

An Analytical Study of Indian General Insurance Companies

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Abstract

In today's General insurance plays a vital role in day to day life. Life is incomplete without it. Because general insurance is very useful in motor insurance, health insurance, fire insurance. Today India is one of the fastest growing economies of the world. General insurance of public sector in India is going through a drastic transformation with the arrival of new companies into the market and has become quite competitive with rising awareness among the insured. This research paper aims to analytical study of Indian general insurance companies of public sector consecutives the last eight years viz. 2013-14 to 2020-21. The data were analysed using some statistical tools to examine analytical research of public sector insurance, namely Oriental India Insurance Co. Ltd., New India Assurance Co. Ltd., United India Insurance Co. Ltd. and National Insurance Co. Ltd. This research found that New India Assurance Co. Ltd. have outstanding performance among the General Insurance Insurers of the Public Sector. This study also found that New India Assurance Co. Ltd. has good Solvency Ratio in every year from 2013-14 to 2020-21. It is also earned good net earned premium among the General Insurance Company of the Public Sector.

Key Words: General Insurance, Net Incurred Claims, Net Earned Premium, Solvency Ratio.

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1. INTRODUCTION

Insurance has a long history in India. It finds mention in the writings of Manu (Manusmriti), Yagnavalkya (Dharma sastra) and Kautilya (Arthashastra). In the event of a natural disaster, such as a fire, flood, disease, or famine, resources could be pooled and redistributed. This may have been a precursor to today's insurance industry. In the form of maritime trade loans and carriers' contracts, ancient Indian history has retained the first evidence of insurance. Over time, insurance in India has largely been influenced by other countries, particularly England.

In the 1818 business of life insurance begun in India by the establishment of the Oriental Life Insurance Company in Calcutta. In 1829, Madras Equitable started business of life insurance in Madras Presidency. In 1870, British Insurance Act has enacted. After this act enacted some of other insurance company started business in Bombay Presidency, Bombay Mutual (1871), Oriental (1874) and Empire of India (1897). However, in this period foreign insurance companies were dominated. Which did good business in India specifically Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance. Though, Indian Insurance companies were ready to hard competition from foreign companies.

The government of India first began publishing the annual returns of Indian insurance companies in the year 1914. The Indian Life Assurance Companies Act of 1912 was the first piece of legislation to be passed with the express purpose of regulating the life insurance industry. In 1928, the Indian Insurance Companies Act was passed into law in order to give the Indian government the ability to compile statistical data regarding the life and non-life business that was conducted in India by Indian and foreign insurers, including provident insurance societies. This data was to be used for both internal and external reporting purposes. The prior legislation was merged and altered by the Insurance Act, 1938, which was passed in 1938 with comprehensive provisions for effective control over the activities of insurers. This was done with the intention of preserving the interests of the general public with regard to insurance.

Principal Agencies were discontinued as a result of the Insurance Amendment Act of 1950. On the other hand, there were a great many different insurance companies, thus the degree of competition was exceptionally high. Additionally, claims of deceptive business methods were made. As a result, the Government of India came to the conclusion that the insurance industry should be nationalised.

On the 19th of January in 1956, an Ordinance was passed that nationalised the life insurance industry. The same year that the Ordinance was passed, the Life Insurance Corporation was established. The Life Insurance Corporation of India (LIC) was responsible for the acquisition of 245 different insurance companies, including 154 Indian companies, 16 non-Indian companies, and 75 provident societies. Until the late 1990s, when the insurance market was finally opened up to competition from the private sector, the monopoly was held by the LIC.

1.1 History of General Insurance

The beginning of the general insurance industry may be traced back to the beginning of the Industrial Revolution in the western hemisphere and the subsequent expansion of sea-based trade and commerce in the 17th century. As a result of the British colonial rule, it was brought to India. The British settlers in India established the Triton Insurance Company Ltd. in the city of Calcutta in the year 1850. This was the beginning of the general insurance industry in India. The Indian

Mercantile Insurance Ltd. was established the same year, in 1907. This was the first company that did business in all categories of general insurance.

The General Insurance Council, which would later become a branch of the Insurance Association of India, was established in the year 1957. A set of guidelines for ethical behaviour and good business practises was devised by the General Insurance Council (GIC) and put into place.

The Insurance Act was revised in 1968 to include provisions for the regulation of investments and the establishment of minimum solvency margins. In that same year, the Tariff Advisory Committee was established.

The General Insurance Business (Nationalisation) Act was passed in 1972, and as a result, the general insurance business was nationalised on January 1, 1973. This took effect immediately. The National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd., and the United India Insurance Company Ltd. are the four businesses that were formed as a result of the consolidation of 107 different insurance providers. In 1971, the General Insurance Corporation of India became a legally recognised business entity, and on January 1, 1973, it opened its doors for business.

