CUSTOMER PERCEPTION TOWARDS LIFE INSURANCE POLICIES

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INTRODUCTION

Everyone is exposed to various risks. Future is very uncertain, but there is way to protect one's family and make one's children's future safe. Life Insurance Companies help us to ensure that our family's future is not just secure but also prosperous. Most people have a basic understanding of insurance life insurance is a contract, whereby for an agreed payment, the insuring company agrees to pay the insured, or his beneficiaries a fixed sum or an income upon the death of the insured. In addition life insurance can be used as a means of investment or savings.

These are four people involved in the contract.

➢ The insurer: who draws out the contract and pledges to offer a
   service to the beneficiaries.

➢ The policy holder: a person natural or legal who signs the contract,
   pays the premium and selects the nominated beneficiaries.

➢ The insured: the person's whose death is covered by the policy.

➢ The nominated beneficiaries or next of kin: persons, natural or legal who will receive the fixed sum
   or income as agreed by the contract.

Life insurance is a tool against protection of life of individuals. Basically it is protection against unforeseen death of an individual. So his/her family is financially protected against such risk. There are a number of life insurance protects which offer protection and also occupied with savings.

KEY PLAYERS IN THE INSURANCE INDUSTRY

1. LIC
2. ICICI PRUDENTIAL

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3. TATA AIG

4. BIRLA SUN LIFE INSURANCE

5. MAX NEW YORK

6. SAHARA LIFE

7. SBILIFE INSURANCE

8. AXA (AIRTEL, I.E. BHARTI GROUP'S)

9. OM KOTAK

10. ALLIANZ BAJAJ

11. AVIVA

12. ING VYSYA

13. RELIANCE LIFE INSURANCE

14. METLIFE INSURANCE

15. SRIRAM SANLAM

16. HDFC STANDARD LIFE INSURANCE

Different Life Insurance Plans --

a) Protection plus savings plan

b) Protection plus Liquidity plan

c) Protection plus Asset Building plan

d) Investment Plan

e) Pension plan etc,

This study titled "Study of Consumers Perception about Life Insurance Policies" enables the Life Insurance Companies to understand how consumer's perception differs from person to person. How a consumer selects, organizes and interprets the service quality and the product quality of different Life Insurance Policies, offered by various Life Insurance Companies.

STATEMENT OF THE PROBLEM

This Study analyses the customer perception about life insurance policies. This study will help the companies to understand, how a customer selects, organizes and interprets the Quality of service and product offered by life insurance companies.

OBJECTIVES OF THE STUDY

- To know the investor's awareness about the life insurance.
- To know the factors influencing buying decision of investor's in life insurance
- To measure the level of satisfaction of policyholders towards services rendered by insurance companies.

Scope of the study

The study was undertaken to identify the customer perception about life insurance product, service and infrastructure facilities and also their knowledge on the life insurance. This study is limited to the consumers within the limit of Thrissur city. The study will be able to reveal the preferences, needs, perception of the customers regarding the life insurance products, It also help the insurance companies to know whether the existing products are really satisfying the customer's needs .

Research Methodology

Research Design:

A research design is a basic plan which guides the researcher in the collection and analysis of data required for practicing the research. In fact the research design is the conceptual structure which the research is conducted. It constitutes the 'Blue Print' for the collection, measurement and analysis of the data. The study is carried out to understand the Consumer perception about life insurance Policies in Thrissur City .For this study the researcher used exploratory research design. This research covers 50 consumers in Thrissur city, belonging to various age groups.

Sample Design:

The process of drawing a sample from a large population is called sampling. Population refers to the total of items about which information is defined. Well selected samples may reflect fairly and accurately the characteristics of the population.

Sampling Unit:

The sample unit of this survey was the customers having life insurance policies in Thrissur City, Kerala.

Sample Size:

The sample size was 50 customers of different life insurance companies, from various parts of the Thrissur City

Sampling Technique Adopted: convenience sampling

Source of data

After identifying and defining the research problem and determining specific information required to solve the problem the researcher will look for the type and sources of data which may yield the desired results, while deciding about the method of data collection to be used for the study, there are two types of data.

They are as follows

Primary Data :

Primary data are those which are collected for the first time. Primary data is collected by framing questionnaires.. Any doubts raised by the respondents were clarified to get the perfect answers from the distributors.

