

Competitive Dynamics and Market Performance of Indian Life Insurance Sector - A Comparative Study of Public and Private Companies

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Abstract- *The Indian life insurance industry has undergone significant transformation since liberalization, with the coexistence of public sector dominance through Life Insurance Corporation of India and emerging private sector competition. This comprehensive study examines premium underwriting patterns, market share dynamics, and distribution channel effectiveness across the Indian life insurance sector from 2011 to 2024. Through descriptive statistical analysis of secondary data obtained from IRDAI reports, this research evaluates new business premium growth, total premium underwriting trends, agent distribution networks, and investment portfolio performance across major insurers including LIC, ICICI Prudential, HDFC Life, SBI Life, Kotak Mahindra Life, Aditya Birla Sun Life, and Bajaj Allianz. The findings reveal that despite LIC's continued market leadership with average annual growth rates of 9.3% in new business premium, private insurers have demonstrated superior growth trajectories, with HDFC Life achieving 18.3% AAGR and SBI Life recording 15.2% AAGR. The study indicates a gradual market share shift from public to private sector, with private insurers collectively increasing their industry share from 31.1% in 2011 to 41.2% in 2024 for new business premium. The research contributes to understanding competitive dynamics, distribution efficiency, and strategic positioning within India's Life Insurance Industry.*

Keywords: Life insurance, Premium underwriting, Market dynamics, Public-private competition, IRDAI, Distribution channels, Investment management

1. INTRODUCTION

The Indian life insurance industry has experienced rapid growth and profound transformation since financial sector liberalization began in 2000 with the creation of the Insurance Regulatory and Development Authority of India (IRDAI). Moving from a monopoly-historically dominated by the Life

Insurance Corporation of India to a competitive environment now featuring a mix of public and private players, the sector has seen innovation in products, distribution strategies, and technology. These changes have positioned India as one of the world's fastest-growing life insurance markets.

Life insurance in India plays a crucial economic role, not only providing risk coverage but also fostering financial inclusion, long-term savings, and supporting capital markets (CII, 2023). Despite sustained expansion total premiums grew by 7.7% to ₹11.2 lakh crore in FY 24, the overall insurance penetration of 3.7% remains well below the global average of 7%, indicating significant untapped opportunities, particularly in rural and semi-urban regions (Economic Survey, 2025). Factors such as India's young population, burgeoning middle class, rising digital adoption, and financial inclusion initiatives underpin a positive long-term growth outlook (CII, 2023).

The competitive landscape has shifted notably since market liberalization. LIC, founded in 1956 and long the sole provider, developed deep networks and wide market reach. The entry of private insurers since 2000 has introduced new expertise, innovative products, and higher customer service standards, intensified competition and benefiting consumers.

Premium underwriting is the core revenue generator for life insurers, crucial for determining market share, competitive strength, and financial sustainability. Trends in new business and total premium underwriting provide insight into company performance, market trends, and strategic success.

Distribution networks traditionally agent driven remain central to industry performance. The evolution toward multi-channel models, including bancassurance and digital platforms, has broadened customer access and operational efficiency.

This study comprehensively analyses premium underwriting trends, market performance, and distribution channel effectiveness among major Indian life insurers public and private from 2011 to 2024. It offers a detailed comparison of ownership structures, competitive dynamics, and the industry's evolution in the liberalized era.

2. LITERATURE REVIEW

The development of India's life insurance industry has been the subject of extensive academic inquiry. Researchers such as Ray, Thakur, and Bandyopadhyay (2020) have examined the sector's challenges and opportunities, highlighting issues like low insurance penetration, regulatory constraints, and market structure. Their work emphasizes the continuing dominance of public sector insurers despite liberalization and the struggle to foster fair competition between public and private players.

Performance evaluation in the industry has been another key focus. Mohanty, Biswal, and Nanda applied factor analysis and clustering methods to assess private life insurers. They identified solvency, premium growth, claims settlement, and persistency ratios as critical performance indicators. Their study found that HDFC Life, ICICI Prudential, and SBI Life ranked highly among private insurers due to financial strength and service quality.

Distribution channels also receive significant attention in the literature. Traditional agency networks continue to play a central role in customer acquisition, particularly in rural areas (Acharya & Hebbar, 2023); however, the rise of bancassurance and digital platforms is increasingly relevant in urban settings (Singh & Deshmukh, 2022; Relan, 2020; Coverage Managed, n.d.). Studies suggest that digital channels are gaining traction for standardized product sales and customer service, although agents remain key to selling complex products (Singh & Deshmukh, 2022).

Another area of interest is investment performance. Insurers' ability to manage assets and generate investment returns plays a crucial role in overall profitability, especially for companies with traditional policies offering guaranteed returns. Measures like the investment income ratio are key

performance indicators (Investopedia, n.d.). Recent data show private insurers such as SBI Life reporting substantial gains from investment income (Reuters, 2024), even as some like HDFC Life face margin challenges amid product shifts (Reuters, 2024).

3. RESEARCH OBJECTIVES

1. To analyse and compare business performance of select Indian life insurance companies.
2. To compare distribution channel and market dynamics of Select Indian Life Insurance Companies.

4. RESEARCH METHODOLOGY

This study employs a descriptive and analytical research design to examine premium underwriting patterns, market dynamics, and distribution channel performance across the Indian life insurance industry. The research methodology combines quantitative analysis of secondary data with longitudinal trend examination to provide comprehensive insights into industry evolution and competitive positioning.