A journey that has lasted over 200 years and encompassed the entirety of this millennium has brought insurance full circle. The industry had begun the process of re-opening its doors in the early 1990s, and over the course of the past decade and more, those doors have been opened up dramatically. In 1993, the Government of India appointed RN Malhotra, a former Governor of the Reserve Bank of India, to lead a committee that was tasked with making suggestions for reforms in the insurance industry. The reforms that were started in the financial industry were meant to be complemented by this effort. 1994 was the year that the committee handed in its report, in which it made a number of recommendations, one of which was that the insurance market be opened up to competition from the private sector. They proposed that foreign firms be permitted to enter the market by floating Indian companies, and that the entry should ideally take the form of a joint venture with Indian partners.

In 1999, in response to the recommendations that were included in the report that was produced by the Malhotra Committee, the Insurance Regulatory and Development Authority (IRDA) was established as an independent entity with the purpose of regulating and developing the insurance business. In April of 2000, the IRDA became a statutory entity after it was incorporated. The Insurance Regulatory and Development Authority (IRDA) has several primary goals, one of which is to encourage competitive pricing in the insurance sector. This will promote customer satisfaction by giving them more options to choose from and bringing down their overall premium costs.

In August 2000, the IRDA issued an open invitation for registration applications. Foreign entities could own up to 26% of the company. Regulators under Section 114A of the Insurance Act 1938 have since 2000 issued a variety of regulations, from registration of insurance businesses to protecting policyholders' rights, in accordance with Section 114A.

At the same time that GIC was reformed into a national re-insurer in December of 2000, the company's subsidiaries became independent corporations. In July 2002, Parliament passed legislation to separate GIC's four subsidiaries.

There are currently 24 life insurance firms and 34 general insurance companies that are active in the country. Some of the general insurance companies include the ECGC and the Agriculture Insurance Corporation of India.

Insurers are expanding at a rate of 15-20 percent per year, making the industry one of the largest in the world. Insurance services provide around 7% of the country's GDP in addition to banking services. Economic growth benefits from a well-developed and evolving insurance sector since it provides long-term funding for infrastructure development while also boosting the country's risk-taking capacity.

1.2 General Insurance Company

Meaning: General insurance refers to insurance contracts that do not fall under the purview of life insurance. Different types of non-life insurance include fire, marine, motor and accident insurance. Protecting the economic value of the tangible assets is necessary because they are vulnerable to destruction. General insurance products are purchased for this purpose since they safeguard the asset against unpredictable events such as damage and loss.

1.3 Types of General Insurance Plans (Policy)

There are different types of general insurance companies are below:

- Motor Insurance Plans
- Travel Insurance Plans
- Personal Accident Insurance Plans
- Home Insurance Plans
- Health Insurance Plans
- Commercial Insurance Plans

Motor Insurance Plans: A policy that covers third party liabilities incurred if your vehicle damages third party property or causes third party injuries. Comprehensive motor insurance plans also cover the damages suffered by the vehicle itself. It is also known as Auto Insurance.

Travel Insurance Plans: A policy that covers the financial risks you might face when you are travelling for business, leisure or studies. Travel insurance plans cover both international and domestic trips. In other words, Travel insurance products will protect you from unforeseen problems, such as lost luggage, passport delays, medical emergencies, and so on. – Travel insurance policies Individual travel insurance, family travel insurance, student travel insurance, and senior citizen health insurance are the most common subcategories of travel insurance.

Home Insurance Plans: A policy that covers the financial loss suffered due to damages caused to the structure and/or the contents of the house. Home insurance protects your house and its contents in the form of a shield during bad times. The policyholder can protect their home from the natural calamities such as burglary, fire, earthquake or destruction of the house, etc.

Personal Accident Insurance Plans: A policy that covers accidental death and disablement. A lump sum benefit is paid in case of deaths or disablements suffered in an accident. This kind of insurance is distinct from life insurance, medical and health insurance. Anywhere in the world, any time of day, the Policyholder can either take out this policy individually or as part of a family group policy to protect you all. The insurance covers you around the clock, anywhere in the

world. Permanent disability, medical expenses, hospitalisation benefits, and more are all included in this individual accident policy.

Health Insurance Plans: A policy that covers medical contingencies suffered due to an illness, injury or accident. The costs of medical treatment and hospitalisation are covered by health insurance, which is known as Mediclaim in India. Individuals or your entire family can take a health insurance plan. Individual health insurance, family floater health insurance, critical sickness insurance, and comprehensive health insurance are the most common types of health insurance. By paying a little annual premium, the policyholder can cover any large medical bills that have occurred in their life.

Commercial Insurance Plans: Commercial insurance protects businesses from potential losses caused by unforeseeable events such as theft, liability, property damage, and so on. Shopkeepers' insurance, warehouse insurance, transit insurance, product and public liability insurance, employee liability insurance, marine insurance, property insurance, and many more are examples of common insurance plans.

