# Returns to Customers leads to their Ultimate Satisfaction: A Study on HDFC Life

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## Abstract

Insurance is a wide concept that simply means mode of savings. It is an activity or a process through which the savings of the people are mobilized, invested and made available back to them with some returns over their invested amount. Almost every person tends to save their money so that they may get some sort of protection from the uncertain future, losses and risks. Choosing insurance as a means of covering losses, protection from uncertain future is a modern technique. Though, India is said to be the highest in Asia-pacific region in term of growth in savings but still, India is a country which is under-insured. At present, private life insurance companies are taking active part in mobilizing the savings and people are also strengthening their trust in private players. The performance of the life insurance company is not confined to only selling the insurance products, marketing and advertisement but it necessarily includes customer satisfaction.

This paper discusses about the insurance policies offered by the HDFC Life, the returns available on these policies and measuring the ultimate customer satisfaction. For this purpose, the HDFC Life from Lucknow and Kanpur have been chosen for the study. A structured questionnaire have been used for the collection of data from 200 customers. Multiple regression analysis have been used for measuring the customer satisfaction.

**Keywords: Insurance, Life Insurance, HDFC Life, Customer Satisfaction, Insurance Policies**

## Introduction

The life insurance industry actively contributes in the mobilization of the long term savings of the people. It provides protection, safety and long term income and other related solutions. India has a potential for growing in the life insurance sector because till 2022 even, it remain under-insured. Overall, the insurable population of India increases considerably each year. The elderly population of India (60+ age group) is

going to be tripled by 2050, compared to 2015 which provides life insurance industry to create unique and right life insurance solutions for the right customers. There is an advancement in the healthcare facilities, in consequences of which, there is an increase in the life expectancy. This has led to requirement of launching pension based products. Each segment of population has different demand motors which changes according to the demographic profile of the population. The insurable population between age 20 to 64 is likely to increase to 1 billion by 2035 which calls for the need to introduce the long term saving and protection plans. All these plannings, launching of new products according to the needs to make market for the new customers and increasing the satisfaction of existing customers is very important.

Customer satisfaction is a term which measures the happiness of the customers related to company's products, policies, services of employees etc. This barometer helps the company to improve and change according to the needs & expectations of the customers. Extreme performing companies develops strategies and objects for achieving customer satisfaction. In the context of life insurance, when a person reach company to buy a life insurance policy, does he only want monetary benefits or he wants something more in terms of quality of the insurance policy. In this situation, a customer first evaluates, compares and then make a decision. He weighs the value of the policy against the price/consideration he is going to pay for it. He is not only worried about the claim or claim settlement process but he is also worried about would he be able to choose best policy which suits his requirements as well as his pocket? Will the company he is choosing to insure himself & his family provides transparent information? How is he going to deal with the employees of the company? Will he be able to interact with the company smoothly and freely. He wants who sympathises him regarding his risks and life and reduces his anxiety. A customer always wants an abundant of services from the company. Hence, customer satisfaction is a concept which allows the company to concentrate on each and every attribute of the customer like functional attribute, emotional attribute, life changing attributes as well as social impact attributes. A company needs to go beyond the services of the insurance, reaching to excel in their core business simultaneously. Insurers could maintain an ecosystem with their customers through which they can offer roadside assistance, devices and applications to monitor and reward the safe driving habits, diet plans etc.

**Review of Literature**

**G. Rejikumar, V, Sreedharan & Saha, Raiswa (2019)**, worked on "An integrated framework for service quality, choice overload, customer involvement and satisfaction: Evidence from India's non-life insurance sector" in which they tried to understand the predominant level of service quality from the point of view of customers of insurance in India. The data of 256 customers about their risk dispositions, awareness, past experiences, customer involvement, choice overload, service quality as well as satisfaction was collected using a structured questionnaire and identified the links between the above mentioned constructs using a variance-based structural equation modeling by means of partial least square tool. The study observed that PSQ was linked to many factors and it had strong relation with customer satisfaction and customer involvement is very necessary for production of quality service.

**Beula, Velmurugan (2018),** in their research titled "A Study on customer satisfaction in LIC policies with special reference to thuckalay branch" analyzed the level of customer satisfaction in life insurance products using descriptive research design and structured questionnaire to collect the primary data and interpreted the results through graphs and tables. The researcher suggested to make improvements in factor like advertisement and analyse the market from time to time to monitor the changing needs of the customers.

**Basaula, Damodar (2017),** in his research article entitled "Customer Satisfaction towards Life Insurance Claim Settlement in Nepal" tried to probe into the awareness and satisfaction of customers towards the claim settlement in Nepal with the employment of descriptive research design. He used stratified sampling and took sample of 391 agents and collected primary data through questionnaire having five point Likert scale. The study results into the findings that mostly, the respondents were neutral for satisfaction towards claim settlement but they were more inclined towards the speedy claim settlements. It also concluded that the government should make life insurance mandatory for every citizen and increase awareness for the same.

**Jain, Ruchi (2018),** in her research topic "Customer Satisfaction towards Services of Life Insurance Corporation (LIC) with special reference to Jaipur City" studied 156 of the policyholders of LIC chosen by simple random sampling under the age group of 20 to 50 years to identify the factors which affects the customer satisfaction in life insurance sector and to measure the level of customer satisfaction. The results were analyzed by using the descriptive statistical techniques like graphs, charts, mean, rank analysis and ANOVA. The study found that despite of the stiff competition, the LIC dominates the insurance market and 65.74% of the respondents were happy for being the policyholder of LIC and 34.26% of respondents were not happy and can shift to other insurers in future.

