A Study on Types of Policy in Life Insurance Corporation of India Reference to Kovilpatti Branch

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Abstract: *Customer satisfaction plays an important role within your business. Not only is it the leading indicator to measure customer loyalty, identify unhappy customers, reduce and increase revenue; it is also a key point of differentiation that helps industry to captivate new customers in market based economy and dynamic business environment. Being service sector, Life Insurance Corporation has monopoly of all Life Insurance Company those who are running present time in India. Life Insurance Corporation's mission is to secure and enhance people's quality of life through financial security by providing aspired products and services with competitive returns and by providing resources for economic development. The current study focused on the consumers' level of satisfaction. The present study was based on primary data, which was collected through a questionnaire among 120 insurance customers of LIC India.*

Keywords: LIC, Consumer Satisfaction

I. INTRODUCTION

Insurance is a contract by which one is able to manage risk. Insurance provides compensation for losses covered under policy, when they occur. Life Insurance can be defined as a contract between an insurance policy holder and an insurance company, where the Insurance Company promises to pay a sum of money in consideration of premium, upon the death of an insured person or after maturity period, whichever is earlier. Life insurance not only covers the risk arising due to an unforeseen event, but also offers additional benefits like tax benefits, savings and wealth creation over a period of time. Risk is uncertainty of a financial loss. Whenever there is uncertainty with respect to a probable loss there is risk. The function of insurance is to spread the loss over a large number of people who agreed to co-operate each other at the time of loss. The risk cannot be averted but loss occurring due to a certain risk can be disturbed amongst the agreed persons. The more the number of such persons, the easier is the process of distribution of losse.

Whenever there is uncertainty with respect to a probable loss there is risk. In globalised economy, satisfied consumers are the key to the success of any business. This is followed by every business to meet the competition or to survive in the market. It is true that insurance business solely depends on the policyholders. Customer satisfaction needs to be analysed to know the demand of policyholders from the company in the form of products/services. A satisfied customer is the backbone for any insurance companies. For Business progress and expansion to serve costumer is not the only objective, but keep them satisfied is the most important objective. To attain long-term future progress satisfied customers are the main assets for any organizations

II. REVIEW OF LITERATURE

The literature review offers a conceptual understanding in which facts, relationships and findings of this research study can be placed and it helps to refine and introduce ideas that are relevant to the scope of the study. It should also be noted that the literature examined relates to studies in other countries, and it can be used because it relates to the study undertaken.

Hossein & Farokhian, 2013 analyzed the factors affecting the insurance industry, according to the researcher the first and foremost factor is the commitment to customer satisfaction, the customer's trust to the insurance companies in the

Iranian insurance industry has the highest priority. Insurers believe the factors such as behavior and dealing effectively with the insured, ability of insurance agents to transmit accurate information, establish long-term relationships with customers are the important factors in the success of the insurance industry.

Hussen, 2015 carried out the study the level of customer satisfaction through the application of two different tools, the SERVQUAL and overall customers' satisfaction models. In addition, the study found out that found customers' satisfaction is significantly and positively related with customers' loyalty.

Garg & Kumar refined that life protection schemes like death benefits followed by money growth plans like wealth creation and high return plans were the mostly preferred schemes by insurance holders. According to the survey safety is the most important criterion, which is accepted among all the respondents towards their investment alternatives followed by Return, Brand Name, Tax Benefits, Liquidity and Capital Growth.

McCracken found out that a firm developing strategies for two (or more) cultures will often need two (or more) marketing plans. The marketer must therefore be conscious that the beliefs and values are mental images while customs are overt modes of behavior that are culturally acceptable to a people.

III. RESEARCH METHODOLOGY

Research design is a blueprint or framework for conducting the scientific inquiry. It gives the details of the procedures necessary for obtaining the information that is needed to solve research problem. The research design used Descriptive in nature.It is concerned with unfolding the characteristics of a particular individual, or a group. It mainly addresses the questions and its main objective is to conduct such research which can describe the things, such as socioeconomic and attitude of consumers or can determine market potential for any product. It is also known as statistical research, which describes the data and characteristics about what is being studied. In this research frequency, average and other statistical calculations are made which provides more accurate and better results.

Objectives of the Study
- To realize the consumer satisfaction in regard to services offered by life insurance corporation
- To discern the socio-economic profile of insurance investors
- To identify the customer preference towards life insurance policies of LIC of India To suggest necessary recommendations for improving the services of LIC
- To examine the attributes that consumers preference while purchasing an insurance policy

Scope of the Study
- The study covered policy holder satisfaction, perception towards the services offered by Life Insurance Corporation of India, such as factors influencing policyholder to buy the product, parameters of buying product, awareness of the details, perceptions, suggestions general impression of the customers towards the services. The scope of the study is limited to Haryana State. The sample size of the survey is only 120.

