

Awareness of Policyholder in Life Insurance Corporation Policies

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Abstract: When it comes to economic growth and development, the insurance business is often regarded as one of the most crucial sectors, especially in a country like India. Awareness-raising is a critical component of an integrated strategy for expanding the insurance market. There was a rising knowledge of the benefits and viability of life insurance in the 19th century, but many Indians still believed that purchasing such a policy meant intentionally courting death. Despite the fact that insurance provides invaluable protection for everyone, life insurance is frequently referred to as "Registration for Death" in the local languages of India. Identifying the demographics of the sample population and gauging policyholders' knowledge with LIC's services are the key objectives of this research. This study provides inspiration for raising brand awareness among consumers. Primary information is needed for the research. Three hundred policyholders were interviewed using a predetermined interview schedule and a basic random sample technique to collect primary data. The growth of the Indian economy relies heavily on the life insurance industry. Life insurance is a company that provides consumers with long-term financial solutions.

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Introduction

The modern concept of life insurance may be traced back to England. The origins of India's insurance industry go back many decades. The first step was taken in 1818, when the Oriental Life Insurance Company was founded in Calcutta. After then, insurance was dispersed to other parts of the nation. There was a lot of chaos at the market. Then In 1950, the government took over the insurance industry in its entirety. The insurance industry took off once independence was won. Throughout the 19th century, British enterprises in India started this industry, and local Indian firms soon followed. Private companies dominated the show, and the overall market for life insurance grew at an astounding rate. To regulate the funding and management of the life insurance industry, the Indian Insurance Act was passed in 1938. In 1939, the law was officially implemented. The President of India issued an edict to assume control of the life insurance industry on January 19th, 1956. When it comes to financial security, insurance firms in India are a must. The original purpose of insurance was to provide a "tax advantage" for investors. The average person's outlook, though, is beginning to shift. Modern society views life insurance as a kind of savings and investment. The industry has become more open and adaptable since private companies entered the market.

The satisfaction of Life Insurance Company of India's policyholders is the focus of this article. In order to better assist policyholders, a sizable administrative team and network of agents have

been assembled. It's possible that policyholders' opinions of the company's offerings may range widely. Life insurance offers peace of mind by guaranteeing that a beneficiary will get the entire amount of their policy should the insured person die. Business community might benefit from life insurance as well. A company will suffer a greater financial setback if an employee dies or becomes disabled while working for the company.

Literature Review

C. Prithivirajan et.al (2021) The primary objective of the research was to compare policyholders' knowledge of life insurance by gender, location, and marital status. This research made use of a survey design. There are 800 policyholders represented here from the Ariyalur area. The method of simple random sampling was adopted. The data was gathered using a self-made instrument the researcher (2019) designed called the Level of Knowledge of Life Insurance Plans Scale for policy holder. The t test and the F test were utilized as the statistical methods of analysis. According to the results, I there is no statistically significant difference in life insurance policy holder knowledge between male, female, and transgender policy holders. (ii) there is no statistically significant difference in policyholder awareness of life insurance plans between those who live in semi-urban and rural areas, and (iii) there is no statistically significant difference in policyholder awareness of life insurance plans between those who are married and those who are single. According on the results, ideas for future research and educational applications are provided.

Arun Kumar et.al (2020) As the risks in today's world have expanded dramatically and affect everyone's everyday lives, insurance plays a crucial role in our contemporary, interconnected society. Insurance is the most efficient approach to deal with risk, which is defined as the probability that a loss will occur but cannot be determined with certainty. Purchasing life insurance is often perceived as a way to safeguard a family's financial stability in the event of the untimely death of a breadwinner. The insured person may rest easy knowing they are protected in the case of an accident. The monetary worth of a human being is proportional to his or her current and potential income. Life insurance is a method through which a person might plan for his financial security after his death. In developing nations especially, the insurance industry is expanding rapidly. A nation's risk-taking capacity and long-term funding for infrastructure development are both bolstered by an insurance industry that has had enough time to mature and expand. When it comes to fulfilling the aims of social security and welfare, which are fundamental prerequisites of social justice, the life insurance industry in a country plays a crucial role. The insurance industry in India is enormous, and it is responsible for a disproportionate share of the country's GDP in this sector. The insurance industry is expanding rapidly in India, at a pace of 15-20% annually, according to the Insurance Regulatory and Development Authority of India. The Indian insurance market has evolved significantly during the last century. Initially, there were no limits on foreign investment and the system was privatized in its entirety while the British ruled India. In 1956, shortly after India's independence, the government established a monopoly in the life insurance market with the establishment of the Life Insurance Corporation of India. Policy issuance, premium underwritten, and the number of offices and branches in the life insurance industry has all increased after nationalization.

