

Challenges and Opportunities for LIC in the Liberalized and Globalized Insurance Sector

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Abstract: *The competition in the Indian insurance industry has been greatly altered due to the liberalization and globalization making both threats and opportunities to the Life Insurance Corporation of India (LIC). An institution of amassing savings, financial security, and economic development of India by playing a critical role in mobilizing the savings of India, LIC is a state-owned monopoly which was founded in 1956. Nevertheless, with the establishment of the Insurance Regulatory and Development Authority (IRDA) Act of 1999, the market was open to foreign and domestic competitors, which has resulted in the increase of competition, the rapid growth of technologies and changing consumer preferences.*

The research is a secondary qualitative study that investigates the strategic position of LIC in this changing environment through the data available based on annual reports, IRDAI publications, academic journals, and industry sources. It is identified that the challenges of LIC include the loss of market share, the lack of rapid digital technologies adoption, the change of regulatory principles, and the change of customer behavior. Simultaneously, globalization presents LIC with a number of opportunities to develop, including globalisation, diversification in products, digitalisation, and strategic partnerships with fintech and global insurers.

The paper offers practical suggestions, such as the utilization of a digital-first approach, the upskilling of the workforce, product design innovation in the millennials and Generation Z, and using data to make decisions. It arrives at the conclusion that LIC should take advantage of its legacy of a strong brand and accept the challenge of modernization in order to compete. Covering its challenges and capitalizing on the new opportunities LIC can be sure of sustainable growth and remain as an important participant of the financial inclusion in India and the insurance market in the world.

Keywords: Life Insurance Corporation of India (LIC), Liberalization, Globalization, Insurance Sector, IRDA Act 1999, Digital Transformation, Market Competition, Strategic Opportunities, Financial Inclusion, Global Insurance Industry

