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A Study of Comparative Analysis between LIC and HDFC Life Insurance Companies

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Abstract: ***The insurance sector in India and the privatisation of the insurance industry are the topic of this study. LIC held a monopoly in the insurance sector until the year 2000. When insurance was privatised, it became more competitive. Since private players entered the market, the landscape of the insurance sector has transformed. In terms of service quality, consumer contentment, awareness, consumer preference, and overall operations, my research aids in the comparison between LIC and new private life insurance enterprises. It reflects the customer's point of view about the company.***
My research aims to obtain a better understanding of the insurance sector in India and to uncover competitiveness issues. In India, the insurance business is quite small, covering only approximately 3% of the population. In addition, the increase in foreign direct investment from 26% to 49% means that India's insurance industry will grow, but it will face severe competition from the rest of the world, notably Asian countries. As a result, it's likely that a distinction will be made between private and public insurance businesses. As a result, this study attempts to compare private and public firms in India's insurance industry on the basis of Insurance Education, Premium, and Performance Evaluation.

I. INTRODUCTION

The business of insurance is defined as the safeguarding of assets' economic values. Every asset has a monetary worth. The asset would be created as a result of the owner's efforts. The asset is useful to the owner because he expects others to benefit from it. The benefit could be in the form of money or anything else. It's advantageous because it satisfies a number of his requirements. In the case of a factory or a cow, the goods produced are sold and revenue is made. It gives comfort and convenience in transportation in the case of a car. There isn't any money coming in directly.

A. The Importance Of Insurance

Protection benefits society by permitting singularities to share the entanglements looked by various people. Yet, it likewise serves significant other significant productive and cultural capacity. Since protection is on the solicitation and reasonable, banks can make credits with the relief that the loan's co-parallel (property that might be taken as instalment assuming an advance goes late) is settled against harm. This expanded vacuity of credit assists individuals with purchasing homes and transports. Protection additionally gives the capital that networks should snappily reconstruct and recuperate monetarily from catastrophic events, as cyclones or tropical storms. Protection itself has come a major productive power in most extreme industrialized nations. Businesses purchase protection to conceal their laborers against business related wounds and medical issues. Since it makes business activities more secure, protection urges business to makes business tasks more secure, protection urges organizations to frame productive arrangements, which benefit the farming of countries. additionally, in numerous individuals work for insurance agency and associated organizations. In 1996 over2.4 million individuals worked inside the protection assiduity inside thus. furthermore, Canada. Protection as a speculation that gives parts more as far as returns, danger cover and added lagniappes not generally products of protection are positive bones. the possibility acquiring protection instalments inspires certain individuals to attempt to bring forth harm or misfortunes. Without the obligation of gathering protection benefits, for representation.

B. The Insurance Industry Today

Since the 1970s, the security industry has grown dramatically and seen massive transformations. The employment, goods, and administrations of previously distinct organisations grew veiled as a result of the emancipation of money-related administrations firms such as security, banking, and safeguards exchanging. Residents in the U.S. state of California, for example, voted in 1988 to enable banks to offer insurance in the state. In Canada, organisations may soon be able to offer insurance.

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Design innovations have also enabled traditionally specific financial firms to keep up with developments in other organisations and target a few of the same clientele. Some insurance companies now provide store records and house loans. Life verification groups now exist in the United States. The executives administrations sell more benefits plans and other resources than they do typical life affirmation. Insurance providers have been able to handcraft contracts to suit the needs of individual consumers because to advancements in design that have given them the flexibility to quickly access and deal with data. However, as tactics have become more complex, some aspects of finding and selling protection have become more difficult. Furthermore, advancements in land and meteorological technology may alter how property safety net providers calculate accident risks. For example, when researchers improve their ability to predict extreme weather situations such as storms and land disturbing forces such as tremors, backup plans may change how they provide insurance against such calamities.

C. Objective of The Study

1) To compare the performance of LIC and HDFC in each category (Total Premium, Total Income and Total no of Policies)
2) To determine the LIC and HDFC insurance companies' growth in each category (No of Branches, First Premium, Growth in Income, No of Policies, Market share value).
3) To learn about the LIC and HDFC life insurance firms' grievance management.

D. Need of The Study

The goal of the study was to determine the proportional share of LIC and HDFC insurance in India. It is useful for persons who work in the insurance industry and research associates who work in the Indian insurance sector.

E. Scope of The Study

1) To frame out the buying sources and insurance products and their premium methods.
2) To know grievance handling level of LIC and HDFC insurance companies.
3) To know insurance premium in LIC and HDFC insurance companies.

F. Research Gap and Problem Statement

The above review about the research objective was to compare the performance of LIC and HDFC insurance companies for their purpose. The study is purely based on secondary data. The secondary data has been collected from the website articles and journals.

G. Limitations of The Study

1) The study was limited to a two-month pre-demonetization period from October 23 to November 8, 2016, and a two-month post-demonetization period from November 9 to November 30, 2016.
2) The study's drawback can be considered a restriction of the secondary data employed in the study.
3) My lack of experience: Because of my lack of experience, there is a potential that I will make mistakes.

H. Research Methodlogy

In order to understand the performance of the LIC and HDFC companies. This study based upon the secondary sources of data,
The secondary data has been collected through companies official website , IRDA , journals and books.

