



# “A Study On Insurance As An Investment Strategy”

Brunda M  
MBA Student  
B.N.M Institute of Technology

## **ABSTRACT**

Basically Insurance is a legal agreement between two parties which involves the insurer and the insured. It is also known as insurance policy or coverage. Insurance is a kind of risk management plan to use an insurance policy as a hedge against an uncertain loss. Insurance provides protection against unforeseen risks, investments are aimed at growing wealth over time. The benefit of having insurance is that it prevents burning a hole into your pocket in unprecedented times. The goal of investing is to generate respectable profits. The essential elements of an ideal investment include returns, liquidity and a rational cost structure. Insurance, primarily conceived as a protective shield against unforeseen risks, has evolved to offer multifaceted financial risk mitigation. These insurance based investment products promise stability, tax advantages and long term financial planning benefits.

The study embarks on a comprehensive examination of “Insurance as an Investment Strategy”. In an ever-evolving financial landscape, the pursuit of investment strategies is paramount for individuals and the investors. In the dynamic environment of business and society Insurance not only serve as a cushion for uncertainty but acts as an investment opportunity as well.

In this study, primary data was gathered through questionnaire and secondary data through websites, journals, articles and blogs. And the convenience sampling method is used to select the sample. The sample comprises of 30 respondents. For measuring the various phenomena and analysing the collected data effectively and efficiently and to draw the sound conclusions, Chi-Square test method goodness of fit is used for hypothesis testing.

## **KEYWORDS**

Insurance, Investment, Liquidity, Risk Management, Tax Implications

## **CHAPTER-1**

### **INTRODUCTION**

Insurance is a legal contract that binds the insured and the insurer, also known as insurance coverage or insurance policy. The insurer provides financial coverage for the losses of the insured that she or he may bear under certain circumstances. Insurance coverage is a contract for monetary security expressed as an insurance policy. This coverage insures against a person's financial risks brought on by unexpected occurrences. The insurer provides financial coverage or reimbursement in many cases to the policyholder. The policy holder pays a certain amount of money called as 'premium' to the insurance company against which the latter provides insurance cover.

#### **Features of Insurance**

- Insurance is a kind of risk management plan to use an insurance policy as a hedge against an uncertain loss.
- Insurance policy does not mitigate the magnitude of loss one may face, but assures the loss is shared and distributed.
- Insurance coverage can be provided for medical expenses, vehicle damage, property loss or damage, etc. depending on the type of insurance.

The study embarks on a comprehensive examination of "Insurance as an Investment Strategy".

In an ever-evolving financial landscape, the pursuit of investment strategies is paramount for individuals and the investors. Traditionally, investment decisions have often revolved around stocks, bonds, real estate and various market linked instruments. However, the landscape has expanded to include insurance products as a viable and sometimes overlooked avenue for wealth accumulation and financial security.

Insurance, primarily conceived as a protective shield against unforeseen risks, has evolved to offer multifaceted financial risk mitigation. These insurance based investment products promise stability, tax advantages and long term financial planning benefits.

By scrutinizing the risk return profiles, tax implications, and alignment with varied life stages and financial goals, this research aims to illuminate the path for individuals and investors navigating today's complex wealth management.

A SWOT analysis for using insurance as an investment strategy can help assess its strengths, weaknesses, opportunities, and threats. Here's a SWOT analysis for insurance as an investment

## Strengths:

- **Safety and Security:** Insurance investments are generally considered safe and low-risk, providing a sense of financial security
- **Tax Benefits:** Some insurance products offer tax advantages, such as tax-deferred growth and tax-free withdrawals
- **Long-Term Planning:** Insurance policies often have a long-term focus, which can be beneficial for retirement and wealth accumulation goals
- **Guaranteed Returns:** Certain insurance products, like whole life insurance, provide guaranteed returns, which can be attractive to risk-averse investors
- **Diversification:** Insurance investments can diversify a portfolio, especially if they include various asset classes like bonds, equities, or real estate

## Weakness:

- **Lower Returns:** Insurance-based investments tend to offer lower returns compared to riskier investments like stocks or real estate.
- **Illiquidity:** Some insurance products have limited liquidity, making it challenging to access funds in case of an emergency.
- **High Fees:** Insurance policies often come with fees and charges that can erode returns over time.
- **Complexity:** Insurance products can be complex and difficult to understand, leading to misinformed investment decisions.
- **Limited Flexibility:** Changing or withdrawing from insurance investments can be restrictive and may incur penalties.

## Opportunities:

- **Stability in a Portfolio:** Insurance investments can add stability to a portfolio, particularly during economic downturns or market volatility
- **Risk Mitigation:** Insurance can protect against unforeseen events, reducing the impact of financial setbacks on other investments
- **Estate Planning:** Insurance can be an essential tool for estate planning, ensuring the smooth transfer of assets to beneficiaries
- **Income Generation:** Certain insurance products offer regular income streams, which can be useful for retirement planning
- **Innovation:** The insurance industry is evolving, and new products and investment options are continually emerging

## Threats:

- **Inadequate Coverage:** Relying solely on insurance investments may lead to insufficient coverage for financial goals.
- **Interest Rate Risks:** Insurance returns are often linked to interest rates, which can affect the performance of certain products.
- **Regulatory Changes:** Changes in insurance regulations can impact the structure and benefits of insurance investments.
- **Market Conditions:** Economic downturns or prolonged periods of low interest rates can affect the performance of insurance-based investments.
- **Alternatives:** There are numerous investment alternatives, and insurance-based investments may not be the most competitive option for every investor.

