

A Study on Policyholders' Preference Towards Life Insurance Policies Offered at Kotak Mahindra Life Insurance Company

AUTHOR NAME: AMIR NISHA J

UNDER THE GUIDANCE OF MR. D. JAYANTHAN ASSISTANT PROFESSOR

DEPARTMENT OF MANAGEMENT STUDIES, MANAKULA VINAYAGAR INSTITUTE OF TECHNOLOGY, PUDUCHERRY

ABSTRACT

The project is undertaken at Kotak Mahindra life insurance company under the title “A Study On Policyholders' Preference Towards life insurance at Kotak Life Insurance Company”. The study aims to analyze the preferences, perceptions and satisfaction levels of policyholders towards various life insurance plans offered by Kotak Mahindra. It focuses on identifying the factors that influence customers in selecting particular insurance plans such as brand reputation, premium benefits, claim settlement ratio and agent guidance. The data for the study were collected through structured questionnaires and analyzed using statistical tools such as percentage analysis, chi-square test, and correlation method. The study provides valuable insights into customer behaviour, satisfaction, and trust towards Kotak Mahindra Life Insurance. It also helps in understanding the role of agents, digital platforms and product features in influencing customer decisions. The finding of the study assist the company in improving service quality, strengthening brand loyalty and designing customer-centric insurance products that contribute to financial security and economic growth.

INTRODUCTION OF THE STUDY

Title: “A Study on Policyholders' Preferences towards life insurance policies offered at Kotak Mahindra Life Insurance”

MEANING

Researching and analyzing what types of life insurance policies policyholders (customers) prefer, why they prefer them, and what factors influence their choices when they buy life insurance policies from Kotak Mahindra Life Insurance Company. It focuses on understanding their needs, expectations, satisfaction level, buying behavior, and decision-making factors (such as premium, benefits, trust, claim settlement ratio, etc.).

DEFINITION

“The choices, priorities, and inclinations of individuals who hold or intend to purchase life insurance policies, based on factors such as policy features, premium cost, company reputation, service quality, and benefits offered”

EXPLANATION:

Life insurance plays a vital role in providing financial protection and stability to individuals and their families. It acts as a financial safeguard against unforeseen circumstances such as death, disability, or critical illness, thereby ensuring long-term economic security. In the modern era, life insurance is not only viewed as a tool for risk coverage but also as an effective means of savings, investment, and tax planning. The growing awareness about financial planning and the increasing availability of diverse insurance products have led to greater competition among life insurance companies in India. Kotak Mahindra Life Insurance Company Limited, one of the leading private sector insurers, offers a wide range of life insurance products tailored to meet the varying needs of customers. Understanding the policyholders' preferences helps the company to design suitable plans, improve customer satisfaction, and enhance brand loyalty.

This study focuses on analyzing the preferences and perceptions of policyholders towards the various life insurance products offered by Kotak Mahindra Life Insurance. It aims to identify the key factors influencing their purchasing

decisions, such as product benefits, premium rates, claim settlement process, and the role of agents or digital platforms. The research also seeks to assess the level of customer satisfaction and trust towards the company. By evaluating the policyholders' behavior and expectations, the study provides valuable insights that can help the company improve its service quality, develop innovative customer-centric products, and strengthen its position in the competitive insurance market. Ultimately, the study contributes to understanding how effective life insurance services can promote financial inclusion, security, and sustainable economic growth.

OBJECTIVES OF THE STUDY;

- To identify the key factors influencing policyholders' preference for life insurance policies offered by Kotak Mahindra Life Insurance.
- To assess the level of satisfaction among policyholders with respect to product features, premium rates, and claim settlement processes at Kotak Life Insurance.
- To examine the role of agents, advertisements, and digital platforms in shaping policyholders' awareness and purchase decisions at Kotak Life.
- To evaluate policyholders' perception of Kotak Mahindra Life Insurance compared to other major private and public sector insurers (e.g., LIC, HDFC Life, SBI Life).
- To determine the most preferred types of life insurance policies (e.g., ULIP, term plan, endowment) offered by Kotak Mahindra life insurance

REVIEW OF LITERATURE;

1. "Satisfaction of the policyholders towards life insurance schemes in kotak Mahindra life insurance"- Subasini .M : Says that "Life Insurance Corporation is a service industry which has direct touch with the public by rendering eminent services. Due to Liberalisation, Privatisation and Globalisation (LPG), life insurance business is privatized. After that foreign companies and private companies engaged themselves in life insurance business. Many banks enter into insurance business and succeed in its process. Among these banks, Kotak Mahindra led its role in magnificent manner by its strategic tactics by way of attracting the public towards their insurance policies. Hence, an attempt has been made to analyse the level of satisfaction of the policyholders towards life insurance schemes in Kotak life insurance".

