PERFORMANCE OF PUBLIC SECTOR GENERAL INSURANCE COMPANIES IN INDIA

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ABSTRACT
The objective of this paper is to analyse the performance of public sector insurance companies in India. Indian insurance industry is set for some serious changes. With an annual growth rate of 15-20% and the largest number of life insurance policies in force, the potential of the Indian insurance industry is huge. Total value of the Indian insurance market (2004-05) is estimated at Rs. 450 billion. According to government sources, the insurance and banking services contribution to the country’s gross domestic product (GDP) is 7% out of which the gross premium collection forms a significant part. However there has been gradual decrease in the market share witnessed by all the public insurers. The National and Oriental insurance companies have witnessed increasing trend in ratio ranging between 193.07 & 248.93 and 132.83 & 155.39 respectively, while as for United and New India insurers, the capital adequacy ratio has witnessed decreasing trend is ranging between 106.56 & 83.38 and 87.28 & 69 respectively.

KEY WORDS: Capital, Companies, Insurance, Performance, Public Sector.

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