

Initiatives for Corporate Social Responsibility at ICICI Life Insurance And LIC

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Abstract: The phrase "corporate social responsibility" (CSR) describes a company's efforts to acknowledge the broader societal implications of its operations and to take steps to mitigate such effects. Economic systems that are good for both people and the planet, and which also help businesses thrive. An organization's operations may be positively impacted by a corporate social responsibility (CSR) framework, leading to both practical advancements and financial benefits. Whether measuring market share or corporate social responsibility standards, LIC of India has distinguished itself as a pioneer in the life insurance sector. Its focus is mainly on social issues because it is a public organization. A first in the insurance industry, it protected over 60 million people and paid out over 150,000 claims in 2017 and 2018 through various group and social security programs. The fact that LIC of India invested over '400,000 million in the social sector in 2017 and 2018 is indicative of the firm's commitment to social responsibility. The life insurance company LIC of India has done well overall. Also worth noting is that in 2013, IRDAI published rules for the withdrawal of life insurance policies. Prudential PLC has expanded from its humble beginnings in 1848 to become the largest life insurance company in the UK. There are currently no other private life insurers in India that can compare to ICICI Prudential. With a total insured value of Rs 13,780 Crore, the firm issued around 615,000 policies and earned new business premiums of Rs 1584 Crore during the fiscal year ended March 31, 2005. This is why the firm is continuously looking for new methods to improve its products, distribution systems, and technology-based delivery so that it can provide service levels that can compete with the finest in the world. In order to stay ahead of the competition, LIC of India should consistently engage in CSR as it has a significant effect on market share, customer loyalty, and profitability.

Keywords: Corporate , Social , Responsibility , ICICI Life Insurance , LIC

INTRODUCTION

According to its guiding principles, "doing the right things" is at the heart of corporate social responsibility. The phrase "corporate social responsibility" (CSR) describes a company's efforts to acknowledge the broader societal implications of its operations and to take steps to mitigate such effects. Economic systems that are good for both people and the planet, and which also help businesses thrive. An organization's operations may be positively impacted by a corporate social responsibility (CSR) framework, leading to both practical advancements and financial benefits. Corporate social responsibility is a topic that has recently received a lot of attention. It is the belief of most modern business leaders that their companies have a responsibility beyond the pursuit of immediate profits. It is the belief of most modern business

leaders that their companies have a responsibility beyond the pursuit of immediate profits. These days, most CEOs believe their companies have a responsibility beyond maximising profits in the near term.

CSR initiatives that broaden social and environmental management

The terms "corporate morals" and "corporate social obligation" are sometimes used interchangeably since they describe the same thing. In spite of the fact that these explanations vary, they all lead to the same conclusion in the developed world. The social responsibilities that companies are expected to fulfill have significantly increased in several developing countries. Numerous companies have launched CSR initiatives to ensure social and environmental management, and the concept of Corporate Social Responsibility (CSR) has grown substantially in recent decades. Examples of what is intended by "corporate social responsibility" include contributing financial resources to the preservation of natural ecosystems, worshipping moral principles, and creating public recognition for pioneering efforts.

These days, discussions about corporate social responsibility and ethics in the business world tend to center on these two hot themes. Modern businesses can do whatever they want with their profit margins at full throttle. No reasonable person could deny the huge impact that CSR initiatives have on a company's financial line and its capacity to stay in business for the long haul. All "citizens," including businesses, have a responsibility to the areas where they have locations. Businesses nowadays are starting to see the value of corporate social responsibility (CSR) as a strategy to retain customers, grow sustainably, and dominate local, national, and international markets. Businesses also aim for customer-centric excellence by being responsive to customer needs, offering competitive pricing on high-quality goods and services, treating employees and partners as assets, being flexible, launching new products and services, contributing to social causes, and creating eco-friendly production and design methods. Among its objectives is the supply of sustainable development solutions to clients as well as the planting of additional trees and the conservation of natural resources. Everyone from the firm's workers and customers to its suppliers and shareholders to its neighbors and even the environment can feel the effects of a corporation's actions.

Through CSR, businesses may get insight into what it means to be responsible corporate citizens. This is achieved when companies act ethically towards their stakeholders, which is good for both their bottom lines and the economies of the countries where they do business.

The role of the private sector in driving economic growth cannot be emphasized enough. In addition, businesses bear a heavy burden of duty in this area because of their role as the driving force behind economic development and progress. Improving the quality of education supplied and having a good influence on greater society are two ways in which businesses may help their employees and consumers live better lives. Corporate social responsibility initiatives have made this possible in the modern, interconnected world.

