

AN ANALYTICAL STUDY OF COMPETITOR PERFORMANCE IN THE LIFE AND GENERAL INSURANCE INDUSTRY WITH REFERENCE TO FINANCIAL RATIOS, GROWTH, AND OPERATIONAL EFFICIENCY

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Abstract: The Indian insurance industry has witnessed significant transformation driven by digitalization, rising consumer awareness, and regulatory evolution. This study undertakes a comprehensive competitor analysis of two leading insurance companies — ICICI Prudential Life Insurance Company Limited (life insurance segment) and Star Health and Allied Insurance Company Limited (health/general insurance segment) — within the operational context of ValuePlus Technologies Private Limited's digital platform, AssetPlus. Using secondary financial data sourced from published annual reports covering the period 2021–2025, the research employs ratio analysis, comparative balance sheet analysis, and common size analysis to evaluate financial performance, profitability, liquidity, and solvency. The findings reveal that ICICI Prudential demonstrates stable profitability and strong solvency margins, while Star Health exhibits rapid premium growth accompanied by increasing pressure on profitability margins due to elevated claim ratios. The study identifies strategic opportunities for FinTech-based insurance intermediaries such as AssetPlus in optimising insurance distribution partnerships, enhancing product offerings, and expanding market reach in the evolving Indian insurance ecosystem.

Keywords: Life Insurance, General Insurance, FinTech, Competitor Analysis, Financial Performance, ICICI Prudential, Star Health, AssetPlus, Ratio Analysis, Insurance Distribution, India.

1. INTRODUCTION

The automotive and financial services industries share a common characteristic — both operate in highly dynamic, risk-sensitive environments where institutional structure and strategic positioning determine long-term sustainability. In the financial services domain, the Indian insurance sector has emerged as one of the fastest-growing markets globally, driven by increasing disposable income, regulatory reforms by the Insurance Regulatory and Development Authority of India (IRDAI), and the rapid penetration of digital distribution platforms.

ValuePlus Technologies Private Limited, established in 2016 and headquartered in Chennai, Tamil Nadu, operates through its digital platform AssetPlus. The company functions as a FinTech intermediary providing a unified B2B2C (Business-to-Business-to-Customer) platform that empowers over 17,000 registered Mutual Fund Distributors (MFDs) with tools for

portfolio management, paperless onboarding, and insurance distribution. The platform integrates more than 40 Asset Management Companies (AMCs) and manages Assets Under Management (AUM) in the range of ₹4,000–₹5,000 crore, serving over 100,000 investors across India.

Understanding the competitive landscape of insurance companies is critical for a distribution platform like AssetPlus to identify optimal partners, tailor product recommendations, and develop effective advisory strategies. This study analyses the financial performance and competitive position of ICICI Prudential Life Insurance and Star Health and Allied Insurance two market leaders representing distinct insurance segments to support strategic decision-making.

2. REVIEW OF LITERATURE

Vijayakumar (2024) conducted a comparative analysis of public and private life insurance companies in India using data from 2011–2022. The study found that Life Insurance Corporation of India maintained stronger financial stability and market leadership, while private insurers performed better in innovation and distribution efficiency.

Kumar (2023) compared LIC and private life insurers using market share, premium income, policies issued, and benefits paid. The study concluded that LIC dominated in scale, but private insurers gained momentum through customer-centric products.

Sundara Kala (2023) compared LIC, ICICI Prudential Life Insurance, HDFC Life Insurance, and SBI Life Insurance using efficiency analysis. ICICI showed strong technical efficiency in selected years.

Nidhi Patel (2020) studied the financial performance of Life Insurance Corporation of India and ICICI Prudential Life Insurance using profitability and solvency indicators. ICICI Prudential Life Insurance showed stronger private-sector competitiveness.

Nazneen (2019) analyzed LIC and private insurance companies with focus on growth, service quality, and product reach. The study observed increasing customer shift toward private insurers.

OBJECTIVES OF THE STUDY

1. To analyze the competitive position of ICICI Prudential Life Insurance and Star Health and Allied Insurance in the Indian insurance sector.
2. To examine the financial performance of the selected companies using ratio, comparative, and common size analysis.
3. To identify the strengths and weaknesses of each company in terms of profitability, solvency, and operational efficiency.
4. To evaluate the impact of digitalization on insurance distribution and the role of FinTech platforms such as AssetPlus.
5. To compare product offerings, pricing strategies, and distribution costs among the selected insurance companies.
6. To determine the relationship between financial performance and competitive positioning in the insurance sector.
7. To suggest measures for improving insurance distribution strategy and partner selection for FinTech platforms.

