

# THE JOURNEY OF INDIAN ECONOMY IN THE LAST 75 YEARS

*(Banking, Insurance, Finance, Taxation etc.)*

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# SBI LIFE INSURANCE AND ITS ROLE IN CORPORATE SOCIAL RESPONSIBILITY IN INDIA

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## ABSTRACT

*SBI Life maintained strong, time-tested relationships with our stakeholders – employees, business partners, policyholders, creditors, financial analysts, regulators, government and the society at large. It engages with them regularly to stay closer to the changing realities and continue to deliver high value. At SBI Life, it is committed to uplifting the communities around us identified a new focus area and are adopting a two-pronged approach to meet their goals. First, it aims to provide insurance solutions tailored to the needs of people residing in rural areas and social sector (unorganized sector, economically vulnerable segment etc). Second, it is undertake multi- faceted corporate social responsibility (CSR) activities to improve community wellbeing.*

**Keywords:** *Bancassurance, SBI Life, and Corporate Social Responsibility*

## INTRODUCTION

India reported world fastest growing major economy in recent years. Strong economic factors and various government reforms continue to propelled all sectors in the Indian economy on a glorious path. Financial services industry is evolving in terms of the savings and investment behaviour of its people, their growing income levels, changing lifestyle and increased access to information. Insurance

industry has seemed mushrooming over the last decade and is poised for a sustainable & profitable growth in long run. Rising middle class, rise in disposable incomes, increase in FDI, technological advancements and greater awareness for insurance coverage have proved favourable for the Life Insurance industry.

Over the years, the industry has undergone fundamental shifts such as rapid expansion, rebalancing of distribution mix, transitions of product mix, digital transformation, capital inflows, and approach towards customer-centricity. As a result, Industry has shown commendable growth both in new business premium collection and new policies sold, which exhibit the increase in insurance awareness.

In FY 2019, Industry showed a stable growth of 11% in new business premium collection. Despite steady growth rate, life insurance penetration in India still remains low. But the future of the life insurance industry looks promising. With several changes in the regulatory framework which are expected to change the way the industry conducts business and engages with its customers. Sustained efforts towards creating awareness and working to enhance the industry's reach will lead individuals who are financially protected. Additionally, the regulator has issued various regulations/circular for the life insurance sector such as prevention of Money-laundering (Maintenance of Records) Amendment Rules, 2019, IRDAI (Appointed Actuary) (Amendment) Regulations, 2019, IRDAI (Re-insurance) Regulations, 2018

## LITERATURE REVIEW

*Abheek Barua (2004)* pointed that as indicated by the SBI Life Insurance gauges around 15% of the gross expense of new insurance major parts in the monetary year 2003 came through Bancassurance. While Bancassurance offers a clearly reasonable model for item expansion by bank and a practical dispersion channel for guarantors, there are some possible spaces of contention between the two that should be resolved. *Chandnani L.R. (1996)* stated that different new procedures of selling insurance like Bancassurance Captive insurance and so on in these nations. In set up nations charges are made through Banks. Further, he has clarified the different strategies for settlement of cases. *Rajashekhhar and Kumari (2014)* investigated that Banks having enhanced branch organization, standard connection of manages an account with client go about as apparatus to get familiar with the clients' brain research, banks brand name certainty and dependability of client on banks were the strength of Bancassurance

*Rao (2012)* Observed that the accepted contrasts in the impression of the clients and the chiefs of the disaster insurance item with respect to the effect of strategy evaluating on the last approach purchasing choices of the potential arrangement holders. *Ahmed and Kwatra (2014)*<sup>8</sup> This research has been done through consumer assessment to evaluate the nature of defense administration in India, which aims to find out how it can be used to help interest in defense in India.

## **STATEMENT OF THE PROBLEM**

The Company closely connected with the customers and providing them with bespoke, high quality insurance solutions that help them in fulfilling their financial needs across their lifespan. Since inception, Company have developed products that cater to the existing and latent need of their customers, while providing them with maximum control over the policies they have enrolled for. SBI Life plays a proactive role in creating higher awareness about the benefits of insuring and provides simplified solutions, so that the customers can make informed decisions about their life as well as the life of their loved ones.

## **OBJECTIVES OF THE STUDY**

The study deals with factors that affect the purchasing of insurance products through Bancassurance. This study makes an attempt in this direction with the following objectives:

1. To assess the corporate social responsibility of SBI life insurance.
2. To know the Corporate Social Responsibility activities

## **RESEARCH METHODOLOGY**

The study is an empirical and descriptive based study on the views and opinions of the employees of the insurance companies. Secondary data is used for conducting the research study:

## **DATA COLLECTION AND ANALYSIS**

The investigation depends on secondary data. The secondary data identifying with approaches sold, premium produced, lives covered and so forth was accumulated from the different books, RBI reports, magazines, papers and yearly reports of the SBI Life annual report and the IRDAI for the years 2015-2019.

## SCOPE & LIMITATION OF THE STUDY

The current investigation will covers the examination off SBI Life Insurance Company and its tasks in Maharashtra State. The investigation was too covered the long term times of 2015-16 to 2018-2019. The investigation depends on essential information gathered through an all around organized poll.