2. "Perception of policyholders related to LIC and select private life insurers: A comparative study in jorhat district of assam"-Shibani Borah and Dr. Subit Dutta: Says that "The impact of privatization in risk business in India has shown its impact on transformation from the state of monopoly to mushrooming companies offering innovative products to the Indians. The growth in the life insurance sector has shown new heights and the functioning of private companies has given tough challenge to Life Insurance Corporation of India. Within a short span of time, private insurance companies have acquired more than 25% of the life insurance market. Many changes have taken place in the processes and procedures of insurance business in terms of its format and products as well the mindset, motives, interests and expectations on the part of customers also. The customers have become more vigilant, calculative and calibrated not only in terms of risk coverage but look forward for safety of investments and higher rate of returns on the savings. Hence, an attempt is being made in the proposed study to compare customers' perceptions towards LIC and selected private life insurers with regard to life insurance products, communication system practiced, convenience to acquire the policies. However, at the end of the study it has been found that the perception of people related to LIC, SBI Life and ICICI is positive whereas perception of people related to Kotak Mahindra, Bajaj Allianz, HDFC is negative".

3. "The policyholders' preference and satisfaction towards life insurance corporation of India's policies"-V Murugesh: Says that "Gradually, the market share of private insurers went up and till financial year 2012-2013 reached as high as 42%. The market share of LIC decreased after the entry of private insurers but it doesn't mean that the growth of LIC got down. LIC continues its growth even after a cut throat competition from the private players. On the demand side, growth is being fuelled by the growing population base, rising purchasing power, increased insurance awareness, increased domestic savings and rising financial literacy. The suppliers are correspondingly playing a market making role as competition intensifies and differentiation become necessary for

profitable growth. Life Insurance Corporation of India offer innovative products to attract further business from both existing and new policyholders. In this regard the researcher is interested to undertake a study on the policyholders' preference and satisfaction with regard to Life Insurance Corporation of India's policies".

4. "Perspective for life insurance companies in Indian market"- Rohan Ravindra Kirpekar: Says that "This research aims to examine the Perspective of Life Insurance Companies in Indian Market with Current Scenario. As well as need to create new Consumer & maintain the existing Consumer's loyalty. A sample of 100 taken the sample size of 100 individuals was selected on the basis of convenient sampling technique. Research Finding indicates Essential Future strategies require applying for Insurance Companies & some new policies".

5. "A study on attitudes of indian consumers towards insurance services"- Vikas Gautam, Mukund Kumar: Says that "The present research is an attempt to illustrate the attitudes of Indian consumers towards the insurance services. The study has been made by collecting the responses of consumers through structured questionnaire on five point Likert scale. A total 377 responses were collected to assess the level of awareness about the insurance services and their attitude towards insurance services. Findings of the research show that basic socio demographic and economic variables have significant impact on consumers' attitudes towards insurance services in Indian scenario. The findings of the present study may act as input for the insurance companies in Indian market to frame marketing strategies based on socio demographic and economic variables".

DATA COLLECTION;

Descriptive research design;

Descriptive research design is a type of research method used to describe the characteristics, features, or behavior of a particular population, situation, or phenomenon without influencing or manipulating it.

Primary Data: Structured questionnaire from 137 respondents.

Secondary Data: Journals, research papers, company records, and government publications.

Sampling Method: Sampling method refers to the technique or process used to select a group (sample) of individuals from a larger population for the purpose of conducting research.

CONVENIENCE SAMPLING: Convenience sampling is a non-probability sampling technique in which the researcher selects samples that are easily accessible or readily available. The selection is based on convenience rather than randomness, making it quick and inexpensive, but it may not represent the entire population accurately.

