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## IMPACT OF COVID 19 COUSTOMER PREFERENCE LIFE INSURANCE SECTOR IN INDIA

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### Abstract

In today's tough competition, every company in service sector tries hard to satisfy their customer. In Insurance sector, various new private companies have entered in industry by doing the merger with foreign companies. Day by day they are offering new services with the basic plan to attract the new customers & for retaining the present customers. In this research paper, I tried to understand the consumer behavior in Insurance sector. The main objective of this paper to identify customer preference regarding plans & company, their purpose of buying the insurance policies, satisfaction level & their future plans for new insurance policy. Data was collected with help of structured questionnaire from 200 customers of Hissar city only. Sample was taken on the basis of convenience sampling, but only 192 questionnaires were used for analysis as the remaining 8 were not filled properly by the respondents. Percentage, frequency & Cross tabulation methods have been used for analysis.

**KEYWORDS:** Customer Preferences, Insurance, Competition, Satisfaction.

### Introduction:

Insurance sector plays a very important role in the development of any economy. A well developed and evolved insurance sector is needed for economic development as it provides long term funds for infrastructure development and at the same time strengthens the risk taking ability. It is estimated that over the next ten years India would require investments to the tune of one trillion US dollar. The insurance sector to some extent can enable investments in infrastructure development to sustain economic growth of the country.

### Life insurance players in India:

#### **Public Sector**

1. Life Insurance Corporation of India

**Private Sector**

1. Bajaj Allianz Life Insurance Company Limited
2. Birla Sun- Life Insurance Company Limited
3. HDFC Standard Life Insurance Co. Limited
4. ICICI Prudential Life Insurance Co. Limited
5. ING Vysya Life Insurance Company Limited
6. Max New York Life Insurance Co. Limited
7. MetLife Insurance Company Limited
8. Om Kotak Mahindra Life Insurance Co. Limited
9. TATA AIG Life Insurance Company Limited

**Product profile:**

Life insurance products are mainly assigned to provide to a survivor, family or business in the event of the death of the insured. It is used to help replace income, pay off mortgages, debts or estate taxes, and provide cash to buy out a partnership or acquire stock owned by the deceased.

There are two basic types of life insurance policies: term insurance, which provides coverage for a specified period of time (term), and endowment insurance, which combines a death benefit with a cash value component. The endowment insurance offers lifetime protection, while term insurance may be most affordable option for buying life insurance mainly for the financial protection it offers, and when the need for life insurance is temporary.

Based on the Demographic Profile various products have been created and continuous product innovations are done to meet the growing needs of different segments of the society. Some of the products categories to different segments are:

<b>Age groups</b>	<b>Policy</b>
0-20 years	Children Plan <i>Educational Needs, Marriage Plans</i>
20-49 years	Money Back, Endowment Plan, Loan Cover, Term Plans, Unit Linked Insurance Plans. <i>Investments, Tax Planning</i>
50 and above	Pension Plans <i>Security and Regular Flows</i>

**Literature review**

The basic necessity of review of any study is to find out the issues that had been taken by the past researches. The present literature serves many varied interesting features, which forms the vital background for the study and conducted a consideration.

**N. Namasivayam, S. Ganesan and S. Rajendran (2021)** study titled “Socioeconomic factors influencing the decision in Taking Life Insurance Policies “The objective of the study was to analyze the socioeconomic factors that are responsible for taking life insurance policies and to examine the preference of the policyholders towards various types of policies of LIC. From the analysis it was found that factors such as age, educational level and sex of the policy holders are insignificant But (Income Level, Occupation & Family size are significant) while deciding on taking an insurance policy. From the analysis, it is inferred that respondents belonging to the age group between 31 to 40 years are very much interested in taking a life insurance policy.

**Dr. N. Raman & Miss. C. Gayatri** (2020) had observed the customers Awareness towards new insurance companies. It was found that 53% of the respondents belong to the age group “up to 30”, 24% to the age group 31-40 , 20% belong to the age group of 41-50, and the remaining belong to the group of above 50. They also observed that a large percentage of the insured respondents (32%) are professionals and 56% of the respondents are married. It is also found that most of the respondents (52%) have taken a policy to cover the risk and 44% to avoid tax and the remaining to invest the surplus amount. The study suggests of the understanding the customer better will enable insurance companies to design appropriate products, determine price correctly and increase profitability.

