



EMPLOYMENT OPPORTUNITIES AVAILABLE IN INSURANCE SECTOR IN INDIA

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ABSTRACT

The insurance sector in India are growing vertically and horizontally bringing growth and new employment opportunities. It is an intensively people-oriented business and human resources will be the undoubted differentiator. In the liberalization era the Indian insurance industry has witnessed exceptional growth with participation of both public and private sectors players. This sector not only provides a protective shield to the lives and assets of the nation but also generate thousands of jobs and career opportunities. The increasing number of players in this sector has resulted in new products, better packaging, improved customer service and most importantly, greater employment opportunities, even for graduates.

India is a country with a large proportion of its population being young and employable. With the public sector ceasing to provide sufficient opportunities of employment, the educated have to invariably look for private sector employment for their sustenance and growth. With low levels of financial inclusion, financial sector offers immense scope and potential for expansion. Insurance penetration in particular is low in the country providing immense scope for expansion of insurance business. The large number of insurers in the private sector, intense competition and diverse kinds of intermediaries and specialists who have a role to play in the insurance business provide immense employment opportunities in insurance sector.

The research paper focuses on, the number of career opportunities available in Indian insurance sector. Insurance companies have job openings in various fields such as marketing, distribution, actuarial, underwriting, operations and investing departments in both the government and private sectors, job skill requirement and salary structure for different jobs are also discussed

Key Words - Job skills, Salary structure, Career options

INTRODUCTION

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After the advent of financial sector reforms in 1990s, insurance sector in India has opened the door for various private sector insurance companies. This increase in number of players has resulted in new products, better packaging, improved customer service and greater employment opportunities.

Till date, the selling of Insurance is done by the branch offices of the companies or the Agents who are paid a healthy commission as a percentage of the business they bring to the company. But as on date various distributional channels are being introduced by IRDA as well as in other related areas are introduced where an individual gets an opportunity to start one's career in Insurance sector.

OBJECTIVES OF THE STUDY:

- To study the current scenario of employment in Indian insurance sector.
- To identify various job skills required for getting employment in insurance sector.
- To know about the salary structure of various jobs offered by insurance sector.
- To find out the multiple employment opportunities available in Indian insurance sector.

NEED OF THE STUDY

Up till now Insurance companies in India have concentrated their efforts to sell insurance in urban areas mainly. Over 70% of population lives in the Rural India and this is the segment, which is yet to be accessed. Insurance Regulatory and Development Authority (IRDA) has made it mandatory for insurance companies to do minimum fixed percentage of total insurance business in rural area as well and a number of the new entrants shall be targeting this area for which they shall be needing a trained and well-motivated workforce to effectively market their products hence there is a need to find out multiple career opportunities in this sector.

RESEARCH METHODOLOGY:

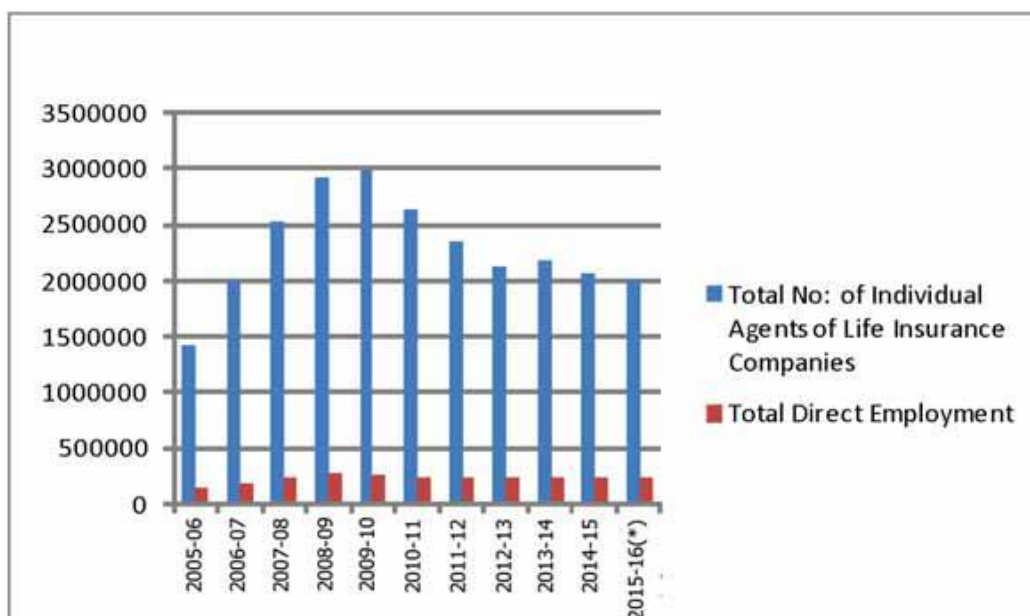
This research paper is based on secondary data which was collected, referring to the organization manuals .Other information regarding the paper was collected through books journals, and internet etc. The research methodology under taken to collect the information for the study is descriptive type of research .The main objective of using descriptive research method is to describe the state of affairs as it exists at present which involves surveys undertaken by companies and fact finding enquiries of different kinds.