II. LITERATURE REVIEW

Sumit (2017) used seven criteria to dissect the benefit execution of life affirmation organisations in India. Factors included Net Premium, pay from investments, endorsing pay, and return on resources, as well as joint proportion, dissolvability percentage, and benefit after charge. The significance of change in benefit of arranged safety net providers was tested using ANOVA. The examination showed that among private area insurance agencies, the average net charge over the last 5 years was highest for the ICICI prudential measure. The best CAGR of venture pay was tracked down for ICICI's good measure.
Krishna (2015) conducted a similar research into India's state and private insurance agencies. For a specific segment of the whole industry, new business increased, the number of late approaches given increased, and the total insurance payment was considered. LIC is overpowering in terms of all boundaries. The evaluation concluded that the insurance company should ensure high-quality products at a low price, and that businesses can reduce the product's value by lowering the price. Their long-term viability is dependent on how well they show themselves in terms of benefit, utility, productivity, and repair quality.

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Dr.Parmasivan (2015) conducted a similar examination into public and private insurance agencies. The present proportion, as well as the obligation value percentage, are determined in order to determine the live monetary execution dissolvability proportion. The review shows that LIC continues to flood the field. When compared to LIC, private area insurance agencies used new business channels to advance. Selling more unit-linked plans allows private safety net providers to capture a larger share of the overall market from LIC. Individual safety net providers outperformed LIC in terms of solvability proportion and causation ratio. When compared to non-public life guarantors, death claims were adjusted better for a good measure of LIC.

Dr. Vikas Gairola (2016) considered open and individual insurance agencies. The study examines public and private life affirmation organisations in terms of most recent methodologies, total premium pay, and overall industry share. The analysis reveals that non-public life backup plans have consistently made efforts to improve their exposition and have had an impact on the LIC in some way. To fight and compete with this case, LIC introduced innovative and appealing protection products, as well as efforts to improve client relationships across the board and effective marketing. Despite the fact that India's population is enormous, the life affirmation market remains untapped.

III. INDUSTRY PROFILE

A. Introduction

The largest population and hence a large untapped market, insurance presents a huge opportunity in India. Today, it is a business that is growing at a rate of 15-20% every year. It contributes roughly 7% of the country's GDP, together with banking services. Despite all of this expansion, data on insurance penetration in the country are shockingly low. Nearly 80% of the Indian population lacks insurance coverage and, as a result, insurance. This is frequently a sign that India's insurance market has enormous growth potential. As a result of this enormous expansion, the insurance business was regulated, and the government formed the "Malhotra Committee" in 1993 to examine various elements of the industry. Since its deregulation, the insurance business has never looked back, and it now ranks among India's most competitive and exploratory industries. Private players' admission and, as a result, increased use of the new distribution are currently in the spotlight. In the long run, the use of new distribution techniques and, as a result, IT tools has broadened the reach of the industry.

B. Insurance Companies

Four years ago, the protection zone was established for individual support. Private players have been dynamic in the changing environment for a long time. The protection market has undergone dynamic changes, including the emergence of a substantial number of safety net providers, both life and non-life. A major percentage of the private insurance agency has shaped adventure by bringing together previously unknown players from all over the world. There is pressure on the government from both within and outside the country to increase the foreign direct investment (FDI) restriction from 26 percent to 49 percent, which might help roving partners declare assets for development. Inside the benefits section, there are open doors where guidelines are being defined. If you're dealing with Indians over the age of 60, though, annuities are available. As additional players hesitate to enter, the IRDA has granted the necessary permission for an independent health organisation to operate within the country. The protected area has a lot of room for growth, and as it grows and more players join, item advancement and improvement will increase. The long-term expansion of the health data collection will also allow gamers to design new games.

IV. COMPANY PROFILE

A. Introduction of Life Insurance Corporation (LIC)

On September 1, 1956, LIC of India was created by nationalising 245 Indian and international firms. It was founded 52 years ago to safeguard individuals against a variety of threats that they encounter on a daily basis. The movement's progenitors envisioned a substance that would provide low-cost disaster protection to Indians, particularly those living in large provinces, while also channelling reserve funds to improve the country.It is both the largest life insurance company and the largest investor in India. It is based in Mumbai and is completely owned by the Indian government. LIC now has 2048 fully upgraded branch offices, 100 divisional offices, seven zonal offices, and a corporate headquarters. LIC's wide area network connects all of the company's branches through a Metro area network, which encompasses 100 divisional offices. Certain Banks and specialist co-ops are only permitted to offer on-line premium assortment offices in specific urban regions, according to LIC. The LIC's ECS and ATM premium instalment office adds to the convenience of its customers. Information centres have been built in Mumbai, Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, New Delhi, Pune, and countless more cities, in addition to on-line booths and IVRS. LIC has dispatched its SATELLITE SAMPARK workstations with the goal of providing easy access to its policyholders. The satellite workplaces' digital records will work with any location to serve and other accommodations in the future.

In several aspects of the extra security business, LIC has crossed a huge number of thresholds and set impressive execution standards. Similar thought processes that compelled our forefathers to make protection a reality for this country compel us at LIC to carry this message of insurance to light the lights of safety in as many homes as possible under the circumstances, and to assist individuals in providing security to their families.

