POLICY HOLDER'S SATISFACTION TOWARDS PRIVATE LIFE INSURANCE COMPANIES WITH SPECIAL REFERENCE TO SALEM CITY

B. Rajendran., Assistant Professor, PG&Research Department of Commerce,
Thiruvalluvar Government Arts College, Namakkal.
R.Sathyakala., Ph.D Research Scholar, PG&Research Department of Commerce,
Thiruvalluvar Government Arts College, Namakkal.

Abstract: Risk is uncertainty and uncertainty is one of the fundamental facts of life. The greatest risk to which human life is exposed is death. Through death is certain, the time when it will strike is uncertain. This uncertainty gives rise to insurance. Insurance cannot avoid this uncertainty but ensure reimbursement of financial/economic consequences if such events take place. Insurance provides economic protection against losses that may be incurred due to change events that may or may not occur during the effective time of the contract called a policy. Insurance has come up with different policies of health, life and property to support life of buying risk. Insurance is an activity through which insurance companies indemnity the losses of the policy holders instead of the premium received from the policy holders. The losses to be covered are clearly spelled out in the policy documents. Thus the principles of function of the insurance company is to meet the losses of the policy holders as and when the occur in consideration of the premium received by them.

As the market moves from a closed economy opened economy, a change in approach is necessary. So, in order to have a good market performance, consumer's awareness about insurer's prices, products and financial strength should be enhanced. Private insurance companies should have a clear vision and mission that should be known to all the stake holders like employees, agents, customers, business associates etc., and accordingly each one should be clearly directed. The private companies should design the products, which should satisfy the personal needs of customers with an ample degree of flexibilities. To achieve greater insurance penetration, private sector insurance companies have to create a more vibrant and competitive industry, with greater efficiency, choice of products and value to customers. The private insurance industry is facing a healthy competition, which really benefits to public. Thus Private insurance companies should reframe their strategies to attract customer.

STATEMENT OF THE PROBLEM

Earlier policy holders' attitude in insurance was largely indifferent. It was regarded as an inflexible and tax saving product that offered low return, where in insurance was assumed only as status of necessity in one's life. Insurance in India is popular as an investment opportunity not as a pure life insurance cover. Most of insurance policies offered by private insurance companies focus on providing the policy holders with an opportunity for investment, hereby guaranteeing a sum assured at the end of the period for which that have insured themselves irrespective of the fact that the person is still alive.

Now a day's people have more awareness towards private insurance policies. Today people wish to have private life insurance policies. The factors which affect the insurance market today are changing customer behaviour, government intervention, competition, technology, distribution networks, automation technological advancement, quality in client relationship etc., changing life style societal perception and brand loyalty are the radical changes that are taking place in customer profile.

SCOPE OF THE STUDY

The study attempts to find the customers preference and factors influencing them in selecting the private life insurance policy. This study will also trace out the respondents satisfaction level on various aspects and the problems faced by them. It also highlights the various types of policies introduced by the private life insurance companies. The result of this research would help the company to have a better understanding about the customer's perception towards private life insurance.

OBJECTIVES OF THE STUDY

- To know the level of awareness towards private Life insurance companies and their policies.
- To determine the factors influencing the policy holders to take up the policies.
- To analyze the policy holder's satisfaction on services provided by private Life insurance companies.

RESEARCH METHODLOGY

Research design

A research design defines the structure or framework within research is carried out. In this study descriptive research design has been used in order to describe the customer's preference and satisfaction of Private Life Insurance companies.

Sources of data

To accomplish the objectives of the study, the researcher has to depend on both primary & secondary data.

Sampling techniques

Convenience sampling techniques was used in the study.

Tools used

The following statistical tools have been used to analyze and interpret the data.

1. Simple Percentage Analysis
2. Chi-Square Analysis
3. t- Test

LIMIATIONS OF THE STUDY

Every study has certain limitations some of these are inherent in the research design while some others become part of the study during various stages of research process.

- Any suggestions given by analyzing data collected may not be accurate for other locations as people requirements and expectations differ from one place to another.
- Conclusions were made based on the opinion given by the respondents.
- The findings of the study are entirely based on the primary data collected through the questionnaire so the findings of the study are subject to all the limitations of primary data.

