

PROJECT REPORT

on
Recruitment and Selection Process

of

ICICI Life Insurance Company Ltd.

(A Project Report Survey at Hisar City)

Submitted in the partial fulfillment for the award of the degree of

Master of Business Administration

CERTIFICATE

This is to certify that this Project Report entitled 'Recruitment & Selection Process of ICICI Life Insurance Company Ltd.' is the result of research work carried out by Mr. _____ under the guidance and supervision of Professor _____.

Signature
Recruitment and selection of Insurance Companies
PREFACE

People are a company's most important assets. They can make or break the fortunes of a business. In today's highly competitive business environment placing the right people in the right position is very critical for the success of any organization.

The recruitment and selection decision is of prime importance as it is the vehicle for obtaining the best possible person-to-job fit that will, contribute significantly towards the Company's effectiveness. It is also becoming increasingly important, as the Company evolves and changes, that new recruits show a willingness to learn, adaptability and ability to work as part of a team. The Recruitment & Selection procedure ensures that these criteria are addressed

In this project I have studied Recruitment and Selection process of ICICI Prudential Life Insurance and attempted to provide some ways so as to make recruitment more effective and to reduce the cost of hiring an employee.

I am privileged to be one of the students who got an opportunity to do my training with ICICI Prudential Life Insurance. My involvement in the project has been very

challenging and has provided me a platform to leverage my potential in the most constructive way.

ICICI Prudential Life insurance is one of India's leading financial institutions offering complete financial solutions that encompass every sphere of life. In a short span of time, ICICI has set an example by having a steady and confident journey to growth and success.

During the training period I have studied deeply the process of hiring in ICICI Prudential Life insurance and did a SWOT analysis of ICICI Prudential Life Insurance to find out the existing shortcomings and potential threats and thereby recommended suggestions.

This project however is an attempt to share as best as possible my experience in corporate world with all my colleagues and my faculty.

I would be delighted to receive reader's comments which maybe valuable lessons for my future projects.

EXECUTIVE SUMMARY

In today's rapidly changing business environment, organizations have to respond quickly to requirements for people. The Financial market has been witnessing growth which is manifold for last few years. Many private players have entered the economy thereby increasing the level of competition. In the competitive scenario it has become a challenge for each company to adopt practices that would help the organization stand out in the market. The competitiveness of a company of an organization is measured through the quality of products and services offered to customers that are unique from others. Thus the best services offered to the consumers are result of the genius brains working behind them. Human Resource in this regard has become an important function in any organization. All practices of marketing and finances can be easily emulated but the capability, the skills and talent of a person cannot be emulated. Hence, it is important to have a well-defined recruitment policy in place, which can be executed effectively to get the best fits for the vacant positions. Selecting the wrong candidate or rejecting the right candidate could turn out to be costly mistakes for the organization. Therefore a recruitment practice in an organization must be effective and efficient in attracting the best manpower.

Coverage –The extent and limitation

With largest number of life insurance policies in force in the world, insurance happens to be a mega opportunity in India. Its business is growing at 15-20% annually and presently is of the order of Rs. 450m. Together with banking sector it adds about 7% to the GDP.

Like in the case of BPO's, Insurance sector too faces the problem of attrition. Thus, recruitment is an ongoing process carried through out the year. The project is based on

the study of recruitment process. The various recommendations suggested have been the result of the study. The idea is to generate ways of dealing with high attrition and making hiring process manageable and efficient.

Data Used

There were mainly two sources of data collection

Ø Primary data:

Ø Survey method

Ø Personal interview with candidates

Ø In depth conversation with the placement agency

v Secondary data:

Ø Study of recruitment policy

Ø Websites

Ø Published articles

Research methodology used

v Study of recruitment and selection at ICICI Prudential Life Insurance by the manual provided by the HR department;

v Web sites

v Journals

v Magazines

v Books

Findings

v Recruitment is done throughout the year more during the months of May-June and Oct-Nov;

- v Huge investment of time;
- v Huge recruitment cost;

To pursue these, I would be going through the recruitment policies of the company. By active participation in the recruitment process, the areas where improvement can be brought about can be identified.

Thus the whole research would be done under the guidance of external guide. It will also involve recruitment and selection processes, reading the material provide internally by the organization, information from the new employees.

Introduction

1.1 Introduction Of The Insurance Industry

Overview

The story of insurance is probably as old as the story of mankind. The same instinct that prompts modern businessmen today to secure themselves against loss and disaster existed in primitive men also. They too sought to avert the evil consequences of fire and flood and loss of life and were willing to make some sort of sacrifice in order to achieve security. Though the concept of insurance is largely a development of the recent past, particularly after the industrial era – past few centuries – yet its beginnings date back almost 6000 years.

