



“A STUDY ON PERCEPTION OF INVESTORS INVESTING IN LIFE INSURANCE POLICIES [LIC]”

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Abstract

Life is unpredictable and uncertain. There can be chance to unsound event. Life insurance provides financial assistance against if, unsound event with earning member and earning member of family death happen. Life insurance provides both benefit one is life cover and investment in form of saving. Various insurance related factors discussed in the study Such as gender, age, occupation, income level. We collect data from primary data and secondary data collection method. For that we conduct questioner survey by using Google form. We collect responds of 100 life insurance policy holders. The study includes life insurance policy holder of Rajkot city. Research is based on demographic factors and tested them with the help of statistical tools of correlation. For the analyse the data, we have presented by charts and used percentage method. LIC is most valuable brand in life insurance industry in India but now a days private players increase their market share by providing batter services. This study aims to measure the satisfaction levels of the investors towards the services provided by the LIC and Study about Perception of Investors Investing in Life Insurance Corporation.

Key words: LIC, Insurance, Investor, Investment

1. Introduction:

LIC is insurance company which provide life insurance product. Life insurance is required. Because life is uncertain. LIC is taking premium from the customer and give insurance facility for life. LIC is provides a facilities of both savings and insurance of life cover. LIC is helping to achieve long term goal. LIC is large public sector company in insurance sector. The main objective of the LIC is spread importance about life insurance in rural area and backward classes. Life insurance cover life and provide financial assistance if, uncertain event happen with earning member.

Over view of company:

The LIC is short form of 'life insurance Corporation of India'. LIC has a corporate office in Mumbai. Lic is a large public sector company in insurance sector with approx. total assets 311,134,727(up to 13 February 2021). The total branch of LIC is 2048 with wide network. Total employee of LIC id approx. 114,000. (wikipedia.org) LIC provide service is life insurance, health insurance, investment management, mutual fund.

2. Objective of the study:

- To Study Perception of Investors Investing in Life Insurance Corporation.
- To identify the factors of consumer perception towards investment in life insurance policies.
- To measure the satisfaction levels of the investors towards to the services provides by the LIC.

3.Research methodology:

In this research, the methodology section indicates that how conduct the research. This includes data collected from people, sample of study and methods cover in primary research. So we mention below the detail information about it.

Primary data: The data is collected by the survey method. The survey has been done through questionnaire by Google form.

Secondary data: The sources of secondary data are articles, research paper and online sites, websites etc...

Sample size: The sample size for this research is 100 people.

Sampling method: The method is simple random sampling by considering the responses from Rajkot city only.

Statistical tools used for analysis: Graphical method and percentage method have been used for analysis data.

4. LITERATURE REVIEW

- 1)** (Ms. Babita Yadav & Dr. Anshuja Tiwari, 2012) The research paper identifies that customer purchase decision of insurance product can be affected by different factor such as age, gender, income level, analysis shows that respondent belonging to 30 n to 40 years interested more in buying life insurance policy as compare other age group. It is found that majority respondent is investing in money back plan policy. The study shows that 54% respondent has chosen for Lic policies. Because of safety and rest invest in private player.
- 2)** (B. Sumathisri, 2017)The research paper identifies that out of 128 respondent 72% are male and majority of respondent from the age group of 41 to 55. And the majority respondent from category of undergraduate with 63.68%. Occupation wise majority respondent are salaried employee with 61.72%. the analysis shows that majority respondent choose one policy. There are no respondent who have taken more than three policies. They used correlation coefficient method for data analysis.
- 3)** (Dr.R.padmaja & Shifaly,2018)The research paper identifies that majority respondent have opted long term policies. Majority investor has selected the periodicity of policy from 15 to 25 years. 52% of the respondent has agreed that LIC plan are more attractive than other private player. Analysis shows that if investor want go for investment and they willing to invest in another policy they perception shows towards LIC. This data for the study collected from both primary and secondary sources.

5. SUMMARY OF DATA COLLACTION:

Variable	Constructs	Frequency of respondents
Age	20-25	46
	26-40	26
	41-55	26
	Above 55	2

Interpretation:-

The above Chart classified the large number of respondent come from the age group of below 25 with 46%. we observe that there is very less number of customers is come from the age group above 55 with only 2%.

Variable	Constructs	Frequency of respondents
Income	Below 100000	29
	100000 to 250000	41
	250000 to 500000	23
	Above 500000	10

Interpretation:-

The majority of income group having LIC policies come from 100000 to 250000 with 41% which is middle class group. It is observed that there is less number of customer of LIC policies whose income above 500000 with 7%.