Secondary Data:

Secondary data means data that are already available i.e. they refer to the data which have been collected and analyzed by someone and can save both money and time of the researcher. Secondary data may be available in the form of company records, trade publications, libraries etc .Secondary data sources are as follows :

♦ Company Reports

♦ Daily Newspaper

♦ Standard Textbook

♦ Various Websites

LIMITATIONS OF THE STUDY

❖ Time was a constraint to undertaken an extensive study.

❖ Area of study is limited to Thrissur district.

❖ The reliability of the study depends on accuracy of information revealed by the respondents.

DATA ANALYSIS & INTERPRETATION

In order to extract meaningful information from the data. The analysis can be conducted by using simple statistical tools like percentages, averages and measures of dispersion. Alternatively the collected data may be analyzed collected; the data analysis is carried out. The data are first edited, coded and tabulated for analyzing by using diagrams, graphs, charts, pictures etc. Data analysis is the process of planning the data in an ordered

form, combining them with the existing information and extracting from them Interpretation is the process of drawing conclusions from the gathered data in the study. In this research the researcher has analyzed the data using percentages and graphs.

DATA ANALYSIS TOOLS USED:

In this research the various attributes were analyzed separately and the importance to each was calculated on the basis of the percentage. The rank having the maximum percentage was taken to be preferred importance to the particular attribute.

TABLE 1: Monthly Income of Respondents

Monthly incomes	No of respondents	percentages
<5000	4	8%
5001-10000	8	16%
10000-15000	15	30%
15001-20000	5	10%
20001-25000	7	14%
>25000	11	22%
Total	50	100%

Source: Primary Data

Interpretation:

Above table shows that the majority of dominant income group having life insurance policies belong to the income group of 10,000 to 15,000, which is middle class group. Followed by the income group of above 25,000**.**

TABLE 2: **Occupations of respondents**

Occupation	No of respondents	percentages
Government employee	10	20%
Private sector employee	25	50%
Self employed	12	24%

Professional	1	2%
Others	2	4%
total	50	100%

Source : Primary Data

Interpretation

This table shows that 50% customers are private sector employees,24% customers are self employed,20% customers are government employees,4% customers are doing other works and 2% customers are professionals.

TABLE 3: LIFE INSURANCE POLICY HOLDERS

Response	No of respondents	percentages
Yes	50	100%
No	-	-
Total	50	100%

Source: Primary Data

Interpretation

It is clear that 100% customers have life insurance policy.

TABLE 4: PREFERENCE OF CUSTOMERS TOWARDS LIFE INSURANCE COMPANIES:

companies	No of respondents	percentages
LIC	43	86%
ICICI	3	6%
HDFC	2	4%
TATA AIG	2	4%
Total	50	100%

Source: Primary Data

Interpretation

From the above table it is clear that 86% customers prefer LIC,6%% customers prefer ICICI,4% customers prefer HDFC and another 4% customers prefer TATA AIG.

TABLE 5: Name of policies

Policies	No of respondents	percentages
Jeevan anand	21	42%
Money back	5	10%
Jeevan suraksh	2	4%
Pru life insurance	3	6%
flexi	1	2%
Standard life insurance	2	4%
Jeevan sarathi	2	4%
Bhima diamond	1	2%
Jeevan lakshya	1	2%
New bhima kiran policy	1	2%
Jeevan saral	3	6%
General policy	2	4%
New janaraksha	2	4%
Bhima gold	4	8%
Total	50	100%

Source: Primary Data

Interpretation

This table shows that 42% customers have jeevan anand policy,10% customers have money back policy,8% customers have bhima gold,6% customers have pru life insurance, another 6% customers have jeevan saral,4% customers have jeevan suraksh,4% customers have standard life insurance ,4% customers have jeevan sarathi,4% customers have general policy,4% customers have new janaraksha,2% customers have flexi,2% customers have bhima diamond.2% customers have jeevan lakshya, 2% customers have new bhima kiran policy.

