

# AN EMPIRICAL ANALYSIS OF INDIAN INSURANCE SECTOR EMPHASIZING ON STRUCTURAL AND PERFORMANCE INDICATORS

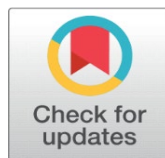
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## ABSTRACT

Insurance companies facilitate strategic economic activities in all sectors of an economy such as shipping, aviation, defence, banking, infrastructure, medical, hospitality, manufacturing etc. to mention few as virtually not a single activity is there that is not reliant on insurance depending on the availability in particular political jurisdiction. Consequently, insurance sector performance is systemic to all these sectors and vice versa. The present study delves into analysing the performance of the whole Indian insurance industry including life, non- life, reinsurers, specialized insurers with their foreign branches based on structure, concentration, operation and performance indicators suggested by Abdelrazek Rawan et al., (2005) in the handbook for financial sector assessment which is an outcome of the joint efforts of World Bank and International Monetary Fund. The study takes into account the journey of the Indian insurance industry from 2013-14 to 2023-24 i.e. 11 years period that is a sufficient long duration to predict the trends of future. Relative performance metrics of Indian insurance industry to the world insurance industry is also analysed in the study. The study will help the stakeholders to have the bird eye view of the industry.

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**Keywords:** Insurance, World Bank, International Monetary Fund, Financial Sector Assessment, Reinsurers, Systemic, Specialized Insurers, Performance



## 1. INTRODUCTION

Insurance companies facilitate strategic economic activities in all sectors of an economy such as shipping, aviation, defence, banking, infrastructure, medical, hospitality, manufacturing etc. to mention few as virtually not a single activity is there that is not reliant on insurance depending on the availability in particular political jurisdiction. Consequently, insurance sector performance is systemic to all these sectors and vice versa. Further liberalisation of the industry spreads the risk of cross-border spillovers of financial system disturbances also. Therefore it is significant to address

these risks along with harmonization and international convergence of key components of financial policies. Lok Sabha passed the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025, raising FDI in insurance to 100% on Tuesday, 16th December, 2025 (CNBC TV18, 2025). The Bill amends the Insurance Act, 1938, the LIC Act, 1956, and the IRDAI Act, 1999. It raises the FDI limit from 74 per cent to 100 per cent, allows mergers between insurance and non-insurance companies, strengthens regulatory powers, and introduces new policyholder protection mechanisms. Consequently improving competition through long-term capital availability, global technology and risk management practices, leading to more competitive pricing and wider product offerings. The GST relief (reduction from 18% to 0%) on individual life and health insurance policies, including reinsurance of the same, applies to all premiums paid on or after September 22, 2025 aimed at improving affordability (financialservices.gov.in). The Bill also provides for the creation of a Policyholders' Education and Protection Fund, funded through penalties collected by the regulator will reinforce the importance of informed choice and long-term consumer trust, and support wider insurance penetration as the sector moves towards the government's "Insurance for All by 2047" objective. The present study delves into analysing the performance of the whole Indian insurance industry including life, non-life, reinsurers, specialized insurers with their foreign branches based on structure, concentration, operation and performance indicators suggested by Abdelrazek Rawan et al., (2005) in the handbook for financial sector assessment which is an outcome of the joint efforts of World Bank and International Monetary Fund. The study takes into account the journey of the Indian insurance industry from 2013-14 to 2023-24 i.e. 11 years period that is a sufficient long duration to predict the trends of future. Relative performance metrics of Indian insurance industry to the world insurance industry is also analysed in the study. The study will help the stakeholders to have the bird eye view of the industry. Table 1 shows the original table B.8. suggested by Abdelrazek Rawan et al., 2005 in the handbook. Present study has reproduced and adapted an analogous version of this table suitable to the availability of data and the characteristics of Indian insurance industry.

**Table 1**

<b>Table 1 Statistics on Structure and Performance of Insurance Companies</b>	
<b>Structure and concentration</b>	<b>Annual data for recent periods</b>
· Number and total assets of insurance companies by type of ownership:	
o Joint stock	
o Mutual	
o State-owned	
o Foreign-owned or controlled	
· Number and total assets of branches and subsidiaries of different types of insurance companies operating domestically and abroad	
· Number and total assets of domestic and foreign reinsurance companies operating domestically	
· Frequency distribution of asset size or premium incomes or new business of insurance companies and concentration indicators such as the shares of three or five largest insurance companies in terms of the chosen indicator	
· Ownership structure of insurance sector, such as the share of capital of all insurers or largest insurers, held by government, overseas insurance group, mutual, bank, other financial services or industrial group, and the like	
<b>Operation and performance</b>	
· Gross and net (of reinsurance) domestic premium income reported (earned for nonlife insurance)—in currency and as percentage of GDP	
· Domestic policy holder liabilities (as a percentage of GDP) and as a percentage of domestic commercial and savings bank deposits	
· Capital and surplus (life) or net assets (non-life) as a percentage of net policy holder liabilities	
· Net nondomestic premium income reported (earned for nonlife insurance)	
· Investment portfolio net of investment in subsidiaries	
· Percentage of gross written and net written premium for each main type of insurance product	
· Number of insurer new entrants and exits in the past 10–15 years	
· Distribution costs, operating expenses, commissions, and reinsurance premiums for major insurance products and lines of business as a percentage of sales (new business for life, gross written for nonlife insurance)	
· Surplus or profit—before and after tax—as a percentage of beginning capital and surplus or shareholder's funds, as a percentage of annual premiums and of average total assets	

- Gross rate of return on investment and total assets
- Asset composition and investment policy of different insurers (e.g., life, property, casualty, which is based on amounts [and shares] invested in various asset classes [e.g., short-term paper, long-term paper government bonds, corporate bonds, corporate equities (listed and unlisted), real estate, loans to private sector] foreign assets also classified by type of securities, and currency of denomination
- Liability composition in terms of various asset classes, including insurance reserves and own funds, both domestic and foreign
- Contingent and off-balance-sheet accounts, including derivatives and asset swaps.
- Actual solvency margins, required minimum solvency margins, separately for life and nonlife business, and for large insurance groups on a consolidated basis.

