

A Study on Customer Perception towards Life Insurance Policies With Reference To Rural Areas in Madurai District

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Abstract: Life insurance is one of the most important sectors in India. Insurance infiltration in all over the country is low mainly in rural area. The present study was conducted to identify the customer perception on life insurance policies with reference to service quality. Service quality was analyzed using its dimensions that are reliability, responsiveness, assurance, empathy and tangibles. The main objective of this study is, to study on life insurance policies and to explore customer perception with life insurance policies. Data were collected in convenience sampling method. Research design is descriptive study, statistical tool is simple percentage analysis. Reliability of the respondents are in Madurai district. Future study of this paper will be elaborated.

Keywords: Life Insurance Policy, Customer Perception, Service Quality Dimensions

I. INTRODUCTION

Life insurance is a contract between an insurer and insurance policy holder, where the insurer promises to pay a designated beneficiary a sum of money in exchange for a premium, upon the death of an insured person. Life policies are legal contracts and the terms of the contract describe the limitations of the insured events. Specific exclusions are often written into the contract to limit the liability of the insurer. Difficulties may arise where an event is not clearly defined. More than a billion people, national and international insurance firms, see India as a market place for excellent opportunities and large business. Privatization witnesses a drastic change in the insurance industry, and most private insurance firms have joint ventures with internationally recognized players around the world.

II. OBJECTIVE OF THE STUDY

1. To study on life insurance policies.
2. To explore the customer perception with life insurance policies.

III. LITERATURE REVIEW

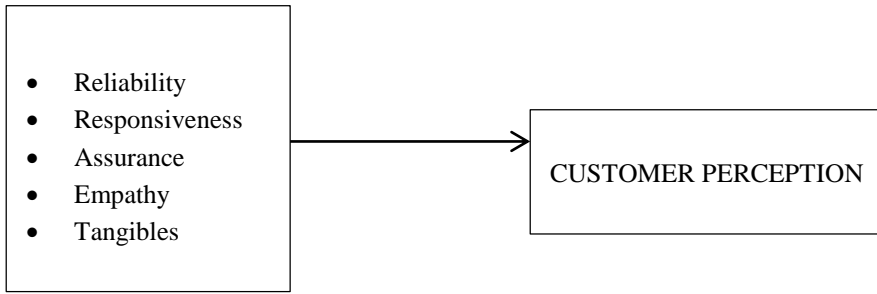
Chaudhary et al. (2016) have reported that the various factors that affect the consumer perception towards life insurance policy found that there are six factors i.e. customized and timely services, better company reputation, effective service quality, customer convenience, tangible benefits and healthy customer client relationship that influence the consumer perception by using the descriptive and factor analysis statistical techniques.

Banana et al. (2018) stated that the changing efficiency levels of the claim management in the changing scenario of insurance sector. This study examines the growth and development of LIC in India by using both primary and secondary data.

Jeyalakshmi MS (2018) stated that the preference of customers while life policy investment decision-making. In this study the data were collected into both primary and secondary sources. It is mainly focused on the factors for taking life insurance policies in virudhunagar district.

Chadhok et al. (2018) have reported that the customer preference towards life insurance policies focusing on the investment avenues, tax saving, risk coverage and brand reputation and his study was in descriptive in nature, data were collected through questionnaire and analyzed by the Chi-square test.

IV. FRAME WORK



V. RESEARCH METHODOLOGY

The present study is descriptive type of research study. In order to conduct this study, 40 policy holders of Madurai district have been surveyed and questionnaire method was used for data collection. Percentage analysis method is to represent raw stream data as a percentage (a part in 100%) for better understanding of collected data.

