

Embracing Persistency-Key Metric to Life Insurance Profitability in India

Ramesh Kumar Satuluri and Raavi Radhika

ABSTRACT

With more than 27,000+ crores (37116 crores) (Source:<http://www.lifeinscouncil.org/about-us/industry-overview>) deployed as capital and over 11,148 (11280) (Source:<http://www.lifeinscouncil.org/about-us/industry-overview>) branches becoming operational, life insurance companies are still grappling to wipe out accumulated losses. Going slow on expansion, Insurance Companies are attempting to take an evaluated risk. Persistency plays a vital role in life insurance profitability. The absence of empirical studies in India, about persistency of insurance companies became the motivation for the study. The main objective of this study is to understand the impact of persistency on life insurance business and profitability and to suggest measures in improving persistency. This article is descriptive in nature which aims to understand the impact of persistency on the overall business of life insurance industry and its profitability. Related review of literature is structured around the key components of persistency, customer retention and future trends in retaining customers for long term. At present, there is one public sector company, that is, Life Insurance Corporation and 23 private life insurance companies. For the study purpose, we had selected all companies in Indian life insurance space.

Keywords: Persistency, Life insurance, Profitability, Renewals, Futuristic trends

JEL Classification: G22

Biographical Note: Ramesh Kumar Satuluri presently working as General Manager, Sales Training with Exide Life Insurance Company Limited. He can be reached on ramesh.satuluri@exidelife.in

Raavi Radhika has been a counsellor for MBA Programme offered by Dr B.R. Ambedkar Open University. She has been associated with Hyderabad Management Association (HMA) for several years. She can be reached at: radhika.ramanchi@gitam.edu

INTRODUCTION

Privatisation of life insurance industry started in the year 1999 with the passage of the IRDA Act 1999. Now we have 24 life insurance companies including the big brother LIC. We have completed 17 years but still companies are struggling with accumulated losses. Industry growth can be bifurcated into two phases viz. pre-2010 and post-2010. Insurance companies were mainly focusing on business expansion and distribution building during pre-2010 period. The

main objective till that period was to grow business. Companies were setting up branches and also tied up with multiple banks and corporate agents. The industry registered more than double-digit growth during the said period. Topline growth was the focal point for the organisations. The regulatory spat between SEBI and IRDAI has given rise to series of regulations with the focus on capping of charges and expense regulations. Post-2010 entire focus shifted to profitability or bottom line (*Radhika and Satuluri, 2019*).

While Phase 1 was dominated by scalability, Phase 2 was driven by building efficiency. In order to build efficiency, companies started aggressively focusing on enhancing persistency. This situation remained tricky as most of the insurance companies who wrote new business add a huge business strain and this is due to frontloading of expenses pertaining to customer acquisition. Insurance companies break-even with enhanced persistency and customer retention. Persistency ratio is measured both in terms of due premium and also number of policies. Insurance Companies derive their own internal rules in driving persistency viz. focusing either on premium or number of policies. However, persistency from the regulator point of view is always measured in terms of number of policies in force after a stipulated period. Persistency ratios are always measured at the end of 13th, 25th, 37th, 49th and 61st month irrespective of the mode of the policy whether monthly, quarterly, half-yearly or annual mode. Companies will not have any margin in the initial years. Also Indian insurance accounting process relies on Non-IFRS format which does not allow amortisation of expenses. Hence companies writing new business heavily bound to report all expenses at the time of acquisition which appears to be loss-making from the accounting perspective. And in order to meet the regulatory guidelines insurance companies need to maintain requisite solvency margins to factor the new business acquisition. Contracts in life insurance are long term. Hence, insurance companies rely heavily on renewals which average the initial acquisition cost and aids in building a healthy asset under management. Persistency is the key metric for profitability for all insurance companies. In a nutshell, the bottom line of a company is directly proportionate to the healthy growth of renewal premium base of the organisation.

The impact of persistency is also dependent on the type of product sourced by Insurance companies.

