



LEVEL OF SATISFACTION OF POLICYHOLDERS ON LIFE INSURANCE POLICIES OF LIFE INSURANCE CORPORATION OF INDIA

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ABSTRACT :

This study aims at level of satisfaction of policyholder's on life insurance policies of Life Insurance Corporation of India. The Insurance policies can be taken by the customer to meet specific needs that are likely to arise in future, such as children's education, marriage provision, old age pension benefit, health insurance and periodical needs for cash over a stretch of time. LIC of India has introduced different types of life insurance policies with different names in Life Insurance Market. Most of the life insurance policies offered by insurance company focus on providing more benefits in order to satisfy the customers. This study has been undertaken to highlight the policyholders level of satisfaction on life insurance policies of life insurance corporation of India.

KEYWORDS : Policy holders, Life Insurance policies, Level of Satisfaction.

INTRODUCTION

The Life insurance sector is an important cornerstone to the Indian economy. Also it provides long term funds for infrastructure development and at the same time strengthens the risk taking activity. The insurance sector to some extent can enable investment in infrastructure development to sustain economic growth of the country. Safety and security has become the prime concern of everybody. LIC of India is forced to adopt new strategies to introduce new policies in order to more competition and also to attract and satisfactory the policy holder's expectation. LIC of India has introducing different type of new insurance products in different names in life insurance market. The policies like risk coverage, family protection, children benefit, tax benefit, savings bonus, medical provision for old age, loan facilities etc.

REVIEW OF LITERATURE

Paresh parasnis (2001) in an article briefly discusses the various channels of distribution in the life insurance industry in India and new avenue cues being explored by the new player. The greater importance is given to the customer not only for meeting his requirements but also the impact in times of fulfillment, quality of service rendered, complexity of products is given priority. To conclude, the life insurance industry in transition presents opportunities, but is also fraught with challenges of an – unknown magnitude. Therefore, only the best will survive in the long-term which enables to spot the emerging trends and helps to capitalize the benefits of its customers

V Ranganathan and kirubashini (2014) has conducted A study of policy holders awareness and level of satisfaction of life insurance policies of life insurance corporation of India the life insurance companies are introducing new and innovative products, only new policies are familiar among the customer and most of the policies are unfamiliar among them. Hence the product should have transparency in all

aspects in order to distinguish about the product by the customers themselves. At the same time the product of life insurance companies should fulfill the policy holder's expectation according to the customers aspiration with the new innovative products with care and additional benifities. The key strategy of life insurance company is to fulfill and satisfy the target. And expectation as customers by means of formulating new innovative policies. They ,in this context, The LIC of India has to bring out innovative products try to familiarize the existing products which the people are not aware of.

OBJECTIVE

1. To study the demographic profile of the policyholder.
2. To analyze the level of satisfaction of the policy holders.

METHODOLOGY

Data is collected from primary and secondary sources. Primary data needed for study was collected with the help of questionnaire from 394 policy holders.

The secondary data was collected from various published source such as books, journals ,news papers and websites. The sampling method followed in this study is simple random sampling. The size of sample is 394 respondent.

TOOLS FOR ANALYSIS AND INTERPRETATIONS.

The data collected through the questionnaire were scrutinized and SPSS package was used to analyze the primary data. Statistical tools such as Garrett Ranking Technique, Weighted Average Techniques Chi-square Test are used .

ANALYSIS AND DISCUSSION

Demographic profile of the respondents

A brief account of the demographic profile of 394 respondents is given below in Table I

Table 1
Demographic profile of sample respondents

Sl.No	Demographic profile Factor	No.of respondent	Percentage
1	Gender		
	Male	252	64.0
	Female	142	36.0
2	Age		
	Below 30 years	100	25 .4
	30-40 years	216	54.8`
	40-50 years	56	14.2
	Above 50 years+	22	5.6
3	Education		
	School level	129	32.7
	Graduate\Diploma	141	35.8
	Post graduate	69	17.5
	Professional	55	14.0
4	Occupation		
	Private employees	196	49.7
	Salaried people	121	30.7

