



## A comparative analysis of private insurance companies and life insurance corporation of India in Bilaspur, Chhattisgarh

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### Abstract

The primary objective of this research is to conduct a comparative analysis of public and private life insurance providers in the Bilaspur district of Chhattisgarh, India. With India's rapidly expanding economy, the insurance market has become increasingly attractive. Historically, the Life Insurance Corporation of India (LIC) held a monopoly in life insurance until the liberalization of the sector in 1999. Currently, there are 23 private life insurance companies competing alongside LIC. This study focuses on the comparative analysis of these insurance providers in Bilaspur, Chhattisgarh, using four key variables: Market Share, New Individual Policies Issued, Premium Income, and Benefits Paid. The study employs trend analysis to examine performance over the period and utilizes the t-test to evaluate the significance of the findings. The results indicate that LIC consistently outperforms private insurance companies across all four variables within the Bilaspur region.

**Keywords:** Private insurance companies (PICs), life insurance corporation (LIC), premium income, benefits paid, policy issuance

### Introduction

India's insurance history dates back to ancient texts like "Manusmriti," hinting at early risk management practices. Modern insurance began with the Oriental Insurance Company in 1818, introduced by the British, followed by the Madras Equitable in 1829. The 1870 British Insurance Act formalized the industry, leading to the rise of companies such as Bombay Mutual and foreign insurers like Royal Insurance. To regulate the industry, the Indian Life Insurance Act was introduced in 1912, followed by the Indian Insurance Companies Act in 1928 and the comprehensive Insurance Act of 1938. In 1956, the Indian government nationalized 245 insurance companies, forming the Life Insurance Corporation of India (LIC), marking a major shift in the sector. The general insurance industry was also nationalized in 1972. The insurance market reopened to private players in 1999, leading to increased competition. This study analyzes the comparative performance of private insurance companies and LIC in Bilaspur, Chhattisgarh, reflecting how national trends influence local markets.

### Review of literature

Recent studies continue to emphasize the dynamic landscape of India's life insurance industry post-2000 deregulation. Patel and Dwivedi (2024) highlighted the robust financial performance of private insurers like HDFC Life and SBI Life, showcasing their growing market presence. Gairola (2024) observed that competitive pressures from private insurers have compelled LIC to innovate and improve its offerings, underscoring the significant untapped potential within India's insurance market. Similarly, Bidyadhar and Mayadhar (2024) noted that while the nationalization of LIC initially hampered growth, the 2000 market liberalization brought renewed vitality to the sector. In their analysis, Rajini, Gomathi, and Narayanan (2024) identified that LIC continues to lead in customer satisfaction, particularly in returns and service quality, compared to private players like Reliance Life

Insurance. Meanwhile, Pattan and Khandelwal (2024) reaffirmed that LIC remains the most cost-effective insurer in India, maintaining its competitive edge despite increasing private sector competition. This updated literature review provides a foundation for the study's focus on comparing the performance of private insurers and LIC specifically in Bilaspur, Chhattisgarh.

### Objectives

This research focuses on a comparative analysis of private insurance companies (PICs) and the Life Insurance Corporation of India (LIC) in Bilaspur, Chhattisgarh. The following objectives were set to achieve this goal:

1. To analyze the market share of private insurance companies and LIC in Bilaspur, Chhattisgarh.
2. To compare the premium income of private insurance companies and LIC in Bilaspur, Chhattisgarh.
3. To evaluate the benefits paid by private insurance companies and LIC in Bilaspur, Chhattisgarh.

### Hypothesis

**H0 1:** There is no difference in the market share of PICs and LIC

**H0 2:** There is no difference in average premium income of PICs and LIC.

**H0 3:** There is no difference in the average number of new policies issued by PICs and LIC.

**H0 4:** There is no difference in the average benefits paid by PICs and LIC.

### Research methodology

#### Sample and procedure

This study focuses on the life insurance sector in Bilaspur, Chhattisgarh, examining both public and private insurance providers. The sample includes the Life Insurance

Corporation of India (LIC), the only public sector insurer, and selected private life insurance companies operating in Bilaspur. The following firms were chosen for comparative analysis based on their presence and market activity in Bilaspur:

**a. Public Sector**

- Life Insurance Corporation of India (LIC).

