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Research Article

A Scrutiny on the Financial Performance of Selected Insurance Companies in India

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Abstract

The implementation of innovative technology has resulted in a rapid transformation of insurance and reinsurance organisations worldwide. Insurance companies in India have frequently recast themselves as stabilisers of markets, businesses, and societies during economic upheavals, within the larger economic fabric. The COVID-19 pandemic, climate change, and Russia-Ukraine conflict have presented hurdles, but the insurance sector in India which is the tenth largest globally has persevered, growing at a strong rate of 10.3% in FY 2022 as opposed to a weak 7.9% the year before. The adaptable way in which the Indian insurance sector has embraced digitalisation in both operations and distribution, along with its strong risk management foundation based on the primary value of prioritising consumers, have strengthened the industry's resilience. The life insurance market penetration as of 2021 is 3.2%, despite the fact that the Indian insurance sector is growing annually for a variety of reasons. These include a growing protection shortfall and a restricted distribution reach. In addition, insurers are frequently seen as stabilisers of the market, and given the state of business, technology, regulations, and policies, as well as the likelihood of future shocks, there is always a chance. In the year 2019, India's percentage of the worldwide life insurance market was 2.73 percent. The Life insurance premiums in India rose by 9.63 percent over the previous year, while worldwide life insurance premiums increased by 1.18 percent. In 2019, life insurance accounted for 46.34 percent of all premiums worldwide. The researcher evaluated the financial health of the top performing insurance providers and examined the financial performance of the insurance company using Ratio analysis.

Keywords: *Insurance Company, Financial Performance, Operational Efficiency.*

INTRODUCTION

The insurance sector in India is one of the finest sectors that is growing. The insurance sector has been growing, and this increase can be linked to rising earnings and greater industry understanding. With an annual growth rate of 32–34%, India ranks sixth among emerging insurance markets globally for life insurance. The industry has seen intense peer competition in recent years, which has prompted the development of fresh, cutting-edge items. Because of the government's gradual easing of restrictions on foreign capital flow, the insurance industry has drawn significant foreign direct investment totalling around Rs. 54,000 crore (US$ 6.5 billion) over the last nine years. The Indian insurance industry also includes brokers, surveyors, corporate and individual agents, and third-party administrators who manage health insurance claims. In 2022, there was a lot of change in the insurance industry in terms of new innovations, updated rules, proposed changes, and expansion. These developments ensure that insurers stay up to date with the latest technical innovations and have opened up new growth prospects for the industry. The Insurance Regulatory and Development Authority of India (IRDA) is vigilant, progressive, and dedicated to realising its vision of "Insurance for all by 2047," with ambitious plans to tackle the industry's problems. The insurance industry is growing due to a number of factors, including major government initiatives, strong democratic components, a regulatory framework that is favourable, increased cooperation, innovative products, and active distribution networks. The primary offline players in the insurance sector were banks, corporate agents, and offline brokers. Thanks to fast digitisation, product innovation, and progressive regulatory regulations, consumers may now acquire insurance through a number of distribution channels with only a push of a button. The unpredictable nature of the COVID-19 epidemic demonstrated the necessity for people to invest in financial security-enhancing products like life insurance.

