

## Analysis of Women Participation in Life Insurance sector in India

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### Abstract

*This study focuses on the changing role of women in life insurance sector in India in terms of their role as the policy-holders as well as agents. Historically, women have demonstrated a conservative outlook to financial investments with some of the reasons being traditional gender roles, lack of financial literacy, and economic constraints. Despite all of these challenges, recent data sees a positive trend of the female engagement in the life insurance market. To further highlight, by analysing secondary data of various states of India by financial year 2022-23, the ratio of women's insurances is higher than the all-India Average (34.20%) in 15states /UTs which reveals that women are having a significant presence in the sector, the ongoing barriers such as discriminatory regulations, lack of financial resource access and societal biases continue to exist to restrict full participation of women in the sector, and to improve women's participation in the sector, a multifaceted approach is recommended which involves enhancing financial literacy, developing products that suit the needs By overcoming barriers that are in place and leveraging strategic initiatives, the contribution of women in India's insurance segment can take us a long way, and consequently, achieve financial empowerment and innovation on a macro level.*

**Keywords:** *Women insurers, Women insurance agents, Public and Private Insurers.*

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### Introduction

Recent researches highlight the fact that the achievement of gender equality is not solely an issue of social justice, but a clever economic choice. The potential of women has been used as a force for economic growth and development as a global community which is a very untapped potential because traditional roles of women in Indian society, mainly that they are the stay at home wives and mothers. However, recently there has been (and continues to be) a change. Women now play a pivotal role in the management of household finance often taking the lead of being the 'cash boss' within Indian communities. Over the year women's roles have grown from restrictive and marginalized roles to

ones characterized by liberation and active engagement. Women have made great gains in education, employment, leadership and representation. Apart from individual benefits, investing in women has larger impacts. Women tend to reinvest a large part of their income in their families and communities. Plus, women are instrumental in building peaceful and stable societies which are necessary for economic growth as a whole. Unfortunately, these advantages are not always recognized, which prevents women from participating fully in the economy.

### Global Insurance and India

Despite the worldwide economic slowdown as well as inflation concerns,

the insurance industry is anticipated to retain its resilience in 2023. The projections suggest a 2.3% growth of the world economy throughout the year, to prop up the insurance sector. As of 2022, India was the 10th largest insurance marketplace in the world with amount of premium standing at \$131 billion. Anticipated growth trajectories indicate that India would move up to 6th place by 2032. Key drivers of the growth of the Indian insurance market are strong economic growth and rising disposable incomes, a young population, growing awareness of risks, digital adoption and regulatory developments.

### Women and Insurance sector

As of March 31, 2023, the Indian insurance industry boasted (Annual Reports, n.d.) agents with 28% of the individual agency force. Women bring unique qualities to the table, to make them more effective in managing insurance-related responsibilities. Women are more prone to bonding and connecting in natural abilities. These qualities are especially useful in the insurance industry where strong communication and persuasion skills are important. The empathetic and intuitive nature of the female also plays a large part in these claim processing and underwriting type roles for which the winning of the trust of the stakeholders involved are paramount. In their day-to-day lives, women confront the problems and solve them with the help of the practical issues. This ability to solve problems plays well into the dynamic insurance environment.

Diverse challenges are faced by the insurance professionals everyday and they demand creatively for solutions and analyzing them. Being excellent problem solvers, women are

predisposed for such roles. While there is a perception that women are more risk averse, it's important to consider this to be a way of having a balanced approach to risk. Women's risk management skills - a combination of analytical skills and soft skills - makes women valuable contributions to the industry. Here are some of the points to consider: - It is important to accept and enhance these contributions in the space to build a more inclusive and effective insurance landscape in India.

### Literature Review

(*SampathKumar & Rani, n.d.*) conducted a study to investigate the investment preferences of women in the unorganized sector in regard to life insurance products. To be specific in this context, it examined how demographic variables affect their investment decisions. Most of the women policyholders in the unorganized sector had insurance coverage of less than Rs. 1,00,000. Their annual premium payments usually did not exceed Rs. 2000. The main reason given by women policyholders when deciding to invest in insurance was risk insurance.

(*PATIL et al. n.d*) carried out the study on working women in terms of their perceptions and preferences regarding life insurance since 2000. It attempted to assess the decision-making process undertaken by working women policyholders when making investments in life insurance companies. Factors such as age, marital status, education and employment status contributed to the formation of women's preferences and investment decisions.

