

## STUDY OF CLAIMS SETTLEMENT OPERATIONS: A CASE OF LIC & BAJAJ ALLIANZ IN PATNA DISTRICT

<sup>1</sup>Niraj Kumar Karan, and <sup>2</sup>Rajnish Kumar

<sup>1</sup>Asst.Professor, Department of Commerce, A.N.S College, Jehanabad

<sup>2</sup>Magadh University, Bodhgaya

\* Corresponding author: karanniraj@yahoo.com

### Abstract:

Claims Settlement Operations is a key area of the life insurance business. Life insurance business in India is prospering very fast; however, the achievement of the life insurance organizations will to a great extent rely on the claim administration. Post liberalization, a few private sector organizations into the area of life insurance, to summon certainty of the potential customer it is fundamental for the recently framed private sector organizations to challenge Life Insurance Corporation (LIC) on all fronts including claim administration. Subsequently, this paper has endeavored to analyze the execution of the Indian life insurance organizations with reference to the claim settlement operations with that of Baja Allianz. The comparative analysis reveals that claims settlement operations of both the companies are taking place as per their size and volume of insurance and also indicates that barring few cases the settlement procedure has taken its shape according to the need and requirement of the IRDA.

**Keywords:** Life Insurance, Claim, settlement, Claims, Premium, Life Insurance Policy, Bajaj Allianz

## 1.INTRODUCTION

The settlement of cases is a critical part of the administration to the policyholder. The picture and productivity of any insurance agency rely on the fulfillment of their policyholder in getting their cases handled and settled in time. Cases settlement, along these lines, involves a critical place in complete operations of an insurance agency.

From the policyholders' point, settlement of their claim is the very embodiment on which the protection contract rests. Being an element of such essentially imperative cases settlement must be dealt with by the insurance agencies in a proactive and positive way. There are two parameters with which effective capacity of an insurance agency can be estimated. One is its interior development estimated as far as new business execution, premiums gathered and returned procuring on the venture portfolios. Second is the speed and expeditiousness with which the cases are settled and paid inside the system of stipulated guidelines and control of insurance agencies and additionally the bearing given by the administrative body i.e. Insurance Regulatory Development Authority to both people in general area organization and also to the private segment organizations.

In India, LIC is the public sector company working as purely Life Insurance works and Bajaj Allianz Insurance Company working as a private sector for Life Insurance works.

Here, in this paper, we will endeavor to display the genuine picture concerning claims settlement operations done by both LIC and also Bajaj Allianz. For this, the standards and controls and different bearings given by IRDA will be dissected and the guidelines and directions embraced by both the organizations will likewise be managed.

## 2.Claim Management in Insurance Companies

Claim administration is a basic part of the life insurance business. Insurance is a venture choice for the normal investor. The insured person expects a particular return from the policy well beyond the whole guaranteed amount. Hence, the insured or the beneficiary named in the insurance policy desperately look for settlement of their cases by the insurance agency. The insurance agency takes a gander at the claim settlement from the alternate point of view by guaranteeing a satisfactory return from the hazard expected. In this manner, claim management may prompt encounter between the policyholder and the insurance agency. A claim in the life insurance is of indispensable significance to the insured person or their nominee.

The claim emerges when the dubious occasion really happens and the insured person informs the insurer of happening of such an event and claims compensation. The insurance agency initially decides the legitimacy of the claim with reference to the agreement went into by the insurer and the insured. Claim alludes to a demand made by the insured to the insurance agency, in which he looks for remuneration from the insurance agency. Claim settlement process is administered by the terms and condition of the insurance contract and the insured expects that the insurance agency ought to submit to the guarantees made by it while offering the insurance policy. Life insurance claims might be grouped into two classifications, contingent on the idea of the claim and the conditions in which the claim is held up. The cases are either the passing cases or development claims. In the two conditions, the settlement of the claim remains a state of contention; consequently, settlement of the claim is critical zone on which each insurance agency should focus. Development of the piece of the overall industry of the individual insurance agency largely relies on the consideration given by it to the claim settlement process and its extent.

