

Awareness of Policyholders' on Facilities Offered by Life Insurance Corporation of India at Kozhencherry Taluk.

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Abstract: The insurance industry facilitates the growth and development of the economy. The life insurance helps to have a proper coverage on risk towards life of the insured. The creation of awareness regarding the policies, plans and facilities enables a huge growth in the insurance sector. The main aim of this study is to find out the demographic outline of respondents and to scrutinize the level of awareness of policyholders in LIC's services. This study supports to progress the customer awareness. Primary data have been taken and adopted convenience sampling method as sampling design. The statistical tools used for analysis was percentage analysis and chi-square test. The conclusion is that the new products and services are to be well informed to the consumers for better prospects of the life insurance company.

Keywords: Life Insurance, Policyholder's Awareness, Life Insurance Policies.

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1. INTRODUCTION

The Indian life insurance industry plays an important role in reducing uncertainties' in life. The life insurance sector helps the investors in investing their savings to profitable investment. Since nationalisation, life insurance industry has noted a rapid growth in the financial system. The main aim of life insurance corporation is to eliminate risk due to unfortunate death of a human being and enhances certainty on unavoidable losses. The life insurance business is greatly inclined by the social security system, health care system, changes in customs and attitudes etc. The life insurance business mainly connected to the safeguard of the commercial value of assets. Insurance business helps to diminish the reactions of contrary circumstances and compensation to the assured for any hardships incurred. Insurance is a common maneuver through which the hazards of persons may be lessened and safety is provided to them by the insurance companies with their proper contributions. Life insurance provides financial protection as well as acts as better investment to the policyholders. The insurance services provided by insurance companies have become digital now, so that the policyholders can settle their payment of premium through digital channels. The policyholders are to be made aware about the digital services provided by life insurance companies. Life insurance facilitates to have security for old age when their earnings are either stopped or reduced. Moreover, life insurance policies help to confront the emergencies due to accidents, sickness etc. Insurance is an essential part of individual's financial planning. The financial experts highlight that insurance is perhaps the top financial device to invest and providing for old age, emergencies etc. Life Insurance Corporation of India is the main public sector life insurance company in India. Life insurance corporation is an independent organisation mainly run on comprehensive business ideologies and its object is to provide insurance to all those eligible to be insured in India. From the beginning itself the company has fetched a numerous number of policies to cater the needs of different groups of people. The life insurance company provides several amenities to help the policyholders. The main reason for the loss of Indian life insurance industry may be due to inadequacy of insurance awareness, unproductive marketing tactics, poor sustainability and less investment in life insurance products and services. Awareness facilitates thorough information and it permits the individual to become more dynamic and smarter. Awareness enables empowerment of the individual to have development and to have advancement on the society and through this the thinking power of individual upsurges. The efficient awareness strategies empower the insurer to provide right product, to right individual and at the right period. The consumers also have to be well-educated so that they will be more aware about the new plans and policies of life insurance companies.

2. REVIEW OF LITERATURE

a) Kathirvel.N & Radhamani.S (2014)- The Indian insurance industry plays an important role in economic growth and development of the country. The creation of awareness about insurance ensures the huge growth in the life insurance sector. The insurance companies have to make the consumers aware about the of the benefits and utilities of life insurance. The main objective of this study is to ascertain and recognize the awareness level of assured in LIC's facilities. This research boosts to advancement of the consumer awareness. First hand data have been collected through interview method by implementing simple random sampling method by means of three hundred policyholders. The study concludes that insurance companies should walk over more awareness about life insurance, provide discount in premium amount and give supplementary attention on innovative products.

b) Balaji, C. (2015)- The study reveals that due to nationalisation and liberalisation, the insurance sector has derived a full round from being an exposed competitive market. The Insurance helps to reduce or eradicate the perils of damage of life and property. Under this plan, a huge number of persons participate themselves by allocating risk involved to individuals. After privatization, life insurance sector is growing from mere providing security for life to one of better investment choices along with policies is accessible with numerous opportunities and provisions. At present around 13 private co.'s functioning in life insurance sector. The actual competition is impending from HDFC AND ICICI which is exploiting competitively their old record in appealing customers through marketing of financial products at one roof.