Life Insurance Corporation of India

Indian Parliament approved the Life Insurance of India Act in 1956, nationalizing the private insurance business. Thus, "LIC of India" was created. Over 245 insurance and provident organizations formed the state-owned Life Insurance Corporation. Other than the main office, LIC has 2048 completely automated branch offices, 105 divisional offices, 8 zonal offices, and 992 satellite offices. The company's Wide Area Network includes all divisional offices and the Metro Area Network links all branches. LIC has partnered with banks and service providers to simplify online premium payments. LIC integrates with ECS and ATMs to simplify premium payments. Along with IVRSs and online kiosks, Mumbai, Ahmadabad, Bangalore, Chennai, Hyderabad, Kolkata, New Delhi, and Pune have Info Centres. Policyholder services needed to be more accessible, therefore LIC SATELLITE SAMPARK offices opened. Smaller satellite offices are stylish and client-focused. Satellite offices' digital records allow servicing from anywhere, among other benefits.

ICICI Prudential Life Insurance

A life insurance company called ICICI Prudential was established by them and ICICI Bank Ltd. Having established itself as the largest private bank in the country, it has expanded into retail banking. Prudential PLC has expanded from its humble beginnings in 1848 to become the largest life insurance company in the UK. There are currently no other private life insurers in India that can compare to ICICI Prudential. With a total insured value of Rs 13,780 Crore, the firm issued around 615,000 policies and earned new business premiums of Rs 1584 Crore during the fiscal year ended March 31, 2005. This is why the firm is continuously looking for new methods to improve its products, distribution systems, and technology-based delivery so that it can provide service levels that can compete with the finest in the world.

OBJECTIVES OF THE STUDY

1. To study on CSR programmes expansion of environmental and social management
2. To study on LIC and ICICI Prudential Life Insurance

RESEARCH METHOD

In India, 24 life insurance firms are currently active. Out of all these entities, the sole public one operating since 1956 is LIC of India, and it also happens to be the market leader. The LIC of India is the sole sample unit used in this analysis. This research only covers LIC of India's corporate social responsibility initiatives in India, including their group and social security plans, investments in the social sector, and Golden Jubilee Foundation. The Annual Reports of LIC of India have been chosen as the secondary source for the purpose of data collecting. The research spans the years 2010–2011 through 2017–2018. Additionally, the time frame under investigation has been marked as either pre- or post-period. The breakpoint occurred in 2013–2014 when the Indian Registry of Drugs and Alcoholics (IRDAI) instructed LIC of India to remove the items from sale. Percentages and paired t-tests were used to analyze the tabulated data.

RESULT

Janashree Bima Yojana (valid until 2011–2012), Swarna Jayanti Gram Swarajgar Yojana, Social Security Group Scheme, Krishi Shramik Samajik Suraksha Yojana, Critical Illness Rider, Aam Aadmi Bima Yojana, are some of the social security group schemes offered by LIC of India.

Table 1. Payments Made by LIC of India for Group Schemes and Social Security

Year s	Millions of People Covered by Social Security Program s	Growth Rate Compared to the Prior Year	Count of Allegation s	Growth Rate Compared to the Prior Year	The sum claimed is in thousand s of rupees.	Growth Rate Compared to the Prior Year
2010 – 2011	25.7		102,951		2,872,501	
2011 – 2012	48	86.770428	136,921	32.996279 8	4,108,525	43.029541 2
2012 – 2013	48.1	0.2083333 3	139,776	2.0851439 9	4,300,471	4.6718956 3
2013 – 2014	50.3	4.5738045 7	138,157	– 1.1582818 2	4,400,111	2.3169555 1
2014 – 2015	52.4	4.1749503	127,803	– 7.4943723 4	4,144,227	– 5.8153987 5
2015 – 2016	58	10.687022 9	117,827	– 7.8057635 6	3,811,130	– 8.0376147 3
2016 – 2017	48.3	– 16.724137 9	144,194	22.377723 3	4,708,922	23.557107 7
2017 – 2018	58.2	20.496894 4	155,602	7.9115635 9	9,765,253	107.37767 6

Table 1 makes it quite clear that LIC of India has provided group and social security coverage to a huge number of people—in the millions—under various schemes. In terms of lives insured, claims filed, and total claims paid out, LIC enjoyed a banner 2011–2012 fiscal year. With the exception of the 2016–2017 fiscal year, LIC thereafter demonstrated continuous

performance. Additionally, LIC of India had a 20% increase in the number of lives covered in 2017–2018 compared to the previous year. There has been a rise in both the quantity and frequency of claims.

Table 2. The LIC of India's Investments in the Social Sector

	Power		Housings		Plans for Irrigation, Water Supply, and Sewerage		State Road Transport Corporations (SRTC)/Road and Bridges		Other Substructures		Total	
Years	Amount (in million)	Percentage Growth Over Previous Year	Amount (in million)	Percentage Growth Over Previous Year	Amount (in million)	Percentage Growth Over Previous Year	Amount (in million)	Percentage Growth Over Previous Year	Amount (in million)	Percentage Growth Over Previous Year	Amount (in million)	Percentage Growth Over Previous Year
2010–2011	761,66.1		44,817.5		247.8		6,855.8		24,272.2		152,359.4	
2011–2012	157,072.7	106.22	74,768.1	66.82	217.2	–12.34	17,347.1	153.02	24,575.9	1.25	273,981.0	79.82
2012–	109,953.3	–29.99	41,217.4	–44.87	357.2	64.45	0.00	–100	50,121.3	103.94	201,649.2	–26.40