Traditional products and long-term contracts are the ones where companies would be focusing more since they will average out the overall expense ratio. In terms of ULIP plans, companies may not gain much in renewals since with the new ULIP regulations 2010 the cost of ULIP plans is amortised over the period of time. Rather the cost is evenly spread among the years of investment. However, companies gain out of the enhanced asset under management due to higher inflow of premium. FMC charges levied on the total AUM is surely a profit-making proposition for companies. Higher the AUM, higher the earnings in terms of FMC charge hence the need to have bigger and wider portfolio of ULIP plans in the overall portfolio. Also at the time of product designing we will factor actuarial assumptions in product pricing and higher persistency only will ensure that the assumptions are close to the reality thus enhancing product profitability. Moreover, the fact remains a persistent customer gives an opportunity for cross-sell and upsell. As per LIMRA survey, every customer ends up buying at least five policies in his lifetime. Persistent customer also becomes a referral point for new customer acquisition thus multiplying customer base. If due care not taken, the same customer may also become bewildered and the agent may also get negative publicity. Needless to say the opportunity lost can be multi-fold.

Table 1: Capturing Persistency Data between 2013 and 2017

No. of months	2013-14	2014-15	2015-16	2016-17
13	57.70	58.55	60.68	64.70
25	53.46	47.68	50.47	53.15
37	43.84	42.94	42.28	45.59
49	38.13	37.05	38.89	38.79
61	28.55	22.44	28.74	33.58

Source: IRDA Handbook 2016-17

According to IRDA handbook 2016-17 in Table 1, 13th month, persistency for industry is at ~65%, which means out of 10 policies issued in first year

only ~6 continue for 2nd year. (*Source: Handbook on Indian Insurance Statistics, 2019*).

This is way below global averages, wherein the 13th-month persistency is close to 80%. The insurance regulator has brought persistency to the focal point while framing its regulations. This is primarily to ensure that companies do not accumulate losses because of higher captions in the first year itself and also impacting the future business from the same customer through cross or upsell opportunities. Recouping expenses would be spread over the number of years, which will not be possible if the policies are getting lapsed in the initial years. Also, because of higher lapsation in the group, the average mortality for the group is going to shoot up, and the accumulated premium would be insufficient to meet the risk, thus leaving the extra burden on the other group members. Furthermore, the loading of per policy expense would also shoot up since the total expense is getting divided among the policy group members, and with the reduction in number, the expense would remain the same, and it gets distributed among the available members. Also, it makes insurance costlier even to new policy members joining the group.

Product design also plays a vital role in influencing the persistency. Products that meet long-term needs of the customer will motivate them to continue with their policies. The product also influences customer behaviour basis the bonus history, and poor performance from participating policies would compel the customer to drop the existing policy and go for a new one. Also, the fact remains insurance awareness is spread through word of mouth publicity, and an unhappy customer is sure not to recommend insurance products in his/her area of influence.

In 2011, IRDAI issued guidelines stating that a minimum 50% persistency is a must for an agent to renew his license. This was welcomed at that time by

the industry with a cautious approach. IRDAI has taken this step only to ensure that agents do not end up making a mis-selling and will sell the right product to the customer so that causation can be arrested at the time of sale only. However, the same regulator took a U-turn the next year, and the regulator left defining persistency to Insurance Companies. Since most of the policies are getting lapsed because of an agent getting terminated or discontinuing his services, the regulator came with guidelines on servicing orphan policies. Orphan policies are those who were initially sourced by the agent and become orphan once the agent discontinues or his license gets terminated. Hence, agency retention is equivalent to policy retention. Since products in insurance are mostly bought because of obligations, it is evident that when the agent leaves the parent organisation, we will not find most of the customers renewing their policies. To avoid lapsation, IRDAI has provided guidelines to insurance companies where they will be allowed to allocate these policies for servicing to the existing agents. These agents would be responsible for servicing orphan policies and would also be eligible for renewal commission. In addition to that, these agents would continue to have cross-sold or upsell opportunities.

