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RECENT GROWTH TREND OF POSTAL LIFE INSURANCE SCHEMES IN INDIA

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Abstract

Postal Life Insurance (PLI) is the oldest life insurance service in India. It was introduced in 1884 to provide insurance protection to postal employees and later extended to other government and semi-government employees. Over the years, India Post expanded its reach by launching the Rural Postal Life Insurance (RPLI) in 1995 to meet the insurance needs of rural populations. Despite its long history, PLI's visibility and growth have been modest due to limited commercial promotion. This study uses secondary data from India Post Annual Reports (2018 to 2025) to examine the growth trend of PLI schemes. It evaluates the volume and income patterns and compares trends between PLI and RPLI. The findings show different patterns in business volume, steady growth in premium income, and notable differences in the performance of PLI and RPLI.

Keywords: Postal Life Insurance, Rural Postal Life Insurance, India Post, Growth Trends, Insurance Sector.

1. Introduction

Postal Life Insurance (PLI), established on 1 February 1884, is the oldest life insurance scheme in India. Initially restricted to postal employees, PLI gradually expanded to government, semi-government, defence, educational institution employees, public sector workers, and selected professionals. In 1995, the Government of India introduced the Rural Postal Life Insurance (RPLI) with the aim of extending insurance benefits to the rural population, especially weaker sections and women. While the Life Insurance Corporation of India (LIC) dominates the Indian insurance landscape with wide marketing and public reach, PLI continues to serve a more niche segment. Despite limited publicity, PLI and RPLI have sustained steady growth and remain key contributors to India Post's financial services portfolio.

Existing studies highlight the importance of insurance as a financial safety mechanism in a risk-prone world. Research notes that PLI schemes, while robust and affordable, have not achieved popularity comparable to LIC due to minimal advertising and limited public awareness. Studies also suggest that rural-oriented schemes like RPLI play a crucial role in promoting financial inclusion by reaching economically weaker populations. However, comparative studies on PLI and RPLI remain limited, creating scope for examining their business performance and growth patterns in recent years.

2. Statement of the Problem

The Indian insurance market is dominated by LIC, whose large-scale advertising campaigns help capture public attention. Conversely, Postal Life Insurance—despite being the oldest scheme—remains less visible due to limited promotional activities. There exists a need to understand how PLI and RPLI have performed in recent years, especially in terms of business volume and premium income. This study thus focuses on examining growth trends of PLI and comparing them with RPLI to understand their performance trajectories.

3. Objectives

- To examine the recent growth trend of Postal Life Insurance (PLI) schemes in India.
- To analyse the business performance of PLI and compare it with RPLI.

4. Research Methodology

This study is descriptive and analytical, based entirely on secondary data extracted from India Post Annual Reports (2018–19 to 2024–25)



5. Postal life insurance Schemes

Table:1 PLI Schemes Overview

PLI	RPLI
Whole Life Assurance (Suraksha)	Whole Life Assurance Policy (Gram Suraksha)
Convertible Whole Life Assurance (Suvidha)	Convertible Whole Life Assurance Policy (Gram Suvidha)
Endowment Assurance (Santosh)	10 years Rural PLI Policy (Gram Priya)
Joint Life Assurance (Yugal Suraksha)	Endowment Assurance Policy (Gram Santosh)
Anticipated Endowment Assurance (Sumangal)	Anticipated Endowment Assurance Policy (Gram Sumangal)
Children Policy (Bal Jeevan Bima)	Children Policy (Gram Bal Jeevan Bima)

Source: DoP Annual Report

The PLI schemes cater mainly to salaried and professional groups with assured sums up to ₹50 lakhs where as RPLI schemes offered to the rural people with assured sum up to ₹10 lakhs.