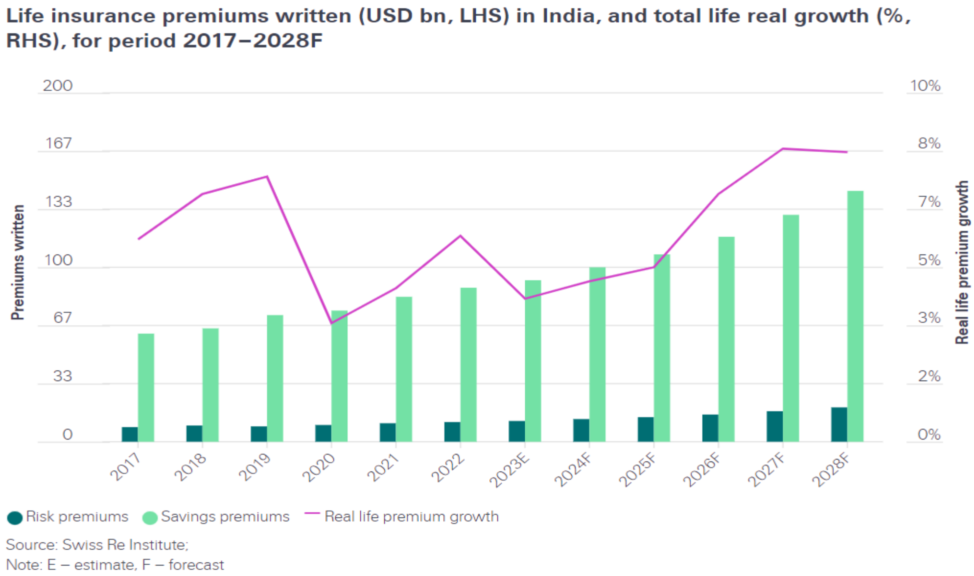
REVIEW OF LITERATURE

1. **S.Subalakshmi & Dr.A.Vijayakumar (2023)** in their research work titled as "Evaluation of Operational Efficiency of Selected Public and Private Life Insurers in India" concentrated on the insurance industry as non-banking financial intermediaries. Because it provides assistance to the many economic sectors, the insurance industry was a key element of the financial system. Following its liberalisation in 2000, India now permits private enterprises to operate in the life insurance market. In order to determine the operational efficiency of the chosen public and private life insurance businesses in India over a 12-year period, from 2010–2011 to 2021–2022, utilising secondary data, an analysis of their level of efficiency in the fiercely competitive and expanding market has been conducted. There has been usage of methods such as ratio analysis, mean, CV, CAGR, and chi-square test. The outcome demonstrates that, in comparison to other insurance companies, LIC, SBI, and Max Life have done well. The study's conclusion is that the chosen public and private life insurance businesses were generally efficient, and their ratios were kept in compliance with IRDA requirements.
2. **Lavudi Vijay (2019)** in his study "Financial Performance Analysis - A Study of Life Insurance Companies" noted that while insurance has always been an essential component of the Indian financial system, it has taken on a new significance following the industry's 17 years of liberalisation due to the success of numerous life insurers in becoming listed on Indian stock exchanges. Since 2000, the Indian insurance industry has experienced faster growth due to liberalisation following more than 50 years of LIC monopoly. Private life insurers have entered the market using creative approaches, which has increased business. The insurance industry clearly requires a large amount of funding, which can now be mobilised through cleaner equity capital when looking at the long term. Following the sector's liberalisation, the actions of life insurers have improved accountability, transparency, and governance while also sharpening the focus on the Indian insurance industry's profitability. This study uses the output maximisation model on a sample of six life insurance businesses in an attempt to quantify their production and profitability.
3. **Bhatia (2017)** in his study compare the solvency positions of ICICI Lombard General Insurance Company Limited and Bajaj Allianz General Insurance Company Limited. Two Indian life insurance firms' ten-year (2005–2015) worth of data were taken into consideration for the study. Solvency ratios were employed for analytics. The two-tailed T-test, variances, and mean were among the statistical methods employed. The research findings indicate that Bajaj Allianz and ICICI Lombard, two non-life insurance companies, have demonstrated a strong solvency position by maintaining an average solvency ratio of 1.5% during a ten-year period.
4. **Kumari (2016)** The financial performance of the public and private life insurance industries was examined by Kumari. Numerous factors, including the quantity of life insurance businesses, the number of offices in the private sector, the penetration and density of insurance, the rise in premium income, and the size of the insurance market, were considered for this purpose. Several financial ratios were computed in order to monitor financial performance. According to the study's findings, the Indian life insurance industry's overall business performance significantly improved following privatisation.
5. **Charumathi (2014)** Policyholders need to have faith that their life insurance will fulfil its obligations in the event that claims are filed under the policy, as life insurers look after and oversee significant investments made by individuals. Therefore, regulatory bodies work to guarantee that life insurance firms are operating profitably and that their financial standing is healthy. One of the main issues driving insurance company regulation in the current environment of expanding clientele is the requirement to safeguard policyholders' interests and provide equitable treatment.
6. **Dr. Sumninder Kaur Bawa (2013)** in his study on "Financial Performance of Life Insurers in Indian Insurance Industry" illustrates how an organization's performance directly contributes to the expansion of its sector, which in turn fuels the economy's overall success. This study looks at Indian life insurers' financial performance using a number of different metrics. A number of financial ratios have been computed to measure it, accounting for the insurance players' leverage, profitability, solvency, and liquidity. In general, firm and insurer profits can be used to estimate performance. The study ascertains the influence of liquidity, solvency, leverage, size, and equity capital on the profitability of life insurers in India in order to achieve the goal. This study examines data from five years, from 2007–2008 to 2011–2012, and its sample consists of eighteen Indian life insurers (seven of which are private and one of which is public). The study measures the impact of these determinants on the profitability of life insurance using a multiple linear regression model. The study's findings show that size and liquidity have a beneficial impact on life insurers' profitability, but capital has a negative correlation. There is no correlation between insurance leverage and profitability and solvency.

