infrastructure that is need for a country to come up and compete with the front runners of the world organizational and managerial practices and skills as well as access to international markets. More and more countries are striving to create a favorable climate to attract FDI.

FDI in India:-First of all, FDI means Foreign Direct Investment which is mainly dealings with monetary matters and using this way they acquires standalone position in the Indian economy. Their policy is very simple to remove rivals. In beginning days they sell products at low price so other competitor shut down in few months, and then companies like wall-mart will increase prices than actual product price. They are focusing on national and International economic concerns. There are four main working pillars of FDI. They are financial collaborations, technical collaborations and joint ventures, Capital markets vis Euro issues, and private placements or preferential allotments. There are two types of FDI, one is inward and second is outward FDI. Ongoing news suggests that largest retailer Walmart has demanded for 51% of International dealings in FDI in Indian Markets which had called nationwide strike. From positive and negative aspects FDI has its own advantages and disadvantages. Advantages:-Increase economic growth by dealing with different International products, One million employment will create in three years.

Billion dollars will be invested in Indian market. Spread import and Export business in different countries. Agriculture related people will get good price of their goods. Employment opportunities in foreign market are increased in the long run the aggregate supply shift outward; it also makes the incentive for the domestic producers. Government income is also increased. The advantages of the Foreign Direct Investments are that the majority victorious domestic companies, particularly those with only one of its kind compensation, spent abroad. The second advantage to be considered to be is the direct investment that makes companies more victorious internally. Companies with Foreign Investment generally tend to be most profitable as well as it is to have a more economic diversity.

Economic Growth and Factors:

Economic Growth is a narrower concept than economic development. It is an increase in a country's real level of national output which can be caused by an increase in the quality of resources (by education etc.), increase in the quantity of resources & improvements in technology or in another way an increase in the value of goods and services produced by every sector of the economy. Economic Growth can be measured by an increase in a country's GDP (gross domestic product). A positive change in the level of production of goods and services by a country over a certain period of time. Nominal growth is defined as economic growth including inflation, while real growth is nominal growth minus inflation. Economic growth is usually brought about by technological innovation and positive external forces. Economic factors that contribute to the success or failure of companies, business ventures, and individual products. These factors may include the rate of inflation, interest rates, stock market performance, the level of unemployment, demographic changes, and fiscal policies or changes made by the government. Growth relates to a gradual increase in one of the components of Gross Domestic Product: consumption, government spending, investment, net exports. Quantitative measurement and effects quantitative changes in the economy and increases in real GDP. Economic growth is a more relevant metric for progress in developed countries. But it's widely used in all countries because growth is a necessary condition for development and scope is growth concerned with increase in the economy's output.

Foreign direct investment (FDI) has played an important role in the process of globalization during the past two decades. The rapid expansion in FDI by multinational enterprises since the mid-eighties may be attributed to significant changes in technologies, greater liberalization of trade and investment regimes, and deregulation and privatization of markets in many countries including developing countries like India. Capital formation is an important determinant of economic growth. While domestic investments add to the capital stock in an economy, FDI plays a complementary role in overall capital formation and in filling the gap between domestic savings and investment. At the macro-level, FDI is a non-debt-creating source of additional external finances. At the micro-level, FDI is expected to boost output, technology, skill levels, employment and linkages with other sectors and regions of the host economy.

In India FDI inflow made its entry during the year 1991-92 with the aim to bring together the intended investment and the actual savings of the country. To pursue a growth of around 7 percent in the Gross Domestic Product of India, the net capital flows should increase by at least 28 to 30 percent on the whole. But the savings of the country stood only at 24 percent. The gap formed between intended investment and the actual savings of the country was lifted up by portfolio investments by Foreign Institutional Investors, loans by foreign banks and other places, and foreign direct investments. Among these three forms of financial assistance, India prefers as well as possesses the maximum amount of Foreign Direct Investments. Hence FDI is considered as a developmental tool for growth and development of the country. Therefore, this study is undertaken to analyze the flow of FDI into the country identifying the various set of factors which determine the flow of FDI.

The gains from FDI inflows are unquestionable as it contributes to economic growth through an increase in productivity by providing new investment, better technologies and managerial skills to the host countries. The impact of FDI on economic growth depends on the degree of capacity of the host country to use FDI efficiently. Similarly, trade liberalization may facilitate economic growth through efficiency in production by utilizing the abundant factors of production more effectively and absorbing better technologies from advanced countries. On the one hand, it may harm the growth process through various forms of macroeconomic instability such as terms of trade deterioration and balance of payments crisis. Therefore, it is a challenge for developing countries to find out the appropriate direction of the role of FDI and trade liberalization in economic growth.

The basic shortcoming of conventional neo-classical growth models, as far as FDI is concerned, is that long-run growth can only be achieved by technological progress, which is considered to be exogenous factor. FDI would only affect output growth in the short run and, in the long run, under the conventional assumption of diminishing returns to capital inputs with a given technology, FDI would have no permanent impact on output growth. Within the new growth framework, FDI is treated as one of the factor inputs along with labor and capital and is expected to promote growth in the long run. Whether technological progress is best described as exogenous to the world as a system, the role of FDI in diffusing technology to developing countries? Consequently, a positive relationship between FDI and long run growth in a developing host country is expected.

It should be pointed out that the direction of causation may run either way. The FDI may be drawn to regions of faster growth or greater potential because their growth prospects have made it more attractive to foreign TNCs. De Mello (1997) envisions a case in which the size of the consumer market in a recipient economy is getting larger, as a result of faster growth leading to rapid increases in the potential purchasing power of consumers in a host country. Consequently, it is tenable that growth itself may be an important determinant of FDI in addition to those listed above.

Foreign Direct Investment (FDI) broadly encompasses any long-term investments by an entity that is not a resident of the host country. Typically, the investment is over a long duration of time and the idea is to make an initial investment and then

subsequently keep investing to leverage the host country's advantages which could be in the form of access to better (and cheaper) resources, access to a consumer market or access to talent specific to the host country - which results in the enhancement of efficiency. This long-term relationship benefits both the investor as well as the host country. The investor benefits in getting higher returns for his investment than he would have gotten for the same investment in his country and the host country can benefit by the increased know how or technology transfer to it's workers, increased pressure on it's domestic industry to compete with the foreign entity thus making the industry improve as a whole or by having a demonstration effect on other entities thinking about investing in the host country.

The historical background of FDI in India can be traced back with the establishment of East India Company of Britain. British capital came to India during the colonial era of Britain in India. After Second World War, Japanese companies entered Indian market and enhanced their trade with India, yet U.K. remained the most dominant investor in India. Further, after Independence issues relating to foreign capital, operations of MNCs, gained attention of the policy makers. Keeping in mind the national interests the policy makers designed the FDI policy which aims FDI as a medium for acquiring advanced technology and to mobilize foreign exchange resources In the critical face of Indian economy the government of India with the help of World Bank and IMF introduced the macro-economic stabilization and structural adjustment program.

As a result of these reforms India open its door to FDI inflows and adopted a more liberal foreign policy in order to restore the confidence of foreign investors. Further, under the new foreign investment policy Government of India constituted FIPB (Foreign Investment Promotion Board) whose main function was to invite and facilitate foreign investment. Starting from a baseline of less than USD 1 billion in 1990, a recent UNCTAD survey projected India as the second most important FDI destination (after China) for transnational corporations during 2010-2012. As per the data, the sectors which attracted higher inflows were services, telecommunication, construction activities and computer software and hardware. Mauritius, Singapore, the US and the UK were among the leading sources of FDI to the country.

HISTORICAL ECONOMIC PERSPECTIVE

Until 1991, India was primarily a closed economy. The industrial environment in India was highly regulated and a license system - known as "licence raj" - was in place to ensure compliance with the government regulations and directives. Under the Industries Development and Regulations act (1951) starting and operating any industry required approval - in the form of a licence - from the government. Any change in production capacity or change in the product mix also called for obtaining government approval. This led to the development of increasingly complex and opaque procedures for obtaining a licence and led to a burgeoning bureaucracy. The licence system thus shifted lot of power and perverse incentives in the hands of file pushing bureaucrats (or "Babus"). This directly led to increased corruption as the procedure for obtaining a licence was vaguely defined and left open to individual interpretations. In addition, there was no monitoring system in place to ensure speedy disposal of licence applications. Also, the labor markets were highly regulated and the government did not allow the companies to lay off its workers. This meant that even in severe downturns the companies kept bleeding but could not rationalize its workforce. Eventually these companies - majority of them public sector companies - would become chronically sick and the government kept subsidizing them at huge costs to the taxpayer.

One draconian measure was the introduction of the Foreign Exchange Regulation act (FERA) of 1973 which curtailed foreign investment to 40% in Indian companies. This had a very adverse impact and companies such as Coca-Col IBM exited the country. The impact of this could be seen in the slow growth of the Indian economy as compared to its neighbors over a 30 year period. Table 1 shows a comparison between the Indian industrial development and that of some of the other developing countries in the region. From the data it is clear that India lagged behind other countries in its growth rates over a sustained period of time and this led to increased poverty. Surprisingly, there were some very strange reasons given for this lag in economic performance. The excuses went to such ridiculous extents as to the development of a "Hindu rate of return" theory which stated that the "Hindu rate of return" was lower that that of the western nations and thus a comparison of India's economic return with that of western nations was inappropriate.

HISTORICAL ASPECTS OF FDI IN INDIA

Starting with the market reforms initiated in 1991, India gradually opened up its economy to FDI in a wide range of sectors. The "licence-raj" system was dismantled in almost all the industries. The infrastructure sector which was in dire need of capital welcomed foreign equity. FDI was especially encouraged in ports, highways, oil and gas industries, power generation and telecommunication. Consumer goods and service sector which was once completely off-limits for foreign equity was also gradually opened up. The reserve bank of India set up an The reforms thus led to a gradual increase in FDI in India. Table 3 shows the FDI flow to India after the structural reforms began in 1991. As can be seen from the table, FDI increased from a non-existent value in the start to about $4 billion a year. It should be noted that till 2000, the figure of FDI reported actually underestimates the amount of FDI according to IMF definition. This is because the Indian government had its own definition of FDI and did not include heads like reinvested earnings, proceeds of foreign listings and foreign subordinated loans to domestic subsidiaries. But, the government recognized this problem and after a study undertaken in 2003, the standard definition of FDI as suggested by the IMF was adopted by the Indian government.

CURRENT SCENARIO

More and more multi-national corporations have come to realize that India is the place to be. India is the world's second largest economy (in terms of population) with a total population of just over one billion, forth largest in the world in terms of GDP[13] ($3.3 trillion) and ranked twelfth in the world in terms of Gross National Income[14] ($570 billion). It is potentially a very fast growing market and all the multi-national corporations realize the fact that to take advantage of this ever growing economy they need to present in the country.

It has been more than a decade since the reforms first began and today in the 21st Century, India has come a long way from the early days of licence raj and Babus. India has been able to make its mark in the world standing as a lucrative country for FDI by becoming more and more competitive on the world standards According to the A. T. Kearney's report on the FDI Confidence Index[15] in October 2004, India was ranked third just behind China and the United States as the choice country for foreign investment up from its previous rankings of sixth in 2003 and fifteenth in 2002.

Just looking at pure numbers the amount of FDI in the last couple of years have gone up from $2.3 billion in the year 2000 to $3.4 billion in 2001 and 2002 and eventually $4.3 billion in the year 2003[16] and still growing.

All this growth has been achieved through a number so factors amongst which the main factors are proactive government policy and regulations and favorable economic conditions. One example would be the favorable conditions such as highly educated but comparatively cheap labor force for outsourcing to India, services such as customer service call centres and research and development facilities, which paved the way for so many future incidences of investment. Other examples include the adoption of numerous Double Taxation Avoidance Agreements with other countries, creation of numerous Export Processing Zones and Special Economic Zones, liberalization of trade policies, relaxation in import tariffs in almost all areas and on all products, increased simplification of the whole investment process by placing more and more sectors on the automatic approval route with only limited sectors requiring licensing, provision of easy availability of information on policies and procedures of FDI and most of all creation of independent institutions and authorities to assist in the prompt and smooth flow of FDI into the country.

Some of the key highlights of the current procedures and policies of Investing in India are as follow:

a) FDI of up to 100% is allowed in numerous sectors and activities which include most manufacturing activities, non-banking financial services, software development, hospital, private oil refineries, electricity generation (non-atomic) / transmission / distribution, roads & highways, ports & harbors, hotel & tourism, research and development etc. Only a have been limited to industrial licensing and a couple being total prohibited e.g. atomic energy, railway transport[18] etc. Other places where 100% FDI is permitted are for setting up Special Economic Zone (SEZ) Units and 100% Export Oriented Units (EOU).

b) There are multiple forms of entry for a corporation depending on its needs and requirements which include entry through setting up Joint Ventures, Wholly Owned Subsidiaries, Liaison / Representative Office, Project Office or Branch Office.

c) Liberal foreign exchange regulations, under the rule of the Central Bank,namely the Reserve Bank of India e.g. all foreign investment and dividends declared thereon is freely repatriable unless otherwise specified under a particular scheme and through an authorized dealer.

d) Favorable policies for Foreign Institutional Investors (FIIs) looking to just invest and trade in as well as out of the Stock Exchange under the Portfolio Investment Scheme (PSI). They have the option of investing in both equity and debt instruments, the only catch being that the investment has to be split in the ratio of 70:30, and also the other option of declaring themselves purely interested in debt instruments and then becoming a 100% debt FII.

e) A mature and favorable taxation system with low customs and excise duties and low corporate taxes. It caters for numerous tax holidays or rebates depending upon the sector of investment and geographical location e.g. there is a tax holiday of 10 years for foreign investment in infrastructure projects, various projects taken up in certain backward North Eastern States and Sikkim, units located in specified areas in the zones, projects which are 100% export oriented. Moreover India has already entered into a Double Taxation Avoidance Agreement (DTAA) with 65 other countries, under which the income generated in India will be taxed in India and then would not be re-taxed in the home country of the investor, only the difference in the tax rate between the home country and India would be payable.

f) Keeping in mind the growing concern over intellectual property rights, India has been prompt to enact numerous rules and regulations e.g. The Patents Act, The Trademarks Act, The Geographical Indicators of Goods Act and The Designs Act.

g) To assist in providing a prompt and smooth investment process the Indian Government has set up numerous independent institutions e.g. The establishment of Foreign Investment Implementation Authority (FIIA) to assist in the prompt implementation of FDI approvals, the formation of the Foreign Investment Promotion Board (FIPB) to assess various FDI proposals and to cater to the grievances and complaints of potential and current investors the appointment of a Business Ombudsperson and Grievances Officer-Cum-Joint Secretary in the Ministry of Commerce and Industry.

h) Also, to ensure adequate and up-to-date information on current policies and procedures is available at all time to investors various points of call have been set up which can be easily accessed e.g. the Secretariat for Industrial Assistance (SIA) has been set up for this particular purpose. Other means are through the internet on various websites (e.g. http://dipp.nic.in), online chats, bulletin board services, frequent publications and monthly newsletters.

i) Focusing in on more recent events in India and specifically in the Banking and Insurance Sector, in previous years the FDI limit in private sector banks was raised to 74% from the existing 49% and the insurance sector to be hiked from 26% to 49%[19], but there was a caveat of only having 10% voting rights irrespective of the shareholding, which was seen as a major constraint. In 2005, a new regulation namely the Banking Regulation (Amendment)Bill 2005 has been proposed which will give private investors voting rights which will be in line with their current shareholding. Once this regulation is given the nod, it is likely to increase foreign investment significantly.

What is happening around the world:
1.Integration of global market and ease of Capital flow is going to be a major disruptive force because Capital is not going to be an issue.
2.The disruptive power of e-commerce which has made capital in traditional segment redundant.
3.Customer retention and customer loyalty is going to be the key factor to achieve success.
Indian Insurance in the global scenario:
Globally,the share of life insurance business in total premium was 55.3 percent.However,the share of life insurance business for India was very high at 77.95 percent while the share of non-life insurance business was small at 22.05 percent.
In life insurance business ,India is ranked 10 among the 88 countries,for which data is published by SwissRe.India's share in global life insurance market was 2.36 percent during 2016.However,during 2016,the life insurance premium in India increased by 8 percent when global life insurance premium increased by 2.5 percent.
The Indian non-life insurance sector witnessed a growth of 12.9 percent during 2016.During the same period,the growth in global non-life premium was 3.7 percent.However,the share of Indian non-life insurance premium in global non-life insurance premium was as small as 0.83 percent and India ranked 15 in global non-life insurance market.

APPRAISAL OF INDIAN INSURANCE MARKET:-

Registered Insurers in India: At the end of March2017,there are 62 insurers operating in India;of which 24 are life insurers,23 are general insurers,6 are health insurers exclusively doing health insurance business and 9 are re-reinsurers including foreign reinsurers branches and Lloyd's India.

Of the 62 insurers presently in operation,eight are in the public sector and the remaining fifty four are in the privatesector.Two specialized insurers namely ECGC and AIC,one life insurer namely LIC of India (LIC),four in general insurance and one in reinsurance namely GIC are in the public sector .23 life insurers,17 general insurers,6 standalone health insurers and 8 reinsurers including foreign reinsurers branches and Lloyd's India are in private sector.

Type of Insurer	Public Sector	Private Sector	Total
Life	1	23	24
General	6	17	23
Health	0	6	6
Re-insurers	1	8	9
Total	8	54	62

Table:1 Registered insurers including foreign reinsurers/LLOYD'S INDIA

TOTAL REAL PREMIUM GROWTH 2016(in percent)

Regions/Countries	Life	Non-Life	Total
Advanced markets	-0.5	2.3	0.7
Emerging markets	16.9	9.6	13.5
Asia	7.4	8.9	7.9
India	8.0	12.9	9.1
World	2.5	3.7	3.1

Table:2 Swiss Re,Sigma no.3/2017

Region/Country	Life	Percent	Non-Life	Percent	Total
Advanced market	2110.53	55.56	1688.12	44.44	3798.65
Emerging markets	506.49	54.25	427.05	45.75	933.54
Asia	1000.27	66.97	493.26	33.03	1493.53
India	61.82	77.95	17.49	22.05	79.31
WORLD	2617.02	55.30	2115.17	44.70	4732.19

Table:3 Region-wise Life anb Non-Life Insurance Premium(Premium in USD Billions)

The focus of the study is to determine:
The effects of FDI in Insurance on the Indian Economy
The trends of FDI inflows in Insurance in India
The effects of FDI in the Indian Insurance Companies

Statement of the problem

We are aware that FDI has received importance only in the recent past, hence call for a research in this subject since the year 2000 and further. FDI effect on financial market could not be established because of limitations in FDI. Now during post liberalization period there is considerable inflows of FDI in Insurance from South Korea, Japan, UK, US, France, South Africa, HongKong, Netherlands, Belgium, Canada, Germany and Italy. Further Saini A. Law S.H.,Ahmad A.H.(2010),"FDI and economic growth: New evidence on the role of financial markets", it was proved that the positive impact of FDI on growth "kicks in" only after financial market development exceeds a threshold level until then the benefit of FDI is non-existent. There have been studies in the past on sectorial inflows but they do not conduct study on impact on FDI in Insurance on GDP and Indian Economy & hence calls for a research on the subject. Due to the formation of new government with majority power in the central Government in India the new suggestions will emerge to increase the FDI inflows in India hence a call for research on the title subject by the researcher will highlight the prospects of FDI in service sector (Insurance sector) in India.

Objectives of the study

To understand status of Insurance sector in India(Preliberalisation period)
Impact of FDI and its benefit for Insurance companies and in turn to Indian company
The role of FDI towards post liberalization period for improving employment, living standards for the majority of Indian population
Finding of the Impact of FDI on Insurance companies
Significance of the Research

The Indian Insurance sector was opened to the private sector in the year 2000 after the enactment of the Insurance Regulatory & Development Authority(IRDA)Act 1999.With the opening up of the Insurance market there has been innovation in products, technology, servicing and marketing. The end beneficiary of this is the common man. With more players in this sector, there is bound to be stringent competition leading to competitive quotes, improved services and better claim settlement ratio. Higher capital will help Insurance companies to tap underinsured markets through better infrastructure, better operations and more manpower. Thus more jobs will be created. Typically Investors invest in Insurance and Pension products on a long term basis and this money could help fund Infrastructure projects which requires long term funding. Besides life insurance the Health insurance sector will get a boost and the ordinary people will get more competitive option. Import and Export will also get a boost as billion dollars will be invested in the Indian economy. Agriculture related people will get a good price of their goods. Agriculture Insurance will benefit many more people. Pension Fund Regulatory Development bill links the FDI limit in the pension sector to the Insurance sector. Therefore the Foreign Direct Investment in Indian Insurance Industry is likely to improve the economic conditions of the common Indian People and hence the Indian economy.

Hypotheses of the Study

In the present Global scenario and the globalised business scenario and the present business environment in general the FDI in Insurance sector is a valid thesis because the FDI in insurance has been raised to 51% in China and other East asian countries.even there is 100% FDI in insurance in many countries.Thus it is the requirement of the Indian economy to raise the FDI in insurance to 49% and further increase in FDI towards 100%in Insurance sector.Thus the above thesis is undisputably valid and true for the Indian Insurance sector. There are views from the Public sector Industries that more focus may be concentrated on marketing of Insurance products and the Insurance products should not be compared with other financial savings products. Hence the population is more secured financially by increasing the insurance penetration into the population.
We have seen during the pre-liberalization period of Insurance industry that due to lack of Competition in the Insurance business there were no innovation in the Industry. The public sector Insurance companies failed to bring Innovation in Insurance Industry.

Now there will be more expertise in the technology and digital marketing and e-Policy is more customer friendly which has become possible only due to liberalization and competitiveness of Insurance Industry due to FDI.

Therefore FDI in Insurance sector wiil be able to improve the Indian economy by bringing customized products and service through innovation.

In financial market particular to the Insurance Industry there is relationship between two variables-Indian economy and penetration of Insurance. Dependence between two variables refers to the relationship between two variables X and Y.

Y=aX+b (linear) and Y=X2 (Quadratic)

It has been observed that there may be a direct relation between the Insurance penetration and the economy of a country; therefore the study will highlight the benefit of FDI to the Indian economy. India's economic strength has increased many folds in the past sixty years but the Insurance Penetration has to be increased, which the public sector Insurance companies have failed to increase to the required level. So with the foreign direct investment we will be certainly able to boost the Indian economy.An inference will be drawn towards the increase in FDI in Insurance Industry and the improvement in the Indian economy.The correlation between the FDI in Insurance and the economic development of

India and the significant inflow of FDI year wise from year 2000 and the economic development of India year wise from the year 2000 will be drawn.

Tentative chapterization of research work
Chapter 1: Introduction
Chapter 2: Review of literature
Chapter 3: Research Methodology
Chapter 4: Data Collection
Chapter 5: Data Analysis and Interpretation
Chapter 6: Conclusion

I. Introduction

The Indian Insurance Industry for a long time was dominated by public sector players,viz,Life insurance corporation of India(LIC) and General Insurance Corporation(GIC).LIC was formed in 1956 by nationalizing 256 domestic and foreign players operating in India.Over the next 40 years ,LIC,which operates in the Life segment,significantly increased in presence across the country by building an extensive network of branches and offices offering employment to a large number of agents.The nonlife Insurance sector was overwhelmingly dominated by GIC along with its subsidiaries,which were formed with the nationalization and amalgamation of over 100 domestic and foreign insurance companies under the General Insurance business nationalization Act of 1972.

One of the major reasons behind the nationalization of the Insurance companiesin the 20th century was to channel greater resources towards development programs.It also sought to increase Insurance market penetration and reduce the incidence of failures of insurance companies,which were thought to be a result of mismanagement.However,in the past nationalization period,GIC and LIC funds were largely used to finance the government deficit and this severely constrained their operations.Moreover,these corporations were also asked to channel funds towards meeting social objectives.

With the initiation of the reforms in the financial sector in the early 1990's,the need to restructure the insurance sector was alsorealised.consequently,the Malhotra Committee was formed to evaluate the Indian Insurance Industry and recommend its future direction.The committee included:

Reduction of government stake holding in the insurance companies to 50 percent.

Allowing Private companies with a minimum paidup capital of Rupees one billion to enter the sector.

However,no company should be allowed to operate in both life and general insurance through a single entity.

Foreign companies to be allowed to enter the industry in collaboration with domestic companies.

Postal life insurance should be allowed to operate in the rural market.

Reduction in the mandatoryinvestment of LIC Life fundin government sexcurities from 75 percent to 50 percent.

GIC and its subsidiaries should not hold more than 5 percent in any company.

Improvement in customer service quality.LIC shouls pay interest onm delays in payments beyond 30 days.

Modernization of Insurance companies through computerization and implementation of updated technology.Insurance companies should provide new financial instruments like unit linked pension plans.

While the Malhotra Committee emphasized the introduction of competition from domestic private and foreign players to improve customer services and increase the coverage of insurance policies,it was also aware of the need for exercising caution as any failure on the part of new players could ruin public confidence in the industry.Hence it was decided to allow competition in a limited way by stipulating a minimum capital requirement of Rupees 100Crore.To ensure greater autonomy to insurance companies in order to improve their performance and enable them to act as independent companies with economic motives,it proposed setting up an independent regulatory body" The Insurance Regulatory and Development Authority(IRDA)"

In 1999 the Insurance regulatory and development authority Bill was passed ,ushering in a wide range of changes in the insurance sector. The bill provided for:

The establishment of IRDA as a corporate body to regulate insurance

.The establishment of an insurance advisory committee with not more than 25 members.

The entry of Private companies.

The minimum capital requirement for life and general insurance to be retained at Rs 100 Crore and for reinsurance firms at RS 200 Crore.

Solvency margins of Rs 50 crore for life and general insurance and RS 100 Crore for reinsurance companies.

Twenty six percent cap on foreign equity,including foreign instituitional investors.Indian promoters are also required to bring down their equity holding to 26 percent after a period of Ten years from the commencement of business.

Obligation of insurance in respect of rural and unorganised sector and backward classes and penalty for failure to comply with the provisions.Specifying percentage of life insurance business and general insurance business to be undertaken by the insurer in the rural or social sector.

The liberalization of insurance sector in year 2000 opened the sector to greater private participation from domestic as well as foreign players.In the year 2000,10 privete companies entered the insurance market.At present there are 24 life companies and 28 general insurance companies are operating in India.Liberalization of insurance sector has also been associated with rapid expansion of the insurance sector.in the life segment,gross insurance premium have increased from less than Rs 35000 Crore in 200-01 to 366943.23Crore in 2015-16.First year premium in the life segment increased from Rupees 12000 Crore in 2002-03 to nearly 138862.30 Crore in 2015-16.The growth was almost 20 percent every year.

A decomposition of this growth story shows that the private sector has grown at a much faster rate than the public sectorand the increase in the share of the former has come at the expense of the latter.in 2002-03 LIC was responsible for nearly 93 percent of first year premiums.However it witnessed a strong decline in its monopoly over the following years,LIC accounted for only 76 percent of RS 40000 Crore earned as first year premiums.in 2015-16 it was .Similarly in nonlife segment also the market share of public sector companies fell to below 50 percent.

In the Indian Insurance sector ,EuropeanUnion firms corner a dominant position.Though more than 67per cent of the insurance market is captured by the public sector LIC,joint venturs with EU companies have cornered nearly 80 percent of the remaining market.Between April and October 2007,joint ventures with partners from the EU accounted for Rupees 9500 Croreof Insurance premium.Of this more than 50 percent was from joint ventures with UK Companies,includind HDFC standard Life,ICICI prudential and Dabur CGU life insurance.Other important EU countries with whichIndian companies has setup business include Germany (Bajaj Allianz).the Netherlands(ING Vyasa)and France (SBI LIfeinsurance).Other major players in the Indian Life Insurance market include the USA and Australia.

Similarly in the Non Life Insurance sector in India,EU companies have cornered more than 11 percent of the share.The dominant EU player in Non Life Insurance is Germany(HDFC Chubb General Insurance) followed by the UK(Royal SundaramAlliance Insurance.Other major foreign countries in the Indian Non Life Insurance market include the USA,JAPAN and CANADA.Within the Insurance sector,India allowed foreign insurers to insure goods in transit to and from India.Foreign Reinsurers were also allowed to take Reinsurance but only that part of the risk that was left as residual after *statutory placements domestically with Indian Insurance Companies.This part of the Reinsurance could be placed with Foreign Insurers through* overseas brokers.These brokers were also allowed to have resident representatives and representative offices to procure reinsurance business from Indian Companies.However, these representatives and offices were not allowed to undertake any other activity in India and their expenses were to be entirely met by remittances from abroad.

In the Insurance sector ,increasing the FDI investment limit to 49 percent over the next few years will allow greater infusion of Capital,introduction of new instruments,market expansion and deeper penetration of Insurance services.Though insurance sector grew quite rapidly after being opened to Private and Foreign players in the year .populace,there is strong potential for growth in the sector.However the sector suffersfrom certain disadvantages that need to be overcome.In my opinion the key reforms in the insurance sector include the following:

1)Provide diverse products and rates as per the customers needs the products should be tailored.

2)Increase FDI cap.Given that 80 percent of the Indian population were without any form of Insurance coverage.But due to Jan Dhan Yojana now more persons have been covered by Insurance with using Banking channel.

Increasing the cap on foreign ownership on Insurance companies from 26 percent to 49 percent is a viable option.This would enable joint ventures to gain access to the Capital they need to maintain and expand their operations,and acquire enhanced management and consumer marketing skills.Liberalise portfolios in the Life Insurance segment.The Investment regulations must conform to current realities and be framed in a manner that maximizes the ability of the Insurance companies to optimally manage their portfolios and be free to invest in emerging instruments and derivative products. Greater premium income.FDI restrictions in the Reinsurance sector should be removed and foreign reinsurance companies should be allowed to setup their representative offices and operate in India through a network of branches and divisions.Increased liberalization should be followed with adequate supervision related to disclosure norms,liquidity conditions and other performance indicators.Reinsurance Group of America(RGA) has got the initial approval to setup a branch in India.

Foreign Direct Investment (FDI)plays a very important role in the development of the nation.For the development of underdeveloped and developing nations,investment from foreign countries invited to invest because these countries have limited resources.FDI provides the base and pre-requisite for the growth and development of the country.Economic growth of India can be remarkably boosted by bringing in more investment.This study will find out that how the FDI in Insurance sector has improved the GDP growth and thus improved the condition of Indian Economy by Increasing Insurance penetration,by increasing Insurance density and providing Agricultural Insurance,Health Insurance and several types of Insurance and increasing the competition in Insurance market.

The purpose of this study is to find out that how the FDI in Insurance will improve the condition of Indian Economy.

The liberalization of Insurance sector in the year 2000 opened the sector to greater private participation from domestic as well as foreign players.Liberalization has also been associated with rapid expansion of the Insurance sector.In the life segment,gross insurance premiums have increased from less than RS 35000 Crore in 2000-01 to wellover 106000 Crore in 2005-06.First-year premiums in the life segment increased from RS 12000Crore in 2002-03 to nearly RS 40000 Crore in 2006-07.The non-life segment is much smaller but has still witnessed impressive growth in the past Five years.Gross premium in this sector increased from RS 14000 Crore in 2002-03 to over RS 25000 Crore in 2006-07,growing by almost 20 percent every year.

A decomposition of this growth story shows that the private sector has grown at a much faster rate than the public sector and the increase in the share of the former has come at the expense of the latter.In 2002-03 LIC was responsible for nearly 93 percent of first-year premiums.However,it witnessed a strong decline in its monopoly over the next four years and by 2006-07,LIC accounted for only 76 % of RS 40000 Crore earned as first-year premiums.The loss in the share of the public sector undertaking was the result of several private sector companies like Bajaj Allianz,SBI Life and ICICI Prudential increasing their share several fold,as well as the entry of a number of new players like Shriram Life,Sahara Life and Reliance Life in the Life segment.

A similar trend was observed in the non-life insurance segment.In 2002-03 the four public sector companies cornered more than 90% of the total market.However,by 2006-07,their share fell to below 75%.Again this was accomplished by the rapid growth of several private sector companies.The fastes growing private sector companies in this segment included Bajaj Allianz,ICICI Lombard and IFFCO-Tokio.Among the public sector companies,while New India Assurance continued to remain the market leader,its share declined from28.26% in 2002-03 to 23.45% in 2006-07.