VI. DATA ANALYSIS AND INTERPRETATION:

Table No: 1

S.NO	FACTORS	NO OF RESPONDENTS	PERCENTAGE
1	1	29	72.5
2	2	8	20
3	3	2	5
4	4	1	2.5
5	More than 4	0	0
	Total	40	100

Figure No: 1

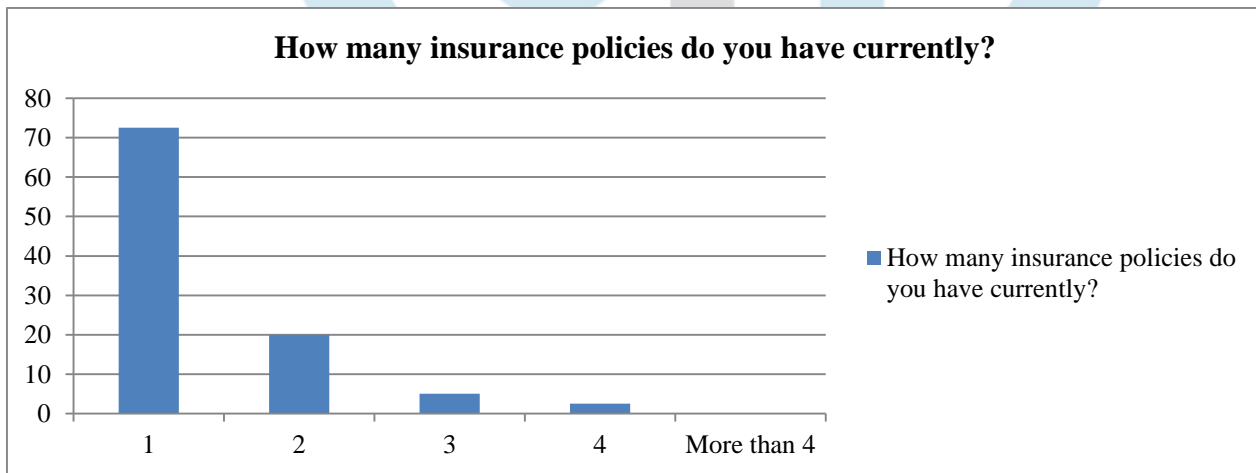


Table No: 2

S.NO	FACTORS	NO OF RESPONDENTS	PERCENTAGE
1	Savings Policy	26	65
2	Endowment Policy	1	2.5
3	Money back Policy	4	10
4	Whole life Policy	5	12.5
5	Term insurance Policy	4	10
	Total	40	100