TABLE 6: REASONS TO SELECT PARTICULAR LIFE INSURANCE

Factors	No of respondents	percentages
Premium outflow	4	8%
Company reputation	10	20%
Service quality	11	22%
Return on investment	24	48%
Others	1	2%
total	50	100%

Source: Primary Data

Interpretation:

This table shows that 48% customer give importance to return on investment while buying life insurance policy,22% customer give importance to service quality of company while buying life insurance policy,20% customer give importance to company reputation while buying life insurance policy,8% customer give importance to premium outflow while buying life insurance policy.

TABLE 7: SOURCE OF INFORMATION ABOUT LIFE INSURANCE POLICY

Sources	No of respondents	percentages
Friends	6	12%
Family	8	16%
Agents	34	68%
Advertisement	2	4%
Others	0	0%
Total	50	100%

Source: Primary Data

Interpretation:

This table shows that 68% customers receive information about life insurance policy from agents, 16% customers receive information about life insurance policy from family and only 4% customers receive information about life insurance policy from advertisement.

TABLE 8: VALUE OF RESPONDENTS LIFE INSURANCE POLICY:-

Values	No of respondents	percentages
>10000	7	14%
10000-25000	4	8%
25000-50000	9	18%
50000-100000	10	20%
>100000	20	40%
Total	50	100%

Source: Primary Data

Interpretation: The above table shows that 40%customer's value of life insurance policy is above 100000,20% customer's value of life insurance policy is between 50000&100000,18% customer's value of life insurance policy is between 25000&50000,14% value of life insurance policy is less than 10000 and 8% customer's value of life insurance policy is between 10000&25000.

TABLE 9:SATISFACTION OF RESPONDENTS WITH CURRENT LIFE INSURANCE COMPANY:-

Responses	No of respondents	percentages
Yes	50	100%
No	-	-
Total	50	100%

Source : Primary Data

Interpretation

From the above table it is clear that 100% customers satisfied with their current life insurance company.

Reasons	No of respondents	percentages
Good savings	2	4%
Return on investment	2	4%
Security	6	12%
Comfortable	1	2%
High benefit	1	2%
Reputed firm	9	18%
Protection	2	4%
Safety	1	2%
Controlled by central government	1	2%
Good service	23	46%
Adequate money back	2	4%
Total	50	100%

Table 10:REASONS FOR SATISFACTION OF RESPONDENTS

Source : Primary Data

Interpretation: This table shows that 46% customer's reason for their satisfaction is good service .

TABLE 11: RATINGS OF THE SERVICES OFFERED BY THE RESPONDENT'S LIFE INSURANCE COMPANY:-

	No of respondents	percentages
Excellent	2	4%
Very good	24	48%
Good	22	44%
Average	2	4%
Poor	0	0%
Total	50	100%

Source : Primary Data

Interpretation : From the above table it is clear that 48% customers rate the service offered by life insurance company as very good,44% customers rate the service offered by life insurance company as good and 4% customers rate the service offered by life insurance company as excellent and another 4% customers rate the service offered by life insurance company as average. No one rate as poor.

TABLE 12:CUSTOMERS WILLINGNESS TO COMMUNICATE THE SERVICE OFFERED BY THEIR LIFE INSURANCE COMPANY

Responses	No of respondents	percentages
Yes	43	86%
No	7	14%
Total	50	100%

Source : Primary Data

Interpretation

From the above table it is observed that 86% of investors would like to communicate the services offered by their life insurance company to others.14% of investors would not like to communicate the services offered by their life insurance company to others.

TABLE 13:NUMBER OF LIFE INSURANCE COMPANIES KNOWN BY RESPONDENTS:-

Numbers	No of respondents	percentages
<5	35	70%
5-7	13	26%
8-10	2	4%
Total	50	100%

Source: Primary Data

Interpretation

This table shows that 70% of customers knows <5 number of companies,26% of customers knows 5-7 number of companies and only 4% of customers knows 8-10 number of companies.

TABLE 14:CUSTOMER'S WILLINGNESS TO CONTINUE WITH SAME INSURANCE POLICY& COMPANY

Responses	No of respondents	percentages
Yes	49	98%
No	1	2%
Total	50	100%

Interpretation

It is observed that 98% of investors would like to continue with same life insurance policy & company. Only 2% of investors would not like continue with same life insurance policy & company.