5. DATA SOURCES AND COLLECTION

Secondary data were drawn from authoritative industry sources to ensure reliability and regulatory compliance. The Insurance Regulatory and Development Authority of India (IRDAI) Annual Reports served as the primary repository, offering comprehensive industry metrics and trends. Company-specific financial disclosures and segment-level performance indicators were obtained from annual reports and regulatory filings.

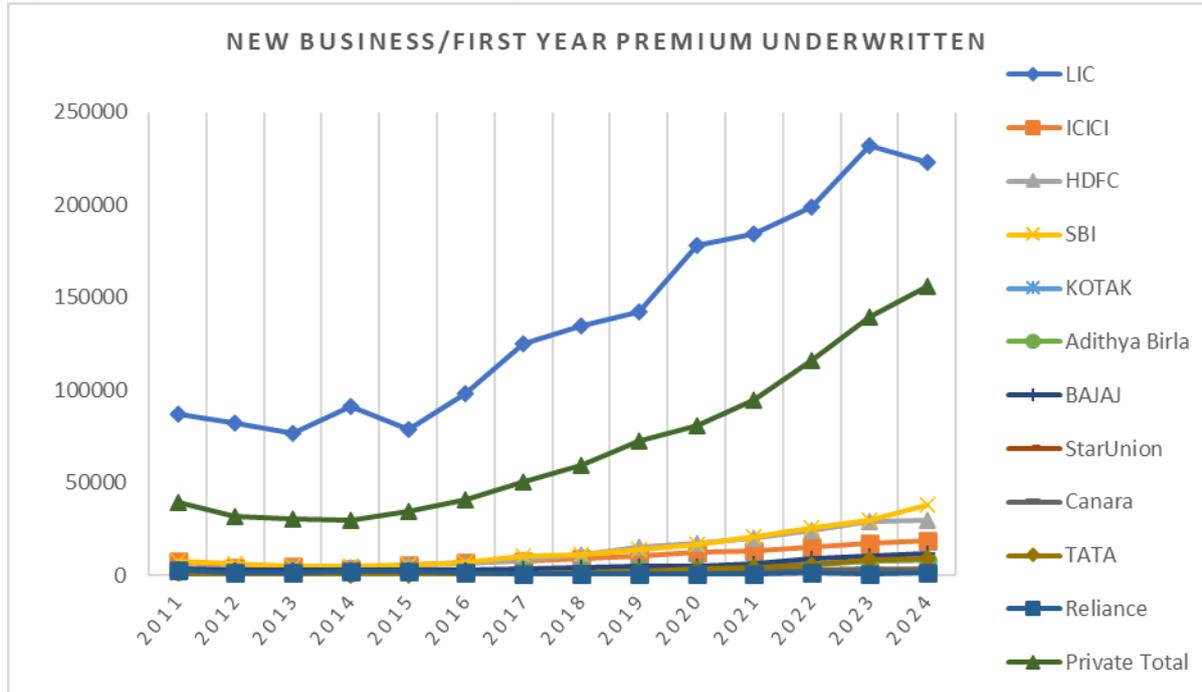
6. METHOD OF ANALYSIS

The analysis commences with descriptive statistical techniques to tabulate annual premium volumes, market shares, and contributions from different distribution channels. Finally, charts and tables are prepared to illustrate growth trajectories, shifts in distribution channels, and sectoral dynamics throughout the study period.

7. RESULTS AND DISCUSSION

Premium Underwriting Performance and Growth Trajectories

Figure-1. New Business Premium Underwriting Performance



Source: IRDAI

Note: Graph generated by the research scholar

Figure No.1 Reveals the analysis of new business premium underwriting is significant disparities in growth trajectories between public and private sector insurers over the study period. Life Insurance Corporation of India demonstrated substantial absolute growth from ₹87,012.35 crores in 2011 to ₹222,671.40 crores in 2024.

Private sector insurers collectively demonstrated superior growth consistency and higher average growth rates compared to the public sector benchmark. HDFC Life Insurance emerged as the strongest performer among analysed companies, achieving an exceptional growth rate with new business premium expanding from ₹4,059.33 crores in 2011 to ₹29,631.36 crores in 2024. This remarkable growth trajectory reflects effective market positioning, product innovation, and distribution network expansion strategies that enabled consistent market share gains throughout the study period.

SBI Life Insurance new business premium increased from ₹7,589.58 crores in 2011 to ₹38,238.31 crores in 2024, with particularly strong performance during 2020-2024 period when premium underwriting

