“Rediscovering the Strategic Position of Life Insurance Companies in India: A review of Literature”.

Archana Kanungo

ICSSR Doctoral Research Fellow, New Delhi.
Email-: mama87883@gmail.com

Abstract: In this article, an endeavour has been made to provide an overview of various aspects and issues related to this research work through the review of studies already carried out both at the national and international level in the insurance sector, especially in Life Insurance Industry. The review of literature can lead to draw some significant conclusions and serve as a guide mark for this study. It also gives a fair chance to identify one gap that exists in the area of research. Some of the important studies have been reviewed under different performance measures such as efficiency, productivity, profitability and service quality in the following paragraphs. The present review on literature is concerned with examining the strategic position of Life Insurance Companies in general; focus on Indian society in particular, in comparison with strategic position of life insurance Company, it mainly focussed on modern life insurance Industries in Indian society. It emphasised on various strategic position of Life Insurance Companies like 4Ps, People, Product, Price & Promotion and how strategic position of Life Insurance Industry have affected on 3 Cs i;e Customer, Companies & Clients which are considered as the 3 major stake holders of Indian Life Insurance Industry, it highlights on its Social Implication in Indian Society.

Key Words: “Work Culture”, “Management” or “Operational Strategy” or “Rediscovery of Strategic Position”.

REVIEW OF LITERATURE:

Global economic environment plays an important role on life insurance industry’s economic growth. The global economic conditions in 2008-09 remained very weak, largely on account of financial meltdown in many developed as well as developing countries, especially in the later part of the year. The impact of the crisis was deep and prolonged in the developed economies on account of their direct exposure to subprime assets and other exotic financial instruments. India along with China, appeared to be relatively less affected by the financial shocks. In India, several conventional and un-conventional measures were taken during 2008-09 by the Government of India and Reserve Bank of India to lessen the impact of the financial shock. The Indian economy, however, remained on the positive growth track, in all the quarters of the year though at lower levels. . {Ref: IRDA ANNUAL REPORT 2008-09}.

Insurance industry contributes to the financial sector of an economy and also provides an important social security net in developing countries. The consistent sub-optimal performance of this sector in India from independence through the 1990s has led to different sets of reforms, with each model adopted focusing on distinct competitive strategies. This study identifies the causes and the objectives with which the sector was reformed in 2000 to conclude that only in the last decade, the hybrid model of privatization with regulation adopted by the Government has yielded positive results and the sector has started to look up. The sector in its present form looks promising for the consumers especially the young insurers and the nation as a whole, but due to the financial crises in international market on 2008-2009 affects the life insurance companies and its valued customers as a whole, this piece of research work touches on each and every aspects of life insurance company and its stake holders. “Sales personnel by providing enough information to the customers, enables them in forming their assessment about the products or services, which ultimately becomes customer value. Customer satisfaction and acumen orientation significantly influence the future business opportunities and if the salespersons are able to foster their relationships with the clients, clients will be more satisfied and more willing to trust, and thus secure the long term demand for the services” (Tam and Wong, 2001). According to Crosby et al. (1990) the lack of concreteness of many services of which insurance is one, increases the value of the persons responsible for delivering them. Putting the customer first, and, exhibiting trust and integrity have been found essential in selling insurance (Slattery, 1989). In marketing life insurance, insurance agents are often considered to be marketing complex services (Nik Kamariah, 1995). Insurance sales agents fully understand the customers’ needs and requirements as well as build a trusting relationship between themselves and their clients to promote long-term mutually beneficial relationship (Crosby et al., 1990). The agent has to deal with the dilemma between making sales (self interest) and providing service (customer benefit) (Oakes, 1990). Customers are, therefore, likely to place a high value on their agent's integrity and advice (Zeithaml et al., 1993). Insurance agents who sell policies are not employees of the insurance companies. Rather, they work on a commission basis and thus are motivated by the volume of sales made (Annuar, 2004). This is because; insurance agents are involved in long-term commitment and a continual stream of interaction between buyer and seller. After the sale, agents also provide follow-up service and help customers make policy changes in response to changing needs (Noor and Muhamad, 2005). The company – agent link is stronger than the agent – company link, which in turn, is stronger than the customer – company link. Customer loyalty depends on how strong the agents' link with the customer is (Balachandran, 2004). Agents are the indeed ambassadors and the backbone of the insurance industry (Malliga, 2000). Life Insurance Corporation of India (LIC), the capital intensive business, provides the most important financial instrument to customers