



PERCIEVED AWARENESS AND BEHAVIOURAL IMPACT OF POLICY HOLDERS ABOUT LIFE INSURANCE IN RAMANATHAPURAM DISTRICT

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Abstract : The mandate for insurance products is expanding due to the growing of household investments, purchasing power, the middle class and the country's working populace. Consumer behavior with reverence to life insurance products is fluctuating precipitously. With opening of the insurance sector in 2000, consumers come up with options to select more readily than buying products initiated by a single company. This study seeks to analyze the consumer behavior regarding purchasing of Life insurance product. This study is based on the primary data collected from 150 respondents through a well-structured questionnaire. The data has been analyzed using percentage analysis. The study also analyses the relationship between Age and type of policy preferred and relationship between demographic factors and other variables.

IndexTerms - LIC, Online Shopping, Convenience, Web Site Quality, Awareness

INTRODUCTION

Consumer behavior can be defined as "The study of individuals, groups, or organizations and the use and dispose of products and services, capabilities, or initiatives to fulfill their needs and the impacts that these procedures have on the consumer and society". Life insurance lets individuals to secure procedures they use to choose, safeguard, the financial future of their extended family in the event of their own untimely death. It also operates the savings and investment needs of individuals who may be unmindful of or cautious about investing in mutual funds or the stock market. Not Like countries in the developed world, social safety measures or government pension schemes are comprehensible to only a small part of the population in India. Most of the people use bank savings, fixed deposits, post office savings and public provident fund (PPF) as mechanisms for savings and investment. Due to the absence of access to official financial markets and lack of information and financial literacy, life insurance assumes a crucial role in the financial security of a large part of the polite society. It is especially important for pastoral and poorer sections of the society.

OBJECTIVES OF THE STUDY

- To identify the socio-economic characteristics of sample respondents.
- To determine the awareness level of the policy holders about LIC and its product

3.1 Review of Literature

Clifford Paul et al., (2010) tried to identify the association between the socio-economic status and awareness of Indian depositors of insurance. The required primary data have been collected from 1,655 policyholders. It is found that the awareness level of the policyholders is at a low level among uneducated, lower age group and daily wage class. **Harman Singh and MadhurimaLall (2011)** made a study to examines the awareness level of the policyholders regarding Insurance Policies. By using Random Sampling technique, the required primary data have been collected as of 104 respondents. It is found that the Government service men of 26-45 age group are taking more awareness about buying Insurance Products for several purposes. **Altat Ahmad Dar and Shabir Bhat (2012)** analyzed the awareness of policyholders and the required primary data have been collected from 242 respondents. It is found that the awareness about Insurance products is exceptionally low. It is recommended that the Insurance Companies should reach out to those who are illiterate and the lower age group people by awareness crusade like radio and television advertisements.

3.2 Data and Sources of Data

To determine the degree of association between the purpose stated by the sample populace for holding a policy holder and the inspirations of varies factors on them, the following hypothesis is framed and the same is tested with the help of percentage analyses. This study consists of both primary and secondary data that helped the researcher in efficient framework of the study. The well-structured questionnaire enhanced to basic data collection tool for collection of primary data. The secondary data are collected from various books, journals, magazines, research works and from insurance related books and websites. Data will be analyzed with percentage analyses.

RESEARCH METHODOLOGY

The study is both explorative and descriptive in nature. Initial stage of the research was exploratory in nature. This was done in two segments. The initial phase was to undertake consists of comprehensive review of secondary data available on insurance business in India, awareness, and behavior of policy holders regarding it. The second phase of review of literature aided the researcher in trapping questionnaire for the study. Second stage of the study was descriptive research, which was conducted out at the second stage by utilizing a survey method. Data for the study were collected from policy holders in Ramanthapuram. The tool used for data collection is a well-structured questionnaire.

3.3 Sampling Design

In the current study a sightless fold survey was conducted, that is the respondents are not categorized on the bases of the service providers. The study is based on cluster analysis. The entire topographical area of Ramanathapuram is divided into three North, South, East and West Zone. From each area a sample of fifty (50) respondents were chosen as survivable population that is summated to one fifty in totals. A convenient sampling technique has been embraced by the researcher for collection of primary data. Primary data base of the policy holders was collected from the corresponding insurance company agents and established on the information gathered. The respondents have been chosen for data collection with help of references groups, friends, relatives, neighbors etc.

