



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

A Study on Investors Attitude towards Life Insurance

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ABSTRACT

This is a study examining investors' attitudes toward life insurance products. India has a lower average selling of life insurance plans than many other countries, but with the world's second-largest population, the insurance industry is looking highly promising for many foreign and Indian insurance companies. Every person's life is a valuable asset, and life insurance is the most significant sort of insurance that provides financial protection to a person and his family in the event of an unforeseen risk or loss. The current descriptive study was chosen with the goal of identifying the factors that influence customers' policy purchasing decisions as well as analyzing consumer preferences while making life insurance investment decisions. The information for the study was gathered from primary sources. This study contributes to a better understanding of investors' attitudes about life insurance. As part of the survey, questionnaires were distributed, and a study was conducted to better understand the investors. The impression of sample factors influencing investment decisions, percentage of investment, how information about Life Insurance is acquired, and the type of investment people normally prefer are all investigated. The analysis' findings will be valuable in determining investors' attitudes toward life insurance.

Keywords: Life Insurance , Investor, Decision making, Factors Influencing

1. Introduction

Life insurance is a contract between an insurance policy holder and an insurance company in which the insurer agrees to pay a sum of money in exchange for a premium if the covered person dies or after a certain length of time. Life is full with dangers and unknowns. Because we are social beings, we have particular responsibilities. Emotions and rationality play a large role in Indian customers' purchasing decisions. They are more concerned with the future than with the present, and they wish to have a better and more secure future. In this regard, life insurance services have their own value in terms of reducing risk and uncertainty. The Indian economy is growing, with a large middle class and salaried population. Their monetary worth for current demands and future aspirations shifts to the other side, generating the grounds for maintaining a policy. In this research paper, an attempt has been made to investigate the buying behavior of consumers when it comes to life insurance services..

2. Review Papers

Babita Yadav is an Indian actress (July 2012) Examined Financial illiteracy and underinsurance have been identified as major contributors to a family's financial stability and well-being. However, studies demonstrate that financial literacy does not always equate to insurance literacy, and that insurance literacy can be improved with more specialized education. The influence of insurance illiteracy on the desire to acquire and keep insurance is poorly understood. In order to fill this vacuum, we conducted a study to look into the direct and indirect effects of consumers' insurance literacy on personal insurance purchasing decisions. Consumers from Sri Lanka's middle class make up the study's sample. Using variance-based structural equation modeling, a total of 300 valid questionnaires were gathered and evaluated. The findings demonstrated that insurance literacy has a large and beneficial impact on behavioral intention, both directly and through its mediators of trust, perceived benefits, and favorable views about insurance. Only through its mediators did cognition-based trust influence purchase intention. Furthermore, there is a considerable difference in insurance literacy, trustworthiness, and perceived value of insurance between individuals who have and those who do not have insurance. This research is a first of its kind, and the findings will be of considerable interest to academics and politicians who want to promote personal insurance as a tool for financial stability and well-being. [1]. Gaurang Jaiswal (August 2009) said about With the world's second biggest population, India's insurance sector is looking highly promising for both foreign and Indian insurance businesses eager to expand their operations and market share. Prior to the Multinational Insurance Companies' entry into the

Indian market. Consumers have a favorable opinion of life insurance policies. It instilled in them a good attitude about their insurance policy investments. Some activities are still required to develop the insurance market. Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image, and Company-Client Relationship are the primary aspects influencing consumer perceptions of Life Insurance Policies. The insurance business must go forward [2]. Sandeep Chaudhary is an Indian businessman (September 2016) Insurance firms serve a critical role in human well-being by protecting millions of individuals from life hazards such as unpredictability in mortality or accidents. Even with privatization and increased FDI, life insurance is India's fastest growing service sector. As a result, it's become critical to research life insurance policy purchasing patterns. The current study looks at the many aspects that influence how people perceive life insurance policies. A systematic questionnaire was used to collect data. A total of 100 people from Amritsar, Ludhiana, and Chandigarh were included in the sample. The descriptive and factor analysis statistical techniques were utilized in the analysis. The study's key finding was that there are six aspects that influence consumer perceptions of life insurance policies: customized and prompt services, better company reputation, effective service quality, customer convenience, concrete benefits, and a good customer-client connection.

3. Research Methodology

In this study, a descriptive research design was utilized, indicating that the investigation is focused on a specific attribute of an individual's attitude toward investment. Data was collected using a convenience sampling technique. A total of 100 people were polled in the city of Vadodara. Questioners were passed out to the intended group, and responses were recorded for data analysis. The following are the questions and responses that were received in response to that.

