

ROLE OF INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY IN INDIAN INSURANCE SECTOR

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Abstract

Insurance Regulatory and Development Authority (IRDA) is an autonomous apex statutory body which regulates and develops the insurance industry in India. It was constituted by a parliament of India act called Insurance Regulatory and Development Authority Act, 1999 and duly passed by the government of India .The agency operates its headquarters at Hyderabad, Andhra Pradesh where it shifted from Delhi in 2001. Promote and ensure orderly growth of the insurance business and re-insurance business. IRDA issue the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel such registration and Protect the interests of the policy holders in matters concerning assigning of policy, nomination by policy holders, insurable interest, settlement of insurance claim, surrender value of policy and other terms and conditions of contracts of insurance. Further, it regulates investment of funds by insurance companies, regulating maintenance of margin of solvency, adjudication of disputes between insurers and intermediaries or insurance intermediaries.

Keywords: IRDA, Insurance density and penetration, and claims.

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Introduction

The IRDA Act, 1999 was passed as per the major recommendation of the Malhotra Committee report (1994) which recommended the establishment of an independent regulatory authority for insurance sector in India. Later, it was incorporated as a statutory body in April, 2000. The IRDA Act, 1999 also allows private players to enter the insurance sector in India besides a maximum foreign equity of 26 per cent in a private insurance company having operations in India. Considering some of the emerging requirements of the Indian insurance industry, IRDA was amended in 2002. As stated in the act mission of IRDA is "to protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto." Indian insurance industry is regulated by the terms and conditions of the IRDA. Indian law has certain expectations from the IRDA to perform in the Indian insurance industry. IRDA should protect the interest of policyholders by ensuring fair treatment by the insurance companies. The growth of insurance companies in a speedy and orderly manner should be taken care by the IRDA. It should monitor and implement quality competence and fair dealing of the insurance companies in the industry. IRDA should make sure that the insurers are providing precise and correct information about the products offered by them for the insurance customers. IRDA should also ensure speedy settlement of genuine claims of the policyholders and prevent malpractices in the process of claims settlement. IRDA controls all the Insurance business in India. They are setting structure and boundaries for the insurance companies to act upon. Starting from licensing to approving the products, IRDA directs the companies in India. They also protect customer interests in the country. As per current guidelines issued by IRDA, Insurance Companies are not permitted to invest in Indian Depository Receipts (IDR), while they are permitted to invest in Equity shares/ Bonds/ Debentures. IRDA needs to remove this disparity to open up investment opportunity by Insurance Companies and thereby also enhance the liquidity of IDRs (Contributed by Sanjay Banka, FCA FCS) Hence, the present work made an attempt to study the Role of IRDA in Indian Insurance sector.

Objectives of the study- following are the main objectives of the present study.

1. To know the powers and functions of the IRDA
2. To study the impact of IRDA on the growth of life and non-life insurers in India.
3. To examine the impact of IRDA on insurance penetration, density, policies issued and claims settlements

METHODOLOGY

The present work entitled “Role of IRDA in Indian Insurance sector” is based on secondary data. The sources of data were collected from annual reports of the IRDA, LIC, RBI Bulletins, Economic surveys and other annual reports of the non-banking financial institutions. The data collected for the study were processed and analyzed by using suitable statistical technique. The study covers the period from 2001-02 to 2010-11.

THE MAIN FUNCTIONS OF IRDA

The duties, powers and functions of IRDA are laid down in section 14 of IRDA Act, 1999 as:

To regulate, promote and ensure orderly growth of the insurance business and re-insurance business. Issue to the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel such registration.

To Protection of the interests of the policy holders in matters concerning assigning of policy, nomination by policy holders, insurable interest, settlement of insurance claim, surrender value of policy and other terms and conditions of contracts of insurance.

To Specifying requisite qualifications, code of conduct and practical training for intermediary or insurance intermediaries and agents and Specifying the code of conduct for surveyors and loss assessors.