Some participating General Insurance companies are below:

- a) Future Generali India Insurance Co. Ltd.
- b) New India Assurance Co. Ltd.
- c) Oriental Insurance Co. Ltd.
- d) National Insurance Co. Ltd.
- e) Agriculture Insurance Company of India Ltd.
- f) United India Insurance Co. Ltd.
- g) Bajaj Allianz General Insurance Co. Ltd.
- h) HDFC ERGO General Insurance Co. Ltd.
- i) ICICI LOMBARD General Insurance Co. Ltd.
- j) Kotak Mahindra General Insurance Co. Ltd. & etc.

2. LITERATURE REVIEW

Kannan, N. (2010) There's a good chance that work prospects will increase. There are a growing number of insurance-related websites, financial publications, and training institutes. In many colleges and management institutes, new insurance courses are either being offered or are in the works. In today's market economy, life insurance is a must-have because of the potential for earning substantial sums of money over an extended period of time. If we want a worry-free future, we must have a well-regulated life insurance market that adapts to the times and provides customers with tailored policies to meet their financial needs.

Kalpana, C & C, Paramasivan (2015) This analysis has allowed us to conclude that there is substantial evidence that customers' interactions with insurers are evolving. The internet is revolutionising consumer offers in various retail sectors and establishing a new standard for how firms connect with consumers. Prior to making a purchase, there is far more information available in the majority of consumer industries, allowing shoppers to evaluate items and prices and acquire impartial opinions. Future market leaders in online insurance distribution in India will be insurers that better comprehend the buying behaviour of online customers, create innovative, attractive, and simple products that cater to specific customer needs, and have a robust

communication and customer engagement model supporting their online marketing strategy. Traditional life insurance and face-to-face sales will always be in demand, but this demand is gradually transitioning to internet insurance. This sector has the potential to develop to US\$ 280 billion by 2020, from its 2014 level of US\$ 72 billion. This expansion is primarily attributable to India's favourable regulatory climate. IRDA has always ensured the sector's stability and fairness.

Sakharam Kasar, Umesh (2021) According to the study, the insurance business has grown in many ways, with private life insurance companies outpacing LIC in several areas. In certain ways, LIC is superior to private life insurers, even though LIC's expansion has not been as rapid as it was in its earlier stages. Private life insurance firms can use the findings of this study to better target their efforts, gain a larger proportion of the market, and boost their bottom lines by better understanding how the life insurance industry is growing from all angles. Many private companies in India have shut down their operations in rural areas, resulting in a decrease in rural sales. Until 2018-19, India's total real premium growth rate was increasing; however, in 2019-20, it began to decline. Life insurance generates greater revenue than non-life insurance. Only a very small percentage of new policies issued by life insurance companies are generated by private participants. Private players' death claims paid and pending percentages are on the higher side, and they are settling the most claims possible to gain market trust. There are 23 private participants in the industry, and LIC is claiming the most market share of them all, with a steady rise in market share for private players.

Bloch et. Al. (2012) Indian health insurance sector has witnessed a remarkable growth during the last few years which is manifested in the quantum jump in the premium collection and no of policies. As per the data released by National Sample Survey Organization 60th round 2010-11 less than 15 % of the population is covered under some health scheme. 2.2% of the population is covered under private health insurance. In the wake of this data, there is a tremendous opportunity for health insurance companies to tap untapped market of health insurance. Besides this, IRDA, as a regulatory watchdog has also taken steps to popularize and facilitate varied health insurance schemes by issuing necessary guidelines and circular from time to time. Premium collection has grown by 42% on year on year basis. Compounded annual growth rate for no of policies is 20.35%. No of members has grown by 36.84% percent. Results are analysed using t statistics. Results of t statistics prove that more than 40% growth in premium and more than 20% growth in no. of policies are statistically significant and 25% growth rate in number of members is not statistically significant.

Muthuraman, Balamurugan & Mohandoss, Karthik (2013) The study find that A life insurance policy is not only a business transaction. More than merely securing development resources is at stake here; it is also a matter of ensuring citizens' well-being. In doing so, it serves as a bridge between the past and the future. As of this writing, India is one of the world's fastest-growing economies. Hong Kong is presently the third largest economy in Asia and has found its way into the top ten worldwide GDP rankings (GDP). The service sector's contribution to GDP increased by 9.30 percent in 2010-2011. Insurers around the world have been shifting their business models, and the ripple effect can be seen in the Indian industry as well. In India, life insurance firms may be traced back to times before nationalisation. The Life Insurance Corporation of India was established under the constitution following the country's nationalisation. The liberalisation, privatisation, and globalisation policies in India have encouraged insurance businesses to expand

their business operations around the world. However, a large number of foreign insurers have entered the Indian insurance industry as well. There is evidence that private sector insurance businesses have grown faster than government-owned ones in recent years.

3. RESEARCH METHODOLOGY

3.1 Problem Statement

- An analytical study of Indian General Insurance companies.

3.2 Research Objectives

- To analysis of equity share capital of insurance companies.
- To analysis of gross premium, net incurred premium or claims paid by the insurance companies.
- To analysis of solvency ratio of the companies.

