

Wce Service And It's Impact On Economic Development

Dr. Prof. P.M. Taley. Dept. of Commerce.Smt. Kesarbai Lahoti Mahavidyalaya Amravati.

Introduction: Life insurance companies in India have their history dating back to 1818. The first life insurance any in India was oriental My life insurance company in Kolkata. It was started by the Europeans to e insurance cover to the Europeans. Most of the present day Life Insurance Companies in India I joint ventures between Indian groups and conglomerates and global insurance companies' The is of the joint ventures include a majority stake holding of Indian partner in the JV. The life insurance inpanies work in close association with the life insurance agents and brokers. Special training and ucation is provided to each insurance agent or broker about of Life Insurance, how it works, industry i, insurance leads, types of Insurance leads, types of insurance policies on offer, claims settlements, B Insurance laws in India, knowledge about the return of premium procedure of the life insurance 'company and the tax savings the insurance policy would provide.

Role of Insurance in development of National economy : Offering social protection alongside the state, releasing pressure on public sector finance In all lustrialized countries, the debate about the need to revise the socialprotection offered by the state Increasing. The population structure is changingfundamentally with a longer life expectancy, an Irease in elderly people anda falling birth-rate. At the same time people expect to receive a high elofhealthcare, pensions, unemployment allowance and other social benefits.

This evolution raises general concern for the future if reform is not rapidlyintroduced. A2006 study spared by the European Commission and theEconomic Policy Committee notes that without a inge in policy, public financewill be put under extreme pressure and the ED potential economic ivth will bealmost cut in half by 2030. Moreover, this situation will push wages upwards andreduce B propensity to consume or, in other words, it will depress demand anderode competitiveness. In Idition, a large part of the population does not seemto be fully aware of the reduced prospects for al protection.

Significant reform of the current social security system is therefore needed inn States. Private insurers are naturally willing to contribute in thedevelopment of an f alongside the protection offered by the state.

For instance, insurance products such as 'Payment Protection Insurance' playj protecting households from the consequences of unemployment inthe event of an Insurancepromotes economic development:

- Insurance reduces the capital firms need to operate.
- Insurance fosters investment and innovation by creating an environment of greater
- Insurers are solid partners for the development of a workable supplementary sy protection, in particular in the field of retirement and health provision.
- As institutional investors, insurers contribute to the modernisation of financial markets! firms' access to capital.
- Insurance promotes sensible n'sk-management measures through the price me methods and contributes to responsible and sustainable economic development.
- Insurance fosters stable consumption throughout the consumer's life.

Moreover, in a global economy characterised by rapid social and demographic < emergence of new risks (e.g. by climate change or technological developments) i (health care, pensions), cooperation between private insurance and public institutions! This cooperation can bring benefits in many fields, for example, health of the wor accident prevention, compensation for agricultural risks, international trade (export credit etc).

How the insurance sector fosters economic growth:

The insurance industry promotes economic growth and structural development through channels:

- 1) Providing broader insurance coverage directly to firms, improving their financial ,
- 2) Fostering entrepreneurial attitudes, encouraging investment, innovation, market (competition:
- 3) Offering social protection alongside the state, releasing pressure on public sector

4) Promoting sensible risk management by firms and households, contributing to responsible development:

5) Fostering stable consumption throughout life:

Consumption represents almost 80% of GDP and constitutes one of the main drivers of growth and citizen welfare. By offering lifelong financial protection, insurance acts as allowing stable consumption throughout an individual's life: (and other damage insurance allow households to secure their assets in case of adverse insurance protects households from the consequence of damage they may cause to their people. Life insurance protects relatives from financial burdens in case of death and/or offers revenue, in the form of capital or annuities, at the time of retirement. Life and accident insurance provides resources when they are most needed. Life insurance eases consumption but also protects the consumer against excessive debt in pricing and acceptance policies. Guaranteeing a stable lifestyle to millions of Europeans increases their confidence in the future and enhances consumption.

CONCLUSION : Insurance sector plays a fundamental role in the economy. A world without insurance would be less developed economically and much less stable. Insurance provides an efficient way to the State in the provision of pensions, healthcare and social security. Through products to complement State provision, the insurance sector contributes significantly to guaranteeing a stable and lifelong level of revenue (pension, education leave, maternity leave) and to limiting the demographic change on states' budgets. Insurers have also demonstrated their ability to contribute in other fields of social security such as compensation and rehabilitation accidents at work, have a double economic impact, protecting workers from the economic consequences of accidents, and encouraging a healthy working population. Insurance not only provides a stable operating environment, but it also improves companies of risk management, and influences their investment decisions.

REFERENCE

1. M. N. Mishra, Insurance principals and practice.
2. B. Kurana. Global Insurance Trends & Issue.
3. P. R. Gupta, Fundamental of Insurance.
4. R. Bhaskaran, Insurance Products.
5. History of insurance sector (n.d.) Retrieved August 30, 2010 from business maps of India.
6. An overview of the Indian Insurance Sector (Knol, a unit of knowledge).
7. Contribution of Insurance Sector to Growth and Development of the Indian Economy.