

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

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GLOBAL LIFE INSURANCE PENETRATION AND DENSITY

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ABSTRACT

Insurance industry is a growth oriented industry globally. It has also been facilitating economic development with an objective to build an efficient, effective, and a stable insurance business in India as well as a strong base to cater the needs of both the real economy and socio economic objectives of the country. The global insurance scenario has undergone profound changes during the last few years, accentuated by the terrorist attack on the World Trade Center on 9th September 2001. Coincidentally, the major world stock markets suffered a steep decline in value towards the end of the last century, following the dot Com bubble burst and the unprecedented corporate scandals led by Enron and WorldCom. Hurricanes like the Katrina, the Wilma and the others, in addition, have bankrupted a substantial capitalization of insurers and reinsurers built up over decades. These financial blows have resulted in a large number of insurers/reinsurers going bankrupt and several others suffering lowered ratings by reputed rating agencies. In this aspect an attempt is made to study the penetration and density of various countries and India's place in the world.

KEYWORDS

Insurance penetration, Insurance density.

INTRODUCTION

Insurance industry is a growth oriented industry globally. It has also been facilitating economic development with an objective to build an efficient, effective, and a stable insurance business in India as well as a strong base to cater the needs of both the real economy and socio economic objectives of the country. The insurance mainly classified into two major types 1. Life insurance 2. Non-life insurance.(Raghu Veer.K, and M. Satya Sudha). With globalization, the insurance community in each country is becoming an integral part of the international insurance community. What happens in the developed markets has an impact on the domestic markets. There is a greater need to examine, study and understand how the developed markets have dealt with the problems that are likely to recur in our national markets. Understanding global scenario helps us to understand our markets with more clarity. Against this background, an attempt is made to study and examine the trends in the growth and performance of the global insurance business measured in terms of direct insurance premiums secured, insurance penetration and insurance density by regions and individual countries.

OBJECTIVE

1. To study the growth of insurance industry.
2. To study the insurance penetration in various countries and their position in the world .
3. To study the insurance density in various countries and their position in the world.

METHODOLOGY

The data is taken for seven years from 2001 to 2007. The data is presented on the basis of highest to lowest descending order i.e. values taking 2007 as the base year. Analysis is also prepared for insurance business as a whole and life insurance separately. The place of India was also examined in the world ranking both in terms of insurance penetration and insurance density for total insurance business as a whole and also separately for the life insurance business for the period under reference.

TRENDS IN GROWTH OF GLOBAL INSURANCE PREMIUMS

An attempt is made to examine the trends in the growth and performance of global insurance premiums from 1990 to 2008. The details of data relating to premiums in respect of total insurance business and also life insurance and non-life insurance are shown in Table 1. Annual average real growth rates for successive years for all the categories of data are calculated and presented in the same table. The share of life and non-life insurance in the total insurance for each year is also calculated and presented in the same table. Further, the global real premium growth rates for the entire period of 1980 to 2008 are also obtained from the publications of Swiss Re Sigma and presented in Table 1.

It is observed from Table 1 that some spectacular growth has been recorded from 1981 to 1986 in respect of the total premium and also for life insurance and non-life insurance separately. However, since then the growth is slowed down accompanied by gradual increase in its growth. This growth in total insurance business can be attributed largely to the growth of life insurance business which is clearly evident from Table 1 compared to non-insurance business. More or less similar situation is emerged from the graphical representation of data which given in Fig. 1.

