Purchase of Unit Linked Life Insurance Policies : The Role of Agents' Relationship-Selling Behavior

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Abstract

Purpose : The objective of this study was to understand the influence of relationship-selling behavior on the selection of life insurance products.

Methodology : Quantitative data were collected from 542 life insurance policyholders in Karnataka by adopting a cross-sectional survey methodology.

Findings : Multinomial logistic regression model estimated the channel of distribution (individual agents), trust, interaction intensity, information sharing, and income to influence the selection of life insurance products.

Practical Implications : Insurance companies should revamp corporate culture that stresses the interests of the customers over that of agents and curtail adaptive sales practices of agents who sell complex products that do not cover customers' insurance needs. The promotion of customer-oriented ethical sales behavior focusing on trust, information sharing, and higher interaction intensity is the need of the hour. Efforts should be made to counter systemic short-termism and educate customers on the necessity for long-term investments instead of surrendering the policy where they lose the entire investment. Given that the quality and frequency of insurance agent–customer interactions play a major role in investor decision-making, agents are expected to be responsive and offer personalized inputs to facilitate the purchasing process.

Originality : The current study added to the body of evidence supporting the relevance of relationship-selling behavior in the context of ULIPs. It also demonstrated the advantages of the corporate agent (bancassurance) model in not marketing complex products such as ULIPs.

Keywords : **relationship, selling, life insurance, information sharing, trust**

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In India, a few products dominate the insurance market: term insurance, unit-linked insurance plans (ULIPs), and endowment plans. The agent distribution channel plays a key role in reaching out to the target market in the Indian insurance industry. Without conducting a need analysis, the agents promote inappropriate products that promise a large commission, such as ULIPs. The protection component is distorted because ULIPs were created as investment products rather than mortality risk products (Gupta, 2012). The sale of ULIPs, whose returns are directly correlated with stock market performance, is rife with misrepresentation. If the policy expires during the specified lock-in term, the insured must surrender the total amount of the policy (Halan et al., 2014).

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Moreover, ULIPs are marketed as products with short terms of three years, during which time the returns from the policy are sufficient to cover the cost of the premiums. As a result, the agents capitalized on the consumers' lack of financial literacy to convince them that insurance was free. However, clients who chose not to renew the policy after realizing the unsuitability of the product received zero surrender value and exorbitant surrender charges, which led to the customers' loss of US$1.5 trillion in India (Anagol et al., 2017).

Financial mis-selling results from unethical behavior, evident in the Indian life insurance market due to agents' misrepresenting the products to gullible investors with limited mental bandwidth to understand convoluted insurance products (Inderst & Ottaviani, 2012). Although agents play a significant role in servicing and selling insurance policies by developing long-term relationships with investors through the agency channel (Yu & Tseng, 2016), unethical selling is pervasive. One of the main reasons why customers are hesitant to build long-term trust-based relationships with their service providers is because of the unethical behavior of sales agents, a factor that sows uncertainty and may result in service delivery failure (Orth et al., 2013; Rai & Basri, 2019; Twing-Kwong et al., 2013). These agents are evaluated based on short-term sales goals, work in a largely unsupervised environment and are held accountable for generating premium revenue for the company (Dubinsky et al., 1992; Shetty & Basri, 2017).

According to Guenzi and Georges (2010), the agent must persuade customers to purchase an appropriate product by exhibiting relationship orientation and ethical behavior, which fosters persistence and satisfaction. Therefore, establishing professional relationships forms the crux of the financial services sector, which is fundamentally based on trust and transparency in financial dealings (Yu & Tseng, 2016). When selling complicated insurance products, relationship orientation is particularly crucial because buyers assess the adequacy of the policy only after gaining confidence and trust in the agents (Guenzi & Georges, 2010; Orth et al., 2013; Twing-Kwong et al., 2013; Yu & Tseng, 2016).

As a growing economy, India forms an exciting premise for studying insurance decision-making, especially when mis-selling insurance products is prevalent in Indian markets (Insurance Regulatory and Development Authority of India (IRDAI), 2022). A study from India observed that agents advise customers to choose inappropriate and dominated products that fetch high commissions and conform to customers' erroneous preconceptions about the right insurance product (Anagol et al., 2017). In supporting this finding, Inderst and Ottaviani (2012) found that agents recommend dominated products that fail to satisfy customers' needs, specifically when they benefit from information asymmetry (Mishra & Prasad, 2005; Ramaswami et al., 1997). There are no studies that explore the effect of the relationship-selling behavior of agents (both individual and corporate) on the purchase of bundled products such as ULIPs. Previous studies have focused on the nature of ULIPs as an insurance product, their effectiveness, and policyholders' protection (Gupta, 2012; Huang et al., 2022; Ostrowska-Dankiewicz, 2015). However, more research is needed to determine whether trust in agents, customer disclosure, information sharing, interaction intensity, cooperative intention, and agent type (individual or bancassurance) affect consumers' choices to purchase ULIPs. As a result, this study aims to examine how these relationship-selling practices affect the decision to buy ULIPs and the influence of individual or corporate agents and socio-economic factors. Understanding how the relationship-selling practices of agents affect consumers' decisions about insurance products will help insurance companies create action plans focused on enhancing relation orientation, curtailing unethical selling behaviors, and ultimately retaining clients.

