

BEYOND MARKET SHARE: A COMPARATIVE ANALYSIS OF VALUE PROPOSITION, CONSUMER TRUST AND SERVICE ADAPTABILITY OF LIC AND PRIVATE LIFE INSURERS IN REWA, MADHYA PRADESH

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ABSTRACT :

The Indian life insurance industry has evolved from a predominantly LIC-led market into a competitive sector comprising the Life Insurance Corporation of India (LIC) and numerous private life insurers. Although market share remains an important indicator of competitive position, it does not fully explain the factors that create long-term customer value and competitive advantage. This study examines LIC and private life insurers beyond market share, focusing on value proposition, consumer trust, service quality and service adaptability, with Rewa, Madhya Pradesh, as the regional context. The study adopts a descriptive, comparative and analytical research design based entirely on secondary data. Evidence is drawn primarily from the Insurance Regulatory and Development Authority of India (IRDAI), LIC annual and corporate disclosures, official insurer information, and selected academic and industry literature. The analysis shows that LIC retains a dominant market position and a strong physical service footprint in Rewa, while private insurers collectively represent a substantial competitive force. LIC also demonstrates significant digital adaptation, indicating that the distinction between traditional and digital insurers is becoming less clear. The study argues that sustainable competitive advantage increasingly depends on the combined ability to create customer value, sustain trust, deliver reliable service and adapt to changing expectations.

INDEX TERMS -

LIC; private life insurers; value proposition; consumer trust; service quality; service adaptability; Rewa; India; life insurance.

I. INTRODUCTION

Life insurance is a long-term financial service in which customers evaluate not only the financial characteristics of a policy but also the credibility, reliability and responsiveness of the institution providing it. The Indian life insurance market has undergone major structural change since private-sector participation began in 2000. The resulting competition has expanded product choice, distribution channels and technology-enabled services. Consequently, evaluating insurers only through market share or premium volume provides an incomplete picture of competitive strength.

LIC remains the largest life insurer in India, but private insurers have established a substantial collective presence. In FY 2024–25, LIC reported 57.05% market share by premium and 65.83% by number of policies. Its total premium income was ₹4,88,148 crore. These figures confirm continued leadership, but they also show that a large part of the market is contested by private insurers (LIC, 2025).

The competitive question has therefore shifted from simply asking who has the larger market share to asking why customers may continue to choose, trust and remain with a particular insurer. Value proposition, service quality, trust-related signals and adaptability to digital expectations are particularly relevant in this context. Recent industry evidence also shows that life insurers are increasingly adopting integrated online and offline service models, simplifying renewals and claims, and using technology to improve customer experience (KPMG, 2025).

Rewa provides a useful regional setting for this analysis. LIC's official branch information lists two branch offices and an urban satellite office in Rewa, demonstrating an established physical service presence.

However, publicly available comparable data for every private insurer at the Rewa level are limited. The present study therefore combines Rewa-specific evidence with national industry and insurer-level evidence, while clearly distinguishing facts from analytical interpretation.

The study is intentionally designed as a secondary-data study. It does not invent customer responses or present assumed trust scores as survey findings. Instead, trust is assessed through observable indicators such as institutional continuity, claims-related information, grievance mechanisms, service accessibility and transparency-related practices. This methodological choice strengthens the credibility of the study while acknowledging the limits of secondary evidence.

II. REVIEW OF LITERATURE

Previous research on Indian life insurance has frequently examined service quality, customer satisfaction and the public-private comparison. Goswami (2007), using SERVQUAL-based analysis, found responsiveness to be particularly important for customer satisfaction in the Indian life insurance industry. Bala, Sandhu and Nagpal (2011) examined the applicability of SERVQUAL to LIC and reported that the conventional five-dimensional structure did not fully capture the Indian life insurance context, suggesting that service quality requires contextual interpretation.

