

A STUDY ON CUSTOMER'S PERCEPTION TOWARDS LIFE INSURANCE POLICIES IN SOUTH CHENNAI

Submitted in partial fulfilment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

Shree Pournambiga B.L

Register No.42410197



DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

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

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **SHREE POURNAMBIGA B.L 42410197** who carried out the project entitled **“A STUDY ON CUSTOMER’S PERCEPTION TOWARDS LIFE INSURANCE POLICIES IN SOUTH CHENNAI”** under my supervision from October 2023 to December 2023.

Dr. Yamuna D

Internal guide

Dr. Sasirekha K

External Guide

Dr. BHUVANESWARI. G, MBA.,Ph.D.

Dean – School of Management Studies

Submitted for Viva voce Examination held on_____

Internal Examiner

External Examiner

DECLARATION

I **Shree Pournambiga B.L (42410197)** hereby declare that the Project Report entitled “**A STUDY ON CUSTOMER’S PERCEPTION TOWARDS LIFE INSURANCE POLICIES IN SOUTH CHENNAI**” done by me under the guidance of **DR. Dr. Yamuna D** is submitted in partial fulfilment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

Shree Pournambiga B.L

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ABSTRACT

Human life is a most important asset and life insurance is the most important type of insurance which provides financial protection to a person and his family at the time of uncertain risks or damage. Life insurance provides both safety and protection to individuals and also encourages savings among people. The present exploratory and descriptive based study was selected with an objective to identify the various factors that affect the Customer's perception towards life insurance policy and also analyse the buying pattern of the life insurance policies and preferences of customers while life insurance policy investment decision-making. Various insurance related factors have been discussed in the paper. The data for the study has been collected from both primary and secondary sources. The study area is limited to South Chennai and sample size is 200 policyholders. Researcher has taken few hypotheses based on demographic and insurance-based preference factors and tested them with the help of various statistical tools like chi-square, correlation and weighted average method. The analysed data has been presented in the form of table, bar graphs and pie-charts. Insurance companies should spread more awareness about life insurance, reduction in premium amount and giving more attention on need based innovative products are some of the suggestions provided by the researcher. The paper concludes with that demographic factor of the people play a major and pivotal role in deciding the purchase of life insurance policies.

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CHAPTER-1

INTRODUCTION

1.1 Introduction

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

LIC is the most trusted and popular brand in life insurance, the market share of private insurers is gradually increasing with people trust. The new private players offer many new innovative products and services. They are increasing the awareness level among consumers by using innovative and new techniques of advertisement, introducing new products, increasing penetration of life insurance of consumers in uninsured markets. The competition among public and private players has helped to increase in variety of products being offered from pure risk based to ULIP plans.

Customers are the back bone of life insurance business. Every company tries to attract new customers and retain existing customers in order to keep their profits high. This helps insurance companies to maintain a good competitive edge on its competitors. The proper understanding of consumers, their needs and expectations help insurance providers to bring betterment in product as well as services offered. In comparison with the developed foreign countries, the Indian life insurance industry has achieved only a little due of low customer awareness, high premiums, delayed and poor customer services, lack of suitable products.

In today's competitive world, it becomes necessary for life insurers to provide customer satisfaction, spread more awareness, stress on need based innovative products and affordable price. This would help every individual to avail the benefits of insurance and protect their lives against future risks and uncertainties. Earlier life insurance was used as a tool to protect the income of families, particularly young families in income saving phase, in the event of the head of household's death. But now, life insurance is used for many other reasons, including wealth preservation and tax saving. Whether an

individual needs to have life insurance or not, merely depends on his need.

Life insurance is one of the fastest-growing sectors in India since 2000 as Government allowed Private players and FDI up to 26% and recently Cabinet approved a proposal to increase it to 49%. In 1955, mean risk per policy of Indian and foreign life insurers amounted respectively to ₹2,950 & ₹7,859 (worth ₹15 lakh & ₹41 lakh in 2017 prices). Life Insurance in India was nationalised by incorporating Life Insurance Corporation (LIC) in 1956. All private life insurance companies at that time were taken over by LIC. In 1993, the Government of India appointed RN Malhotra Committee to lay down a road map for privatisation of the life insurance sector.

While the committee submitted its report in 1994, it took another six years before the enabling legislation was passed in the year 2000, legislation amending the *Insurance Act* of 1938 and legislating the Insurance Regulatory and Development Authority Act of 2000. The same year, newly appointed insurance regulator - Insurance Regulatory and Development Authority IRDA-started issuing licenses to private life insurers.

1.2 History of life insurance

In India, insurance has a deep-rooted history. It is mentioned in the writings of Manu (Manusmrithi), Yagnavalkya (Dharmasastra) and Kautilya (Arthasastra). The writings talk about the pooling of resources that could be redistributed in times of calamities such as fire, floods, epidemics and famine. This was probably a starting point to modern day insurance. The earlier times have preserved the traces of insurance in the form of marine trade loans and carriers' contracts. The concept of Insurance in India has evolved from other countries, England in particular.

The life insurance business started in India in 1818 with the establishment of the Oriental Life Insurance Company in Calcutta. This Company however failed in 1834 with passage of time. In 1829, the Madras Equitable began transacting life insurance business in the Madras Presidency. There was enactment of the British Insurance Act in 1870 and last three decades of the nineteenth century saw the starting of the Bombay Mutual (1871), Oriental (1874) and Empire of India (1897) in the Bombay Residency. This era, however, was ruled by foreign insurance offices that did good business in India, namely Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance and the Indian offices had to face hard competition from the foreign companies.

In 1912 the first Indian insurance act was passed which was re-enacted in 1938. In 1914, the major step taken was that the Government of India started publishing returns of Insurance Companies in India. The Indian Life Assurance Companies Act, 1912 was the pioneer statutory measure to regulate life business. In 1928, the Indian Insurance Companies Act was enacted to initiate the Government to collect statistical information about both life and non-life insurance business transacted in India by Indian and foreign insurers including provident insurance societies. In 1938, in order to protect the interest of the Insuring public, the earlier legislation was consolidated and amended by the Insurance Act, 1938 with comprehensive provisions for effective control over the activities of insurance companies. The insurance amendment act of 1950 abolished the concept of Principal Agencies. However, there was increase in number of insurance companies and the level of competition was quite high. There were also allegations of unfair trade practices undertaken during that time period. As a result, the Government of India decided to nationalize insurance business.

In 1956; 245 Indian and foreign insurers and provident fund societies were taken over by the central government and were nationalised. Life Insurance Company was formed by the Act of Parliament called Life Corporation of India act 1956, with a capital contribution of Rs 5 crores from government of India.

1.3 Need for life insurance

- **In order to meet Family's Financial Requirements-** In case you are the only person in your family who is an earning member, then the family's income will cease when you are no more. If any mishap occurs, then with no stable source of income, the standard of living of family members will fall and they may not be able to meet even basic needs like education. Therefore, your life insurance policy will help your family during such times.
- **For Loans and Expenses Repayment-** You may have taken a loan or you may have borrowed money from a friend for starting a business. Also, you might have several other family responsibilities. In all these cases it is your spouse or children who will have to bear the heavy burden of paying off the loan in your absence.
- **Diverse Investment Options-** You can also use your life insurance Policy as a good investment tool. There are various kinds of insurance policies in which you can park your surplus funds and can earn return either in lump sum or at regular intervals of time. For example, retirement plans, child insurance plans, whole life insurance plans, Term life insurance plans etc. are all good life insurance policies.
- **Illnesses and Accidents-** Life insurance policies are always a very good protection option as well against the financial pressure that you might face during a serious illness or accident. It helps you to get treatment from the best hospitals without worrying about the financial burden. Usually, all insurance policies should be purchased when you are young and free of illnesses.
- **For Tax Benefits-** Life insurance policies are an excellent instrument of saving tax too. Under Section 80C of the IT Act, many of the insurance schemes in India including the life insurance schemes offer tax deductions on Premium payments.

- **Draw Loans Against Insurance** - Besides using your life insurance Policy amount to repay your loans and expenses you can also use your Policy to draw a loan against it. It could be used as a security in the banks or financial institution while taking loans.
 - Retirement plan
 - Term insurance plan
 - Group plans

1.4 Types of life insurance policy

Term insurance policy

Term insurance is widely considered to be the simplest form of life insurance. It is a pure cover plan which offers protection for a specified time period. If the life insured passes away during that period, the nominee receives the predetermined death benefit. The most distinctive feature of a term insurance plan is the high amount of coverage offered at extremely nominal premium rates. Certain term plans also offer maturity benefits, i.e., the return of premiums if the policyholder outlives the policy term. One can also increase the amount of coverage offered by a term plan by opting for additional riders, such as Accidental Death Benefit or Child Support riders.

Endowment policy

This is another type of life insurance policy which acts as, both, an instrument for insurance and saving. Endowment plans aim to provide maturity benefits to the life insured, in the form of a lump sum payment at the end of the policy tenure, even if a claim hasn't been made. Endowment plans are ideal for people looking to get maximum coverage alongside having a sizable savings component. They help the policyholder inculcate the habit of savings, even while providing financial security to their family. Endowment plans can broadly be classified into two types: with profit and without profit. Policyholders can choose from these two types based on their risk appetite.

Money-back policy

Money back policies are basically an extension of endowment plans wherein the policyholder receives a fixed amount at specific intervals throughout the duration of the policy. In the event of the death of the policyholder, the full sum assured is paid to the beneficiaries. The terms again might slightly vary from one insurance company to another.

Whole life policy

A whole life insurance plan covers the insured over his life. Whole Life Insurance offers dual benefits - Death Benefits as well as Savings Benefits. There is flexibility to choose the premium payment like: Monthly or Annual mode. The primary feature of this product is that the validity of the policy is not defined so the policyholder enjoys the life cover throughout his life.

Unit-linked investment policy

Unit-linked insurance policies again belong to the insurance-cum-investment category where one gets to enjoy the benefits of both insurance and investment. While a part of the monthly premium pay-out goes towards the insurance cover, the remaining money is invested in various types of funds that invest in debt and equity instruments. ULIP plans are more or less similar in comparison to mutual funds except for the difference that ULIPs offer the additional benefit of insurance.

Child insurance policy

A child insurance plan is one of the different types of life insurance available. Such a plan is tailored to fulfil one specific goal: to ensure financial protection for the policyholder's child upon the unfortunate demise of the policyholder. It is ideal for ensuring the future needs of the child are well taken care of, even in the absence of the life insured. Parents can invest in the best child insurance plans, in order to meet the financial requirements for their child's education, marriage or to fulfil a multitude of other financial goals their child might have.

Retirement policy

A retirement plan is a type of life insurance that focuses on providing you financial stability and security post your retirement. After you retire, you lose your regular income from employment. Investing in retirement plans can help you create a stable regular income stream. If you continue to invest until retirement, the plan will help you take care of your expenses after retirement. A retirement plan requires you to invest a certain part of your income regularly during your working life. At the time you retire, the amount that you create over the years will be converted into a regular income stream.

Retirement plans also involve death benefits. Thus, if the policyholder passes away during the course of the policy, their beneficiaries will be provided with an assured sum.

Pension policy

Pension policies let individuals determine a fixed stream of income post retirement. This basically is a retirement planning investment scheme where the sum assured or the monthly pay-out after retirement entirely depends on the capital invested, the investment timeframe, and the age at which one wishes to retire. There are again several types of pension plans that cater to different investment needs. Now it is recognized as an insurance product and is regulated by IRDA.

1.5 STATEMENT OF THE PROBLEM

Insurance sector as a whole has contributed to the development of the economy through generation of employment opportunities, acceleration of industrial growth, etc. Although Life Insurance Companies has its own significance and place in the economy, it is not free from problems. The three main aspects with regard to the perception of customers towards life insurance are awareness level, service quality and satisfaction level of policy holders. This study tries to evaluate the perception of customers towards life insurance policies in respect of the services rendered by Life Insurance Companies

1.6 OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

- To study the customer's perception towards life insurance policies

SECONDARY OBJECTIVE

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

1.7 NEEDS OF THE STUDY

- The deeper the company's understanding of consumer's needs and perception, the earlier the product is introduced ahead of competition, the greater the expected contribution margin. Hence the study is very important.
- Consumer markets and consumer buying behaviour can be understood before sound product and marketing plans are developed.
- This study will help companies to customize the service and product, according to the consumer's need.
- This study will also help the companies to understand the experience and expectations of the existing customers.