PROBLEM STATEMENT

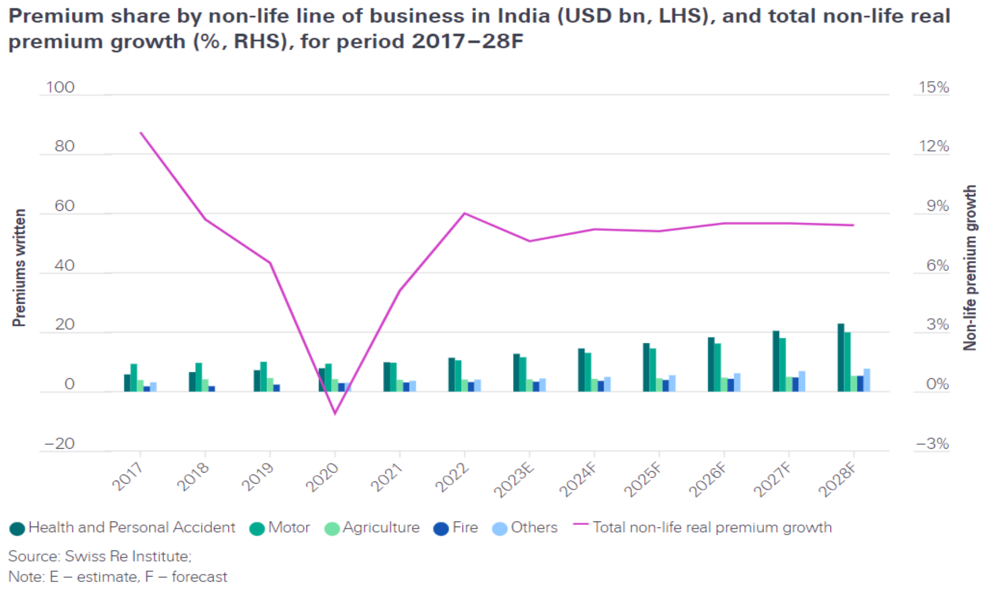
The global economy fared better in 2023 than was predicted, despite a number of obstacles like high inflation, tight financial conditions, and geopolitical conflict, according to research from the Swiss Re Institute. India's economy, meantime, has proven robust, and with an expected 6.7% growth rate in 2023, it will surpass the growth of other major economies. Both fixed investment and private consumption are driving this strong expansion. India's insurance business is growing due to a growing middle class, innovation, economic expansion, and government backing. Researchers project that overall insurance premiums would increase by 7.1% in real terms over the next five years, from 2024 to 2028. This is significantly higher than the average growth of the global, emerging, and advanced markets, which is 2.4%, 5.1%, and 1.7%, respectively. India's insurance industry will grow at the quickest rate among the G20 nations if it continues at this rate. Just in 2023, premium growth slowed down little from the year before due to ongoing transitions to the post-COVID-19 future. According to research, the rise of life insurance premiums slowed down to a projected 4.1% in 2022 from 5.9% in 2022 as risk awareness of the pandemic diminished, memories waned, and new tax regulations for expensive policies affected the growth of new premiums. According to the survey, strong increase in life business premiums was anticipated, with rates reaching 6.7% in 2024–2028. This rise was attributed to the country's youthful population and middle class, as well as the growing industry acceptance of Insurtech.

Figure 1



Growth in non-life premiums decreased little from 9.0% in 2022 to a projected 7.7% in 2023 as the market stabilised following the pandemic. The expansion of the non-life sector was also hindered by macro factors including high borrowing rates and excessive inflation in the retail and medical sectors. It is anticipated that non-life premiums will rise by 8.3% year on average between 2024 and 2028, propelled by favourable regulatory conditions, enhanced distribution channels, economic expansion, and government assistance. The insurance regulator and the Indian government have taken a number of actions to encourage the expansion of the sector. The mission "Insurance for all by 2047," which was introduced in November 2022, is significant among them. Its primary goal is to guarantee that every individual and business has the proper insurance coverage or solution. Initiatives to pique foreign interest in the market are also underway. These changes ought to encourage the insurance industry's continued growth and development, especially in light of the strong economic expansion.