**Ruefenacht, Matthias (2017),** studied "The role of satisfaction and loyalty for insurers" and examined the backgrounds of satisfaction and loyalty and how it can be increased. The study was conducted globally in 24 countries across 5 continents among 11,736 insurance customers and the data was analyzed through structural equation modeling and established positive relation between satisfaction and attitudinal loyalty. The findings said that individual cognitive based dimensions of anticipated regret and product category knowledge significantly affect satisfaction and co-production and trust also positively affect satisfaction and attitudinal loyalty.

**Deb (2013)** in "Customer Preference in Life Insurance a Case Study of Guwahati" did a contextual investigation of Guwahati city so as to realize the inclination level of individuals towards life insurance policies. Scientist made a swell-organized survey for the gathering of information, next to these different magazines and papers were likewise counseled. Scientist picked factors like number of individuals having life insurance policies, statistic profiles, kind of life insurance policy and so forth in order to assess the client inclinations. The significant discoveries of the examination were that out of all respondents just 65% of them possessed a life insurance policy where in just 60% of them were happy with the working of life insurance organization and 40% stay unsatisfied with their insurance organizations. The examination

likewise uncovered that 35% of populace owing a life insurance policy favored a development time of 5-10 years while rest favored more than 15 years development period. Respondents positioned LIC as the top insurance organization pursued by ICICI; Birla Sun Life and so on along these lines uncovering that open division expelled the private players. The finish of the investigation demonstrates that individuals are currently mindful about different life insurance policies in addition to about the current life insurance organizations too. Different components like mental, financial, social, political variables influence the choice of the clients. Proposals as given in the paper incorporate those insurance organizations ought to embrace techniques to expand its business volume and develop its brand image.

## Research Methodology

The present study is based on primary data as well as secondary data which is to be used for getting the financial data of the HDFC Life. Thus, the proposed research is based on the following research plan:-

### Selection of Sample Unit

For the purpose of executing the research study, the regional office of HDFC Life of Lucknow and Kanpur has been taken into consideration.

### Collection of Data

The primary data has been collected from the customers of HDFC Life through the structured questionnaire which has been drafted using the Google Form, having two parts. The first part consists of the demographic details of the respondents and the second part contains 29 statements consisting of the items which are identified suitable to measure the factors responsible for the customer satisfaction. A five point Likert scale has been used for getting the responses in which '1' denotes Strongly Agree and '5' denotes Strongly Disagree. There are two reason for choosing the online method of data collection, first, is to acquire the wider representation of policyholders from the two cities and second, it has wider reach, least cost, fast, easy and most importantly it provides researcher an ease in the data entry. The questionnaire consists of the cover letter describing the purpose of the study with a view to get greater response rate. The pilot study has also been conducted on 1/10th part of selected sample i.e., on 20 respondents.

In the research, where the population is not exactly known or difficult to know, a sample is drawn out of that population and there must be adequate number of samples required for generalization of the results. Because the population for the study is difficult to know and also huge simultaneously, a sample of 200 respondents i.e., customers of HDFC Life has been taken for the collection of data. For testing the adequacy of the sample taken, KMO and Bartlett's Test has been applied. 100 respondents are chosen from the regional office of Lucknow and 100 respondents are chosen from the regional office of Kanpur. The link of questionnaire generated by Google Form has been sent to customers through E-mails and WhatsApp without any biasness using random sampling method. Though, the researcher required to send reminders from time to time to get the desired number of responses.

The secondary data has been collected through the research articles, website of HDFC Life, website of RBI, annual reports of HDFC Life and other webistes.

**KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | .873 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 3808.553 |
| | df | 406 |
| | Sig. | .000 |

**Analysis**

The data collected through the questionnaire is recorded and analysed with the help of SPSS version 25. The tests used for the analysis of data for the study is Factor Analysis, Multiple Regression.

➤ **Factor Analysis**

Factor analysis is the process of ascertaining the forms of relationships among the variables and reducing these variables into few number of factors. Exploratory factor analysis is being used in order to categorize the factors that are affecting the customer satisfaction. Under this, Principal component analysis and Varimax rotation are used for selecting the variables after observing and clubbing them together. It has been found that the variables that came out to be affecting the customer satisfaction are quality of services, quality of e-services, ease, salespersons and relationship with the company.

➤ **Multiple Regression Analysis**

Through multiple regression, the significance of each variable is being tested which can be seen with the help of the p value which must be less than 0.05. With the help of multiple regression, the unknown value of a variable or Y is predicted from the known values of more than two variables which are called predictors.

**Pilot Study**

At the initial stage, the questionnaire was distributed taking the sample of 20 people. After this, the feedback of the respondents was taken in order to make clarity regarding the questions and to identify the questions if they find it irrelevant or if there is any questions which needs to be rephrased/added. The result for this pilot study reveals that there was no changes required to be done in the questionnaire.

**Reliability**

For testing the reliability of the questionnaire at the initial stage, the Cronbach's Alpha test has been performed on the sample size of 20.

**Case Processing Summary**

|  | N | % |
|---|---|---|
| **Valid** | 20 | 100.0 |
| **Cases excluded** | 0 | 0 |
| **Total** | 20 | 100.0 |

**Reliability Statistics**

| **Cronbach's Alpha** | **N of Items** |
|---|---|
| .987 | 29 |

It is clear from the above table that the value of Cronbach's alpha speaks that the scale used has very good internal reliability and consistency. Thus, it is concluded that the questionnaire used is really very reliable.

**Objectives of the Study**

- ♣ To study the returns available to the policyholders of the HDFC Life.
- ♣ To measure the customer satisfaction among the policyholders.

**Returns Available to Policyholders of Various Policies offered by HDFC Life**

As on 31$^{st}$ March, 2020, the company offers 37 individual and 11 group products in its portfolio along with the six rider benefits which caters to the needs of the diverse customers across life, retirement, health protection as well as savings and investments. The life insurance products are considered perfect and ideal solution when we think of securing our long term financial goals. Every single person wants to have an additional source of income apart from their permanent source of earnings because of the fact that future is uncertain as we know that any financial distress or the economic slowdown can create havoc in our lives. To fight with all the uncertainties, life insurance products can be the best option.

