

A STUDY ON CUSTOMER SATISFACTION TOWARDS LIFE INSURANCE CORPORATION WITH SPECIAL REFERENCE TO SAURASHTRA REGION

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ABSTRACT

Risk is found universal. Risk cannot be eliminated together but it can be minimized together. The involvement of risk is unpreventable. Security has been a universal desire right from the earliest civilization. In the past, the people were not well aware about life investments in it. Even companies didn't know much about customers due to low competition in the market. But with the passage of time, the scenario has been change. Now, new products, Package, Various types of schemes etc. have been provided to the customers. Therefore, it becomes increasingly more difficult for customers to select the product, schemes etc. and also to select Life Insurance Companies because due to growing demand for insurance. More and more insurance companies are now emerging in Indian insurance sector. Life Insurance Sector are playing important role in development of Indian economy like increase employment, generates Financial resources, Promotes economic growth etc. Life Insurance business is done by LIC of India and Private Companies of Life Insurance.

KEYWORDS: *Customer Satisfaction, Customer, LIC, Economic Growth, Financial Resources.*

Introduction

Human beings are exposed of various kinds of risk of uncertain. Risk are uncertain They cannot be eliminated, but can be managed and reduced significantly with the help of Insurance. Insurance is the way of transferring a loss from one person to another person or institution in exchange of payment. Insurance is a means to minimize future uncertainty and financial losses. Acting as a risk transfer mechanism is the primary function of Insurance.

In a competitive market, where businesses compete for customers, customer satisfaction is seen as the main differentiators and increasingly has become a key element of business strategy. A framework or set of ideas for utilizing the potential of public sector privately provided services in vulnerable communities and customer satisfaction principles and strategies to improve quality response

Insurance Sector in India

At the end of March 2019, there are 60 registered insurance companies in India. Out of 60 insurance companies 24 are there life insurance business.34 are in non – life insurance business and GIC is the sole national reinsurer. And among the non – life insurance companies there are 6 public sector companies , witch includes two specialized insurers namely Agriculture Insurance company ltd for crop Insurance and export credit guarantee corporation of India for credit insurance.

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Number of Registered Insurance Companies in India

Types of business	Public sector	Private sector	Total
Life Insurance	01	23	24
Non - Life Insurance	05	29	34
Re insurance	01	01	02
Total	07	53	60

Life Insurance Companies in India

There are currently, a total of 24 life insurance companies in India. Of these life insurance corporation of India (L.I.C) IS THE ONLY PUBLIC SECTOR Insurance company All others are private insurance companies Many of these are joint ventures between public/private sector banks and national /international insurance – financial companies.

Private life insurance companies in India got access to the life insurance Sector in the year 2000. Most private players have tied up with international insurance giants for their life insurance foray.

Life Insurance Corporation of India

Life insurance Corporation of India is an Indian State owned insurance group and Investment Corporation owned by the government of India. The Life Insurance Corporation of India was founded in 1956 when the parliament of India passed the Life Insurance of India Act that nationalized the insurance Industry in India.

As of 2019, it had total life fund of Rs. 282832012 Crore And total number of policies sold coming in at Rs.214.33 lakh that year (2018-2019).LIC settled 259.54 lakh claims in 2018-2019. LIC has 29 crore policy holders.

Statement of the Problem

Investors are confused due to the availability of many policies, packages and schemes in the present times. So this study will help the customers to understand their needs and level of satisfaction and vision about life insurance policies in the context of a Life Insurance Corporation.

Objectives

- To know about the socio-economic profile of the insurance investors.
- To know the customer's preference towards life insurance policies.
- To know the awareness of the people about life insurance policy offered by LIC.
- To find the level of customer satisfaction of the life insurance policy offered by LIC.
- Knowing the factors that influence customers to choose a life insurance policy provided by LIC.