As per expense (Figure 1) of management of insurers transacting Life Insurance Business Regulation 2016, from the financial year 2016–17 onwards, all insurers shall comply with these regulations. For these regulations, an insurer shall be deemed to be compliant with the limits of expenses of managements provided that the actual expenses of management are not above the allowable expenses of management as under:

Radhika and Satuluri (2019) Allowable expenses will include distributor commission over and above the operating expense of the organisation. The impact will be severe on profitability, especially when the customer discontinues after paying the first year premium since companies end up spending more than 100% of the

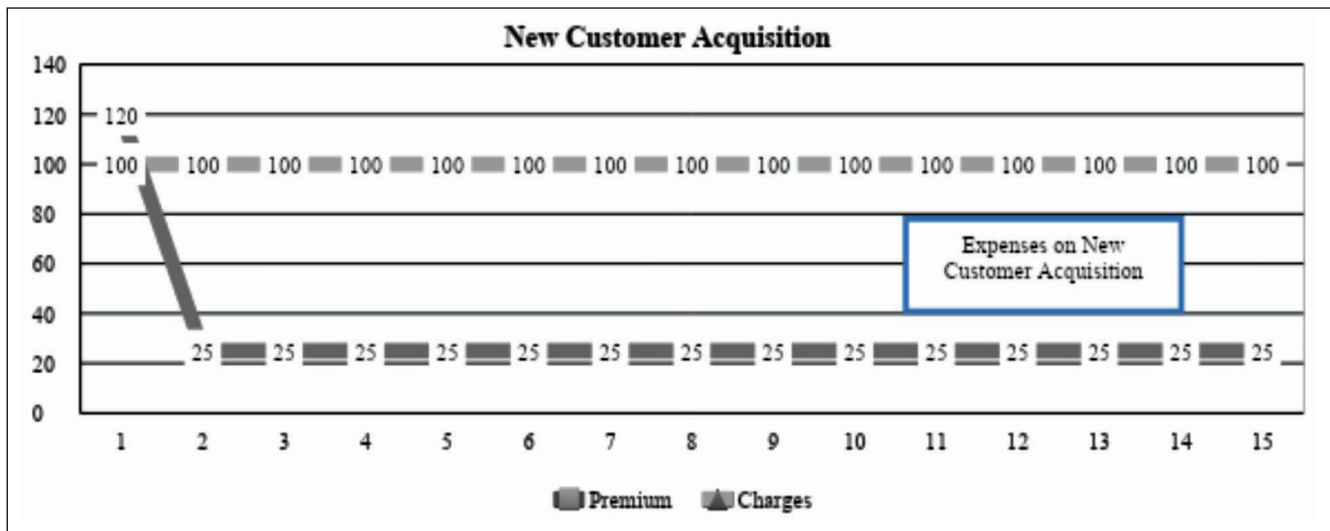


Figure 1: Expense Pertaining to New Customer Acquisition
 Source: IRDA Expense Regulation 2016

Table 2: Explaining Limitations on Expense Management

Financial year	Percentage of actual expenses to allowable expense
2015-16* and 2016-17	120 percentage
2017-18	110 percentage
2018-19 and onwards	Not above 100 percentage

new business premium. This will cause business strain to insurance companies. For every new policy, sourced insurance companies will incur ~120% of the premium in the first year, and this is denting the profitability. Assuming we have 100 customers who buy policies from insurance companies and 40% do not renew for the 13th month, we will find companies losing 20% per policy (Table 2). This will not only influence the overall expense ratio but will also hurt future bonuses declared by insurance companies. IRDA Expense Regulation (2016).

IMPACT OF PERSISTENCY ON VARIOUS STAKEHOLDERS

Drop-in persistency is a colossal loss to insurance companies. In the initial years, insurance companies were also registering surrender profits due to lapsation.