At HDFC Life, the Product Council has been originated for discussing about the generation of new product ideas, overall product strategy for the company, evaluation of the product concepts, approval of the product concepts, review and monitor the performance of the product and discussion on the regulatory facet. It is represented by all the members of the executive committee and some other stakeholders, as may be required by the council. The plans offered by the company are as follows:-

- ▪ **Term Insurance Plans:-** Term insurance is an insurance which provides coverage for a particular period of time i.e., defined in terms of years. In the term life insurance policy, if the insured person dies within the stipulated period of time mentioned in the insurance policy, his representatives will get the death benefit. These type of insurance plans are very pocket friendly.

- **Savings & Investment Plans:-** Now a days, these are very popular type of insurance policies which provide their customers with the opportunity of creating wealth for the future. With these insurance plans or policies, anyone can save their money and can invest it in the various securities to go beyond the bare necessities of life. They help the insured to utilize his savings and grow over the time to fulfil his ambitions and for his future goals and needs.

- **Retirement Plans:-** These are the insurance policies which are basically meant for the people of older age or who are going to get retired in certain period of time. These plans helps them to gather some part of their savings to secure their future financially for a longer period of time. In this, the insured person just needs to contribute a particular amount of money called premium until he gets retired and after that he get back this money as the steady flow of income as per his need like in the form of monthly payment and it supports like a cushion post retirement.

- **Health Plans:-** A health insurance is a type of insurance that provides the insured person with the financial coverage for the medical expenses, if he has the health emergency. As mentioned in the health insurance contract, it may provide benefit of reimbursement of the medical expenses incurred by the person or may benefit as the cashless treatment.

- **Child plans:-** These are the investment plans which cater to the financial needs of the child. It has two constituents, of which, one is Insurance and the other is Investment. The Insurance part works for the protection of the child from the uncertainties. On the other hand, investment works by accumulating the money through investing in different instruments and meeting out the future needs.

- **Woman Plans:-** The plans/policies for women provides special solutions to cater to the different financial needs of the women. They are the set of specially produced and hand-picked products which suits their needs at different stages of the life. It consists of protection, health, retirement, child's education as well as savings and investments.

- **Combo Plans:-** These are the plans which provides the solutions that offers the benefits of two or more type of insurance plans. For example- Combo of health and life insurance in a single plan. These type of combo plans are very beneficial because it covers the broader benefits.

- **ULIP Plans:-** They stand for Unit Linked Insurance Plans. ULIPs are the combination of insurance and investment. A percentage of money is invested in different securities in the market and the remaining amount goes for securing the life of a person. All the risk related to the market has to be borne by the policyholder. Therefore, the insured person should make rational choices while going for the ULIPs in accordance with their risk appetite and needs of the future.

To study the returns that are available to the policyholders, various plans offered by the HDFC Life are taken into consideration for the research purpose. There are 17 plans for the potential customers which they can choose in accordance with their needs and requirements. These plans includes all the features of the term, savings and investments plans but they all are non-linked insurance plans. For the purpose of research, all these 17 plans have been studied to appraise the returns and percentage of returns that are available to the customers.

1. **HDFC Life Sanchay**

| Type of Plan | Aim of Plan |
|---|---|
| It is a non-linked, non-participating life insurance plan. | It aims at providing guaranteed maturity benefits at the time of maturity with fair flexibility of choosing the term of insurance. |

## Benefits at Maturity

It is paid as the percentage of Sum Assured on Maturity which is as follows:

### Table No. 1

| Policy Term | 5 | 10 | 15 | 20 | 25 | 30 | 35 | 40 |
|---|---|---|---|---|---|---|---|---|
| Returns Available | 140% | 180% | 220% | 280% | 325% | 370% | 415% | 460% |

## Benefits at Death

When life assured dies during the term of policy, the company pays the sum assured on death + accrued guaranteed additions to the nominee, where the sum assured on death is:

-*Sum Assured on Maturity -*An absolute amount assured to be paid on death -*10 times the Annualized Premium -*105% of total premiums paid, till date (whichever is higher).

2. **HDFC Life Sanchay Plus-Guaranteed Income Option**

| Type of Plan | Aim of Plan |
|---|---|
| It is a non-linked, non-participating, saving life insurance plan. | It aims at providing guaranteed income as maturity benefits throughout the term of policy over 10/12 years. |

## Benefits at Maturity

At the end of the policy as well as on survival of life assured, he shall get an option to receive the future regular income as a lump-sum with present value of future payouts discounted @ 9% p.a.

## Benefits at Death

When life assured dies during the policy term, the company pays the sum assured on death to the nominee, where the sum assured on death is:

-*10 times the Annualised Premium -*105% of total premiums paid, till date -* premium paid accumulated at interest of 5% p.a compounded annually. -*guaranteed sum assured on maturity -*an absolute amount assured to be paid on death (whichever is higher).

### 3. HDFC Life Sanchay Plus- Life Long Income Option

| Type of Plan | Aim of Plan |
|---|---|
| It is a non-linked, non-participating, saving life insurance plan with a policy term of 13 years. | It aims at providing guaranteed income as maturity benefits up to the age of 99 years and return of premium at the end of payout period. |

### Benefits at Maturity

| Policy Term | Payout Period |
|---|---|
| 6 years | Maturity benefit is paid as guaranteed income from $7^{th}$ year in arrear up to 99 years |
| 7 years | Maturity benefit is paid as guaranteed income from $8^{th}$ year in arrear up to 99 years |
| 11 years | Maturity benefit is paid as guaranteed income from $12^{th}$ year in arrear up to 99 years |
| 13 years | Maturity benefit is paid as guaranteed income from $14^{th}$ year in arrear up to 99 years |

### Benefits at Death

When the life assured dies, the company pays the sum assured on death to nominee, where the sum assured on death is:

-*10 times the Annualised Premium -*105% of total premiums paid, till date -* premium paid accumulated at interest of 5% p.a compounded annually. -*guaranteed sum assured on maturity -*an absolute amount assured to be paid on death (whichever is higher).