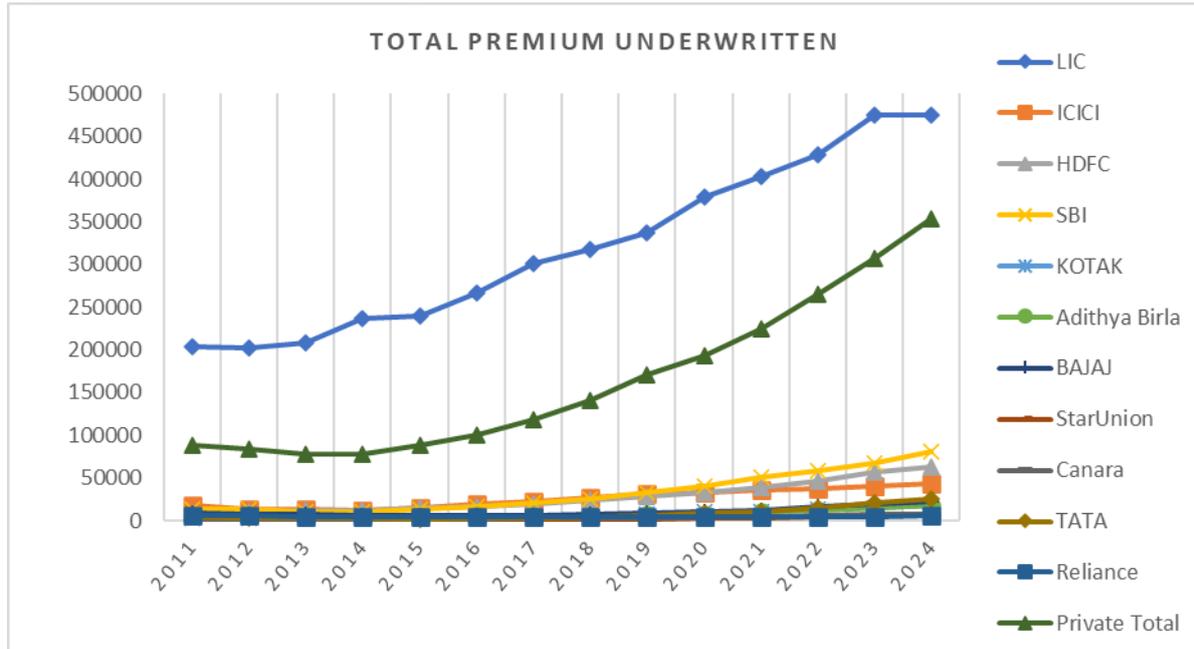
accelerated significantly. This growth pattern indicates successful leveraging of State Bank of India's extensive branch network and customer relationships for insurance product distribution.

Kotak Mahindra Life Insurance company's new business premium expanded from ₹1,253.14 crores in 2011 to ₹8,656.85 crores in 2024, demonstrating consistent growth across all years without significant decline phases. This performance reflects focused market approach and effective customer acquisition strategies tailored to target segments.

ICICI Prudential Life Insurance company experienced initial challenges with new business premium declining from ₹7,862.14 crores in 2011 to ₹3,759.59 crores in 2014, before recovering to ₹18,678.82 crores by 2024. This pattern suggests strategic repositioning and operational adjustments during the middle years of the study period, followed by renewed growth momentum.

The Private sector's total new business premium increased from ₹39,385.84 crores in 2011 to ₹155,734.05 crores in 2024, representing a four-fold expansion. This growth significantly outpaced LIC's 2.6-fold increase during the same period, resulting in gradual market share redistribution.

Figure-2. Total Premium Underwriting Trends



Source: IRDAI

Note: Graph generated by the research scholar

Figure No.2 Provides insights in to the total premium underwriting analysis provides insights into business sustainability and customer retention capabilities across different insurers. Life Insurance Corporation of India maintained its dominant position with total premium growing from ₹203,473.40 crores in 2011 to ₹475,751.92 crores in 2024.

The total premium underwriting metric reveals different competitive dynamics compared to new business premium patterns. HDFC Life Insurance total premium expanding from ₹9,004.17 crores in 2011 to ₹63,076.48 crores in 2024. This performance demonstrates successful customer retention and portfolio building capabilities beyond initial policy acquisition, indicating sustainable business model development.

SBI Life Insurance recorded 16.8% annual growth in total premium underwriting, the highest among all examined insurers. Total premium increased from ₹12,945.29 crores in 2011 to ₹81,430.64 crores in 2024, reflecting both strong new business

acquisition and effective customer retention strategies. The superior performance in total premium compared to new business premium suggests excellent policy persistency and renewal management capabilities.

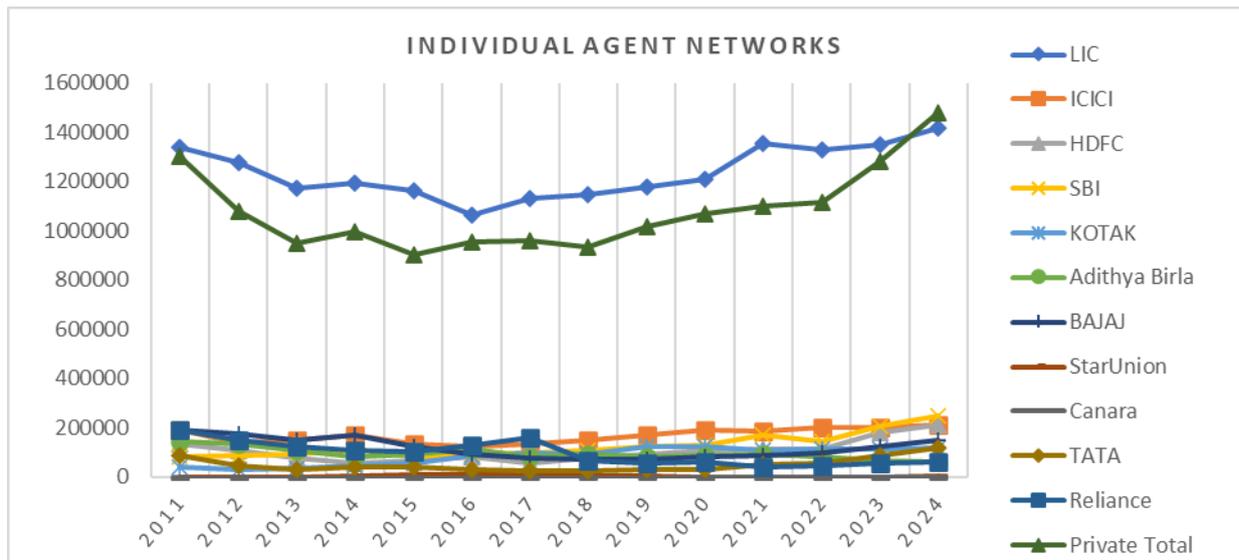
Kotak Mahindra Life Insurance total premium expanded from ₹2,975.51 crores in 2011 to ₹17,708.38 crores in 2024, indicating balanced growth across both new business acquisition and portfolio retention dimensions.