II. Review of Literature

Saini A.,Law S.H.,Ahmad A.H.(2010,"FDI and economic growth:New evidence on the role of financial markets", it was proved that the positive impact of FDI on growth "kicks in" only after financial market development exceeds a threshold level. Until then, the benefit of FDI is non-existent. Singh J.(2010),"Economic Reforms and Foreign Direct Investment in India: Policy, Trends and Patterns", in the context of increasing competition among nations and subnational entities to attract Foreign Direct Investment(FDI),the present paper tries to analyze the emerging trends and patterns of FDI inflows into India in response to various policy measures announced by the Government of India since mid-1980 and later. The empirical analysis tends to suggest that the FDI inflows, in general, show an increasing trend during the post reform period. Furthermore, country wise comparison of FDI inflow into India has increased considerably in comparison to other developing economies in the recent years. Thus, the study indicates that the FDI inflows into India responded positively to the liberalization measures introduced in the early 1990s.

Sarkar S.,Lal Y.C.(2010),"Foreign Direct Investment, Spillovers and output Dispersion-The case of India", data suggest that foreign investment affects the firms output positively and significantly and domestic firms are less productive in sectors with more foreign investment compared to those firms in sectors with relatively small foreign direct investment is present.

Kumar G.L.,Karthika S.(2010)"Sectoral Performance Through Inflows of Foreign Direct Investment(FDI)"the study revealed that Foreign Direct Investment has a major role to play in the economic development of the host country. Most of the countries have been making use of foreign investment and foreign technology to accelerate the place of their economic growth. Over the years, foreign direct investment has helped the economies of the host countries to obtain a launching pad from where they can make further improvements. Any forms of foreign direct investment pumps in a lot of capital knowledge and technological resources into the economy of the country. This helps in taking the particular host economy ahead.FDI ensures a huge amount of domestic capital, production level and employment opportunities in the developing countries, which a major step towards the economic growth of the country. Using a process framework this paper examines Foreign Direct Investment inflow into India and share of top ten investing countries flow into India. Syed Zia A.R.,(2009),"The Impact of Foreign Direct Investment on Employment Opportunities: Panel Data Analysis: Empirical Evidence from Pakistan, India and China"

It was found that there is a long term relationship between FDI and employment opportunities. Foreign Direct Investment popularly known by its acronym FDI is a key component in global economic integration.FDI is a form of cross-border investment with the objective of establishing a lasting interest that a resident enterprise based in one country might have in an enterprise operating in another country. Lasting interest implies a significant degree of influence on the management of the enterprise along with building up a long term rapport between the direct investor and the direct investment enterprise. According to the organization for economic co-operation and development (OECD) ownership of 10% of the voting power by the foreign investor is an evidence of such a relationship. FDIs can be achieved by one of two strategies; the first strategy is for the company to set up new factories and plants from the ground up. This method is called a "Greenfield investment". Companies like Mcdonald's and Starbucks tend to use the Greenfield approach when expanding overseas. The second FDI strategy is through cross border merges and acquisitions that involve acquiring an existing foreign enterprise in the country of interest. This method is called "brownfield investment". An example of brownfield investment occurred in 2008, when the Indian truck company Tata motors acquired Land Rover and Jaguar from Ford. Tata Motors didn't have to build those factories from scratch. Irda chairman T.S.Vijayan said that the percentage of FDI in the Insurance sector was not as much relevant in the Indian context as the marketing of the products and the need for the professionals who could drive the industry on a higher growth trajectory.

FDI in Insurance is being debated much more prominently than the similar proposals in strategic sectors like defense as if bringing capital is going to solve all the problems faced by the industry."It is the purpose of the capital that is important and not the capital itself. some even hold the view that we don't need capital at all. For instance the Government of India gave rupees 5 Crores capital to the life insurance corporation for the purpose of collecting dividend." However, SRI Vijayan said that the Indian Insurance sector was attracting lots of investors, which was good for the trained people to seek a career in the sector. Sri Vijayan said there were some good initiatives such as sale of insurance products on the common service Centre (CSC)platform but the numbers were not forthcoming. Implying the necessity of a marketing drive, rather than the money, to make it successful. He also suggested that the industry needed to focus on devising customized products for people whose income levels are higher while keeping generic products for the entry level customers. Bringing down health costs to make health insurance affordable, focus on disaster management, climate change and the agriculture sector are some of the new focus areas of the regulator, according to him.

National stock exchange(NSE)MD and CEO Chitra Ramakrishna, who was chief guest at the function, said heightened risk in business in the past five years was in fact an opportunity for the Insurance sector.

Insurers need funds to maintain healthy capital base, offer a wider bouquet of products, protect consumer's interests against insolvency and deepen insurance penetration in India.

"The insurance sector is investment-starved. several segments need an expansion, "FM Arun Jaitly said.Jaitley pointed out that rising cost of hospitalization demonstrate the need for increasing insurance penetration in India,for which companies need additional capital.

India's private insurance industry need an estimated $6 billion(RS 36000Crore) of additional capitalover the next five years.

Life insurance penetration,defined as the ratio of premium underwritten in a given year to the GDP,is about 3.17% of GDP in India,lower than more than 10% in Japan and about 6% in Australia.Of the 24 Life insurance companies in India,only 17 reported profits in the last fiscal.

A higher FDI cap in the insurance sector will also automatically ease FDI norms in the Pension Sector.The pension funds Regulatory Development Authority Act,enacted last year,stipulates that foreign investment ceiling in the pension sector should be identical to the insurance sector.The move of increasing FDI limit to 49% shouls bring in much required long-term capital for the sector,It will also bring in domain capital which is of critical importance in this phase of growth of the life insurance industry"Rajesh Sud,CEO and MD life ins Max said.

Source:Economic Times September 2014

The cabinet committee on economic affairs headed by PM Sri N.Modi has approved the limit of FDI in Insurance sector to 49% from the existing 26%.The cabinet has cleared the FDI limit in insurance companies through FIPB routewhich necessitates the management control with the Indian promoters.this was along due reform which the Modi Government has undertaken and is surely bond to benefit the insurance sector..

Six key benefits of increased FDI limit in Insurance sector:

Increased Insurance Penetration:-with the population of more than 100 crores,India requires Insurance more than any other nation.However,the Insurance penetration in the country is only 3% of our GDP with respect to overall premiums underwritten annually.This is far less as compared to Japan which which has an Insurance penetration of more than 10%.Increased FDI limit will also allow the new players to come in,thereby enabling more people to buy life cover.

Level Playing Field:-with the increase in FDI to 49% the insurance companies will get the level playing field.so far the state owned LICI controls around 70% of Life insurance market.,

Increased Capital Flow:-most of the private sector insurance companies have been making considerable losses.The Increased FDI limit has brought some much needed relief to these firms as the inflow of more than 10000Crore is expected in the near term,depending on how things pan out.

Job Creation:-with more money coming in the Insurance companies will be able to create more jobs to meet their targets of venturing into under Insured markets through improved infrastructure,better operations and more man power.

Favourable to Pension sector:-If the pension bill is passed in the parliament then the FDI in the pension funds will also be raised to 49%.this is because the Pension Fund Regulatory Development bill links the FDI limitr in the pension sector to the insurance sector.

Consumer Friendly:-the end beneficiary of this amendment will be common men.with more players in this sector,there is bound to be stringent competition leading to competitive quotes,improved services and better claimsettlement ratio.

Prakash Javdekar BJP spokesperson and member of the public accounts committee "If we allow Foreign Direct Investment in the Insurance sector,will it guarantee that foreign companies will go to rural areas or in smaller cities?''

The Governments proposal in the present form lacks safeguard and it can not be allowed in the present form.The Insurance bill is still being examined and there are many valid concerns.The collective wisdom of politicians may bring in some proper measures in the insurance bill.It is not politics but the concern for the peoples money is being discussed so the main motto of this discussion is that the people must not suffer for the Investment being made on their hard earned money.

When we talk about allowing more FDI in the insurance sector,we must keep in mind our experience after the 2008 slowdown that affected every country,including India.Raising the FDI limit from 26 to 49% in the Insurance sector is a substantial increase.These are Foreign companies we are talking about and we donot want them to start reducing their investment if there is a financial slowdown again .There are many areas where 100% FDI limit is allowed but still then the capital investment is not coming.we need to put in several riders before allowing 49% FDI in Insurance sector because Investors might lose their money.

The health sector in india is already worrisome and if we allow FDI in the Insurance sector,will it guarantee that foreign companies will go to rural areas or in smaller cities?There is no target given to them that they have to go to rural areas.These companies would compete with the state run LIC and General Insurance Corporation.There are issues related to claimed settlement and the performance of foreign companies is dismal compared with General Insurance.people sometimes don't get their clime settlement.If the government want to improve acess to better medical care in rural areas and small towns then it has to come up with long term plans for the people so that people get timely and affordable health care.

"Foreign Capital would come with deeper expertise in products,better underwriting skills and superior technology transfer to India."said Amitabh Choudhury (MD&CEO,HDFC Life)

Any discussion on increasing FDI in India is contentious and prone to rhetoric.More so in a sector like Insurance,which is the only industry that provides solutions for long term savings in India,is also expected to provide stability to the financial markets and to provide a buffer against external shocks.Wouldn,t we be exposing our fledging economy to unwarranted rosks by increasing foreign participation to the Insurance sector?It is a common Question,so like every thing in life,there are advantages to a certain course of action,there are risks and there,s a way to make an informed decision.The only course that has no risk is inaction.

And Inaction is not affordable.

The case for an increase in the FDI cap in the Indian Insurance sector from the current 26% to 49% is compelling.Let us appreciate the opening up of the Insurance sector during the period from year 2000 has done for the economy.In the life insurance industry,the last decade has seen a ten fold increase in the number of lives insured,a six time increase in the number of branches and over ten million lives insured in the rural sector.The achievements were unthinkable when the journey started.LIC,the public sector monopoly,took the competition head on with competitive products and improved customer service and has taught the private players in the process onr or two tricks.It is affine example of what liberalization can achieve--- increase market penetration,promote competition,deliver better service and ensure that a monopoly player raises its game and in the process,helps the industry and its consumers.These have been achieved in a well regulated environment driven by the IRDA.This has ensured that the sector Has not been exposed to syatemic risks.But there is a small hitch because most of the Pvt players have accumulated losses during the period.This is not on account of only inefficiencies in the insurance sector. Insurance is a long term business and the break- even takes a decade or so.So, far from the bogey of "plundering India,s wealth"Private promoters(Indian & Foreign) have infused a huge amount of Capital(Approx RS 30000Crore)to build this sector. And despite all of this,we are stll a hugely underinsured country.Insurance is a vital service in a growing economy that helps calibrated risk taking by individuals and enterprises.But still have huge swathes of uninsured or underinsured across the country.It takes capital to reach them,educate them and design innovate products and services that will cover them from exigencies.This capital isn,t easy to generate anymore from domestic sources,especially when we consider the accumulated losses that the Industry has made.We need foreign capital and we need long term capital to unleash a second wave of insurance distribution to the social sectors that really need them.foreign capital would also come with deeper expertise in products,better underwriting skills and superior technology transfer to india.Also from a short term perspective,at a time when there is a net out flow of capital,a move like this will help reverse the flow and improve sentiments.Also our government made an implicit commitment to open up the sector to Increased foreign participation.Our inability to do so does not reflect well on the country.

We should balance these benefits with the potential risks to which we might be subjecting ourselves on account of increase in the FDIcap.The regulator has been working hard to ensure the interest of policy holders and the systemic risk in the insurance sector is managed well.we can see that the regulators,the government and the players fully capable of drawing up a framework to manage them.baring ideological obstructions we can manage the risks and draw the advantages that an increase in cap can bring to the peoples of this country.we see more risks in not increasing the cap to 49% than in increasing it.

Bhattacharyya Jita, Bhattacharyya Mousumi (2012), "Impact of Foreign Direct Investment and Merchandise and Services Trade of the Economic growth in India: an Empirical study" , the study revealed that there was a long term relationship between FDI, merchandise, service trade and economic growth of India. Bi-directional causality is observed between merchandise trade and economic growth, services trade and economic growth. Unidirectional causality is observed from FDI to economic growth and FDI to merchandise trade. A unidirectional causality is also observed from merchandise trade to services trade.

Abdul A., Morris R. (2011), "Ease of doing business and FDI inflow to Sub-Saharan Africa and Asian countries"

The study found that two factors, "registering property" and "trading across borders", were found to be related to FDI over all six years of the study (2000-2005) for the combined sample. Also, several factors were found to be related to FDI received by SSA and Asian countries during various years.

Singh S., Singh M. (2011), "Trends and prospects of FDI in India"

This study investigates the trend of FDI inflow to India, during 1970-2007 using time series data. This paper aims to study the reasons behind the fluctuations of the FDI inflow in India and to search the cause that is responsible for the fluctuations of the trends of FDI.

Singh Y., Bhatnagar A. (2011), "FDI in India and China; A comparative analysis"

The study found that both enjoys healthy rates of economic growth but FDI inflow in china is higher than India.

Agarwal G., Khan M. A. (2011), "Impact of FDI on GDP: A Comparative Study of China and India", the study found that 1% increase in FDI would result in 0.07%

Increase in GDP of China and 0.02% increase in GDP of India. We also found that China‟s growth is more affected by FDI, than India‟s growth.

Saini A., Law S. H., Ahmad A. H. (2010), "FDI and economic growth: New evidence on the role of financial markets", it was proved that the positive impact of FDI on growth "kicks in" only after financial market development exceeds a threshold level. Until then, the benefit of FDI is non-existent.

Gubbi S. R., Aulak P. S., Ray S., Sarkar M. B., Chittoor R. (2010), "Do international acquisitions by emerging-economy firms create shareholder value? The case of Indian firms" found that the international acquisitions facilitate internalization of tangible and intangible resources that are both difficult to trade through market transactions and take time to develop internally, thus constituting an important strategic lever of value creation for emerging-economy firms. An event study of 425 cross-border acquisitions by Indian firms during 2000-2007 supports our predictions.

Singh J. (2010), "Economic Reforms and Foreign Direct Investment in India: Policy, Trends and Patterns", in the context of increasing competition among nations and sub-national entities to attract Foreign Direct Investment (FDI), the present paper tries to analyze the emerging trends and patterns of FDI inflows into India in response to various policy measures announced by the Government of India since mid-1980 and later. The empirical analysis tends to suggest that the FDI inflows, in general, show an increasing trend during the post-reform period. Furthermore, country-wise comparison of FDI **inflow also indicates that FDI inflow into** India has increased considerably in comparison to other developing economies in the recent years. Thus, the study indicates that the FDI inflows into India responded positively to the liberalization measures introduced in the early 1990s.

Chee Y. L., Nair M. (2010), "The Impact of FDI and Financial Sector Development on Economic Growth: Empirical Evidence from Asia and Oceania"

The empirical analysis showed that financial sector development enhances the contribution of FDI on economic growth in the region. It also showed that the complementary role of FDI and financial sector development on economic growth is most important for least developed economies in the region. Key strategies to enhance the role of FDI and financial development on economic growth in developing and least developed Asia and Oceania countries are also discussed in the paper.

Sarkar S., Lai Y. C. (2010), "Foreign Direct Investment, Spillovers and Output Dispersion - The Case of India", data suggest that foreign investment affects the firms" output positively and significantly and domestic firms are less productive in sectors with more foreign investment compared to those firms in sectors with relatively small foreign direct investment is present.

John W. (2010), "China's FDI and non-FDI economies and the sustainability of future high Chinese growth" , this study found that foreign Invested Enterprises (FIEs), enterprises account for over 50% of China's exports and 60% of China's imports. Their share in Chinese GDP has been over 20% in the last two years, but they employ only 3% of the workforce, since their average labor productivity exceeds that of Non-FIEs by around 9:1. Their production is more heavily for export rather than the domestic market because FIEs provide access to both distribution systems abroad and product design for export markets. China's FIEs may have contributed over 40% of China's economic growth in 2003 and 2004, and without this inward FDI, China's overall GDP growth rate could have been around 3.4 percentage points lower

Kumar G. L., Karthika S. (2010) "Sectoral Performance Through Inflows of Foreign Direct Investment (FDI)", the study revealed that Foreign Direct Investment has a major role to play in the economic development of the host country. Most of the countries have been making use of foreign investment and foreign technology to accelerate the place of their economic growth. Over the years, foreign direct investment has helped the economies of the host countries to obtain a launching pad from where they can make further improvements. Any forms of foreign direct investment pumps in a lot of capital knowledge and technological resources into the economy of the country. This helps in taking the particular host economy ahead. FDI ensures a huge amount of domestic capital, production level and employment opportunities in the developing countries, which a major step towards the economic growth of the country. Using a process framework this paper examines Foreign Direct Investment inflow into to India and share of top ten investing countries flow into India.

Singh, Shikha (2009), "Foreign Direct Investment (FDI) and Growth of States of India" This study stated that foreign direct investment (FDI) policies play a major role in the economic growth of developing countries around the world. Attracting FDI inflows with conductive policies has therefore become a key battleground in the emerging markets. The prospect of new growth opportunities and outsized profits encourages large capital inflows across a range of industry and opportunity types. And this has led to competition among the states in formulating flexible policies and providing incentives to woo private investors to invest more and more. In the light of the above the paper highlights the trend of FDI in India after the economic reforms, sector-wise and country-wise share of FDI, the manner in which FDI has effected the growth of Indian states. Various factors which play a significant role in attracting FDI into a particular state are also examined. Efforts made by the state governments in order to attract maximum FDI are also studied.

Banga, Rashmi (2009), "Impact of Government Policies and Investment Agreements on FDI Inflows" revealed that the impact of fiscal incentives offered, removal of restrictions and signing of bilateral and regional investment agreements with developed and developing countries on FDI inflows. Fiscal incentives do not have any significant impact on aggregate FDI, but removal of restrictions attracts aggregate FDI. However, FDI from developed and developing countries are attracted to different selective policies.

Acharyya J. (2009), "FDI, GROWTH AND THE ENVIRONMENT: EVIDENCE FROM INDIA ON CO2 EMISSION DURING THE LAST TWO DECADES"

shown that long run positive, but marginal, impact of FDI inflow on GDP growth in India during 1980-2003.

On the other hand, the long run growth impact of FDI inflow on CO_2 emissions is quite large. The actual impact on the environment, however, may be larger because CO_2 emission is one of the many pollutants generated by economic activities.

Syed Zia A. R., (2009), "The Impact of Foreign Direct Investment on Employment Opportunities: Panel Data Analysis: Empirical Evidence from Pakistan, India and China"

It was found that there is along term relationship between FDI and employment opportunities.

Keshava, Dr. S.R. Rathnamma (2008), The Effect of FDI on India and Chinese Economy: A Comparative Analysis: stated that India and China are the two emerging economic giants of the developing world, both situated in Asia with 37% of world population (Asian Development Outlook2005) and with more than 9% growth in their respective GDP of their economies (World Development Report 2006). China got independence in 1949, after 2 years of India's political Independence (1947), but today, China has surged far ahead of India in socio-economic development indicators. The FDI in India is just 3.4% of FDI flows as a percentage of Gross Fixed Capital Formation in India by 2004 and 5.9% of FDI stocks as a percentage of GDP by 2004, whereas in China it was 8.2% of FDI flows as a percentage of Gross Fixed Capital Formation and 34.9% of FDI stocks as a percentage of GDP during the same year.

In order to estimate the effect of FDI on economic growth the model formed is Y = A X1 a X2 b X3 y X4 x. The 't' ratio for the constant (a), GDI(x1), HC (x3), LF (x4) all are greater than two implying the strong significance of these variables on the GDP, but FDI is showing positive, but not relatively significant effect on GDP. The R^2 for the model as a whole is 0.93, the F value is significantly high revealing the significance of the fitness of the model. The D-W Statistics for the model is 1.825 revealing, the problem of auto-correlation has been fairly solved. The model shows that 1 percent increase in GDI leads to increase in GDP by all most 0.5 percent. The 1% increase in FDI brings about an increase in GDP by 0.12 percent. The coefficient for human capital is 0.34 percent and that of the labour force is 0.7 percent. Thus GDI and HC significantly affect the GDP. However the coefficient of FDI though not significant as other variables in the study, is positive.

Kumar N. (2007), "Emerging TNCs: trends, patterns and determinants of outward FDI by Indian enterprises" investigated that the sharp rise in OFDI since 1991 has been accompanied by a shift in the geographical and sectoral focus of Indian investments. Enterprises that are already engaged in exporting are more likely to be outward investors. Finally, policy liberalization of the 1990s has encouraged Indian enterprises to venture abroad.

Banga R. (2006), "The export-diversifying impact of Japanese and US foreign direct investments in the Indian manufacturing sector"

The paper highlighted the export-diversifying impact of foreign direct investment (FDI) in a developing country. FDI may lead to export diversification in the host country if it positively affects the export intensity of industries that have a low share in world exports. Indirectly, FDI may encourage export diversification through spillover effects: that is, the presence of FDI in an industry may increase the export intensity of domestic firms. The empirical results for the Indian economy in the post-liberalisation period show that FDI from the US has led to diversification of India's exports, both directly and indirectly. However, Japanese FDI has had no significant impact on India's exports.

Kamalakanthan, Abby and Laurenceson, James (2005) How Important is Foreign Capital to Income Growth in China and India?

The picture often painted is that foreign capital inflows in China and India are prominently linked to rapid growth at the national level, and contribute to widening income disparities at the provincial/state level. In this paper we revisit Krugman's (1993) contention that foreign capital can hardly be considered an important income growth driver, when in most developing countries it only accounts for a fractional share of gross capital formation. In the case of contemporary China and India, the data suggests that Krugman's critique holds largely true, even in the coastal regions that are considered magnets for foreign investment. Thus, domestic factors, rather than the driving forces of globalization, appear to be the more important determinants of income growth in both countries.

Pradhan, Prakash J., Abraham, Vinoj and Sahoo, Kumar M. (2004), "Foreign Direct Investment and Labour: The Case of Indian Manufacturing" shown that This paper makes an attempt to evaluate the employment and wage effects of FDI in Indian manufacturing. The findings suggest that foreign firms do not have any adverse effects on the manufacturing employment in India as compared to their domestic counterparts while they significantly pay relatively higher to their workers. Therefore this study tends to imply that labour in fact had benefited from foreign investment in India Srivastava S. (2004), "Competing for Global FDI: Opportunities and Challenges for the Indian Economy" investigated that impact on FDI inflows to India as a result of increasing competition from another major emerging market economy, i.e., China, in the wake of its accession to the WTO.

Blomstorm M., Koko A. (2003), "The Economics of Foreign Direct Investment Incentives" stated that the use of investment incentives focusing exclusively on foreign firms, although motivated in some cases from a theoretical point of view, is generally not an efficient way to raise national welfare. The main reason is that the strongest theoretical motive for financial subsidies to inward FDI spillovers of foreign technology and skills to local industry is not an automatic consequence of foreign investment.

Blomstorm M., Koko A. (2003), "Human Capital and Inward FDI" the study was conducted to examine the nature of skills provided by FDI, and ways in which training institutions, business schools, for example, can complement in-service training by firms in FDI host countries.

Bhaumik S. K. (2003), "Survey of FDI in India", this research project explores the relation between institutions in emerging markets and the entry strategies chosen by foreign direct investors. The merits of alternative strategies from investors‟ perspective as well as the impact on the host economy are investigated. For this purpose, FDI strategies are investigated and compared in four important emerging markets India, Egypt, South Africa and Vietnam.

Kathuria V. (2002), "Liberalisation, FDI, and productivity spillovers—an analysis of Indian manufacturing firms" The results shown that after liberalisation, the productivity of Indian industry, especially the foreign owned firms, has improved. The econometric results suggested that only „scientific‟ non-FDI firms have benefited from the liberalisation. For the „non-scientific‟ firms, the impact is found to be productivity depressing. With respect to spillovers, only those domestic firms, which invested in R&D to decode the spilled knowledge, could benefit.

Chakraborty C. (2002), "Foreign direct investment and growth in India: a cointegration approach" VECM model revealed three important features: (a) GDP in India is not Granger caused by FDI; the causality runs more from GDP to FDI; (b) trade liberalization policy of the Indian government had some positive short run impact on the FDI flow; and (c) FDI tends to lower the unit labour cost suggesting that FDI in India is labour displacing.

M.M. Metwally, (2004) "Impact of EU FDI on economic growth in Middle Eastern countries", developed the simultaneous equations model which suggested that higher rates of economic growth result in a greater inflow of foreign capital. The regression results also suggest that interest rate differentials exert a much stronger effect than economic growth on the attraction of foreign capital in the case of Egypt. However, this variable does not seem to play a significant role in the case of Oman. Moreover, the simultaneous equations model results suggest that there is a feedback effect in the relationship between economic growth and capital inflow in all sample countries. A greater inflow of foreign capital leads to growth in the exports of good and services. The expansion in exports leads to growth in gross national product that, in turn, encourages the attraction of more foreign capital.

Pradhan J. P. (2004), "The determinants of outward foreign direct investment: a firm-level analysis of Indian manufacturing", found that several firm-specific characteristics such as age, size, R&D intensity, skill intensity and export orientation are observed to be important explanatory factors in the outward foreign direct investment (O-FDI) activity of Indian firms. The impact of age and size on O-FDI has been observed to be non-linear. The product differentiation activities and the productivity of firms are other useful factors in overseas production expansion in certain industries. The study reveals that the performance of these firm-specific variables is subject to sectoral dynamics. Internationalization of production activities of Indian firms has been observed to be partly fuelled by policy liberalization during the 1990s.

Pradhan, Prakash J. (2003), "Rise of service sector outward foreign direct investment from Indian economy: trends, patterns, and determinants" reviewed the recent trends and patterns and tries to identify determinants of such investment. As compared to the eighties, the character of service sector OFDI flows has gone through several transformations. In the seventies it is largely a phenomenon led by firms from hotels & restaurants, finance and marketing segments and is being directed at developing regions in overwhelming cases and is mostly minority owned. In contrast, during nineties it is predominantly led by the software segment of the service sector, locationally developed country oriented and is largely majority-owned ventures.

Chipalkatti N., Rishi M. (2001), "External Debt and Capital Flight in the Indian Economy" This paper estimates Indian capital flight at US $88 billion (in 1997 dollars) over the 1971-97 period, a sum that is roughly 20% of the US $448 billion real external debt disbursed to the country over the same time period. There is also evidence of a strong year-to-year correlation between debt inflows and flight-capital outflows.

Sharma K. (2000), "EXPORT GROWTH IN INDIA: HAS FDI PLAYED A ROLE?" Export supply is positively related to the domestic relative price of exports and higher domestic demand reduces export supply. Foreign investment appears to have statistically no significant impact on export performance although the coefficient of FDI has a positive sign.

Frank B., John B. (1997), "FDI AND TRADE: THE IRISH HOST-COUNTRY EXPERIENCE", this study was conducted in Irish manufacturing, the foreign sector accounts for about one half of employment and some 60% of gross output. The Irish experience therefore provides us with a textbook case study of the effects on an EU host economy of export-oriented FDI. We explore in this paper the structural changes induced by FDI and the effects of FDI on the determinants of growth in Ireland. We also consider some possible adverse effects that may be associated with such strong reliance on multinational investment.

Ganesh S. (1997), "Who Is Afraid of Foreign Firms? Current Trends in FDI in India" examined that paper examines whether foreign direct investment (FDI) is assuming a dimension which can threaten Indian industry. Data on FDI approvals in the post liberalisation period have been compared with data on capital formation by local industry during the same period. From an analysis of the current level of dominance by foreign firms, the likely impact of fresh FDI has been analysed and assessed at the sectoral level. The findings are likely to have relevance at least over the next five years. While the thrust of the paper is on whether there is a basis for the fear that foreign firms will gradually wipe out indigenous industry, some other issues related to FDI are also examined. These include trends in technical collaboration approvals (compared with FDI), sectoral levels of exports and trade balance and dividend outgo (compared with know-how and royalty payments).

Chen C. (1997), "The Location Determinants of Foreign Direct Investment in Developing Countries"

The study shows that countries with larger market size, faster economic growth, higher per capita income, a higher level of FDI stock and more liberalised trade policies represented by a higher degree of openness attracted relatively more FDI inflows, while higher efficiency wages and greater remoteness from the rest of the world deterred FDI inflows. The study also found that China's relative performance in attracting FDI inflow was only at a level moderately above average both among the developing countries and among the East and South-East Asian countries.

Nanad J., Delios A. (1996), "Competing globally: How Japanese MNCs have matched goals and strategies in India and China" stated that Japanese MNCs have established strong investment positions in the US, Europe and Asia. China has been a major recipient of Japanese foreign direct investment (FDI), while investment in India has grown much more slowly.

Kumar N. (1995), "Changing Character of Foreign Direct Investment From Developing Countries: Case Studies from Asia" highlighted another aspect of growing internationalisation of the world economy in the recent period viz., an increasing resort by developing country enterprises to direct investments abroad as a strategic tool for strengthening their competitiveness. The threat of losing markets in industrialised countries because of rising protectionism in the wake of formation of regional trading blocks has been responded to by making trade supporting and strategic asset seeking investments in major markets. The trend of shifting labour intensive production by newly industrialising economies to low wage developing countries helps the developing host countries to expand their manufactured exports.

Balasubramanyam.V.N and Vidya Mahambre (2003) concluded that FDI is a very good means for the transfer of technology and knowhow to the developing countries.Laura Alfaro (2003) finds that FDI flows into the different sectors of the economy (namely primary, manufacturing, and services) exert different effects on economic growth. FDI inflows into the primary sector tend to have a negative effect on growth, whereas FDI inflows in the manufacturing sector a positive one. Evidence from the foreign investments in the service sector is ambiguous. Sebastin Morris (2004) has discussed the determinants of FDI over the regions of a large economy like India. He argues that, for all investments it is the regions of metropolitan cities that attract the bulk of FDI. Peng Hu (2006) analyses various determinants that influence FDI inflows in India which include economic growth, domestic demand, currency stability, government policy and labour force availability against other countries that are attracting FDI inflows. Analyzing the new findings, it is observed that India has some competitive advantages in attracting FDI inflows, like a large pool of high quality labour force which is an absolute advantage of India against other developing countries like China and Mexico. Chandana Chakraborty and Peter Nunnenkamp (2008) said that booming foreign direct investment in post-reform India is widely believed to promote economic growth. Chew Ging Lee (2009) has pointed out that GDP per capita has a positive effect on FDI inflows in the long run. Krishna Chaitanya Vadlamannatia, Artur Tamazianb and Lokanandha Reddy Iralac (2009) analyses about the determinants of FDI in Asian economies. The determinants are analyzed under four heads, viz. economic and policy factors, socioeconomic factors, institutional factors and political factors. The findings in the baseline models show that poor socioeconomic conditions and labour-related issues are the major determinants. Shiralashetti.A.S and S.S.Huger (2009) have made a comparison of FDI inflows during pre and post liberalization period, country-wise, sector-wise and region-wise. Subash Sasidharan and Vinish Kathuria (2011) examine the relationship between FDI and R&D of the domestic firms in the post-liberalization regime. John Andreas32 (2004) in his work "The Effects of FDI Inflows on Host Country Economic Growth" discusses the potential of FDI inflows to affect host country economic growth. The paper argues that FDI should have a positive effect on economic growth as a result of technology spillovers and physical capital inflows. Performing both cross-section and panel data analysis on a dataset covering 90 countries during the period 1980 to 2002, the empirical part of the paper finds indications that FDI inflows enhance economic Growth in developing economies but not in developed economies. Basu P., Nayak N.C, Vani Archana (2007) in their paper "Foreign Direct Investment in India: Emerging Horizon", intends to study the qualitative shift in the FDI inflows in India in -depth in the last fourteen odd years as the bold new policy on economic front makes the country progress in both quantity and the way country attracted FDI. It reveals that the country is not only cost-effective but also hot destination for R&D activities. The study also reveals strong negative influence of corporate tax on FDI inflows and R.Anitha*Foreign Direct

Investment and Economic Growth in India, vol.1 issue 8, August 2012 though this is not an exhaustive survey of the literature that has gone into this area, we feel that it does provide analytical framework for enabling us to undertake the present study.