Current Scenario Of Employment In Indian Insurance Sector.

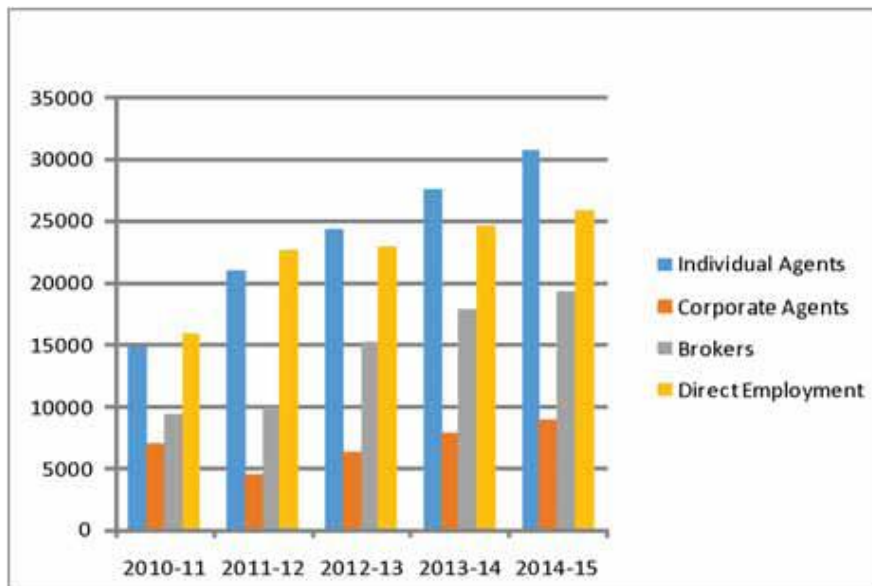
At the end of March, 2014, there are 53 insurance companies operating in India of which 24 are in the life insurance business and 28 are in non-life insurance business and one company in reinsurance business.

	FY 2000-01	FY 2014-15
Number of Life Insurance Companies	5	24
Number of Individual Agents	1,15,709	20,67,907
Number of Branches	Approx 2,000	11,033
Funds under Management (In Rs. Crore)	1,42,910	22,47,522

Life Insurance: Number of direct employees in Life Insurance Industry (Source : LI Council) increased from 1,22,867 in 2000-01 to 2,49,221 in 2014-15. The number of individual agents has increased to nearly 20 times the number in 2000-01. As on 31st March, 2015, there were 503 Corporate Agents working for Life insurance industry. The potential is still high considering the fact that the extent of life insurance penetration is still low in the country.



Source: Life Insurance Council



Source: General insurance Council

General insurers: From just 4 general insurers in the year 2000, there are 28 general insurers operating in India in 2015. Among them, 5 are exclusively for Health Insurance,

1 is for Agriculture Insurance and 1 is for Export Credit insurance. Four public sector general insurers and 17 private general insurers are dealing in all types of non-life insurance sales and servicing.

The number of employees in non-life industry increased from 77,030 in 2003-04 to 1,06,776 in 2014-15. There are a number of agents as well as intermediaries servicing the sector. As on 31.03.2015, there are 5,90,479 agents. (Source: GI Council) In spite of increase in the number of employees and in the number of insurance offices, the insurance penetration in the non-life sector is low indicating immense potential for insurance inclusion in the non-life sector as well.