REVIEW OF LITERATURE

Ferguson and Elizabeth (1979)

In this study on "Insurer management and Regulation'' The social and business environment has gone through a period of rapid changes that have had a profound impact on individual private life insurance.

Gayathri, H.M. C.Vinaya and K.Lakshmisha(2005)

In this study on "Service quality of Insurance Companies " Consequent to the implementation of Government policies on globalization and liberalization, the consumers have become more critical of the quality of service. Consumers are now aware of the alternatives available in relation to services and the provider organisations.

Karthikeyan,K.Karthi and R.Sakthivel.S.(2010)

An Empirical Study On "Customers Attitude Towards The Services of Insurance Companies In India'' Life insurance is an important need for each and every individual both covering the life risk and to provide economic security to the dependent members of the family.

SIMPLE PERCENTAGE ANALYSIS

Simple Percentage Analysis is carried out for all the questions, given in the questionnaire. These analyses describe the classification of the respondents falling under each category. The percentage analysis is used mainly for standardization and comparison. Diagrams and charts depicted are in support of the analysis.

GENDER OF THE RESPONDENTS

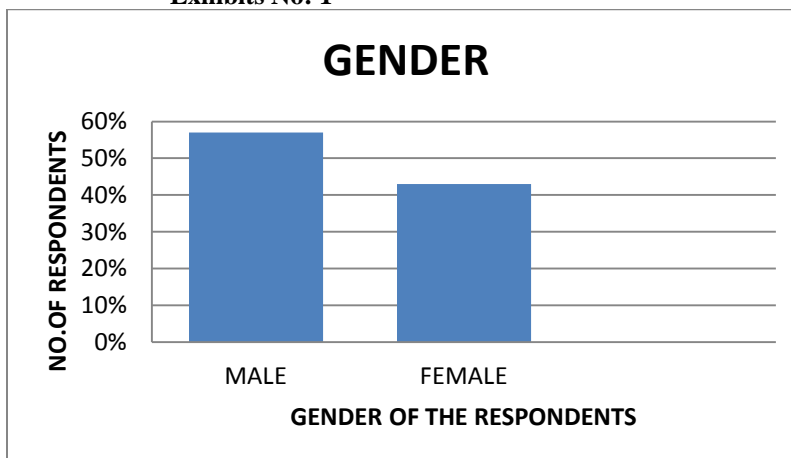The table below highlights the gender of the respondents.

Table No: 1

Gender

Gender	No. Of Respondents	Percentage
Male	114	57.0
Female	86	43.0
Total	200	100.0

Source: primary data

From the above table it is inferred 57.0 % of the respondents are male and 43.0 % of the respondents are female.

Majority of the respondents are male.

Exhibits No: 1

AGE GROUP OF THE RESPONDENTS

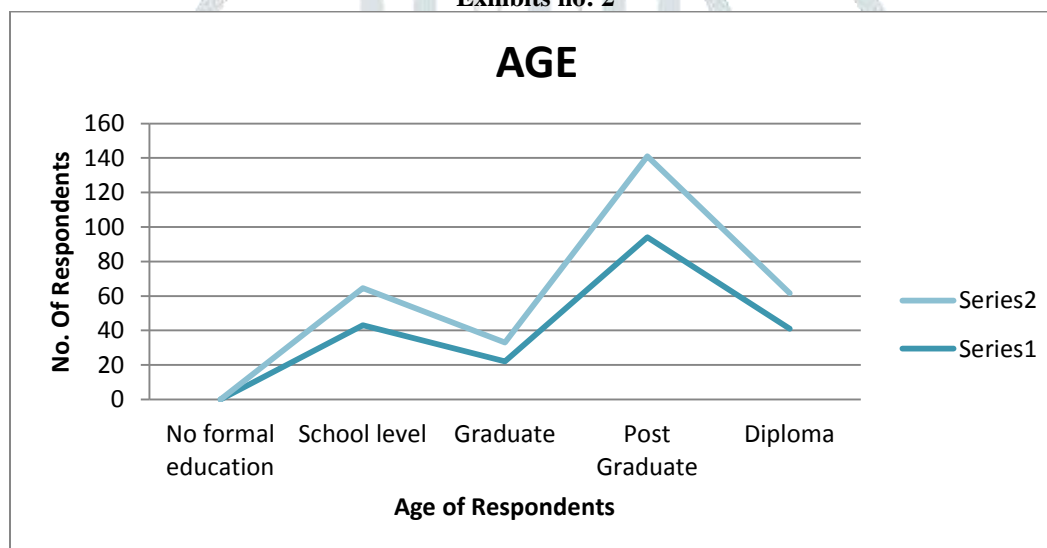The table below highlights the age group of the respondents.