Balasundaram Maniam and Amitiava Chatterjee (1998) studied on the determinants of US foreign investment in India; tracing the growth of US FDI in India and the changing attitude of the Indian Government towards it as a part of the liberalization program. Nagesh Kumar (2001) concluded that the magnitudes of inflows have recorded impressive growth, as they are still at a small level compared to the country's potential. Balasubramanyam.V.N and Vidya Mahambre (2003) concluded that FDI is a very good means for the transfer of technology and knowhow to the developing countries. Birendra Kumar and Surya Dev (2003) with the data available in the Indian context showed that the increasing trend in the absolute wage of the worker does not deter the increasing flow of FDI. Laura Alfaro (2003) finds that FDI flows into the different sectors of the economy (namely primary, manufacturing, and services) exert different effects on economic growth. FDI inflows into the primary sector tend to have a negative effect on growth, whereas FDI inflows in the manufacturing sector a positive one. Evidence from the foreign investments in the service sector is ambiguous. Sebastin Morris (2004) has discussed the determinants of FDI over the regions of a large economy like India. He argues that, for all investments it is the regions of metropolitan cities that attract the bulk of FDI. Peng Hu (2006) analyses various determinants that influence FDI inflows in India which include economic growth, domestic demand, currency stability, government policy and labour force availability against other countries that are attracting FDI inflows. Analyzing the new findings, it is observed that India has some competitive advantages in attracting FDI inflows, like a large pool of high quality labour force which is an absolute advantage of India against other developing countries like China and Mexico. Chandana Chakraborty and Peter Nunnenkamp (2008) said that booming foreign direct investment in post-reform India is widely believed to promote economic growth. Chew Ging Lee (2009) has pointed out that GDP per capita has a positive effect on FDI inflows in the long run. Krishna Chaitanya Vadlamannatia, Artur Tamazianb and Lokanandha Reddy Iralac (2009) analyses about the determinants of FDI in Asian economies. The determinants are analyzed under four heads, viz. economic and policy factors, socioeconomic factors, institutional factors and political factors. The findings in the baseline models show that poor socioeconomic conditions and labour-related issues are the major determinants. Shiralashetti.A.S and S.S.Huger

(2009) have made a comparison of FDI inflows during pre and post liberalization period, country-wise, sector-wise and region-wise. Subash Sasidharan and Vinish Kathuria (2011) examine the relationship between FDI and R&D of the domestic firms in the post-liberalization regime.

Agarwal and Khan conducted the study on "Impact of FDI on GDP: A Comparative Study of China and India", the study found that 1% increase in FDI would result in

0.07%increase in GDP of China and 0.02% increase in GDP of India. We also found that China's growth is more affected by FDI, than India's growth.

Kumar and Karthika found out in their study on "Sectoral Performance through Inflows of Foreign Direct Investment (FDI)", that Foreign Direct Investment has a major role to play in the economic development of the host country. Most of the countries have been making use of foreign investment and foreign technology to accelerate the place of their economic growth. FDI ensures a huge amount of domestic capital, production level and employment opportunities in the developing countries, which a major step towards the economic growth of the country.

Balasubramanyam and Sapsford stated in their article "Does India need a lot more FDI" compared the levels of FDI inflows in India and China, and found that FDI in India is one tenth of that of china. The paper also concluded that India may not require increased FDI because of the structure and composition of India's manufacturing, service sectors and her endowments of human capital and the country is in a position to unbundle the FDI package effectively and rely on sources other than FDI for its capital requirements.

Bajpai and Jeffrey stated attempted the paper on "Foreign Direct Investment in India: Issues and Problems", to identify the issues and problems associated with India's current FDI regimes, and also the other associated factors responsible for India's unattractiveness as an investment location. Despite India offering a large domestic market, rule of law, low labour costs, and a well working democracy, her performance in attracting FDI flows have been far from satisfactory. The conclusion of the study is that a restricted FDI regime, high import tariffs, exit barriers for firms, stringent labor laws, poor quality infrastructure, centralized decision making processes, and a verylimited scale of export processing zones make India an unattractive investment location.

III. Research Methodology

Research methodology is a way to systematically solve the research problem. In the first group we include those methods which are concerned with the collection of data.The study carried out is analytical and empirical in nature in which it explores the relationship between the Inflows of FDI in Insurance and their impact on Indian economic growth. Further, in order to show the position of FDI in Insurance we selected different economic growth factors i.e., GDP, Stock Market, Export, Currency, Production, Foreign

Exchange Reserves, Interest Rate, Unemployment Rate.

Period of study:
The magnitude of FDI inflows is analyzed for a period from 1999 to 2014. The factors which influence the flow of FDI into the country is analyzed during post period i.e., 1999 to 2014.

Hypothesis:
The study has been taken up for the period from 1999 to 2014.
* Flow of FDI shows a positive trend over the period from 1999 to 2014.
* FDI has a positive impact on economic growth of the country.
Limitations of the study:
The various limitations of the study are:
At various stages, the basic objective of the study is suffered due to inadequacy of time series data from related agencies. There has also been a problem of sufficient homogenous data from different sources.

Impact of FDI Inflows in Insurance on the Indian Economy:

The impact of FDI on the Indian economy is hypotheses as per the economic factors the included in the analysis are GDP, Currency, Stock Market, Foreign Exchange Reserves, Interest Rate, Current Account, Exports, Imports, and Unemployment Rate are used to assess the relationship between these economic factors and FDI inflows India.

FDI has been considered as the most important phenomena for a country like India and also related to its economic development.Thus FDI in any sector will increase the development activity of the nation.we have many examples like China ,Malaysia who has 100% fdi and thus they have started dominating over the developed countries.India is a late entrant to this sector because initially Indian markets were open to the whole world but after the Independence Indian Governments started adopting protectionism policy.In the history of Insurance we can see that since the year 1914 Indian Insurance companies were open to all but after the Independence and in 1956 the existing Life Insurance companies were amalgamated and in 1972 non life insurance companies were amalgamated.Thereafter only public sector companies were allowed and again from the year 2000 the insurance sector was opened .Therefore FDI assumes a lot of importance because it can influence many macro economic variables of a host country.FDI has impact on employment,prices,competition,balance of payments,economic growth etc.FDI represents one of the most important instruments through which a national economy can encourage technological transfer,Infrastructure development,Increase in employment and poverty reduction.FDI is now widely accepted because it is an important source for expediting the Industrial development of developing countries especially India because it brings capital,skill,technology and also market acess.In the present era of development no country can flourish individually without the inflow of foreign capital and technology.

In the present study"Impact of FDI in Insurance sector and its role towards improving the Indian economy" a brief study regarding the fdi flow in Life and NON Life Insurance sector has been examined and the major Impact on the efficiency and effectiveness due to FDI in Indian Insurance Industry has directly and Indirectly effected the various economic aspects of Indian population has been studied.Further we have also examined the issue of increasing the FDI equity limit to 49% and its Implications on the economic fronts.The data used for this study is extensively based on the secondary sources only.Mostly,numerical data for analysis and interpretation has been extracted from IRDA annual reports,FDI data cell,DIPP,Ministry of Commerce and Industry,New Delhi,Insurance Journal,Acturial magazines and insurance websites.In this study Inferences and relationship between FDI,economic reforms and economic growth in India has been drawn.The researcher has also examined the performances of life and non life insurance companies during the period from 1956 to the year 2015-16.Therefore inferences could be drawn about the Improvement of Indian economy due to FDI in Insurance Industry.Is it necessary to increase the FDI limit from 26 percent to 49 percent and further for the benefit and growth of Indian economy.

The role of FDI in the upgradation of technology,skills and Innovation is highly accepted.Public sector organisations have learnt and adopted the Innovative methods adopted by private Insurers.FDI in India assumed criticalimportance in the context of the economic reforms process initiated in 1991.The key objectives of the reforms were industrial and trade reforms.The reforms were accompanied by a rapid increase in inflow of FDI into Indian economy.India has made significant inroads in opening its economy since it joined the WTO in 1995.The size and potential of Indian market and also the highest number of young population in the world attracts Foreign investors to invest in India.It has been observed that since economic liberalization of the Indian economy,the foreign investment particularly FDI has tremendously increased.The pattern of FDI in terms of country wise ,statewise and sector wise has undergone a significant change since economic liberalization in India and has shown an increasing trend which has benefitted the whole economy inits growth and development.The researcher has also pointed out that in India a number of studies have been undertaken on FDI,but very few studies has been taken on Indian Insurance Industry thus this study is an attempt to analyze in detail the implications of FDI in the Indian Insurance sector besides suggesting some prudent measures to make this sector vibrant and efficient so as to contribute significantly for the growth and development of Indian economy.

Since nationalization of the Insurance industry the Insurance industry has played a major role for a balance development of the Indian economy.The industry contributes to GDP and acts as a catalyst to accelerate the growth of the economy.The Investment patern of insurance industry is always towards the improvement of social sectors and Infrastructure developments.Municipalities,Indian Railways,Electricity boards,Highways are exmples of funding by Insurance companies.Insurance companies generate funds out of insurance premium collected and help in uplifting the economy.The companies also provide jobs to Lakhs and generate dividends for the policyholders and shareholders.Major contribution of the sector lies in the kind of employment oportunity it has created in the last few years.At present the Indian economy is growing with 7 to 8 percent annually and fastest in the world after China.But lack of adequate infrastructure and Government policy can slow down the Indian economy.The country needs huge investment in building power plants,roads and ports to keep pace with the demand of rapidly growing economy.Therefore a well developed and evolved Insurance sector is needed for economic development as it provides long term funds for infrastructure development and at the same time strenthens the risk taking ability.The investments from Insurance sector can enable investment in infrastructure development to economic growth of the economy.Insurance companies are able to provide risk cover as well as long term debt and equity funds for Infrastructure projects.Therefore Insurance companies are the biggest source of long term development of Indian economy.

Due to the presence of many private insurance companies the Indian Insurace industry has in last sixteen years grown enormously and also boosted the performance of public sector insurance companies.Therefore this industry has shown positive signs in terms of insurance penetration,insurance density,increase in number of insurance companies,product improvement,increase in number of active policies,increase in number of agents and brokers and alternate channels of selling of insurance products.

Promoting efficiency in conduct of Insurance business:

Insurance Repositories:The Insurance Repository system is an initiative of the authority to dematerialize insurance policies.To achieve this objective,the Authority issued the guidelines on Insurance Repositories and electronic issuance of insurance policies In April,2011.The Authority granted certificates of registration to five entities to act as Insurance Repositories.The Authority has further issued" Guidelines on pilot launch of the insurance Repository system"for boosting the existing system and understanding the market trend.At present,there aretotal 989677e|A accounts created and a total of 617707 policies converted into electronic mode.

The list of approved Insurance Repositories as follows:

INSURANCE REPOSITORIES APPROVED:

1.National Insurance-policy Repository,NSDL Database Management Limited.

2.CDSL Insurance Repository Limited

3.CAMS Repository Services Limited,Chennai

4.Karvy Insurance Repository Limited,Hyderabad

Electronic Transaction Administration and Settlement System(ETASS):

The Electronic Transaction Administration and settlement System (ETASS)is a clearing house system that facilitates sharing of documents and accounting statements pertaining to the coinsurance and reinsurance transactions and is designed to aid easy reconciliation of inter entity balances.ETASS provides electronic functionality for automated negotiation,deal placement,binding of risks,documentation,accounting, reconciliation and settlement of balances,messaging,risk management etc.The ETASS system brings complete transparency into reinsurance and coinsurance operations while addressing the security and privacy needs of the members.

IRDAI had entrusted responsibility of developing and implementing the ETASS system to the General Insurance(GI)council.The GI council involved general Insurer during the development,testing and implementation of the ETASS.The GI council has been designated as the 'Administrator' and is entrusted with the responsibility of extending the ETASS system to support the needs of other lines of coinsurance business and later to reinsurance.

GROSS DIRECT PREMIUM INCOME IN INDIA:GRNERAL INSURERS
(A COMPARISON BETWEEN DIFFERENT INSURERS):

The premium underwritten by private sector insurers(including standalone health insurers)in 2016-17 was Rs 59663 crore as againstRs 43847 crore in 2015-16. ICICI Lombard continued to be the largest private general insurance company,with a market share of 8.37 percent in the current year.Bajaj Allianz,the second largest private sector general insurance company,which underwrote a total premium of Rs 7633 crore,reported a decrease in market share from 6.05 percent in 2015-16 to 5.96 percent during the year.All the 24 private insurers operating in the year 2016-17,reported an increase in premium underwritten for the year 2016-17.

In case of public sector general insurers,all the four companies expanded their business with an increase in premium collections.However,the market shares of all the public sector insurers decreased from those of previous year.The market share of oriental declined to 8.43 percent in 2016-17 from 8.63 percent in previous year, National Insurance declined to 11.1 percent in 2016-17 from 12.43 percent in the previous year,New India declined to 14.92 percent in 2016-17 from 15.72 percent in the previous year and United India Insurance declined to 12.54 percent in2016-17 from 12.71 percent in the previous year.

Growth in premium:General and Health Insurers(In Rs crore)

Insurer	2015-16	%growth	2016-17	%growth
Public sector Insurers	47690.68	12.08%	60218.36	26.27%
PrivateSector Insurers	39694.08	13.12%	53804.96	35.55%
Standalone Health Insurers	4152.66	41.12%	5857.83	41.06%
Specialized Insurer	4841.95	18.04%	8247.19	70.33%
Total	96379.37	13.81%	128128.34	32.94%

Table: 4

IV. Data Collection

Methods of data collection:

Collection of Primary data from the experimental research and surveys by using through observation or direct communication with respondents or through personal Interview. Inferences can be drawn from the surveys, observations and content analysis. Content analysis consists of analyzing the contents of documentary materials such as books, articles, magazines, newspapers, journals of different insurance institutes and the contents of all other verbal materials which can be either spoken or printed.

Collection of secondary data means data that are already available or the data which have already been collected and analyzed by someone else. usually published data are available in(a)various publications of the central governments and state governments.(b) various publications of International bodies and subsidiary organizations;(c)technical and trade journals;(d)books, magazines and newspapers;(e)reports and publications of various associations connected with business and Insurance industries, banks dealing with Insurance business, stock exchanges;(f)reports prepared by research scholars, Actuaries, Insurance institutes, economists;(g)public records and statistics, historical documents and other sources of published information. The sources of unpublished data may be found or available with labor bureaus, trade associations, scholars and research workers or other public/private individuals and organizations.

Case study method will be used, so that a descriptive study of the facts for a given social unit can be quantitatively evaluated.so that every possible aspects of FDI in Insurance and its effect on the Indian economy for the selected unit is analyzed.

The study will incorporate an exploratory approach in the phenomenon because it aims to determine the present facts as well as facts that are not yet explored about the phenomenon. Exploratory research will enable the study to look at the problem in both descriptive and exploratory manner. For this study the researcher will collect data from the secondary resources. The secondary sources will be reports of WTO,RBI reports, World Investment reports, World Bank reports, Publications of Insurance Institute of India, Institute of Actuaries of India, Institute of Actuaries (UK),Insurance Regulatory and Development Authority. Daily, Fortnightly, monthly, quarterly, half yearly and yearly reports of Insurance companies available with Intranet, Internet and different journals, reports etc.

The research will involve secondary data available in different resources as explained in the previous paragraph, from the time period of year 2000 to year 2014 and further.

Research analysis will be carried out by using Pie Charts, Bar Graphs, mean, median, percentage, inferential analysis techniques like t-test and trend analysis will be used to analyse the data and testing the hypotheses. Inference will be drawn between FDI increase and improvement in the Indian economy by using above techniques and statistical tools.

The Impact of Privatisation on the Indian Insurance Industry

The socio economic conditions of the population has been studied and further we have examined the living conditions and social conditions of the population have changed.Because their dependence on the family has decreased due to coverage of Insurance.The Importance and awareness of Insurance has Increased manifold.The private Insurance companies have made substantial contribution for the awareness of Insurance by using Innovative marketing strategies.Introduction of unit linked plans for various segment of the population was introduced by private Insurance players.Their has been improvement in servicing considerably.People became aware about Health Insurance,Agriculture Insurance and other customised products for savings,Tax planning and future planning for the family.The volume of business has increased.Due to privatisation more number of Private Insurers have entered into the market with a huge capital of Rupees 100Crores.And also the accumulated funds of different companies are necessarily Invested within India for the Infrastructure development of the country and huge sums are invested for the developments of the country.Due to privatisation of the Insurance sector more employment opportunities has been created.There was only one Reinsurance company the GIC was available but now more number of Reinsurance companies have shown Interest,Hence Large amount of Insurance coverage will increase.Technological advancement has been utilised for the various services of Insurance companies.Customer centric and customer friendly technologies are being implemented and also everyday technologies being updated for the benefit of customers.Most of the public sector companies are following the footsteps of private Insurers whether it is technology,product innovation,marketing,customer service or any other.The Public sector organisations lack professionalism because the recruitment policy and HRD policy of Public sector Insurance organisation is very old.There are lack of professional employees and there is no renumeration for the highly skilled Employees.In private sector insurance companies are being run by well experienced and highly qualified professionals.Even skilled employees of public sector insurance companies are resigning and joining private insurance companies bacause they are being renumerated as per their skills.Therefore privatisation has also opened the door for the competent and skilled Insurance professionals.Insurance education and awareness about insurance education has also created ample opportunities for unemployed youths and professionals so that they can earn a better living by choosing Insurance profession.

Impact of FDI:-

In order to generate sustained economic growth we need to have investments from outside sources therefore it will create new employment opportunities for the available work force.Hence financial investments are necessary through FDI route.FDI in a developing country has been most important as we could have easy access to foreign markets which connects the host country with Knowledge,Research and Development,Technology and Managerial practices.FDI is asubstitute for domestic credit because Foreign Investments can be utilised for the development of Indian economy.FDI and public investment spending have a positive and significant effect on private capital formation.Hecht etal(2004) explored that the interactions between domestic investments and various types of capital flows for 64 countries for the period 1976 to 1997.The findings show a significant impact of the domestic investment on FDI inflows in the economy of the host country.In terms of impact on domestic investment,FDI inflows were ranked highest,above the other types of capital inflows.Taking Korea as example for the period 1985 to 1999,KIM and SEO found that FDI has some positive effects on economic growth,they also found that economic growth is statistically significant and highly persistent effects on the future FDI inflows.Exploring the effects of FDI inflows on domestic investments,exports,imports and GDP growth from 1980 to 1999,XU and Wang(2007) found that inflow of FDI has stimulated domestic investment in Chinese economy.FDI produced positive effects on China's economy.In view of the increasing need for additional foreign capital to achievethe desired GDP level increase ,FDI is crucial for many developing countries.The literatures and operation on the determinants of FDI in developing countries clearly indicates the importance of infra structure,Skills,maroeconomic stability for attarcting FDI flows.The basic presumption that is found in the literature,which is based on the principles of neoclassical economics,is that FDI raises income and social welfare in the host country unless the optimum conditions are significantly distorted by protection,monopoly and externalities.

The economic effects of FDI can be classified as macro effects and micro effects.The macro effects of FDI is to treat it as a rise in foreign borrowings.If there is unemployment and Capital shortage(Example as in India)such borrowing leads to a rise in output and income in the host country.FDI in these conditions will have beneficial effects on Balace of Payment and an intermediate effect on trade.The micro effects of FDI pertain to structural changes in the economic and industrial organisation.Micro effects of FDI can be seen in the private Insurance companies.Therefore we can conclude that macro economic effect is connected with the issues of domestic capital formation,Balace of payments position and taking advantage of external markets for achieving faster growth.While the micro effects are connected with issues of cost reduction,product quality improvement,making changes in tecnologicla and management functions.With reference to the previous studies on the impact of FDI we can draw the following outlines:

Revenue generation: The multi national companies operating in the host country are paying taxes on their profit generation therefore such enterprises generates revenue for the government.”Foreign investment is not considered only as a stock of Capital but as something that provides modern technology,modern management practices,employment opportunities and new markets for innovative products produced in India”.Moreover,it is essential for the Indian economy.Because we have a gap between our savings and Investment rates.The gap can only be fiiled by FDI.

Technology upgradation:This is the most Important channel to bring foreign technology in the host economy.Due to Improved technology the developed country with more Research and Development activities are able to use higher mode of technology and it is believed that technology is the vital source of economic growth.Only by using latest technogy any business can grow rapidly

Provision of Capital:FDI contributes in filling the Investment gaps and thus spread the business by stimulating domestic investments.Therefore,it is arguable that the net impact of FDI on the quantum of capital flows to developing countries is usually positive because it leads to an increase in the flow of financial resources available for investment and therefore,can stimulate domestic investment by spreading the Insurance cover.

Growth of Employment:There is direct relation between investment and employment creation(Keynes,1936).FDI can create employment opportunities in the modern sectors of the developing economies.In general FDI is capable of raising employment directly by setting up new facilities and indirectly by stimulating the employment distribution.

Consumer benefit:Through FDI in the developing countries,consumers gain in the form of new products which may be improved in quality and quantity.Consumers are gifted with innovative services and variety.So they can have multiple benefits atn reduced prices.

Increase in productivity:It is obvious that due to FDI productivity is likely to rise to a new level which may be unexpectedly high and thus a boost to economic development.

V. Data Interpretation

After the Liberalization of Insurance sector the following data shows that due to competition there is a massive change in the business of Life Insurance Company-the biggest public sector Insurance company of India.

An overview of the Indian Insurance Sector due to FDI

The Insurance sector was opened for private participation with the enactment of the Insurance Regulatory and Development Authority Act,1999.Since opening up of the sector,the number of participants in the Industry has gone up from six insurers(including Life Insurance Corporation of India,four public sector general Insurers and General Insurance Corporation as the National Re-insurer) in the year 2000 to 53 insurers as on 31st March2016 are operating in the life,non life and reinsurance segments(including specialized insurers,viz,Export Credit Guarantee Corporation and Agriculture Insurance Company of India Limited(AICIL).Four of the General Insurance companies viz,Star Health and Alliance Insurance Company,Apollo Munich Health Insurance Company,Max Bupa Health Insurance Company and Religare Health Insurance Company function as standalone health insurance companies.Of the Twenty Four life insurance companies which have set up operations in the life segment post opening up of the sector,twenty one are in the joint venture with foreign partners.Of the Twenty one companies which have commenced operations in the non life segment,eighteen had been setup in collaboration with foreign partners.Thus,Thirty Nine Insurance companies in the Private Sector are operating in the country in collaboration with established foreign insurance companies from across the globe as on 31st March 2016.

	As on year 2000	As on 31-03-2016	As on 31-03-2016	
Total Numbers of Insurers	Public Sector	Private Sector	Public Sector	Totalno.of Insurance Companies
Life Insurers	1	23	11	24
General Insurers	4	18	4	22
Specialized Instituitions	-	-	2	2
Standalone Health Insurers	-	4	-	4
Reinsurer*	1	1	-	2

Table:5 *Six more reinsurance companies have shown interest

Insurance Performance Outlook Due to FDI:

Insurance Penetration or premium volume as a ratio of GDP,for the year 2012-13 stood at 3.96% for the Insurance sector.The Insurance penetration of the general insurance sector stood at 0.76% in 2012-13.Penetration of the life insurance sector stood at 3.17% during the same year,having declined from the peak of 4.60% in 2009.Insurance penetration in some of the emerging economies of Asia ie Malaysia,Thailand and China,in 2012 was 4.8%,5% and 3% respectively.

Insurance Density measured as the ratio of premium to population(per capita premium) for 2012-13 stood at US$ 53.2 for the Insurance Sector as a whole.The density in respect of the general Insurance sector has been increasing consistently reaching a peak of US$ 10.5 in 2012.Densith in respect of the life insurance sector stood at $42.7 in 2012,having declined from the peak of $ 55.7 in 2010.The figures of Insurance density for Malaysia,Thailand and China during 2012 were US$ 514.2,US$266.2 and US$178.9 respectively.

The total Premium underwritten in India by the General Insurance companies for the year 2012-13 is Rs 62973 Crore registering a growth of 19./10% over 2011-12.The public sector general insurers registered a growth of 25.25% in 2012-13.

There was a marginal increase in the total premium underwritten in the life insurance sector from Rupees 287072Crore in 2011-12 to Rupees 287202Crores in 2012-13.While private sector lifeinsurers posted a decline of 6.87% in their premium income during 2012-13,.LIC recorded 2.92% growth as compared to the previous year.

In 2012-13,the market share of public sector general insurance companies stood at 55.61% with a total premium of Rupees 35022Crore.The private sector general insurance companies wrote a premium of Rupees

27951Crores amounting to 44.39% of the total general insurance premium.With respect to lifeinsurance sector,the market share of LIC in terms of total premium increased from 70.68% in 2011-12 to 72.70% in 2012-13.The private sector lifeinsurance companies held a share of 27.30% in 2012-13,as against 29.32% in 2011-12.

There were 8099 offices of general insurance companies spread all over India as on 31st March2013 of which 6272 belong to public sector whereas there were 10285 offices of life insurance companies spread all over India as on 31st march 2013 of which 3526 belong to LIC.

The general insurers issued 1070.24 lakh policies in 2012-13 as against 857.44 lakh policies in 2011-12,reporting a growth of 24.82%.The public sector general insurers witnessed considerable growth of 30.59% in the number of policies issued during 2012-13,while the private sector general insurers reported a growth of 15.57%.

In order to extend insurance coverage in rural and social sectors,IRDA has also issued Regulations which specify the obligations of the insurers in rural and social sectors.Targets are laid down depending on the age of the insurer in terms of its incorporation.The general insurers covered 2030.87 lakh lives in the social sector during 2012-13 of which the public sector companies accounted for 1670.04 lakh lives.The public and private general insurers underwrote 12.87% and 12.47% of their gross direct premium respectively in the rural sector during 2012-13.

The total investments held by the insurance sector as on 31-03-2013,were RS 1867886 Crore.Life insurers contributed a major share of Rs 1744894 Crore(93.42%)of the total investments held by the industry.The share of Non life insurers was Rs 122992 Crore(6.58%).The public sector insurance companies contributed 80% in the total investments of the industry.Investment in housing and infrastruture as on 31-03-2013 was 7.93% of the total investments.

Life insurance industry

From being the sole provider for life insurance till the financial year 1999-2000,LIC is today competing in the industry with private sector insurers which have commenced operations over the period 2000-2016.The life insurance industry(first year premium)has shown an annualized growth of 37% between 1996-97 and 2000-01 and 27.04% between 2001-02 and 2012-13.This growth has been achieved on the increased base of premium underwritten.

The first year premium,which is a measure of new business secured,underwritten by the life insurers during 2012-13 was Rs 107011 Crore as compared to RS 9707 Crore in 2000-01.The life insurance industry underwrote 441.92 lakh policies in 2012-13 reporting a considerable growth in premium.

A notable feature of the opening of the life insurance market has been that the size of the life insurance pie itself is expanding.Insurance penetration which was 1.41% of GDP in 1995 has grown to 3.17% of GDP in 2012.However there was a mild decline during 2012 as compared to 3.40% in 2011.Insurance density is US $42.70(Premium per capita in USD) in 2012 which was US $49.00 in 2011.

Non-life insurance industry

The non-life insurers(excluding specialized instituitions like ECGC and AICL and the standalone health insurance companies) underwrote premium withinIndia of RS 62973 Crore in 2012-13,as against Rs 9806.95 Crore in 2000-01.The total premium underwritten in India by the general insurance companies for the year 2012-13 is Rs62973 Crore as against 52876 Crores in 2011-12 thereby registering a growth of 19.10% over 2011-12.Two of the fastest growing segments are Motor and Health accounting for 46.49 and 24.36 percent of the premium underwritten in India in 2012-13.The premium underwritten in these two segments in 2012-13 was Rs 29777 Crore and RS 15341 Crore respectively,reporting growth of 22.85 and 17.18 percent over 2011-12.The number of policies underwritten in 2012-13 was 99189578 as against 85743820 in 2011-12.The penetration of the non-life Insurance sector in the country has remained in the range of 0.55-0.78% over the last 13 years(0.70% in 2011 and 0.78% in 2012).The Insurance density of Non-life insurance sector reached the peak of US$10.50 in 2012 from its level of US$2.4 in 2001.

Business Performance of major insurance companies uptoMarch 2016:

Insurance Companies	Performance upto march 2015	Performance upto march2016
Bajaj Allianz	2702.05	2884.72
Birla Sun Life	1941.55	2221.15
HDFC Standard	5493.18	6487.66
ICICI Prudential	5333.30	6765.89
Kotak Mahindra	1540.18	2209.66
Max Life	2574.02	2881-93
Reliance Life	2069.69	1558.33
SBI Life	5528.10	7106.62
LIC	78302.64	97674.32

Table:6a

International Monetary Fund in its January 2018 update of World Economic Outlook predicted that India is set to regain the fastest growing major economy tag in 2018-19.IMF also predicted the Indian Economy to grow at 7.8% and 7.4% in FY20 and FY19,respectively.

The Global upswing in economic activity is strengthening,according to the IMF’s Report on World Economic Outlook released in October 2017.Global growth,which in 2016 was the weakest since the global financial crisis at 3.2 percent,is projected to rise to 3.6 percent in 2017 and to 3.7 percent in 2018.Broad based upward revisions in the Euro area,Japan,emerging Asia,emerging Europe,and Russia-where growth outcomes in the first half of 2017 were better than expected-more than offset downward revisions for the United States and the Kingdom.But the recovery is not complete;while the baseline outlook is strengthening,growth remains weak in many countries,and inflation is below target in most of the advanced economies.Commodity exporters,especially of fuel,are particularly hard hit as their adjustment to a sharp step-down in foreign earnings continues.And while short-term risks are broadly balanced,medium-term risks are still tilted to the downside.The welcome cyclical pick-up in global activity thus provides an ideal window of opportunity to tackle the key policy challenges-viz;to boost potential output while ensuring its benefits are broadly shared,and tom build resilience against downside risks.A renewed multilateral effort is also needed to tackle the common challenges of an integrated global economy.

The projected global growth is as below:

	2017	2018
World output	3.6	3.7
Advance Economies(AE)	2.2	2.0
USA	2.2	2.3
Euro Zone	2.1	1.9
Emerging Market Economies(EME)	4.6	4.9
China	6.8	6.5
India	6.7	7.4

Source:IMF’s report on World Economic Outlook

The Business performance of major Insurance companies in the First quarter of 2015 and 2016 Table:6b

Companies	APR-JUN2015(Crores)	APR-JUN2016	Difference
LIC	16428.23	22594.22	37.53
HDFC	1093.94	1409.29	28.83
ICICI Prudential	1220.79	1258.89	3.12
Bajaj Allianz	673.41	579.76	-13.91
Kotak Mahindra	386.82	476.90	23.29
SBI	1042.66	1862.46	78.63
MaxLife	459.14	569.98	24.14
TOTAL	23568.88	31392.55	33.19
Growth in Group Policies Apr-Jun2016	PRIVATE	LIC	
Group Business Premium in Crore	4023	15342	
Growth	20%	40%	
No.of Policies	1554	5782	
Growth	3%	-1%	
Market Share	20.8%	79.2%	

Table: 7 Growth of Life Insurance Business in India:1914-1950.

SL NO.	Particulars	1914	1930	1940	1945	1948	1950
1	No.of Insurers	44	68	195	215	209	208
2	Total No.of policies in Force	--	513925	1371963	2376000	2791000	3010780
3	Total business in force	22.44	84.89	225.51	459.43	566.36	612.45
4	Total life funds in crores	6.366	20.53	62.41	107.4	150.39	172.3

Table:8 Source:Tryst with Trust,The LIC Story
Growth of Individual Life Insurance Business in India,1956-2000
Table:8 Total Business in Force(Amount in Rs Crores,No. in lakhs

Year	No.of Policies	SumAssured	Premium Income	Life Fund	Total Investment Crores
1956	7.96	1128	58	300	328
1960	74.6	2176	93	520	527
1965-66	114.0	4282	175	931	962
1970-71	146.9	6952	279	1765	1700
1975-76	196.1	13248	543	3382	--------
1981-82	236.0	23998	1007	7514	7473
1986-87	298.0	47906	1885	14406	13936
1988-89	360.8	74129	2938	19450	18702
1991-92	508.6	14592	5946	34424	32262
1992-93	566.1	177268	7146	40706	38407
1993-94	608.0	2070601	8758	----	46561
1995-96	708.78	294336	12094	72780	68276
1999-2000	1014	364515	24207	154047	146364

Source: LM Bhole Financial Instituitions and Markets,Tata McGrawll,Fourth Edition.

Growth of Life Insurance Business from the Year 2000 to 2017

Insurer	Business Performance in The Year 2000-2001	Business Performance in the Year 2017-2018
Aditya Birla Sun Life	0.32	2662.91
Aegon Life	------------	147.10
Aviva Life	-------------	325.57
Bajaj Allianz Life	-------------	4290.85
Bharti Axa Life	-------------	730.71
Canara HSBC OBC Life	-------------	1227.46
DHFL Pramerica Life	-------------	1449.84
Edleweiss Tokio Life	--------------	342.52
Exide Life	--------------	760.09
Future Generali Life	---------------	582.20
HDFC Standard Life	0.002	11349.13
ICICI Prudential Life	5.97	9118.07
IDBI Federal Life	-------------	833.03
India First Life	-------------	1424.97
Kotak Mahindra Old Mutual Life	---------------	3404.21
Max Life	0.16	4348.03
PNB Met Life	-------------	1427.05

Reliance Nippon Life	--------------	915.62
Sahara Life	---------------	4.26
SBI Life	---------------	10965.29
Shriram Life	---------------	815.92

Growth of Life Insurance Business 2000 to 2017

Insurer	2000-01	2017-18
Star Union-Diachi Life	-----------	700.72
Tata AIA Life	-----------	1489.01
Private Total	6.45	59314.55
LIC	34892.02	134551.68
Grand Total	34898.47	193866.24

Therfore we could see the huge increase of Lifeinsurance business from the Rupees 34898.47 crores in the year 2000 to Rupees 193866.24 crores in the year 2017-18.Therefore a 555.52 percentage increase in business due to the Foreign direct investment in the Indian life insurance business.

