



A COMPARATIVE STUDY ON THE IMPACT OF LIFE INSURANCE BETWEEN KOTAK LIFE INSURANCE PVT LTD AND HDFC LIFE INSURANCE PVT LTD

MS. VEDASREE B.COM., M.B.A.,

School of Management Studies, Sathyabama Institute Science and Technology

Chennai Tamil Nadu, South India

Dr. N KUMAR.MBA, MHRM, M. Phil, TNSET, Ph.D.,

Assistant Professor, Sathyabama Institute Science and Technology

Chennai, Tamil Nadu, South India

ABSTRACT

Insurance is an arrangement under which people facing common risks come together and make their small contributions to the common fund. The aim of this research paper is to compare the level at which services are being well delivered given by the Kotak Mahindra and HDFC Life Insurance company and also the level of satisfaction of the insured. For this purpose, a descriptive type of research was carried out with a sample size of 150 respondents in Chennai city. Technique of random sampling was used to collect the data. The primary data was collected through a structured questionnaire. Collected data was tabulated and analysed using various statistics tools like percentage analysis, chi square test and One way ANOVA. The findings of the study revealed that customers are satisfied with the aspect or information being provided by the insurance company. And it was also found that there is an association between the type of policy opted by the insured and its premium amount. The researcher suggests that Usage of modern technology will improve better customer service. When the needs of

the customer are not met by the insurer, the customers are unhappy with a product as it either meets his immediate or future needs. The study concludes that professional category respondents have high perception level with regards to the financial credential of the company.

I. INTRODUCTION

Insurance is an arrangement under which people facing common risks come together and make their small contributions to the common fund. While it may not be possible to say in advance, which person will suffer the losses, it is possible to work out how many persons on an average out of the group, may suffer losses. When risk occurs, the loss is made good out of the common fund. In this way, each and every one shares the risk. In fact, they share the loss by payment of premium which is calculated on the likelihood of loss. Modern life insurance policies were established in the early 18th century. The first company to offer life insurance was the Amicable Society for a Perpetual Assurance Office, founded in London in 1706 by William Talbot and Sir Thomas

Alle The first plan of life insurance was that each member paid a fixed annual payment per share on from one to three shares with consideration to age of the members being twelve to fifty-five. At the end of the year a portion of the "amicable contribution" was divided among the wives and children of deceased members and it was in proportion to the amount of shares the heirs owned. Amicable Society started with 2000 members.

KOTAK MAHINDRA LIFE INSURANCE

Kotak Mahindra Life Insurance Company Limited is a private life insurance company in India. The company was founded in 2001. It caters to 15 million customers and has 232 branches in around 167 cities and towns in India with 99,275 agents. Under the umbrella, the company offers various protection plans, savings and investment plans, child plans and retirement plans. Kotak Life Insurance's products include rural plans, term plans, savings, children, retirement and investment plans at nominal premium rates to be affordable by individual investment requirements that can cater to their lifetime requirements and each insurance plan is designed to provide maximum protection in addition to benefits and keeping in mind the different sections of society.

HDFC LIFE INSURANCE

HDFC Life Insurance Company Ltd. (d/b/a HDFC Life) is a long-term life insurance provider with its headquarters in Mumbai, offering individual and group insurance services and incorporated on 14 August 2000. HDFC Life's products include Protection, Pension, Savings, Investment, Health along with Children and Women plans. The company also provides an option of customizing the plans, by adding optional benefits called riders, at an additional price. The company has categorized its product portfolio covering five principal segments across the individual and group categories namely participating, non-participating protection term, non-participating protection health, other non-participating and unit-linked insurance products.

II. OBJECTIVES OF THE STUDY

- To compare the level at which services are being well delivered given by the Kotak Mahindra and HDFC Life Insurance company.
- To identify the main attributes of service quality in which customers are satisfied more in Insurance sector.
- To analyze the level of customer satisfaction towards Life Insurers.
- To offer suggestions to the insurance company based on the findings given by the policyholders.