V. DATA ANALYSIS AND INTERPRETATION

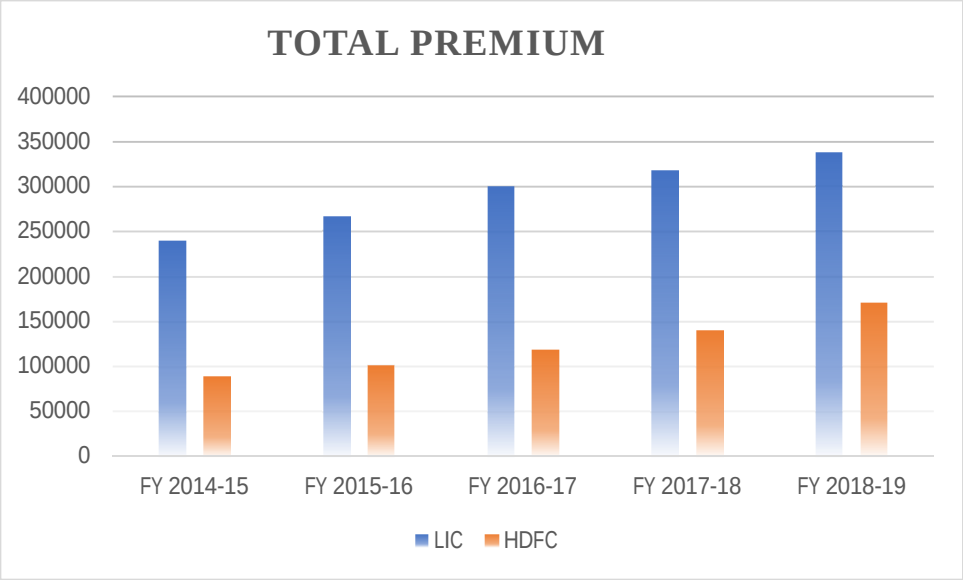
Table No.1: Table showing the comparison of total premium between LIC and HDFC

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	239667.65	266444.21	300487.36	318223.2	337505.07
HDFC	88433.49	100499.02	117989.26	140586.24	170626.96
TOTAL	328101.14	366943.23	418476.62	458809.44	508132.03

(Rs in crores)

Source: https://www.irdai.gov.in/ADMINCMS.

Graph no.1: graph showing the comparison of total premium between LIC and HDFC



Source: https://www.irdai.gov.in/ADMINCMS.

- *Interpretation:* From the graph 1, LIC's total premium is more than that of HDFC Life Insurance Company. The average premium paid by LIC has increased more that of HDFC Life Insurance Company.

Table no. 2: table showing the comparison of total income between LIC and HDFC

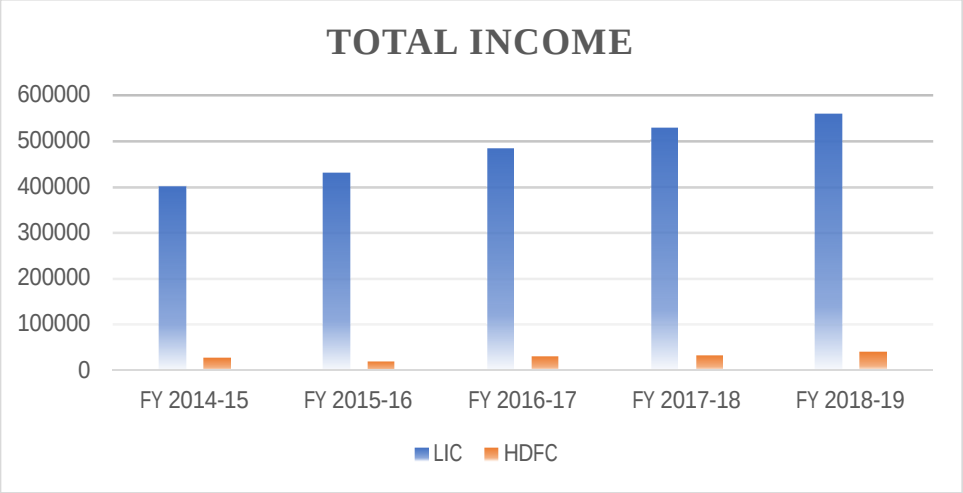
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	401427	431432	485074	527380	559600
HDFC	27245	18208	30746	32371	38554
TOTAL	428672	449640	515820	559751	598154

(Rs in crores)

Source: https://www.irdai.gov.in/ADMINCMS.

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Graph no.2: graph showing the comparison of total income between LIC and HDFC



Source: https://www.irdai.gov.in/ADMINCMS.

- *Interpretation:* From the graph 2, the total income of LIC is more then HDFC, during the year's 2014-2019 the income of LIC has increased rapidly when compare to HDFC.