Job Skill Requirements:

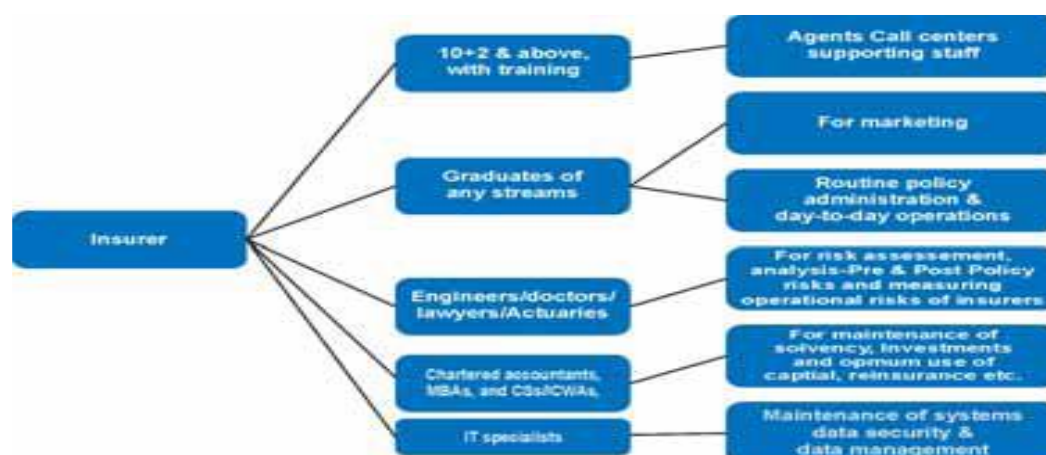
To pursue a career in the insurance industry, one has to pass the entrance test conduct by the Actuarial Society of India, Mumbai. Students who have passed 10 + 2 or equivalent exam are eligible. License is desirable to work in this field which can be achieved through a training programme. Some other Requirements are also required to pursue their career in Insurance Sector.

- Candidates must have knowledge of sales techniques.
- Familiar with computers and know all the software packages.

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- Enthusiastic, self-confident, disciplined, hard working and able to communicate effectively.
- Able to inspire customer confidence.
- To keep up to date with issues concerning clients.



Salary Packages in Insurance Sector

In the private sector, initial salaries are in the range of Rs 8,000 to Rs 12,000 per month. After Few Years, the average yearly earnings can be in the range of between Rs 2 lakhs to 3 lakhs per annum. Company will provide various Bonus and commissions to the Employees according to their performance.

In the sales function, independent agents/ Advisors are paid by commission only, whereas employees are paid salary only, salary plus commission, or salary plus bonus. Commissions are the most common form of compensation, especially for experienced agents. The amount of the commission depends on the type and amount of insurance sold, and whether the transaction is a new policy or a renewal. Agents will get Bonus usually when they completed their goals and Targets.

Salary in insurance sector differs according to the experience. In Starting of Your career your salary will be same as offered in the other financial services. It is keeps on increasing with year of experience. Following Table shows the salary according to experience and Designation.

Salary according to the Experience:

Experience	Salary Package
0-1 year	Rs. 1.2 lakh to Rs. 1.5 lakh
3-4 year	Rs. 3 lakh to Rs. 4 lakh
6-8 year	Rs. 7 lakh to Rs. 10 lakh
12- 15 year	Rs. 15 lakh to Rs 20 lakh

Salary According to the Designation:

Designation	Salary
Manager in Operation	Rs. 5.5 lakh
Manager in Sales and Marketing	Rs. 4 lakh
Area Sales Manager	Rs. 6.5 lakh
Actuarial Analyst	Rs. 4 lakh
Branch Manager	Rs. 7 lakh
Training Manager	Rs. 4.7 lakh
Business Development Manager	Rs. 4.5 lakh

Life Insurance Median Bonus by Job:

Designation	Salary
Business Development Manager	Rs. 50,565
Operations Manager	Rs. 40,000
Area Sales Manager	Rs.187,500
Business Analyst, IT	Rs.87,500
Branch Sales Manager	Rs.60,000
Regional Sales Manager	Rs.150,000
Branch Manager, Insurance Office	Rs.112,500

MULTIPLE CAREERS IN INSURANCE SECTOR

1. Agents/ Insurance Advisers

The present system of selling Insurance through Agents or Insurance Advisors after the forthcoming amendments are through will continue but things are more professional today.

IRDA has regulated the procedure for licensing of agents and their minimum qualifications; compulsory training, and passing of an examination conducted by Insurance Institute of India has been made mandatory before a license can be obtained. The license fee has also been increased 15 times. All this will provide a professional touch. The new entrants are going to require Insurance acumen and entrepreneurship skills for selling their products. At present there are approximately 15 lac agents representing the Life and General Insurance companies. With the entry of the new players, it is estimated that there will be fresh requirement for 50,000 agents/ Insurance advisers every year.

