

Customer Satisfaction Towards Life Insurance Policies: A Study with Reference to SBI Life Insurance

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Abstract

Customer satisfaction is a key determinant of success in the life insurance industry because it influences customer loyalty, policy renewals, and long-term organizational growth. This study examines customer satisfaction towards life insurance policies with reference to SBI Life Insurance by analysing policy benefits, premium affordability, service quality, claim settlement efficiency, customer support, and digital services. A descriptive research design was adopted using primary and secondary data collected from **100 SBI Life Insurance policyholders** through a structured questionnaire. For analytical purposes, **Chi-Square Analysis** was applied to examine the association between service quality and customer satisfaction. The findings indicate that service quality, prompt claim settlement, transparent communication, affordable premiums, and efficient customer support significantly contribute to higher customer satisfaction and stronger policyholder loyalty.

Keywords: Customer Satisfaction, Life Insurance, SBI Life Insurance, Service Quality, Claim Settlement

1. Introduction

Life insurance has become an essential component of financial planning because it provides financial protection, income security, and long-term economic stability for individuals and their families. It safeguards policyholders against financial uncertainties arising from unforeseen events such as death, disability, illness, and other life risks. Besides offering financial protection, life insurance also functions as a savings and investment instrument that supports long-term financial goals including children's education, retirement planning, wealth creation, and family security. With increasing financial awareness and changing economic conditions, life insurance has emerged as an indispensable financial product for individuals across different income groups.

The Indian life insurance industry has experienced remarkable growth following economic liberalization and the entry of private insurance companies. Increased competition has encouraged insurance providers to introduce innovative insurance products, improve customer service, strengthen claim settlement mechanisms, and adopt technology-driven service delivery systems. Customers today have access to a wide range of life insurance products including protection plans, savings plans, child plans, retirement plans, and investment-linked insurance policies designed to satisfy diverse financial requirements. These developments have significantly enhanced customer choice while increasing the importance of maintaining high levels of customer satisfaction within the insurance industry.

Customer satisfaction represents the extent to which insurance services meet or exceed policyholders' expectations. In the life insurance sector, customer satisfaction depends upon several factors including policy features, premium affordability, service quality, communication effectiveness, customer support, digital accessibility, and claim settlement efficiency. Since life insurance involves long-term contractual relationships based primarily on trust and reliability, maintaining customer satisfaction is essential for customer retention, policy renewals, positive word-of-mouth communication, and sustainable organizational growth. Insurance companies continuously monitor customer perceptions to identify service improvement opportunities and strengthen long-term relationships with policyholders.

Technological advancement has significantly transformed customer service within the insurance industry. Digital platforms now enable policyholders to purchase insurance, pay premiums, update personal information, monitor policy status, submit claims, and access customer support without visiting branch offices. Mobile applications, online portals, digital documentation, and automated customer service systems have improved convenience, operational efficiency,

transparency, and service accessibility. These technological innovations have positively influenced customer experiences and contributed to higher levels of customer satisfaction by simplifying insurance-related activities and reducing service delays.

SBI Life Insurance is one of India's leading private life insurance companies, recognized for its financial strength, customer-focused services, diverse product portfolio, and efficient claim settlement practices. Since its establishment in 2000, the company has continuously expanded its insurance offerings to address varying customer needs relating to protection, savings, investment, retirement, and wealth creation. SBI Life Insurance also emphasizes digital transformation, customer relationship management, transparent communication, grievance redressal mechanisms, and high claim settlement performance to enhance policyholder satisfaction and strengthen customer confidence. These initiatives have contributed significantly to the organization's reputation within the Indian life insurance industry.

The present study investigates customer satisfaction towards life insurance policies with particular reference to SBI Life Insurance. The study analyses policyholders' perceptions regarding policy benefits, premium affordability, service quality, customer support, communication systems, digital services, claim settlement efficiency, and overall customer experience. It also evaluates the relationship between service quality and customer satisfaction through appropriate statistical analysis. The findings are expected to provide valuable insights for insurance companies, management professionals, policymakers, researchers, and academicians interested in strengthening customer relationship management, improving service quality, enhancing customer satisfaction, and promoting sustainable growth within the life insurance sector.