(*Pradeepa & Ananth, 2022*) conducted a study on the investment decision and also the challenges faced by working women on the Life Insurance

Corporation of India (LIC) in Chennai city. Most women invest their money keeping their child's needs in mind.

(Akilanayaki & Gopi, n.d.) studied the satisfaction levels of the working women policyholders for the services provided by the LIC. They revealed a medium level of satisfaction within working women policy holders. Several variables such as marital status, educational qualification, awareness levels, utilization patterns, and recommending them to others had significant effects on their satisfaction level.

(Kour & Sudan, 2018), conducted a study with the aim of investigating the role of women leaders in influencing the employee satisfaction within the context of the insurance industry of Jammu and Kashmir (J&K). The results of structural equation modeling (SEM) show that the use of a transformational leadership style among women leaders has a positive impact on their employees' satisfaction. This impact is seen in both the public and private insurance organizations.

(Krishnekumaar & Dr Meenakshisundaram, 2015) carried out the study on women's empowerment, community participation, health insurance awareness in India. The study examines the implications experienced by women related underinsurance and noninsurance. Community involvement is an important part of the expansion of the reach of the health insurance.

(Singh et al., 2012) carried out study to identify occupational stressors among the female employees of an insurance company. It was focused on factors that affect job satisfaction and stress levels. Female employees' satisfaction levels

were affected by a few- Education level, Age, Regular vs overtime work role. Interestingly, satisfaction did not depend on the name of the company (public or private sector), on marital status or on the kind of job. The study also showed that there is a significant positive correlation between job dissatisfaction and stress. Long work hours were found to be one of the sources of stress, as it disturbs the work life relationship of the insurance employees.

(Rajendran, 2012) analysed the level of participation of Rural Women clients of microfinance in micro insurance. The study concludes that the level of participation in micro insurance is very low and the main reason is the lack of awareness. Even though micro insurance is treated as a part of micro finance programme the reality is poor participation in micro insurance programme among the participant's micro finance.

### Research Methodology

This research paper has focused on descriptive research to analyze the changing trends related to the women involvement in the life insurance sector. By studying the secondary data, the researcher dives into the evolving scenario of representation of gender in this sector. Secondary data was gathered from a number of reliable sources such as annual reports of the Insurance Regulatory and Development Authority (IRDA), scholarly journals and research articles and reputed websites. The data covers the period from 2017-18 and 2022-23 (Annual Reports, n.d.). The information collected was analyzed and presented and suitable tables. To fulfill the purpose of the study, there was a tabular analysis in which year-wise percentage share was focused.

### Research Gap

Numerous studies have been conducted in examining various aspects of women participation in life insurance in India. Studies have focused on women workers and their views on health security with the issue of awareness and attitudes and adoption. Various researchers have addressed the question of the influence of women's empowerment on their involvement with health insurance. Many investigators dig in the factors shaping the investment decisions of women policyholders. Despite these studies, there is a gap in the understanding of the full participation of women in the life insurance sector.

This research seeks to contribute to a comprehensive understanding of women's roles in the Indian life insurance industry.

### Objectives of the study

Taking into consideration the productive and optimistic participation of women in life insurance sector, the present study "Analysis of Women Participation in Life Insurance sector in India" has been undertaken with the following specific objectives

1. To study the trend of women participation in life insurance as policyholder in India.
2. To study the private and public life insurers contribution on women in life insurance sector.
3. To study the women participation in life insurance (agent) marketing in India.
4. To study the women participation in life insurance in each state.

### Data Analysis and Interpretation

Table-1 shows the women's

participation in life insurance as policyholder in India. The total number of life insurance policies issued fluctuates slightly over the years, with a peak in 2021-22 (2.91) and a low in 2020-21 (2.81). This fluctuation indicates some variability in the overall insurance market.

**Table-1 Women participation in life insurance as policyholder in India**

Year	Total No. of policies issued	No. of policies issued to women	Share of women %
2017-18	2.82	0.90	32
2018-19	2.86	1.03	36
2019-20	2.88	0.93	32.23
2020-21	2.81	0.93	33
2021-22	2.91	1.01	34.7
2022-23	2.84	0.97	34.20

Source: Self compiled from IRDA Annual Reports

The number of policies issued to women shows variability but generally follows the trend of total policies. The highest number of policies issued to women was in 2018-19 (1.03), and the lowest was in 2017-18 (0.90). The percentage share of women policyholders in total policies issued has seen a gradual increase over the years. Starting at 32% in 2017-18, it increased to 36% in 2018-19, then fluctuated slightly but generally remained above 32% through 2022-23. There is a subtle upward movement from 32% in 2017-18 to 34.20% in 2022-23, indicating a continuous growth in the participation of women in life insurance in last years.