## CHAPTER-2

### LITERATURE REVIEW:

1. Balusamy.S, Kavitha Rani (2016), this study carried out a survey to determine the policyholders' level of awareness and contentment; the awareness and satisfaction levels were analysed using only percentages. Income tax rebate and savings and investments are the main reasons for having life insurance policy. Most of the selected policy holders having maximum level of satisfaction on doubts clearing by insurance companies.
2. Sathiyamoorthy, C. & Krishnamurthy, K. (2015) studied that the investment is undertaken with the expectation of return. However, a number of considerations are made while making selections about investments, including the investors' age, income, and level of education. However, this study further concluded that salaried class investors will concern about the safety of the investment rather than high returns.
3. Balaji (2015), according to this research, the majority of policyholders favoured money-back and endowment plans. All the customers were aware of different types of insurance policies and insurance agents were the main source for information about insurance products.
4. Choudhuri (2014), found that that the customers were more conscious with their requirements and needs towards insurance. The customers selected the various types of insurance products based on social, cultural and economic factors. The results also showed that the most of the customers preferred products and services of Life Insurance Corporation of India (LIC) because LIC had adopted different strategies to improve the awareness of customers towards insurance policies and met demands of customers effectively through various plan and benefits.
5. Narender and Sampath (2014), discovered that the majority of clients bought insurance policies for risk protection, their children's education, and future savings, and that they favoured life insurance

- policies for their investment. Majority of customers had positive attitude towards various types of plans of insurance and premium rates.
6. Jain R. (2014), found that the idea that insurance has become a useful instrument for risk management. According to a study of pension and individual assurance plans, investments and income for future generations are the dynamic aspects found in insurance plans.
  7. Purusothaman (2013) studied the growth of Life Insurance Corporation in India and the traits responsible for the growth and development of investment. The results of the study show that 44.84% of customers were weak in awareness, marketing, decision making speed as well as accepting technology; 43.95% of the customers who had strong traits and 43.95% with moderate traits.
  8. Chaudhary, S., & Kiran, P. (2011) compared the performance of private players in this with LIC and looked at a number of indicators, including growth in the overall number of life insurance company offices, growth in the number of individual agents working in the industry, growth in premium income, and growth in the life insurance business, among others. Nonetheless, the analysis came to the conclusion that, in terms of the aforementioned metrics, the life insurance sector has advanced magnificently since 2000.
  9. Narayan. H. (2009) highlighted in his research the importance of customers to the insurance industry. He clarified that insurance companies should build their solutions around the needs of their clients and make every effort to communicate the advantages of their offerings over those of competing plans or businesses. Nonetheless, it came to the conclusion that the key to a life insurance company's success is providing clients with timely and effective service.
  10. Kumar G, & Eldhose (2008) examined in their study the importance of quality of services provided by private as well as the public sector and its importance in improving/increasing the customer satisfaction level. It also looked at people's knowledge of the range of life insurance options.

## **CHAPTER-3**

### **RESEARCH DESIGN:**

**Title of the Topic:** “A Study on Insurance as an Investment Strategy”.

#### **Problem Statement:**

Amidst a diverse array of investment options, there exists a need to comprehensively evaluate the role of insurance-based investments in individuals' financial portfolios. While insurance products offer the promise of financial security and stability, their effectiveness as investment tools, including their risk-return profiles, tax implications, and alignment with varied life stages and financial goals, remains underexplored. This study aims to address this knowledge gap by conducting a thorough analysis of insurance as an investment strategy, thereby providing valuable insights to individuals, investors, financial advisors, and policymakers in navigating the complexities of modern wealth management.

#### **Need for the Study:**

The study on insurance as an investment strategy is needed to address the complexities of the modern financial landscape, provide individuals with informed choices for their financial goals, and contribute to the broader conversation on retirement planning, wealth accumulation, and financial security.

#### **Objectives of the Study:**

- To explore the investors objectives of investment through insurance policies.
- To analyze the overall perception of investors towards Insurance as an Investment Strategy.
- To identify the preference of investors towards type of insurance policies.
- To examine the variables influencing the decisions of investors.

#### **Scope of Study:**

The scope of study is to provide a comprehensive overview of the research on insurance as an investment strategy, considering various aspects, methodologies, and potential implications for investors and the financial industry. It discusses the various factors that investors should consider when choosing an insurance product for investment, such as their risk tolerance, investment goals, and financial situation. It involves a comparison of insurance products with other investment options by comparing insurance products with other investment options, such as stocks, bonds, and mutual funds.

#### **Research Methodology:**

##### **1. Research Method:**

- This is a Descriptive Research

## 2. Source of data:

- For this study both the primary data and as well as secondary data are used. Primary data is collected with assurance of structured questionnaire. The secondary data are collected from websites, journals, articles, blogs, magazines etc.

## 3. Sampling Tool:

- The Convenience sampling was the method used for sample selection.

## 4. Sample Size:

- This study has the sample size of 30 respondents.

## 5. Tools and Techniques for data analysis and representation:

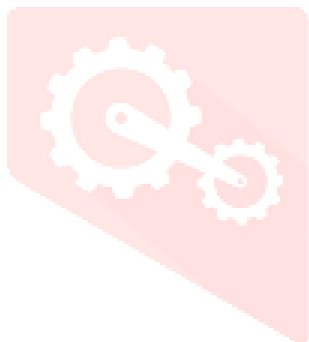
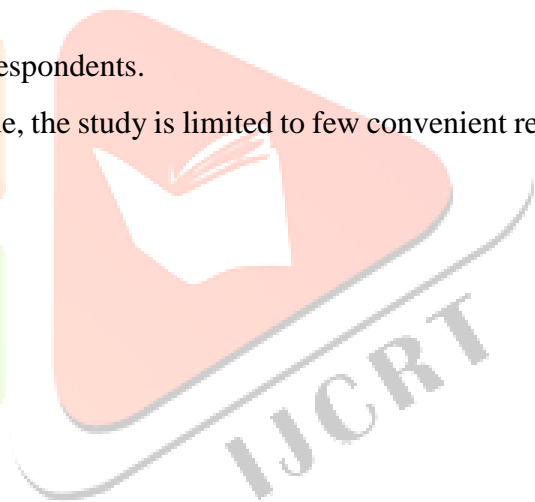
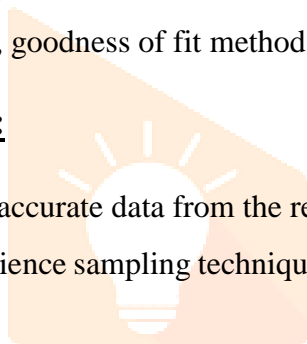
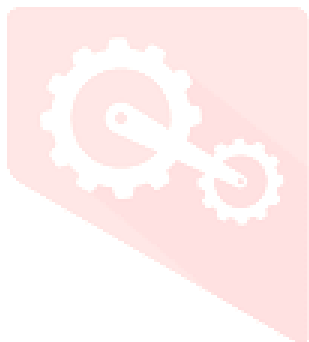
- A questionnaire is used as a tool to collect sample responses. And tools used for data representation is tables and charts.

## 6. Hypothesis Testing:

- Chi-Square test, goodness of fit method of hypothesis testing is used.

## Limitations of the Study:

- ⇒ Difficulty in gathering accurate data from the respondents.
- ⇒ Due to usage of convenience sampling technique, the study is limited to few convenient respondents only.



