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A Study On Customer's Perception Towards Life Insurance Policies In Pollachi

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ABSTRACT

Insurance companies play an important role in the welfare of human well-being by providing protection to millions of people against life risks such as uncertain death or accident. Even the life insurance is fastest growing service sector in India after privatization and increase in FDI. Thus, it has become essential to study the factors influence the customer and buying pattern of the life insurance policies. The main aim of this study is to know the customer's perception towards life insurance policy. This study is based on both primary data and secondary data, Data was collected with the help of questionnaire among 200 policyholders in Pollachi. and data were analyzed with the help of statistical tools like percentage, chi-square and Correlation analyses were used to identify the factors responsible for customer's perception towards life insurance policies.

Keywords: Life insurance policies, Privatization, Customer's perception

INTRODUCTION

Human life is a most precious asset and life insurance is one of the ways which provides financial protection to a person and his family at the time of any disaster. Life insurance provides both safety as well as protection to individuals and also boosts savings among people. Insurance companies play an important role in the welfare of human well- being by providing protection to millions of people against life risks such as uncertain death or accident.

In today's competitive world, it becomes necessary for life insurers to provide customer satisfaction, spread more awareness, stress on need based innovative products and affordable price. This would help every individual to avail the benefits of insurance and protect their lives against future risks and uncertainties.

Earlier life insurance was used as a tool to protect the income of families, particularly young families in income saving phase, in the event of the head of household's death. But now, life insurance is used for many other reasons, including wealth preservation and tax saving. Whether an individual needs to have life insurance or not, merely depends on his need.

1. REVIEW OF LITERATURE

Dr. Unnamalai, Rajinikanth (2021) this research is to determine customer satisfaction with LIC. This research is based on primary data collected via a questionnaire from 150 policyholders in Kumbakonam, and the data was analyzed using percentages and the chi-square test to determine the factors that influence customer satisfaction with LIC. This study shows at how consumers feel towards life insurance companies. Since people are becoming more aware of their own mortality and the insurance industry is becoming more competitive, it is important for insurance providers to consider their customers' needs.

Anjali Mathew; Justin P James (2021) The main aspects with regard to the perception of customers towards life insurance are awareness level, service quality and satisfaction level of policy holders. The study tries to evaluate the perception of customers towards life insurance products in respect of the services rendered to them by LIC and the study was restricted to Pollachi. this study identifies life insurance products as an ample source of investment and opportunity for common public for boosting up their threshold for money saving habit.

Dr. Annamalai (2018) has analyzed the customer satisfaction and customer awareness about service rendered by the Life insurance corporation. Life insurance corporation of India competes other plays in the market very aggressively with their human resource of agents because the police holders are having more faith with agents.

2. OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

1. To study the customer perception towards life insurance policies

SECONDARY OBJECTIVE

1. To study the level of customer satisfaction derived from Life Insurance policies.
2. To analyse the investing pattern of the policy holder.
3. To identify the various factors influencing while selecting a life insurance policy.
4. To suggest any changes for improving customer satisfaction.

3. RESEARCH METHODOLOGY

RESEARCH DESIGN

The entire process involved in research methodology is called research design. Research design is a plan of study made by a researcher before undertaking his/her research work. In this study the researcher has adopted descriptive research design to investigate and study the given problem. The major goal of descriptive research is to describe the event, phenomena and situations. Descriptions being made on the bases of scientific observations are explained to be more accurate and precise the other methods.

SAMPLING TECHNIQUE

For the study the sample, study participants are defined life insurance policy holders of Pollachi. They were selected and interviewed for present study. The methodology for selecting respondents for this study through convenience sampling method.

SAMPLE LOCATION

The research was conducted in Pollachi.

SAMPLE TARGET PEOPLE

The data were collected using questionnaire from policy holder like those who are invested in life insurance policies around Pollachi.

TOOLS FOR ANALYSIS

In this study, the hypotheses were made and then analyses with the help of statistical techniques of Chi- Square and Correlation test for relationship using IBM SPSS software. Both hypotheses were tested with 95 percent confidence level i.e., at 5 percent significant levels.

