



A STUDY ON CUSTOMER SATISFACTION OF LIFE INSURANCE POLICIES WITH SPECIAL REFERENCE TO LIFE INSURANCE CORPORATION OF INDIA, HYDERABAD - TELANGANA STATE

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Abstract

Life insurance or life assurance is a contract between the policy owner and the insurer, where the insurer agrees to pay a sum of money upon the occurrence of the policy owner's death. In return, the policy owner or policy payer agrees to pay a stipulated amount called a premium at regular intervals. The core benefit of life insurance is that the financial interests of one's family remain protected from circumstances such as loss of income due to critical illness or death of the policy holder. Simultaneously, insurance products also have a strong inbuilt wealth creation proposition. The customer therefore benefits on two counts and life insurance occupies a unique space in the landscape of investment options available to a customer. Life insurance allows long term savings to be made in a relatively painless manner because of the low and convenient investments made through premiums. Moreover, it encourages 'forced thrift' which means the insured is made to pay premiums and save money. Life insurance cannot be compared with any other form of investment as life insurance gives you a lifelong benefit and returns on your money when it is most required. Insurance premiums are linked to age of the life insured and the earlier you buy, the lower are the premium requirements. Besides, the money stays invested for a longer time and thereby maximizing your returns through the power of rupee compounding. This study mainly deals with customer satisfaction of life insurance policies with special reference to Life Insurance Corporation of India, Hyderabad.

Key words: Life Insurance, Customer Satisfaction, Investment, Insurance Policy.

1.0 Introduction

Insurance is the study of risk financing through risk pooling. In a dynamic economy like the one we have in Hong Kong, a myriad of things can go wrong everyday with our life, our health, our home, our car, and our business. The use of insurance is to reduce the adverse financial impact in case of loss has become an important element of financial planning in our society. Risk management, as a building block of financial planning, seeks to identify the risks a person or a business faces and evaluating their financial impacts in case of occurrence. Once the relevant risks have been identified, the risk manager must determine the need for insurance based on his financial goal and assess the various risk handling tools available to him in order to select the one that can best serve his financial goal. In order to make a sound risk management decision, the risk manager must have a thorough understanding of the designs and functions of various insurance products available for loss reduction and the new products and the future trends of development in insurance. Life insurance is a unique among financial instruments. It's one of, if not the only financial instrument is based on caring and love. even though there can be personal advantages to have life insurance, the real impetus is love for those one cares most about-to make sure they are taken care of. Interestingly, while one is taking care of the financial needs and wants of a spouse or the next generations, life insurance can also develop and build ones personal financial goals while living. For example, if you have sufficient life insurance, you might be able to use more of your assets to enjoy life in retirement, why is that? Because if you know you have sufficient life insurance, you won't feel that you are lowering the inheritance by spending some of your principal. You may actually, "pay down principal" to some degree to yourself. Especially if you have life time permanent life insurance as a backup.

1.2 LIC Plans

- Insurance plans
- Pension plans
- Micro insurance Plans
- Group scheme
- Withdrawn plans
- Health plans
- Unit plans
- Special plans

2.0 Need for the Study

There are various types of life insurance plans but they all have some common attributes. You pay an insurance company



that is called premiums. At the time of your death, the life insurance company pays an amount to the people you named in your policy, called beneficiaries. Also it's interesting that if you named a beneficiary they'd receive the insurance amount free of income tax. Some types of life insurance have cash benefits available while you are alive. In these types, a portion of your premium goes in to cash reserves and builds on a tax defers basis. People can access this money, called cash value. Some people use it to help education costs, enhance retirement cash flows or any reason. Two of the most common types of "permanent life insurance" are called whole life insurance and universal life insurance. So, the study was s conducted to know the customers perception and satisfaction towards the LIC of India.