### 4. HDFC Life Sanchay Plus- Long Term Income Option

| Type of Plan | Aim of Plan |
|---|---|
| It is a non-linked, non-participating, saving life insurance plan with a policy term of 13 years. | It aims at providing insurance coverage for 13 years & guaranteed income as maturity benefits over 25 or 30 years |

### Benefits at Maturity

| Policy Term | Payout Period |
|---|---|
| 6 years | Maturity benefit is paid as guaranteed income from $7^{th}$ year to $36^{th}$ year in arrear (30 years) |
| 7 years | Maturity benefit is paid as guaranteed income from $8^{th}$ year to $37^{th}$ year in arrear |
| 11 years | Maturity benefit is paid as guaranteed income from $12^{th}$ year to $36^{th}$ year in arrear (25 years) |
| 13 years | Maturity benefit is paid as guaranteed income from $14^{th}$ year to $38^{th}$ year in arrear |

### Benefits at Death

When the life assured dies, the company pays the sum assured on death to nominee, where the sum assured on death is: -*10 times the Annualised Premium -*105% of total premiums paid, till date -* premium paid accumulated at interest of 5% p.a compounded annually. -*guaranteed sum assured on maturity -*an absolute amount assured to be paid on death (whichever is higher).

### 5. HDFC Life Sanchay Par Advantage

| Type of Plan | Aim of Plan |
|---|---|
| It is an individual non-linked, participating, saving life insurance plan with a policy term up to 100 years. | It aims at providing insurance coverage for whole life (till 100 years) & gives option to generate a regular income. |

**Benefits at Maturity**

| For Immediate Option | For Deferred Income |
|---|---|
| At the end of the policy, the Maturity Benefit will be-: *Sum Assured on Maturity + Accrued Cash Bonus (if any) + Interim Survival Benefit (if any) + Terminal Bonus (if any)* | At the end of the policy, the Maturity Benefit will be-: *Sum Assured on Maturity + Accrued Guaranteed Income & Cash Bonus (if any) + Interim Survival Benefit (if any) + Terminal Bonus (if any)* |

**Benefits at Death**

When the life assured dies, the Death Benefit shall be equal to:

-*Sum assured on death + accrued cash bonus & guaranteed income (if declared and not paid earlier) + Interim Survival Benefit (if any) + Terminal Bonus (if any)

-*The minimum death benefit will be 105% of total premiums paid, till date.

### 6. HDFC Life Sanchay Plus- Guaranteed Maturity Option

| Type of Plan | Aim of Plan |
|---|---|
| It is non-participating, limited paying saving life insurance plan with a policy term of 10, 12, 20 years. | It aims at providing insurance coverage throughout the policy term with guaranteed benefits on maturity. |

**Benefits at Maturity**

At the end of the policy and survival of life assured, the company shall pay lump-sum benefit as the sum of:

-*Guaranteed sum assured on maturity -*Accrued guaranteed additions

**Benefits at Death**

-*Guaranteed sum Assured on Maturity -*An absolute amount assured to be paid on death -*10 times the Annualized Premium -*105% of total premiums paid, till date (whichever is higher).

### 7. HDFC Life Click 2 Protect Life

| Type of Plan | Aim of Plan | Sum Assured (Min) |
|---|---|---|
| It is non-linked, individual, non-participating, pure risk premium, saving life insurance plan. | It aims at providing financial protection to the family of the life assured on diagnosis of Critical Illness or Death. | *Life & Critical Illness Rebalance:* 2000('000) *Life Protect & Income Plus:* 50('000) |

## Benefits at Maturity

It is paid only in case, the life assured chooses 'Return of Premium' and 'Income Plus' option.

## Benefits at Death

When the life assured dies during the policy term, the company shall pay:-

| Life & CI Rebalance | Life Protect | Income Plus |
|---|---|---|
| -*Sum assured on death – *105% of total premiums paid, till date -*Life Cover SA (whichever is higher). | -*Sum assured on death - *105% of total premiums paid, till date (whichever is higher). | -* Sum assured on death - *105% of total premiums paid, till date less total of survival benefits paid till the date of death. |

### 8. HDFC Life New Immediate Annuity Plan

| Type of Plan | Aim of Plan |
|---|---|
| It is a single premium, non-linked, non-participating annuity plan. | It aims at providing guaranteed income to individuals for life time. |

| Plan Option | |
|---|---|
| **For Single Life** | • Life Time Annuity<br>• Life Time Annuity with return of 100% of Purchase Price.<br>• Life Time Annuity with return of Purchase Price in parts.<br>• Life Time Annuity with return of 100% of Purchase Price on diagnosis of Critical Illness or Death. |
| **For Joint Life** | Last survivor with 100% of annuity and 100% returns of Purchase Price to second annuitant. |

**Benefits of Survival**

In single life option, under the Life Time Annuity with return of PP in parts, if the annuitant is alive, he shall be paid 30% of PP at the end of the 7 years from the date of commencement of risk.

**Benefits of Death**

- Under the option of Life Time Annuity with return of 100% of PP, on death of the annuitant, the nominee shall be paid 100% of PP of annuity.

- Under the option of Life Time Annuity with return of 100% of PP in parts, on death of the annuitant within 7 years, the nominee shall be paid 100% of PP and on death after 7 years, the nominee shall be paid 70% of PP.

- Under the option of Life Time Annuity with return of 100% of PP on diagnosis of CI or Death, the nominee shall be paid 100% of PP.

- Under Joint Life Option, the nominee shall be paid 100% of PP of annuity.