**Jagendra Kumar** (2019) by his study, revealed that The Life Insurance penetration, in India is Just about 2% of GDP. The life insurance premium per capita is just Rs. 550/- The LIC is the largest player with over 2000 officers. After liberalization, it has improved efficiency and customer services, among the private life insurance companies ICICI Prudential life Insurance and Birla Sunlife are the first and second largest players. Other prominent companies in competition are – Bajaj -Allianz, HDFC Standard Life, Kotak Mahindra, ING Vysya Aviva Life, and Metlife etc.

A study conducted by **Patil Kallinath S** (2018) aimed at –“critically evaluation of the performance of existing insurance products.” It revealed that the insurance coverage of agricultural groups and agricultural labor is very low. The performance of children related policies like Jeevan Kishore, Jeevan Balya etc. is very poor except the children money back policy, which has also not been contributing significantly. The demonstration of product features, by the agents, is not satisfactory.

### **Scope of the study:-**

The universe of the research was ‘Buyers of Life Insurance Policy’. The sample Respondents have been selected from vadodar City only.

### **Research Objectives**

The main objectives of this paper to identify customer preference regarding plans & company , their purpose of buying the insurance policies, satisfaction level & their future plans for new insurance policy.

### **Research design**

It has been further classified into four subsections.

- A. Sample selection & size
  - B. Sampling Procedure
  - C. Data Collection
  - D. Analytical Tools
- A. **Sample selection & size**

First step of research is sample selection, for which respondents were consumers in Vodara city. Total consumers covered were 200.

200 questionnaires were distributed but only 192 fully completed questionnaires were received and results are based on the responses of 192 respondents.

Sample Size – 192

#### **B. Sampling procedure**

The Consumers are selected by the following method:-

**Convenience Sampling:** The researcher selects the most accessible population members from which to obtain information. **Exploratory Research was used.**

### C. Data collection

#### Primary Data:-

For the present study, the researcher used the survey method for collecting Primary data. A structured questionnaire was used for the purpose. The questionnaire included multiple choice questions.

#### Secondary Data:-

The main source of secondary data for this research has been Insurance Chronicle , The ICFAI journal of Service marketing , The ICFAI journal of Consumer Behavior and Indian Journal of Marketing.

### D. Analytical tools

The data thus collected was collected was tabulated, interpreted & analyzed with a view to make the study meaningful. In the present study, percentage, a frequency & cross tabulation method has been used for analysis.

### Analysis of Data

Data collected through structured questionnaire were coded & tabulated according to need of study.

#### Demographic profile

71.9 % respondents were male while 28.1% were female. Responded were mostly belong to age group 25-30 (34.4 %), followed by the age group 41-45 (28.1%) & 21.9% respondent belong to age group 36-40. Mostly the respondents (71.9%) are married. 37.5 % respondents have annual income in the range of 1 lakh- 2 lakhs. Most of respondents (31.3%, 60 out of 192) are civil servants. The detailed respondent's demographic profile in terms of frequency & percentage is presented in Table 1.

<b>Table 1 : Demographic profile</b>		
	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>		
Male	138	71.9
Female	54	28.1
Total	192	100.0
<b>Age</b>		
25-30	66	34.4
31-35	12	6.3
36-40	42	21.9
41-45	54	28.1
46-50	12	6.3
More than 50	6	3.1
Total	192	100.0
<b>Family Status</b>		
Married	138	71.9
single	48	25.0
Total	192	100.0
<b>Annual Income</b>		

upto 1 lakh	66	34.4
1 lakh-2 lakh	72	37.5
2-3 lakh	24	12.5
3-4 lakh	18	9.4
4- 5 lakh	6	3.1
6	6	3.1
Total	192	100.0
<b>Occupation</b>		
Civil servant	60	31.3
Private employee	54	28.1
Self employed	18	9.4
Businessman /women	12	6.3
Farmer	12	6.3
Other	36	18.8
Total	192	100.0

### Company name \* Insurance Policy

As shown in Table 2, 68.8% respondents have policies of LIC Company & 31.2% respondents have policies of private companies like HDFC Std Life, ICICI Pru, KOTAK Life, TATA AIG, Max New York, Birla Sun Life, & Bajaj Allianz.

34.4% respondents have Simple Term plan out of which 63.6% plans are of LIC Company. 28.1 % respondents have Money Back policy out of which 77.8% money back policies of LIC company only, that means customer still prefer public sector companies as compared to private sector companies. In ULIP plan category, 55.6 % of total policies (28.1%) belong to again LIC. Only 6.3% & 3.1% of total (192) respondents have Pension Plans & Child Benefits Plans respectively & all of LIC Company only.

