

## Contemporary Prominent Development of Bancassurance in India

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### ABSTRACT

Due to merging of global financial markets, development of new technologies, universalization of banking industries and with the expansion of non banking activities, the insurance industry has globally brought in new channels of distribution into existence. This has given rise to a new form of business wherein two big financial institutions have come together and have integrated all their strength and efforts to generate new means of marketing for encouraging their products and services. When these two join together it gives birth to “BANCASSURANCE”.

Bancassurance is the allocation of insurance products through the huge network of banks whereby, banks act as a distribution channel for providing varieties of banking and investment products and services. After the approval of IRDA, today many private and public sector banks have tied up with insurance companies for selling of insurance products. The motive behind bancassurance differs. For banks, it is a source of additional fee based income and helps in product diversification. For insurance companies - a tool for increasing their market penetration and premium turnover and for customers a high quality product at a reduced price delivered at their door steps. So all the three parties involved are benefited here.

This research work focuses on the creativity and innovative side of banks as an efficient tool for selling the insurance products, progress of bancassurance in India, types and various models of bancassurance and also on the benefits and significance of bancassurance in India. The motive behind this study is to review and analyze the development of bancassurance on banks, insurers and also to customers. The regulations leading bancassurance are also shown in this research work.

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