ISSN No:-2456-2165

Performance of Multiple Marketing Channels of Life Insurance Industry in India

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Abstract:- Marketing channels play a significant role in selling insurance products. Insurance is a subject matter of persuasion so without an intermediary it is difficult to sell insurance products, but with the advent of information technology selling insurance products directly through the website or technology-enabled intermediary has become a direct route in the performance and growth of insurance companies and the insurance penetration and density. Further, after the opening of the insurance sector for private and foreign companies, new marketing channels have come into existence; these newly emerged channels have impacted performance and growth along with previously used marketing channels. In the present study performance of intermediary channels and their growth have been assessed taking into account the first-year individual and group business premiums received and policies and schemes issued and lives covered by the life insurance sector in India using the statistical technique of two-way classifications ANOVA and the Tukey Post Hoc Test. At last, although all marketing channels are contributing for the growth of the life insurance industry in India, but for individual business Individual Agent and Corporate Agent- banks have been found to significantly differing from other channels, whereas, in the group business, the channel direct selling is found significantly differing from other marketing channels.

Keywords: *Marketing Channels, Life Insurance, Economy, Penetration, Density, International.*

I. INTRODUCTION

In modern economies, the relevance of insurance has remained unquestionable during the past. It has practically not only been sustained as a necessity to business activity or enterprise but also serves as a broad public interest by protecting a large part of the country's lives and wealth, thus it is an element in the operation of the sophisticated national economies throughout the world today. India is the second largest populous country in the world and insurance companies reach out to customers and have widened their distribution channels to traditional and information technology-enabled modern channels.

Multiple distribution channels in the insurance sector not only help to increase the insurance penetration, density, customer need, and cost efficiency but differentiate customer service, maintain existing customers, and attract new ones to expand the insurance business.

Selection and engagement of intermediary channels for insurance companies have ever been a complicated issue because, without an effective and efficient channel, it is difficult for an insurance company to earn profit or sometimes even survive. The core function of the channel is to transfer the product from the providers to the users, Support the principal, to coordinate the long-term relationship between the consumers and the insurers in return promote channels and issue attractive products or policies, provide market support, supplement leads, attractive incentives, and end-user links (Gilliland, 2004). The Choice of channel represents an everlasting transmission and level of economic development; because the channel once selected sustained for a long time due to heavy investment and their social and political character. In the insurance service sector distributors are capable of providing a significant competitive advantage, particularly in the market where technological and regulatory trends have increased the pressure on marketers.

In such a situation marketing channel may be influenced by market drivers such as volatility in consumer needs, consumer sophistication, and channel sophistication; drivers like volatility in competitors, strategies, conflict, and drivers like company size and scope economics (Coelho and Easingwood, 2008).

Before the liberalization of the insurance business, the insurance companies were selling insurance products through intermediaries called agents or tied agents, direct selling by the company, and telemarketing; but after liberalization and globalization insurance marketing channels in India are increasing and changing their shape which has changed the overall scenario of the insurance market; there are three types of intermediary channels in the Indian insurance market; namely direct channel, merchants, and the facilitators. These intermediary channels serve as the critical link between insurance companies and consumers seeking to procure insurance coverage. During the last two decades, the Indian insurance industry has gone through several infrastructural and regulatory changes in a phased manner, these phases may be divided into three different spans namely 2000-2008 when the majority of the private insurance companies entered the market and emerged as loss-making companies; the second phase from 2008-2014, in this phase also most private companies were accumulating losses, this phase is also witnessed the global financial meltdown and represented a period of uncertainty and indecision; the third phase from 2014 onwards has seen renewed confidence in growth, with the digital revolution that has pushed insurers to automate and seek out opportunities to digitalize every part of the organization. Further, many professional intermediaries have developed services that go beyond the services related to the transferring of risk from insured to insurer; intermediaries have now started offering services of evaluation of the financial products and mean to recoup the possibilities of alternative losses on account of implementation, risk management strategies and claims management. The unhesitatingly the success of life insurance distribution channels largely depend on coinciding the right type of segment and the right type of customer with the right product or the service at the right marketing channel (Lakshmi kutty and Baskar 2006). The success of the insurance business largely depends upon the type of distribution channel selected as an intermediary because the time-tested channel had a long way to achieving success in emerging markets of the insurance business (Goverdan: 2008). Further, to gain long-term competitive advantages in the business, players were required to redesign their strategies and propose innovative and alternative channels to capture the potential of the unutilized market and to maintain in the market. The insurance companies need to select particular marketing channel and in return the said particular distribution channel in return offers service and incorporate their needs (Bashir et al: 2013). The distribution channels were considered an essential constituent of the insurance sector and they had to follow certain guidelines to fulfil the regulations in their true spirit to sustain the industry (Bhardwaj: 2013). The concept of multiple channels has emerged in the Indian insurance market after the liberalization of the insurance business in 1999 and it has become the strategy of the insurers. The multiple-channel strategy in the insurance sector not only helps in the growth of insurance by covering an enlarged market but also extended to customer satisfaction. Despite the number of channels that have emerged in the Indian insurance market the individual agent is the foremost performing channel in terms of generating business, direct selling is showing the highest growth rate both in terms of premiums and policies, but the study concluded that innovative and customized products can be offered to customers through multiple channels. Also, the insurance markets can offer the extent of better penetration and accessibility through channels (Bawa and Chattha: 2016). Since time has evolved the number of amendments in the law regulating and the emergence of the insurance intermediary in India and the relevance of the study perhaps may not stay as empirical. There is a need to test which of the distribution channel is significant and reliable for selling insurance products in India.

Therefore, this paper is an attempt to assess the role of intermediaries, the services provided by the intermediaries to the consumers and the insurers, and the performance of the intermediaries, whether they are playing a significant role in the growth of the insurance business and help to increase insurance penetration and density in India.

II. SIGNIFICANCE OF THE STUDY

After the liberalization of the insurance business, almost all the barriers have been dismantled by the Government of India, the public sector model of the insurance business has been deprecated and the private and foreign players have been allowed to carry on business. The insurance business has now been under the market economy and the market is the key to determining investment, demand, and consumption, choice preference of consumers, thus in the so competitive market effectiveness of intermediary channels, their management, and cost efficiency have highly affected the insurance companies.

The entry of private and foreign players in the insurance sector has created cut-throat competition among the insurance companies, secondly, India is a country with a young population and it is estimated to be young in the next 30 years, thirdly internet penetration in India is increasing from the last two decades. The largest young population is the prospective customers of insurance companies. Keeping in view these facts insurance companies have to select a viable marketing channel that can meet the buying behaviour in terms of guidance, clarification, and cost-effectiveness. The marketing channels working for the life insurance companies can work for the companies to increase their sales volume and economical products for the consumers.

The increasing population and the literacy level have created the scope for further growth of insurance companies and to explore this opportunity the life insurance companies have to engage multiple marketing channels categorizing the need of the consumers including online and offline marketing channels. So an attempt has been made in the present study to evaluate the performance of the multiple distribution channels engaged in the life insurance industry in India. The study will also add a lot of value for teachers, researchers, and students who want to study further the distribution channels of the insurance industry.

➢ *Objectives of the Study*

- To compare the life insurance penetration and density of India along with developed underdeveloped and undeveloped countries.
- To examine the performance and growth of intermediary channels working for the Life Insurance Industry in India.
- To examine the effectiveness of Information Technology based intermediary channels in India.

➢ *Span of Study:*

The span of study is seven years from 2015-16 to 2021-22.

- *Data Collection*

The study is based on primary as well as secondary data collected from the handbook of insurance published by the Insurance Regulatory and Development Authority of India for the years 2015-16 to 2021-22. Since the study is based on historical data, hence it is not free from the limitation of secondary data.

- *Research Methodology*

In the present study performance and growth have been measured based on two variables i.e. distribution channel wise first-year individual and group business premium and policies issued by all life insurance companies for the period from 2015-16 to 2021-22. Two-way ANOVA and Post HOC test have been applied at a 1 percent level of significance and 99 percent level of confidence. The Premium and Policy variables have been taken as dependent, whereas time and distribution channels have been taken as independent variables. The assumptions of the technique viz homogeneity of variance and normality by taking the log of the premium and policies have been considered. To test the growth in various parameters, the compound annual growth rate is calculated by applying the regression model in its exponential form.

- *Research Problem*

After the liberalization of the insurance business in India several distribution channels have been emerged in the Indian insurance market. Therefore, it is necessary to study the significance of offline and online distribution channels. In the present physical and economic environment there are ways of reaching customers. It is the objective of the researcher to analyse the online and offline distribution channels in terms of their business performance taking two parameters like premium and policies for individual and group businesses.

Despite the liberalization of the life insurance business in India, only 3 percent of the population is under any cover of life insurance in India and the insurance penetration and density were only 2.72 percent and 42.6 USD respectively in 2015. Indian rural population is continuously migrating to urban cities where both spouse is found working, this fact has given the significance of life insurance and further the distribution channels.

- *Framing of Hypothesis*

Insurance Regulatory and Development Authority of India stated that the performance of the industry shall be determined by the premium it generates by selling policies. The selling of policies and collection of premiums depend on the factors such as the complexity and terms of the contract, structure of distribution, and method of payment. The insurers are taking lead based on new channels which are evident from the increased percentage share of premium mobilized through various channels during the period of the study (Sethi, 2008: 29-31). Therefore, the following hypotheses have been framed:-

- H_0= The mean value of Life Insurance penetration and density does not differ significantly between the selected countries and throughout the study.
- H_1= The mean value of Life Insurance penetration and density differ significantly between the selected countries and throughout the study.
- H_{0a}= The amount of premium collected and policies issued by distribution channels in the life insurance industry does not differ significantly in individual as well as group insurance businesses in India.
- H_{1a}= The amount of premiums and policies issued by distribution channels in the life insurance industry vary significantly in individual as well as group life insurance business in India.
- H_{0b} = The amount of premium and policies issued by distribution channels in the life insurance industry do not vary significantly over the period in individual and group insurance business in India.
- H_{1b} = The amount of premium and policies issued by distribution channels in the life insurance industry vary significantly over the period in individual and group insurance business in India.