		Insurance Policy					Total	
		Term policy	Money back policy	ULIP plan	Pension plan	Child benefit plan		
<b>Company Name</b>	<b>LIC</b>	% within company name	31.8%	31.8%	22.7%	9.1%	4.5%	100.0%
		% within Ins.Policy	63.6%	77.8%	55.6%	100.0%	100.0%	68.8%
		% of Total	21.9%	21.9%	15.6%	6.3%	3.1%	68.8%
	<b>HDFC Std Life</b>	% within company name	100.0%					100.0%
		% within Ins.Policy	9.1%					3.1%
		% of Total	3.1%					3.1%
	<b>ICICI Pru.</b>	% within company name			100.0%			100.0%
		% within Ins.Policy			11.1%			3.1%

	% of Total		3.1%			3.1%	
<b>KOTAK Life</b>	% within company name	100.0%				100.0%	
	% within Ins.Policy	9.1%				3.1%	
	% of Total	3.1%				3.1%	
<b>TATA AIG</b>	% within company name	50.0%	50.0%			100.0%	
	% within Ins.Policy	9.1%	11.1%			6.3%	
	% of Total	3.1%	3.1%			6.3%	
<b>Max New York</b>	% within company name		100.0%			100.0%	
	% within Ins.Policy		11.1%			3.1%	
	% of Total		3.1%			3.1%	
<b>Birla Sun Life</b>	% within company name			100.0%		100.0%	
	% within Ins.Policy			22.2%		6.3%	
	% of Total			6.3%		6.3%	
<b>Bajaj Allianz</b>	% within company name	50.0%	50.0%			100.0%	
	% within Ins.Policy	9.1%	11.1%			6.3%	
	% of Total	3.1%	3.1%			6.3%	
<b>Total</b>	% within company name	34.4%	28.1%	28.1%	6.3%	3.1%	100.0%
	% within Ins.Policy	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Total	34.4%	28.1%	28.1%	6.3%	3.1%	100.0%

### Purpose of buying a policy

The result of survey (Table 3) shows that protection is the main purpose of buying a Insurance policy.

S.No	Purpose	Frequency	Percentage
1	Income tax rebate	40	20.8%
2	Protection	75	39.0%
3	Return	40	20.8%
4	Saving	35	18.2%
5	Other	02	1.2 %
Total		192	100%

## Problem Faced while dealing with Insurance Company

According to survey, only 6.3% (12) respondents faced problems & all have policies of LIC Company (Table: 4).

		Problem Faced		Total
		Yes	No	
<b>Company name</b>	LIC	9.1%	90.9%	100.0%
	HDFC Std Life		100.0%	100.0%
	ICICI Pru		100.0%	100.0%
	KOTAK Life		100.0%	100.0%
	TATA AIG		100.0%	100.0%
	Max New York		100.0%	100.0%
	Birla Sun Life		100.0%	100.0%
	Bajaj Allianz		100.0%	100.0%
<b>Total</b>		<b>6.3%</b>	<b>93.8%</b>	<b>100.0%</b>

Acc. to Table: 5, 6 & 7, 50% of respondents faced the Claim Settlement problem & 50% while collecting the relevant information from Insurance company. All the respondents told that the problem was resolved to their satisfaction.

		Problem type		Total
		Claim settlement	Information	
<b>Company name</b>	LIC	50.0%	50.0%	100.0%
<b>Total</b>		<b>50.0%</b>	<b>50.0%</b>	<b>100.0%</b>



<b>Table:6 Problem type * satisfaction with solution Cross tabulation</b> (% within problem type)				
		<b>Satisfaction with solution</b>		<b>Total</b>
		<b>Yes</b>		
<b>Problem type</b>	<b>Claim settlement</b>	<b>100.0%</b>		<b>100.0%</b>
	<b>Information</b>	<b>100.0%</b>		<b>100.0%</b>
<b>Total</b>		<b>100.0%</b>		<b>100.0%</b>

<b>Table :7 Company name * satisfaction with solution Cross tabulation</b> (% within company name)				
		<b>Satisfaction with solution</b>		<b>Total</b>
		<b>Yes</b>		
<b>Company name</b>	<b>LIC</b>	<b>100.0%</b>		<b>100.0%</b>
<b>Total</b>		<b>100.0%</b>		<b>100.0%</b>

It is observed from data that 62.5% respondents will suggest to a friend or relative about their Insurance Company & its services. 100 % customers of HDFC Std life, ICICI Pru, Kotak Life Max New York & Birla sun life will definitely suggest to friends that means they are totally satisfy with company policies & services. But the 45%, 50% & 50% customers of LIC, TATA AIG & Bajaj Allianz resp. will not suggest to friends that means they are not satisfy.