**9. HDFC Life Pension Guaranteed Plan**

| Type of Plan | Aim of Plan |
|---|---|
| It is a single premium, non-participating, non-linked annuity plan. | It aims at providing guaranteed income to individuals for life time on the basis of immediate and deferred payment. |

**Plan Option (For Single Life & Joint Life)**

- ✶ Immediate Life Annuity
- ✶ Immediate Life Annuity with return of PP
- ✶ Deferred Life Annuity with return of PP

**Benefits of Survival**

As long as the primary annuitant is alive, the annuity shall be paid in arrear in accordance with the payment frequency whereas, the annuity shall be paid to second annuitant in case of Joint Life option.

**Benefits of Death**

- Under the Immediate Life Annuity option, no death benefit shall be paid.
- Under the Life Annuity return of PP option, 100% of PP of annuity shall be paid.
- Under the Deferred Life Annuity with return of PP option, higher of the following shall be paid:-

  o Purchase Price + Guaranteed Additions – Total of annuity payouts till the date of death.
  o 110% of Purchase Price.

10. **HDFC Life Classic Assure Plus**

| Type of Plan | Aim of Plan |
|---|---|
| It is a non-linked 'With Profit' Life Insurance Plan with a policy term of 10, 15 and 20 years. | It aims at providing the individuals an option to invest for certain period and save it to meet their long-term financial goals. |

**Benefits at Maturity**

At the end of the policy term, the aggregate of 'Sum Assured' and 'Accrued Bonuses' shall be paid to the life assured.

**Benefits of Death**

At the event of the death of the life assured during the policy term, the aggregate of following shall be paid to the nominee-

-*Sum Assured on death -*10 times the annualised premiums -*105% of total premiums paid, till date (whichever is higher) and Accrued Bonuses.

11. **HDFC Life Pragati**

**Type & Aim of Plan:**

The product (with a policy term of 5 to 20 years) has been categorized as:

* Par
* Life
* Individual
* Savings

**Benefits at Maturity**

At the end of the policy term, the life assured shall be paid, higher of the following:-

* Sum assured on the maturity + Accrued Reversionary Bonus (if any) + Interim Bonus (if any) + Terminal Bonus (if any)
* 100% of total premiums paid

**Benefits of Death**

At the event of the death of life assured, the company shall pay to the nominee, higher of the following:-

- ✦ Sum assured on the death + Accrued Reversionary Bonus (if any) + Interim Bonus (if any) + Terminal Bonus (if any)
- ✦ 105% of total premiums paid till date of death

## 12. HDFC Life Sampoorn Samridhi Plus

**Type of Plan:** It is non-linked 'With Profit' life insurance plan with the policy term up to 100 years of age with the availability of two options:-

- ✦ Endowment
- ✦ Endowment with whole life

**Benefits at Maturity**

- ✦ Under the Endowment option, the life assured shall be paid the aggregate of following:-

  Sum assured on the maturity + Accrued Guaranteed Additions + Accrued Reversionary Bonus (if any) + Interim Bonus (if any) + Terminal Bonus (if any)

- ✦ Under the Endowment with whole life option, the life assured shall be paid the maturity benefits mentioned above and in addition, he shall be available with the amount equal to 'Sum assured on Maturity' as a whole life cover.

**Benefits of Death**

At the event of the death of the life assured during the policy term, the nominee shall be paid the higher of the following:-

- ✦ Sum assured on the death + Accrued Reversionary Bonus (if any) + Interim Bonus (if any) + Terminal Bonus (if any)
- ✦ 105% of total premiums paid till date of death

## 13. HDFC Life Uday

| Type of Plan | Aim of Plan |
|---|---|
| It is a non-linked 'With Profit' Life Insurance Plan with a policy term of 12, and 15 years | It aims at providing the individuals an option to invest for certain period, go for long term savings and get a life coverage for the term of the policy. |

**Benefits at Maturity**

At the end of the policy period, the life assured shall be paid the aggregate of following:-

Sum assured on the maturity + Accrued Guaranteed Additions + Accrued Reversionary Bonus (if any) + Interim Bonus (if any) + Terminal Bonus (if any)

**Benefits of Death**

At the event of the death of life assured, the company shall pay to the nominee, higher of the following:-

★ Sum assured on the death + Accrued Guaranteed Additions + Accrued Reversionary Bonus (if any) + Interim Bonus (if any) + Terminal Bonus (if any)

★ 105% of total premiums paid till date of death

## 14. HDFC Life Guarantee Pension Plan

| Type of Plan | Aim of Plan |
|---|---|
| It is a non-linked, non-participating pension plan with a policy term of 10 to 20 years. | It aims at providing the savings for getting pension benefits. |

**Maturity Additions & Benefits**

**Table No. 2**

| Policy Term | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Additions (% of sum assured) | 30% | 33% | 36% | 39% | 42% | 45% | 48% | 51% | 54% | 57% | 60% |

At the end of the policy, the life assured shall be paid the aggregate of:

★ Sum assured on Maturity

★ Guaranteed Additions

★ Maturity Additions

**Benefits of Death**

On the event of the death of the life assured during the policy term, the nominee shall be paid total premiums paid till date of death at a guaranteed rate of 6% p.a compounded annually.

