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## **A Study on Perception of Investors Investing in Life Insurance**

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### **ABSTRACT:**

This research report is mainly a Study on Perception of Investors Investing in Life Insurance which encompasses various determinants like awareness, perception, and attitude. The targeted sample of this study is for individual who is interested in investing general insurance. Through this study, we aim to comprehensively understand term insurance as a financial product; its history, evolution in our country, and significance in the current scenario. Another very important area of this research includes the various factors which encourage and discourage peoples from buying insurance. The paper is based on the sales strategies and details of insurance products with a special reference to Agile Capital Services and the consumer perception about the same. First and foremost, the purpose of Agile Capital Services is to fulfill the needs for investment under the roof.

Key words: Financial Product, Services, Insurance, Investor perception

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### **Introduction**

This research paper primarily focuses on the study of investor perceptions regarding life insurance, covering various determinants such as awareness, perception, and attitudes. The study targets individuals interested in investing in life insurance. Our objective is to gain a comprehensive understanding of term insurance as a financial product, including its history, evolution in our country, and its significance in the current scenario. Another critical aspect of this research involves exploring the various factors that motivate and deter people from purchasing insurance.

The paper delves into the sales strategies and specifics of insurance products, with particular emphasis on Agile Capital Services and consumer perceptions about them. The foremost aim of Agile Capital Services is to meet investment needs comprehensively under one roof.

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### **Objective of the Study**

The present Descriptive and Exploratory type of Research is chosen with an objective of studying factors which influence customers policy buying decisions and also analyse the customers preferences while Life policy.

#### **Following are the main objectives of the study:**

- To study various factors influencing Customer Investment Decision in Life Insurance.
- To study and analyse the impact of various demographic factors on customers life insurance investment decision.
- To evaluate preferences of the customers while taking life insurance investment decision.

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### **Review of Literature**

In 1999, Evan Mills, Ph.D., highlighted an often-overlooked aspect of the insurance industry's role in energy efficiency and renewable energy technologies. Mills pointed out that the sector has historically engaged with technological advancements to mitigate losses, such as the introduction of airbags and fire suppression systems. His research identified numerous energy-efficient technologies that benefit the insurance industry by reducing the likelihood of claims.

Roger A. Formisano's 1981 study delved into the effectiveness of the Model Life Insurance Solicitation Regulation by interviewing consumers in New Jersey. His findings revealed a gap in consumer awareness about these regulations designed to aid their purchasing decisions. Additionally, many policyholders lacked a thorough understanding of the life insurance contracts they had entered into.

A 2009 study by Sahu and colleagues, involving 150 participants, examined the factors influencing consumer behavior towards life insurance purchases. The study identified six key attributes: consumer loyalty, service quality, procedural ease, satisfaction levels, company image, and client-company relationships. Interestingly, the research found no significant difference in perceptions between male and female consumers.

These studies collectively enrich our understanding of consumer behavior, regulatory impacts, and service quality in the life insurance industry, offering valuable insights for both practitioners and policymakers.

## 8. Research Methodology

The nature of the study is qualitative. The methodology that is followed includes primary data collection. Primary data collection includes a simple questionnaire. Such a questionnaire helps us to ascertain the reach of Agile Capital Services products among people, the awareness of insurance as a platform for investment, and customer's preferences regarding insurance companies. It is the comprehensive plan of the sequence of operations that a researcher intends to carry out to achieve the desired research objective. It is a plan of action to be carried out in connection with proposed research work. The present study needs to check out the customer's perception towards general insurance.

Type of research- Descriptive research

Data source- Primary data

Data collection method- Interview and survey

Data collection tools- Questionnaire

Sample size- 50

Sampling Area- PAN India

Sample Unit- Potential customers of life Insurance Company

## 9. Data Analysis, Results, and Interpretation

Data Analysis/ Data Visualization, Results and Interpretation 1. Age:

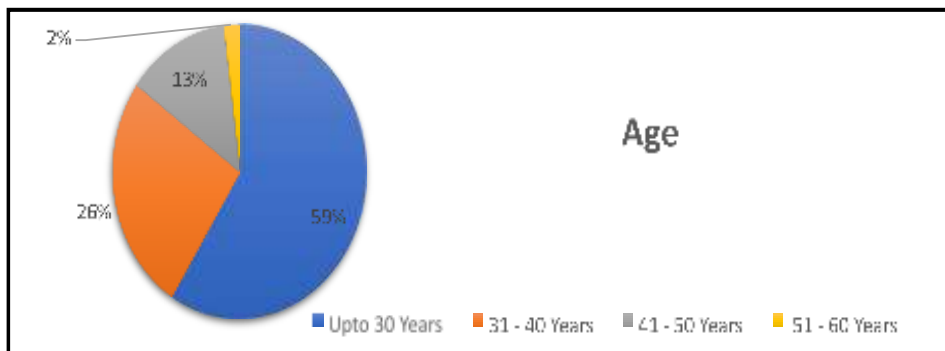


Fig.7.1: Age Distribution

From the above Pie chart, we can infer that majority of the working professionals are in age of 20-30. 59 percent of the respondents are up to 30 years of age where as 26 percent of the respondents are between 31-40 years of age, and 13 percent of people are between 41-50 years.