3.3 Sampling Frame

The population for the analysis is Indian insurance companies. It consists of four insurance companies of public sector for analysis. These companies are United India Insurance Co. Ltd., National India Insurance Co. Ltd., New India Assurance Co. Ltd. & Oriental Insurance Co. Ltd.

3.4 Research Design

The currently research reports analytical and descriptive study that tries to find analysis of profitability, management expenses and premium of insurance companies using statistical tools such as tables, graph and other statistical required formulas.

3.5 Collection Data

This research is based on secondary data sources. Which is taken from some journals, annual reports, articles, news papers and some other websites is used as secondary data sources.

3.6 Limitation of Study

This research explores only four insurance companies of public sector to reach out to its aim namely United India Insurance Co. Ltd., National India Insurance Co. Ltd., New India Assurance Co. Ltd. & Oriental Insurance Co. Ltd. We have considered eight consecutive financial year (2013-14 to 2020-2021).

4. DATA ANALYSIS

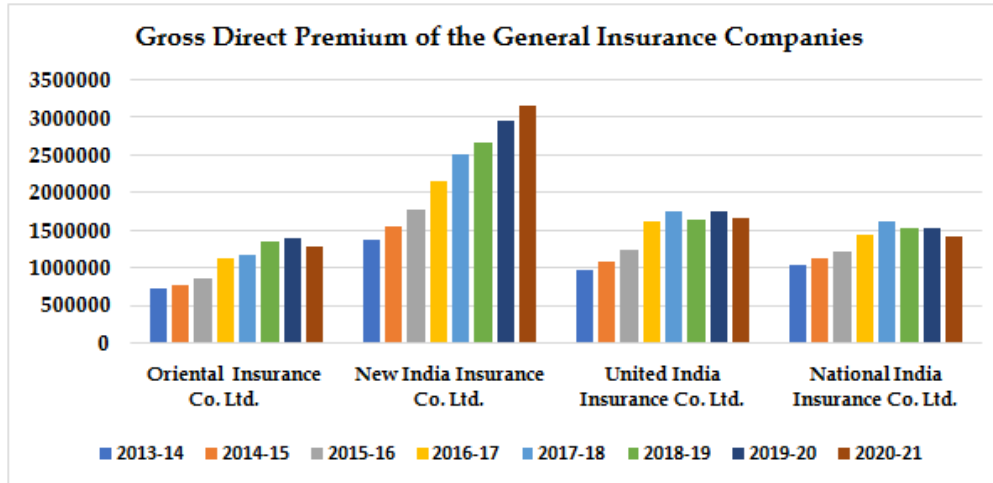
Table 1: Gross Direct Premium of the General Insurance Companies

Year	Oriental Insurance Co. Ltd. (Rs. in Lakhs)	New India Insurance Co. Ltd. (Rs. in Lakhs)	United India Insurance Co. Ltd. (Rs. in Lakhs)	National India Insurance Co. Ltd. (Rs. in Lakhs)
2013-14	728253	1372760	970893	1026096
2014-15	756192	1548035	1069173	1128262
2015-16	861159	1776331	1225036	1201898
2016-17	1111702	2159792	1606281	1428236
2017-18	1173684	2515931	1742995	1624368
2018-19	1348475	2660799	1642047	1517994
2019-20	13,99601	2971507	17,51509	15,31288

2020-21	12,74742	3157342	1670470	14,18575
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*Data collection from IRDAI and General Insurance Companies annual reports.

Graph 1: Gross Direct Premium of the General Insurance Companies



The above Table 1 and Graph 1, are showing the data of Gross Direct Premium of the public sector general insurance companies. Gross direct premium is also known as gross premium written which means “the sum of an insurance corporation direct premiums written and its expected premiums written prior to the effect of yielded reinsurance.”

From the Oriental Insurance Co. Ltd., its gross direct premium increasing trend every year but during the financial year 2020-21 has decreasing as compare to other financial years.

New India Assurance Co. Ltd. has increasing trends in gross direct premium. In other words, new India Insurance Co. Ltd. has growth every year from 2013-14 to 2020-21.

In the FY 2013-14, United India Insurance Co. Ltd. have Rs. 970893 lakhs of gross direct premium. It has increased every year to 2017-18 with amount of Rs. 1742995 lakhs. But in the next following year slightly decreased to Rs. 1642047 lakhs. In the year 2019-2020, again slightly increased to Rs. 1751509. But during the year 2020-2021, the gross direct premium again saw a decline.

From the National India Insurance Co. Ltd. has the increasing trends every year from 2013-14 to 2017-18. By the way, the company also earned the highest gross direct premium this year. After this year 2017-18, the company has seen a down fall in gross direct premium.

