

A STUDY ON ULIP - INVESTORS PERCEPTION TOWARDS WEALTH MAXIMIZATION IN INSURANCE INDUSTRY.

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

ANITHA N
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SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

APRIL 2023



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the Bonafide work of **ANITHA N - 41410019** who carried out the project entitled "**A Study on ULIP – investors perception towards wealth maximization in insurance industry**". under my supervision from Jan 2023 to April 2023.

Dr. M. JOHN PAUL

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DECLARATION

I **ANITHA.N (41410019)** hereby declare that the Project Report entitled “**A Study on ULIP – investors perception towards wealth maximization in industry**” done by me under the guidance of **DR.M.JOHN PAUL** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

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I am pleased to acknowledge my sincere thanks to Board of Management of **SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

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I wish to express my thanks to all Teaching and Non-teaching staff members of the **School of Management Studies** who were helpful in many ways for the completion of the project.

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TO WHOMSOEVER IT MAY CONCERN

This is to certify that Ms. ANITHA N, a student of 2nd year MASTER OF BUSINESS ADMINISTRATION from SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY, CHENNAI has completed the Project Work on "A STUDY ON ULIP - INVESTORS PERCEPTIONS TOWARDS WEALTH MAXIMIZATION IN INSURANCE INDUSTRY" at "POLICY PARIVAAR INSURANCE BROKERS PVT. LTD." during the period from 03/01/2023 to 31/03/2023.

We wish her all success in her future endeavor.

For Policy Parivaar Insurance Brokers Pvt Ltd.


Dhandapani.R
Director



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ABSTRACT

The foundation of life insurance is the recognition of the value of a human life and the possibility of indemnification for the loss of that value. Mutual fund industry has gained importance after liberalization policy of the Government, but the function of Unit Trust of India (UTI) marked the evolution of the Indian mutual fund industry in the year 1963. With the privatization of the insurance sector, many companies emerged with unit linked insurance plans (ULIP), but long before this UTI has come into play with ULIP-1971 with an objective of returns through growth. ULIPs are such schemes that provide a combination of benefits of life insurance and diversified investment. With high competition existing among these companies and advancement of information technology, customers are able to know information from all corners and also have many choices to invest at their behest. Organizations have to move to provide innovative services to attract the customers. The present study includes data collection through questionnaire and also personal interview of the customers to know how do they perceive UTI-ULIP. Chi-square has been applied to find the product validation as a better option for investment there being many avenues for investment. Concepts are described. Suggestions are made at the end for improving the perception level of the customers, and changes that may be made to make unit linked insurance plan a better alternative. In Unit Linked Insurance Plans (ULIP), the investments made are subject to risks associated with the capital markets. This investment risk in investment portfolio is borne by the policy holder. Thus, you should make your investment choice after considering your risk appetite and needs. It is important for an organization to clearly identify its current and potential customers, because failure to identify them correctly results in wasted efforts and even failures in the entire quality initiative. In order for the total quality philosophy to have a lasting impact on change and quality improvement in HEIs, it is important that educational institutions have the right customer focus. The result of this research would help the company to have a better understanding about the consumer's perception towards life insurance. The study helps the company by creating awareness about the consumers of different ages and income levels. The study also enab

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LIST OF OBSERVATIONS

S. NO	ABSERVATION	EXPANSION
1	ANOVA	Analysis of variance
2	ULIP	Unit linked insurance plan

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

This chapter serves as an introduction and provides the necessary theoretical framework for developing proper perception of the subject. Insurance may be described as to protect the economic value of asset. It can be said to be a system of spreading the losses of an individual over a group of individuals. Since it is an intangible product, insurance industry is a service industry insurance industry is a services industry. Insurance industry do not produce, any goods but sell the promise. A promise to take care of the clients or their dependents in case they suffer a loss due to some perils during the term of policy.

Insurance: mankind is exposed to many serious perils such as property losses from fire and windstorm and personal losses from disability and premature death. Although it is impossible for an individuals to foretell or completely prevent their occurrence but it is possible to provide against their financial effort the losses of property and earnings. From the point of view of the individual the life insurance may be defined as a contract whereby for a consideration amount called the premium , one party (the insurer) agrees to pay the other (the insured) or a beneficiary a particular amount upon the occurrence of death or any other agreed event.

ULIP- Unit Linked Insurance Plan:

ULIP Plans is an abbreviation that stands for Unit-linked Insurance plan. It refers to a customized plan that offers facilities for both investment and insurance plans. ULIP can turn out to be an ideal plan for you if you are likely to invest in a range of assets like mutual funds, bonds and stocks.

1.1.1 What is a ULIP:

A Unit-Linked Insurance Plan is a combination of life insurance and investment. A part of your premium is invested in funds of your choice, while another part goes towards a life insurance cover. You are allowed to switch and redirect your funds often in search of better returns or greater safety. You can invest in equity, debt, or balanced funds as per your risk appetite.

1.1.2 How Does ULIP Work?

Under a ULIP, the **investment risk in the portfolio is borne** by you (as a policyholder.) The primary purpose of buying the best ULIP plan policy is to secure your loved ones financially against any unforeseen events.

1. When you invest in the best ULIP plan, a portion of your premium is allocated for the life insurance cover as an insurance
2. The rest of the amount is invested in a variety of equity and debt fund options, as part of investment
3. Your money is invested in the market linked funds chosen by them
4. The total corpus invested is divided into "units" with a specific face value, and each investor is allocated "Units" in proportion to the amount they invested.
5. At any point in time, the value of each unit is known as the Net Asset Value (or NAV)
6. The NAV reflects any increase or decrease in the value of the underlying assets.
7. If you make partial withdrawals from the accumulated corpus, the corresponding number of Units is sold
8. Similarly, the inherent policy charges under the ULIP plan are deducted in the form of units.
9. At the time of maturity, you have the options to receive the total value of the fund, either as a lump sum, or monthly installments paid over a specific period, as per the terms and conditions of the best ULIP plan.
10. In case of your demise within the policy tenure, the death benefit payable to your family will be the higher of the.

1.1.3 Features of Unit Linked Insurance Plans

Investment allocation

One of the features of ULIPs is that you can choose the type of funds~ you want to invest in as per your risk appetite. You can choose to be aggressive with equity funds, decide to stay conservative with debt funds, or enjoy the best of both with balanced funds. Even after investing, you can direct your future premiums towards the funds of your choice by making use of this feature of ULIP.

Fund switch

If you foresee a change in market conditions, or your requirements from your investment change, you can switch from one fund type to another. The ability to switch between funds is a feature of ULIPs that gives you the flexibility to modify your investment as per your requirements. You can safeguard your investments from market fluctuations by diverting your investments into debt funds during market slowdowns and change back to equities during upswings. All this is available within the same plan, at any time, without any additional costs or charges.

Partial withdrawal

The option to withdraw money from your plan is one of the key features of ULIP. In case of an emergency, you can withdraw money from your funds after the five-year lock-in period. The number of withdrawals permitted and the cap on withdrawal amounts depend on the plan you choose.

Top-ups

With a change in your life stage and needs, you may want to increase your investment from time to time. One of the features of ULIP is that you can invest an additional amount over and above your regular investment in the plan. This additional investment can provide you with a larger amount at the end of the tenure of the plan.

Tax-saving Instrument

Premiums paid towards ULIPs are tax-free upto ₹ 1.5 lakh per annum under Section 80C of the Income Tax Act, 1961. The amount received at the end of the tenure of the policy is also tax-free# under Section 10(10D). Tax savings benefits are one of the best features of ULIPs as they add to the returns from the plan.

Multiple premium payment options

This feature of ULIPs offers you to pay your premiums as per your convenience. You can choose to pay monthly, half-yearly or annually. You can also opt for the single premium payment option if you do not want to pay regularly.

1.1.4 Importance of ULIP:

Investment benefits with life cover: Affordability and risk appetite are major constraints while considering market-linked investment options. You have to spend more and assume a considerable amount of risk to make reasonable returns. However, family commitments generally restrict the extent of risk you can take and the amount you can confidently invest. With the ULIP policy, you can be assured of a life cover and market-based investments as per your risk profile. The life cover will ensure the sum assured to your nominee in case of your unexpected death during the policy term. It is a cost-effective solution for all your financial needs.

Flexibility: Flexibility is an important aspect of any financial instrument. It will help you customize the plan for your financial requirements. ULIP benefits have critical importance due to their flexible features. Here are a few to mention:

- The portion of the fund invested for market-linked returns in the financial securities can be based on your risk appetite. For example, you can choose to invest in equities for high-risk investments, debt funds for low-risk investments and the hybrid fund for moderate risk investments.
- You also get the option to switch between the funds based on the market volatility. For example, if an economic slowdown is expected shortly due to a government policy announcement, you can switch to a debt fund to secure your investment and ULIP returns.

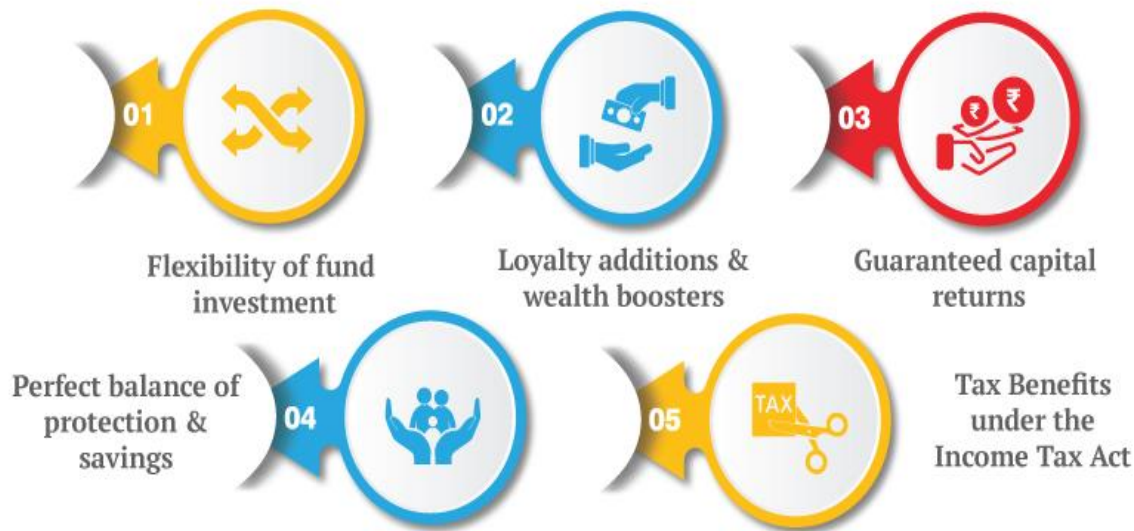
Secure and long-term benefits: Every investor considers safety as a prominent factor while choosing investment options. ULIP plans are considered safe for three reasons.

Insurers provide different combinations of funds that you can choose to invest in based on your risk tolerance level. As the funds are managed by an expert team facilitated by the insurance provider, they are extremely reliable.

1.1.5 Benefits of a ULIP

- a) Tax Benefits
 - b) Flexibility
 - c) Transparency
- a) Liquidity
- b) Tax Benefit:** The premium paid on ULIP investments is eligible for tax deductions under Section 80C of the Income Tax Act, 1961. An amount up to ₹1.5 lakh paid as annual premium is exempted from tax. Further, the maturity benefit is also exempted from taxes under Section 10 (10D). Read more about ULIP tax benefits at Bajaj Markets to understand why this is a great investment avenue.
- c) Flexibility:** ULIP plans help you meet your financial goals. You can invest in equity funds, debt funds, or a combination of the two. However, ULIP plans also give you the flexibility to switch from equity to debt and vice versa. So, in case you feel that your investment portfolio is not producing desired returns, you can make changes to it and hope to yield high returns. Moreover, you can invest additional capital over and above your existing premiums. This can be done as and when needed, depending on your financial conditions.
- d) Transparency:** Important indicators like charge structure, the value of the investment, and the expected rate of returns, will be shared by the insurance company before you buy a ULIP plan.
- e) Liquidity:** With ULIP plans, you get an option of partial withdrawal in the policy. With this option, you can manage emergency expenses, family vacations, a child's education, and more. Generally, the partial withdrawal option is free and can be availed after the lock-in period is over.

5 Super Reasons ULIP Is Ideal For Wealth Creation



1.1.6 Role of ULIP in Wealth Creation

- a) **Flexible Investments:** ULIPs enable investors to choose where their funds get invested. Apart from the initial allocation, you can switch funds during the investment to make the most of the market changes
- b) **Profitability's:** When you invest in ULIPs, you gain access to multiple asset classes, allowing you to diversify your portfolio quickly. A diverse portfolio allows long-term wealth creation and profitability, making ULIPs a crucial financial tool.
- c) **Lock-In Period:** ULIPs come with a lock-in period of five years, ensuring you grow wealth over a longer time. Long-term investments provide better opportunities for growth and wealth creation.

1.1.7 Types of ULIP Plans

- Equity Funds
- Income, fixed-interest, and bond funds
- Cash Funds
- Balanced Funds

a) Equity Funds: These ULIPs invest riskiest ULIP investment primarily in high-risk equities and stocks on companies. They are the, and also the one offering the highest rewards. If you have a medium-to-high risk appetite, and think that fortune favors the bold - go for one of these plans. If you win here you win big .High risk, high reward.

b) Income, fixed-interest, and bond funds: Under these ULIPs, your funds will be invested in government securities, fixed-income securities, corporate bonds, and the like, which offer a medium and risk, and medium reward .Medium risk, low to medium reward

c) Cash Funds: Investments in these ULIPs will see your corpus directed towards money market funds, cash and bank deposits and other money market instruments which are in the lowest risk category .Low risk (almost no risk) and low reward.

d) Balanced Funds: These are the most stable and prudent investment based on the very fact that they vary the amount of investment that goes to different places. It invests in proportion, and divides the total investible amount between equity investments in high risk equities, company stocks, etc. and fixed-interest instruments which pose a lower risk. Medium risk, high reward.

1.2 INDUSTRY PROFILE

According to India's Insurance industry is one of the premium sectors experiencing upward growth. This upward growth of the insurance industry can be attributed to growing incomes and increasing awareness in the industry. The gross first year premium of Life insurers increased by 6.94% in 2021-22 until 31st January 2022, this was Rs. 2,27,188 crore (US\$ 29.54 billion). In September 2021, the Union Cabinet approved an investment of Rs. 6,000 crore (US\$ 804.71 million) into entities, offering export insurance cover to facilitate additional exports worth Rs. 5.6 lakh crore (US\$ 75.11 billion) over the next five years. In February 2021, the Finance Ministry announced to infuse Rs. 3,000 crore (US\$ 413.13 million) into state-owned general insurance companies to improve the overall financial health of companies. The penetration of Indian insurance industry is less than 5% of the GDP. IRDAI data shows that India's insurance penetration was 4.2% of the GDP in 2021-22. In terms of penetration, India is far behind the global average of 7% of the GDP. India's insurance penetration was pegged at 4.2% in FY21 (from 3.76% in 2019-20), with life insurance penetration at 3.2% and non-life insurance penetration at 1%. Life insurers recorded new business premium of INR 2.78 tn (\$38 bn) in FY21 growing at 7.49% over the last year with private life insurers growing at 16.29%. Private Life Insurers account for 33.8% of the industry's new business premium (FY21) with the rest being accounted for by the Life Insurance Corporation of India (LIC). Life insurers recorded new business premium of INR 2.78 tn (\$38 bn) in FY21 growing at 7.49% over the last year with private life insurers growing at 16.29%. Private Life Insurers account for 33.8% of the industry's new business premium (FY21) with the rest being accounted for by the Life Insurance Corporation of India (LIC). The recent pandemic has emphasized the importance of healthcare on the economy, and health insurance would play a critical role in the effort to strengthen the healthcare ecosystem.