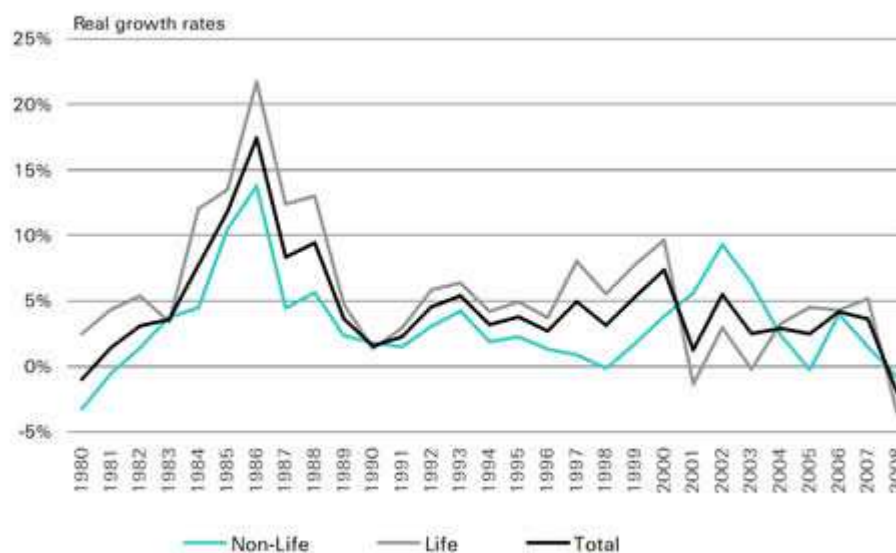
Wide fluctuations have been noticed in the annual real growth rate of insurance premiums which resulted in uneven growth (Table 1). It can be seen from the table that although, the rate of growth from 1981 to 1986 showed an upward trend, thereafter a gradual fall with a deceleration tendency is noticed not only in respect of total insurance premium but also separately for life and non-life insurance premiums. Negative growth is also observed in certain years. Fluctuations are more pronounced in case of non-life insurance business.

TABLE 1: GLOBAL PREMIUM GROWTH 1980 – 2008

Year	Real Premium Growth Rates (%)		
	Non-Life	Life	Total
1	2	3	4
1980	-3.3	2.5	-1.0
1981	-0.6	4.3	1.4
1982	1.4	5.4	3.1
1983	3.7	3.4	3.6
1984	4.5	12.0	7.7
1985	10.5	13.5	11.8
1986	13.8	21.7	17.4
1987	4.4	12.4	8.3
1988	5.6	13.0	9.4
1989	2.3	4.7	3.6
1990	1.8	1.3	1.5
1991	1.5	2.9	2.3
1992	3.0	5.8	4.5
1993	4.2	6.4	5.4
1994	1.9	4.2	3.2
1995	2.2	4.9	3.8
1996	1.3	3.7	2.7
1997	0.9	8.0	4.9
1998	-0.2	5.5	3.1
1999	1.7	7.8	5.3
2000	3.8	9.6	7.4
2001	5.6	-1.4	1.3
2002	9.3	2.9	5.5
2003	6.3	-0.2	2.5
2004	2.4	3.3	2.9
2005	-0.3	4.5	2.5
2006	4.0	4.3	4.2
2007	1.5	5.1	3.6
2008	-0.8	-3.5	-2.0

Source: Swiss Re Sigma, No. 3/2009, Facts and Figures.

FIG. 1: GLOBAL PREMIUM GROWTH 1980 - 2008



Source: Swiss Re Sigma, No. 3/2009, Facts and Figures.

Several factors contributed for the large scale increase in global insurance business especially after 2000. However, the reasons for the fluctuating growth are many and diverse.

The global insurance scenario has undergone profound changes during the last few years, accentuated by the terrorist attack on the World Trade Center on 9th September 2001. Coincidentally, the major world stock markets suffered a steep decline in value towards the end of the last century, following the dot Com bubble burst and the unprecedented corporate scandals led by Enron and WorldCom. Hurricanes like the Katrina, the Wilma and the others, in addition, have bankrupted a substantial capitalization of insurers and reinsurers built up over decades. One estimate has put it that out of a total capitalization of \$ 750 billion, the WTC attack and the stock market failures due to the burst of dot com bubble alone wiped out a capital of \$ 250 billion of the industry in one stroke. These financial blows have resulted in a large number of insurers/reinsurers going bankrupt and several others suffering lowered ratings by reputed rating agencies. Despite these set backs the industry has recovered from such serious and unexpected financial losses and the industry has begun to look as solid and resilient as ever¹.

¹. Rao, G.V., Emerging Trends in the Asian Insurance Scene: Impact of Global Trends, *Insurance Chronicle*, May – June 2005, pp.13-19.