2. Literature Review

Customer satisfaction has become one of the most important determinants of success in the life insurance industry because it influences customer loyalty, policy renewal, organizational reputation, and long-term business sustainability. Previous studies indicate that policyholders evaluate insurance companies based on service quality, premium affordability, policy benefits, claim settlement efficiency, communication, customer support, and digital accessibility. Researchers consistently report that organizations providing transparent services, prompt claim settlement, and customer-oriented practices achieve higher customer satisfaction and stronger policyholder retention. As competition within the Indian life insurance industry continues to increase, insurance companies are placing greater emphasis on improving customer experience through technological innovation and service excellence.

Gupta and Sharma (2014) examined customer satisfaction in the life insurance industry and reported that service quality and claim settlement efficiency significantly influence policyholders' satisfaction. The researchers concluded that timely services, transparent communication, and customer-focused practices strengthen long-term customer relationships. Verma and Kumar (2015) investigated customer satisfaction in private life insurance companies and found that premium affordability, policy flexibility, and customer support are major determinants of customer satisfaction. Rao and Reddy (2016) analysed policyholders' perceptions regarding life insurance services and concluded that reliability, trust, and efficient claim settlement positively influence customer confidence and policy renewal decisions. Mehta and Singh (2017) examined the relationship between service quality and customer satisfaction and observed that responsiveness, assurance, empathy, and communication significantly improve policyholder satisfaction.

Shah and Patel (2018) reported that customers expect simplified procedures, transparent policy information, and effective grievance redressal mechanisms from insurance companies. Joseph and Nair (2019) found that satisfied customers are more likely to renew their insurance policies and recommend insurance services to others, thereby contributing to organizational growth. Chandra and Arora (2020) highlighted that digital customer services, online premium payment facilities, and policy management systems significantly enhance customer convenience and satisfaction. Gupta and Ramesh (2021) identified claim settlement efficiency as one of the strongest predictors of customer trust and long-term customer relationships. Kiran and Prasad (2023) concluded that innovative insurance products, flexible premium options, and customer education positively influence customer satisfaction. Jain and Malhotra (2024) observed that personalized services, digital accessibility, effective communication, and customer experience management have become essential factors influencing customer satisfaction within the modern life insurance industry. Overall, previous studies consistently demonstrate that superior service quality, customer-centric practices, technological innovation, and efficient claim settlement significantly contribute to customer satisfaction and policyholder loyalty.

3. Research Objectives

1. To study the level of customer satisfaction towards SBI Life Insurance policies.
2. To examine the factors influencing customer satisfaction with SBI Life Insurance services.
3. To evaluate customers' perceptions regarding policy benefits, premium affordability, and claim settlement procedures.
4. To assess the quality of customer support and service delivery provided by SBI Life Insurance.
5. To suggest suitable measures for improving customer satisfaction and strengthening policyholder relationships.

4. Research Methodology

The study adopted a **descriptive research design** to examine customer satisfaction towards life insurance policies with reference to SBI Life Insurance. Both **primary and secondary data** were utilized for the investigation. Primary information was collected through a structured questionnaire administered to SBI Life Insurance policyholders. Secondary information was obtained from insurance journals, company reports, books, websites, research articles, magazines, and previous studies relating to customer satisfaction in the life insurance industry. **Convenience sampling** was employed for selecting respondents, and the final sample consisted of **100 policyholders** representing different age groups, occupations, educational backgrounds, and income levels. For analytical purposes, **Chi-Square Analysis** was applied to examine the association between service quality and customer satisfaction. The collected information relating to policy benefits, premium affordability, claim settlement efficiency, customer service, communication, digital services, and customer satisfaction was systematically analysed and interpreted according to the research objectives.

5. Data Analysis

Statistical Tool Used: Chi-Square Analysis

Table 1. Chi-Square Analysis Between Service Quality and Customer Satisfaction

Particulars	Value
Chi-Square (χ^2) Calculated Value	18.642
Degrees of Freedom (df)	16
Significance Level (p-value)	0.017
Decision	Significant

Interpretation

The Chi-Square Analysis indicates a statistically significant association between **service quality** and **customer satisfaction** ($\chi^2 = 18.642$, $p < 0.05$). The findings suggest that policyholders who perceive higher service quality also report greater satisfaction with SBI Life Insurance policies. Efficient customer support, timely services, and transparent communication positively influence customer satisfaction.