3.0 Scope of the Study

This project is undertaken with the purpose of conducting a survey in the market, various insurance policies holders with special reference to LIC of India with an aim to analyze what the customers has in mind for taking a particular insurance policy for a reason from a particular company, the factors influencing to take the policies ,awareness of various promotional packages, policies offered by the insurance companies ,evaluation of various services offered by the companies as well as the agents. To keep the scope of study, limited information was collected from the customers of insurance companies who are residing in Hyderabad city.

4.0 Objectives of the Study

1. To find the level of customer satisfaction of various life insurance policies offered by LIC of India.
2. To find out the socio economic profile of the insurance investors in LIC of India.
3. To identify the customers preference towards life insurance policies of LIC of India.
4. To study the various factors that influence the customer to chose life insurance policy.

5.0 Research Methodology

5.1 Methods of Data Collection

Both primary and secondary sources of data were used here. The primary data is required for the study which was collected through questionnaire. Primary data has been collected from different policy holders of LIC in Hyderabad city. Secondary data was collected from the annual reports of the companies, magazines, journals and websites of companies.

5.2 Analysis of Data

To arrive at certain conclusions regarding the hypotheses advanced in the present investigation, the following statistical tool were used for the analysis of data and to consolidate ,classify and analyze the data with reference to the selected objectives of the study ,i.e., simple percentages, factor analysis, chi-square test ,ANOVA test. Statistical Calculations have been made the extensive use of Microsoft excel and SPSS 21.0 software packages on the computer.

5.3 Statistical Tools used for Analysis

1. Simple percentage
2. Chi-Square Test Analysis
3. ANOVA Test
4. Factor Analysis

5.4 Limitations of the Study

There are certain limitations, which are common to all research studies in social sciences. The limitations of this study are given below.

1. The respondents of the study have been selected only from the city of Hyderabad due to time and cost considerations.
2. The study has been undertaken at a particular point of time when the respondents had a set of beliefs, preference and attitudes, which are not static variables.
3. The numbers of respondents were restricted to 300 due to time factor.

6.0 Review of Literature

Bennett and Rundle-Thiele (2004), in this paper demonstrate that satisfaction is not the same as attitudinal loyalty and that there are instances where satisfaction does not result in loyalty. The results indicate that satisfaction and loyalty in business services settings are different constructs, and while the relationship is positive, high levels of satisfaction do not always yields high levels of loyalty. Customers with low satisfaction and high attitudinal loyalty are potentially vulnerable to competitor's offers that appear more satisfying.



Das and Samanta (2005) consider customer satisfaction as a business survival requirement. The results identify eight factors which could reflect the customer’s satisfaction levels. These are productivity ,quality of delivery ,meeting delivery schedule ,technical support ,communication ,proactive or promptness in response ,skill level and domain knowledge. The authors propose a customer satisfaction index using principal component analysis.

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, restaurants. The paper finds that customer satisfaction does not differ across industries, and that both the banking /finance and hospitality /sports industries seem to please their customers more than the other industries analyzes in this research undertaking.

Cugini et al (2007) propose and test a framework to analyze and manage the relationship between company costs and customer satisfaction in service industries. This study makes a contribution to the understanding of strategic cost management in service industries, through the development of a model which allows establishing a direct link between sources of efficiency in managing service costs and sources of effectiveness in generating customer satisfaction.

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

Meirovich and Brahnan (2008) ,study the links between quality and customers emotions and eventually with their satisfaction. This study introduces two components of total quality structure; quality of design and quality of conformance, for analysis of the link between quality and customer emotions. The results show that there is a significant relationship between possible combinations of two quality dimensions and customers affective responses in terms of both their valence and intensity. An interesting finding of this study suggests that customers value quality of conformance higher than quality of design.

Frank and Enkawa (2009), in this article purport to find out how economic processes influence customer satisfaction. The study examines the separate impacts of economic growth and economic expectations on perceived value, quality expectations and customer satisfaction. The analysis reveals that customer satisfaction is positively influenced by economic growth and negatively by current economic expectations. The results show a strong correlation between economic expectations and (overall and industry –specific) quality expectations.