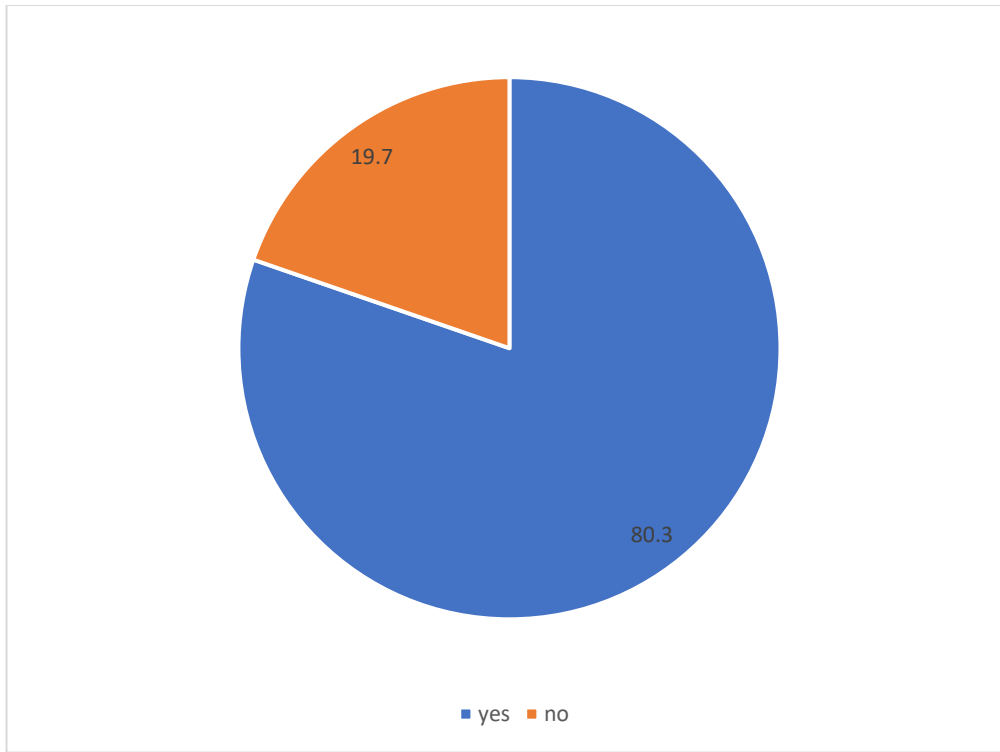
Area of Study: CUDDALORE

Duration of time : 2 months

PERCENTAGE ANALYSE:

COMPANY BRAND REPUTATION

| S.NO | CATEGORY | FREQUENT | CUMULATIVE PERCENT |
|------|----------|----------|--------------------|
| 1 | Yes | 110 | 80.3 |
| 2 | No | 27 | 19.7 |
| | Total | 137 | 100.0 |



INTERPRETATION:

From the above table it is found that the respondent’s opinion towards the company brand reputation 80.3% of the respondents said yes and 19.7% of the respondents said as no.

CHI-SQUARE

ANALYSIS OF OPNION REGARDING OCCUPATION OF THE RESPONDENTS AND TYPE OF PLAN TAKEN IN KOTAK

(USING CHI-SQUARE TEST)

NULL HYPOTHESIS (H0):

There is no significance association between occupation of the respondents and type of plan taken in kotak.

ALTERNATE HYPOTHESIS (H1):

There is significance association between occupation of the respondents and type of plan taken in kotak.

OCCUPATION OF THE RESPONDENTS

| S.NO | CATEGORY | FREQUENCY | PERCENT |
|------|---------------------|-----------|---------|
| 1 | private employee | 40 | 29.2 |
| 2 | government employee | 44 | 32.1 |
| 3 | Business | 47 | 34.3 |
| 4 | Retired | 6 | 4.4 |
| | Total | 137 | 100.0 |

TYPE OF PLAN TAKEN BY RESPONDENTS

| S.NO | CATEGORY | FREQUENCY | PERCENT |
|------|-----------------|-----------|---------|
| 1 | term plan | 64 | 46.7 |
| 2 | endowment plan | 23 | 16.8 |
| 3 | saving plan | 31 | 22.6 |
| 4 | ULIP plan | 4 | 2.9 |
| 5 | investment plan | 3 | 2.2 |
| 6 | retirement plan | 12 | 8.8 |
| | Total | 137 | 100.0 |

Chi-Square Tests

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 71.405 ^a | 15 | .000 |
| Likelihood Ratio | 57.780 | 15 | .000 |
| Linear-by-Linear Association | 12.449 | 1 | .000 |
| N of Valid Cases | 137 | | |

a. 15 cells (62.5%) have expected count less than 5. The minimum expected count is .13.

INFERENCE:

The Chi-square test value ($\chi^2 = 71.405$, $df = 15$, $p < 0.001$) indicates a significant association between the occupation of respondents and the type of insurance plan they prefer. Since the p-value is less than 0.05, the null hypothesis of no relationship is rejected. This means that the choice of plan significantly varies based on the respondent’s occupation.

ANNOVA

APPLICATION OF ANNOVA

Analysis of respondents regarding their Age and their opinion on comfortable retirement in retirement plan.

HYPOTHESIS:

NULL HYPOTHESIS: There is no relationship between age and their opinion on comfortable retirement in retirement plan.

ALTERNATE HYPOTHESIS (H1): There is a relationship between age and their opinion on comfortable retirement in retirement plan.