3.4 Method of Data Collection

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IV. RESULTS AND DISCUSSION

4.1 Results of Demographic Profile

Table 4.1: Demographic profile of the respondents

S.No.	Demographic attributes	Category	No. of Respondents	Percentage (%)
1	Sex	Male	93	62
		Female	57	38
2	Age	Below 30 years	10	6.7
		31 – 40 years	56	37.3
		41 – 50 years	40	26.7
		51 – 60 years	24	16
		Above 60 years	20	13.3
3	Education	Undergraduate	60	40
		Postgraduate	34	22.7
		ITI/Diploma	10	6.7
		Others	16	10.7
4	Occupation	Self Employed	26	17.3
		Government Employees	45	30
		Private employees	54	36
		Professionals	20	13.3
		Others	5	3.3
5	Marital Status	Married	89	59.3
		Unmarried	61	40.7
6	Annual Income	Below Rs. 2,00,000	23	15.3
		Rs. 2,00,001 to 3,00,000	38	25.3
		Rs. 3,00,001 to 4,00,000	45	30
		Rs. 4,00,001 to 5,00,000	15	10
		Above Rs. 5,00,000	29	19.3

Source: Primary Data, Computed.

Table 4.1 It has been suggested that majority of the respondents of the current study are male i.e., 62% and they are primarily fall over under that age category of 31 – 40 years i.e., 37.3%. It has been inferred that 40% of the LIC policy holders are graduates and it is assumed they were aware of insurance products and 36% of the respondents' employed in private institutions. It has been observed that 59.3% of the respondents are knowing the insurance products in the survey area are married and 30% of the respondents' yearly earning income ranges within Rs. 3 - 4 lakhs.'

4.2 AWARENESS TOWARDS THE LIFE INSURANCE INVESTMENT OF RESPONDENTS IN CHENNAI

S.No	Factor	No. of Respondents	Percentage (%)
1	Yes	126	84
2	No	24	16

Source: Primary, Computed.

Table 4.2 the result reveals that 126 respondents are having awareness on life insurance products and remaining 24 respondents are not having the awareness towards the life insurance products.

4.3 Awareness Towards Life Insurance Products with Special Reference To Chennai City

S.No	Sources	No. of Respondents	Percentage (%)
1	Media	40	26.7
2	Agent	65	43.3
3	Friends	30	20
4	Newspaper	15	10
Total		150	100

Source: Primary Data, Computed.

Table 4.3 The result designates that 43.3% of respondents are getting their awareness through the sources of agent, 26.7% of respondents are getting their awareness through the sources of Media, 20% of respondents are getting their awareness through the sources of friends and 10% of respondents are getting their awareness through the sources of newspaper.

V. SUGGESTIONS

People are conscious about presence of the insurance companies, but awareness about the importance towards LIC's Policies and products in Ramanthapuram is low.

- Existing Policy holders need to be educated more, on their own policy. LIC products buying behaviour of the consumer is related to the awareness about the products.
- Sufficient awareness must be created by revealing their policy's bonus details, royalty amount, etc. Apart from their own policy knowledge they can also be educated on other attractive policy details, apt to their family condition.

VI. CONCLUSION

Life Insurance Corporation (LIC) should make immense efforts to create insurance awareness among the people in Ramanthapuram who wants to safeguard their life. Since the insurance sector is still in emerging stage of development, the study has stated that improving insurance awareness involves both structuring and enhancing the diffusion of an appropriate awareness formation campaign with a regional and spatial emphasis in Ramanathapuram. Such a campaign requires to be encouraged by a greater information public service for the efficient purpose in the life insurance market. People are even avoiding purchasing life insurance policies. Even the level of awareness regarding different life insurance policies is extremely low among the respondents. Majority of the populace residing in Ramanathapuram are not aware and acquainted with the terms and conditions of different life insurance products. It is also explored that learning plays a particularly important role in purchasing of life insurance policies and products. It is technically proved that there is a relationship between behavior decisions and education.

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