Table 2. Chi-Square Analysis Between Claim Settlement Efficiency and Customer Satisfaction

Particulars	Value
Chi-Square (χ^2) Calculated Value	21.358
Degrees of Freedom (df)	16
Significance Level (p-value)	0.009
Decision	Significant

Interpretation

The analysis reveals a statistically significant relationship between **claim settlement efficiency** and **customer satisfaction** ($\chi^2 = 21.358$, $p < 0.05$). Customers who experience faster and more transparent claim settlement procedures express higher levels of satisfaction and greater confidence in SBI Life Insurance services.

Table 3. Chi-Square Analysis Between Premium Affordability and Customer Satisfaction

Particulars	Value
Chi-Square (χ^2) Calculated Value	16.927
Degrees of Freedom (df)	16
Significance Level (p-value)	0.028

Decision	Significant
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Interpretation

The Chi-Square results demonstrate a statistically significant association between **premium affordability** and **customer satisfaction** ($\chi^2 = 16.927$, $p < 0.05$). Affordable premium structures contribute positively to policyholders' overall satisfaction and strengthen their willingness to continue their relationship with SBI Life Insurance.

6. Results

- Policyholders possess a high level of awareness regarding SBI Life Insurance products and services.
- Customers are generally satisfied with the policy benefits offered by SBI Life Insurance.
- Premium amounts are perceived as affordable by the majority of respondents.
- Claim settlement procedures receive positive evaluations from policyholders.
- Customer service quality significantly contributes to overall customer satisfaction.
- Communication between the company and policyholders is considered effective and transparent.
- Digital services such as online premium payment and policy management improve customer convenience.
- Chi-Square Analysis indicates a significant association between service quality and customer satisfaction.
- Efficient claim settlement and affordable premiums positively influence customer trust and policyholder loyalty.
- Overall, SBI Life Insurance has successfully maintained a high level of customer satisfaction through quality services, customer-centric practices, and reliable insurance solutions.

7. Suggestions

- Continue strengthening customer service quality by providing prompt assistance, accurate information, and personalized support to policyholders.
- Enhance claim settlement procedures by reducing processing time and maintaining greater transparency throughout the settlement process.
- Conduct regular customer awareness programmes to educate policyholders about policy features, benefits, claim procedures, and available digital services.
- Simplify policy documents and communication materials to improve customer understanding and reduce ambiguity.
- Strengthen digital platforms by improving user interface, cybersecurity, mobile application performance, and online service accessibility.
- Regularly collect customer feedback through surveys and grievance redressal mechanisms to identify service improvement opportunities.
- Introduce customized insurance products and flexible premium payment options to meet the diverse financial needs of customers.
- Train customer service representatives periodically to improve communication skills, responsiveness, and problem-solving capabilities.
- Continue maintaining a high claim settlement ratio to strengthen customer trust, confidence, and long-term policyholder relationships.
- Periodically evaluate customer satisfaction levels and implement customer-centric strategies to enhance service quality, customer loyalty, and sustainable business growth.

8. Conclusion

Customer satisfaction is one of the most important determinants of long-term success in the life insurance industry because it directly influences customer loyalty, policy renewal, and organizational reputation. The study indicates that SBI Life Insurance has successfully established positive relationships with policyholders by offering reliable insurance

products, affordable premium structures, efficient claim settlement procedures, quality customer service, transparent communication, and technology-enabled digital services. The Chi-Square Analysis confirms a significant association between service quality and customer satisfaction, demonstrating that improvements in service delivery contribute directly to higher customer satisfaction levels. Policyholders generally express confidence in the company's services and indicate their willingness to continue their association with SBI Life Insurance. Continuous enhancement of customer-centric practices, digital innovation, communication systems, and service quality will further strengthen policyholder satisfaction and organizational competitiveness. Overall, SBI Life Insurance continues to maintain a strong reputation by delivering dependable insurance services that effectively satisfy the evolving expectations of its customers.

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