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A Study On Customer Perception Towards Investing In Life Insurance (With Special Reference To Lic, Coimbatore District)

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ABSTRACT

Human life is a most essential asset and life insurance is the most important type of insurance which provides financial security to a person and his family at the time of uncertain risks or damage. Life insurance provides both safety and security to individuals and also encourages savings among people. LIC of India plays a vital role in the welfare of human well-being by providing insurance to millions of people against life risks such as uncertain death or accident. The descriptive based study was selected with an objective to identify the perception of investors towards Life Insurance Corporation of India while their investment decision-making. Various insurance related factors have been discussed in the paper. The data for the study has been collected from both primary and secondary sources. The study area is limited only to Coimbatore District and sample size is 100 policyholders of LIC. Researcher has taken based on demographic and insurance based preference factors and tested them with the help of percentages method. Keywords:Customers, perception, LIC, Life insurance

Introduction to life insurance:

Life insurance is a contract between an individual or organization (insurance policy holder) and an insurer (insurance company). The policyholder pays the policy premium and the insurer promises to pay a designated beneficiary a sum of money upon the occurrence of an insured event. Depending on the contract, events such as terminal or critical illness may also trigger payment. The core benefit of life insurance is that the financial interests of one’s family (e.g) children’s education, remain protected from circumstances such as loss of income due to critical illness or death of the policyholder.

Perception:A conscious or unconscious state of knowledge or understanding of one's surroundings that exists within the mind and formed through sensory signals stimulated by current conditions, expectations and past memories. The confluence of complex sensory inputs

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often times creates a perception that is unreliable or unverifiable. In other words, it may not be based in reality.

Investors Perception; Investor Perceptions is a leading provider of respected and considered investor feedback. IP delivers anfree perspective into how shareholders and the key underfed institutions view a company, its management and its prospects. We analyse in depth the key factors that communally define a company's investment proposition and ultimately determine the valuation the market places on the shares. An insightful perception study is an imperative and powerful management tool, both from a tactical planning and a corporate governance perspective. Being aware of the opinions and views of investors assists companies to improve their communication with the market and to ensure the investment proposition is properly implicit and is reflected in the valuation of the shares, which in turn will stimulus its cost of capital.

Scope of life Insurance: Life insurance is seen as security to the family under unforeseen situation. Nowadays, in this volatile world anything might happen at any time, so to safeguard your family and to give them comfortable and tension free life one should opt for life insurance. Basically life insurance offers financial protection to dependents of the family in unexpected scenario or unfortunate death. The insurance company will charge a premium amount to the insured periodically. Based on the sum assured, the insured family will be paid fixed lump sum amount by the insurance company after the death of the insured or at the end of a specific term. Life insurance is growingrapidly since 2000 as the Indian government has allowed private players to participate in this sector. In India, life insurance companies are regulated by Insurance Regulatory and Development Authority of India (IRDA).

LITERATURE REVIEW

SHEKAR CHANDRA(2016) in his article ‘future strategies for life insurance”. Discussedvarious issues relating to life insurance. He has given detailed note about new kinds ofproducts and intimacy with the constant technology adoption for survival as well as forconsistant growth. Marketer is not simply to have a relationship with buyer but also to buildthe relationship with buyer but also to build the relationship with buyer in the form of linkingthe brand to a particular need, associating it with a pleasant mood, appealing to sub consciousmotives; conditioning buyers to prefer the brand the brand through reward; penetratingperceptual and cognitive barriers to create preferences and providing attractive models forbuyers.

RAGHU GULATI(2017) in his survey attempts to observe the life insurance market inrelation to products and customers. A basic understanding of life insurance business, productportfolio, strategy the company adopts, demographic analysis, the customer strategy that theorganisation repeatedly follows when launching insurance etc..is studied. The study alsoreveals that the company has deep penetration in urban areas, but the people are underinsured, yet there exist

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potential to increase the coverage of insurance. 50% of life insurancecompany business comes from rural areas and agents seem to be the most effective channelsregarding sales. In product strategy, if the customer is in need of basis insurance product, thecompany should come toward to launch term profit that is to be matched with risk; a unit linkproduct is to be launched etc.

Need For The Study ; The insurance industry is one of the fastest growing industries in the country and offers abundance growth opportunity to the life insurers. When compared with the developed foreign countries, the Indian life insurance industry has achieved only a little because of the lack of insurance awareness, ineffective marketing strategies, poor affordability and low investment in life insurance products. The study is basically intended to know the perception of the investors towards life insurance policies of LIC.

Objectives of The Study

1. To understand the perception levels of the investors towards the LIC insurance polices.
2. To observe the impact of various perception factors on the purchasing behaviour of the investors

Analysis and Intrepretation

Profile	Factor	No.of respondents	Percentage
Sex	Male	43	43%
	Female	57	57%
Marital status	Married	42	42%
	Unmarried	58	58%
Educational qualification	Illiterate	0	0%
	Below SSLC	6	6%
	SSLC	16	16%
	Graduate	43	43%
	Post-graduate	30	30%
	Any other	5	5%
Family income	Below 1,00,000 &Above 3,00,000	50	50%
	1,00,000-3,00,000	30	30%
	Above 3,00,000	20	20%
Are you insured	Yes	90	90%
	No	10	10%
From which private sector you insured	Public	49	49%
	Private	51	51%
From which private insurance company you are insured	LIC	35	35%
	ICICI	10	10%
	SBI	15	15%
	HDFC	20	20%

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Profile	**Factor**	**No.of respondents**	**Percentage**
	Max	20	20%
Whether you have life insurance, for what purpose	Saving	38	38%
	Covering risk to	27	27%
	Tax benefits	16	16%
	Security to family	19	19%
Which of the following policies you have choosen	Endownment policy	13	13%
	Single premium	43	43%
	Children policy	27	27%
	Pension plan policy	17	17%
Did you policy lapsed anytime due to non-payment of Insurance premium	Yes	70	70%
	No	30	30%
Are you aware about the insurance bonus of the policies, if Yes mention	Yess	78	78%
	No	22	22%

SUGGESTIONS:

- People are less aware of cost and premium. So, the insurance company should take necessary initiate to provide awareness about the benefits of cost and premium.
- Digital money transfer is widely accepting all the world. So, people can use this method for premium payment instead of paying through cash or cheque.
- The insurance companies should provide accurate and adequate information to the policy holders.
- People are less satisfied on the returns provided by the companies. So, the companies must take necessary steps to increase the satisfaction level of policy holders.

CONCLUSION

The result of this study indicated that the life insurance industry has great potential among the people. The LIC continues to be the dominant market leader even in this liberalized scenario. The only reason behind this is they conveyed the message of protection to tight the lamps as possible and to help the people in providing security to their families as possible buying a policy such as too much of formalities, lack of sufficient information etc Understanding the customers purchasing behaviour and level of satisfaction on life insurance products and services, customer perception on the brand image and brand loyalty are of great utility in this sense. from the study it is clear that the customers are moreover loyal to life insurance corporative of India. And they

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are moreover satisfied with what they have which is provided by LIC. And they have also facing difficulties white making decision regarding .

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