Customer satisfaction of life insurance policies with reference to Nagapattinam district

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Abstract
Insurance is the backbone of a country’s risk management system. In a contract of an Insurance, by insurer agrees or undertakes in consideration of a sum of Money (premium), to make good the loss suffered by the insured against a specified risk such as fire and any other similar contingency or compensate the insured or beneficiaries on the happening of a specified events such as accident or death. The insurance company established on 1970’s. The Government after careful study of the situation resorted to nationalization by an Act of parliament which began to function on 1st Sep 1956. The Objectives of the study is to study the various policies offered by LIC of India, and to study the consumer and preference towards LIC of India. The primary data and secondary data will be collected. The study area is limited to Nagapattinam District.

Keywords: Historical developments in insurance, Lic, satisfaction level of policyholders.

1. Introduction
Man is exposed to risk and uncertainties. For instance, the time of the death of a person is not certain, and in the case of his premature death a man’s dependents may find themselves deprived all means of existence. Insurance is the backbone of a country’s risk management system. Risk is an inherent part of our lives. Insurance is pooling of risks. In a contract of insurance, the insurer agrees or undertakes in consideration of a sum of money (premium), to make good the loss suffered by the insured against a specified risk such as fire and any other similar contingencies or compensate the insured or beneficiaries on the happening of a specified event such as accident or death.

1.1 Historical Development of Insurance
Marine insurance is the oldest form of insurance known, dating back to accident Babylonia. And life and health insurance is traced to ancient Greece and Roman. Merchants and traders, until well into the Middle Ages, had to borrow funds to finance their trade or to secure goods on consignment from producers or suppliers. As security for the loans or for the goods of their trade, the merchants pledged not only their ships or other tangible properly but also their lives (as slaves) and those of their families as well. Babylonia, in 2000B.C. was the centre of trade with caravans transporting goods to all parts of the known world.

1.2 History of Life Insurance Corporation
The insurance company established on 1970’s. Insurance in all country was a competitive industry with a large number of participants in the job. The Government after careful study of the situation resorted to nationalization by an Act of Parliament which began to functions on 1st September 1956. The Corporation’s central office is located at Mumbai. The Corporation has been established by an Act of parliament, which received the assent of the prescribed on 18th June 1956. Since the day corporation is having exclusive privilege of carrying of life insurance business in India.

1.3 Statement of the Problem
Some of the challenges faced by the insurance sector pertain to the demand condition, competition in the sector, product innovation, delivery and distribution system, use of technology regulations. Therefore, the future growth depends on how service oriented insurers...
are going to be. On the demand side, the rise in income will trigger the growth physical and financial assets. However servicing of the large domestic market in India is a real challenge. Besides that, LIC’s markets share may be just about respectful, but India’s private sector insurance firms have changed the industry’s complexion in a mere five years. In this context, it is felt necessary that an analysis of performance of LIC will highlight the need for the study. Hence, an attempt has been made to study the “Marketing of LIC policies with special reference to Mayiladuthurai Branch”.

1.4 Objectives of the Study
The present study has to assess the following objectives:
- To study the various policies offered by LIC of India.
- To review the performance Analysis of LIC.
- To study the consumer awareness and preference towards LIC of India.
- To find out the expectations of policy holders in LIC other than private insurance companies.
- To Offer suitable suggestions for efficient performance and conclusion.

2. Methodology
2.1 Nature of the Data
The study will be based on survey method. The study is based on Marketing of LIC policies towards policy holders Nagapattinam District. The study is based on both primary and secondary data.

2.2 Primary Data
Primary data is collect through structural questionnaire with both open ended and close ended questions to get better insight of the respondents.

2.3 Secondary Data
Secondary data here has been collected from the records of LIC of Nagapattinam and it also collected from newspaper, magazines, and websites, books publications related to insurance and marketing and general discussion with LIC officials.

2.4 Sample Size
Samples were collected from both insurance company and policy holders of LIC in which the total sample size of respondents are 150.