## 3. An Overview of Literature

Review of literature is an important part in research work. From time to time, the researchers have devoted their time and energy to study the claim settlement procedures and performance of insurance companies. They clarify intense changes in regard to individuals' selection of organizations after the liberalization of the insurance industry. The exploration is directed on premise of similar examination of the different information gathered from IRDA yearly reports in form of tables and it investigates the life insurance as far as premium accumulation, approaches guaranteed, demise assert settlement, benefit position and piece of the pie after the progression of the protection part. The examination contemplate features the similar execution amongst open and private safety net providers. The exploration demonstrates that execution of disaster protection organizations is additionally judged by number of cases settlement conventions, higher case settlement proportion, bring down case renouncement proportion and quicker case preparing terms. It additionally clarifies about the expanded part of dispersion channels which is in charge of offers as well as appropriate determination of item, post sales administrations and claim settlement [1]. In another work the author examined claims settlement operations of LIC of India with the destinations of assessing execution as far as both development and passing cases during IRDA defined period. Claim settlement preparing time communicated in speed proportions and adjudicatory measures of the enterprise to review the grievances of policyholders in settlement of cases. The examination inferred that enterprise ought to give effective administration obligingness on the issues of claim settlements. It ought to make most astounding trust in the brains of policyholders by setting up open and straightforward grievance redressal technique. As fulfilled client will be a brand representative for the insurance agency; guarantee settlement ought to be given more significance [2]. In another work the authors inspected claim settlement proportion of LIC with other insurance agencies in India. The investigation watched

that there are instances of cheats in assert settlement that may happen however in the event that the policyholder utilizes legitimate safeguards he will keep himself from misrepresentation. LIC of India gives better corporate administrations to settling the clients claim. D-mat may enhance straightforwardness and productivity of the claim settlement. Creators considered correlation of claim settlement proportion of LIC with other disaster protection industry and review of policyholders and assessment in regards to guarantee settlement [3]. Experts have concentrated on administration system of LIC for the settlement; effects of claim settlement on the offer of disaster protection arrangements by LIC of India, guarantee settlement process took after by LIC of India, mindfulness towards assert settlement among clients and examine nature of administration gave by LIC of India to guarantee settlement[4].

## 4. Research Methodology

This study is an attempt to compare the performance of claim settlement operations of LIC of India as a public sector insurance company and Bajaj Allianz one of the private insurance players in India. The present study observes the changing efficiency levels of the claim management in view of the changing scenario of insurance sector.

### 4.1 Collection of data

The study is based on the secondary data collected from books, journals and website information. Data relating to claim settlement operations of LIC of India as a public sector insurance company and Bajaj Allianz has been collected. Data includes subjects like Percentage Share of Numbers of Death and Maturity Claims to Total Claims, Percentage Share of Amount of Death and Maturity Claims to Total Claims etc. Data is collected for the year 2005-06 to 2011-12.

### 4.2 Selection of Sample

Insurance sector is important service sector in India. There are twenty-four life insurance companies from public and private sectors operating in India. Two companies have been selected for reviewing performance namely LIC of India and Bajaj Allianz. Thus, researcher has studied one public and one private sector insurance company.

### 4.3 Tools employed

An attempt is being made to analyze claim management process used by the life insurance companies operating in India. For this purpose, simple percentage is calculated. Data is arranged into rows and columns. Total claims received will be a factor reflecting size of the market share enjoyed by individual insurance company.

### 4.4 Objectives of the Study

The major objective of the present study is to examine the claim settlement performance of life insurance business in India and to make a comparative study of public and private life insurance companies namely LIC and Baja Allianz.

## 5. Claims Settlement Operations by LIC

### 5.1 Pre-Regulatory Period

LIC was established in the year 1956 and has been showing better performance in terms of new products, wide coverage of individuals and organisations, innovating new covers for weaker section of society, investment in social sector, creating infrastructure at grass-roots level and settlement of claims.