Figure 2



In the life insurance sector, India is ranked tenth in the world. India made up 2.73 percent of the world market for life insurance in 2019. India had a 9.63% increase in life insurance premiums over the previous year, while the worldwide life insurance premium grew by 1.8%. In the globe, India is ranked fifteenth for non-life insurance. India has a 0.79 percent share in the global non-life insurance market in 2019. India saw a 7.98% growth in non-life insurance premiums from the previous year, compared with a 3.35 percent increase globally. Globally, non-life insurance premiums accounted for 53.66 percent of all premiums in 2019, while life insurance accounted for 46.34 percent of all premiums. However, life insurance made up a disproportionately big share of the Indian insurance industry (74.94%), whilst non-life insurance made up a lower share (25.06%). These figures and information inspired the researcher to produce an article regarding the financial performance of insurance companies, and as a result, the following objectives were set.

OBJECTIVES OF THE STUDY

- To find out the performance of top listed Insurance companies in India.
- To assess the Profitability and Liquidity position of Insurance Companies in India
- To evaluate the Turnover and Valuation of Insurance companies in India.

METHODOLOGY

The present study is based on Secondary data. For the purpose of analysis top ten listed Insurance companies are taken into consideration for research work. The secondary data was gathered from the official website of National Stock Exchange. The top ten companies are selected on the basis of market capitalization and the performance in the stock market. The data was gathered for last five years starting from the year 2019 – 2020 to 2023 – 2024. The selected insurance companies are listed below.

1. LIC – Life Insurance Corporation
2. Bajaj FinServ Ltd
3. SBI Life Insurance
4. HDFC Life Insurance Company
5. ICICI Prudential Life Insurance Company
6. General Insurance Corporation of India
7. ICICI Lombard General Insurance Co.
8. New India Assurance Company Ltd
9. MAX financial services
10. Star Health and Allied Insurance Company

Ratio analysis is an effective tool for evaluating the performance of the selected companies. It can be used to monitor a company's performance over time or to compare it to other companies operating in the same sector or industry. The ratios are utilised in the calculation are Earnings Per Share Ratio, Margin Ratio, return ratio, Liquidity ratio, Turnover ratio and Valuation ratio and inferences also given therewith.

ANALYSIS AND INFERENCES

Table 1 – Earning Per Share Ratio (%)

Company Name	2019 - 2020	2020 – 2021	2021 – 2022	2022 – 2023	2023 - 2024
LIC – Life Insurance Corporation	271.27	4.59	6.39	57.55	64.31
Bajaj FinServ Ltd	41.9	11.2	26.7	4.6	7.3
SBI Life Insurance	14.22	14.56	15.06	17.19	18.92
HDFC Life Insurance Company	6.42	6.73	5.91	6.38	7.3
ICICI Prudential Life Insurance Company	7.44	6.69	5.25	5.64	5.92
General Insurance Corporation of India	-2.05	10.95	11.43	35.98	37.03
ICICI Lombard General Insurance Co.	26.27	32.41	25.92	35.21	39.03
New India Assurance Company Ltd	8.6	9.74	1	6.4	6.85
MAX financial services	10.12	3.38	2.97	0.4	-0.33
Star Health and Allied Insurance Company	5.59	-21.75	-18.65	10.7	14.48

Source: Author Compilation

Table 1 represents the Earning Per Share Ratio of the selected Insurance Companies from the year 2019 – 2020 to 2023 - 2024. The earnings per share ratio, which shows how much profit each outstanding share of common stock has earned, is a gauge of a company's success. The analysis revealed that Life Insurance Corporation's stock performed better than that of all other companies. LIC has a larger earnings per ratio than other companies, with an estimated 64.31% for the fiscal year 2023–2024. The performance of the General Insurance Corporation of India and ICICI Lombard General Insurance Company was likewise strong, with results of 37.03% and 39.03%. Because investors would pay more for a company's shares if they believe it has larger earnings relative to its share price, a higher EPS is indicative of greater value. The results of the previous five years are shown in the following table. SBI Life Insurance Company performed rather well, achieving 14.9% in 2019 and 2020 and 18.92% in 2023 and 2024, with the exception of LIC, General Insurance Corporation, and ICICI Lombard General Insurance Company. While there has been a small fluctuation over the course of the five years, SBI was still able to maintain 18.92% in 2023 and 2024. Allied Insurance Company and Star Health both displayed an increase in EPS from 5.59% to 14.48%. In terms of earnings per share ratio, all insurance companies have performed magnificently overall.