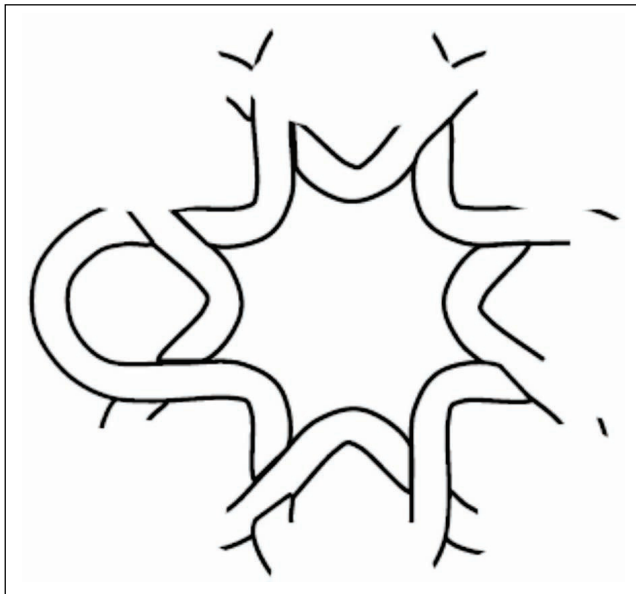
This was driving their profits. However, with new regulations in place, particularly the ULIP guidelines, which prohibit insurers from forfeiting premium, policy lapsation or drop in persistency, will influence all the stakeholders' viz. policyholder, distributor and insurance company Table 3.

ENHANCING PERSISTENCY

Insurance industry in the first 10 years was fully focusing on branch expansion and building distribution. Hence, the focus was fully on registering topline growth. After 2010, IRDAI enacted series of regulations and the latest one being Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting life insurance business) Regulations, 2016 where in the entire focus shifted on profitability and bottom line for insurance companies. This necessitated focusing on factors influencing the profitability of life insurance companies in India. Maintaining higher persistency and renewal base remained the vital one among these. While enough and enough research is being initiated to retain the customers companies were primarily focusing on the following steps

Table 3: Repercussion of Low Persistency

Obsolete risk Coverage	Discontinued sum assured if the policy is lapsed before surrender or will get reduced coverage once the policy acquired surrender value
Opportunity lost in surplus distribution	Policyholder will not be eligible to participate in bonuses. Bonuses will help policyholder to hedge against inflation thus maintaining the time value of money
Forfeiture of premium	Policyholder will end up losing the entire premium as per forfeiture clause in the initial period and may get back surrender value at a later stage
Pricey premium for underwriting new risk	Customers who discontinued existing one and plan to buy new one ends up paying higher premium because of higher age or at times may have to go for medical tests also for fresh underwriting.
Opportunity lost in cost averaging	Policy discontinuation will prohibit the customer from arriving at cost averaging
Bewildered customer	Policyholder who fails to pay renewals for whatever reason is a lost customer. Lost customer is a colossal loss to the distributor since the customer would not give him any references.
Misplaced future business	Losing a customer would dent the future earnings of the distributor because of cross-sell and upsell opportunity
Adverse impact on earnings	Distributor would end up impacting his own earnings mainly due to loss in renewal commission
Tainted brand image	Agent branding plays a vital role in sourcing new business. Losing customers would taint his personal branding
Adversative effect on internal contests	Distributor would miss most of the internal contests since all companies have persistency as a gate for qualifying in the contest
Forsaken customer	Policy lapsation for Insurance Company is losing customer forever
Detrimental publicity	Companies spend crores to build brand image. Lapsation and losing customers are detrimental to their brand building
Colossal loss on future business	Losing a customer not only impacts the present business but is a colossal loss since it impacts even future business