Review of Literature

Ms.Babita Yadav and Dr. Anshuja Tiwari published in International Journal of marketing, Finance Services & Management Research – July-2012 in their paper titled “ A study on factors affecting customers investment towards life insurance policies “ well explained the consumer decision to purchase life insurance product from different insurance companies can be affected by several factors.

Ms. Pooja Puri and Dr. Harinder Singh Gill carried out a study entitled, “ A Comparative Study of LIC and Private Insurance Companies” to analyse that LIC respondents are more satisfied with policy which they have taken as compared to private. The experience of the LIC respondents is good as compared to the private respondents.

Dr. Ruchi Jain (2018) in her study entitled, “ Customer Satisfaction towards service of Life Insurance Corporation with special reference to jaipur city” reveal that loan process and interest rates for policy holder is most significant factor for customer satisfaction.

Dr. C Selvarani and A Riswana Parveen in their article on, “A study on customer satisfaction towards LIC with special reference to Villupuram town” reveal that company image is to be the highly important criteria, which we consider before taking up a Life Insurance this is mainly because people expect safety and security for their money which they invest.

Research Methodology

Methodology is the general research strategy that outlines the way in which research is to be undertaken and, among other things, identifies the methods to be used in it. Research Methodology is the specific procedures or techniques used to identify, select process and analyse information about a topic.

In this research, Primary Data has been collected by framing a questionnaire and Secondary Data has been collected from the external sources like annual reports, articles and journals.

- **Sample Unit:** The sample unit selected for the study is customer of LIC
- **Sampling Size:** Total 150 respondents are taken as a sample of survey
- **Sampling Method:** Non-probability sampling technique are considered.
- **Statistical tools & techniques**
 - Percentage Method
 - Chi – square Analysis
 - Weighted Average Method

Data Analysis and Interpretation

Table 1: Premium Spend for Life Insurance

Particular	No. of Respondents	Percentage
Rs. 5000	43	29
Rs. 5000 to 10000	58	39
Rs. 10000 to 15000	23	15
More than 15000	26	17

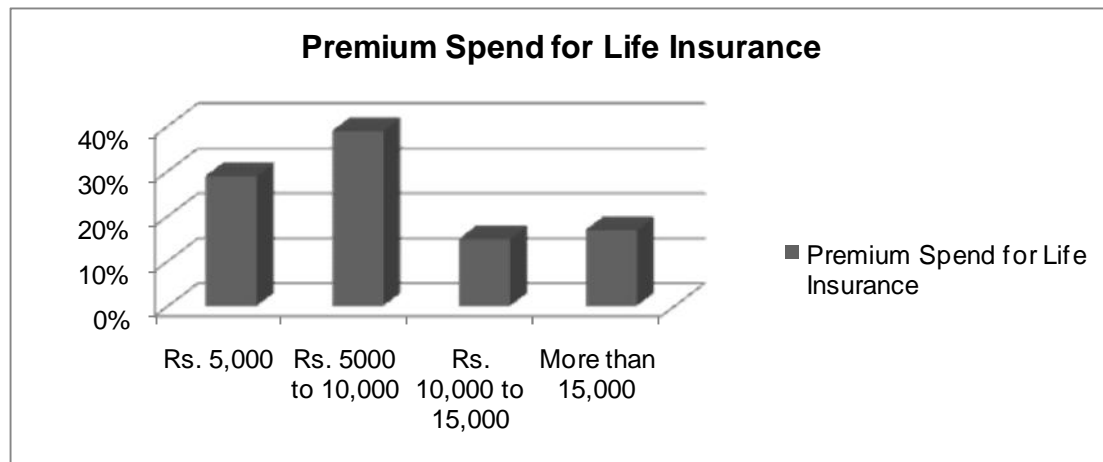


Table no-1 is indicates that 39% of the respondents spend Rs. 5000 to 10000 in the Life Insurance policy. 29 % of the respondents spend their money in life insurance Rs.5000. Remaining respondents spend their money more than 10000.