The Indian Insurance Sector is basically divided into two categories – Life Insurance and Non-life Insurance. The Insurance sector in India consists of total 57 insurance companies. Out of which 24 companies are the life insurance providers and the remaining 33 are non-life insurers. Out of which there are seven public sector companies.

Non-life Insurance. The Non-life Insurance sector is also termed as General Insurance. Both the Life Insurance and the Non-life Insurance is government by

the IRDAI (Insurance Regulatory and Development Authority of India). Role of IRDA is to thoroughly monitor the entire insurance sector in India and also act like a custodian of all the insurance consumer rights. This is the reason all the insurers have to abide by the rules and regulations of the IRDAI.

India is the 2nd largest Insure Tech market in the APAC region, accounting for 35% of the \$3.66 on capital invested in this region. The online individual insurance market opportunity is estimated to be \$1.25 Bn by FY25 more than tripling from \$365 Mn in FY20.

The growth of the insurance market is being supported by important government initiatives, strong democratic factors, conducive regulatory environment, increased partnerships, product innovations, and vibrant distribution channels.

The increase in the FDI in Insurance from 49% to 74% announced in the Union Budget (Feb'21) shall further help in driving increased penetration and coverage by enabling additional avenues for capital support required for the expansion of the insurance industry in India.

The recent pandemic has emphasized the importance of healthcare on the economy, and health insurance would play a critical role in the effort to strengthen the healthcare ecosystem. The insurance regulator IRDAI has also undertaken various initiatives towards boosting the insurance penetration, such as permitting insurers to conduct video-based KYC, launching standardized insurance products and allowing insurers to offer rewards for low-risk behavior.

1.3 COMPANY PROFILE

Policy Parivar is an insurance approved by IRDA of India. We offer an online platform for insurance buyers where they can easily compare different insurance policies such as car insurance, life insurance, two-wheeler insurance, term insurance, retirement plans etc. They can make an informed choice in a matter of a single click that too from the comfort of their home. By comparing insurance plans online, the applicants can avail easy and free access to the availability of information. We have tied up with 50+ insurance companies in India to offer a myriad of options. By making smart use of the latest technology, PolicyParivaar makes insurance buying/process smooth for insurance buyers. We promise you simplified insurance terms and conditions, hassle-free and stress-free claims and best offers from top insurers. We also offer value-added services like claims consultancy services to ensure you get the best rate of insurance claims settlements and industry-leading claims assistance. Our experts are a team of professional consultants with added expertise of doctors, lawyers with years of enriching experience in insurance domain, thereby offering end to end claims solutions. Policy Parivaar is an optimum blend of the exuberance of youngsters and expertise of experienced personnel. Our team is well equipped with Chartered Accountant, Associates, Fellowship in Insurance Qualifications and Broker Qualified Persons. Our Team is capable of handling any type of Insurance, providing absolute confidence to the customers. We Policy Parivaar, understand the importance of family financial planning. Risk fund planning is the second important planning after emergency fund planning. Hence Policy Parivaar provides the important financial protection that every family needs. Purchasing of Insurance is a cumbersome process. We simply hold you, guide you through out the journey of life and make you understand the importance of the insurance to take care of your family's financial risk at the time of unforeseen circumstances. Our Service never ends with taking insurance policy. We also make sure that you get your rightful claim whenever and wherever required.

1.4 Product profile

A ULIP is a life insurance policy that provides the dual benefits of investment to achieve your long-term financial goals and a life cover to financially secure your family in case of an eventuality. The premium you pay towards a ULIP plan goes into two parts. One portion of your premium goes to your life cover, and the remaining portion is invested in market-linked instruments of your choice. You can invest in equity, debt or a combination of both funds according to your life goals and risk appetite. Let us understand in detail what is a ULIP plan and how it works. Just like every life insurance product, you are required to pay a small amount, known as premiums to keep your policy running. In ULIPs such as Canara HSBC Life Insurance Invest 4G, up to 100 per cent of your premium is allotted towards your investment.

1.5 OBJECTIVE OF THE STUDY

PRIMARY OBJECTIVE

- To study the investors perception towards wealth maximization of ULIP investors.

SECONDARY OBJECTIVE

- To study the investors perception about Unit Linked Insurance Plan (ULIP).
- To identify if there is an association between the gender based life insurance investment awareness.
- To study how much investors are satisfied with their investment.

1.6 NEEDS OF THE STUDY

- This study helps to analyze the dealing and developing between the investors and company.
- .
- It helps to build a good relationship and understanding of an investor and company in order to develop the future project.
- This study helps to develop the financial growth for investors in unit linked insurance plan.

1.7 SCOPE OF THE STUDY

- It ensures the investment safety of principles and to create a better understanding between the investors and the insurance company.
- It evaluates the risk involve in securities and it helps to reduce the risk of losses of investment and income.
- It enhances the overall understanding of individual looking for a strategic investment plan and it is used to provide a lots of useful information that enables investment decisions with better return and minimum risk.

CHAPTER 2

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

Dr.O.P Jain, 2018) ULIPs since its origin have involved discussion, which has cleared a path for numerous sorts of research through which terrific outcomes have turned out. 40% respondent keep themselves refreshed about market vacillations and just 36 % respondent knew about the exchanging alternative which affirms that substantial populace of regular financial specialists are not having satisfactory learning of market changes and they totally trust on life back up plan's generosity and reserve chiefs abilities, analyst neglect to acknowledge the invalid theory, and presume that basic speculator don't know about the relationship of SENSEX and NAV lists of Unit connected protection plans.

(Devi, 2018) is analyzing a cost and return basis analysis concluded that from the perspective of investors, they always look for good and almost risk-free return on their hard-earned money. As per (Devi, 2018), asset management companies are transparent enough as compared to ULIP. In ULIP investors do not have much knowledge about how their NAV will be calculated and how investors will get their return.

(Lakhani, 2014)¹ Unit Linked Insurance Plans (ULIP) had emerged as a major player in savings mobilization. Investors had shown keen interest by subscribing to ULIP schemes anticipating higher returns. Key objectives of research paper were To study the risk-adjusted return on equity, balanced and debt funds of ULIP of top five life insurance companies and to recommend which fund is giving better returns to its policy holders .The study scrutinizes examined the risk-adjusted returns that have accrued to funds of top five life insurance companies over a period of four years. From the various funds examined, it can be said that an investor who is ready to take risks should invest in equity fund of SBI Life Insurance Co. Ltd. The investor who balanced his investment between equity and debt should opt for asset allocation fund of Bajaj Allianz Life Insurance Co. Ltd. Lastly, the risk-averse investor should invest in money market fund of ICICI Prudential Life Insurance Co. Ltd.

Ritesh Dwiveni & Anand Batra (2014) conducted A compare research report of Unit Linked Insurance Products of Different Companies The findings showed that, due to its

uniformity, the HDFC Life is considered the best business, while ICICI Prudential had a market share limit and investors were pleased. Also, ICICI Prudential is known for its low advertisement output as a company by word of mouth. HDFC Life takes the second position concerning investor satisfaction.

Bhagabat & Rakesh (2014) rank second in their paper, concluding that the life insurance industry in India needs special attention compared to other industries. Owing to market and work shifts this industry will face more obstacles and has strong business potential.

(Singh, 2015) The shrewd saying, 'Contrast apples and apples, and not with oranges' remains constant for investments as well; be that as it may, here and there financial specialists will in general contrast diverse venture items due with evident likenesses. One such correlation is among ULIPs and mutual fund plans. We should discover the likenesses and contrasts between the two. ULIP represents Unit Linked Insurance Plan. Its greatest advantage is that it consolidates the highlights of both protections spread and speculation openings under a solitary arrangement.

Nagarajan et al. (2013) evaluated the performance of ULIP products offered against the competition in their research article. They concluded that in contrast to other goods the MetLife offers a decent return for investors.

(Samajpati, 2013)² in his research paper "Performance appraisal of unit-linked insurance plans (ULIPS) in India: a case study" has analyzed the performance evaluation of ULIPs through Risk-Return Analysis, Treynor's Ratio, Sharpe's Ratio, and Jensen's Measures. The schemes selected for study were ICICI Life Stage RP-Maxi miser (Growth) Fund, Bajaj Allianz. New Family Gain-Equity Index Fund II and ING High Life Plus-Growth Fund. The results of performance measures suggested that all the three ULIPs schemes have outperformed the market. Among the three schemes, ING Vysya ULIP was the best performer.

Udayan Samajpati (2012) enhanced the performance evaluation of ULIPs is carried out through Risk-Return Analysis, Treynor's Ratio, Sharpe's Ratio and Jensen's Measures. The schemes selected for study were ICICI Life Stage RP-Maxi miser (Growth) Fund, Bajaj Allianz New Family Gain-Equity Index Fund II and ING High Life Plus-Growth Fund. The results of performance measures suggested that all the three ULIPs schemes have outperformed the market. Among the three schemes ING Vysya ULIP was best performer.

(Gupta, 2012) of ULIP plans of ten Life Insurance companies showed that for Type 1 ULIP plans the mortality adjusted rate of return is slightly higher than unadjusted rate of return. For Type 2 ULIP plans it is found that, this distinction is higher when contrasted with Type 1 plans. The distinction between the MAROR and UAROR increments as the section age of the policyholder increments. The contrast between the MAROR and UAROR increments as the section age of the policyholder increments.

Udayan (2012) has evaluated the performance of three insurance companies ' selected endowment plans ICICI Prudential, Bajaj Allianz, and ING Vysya Life Insurance concerning to Unit Linked Endowment Plans, in their article "The Unit Linked Insurance Plans (ULIPS) Quality Review" in India: A Case Study. The results from research indicate that all three businesses have generated positive returns over the period from ULIP schemes and the market. He also announced that ING Vysya is the best performer in all schemes among all three companies, as its return is the highest in the era. He concluded that ULIPs ' performance is higher than that of the industry of all three companies and all three of them have outpaced the industry. ING Vysya is the best performer among the three companies according to all three scales.

Arnika Srivastava (2012), et al. claimed that the Indian insurance industry had changed over time through creative distribution networks and launched tailored products focused on the needs of investors. Such changes are one of the big positive developments in the Indian life assurance market, and opening up the market for insurers from the unlinked

to unit-like assured policies breaks down the LIC monopoly and has led to harsh competition between the players. They have concluded

Debabrata Mitra and Chandra Khan (2012) The results have shown that traditional policies are being more successfully adhered to by the public sector corporation (LIC), while ULIP policies have been more successfully adhered to by traditional policies in India in this age of globalization. The research investigated ULIP goods to be more dangerous than traditional policies. ULIP production took place within a short period. In comparison to conventional schemes, private life insurance providers record higher growth in ULIP schemes.

Anand GUPTA (2012) investigated whether ULIP should be considered an insurance policy or an investment policy following regulatory amendments. The findings have shown that various ULIP policies have different outcomes and that attrition affects yields. For most ULIP products, principal insurance is still comparatively lower than the investment material.

Knut & Svein (2011) claimed that the insurance premium value is supposed to be a function of a specified stochastic cycle. The arbitrage and martingale theory financial theory has been used for the estimation of a single premium for different policies. We devised trading strategies that mitigate the risk and explain how the publisher should reduce financial risk. The City of London Economic Development's (2011) study says India's insurance and pension markets are undeveloped, but growth potential is enormous. Over the last decade, it clarified that the insurance industry over India has expanded rapidly. The last decade saw the rise and innovation in their promotion and delivery of new insurance products (such as ULIP). This concluded that growth potential is thus huge in India, particularly because India's household savings rate is 24% high and 50% of household savings are kept in non-financial assets.

Sonikachaudhary & PritiKiran (2011) reported that life insurers offered several new products (such as ULIPs, pension plans, etc.) to fit the requirements of different investors. We concluded that LIC and private insurers' investment trends have exhibited certain variations. despite the huge losses they experience, the affluence ratio of private

life insurers is far higher than LIC. They concluded that commercial insurers' incidence ratio is higher than LIC, and in the case of LIC, handling death claims is better than private life guarantors.

Divya Y. Lakhani (2011) had conducted a research study to identify the relation between returns and Sensex, investors' preference for ULIP and Equity, growth and penetration of ICICI Prudential and the performance of some of its ULIP schemes. The major finding of this study was that the NAV for equity based fund options moves in tandem with Sensex while for debt based fund options it is not much affected by the movement of Sensex.

Barbole, A.N., Niranjana, B.N. (2011) in their paper 'Retirement Plans: Ways and Means' state that once the Direct Tax Code (DTC) is implemented, then the tax benefit shall be available only to pure term insurance. Tax benefit available to ULIPs, Pension Plans will no longer be available after implementation of DTC. They have dealt with finding alternatives for benefits like protection, aids to savings and tax benefits as insurance, along with accumulating more and more wealth over the period of life insured.

T

(Seranmadevi, Saravanaraj, & Natarajan, 2011)⁴ found out the consumer awareness and preference for ULIP. A structured questionnaire was administered to 200 respondents and the data was analyzed through simple percentage analysis, weighted average method, ranking method, ANOVA, chi-square, F-test, and correlation. It was observed that mutual fund is the first choice of Investment Avenue. ICICI Prudential is the preferred private life insurance company in ULIPs. Investors find switch fund to be an attractive feature in ULIP. They concluded by stating that good advertising and better recruitment of agents can help a company to get a good market share

Khurana, A., Goyal, K. (2010) in their study 'Exploration & Analysis of Structure and Growth Performance of Selected ULIPs' have examined and analyzed the Unit Linked Insurance Plans of selected private life insurers on the basis of policy features, diverse charges and the performance registered by each ULIP investment scheme. They

mention that every life insurer wants to capture the maximum share in the market and is offering both Unit Linked Insurance Plans (ULIPs) and traditional plans.

(Mondal Deepak (2010)), identified that the minimum sum assured (life cover) in ULIPs is five times and most policies offer cover between 5-10 times the annual premium which has been the signaling factor for the investors.