The first two decades of the twentieth century saw lot of growth in insurance business. From 44 companies with total business-in-force as Rs.22.44 crore, it rose to 176 companies with total business-in-force as Rs.298 crore in 1938. The Insurance Act 1938 was the first legislation governing not only life insurance but also non-life insurance to provide strict state control over insurance business.

Some of the important milestones in the life insurance business in India are:

1818: Oriental Life Insurance Company, the first life insurance company on Indian soil started functioning.

1870: Bombay Mutual Life Assurance Society, the first Indian life insurance company started its business.

1912: The Indian Life Assurance Companies Act enacted as the first statute to regulate the life insurance business.

1928: The Indian Insurance Companies Act enacted to enable the government to collect statistical information about both life and non-life insurance businesses.

1938: Earlier legislation consolidated and amended to by the Insurance Act with the objective of protecting the interests of the insuring public.

1956: 245 Indian and foreign insurers and provident societies are taken over by the central government and nationalized. LIC formed by an Act of Parliament, viz. LIC Act, 1956, with a capital contribution of Rs. 5 crore from the Government of India.

The General insurance business in India, on the other hand, can trace its roots to the Triton Insurance Company Ltd., the first general insurance company established in the year 1850 in Calcutta by the British.

Some of the important milestones in the general insurance business in India are:

1907: The Indian Mercantile Insurance Ltd. set up, the first company to transact all classes of general insurance business.

1957: General Insurance Council, a wing of the Insurance Association of India, frames a code of conduct for ensuring fair conduct and sound business practices.

1968: The Insurance Act amended to regulate investments and set minimum solvency margins and the Tariff Advisory Committee set up.

1972: The General Insurance Business (Nationalisation) Act, 1972 nationalised the general insurance business in India with effect from 1st January 1973.

With largest number of life insurance policies in force in the world, Insurance happens to be a mega opportunity in India. It's a business growing at the rate of 15-20 per cent annually and presently is of the order of Rs 450 billion. Together with banking services, it adds about 7 per cent to the country's GDP. Gross premium collection is nearly 2 per cent of GDP and funds available with LIC for investments are 8 per cent of GDP.

Yet, nearly 80 per cent of Indian population is without life insurance cover while health insurance and non-life insurance continues to be below international standards. And this part of the population is also subject to weak social security and pension systems with hardly any old age income security. This itself is an indicator that growth potential for the insurance sector is immense.

A well-developed and evolved insurance sector is needed for economic development as it provides long term funds for infrastructure development and at the same time strengthens the risk taking ability. It is estimated that over the next ten years India would require investments of the order of one trillion US dollar. The Insurance sector, to some extent,

can enable investments in infrastructure development to sustain economic growth of the country.

India has come a full circle from being an open competitive market to nationalization and back to a liberalized market again. Tracing the developments in the Indian insurance sector reveals the 360 degree turn witnessed over a period of almost two centuries.

Present Scenario

The Government of India liberalized the insurance sector in March 2000 with the passage of the Insurance Regulatory and Development Authority (IRDA) Bill, lifting all entry restrictions for private players and allowing foreign players to enter the market with some limits on direct foreign ownership.

The opening up of the sector is likely to lead to greater spread and deepening of insurance in India and this may also include restructuring and revitalizing of the public sector companies. In the private sector 14 life insurance and 8 general insurance companies have been registered. A host of private Insurance companies operating in both life and non-life segments have started selling their insurance policies..

Life Insurance Market

The Life Insurance market in India is an underdeveloped market that was only tapped by the state owned LIC till the entry of private insurers. The penetration of life insurance products was 19 percent of the total 400 million of the insurable population. The state owned LIC sold insurance as a tax instrument, not as a product giving protection. Most customers were under- insured with no flexibility or transparency in the products. With the entry of the private insurers the rules of the game have changed.

The 12 private insurers in the life insurance market have already grabbed nearly 9 percent of the market in terms of premium income. The new business premiums of the 12 private players has tripled to Rs 1000 crore in 2002- 03 over last year. Innovative products, smart marketing and aggressive distribution. That's the triple whammy combination that has enabled fledgling private insurance companies to sign up Indian customers faster than anyone ever expected. Indians, who have always seen life insurance as a tax saving device, are now suddenly turning to the private sector and snapping up the new innovative products on offer.