Figure No: 2

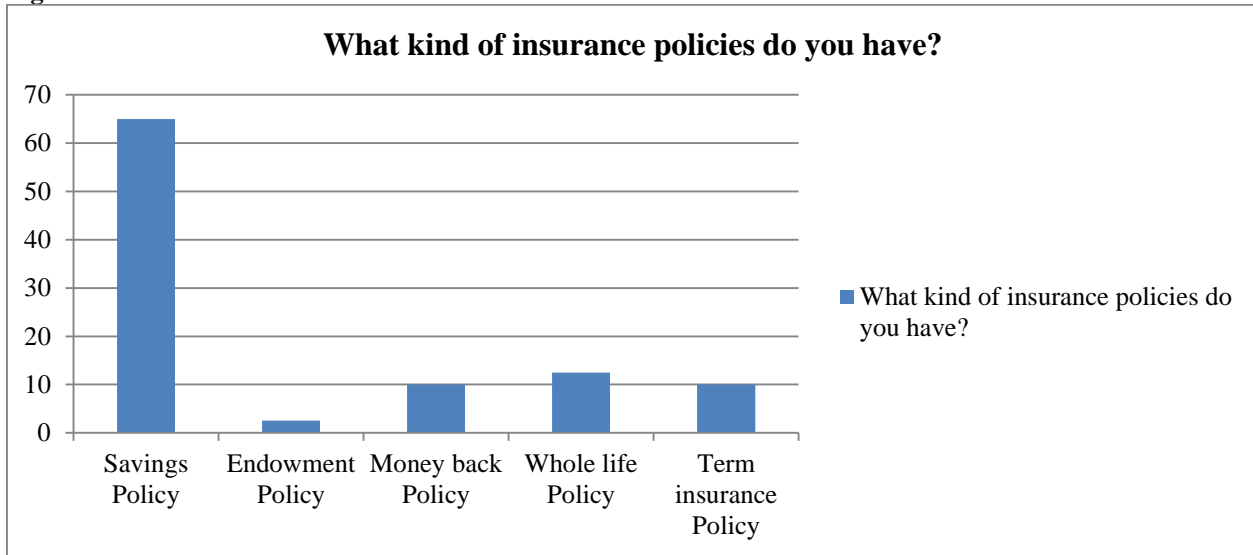


Table No: 3

S.NO	FACTORS	NO OF RESPONDENTS	PERCENTAGE
1	Savings	20	48.78
2	Tax saving purpose	0	0
3	Enhance the standard of living	4	9.76
4	Securing a life	15	36.59
5	Business planning	2	4.88
	Total	40	100

Figure No: 3

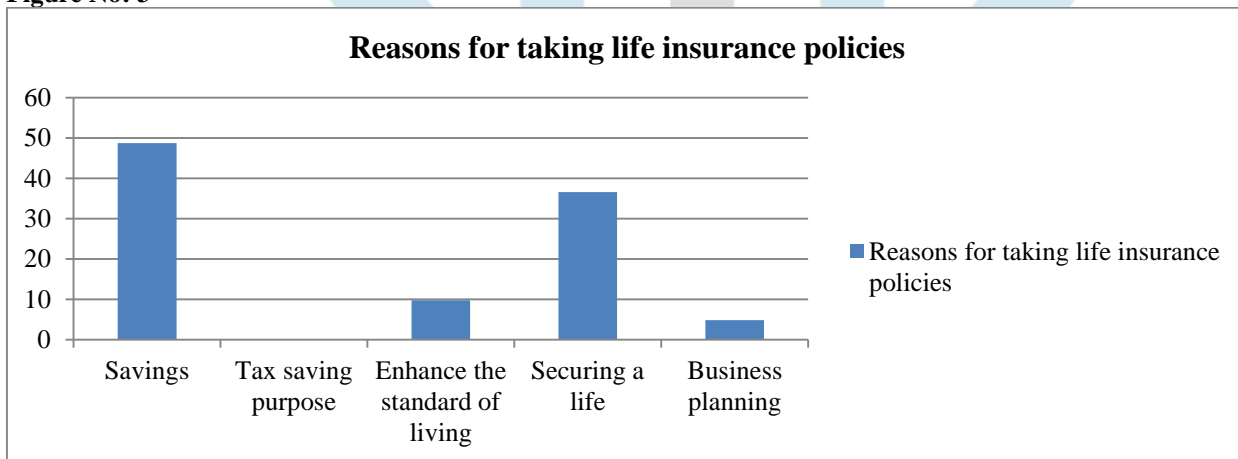


Table No: 4

S.NO	FACTORS	NO OF RESPONDENTS	PERCENTAGE
1	Advertisements	4	9.76
2	Agents	16	39.02
3	Relatives/Friends	17	41.46
4	Neighbors	3	7.32
5	Social media	0	0
	Total	40	100