- Apart from creating, manufacturing and distribution capabilities for life insurance products, an in-depth study of the consumers, their preferences and demand for their product is very necessary for setting up an efficient marketing network.

1.8 SCOPE OF THE STUDY

- The result of this research would help the company to have a better understanding about the consumer's perceptions towards Life Insurance.
- The study helps the company by creating awareness about the consumers of different ages and income levels.
- The study also enables the company to focus the consumer's preferences and expectations on the product which they offer.
- It also helps the insurance companies to know whether the existing products are really satisfying the customer's needs.

CHAPTER-2

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

Sahu P; Jaiswal G and Pandey V (2009); conducted a survey on 150 respondents to determine the attributes affecting buying behaviour of consumers, investment pattern in life insurance services and compare the differences in consumer perception of male and female consumers. In their study they found that there 6 factors which affect the buying behaviour while purchasing life insurance policies namely consumer loyalty, service quality, ease of procedures, satisfaction level, company image and company client relationship. There is no difference between the perception of male and female preferences.

Kaur and Negi (2010); conducted their study in Chandigarh and by using factor analysis they found customised and timely service, brand USP, considerate employee, price immunity as major factors affecting the satisfaction of customers. They even found that maximum life covered under insurance are of male than female and satisfaction level among public and private sector insurance companies is same.

Arul Suresh (2011) suggested that the success of the life insurance business depends on the awareness of the policyholders about the products and satisfaction of the policyholders regarding the service rendered by LIC of India. Life insurance being a service sector is no exception to this principle. The basics of Customer Relations Management (CRM) include a business strategy that focuses on developing and retaining the relationships existing between customer and organization. CRM also provides the customer with a much-needed avenue to find expression for his problems, ideas and suggestions. Hundreds of sales leads are lost yearly as disinterested employees pay slack attention to customer suggestions. A venue is required for these suggestions. This is supplied by CRM implementation.

Sandhu H; Bala N (2011); the sample was taken of 450 respondents from different work places of 3 cities Jalandhar, Ludhiana and Amritsar but out of 450 samples 337 respondents filled the questionnaire in all aspects. They conducted a study in three cities of Punjab to find out factors affecting service quality of LIC. They used the factor

analysis technique and consequently found 7 factors composed of proficiency, media and presentations, physical and ethical excellence, service delivery process and purpose, security and dynamic operation, credibility and functionality. Along with these factors managerial implication like performance of agents also affect customer satisfaction.

Babitayadav; Anshujatiwari (2012) present exploratory and descriptive based study was selected with an objective to identify those factors which influence customers policy buying decision and also analyse the preferences of customers while life policy investment decision-making. Various insurance related factors have been discussed in the paper. The data for the study has been collected from both primary and secondary sources. The study area is limited to Jabalpur district, of Madhya Pradesh and sample size is 150 policyholders of LIC and different private life insurers have been selected through a stratified and purposive sampling method.

Jain V; Saini B (2012); in their article has highlighted the role of IRDA for life in insurance industry in India and has concluded that social, cultural, political, personal, psychological and demographic factors influence the consumer behaviour. This study reveals that the demographical factor has the major impact on the purchasing decision of consumer. The leadership does not lie in getting the maximum number of policies sold but in understanding the demography of the customer and targeting them in their way. Finally, being they considered the success of insurance marketing dependant on understanding the social and cultural needs of the target population.

Yadav B; Tiwari A (2012); The study area is limited to Jabalpur district, of Madhya Pradesh and sample size of 150 policyholders is taken and the sample have been selected through a stratified and purposive sampling method. The study has been conducted to find out factors influencing customer investment decision, impact of various demographic factors, preferences of customers while taking the decision, and ranking of factors responsible for the selection life insurance as an investment option. The study was conducted on 150 respondents. in their study on factors affecting customer investment in life insurance policies and found that age, gender, income level. Out of 150 samples 54.6% of policy holders have invested in LIC followed by SBI life insurance amongst private players. The features that policyholders consider while making a purchase can be ranked as follows: company reputation, money back

guarantee, risk coverage, low premium and easy access to agents as 1st, 2nd, 3rd, 4th and 5th respectively. Thus, it could be concluded that goodwill of the company is the most influencing factor while policy buying decision. It was found that majority of respondents preferred money back policy. While studying the reason for purchase of insurance policy was most (54.6%) of the respondents have opted for LIC policies because of safety and rest of the respondent's opted for private players for higher returns. The study area is limited to Jabalpur district, of Madhya Pradesh and sample size is 150 policyholders of LIC and different private life insurers have been selected through a stratified and purposive sampling method.

Mahajan K (2013); conducted a study on consumer decision making process in life insurance services and found that there are 5 stages i.e., need recognition, search of alternative, evaluation of alternative, purchase decision and post purchase evaluation. Special considerations pertaining to insurance industry are perceived risk, risk and standardisation and risk and information. She even formulated certain stages to improve customer awareness about benefits of life insurance products like focusing on marketing techniques. Thus, she concluded that the consumer's perception towards Life Insurance Policies is positive. There is a positive mind sets developed for their investment pattern, in insurance policies. Still some actions need to be for developing insurance market.

Venkaiah and Sudhir (2013); conducted a survey to find out the performance of private insurance players and took sample of 200 respondents. They found that very few respondents feel private companies to be better than public. The services offered by private companies are as per expectation of customer and they feel no risk in investing in private companies. Respondents want more policies with tax benefits among private companies.

Manuel (2013); he conducted the study to understand the Consumer Perception about life insurance policies in Kottayam City. For this study the researcher used exploratory research design. This research was restricted to the consumers of Kottayam city. The sample which was taken was of 50 respondents belonging to various age groups. The survey was conducted to find out the attributes which affect decision making of consumers of life insurance policies which are return on investment, company reputation, premium outflow, service quality and product quality. The majority of

respondents belong to age group of 19-28 years, male consumers capture 74% of the market, dominant income group was 5001- 10000 and LIC had the major stake.

Shamrao and Vibhute (2013); conducted a survey in Kohlapur on 127 respondents to find out the preference of customers towards insurance policy, the satisfaction level towards ULIP plan and traditional plans and the factors influencing the investment decision. It was found that LIC to be major insurance player and traditional plans being more preferred than ULIP plans. Majority of holders think insurance to be purely protection option followed by tax savings and pension scheme. Majority of holders take policies from financial advisors and banks. Investor opinion of investment also depend upon service quality, reputation, trust worthiness and future plans of company.

Singh S; Sirohi N & Chaudhary K (2014); conducted a survey in Delhi NCR region to find out service quality of life insurance companies and effect of demographic factors on consumer perception. they conducted the survey on 139 respondents and they found factors namely as responsiveness and assurance factor, convenience factor, tangible factor and empathy factors. They even found that only age of respondent has significant impact on choice of insurance product. Whereas various demographic factors such as gender, education, and annual income did not have significant impact on choice of insurance product.

Kumar (2014); the survey has been conducted by him on 200 respondents in Dehradun only. In his survey he found that maximum investors are youth and there is gender biasness in investment pattern. Married people and people residing in urban areas invest more in LIC. He even found that maximum people opted for yearly payment plans. Major portion of holders belongs to service sector and average middle-class people. Maximum people invested in LIC on basis of brand name and invest more in money back policies.

Singh H (2014); conducted a sample survey on 255 respondents of Uttar Pradesh to analyse life insurance consumer behaviour. Main purpose for which the study was conducted was to assess the socio-economic status of respondents and to examine the impact of status on insurance purchasing capacity. The study shows that maximum people invest for the purpose of tax rebates and family safety. He found that major insurance products be child plan and pension plan. He even found that maximum people like to get insurance product directly from insurance agents followed by banks,

financial institutions, and brokers. It was found that government servicemen of 26-45 years of age buy more insurance products and middle-income group 100000-300000 people buy more insurance policies.

Kuhlemeyer, A.G. Allen, H.G. (2014) investigate customer satisfaction in the purchase of life insurance products and compare satisfaction in a broker or agent aided transaction to satisfaction in a direct placement transaction without the use of a broker or agent. Consumer satisfaction with the life insurance policy, the provider, and the institution are all measured against benchmarks. Consumer satisfaction is influenced by factors such as confidence, competence, and product appropriateness, according to the report.

Rajavardhan and Jahangir (2015); the sample has been taken from Nalgonda district with 120 respondents. In their article conducted a survey on rural market of Telangana to find out socio demographic and economic variables that have impact on decision of consumer perception. They found that gender and marital status have very low impact on perception. While education and income level have significant impact. Middle income group are more engaged in insurance sector. Similarly, an occupation also has significant impact on insurance. Moreover, still insurance is seen as tax saving and not an investment opportunity.

Sandeep Chaudhary; Jasneet kaur (2016) study examines the various factors that affect the consumer perception towards life insurance policy. The sample constituted of 100 respondents from Amritsar, Ludhiana and Chandigarh. The main finding of the study reflected that there are six factors i.e., customised and timely services, better company reputation, effective service quality, customer convenience, tangible benefits and healthy customer client relationship that influence the consumer perception towards life insurance policy.

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

Dr. Ruchi Jain (2018) study examines the LIC aims to investigate policyholder's perceptions and satisfaction towards numerous services offered to the general public in the country. The sample constituted of 150 respondents from Jaipur city. The study is targeted on Policyholders residing in Jaipur city.

Maya Kannan (2018) this study is to know the consumer satisfaction towards LIC. This study is based on primary data which is collected through questionnaire among 150 policyholders in Chennai. To identify the factors responsible for consumer satisfaction towards LIC.

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

Dr.T.Unnamalai, V. Rajinikanth (2021) this research is to determine customer satisfaction with LIC. This research is based on primary data collected via a questionnaire from 150 policyholders in Kumbakonam, and the data was analysed using percentages and the chi-square test to determine the factors that influence customer satisfaction with LIC. This study shows at how consumers feel towards life insurance companies. Since people are becoming more aware of their own mortality and the insurance industry is becoming more competitive, it is important for insurance providers to consider their customers' needs.

CHAPTER-3

RESEARCH METHODOLOGY

3.1 METHODOLOGY

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 customer's opinion based on product. In this study, the research methodology is framed for the purpose of identifying the perception of investors towards mutual fund investment.

3.2 DATA REQUIREMENT

- **Primary data**

The present study is based on the primary data which was collected using the questionnaire method using google forms.

- **Secondary data**

Secondary data has been collected mainly from internet, reports, publications, records and websites.

3.3 RESEARCH DESIGN

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

3.4 SAMPLING TECHNIQUE

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

3.5 STRUCTURE OF QUESTIONNAIRE

Multiple choice questions were used in the study. six independent questions, fifteen dependent and one Likert scale questions were incorporated in the questionnaire. One openended question was included in the questionnaire to gather data.

3.6 SAMPLE SIZE

In this study 200 policy holders are selected from various brokers, agents.

3.7 SAMPLE LOCATION

The research was conducted in south Chennai.

3.8 SAMPLE TARGET PEOPLE

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

3.9 PERIOD OF STUDY

The period of the study is to determine that research process is carried out for a month.

3.10 TOOLS FOR ANALYSIS

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

3.11 HYPOTHESIS FRAMED

Hypothesis-1

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

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

Hypothesis-2

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

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

Hypothesis-3

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

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

3.12 LIMITATIONS OF THE STUDY

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

CHAPTER-4

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

This chapter will present the findings of the data collected through the questionnaire. Firstly, the researcher will outline the background information of investors. Following this the major themes of the analysis will then be discussed. The data collected through the open feedback questions will be presented along with the statistical data.

