

Consumer Preference towards LIC and Private Life Insurers in Rewa, Madhya Pradesh: A Comparative Study Based on Secondary Evidence

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Abstract

This study examines consumer preference towards the Life Insurance Corporation of India (LIC) and private life insurers in Rewa, Madhya Pradesh, using secondary evidence. The study adopts a descriptive, comparative and analytical research design and relies on official insurance statistics, annual reports, insurer disclosures, official branch information and relevant academic literature. FY 2024–25 is used as the principal analytical period. Since no primary survey was undertaken, consumer preference is examined through observable market indicators rather than respondent-level attitudes. The analysis shows that LIC retained a substantial position in the Indian life-insurance market, reporting 57.05% market share in first-year premium and 65.83% in policies, with 178.15 lakh policies and first-year premium of ₹2,26,669.91 crore. At the same time, private insurers collectively accounted for a substantial share of the market, indicating an increasingly competitive structure. LIC's individual new-business premium increased from ₹57,716 crore in FY 2023–24 to ₹62,495 crore in FY 2024–25, while its market share in individual new-business premium declined from 58.87% to 57.05%. The Rewa evidence also indicates the coexistence of LIC and several private insurers through local branches/service facilities. The study concludes that consumer choice in Rewa should be understood as multidimensional, involving institutional familiarity, accessibility, product suitability, service convenience and digital orientation. The findings do not claim exact consumer-preference percentages because respondent-level primary data were not collected.

Keywords: Consumer preference; LIC; private life insurers; Rewa; life insurance; secondary data; market share; service accessibility.

1. Introduction

Life insurance is an important component of household financial security and long-term financial planning. In India, the life-insurance sector has evolved from a predominantly public-sector structure into a competitive market comprising LIC and a large number of private insurers. This transformation has expanded the range of products, distribution channels and service models available to consumers. IRDAI's statistical publications provide systematic evidence on the scale and performance of the life-insurance industry, while insurer annual reports provide additional information on business performance and service infrastructure. LIC continues to occupy a substantial position in the Indian life-insurance market. Its FY 2024–25 profile reports 178.15 lakh policies, ₹2,26,669.91 crore in first-year premium and a 57.05% share of first-year premium, while its policy market share was 65.83%. These figures indicate continuing scale, but they also coexist with substantial private-sector competition.

The relevance of this national competitive environment to Rewa, Madhya Pradesh, lies in the availability of both LIC and private insurers in the city. Consumers can therefore encounter different institutional propositions, distribution channels and service arrangements. However, national market share cannot be treated as a direct measure of the preferences of Rewa consumers. A localized study must distinguish between market-level evidence and individual attitudes.

Against this background, the present study examines consumer preference towards LIC and private life insurers in Rewa through secondary evidence. Rather than manufacturing survey responses, the study analyses observable indicators of market position, policy volume, premium performance, service accessibility, product orientation and local presence.

2. Background and Statement of the Problem

The liberalization of the Indian insurance sector created an environment in which LIC operates alongside private life insurers. Competition has expanded the range of insurance products and channels available to customers. At the same time, life insurance remains a trust-intensive service in which reputation, accessibility, service responsiveness and perceived reliability can influence consumer choice.

The central problem addressed by this study is therefore not simply whether LIC has a larger market share than private insurers, but how secondary evidence can be used to understand the competitive dimensions that shape consumer choice in a localized market such as Rewa. A further methodological problem is that market share data alone cannot establish individual consumer attitudes. The study consequently treats market and service indicators as evidence of the environment within which consumer preference is formed rather than as a substitute for primary attitudinal data.

3. Research Gap

Existing literature has examined service quality, customer satisfaction, competition and the changing position of LIC and private insurers. However, there is comparatively limited localized analysis that connects national insurance-market evidence with the observable competitive environment of a tier-II city such as Rewa while avoiding unsupported respondent-level claims. This study addresses that gap by combining official secondary statistics with insurer-level and local service-presence evidence.

4. Objectives of the Study

1. To examine the comparative market position of LIC and private life insurers using recent secondary data.
2. To analyse indicators relevant to consumer choice, including policy volume, first-year premium, distribution and service accessibility.

3. To examine the relevance of LIC and private-insurer presence to the insurance environment in Rewa.
4. To identify major dimensions through which consumer preference may be understood from secondary evidence.
5. To identify the limitations of using secondary evidence for measuring individual consumer preference.

5. Research Questions

- RQ1. What does recent secondary evidence indicate about the relative market position of LIC and private life insurers?
RQ2. What observable factors are relevant to consumer choice between LIC and private insurers?
RQ3. How does the presence of LIC and private insurers in Rewa shape the local competitive environment?
RQ4. What conclusions about consumer preference can and cannot be drawn from secondary evidence?

6. Scope of the Study

The study focuses on LIC and private life insurers relevant to consumers in Rewa, Madhya Pradesh. FY 2024–25 is the principal analytical period, with FY 2023–24 used where comparison is available. The national market indicators provide the broader context, while Rewa-level branch/service information provides localized evidence. The study does not claim to represent the attitudes of every consumer in Rewa.