Review of Literature

According to the rational choice theory, people consider the consequences of their choices and decide how to act to minimize penalties and maximize benefits (Green & Shapiro, 1994). Similarly, if insurance agents were not held accountable for their activities, they would be more likely to engage in unethical behavior to earn a higher

commission (Palanski et al., 2011; Schnackenberg & Tomlinson, 2016; Vance et al., 2013). When this happens, customers have a stronger propensity to choose improper products, which results in unmet insurance needs. Therefore, ethical advertising of financial services and electronic word-of-mouth is required to influence purchase decisions and customer satisfaction (Javed et al., 2021; Prasad & Sen, 2018). In addition, a long-term relationship can be built by emphasizing ethical relational-selling behavior and relationship quality (Alshurideh et al., 2023).

Customer-oriented sales representatives prioritize customer needs while assisting them in purchase decisions (Huang, 2008; Srivastava, 2019), and agents' honesty is reflected in their recommendations (Crosby et al., 1990). Thus, creating customer value through customer-oriented behavior enhances the attractiveness of a company's offering and is a robust predictor of customer purchasing intentions (Huang, 2008; Sehgal et al., 2022; Suar & Mishra, 2020). Value addition to consumers depends on agents' technical expertise, amiability, trustworthiness, willingness to share information, and intensity of interactions, which determines relationship quality and boosts sales effectiveness (Boles et al., 2000; Crosby et al., 1990; Rajaobelina & Bergeron, 2009; Yu & Tseng, 2016). Hence, intermediaries would be irreplaceable in building a quality relationship between customers and insurers.

Boles et al. (2000) coined the term relational-selling behavior, which includes interaction intensity, information sharing, mutual disclosure, and cooperative intentions, of which information sharing predominantly germinates trust and satisfaction that improves sales effectiveness (Biggemann, 2012). Interaction intensity refers to the "duration," the extent of time spent developing a cooperative relationship between the financial sales agent and the customer. The longer the duration and higher the frequency of communication (both direct and indirect), the better the relationship orientation and precise understanding of the needs and conditions of customers but also the development of a personal rapport for mutual benefit (Bruhn et al., 2014; Crosby et al., 1990; Lagace et al., 1991). Therefore, contact intensity directly influences the selection of the right product, and it is hypothesized that:

- **Ha1 :** The likelihood of purchasing ULIPs will decrease with increased interaction intensity.

The quality of a relationship is significantly influenced by trust. It entails a demonstration of reliability as well as honesty during sales presentations that emphasize the long-term interests of customers (Chang et al., 2012; Crosby et al., 1990; Morgan & Hunt, 1994; Palmatier et al., 2006; Panigrahi et al., 2018; Tsao & Hsieh, 2012). This invariably suggests that the insurance agents who are relatively more customer-oriented and more trusted by their clients are the ones who are found to be engaged in ethical behavior than their unethical counterparts (Taek Yi et al., 2012). Thus, hypothesis Ha2 is framed as:

- **Ha2 :** The chance of purchasing ULIPs decreases with increased advisor trust.

Customer disclosure between customers and agents is necessary for long-term relationships (Macintosh, 2009). Here, it involves the willingness of customers to disclose relevant information within a cooperative partnership (Ankitha & Basri, 2019; Guenzi et al., 2007), such as personal balance sheets (assets and liabilities) and the need for insurance (type, amount, maturity period, and duration of premium payment). Agents may underestimate or overestimate needs and recommend improper policies if customers withhold critical information, leading to unhealthy relationships (Yu & Tseng, 2016). However, a cooperative and collaborative relationship between customer and agent would reduce such problems when the agents put in genuine efforts to elicit suppressed information and respond to all kinds of customer requests (Boles et al., 2000; Bruhn et al., 2014; Crosby et al., 1990; Lai et al., 2013; Lussier & Hall, 2018). Cooperative intentions and norms, thus, would help both parties achieve their mutual and individual goals jointly, where agents provide tailored and beneficial solutions to the issues presented by investors (Lin, 2013). Subsequent customer engagement builds a lasting relationship with the company (Guenzi & Georges, 2010; Wong et al., 2007). Thus, we hypothesize the following:

- **Ha3 :** Customer disclosure negatively influences the purchase of ULIPs.
- **Ha4 :** Cooperative intentions have a negative effect on ULIPs' purchase.