3. RESEARCH METHODOLOGY

Research methodology is a systematic approach to solving a research problem. It involves the overall plan, procedures, and techniques used by the researcher to collect, analyse, and interpret data. A well-defined research methodology ensures accuracy, reliability, and validity of the study findings.

RESEARCH DESIGN

The research adopts an analytical and descriptive design based entirely on secondary data. The study focuses on two purposively selected insurance companies representing distinct segments of the Indian insurance industry

NATURE OF DATA

This study relies exclusively on secondary data sourced from credible and authenticated sources. The data consists of published annual reports of ICICI Prudential Life Insurance Company Limited and Star Health and Allied Insurance Company Limited for the last five years (2021–2025), supplemented by regulatory publications of the Insurance Regulatory and Development Authority of India (IRDAI).

SAMPLE DESIGN

The sample for the study has been selected using purposive (non-probability)

ICICI Prudential Life Insurance Company Limited — representing the life insurance segment, selected for its consistent market leadership, product diversity, and investment-linked insurance offerings.

STAR HEALTH and Allied Insurance Company Limited — representing the health/general insurance segment, selected for its dominance in retail health insurance and rapid business expansion.

TOOLS USED FOR ANALYSIS

1. Ratio Analysis — Net Profit Ratio, Net Premium Growth Rate, Return on Equity (ROE), Return on Assets (ROA), Operating Expense Ratio, Policyholder Investment Proportion, and Commission Expense Ratio.

2. Comparative Analysis — Year-wise comparison of balance sheets for each company over the five-year study period to identify growth patterns and financial variations.

3. Common Size Analysis — Financial statements converted into percentage form to understand the relative proportion and structural composition of assets and liabilities.

4. DATA ANALYSIS AND INTERPRETATION

Financial Ratio Analysis – ICICI Prudential Life Insurance

TABLE 1: Financial Ratio Analysis - ICICI Prudential Life Insurance (2021–2025)

Ratio	2021	2022	2023	2024	2025
Net Profit Ratio (%)	2.74	2.08	2.10	2.04	2.52
Net Premium Growth Rate (%)	8.59	3.85	6.16	8.30	13.17
Return on Equity (%)	10.5	8.2	8.0	7.7	10.0
Return on Assets (%)	0.4	0.3	0.3	0.3	0.4
Operating Expense Ratio (%)	7.7	10.1	11.9	9.9	8.4
Policyholder Investment Proportion (%)	29.78	32.35	37.70	38.95	41.67
Commission Expense Ratio (%)	4	5	5	9	10

INTERPRETATION

The Net Profit Ratio of ICICI Prudential declined from 2.74% in 2021 to 2.04% in 2024, indicating pressure on profitability, before recovering to 2.52% in 2025 due to improved net earnings. Net Premium Growth Rate accelerated to a five-year peak of 13.17% in 2025, reflecting strong market expansion. Return on Equity fell from 10.5% in 2021 to 7.7% in 2024 as equity capital grew faster than profits, but recovered to 10.0% in 2025. Operating Expense Ratio improved significantly from a peak of 11.9% in 2023 to 8.4% in 2025, indicating enhanced cost discipline. The Policyholder Investment Proportion increased steadily from 29.78% to 41.67%, reflecting growing investment-linked liabilities. A notable concern is the Commission Expense Ratio rising sharply from 4% in 2021 to 10% in 2025, indicating increased distribution dependency.

Financial Ratio Analysis – Star Health and Allied Insurance

TABLE 2: Financial Ratio Analysis — Star Health and Allied Insurance (2021–2025)

Ratio	2021	2022	2023	2024	2025
Net Profit Ratio (%)	23.47	10.61	5.49	6.53	4.36
Net Premium Growth Rate (%)	37	51	14	14	10
Return on Equity (%)	40.4	25.9	12.4	14.4	9.7
Return on Assets (%)	10.3	7.7	4.1	4.8	3.1
Operating Expense Ratio (%)	30.3	18.7	18.2	18.5	17.1
Policyholder Investment Proportion (%)	37.02	45.44	49.27	47.85	47.92
Commission Expense Ratio (%)	13	15	15	14	15

Star Health exhibits a contrasting financial profile of high volume growth accompanied by declining profitability margins. Net Premium grew explosively at 37% in 2021 and 51% in 2022 before moderating to 10% in 2025 as the health insurance market matured. The Net Profit Ratio declined sharply from 23.47% in 2021 to 4.36% in 2025 due to rising claim costs and

underwriting pressures inherent in health insurance. Return on Equity declined from 40.4% to 9.7%, and Return on Assets from 10.3% to 3.1%, both reflecting reduced efficiency in generating returns as asset and equity bases expanded. The Operating Expense Ratio improved from 30.3% to 17.1%, while Commission Expense Ratio remained stable between 13–15%, reflecting consistent intermediary-led distribution.