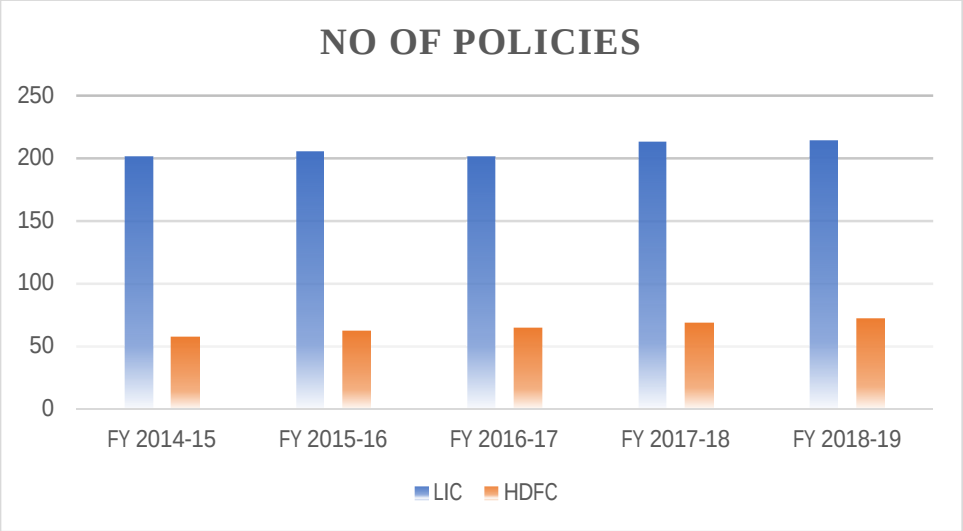
Table no .3: table showing the comparison of total no of policies between LIC and HDFC

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	201.71	205.42	201.32	213.38	214.04
HDFC	57.37	61.92	63.92	68.59	72.44
TOTAL	259.08	267.34	265.24	281.97	286.48

(In lakhs)

Source: https://www.irdai.gov.in/ADMINCMS.

Graph no. 3: graph showing the comparison of total number of policies between LIC and HDFC



Source:https://www.irdai.gov.in/ADMINCMS.

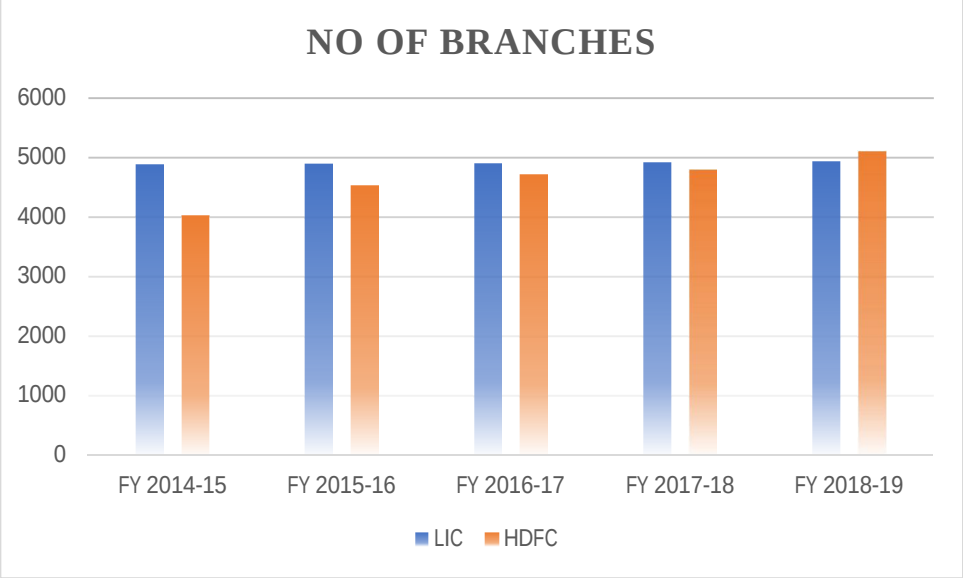
- *Interpretation:* From the graph 3, LIC has increased their policies year by year, where as HDFC has less increasing rate in the last five year's. This show's public has trusted LIC more then HDFC.

Table no. 4: table showing the comparison of total number of branches between LIC and HDFC

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	4877	4892	4897	4908	4932
HDFC	4014	4520	4715	4787	5103
TOTAL	8891	9412	9612	9695	10035

Source: https://www.irdai.gov.in/ADMINCMS.

Graph no. 4 graph showing the comparison of total no of branches between LIC and HDFC



Source: https://www.irdai.gov.in/ADMINCMS.

- *Interpretation:* From the graph 4, LIC has being oldest insurance company in india, the private insurance companies increasing their businesses, during their last five year's. HDFC has increased their number of branches were compared to LIC.

Table no 5: table showing the comparison of first premium between LIC and HDFC

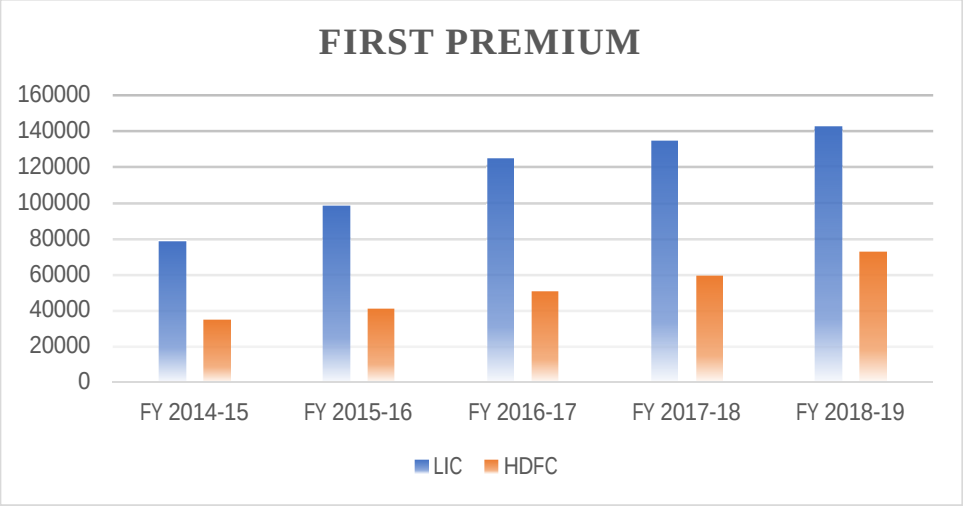
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	78507.7	97891.5	124583	134672	142336
HDFC	34820.2	40920.8	50619.4	59482.7	72667.1
TOTAL	113328	138812	175203	194154	215003