INSURANCE PENETRATION

The term "Insurance Penetration" broadly measures the contribution of the insurance industry in relation to a nation's entire economic productivity (ratio of premium to GDP)

INSURANCE DENSITY

The term "Insurance Density" reflects the insurance purchasing power (ratio of premium paid to total population)

GLOBAL INSURANCE PENETRATION: COUNTRY-WISE ANALYSIS

An attempt is made to examine the country-wise analysis of insurance penetration. The data collected for all the top 25 countries of the world covering the period from 2001 to 2007 and analysis is prepared, countries are arranged on the basis of descending order from highest to lowest penetration. The data is taken for seven years from 2001 to 2007. The data is presented on the basis of highest to lowest descending order i.e. values taking 2007 as the base year. Analysis is also prepared for insurance business as a whole and life insurance and non-life insurance separately. Table 2 presents the aggregate data relating to insurance penetration for the top 25 countries of the world for insurance business as a whole as already indicated above.

The place of India was also examined in the world ranking both in terms of insurance penetration and insurance density for total insurance business as a whole and also separately for the life and non-life insurance business for the period under reference.

The table shows that UK and Taiwan ranked the first position in terms of insurance penetration with 15.7 per cent. South Africa secured the second position with 15.3 per cent followed by Netherlands (15.3 per cent), South Korea and Hong Kong (11.8 per cent each), Ireland (11.6 per cent) on the other hand Israel secured the lowest rank of 19 among 25 countries with 5.5 per cent. India has secured 28th position in the total order of countries and was placed in 22nd rank with 4.7 per cent in 2007. Algeria is the last country in the world, which accounted for 0.5 per cent, which is lowest among all the countries.

TABLE 2: TOP 25 COUNTRIES OF THE WORLD IN TOTAL INSURANCE PENETRATION

Name of the Country	Years (2001 – 2007)							Rank
	2001	2002	2003	2004	2005	2006	2007	
1	2	3	4	5	6	7	8	9
United Kingdom	14.18	14.75	13.37	12.6	12.45	16.50	15.70	1
Taiwan	8.62	10.16	11.31	14.13	14.11	14.50	15.70	1
South Africa	17.97	18.78	15.88	14.38	13.87	16.00	15.30	2
Netherlands	9.79	9.51	9.77	10.10	9.79	9.40	13.40	3
South Korea	12.07	11.61	9.63	9.52	10.25	11.10	11.80	4
Hong Kong	6.34	6.65	7.88	9.27	9.93	10.50	11.80	4
Ireland	9.14	8.55	9.59	8.97	8.56	10.40	11.60	5
Switzerland	12.71	13.36	12.74	11.75	11.19	11.00	10.30	6
France	8.58	8.58	9.15	9.52	10.21	11.00	10.30	6
Belgium	7.92	8.42	9.77	9.62	11.15	9.20	9.60	7
Japan	11.07	10.86	10.81	10.51	10.54	10.50	9.60	7
United States	8.97	9.58	9.61	9.36	9.15	8.80	8.90	8
Denmark	6.93	7.52	7.92	8.07	8.07	8.50	8.90	8
Portugal	5.37	6.60	7.31	7.85	9.07	9.00	8.50	9
Finland	8.93	8.98	8.69	8.77	9.18	9.10	8.40	10
Singapore	4.58	4.91	7.59	7.50	7.47	6.50	7.60	11
Sweden	7.71	6.62	6.97	6.96	7.82	7.60	7.40	12
Canada	6.42	6.69	6.82	7.02	6.97	7.00	7.00	13
Australia	9.15	8.48	7.99	8.02	6.6	7.00	6.80	14
Germany	6.59	6.76	6.99	6.97	6.79	6.70	6.60	15
Trinidad and Tobago	5.28	5.02	5.11	7.85	7.63	7.60	6.40	16
Italy	6.27	6.97	7.45	7.60	7.59	7.20	6.40	16
Austria	5.87	5.84	5.89	5.95	6.17	6.10	5.80	17
Slovenia	5.04	5.05	5.23	5.61	5.65	5.80	5.70	18
Israel	5.93	6.28	6.54	6.16	5.96	5.50	5.50	19
India	2.71	3.26	2.88	3.17	3.14	4.80	4.70	28
Algeria	0.51	0.65	0.64	0.58	0.56	0.50	0.50	80
World	7.83	8.14	8.06	7.99	7.52	7.50	7.50	

Source: Swiss Re, Sigma Reports, Various Issues & IRDA Annual Reports.

