Policyholders' Level of Gratification towards the Factors of Life Insurance Corporation Products in Tirupur District

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1. Introduction

Life insurance may be defined "as a contract of insurance in which the insurer, in consideration of premium, undertakes to pay a certain sum of money either on the death of the insured person or at the end of a fixed period". It is widely believed that one of the most difficult products to be sold is 'life insurance' and a person who sells life insurance can sell anything else under the sun. There is no gain in saying the fact that selling life insurance is a difficult proposition primarily because what is sought to be marketed is an assurance, a belief and a faith. In life insurance, on the occasion of death, the full sum assured is payable thereby it provides safety and the security to the life of an individual. Life insurance is also useful to the business society. The death or disability of an employee in one's business will prove a more serious loss to that business.

2. Statement of the Problem

The life insurance sector is a fast developing area in Indian financial sector. Until the early 21st century, the Indian life insurance industry was completely in the hands of LIC. There are several players in each of the classes competing with each other to grab the best share and create a niche for themselves. The best thing that has happened is the overall freshness that is perceptible which relates to the insurance business and also the other things attached to it, like the distribution channels, new styles of service delivery and the genesis of new products on the horizon and above all, a whole new set of opportunities for employment in the life insurance sector. Hence, Liberalization, Privatization, and Globalization have made the life insurance industry more competitive and consequently have introduced many radical changes in customers' profile. There is a need for LIC, at this hour, to concentrate more on customer satisfaction and service quality and thereby promote its life insurance marketing.

In this context, an attempt has been made to analyze marketing of life insurance services by Life Insurance Corporation of India in Tirupur district.

3. Objectives of the Study

1) To measure the selection of LIC policies towards the services rendered by Life Insurance Corporation of India in the study area.
2) To examine the attitude of policyholders towards the life insurance services of LIC.
3) To evaluate the level of satisfaction of policy holders towards the life insurance services of LIC.

4. Research Methodology

4.1 Techniques For Data collection

The present study focuses on the policy holders' attitude and services rendered by Life Insurance Corporation of India in Tirupur district. For this purpose, there is a pertinent need to identify the branches of LIC functioning within the Tirupur district. More than ten branches are operating within the limit of Tirupur district. The researcher used sampling method in this study was Non-Probability Purposive Sampling Technique. Non-Probability sampling is that sampling procedure which does not afford any basis for estimating the probability that each item in the population has of being included in the sample.

4.2 Data Processing

After collecting the primary data with the help of a questionnaire, a thorough verification of data was made. Then, editing work was undertaken. Further in order to process the responses of policyholders, a master table was prepared and given a code to indicate each of the information to be used for analysis. Data processing and data analysis was carried out with help of Statistical Package for Social Sciences (SPSS) latest version.

4.3 Statistical Tools Used

The primary data gathered from the respondents were analyzed and presented in the form of tables, Bar charts and Pie diagrams are used. The total statistical test in this study was carried out at 5% and 1% level of significance. In this present study the following statistical tools are used. Factor analysis, Structural Equation Modeling (SEM Analysis)

5. Limitations of the Study

1) This study has been carried out mainly in Tirupur District. Therefore, the results obtained may not be pertinent to the country as a whole.

2) The present study has been confined to life insurance services of Life Insurance Corporation of India ignoring the private life insurance companies. This cannot be a generalization of the finding and the results may not be implied conclusively to the whole life insurance services.

3) This study concentrates only on regular life insurance services. It has not taken into account the investment and social welfare services.

6. Review of Literature

Ramanathan (2011) conducted "A Study on Policy holders Satisfaction with Reference to Life Insurance Corporation of India, Thanjavur division". The study has revealed that the level of satisfaction in Thanjavur division of LIC was appreciable. Compared to private insurance companies the customers are highly satisfied with the services of LIC. Policyholders choose insurance policies by keeping in mind the factors such as tax benefit, future of the children, and risk. In spite of various schemes introduced by different insurance companies the expectation of the policyholders remained countless and they expected courteous, prompt and quick services from the companies. The LIC is found to be well positioned compared to other competitors in providing good service, and long range growth of investment in the insurance products.

Bodla B.S and Kuldeep (2012) explored "The Service Quality Expected and Perceived by the Customers of ICICI Prudential Life Insurance Company". Exploratory and descriptive research designs were adopted. The study revealed that there is a significant gap between the expected and actual service qualities as perceived by the policyholders from ICICI prudential Life insurance company. There is a high requirement of service quality and quality customer service for meeting the expectations of the customers in all the selected dimensions.