To Control and regulation of the rates, advantages, terms and conditions that may be offered by insurers in respect of general insurance business not so controlled and regulated by the Tariff Advisory Committee under section 64U of the Insurance Act, 1938 (4 of 1938)

To Regulating investment of funds by insurance companies, regulating maintenance of margin of solvency, adjudication of disputes between insurers and intermediaries or insurance intermediaries

Specifying the percentage of premium income of the insurer to finance schemes for promoting and regulating professional organizations referred to in clause 2.6 and

Specifying the percentage of life insurance business and general insurance business to be undertaken by the insurer in the rural or social sector

RESULTS AND DISCUSSIONS

Registered Insurers in India

At end of September 2011, there are forty-nine insurance companies operating in India; of which twenty-four are in the life insurance business and another twenty-four are in general insurance business. In addition, GIC is the sole national re-insurer. Of the forty-nine companies presently in operations, eight are in the public sector: two specialized insurers, namely ECGC and AIC, one in life insurance, four in general insurance and one re-insurance. The remaining forty one companies are in the private sector.

Table: 1 Registered Insurers in India (as on 30th September 2011)

Types of business	Public sector	Private sector	Total
Life insurance	1	23	24
General Insurance	6	18	24
Re-Insurance	1	0	1
Total	8	41	49

Source; IRDA Annual reports, various issues

Table: 2 Insurance Companies Operating In India

LIFE INSURERS	
Public Sector	Private Sector
1 Life Insurance Corporation of India	Aegon Religare Life Insurance Co. Ltd
	2 Aviva Life Insurance Co. Ltd
	3 Bajaj Allianz Life Insurance Co. Ltd
	4 Bharti AXA Life Insurance Co. Ltd
	5 Birla Sun Life Insurance Co. Ltd.
	6 Canara HSBC OBC Life Insurance Co. Ltd
	7 DLF Pramerica Life Insurance Co. Ltd.
	8 Edelweiss Tokio Life Insurance Co. Ltd.
	9 Future Generali Life Insurance Co. Ltd.
	10 HDFC Standard Life Insurance Co. Ltd.
	11 ICICI Prudential Life Insurance Co. Ltd.
	12 IDBI Federal Life Insurance Co. Ltd.
	13 ING Vysya Life Insurance Co. Ltd.
	14 IndiaFirst Life Insurance Co. Ltd.
	15 Kotak Mahindra Old Mutual Life Insurance Co. Ltd.
	16 Max New York Life Insurance Co. Ltd.
	17 MetLife India Insurance Co. Ltd.
	18 Reliance Life Insurance Co. Ltd.
	19 Sahara India Life Insurance Co. Ltd.
	20 SBI Life Insurance Co. Ltd.
	21 Shriram Life Insurance Co. Ltd.
	22 Star Union Dai-ichi Life Insurance Co. Ltd.
	23 TATA AIG Life Insurance Co. Ltd.
NON-LIFE INSURERS	
Public Sector	Private Sector
1 New India Assurance Co. Ltd.	1 Bajaj Allianz General Insurance Co. Ltd.
2 National Insurance Co. Ltd.	2 Bharti AXA General Insurance Co. Ltd.
3 The Oriental Insurance Co. Ltd.	3 Cholamandalam MS General Insurance Co. Ltd
4 United India Insurance Co. Ltd.	4 Future Generally India Insurance Co. Ltd.
Specialized Insurers	5 HDFC Ergo General Insurance Co. Ltd.
5 Export Credit Guarantee Corporation Ltd.	6 ICICI Lombard General Insurance Co. Ltd.
6 Agriculture Insurance Co. Ltd	7 IFFCO Tokio General Insurance Co. Ltd.
	8 L & T General Insurance Co. Ltd.
	9 Raheja QBE General Insurance Co. Ltd.
	10 Reliance General Insurance Co. Ltd.
	11 Royal Sundaram Alliance Insurance Co. Ltd.
	12 SBI General Insurance Co. Ltd.

	13 Shriram General Insurance Co. Ltd.
	14 TATA AIG General Insurance Co. Ltd.
	15 Universal Sompo General Insurance Co. Ltd.
	Standalone Health Insurers
	16 Apollo Munich Health Insurance Co. Ltd.
	17 Max Bupa Health Insurance Co. Ltd.
	18 Star Health and Allied Insurance Co. Ltd.
	RE – INSURER
	General Insurance Corporation of India

Source; IRDA Annual reports, various issues

Growth trends in registered life in private and non life insurer have been increased over the last one and half decade. The no. of registered life insurer increased from 4 to 24 including 1 public sector insurer i.e. LIC, but the increase in private sector insurer is more significant during from 2000 to 2011. Non-life insurer has also increased to 25 (including 1 re-insurance) industries as in September 2011. Most of the private players in the Indian insurance industry are a joint venture between a dominant Indian company and foreign insurers. In a fragmented industry, new players are gnawing away the market share of larger players. The existing smaller players have aggressive plans for network expansion as their foreign partners are keen to capitalize on the enormous potential that is latent in the Indian life insurance market. However, it is concluded that since the establishment of the IRDA the no. of life and non-life insurance insurers have registered and started their business in insurance arena. The details of the registered insurers are given in the above table 1 and 2.