III. REVIEW OF LITERATURE

- G. T. Sharma (2010), It reaffirms the need to adapt Western research techniques for assessing service quality attributes to the sense of Indian life insurance. The study also found that customer satisfaction with agents, practical services, and the organization is influenced by service quality dimensions, which has an effect on overall satisfaction. While this study focuses on the life insurance industry in India, the findings and recommendations in this article can be applied to increase service quality and, as a result, customer satisfaction in other countries' life insurance industries.
- According to insurers, Farokhian.S., Vazifehdus.H.,(2013), has clarified the factors affecting the insurance industry. Customer satisfaction and other measures and factors in the performance of insurance companies were described in the first report, which used the Servqual model (service quality factors). Finally, the most important factors were identified as access, customer response time, and confidence in customer satisfaction, and the most significant metrics of performance in the insurance industry were identified as knowing the customer, credit, insurance, and customer relationship.
- Kuhlemeyer, A. G., and Allen, H.G., (2014) investigate customer satisfaction in the purchase of life insurance products and compare satisfaction in a broker or agent aided

transaction to satisfaction in a direct placement transaction without the use of a broker or agent. Consumer satisfaction with the life insurance policy, the provider, and the institution are all measured against benchmarks. Consumer satisfaction is influenced by factors such as confidence, competence, and product appropriateness, according to the report.

- Subashini R. (2016) examined that service quality and customer satisfaction in banks can be explored further to determine what approach banks use for different service quality and customer satisfaction over a sample period. Despite the fact that a number of studies have discovered inconsistencies in service quality and customer satisfaction and have attributed various explanations for service quality and customer satisfaction of foreign and public banks, no study has been able to resolve this problem.
- Dr.T.Unnamalai (2018) has analyzed the customer satisfaction and customer awareness about service rendered by the Life insurance corporation. Life insurance corporation of India competes other plays in the market very aggressively with their human resource of agents because the police holders are having more faith with agents.

IV. RESEARCH METHODOLOGY

Research design is a framework or blue print for conducting the research project. It specifies the details of the procedures necessary for obtaining the information needed to structure and/or solve research problems. RD is taken this study is descriptive research.

SIMPLE RANDOM SAMPLING:

Simple random sampling is defined as a sampling technique where every item in the population has an even chance and likelihood of being selected in the sample. Here the selection of items entirely depends on luck or probability, and therefore this sampling technique is also sometimes known as a method of chances. Simple random sampling is a fundamental sampling method and can easily be a component of

a more complex sampling method. The main attribute of this sampling method is that every sample has the same probability of being chosen. They say that this method is theoretically simple to understand but difficult to implement practically.

HYPOTHESIS / ANALYTICAL TOOLS

CHI-SQUARE TEST

It is a test that measures how a model compares to actual observed data.

Policy preferred by policyholders feel secured * How is the Premium Amount to be paid in Insurance Plans of Kotak Life Insurance/ HDFC life insurance?

Null Hypothesis (H_0): There is no relationship between type of policy and the premium amount paid.

Alternate Hypothesis (H_1): There is a relationship between type of policy and the amount paid

premium * policy Crosstabulation

Count
premium * policy Crosstabulation

		policy				Total
		Child plans	Pension plans	Protection plans	Savings plans	
premium	Average	0	6	13	8	27
	Highly Satisfied	6	4	15	6	31
	Satisfied	5	27	35	25	92
	Total	11	37	63	39	150

Count
Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.762(a)	6	.047
Likelihood Ratio	13.227	6	.040
N of Valid Cases	150		

a 2 cells (16.7%) have expected count less than 5. The minimum expected count is 1.98.

INFERENCE:

Since the computed value (**0.047**) is less than level of significance (0.05), the null hypothesis is rejected and alternate hypothesis is accepted. Therefore, there is a relationship between type of policy and the premium amount paid.

WEIGHTED AVERAGE MEAN**QUESTION:****2. ONE WAY ANOVA TEST**

Insurance company in which you have taken the policy * Opinion about investment in Kotak Life Insurance/ HDFC life insurance?

H₀: There is no difference between the reason for choosing and opinion about their choice of life insurance company.

H₁: There is a difference between the reason for choosing and opinion about their choice of life insurance company.