INTERPRETATION:

The data indicates that a majority of respondents agree or strongly agree that regular safety inspections and compliance programs are conducted, showing a positive perception among financial distributors and employees. A portion remain neutral, suggesting limited awareness among some respondents. Overall, the findings show moderate effectiveness with a need for better visibility and communication of compliance and safety programs within financial services organisations.

COMMON SIZE BALANCE SHEET - ICICI PRUDENTIAL

PARTICULARS	2021	%	2022	%	2023	%	2024	%	2025	%
I. EQUITY AND LIABILITIES										
1. Shareholders' Funds										
Share Capital	14359742	0.2	14373061	0.2	14359742	0.2	14406162	0.1	14453200	0.1
Reserves & Surplus	70671180	0.9	75915442	0.8	70671180	0.9	92223256	0.8	105626000	0.9
Total Shareholders' Funds	85030922	1.1	90288503	1.0	85030922	1.1	106629418	1.0	120079200	1.0
2. Non-Current Liabilities										
Borrowings	120000	0.0	120000	0.0	120000	0.0	120000	0.0	120000	0.0
3. Current Liabilities										
Policy Liabilities	1987647025	25.1	2245484517	25.1	1987647025	25.1	2750044544	24.8	2883758800	24.7
Non-Unit Liabilities	602155594	7.6	736821496	8.2	602155594	7.6	1101620530	9.9	1273359800	10.9
Insurance Reserve	1277703960	16.2	1405414085	15.7	1277703960	16.2	1579172664	14.3	1556576600	13.3
Total Liabilities (B+C)	3867626579	48.9	4387840098	49.0	3867626579	48.9	5430957738	49.0	5713815200	49.0
Total Equity & Liabilities	7905315002	100	8956257202	100	7905315002	100	11075174312	100	11667788800	100
II. ASSETS										
1. Non-Current Assets										
Shareholders' Investments	100901552	2.3	98534727	2.0	100901552	2.3	105754869	1.8	140549600	2.2
Policyholders' Investments	635725601	14.6	773880038	15.8	635725601	14.6	1143182070	19.1	1286987500	19.9
Assets for Linked Liabilities	1385941431	31.9	1508663021	30.9	1385941431	31.9	1648424014	27.6	1612399000	25.0
Loans	6628206	0.2	9401234	0.2	6628206	0.2	17060389	0.3	24190800	0.4
Fixed Assets	4571915	0.1	4872209	0.1	4571915	0.1	7180182	0.1	94150600	1.5
Total Non-Current Assets	2133768705	49.1	2395351229	49.0	2133768705	49.1	2921601524	48.9	3158277500	48.9
2. Current Assets										
Cash and Bank Balances	5574041	0.1	6699470	0.1	5574041	0.1	8369097	0.1	10064400	0.2
Advances and Other Assets	33388236	0.8	42351269	0.9	33388236	0.8	59481025	1.0	59760300	0.9
Total Current Assets	38962277	0.9	49050739	1.0	38962277	0.9	67850122	1.1	69824700	1.1
Total Assets(A+B)	4345461964	100	4888803936	100	4345461964	100	5978903292	100	6456204400	100

INTERPRETATION

- The common size balance sheet indicates that shareholders' funds remain consistently low (around 1%), showing that the company relies heavily on external obligations rather than equity financing, which is typical in the insurance sector.
- Current liabilities dominate the structure (around 49%), with policy liabilities forming the largest share (~25%), highlighting the company's core responsibility toward policyholders and business expansion in underwriting activities.
- There is a gradual increase in non-unit liabilities (7.6% → 10.9%) and a decline in insurance reserves (16.2% → 13.3%), indicating a shift in liability composition and possible changes in product mix or reserve management.

- On the asset side, non-current assets consistently account for nearly 49%, with assets for linked liabilities forming the largest portion, ensuring proper asset-liability matching.
- Additionally, policyholders’ investments show a rising trend (14.6% → 19.9%), indicating increased investment activity to support growing liabilities, while liquidity remains relatively low but stable.