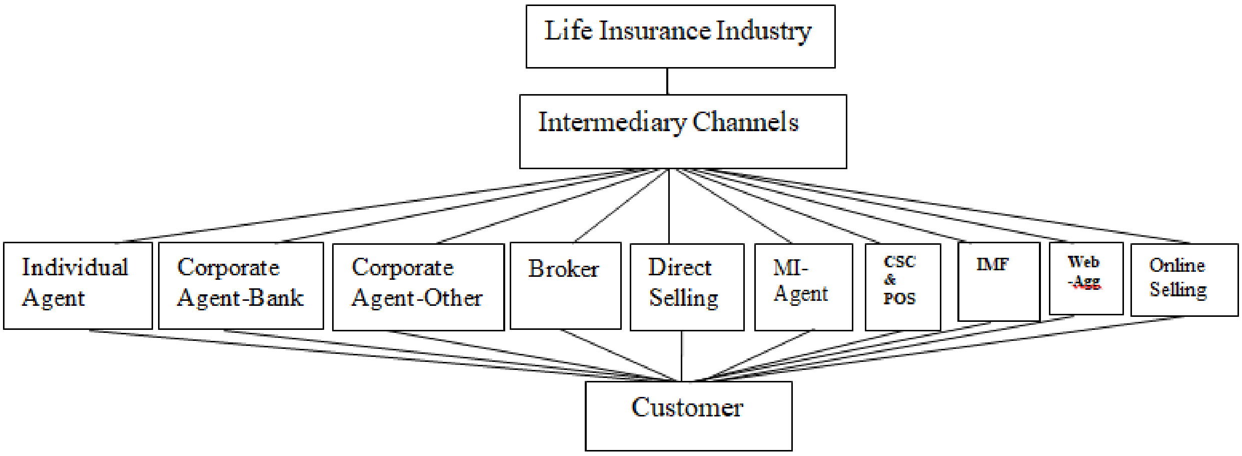
III. DISTRIBUTION CHANNELS OF THE LIFE INSURANCE INDUSTRY

Presently, the insurance industry is going through fundamental changes, some of the key factors affecting the insurance industry are rising awareness, accessibility, affordability, regulatory reforms, customer awareness, financial literacy, and economic growth, some insurers are considering it as a phase of re-establishment whereas for others it is critical for their survival. Recently, the government has permitted 74 percent foreign direct investment from the present 49 percent in the direct insurance sector where insurance companies write insurance cover; and for insurance intermediaries like brokerage and others, who bring together customers and insurance firms 100 percent foreign investment; which is likely to make the insurance business more lucrative to foreign investors, further insurers who have been in business for at least 10 years are allowed to raise capital through initial public offerings. This step of the government would lead to the establishment of more companies in the insurance sector in the coming years.

In the language of business, distribution is related to the allocation of goods and services to the recipients. In general terms distribution of all activities refers to the transfer of material or economic power over tangible or intangible goods from one economic unit to another (Wirtschaftsleyikon24.net). It encompasses a system of all activities that relate to the transfer of economic goods between manufacturers and consumers. It includes coordinated preparation of manufactured goods according to their type and volume, space, and time so that supply deadlines can be met or estimated demand can be efficiently satisfied (Domschke & Schield). Present-day information technology-enabled distribution channels have to underline their specific role in sensitivity, simplification of the distribution system, increase in the number of channels, market size, wider use of e-commerce, access to the global market, change in distribution channels, application of technological systems and hierarchical structures (Sabansua & Alabay)

The performance of any entity depends on how proficiently its inter-mediatory network executes the business. In today's competitive scenario, the working of intermediate channels and maintaining a strong distribution network is an important constituent of sustaining growth. The scenario of the Indian Insurance Industry reveals that it is one of the massive sectors of the economy, and especially the life insurance domain has set up the banc assurance in its growth (Chaudhary et. el 2011)

➢ *Insurance Intermediaries*



(Source: Authors Drawing)
Fig 1 Showing Insurance Intermediaries Commonly used by Public and Private Life Insurers in India

➢ *Individual Agent*

Since the establishment of an insurance business 'agency' is the distribution channel for selling insurance products in India, even today the maximum share of the business is carried on by agents because these agents establish personal contact and relationship with the customers and provide presale and post sales services as well as a valuable source of feedback about the need and expectation of consumers. However, nowadays this channel is not fully updated with the latest technologies. IRDAI has issued guidelines for Individual Agents vide which an insurer can appoint an individual agent for the life sector or composite sector subject to the qualifications laid down in the regulations. Any person willing to be appointed as an agent has to apply to the designated officer of the insurer on form 1-A for the mono agency and 1-B for the composite agency along with a copy of the permanent account number, the appointment is subject to the passing of the test conducted for this purpose. The applicant has to satisfy the insurer that he has the requisite knowledge to solicit and procure insurance business, and is capable of providing the necessary service o the policyholder. Composite Agency means holding one life, one non-life, and one health insurer agency at the same time.

➢ *Corporate Agent-Bank*

The term bancassurance was used first time in France and has come into existence in India after the liberalization of the insurance business in 1999. IRDAI issued regulations in 2015 in compliance with which the name of the channel has been changed to 'Corporate Agent – Banks; these are authorized and qualified artificial persons or institutions that can provide advice on financial products; these are commissioned agents whose primary business is the sale of property and casualty insurance for several insurers. According to the regulations issued in 2015, a banking company registered under the banking companies act or a regional rural bank may act as Corporate Agent, any banking company willing to act as a corporate agent has to maintain a net worth of Rs. 500 crores during the agency period. The banking company has trained and qualified people to procure and solicit the insurance business at low cost and high efficiency.

➢ *Corporate Agent-Other*

These are the artificial persons created by law to carry on the business of financial services. Any entity having a net worth of Rs. 50 lakhs or more can apply for a license to carry on the insurance business in India. The IRDAI notified IRDAI (Registration of Corporate Agents) Regulations, 2015, any company formed under the Companies Act, 2013 or any previous company law which was in force, a limited liability partnership, a cooperative society registered under the cooperative societies act, 2012, a non-governmental organization, a micro-lending finance organization, and a Non-Banking Financial Company registered with the Reserve Bank of India, any other person as may be recognized by the IRDAI to act as a Corporate Agent. Any

ISSN No:-2456-2165

Corporate entity willing to act as marketing channel of insurance business has to obtain a license from the Insurance Regulatory and Development Authority of India.

A Corporate agency registration is valid for three years from the date of issuance, unless the same is suspended or cancelled by the IRDAI. The grant and renewal of a corporate agency registration are subject to the applicant meeting the eligibility criteria prescribed for the purpose. A Corporate agent is allowed to act as Corporate Agent of six Life, six general, and six health insurance companies and required further approval of the architecture policy on the same to tie up to six life, six general, and six health insurers.

➢ *Broker*

Brokers are professionals who assess risk on behalf of a client, advised on mitigation of that risk, identify the optional insurance policy structure that brings together the insured and insurers, and carry out the preparation of insurance contracts. They represent the customer and sell the products of more than one company and seek to determine the best fit for the client. They also help in claim settlement.

➢ *Direct Selling*

Direct Selling refers to the type of channel in which a company sells its products directly to customers either through its website or through direct contact.

➢ *Micro Insurance Agents*

Micro Agents work for the untapped market in the rural and social sector, they work for the protection of low-income households against specific perils for a premium proportionate to the likelihood and cost of the risk involved.

➢ *Common Service Centres*

These are the shops of multiple companies that provide the facility of selling policies as well as work as premium collectors, claim settlements, and all other allied matters. At present, there are 23 life insurance companies are there in India constituting 22 from the private sector and one from the public sector. The public sector company is occupying more than 62 percent share in the life insurance business and using this channel only for the collection of renewal premium and claim settlements, but private companies are using this channel for selling policies as well as for renewal premium collection and claim settlement.

IV. WEB-AGGREGATOR

Web Aggregator is a service provider and act as an agent for implementing the mission of e governance of the government, this channel in addition of this service an register themselves for insurance distribution channel and to attract the prospective customers maintains a website that provide an interface to the customers and give an opportunity for insurance prospects for price comparison and information on products of different insurers and other related matters. These are the newest type of insurance service providers that come into existence through the IRDAI regulations. They sell insurance products through their website or telemarketing using distance marketing and without coming face to face with the customers; they further provide a lead to the insurers with whom they have an agreement. Public Sector Company is using this channel only for renewal premium collection.

They may also seek IRDAI authorization to perform telemarketing and outsourcing functions for the insurers such as premium collection through an online portal, sending premium reminders, and also various types of policy-related services. They are remunerated by insurance companies based on the leads converted to business, the display of insurance products as well as the outsourcing services performed by them.

➢ *Insurance Marketing Firms*

These are the new distribution channels that have emerged only after the issue of regulations in 2015, this channel has multiple tie-ups with not more than six insurers for selling life, non-life, and health products.

➢ *Online Selling*

Online Selling is the selling policies by setting up the website and watching the sales notification roll in. It is one of the lead generation methods and also gaining momentum for selling insurance products. It is also considered a cost-effective marketing channel.

➢ *Point of Sale*

Point of Sale is the selling point established by the company concerned to sell policies. But Public Sector Company is using this channel only for the collection of renewal premium and claim settlements. Only private life insurance companies are using this channel for selling policies.

➢ *Other Channels*

The Indian life insurance market has other marketing channels like telematics, shopkeeper, referral, etc, but their share is not so significant.

➢ *Selection of Marketing Channel for Carrying out this Study*

The Customers can be classified into three different categories based on their buying behaviour, traditional who want their involvement in purchase decisions, prefer the human touch, are apprehensive about the digital mode, trust, and are highly responsive insurers only; the second type of customers are traditionalists, they believe in value for money, price-conscious, not rigid against digitalization; and thirdly digital native, who has recently entered in the working force.