HYPOTHESIS FRAMED

Hypothesis-1

H0- There is no significant association between the education of the respondents and the awareness level towards life insurance policy.

H1- There is significant association between the education of the respondents and the awareness level towards life insurance policy.

Hypothesis-2

H0- There is no significant association between the Income of the respondents and the scheme of life insurance policy they hold.

H1- There is significant association between the Income of the respondents and the scheme of life insurance policy they hold.

Hypothesis-3

H0-There is no relationship among the factors which influence the customer while selecting a life insurance policy.

H1- There is relationship among the factors which influence the customer while selecting a life insurance policy.

LIMITATIONS OF THE STUDY

- The size of the sample compared to the population is small and hence it might not indicate the ideas of entire population.
- The geographical area of this study is confined to the opinions expressed by the respondents of Pollachi.
- A few respondents might have furnished the required information from their momentary memory hence the collected data might be subject to bias.
- Since the study covers the overview of investing in life insurance policies, it cannot be generalized.
- Few respondents do not agree to express their opinion and understandings on their investment have stated common view on investment practices.

DATA ANALYSIS

TABLE 1. Demographic Profile of the Respondents

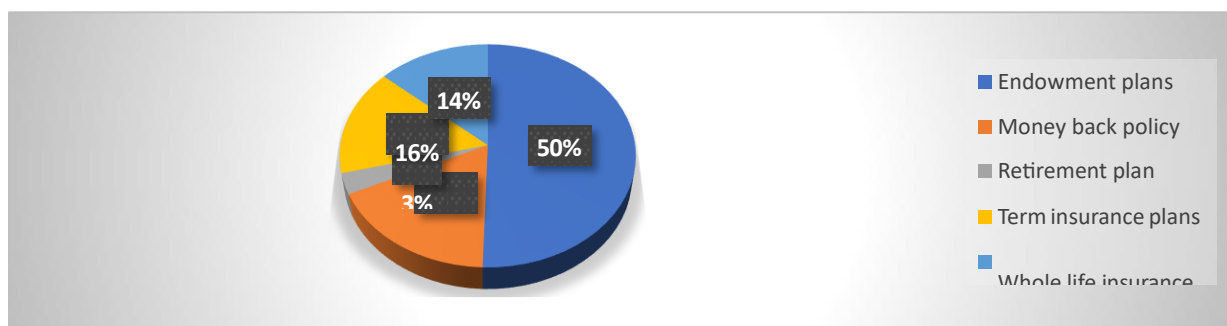
DEMOGRAPHIC PROFILE		NO. OF RESPONDENTS	PERCENTAGE
GENDER	Female	33	16
	Male	167	84
AGE	20-30	90	45
	31-40	79	39
	41-50	26	13
	Above 50	5	3
	Married	141	70
MARITAL STATUS	Unmarried	59	30
	Post graduate	51	25
EDUCATIONAL QUALIFICATION	Primary	9	4
	secondary	39	20
	Under graduate	101	51
	Business	36	18
OCCUPATION	Profession	21	10
	Retired	7	3
	Salaried	95	48
	Self-employed	41	21
	1,00,001 - 3,00,000	105	52
ANNUAL INCOME	3,00,001-5,00,000	59	30
	Above 5,00,000	24	12
	Up to 1,00,000	12	6
Total		200	100

Source: Primary data

TABLE 2. Types of schemes invested by respondents

Types of schemes	No. of. respondents	percentage
Endowment plans	101	50
Money back policy	35	17
Retirement plan	6	3
Term insurance plans	31	16
Whole life insurance	27	14

Source: Primary Data

**CHART 2. Types of schemes invested by respondents**

Interpretation

From the above table it is interpreted that 50% of respondents are invested in Endowment plans, 17% respondents are invested in Money back policy, 16% of respondents are invested in Term insurance plans, 14% of respondents are invested in Whole life insurance, 3% of respondents are invested in Retirement plan.