2. Gender:

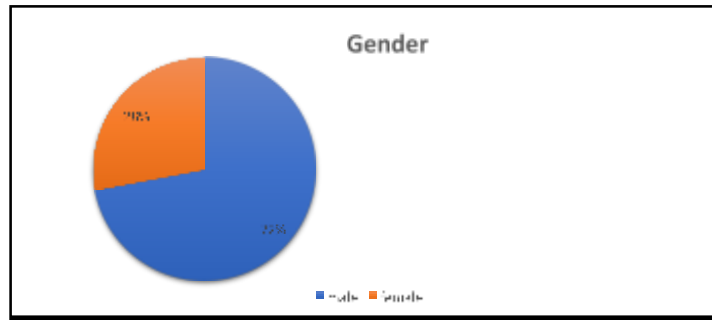


Fig.7.2: Gender

3. Annual Income:



Fig.7.3: Income per annum

From the above pie chart, we can infer that 34% of the respondents lie in the salary bracket of 3-5 lakh ₹ per annum. While 20% lie in the 5-7 lakh ₹ per annum bracket, 22% respondents have a yearly salary of more than 7 lakh and 24% of the respondents have salary less than 3 lakh/annum.

4. Occupation:



Fig.7.4: Occupation

On the basis of respondents there are policy holders in which 40.6% people who are doing job, 22.8% people have business, 30.7% people are student & rest are having other occupation.

5. Marital Status:

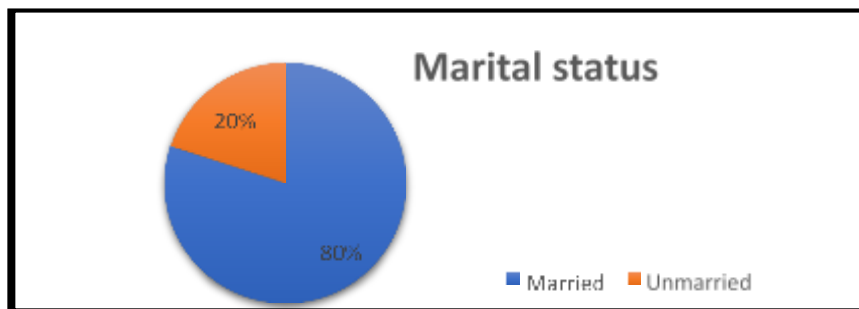


Fig.7.5: Marital status

From the above pie chart, we can infer that 80% of the working professionals are single while 20% are married.

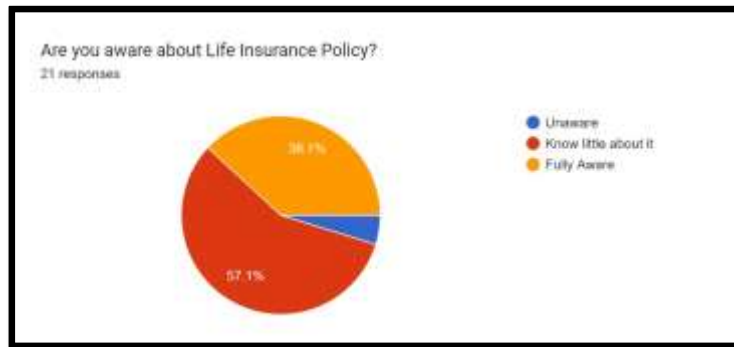


Fig.7.6: Awareness Distribution

From the above pie chart, 57.1% of the respondents are know little about the life insurance company and 38% people are fully aware about the policies.

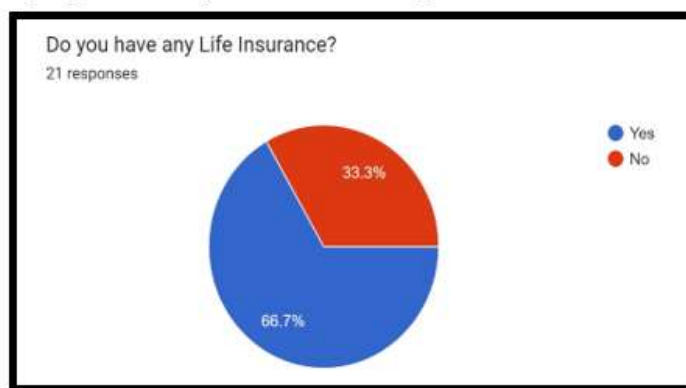


Fig.7.7: Ownership of insurance

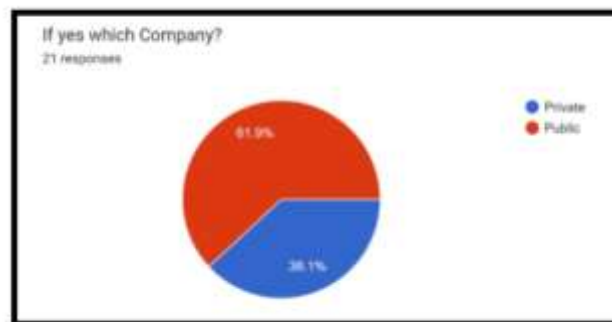


Fig.7.8: Company Analysis

From the above pie chart, 61.9% people are invested in private limited companies & 38% are invested in public limited companies.