Table 4.1.1: Gender of the respondents

Gender	No. of. respondents	percentage
Female	33	16
Male	167	84
Total	200	100

Source: Primary Data

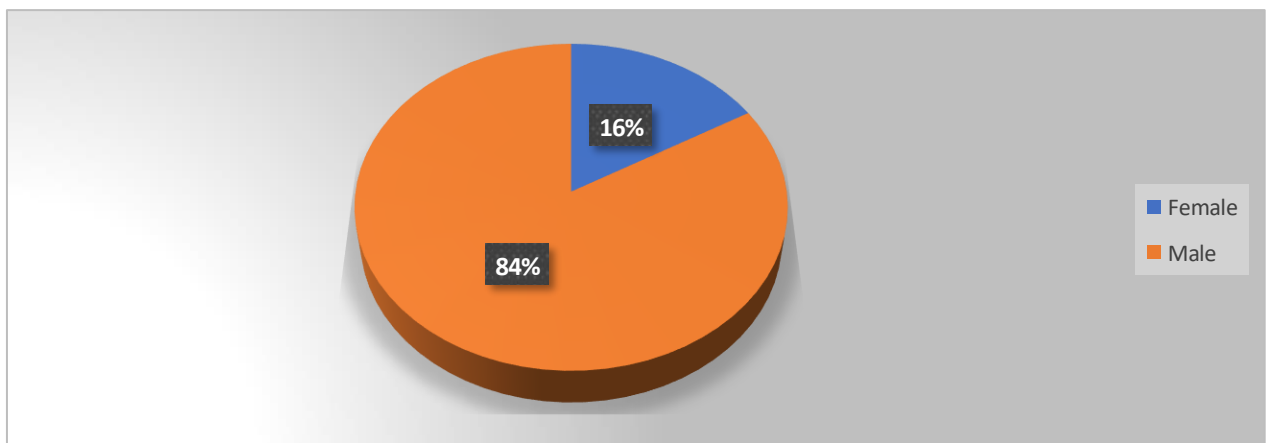


Chart 4.1.1: Gender of the respondents

Interpretation

From the above table it is interpreted that 16% of respondents are in the category of female, 84% respondents are in the category of male.

Inference

84% of the respondents are in the category of male.

Table 4.1.2: Age of the respondents

Age	No. of. respondents	percentage
20-30	90	45
31-40	79	39
41-50	26	13
Above 50	5	3
Total	200	100

Source: Primary Data

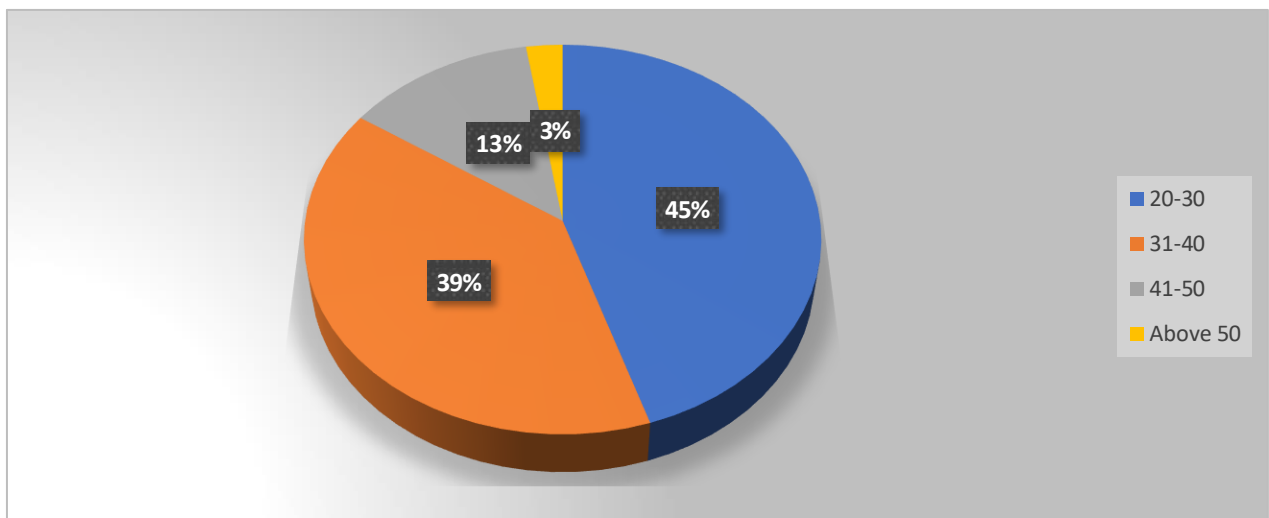


Chart 4.1.2: Age of the respondents

Interpretation

From the above table it is interpreted that 45% of respondents are in the age category of 20- 30 years, 39% respondents are in 31-40 years, 13% respondents are in the age category of 41-50 and 3% of the respondents are above 50 years.

Inference

45% of the respondents are in the age category of 20-30 years.

Table 4.1.3: Marital status of the respondents

Marital status	No. of. respondents	percentage
Married	141	70
Unmarried	59	30
Total	200	100

Source: Primary Data

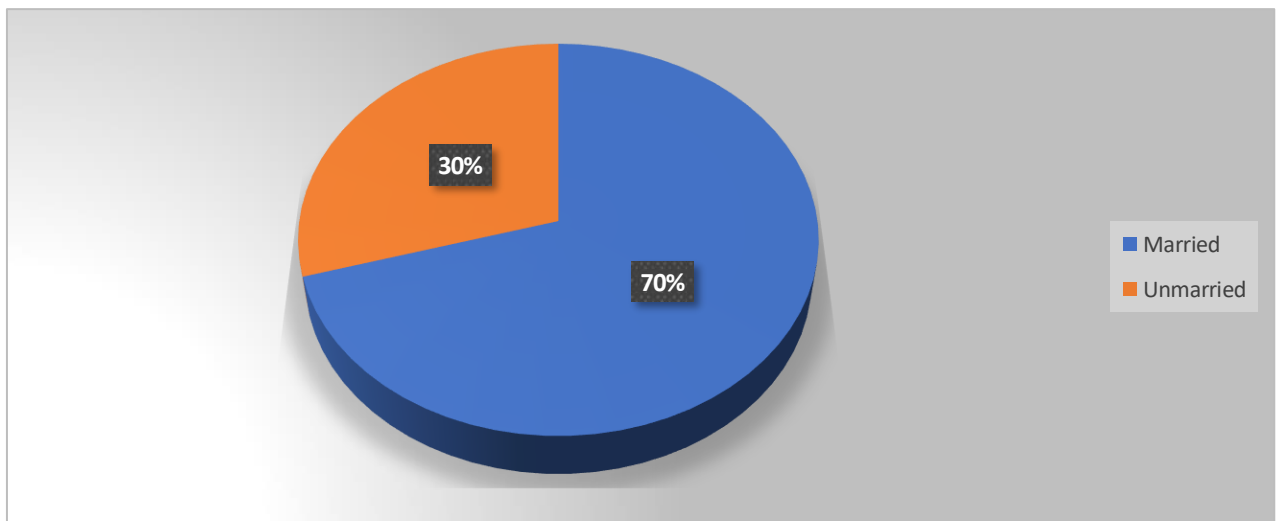


Chart 4.1.3: Marital status of the respondents

Interpretation

From the above table it is interpreted that 70% of respondents are married, 30% of respondents are unmarried.

Inference

70% of the respondents are married.

Table 4.1.4: Educational qualification of the respondents

Educational qualification	No. of. respondents	percentage
Post graduate	51	25
Primary	9	4
secondary	39	20
Under graduate	101	51
Total	200	100

Source: Primary Data

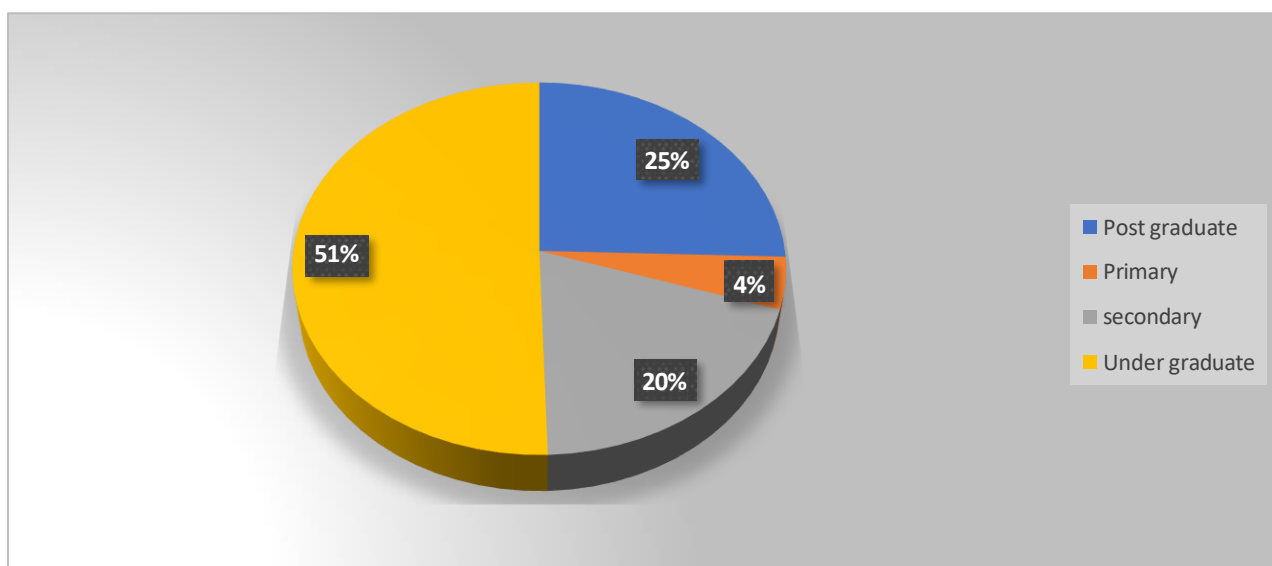


Chart 4.1.4: Educational qualification of the respondents

Interpretation

From the above table it is interpreted that 51% of respondents are under graduate, 25% respondents are post graduate, 20% of respondents are secondary, 4% of respondents are primary in the category of educational qualification

Inference

51% of the respondents are in the category of under graduate.

Table 4.1.5: Occupation of the respondents

Occupation	No. of. respondents	percentage
Business	36	18
Profession	21	10
Retired	7	3
Salaried	95	48
Self-employed	41	21
Total	200	100

Source: Primary Data

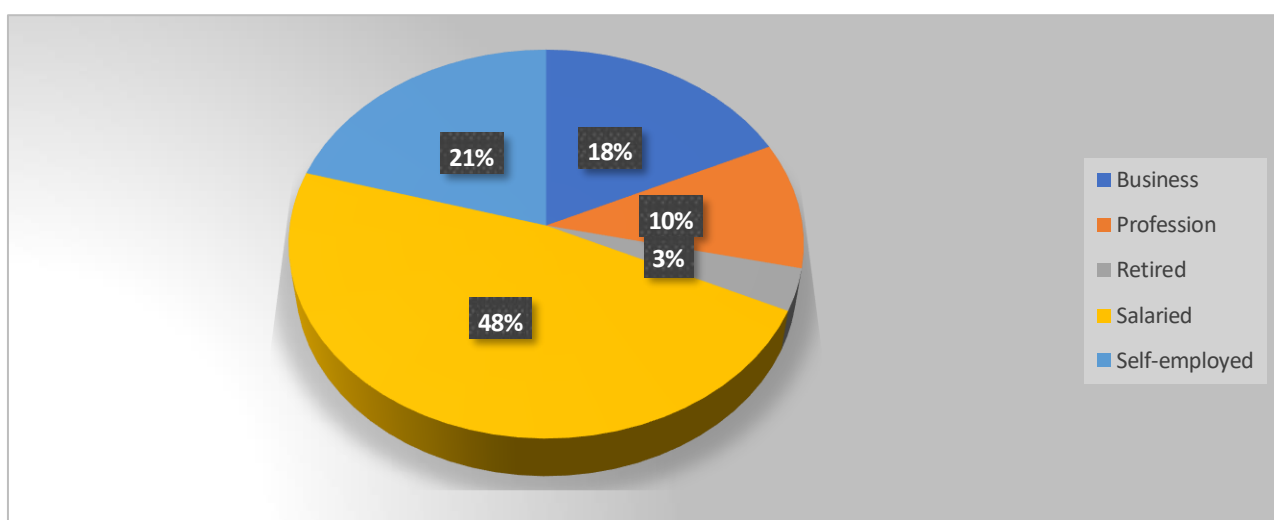


Chart 4.1.5: Occupation of the respondents

Interpretation

From the above table it is interpreted that 48% of respondents are salaried, 21% respondents in the category of self-employed, 18% respondents are business and 10% of the respondents are profession and 3% of respondent are retired.