TABLE 3. Investment period of respondents

Period of investment	No. of. respondents	percentage
11 to 15 years	12	6
16 to 20 years	80	40
21 to 25 years	69	34
5 to 10 years	6	3
Above 25 years	33	17
Total	200	100

Source: Primary Data

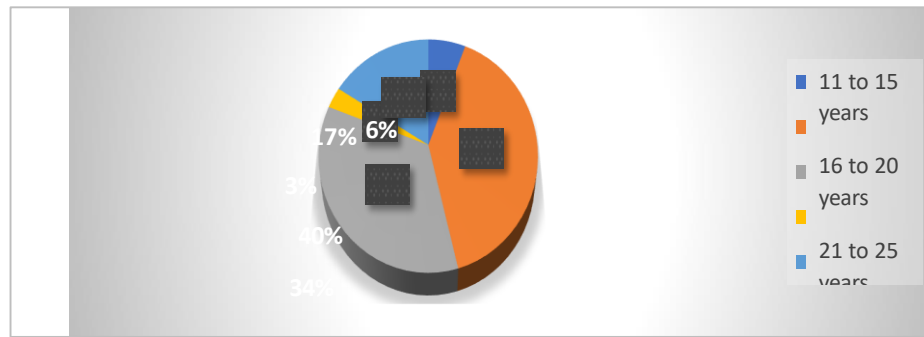


CHART 3. Investment period of respondents

INTERPRETATION

From the above table it is interpreted that 40% of respondents are invested in the period of 16 to 20 years, 34% of respondents are invested in the period of 21 to 25 years, 17% of respondents are invested in the period of Above 25 years, 6% of respondents are invested in the period of 11 to 15 years, 3% of respondents are invested in the period of 5 to 10 years.

TABLE 4. Premium payment period wise of respondents

Premium period	No. of. respondents	percentage
Half yearly	97	48
Monthly	19	9
Quarterly	67	34
Yearly	17	9
Total	200	100