A close examination of data for each country for different years from 2001 to 2007 reveals that UK was in second position in 2001, 2002 and 2003, slipped to third position in 2004 and 2005. It secured the first position in 2006 with 16.5 percent and retained the same rank in 2007 but with slightly lower percentage. Between 2002 and 2005 the penetration showed a declining trend. Taiwan was in 11th place during 2001. It steadily improved its penetration rate gradually and reached the top position along with UK in 2007. As regards Netherlands, it was placed in 6th position in 2001, but encountered with fluctuations in subsequent years and however, in 2007 it secured the third position.

South Korea was in 4th position in 2001 with 12.07 per cent and showed deceleration tendency until 2004 and again slowly improved but could not secure the original percentage and however retained its fourth position. On the other hand, Hong Kong showed a remarkable progress in its journey of total insurance penetration. Originally it was placed in far lower position of 17th rank in 2001 and with its continuous progress attained the 4th position along with South Korea. Ireland recorded 7th position in 2001 and subsequently it was encountered with fluctuations but secured the 5th position.

Besides, other countries like France, Belgium, Denmark, Portugal, Singapore, Canada and other countries have improved their positions over 2001. However, in respect of some countries either declining or fluctuating tendencies are noticed. For example, Japan, which recorded 11.07 per cent in 2001 gradually slipped to 9.6 per cent in 2007. Similarly, United States showed an increase from 2001 to 2003 but slowly faced deceleration and remained at 8.9 per cent in 2007. Other countries like Finland, Sweden, Australia, Germany, and other showed slightly declining or fluctuating tendencies.

The disaggregate data for insurance penetration is also collected separately for life insurance and non-insurance separately. The penetration rates are calculated and presented in table 3 for life insurance sectors.

Table 3 shows that in case of life insurance penetration, Taiwan secured the top position with 12.90 per cent in 2007. In fact, Taiwan was in 8th position in the ranking order in 2001 and accounted for 6.03 per cent of life insurance penetration. However, it achieved rapid progress continuously and secured the premium position in 2007 as shown above. U.K occupied the second position after Taiwan with 12.60 per cent. A close perusal of year-wise data indicates that UK was also ranked second place in 2001 to 2003 but slipped to third position in 2004 and 2005 and achieved first place in 2006 and however, ended with its original second place in 2007. However, fluctuations are noticed in its penetration rates for different years. As regards South Africa, it secured third position in 2007

with 12.5 per cent. As a matter of fact, South Africa accounted for first place for a period of four years continuously from 2001 to 2004 although the rate of penetration has declined gradually, slipped to second position in the next two years and ended with third position as explained above.