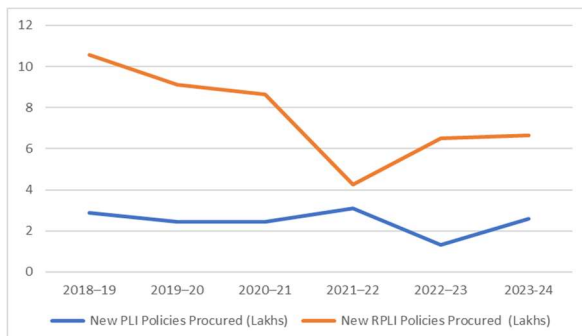
6. Analysis and Discussion

Table: 2-Trend of PLI and RPLI (2018–19 to 2023–24)

Year	New PLI Policies Procured (Lakhs)	New RPLI Policies Procured (Lakhs)	Aggregate PLI Policies (Lakhs)	Aggregate RPLI Policies (Lakhs)	Sum assured of PLI (crores)	Sum assured of RPLI (crores)
2018–19	2.88	7.69	44.03	139.14	137895	89222
2019–20	2.46	6.64	63.08	249.52	179150	132460
2020–21	2.45	6.20	78.31	270.95	209190	147531
2021–22	3.08	1.19	65.45	256.44	220220	158710
2022–23	1.32	5.17	67.90	261.68	220821	154916
2023-24	2.58	4.08	70.98	266.53	278324	189813

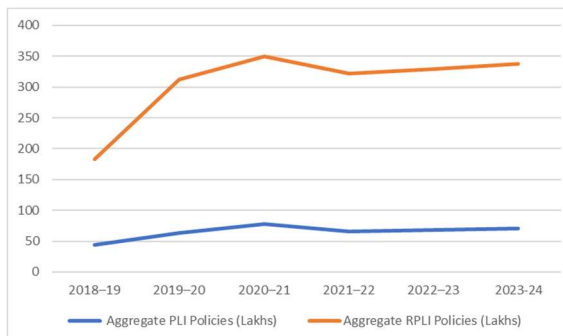
Source: DoP Annual Reports (2018- 19 to 2024-25)

Figure :1 Trend of new policies



Source: DoP Annual Reports (2018- 19 to 2024-25)

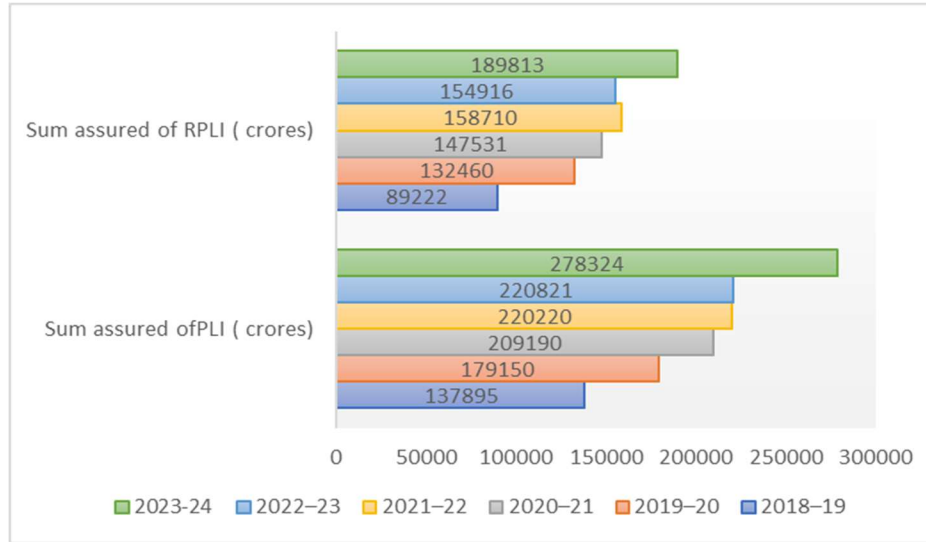
Figure :2 Trend of aggregate policies



Source: DoP Annual Reports (2018- 19 to 2024-25)



Figure :3 Trend of aggregate sum assured



Source: DoP Annual Reports (2018- 19 to 2024-25)

Interpretation: RPLI consistently shows higher policy volume of new policies than PLI in most years, indicating the wider reach and volume potential of rural PLI schemes. Despite lower policy numbers earlier, PLI policies show steadiness indicating stable institutional demand up to 2021-22. After small dip in 2022-23, PLI recovered in 2023-24. At the same time RPLI policies show extreme volatility. In the case of aggregate policies, RPLI maintained a significantly large base compared to PLI. The RPLI base is nearly four times that of the PLI base in 2023-24. It shows the deep penetration of Postal Life Insurance schemes in the rural market. Even then both the policies show consistent growth in the number of aggregate policies over the period indicating that the number of new policies being procured each year exceeds the number of policies lapsing or maturing. Despite having a much smaller number of aggregate policies, PLI consistently has a higher total sum assured than RPLI. Particularly in 2023-24, PLI's sum assured (Rs. 278324 crores) is significantly higher than RPLI's (Rs.189813 crores). This is very crucial finding, indicating that PLI policies have much higher average sum assured per policy compared to RPLI policies. This may be because of the reason that the PLI targets higher income groups (government or semi- government employees) who typically opt for larger coverages.

