



# A Study on Investor Attitude towards Money-Back Policies of Selected Life Insurance Companies.

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**Abstract:** This study investigates investor perceptions of money-back policies provided by particular life insurance providers. With a growing focus on financial security and various investing opinions, the study provides insight into the preferences, attitudes, and decision-making factors influencing investors for these money-back insurance products. The research explores demographic trends, policy features, returns, and level of satisfaction among investors. This study's factors include premium, quality service, bonus, transparency, trust, and risk. In this study, purposive sampling is used to collect 350 respondents and analysed using percentage analysis, Chi-square analysis, Correlation, Regression analysis, and ANOVA. Results indicated that the money-back policies influence the investor attitude. The percentage of male and female is 57.4% and 42.6%, in the occupation status 59.7% of the respondents are in the category of private employees. Recommendations include money-back policies improved customer service, and transparency in policy and premium structure to enhance customer satisfaction.

**Keywords:** Life Insurance, Money-Back policy, Bonus, Premium, Level of satisfaction.

## I. Introduction:

All life insurance groups that operate in India are required by the Insurance Regulatory & Development Authority (IRDA) to furnish their clients with official illustrations. The illustrations are not meant to represent the investment returns that the Life Insurance Corporation of India (LIC) has achieved or may achieve in the future. Instead, they are based on the investment rates of return set by the Life Insurance Council, established under Section 64C(a) of the Insurance Act 1938. Always-changing financial markets investors have lots of options to select with unique benefits and traits. Money-back plans gain popularity among investors since they offer stable income in added to insurance coverage. To understand the factors influencing investors' decisions, perceptions, and overall satisfaction with investment vehicles, this study to explore investors' attitudes toward money-back policies. Money-back plans, often known as insurance-cum-investment packages, are crucial for both conservative individuals need of financial protection and looking for consistent returns on investments. It investigate how investors emotional and mental states impact their decisions about money-back policies by utilizing theoretical framework.

## II. Literature Review:

A literature is a small part of academic writing that explains the knowledge and understood of the academic literature on a particular issue while placing it in context the literature review for this study are as follows.

**Pradnya Gugale, Vedashree Mali (2021)** The article has looked at a number of factors. Additionally, the aforementioned analysis was carried out to determine the degree of client happiness as well as the benefits they have been obtaining from the business. **Om Prakash Gupta, Dr. Mohit Sharma (2015)** In dynamic business landscapes, organizations face evolving social, political, legal, and regulatory factors. With consumers at the forefront, life insurance companies grapple with intensifying competition from new entrants, driving a focus on consumer behavior programs for enhanced customer satisfaction. **Parvathy G.S Dr K. Rajalakshmi (2021)** life insurance policy agreement between insurance organisations and policyholder provides guarantees. the insurance organisations will paid some amount to the particular beneficiary in the unforeseen event

**B. Sumathisri (2017)** Life is full of twist and turns like a ride. The purpose of insurance coverage is to protect against life uncertainty. The insurance is a concept applicable in contemporary situations. **Patill Kallinath(2003)** Agents who present the product features and issues **Michael L.Smith (1982)** protection and savings perspective insurance explores the consequences of the options viewpoint for product creation and pricing disclosure options viewpoint that affects the level of insurance protection. **K. Rajeswari, S. Kartheeswari (2012)** Research in South Tamil Nadu indicates younger policyholders have a more favorable view of life insurance, highlighting a gap in understanding customer preferences. Despite advancements in customer management, questions persist, yet global insurers recognize the value of superior customer service.

### III. Scope of the Study:

This study look at money-back policies of selected life insurance companies. The companies selected based on based on market share reputation, and policy range Understand demographic perceptions and interactions in policies capabilities benefits, and investor attitudes. Factors like financial literacy risk tolerance and financial variables analysed to understand decision-making. Statistical analysis of policies will evaluate returns by customer satisfaction. It examine investor financial behaviour investment patterns the act of money-back policies. Recommendations will be provide for enlarge policies and communication strategies on findings. Regulatory improvements for a better inform and satisfy customer. Feedback from investors will be sought on surrender policy. It will contrast money-back plans with alternative investment options and assess their perceived complement with other financial instruments.