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China	6.8	6.5
India	6.7	7.4

Source:IMF's report on World Economic Outlook

Domestic Economy:

Gross Domestic Product(GDP):Growth in GDP (at contant 2011-12 prices)(in %):

Year	% Growth
2013-14	6.4
2014-15	7.5
2015-16	8.0
2016-17	7.1
2017-18	6.7

Gross Domestic Savings and Household Savings:

Gross Domestic Savings at current prices in 2015-16 were Rs.4418919 cr estimated.

Sector wise Domestic Savings as % of GDP:

Year	Household Sector	Gross Domestic Savings
2015-16	19.16%	32.3%
2014-15	20.54%	33.1%
2013-14	20.34%	32.1%
2012-13	22.48%	33.8%

Source: RBI Annual Report

The share of change in Life Insurance Fund vis-à-vis change in Bank Deposits to the Total Change in Financial Assets:(In Rs Billion)

F.Y.	Changes in Life Insurance Fund	Change in Bank Deposit	Change in Other Financial Assets	Total Change in Financial Assets
2016-17	4406.53	10957.71	5127.98	18204.68

Source: RBI Hand Book

Highlights of the Growth factors of Indian Economy:

•The Index of Industrial Production(IIP)showed a growth of 2.2% in October 2017.

•Consumer Price Index(CPI)inflation increased from 3.63% in November 2016 to 4.88% in November 2017.Wholesale Price Index(WPI)inflation too increased from 1.8% in November 2016% to 3.9% in November 2017

•India's Foreign Exchange Reserves stood at Rs.2593620cr as on 22nd December2017.

•The Trade deficit for April-October 2017-18 was estimated at US$86.15bn.

•Exports for the period April-October 2017-18 showed a growth of 9.62% in US$terms.

•Imports for the period April-October 2017-18 showed a growth of 22.21% in US $ terms.

•Foreign Institutional Investors(FII's) have poured in Rs 56685cr in the Equity Markets so far in 2017,whereas,inflows in Debt markets are at Rs 147198cr.

•Foreign Direct Investment(FDI) Equity inflows have shown a growth of 17% to US$ 25.354 bn for the period April-September2017,as compared to US$21.62bn for the period April-September2016.

•Investments could see a gradual pickup following the various reform measures undertaken by the government, Improved ranking in ease of doing business and sovereign credit rating upgrade by 'Moody',all of which have led to improved sentiments for the Indian Economy.

INSURANCE SECTOR:

In the year 2016,Life Insurance premium underwritten was USD 2617 billion, which showed (inflation-adjusted)growth of 2.5% from a 4.4% in 2015.In advanced countries,premiums contracted by 0.5% down from 2.5% growth in previous year.Emerging Markets life premium increased by 17% in 2016,supported by solid performance in emerging Asia.Global life premium growth is expected to improve over next few years,mainly driven by the emerging markets.

As per IRDAI Annual Report 2016-17,Total Investments of Life Insurers was Rs2854193 cr. As compared to Rs.2502068 cr. In 2015-16,which shows a growth of 14.07%.The increase in Investments of Total Funds during 2016-17 was significant Rs.352125 cr. As compared to Rs.254546 cr in 2015-16.

Investments of Life Insurers:Fund-wise(As om 31st March 2017)In Rs Crores.

Insurer	Life-Fund	Pension and General Annuity and Group Fund	Unit Linked Fund	Total of All Funds
	2017	2017	2017	2017
LIC of India	1701866	502645	70766	2275277
Private Insurers	206087	63754	309075	578917
Total	1907953	566399	379841	2854193
Percentage	66.85	19.84	13.31	100

As on 31st December 2017,the performance details of First Year Premium and Policies for Life Insurance Industry as follows:

	Premium		Policies	
	Rs cr.	Growth Rate	Number	Growth Rate
For Industry	138254	19.08%	17534936	10.61%
LIC of India	99783	19.47%		9.69%
Market Share LIC	72.17%		74.16%	
Market Share Private	27.83%		25.84%	

Outlook for the LifeInsurance Market and Developments:
•Insurance Penetration mark is expected to cross 4 percent mark in the year 2017,as it has shown a continuous increase in the year 2015 and 2016 with market penetration rate of 3.44 percent and 3.49 percent,respectively.
•By providing tax relief to citizens earning up to Rs 5 lac,the government will be able to increase the number of tax payers.Life insurers will be able to sell them insurance products,to further reduce their tax burden in future.As many of these people were understanding their incomes,they were not able to get adequate insurance cover.
•Demand for Insurance products may rise as peoples preference shifts from formal investment products,post de-monetisation.
•The Budget has attempted to hasten the implementation of the Digital India Initiative.As people in rural areas become more tech-savvy,they will use digital channels made available by Insurers to buy policies.
•Pradhan Mantri Vaya Vandana Yojana,a Pension scheme which will provide guaranteed 8 percent annual return to all the senior citizen above 60 years of age for policy tenure of 10 years.
The future looks promising for the life insurance industry with several changes in regulatory framework which will lead to further change in the way the industry conducts its business and engages with its customers.The Country's Insurance market is expected to Quadruple in size over the next 10 years from its current size of US $ 60 billion.
Demographic factors,such as,growing middle class,young insurable population and growing awareness of the need for protection and retirement planning will support the growth of Indian life insurance.

Number of Life Offices:

Insurer	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Private	3072	6391	8785	8768	8175	7712	6759	6193	6156	6179	6057
LICI	2301	2522	3030	3250	3371	3455	3526	4839	4877	4892	4897
Industry Total	5373	8913	11815	12018	11546	11167	10285	11032	11033	11071	10954

From the above table we could find out that number of Private Insurance Offices increased to 6057 as on 31st march 2017.This is as a result of FDI in Insurance and growth in the Insurance Industry.

Growth of Non-Life Insurance Business Premium from the year 2000 to 2017

INSURER	Market Share	2000-01	2016-17	2017-18
Acko General Insurance	0.00	----------	NA	0.97
Bajaj Allianz	6.27	---------	7633.28	9445.22
Bharti AXA General	1.17	----------	1314.09	1758.18
Cholamandalam	2.72	----------	3133.28	4102.48
DHFL Genera	0.09	----------	NA	141.08
Edelweiss	0.00	----------	NA	1.30
Future Generali	1.26	----------	1815.50	1906.28
Go Digit General Insurance	0.06	----------	NA	93.83
HDFC ERGO General	4.84	-----------	6188.62	7289.97
ICICI-lombard	8.20	-----------	10725.20	12356.85
IFFCO-Tokio	3.74	5.83	5563.69	5634.00
Kotak Mahindra	0.12	-----------	82.05	185.39
Liberty	0.54	-----------	585.00	817.00
Magma HDI	0.35	-----------	419.49	526.69
National	10.93	2227.73	14237.54	16471.94
New India	15.06	3493.05	19114.69	22695.85
Oriental	7.60	2247.10	10803.45	11452.01
Raheja QBE	0.06	---------	58.93	83.52
Reliance General	3.36	1.07	3935.35	5069.08
Royal Sundaram	1.74	0.24	2188.78	2623.47
SBI General	2.35	---------	2604.50	3544.20
Shriram General	1.39	----------	2102.42	2100.79
Tata-AIG	3.61	----------	4168.00	5437.00
United India	11.48	2524.00	16062.81	17300.37

Growth of Non-Life Insurers Premium 2000 to 2017

Insurer	Market Share	2000-01	2016-17	2017-18
Universal Sompo	1.53	----------	1827.23	2310.86
Gen. Insurer's Total	88.48	----------	114023.90	133348.33
Aditya Birla Health	0.16	---------	54.04	241.44
Apollo MUNICH	1.14	----------	1301.93	1717.50
Cigna TTK	0.23	----------	221.80	346.41
Max BUPA	0.50	----------	593.93	754.47
Religare	0.72	----------	726.07	1091.61

Star Health & Allied Insurance	2.75	----------	2961.00	4145.00
Stand-alone Pvt Health Insurers	5.50	-----------	5858.77	8296.43
AIC	5.19	---------	7064.13	7823.07
ECGC	0.82	----------	1267.63	1240.38
Specialized Insurers	6.01	----------	8331.76	9063.45
GRAND TOTAL	100.00	10449.02	128214.43	150708.21

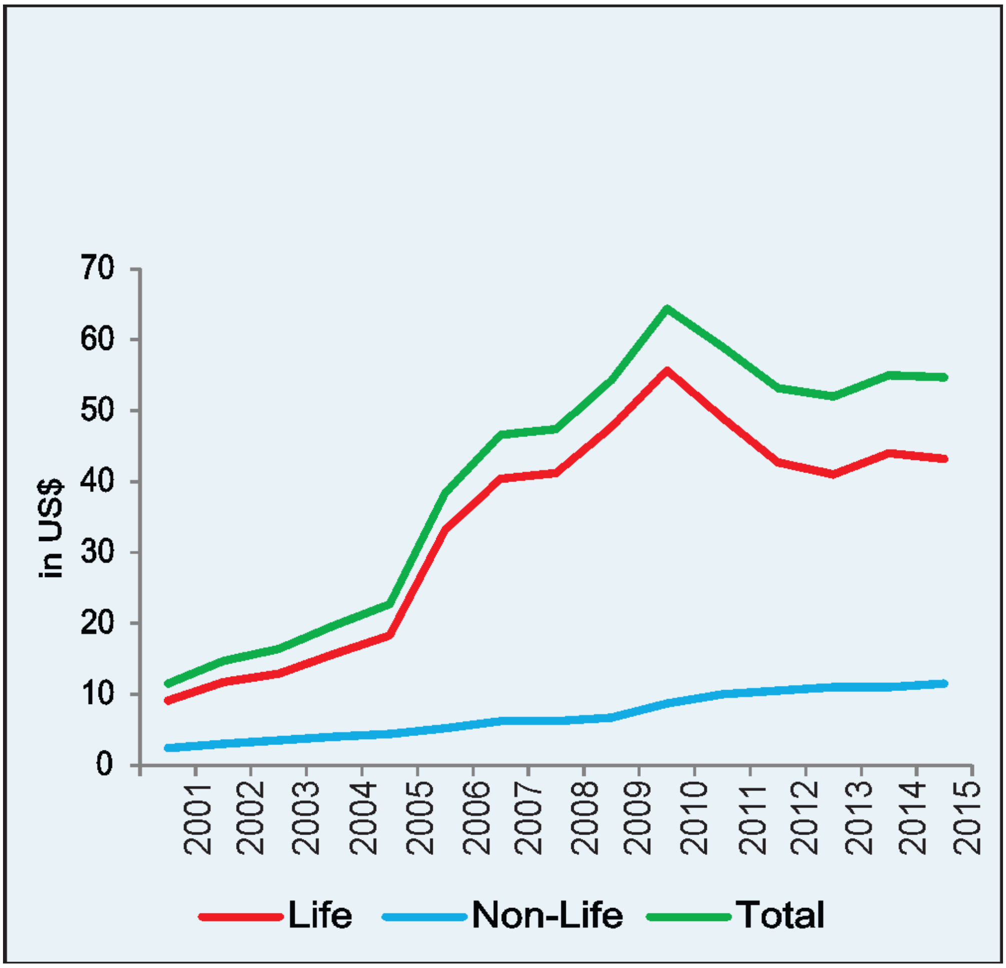
Insurance penetration and density in India

The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium).During the first decade of insurance sector liberalization, the sector has reported consistent increase in insurance penetration from 2.71 per cent

in 2001 to 5.20 per cent in 2009. Since then, the level of penetration was declining.A similar trend in the level of insurance Density which reached the maximum of USD 64.4 in the year 2010 from the level of USD 11.5 in 2001. During the year underreview 2015, the insurance density was USD 54.7. The insurance density of life insurance business had gone up from USD 9.1 in 2001 to the peak at USD 55.7 in 2010. During 2015, the level of life insurance density was USD 43.2. Similarly, the life insurance penetration surged from 2.15 per cent

in 2001 to 4.60 percent in 2009. Since then, it has exhibited a declining trend. However, there was a slight increase 2015 reaching 2.72 percent in 2015 when compared to 2.6% in 2014.Over the last 10 years, the penetration of nonlife insurance sector in the country remained steady in the range of 0.5-0.8 per cent. However, its density has gone up from USD2.4 in 2001 to USD 11.5 in 2015.
(Source: Swiss Re, Sigma No. 3/2016)

INSURANCE DENSITY IN INDIA Table:11



INSURANCE PENETRATION IN INDIA

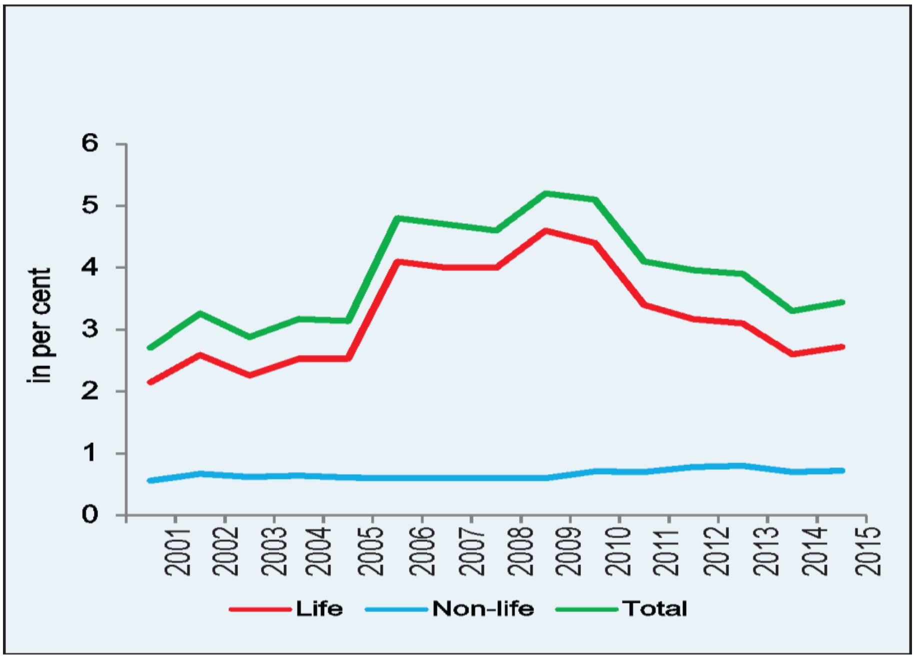


Table:12

INSURANCE PENETRATION AND DENSITY IN INDIA Table:13

Year	Life		Non-Life		Industry	
	Density (USD)	Penetration/ Percentage	Density (USD)	Penetration/ Percentage	Density (USD)	Penetration (percentage)
2001	9.1	2.15	2.4	0.56	11.5	2.71
2002	11.7	2.59	3	0.67	14.7	3.26
2003	12.9	2.26	3.5	0.62	16.4	2.88
2004	15.7	2.53	4	0.64	19.7	3.17
2005	18.3	2.53	4.4	0.61	22.7	3.14
2006	33.2	4.1	5.2	0.6	38.4	4.8
2007	40.4	4	6.2	0.6	46.6	4.7
2008	41.2	4	6.2	0.6	47.4	4.6
2009	47.7	4.6	6.7	0.6	54.3	5.2
2010	55.7	4.4	8.7	0.71	64.4	5.1
2011	49	3.4	10	0.7	59	4.1
2012	42.7	3.17	10.5	0.78	53.2	3.96
2013	41	3.1	11	0.8	52	3.9
2014	44	2.6	11	0.7	55	3.3
2015	43.2	2.72	11.5	0.72	54.7	3.44

Insurance Density and Insurance penetration: Table:14

2001	9.1	2.15	2.4	0.56
	11.5	2.71		
2002	11.7	2.59	3	0.67
	14.7	3.26		
2003	12.9	2.26	3.5	0.62
	16.4	2.88		
2004	15.7	2.53	4	0.64
	19.7	3.17		
2005	18.3	2.53	4.4	0.61
	22.7	3.14		
2006	33.2	4.1	5.2	0.6
	38.4	4.8		
2007	40.4	4	6.2	0.6
	46.6	4.7		
2008	41.2	4	6.2	0.6
	47.4	4.6		
2009	47.7	4.6	6.7	0.6
	54.3	5.2		
2010	55.7	4.4	8.7	0.71

	64.4	5.1		
2011	49	3.4	10	0.7
	59	4.1		
2012	42.7	3.17	10.5	0.78
	53.2	3.96		
2013	41	3.1	11	0.8
	52	3.9		
2014	44	2.6	11	0.7
	55	3.3		

Note: 1. Insurance density is measured as ratio of premium (in USD) to total population.
2. Insurance penetration is measured as ratio of premium (in USD) to GDP (in USD). Source: Swiss Re, Sigma, Various Issues.

Insurance penetration=Total no. of Policy/Total population

Insurance Density=Total premium incomeX100/GDP

List of Insurers

Life Insurers **Table: 15**

SL NO.	
1	Bajaj Allianz Life Insurance Company
2	Birla Sun Life Insurance Co.Ltd.
3	HDFC Standard Life Insurance Co. Ltd.
4	ICICI Prudential Life Insurance Co. Ltd.
5	ING Vyasa Life Insurance Co.Ltd.
6	Life Insurance Corporation of India
7	Max Life Insurance Co. Ltd.
8	PNB Metlife India Insurance Co. Ltd.
9	Kotak Mahindra Old Mutual Life Insurance Ltd.
10	SBI Life Insurance Co. Ltd.
11	TATA AIA Life Insurance Company Ltd.
12	Reliance Life Insurance Company Ltd.
13	Aviva Life Insurance Company India Limited
14	Sahara India Life Insurance Co. Ltd.
15	Shriram Life Insurance Co. Ltd.
16	Bharti AXA Life Insurance Co. Ltd.
17	Future Generali India Life Insurance Co. Ltd.
18	IDBI Federal Life Insurance Co. Ltd.
19	Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.
20	AEGON Religare Life Insurance Company Ltd.
21	DLF Pramerica Life Insurance Co. Ltd.
22	Star Union Dai-ichi Life Insurance Co. Ltd.
23	IndiaFirst Life Insurance Company Ltd.
24	Edelweiss Tokio Life Insurance Co. Ltd.

Non Life Insurers: **Table: 16**

SL NO.	List of General Insurers (Public Sector Undertakings)
1	National Insurance Co. Ltd.
2	The New India Assurance Co. Ltd.
3	The Oriental Insurance Co. Ltd.
4	United India Insurance Co. Ltd.
	Private Sector General Insurers
5	Bajaj Allianz General Insurance Co. Ltd.
6	ICICI Lombard General Insurance Co. Ltd.
7	IFFCO Tokio General Insurance Co. Ltd.
8	Reliance General Insurance Co. Ltd.
9	Royal Sundaram Alliance Insurance Co. Ltd.
10	TATA AIG General Insurance Co. Ltd.
11	Cholamandalam MS General Insurance Co. Ltd.
12	HDFC ERGO General Insurance Co. Ltd.
13	Future Generali India Insurance Co. Ltd.
14	Universal Sompo General Insurance Co. Ltd.
15	Shriram General Insurance Company Limited
16	Bharati AXA General Insurance Company Ltd.
17	Raheja QBE General Insurance Co, Ltd.
18	SBI General Insurance Co. Ltd.
19	L&T General Insurance Co. Ltd.
20	Magma HDI General Insurance Co. Ltd.

21	Liberty Videocon General Insurance Co. Ltd.
22	Kotak Mahindra General Insurance Co.Ltd.
23	DHFL General Insurance Co. Ltd.
24	Acko General Insurance Co.Ltd.
25	Go Digit General Insurance Co.Ltd.
26	Edelweiss General Insurance Co. Ltd.
	Stand-alone Health Insurers
27	Aditya Birla Health Insurance Co.Ltd.
28	Star Health and Allied Insurance Co. Ltd.
29	Apollo Munich Health Insurance Co. Ltd.
30	Cigna TTK Health Insurance Co. Ltd.
31	Max Bupa Health Insurance Co. Ltd.
32	Religare Health Insurance Co. Ltd.
	Specialized Insurers
33	Export Credit Guarantee Corporation of India Ltd.
34	Agriculture Insurance Co. of India Ltd.

Gross Direct Premium Income in India:General and Health Insurers(RsCrores) Table:17a

Insurer	Total Premium		Market Share	
Year	2015-16	2016-17	2015-16	2016-17
Public sector insurers				
NATIONAL	11976.07	14237.54	12.43%	11.11%
NEW INDIA	15149.51	19114.69	15.72%	14.92%
ORIENTAL	8314.74	10803.34	8.63%	8.43%
UNITED	12250.36	16062.80	12.71%	12.54%
TOTAL	47690.68	60218.37	49.48%	47%

PRIVATE SECTOR INSURERS: Table: 17b

Insurer	Total Premium		Market share	
	2015-16	2016-17	2015-16	2016-17
Bajaj Allianz	5832.15	7633.28	6.05%	5.96%
Bharti Axa	1274.42	1314.09	1.32%	1.03%
Chola mandalam	2452.00	3133.28	2.54%	2.45%
Future Generali	1555.26	1815.50	1.61%	1.42%
HDFC ERGO	3379.55	3964.45	3.51%	3.09%
HDFC ERGO (formerly L&TGen)	473.39	2224.16	0.49%	1.74%
ICICI Lombard	8090.71	10725.20	8.39%	8.37%
IFFCO Tokio	3691.33	5563.70	3.83%	4.34%
Kotak Mahindra	3.71	82.05	o.oo%	0.06%
Liberty Videocon	408.72	584.59	0.42%	0.46%
Magma HDI	403.94	419.49	0.42%	0.46%
Raheja QBE	28.76	58.92	0.03%	0.05%
Reliance	2791.56	3935.35	2.90%	3.07%
Royal Sundaram	1694.12	2188.78	1.76%	1.71%
SBI	2039.85	2604.49	2.12%	2.03%
Shriram	1712.27	2102.42	1.78%	1.64%
TataAIG	2958.56	4167.97	3.07%	3.25%
Universal Sompo	903.79	1287.23	0.94%	1.00%
TOTAL	39694.08	53804.95	41.19%	41.99%

Standalone Health Insurers Table:17c

Insurer	Total Premium		Market Share	
	2015-16	2016-17	2015-16	2016-17
Aditya Birla	0.00	54.04	0.00%	0.04%
Apollo Munich	1022.18	1301.93	1.06%	1.02%
Cigna TTK	143.82	221.80	0.15%	0.17%
MaxBupa	476.01	593.93	0.49%	0.46%
Religare	503.32	726.07	0.52%	0.57%
Star Health	2007.34	2960.05	2.08%	2.31%
Total	4152.67	5857.83	4.31%	4.57%

SPECIALIZED INSURERS: Table:17d

Insurer	Total premium		Market Share	
	2015-16	2016-17	2015-16	2016-17
AIC	3521.22	6979.56	3.65	5.45%
ECGC	1320.73	1267.62	1.37%	0.99%
TOTAL	4841.95	8247.19	5.02%	6.44%
GRAND TOTAL OF ALL THE GENERAL & HEALTH INSURER	96379.38	128128.34	100%	100%

Investment Income of General and Health Insurers

The Investment Income of all general and health insurers during 2016-17 was Rs 21730 Crore(Rs 19078 Crore in 2015-16) registering a growth of 13.90 percent as against 14.88 percent in the previous year.During the year under review,the investment income of standalone health insurers has increased by 29.41 percent and Private Sector insurers and Specialized insurers has grown at the percent of 24.62 and 8.81 percent respectively.On the on the other hand,the Investment income for the public sector ins7rers had shown a growth of 9.00 percent.

INVESTMENT INCOME OF GENERAL AND HEALTH INSURERS
RS CRORE Table:18

YEAR	2015-16	% Growth	2016-17	% Growth
Public Sector	12147.41	13.26	13241.00	9.0
Private Sector	5684.50	19.15	7083.91	24.62
Standalone Health Ins	241.34	35.16	312.32	29.41
Specialized Insurers	1004.57	7.70	1093.05	8.81
TOTAL	19077,82	14.88	21730.28	13.90

FDI in insurance sector

At present, the foreign equity up to 26% is allowed in insurance sector.The FDI has been put in the automatic route.The finance minister in the Budget speech of financial year(2004-05) has announced hiking of Foreign Direct Investment(FDI) limit in Indian insurance companies.Accordingly, Government has introduced the insurance laws(Amendment Bill),2008 in the Rajya Sabha on 22-12-2008.The Bill inter-alia,provides for enhancement of holdings of equity shares bny the foreign company,either by itself or through its subsidiary companies or its nominees in Indian Insurance Companies from 26% to 49% except in case of insurance cooperative societies where the limit continues to be 26% as at present.The Bill is yet to be passed by Parliament.

Recent initiatives by the Insurance Companies

Business process Re-Engineering & Core Insurance solutions: The Business process Re-Engineering(BPR) and implementation of core insurance solutions has been undertaken through usage of IT in order to enhance their efficiency by rendering services in a more professionalmanner at a quicker pace.E-governance plaurns have been formulated and being implemented to ensure focus on customer in all fields of operations.

Customer centric Innovations: Customer awareness through information about products and other related information on the webportals of GIPSA Companies.Online issuance of policies including premium calculations,online receipt of premiums,online issuance of select policies are available on the web portals of the PSGICs.Online information & tracking of claims is also available.Online registration of grievances and tracking of grievance status is also available on the website of the PSGICs.

Preferred Provider Network(PPN):Creation of a common Preferred Provider Network(PPN) for all the Four GIPSA Member Companies which involves empanelment of hospitals after due negotiations on rationalization of charges for prescribed procedures for similarly placed service providers in the interest of policy holders.

Common Third Party Administrator(TPA) initiative:Initiative for a common Third Party Administrator which can be a game changer by way of setting the benchmarks for services and standardization of practices in the Health Sector.This may create an environment of competition that encourages emulation thereof by the other existing Third Party Administrators leading to great benefit to the beneficiaries under the insurance policies.This initiative would also enable leveraging of volumes by the insurance companies in the best interest of all the stakeholders creating a positive image of public sector General Insurance Companies amongst the insuring public.

Common Mechanism for Compromised Settlement of Third Party Claims(CMCSTPC):Framing and implementing the scheme of common mechanism for settlement of compromised third party cases(CMCSTPC) which involves setting up of independent committees of experts from the judicial,Medical and Insurance fields who can adjudicate on the pending motor third party claims without the insured having to go through the tedious and time consuming legal processes.Now pendency of cases are being treated instantly.

Major Initiatiatives:

First Decade-Growth:The experience over the decade since the opening up of the sector has provided a good learning ground.The key reforms,starting with privatisationof the sector in 2000 followed by the de-tariffication of the non-life sector in 2007,have helped the sector grow with insurance reaching out to yhe masses.Initiatives such as standardisation of pre-existing diseases clause and allowing portability of Health Insurance,promoting micro-insurance,formulating anti-money laundering policy for the industry,providing for data warehousing,focussing on improving corporate governance,e-governance and ensuring transparency through disclosures in financial statements and ensuring customer satisfaction through Grievance Redressal Mechanism by commissioning of the integrated grievance management system(IGMS) by the Regulator have contributed to the development of the sector.

Second Decade-Consolidation:At the beginning of the second decade since opening up of the insurance sector,both the Government and the Regulator are engaged in addressing the challenges arising due to consolidation of the sector.While the Regulator will look into its part of the role in the process,the Government has initiated the process of further reforms in the insurance sector.As a result a new legislative amendments have been brought about while others are in the process of consideration.The LIC(Amendment)bill,2011 has been passed by the parliament enabling LIC to raise its equity capital from Rs5Crores to RS 100 Crores and create a reserve fund to be utilized for its business expansion and meeting its corporate social responsibility.The insurance laws(Amendment)Bill is aimed at bringing about crucial sectoral reforms such as increasing the FDI limit from 26% to 49%.The Bill,which is under review and consideration,seeks to permit foreign reinsurers to open branches to transact reinsurance business in India,allow the entry of Lloyds of London syndicates to transact insurance business in India and remove the restriction on divestment by Indian promoters of insurance companies.All the proposed changes are aimed at deepening the insurance sector th rough better penetration,both vertically and horizontally,importing latest technology for business process re-engineering and a cost effective delivery system.The Government and the Regulator have also been actively involved in addressing the issue of the Motor Third Party Pool-a loss making concern for most Non-life insurers-by examining the unlimited liability clause of the Motor Vehicles Act.

The government is also monitoring the presence of branches in semi urban and rural areas with the goal of increasing penetration of insurance coverage and penetration in the largely untapped areas.the government has also urged the importance of increasing presence in rural areas in order to bring to the masses risk coverage for life,health and weather related perils,thereby contributing to the goal of comprehensive financial inclusion.In this regard.the government runs social insurance schemes of Aam Admi Bima Yojana through LIC and crop insurance schemes such as MNAIS,WBCIS,Coffee Insurance.Coconut Insurance and other schemes through the Agriculture Insurance Company.The government has also urged the importance of utilizing the existing bank correspondent network to provide suitable microinsurance products to the rural population.

E-Governance and Business Process Reengineering:The Government has identified development of technology infrastructure as a crucial driver of business process reengineering and is monitoring the adoption and stabilization of core insurance solutions at each of the Insurance companies.E-Governance,e-audits as well as issuance of e-policies have been identified as key focus areas which are being monitored at the companies with the services of IT consultants.All public sector insurance companies are required to formulate (i)e-Governance Plan which includes website redesign,status of e-Governance,online presence for e-policy issuance,installation of POS machines at branches,video conferencing readiness and MIS reporting capability(ii)preparation of draft policy for mobile governance (iii)e-payment plan which includes intra-company and claim payments to be made through NEFT/ECS(iv)e-audit compliance.

E-repositories:IRDA has introduced an insurance repository system that will enable policy holders to buy and keep insurance policies in dematerialized or electronic form(e-policies).E-policies will eliminate paper and associated risks of storage and loss and provide convenience and safety to the customer.The reduced cost of maintenance will make lower ticket policies much more viable and is expected to give a further boost to greater penetration of insurance in India.To start with,this has been introduced on a voluntary basis to be chosen by policyholders in the life insurance sector.Based on wider acceptance by policyholders,it is proposed that during 2014-15 the repository facility may be extended to cover the health insurance segment for the benefit of the policyholders,in terms of facilitating a single source of history of claims,pre-existing illness and such other features.

The following additional features and regulations has been added after the liberalisation of Insurance industry which has benefitted the population of Indians and thus providing additional economic benefits for the masses:

Measures to increase Insurance Penetration:Opening Offices by Insurers in Tier-II and below centres now does not require prior approval of IRDA business Regulations2013.Most categories of Business

Correspondents approved by RBI are now eligible to become Micro Insurance Agents.(IRDA/Life/Cir?MIN/065/04/2013 dated 3rd April2013)

IRDA has issued IRDA(Licensing of Banks as Insurance Brokers)Regulations 2013 to enable banks to work as brokers for multiple insurance companies with RBI approval.IRDA has issued the Linked and Non-Linked product Regulations which aim at improving benefits offered on death,on surrender and on maturity.It also caps the charges levied under linked products and aims at improving persistency levels.

Government has merged the two social sector life insurance Schemes viz. Janashree Bima Yojana(JBY) and the Aam Aadmi Bima Yojana(AABY) for better administration and servicing in extending life insurance cover to the economically backward sections of the society thus improving their quality of life.

Comprehensive Social Security Insurance Scheme(CSSIS):In accordance with the Finance Ministers announcement in the Budget Speech 2013-14 this Department is also in the process of finalizing an integrated Social Security Insurance Scheme,to provide a certain basic level of social security including old age Income security,maternity assistance and pension benefits,life disability cover and health insurance to the unorganized sector in order to facilitate convergence of the related programmes of various stakeholder Ministries implementing schemes such as Aam Aadmi Bima Yojana(AABY).Janashree Bima Yojana(JSBY),Rashtriya Swasthya Bima Yojana(RSBY).Janani Suraksha Yojana(JSY) and Indira Gandhi Matriva Sahayog Yojana(IGMSY).

Health Insurance Sector:IRDA has issued Regulations for Health Insurance-aimed to protect the interests of policyholders by seeking to bring about greater transparency,simplicity and standardization,apart from laying down a clear cut framework for the Insurers.The Regulations include :Availability of Health Insurance up to the age of 65 years,separate Grievance redressal mechanism for Senior Citizens,Renewal of Health Insurance Policies and Insurance portability.

The revised investment regulations have been defined for the benefit of the industry and also for the policyholders, which are as follows:

Gilt,G sec and Liquid Mfs have been permitted as approved Investments.

Investments in venture funds investing in infrastructure facility and SME sector up to the prescribed limits and in IPOs including offer for sale which meet the performance track record will be treated as approved Investments.