Research comparing public and private insurers has also produced mixed findings. Studies have identified differences in service-quality gaps between LIC and private insurers, while other research has found that both sectors can provide broadly comparable service quality. Josiah and Prem (2022), for example, compared public and private life insurers using the SERVPERF approach and concluded that both groups offered quality services, illustrating that sector ownership alone does not determine service quality.

More recent research has increasingly considered digital transformation. Singh et al. (2022/2023) examined digital service responses of Indian life insurers and reported that insurers were moving toward greater digitalisation, while infrastructure and customer readiness remained important challenges. Industry evidence similarly indicates that life insurers are expanding digital platforms, omnichannel service and technology-enabled support (KPMG, 2025).

Recent empirical work has also reinforced the relevance of trust, claims efficiency and transparency. Topandasani and Rathod (2026), in an Ahmedabad-based study, reported significant relationships between trust, claim settlement efficiency, policy transparency and policyholder satisfaction. Although that study used primary data and a different geographical context, it supports the theoretical relevance of these variables for life insurance competitiveness.

The literature therefore establishes that service quality, satisfaction, trust and digitalisation are important, but much of the existing work examines these dimensions separately, uses primary survey data, or focuses on a limited number of insurers. There is scope for an integrated secondary-data comparison that combines value proposition, trust-related indicators, service quality and adaptability and places them within a regional market context.

III. RESEARCH GAP

Existing literature has generated valuable insights into LIC-private competition, service quality and customer satisfaction. However, three gaps remain. First, conventional LIC-private comparisons often emphasise market share, financial performance or service-quality dimensions separately. Second, trust and adaptability are not always integrated into the same competitive framework. Third, regional contexts such as Rewa receive limited attention in studies that connect national industry evidence with local service accessibility.

The present study addresses these gaps by developing an integrated, secondary-data-based framework around four dimensions: value proposition, consumer trust, service quality and service adaptability. The study does not claim to measure subjective consumer trust statistically; instead, it examines observable trust-related indicators. This distinction allows the paper to remain evidence-based without fabricating primary responses.

IV. OBJECTIVES OF THE STUDY

- To compare the value propositions of LIC and private life insurers.
- To examine observable indicators relevant to consumer trust in LIC and private life insurers.
- To compare the service-quality and service-access approaches of LIC and private insurers.
- To examine the service and digital adaptability of LIC and private life insurers.
- To analyse the competitive strengths of LIC and private insurers beyond conventional market-share indicators.
- To examine the relevance of these dimensions in the context of the Rewa insurance market.

- To suggest practical strategies for improving customer value, trust, service quality and adaptability.

V. RESEARCH METHODOLOGY

5.1 RESEARCH DESIGN

The study uses a descriptive, comparative and analytical research design based entirely on secondary data. FY 2024–25 is used as the principal common annual comparison period because IRDAI currently lists its Handbook on Indian Insurance Statistics 2024–25 as the latest completed handbook. The study was updated using official information available in 2026. The research was conducted using information available up to August 2026.

5.2 STUDY AREA

Rewa, Madhya Pradesh, is the regional focus. LIC's official branch directory identifies Branch Office 288, Branch Office 3084 and Rewa Urban Satellite Office in Rewa. Additional satellite offices serve the wider Rewa area. These records establish LIC's physical presence but do not by themselves establish superior customer satisfaction.

5.3 DATA SOURCES

Primary sources include IRDAI's Handbook on Indian Insurance Statistics, IRDAI insurer information, LIC's FY 2024–25 Annual Report and corporate disclosures, and official insurer websites. Secondary academic and industry literature is used to interpret service quality, customer trust and digital adaptability. All quantitative claims are limited to figures that can be traced to the cited sources.

5.4 ANALYTICAL FRAMEWORK

Four dimensions are used. Value proposition covers product breadth, benefits, flexibility and innovation. Consumer trust is assessed through observable indicators such as institutional continuity, claims-related information, grievance mechanisms, transparency and service reliability. Service quality covers accessibility, policy servicing, claims support and communication. Service adaptability covers digital platforms, omnichannel services, online servicing, digital payments and technology-enabled customer support.