Based on consumers perception a primary survey has been conducted to find out the relevant channel opted by consumers for buying their policies so that only relevant channels were only included in this study, the following results were obtained:-

Table 1 Showing Result of Primary Survey Regarding Preferential Channel for Buying Policies by Policyholders

Name of Intermediary	Number of Respondents	Percentage Share
Individual Agent	60	27.27
Corporate Agent Bank	35	15.91
Corporate Agent-Others	10	4.55
Broker	35	15.91
Direct Selling	32	14.55
Micro Insurance Agent	8	4.55
Common Service Centers (CSC)	1	0.46
Point of Sale (POS)	0	0
Web Aggregator	0	0
Insurance Marketing Firms (IMFs)	1	0.45
Online Selling	33	15
Any Other Intermediary	5	2.26
Total Respondents	220	100

(Source: Primary Survey)

Based on the primary survey CSC, POS, and web-aggregators have been selected by less than one percent of respondents, secondly, the big public sector company Life Insurance Corporation of India is not selling insurance products through these channels and are used only for collecting renewal premiums and to process claims.

Internet penetration has sharply increased in India during the last two decades, it was 7.5 percent in 2010, 14.5 percent in 2015, 43 percent in 2020, and 47 per in 2022. This digital revolution has been a game changer for all industries and the insurance industry is no exception. This digital technology has broken the traditional barriers of the insurance sector like product awareness level, limited customer touchpoints; access to knowledge, service availability, and payments, and the business environment is bound to become more dynamic and competitive. Now, insurers have been compelled to ensure their competitive pricing, value for money and transparency in product features, cost, and services.

The growth of the internet, broadband, and communication technology has provided the solution to issues of place and time in service marketing strategies. The technology has further led to the speedy scheduling and processing of the issue of policy as well as the settlement of the claim. The physical and electronic distribution channels provide core and supplementary services to the insurance market. (Lovelock, Wirtz, & Chatterjee).

The marketing channels are used by manufacturers for approaching directly or indirectly to the customers either through one or more distribution channels. The selection of distribution of channels depends upon the perceived risk associated with the product and the requirements of the customer. Insurance services are sold usually either directly or by using the agent. While selecting a distribution channel an insurance company has to consider many factors related to the market and customers including their circumstances, products, and competitive environment, further, an insurance company should intentionally decide upon a distribution channel as it is costly, herculean and liquidation is difficult (Kumar & Meenakshi, 2007). Therefore, in the present study, a mixture of physical and electronic marketing channels have been selected to study, these are individual agents, corporate agent banks and other entities, brokers, direct selling, micro insurance agents, insurance marketing firms, and online selling which are sustainable, well acquainted with the insurance industry and difficult to dismantle.

V. LIFE INSURANCE PENETRATION-AN INTERNATIONAL COMPARISON

Life insurance penetration is the indicator that explains the status of life insurance and the development of the country. The comparison of international penetration will reveal that the status of life insurance between the selected countries and the rank of India can be determined. Life Insurance penetration in the post-reform period has increased, but there is further scope for the increase of life insurance penetration as compared to developed nations. There is an unexplored and untapped life insurance market in India and life insurance companies have to capture the business from the competitive market.

The survival of companies is largely dependent on their practices and policies and how they reacted toward affecting the life insurance penetration, particularly in semi-urban and rural India.

Table 2 International Life Insurance Penetration (in Percentage)

Country/Year	2015	2016	2017	2018	2019	2020	2021	Mean	Rank
Australia	3.50	2.99	2.33	2.13	1.52	1.10	1.00	2.08	17
Brazil	2.10	2.28	2.28	2.10	2.25	2.30	2.10	2.20	16
France	6.20	6.06	5.77	5.75	5.98	5.10	6.10	5.85	8

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Germany	2.90	2.75	2.63	2.41	2.64	2.80	2.60	2.68	14
Russia	0.20	0.25	0.36	0.47	0.37	0.40	0.40	0.35	20
South Africa	12.00	11.52	11.02	10.27	10.73	11.20	10.00	10.96	3
Switzerland	5.10	4.72	4.41	4.32	4.30	4.30	3.10	4.32	9
United Kingdom	7.50	7.58	7.22	8.32	7.99	8.80	8.90	8.04	4
United States	3.10	3.02	2.82	2.88	2.92	3.00	2.60	2.91	12
Hong Kong	13.30	16.20	14.58	16.81	18.26	19.20	17.30	16.52	1
India	**2.72**	**2.72**	**2.76**	**2.74**	**2.82**	**3.20**	**3.20**	**2.88**	**13**
Japan	8.30	7.15	6.26	6.72	6.69	5.80	6.10	6.72	5
Malaysia	3.40	3.15	3.32	3.32	3.35	4.00	3.90	3.49	11
Pakistan	0.50	0.63	0.60	0.68	0.61	0.50	0.50	0.57	18
PR China	2.00	2.34	2.68	2.30	2.30	2.40	2.10	2.30	15
Singapore	5.60	5.48	6.64	6.22	5.96	7.60	7.50	6.43	7
South Korea	7.30	7.37	6.56	6.12	5.84	6.40	5.80	6.48	6
Sri Lanka	0.50	0.52	0.54	0.54	0.55	0.50	0.60	0.54	19
Taiwan	15.70	16.65	17.89	17.48	16.51	14.00	11.60	15.69	2
Thailand	3.70	3.72	3.59	3.59	3.28	3.40	3.40	3.53	10
World	**3.50**	**3.47**	**3.33**	**3.31**	**3.35**	**3.30**	**3.00**	3.32	

(Source: IRDAI Reports)

Indian Life Insurance Industry is low performing as compared to the world, developed countries, especially Asian and emerging countries. Life insurance penetration is the ratio of the life insurance premium and the gross domestic product of the country. Presently, although the world is going through a recession, the Indian economy is depicting growth. The insurance penetration in the life insurance sector during the year 2001-02 was 2.15 percent as compared to the insurance industry penetration of 2.71 percent. In 2005-06 it rose to 2.53 percent in the life insurance sector as compared to a total of 3.14 percent. It further rose to 4.40 percent in 2010-11 in comparison to the total 5.10 percent. The economic slowdown which was prevailing globally in the last decade did not spare India, as after 2010-11 insurance penetration started declining and during the accounting year 2019-20 it was at bottom of 2.81 percent, thereafter it started rising again from the financial year 2020-21, during 2021-22 insurance penetration in India is 3.8 percent as compared to the 3.5 percent of the world. (Report of Swiss Re Sigma) Households' spending on life insurance products has increased during the year this may be the due to the covid-19 pandemic.

After 2014, the Indian insurance market entered the third phase of development by issuing several guidelines governing the agency distribution in the country, several new channels like Corporate agent banks and other than a bank, IMF, web-aggregator, Common Service Centre, etc have been established which help to increase the insurance penetration, as a result, insurance penetration started increasing from 2.72 percent to 3.20 in 2021-22, which is greater than the world's average penetration. There are countries in the world which are having insurance penetration than India, which are Sri Lanka, Pakistan, the United States, Germany, Brazil, and Australia. The Countries which are having insurance penetration greater than India are Thailand, Taiwan, South Korea, Singapore, Malaysia, Hong Kong, United Kingdom, South Africa, and France. It is further observed that Taiwan, Hong Kong, and South Africa have emerged as the first three highest mean countries during the period of study; whereas, Pakistan, Sri Lanka, and Russia are among the countries that stand in the bottom of the list. India ranks 13th among these selected countries.

Table 3 Showing Descriptive Statistics of International Life Insurance Penetration

Source of Variation	**Sums of Squares**	**Degrees of freedom**	**Mean Squares**	**F-Value**	***p*-value**
Between Countries	2818.78	19	148.36	214.2	0
Between Time	2.17	6	0.36	0.52	0.948
Error (residual)	78.97	114	0.69		
Total	2899.92	139			

(Source: Author's Calculation)

The sum of the square of the insurance penetration between the countries is 2818.78, mean square is 148.36, V1 = 19, V2 = 114 calculated value of F= 214.18, table value of F is 2.05, critical value = 0, which is less than 0.01 since the p-value is less than 0.01 and calculated value is more than table value, therefore, H0 is rejected. The mean difference between insurance penetrations of the selected countries differs from Indian insurance penetration. But on the other hand insurance penetration for the period from 2015 to 2021 does not differ significantly from the mean value of insurance penetration between the countries because the sum of a square for the period = 2.17 and mean square = 0.36, V1 = 6, V2 = 114, the calculated value of F = 0.52, table value is 2.98, the critical value of p = 0.9478, the critical value is greater than p-value at 1 percent level of significant and table value greater than the calculated value of F, hence

ISSN No:-2456-2165

H0 is accepted. It is concluded that the life insurance business of the selected countries showed slow growth during this period and in India too. The life insurance penetration of India differs significantly from other developed, developing, and underdeveloped countries.

It is ranked 13th out of the 20 selected countries even despite the opening of the life insurance sector for private and foreign players. Private life insurance companies impacted the life insurance penetration a little as still they are occupying 38 percent market share. Indian insurance sector contributed 131 billion USD as of the financial year 2021-22 with a share of the life sector 81.3 billion USD and it contributed 2.9 percent of the GDP of the Indian economy from 2017 to 2022 on an average basis. LICI continues to dominate the life insurance sector of India. The reason for the low growth in penetration may be the lack of pocket-friendly policies, secondly, in India, life insurance products are considered a product of investment too and the return offered by the life insurance companies on term policies are lower than the risk-free rate of return; therefore, the life insurance sector has not been grown drastically despite the increase in income and exponential growth of purchasing powers as well as household savings and the favourable regulatory changes. Therefore, insurers need to focus on their investment strategies to generate more revenue.

