



Insurance Sector in India: Growth and Career Opportunities

*1Jain, Pooja

*2Seth, Sanjeev

*1Nirmal International Education and Research Group, India

*2Business Press, India

ARTICLE DETAILS

Article History

Risks related to property, life, and other worthy artifacts gave birth to the thought of transferring the risk by Insurance. Insurance that has been existing in formal manner since 2nd millennia BC has now become a huge industry.

Keywords

Insurance, Risk Cover, Career, Industrial Growth

ABSTRACT

Risks, the uncertainty about the future of something, be it be Business, Project, Life, Property, or anything, has always been there and so is there the fear of not meeting the intended goal for which they exist. Transferring the risk to a different party has been there as a good strategy of risk handling. This strategy brought to us the concept of 'Insurance' in which, the 'Insurer' assures the monetary coverage to the 'Insurance owner' in case the 'Insured Artifact' is adversely impacted under 'Given Conditions'. Insurance has now grown into a mature industry worldwide and in India it has many formal bodies regulating and promoting it as a huge market.

This paper highlights some areas of the Insurance Market and its emerging future in India in terms of economy and career opportunities.

1 Introduction

The insurance industry in India has been growing exceptionally well with participation of private and public sector players. In India, Insurance market has a mix of public and private players who provide both life and non-life or general insurance services across India.

The Insurance sector in India provides a protective shield to the lives and assets of the nation and at the same time it also provides thousands of jobs and career opportunities to workforces of all permissible age groups.

Across the world, and in all forms of Insurance, being an Insurance Advisor is rewarding career for many. The insurance advisors help people fulfill their financial goals with career satisfaction making their lives much better than ever. Insurance Advisory is supposed to be a win-win

opportunity for the career of advisory and life of the insured customer.

2 Major players in Insurance Industry in India

In India, Insurance market has a mix of public and private players who provide both life and non-life or general insurance services across India.

2.1 Public Sector Insurance Players in India

Here given are brief introduction about the players in Public Sector Insurance Service Providers in India.

- **Life Insurance Corporation of India:** LIC of India or the Life Insurance Corporation of India was incorporated in September 1956 by amalgamation of 243 Companies through the Act of Parliament called Insurance Act,

1956. The LIC of India is governed by the parliamentary acts Insurance Act 1938, LIC Act 1956, LIC Regulations 1959 and Insurance Regulatory and Development Authority Act 1999. LIC of India is one of the largest Public Sector Player in Indian Insurance Sector.

- **GENERAL INSURANCE CORPORATION OF INDIA:** The market of General Insurance or the non-life insurance was nationalized in India in 1972 when 107 insurers were grouped and amalgamated into four Companies names as:
 - i. National Insurance Co. Ltd.
 - ii. The New India Assurance Co. Ltd.
 - iii. The Oriental Insurance Co. Ltd. and
 - iv. United India Insurance Co. Ltd.
- **THE NEW INDIA ASSURANCE COMPANY LIMITED:** The New India Assurance Company Limited was founded by Sir Dorabji Tata on July 23rd, 1919 and the same was nationalized in 1973 with merger of many Indian companies.
- **UNITED INDIA INSURANCE COMPANY LIMITED:** United India Insurance Company Limited was incorporated in 1938 to provide Insurance Services in India. With the nationalization of Non-Life or General Insurance business in India, in 1938, there happened the merger of twelve Indian Insurance Companies, four Cooperative Insurance Societies and Indian operations of five Foreign Insurance providers, and besides General Insurance operations of Southern Region operations of Life Insurance Corporation of India

with United India Insurance Company Limited.