Table 2: Purpose of Purchasing Life Insurance Policy

Particulars	No. of Respondents	Percentage
Risk Cover	34	22.67
Tax Benefits	47	31.33
Future Income	27	18
Saving Purpose	14	9.33
Agent Pressure	09	6
Children's Benefits	19	12.67

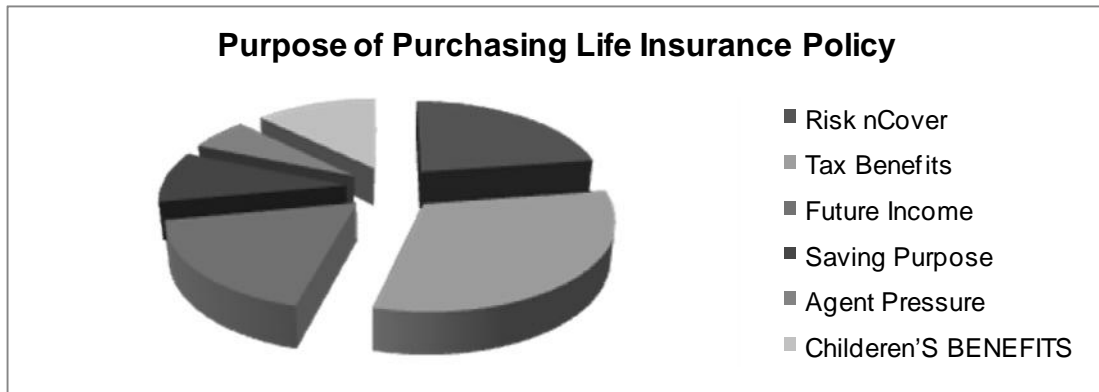


Table 2 is indicate purpose of purchasing life insurance policy, maximum 31.33% of the respondents purchase life insurance policy for the purpose of tax benefits. 22.67% of the respondents purchase policy for the purpose of risk cover. 18% of the respondents purchase for the purpose of future income. 9.33% of the respondents purchase policy for the purpose of saving. Remaining respondents purchase policy for the purpose of children's benefit or agents pressure.

Table 3: To Continue to Keep the Policy from LIC for a Long Time

Factors	No. of Respondents	Percentage
Strongly Agree	27	18
Agree	68	45
Neutral	30	20
Disagree	18	12
Strongly Disagree	7	5

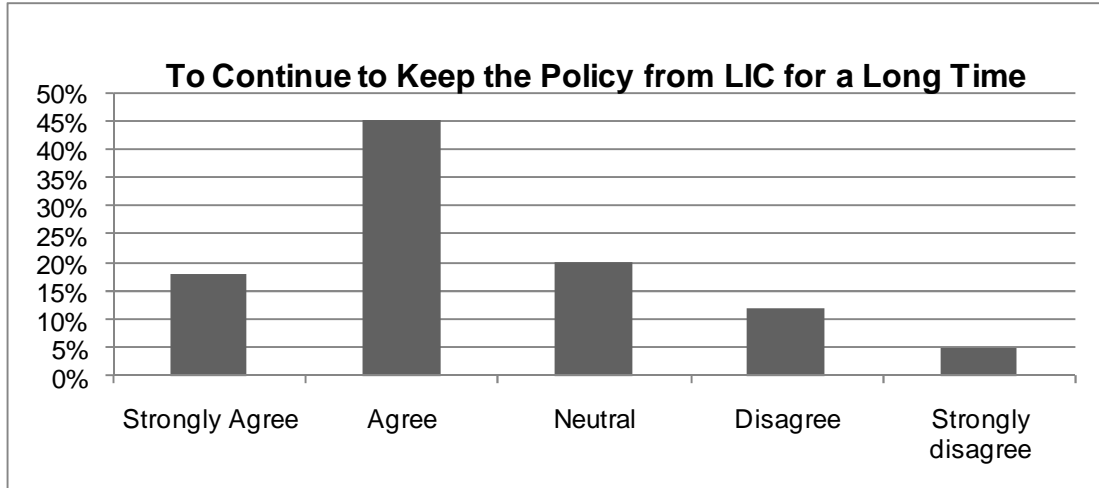


Table 3 is indicates that 45% of the respondents are agree to keep the policy for a long time. 20 % of the respondents are neutral, 18 % respondents are strongly agree to keep the policy. Remaining 12% and 5% of the respondents are Disagree or strongly disagree respectively.