Due to their lack of financial expertise, customers in India frequently rely on the information agents provide (Anagol et al., 2017). Hence, there is a need to disseminate correct information to customers for comprehensive decision-making, and information sharing is another construct that measures relational orientation. The content and quality (accuracy, timeliness, completeness, adequacy, and reliability) of information on insurance products empower customers to make the right choices and thereby strengthen the buyer–seller relationship (Claro & Claro, 2010; Guenzi & Georges, 2010; Li & Lin, 2006; Rajaobelina & Bergeron, 2009). Therefore, it is hypothesized that:

- **Ha5 :** Increased agent information sharing will decrease the likelihood of purchasing ULIPs.

In banking, corporate agents have a predetermined salary and stable employment. Therefore, considering the risk of irregular income and greater competition, traditional insurance agents experience more pressure to upsell insurance products than bancassurance agents (Haron et al., 2011; Sangari, 2014; Taek Yi et al., 2012). Contrary to traditional insurance agents who are motivated by the "need to sell" or by sales pressure, which results in the sale of ULIPs more frequently than other policies, the clients drive bancassurance agents "need to buy" (Taek Yi et al., 2012). As a result, it is expected that customer-focused bancassurance agents will demonstrate a positive attitude by carefully examining the needs of their clients. Therefore, it is hypothesized that:

- **Ha6 :** Individual agents are relatively more prone to sell ULIPs when compared to bancassurance agents.

Customers' profile (sociodemographic and economic) also influences the selection of life insurance products. As propagated by the life-cycle hypotheses, a direct relationship exists between an individual's income and the life cycle stages (Ando & Modigliani, 1963). The income (and savings) would be relatively low at the beginning and end stages (retirement); whereas it would be high during the middle age of a lifetime. Therefore, one can expect young people with lower earnings to select a term policy at a relatively low cost, while risk-averse older households would benefit from less insurance. Similarly, people in their early 40s and 50s with a higher income should plan adequate coverage against the adverse financial consequences of premature death by choosing an endowment policy.

Additionally, there is a positive correlation between income and demand for life insurance (Campbell, 1980; Lewis, 1989). The need to secure the future income of dependents against the early death of wage earners increases with income. Low-income individuals would choose term products; whereas, individuals with a stable income can purchase endowment products or ULIPs. Individuals choose endowment products if they expect survival benefits at maturity (Rejda & McNamara, 2017).

Life expectancy determines the type of insurance product bought; the longer the life expectancy is, the lower the demand for a term product that offers pure protection and the higher the demand for an endowment product that acts as a savings instrument (Outreville, 1996). Since old people are expected to have lower income and a high mortality risk compared to young individuals, they would choose endowment products to secure their dependents. Education is taken as a proxy for risk aversion; higher educated individuals are more aware of the need for insurance as a tool to secure against mortality risk (Kjosevski, 2012; Outreville, 1996), and the subsequent risk aversion influences life insurance demand (Baek & DeVaney, 2005; Beck & Webb, 2003; Li et al., 2007) and selection of term or endowment policy instead of ULIPs.

Methodology

A cross-sectional survey adopting a descriptive-analytical design was conducted in Karnataka, India. Quantitative data from life insurance customers were collected using a questionnaire that included established scales on relational selling behavior during 2019 and 2020. The scales on relationship selling behavior were taken from validated scales in the literature (Crosby et al., 1990; Morgan & Hunt, 1994; Taek Yi et al., 2012; Yu & Tung, 2013). The scales used in the study have strong reliability, as evidenced by Cronbach's alpha values of 0.775 for interaction intensity, 0.827 for trust, 0.902 for customer disclosure, 0.892 for cooperative intentions, and 0.909 for information sharing. The statistical analysis was carried out using IBM SPSS Statistics 24 software.