c) Dr. B.Menaka ,Harish.,M(2018) Insurance sector is one of the important service sector in the economy. Insurance sector enables to have varied services to customers. Customers have good perception and idea about the insurance products and services. Chi-square test is used as statistical tool in this study. Convenience sampling method is used as sampling design and 100 samples taken for the study. The study states that time span has important role in settlement of claims in insurance companies.

d) Poorani Mithila, Dr. B. Menaka, Seethal Keloth (2019) The study states that many innovations are happening in insurance industries. The working environments are changing day by day in insurance industries but many breaches are being incurred in the case of keeping of data like actuarial data, consumers data etc. The insurance industry should look in to the affirmatives of business intelligence. More over industries must utilize well the innovations in business intelligence so that it will enable them to safeguard their records and data.

e) Seethal Keloth, Dr. B. Menaka et.al (2020)- The study mainly focuses on the importance of digital tools and digitalised financial services in financial planning and investment behaviour amid employed women. The usage of smart phones facilitates the customers to have more approachability to digitalized financial services like remittance of insurance premium, depositing currency in account etc. Digitalised financial services play a substantial part in saving money. Digitalized tools help to diminish the numerous financial encounters confronted by the stake holders.

f) Rajendran, B., & Sathyakala, R (2020) The study states the mainstream of policyholders are gratified with LIC's products. The main aim of the study is to discover the demographic outline of samples and identify the satisfaction level of policyholders in LIC's services. For this study primary data has been collected. The proportionate stratified random sampling method has been used as sampling design by means of 150 policyholders. The study suggests that educational qualification and monthly income are found to be related with policy holder's satisfaction. The life insurance companies should extend its business more in rural areas rather they approach in urban area. The life insurance companies should create awareness among women policyholders regarding the plans and policies. The Life Insurance corporation should give wide coverage of awareness among the public about the products and services to combat against the competition in the insurance market.

3.STATEMENT OF THE PROBLEM

The insurance sector facilitates economic development that leads to generation of employment prospects, hastening of industrial growth and so on. Even though Life insurance Corporation of India has its own implication and place in the economy, it is not free from difficulties. The creation of awareness about policies and services provided has to be done to make them ease to buy insurance products. Moreover, policyholder's satisfaction plays an important role because it enables the life insurance companies to achieve more businesses. Life Insurance companies should implement innovative products which helps to retain policyholders. Both public and private companies introduce new plans and policies to combat against stiff competition. So, LIC has varied plans to deliver the necessities of several groups of people and their diverse needs. LIC makes vigorous awareness amid public around its product and give better facility to the policyholders. Hence, the present study focuses on

“ AWARENESS OF POLICY HOLDERS ON FACILITIES OFFERED BY LIFE INSURANCE CORPORATION OF INDIA AT KOZHENCHERRY TALUK.”

4. OBJECTIVES OF THE STUDY

- To study the demographic profile of sample respondents.
- To study about the policy holders' awareness on facilities offered by Life Insurance Corporation of India.

5. RESEARCH METHODOLOGY

a) RESEARCH DESIGN

The research design denotes to the general plan that select to assimilate the diverse components in a comprehensible and reasonable way, here the researcher uses descriptive research design. Descriptive research design helps to conduct the study in an accurate manner.

b) SAMPLING DESIGN

The investigator used convenient sampling technique to select the samples. It is a non-probability sampling where the samples are taken up on the comfort of the investigator under study.

c) SAMPLE SIZE

The sample size taken by researcher for this study is 70

d) TOOLS USED FOR ANALYSIS

I Percentage analysis

For the analysis purpose the researcher used data percentage analysis method. Percentage method is used in making contrast among two or more series of data. It is easy to analyse and simple to understand.

Percentage = $(\text{Number of respondents} / \text{Total number of respondents}) * 100$

II Chi-square: Chi-square test is a significant non-parametric test. It helps to analyse the dependent and independent variables.