The private insurers also seem to be scoring big in other ways- they are persuading people to take out bigger policies. Buoyed by their quicker than expected success, nearly all private insurers are fast- forwarding the second phase of their expansion plans.

Major Insurance Players

Licenses have been issued for the following companies

- Ø ICICI Prudential Life Insurance Limited
- Ø ICICI Prudential Life Insurance Company Limited
- Ø HDFC Standard Life Insurance Company Limited
- Ø Birla Sun Life Insurance Company Limited
- Ø TATA AIG Life Insurance Company Limited
- Ø Max New York Life Insurance Company Limited
- Ø SBI – Cardiff Life Insurance Company Limited
- Ø ING Vysya Life Insurance Company Limited
- Ø Bajaj Allianz Life Insurance Company Limited
- Ø MetLife Life Insurance Company Limited
- Ø Aviva Life Insurance Company Limited
- Ø AMP Sanmar Life Insurance Company Limited
- Ø Sahara India Life Insurance Limited
- Ø Sri Ram Life Insurance Limited

Protection of the interests of policyholders:

IRDA has the responsibility of protecting the interest of insurance policyholders.

Towards achieving this objective, the Authority has taken the following steps:

v IRDA has notified Protection of Policyholders Interest Regulations 2001 to provide for: policy proposal documents in easily understandable language; claims procedure in both life and non-life; setting up of grievance redressal machinery; speedy settlement of claims; and policyholders' servicing. The Regulation also provides for payment of interest by insurers for the delay in settlement of claim.

v The insurers are required to maintain solvency margins so that they are in a position to meet their obligations towards policyholders with regard to payment of claims.

v It is obligatory on the part of the insurance companies to disclose clearly the benefits, terms and conditions under the policy. The advertisements issued by the insurers should not mislead the insuring public.

v All insurers are required to set up proper grievance redress machinery in their head office and at their other offices.

The Authority takes up with the insurers any complaint received from the policyholders in connection with services provided by them under the insurance contract.

1.2 COMPANY PROFILE

ICICI Prudential Life Insurance

ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank, a premier financial powerhouse and Prudential plc, a leading international financial services group headquartered in the United Kingdom.

ICICI was established in 1955 to lend money for industrial development. Today, it has diversified into retail banking and is the largest private bank in the country. Prudential plc was established in 1848 and is presently the largest life insurance company in UK.

ICICI Prudential is currently the No. 1 private life insurer in the country. For the financial year ended March 31, 2005, the company garnered Rs 1584 crore of new business premium for a total sum assured of Rs 13,780 crore and wrote nearly 615,000 policies.

The Company recognizes that the driving force for gaining sustainable competitive advantage in this business is superior customer experience and investment behind the brand. The Company aims to achieve this by striving to provide world class service levels through constant innovation in products, distribution channels and technology based delivery. The Company has already taken significant steps to achieve this goal.

India's Number One private life insurer, ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank-one of India's foremost financial services companies- and Prudential plc- a leading international financial services group headquartered in the United Kingdom. Total capital infusion stands at Rs. 23.72 billion, with ICICI Bank holding a stake of 74% and Prudential plc holding 26%.

ICICI Prudential was the first life insurer in India to receive a National Insurer Financial Strength rating of AAA (Ind) from Fitch ratings. For three years in a row, ICICI Prudential has been voted as India's Most Trusted Private Life Insurer, by The Economic Times - AC Nielsen ORG Marg survey of 'Most Trusted Brands'. As we grow our distribution, product range and customer base, we continue to tirelessly uphold our commitment to deliver world-class financial solutions to customers all over India.

FACT SHEET

THE COMPANY

ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank, a premier financial powerhouse, and Prudential plc, a leading international financial

services group headquartered in the United Kingdom. ICICI Prudential was amongst the first private sector insurance companies to begin operations in December 2000 after receiving approval from Insurance Regulatory Development Authority (IRDA).

ICICI Prudential's capital stands at Rs. 23.72 billion with ICICI Bank and Prudential plc holding 74% and 26% stake respectively. For the first quarter ended June 30, 2007, the company garnered Rs. 987 crore of weighted retail + group new business premiums and wrote over 450,000 retail policies in the period. The company has assets held to the tune of over Rs. 18,400 crore.

ICICI Prudential is also the only private life insurer in India to receive a National Insurer Financial Strength rating of AAA (Ind) from Fitch ratings. The AAA (Ind) rating is the highest rating, and is a clear assurance of ICICI Prudential's ability to meet its obligations to customers at the time of maturity or claims.