Inference

48% of the respondent's occupation in the category of salaried.

Table 4.1.6: Annual Income of the respondents

Annual income	No. of. respondents	percentage
1,00,001 - 3,00,000	105	52
3,00,001-5,00,000	59	30
Above 5,00,000	24	12
Up to 1,00,000	12	6
Total	200	100

Source: Primary Data

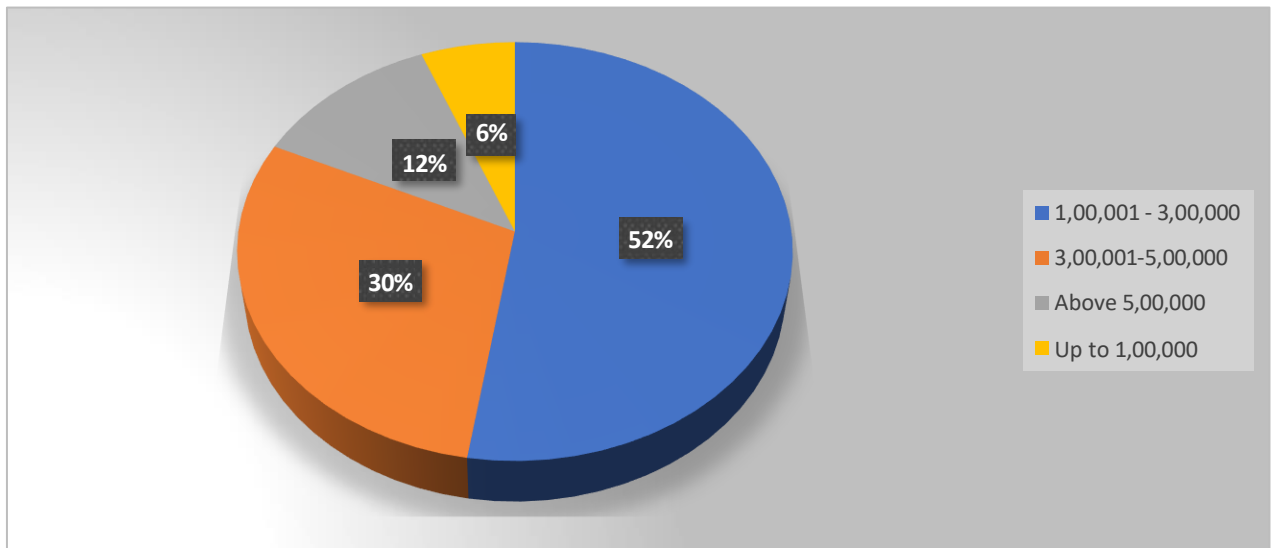


Chart 4.1.6: Annual Income of the respondents

Interpretation

From the above table it is interpreted that 52% of respondents are in the income category of 1,00,001-3,00,000, 30% respondents are in 3,00,001-5,00,000, 12% respondents are above 5,00,000 and 6% of the respondents are in the income category of up to 1,00,000.

Inference

52% of the respondents are in the income category of 1,00,001-3,00,000.

Table 4.1.7: Awareness of the respondents

Awareness	No. of. respondents	percentage
Extremely Aware	26	13
Moderately aware	89	44
Slightly aware	85	43
Total	200	100

Source: Primary Data

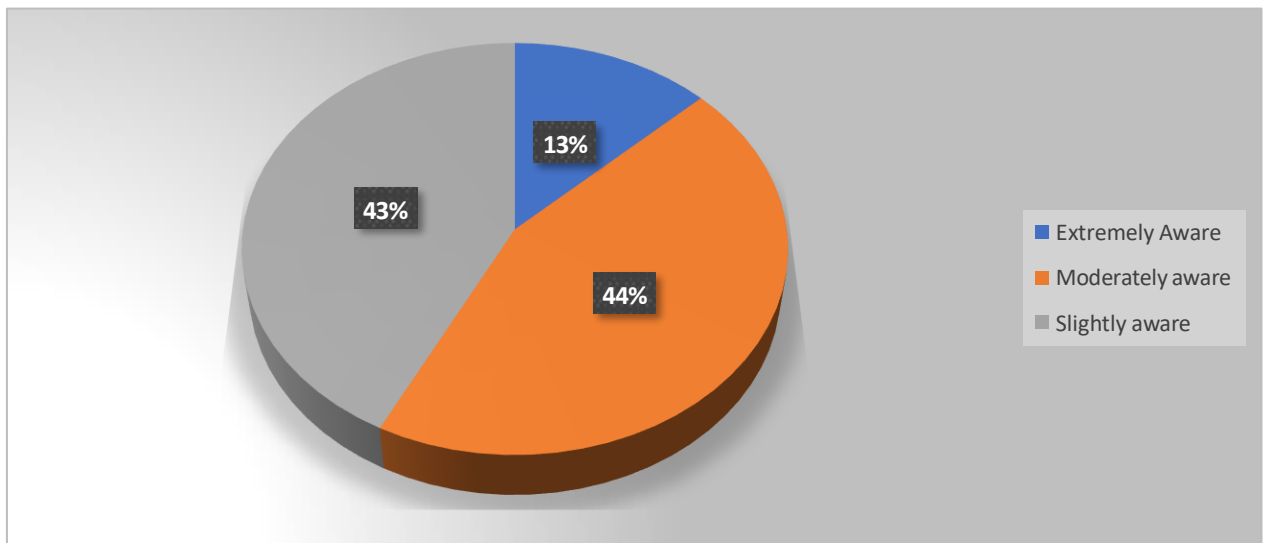


Chart 4.1.7: Awareness of the respondents

Interpretation

From the above table it is interpreted that 44% of respondents in the category of Moderately aware, 43% respondents are slightly aware, 13% respondents are extremely aware.

Inference

40% of the respondents in the category of somewhat aware.

Table 4.1.8: Factors influenced to buy life insurance policy

Factors	No. of. respondents	percentage
Advertisements	27	13
Agents	15	8
Family	80	40
Friends	18	9
Personal interest	60	30
Total	200	100

Source: Primary Data

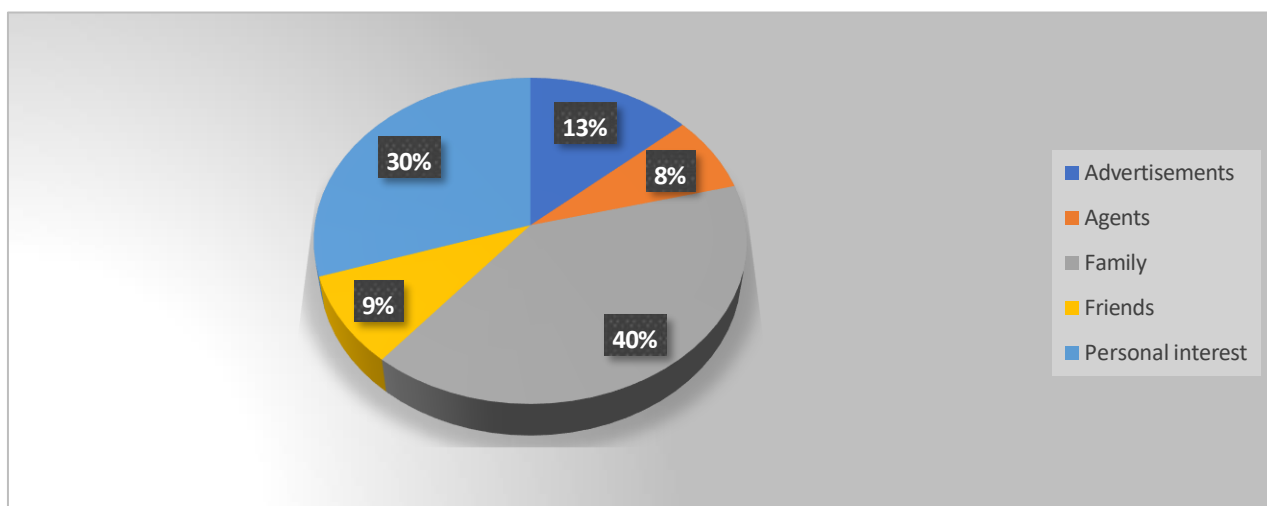


Chart 4.1.8: Factors influenced to buy life insurance policy

Interpretation

From the above table it is interpreted that 40% of respondents are influenced by family, 30% respondents are influence by personal interest, 13% respondents are influence by advertisement and 9% of the respondents are influence by friends and 8% of respondent are influence by agents.

Inference

40% of the respondents are influenced by family.

Table 4.1.9: Preference of Investment wise of respondents

Preference of Investment	No. of. respondents	percentage
Bank Deposit	93	46
Gold	20	10
Life insurance	36	18
Post office savings	34	17
Shares market	17	9
Total	200	100

Source: Primary Data

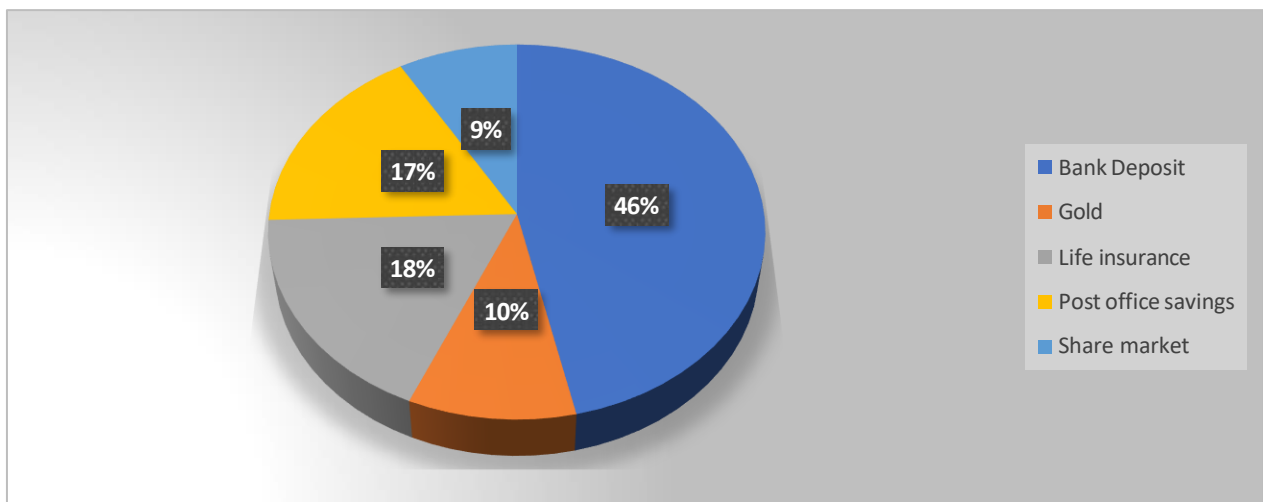


Chart 4.1.9: Preference of Investment wise of respondents

Interpretation

From the above table it is interpreted that 46% of respondents are preferred to investment in bank deposit, 18% respondents are preferred to investment in life insurance, 17% respondents are preferred to investment in post office savings, 10% respondent are preferred to investment in gold, 9% of respondent are preferred to investment in share market.

Inference

46% of the respondents are preferred to investment in bank deposit.