Participation in credit default swaps(CDS)allowed.

Increased the exposure norms in a single investee company up to 25% of networth for the investee company which are engaged in infra sector.

Dividend track record reduced to consider the infra investments as approved investments.

Various measures have been taken to strengthen protection of the policyholder funds including introduction of the concept of rating to debt instruments.

The definition of Infrastructure facility has been aligned to that of the Government of India.

Protection of Policyholders- The following initiatives have been taken by IRDA for the protection of policyholders:

Integrated Grievance Management System (IGMS)

Created central Repository of Industry-wide complaints of policyholders.

Grievance Call Centre for registering complaints over phone and consumer education through multipronged approach under the Bima Bemissal banner.

Consumer education website(www.policyholder.gov.in)

Development of product comparator application hosted on IRDA website which allows policyholder to compare across various products of different companies on coverages,exclusions,terms,conditions,benefits etc.

Agricultural Insurance:

Remote sensing-Based information and Insurance for Crops in Emerging Economies(RICE):Remote sensing based information and insurance for Crops in Emerging Economies(RICE) uses Synthetic Aperture Radar technology(SAR) and crop modelling tools to gather data related to rice yield and design effective risk management solutions to support index-based crop insurance products.Various other pilot projects has been taken for the assessment of crop insurance,therefore minimising the basic risks of the farmers and hence improving the economic condition of the farmers.

Table: 19 EQUITY SHARE CAPITAL OF LIFE INSURERS(In Rs Crores)

Insurer	As on 31st March 2017	Foreigner	Indian Promoter	FDI
AEGON LIFE	1429.85	700.63	729.22	49.00%
AVIVA LIFE	2004.90	982.40	1022.50	49.00%
BAJAJ ALLIANZ	150.70	39.18	111.52	26.00%
BHARTI AXA	2406.20	1179.04	1227.16	49.00%
BIRLA SUNLIFE	1901.21	931.59	969.62	49.00%
CANARA HSBC	950.00	247.00	703.00	26.00%
DHFL PRAMERICA	374.06	183.29	190.77	49.00%
EDELWEISS TOKIO	261.59	128.18	133.41	49.00%
EXIDE LIFE	1750.00	0.00	1750.00	0.00%
FUTURE GENERALI	1507.45	384.42	1123.03	25.50%
HDFC STANDARD	1998.48	698.21	1300.27	34.94%
ICICI PRUDENTIAL	1435.35	370.78	1064.57	25.83%
IDBI FEDERAL	800.00	208.00	592.00	26.00%
INDIAFIRST	625.00	162.50	462.50	26.00%
KOTAK MAHINDRA	510.29	132.68	377.61	26.00%
MAX LIFE	1918.81	479.70	1439.11	25.00%
PNB METLIFE	2012.88	523.35	1489.53	26.00%
RELIANCE NIPPON	1196.32	586.20	610.13	49.00%
SAHARA	232.00	0.00	232.00	0.00%
SBI LIFE	1000.00	299.00	701.00	29.9%
SHRIRAM LIFE	179.38	41.00	138.38	22.86%
STAR UNION DAI-ICHI	258.96	118.96	140.00	45.94%
TATA AIA	1953.50	957.22	996.29	49.00%
TOTAL PRIVATE SECTOR	26856.94	9353.32	17503.62	34.83%
LIC	100.00	0.00	100.00	0.00%
TOTAL(LIFE)	26956.94	9353.32	17603.62	34.70%

Table: 20a EQUITY SHARE CAPITAL OF GENERAL,HEALTH AND RE-INSURERS(IN Rs Cr)

Private sector insurers	As on 31st march 2017	Indian Promoter	Foreign Promoter	FDI
BAJAJ ALLIANZ	110.23	81.57	28.66	26%
BHARTI AXA	1621.45	826.94	794.51	49%
CHOLAMANDALAM MS	298.81	179.28	119.53	40%
FUTURE GENERALI	809.80	603.25	206.55	25.51%
HDFC ERGO	600.47	308.27	292.20	48.66%
ICICI LOMBARD	451.15	296.37	154.78	34.31%
IFFCO TOKIO	269.32	199.30	70.02	26%
KOTAK MAHINDRA	135.00	135.00	0.00	0%
LIBERTY VIDEOCON	984.35	556.45	427.90	43.47%
MAGMA HDI	112.50	83.75	28.75	25.56%
RAHEJA QBE	207.00	105.57	101.43	49%
RELIANCE	125.77	125.77	0.00	0%
ROYAL SUNDARAM	331.00	331.00	0.00	0%
SBI	215.50	159.47	56.03	26%
SHRIRAM	258.63	199.23	59.40	22.97%
TATA AIG	632.50	468.05	164.45	26%
UNIVERSAL SOMPO	350.00	259.00	91.00	26%
PRIVATE SECTOR TOTAL(A)	7513.48	4918.27	2595.21	34.54%

PUBLIC SECTOR INSURERS Table:20b

NATIONAL	100	100	0.00	0.00
NEW INDIA	200	200	0.00	0.00
ORIENTAL	200	200	0.00	0.00
UNITED	150	150	0.00	0.00
PUBLIC SECTOR(B)	650	650	0.00	0.00%
TOTAL (PRIVATE+PUBLIC)	8163.48	5568.27	2595.21	31.79%

SPECIALIZED INSURERS Table: 20c

AIC	200.00	200.00	0.00	0.00%
ECGC	1450.00	1450.00	0.00	0.00%
SPECIALIZED INSURERS(TOTAL)-(C)	1650.00	1650.00	0.00	0.00%

STANDALONE HEALTH INSURERS Table: 20d

Aditya Birla	100.44	51.23	49.22	49.00%
Apollo Munich	357.27	183.32	173.95	48.69%
Cigna TTK	251.37	186.01	65.35	26.00%
Max Bupa	926.00	472.26	453.74	49.00%
Religare	524.75	524.75	0.00	0.00%
Star Health	455.57	289.50	166.07	36.45%
Standalone Health Insurers Total(D)	2615.40	1707.07	908.33	34.73%

REINSURERS Table: 20e

Public Sector Reinsurer-GIC RE	430	430	0.00	0.00%
Private Sector Reinsurer-ITI	268.94	268.94	0.00	0.00%
REINSURERS TOTAL(E)	698,94	698.94	0.00	00%
GRAND TOTAL(F)=A+B+C+D+E	13127.82	9624.28	3503.54	26.69%

BRANCHES OF FOREIGN REINSURERS AND ASSIGNED CAPITAL(IN Rs Crores)

Branches of Foreign Reinsurer	Assigned Capital as on March2017
Hannover Re	135.51
Lloyds	100.00
Munich Re	280.90
RGA	100.00
SCOR SE	293.80
Swiss Re	100.00
XL SE	107.60
TOTAL	1117.81

Table: 21

VI. Conclusion

Foreign direct investment occurs when a business invests in a foreign country by either acquiring a foreign business that it controls or starting a business in the foreign country. Even though global economies are suffering with financial crisis and other economic hurdles, India still stands as a global investment destination. Keeping in view of current requirements and benefits of the nation the government of India comes up with new policies from time to time. Government should design the FDI policy such a way where FDI inflow can be utilized as means of enhancing domestic production, savings and exports through the equitable distribution among states by providing much freedom to states, so that they can attract FDI inflows at their own level. Further the study shows the share of FDI in different economic growth factors from 1995 to 2014. From the above discussions of the study, It is observed from the results of above analysis that Trade, GDP, Reserves GDP, Exchange rate, are the main determinants of FDI inflows to the country. In other words, these economic growth factors have a profound impact on the inflows of FDI in India.

FDI plays a significant role in enhancing the level of economic growth of the country. This analysis also helps the future aspirants of research scholars to identify the main determinants of FDI at sectoral level. Finally, the study observes that FDI is a significant factor influencing the economic growth in India. It provides a sound base for economic growth and development by enhancing the financial position of the country. It also contributes to the GDP and foreign exchange reserves of the country.

The main objective of this work is to analyse the relationship between FDI and economic impact in India. Foreign investment was introduced in 1991 under Foreign Exchange Management Act (FEMA), driven by then finance minister Manmohan Singh. As Singh subsequently became the prime minister, this has been one of his top political problems, even in the current times. India disallowed overseas corporate bodies (OCB) to invest in India. India imposes cap on equity holding by foreign investors in various sectors, current FDI in aviation and insurance sectors is limited to a maximum of 49%. Starting from a baseline of less than $1 billion in 1990, a 2012 UNCTAD survey projected India as the second most important FDI destination (after China) for transnational corporations during 2010-2012. As per the data, the sectors that attracted higher inflows were services, telecommunication, construction activities and computer software and hardware. Mauritius, Singapore, US and UK were among the leading sources of FDI.

FDI plays an important role in the long-term development of a country not only as a source of capital but also for enhancing competitiveness of the domestic economy through transfer of technology, strengthening infrastructure, raising productivity and generating new employment opportunities. India emerges as the fifth largest recipient of foreign direct investment across the globe and second largest among all other developing countries (World Investment Report 2010). The huge market size, availability of highly skilled human resources, sound economic policy, abundant and diversified natural resources all these factors enable India to attract FDI. Further, it was found that even though there has been increased flow of FDI into the country during the post liberalization period, the global share of FDI in India is very less when it is compared to other developing countries. Lack of proper infrastructure, instable government and political environment, high corporate tax rates and limited export processing zones are considered to be the major problems for low FDI into the country. To overcome this situation, the Government should revise the sectoral cap and bring more sectors under the automatic route. Further, India should sign the agreement of Double Taxation treaties with other countries in order to increase bilateral trade. Therefore, there is an urgent need to adopt innovative policies and good corporate governance practices on par with international standards, by the Government of India, to attract more and more foreign capital in various sectors of the economy to make India a developed economy.

India's Foreign Direct Investment (FDI) policy has been gradually liberalised to make the market more investor friendly. The results have been encouraging. These days, the country is consistently ranked among the top three global investment destinations by all international bodies, including the World Bank, according to a United Nations (UN) report.

For Indian economy which has tremendous potential, FDI has had a positive impact. FDI inflow supplements domestic capital, as well as technology and skills of existing companies. It also helps to establish new companies. All of these contribute to economic growth of the Indian Economy.

India is focusing on maximizing political and social stability along with a regulatory environment. In spite of the obvious advantages of FDIs, there are quite a few challenges facing larger FDIs in India, such as:

• Resource challenge: India is known to have huge amounts of resources. There is manpower and significant availability of fixed and working capital. At the same time, there are some underexploited or unexploited resources.

Resources are well available in the rural as well as the urban areas. The focus is to increase infrastructure 10 years down the line, for which the requirement will be an amount of about US$ 150 billion. This is the first step to overcome challenges facing larger FDI.

GENERAL AND HEALTH INSURANCE COMPANIES: `Profit after tax(PAT)RS Crores

During the year 2016-17,the total PAT of General and Health insurance industry was Rs 845 Crore as against a profit of Rs 3238 crore in 2015-16.The public sector companies reported a loss of after tax of Rs 2551 Crores against a PAT of Rs 1499 Crore in 2015-16.The private sector insurers reported a PAT of RS 2763 crore against a PAT of Rs1333 crore in 2015-16 and Specialized insurers have reported RS 606 Crore PAT against a PAT of RS 583 Crore in 2015-16,whereas the Standalone health insurers reported Rs 27 Crore PAT against aloss after tax of RS 192 Crore in 2015-16.

Out of four public sector insurers,two have reported PAT and two have reported loss after tax during the year 2016-17.New India reported a PAT of RS 1008 crore during the year 2016-17 against a PAT of Rs 829 Crore in 2015-16 and thus increased 21.59%.PAT of National insurance has decreased to Rs 46 Crore from Rs 149 Crore in the year 2015-16,Oriental insurance reported loss after tax of Rs 1691 crore during 2016-17 against PAT of Rs 300 crore in 2015-16.United India Insurance reported loss after tax of Rs 1914 crore during 2016-17 against the PAT of Rs 221 crore during 2015-16.

Among the 18 private general insurance companies,while fifteen companies reported PAT,the remaining three companies incurred losses after tax during 2016-17.The PAT of Bajaj Allianz during the year2016-17 was Rs 728 Crore against PAT of 564 Crore in the year 2015-16.The Three insurers which reported losses after tax were Bharati AXA,Kotak Mahindra and Liberty Videocon.Out of six standalone health insurers,three have reported PAT during the year 2016-17.The three standalone health insurers which reported PAT during the year 2016-17 were Apollo Munich,Religare and Star health.Apollo Munich,Religare and Star health reported PAT of Rs 132 crore,Rs 2 Crore and RS 118 Crore respectively during the year 2016-17.Both the Specialized insurers have reported PAT of Rs 606 crore during the year 2016-17.

Profit after tax General and Health Insurers(in Rs crores):

Year	2015-16	2016-17
Public Sector Insurers	1499	-2551
Private Sector Insurers	1333	2763
Standalone Health Insurers	-177	27
Specialized Insurers	583	606
Grand Total	3238	845

Table: 22

Therefore we draw inference from the above table that the Public sector Insurers profit after tax has reduced drastically and Profit after tax for Private Insurers were very high,thus the benefit of FDI in Insurance is clearly visible.

Returns to shareholders of General and Health Insurers:

Of the four public sector General and Health Insurance Companies,none has paid dividends during the year 2016-17 against a dividend payment of Rs 482 Crore in the year 2015-16.In the year 2015-16 National Insurance,New India Assurance,Oriental Insurance and United India paid dividend of Rs 45 Crore,Rs 250 Crore,Rs 120 Crore and Rs 67 Crore respectively.Among the Private sector Insurers,three companies paid dividend during the year 2016-17.HDFC Ergo paid dividend of Rs 75.06 crore,ICICI Lombard paid dividend of Rs 157.10 crore and Shriram General paid dividend of 25.85 Crore.GIC has not paid dividend during the year 2016-17 against Rs860 Crore dividend paid during the year 2015-16.ECGC paid Rs73 Crore during the year 2016-17 against Rs 65 Crore in the year 2015-16.No dividend was paid by AIC for the year 2016-17.

Number of Offices:General Insurers Offices

As on 31st March 2017,the general insurance companies were operating from 10547 offices all over the country.

Sector	2016	2017
Public Sector	8331	8518
Private Sector	1869	1946
Specialized Insurers	83	83
Total	10283	10547

Table: 23

Reinsurer:

The Authority has granted Certificate of Registration(CoR) to an Indian Reinsurer named ITI Re to transact reinsurance business.Similarly,the Authority also granted CoR to a number of Foreign Reinsurers,Lioyd’s and its Syndicates/Service Companies.As a result the following reinsurers opened their branches in India during 2016-17.

1.SWISS RE
2.MUNICH RE
3.HANNOVER RE
4.XL CATLIN
5.RGA
6..SCOR SE
7.LLOYD’S.

M/S Amlin Syndicate has also opened its service company during the period.The Authority has allowed GIC RE and The New India Assurance CO.Ltd to open their Offices in IFSC-SEZ,Gujarat.With the above offices in India,now India can become a Reinsurance Hub in future.

SECTOR	LIFE	GENERAL HEALTH and REINSURANCE	TOTAL
PUBLIC	2275277	138964	2414241
GROWTH	13.25%	13.38%	13.26%
PRIVATE	578917	83379	662296
GROWTH	17.44%	27.17%	18.58%
TOTAL	2854193	222344	3076537
GROWTH%	14.07%	18.19%	14.36%
TOTAL INVESTMENT OF INSURANCE SECTOR as on March 2017			

Table: 24

Investment of Life Insurers: FUND-WISE As on 31st March 2017:

INSURER	Life Fund	Pension and General Annuity &Group Fund	Unit Linked Fund	Total of all Funds
LIC	**1701866**	**502645**	**70766**	**2275277**
Private	**206087**	**63754**	**309075**	**578917**
Total	**1907953**	**566399**	**379841**	**2854193**
% to total fund	**66.85**	**19.84**	**13.31**	**100**

Table: 25

Growth of Life Fund and Ulip Fund:The volume of Life Fund and Ulip Fund have increased by Rs210500 Crore and Rs 39429 Crore respectively.

INVESTMENT OF GENERAL INSURERS

The share of general insurers including health,reinsurers,specialized Insurers and branches of Foreign re-insurers stands at only 7.23 percent in total investments made by the insurance sector.The total amount of investments made by the general insurance industry was Rs 222344 Crore as on 31st march 2017.

Total Investment of General,Health & Reinsurers(in Rs Crore)2017:

Pattern of Investments	2016		2017	
	Total	Percentage	Total	Percentage
Central Govt Securities	49994	26.57	54754	24.63
States Govt & Other Securities	22160	11.78	28239	12.70
Housing and Loan to State Govt.	19503	10.37	23480	10.56
Infrastructure Investments	31946	16.98	38172	17.17
Approved Investments	58311	31.00	67903	30.54
Other Investments	6212	3.30	9796	4.41
TOTAL	188126	100.00	222344	100.00

Table: 26

FDI AND ECONOMIC GROWTH

The Impact of Privatisation on the Indian Insurance Industry

The socio economic conditions of the population has been studied and further we have examined the living conditions and social conditions of the population have changed.Because their dependence on the family has decreased due to coverage of Insurance.The Importance and awareness of Insurance has Increased manifold.The private Insurance companies have made substantial contribution for the awareness of Insurance by using Innovative marketing strategies.Introduction of unit linked plans for various segment of the population was introduced by private Insurance players.Their has been improvement in servicing considerably.People became aware about Health Insurance,Agriculture Insurance and other customised products for savings,Tax planning and future planning for the family.The volume of business has increased.Due to privatisation more number of Private Insurers have entered into the market with a huge capital of Rupees 100Crores.And also the accumulated funds of different companies are necessarily Invested within India for the Infrastructure development of the country and huge sums are invested for the developments of the country.Due to privatisation of the Insurance sector more employment opportunities has been created.There was only one Reinsurance company the GIC was available but now more number of Reinsurance companies have shown Interest,Hence Large amount of Insurance coverage will increase.Technological advancement has been utilised for the various services of Insurance companies.Customer centric and customer friendly technologies are being implemented and also everyday technologies being updated for the benefit of customers.Most of the public sector companies are following the footsteps of private Insurers whether it is technology,product innovation,marketing,customer service or any other.The Public sector organisations lack professionalism because the recruitment policy and HRD policy of Public sector Insurance organisation is very old.There are lack of professional employees and there is no renumeration for the highly skilled Employees.In private sector insurance companies are being run by well experienced and highly qualified professionals.Even skilled employees of public sector insurance companies are resigning and joining private insurance companies bacause they are being renumerated as per their skills.Therefore privatisation has also opened the door for the competent and skilled Insurance professionals.Insurance education and awareness about insurance education has also created ample opportunities for unemployed youths and professionals so that they can earn a better living by choosing Insurance profession.

LIFE INSURANCE:

Life insurance industry recorded a premium income of Rs418476.62 crore during 2016-17 as against Rs 366943.23 crore in the previous financial year,registering a growth of 14.04 percent(11.84 percent growth in previous year).Now in 2017-18 the growth rate of LIC was only 13.46 percent.While private sector insurers posted a growth rate of 29.69 percent in 2018 and 17.40 percent in 2017.In their premium income,LIC recorded 12.78 percent growth(11.17 percent growth in previous year).

MARKET SHARE:

On the basis of total premium income,the market share of LIC decreased from 72.61 percent in 2015-16 to 71.81 percent in 2016-17 and again to 69.40 percent in 2017-18.The market share of private insurers has increased from 27.39 percent in 2015-16 to 28.19 percent in 2016-17 and again to 30.60 percent in 2017-18.

Over the years,share of private sector in life insurance segment has grown from around 2 percent in Financial year 2003 to 29.69 percent in 2018.this performance of the Private Insurers is possible due to the FDI in Insurance sector.

Indian Insurance companies with Foreign Partnership

Indian Partner	International Partner
ICICIPrudential,	UK
HDFCStandard Life	UK
VYASA BANKING,	Netherlands
M.A.Chidambaram	Met Life
Max India	New York
Tata	AIG Life
SBI	Cardiff Life,France
Bajaj	AutoAllianz

Table: 27

The gains from FDI inflows are unquestionable because it contributes to economic growth through an increase in productivity by providing new investment, better technologies and managerial skills to the host countries, However, the effect of FDI on domestic investment is an issue of concern because there is a possibility of displacement of domestic capital due to competition from foreign investors with their superior technologies and skills. Thus, the ultimate impact of FDI on economic growth depends on the degree of capacity of the host country to use FDI as efficiently as possible. Similarly, trade liberalisation may facilitate economic growth through efficiency in production by utilising the abundant factors of production more effectively and absorbing better technologies from advanced countries on the one hand, it may harm the growth process on the other through various forms of macroeconomic instability such as terms of trade deterioration and balance of payments crisis. Thus, it is a challenge for developing countries to find out the appropriate direction of the role of FDI and trade liberalisation in economic growth.

As part of developing countries, South Asian economies were also concerned with issues pertaining to foreign private capital inflows and trade liberalisation initially. However, they later moved to liberalise their trade and investment policies to include various investment incentives, particularly, for foreign investors. Along with these, South Asian countries have maintained high and steady economic growth, single-digit inflation rate; they have a growing domestic market, a large number of low-paid workers with growing number of skilled personnel and a more favorable investment climate. As a consequence, South Asia, as a group, has been successful in attracting a significant amount of FDI and raising its volume of trade (export plus import) as percentage of GDP during the last two decades. The question which naturally arises here is whether the increase in growth is brought about by FDI inflows. Therefore, it is important to explore the impact of FDI on the growth process, quantitatively, in South Asian economies for a better understanding about the linkages among FDI and economic growth.

Foreign Direct Investment (FDI) is often seen as an important catalyst for economic growth in developing countries. Development economists have long argued that countries pursuing outward-oriented development strategies are more likely to achieve higher rates of economic growth than those that are internally focused. A number of studies have examined the relationship between inward foreign direct investment (FDI) and economic growth in the developing host countries. A generally accepted conclusion is that FDI has played a significant role in promoting economic growth in host countries because FDI represents "the transmission to the host country of a package of capital, managerial skills, and technical skills" (Dattaray 2003). A significant finding of previous studies is that the economic and technological conditions of a recipient economy manipulate the extent to which FDI contributes to growth.

The main objective of this research is to study the economic changes in India due to FDI in Insurance.There is scope for greater FDI flow in Insurance sector,if the 26 percent cap on foreign equity is lifted.The experience of opening up of Insurance sector to FDI has set at rest the fears that were expressed earlier regarding the effect of such opening.The public sector Insurance monopolies have responded to private entry by trying to increase their efficiency and effectiveness.this process would be enhanced and sustained by more effective competition.The regulatory system(IRDA) is functioning effectively.In our view the 26percent foreign equity cap can be raised immediately to 49 percent and further to 100percent within a few years.Therefore Insurance laws has been amended to facilitate free flow of FDI in Insurance sector.

We have found from the observations that the FDI flows in India in absolute figure appears quite impressive but when compared with global players,it is far from satisfaction.Therefore,keeping in mind the importance of FDI in the Indian economy as a whole and particularly in Insurance sector it is suggested that there should be a Single Window Clearance of FDI proposals based on the Malaysian Industrial Development Authority(MIDA) model for overcoming post approval delays.

Legal and regulatory FDI policy:Indian government has enacted laws for regulating FDI from time to time keeping in view both national and international business environment.Before the liberalization of Indian economy in 1991,there was FERA constituted in 1973 for regulation of foreign investment.FEMA was also formulated for taking care of foreign investment regulation.But real problem is that all these acts and different bodies constituted by government are playing a regulatory role.The government should simplify the procedures for single window clearance.

In India the FDI regime is not still quite flexible as it is in other developing countries.Foreign ownership of between 51 and 100percent of equity still requires a long procedure of government approval.This rule should be scrapped in favour of Automatic approval for 100percent foreign ownership except for some strategic sectors that may continue to require government authorization.Besides,the government also needs to ease the restrictions on FDI outflows by nonfinancial Indian enterprises so as to allow these enterprises to enter into joint ventures and FDI arrangements in other countries.Furthermore;simplification of FDI procedures has been done to attract the foreign investors.Therefore Indian Insurance companies have tied up with foreign Insurance companies and working successfully.More Reinsurance companies have shown interest and shortly six Reinsurance companies are going to open their shops in India.Which will boost the Indian Insurance market to a new height.

With the above observations we conclude that Insurance sector is prestigious sector contributing significantly to the GDP and Employment in the Indian economy.It has not only augmented the country to bear great risks but has also chiefly contributed to increase the risk cover and thus helped the Indian economy for its further expansion by the entry of private Insurance and Reinsurance companies in the market.FDI in this sector has benefitted a lot to all the stakeholders as discussed in the previous pages.The sector,thus,plays a pivotal role in India’s economic development and without this sectors help the development is not at all possible because it provides funds for the social sectors for a long term of gestation period therefore industries and infrastructures can be available with a long term of planning.The Insurance sector has a huge potential because the Indian population is consisting of 50 percent young population moreover Insurance density and penetration is comparatively very low and its has enough gap which could be filled by spreading Insurance awareness.Recently Pradhan Mantri Jeevan Jyoti Bima Yojana has been launched which provides Rupees Two Lakhs cover for savings banks account holders extent and with increase in FDI from 26 to 49 percent there is every reason that the Indian Insurance sector’ will undergo a tremendous improvement and expansion.India has 640000 villages and 3500cities(approx) and with proper planning and expansion of Banking and Insurance network and also India post Payment Banks huge network,this sector would be able to successfully meet the challenges of low insurance density and low insurance penetration,which will immensely contribute to the dynamic economic growth and advanced development of the country.

Directions for further research:There is huge scope for further research because the Insurance sector in India is in its adolescent stage.With the arrival of Foreign Insurance companies and Reinsurance companies and there advanced knowhow in Health,Cargo,Marine and Agriculture insurance an in depth study of future prospects of FDI in Insurance in the Indian aspect could be studied.

Annexure-I
List of Insurers

Life Insurers:

S NO.	List of LifeInsurers	Foreign Partnership
1	Bajaj Allianz LifeInsurance Co.	Allianz
2	Birla Sun LifeInsurance Co.	Sun Life
3	HDFC Standard Life Insurance Co.Ltd	Standard Life,UK
4	ICICI Prudential Life Insurance Co.Ltd	Prudential.UK
5	ING Vyasa Life Insurance Co.Ltd	ING,Netherlands
6	Life Insurance Corporation of India	---------------------
7	Max Life Insurance Co.Ltd	Max,NewYork
8	PNB Metlife Insurance Co. Ltd	MET Life
9	Kotak Mahindra Old Mutual Life Insurance Ltd.	--------------------
10	SBI Life Insurance Co.Ltd	Cardiff Life,France
11	Tata AIA Life Insurance Co.Ltd	AIG Life
12	Reliance Life Insurance Co.Ltd	Nippon Life Insurance
13	Aviva Life Insurance Co.Ltd	DBS
14	Sahara India Life Insurance Co.Ltd	------------------
15	Shriram Life Insurance Co.Ltd	Sanlam, South Africa
16	Bharati Axa Life Insurance Co.Ltd	AXA LIFE
17	Future Generali India Life Insurance Co.Ltd	Generali group Italy
18	IDBI Federal Life Insurance Co.Ltd	Federal Bank Europe
19	Canara HSBC Oriental Bank of Commerce Life Insurance Co.Ltd	HSBC Insurance
20	AEGON Religare Life Insurance Company Ltd.	Aegon,global financial and Bennett,coleman & company
21	DLF Pramerica Life Insurance Co.Ltd	--------------

22	Star Union Dai-ichi Life Insurance Co.Ltd	Dai-ichi Life
23	IndiaFirst Life Insurance Co.Ltd	Legal and General U.K.
24	Edelweiss Tokio Life Insurance Co.Ltd	Japan

Table: 28

Non-Life Insurers:

S NO.	List of General Insurers(PSU)	Foreign Partners
1	National Insurance Co.Ltd	--------------
2	The New India Assurance Co.Ltd	--------------
3	The Oriental Insurance Co.Ltd	--------------
4	United India Insurance Co.Ltd	-------------
	Private Sector General Insurers	
5	Bajaj Allianz General Insurance Co.Ltd	Allianz,UK
6	ICICI Lombard General Insurance Co.Ltd	Canada based Fairfax
7	IFFCO Tokio General Insurance Co.Ltd	Japan
8	Reliance General Insurance Co.Ltd	---------------------
9	Royal Sundaram Alliance Insurance Co.Ltd	Alliance Insurance,UK
10	Tata AIG General Insurance Co.Ltd	AIG
11	Cholamandalam MS General Insurance Co.Ltd	General
12	HDFC ERGO General Insurance Co.Ltd	HDFC Chubb,Germany
13	Future Generali India Insurance Co. Ltd	------------------
14	Universal Sompo General Insurance Co.Ltd	Sompo Japan Nipponkoa
15	Shriram General Insurance Company Ltd	--------------------
16	Bharati AXA General Insurance Co.Ltd	AXA
17	Raheja QBE General Insurance Co.Ltd	QBE group Australia
18	SBI General Insurance Co.Ltd	France
19	L&T General Insurance Co.Ltd	---------------------
20	Magma HDI General Insurance Co.Ltd	HDI-Gerling,Germany
21	Liberty Videocon General Insurance Co.Ltd.	Liberty Mutual Insurance,US
	Stand-alone Health Insurers	
22	Star Health and Allied Insurance Co.Ltd	ETA Ascon group
23	Apollo Munich Health Insurance Co.Ltd	-------------
24	Max Bupa Health Insurance Co.Ltd	Bupa
25	Religare Health Insurance Co.Ltd	Religare enterprises
	Specialized Insurers	
26	Export Credit Guarantee Corporation of India Ltd	----------------------
27	Agriculture Insurance Co of India Ltd	-------------------
28	GIC RE(Reinsurance Company)	----------------------

Table: 29

Table:29a

SECTOR	LIFE	GENERAL HEALTH and REINSURANCE	TOTAL
PUBLIC	2275277	138964	2414241
GROWTH	13.25%	13.38%	13.26%
PRIVATE	578917	83379	662296
GROWTH	17.44%	27.17%	18.58%
TOTAL	2854193	222344	3076537
GROWTH%	14.07%	18.19%	14.36%
TOTAL INVESTMENT OF INSURANCE SECTOR as on March 2018			

PARTICULARS	Remarks	Unit	2013-14	2014-15	PARTICULARS	Remarks	2013-14	2014-15
PROFILE(Summary of Indian Life Insurance Sector,Table:30)								
No of companies	As on 31st March	Nos.	24	24				
					Individual agents	FY	484	285.89
No of branch offices	As on 31st March	Nos.	11032	11033				
					Corporate agents-Banks	FY	56	68.99
Insurance penetration	Calender Year	In per cent	3.1	2.6				
Insurance density	Calender Year	US $	41	44	Corporate agents-Others	FY	53	344.16
BUSINESS FIGURES					Brokers	FY	41	57.94
Number of new policies issued	FY	In Lakhs	409	259				
					Direct selling	FY	714	725.22
First year premium								
(Including single premium)	FY	(`Crore)	120325	113328	Common Service			
Total Premium	FY	(`Crore)	314301	328101	Centres(CSCs)	FY		0.02
Market share of LIC					MI Agents	FY		5.08
(based on Total Premium)	FY	In per cent	75.39	73.05				
Individual Business in Force					Total	FY	1348	1487.31
(Number of policies)	FY	In Thousand s	334802	326297	Referrals	FY	0.13	0.09
Individual Business in Force								
(Sum Assured)	FY	(`Crore)	6646516	7553045	Region Wise distribution of Offices			
INTERMEDIARIES					Metro	As on 31st March	1048	1083
No of individual agents	As on 31st March	Nos.	2188500	2067907				
					Urban	As on 31st March	2543	2489
No of corporate agents	As on 31st March	Nos.	689	503				
Commission paid	FY	(`Lakh)	2084637	1946068	Unclassified	As on 31st March	7441	7461
Operating Expenses related					Total	As on 31st March	11032	11033
to Insurance Business	FY	(`Lakh)	3746541	3686159				
					Assets Under Management			
POLICYHOLDERS' SERVICES								
No of claims submitted (Individual)	FY	No. of policices	885361	877828	Life Fund	As on 31st March	1288225	1495309
No of claims submitted (Group)	FY	No of Lives	425978	466783	Pension & General Annuity			
Amount Claimed (Individual)	FY	(`Crore)	11958	12968	& Group fund	As on 31st March	337579	389472
Amount Claimed (Group)	FY	(`Crore)	3230	3651	Unit ULIP Fund	As on 31st March	331661	362740
Total Benefit Paid	FY	(`Lakh)	2163119	21107289				