- *Life Insurance Density-An International Comparison*

Table 4 International Comparison of Life Insurance Density(in US $)

Country/Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Mean**	**Rank**
Australia	1830	1559	1304	1203	827	568	623	1131	11
Brazil	178	196	224	186	196	151	160	184	16
France	2263	2228	2222	2370	2413	1959	2654	2301	7
Germany	1181	1151	1169	1161	1222	1281	1321	1212	10
Russia	15	22	39	50	43	41	49	37	18
South Africa	688	616	674	669	643	560	698	650	12
Switzerland	4079	3700	3522	3555	3502	3667	2866	3556	4
United Kingdom	3292	3033	2873	3532	3383	3574	4234	3417	5
United States	1719	1725	1674	1810	1915	1918	1837	1800	9
Hong Kong	5655	7066	6756	8204	8979	8983	8433	7725	1
India	**43**	**47**	**55**	**55**	**58**	**59**	**69**	**55**	**17**
Japan	2717	2803	2411	2629	2691	2329	2347	2561	6
Malaysia	316	298	339	361	380	415	444	365	13
Pakistan	8	9	9	10	8	6	7	8	20
PR China	153	190	225	221	230	241	253	216	15
Singapore	2932	2895	3835	3944	3844	4528	5414	3913	2
South Korea	1940	2050	1999	1898	1822	2050	1971	1961	8
Sri Lanka	19	21	22	23	23	21	24	22	19
Taiwan	3397	3599	4195	4320	4129	3861	3772	3896	3
Thailand	215	222	237	262	256	244	246	240	14
World	**346**	**353**	**353**	**370**	**379**	**360**	**382**		

(Source: IRDAI Reports)

Insurance density is calculated by dividing the insurance premium by the population of the country. Therefore, in the present study life insurance premium in terms of USD has been divided by the population of the country. India's rank is 17th among the selected 20 countries and below the world average. The countries which have the highest insurance density are the United States, Hong Kong, and Taiwan. The countries with the lowest density are Russia, Sri Lanka, and Pakistan. India stands at 17th rank just above these countries. Only 3 percent of the Indian population is under any insurance coverage. Insurance density in India during 2001-02 was 9.10 USD against the Industry total of 11.5 USD; it rose to 18.30 USD in 2005-06 and 55.70 USD in 2010-11 as compared to a total of 64.40 USD. Thereafter it started decreasing and remained at 41 USD in 2013-14 against a total insurance density of 52 USD, it started rising again from the accounting year 2014-15 and it was 69 USD against a total insurance density of 91 in 2021-22 as compared to world's life insurance density of 382 USD in the same financial year. (Source: Report of Swiss Re Sigma). It is clear that after privatization Indian density population has increased.

ISSN No:-2456-2165

Table 5 Showing Descriptive Statistics of International Life Insurance Density

Source of Variation	**Sums of Squares**	**Degrees of freedom**	**Mean Squares**	**F-Value**	**p-value**
Between rows	523228716.42	r-1=19	27538353.5	176.63	0
Between columns	1082181.47	c-1=6	180363.58	1.157	0.307
Error (residual)	17773836.53	(r-1)(c-1)=114	155910.85		
Total	542084734.42	rc-1=139			

(Source: Author's Calculations)

The sum of the square of the insurance density between the countries is 523228716.42, the mean square is 27538353.5, V1 = 19, V2 = 114 calculated value of F= 175.63, table value of F is 2.05, critical value = 0, which is less than 0.01 since the p-value is less than 0.01 and calculated value is more than table value, therefore, H0 is rejected. The mean difference between insurance densities in the selected countries differs significantly from each other. Hong Kong is the most significant country in terms of insurance density. But on the other hand insurance density for the period from 2015 to 2021 does not differ significantly from the mean value of insurance density between the selected countries because the sum of the square for the period = 1082181.47 and mean square = 180363.58, V1 = 6, V2 = 114, the calculated value of F = 1.16, table value is 2.98, the critical value of p = 0.307, the critical value of p is greater than p-value at 1 percent level of the significant and calculated value of F is less than the table value of F, hence H0 is accepted. It means the insurance density of the country concerned does not differ significantly over the period. It is concluded that the life insurance business of the selected countries showed slow growth during this period and in India too.

Further, to find out whether insurance penetration and density move together or whether their relationship is positive or negative, the Spearman's Rank Correlation has been used to find out the association between insurance penetration and density Spearman's Correlation rank difference method was adopted and it is found that value of correlation is 0.8135, which is considered as high degree correlation, this is indicative that both the indicators of development of insurance move together among the selected countries. This is with the assumption that all the countries are independent of each other and the development of the insurance penetration and density are also independent of each other.

- *Performance of Life Insurance Intermediary Channels*

The performance of the intermediary channels can be assessed through several indicators including premium collected, policies issued, persistency ratio, commission earned, and customer retention, however, the Insurance Regulatory and Development Authority of India states that the performance of intermediary channels can be determined with first-year premium and policies issued.

Therefore, in the present paper performance of intermediary channels has been assessed by two indicators which are first-year premium and policies issued both in individual life insurance and group life insurance.

VI. GROWTH OF BUSINESS

Data about life insurance premium of the first year collected as well as the number of policies sold by different distribution channels is analysed based on two parameters namely growth rate (CAGR) and analysis of variance and comparison in the performance of channels during the study period which is tested through two way ANOVA and Post to determine growth rate in the performance of distribution channels over the period, the following CAGR model has been devised in excel =(POWER(Last Year Figure/First Year Figure, 1/7)-1)*100.

- *Growth in Terms of Premium Collected*

The Premium collected is the income to the manufacturer of insurance products, thus it is considered a principal indicator for the measurement of performance in the life insurance business. The argument in this regard is the objective in efficiency analysis of output maximization, whereas it is the normal practice for the insurance company to minimize claims.

Table 6 Channel-wise Individual New Business Performance of Life Insurers (In Crore)

Agent/Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Individual agent	39816.46	53465.34	60709.05	60822.12	61067.75	66259.49	68873.22
Corporate agents-Banks	13891.93	18250.35	23204.78	26410.44	27893.37	33027.27	39992.19
Corporate agents-Others	809.56	1011.41	1214.61	1386.63	1564.08	1959.50	2470.28
Brokers	934.18	972.08	1182.14	1390.70	1712.11	1661.15	2424.74
Direct selling	2543.97	3529.18	5163.31	6270.84	7309.98	8080.16	8961.98
MI-Agents	21.25	17.96	18.88	22.04	223.14	353.84	288.65
Common Service Center	1	1.54	2.24	2.28	1.26	7.41	11.71
IMF	0.03	14.52	40.67	62.76	68.00	160.87	207.27
On-line Selling	302.83	418.06	498.91	1105.57	1470.00	1794.87	1697.99
Total	**58320.11**	**77725.68**	**92134.73**	**97689.85**	**101619.69**	**113888.95**	**125205.11**

(Source: IRDAI)

The year-wise CAGR of the total of selected channels of marketing of life insurance business reveals 11.53 percent during the period of study from 2015-16 to 2021-22. This implies that the life insurance business through the selected channels is growing higher than the rate of development of the Indian economy. Further, while making a channel-wise analysis it is observed that Insurance Marketing Firm emerged as the highest CAGR at 253.58 percent followed by MI-Agent at 45.16 percent, CSC at 42.12 percent, online selling at 27.93 percent, Direct Selling at 19.71 percent, Corporate Agent other than bank 17.28 percent; Corporate agent-Bank 16.93 percent, broker 14.60 percent, and individual agent 8.14 percent. The Individual Agent marketing channel is showing the lowest CAGR during the study period even less than the CAGR of the life insurance industry; all other channels are performing greater than the industry. Although Individual Agents' performance in terms of CAGR is lowest in terms of the amount of premium, this channel has collected the highest amount during the study period and showing continuous growth in premium collection.

This is due to the individual agency strength, which the industry maintained since its inception. Therefore, the marketing channel ‘individual agent’ is called a traditional channel in India. In the year 2015, the numbers of individual agents working in the life insurance industry were 2067907 and in the year 2022, the number increased to 2442609. All the life insurance companies appoint, train, finance, and supervise individual agent channels so that they can work for collecting business for them.

Individual Agents’ market share during 2015-16 was 68.27 percent in the life insurance business, which has been reduced to 55.01 percent during 2021-22. There is a negative correlation between the strength and performance of individual agents. Therefore, it is concluded that in the life insurance business, Individual Agents have medium cost, high accessibility, low efficiency, and medium performance for carrying business.

Corporate Agent Bank is a perpetual entity to serve banking, life, and non-life insurance services, the scope of insurance services through this agent would be better in the future due to the increase in the bank’s branches and continuous increase in the population of the country, which is expected to cross 150 Crore till 2030. India is a populous country and the chain of bank branches is the lifeline for financial services. Therefore, banks can act more effectively in selling insurance products being having qualitative face-to-face interaction with the customer as well as having a large database of customers. Public, Private, and Foreign banks till 2022 are having 72766 branches in rural, 71208 in semi-urban, 48732 in urban, and 53746 in the metropolitan area of the country.

The channel collected Rs. 13891.93 crore in 2015-16 and 39992.19 crore in 2021-22, which shows 187.88 percent growth in seven years.

A Corporate agent is a marketing channel other than an individual agent and bank representing more than one insurance company that generally makes contact with potential customers through their website or telemarketing.

The IRDAI notified registration of corporate agent regulations in 2015, vide which a corporate agent is required to obtain a license from the IRDAI and the concerned company. The said registration will be valid for three years and is allowed to act as an agent of three life, three non-life, and three health insurance companies. Further, the said corporate agent has to maintain a net worth of fifty lakhs over the time of validity of registration. These corporate agents collected a business premium of Rs. 809.56 crores in 2015-16 which increased to Rs. 2470.28 crores in 2021-22, their business during the seven years increased at the rate of 205.14 percent. Presently there are 570 corporate agents other than the bank who carry on their business with the help of the website and 38 corporate agents who carry on their business with the help of telemarketing in India.

Brokers are an insurance agent who acts as a mediator and provides several products and tries to satisfy customers, there are 594 life insurance brokers presently functioning in India. Brokers collected a premium of Rs. 934.18 Crore during 2015-16 and Rs. 2424.74 Crore during 2021-22 with an increase of 159.56 percent growth during seven years.

Direct Selling is a method by which insurance companies issue policies directly using SMS, email, telephone, radio, newspaper, social media, and television as a medium of marketing. This channel collected individual business premiums of Rs. 2443.97 Crore in 2015-16 and Rs. 8961.91 Crore during 2021-22. This channel grows at 266.70 percent during the span of this study.