Variable	Constructs	Frequency of respondents
Occupation	Business	32
	Professional	8
	Student	34
	Salaried person	23
	Retired	3

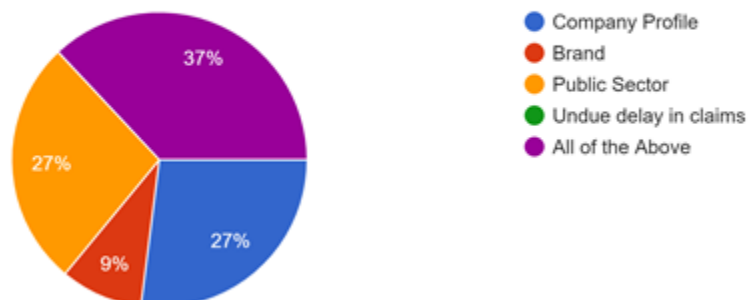
Interpretation:-

From the above chart we find that majority of customer of LIC policies are students and business holders with 34% and 32% respectively.

6. ANALYSIS OF DATA

FOLLOWING ARE THE RESPONSE OF RESPONDENT ON IMPORTANT QUESTION RELATED TO PERCEPTION OF INVESTOR INVESTING IN LIC.

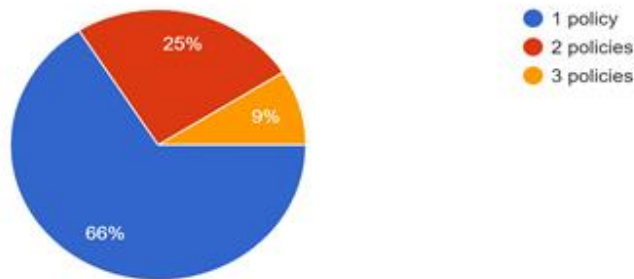
Reason for insuring with LIC.



Interpretation:-

Investor has chosen LIC because it is public sector for security. The analysis shows that majority people with 37% are chose LIC because of all above the factors of reason.

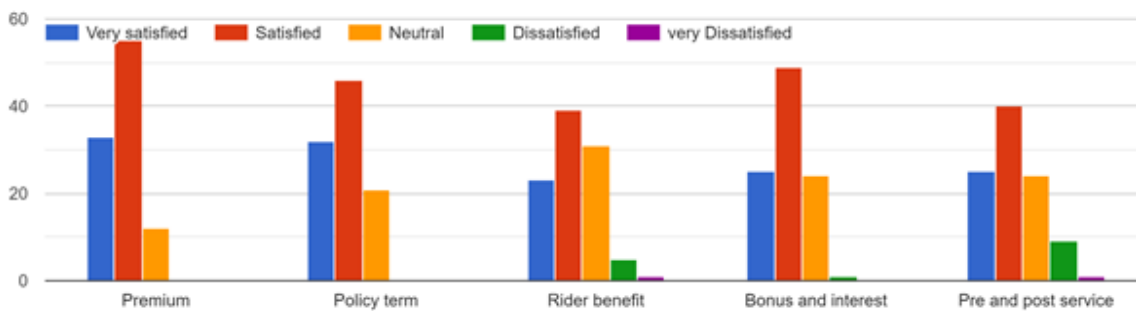
How many policies you have taken?



Interpretation:-

The analysis shows that the majority LIC customer is chose 1 policy with 68% and follow by 25% customer are having 2 policies and rest of 9% customer are owns 3 policies.

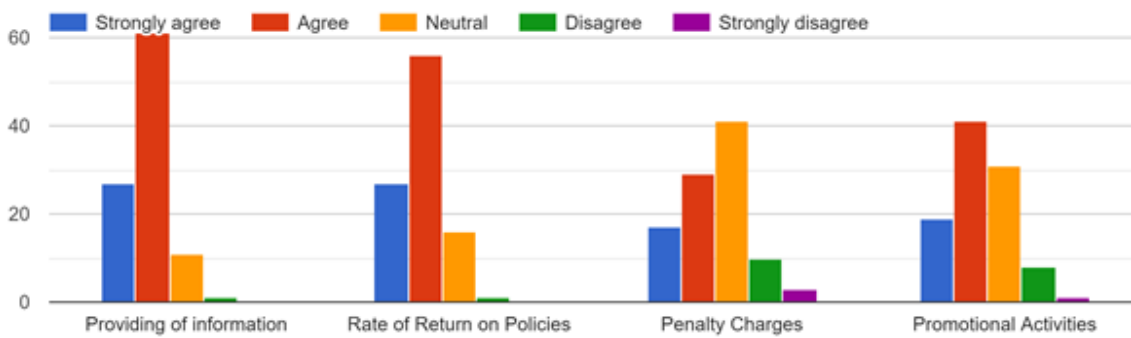
Investor expectation towards LIC policies.