In summary, while the total number of life insurance policies issued experienced some fluctuation, the proportion of women policyholders

showed a gradual and positive trend, reflecting increasing engagement of women in life insurance in India over the observed period.

**Table-2 Private and Public life insurers contribution toward women in life insurance sector**

Year	Public life insurers		Private life insurers	
	proportion of policies on men	proportion of policies on women	proportion of policies on men	proportion of policies on women
2018-19	61%	39%	73%	27%
2019-20	66%	34%	73%	27%
2020-21	65%	35%	73%	27%
2021-22	64%	36%	71%	29%
2022-23	64%	36%	70%	30%

Source: Self compiled from IRDA Annual Reports

The table compares the contributions of public and private life insurers in terms of policies issued to men and women from 2018-19 to 2022-23. The proportion of policies issued to women by public life insurers has been relatively stable, ranging from 34% to 36% over the years. There is a slight increase in the proportion of policies issued to women, from 39% in 2018-19 to 36% in 2022-23, suggesting a marginally improving trend.

The proportion of policies issued to women provided by private life insurers has remained relatively consistent ranging from 27%. and 30% over the same period There is a slight increase in the proportion of policies issued to women from 27% in 2018-19 to 30% in 2022-23, showing a slow but positive trend.

Public life insurers have always offered more policies to women than have private life insurers. For instance, in 2022-23, public insurers offered 36% of their life insurance policies to women, while 30% were offered by private insurers.<sup>1</sup> Which indicates that the public life insurers have a slightly better

score in their engagement with female policies as compared to the private insurers.

The ratio of the policies issued to men, by public insurers, show a low constant trend pattern what this is for a constant target demographic over the years. Policies issued to women have been gradually increasing, which means that the public insurance companies are making some progress in addressing the gender diversity.

The proportion of policies issued to men by private insurers is high and stable between 70% and 73%, with a small decline towards the end of the period, while the proportion of policies issued to women has experienced a minor growth, especially in the last year. This improvement by a mm suggests a step by step process towards more inclusive practices.

The number of women in the job role as insurance agents is steadily on a rise from 603,208 in March with 2019 to 745,000 in March with 2023. 23.5% is the increase of growth in the involvement of the female population in working insurance industry as agent

during the timeframe period of 5 years. i.e. there is steady increasing in the role of women insurance agent has been gradually increasing. 23.5% is the increase of growth in the involvement of the female population in working

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**Table-3 : Women participation in life insurance (agent) marketing in India.**

Period (as at)	Women are working as agents	Per cent of the total individual agency	Proportion of LIC	Proportion of Private life insurers
March 31, 2019	6,03,208	27%	48%	52%
March 31, 2020	6,15,609	27 %	45 %	55 %
March 31, 2021	6.61,390	27%	47%	53 %
March 31, 2022	6,99,429	29 %	48%	52%
March 31, 2023	7,45,000	28%	43%	57%

Source: Self compiled from IRDA Annual Reports

The percentage of women in the total number of individual insurance agents has been relatively stable at around 27-29% over the period there is a small increase from 27% in 2019 to 29% in 2022, suggestive of a small but positive change in the representation of women in the insurance agency sector.

The number of women in agencies working for LIC (Life Insurance Corporation of India) has varied. It was 48% in 2019, it went below 43% in 2023. It shows that the relative share of women agents working with LIC is declining compared to private life insurers.

On the other hand, the rate of women

working as agents of private life insurance companies rose from 52% in 2019 to 57% in 2023. That is, although the overall number of female agents has increased, an increasing number of these agents are working for private life insurance companies.

The jump in absolute number of women insurance agents and steady percentage of their representation reflects an increased awareness and acceptance of women in the insurance agency profession. The change from LIC to private insurers signals a changing market for the insurance industry where private insurers are attracting a larger proportion of female agents.

**Table-4 : Women participation in life insurance in each state**

Top 5 States/ UT with highest share in number of policies bought by women		Bottom 5 States/UT with the least share in number of policies bought by women	
State	Share of total Policies in the State %	State	Share of total Policies in the State %
Karnataka	44.23	Gujarat	29.59
Kerala	43.96	Uttar Pradesh	29.53
Mizoram	42.97	Jammu Kashmir	28.07
Sikkim	42.6	Haryana	27.16
Meghalaya	41.81	Ladakh	23.10
<b>All-India Average 34.20</b>			

Source: Self compiled from IRDA Annual Reports

The table compares the ratio of policies taken by women in the top 5 and bottom 5 states UT India, which highlights the presence of significant regional disparities in the level of female participation in the life insurance sector. Of this, Karnataka has the highest share of bought policies by women at much higher than the all-India average of 34.20%. This depicts a high involvement of women in the life insurance market of this state. Kerala comes a close second with a high share of 43.96%. This is suggestive of a well rooted culture regarding life insurance among women of Kerala which is possibly due to high literacy rate and presence of good financial awareness.