During 1956-1999, LIC had monopoly in India. However, liberalization and consequent opening up of economy has accelerated the pace of reforms in many sectors of our economy including insurance sector. A rigorous reformatory process was initiated with the setting up of the Malhotra Committee which brought a supreme regulatory structures into existence called the Insurance Regulatory and Development Authority (IRDA) of India in 1999 with an objective to safeguard the interest of policyholder as well as to regulate, promote and orderly growth of the insurance industry [5].

### **5.2 Post-Regulatory Period**

The quality of insurance services may primarily be evaluated in terms of expeditious settlement of claims. The quality of service offered by LIC of India has been studied with regard to claims settlement operations by comparing its position in pre and post liberalization periods.

Claims settlement operations during Post Regulatory Period are discussed by examining the figures from the view point of maturity and death claims settlements. The analysis of figures is done for the period of 2005-06 to 2011-12.

### **5.3 Maturity and death claims settlement operations**

Claims may arise because of survival up to the end of the policy terms which is the death of maturity (maturity claims), survival up to a specified period during the terms (survival benefits), death of the life assured during the terms (death claims). Payment of maturity and survival claims is the easiest to manage. However, death claims settlement naturally assumes very great importance in the total operations of the corporations. The enormity of the operations of settlement of maturity and death claims can be visualized by noting the number of such payments. The LIC of India makes every year settlement of several claims which is under the study. The analysis of the point is presented in Annexure along with their compound growth rate for the respective periods in different tables given as under.

### **5.4 Analysis of settlement of claims**

An analysis of percentage share of numbers of Death and Maturity claims to total claims (Table :1) shows that maturity claims occupy the maximum percentage in total claims. From 2005-06 to 2011-12 the maturity claims share represents almost 95.0 to 96.0 percent to the total claims whereas the death claims share vary between 4.0 to 5.0 percent only in the total claims during the same period.

**Table.1 Percentage Share of Numbers of Death and Maturity Claims to Total Claims**

Year/ Nature of claims	Death Claims		Maturity Claims		Total Claims	
	(In Lakhs)	% to total	(In Lakhs)	% to total	(In Lakhs)	Total %
2005-06	5.27	4.4	115.58	95.6	120.85	100.0
2006-07	6.02	4.4	129.29	95.6	135.31	100.0
2007-08	6.73	4.8	134.22	95.2	140.95	100.0
2008-09	5.65	3.8	144.26	96.2	149.91	100.0
2009-10	8.79	4.1	206.88	95.9	215.67	100.0
2010-11	9.54	5.0	180.02	95.0	189.56	100.0
2011-12	10.10	4.9	195.65	95.1	205.75	100.0

Source: Annual Report of LIC

**Table: 2 Percentage Share of Amount of Death and Maturity Claims to Total Claims**

Year/ Nature of claims	Death Claims (In Lakhs)	Death Claims % to total	Maturity Claims (In Lakhs)	Maturity Claims % to total	Total Claims (In Lakhs)	Total Claims % to total
2005-06	3748.40	13.2	24724.58	86.8	28472.98	100.0
2006-07	4383.99	12.0	32101.92	88.0	36485.91	100.0
2007-08	5138.12	13.9	31873.35	86.1	37011.47	100.0
2008-09	4484.38	11.8	33377.85	88.2	37862.23	100.0
2009-10	6808.62	12.7	46727.20	87.3	53535.82	100.0
2010-11	8077.66	14.0	49412.63	86.0	57490.29	100.0
2011-12	9250.75	13.6	58725.65	86.4	67976.40	100.0

Source: Annual Report of LIC

A study of percentage share of amount of Death and Maturity claims to total claim amount shows that Maturity claims occupy the major share in total claim amount in comparison to death claims (Table : 2). It is clear from the figures that from the year 2005-06 to 2011-12, Maturity claims are settled in major portion of total claims. It occupy 86.0 percent to 88.0 percent in total amount in comparison to death claim which share only 12.0 to 14.0 percent in total claims (Table : 2). The analysis shows that maturity of policy on the basis of time bound agreement claims the major share whereas untimely death cases claims the minor share in total claims.