aimed at protection as well as long term savings. The Corporation reaches out to the people through the main traditional route of the agency model for the selling processes of the numerous complex need-based products. The gigantic superstructure that LIC has evolved into over the years is in fact built on the singular efforts of the salesperson, the primary contact point of the customers who motivates and persuades them to buy an insurance product. Such a salesperson, a sole player must display highest degree of integrity and ethics to foster a trusting relationship with his clients who would be more than satisfied and willing to be buyers. At present, LIC has around 2.70 million agents and they represent more than 60 percent of the life insurance business (www.licindia.com; Lepaud, 2008). They concentrate their efforts on seeking out new clients and maintaining relationships with the old ones. If policy holders experience a loss, agents help them to settle their insurance claims. Clearly, the pyramid of LIC squarely rests on the back of the agents who craft the selling processes to focus more on the needs of his clients – education, home loans, and marriage.(www.macrothink.org/ijim). Dubinsky et al. (1988) examined that when agents' sales supervisors are high on initiating structure, agents had less role ambiguity and more job satisfaction. When sales supervisors were high on consideration, agents tend to have less role conflict and higher job satisfaction. Moreover, it was concluded that role conflict apparently raises agents' role ambiguity, reduces their job satisfaction, and augments their performance. Arora (1992) found that majority of agents are dissatisfied with the functioning of LIC. Rao and Machiraju (1988) contended that a proper understanding of the environment, characteristics, strengths & weaknesses of the available financial instruments, and the changing scenario would be of immense advantage for the proper and successful functioning of LIC marketing force. McElory et al. (1993) investigated three forms of commitment namely, job involvement, professional commitment, community commitment and their relationship to insurance agents' perceptions, attitudes, and performance. The results revealed that professional commitment demonstrated strong and pervasive relationship with job perceptions, job attitudes, and annual earned income. Community commitment exhibited only isolated effects. In addition, Job involvement was significantly associated with some specific job perceptions and attitudes but not with performance. Chung (2000) observed that 'ideological system' of control not only encourages agents to provide life-long personalized and quality services to customers, generate strong/mutual trust among agents and managers themselves, but also made agents willing to behave altruistically, in turn sustaining a warm and supportive working environment. Tam and Wong (2001) examined that satisfaction, the salesperson's self-disclosure, and relation orientation significantly influenced future insurance business opportunities. Malliga (2000) suggested that LIC should adopt special marketing strategies and modern sales techniques for better performance of the agents. Eastman et al. (2002) found that agents appeared to be more concerned about non-Internet direct marketing. Lal and Dhanda (2003) conducted a survey of agents, development officers, and employees to know their perception towards different variables viz., life insurance products, amount of premium, working conditions, training programmes, computerization and efficiency level etc. The study revealed that there are no significant differences in the opinion of agents, development officers, and employees with respect to the aforesaid variables. Mathew et al. (2003) found that independent agents who have ability to effectively communicate information, provide service and effectively solve customers' problems, will no doubt, be able to sustain long-term business relationship with the customers. Noor and Muhamad (2005) suggested that organizational commitment and intrinsic motivation positively influence salespeople to perform customer-orientation behaviour in their selling activities. Rajatanavin (2005) found that whole brand image of the company depends directly on the sales force and its ability to develop strong relationship with customers. Fan and Cheng (2006) suggested that life insurance companies need to train their sales representatives to an adequate standard in competencies of problem solving, communication, information technology utilization, culture compatibility, emotional intelligence, collective competence and ethics. It is evident from the literature that most of the studies on agents have been done in foreign countries. In India, much effort has not been devoted to record the views of agents towards LIC in respect of supervisors' behaviour, training, systematization, working condition etc. thus, the present research focuses on those issues of agents' perception which are not yet considered from an Indian perspective. Hence, for the purpose of safety and security of our younger generation there is a greater need for increasing coverage and strengthening of life insurance in a competitive and customer friendly environment. Despite the principles of privatization of Life Insurance Companies being enshrined in Insurance Sector and despite of many private Life Insurance Companies empowered to adopted measures of positive changes in this favor, Life Insurance Companies continue to bear the brunt of economic crises. There is a need for life insurance penetration among youth in the Indian society. This piece of research work would definitely touch the different perspectives of life insurance Company's strategic position in India in relation with its valued stake holders interest in general and young policy holder's interest in particular.