- **THE ORIENTAL INSURANCE COMPANY LIMITED:** The Oriental Insurance Company Ltd was incorporated in 1947 whereas all its shares held by the General Insurance Corporation of India (GIC of India) were transferred to the Government of India in year 2003.
- **NATIONAL INSURANCE COMPANY LIMITED:** The National Insurance Company Limited was incorporated in the year 1906. After nationalization it was merged along with twenty one foreign and eleven Indian companies that after merger formed the combined unit named as National Insurance Company Limited.
- **AGRICULTURE INSURANCE COMPANY OF INDIA LIMITED:** 'Agriculture Insurance Company of India Limited' (AIC or AIC of India) was incorporated with exclusive focus to cater the insurance needs of agriculture and linked professions and allied activities in India under the Companies Act, 1956 in December 2002. The General Insurance Corporation of India (GIC), NABARD and four public sector general insurance companies combinedly contributed towards the share capital of the Agriculture Insurance Company of India.

2.2 Public Sector Insurance Players in India

The private players of Insurance Sector in India are recognized, licensed, and regulated by Insurance Regulatory and Development Authority (IRDA) of India.

As on 10-July-2019, IRDA listed 24 Life Insurance Service Providers including HDFC Life Insurance Co. Ltd, Max Life Insurance

Co. Ltd., ICICI Prudential Life Insurance Co. Ltd., Kotak Mahindra Life Insurance Co. Ltd., Aditya Birla SunLife Insurance Co. Ltd., TATA AIA Life Insurance Co. Ltd., SBI Life Insurance Co. Ltd., Exide Life Insurance Co. Ltd., Bajaj Allianz Life Insurance Co. Ltd., PNB MetLife India Insurance Co. Ltd., Reliance Nippon Life Insurance Company Limited, Aviva Life Insurance Company India Ltd., and others.

At the same time, the IRDA officially lists 34 General Insurance Service Providers including Acko General Insurance Ltd., Aditya Birla Health Insurance Co. Ltd., Agriculture Insurance Company of India Ltd., HDFC ERGO Health Insurance Limited (Formerly Apollo Munich Health Insurance Company Limited), Bajaj Allianz General Insurance Co. Ltd., Bharti AXA General Insurance Co. Ltd., Cholamandalam MS General Insurance Co. Ltd., Manipal Cigna Health Insurance Company Limited, Navi General Insurance Ltd., Edelweiss General Insurance Co. Ltd., ECGC Ltd., Future Generali India Insurance Co. Ltd., Go Digit General Insurance Ltd, HDFC ERGO General Insurance Co.Ltd., ICICI LOMBARD General Insurance Co. Ltd., IFFCO TOKIO General Insurance Co. Ltd., Kotak Mahindra General Insurance Co. Ltd., Liberty General Insurance Ltd., Magma HDI General Insurance Co. Ltd., Max Bupa Health Insurance Co. Ltd, National Insurance Co. Ltd., Raheja QBE General Insurance Co. Ltd., Reliance General Insurance Co.Ltd, Reliance Health Insurance Ltd., Religare Health Insurance Co. Ltd, Royal Sundaram General Insurance Co. Ltd., SBI General Insurance Co. Ltd., Shriram General Insurance Co. Ltd., Star Health & Allied Insurance Co.Ltd., Tata AIG General Insurance Co. Ltd., The New India Assurance Co. Ltd, The Oriental Insurance Co. Ltd., United India Insurance Co. Ltd., and Universal Sompo General Insurance Co. Ltd.

3 Growth and opportunities of Insurance Sector in India

As per a report of Economics Times, the collective premium income of 24 life

insurance companies stood at Rs 43.33 lakh crore during FY 2018-19 (Apr18-Mar19).

LIC's premium collection stood at Rs 10.74 lakh crore during 2018-19.

The overall income of private sector insurance premium stood at Rs 32.59 lakh crore in FY19.

Although, there have been recorded conflicts in thoughts and reliability of understanding of opportunities and growth based on premium income. According to IRDAI, Insurance, and more particularly Life and Health Insurance are to be bought by individuals. But in the current scenario, there has been 75-80% customers being sold by misleading reasons of insurance, taken from different sources of information. Many experts believe that, instead of looking at premium growth of insurance company, much wiser and reliable business concept would be to look at individual standalone customers every insurance company hold. This will showcase much better realities about efforts, standing and capabilities of every insurance company.