Agarwal (2010), found that ULIP helps to manage the risk return profile. With the double advantage of security and investment, ULIPs have become the most popular insurance product from the available range of life insurance policies. With a higher rate of return, ULIP gives tough competition to traditional insurance products like endowment plans and money back plans. The basic reason for opting for policies other than the term insurance is ensuring highest maturity value for invested sum besides mortality benefits. In estimating the maturity value the important factors to be considered is the internal rate of return (IRR) on investment.

Varma, T. (2010) in her article 'A ULIP with 100 per cent allocation is a myth' presents an excerpt from interview of Andrew Cartwright, Chief Actuary of Kotak Life Insurance, in which he tells why unit-linked insurance plans are a hit among policyholders in India. According to him, insurance has various advantages over other products, including the flexibility to switch investments and realise gains without tax implications. Unit-linked insurance policies offer a transparent approach along with several investment choices

Kapoor, P. (2009) in her article 'Time to take on responsibility' talks about the investor friendly measures which have been introduced in insurance sector. This refers to the overall charges of unit linked insurance plans and also the fund management charges

Karuna (2009) highlighted on 'Relevance of ULIPs as a good investment tool' to observe traditional life insurance plans offered by LIC took care of only the insurance needs of people. However, with the ever changing demands of customers a

new product called ULIP was launched which combines the benefits of insurance, investment and tax benefits. The author observed that ULIPs were better suited to investors who have 15-20 years as their time horizon to spread the expense over the longer period and reap the benefits

Kumar (2008) compared the ULIPs to mutual funds in his essay, "The Paradox of ULIPs." He claimed that the ULIPs have both insurance and mutual fund characteristics. Significantly, the feature of the ULIPs mutual fund is governed by the government under a somewhat different set of rules compared to the actual mutual funds. He reported that the Mutual Fund commissions of the agent subtract no more than 2.5 percent. If creditors do not use an agent, this deduction amounts to 0 percent (by law) and goes directly to the funding company.

Dhirendra Kumar (2008) said in the past few years, the government's insurance sector in India has suffered from a major regulatory failure. This industry has a very mild regulatory framework and is open to foreign capital to offer insurance to Indian under-assured masses. It finally focuses its (and capital) energies on the selling of costly and opaque insurance mutual funds. Tragically there is no way to discern the issue. Even higher foreign investment is now on track, ostensibly because it takes more money to make ULIP more difficult for the masses of ULIP

Suyash (2008) in his article 'Wrappers: Better than ULIPs?' says that currently regulation in India does not allow for a wrapper structure, but once in place, insurance firms and fund providers can jointly offer as near a customised product as possible by allowing clients to choose the right mix of risk cover wrapped around funds.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 RESEARCH METHODOLOGY

A Research methodology is mainly needed for the purpose of framing the research process and the designs and tools that are to be used for the project purpose. Research methodology helps to find the investors perception in insurance industry. Research methodology is mainly needed for the purpose of framing the research process and the designs and tools that are to be used for the project purpose. Research methodology helps to find the investors perception in insurance industry.

3.2 RESEARCH DESIGN

3.2.1 Descriptive Research Design

Descriptive research is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study. The design of research can be qualitative, quantitative, or mixed.

3.3 SAMPLING TECHNIQUES

3.3.1 Convenience sampling methods

A convenience sample is one of the main types of non-profitability sampling methods. A convenience sample is made up of people who are easy to reach.

3.4 SOURCES OF DATA

Data collected in the term used to describe a process of preparing and collecting data

Primary data - The study is mainly based on primary data. Primary data has been collected investors in insurance industry.

- **Primary data** – questionnaire collected from 120 respondents
- **Secondary data** - websites and online journals , published reports & review of literature from published articles

3.5 STRUCTURE OF QUESTIONNAIRE

Questionnaire was divided into two sections. First part was designed to know the general information about investor's and the second part contained the respondent's opinions about investor's perception.

I. Basic Introduction

(The questionnaire begins with the small description regarding my research project)

II. Personal Details

- a. (Name , Age, Gender, Education, Occupation, Income)

III. Research related questions

- a. What are the reasons for investing in ULIP?
- b. What is your over all perception about ULIP investment?
- c. What do you feel after investing in ULIP investment?
- d. Did you view following factors / sources of information which is important before investing in ULIP?

3.6 SAMPLE SIZE

The sample size of the research in 120 respondents.

3.7 PERIOD OF STUDY

The period for the study in three months.

3.8 LOCATION & TARGETED PEOPLE OF STUDY

The location of the study is Chennai and the target people are insurance investor's.

3.9 HYPOTHESIS TESTING

H0 - There is significance relationship between age and reasons for investing
In ULIP.

H1 - There is no significance relationship between age and reasons for investing
In ULIP.

H0 - There is significance relationship between gender and overall perception
About ULIP.

H1 - There is no significance relationship between gender and overall perception
About ULIP.

H0 - There is significance relationship between Age and rank the unit linked Insurance plan

H1 - There in no significance relationship between age and rank unit linked Insurance plan .

3.10 TOOLS FOR ANALYSIS

3.10.1 Percentage analysis

The percentage analysis is given in the form of tables and charts .Research questions are always answered with a descriptive statistic generally either percentage or mean. Percentage is appropriate when it is important to know how many of the participants gave a particular answer .generally; percentage is responded when the responses have discrete categories.

3.10.2 Hypothesis analytical tools (SPSS)

CHI - SQUARE

A chi – squared test is a statistical hypothesis test that is valid to perform when the test statistic is chi – squared distributed under the Null Hypothesis specifically person’s chi – squared test and variants thereof.

ONE WAY ANOVA

One way ANOVA (“analysis of variance) compares the means of two or more independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different. One –way ANOVA is a parametric test

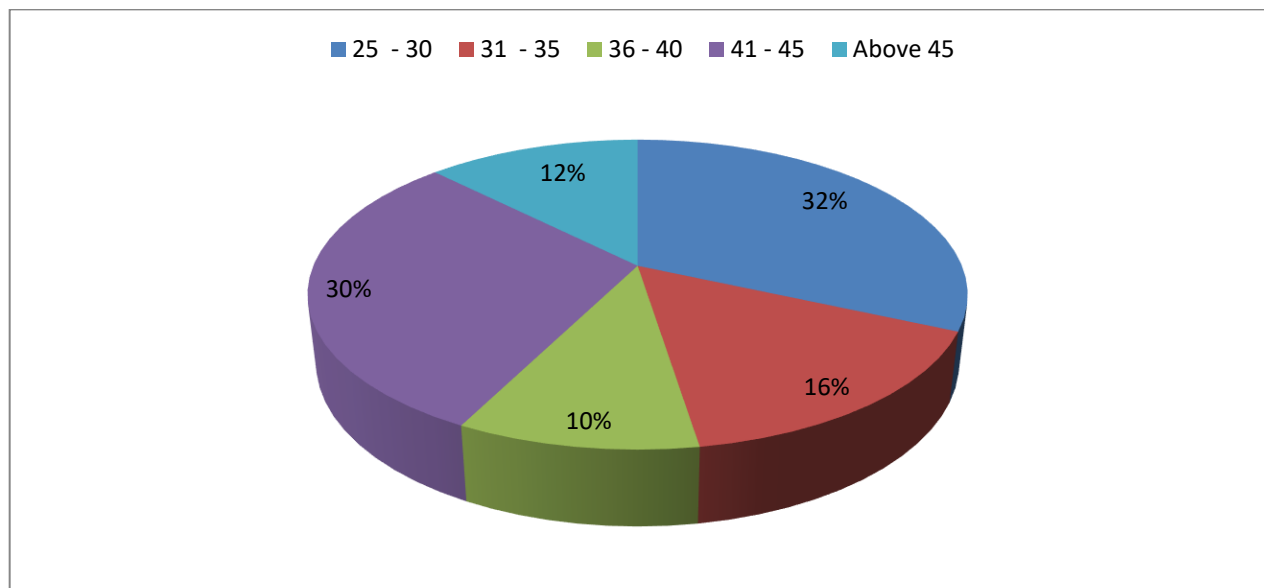
CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

Table 4.1.1 This table indicates the age of the respondents

Age of the respondents	No of respondent	Percentage (%)
25-30	38	32 %
31-35	19	16 %
36-40	12	10 %
41-45	36	30 %
Above 45	15	12 %
Total	120	100



INTERPRETATION

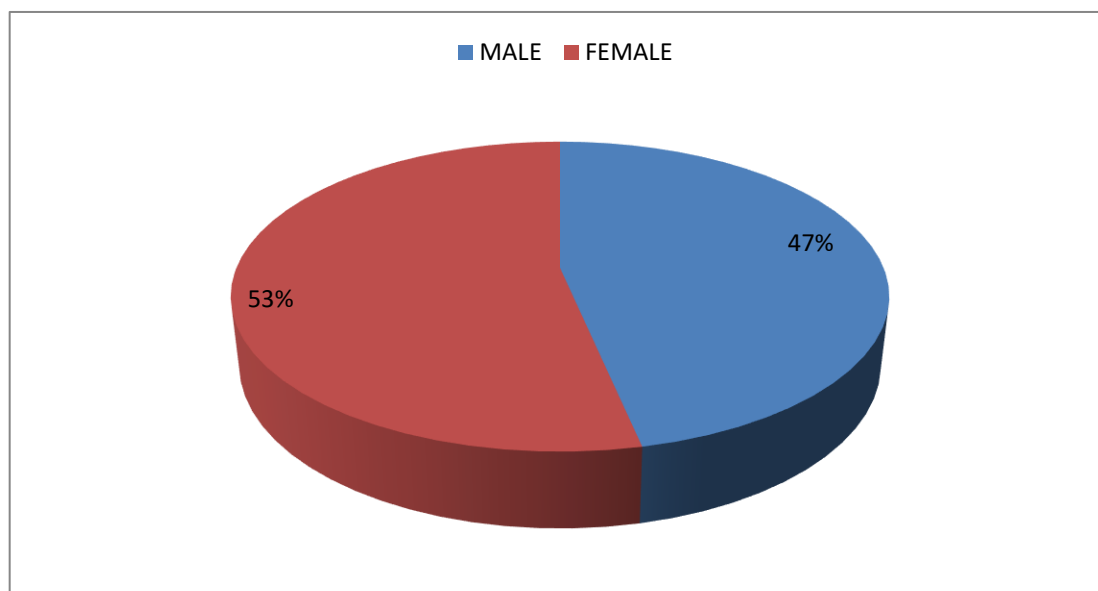
From the above table it is interpreted as 32% of the respondents are aged between 25- 30, 16% are between 31-35, 10% are between 36- 40, 30% are between 41- 45, 12% are between 45 and above

INFERENCE

Majority of the respondents (32%) are aged between 41-45 years

Table 4.1.2 This table indicating the gender of the respondents

Gender of the respondents	No .of. Respondents	Percentage (%)
Male	56	47 %
Female	64	53 %
Total	120	100



INTERPRETATION

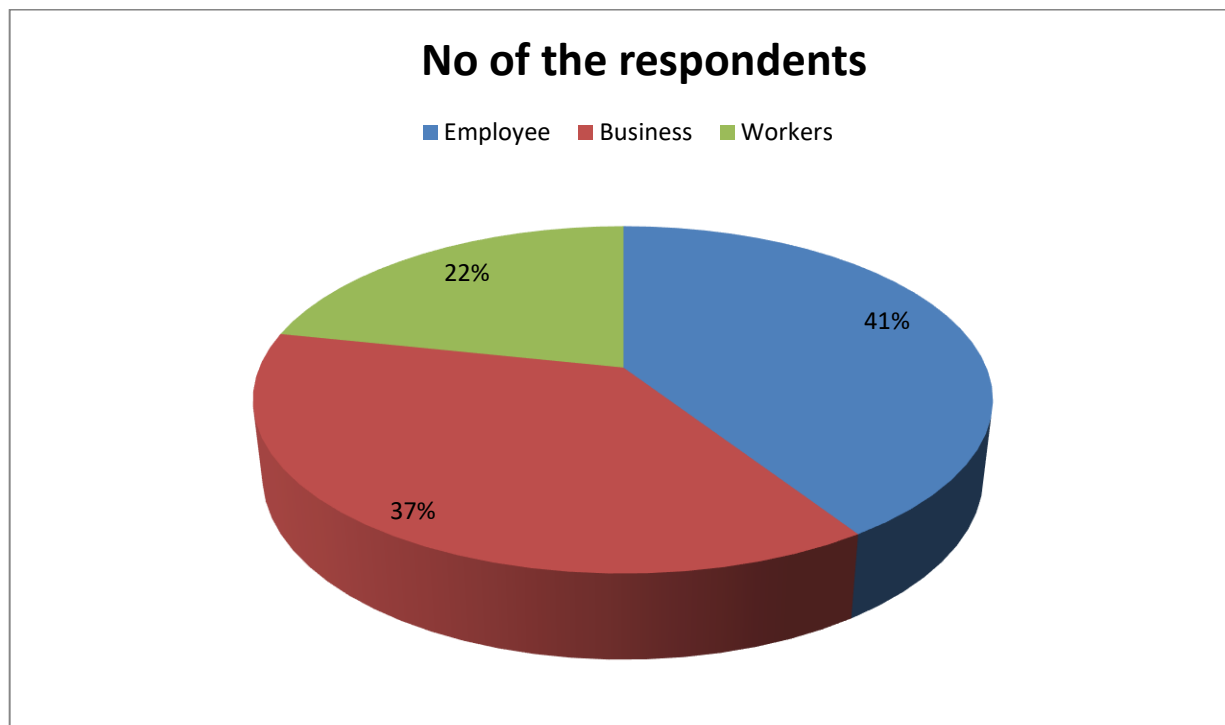
From the above table it is interpreted as 53% of the respondents are Female and 47% of the respondents are Male.

INFERENCE

Majority of the respondents (53%) are Female.

