

ROLE PLAYED BY PRIVATE INSURANCE PLAYERS IN FOSTERING COMPETITION IN INDIA - GROWTH OPPORTUNITIES AND SURVIVAL

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The growth potential of the Indian insurance industry is huge as the growth in population makes it more important market for the big insurance players. With an annual growth rate of 15-20% and the largest number of life insurance policies in force, the total value estimated at Rs. 450 billion (US\$10 billion) in 2004. Insurance will become \$60 billion industry by 2010. Till date, only 20% of the total insurable population of India is covered under various life insurance schemes, the penetration rates of health and other non-life insurances in India is also well below the international level. These facts indicate the of immense growth potential of the insurance sector. IRDA had lifted all entry restrictions in 1999 for private players and allowing foreign players to enter the market with some limits on direct foreign ownership. This has given a great challenge to LIC as till then it was enjoying the monopoly. Innovative products, smart marketing, and aggressive distribution have enabled fledgling private insurance companies to sign up Indian customers faster than anyone expected.

This paper will look into all the aspects of marketing of insurance products by the private players with the special attention on the governance aspects.

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