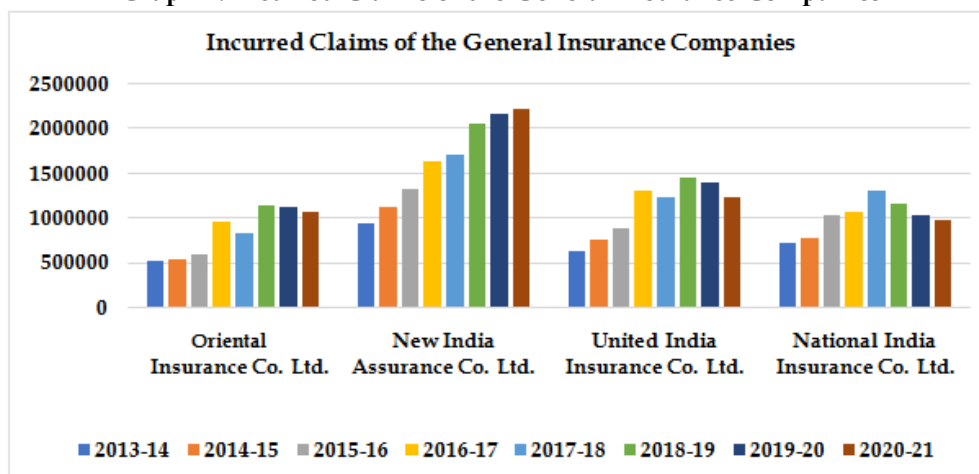
Table 2: Incurred Claims of the General Insurance Companies

Year	Oriental Insurance Co. Ltd. (Rs. in Lakhs)	New India Assurance Co. Ltd. (Rs. in Lakhs)	United India Insurance Co. Ltd. (Rs. in Lakhs)	National India Insurance Co. Ltd. (Rs. in Lakhs)
2013-14	511102	938095	627738	704861
2014-15	526150	1118804	744303	767518
2015-16	587959	1314119	880109	1028239
2016-17	939809	1625692	1288150	1050668

2017-18	822121	1689646	1213781	1287068
2018-19	1124808	2049670	1433609	1143403
2019-20	1117961	2151261	1394531	1024995
2020-21	1052169	2208696	1230211	969391

*Data collection from IRDAI and General Insurance Companies annual reports.

Graph 2: Incurred Claims of the General Insurance Companies



The Table 2 and Graph 2, are representing the data of incurred claims of the four general insurance companies. "Net Incurred Claims refers to the number of claims incurred during a year after deducting reinsurance recoveries".

In the year 2013-14, Oriental Insurance company Ltd. has Rs. 511102 lakhs incurred claims. Only little bit increasing trends to the FY 2015-16. In the year 2016-17 company has Rs. 939809 incurred insurances. A down fall saw in the year 2017-18 and 2020-21 as compared to previous years. In the year 2018-19 and 2019-20 have about similar trends.

In the New India Assurance Co. Ltd. net incurred claims increased year by year resulting in the outflow of the statement amount to insured ones.

In the United India Insurance Co. Ltd. has similar trends like Oriental India Insurance Co. Ltd. But amount of figures are different.

National India Insurance Co. Ltd. has incurred claims amount of Rs. 704861 in the year 2013-14. In the following year 2014-15 to 2017-18 have increased trends of incurred claims. And we have saw down fall from the year 2018-19 to 2020-21.

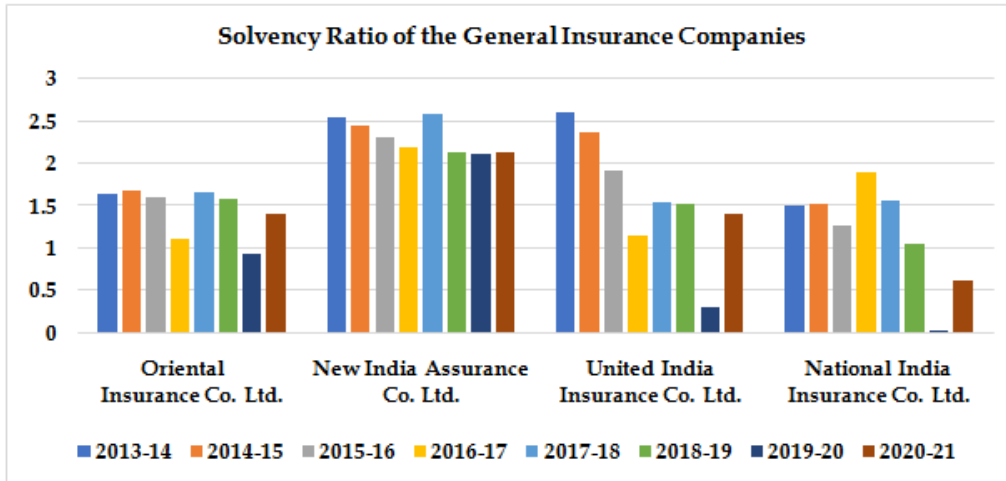
Table 3: Solvency Ratio of the General Insurance Companies

Year	Oriental Insurance Co. Ltd.	New India Assurance Co. Ltd.	United India Insurance Co. Ltd.	National India Insurance Co. Ltd.
2013-14	1.64	2.54	2.61	1.50
2014-15	1.68	2.44	2.36	1.52
2015-16	1.59	2.30	1.91	1.26

2016-17	1.11	2.19	1.15	1.90
2017-18	1.66	2.58	1.54	1.55
2018-19	1.57	2.13	1.52	1.04
2019-20	0.92	2.11	0.30	0.02
2020-21	1.40	2.13	1.41	0.62

*Data collection from IRDAI and General Insurance Companies annual reports.