### IV. Objectives of the Study:

Achieving the following objectives: The purpose of research is to determine policyholder awareness and perceptions and satisfaction levels with Money-Back Policy. It aims to analyze these features across demographic categories, pinpoint investment obstacles, and provide insights into the growth of the life insurance sector.

- To analyse the demographic Profile of the respondents
- To evaluate the awareness level among investors money-back policies
- To investigate the customer experience throughout the policy features offered by the Insurance Company towards the Life Insurance policy
  - To measure the association of demographic profile factors that influence the Returns provided by Life Insurance Companies
  - To examine demographic variables on the level of satisfaction with the policies provided by Life Insurance Companies.

### V. Research Methodology:

The respondents of the study are Life insurance users. Which include individuals are all earning Income and paying Life insurance premiums on Money-back policies in selected Life insurance companies

#### 5.1 Sampling Technique and Tools

The sample collected 350 Private employees, Government employees, businessmen, and Students. Who was using Life insurance the respondents of study are collected by using purposive sampling. The questionnaire is given to the respondents in the form of a hard copy. The (SPSS 20) software is used to analyse. The various analysis is done i.e. frequency, correlation, chi-square, regression, ANOVA analysis. The variables taken are independent variables like premium, bonus, and transparency, Mode of payment, quality of services, trust, and risk perception. Dependent variables like Investor Attitude towards Money-Back Policies of Life Insurance Company and level of satisfaction.

### VI. Findings:

Table 1	
Reliability Statistics	
Cronbach's Alpha	N of Items
0.851	35
SOURCE: Primary Data. Processed by SPSS 16	

Cronbach's alpha (or coefficient alpha) is a dependability metric created by Lee Cronbach in 1951. "Reliability" is another name for consistency. The reliability analysis yielded a Cronbach's Alpha coefficient of **0.869**, indicating high internal consistency among the 16 items included in the study's questionnaire.

## 6.1 Frequency Analysis

<b>Frequency of Demographic Variables</b>					
<b>Age</b>	<b>Frequency</b>	<b>Percent</b>	<b>Occupational status</b>	<b>Frequency</b>	<b>Percent</b>
18-25	81	23.1	Private Employee	209	59.7
26-35	114	32.6	Government Employee	9	2.6
36-45	101	28.9	Business	110	31.4
45 and Above	54	15.4	Student	22	6.3
Total	350	100	Total	350	100
<b>Area of Residence</b>	<b>Frequency</b>	<b>Percent</b>	<b>Monthly Income</b>	<b>Frequency</b>	<b>Percent</b>
Rural	95	27.1	Below 25,000	109	31.1
Sub-Urban	177	50.6	25,001 - 50,000	145	41.4
Urban	78	22.3	50,001 - 75,000	65	18.6
Total	350	100	Above 75,000	31	8.9
			Total	350	100
<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>	<b>Nature of the Family</b>	<b>Frequency</b>	<b>Percent</b>
Male	201	57.4	Join Family	131	37.4
Female	149	42.6	Nuclear Family	219	62.6
Total	350	100	Total	350	100

Source: Primary Data. Processed by SPSS 20

From the above table 2, denotes respondents are in the age category of 26-35 years old, as per the Occupational status most of are Private Employee, as per income most range of 25001 – 50000, as per the residence sub-urban category are investing higher in life insurance. In the gender category comparing to female respondents male respondents are most popular in category.

## 6.2 Correlation Analysis

H<sub>0</sub>: No relationship between Factor Influencing, Customer Service, Trust Level and Risk Perception.

<b>Correlations</b>					
<b>Variable</b>	<b>Measure</b>	<b>Factor influencing</b>	<b>Customer Service</b>	<b>Trust Level</b>	<b>Risk Perception</b>
Factor influencing	Pearson Correlation	1	.346**	.378**	.219**
	sig		0	0	0
Customer Service	Pearson Correlation	.346**	1	.585**	.279**
	sig	0		0	0
Trust Level	Pearson Correlation	.378**	.585**	1	.475**
	sig	0	0		0

Risk Perception	Pearson Correlation	.219**	.279**	.475**	1
	sig	0	0	0	
**. Correlation significant at the 0.01 level (2-tailed).					
SOURCE: Primary Data. Processed by SPSS 20					

From table 3, Identified there exist a statistically positively relationship between factor influencing, customer service, trust level and risk perception. The Pearson correlation value for Factor Influencing, customer service, trust level and risk perception are 0.346,0.378 and 0.219 respectively showing positively correlated and significance level less ( $p < 0.01$ ). Therefore, null hypothesis is rejected and there is correlation between factor influencing, customer service, and trust level and risk perception

### 6.3 Chi-square Analysis

$H_0$ : No significant relationship between premium payment and mode of payment towards kinds of policy.

