



A Study on the Investor Perception towards Investment in Life Insurance Policies with Special Reference to LIC Tumkur.

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ABSTRACT

Every human being has the inclination to save or protect himself or his family from hazards or events in the future. Insurance is related to protection. In order to protect oneself from risk or unforeseen future events, people may use insurance. Given the state of the economy today, investments are both significant and beneficial. The descriptive study was chosen with the goal of identifying how investors felt about life insurance. In the paper, various insurance-related issues have been covered. Both primary and secondary sources were used to gather the study's data. Only Vadodara is included in the study area, and there are 150 participants.

KEYWORDS: Investor perception, investment, family protection, life insurance policies.

INTRODUCTION

A contract for life insurance is made between a policy holder (person or business) and an insurer (insurance firm). The insurer agrees to pay a certain amount to a named beneficiary following the occurrence of an insured event in exchange for the policyholder's payment of the premium. Events like a critical sickness or terminal illness may also result in payment, depending on the contract. The fundamental advantage of life insurance is that it protects family financial interests, such as children's education, against unforeseen events like loss of income due to critical sickness or death of the insured. An investor is a person who invests money in financial items with the hope of making a profit. Typically, an investor's top priority is to maximize profit while minimizing risk.

REVIEW OF LITERATURE

1. **Atma .P and Kumar. R et.al(2007)** An explorative study of life insurance purchase decision making: influence of product and non-product factors is a research paper. The 200-person sample size included both rural and urban markets in the empirical investigation. The impact of the numerous product- and non-product-related factors on the choice to purchase life insurance has been recognized and studied. According to survey analysis, product-based criteria such risk coverage, tax advantages, return, etc. have a greater impact on the urban market. Rural populations, on the other hand, are influenced by non-product related characteristics including agent credibility, firm reputation, trust, and customer services. Many customers are drawn to life insurance by company reputation and money-back guarantees
2. **Girish kumar and eldhose et.al (2008)** The importance of quality services and their significance in boosting customer satisfaction level were well explained in the paper "Customer perception on Life Insurance Services: A Comparative Study of Public and Private Sectors" published in Insurance Chronicle icfai Monthly Magazine in August 2008. A comparison of the public and private sectors can be used to betterhow customers feel about various life insurance services and how well-informed they are about them.
3. **In a 2009 paper, Narayan. H. Jai et.al** stressed the significance of the client to the insurance industry. He noted that in an era of intensifying market competition, product design must go much beyond simple efficiency. Increased customer service efficiency may result from the ability to comprehend the demands of the client and effectively communicate what they have to offer. Customers are the center of the insurance industry, and treating them fairly is essential if you want to gain their loyalty and trust. Customer service is the most important characteristic that distinguishes and provides the insurers with a high return in service-based enterprises. The proper processing of client complaints, an efficient system for handling customer complaints, and a quick claim-settlement process
4. **Uma, Selvanayaki, and Shankar et.al (2011)** based their study, "A Survey of Life Insurance Customer's Awareness, Perception, and Preferences," on a survey of 100 consumers of life insurance plans conducted in Coimbatore. It sheds light on numerous elements of customers' awareness,

perceptions, and preferences in relation to life insurance. The main goals of this survey were to determine client preferences for various life insurance plans, variables influencing policy selection, and familiarity with life insurance brands.

5. According to M. Selva Kumar and J. Vimal Priyan et al (2012), LIC still dominates the insurance industry. Insurance providers in the private sector also made an effort to gain market share. Due to the numerous opportunities it provides for consistently earning sizable sums of money over a long period of time, life insurance is now a cornerstone of every market economy. The study examined company market shares, premiums, and policies.

STATEMENT OF THE PROBLEM

Life insurance policies pose significant challenges for potential policyholders. Policy documents are often laden with intricate language and technical terms, leading to misunderstandings and disputes. Accessing comprehensive information about various policy options from different providers is bulky and time-consuming. The absence of user-friendly tools for policy comparison further hinders informed decision-making. Opaque pricing structures make it difficult for individuals to anticipate long-term financial commitments accurately.

OBJECTIVES OF THIS STUDY

1. To comprehend the level of investor perception of life insurance products.
2. To track the effects of numerous influencing factors on investors' purchase decisions.
3. To evaluate how satisfied investors are with the services offered by the life insurance firm.
4. To ascertain the number of investors who have actually invested in life insurance plans as well as their awareness of these products.