1. Do You know what life Insurance is:

Table 1: Do You know what life Insurance is

	Yes	No
Number(out of 100)	93	7
Percentage	93%	7%

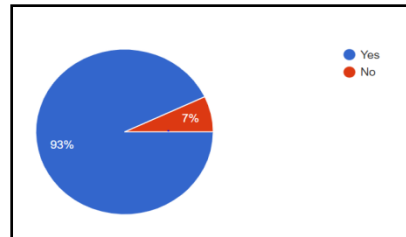


Fig. 1 - Do You know what life Insurance is

2. Do You think You need life insurance

Table 2: Do You think You need life insurance

	Yes	No
Number (out of 100)	90.9	9.1
Percentage	90.9%	9.1%

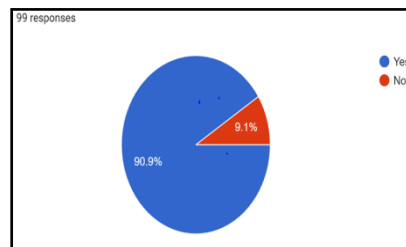


Fig. 2 - Do You think You need life insurance

3. Do You have Life Insurance

Table 3: Do You have Life Insurance

	Yes	No
Number (out of 100)	71.7	28.3
Percentage	71.7%	28.3%

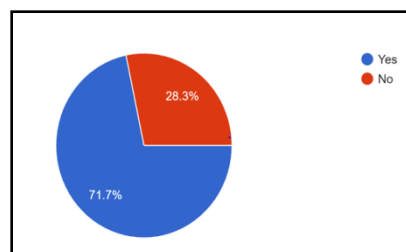


Fig. 3 - Do You have Life Insurance

4. If yes rank your main reason

Table 4: If yes rank your main reason

	Number	Percentage
Investment	43.4	43.3%
Death Benefit Protection	43.4	43%
Moral Obligation	13.3	22%

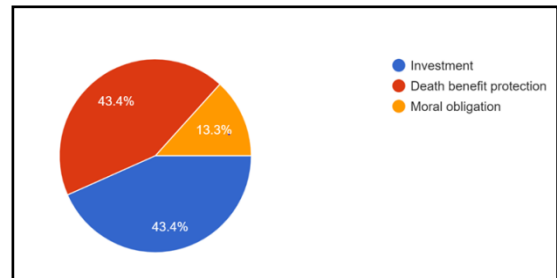


Fig. 4 - If yes rank your main reason

5. If no why you are not interested?

Table 5: Reasons for not interested

	Number	Percentage
Complicated	42.2	42.2%
Expensive	32.8	32.8%
Not Beneficial	9.4	9.4%
Not Transpaerent	15.6	15.6%

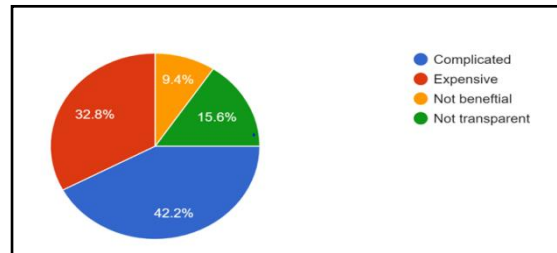


Fig. 5 - Reasons for not interested

6. For What you have insured yourself?

Table 6: List of Insured Areas

	Number	Percentage
For Savings	23.3	23.3%
For Covering risk for life	8.9	8.9%
For Tax Benefits	2.3	2.3%
For Security to Family	21.1	21.1%
All of the above	44.4	44.4%

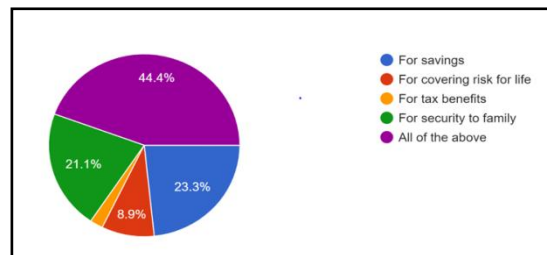


Fig. 6 - Insured Areas

7. Which of the following Policy You have?

Table 7: List of Insurance Policies

	Number	Percentage
Endowment Policy	15.5	15.5%
Single Premium Policy	35.7	35.7%
Children Policy	9.5	9.5%
Pension Plan Policy	11.9	11.9
Money Back Policy	25	25
Medical Policy	1.2	1.2
No Policy	1.2	1.2