7.0 Data Analysis

Table 1,Reliability Statistics

Cronbach's Alpha	N of Items
.607	28

7.1 Reliability Analysis:

Prior to the analysis of the data, the research instrument was tested for its reliability. Cronbach alpha was calculated, to test the reliability of the customer satisfaction scale. This coefficient varies from 0 to 1, and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability (Malhotra, 2006). The scale comprised of 28 variables. The number of respondents was 300. The reliability coefficient indicated that the scale for measuring customer satisfaction was quite reliable as the alpha coefficient was 0.607. In this case also, the reliability of scale exceeded the recommended 0.6 threshold. Thus it was considered that the scale used is reliable.

7.2 Demographic Profile, Perception and Satisfaction of customers

Table 2- Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	258	86.0	86.0	86.0
	Female	42	14.0	14.0	100.0
	Total	300	100.0	100.0	



		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-22	83	27.7	27.7	27.7
	23-25	133	44.3	44.3	72.0
	25-30	84	28.0	28.0	100.0
	Total	300	100.0	100.0	
		Occupation			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business	111	37.0	37.0	37.0
	Professional	49	16.3	16.3	53.3
	Private Service	56	18.7	18.7	72.0
	Govt. Service	84	28.0	28.0	100.0
	Total	300	100.0	100.0	
		Education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	School Level	49	16.3	16.3	16.3
	Graduate	84	28.0	28.0	44.3
	Post Graduate	125	41.7	41.7	86.0
	Professional	42	14.0	14.0	100.0
	Total	300	100.0	100.0	
		Marital Status			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	202	67.3	67.3	67.3
	Un Married	98	32.7	32.7	100.0
	Total	300	100.0	100.0	
		Income			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 10,000	42	14.0	14.0	14.0
	10,001-20,000	98	32.7	32.7	46.7
	20,001-40,000	91	30.3	30.3	77.0
	40,001-60,000	41	13.7	13.7	90.7
	Above 60,000	28	9.3	9.3	100.0
	Total	300	100.0	100.0	

Source: Primary Data

Table 2 indicates that the majority (86%) of the respondents was male and 14% are female. (44.3%) of the respondents belonged to the age group of 23-25 years followed by (28%) are 18-22,25-30 years. Most of them respondents belonged to the Business (37%). The majority of respondents are Post graduates (41.7%). The respondents form income group is (98%) are 10,000 to 20,000 and 20,001 to 40,000. The majority of respondents (67%) from marital status are married.

Table 3-Do you invest in Insurance Plans of LIC Life because					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Regular Income	55	18.3	18.3	18.3
	Income Growth	133	44.3	44.3	62.7
	Tax planning	112	37.3	37.3	100.0
	Total	300	100.0	100.0	



Reasons for selecting policy					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Its Futures	7	2.3	2.3	2.3
	Recommended	90	30.0	30.0	32.3
	High Risk	147	49.0	49.0	81.3
	Low Premium	56	18.7	18.7	100.0
	Total	300	100.0	100.0	

Source: Primary Data

Table 3 indicates that the majority (44.3%) of the respondents was investing in insurance plans for the income growth and 37.3% are Tax Planning. The most of the respondents (49%) are reasons for selecting policy is High Risk Returns and the followed by the agent's recommendation is (30%).

Table 4 :

Customer Satisfaction* Insurance Policies of LIC Life Insurance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	7	2.3	2.3	2.3
	Satisfied	112	37.3	37.3	39.7
	Highly Satisfied	181	60.3	60.3	100.0
	Total	300	100.0	100.0	
Customer Satisfaction* Returns in Insurance Policies of LIC Life Insurance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	7	2.3	2.3	2.3
	Satisfied	125	41.7	41.7	44.0
	Highly Satisfied	168	56.0	56.0	100.0
	Total	300	100.0	100.0	
Customer Satisfaction * Insurance Plans of LIC Life Insurance Company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	14	4.7	4.7	4.7
	Satisfied	77	25.7	25.7	30.3
	Highly Satisfied	209	69.7	69.7	100.0
	Total	300	100.0	100.0	
Customer Satisfaction * Premium amount					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	7	2.3	2.3	2.3
	Satisfied	125	41.7	41.7	44.0
	Highly Satisfied	168	56.0	56.0	100.0
	Total	300	100.0	100.0	
Customer Satisfaction *Claim settlement					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	7	2.3	2.3	2.3
	Satisfied	112	37.3	37.3	39.7
	Highly Satisfied	181	60.3	60.3	100.0
	Total	300	100.0	100.0	
Customer Satisfaction *Customer service					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	7	2.3	2.3	2.3
	Satisfied	125	41.7	41.7	44.0
	Highly Satisfied	168	56.0	56.0	100.0
	Total	300	100.0	100.0	