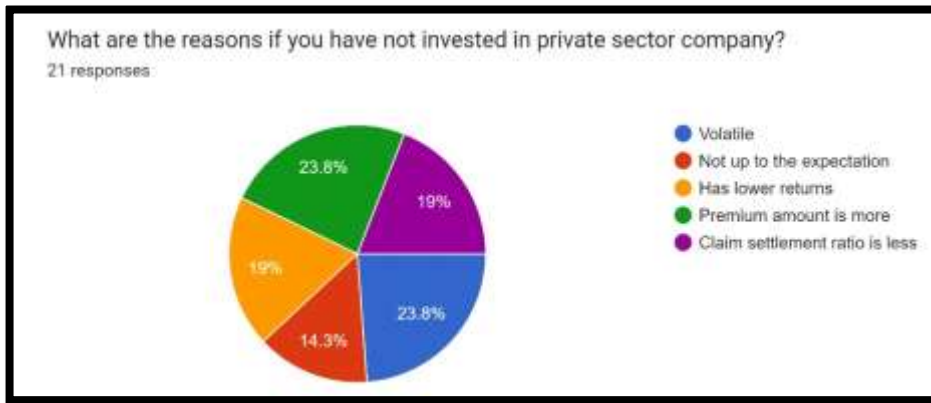


Fig.7.9: Reasons

From above pie chart we conclude that many people not investing in private ltd. Insurance companies because of the premium amount are comparatively more and more volatile. These companies are also having lower returns and not up to the expectations.

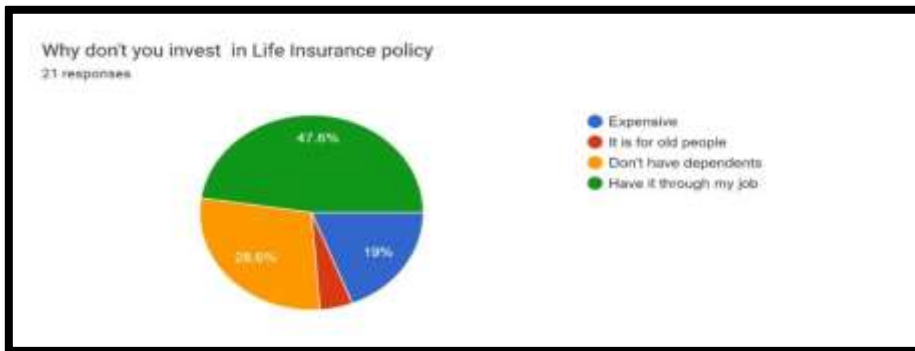


Fig.7.10: Perception of Investors

From the above data, 47.6% people have it through their jobs and rest of the professionals think that they don't have dependents and small number of people thinks that policies are expensive and it is for old people.

## Findings From the Study

- The research indicates that demographic factors such as age, gender, and income significantly influence the decision to purchase life insurance policies. Life Insurance Corporation of India (LIC) retains the largest market share, with SBI Life, HDFC Life, and ICICI Prudential leading among private insurers, largely due to the attractive returns they offer. Consumers often prefer LIC for its perceived reliability in safeguarding their investments.
- The study further highlights that tax incentives associated with life insurance play a crucial role in attracting investors. The potential for tax-deferred growth of the policy's cash value and the tax-free status of death benefits are particularly appealing features for policyholders.
- Furthermore, life insurance is recognized as a viable strategy for long-term financial planning. Policies that include a cash value component offer an avenue for savings and investment, allowing policyholders to build wealth over time. However, the complexity of life insurance products and the breadth of options available can pose challenges for consumers, making it difficult for them to make informed decisions.
- Investors' financial needs and goals evolve, which can lead to a mismatch with the static nature of certain life insurance investments, prompting a reassessment of these financial commitments. Additionally, life insurance is considered by some as a method to diversify their investment portfolio, introducing a different risk and return profile compared to standard investment vehicles like equities and bonds.
- The demographic analysis of life insurance investors shows a predominance of younger individuals, aged between 20 and 40 years, with a notable male majority. The primary demographic of life insurance policyholders consists of working professionals.
- While LIC continues to lead the insurance sector in profitability and customer base, there is a noticeable shift towards private insurers for new business. Despite this trend, LIC's stronghold on the market remains robust, underscored by its extensive and loyal customer base.

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## Recommendations

- Identify and comprehensively understand the target audience for your agile capital services, including businesses and individuals. By recognizing their financial needs, challenges, and objectives, you can customize your services to meet their specific requirements effectively.
- Prioritize open and clear communication with all your clients, investors, and other stakeholders. Make sure to clearly detail the terms of service, fee structures, repayment timelines, and any risks that your services might entail.
- Ensure a smooth and hassle-free access to your capital services for clients, enhancing their overall experience.
- Remain vigilant about staying informed on all relevant financial regulations and compliance mandates within your operating region.

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