ICICI Prudential Life Insurance total premium underwriting, reaching ₹43,235.64 crores in 2024 from ₹17,880.63 crores in 2011. This performance, while positive, indicates room for improvement in customer retention and portfolio management compared to stronger performing private competitors.

The private sector total premium increased from ₹88,165.24 crores in 2011 to ₹354,177.54 crores in 2024, representing substantial market share gains over the study period.

Distribution Channel Analysis and Effectiveness

Figure-3. Individual Agent Networks



Source: IRDAI

Note: Graph generated by the research scholar

Figure No.3 Analyse that Individual agent networks remain the primary distribution channel for life insurance products across all major insurers, though performance patterns vary significantly between public and private sectors. Life Insurance Corporation of India maintained the largest agent network throughout the study period, with individual agents ranging from 1,061,560 in 2016 to 1,414,743 in 2024. The average network size of 1,237,123 agents represents substantial distribution capacity, though productivity metrics suggest opportunities for optimization.

LIC's agent network size fluctuated considerably during 2011-2017 period, declining from 1,337,064 agents in 2011 to 1,061,560 in 2016, before recovering to current levels. This pattern suggests strategic restructuring and quality improvement initiatives that prioritized agent productivity over absolute numbers during the middle years of the study period.

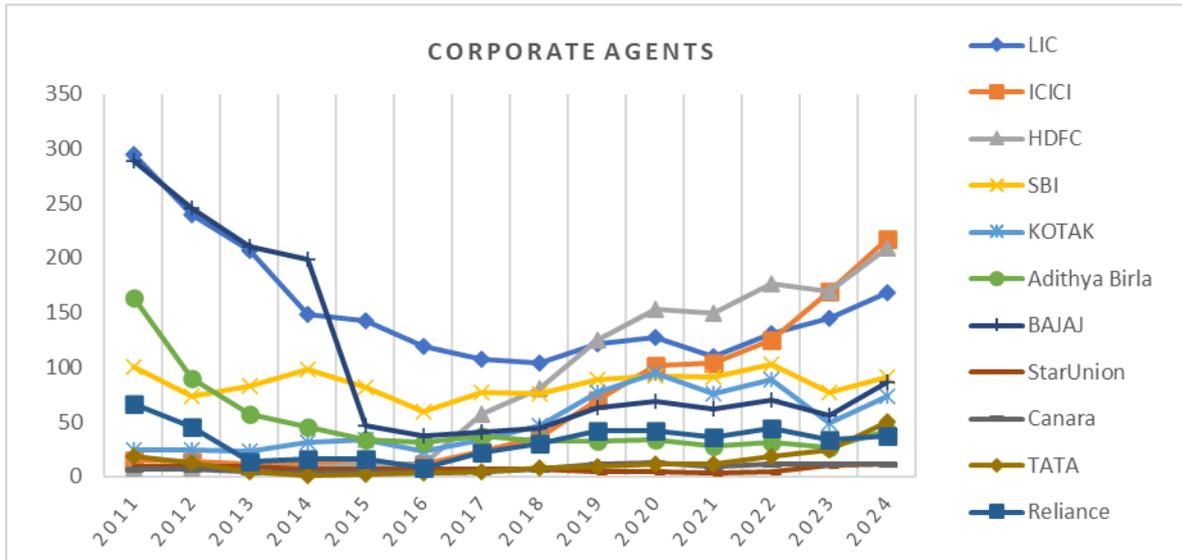
Private sector insurers demonstrated more focused distribution strategies with smaller but potentially more productive agent networks. ICICI Prudential maintained an average of 167,764 individual agents reaching 209,521 agents by 2024. The company's agent network demonstrated consistent expansion throughout most years, suggesting stable distribution strategy and effective agent recruitment and retention programs.

Figure-4. Corporate Agency Networks

HDFC Life Insurance employed a more variable distribution approach, with agent numbers fluctuating between 54,516 and 214,275 during the study period. and substantial reductions during 2014-2017 period followed by rapid expansion during 2020-2024. This pattern indicates strategic pivots in distribution strategy, possibly incorporating alternative channels and optimizing agent productivity metrics.

Agent productivity analysis reveals significant differences between public and private sectors when examining premium per agent ratios. LIC's average premium per agent for new business reached ₹111.7 lakhs annually, while private insurers achieved higher productivity levels. HDFC Life demonstrated exceptional agent productivity with average premium per agent of ₹124.5 lakhs for new business, indicating superior training, support, and market positioning effectiveness.

The private sector collectively maintained 1,081,509 individual agents, However, private sector agent productivity significantly exceeded public sector performance, generating ₹64.4 crores average premium per thousand agents compared to LIC's ₹111.5 crores average premium per thousand agents for new business underwriting.