**Figure 2: Ways to Improve Persistency**

Customer segmentation basis the premium, tenure of the policy and type of product is undoubtedly (Figure 2) going to aid insurance companies to have a customised approach on various touchpoints to enhance persistency. Also, companies are looking at a transition from a mere vendor state to engaging customers at various life stages. In this pursuit, insurance companies capturing a journey map of the customer is surely going to help since we will capture all the short-term and long-term goals along with aspirations. Companies have also realised that persistency is also dependent on agent attrition. That is, agent retention is directly proportionate to customer retention. Policies sourced by agents are primarily from their natural market or known sources viz. referrals. Losing an agent due to discontinuation or termination

is not only impacting present business but would also have an adverse impact on renewals. Mis-selling is one of the main reasons for policy lapsations. To avoid this, companies are insisting on mandatory sales illustration and need analysis from the customer. Benefit illustration is defined by the regulator viz. the format and the return to be projected with 4% on the low side and 8% as the highest. This format applies to all participating products and ULIP plans. In addition to this, companies started training their staff on need-based analysis to capture all the implicit and explicit needs of the customers. This will not only aid the customer to link his product to the goal but will also have an emotional attachment with the goal, which is a pre-requisite for him/her to continue.

Insurance companies are pushing their customers for ECS mandate and standing instructions. This will ensure that renewals are paid automatically from customer accounts. Companies adopt many ways to inform customers about renewals viz. through SMS, telecalling, etc. However, often, they fail to reach customers due to non-contact ability because of various reasons. ECS mandate or a standing instruction given by the customer at the beginning of the policy will ensure that the entire process of renewal payment is fully automated. This will ensure that customer policies remain in force, thus helping them enjoy the risk coverage and also other benefits defined in the policy bond. Persistency remains high in the agency when advisors are active and will lead to lapsation when advisor leaves the system. This happens because most of the business is sourced through obligation, and only from the natural market of the advisor and insurance company losing the main link, which is advisor will lead to drop in persistency. Even though these policies are sourced through active advisors, we are not seeing many revivals happening. Hence, companies continue to have renewed focus on advisor retention since it not only impacts their future business but will also have an adverse impact on the persistency. Persistency

is also channel specific. We generally witness a high level of persistency in agency business and bancassurance but do not find similar persistency in other channels like direct and venue marketing. This is because bancassurance works on a captive customer base, and the agency works on mostly natural markets and referrals. However, it may not be the case with other channels. Direct marketing will sell policies over the phone to unknown customers. Since most of the customers are unknown, and there is no scope to build rapport and emotional binding, we do not find policies running through the 13th month and above. Also, venue marketing is the other model where sourcing policies are done emotionally. However, since it is a third party sales, mostly post-sales servicing is led by insurance companies only. Due to these reasons, we find companies struggling for persistency and have levied standard operating procedures to enhance persistency.

Companies have kept multiple channels to reach customers to remind them about renewals. Sending them renewal notices is one of the ways to communicate the customers. In addition to that, insurance companies are also reaching customers through their established contact centres. Customers will be reminded about renewal premium much in advance. The contact centre executive would also reiterate the customer about the features and benefits of the product. Every insurance company would have its process in running lapsation camps to get back lost customers. Conducting consumer awareness camps is one of the options. During awareness camps, consumers are engaged one to one to reiterate the benefits of continuing the policy and also briefed about the adverse impacts of discontinuing existing policies. Contact centres have initiated onboarding process with the customer once he decides to go ahead with the product. This is only to reconfirm the briefing given to the customer about the product. The main objective of this onboarding process is to identify any mis-selling

done at the preliminary stage itself to avoid further complications and lapsations.

Insurance companies are focusing on increasing the number of renewal payment touchpoints. This is to ensure that the customer finds it easy to pay renewal wherever he is reaching the nearest touchpoint. Companies with bancassurance tie-ups started using bank branches as renewal touchpoints. Similarly, corporate agents and broking firms also act as renewal payment touchpoints. Insurance companies have adopted a code of conduct for life insurance agents on the entire sales process only to ensure that they do not have early surrenders. Most of the cases, it has come out very clearly that customer backs out at a later stage either because of mis-selling or do not see any value in the product. Hence, the need to have a proper code of conduct to execute a sale with higher standards of precision.