For the past six years, ICICI Prudential has retained its position as the No. 1 private life insurer in the country, with a wide range of flexible products that meet the needs of the Indian customer at every step in life.

Distribution

ICICI Prudential has one of the largest distribution networks amongst private life insurers in India. It has a strong presence across India with over 680 branches and over 235,000 advisors.

The company has over 23 bancassurance partners, having tie-ups with ICICI Bank, Federal Bank, South Indian Bank, Bank of India, Lord Krishna Bank, Idukki District Co-operative Bank, Jalgaon Peoples Co-operative Bank, Shamrao Vithal Co-op Bank, Ernakulam Bank, 9 Bank of India sponsored Regional Rural Banks (RRBs), Sangli Urban Co-operative Bank, Baramati Co-operative Bank, Ballia Kshetriya Gramin Bank, The Haryana State Co-operative Bank and Imphal Urban Cooperative Bank Limited.

Products Insurance Solutions For Individuals

ICICI Prudential Life Insurance offers a range of innovative, customer-centric products that meet the needs of customers at every life stage. Its products can be enhanced with up to 4 riders, to create a customized solution for each policy holder.

Savings Solutions

Save'n'Protect is a traditional endowment savings plan that offers life protection along with adequate returns.

CashBak is an anticipated endowment policy ideal for meeting milestone expenses like a child's marriage, expenses for a child's higher education or purchase of an asset.

LifeTimeSuper offer customers the flexibility and control to customize the policy to meet the changing needs at different life stages. Each offer 4 fund options — Preserver, Protector, Balancer and Maximiser.

LifeLink Super is a single premium Unit Linked Insurance Plan which combines life insurance cover with the opportunity to stay invested in the stock market.

Premier Life Gold is a limited premium paying plan that offers customers life insurance cover till the age of 75.

InvestShield Life New is a unit linked plan that provides premium guarantee on the invested premiums and ensures that the customer receives only the benefits of fund appreciation without any of the risks of depreciation.

- InvestShield Cashbak is a unit linked plan that provides premium guarantee on the invested premiums along with flexible liquidity options.

Protection Solutions

LifeGuard is a protection plan, which offers life cover at very low cost. It is available in 3 options – level term assurance, level term assurance with return of premium and single premium.

HomeAssure is a mortgage reducing term assurance plan designed specifically to help customers cover their home loans in a simple and cost-effective manner.

Child Plans

- SmartKid education plans provide guaranteed educational benefits to a child along with life insurance cover for the parent who purchases the policy. The policy is designed to provide money at important milestones in the child's life. SmartKid plans are also available in unit-linked form – both single premium and regular premium.

Education Insurance Plans

- Education insurance under the SmartKid brand provides guaranteed educational benefits to a child along with life insurance cover for the parent who purchases the policy. The policy is designed to provide money at important milestones in the child's life. SmartKid plans are also available in unit-linked form - both single premium and regular premium

Retirement Solutions

ForeverLife is a retirement product targeted at individuals in their thirties.

Market-linked retirement products

LifeTime Super Pension is a regular premium market-linked pension plan.

Golden Years: is a limited premium paying retirement solution that offers tax benefits up to Rs 100,000 u/s 80C, with flexibility in both the accumulation and payout stages.

Health Solution

Health Assure and Health Assure Plus: Health Assure is a regular premium plan which provides long term cover against 6 critical illnesses by providing policyholder with financial assistance, irrespective of the actual medical expenses. Health Assure Plus offers the added advantage of an equivalent life insurance cover

- Cancer Care: is a regular premium plan that pays cash benefit on the diagnosis as well as at different stages in the treatment of various cancer conditions.

- Diabetes Care and Diabetes Care Plus*: 1st ever critical illness insurance cover for diabetics.
- Hospital Care*: Hospital Care offers a Cashless hospitalization facility in more than 3000 network hospitals
- Crisis Cover : is a 360-degree product that will provide long-term coverage against 35 critical illnesses, total and permanent disability, and death

Note (*) products Re-launched on 1st July 2006

Group Insurance Solutions

ICICI Prudential also offers Group Insurance Solutions for companies seeking to enhance benefits to their employees.

ICICI Pru Group Gratuity Plan: ICICI Pru's group gratuity plan helps employers fund their statutory gratuity obligation in a scientific manner. The plan can also be customized to structure schemes that can provide benefits beyond the statutory obligations.