Mizoram also has a high percentage of policy purchased by women. This represents a rather high level of engagement in a relatively smaller state, perhaps being due to local socio-economic factors or selective insurance programs. Sikkim is another small state that has high female participation in life insurance suggesting effective outreach or high female financial literacy in the region. Sikkim, an additional small state, rounds-off the top five with a strong 41.81%. This infers that women in Meghalaya are also actively engaging in life insurance which might be a result of regional efforts further or insurance products designed to suit their needs.

Out of the listed states, Gujarat has the lowest percentage of policies which are bought by women. This is a huge gap with respect to the best performing and could well be due to socio-economic barriers or regional preferences to lower female participation. Uttar Pradesh, similar to Gujarat, with a similar share, is also found to have low female participation. Given its large population, this is a good potential

market for liabilities toward increasing women's engagement in life insurance. Jammu & Kashmir has a relatively low share of women policyholders. This could be due to some regional challenges or less aggressive marketing and outreach efforts in the region. Haryana has the fourth lowest share, which shows that the participation of women in life insurance is not as high as compared to other states. This could be attributed to their varying degrees of financial literacy or accessibility to insurance. Ladakh has the lowest number of policies purchased by women out of the listed states. Given its geographical and demographic features, this humble share could potentially reflect investment difficulties to reach and engage women in this region.

States with high participation of females in life insurance (including Karnataka, Kerala, Mizoram, Sikkim and Meghalaya) generally have shares way above the all-India average of 34.20%. These states probably have more access to financial education, more available insurance products, or even have specific outreach programs to women.

The states with a lowest share are below the all-India average. These states could be challenged by comparatively low levels of financial literacy, socio-economic barriers or less effective insurance distribution networks.

There is a significant gap in the participation of women in life insurance from various states. While some states have managed to engage significant proportion of women, still there are others who lag considerably behind. States with a lesser female participation offer opportunities for focusing specific interventions to enhance participation. Customized financial education initiatives and community-specific

outreach efforts could help to improve the numbers transformed.<sup>3</sup> The top-performing states could be viewed as models for best practices in enhancing the level of female participation, for example, through community-based initiatives or by working with local organizations.

### Discussion

Women make up about 49% of the total population of India. Their contribution to the economic state of the country is not only huge but growing year by year. Given this context, life insurers need to be aware of the rising significance of the population group to the economy. It is essential that any specific needs or requirements unique to women are identified and tailored product solutions are created to provide adequate life insurance coverage.

The representation of women at the life insurance sector can be explained due to several interrelated factors. One important problem is lack of financial literacy and awareness in women which means they are not able to properly engage with insurance products. In addition, limited access to financial resources and the decision-making process constrains women participation often coupled with adaptation to traditional gender roles and stereotypes which discourages women's participation in financial matters. Economic challenges, such as low income levels and economic instability also make the situation worse and insurance can just seem less accessible/relevant. Family responsibilities and caregiving duties also have a very important currency over time as this can reduce the amount of time and resources women can expend on insurance activities. Moreover, limited knowledge of insurance products and

the benefits they provide, and distrust and lack of confidence problems with insurance providers, can put off women from buying insurance policies. Cultural and social barriers, along with historical and systemic gender biases, lead to other barriers. The inadequacy of insurance insurance products and services designed particularly for women, and gender-biased product design and marketing are also responsible for this disparity. Finally, the insufficient representation of women in the insurance industry itself may drive these challenges.

Public life insurers have shown a better past record in offering policies to women, as they have maintained a higher proportion of women throughout the period. Private life insurers have a lower record of policies issued to women but are beginning to show signs of improvement, though public insurers will still outperform them in taking up female policy holders.

It can be seen that LIC may need to strategize in order to maximise its appeal among female agents, whereas it appears that private insurers are well positioned to take advantage of attracting and retaining female talent.

The data reveals an upward trend in the number of women insurance agents in India with a steady rise in its participation. However, there is some change in their distribution between LIC and private life insurers, with an increasing proportion working for the private insurers. This indicates an active and changing insurance where the private insurers are becoming more attractive for the women agents.

