A Study on Policy Holders Satisfaction Level towards Life Insurance Corporation

Selladurai R[1], Mrs. A. Sangeetha Priya[2]

[1]Student, Department of commerce with computer applications, Sri Krishna Adithya College of Arts and Science, Coimbatore, India.

[2]Assistant professor, Department of commerce with computer applications, Sri Krishna Adithya College of Arts and Science, Coimbatore, India.

ABSTRACT:

Life Insurance Corporation (LIC) was introduced in 1818.History of insurance in India can broadly bifurcate into two eras: a) Pre Nationalization b) Post Nationalization. LIC was nationalized in 1956. In1999, the Insurance Regulatory and Development Authority (IRDA) opened the door to private and foreign players whose share in the insurance market has been increased. The IRDA entrusted with protecting the interest of policy holders.

1. INTRODUCTION:

At the end of March 2019, there are 60 registered insurance companies in India. Out of 60insurance companies 24 are there life insurance business.34 are in non – life insurance business and GIC is the sole national reinsurer. And among the non – life insurance companies there are 6 public sector companies, which includes two specialized insurers namely Agriculture Insurance company ltd for crop Insurance and export credit guarantee corporation of India for credit insurance.

A. OBJECTIVES OF STUDY:

- The present study has been carried out in order to:
- To identify the nature of service that increase policyholder's satisfaction.
- To ascertain factors influencing policyholders satisfaction.
- To study the demographic profile and awareness level of the respondents.

B. STATEMENT OF PROBLEM:

The insurable interest in own life is unlimited because the loss to the insured or his dependents cannot be measured in terms of money and, therefore, no limit can be played to the amount of insurance that one may take on one's own life. Thus, theoretically, a person can take a policy to any unlimited amount on his own life. 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.

C. RESEARCH METHODOLOGY:

There are various which are used in analyzing data. The following tools are used for representing and analyzing data.

Tools:

1. Simple Percentage analysis.
2. Chi Square Test

I. Percentage Analysis:

Percentage methods refers to the specific kind which is used in making comparison between two or more series of data collected. Percentages are being based on descriptive relationship. It compares the relative items. Using percentage, the data are reduced in the form with base equal to 100% which facilitates relative comparison.

II. Chi Square Test:

A chi-squared test is a statistical hypothesis test used in the analysis of contingency tables when the sample sizes are large. In simpler terms, this is primarily used to examine whether two categorical variables are independent in influencing the test statistic.

2. REVIEW OF LITERATURE:

1. **Yu (2007),** in this study examines the cross-sectional relation between customer satisfaction and individual customers' purchase behavior as well economic contributions; and also investigates how customer satisfaction affects future customer revenue, costs, and profits. This finding reveals that higher customer satisfaction leads to higher customer revenue and higher customer costs at the same time, and thus customer profits remain unaffected.

2. **Gilbert and Veloutsou (2006)** write that satisfied customers are key to long term business success. The industries included are banking and finance, retail, government, grocery stores, hospitality/sports, and restaurants. The paper finds that customer satisfaction does differ across industries, and that both the banking/finance and hospitality/sports industries seem to please their customers more than the other industries analyzed in this research undertaking.

3. **Rajesham and Rajender (2006)** also discuss the changing scenario of the Indian insurance sector. They point out the challenges in the present scenario as increasing India's share in the global insurance market, having qualified, skilled actuaries, penetration in rural markets, developing customized policy for clients etc.

3. DATA ANALYSIS AND INTERPRETATION:

CHI-SQUARE TEST:

AGE	PERIOD OF INSURANCE POLICY			TOTAL
	Less than 10 years	10 to 20 Years	More than 20 Years	
18 to 24	15	19	3	37
25 to 35	8	23	11	42
36 to 45	3	11	5	19
Above 45	1	1	0	2
TOTAL	27	54	19	**100**

CHI SQUARE VALUE (X^2) = (Observed value – Expected value)^2/Expected value.

Degree of freedom = (Row - 1)*(Column - 1)   = (4-1)*(3-1)

Degree of Freedom=6

Calculated Value of X^2=9.253

 Table value = 12.592\

 Hypothesis:

HO: There is no significance relationship between dependent variable and independent variable

level of significance 5%

H1: There is a significant relationship between dependent variable and independent variable level of significance 5%.

Interpretation:

In the above comparative analysis, the calculated value (9.253) is less than the table value

12.592 at 5% level of significance. Hence Null hypothesis is accepted.

Thus, there is no significant relationship between age and term period of insurance policy taken by the respondents.

4. FINDINGS, SUGGESTION AND CONCLUSION:

I. FINDINGS

A. FINDINGS FROM PERCENTAGE ANALYSIS:

- Majority70% of respondents comes under the category of male.

- Majority 42% of respondents comes under the age of 25-35.

- Majority 56% of respondents are married.

- Majority 44%of respondents are studied phd

- Majority 43% of respondents are earning 15000-25000.

- Majority 31% of respondents comes under the category of business/self-employed.,

B. FINDINGS FROM CHI-SQUARE TEST:

- There is no significant relationship between age and term period of insurance policy taken by the respondents.

II. SUGGESTIONS:

- To increase the level of insurance penetration may focus bringing products that suit to the rural customers.

- The company if possible should invest in advertising, conduct road shows, and spend money on hoardings, so that it can better propagate awareness about its various lesser known products.

- LIC may provide additional funds to its development officers and agents.

- Claim settlement process should be made fast and must not involve lengthy decision making process.

III. CONCLUSION:

Insurance is a key that we can prevent the uncertainty and risk. By insuring we can protect ourselves and if any further consequences will happened the insurance company protecting against the damage and give some money according to contact. Subject to insurance the company image matters a lot for the well development of the people. Because of the many consumers thinking some factors like premium, plan, bonus, interest, company service and the documentation

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