Micro Insurance is designed specially to protect low-income people with affordable premium to meet their needs and to recover them from financial losses. It is the responsibility of the state and the insurers as well to protect the underprivileged section of society. These underprivileged people in society are more prone to many risks which may ultimately lead to incapacity to face such an uncertain situation that cannot be avoided; therefore, the role of micro insurance is unavoidable. The business performance of MIA in terms of the first-year premium collection is Rs. 21.25 Crore in 2015-16 and Rs. 288.65 Crore in 2021-22, this channel grows at 1258.35 percent during the period of study.

Common Service Centers have been set up by the government under an e-governance plan, presently about 157000 technology-driven CSCs are functioning under different names and in different states in India. This platform is used by citizens to pay for the services offered by government agencies and private sector players. The IRDAI, in September 2013 issued guidelines for utilizing the CSC network to sell insurance products and granted a license to CSC SPV Limited in the same month. The Life Insurance Companies sell their products on the CSC platform using authorized persons or village entrepreneurs.

India First and HDFC Ergo were the first two companies that launched their savings cum lire cover products and non-life products for risk cover in health, motor, and agriculture. The business performance of CSC in the financial year 2015-16 is Rs. 1 crore and Rs. 11.71 Crore in 2021-22. Their performance increased at the rate of 1071 percent during the period of study.

Insurance Marketing Firms come into existence after issued of their registration guidelines by IRDAI in 2015. Presently only 9 life insurance companies have tied up with IMFs, and these companies for selling their life insurance products, out of these 9 companies, one LIC is in the public sector and 8 are in the private sector, these private sector companies are Max life, PNB Metlife, HDFC life, Aviva life, ICICI Prudential life, SBI Life, Future Geneali, and Kotak Mahindra Life. There are 538 IMFs registered with IRDAI for selling insurance products in India. The IMFs can sell products of six life insurance, six non-life, and six health insurance companies products. The IMFs have grown both geographically and in business performance-wise. These nine companies have collected individual premium of Rs. 0.03 Crore in 2015-16 and 207.27 Crore in 2021-22 showing a growth rate of 690800 percent during the span of 7 years from 2015-16 to 2021-22. The mean individual premium collected during the period from 2015-16 to 2021-22 has been Rs. 9230 lakhs.

The easiest way to sell life insurance products through online mode is to let people onto the site and to increase the traffic; the more traffic to the site, the more potential customers to bring into the company, but the problem is how to bring people into the site, for resolving this issue search engines like google may be contacted for bidding on keywords and pay for each potential customer generated from web searches. This is the most cost-effective method of selling life insurance products. The business performance of this marketing channel in 2015-16 is Rs. 302.83 Crore and in 2021-22 Rs. 1697.99 Crore, this channel growth rate of 460.71 percent as compared to the performance of the year 2015-16 to the performance of the year 2021-22.

➢ *Channel-Wise Market Share in Life Insurance Business*

Table 7 Market Share of Selected Channels in First Year Premium of Individual Life Insurance Business

Channel/ Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Individual agent	68.27	68.79	65.89	62.26	60.09	58.18	55.01
Corporate agent-Bank	23.82	23.48	25.19	27.03	27.45	29.00	31.94
Corporate agent-Other	1.39	1.30	1.32	1.42	1.54	1.72	1.97
Brokers	1.60	1.25	1.28	1.42	1.68	1.46	1.94
Direct selling	4.36	4.54	5.60	6.42	7.19	7.09	7.16
MI Agents	0.04	0.02	0.02	0.02	0.22	0.31	0.23
CSC	0.002	0.00	0.002	0.002	0.00	0.01	0.01
IMF	0.00	0.02	0.04	0.06	0.07	0.14	0.17
On-line Selling	0.52	0.54	0.54	1.13	1.45	1.58	1.36

(Source: Author's Calculation)

The channel individual agent has depicted the highest market share of 68.27 percent in 2015-16 and 55.01 percent in 2021-22. The market share of this channel is continuously decreasing due to the reason that young and tech-savvy newly employed individuals are opting for online channels to purchase life insurance policies. The second reason behind the decrease in the market share is the case of miss-selling and the purchase due to social pressure. Though, the internet changing the way for engaging customers with insurers yet the traditional channel of individual agent remain important and continue to play a significant role in the sales volume of the insurance business. The CSC depicts the lowest market share of 0.01 percent followed by IMFs at 0.17 percent in 2021-22. It is pertinent to mention here that IMFs have come into existence in 2015 after the issue of the Registration of IMFs guidelines by IRDAI. The CSC and IMFs are the new styles of selling insurance policies through the internet in India and the awareness of these channels is minimal so the insurers need to create awareness in public about the alternative channels available in the market.

Corporate Agent-Banks depicts a market share of 23.82 percent in 2015-16 and further revealed an increasing trend during the period; it is 31.94 percent in 2021-22. This insurance channel emerged in France and was later on used by the insurers of the United Kingdom and, the USA. After the liberalization of the insurance business in India, this channel was introduced to sell life and non-life insurance products. In 2015 the IRDAI issued detailed guidelines for this channel. In the future, it is expected that this channel will occupy the share of individual agents because, this channel is equipped with trained personnel, infrastructure, and a wide network of branches in rural, semi-urban, urban, and metropolitan areas and has the quality information technology and personal touch.

Broker did not depict remarkable progress during the period of study. The range performance of the channel during the period of study remained at 1.60 percent to 1.94 percent in market share.

The market share of online channels increased from 0.52 percent to 1.36 percent during the period whereas other

IT-based channels have a market share of less than 0.5 percent. The success of the Online Selling marketing channel is largely dependent on the number of internet users and the financial literacy in the country. Internet penetration in rural areas is 36 percent and in the urban area is 107 percent in India; whereas financial literacy is only 29 percent. The success of online selling and other web-based channels is largely dependent upon the later indicator. Presently the majority of consumers discover companies through social media, new feeds, or search engines, companies can reach almost one crore of customers via Instagram and Facebook alone. Life insurance companies can use insurer channels and insurer-to-consumer business models to increase the market share in the life insurance business by creating a brand image through social media platforms; this will create pathways to digital reliability and acceptability.

- *Policies Issued-The Indicator of Growth*

Table 8 Distribution Channel wise number of Policies Issued in Life Insurance Business

Agent/Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Individual agent	22099564	21536497	22488896	2527242	22614911	21407714	22433867
Corporate Agents-Bank	2713791	2879990	3199208	3393652	3237319	3661658	3762186
Corporate Agents-Other	318418	302390	437583	72995	438534	442189	495752
Broker	246421	227614	236381	278462	310835	277967	483653
Direct Selling	562234	610675	785516	782359	743695	803753	737345
MI Agents	548431	575401	619183	671702	942614	1016834	62953
Common Service Centre	7581	5500	24329	27048	16583	28997	88435
IMF	1	2669	5099	9601	11533	20284	27767
On-line Selling	205214	260168	292352	317177	304536	298704	250548
Total Policies	**26702452**	**26419617**	**28162617**	**28647745**	**28846645**	**28127425**	**29112861**

(Source: IRDAI Reports)

Individual Agent sells highest number of policies during the period from 2015-16 to 2021-22, but their CAGR at the same period is 0.21 percent only less than the life insurance industry. The life insurance industry has revealed CAGR of 1.24 percent during the study period. In the same period premium growth shows higher growth rate but lower in case of policies issued. This is indicative the numbers of policies issued are less but their value is higher.

Table 9 CAGR for Premium and Policies by Life Insurance Co.

Agent/CAGR	Premium	Policies
Individual agents	8.14	0.21
Corporate agents-Banks	16.31	4.78
Corporate agents-Others	17.28	6.53
Brokers	14.60	10.11
Direct selling	19.71	3.95
Micro Insurance Agent	45.16	4.83
Common Service Center	42.12	42.04
Insurance Marketing Firms	253.58	331.31
On-line Selling	27.93	2.89
Total Policies	11.53	**1.24**

(Author's Calculation)

The above table depicts that CAGR in the case of the IMFs is 331.31 percent for policies issued during the period from 2015-16 to 2021-22, they issued only one policy in 2015-16 and 27767 in 2021-22 showing 27766 percent growth in seven years. The CAGR of CSC is 42.04 percent for the study period; they issued 7581 policies in 2015-16 and 88435 in 2021-22 showing 1066.54 percent growth in seven years. The CAGR of Broker is 10.11 percent; they issued 246421 policies in 2015-16 and 483653 in 2021-22 showing 96.27 percent growth over seven years. Direct Selling depicts a CAGR of 3.95 percent and sell 562234 policies in 2015-16 and 737345 policies in 2021-22 and depicted 31.15 percent growth from 2015-16 to 2021-22.

Online Selling depicted a 2.89 percent CAGR throughout the study and issued 205214 policies in the financial year 2015-16 and 250548 policies in 2021-22 with a growth of 22.09 percent.

The marketing channel Corporate Agent other than bank depicted a CAGR of 6.53 percent and issued 318418 policies in 2015-16 and 495752 in the financial year 2021-22 showing 55.69 percent growth in policies issued throughout the study. The Corporate Agent- Bank depicted a CAGR of 4.78 percent and issued 2713791 policies in the financial year 2015-16 and 3762186 in 2021-22 showing 38.63 percent growth over the period. The life insurance industry revealed a 1.22 percent CAGR for policies issued during the study period.

Table 10 Showing Market Share of Channels in Policies Issued by Life Insurance Companies

Agent/Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Individual agent	82.76	81.52	79.85	78.64	78.40	76.11	77.06
Corporate agent-Bank	10.16	10.90	11.36	11.85	11.22	13.02	12.92
Corporate agent-Others	1.19	1.14	1.55	1.65	1.52	1.57	1.70
Brokers	0.92	0.86	0.84	0.97	1.08	0.99	1.66
Direct selling	0.23	2.31	2.79	2.73	2.58	2.86	2.53
MI Agent	2.05	2.18	2.20	2.34	3.27	3.62	2.62
Common Service Center	0.03	0.02	0.09	0.09	0.06	0.10	0.30
IMF	0.00	0.01	0.02	0.03	0.04	0.07	0.10
On-line Selling	0.77	0.98	1.04	1.11	1.06	1.06	0.86
Other Channels	1.92	0.08	1.81	0.59	0.77	0.60	0.25
Total Policies	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

(Source: Author's Calculation) Note: Others include Web-Aggregator, Point of Sale, referrals etc.