Interpretation:-

Among all above this expectation factors 40% to 60% customers are satisfied with all factors, 20% to 40% customers are very satisfied with all factors. So it is shows that customer have positive attitude toward LIC policies.

Satisfaction Levels of Investors Towards Lic Services.



Interpretation:-

Above research shows that from this all factors majority 60% of investors agree that they are satisfied with the providing of information, 57% agree that they are satisfied with rate of return of policies.

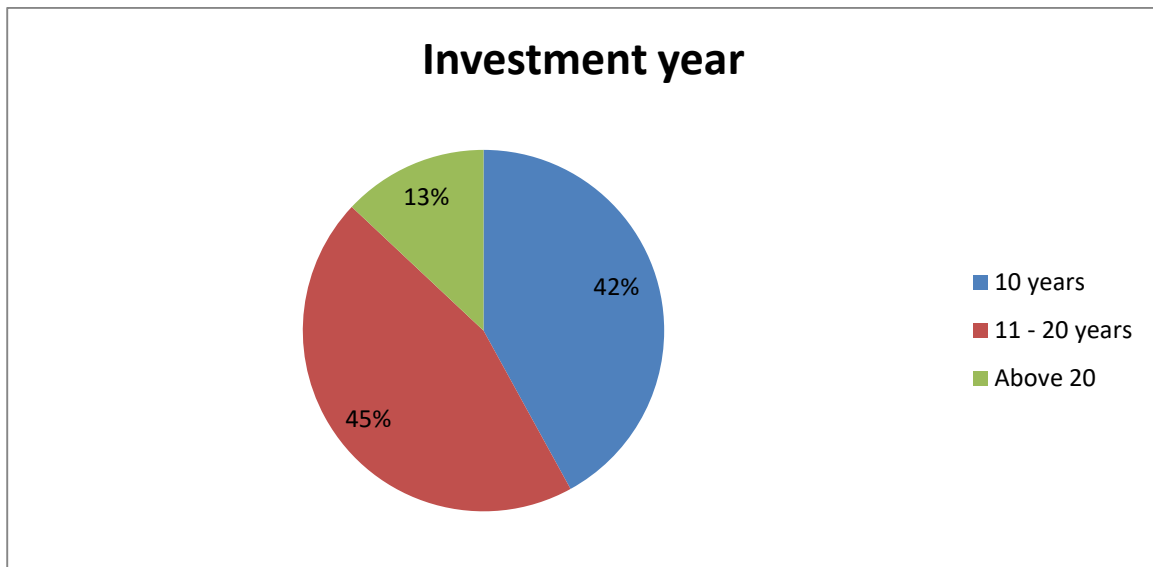
Main Motive to Invest in LIC.



Interpretation:-

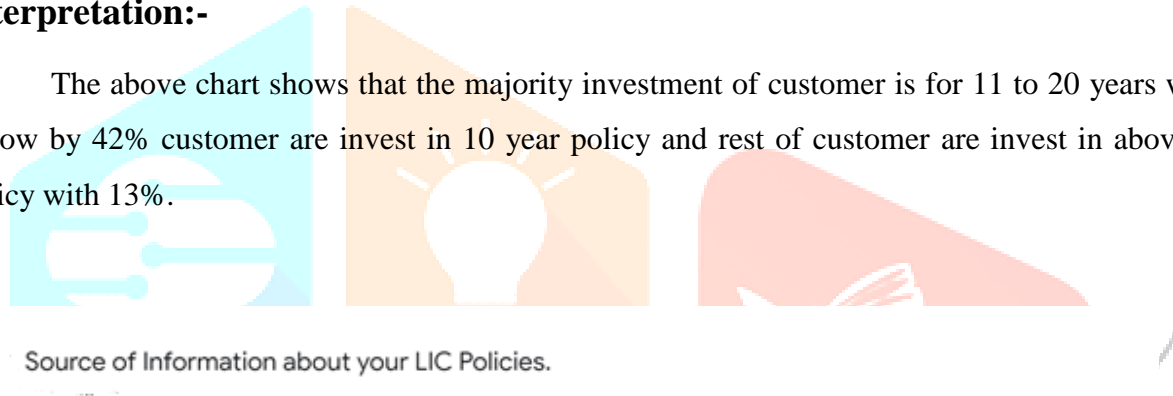
Above graph shows that 85% customers are agree that they are looking toward safety of their investment in LIC, 75% customers are agree that they are looking return in their investment in LIC.