7. Research Methodology

Research design: The study uses a descriptive, comparative and analytical design.

Nature of data: The study is entirely secondary-data based. No questionnaire, interview or respondent survey has been used.

Sources of data: Major sources include the Insurance Regulatory and Development Authority of India (IRDAI), LIC annual reports and official disclosures, official insurer branch/service information, government publications and relevant academic literature.

Period of analysis: FY 2024–25 is the principal period. FY 2023–24 is used for selected year-on-year comparisons.

Unit of analysis: LIC, the private life-insurance sector as a collective segment, and selected private insurers/service locations relevant to Rewa.

Indicators: First-year premium, market share, policy volume, new-business performance, distribution/service accessibility, product and service orientation, digital-service relevance and local presence.

Analytical techniques: Percentage analysis, comparative analysis, descriptive tabulation and thematic interpretation are used. No inferential statistical tests such as Chi-square, t-test or regression are applied because there is no respondent-level dataset.

Methodological caution: Market share and policy data are treated as observable market indicators and not as direct measurements of individual consumer attitudes in Rewa.

8. Conceptual Framework

The study conceptualizes consumer preference as a multidimensional outcome influenced by institutional familiarity and trust, product suitability, service accessibility, distribution convenience, digital-service orientation and competitive alternatives. Secondary evidence can document the market and service environment associated with these dimensions. It cannot, without primary respondent data, quantify the exact strength of each factor among Rewa consumers.

9. Data Analysis and Interpretation

9.1 Comparative Market Position

Table 1. Market Position of LIC and Private Life Insurers, FY 2024–25

*Private-sector shares are derived as the balance of the total market after LIC's reported market share.

Interpretation: LIC accounted for more than half of the Indian life-insurance market in first-year premium and nearly two-thirds of policies during FY 2024–25. The difference between policy share and premium share indicates that policy volume and premium value capture different dimensions of market position. The private sector collectively represented a substantial competitive segment. These national figures provide context for consumer choice but do not constitute a survey of Rewa consumers.

9.2 Change in LIC's Market Position

Table 2. Change in LIC Market Share and Business Indicators

Interpretation: LIC's individual new-business premium and renewal premium increased in absolute terms, while its percentage market shares declined. The pattern is consistent with a market in which LIC continues to grow in absolute business while private insurers collectively expand their share. Therefore, a reduction in percentage market share should not be interpreted by itself as a decline in LIC's business.

9.3 Policy-Based Market Preference

LIC's 65.83% policy market share indicates a strong position in policy volume. The decline from 69.91% to 65.83% between FY 2023–24 and FY 2024–25 also indicates greater competitive participation by private insurers. Policy count is therefore useful for understanding breadth of market participation, but it does not reveal why an individual consumer selected a particular insurer.

9.4 Premium-Based Analysis

LIC reported first-year premium of ₹2,26,669.91 crore and a 57.05% market share in FY 2024–25. The remaining 42.95% was collectively accounted for by private insurers. Premium-based comparison is important because premium value is influenced by product mix, policy size and customer segment. Consequently, policy volume and premium share should be interpreted together rather than in isolation.

9.5 Service Accessibility and Presence in Rewa

Official LIC information identifies multiple LIC service locations in Rewa, including Branch Office 288 at Tansen Complex, Sirmour Chouraha, and Branch Office 3084 at Railway Station Road. Official information from private insurers also confirms local presence, including HDFC Life in Vivekanand Nagar, Rewa, while other major private insurers maintain service/branch arrangements in the city.

Table 3. Consumer-Choice Dimensions Relevant to Rewa

Interpretation: Rewa has a mixed insurance environment in which consumers can encounter both LIC and private insurers. Physical accessibility remains relevant for advisory, documentation and servicing requirements, while digital channels increasingly supplement branch-based interaction.

9.6 Comparative Consumer-Choice Analysis

Consumer preference is multidimensional. LIC's scale, policy volume and long-established institutional presence provide one set of observable market characteristics. Private insurers provide competitive alternatives through differentiated products, distribution channels and service models. The evidence therefore supports a competitive-choice framework rather than a single-factor explanation of preference.

9.7 Overall Findings from the Data

1. LIC retained a substantial market position in FY 2024–25.
2. LIC reported 57.05% first-year premium share and 65.83% policy share.
3. Private insurers collectively accounted for a substantial share of the market.
4. LIC's individual new-business premium increased by 8.28% between FY 2023–24 and FY 2024–25, while its market share declined by 1.82 percentage points.
5. LIC's policy market share declined by 4.08 percentage points over the same period.
6. Rewa has a mixed competitive environment with LIC and private insurers providing local service access.
7. Consumer choice is better understood through multiple dimensions including trust, accessibility, product suitability, service convenience and digital orientation.
8. Exact percentages of Rewa consumers preferring LIC or a particular private insurer cannot be established from the present secondary dataset.

9.8 Analytical Inference

The evidence indicates that LIC continues to have substantial market scale while private insurers collectively constitute a significant competitive segment. In Rewa, the coexistence of LIC and private insurers creates an environment in which consumer choice can be influenced by institutional familiarity, product suitability, service accessibility and convenience. The evidence does not justify claiming that a particular percentage of Rewa consumers prefers one insurer because respondent-level primary data were not collected.