TABLE 3: TOP 25 COUNTRIES OF THE WORLD IN LIFE INSURANCE PENETRATION

Name of the Country	Years (2001 – 2007)							Rank
	2001	2002	2003	2004	2005	2006	2007	
1	2	3	4	5	6	7	8	9
Taiwan	6.03	7.35	8.28	11.06	11.17	11.60	12.90	1
United Kingdom	10.73	10.19	8.62	8.92	8.90	13.10	12.60	2
South Africa	15.19	15.92	12.96	11.43	10.84	13.00	12.50	3
Hong Kong	5.13	5.20	6.38	7.88	8.63	9.20	10.60	4
Ireland	6.30	5.42	6.04	5.74	5.65	7.90	9.30	5
South Korea	8.69	8.23	6.77	6.75	7.27	7.90	8.20	6
Japan	8.85	8.64	8.61	8.26	8.32	8.30	7.50	7
France	5.73	5.61	5.99	6.38	7.08	7.90	7.30	8
Belgium	5.18	5.57	6.81	6.73	8.36	6.50	6.90	9
Finland	6.99	6.98	6.81	6.89	7.33	7.20	6.70	10
Singapore	3.40	3.48	6.09	6.02	6.00	5.40	6.20	11
Denmark	4.51	4.84	5.18	5.15	5.19	5.60	5.90	12
Portugal	2.76	3.46	4.14	4.66	6.20	6.10	5.80	13
Switzerland	7.95	8.41	7.72	6.73	6.20	6.20	5.70	14
Sweden	5.74	4.55	4.74	4.56	5.32	5.20	5.30	15
Netherlands	5.66	4.98	4.93	5.43	5.12	5.10	4.70	16
Trinidad and Tobago	3.78	3.42	3.49	5.77	5.61	5.60	4.30	17
United States	4.40	4.60	4.38	4.22	4.14	4.00	4.20	18
Italy	3.81	4.39	4.82	4.86	4.86	4.70	4.00	19
India	2.15	2.59	2.26	2.53	2.53	4.10	4.00	20
Australia	5.70	5.02	4.42	4.17	3.51	3.80	3.80	21
Canada	2.97	2.81	2.63	2.97	3.05	3.10	3.20	22
Germany	3.00	3.06	3.17	3.11	3.06	3.10	3.10	23
Malaysia	3.38	2.94	3.29	3.52	3.60	3.20	3.10	24
Norway	2.32	2.57	2.79	3.14	3.28	2.80	3.00	25
Algeria	0.02	0.03	0.02	0.03	0.03	0.00	0.00	78
World	4.68	4.76	4.59	4.55	4.34	4.50	4.40	

Source: Swiss Re, Sigma Reports, Various Issues & IRDA Annual Reports.

Hong Kong exhibited remarkable progress in life insurance penetration as in the case of total insurance business and registered 4th place in 2007 with 10.6 per cent. It recorded continuous increase during the period under reference although it was in 14th place in 2001. Next comes in the order are Ireland (9.3 per cent), South Korea (8.2 per cent), Japan (7.5 per cent) so on.

Further examination of data reveals that countries like Ireland, France, Belgium, Singapore, Denmark and others have ascended to higher ranks through their increased penetration rates. On the other hand, South Korea slipped from 4th to 6th position, Japan from 3rd to 7th position, Switzerland from 5th to 14th position and Finland from 6th to 10th position. The United States, which was in 16th position in 2001 further gone down to 18th position in 2007 accompanied with heavy fluctuations over the period. The penetration of USA is also lower than that of world life insurance penetration.

As regards India, it ranked 25th in 2001 in life insurance penetration and ascended to 20th position in 2007. It recorded a penetration rate of 2.15 per cent in 2001 and suddenly jumped to 2.59 per cent in 2002 but declined to 2.26 per cent in 2003. But it recorded an increase of 2.53 per cent in 2004, which continued even in 2005. But there was huge increase in 2006 (4.1 per cent) and ended with 4 per cent in 2007. Algeria was the last country in the world with negligible penetration rates.

GLOBAL INSURANCE DENSITY: COUNTRY-WISE ANALYSIS

An attempt is also made to examine insurance densities for different countries in the world. Here also countries are arranged on the descending order from highest to lowest density. Basing on this, the top 25 countries are identified and ranked on the basis of per capita premium. Data is collected covering the period 2001 to 2007 and the insurance density for insurance business as a whole is presented in Table 4.