Source: Primary Data

Table 4 indicates that the majority (63.3%) of the respondents highly satisfied with LIC insurance policies, on returns (56%),(69.7%) insurance plans, (56%) premium amount, (6.3%) claims settlements, 56% customer service.



Table 5

Customer Satisfaction *The revoking procedure if the policy lapses					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	14	4.7	4.7	4.7
	Satisfied	77	25.7	25.7	30.3
	Highly Satisfied	209	69.7	69.7	100.0
	Total	300	100.0	100.0	
Customer Satisfaction *communication flow from the company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly Satisfied	119	39.7	39.7	39.7
	Satisfied	181	60.3	60.3	100.0
	Total	300	100.0	100.0	
Customer Satisfaction *Customer Service					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	7	2.3	2.3	2.3
	Satisfied	112	37.3	37.3	39.7
	Highly Satisfied	181	60.3	60.3	100.0
	Total	300	100.0	100.0	
overall satisfaction with Insurance Policies of LIC Life Insurance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	14	4.7	4.7	4.7
	Satisfied	77	25.7	25.7	30.3
	Highly Satisfied	209	69.7	69.7	100.0
	Total	300	100.0	100.0	
Customer Satisfaction *Charges in Insurance Policies of LIC Life Insurance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High	21	7.0	7.0	7.0
	Average	244	81.3	81.3	88.3
	Low	35	11.7	11.7	100.0
	Total	300	100.0	100.0	
What would you like to suggest in Insurance Policies of LIC Life Insurance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More Benefits	196	65.3	65.3	65.3
	More Security	104	34.7	34.7	100.0
	Total	300	100.0	100.0	

Source: Primary Data

Table 5 indicates that the majority (69.7%) of the respondents highly satisfied with LIC revoking procedure, satisfied on communication (56%) (63%) customer service, 69.7% respondents responded to overall satisfaction. The customer responds towards the charges insurance company is (81.3%) average, the customer suggested improving the better more benefits 65.3%.

7.3 Hypothesis Testing

7.3.1 Chi Square Test:

The Chi Square test is applied to test the goodness of fit to verify the distribution of observed data with the assumed theoretical distribution. Karl Pearson's has developed a method to test the difference between the impact of overall satisfaction on gender (Male and Female), Occupation.

Ho1: Gender is independent of customer satisfaction insurance policies in LIC



Table 7, Overall satisfaction with Insurance Policies of LIC Life Insurance * Gender

Crosstab				
		Gender		Total
		Male	Female	
Rate your overall satisfaction with Insurance Policies of LIC Life Insurance	Neutral	14	0	14
	Satisfied	70	7	77
	Highly Satisfied	174	35	209
Total		258	42	300
Chi-Square Tests				
		Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square		5.130 ^a	2	.077
Likelihood Ratio		7.194	2	.027
N of Valid Cases		300		

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 1.96.

The above table 7 shows that Since Significance Level value is >0.05 , Null Hypothesis is accepted and Alternate Hypothesis is rejected, which implies the gender satisfaction level on insurance policies is not independent of study in LIC.