Table 4.1.3 This table indicating the occupation of the respondents

Occupation of the respondents	No of the respondents	Percentage (%)
Employee	49	41%
Business	45	37%
Workers	26	22%
TOTAL	120	100

**INTERPRETATION**

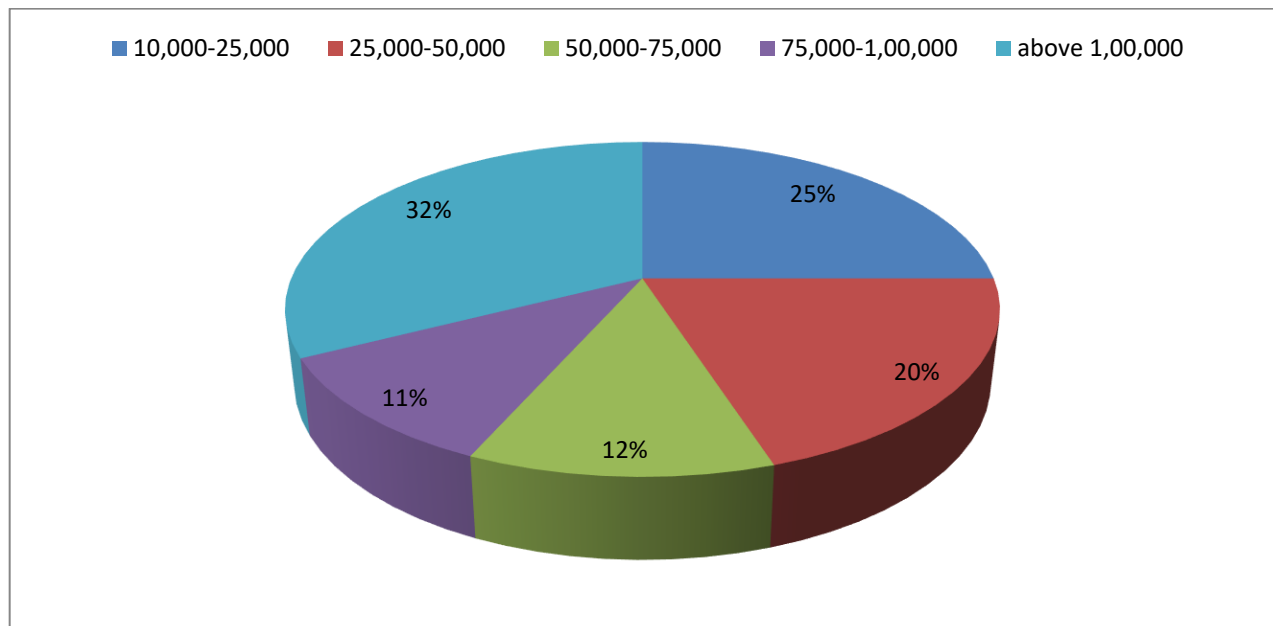
From the above table interpreted as 41% of the respondents in employee are 37% of the respondents is business are 22% of the respondents in workers.

INFERENCE

Majority of the respondents in(41%) in employee.

Table 4.1.4 This table indicating the income of the respondents

Respondents of the income	No .of Respondents	percentage
10,000-25,000	30	25%
25,000-50,000	24	20%
50,000-75,000	14	12%
75,000-1,00,000	13	11%
Above 1,00,000	39	32%
TOTAL	120	100



INTERPRETATION

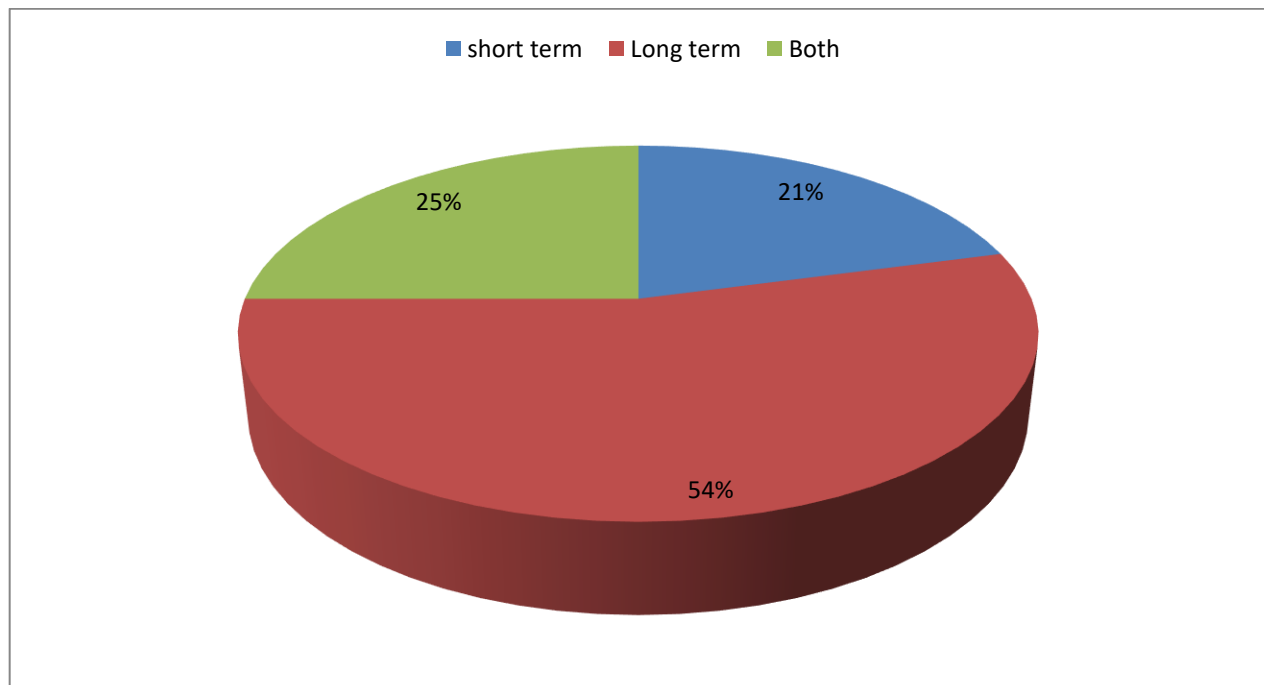
From the above table indicating the 25% of the respondents in 10,000-25,000Are 20% of the respondents in 25,000-50,000 are 12% of the respondents in 50,000-75000 are 11% of the respondents 75,000-1,00,000 are 32% of the respondents in above 1,00,000.

INFERENCE

Majority of the respondents income in (32%) in above 1,00,000 .

Table 4.1.5 This table indicating the which kind of investment you have preferred

	No. of the respondents	Percentage (%)
Short term	25	20.8 %
Long term	65	54.2 %
Both	30	25 %
TOTAL	120	100



INTERPRETATION

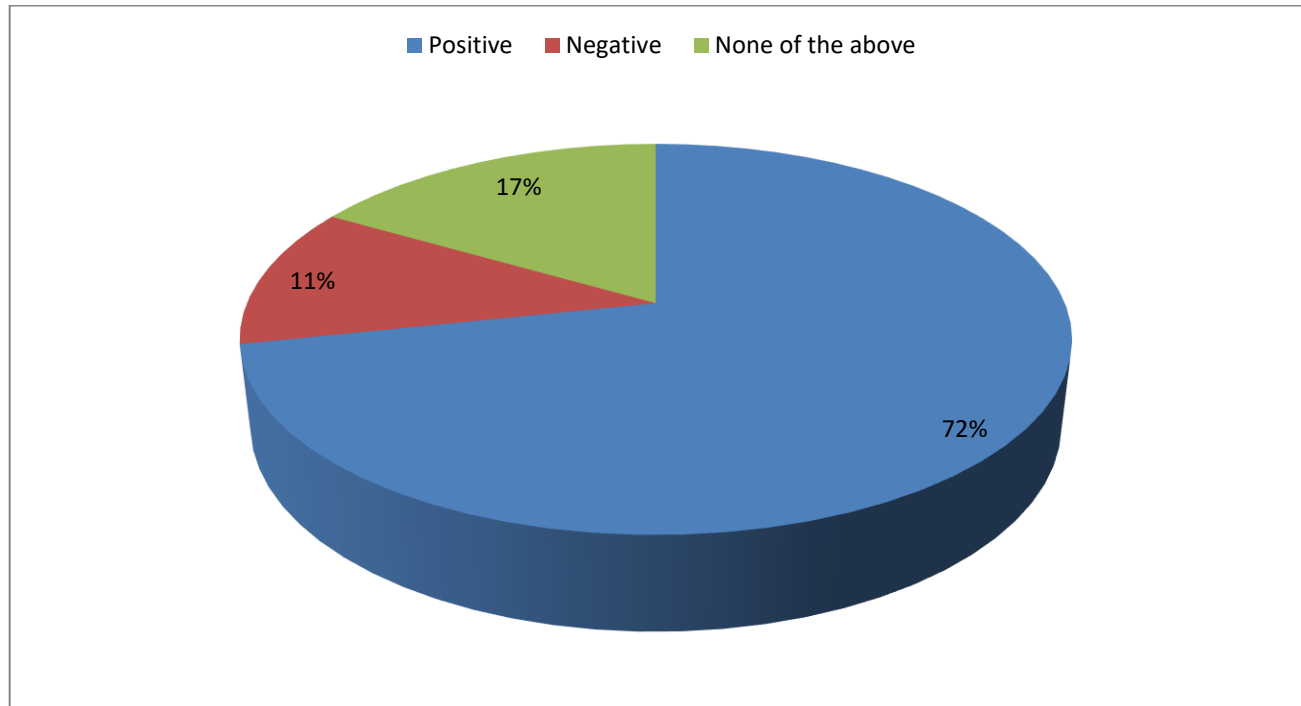
From the above table it is interpreted as 54% of the respondent are Long term, 25% of the respondents are both, and 21% of the respondents are short term.

INFERENCE

Majority of the respondents 54% are Long term.

Table 4.1.6 This table indicating the overall perception about ULIP investment

	No of Respondents	Percentage (%)
Positive	86	71.7 %
Negative	14	11.7 %
None of the above	20	20.7 %
TOTAL	120	100



INTERPRETATION

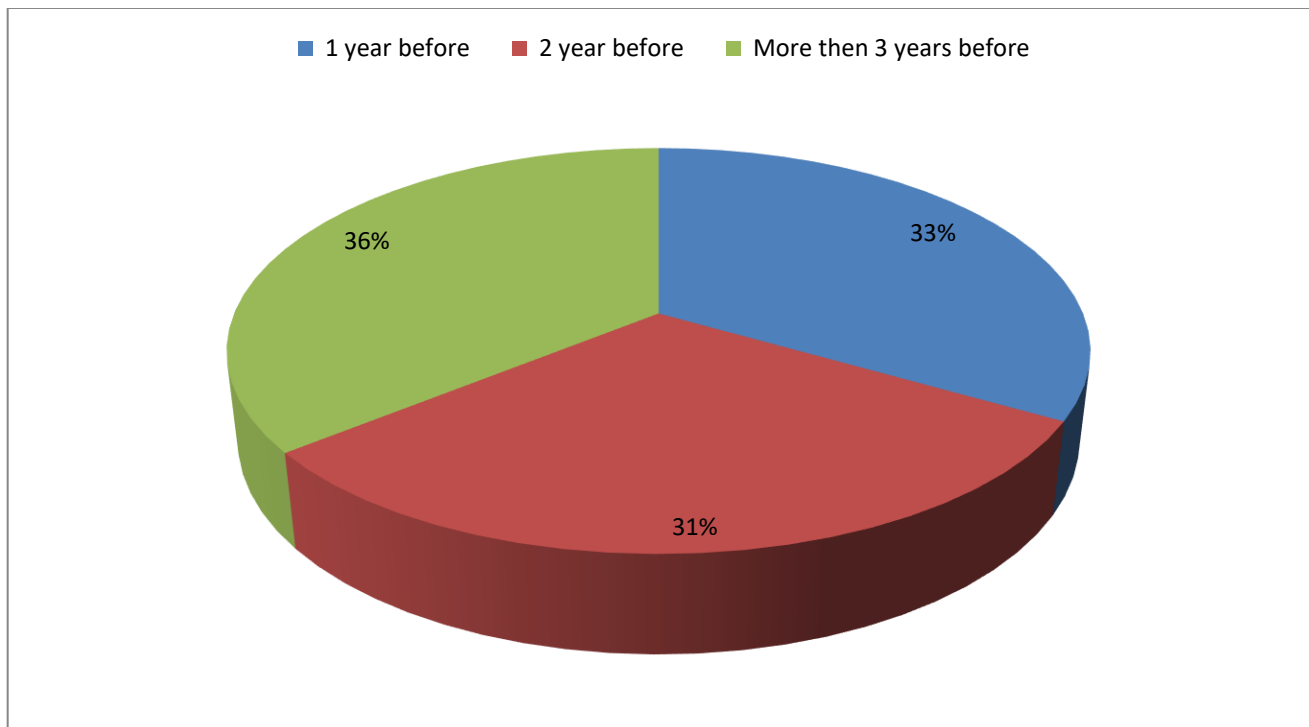
From the above table it is indicated as 72% of the respondents perception is positive are 11% of the respondents perception is negative are 17 % of the respondents none of the above.

INFERENCE

Majority of the respondents is 72 % people thing positive

Table 4.1.7 This table indicating the when you have taken the unit linked plan

	No .Of Respondents	Percentage (%)
1 year before	40	33.3 %
2 year before	37	30.8 %
More then 3 years before	43	35.8 %
TOTAL	120	100



INTERPRETATION

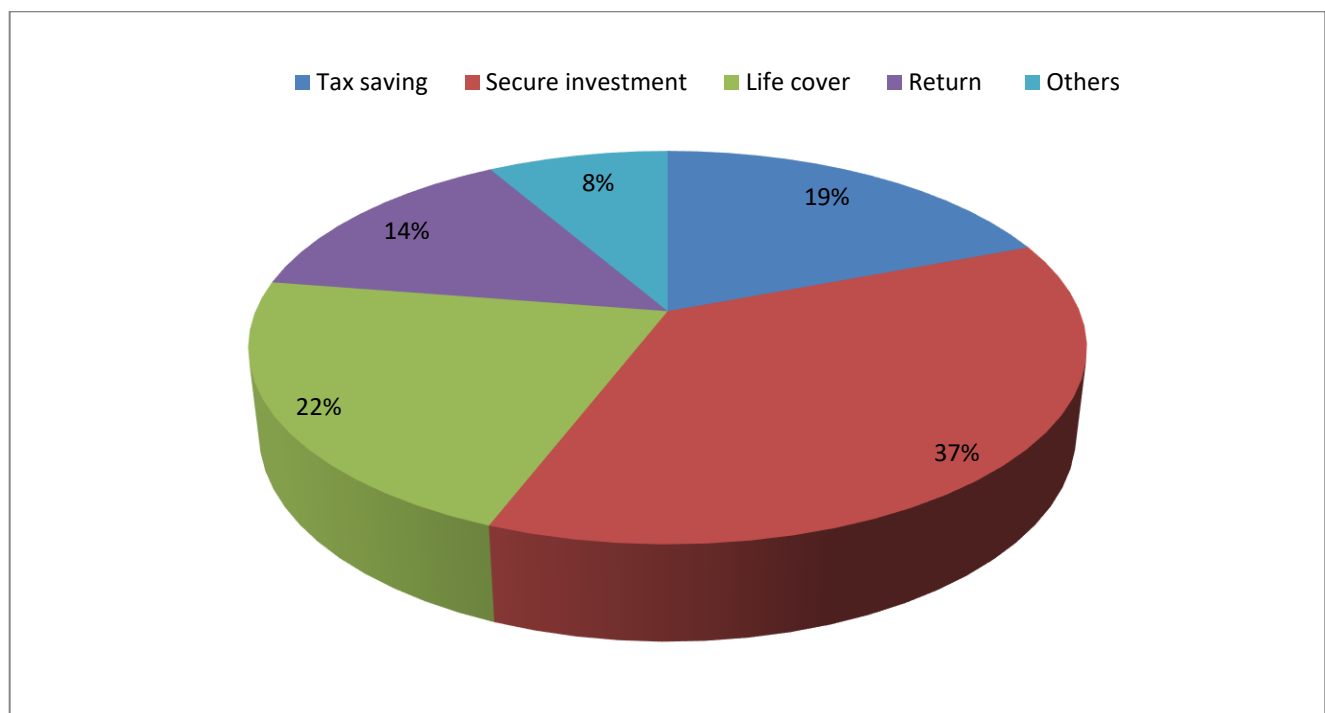
From the above table it is interpreted as 33% of the respondents are 1 year before invested are 31% of the respondents are 2 year before invested are 36% of the respondents are invested in more than 3 years before.