SCOPE OF THE STUDY

- comprehensive examination of various aspects related to life insurance policies.
- It will focus on analyzing the complexities and challenges associated with policy documents, including the use of technical and legal terminology.
- The study will explore the accessibility of information from different insurance providers and the feasibility of creating a centralized repository for policy details
- .The development of user-friendly tools to facilitate policy comparison, considering factors such as coverage, premiums, and benefits.
- The study will investigate methods to enhance the transparency of pricing structures and calculate premiums based on individual factors.
- The scope will encompass educational efforts to improve policyholders' understanding of the benefits inherent in their chosen policies

RESEARCH METHODOLOGY

Research design	Descriptive research
Sampling frame	Respondents of tumkur
Sampling unit	Respondents from different demographic factors
Sampling size	101 respondents
Sampling method	Convenience sampling

DATA COLLECTION METHOD

Primary data	Survey method
Secondary data	Data collected from websites and periodicals
Type of schedules	Structured questionnaire
Type of questions	Closed ended
Statistical tool used	Anova and Chi-square

Table:1 Demographic profile of the respondents

FACTOR	Frequency	percentage%
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Age	20-24	35	35
	26-30	36	36
	34-38	15	15
	>39	14	14
Total		100	100
Gender	Male	76	76
	Female	24	24
Total		100	100
Education	SSLC	32	32
	PUC	36	36
	DEGREE	32	32
Total		100	100

ANALYSIS

Demographic characteristics of the respondents (table 1) reveals that majority(36%) of the respondents are in the age group of 26-30 and then between the 20-24, it further reveals that greater number (76%) of respondents are Male. It further reveals that maximum respondents (36%) Education level less than 32 Percenta

Table2: Income level of insurance policy

FACTORS		FREQUENCY	PERCENTAGE
Income	20000 to 30000	30	30
	31000 to 40000	20	20
	41000 to 50000	24	24
	51000 to 60000	26	26
Total		100	100
Perception	Saving tool	34	34
	Tax saving instrument	35	35
	Total for protect future	21	21
	Other	10	10
Total		100	100

ANALYSIS

Table two analysis that employees state that 100 respondents of income level (30 %) of less than of 30 thousand and perception about life insurance saving tool says that (34%) and also tax saving instrument says that (35%) and (21%) respondents says it is total for the protect future

HYPOTHESIS

Null hypothesis H0:Income factor for purchase of life insurance depends on the income of the respondents.

Alternative hypothesis H1:Income factor for purchase of life insurance doesn't depends on the income of the respondents.

KARL PEARSON COEFFICIENT OF CORRELATION

INCOME RESPONDENTS	PERCEPTION FACTOR RESPONDENTS
<30k 30	Saving tool 34
31-40k 20	Tax saving 35
41-50k 24	protect future 21
51-60k 26	Others 10
TOTAL 100	TOTAL 100

Here, X=Demographic factor(Income)

Y=Perception factor to life insurance policy

$$r = \frac{\sum Dx.Dy}{\sqrt{\sum(Dx)^2 \sum(Dy)^2}}$$

$$r = \frac{114}{\sqrt{207936}}$$

$$r = 0.25$$

INTERPRETATION:

The karl pearson's correlation was found to be positive i.e, 0.25 ,suggests a strong, positive association with 2 variables.

So that null hypothesis is accepted and alternative hypothesis is rejected

AREA OF THE STUDY

The area of the study refer to Tumkur.

FINDINGS

- The majority of the respondents says life insurance policies are good investment alternatives.
- The majority of the respondents says life insurance policies are essential.
- The majority of the respondents says life insurance is a good tool to protect the future.

CONCLUSION

Life insurance policies are essential financial instruments that provide security and peace of mind to individuals and their families. However, the complexity and lack of transparency in policy documents often hinder potential policyholders from fully understanding their options. This study has highlighted the challenges arising from intricate language, limited accessibility of information, and opaque pricing structures. The study reveals that investing in life insurance policies is also one of the important investment alternatives.

The proposed solution of a user-friendly digital platform holds promise in simplifying policy language, enhancing information accessibility, and promoting transparent pricing models. By addressing these issues, individuals can make more informed decisions about life insurance policies, aligning them with their unique financial goals and circumstances. Ultimately, an improved understanding of policy terms and benefits will empower consumers to navigate the life insurance landscape with greater confidence and make choices that best safeguard their financial future.

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