**Note:** GDP = Gross Domestic Product.

**Source:** Abdelrazek Rawan, Aguirre Ernesto, Casselle Mitchell Greta, & Cihak Martin. (2005).

## 2. REVIEW OF LITERATURE

Literature review of the recent past studies on the performance of insurance industry related to the current topic have been summarized below in a tabular form (Table 2). It is found that there are very limited research on the comprehensive structure, concentration, operation and performance indicators as suggested by Das et al.,2005 for the Indian insurance industry been conducted so far. The present study intends to fill this research gap so as to reveal the summary of Indian insurance industry. Surbhi and Govilla (2026)

**Table 2**

Table 2 Summary of Past Studies					
Author and Year of Publication	Title of the Paper	Objectives and Variables	Research Methodology and Tools Used	Results and Findings	Research Gap
Adams & Kastrinaki, 2025	Do board meetings matter in the insurance industry?	Examine determinants of board meeting attendance and its effect on profitability & solvency	Panel data (83 UK insurers, 2004–2013), econometric design	Attendance improves profitability but not solvency; outside directors show complacency effect	Limited to UK property-casualty insurers; solvency link unexplored
Azizatunni sa et al., 2025	Health insurance coverage, healthcare use & financial protection amongst people with disabilities in Indonesia	Evaluate JKN coverage & financial protection for disabled	Susenas 2021 dataset, logistic regression	30% disabled uninsured; JKN improves utilization but not financial protection	Disability-specific service gaps remain
Chatterjee et al., 2025	Health security across the spectrum: Socioeconomic factors on health insurance uptake in India	Study determinants of insurance choice among older adults	LASI dataset (2017–18), Multinomial Logistic Regression	Poorer households prefer govt insurance; multimorbidity linked to private insurance	Limited to pre-COVID data; lacks longitudinal follow-up
Kapse et al., 2025	Customization of health insurance premiums using ML & Explainable AI	Identify factors influencing premium pricing	ML models (Regression, RF, XGBoost), SHAP explainable AI	Age, marital status, health conditions significantly impact premiums	Small sample size (145 responses); limited generalizability

An Empirical Analysis of Indian Insurance Sector Emphasizing on Structural and Performance Indicators

IBEF (India Brand Equity Foundation), August 2025	Insurance Sector in India – August 2025 Report	Assess growth drivers in crop, health, and motor insurance Variables: premium growth rates, CAGR, market share (public vs private), FDI inflows, regulatory reforms	Secondary data synthesis from IRDAI, ICRA, Life Insurance Council, news articles, government schemes	Non-life premiums grew 7.11% YoY in Q1 FY26, Motor insurance CAGR 10.25% (2025–2030) Crop insurance CAGR 7.62% (FY25–32), Private insurers' share projected to reach 70% GDPI by FY27, LIC continues dominance with >57% share of new business premiums	Limited primary data; heavy reliance on industry statistics, Lack of micro-level analysis on consumer behavior and regional disparities, No empirical testing of digital adoption impacts
Qian & Xu, 2025	Implementation of the Social Insurance Law, mismatch in investment and financing maturities, and corporate innovation	To assess how the Social Insurance Law affects corporate innovation via financing-investment maturity mismatch; Variables: EI (innovation), DID (policy dummy), IFM (mismatch), firm-level controls	Quasi-natural experiment using Difference-in-Differences (DID) model; PSM-DID, mediation analysis, robustness tests	Law significantly boosts innovation, especially in non-state firms, competitive industries; mismatch reduction mediates effect	Few studies explore financing maturity mismatch as mechanism linking policy to innovation
Marais, Browne & Hoyt, 2025	Drivers of the Underwriting Cycle: Abnormal Return on Property-Liability Insurance Stock and Insurer Capacity	To examine dynamics of underwriting cycle; Variables: underwriting return, abnormal insurance stock return, investment return, catastrophic losses, insolvencies	Empirical analysis of 50 years of quarterly insurance & economic data; asset pricing models; correlation tests	Abnormal insurance stock return highly correlated with subsequent underwriting return; underwriting cycle linked to investment returns, catastrophic losses, and insolvencies.	Focused on U.S. property-liability insurers; does not extend to life/health insurance or emerging markets
IBEF (India Brand Equity Foundation), 2024	Growth and Overview of the Insurance Sector in India	Provide historical evolution and current overview of Indian insurance sector. Variables: penetration (% of GDP), density (per capita premium), segmentation (life vs non-life), FDI inflows, government schemes	Secondary data analysis using Swiss Re Sigma Report, IRDAI statistics, DPIIT data, government policy documents	Insurance penetration at 4.0% of GDP in FY23, Life insurance density rose from US\$ 44 (FY15) to US\$ 70 (FY23), Non-life density doubled from US\$ 11 (FY15) to US\$ 22 (FY23), Health insurance largest non-life segment (38% share), LIC IPO raised Rs. 21,000 crore in 2022, largest in India	No detailed econometric modeling of insurance penetration drivers, comparative analysis with peer emerging markets, Limited insights into consumer awareness and behavioral adoption
Brett Ward, 2024	Consumer Utility, Capital, and Fair Profit Margins in Insurance	To propose a holistic framework for determining fair profit margins in property & casualty insurance while addressing issues like economic capitalisation and utility principles in insurance pricing. Variables: Consumer utility, fair margin adjustments, CAPM.	Turner's framework for insurance leveraging; theoretical exploration of consumer behavior and insurance pricing dynamics; worked examples utilizing Australian industry data.	Developed a pragmatic framework for equitable profit margins incorporating utility maximization and systemic financial equilibrium considerations. Offered methodologies for integrating utility-based profit components alongside traditional CAPM models.	No robust empirical validation of the proposed utility-based profit margin framework, lacks real-world testing or application across diverse global insurance markets.

