

## Exploring the Determinants of Life Insurance in India: A Comparative Evaluation of LIC and Selected Private Companies

Jalpaben I. Thakkar<sup>1</sup> | Dr. Manisha M. Barad<sup>2\*</sup>

<sup>1</sup>Research Scholar, K.S.K.V. Kachchh University, Bhuj, Kachchh, India.

<sup>2</sup>Associate Professor, Department of Commerce, K.S.K.V. Kachchh University, Bhuj, Kachchh, India.

\*Corresponding Author: drmanisha.kachchh.uni@gmail.com

*Citation:* Thakkar, J., & Barad, M. (2025). Exploring the Determinants of Life Insurance in India: A Comparative Evaluation of LIC and Selected Private Companies. *International Journal of Advanced Research in Commerce, Management & Social Science*, 08(04(I)), 30–38. [https://doi.org/10.62823/ijarcms/8.4\(i\).8131](https://doi.org/10.62823/ijarcms/8.4(i).8131)

### ABSTRACT

*This research paper aims to compare Share Capital, Total Asset, Working capital, Net profit, total premium, benefits paid, Commission paid, Operating expense, number of branch offices and number of Individual agents of LIC, HDFC Life Insurance, ICICI prudential Life insurance and SBI Life insurance. Secondary data was collected from 2014-15 to 2023-24 and Mean Standard deviation, co efficient of variance and CAGR was used for the analysis. The study concluded that LIC performed better than private life insurance companies having steady growth.*

**Keywords:** Determinants of Life Insurance Industry, LIC, Private Companies.

### Introduction

As a crucial instrument for wealth growth and protection against life's unforeseen events, life insurance is essential to people's financial security and preparedness. The life insurance market in India has grown significantly in the last few decades due to the country's growing middle class, growing economy, and growing awareness of financial planning. The state-owned Life Insurance Corporation of India (LIC), which has historically controlled the market, has seen a rise in competition since private companies entered the market. As a result, the industry has seen a diversification of goods and services to meet the changing demands of Indian consumers.

One of the most heated discussions is the liberalization of the insurance business because of its extensive product design and long-term asset liability structure. In addition, the insurance sector leads the way in financial inclusion and social security programs. Because of its unique operations and challenging mechanics, the insurance industry continues to be the most underestimated sector of the financial industry, despite its dynamic significance. Given all of that, it is considered to be crucial to delve into the patterns that emerged after the insurance industry was liberalized in order to ascertain whether the public and private players of the life insurance sector have become more efficient, competitive, and financially sound.

This research paper aims to investigate and critically assess the factors affecting the Indian life insurance market, with particular emphasis on the relative performance of LIC and three private insurance providers. For a number of reasons, it is essential to comprehend these determinants: it gives policymakers a better understanding of the elements that influence consumer choices, supports companies in creating goods that better suit their target market, and helps policymakers develop ways to increase market penetration.

In order to provide a thorough understanding of how public and private insurers adjust to the shifting market dynamics, this paper will compare the strategies of LIC with those of well-known private players like HDFC Life, ICICI Prudential Life, and SBI Life. The study will explore a number of factors that impact the consumption of life insurance, including economic variables like income levels, literacy rates, and the growing importance of financial security. It will also look at the impact of marketing strategies, consumer trust, and the role of digitalization in reshaping the insurance landscape.

### **Literature Review**

Dr. B. Sundara Kala (2023), in his research article compared the performance of LIC and three leading private life insurance companies on the basis of new branches, number of agents, new policies, share capital, working capital, various expenses and claim paid, Net profit were taken as Independent variable and Gross premium on sale was taken as dependent variable. Multiple regression analysis was used to analyze the data and concluded that insurers should assess their standing and degree of efficiency in relation to their peers and take the necessary managerial actions to increase resource usage and operational efficiency.

Dr. Vinod Kumar Yadav (2023), in his research title "Analyzing the Growth Trajectory of the Indian Life Insurance Sector" stated new policies sold by all life insurers, penetration and density rates of two decades. This paper concluded that India is among the nations with the lowest rates of underinsurance worldwide. The expanding middle class and rising disposable income portend improved futures for the Indian life insurance market.