(In crores)

Source:https://www.irdai.gov.in/ADMINCMS.

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Graph no. 5: graph showing the comparison of first premium between LIC and HDFC



Source: https://www.irdai.gov.in/ADMINCMS.

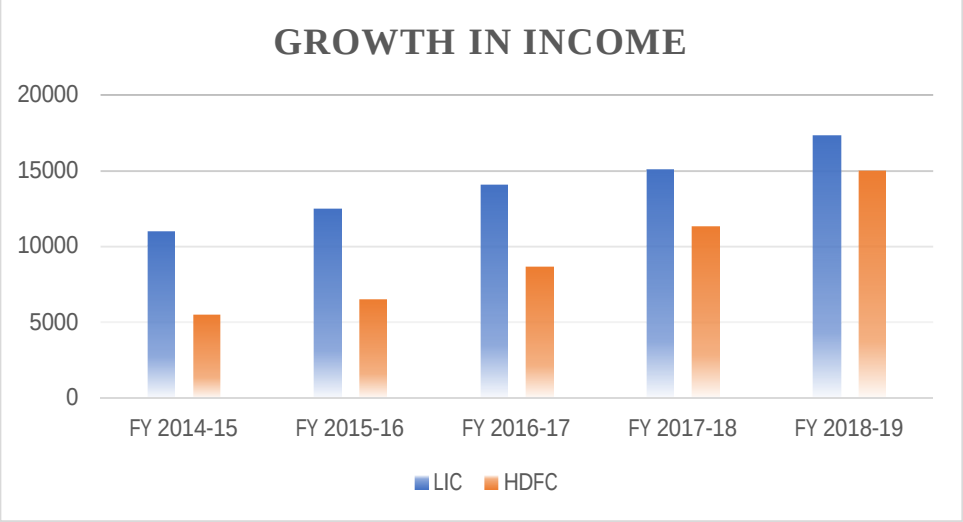
- *Interpratation:* From the graph 5, the premiums of LIC has increasing day by day, were as HDFC has less increasing rates towards their premiums. HDFC are trying to attract people's attention in their new insurance policies.

Table no. 6: table showing the comparison of growth in income between LIC and HDFC

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	10971	12485	14080	15073	17362
HDFC	5493	6488	8621	11349	14971
TOTAL	16464	18973	22701	26422	32333

Source: https://www.irdai.gov.in/ADMINCMS.

Graph no. 6: graph showing the comparison of growth in income between LIC and HDFC



Source: https://www.irdai.gov.in/ADMINCMS.

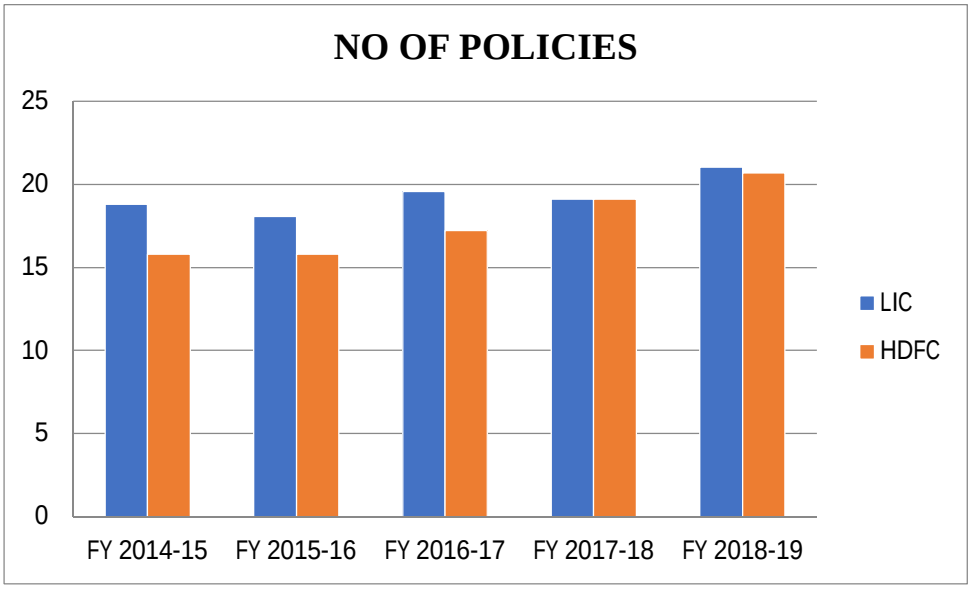
- *Interpretation:* From the graph 6, when it's comes to growth LIC has more growth towards their insurance policies when compare to other private companies, because people are choosing more LIC products, as it is an government agency.