Table No: 2

Age

Age	No. Of Respondents	Percentage %
Up to 25 yrs	35	17.5
26-35 yrs	85	42.5
36-45 yrs	64	32.0
Above 45 yrs	16	8.0
Total	200	100.0

Source: primary data

From the above table it is clear that out of 200 respondents who were taken for the study, 42.5% of the respondents are in the category of 26-36 years, 32.0% of respondents are in the category of 36-45 years, 17.5% of respondents are in the category of up to 25 years and 8.0% of respondents are in the category of above 45 years.

Most of the respondents are in the category of 26- 35 years.

Exhibits no: 2

EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

The table below highlights the educational qualification of the respondents.

Table No: 3

Education qualification

Educational qualification	No.of respondents	Percentage%
No formal education	0	0
School level	43	21.5
Graduate	22	11.0
Post Graduate	94	47.0
Diploma	41	20.5
Total	200	100.0

Source: primary data

From the above table it is clear that 47.0% of the respondents are post graduate. 21.5% of the respondents are school level, 20.5% of the respondents are diploma, and 11.0% of the respondents are graduate level.

Most of the respondents are post graduate.
Exhibits No : 3

EDUCATIONAL QUALIFICATION
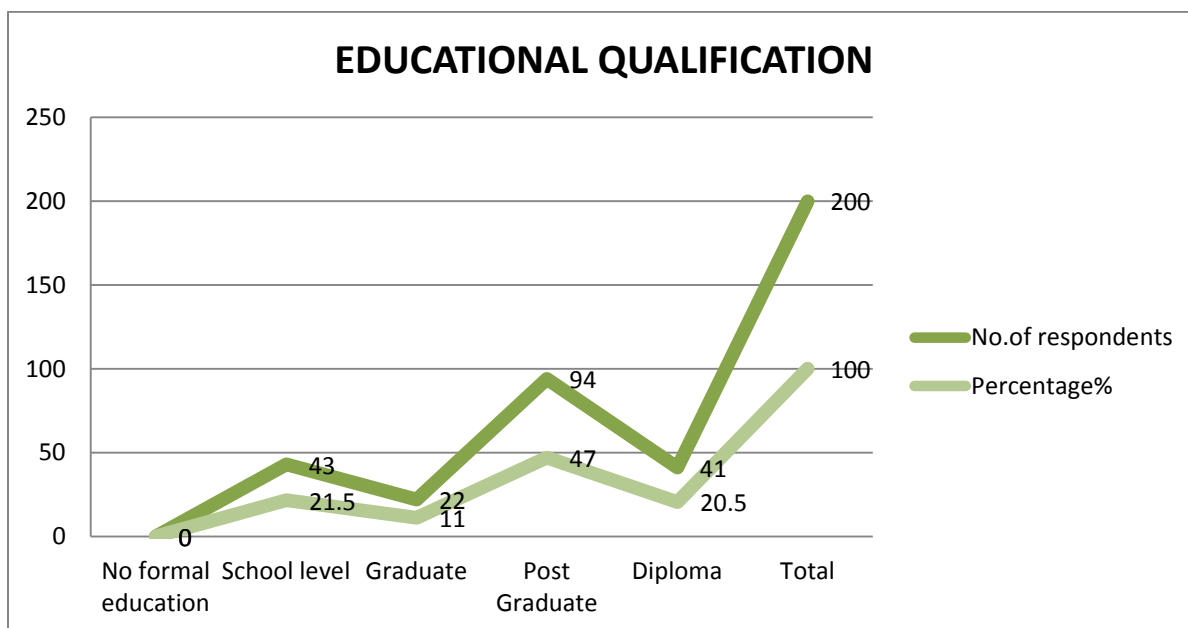
MONTHLY INCOME – SELF OF RESPONDENTS
The table below highlights the monthly income self- of the respondents.
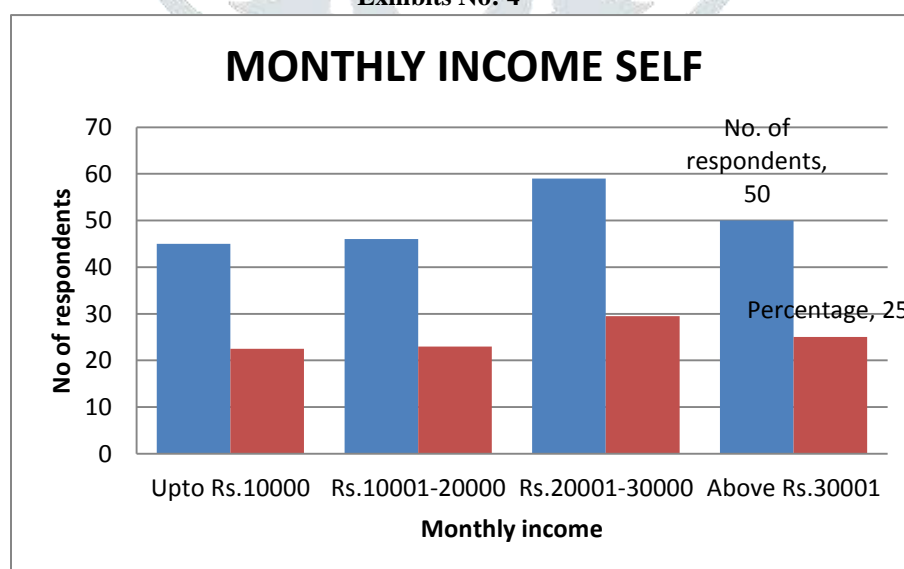**Table No : 4**