Table 2 – Margin Ratio – Gross Profit (%)

Company Name	2019 - 2020	2020 – 2021	2021 - 2022	2022 – 2023	2023 - 2024
LIC – Life Insurance Corporation	0.51	1.67	1.98	5.63	5.2
Bajaj FinServ Ltd	87.8	77.15	90.96	90.83	90.64
SBI Life Insurance	5.09	2.16	3.12	2.64	1.78
HDFC Life Insurance Company	4.44	2.52	2.12	2.11	1.09
ICICI Prudential Life Insurance Company	6.65	1.72	1.82	3.16	0.98
General Insurance Corporation of India	-0.81	6.67	7.37	17.76	18.73
ICICI Lombard General Insurance Co.	17.17	18.56	13.04	13.06	14.88
New India Assurance Company Ltd	5.73	6.54	0.76	3.33	3.33
MAX financial services	82.11	43.56	75.46	38.83	-46.01
Star Health and Allied Insurance Company	9.32	-27.16	-12.3	7.99	8.05

Source: Author Compilation

Table 2 displays the Margin Ratio calculations of Gross Profit Ratio of all the selected companies from the year 2019 – 2020 to 2023 – 2024. The amount of money a firm or business activity makes is measured by its profit margin. In contrast, Bajaj FinServ Ltd. is outperforming all other companies in its field. Bajaj FinServ Ltd's gross profit ratio for

2019–2020 is 87.8%; in the ensuing years, it will be 77.15%, 90.96%, 90.83%, and 90.64%. Over the previous five years, ICICI Lombard General Insurance Company and General Insurance Corporation of India have demonstrated superior performance. Beginning in 2019–2020, GIC was -0.81%. From then, it rose to 6.67% in 2020–2021, 7.375 in 2021–2022, 17.76% in 2022–2023, and 18.73% in 2023–2024. The starting percentages for ICICI Lombard General Insurance Company are 17.17% for 2019–2020, 18.56% for 2020–2021, 13.04% for 2021–2022, 13.06% for 2022–2023, and 14.88% for 2023–2024. In contrast, MAX Financial Services had a poor 2023–2024 performance, with a ratio of -46.01%. When it comes to Gross Profit Ratio study, Star Heal and Allied Insurance Company, LIC, New India Assurance Company, SBI Life Insurance, and HDFC Life Insurance Company Ltd. all performed moderately well. Bajaj FinServ Ltd.'s performance was strong overall.

Table 3 – Margin Ratio – Net Profit (%)

Company Name	2019 - 2020	2020 – 2021	2021 - 2022	2022 – 2023	2023 - 2024
LIC – Life Insurance Corporation	0.44	0.42	0.56	4.65	4.82
Bajaj FinServ Ltd	85.51	55.22	68	68.04	68.85
SBI Life Insurance	3.24	1.77	1.81	2.13	1.43
HDFC Life Insurance Company	4.41	1.9	1.84	1.94	1.54
ICICI Prudential Life Insurance Company	5.08	1.15	1.21	1.64	0.95
General Insurance Corporation of India	-0.65	3.96	4.07	13.43	14.37
ICICI Lombard General Insurance Co.	11.8	13.71	8.9	9.67	10.48
New India Assurance Company Ltd	4.64	4.87	0.46	2.58	2.6
MAX financial services	55.06	32.38	51.38	23.98	-52.44
Star Health and Allied Insurance Company	5.28	-21.49	-9.81	5.11	6.02

Source: Author Compilation

The Margin Ratio computations for the Net Profit Ratio of the selected companies from 2019–2020 to 2023–2024 are shown in Table 3. One of the most crucial measures of a business's overall financial health is its net profit margin. aids investors in determining whether management of a firm is making enough money from sales and whether overhead and operational expenditures are under control. Based on Net Profit Margin calculations, Bajaj FinServ Ltd has the highest Net Profit Margin for the last five years (85.51%, 55.22%, 68%, 68.04%, and 68.85%, respectively). When compared to the previous five years, ICICI Lombard General Insurance Company and General Insurance Corporation of India have a strong net profit margin. The year 2023–2024 yielded the greatest Net Profit Margin for General Insurance Corporation of India, at 14.37%, while the year 2019–2020 yielded the lowest value, at -0.65%. The years 2019–2020 saw the highest Net Profit margin of ICICI Lombard General Insurance Company at 11.8%, while the years 2021–2022 saw the lowest Net Profit margin at 8.9%. In comparison to another group of insurance companies, Star Health and Allied Insurance Company, LIC, ICICI Prudential Life Insurance Company, and New India Assurance Company also demonstrated improved performance. When it comes to Net Profit Margin computations, Bajaj FinServ Ltd.'s business performance is generally strong.