chi-Square Analysis

Analysis between overall customer satisfaction and gender of respondents

H₀: There is no significant difference between overall customer satisfaction and gender respondents.

H₁: There is significant difference between overall customer satisfaction and gender respondents

Table 4: Tabulation of the Data

Particulars	Strongly Satisfied	Satisfied	Neutral	Dissatisfied	Strongly Dissatisfied	Total
Male	36	42	06	15	09	108
Female	23	11	03	03	02	42
Total	59	53	09	18	11	150

Table 4: Chi-Square Table

Particulars	Observed value	Expected value	(O – E)	(O – E) ²	(O – E) ² /E
Male/ S.S	36	42.48	- 6.48	42	0.99
Male/satisfied	42	38.16	3.84	14.75	0.3865
Male/neutral	06	06.48	- 0.48	0.23	0.0355
Male/dissatisfied	15	12.96	2.04	4.16	0.3210
Male/ S.D.	09	07.92	1.08	1.17	0.1477
Female/S.S	23	16.52	6.48	42	2.54
Female/satisfied	11	14.84	- 3.84	14.75	0.99
Female/neutral	03	02.52	0.48	0.23	0.0913
Female/dissatisfied	03	05.04	- 2.04	4.16	0.8253
Female/ S.D	02	03.08	- 1.08	1.17	0.3710
Total	150	150			6.6983

Degree of freedom= $(r - 1) * (c - 1)$

= $(2 - 1) * (5 - 1)$

= 4

Hypothesis Testing

Level of significant – 5%

Degree of freedom = 4

Table value of Chi-Square (critical value) = 9.49

Calculated Chi-Square value = 6.70

Interpretation

Null Hypothesis(H₀) is accepted.

Table value is larger than calculated value. So there is no significant difference between overall customer satisfaction and gender respondents.

Findings of the Study

- Demographical factor like gender not influence the services of LIC.
- 32% of the respondents spend 10,000 or more than 10,000 in life insurance policy. That means now in days people are aware about the benefits of the life insurance and also fulfill their saving purpose.
- 31.33% of the respondents purchase life insurance policy for the purpose of tax benefits and 22.67% of the respondents purchase life insurance policy for the purpose of risk cover.
- 12.67% of the respondents purchase life insurance policy for the purpose of Children's benefits.
- LIC is a most trustful company for the investment for the people. So they are very comfortable with the LIC life insurance policy.
- 45% of the respondents are agree to keep the policy from LIC for a long time.
- Most of the respondents are satisfied with the services of LIC.

Suggestions

- Very few respondents purchase policy for a children's benefits. So LIC should therefore issue policy that more beneficial for the children.
- LIC should issue a policy that can provide maximum compensation to the respondents in the future.

- Overall service quality has the strongest influence on customer satisfaction. So, LIC should try to provide the best service quality to the customer.
- Steps should be taken to spread awareness about LIC products among customers.
- Innovative life insurance plans should be implemented to attract the attention of consumers.

Conclusion

In today's world of competition, customer satisfaction is an important aspect. Life Insurance Corporation is at the top compared to other insurance companies. LIC fulfill the needs of the people and also provide saving purpose with the security. Insurance sector is vast in India , it is providing many services and product to the customer as per required. Insurance sector increased employment, boostEconomy, provide financial support to economy development. Also provide security and risk cover to the life of human being.

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