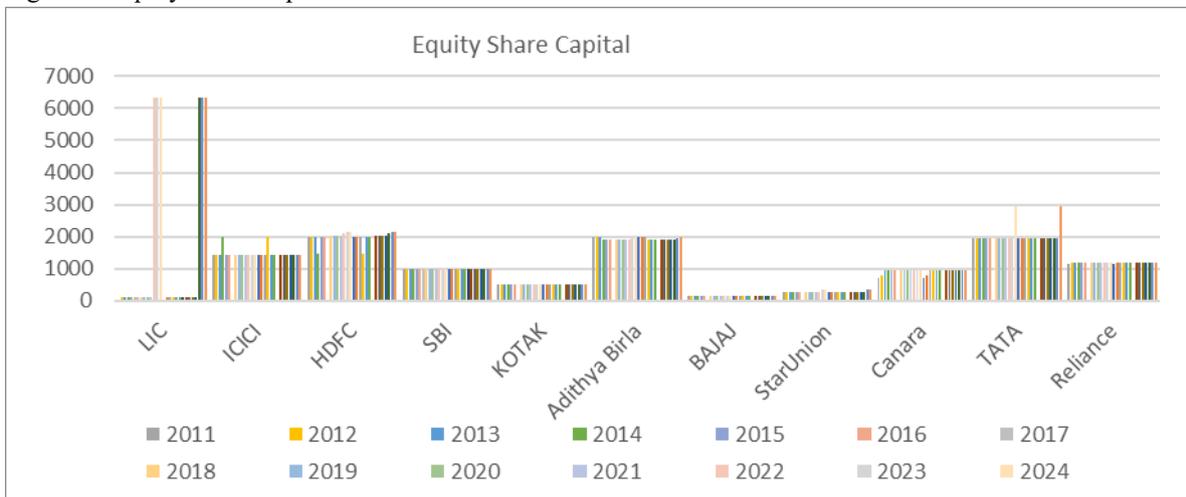


Source: IRDAI

Note: Graph generated by the research scholar

Figure No.4 illustrate the corporate agency networks between 2011 and 2024 reveals a modest but steady expansion across the life-insurance industry, with significant variation among individual companies. While LIC’s corporate partners declined 295 in 2011 to 168 in 2024-reflecting a compound annual contraction of 4.3% private insurers broadly increased their bancassurance and corporate tie-ups. ICICI Prudential’s corporate agency count surged Figure-5. Equity Share Capital

from 15 to 217, HDFC Life grew from 8 to 209, and SBI Life rose slightly from 100 to 91, before rebounding. Kotak Mahindra Life steadily grew its network from 25 to 74, whereas Aditya Birla and Bajaj Allianz saw fluctuations around a modest negative trajectory. By 2024, private insurers collectively boasted 892 corporate agents up from 1,870 in 2011, underscoring the sector’s strategic emphasis on institutional partnerships to complement traditional agency channels.



Source: IRDAI

Note: Graph generated by the research scholar

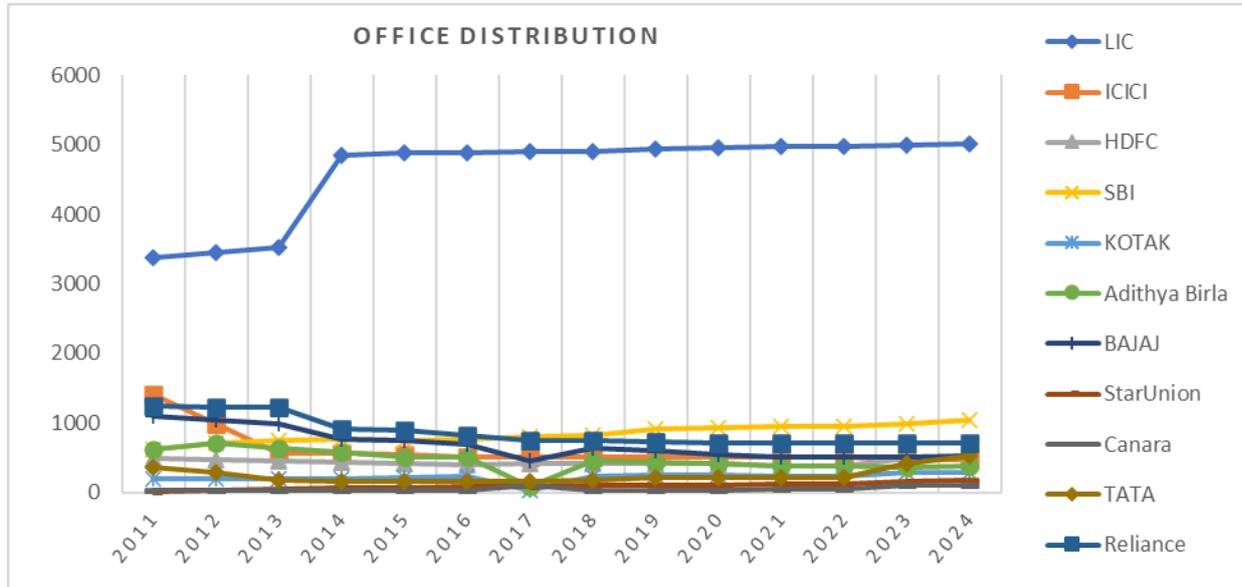
Figure No.5 illustrate the trend in equity share capital indicating that LIC’s paid-up capital remained fixed at ₹100 crore until 2022, when a one-time infusion raised it to ₹6,325 crore. In contrast, private players maintained relatively stable equity bases, with ICICI Prudential hovering around

₹1,428-1,441 crore, HDFC Life around ₹1,995-2,150 crore, and SBI Life fixed at ₹1,000-1,001 crore with slight increments. Minor insurers such as Kotak Mahindra, Aditya Birla, and Bajaj Allianz maintained share capital between ₹150 and ₹510 crore, while new entrants and smaller players saw

incremental capital infusions. The industry's total paid-up equity climbed from ₹23,662 crore in 2011 to ₹37,074 crore in 2024, a reflection of both regulatory capitalization requirements and organic growth funding.