Table 4 – Return Ratio – Return on Net worth to Equity (%)

Company Name	2019 – 2020	2020 – 2021	2021 - 2022	2022 – 2023	2023 - 2024
LIC – Life Insurance Corporation	366.81	45.6	38.84	79.69	49.64
Bajaj FinServ Ltd	18.86	4.7	9.71	13.95	17.81
SBI Life Insurance	16.26	11.09	12.95	13.21	12.71
HDFC Life Insurance Company	19.06	12.15	7.8	10.47	10.7
ICICI Prudential Life Insurance Company	14.8	7.92	8.25	8.06	7.77
General Insurance Corporation of India	-1.42	6.35	7.67	15.03	12.49
ICICI Lombard General Insurance Co.	20.92	18.15	13.42	16.55	15.72
New India Assurance Company Ltd	6.8	6.48	0.65	4.11	2.98
MAX financial services	11.95	1.49	1.52	0.2	-0.16
Star Health and Allied Insurance Company	13.81	-31.05	-22.55	11.36	13.23

Source: Author Compilation

The Return Ratio computations of Return on Net Worth to Equity Ratio for each of the selected companies from 2019–2020 to 2023–2024 are shown in Table 4. The ratio shows how much profit a company generates from the capital of its equity stockholders. According to the table's statistics, Life Insurance Corporation outperforms other businesses in terms of return on net worth to equity. The net worth return for the following years was as follows: 366.81% in 2019–2020, 45.6% in 2020–2021, 38.84% in 2021–2022, 79.69% in 2022–2023, and 49.64% in 2023–2024. The performance of Bajaj FinServ Ltd. has been mediocre during the past five years, with percentages of 18.86%, 4.7%, 9.71%, 13.95%, and 17.81%, respectively. The performance of ICICI Lombard General Insurance Company is more favourable, as seen by its higher rate of 20.92% in 2019 and 2020. In a similar vein, SBI Life Insurance and Star Health and Allied Insurance Company also had rather strong results, with increased net worths of 16.26% and 13.23% in 2019 and 2020, respectively. The company's overall return on net worth ratio, which measures how well a business uses the capital of its shareholders to generate profits, displayed a positive indication.

Table 5 – Return Ratio – Return on Capital Employed (%)

Company Name	2019 – 2020	2020 – 2021	2021 - 2022	2022 – 2023	2023 - 2024
LIC – Life Insurance Corporation	0.08	0.29	0.33	0.97	0.84
Bajaj FinServ Ltd	19.12	6.39	12.8	18.46	23.29
SBI Life Insurance	1.37	0.79	0.96	0.66	0.58
HDFC Life Insurance Company	0.98	1.01	0.65	0.58	0.34
ICICI Prudential Life Insurance Company	0.91	0.64	0.44	0.59	0.26
General Insurance Corporation of India	-1.21	6.29	6.31	12.97	10.26
ICICI Lombard General Insurance Co.	28.05	23.18	17.68	20.61	20.29
New India Assurance Company Ltd	5.99	5.45	0.48	3.33	3.23
MAX financial services	16.37	1.94	2.17	0.28	-0.16
Star Health and Allied Insurance Company	20.14	-37.87	-25.19	15.43	16.32

Source: Author Compilation

Table 5 displays the Return Ratio calculations of Return on Capital Employed Ratio of all the selected companies from the year 2019 – 2020 to 2023 – 2024. This ratio can be used to determine how well a business is using its capital to generate profits. A higher rate of Return on Capital Employed may be distributed as profit to stakeholders, according to this financial statistic. When compared to other companies, Bajaj FinServ Ltd. and ICICI Lombard General Insurance Company have higher returns on capital employed. The results for Bajaj FinServ Ltd are 19.12% for 2019–2020, 6.39% for 2020–2021, 12.8% for 2021–2022, 18.46% for 2022–2023, and 23.29% for 2023–2024. The performance of ICICI Lombard General Insurance Company was 28.05% in 2019–2020, 23.18% in 2020–2021, 17.68% in 2021–2022, 20.61%

in 2022–2023, and 20.29% in 2023–2024. In second place with results of 20.14% for 2019–2020, -37.87% for 2020–2021, --25.19% for 2021–2022, 15.43% for 2022–2023, and 16.32% for 2023–2024 was Star Health and Allied Insurance Company. When compared to other firms, Bajaj FinServ Ltd. is performing the best overall.