<b>Table:8 Company name * Suggest to friend Cross tabulation</b> (% within company name)				
		<b>Suggest to friend</b>		<b>Total</b>
		<b>Yes</b>	<b>No</b>	
<b>Company name</b>	<b>LIC</b>	<b>54.5%</b>	<b>45.5%</b>	<b>100.0%</b>
	<b>HDFC Std Life</b>	<b>100.0%</b>		<b>100.0%</b>
	<b>ICICI Pru</b>	<b>100.0%</b>		<b>100.0%</b>
	<b>KOTAK Life</b>	<b>100.0%</b>		<b>100.0%</b>
	<b>TATA AIG</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100.0%</b>
	<b>Max New York</b>	<b>100.0%</b>		<b>100.0%</b>
	<b>Birla Sun Life</b>	<b>100.0%</b>		<b>100.0%</b>
	<b>Bajaj Allianz</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100.0%</b>
<b>Total</b>		<b>62.5%</b>	<b>37.5%</b>	<b>100.0%</b>



When the question asked to the respondent regarding how they cover an additional insurance need in near future, whether would acquire a policy from some other company or from the same insurance company, 56.3 % told that they buy from same company & 43.8 % told that they will buy from other different company. By doing a cross tabulation of Company Name vs New Insurance, it is found that 50% customers of LIC, TATA AIG & Bajaj Allianz will not buy the new insurance in near future from same company while the 100 % customers of ICICI Pru. , Kotak Life, Max New York & Birla Sun Life will buy new insurance from same company that means they are totally satisfy with company's Insurance Plans & its services. But all the customers of HDFC Std life are not happy with company & they will buy the new insurance plan in near future from some other company.

		New insurance		Total
		Other company	Same company	
<b>Company name</b>	<b>LIC</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100.0%</b>
	<b>HDFC Std Life</b>	<b>100.0%</b>		<b>100.0%</b>
	<b>ICICI Pru</b>		<b>100.0%</b>	<b>100.0%</b>
	<b>KOTAK Life</b>		<b>100.0%</b>	<b>100.0%</b>
	<b>TATA AIG</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100.0%</b>
	<b>Max New York</b>		<b>100.0%</b>	<b>100.0%</b>
	<b>Birla Sun Life</b>		<b>100.0%</b>	<b>100.0%</b>
	<b>Bajaj Allianz</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100.0%</b>
<b>Total</b>	<b>43.8%</b>	<b>56.3%</b>	<b>100.0%</b>	

## Conclusions

1. 71.9 % respondents were male while 28.1% were female.
2. Responded were mostly belong to age group 25-30 (34.4 %),
3. Most of respondents (31.3%, 60 out of 192) are civil servants
4. 68.8% respondents have policies of LIC Company & 31.2% respondents have policies of private companies like HDFC Std Life, ICICI Pru, KOTAK Life, TATA AIG, Max New York, Birla Sun Life, & Bajaj Allianz
5. 34.4% respondents have Simple Term plan out of which 63.6% plans are of LIC Company.
6. 28.1 % respondents have Money Back policy out of which 77.8% money back policies of LIC company only, that means customer still prefer public sector companies as compared to private sector companies.
7. In ULIP plan category, 55.6 % of total policies (28.1%) belong to again LIC.
8. Only 6.3% & 3.1% of total (192) respondents have Pension Plans & Child Benefits Plans respectively & all of LIC Company only.
9. Protection is the main purpose of buying a Insurance policy.
10. Only 6.3% (12) respondents faced problems & all have policies of LIC Company..
11. 100 % customers of HDFC Std life, ICICI Pru, Kotak Life Max New York & Birla sun life will definitely suggest to friends that means they are totally satisfy with company policies & services. But the 45%, 50% & 50% customers of LIC, TATA AIG & Bajaj Allianz resp. will not suggest to friends that means they are not satisfy.
12. Only 56.3 % respondents are ready to buy new insurance plans from same company.

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