SUGGESTIONS

- The company should strengthen its equity base, as over-reliance on liabilities may increase financial risk during adverse conditions.
- It is advisable to improve liquidity management, since current assets are below 2%, which may affect short-term solvency despite being common in insurance firms.
- The firm should maintain an optimal balance between reserves and liabilities, ensuring adequate provisioning without reducing profitability.

CONCLUSION

- Overall, the company demonstrates a stable and consistent financial structure, with strong alignment between assets and liabilities, which is essential in the insurance business.
- The dominance of policy liabilities and corresponding investment assets reflects effective asset-liability management practices.

COMMON SIZE BALANCE SHEET STAR HEALTH

PARTICULARS	2021	%	2022	%	2023	%	2024	%	2025	%
I. EQUITY AND LIABILITIES										
Share Capital	5480869	2.4	5755222	1.9	5866773	1.8	5852834	1.6	5877900	1.4
Reserves and Surplus	36757852	16.4	57180594	18.8	59838661	18.3	60429385	16.8	64358500	15.7
Total Shareholders’ Funds	42238721	18.8	62935816	20.7	65705434	20.1	66282219	18.5	70236400	17.2
2. Non-Current Liabilities				0.0		0.0		0.0		0.0
Borrowings	2500000	1.1	7200000	2.4	4700000	1.4	4700000	1.3	4700000	1.1
3.Current Liabilities				0.0		0.0		0.0		0.0
Current Liabilities	15643045	7.0	19607240	6.5	20300810	6.2	24778513	6.9	41210600	10.1
Provisions	51946396	23.1	62021663	20.4	72687410	22.2	83746895	23.3	90814200	22.2
Total Liabilities (B+C)	70089441	31.2	88828903	29.3	97688220	29.9	113225408	31.5	132024800	32.3
Total Equity & Liabilities	224656324	100	303529438	100	326787308	100	359015254	100	409222400	100
II. ASSETS										
Non-Current Assets										
Investments – Shareholders	27941129	13.9	44938790	17.6	53458643	18.2	63361135	18.2	71857300	17.6
Investments – Policyholders	40425732	20.1	68795509	27.0	80462380	27.4	91547721	26.3	107126400	26.2
Fixed Assets	989672	0.5	1171287	0.5	1113355	0.4	1751255	0.5	1849400	0.5
Sub Total (A)	69356533	34.4	114905586	45.1	135034378	46.1	156660111	45.0	180833100	44.2
Current Assets				0.0		0.0		0.0		0.0
Cash and Bank Balances	18789939	9.3	5635438	2.2	3093567	1.1	4445825	1.3	6684300	1.6
Advances and Other Assets	12650186	6.3	6828182	2.7	8444057	2.9	12989601	3.7	16816800	4.1
Sub Total (B)	31440125	15.6	12463620	4.9	11537624	3.9	17435426	5.0	23501100	5.8
Total Assets	201593316	100	254738412	100	293144004	100	348191074	100	408668400	100

INTERPRETATION

- The common size analysis shows that shareholders’ funds form a significant portion of total financing (17%–21%), indicating a relatively strong equity base compared to typical insurance firms. However, the proportion shows a gradual decline after 2022, suggesting increased reliance on liabilities.

- Current liabilities and provisions together dominate the liability structure (around 29%–32%), with provisions alone contributing over 20%, reflecting the company's growing obligations toward claims and policyholder commitments.
- Borrowings fluctuate but remain moderate (1%–2.4%), indicating controlled use of long-term debt and a relatively balanced capital structure.
- On the asset side, non-current assets have increased significantly (34% → 44%), mainly driven by growth in policyholder and shareholder investments, showing expansion and long-term fund deployment.
- However, current assets have declined sharply (15.6% → ~5%), especially cash balances, indicating reduced liquidity and higher investment in long-term assets, which may impact short-term solvency

SUGGESTIONS

- The company should improve its liquidity position, as the sharp decline in current assets (especially cash) may affect its ability to meet short-term obligations.
- It is advisable to maintain a balanced asset mix, ensuring that excessive funds are not locked in long-term investments at the cost of operational liquidity.
- The firm should monitor the rising provisions carefully, ensuring adequate but not excessive provisioning to avoid profitability pressure.

CONCLUSION

- Overall, the company demonstrates strong growth and expansion, with increasing investments and a solid equity base supporting operations.
- The financial structure reflects effective long-term investment strategy and controlled borrowing, which are positive indicators of financial stability.