Figure No: 4

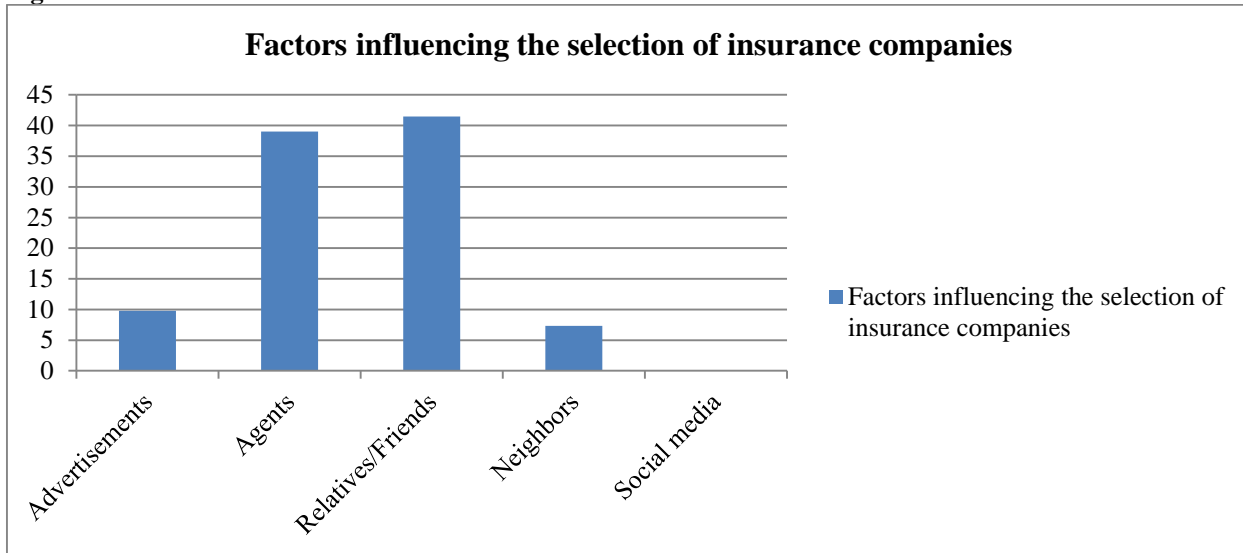


Table No: 5

S.NO	FACTORS	NO OF RESPONDENTS	PERCENTAGE
1	Strongly Agree	17	41.46
2	Agree	21	51.22
3	Neutral	2	4.88
4	Disagree	0	0
5	Strongly Disagree	1	2.44
	Total	40	100

Figure No: 5

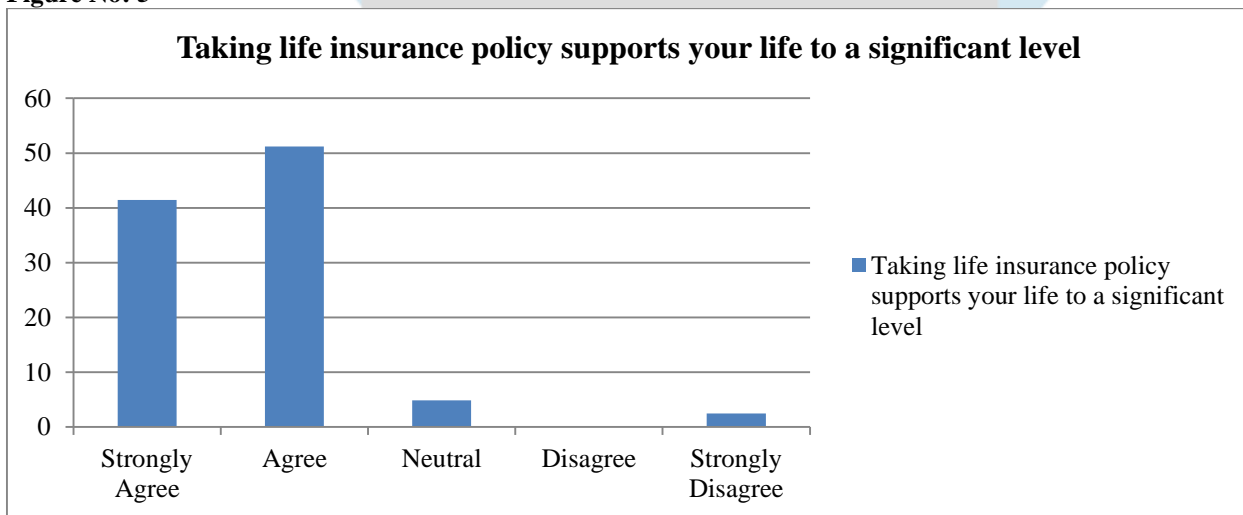


Table No: 6

S.NO	FACTORS	NO OF RESPONDENTS	PERCENTAGE
1	Strongly Agree	13	31.71
2	Agree	21	51.22
3	Neutral	7	17.07
4	Disagree	0	0
5	Strongly Disagree	0	0
	Total	40	100