2. Corporate Agents

The Corporate Agent is a corporate entity wherein two or more Agents join hands and form legal entity wherein minimum two directors/ partners of a Corporate Agents or the firm should have the qualifications required of an Individual Agent. The capital requirement is Rs 15 lakhs. With this concept many bankers have become Corporate Agents.

3. Brokers

A broker is representative of the insured (i.e. customer) rather than of the insurer, but he is like an agent in the sense that he gets paid in the form of commission by the insurance company with whom he places the business. The broker solicits business from the Insured and then places the business with an appropriate Insurance Company. He can deal with any number of Insurance companies as opposed to the single company that an agent can represent. Brokers also provide pre sale and after sales service to the Insured.

This concept also is an opportunity for those who plan to go on their own and bring business to the new entrants from areas where the companies do not have their own offices or may not want to set up an office due to economics of scale & limited business. The recruitment procedure is explained in module “Insurance Legislation”

4. Surveyors

Independent qualified professionals from the field of Engineering, medicine and finance can enter this field and provide valuable service to the Insurance companies who do not wish to employ surveyors/ loss assessors directly and prefer to have Independent people who will work for them on case to case basis for a percentage of the claim amount. In America, they are called Claim Adjusters and often they are authorized by the companies to settle the claims upto a certain amount and even make the payment to the insured, so that small claims are settled early and the insured’s satisfaction level is kept high.

5. Risk Managers

This is a highly specialized field. While some big Industrial houses are directly appointing Risk Managers on their rolls others are seeking the services of independent specialist firms/ individuals to advise them in this very important aspect. Risk Managers are mainly engineers, who have in-depth knowledge of safety, hazards, claim minimization and perception of magnitude of risk, which can possibly arise. Technocrats with experience have great opportunities in this specialized field.

6. Legal Consultants

As in the case of Insurance Consultants the services of legal consultants are availed of by both the Insurer and the Insured and their services are mostly required at the time of claim disputes, during arbitration, Third party claims, Liability claims or when the subject matter has been referred to the courts. It is predicted that growth of legal disputes out of insurance related matters is going to increase exponentially with over 20 new players entering the fray.

7. Investigators

Independent individuals or a firm whose services are used on case-to-case basis by the Insurance companies to investigate the genuinity /quantum of claims especially early claims and theft claims. They are specialised people and need to be experts in their field as well as in Insurance. Insurance claim detection agencies, fraud control organisations, and statistical/grading agencies run by entrepreneurs will take a start in coming times.

8. Recovery Agents

Their services are used by the Insurance Companies to settle third party claims. Wherein there is a chance of recovery from the third party. The insurers send the recovery agents to talk to the third party and arrive at a justified settlement thus savings on legal costs, which otherwise would have been incurred if the matter had gone to court. At times, the settlements made by the recovery agents are quite favourable.

9. Medical Professionals

TPA” means a Third Party Administrator who is engaged for a fee or remuneration determined in the Agreement for health services. He is a service provider to the Insured on behalf of insurance company. His work profile includes, to obtain all the requisite documents pertaining to the administration of insurance claim arising out of insurance contract

concluded by the insurer with the insured and render necessary assistance and advise to policyholders or claimants or beneficiaries in complying with the requirement for settlement of claims with the insurer, if called for by the agreement;

10. Actuary

Actuary is most remunerative profession in Insurance sector. In life insurance companies the appointment of Actuary is statutory requirement. Basically he is a Production Manager of an insurance company especially of a Life insurer because he designs the product and its price so that the product is easily saleable in the market. To become an Actuary one has to become a member of *Actuarial Society of India* who has prescribed the qualification and examination to be passed by an individual. The minimum qualification is 1st class graduation and who studied Mathematics and Statistics at graduation level. It takes minimum 5-6 years to complete the course.

CONCLUSION

The opportunities are many and will grow with almost 25 new entrants expected to be in this sector. The services of independent entrepreneur or group of professionals joining together is what required today. Only time will tell how many take up the challenge and at what stage. Presently, there is lack of awareness as the Insurance companies, professionals and educational Institutes have a lot to contribute in their own way to promote this cause. IRDA is responsible to promote growth of Insurance under its “Development” Banner. If existing & new Insurance Companies, Associations, Professional bodies, Academicians and dedicated Insurance Institutes do not timely step in to share the load of development of Insurance in India, IRDA as a watchdog will surely make it happen by making it an essential activity to be performed by each one of us.

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