Tafadzwan ashe Zinyoro & Meshach Jesse Aziakpono, 2023	Performance determinants of life insurers: A systematic review of the literature	The objective of this study is to synthesize the studies that have explored this topic. The study reviews 128 papers on life insurance company performance determinants from 1990 to 2021	Accounting ratios are the second most popular analytical approach used in the studies reviewed	The analysis reveals that the literature primarily examines factors such as size, organizational structure, capital composition, diversification, distribution systems, risk management practices, and reinsurance strategies as key. It highlights the dominance of frontier efficiency methodologies in the literature	future research might use premiums ceded scaled by reinsurance recoverable or the reverse as a measure of net reinsurance cost, impact of corporate governance and direct effect of competition by non-structural measures as Boone indicator, Lerner index and Panzar-Rosse H-statistic.
B. K. Nayak, 2023	Maximising Insurance Penetration and Leveraging Protection Gap: Strategic Thoughts and Actions	The objective is to analyze the current state of insurance penetration and identify strategies to address the protection gap, focusing on variables such as demographic changes and technology development	The research methodology includes a comprehensive literature review and analysis of existing data on insurance trends and demographic factors	The findings indicate that leveraging technology and understanding demographic shifts can significantly enhance insurance penetration and address the protection gap	The study identifies a gap in the literature regarding the impact of demographic changes on insurance strategies.
Doss & Kumar, 2023	International best practices to increase insurance penetration in India	Benchmark global practices for India	Comparative analysis of 10 markets	Freedom in pricing, wordings, deductibles improve penetration	Implementation challenges in India
Nejla Ellili, Haitham Nobanee, Lama Alsaiani, Hiba Shanti, Bettylucille Hillebrand, Nadeen Hassanain, Leen Elfout, 2023	The applications of big data in the insurance industry: A bibliometric and systematic review of relevant literature .	Analyze the current state of research on big data and insurance. Variables: big data, insurance, risk, bibliometric analysis, systematic review.	Bibliometric and systematic review to analyse patterns and trends in the subject area using citations as a key measurement unit.	United States is the most popular and cited country in the research area of big data and insurance. Major impact of big data on the insurance sector marked by human-related aspects.	long-term effects and sustainability concerning ethical and privacy of big data implementation in insurance.
Siddiqui & Shaddady, 2023	How Profit Efficient is Indian Life Insurance Industry: A DEA Study	To assess cost and profit efficiency of all Indian life insurers (2017–2021); Variables: operating expenses, equity, debt, incurred benefits, invested assets, firm characteristics (ownership, size, solvency, claims, distribution ratio, market share)	Data Envelopment Analysis (DEA) and Tobit regression	Cost efficiency scores higher than profit efficiency; LIC and SBI Life most efficient; joint ventures more cost-efficient, domestic firms more profit-efficient	First comprehensive study on profit efficiency across all Indian life insurers; prior studies focused on cost or technical efficiency only
Kumar & Duggirala, 2021	Health Insurance as a Healthcare Financing Mechanism in India: Key Strategic	To explore strategic role of health insurance in India's healthcare financing; Variables include insurance penetration, public-	Conceptual analysis with secondary data; strategic framework evaluation	Health insurance is underutilized as a financing tool; strategic alignment with UHC goals is weak	Lack of empirical validation; limited integration with macroeconomic indicators

	Insights and a Business Model Perspective	private mix, and policy design			
Fatih Ecer, Dragan Pamucar, 2021	MARCOS Technique under Intuitionistic Fuzzy Environment for Determining the COVID-19 Pandemic Performance of Insurance Companies in Terms of Healthcare Services	Identify insurance companies' priority ranking in terms of healthcare services in Turkey during the COVID-19 outbreak. Variables: payback period, premium price, network.	MARCOS & MCDM methodology, Sensitivity analysis. Ten insurance companies ranked in terms of healthcare services during COVID-19.	Payback period, premium price, and network are determined as crucial factors. Comprehensive sensitivity analysis verified the methodology's stability and effectiveness. Lack of evaluation for private health insurance during COVID-19 globally.	Need for more studies on insurance companies' performance during pandemics.
Jacob Dahl Rendtorff, 2020	Corporate citizenship, business ethics, stakeholder management and Sustainable Development Goals (SDGs) in financial institutions and capital markets	To define the concept of corporate citizenship and to explore its relationship with business ethics, stakeholder management, and the UN SDGs in the context of financial institutions and capital markets.	Conceptual methodology analysing and focusing on justice, integrity, and fairness in stakeholder responsibility at capital markets.	Concepts of corporate citizenship, business ethics, stakeholder justice, integrity and fairness, and stakeholder responsibility must be the basis for an acceptable vision of sustainable development at capital markets.	Theoretical framework to be developed further in specific research and investment practice at capital markets.
Roberts et al., 2020	Subscriber Continuity in Health Insurance Plans: Factors Associated with Re-enrollment and Coverage Changes	To examine re-enrollment behavior and coverage shifts in ACA Marketplace; Variables: age, gender, plan type, metal level, healthcare utilization, cost	Logistic regression with GEE models; data from 2 carriers in New Mexico (2015–2017)	50–60% re-enrollment; older age, chronic conditions, full-year enrollment linked to higher retention; 12% Bronze moved up, 37% Gold moved down	Limited to two carriers in one state; lacks national generalizability
IAIS(International Association of Insurance Supervisors), 2019	Global Insurance Market Report	Assess global insurance market risks	Supervisory data, macroprudential analysis	Sector stable but vulnerable to low interest rates & CAT losses	Limited insurer-level micro analysis
Chakravorty (2017)	Life Insurance Business in India – Growth & Profitability	Evaluate LIC vs private insurers post-liberalization	Comparative analysis, trend analysis	LIC resilient; private insurers struggled initially but improved	Exogenous factors affecting profitability not fully studied

### 3. OBJECTIVES OF THE STUDY

- 1) To empirically analyse and compare the structure and concentration of Indian life and non-life insurance industry.
- 2) To empirically analyse and compare the operation and performance of Indian life and non-life insurance industry.
- 3) To graphically analyse the structure, concentration, operation and performance of Indian insurance industry as a whole including reinsurers and specialized insurers.

#### 4. RESEARCH METHODOLOGY

The study design is descriptive and analytical in nature. The source of data is the handbooks and annual reports available on the IRDAI website. The period under study consists of a long duration of 11 years from 2013-14 to 2023-24 sufficient to predict the trend of future years. The methodology is descriptive in the sense as it considers the data related to number of insurance companies in India, their offices, branches, policies, complaints etc. and value of premium, expenses, assets, profit, capital etc. It is analytical in the sense as it includes the calculation of ratios to find Indian insurance penetration and density relative to world, resolution rate and disposal rate of grievances, market share of public sector relative to the total gross domestic premium of the sector etc. Table depicts the various indicators used in the study to achieve the objectives of the study. First column of the table indicates the consolidated indicators of Indian insurance industry as a whole for life and non-life both including reinsurers and specialized insurers (Agriculture Insurance Company of India Ltd. & Export Credit Guarantee Corporation Ltd) that are analysed through the excel line graphs. Second column of the table indicates the indicators for life and non-life separately chosen for the study that are analysed and compared through the tables of data related to each indicator.