**Table.3 Year wise Percentage Variation in No. of Claims**

Year/ Nature of claims	Death Claims		Maturity Claims		Total Claims	
	No. of claims (lakhs)	Percentage (in variation)	No. of claims (lakhs)	Percentage (in variation)	No. of claims (lakhs)	Percentage (in variation)
2005-06	5.27	1.0	115.58	5.2	120.85	5.6
2006-07	6.02	14.2	129.29	11.9	135.31	12.0
2007-08	6.73	11.8	134.22	3.8	140.95	4.2
2008-09	5.65	-16.0	144.26	7.5	149.91	6.4
2009-10	8.79	55.6	206.88	43.4	215.67	43.9
2010-11	9.54	8.5	180.02	-13.0	189.56	-12.1
2011-12	10.10	5.9	195.65	8.7	205.75	8.5

Source: Annual Report of LIC

An analysis of year wise percentage variation in number of claims shows that although the figure of claims increases every year constantly from the year 2005-06 to 2011-12 but percentage wise, there is mixed reaction. The number of claims increases from 5.27 lakhs in 2005-06 to 10.10 lakhs in 2011-12 but percentage wise the figure vary from 1.0 percent to 55.6 percent. There is much increase and decrease in number of death claims representing a wide range of variation year on year. In 2005-06 the share was only 1.0 percent while in 2006-07 the figure jumped to 14.2 percent with a minor decrease in 2007-08 but again in 2008-09 it rose to -16.0 percent with handsomely rising to 55.6 percent in 2009-10 and further decreasing to 5.9 percent by 2011-12 (Table-3).

Similarly the number of maturity claims also shows the same trend which vary from 3.8 percent at low side to 43.4 percent in high side year on year (Table-3). The study shows that although the number of claims increases every year but not in a particular trend in percent wise except in the year 2010-11 which reported a sharp decrease in number of claims due to which the percent shows in minus (Table-3).

**Table.4 Year wise Percentage Variation in Claims settlement Amount**

Year/ of claims	Nature	Death Claims		Maturity Claims		Total Claims	
		Amount (in crores)	variation in percent	Amount (in crores)	variation in percent	Amount (in crores)	variation in percent
2005-06		3748.40	14.0	24724.58	21.5	28472.98	20.4
2006-07		4383.99	17.0	32101.92	29.8	36485.91	28.1
2007-08		5138.12	17.2	31873.35	-0.7	37011.47	14.4
2008-09		4484.38	-12.7	33377.85	4.7	37862.23	2.3
2009-10		6808.62	51.8	46727.20	40.0	53535.82	41.4
2010-11		8077.66	18.6	49412.63	5.7	57490.29	7.4
2011-12		9250.75	14.5	58725.65	18.8	67976.40	18.2

Source: Annual Report of LIC

A study of year wise percentage variation in claim settlement amount shows that the volume of death claims amount has increased although from Rs. 3748.40 crore in 2005-06 to Rs. 9250.75 crore in 2011-12 but in percent wise the figure represents a mixed variation of increase and decrease year on year basis. The percentage share in 2005-06 was 14.0 which increased to 17.0 in 2006-07 and maintained up to 2007-08. But in 2008-09 it sharply came down to -12.7 percent and again surprisingly jumped to 51.8 percent. Strangely the percentage slipped to 18.6 percent in 2010-11 and 14.5 percent in 2011-12. So the figure of claim settlement amount of death claim shows a mixed variation in percentage (Table-4)

Further the volume of maturity claims amount has also shown a continuous increase. In the year 2005-06 the amount was Rs. 24724.58 crores which continuously rises to Rs. 58725.65 crores in the year 2011-12. On the whole, the amount shows more than two time increase in 7 years but percent wise the maturity claims amount shows a mixed variation as it was witnessed in death claims amount also. The percentage of maturity claims amount variation was 21.5 in 2005-06. The percentage rises again to almost 30.0 in 2006-07 but surprisingly slipped to -0.7 in 2007-08 showing a minor positive fluctuation of 4.7 in 2008-09 and further jumped to 40.0 percent in 2009-10 and again nosedived to almost 6.0 percent in 2010-11 by making a correction of 18.8 percent in 2011-12.