REVIVAL

Revival is getting back the policy in force. Policies will have a grace period of 15 days for monthly mode cases and 30 days for quarterly, half-yearly and annual mode cases. Policies will lapse after the grace period on non-payment. However, policies can be revived to bring them back in force. Companies have defined their revival schemes. Generally, insurance companies allow up to 5 years for a person to revive his/her policy. Also, companies conduct special revival camps to educate customers about various benefits of retaining policies. Products in insurance companies are sold on level premium. Hence premium will get charged basis the completed age at the time of taking policy. Customers whose policies get lapsed will have to pay higher premiums for the same coverage when they buy a new policy since the premium is dependent on their completed age at the time of taking policy. Policies that are revived within 6 months will not be required to go through any medical tests. Companies revive

the same with basic health declaration. Policies that get revived after 1 year will generally go through medicals to ascertain the health condition of the customer, and in some cases, companies may even load the premium depending on the customer's health. Depending on the revival period, companies may also charge interest on the outstanding premium. Once the policy gets generally revived, insurance companies will also attach all the declared bonuses if the policy is participating one.

FUTURISTIC TRENDS

Technological innovations and disruptions are impacting all industries and fields. Insurance industry is no exception. Insurance companies are heavily investing in data analytics, artificial intelligence, IOT and digital. While digital investments are currently focused on creating additional payment platforms, data analytics and artificial intelligence are surely a game changer. Most of the insurance companies are 10+ years in operations, and hence, they are the repository of big data. These are aiding them to study the patterns and consumer behaviour on various parameters, including paying renewals. Segmenting a customer's basis, the premium payment and mode of payment are surely giving them enough analysis basis which companies are strategising their retention norms. Most of the insurance companies identified monthly modes having very little persistency. We have seen instances where companies launched products without the option of monthly mode. Also, it is found that the lower premium tends to lapse more. This is also, to an extent, addressed by defining the minimum premium for every product.

AI/Data Analytics also is throwing data in terms of cross-selling and upsell opportunity. Life insurance industry always remained very competitive. And amidst this uncertainty and inflated costs the only tactic to grow both topline

and bottom line is by acquiring quality customers and retaining them. However identifying quality customers and retaining most of them requires a focused approach and this is possible only through analytics viz., understanding customer priorities, behavior and buying patterns. Analytics can be defined as studying the historical data to identify a particular trend and predicting the future. (Source: Kumar and Satuluri, 2016).

Maturity leads are analysed thoroughly and provided to the sales force for a cross-sell or upsell opportunity. Data analytics is going one step ahead to understand the customer's credit rating through CIBIL and also to get his track record to view his existing policies and lapsed policies sourced by other insurance companies. Data analytics will also aid us in understanding the probability of captions basis the age, gender, occupation, income and family status of the customer. The fact remains that customers buy products from insurance companies either for income tax purposes or an obligatory sale. Since we do not see any need from the customer, once the obligation or income tax purpose is met, customers tend to surrender or lapse policies since they no longer feel the product relevant for their real needs. Data analytics will also help to understand whether the product is sold basis the needs of the customer. AI is also analysing the credit bureau scores of prospective customers. Insurance companies will tie up with credit bureau institutions to understand customer behaviour in repaying loans and other outstanding dues. AI will help companies do predictive analysis on their behaviour in paying renewals in the future.

Gamification is fast picking to make the learning process simple and lucid. Two-way communications are much effective in gamification than a passive one. Also, it engages the customer to the concept and registers in his mind. Hence, companies are heavily investing in gamification to explain the benefits of retaining policies across the spectrum.

AI/chatbot is the disruptions brought in by technological innovations. AI bot is near substituting human intelligence, and hence, the communication is far more refined and mature, especially when handling customer queries. Chatbots would engage the customer with all the details about products and services where he will not go through the rigor and vigour of contact centres.