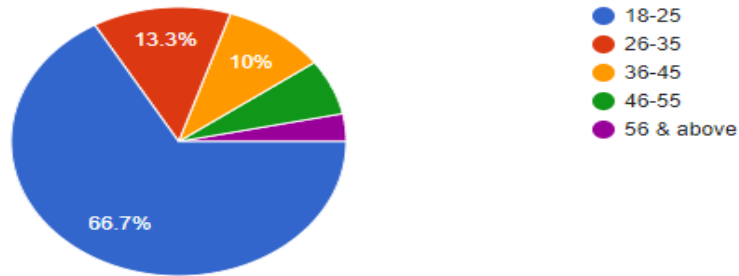
# CHAPTER-4

## DATA ANALYSIS AND INTERPRETATION:

### 1. Age of the respondents

Age

30 responses



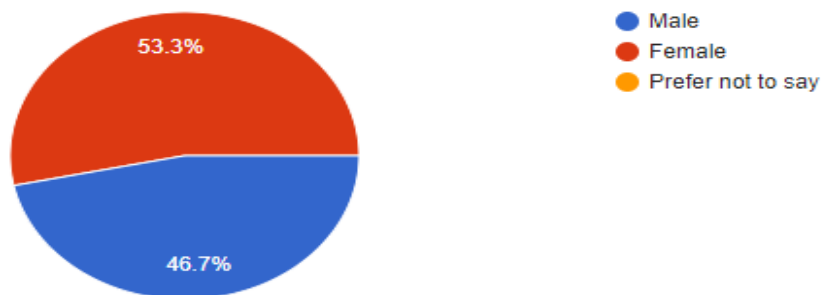
#### Interpretation:

- 66.7% of the respondents are aged between 18-25 years
- 13.3% of the respondents are aged between 26-35 years
- 10% of the respondents are aged between 36-45 years
- 6.7% of the respondents are aged between 46-55 years
- 3.3% of the respondents are aged between 56 years and above

### 2. Gender

Gender

30 responses



#### Interpretation:

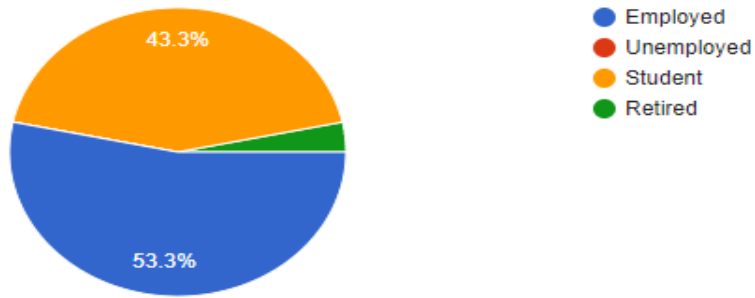
- 53.3% of the respondents are female
- 46.7% of the respondents are male



### 3. Employment Status

#### Employment Status

30 responses



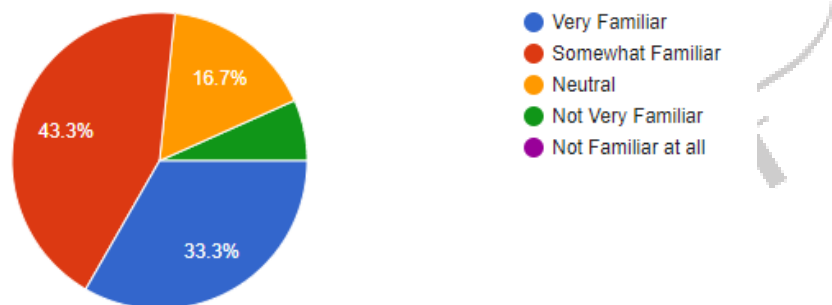
#### Interpretation:

- 53.3% of the respondents are employed
- 43.3% of the respondents are students
- 3.3% of the respondents are retired

### 4. Familiarity of Insurance

#### How Familiar are you with insurance benefits

30 responses



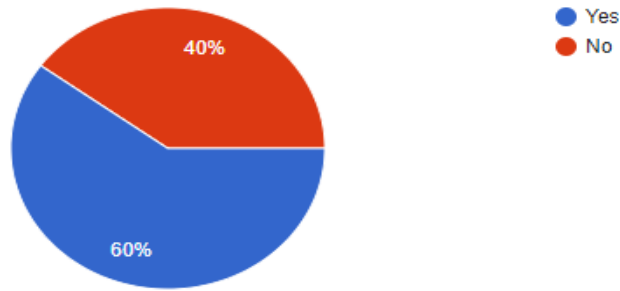
#### Interpretation:

- 43.3% of the respondents stated that they are likely familiar about insurance benefits
- 33.3% of the respondents stated that they are very familiar about insurance benefits
- 16.7% of the respondents gave neutral responses stating that they are moderately familiar about insurance benefits
- 6.7% of the respondents stated that they are not very familiar about insurance benefits

## 5. Personal Investment

Have you personally Invested in Insurance Policies for your Investment Benefits

30 responses



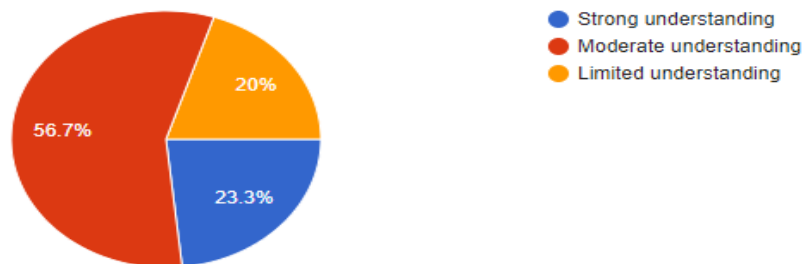
### Interpretation:

- 60% of the respondents stated that they have personally invested in insurance policies for their investment benefits
- 40% of the respondents stated that they have not personally invested in insurance policies for their investment benefits