Table 6 – Liquidity Ratio (%)

Company Name	2019 – 2020	2020 – 2021	2021 - 2022	2022 – 2023	2023 - 2024
LIC – Life Insurance Corporation	2.17	2.16	2.68	3.14	2.92
Bajaj FinServ Ltd	98.41	107.24	105.63	126.96	122.59
SBI Life Insurance	1.93	1.69	1.48	1.85	2.13
HDFC Life Insurance Company	0.87	0.76	0.84	0.86	0.91
ICICI Prudential Life Insurance Company	1.15	1.04	0.93	1.01	1.24
General Insurance Corporation of India	0.6	0.52	0.5	0.49	0.48
ICICI Lombard General Insurance Co.	0.32	0.24	0.27	0.25	0.27
New India Assurance Company Ltd	0.46	0.42	0.41	0.38	0.4
MAX financial services	23.85	443.54	658.42	1164.41	1151.51
Star Health and Allied Insurance Company	0.42	0.47	0.15	0.12	0.16

Source: Author Compilation

Table 6 projects the Liquidity Ratio of all the selected companies from the year 2019 – 2020 to 2023 – 2024. Ratio of liquidity used to assess a company's capacity to settle its immediate debt. A corporation that has a higher ratio of liquidity is more liquid and can pay off short-term loans more easily. The figures indicate that Max Financial Services performed well in terms of liquidity position when compared to other companies; they were 23.85% in 2019–2020, 443.54% in 2020–2021, 658.42% in 2021–2022, 1164.41% in 2022–2023, and 1151.51% in 2023–2024. The company Bajaj FinServ Ltd. had the second greatest performance, as indicated by the table, with results of 98.41% in 2019–2020, 107.24% in 2020–2021, 105.63% in 2021–2022, 126.95% in 2022–2023, and 122.59% in 2023–2024. The performances of other companies are not as good. The performance of SBI Life Insurance and Life Insurance Corporation is good, with greater percentages in 2023 and 2024 of 2.13% and 2.92%, respectively. When compared to other organisations, Max Financial Services and Bajaj FinServ Ltd. are performing the best overall.

Table 7 – Turnover Ratio (%)

Company Name	2019 – 2020	2020 – 2021	2021 - 2022	2022 – 2023	2023 - 2024
LIC – Life Insurance Corporation	0.19	0.19	0.18	0.18	0.17
Bajaj FinServ Ltd	21.66	8.36	0.15	0.22	0.28
SBI Life Insurance	0.28	0.42	0.33	0.27	0.37
HDFC Life Insurance Company	0.22	0.46	0.34	0.31	0.37
ICICI Prudential Life Insurance Company	0.13	0.45	0.27	0.2	0.32
General Insurance Corporation of India	0.47	0.39	0.35	0.31	0.27
ICICI Lombard General Insurance Co.	0.29	0.28	0.32	0.34	0.31
New India Assurance Company Ltd	0.39	0.39	0.38	0.42	0.42
MAX financial services	19.59	4.58	0.03	0.01	0
Star Health and Allied Insurance Company	0.93	0.61	0.88	0.84	0.85

Source: Author Compilation

The turnover ratio for each of the selected companies are displayed in Table 7 for the years 2019–2020 through 2023–2024. In business, a turnover ratio serves as a gauge for an organization's effectiveness. Based on the computations, every chosen company exhibits a favourable and commendable performance in terms of Turnover Ratio. When compared to other companies, Star Health and Allied Insurance Company performed the best in terms of turnover ratio, with figures of 0.93% in 2019–2020, 0.61% in 2020–2021, 0.88% in 2021–2022, 0.84% in 2022–2023 and 0.85% in 2023–2024. New

India Assurance Company Ltd. came next, achieving respectable results of 0.39% in 2019–2020 and 2020–2021, 0.38% in 2021–2022, and 0.42% in 2022–2023, 2023–2024. Additionally, SBI Life Insurance and HDFC Life Insurance Company demonstrated strong performance, with respective results of 0.28% and 0.225 in 2019–2020, 0.42% and 0.465 in 2020–2021, 0.33% and 0.27% in 2021–2022, 0.27% and 0.31% in 2022–2023 and 0.37% in 2023–2024. ICICI Lombard General Insurance Company had the second-best performance, as indicated by results in the table, with results of 0.29% in 2019–2020, 0.28% in 2020–2021, 0.32% in 2021–2022, 0.34% in 2022–2023, and 0.31% in 2023–2024. Although the performance of each company is relatively poor, they all had favourable turnover ratio results.