5.5 ANALYTICAL TECHNIQUES

The study uses descriptive analysis, comparative analysis, trend interpretation and qualitative thematic analysis. Inferential tests such as t-tests, correlation and regression are not used because the study does not contain respondent-level primary data. This avoids inappropriate statistical inference and keeps the analysis consistent with the research design.

VI. RESULTS AND DISCUSSION

6.1 MARKET POSITION

LIC's FY 2024–25 disclosures show continued market leadership. At the same time, the movement in market share indicates meaningful competitive pressure from private insurers. The appropriate conclusion is therefore not that LIC faces insignificant competition, but that LIC remains the largest player within an increasingly competitive market.

6.2 LIC'S REWA PRESENCE

The official LIC directory confirms an established physical service footprint in Rewa. This supports an interpretation of strong local accessibility and relationship-based service potential. It should not, however, be interpreted as direct evidence that Rewa customers are more satisfied with LIC than with private insurers.

6.3 VALUE PROPOSITION

LIC's established product portfolio, scale and institutional familiarity form important components of its value proposition. Private insurers compete strongly through product differentiation, flexible offerings and technology-supported delivery. The relevant competitive issue is therefore not simply the number of products, but the ability to align products with changing customer needs.

6.4 CONSUMER TRUST

Without primary survey data, the study does not assign a numerical trust score to LIC or private insurers. Instead, it evaluates trust-related evidence. LIC's institutional continuity, extensive physical presence and published claims and service information provide important foundations for trust. Private insurers increasingly build trust through transparency, responsive service, technology-enabled communication and consistent customer experience. Trust is consequently treated as multidimensional rather than as an automatic consequence of ownership or brand familiarity.

6.5 SERVICE QUALITY

LIC's Rewa branch infrastructure supports face-to-face accessibility and relationship-based servicing. Private insurers increasingly use multi-channel models involving agents, bancassurance, digital platforms

and customer-care systems. The evidence suggests that the strongest service model is likely to integrate personal assistance with digital convenience rather than treating the two as mutually exclusive.

6.6 SERVICE ADAPTABILITY

LIC's FY 2024–25 reporting provides strong evidence of digital adaptation. More than 77% of renewal premiums were collected through omnichannel platforms, while the Customer Portal, LIC Digital App, ANANDA platform, digital payments and paperless workflows were enhanced. These developments demonstrate that LIC is actively adapting its traditional service model rather than remaining solely branch dependent. Private insurers have also established strong digital and technology-oriented service models. The competitive distinction is therefore increasingly about the quality of integration between physical and digital channels.

6.7 COMPARATIVE ASSESSMENT

Note: Qualitative descriptors are analytical interpretations of the evidence and are not survey scores.

VI. RESULTS AND DISCUSSION

The findings support the study's central proposition that life insurance competition should be examined beyond market share. LIC's market leadership remains substantial, but private insurers collectively represent a large alternative to LIC. The competitive environment is therefore characterised by coexistence of scale-based and innovation-based strengths.

The Rewa context adds a useful regional dimension. LIC's established physical infrastructure can facilitate personal interaction and relationship-based servicing. At the same time, the growth of digital service expectations means that physical presence alone may not define future competitiveness. LIC's own omnichannel adoption demonstrates that the public-private distinction is becoming less meaningful when viewed through digital adaptability.

The integrated framework emerging from the evidence can be expressed as: Competitive Advantage = Value Proposition + Trust + Service Quality + Service Adaptability. This is not a mathematical equation but a conceptual representation of the four dimensions that jointly shape competitive positioning.

The findings also align with prior literature showing the importance of responsiveness, reliability, transparency and service experience in life insurance. They extend that discussion by bringing these ideas together with digital adaptability and a Rewa-based regional context.