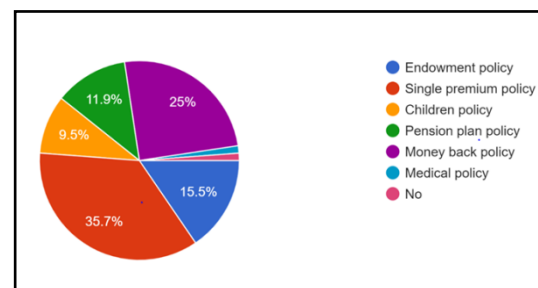


Fig. 7- List of Insurance Policies

8. Who Influence you to get an insurance policy.

Table 8: Influencers for getting Insurance policy

	Number	Percentage
Media	9.6	12%
Insurance agent	22.3	12%
Federal Government	1.1	1.1%
Friends Family	52.1	52.1%
Other	14.9	14.9%

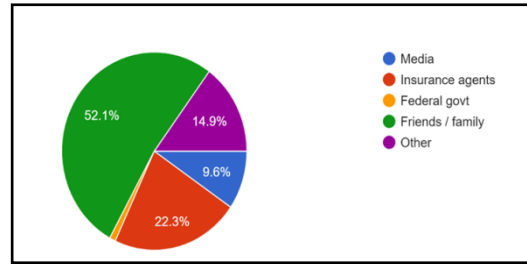


Fig. 8 - Influencers for getting Insurance policy

9. How Regularly do you pay your premium

Table 9: Time Period of paying premium

	Number	Percentage
Monthly	28.4	28.4%
Quarterly	18.2	18.2%
Half yearly	20.5	20.5%
Yearly	33	33%

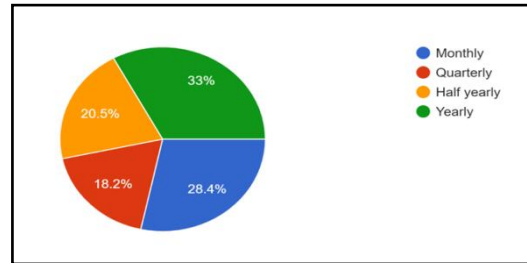


Fig. 9 - Time Period of paying premium

10. What is your mode of employment?

Table 10: Mode of employment

	Number	Percentage
Employed	20.8	20.8%
Self-Employed	21.9	21.9%
Unemployed	9.4	9.4%
Part Time	0.2	0.2%
Student	46.9	46.9%
Retired	20.8	20.8%

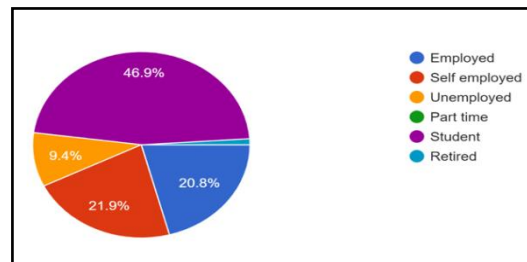


Fig. 10 - Mode of employment

4. Results and Conclusion

Results:

- Here the majority of people knows about the life insurance schemes in India
- Majority of the people thinks that they need life insurance .
- Here the respondents are majorly interested in lic because of investment and death benefit protection
- Here people are scared of getting policies from lic because of some reasons like complications expensive not benefetal and not transpernt .
- Majorly from the findings most of all have at least 1 policy in their bucket and some of them are having several number of policies .
- From the findings it has been researched that majorly people have gone through lic because of some reasons like savings ; for security to family; for covering risk of life .
- Respondents have shown data about the particular policy in which maximum are having single premium policy and money back policy
- With acquiring of lic to the respondents it has been observed that policies are mostly taken for retirement and health care policy facility.
- The most influencers have played role in the policy holders are there friends and family after that lic agents.
- From the findings the average term of the policy have been found that the major policy holders are having average term of above years .
- Mostly premium is paid by the holders are yearly process
- In the findings of surrendered questions majorly people have answered that they have not surrendered any of the policy .
- Major age range of the policy holders are 22 to 26
- In the findings the major mode of employment it is observed that the employed and students following retired persons are there .

Conclusion:

- if investor is risk tolerant person and short term perspective it is good to invest in the large term policy.
- investment in lic requires the extensive knowledge about different policies available in the market .
- it is very much necessary to have a thorough reading about policy related documents.
- life insurance company should have a clear vision and mission should be known to all the stake holders like employees ; agents ;customers ; businessman etc
- the company should design the products which which satisfy the personal needs of customers with the ample degree of flexibilities.

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