5. DISCUSSION

The present study examined the competitor analysis of life and general insurance companies within India's FinTech distribution ecosystem and found that financial performance significantly shapes the strategic attractiveness of insurance partners for digital intermediaries such as AssetPlus. The findings indicate that the two selected companies exhibit fundamentally different risk-return profiles that carry distinct implications for distribution platform strategy.

One of the major findings is the strong and consistent performance of ICICI Prudential Life Insurance in terms of solvency, asset-liability management, and improving profitability. The company's net premium growth rate reached 13.17% in 2025, its highest in the five-year period, supported by a growing policyholder investment base and improved expense management. This suggests that ICICI Prudential is a financially stable and scalable partner for long-term insurance distribution strategies.

In contrast, Star Health demonstrates remarkable volume growth — with net premium expanding from ₹5,23,947 (lakhs) in 2020 to ₹15,52,522 (lakhs) in 2025 — but faces growing profitability pressure from claim inflation and operating costs. While this growth makes Star Health attractive for platforms targeting retail health insurance volumes, the declining margins call for careful monitoring. The Commission Expense Ratio of 15% sustained across the study period indicates that health insurance distribution remains intermediary-intensive, presenting both opportunity and cost challenge for FinTech platforms.

The common size analysis reveals structural differences: ICICI Prudential's balance sheet is dominated by policy liabilities (~49%) and growing policyholder investments (14.6% to 19.9%), while Star Health shows a relatively higher equity base (17–21%) alongside declining liquidity, which may affect short-term operational flexibility. These structural differences directly influence the type of products each company can competitively distribute and the nature of advisor-client engagement required.

However, the study also identifies common challenges. Both companies face increasing distribution costs — ICICI Prudential through rising commissions, Star Health through a high and stable commission base. In the competitive insurance market, where digital platforms like AssetPlus compete with traditional agents and bancassurance channels, managing distribution cost efficiency while growing customer reach remains a central strategic challenge.

6. FINDINGS

1. ICICI Prudential Life Insurance demonstrates stable and improving financial performance, with Net Profit Ratio recovering to 2.52% in 2025 and Net Premium Growth Rate reaching its five-year peak of 13.17%.
2. Star Health and Allied Insurance shows exceptional premium volume growth (51% in 2022) but faces sharp profitability decline, with Net Profit Ratio falling from 23.47% in 2021 to 4.36% in 2025.
3. Return on Equity declined for both companies over the study period, though ICICI Prudential showed recovery in 2025 (10.0%) while Star Health continued declining (9.7%).
4. Operating Expense Ratio improved for both companies: ICICI Prudential from 11.9% (2023) to 8.4% (2025), and Star Health from 30.3% (2021) to 17.1% (2025), indicating improved cost management.
5. Commission Expense Ratio increased significantly for ICICI Prudential (4% to 10%) and remained elevated for Star Health (13–15%), indicating rising distribution costs for both insurers.
6. Policyholder Investment Proportion increased consistently for both companies, reflecting strong commitment to meeting policyholder obligations and expanding investment-linked business.
7. Common size analysis confirms that ICICI Prudential maintains a balanced and stable financial structure, while Star Health faces liquidity challenges with current assets declining to approximately 5.8% of total assets by 2025.
8. Both companies comply with IRDAI solvency norms, with ICICI Prudential maintaining stronger solvency margins reflecting greater financial resilience.
9. From the FinTech distribution perspective, ICICI Prudential offers superior long-term financial partnership stability, while Star Health offers high growth potential in the rapidly expanding retail health insurance segment.

7. CONCLUSION

The study titled “Competitor Analysis of Life and General Insurance Company” analyzed the financial and operational performance of selected insurance companies and examined the role of fintech platforms.

The analysis revealed that both life insurance and health insurance industries in India have experienced substantial growth due to increasing financial awareness, digital transformation, regulatory support, and rising demand for financial protection products.

The study of ICICI Prudential Life Insurance showed consistent growth in premium income and improvement in operational efficiency in recent years. However, fluctuations in profitability ratios and increasing commission expenses indicated the need for better cost management and stronger profitability strategies.

Similarly, Star Health and Allied Insurance Company demonstrated strong premium expansion and improved expense control, but declining profitability ratios and reduced returns on equity highlighted challenges in maintaining earnings efficiency despite business growth.

The comparative analysis also highlighted the growing importance of digitalization in insurance distribution. FinTech platforms like AssetPlus are playing a significant role in transforming the financial services industry by integrating investment and insurance solutions through technology-driven platforms.

These platforms improve accessibility, simplify operations, enhance customer experience, and support financial advisors with digital tools and analytics.

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