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Figure-6. Branch and Office Distribution



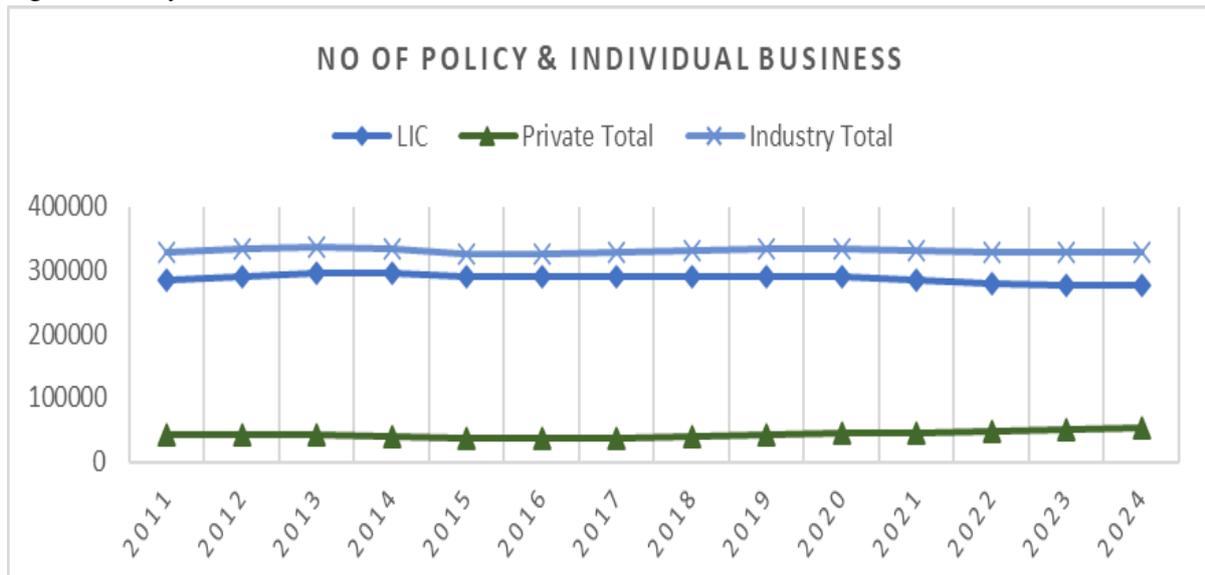
Source: IRDAI

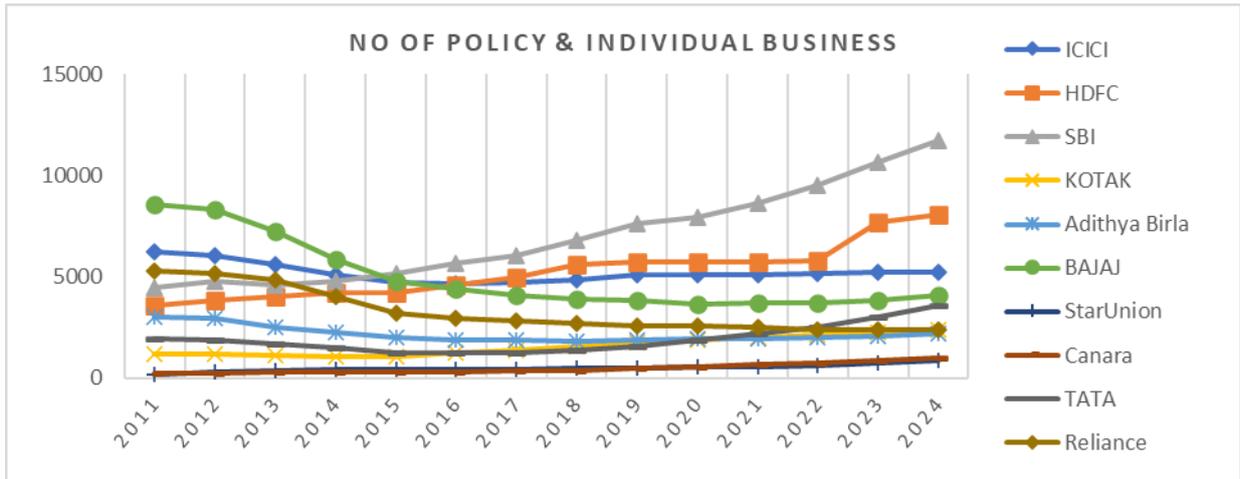
Note: Graph generated by the research scholar

Figure No.6 depicts that the distribution of office across India grew modestly, with LIC expanding from 3,371 branches in 2011 to 5,004 in 2024 (2.8% AAGR). Private insurers exhibited mixed trends: ICICI Prudential's offices fell from 1,402 to 470 (-5.3% AAGR) as it consolidated locations, HDFC Life remained essentially flat at about 430 offices, and SBI Life increased from 629 to 1,040 (3.4% AAGR). Other insurers like Kotak, Aditya Birla, Bajaj, Star Union, Canara, TATA, and Reliance maintained relatively stable office counts, with some minor fluctuations.

AAGR), leveraging its bank branches. Newer players such as Star Union and smaller insurers expanded selectively, reflecting targeted regional strategies. The industry total rose slightly from 11,546 offices to 11,517, indicating a shift toward optimizing branch networks rather than indiscriminate expansion.