Government initiatives taken for reformation of Insurance Sector in India as brought many new opportunities in this sector. 100 per cent foreign direct investment (FDI) has been permitted as per Union Budget 2019-20 for insurance intermediaries in India. National Health Protection Scheme was launched by Government of India in September 2018 under Ayushman Bharat scheme of the government to provide coverage of up to Rs 500,000 to more than 100 million vulnerable families in India. The scheme of Ayushman Bharat is expected to increase penetration of health insurance in India from 34 per cent to 50 per cent of entire population.

The Insurance Regulatory and Development Authority of India (IRDAI) has planned to issue redesigned initial public offering (IPO) guidelines for all insurance companies in India which are to looking forward to divest equity through the IPO route for expansion of business.

4 Career Opportunities in Indian Insurance Sector

Insurance Sector in India, as described in earlier section too, is booming and growing continuously.

With the active participation of private players and a significant support of multinational players through FDI, career opportunities in the Insurance sector in India has grown manifold.

To excel with a career in this field, one can expect a sound knowledge in mathematics, statistics, commerce, financial management, computers and of-course English. Desirable candidates are expected to have or to develop an in-depth understanding of money management, finance management, market management, and insurance business terminologies.

There exist tremendous work opportunities in the insurance sector in India. Candidates, who satisfy the eligibility criteria, can opt from multiple options available for working capacities in Insurance companies, some of which have been listed below as:

- Administrative Officer
- Assistant Administrative Officer
- Development Officer
- Insurance / Composite Agents
- Insurance Surveyors
- Actuaries
- Insurance Underwriter
- Investment Professionals

Salaries, perks and other remuneration are also attractive for eligible candidates in this sector. Government/Public Sector Insurance Companies in India pays salary and many other additional benefits according to government rules and regulations.

In private sector, an eligible candidate may expect to start with earning of 10-12 thousand Indian rupees per month. The salary increases gradually with experience and promotions in the career. Commission is one of the most important parts of a service

person in this business that increases with the volume of business.

5 Conclusion

Insurance Sector in India is growing exceptionally well with the participation of Public and Private Sector players. Many Government initiatives are supporting increasing the reach and coverage of the Insurance Sector in India. The future of the Insurance Sector in India is promising for not only the investors but also for making career in it. Although starts with a low per-month fixed income, the professionals in this sector earn handsome amount with incentives on volume of business and even the salaries increase with experience of the professionals.

6 Acknowledgement

International Association of Research Scholars and the team of IARS' ResEarth are acknowledged for opportunity to write and publish this title. IARS' team is acknowledged for their support in carrying out the study and documenting it. Data sources have been acknowledged in due course of text of the article.

7 References

- [1]. Anish Raj, Prasad Joshi (). Changing Facts of Insurance Industry. Infosys White Paper, URL: infosys.com/industries/insurance/white-papers/documents/changing-face-insurance-industry.pdf
- [2]. DFS, Govt. of India (2019). Public Sector Insurance Companies in India. URL: <https://financialservices.gov.in/insurance-divisions/Public-Sector-Insurance-Companies>
- [3]. IRDA (2019). List of General Insurers. URL: https://www.irdai.gov.in/ADMINCMS/cms/NormalData_Layout.aspx?page=PageNo264&mid=3.2.10
- [4]. IRDA (2019). List of Life Insurers. URL: https://www.irdai.gov.in/ADMINCMS/cms/NormalData_Layout.aspx?page=PageNo129&mid=3.1.9
- [5]. Economics Times (2019). URL: <https://economictimes.indiatimes.com/industry/banking/finance/ins>

ure/life-insurance-companies-
register-11-4-growth-in-premium-
income-in-
fy20/articleshow/75406448.cms?f
rom=mdr

- [6]. Research and Markets,
PRNewswire (2019). India Life
Insurance Market Report,
Forecast to 2023 - Increasing
Rural Income and Improving

Infrastructure Expected to Drive
Growth. URL:
<https://www.prnewswire.com/news-releases/india-life-insurance-market-report-forecast-to-2023---increasing-rural-income-and-improving-infrastructure-expected-to-drive-growth-300966218.html>