TABLE 4				
Chi - Square Analysis for kinds of policy to premium payment and mode of payment				
S.no	Variables	Value	Significance	Decision
1	Premium Payment	39.869	0	Rejected
2	Mode of Payment	27.717	0.006	Rejected
Source: Primary Data. Processed by SPSS 16				

From the table 4 denotes that, there exists an association between Kinds of policy and Premium Payment, mode of payment. With value 0.000, 0.006. Respectively. There is a significant association between Kinds of policy and Premium Payment, Mode of payment. Hence null hypothesis is Rejected ( $p < 0.05$ ).

### 6.4 Regression Analysis:

$H_0$ : No impact of premium, Bonus, Transparency, Trust level, Risk Perception, Customer Service, Mode of Payment towards factor influencing money-back policies.

Table 5				
Coefficients				
Particulars	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	0.603	0.328	1.836	0.067
Bonus Declarations	-0.037	0.063	-0.586	0.558
Premiums fit with your budget	-0.102	0.062	-1.656	0.099
Risk perception	0.327	0.045	7.225	0
Customer Service	0.445	0.045	9.888	0
Transparency	0.251	0.064	3.901	0
a. dependent variable: Kinds of policy				
SOURCE: Primary Data. Processed by SPSS 20				

R	R Square
0.687	.472

From the table 5, it denotes R value represent the correlation between dependent and independent variable. Here we got the R value is 0.687 which is good. R square value shows the total variation for the dependent variable that could be done by independent variables. Here we got 0.472. Result shows that the factor influencing have got significance value which are 0.067, 0.558, 0.099, 0.000, 0.000, and 0.000. Null hypothesis is rejected. Therefore, there is influence of customer service, risk perception, and Transparency. Null hypothesis is accepted. Therefore, No influence of factor influencing and premium, Bonus...

### 6.5 ANOVA Analysis

H<sub>0</sub>: No significant difference between Policy Features and Returns by Level of satisfaction

<b>ANOVA between policy features and returns</b>				
<b>S.no</b>	<b>Variables</b>	<b>F</b>	<b>Significance</b>	<b>Decision</b>
1	Policy features	3.51	0	Rejected
2	Returns	7.228	0	Rejected

Source: Primary Data. Processed by SPSS 16

From the table 4.6.3 it is denoted F value and significant value of Policy features and Returns are 3.510, 7.228, and significance .000 and .000 respectively. The significance value less than 0.05 null hypothesis is rejected. Therefore, there is a significant difference between the level of satisfaction towards policy features and returns.

### VII. Conclusion:

Overall, the study indicates a substantial uptake of life insurance policies, particularly money-back policies, among the general public in India. Insurance agents significantly influence policy uptake. Demographically, policyholders are evenly split between genders, with the majority falling within the age groups of 26-35 years and 36-45 years, and mostly employed in the private sector. The majority of policyholders belong to the income bracket of 25,001 – 50,000, demonstrating a preference for policies from the Life Insurance Corporation (LIC). Reputation and services are key factors influencing policy selection, with a preference for net banking as the mode of premium payment.

The results of statistical analyses show that there is a relationship between the policy characteristics, returns, and degree of satisfaction and the demographic elements (age, gender, and occupation status). Chi-square research reveals relationships between policy features, returns, and satisfaction levels and between policy types and premium payment methods, as well as between demographic characteristics and these attributes. ANOVA tests demonstrate significant differences between policy features, returns, and level of satisfaction, underscoring the impact of policy attributes on customer satisfaction. Transparency and bonus declarations also significantly influence policyholder decisions.

Overall, the research underscores the importance of demographic factors in shaping policyholder behavior and satisfaction levels. Awareness and uptake of money-back policies are particularly influenced by gender, age, and occupation status. The study provides valuable insights for insurers to tailor their offerings and marketing strategies to meet the diverse needs of policyholders in India.

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