**The minimum level of death benefit will be 105% of total premiums paid, at all times.**

## 15. HDFC Life Personal Pension Plus

| Type of Plan | Aim of Plan |
|---|---|

| | |
|---|---|
| It is a non-linked, participating pension plan with a policy term of 10 to 40 years. | It aims at providing the savings for getting pension benefits. |

**Benefits at Maturity**

At the end of the policy, the life assured shall be paid the higher of the following:-

* Sum assured on Maturity + Accrued Bonuses
* Assured Benefit of 101% of total premiums paid, till date

**Benefits at Death**

On the event of death of the life assured, the nominee shall be paid the aggregate of the following:-

* Assured death benefit of 101% of total premiums paid till date of death
* Accrued Bonuses

**The minimum level of death benefit will be 105% of total premiums paid, at all times.**

**16. HDFC Life Super Income Plan**

| Type of Plan | Aim of Plan |
|---|---|
| It is a traditional participating plan with a policy term of 15to 27 years. | It aims at creating a secured and regular income stream in which the individual has to be pay premiums for a certain period of 5 to 12 years and receive regular payouts for 8 to 15 years. Another option is to pay premium under single pay & receive regular payouts from $2^{nd}$ year till the end of the policy term. |

**Benefits at Maturity**

At the end of the policy, the life assured shall be paid the aggregate of the following:-

* Last payout of survival benefit
* Attached Reversionary Bonuses
* Interim Bonus (if any)
* Terminal Bonus (if any)

**Benefits at Death**

On the event of the death of the life assured during the policy term, the nominee shall be paid higher of the following:-

✶  Sum assured on death + Accrued reversionary Bonuses + Interim Bonus (if any) + Terminal Bonus (if any)

✶  105% of total premiums paid till date of death

## 17. HDFC Life Youngstar Udaan

| Type of Plan | Aim of Plan |
|---|---|
| It is a non-linked, participating life insurance plan. | It aims at providing for the one's child's future financial goals. |

### Options of Maturity Benefits

| Options | | Description | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Endowment** | **Aspiration** | Lumpsum amount shall be paid at Maturity | | | | | | |
| **Money Back** | **Academia** | **Survival Benefit shall be paid during last 5 years of policy & lumpsum benefit at Maturity.** | | | | | | |
| | | **T5** | **T4** | **T3** | **T2** | **T1** | **T** | |
| | | 30% | 15% | 15% | 15% | 15% | 15% | |
| | **Career** | 15% | 15% | 15% | 15% | 15% | 40% | |

### Options of Death Benefits

| Options | Description |
|---|---|
| **Classic** | The policy shall be terminated after the payment of the death benefit. |
| **Classic Waiver** | The policy continues after the payment of death benefit but no further premiums are required to be paid. The beneficiary shall continue to receive the payouts as stated. |

### Benefits at Maturity

At the end of the policy term, the life assured shall be paid the aggregate of the following:

✶  Last guaranteed payout for moneyback option (Academia & Career) and Sum assured on Maturity for moneyback option (Aspiration)

✶  Accrued guaranteed additions (if applicable)

✶  Reversionary Bonus, Interim Bonus, Terminal Bonus (if any)

**Benefits at Death**

**For Classic Option**

On the event of death of the life assured during the policy term, the highest of the following shall be paid:-

* Sum assured on death
* 105% of premiums paid till date of death

> **In addition, Accrued Guaranteed Additions, Accrued Reversionary Bonus, Interim Bonus, Terminal Bonus (if any)**

**For Classic Waiver**

On the event of death of the life assured during the policy term, the highest of the following shall be paid:-

* Sum assured on death
* 105% of premiums paid till date of death

> **In addition, the policy shall continue to participate in profits even after the death of the life assured.**

## Measuring Customer Satisfaction

To gain long-term competitiveness and never ending success, a key reaching to this blissful condition that a company has is named as customer satisfaction. This success and competitiveness is needed by insurance companies also. They also need to focus on the customers, their needs and requirements to retain the existing customers and reaching easily to potential customers. The concept of customer satisfaction is a barometer through which the insurance companies could monitor the areas where they need to work upon, their strengths and weaknesses. There are many of the characteristics through which the satisfaction is defined but they are not fixed with every person to which it is applied on because the characteristics of individual differs person to person, their tastes, preferences are all different. So, it is very hard for the companies to achieve the goal of satisfying their customers. In case of the insurance company, a person buys the insurance policy which matches his requirements, age, medical conditions, income etc. All these factors differs from individual to individual. So, to satisfy each of its customers purchasing the insurance policy, needs a continuous and rigorous research to bring new technologies surpassing the traditional ones with greater transparency.

The reasons for satisfaction of the customers must be analysed and it is to be determined that what psychological state and attitude leads to it. They could be the services that company provides, e-services associated with the company and customers, simplification, quality of the products and employees and in

last customer loyalty is also one of the main factor which shows the level of the customer satisfaction. With these factors, a model has been developed for the study which is giver below-
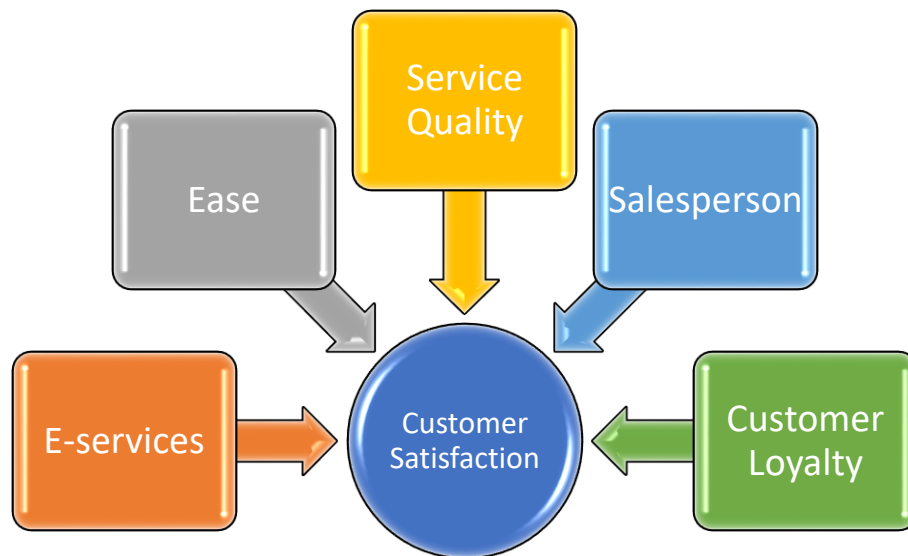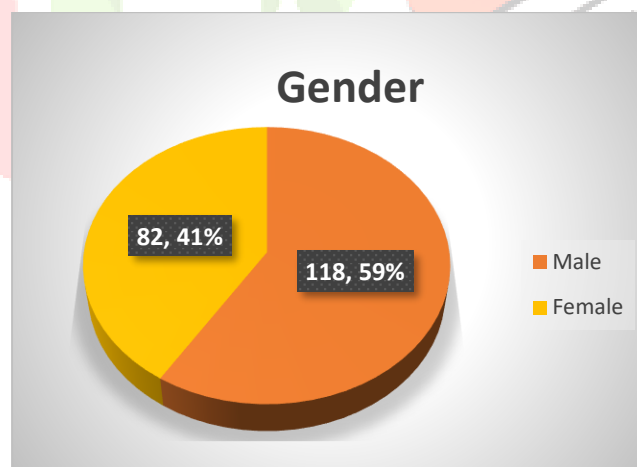