Duration of investment.

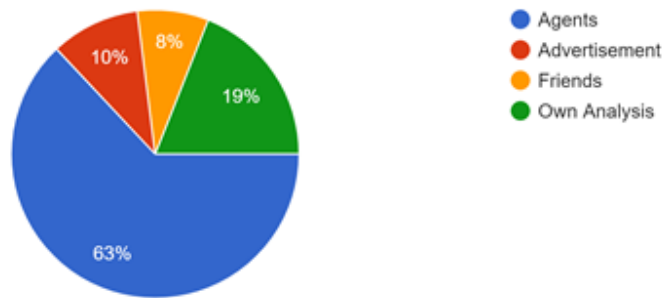


Interpretation:-

The above chart shows that the majority investment of customer is for 11 to 20 years with 45%, follow by 42% customer are invest in 10 year policy and rest of customer are invest in above 20 year policy with 13%.



Source of Information about your LIC Policies.



Interpretation:-

Based on our analysis we found that majority of customers have purchased policies through agents with 63%, while advertisement, friends and own analysis were 10%, 8%, 19%.

7. Calculation of factors underlying consumer perception towards investment in life insurance policies by coefficient correlation method.

$$r = \frac{\sum(xi - \bar{X})(yi - \bar{y})}{\sqrt{\sum(xi - \bar{X})^2 * (yi - \bar{y})^2}}$$

H1: Income and age has a significant impact on the customer life insurance purchase decision.

Table 1

Age	X	Dx=(x-39.6)	Dx2	Y	Dy(y-25)	Dy2	Dxxydy
20-25	22.5	-17.1	292.41	46	21	441	-359.1
26-40	33	-6.6	43.56	26	1	1	-6.6
41-55	48	8.4	70.56	26	1	1	8.4
Above 55	55	15.4	237.16	2	-23	529	-354.2
Total	158.5/4=39.6	0	643.69	100/4=25	0	972	711.5

Correlation(r) =711.5/790.99=0.89

Here, calculated value of r is positive. It is considered that there is a significant relationship between age and customer insurance investment decision. So it is concluded that age affect the customer buying decision.

Table 2

Annual Income	X	Dx(x-3.375) (in lakh)	Dx² (in lakh)	Y	Dy(y-25)	Dy²	DxDy
Below 100000	50000	-2.875	8.265	29	4	16	-11.5
100000-250000	175000	-1.625	2.640	42	17	289	-27.625
250000-500000	375000	0.375	0.140	23	-2	4	-0.75
Above 500000	750000	4.125	17.015	6	-19	361	-78.375
Total	1350000/4 =337500	0	28.06	100/4 =25	0	670	118.25

$$\text{Correlation}(R) = 118.25/137.11 = 0.86$$

So, the calculated value R is positive so we can concluded that there is relationship between customer income and there insurance investment decision. So, we can say that income is important variable for buying decision.

FINDINGS:

- Based on analysis investor invest in LIC policy just because of Company profile, brand, public sector.
- Out of 100 response 66% investor invest in 1 policy.
- Investor expectation toward LIC such as premium, policy term, bonus and interest, rider benefit. Among all this factor 40% to 60% investor are satisfied and 20% to 40% investor are very satisfied with this all policy factor.
- Out of 100 response 25% to 60% investors agree with all services provide by LIC and 10% to 30% investors are strongly agree with all services provide by LIC.
- The Investor decision to invest in LIC policy can be affected by several factors like age, gender and income level. From the analysis it is observe that respondent belonging to age group below 25 year (which contributes 46% to the total respondents) found to be more interested in buying LIC policy as compare to other age group.
- The analysis shows that 85% customers are agree that they are looking toward safety of their investment in LIC, 75% customers are agree that they are looking return in their investment in LIC and for Liquidity 50% customers are agree and 50% is in favors of neither agree nor disagree.

- we found that majority of customers have purchased policies through agents with 63%, while advertisement, friends and own analysis were 10%, 8%, 19%.
- Coefficient of correlation is positive for age and income its show that both has significant impact on the customer life insurance investment decision.

CONCLUSION

The study show that calculated correlation are positive it indicate that age and income are effect on a decision of buying policies of LIC. LIC provide different kind of policies by it which fulfils the expectation of risk less investment. This study “Investor perception investing in LIC Policies enables the Life Insurance Companies to understand how consumer perception differs from person to person. How customer select, organize and interpret the service quality and product quality of Life Insurance Policies offered by LIC.

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