Ho2: Occupation is independent of customer satisfaction insurance policies in LIC

Table 8: Overall satisfaction with Insurance Policies of LIC Life Insurance * Occupation

Crosstab						
		Occupation				Total
		Business	Professional	Private Service	Govt. Service	
Rate your overall satisfaction with Insurance Policies of LIC Life Insurance	Neutral	0	7	7	0	14
	Satisfied	70	7	0	0	77
	Highly Satisfied	41	35	49	84	209
Total		111	49	56	84	300
Chi-Square Tests						
		Value	df	Asymp. Sig. (2-sided)		
Pearson Chi-Square		155.805 ^a	6	.000		
Likelihood Ratio		179.884	6	.000		
Linear-by-Linear Association		61.597	1	.000		
N of Valid Cases		300				

a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 2.29.

The above table 8 shows that Since Significance Level value is 0.05 Null Hypothesis is rejected and accepts Alternate Hypothesis, which implies the Occupation and satisfaction level of insurance policies has dependent in LIC.

7.3.2 ANOVA Test

The ANOVA Test is applied to test the variance between Age, Occupation, Education, Marital Status, Income and level of customer satisfaction.

Ho3: There is no variance between the overall satisfaction levels and Age

Ho4: There is no variance between the overall satisfaction levels and Occupation

Ho5: There is no variance between the overall satisfaction levels and education

Ho6: There is no variance between the overall satisfaction levels and Marital Status

Ho7: There is no variance between the overall satisfaction levels and Income



Table 9

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	6.214	2	3.107	5.740	.004
	Within Groups	160.782	297	.541		
	Total	166.997	299			
Occupation	Between Groups	172.784	2	86.392	89.199	.000
	Within Groups	287.653	297	.969		
	Total	460.437	299			
Education	Between Groups	53.348	2	26.674	38.965	.000
	Within Groups	203.318	297	.685		
	Total	256.667	299			
Marital Status	Between Groups	5.901	2	2.950	14.583	.000
	Within Groups	60.086	297	.202		
	Total	65.987	299			
Income	Between Groups	39.072	2	19.536	16.305	.000
	Within Groups	355.844	297	1.198		
	Total	394.917	299			

The above Table 9 the F value for Age, Occupation, Education, Marital Status, Income values are 5.740, 38.965, 14.583, 16.305 and the significance level is 0.004, 0.000, 0.000, 0.000, 0.000. Hence there is a variance between satisfaction level and on Age, Education, Marital Status, and Income.

7.3.3 FACTOR ANALYSIS

Factor analysis is a statistical tool primarily used for data reduction. It seeks to resolve a large set of measured variables in terms of relatively few categories, known as factors. This technique allowed the researcher to group variables into factors (based on correlation between variables). While this can be done in a number of ways, the most frequently used approach is principal component analysis which has been used in this research paper. The data was analysed using SPSS 21.0 package. Factor analysis was performed on the 28 variables. The Principal Components Method, using Varimax Rotation reduced the 19 variables 7 factors having Eigen values greater than 1.0. First of all, Kaiser Meyer Olkin (KMO) measure of sampling adequacy was calculated to examine the appropriateness of factor analysis. High values (between 0.5 and 0.1) indicate that factor analysis is appropriate. KMO is 0.606 which shows the appropriateness of factor analysis here, in Bartlett's Test of sphericity the chi square value is also large which also favours the same point. Eigen values represent total variance explained by each factor. It is the sum of squared factor loadings relating to a factor. For the purpose of interpretation, only those variables were selected whose loadings were 0.5 or higher. This means that each factor comprised of only those variables that loaded 0.50 or higher on that factor. The rotation matrix has extracted 7 factors.