Suraj Debnath (2023), in his research paper, "A Comparative Study on Financial Performance of HDFC Life Insurance and ICICI prudential Life Insurance" analyzed the profitability, solvency and liquidity ratios of two main dominating private players for five years. HDFC Life Insurance is in a stronger financial position than ICICI Prudential Life Insurance, and the company is even providing more platforms for policyholders and shareholders to learn more about the company's financial health.

### **Objective of the Study**

- To examine the determinants of LIC and Selected Private Life Insurance Companies (HDFC Life, ICICI Prudential and SBI Life)
- To Compare the performance of LIC and Selected Private Life Insurance Companies (HDFC Life, ICICI Prudential and SBI Life)

### **Research Methodology**

In order to measure the market dynamics of Life Insurance Industry LIC and three private companies were selected based on the market share, claim settlement ratio and customer trust. For the comparison of operations of LIC, HDFC Life, ICICI Prudential and SBI Life secondary data were collected from 2014–15 to 2023–24.

This comprehensive analysis covers determinants like Share Capital, Total Asset, Working capital, Net profit, total premium, benefits paid, Commission paid, Operating expense, number of branch offices and number of Individual agents.

In the analysis of the data, various statistical tools like Index, Mean, Standard Deviation, and Coefficient of variance and Compound Annual Growth Rate (CAGR) were used.

### Data Analysis

- **Share Capital of Life Insurance Companies**

**Table 1: Share capital of LIC and Selected Private Life Insurance Companies (Rs.in Crores)**

	LIC	Index	HDFC	Index	ICICI	Index	SBI	Index
2014-15	100.00	100.00	1994.88	100.00	1431.72	100.00	1000.00	100.00
2015-16	100.00	100.00	1995.29	100.02	1432.32	100.04	1000.00	100.00
2016-17	100.00	100.00	1998.48	100.18	1435.35	100.25	1000.00	100.00
2017-18	100.00	100.00	2011.74	100.85	1435.50	100.26	1000.00	100.00
2018-19	100.00	100.00	2017.38	101.13	1435.78	100.28	1000.00	100.00
2019-20	100.00	100.00	2018.80	101.20	1435.86	100.29	1000.03	100.00
2020-21	100.00	100.00	2020.94	101.31	1435.97	100.30	1000.07	100.01
2021-22	6325.00	6325.00	2112.62	105.90	1437.31	100.39	1000.37	100.04
2022-23	6325.00	6325.00	2149.40	107.75	1438.57	100.48	1000.89	100.09
2023-24	6325.00	6325.00	2150.94	107.82	1440.62	100.62	1001.47	100.15
<b>Mean</b>	1967.50		2047.05		1435.90		1000.28	
<b>SD</b>	3006.96		64.0615		2.62809		0.5046	
<b>CV (%)</b>	152.832		3.12946		0.18303		0.05045	
<b>CAGR</b>	1.51393		1.00756		1.00062		1.00015	

Source: Annual reports of LIC, HDFC, ICICI and SBI Life Insurance Company

Table-1 shows that LIC's share capital was 100 crores in 2014-15 which increased to 6325 crores in 2021-22 which remained same till 2023-24. HDFC's share capital was Rs.1994.88 crores in the year 2014-15 which has increased to Rs. 2150.94 crores in 2023-24 with compound annual growth rate of 1.0076. The average mean of HDFC is Rs. 2047.05 crores. In the case of ICICI prudential life insurance, it started with the share capital Rs.1431.72 crores in the year 2014-15 which has increased every year and reached Rs. 1440.62 crores in 2023-24 with CAGR 1.00062. Average mean is Rs. 1435.90 crores with a co variation of 0.1830 percent. SBI started with 1000 crores and increased to 1001.47 crores in 2023-24. Among the four companies, the coefficient of variance of LIC is found to be higher as more increase in its share capital is accumulated. HDFC and ICICI have seen an overall increase every year. There has been no significant increase in share capital of SBI during the study period.