Table no. 7: table showing the comparison of increase in number of policies between LIC and HDFC

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	18.8	18.07	19.57	19.1	21.01
HDFC	15.8	15.8	17.2	19.1	20.7
TOTAL	34.6	33.87	36.77	38.2	41.71

Source: https://www.irdai.gov.in/ADMINCMS.

Graph no. 7: graph showing the comparison of increase in number of policies between LIC and HDFC



Source: https://www.irdai.gov.in/ADMINCMS.

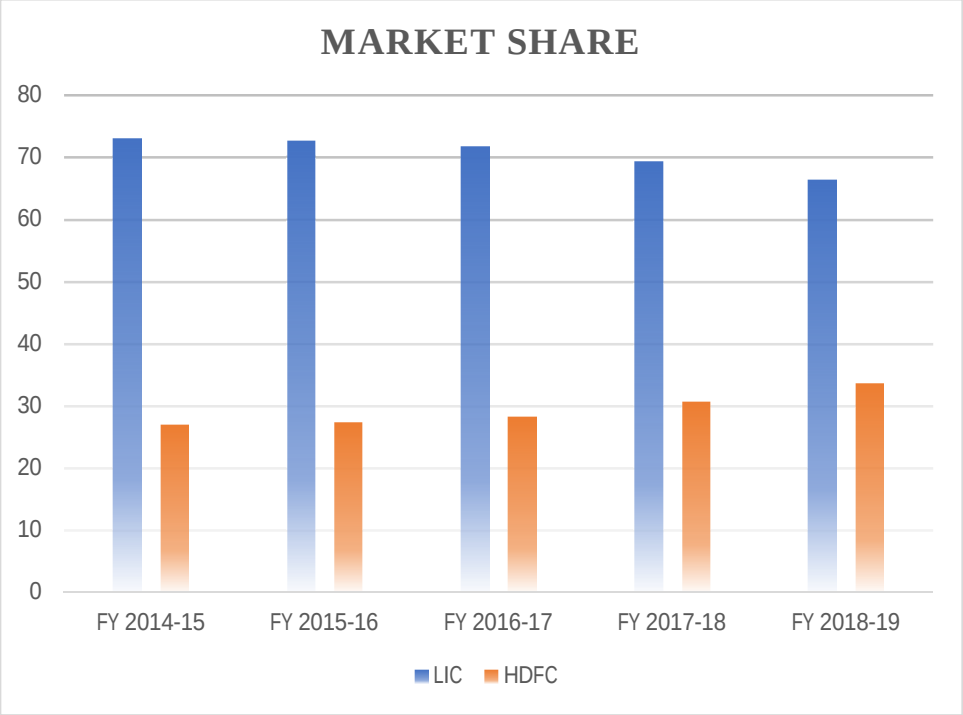
- *Interpretation:* From the graph 7, during the year 2014-17 LIC has more number of policies then of HDFC. The number of policies has increased. In the year 2017-19, the HDFC has increased their policies, because HDFC comes with new insurance plans.

Table no. 8: table showing the comparison of market share values between LIC and HDFC

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	73.05	72.61	71.81	69.36	66.42
HDFC	26.95	27.39	28.19	30.64	33.58
TOTAL	100	100	100	100	100

Source: https://www.irdai.gov.in/ADMINCMS.

Graph no. 8: graph showing the comparison of market share values between LIC and HDFC



Source: https:/ /www.irdai.gov.in/ADMINCMS.

- *Interpretation:* With a market share of 66.42 percent, LIC is the market leader in the insurance industry. However, we've noticed that LIC's market share has decreased in the last five years. In 2014-15, it was 73.05 percent, while in 2015-16, it was 66.42 percent.

Table no. 9: table showing the comparison of total grievance between LIC and HDFC

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	80944	64750	30784	7189	102127
HDFC	198048	145125	90251	77229	61254

Source:https://www.irdai.gov.in/ADMINCMS.

Table no. 10: table showing the comparison of resolved no of grievance values between LIC and HDFC

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	80944	64750	30784	77189	102127
HDFC	198048	139951	90063	77183	61137

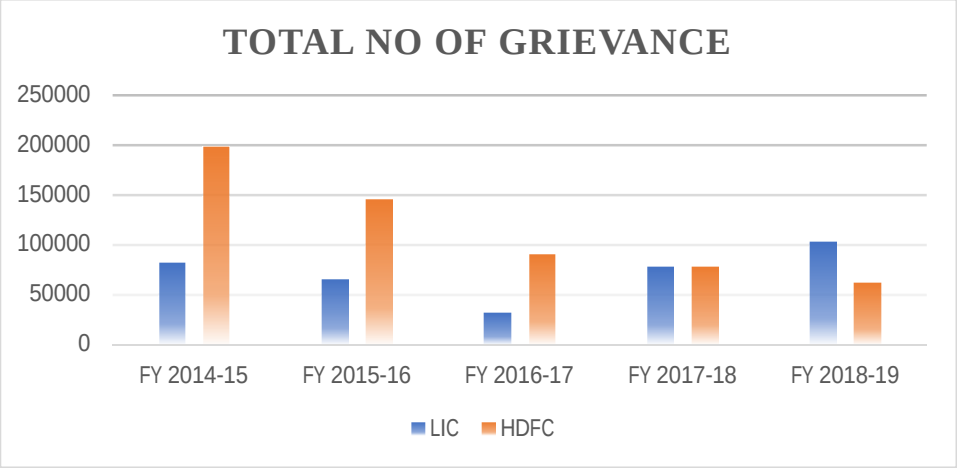
Source: https://www.irdai.gov.in/ADMINCMS.