**Table 3**

<b>Table 3 Statistical Indicators for Structure and Performance of Indian Insurance Companies chosen for the Study</b>	
<b>Indian Insurance sector (Life and Non-Life consolidated data)</b>	<b>Life and Non-Life Indian Insurance (separate data of each type)</b>
<b>Structure and Concentration</b>	<b>Structure and Concentration</b>
1. Number of Companies	1. Number of Companies
2. Number of Foreign Reinsurers' Branches	2. Number of Offices of Insurers
3. Number of Offices of Insurers	3. Insurance Penetration
4. Insurance Penetration	4. Insurance Density
5. Insurance Density	
<b>Operation and Performance</b>	<b>Operation and Performance</b>
1. Number of New Policies Issued	1. Number of New Policies Issued
2. Total Premium	2. New Business Premium
3. Market Share of PSUs (including Specialized)	3. Total Premium( New & already in Force)
4. Commission Expenses	4. Market share of PSUs (based on Total Premium)
5. Operating Expenses	5. Commission Expenses
6. Claims (benefit paid of Life Insurers and net incurred claims (within India) of non-life insurers)	6. Operating Expenses
7. Assets Under Management(including Reinsurers&Foreign Reinsurers Branches)	7. Assets Under Management
8. Profit after tax	8. Profit after tax
9. Paid-up Capital (including Reinsurers)	9. Paid-up Capital
10.Resolution Rate Of Grievances	10.Redressal Of Consumer Grievances by insurer-Resolution rate
11.Disposal Rate Of Grievances	11.Redressal Of Consumer Grievances by Ombudsman-Disposal rate.

#### 5. ANALYSIS AND RESULTS

This section is divided into three parts in sequence of the objectives. First section caters to the fulfilment of first objective and so on.

**Section I:** It deals with the comparative analysis on the structure and concentration of Indian Life and Non-Life Insurance Sector. Table 4 shows life insurance is comparatively more stable and stagnant related to number of companies that shows rise of one company successively in last two years recording 26 companies till 2023-24. Whereas the number of non-life companies ranges from 29 to 36 during the period under study. The data on number of offices of life insurers ranges from 9821 in 2023-24 to 11578 in 2018-19 and that of non-life insurers from 10954 in 2016-17 to 11517 in 2023-24 showing the highest in last year of study for non-life and the least for the life in the same year.

Insurance penetration is calculated as ratio of premium to gross domestic product. The data in the table is in percentage depicting better performance of Indian life segment penetration as compared to the non-life. Insurance density is measured as ratio of premium (in US Dollar) to total population. It indicates the per capita contribution of premium in the country. The table reveals more per capita contribution in life as compared to non-life segment. These indicators are also helpful to compare the penetration and density level across countries.

**Table 4**

Table 4 Structure and Concentration of Indian Life and Non-Life Insurance Sector								
Particulars	Profile Indicators							
	Number of Companies		Number of Offices		Insurance Penetration		Insurance Density	
	Life	Non-Life	Non-Life	Life	Life	Non-Life	Life	Non-Life
Financial Years	As on 31 <sup>st</sup> March	As on 31 <sup>st</sup> March	As on 31 <sup>st</sup> March	As on 31 <sup>st</sup> March	FY	FY	FY	FY
	Nos.	Nos.	Nos.	Nos.	%	%	US \$	US \$
2013-14	24	29	9872	11032	3.1	0.8	41	11
2014-15	24	29	10407	11033	2.6	0.7	44	11
2015-16	24	30	10803	11071	2.72	0.72	43.2	11.5
2016-17	24	31	11141	10954	2.72	0.77	46.5	13.2
2017-18	24	35	11200	11112	2.76	0.93	55	18
2018-19	24	36	11578	11279	2.74	0.97	55	19
2019-20	24	34	11394	11310	2.82	0.94	58	19
2020-21	24	33	11248	11060	3.2	1	59	19
2021-22	24	32	10775	11060	3.2	1	69	22
2022-23	25	33	9917	11256	3	1	70	22
2023-24	26	35	9821	11517	2.8	1	70	25

Source: IRDAI Annual Reports and Handbooks

**Section II:** It caters the comparative analysis on the operation and performance of Indian life and non-life insurance industry. This section is comprised from table 5 to 9.

Table 5 shows business figures related to number of new policies issued in a financial year, gross direct premium from new and old continuing policies and the market share of public sector companies in both life and non-life segments based on total premium. Data figures related to number of new policies issued ranges from 259.08 lakhs in 2014-15 to 408.72 lakhs in 2013-14 for life insurance and from 1,048.23 lakhs in 2013-14 to 3359.88 lakhs in 2023-24 for non-life insurance. Gross premium received rises from 79,934.00 ₹ Crore in 2013-14 to 2,93,622.30 ₹ Crore in 2023-24 for non-life insurance and from 314301.66 ₹ Crore in 2013-14 to 8,29,929.46 ₹ Crore in 2023-24 for life insurance. Market share of PSUs (based on Total Premium) in life segment, LIC-the PSU, continuously decline from 75.39% in 2013-14 to 57.32% in 2023-24 and from 57.15% in 2013-14 to 35.90% in 2023-24 in non-life segment which includes National, New India, Oriental, United India, AIC, ECGC and GIC reinsurer revealing the shift towards private insurers.