Chi-square = $\sum (\text{O}-\text{E})^2 / \text{E}$

e) SOURCES OF DATA

The investigator used questionnaire method for the purpose of collecting primary data. Secondary data was taken from journals for the use of the study.

6.DATA ANALYSIS AND INTERPRETATION

Table 1- Profile of respondents

Factor	Particulars	Respondents	Percentage
Gender	Male	50	72
	Female	20	28
	Total	70	100
Age	<=15	10	14
	15-20	10	14
	20-30	20	29
	>=30	30	43
	Total	70	100

The demographic outline of the respondents is shown in table 1 below. The profile primarily emphasis on the demographics with respect to age and gender. It mainly exhibits that out of 70 samples, 50 (72%) are Male and 20(28%) are Female. 14 per cent of the samples fit to the age group of less than or equal to 15 years. 14 percent of the samples fit to the age group amongst 15 and 20. 29 percent of the samples fit to the age group among 20 and 30. 43 per cent of the samples fit to the age group of larger than or equal to 30 years.

Table-2 Age and Level of Awareness

AGE	LEVEL OF AWARENESS			Total
	High	Medium	Low	
<=15	0 ^(1.42)	1 ^(0.37)	1 ^(0.2)	2
15-20	2 ^(4.28)	1 ^(1.11)	3 ^(0.6)	6
20-30	8 ^(8.57)	3 ^(2.22)	1 ^(1.22)	12
>=30	40 ^(35.71)	8 ^(9.29)	2 ⁽⁵⁾	50
Total	50	13	7	70

HYPOTHESIS TESTING

H₀=There is no significant relationship between the policyholder's awareness on services offered and the demographic variables like age and gender

The expected frequencies (E) are given in the bracket.

$$E = \frac{\text{Row total} * \text{Column total}}{\text{Grand total}}$$

Grand total

1. By substituting the figures as per Table1, using formulae of Chi square, the investigator got the following calculated value: 19.353

$$\begin{aligned} \text{DOF} &= (r-1) (c-1) \\ &= (4-1) (3-1) = 6 \end{aligned}$$

Table value at .05 level of significance = 12.592

Since the table value is less than the calculated value, we reject null hypothesis and accept that there is significant relationship between the age and level of awareness of policy holders on facilities offered.

Table- 3 Gender and Level of Awareness

GENDER	LEVEL OF AWARENESS			Total
	High	Medium	Low	
MALE	35 ⁽³⁰⁾	5 ^(7.8)	2 ^(4.2)	42
FEMALE	15 ⁽²⁰⁾	8 ^(5.2)	5 ^(2.8)	28
Total	50	13	7	70

2. By substituting the above figures as per Table 2, using formulae of Chi square, the investigator got the following calculated value: 7.477.

$$\begin{aligned} \text{DOF} &= (r-1) (c-1) \\ &= (2-1) (3-1) = 2 \end{aligned}$$

Table value at .05 level of significance = 5.99

Since the table value is less than the calculated value, we reject null hypothesis and accept that there is significant relationship between the gender and level of awareness of policy holders on facilities offered.

7. CONCLUSION

The social relevance and responsibilities of life insurance companies are increasing day by day. The life insurance companies have to cater varied needs of customers. Life insurance companies have to encourage in the development of digitalised financial services and make the consumers aware about such services. Life insurance company has to take numerous actions to develop the insurance market and make the consumers more aware about the products and services. Life insurance company has to explore more opportunities for the development of business activities in life insurance market. The life insurance company should provide good and useful policies for the future prospects of the insured. The life insurance company have to issue new brands to the market in order to achieve better market value for their products. This research will help in developing the market share, loyalty and further development in insurance sector. The life insurance company must implement innovative strategies to capture the market.

Acknowledgement:

This article has been written with the financial support of RUSA Phase 2.0 grant sanctioned vide Letter No. F. 24-51 / 2014-U, Policy (TNMulti-Gen), Dept. of Edn. Govt. of India, Dt. 09.10.2018.

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