## **5. Claims settlement operations by Bajaj Allianz life Insurance Company.**

### **5.1 Post Liberalization Period**

The year 2000 was a defining moment in the history of Indian Insurance. For the first time the sector was opened up to private sector. Today, insurance happens to be a mega business in India. It is a business growing at the rate of 15 to 20% annually, together with banking services. It adds about 7% of the GDP. Yet nearly 80% of the population are without proper Life Insurance cover.

### **5.2 Life Insurance Claims Settlement by Bajaj Allianz**

Life Insurance Business were also done by Bajaj Allianz Life Insurance Company as a private player. During post regulatory period the company has started function of insurance business but the figure of claim settlement operations regarding life insurance are available from 2005 -06. Hence

analysis of claim settlement in line with LIC have been done in the following tables taken from Appendix-II

### 5.3 Analysis of Settlement by Claims

**Table.5 Percent share of number of Death & Maturity Claims to Total Claims**

Year	Death Claims		Maturity Claims		Total Claims	
	Number (in thousand)	Percentage	Number (in thousand)	Percentage	Number (in thousand)	Percentage
2005-06	1004	100.0	–	–	1004	100.0
2006-07	3907	99.8	6	0.2	3913	100.0
2007-08	9404	98.5	147	1.5	9551	100.0
2008-09	23784	95.9	1015	4.1	24799	100.0
2009-10	59304	98.1	1131	1.9	60435	100.0
2010-11	1,22,020	98.3	2145	1.7	124165	100.0
2011-12	90,725	92.2	7641	7.8	98366	100.0

Source: Annual Report of LIC

## 6. Analysis of Bajaj Allianz Life Insurance

An analysis of figures available regarding percentage share of numbers of death and maturity claims to total claims suggests that death claims have reported a decreasing percentage to total claims whereas maturity claims have reported an increasing percentage to total claims. It is clear from the fact that from the year 2005-06 to 2011-12, the death claims have reported a decreasing percentage of 100.0 to 92 although the number of claims have risen from 1 thousand to more than 1 lakh during the period but the percentage has failed to follow the same trend (Table-5).

Similarly the maturity claims on the other hand have reported a rising trend from zero percent to almost 8 percent. Remarkably the number of claims which have shown an increasing trend i.e. from 2005-06 the figure was NIL have risen to 7641 in 2011-12, this has followed the same direction in percentage also (Table-5)

It is clear from the fact that since the Bajaj Allianz has started its operations late and figures are available from 2005-06, as and when the policies will get matured as per the time agreement, there will be an increasing percentage of maturity claims. Death claims have their own basis of claim as the claims are uncertain and depend upon the premature deaths of the policy holders.

**Table.6**Percentage share of Amount of Death & Maturity Claims to Total Claims

Year	Death Claims		Maturity Claims		Total Claims	
	Amount (in Crores)	Percentage	Amount (in Crores)	Percentage	Amount (in Crores)	Percentage
2005-06	10.65	100.0	–	–	10.65	100.0
2006-07	49.26	99.9	00.02	0.1	49.28	100.0
2007-08	118.84	99.4	00.72	0.6	119.56	100.0
2008-09	218.06	96.4	08.04	3.6	226.10	100.0
2009-10	360.97	96.2	14.05	3.8	375.02	100.0
2010-11	477.73	96.5	17.00	3.5	494.73	100.0
2011-12	514.00	86.9	77.00	13.1	591.00	100.0

Source:Annual Report of Bajaj Allianz

A study of percentage share of amount of death and maturity claims to total claims reveals the same story as that of number of claims studied earlier. As far as the death claims are concerned the claim amount has increased from Rs 10 crores in 2005-06 to Rs 514 crores in 2011-12 but percentage to total has reported a declining trend. In the year 2005-06 the death claims amount reported 100 percent to total claims amount which later on gradually declined to 87 percent in 2011-12 showing a 13 percent fall in total (Table-6)

Similarly the amount related to maturity claims present a different story. From NIL figure reported in the year 2005-06, the claim amount reported in 2006-07 was .02 crores only which increased year on year to 77 crores. There is also a similar trend in percentage rise of amount. In the year 2006-07 it was a little 0.1 percent to total claims which rises year on year to 13 percent in the year 2011-12. (Table-6)

The study shows that the major portion of claim amount goes to compensate the premature death cases after making agreements while the small portion of maturity claims are rising as per the maturity of the time agreement of the policy. The trend shows that in future the maturity claim amount may rise further to a new height with the passage of time.