Maya Kannan (2018) In Chennai, the researchers looked at how happy their Life Insurance Company policyholders were. Owing to rising competition in the insurance market and rising public concern about life's inherent unpredictability, it is crucial for insurance providers to have a firm grasp of their clients' needs. Finding out how satisfied customers are with LIC is the primary focus of this research. Primary data were acquired using a questionnaire sent to 150 LIC policyholders in Chennai, and then evaluated using a wide range of statistical methods to determine which ones had the most impact on policyholders' perceptions of LIC's ability to meet their needs.

Sumninder Kaur Bawa et.al (2016) The purpose of this research is to examine how informed Indian life insurance buyers currently are about the products and services offered by the country's various life insurance distribution channels. According to an Ordered Probit Regression analysis of primary survey data from 617 consumers, customers' anticipated level of knowledge of distribution channels is quite low despite the current efforts of insurance firms. They clearly recognize the importance of the individual agent channel in comparison to the other channels now used. Broadcast media and the worldwide web play crucial roles in reaching policyholders with comprehensive information. Insurers need to investigate issues like phone-based information and word-of-mouth recommendations from friends, family, and coworkers that aren't effectively educating their clientele. Customers' familiarity with the services provided by intermediaries is significantly influenced by demographic factors such as consumers' gender and level of education. Based on the data, it is clear that life insurance providers should work to increase their customers' knowledge of the various distribution methods available to them. Consistent and fruitful expansion of the market requires careful analysis of the many channels at one's disposal.

Ashok S. Banne et.al (2014) -The key indication of insurance growth in India is life insurance penetration, which stood at only 3.17% in 2012, much below the levels seen in Japan (9.2%) and Taiwan (15.0%). To be exact: 6.9% in South Korea. (2012-2013 IRDA Annual Report, pp. 121-122) The Indian population's lack of knowledge of the need of insurance is a major factor in its low penetration. It is true that the life insurance market is witnessing the launch of unique, need-based, and customer-friendly products as a consequence of the formation of IRDA and the entry of private sector insurance businesses. Nonetheless, the vast majority of Indians still lack adequate insurance coverage. While most Indians recognize the need of financial security, purchasing a life insurance coverage is not high on their list of priorities. While deciding on an insurance coverage, most people prioritize tax benefits and savings above financial protection. The purpose of this work is to investigate whether or not LIC's clientele have a general understanding of why life insurance is important. Based on the findings of this study, consumers recognize the importance of life insurance and rely heavily on the advice of LIC's independent agents.

Methods

The necessary information has been gathered via the creation of a questionnaire. The questionnaire includes sections asking about the respondent's demographics and job history as well as their level of familiarity with LIC's policies, their product preferences, and their overall

impressions of the company's offerings. This research was conducted in the Tirupur area. This research focused on factors including age and number of insurance policies since they were crucial to understanding what influences people's likelihood of being aware of the need for life insurance. Three hundred residents of the research region were selected at random and interviewed using a standardized questionnaire to acquire the main data. Descriptive statistics, percentages, and a Chi-square test were used on the data we gathered to determine what variables were most influential in shaping people's perceptions of the importance of life insurance.