CONCLUSION

Growth of life insurance industry can be phased into two stages. Stage 1 is pre-2010 and Stage 2 posts that. While Stage 1 had completely focused on growth and topline and saw most of the company's expanding its distribution network, Stage 2 was dominated by focusing on the bottom line. Stage 2 regulations were defining the expense ratio for Insurance companies. Companies are struggling to minimise operating expenses. The regulator did not focus on profitability in the initial phase since every insurance company would focus on building distribution. Companies were setting up new branches that require a huge amount of CAPEX. The regulator wanted them to expand since this is the only way to reach masses and penetrate further. This is an alarming situation as expenses in the Insurance business are front-loaded, and hence, it is pertinent to average the cost only through enhanced renewal collections. Companies have made the 13th-month collection as the gate for all their internal contests, and surely we experience a renewed focus on collectibles. Companies with 10+ yrs of vintage have a renewal base size of 55-60% and we will find that they are profitable in spite of not writing any new business (Satuluri, 2017)

Companies are implementing various steps to improve persistency viz. customer complaints, customer contacts, and focusing on free look cancellations. As of August'18 we have 4.81 crores Credit Card Holders and a whopping 98.1 crores Debit Card Holders. Post

Demonetization Govt. Initiate series to steps to promote Digital Payments and it is quite evident that for August'18 Credit Card registered transactions worth 48368 crores and Debit Card to a tune of 32494 crores. We are seeing spike in terms of number of transactions in both the segments viz. Debit Card and Credit Card.

Insurance Companies have swiping machines at the branches which are utilized by policy holders to pay back the new as well as renewal premiums. Policy holders have the option to pay the premium through debit or credit cards. This transformation in digital payment space is surely going to provide enough traction to companies in enhance persistency (*Radhika and Satuluri, 2018*).

Companies started with exclusive departments to handle policy owner service, which handles complaints raised by customers. Departments run with a turnaround time to handle complaints that would ensure to wipe out the negativity among customers or the so-called post-purchase remorse, which they experience immediately after buying a policy. Also, establishing contact with customers throughout remains the most important step in servicing him. Companies establish contact with customers at regular intervals to update their records with any changes. Free look cancellation is the other leakage post-issuance. To avoid these, insurance companies are implementing pre-call verification to check the understanding of the customer in terms of the overall sales process. This is

to avoid any confusion or mis-selling of products before the policy gets issued. Avoiding mis-selling at the preliminary stage will ensure that the policy does not lapse at a later stage. Mis-selling is the bane for this booming industry. Companies started training employees and agents on the quality of acquisition and also established contact centres to avoid mis-selling. Mis-selling is the most important reason for surrenders and low persistency. Insurance Companies need to invest in key areas like digital and analytics since most of the customers in the next decade are going to be Gen. X and Gen. Y customers who are not only tech-savvy but also quite informative and demanding.

Most of the insurance companies have started using sales applications to complete the login process online. The advisor would meet the customer, complete the need-based analysis, and recommend a product suiting customer needs. Later advisor logs in the policy online with an id proof viz-Aadhaar and PAN, which then gets linked to respective servers to retrieve information about the customer. Advisor then uploads the requisite documents to initiate underwriting. Once the policy is okayed by the company, the customer would be prompted for online payment of premium. Basis, the premium payment policy, gets issued, and a softcopy is sent to the customer e-mail id. Understanding the behaviour and buying patterns of new class policyholders remains the most elusive factor in the retention of customers. Hence companies must transform from a mere seller to end to end solution provider.

REFERENCES

- Akotey, J.O., Sacke, F.G., Amoah, L. and Manso, R.F. (2013) 'The financial performance of life insurance companies in Ghana', *Journal of Risk Finance*, Vol. 14, No. 3, pp. 286–302.
- Annual Report (9 January 2018): Profits of life insurers. Retrieved from https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_NoYearList.aspx?DF=AR&mid=11.1
- Chaudhary, S. and Kiran, P. (2011) 'Life Insurance Industry in India-current scenario', *International Journal of Management & Business Studies*, Vol. 1, No. 3, pp. 146–150.

