

A STUDY ON POLICYHOLDER'S PREFERENCE AND SATISFACTION TOWARDS LIFE INSURANCE CORPORATION IN THOOTHUKUDI DISTRICT

Mr. S. SIRIL ARUN, Part-time Research Scholar, Department of Commerce, Manonmaniam Sundarnar University, Tirunelveli

Dr. V. GOPALAKRISHNAN, Research Supervisor, HOD of Commerce (Rtd.), Aditanar College of Arts and Science, Tiruchendur – 628216 (Affiliated to Manonmaniam Sundarnar University, Tirunelveli - 12)

Abstract:

Insurance is one important part of the financial system. The insurance business differs in the sense that it is rewarded for managing the risks of other parties. LIC India is a major life insurance player in the Indian insurance industry, with its strong knowledge base and long-established network that has helped keep it functioning. In India the insurance sector not only contributes to the financial system but also has an important socio-economic function to provide risk to the poor. The insurance business is facing new challenges such as a rapidly changing market, new technologies, economic uncertainty, strong competition with many strong customers and therefore a changing business environment. Similarly firms of other business domain insurance companies consider their customers collectively because that is the most important component. The study aims to investigate to the LIC policyholders' preference, opinion and satisfaction to the policyholders in Thoothukudi district.

Key words: Policy Holders, Satisfaction and Life Insurance Corporation

1. INTRODUCTION

Consumers are considered as the king of every business. The satisfaction and preference is an integral element for the success of any business. It refers to the buyer's preference resulting from comparing the observe performance of the product or services in relation to the buyer's expectation. Consumer satisfaction depends up on the real performance in relation to buyer expectations. When product performance declines, it means that the product does not live up to expectations. If product performance meets expectations, the consumer is fulfilled. If performance exceeds expectations the consumer is either too satisfied or bewitched. LIC India has developed a number of life insurance policies to meet the diverse needs and requirements of customers. An insurer is a person who has a policy with an insurance company. Customer satisfaction depends on how the customer perceives the policies offered by the insurance company and how satisfied they are with their services. The preferences and preferences of policyholders do not matter. India's LIC introduces the validity of policies tailored to preferences and policyholders. Life insurance helps to ensure a person's health and direct compensation will be provided to the insurance company by the insured. The subject of insurance can be any property, right, interest, health or debt. Risk is the chance that something dangerous or unexpected may happen. Insurance is a tool that shares financial losses that may occur to an individual or his or her family in the event of an event.

2. STATEMENT OF THE PROBLEM

Life insurance is a contract where the insurer promises to pay the same amount of premium from time to time when the insurer agrees to pay the same interest rate at regular intervals where the insurer agrees to pay the fixed amount in the event that it occurs an event that could be the death of the insured or the end of a certain number of years. Life insurance provides both safety and security for the individual and promotes savings. LIC has various programs to provide for the needs of different classes of people and to promote savings. LIC creates effective public awareness about the product and provides better service to policyholders. Life is full or dangerous and emergencies. Customer satisfaction highlights key areas; policy makers have that improve LIC performance. Importantly, it highlights differences in different areas such as awareness level, preferences, opinions and satisfaction levels of policyholders. Insurance schemes should attract and satisfy policyholders in a variety of ways. Life insurance today has become the backbone of any market economy as it offers

a wide range of long-term savings. Each person who cares for them and their accommodation becomes the owners of line insurance policies. Life Insurance Corporation of India offers new products to attract more businesses to both existing and new policyholders. The researcher is interested in conducting research on the policyholder's preferences and satisfaction with the policies of Life Insurance Corporation of India.

3. OBJECTIVES

- To study profile of the life insurance policy holders.
- To study the opinion and satisfaction of the policies holder towards life insurance policies.
- To analyse the causes for preferring Life Insurance Corporation of policies

4. METHODOLOGY

The researcher used the primary data to gather information from LIC policy holders in the Thoothukudi district. The second data is collected from various journals, books, magazines and websites. The researcher selected 150 policy holders. The sample is collected using a convenience sample method. The data are analysed by applying weighted average rank analysis, and simple percentages.

5. DATA ANALYSIS

5.1 SOCIO-ECONOMIC FACTORS OF THE POLICY HOLDERS

The most important socio-economic factors that influence policyholders' preferences are socio-economic factors such as gender, age, marital status, educational qualifications, occupation, annual income and all considerations. The results are given below.