It is revealed that while some states have made impressive inroads in terms of female participation in life insurance, others have huge scope for improving

upon. Understanding and tackling the regional factors that contributed to these disparities can help to then develop the strategies necessary to improve the engagement of women in the life insurance sector across India.

Solving these problems requires a comprehensive and complex solution. Efforts should be made to improve financial literacy and improve access to education and employment opportunities, and create an inclusive industry culture. Industry-wide initiatives are required to encourage safety, diversity and the inclusion of women at all levels of the insurance industry.

### Suggestions

In order to improve the presence of women in the life insurance sector, a number of strategic actions can be undertaken:

1. **Recruitment and Training:** Initiate more specifically designing recruitment campaigns directed at women and advertising via media channels that are popular among female populations and by collaborating with women's organizations and networks. Provide in-depth training on insurance products and sales techniques, and soft skills training, such as communication and negotiation, should also be included.
2. **Mentorship and Support:** Work to develop support networks for women employees to encourage a sense of community and growth as professionals, create mentorship programs to connect less experienced agents with seasoned women professionals
3. **Flexible Work Arrangements:** Offer flexible working hours or offer the option of remote working if

possible or job-sharing arrangements for workers dealing with family commitment and caregiving responsibilities.

4. **Inclusive Workplace Culture:** Promote gender diversity and inclusion within the workplace, address unconscious biases and stereotypes and implement policies to prevent harassment and discrimination.
5. **Leadership Opportunities and Development:** Identify and foster potential women leaders in the organization, provide training and opportunities for career development and encourage women agents to take on leadership positions.
6. **Marketing and Sales Strategies:** Develop and marketing insurance products and insurance marketing campaigns aimed at women. Train station agents to communicate well with female customers.
7. **Support and Resources:** Establish a dedicated support team for women agents, provide access to role models and networking opportunities, and provide agents with access to technology and tools to facilitate sales and customer management.
8. **Community Engagement:** Work with women's organizations and community groups on organizing events and seminars with a financial literacy and planning theme. Partner with women-focused in order to expand networking opportunities to share best practices with other insurers.
9. **Incentives and Recognition:** Implement performance-based incentives and rewards for women agents and recognize publicly top-performing women to motivate and inspire other women agents.

**10. Monitoring and Evaluation:**

Regularly monitor and analyse data on the participation and progress of women as well as continuously review and improve approaches based on these results.

By taking these strategies into account, the involvement of women in the life insurance sector can be greatly increased, resulting in a more diverse, inclusive, and successful workforce and sales force.

**Conclusion**

The adage "The hand that rocks the cradle rules the world" indicates the importance women play in the management of finances and investments. Historically, women have had a conservative approach to investing and might have preferred to invest in more conservative options. Consequently, it is important for financial product developers to be aware of gender-specific investment behaviors and to tailor financial products in a way that will more appropriately fit women's preferences with respect to risk and return.

This study focuses on the participation of women in life insurance sector in different states of India using secondary information sources. A systemic analysis was carried out to assess the scenario of women's participation in life insurance policies over the different states. The data shows that in 15 states/UTs purchase of policies is more than the all-India average of 34.20% over the fiscal year 2022-23, is purchased by women. This highlights a lot and active participation by the female gender in the life insurance market in most states. The analysis on the growth trend shows a relatively uniform growth in the participation of women from year to

year amongst the states with little variation in growth rates. Cluster analysis further patterns states by similar trends of women's participation, which draws attention to regional similarities in levels of participation.

Overall, the findings point to a positive trend in women's engagement in life insurance, with the growing realization of women as agents for life insurance. Despite the persistent wage discrimination and uneven status between men and women, government policies and initiatives are slowly improving on women's visibility and roles within the sector.

To further increase the women's participation, the government has inserted programs such as "Insurance for All by 2047", with the aim of widening the insurance envelope and in response to the distinct needs of women. Despite the progress, there are still large pockets of lacking access, mostly due to limited access to insurance, low financial literacy and biases in the society.

To improve woman's participation in insurance industry it is necessary to improve financial inclusion and independence of women in order to enable them to make informed financial decisions to enable the growth and innovation of businesses in insurance sector to develop products that cater the needs of the various women and enhance awareness and education of insurance among women to encourage the establishment of women friendly insurance distribution channels and leadership roles and to also address social and cultural barriers for ensuring that the insurance industry can foster a more equitable and sustainable ecosystem for women and society as a whole.

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