**Table 5**

Table 5							
Particulars	Business Figures Indicators (Within & Outside India)						
	Number of New Policies Issued		Gross Direct Premium (New & already in Force)			Market share of PSUs (based on Total Premium)	
	Life	Non Life	Non Life		Life	Life (LIC)	Non Life (including Specialized )

Financial Years	FY	FY	FY	FY	FY	FY
	Lakhs	Lakhs	₹Crore	₹Crore	Per cent	Per cent
2013-14	408.72	1,048.23	79,934.00	314301.66	75.39	57.15
2014-15	259.08	1,202.24	87,151.43	3,28,102.01	73	56.36
2015-16	267.38	1,257.61	99,332.93	3,66,943.23	73	55.86
2016-17	264.56	1,542.63	1,30,970.99	4,18,476.62	72	54.45
2017-18	281.97	1,707.71	1,53,437.68	4,58,809.44	69	51.95
2018-19	286.48	1,911.78	1,72,482.77	5,08,132.03	66	46.29
2019-20	288.47	2,415.09	1,92,193.00	5,72,910.19	66	45.25
2020-21	281.27	2,467.33	2,02,082.30	6,28,731.04	64	43.71
2021-22	291.13	2,656.70	2,24,002.80	6,92,614.14	62	41.69
2022-23	284.7	3,018.10	2,60,327.82	7,82,503.97	60.67	39.24
2023-24	291.769	3359.88	2,93,622.30	8,29,929.46	57.32	35.90

Source: IRDAI Annual Reports and Handbooks

Table 6 depicts the operational efficiency of the insurers by revealing their expenses incurred on commission that ranges between 19,460.68 ₹Crore in 2014-15 to 51,524.05 ₹Crore in 2023-24 for life insurance and from 4,623.69 ₹Crore in 2013-14 to 39,600.56 ₹Crore in 2023-24 for non-life insurance. The table also shows the operating expenses related to insurance business of life ranging from 36,859.16 ₹Crore in 2014-15 to 89,442.62 ₹Crore in 2022-23 and of non-life ranges from 16,250.67 ₹Crore in 2013-14 to 54856.06 ₹Crore in 2022-23. Overall analysis of expenses is the result of the increase of the business and inflation also. But need to analyse the cost and benefit trade off of these expenses is a separate area for future studies. By looking at the data of number of policies and the expenses reveal that in life segment the expenses are high comparatively may be because of its long term nature of liability and the high amount of premium per policy and may be due to inefficiencies but how much accounts for what is to be judged through further analysis of each company accounts.

Table 6

Table 6				
Particulars	Expenses Indicators			
	Commission Expenses (includes Rewards from 2019-20 onwards)		Operating expenses related to Insurance business	
	Life	Non Life	Life	Non Life
Financial Years	FY	FY	FY	FY
	₹Crore	₹Crore	₹Crore	₹Crore
2013-14	20846.37	4,623.69	37465.41	16,250.67
2014-15	19,460.68	5,212.00	36,859.16	20,206.37
2015-16	20,266.69	5,786.49	38,777.89	23,244.70
2016-17	22,073.73	6,601.66	46,138.88	25,594.35
2017-18	25,302.05	10,030.34	48,820.69	25,611.44
2018-19	27,739.82	12,277.42	51,130.26	28,624.10

2019-20	31,192.52	13,893.13	60,121.00	35,844.93
2020-21	32,994.08	15,409.50	61,422.29	38,281.44
2021-22	35,887.31	16,931.10	71,435.02	41,455.29
2022-23	42,321.92	20,144.70	89,442.62	54856.06
2023-24	51,524.05	39,600.56	89,043.91	38,652.83

Source: IRDAI Annual Reports and Handbooks

Table 7 shows the amount of assets under management that includes investments done in central or state government securities, loans given to state government for housing and fire equipment, approved and other investments etc. The data reveals a continuous rise from 1957465.57₹Crore in 2013-14 to 6156849.501₹Crore in 2023-24 for life and from 149536.05₹Crore in 2013-14 to 601111.02₹Crore in 2023-24 for non-life insurance.

Table 7

Particulars	Assets Under Management	
	Life	Non Life
Financial Years	As on 31 <sup>st</sup> March	As on 31 <sup>st</sup> March
	₹Crore	₹Crore
2013-14	1957465.57	1,49,536.05
2014-15	2247522.18	1,72,144.36
2015-16	2502068.29	1,88,125.72
2016-17	2854193.1	2,22,343.65
2017-18	3189060.21	2,68,928.79
2018-19	3533142.84	3,14,331.33
2019-20	3890274.09	3,62,655.66
2020-21	4479973.46	4,33,301.36
2021-22	4952187.174	4,84,540.21
2022-23	5463414.15	540795.58
2023-24	6156849.501	6,01,111.02

Source: IRDAI Annual Reports and Handbooks

Table 8 unveils one of the performance indicator metric i.e profit/loss after tax which registered a steep increase in 2022-23 to 42,788 ₹Crore from 7,751.49 ₹Crore in 2021-22 recording a rise of 35036.51₹Crore in life insurance sector. Whereas non-life segment registered loss after tax during 3 years i.e. 2019-20, 2021-22, 2022-23 immediately before 2023-24 in which the highest profit after tax figure of 10,118.72 ₹Crore was recorded. Another indicator is paid up capital that increased from 25938.51 ₹Crore to 36,841.56 ₹Crore in life and from 10,240.21 ₹Crore to 42,245.34 ₹Crore in non-life segment which is a considerable rise.

Table 8

Particulars	Profit and Paid-Up Capital			
	Profit /Loss after tax		Paid up Capital	
Financial Years	Life	Non Life	Life	Non Life
	As on 31 <sup>st</sup> March	As on 31 <sup>st</sup> March	As on 31 <sup>st</sup> March	As on 31 <sup>st</sup> March
	₹Crore	₹Crore	₹Crore	₹Crore
2013-14	7587.83	4,649.06	25938.51	10,240.21
2014-15	7,611.31	4,639.13	26,239.55	11,504.31
2015-16	7,415.43	3,238.49	26,691.46	12,603.39
2016-17	7,727.89	845.38	26,956.94	13,127.82

2017-18	8,511.99	6,908.80	27,264.37	14,970.69
2018-19	8,435.81	683.21	27,615.94	17,664.00
2019-20	7,728.30	-1,494.38	28,087.96	22,237.93
2020-21	8,660.63	3,852.53	28,346.36	33,719.44
2021-22	7,751.49	-2,856.93	35,547.09	38,732.29
2022-23	42,788	-2565.7	34,957.05	41252.49
2023-24	47,407.28	10,118.72	36,841.56	42,245.34