Monthly income- self

Monthly income - self	No . of respondents	Percentage %
Up to Rs. 10000	45	22.5
Rs.10001-20000	46	23.0
Rs.20001-30000	59	29.5
Above Rs.30001	50	25.0
Total	200	100.0

Source: primary data

From the above table it shows that 29.5% of the respondent's monthly income-self is between Rs.20001 to Rs.30000, 25.0% of the respondents monthly income-self is above Rs.30001, 23.5% of the respondents monthly income-self is between Rs.10001-Rs.20000 and 22.5% of the respondents monthly income –self of below Rs.10000.

29.5% of the respondents are monthly income – self is Rs.20001 to Rs. 30000.
Exhibits No: 4

MONTHLY INCOME SELF

RESPONDENTS OF FAMILY SAVINGS PER MONTH
The table below highlights the respondent's family savings per month.

Table No: 5
Total savings per month

Total savings per month	No. of respondents	Percentage %
Below Rs.5000	32	16.0
Rs.5001-10000	33	16.5
Rs.10001-15000	85	42.5
Above Rs.15000	50	25.0
Total	200	100.0

Source: primary data

The above table exhibits that 42.5% of the respondents family monthly savings is between Rs.10001-Rs.15000, 25.0% of the respondents family monthly savings is above Rs.15000, 16.5% and 16.0% of the respondents family monthly savings between is Rs.5001-Rs.10000 and below 5000 respectively.

Most of the respondents are family savings per month is between Rs.10001- Rs.15000.

CLASSIFICATION OF THE RESPONDENTS AWARENESS ABOUT PRIVATE LIFE INSURANCE COMPANIES.

The table below highlights the awareness about the private Life insurance companies.