TABLE 4 TOP 25 COUNTRIES OF THE WORLD IN TOTAL INSURANCE DENSITY

Name of the Country	Years (2001 – 2007)							Rank
	2001	2002	2003	2004	2005	2006	2007	
1	2	3	4	5	6	7	8	9
Ireland	2465.7	2703.0	3669.5	4091.2	4177.0	5564.7	7171.4	1
United Kingdom	3393.8	3879.1	4058.5	4508.4	4599.0	6466.7	7113.7	2
Netherlands	2324.0	2472.4	3094	3599.6	3739.7	3828.8	6262.9	3
Switzerland	4342.8	4922.4	5660.3	5716.4	5558.4	5561.9	5740.7	4
Denmark	2094.2	2448.3	3116	3620.4	3876.2	4271.4	5103.1	5
France	1898.8	2064.2	2698.3	3207.9	3568.5	4075.4	4147.6	6
Belgium	1767.9	2002.9	2875.7	3275.6	3985.6	3442.5	4131.5	7
United States	3266.0	3461.6	3637.7	3755.1	3875.2	3923.7	4086.5	8
Finland	2097.9	2272.1	2714.5	3134.1	3389.3	3681.2	3905.8	9
Norway	1657.0	1939.0	2321.3	2842.2	3302.3	3229.0	3770.2	10
Sweden	1823.6	1792.7	2357.9	2690.0	3092.1	3226.2	3705.1	11
Luxembourg	1563.2	1934.3	2496.0	2562.9	2756.3	3366.3	3423.4	12
Hong Kong	1545.2	1583.0	1832.6	2217.2	2544.9	2787.6	3373.2	13
Japan	3507.5	3498.6	3770.9	3874.8	3746.7	3589.6	3319.9	14
Canada	1460.4	1563.2	1871.8	2188.7	2449.0	2708.3	3053.8	15
Australia	1668.3	1705.9	2041.4	2471.4	2569.9	2580.8	3000.2	16
Singapore	959.0	1030.7	1620.5	1849.3	1983.4	1957.7	2776.0	17
Germany	1484.2	1627.7	2051.2	2286.6	2310.5	2436.8	2662.1	18
Taiwan	1088.5	1279.2	1433.3	1909.0	2145.5	2250.2	2628.0	19
Austria	1348.8	1452.1	1846.8	2159.7	2342.8	2396.7	2620.5	20
South Korea	1060.1	1159.8	1243.0	1419.3	1706.1	2071.3	2384.0	21
Italy	1186.4	1435.4	1913.1	2217.9	2263.9	2302.2	2322.0	22
Iceland	851.6	978.7	1205.6	1310.2	1438.1	1360.0	1871.5	23
Portugal	588.9	799.4	1079.6	1293.5	1628.0	1663.8	1775.6	24
Spain	923.9	1091.5	1146.1	1355.2	1454.5	1514.6	1699.9	25
India	11.5	14.7	16.4	19.7	22.7	34.4	46.6	68
Bangladesh	1.6	1.6	2.1	2.3	2.5	2.6	2.9	79
World	393.3	422.9	469.6	511.5	518.5	554.8	607.7	

Source: Swiss Re, Sigma Reports, Various Issues & IRDA Annual Reports.

The table reveals that Ireland recorded the highest density of \$ 7174.4 for the total insurance business in 2007 by registering almost three-fold and continuous increase against \$ 2465.7 in 2001 and ranked 5th position. This was followed by UK with \$ 7113.7, Netherlands, \$ 6262.9, Switzerland with \$ 5740.7 and Denmark with \$ 5103.1. These countries have accounted for third, sixth, first and eight ranks respectively. Japan secured 2nd rank in 2001 with a density of \$ 3507.5 but it is low in 2007 with \$ 3319.9 and secured 14th rank. Similarly United States, which recorded 4th rank in 2001 with \$ 3266 showed an increase in 2007 with \$ 4086.5, however secured only 8th rank.

Unfortunately, India was placed in 68th position as its density level is far lower which is \$ 46.6 in 2007 but it was only \$ 11.5 in 2001 and thereafter it showed a progressive increase in the per capita premium and reached the present level. Bangladesh showed the least density of \$ 2.9 in 2007 against \$ 1.6 in 2001 and which is negligible.

Further efforts are also made to present the densities separately for life insurance for the period 2001 to 2007 which is already specified. Data for these are provided in Table 5.

Table 5 shows that UK secured the first place in respect of life insurance density, followed by Ireland, Denmark, Switzerland, Finland, Hong Kong, Belgium, France and so on. UK accounted for life insurance density of \$ 5730.5 in 2007, which increased from \$ 2567.9 and ranked third in 2001. Ireland, which comes next in order in 2007 secured fourth place in 2001 and life insurance density, increased more than three times. Denmark accounted for 6th rank in 2001, but its progress is very impressive. On the other hand, Japan which recorded first position with life insurance density of \$ 2806.4 in 2001 encountered setback in 2007 and thus fall down to 10th place. As regards United States, it is observed that the density is gradually increased but its rank has fallen from 11th to 16th position. South Africa secured 24th rank in 2007 with life insurance density of \$ 719.