Data Analysis

Table 1: Demographic Profile of the Respondents

S. No	Factor	Demographics	No of Respondents	percentage
1.	Gender	Male	147	49.00
		Female	153	51.00
	Total		300	100.00
2.	Age (in years)	Up to 20	26	8.70
		21 to 40	207	69.00
		Above 40	67	22.30
	Total		300	100.00
3.	Educational Qualification	Illiterate	09	3.00
		SSLC	35	11.70
		Hsc	22	7.30
		Under graduate	76	25.30
		Post graduate	126	42.00
		Professional	32	10.70
	Total		300	100.00
4.	Marital status	Married	167	55.70
		Unmarried	133	44.30
	Total		300	100.00
5.	Area of Residence	Urban	111	37.00
		Semi-urban	85	28.30
		Rural	104	34.70
	Total		300	100.00
6.	Occupation	Daily wage Earners		
		Agriculturist	06	2.00
		Employee	31	10.30
		Business	97	32.30
		Professional	36	12.00
		Student	24	8.00
		Housewife	74	24.70
	Total		32	10.70
	Total		300	100.00
7.	Family income	Up to Rs 15000	34	11.30
		Rs 15000 to Rs 30000	150	50.00
		Above Rs 30000	116	38.70
	Total		300	100.00
8.	Status in the Family	Head	83	27.70
		Member	217	72.30
	Total		300	100.00
9.	Type of Family	Joint	172	57.30
		Nuclear	128	42.70
	Total		300	100.00
10.	No of Family Members	Up to three	149	49.70
		Four and above	151	50.30
	Total		300	100.00

The above table displays the responder characteristics. The respondents' demographic information is highlighted in the profile. It reveals that 153 (51%) of the 300 respondents are female, reflecting the fact that women predominate in the field of life insurance. Sixty-nine percent of those who filled out the survey were between the ages of 21 and 40. When it comes to respondents' highest level of education, master's degrees were the most common (42.00%), followed by bachelor's degrees (25.30%). Most of the people who answered the survey have at least a master's degree. Furthermore, 55.70 percent of those who participated in the survey had spouses. The majority of responders (37.00%) are city dwellers. Most policyholders work for companies, as shown by their profession categorization. Fifty percent of respondents had annual household incomes between Rs.15000 and Rs.30000. The majority of those who answered the survey identified themselves members. Five seven-point two percent of those surveyed live in nuclear families. It has also been shown that most households have more than four people (50.30 percent).

Table 2: Showing the Age with policyholder's awareness

Age	Level of Policyholder's Awareness			Total
	Low	Moderate	High	
Up to 20	2 (7.70%)	21 (80.80%)	3 (11.50%)	26 (100.00%)
21–40	22 (10.60%)	153 (73.90%)	32 (15.50%)	207 (100.00%)
Above 40	17 (25.40%)	39 (58.20%)	11 (16.40%)	67 (100.00%)
Total	41	213	46	300

There is almost no correlation between age and a person's degree of self-awareness. At the 5% significance level, the calculated chi-square value is greater than the expected value ($\chi^2 = 11.234 > 9.488$). The degree of consciousness has a strong correlation with one's years of life.

Table 3: Showing the Educational Qualification with Policyholder's awareness

Educational Qualification	Level of Policyholder's Awareness			Total
	Low	Moderate	High	
Illiterate	2 (22.20%)	6 (66.70%)	1 (11.10%)	9 (100.00%)
SSLC	4 (11.40%)	23 (65.70%)	8 (22.90%)	35 (100.00%)
H.Sc.,	0 (0.00%)	18 (81.80%)	4 (18.20%)	22 (100.00%)
Under Graduate	13 (17.10%)	54 (71.10%)	9 (11.80%)	76 (100.00%)
Post Graduate	19 (15.10%)	85 (67.50%)	22 (17.50%)	126 (100.00%)
Professional	3 (9.40%)	27 (84.40%)	2 (6.30%)	32 (100.00%)
Total	41	213	46	300

The 5% chi-square level table value is 18.307, and the estimated chi-square value is 10.654, hence the chi-square test accepts the null hypothesis. There is no association between a person's education and their degree of consciousness.