2013												
2013-2014	142,038.4	29.18	44,557.4	8.10	340.0	-4.81	78,71.9	0	28,909.6	-42.32	223,717.3	10.94
2014-2015	158,400.0	11.51	73,920.3	65.89	334.9	-1.5	769.4	-90.22	115,153.5	298.32	348,578.1	55.81
2015-2016	22,228.0	-85.96	99,976.1	35.24	340.0	1.52	355.5	-53.79	112,744.6	-2.09	235,644.2	-32.39
2016-2017	2,985.5	-86.56	64,143.7	-35.84	340.0	0	138,586.8	38883.62	3,817.9	-96.61	209,873.9	-10.93
2017-2018	141,337.1	4634.1	52,741.4	-17.77	298.9	-12.08	138,586.8	48.30	14,272.0	273.81	414,183.5	97.34

According to Table 2, LIC of India contributes to several social sectors, including but not limited to: electricity, housing, irrigation, roads, and others. Over the course of the three years covered by the research, LIC of India saw a decline. On the other hand, it has shown increase in the subsequent years, especially 2011–2012 and 2017–2018. Almost twice as much money has gone into the social sector in only eight years. Its primary areas of emphasis have been energy and transportation infrastructure, including roads and bridges.

Table 3. Data Analysis with Paired Samples

		Mean	N	Standard Deviation	Standard Error Mean
Pair 1	VAR00001	4.3025	4	1.15987	0.57993
	VAR00002	5.4225	4	0.4778	0.2389

Table 3 reveals that the mean values for the two periods are 4.30 and 5.42, which means that more lives were covered during the post-period than the pre-period. The standard deviations, which are 1.16 and 0.47, also demonstrate the difference between the pre- and post-period times.

Table 4. Interactions between paired samples

		N	Correlation	Significance
Pair 1	VAR00001 and VAR00002	4	0.296	0.704

There is no evidence to support the hypothesis about the connection between the variables (Table 4 reveals a poor correlation between the pre- and post-periods, with a significance value of $0.704 > 0.05$).

Table 5. Test using Paired Samples

		Paired Differences					t	d f	Significance. (2-tailed)
		Mean	Standard Deviation	Standard. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pai r 1	VAR0000 1 and	−1.12	1.11592	0.55796	− 2.8956 7	0.6556 7	− 2.00 7	3	0.138

	VAR0000 2								
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Check out Table 5 for the t-value and probability distribution. We cannot rule out the possibility of nullity because the p-value is $0.138 > 0.05$. As a result, for LIC of India policyholders' lifetimes covered by social security programs, there is no discernible change between 2013 (before and after IRDAI compliance) and 2014.

DISCUSSION

Corporate social responsibility (CSR) significantly improves non-life insurance companies' reputations and client loyalty, according to research by Lee et al. (2017). According to Uddin (2019), LIC of India's rural marketing methods are better than ICICI Prudential's. When comparing the two companies' CSR initiatives, Malik (2015) concluded that LIC of India was in a better position. In addition, Qaiser and Lama (2019) shared the view that HDFC Life Insurance and LIC of India made substantial contributions to CSR initiatives that benefited society as a whole. This current work is supported by earlier research in several ways. But this analysis looks at LIC of India's performance through a different prism. Although it did well after IRDAI's compliance period ended in 2013, LIC of India was unaffected by the product removal due to IRDAI's compliance. Additionally, additional study may be conducted to determine the elements that enabled the LIC of India to successfully navigate external influences, including the rules set by IRDAI.

CONCLUSION

Creating and maintaining CSR is seen as a challenging endeavor because of the values disparities and conflicts among the many aspects of the Triple Bottom Line (TBL) that address economic, social, and environmental demands. The creation of CSR visions and initiatives requires leaders to be deliberate if they want to succeed (Mishra & Schmidt, 2018). Whether measuring market share or corporate social responsibility standards, LIC of India has distinguished itself as a pioneer in the life insurance sector. Its focus is mainly on social issues because it is a public organization. A first in the insurance industry, it protected over 60 million people and paid out over 150,000 claims in 2017 and 2018 through various group and social security programs. The fact that LIC of India invested over '400,000 million in the social sector in 2017 and 2018 is indicative of the firm's commitment to social responsibility. The life

insurance company LIC of India has done well overall. Also worth noting is that in 2013, IRDAI published rules for the withdrawal of life insurance policies. But such compliance has had no effect on the LIC of India, which has seen its investment in social sector grow and the number of lives it covers increase over the years. The research clearly shows that LIC of India recognises the value of CSR and incorporates it into their business plan. In order to stay ahead of the competition, LIC of India should consistently engage in CSR as it has a significant effect on market share, customer loyalty, and profitability.

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