- Denise Olivares (15 July 2015): 3 ways to customer retention. Retrieved from <http://insurancethoughtleadership.com/the-3-ways-to-customer-retention/>
- Fogal, C. (2001) 'Developments in the Life Insurance Industry in Jamaica 1990–1998: consequences for monetary policy', *Social and Economic Studies*, Vol. 50, No. 3/4, pp. 209–232.
- Gour, B. and Gupta, M.C. (2012) 'A review on solvency margin in Indian Insurance Companies', *International Journal of Recent Research and Review*, Vol. 2, No. 1, pp. 43–47.
- Gulati, N.C. and Jain, C.M. (2011) 'Comparative analysis of the performance of all the players of the Indian Life Insurance Industry', *VSRD-IJBMR*, Vol. 1, No. 8, pp. 561–569.
- Handbook on Indian Insurance Statistics (2019): Retrieved from <https://www.irdai.gov.in/ADMINCMS/cms/Uploadedfiles/irda%20handbook%202016-17.pdf>
- Industry Overview (31 December 2018): The Life Insurance Industry in India. Retrieved from <http://www.lifeinscouncil.org/about-us/industry-overview>
- IRDA Expense Regulation (2016): Retrieved from https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_NoYearList.aspx?DF=RL&mid=4.2
- Kimberly Trimble (24 June 2015): 7 ways insurers can boost customer retention. Retrieved from <https://www.ibmbigdatahub.com/blog/7-ways-insurers-can-boost-customer-retention>
- Krishnamurthy, S., Mony, S.V., Jhaveri, N., Bakhshi, S., Bhat, R., Dixit, M.R. and Maheshwari, S. (2005) 'Insurance industry in India: structure, performance, and future challenges', *Vikalpa*, Vol. 3, No. 3, pp. 93–119.
- Kumar, A. and Satuluri, R.K. (2016) 'Demystifying life insurance industry profitability', *Quest Journals*, Vol. 4, No. 8, pp. 61–65.
- Kumar, A. and Satuluri, R.K. (2016) 'Enhancing profitability in Indian Life Insurance Industry—a proposition', *International Journal of Innovative Research and Advanced Studies*, Vol. 3, No. 10, pp. 227–231.
- Life Insurance Handbook (May 2012): FAQs on life insurance. Retrieved from http://www.policyholder.gov.in/Life_Handbook.aspx#
- Malik, H. (2011) 'Determinants of insurance companies profitability: an analysis of insurance sector of Pakistan', *Academic Research International*, Vol. 1, No. 3, pp. 315–321.
- Radhika, R. and Satuluri, R.K. (2018) 'Digital payment revolution in Indian Life Insurance space', *The Insurance Times*, Vol. 38, No. 12, pp. 33–38.
- Radhika, R. and Satuluri, R.K. (2019) 'A study on life insurance penetration in India', *International Journal of Human Resource Management and Research*, Vol. 9, No. 1, pp. 119–124.
- Radhika, R. and Satuluri, R.K. (2019) 'Key performance indicators of life insurance operations in India', *International Journal of Research in Humanities, Arts and Literature*, Vol. 7, No. 3, pp. 111–128.
- Radhika, R. and Satuluri, R.K. (2019) 'Impact of operating expenses on life insurance profitability in India', *International Journal of Human Resource Management and Research*, Vol. 9, No. 1, pp. 53–60.
- Sandhu, A. and Bice, A. (2014): The seven missing ingredients in life insurance customer retention programs. Retrieved from <https://www.oliverwyman.com/content/dam/oliver-wyman/global/en/2014/jul/Life-Insurance-Customer-Retention.pdf>
- Satuluri, R.K. (2017) 'Enhancing profitability in Indian life insurance industry—a proposition', *The Journal of Insurance Institute of India*, Vol. 4, No. 4, pp. 7–10.

How to cite this article: Satuluri, R.K. and Radhika, R. (2019) 'Embracing Persistency-Key Metric to Life Insurance Profitability in India', *IIMS Journal of Management Science*, Vol. 10, No. 3, pp. 108–117.