Figure-7. Policy Count and Sum Assured Growth



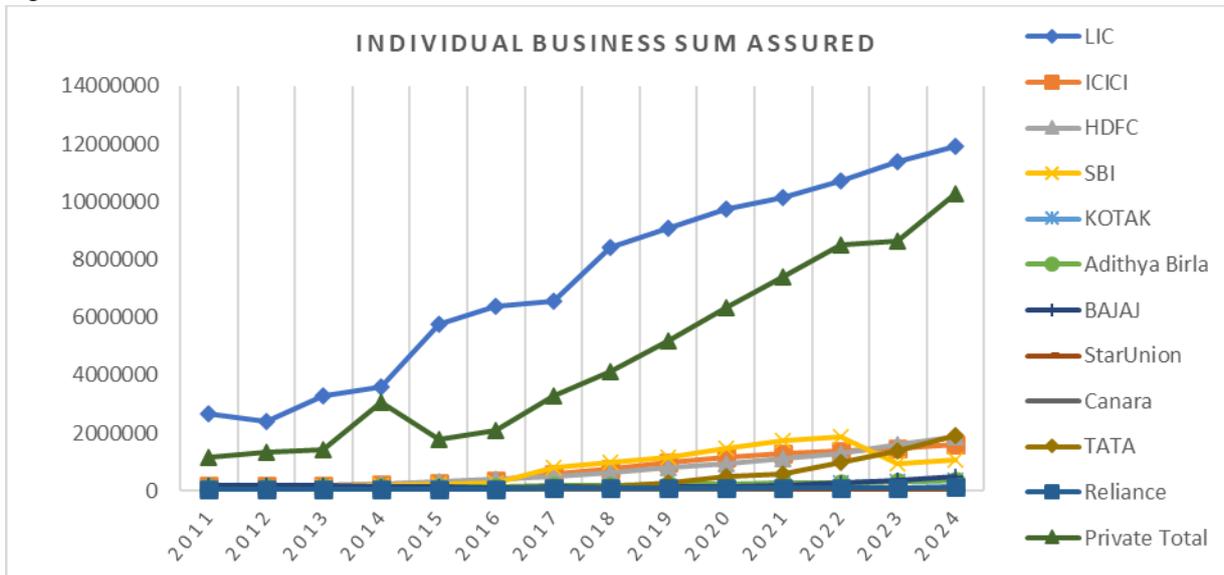


Source: IRDAI

Note: Graph generated by the research scholar

Figure No.7 Policy counts and individual-business premium underwritten illustrate the sheer scale of LIC’s dominance alongside private sector concentration. LIC’s policies in force hovered around 2.8-2.9 lakh crores in sum assured terms, marginally declining since 2011 (-0.4% AAGR), whereas ICICI Prudential saw a slight contraction in Figure-8. Individual Business Sum Assured

policy volume (-0.9% AAGR) even as average ticket size increased. HDFC Life and SBI Life recorded strong policy growth of 5.7% and 7.7% respectively, reflecting robust retail business expansion. Total industry policies remained broadly stable at ₹3.3 lakh crores, underscoring maturity in policy count even as value per policy rose.



Source: IRDAI

Note: Graph generated by the research scholar

Figure No.8 illustrate the individual-business sum assured, showing LIC’s hallmark growth in cover sold-rising from ₹26,78,969 crore in 2011 to ₹1,19,11,653 crore in 2024 (12.9% AAGR) driven by its focus on large-sum products. Private insurers exhibited even more rapid escalation: ICICI Prudential’s sum assured grew from ₹1,77,188 crore to ₹16,11,869 crore (20.3% AAGR), HDFC Life

from ₹1,10,822 crore to ₹18,75,039 crore (22.1% AAGR), and SBI Life from ₹87,349 crore to ₹10,83,270 crore (23.8% AAGR). The industry’s total sum assured more than quintupled, reflecting both premium growth and higher average cover per policy.

Market Share Evolution and Competitive Dynamics

Market share analysis reveals gradual but consistent redistribution from public to private sector over the study period. In new business premium underwriting, LIC's market share declined from 68.9% in 2011 to 58.8% in 2024, representing a 10.1 percentage point reduction. Conversely, private sector's collective market share increased from 31.1% in 2011 to 41.2% in 2024, indicating successful competitive positioning and customer acquisition strategies.

HDFC Life Insurance achieved the most significant market share gains among private insurers, expanding from 3.2% in 2011 to 7.8% in 2024 for new business premium. This 4.6 percentage point increase represents substantial competitive success and reflects effective strategic positioning within the market. The company's consistent growth trajectory indicates sustainable competitive advantages and successful execution of expansion strategies.

SBI Life Insurance recorded impressive market share growth from 6.0% in 2011 to 10.1% in 2024, becoming the largest private sector insurer by new business premium underwriting. This 4.1 percentage point increase demonstrates the effectiveness of bancassurance distribution model and strong parent company support in achieving competitive success within the liberalized market structure.