There are some important reviews on strategic position of life insurance companies in India as follows: It would certainly provide a clear understanding of overall strategic position of Life Insurance Company and its rediscovery for its future growth in India.

H. Sadhak (2009) in his book, "Life Insurance in India, opportunities, challenges and strategic perspective" reported that Deregulation and Liberalization of national economy had significant impact on institutional investor such as life insurance, pension fund and investment institution, it has given the Globalization and Emerging trends in life insurance sector. Indian life insurance changing market structure market regulation is integral part of market structure, since regulation in a competitive market environment attempts to promote a healthy competition and protect the consumers. G. Ganesh (2001) in his book, "Privatization in India" reviewed that insurance sector in India. Insurance companies have been playing a vital role to protect or reduced risk in the Human life. Open up the insurance sector and allowing foreign equity has aroused widespread interest and a number of domestic and foreign player, privatization is playing a vital role in insurance sector reform have been created a competitive edge in an insurance sector, in which they have also focus on pre liberalization and post liberalization of insurance sector. P.K. Biswasray and Bh. Venkateswara Rao (2008) in his book, "Marketing of Life Insurance Business" revealed that about the insurers companies his service towards their customers. Insurers companies are using latest IT technology for better facilitate to their customers, in which they have emphasis on the public company's (LIC), their Diversified activities in various state in India and Global level. It has also revealed fund performance of LIC in various sector, impact of reform in insurance sector on LIC, by private player participation, they are discus on product innovationand distribution channel and his operational performance of LIC."L.M Bhole (2004) in his book, "Financial Institution and Markets" admitted that, the general nature of insurance companies both economic and social purpose and relevance. They have concerned to insurance sector reform which by Malhotra committee recommendation in Indian insurance sector. In which discus the investment pattern and policy, investment funds, portfolio restriction and sector wise investment of LIC."Kamlesh Gabhar (2006) in his book, "Foreign Direct Investment in India" reported that Foreign Direct Investment in India and its nature and scope of investment in Indian companies and various sector through collaboration, merger, acquisition and joint venture of equity. Since independence till 1990, the performance of Indian economy has been dominated by a regime of multiple control, they are also pointed on Determinants and Deterrents of FDI inflow in India, macro economy determinants of FDI in India.Usha Bhat (2003) in his book, "FDI Contemporary Issue" revealed that capital is stated as the engine of economic growth. This statement has gained more importance in the recent time, in which discus on conceptual framework of FDI, foreign capital played an important role in the early stage of industrializations of most of the advanced countries and they are revealed the impact of FDI in the review of past studies." R.K. Uppal (2008) in his book, "Financial Sector in India, Emerging Challenges" reviewed that with the initiation of the deregulation insurance sector, the insurance sector plays a vital role in the process of the economic development of any economy. It has a positive correlation with economic development. The paradigm shifts that taking place in marketing of the insurance products and the strategies adopted by the players in the market in the post liberalization era. Private Players have entered the market and with innovative approaches, better use of distribution channels and technology are eating into the share of public sector Company in India."Rakesh Shahani (2008) in his book, "Financial Markets in India" indicated about the public sector company LIC in his life insurance business was commenced and his investment pattern of funds in different sector, Government securities etc. LIC has been facing the challenge from private players since 2000; the entry of private players has transferred the entire market, from a seller's market to a buyer's market."Randhey and Ahuja (1999), Says that need for private sector entry has been justified on the basis of enhancing the efficiency of operations, achieving a greater density and penetration of life