

**A STUDY ON CUSTOMER’S PERCEPTION TOWARDS LIFE INSURANCE
CORPORATION OF INDIA (WITH SPECIAL REFERENCE TO DIVISIONAL OFFICE,
ADALAT ROAD, AURANGABAD)**

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Introduction:

Life insurance is actually an agreement between the insured and the insurer in which the policy holder accepts to pay regular premium to the insurer. In return, the insurer guarantees monetary protection to the insured in case of any accident or mishaps. If the insured dies in accident, financial help is provided to his family members. Thus, life insurance is necessary as it provides protection to not only you but also to your family in case of any unwanted disaster.

A thriving insurance sector is very important to every modern economy. Firstly because it encourages the habit of saving, secondly because it provides a safety net to rural and urban enterprises and productive individuals. And perhaps most importantly it generates long- term invisible funds for infrastructure building. The nature of the insurance business is such that the cash inflow of insurance companies is constant while the payout is deferred and contingency related. This characteristic feature of their business makes insurance companies the biggest investors in long-gestation infrastructure development projects in all developed and aspiring nations. This is the most compelling reason why private sector (and foreign) companies, which will spread the insurance habit in the societal and consumer interest are urgently required in this vital sector of the economy. Opening up of insurance to private sector including foreign participation has resulted into various opportunities and challenges in India.



Aurangabad Divisional Office

Research problem:

This research considered Personnel Management functions of MSRTC like Investment, Services, Periodicity of Policy, Overall Perception behavior and this research would be helpful to LIC for improving its functions. Hence researcher has chosen the topic

“A Study on Customer’s Perception towards Life Insurance Corporation of India (With Special Reference to Divisional Office, Adalat Road, Aurangabad)”

Objectives:

1. To appraise the functioning undertaken in LIC
2. To study Policy period of investment of customer.
3. To study Satisfaction level of customer
4. To study Overall Perception of Policy Holder

Scope of the study:

This research has been carried out for comprehending functions of personnel administration conceded by LIC. The present study included processes Investment, Services, Periodicity of Policy, Overall Perception behavior. LIC functions through-out INDIA, out of all regions, Aurangabad region has been selected.

Aurangabad regions consist of One Divisional Office.

Limitations of the study:

This study is limited to Divisional Office, Aurangabad city.

1. The sample size selected i.e. 150 respondents which is very small.
2. Time is one of the constraints for conducting this research.

Research methodology:

- Sampling method:-non-probability sampling(convenience sampling method)
- Sample size:- 150

For conducting this research, researcher designed structured questionnaire and this questionnaire was distributed among 150 policy holders in Divisional Office Aurangabad city. After conduction of survey, findings & conclusions are drawn by researcher.

Table 1.1
Growth of LIC between 1959 and 1999

S.No.	Particulars	1959	1999
1	Annual Business: Sum Assured Policies First year premium	336.3 crores 8,00,000 14 crores	75606 crores 14857000 4171 crores
2	Business in force: Sum Assured Policies Renewal premium	1477 crores 5686000 74 crores	459201 crores 91726000 16136crores
3	Group Business in force: Sum Assured	5.29 crores	69558 crores
4	Life Fund	41040 crores	127389.06 crores

Source: Annual Reports of LIC.

Services offered by LIC:

1. Children Plans
2. Plans for Handicapped Dependents:
3. Endowment Assurance Plan
4. Plans for High Worth Individuals
5. Money Back Plans
6. Term Assurance Plan

Data analysis and interpretation:

Q.1 What Kind of Investment do you prefer?

- A) Short Term B) Long Term C) Both

Particular	No. of respondent	Percentage(%)
Short Term	74	74%
Long Term	39	39%
Both	37	37%

Interpretation:

- Maximum People Invest for short period rather than Long period of time
- Average number of people invest in both short as well as long period

Q.2 Are you satisfied with the services of LIC of India?

A) Yes

B) No

Particular	No. of respondent	Percentage (%)
Yes	123	123%
No	27	27%

Interpretation:

- Maximum number of customers are satisfied by the services of LIC
- Very less are unsatisfied because of some personal bad experience

3) Give reasons for insuring with LIC?