Source: IRDAI Annual Reports and Handbooks

Table 9 depicts the performance of insurers and ombudsman in resolving the policyholder's complaints. Office of insurance ombudsman, constituted under the Insurance Ombudsman Rules, 2017, is an alternate grievance redressal platform which has been setup with an aim to resolve grievances of aggrieved policyholders against insurance companies and its intermediaries or insurance brokers in a speedy and cost-effective manner. Any aggrieved policyholder who has been issued a policy on personal lines of business, may either himself or through his legal heirs or nominee or assignee may register a complaint with the office of insurance ombudsman either online (introduced from April 2021) or through written communication through e-mail or letter. After receipt of all requirements, insurance ombudsman shall dispose of the complaint by way of an award within a period of three months and such decision shall be binding on the insurance companies and its intermediaries or insurance brokers as the case may be. The offices of insurance ombudsman are under the administrative control of Council for Insurance Ombudsmen (CIO). 18 Ombudsman Centres, covering the country, established in Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kochi, Kolkata, Lucknow, Mumbai, Pune, Patna, Noida and Thane. CIO works in close co-ordination with life insurance council and general insurance council at regular intervals. CIO believes in a robust corporate governance framework and takes cognizance of risk management components. Resolution rate by the life insurer ranges from 97.82% in 2014-15 to 99.88% in 2020-21(COVID period) shows the commitment to satisfy the maximum policyholders. Resolution rate of non-life insurers ranges from 95.8% in 2022-23 to 98.71% in 2013-14 which clearly shows the low rate comparatively to the life segment. Disposal rate of grievances by ombudsman in life segment ranges from 64.04% in 2017-18 to 94.25% in 2022-23 whereas in non-life it ranges from 59.56% in 2017-18 to 94% in 2023-24.

Table 9

Particulars	Redressal of Consumer Grievances			
	Resolution rate by Insurers		Disposal rate by Ombudsman	
Financial Years	Life	Non Life	Life	Non Life
	FY	FY	FY	FY
	Per cent	Per cent	Per cent	Per cent
2013-14	99.69	98.71	71.61	66.77
2014-15	97.82	96.59	76.22	72.49
2015-16	99.56	98.41	90.72	93.95
2016-17	99.8	98.52	92.66	91.75
2017-18	99.87	96.32	64.04	59.56
2018-19	99.95	98.65	70.45	61.39
2019-20	98.26	98.67	80.43	74.59
2020-21	99.88	98.33	91.09	83.85
2021-22	99.92	97.44	93.73	86.12
2022-23	99.76	95.8	94.25	91.09
2023-24	99.87	98.22	87.34	94

Source: IRDAI Annual Reports and Handbooks

Section III – This part achieves the third objective of the study to analyse the whole Indian insurance industry through the graphical presentation with the help of excel line graphs. The section comprised of 11 figures to summarize the industry structure, concentration, operation and performance.

Figure 1 depicts the aggregate number of insurer companies and number of foreign reinsurers' branches in India for life and non-life both. The line graph clearly shows the higher number of foreign reinsurer branches as compare to the domestic insurer companies indicating the increasing FDI. Though the rate of increase is approximately similar in both foreign branches and domestic companies but the absolute data in numbers is more of the foreign reinsurers as its line graph is above the graph of the domestic insurer companies.

**Figure 1**

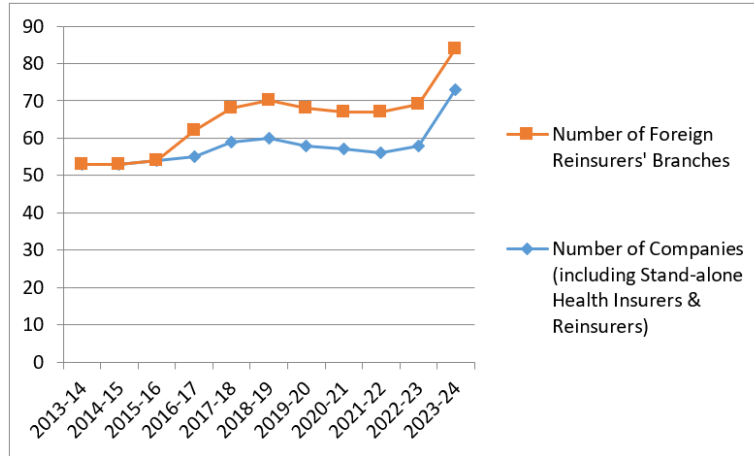


Figure 2 shows the total number of insurer offices in India. It is clear from the line graph that the number of offices follows an increasing trend from 2013-14 to 2018-19 registering the highest number and gradually start falling afterwards but remain above 21000.

**Figure 2**

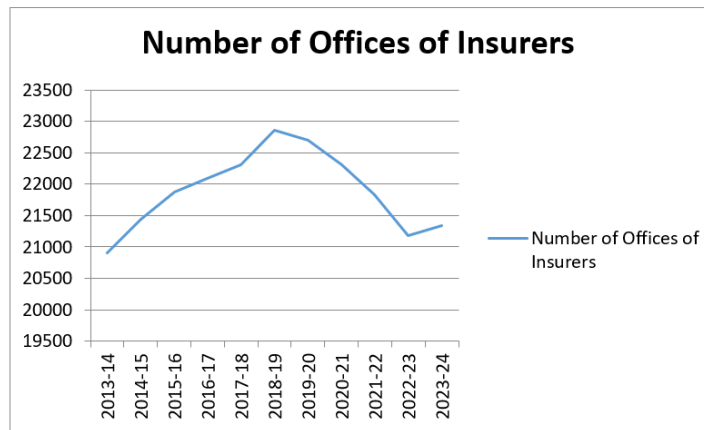


Figure 3 unveils the normalised indicator of Indian insurance penetration and density level capable of being compared to the other countries of the world as the measure is relative to the macro level metric i.e. GDP and total population. This line graph clearly shows the higher and increasing trend of the density but very low and stagnant penetration level of insurance in India as a whole. This indicates the need to increase the contribution of insurance industry to GDP of the country.

**Figure 3**

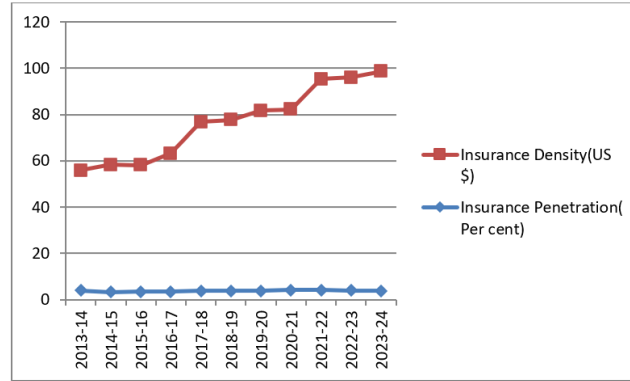


Figure 4 depicts the total number of new policies issued in a financial year for life and non-life segment aggregately. The data is in lakhs unit. The upward moving trend line clearly shows that inclusion of population getting enrolled for insurance is increasing year by year. However number of new policies issued is not a sole metric for the sound performance of the insurer and customer satisfaction, rather persistency ratio that shows the long term trust and bonding of policyholder with the insurer.

