

AN ANALYSIS OF INSURANCE PENETRATION AND INSURANCE DENSITY IN INDIA

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ABSTRACT

The insurance industry offers both domestic and international investors several business prospects. India is ranked 11th largest life insurance and 14th non-life insurance market globally. This article is based on two well-known characteristics that analyse a country's insurance sector's growth and development. Insurance Penetration and Insurance Density are the two metrics in question. Insurance Penetration is the ratio of insurance premium to gross domestic product (GDP) in percentage terms. Insurance density is measured as a ratio of insurance premium to population. This study is based on the secondary data collected from the annual reports of the Insurance Regulatory and Development Authority of India (IRDAI). The study covers data from 2014-15 to 2020-21. The insurance penetration and density are separately collected for life, non-life and industry. The study has used Mean, median, variance and standard deviation,, t-test analysis, correlation and ANOVA for understanding the difference and relationship in the life and non-life categories on the parameters of Insurance Penetration and Insurance Density.

KEYWORDS: *Insurance, Insurance Penetration, Insurance Density, Insurance Premium, Gdp.*

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