Table 8 – Valuation Ratio (%)

Company Name	2019 – 2020	2020 – 2021	2021 - 2022	2022 – 2023	2023 - 2024
LIC – Life Insurance Corporation	0	0	0	9.28	14.25
Bajaj FinServ Ltd	10.96	86.33	63.9	275.33	225.18
SBI Life Insurance	45.08	60.5	74.47	64.05	79.29
HDFC Life Insurance Company	68.75	103.45	91.07	78.24	86.76
ICICI Prudential Life Insurance Company	47.81	66.61	95.41	77.25	102.81
General Insurance Corporation of India	-51.32	18.21	9.96	3.71	8.9
ICICI Lombard General Insurance Co.	41.17	44.22	51.27	30.37	43.16
New India Assurance Company Ltd	13.06	15.85	111.65	15.2	33.15
MAX financial services	38	254.28	253.84	1587.5	-3036.97
Star Health and Allied Insurance Company	0	0	-38.09	48.44	37.53

Source: Author Compilation

Table 8 represents the Valuation Ratio of all the selected companies from the year 2019 – 2020 to 2023 – 2024. Investors can assess a company's stock price and financial standing using valuation measures to decide if it's a wise investment. The valuation ratios are helpful instruments for assessing investment possibilities since they provide context for a company's share price. The market may have high expectations for the company's future earnings if the valuation ratio is higher. With results of 10.96% in 2019–2020, 86.33% in 2020–2021, 63.9% in 2021–2022, 275.33% in 2022–2023, and 225.18% in 2023–2024, Bajaj FinServ Ltd. successfully completed the requirement of valuation ratios in higher terms, as shown in the table. With results of 47.81% and 68.75% in 2019–2020, 103.45% and 60.5% in 2020–2021, 91.07% and 74.47% in 2021–2022, 77.25% and 78.24% in 2022–2023, 102.81% and 86.76% in 2023–2024, ICICI Prudential Life Insurance Company and HDFC Life Insurance Company represented the next better performance. Better results were also obtained by SBI Life Insurance Company and ICICI Lombard General Insurance Company, with greater percentages of 79.29% in 2023–2024 and 51.27% in 2021–2022. All of the companies performed well overall when it came to valuation ratios, with the exception of Max Financial Services, which saw a poor outcome in 2023–2024 with a value of -3036.97%.

FINDINGS AND SUGGESTIONS

- The profitability of a business in terms of making money for shareholders is gauged by its earnings per share ratio. Based on the data, Life Insurance Corporation has the highest Earning Per Share Ratio performance.
- Margin ratios, which include the net profit ratio, gross profit ratio, and operating profit ratio, are used to assess a company's profitability and financial standing. The investigation revealed that all of the companies' net profit and gross profit ratios performed well. When calculating both the net and gross profit ratios, Bajaj FinServ Ltd. is the top business.
- Return ratios are a useful tool for assessing the profitability and management efficacy of investments. Return on Capital Employed and Return on Net Worth to Equity were taken into account in the research. When it comes to Return on Net Worth to Equity ratio, LIC is the top company, and when it comes to Return on Capital Employed, Bajaj FinServ is the finest.
- Ratios of liquidity are employed to assess a firm's capacity to settle immediate financial obligations and to make well-informed business decisions. The data indicates that Max Financial Services and Bajaj FinServ Ltd. have better results than any other company.
- To determine the company's efficiency and financial health, valuation ratios and turnover ratios are computed. All of the companies performed well in terms of turnover ratio, with Star Health and Allied Insurance having the highest score. When it came to valuation ratios, Bajaj FinServ Ltd. outperformed all other companies.

- Businesses can enhance their performance by eliminating debt, utilising long-term loans, effectively handling accounts payable and receivable, and reducing certain expenses.
- In general, it is advised that insurance firms focus on the efficient operation and sound financial standing of the company. Reducing expenses, handling debt, increasing income, securing outside capital, or seeking advice from financial experts are all steps that can improve the insurance firms' financial situation.

CONCLUSION

Examining the financial performance of particular Indian insurance companies was the goal of the study. Assessing the effectiveness of insurance companies has become more important since they not only offer a way to transfer risk and save money, but they also assist in allocating funds from surplus to deficit economic units in a way that supports economic investment activities. Because a company's performance can have an impact on the economy as a whole, evaluating a company's financial performance involves empirical study. Margin ratios, such as the gross profit and net profit ratios, are computed to assess the insurance company's financial performance in addition to the earnings per share ratio. Liquidity ratios, turnover ratios, valuation ratios, and return ratios such as return on net worth to equity and return on capital employed are all computed and examined for the study project. Because of this, all of the public and private life insurance businesses in India that were chosen have strong financial records, ensuring their long-term stability and ability to weather unforeseen circumstances.

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