- **Total Asset of Life Insurance Companies**

**Table 2: Total Assets of LIC and Selected Private Life Insurance Companies (Rs.in Crores)**

	LIC	Index	HDFC	Index	ICICI	Index	SBI	Index
2014-15	1992078.51	100.00	67316.83	100.00	99061.01	100.00	72210.66	100.00
2015-16	2170807.85	108.97	74045.38	110.00	102565.14	103.54	80724.56	111.79
2016-17	2529146.67	126.96	91286.02	135.61	121906.30	123.06	99225.25	137.41
2017-18	2791615.20	140.14	105835.07	157.22	138373.68	139.69	118155.76	163.63
2018-19	3055612.66	153.39	124882.91	185.52	159426.20	160.94	142997.83	198.03
2019-20	3123732.48	156.81	127185.45	188.94	152704.87	154.15	162557.89	225.12
2020-21	3728902.44	187.19	173065.83	257.09	213499.46	215.52	222592.07	308.25
2021-22	4159345.17	208.79	204160.53	303.28	239190.26	241.46	268207.20	371.42
2022-23	4491131.43	225.45	239619.15	355.96	250159.15	252.53	309586.56	428.73
2023-24	5222038.28	262.14	293729.32	436.34	293526.91	296.31	392782.99	543.94
<b>Mean</b>	3326441.07		150112.65		177041.30		186904.08	
<b>SD</b>	1051858.9		75505.58		67636.314		107849.7	
<b>CV (%)</b>	31.621149		50.299279		38.203693		57.703236	
<b>CAGR</b>	1.1011674		1.1587303		1.1147424		1.1845547	

Source: Annual reports of LIC, HDFC, ICICI and SBI Life Insurance Company.

During the study period, both absolute values and indexes steadily increased total Assets of all four companies. At a compound annual growth rate of 1.10%, LIC's financial value increased steadily from ₹1,992,078.51 lakh in 2014–15 to ₹5,222,038.28 lakh in 2023–24. Both HDFC and ICICI demonstrated consistent development, with HDFC attaining a compound annual growth rate of 1.16% and ICICI a CAGR of 1.11%. With a compound annual growth rate of 1.18%, SBI outperformed among four in terms of growth.

SBI's performance was more inconsistent than others', as evidenced by its highest CV (57.70%). LIC, on the other hand, had the lowest CV (31.62%), indicating more consistent returns. The intermediate CVs of HDFC and ICICI (50.30% and 38.20%, respectively) suggested moderate risk and performance volatility.

• **Working Capital of Life Insurance Companies**

**Table 3: Working Capital of LIC and Selected Private Life Insurance Companies (Rs. in.Lakhs)**

	LIC	Index	HDFC	Index	ICICI	Index	SBI	Index
2014-15	11497794.18	100.00	-23579.44	100.00	-66648.02	100.00	255261.99	100.00
2015-16	10616609.16	92.34	-67410.36	285.89	-72582.27	108.90	231106.25	90.54
2016-17	9461832.88	82.29	-85234.89	361.48	2586.31	-3.88	267828.88	104.92
2017-18	8184759.71	71.19	-112793.46	478.36	-73359.47	110.07	296770.10	116.26
2018-19	11853865.44	103.10	-108164.58	458.72	-32819.07	49.24	290539.77	113.82
2019-20	9341797.07	81.25	-66989.31	284.10	50797.38	-76.22	279901.20	109.65
2020-21	9634779.50	83.80	-153781.32	652.19	16758.68	-25.15	291239.32	114.09
2021-22	11987323.86	104.26	-99545.31	422.17	-34486.69	51.74	248594.70	97.39
2022-23	12689856.67	110.37	-112827.46	478.50	2905.57	-4.36	434164.79	170.09
2023-24	122208.84	1.06	-80381.43	340.90	131215.85	-196.88	624696.57	244.73
<b>Mean</b>	9539082.73		-91070.76		-7563.17		322010.36	
<b>SD</b>	3603128.97		35095.091		64013.99		119995.1	
<b>CV (%)</b>	37.7722793		-38.53607		-846.3907		37.26437	
<b>CAGR</b>	0.00106289		0.3408963		-0.196879		0.244728	

Source: Annual reports of LIC, HDFC, ICICI and SBI Life Insurance Company.