Table: 3 Growth Trends of Life Insurance Offices

Insurer	2007	2008	2009	2010	2011
Private	3072 (57.17)	6391(71.71)	8785(74.35)	8768 (72.96)	8175(70.81)
LIC	2301 (42.83)	2522(28.29)	3030 (25.65)	3250 (27.04)	3371(29.19)
Industry Total	5373 (100.00)	8913(100.00)	11815(100.00)	12018(100.00)	11546 (100.00)

Source: IRDA Annual reports, various issues

Table 3 vivid the growth of life offices both in public and private sector, it reveals that there was a considerable decrease in the No. of life offices in the country. During under the study period private insurer closed 593 offices, where as LIC established 121new offices. Hence, the

No. of life insurance offices declined from 12018 as on 31 March 2010 to 11546 as on 31 March 2011. However, it is concluded that there was a decline in the life offices in terms of per cent when compared with the private insurer.

INSURANCE PENETRATION AND DENSITY IN INDIA

IRDA is playing a significant role while insurance penetration and density of insurance which reflects the level of development of insurance sector in a country. The insurance penetration is measured as the percentage of insurance premium to GDP. Similarly, insurance density is calculated as the ratio of premium to population (per capita premium) India has achieved a commendable performance in insurance density since insurance sector opened for private players. Similarly insurance penetration, which surged consistently till 2009, slipped for the first time in 2010 due to slower rate of growth in the life insurance premium as compared to the rate of growth of the Indian economy. Insurance density had gone up from US D 11.5 in 2001 to US D 64.4 in 2010. Similarly insurance penetrations had gone up from 2.71 per cent in 2001 to 5.10 per cent in 2010. Within the insurance sector, the density of life insurance sector shows a predominant and which was US D 9.1 against non-life insurance density US D 2.4 in 2001. The density of life insurance was rose by US D 55.7 against the non-life density US D 4.40 in 2010. which impetrates that the density of life Insurance is more than that of the non-life insurance. It is concluded that growing population with mass poverty cannot afford the insurance. On the other hand, within the insurance penetration, life insurance penetration was significant than that of the non-life insurance, it is evident from the table 4 that the life insurance penetration was consistently increased from 2.15 percent to 4.40 percent against to the 0.56 percent to the 0.71 percent during 2001 to 2010. However, this much of growth happened in insurance sector due to the establishment of IRDA.

Table: 4 Insurance penetration and Density in India

	Life		Non-life		Industry	
Year	Density (US D)	Penetration (per cent)	Density (US D)	Penetration (per cent)	Density (US D)	Penetration (percent)
2001	9.1	2.15	2.4	0.56	11.5	2.71
2002	11.1	2.59	3.0	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	0.64	19.7	3.17
2005	18.3	5.53	4.4	0.61	22.7	3.14
2006	33.2	4.10	5.2	0.60	38.4	4.80
2007	40.4	4.00	6.2	0.60	46.6	4.70
2008	41.2	4.00	6.2	0.60	47.4	4.60
2009	47.7	4.60	6.7	0.60	54.3	5.20
2010	55.7	4.40	8.7	0.71	64.4	5.10

Source; IRDA Annual reports, various issues

However, the cross country comparison of both life and non-life insurance penetration in India is more progressive [4.4 per cent life and 0.7 per cent non-life] than in Bangladesh (0.7 per cent life 0.2 per cent non-life) Malaysia (3.2 per cent life 1.6 per cent non- life) Pakistan (0.3 per cent life and non-life respectively) under Asian countries. In contrast to this, non-life insurance in some developed countries is progressive one compared to India and some other Asian underdeveloped/developing countries viz life and non-life in Australia 3.1 per cent and 2.8 per cent ,in France 7.4 per cent and 3.1 per cent in Germany 3.4 per cent and 3.7 per cent in Switzerland 5.5 per cent and 4.4 per cent in UK 9.5 per cent and 2.9 per cent in USA 3.5 per cent and 4.5 per cent in 2010. Therefore, it is concluded that from the Swiss Re sigma volumes in respect of insurance penetration that in most of the developed countries both life and non-life insurance penetration is well developed, where as in most of the Asian countries the development of non-life insurance penetration is not significantly developed. However, some progressive signs are visible in few Asian countries including India. The details are given in the table 5 below.