**b. Private Sector**

- SBI Life Insurance Co. Ltd.
- PNB MetLife India Insurance Co. Ltd.
- ICICI Prudential Life Insurance Co. Ltd.
- HDFC Life Insurance Co. Ltd.
- Max Life Insurance Co. Ltd.

The selection of these companies is based on their market share, customer base, and operational presence in Bilaspur.

The analysis aims to provide a localized understanding of how these companies perform in the region.

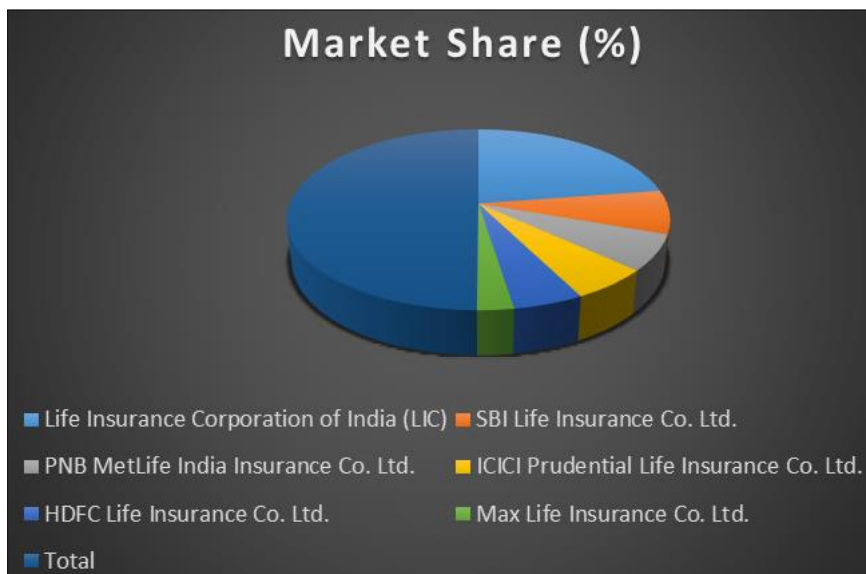
**Data analysis and interpretation**

**Market Share Analysis**

- Objective: To determine the market share of LIC versus private insurers in Bilaspur.

**Table 1:** Market Share of Insurance Companies in Bilaspur (in %)

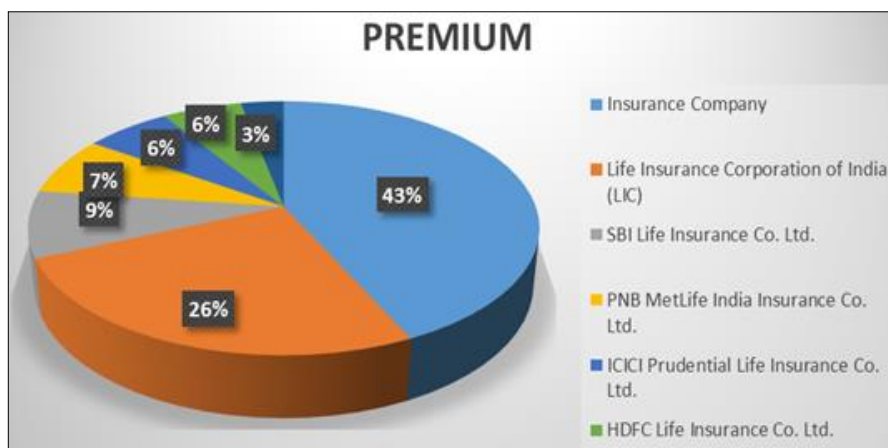
Insurance Company	Market Share (%)
Life Insurance Corporation of India (LIC)	45.3
SBI Life Insurance Co. Ltd.	15.6
PNB MetLife India Insurance Co. Ltd.	12.8
ICICI Prudential Life Insurance Co. Ltd.	11.4
HDFC Life Insurance Co. Ltd.	10.1
Max Life Insurance Co. Ltd.	5.2
Total	100.0



**Fig 1**

**Table 2:** Premium Income of Insurance Companies in Bilaspur (in ₹ Crores)

Insurance Company	2021	2022	2023
Life Insurance Corporation of India (LIC)	1200	1300	1400
SBI Life Insurance Co. Ltd.	400	450	500
PNB MetLife India Insurance Co. Ltd.	350	370	380
ICICI Prudential Life Insurance Co. Ltd.	300	320	340
HDFC Life Insurance Co. Ltd.	280	290	310
Max Life Insurance Co. Ltd.	150	160	170