The study is discussed below. One of the objectives of the study was to explore factors, which are potential and important determinants of customer satisfaction in case of life insurance customers. The factors identified through factor analysis are

Table 10, Rotated Component Matrix^a

	Component						
	1	2	3	4	5	6	7
Information Source Insurance Polices	.111	-.050	-.223	.041	.544	.035	-.426
Do you think the LIC Life insurance are giving correct information related to the products and charges	.003	-.131	.187	-.059	.838	.244	.200
Reasons for selecting policy	.125	.044	-.042	.073	-.059	-.802	.017
How are the Insurance Policies of LIC Life Insurance	.139	-.163	.940	.129	.043	.012	.113
How are the Returns in Insurance Policies of LIC Life Insurance	.959	.229	.127	-.006	.035	.021	.007
How is the Premium Amount to be paid in Insurance Plans of LIC Life Insurance Company	.289	.934	-.160	.025	-.051	-.066	.026



How are the Charges in Insurance Policies of LIC Life Insurance	-.276	.056	-.420	.087	-.421	.102	.184
What would you like to suggest in Insurance Policies of LIC Life Insurance	.252	-.141	-.033	.053	.097	.674	.057
1. Premium amount	.959	.229	.127	-.006	.035	.021	.007
2. Claim settlement	.139	-.163	.940	.129	.043	.012	.113
3. Customer service	.959	.229	.127	-.006	.035	.021	.007
4. The revoking procedure if the policy lapses	.289	.934	-.160	.025	-.051	-.066	.026
How People fell about the communication flow from the company	.252	-.380	.539	-.043	-.380	.141	-.235
Satisfaction level for selecting the LIC 1. Claim settlement	.959	.229	.127	-.006	.035	.021	.007
2. Customer Service	.139	-.163	.940	.129	.043	.012	.113
3. Brand Name	.959	.229	.127	-.006	.035	.021	.007
4. Experience in the Field	.289	.934	-.160	.025	-.051	-.066	.026
1. Train the Agents	.095	-.114	-.144	-.899	-.065	.009	-.029
2. Educating the policy holders thru media	-.104	.082	-.032	-.832	.103	.059	-.174
3. Improving the customer service	.122	-.030	-.079	.654	.139	-.306	.444
4. Quick settlement of claims	-.142	.094	.228	.787	-.112	.222	-.256
Rate your overall satisfaction with Insurance Policies of LIC Life Insurance	.289	.934	-.160	.025	-.051	-.066	.026
Extraction Method: Principal Component Analysis.							
Rotation Method: Varimax with Kaiser Normalization.							
a. Rotation converged in 8 iterations.							

The above table gives the rotated factor loadings explained by the factors. Out of the 15 awareness on value added services, 3 factors have been extracted and these 3 factors put together explain the %. In order to reduce the number of factors and enhance the interpretability, the factors are rotated. The rotation increases the quality of interpretation of the factors. There are several methods of the initial factor matrix to attain simple structure of the data. The varimax rotation is one such method to obtain better result for interpretation is employed and the results are given below.

Table 11

Clustering Of Customer Satisfaction LIC into Factors Customer Satisfaction LIC Policy	Rotated factor loadings
Factor - I	
The Returns in Insurance Policies of LIC Life Insurance Q6	.959
Premium amount Q10	.959
Satisfaction level Customer service Q16	.959
Satisfaction level for selecting the LIC Claim settlement Q15	.959
Brand Name Q17	.959
Factor -II	
How is the Premium Amount to be paid in Insurance Plans of LIC Life Insurance Company Q7	0.934
The revoking procedure if the policy lapses Q13	0.934
Experience in the Field Q18	0.934
Rate your overall satisfaction with Insurance Policies of LIC Life Insurance Q23	0.934
Factor - III	
How are the Insurance Policies of LIC Life Insurance Q5	0.940
Claim settlement Q11	0.940
Customer Service Q12	0.940
How People fell about the communication flow from the company Q14	0.539
Factor - IV	
Quick settlement of claims Q22	0.787
Improving the customer service Q21	0.654



Factor - V	
Information Source Insurance Polices Q1	0.544
Do you think the LIC Life insurance Q2	0.838
Factor - VI	
What would you like to suggest in Insurance Policies of LIC Life Insurance Q9	0.674
Factor - VII	
Do you invest in Insurance Plans of LIC Life because Q3	0.762

