A STUDY ON IMPACT OF LIFE INSURANCES DURING COVID-19 WITH SPECIAL REFERENCES TO TIRUPUR CITY

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Abstract

Insurance is a means of protection from financial loss. It is a form of risk management, primarily used to hedge against the risk of a contingent or uncertain loss. The insurance transaction involves the insured assuming a guaranteed and relatively small loss in the form of payment to the insurer in exchange for the insurer's promise to compensate the insured in the event of a covered loss. This study gives information about how the life insurance company gave service to the customer during covid 19 and created impact and persuaded the customer to buy more policies. It also shows the customer's satisfaction level with insurance. For this research, data is collected through primary method and had gone through various analysis like Percentage, Chi square, Likert scale, Correlation and Rank analysis to find out consumer perception, services offered and impact made by insurance company.

Keywords: Performance and Promotional strategies of Insurance Companies

Introduction

A life insurance policy is a contract with an insurance company. In exchange for premium payments, the insurance company provides a lump-sum payment, known as a death benefit, to beneficiaries upon the insured's death. Typically, life insurance is chosen based on the needs and goals of the owner. Term life insurance generally provides protection for a set period of time, while permanent insurance, such as whole and universal life, provides lifetime coverage. It's important to note that death benefits from all types of life insurance are generally income tax-free.

There are many varieties of life insurance. Some of the more common types are discussed below.

- Term Life Insurance
- Universal Life Insurance
- Whole Life Insurance

Statement of the Problem

The research work should address the statement of the problem and come out with a solution for the problems. This Study will help us to understand the consumer's perception about life insurance companies during covid. This study will help the companies to understand, how a consumer selects, organizes and interprets the quality of service and policies offered by life insurance companies.

Objectives of the Study

The overall objectives of the study are:

- To identify the factors influencing the people to buy life insurance during covid 19.
- To examine the service provided by the insurance company during covid 19.
- To know the awareness of the insurance among general people.
- To know the function of the insurance company.
- To know the level of satisfaction among people in Insurance.

Research Methodology

Research methodology is a systematic way to solve the research problems. The methodology of the research process is a follows:

Tools Used

The collected primary data were fed in SPSS (Statistical Package for Social Science) and MS Office. From which, all required sub tables were prepared. For statistical analysis, tools like Percentage and Chi-Square test and Correlation has been used.

Tools of Analysis

- Percentage Analysis

- Likert Scale

- Chi-square Test

- Correlation

- Rank Analysis

Data Collection

Data can be collected with the help of two methods. They are

- Primary Data

- Secondary Data

Primary Data are collected directly from the customer through the questionnaire.

Secondary Data has been collected by referring to various journals, magazine and websites.

For this research data is collected through primary method.

Study Area

The area selected for this study is limited within the Tirupur City.

Sampling Design

The researcher must define the target population. The people in Tirupur city is the sample population for the study. On the bases of convenient sampling the people are grouped on the basis of geographical area and sample size taken for the study is 217 respondents.

Review of Literature

1. Shivanand H. Lengti (2009) in his article "Insurance Disputes in India" revealed that the insurance consumers have the option to select the appropriate authority and forum. It may be the insurance ombudsman or the consumer councils, to settle their disputes.

2. Praveen Sanu, GauravJaiswal and Vijay Kumar Panday (2009) in their article, "A Study of Buying Behaviour of Consumers towards Life Insurance Company", Prestige institute of Management and Research, Gwalior, revealed that in present Indian market, the investment habits of Indian consumers are changing very frequently. The individuals have their own perception towards various types of investment plans.

3. Patil, P.B. and Thakkar, P.N. (2007) article "Impact of Disinvestment on Banking and Insurance Sector" revealed that a strong competition among the insurance companies has led to better services. Now most of the companies pursue customer centric approach, rather than product centric leading to customer-retention ratio.

4. A study conducted by SunaynaKhurana (2008) article "Customer Preferences in Life Insurance Industry in India", revealed that the insurance sector plays a very important role in the development of any economy. It is necessary for the economic and overall development of any country. In today's competitive economy, the business, finance and insurance sector plays a very important role. More and more job opportunities are available in these sectors.