Table 4.1.10: Value of insurance of the respondents

Insurance value	No. of. respondents	percentage
10,00,001 to 15,00,000	48	24
15,00,001 to 20,00,000	60	30
5,00,000 to 10,00,000	73	36
Above 20,00,000	17	9
up to 2,00,000	2	1
Total	200	100

Source: Primary Data

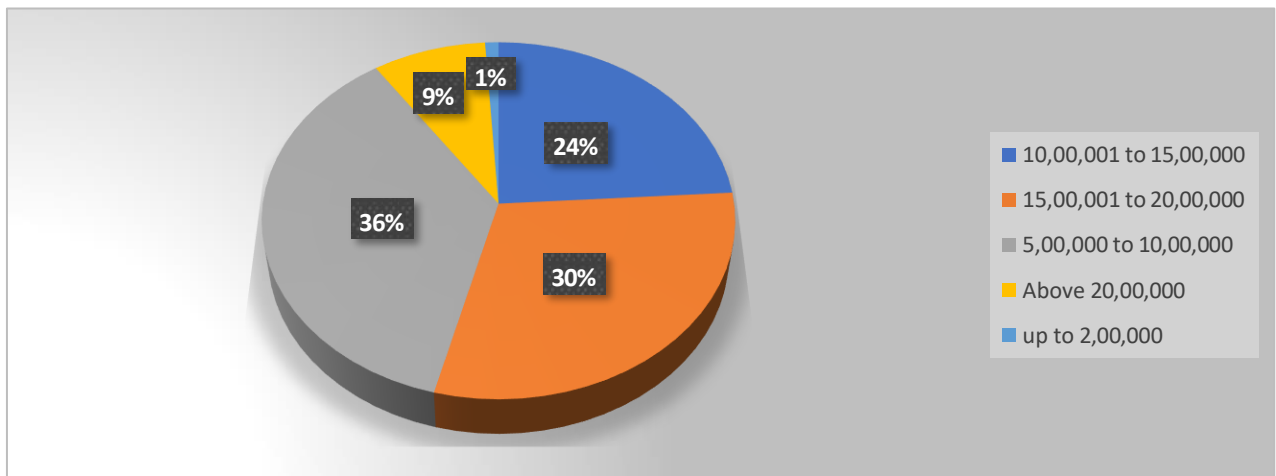


Chart 4.1.10: Value of insurance of the respondents

Interpretation

From the above table it is interpreted that 36% of respondents are in the insurance value category of 5,00,000 to 10,00,000, 30% respondents are in the insurance value category of 15,00,001 to 20,00,000, 24% respondents are in the insurance value category of 10,00,001 to 15,00,000, 9% respondent are in the insurance value category of Above 20,00,000.

Inference

36% of the respondents are in the insurance value category of 5,00,000 to 10,00,000.

Table 4.1.11: Insurance company preferred wise of respondents

Insurance company	No. of. respondents	percentage
Private company	55	27
Public company	145	73
Total	200	100

Source: Primary Data

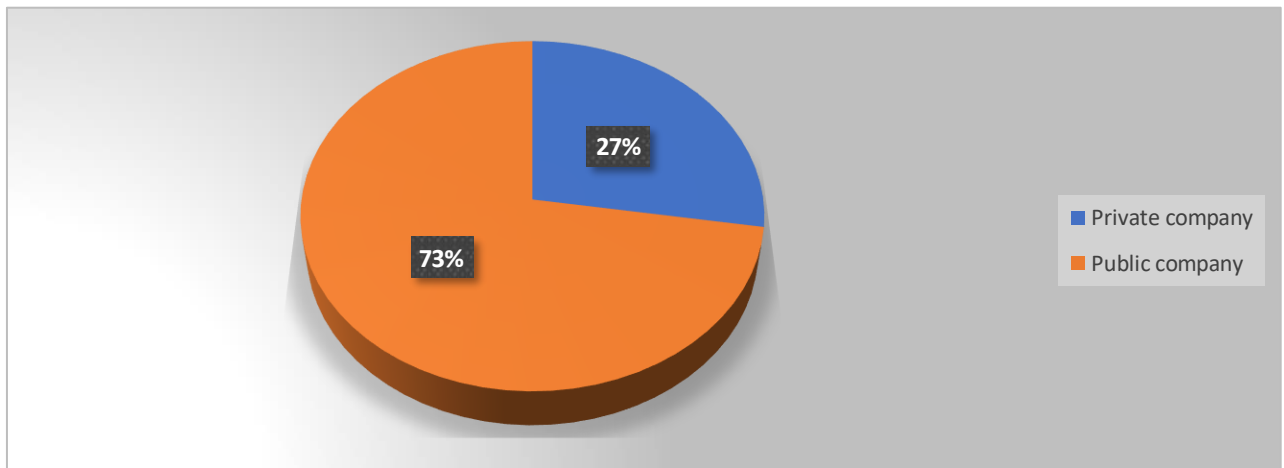


Chart 4.1.11: Insurance company preferred wise of respondents

Interpretation

From the above table it is interpreted that 73% of respondents are preferred to invested in public life insurance company, 27% respondents are preferred to invested in private life insurance company.

Inference

73% of the respondents are preferred to invested in public life insurance company.

Table 4.1.12: Sources of purchase wise of respondents

Sources of purchase	No. of. respondents	percentage
Direct	35	17
Online	17	8
Through Agents	143	72
Through Brokers	5	3
Total	200	100

Source: Primary Data

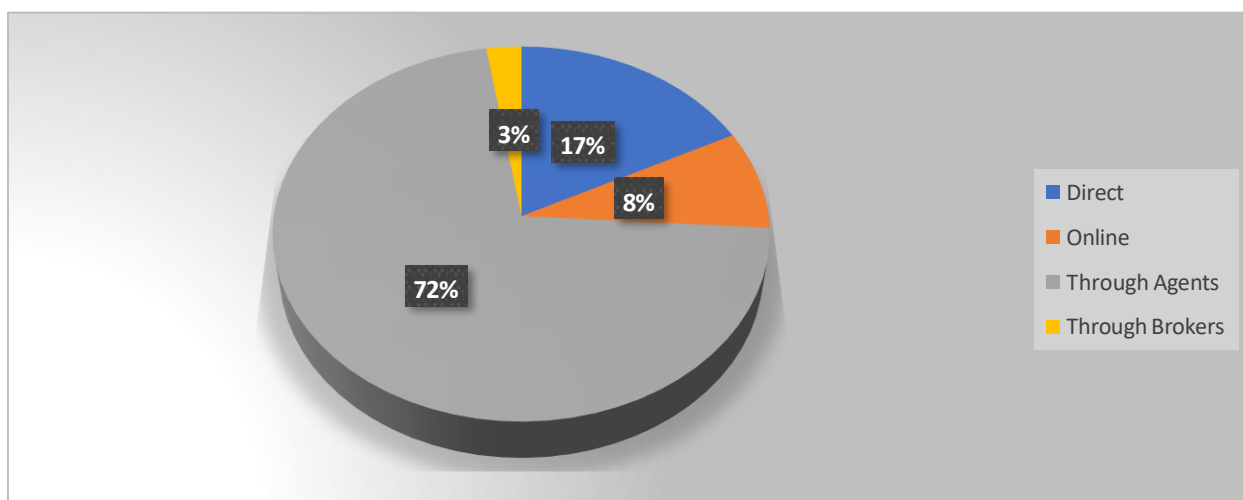


Chart 4.1.12: Sources of purchase wise of respondents

Interpretation

From the above table it is interpreted that 72% of respondents are purchase through Agents, 17% respondents are purchase directly, 8% respondents are purchase through online, 3% respondents are purchase through brokers.

Inference

72% of respondents are purchase through Agents.

Table 4.1.13: Types of schemes invested by respondents

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

Source: Primary Data

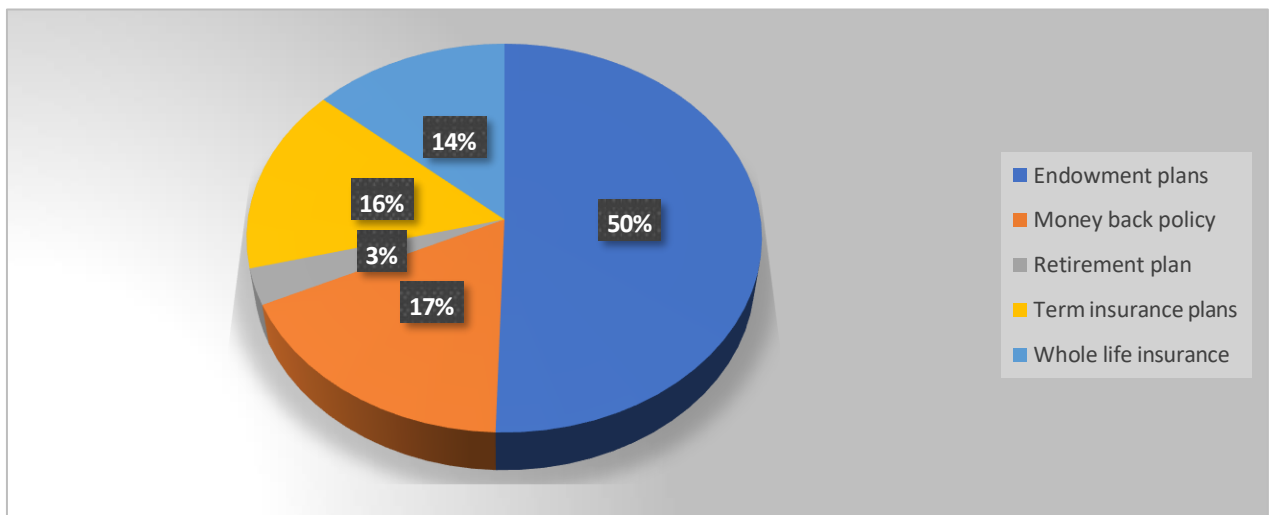


Chart 4.1.13: Types of schemes invested by respondents

Interpretation

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

Inference

50% of the respondents are invested in Endowment plans.

Table 4.1.14: Number of policies hold by respondents

Number of policies	No. of. respondents	percentage
1 to 2	186	93
3 to 4	14	7
Total	200	100

Source: Primary Data

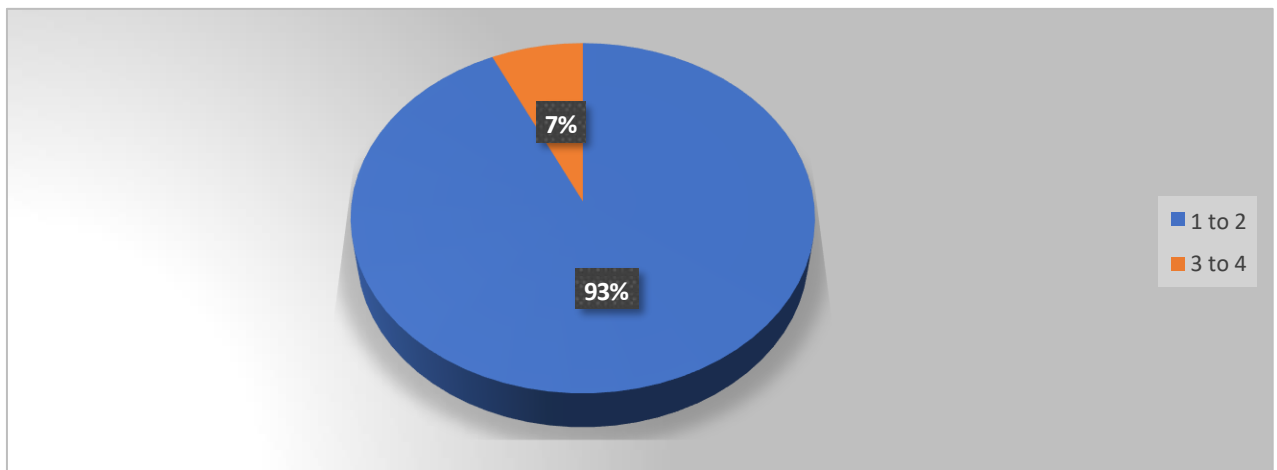


Chart 4.1.14: Number of policies hold by respondents

Interpretation

From the above table it is interpreted that 93% of the respondents are hold 1 to 2 Polices, 7% of the respondents are hold 3 to 4 polices.

Inference

93% of the respondents are hold 1 to 2 Polices.