TABLE - 1 :SOCIO-ECONOMIC FACTORS OF THE POLICY HOLDERS

S. No.	Factors	Classification	No. of policy holders	Percentage
1	Gender	Male	79	52.67
		Female	71	47.33
		Total	150	100.00
2	Age	20 - 30 years	38	25.33
		30 - 40years	43	28.67
		40 - 50 years	37	24.67
		Above 50 years	32	21.33
		Total	150	100.00
3	Marital status	Married	85	56.67
		Unmarried	65	43.33
		Total	150	100.00
4.	Educational Qualification	Illiterate	31	20.67
		SSLC	36	24.00
		HSC	28	18.67
		Graduate	32	21.33
		Post graduate	23	15.33
		Total	150	100.00
5	Occupation	Govt. employee	31	20.67
		Businessman	35	23.33
		Professionals	21	14.00
		Private employee	19	12.67
		Labour	23	15.33
		Housewife	21	14.00
		Total	150	100.00
6		Below Rs. 25,000	37	24.67
		Rs. 25,000 - Rs. 35,000	25	16.67
		Rs. 35,000 - Rs. 45,000	23	15.33

	Rs. 45,000 - Rs. 55,000	21	14.00
	Rs. 55,000 - Rs. 65,000	29	19.33
	Above Rs. 65,000	15	10.00
	Total	150	100.00

Source: Primary data

From the above table 52.67 percent of policyholders are male, majority of the policyholders belong to the middle aged group that is 20-40 year. 56.67 percent of policyholders are married. Majority of the policyholder hold a degree. 23.33 percent of the policyholders are business man. 24.67 percent of the policyholder has annual income below Rs. 25,000.

5.2 OPINION AND SATISFACTION OF THE POLICIES HOLDER TOWARDS LIFE INSURANCE POLICIES

In this competitive situation, it is significant study the opinion and satisfaction of the policy holders. It will very much useful for the life insurance corporation. The success or failure of any concern is decided by its customers. Policy holders are the customer to the LIC. The opinion and satisfaction of the policy holders on LIC policies is given in the table.

TABLE – 2 :OPINION AND SATISFACTION OF THE POLICIES HOLDER

No.	Factors	Sources	No. of policy holders	Percentage
1	Sources of awareness	Friends	22	14.67
		Relatives	30	20.00
		Advertisement	28	18.66
		Agents	70	46.67
		Total	150	100
2	Opinion on premium rate	Low	55	36.67
		Fair	70	46.66
		High	25	16.67
		Total	150	100
3	Mode of payment	Monthly	15	10.00
		Quarterly	36	24.00
		Half yearly	43	28.67
		Annually	56	37.33
		Total	150	100
4	Opinion on LIC polices	Poor	15	10.00
		Fair	46	30.67
		Good	35	23.33
		To be improved	54	36.00
		Total	150	100
5	Reason for non-renewable of the policies	Personal problem	41	27.33
		Business problem	36	24.00
		Financial problem	73	48.67
		Total	150	100
6	Duration policies	Less than 5 years	24	16.00
		5 – 10 years	48	32.00
		Above 10 years	78	52.00
		Total	150	100
7	Opinion about Agents	Poor	14	9.33
		Fair	47	31.33
		Good	55	36.67
		Very good	34	22.67
		Total	150	100.00

Source: Primary data

The above table - 2 shows that, out 150 policyholders, 46.67 percent of the policyholders were aware about policies through agent. 46.66 percent of the policy holders felt that premium rates

are fair. 37.33 percent of the policyholders prefer to pay the premium on annually. 36.00 percent of the policyholders have an opinion to be improved on LIC policies. 48.67 percent of the policyholders were facing financial problem so they were not renewable their policies. 52.00 percent of the policyholders proceed for the period of above 10 years. Most of the policies holders felt that their agent services very good.

5.3 CAUSES FOR PREFERRING LIFE INSURANCE CORPORATION OF POLICIES

The policy holders prefer the Life Insurance Policies for many reasons. The need of the policy holders varies from person to person. The policy holders take Life Insurance full fill their needs. From the below table show that the causes for preferring LIC policies.