insurance in the country, and for grater mobilization of long-term savings for long gestation infrastructure projects.Rao Tripti, D. (2000) stated that Privatization of insurance industry is based on the view that competition would enhance efficiency through increased resource utilization. It would spill over as benefits to the consumers in terms of reduction in premium costs with proper pricing policy and wider choice. Liberalization may also increase the scope of operation of insurance business from limited area to untapped areas like health, crop and unemployment. Raju Satya R. (2004), Found that the insurance agents, development officers' employees, executives at different levels should work together to achieve the objectives and mission and also to face the present and future competition as a challenge. The insurance product and services should be designed and offered as per the customer requirements. Palande et al (2007) found that the Insurance industry is going to witness sea changes in its marketing strategies. The existing and the new insurers will devise different strategies to retain and enhance their market share. It would be done by various methods by bringing in new practices, settings new service standards and creating new benchmarks. Selvakumar& Priyan (2010) found that insurance companies are increasingly taping the semi-urban and rural areas to take across the message of protection of life through insurance cover. Higher level of protection implies that customers are more conscious of the need for risk mitigation, grater security, and about the future of their dependents. Insurance sector has been evolving and improving its underwriting and risk management abilities. Stott (2001), investigated the issues related to achieving service delivery excellence in an active and developing insurance company. In his paper, the author also discussed service quality issues and the emphasis to be placed on alignment of factors to achieve the company goal. It focused on making up a complete service quality master plan. The master plan must include service awareness, measuring customer satisfaction, internal service programmes, business processes, external improvements, service quality control, emphasis on five quality dimensions such as responsiveness, assurance, tangibles, empathy and reliability, service quality culture, aligning people, product and service quality to achieve profitable customer satisfaction. The paper concludes that if a company cannot deliver both quality products and services successfully, it will eventually be overtaken by the competition. Forbes (2000), in his paper, he emphasized on delivering excellent customer service in the insurance industry. It has been described that the outstanding customer service although conceptually simple, is difficult to achieve. It takes quite a long time and requires energy and staying power. It has to be part of the fundamental philosophy of the organization - understood and embraced by everyone. It has to be built into products and processes; and systems have to be set up to deliver it. Above all, the people who make up the organisation need to have the skills, passion and commitment to make it work. Tripathy (2004), made an endeavour to find out the perception of customers towards insurance companies through marketing variables, and also analyzed the performance of customers and the importance they assigned to different attributes. The author suggested that to achieve greater insurance penetration, private companies have to create more vibrant and competitive industry, with greater efficiency, choice of products and value for customers. Banumathy and Subhasini (2004), examined and evaluated the attitude of LIC policyholders towards Life Insurance business, at a branch level in Virudhunagar District. In order to collect opinion of policyholders, a well-structured questionnaire was prepared. The sample comprised of 200 respondents selected randomly. The study revealed that educational level, income and financial status of the policyholders are the important factors influencing their decision to take the policy. Most of the policyholders get the information about various plans & schemes of LIC only through its agents. Policies are taken up by the policyholders for various purposes, such as future safety, family welfare, children's education, marriage, tax benefits etc. Sandhu and Bala (2006), in their research article, reviewed some of the studies that focused on different aspects of life insurance related to customer services, agents' opinion towards life insurance companies, service marketing, growth, functioning, problems