Table no. 11: table showing the comparison of % of grievance resolved between LIC and HDFC

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
LIC	100%	100%	100%	100%	100%
HDFC	100%	90%	94%	97%	97%

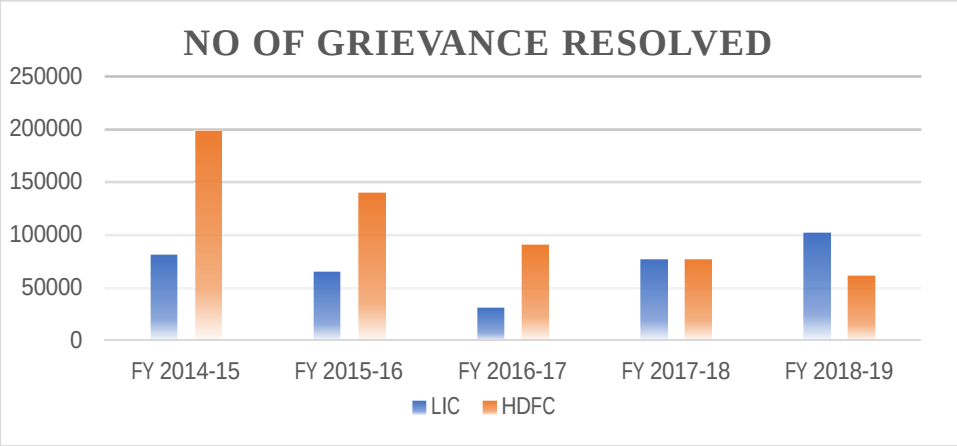
Source: https://www.irdai.gov.in/ADMINCMS.

Graph no. 9: graph showing the comparison of total grievance between LIC and HDFC



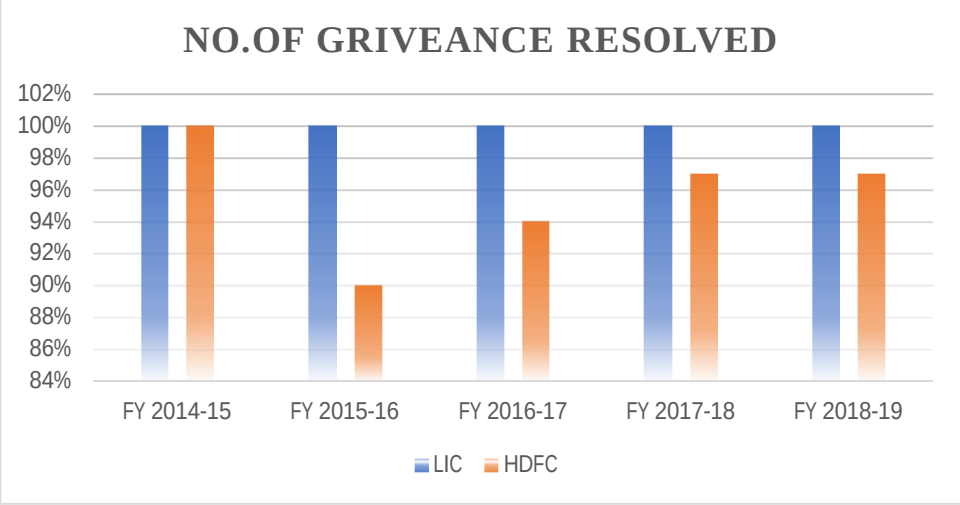
Source: https://www.irdai.gov.in/ADMINCMS.

Graph no. 10: graph showing the comparison of resolved no of grievance values between LIC and HDFC



Source: https://www.irdai.gov.in/ADMINCMS.

Graph no. 11: graph showing the comparison of % of grievance resolved between LIC and HDFC



Source: https://www.irdai.gov.in/ADMINCMS.

- *Interpretation:* It is very essential in the insurance industry. People are drawn to companies that deal with their complaints. When it comes to grievance management, we can observe that LIC is much ahead of HDFC. In the last five years, LIC has handled 100 percent of cases, while HDFC has resolved 97 percent of cases in 2018-19. This demonstrates that LIC is concerned about their image and is working hard to resolve people's complaints as quickly as feasible.

VI. FINDINGS

This research was conducted to find the "COMPARATIVE ANALYSIS BETWEEN LIC AND HDFC LIFE INSURANCE COMPANIES", at the end of this research we can say that:

1) The LIC has a higher income than the HDFC insurance company. The LIC's income from investments was 559600 crores last year, far more than the HDFC's overall income. We can estimate the size of the LIC based on this.
2) There is a significant difference in the overall number of insurance issued by LIC and HDFC. HDFC is attempting to acquire additional policies from LIC, which is a well-known participant in the insurance industry.
3) The number of HDFC insurance branches is growing. When compared to 2014-15, LIC has the most branches, but when it comes to 2018-19, HDFC has the most branches.
4) The oldest player in the existing insurance industry, LIC, has the largest market share of 66.42 percent, up from 73.05 percent five years ago.
5) Grievance management is handled well by LIC when compared to HDFC. LIC has resolved the 100% grievance where HDFC has solved around 94%.