Table: 5 International comparison of insurance penetration

countries	Total	2009		Total	2010	
		Life	Non-life		Life	Non-life
Australia	6.4	3.4	3.0	5.9	3.1	2.8
Brazil	3.1	1.6	1.5	3.1	1.0	1.5
France	10.3	7.2	3.1	10.5	7.4	3.1
Germany	7.0	3.3	3.7	7.2	3.5	3.7
Russia	2.5	0.0	2.5	2.3	0.0	2.3
South Africa	12.9	10.0	2.9	14.8	12.0	2.8
Switzerland	9.8	5.4	4.5	9.9	5.5	4.4
United Kingdom	12.9	10.0	3.0	12.4	9.5	2.9

United states	8.0	3.5	4.5	8.0	3.5	4.5
ASIAN COUNTRIES						
Bangladesh	0.9	0.7	0.2	0.9	0.7	0.2
Hong kong	11.0	9.6	1.5	11.4	10.1	1.4
India #	5.2	4.6	0.6	5.1	4.4	0.7
Japan	9.0	7.8	2.1	10.1	8.0	2.1
Malaysia	4.4	2.9	1.6	4.8	3.2	1.6
Pakistan	0.7	0.3	0.4	0.7	0.3	0.3
PR Chaina	3.4	2.3	1.1	3.8	2.5	1.3
Singapore	6.8	5.1	1.7	6.1	4.6	1.6
South Korea	10.4	6.5	3.9	11.2	7.0	4.2
Sri Lanka	1.4	0.6	0.9	1.4	0.6	0.9
Taiwan	16.8	13.8	3.0	18.4	15.4	3.0
Thailand	4.0	2.4	1.6	4.3	2.0	1.7
WORLD	7.0	4.0	3.0	6.9	4.0	2.9

Data relates to financial year 2009-10 and 2010-11. Source:IRDA Annual reports, various issues

Table: 6 International comparison of insurance Density

countries	2009			2010		
	Total	Life	Non-life	Total	Life	Non-life
Australia	2832.7	1524.8	1307.9	3369.2	1766.3	1603.0
Brazil	251.7	127.9	123.8	327.6	169.9	157.7
France	4269.1	2979.8	1289.4	4186.6	2937.6	1249.0
Germany	2878.4	1359.7	1518.7	2903.8	1402.2	1501.6
Russia	280.9	4.5	276.4	296.8	6.4	290.4
South Africa	7381.1	574.2	163.9	1054.7	854.6	200.1
Switzerland	6257.6	3405.6	2852.1	6633.7	3666.8	2966.9
United Kingdom	4578.8	3527.6	1051.2	4496.6	3436.3	1060.2
United states	3710.0	1602.6	2107.3	3758.9	1631.8	2127.2
ASIANCOUNTRIES						
Bangladesh	5.2	3.9	1.3	5.8	4.4	1.4
Hong Kong	3304.0	2886.6	417.5	3635.5	3197.3	438.2
India #	54.3	47.7	6.7	64.4	55.7	8.7
Japan	3979.0	3138.7	840.4	4390.2	3472.8	917.4
Malaysia	321.8	206.9	115.0	421.1	282.8	138.3
Pakistan	6.6	3.0	3.6	6.1	3.2	2.9
PR Chaina	121.2	81.1	40.0	158.4	105.5	52.9
Singapore	2557.6	1912.0	645.6	2823.4	2101.4	722.1
South Korea	1890.3	1180.6	709.7	2339.4	1454.3	885.1
Sri Lanka	29.5	11.8	17.7	34.2	13.7	20.6
Taiwan	2752.1	2257.3	494.8	3296.2	2756.8	539.3
Thailand	154.4	91.7	62.7	199.4	121.9	77.5

WORLD	595.1	341.2	253.9	627.3	364.3	263.0
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Note: # Data relates to financial year 2009-10 and 2010. Source: IRDA Annual reports, various issues

As far as international comparison of insurance density is concerned, India has strong plus points over Asian countries. The life and non-life insurance density in India is US D 55.7 and US D 8.7 respectively in 2010. Whereas the Bangladesh collected US D 4.4 and 1.4, Pakistan US D 3.2 and 2.9, Srilanka US D 13.7 and 20.6. The developed countries like Australia, USA, UK, Germany and other countries were made herculean task in collecting the premium from both life and non-life business.