INFERENCE

Majority of the respondents 36% of the people invested in more than 3 years before.

Table 4.1.8 This table indicating the reasons for make investment

	No of Respondents	Percentage (%)
Tax saving	23	19.2 %
Secure investment	44	36.7 %
Life cover	26	21.7 %
Return	17	14.2 %
Others	10	8.3 %
TOTAL	120	100



INTERPRETATION

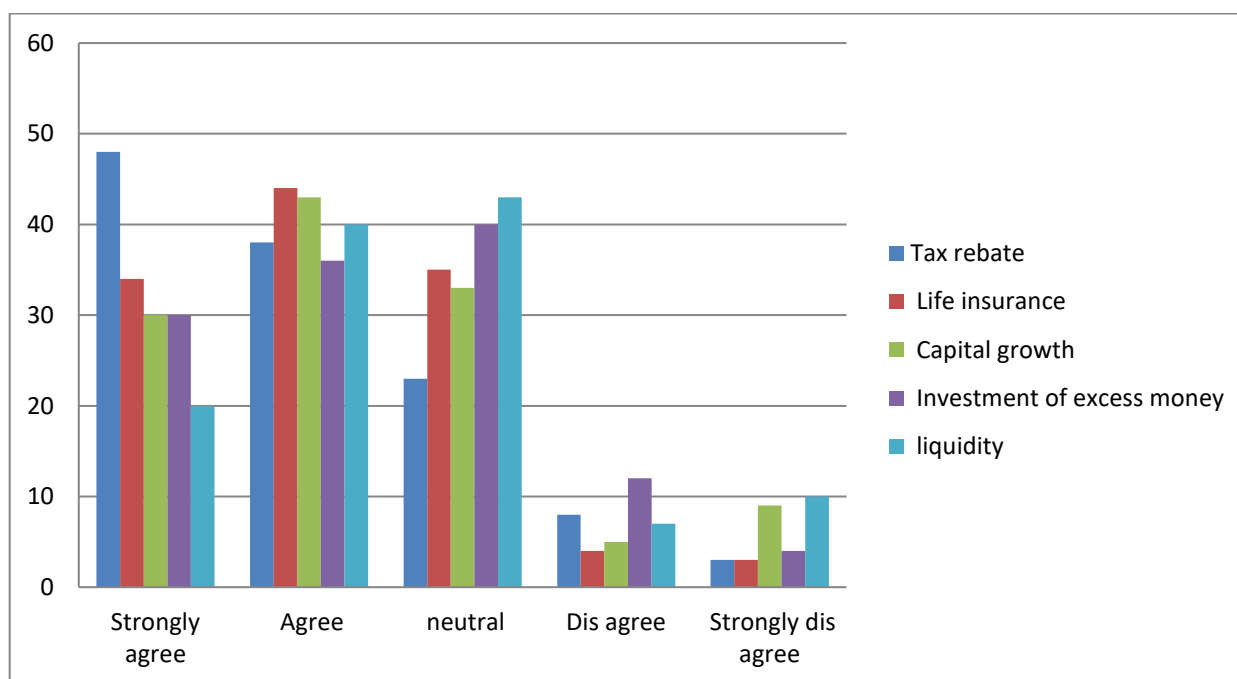
From the above table 19% of respondents tax saving are 37% of the respondents secure investment are 22% of the respondents life cover are 14% of the respondents return are 8% of the respondents others.

INFERENCE

Majority of the respondents 37% secure investment.

Table 4.1.9 This table indicating the reasons for investing in ULIP :

	Strongly agree	Agree	neutral	Dis agree	Strongly dis agree	Total
Tax rebate	48	38	23	8	3	120
Life insurance	34	44	35	4	3	120
Capital growth	30	43	33	5	9	120
Investment of excess money	30	36	40	12	4	120
liquidity	20	40	43	7	10	120



INTERPRETATION

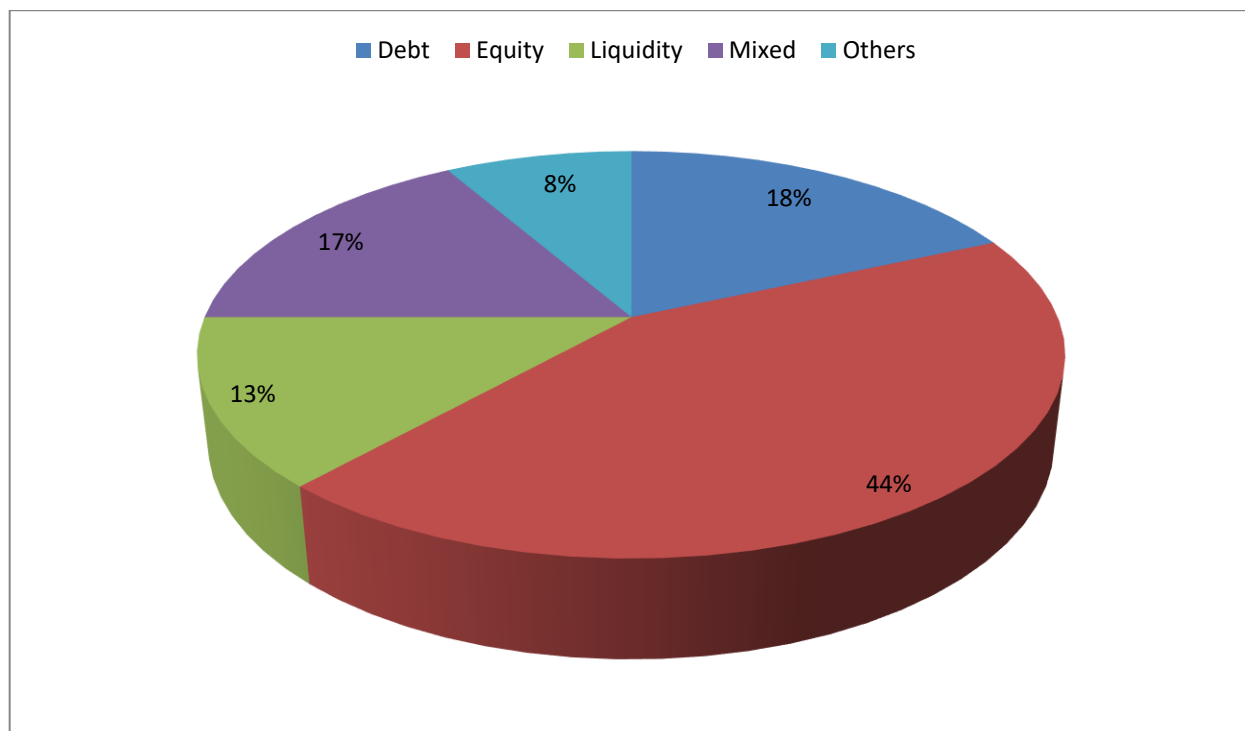
From the above table is indicate in the describe the reasons for investing in ULIP investment

INFERENCE

Majority of the respondents was accepted in the statement.

Table 4.1.10 This table indicating the scheme of ULIP you have invested

	No of Respondents	Percentage (%)
Debt	22	18.3 %
Equity	52	43.2 %
Liquidity	16	13.3 %
Mixed	20	16.7 %
Others	10	8.3 %
TOTAL	120	100



INTERPRETATION

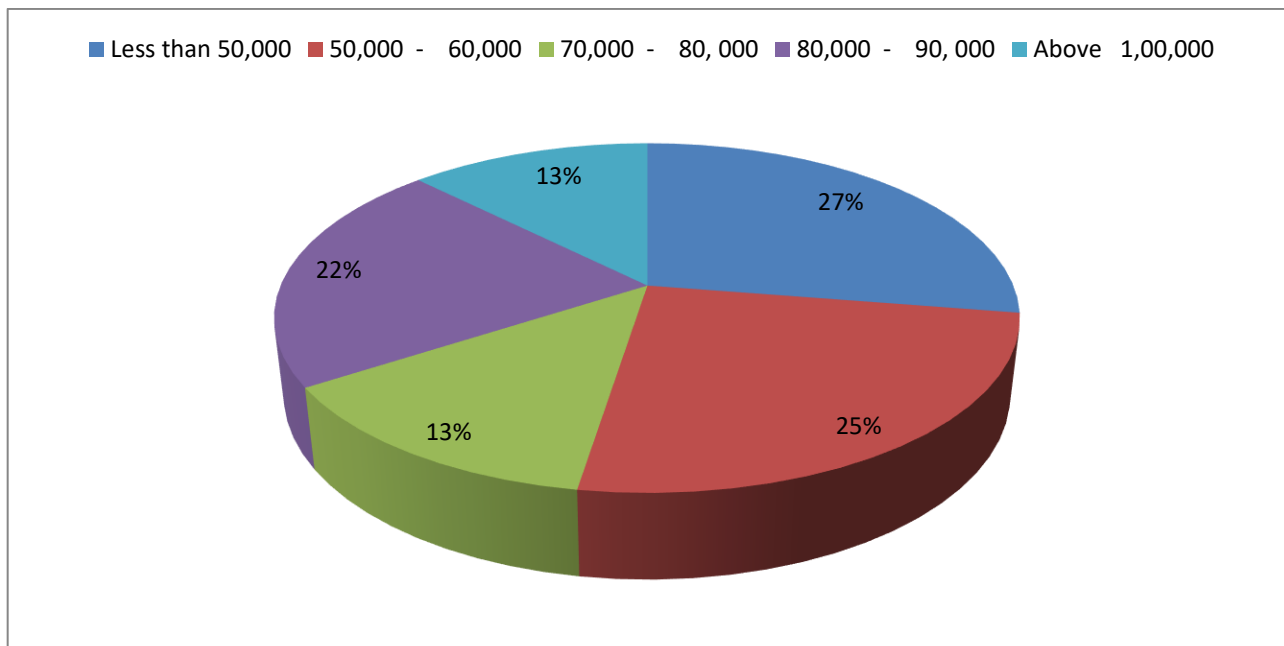
From the above table it is indicated 18% of the respondents is debt are 44% of the respondents equity are 13% of the respondents liquidity are 17% of the respondents mixed are 8% of the respondents are invested in others.

INFERENCE

Majority of the respondents 44% of the investors invested in equity.

Table 4.1.11 This table indicating the how much money you have invested in ULIP

	No of respondents	Percentage (%)
Less than 50,000	33	27.5 %
50,000 - 60,000	30	25 %
70,000 - 80,000	16	13.3 %
80,000 - 90,000	26	21.7 %
Above 1,00,000	15	12.5 %
TOTAL	120	100



INTERPRETATION

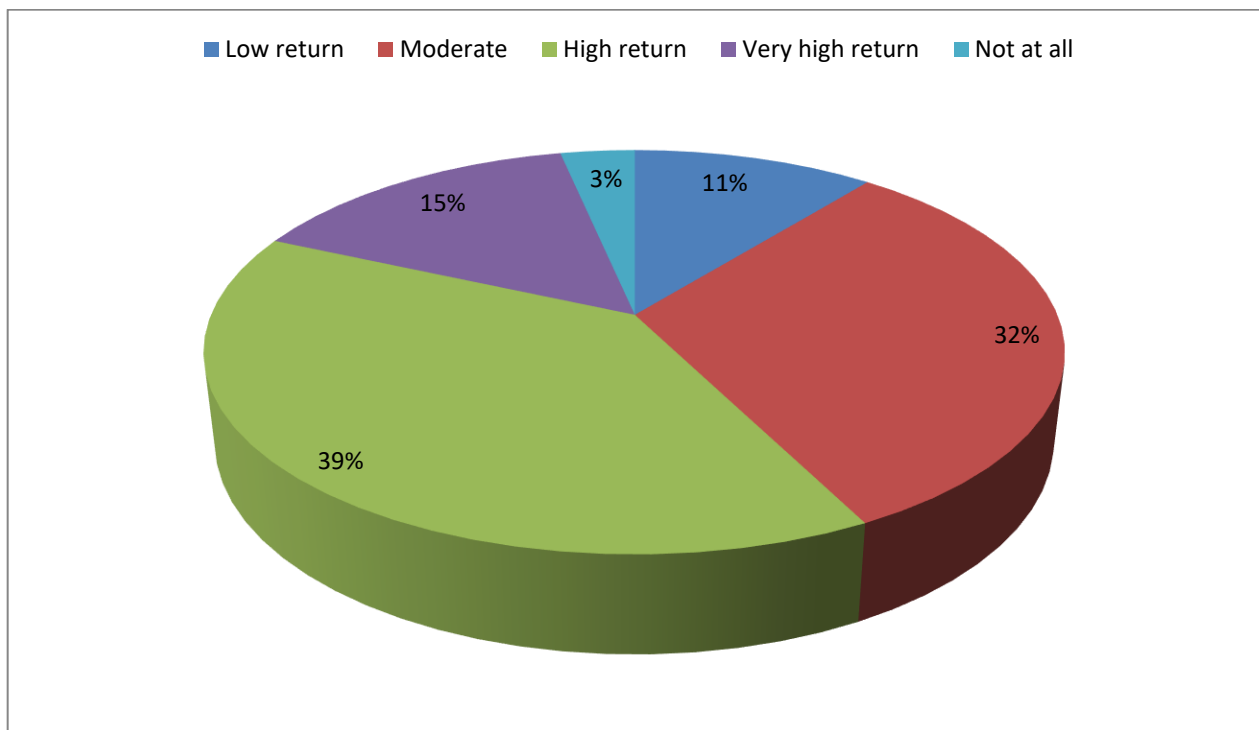
From the above table indicated in 27% of the respondents invested in less than 50,000 are 25% of the respondents invested in 50,000-60,000 are 13% of the respondents invested in 70,000-80,000 are 22% of the respondents invested in 80,000-90,000 are 13% of the respondents invested in above 1, 00,000.

INFERENCE

Majority of the respondents invested in 27% of the amount invested in less than 50,000.