A) Company Profile

B) Brand

C) Grievances Handling

D) Undue Delay in Claims

E) Public Sector

F) All of the above

Particular	No. of respondent	Percentage (%)
COMPANY PROFILE	90	90%
BRAND	20	20%
GRIEVANCE HANDLING	12	12%
UNDUE DELAY IN CLAIMS	11	11%
PUBLIC SECTOR	9	9%
ALL OF THE ABOVE	8	8%

Interpretation:

- Maximum number of people invest due to company profile as it is one of the largest insurance company in India

Q.4 Satisfaction level towards services offered by LIC?

- A) Fully Satisfied B) Partially Satisfied C) Not Satisfied

Particular	No. of Respondent	Percentage(%)
FULLY SATISFIED	12	12%
PARTIALLY SATISFIED	30	30%
NOT SATISFIED	40	40%

Interpretation:

- Maximum number of people are satisfied by services offered by LIC

Q.5 Accessibility of the employee / agents of LIC?

- A) Yes B) No

Particular	No. of respondent	Percentage(%)
YES	135	135%
NO	15	15%

Interpretation:

- Maximum number of policy holder are satisfied by the accessibility of employee

Q.6 Undue Delay in Claim Settlement Process?

- A) Yes B) No

Particular	No. of respondent	Percentage(%)
YES	25	25%
NO	125	125%

Interpretation:

- Most of them say that there is no delay in claiming the policy

Q.7 Do agents of LIC provides the correct information?

- A) Yes B) No

Particular	No. of Respondent	Percentage(%)
YES	145	145%
NO	5	5%

Interpretation:

- Many say that the information and services offered by agents is very good

Q.8 Rate your overall satisfaction with Insurance Policies of LIC of India?

- A) Highly Satisfactory B) Satisfactory
 C) AverageDissatisfactory D)Highly Dissatisfactory

PARTICULAR	No. of respondent	Percentage
HIGHLY SATISFACTORY	101	101%
SATISFACTORY	19	19%
AVERAGE DISATISFACTORY	19	19%
HIGHLY DISATISFACTORY	11	11%

Interpretation:

- Most of them are satisfied with overall services of LIC

Findings:

- The study on consumer buying behavior towards life insurance has depicted several facts.
- It was found that majority of the customers towards life insurance are male in number when compared with females.
- Post graduates and graduates are showing more interest in taking insurance policies as they have more awareness levels.
- As salaried employees are more towards saving, majority of the people prefers to save 11% to 20% of their salary towards savings.
- From the study it was found that majority of the people likes to invest in short term policies than long term policies.
- It was found that family, advisors and self-interest are major drivers in investing in insurance. The study shows that tax benefits, risk coverage and growth.
- The study shows that majority of the customers of life insurance know upto 3 insurance companies only and LIC is being one among them.
- Majority of the customers tries to seek insurance policies from insurance advisors and they prefers to take insurance for himself/herself and for his children. Form the study.
- It was found that maximum number of the respondents prefers to take Insurance form Public sector insurance companies than private sector insurance companies.
- The periodicity of investment lies from 5years to 20years basing on the nature of the policy. Majority of the respondents are interested to invest in low risk and safe return policies than high risk and high return policies.
- The study presents an interesting fact that majority of the customers have awareness on details of the policy they buy.

Conclusion:

Indian consumers have different consuming habits which can be changed very quickly due to the passage of time. The Indian consumers have different perception towards investments. This research has focused on understanding the behavior of customers towards investment in life insurance. This study was focused to identify the underlying reasons, facts that drive customers to invest in life insurance. Majority of the customers feels insurance as a tax saving option than the risk protection and saving options. If their investment patterns are analyzed, majority of the customers prefers long term investments and low risk-moderate return options. The major influencing in choosing an insurance

company are customer relationships, company image. India is a developing country where income levels of the people are increasing with increased opportunities. As a result their disposable incomes are also increasing which paves a path for insurance companies to gather and explore the opportunities. The overall attitude of customers towards life insurance is positive. If the private insurance companies try to provide and serve the customers with service quality coupled with empathy and assurance, India could become a biggest market for any insurance company.

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