## 6. Awareness of Insurance as Investment Strategy

Are you aware with the concept of using Insurance as an Investment Strategy

30 responses



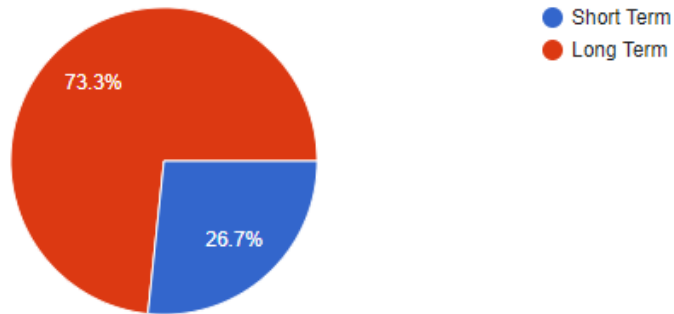
### Interpretation:

- 56.7% of the respondents stated that they have moderate understanding of the concept of using insurance as investment strategy
- 23.3% of the respondents stated that they have strong understanding of the concept of using insurance as investment strategy
- 20% of the respondents stated that they have limited understanding of the concept of using insurance as investment strategy

### 7. Preference of terms

Would you more likely consider Insurance as an Investment Strategy in the short term or long term

30 responses



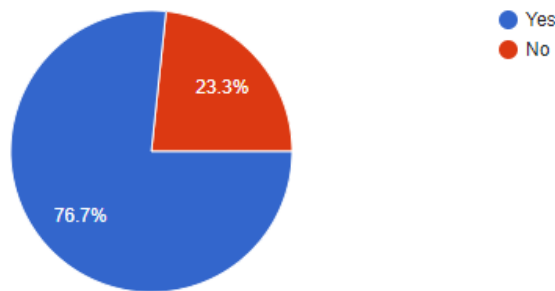
**Interpretation:**

- 73.3% of the respondents stated that they consider insurance as investment strategy in the long term
- 26.7% of the respondents stated that they consider insurance as investment strategy in the short term

### 8. Awareness of types of Insurance

Are you aware of the different types of Life Insurance, such as Term life and Whole life insurance

30 responses



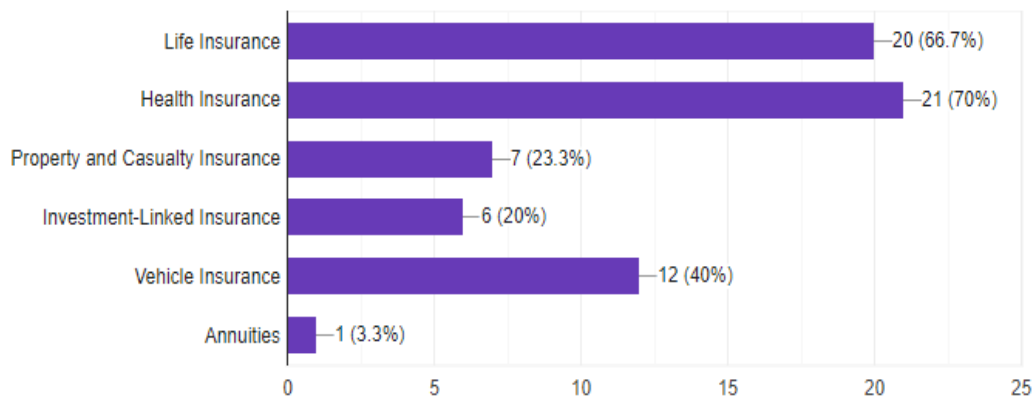
**Interpretation:**

- 76.7% of the respondents stated that they are aware of different types of insurance
- 23.3% of the respondents stated that they are not aware of different types of insurance

## 9. Preference of type of Insurance

What type of Insurance do you prefer to invest on (select all that apply)

30 responses



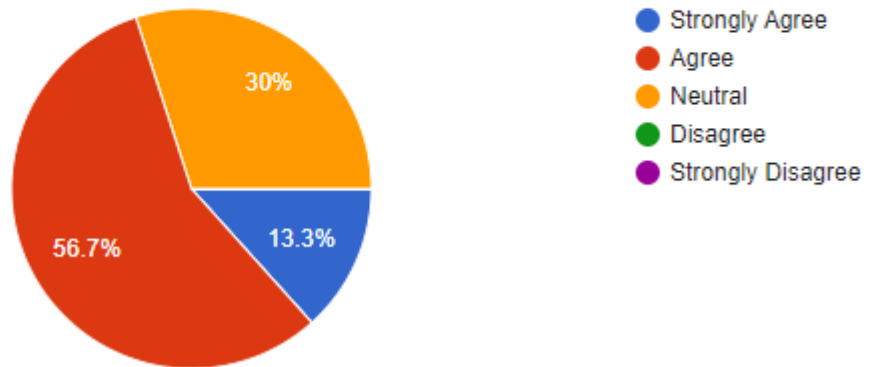
### Interpretation:

- **Health Insurance:** It is mentioned 10 times in the responses, indicating that a significant number of individuals prefer or are interested in health insurance
- **Life Insurance:** It is mentioned 17 times in the responses, suggesting that life insurance is a popular choice among the individuals surveyed
- Some responses mention a combination of life insurance with other types of insurance
- **Investment-Linked Insurance:** It is mentioned 4 times in the responses, indicating some interest in investment-linked insurance products
- **Vehicle Insurance:** It is mentioned 9 times in the responses, suggesting that a significant number of individuals are interested in insuring their vehicles
- **Property and Casualty Insurance:** It is mentioned 4 times in the responses, indicating that some individuals are interested in property and casualty insurance, which typically covers damage to property and liability
- **Annuities:** It is suggesting a single individual's interest in this type of insurance product. Annuities are financial products that provide regular payments in retirement

### 10. Considering Insurance as a viable Investment strategy

Do you consider Insurance as a viable Investment Strategy

30 responses



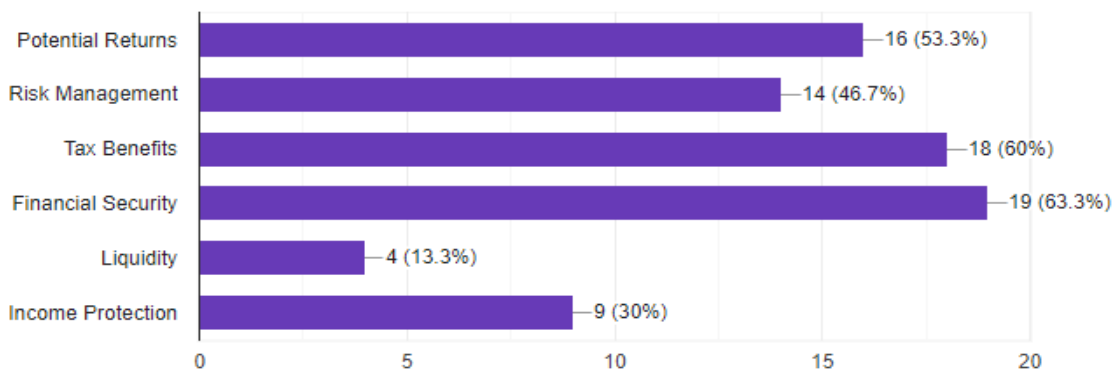
**Interpretation:**

- 56.7% of the respondents stated that they consider insurance as an viable Investment strategy
- 30% of the respondents stated that they moderately consider insurance as an viable Investment strategy
- 13.3% of the respondents stated that they strongly consider insurance as an viable Investment strategy