Table 4.1.12 This table indicating the how much return you have expected while investing in ULIP

	No of respondents	Percentage (%)
Low return	13	10.8 %
Moderate	38	31.7 %
High return	47	39.2 %
Very high return	18	15 %
Not at all	4	3.3 %
TOTAL	120	100



INTERPRETATION

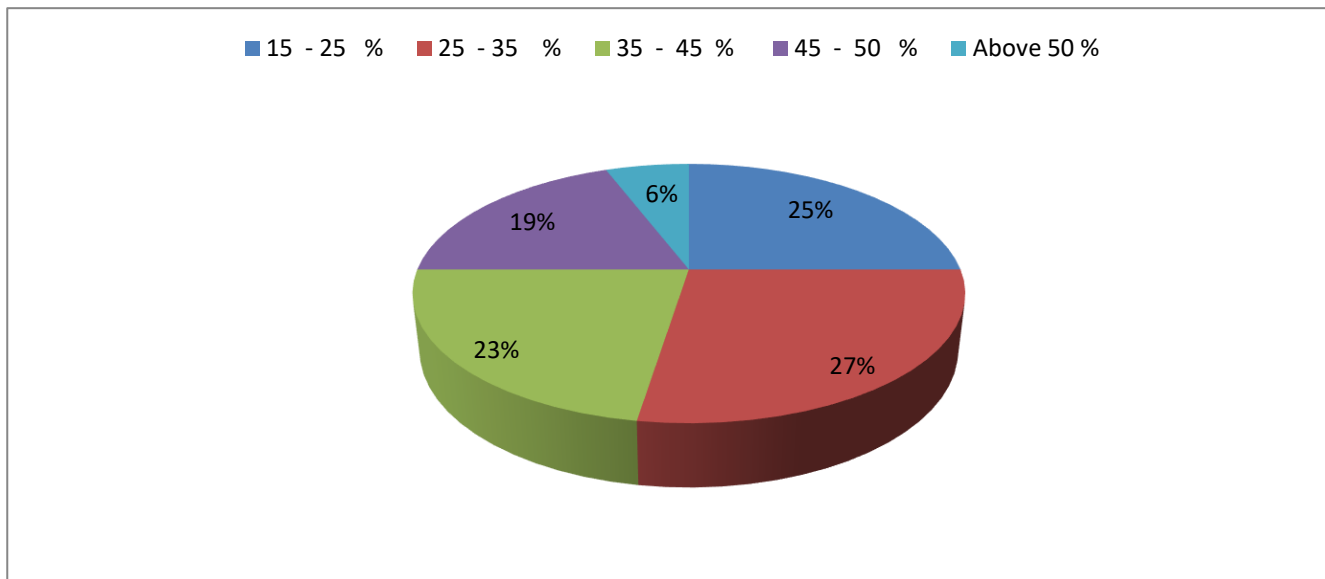
From the above table it is interpreted as 11% of the respondents is low return are 32% of the respondents is moderate are 39% of the respondents is high return are 15% of the respondents got very high return are 3% of the respondents are not at all

.INERENCE

Majority of the respondents 39% are got high return.

Table 4.1.13 This table indicating the approximate returns you got from your ULIP investment

	No of respondents	Percentage (%)
15 - 25 %	30	25 %
25 - 35 %	33	27.5 %
35 – 45 %	27	22.5 %
45 - 50 %	23	19.2 %
Above 50 %	7	5.8 %
TOTAL	120	100



INTERPRETATION

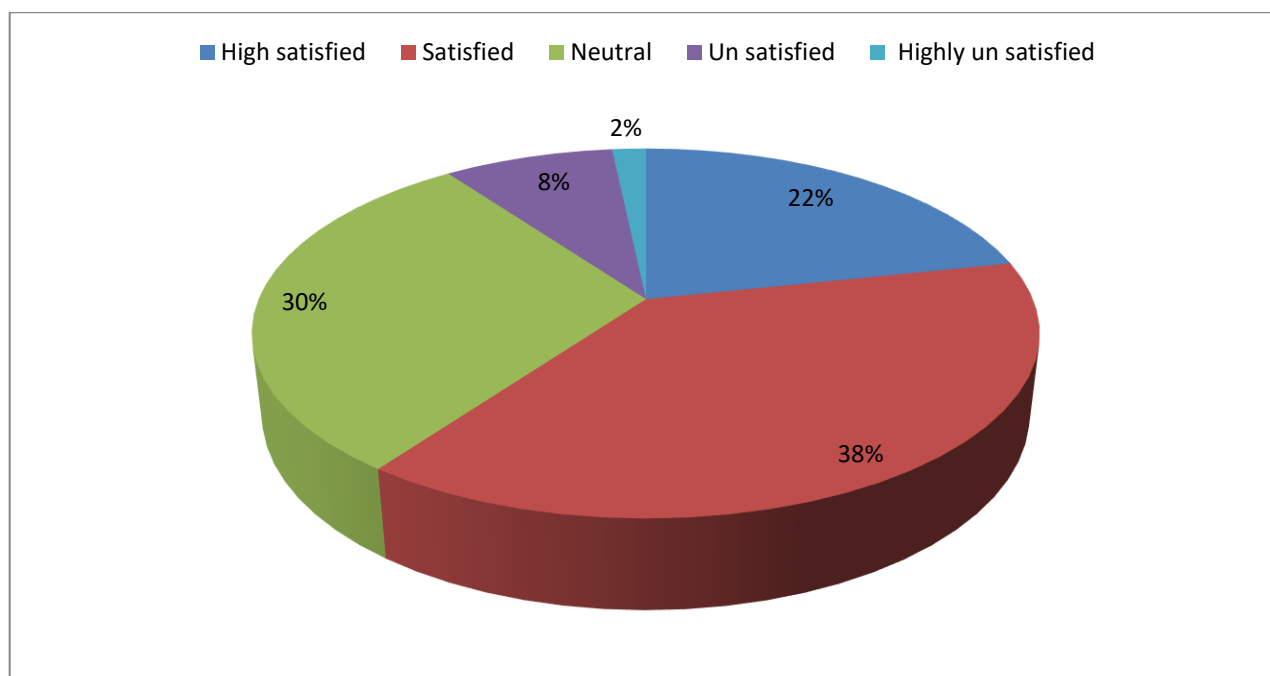
From the above table it is interpreted as 25% of the respondents got return in 15-25 % are 27% of the respondents got return in 25-35 % are 23 % of the respondents got return in 35-45 are 19% of the respondents got return in 45-50% are 6% of the respondents got return in 50% above.

INFERENCE

Majority of the respondents 27% of the investors got return in 25-35 %.

Table 4.1.14 This table indicating the your view on the design of ULIP investment

	No of Respondents	Percentage (%)
High satisfied	26	21.7 %
Satisfied	46	38.3 %
Neutral	36	30 %
Un satisfied	10	8.3 %
Highly un satisfied	2	1.7 %
TOTAL	120	100



INTERPRETATION

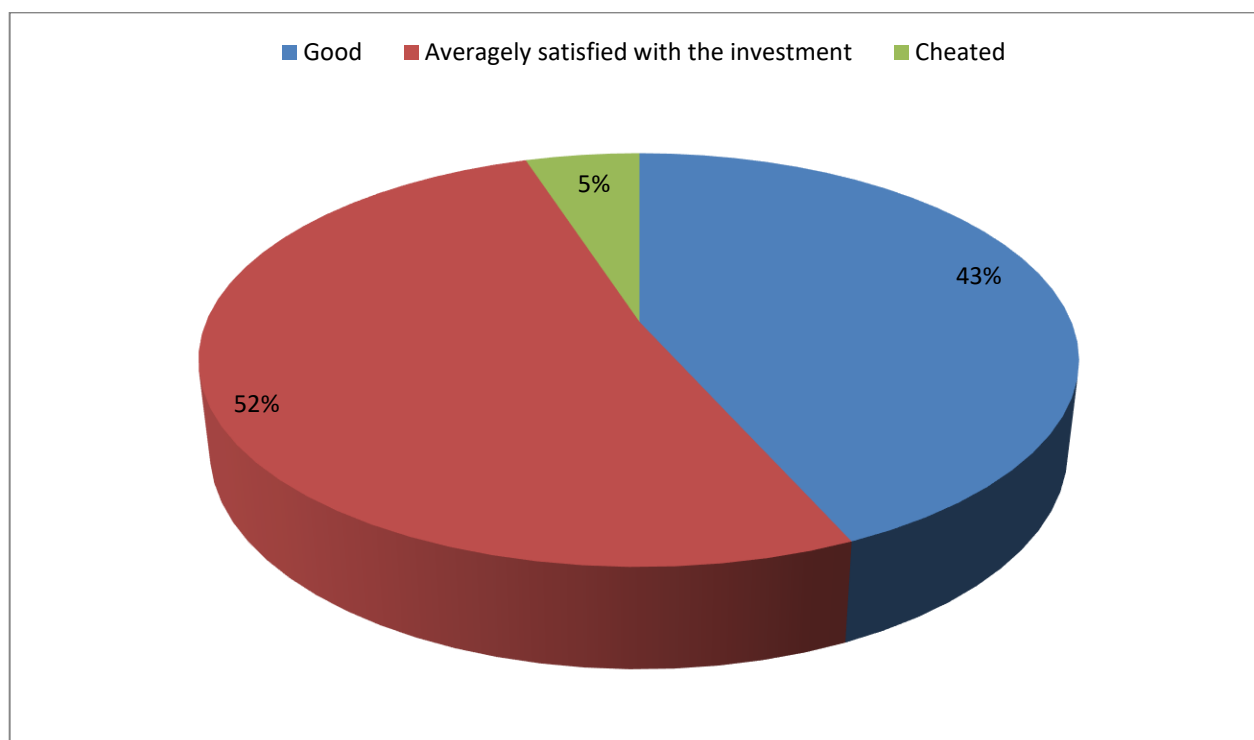
From the above table 22% of the respondents high satisfied are 38% of the respondents satisfied are 30% of the respondents neutral are 8% of the respondents un satisfied are 2% highly un satisfied.

INFERENCE

Majority of the respondents 38% of the people satisfied in the investment.

Table 4.1.15 This table indicating the do you feel after investing in unit linked plan

	No of respondents	Percentage
Good	52	43.3 %
Averagely satisfied with the investment	62	51.7 %
Cheated	6	5 %
TOTAL	120	100



INTERPRETATION

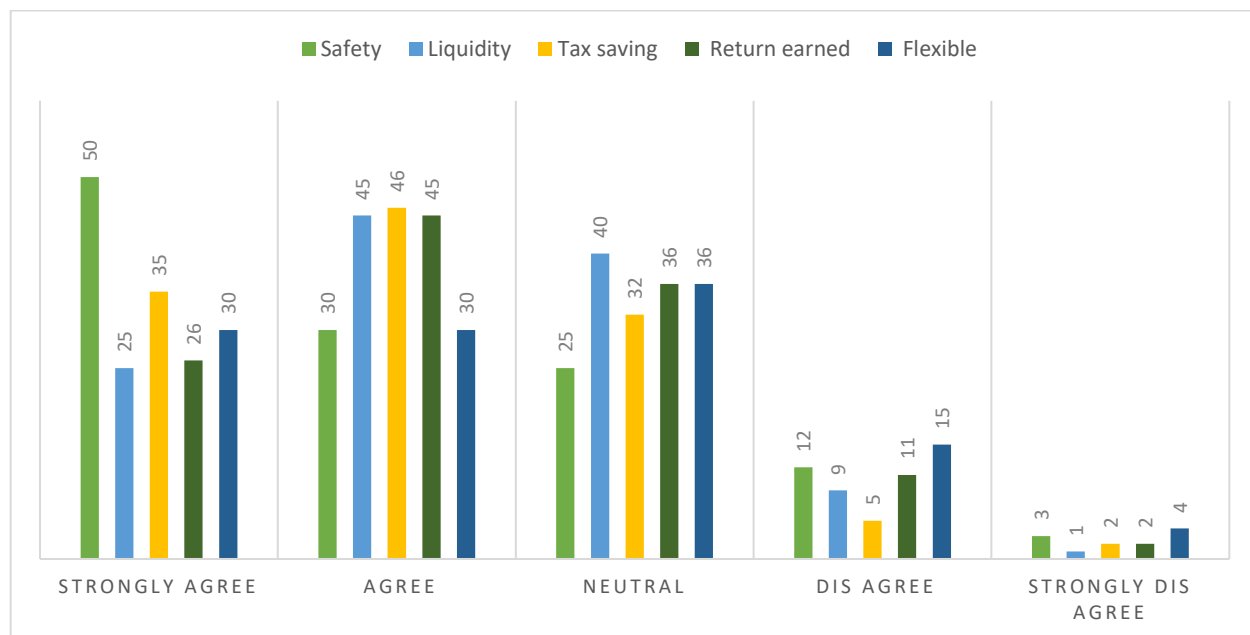
From the above table interpreted in 43% of the respondents is feel good investment are 53% of the respondents feel averagely satisfied with the investment are 5% of the respondents feel cheated in the amount .

INFERENCE

Majority of the respondents 52% investors feel this investment averagely satisfied with the investment.

Table 4.1.16 This table indicating the following sources information which is important before Investing in ULIP

	Strongly agree	Agree	Neutral	Dis agree	Strongly dis agree	TOTAL
Safety	50	30	25	12	3	120
Liquidity	25	45	40	9	1	120
Tax saving	35	46	32	5	2	120
Return earned	26	45	36	11	2	120
Flexible	30	30	36	15	4	120



INTERPRETATION

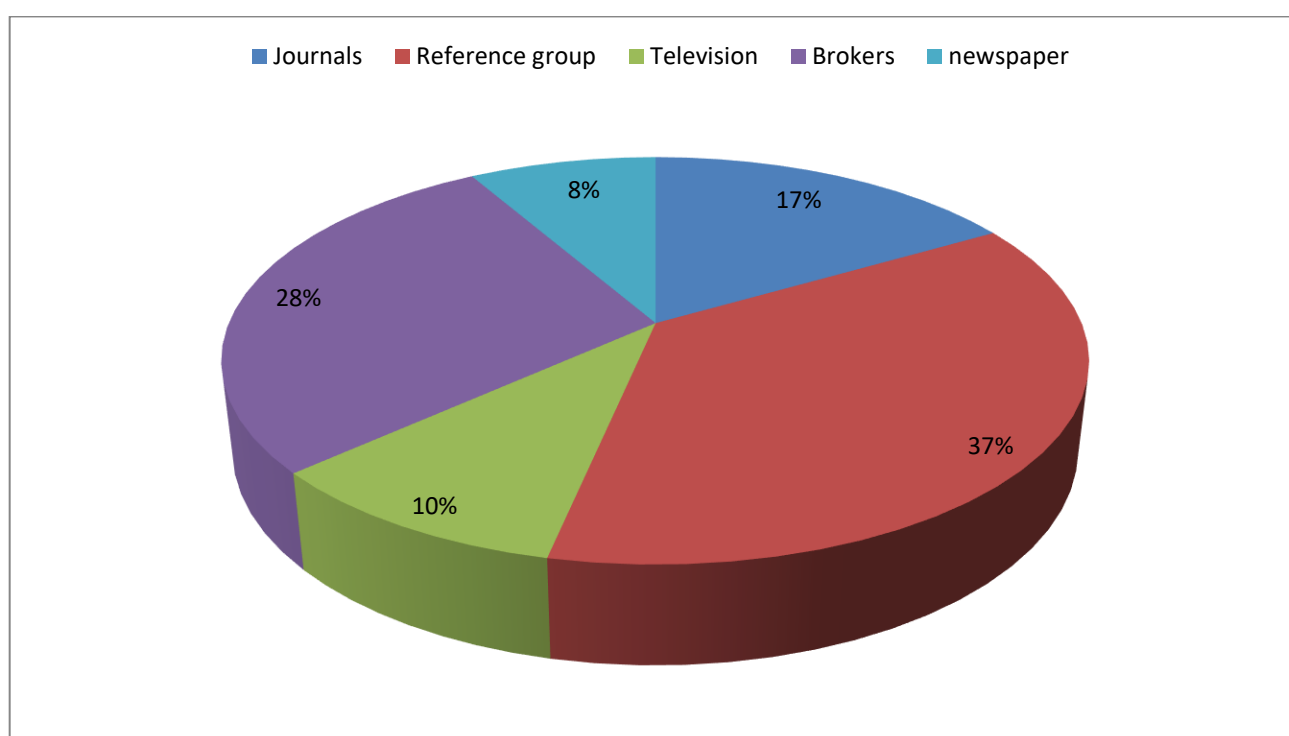
From the above table is indicate in the describe the reasons for investing in ULIP investment

INFERENCE

Majority of the respondents was accepted in the statement.