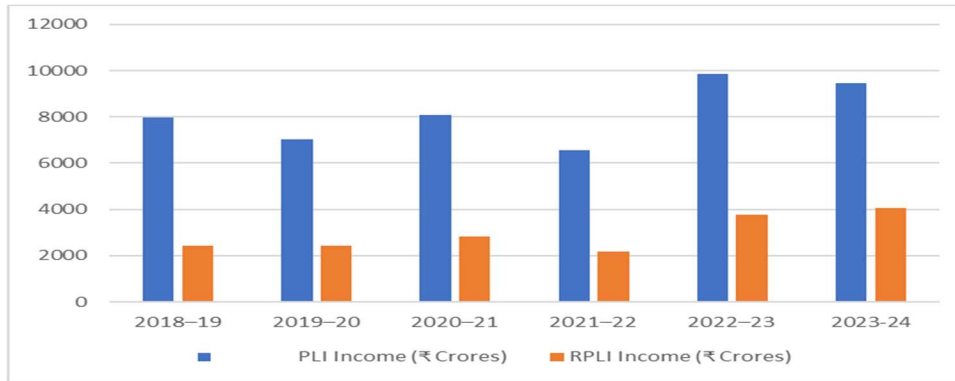
Table: 3 - Premium Income Trend (2018-19 to 2022-23)

Year	PLI Income (₹ Crores)	RPLI Income (₹ Crores)
2018-19	7978.35	2418.88
2019-20	7035.50	2438.24
2020-21	8087.91	2820.89
2021-22	6576.10	2192.00
2022-23	9849.86	3774.94
2023-24	9456.23	4054.77

Source: DoP Annual Reports (2018- 19 to 2024-25)



Figure :4- Premium Income Trend (2018–19 to 2022–23)



Source: DoP Annual Reports (2018- 19 to 2024-25)

Interpretation: PLI with the volatile growth pattern, consistently generates more income than RPLI despite lower policy volume. Even though, PLI experienced an income drop from Rs. 7987.35 crores in 2018-19 to its lowest point of Rs. 6576.10 in 2021-22 which was likely the impact of the pandemic, a positive upward trend is evident in 2022–23 with a minor contraction in income in 2023-24. On the contrary RPLI premium income demonstrate a more stable and robust growth pattern, though the income size is less compared to PLI in this period. RPLI also experienced a small dip in 2021-22, reflecting the general economic operational challenges faced during the pandemic period. Following the dip, RPLI showed impressive and sustained growth in 2022-23 and in 2023-24 which indicates the increasing demand and successful penetration of insurance products in the rural sector.

7. Findings

- PLI and RPLI display distinct business trends, with RPLI dominating in volume while PLI dominates in income generation.
- PLI dominates in the total financial coverage provided due to its focus on salaried employees with higher average ticket sizes.
- Both schemes have shown strong long-term growth in terms of the number of aggregate policies and the sum assured, demonstrating increasing trust and penetration of Postal Life Insurance products.
- The sharp drop in RPLI new policies in 2021-22, which may be due to the influence of COVID related market disruptions or operational shifts and subsequent recovery highlights the sensitivity of rural procurement to external factors.
- The study period shows steady growth in premium income, especially for PLI.
- Both schemes suffered a pandemic related economic slowdown hit in 2021-22
- Both schemes demonstrated a strong recovery and significant growth in the last two years.
- There is significant statistical difference between the performance of PLI and RPLI.

8. Conclusion

The analysis indicates that PLI schemes have maintained steady income growth, reflecting their relevance among salaried and professional groups. Although PLI's policy volume is lower than RPLI, its income contribution is significantly higher due to higher assured sums and targeted customer categories. For stronger growth, India Post must focus on digital marketing and awareness programmes, modernising the insurance service infrastructure, expanding eligibility criteria to include more private sector workers, enhancing rural penetration through RPLI and strengthening these areas may enable PLI schemes to achieve greater visibility and compete more effectively within the Indian life insurance sector.



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