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## A STUDY ON POLICY - HOLDERS SATISFACTION OF LIFE INSURANCE CORPORATION OF INDIA

**MISS.SONAM KARKUN TAJANE**

Ph.D. Research Scholar,  
Arts, Commerce & Science College,  
Narayangaon, Pune.  
Savitribai Phule Pune University, Pune

**DR.S.D.TAKALKAR**

Professor & Head Dept. of Commerce,  
Arts, Commerce & Science College,  
Narayangaon, Pune.  
Savitribai Phule Pune University, Pune

### ABSTRACT

Life insurance has become one of the necessities of human life. It offers financial security to the policyholder and/or his/her dependents in the event of his premature death or untoward disablement arising out of accidents. As death of the bread earner creates severe financial problem for the dependents and as the permanent physical or mental disablement also create even more severe financial problems for them adequate financial provision in the form of different life policies is essential. One life policy may not be suitable for all individuals therefore out of different life insurance policies an individual takes out a suitable combination of policies depending up on his financial and family needs. Number of dependents in the family is one of the important factors in buying decision about the number and types of life policies. The present research has made an attempt to assess the relationship between types of policy holding and dependants. The research revealed that whole life and endowment policies are more favoured by the samples with zero dependents, with one dependant, with two dependants and with four dependents.

**Key words:** Life Policy, Financial Security, Disability, Financial Provision.

### INTRODUCTION :-

The most important aspect of human life is its uncertainty. In the modern industrialized era, human life and property are inevitably exposed to different kinds and varying degrees of risks and uncertainties. Human beings, to protect themselves and their property from total disaster, resort intelligently to protection coverage extended by the insurance companies which act as a trustee to the amount collected through premiums and provide certainty in the place of uncertainty. A very prominent step taken by human beings to mitigate the eventualities of life is investment in insurance companies which act as protectors of future ambitions and aspirations of the people. Insurance is a co-operative device which safeguards financially both longevity of human life or premature mishaps when man, out of genuine.

Concern for his dependents, insures his life taking into account the various unforeseeable risk factors that are prevalent everywhere. The maturity amount takes care of not only the dependents of the insured, but also of self, when he is neglected or forsaken by his family members. Middle income groups certainly resort to insurance companies for their



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future financial needs and commitments. The salaried group depends upon insurance for saving for the future as well as for tax saving purpose. Life Insurance business in India is being done by the Life Insurance Corporation of India (LIC), a statutory corporation and a monopoly in life insurance business, among other things, with the objectives of covering the risk of the life of the insured and to promote savings. Initially the corporation started its business with two kinds of policies viz whole life policy and endowment policy. Later the LIC introduced many more kinds of life policies with a view to bringing more investors into the fold of insuring their life and offering new kinds of benefits to the insured in terms of money back policy, double benefits, triple benefits, pension plan, unit linked insurance plan and so on. The LIC became a life insurance products supermarket dispensing varieties of life insurance products to the investors. The Government of India extended its support to the life insurance business of the LIC by way of income tax benefits to the savings of the policy holders in life insurance policies, permitting the policy holders to pay premiums through deductions in salaries and no income tax on the benefits from life insurance policies. Beyond covering the risk of the insured the LIC also offers bonus to the sum assured from the first year of the policy.

**2. REVIEW OF LITERATURE** 2.1. Kunjalsinha In his study stated that insurance companies are working in a highly competitive market where consumers have many companies and products to choose from. Hence it becomes necessary for insurance companies to maintain loyal customer base by increasing customer loyalty through improved service quality. The data were collected from the individuals who bought life insurance policy of various life insurance companies after February 2005 in five selected cities of Gujarat. His study given by factor analysis is performed were five factors are derived namely, sincere and prompt services, comparison and courteous, meticulous and customers orientation, flexibility and tangibility. The study emphasises that the customers should be given prompt service. They should feel safe in their dealings with the company and the company should give individual attention to the customer.

2.2. Rajeshwari.K and Karthesswari.S In their study stated that majority of the respondents (54%) were in the age group 21 to 40 years.70% of the respondents were male, and most of the male policyholders are taking the policy in their own interest. a female persons are given importance as nominees, 31% respondents preferred endowment policy, 41% of the respondents have continuously taken the policies from LIC of India, 82 % respondents paid the premium regularly, and are very careful on non lapsation. Among the policy holders whose policies lapsed, they were not able to pay the premium due to the financial difficulty.

### 3. STATEMENT OF THE PROBLEM

Before the probable and existing investors in life insurance policies there were many insurers such as LIC and other institutions of Indian origin and abroad. The insurers other than LIC used to form a consortium of banks and other companies of India and from abroad with a view to globalizing life insurance business and also with a view to having large scale life insurance business. Under the, circumstances the insurers offer different kinds of policies with a view to bringing more investors into the fold. The investors in life insurance policies

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may be grouped on the basis of gender, income, age, profession, religion and caste. It will be interesting to examine the preference of investors towards an insurance company.

#### **4. OBJECTIVES OF THE STUDY**

Hence, the object of study was to examine the perceptions of the investors towards the policies of LIC with a view to understanding the expectations of the investors and the benefits offered by the LIC. However, the specific objectives of the study were as follows.

1. To bring out the social economic characteristics of LIC Policy - holders.
2. To study the perception and satisfaction of the policy holders towards the policies of Life Insurance Corporation of India.

#### **5. RESEARCH METHODOLOGY**

**Primary Data** The researcher has collected the primary data through the questionnaire. The questionnaire was distributed directly by the researcher himself to the sample respondents of Town.

**Secondary Data** The data were collected from various secondary sources like journals, books, magazine, newspapers and websites.

**Sample Design** For the purpose of study, policyholders of Life Insurance Corporation of India were selected on the basis of convenient sampling technique

**Statistical Tools Used for Analysis** The collected data were analysed and presented in the form of tables to suit the study and also to interpret the results. The following tools were used to analyse the data. The researcher used cross table personal background of the respondents are related to overall satisfaction Chi-Square Analysis all the analysis were carried out with help of computer using of SPSS (Statistical Pack for Social Science) software.

#### **CONCLUSION**

Life Insurance cannot afford to lose sight of its social relevance and shy away from its social responsibilities. The corporation has to constantly study the emerging needs of the market, arising due to the change in the value of social life. Demographic changes also produce the different needs amongst the population. The contribution to the nation building through strengthening the economy of a country, improvement of the health care facilities, education as well as employment shall go a long way to ultimately improve the quality of the insurance products of individual members of the society.

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