**Figure 4**

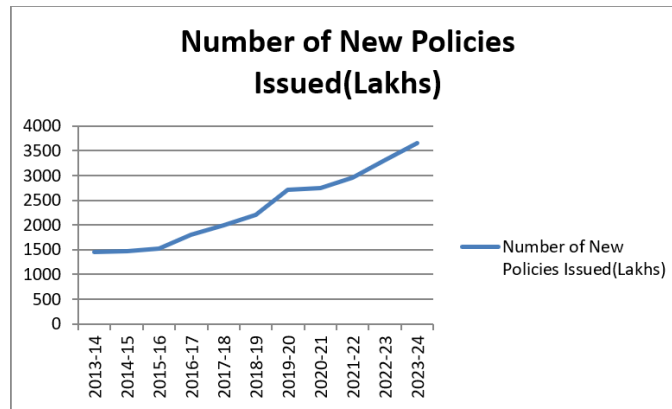


Figure 5 shows the amount of total premium received by all the insurers aggregately in a financial year in rupees crore unit. The continuous increasing trend revealed by the line graph depicts that the total premium which includes the amount received in lieu of the policies already in force i.e. the old continuing policies and also from the new policies in a year is increasing year by year.

**Figure 5**

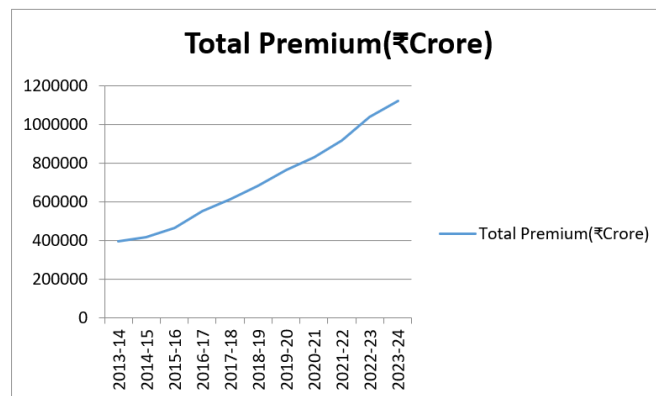


Figure 6 shows the share of the total premium received by the public sector insurers of life and non-life including the specialised and reinsurers relative to the total premium of the industry in percent unit. The gradual decreasing trend line is revealing the increasing market share of the private insurers.

Figure 6

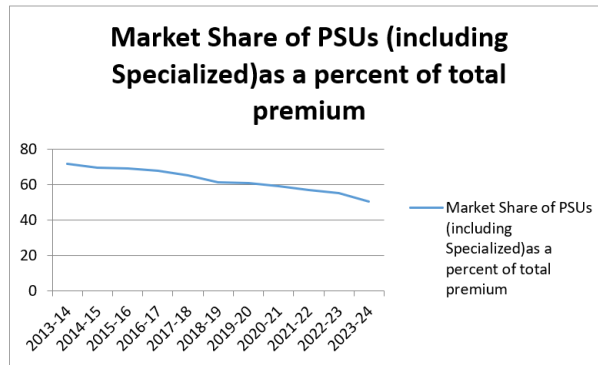


Figure 7 is providing the trend line of the expenses related to commission and the operating expenses related to insurance business in rupees crore unit. The line graph clearly shows the increasing expenses of the industry. It also shows that the commission expenses are more than the operating expenses revealing the increasing contribution of the intermediaries in raising the insurance industry. The insurance sector is contributing in providing employment to the people of the country thereby ensuring its foothold in economic and social development of the nation.

Figure 7

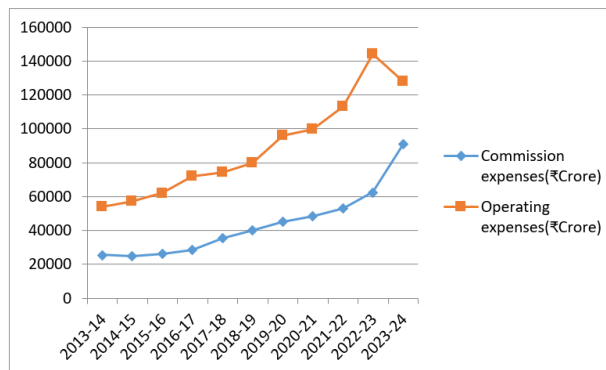


Figure 8 is showing the amount of claims paid to the policyholders in rupees crore. The increasing trend line is depicting the higher level of claims paid. It is analogous to the increasing trend of number of policies issued and total premium received shown in figure 4 and 5 that obviously will increase the probability of claims incurred and paid.

Figure 8

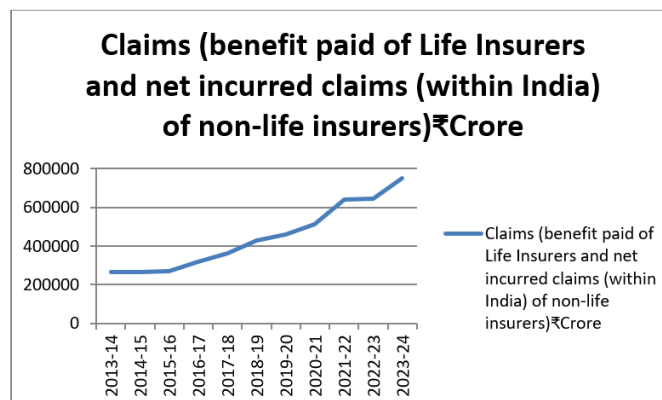


Figure 9 shows the assets under management of the insurers and the reinsurers in unit of rupees crore. The upward moving trend line is depicting the increase in the investment portfolio of the insurers in each financial year.