Insurance Companies need more working capital for the constant claim settlement need. Working capital provides efficiency and help to manage short term obligation. Current Assets minus Current Liabilities equal Working Capital. LIC showed a relatively stable and positive growth. Despite some yearly variations, LIC experienced minor change with a CAGR 0.001 and a moderate CV of 37.77 percent indicating steady but low-risk growth. HDFC shows negative growth during study period. CV - 38.54% shows highly volatile performance. ICICI also experienced downward trend, with average Rs. - 7563.17 and CAGR of -0.20, CV of -846.39 percent shows extreme fluctuations. SBI shows strong performance with positive CAGR 0.24. CV shows 37.26% indicates fluctuation. SBI faced ups and downs but overall performance was more consistent than HDFC and ICICI.

- **Net Profit (after tax) of Life Insurance Companies**

**Table 4: Net Profit (after tax) of LIC and Selected Life Insurance Companies(Rs.in Lakhs)**

	LIC	Index	HDFC	Index	ICICI	Index	SBI	Index
2014-15	182378.37	100.00	78550.53	100.00	163429.15	100.00	82004.21	100.00
2015-16	251784.79	138.06	81840.33	104.19	165046.07	100.99	86103.41	105.00
2016-17	223174.08	122.37	89213.36	113.57	168223.03	102.93	95465.29	116.42
2017-18	244640.54	134.14	110900.34	141.18	161982.59	99.11	115039.22	140.28
2018-19	268849.66	147.41	127679.39	162.54	114064.62	69.79	132679.64	161.80
2019-20	271270.80	148.74	129526.62	164.90	106874.87	65.40	142218.31	173.43
2020-21	290056.68	159.04	136010.45	173.15	96014.66	58.75	145584.94	177.53
2021-22	404236.95	221.65	120768.69	153.75	75413.10	46.14	150599.77	183.65
2022-23	3639738.99	1995.71	136012.63	173.15	81066.55	49.60	172057.24	209.82
2023-24	4067579.00	2230.30	156885.59	199.73	85238.56	52.16	189377.81	230.94
<b>Mean</b>	984370.99		116738.79		121735.32		131112.98	
<b>SD</b>	1516676.12		26081.26		38684.02		36136.83	
<b>CV (%)</b>	154.08		22.34		31.78		27.56	
<b>CAGR</b>	1.3640688		1.071626		0.936981		1.0872998	

Source: Annual reports of LIC, HDFC, ICICI and SBI Life Insurance Company.

Table 4 shows that LIC has the strongest growth during the study period with CAGR 1.36, index value of 100 in 2014-15 become 2230.30 in 2023-24. Even with this remarkable growth, LIC's performance is extraordinarily high volatile, which was reflected in its Coefficient of Variation of 154.08%. HDFC demonstrated consistent development with a CAGR of 1.07%. Despite having less aggressive growth, HDFC appeared to offer greater stability than LIC, as seen by its comparatively low volatility (CV of 22.34%). With a CAGR of 0.94%, ICICI had a slower growth rate. With a CV of 31.78%, ICICI showed moderate volatility, indicating greater risk than HDFC but less than LIC. SBI also having moderate volatility with CV of 27.56%

- **Total premium of Life Insurance Companies**

**Table 5: Total premium of LIC and Selected Private Life Insurance Companies(Rs. in Crores)**

	LIC	Index	HDFC	Index	ICICI	Index	SBI	Index
2014-15	239667.65	100.00	14829.90	100.00	15306.62	100.00	12867.11	100.00
2015-16	266444.21	111.17	16312.98	110.00	19164.39	125.20	15825.36	122.99
2016-17	300487.36	125.38	19445.49	131.12	22354.00	146.04	21015.14	163.32
2017-18	318223.21	132.78	23564.41	158.90	27068.77	176.84	25354.19	197.05
2018-19	337505.07	140.82	29186.02	196.81	30929.77	202.07	32989.42	256.39
2019-20	379389.60	158.30	32706.89	220.55	33430.70	218.41	40634.73	315.80
2020-21	403286.55	168.27	38583.49	260.17	35732.82	233.45	50254.17	390.56
2021-22	428024.97	178.59	45962.83	309.93	37457.99	244.72	58759.64	456.67
2022-23	474668.14	198.05	57533.42	387.96	39932.78	260.89	67315.60	523.16
2023-24	475751.92	198.50	63076.48	425.33	43235.64	282.46	81430.64	632.86
<b>Mean</b>	362344.87		34120.19		30461.35		40644.60	
<b>SD</b>	83263.32		16961.204		9268.79		23239.4	
<b>CV (%)</b>	22.97902		49.710168		30.428		57.1772	
<b>CAGR</b>	1.07097		1.155774		1.10942		1.20263	