(Net)			1					
					Total Fund	As on 31st March	1957466	2247522
Individual agents	FY	(`Crore)	48831	41246.70	Profit / (Loss) after tax	As on 31st March	758783	761131
Corporate agents-Banks	FY	(`Crore)	11327	12830.52	Equity Capital	As on 31st March	25939	26244
Corporate agents-Others	FY	(`Crore)	1252	1421.01	REDRESSEL OF CONSUMER GRIEVANCES			
Brokers	FY	(`Crore)	1267	1451.03	No of grievances reported			
Direct selling	FY	(`Crore)	57478	56218.38	uring the year	FY	374620	278992
MI Agents				17.19	No. of complaints reported			
Common Service Centres(CSCs)				0.32	with the Ombudsmen			
Total	FY	(`Crore)	120156	113185.15	at difference centres	FY	17512	14339
Referrals	FY	(`Crore)	20	7.98				

PARTICULARS	Remarks	Unit	2013-14	2014-15	PARTICULARS	Remarks	2013-14	2014-15
PROFILE	Channel Wise-New Business (No. of Lives Covered)-Individual plus Group							
No of companies	As on 31st March	Nos.	24	24				
					Individual agents	FY	484	285.89
No of branch offices	As on 31st March	Nos.	11032	11033				
					Corporate agents-Banks	FY	56	68.99
Insurance penetration	Calender Year	In per cent	3.1	2.6				
Insurance density	Calender Year	US $	41	44	Corporate agents-Others	FY	53	344.16
BUSINESS FIGURES					Brokers	FY	41	57.94
Number of new policies issued	FY	In Lakhs	409	259				
					Direct selling	FY	714	725.22
First year premium								
(Including single premium)	FY	(`Crore)	120325	113328	Common Service			
Total Premium	FY	(`Crore)	314301	328101	Centres(CSCs)	FY		0.02
Market share of LIC					MI Agents	FY		5.08
(based on Total Premium)	FY	In per cent	75.39	73.05				
Individual Business in Force					Total	FY	1348	1487.31
(Number of policies)	FY	In Thousands	334802	326297	Referrals	FY	0.13	0.09
Individual Business in Force								
(Sum Assured)	FY	(`Crore)	6646516	7553045	Region Wise distribution of Offices			
INTERMEDIARIES					Metro	As on 31st March	1048	1083
No of individual agents	As on 31st March	Nos.	2188500	2067907				
					Urban	As on 31st March	2543	2489
No of corporate	As on	Nos.	689	503				

agents	31st March							
Commission paid	FY	(`Lakh)	2084637	1946068	Unclassified	As on 31st March	7441	7461
Operating Expenses related					Total	As on 31st March	11032	11033
to Insurance Business	FY	(`Lakh)	3746541	3686159				
					Assets Under Management			
POLICYHOLDERS' SERVICES								
No of claims submitted (Individual)	FY	No. of policices	885361	877828	Life Fund	As on 31st March	1288225	1495309
No of claims submitted (Group)	FY	No of Lives	425978	466783	Pension & General Annuity			
Amount Claimed (Individual)	FY	(`Crore)	11958	12968	& Group fund	As on 31st March	337579	389472
Amount Claimed (Group)	FY	(`Crore)	3230	3651	Unit ULIP Fund	As on 31st March	331661	362740
Total Benefit Paid (Net)	FY	(`Lakh)	21631191	21107289				
					Total Fund	As on 31st March	1957466	2247522
Channel Wise-New Business (Amount of Premium)-Individual plus Group								
Individual agents	FY	(`Crore)	48831	41246.70	Profit / (Loss) after tax	As on 31st March	758783	761131
Corporate agents-Banks	FY	(`Crore)	11327	12830.52	Equity Capital	As on 31st March	25939	26244
Corporate agents-Others	FY	(`Crore)	1252	1421.01	REDRESSEL OF CONSUMER GRIEVANCES			
Brokers	FY	(`Crore)	1267	1451.03	No of grievances reported			
Direct selling	FY	(`Crore)	57478	56218.38	uring the year	FY	374620	278992
MI Agents				17.19	No. of complaints reported			
Common Service Centres(CSCs)				0.32	with the Ombudsmen			
Total	FY	(`Crore)	120156	113185.15	at difference centres	FY	17512	14339

PARTICULARS	Remarks	Unit	2000-01	2001-02	2012-13
PROFILE					
No of companies (incl reinsurer)	As on 31st March	Nos.	10	13	28
No. of branch offices	As on 31st March	Nos.			8099
Insurance penetration	Calender Year	In percent		0.56	0.78
Insurance density	Calender Year	US $		2.4	10.5
BUSINESS FIGURES					
Number of new policies issued	FY	In Lakhs			1070
Gross Direct Premium					

(Within & Outside India)	FY	(`Crore)	10499	12385	65023
Market share of PSUs					
(Excluding GIC, AIC & ECGC)		In Per cent		96.22	55.61
Segment Wise Gross Direct Premium (Within India) - Excluding Specialised & Standalone Insurers					
Fire	FY	(`Lakh)	206436	266739	665891
Marine	FY	(`Lakh)	98515	1105340	302915
Motor	FY	(`Lakh)			2962980
Health	FY	(`Lakh)			1397467
Others	FY	(`Lakh)	675744	772485	968012
Total	FY	(`Lakh)	980695	1144582	6297624
Net Retentions of Non-Life Insurers					
Fire	FY	In Per Cent			71.88
Marine Cargo	FY	In Per Cent			83.59
Marine Hull	FY	In Per Cent			34.79
Motor	FY	In Per Cent			98.78
Engineering	FY	In Per Cent			70.78
Aviation	FY	In Per Cent			27.25
Other miscellaneous	FY	In Per Cent			90.01
Total- All Segments	FY	In Per Cent			89.84
Incurred Claims Ratio					
Fire	FY	In Per Cent		46.52	68.82
Marine	FY	In Per Cent		59.70	64.96
Motor	FY	In Per Cent			88.63
Health	FY	In Per Cent			96.42
Others	FY	In Per Cent		105.15	48.72
Total- All Segments	FY	In Per Cent		88.02	82.79
Underwriting Profit/Loss	FY	(`Lakh)	38442	-26646	-698428
Assets Under Management	As on 31st March	(`Crore)	24462	23400	122992
Equity Share Capital (Including specialised insurers but excluding GIC))	As on 31st March	(`Crore)		1517	9520
	FY	(`Lakh)	-5319	-2420	191464
Commission expenses	FY	(`Lakh)	225842	268069	1354018
Operating expenses related to	FY	(`Lakh)	-2554	-57594	145043
Insurance business	FY	(`Lakh)	1514	78077	1191167
Operating profit/(Loss)	FY	(`Lakh)	-1358	-7210	328183
Income from investments					
Profit after tax (Industry Total)					
REDRESSEL OF CONSUMER GRIEVANCES					78927
No of grievances reported					
during the year					
No. of complaints reported with the Ombudsmen at difference centres					9071
Note: Figures in brackets represent negative values.					

Table:31b SUMMARY OF INDIAN NON-LIFE INSURANCE SECTOR				
PARTICULARS	Remarks	Unit	2013-14	2014-15
PROFILE				
No of companies (incl reinsurer)	As on 31st March	Nos.	29	29
No. of branch offices	As on 31st March	Nos.	9872	10407
Insurance penetration	Calender Year	In percent	0.80	0.7
Insurance density	Calender Year	US $	11	11
BUSINESS FIGURES				
Number of new policies issued excluding Standalone and Specialised Insurers	FY	In Lakhs	1025	1183
Gross Direct Premium (Within & Outside India)	FY	(`Crore)	79934	87151
Market share of PSUs - Gen.Ins.Cos.(GDP within India)		In Per cent	49.77	50.24
Segment Wise Gross Direct Premium (Within India)				
Fire	FY	(`Lakh)	736263	805654
Marine	FY	(`Lakh)	316180	302006
Motor	FY	(`Lakh)	3382275	3737932
Health	FY	(`Lakh)	1963430	2263626
Others	FY	(`Lakh)	1357234	1359206
Total	FY	(`Lakh)	7755381	8468428
Net Retentions of Non-Life Insurers(including GIC)				
Fire	FY	In Per Cent	69.24	64.54
Marine Cargo	FY	In Per Cent	85.99	81.59
Marine Hull	FY	In Per Cent	31.94	35.47
Motor	FY	In Per Cent	100.00	99.67
Engineering	FY	In Per Cent	71.07	71.8
Aviation	FY	In Per Cent	1.00	38.91
Other miscellaneous	FY	In Per Cent	89.43	88.14
Total- All Segments	FY	In Per Cent	90.32	89.57
Incurred Claims Ratio				
Fire	FY	In Per Cent	76.54	73.78
Marine	FY	In Per Cent	63.37	67.44
Motor	FY	In Per Cent	79.50	77.14
Health	FY	In Per Cent	97.05	96.93
Others	FY	In Per Cent	72.96	73.91
Total- All Segments	FY	In Per Cent	81.98	81.7
Underwriting Profit/Loss	FY	(`Lakh)	764081	1012732
Assets Under Management (including GIC)	As on 31st March	(`Crore)	149536	172144
Equity Share Capital including GIC	As on 31st March	(`Crore)	10240	11504
Commission expenses	FY	(`Lakh)	477835	521200
Operating expenses realted to Insurance business	FY	(`Lakh)	1625067	2020637
Operating profit/(Loss)	FY	(`Lakh)	244298	185191
Income from investments	FY	(`Crore)	14319	16767
Profit after tax (Industry Total)	FY	(`Lakh)	464906	463915
REDRESSEL OF CONSUMER GRIEVANCES				

No of grievances reported during the year			63736	60688
No. of complaints reported with the Ombudsmen at difference centres			9627	7145

Insurance Penetration						(In Per cent)
		2013			2014	
Countries						
	Total	Life	Non-Life	Total	Life	Non-Life
Australia	5.20	3.00	2.10	6.0	3.8	2.2
Brazil	4.00	2.20	1.80	3.9	2.1	1.9
France	9.00	5.70	3.20	9.1	5.9	3.1
Germany	6.70	3.10	3.60	6.5	3.1	3.4
Russia	1.30	0.10	1.20	1.4	0.2	1.2
South Africa	15.40	12.70	2.70	14.0	11.4	2.7
Switzerland	9.60	5.30	4.40	9.2	5.1	4.1
United Kingdom	11.50	8.80	2.80	10.6	8.0	2.6
United States	7.50	3.20	4.30	7.3	3.0	4.3
Asian Countries						
Hong Kong	13.20	11.70	1.50	14.2	12.7	1.4
India#	3.90	3.10	0.80	3.3	2.6	0.7
Japan	11.10	8.80	2.30	10.8	8.4	2.4
Malaysia	4.80	3.20	1.70	4.8	3.1	1.7
Pakistan	0.70	0.50	0.30	0.8	0.5	0.3
PR China	3.00	1.60	1.40	3.2	1.7	1.5
Singapore	5.90	4.40	1.60	6.7	5.0	1.6
South Korea	11.90	7.50	4.40	11.3	7.2	4.1
Sri Lanka	1.10	0.50	0.70	1.1	0.5	0.7
Taiwan	17.60	14.50	3.10	18.9	15.6	3.3
Thailand	5.50	3.80	1.70	5.8	3.6	2.2
World	6.30	3.50	2.80	6.2	3.4	2.7

Source: Swiss Re, Sigma various volumes
* Insurance penetration is measured as ratio of premium (in US Dollars) to GDP (in US Dollars)
# data relates to financial year.

Table: 32 Details of Life Insurance Companies Operating in India

DETAILS OF LIFE INSURANCE COMPANIES OPERATING IN INDIA*					
Insurers	Foreign Partners	Regn. No.	Date of Registration	Year of Operation	
PRIVATE SECTOR					
Aegon Religare Life Insurance Company Ltd.	Aegon India Holdings BV, Netherlands	138	27.06.2008	2008-09	
Aviva Life Insurance Company Ltd.	Aviva International Holdings Ltd. UK	122	14.05.2002	2002-03	
Bajaj Allianz Life Insurance Company Ltd.	Allianz, SE Germany	116	03.08.2001	2001-02	
Bharti AXA Life Insurance Company Ltd.	AXA India Holdings, France	130	14.07.2006	2006-07	
Birla Sunlife Insurance Company Ltd.	Sun Life Financial (India) Insurance Investment Inc, Canada	109	31.01.2001	2000-01	
Canara HSBC OBC Life Insurance Company Ltd.	HSBC Insurance (Asia Pacific) Holdings Ltd. UK	136	08.05.2008	2008-09	
DHFL Pramerica Life Insurance Company Ltd.	Prudential International Insurance Holdings Ltd. USA	140	27.06.2008	2008-09	
Edelweiss Tokio Life Insurance Company Ltd.	Tokio Marine & Nichido Fire Insurance Company Ltd. Japan	147	10.05.2011	2011-12	
Exide Life Insurance Company Ltd.	---	114	02.08.2001	2001-02	
Future Generali Life Insurance Company Ltd.	Participatie Maatschapij Graafsschap Holland NV, Netherlands	133	04.09.2007	2007-08	
HDFC Standard Life Insurance Company Ltd.	Standard Life (Mauritius Holdings) 2006, Ltd. UK	101	23.10.2000	2000-01	
ICICI Prudential Life Insurance Company Ltd.	Prudential Corporation Holdings Ltd. UK	105	24.11.2000	2000-01	

IDBI Federal Life Insurance Company Ltd.	Aegis Insurance International NV Netherlands	135	19.12.2007	2007-08	
IndiaFirst Life Insurance Company Ltd.	Legal & General Middle East Ltd.	143	05.11.2009	2009-10	
Kotak Mahindra OM Life Insurance Company Ltd.	Old Mutual Plc, UK	107	10.01.2001	2001-02	
MaxLife Insurance Company Ltd.	Mitsui Sumitomo Insurance Company Ltd. Japan	104	15.11.2000	2000-01	
PNB Metlife India Insurance Company Ltd.	Metlife International Holdings Inc, USA	117	06.08.2001	2001-02	
Reliance Life Insurance Company Ltd.	Nippon Life Insurance Company Ltd. Japan	121	03.01.2002	2001-02	
Sahara India Life Insurance Company Ltd.	---	127	06.02.2004	2004-05	
SBI Life Insurance Company Ltd.	BNP Paribas Cardif, France	111	29.03.2001	2001-02	
Shriram Life Insurance Company Ltd.	---	128	17.11.2005	2005-06	
Star Union Dai-ichi Life Insurance Company Ltd.	Dai-ichi Life Insurance Company Ltd. Japan	142	26.12.2008	2008-09	
TATA AIA Life Insurance Company Ltd.	American International Assurance Company (Bermuda) Ltd.	110	12.02.2001	2001-02	
PUBLIC SECTOR					
Life Insurance Corporation of India	---	512	01.09.1956	1956-57	
St* as on 31March, 2015					

Table: 33 Non-Life Insurance Companies

NON-LIFE INSURANCE				
DETAILS OF NON-LIFE INSURANCE COMPANIES OPERATING IN INDIA*				
Insurers	Foreign Partners	Regn. No.	Date of Registration	Year of Operation
PRIVATE SECTOR				
Bajaj Allianz General Insurance Company Ltd.	Allianz, SE Germany	113	02.05.2001	2001-02
Bharti AXA General Insurance Company Ltd.	M/s. Societe Beaujon, France	139	27.06.2008	2008-09
Cholamandalam MS General Insurance Company Ltd.	Mitsui Sumitomo, Japan	123	15.07.2002	2002-03
Future Generali India Insurance Company Ltd.	Participatie Maatschapij			
	Graafsschap Holland NV, Netherlands (“Generali”)	132	04.09.2007	2007-08
HDFC ERGO General Insurance Company Ltd.	ERGO International AG, Germany	125	27.09.2000	2002-03
ICICI Lombard General Insurance Company Ltd.	FAL Corporation, Canada	115	03.08.2001	2001-02
IFFCO Tokio General Insurance Company Ltd.	Tokio Marine Asia Pte. Ltd. Japan	106	04.12.2000	2000-01
L & T General Insurance Company Ltd.	---	146	09.07.2010	2010-11
Liberty Videocon General Insurance Company Ltd.	Liberty City State Holdings Pte Ltd.	150	22.05.2012	2012-13
Magma HDI General Insurance Company Ltd.	HDI-Gerling Industrie Versicherung AG, Germany	149	22.05.2012	2012-13
Raheja QBE General Insurance Company Ltd.	QBE Holdings (AAP) Pty.Ltd. Australia	141	11.12.2008	2008-09
Reliance General Insurance Company Ltd.	---	103	23.10.2000	2000-01
Royal Sundaram Alliance Insurance Company Ltd.	Royal & Sun Alliance Insurance Plc, UK	102	23.10.2000	2000-01
SBI General Insurance Company Ltd.	IAG International Pty Ltd. Australia	144	15.12.2009	2009-10
Shriram General Insurance Company Ltd.	---	137	08.05.2008	2008-09

TATA AIG General Insurance Company Ltd.	Chartis Memsa Holdings Inc. USA	108	22.01.2001	2000-01
Universal Sompo General Insurance Company Ltd.	Sompo, Japan. Insurance Inc.	134	16.11.2007	2007-08
PUBLIC SECTOR				
National Insurance Company Ltd.	---	58	1906	1906-07
The New India Assurance Company Ltd.	---	190	1919	1919-20
The Oriental Insurance Company Ltd.	---	556	1947	1947-48
United India Insurance Company Ltd.	---	545	1919	1919-20
STANDALONE HEALTH PRIVATE				
Apollo Munich Health Insurance Company Ltd.	Munich Health Holding AG, Germany	131	03.08.2007	2007-08
Cigna TTK Health Insurance Company Ltd.	Cigna Holdings Overseas Inc. USA	151	13.11.2013	2013-14
Max BUPA Health Insurance Company Ltd.	BUPA Singapore Holdings Pte Ltd.	145	15.02.2010	2009-10
Religare Health Insurance Company Ltd.	---	148	26.04.2012	2012-13
Star Health & Allied Insurance Company Ltd.	Individual Promoters and Oman Insurance PSC,			
	UAE & Alpha TC Holdings Pte Ltd.	129	16.03.2006	2006-07
SPECIALISED INSURERS				
Agriculture Insurance Company of India Ltd.	---	126	2003	2003-04
Export Credit Guarantee Corporation of India Ltd.	---	124	1957	1957-58
REINSURER				
General Insurance Corporation of India	---	112	2001	2001-02
* as on 31st March, 2015				

Total Lifeinsurance Premium:

TOTAL LIFE INSURANCE PREMIUM In RS` Crore) **Table:34**					
INSURER	2000-01	2001-02	2012-13	2013-14	2014-15
Aegon Religare	--	--	430.50	453.00	559.20
Aviva	--	--	2140.67	1878.10	1796.25
Bajaj Allianz	--	7.14	6892.70	5843.14	6017.30
Bharti AXA	--	--	744.52	872.65	1053.32
Birla Sunlife	0.32	28.26	5216.30	4833.05	5233.22
Canara HSBC	--	--	1912.15	1823.42	1657.02
DHFL Pramerica	--	--	236.79	305.86	735.10
Edelweiss Tokio	--	--	54.83	110.90	193.08
Exide Life	--	4.19	1742.36	1830.67	2027.48
Future Generali	--	--	678.29	634.16	604.25
HDFC Standard	0.002	33.46	11322.68	12062.90	14829.90
ICICI Prudential	5.97	116.38	13538.24	12428.65	15306.62
IDBI Federal	--	--	804.68	826.25	1069.62
IndiaFirst	--	--	1690.08	2143.36	2034.11
Kotak Mahindra	--	7.58	2777.78	2700.79	3038.05
Max Life	0.16	38.95	6638.70	7278.54	8171.62
PNB Metlife	--	0.48	2429.52	2240.59	2461.19
Reliance	--	0.28	4045.39	4283.40	4621.08
Sahara	--	--	205.38	204.63	166.86
SBI Life	--	14.69	10450.03	10738.60	12867.11
Shriram Life	--	--	618.07	594.24	734.66
Star Union Dai-ichi	--	--	1068.80	948.75	1134.68
Tata AIA	--	21.14	2760.43	2323.70	2121.79
Private Total	6.45	272.55	78398.91	77359.36	88433.49
		-4124.31	(-6.87)	(-1.33)	14.32
LIC	34892.02	49821.91	208803.58	236942.30	239667.65
		-42.79	-2.92	-13.48	-1.15
Industry Total	34898.47	50094.46	287202.49	314301.66	328101.14

		-43.54	-0.05	-9.44	4.39
-- represents business not started.					

Table: 35

STATE WISE INDIVIDUAL NEW BUSINESS UNDERWRITTEN* (LIFE INSURANCE) (Concld.)				
			(Policies in Numbers) (Premium in	` Crore)
State / Union	2013-14		2014-15	
Territory	Policies	Premium	Policies	Premium
Andhra Pradesh	3290036	4438.46	1214281	2234.31
Arunachal Pradesh	13370	33.91	10330	31.90
Assam	969059	1246.22	692280	1410.51
Bihar	2420746	2189.37	1366993	2032.54
Chattisgarh	792693	541.95	391341	528.52
Goa	136424	296.87	94818	263.28
Gujarat	2438534	4335.71	1454884	3549.13
Haryana	703701	1269.81	538332	1234.04
Himachal Pradesh	432135	528.16	218814	419.77
Jammu & Kashmir	229418	389.62	156206	354.11
Jharkhand	837214	1057.88	521057	979.03
Karnataka	2755603	3654.94	1575649	3379.10
Kerala	1487242	2365.67	946638	2220.43
Madhya Pradesh	1585535	2298.39	987506	1985.09
Maharashtra	5266383	11637.52	3411072	10291.27
Manipur	53889	67.13	27923	74.96
Meghalaya	18296	267.69	19407	60.22
Mizoram	6246	21.68	4989	20.34
Nagaland	17605	49.62	15164	43.49
Odisha	1565226	1613.25	1024792	1634.00
Punjab	916284	1339.82	604784	1310.14
Rajasthan	2130726	2284.04	1406546	2059.08
Sikkim	16789	33.66	12173	32.66
Tamil Nadu	2574555	4150.22	1651936	3813.09
Telangana	-	-	902832	1903.18
Tripura	148378	150.72	95489	117.25
Uttar Pradesh	4656738	5291.91	3026593	4838.78
Uttrakhand	539573	641.85	294312	604.30
West Bengal	3290923	4897.93	2288680	4372.90
Andaman & Nicobar	6651	12.59	5528	10.17
Chandigarh	180648	501.36	76739	406.61
Dadra & Nagra Haveli	2541	3.18	1655	2.97
Daman & Diu	9977	11.36	4993	8.81
Delhi	1289932	3228.52	787209	3095.06
Lakshadweep	108	0.14	105	0.17
Puducherry	51886	105.70	37305	77.72
ALL INDIA	40835064	60956.85	25869356	55399

Table:36 NON-LIFE INSURERS: NUMBER OF POLICIES ISSUED (In Lakhs)								
Insurer	2002-03	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Public Sector	418.85	451.37	434.04	505.76	528.14	689.68	600.06	677.82
	-96.15	-17.10	(-3.84)	-16.52	-4.43	-30.59	(-12.99)	(-12.95)
Private Sector	16.77	219.23	240.84	287.65	329.30	380.56	424.47	504.97
	-3.85	-17.21	-9.86	-19.44	-14.48	-15.57	-11.54	-18.96
TOTAL	435.62	670.60	674.88	793.41	857.44	1070.24	1024.52	1182.79
	-89.66	-17.13	-0.64	-17.56	-8.07	-24.82	(-4.27)	(-15.44)
Note: Figures in brackets indicate the growth over the previous year in per cent.								
Excluding standalone Health Private and Specialised Insurers								

LIC's Investment during Five Year Plan Period

Plan	Year	Gross Investments-CRORES
II	1956-1961	184
III	1961-1966	285
IV	1969-1974	1530
V	1974-1979	2942
VI	1980-1985	7140
VII	1985-1990	12969
VIII	1992-1997	56097
IX	1997-2002	170929
X	2002-2007	394779
XI	2007-2012	704151
XII	2012-2017	1423055

Table: 37

ASSETS UNDER MANAGEMENT OF LIFE INSURERS(IN Crores)

Table: 38a

INSURER	LIFE FUND	LIFE FUND
	31-03-2016	31-03-2017
Aegon Religare	745.51	975.74
Aviva	3559.36	4007.38
Bajaj Allianz	20054.48	21936.08
Bharti AXA	1387.00	2126.62
Birla SunLife	4955.48	6197.28
Canara HSBC	1858.47	2177.12
DHFL Pramerica	1282.56	1588.38
EDELWEISS Tokio	1249.91	1190.69
Exide Life	5843.15	6925.22
Future Generali	1536.84	1644.62
HDFC Standard	21101.07	26256.33
ICICI Prudential	23180.64	28135.90
IDBI Federal	2813.98	3670.29
India First	940.77	1192.49
Kotak Mahindra	6698.54	8708.87
Max Life	21941.33	27609.00
PNB Metlife	6622.68	8215.18
Reliance	8018.13	9384.39
Sahara	950.95	1046.81
SBI Life	22448.77	27270.75
Shriram Life	1406.37	1884.88
Star Union Dai-chi	1659.90	2367.83
Tata-AIA	10181.29	11574.98
Private Total	170437.18	206086.83
LIC	1527015.76	1701866.05
Industry Total	1697452.94	1907952.88

ASSETS UNDER MANAGEMENT OF LIFE INSURERS(In Crores)

Insurer	Total (All Funds) 31-03-2016	Total(All Funds) 31-03-2017
AEGON RELIGARE	1784.94	1939.99
AVIVA	8752.03	9062.11
BAJAJ ALLIANZ	43884.98	48278.57
BHARTI AXA	3076.58	3726.23
BIRLA SUNLIFE	30742.94	34709.34
CANARA HSBC	9785.65	11282.68
DLF PRAMERICA	2027.80	2635.56
EDELWEISS TOKIO	1397.55	1476.20
EXIDE LIFE	9445.99	10842.90
FUTURE GENERALI	2662.05	2839.94
HDFC STANDARD	74249.11	91331.56
ICICI PRUDENTIAL	101790.47	119534.68
IDBI FEDERAL	4738.47	5862.94
INDIAFIRST	8897.05	10600.36
KOTAK MAHINDRA	16776.68	20550.20
MAXLIFE	35804.99	44054.00
PNB METLIFE	13475.40	15156.26
RELIANCE	15935.74	17089.74
SAHARA	1142.48	1195.01
SBI LIFE	79455.72	96873.87
SHRIRAM LIFE	2539.40	2980.46
STAR UNION DAI-ICHI	5595.65	6200.80
TATA AIA	18987.69	20693.11
PRIVATE TOTAL	492949.36	578916.52
LIC	2009118.93	2275276.59
INDUSTRY TOTAL	2502068.29	2854193.11
TOTAL ASSETS INCLUDIG ULIP AND INVESTMENT(IN RS CRORES)		

Table: 38b

Table: 39 a **ASSETS UNDER MANAGEMENT OF GENERAL,HEALTH AND RE-INSURERS**

PRIVATE SECTOR INSURERS	TOTAL INVESTMENTS 31-3-2016 RS Crores	TOTAL INVESTMENTS 31-3-2017 RS Crores
BAJAJ ALLIANZ	8934.65	10255.79
BHARTI AXA	2840.28	2871.66
CHOLAMANDALAM MS	3874.82	4871.52
FUTURE GENERALI	2024.01	2478.66
HDFC ERGO	4131.30	6230.30
ICICI LOMBARD	11257.91	14405.50
IFFCO TOKIO	4831.06	6609.69
HDFC GENERAL(L&T)	801.79	852.00
LIBERTY VIDEOCON	513.61	820.37
MAGMA HDI	866.33	900.38
RAHEJA QBE	255.45	292.65
RELIANCE	5395.33	6715.04
ROYAL SUNDARAM	2718.34	3354.63
SBI GENERAL	3304.62	4366.81
SHRIRAM GENERAL	8019.71	6715.88
TATA AIG	3701.86	4793.00
UNIVERSAL SOMPO	1088.88	1626.23
KOTAK MAHINDRA	114.42	147.18
TOTAL ASSETS	62474.37	78107.29

Table: 39b ASSETS PUBLIC SECTOR GENERAL INSURERS:

NATIONAL	17142.47	19297.02
NEW INDIA	26180.55	29322.77
ORIENTAL	12214.27	13658.68
UNITED INDIA	19665.30	22055.99
TOTAL	75202.59(31-3-2016)	84334.46(31-3-2017)

Table: 39c ASSETS HEALTH INSURERS:

ADITYA BIRLA HEALTH	NIL	228.87
APOLLO MUNICH	880.48	1043.67
CIGNA TTK	206.62	284.29
MAX BUPA	586.15	627.37
RELIGARE HEALTH	453.30	606.80
STAR HEALTH	984.36	1530.97

TOTAL ASSETS	3090.91(31-3-2016)	4321.97(31-3-2017

Table: 39d ASSETS REINSURERS

GIC RE	34050.32	39126.27
ITI REINSURANCE LTD.	NA	300.18
TOTAL ASSETS	34050.32(31-3-2016)	39426.45(31-3-2017)

Table: 39e ASSETS SPECIALIZED INSURERS

AIC	6122.90	7477.88
ECGC	7184.63	8025.71
TOTAL ASSETS	13307.53(31-3-2016)	15503.59(31-3-2017)

Table: 39f BRANCHES OF FOREIGN REINSURERS

MUNICH RE INDIA BRANCH	NA	246.27
SCOR SE INDIA BRANCH	NA	266.89
SWISS RE INDIA BRANCH	NA	136.73
TOTAL	0.00	649.89
GENERAL INSURANCE INDUSTRY-GRAND TOTAL	188125.72(31-3-2016)	222343.65(31-3-2017)

Table:40 GROSS DIRECT CHANGE IN PREMIUM DUE TO FDI IN INSURANCE(IN RS CRORES)

Table: 41a 1.CHANGE IN NON-LIFE INSURERS PREMIUM:

PRIVATE SECTOR GENERAL INSURERS	2000-01	2011-12	2016-17	2017-18
Bajaj Allianz	----	3286.62	7633.28	9445.22
Bharti AXA	-----	884.00	1314.09	1758.18
Cholamandalam MS	-----	1346.54	3133.28	4102.48
Future Generali	------	919.76	1815.50	1906.28
HDFC ERGO	------	1839.46	3964.45	7289.97
HDFC ERGO(L&T General)	------	143.40	2224.17	Merged
ICICI Lombard	------	5150.14	10725.20	12356.85
IFFCO TOKIO	5.83	1975.24	5563.70	5634.00
KOTAK MAHINDRA	----	------	82.05	185.39
LIBERTY VIDEOCON	-----	0.00	584.59	817.00
MAGMA HDI	-----	0.00	419.49	526.69
RAHEJA QBE	-------	14.79	58.92	83.52
RELIANCE GENERAL	1.07	1712.55	3935.35	5069.08
ROYAL SUNDARAM	0.24	1479.79	2188.78	2623.47
SBI GENERAL	-----	250.14	2604.49	3544.20
SHRIRAM GENERAL	-----	1266.44	2102.42	2100.79
TATA AIG	-----	1641.57	4167.97	5437.00
UNIVERSAL SOMPO	-----	404.58	1287.23	2310.86
PRIVATE SECTOR INSURERS TOTAL	7.14	22315.03	53804.96	133348.33

Table: 41b Change in Premium Non-Life Public Sector Insurers:RS Crores

National Insurance Co.Ltd.	2227.73	7815.69	14282.36	16471.94
The New India Assurance Co.Ltd.	3493.05	10073.88	21597.92	22695.85
The Oriental Insurance Co.Ltd.	2247.10	6194.60	11117.02	11452.01
United India Insurance Co.Ltd.	2524.00	8179.29	16062.81	17300.37
Public Sector Non-Life Insurers Total	10491.88	32263.46	63060.11	67920.17

Table:41c Specialized Insurers (Change in Premium)RS Crores

Agriculture Insurance Co.of India Ltd.	----	2576.85	7064.13	7823.07
Export Credit Guarantee Corporation of India Ltd.	----	1004.83	1267.62	1240.38
Specialized Insurers Total	0.00	3581.68	8247.18	9063.45

Table:41d Standalone Health Insurers(Change in Premium)RS Crores

Year	2000-01	2011-12	2016-17	2017-18
Apollo Munich	-------	475.64	1301.93	1717.50
Aditya Birla Health Ins.Co.Ltd.	-------	------	54.04	241.44
Cigna TTK	-------	-----	221.80	346.41
Max Bupa	--------	99.08	593.93	754.47
Religare Health	-------	-----	726.07	1091.61
Star Health	------	1085.06	2960.05	4145.00
Standalone Health Insurers Total	0.00	1659.78	5857.83	8296.43