Individual agents occupied a higher market share of 82.76 percent in policies issued by the life insurance industry in the financial year 2015-16 and thereafter it started declining and reached 77.06 percent in the financial year 2021-22. The market share of Corporate Agent-bank in policies issued is 10.16 percent in the financial year 2015-16 and 12.92 percent in 2021-22. Corporate Agent other than bank depicted 1.19 percent share in 2015-16 and 1.70 percent in 2021-22, Broker 0.92 percent to 1.66 percent in 2021-22 as compared to 2015-15; due to advent of information technology enabled issued to insurance policies Direct Selling marketing channel depicted increased market share from 0.23 percent in the year 2015 to 2.53 percent in the year 2022. All the other marketing channels like Micro Insurance Agents, Common Service Centre, Web aggregators, Point of Sale, Insurance Marketing Firms, and Online Selling revealed an increasing trend in their market share for policies issued throughout the study. Conclusively newly emerged marketing channels are increasing their market share whereas the market share of the traditional agent is decreasing.

➢ *New Group Insurance*

Group Life Insurance offers to help protect employees and their families from financial hardships in the event of the unfortunate demise of a family member.

Under this scheme policies or schemes are issued to a similar group of people performing homogeneous nature work or occupation for incidental purposes; such groups should be under single central administrative control to act on behalf of all members. The nature of such a group should be a steady stream of new entrants from year to year so that that is not stagnant and is not likely to lapse as a result of the depletion of members. This condition also ensures that over the period, the average age of the group does not become so high as to render it completely uninsurable. The large population of eligible members of the group should join the group schemes; this would insure that no adverse selection is exercised against the insurance company and that the proportion of impaired lives is not unduly high.

Table 11 Showing First Year Premium in Group Insurance Scheme by Insurance Industry (Figure in Crore)

Year/ Agents	Individual Agent	Corporate Agent-Bank	Corporate Agent-Other	Broker	Direct Selling	Mi –Agent
2015-16	1,359.32	1361.4	772.48	507.47	76426.9	0.01
2016-17	1,518.47	1798.94	324.19	785.82	92922.56	2.26
2017-18	997.40	2394.68	1338.57	948.12	96085.61	34.31
2018-19	2,217.43	4940.65	2388.43	1112.7	106205.6	124.37
2019-20	2,314.20	6920.84	2337.2	1158.6	144417.0	236.16
2020-21	3,407.45	8068.79	1855.78	1492.1	149429.7	200.58
2021-22	4637.69	11196.33	2692.87	2227.86	167930.45	314.00
CAGR	**19.16**	**35.12**	**19.53**	**23.53**	**11.90**	**338.95**

(Source: IRDA Reports)

Primarily Individual agents, Corporate agent-bank and others, brokers, direct selling, and Micro insurance agent are doing group insurance business in India, other channels have not shown significant presence in group business. The CAGR of Micro Insurance Agent has been 338.95 percent during the period from 2015-16 to 2021-22 followed by Corporate Agent Bank 35.12 percent, Broker 23.53 percent Corporate Agent Other 19.53 percent, Individual Agent 19.16 percent and Direct Selling 11.90 percent.

Table 12 Number of Schemes Issued Under Group Insurance by Insurance Industry

Year/ Agents	Individual Agents	Corporate Agent-Bank	Corporate Agent-Other	Broker	Direct Selling	Mi Agent
2015-16	4762	300	109	1976	28727	1
2016-17	4298	331	89	2462	28226	6
2017-18	4276	486	172	2314	27359	34
2018-19	3326	591	121	2573	29904	80
2019-20	2862	678	168	2455	30611	78
2020-21	2383	676	151	2953	32980	48
2021-22	4936	675	448	2274	32366	17
CAGR	**0.51**	**12.28**	**22.38**	**2.03**	**1.72**	**49.89**

(Source: IRDAI Reports)

In terms of policies issued in Group Insurance by Micro Insurance Agent channels depicted highest CAGR of 49.89 percent followed by Other Corporate Agents 22.38 percent, Corporate Agent Bank 12.28 percent, Broker 2.03 percent, Direct Selling 1.72 percent, and Individual Agent 0.51 percent over the time period from 2016-16 to 2021-22. The Micro Insurance Agent depicted highest CAGR whereas Individual Agent showed lowest. Individual agent issued minimum policies 2862 during 2019-20 and maximum during 2021-22. The Direct Selling channel issued minimum policies 27359 in 2017-18 and highest 32980 in 2020-21. Corporate Agent Bank issued 300 policies in 2015-16 and 678 in 2019-20 and this channel did not depict significance during the last three years of the study. The Corporate Agent Others made significant progress during the year 2021-22. Broker issued 1976 policies in 2015-16 and the highest 2953 in 2020-21.

Table 13 Showing Number of Lives Covered Under Group Insurance

Year/ Agents	Individual Agents	Corporate Agent-Bank	Corporate Agent-Other	Broker	Direct Selling	Mi Agent
2015-16	2701637	5801924	28555202	8516066	126458056	839
2016-17	2166475	2897265	6693771	13908119	154064625	111031
2017-18	1688791	16389881	10539110	17265524	140825037	1736894
2018-19	5582520	42114753	12669516	21155144	138443787	4687265
2019-20	1018113	58668475	12876293	17280159	131383377	6624214
2020-21	1156450	46706320	8881356	13790601	104097299	5123026
2021-22	1938929	58111821	13435729	14662522	121510594	6063842
CAGR	-4.63	38.98	-10.21	8.07	-0.57	255.86

(Source: IRDAI Reports and Author's Calculation)

- *Statistical Analysis of Premium and Policies of Life Insurance Companies*

To evaluate the performance of the distribution channel data have been adjusted channel-wise over the period from 2015-16 to 2021-22. The table below illustrates that there are differences in the performance across the channels. Further to know these differences are statistically significant in the performance across the channels, to achieve the target two-way ANOVA test has been used.

The channel and period are taken as independent variables and premium collected and policies issued are taken as the dependent variable. By applying the test of significance at a one percent level, it would be possible to state that the performance of the channels or group of channels or individual channels is significant for the life insurance industry in case of premium collected and policies issued.

Table 14 Showing Statistics for Premium Collected and Policies Issued using ANOVA Analysis

Source	Source of Variation	Sums of Squares	Degrees of freedom	Mean Squares	F-Value	p-value
Premium	Time	325640862.12	6	54273477.02	3.54	0.0056
	Channel	22168193275.35	8	2771024159.42	180.65	0
	SSE	736276965.03	48	15339103.44		
	Total	23230111102.51	62			
Policies	Time	37068182062444.6	6	6178030343740.76	1.01	0.4427
	Channel	2209168683958640	8	276146085494830	45.05	0
	SSE	6129487359250.67	48	294215393244032		
	Total	2540452259265120	62			

Group Premium	Time	1797119176.27	6	299519862.71	4256.798	0
	Channel	82279347174.28	5	16455869434.86	233872.01	0
	Both	5456623196.94	30	181887439.9	2585	0
	SSE	351813.58	5	70362.72		
	Total	89533441361.06	46			
Group Policies	Time	26043730.05	6	4340621.68	30.21	0.0003
	Channel	5155677866.31	5	1031135573.26	7176.97	0
	Both	21842256.11	30	728075.2	5.07	0.025
	SSE	862037	6	143672.83		
	Total	5204425889.48	47			
Lives Covered	Time	557160457646032	6	92860076274338.7	0.57	0.7521
	Channel	84780644071585900	5	16956128814317200	103.77	0
	SSE	4901892101085520	30	163396403369517		
	Total	90239696630317400	41			

(Source: Author's Calculation)

➢ *Individual Business Premium and Policies Issued*

ANOVA is a powerful technique used to know the difference in the mean of three or more populations is significant or not. It is developed by F.A. Fisher. In the life insurance industry, it is used to test whether there is a significant difference in the average premium collected and policies sold by different marketing channels engaged by the insurance industry. The analysis of variance is essentially a procedure for testing the difference between different groups for homogeneity. (Yule and Kendell). Therefore, in the present study, It is used to test the tenability of the assumption of equal variances i.e. homogeneity of variances. It looks at whether there is any significant difference between the type of distribution channels as well as within the period. The calculated value of F for premium collected through a type of marketing channels is 180.65 and the table value at a 1 percent level of significance where the degree of freedom v1 is 8 and v2 is 48; therefore the table value is 2.91; which is less than the calculated, further the critical table value at 1 percent is .01 and calculated value is 0.01, which is less, therefore, it is concluded that H0 is rejected and it is found that there is a significant difference between the channels in terms of premium collected.

Concerning the performance of channels over the period the calculated value of F is 3.54 and the table value of F where the degree of freedom v1 is 6 and v2 is 48 than the table value is 3.20; which is less than the calculated value; the critical value at 1 percent level is 0.01 and the p-value is 0.01; therefore, the null hypothesis cannot be rejected; it is found that performance of channels over the time for premium collected do not differ significantly and H0 is accepted. The insurance industry is growing at the rate of 12.37 percent during the study period and the highest value of premium collected is during the year 2021-22.

Therefore, it is concluded that the most significant year in terms of premium collected is 2021-22 for all the channels. The calculated value of F for policies issued is 45.05 and the table value is 2.91 which is less than the calculated value, further, the critical value is 0, which is also less than the calculated value; therefore, it is concluded that the number of policies issued by different channels differ significantly and H0 is rejected. Further, the performance of channels for policies issued over time does not differ significantly because the calculated value of F is 1.01 and the table value is 3.20 in case v1 is 8 and v2 is 48. The critical value at the 1 percent level of significance is 0.44 which is greater than the table value of 0.01, so it is concluded that the performance of channels for policies issued over time does not differ significantly and hence the H0 is accepted.