Graph 3: Solvency Ratio of the General Insurance Companies



The Table 3 and Graph 3 are showing the data of solvency of the four general insurance companies. “A solvency ratio is a performance measured that helps us examine a company’s financial health. In precise, it enables us to determine whether the company can meet its financial obligations in the long term.”

$$\text{Solvency Ratio} = (\text{Net income} + \text{Depreciation}) / \text{Liabilities}$$

“As per the IRDAI’s mandate, the minimum solvency ratio insurance companies must maintain is 1.5 to lower risks.”

From the data of Oriental India Insurance Co. Ltd. solvency ratio favourable 2013-14 to 2015-16. Only unfavourable solvency ratio of the company in the years 2016-17, 2019-20 & 2020-21. In the two more year 2017-18 & 2018-19 insurer has favourable solvency ratio.

In the context of solvency ratio New India Assurance Co. Ltd. has favourable solvency ratio year by year.

United India Insurance Co. Ltd. has favourable solvency ratio in the year 2013-14, 2014-15, 2015-16, 2017-18 & 2018-19. Unfavourable solvency ratio in the year 2016-17, 2019-20 & 2020-21.

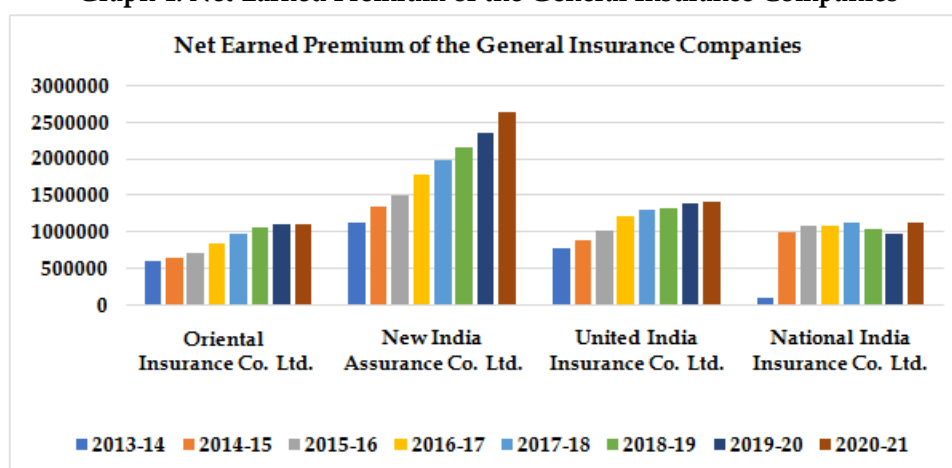
National India Insurance Co. Ltd. has favourable solvency ratio in the year 2013-14, 2014-15, 2016-17 & 2017-18. But Company has unfavourable solvency ratio too. Unfavourable solvency ratio in the year 2015-16, 2018-19, 2019-20 & 2020-21.

Table 4: Net Earned Premium of the General Insurance Companies

Year	Oriental Insurance Co. Ltd. (Rs. in Lakh)	New India Assurance Co. Ltd. (Rs. in Lakh)	United India Insurance Co. Ltd. (Rs. in Lakh)	National India Insurance Co. Ltd. (Rs. in Lakh)
2013-14	595397	1119687	760330	86826
2014-15	642517	1331529	881623	989816
2015-16	702390	1495983	1002287	1079138
2016-17	838326	1781479	1203231	1080362
2017-18	962801	1972460	1286098	1126655
2018-19	1060153	2148759	1310451	1040023
2019-20	1098869	2352884	1374454	968270
2020-21	1100735	2623372	1390793	1124148

*Data collection from IRDAI and General Insurance Companies annual reports.

Graph 4: Net Earned Premium of the General Insurance Companies



The Table 4 and Graph 4 are showing the data of net earned premium of the four general insurance companies. "Net Earned Premium refers when a policyholder pays a premium, the insurer (Insurance Company) does not immediately consider it as an earning. This is because the insurer has not fulfilled their obligation to pay for potential claims upon receiving a premium. The coverage has just started. Thus, only over time as the policy gets closer to its end date, does the premiums paid incrementally become premiums earned. The full premium is considered earned only when a policy reaches its end date".

New India Assurance Co. Ltd. is that company which has earned net earned premium in increasing trend every year from the FY 2013-14 to 2020-21.

United India Insurance Co. Ltd. and Oriental India Insurance Co. Ltd. is also the companies which have earned net premium in increasing trend year by year from FY 2013-14 to 2020-21. But it earned net premium less as compare to New India Assurance Co. Ltd.