TABLE 3
CAUSES FOR PREFERRING LIC POLICIES HOLDERS

Sl.No	Factors	Total Score	Mean	Rank
1	Security to life	822	5.48	1
2	Easy instalment	574	3.83	4
3	Savings	734	4.89	2
4	Tax concession	453	3.02	7
5	Protection of a family	613	4.09	3
6	High rate of bonus	524	3.49	5
7	Loan facilities	470	3.13	6

Source: Primary data

The above table shows that the rank given by the policy holders to the causes for preferring LIC policies. The most of the policy holders preferred LIC policies first for the security to life, then for savings, followed by protection of a family, easy instalment, high rate of bonus, loan facilities and finally, they preferred policies for tax concession.

6. FINDINGS

- ❖ 52.67 percent of policyholders are male.
- ❖ Majority of the policyholders belong to the middle aged group that is 20-40 year.
- ❖ 56.67 percent of policyholders are married. Majority of the policyholder hold a degree.
- ❖ 23.33 percent of the policyholders are business man.
- ❖ 24.67 percent of the policyholder has annual income below Rs. 25,000.
- ❖ 46.67 percent of the policyholders were aware about policies through agent.
- ❖ 46.66 percent of the policy holders felt that premium rates are fair.
- ❖ 37.33 percent of the policyholders prefer to pay the premium on annually.
- ❖ 36.00 percent of the policyholders have an opinion to be improved on LIC policies.
- ❖ 48.67 percent of the policyholders were facing financial problem so they were not renewable their policies.
- ❖ 52.00 percent of the policyholders proceed for the period of above 10 years.
- ❖ Most of the policies holders felt that their agent services very good.
- ❖ The study shows that the rank given by the policy holders to the causes for preferring LIC policies. The most of the policy holders preferred LIC policies first for the security to life, then for savings, followed by protection of a family, easy instalment, high rate of bonus, loan facilities and finally, they preferred policies for tax concession.

7. SUGGESTIONS

- The LIC policy should be offered at a low premium rate.
- The Life Insurance Corporation should enrich the advertisement camping to apples the masses.
- Innovative life insurance schemes have to be implemented
- There must be friendly documentation i.e. it should be made easier and faster.

- Loan facilities may be extended to all the section of the society instead of limiting its sanction to employee and IT assesses.
- The Life Insurance Corporation to remove the constraints, obstacle and hindrance that arise in quick disposal of claims.

8. CONCLUSION

Life insurance will also have to contribute to the promotion of technological development and use it effectively by developing common social skills. Other actions of Life Insurance Corporation of India are required to develop the insurance market. The major factors that play a role in improving consumer preferences are life insurance policies consumer loyalty, service quality, simplicity procedures, level of satisfaction, and company image and company client relationships. The insurance industry must continue. More opportunities are waiting. The conclusion is that most policyholders are satisfied with the policies of the life insurance corporation. The research will help improve market share, credibility and sustainable development in the insurance sector.

REFERENCES

- Crosby.L.A and Stephens.N (1987), “Effect of Relationship Marketing on Satisfaction, Retention, and Prices in the Life Insurance Industry”, *Journal of Marketing Research*, Vol. 24, No.4, pp.404–411Kothari.C.R, “Research Methodology”, New Age International Publication, pp.50-60.
- Antony Thomas and Tiya Mathews, “Banking and Insurance”, Prathbha Publication, pp 159-165.
- Joseph.M, Stone.G and Anderson.K (2003), “Insurance Customers’ Assessment of Service Quality: A Critical Evaluation”, *Journal of Small Business and Enterprise Development*, Vol.10, No.1, No.81–92.
- Ramamoorthy.R, Gunasekaran.A, Rai.B.K and Senthilkumar.S.A (2016), “Service Quality Indian Life Insurance Sector”, *Total Quality Management & Business Excellence*, 29(7-8), 834-847.
- its impact on customers’ behavioural intentions and satisfaction: an empirical study of the
- Srinivasan.A.P (2015), “A Study on Customer Awareness towards Health Insurance”, *IOSR Journal of Business and Management*, Vol.17, No.III, pp.50 - 54.
- Siddiqui.H.M and Sharma.G.T (2010), “Analysing Customer Satisfaction with Service Quality in Life Insurance Services”, *Journal of Targeting, Measurement and Analysis for Marketing*, pp 221 – 238.
- Gayathri.H, Vinaya.M.C and Lakshmisha.K (2006), “A Pilot Study on the Service Quality of Insurance Companies”, *Journal of Services Research*, Vol.5, No.2, pp. 123–138.