Table 4.1.17 This table indicating the sources helpful to the investors in making ULIP Investment decision

	No of respondents	Percentage
Journals	20	16.7 %
Reference group	44	36.7 %
Television	12	10 %
Brokers	34	28.3 %
newspaper	10	8.3 %
TOTAL	120	100



INTERPRETATION

From the above table 17% of the respondents journals are 37 % of the respondents in reference group are 10% of the respondents in television are 28% of the respondents in brokers are 8% of the respondents in newspaper.

INFERENCE

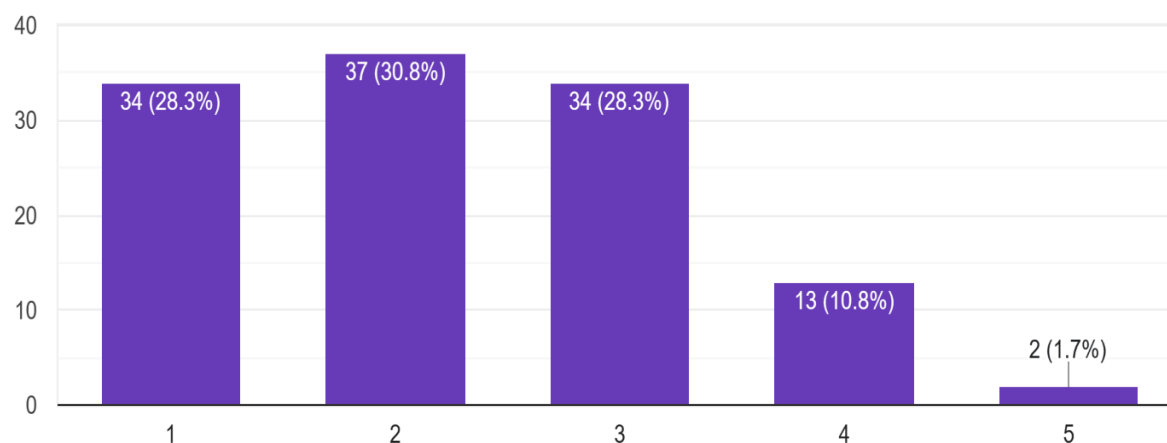
Majority of the respondents 37% know about ULIP in reference group.

Table 4.1.18 This table indicting the rank the unit linked plan

	No of respondent	Percentage (%)
Excellent (1)	34	28.3 %
Very good (2)	37	30.8 %
Good (3)	34	28.3 %
Average (4)	13	10.8 %
Poor (5)	2	1.7 %
TOTAL	120	100

Rank the unit insurance plan?

120 responses



INTERPRETATION

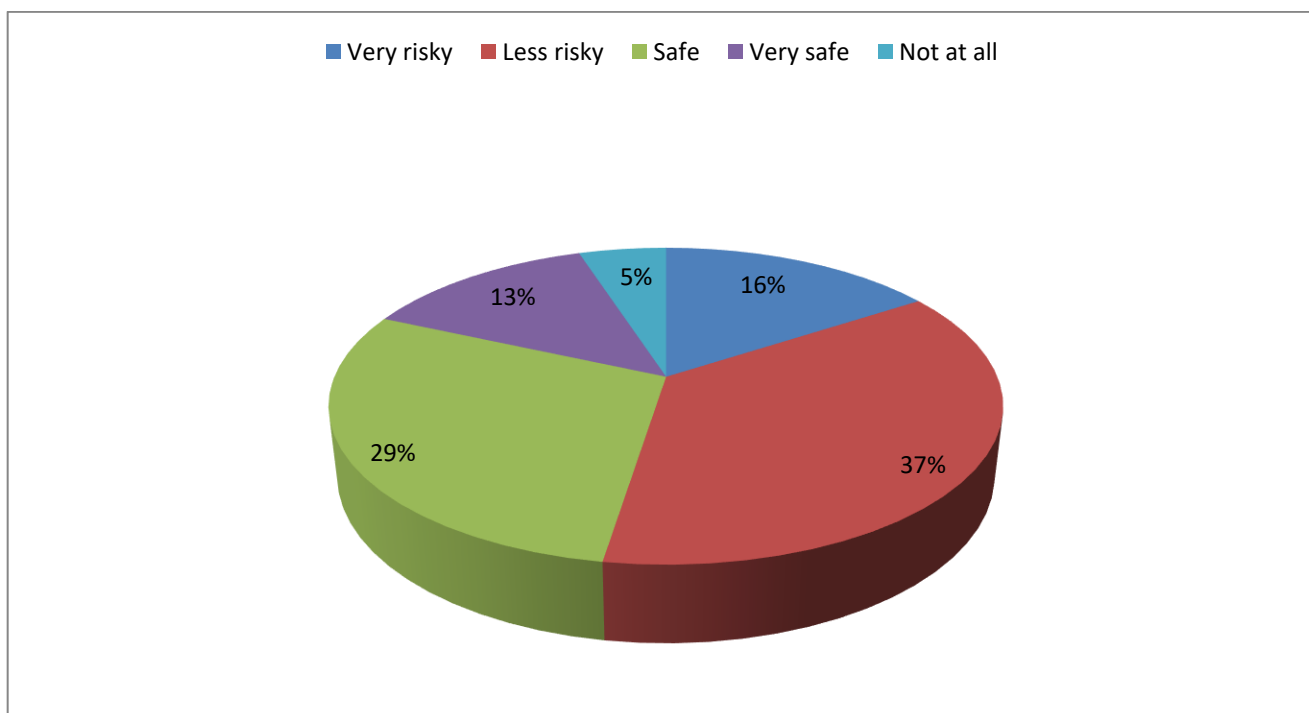
From the above table it is 28% of the respondents put rank in Excellent are 37% of the respondents put rank in very good are 34 % of the respondents put rank in good are 13 % of the respondents put rank in average are 1.7% of the respondents in poor.

INFERENCE

Majority of the respondents 30 % investors put very good investment in ULIP.

Table 4.1.19 This table indicating the do you think is risky investment

	No of respondents	percentage
Very risky	19	15.8 %
Less risky	44	36.7 %
Safe	35	29.2 %
Very safe	16	13.3 %
Not at all	6	5 %
TOTAL	120	100



INTERPRETATION

From the above table indicate it is interpreted in 16% of the respondents feel very risky are 37% of the respondents feel less risky are 29% of the respondents feel safe are 13% of the respondents very safety are 5% of the respondents not at all.

INFERENCE

Majority of the respondents 37% they are feel less risky for this ULIP investment

4.2 CHI - SQUARE

TABLE 4.2.1

Null hypothesis (H0) – There is significance relationship between gender

And overall perception about ULIP.

Alternative hypothesis (H1) -There is no significance relationship between

Gender and over all perception about .

Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
gender * overallperceptionabout ULIP	120	100.0%	0	0.0%	120	100.0%

Gender* overall perception about ULIP Crosstabulation

Count

		overallperceptionaboutULIP			Total
		negative	None of	positive	
gender	Female	7	13	44	64
	Male	7	7	42	56
Total		14	20	86	120

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.319 ^a	2	.517
Likelihood Ratio	1.341	2	.512
N of Valid Cases	120		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.53.

INTERPRETATION

From the table 4.2.1 it is known that the p value is .517 is greater than 0.05 , the null hypothesis is rejected and alternative hypothesis is accepted.

INFERENCE

There is significance relationship between these variables.

4.3 ANNOVA

TABLE 4.3.1

Null hypothesis(H₀) - There is significance relationship between age and rank the unit linked insurance plan.

Alternative hypothesis(H₁) - There is no significance relationship between age and rank the unit linked insurance plan.

ANOVA

Rank the unit linked insurance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.950	15	.663	.577	.886
Within Groups	119.516	104	1.149		
Total	129.467	119			

INTERPRETATION

From the table 4.3.1 the value is .70 is greater than 0.05, the null hypothesis is rejected and alternative hypothesis is accepted.

CHI SQUARE 4.4

TABLE 4.4.1

Null hypothesis(H0) - There is significance relationship between age and what are the reasons for investing in ULIP .

Alternative hypothesis(H1) - There is no significance relationship between age and what are the reasons for investing in ULIP.

Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * what are the reasons for investing ULIP tax rebate	121	100.0%	0	0.0%	121	100.0%
Age * Life insurance	121	100.0%	0	0.0%	121	100.0%
Age * capital growth	121	100.0%	0	0.0%	121	100.0%
Age * investment of excess money	121	100.0%	0	0.0%	121	100.0%
Age * Liquidity	121	100.0%	0	0.0%	121	100.0%

Crosstab

Count

		What are there reasons for investing In ULIP tax rebate							Total
		Agree	Agree, N	Dis agree	Neutral	Neutral,	Strongly	What are	
Age		0	0	0	0	0	1	0	1
	25- 30	14	0	0	12	0	12	0	38
	31-35	8	0	0	5	0	6	0	19
	36-40	3	0	1	3	0	4	1	12
	41-45	4	3	1	5	0	23	0	36
	Above 45	3	1	1	2	1	7	0	15
Total		32	4	3	27	1	53	1	121

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	42.782 ^a	30	.061
Likelihood Ratio	37.954	30	.151
N of Valid Cases	121		

a. 32 cells (76.2%) have expected count less than 5. The minimum expected count is .01.

INTERORETATION

From the table 4.4.1 it is known that the p value is .517 is greater than 0.05 , the null hypothesis is rejected and alternative hypothesis is accepted.

INFERENCE

There is significance relationship between these variables.

CHAPTER 5

5.1 FINDINGS

- Majority of the respondents (32%) are aged between 41 - 45 years.
- Majority of the respondents (53%) are Female.
- Majority of the respondents (54%) are investors like Long term investment.
- Majority of the respondents is 72 % people thing positive.
- Majority of the respondents (36%) of the people invested in more than 3 years before.
- Majority of the respondents (37%) are ULIP investment is secure investment.
- Majority of the respondents (44%) of the investors invested in equity investment
- Majority of the respondents invested in (27%) of the amount invested in less than 50,000.
- Majority of the respondents (39%) are got high return in ULIP investment
- Majority of the respondents (27%) of the investors got return in 25-35 % of the income amount.
- Majority of the respondents (38%) of the people satisfied in the investment amount

- .Majority of the respondents (52%) are investors feel this investment averagely satisfied with the investment.
- Majority of the respondents (37%) are know about ULIP investment in reference group.
- Majority of the respondents (30%) are the people put very good investment in ULIP.
- Majority of the respondents (37%) they are feel less risky for this ULIP investment
- Majority of the respondents income in (32%) in above 1,00,000
- Majority of the respondents in(41%) in employee.
- Majority of the respondents was accepted in the statement.

5.2 SUGGESTIONS

- ULIP investment (Tax saving) it can be increase the investors investing perception in the ULIP and it helps to increase the investment option in the insurance company .tax saving is good benefit option in the investors.
- ULIP investment (safety) it can be many of the investors feel ULIP investment is safe and secure investment and it make more income and profit to the investor's .safety is more importance in the investors to make investment in continuously.

- ULIP investment (return earned) it can be increases the investors wealth maximization and it improve the investors financial growth .many of the members like the more return amount as well as ULIP will provide good return income of the investors .
- ULIP investment (Flexibility)) it can be many of the investors feel more interesting option in the insurance company this type of the investment more encouraging the investors to make the investment .

5.3 LIMITATION OF THE STUDY

The study focuses on the ULIP investors perception in insurance And their respective companies in Chennai region. It analyzing on the various factors relating to ULIP investors perception and constraints faced by them examining ULIP investors perception qualitative in nature , and the elements are subjects to change in the days to come . the insurance industry expressed their current view on their ULIP investors perception . A questionnaires survey conducted among the insurance industry , and purely based on the opinion of an individual, and it cannot generalize. The study was concentrated on only one of the products in comparison with similar offering of the company only publicly available data was used.

5.4 CONCLUSION

ULIPs or Unit Linked Insurance Policies are gaining popularity in the recent times. Importance of ULIP policies has grown in the recent times because of the features and advantages that ULIP policies offer. While under traditional insurance policies, the relationship between premium and assured sum is fixed. But, under ULIPs there is freedom of flexibility in premiums and assured sum. The reason that is attributed to the wide spread popularity of ULIP is because of the transparency and the flexibility which it offers to the client. As time progressed the plans were also successfully mapped along with life insurance needs to retirement planning. In today's times ULIP provides solution for all needs of a client like insurance planning, financial planning for children's future and retirement planning. If customer wants to take a low exposure to equity market and still get tax free returns, invest in ULIP but make sure that fund customer are invested in conservative fund. If one is not disciplined enough to make regular investments and needs a whip to make invest, invest in ULIP. It is notable that, the products offered by PNB MetLife and Reliance Life Insurance are not affected by the Market Conditions, and are performing consistently. This shows the Research efforts put on by both the organizations in developing new products for its customers, hence good investment option for the Investors looking for better returns. The current study was only an effort to compare the products of five companies having similar features, this study can International Journal of Advanced Research further extended to study the portfolio of investment of various ULIPs offered by the various companies which would help the organizations to fine tune their products.

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- Anika Srivastava (2012), et al. claimed that the Indian insurance industry had changed over time through creative distribution networks and launched tailored products focused on the needs of investors
- Anand GUPTA (2012) investigated whether ULIP should be considered an insurance policy or an investment policy following regulatory amendments.
- Agarwal (2010), found that ULIP helps to manage the risk return profile.
- (Seranmadevi, Saravanaraj, & Natarajan, 2011)⁴ found out the consumer awareness and preference for ULI

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A STUDY ON ULIP- INVESTORS PERCEPTIONS TOWARDS WEALTH MAXIMIZATION IN INSURANCE INDUSTRY.