### 11. Factors influencing the investors perception of Insurance as an Investment strategy

What factors influence your perception of Insurance as an Investment Strategy (select all that apply)

30 responses



**Interpretation:**

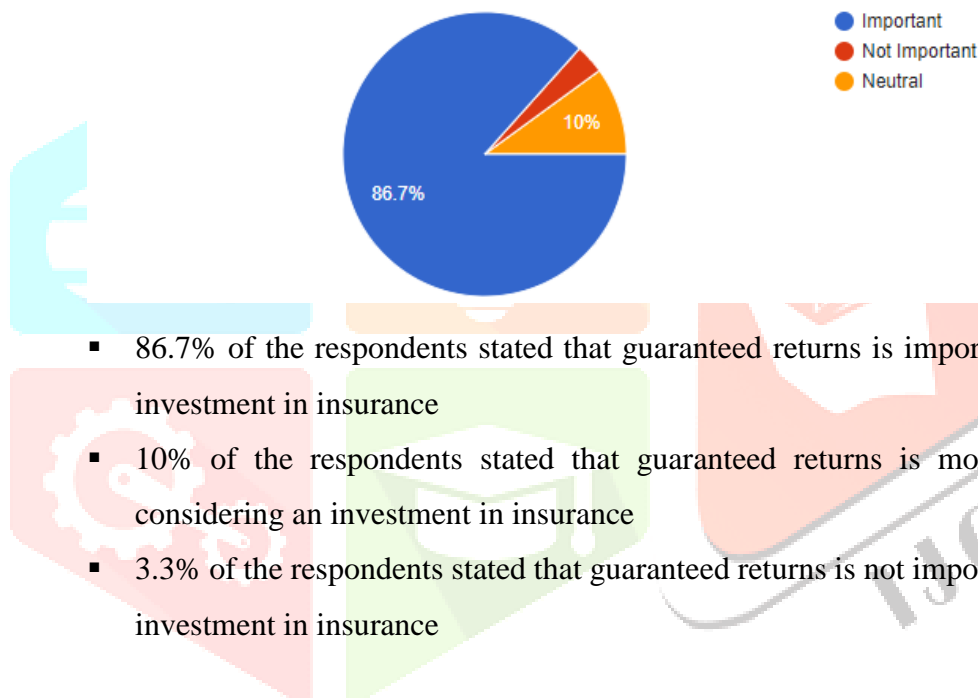
- The study indicated that many individuals view tax benefits as an important factor in their perception of insurance as an investment strategy

- The study indicated that a significant number of respondents consider the potential returns as a crucial factor in their perception of insurance as an investment
- The study indicated that financial security is a primary consideration for many individuals when evaluating insurance as an investment strategy
- The study indicated that risk management is a factor that influences how some individuals perceive insurance as an investment
- The study indicated that income protection is a consideration for some individuals when evaluating insurance as an investment strategy

## **12. Investors consideration of guaranteed returns**

How important is guaranteed returns for you when considering an Investment

30 responses



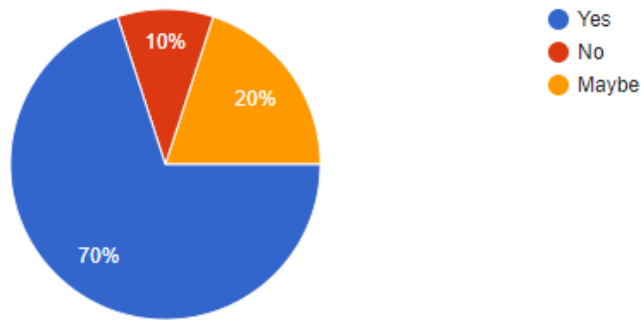
### **Interpretation:**

- 86.7% of the respondents stated that guaranteed returns is important while considering an investment in insurance
- 10% of the respondents stated that guaranteed returns is moderately important while considering an investment in insurance
- 3.3% of the respondents stated that guaranteed returns is not important while considering an investment in insurance

### 13. Awareness of liquidity constraints

Are you aware that Insurance based Investments may have liquidity constraints

30 responses



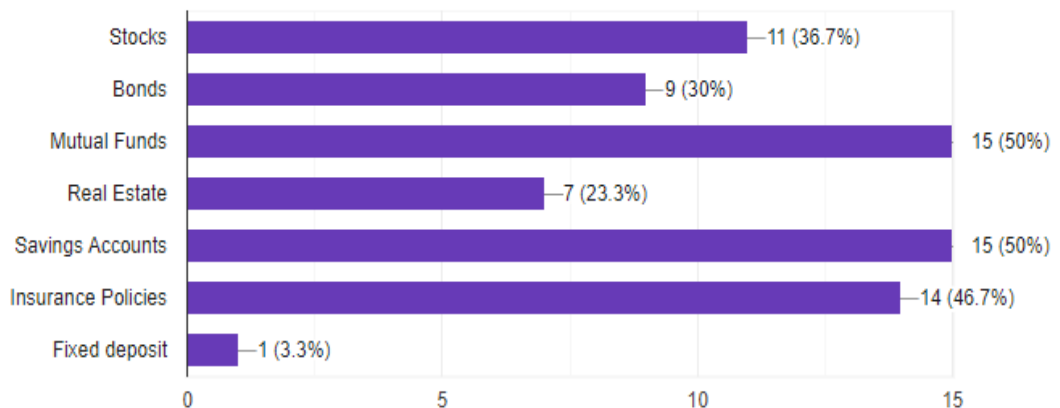
#### Interpretation:

- 70% of the respondents stated that they are aware of liquidity constraints in Insurance based Investments
- 20% of the respondents stated that they are neutrally aware of liquidity constraints in Insurance based Investments
- 10% of the respondents stated that they are not aware of liquidity constraints in Insurance based Investments