Awareness of private Life Insurance Companies
Table No: 6

Company Name		Aware	Not Aware	TOTAL
ICICI Prudential	No.	199	1	200
	%	99.5	.5	100.0
SBI Life	No.	198	2	200
	%	99.0	1.0	100.0
HDFC Standard	No.	196	4	200
	%	99.0	1.0	100.0
Bajaj Allianz	No.	195	5	200
	%	97.5	2.5	100.5
Reliance Life	No.	192	8	200
	%	96.0	4.0	100.0
Max New York	No.	96	104	200
	%	48.0	52.0	100.0
ING Vysya	No.	189	11	200
	%	94.5	5.5	100.0
Birla Sunlife	No.	186	14	200
	%	93.0	7.0	100.0
Tata AIG	No.	151	49	200
	%	75.5	24.5	100.0
Kotak Mahindra	No.	156	44	200
	%	78.0	22.0	100.0
MetLife India	No.	134	66	200
	%	67.0	33.0	100.0
Aviva Life	No.	129	71	200
	%	64.5	35.5	100.0

Source: primary data

It can be referred from the above table that 99.5% of the respondents are aware of ICICI company, 99.0% of the respondents are aware of SBI, 98.0% of the respondents are aware of HDFC, 97.5% of the respondents are aware of BAJAJ ALLIANZ, 96.0% of the respondents are aware of RELIANCE, 52.0% of the respondents are not aware of MAX NEW YORK,94.5% of the respondents are aware of ING VYSYA, 93.0% of the respondents are aware of SUN BIRLA LIFE, 75.5% of the respondents are aware of TATA AIG, 78.0% of the respondents are aware of KOTAK MAHINDRA, 67.0% of the respondents are aware of MET LIFE INDIA and 64.5% of the respondents are aware of AVIVA LIFE.

Majority of the respondents are aware of all the private life insurance companies.

CHI- SQUARE ANALYSIS

The Chi- Square Analysis is used mainly to test the independence of the attribute factors. In other words chi square test is used to the whether one factor has significant influence over the other.

NS- Non significant, **S-**Significant

GENDER AND REASON FOR SELECTING INSURANCE COMPANY

HYPOTHESIS: There is no significant relationship between gender and reason for selecting private life insurance company.

Table No: 7

		Reason for selecting insurance company								Total	
		Low premium		Agents compulsion		Known officials		Satisfactory services			
		No.	%	No.	%	No.	**%**	No.	%	No.	%
Gender	Male	49	43.0	26	22.8	18	15.8	21	18.4	114	100.0
	Female	31	36.0	22	25.6	15	17.4	18	20.9	86	100.0
Total		80	40.0	48	24.0	33	16.5	39	19.5	200	100.0

Source: Computed

Chi-Square Test

	Value	Df	Sig
Chi Square	0.986	3	Ns

Chi square test was applied to find whether there is significant relationship between gender and reason for selecting private life insurance company. The calculated value of chi square is 0.986 which is less than the table value of 7.815 at 5% level of significance. Since the calculated value is less than the table value it is inferred that there is no significant relationship between gender and reason for selecting private life insurance company. Hence the **Hypothesis is accepted.**

AGE AND REASON FOR SELECTING INSURANCE COMPANY

HYPOTHESIS: There is no significant relationship between age and reason for selecting private life insurance company.

Table No: 8

		Reason for selecting insurance company								Total	
		Low premium		Agents compulsion		Known officials		Satisfactory services			
		No.	%	No.	%	No.	%	No.	%	No.	%
Age	18-25 yrs	13	37.1	9	25.7	5	14.3	8	22.9	35	100.0
	26-35 yrs	35	41.2	22	25.9	16	18.8	12	14.1	85	100.0
	36-45 yrs	27	42.2	13	20.3	10	15.6	14	21.9	64	100.0
	Above 45 yrs	5	31.3	4	25.0	2	12.5	5	31.3	16	100.0
Total		80	40.0	48	24.0	33	16.5	39	19.5	200	100.0

Source: computed

Chi square test was applied to find whether there is significant relationship between marital status and reason for selecting private life insurance company. The calculated value of Chi Square is 3.162 which is less than the table value of 7.815 at 5% level of significance. Since the calculated

value is less than the table value it is inferred that there is no significant relationship between marital status and reason for selecting private life insurance company. Hence the **Hypothesis is accepted.**

MONTHLY INCOME – SELF AND REASON FOR SELECTING INSURANCE COMPANY

Hypothesis: There is no significant relationship between monthly income-self and reason for selecting private life insurance company.