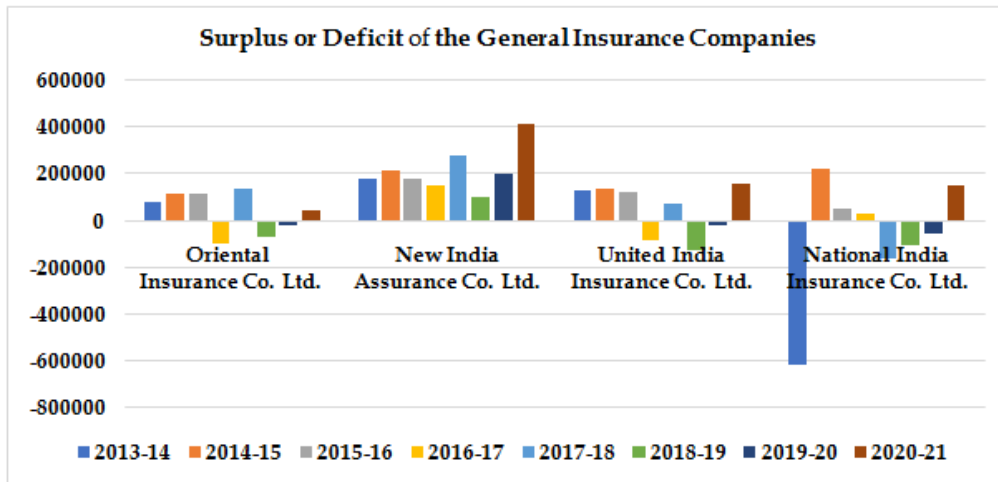
National India Insurance Co. Ltd. has earned net earned premium Rs.86826 in the year 2013-14. In the next following year company has increasing trend in net earned premium to 2017-18.

Table 5: Surplus or Deficit of the General Insurance Companies

Year	Oriental Insurance Co. Ltd. (Rs. in Lakhs)	New India Assurance Co. Ltd. (Rs. in Lakhs)	United India Insurance Co. Ltd. (Rs. in Lakhs)	National India Insurance Co. Ltd. (Rs. in Lakhs)
2013-14	84295	181592	132592	-618035
2014-15	116367	212725	137320	222298
2015-16	114431	181864	122178	50899
2016-17	-101483	155787	-84919	29694
2017-18	140680	282814	72317	-160413
2018-19	-64655	99089	-123158	-103380
2019-20	-19092	201623	-20077	-56725
2020-21	48566	414676	160582	154757

*Data collection from IRDAI and General Insurance Companies annual reports.

Graph 5: Surplus or Deficit of the General Insurance Companies



The Table 5 & Graph 5 are showing the results of surplus/deficit of the four general insurance companies namely Oriental Insurance Co. Ltd., New India Assurance Co. Ltd., United India Insurance Co. Ltd. and National India Insurance Co. Ltd.

$$\text{Surplus/Deficit} = \text{Net earned Premium} - \text{Net incurred claims}$$

New India Assurance Co. Ltd. have surplus better than other three general insurance companies. In the Oriental India Insurance Co. Ltd. have deficit in these years i.e., 2016-17, 2018-19, 2019-20. Rest of the years company have surplus.

United India Insurance Co. Ltd. have deficit in the year 2016-17, 2018-19, 2019-20. Rest of the years company have surplus. But this insurer has better performance as compare to Oriental Insurance.

In the context of National India Insurance Co. Ltd., from beginning of the year 2013-14 company have deficit. But in the next following year 2014-15 slightly changed in surplus, and afterwards diminishing to deficit every year to 2019-20. In the financial year 2020-21 is having the surplus.

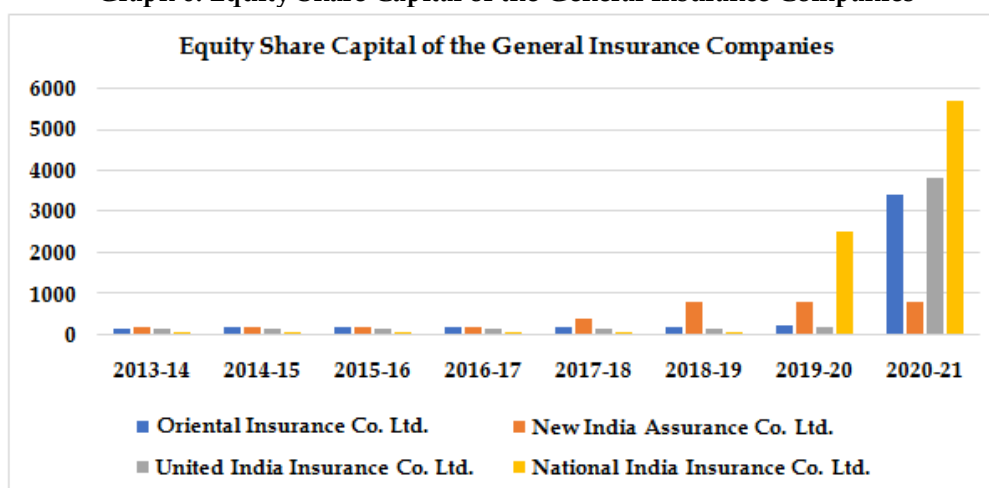
Table 6: Equity Share Capital of the General Insurance Companies