Source: Annual reports of LIC, HDFC, ICICI and SBI Life Insurance Company.

LIC's total premium was 239667.65 in 2013-14 and 475751.92 in 2023-24 which Show consistent growth with CAGR 1.07. LIC had modest volatility (CV of 22.98%). HDFC showed increasing premium income from 14829.90 crores to 63076.48 crores during study period. Although HDFC had exceptional growth, it has higher level of investment risk than LIC, as indicated by the higher volatility (CV of 49.71%). With a compound annual growth rate of 1.11%, ICICI demonstrated consistent growth, rising

from 15306.62 crores in 2014–15 to 43235.64 crores by 2023–24. The low volatility (CV of 30.43%) suggests that while ICICI's performance varied more than LIC's but comparatively consistent than HDFC. SBI shows strongest growth in all as its index increase from 100 in 2014-15 to 632.86 in 2023-24.

• **Benefits paid by Life Insurance Companies**

**Table 6: Benefits paid by LIC and Selected Private Life Insurance Companies(Rs. in Lakhs)**

	LIC	Index	HDFC	Index	ICICI	Index	SBI	Index
2014-15	14412574.87	100.00	816239.27	100.00	12352.55	100.00	819768.46	100.00
2015-16	14120104.96	97.97	817690.61	100.18	12541.98	101.53	795955.06	97.10
2016-17	16669477.95	115.66	984217.08	120.58	15135.13	122.53	952614.21	116.21
2017-18	19656503.96	136.38	1289487.77	157.98	17490.82	141.60	1167748.81	142.45
2018-19	24928486.17	172.96	1341463.91	164.35	14555.83	117.84	1523307.77	185.82
2019-20	25254889.46	175.23	1817303.78	222.64	19863.75	160.81	1617534.62	197.32
2020-21	28465473.32	197.50	2178067.13	266.84	23480.67	190.09	2149287.55	262.18
2021-22	35343758.47	245.23	3007863.19	368.50	31237.34	252.88	3123808.21	381.06
2022-23	33931267.28	235.43	3683319.66	451.25	31966.81	258.79	3009017.95	367.06
2023-24	38594915.00	267.79	3683754.54	451.31	39745.90	321.76	4272435.32	521.18
<b>Mean</b>	25137745.14		1961940.69		21837.08		1943147.80	
<b>SD</b>	8893747.33		1130606.6		9495.47		1175718.9	
<b>CV (%)</b>	35.3800521		57.626949		43.4832		60.505892	
<b>CAGR</b>	1.10351655		1.1626455		1.12397		1.1795013	

Source: Annual reports of LIC, HDFC, ICICI and SBI Life Insurance Company.

It is observed from the Table 6 that LIC paid 14412574.87 lakh in 2014-15 and 38594915.00 in 2023-24 with compound annual growth rate 1.10 and CV of 35.38%. HDFC showed higher CAGR of 1.16 moving index from 100 in 2014-15 to 451.31 in 2023-24. But higher CV of 57.63% indicates more fluctuation in payment. ICICI paid benefits of Rs. 12352.55 in 2014-15 and Rs. 39745.90 in 2023-24. SBI demonstrated highest growth among four companies. Its CAGR was 1.18, increasing index from 100 to 521.18 during the study period.