	Agriculturist	71	17.0
	Retired person	6	1.5
7	Annual Income		
	Below 50,000	9	2.3
	50,000-1,00,000	65	16.5
	1,00,000-2,00,000	252	64.0
	Above 2,00,000	68	13.7
8	Proportion of saving		
	Up to 5%	134	34.0
	5% to 10%	104	26.4
	10% to 15%	149	37.8
	Above 15%	7	1.8
9	Mode of premium payment		
	Through agent	302	76.6
	Directly	92	23.4
10	Income Tax Assessment		
	Paying income tax	317	80.5
	Not Paying income tax	77	19.5

Source: Primary data

Table 1 reveals that 64 per cent are in male, 54.8 per cent are in the age group of 30-40 years, 35.8 per cent are Graduates/Diploma, 49.7 per cent are private sector employee, 64 per cent 's annual earned income is Rs 1,00,000 to 2,00,000, 37.8 per cent's Proportion of savings is 10%-15%, 76.6 per cent are payment premium through agent and 80.5 per cent are tax assesses.

Table 2
Name of policy held by the policy holder

S..No	Types of policies	No.of respondent	Percentage
1	Whole life plan	92	23.4
2	Endowment plan	35	8.9
3	Money back plan	37	9.4
4	children plan	29	7.5
5	Pension plan	25	6.3
6	Term plan	50	12.7
7	Single premium plan	65	16.5
8	United link plan	18	4.6
9	Joint life plan	16	4.1
10	Other plan	27	6.9
	Total	394	100

Source: Primary data

It is seen from above table 2 shows that, out of 394 Policyholders 23.4% prefer whole life plan and rest of them prefer other types of policies

Table 3

Level of Satisfaction towards LIC Policies

Sl.No	Statement	Sum	Mean	Std. Dev	Rank
1	Risk Coverage	1685	4.28	0.48	1
2	Safety	1561	3.96	0.82	3
3	Tax Benefits	1545	3.92	0.84	5
4	Future Benefit	1546	3.92	0.9	5
5	Premium	1638	4.16	0.77	2
6	Surrender Value	1545	3.92	0.99	5
7	Return	1558	3.95	0.85	4
8	Capital Apperception	1452	3.69	0.91	9
9	Formalities	1470	3.73	0.81	8

Source: Primary data

The study reveals that the customer are highly satisfied towards the variables of risk coverage followed by premium. Hence the risk coverage and premium are important variables that impact the level of satisfaction of customers towards LIC policies.

Table 4
Overall level of satisfaction towards LIC policy holders

Sl. No	Variables	Calculate value	DF	Table value	Results
1	Age	24.32	10	18.30	Significant
2	Sex	14.13	2	5.99	Significant
3	Marital status	19.130	2	5.99	Significant
4	Community	30.52	8	15.5	Significant
5	Religion	10.65	6	12.6	Significant
6	Occupation	17.443	6	12.6	Significant
7	Family type	17.483	2	5.99	Significant
8	Educational qualification	30.48	8	15.5	Significant

Source: Primary data

The analysis shows that age, sex, marital status, community, religion, occupation, family types, and educational qualification significantly associate to the level of satisfaction towards services of life insurance policies. Thus the study concluded that these profile variables highly impact the purchase of LIC policies in the study area.

SUGGESTION

1. The study report that, out of available life insurance policies, 'whole life plan' and 'single premium plan' policies are attracted by the customer only few number of customer buy other policies from LIC. So it is recommended that the LIC of India can spread the importance of other policies in order to increase the market share of all the LCI products.
2. Risk coverage, minimum premium and safety of principal amount is an important fact that impact the LIC customers. The LIC customers have mostly concentrate these three factors for the investment. The minimum premium and safety of principal amount is the second factor that influences the purchase of the product but risk. Coverage is main factor determining the purchase of LIC product. So that the LIC of India give more assurance to the risk coverage of life.

3. Before buying the new kind of policy, the people must understand the complete information about new policy. They must know the information like risk coverage, bonus future benefits and capital appreciation through LIC website but not consider information provided by the agents, because sometime the insurance agents does not disclose actual facts about policies.
4. The level of satisfaction derived by the LIC customers can further be improved by way of increasing the number of benefits like bonus, income tax concession and also services of LIC of India.

CONCLUSION

The schemes mostly preferred by insurance holders were life protection schemes like death benefits followed by money growth plans like wealth creation and high return plans. The different types of Policies and the level of satisfaction of the policy holders after having purchased the insurance products were found out. Insurance is a social necessity and it provides the much needed security to the individual and the family against the hazards of life, which no other form of savings can provide. Insurance encourages long-term saving

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