



Comparative analysis of ICICIGC and UIIGC

Dr. Abhisek Yadav

CMJ UNIVERSITY

Shillong, Meghalaya

Email: abheshekdv.1997@gmail.com

ABSTRACT

Due to the fact that the time range of the study falls within the post-liberalization period, the analyses are exclusively restricted to the open market environment. UIIGC, a select public sector firm, is an established participant in the field of general insurance. It has a history that spans years, making it comparable to ICICIGC, a company that operates in the private sector. ICICIGC, being a firm that belongs to the private sector, has conducted its commercial activities with extreme caution ever since the year it was established. The entirety of the corporation is owned by private stockholders, while a foreign direct investment contributes 26% of the total capital. In spite of the significant amount of time that has passed since the company first began for business, it has not established any overseas branch offices in any country. Initially, it focused on inland business that was associated with auto insurance, but it has now shifted its attention to other classes of insurance in an effort to strategically expand the number of premiums that it collects. As a direct result of this, the company's operational profits have been growing at a faster rate than the operating profits of its competitors. Because of its corporate philosophy, the UIIGC has never attempted to sell cutting-edge or socially relevant insurance products to its customers.

Keywords: Company, Comparative analysis, ICICIGC, UHGC

It is meaningful to analyze the comparison of the performance of these two sample units during the liberalization period. An attempt is made to scrutiny their working in terms of a few parameters. The data for this comparative study are obtained from various tables incorporated in the presiding paragraphs. Comparative evaluation is attempted y taking the average growth rates of the generally accepted parameters like paid up share capital, gross

premium collections, income from investments, operating expenses, operating commission, profits, claims incurred.

**COMPARATIVE PERFORMANCE OF ICICIGC and UIIGC COMPANIES
(POST - LIBERALIZATION PERIOD)**

(In percentages)

Parameters	Performance of ICICIGC Average Growth in %	Performance of UIIGC Annual Average Growth in %
Paid up Capital	18.53	11.66
Gross Premium	2618	11.72
Operating Expenses	61	11.92
Income from Investments	35.15	10.04
Profits:		
P B T		33.35
P A T	84.11	29.9
Claims	196.03	19.73

Source: Table Nos.; 4.1,4.2,4.4,4.7,4.8,4.10,4.11,4.12,4.13,4.14,4.16.

Table 4.17 gives the summary of all these parameters in aggregate terms to enable the Comparative performance of ICICIGC and UIIGC during the post- liberalization period.

The annual growth of aggregate share capital in ICICIGC is 18.53% as against 11.66% in UIIGC Company. The reason is ICICIGC reserves increased steeply resulting in steep increase in the aggregate share capital. Similarly, in terms of premium collections, ICICIGC registering a growth of 653 times as compared to UIIGC. Again, income from investments is also far more in ICICIGC than UIIGC. The reason is that the financial markets are on growth side in the liberalized regime. In case of operating expenses ICICIGC are more as compared to the UIIGC. Also, the Profit after tax (PAT) of the ICICIGC are far higher than the UIIGC insurance company. It means that the ICICI seriously strangulating to gain an edge over their UIIGC company in vital areas like reduction of losses, increasing the profits and incomes from investments. In case of claims, ICICIGC claimants report that their claims are fully satisfactorily settled than that of UIIGC. It is to be noted that this comparison is by quantitative terms but a qualitative evaluation is warranted to get a comprehensive idea about the impact of liberalization.

Summary

As the time frame of the study falls in the post-liberalization period, the analysis are only confined to the open market environment. The select public sector company viz., UIIGC is an established player in the field of general insurance with a past history years making it comparable with the private sector company ICICIGC. As the private sector company ICICIGC has been very cautious right from the year of inception in its business operations. The company is totally held by private shareholders, of course with the participation of foreign direct investor to the extent of 26% In spite of its long history since its commencement of business, it has not opened any foreign branch offices in any country. It concentrated on the inland business relating to motor insurance and later drifted to miscellaneous class of insurance strategically to increase its volume of premium collections. Consequently, its operating profits registered a better a better rate of growth than its counterpart companies. The UIIGC, because of its business policy never tried to offer innovative and socially relevant insurance products.

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