

DETERMINANTS OF PROFITABILITY IN LIFE INSURANCE IN INDIA PRIVATE AND PUBLIC SECTOR  
SEPARATE ANALYSIS (2011-19)

By

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## Abstract

As business, market and population grew, insurance sector has created its own importance. In last ten years this sector grown very rapidly (3.69 per cent per annum), India was ranked 41<sup>st</sup> in 2017 in terms of insurance penetration with life insurance contributing 2.76 per cent and non-life insurance accounting for 0.93 per cent. Gross premium written in India reached Rs 5.53 trillion (US \$94.48 billion) in FY 18 with Rs. 4.58 trillion from life insurance and Rs. 1.51 trillion from non- life insurance. The profit in life insurance industry reported after tax of Rs. 8435.81 crores in during the financial year 2018-19, against Rs. 8511.99 crores in 2017-18. This paper gives a close look at the factors which contribute to the profit of the “life insurance”. In this the study an attempt is made to model the factors determining the profitability of life insurance in India for public and private sector separately. The sample for this study includes all 24 life insurance companies (one public and other private), and it uses the data of seven financial year 2012-19. While the profitability is measured by using Return on Asset dependent variable, firm specific characteristic such as leverage, size, premium growth, liquidity, underwriting risk, and equity capital are used as exogenous variables.