Grand Total(Premium Non-Life Insurers)	10449.02	59819.96	130970.09	150708.21

Change In Total Life Insurance Premium from 2000-01 to 2017-18:RS Crores

Insurer	2000-01	2011-12	2016-17	2017-18
Aegon Life	-------	457.32	450.72	453.93
Aviva	------	2415.87	1336.51	1348.18
Bajaj Allianz	-------	7483.80	6183.32	6133.82
Bharti AXA	------	774.16	1396.50	1443.83
Birla Sunlife	0.32	5885.36	5723.96	5769.71
Canara HSBC	-------	1861.08	2294.71	2277.89
DHFL Pramerica	--------	167.01	1142.10	1217.15
Edwlweiss Tokio	-------	10.88	441.33	456.74
Exide Life	-------	1679.98	2408.58	2417.52
Future Generali	-------	779.58	739.85	744.60
HDFC Standard	0.002	10202.40	19445.49	20041.35
ICICI Prudential	5.97	14021.58	22354.00	22061.73
IDBI FEDERAL	------	736.70	1565.19	1549.71
India First	------	1297.93	2265.17	2232.72
Kotak Mahindra	------	2937.43	5139.55	5174.47
Max Life	0.16	6390.53	10780.40	10826.43
PNB Metlife	-----	2677.50	3236.08	3255.33
Reliance Nippon	------	5497.62	4026.82	4050.76
Sahara	-------	225.95	153.94	152.44
SBI Life	------	13133.74	21015.13	21074.65
Shriram Life	------	644.16	1207.94	1195.05
Star Union Dai-ichi	------	1271.95	1510.88	1509.88
TATA-AIA	-----	3630.30	3171.08	3204.67
Private Total	6.45	84182.83	117989.25	118592.56
LIC	34892.02	202889.28	300487.36	301213.89
Life Insurance Industry Total	34898.47	287072.11	418476.61	419806.45

Table:42 (------ represent business not started)

Table: 43 EQUITY SHARE CAPITAL OF NON-LIFE INSURERS(In RS Crores)

Insurer	As on 31-03-2015	Infusion during the year	As on 31-03-2016	Foreign Promoter	Indian Promoter	FDI
Bajaj Allianz	110.23	0.00	110.23	28.66	81.57	26%
Bharti AXA	1238.66	332.79	1571.45	770.00	801.45	49%
Cholamandalam MS	298.81	0	298.81	119.52	179.28	40
Future Generali	710	0	710	181.05	528.95	25.50
HDFC ERGO	538.62	0	538.62	139.17	399.45	25.84
ICICI Lombard	446.59	0.95	447.54	154.78	292.76	34.58
Iffco Tokio	269.32	0	269.32	70.02	199.30	26
Kotak Mahindra	0.00	135	135	0	135.00	0
L&T	620.00	85	705	0	705	0
Magma HDI	100.00	12.5	112.5	28.75	83.75	25.56
Liberty Videocon	679.35	0	679.35	122.90	556.45	18.09
Raheja QBE	207.00	0	207	53.82	153.18	26
Reliance	122.78	0	122.78	0	122.78	0
Royal Sundaram	315.00	0	315	0	315	0
SBI	203.00	0	203	52.78	150.22	26
ShriRam	258.09	0.20	258.29	0	258.29	0
TATA AIG	505.00	127.5	632.50	164.45	468.05	26
Universal Sompo	350.00	0	350	91	259	26
Private Total	6972.45	693.93	7666.38	1976.90	5689.48	25.79
National	100.00	0	100	0	100	0
New India	200.00	0	200	0	200	0
Oriental	200.00	0	200	0	200	0
United India	150.00	0	150	0	150	0
Public Total	650.00	0	650	0	650	0
Total(Non-Life)	7622.45	693.93	8316.38	1976.90	6339.48	23.77
StandaloneHealthPrivate						
Apollo Munich	349.23	7.69	356.92	90.91	266.01	25.47
Cigna TTK	200.00	40.03	240.03	62.41	177.62	26
Max Bupa	790.50	107.5	898	233.48	664.52	26
Religare Health	350.00	125.07	475.07	0	475.07	0
Star Health	362.14	24.85	386.99	99.29	287.70	25.66
Standalone Total	2051.87	305.14	2357.01	486.09	1870.92	20.62
Specialised Insurers						
AIC	200.00	0	200	0	200	0
ECGC	1200.00	100	1300	0	1300	0
Specialised Insurers	1400.00	100	1500	0	1500	0

Total						
Reinsurer						
GIC	430.00	0	430	0	430	0
Reinsurer Total	430.00	0	430	0	430	0
Grand Total(Non-Life)		1099.08	12603.39	2462.99	10140.40	19.54%

Table:43 EQUITY SHARE CAPITAL OF NON-LIFE INSURERS(In RS Crores)

Insurer	As on 31-03-2015	Infusion during the year	As on 31-03-2016	Foreign Promoter	Indian Promoter	FDI
Bajaj Allianz	110.23	0.00	110.23	28.66	81.57	26%
Bharti AXA	1238.66	332.79	1571.45	770.00	801.45	49%
Cholamandalam MS	298.81	0	298.81	119.52	179.28	40
Future Generali	710	0	710	181.05	528.95	25.50
HDFC ERGO	538.62	0	538.62	139.17	399.45	25.84
ICICI Lombard	446.59	0.95	447.54	154.78	292.76	34.58
Iffco Tokio	269.32	0	269.32	70.02	199.30	26
Kotak Mahindra	0.00	135	135	0	135.00	0
L&T	620.00	85	705	0	705	0
Magma HDI	100.00	12.5	112.5	28.75	83.75	25.56
Liberty Videocon	679.35	0	679.35	122.90	556.45	18.09
Raheja QBE	207.00	0	207	53.82	153.18	26
Reliance	122.78	0	122.78	0	122.78	0
Royal Sundaram	315.00	0	315	0	315	0
SBI	203.00	0	203	52.78	150.22	26
ShriRam	258.09	0.20	258.29	0	258.29	0
TATA AIG	505.00	127.5	632.50	164.45	468.05	26
Universal Sompo	350.00	0	350	91	259	26
Private Total	6972.45	693.93	7666.38	1976.90	5689.48	25.79
National	100.00	0	100	0	100	0
New India	200.00	0	200	0	200	0
Oriental	200.00	0	200	0	200	0
United India	150.00	0	150	0	150	0
Public Total	650.00	0	650	0	650	0
Total(Non-Life)	7622.45	693.93	8316.38	1976.90	6339.48	23.77
Standalone Health Private						
Apollo Munich	349.23	7.69	356.92	90.91	266.01	25.47
Cigna TTK	200.00	40.03	240.03	62.41	177.62	26
Max Bupa	790.50	107.5	898	233.48	664.52	26
Religare Health	350.00	125.07	475.07	0	475.07	0
Star Health	362.14	24.85	386.99	99.29	287.70	25.66
Standalone Total	2051.87	305.14	2357.01	486.09	1870.92	20.62
Specialised Insurers						
AIC	200.00	0	200	0	200	0
ECGC	1200.00	100	1300	0	1300	0
Specialised Total	1400.00	100	1500	0	1500	0
Reinsurer						
GIC	430.00	0	430	0	430	0
Reinsurer Total	430.00	0	430	0	430	0
Grand Total(Non-Life)		1099.08	12603.39	2462.99	10140.40	19.54%

Table:44 Insurance Companies Operating in India(Life Insurers) As on 31st March 2016

Public Sector	
	Life Insurance Corporation of India
Private Sector	
	Aegon Life Insurance Co.Ltd
	Aviva Life Insurance Co. Ltd
	Bajaj Allianz Life Insurance Co. Ltd.
	Bharti AXA Life Insurance Co.Ltd.
	Birla Sun Life Insurance Co. Ltd.
	Canara HSBC Oriental Bank of Commerce Life Insurance Co.Ltd.
	DHFL Pramerica Life Insurance Co.Ltd.
	Edelweiss Tokio Life Insurance Co.Ltd.
	Exide Life Insurance Co.Ltd.
	Future Generali India Life Insurance Co.Ltd.
	HDFC Standard Life Insurance Co.Ltd.
	ICICI Prudential Life Insurance Co.Ltd.
	IDBI Federal Life Insurance Co.Ltd.
	IndiaFirst Life Insurance Co.Ltd.

	KotakMahindra Old Mutual Life Insurance Ltd.
	Max Life Insurance Co.Ltd.
	PNB Met Life India Insurance Co.Ltd.
	Reliance Nippon Life Insurance Co.Ltd.
	Sahara India Life Insurance Co.Ltd.
	SBI Life Insurance Co.Ltd.
	Shriram Life Insurance Co.Ltd.
	Star Union Dai-ichi Life Insurance Co.Ltd.
	TATA AIA Life Insurance Co.Ltd.

Table: 45 Non-Life Insurers Operating in India As on 31st March2016

Public Sector	
	National Insurance Co.Ltd.
	The New India Assurance Co. Ltd.
	The Oriental Insurance Co.Ltd.
	United India Insurance Co.Ltd.
Private Sector	
	Bajaj Allianz General Insurance Co.Ltd.
	Bharti AXA General Insurance Co.Ltd.
	Cholamandalam MS General Insurance Co.Ltd
	Future Generali India Insurance Co.Ltd.
	HDFC ERGO General Insurance Co.Ltd.
	ICICI Lombard General Insurance Co.Ltd.
	IFFCO Tokio General Insurance Co.Ltd.
	L&T General Insurance Co.Ltd.
	Liberty Videocon General Insurance Co.Ltd.
	Magma HDI General Insurance Co.Ltd.
	Raheja QBE General Insurance Co.Ltd.
	Reliance General Insurance Co.Ltd.
	Royal Sundaram General Insurance Co.Ltd.
	SBI General Insurance Co. Ltd.
	Shriram General Insurance Co.Ltd.
	TATA AIG General Insurance Co. Ltd.
	Universal Sompo General Insurance Co.Ltd.
	Kotal Mahindra General Insurance Co.Ltd.

Non-Life Insurers(As on 31st March 2016)

Public Sector Specialised Insurers	
	Agriculture Insurance Co.of India Ltd.
	Export Credit Guarantee Corporation of India Ltd.
Standalone Health Insurers	
	Apollo Munich Health Insurance Co.Ltd.
	Cigna TTK Health Insurance Co. Ltd.
	Max Bupa Health Insurance Co.Ltd.
	Religare Health Insurance Co.Ltd.
	Star Health and Allied Insurance Co.Ltd.
RE-INSURER	
	General Insurance Corporation of India

Table: 46a Statewise distribution of LifeInsurers Offices In India

State Total (Private)			LIC			State Total (Industry)		
2013-14	**2014-15**	**2015-16**	**2013-14**	**2014-15**	**2015-16**	**2013-14**	**2014-15**	**2015-16**
551	323	316	332	190	192	883	513	508
8	7	7	7	7	7	15	14	14
161	157	161	98	98	98	259	255	259
263	270	293	162	166	168	425	436	461
107	105	109	87	87	87	194	192	196
37	36	37	19	19	19	56	55	56
392	396	398	254	256	256	646	652	654
235	226	222	97	100	101	332	326	323
75	76	75	40	40	40	115	116	115
62	58	55	44	48	45	106	106	100
160	164	171	111	111	113	271	275	284
296	307	312	288	288	288	584	595	600
375	363	360	240	241	241	615	604	601
304	301	303	337	337	337	641	638	640
607	609	600	483	487	486	1090	1096	1086
6	7	8	14	15	15	20	22	23
17	17	16	9	9	9	26	26	25

7	6	6	7	7	7	14	13	13
8	8	9	8	8	8	16	16	17
219	231	245	144	145	145	363	376	390
281	236	233	147	150	150	428	386	383
268	267	268	261	263	265	529	530	533
8	8	7	2	2	2	10	10	9
449	463	446	494	496	496	943	959	942
-	200	200	-	143	145	-	343	345
16	16	16	18	18	18	34	34	34
626	637	643	665	665	669	1291	1302	1312
82	81	89	54	55	55	136	136	144
372	376	379	313	317	321	685	693	700
2	1	1	2	2	2	4	3	3
29	30	28	9	10	10	38	40	38
2	1	1	1	1	1	3	2	2
0	0	0	1	1	1	1	1	1
156	159	151	82	85	85	238	244	236
0	0	0	0	1	1	0	1	1
12	14	14	9	9	9	21	23	23
6193	**6156**	**6179**	**4839**	**4877**	**4892**	**11032**	**11033**	**11071**

Graphical Representation of Life Insurance Offices

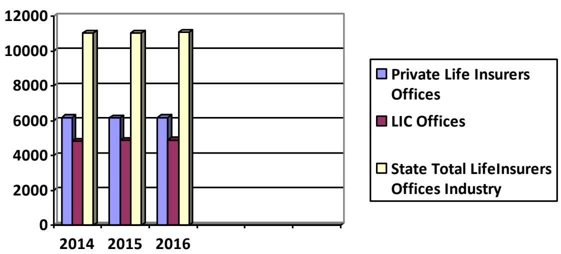


Table: 46b

Table:47 **Statewise Total Distribution of LifeInsurer Agents In India**

State/UT	**Private Total (State-wise)**			**LIC**			**Industry Total (State-wise)**		
	2013-14	**2014-15**	**2015-16**	**2013-14**	**2014-15**	**2015-16**	**2013-14**	**2014-15**	**2015-16**
AP	73803	38916	43151	87449	48140	44866	161252	87056	88017
Arunachal Pradesh	824	578	642	373	357	340	1197	935	982
Assam	27244	25554	28219	28350	26678	24935	55594	52232	53154
Bihar	60890	54910	54668	54446	56026	51523	115336	110936	106191
Chhattisgarh	14723	13458	15223	11125	10842	9716	25848	24300	24939
Goa	3695	3473	3876	4206	3965	3575	7901	7438	7451
Gujarat	60448	54690	58474	62009	57242	51756	122457	111932	110230
Haryana	34107	32338	36046	21248	21253	18249	55355	53591	54295
Himachal Pradesh	9884	8741	9192	12025	10626	9165	21909	19367	18357
Jammu & Kashmir	7492	6420	5896	5448	4712	3862	12940	11132	9758
Jharkhand	30085	27180	28038	17411	16755	13216	47496	43935	41254
Karnataka	41084	38235	43381	70682	67002	56714	111766	105237	100095
Kerala	51195	45411	45024	53808	47743	44301	105003	93154	89325
Madhya Pradesh	41680	38072	42023	48120	47498	43212	89800	85570	85235
Maharashtra	108566	101829	107128	175614	168729	157231	284180	270558	264359
Manipur	1930	2471	2717	1189	998	862	3119	3469	3579
Meghalaya	1290	1300	1593	242	245	210	1532	1545	1803
Mizoram	796	690	769	319	281	295	1115	971	1064
Nagaland	856	897	1084	770	692	540	1626	1589	1624
Orissa	44121	36756	39386	33533	33997	32201	77654	70753	71587
Punjab	32586	27673	27524	39909	38756	35724	72495	66429	63248
Rajasthan	39536	35546	36503	73842	75108	66304	113378	110654	102807
Sikkim	962	807	859	723	731	693	1685	1538	1552
Tamil Nadu	64388	60519	64903	84607	79851	68052	148995	140370	132955

Telangana	-	26350	27604	-	39387	36751	-	65737	64355
Tripura	4184	3730	3913	3760	3717	3557	7944	7447	7470
Uttar Pradesh	116351	104984	110495	133904	135386	127970	250255	240370	238465
Uttrakhand	10064	10082	10985	13789	13244	11689	23853	23326	22674
West Bengal	64392	59486	61809	113357	112621	106709	177749	172107	168518
Andaman & Nicobar Is	137	100	78	485	475	418	622	575	496
Chandigarh	4176	3899	3942	4163	4066	3438	8339	7965	7380
Dadra & Nagra Haveli	66	93	103	25	46	24	91	139	127
Daman & Diu	34	55	64	116	110	90	150	165	154
Delhi	39127	36892	37120	37343	34967	32182	76470	71859	69302
Lakshadweep	1	0	1	2	2	2	3	2	3
Pondicherry	1867	2168	2572	1524	1356	1188	3391	3524	3760
Company Total	**992584**	**904303**	**955005**	**1195916**	**1163604**	**1061560**	**2188500**	**2067907**	**2016565**

Table: 48 Non Life Insurers increase in direct premium

GROSS DIRECT PREMIUM INCOME OF NON-LIFE INSURERS (WITHIN & OUTSIDE INDIA)			
			(r crore)
INSURER	**2013-14**	**2014-15**	**2015-16**
BAJAJ ALLIANZ	4516.44	5229.84	5832.15
BHARTI AXA	1423.15	1457.06	1274.41
CHOLAMANDALAM	1855.11	1890.43	2452.00
FUTURE GENERALI	1262.55	1438.24	1555.26
HDFC ERGO	2906.98	3182.2	3379.55
ICICI LOMBARD	6856.16	6677.79	8090.71
IFFCO TOKIO	2930.92	3329.96	3691.33
KOTAK MAHINDRA	--	--	3.71
L&T	253.78	331.71	473.39
RAHEJA QBE	23.23	21.62	28.76
RELIANCE	2388.82	2715.83	2791.56
ROYAL SUNDARAM	1437.04	1569.2	1694.12
SBI	1187.57	1576.9	2039.85
SHRIRAM	1510.59	1496.51	1712.27
TATA AIG	2362.71	2714.13	2958.56
UNIVERSAL SOMPO	540.44	701.1	903.79
MAGMA HDI	424.93	473.59	403.94
LIBERTY VIDEOCON	129.81	283.85	408.72
PRIVATE SECTOR TOTAL	**32010.30**	**35089.96**	**39694.07**
	(14.52)	**(9.59)**	**(13.12)**
NATIONAL	10260.96	11282.62	12018.98
NEW INDIA	13727.6	15480.35	17763.31
ORIENTAL	7282.53	7561.92	8611.59
UNITED	9708.93	10691.73	12250.36
PUBLIC SECTOR TOTAL	**40980.06**	**45016.62**	**50644.24**
	(10.54)	**(9.85)**	**(12.50)**
PUBLIC & PRIVATE TOTAL	**72990.36**	**80106.58**	**90338.31**
	(12.12)	**(9.74)**	**(12.77)**
AIC	3395.00	2739.69	3521.22
ECGC	1303.72	1362.39	1320.73
SPECIALISED INSURERS TOTAL	**4698.72**	**4102.08**	**4841.95**
	(5.48)	**(-12.7)**	**(18.04)**
APOLLO MUNICH	692.47	803.12	1022.18
CIGNA TTK	0.33	21.82	143.82
MAX BUPA	308.85	372.65	476.01
RELIGARE HEALTH	152.30	275.80	503.32
STAR HEALTH	1091.07	1469.19	2007.34
STANDALONE HEALTH INSURERS TOTAL	**2245.02**	**2942.58**	**4152.67**
	(30.05)	**(31.07)**	**(41.12)**
GRAND TOTAL	**79934.14**	**87151.24**	**99332.93**
	(12.26)	**(9.03)**	**(13.98)**
Note: Figures in the bracket represents the growth over the previous year in per cent.			
-- represents business not started.			

Table: 49 Export Credit Guarantee Corporation:Increase in operating profit

EXPORT CREDIT GUARANTEE CORPORATION OF INDIA LTD. (ECGC): POLICYHOLDERS ACCOUNT			(r Lakh)
PARTICULARS	**2015-16**	**2014-15**	**2013-14**
Premiums earned *(Net)*	97893.81	101927.27	90734.60
Profit/ Loss on sale/redemption of Investments	105.15	206.05	568.29
Interest, Dividend & Rent – *Gross*	35108.5	29233.37	25711.07
Others	433.23	317.39	431.57
TOTAL (A)	**133540.69**	**131684.08**	**117445.53**
Claims Incurred *(Net)*	100062.5	116350.03	74606.73
Commission	(6771.02)	(5748.19)	(5792.41)
Operating Expenses related to Insurance Business	18556.65	20516.71	15658.04
Other Premium Deficiency	11020.01	-	-
TOTAL (B)	**122868.14**	**131118.55**	**84472.36**
Operating Profit/(Loss) from Fire/Marine/ Miscellaneous Business C= (A - B)	**10672.55**	**565.53**	**32973.17**
APPROPRIATIONS			
Transfer to Shareholders' Account	10672.55	565.53	32973.17
Transfer to Catastrophe Reserve			
Transfer to Other Reserves			
TOTAL (C)	**10672.55**	**565.53**	**32973.17**

Table:50 AGRICULTURE INSURANCE COMPANY OF INDIA LTD. (AIC) : POLICYHOLDERS ACCOUNT (Rupees Lakh)			
PARTICULARS	**2015-16**	**2014-15**	**2013-14**
Premiums earned *(Net)*	186223.04	159837.59	164786.21
Profit/ Loss on sale/redemption of Investments	84.89		27.48
Accretion of Discount on Investment	314	464.24	266.49
Interest, Dividend & Rent – *Gross*	23575.75	22407.48	19037.44
TOTAL (A)	**210197.68**	**182709.31**	**184117.62**
Claims Incurred *(Net)*	185594.22	173370.69	172445.05
Commission	(12532.28)	(6816.69)	(17218.22)
Operating Expenses related to Insurance Business	9161.99	6935.85	6320.81
Premium Deficiency	(2167.47)	2167.47	
Others:			
- Amortizations, Write offs & Provisions	103.28	94.04	93.23
- Bank Interest	7.04	33.04	836.84
- Other Expenses	14.69	13.58	11.37
TOTAL (B)	**180181.47**	**175797.98**	**162489.08**
Operating Profit/(Loss) from Fire/Marine/ Miscellaneous Business C= (A - B)	***30016.21***	***6911.33***	***21628.54***
APPROPRIATIONS			
Transfer to Shareholders' Account	30016.21	6911.33	21628.54
Transfer to Catastrophe Reserve			
Transfer to Other Reserves			
TOTAL (C)	**30016.21**	**6911.33**	**21628.54**
Note : Figures in brackets indicate negative values			

Note : Figures in brackets indicate negative values

Table:51 AGRICULTURE INSURANCE COMPANY OF INDIA LTD (AIC) : SHAREHOLDERS ACCOUNT			
			(r Lakh)
PARTICULARS	**2015-16**	**2014-15**	**2013-14**
OPERATING PROFIT/(LOSS)			
(a) Fire Insurance			
(b) Marine Insurance			
(c) Miscellaneous Insurance	30016.20	6911.33	21628.54

TOTAL (1)	**30016.20**	**6911.33**	**21628.54**
INCOME FROM INVESTMENTS			
(a) Interest, Dividend & Rent – Gross	17050.68	17470.61	14782.19
(b) Profit on sale of investments	61.40		21.34
© Accretion of Discount on Investment	227.09	361.96	206.93
TOTAL (2)	**17339.17**	**17832.57**	**15010.46**
OTHER INCOME	142.80	155.05	123.76
TOTAL (3)	**142.80**	**155.05**	**123.76**
TOTAL (A) [1+2+3]	**47498.17**	**24898.95**	**36762.76**
PROVISIONS (Other than taxation)			
(a) For diminution in the value of investments			
(b) Provision on Standard Assets	228.35	151.61	55.52
OTHER EXPENSES			
(a) Expenses other than those related to Insurance Business			
(b) Amortisation of Premium on Investment	74.69	73.32	72.39
(c) Corporate Social Responsibility	719.53	400.00	
(c) Others	112.43	65.25	56.36
TOTAL (B)	**1135.00**	**690.18**	**184.27**
Profit Before Tax	46363.17	24208.77	36578.49
Provision for Taxation	15669.49	7403.97	11713.69
Profit after Tax	30693.68	16804.80	24864.80
APPROPRIATIONS			
(a) Interim dividends paid during the year			
(b) Proposed final dividend		2000.00	
(c) Dividend distribution tax		407.15	
(d) Transfer to General Reserve	30693.68	14397.65	24864.80
TOTAL	**30693.68**	**16804.80**	**24864.80**
Balance of Profit / Loss B/f from last year			
Balance C/f to Balance Sheet			
Note : Figures in brackets indicate negative values			

Agriculture Insurance company of India

Table:52 AGRICULTURE INSURANCE COMPANY OF INDIA LTD. (AIC):			
BALANCE SHEET			
(As on 31st March)			
			(r Lakh)
Particulars	**2016**	**2015**	**2014**
Share Capital	20000.00	20000.00	20000.00
Reserves & Surplus	244349.32	213655.64	199276.13
Fair Value Change Account	(1768.31)	(451.68)	(949.86)
Deferred Tax Liability (Net)	193.70	346.21	317.11
Borrowings			
TOTAL	**262774.71**	**233550.17**	**218643.38**
APPLICATION OF FUNDS			
Investments	610521.70	470702.24	401906.73
Loans	378.32	385.48	321.40
Fixed Assets	5744.87	4293.69	5465.39
Deferred Tax Assets			
CURRENT ASSETS			
Cash & Bank Balance	*36149.44*	*35579.06*	*14908.60*
Advances and Other Assets	*102577.30*	*112938.00*	*97773.25*
Sub-Total (A)	**138726.74**	**148517.06**	**112681.85**
CURRENT LIABILITIES	**377076.48**	**307291.47**	**213441.05**
Provisions	115520.44	83056.83	88290.94
Sub-Total (B)	**492596.92**	**390348.30**	**301731.99**
Net Current Assets (C)= (A-B)	**(353870.18)**	**(241831.24)**	**(189050.14)**

Misc. Expenditure *(to the extent not written off or adjusted)*			
Profit & Loss Account (Debit Balance)			
TOTAL	**262774.71**	**233550.17**	**218643.38**
Note : Figures in brackets indicate negative values			

Table: 53 GENERAL INSURANCE CORPORATION : POLICYHOLDERS ACCOUNT

PARTICULARS	**2015-16**				
	Fire	**Marine**	**Misc**	**Life**	**Total**
Premiums earned *(Net)*	450395.25	94352.49	948780.40	23755.74	1517283.88
Profit/ Loss on sale/redemption of Investments	34407.34	9890.18	60924.84	477.13	105699.49
Others	4914.93	1518.96	9152.31	70.82	15657.02
Interest, Dividend & Rent – *Gross*	56899.79	16355.50	100752.05	789.04	174796.38
TOTAL (A)	**546617.31**	**122117.13**	**1119609.60**	**25092.73**	**1813436.77**
Claims Incurred *(Net)*	344921.71	63279.97	864784.71	16999.60	1289985.99
Commission	123869.38	18123.01	206279.29	764.03	349035.71
Operating Expenses related to Insurance Business & Investments	6886.32	766.66	10422.86	217.34	18293.18
Premium Deficiency	0.00	(5845.96)	0.00	0.00	(5845.96)
TOTAL (B)	**475677.41**	**76323.68**	**1081486.86**	**17980.97**	**1651468.92**
Operating Profit/(Loss) C = (A - B)	**70939.90**	**45793.45**	**38122.74**	**7111.76**	**161967.85**
APPROPRIATIONS					
Transfer to Shareholders' Account	70939.90	45793.45	38122.74	7111.76	161967.85
Transfer to Catastrophe Reserve					
Transfer to Other Reserves					
TOTAL (C)	**70939.90**	**45793.45**	**38122.74**	**7111.76**	**161967.85**
Note : Figures in brackets indicate negative values					

Table:54 GENERAL INSURANCE CORPORATION :SHAREHOLDERS ACCOUNT			
			(r Lakh)
PARTICULARS	**2016**	**2015**	**2014**
OPERATING PROFIT/(LOSS)			
(a) Fire Insurance	70939.9	135804.24	2391.65
(b) Marine Insurance	45793.45	(8574.91)	51024.98
(c) Miscellaneous Insurance	38122.74	31891.03	114034.23
(d) Life Insurance	7111.76	3951.31	708.68
TOTAL (1)	**161967.85**	**163071.67**	**168159.54**
INCOME FROM INVESTMENTS			
(a) Interest, Dividend & Rent – Gross	84114.53	70369.80	62606.20
(b) Profit on sale of investments	50864.12	52493.29	28681.41
Less: Loss on sale of investments			
TOTAL (2)	**134978.65**	**122863.09**	**91287.61**
OTHER INCOME *	23454.59	23370.49	10258.79
TOTAL (3)	**23454.59**	**23370.49**	**10258.79**
TOTAL (A) [1+2+3]	**320401.09**	**309305.25**	**269705.94**
PROVISIONS (Other than taxation)**			
(a) For diminution in the value of investments	13599.16	5880.77	11114.86
(b) For doubtful debts		10751.22	7647.67
(c) Others	6056.96	2130.33	6847.75
OTHER EXPENSES			
(a) Expenses other than those related	107.52	93.29	65.74
Insurance business			
(b) Loss on Exchange		2751.31	
(c) Bad debts written off			

(d) Others***	4986.78	4974.86	13686.28
(e) Interest on Service Tax			
TOTAL (B)	**24750.42**	**26581.78**	**39362.30**
Profit before Tax	295650.67	282723.47	230343.64
Provision for Taxation	10811.75	13351.42	5026.19
Profit after Tax	**284838.92**	**269372.05**	**225317.45**
APPROPRIATIONS			
(a) Interim dividends paid during the year			11825.00
(b) Proposed final dividend	86000	54000.00	33110.00
(c) Dividend distribution tax	17507.88	10993.32	7636.70
(d) Transfer to any Reserves or other Accounts			
(e) Transfer to General Reserve	181330	204380.00	82127.90
(f) Balance of Profit / Loss B/f from last year	7.69	8.96	(90608.89)
(g) Balance c/f to Balance Sheet	8.73	7.69	8.96
Note : Figures in brackets indicate negative values			
*Other Income Includes Profit on sale of assets,Interest on Income Tax Refund , Provision written Back, Forex gain and Miscellaneous Receipts			
****Provision**			
1. For Doubtful debt includes Provisions for doubtful debt made			
2. Provision other includes Provisions for doubtful loans and investment and amortisation of premium on investment			
***Other Expenses - Other includes Interest Motor Pool & Other, CSR and loss on sale of assets			

Table:55 GENERAL INSURANCE CORPORATION : BALANCE SHEET

(As on 31st March)

			(r Lakh)
Particulars	**2016**	**2015**	**2014**
SOURCES OF FUNDS			
Share Capital	43000.00	43000.00	43000.00
Reserves & Surplus	1540182.07	1336365.00	1145207.73
Fair Value Change Account	2345073.31	2814684.52	2050002.88
Borrowings			
Deferred Tax Liability			
TOTAL	**3928255.38**	**4194049.52**	**3238210.61**
APPLICATION OF FUNDS			
Investments	5443596.24	5572506.26	4565583.21
Loans	36577.59	39384.49	42405.08
Fixed Assets	17026.66	13762.70	11431.03
Deferred Tax Asset	242.68	1747.05	670.75
CURRENT ASSETS			
Cash & Bank Balance	976140.05	772808.74	826392.03
Advances and Other Assets	1499674.76	1409122.28	1252703.73
Sub-Total (A)	**2475814.81**	**2181931.02**	**2079095.76**
CURRENT LIABILITIES	**3001759.19**	**2730156.08**	**2648334.06**
Provisions	*1043243.41*	*885125.92*	*812641.16*
Sub-Total (B)	**4045002.60**	**3615282.00**	**3460975.22**
Net Current Assets (C)= (A-B)	**(1569187.79)**	**(1433350.98)**	**(1381879.46)**
Misc. Expenditure			
(to the extent not written off or adjusted)			
Profit & Loss Account (Debit Balance)			
TOTAL	**3928255.38**	**4194049.52**	**3238210.61**
Note : Figures in brackets indicate negative values			

Table:56 Health Insurance:

HEALTH INSURANCE (EXCLUDING TRAVEL -DOMESTIC/OVERSEAS AND PERSONAL ACCIDENT) GROSS PREMIUM AND NUMBER OF PERSONS COVERED (2015-16) (Concld.)			
(No. of Policies in Actuals) (No. of Persons in '000) (Amount in r Lakh)			
INSURER	**TOTAL**		
	No. of policies	**No. of Persons Covered**	**Premium**
Bajaj Allianz	435548	2167	72625
Bharti AXA	21002	318	8319
CHOLA MS	78107	3494	20236

Future Generali	31001	4364	14167	
HDFC ERGO	456525	1098	57142	
ICICI Lombard	766530	22697	141767	
IFFCO Tokio	143697	7234	42849	
Kotak General	127	0.24	9	
Liberty Videocon	5948	231	5897	
L&T General	70534	852	6556	
Magma HDI	1	0.001	0.05	
Raheja QBE	84	0.08	2	
Reliance	79237	19141	50966	
Royal Sundaram	181827	802	19656	
SBI General	27330	2179	21558	
Shriram General				
Tata AIG	143091	2229	16030	
Universal Sompo	174885	1132	13356	
Private Total	**2615474**	**67938**	**491134**	
National	1749331	85102	403161	
New India	1706197	77124	483532	
Oriental	1429424	10835	260798	
United India	1193663	103502	411574	
Public Total	**6078615**	**276563**	**1559065**	
Apollo Munich	576020	2533	94505	
Cigna TTK	66589	144	13582	
Max Bupa	265068	2040	47555	
Religare	222607	1198	44520	
Star Health	1991558	8547	194392	
Specialised Health Insurers Total	**3121842**	**14461**	**394555**	
Grand Total	**11815931**	**358962**	**2444754**	11