DESCRIPTIVES

Reason

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minim um	Maxim um
					Lower Bound	Upper Bound		
General	87	2.5862	1.45116	.15558	2.2769	2.8955	1.00	5.00
Timeinc ome	63	2.5873	1.29060	.16260	2.2623	2.9123	1.00	5.00
Growth	63	2.5873	1.29060	.16260	2.2623	2.9123	1.00	5.00
Total	150	2.5867	1.38150	.11280	2.3638	2.8096	1.00	5.00

	Sum of Squares	D O F	Mean Square	F	Sig.
Between Groups	2.420	2	.807	.791	.503
Within Groups	77.530	147	1.020		
Total	79.950	149			

Calculated value: 0.503 significant value: 0.05

INFERENCE:

Since the table value is greater than the significant value (0.05) so we accept null hypothesis and reject alternate hypothesis. Therefore, there is no difference between the reason for choosing and opinion about their choice of life insurance company.

3. WEIGHTED AVERAGE MEAN

Particulars	SA	A	N	DA	SDA	Total
Sale promotion techniques/ Advertisements illustrate all the material facts regarding the products/ policy.	0	71	77	2	0	150
Company officials provide regular information about new products/policies and services	35	91	22	2	0	150
More frequent interaction by company officials to learn about customer needs, wants, ideas and complaints	36	75	39	0	0	150
My life insurance company provides a variety of financial products that meets all of my financial needs	39	75	38	0	0	150
My life insurance company handles all claims and paperwork efficiently and effectively	34	89	25	0	2	150
I plan to change life insurance companies in the near future.	16	28	60	40	6	150

SOLUTION:

Particulars	SA	A	N	DA	SDA	Total	Weighted mean	Rank
Sale promotion techniques/ Advertisements illustrate all the material facts regarding the products/ policy.	0	284	231	4	0	519	34.60	5
Company officials provide regular information about new products/policies and services	175	364	66	4	0	609	40.60	1
More frequent interaction by company officials to learn about customer needs, wants, ideas and complaints	180	300	117	0	0	597	39.80	4
My life insurance company provides a variety of financial products that meets all of my financial needs	195	292	114	0	0	601	40.07	3
My life insurance company handles all claims and paperwork efficiently and effectively	170	356	75	0	2	603	40.20	2
I plan to change life insurance companies in the near future.	80	112	180	80	6	458	30.53	6

INFERENCE:

The weight age for different level of satisfaction have been assigned i.e., 5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree. Based on the weight age, the mean value for each aspect was calculated. The computed weighted average mean values have been ranked from 1 to 6. The highest mean value for "officials providing regular information about the products" is ranked as one. Since high weight age is given for highly satisfied. Hence they agree to that fact. Secondly, the mean value for handles all claims effectively and efficiently is higher hence ranked as 2 and ranks from 3 to 6 have been allotted accordingly based on mean values.

- ❖ Kothari C R, (2003) Research Methodology New Delhi Wiley eastern Ltd.
- ❖ M.N. Mishra, Insurance-Principle and Practice, S. Chand and Company Ltd, New Delhi, 1998, p.230.
- ❖ Charles Dutt, Insurance Marketing – its Principle and Practice, - A Short Overview, Swiss Re-insurance Company, First Edition, p.28.
- ❖ Journal on management- Mar-May 2010 vol 4
- ❖ Indian journal of commerce and management studies
- ❖ Insurance distribution (ICFAI publications)

VI. CONCLUSION

“Empowering everyone live their dreams” is the corporate vision of life insurance. Knowledge is complex. It is responsibility of insurance companies to develop expertise and to provide customer with insurance knowledge. From the above findings clearly states that professional category respondents have high perception level with regards to the financial credential of the company, most of the respondents have high perception level in servicing aspect of timely reminder of dues, most of the respondents have high satisfaction level of claim admissibility and claim settlement and salaried class responsibility mostly satisfied for taking insurance as a tax exemption tool. This research study further provides better scope for doing research study in the areas of perceived service quality in life insurance industry, innovative products based on perception of the clients.

VII. REFERENCES

- ❖ Philip Kotler, Marketing Management: A South Asian Perspective, 13th Edition, Pearson publications.
- ❖ Zeithaml, Parasuraman & Berry, "Delivering Quality Service; Balancing Customer