Sridevi (2012) made "A Study of Consumer Behavior towards Endowment Policy of Life Insurance Corporation of India in Perambalur district, Tamil Nadu". The researcher applied survey method for the study and primary data were collected 33 from 980 respondents who were selected through stratified simple random sampling procedure. The study reported that the customers prefer LIC for its high reliability. It is noted that there is only moderate level of awareness among the policyholders. The policyholders in majority of the cases depended on the agents and development officers in choosing the endowment plans. The literacy rate of policy holders in Perambalur district was moderate and the income level was low. Most of the policyholders have chosen Endowment plan, Jeevan Anand, endowment with profits, marriage endowment/education annuity profits, Jeevan Chayya, Limited payment with profits and Jeevan Saathi. The satisfaction level of policyholders in Perambalur district was found to be satisfactory. Majority of the policyholders expressed favorable opinion towards the attributes namely prompt information, extent of services and risk coverage aspects. Most of the policyholders have not switched over to other private insurance companies. The LIC has strongly developed its own platform and its brand identity even though there are more competitors in the market.

Manivel (2013) has studied "Perception of the General Insurance Policy Holders on the Services offered by Private Sector General Insurance Companies in Coimbatore district". This research attempted to identify the factors that influence the service offered by the private sector general insurance companies in the selected district. This is an empirical study based on survey method. The respondents were selected by adopting by simple random sampling method (lottery method). The primary data were collected from 1000 policyholders. The study revealed that the insurance as a risk management device served individuals and the special groups of individuals. The insurance sector is the strong tool for stimulating economic growth of the individuals and thereby the country. The performance of Indian Private Sector general Insurance Industry has been continuously showing increasing trend from 2005-06 to 2011-12. Perception of the respondents on the quality of services offered by the private sector general insurance companies in India is reported to be moderate. Satisfaction derived by the respondents on the premium related factors and services from the private sector general insurance companies in Coimbatore district is also moderate. The study recommended that the level of satisfaction of the policyholders can be improved by offering better, diversified and customized products that fulfil the needs and wants of the policyholders. Introduction of user friendly technologies, arranging for professional expert's advice, and also creating the trust among the people would help the insurance business to grow to high levels.

Rani Lakshmi (2014) surveyed the "Determinants of Service Satisfaction among Policyholders of Life Insurance Corporation of India". The primary data were collected from 600 respondents (359 urban and 241 rural respondents). The study revealed that both rural and urban policyholders depended heavily on the agents for their insurance needs. The loyal customers who are committed to a brand act as an alternative source of information in helping others make brand decisions. LIC could achieve its mission of widening the spread of insurance by strengthening the corporate planning and by abiding commitment to improved and quality services to the policyholders. 35 **Venkataramani, Mohan Kumar and Brinda (2015)** conducted "A Study on the Attitude of Consumers and Insurance Agents towards the Proposed Increase in Foreign Direct Investment (FDI) in the Insurance Sector in India". Descriptive research design was adopted. The primary data were collected from 157 respondents who were selected by adopting non-probabilistic convenience sampling technique. It revealed that for increasing the FDI cap in insurance the customers have welcomed government decisions. The insurers expect more options in the product portfolios and also better service which is made possible if FDI is encouraged. To sum up, from the foregoing review of various research theses, and articles on the customer preferences it is found that (i) the literacy rate of policy holders is moderate; (ii) the main purposes of buying policies were to ensure the safety of the family, death protection and for tax benefit; (iii) the customers look for more service quality and reputation of the company; high level of transparency and extra coverage;

(iv) most consumers act rationally under the influence of factors such as media coverage;(v) many customers have different expectations from the general insurance company; (vi) promotional measures should be made relevant to different segments; (vii) there has been severe lack of trainers in the field of insurance; (viii)the insurance companies should provide traditional and innovative products to customers by procuring insurance coverage and long term savings through agents; and (ix) the customers of life insurance industries are moderately satisfied.