Table 4: Showing the Occupation with Policyholder's Awareness.

Occupation	Level of Policyholder's Awareness			Total
	Low	Moderate	High	
Daily Wage Earners	0	5	1	6
	(0.00%)	(83.30%)	(16.70%)	(100.00%)
Agriculturist	3	26	2	31
	(9.70%)	(83.90%)	(6.50%)	(100.00%)
Employee	13	68	16	97
	(13.40%)	(70.10%)	(16.50%)	(100.00%)
Business	6	23	7	36
	(16.70%)	(63.90%)	(19.40%)	(100.00%)
Professional	4	19	1	24
	(16.70%)	(79.20%)	(4.20%)	(100.00%)
Student	11	50	13	74
	(14.90%)	(67.60%)	(17.60%)	(100.00%)
Housewife	4	22	6	32
	(12.50%)	(68.80%)	(18.80%)	(100.00%)
Total	41	213	46	300

As the estimated chi-square value of 7.701 is less than the table value at the 5% significance level ($\chi^2=7.701$ 21.026), the chi-square test agrees with the null hypothesis. The relationship between employment and knowledge is weak.

Table 5: Showing the Family Income with Policyholder's Awareness

Family Income	Level of Policyholder's Awareness			Total
	Low	Moderate	High	
Up to Rs. 15000	7	19	8	34
	(20.60%)	(55.90%)	(23.50%)	(100.00%)
Rs. 15001 – Rs. 30000	21	106	23	150
	(14.00%)	(70.70%)	(15.30%)	(100.00%)
Above Rs. 30000	13	88	15	116
	(11.20%)	(75.90%)	(12.90%)	(100.00%)
Total	41	213	46	300

In this case, the null hypothesis is accepted since the calculated chi-square value (5.128) is less than the table value ($\chi^2 = 5.127, 9488$) at the 5% significance level. There is little connection between household income and understanding.

Table 6: Showing the Number of Policies with Policyholder's Awareness

Number of Policies	Level of Policyholder's Awareness			Total
	Low	Moderate	High	
One	15	108	18	141
	(10.60%)	(76.60%)	(12.80%)	(100.00%)
Two	12	81	21	114
	(10.50%)	(71.10%)	(18.40%)	(100.00%)
Three	14	24	7	45
	(31.10%)	(53.30%)	(15.60%)	(100.00%)
Total	41	213	46	300

The alternative hypothesis is accepted and the null hypothesis is rejected since the calculated chi-square value is larger than the table value at the 5% level ($\chi^2 = 15.705 > 9.488$). There is a robust relationship between the number of policies and the level of familiarity people have with them. In the table below, you can see how the respondents are broken out in terms of their preferred LIC insurance:

Table 7: Type Of Policy Held By Policyholders Of Lic

Policy type	Number of Policy holders
Endowment type plan	60
Money back plan	75
Term assurance	63
Pension schemes	42
Health insurance	60
Total	300

There are a total of 60 Endowment type plans, 75 Money back plans, 63 Term insurance plans, 42 Pension schemes, and 60 Health insurance plans available to LIC clients (see Table 7).

Findings showed that among LIC policyholders, the Endowment Plan is the most popular, followed by the Money Back Plan, Term Assurance, Health Insurance, and Pension Schemes.

Conclusion

Due to the extraordinary growth in the number of insurance providers, the breadth of available products, and the number of intermediaries involved in selling insurance, the industry has come under intense scrutiny in India in recent years. Although though the insurance industry has been expanding at a healthy rate in recent years, the penetration of life insurance remains far lower in India than in many other countries. It is vital that we invest in our human resources and think creatively about how to build new policies that will be appealing to customers. The current research shows that despite being the most successful public insurance firm in India, LIC of India is under intense competition from new entrants. The Life Insurance Corporation of India (LIC) is struggling in the face of rising competition and shrinking market share. Constant efforts have been made to improve the efficiency and quality of its operations. Increasing people's familiarity with insurance is something the LIC should work very hard at.

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