Table 4.1.15: Investment period of respondents

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

Source: Primary Data

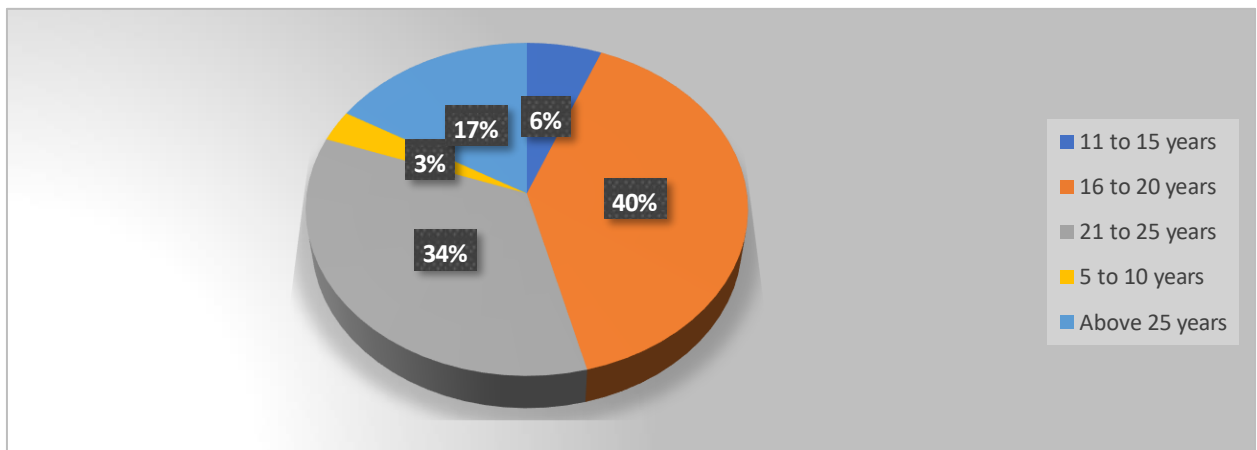


Chart 4.1.15: Investment period of respondents

Interpretation

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

Inference

40% of the respondents are invested in the period of 16 to 20 years.

Table 4.1.16: Premium payment period wise of respondents

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

Source: Primary Data

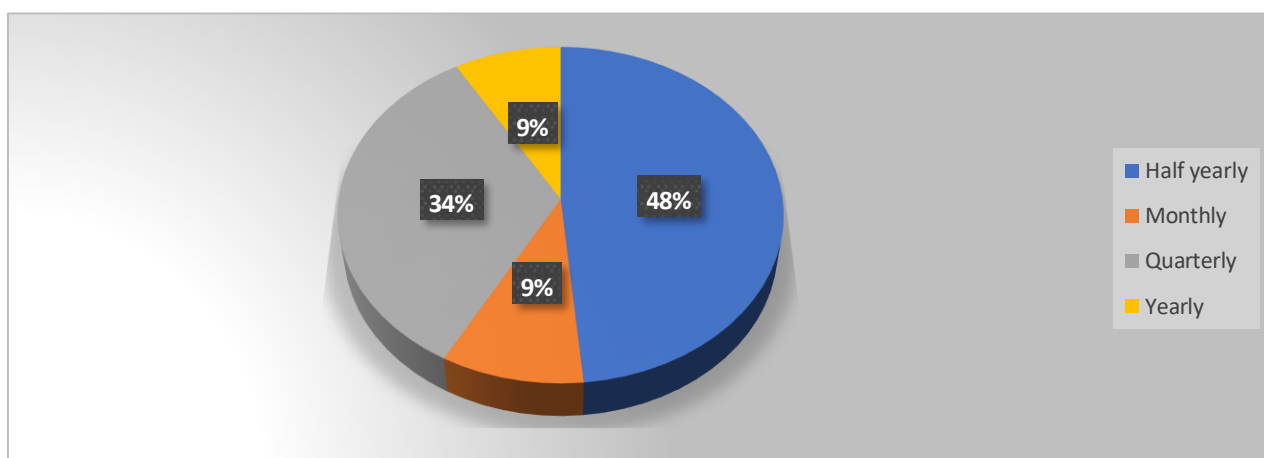


Chart 4.1.16: Premium payment period wise of respondents

Interpretation

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

Inference

48% of respondents are paying premium in the period of half yearly.

Table 4.1.17: Factors considered by respondents while selecting policy

Factors		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
Premium outflow	no	70	104	26	0	0	200
	%	35	52	13	0	0	100
Company reputation	no	43	130	27	0	0	200
	%	22	65	13	0	0	100
Prompt service	no	49	133	18	0	0	200
	%	25	66	9	0	0	100
Convenience	no	6	138	52	4	0	200
	%	3	69	26	2	0	100
Savings & Return	no	104	93	3	0	0	200
	%	52	46	2	0	0	100
Tax benefits	no	9	46	28	111	6	200
	%	4	23	14	55	3	100
Investment for future	no	59	134	7	0	0	200
	%	30	67	3	0	0	100
Coverage of risk	no	13	65	70	52	0	104
	%	6	33	35	25	0	100

Source: Primary Data

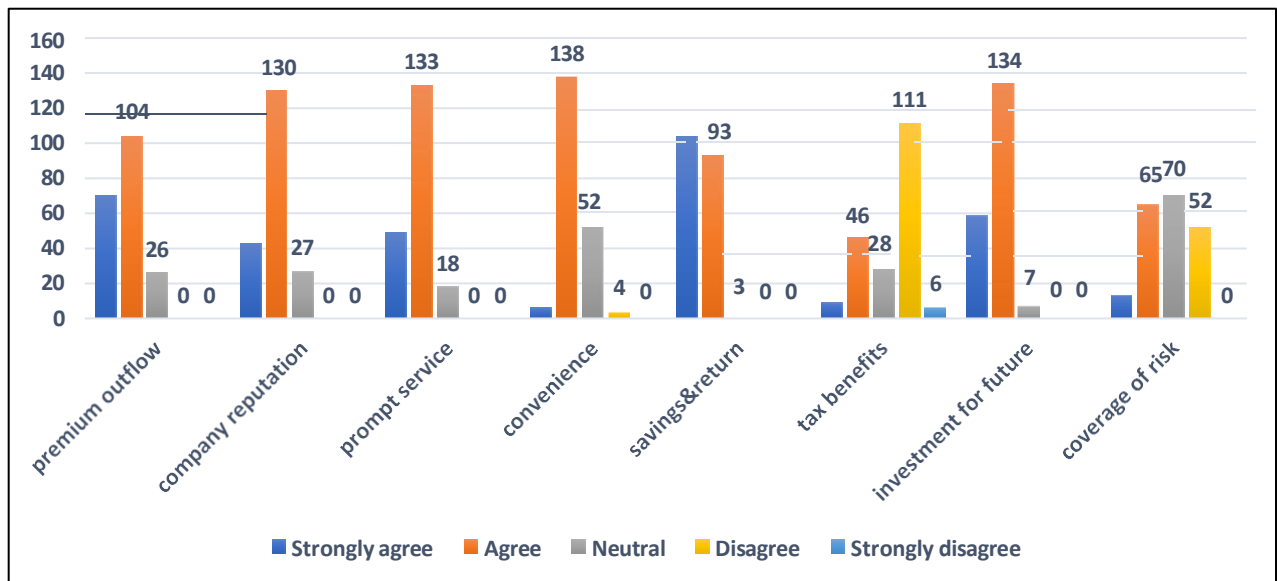


Chart 4.1.17: Factors considered by respondents while selecting policy

Interpretation

From the above table it is interpreted that 52% of respondents are agree with the Premium outflow, 35% respondents are strongly agreeing and 13% respondents are neutral with the Premium outflow.

65% of respondents are agree with the Company reputation, 22% respondents are strongly agreeing and 13% respondents are neutral with the Company reputation.

66% of respondents are agree with the Prompt service, 25% respondents are strongly agreeing and 9% respondents are neutral with the Prompt service.

69% of respondents are agree with the Convenience, 26% respondents are neutral and 3% respondents are strongly agreeing, 2% respondents are disagreeing with the Convenience

52% of respondents are Strongly agree with the Savings& Return, 46% respondents are agreeing and 2% respondents are neutral with the Savings& Return.

55% of respondents are Strongly agree with the Tax benefits, 23% respondents are agreeing and 14% respondents are neutral with the Tax benefits.

67% of respondents are agree with the Investment for future, 30% respondents are Strongly agreeing and 3% respondents are neutral with the Investment for future.

35% respondents are neutral with the Coverage of risk, 33% of respondents are agree, 25% respondents are neutral with the Coverage of risk.

Inference

52% of respondents are agree with the Premium outflow.

65% of respondents are agree with the Company reputation.

66% of respondents are agree with the Prompt service.

69% of respondents are agree with the Convenience.

52% of respondents are Strongly agree with the Savings& Return.

55% of respondents are Strongly agree with the Tax benefits.

67% of respondents are agree with the Investment for future.

35% of respondents are neutral with the Coverage of risk.

Table 4.1.18: Satisfaction level of policy benefits hold by respondents

Level of satisfaction	No. of. respondents	percentage
Dissatisfied	4	2
Highly satisfied	112	56
Neutral	18	9
Satisfied	66	33
Total	200	100

Source: Primary Data

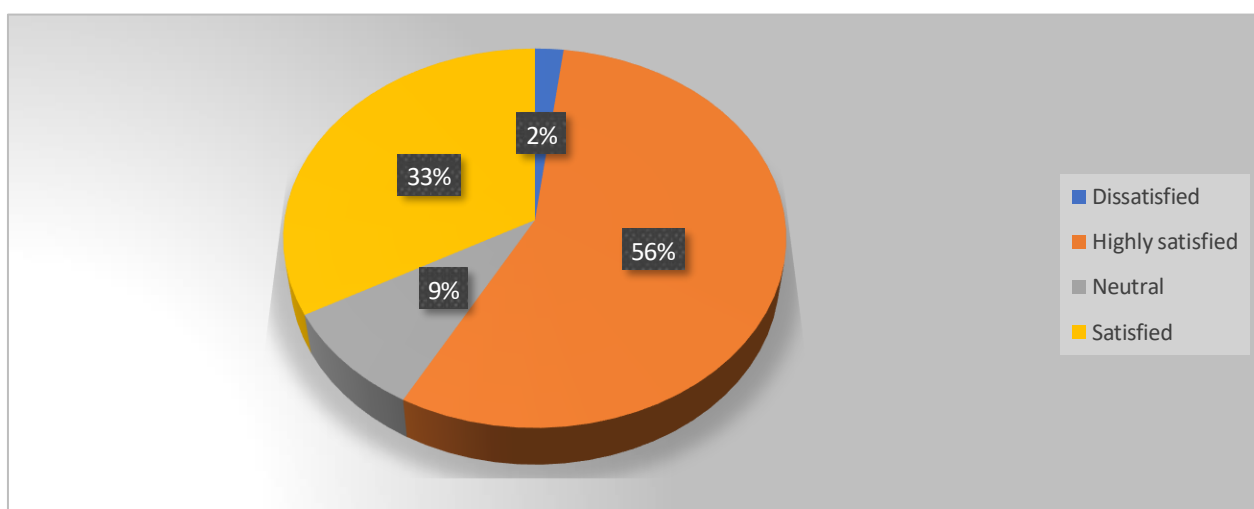


Chart 4.1.18: Satisfaction level of policy benefits hold by respondents

Interpretation

From the above table it is interpreted that 56% of respondents are Highly satisfied, 33% of respondents are satisfied, 9% of respondent are neutral, 2% of respondent are dissatisfied with the policy benefits.

Inference

56% of respondents are Highly satisfied with the policy benefits.