• **Commission paid by Life Insurance Companies**

**Table 7: Commission paid by LIC and Selected Private Insurance Companies (Rs. in Lakhs)**

	LIC	Index	HDFC	Index	ICICI	Index	SBI	Index
2014-15	1511813.39	100.00	62347.42	100.00	55317.23	100.00	60371.25	100.00
2015-16	1550032.24	102.53	70184.36	112.57	61997.68	112.08	71425.75	118.31
2016-17	1663194.72	110.01	79202.49	127.03	75891.59	137.19	78334.25	129.75
2017-18	1827152.80	120.86	107493.05	172.41	140327.36	253.68	112087.07	185.66
2018-19	1934531.55	127.96	111767.95	179.27	155128.90	280.44	134634.71	223.01
2019-20	2138046.01	141.42	149118.20	239.17	152138.04	275.03	156622.17	259.43
2020-21	2217063.88	146.65	171039.85	274.33	143000.42	258.51	174253.42	288.64
2021-22	2317145.53	153.27	194028.67	311.21	159135.40	287.68	208405.39	345.21
2022-23	2558038.98	169.20	288684.45	463.03	175172.43	316.67	293596.40	486.32
2023-24	2595912.00	171.71	525632.08	843.07	372196.47	672.84	310510.55	514.34
<b>Mean</b>	2031293.11		175949.85		149030.55		160024.10	
<b>SD</b>	396074.9		140757.9		89724.08		88467.63	
<b>CV (%)</b>	19.498658		79.9989		60.20516		55.28394	
<b>CAGR</b>	1.0555509		1.237617		1.210016		1.177944	

Source: Annual reports of LIC, HDFC, ICICI and SBI Life Insurance Company.

Commission paid by LIC was Rs. 1511813.39 lakhs in 2014-15 and Rs. 2595912 lakhs in 2023-24. Its average commission paid was Rs.2031293.11 lakhs. The commission expense of HDFC was Rs. 62347.42 in 2014-15 and increased to Rs. 525632.08 lakhs at the end of 2023-24 with CAGR of 1.24. ICICI's commission expense was 55317.23 in 2014-15 and reached Rs. 372196.47 in 2024-25. The compound growth rate was 1.21 and average commission paid was Rs.149030.55. In case of SBI, commission expense was Rs. 60371.25 in 2014-15 and increased to Rs. 310510.55 in 2023-24 with

CAGR of 1.18. Average commission paid by SBI was Rs. 160024.10. It is concluded from the average payment of commission that LIC paid highest commission and SBI paid lowest among them. Coefficient of variation is higher in case of HDFC which shows fluctuation in payment of commission.

- **Operating Expense paid by Life Insurance Companies**

**Table 8: Operating Expense Paid by LIC and Selected Insurance Companies(Rs. in Lakhs)**

	LIC	Index	HDFC	Index	ICICI	Index	SBI	Index
2014-15	2239269.56	100.00	148897.39	100.00	165202.25	100.00	117559.13	100.00
2015-16	2269276.57	101.34	187183.07	125.71	188834.89	114.31	145812.91	124.03
2016-17	2894465.65	129.26	238528.10	160.20	235719.61	142.69	164648.86	140.06
2017-18	3014239.54	134.61	315930.39	212.18	202993.12	122.88	171883.70	146.21
2018-19	2918201.68	130.32	381357.32	256.12	260532.11	157.70	212350.30	180.63
2019-20	3456803.66	154.37	426689.68	286.57	284687.03	172.33	241308.48	205.27
2020-21	3498952.29	156.25	458597.05	308.00	268826.36	162.73	241225.09	205.19
2021-22	3889067.80	173.68	561248.02	376.94	367295.75	222.33	297445.20	253.02
2022-23	4814560.02	215.01	843737.58	566.66	458322.96	277.43	340947.19	290.02
2023-24	4812168.00	214.90	690105.78	463.48	412598.15	249.75	398189.88	338.71
<b>Mean</b>	3380700.48		425227.44		284501.22		233137.07	
<b>SD</b>	913236.96		222780.2		98152.67		90056.55	
<b>CV (%)</b>	27.013247		52.39083		34.49991		38.62816	
<b>CAGR</b>	1.079502		1.165743		1.09585		1.129753	

Source: Annual reports of LIC, HDFC, ICICI and SBI Life Insurance Company.