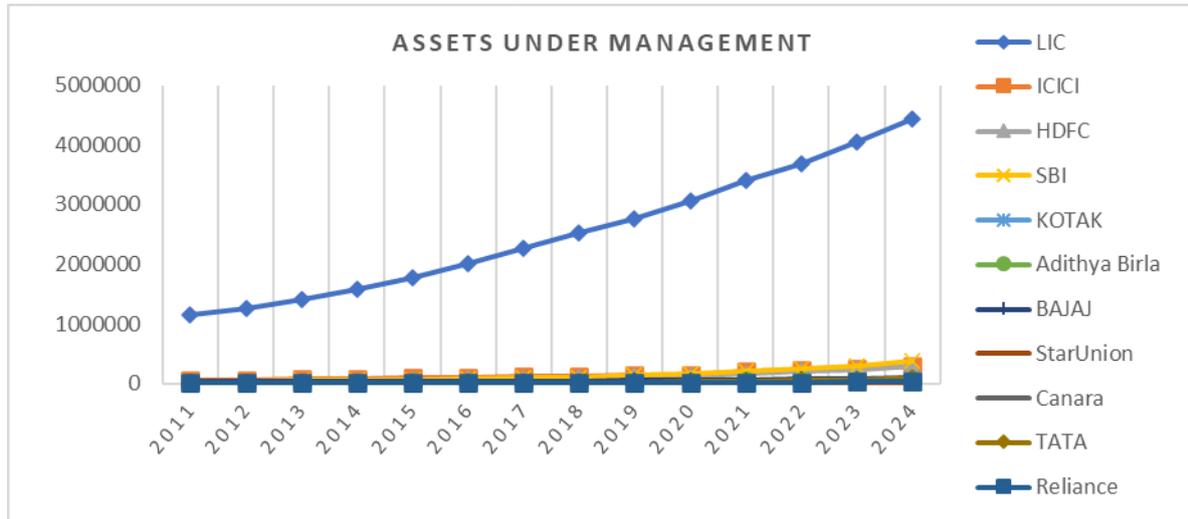
ICICI Prudential Life Insurance experienced market share volatility, declining from 6.2% in 2011 to 2.9% in 2014, before recovering to 4.9% by 2024. This pattern reflects strategic challenges and operational adjustments during the middle years, followed by renewed competitive positioning and market recovery in recent periods.

Total premium underwriting market share trends demonstrate similar patterns with more pronounced private sector gains. LIC's market share declined from 69.8% in 2011 to 57.3% in 2024, while private sector's collective share increased from 30.2% to 42.7%. This redistribution indicates not only successful new business acquisition by private insurers but also effective customer retention and portfolio building capabilities.

The competitive dynamics analysis reveals differentiated strategic approaches across private insurers. HDFC Life and SBI Life focused on consistent growth strategies that delivered sustained market share gains, while ICICI Prudential experienced strategic pivots that impacted market positioning during certain periods. Kotak Mahindra Life maintained steady growth from smaller base, while Bajaj Allianz demonstrated strong recent performance with accelerated growth during 2020-2024 period.

Investment Management and Assets Under Management

Figure-9. Investment Portfolio and Asset Management Performance



Source: IRDAI

Note: Graph generated by the research scholar

Figure No.9 illustrate the growth in assets under management across different insurers, providing insights into long-term business sustainability across different insurers. LIC maintained the largest

investment portfolio, with assets growing from ₹11,48,589.2 crores in 2011 to ₹44,23,579.6 crores in 2024, achieving 10.6% annual growth. However,

this performance lagged behind several private competitors.

Private sector insurers demonstrated superior asset management growth rates. HDFC Life achieved exceptional 17.8% annual growth, expanding assets from ₹26,497.8 crores to ₹2,87,136.63 crores in 2024. SBI Life recorded similar performance at 17.6% annual growth, reaching ₹3,85,094.99 crores by 2024. Recent data shows continued strong performance, with SBI Life's AUM growing 19% to ₹4,41,678 crores as of December 31, 2024.

ICICI Prudential Life Insurance recorded 11.8% annual growth in assets under management, reaching ₹2,86,820.29 crores in 2024 from ₹67,712.89 crores in 2011. While positive, this performance lagged behind other major private insurers, suggesting opportunities for enhanced investment management and portfolio optimization strategies.

The private sector collectively achieved superior asset management growth rates compared to public sector performance, indicating effective capital allocation and investment management capabilities. This performance supports long-term competitive positioning and demonstrates the sustainability of private sector business models within the Indian life insurance market structure.

8. CONCLUSION

This comprehensive analysis of the Indian life insurance industry from 2011 to 2024 reveals fundamental transformation in competitive dynamics, market structure, and performance patterns across public and private sector insurers. The research demonstrates clear evidence of successful market liberalization, with private sector insurers achieving superior growth rates and gradually gaining market share while maintaining overall industry stability and expansion.

The findings indicate that private sector insurers have effectively leveraged competitive advantages including strategic flexibility, operational efficiency, and innovative distribution approaches to achieve sustained outperformance across multiple metrics. HDFC Life Insurance and SBI Life Insurance emerged as particularly successful examples of effective strategic positioning, achieving exceptional growth rates in both new business premium and total premium underwriting while building substantial investment portfolios.

The distribution channel analysis reveals the continued importance of individual agent networks while highlighting significant productivity differentials between public and private sectors. These findings suggest opportunities for optimization through enhanced training, support systems, and technology integration across all market participants.

Market share evolution patterns demonstrate successful competitive positioning by private insurers without disrupting overall market stability or growth. The gradual redistribution reflects healthy competitive dynamics that benefit consumers through enhanced choice, innovation, and service quality improvements.

The research contributes to understanding competitive dynamics in liberalized insurance markets and provides empirical evidence of successful regulatory frameworks that balance competition promotion with market stability maintenance. The findings offer valuable insights for policymakers, industry practitioners, and academic researchers studying financial services sector development in emerging economies.

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