Figure 9

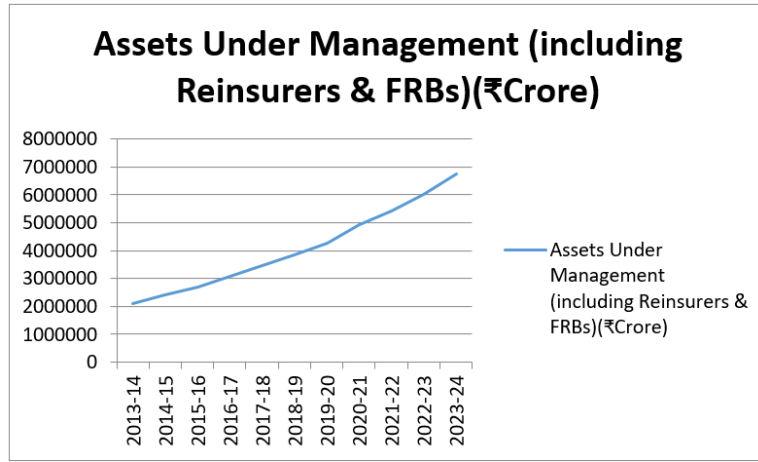


Figure 10 is depicting the profit after tax (PAT) and paid up capital of the insurers and the reinsurers in the unit of rupees crore. The line graph of PAT shows a gradual increase in the initial years of the study till 2018-19 but after that increased with a high rate till 2021-22 and thereafter gained a low rise during 2022-23 before taking a steep rise again in 2023-24. Paid up capital line graph is depicting a slow decline in the initial years of study till 2016-17 rising steeply thereafter during 2017-18 till mid of 2018. Subsequently the line graph attains a steep decreasing trend till the mid of 2020 increasing thereafter only for a year till the mid of 2021 before the short term steep decline during a year till the mid of 2022. Paid-up capital reveals a sudden steep hike during 2022-24 indicating huge inflow of capital in Indian insurance industry.

Figure 10

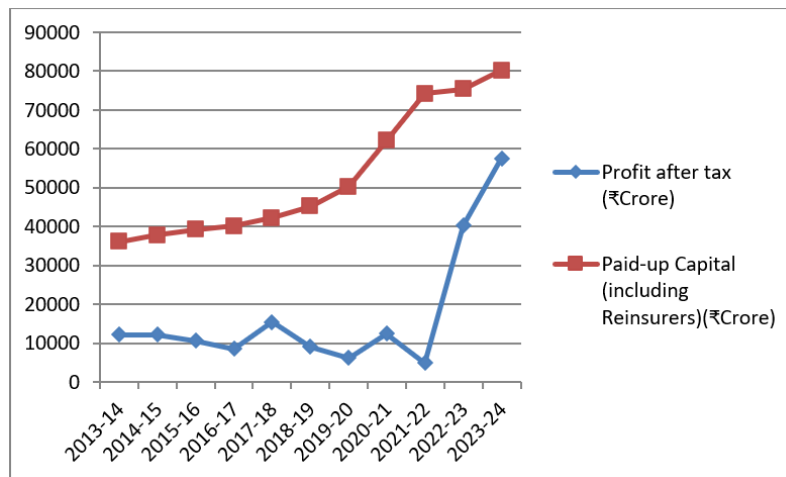
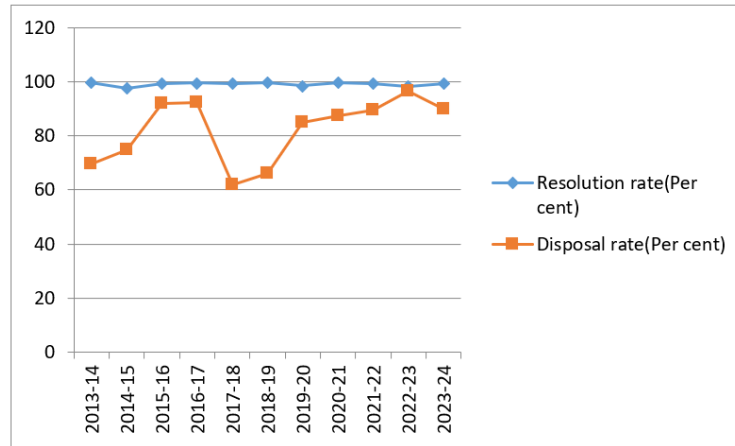


Figure 11 indicates the grievance redressal rate by the insurers and the ombudsman in unit percent. Resolution rate is the redressal by the insurer company that shows a good performance close to 100% each year whereas the disposal rate is the redressal by ombudsman that shows fluctuating trend with the lowest rate being close to 60% in 2017-18 and highest close to 100% in 2022-23. Concluding the overall results reveals better performance of the insurer company than the ombudsman due to the complexity of the cases arrived after getting rejected at the company level.

**Figure 11**



## 6. LIMITATIONS OF THE STUDY

Limitations of the present study will pave the way for the future studies.

- 1) Region wise analysis of the industry is missing
- 2) Analysis based on the channel of distribution (intermediaries) is not there.
- 3) Analysis of performance based on the time taken in paying the claims, resolving and disposing off the grievances can be taken up in future researches.
- 4) Primary analysis based on questionnaires filled by policyholders, employees and other stakeholders could be carried out in future researches.

## 7. CONCLUSION

The insurance sector in India has played a vital role towards the steadiness and growth of the Indian economy. It has gone through significant transformation over the past few decades, driven by regulatory reforms. This sector is transformed from being dominated by a single player to becoming a sector comprising various players offering diverse range of products tailored to meet the needs of the customers. The adaptation of the latest technologies and the rising customer awareness (especially after COVID-19 pandemic) has established a strong base for the industry to flourish in the near future. As per IRDAI, the insurance market in India is expected to touch US\$ 222 billion by 2026 (India Brand Equity Foundation, 2024). Additionally, IRDAI has adopted a new mission of 'Insurance for All' 2047, that is expected to increase the insurance penetration, while ensuring the ease of doing business for the insurers. As per Swiss Re, the insurance sector in India is projected to grow the fastest among the G20 countries, with the total premium projected to grow at an average of 7.1% as compared with the global average of 2.4% between 2024- 28. Despite the various challenges that the industry faces, they present an opportunity for the various stakeholders in the sector to innovate and expand the sector further.

## CONFLICT OF INTERESTS

None.

## ACKNOWLEDGMENTS

None.

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