and privatization of life insurance sector. The study revealed that the life insurance sector has gained greater importance over the period especially in the post- liberalization era. Many researches have been carried out in this area, yet none is comprehensive enough to cover the entire service spectrum of different life insurance players in the field. It was emphasized that in the changed scenario, further research is also imperative with regard to various other aspects like the role of information technology, bank assurance and customer relationship management in the life insurance sector. Bodla and Verma (2007), studied the buyer behaviour regarding life insurance policies in the rural areas of Haryana. As many as 188 questionnaires were used for analysis and taken on the basis of convenience sampling. The study found that the respondents belonging to the age group 31-40 years dominate the rural insurance. Market agents are the most important source of information and motivation as the people take a policy that is suggested by an agent. Money-back policy is most preferred in the rural areas followed by Jeevan Anand and Endowment Policy; and the rural people have less faith in private insurers. The results also reveal that the women segment is still untapped in rural areas and the role of advertisements is still not up to the mark in motivating rural people to buy insurance policies.Jampala and Rao (2007), in their study on distribution channels of LIC, concluded that in this era of reforms, a number of intermediaries or distribution channels have emerged. Despite the emergence of new distribution channels such as corporate agents, brokers and referrals, the LIC could not make sufficient business from these channels. In fact, of the total business of LIC in the year 2004-05, the newly emerged distribution channels contributed a meagre 1.12per cent. But private players who got business through these new channels in 2004-05 were 40.70per cent. So, unless the LIC uses the new distribution channels effectively and efficiently, it cannot succeed in the highly competitive insurance business. By taking these measures in their true spirit , LIC can improve its new business further.Vanniarajan and Jeyakumaran (2007), in their paper, identified various service quality factors among the insurers and also their impact on the overall attitude towards insurers among the customer in public and private players in life insurance sector. The LIC and private insurance companies have been taken for the study. The questionnaires were got filled from 250 customers of LIC and 20 each from private players. The SERVPERF model was used for the study. It was concluded that the important service quality factors in the life insurance market were distribution network, product, responsiveness, reliability, customer relationship management, empathy, brand building, promotion and tangibles. The significantly influencing service quality factors on the overall attitude towards the insurers were distribution network, product responsiveness, reliability and brand building. It suggested that the insurers have to cover so many customised products with a larger distribution network to survive in the life insurance market. Devasenathipathi et al. (2007), compared and rated all the life insurance companies, measured the customer perception, purchase behaviour, consumer awareness regarding life insurance industry and also studied the privatization, policy awareness and life coverage awareness among the consumers. The data has been collected through a questionnaire filled from 500 customers residing in Chennai. The study concluded that the entry of private players brought better service, quicker settlement, greater awareness and more choice. The purchasing behaviour of the consumer depends on quality, accessibility and promptness of services, which may lead a company acquire the top rank with a huge market share.Khurana (2008), conducted a survey to identify customers preferences regarding plans and their purpose of buying insurance policies, their satisfaction level and their future plans for the new insurance policy. The data was collected through a questionnaire filled from 200 customers of Hisar city on the basis of convenience sampling method. The results revealed that the customers still prefer public sector companies to the private sector ones. The main purpose of buying an insurance policy is protection. The survey showed that only 6.3 per cent of the respondents having policies of LIC faced some problems. As high as 56.3 per cent respondents were ready to buy new insurance plans from the same company.

