

# Comparative Study of General Insurance Companies: ICICI Lombard VS LIC General Insurance

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## Abstract

Due to rising knowledge, shifting regulations, and technological improvements, the general insurance market in India has expanded significantly. This study compares two major participants in the Indian general insurance market: LIC General Insurance, a public-sector organization, and ICICI Lombard, a leading private insurer. The study assesses customer service, product offerings, market positioning, financial performance, and the effectiveness of the claim settlement process. According to the findings, LIC General Insurance benefits from robust government backing and a wide distribution network, while ICICI Lombard excels in digital transformation and customer-centric innovations. The study provides insights for policyholders, investors, and industry stakeholders, identifying key obstacles and opportunities for insurers.

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## 1. Introduction

In India, general insurance provides protection against a variety of non-life hazards, including medical crises, auto accidents, property damage, and uncertainties associated with travel, making it a vital component of financial stability. In order to guarantee transparency, policyholder safety, and long-term growth, the sector is governed by the Insurance Regulatory and Development Authority of India (IRDAI). The industry has rapidly evolved and seen rivalry between private and public insurers due to growing awareness and technological developments. ICICI Lombard and LIC General Insurance are two prominent participants in this market. ICICI Lombard, a prominent private insurance company, is renowned for its inventiveness, effective customer support, and robust online presence. On the other hand, LIC General Insurance, backed by government trust and LIC's legacy, holds a significant rural and semi-urban customer base. This study focuses on analyzing and comparing the operational strategies, market positioning, and overall impact of these two influential insurers.

## 2. Objective of the Study

- To evaluate the financial performance and market positioning of LIC General Insurance and ICICI Lombard, considering growth rates, profit margins, and gross premiums written.
- To assess variations in premium plans, product offerings, and the effectiveness of claim settlement, with an emphasis on policy flexibility and turnaround times.

## 3. Review of Literature

According to current research, LIC General Insurance holds a strong brand reputation rooted in trust and government backing, which continues to resonate particularly well with customers in rural and semi-urban regions. However, it significantly lags behind in terms of digital transformation and innovation. ICICI Lombard, by contrast, has established a competitive edge through its integration of advanced technologies such as artificial intelligence, machine learning, and chatbots that enhance customer service, streamline claim processes, and personalize user experience.

Differences are also observed in their approaches to risk assessment, underwriting practices, pricing strategies, and the efficiency of claim settlement. While LIC still relies heavily on its traditional agent-based distribution model, ICICI Lombard has effectively embraced Omni channel platforms to serve a more tech-savvy customer base.

Despite LIC's foray into the general insurance domain, there is a scarcity of academic or industry research that evaluates its performance in comparison to agile private players. Most literature disproportionately focuses on LIC's leadership in life insurance, thereby overlooking the potential and challenges it faces in the general insurance sector. This gap underscores the need for an in-depth, comparative study that not only assesses LIC's current positioning but also examines areas for digital innovation, strategic reform, and competitive growth in the evolving insurance landscape.

#### 4. Research of Methodology

In this study, LIC General Insurance and ICICI Lombard's comparative performance and strategies are thoroughly understood via the use of both qualitative and quantitative data in a descriptive research design. Secondary data sources that provide contextual and performance-based insights include IRDAI annual reports, industry whitepapers, scholarly publications, financial statements, company disclosures, and consumer feedback surveys.

To further reach and include individuals from various geographic and demographic sectors, a combination of online surveys and snowball sampling techniques was used to gather primary data.

Many statistical procedures, including cross-tabulations, chi-square tests, and demographic profiling, were used to guarantee data accuracy and analytical depth. These techniques aid in the evaluation of hypotheses, the discovery of consumer behavior patterns, and the analysis of the correlation between factors such as insurance preferences, age, and income. 101 respondents from a range of age groups, professions, and income levels make up the study sample in order to capture a comprehensive and well-rounded set of viewpoints. Every step of the research procedure was conducted with objectivity and sample bias eliminated. Both statistical and thematic analyses are used to make sure that the study understands the expectations and experiences of consumers with general insurance services in addition to quantifying their sentiments.

#### 4.1 Design of Research

Descriptive or Design research is the methodology applied here. The features of a population or phenomenon under study are described using this kind of research design. The survey approach is applied in descriptive research. Method of survey research: Respondents provide their answers via surveys, questionnaires, or polls in survey research. They are a common instrument used in market research to get respondent responses. The proper survey questions are essential for a study that aims to collect valuable data.

#### 4.2 Data Collection

The secondary data for the research analysis was gathered from Amity University Mumbai from the students by using Google Forms, as well as from friends, family, and their familiar acquaintances. Within the allotted time, the researcher was able to gather X replies, which were then used for additional analysis.

#### 5. Statement of Problem

Given the growing number of participants in the general insurance market, it is critical to comprehend the ways in which public and private insurers employ different strategies. This study examines key aspects such as financial performance, customer satisfaction, and digital innovation to determine which insurer is better equipped to adapt to evolving client needs.