Year	Oriental Insurance Co. Ltd. (Rs. in Crore)	New India Assurance Co. Ltd. (Rs. in Crore)	United India Insurance Co. Ltd. (Rs. in Crore)	National India Insurance Co. Ltd. (Rs. in Crore)
2013-14	150	200	150	100
2014-15	200	200	150	100
2015-16	200	200	150	100
2016-17	200	200	150	100
2017-18	200	412#	150	100
2018-19	200	824#	150	100
2019-20	250#	824	200#	2,500#
2020-21	3420#	824	3,805#	5,675#

*Data collection from IRDAI and General Insurance Companies annual reports.

Infusion during the year

Graph 6: Equity Share Capital of the General Insurance Companies



The Table 6 & Graph 6 are showing the data of four General Insurers which is from public sector. These graph & table are representing the data of equity share capital which is increasing or decreasing every year of every company.

In the Insurer Oriental Insurance Co. Ltd. has equity share capital of Rs. 150 crores in the year 2013-14. In the following year 2014-15 the insurer made infusion in the equity share capital of Rs. 50 crores and total Rs. 200 crores. Equity shares capital of Oriental Insurance constant till 2018-19. But next following years 2019-20 & 2020-21 infusion Rs. 50 crores and Rs. 3,170 crores respectively.

New India Assurance Co. Ltd. (Insure) has equity share capital of Rs. 200 crores and remained constant till 2016-17. But in the next following year 2017-18 company made infusion of Rs. 212 crores in total Rs. 412 crores. Again, company made infusion in the equity share capital amount of Rs. 412 crores and remained constant till 2020-21 of Rs. 824 crores.

In the year 2013-14, United India Insurance Co. Ltd. (Insurer) has equity share capital Rs. 150 crores and remained constant till 2018-19. In the next following year 2019-20, Insurer made infusion in the equity share capital of Rs. 50 crores. Again, Insurer made infusion in the equity share capital amount of Rs. 3,605 crores in next year 2020-21. Which was in total Rs. 3805 crores.

In context of National India Insurance Co. Ltd. has equity share capital of Rs. 100 crores in the year 2013-14 and remained constant till 2018-19. Company made infusion in the equity share capital amount of Rs. 2400 crores in the year of 2019-20. And National Insurance again made infusion in the equity share capital of Rs. 3175 in the year of 2020-21. Which was the share capital of National Insurance during the 2020-21 of Rs. 5675 crores.

5. CONCLUSION

This study found that New India Assurance Co. Ltd. has increasing trends in gross direct premium among the four general insurance of public sector. In other words, new India Insurance Co. Ltd. has growth every year from 2013-14 to 2020-21. Insurer has received more Gross Direct Premium. In other word, we can say that overall performance of New India Assurance Co. Ltd.

In the New India Assurance Co. Ltd. net incurred claims increased year by year resulting in the outflow of the statement amount to insured ones. In the context of solvency ratio New India Assurance Co. Ltd. has favourable solvency ratio year by year. It maintains always solvency ratio above 2.0 every year. After the performance of New India Assurance Co. Ltd. United India Insurance Co. Ltd. is best in the performance in the solvency ratio. It kept above 1.5 ratio every year except these year viz. 2016-17, 2019-20 & 2020-21.

In the context of Net Earned Premium, Performance of New India Assurance Company Ltd. is greater as compare to other company. New India Assurance Co. Ltd. is that company which has earned more net earned premium in increasing trend every year from the FY 2013-14 to 2020-21. After the performance of New India Assurance Co. Ltd. United India Insurance Co. Ltd. is best in the performance in the Net Earned Premium. New India Assurance Co. Ltd. have surplus better than other three general insurance companies. In the Oriental India Insurance Co. Ltd. have deficit in these years i.e., 2016-17, 2018-19, 2019-20. Rest of the years company have surplus.

New India Assurance Co. Ltd. (Insure) has equity share capital of Rs. 200 crores and remained constant till 2016-17. But in the next following year 2017-18 company made infusion of Rs. 212 crores in total Rs. 412 crores. Again, company made infusion in the equity share capital amount of Rs. 412 crores and remained constant till 2020-21 of Rs. 824 crores. National Insurance again made infusion in the equity share capital of Rs. 3175 in the year of 2020-21. Which was the share capital of National Insurance during the 2020-21 of Rs. 5675 crores. We can say in the National India Insurance Co. Ltd. has made infusion of large equity share capital of Rs. 2400, Rs. 3175 in the year 2019-2020, 2020-21 respectively.

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