Table 4.1.19: Most preferred company wise of respondents

Company	No. of. respondents	percentage
LIC	156	78
HDFC Life	5	2
ICICI Prudential	15	8
BAJAJ Allianz	13	6
SBI LIFE	7	4
TATA AIA	4	2
Total	200	100

Source: Primary Data

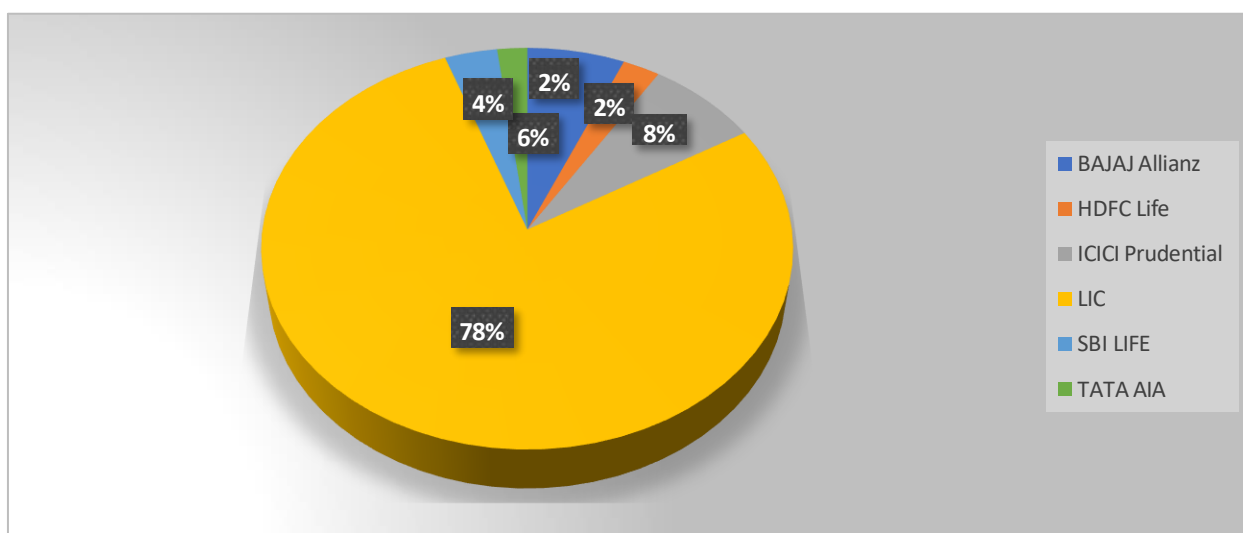


Chart 4.1.19: Most preferred company wise of respondents

Interpretation

From the above table it is interpreted that 78% of the respondents are preferred to invest in LIC, 8% of the respondents are preferred ICICI prudential, 6% of the respondents are preferred BAJAJ Allianz, 4% respondent are preferred SBI life, 2% of respondents are preferred HDFC Life and 2% of the respondents are preferred to invest in TATA AIA.

Inference

78% of respondents are preferred to invest in LIC.

Table 4.1.20: Expected Return of the respondents

Expected return	No. of. respondents	percentage
High returns	146	73
moderate returns	33	16
very high returns	21	11
Total	200	100

Source: Primary Data

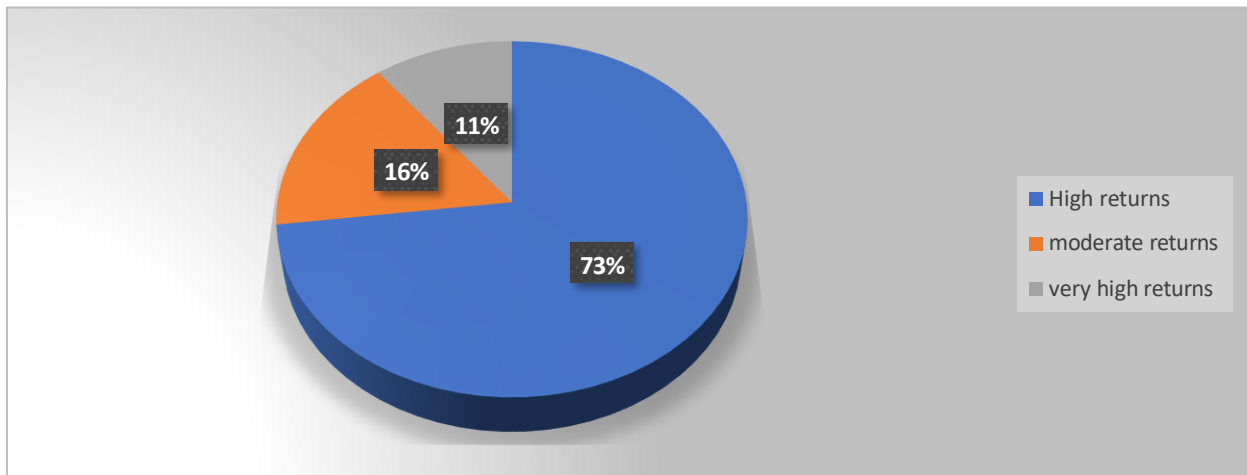


Chart 4.1.20: Expected Return of the respondents

Interpretation

From the above table it is interpreted that 73% of the respondents are expected High return in life insurance, 16% of respondents are expected Moderate return and 11% of the respondents are expected very high return in life insurance.

Inference

73% of respondents are expected High return in life insurance.

Table 4.1.21: Satisfaction level of Life insurance policy of the respondents

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

Source: Primary Data

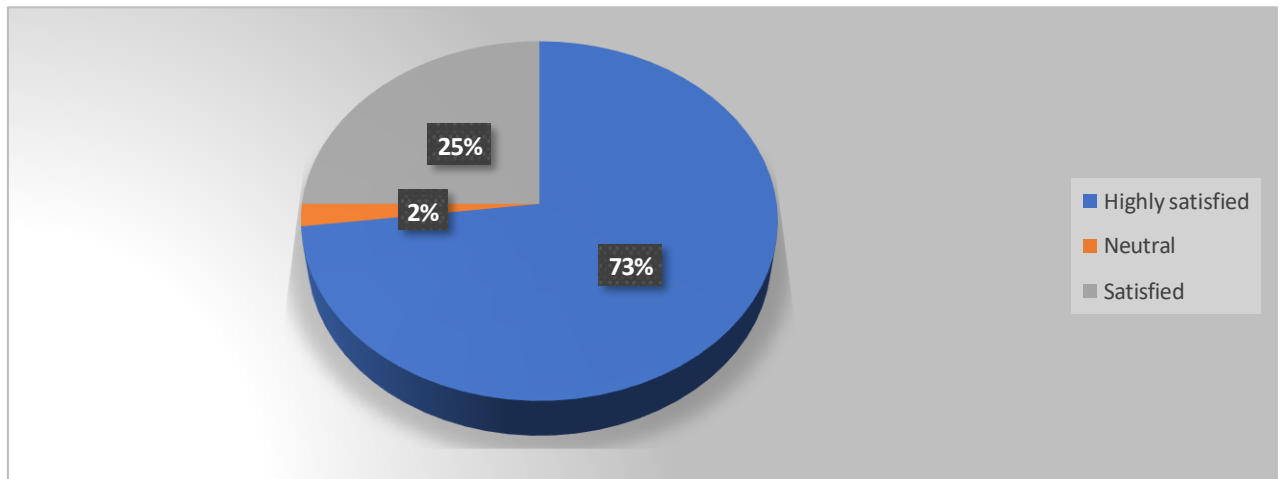


Chart 4.1.21: Satisfaction level of Life insurance policy of the respondents

Interpretation

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

Inference

73% of respondents are Highly satisfied with the life insurance policy.

Table 4.1.22: Perception of the respondents towards service rendered by life insurance company

Statement		Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	Total
Motivation given by the agent to buy the policy	no	23	103	56	18	0	200
	%	11	52	28	9	0	100
Guidance/help at the time of purchasing the policy	no	22	143	34	1	0	200
	%	11	71	17	1	0	100
Promptness in issuing policy	no	34	119	43	4	0	200
	%	17	60	21	2	0	100
Contact by agents after issuing the policy	no	6	105	57	32	0	200
	%	3	53	28	16	0	100
Timely issue of renewal notice	no	97	102	1	0	0	200
	%	48	51	1	0	0	100
Company's attitude in issuing loans against insurance policy	no	17	139	43	1	0	200
	%	8	70	21	1	0	100
Loan process and interest rates for policy holder	no	71	110	19	0	0	200
	%	36	55	9	0	0	100

Source: Primary Data

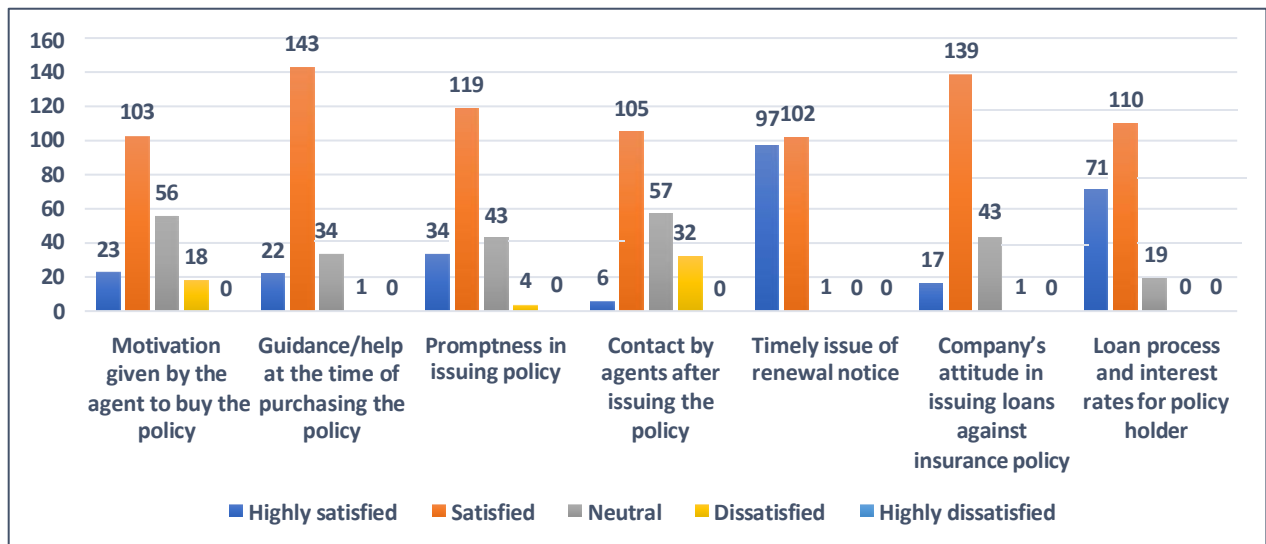


Chart 4.1.22: Perception of the respondents towards service rendered by life insurance company

Interpretation

From the above table it is interpreted that 52% of respondents are Satisfied with the Motivation given by the agent to buy the policy, 28% of respondents are neutral, 11% of respondents are Highly satisfied, 9% of respondents are dissatisfied with the Motivation given by the agent to buy the policy.

71% of respondents are Satisfied with the Guidance/help at the time of purchasing the policy, 17% of respondents are neutral, 11% of respondents are Highly satisfied with the Guidance/help at the time of purchasing the policy.

60% of respondents are Satisfied with the Promptness in issuing policy, 21% of respondents are neutral, 17% of respondents are Highly satisfied, 2% of respondents are dissatisfied with the Promptness in issuing policy.

53% of respondents are Satisfied with the Contact by agents after issuing the policy, 28% of respondents are neutral, 16% of respondents are dissatisfied, 3% of respondents are Highly satisfied with the Contact by agents after issuing the policy.

51% of respondents are Satisfied with the Timely issue of renewal notice, 48% of the respondents are Highly satisfied with the Timely issue of renewal notice.

70% of respondents are Satisfied with the Company's attitude in issuing loans against insurance policy, 21% of respondents are neutral, 8% of respondents are Highly satisfied with the Company's attitude in issuing loans against insurance policy.

55% of respondents are Satisfied with the Loan process and interest rates for policy holder, 36% of the respondents are Highly satisfied, 9% of the respondents are neutral with the Loan process and interest rates for policy holder.

Inference

52% of respondents are Satisfied with the Motivation given by the agent to buy the policy.

71% of respondents are Satisfied with the Guidance/help at the time of purchasing the policy.

60% of respondents are Satisfied with the Promptness in issuing policy.

53% of respondents are Satisfied with the Contact by agents after issuing the policy.

51% of respondents are Satisfied with the Timely issue of renewal notice.

70% of respondents are Satisfied with the Company's attitude in issuing loans against insurance policy.

55% of respondents are Satisfied with the Loan process and interest rates for policy holder.