### 14. Comfortableness of Investment options

Which of the following Investment options are you most comfortable with (select all that apply)

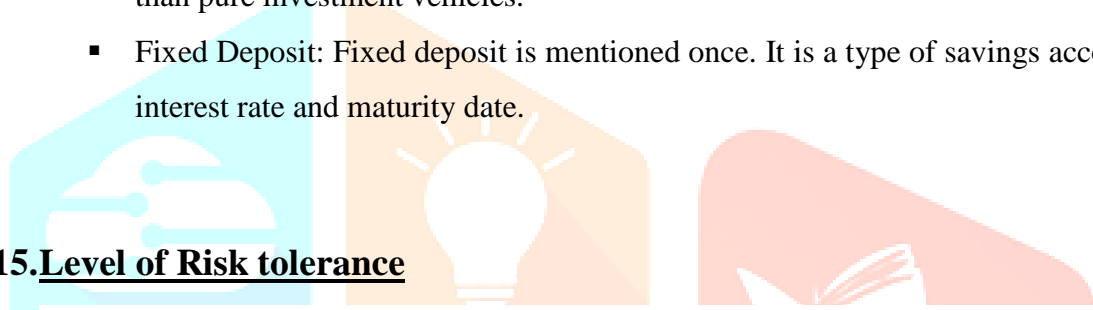
30 responses



**Interpretation:**

- **Savings Accounts:** This option is mentioned several times by the respondents, suggesting that it is a common and relatively safe investment choice. People seem comfortable with savings accounts
- **Stocks, Bonds, Real Estate:** This option combines different responses of the respondents considering various asset classes (stocks, bonds, and real estate) and indicates a willingness to diversify investments across various asset types
- **Mutual Funds:** Mutual funds are mentioned multiple times by the respondents, indicating a comfort level with this investment vehicle. Mutual funds offer diversification through a collection of stocks and/or bonds
- **Insurance Policies:** Insurance policies are included in some responses, but they are not as prevalent as other options. Insurance policies typically serve as risk management tools rather than pure investment vehicles.
- **Fixed Deposit:** Fixed deposit is mentioned once. It is a type of savings account with a fixed interest rate and maturity date.

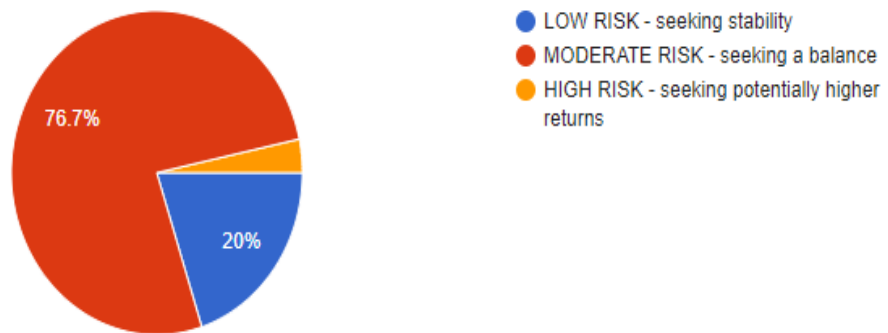
**15. Level of Risk tolerance**



What is your risk tolerance when it comes to Investment Strategies involving

Insurance

30 responses





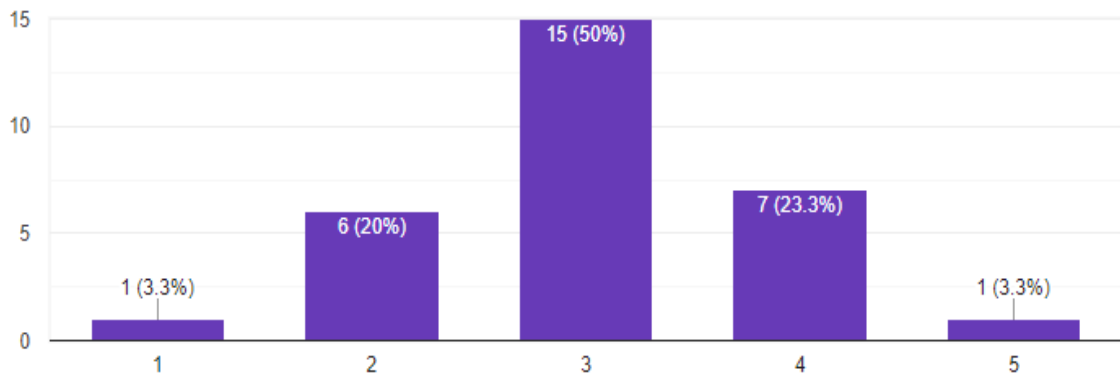
**Interpretation:**

- 76.7% of the respondents prefer moderate risk tolerance stating that they seek a balancing investment
- 20% of the respondents prefer low risk tolerance stating that they seek a stabilized investment
- 3.3% of the respondents prefer low risk tolerance stating that they seek a potentially higher return investment

**16. Rating points risk tolerance**

On a scale of 1 to 5, with 1 being extremely risk-averse and 5 being extremely risk tolerant. Where do you fall

30 responses

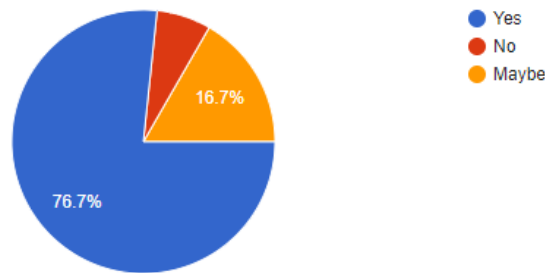
**Interpretation:**

- 50% of the respondents prefer moderate risk tolerance
- 23.3% of the respondents prefer risk tolerance
- 20% of the respondents no risk tolerance
- 3.3% of the respondents prefer extremely risk averse
- 3.3% of the respondents prefer extremely risk tolerant

## 17. Awareness of costs and fees

Are you aware of the costs & fees associated with Insurance-Based Investments, such as Premiums & Charges

30 responses



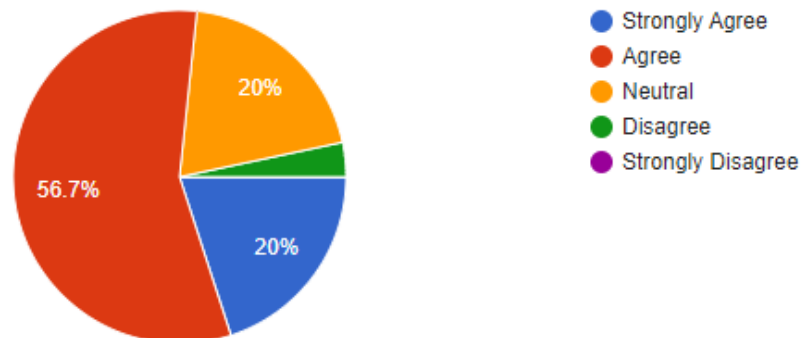
### **Interpretation:**

- 76.7% of the respondents stated that they are aware of costs and fees associated with Insurance based Investments
- 16.7% of the respondents stated that they are moderately aware of costs and fees associated with Insurance based Investments
- 6.7% of the respondents stated that they are aware of costs and fees associated with Insurance based Investments.