➢ *Group Business Premium, Policies Issued, and Lives Covered*

The calculated value of F for premium collected in Group Insurance by channels is 233871.01 and the table value is 11, the critical value is 0, and the table value is 0.01 which is greater than the critical value and the calculated value is also greater than the table value hence H0 is rejected and it is concluded that the performance of channels in premium collection for group insurance differs significantly. Further, for the time the calculated value of F is 2585 and the table value is 9.38, and the critical value is 0 and the table value is 0.01; both critical values in the table are greater, and the calculated value of F is greater therefore, it is concluded that performance of channels over the time differ significantly and the performance in year to year basis also differ significantly, because the calculated value of time of premium collection is 4256.80 and table value is 10.7, the calculated value is greater than the table value. It is concluded that the performance of channels differs significantly between the channels and over time.

The calculated value of F for policies issued in Group Insurance by channels is 7176.97 and the table value is 11, the critical value is 0, and the table value is 0.01 which is greater than the critical value and the calculated value is also greater than the table value hence H0 is rejected and it is concluded that the performance of different channels in policies issued for group insurance differ significantly.

Further for the period the calculated value of F is 30.21 and the table value is 10.7 the critical value is 0.0003 and the table value is 0.01; both critical values are less at 0.01 and the calculated value of F is greater than the table value; therefore, it is concluded that performance of channels over the time differ significantly between the channels, but when the performance of channels is assessed both channel and time wise it is found that calculated value of F is 5.07 and table value is 9.38 the critical value of p is 0.025 which is greater than p =0.01, calculated value of F is less than the table value hence H0 is accepted and found performance in the year to year basis do not differ significantly.

The calculated value of F for lives covered in Group Insurance by channels is 103.77 and the table value is 11, the critical value is 0, and the table value is 0.01 which is greater than the critical value p and the calculated value is also greater than the table value hence H0 is rejected and it is concluded that the performance of different channels in lives covered for group insurance differs significantly. Further, for the time the calculated value of F is 0.56 and the table value is 10.7 the critical p-value is 0.75 and the table value is 0.01; the critical value of p is greater at 0.01 and the calculated value of F is less than the table value; therefore, it is concluded that performance of channels over the time do not differ significantly between the channels over the time. Hence, H0 is accepted and found that the performance of channels for lives covered does not differ significantly.

- *Summary of Hypothesis*

Table 15 Status of Hypothesis and Summary of Result

Life Insurance Business	Indicator	Parameter	Hypothesis	Status
Individual	Premium	Time	H_0	Accepted
		Channel	H_0	Rejected
	Policies	Time	H_0	Accepted
		Time	H_0	Rejected
Group	Premium	Time	H_0	Rejected
		Channel	H_0	Rejected
	Policies	Time	H_0	Accepted
		Channel	H_0	Rejected
	Lives	Time	H_0	Accepted
		Channel	H_0	Rejected

(Source: Author’s Interpretation)

- *Post ANOVA Treatment*

The two way classification ANOVA depicts that there is differences in the result with respect to time and distribution channels. The two independent variable differ in their result; therefore, it is suggested by Field (2005: 339-341) to perform post hoc test to find out which channel differs significantly. The following are the results of Tukey Post Hoc Test for premium collected through different channels. The p-value corresponding to the F-statistic is 0 which is lower than 0.01 which strongly suggest that one or more pairs of channels are differ significantly. In this case there are eight channels, so the value of k is 8 and there are 28 possible treatments pairs for which to pinpoint which of them exhibits statistically significant different. The critical value of Tukey-Kramer HSD Q at significant level .01 and 0.05 in the Studentized Range Distribution is 5.3879 and 4.5688 respectively. The quantity H_{ij} is the harmonic mean of the number of observations in columns I and j. When the sample sizes in the columns are equal, then their harmonic mean is simply the common sample size. When the sample sizes of columns in a pair being compared are different, the harmonic mean lies somewhere in between the two sample sizes. The relevant harmonic mean s required for applying the Tukey-Kramer procedure for Channels with unequal sample sizes. $Qij > Q_{critical}$, $Q\alpha=0.01,k=8,\nu=48$ critical at 1 percent level of significance is 5.3217 and at 5 percent level of significant is 4.4806.

Table 16 Tukey HSD results for Premium Collected by Life Insurance Channels

Channel (I)	Channel (J)	Tukey HSD Q Statistics	Tukey HSD P Value	Tukey HSD Interference
Individual Agent	Corporate Agent-Bank	19.1622	0.0010053	p<0.01
	Corporate Agent-Other	33.6175	0.0010053	p<0.01
	Broker	33.6291	0.0010053	p<0.01
	Direct Selling	30.9788	0.0010053	p<0.01
	Micro Insurance Agent	30.9788	0.0010053	p<0.01
	Common Service Center	34.4893	0.0010053	p<0.01
	Insurance Marketing Firm	34.4451	0.0010053	p<0.01

ISSN No:-2456-2165

	Online Selling	33.8800	0.0010053	p<0.01
Corporate Agent-Bank	Corporate Agent- Other	14.4553	0.0010053	p<0.01
	Broker	14.4670	0.0010053	p<0.01
	Direct Selling	11.8166	0.0010053	p<0.01
	Micro Insurance Agent	11.8166	0.0010053	p<0.01
	Common Service Center	15.3271	0.0010053	p<0.01
	Insurance Marketing Firm	15.2829	0.0010053	p<0.01
	Online Selling	14.7178	0.0010053	p<0.01
Corporate Agent-Others	Broker	0.0117	0.8999947	p>0.01
	Direct Selling	2.6387	0.6216139	p>0.01
	Micro Insurance Agent	2.6387	0.6216139	p>0.01
	Common Service Center	0.8718	0.8999947	p>0.01
	Insurance Marketing Firm	0.8276	0.8999947	p>0.01
	Online Selling	0.2625	0.8999947	p>0.01
Broker	Direct Selling	2.6503	0.6168216	p>0.01
	Micro Insurance Agent	2.6503	0.6168216	p>0.01
	Common Service Center	0.8601	0.8999947	p>0.01
	Insurance Marketing Firm	0.8159	0.8999947	p>0.01
	Online Selling	0.2508	0.8999947	p>0.01
Direct Selling	Micro Insurance Agent	0.0000	0.8999947	p>0.01
	Common Service Center	3.5105	0.2634838	p>0.01
	Insurance Marketing Firm	3.4663	0.2789277	p>0.01
	Online Selling	2.9012	0.5137754	p>0.01
Micro Insurance Agent	Common Service Center	3.5105	0.2634838	p>0.01
	Insurance Marketing Firm	3.4663	0.2789277	p>0.01
	Online Selling	2.9012	0.5137754	p>0.01
Common Service Center	Insurance Marketing Firm	0.0442	0.8999947	p>0.01
	Online Selling	0.6093	0.8999947	p>0.01
Insurance Marketing Firms	Online Selling	0.5651	0.8999947	p>0.01

(Source: Author's Calculation)

The Tukey mean difference in case of Individual Agent and Corporate Agent-Bank channels is more than the Tukey Studentized Value of 5.3217 at 1 percent level of significance and further p value is less than the table value. So it is found that these channels are significant and all other channels are insignificant.

- *Test of Significance for Policies Issued*

Table 17 Showing Tukey Post Hoc Test for Policies Issued

Channel (I)	Channel (J)	Tukey HSD Q Statistics	Tukey HSD P Value	Tukey HSD Interference
Individual Agent	Corporate Agent-Bank	17.1310	0.0010053	p<0.01
	Corporate Agent-Other	20.2349	0.0010053	p<0.01
	Broker	20.3030	0.0010053	p<0.01
	Direct Selling	19.9270	0.0010053	p<0.01
	Micro Insurance Agent	19.8336	0.0010053	p<0.01
	Common Service Center	20.5873	0.0010053	p<0.01
	Insurance Marketing Firm	20.6058	0.0010053	p<0.01
	Online Selling	20.3232	0.0010053	p<0.01
Corporate Agent-Bank	Corporate Agent- Other	3.1039	0.4264494	p>0.01
	Broker	3.1720	0.3963319	p>0.01
	Direct Selling	2.7960	0.5569915	p>0.01
	Micro Insurance Agent	2.7026	0.5953323	p>0.01
	Common Service Center	3.4563	0.2824888	p>0.01
	Insurance Marketing Firm	3.4748	0.2758991	p>0.01
	Online Selling	3.1923	0.3874593	p>0.01
Corporate Agent-Others	Broker	0.0681	0.8999947	p>0.01
	Direct Selling	0.3079	0.8999947	p>0.01

	Micro Insurance Agent	0.4012	0.8999947	p>0.01
	Common Service Center	0.3524	0.8999947	p>0.01
	Insurance Marketing Firm	0.3710	0.8999947	p>0.01
	Online Selling	0.0884	0.8999947	p>0.01
Broker	Direct Selling	0.3760	0.8999947	p>0.01
	Micro Insurance Agent	0.4694	0.8999947	p>0.01
	Common Service Center	0.2843	0.8999947	p>0.01
	Insurance Marketing Firm	0.3028	0.8999947	p>0.01
	Online Selling	0.0202	0.8999947	p>0.01
Direct Selling	Micro Insurance Agent	0.0933	0.8999947	p>0.01
	Common Service Center	0.6603	0.8999947	p>0.01
	Insurance Marketing Firm	0.6789	0.8999947	p>0.01
	Online Selling	0.3963	0.8999947	p>0.01
Micro Insurance Agent	Common Service Center	0.7536	0.8999947	p>0.01
	Insurance Marketing Firm	0.7722	0.8999947	p>0.01
	Online Selling	0.4896	0.8999947	p>0.01
Common Service Center	Insurance Marketing Firms	0.0185	0.8999947	p>0.01
	Online Selling	0.2640	0.8999947	p>0.01
Insurance Marketing Firm	Online Selling	0.2826	0.8999947	p>0.01

(Source: Author's Calculation)

While testing the significance for policies issued by the marketing channels over the period, it is calculated value of F is greater than the table value and the H_0 has been rejected and it is found that marketing channels differ significantly. Therefore, it is obligatory to test further to find out the most significant channel for policies issued. So the Tukey post hoc test is to be conducted for policies issued.