Insurance Related Other Studies: Arora (1987), in his doctoral research work, analyzed the investment and personnel management of LIC. The research revealed that the total investment of LIC has increased at a faster rate than the increase in total fund, total assets and controlled fund. It is a very good sign, because a large portion of the amount is being utilized for earning income and a small portion of the amount is left idle. The percentage of investment in government securities to total investment has been declining. It has no reverse impact on the interest of the policyholder. The LIC arranged investment in such a way that it got a constant inflow of funds. The study observed that the LIC has no systematic planning to foresee the needs of its employees. The study suggested that the personnel department of LIC should be equipped with specialized and qualified personnel to manage its functioning properly. Jampala and Rao (2005), in their study on corporate social responsibility of LIC, analyzed the data related to LIC's contribution towards its employees, agents, government, policyholders, assistance to development activities, social security schemes, social investment and lives covered from 1999-00 to 2003-04, and concluded that C.S.R. is one of the prime focus area of LIC. However, it did not have a proper feedback system to gauge the impact of its contribution to social development.Rao (2005), in his research paper titled, “LIC Agents: Are They All Productive", found that during 2003-04 the business procured through Agents constitutes 99.78per cent, while through all other sources is 0.22 per cent only, which shows the basic strength of LIC is its huge agency force. The data from 1996-97 to 2003-04 shows that the number of agents and average business per agent is increasing year by year. But it does not mean that all agents are productive. The analysis revealed that 15per cent of LIC agents are highly productive, and the remaining 85per cent are not so productive. In a nutshell, 15per cent of the agents bring 61per cent of the new business. In view of this, LIC would have to undertake training & development programmes for its non- performing agents to make them good performers.Mandal (2006), in his study, observed that in India, insurance is an advisor dominated business where 90.5per cent of the business is conducted via advisors retail distribution. The research showed that majority of respondents think that insurance industries are growing very fast where retail distribution is the main channel. Distributors and advisors are the most important channel members. Success rate depends on the advisors selection and the best prioritization of specification, whereas age is the first and community is the last priority. The research also revealed that a married person between the age of 31-45 years having earnings between Rs. 5000 to Rs.10000 P.M., academic qualification 12th or graduation, self-employed, staying in the same place for at least two years is more successful. Vembu and Uthara (2006), in their article titled, “CRM : An Essential Yardstick for Success in Insurance” observed that the Indian CRM market can be sized at Rs.50-100 crore. The study claimed that 18per cent of Indian firms were either unaware or unconvinced of CRM. The service sectors like banking & insurance are the best fit to CRM. Many insurance companies started to review CRM as a tool to deliver high service quality. LIC Aviva, ICICI Prudential Life, HDFC, and Standard Life Insurance companies have already deployed CRM. Players such as Birla Sun life, Met life etc. are expected to adopt CRM in near future. The study concluded that to survive in the competitive market insurance companies need to implement CRM, not only technically but also as a part of culture. The successful CRM results in the ability to measure customer value and improve services. Banerjee and Parhi (2007), revealed that competition was yet to reach the pricing arena in health insurance. The oligopoly nature of market has turned to restrict the free play of market forces through product differentials. Post-detariffing, the upcoming probable price war in other fields of insurance may create a momentum in this section. In future, health insurance premium goes up by another 40per cent to factor the increased claim ratio of 130per cent in health insurance, which obviously is unacceptable.Sabera (2007), in his paper, highlighted that growing insurance industry has recorded a growth of 16per cent in the financial year 2005-06. Innovative products, better marketing and aggressive distribution have enabled fledgling private companies to sign up Indian customer faster than expected. The private players are mainly concentrating on customer service. For this, they are looking at delivery channels like call centres, internet, telemarketing and direct marketing. The public sector companies are also identifying new ways to satisfy the needs and will be competing with private players in the near future. There will be a large scope for growth and the industry will become highly competitive.Capgemine and EFMA (2007), in their quantitative and qualitative research, revealed key themes on which today's insurance is focused. The key issues studied were increasing the emphasis on customer centricity, enabling the distribution network with improved sales & service tools, implementing integrated multi-channel strategies, replacing legacy technology with more flexible systems and improving operational efficiency. The research showed insurers must re-valuate how they handle customer interactions, align their offering with customer purchasing criteria, hone channel mix and better understand, and