Balusamy and Kavitharani (2016) carried out a study entitled "Satisfaction Level of Policyholders in LIC"s Service with reference to Coimbatore District". The researchers has utilized structured questionnaire for collection of data from 400 respondents. The study publicized that majority of the respondents have high level of satisfaction on explaining about new products and on premium charged, compliance of terms and conditions of policy and administrative & other charges. It is also found that the policyholders have medium level of satisfaction on clarifying doubts and on realizing maturity value.

Mehrdad Asghari and Harish Babu (2017) investigated "Understanding of Customer Expectations and Perceptions of Indian Health Insurance Companies". They have reported that the expectations of the health insurance customers are more when compared with their perceptions. The service quality offered by the health insurance companies are found to be weak among the customer's expectations. The study has been concluded with the suggestion that health insurance managers have to be aware of the fact that the quality of offered services in all service quality constraints through the customers point of view is estimated to be in low level of quality. The health insurance managers have to attempt to decrease these gaps and consequently steps have to make an effort to change these gaps positively.

Gautam Kohli (2018) evaluated the "Consumer Satisfaction from Product and Policies of Life Insurance Corporation of India". The data were collected from 200 respondents, and reported that majority of the customers are satisfied with the services provided by LIC. Maximum number of customers prefers LIC as their life insurance company with the trust and also felt that LIC and its products are necessary in their life. The author also noted that customers of Life Insurance Corporation of India believe in better service and good assistances on their Investment. Hence Life Insurance Corporation of India should attempt to give good service and assistance to the customers in long term.

Customer satisfaction helps to understand the expectations of the customers and their views on the insurance products. The previous reviews have examined the various levels of customer satisfaction in the aspects of financial planning and practicing, needs and demands of the customers and services provided by the insurance companies. The studies were undergone on the basis of the aspects of tangibility, reliability, responsiveness, assurance and empathy. The studies have also exposed that in some cases the customers are expecting more quality services from the insurance companies.

Santana Fernandes and Filipe Rodrigues (2019) have studied "Prioritisation of Service Quality in the Life Insurance Industry". The data were 37 collected from 898 respondents by distributing questionnaire. The study brought forth that the private insurance providers offer better services and assurance is ranked number one as per the customers" awareness followed by tangibles. The highest ranking was assigned to empathy dimension of service quality. The study concluded with the suggestion that the insurance providers have to continuously observe its quality of services and work towards the satisfaction of the policyholders. Better emphasis should be placed on extent of empathy, reliability and responsiveness. The employees and advisors could be trained to reach out to the customers and make each service to meet an agreeable level of expectations.

Suguna and Renuka (2020) Insurance has a significantly impact on the economic development of the nation. The LIC provides sustainable services to the poor people for improve the standard of living in society. The underprivileged citizens are requiring toward a few plane of safeguard beside peril. Owing toward growing the consideration on behalf of peril administration with community safety inside the framework of deficiency decline strategy is follow into upward county. Assurance is one of the backbones of a country's peril administration structure. The indemnities providers offer a diversity of yield to persons in arrange to offer defense beginning peril and to make certain the economic safety measures. It besides helps designed for the draft of investments and as long as fiscal maintain while required the insurance diligence cover micro insurance policies. The present article displays an investigational and methodical learn to have been through amid the purpose toward identify the attitude of policyholders towards micro insurance scheme in Salem district. Designed for this use samples of 398 policyholders are preferred through by simple random technique. The outcome is discussed base resting on the expressive reveal to facilitate policyholders attitude considered level of variables. End to LIC of India be supposed to get the essential pace to pick up the low income people of benefit and initiation innovative products of micro insurance policies.

Jesintha Rani (2021) The present study analyzes the attitude of policyholders of Life Insurance Corporation of India with special reference to Perambalur district, the data were collected and analysed as per the requirement of the study. The primary data were collected from the respondents through questionnaire method. The study has adopted convenience sampling method for selecting 454 respondents. The results revealed the fact that the factors, income, education, occupation and awareness have influenced the level of attitude of the policyholders. It is concluded that the customers' attitude should be the main focus of any service firm industries and also especially to the Life Insurance Company. From this research, it is found that policyholders' attitude towards policies provided by LIC. This result will be in customer retention leading to improved profitability and growth of the Life Insurance Company. It is suggested that LIC should create awareness amongst policyholders about easy procedures for claims, timely claim settlement and full claim settlement.