Table-8 exhibits that operating expenses of LIC was 2239269.56 lakhs in 2014-15 and 4812168.00 lakhs in 2024-25 with annual growth rate 1.079 and CV of 27.013246. The operating expenses of HDFC were 148897.39 lakhs in 2014-15 and increased to 690105.78 lakhs 2023-24.

Mean of HDFC's expense was 425227.44 with CV of 52.39 percent. In case of ICICI's expense was 165202.25 lakhs in 2014-15 which has increased to 412598.15 lakhs with CAGR of 1.09 and its average is 284501.22. Operating expense of SBI was 117559.13 lakhs in 2014-15 and 398189.88 lakhs in 2023-24 with compound annual growth rate 1.13 and average expense was Rs. 233137.07 lakhs. On the basis of analysis, it can be said that LIC's total operating expense is higher than private companies but there is low fluctuation (CV of 27.01%) compared to private companies. HDFC have higher CV of 52.39% which shows higher volatility among four companies.

- **Branch Offices of Life Insurance Companies**

**Table 9: Branch Offices of LIC and Selected Life Insurance Companies (In Number)**

	LIC	Index	HDFC	Index	ICICI	Index	SBI	Index
2014-15	4795.00	100.00	378.00	100.00	547.00	100.00	750.00	100.00
2015-16	4810.00	100.31	398.00	105.29	521.00	95.25	774.00	103.20
2016-17	4815.00	100.42	414.00	109.52	512.00	93.60	801.00	106.80
2017-18	4826.00	100.65	414.00	109.52	505.00	92.32	825.00	110.00
2018-19	4850.00	101.15	412.00	108.99	508.00	92.87	908.00	121.07
2019-20	4873.00	101.63	421.00	111.38	517.00	94.52	937.00	124.93
2020-21	4888.00	101.94	390.00	103.17	517.00	94.52	947.00	126.27
2021-22	4984.00	103.94	372.00	98.41	470.00	85.92	952.00	126.93
2022-23	4918.00	102.57	498.00	131.75	470.00	85.92	992.00	132.27
2023-24	4948.00	103.19	535.00	141.53	470.00	85.92	1040.00	138.67
<b>Mean</b>	4870.70		423.20		503.70		892.60	
<b>SD</b>	63.5069		52.4887		25.8717		98.6939	
<b>CV (%)</b>	1.30386		12.4028		5.13633		11.0569	
<b>CAGR</b>	1.00315		1.03535		0.98494		1.03323	

Source: Annual reports of LIC, HDFC, ICICI and SBI Life Insurance Company.

Table-9 shows that LIC has the vast distribution network in India. LIC has 4795 offices in 2014-15 and 4948 offices in 2023-24. HDFC tried to increase branch network which can be seen that its index increased from 100 to 141.53. Branches were 378 in 2014-15 while 535 were in 2023-24. In case of ICICI there is a decline in branch offices. There were 547 branches in 2014-15 and 470 were in 2023-24 with decreasing CAGR of 0.98. Like HDFC, SBI also tried to build strong branch network. There were 750 branch offices in 2014-15 and increased to 1040 in 2023-24. Although the branch network of HDFC has increased but higher CV of 12.40% shows that there is a fluctuation and it can be seen in the data that branch office has increased first then decreased then increased again.