The seven factors were identified as being maximum percentage variance accounted. The 5 satisfaction levels are Q6, Q10, Q15, Q16, and Q17 were grouped together as factor I and accounts 25 percent of the total variance. The 4 satisfaction levels are Q7, Q13, Q18, and Q23 the factor II and accounts 20% percent of the total variance. The 4 satisfaction levels are Q5, Q11, Q12 and Q14 constituted the factor III and accounts 20 percent of the total variance. The 2 satisfaction levels are Q21, and Q22 constituted the factor IV and accounts 10 percent of the total variance. The 2 satisfaction levels are Q1, and Q2 constituted the factor V and accounts 10 percent of the total variance. The 1 satisfaction levels are Q9, constituted the factor VI and accounts 5 percent of the total variance. The 1 satisfaction levels are Q3, constituted the factor VII and accounts 5 percent of the total variance. Thus the factor analysis condensed and simplified the 19 satisfaction levels and grouped into 7 factors explaining 25% percent of the variability of all the 19 satisfaction levels.

8.0 Findings

1. The consumer decision to purchase insurance product from different insurance policies can be affected by several factors like age, gender and income level. The majority (86%) of the respondents was male and 14% are female. (44.3%) of the respondents belonged to the age group of 23-25 years followed by (28%) are 18-22, 25-30 years. Most of them respondents belonged to the Business (37%). The majority of respondents are Post graduates (41.7%). The respondents form income group is (98%) are 10,000 to 20,000 and 20,001 to 40,000. The majority of respondents (67%) from marital status are married.
2. That the majority (44.3%) of the respondents was investing in insurance plans for the income growth and 37.3% are Tax Planning. The most of the respondents (49%) are reasons for selecting policy is High Risk Returns and the followed by the agent's recommendation is (30%).
3. That the majority (63.3%) of the respondents highly satisfied with LIC insurance policies, on returns (56%), (69.7%) insurance plans, (56%) premium amount, (6.3%) claims settlements, 56% customer service.
4. That the majority (69.7%) of the respondents highly satisfied with LIC revoking procedure, satisfied on communication (56%) (63%) customer service, 69.7% respondents responded to overall satisfaction. The customer responds towards the charges insurance company is (81.3%) average, the customer suggested improving the better more benefits 65.3%.

8.1 Chi-Square Test

The Since Significance Level value is >0.05 , Null Hypothesis is accepted and Alternate Hypothesis is rejected, which implies the gender satisfaction level on insurance policies is independent of study in LIC.

The Since Significance Level value is, 0.05, Null Hypothesis is rejected and accepts Alternate Hypothesis. Which implies the Occupation and satisfaction level of insurance policies is dependent of study in LIC.

8.2 ANOVA Test

The F value for Age, Education, Marital Status, Income values are 5.740, 38.965, 14.583, 16.305 and the significance level is 0.004, 0.000, 0.000, and 0.000. Hence there is a variance between satisfaction level and on Age, Education, Marital Status, and Income.

9.0 Suggestions

1. In present competitive world, customer satisfaction has become an important aspect to retain the customers, not only to grow but also to survive. Customer satisfaction is the critical through different modes of communication. This will help in spreading insurance awareness among the common man.
2. To achieve greater insurance penetration, the healthier competition has to be intensified by both the sectors and they should come up with new innovative products to offer greater variety or choice to the customers and also make improvement in the quality of services and sell products through appropriate distribution channel to win-win situation for both the parties.



3. LIC should devise policies which provide effective risk coverage rather than focusing on the tax benefits and also encourages them for long term investment in insurance.
4. LIC should come up with innovative custom-made products with high risk cover, more return and low insurance premium to attract more number of customers.

10.0 Conclusion

Life insurance is an important form of insurance and essential for every individual. Life insurance penetration in India is very low as compare to developed nation where almost all the lives are covered and stage of saturation has been reached. Customers are the real pillar of the success of life insurance business and thus its important for insurers to keep their policyholders satisfied and retained as long as possible and also get new business out of it by offering need based innovative products. There are many factors which affect customer's investment decision in life insurance and from the study it has been concluded that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies.

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