The Tukey mean difference in case of Individual Agent channels for policies issued is more than the Tukey Studentized Value of 5.3217 at 1 percent level of significance and further p value is less than the table value, but in case of all the other channels, the mean difference is less than the Tukey value and p value is greater than table value so all other channels are insignificant for policies issued.

Table 18 Result of Post Hoc Test for Premium Collection in Group Insurance Business

Channel (I)	**Channel (J)**	**Tukey HSD Q Statistics**	**Tukey HSD P Value**	**Tukey HSD Interference**
Individual Agent	Corporate Agent-Bank	0.5390	0.8999947	p>0.01
	Corporate Agent-Other	0.1263	0.8999947	p>0.01
	Broker	0.2190	0.8999947	p>0.01
	Direct Selling	21.7658	0.0010053	p<0.01
	Micro Insurance Agent	0.4140	0.8999947	p>0.01
Corporate Agent-Bank	Corporate Agent- Other	0.6653	0.8999947	p>0.01
	Broker	0.7579	0.8999947	p>0.01
	Direct Selling	21.2269	0.0010053	p<0.01
	Micro Insurance Agent	0.9530	0.8999947	p>0.01
Corporate Agent-Others	Broker	0.0926	0.8999947	p>0.01
	Direct Selling	21.8922	0.0010053	p<0.01
	Micro Insurance Agent	0.2877	0.8999947	p>0.01
Broker	Direct Selling	21.9848	0.0010053	p<0.01
	Micro Insurance Agent	0.1950	0.8999947	p>0.01
Direct Selling	Micro Insurance Agent	22.1799	0.0010053	p<0.01

(Source: Author's Calculation)

The Tukey mean difference in case of direct selling channels for premium collection in group life insurance is more than the Tukey Studentized Value of 5.3217 at 1 percent level of significance and further p value is less than the table value, but in case of all the other channels, the mean difference is less than the Tukey value and p value is greater than table value so all other channels are insignificant for premium collection. So the direct selling channel is found more significant in group life insurance business.

Tukey HSD Post Hoc Test result for schemes issued for Group Life Insurance in India

There are 6 channels which are doing group life insurance business in India, so value of k is 6 and the degree of freedom is

36 i.e. (6*7-6). The critical value of Studentized Range at 1 percent level of significance is Qα=0.01, k=6, ν=36 critical = 5.1566 and 5 percent level of significance is 4.2547. The mean difference (I – J) of the Direct Selling is higher than the Tukey HSD Studentized value at 1 percent level of significance when paired with all intermediary channels. So it is found that Direct Selling channel is significant in group life insurance business for premium collection.

Table 19 Tukey HSD Result for Schemes Issued for Group Life Insurance

Channel (I)	**Channel (J)**	**Tukey HSD Q Statistics**	**Tukey HSD P Value**	**Tukey HSD Interference**
Individual Agent	Corporate Agent-Bank	9.0952	0.0010053	$p<0.01$
	Corporate Agent-Other	10.0710	0.0010053	$p<0.01$
	Broker	3.8718	0.0921325	$p>0.01$
	Direct Selling	72.1644	0.0010053	$p<0.01$
	Micro Insurance Agent	10.4623	0.0010053	$p<0.01$
Corporate Agent-Bank	Corporate Agent- Other	0.9758	0.8999947	$p>0.01$
	Broker	5.2235	0.0088077	$p<0.01$
	Direct Selling	81.2596	0.0010053	$p<0.01$
	Micro Insurance Agent	1.3671	0.8999947	$p>0.01$
Corporate Agent-Others	Broker	6.1993	0.0012705	$p<0.01$
	Direct Selling	82.2354	0.0010053	$p<0.01$
	Micro Insurance Agent	0.3913	0.8999947	$p>0.01$
Broker	Direct Selling	76.0361	0.0010053	$p<0.01$
	Micro Insurance Agent	6.5906	0.0010053	$p<0.01$
Direct Selling	Micro Insurance Agent	82.6267	0.0010053	$p<0.01$

(Source: Author's Calculation)

The above Tukey HSD table revealed that individual agent in group life insurance business schemes issued is significant as compared with Corporate Agent bank, other than bank, Direct Selling and Micro Insurance Agent but not with broker. Corporate Agent bank is significant with Broker, Direct Selling and Micro Insurance Agent; Corporate Agent –Others are significant with broker and direct selling; Direct Selling distribution channel is the significant channel for schemes issued in group life insurance business.

Table 20 Showing Tukey HSD Significance Test for Group Life Insurance in Lives Covered

Channel (I)	**Channel (J)**	**Tukey HSD Q Statistics**	**Tukey HSD P Value**	**Tukey HSD Interference**
Individual Agent	Corporate Agent-Bank	6.5818	0.0010053	$p<0.01$
	Corporate Agent-Other	2.3756	0.5468665	$p>0.01$
	Broker	2.7724	0.3853871	$p>0.01$
	Direct Selling	27.6402	0.0010053	$p<0.01$
	Micro Insurance Agent	0.2484	0.8999947	$p>0.01$
Corporate Agent-Bank	Corporate Agent- Other	4.2062	0.0542091	$p>0.01$
	Broker	3.8094	0.1014157	$p>0.01$
	Direct Selling	21.0584	0.0010053	$p<0.01$
	Micro Insurance Agent	6.3334	0.0010053	$p<0.01$
Corporate Agent-Others	Broker	0.3968	0.8999947	$p>0.01$
	Direct Selling	25.2646	0.0010053	$p<0.01$
	Micro Insurance Agent	2.1272	0.6443315	$p>0.01$
Broker	Direct Selling	24.8679	0.0010053	$p<0.01$
	Micro Insurance Agent	2.5239	0.4882011	$p>0.01$
Direct Selling	Micro Insurance Agent	27.3918	0.0010053	$p<0.01$

(Source: Author's Calculations)

Tukey HSD test revealed that Individual agent is significant with corporate agent bank and direct selling only; corporate agent-bank is significant with direct selling and micro Insurance agent; corporate agent-other is significant with direct selling; broker is significant with direct selling and direct selling is significant with micro insurance agent. Therefore, it is concluded that the most significant channel in lives covered is direct selling channel.

ISSN No:-2456-2165

VII. CONCLUSION AND SUGGESTIONS

The importance of distribution channels in the life insurance business is undebatable; these channels on the one side collect business for life insurance companies and help to build the image of the insurer and the brand value. In the present study, the performance of multiple intermediary channels both offline and online including direct channel (Individual Agent, Micro Insurance Agent, direct selling), merchant (Corporate Agent Bank, other than bank, Broker, and IMFs) and facilitating channels (Common Service Center Online Selling) has been evaluated using two parameters namely premium collected and policies issued in individual and group insurance business in India from the period 2015-16 to 2021-22. Although the performance of multiple channels is valuable for the growth of the life insurance industry, penetration, and density in the present study the performance of the agency channel 'individual agent' and merchant channel 'Corporate Agent-bank' are found significant in individual business and direct selling channel is found more significant in group life insurance business for premium collection and policies as well as lives covered. In the life insurance individual business individual agent and corporate agent bank, the offline marketing channels remained prevalent in India.

However, among the digital marketing channels Online and IMFs are gaining momentum. Common Service Center the aggregator channel has also depicted the highest growth rate, further this type of distribution channel has made insurance-related information at the fingertips of the consumers and allows them to be informed amount the product and the choices available as per their needs and premium paying capacity. Increasing internet penetration, adoption of smartphones, increasing young population, migration from rural to urban, higher literacy as well as financial literacy rate, and growing middle class and strong positive initiative from the government of India shall be the key drivers for the growth of the life insurance industry in India. To tap this market, insurers need to shift their approach from a product-centric to a consumer-centric business model because due to the evolution of e-commerce, an understanding has been developed among the consumers to compare the competitive advantage of the product and make the decision on product and services attached with it.

The face of distribution channels is changing with customer preferences, regulations, and technological advancement; presently there are three broad categories of distribution channels working in the life insurance sector namely traditional, merchant, and tech-savvy; out of these tech-savvy channels provide comfort, convenience, independent decision making, and self-service. The merchant channels make tie-ups with multiple insurers and sell their products.

Such marketing channels are growing in partnership and need to be carefully evaluated for affinities so that these channels can be adopted for the growth of the life insurance market. In the present scenario web-based distribution channels are providing most services either online or through mobile and the insurers are putting greater efforts into their Websites to allow customers a higher degree of control and flexibility. Life insurance penetration and density differ significantly between the selected countries.

India's rank 17th and 13th in life insurance density and penetration out of 20 respectively; both the measures of insurance development largely depend on the availability of insurance products and services, consumers awareness and ability to pay. While testing the consumer's perception towards life insurance products, it is found that they do not have purchased life insurance policies due to the low level of return from the life term life insurance policy. So life insurers need to return at a rate higher than the rate offered by other sources of risk-free investment. In India there is a huge scope of insurance as only 3 percent of the Indian population is under any cover of life insurance; therefore, it needs to make further efforts to improve and development of customer-centric insurance products. Further, to increase the penetration and density special new and innovative insurance products including group policies to be issued on a priority basis in rural areas and semi-urban areas. Distribution channels have to adopt their strategy of reaching customers through the use of technology as well as face-to-face contact. Further, life insurers and distribution channels have to adopt paid search engine marketing, organic search engine optimization, and social media marketing and the channels have to convert the leads so received into business using effective and persuasive communication skills.

A primary survey to know the awareness about the available marketing channels of life insurance business was conducted to support the findings and it is found that consumers are less aware of the available life insurance channels available in the market. The preference opted by customers in a primary survey is individual agent, corporate agent bank, other corporate agent, broker, direct selling, online, micro insurance agent and other facilitation center in case of individual business and direct selling and broker in case of group insurance business.

ACKNOWLEDGMENT

The author is highly grateful to the IRDAI authority for providing data and also to the editor-in-chief for publishing this paper in a short span of time.

I do not have any conflict of interest regarding this paper.

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