## Demographic Profile of Respondents:

**(Table No. 3) Respondents on the Basis of Gender**

| Gender | Frequency | Percent | Cumulative Percent |
|--------|-----------|---------|--------------------|
| Male | 118 | 59.0 | 59.0 |
| Female | 82 | 41.0 | 100.0 |
| Total | 200 | 100.0 | |

**Graph No. a**



The graph 6.a depicts that there were 118 respondents who were male and only 82 females that were surveyed i.e., 59% males and 41% females were taken for the study.

**(Table No. 4) Respondents on the Basis of Age Group**

| Age | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Below 30 years | 39 | 19.5 | 19.5 |
| 31- 40 years | 89 | 44.5 | 64.0 |
| 41- 50 years | 30 | 15.0 | 79.0 |
| Above 50 years | 42 | 21.0 | 100.0 |
| Total | 200 | 100.0 | |

**Graph No. b**
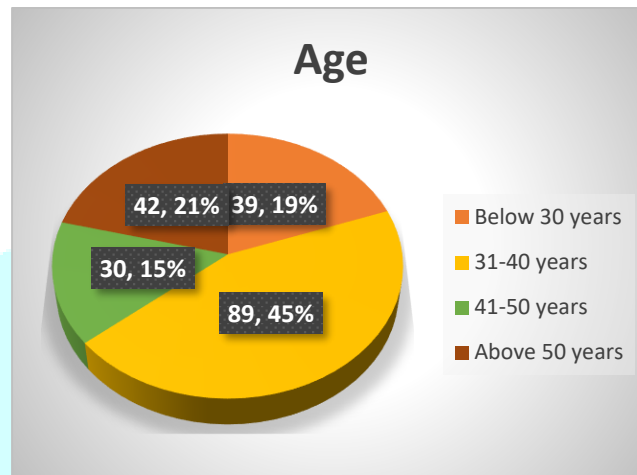


The graph 6.b indicates that there were 39 respondents who were of the age of below 30 years, 89 respondents who were of the age between 31-40 years, 30 respondents who were of the age of 41-50 years and 42 respondents who were of the age of above 50 years. The maximum number of people surveyed were of the age of 31-40 years i.e., 44.5%.

**(Table No. 5) Respondents on the Basis of Educational Qualifications**

| Education | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Intermediate | 8 | 4.0 | 4.0 |
| Undergraduate | 64 | 32.0 | 36.0 |
| Postgraduate | 113 | 56.5 | 92.5 |
| Ph.D. | 15 | 7.5 | 100.0 |
| Total | 200 | 100 | |

**Graph No. c**
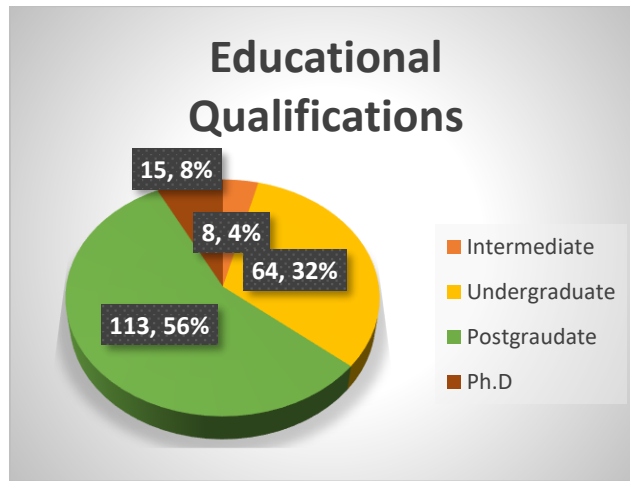


The above graph 6.c depicts that the majority of respondents had done their postgraduate i.e., 56.5% which were 113 in count. There were 64 respondents who had completed their undergraduate, 15 had done their doctorate and only 8 respondents were there who had only done the intermediate course.