Source: Primary Data

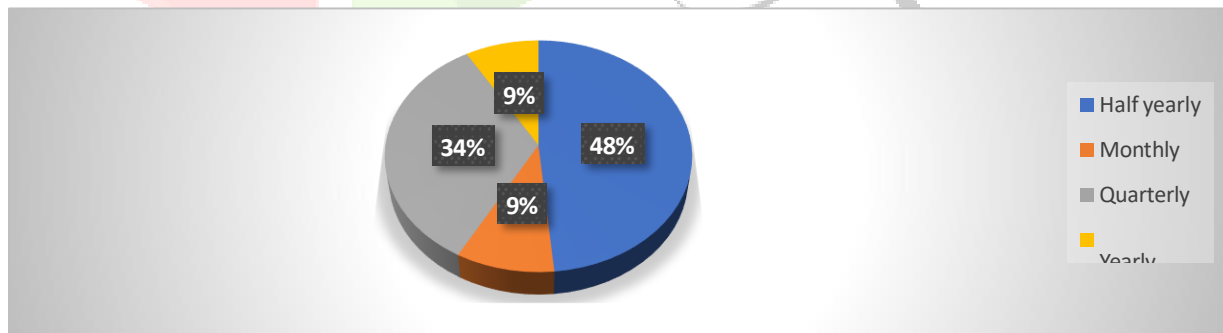


CHART 4. Premium payment period wise of respondents

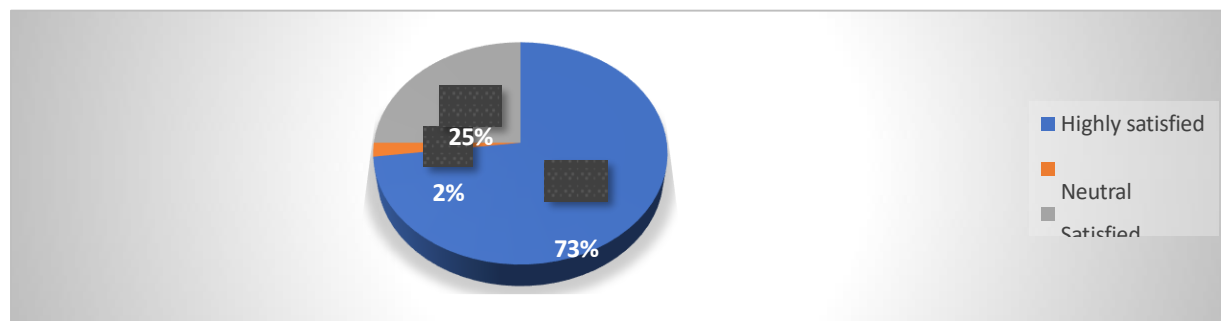
INTERPRETATION

From the above table it is interpreted that 48% of respondents are paying premium in the period of half yearly, 34% of respondents are paying premium in the period of Quarterly, 9% of respondents are paying premium in the period of Monthly, 9% of respondents are paying premium in the period of yearly.

TABLE 5. Satisfaction level of Life insurance policy of the respondents

Level of satisfaction	No. of. respondents	percentage
Highly satisfied	146	73
Neutral	4	2
Satisfied	50	25
Total	200	100

Source: Primary Data

**CHART 5. Satisfaction level of Life insurance policy of the respondents****INTERPRETATION**

From the above table it is interpreted that 73% of the respondents are Highly satisfied with the life insurance policy and 25% of respondents are satisfied, 2% of the respondents are neutral with the life insurance policy.

CHI SQUARE HYPOTHESIS-1

H0- There is no significant association between the education of the respondents and the awareness level towards life insurance policy.

H1- There is significant association between the education of the respondents and the awareness level towards life insurance policy.

Crosstabulation				
Particulars	Extremely Aware	Moderately aware	Slightly aware	Total
Post graduate	13	33	5	51
Primary	0	1	8	9
secondary	0	6	33	39
Under graduate	13	49	39	101
Total	26	89	85	200

a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 1.17.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	61.111 ^a	6	0.000
Likelihood Ratio	70.009	6	0.000
N of Valid Cases	200		

TABLE 6. CHI-SQUARE

INTERPRETATION

Pearson chi-square value of the above table is 61.111 at 5% level of significance. P value is less than 0.01. Hence, we reject the null hypothesis and conclude that there is significant relationship between the education of the respondents and the awareness level towards life insurance policy.

HYPOTHESIS-2

H0- There is no significant association between the Income of the respondents and the scheme of life insurance policy they hold.

H1- There is significant association between the Income of the respondents and the scheme of life insurance policy they hold.

Crosstabulation						
Particulars	Endowment plans	Money back policy	Retirement plan	Term insurance plans	Whole life insurance	Total
1,00,001 - 3,00,000	65	19	4	13	4	105
3,00,001- 5,00,000	23	8	2	15	11	59
Above 5,00,000	3	7	0	2	12	24
Up to 1,00,000	10	1	0	1	0	12
Total	101	35	6	31	27	200
Chi-Square Tests						
	Value	df	Asymptotic Significance (2-sided)			
Pearson Chi-Square	57.370 ^a	12	0.000			

Likelihood Ratio	55.146	12	0.000
N of Valid Cases	200		

a. 10 cells (50.0%) have expected count less than 5. The minimum expected count is .36.

TABLE 7. CHI-SQUARE

INTERPRETATION

Pearson chi-square value of the above table is 57.370 at 5% level of significance. P value is less than 0.01. Hence, we reject the null hypothesis and conclude that there is significant relationship between the Income of the respondents and the scheme of life insurance policy they hold.

4. CONCLUSION

Life insurance is an important form of insurance and essential for every individual. Life insurance penetration in India is very low as compare to developed nation where almost all the lives are covered and stage of saturation has been reached. LIC has maintained its monopoly in insurance sector from past many years but after the liberalization many new insurance companies have entered this business. Majority of policy holders purchase the insurance policy for savings purpose. After conducting the whole study, it has been concluded that 100% respondents are aware about life insurance policies and majority of respondents are satisfied with the services of their respective life insurers. Of those who are not satisfied with the services the major reason being the large amount of premiums. Customers are the real pillar of the success of life insurance business and thus it's important for insurers to keep their policyholders satisfied and retained as long as possible and also get new business out of it by offering need based innovative products. There are many factors which affect customers investment decision in life insurance and from the study it has been concluded that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies.

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