**Table. 7**Percentage yearly variation of number of claims

Year	Death Claims		Maturity Claims		Total Claims	
	Number (in thousand)	Variation	Number (in thousand)	Variation	Number (in thousand)	Variation
2005-06	1004	–	–	–	1004	–
2006-07	3907	289.1	6	0.0	3913	289.7
2007-08	9404	140.7	147	2350.0	9551	144.1
2008-09	23784	152.9	1015	590.5	24799	160.0
2009-10	59304	149.3	1131	11.4	60435	143.7
2010-11	1,22,020	105.7	2145	89.6	124165	105.5
2011-12	90725	–25.6	7641	256.2	98366	–20.7

Source:Annual Report of Bajaj Allianz

A study of percentage yearly variation of number of claims shows that there is continuous increase in death claim numbers. In the year 2005-06 the claim numbers were 1004 which crossed to a height of 1, 22,000 in 2010-11 and reporting a down size of 90725 in 2011-12 but percentage wise it is reporting in decreasing numbers. In the year 2006-07 the percentage of death claims rises to 289 percent which in the following years decreased to 140.7 percent in 2007-08, with a minor increase to 152.9 in 2008-09, maintained almost the same i.e. 149.3 percent in 2009-10, further slipped to 105.7 percent in 2010-11 and then nosedived to –25.6 percent in 2011-12. (Table-7).

Similarly the percentage variation year on year with maturity claim numbers suggests that although the number of claims have increased from 6 thousand in 2006-07 to 7641 thousand in 2011-12 but percentage wise it represents a fluctuating figures. In the year 2006-07 the percentage was nil which rises to 2350 percent in 2007-08, decreased to 590.5 percent in 2008-09 further slipped to 11.4 percent in 2009-10 but increased to 89.6 percent in 2010-11 and again 256.2 percent in 2011-12. (Table-7)

The study shows that the yearly variation of number of death and maturity claims are increasing year on year with a fluctuating percentage.

**Table.8 Percentage yearly variation of claim Amount**

Year	Death Claims		Maturity Claims		Total Claims	
	Amount (in Crores)	Variation	Amount (in Crores)	Variation	Amount (in Crores)	Variation
2005-06	10.65	–	–	–	10.65	–
2006-07	49.26	362.5	00.02	–	49.28	362.7
2007-08	118.84	141.2	00.72	3500.0	119.56	142.6
2008-09	218.06	83.5	08.04	1016.7	226.10	89.1
2009-10	360.97	65.5	14.05	74.7	375.02	65.8
2010-11	477.73	32.3	17.00	2.0	494.73	31.9
2011-12	514.00	7.5	77.00	352.0	519.00	19.4

Source: Annual Report of Bajaj Allianz

A study of percentage yearly variation of claim amount presents a mixed picture related with death claims and maturity claims.

As far as the death claims amount is concerned the figure shows a continuous rising trend from the year 2005-06 to 2011-12. In 2005-06 the death claim amount was Rs. 10.65 crore which stood at Rs 514 crores in 2011-12 but as far as the percentage yearly variation is concerned, it shows a declining trend continuously since 2005-06 to 2011-12. In the year 2006-07 the yearly variation percentage was 362.5 which gradually declined year on year to a lowest bottom of 7.5 percent in 2011-12 (Table-8).