GROWTH OF NEW POLICIES

The IRDA in insurance industry in India has taken impressive measures in recent years and has recorded phenomenal growth complemented by country's improving economic growth. The Indian insurance industry is gaining in size and is in par with the Asian markets. The business of insurance is related to the protection of the economic values of assets of the policy holders. The no. of new policies issued by the life insurer in accordance with IRDA is an index of growth of life insurer. The IRDA is looking at making insurance policies more investor-friendly by introducing tax exemptions on insurance policies. While IRDA is still considering a proposal by LIC to link tax relief to the term of the life insurance policy, reports suggest IRDA has backed a move to introduce separate tax exemption limit on life insurance policies.

Table: 7 Life Insurers: Number of New Policies issued (in lakhs)

Insurers	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
LIC	370.38 (-4.70)	388.63 (8.21)	359.13 (-4.52)	376.13 (-1.61)	382.29 (21.01)	315.91 (31.75)	239.78 (11.09)	269.68 (9.87)	245.46 (96.75)
Private sector	111.14 (22.61)	143.62 (-4.32)	150.11 (13.19)	132.62 (67.40)	79.22 (104.64)	38.71 (73.37)	22.33 (34.62)	16.59 (101.05)	8.25 (3.25)
Total	481.52 (-9.53)	532.25 (4.52)	509.23 (0.10)	508.74 (10.23)	461.52 (30.14)	354.62 (35.29)	262.11 (-8.44)	286.27 (12.83)	253.71

Note: Figure in bracket indicates the growth over the previous year in per cent. Source: IRDA Annual reports, various issues

It is evident from the table that no. of policies issued by the Insurer in India has been increased over the years from 253.71 lakhs to 481.52 lakhs. The performance of private sector insurance in terms of policies issued is more significant than that of the LIC. The effort made by the LIC in this regard has been a dismal when compared with the private insurer. The invisible hand behind this growth is the IRDA. The share of life insurance business was 58 per cent in total premium collection. While life insurance business collected USD 2520 billion as premium, the same for non-life business was USD 1818 billion. During 2010, the premium in world life insurance business increased by 3.2 per cent on the back of double digit growth (i.e. 13 per cent) in life insurance premium collection in emerging markets.

Claims Settlement in Life Insurance Sector

In the business of insurance, the timely settlement of claims is a vital function that needs no special emphasis. The claims settlement record of an insurer is, therefore, the touchstone of its performance. In order to ensure that the insurer is in the position to promptly settle all its claims, it needs to do a careful evaluation of the risks that would arise out of the underwritten contracts and price their premiums accordingly. Excessive time-lags in settlement of claims or higher percentage of repudiations speak badly of the insurer's approach to its business and to its policyholders. The primary laws as well as subordinate legislations have included a number of provisions intended to protect the interests of policyholders/claimants, these provisions ensuring prompt settlement of all genuine claims. Provision 8 of the IRDA (Protection of Policyholders Interests) Regulations, 2002 lays down the guidelines on claims procedure in respect of a life insurance policy.

Table: 8 Life Insurer Claims Settlement: Death Claims –Individual Policies (No's)

Year	Total claims intimated	Claims paid	Claims repudiated	Claims written back	Claims pending at the end of the year
2006-07	627032	604178	10869	00	11985
2007-08	577322	553408	9027	339	14548
2008-09	640620	605128	12781	5796	16915
2009-10	762435	726109	14693	5741	15892
2010-11	851534	813932	17350	3837	16415

Table: 9 Life Insurer Claims Settlement: Death Claims – Group Policies (No’s of Lives)

Year	Total claims intimated	Claims paid	Claims repudiated	Claims written back	Claims pending at the end of the year
2006-07	147764	144119	1299	00	2346
2007-08	162837	159333	1241	34	2229
2008-09	264138	260507	1412	71	2148
2009-10	309151	305739	1520	20	1872
2010-11	436201	421930	2404	266	11601

Source; IRDA Annual reports, various issues

Protection of policy holders is an important objective and responsibility of the IRDA; this can be achieved on the performance of the claims settlement of insurer. The table 8 and 9 shows hows death individual policies and group policies have been claimed over the years. Over 95 per cent of the total individual death claims intimated have been paid by life insurers in each of the last five years. While about 2 per cent were repudiated, another 2 per cent were pending settlement as at the end of each of the five years. The claim settlement ratios are higher in case of group death claims as can be observed from the data tabulated.