It also seeks to investigate how ICICI Lombard's tech-driven efficiency stacks up against the trust factor associated with government-backed LICs. The issue also involves determining how factors, including premium pricing, customer service, policy transparency, and claim settlement speed, affect policyholder satisfaction and consumer behavior.

#### 6. Analysis and Interpretation

##### 1. Age

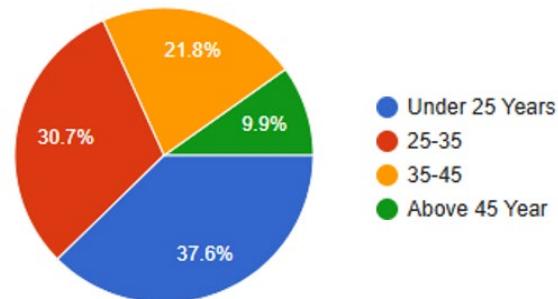


Fig 1: Age Group

From figure 5.3.1, among 101 responses, 37.6% were from the 25 age group, 30.7% were under the age of around 25-35 years old, 21.8% were under the age of 35-45 years old, and 9% were under the age of 45+ years old.

##### The Survey Captured 108 Responses with Uneven Age Distribution

- Under 25 - 37.6%
- 25-35 - 30.7%
- 35-45 - 21.8%
- 45+ - 9%

##### 2. Gender

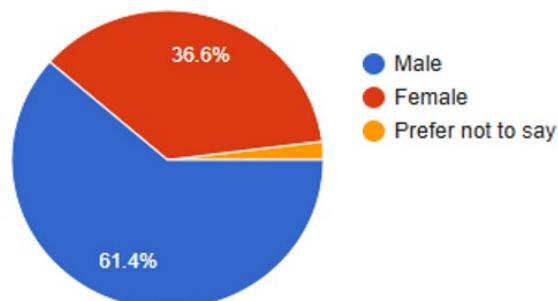


Fig 2: Gender Group

From Figure 5.3.2, this pie chart represents the gender distribution of 101 survey respondents. The data is categorized into three groups:

- a) **Male (Blue):** 61.4% of respondents identify as male.
- b) **Female (Red):** 36.6% of respondents identify as female.
- c) **Prefer not to say (Orange):** A small percentage of respondents (less than 2%) chose not to disclose their gender.

### 3. The Decision on That They have Heard About ICICI Lombard

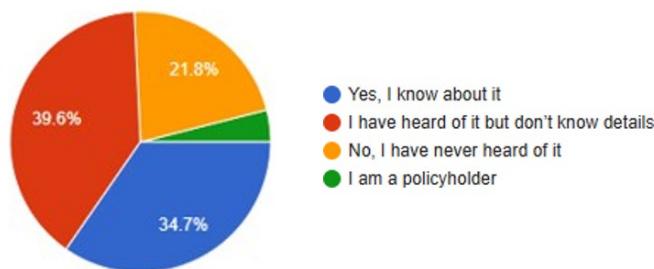


Fig 3: Respondents Group

From Figure 5.3.3, out of 101 responses, 34.7% of respondents said yes, that they have heard about ICICI Lombard, while 39.6% had heard about it but don't know details, and 21.8% had not heard about it. This indicates that while ICICI Lombard has a strong brand presence, there is still a significant portion of the population that is unaware of it. The company may need to focus more on outreach efforts, especially in areas where its recognition is lower.

### 4. Decision that they are Aware of LIC General Insurance

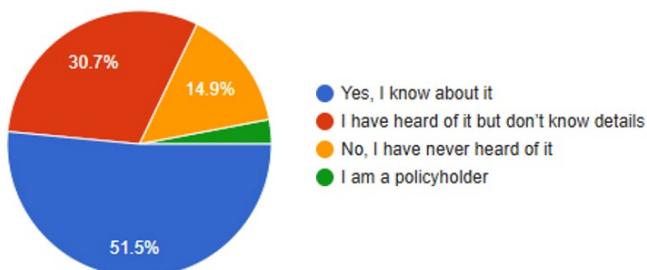


Fig 4: Respondents Group

From Figure 5.3.4, of 101 responses, 37.6% stated that they were aware of LIC General Insurance, while 30.7% had heard about it but didn't know details, and only 14.9% said they had not heard of it. This high percentage was expected, as LIC has been a dominant player in the insurance market for decades and benefits from government backing. The data suggests that LIC does not need to invest as much in brand awareness but should focus more on improving its service offerings.

### 5. Which type of Insurance is More Reliable

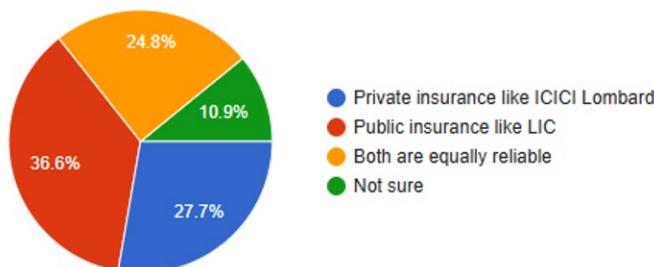


Fig 5: Respondents Group

From Figure 5.3.5, among the 101 respondents, 36.6% considered Public insurance (like LIC) more reliable, 27.7% believed private insurance providers (like ICICI Lombard) were more reliable, 24.8% believed that both are equally reliable, and the remaining 10.9% were unsure. This shows

that LIC still enjoys the trust of the majority; a significant portion of the population is shifting towards private players, possibly due to better service, digital ease, or faster claim settlement.