10. Discussion

The findings are consistent with the broader service-quality perspective in insurance research, where reliability, responsiveness, accessibility and other service attributes can influence customer perceptions. Earlier studies have also examined differences between public and private life insurers in terms of service-quality gaps and competitive positioning. The present study extends that perspective by applying a secondary-data framework to a localized Rewa context.

The data indicate that LIC's continuing market scale coexists with a meaningful private-sector competitive presence. This suggests that consumer choice in the contemporary life-insurance market is not adequately described by a simple public-versus-private dichotomy. Product structure, distribution, digital access and servicing arrangements are increasingly relevant dimensions of competition.

11. Major Findings

The study establishes the following major findings:

- LIC remains a major participant in the Indian life-insurance market.
- LIC's FY 2024–25 first-year premium market share was 57.05%, while its policy market share was 65.83%.
- Private insurers collectively hold a substantial competitive position.
- LIC's absolute individual new-business premium increased even as its percentage market share declined.
- The Rewa market includes both LIC and private insurers, providing consumers with multiple institutional alternatives.
- Consumer preference is multidimensional and cannot be reduced to market share alone.
- Secondary data are appropriate for comparative market analysis but insufficient for measuring individual attitudes with precision.

12. Suggestions

1. Insurers should continue improving transparency and simplicity in product communication.
2. Local service accessibility should be supported by efficient digital and branch-based channels.
3. Insurers should strengthen customer education regarding policy features, exclusions, claims and long-term obligations.
4. Digital servicing should complement rather than completely replace accessible human assistance.
5. Local insurers should monitor customer-service responsiveness and grievance-handling efficiency.
6. Future research on Rewa should combine secondary market evidence with a properly designed primary survey if the objective is to quantify consumer preference.

13. Conclusion

This study examined consumer preference towards LIC and private life insurers in Rewa, Madhya Pradesh, using secondary evidence. The analysis shows that LIC retained a substantial position in FY 2024–25, with 57.05% of first-year premium and 65.83% of policies, while private insurers collectively represented a significant competitive segment. LIC's absolute new-business premium increased even though its market share declined, indicating that competition is strengthening alongside continued LIC scale.

The Rewa evidence demonstrates the coexistence of LIC and private insurers through local service presence. Consequently, consumer choice should be viewed as a multidimensional process involving institutional familiarity, accessibility, product suitability, service quality and digital convenience. The study deliberately does not report fabricated respondent percentages because

no primary survey was conducted. Its contribution is therefore to provide a transparent secondary-data framework for understanding the competitive environment and observable indicators associated with consumer choice in Rewa.

14. Limitations

The study has three principal limitations. First, secondary data cannot directly measure consumer attitudes, perceptions or motivations. Second, many detailed operational indicators are available at the national or insurer level rather than specifically for Rewa. Third, market share is an outcome indicator and should not be treated as a direct causal measure of consumer preference. These limitations should be considered when interpreting the findings.

15. Scope for Future Research

Future studies may conduct a structured primary survey of Rewa consumers to measure trust, service quality, product preference, digital-service usage and satisfaction. A larger longitudinal study could combine primary responses with annual IRDAI data. Qualitative interviews with policyholders, agents and branch/service personnel could also help explain the mechanisms underlying observed market patterns.

16. Data Availability Statement

The study uses publicly available secondary information from IRDAI, LIC and official insurer sources. No confidential respondent-level dataset was generated.

17. Conflict of Interest

The authors declare that there is no conflict of interest associated with this study.

18. Ethical Statement

Because the study uses publicly available secondary information and does not involve human participants or identifiable personal data, no primary-participant ethical approval was required for the present analysis.

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Indicator	LIC	Private Life Insurers*
Share in First-Year Premium	57.05%	42.95%
Share in Policies	65.83%	34.17%
LIC First-Year Premium	₹2,26,669.91 crore	—
Number of LIC Policies	178.15 lakh	—

Indicator	FY 2023–24	FY 2024–25	Change
Market Share in First-Year Premium	58.87%	57.05%	–1.82 percentage points
Market Share in Policies	69.91%	65.83%	–4.08 percentage points
Individual New Business Premium	₹57,716 crore	₹62,495 crore	+8.28%
Individual Renewal Premium	₹2,46,052 crore	₹2,56,541 crore	+4.26%

Dimension	LIC	Private Life Insurers	Analytical Interpretation
Institutional familiarity	Long-established public-sector insurer	Varies by insurer	Familiarity may influence trust-oriented decisions
Market position	Largest individual insurer	Collectively substantial	Both sectors form meaningful alternatives
Physical accessibility	Multiple local service locations	Selected local branches/service points	Accessibility affects service convenience
Product proposition	Broad life, pension, group and protection offerings	Broad and differentiated offerings	Consumers can compare according to needs
Digital orientation	Increasing digital servicing	Strong digital-service emphasis across insurers	Convenience is increasingly relevant
Distribution	Agency, branch and digital channels	Agency, bancassurance, branch and digital channels	Multiple channels expand access

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