

## Challenges & Opportunities in Banking & Insurance

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### *Abstract*

*In today's modern age banking & insurance both are an integral part of our life. Banking system play a vital role in economic development and insurance is a means to protect economic value of assets. Banking system can be divided into three parts: Commercial, Co-operative and Regional-rural bank. RBI is the Central bank of India which is also known as the Banker's bank. Banks are safe place to invest our money for future needs but still people in India prefer to invest their money in gold, real estate etc. rather than banks, Similarly people hesitate to invest their money in insurance due to traditional mindset that insurance companies are only collecting premium and do not pay when claim arise and if they do pay it only after a lot of harassment. There are two types of insurance: life and non-life insurance which help to transfer our tension from one shoulder to another against premium. Premium is an amount paid by insured to insurer for transferring burden. One of the biggest challenges for both the industry is creating awareness among people on how these industries are beneficial for them and its common benefit is that it facilitates economic development. Now-a-days banking institutions provide easy access to customers through E-banking, similarly insurance industries have also introduced flexible plan for its customers i.e. ULIP. Both the industries not only provide personal benefits but also facilitate economic development.*

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