ICICI Pru Group Superannuation Plan: ICICI Pru offers a flexible defined contribution superannuation scheme to provide a retirement kitty for each member of the group. Employees have the option of choosing from various annuity options or opting for a partial commutation of the annuity at the time of retirement.

ICICI Pru Group Term Plan: ICICI Pru's flexible group term solution helps provide affordable cover to members of a group. The cover could be uniform or based on designation/rank or a multiple of salary. The benefit under the policy is paid to the beneficiary nominated by the member on his/her death.

Flexible Rider Options

ICICI Pru Life offers flexible riders, which can be added to the basic policy at a marginal cost, depending on the specific needs of the customer.

1. **Accident Benefit:** If death occurs as the result of an accident during the term of the policy, the beneficiary receives an additional amount equal to the rider sum assured under the policy. If the death occurs while traveling in an authorized mass transport vehicle, the beneficiary will be entitled to twice the sum assured as additional benefit.
2. **Accident & Disability Benefit:** This rider option pays 10% the sum assured under the rider every year till next 10 years on Accidental Permanent Disability of 2 Organs.
3. **Critical Illness Benefit:** protects the insured against financial loss in the event of 9 specified critical illnesses. Benefits are payable to the insured for medical expenses prior to death.

4. Income Benefit: This rider pays the 10% of the sum assured to the nominee every year, till maturity, in the event of the death of the life assured. It is available on SmarKid, SecurePlus and CashPlus

5. Waiver of Premium: In case of total and permanent disability due to an accident, the premiums are waived till maturity. This rider is available with SecurePlus and CashPlus.

Choice of Six Investment Options :-

ICICI prudential offers you the opportunity of selecting between investment options to match your investment priorities.

1) Protector:-

An Investment Option with investment in debt and money market instruments.

2) Maximiser :-

An investment option with investment in equity and equity related instruments.

3) Balancer :-

An investment option with investment in a mix of equity and debt oriented instruments.

4) Preserver :-

An investment option with investment in low-risk instruments like cash and call

money markets.

5) Flexi Growth:-

New Fund (NFO) launched in March 2007, Long term returns from an equity portfolio in large, mid and small cap companies.

6) Flexi balanced:-

Balance of capital appreciation and stable returns from an equity (large, mid & small cap companies) & debt portfolio.

Vision and Mission

Their vision is to make ICICI Prudential Life Insurance Company the dominant new insurer in the life insurance industry. This they hope to achieve through their commitment to excellence, focus on service, speed and innovation, and leveraging our technological expertise.

The success of the organisation will be founded on its strong focus on values and clarity of purpose. These include:

- Understanding the needs of customers and offering them superior products and service
- Building long lasting relationships with their partners
- Providing an enabling environment to foster growth and learning for their employees

And above all building transparency in all our dealings.

They believe that they can play a significant role in redefining and reshaping the sector. Given the quality of their parentage and the commitment of their team, they feel that there will be no limits to their growth.

DISTRIBUTION

ICICI Prudential has one of the largest distribution networks amongst private life insurers in India, having commenced operations in 150 cities and towns in India, stretching from Bhuj in the west to Guwahati in the east, and Jammu in the north to Trivandrum in the south.

The company has 9 bank partnerships for distribution, having agreements with ICICI Bank, Bank of India, Federal Bank, South Indian Bank, Lord Krishna Bank, and some co-operative banks, as well as over 300 corporate agents and brokers. It has also tied up with NGOs, MFIs and corporates for the distribution of rural policies.

ICICI Prudential has recruited and trained more than 1, 90,000 insurance advisors to interface with and advise customers. Further, it leverages its state-of-the-art IT infrastructure to provide superior quality of service to customers

Registered Office :

ICICI Towers 9th floor, Bandra-Kurla Complex
Mumbai - 400 051.
Tel: 494 3232

Regional Office :

8th floor EROS Corporate Tower, Nehru place,

New Delhi-110011.Tel:46554405

Delhi office :

3rd floor

Videocon Towers

E-1, Rani Jhansi Road

New Delhi - 110055. Tel: 601 3232

ICICI Prudential Life Insurance opens office in Dubai

In a move to consolidate its position in the Gulf region, ICICI Prudential Life Insurance (ICICI Prudential), India's No. 1 private life insurance company, today opened its representative office in Dubai, becoming the first private life insurer from India to open an office in the Emirate.

At ICICI Prudential we offer pragmatic, world-class solutions. Put simply, solutions with a lot of common sense. Solutions that take care of your four basic financial needs - Earning, Saving, Investing and Spending. So you live your life to the fullest, sans worries.