



## STUDY OF CUSTOMER PERCEPTION ABOUT PRIVATE LIFE INSURANCE COMPANY SERVICES WITH REFERENCE TO THOOTHUKUDI REGION

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### Abstract

Insurance sector in India plays a dynamic role in the wellbeing of its economy. It substantially increases the opportunities for savings amongst the individuals, safeguards their future and helps the insurance sector form a massive pool of funds. With the help of these funds, the insurance sector highly contributes to the capital markets, and government schemes thereby increasing large infrastructure developments in India.

The main aim of study is to examination the level of perception of policyholders of private life insurance companies in Thoothukudi Region. Convenience sampling was employed to select 100 respondents, from private insurance company located in Thoothukudi Region. For analyzing the data collected during the investigation, the following statistical tools such simple frequency, and Ranking Technique were used based upon the nature of data received from respondents. . From the study, it could be concluded that the success of the insurance industry is achieved only if the company can create the right environment, good report with agents and evaluate the expectations and perceptions of customers, the culture and attitude of the employees to serve the customers better.

**Key Words: Perception, Private, Life Insurance, Policyholders, and Intention.**

### Introduction

Insurance in India is usually understood as a measure to save the tax for an individual. It has not been considered as a medium for investment for a long time. In Indian mentality, savings can be done only in banks in terms of fixed deposits and other investment facilities available to them. Some people also like to invest in gold. After independence, the LIC was nationalized in 1956, and then the general insurance business was nationalized in 1972. LIC of India has monopoly over the Indian life insurance sector. But after the entry of privet insurance players having alliance with foreign insurance experts, Indian insurance market turned into a highly competitive market. The Insurance Regulatory and Development Authority Act 1999 (IRDA Act) was passed by parliament of India and in the year president of India gave his consent to the act.

Human life is a most important asset and life insurance is the most important type of insurance which provides financial protection to a person and his family at the time of uncertain risks or damage. Life insurance provides both safety and protection to individuals and also encourages savings among people. Customer service is an integral part of Life insurance organization. It is necessary to identify the key success factors in life insurance industry, in terms of customer satisfaction so as to survive in intense competition and increase the market share.

### Review of Literature

**Ashfaque Ahmed (2013)** in his study “perception of life insurance policies in rural India” reveled that there is low level of awareness and understanding of life insurance products. There are various factors that influence consumer thinking when they are planning to invest in insurance scheme. Most of the customers show their interest in life insurance having higher risk coverage and also for good return with safety. The roles played in perception of life insurance policies in rural market by members of the family varies with knowledge parameters as well as with the typed of products and sometimes with the company name also. While a number of psychological variables are useful in obtaining into consumer’s perception towards buying life insurance policies in rural areas. The insurance company name also plays an important role in purchasing.



**Nisamudheen (2013)**, The present study was selected with an objective to analyze the preferences of customers while life policy investment decision-making. Various reasons to take insurance policies have been discussed in the paper. The data for the study has been collected from both primary and secondary sources. The study area is limited to Nagpur District of Maharashtra. The paper concludes with that most of the respondents take insurance policies for „Savings“ and „Wide risk coverage“. This study result was revealed that the type of policy taken by the customers. It was also expressed that in LIC, 20% of the customers taken the endowment policy are only 14%. It is observed that no customers will take the policy of without profit. In HDFCSL 30% of the customers taken the children deferred insurance.

### **Objectives of the Study**

1. To identify the development of insurance companies in India.
2. To study the level of perception of policyholders of private life insurance companies in Thoothukudi Region.

### **Methodology and Design of the Study**

The present study carried out by the researcher is an empirical in nature and the study is based on the survey method. The researcher collected the data required for carrying out the present study in two stages. In the first stage, the personal and occupational data relating to sample respondents, their perception about the private life insurance companies services were collected among the selected sample respondents with the help of the questionnaire specially designed for this purpose. During the second stage of data collection, the researcher collected the secondary data related to the study such as the concepts relating to employer branding, employer attraction and retention etc., from various published and unpublished records, reports, books, magazines, etc.

Convenience sampling was employed to select 100 respondents, from private insurance company located in Thoothukudi District. For analyzing the data collected during the investigation, the following statistical tools such simple frequency, and Mean Score Ranking Method were used based upon the nature of data received from respondents. According to IRDA ranking top two private insurance companies namely Bajaj Allianz, and Birla Sunlife in Thoothukudi Region

### **Analysis and Discussion**

#### **I. Private Life Insurance Companies in India**

The Indian Insurance Sector is basically divided into two categories – Life Insurance and Non-life Insurance. The Non-life Insurance sector is also termed as General Insurance. Both the Life Insurance and the Non-life Insurance is governed by the IRDAI (Insurance Regulatory and Development Authority of India). This government organization thoroughly monitors the entire insurance sector in India and also acts like a custodian of all the insurance consumer rights. This is the reason all the insurers have to abide by the rules and regulations of the IRDAI.

The Insurance sector in India consists of total 57 insurance companies. Out of which 24 companies are the life insurance providers and the remaining 33 are non-life insurers. Out which there are seven public sector companies. Private insurers companies, who have done a joint venture with foreign insurance companies to start their insurance businesses in India,.

