



Marketing of Life Insurance Services in Bihar

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Life Insurance is a contract that pledges payment of an amount to the person assured on the happening of the event insured against. The contract is valid for payment of the insured amount during the date of maturity or specified dates at periodic intervals or unfortunate death, if it occurs earlier. Among other things the contracted also provides for the payment of premium periodically to the corporation by the policy holders. Life Insurance is universally acknowledged to be an institution, which eliminates 'risk', substituting certainly for uncertainty and comes to the timely aid of the family in the unfortunate event of death of the breadwinner.

By and large, the insurance is civilizations partial solution to the problems caused by death. Life Insurance, in short is concerned with two hazards that stand across the life path of every person that of dying prematurely leaving a dependent family to fead for itself that of living till old age without visible means of support.

For economic development, investments are necessary. Investments are made out of savings. Life Insurance Company is a major instrument for the mobilization of savings of people, particularly from the middle and lower income group. These savings are channeled into investments for economic growth.

Before independence there were about 245 Insurance companies working. In 1956 after nationalization of different Insurance company merged into one Life Insurance Corporation of India (LIC). LIC become the first public Life Insurance Company. No other company worked from 1956 to 2000.

IRDA (Insurance Regulatory Development Authority) established in 1999 by govt. of India. Now these days 23 private and 1 public Ltd. Companies are licenced by IRDA. IRDA controls the overall function of companies by regulating laws.

In 24 Life Insurance Company mostly are big corporate houses and banks like Tata, Birla, Reliance, SBI, PNB, BOI, HDFC, ICICI and many more companies are in queue to take license.

From 2002 to 2010 all these company were emphasizing selling unit link product with Insurance in which investment is made through purchasing of share, mutual funds and highly risk instruments and unit is allocated to the policy holder.

But after sometime or rather say all the insurance companies are again selling traditional plan, like Endoment plan, Child education plan, Retirement plan, Money back plan etc.

**In Context of Bihar :**

Marketing activities are focused on creating and retaining customers by making – customers know about the availability of products. It convenient to the customer to access the products. Customers feel that the cost vis-à-vis benefits from product is reasonable and customers feel satisfaction while using the product. In life insurance the distribution channel involve the agent, development officer, intermediaries like brokers and consultants, direct mailing, branch offices and banks. Agent is the main source of strengthening relationship with the customer. IRDA regulation include 'code of conduct' for agents which stipulates certain dos and don's for the agents. Word-of-mouth is the most powerful advertising medium in the context of life insurance services where the customer in his capacity as claimant plays a vital role in favour the insurer and the agent.

Recognition, responsiveness and ease of access are the factors that are significant in customer's happiness.

Continued contact with the policy holder keep him satisfied and the doubts created by friends' and other agents' talks are removed, which is important to keep him satisfied and happy.

Bihar has 104,099,452 population in 2011, in which 54,278,157 and 49,821,295 are male and female. Bihar has good road map for Insurance companies. Approx 2 lakh people are involved in Insurance policy and services.

Fresh policy/new lives is increasing and people of Bihar know the public and private company. However, LIC is big player of this business. LIC alone did business in 2012-13, no. of policy 2354467 and premium collected was Rs. 1605.16 crore.

**Overall business (New lives) of all companies in Bihar is as follows :**

Years	No. of policies	Premium (in crore)
2009-10	2874562	2768.28
2010-11	2541171	2459.16
1011-12	2672631	2225.93
2012-13	2705199	2198.84

Source : IRDA

This picture shows that number of life is increasing but the collection of premium is decreasing.

REFERENCES

1. S.M. Jha, "services marketing", page 199. | 2. Agent's Training – as per IRDA Syllabus, P. – 74 | 3. Life Insurance Agents. | 4. IRDA.co.in |