Data source
Both primary and secondary data are used to conduct the study.
Primary data was collected from 120 respondents by well-drafted questionnaire. The target respondents of this study were consumers who have Life Insurance policy. The respondents were assessed through close-ended questions, multiple-choice grid, multiple choice, and checkboxes
Whereas secondary data was collected from Journal, magazines, newspapers, books written by eminent authors, online blogs and articles, published thesis works, unpublished thesis works available on internet and LIC official site

Data Analysis
The data analysis is divided into 3 parts- the first part analyse the demographic prolife of the respondents, the Secord part shows the level of satisfaction towards the services rendered by LIC, the third part includes the overall perception of the respondents towards the insurance industry and LIC.

Table

Factors	Aspects	Frequency	Percentage
Gender	Male Female	77	64.3
	Others Total	43	35.8
		0	0
		120	100
Marital Status	Married Single Other	98	81.7
	Total	21	17.5
		01	0.8
		120	100
Age	Below 30	26	21.7
	31-40	31	25.8
	41-50	38	31.7
	51-60	18	15.0
	Above 60 Total	07	5.8
		120	100
Occupation	Agriculture Industry Business	5	4.2
	Government Employee	6	5.0
	Professional	14	11.7
	Others Total	38	31.7
		20	16.7
		37	30.8
		120	100
Qualification	Under graduation Graduation	13	10.8
	Post-graduation Doctorate	56	46.7
	Total	43	35.8
		8	6.7
		120	100
Annual income	Below 1 lac	8	6.7
	1 lac-5 lac	38	31.7
	5 lac-10 lac	44	36.7
	Above 10 lac Total	30	25.0
		120	100
Policies	One Two	43	35.8
	More than two Total	77	64.2
		0	0
		120	100
Premium periodicity	Monthly Quarterly Half yearly	21	17.5
	Yearly	09	7.5
	Total	24	20.0
		66	55.0
		120	100

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Satisfaction level

General impression
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Statements	highly satisfied	satisfied	neutral	dissatisfied	no opinion	Total	Mean
Flexibility	31	72	15	1	1	120	4.09
	25.8%	60.0%	12.5%	0.8%	0.8%		
initiative to attend	26	50	38	3	3	120	3.78
	21.7%	41.7%	31.7%	2.5%	2.5%		
Fairness	34	53	29	1	3	120	3.95
	28.3%	44.2%	24.2%	0.8%	2.5%		
utilities available	24	58	30	3	5	120	3.78
	20.0%	48.3%	25.0%	2.5%	4.2%		
Terms and conditions explained	35	58	23	2	2	120	4.02
	29.2%	48.3%	19.2%	1.7%	1.7%		
Penalty charged	27	47	35	9	2	120	3.73
	22.5%	39.2%	29.2%	7.5%	1.7%		
claim settlement	33	53	30	1	3	120	3.93
	27.5%	44.2%	25.0%	0.8%	2.5%		
Transparency	35	56	24	1	4	120	3.98
	29.2%	46.7%	20.0%	0.8%	3.3%		
information accessibility	33	61	20	3	3	120	3.98
	27.5%	50.8%	16.7%	2.5%	2.5%		

Primary source

DEMOGRAPHIC PROFILE OF RESPONDENTS :
Gender is an important aspect of profile of the LIC customers. It has significant influence on their behaviour and is included in the study. The present study showed that out of 120 respondents, 77 respondents forming 64.2% are male and the rest 43 respondents forming 35.8% are female. As far as Marital status is concerned,98 respondents forming 81.7 percent are married and 21 forming 17.5 percent are unmarried/single and 1 forming 0.8% are in other category. Therefore, majority of the married respondents (81.7percent) are LIC customers. In the present study, the age of the respondents is collected and classified in the following groups- bellow 30 years, 31-40 years, 41-50 years, 51-60 years,

and 60 years and above. Therefore, it is observed that most of the respondents (31.7percent) are in age group of 41-50 years. With the increase in age, people tend to be more independent decision makers

Occupation determines the social standing of a family. From the 120 respondents majority of respondents are government employees 31.7%.

Social life and the quality of life are greatly influenced by education. It is concluded that majority of the respondents (46.7%) are graduates. Income decides the background of a person. The study depicted that most of the respondents (36.7) percent are having an annual income between five lac – 10 lac. This clearly indicates that the consumers whose annual family income is in between five lac – 10 lac, dominate the sample unit

It is also revealed that majority of the respondents (64.2%) purchased two policies from LIC of India. It is also disclosed that out of 120respondents majority of them 55% pays the premium payment yearly followed by 20% pays the premium half yearly.

IV. CONCLUSION

The study was conducted to study customer's satisfaction towards the services rendered by life insurance corporation India. Bonus and interest is highly important criteria that consumers consider before taking up a life insurance. This is mainly because people expect good return for their money, which they invest, followed by the factor Premium that we pay to the insurer.

Further, the study disclosed that almost all of the respondents have positive perception of Life Insurance Corporation of India. Moreover, it was discovered that 63.3 per cent of the respondents are opined that they have purchased the policy through LIC Agents. The level of awareness regarding details of life insurance policies is high among the respondents. It is also analysed that education plays a vital role in purchasing of insurance policies. The respondents are satisfied with the general and the rendered services by LIC.

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