Figure No: 6

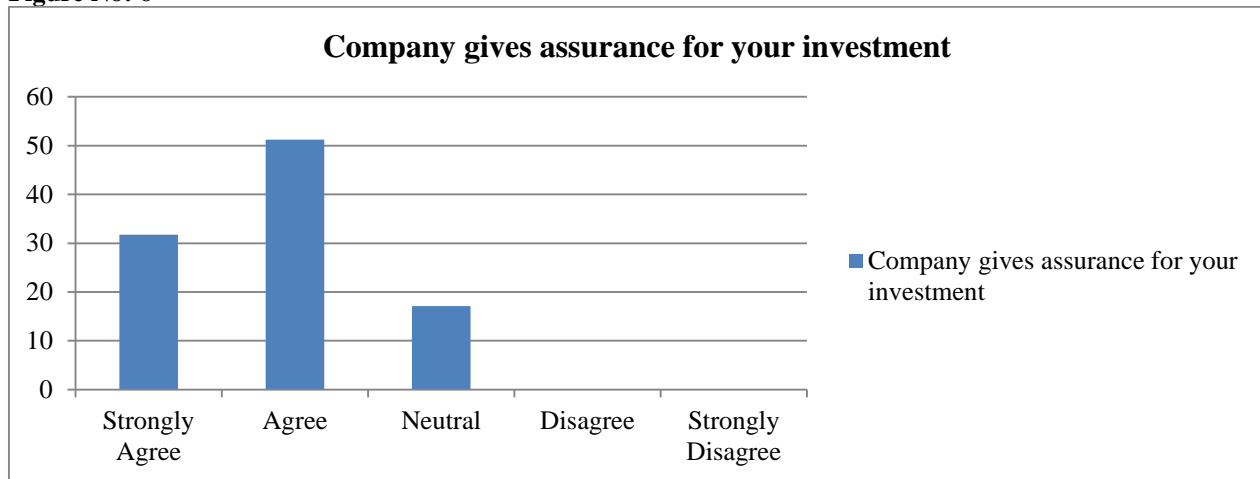


Table No: 7

S.NO	FACTORS	NO OF RESPONDENTS	PERCENTAGE
1	Very high	8	19.51
2	High	21	51.22
3	Neutral	10	24.39
4	Low	0	0
5	Very low	2	4.88
	Total	40	100