TABLE 15: SCORES OF DIFFERENT LIFE INSURANCE COMPANIES:-

COMPANIES	1	%	2	%	3	%	4	%	5	%	6	%	7	%
LIC	38	76%	7	14%	3	6%	1	2%					1	2%
HDFC	3	6%	13	26%	20	40%	9	18%	2	4%	1	2%	2	4%
ING VYSYA	1	2%			2	4%	8	16%	12	24%	12	24%	15	30%
MET LIFE INDIA INSURANCE	1	2%	4	8%	5	10%	11	22%	9	18%	15	30%	5	10%
BAJAJ ALLIANZ	2	4%	2	4%	4	8%	8	16%	13	26%	13	26%	8	16%
ICICI	3	6%	21	42%	8	16%	6	12%	4	8%	4	8%	4	8%
TATA AIG	2	4%	3	6%	8	16%	7	14%	10	20%	5	10%	15	30%
Total	50	100%	50	100%	50	100%	50	100%	50	100%	50	100%	50	100%

Source : Primary Data

Interpretation: It is observed that 76% respondents give 1st rank to LIC, 42% respondents give 2nd rank to ICICI, 40% respondents give 3rd rank to HDFC, 22% respondents give 4th rank to MET LIFE INDIA INSURANCE, 26% respondents give 5th rank to BAJAJ ALLIANZ, 30% respondents give 6th rank to MET LIFE INDIA INSURANCE, 30% respondents give 7th rank to TATA AIG and another 30% respondents give 7th rank to ING VYSYA.

FINDINGS

• The majority of the customers of life insurance policies are private employees with 50% and Government employees with 20%

• The dominant income group having life insurance group belong to the group of 10,000 to 15,000 .

•Majority of customers invested in jeevan anand policy (42%) which is provided by LIC.

• The factors which influenced to buy life insurance policy is the agents, followed by family, friends, and advertisements.

• The value of respondents life insurance policy costs more than 1, 00,000 followed by 50,000 to 1, 00,000.

• Majority of customers are satisfied with the service and quality of products of their life insurance companies.

•86% of customers would like to communicate the service offered by life insurance companies.

•LIC stands first followed by ICICI prudential, followed by HDFC Standard Life.

SUGGESTIONS

The researcher would like to give following suggestions:

With regard to insurance products, customers respond at different rates, depending on the customers characteristics. Hence Insurance companies should try to bring their new product to the attention of potential early adopters.

a) Due to the intense competition in the life insurance market, the life insurance companies have to adopt better strategies to attract more customers.

b) Keeping the cost, quality and return on investment in tact is necessary in order to tackle the competition.

c) Life insurance products are taken mainly by middle and higher income group. Hence they should be regarded as main targeted income groups. Life insurance products which are suitable for lower income group should also be released so that the market share increases.

d) Return on investment company reputation and premium outflow are most preferred attributes that are expected by the respondents. Hence greater focus should be given to these attributes.

e) Private life insurance companies should adopt effective promotional strategies to   increase the awareness level among the customers.

f) Life insurance companies should ask for their customer feedback to know whether the consumers are really satisfied or dissatisfied with the service and product of the companies. If they are dissatisfied, then the reasons for dissatisfaction should be found out and should be corrected in future.

g) The LIC brand name has earned a lot of goodwill and enjoys a high brand equity. As there is intense competition in life insurance market, LIC should work hard to maintain its top position and offer better service and product.

h) Provide financial assistance immediately without any delay.

i) Long life maturity period is a difficulty. So provide more short term plans.

j) Increase advertisement to reach public soon and make them aware about the benefits of polic

CONCLUSION:

This study enables the Life Insurance Companies to understand how customer's perception differs from person to person. How a customer selects, organizes and interprets the service quality and the product quality of different Life Insurance Policies, offered by various Life Insurance Companies. The response of the insurance companies has been very positive and within a short span on time, the Indian insurance market scenario has

seen a perceptible change in terms of improved customer service benchmarks and introduction of innovative and tailors made products. Most of the insurance majors have represented in the form of joint venture in Indian market. The new products that have been introduced by the companies have certain innovative features in terms of better customer services and also wider covers. This has given customer ample choice to select products.

Life insurance is basically protection against risk of life of an individual. Without insurance the family of the deceased may suffer a lot. So customers should be serious about their life insurance investment. Customers trust LIC than private life insurance companies.

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