4.2 CHI SQUARE TEST

Hypothesis-1

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

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

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

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

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

Table 4.2.1: Chi-square

Interpretation

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

Hypothesis-2

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

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

Crosstabulation						
Particulars	Endowment plans	Money back policy	Retirement plan	Term insurance plans	Whole life insurance	Total
1,00,001 - 3,00,000	65	19	4	13	4	105
3,00,001- 5,00,000	23	8	2	15	11	59
Above 5,00,000	3	7	0	2	12	24
Up to 1,00,000	10	1	0	1	0	12
Total	101	35	6	31	27	200

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	57.370 ^a	12	0.000
Likelihood Ratio	55.146	12	0.000
N of Valid Cases	200		

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

Table 4.2.2: Chi-square

Interpretation

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

4.3 CORRELATION

Hypothesis-3

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

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

Correlations									
		premium outflow	company reputation	prompt service	convenience	savings & return	tax benefits	investment for future	coverage of risk
premium outflow	Pearson Correlation	1	.357**	.166*	0.012	.155*	.175*	.172*	0.088
	Sig. (2-tailed)		0.000	0.019	0.863	0.028	0.013	0.015	0.214
	N	200	200	200	200	200	200	200	200
company reputation	Pearson Correlation	.357**	1	.283**	0.130	.208**	-0.019	.197**	0.027
	Sig. (2-tailed)	0.000		0.000	0.066	0.003	0.784	0.005	0.701
	N	200	200	200	200	200	200	200	200
prompt service	Pearson Correlation	.166*	.283**	1	.154*	.209**	-0.017	.349**	0.039
	Sig. (2-tailed)	0.019	0.000		0.029	0.003	0.815	0.000	0.579
	N	200	200	200	200	200	200	200	200
convenience	Pearson Correlation	0.012	0.130	.154*	1	.351**	0.010	0.054	-0.035
	Sig. (2-tailed)	0.863	0.066	0.029		0.000	0.890	0.444	0.618
	N	200	200	200	200	200	200	200	200
savings & return	Pearson Correlation	.155*	.208**	.209**	.351**	1	-0.078	0.069	-0.113
	Sig. (2-tailed)	0.028	0.003	0.003	0.000		0.275	0.332	0.113
	N	200	200	200	200	200	200	200	200
tax benefits	Pearson Correlation	.175*	-0.019	-0.017	0.010	-0.078	1	0.003	.605**
	Sig. (2-tailed)	0.013	0.784	0.815	0.890	0.275		0.963	0.000
	N	200	200	200	200	200	200	200	200
investment for future	Pearson Correlation	.172*	.197**	.349**	0.054	0.069	0.003	1	0.009
	Sig. (2-tailed)	0.015	0.005	0.000	0.444	0.332	0.963		0.896
	N	200	200	200	200	200	200	200	200
coverage of risk	Pearson Correlation	0.088	0.027	0.039	-0.035	-0.113	.605**	0.009	1
	Sig. (2-tailed)	0.214	0.701	0.579	0.618	0.113	0.000	0.896	
	N	200	200	200	200	200	200	200	200

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Table 4.3: correlation

Interpretation

The significance level of all the factors mentioned below is less than 0.01. Hence, we reject the null hypothesis and conclude that there is a relationship among the factors which influence the customer while selecting a life insurance policy.

The factor premium outflow has a significant relationship with company reputation as they have sig. values 0.000 respectively.

The factor company reputation has a significant relationship with premium outflow, prompt service, savings & return, investment for future as they have sig. values 0.000, 0.000, 0.003, 0.005 respectively.

The factor prompt service has a significant relationship with company reputation, savings & return, investment for future as they have sig. values 0.000, 0.003, 0.000 respectively.

The factor Convenience has a significant relationship with savings & return as they have sig. values 0.000 respectively.

The factor savings & return has a significant relationship with company reputation, prompt service, Convenience as they have sig. values 0.003, 0.003, 0.000 respectively.

The factor Tax benefits has a significant relationship with Coverage of risk as they have sig. values 0.000 respectively.

The factor investment for future has a significant relationship with company reputation, prompt service as they have sig. values 0.005, 0.000 respectively.

The factor Coverage of risk has a significant relationship with Tax benefits as they have sig. values 0.000 respectively.

The significance level of all the factors mentioned below is less than 0.05. Hence, we reject the null hypothesis and conclude that there is a relationship among the factors which influence the customer while selecting a life insurance policy.

The factor premium outflow has a significant relationship with prompt service, savings & return, Tax benefits, investment for future as they have sig. values 0.019, 0.028, 0.013, 0.015 respectively.

The factor prompt service has a significant relationship with premium outflow, Convenience as they have sig. values 0.019, 0.029 respectively.

The factor Convenience has a significant relationship with prompt service as they have sig. values 0.029 respectively.

The factor savings & return has a significant relationship with premium outflow as they have sig. values 0.028 respectively.

The factor Tax benefits has a significant relationship with premium outflow as they have sig. values 0.013 respectively.

The factor investment for future has a significant relationship with premium outflow as they have sig. values 0.015 respectively.

CHAPTER-5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS OF YOUR STUDY

84% of the respondents are in the category of male.

45% of the respondents are in the age category of 20-30 years.

70% of the respondents are married.

51% of the respondents are in the category of under graduate.

48% of the respondent's occupation in the category of salaried.

52% of the respondents are in the income category of 1,00,001-3,00,000.

40% of the respondents in the category of somewhat aware.

40% of the respondents are influenced by family.

46% of the respondents are preferred to investment in bank deposit.

36% of the respondents are in the insurance value category of 5,00,000 to 10,00,000.

73% of the respondents are preferred to invested in public life insurance company.

72% of the respondents are purchase through Agents.

50% of the respondents are invested in Endowment plans.

93% of the respondents are hold 1 to 2 Policies.

40% of the respondents are invested in the period of 16 to 20 years.

48% of the respondents are paying premium in the period of half yearly.

52% of the respondents are agree with the Premium outflow, 65% of respondents are agree with the Company reputation, 66% of respondents are agree with the Prompt service, 69% of respondents are agree with the Convenience, 52% of respondents are Strongly agree with the Savings& Return, 55% of respondents are Strongly agree with the Tax benefits, 67% of respondents are agree with the Investment for future, 35% respondents are neutral with the Coverage of risk.

56% of respondents are Highly satisfied with the policy benefits.

78% of the respondents are preferred to invest in LIC.

73% of the respondents are expected High return in life insurance.

73% of the respondents are Highly satisfied with the life insurance policy.

52% of the respondents are Satisfied with the Motivation given by the agent to buy the policy, 71% of respondents are Satisfied with the Guidance/help at the time of purchasing the policy, 60% of respondents are Satisfied with the Promptness in issuing policy, 53% of respondents are Satisfied with the Contact by agents after issuing the policy, 51% of respondents are Satisfied with the Timely issue of renewal notice, 70% of respondents are Satisfied with the Company's attitude in issuing loans against insurance policy, 55% of respondents are Satisfied with the Loan process and interest rates for policy holder.

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

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

The Correlation test shows that: The significance level of all the factors is less than 0.01 and 0.05. Hence, we conclude that relationship among the factors which influence the customer while selecting a life insurance policy.

5.2 SUGGESTIONS

With regard to insurance products, consumers respond at different rates, depending on the consumers characteristics. Hence Insurance companies should try to bring their new product to the attention of potential early adopters.

- Due to the intense competition in the life insurance market, the life insurance companies have to adopt better strategies to attract more customers.
- Keeping the cost, quality and return on investment in tact is necessary in order to tackle the competition.
- Life insurance products are taken mainly by middle- and higher-income group. Hence, they should be regarded as main targeted income groups. Life insurance products which are suitable for lower income group should also be released so that the market share increases.
- Return on investment, company reputation and premium outflow are most preferred attributes that are expected by the respondents. Hence greater focus should be given to these attributes.
- Private life insurance companies should adopt effective promotional strategies to increase the awareness level among the consumers.
- Life insurance companies should ask for their consumer feedback to know whether the consumers are really satisfied or dissatisfied with the service and product of the companies. If they are dissatisfied, then the reasons for dissatisfaction should be found out and should be corrected in future.
- The LIC brand name has earned a lot of goodwill and enjoys a high brand equity. As there is intense competition in life insurance market, LIC should work hard to maintain its top position and offer better service and product.

5.3 CONCLUSION

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

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ANNEXURE –I QUESTIONNAIRE

The purpose of this questionnaire is to find out their study on customer perception towards life insurance policies. please read the questions carefully and respond by marking the option that represents your opinion. remember there are no wrong or right answers. we are only interested in your opinion. your responses will remain anonymous and confidential. thank you very much for your valuable time. your help is appreciated.

1. Name_____
2. What is your gender?
 - ☐ Male
 - ☐ Female
3. What is your age?
 - ☐ 20-30
 - ☐ 31-40
 - ☐ 41-50
 - ☐ Above 50
4. What is your marital status?
 - ☐ Married
 - ☐ Unmarried
5. What is your educational qualification?
 - ☐ Primary
 - ☐ secondary
 - ☐ Under graduate
 - ☐ Post graduate
6. What is your occupation?
 - ☐ Self-employed
 - ☐ Salaried
 - ☐ Business
 - ☐ Profession
 - ☐ Retired
7. what is your annual income?
 - ☐ Up to 1,00,000
 - ☐ 1,00,001 - 3,00,000
 - ☐ 3,00,001-5,00,000
 - ☐ Above 5,00,000

8. Are you aware about life insurance policy?
- Extremely Aware
 - Moderately aware
 - Slightly aware
 - Not all aware
9. What factors influenced to buy life insurance policy?
- Personal interest
 - Friends
 - Family
 - Agents
 - Advertisements
10. What is your current preference for investment avenue?
- Bank Deposit
 - Life insurance
 - Post office savings
 - Shares market
 - Gold
11. What is the value of your life insurance?
- up to 2,00,000
 - 5,00,000 to 10,00,000
 - 10,00,001 to 15,00,000
 - 15,00,001 to 20,00,000
 - Above 20,00,000
12. From which company you have insured?
- Public company
 - Private company
13. How did you invest in life insurance policy?
- Direct
 - Online
 - Through Brokers
 - Through Agents
14. What scheme of insurance policy have you taken?
- Term insurance plans
 - Endowment plans
 - Money back policy
 - Whole life insurance
 - Retirement plan
15. How many insurance policies do you have?
- 1 to 2
 - 3 to 4
 - More than 4

16. What is your duration of investment in life insurance policy?

- ☐ 5 to 10 years
- ☐ 11 to 15 years
- ☐ 16 to 20 years
- ☐ 21 to 25 years
- ☐ Above 25 years

17. How would you like to pay the premium?

- ☐ Monthly
- ☐ Quarterly
- ☐ Half yearly
- ☐ Yearly

18. What factors do you consider while selecting a life insurance policy?

Factors	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
premium outflow	☐	☐	☐	☐	☐
company reputation	☐	☐	☐	☐	☐
prompt service	☐	☐	☐	☐	☐
convenience	☐	☐	☐	☐	☐
savings & return	☐	☐	☐	☐	☐
tax benefits	☐	☐	☐	☐	☐
investment for future	☐	☐	☐	☐	☐
coverage of risk	☐	☐	☐	☐	☐

19. What is your level of satisfaction with regard to the policy benefit you hold?

- ☐ Highly satisfied
- ☐ Satisfied
- ☐ Neutral
- ☐ Dissatisfied
- ☐ Highly dissatisfied

20. Which insurance company you prefer the most?

- ☐ LIC
- ☐ SBI LIFE
- ☐ HDFC Life
- ☐ ICICI Prudential
- ☐ BAJAJ Allianz
- ☐ TATA AIG

21. How much returns you have expected while investing in life insurance?

- ☐ Low returns
- ☐ moderate returns
- ☐ High returns
- ☐ very high returns

22. What is your level of satisfaction towards investment in life insurance policies?

- ☐ Highly satisfied
- ☐ Satisfied
- ☐ Neutral
- ☐ Dissatisfied
- ☐ Highly dissatisfied

23. Give your preference below mention statement for perception towards service rendered by life insurance company?

Statement	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
Motivation given by the agent to buy the policy	☐	☐	☐	☐	☐
Guidance/help at the time of purchasing the policy	☐	☐	☐	☐	☐
Promptness in issuing policy	☐	☐	☐	☐	☐
Contact by agents after issuing the policy	☐	☐	☐	☐	☐
Timely issue of renewal notice	☐	☐	☐	☐	☐
Company's attitude in issuing loans against insurance policy	☐	☐	☐	☐	☐
Loan process and interest rates for policy holder	☐	☐	☐	☐	☐

24. Any suggestion for improving the service offered by life insurance companies ?