7. Factor Analysis

7.1 Factors Influencing the Selection of LIC Policies

It could be found from the factor analysis that the selected 20 variables related to factors influencing the selection of LIC policies in Tirupur District into two major factors representing Agents helpful to Selection of LIC Policies and LIC Products and Schemes helpful to Selection of LIC Policies for selected policy holders is predicted from 0.362 unit increases of Agents helpful to Selection of LIC Policies and 0.182 unit increases of LIC Products and Schemes helpful to Selection of LIC Policies among the selected policy holders in the study area and these two factors are having significant impact on the overall factors influencing the selection of LIC policies in the study area. Further, among the two factors, Agents helpful to Selection of LIC Policies is one of the major factor than the LIC Products and Schemes helpful to Selection of LIC Policies to influencing the selection of LIC policy in Tirupur District.

7.2 Attitude of Policy Holders about Life Insurance Products of LIC

It is evident from the factor analysis that the selected 20 factors related to the attitude of policy holders about life insurance products of LIC into three major factors representing attitude of policy holders based on sales promotion techniques, relationship of agents and policies and claims and noticed that the attitude of policy holders about life insurance products of LIC is predicted from 0.343 unit increases of Attitude of Policy Holders based on Sales Promotion Techniques and 0.270 unit increases of Attitude of Policy Holders based on Relationship of Agents and 0.248 unit increases of Attitude of Policy Holders based on Policies and Claims of the factors influence the attitude of policy holders about life insurance products of LIC and these three factors are having significant impact on the overall factors control the attitude of policy holders about life insurance products of LIC. Moreover, among the three factors, attitude of policy holders based on sales promotion techniques is one of the major factor than the attitude of policy holders based on relationship of agents and policies and claims of life insurance products of LIC in the study area.

7.3 Level of Satisfaction towards the Factors of LIC Products

The results from the factor analysis that the selected 40 factors related to level of satisfaction towards the factors of LIC products into comprise the four major factors representing the level of satisfaction related to payments of policies, claims and settlements, promptness of policies and benefits of policies. It is noticed that the factors of LIC products is predicted from 0.583 unit increase of Satisfaction related to Payments of Policies, 0.714 unit increases of Satisfaction related to Claims and Settlements, 0.240 unit increases of Satisfaction related to Promptness of Policies and 0.614 unit increases of Satisfaction related to Benefits of Policies. In this connection, the level of satisfaction towards the factors of LIC products and these four factors are having significantly impact on the overall level of satisfaction towards the factors of LIC products in Tirupur District. Further, among the four factors, satisfaction related to claims and settlements is one of the major factor than the other factors related to satisfaction related to payments of policies, satisfaction related to promptness of policies and satisfaction related to benefits of policies in LIC products in the study area.

7.4 Structural Equation Modeling (SEM)

As from the path diagram measured variables with latent variables of Level of Satisfaction towards the factors of LIC Products in the study area is having positive relationship and also significance at 1 and 5 per cent level. The analysis of the model, from the viewpoint of the considerable level of satisfaction towards the factors of LIC products, the researcher suggests that all the measured variables are significantly impact of Level of Satisfaction towards the factors of LIC Products in the selected study area.

8. Suggestions

1) LIC has to review the schemes and plans from time to time and modify them according to the needs of the public The need of the hour is to introduce innovative policies that have multi-benefits including tax benefits with quality based timely customer services.
2) LIC has to adjust the rate of premium and bonus rate to compete the private insurers to retain the existing policyholders and attract the new policyholders. Accepting of premium at any branch of LIC of India may be considered.
3) Viral marketing may be resorted by LIC in order to market more number of policies and create awareness about the innovative products and services.
4) Awareness programmes have to be organized about the schemes through seminars, trade fairs, visual media, film shows, mobile and publicity vans to the policyholders.
5) LIC may access the policyholders through mobile phones or e-mail for announcing new schemes and for describing different procedures for payment of premium.
6) Self Help Groups and Non-Government Organizations may be appointed as agents and facilitators especially for rural areas.

9. Conclusion

The researcher has been careful to examine the changing ambience of the LIC of India, after the system of Indian Government. At present the LIC of India has lost its monolithic monopoly and the disconcerting indifference to public criticism. The entry of foreign companies has given it a serious jolt. In the face of cut-throat competition, the LIC of India pressurized to put its best foot forward. This has proved a real boon to the policyholders. Currently the LIC of India is coming out with innovative and self-sufficient measures that are mutually beneficial to the Corporation and its customers.