act on the drivers of customer satisfaction, loyalty and defection. At the same time, they can optimize the distributor strategy by proactively seeking to retain and attract quality distributors, enable distributors to function more effectively, integrate distributors more deeply into the enterprise, and build an enterprise view of the customer. To integrate systems and enable them free from information throughout the insurance enterprise, insurers need to upgrade or replace policy administration systems. Insurers should also explore alternative methods to reduce costs and improve operational efficiency. Jha and Agarwala (2007), in their article, studied the impact and challenges of detarriffing in insurance industry. The paper revealed that detarrifing creates intense competition, sharp drop in premium, reduction of premium more evident in corporate portfolios, and non-reasonable basis for reduction in premium. In the case of retail/small portfolios, the premium cut was less due to ignorance about detariffing of insurance market, premium reduced irrespective of the quality of risk management, direct impact on the balance-sheet of insurers and review in reinsurance rates by several leading re-insurers etc. They found that the only way out available with the insurance companies will be to vigorously market the policies, create new customer base, spread the net of insurance, not to compromise with quality of risk insured, proper appraisal of risks and motivate the insured to practice risk management.Rao (2007), in his article said that the credit for the enlargement of the insurance market penetration and density should legitimately go to the private sector and rightful regulation. The increased economic activity coupled with recent reforms in general insurance market would certainly help to expand the market in the years to come. The opening up has augured well for the consumers, who now have access to wide range of new products particularly unit linked products that have attracted the attention of the insured. Ramana (2007), in his article, it is observed that in the light of duties and obligations cast on the regulator in respect of protection of policyholders interest, growth and development of insurance business in India. What has been done and achieved till now is only a sound beginning. Much remains to be done to become true to the ideas with which the regulatory body has been conceived and constituted, particularly in the context of economic reforms initiated in our country. With increasing complexity and novelty of business opportunities thrown open to more and more players in the insurance market, the regulatory body too needs to gear up its administrative and regulatory machinery to have in place a more structured, systematic and effective approach to successfully find solutions to more and more challenges and issues in the days to come, as the market is destined to experience extreme aggressive stances both from the existing players and also the new entrants queuing up and knocking the doors of IRDA for the green signal and operational permit.Dubinsky et al. (1988) examined that when agents' sales supervisors are high on initiating Structure, agents had less role ambiguity and more job satisfaction. When sales supervisors were high on consideration, agents tend to have less role conflict and higher job satisfaction.Moreover, it was concluded that role conflict apparently raises agents' role ambiguity, reduces their job satisfaction, and augments their performance. Arora (1992) found that majority of agents are dissatisfied with the functioning of LIC. Rao and Machiraju (1988) contended that a proper understanding of the environment, characteristics, strengths & weaknesses of the available financial instruments, and the changing scenario would be of immense advantage for the proper and successful functioning of LIC marketing force. McElory et al. (1993) investigated three forms of commitment namely, job involvement, professional commitment, community commitment and their relationship to insurance agents' perceptions, attitudes, and performance. 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In India, much effort has not been devoted to record the views of agents towards LIC in respect of supervisors' behaviour, training, systematization, working condition etc. thus, the present research focuses on those issues of agents' perception which are not yet considered from an Indian perspective. The research review identifies the links between insurance, financial sector performance and growth in substantial details, helping define the insurance economic growth relationship and supporting the policy conclusions of this report. Sinha (2007) assessed total factor productivity growth in the life insurance industry for the period 2003-05 using Malmquist Total Factor Productivity Index. Comparison of technical efficiency scores of the life insurance companies show that the private insurance companies are still way behind the Life Insurance Corporation. Since under the assumption of constant returns to scale the inefficient firms are penalised more in terms of distance from the best practice frontier the mean technical efficiency score of the life insurers under CRS is much lower than under VRS. For all the observed years, LIC and SBI Life have a technical efficiency score of 1. All other life insurance firms are technically inefficient (technical efficiency score of less than 1). For 2002-03 and 2003-04 , excepting LIC all other insures exhibited increasing returns to scale. For 2004-05, ING Vysya and Max New York Life exhibited decreasing returns to scale.

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