On the other side as far as the maturity claims amount is concerned, the figure also shows a continuous rise from the year 2005-06 to 2011-12. In the year it was only .02 crores which rises to 77 crore in 2011-12 with a little jump year on year basis except in the last year where the figure increased from 17 crores to 77 crores. But as far as the yearly variation of claim amount is concerned it also shows a downward declining tendency. In the year 2005-06 and 2006-07 which shows a nil percentage variation, the year 2007-08 shows a hefty 3500 percent which decreased to 1016.7 percent in 2008-09 and further slipped to 74.7 and 2.0 percent in 2009-10 and 2010-11 respectively. But the yearly variation surprisingly rises to 352 percent in 2011-12 (Table-8). The study shows that the maturity claims are bound to take place as the policies are becoming old and getting matured as per the time agreement so there might be the same trend continue in the future.

## 7. Conclusion

Claims settlement operations under comparative structure shows that claims settlement occupies an important place in total operations of an insurance company. It required careful handling of the settlement procedure. There are two parameters to measure efficiency of the insurance company. (i) Its internal growth on the basis of business performance, premium collected and investments made and (ii) The promptness with which claims are settled.

A discussion on settlement operations by both the companies shows that both are adopting the regulations made by IRDA concerning number of days to be taken for the settlement and proper investigation to be made before payment. Due benefits should also be given to the insured such as interest if there is abnormal delay in settlement of the claims. IRDA has also taken several steps

regarding prompt action for claims settlement activities. In few cases the IRDA has given instructions to the LIC for delays in settlement procedures and had advised also for effective and prompt settlement of claims.

Claims settlement operations of LIC shows that there is great change between pre and post regulatory period regarding procedures adopted for the claims settlement. After 1999 safeguard of the interest of policy holders has become primary object for the company. It is clearer by going through the settlement operations of maturity and death claims. Between the two, the maturity claims are easy to handle in comparison to death claims which requires several formalities to be completed by the insured persons. Since maturity claims occupy 95.0 to 96.0 percent in total claims, the formalities also becomes easy for the company to settle the claims on time. No doubt year on year number of claims are increasing and also amount of claims but the company has taken steps for the easy and timely settlement except in few cases.

Similarly claims settlement operations of Bajaj Allianz shows that the company from the beginning of its inception has started getting recognition from the market. Since insurance has becoming mega business in India, the company is taking advantage of the market requirement and is operating life insurance business from the year 2005-2006 that is why the analysis of claims settlement has started taking figures from 2005-2006 onward. Analysis of claims from the view point of death claims shows that its percentage is declining year on year whereas percentage of maturity claims is increasing year after year as and when the policies are getting matured on the basis of time agreement. Another study regarding percentage share of amount suggests that although amount of claims is increasing every year but with a decreasing percentage whereas the amount of maturity claims is increasing every year with increasing percentage. It show that major portion of claim amount goes to compensate the premature death cases but the trend shows that in future the maturity claims amount will certainly rise.

On the whole we can conclude that claims settlement operations of both the companies are taking place as per their size and volume of insurance and also indicates that barring few cases the settlement procedure has taken its shape according to the need and requirement of the IRDA.

## References

- [1] Das Debabrata and Debnath Jasojit, "Performance of Insurance Companies in India: A Comparison of Public and Private Insurers", IUP Journal of Risk & Insurance, 9(1) (2012) 7-26
- [2] Viswanadham P, Claims settlement operations performance evaluation of LIC of India, The Indian Journal of Commerce, Vol.58(2), April-June (2005) pp 80-90
- [3] Kalani, Salunkhe and Ahirrao, Comparative study of claim settlement ratio of LIC with other insurance companies in India, Indian Journal of Applied Research , Vol 3(5), (2014), pp 389-391
- [4] Yadav and Mohania (2013) Claim settlement of life insurance policies in insurance services with special reference of Life Insurance Corporation of India, Indian Journal of Economics and Development , Vol 1(1), (2013), pp 29-37
- [5] Palande, P.S., Coping with liberalisation : The industry's Response to New Competition, Response Books, New Delhi, (2000).
- [6] [www.licindia.com](http://www.licindia.com)
- [7] [www.irdaindia.com](http://www.irdaindia.com)
- [8] <https://www.myinsuranceclub.com/life-insurance/companies/lic-of-india>
- [9] <https://www.licindia.in/Bottom-Links/annual-report>
- [10] <https://www.bajajallianz.com/Corp/aboutus/general-insurance-company-annualreport.jsp>