VII. SUGGESTIONS

1) LIC as a company increased profits due to its sheer commitment and procedure reforms, but timely decision must be initiated to further intensity its growth.
2) HDFC is rapidly growing companies in banking and insurance due to its standardised, but yet competitive procedural across which amounted to booming market.
3) HDFC has shown it's focused to be expansion where LIC has must closely and as well as technological up-gradations.
4) Accuracy has been key in LIC management but HDFC thought performing best but need better of LIC, in this criteria.

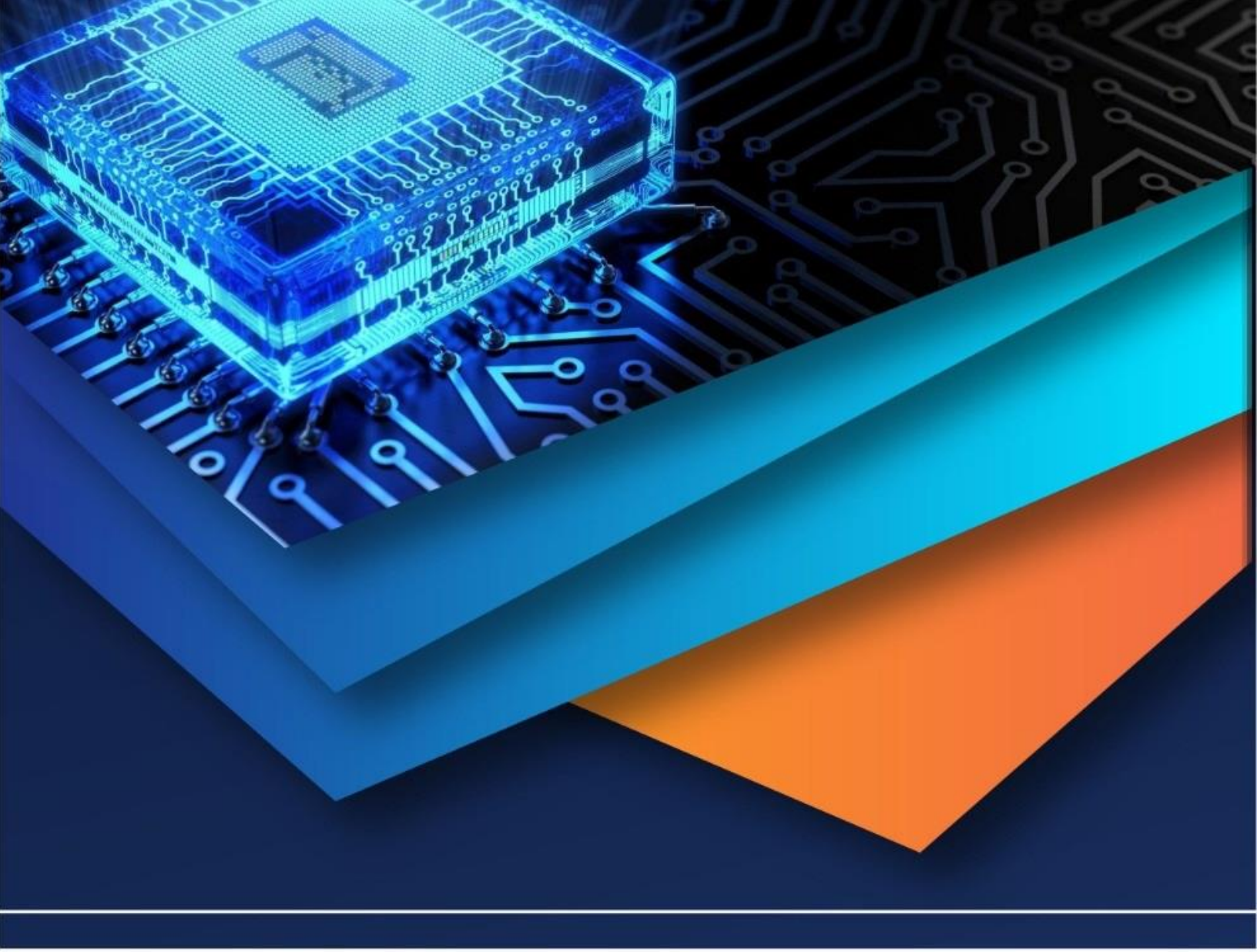
VIII. CONCLUSION

Insurance is very vital in everyday life. Risk exists everywhere, and insurance is essential for mitigating it. However, life insurance methods and procedures must be updated. As time passes, people's demands and requirements change, necessitating the development of new items to meet those needs.

Any personal financial plan should include insurance. The sort of insurance you get and the level of coverage you get are both determined by your own financial and family situations and should be carefully considered.

As a result, insurance is a necessary financial tool that every individual should seek in order to cover the risk of his life and provide protection against risks such as life, property, liability, and disability, among others.

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