## 18. Investors consideration of Insurance in their investment portfolio

Do you consider Insurance as a way to diversify your Investment Portfolio

30 responses



### **Interpretation:**

- 56.7% of the respondents stated that they consider Insurance in their Investments portfolio
- 20% of the respondents stated that they positively consider Insurance in their Investments portfolio
- 20% of the respondents stated that they moderately consider Insurance in their Investments portfolio
- 3.3% of the respondents stated that they do not consider Insurance in their Investments portfolio

## HYPOTHESIS TESTING:

### Hypothesis Testing regarding Age group and the type of Insurance policy

**Null Hypothesis (H<sub>0</sub>):** There is no significant relationship between age group and the type of insurance policy.

**Alternative Hypothesis (H<sub>1</sub>):** There is a significant relationship between age group and the type of insurance policy.

Count of Would you more likely consider Insurance as an Investment Strategy in the short term or long term	AGE GROUP					Grand Total
	18-25	26-35	36-45	46-55	56 & above	
TERM						
Short Term	6	1	1	1	1	10
Long Term	13	3	2	1	1	20
<b>Grand Total</b>	<b>19</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>30</b>

**Expected value:**

$$E_{11} = R_1 * C_1 / N = 6.33$$

$$E_{12} = R_1 * C_2 / N = 1.33$$

$$E_{13} = R_1 * C_3 / N = 1$$

$$E_{14} = R_1 * C_4 / N = 0.66$$

$$E_{15} = R_1 * C_5 / N = 0.68$$

**Table for the calculation of Chi-square value**

	C <sub>1</sub>	C <sub>2</sub>	C <sub>3</sub>	C <sub>4</sub>	C <sub>5</sub>	TOTAL
R <sub>1</sub>	6.33	1.33	1	0.66	0.68	10
R <sub>2</sub>	12.67	2.67	2	1.34	1.32	20
TOTAL	19	4	3	2	2	30

### Calculation of Chi-square value (Goodness of fit)

$O_i$	$E_i$	$O_i - E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2 / E_i$
6	6.33	-0.33	0.1089	0.0172
13	12.67	0.33	0.1089	0.0086
1	1.33	-0.33	0.1089	0.0819
3	2.67	0.33	0.1089	0.0408
1	1	0	0	0
2	2	0	0	0
1	0.66	0.34	0.1156	0.1752
1	1.34	0.34	0.1156	0.0863
1	0.68	0.32	0.1024	0.1506
1	1.32	-0.32	0.1024	0.0776
$\Sigma(O_i - E_i)^2 / E_i$				<b>0.6382</b>

Chi Square calculated value = 0.6382

Degree of freedom = 9

From the table of Chi square distribution,

Table value@  $\alpha=0.05$  for df 9 = 16.92

$X^2 = 0.6382 < 16.92$  (Calculated value < Table value).

**Hence, it is a case of failure to reject  $H_0$ .  $H_0$  is Accepted**

#### Interpretation

Since the calculated value is less than the table value, **null hypothesis ( $H_0$ )** is accepted at 5% level of significance. It means that the decision regarding the type of insurance policy is an independent decision and there is no significant relationship with the age group of investors.

Thus, it signifies that there is no significant relationship between age group and the type of insurance policy.

## **CHAPTER-5**

### **FINDINGS & SUGGESTIONS**

- Investments are made with the aim to earn reasonable returns.
- The key components of the great investment are returns, liquidity, and a reasonable cost structure.
- Insurance on the other hand is meant for protection, to cover the financial aspect of risk. It is not an investment.
- Most of the respondents i.e. 53.3% are employed, 43.3% of the respondents are students and 3.3% of the respondents are retired.
- It was revealed that, most of the respondents i.e. 60% of the respondents have personally invested in insurance policies for their investment benefits only 40% have not invested.
- Majority of the respondents i.e. 73.3% consider insurance as investment strategy in the long term, wherein 26.7% of the respondents consider insurance as investment strategy in the short term.
- Health insurance and life insurance appear to be the most commonly preferred types of insurance among the respondents, with vehicle insurance also being quite popular.
- Investment-linked insurance and property and casualty insurance also have some interest, though to a lesser extent.
- Some individuals express interest in a comprehensive approach, selecting multiple types of insurance to cover different aspects of their financial and risk management needs.
- In summary, several responses indicate preferences for multiple types of insurance, such as a combination of life insurance, health insurance, property and casualty insurance, investment-linked insurance, and vehicle insurance.
- Majority of the respondent's i.e. 70% of the respondents that they are aware of liquidity constraints in Insurance based Investments.
- It was found that, 50% of the respondents prefer moderate risk tolerance.
- In summary, most respondents seem comfortable with Savings Accounts, Stocks, Bonds, Mutual Funds, and Real Estate. Insurance Policies and Fixed Deposits are mentioned but less frequently, indicating a lower level of comfort or a different purpose for these financial instruments. Diversification is evident in the preference for combinations of stocks, bonds, and real estate.
- Out of 30 respondents 56.7% of the respondents stated that they consider Insurance in their Investments portfolio.

## **SUGGESTIONS**

- A detailed risk assessment of different insurance products, considering factors like interest rate risk, market risk, and policy-specific risks will help to evaluate how these risks align with investor risk tolerance.
- It is suggested that a comparative analysis of insurance-based investments against traditional investment options like stocks, bonds, and real estate helps in assessing the trade-offs in terms of returns, liquidity, and risk.
- Investigate emerging trends in the insurance industry, such as insurtech innovations, and their implications for insurance-based investments is suggested.

