

FINANCIAL PERFORMANCE ANALYSIS OF SELECT LIFE INSURANCE COMPANIES OPERATING IN INDIA

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Abstract

Before establishment of IRDAI there was a monopoly of LIC in life insurance business in India for a quite long period. Establishment of IRDAI paved the way for the private insurers to do life insurance business since the year 2000 to bring a true competitive environment among the insurers, and consequently now 23 private life insurance companies are running side by side the only public sector insurer LIC.

In the present paper an attempt has been made to analyze the financial performance of select six private life insurers and the state-owned LIC taking a study period of 10 years from 2010-11 to 2019-20. The major objectives of the study are: (1) to compare the financial performance of the sample companies; (2) to rank these companies and (3) to find out the major determinants of their profitability.

Considering various financial performance indicators, the companies have been ranked. Afterwards, necessary regression analysis has been made to know the impact of major predictor variables on the profitability of the sample companies.

Key words: *Solvency Ratio, Persistency Ratio, Claim Settlement Ratio, Commission Expense Ratio, Asset Size, Return on Equity*

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