Figure No: 7

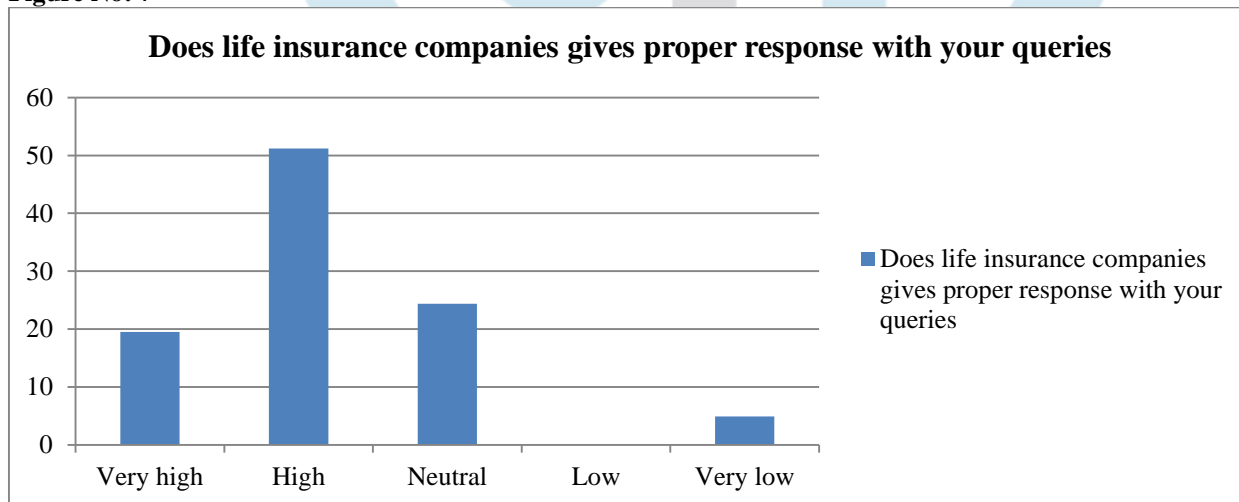
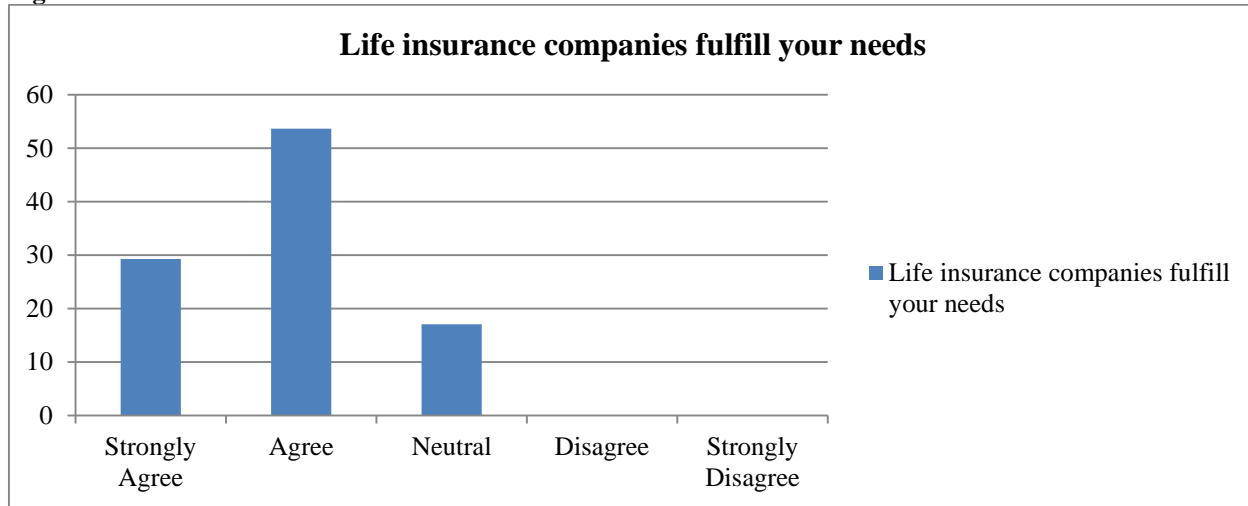


Table No: 8

S.NO	FACTORS	NO OF RESPONDENTS	PERCENTAGE
1	Strongly Agree	12	29.27
2	Agree	22	53.66
3	Neutral	7	17.07
4	Disagree	0	0
5	Strongly Disagree	0	0
	Total	40	100

Figure No: 8



VII. FINDINGS

1. Majority of the respondents are taking savings policy (65%).
2. Majority of the respondents take life insurance policies for the savings purpose (48.78%).
3. Majority of the respondents are influenced by relatives/friends for selection of insurance companies (41.46%).
4. Majority of the respondents agree that taking life insurance policy supports our life to a significant level (51.22%).
5. Majority of the respondents agree that company gives assurance for our investment (51.22%).
6. Majority of the respondents highly agree that life insurance companies gives proper response for our queries (51.22%).
7. Majority of the respondents agree that life insurance companies fulfill our needs (53.66%).

VIII. CONCLUSION

There was a strong positive relationship between life insurance companies and their clients. Service quality dimensions were internally consistent and further describe the better predictive ability in the percentage analysis. There were other factors than service quality in life insurance policies that could be affecting to customer perception.

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