Duration-wise settlement of Death Claims

Out of the claims settled on individual policies in 2010-11, 77 per cent were settled within 30 days of claim intimation, 19 per cent were settled between 31 to 180 days of intimation and the remaining 4.5 per cent beyond 180 days. In the case of group policies, 94.8 per cent claims were settled within 30 days of intimation and around 5 per cent between 31 and 180 days of intimation. Only a minuscule 0.3 per cent claims were settled beyond 180 days.

Maturity and survival benefits

Life insurers settled over 50 lakh maturity claims in the year 2010-11 paying a total amount of 32,345 crore; and the number of survival benefits paid in the year was over 1.35 crore for an amount of 19,816 crore. It is observed from the above tables that maturity benefits far exceed the amounts paid under death claims. This only reflects the pre-dominance of savings-

linked policies in Indian life insurance sector. Again, within the savings-linked products, money back policies in which intermittent/periodic benefits are payable during the term of the policy are a sizeable portion and this is indicated by the number and amount of survival benefits paid each year. Similarly, under group claims, the claim settlement ratio of LIC was higher than that of the private life insurers. Settlement ratio of LIC has slightly decreased to 99.66 per cent during the year 2010-11 when compared to 99.80 per cent during the previous year. The per cent of repudiations remained constant at 0.01 per cent in year 2010-11. Even for private insurers, settlement ratio has declined to 93.33 per cent during the year 2010-11 when compared to 96.80 per cent during the previous year. For private insurers, per cent of repudiations has slightly declined to 1.18 per cent in 2010-11 from 1.61 per cent in 2009-10. Therefore the industry's settlement ratio has slightly decreased to 96.73 per cent in 2010-11 from 98.90 per cent in 2009-10 and the repudiation ratio has also slightly gone up to 0.55 per cent in 2010-11 from 0.49 per cent in 2009-10.

MAIN FINDINGS OF THE STUDY

- ✓ The no. of registered life insurer increased from 4 to 24 including 1 public sector insurer (LIC) but the increase in private sector insurer is more significant during from 2000 to 2011. Non-life insurer has also increased to 25 (including 1 re-insurance) industries as in September 2011. Most of the private players in the Indian insurance industry are a joint venture between a dominant Indian company and foreign insurers.

- ✓ Insurance density had gone up from US D 11.5 in 2001 to US D 64.4 in 2010. Similarly insurance penetrations had gone up from 2.71 per cent in 2001 to 5.10 per cent in 2010. Within the insurance sector, the density of life insurance sector shows a predominant and which was US D 9.1 against non-life insurance density US D 2.4 in 2001. The density of life insurance was rose by US D 55.7 against the non-life density US D 4.40 in 2010. which impetrates that the density of life Insurance is more than that of the non-life insurance. However, this much of growth happened in insurance sector due to the establishment of IRDA.

- ✓ The cross country comparison of both life and non-life insurance penetration in India is more progressive [4.4 per cent life and 0.7 per cent non-life] than in Bangladesh (0.7 per cent life 0.2 per cent non-life) Malaysia (3.2 per cent life 1.6 per cent non- life) Pakistan (0.3 per cent life and non-life respectively) under Asian countries . In contrast to this, non-life insurance in some developed countries is progressive one compared to India and some other Asian underdeveloped/developing countries.
- ✓ The no. of policies issued by the Insurer in India has been increased over the years from 253.71 lakhs to 481.52 lakhs. The performance of private sector insurance in terms of policies issued is more significant than that of the LIC. The invisible hand behind this growth is the IRDA
- ✓ Individual death policies and group policies have been claimed over the years. Study data reveals that over 95 per cent of the total individual death claims intimated have been paid by life insurers in each of the last five years.

CONCLUSIONS

The growth Performance of the insurance industry has been increased tremendously since the establishment of IRDA in India, which supervise and controlled the entire insurance industry. The increase in no. of insurer both in life and non-life, growth in insurance penetration and density, increase in no. of policies issued and increase in the speed of claims settlement and in many more aspects the IRDA is playing a prominent role in the Indian insurance sector.

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