FOREIGN DIRECT INVESTMENT IN GENERAL INSURANCE INDUSTRY OF INDIA: AN ANALYTICAL IMPACT STUDY

*Arpan Mahapatra  
Research Scholar  
Sri Sri University, Odisha  

**Dr.Pushpalata Mahapatra  
Associate Professor, Management  
Sri Sri University, Odisha  

ABSTRACT

FDI is a global concept and now a day it is not only the need of developing or developed countries but also by the developed countries. Not with-standing the global concept of FDI there is also an urgent need of FDI for India to face the economic challenges and for the economic development. FDI makes it easy for international trade and commerce to happen, as well it helps in transfer of skills and technology, creates job opportunities and improves infrastructure facilities between the countries. FDI is helpful to insurance sector by infusing capital at regular intervals. During the then Atalbihari Bajpai’s government the Govt of India has taken a numerous steps to boost the insurance industry and 49% of FDI is one of them. The liberalisation followed by privatisation in insurance sector has brought in various fundamental changes in India’s insurance business. After Liberalisation and Privatisation the market shares of public sector companies continued to enjoy 90% but due to increased capital inflow through FDI, the situation has been changed and the market share of the private insurance companies increased up to 60%. Many researchers argue that the FDI in general insurance sector has the direct impact on any country’s economic development which also stands true for India. Here the objective of this research is to investigate impact of FDI in Indian General Insurance Sector and particularly what changes has been taken place to this industry after inflow of capital through FDI. The primary aim of this paper is to analyse the impact of FDI in General Insurance Sector in terms of Number of Companies, Market share, Premium underwritten, Density, Penetration, No of Policies sold, Investment made by Companies and Profit made by them.

KEY WORDS: Market share, Premium, underwriting, Density, Penetration, Investment