#### **Private Life Insurance Companies**

1. Aegon Life Insurance Co. Ltd.
2. Aviva Life Insurance Co. India Ltd.
3. Bajaj Allianz Life Insurance Co. Ltd.
4. Bharti AXA Life Insurance Co. Ltd.
5. Birla Sun Life Insurance Co. Ltd.
6. Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.
7. DHFL Pramerica Life Insurance Co. Ltd.



8. Edelweiss Tokio Life Insurance Co. Ltd
9. Exide Life Insurance Co. Ltd.
10. Future Generali India Life Insurance Co. Ltd.
11. HDFC Standard Life Insurance Co. Ltd.
12. ICICI Prudential Life Insurance Co. Ltd.
13. IDBI Federal Life Insurance Co. Ltd.
14. IndiaFirst Life Insurance Co. Ltd
15. Kotak Mahindra Old Mutual Life Insurance Ltd.
16. Max Life Insurance Co. Ltd.
17. PNB MetLife India Insurance Co. Ltd.
18. Reliance Life Insurance Co. Ltd.
19. Sahara India Life Insurance Co. Ltd.
20. SBI Life Insurance Co. Ltd.
21. Shriram Life Insurance Co. Ltd.
22. Star Union Dai-Ichi Life Insurance Co. Ltd.
23. Tata AIA Life Insurance Co. Ltd.

## II. Level of Perception of Policyholders about Private Insurance Sector Services

**Table No.1: Gender of the Respondents**

Gender	Frequency	Percent	Cumulative Percent
Male	72	72	72
Female	28	28	100.0
<b>Total</b>	<b>100</b>	<b>100.0</b>	

Source: Primary Data

From the above Table 1 shows that gender wise classification of customers. It can be revealed that 72 per cent of the LIC customers are from male group and remaining 28 per cent of the respondents from female group.

**Table No.2: Reason for Taken Life Insurance Policy**

Sl.No.	Particulars	Mean Score	Ranks
1	Return on Investment	4.4	II
2	Tax Benefits	3.5	V
3	Agent's Compulsion	4.8	I
4	Safety or Security	2.9	VI
5	Kind of Savings	4.1	III
6	Recognition or status	3.7	IV
7	Low Premium	2.3	VII

Source: Primary Data

According to mean score rank method the reason for taken life insurance policy result reveals that main reason for taken life insurance policy is Agent's Compulsion, followed by Return on Investment, Kind of Savings, Recognition or status, Tax Benefits and least reason for selection of life insurance policy are Safety or Security and



Low premium. This analysis conveys that the main reason for taken of life insurance policy is force or compulsion from agents.

**Table No.3: Type of Insurance Policy**

<b>Types</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Whole life Policy	<b>30</b>	<b>30.00</b>
Endowment Policy	<b>16</b>	<b>16.00</b>
Annuity Policy	<b>02</b>	<b>2.00</b>
Children Deferred Policy	<b>27</b>	<b>27.00</b>
Money Back Policy	<b>13</b>	<b>13.00</b>
Double Accident Policy	<b>10</b>	<b>10.00</b>
Joint Life Policy	<b>02</b>	<b>2.00</b>
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

From table 3 shows that the type of policy taken by the customers. It is revealed that in private life insurance companies, 30 per cent of the customers taken the whole life policy, followed that children deferred policy (27 Per cent), endowment policy (16 per cent), money back policy (13 per cent), double accident policy (10 per cent) and only 2 per cent of the customers are taken annuity policy and joint life policy. The overall the output express that majority of the customers are taken whole life policy, children deferred policy and endowment policy.

**Table No.4: Opinion about Quality of Private Insurance Companies Services**

<b>Service</b>	<b>Frequency</b>	<b>Percent</b>
<b>Excellent</b>	10	10.00
<b>Very Good</b>	22	22.00
<b>Good</b>	38	38.00
<b>Average</b>	20	20.00
<b>Poor</b>	10	10.00
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Primary Data

This table shows the rating of services of insurance company. It is clear that in private life insurance companies services: 38 per cent of customers opinion is that it's services is good, followed by 22 per cent of customers response is that the private insurance companies services is very good, 20 per cent of the customers reveals that the insurance service is average, and 10 per cent of customers is opinion that the insurance companies services is poor. Ultimately reveals that majority of customers are opinion that the private insurance companies services is good.



### Summary and Conclusion

1. It is identified that 72 per cent of the LIC customers are from male group and remaining 28 per cent of the respondents from female group.
2. It is identified that the main reason for taken of life insurance policy is force or compulsion from agents.
3. It is captured that majority of the customers are taken whole life policy, children deferred policy and endowment policy.
4. It is observed that majority of customers are opinion that the private insurance companies services is good.

The contribution of the insurance company system is highly significant in the development of the economy of any nation. In the case of developing countries like India, Insurance sector system forms an integral and dominant part of the financial system. It is observed that among the policy holders with different age groups, the younger groups have a positive attitude with the insurance plans than elders. It is evident from the study that majority of the policyholders were satisfied with the policies and preferred new innovative marketing insurance plans and policies at different times, and most of the respondents came to know about the services through agents. So, the success of the insurance industry is achieved only if the company can create the right environment, good report with agents and evaluate the expectations and perceptions of customers, the culture and attitude of the employees to serve the customers better.

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