Company Profile

Life Insurances

Term life insurance is designed to provide financial protection for a specific period of time, such as 10 or 20 years. With traditional term insurance, the premium payment amount stays the same for the coverage period you select. After that period, policies may offer continued coverage, usually at a substantially higher premium payment rate. Term life insurance is generally less expensive than permanent life insurance.

Universal Life Insurance

Universal life insurance is a type of permanent life insurance designed to provide lifetime coverage. Unlike whole life insurance, universal life insurance policies are flexible and may allow you to raise or lower your premium payment or coverage amounts throughout your lifetime. Additionally, due to its lifetime coverage, universal life typically has higher premium payments than term.

Whole Life Insurance

Whole life insurance is a type of permanent life insurance designed to provide lifetime coverage. Because of the lifetime coverage period, whole life usually has higher premium payments than term life. Policy premium payments are typically fixed, and, unlike term, whole life has a cash value, which functions as a savings component and may accumulate tax-deferred over time.

Simple Percentage Analysis

Table - I Demographic Factors of the Respondents

Factors	Particulars	Frequency	Percentage
Gender	Male	119	54.8 %
	Female	98	45.2%
Marital Status	Married	114	52.5%
	Unmarried	103	47.5%
Monthly Income	Below 5000	10	4.6%
	5001-10000	58	26.7%
	10001-15000	96	42.2%
	Above 15000	53	24.4%
Type of Family	Nuclear	119	54.8%
	Joint Family	98	45.2%

Source: Primary Data

Likert Scale

DISTRIBUTION OF SAMPLE RESPONDENTS ACCORDING TO SATISFACTION WITH THE SERVICE

Satisfaction Level	No of respondents	Likert Scale	Total
Satisfied	60	4	240
Good	77	3	231
Neutral	64	2	128
Dissatisfied	16	1	16
Total	217	10	615

Source: Primary Data

Likert Scale = $\sum$ (FX) / Total No of respondents

$$= 615/217$$

$$= 2.83$$

Likert scale value is 2.83 and it is greater than the third value, so the respondents are good with the service.

Chi - Square Analysis

H_0 = There is no association between monthly income and payment of policy premium.

H_1 = There is an association between monthly income and payment of policy premium.

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.591[a]	9	0.576

Source: Primary Data

Interpretation

In the above table, the P value (0.576) is greater than the significant value (0.05), so the null hypothesis is accepted. We conclude that there is no association between monthly income and payment of policy premium.

Correlation

H_0 = There is no relationship between monthly income and payment of policy premium.

H_1 = There is a relationship between monthly income and payment of policy premium.

Correlation		
	Pearson Correlation	Asymptotic Significance (2-sided)
Pearson Correlation	0.081	0.236

Source: Primary Data

Interpretation

In the above table, the significant value (0.236) is greater than the P value (0.05), so the null hypothesis is accepted. We conclude that there is no relationship between monthly income and payment of policy premium.

Rank analysis

Factors influencing while choosing insurance during covid

Factors	1(5)	2(4)	3(3)	4(2)	5(1)	Total	Rank
High Bonus Rate	26	52	67	48	24	217	IV
	13.5	52.5	112	169.5	205.5	553	
Coverage of Risk	75	63	48	25	6	217	I
	38	107	162.5	199	214.5	721	
Good response	6	30	63	74	43	217	V
	3.5	21.5	68	137	196	426	

Savings and return	23	80	56	39	19	217	III
	12	63.5	131.5	179	207.5	593.5	
Security	24	62	82	39	10	217	II
	12.5	55.5	127.5	188	212.5	596	

Interpretation

From the above table, it is found that the people consider Coverage of Risk as the primary factor followed by Security, Savings and Returns, High Bonus rate and finally Good Response.

Majority of the respondents consider **Coverage of Risk** as the primary factor while choosing insurance.

Conclusion

Insurance is a large investment and you will most likely purchase multiple policies throughout your lifetime. It is essential that you know what each type of insurance covers and how it works so you can make the best decision about what to buy. Do not base your decision on just what is cheapest, but look at what it provides. You do not want to waste your money on policies that do not meet your needs, but the right insurance policy can protect you and your family from unforeseen disasters.

Based on the study it is observed that most of the people bought insurance during covid. They consider Insurance as a protecting tool and give next preference as saving tool and also their sum assured amount during covid has increased. Hence it is concluded that the life insurance has created a big impact during covid.

References

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