3. Analysis and Interpretation

Performance Analysis

<table>
<thead>
<tr>
<th>S.No</th>
<th>Age Group</th>
<th>Number of persons</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to 15</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>16-30</td>
<td>36</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>31-45</td>
<td>57</td>
<td>38</td>
</tr>
<tr>
<td>4</td>
<td>46-60</td>
<td>39</td>
<td>26</td>
</tr>
<tr>
<td>5</td>
<td>Above 61</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary Data

Table No-1 it is clear that the majority of the respondents belong to the age group 31-45(38 percent) followed by in the age of 46-60(26 percent). It is referred that the 24 percent of the respondent belong to the age group 16-30 percent of the respondent belong to the age of upto 15 and remaining 2 percent belong to above 61.

Income Level of Policyholders

<table>
<thead>
<tr>
<th>S.No</th>
<th>Income</th>
<th>Number of persons</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below 50,000</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>50,000-1,00,000</td>
<td>39</td>
<td>26</td>
</tr>
<tr>
<td>3</td>
<td>Above-1,00,000</td>
<td>51</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: primary Data

Table No - 2 It is observed that majority of the policyholders income ranges is below 50,000 i.e., 40 percent followed by the income of above 1,00,000 i.e., 34 percent and 26 percent represents income ranges between 50,001 to 1,00,000. The above analysis makes clear that majority of the respondents income is below 50,000.
### Occupation – Wise Categorisation of Respondents

**Table 3:**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Occupation</th>
<th>Number of persons</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Govt. Employee</td>
<td>54</td>
<td>36</td>
</tr>
<tr>
<td>2</td>
<td>Private Employee</td>
<td>51</td>
<td>34</td>
</tr>
<tr>
<td>3</td>
<td>Self Employee</td>
<td>45</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: primary Data**

Table No - 3 shows that 36 percent of the respondents are Govt. employee, 30 percent are self-employee and the remaining (34 percent) are private employee.

### Type of Policy Taken By the Respondents

**Table 4:**

<table>
<thead>
<tr>
<th>S.No</th>
<th>TYPE OF POLICY</th>
<th>Number of persons</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Whole Life Policy</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>Endowment Policy</td>
<td>69</td>
<td>46</td>
</tr>
<tr>
<td>3</td>
<td>Money Back Policy</td>
<td>51</td>
<td>34</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Primary Data**

Table No.4 shows that 46 percent of respondents have taken endowment policy followed by money back policy represents 34 percent. Only 10 percent of respondent have taken whole life policy. The researcher also found that the higher income has taken more endowment policies. The whole life policy not popular among the respondents.

### 4. Findings and Suggestions

**Age** is an important factor for taking insurance policy. The majority of the sample respondents have fallen in the age group 31-45 years. The number of women policy holders is very low when compared to that of men.

Income is a very important element which determines the amount of policy. Majority of the respondents’ income is below 50,000.

There is no much difference between the type of employment and having of life insurance policy, since future is uncertain for every person.

The researcher also found that the higher income group has taken more endowment policies. The whole life policy is not popular among the respondents.

### 4.1 Suggestions

1. The Branch should increase the customer base in semi urban and rural areas, which offer a huge potential.
2. Customers are expecting policies with tax benefits, followed by value added policies. So insurance companies are required to come up with multi benefit policies including tax benefits.
3. Periodical training should be given to agents to professionalise them because most of the agents are dormant, they give only minimum business, and their average productivity is very low.

### 5. Conclusion

With the liberalization and entry of private companies in insurance, the LIC of India has started showing signs of significant change. Within a short span of time, private insurance has acquired 13% of the Life insurance market. So, the future in LIC of India will be defined by the increase in pure production protection products, improved positioning and market communication by players and last but not least, improved service levels which will get redefined with every passing day.

### 6. References

**Books**

2. Hansell, D.S.,Elements of Insurance  Macdonald and Evans Ltd., Estover, Plymouth PL6 7PZ

**Journals and Magazines**


**Website:** www.licindia.com