## **CONCLUSION**

The benefit of having insurance is that it prevents burning a hole into your pocket in unprecedented times. It provides you with monetary support for your damages and losses. All insurance policies have the same basic purpose, which is to protect the insured from damage by attracting large numbers of risk-takers who are willing to pay to insure them. The fund is further used for capital formation through investment in the markets. This helps the insurance companies to keep running and settle/adjust the claims of the insured people. It also boosts the economy.

Many investors are investing in insurance policies of different companies for a long run. Most of them make investment insurances due its risk coverage factors and the tax benefits they derive from the policy they buy. Life insurance is one of the best risk management instruments at same time it helps in financial planning of the investor.

Insurance shields against unanticipated dangers, but investments strive to increase wealth over time. Investment management includes the payment of insurance premiums. A variety of options are available with investments that can be customized to match each investor's investing objectives and risk tolerance.

As a result, it's critical to comprehend the distinctions between investments and insurance and to base financial decisions on personal needs and objectives.

"In present-day dynamic business & social environment, insurance provides a safe haven against unpredictability while also presenting a profitable investment opportunity."

## **BIBLIOGRAPHY**

- Ehiogu Chizoba Perpetua (February, 2017), “A study about insurance awareness, proper fund management, efficient and effective insurance fund allocation (investment) encouragement”, International Journal of Advanced Academic Research.
- Balusamy.S & Kavitha Rani., (2016), Satisfaction level of policy holders LIC’s service with reference to Coimbatore district, Imperial journal of interdisciplinary research, Vol 2, Issue 3, ISSN 2454-1362, PP 428-432.
- Sathiyamoorthy, C. & Krishnamurthy, K. (2015), “Investment Pattern and awareness of Salaries Class Investors in Tiruvannamalai District of Tamilnadu”, Asian Pacific Journal of Research, Vol: I, Issue 26, April 2015.
- Balaji, C., (2015), “Customer Awareness and Satisfaction of Life Insurance Policy Holders with Reference to Mayiladuthurai Town”, International Journal of Multidisciplinary Research and Development, Vol.2, No.1, pp.145-147.
- Jain, R. (2014). Insurance: An Investment Opportunity & Tool for Risk Management (A comparison between Individual assurance and Pension Plans of LIC). Pacific Business Review International, 1-5.
- Choudhuri P.S., (2014), “Investigation of Customers’ Product Awareness and Transaction Gap in Life Insurance Corporation of India”, International Journal of Research in Commerce & Management Vol.4, No.5, pp. 69-72.
- Narender, S. & Sampath, L., (2014), “Consumer Awareness towards Life Insurance Sector in India”, Abhinav International Journal of Research in Management & Technology, Vol.3, No.3, pp.45- 51.
- Heena Kothari (2014), “A study about investors belonging to different age groups have different behaviour while doing investment”, Altius Shodh Journal of Management & Commerce.
- Purusothaman, U.R. (2013), “A Case Study on Growth of Investment in Life Insurance in India”, Trans Asian Journal of Marketing & Management Research, 2(7), 26-36 19.
- Chaudhary, S., & Kiran, P. (2011), “Life Insurance Industry in India – Current Scenario”, IJMBS, 1 (3), September 2011.
- Eldhose & Kumar. G (2008), “Customer Perception on Life Insurance Services: A Comparative Study of Public and Private Sectors”, Insurance Chronicle ICFAI Monthly Magazine August 2008, pg. No 32-36.
- (n.d)<https://paytm.com/blog/insurance/what-is-insurance-definition-benefits-and-types>

## **APPENDICES:**

### **Questionnaire**

**1. Name:** \_\_\_\_\_

**2. Age:**

- a. 18-25
- b. 26-35
- c. 36-45
- d. 46-55
- e. 56 & above

**3. Gender:**

- a. Male
- b. Female
- c. Prefer not to say

**4. Employment Status:**

- a. Employed
- b. Unemployed
- c. Student
- d. Retired
- e. Other

**5. How familiar are you with insurance benefits?**

- a. Very familiar
- b. Somewhat familiar
- c. Neutral
- d. Not very familiar
- e. Not familiar at all

**6. Have you personally invested in insurance policies for your investment benefits?**

- a. Yes
- b. No

**7. Are you aware with the concept of using insurance as an investment strategy?**

- a. Strong understanding
- b. Moderate understanding
- c. Limited understanding



**8. Would you more likely consider insurance as an investment strategy in the short term or long term?**

- a. Short term
- b. Long term

**9. What type of insurance do you prefer to invest on (select all that apply)?**

- a. Life insurance
- b. Health insurance
- c. Property & casualty insurance
- d. Investment linked insurance
- e. Vehicle insurance
- f. Annuities
- g. Other

**10. Are you aware of the different types of life insurance, such as term life & whole life insurance?**

- a. Yes
- b. No

**11. Do you consider insurance as a viable investment strategy?**

- a. Strongly agree
- b. Agree
- c. Neutral
- d. Disagree
- e. Strongly disagree

**12. What factors influence your perception of insurance as an investment strategy (select all that apply)?**

- a. Potential returns
- b. Risk management
- c. Tax benefits
- d. Financial security
- e. Liquidity
- f. Income protection
- g. Other

**13. How important is guaranteed returns for you when considering an investment?**

- a. Important
- b. Not important
- c. Neutral

**14. Which of the following investment options are you most comfortable with (select all that apply)?**

- a. Stocks
- b. Bonds
- c. Mutual funds
- d. Real estate
- e. Savings account
- f. Insurance policies
- g. Other

**15. Are you aware that insurance based investments may have liquidity constraints?**

- a. Yes
- b. No
- c. Maybe

**16. What is your risk tolerance when it comes to investment strategies involving insurance?**

- a. LOW RISK – Seeking stability
- b. MODERATE RISK – seeking balance
- c. HIGH RISK – Seeking potentially higher returns

**17. On a scale of 1 to 5, with 1 being extremely risk-averse and 5 being extremely risk tolerant.**

**Where do you fall?**

- a. 1
- b. 2
- c. 3
- d. 4
- e. 5

**18. Are you aware of the costs & fees associated with insurance based investments, such as premiums and charges?**

- a. Yes
- b. No
- c. May be

**19. Do you consider insurance as a way to diversify your investment portfolio?**

- a. Strongly agree
- b. Agree
- c. Neutral
- d. Disagree
- e. Strongly disagree

**20. Is there anything else you would like to share regarding your perspective on insurance as an investment strategy?**