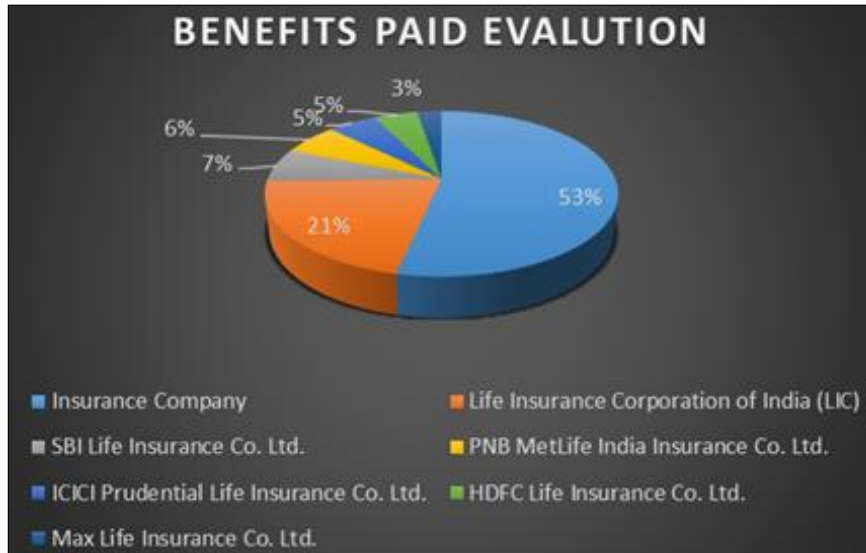
**Fig 2**

**Benefits paid evaluation**

- Objective: To compare the benefits paid by LIC and private insurers.

**Table 3:** Benefits Paid by Insurance Companies in Bilaspur (in Crores)

Insurance Company	2021	2022	2023
Life Insurance Corporation of India (LIC)	800	850	900
SBI Life Insurance Co. Ltd.	250	270	290
PNB MetLife India Insurance Co. Ltd.	230	240	250
ICICI Prudential Life Insurance Co. Ltd.	200	210	220
HDFC Life Insurance Co. Ltd.	180	190	210
Max Life Insurance Co. Ltd.	100	110	120



**Fig 3**

**Findings**

LIC holds a dominant 45.3% market share in Bilaspur, with private insurers like SBI Life leading among them at 15.6%, while PNB MetLife and ICICI Prudential follow at 12.8% and 11.4%, respectively; LIC also leads in premium income, increasing from 1200 Crores in 2021 to 1400 Crores in 2023, compared to SBI Life's growth from 400 Crores to 500 Crores; in benefits paid, LIC rises from 800 Crores to 900 Crores, while SBI Life pays 290 Crores, underscoring LIC's superior financial stability and commitment to policyholders.

**Suggestions**

For LIC, enhancing customer engagement through personalized services and advanced digital platforms, and expanding its product range with innovative insurance offerings could further solidify its market dominance. Private insurers should focus on increasing market penetration by expanding distribution networks and improving brand visibility in Bilaspur, invest in educational campaigns to raise awareness about insurance products, and offer competitive pricing and customized solutions to capture a larger market share. Regulators should monitor market practices to ensure fairness and prevent unfair advantages, and encourage innovation to foster healthy competition and benefit consumers.

**Conclusion**

The comparative analysis of LIC and private insurance companies in Bilaspur, Chhattisgarh reveals that LIC holds a dominant position in terms of market share, premium income, and benefits paid. The data demonstrates LIC's

strong performance and established market presence. However, private insurers are showing significant growth and are gradually increasing their market share, premium income, and benefits paid.

LIC's established market presence and strong financial performance underscore its leadership in the insurance sector. To maintain its position, LIC should focus on enhancing customer engagement and expanding its product offerings. On the other hand, private insurers should concentrate on increasing market penetration, improving customer education, and offering competitive pricing to capture a larger share of the market.

Overall, while LIC remains a dominant player, the growing presence of private insurers indicates a dynamic and competitive insurance market in Bilaspur. Continuous innovation and customer-centric strategies will be crucial for both LIC and private insurers to sustain their growth and meet the evolving needs of consumers.

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