### 6. Which Factor is Most Important When Choosing an Insurance Provider

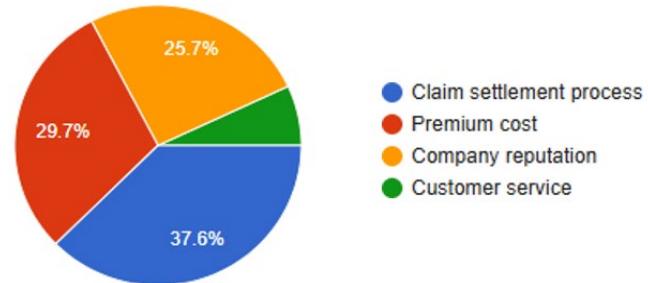


Fig 6: Respondents group

From Figure 5.3.6, of 101 responses, 37.6% of respondents selected claim settlement as the most important factor, 29.7% chose Premium cost, 25.7% considered Company reputation, and 7% considered Customer service. This data suggests that the claim settlement process is the most crucial deciding factor for most policyholders.

### 7. What is the KEY benefit of LIC General Insurance

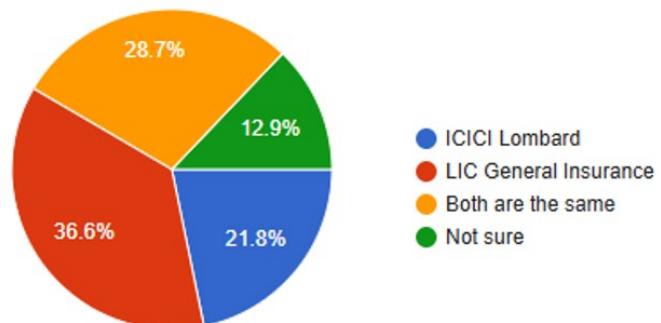


Fig 7: Beneficiary Group

From Figure 5.3.7, out of 101 responses, 36.6% of respondents believed LIC General Insurance settles claims faster, while 21.8% felt ICICI Lombard settles claims faster. The remaining 15% thought both were equally efficient. This indicates that LIC General Insurance has built a strong reputation for speed and efficiency in claim processing, which could be a major advantage over ICICI Lombard.

### Findings

#### Market Position & Overview

**ICICI Lombard:** A private sector general insurance company focusing on digital innovation, wide product offerings, and customer-centric policies.

**LIC General Insurance:** A government-backed insurer with strong brand trust, extensive rural penetration, and a focus on traditional policies.

**Product Offerings & Coverage:** ICICI Lombard provides a diverse range of health, motor, travel, and corporate insurance policies with customized plans. LIC General Insurance emphasizes life and health insurance with conventional investment-linked policies.

**Pricing & Premiums:** ICICI Lombard tends to have flexible pricing with discounts for digital purchases and bundled products. LIC General Insurance offers slightly lower premiums, but policy benefits are structured for long-term coverage.

**Claim Settlement & Customer Satisfaction:** ICICI Lombard has a digital claim processing system, leading to faster settlements and better customer experience. LIC General Insurance follows a more traditional claim settlement approach, which sometimes results in longer processing times but maintains reliability.

## Conclusion

ICICI Lombard is a popular option for corporate and urban markets since it is a leader in digital innovation, operational effectiveness, and client experience. It is positioned for long-term success due to its capacity to adjust to shifting customer preferences and legislative changes. However, due to its slow processes and lack of digital integration, LIC General Insurance has unrivaled credibility and penetration in rural areas. The disparate strengths demonstrate how volatile the Indian insurance market is. A hybrid approach that combines technology and trust will probably characterize India's next stage of insurance expansion.

## Recommendation

- **Enhancing Digital Services and Technological Integration:** LIC ought to make investments in the creation of customer relationship management software, automated claims processing, and mobile applications. ICICI Lombard can improve cybersecurity and AI integration in its products.
- **Increasing Market Reach in Rural and Semi-Urban Areas:** ICICI Lombard can work with regional agents and banks to offer low-cost micro-insurance plans. In areas with inadequate insurance, LIC should step up its awareness-raising efforts.
- **Improving Claim Settlement Procedures:** Better grievance redress procedures, quicker resolution times, and increased openness should be the goals of both insurers.
- **Diversifying Product Portfolios:** New market opportunities may arise with the introduction of distinctive products like pet insurance, climate risk insurance, and plans tailored to the gig economy.
- **Enhancing Customer Education and Literacy:** Regular seminars, workshops, and social media content should be deployed to explain policy terms, benefits, and claim procedures to a wider audience.

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