Table: 57 Personal accident Insurance:

PERSONAL ACCIDENT INSURANCE

GROSS PREMIUM AND NUMBER OF PERSONS COVERED (2013-14)

(No. of Persons in '000) (Amount in r Lakh)

INSURER	**TOTAL**		
	No. of policies	**No. of Persons Covered**	**Gross Premium**
Bajaj Allianz	275671	286	2078
Bharti AXA	13557	2142	2840
CHOLA MS	29413	2381	5960
Future Generali	96201	8254	5028
HDFC ERGO	1398858	7120	29940
ICICI Lombard	491928	6972	20048
IFFCO Tokio	123851	3964	3111
Liberty Videocon	245	1293	994
L&T General	4399	185	294
Magma HDI			
Raheja QBE	37	36	45
Reliance	68810	8115	2788
Royal Sundaram	106588	1044	4178
SBI General	4290	15361	18149
Shriram General			
Tata AIG	221889	40100	10522
Universal Sompo			
Private Total	**2835737**	**97254**	**105976**
National	543870	62245	11189
New India	529716	3345	17881
Oriental	846502	4049	11500
United India	654239	5634	20853
Public Total	**2574327**	**75274**	**61424**
Apollo Munich	44262	1167	2780
Cigna TTK			
Max Bupa	294	17	132
Religare	309	39	227
Star Health	150065	852	2338
Specialised Health Insurers Total	**194930**	**2075**	**5477**
Grand Total	**5604994**	**174602**	**172877**

Table:58 OVERSEAS TRAVEL INSURANCE GROSS PREMIUM AND NUMBER OF PERSONS COVERED (2013-14) (No. of Persons in '000) (Premium in r Lakh)			
INSURER	**TOTAL**		
	No. of policies	**No. of Persons Covered**	**Gross Premium**
Bajaj Allianz	402965	403	8409
Bharti AXA			
CHOLA MS	19322	19	580
Future Generali	53479	76	1106
HDFC ERGO	22523	1487	3074
ICICI Lombard	430260	430	8034
IFFCO Tokio	50956	51	366
Liberty Videocon			
L&T General			
Magma HDI			
Raheja QBE			
Reliance	724583	733	3422
Royal Sundaram	13576	14	187
SBI General			
Shriram General			
Tata AIG	515056	672	14087
Universal Sompo	1641	2012	27
Private Total	**2234361**	**5897**	**39291**
National	15930	17	2082
New India	40190	42	1206
Oriental	19942	20	676
United India	21645	25	634
Public Total	**97707**	**104**	**4597**
Apollo Munich	30135	53	657
Cigna TTK			
Max Bupa			
Religare			
Star Health	33590	33	1156
Specialised Health Insurers Total	**63725**	**86**	**1813**
Grand Total	**2395793**	**6087**	**45701**

Table:59 DOMESTIC TRAVEL INSURANCE GROSS PREMIUM AND NUMBER OF PERSONS COVERED (2015-16) *(Concld.)* (No. of Persons in '000) (Amount in r Lakh)			
INSURER	**TOTAL**		
	No. of policies	**No. of Persons Covered**	**Gross Premium**
Bajaj Allianz	18412	18	19
Bharti AXA			
CHOLA MS	1176	1	1
Future Generali			
HDFC ERGO			
ICICI Lombard	1744124	1744	1378
IFFCO Tokio			
Kotak General			
Liberty Videocon			
L&T General			
Magma HDI			
Raheja QBE			
Reliance	5	14	55
Royal Sundaram			
SBI General			
Shriram General			
Tata AIG	342458	477	696
Universal Sompo	1931	3	32
Private Total	**2108106**	**2257**	**2180**
National	11	0.01	0.20
New India			
Oriental			
United India			
Public Total	**11**	**0.01**	**0.20**
Apollo Munich			
Cigna TTK			
Max Bupa			

Religare			
Star Health			
Specialised Health Insurers Total	0	0	0
Grand Total	**2108117**	**2257**	**2180**

Non Life Insurers Offices:

Table:60 STATE-WISE NUMBER OF OFFICES OF NONLIFE INSURERS
(As on 31st March)

States/Union Territory	**NATIONAL**	**NEW INDIA**	**ORIENTAL**	**UNITED**	TOTAL GOVT.	
	2016	**2016**	**2016**	**2016**	**2016**	**2016**
Andhra Pradesh	84	104	86	105	379	**498**
Arunachal Pradesh	5	3	4	2	14	**14**
Assam	52	48	44	59	203	**235**
Bihar	63	42	62	48	215	**263**
Chhattisgarh	24	41	34	24	123	**168**
Goa	11	11	8	11	41	**62**
Gujarat	92	152	96	101	441	**635**
Haryana	61	58	57	62	238	**317**
Himachal Pradesh	24	25	24	15	88	**104**
Jammu & Kashmir	23	22	23	22	90	**108**
Jharkhand	46	43	41	28	158	**204**
Karnataka	104	99	130	154	487	**666**
Kerala	85	134	98	120	437	**584**
Madhya Pradesh	99	125	111	87	422	**511**
Maharasthra	180	321	148	194	843	**1211**
Manipur	5	3	4	2	14	**15**
Meghalaya	8	7	5	6	26	**28**
Mizoram	6	3	2	1	12	**13**
Nagaland	6	5	3	1	15	**15**
Orissa	69	75	61	53	258	**327**
Punjab	107	103	90	97	397	**480**
Rajasthan	106	93	102	133	434	**532**
Sikkim	1	1	2	1	5	**7**
Tamil Nadu	208	278	220	308	1014	**1270**
Telangana	51	71	56	71	249	**326**
Tripura	13	4	10	5	32	**37**
Uttar Pradesh	215	241	225	167	848	**1022**
Uttrakhand	16	36	26	26	104	**133**
West Bengal	147	100	86	91	424	**554**
Andaman & Nicobar Islands	0	4	0	1	5	**7**
Chandigarh	10	11	9	8	38	**61**
Dadra & Nagra Haveli	1	1	0	1	3	**3**
Daman & Diu	0	1	2	0	3	**3**
Delhi	67	55	55	71	248	**351**
Lakshadweep	0	1	0	0	1	**1**
Puducherry	6	8	1	7	22	**38**
Total	**1995**	**2329**	**1925**	**2082**	8331	**10803**

Table:61 SUMMARY OF INDIAN NON-LIFE INSURANCE SECTOR

PARTICULARS		Unit	2013-14	2014-15	2015-16
PROFILE					
No of companies (incl. reinsurer)	As on 31st March	Nos.	29	29	30
No. of branch offices	As on 31st March	Nos.	9872	10407	10803
Insurance penetration		In percent	0.80	0.7	0.72
Insurance density		US $	11	11	11.5
BUSINESS FIGURES					
Number of new policies issued excluding Standalone and Specialised Insurers	FY	In Lakhs	1025	1183	1221
Gross Direct Premium (Within & Outside India)	FY	(` Crore)	79934	87151	99333
Market share of PSUs - Gen.Ins.Cos.(GDP within India)		In Per cent	49.77	50.24	49.49
Segment Wise Gross Direct Premium (Within India)					
Fire	FY	(` crore)	7363	8057	8731
Marine	FY	(` crore)	3162	3020	2984
Motor	FY	(` crore)	33823	37379	42301
Health	FY	(` crore)	19634	22637	27457
Others	FY	(` crore)	13572	13593	14905
Total	FY	(` crore)	77554	84686	96379
Net Retentions of Non-Life Insurers(including GIC)					
Fire	FY	In Per Cent	69.24	64.54	63.01
Marine Cargo	FY	In Per Cent	85.99	81.59	81.01
Marine Hull	FY	In Per Cent	31.94	35.47	44.51
Motor	FY	In Per Cent	100.00	99.67	99.2
Engineering	FY	In Per Cent	71.07	71.8	67.23
Aviation	FY	In Per Cent	1.00	38.91	27.15
Other miscellaneous	FY	In Per Cent	89.43	88.14	84.28
Total- All Segments	FY	In Per Cent	90.32	89.57	87.72
Incurred Claims Ratio					
Fire	FY	In Per Cent	76.54	73.78	74.47
Marine	FY	In Per Cent	63.37	67.44	72.05
Motor	FY	In Per Cent	79.50	77.14	81.18
Health	FY	In Per Cent	97.05	96.93	98.43
Others	FY	In Per Cent	72.96	73.91	75.94
Total- All Segments	FY	In Per Cent	81.98	81.7	85.05
Underwriting Profit/Loss	FY	(` crore)	(7640)	(10576)	(14962)
Assets Under Management (including GIC)	As on 31st March	(` Crore)	149536	172144	188126
Equity Share Capital including GIC	As on 31st March	(` Crore)	10240	11504	12603
Commission expenses	FY	(` Lakh)	539627	521200	581078
Operating expenses related to Insurance business	FY	(` crore)	16251	20206	23230
Operating profit/(Loss)	FY	(` Lakh)	242607	184785	(90402)
Income from investments	FY	(` Crore)	14319	16607	19090
Profit after tax (Industry Total)	FY	(` Lakh)	464906	463913	323848
REDRESSEL OF CONSUMER GRIEVANCES					
No of grievances reported during the year			63736	60688	59083
No. of complaints reported with the Ombudsmen at difference centres			9627	7145	8920
*values in brackets are negative					

Table:62 INTERNATIONAL COMPARISON OF INSURANCE PENETRATION*									
								(In Per cent)	
Countries	**2013**			**2014**			**2015**		
	Total	**Life**	**Non-Life**	**Total**	**Life**	**Non-Life**	**Total**	**Life**	**Non-Life**
Australia	5.20	3.00	2.10	6.0	3.8	2.2	5.7	3.5	2.2
Brazil	4.00	2.20	1.80	3.9	2.1	1.9	3.9	2.1	1.8
France	9.00	5.70	3.20	9.1	5.9	3.1	9.3	6.2	3.1
Germany	6.70	3.10	3.60	6.5	3.1	3.4	6.2	2.9	3.4
Russia	1.30	0.10	1.20	1.4	0.2	1.2	1.4	0.2	1.2
South Africa	15.40	12.70	2.70	14.0	11.4	2.7	14.7	12.0	2.7
Switzerland	9.60	5.30	4.40	9.2	5.1	4.1	9.2	5.1	4.1
United Kingdom	11.50	8.80	2.80	10.6	8.0	2.6	10.0	7.5	2.4
United States	7.50	3.20	4.30	7.3	3.0	4.3	7.3	3.1	4.2
Asian Countries									
Hong Kong	13.20	11.70	1.50	14.2	12.7	1.4	14.8	13.3	1.5
India#	**3.90**	**3.10**	**0.80**	**3.3**	**2.6**	**0.7**	**3.4**	**2.7**	**0.7**
Japan#	11.10	8.80	2.30	10.8	8.4	2.4	10.8	8.3	2.6
Malaysia#	4.80	3.20	1.70	4.8	3.1	1.7	5.1	3.4	1.7
Pakistan	0.70	0.50	0.30	0.8	0.5	0.3	0.8	0.5	0.3
PR China	3.00	1.60	1.40	3.2	1.7	1.5	3.6	2.0	1.6
Singapore	5.90	4.40	1.60	6.7	5.0	1.6	7.3	5.6	1.7
South Korea#	11.90	7.50	4.40	11.3	7.2	4.1	11.4	7.3	4.1
Sri Lanka	1.10	0.50	0.70	1.1	0.5	0.7	1.2	0.5	0.7
Taiwan	17.60	14.50	3.10	18.9	15.6	3.3	19.0	15.7	3.2
Thailand	5.50	3.80	1.70	5.8	3.6	2.2	5.5	3.7	1.8
World	**6.30**	**3.50**	**2.80**	**6.2**	**3.4**	**2.7**	**6.2**	**3.5**	**2.8**
Source: Swiss Re, Sigma various volumes									
* Insurance penetration is measured as ratio of premium to GDP									
# data relates to financial year.									

Table:63 D: INTERNATIONAL COMPARISON OF INSURANCE DENSITY*						
					(in US Dollar)	
Countries	**2014**			**2015**		
	Total	**Life**	**Non-Life**	**Total**	**Life**	**Non-Life**
Australia	3736	2382	1354	2958	1830	1128
Brazil	422	222	200	332	178	154
France	3902	2552	1350	3392	2263	1129
Germany	3054	1437	1617	2563	1181	1381
Russia	181	20	161	117	15	102
South Africa	925	748	176	843	688	155
Switzerland	7934	4391	3542	7370	4079	3292
United Kingdom	4823	3638	1185	4359	3292	1067
United States	4017	1657	2360	4096	1719	2377
Asian Countries						
Hong Kong	5647	5071	575	6271	5655	616
India#	**55**	**44**	**11**	**55**	**43**	**12**
Japan#	3778	2926	852	3554	2717	837
Malaysia#	524	338	186	472	316	157
Pakistan	11	7	4	12	8	4
PR China	235	127	109	281	153	128
Singapore	3759	2840	919	3825	2932	894
South Korea#	3163	2014	1149	3034	1940	1094
Sri Lanka	40	17	23	43	19	25
Taiwan	4072	3371	701	4094	3397	698
Thailand	323	198	125	319	215	104
World	**662**	**368**	**294**	**621**	**346**	**276**

Source: Swiss Re, Sigma various volumes

* Insurance density is measured as ratio of premium (in US Dollar) to total population.
# data relates to financial year.

Table: 64 Business of Life Insurers As on March 2018:

First Year Premium of Life Insurers for the Period ended 31st March, 2018							
Sl No.	**Insurer**	**Premium In Crores Rupees**		**Number of Policies**			**No. Of lives covered in group Schemes**
		Up to 31st March, 2017	**Up to 31st March, 2018**	**Up to 31st March, 2017**	**Up to 31st March, 2018**	**Up to 31st March, 2018**	**Up to 31st March, 2017**
1	**Aditya Birla Sun Life**	**2534.60**	**2662.91**	**302997**	**248751**	**2862143**	**1634153**
	Individual Single Premium	43.22	103.73	1045	1184	0	0
	Individual Non-Single Premium	917.54	1048.60	301379	246626	0	0
	Group Single Premium	26.21	1301.89	5	56	918133	200830
	Group Non-Single Premium	1547.64	125.04	568	12	577	1433323
	Group Yearly Renewable Premium	0.00	83.65	0	873	1943433	0
2	**Aegon Life**	**91.42**	**147.10**	**47848**	**68891**	**54549**	**46012**
	Individual Single Premium	2.30	2.41	8907	14699	0	0
	Individual Non-Single Premium	89.05	131.48	38937	54151	0	0
	Group Single Premium	0.07	9.10	4	2	6248	46012
	Group Non-Single Premium	0.00	0.08	0	1	860	0
	Group Yearly Renewable Premium	0.00	4.03	0	38	47441	0
3	**Aviva Life**	**243.96**	**325.57**	**35176**	**36379**	**361162**	**167022**
	Individual Single Premium	7.75	8.73	9500	9480	0	0
	Individual Non-Single Premium	148.55	188.78	25644	26801	0	0
	Group Single Premium	0.11	10.04	1	3	10835	89
	Group Non-Single Premium	87.55	1.99	31	0	0	166933
	Group Yearly Renewable Premium	0.00	116.04	0	95	350327	0
4	**Bajaj Allianz Life**	**3290.18**	**4290.85**	**273800**	**308501**	**38128462**	**43774126**
	Individual Single Premium	61.82	65.22	2717	2409	0	0
	Individual Non-Single Premium	1003.85	1390.55	270857	305963	0	0
	Group Single Premium	1227.23	2508.47	76	79	22298747	12952783
	Group Non-Single Premium	997.28	5.55	150	6	535986	30821343
	Group Yearly Renewable Premium	0.00	321.07	0	44	15293729	0
5	**Bharti Axa Life**	**609.02**	**730.71**	**111380**	**123936**	**62699**	**53891**
	Individual Single Premium	15.81	32.06	12023	16831	0	0
	Individual Non-Single Premium	387.64	435.85	99353	107099	0	0
	Group Single Premium	205.57	262.79	4	6	62699	53891
	Group Non-Single Premium	0.00	0.00	0	0	0	0
	Group Yearly Renewable Premium	0.00	0.00	0	0	0	0
6	**Canara HSBC OBC Life**	**982.97**	**1227.46**	**91111**	**104873**	**1395341**	**23169**
	Individual Single Premium	15.88	14.13	149	321	0	0
	Individual Non-Single Premium	611.05	816.52	90939	104528	0	0
	Group Single Premium	352.62	352.08	23	9	16076	17811
	Group Non-Single Premium	3.42	5.20	0	4	9061	5358
	Group Yearly Renewable Premium	0.00	39.53	0	11	1370204	0
7	**DHFL Pramerica Life**	**876.56**	**1449.84**	**65923**	**93423**	**18136576**	**11090248**
	Individual Single Premium	40.16	46.25	3051	9061	0	0
	Individual Non-Single Premium	176.84	315.86	62312	83162	0	0
	Group Single Premium	659.56	749.03	560	16	1473337	11090248
	Group Non-Single Premium	0.00	0.00	0	0	0	0
	Group Yearly Renewable Premium	0.00	338.70	0	1184	16663239	0
8	**Edleweiss Tokio Life**	**228.14**	**342.52**	**45868**	**64805**	**194761**	**536969**
	Individual Single Premium	19.65	18.28	5258	3824	0	0
	Individual Non-Single Premium	163.21	248.86	40514	60918	0	0
	Group Single Premium	18.56	42.19	0	0	12831	5472
	Group Non-Single Premium	26.72	17.72	96	11	3878	531497
	Group Yearly Renewable Premium	0.00	15.46	0	52	178052	0
9	**Exide Life**	**865.20**	**760.09**	**188315**	**194105**	**1858348**	**500901**
	Individual Single Premium	225.08	31.64	495	457	0	0
	Individual Non-Single Premium	592.25	616.09	187530	193406	0	0
	Group Single Premium	0.01	0.45	1	3	2871	70

	Group Non-Single Premium	47.86	90.15	289	239	1337541	500831
	Group Yearly Renewable Premium	0.00	21.77	0	0	517936	0
10	**Future Generali Life**	**399.89**	**582.20**	**41861**	**79793**	**655118**	**504289**
	Individual Single Premium	7.18	7.27	1807	819	0	0
	Individual Non-Single Premium	178.51	278.49	39968	78890	0	0
	Group Single Premium	20.52	57.48	12	15	34158	13153
	Group Non-Single Premium	193.68	0.00	74	0	0	491136
	Group Yearly Renewable Premium	0.00	238.96	0	69	620960	0
11	**HDFC Standard Life**	**8696.21**	**11349.13**	**1083156**	**1050200**	**32170045**	**19774194**
	Individual Single Premium	628.26	1321.64	240761	28182	0	0
	Individual Non-Single Premium	3572.73	4621.47	841492	1021447	0	0
	Group Single Premium	4495.22	5289.52	903	197	22646873	19774194
	Group Non-Single Premium	0.00	0.00	0	0	0	0
	Group Yearly Renewable Premium	0.00	116.52	0	374	9523172	0
12	**ICICI Prudential Life**	**7863.40**	**9118.07**	**702734**	**837130**	**3091260**	**2059087**
	Individual Single Premium	633.61	1045.99	32355	46627	0	0
	Individual Non-Single Premium	6344.73	7355.96	669563	789976	0	0
	Group Single Premium	885.06	207.41	816	57	226166	2059087
	Group Non-Single Premium	0.00	0.00	0	0	0	0
	Group Yearly Renewable Premium	0.00	508.72	0	470	2865094	0
13	**IDBI Federal Life**	**793.55**	**833.03**	**121071**	**116713**	**207090**	**396353**
	Individual Single Premium	242.35	316.48	12782	14968	0	0
	Individual Non-Single Premium	391.38	415.40	108244	101725	0	0
	Group Single Premium	157.04	99.94	45	20	33694	107133
	Group Non-Single Premium	2.78	1.20	0	0	173396	289220
	Group Yearly Renewable Premium	0.00	0.00	0	0	0	0
14	**India First Life**	**1670.85**	**1424.97**	**125939**	**182953**	**1428370**	**3602204**
	Individual Single Premium	11.13	35.22	545	34664	0	0
	Individual Non-Single Premium	401.54	571.86	125342	148205	0	0
	Group Single Premium	1258.18	817.27	52	84	1407210	3602204
	Group Non-Single Premium	0.00	0.00	0	0	0	0
	Group Yearly Renewable Premium	0.00	0.61	0	0	21160	0
15	**Kotak Mahindra Old Mutual Life**	**2849.74**	**3404.21**	**300053**	**338639**	**8341432**	**10528275**
	Individual Single Premium	260.44	441.49	49562	64213	0	0
	Individual Non-Single Premium	1176.22	1530.36	249425	273721	0	0
	Group Single Premium	506.77	648.04	75	135	6257483	6981387
	Group Non-Single Premium	906.32	24.65	991	63	1343004	3546888
	Group Yearly Renewable Premium	0.00	759.67	0	507	740945	0
16	**Max Life**	**3667.38**	**4348.03**	**503450**	**561841**	**3194113**	**1770093**
	Individual Single Premium	744.42	854.37	722	938	0	0
	Individual Non-Single Premium	2564.76	3129.02	502338	560394	0	0
	Group Single Premium	275.44	302.71	34	52	154786	147417
	Group Non-Single Premium	82.76	0.00	356	0	0	1622676
	Group Yearly Renewable Premium	0.00	61.94	0	457	3039327	0
17	**PNB Met Life**	**1150.18**	**1427.05**	**216802**	**219805**	**743110**	**1433642**
	Individual Single Premium	19.45	37.02	477	973	0	0
	Individual Non-Single Premium	1012.89	1217.36	216155	218693	0	0
	Group Single Premium	63.52	128.96	0	0	83799	55585
	Group Non-Single Premium	54.31	2.30	170	139	498288	1378057
	Group Yearly Renewable Premium	0.00	41.41	0	0	161023	0
18	**Reliance Nippon Life**	**1051.58**	**915.62**	**272247**	**216651**	**1244686**	**2665351**
	Individual Single Premium	23.64	18.93	1092	882	0	0
	Individual Non-Single Premium	687.74	725.27	270975	215625	0	0
	Group Single Premium	70.67	25.46	127	2	3103	2591002
	Group Non-Single Premium	269.53	113.32	53	34	28148	74349
	Group Yearly Renewable Premium	0.00	32.65	0	108	1213435	0
19	**Sahara Life**	**44.68**	**4.26**	**16058**	**1622**	**0**	**0**
	Individual Single Premium	32.42	1.90	5659	366	0	0
	Individual Non-Single Premium	12.26	2.36	10399	1256	0	0
	Group Single Premium	0.00	0.00	0	0	0	0
	Group Non-Single Premium	0.00	0.00	0	0	0	0

	Group Yearly Renewable Premium	0.00	0.00	0	0	0	0
20	**SBI Life**	**10145.76**	**10965.29**	**1275550**	**1428457**	**4530335**	**3668800**
	Individual Single Premium	591.16	687.34	26240	21841	0	0
	Individual Non-Single Premium	5878.91	7718.59	1247951	1405193	0	0
	Group Single Premium	3345.47	2139.43	67	104	213226	329373
	Group Non-Single Premium	330.23	217.91	1292	26	379081	3339427
	Group Yearly Renewable Premium	0.00	202.01	0	1293	3938028	0
21	**Shriram Life**	**739.36**	**815.92**	**200691**	**247183**	**6394352**	**22097864**
	Individual Single Premium	67.10	45.70	4262	2464	0	0
	Individual Non-Single Premium	369.35	425.15	196258	244593	0	0
	Group Single Premium	201.23	283.74	10	14	2210762	2534145
	Group Non-Single Premium	101.68	0.00	161	0	0	19563719
	Group Yearly Renewable Premium	0.00	61.32	0	112	4183590	0
22	**Star Union-Diachi Life**	**700.11**	**700.72**	**119797**	**113211**	**420351**	**240241**
	Individual Single Premium	68.79	75.88	1835	1919	0	0
	Individual Non-Single Premium	594.75	566.89	117950	111284	0	0
	Group Single Premium	26.29	40.31	1	0	22736	18524
	Group Non-Single Premium	10.28	2.33	11	0	1642	221717
	Group Yearly Renewable Premium	0.00	15.31	0	8	395973	0
23	**Tata AIA Life**	**1131.50**	**1489.01**	**183318**	**222740**	**116234**	**94633**
	Individual Single Premium	4.84	6.64	165	185	0	0
	Individual Non-Single Premium	1047.15	1396.73	183058	222476	0	0
	Group Single Premium	0.12	0.00	0	0	3	132
	Group Non-Single Premium	79.39	85.19	95	64	64537	94501
	Group Yearly Renewable Premium	0.00	0.44	0	15	51694	0
	Private Total	**50626.23**	**59314.55**	**6325145**	**6860602**	**125590537**	**126661517**
	Individual Single Premium	3766.46	5218.32	421409	277307		
	Individual Non-Single Premium	28322.90	35147.50	5896583	6576132		
	Group Single Premium	13795.46	15276.31	2816	854	58095776	62580542
	Group Non-Single Premium	4741.42	692.64	4337	599	4375999	64080975
	Group Yearly Renewable Premium	0.00	2979.78	0	5710	63118762	0
24	**LIC**	**124396.27**	**134551.68**	**20131500**	**21338176**	**60542332**	**53174202**
	Individual Single Premium	23412.55	26602.24	1176490	1213172	0	0
	Individual Non-Single Premium	22178.15	25141.61	18926752	20097526	0	0
	Group Single Premium	74763.78	79850.99	594	693	629694	1587599
	Group Non-Single Premium	4041.78	2083.37	27664	3799	3934018	51586603
	Group Yearly Renewable Premium	0.00	873.47	0	22986	55978620	0
	Grand Total	**175022.50**	**193866.24**	**26456645**	**28198778**	**186132869**	**179835719**
	Individual Single Premium	27179.02	31820.56	1597899	1490479	0	0
	Individual Non-Single Premium	50501.05	60289.11	24823335	26673658	0	0
	Group Single Premium	88559.24	95127.30	3410	1547	58725470	64168141
	Group Non-Single Premium	8783.19	2776.01	32001	4398	8310017	115667578
	Group Yearly Renewable Premium	0.00	3853.25	0	28696	119097382	0

Note: 1.Cumulative premium upto the month is net of cancellations which may occur during the free look period.

2. Compiled on the basis of data submitted by the Insurance companies

Table: 65 Business of Non-life Insurers AS on March2018:

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA						
REVISED 'FLASH FIGURES -- NON LIFE INSURERS (Provisional & Unaudited)						
GROSS DIRECT PREMIUM UNDERWRITTEN FOR AND UPTO THE MONTH OF MARCH, 2018						
		(Rs. in crores)				
	For The Month of MARCH 2018		Upto MARCH 2018		GROWTH OVER THE CORRESPON DING PERIOD OF PREVIOUS YEAR (%)	Market Share up to March2018 (%)
INSURER	2017-18	2016-17	2017-18	2016-17		
Acko General Insurance *	0.7	NA	0.97	NA	NA	0.00
Bajaj Allianz	846.30	973.80	9,445.22	7,633.28	23.74	6.27
Bharti AXA General	192.84	126.90	1,758.18	1,314.09	33.79	1.17
Cholamandalam	343.91	343.44	4,102.48	3,133.28	30.93	2.72
DHFL General**	35.50	NA	141.08	NA	NA	0.09
Edelweiss***	1.17	NA	1.30	NA	NA	0.00
Future Generali	172.13	250.17	1,906.28	1,815.50	5.00	1.27
Go Digit General Insurance**	48.31	NA	93.83	NA	NA	0.06
HDFC ERGO General#	652.22	579.62	7,289.97	6,188.62	17.80	4.84
ICICI-lombard	855.62	749.20	12,356.85	10,725.20	15.21	8.20
IFFCO-Tokio	1,006.09	956.69	5,634.00	5,563.69	1.26	3.74
Kotak Mahindra	22.68	12.22	185.39	82.05	125.95	0.12
Liberty	84.00	56.00	817.00	585.00	39.66	0.54
Magma HDI	66.34	43.99	526.69	419.49	25.55	0.35
National	1,866.92	1,746.02	16,471.94	14,237.54	15.69	10.94
New India	2,510.78	2,219.27	22,695.85	19,114.69	18.74	15.07
Oriental	1,238.68	1,179.99	11,452.01	10,803.45	6.00	7.60
Raheja QBE	14.16	8.54	83.52	58.93	41.73	0.06
Reliance General	423.70	294.62	5,069.08	3,935.35	28.81	3.37
Royal Sundaram	256.03	204.75	2,623.47	2,188.78	19.86	1.74
SBI General	485.78	347.15	3,544.20	2,604.50	36.08	2.35
Shriram General	245.15	399.64	2,100.79	2,102.42	-0.08	1.39
Tata-AIG	564.00	356.00	5,437.00	4,168.00	30.45	3.61
United India	1,962.03	2,032.50	17,300.37	16,062.81	7.70	11.49
Universal Sompo	509.12	122.33	2,310.86	1,287.23	79.52	1.53
Gen. Insurer's Total	**14,404.16**	**13,002.84**	**1,33,348.33**	**1,14,023.90**	**16.95**	**88.48**
Aditya Birla Health	33.18	7.38	241.44	54.04	346.78	0.16
Apollo MUNICH	271.41	203.18	1,717.50	1,301.93	31.92	1.14
Cigna TTK	50.63	32.82	346.41	221.80	56.18	0.23
Max BUPA	110.13	89.22	754.47	593.93	27.03	0.50
Religare	143.18	102.44	1,091.61	726.07	50.35	0.72
Star Health & Allied Insurance	799.00	575.00	4,145.00	2,961.00	39.99	2.75
Stand-alone Pvt Health Insurers	**1,407.53**	**1,010.04**	**8,296.43**	**5,858.77**	**41.61**	**5.50**
AIC	654.35	169.17	7,823.07	7,064.13	**10.74**	5.19
ECGC	155.78	169.15	1,240.38	1,267.63	**-2.15**	0.82
Specialized Insurers	**810.13**	**338.32**	**9,063.45**	**8,331.76**	**8.78**	**6.01**
GRAND TOTAL	**16,621.82**	**14,351.20**	**1,50,708.21**	**1,28,214.43**	**17.54**	**100.00**

From the above tables we can draw a conclusion that the growth of Insurance can be divided into three stages.The stage-I is from 1914 to 1956.Now the next stage is from 1956 to 1999 and further from the year 2000 to 2018.In the last leg of the business performance in Insurance,there are vast changes and the real potential of Indian Insurance Industry is visible.The 26% FDI limit in Insurance has brought such a huge change in the business performance of Indian Insurance Industry.Many Foreign Insurers with Private Insurance Industries have entered into jointventure.Windows has been opened to Reinsurers,thus With the FDI and Investments the Indian Economy has increased.Health Insurance Companies and Agricultural Insurance have brought a confidence with the Indian population,so that the Growth of GDP and Economic benefit is available to the needy.

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LIST OF ABBREVIATIONS

AIC	Agriculture Insurance Corporation
AICIL	Agriculture Insurance Company of India Ltd.
CAMS	Computer Age Management Services
CDSL	Central Depository Services Limited
CEO	Chief Executive Officer
CSC	Common Service Centre
DIPP	Department of Industrial Policy and Promotion
DTAA	Double Taxation Avoidance Agreement
ECGC	Export Credit Guarantee Corporation of India
EME	Equipment Management Element
EOU	Export Oriented Units
EU	European Union
ETASS	Electronic Transaction Administration and Settlement
FEMA	Foreign Exchange Management Act
FERA	Foreign Exchange Regulation Act
FDI	Foreign Direct Investment
FII	Foreign Institutional Investor
FIIA	Foreign Investment Implementation Authority
FIPB	Foreign Investment Promotion Board

LIST OF ABBREVIATIONS

GIC	General Insurance Corporation
GDP	Gross Domestic Product
GNI	Gross National Income
HR	Human Resources
IBM	International Business Machines Corporation
IFSC	International Financial Services Centre
IMF	International Monetary Fund
IRDA	Insurance Regulatory Development Authority
JRU	Jharkhand Rai University
LIC	Life Insurance Corporation of India
MIDA	Malaysian Investment Development Aothority
MNC	Multi National Corporation
NSDL	National Securities Depository Limited
OECD	Organisation for Economic Co-operation and Development
PAT	Profit after Tax
RBI	Reserve Bank of India
RICE	Remote Sensing based information and Insurance for Crops in Emerging Market

LIST OF ABBREVIATIONS

SAR	Synthetic Aperture Radar Technology
SEZ	Special Economic Zone
SSA	Social Security Administration
TNC	Trade Negotiations Committee
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
WTO	World Trade Organisation

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