## RESULTS AND DISCUSSIONS

### Social Relationship and Capital Building

SBI Life maintained strong, time-tested relationships with our stakeholders – employees, business partners, policyholders, creditors, financial analysts, regulators, government and the society at large. It engages with them regularly to stay closer to the changing realities and continue to deliver high value. At SBI Life, it is committed to uplifting the communities around us identified a new focus area and are adopting a two-pronged approach to meet their goals. First, it aims to provide insurance solutions tailored to the needs of people residing in rural areas and social sector (unorganized sector, economically vulnerable segment etc). Second, it is undertake multi- faceted corporate social responsibility (CSR) activities to improve community wellbeing.

Owing to proactive approach, they are making steady progress towards empowering communities and multiplying the positive impact we make on their lives.

During the year, SBI life continued to drive awareness about insurance products and bring more people in the rural and social sector in the ambit of life insurance sector.

*Table 1- Focus on Rural and Social Sectors*

Sector	Particulars	FY 2019	FY 2018	FY 2017	FY 2016
Rural	No. of new policies (Lakh)	62	38	09	05
	Rural sector policies to total policies (%)	23.74	3.68	24.00	24.00
	Premium Underwritten (billion)	6.07	3.09	10.50	8.14
Social	No. of new policies (including group business)	1,264	1,554	3,001	1106
	Social sector lives to total lives (%)	1.58	0.90	11.93	3.11
	Premium Underwritten (billion)	0.09	0.09	0.05	0.4
Total	No. of new policies (Lakh)	15.26	14.28	12.75	12.73

(Source: Annual report of SBI Life FA 2017-18 and 2018-19)

## CORPORATE SOCIAL RESPONSIBILITY

The Company has spent 189,616 thousand for the year ended

March 31,2019 (previous year ended March 31,2018 153,647 thousands) towards Corporate Social Responsibility activities mentioned in Schedule VII of The Companies Act, 2013. (Page 107)

**Education:** The Company has provided support towards the cost of education, nutrition and overall development of underprivileged children from the society, to give equal opportunity of learning to all Rs. 32,243 thousands in 2018 and Rs. 78,544 thousands, in 2019. It has contributed towards the infrastructure development of school premises, hostels, playgrounds and classrooms, digital equipment for building smart classrooms, sanitation facilities, kitchen facilities, and transport facilities to various schools in rural areas Rs 54,233 thousands in 2018 and Rs. 26,857 thousands, in 2019.

The Company has provided for folding canes for the visually challenged, rehabilitation of the mentally and differently-abled children through education, training, speech & physio therapy, and multisensory stimulation that aid the overall learning of the underprivileged and differently-abled children's 12,803 thousands in 2018 and Rs 11,772 thousands, in 2019. Helped over 50 schools across 17 states in India to build and enhance their infrastructure facilities.

**Healthcare:** The Company has contributed towards procurement of various medical facilities improving infrastructure of the hospitals and healthcare institutes, preventive care measures for cancer and screening, and surgeries for the less fortunate children's 36,022 thousands in 2018 an Rs 50,171 thousands, in 2019.

- Provided essential medical equipment, ambulance, sanitation facility to hospitals/ NGOs and supported cancer awareness
- Sponsored treatment/ surgeries for poor patients
- Focused on improving health and nutrition status of rural/ tribal pregnant women and lactating mothers

**Environment:** The Company has contributed towards making a greener planet by planting sapling and maintaining the plantations. Rs 4,978 thousand in 2018 and Rs 1,615 thousand, in 2019

**Rural Development:** The Company has contributed towards providing basic amenities like sanitation facilities, safe drinking water, solar light in villages which are remotely located and training rural youth on financial literacy Rs 5,399 thousands in 2018 and Rs 637 thousand, in 2019

**Armed Forces:** The company has contributed towards infrastructural equipment for the Officer' Training academy Rs 649

thousand in 2019

**Disaster Relief:** As a socially responsible company, SBI Life lend its hand in the hour of need by contributing towards disaster relief in the form of providing relief material to the victims of flash floods, arranging clean-up and disinfection drives, and providing warm clothes and other essentials Rs 19,371 thousands in 2019, Provided relief materials to over 1,000 victims of natural calamities in Kerala, Assam, Manipur and Karnataka.

**Skill Development:** The Company has contributed towards vocational training and skill development of people from disadvantaged sections of the society in order to enhance their livelihood opportunities Rs 100 thousands in 2018.

**Prime Minister's Relief Fund and Swachh Bharat Kosh and disaster disaster relief:** Company has contributed for Prime Minister's Relief Fund and Swachh Bharat Kosh Rs. 7,869 Thousands in 2018 for improving cleanliness levels in rural and urban areas and provided relief materials to victims of natural calamities.

## CONCLUSION

With above discussion it is concluded that SBI Life is playing a very important role in the corporate social responsibility . The success of Bancassurance relies heavily on banks that ensure excellent customer relationships; therefore, banks need to strive to find that approach. Regulators can consider whether it is possible to allow banks to have bond arrangements with more than one insurance company, offering a wide range of options for customers. In addition to lending and accepting deposits, banks have recognized the importance of Bancassurance in India and are currently taking equity stakes from insurance companies.

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