• **Number of Agents of Life Insurance Companies**

**Table 10: Number of Individual Agents of LIC and Selected Life Insurance Companies (In Number)**

	LIC	Index	HDFC	Index	ICICI	Index	SBI	Index
2014-15	1163604.00	100.00	65000.00	100.00	132463.00	100.00	110392.00	100.00
2015-16	1061560.00	91.23	117000.00	180.00	121016.00	91.36	126536.00	114.62
2016-17	1131181.00	97.21	54516.00	83.87	136114.00	102.76	95355.00	86.38
2017-18	1148811.00	98.73	60367.00	92.87	151563.00	114.42	108261.00	98.07
2018-19	1179229.00	101.34	63251.00	97.31	170572.00	128.77	123613.00	111.98
2019-20	1208826.00	103.89	84563.00	130.10	190924.00	144.13	130418.00	118.14
2020-21	1353808.00	116.35	100000.00	153.85	187560.00	141.59	170096.00	154.08
2021-22	1326432.00	113.99	106597.00	164.00	198924.00	150.17	146057.00	132.31
2022-23	1347325.00	115.79	179435.00	276.05	201472.00	152.10	208774.00	189.12
2023-24	1414743.00	121.58	214275.00	329.65	209521.00	158.17	246078.00	222.91
<b>Mean</b>	1233551.90		104500.40		170012.90		146558.00	
<b>SD</b>	111606.39		50943.14		30711.77		45731.38	
<b>CV (%)</b>	9.0475635		48.74923		18.06438		31.2036	
<b>CAGR</b>	1.0197348		1.126694		1.04692		1.083462	

Source: Annual reports of LIC, HDFC, ICICI and SBI Life Insurance Company.

Agents are key pillar of Life insurance business. Table-10 shows number of individual agents working in four companies during 2014-15 to 2023-24. LIC has a very large network in terms of number of agents as well as branch offices. There were 1163604 individual agents in 2014-15 which increased to 1414743 in 2023-24 with annual growth rate of 1.019. HDFC started with 65000 agents in 2014-15 and increased to 214275 in 2023-24. Index of 100 in 2014-15 became 329.65 in 2023-24 indicates fast growth. ICICI has 132463 individual agents in 2014-15 which increased to 209521 in 2023-24 with annual growth rate 1.05 and CV of 18.06%. There were 110392 individual agents working with SBI in 2014-15 which increased to 246078 in 2023-24 with annual growth rate of 1.08 and CV of 31.20%. Higher CV shows fluctuation in data. On the basis of analysis it can be said that HDFC and SBI have more fluctuation in the number of agents working with them while the number of agents in LIC is continuously increasing.

**Findings**

It can be seen that LIC is leading the market still HDFC, ICICI and SBI is also trying hard to make its place in the market and has been successful to some extent. LIC's commission and operating expenses are high because their branch network is very large and the number of agents is also high. And that is affecting in profit also. Private leaders having low claim settlement ratio than LIC and that is affecting their business. Premium income of Private leaders is increasing but it is highly volatile while that of LIC is consistent.

### Limitations of the Study

This study has several limitations that must be considered. It relies on secondary data, which may not always be entirely accurate or comprehensive. Researcher studied dominating four companies so it can be difficult to generalize the result to industry. Researcher studied performance on the basis of ten determinants of 2014-15 to 2023-24.

### Conclusion

In this paper LIC of public sector and leading three companies of private sector were studied. Main determinants of life Insurance business were compared. It can be seen that even after more than two decades of private companies' entry, LIC still dominates the sector. With more branch offices and wider agent network all over India they are able to earn higher premium and higher profit. LIC's claim settlement ratio (benefits paid) builds a trust in policyholders that can help to sell more policies. Private companies should make strategy to make strong position in market. India has vast potential for insurance market. Based on this study findings, insurance companies can assess their standing and degree of efficiency in relation to their rivals and take the necessary managerial actions to increase resource usage and, in turn, operational efficiency.

### References

1. IRDA Annual Reports
2. LIC Annual Reports
3. HDFC Life Insurance Co. Annual Reports
4. ICICI Prudential Life Insurance Co. Annual Reports
5. SBI Life Insurance Co. Annual Reports
6. Kala, B. S. DETERMINANTS OF LIFE INSURANCE INDUSTRY IN INDIA–A COMPARATIVE ANALYSIS OF LIC AND SELECTIVE PRIVATE INSURANCE COMPANIES. *Journal ID*, 1572, 2875.
7. Yadav, V. K. (2023). Analyzing the Growth Trajectory of the Indian Life Insurance Sector. *Management and Finance Bulletin*, 1(2), 58-66.
8. DEBNATH, S. ACOMPARATIVE STUDY ON FINANCIAL PERFORMANCE OF HDFC LIFE INSURANCE AND ICICI PRUDENTIAL LIFE INSURANCE. In *PCC* (p. 114).