VII. MANAGERIAL IMPLICATIONS

- LIC should continue integrating its strong branch and agent network with digital services so that customers can move seamlessly between physical and online channels.
- Private insurers should complement technology-driven convenience with stronger long-term relationship management and transparent communication.
- Both sectors should treat claims and grievance handling as trust-building mechanisms rather than merely compliance functions.
- Product innovation should focus on genuine customer needs, affordability, flexibility and clarity of benefits rather than product proliferation alone.
- Regional service strategies should consider local accessibility while simultaneously expanding digital self-service options.
- Insurers should monitor customer experience across all touchpoints rather than evaluating branch, agent, website and app performance separately.

VIII. CONCLUSION

The study concludes that LIC and private life insurers possess different but increasingly overlapping sources of competitive advantage. LIC continues to derive strength from scale, institutional familiarity, physical accessibility and established customer relationships. Private insurers have strengthened competition through product differentiation, flexible distribution and technology-enabled services.

The evidence also shows that LIC itself is adapting rapidly to changing customer expectations. Its extensive use of omnichannel renewal collection and continued development of digital platforms demonstrates that the traditional-versus-private distinction is increasingly giving way to a broader question of service adaptability.

For Rewa, LIC's established physical presence remains a meaningful service-access advantage. Nevertheless, long-term competitiveness will depend on whether insurers can combine accessible human support with convenient digital experiences. The study therefore concludes that the future of life-insurance competition is not determined by market share alone. Sustainable advantage increasingly depends on the

ability to create meaningful value, maintain trust, provide reliable service and adapt continuously to changing consumer expectations.

In this sense, the central message of the research is: market share explains where an insurer stands; value, trust, service and adaptability help explain why it can remain competitive.

IX. LIMITATIONS

- The study is based on secondary data and does not directly measure individual policyholders' perceptions.
- Comparable Rewa-specific quantitative information for every private life insurer is not publicly available in a consistent form.
- Consumer trust is assessed through observable indicators rather than a primary survey-based trust scale.
- National and insurer-level evidence is used where local data are unavailable; therefore, regional conclusions should not be generalised to every Rewa policyholder.
- FY 2024–25 is used as the principal common annual comparison year because it is the latest completed annual handbook currently listed by IRDAI.

X. SCOPE FOR FUTURE RESEARCH

Future research can extend this study through a primary survey of policyholders in Rewa and neighbouring districts. A sufficiently large and transparently sampled dataset could test whether the secondary-data indicators identified here translate into differences in perceived value, trust, satisfaction, loyalty and digital-service adoption. Future studies could also compare individual private insurers using a common scoring framework and examine how rural, semi-urban and urban consumers differ in their expectations.

No external funding was received for this study.

TABLE 1. LIC MARKET POSITION, FY 2024–25

Indicator	LIC FY 2024–25
Total premium income	₹4,88,148 crore
Market share by premium	57.05%
Market share by number of policies	65.83%
Individual new business premium	₹62,495 crore
Individual new business premium growth	8.28%
Individual renewal premium	₹2,56,541 crore
Solvency ratio	2.11

TABLE 2. LIC PHYSICAL SERVICE PRESENCE IN REWA

LIC facility	Official listing
Rewa Branch Office	288
Rewa Branch Office	3084
Rewa Urban Satellite Office	288T002

TABLE 3. COMPARATIVE ASSESSMENT OF LIC AND PRIVATE LIFE INSURERS

Dimension	LIC	Private life insurers
Market position	Very strong; 57.05% premium share	Strong collective presence
Physical presence in Rewa	Clearly evidenced	Varies by insurer/channel
Institutional familiarity	Strong	Increasing
Product portfolio	Strong	Strong
Product innovation	Increasing	Strong
Relationship-based service	Strong	Strong
Digital adaptability	Rapidly improving	Strong
Service-channel flexibility	Strong and expanding	Strong
Competitive differentiation	Scale, reach, relationships	Innovation, flexibility, technology

Note: Qualitative descriptors are analytical interpretations of the evidence and are not survey scores.

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