ANITHA N
41410019

1. Name *

2. E- mail *

3. Age *

Mark only one oval.

☐ 25- 30

☐ 31-35

☐ 36-40

☐ 41-45

☐ Above 45

4. Gender *

Mark only one oval.

☐ Male

☐ Female

5. Occupation *

Mark only one oval.

☐ Employee

☐ Business

☐ Workers

6. Monthly income *

Mark only one oval.

☐ 30,000- 50,000

☐ 60,000- 90,000

☐ Above 1,00,000

7. what kind of investment to you prefer? *

Mark only one oval.

☐ Short term

☐ Long term

☐ Both

8. what is your overall perception about ULIP investment? *

Mark only one oval.

- ☐ Positive
- ☐ Negative
- ☐ None of the above

9. when you have taken unit linked plan? *

Mark only one oval.

- ☐ 1 year before
- ☐ 2 year before
- ☐ more then 3 years befor

10. what are the reasons to make investment? *

Mark only one oval.

- ☐ Tax saving
- ☐ Secure investment
- ☐ Life cover
- ☐ Return
- ☐ Others

11. what are the reasons for invest in ULIP ? *

Tick all that apply.

	Strongly agree	Agree	Neutral	Dis agree	Strongly dis agree
Tax rebate	☐	☐	☐	☐	☐
Life insurance	☐	☐	☐	☐	☐
Capital growth	☐	☐	☐	☐	☐
investment of excess money	☐	☐	☐	☐	☐
Liquidity	☐	☐	☐	☐	☐

12. In which scheme of ULIP you have invested ? *

Mark only one oval.

- ☐ Debt
- ☐ Equity
- ☐ Liquidity
- ☐ mixed
- ☐ Others

13. What are the approximate return you got your investment ? *

Mark only one oval.

- ☐ Debt
- ☐ Equity
- ☐ Liquidity
- ☐ Mixed
- ☐ others

14. How much money you have invested in ULIP? *

Mark only one oval.

- ☐ Less than 50,000
- ☐ 50,000 - 60,000
- ☐ 70,000- 80,000
- ☐ 80,000 - 90,000
- ☐ above 1,00,000

15. How much return you have expected while investing in ULIP ? *

Mark only one oval.

- ☐ Low return
- ☐ Moderate
- ☐ High return
- ☐ Very high return
- ☐ not at all

16. What is the approximate return you got from your ULIP investemt ? *

Mark only one oval.

- ☐ 15 - 25 %
- ☐ 25 - 35 %
- ☐ 35 - 45%
- ☐ 45 - 50%
- ☐ Above 50 %

17. Your view on the design of ULIP investment ? *

Mark only one oval.

- ☐ High satisfied
- ☐ satisfied
- ☐ Neutral
- ☐ Un satisfied
- ☐ Highly un satisfied

18. What do you feel after investing in unit linked plan ? *

Mark only one oval.

- ☐ Good
- ☐ Averagely satisfied with the investment
- ☐ Cheated

19. Do you view following factors / sources of information important while investing in ULIP ? *

Tick all that apply.

	strongly agree	Agree	Neutral	Dis agree	strongly dis agree
Safety	☐	☐	☐	☐	☐
Liquidity	☐	☐	☐	☐	☐
Tax saving	☐	☐	☐	☐	☐
Return earned	☐	☐	☐	☐	☐
Flexible	☐	☐	☐	☐	☐

20. which information source helpful to the investors in making ULIP investment decision? *

Mark only one oval.

- ☐ journals
☐ reference group
☐ Television
☐ Brokers
☐ newspaper

21. Rank the unit linked insurance? *

Mark only one oval.

Excellent

1

☐

2

☐

3

☐

4

☐

5

☐

poor

22. Do you think ULIP is risky investment ? *

Mark only one oval.

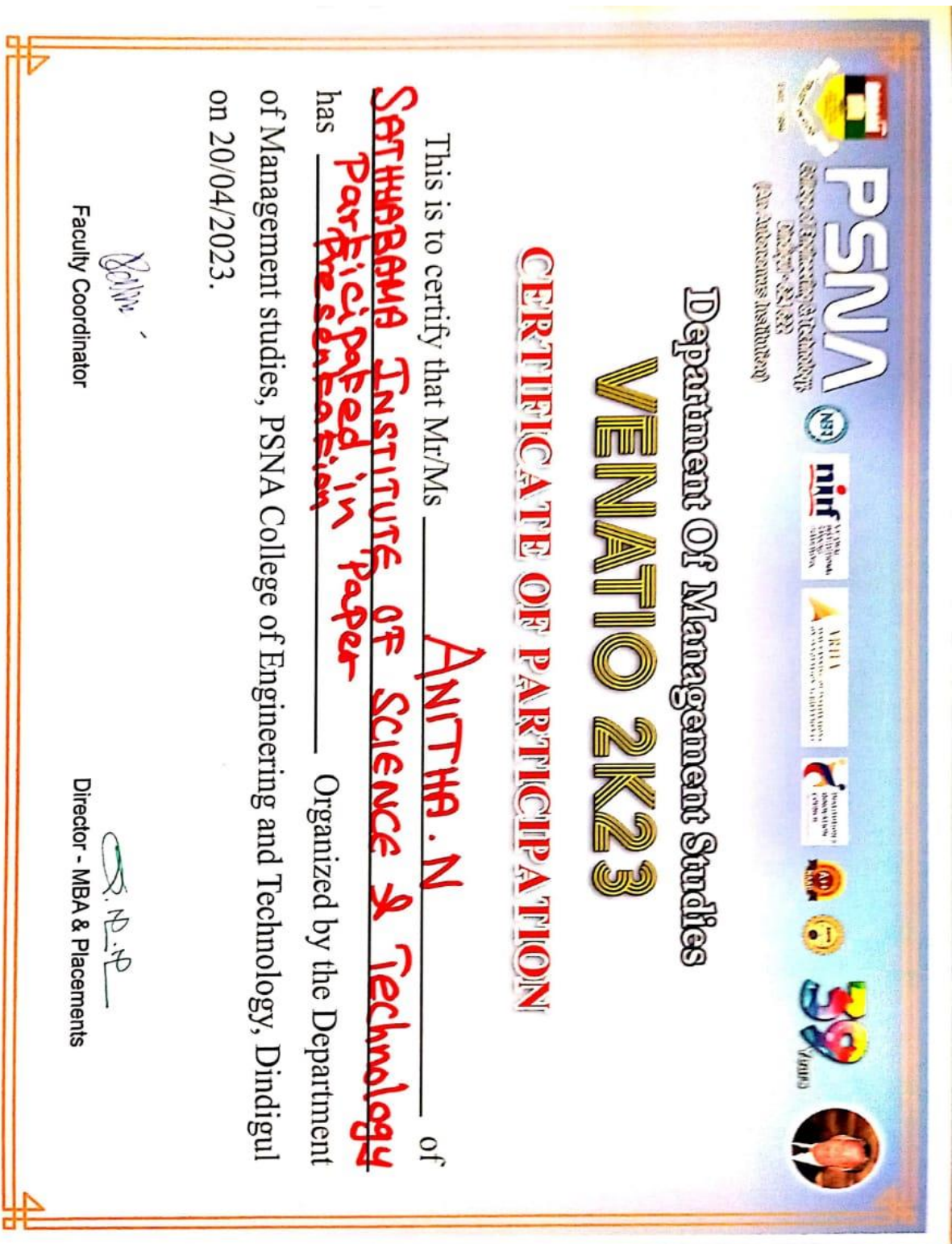
☐ Very risky

☐ Less risky

☐ Safe

☐ Very safe

☐ Not at all



A STUDY ON ULIP – INVESTORS PERCEPTION TOWARDS WEALTH MAXIMIZATION TOWARDS IN INSURANCE INDUSTRY

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ABSTRACT

The foundation of life insurance is the recognition of the value of a human life and the possibility of indemnification for the loss of that value. Mutual fund industry has gained importance after liberalization policy of the Government, but the function of Unit Trust of India (UTI) marked the evolution of the Indian mutual fund industry in the year 1963. With the privatization of the insurance sector, many companies emerged with unit linked insurance plans (ULIP), but long before this UTI has come into play with ULIP-1971 with an objective of returns through growth. ULIPs are such schemes that provide a combination of benefits of life insurance and diversified investment.

INTRODUCTION

This chapter serves as an introduction and provides the necessary theoretical framework for developing proper perception of the subject. Insurance may be described as to protect the economic value of asset.

Insurance: mankind is exposed to many serious perils such as property losses from fire and windstorm and personal losses from disability and pre mature death. Although it is impossible for an individual to foretell or completely prevent their occurrence but it is possible to provide against their financial effort the losses of property and earnings.

ULIP- Unit Linked Insurance Plan:

ULIP Plans is an abbreviation that stands for Unit-linked Insurance plan. It refers to a customized plan that offers facilities for both investment and insurance plans

What is a ULIP:

A Unit-Linked Insurance Plan is a combination of life insurance and investment. A part of your premium is invested in funds of your choice, while another part goes towards a life insurance cover. You are allowed to switch and redirect your funds often in search of better returns or greater safety. You can invest in equity, debt, or balanced funds as per your risk appetite.

OBJECTIVES**PRIMARY OBJECTIVE**

- To study the investors perception towards wealth maximization of ULIP investors.

SECONDARY OBJECTIVE

- To study the investors perception about Unit Linked Insurance Plan (ULIP).
- To identify if there is an association between the gender-based life insurance investment awareness.
- To study how much investors are satisfied with their investment

SCOPE OF THE STUDY

- It ensures the investment safety of principles and to create a better understanding between the investors and the insurance company.
- It evaluates the risk involve in securities and it helps to reduce the risk of losses of investment and income.

REVIEW OF LITERATURE

Dr.O.P Jain, 2018) ULIPs since its origin have involved discussion, which has cleared a path for numerous sorts of research through which terrific outcomes have turned out. 40% respondent keep themselves refreshed about market vacillations

(Devi, 2018) is analysing a cost and return basis analysis concluded that from the perspective of investors, they always look for good and almost risk-free return on their hard-earned money

(Lakhani, 2014)1 Unit Linked Insurance Plans (ULIP) had emerged as a major player in savings mobilization. Investors had shown keen interest by subscribing to ULIP schemes anticipating higher returns

(Singh, 2015) The shrewd saying, 'Contrast apples and apples, and not with oranges' remains constant for investments as well; be that as it may, here and there financial specialists will in general contrast diverse venture items due with evident likenesses.

RESEARCH DESIGN

Descriptive Research Design; Descriptive research is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study. The design of research can be qualitative, quantitative, or mixed

SOURCES OF DATA: Data collected in the term used to describe a process of preparing and collecting data

Primary data - The study is mainly based on primary data. Primary data has been collected investors in insurance industry.

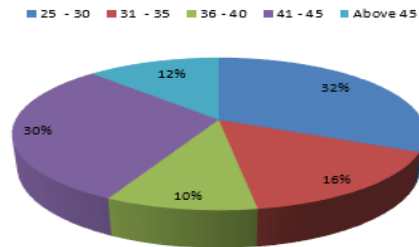
Primary data – questionnaire collected from 120 respondents.

Secondary data - websites and online journals, published reports & review of literature from published articles

DATA ANALYSIS AND INTERPRETYATION

THIS TABLE INDICATING THE AGE

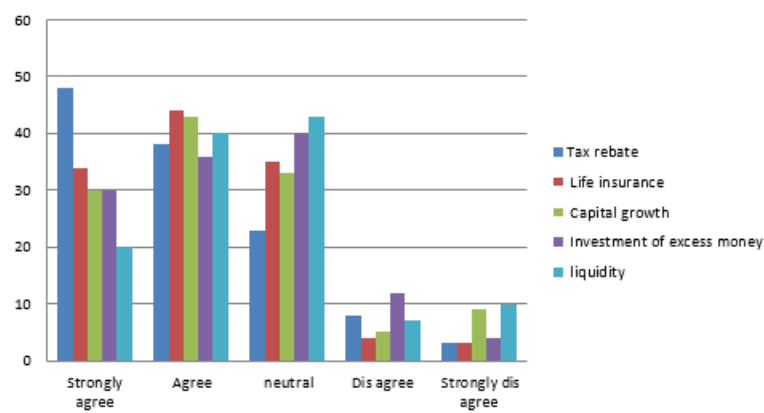
Age of the respondents	No of respondent	Percentage (%)
25-30	38	32 %
31-35	19	16 %
36-40	12	10 %
41-45	36	30 %
Above 45	15	12 %
Total	120	100



INTERPRETATION: From the above table it is inter predated as 32% of the respondents are aged between 25- 30, 16% are between 31-35, 10% are between 36- 40, 30% are between 41- 45, 12% are between 45 and above

This table indicating the reasons for investing in ULIP

	Strongly agree	Agree	neutral	Dis agree	Strongly dis agree	Total
Tax rebate	48	38	23	8	3	120
Life insurance	34	44	35	4	3	120
Capital growth	30	43	33	5	9	120
Investment of excess money	30	36	40	12	4	120
liquidity	20	40	43	7	10	120



INTERPRETATION

From the above table is indicate in the describe the reasons for investing in

ULIP investment

CHI -SQUARE

Null hypothesis (H0) – There is significance relationship between gender

And overall perception about ULIP.

Alternative hypothesis (H1) -There is no significance relationship between

Gender and over all perception about

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.319 ^a	2	.517
Likelihood Ratio	1.341	2	.512
N of Valid Cases	120		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.53.

INTERPRETATION: From the table 4.2.1 it is known that the p value is .517 is greater than 0.05, the null hypothesis is rejected and alternative hypothesis is accepted

FINDINGS

- Majority of the respondents (32%) are aged between 41 - 45 years.
- Majority of the respondents (53%) are Female.
- Majority of the respondents (54%) are investors like long term investment.
- Majority of the respondents is 72 % people thing positive.

SUGGESTIONS

- ULIP investment (Tax saving) it can be increasing the investors investing perception in the ULIP and it helps to increase the investment option in the insurance company. tax saving is good benefit option in the investors.
- ULIP investment (safety) it can be many of the investors feel ULIP investment is safe and secure investment and it make more income and profit to the investors. safety is more importance in the investors to make investment in continuously.

CONCLUSION

ULIPs or Unit Linked Insurance Policies are gaining popularity in the recent times. Importance of ULIP policies has grown in the recent times because of the features and advantages that ULIP policies offer. While under traditional insurance policies, the relationship between premium and assured sum is fixed. But, under ULIPs there is freedom of flexibility in premiums and assured sum. The reason that is attributed to the wide spread popularity of ULIP is because of the transparency and the flexibility which it offers to the client. As time progressed the plans were also successfully mapped along with life insurance needs to retirement planning.

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