**(Table No. 6) Respondents on the Basis of Occupation**

| Occupation | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Professional | 47 | 23.5 | 23.5 |
| Business | 25 | 12.5 | 26.0 |
| Government | 62 | 31.0 | 67.0 |
| Private | 66 | 33.0 | 100.0 |
| Total | 200 | 100 | |

**Graph No. d**
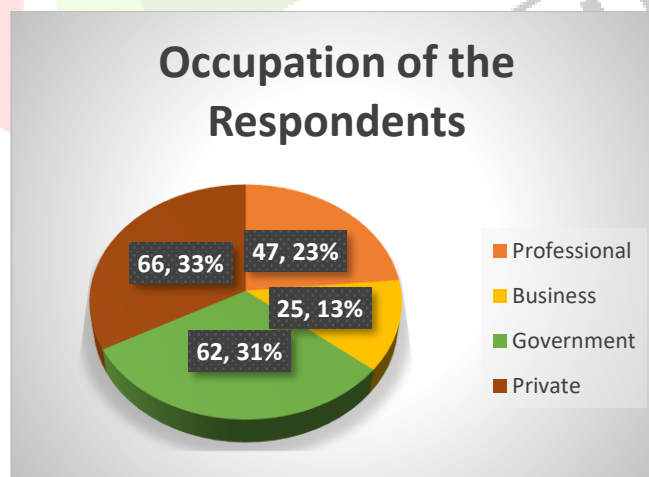


The graph 6.d indicates that maximum number of respondents who were working private are 66 i.e., 33% and then followed by 47 respondents who were serving professionally, 62 respondents who were government employees and remaining 25 respondents were doing business.

**(Table No. 7) Respondents on the Basis of Annual Income**

| Income | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Below 1lakh | 19 | 9.5 | 9.5 |
| 1lakh-4lakh | 25 | 12.5 | 22.0 |
| 4lakh-7lakh | 78 | 39.0 | 61.0 |
| 7lakh-10lakh | 39 | 19.5 | 80.5 |
| Above 10lakh | 39 | 19.5 | 100.0 |
| Total | 200 | 100 | |

**Graph No. e**
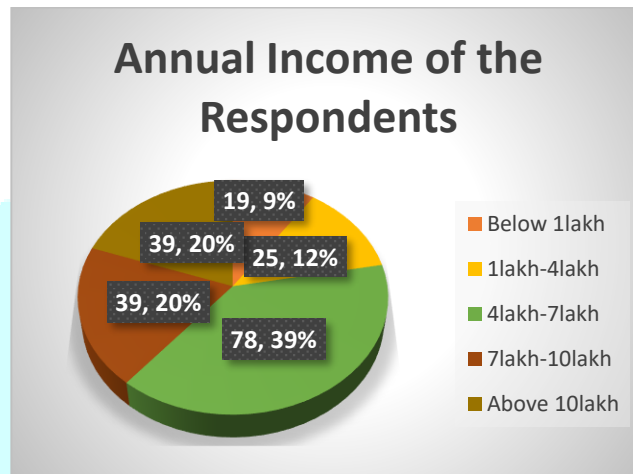


The graph 6.e indicates that there were 78 respondents whose annual income was between 4-7lakh i.e., 39%, 39 respondents surveyed had annual income of 7-10lakh and same count had annual income of above 10lakh, 25 respondents had annual income of 1-4 lakh and remaining had below 1 lakh.

**Reliability Test**

**(Table No. 8) Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 200 | 100.0 |
| | Excluded | 0 | 0 |
| | Total | 200 | 100.0 |

**(Table No. 9) Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .934 | .933 | 29 |

**Multiple Regression**

**(Table No. 10) Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .947 | .897 | .895 | 1.14172 |

**Interpretation**

In the table, it is visible that there is healthy correlation between the variables that can be shown as the value of R which is .947 and R square which is .897. In other words, all the 5 predictors accounts for 89.7% of variance in customer satisfaction which is found really appealing. The model is found really strong. Adjusted R square reveals that .895 or 89.5% of the customer satisfaction is dependent on all the variables taken into consideration and the remaining 10.5% is dependent on the other factors which have not been taken for this study.

**(Table No. 11) ANOVA**

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 2205.990 | 5 | 441.198 | 338.464 | .000 |
| Residual | 252.885 | 194 | 1.304 | | |
| Total | 2458.875 | 199 | | | |

**Interpretation**

From the table, it is probed that the F value of the test is 338.464 which is really high and evaluated good for testing and the p value associated with the F value is .000 which is less than 0.05 (P<0.05). The regression model says that F (5,194)= 338.464, p<0.01, R square = .897. Hence, the predictors predicts the customer satisfaction significant. The overall regression model is found statistically significant indicating resilient relationship between dependent and independent variable.

**Conclusions**

The study observed that as of 31st March 2011, the company was offering 26 Individual and 6 Group products in its portfolio along with 5 Rider benefits whereas, as, on 31st March 2020, the company was offering 37 Individual and 11 Group products in its portfolio along with 6 Rider benefits. The company offers mainly 8 types of plans in accordance with the diversified needs of the customers. The plans are bifurcated into term plans, savings & investment plans, retirement plans, health plans, child plans, woman plans, combo plans, ULIP plans. The study found that all the policies of the HDFC Life have one or more of the characteristics of these different plans. The study found that the company offers different policies with a term of minimum of 5 years to the term of maximum of 100 years covering the whole life of the customers including returns available at the time of maturity as well as the death of the insured person. The

study inferred that the 'HDFC Life Sanchay' Plan gives flexible and highest maturity benefits as a return to the policyholders covering a term of 5 to 40 years providing a minimum of 140% of the sum assured to the maximum of 460% of sum assured as a return on maturity. The study found that only the returns/benefits on maturity varies according to the term and nature of the policies taken up by the policyholders whereas the death benefits are almost the same for all types of policies, which have been found different in Annuity as well as Pension plans. The study also found that all the constructs considered for measuring customer satisfaction were satisfactory. The model explains itself that in today's modern time when even child is tech friendly then why the ensured person wants to come to the insurer for least important things. E-services makes the life of the ensured person convenient because he can access all the information online like about introduction of the new policies, existing policy and other disclosure of the company. When a insurer makes policies easy to understand, activates the policies in less time and formalities, easy and fast claim settlements, offers quality services, greater transparency, speedy information, affordable premiums to pay, education & knowledge of the employees, all these are very important factors that determines the satisfaction of the customer. The willingness to stay with the company, repurchasing the policies from the same company and recommending the company to others are the factors which signifies the loyalty of the customer towards the company which is also found satisfactory in the study.

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