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## IMPACT OF UNIT LINKED INSURANCE PLAN ON POLICY HOLDER

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### ABSTRACT:

Unit linked insurance plan has possibly been the single largest innovation in the field of life insurance .It has addressed and overcome many difficulties and concerns that customers had about life insurance which are liquidity ,flexibility and transparency.

. They disclose all the material facts to frequent and consistent (quarterly or half yearly)

These factors which gave entry for ULIP'S in the insurance market are

Arrival of private of private players and were the most significant innovation done by them.

Decline of assured returns in endowment plans. Besides this as the stock markets were now become the primary factor.

**KEYWORDS:** Evaluation of effectiveness, Capital funds, Risk management

### INTRODUCTION:

Unit Linked Insurance Plan were introduced in India) in the year 1971.

Insurances related to insurance linked plans offers transparency of their investment part, in which risk of investment transferred on to the client of the insurance company.

A unit linked insurance plan is an investment product that provides for insurance payout benefits. ULIP offerings are primarily concentrated in India. ULIPS are very different from the traditional policies because they are based on some fundamentals of mutual funds. The behavior of the insurers who, in case of Unit linked insurances should be treated as rational Investors, decisions taking in the conditions of risk on capital market should be determined by their evaluation of the effectiveness of a given product. When an Investor purchases units in a ULIP, along with a larger number of investors. Different ULIPs offers different investments. Investors can buy shares in a single strategy.

**OBJECTIVES:**

- To identify the important factors for investing in ULIPS are preference of investment, problems of investors.
- To find whether there is any difference in the importance attached to factor for investing in the ULIPS based on demographic factors.
- To Analysis the investors cognitive behavior & effective behavior.
- To identify whether the intensity of problems.
- To know whether there is a variation in the preference level of various Investment

**RESEARCH METHODOLOGY:**

In any research study, the research design adopted vital concept. The design adopted will help the proper method of approach in several aspects such as preparing questionnaire, sampling method, and data collection. In the present study, a comparative idea of the responses of chosen respondents about the Investors behavior on ULIPs (unit linked insurance plan) market will help to have an idea in important aspects of the investors in the decision of the investment and its aspects. The study research design is both descriptive as well as diagnostic.

In any survey or study, the Concepts of collecting data is very important and plays an important role in knowing the primary information about the research and the respondents its accuracy. Those items, which are helps to the investigation in establishing good Reports with the respondents, should be put first, and items relating to a particular aspect of the survey should be together in the questionnaire.

**LITERATURE REVIEW:**

Khorana & Sunanya (2008) in their research, “Investors preferences in life insurance industry in India” had made an attempt to identify Investor preference regarding plans and company, their purpose of buying insurance policies, their satisfaction level and their future plans for the new Insurance policy. Data were collected from Hisar city in Haryana through structured questionnaire from 200 Investor. The sample data is collected on the basis of the convenience sample method. For analyzing, percentage, frequency, and cross tabulation methods have been used.

Chandra Prasad in the year 2009 stated that the Unit linked Insurance plan is a unique, multiple benefits plan which combines the basic benefits of life insurance, tax benefits, accident insurance, He further stated that it is a life insurance solution that provides for the benefits of protection and flexibility in investment. That the ULIPs have gained high acceptance due to attractive features offers to its investors.

Sunjay Mathew in the year 2010 stated that the ULIP is the amount that a policy owner invests in a ULIP over and above the regular premium. The primary aim is to enjoy the benefits at lower premium allocation charge. He further stated that top up premiums have been great selling point for ULIPs. In that he concluded most of the people prefer ULIP plans. The ULIP plans are better because it combines regular insurance policy with child education, pension plan & other benefits.

Monika Bhatia & Narinderkour in the year 2015 conducted a study on attitude and perception of millennium city Investors for ULIPs. According to them, Indian population and growing per capita income are the main driving factors which indicated in there huge business opportunity available for the insurance companies in India. They quoted that according to the annual report of Insurance Regulatory and Development Authority of India 2013-14, 80% of the population in India is without life insurance policies. They indicated that in the present times the most preferred insurance plans are ULIPs.

Kalyani in the year 2006 stated that the ULIPs are defined as the right turn for investor, associated the ULIP with traditional insurance policies. In a traditional policy, the investor is shielded from these vacillations and the proceeds of the policy are known as initiation. She stated that for the past few years ULIPs are popular in the market and the sale volumes of ULIPs have been intense.

**CONCLUSION:**

ULIPs provides two important benefits to the insurer i.e. investment and safety. The policy holders are investing in ULIPs they accepts low risk. Unit linked insurance plan provides better benefits to the policy holders. Now a days ULIPs getting growth in the markets. The Insurers also trying to introduce the new products. It is one of the innovative ideas for the insurer. The unit linked insurance plan offer life insurance policy as well as investment component like mutual fund. In ULIP plan the policy owner can select the mode of payment towards his premiums either single premium or he can opt for paying premiums at regular intervals which may be monthly, quarterly, half yearly or annually.

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