TABLE 5: TOP 25 COUNTRIES OF THE WORLD IN LIFE INSURANCE DENSITY

Name of the Country	Years (2001 – 2007)							Rank
	2001	2002	2003	2004	2005	2006	2007	
1	2	3	4	5	6	7	8	7
United Kingdom	2567.9	2679.4	2617.1	3190.4	3287.1	5139.6	5730.5	1
Ireland	1700.4	1712.2	2312.5	2617.4	2759.7	4203.8	5715.1	2
Denmark	1364.4	1574.9	2037.5	2310.5	2489.9	2840.8	3381.0	3
Switzerland	2715.7	3099.7	3431.8	3275.1	3078.1	3111.8	3159.1	4
Finland	1641.2	1765.3	2126.8	2461.0	2707.8	2903.1	3093.1	5
Hong Kong	1249.7	1237.9	1483.9	1884.3	2213.2	2456.0	3031.9	6
Belgium	1155.0	1323.6	2004.8	2291.2	2988.7	2427.7	2972.6	7
France	1268.2	1349.5	1767.9	2150.2	2474.6	2922.5	2928.3	8
Sweden	1356.0	1232.2	1602.3	1764.3	2105.2	2214.6	2639.5	9
Japan	2806.4	2783.9	3002.9	3044	2956.3	2829.3	2583.9	10
Norway	879.3	1101.0	1322.5	1714.4	2043.1	2016.0	2438.5	11
Singapore	713.2	730.1	1300.2	1483.9	1591.4	1616.5	2244.7	12
Netherlands	1345.0	1296.1	1561.7	1936.5	1954.2	2071.6	2192.4	13
Taiwan	760.9	925.1	1050.1	1494.6	1699.1	1800.0	2165.7	14
United States	1602.0	1662.6	1657.5	1692.5	1753.2	1789.5	1922.0	15
Australia	1040.3	1010.4	1129.3	1285.1	1366.7	1389.0	1674.1	16
South Korea	763.4	821.9	873.6	1006.8	1210.6	1480.0	1656.6	17
Italy	720.8	904.9	1238.3	1417.2	1449.8	1492.8	1439.4	18
Luxembourg	555.2	840.0	1161.1	1007.1	1112.5	1548.4	1414.5	19
Canada	675.9	657.3	722.9	926.1	1071.9	1204.1	1386.8	20
Germany	674.3	736.7	930.4	1021.3	1042.1	1136.1	1234.1	21
Portugal	302.9	418.6	611.4	768.1	1113.7	1131.5	1210.0	22
Austria	632.0	648.7	811.0	955.3	1095.1	1104.6	1189.6	23
South Africa	377.2	360.5	476.5	545.5	558.3	695.6	719.0	24
Spain	491.0	588.0	488.6	571.9	615.8	651	709.3	25
India	9.1	11.7	12.9	15.7	18.3	33.2	40.4	51
Nigeria	0.5	0.5	0.6	0.7	0.5	0.8	0.9	79
World	235.0	247.3	267.1	291.5	299.5	330.6	358.1	

Source: Swiss Re, Sigma Reports, Various Issues & IRDA Annual Reports.

An attempt is also made to find the place of India in the world rankings in respect of life insurance density. It was placed in 51st position in 2007 with a density of meager \$ 40.4 and it was only \$ 9.1 in 2001. Nigeria was the last country in the world to secure the least rank (79th) and accounted for the lowest density \$ 0.9 in 2007.

CONCLUSION

It is observed from the tables in various aspects like penetration and density as total insurance i.e life and non-life and life insurance separately that India's density ratio is to be increased by creating awareness among the people in the country. After privatization of insurance sector the awareness on insurance is increased among the public only because of the private players. Due to the competition every insurer is trying to grasp the market through the agents. But the insurers should give proper training to the agents to create awareness and educate the public on insurance by giving proper information, some agents are giving wrong information to the policyholders this should be controlled by the insurers.

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