Table No.9

Monthly income - self		Reason for selecting insurance company								Total	
		Low premium		Agents compulsion		Known officials		Satisfactory services		No.	%
		No	%	No.	%	NO.	%	No.	%		
	Up to 10000	16	35.6	13	28.9	7	15.6	9	20.0	45	100.0
	Rs.10001-20000	10	21.7	10	21.7	13	28.3	13	28.3	46	100.0
	Rs. 20001-30000	33	55.9	11	18.6	7	11.9	8	13.6	59	100.0
	Above Rs.30000	21	42.0	14	28.0	6	12.0	9	18.0	50	100.0
TOTAL		80	40.0	48	24.0	33	16.5	39	19.5	200	100.0

Source: Computed

Chi – Square Test

	Value	Df	Sig
Chi- Square	17.640	9	S

Chi- Square test was applied to find whether there is no significant relationship between monthly income- self and reason for selecting insurance company. The calculated value of Chi – Square is 17.640 which is higher than the table value of 16.919 at 5% level of significance. Since the calculated value is higher than the table value it is inferred that there is significant relationship between monthly income-self and reason for selecting insurance company. Hence the **Hypothesis is rejected.**

TABLE SHOWING RELATIONSHIP BETWEEN EDUCATION AND SATISFACTION SCORE ON SERVICES

HYPOTHESIS: The satisfaction scores do not differ significantly among education group.

Table No: 10

		Satisfaction Score on Services		
		Mean	S.D	No.
EDUCATION	School level	60.81	9.05	43
	Graduate	68.23	9.97	22
	Post Graduate	60.94	7.57	94
	Diploma	62.07	8.12	41
TOTAL		61.95	8.54	200

Source: Computed

From the above table, with the mean value of 68.23 it is clear that the respondents education of graduate has higher level of satisfaction score on services when compared to other groups.

Table No: 10 (a)
ANOVA for Satisfaction Score on Services

	Sum of Squares	Df	Mean Square	F	Sig
Between Groups	1019.622	3	339.874	4.936	S
Within Groups	13494.773	196	68.851		
Total	14514.395	199			

One way **ANOVA** was applied to find whether the mean satisfaction score vary significantly among education groups. The ANOVA result shows that the calculated F- ratio value is 3.384 which is higher than the table value of 2.897 at 1% level of significance. Since the

calculated value is higher than the table value it is inferred that the satisfaction scores vary significantly among the occupation groups. Hence the **Hypothesis is rejected.**

CONCLUSION

      As the market moves from a closed economy opened economy, a change in approach is necessary. So, in order to have a good market performance, consumer's awareness about insurer's prices, products and financial strength should be enhanced. Private insurance companies should have a clear vision and mission that should be known to all the stake holders like employees, agents, customers, business associates etc., and accordingly each one should be clearly directed. The private companies should design the products, which should satisfy the personal needs of customers with an ample degree of flexibilities. To achieve greater insurance penetration, private sector insurance companies have to create a more vibrant and competitive industry, with greater efficiency, choice of products and value to customers. The private insurance industry is facing a healthy competition, which really benefits to public. Thus Private insurance companies should reframe their strategies to attract customer.

REFERENCE BOOKS:

1. C.R.Kothari "Research Methodlogy", New Age International Publishers, New Delhi.
2. Balachandran.S "Life Insurance", Shri S.J. Gidwani, Insurance Institutions of India,2004.
3. S.P.Gupta"Insurance and Risk Management", Sulthan Chand and Company limited New Delhi.

JOURNALS

1. Ferguson and Elizabeth (1979)"Insurer Management and Regulation" Journal of Risk and insurance, Volume 46, Issue no 4, p741-743. 3p.
2. Gayathri, H.M.C., Vinaya and K. Lakshmisha (2005) In this study on "Service Quality of Insurance Companies" Journal of Services Research, Volume 5, Issue no2, p123-138. 16p.
3. Karthickeyan,K.Karthi and R.Sakthivel.S.(2010) An Empirical Study on Customers Attitude Towards The Services of Insurance Companies in India" Interdisciplinary Journal of Contemporary Research in Business, Volume 2, Issue no 6, p180-192.13p.

WEBSITE:

      www.google.com
      www.insurance sector.com.