A Study on Consumer Preference towards Lic V/S Other Insurance Company

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ABSTRACT

The aim of the study is to identify the preference of customers towards LIC and other insurance companies. After this study it has been observed that most of the people prefer LIC as it is government funded also it is the oldest in terms of insurance company so people have more trust on LIC.

INTRODUCTION

Life Insurance is defined as a contract between the policy holder and the insurance company, where the life insurance company pays a specific sum to the insured individual's family upon his death. As death is the only certain thing in life, apart from taxes, it pays to insure it well in advance.

Life insurance is a contract that pledges payment of an amount to the person assured (or his nominee) on the happening of the event insured against.

The contract is valid for payment of the insured amount during:

  1) The date of maturity, or

  2) Specified dates at periodic intervals, or

  3) Unfortunate death, if it occurs earlier.

Life Insurance is an protection against the death of an policy holder at where it specify that amount will be paid at either maturity or specified time in policy.

Literature Review

- *Mishra(1986)1*

  In his study has worked on objective to check the impact of operating of LIC and impact ofLIC'sperformanceon the client satisfaction.

- *SKrishnamurthy etal.,(2005)30*

  In their review clarified the status and development of Indian Insurance Industry afterprogression and moreover display future difficulties and openings associated with theInsurance.

- *Aggarwaletal.,(2005)31*

  In his study has explained his analysis regarding location and channels used to provideservicesto customers.

- *Shukla(2006)32*

  He has focused on the requirement for insurance agencies to have organized frameworks setupofasocial event and checkingdata on theclient.

RESEARCH METHODOLOGY

Study is based on the descriptive research design as it provides all the opportunity to cover all this aspects that are required to conduct the research. The study is carried out to understand the Consumer about life insurance policies v/s others company in Vadodara.

- Source of Data
- Primary Data

The data is collected from the respondents with the help of questionnaire. The questionnaire is consisting the questions related to the personal details like age, gender, occupation, qualification, income. It is focused to have the data considering the objectives of the study.

- Data Collection Method

The Survey was conducted through Questionnaire – Google Form for collection of data. The respondents were approached individually as well as the questionnaire was circulated among the working individuals.

- Sampling Method

In this study, we have used convenience sampling method by considering the responses from individuals of Vadodara district only**.**

1. What is your occupation?

Student	58%
Service	27%
Self employed	12%
No answer	3%

Interpretation: Here from the table we can see that most of the policy holders are students followed by service people and then the others.

2. What is your annual Income?

0-250000	56%
250000-500000	23%
500000-750000	11%
750000-1000000	3%

Interpretation: From the table we can see that most of the people are having anincome range of Rs.250000 followed by a range of Rs.250000-500000.

3. Do you have insurance?

Yes	73%
No	27%

Interpretation: From the given table we can see that more than 50% people are having insurance.

4. What is the mode of payment?

Monthly	36%
Quarterly	24%
Half-Yearly	11%
Yearly	29%

Interpretation: Here from the given table we can see that most of the people prefer to pay the instalment on yearly basis followed by monthly

payment.

5. How much percentage of your yearly saving do you invest in your insurance?

0-10%	48%
10-20%	33%
20-30%	17%
30-40%	2%

Interpretation: Here we can see from the table that most of the people are having average income of Rs 25000-50000 so most of the people prefer to invest only 10% of their income.

6. How do you purchase insurance?

Online	38%
Offline	62%

Interpretation: Here we can see from the table that most of the people prefer to purchase the insurance as an offline mode.

7. Which of the following companies would you consider for purchasing life insurance?

LIC	68%
HDFC life	14%
Max life	9%
Aditya Birla	4%
No answer	5%

Interpretation: From the above table we can see that most of the people trust LIC, therefore most of the people buy LIC.

8. Did you that LIC is the leader in the insurance market having more than 50% in market share?

Yes	78%
No	22%

Interpretation: From the above table we can see that most of the people are aware of the LIC market share, therefore most of the people prefer LIC as their life insurance.

9. Which life insurance do you have?

Term life insurance	42%
Whole life insurance	42%
ULIP	6%
Do not have any insurance	10%

Interpretation: From the above table we can see that most of the people are opting for term life insurance followed by whole life insurance.

10. What scheme of insurance policy have you taken?

Whole life	34%
Money Back	38%
Pension Fund	21%
No answer	7%

Interpretation: From the above graph we can see that most of the people are opting for the money back insurance.

RESULT AND FINDINGS

- Based on analysis investor invest in insurance policy just because company's profile, brands and return expectation.

- Out of 100 responses 68 investors are investing in LIC.

- Most of the people are opting for the insurance policy in which they are getting a return after few years.

- Most of the investors are giving preference to life insurance over any other insurances.

- Most of the people are satisfied with their insurance policy and most of them invest around 10% of their income in the policy which they buy.

SUGGESTION

- Consumer should be aware of company's profile and return associated with insurance.
- The financial advisor should be right enough to serve the consumer.

- The company should also be aware of the advisor or other who is looking after their investments.

- Company should publish their performance by comparing it with their computers.

- Middle income people suggest that premium can be collected on monthly basis instead of twice a year.

- Company's reputation is more important because bad impression on image or bad name is considered while decision making among customers.

CONCLUSION

In present Indian market, the investment habits of consumer are changing very frequently. The individual have their own perception towards various type of investment plans. The study of this research work was focused over investor participating on investment towards insurance company. From this study the result conclude that the one's age, education, qualification, occupation, salary is influencing their perception towards insurance investment.

Thus the study also comprise company image is the highly important criteria that consumers consider before taking up a life insurance. This is mainly because people except safety and security for their money which they invest, followed by the factor premium which we pay to the insurance and then bonus and interest paid by the company services.

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