AGE OF THE RESPONDENTS

| S.NO | CATEGORY | FREQUENCY | PERCENT |
|------|----------|-----------|---------|
| 1 | Below 25 | 7 | 5.1 |
| 2 | 25-35 | 28 | 20.4 |
| 3 | 36-45 | 46 | 33.6 |
| 4 | 46-60 | 45 | 32.8 |
| 5 | Above 60 | 11 | 8.0 |
| | Total | 137 | 100.0 |

COMFORTABLE RETIREMENT IN RETIREMENT PLAN

| S.NO | CATEGORY | FREQUENCY | PERCENT |
|------|-------------------|-----------|---------|
| 1 | Strongly agree | 36 | 26.3 |
| 2 | Agree | 42 | 30.7 |
| 3 | Neutral | 45 | 32.8 |
| 4 | Disagree | 10 | 7.3 |
| 5 | Strongly disagree | 4 | 2.9 |
| | Total | 137 | 100.0 |

| | Sum of Squares | Df | Mean Square | F | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 19.666 | 4 | 4.916 | 5.373 | .000 |
| Within Groups | 120.772 | 132 | .915 | | |
| Total | 140.438 | 136 | | | |

INFERENCE:

The ANOVA result ($F = 5.373$, $p = 0.000$) indicates a significant difference between age groups regarding their opinion on having a comfortable retirement plan. Since the significance value is less than 0.05, the null hypothesis is rejected. This means that respondents' perception of retirement comfort varies significantly with age.

FINDINGS

1. Majority of the respondents (66.4%) belong to the 36-60 age group, indicating middle-aged individuals are the primary customers of Kotak life insurance.
2. Most respondents are male (62%), showing a gender imbalance in policy ownership.
3. Nearly half (48.2%) of respondents are undergraduates, followed by postgraduates (25.5%), suggesting moderate financial literacy among policyholders.
4. Respondents are mainly business persons (34.3%) and government employees (32.1%), reflecting that salaried and self-employed people are major customers.
5. Majority (75.1%) earn between 21,000-60,000, showing that Kotak's plans attract middle-income segments.
6. Most respondents (46.7%) have opted for term plans, indicating a preference for low-premium, high-coverage policies.
7. A significant 80.3% trust Kotak's brand reputation, showing strong brand credibility.
8. The most important factor while choosing life insurance is product benefits (35%), followed by premium benefits (24.8%).
9. 71.5% (agree + strongly agree) feel Kotak provides better value than competitors.
10. A large proportion (78.1%) are satisfied with claim settlements, indicating efficient service.

SUGGESTIONS

1. Design women-centric policies and conduct awareness campaigns to attract more female policyholders.
2. Provide financial literacy programs to help middle-income earners understand different plan benefits.
3. Simplify app/website navigation and add chat assistance to enhance online purchase and claim experience.
4. Offer loyalty bonuses or rewards for long-term policyholders to reduce switching intentions.
5. Reassess product features, returns, and communication for retirement and investment plans to increase trust.
6. Although satisfaction is high, continuous improvement and transparency in claim processes will boost trust further.
7. Train agents to use digital resources for faster and clearer customer guidance.
8. Since social media is a growing influence source, focus on targeted digital campaigns emphasizing benefits and success stories.
9. Develop flexible, customizable plans tailored to different life stages and financial goals.
10. Since LIC still leads in trust, Kotak should highlight its faster claim settlement, innovative plans, and digital efficiency to strengthen brand preference.
11. Kotak life insurance should design and promote insurance plans for different occupational groups.
12. Conduct awareness programs and financial literacy sessions on retirement planning, focusing on young age groups in order to motivate them to develop investment habits early.

CONCLUSIONS

The study on policyholders' preference towards life insurance at Kotak Mahindra Life Insurance Company provides a comprehensive understanding of the factors influencing customers in choosing different life insurance plans. The analysis reveals that most policyholders give importance to aspects such as product benefits, premium affordability, claim settlement efficiency, and the company's brand reputation. It was also found that term plans are the most preferred among respondents, reflecting a growing awareness of protection-oriented policies. The study highlights that customers generally hold a positive perception of Kotak Mahindra Life Insurance, appreciating its trustworthy services, transparent claim process, and effective agent support. However, a considerable portion of respondents also showed openness to considering other insurers, indicating the need for continuous improvement in customer engagement and loyalty programs. Overall, the research emphasizes that understanding customer preferences is essential for designing customer-centric insurance products and enhancing satisfaction. By addressing the changing needs and expectations of policyholders, Kotak Mahindra Life Insurance can strengthen its competitive position, expand its market share, and contribute to promoting financial security and sustainable economic growth among individuals.

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