The types of policies are categorized as ULIPs, terms, or endowment products. We chose multinomial logistic regression analysis to estimate the effect of relational selling behavior and socio-economic characteristics of individuals on the selection of term and endowment policies with ULIPs as the reference category. Thus, we have polychotomized policies involving three mutually exclusive alternatives: "term," "endowment," and "ULIPs." The model has three probabilities, P_j = (1, 2, or 3), associated with the three categories of types of policies. The probability of being a term product is $P1$, the probability of being an endowment product is $P2$, and the probability of being a ULIP is $P3$.

$$Pr\,(y_i=j) = \frac{\exp\ (x_i\beta_j)}{\sum_{ji} \exp\,(x_i\beta_j)}$$

X_i is socio-economic and relational selling variables (trust, contact intensity, covert and overt information sharing, cooperative intention, and customer disclosure) that influence the probability of insurance purchase. In addition, the channel of purchase (individual agents and bancassurance agents) and sociodemographic and economic variables were the age of the borrower (1 = <30 years, 2 = 31 – 40 years, 3 = 41 – 50 years, 4 = 51 – 60 years), gender (1 = male, 0 = otherwise), income class (1 = less than INR 0.5 million, 2 = INR 0.5 – 1 million, 3 = more than INR 1 million), and education (1 = under graduation 2 = graduation, 3 = postgraduation, 4 = doctoral), which are taken as independent variables.

Sampling Design

Multistage cluster sampling with a random selection procedure is used because the population comprises comparable but internally heterogeneous groups. We randomly chose three districts in Karnataka state after ranking 30 districts based on the Human Development Index (HDI) (Dakshina Kannada, Davanagere, and Chitradurga). Four taluks per district were randomly selected out of 21 taluks, ranked in descending order based on literacy level. The sampling unit is customers of insurance companies. To select the customers, we approached the branches of 12 insurance companies in these taluks and obtained a short list of customers. Of these, 10–12 customers were approached, and later, using the snowball sampling method, the required respondents were contacted. The sample size is 550; after data cleaning, 542 responses were available for further analysis.

Analysis and Results

Profile of Customers

The majority of the customers in the sample chose term policies (54.4%), followed by endowments (19.2%) and ULIPs (26.4%). Men selected term (55.9%) and endowment products (56.7%) as compared to women (44.1% and 43.3%, respectively) ; whereas, women (50.3%) preferred ULIPs over men (49.7%) (p>0.05) (Table 1). Young

Table 1. ***Profile of the Respondents***

	Term (*N* = 205)	Endowment (*N* = 104)	ULIPs (*N* = 143)
Gender (%)			
Male	55.9	20	24.1
Female	52.6	18.2	29.1
Marital Status (%)			
Married	55.3	18.9	25.8
Unmarried	53.2	19.5	27.3
Age Group (%)			
Less than 30 years	50.6	20.2	29.2
31–40 years	55.2	18.6	26.2
41–50 years	61.7	17.3	21
51–60 years	61.2	18.4	20.4
Types of Distribution Channels (%)*			
Bankassurance	59.3	33.5	7.2
Individual Agent	52.3	12.8	34.9
Educational Qualification (%)			
Undergraduate	4.1	4.8	5.6
Graduate	36.6	37.5	35
Doctorate	6.8	6.7	8.4
Postgraduate	52.5	51	51
Annual Income (%)			
Less than INR 0.1 million	64.6	6.2	29.2
INR 0.1 – 0.5 million	50.2	24.9	24.9
INR 0.5 – 1 million	64.2	12.2	23.6
More than INR 1 million	48.5	15.2	36.4
Area of Residence (%)			
Urban	52.1	19.6	28.3
Semiurban	59.8	18.4	21.8
Rural	57.1	18.5	24.4

Note. Chi-square test *$p<0.05$.

people under 30 and above 50 bought terms (50.6% and 61.7%, respectively) and ULIPs (29.2% and 20.4%, respectively). Individual agents primarily sold term (52.3%) and ULIPs (34.9%) than endowment products (12.8%); whereas, the bancassurance (corporate agents) channel does not recommend ULIPs to its customers (7.2%) ($p<0.05$). Regardless of income level, most respondents favored term products over ULIPs and endowment products. A total of 36.4% ($p<0.05$) of the wealthy class (making more than INR 1 million) selected ULIPs.

Estimated Results of the Multinomial Logit Model

Table 2 displays the estimated model derived from the regression analysis. It displays a McFadden R^2 of 0.324, a log-likelihood ratio (LR) of 258.3, and 68.3% of the cases are correctly predicted. Notably, the likelihood of

Table 2. ***Multinomial Logit Model : Purchase of Life Insurance Policies***

Independent Variables	Term/ULIPs			Endowment/ULIPs		
	Exp(B)	95% CI	*p*	Exp(B)	95% CI	*p*
Distribution Channel	0.24	0.11–0.51	0.00	0.10	0.04–0.25	0.00
(Base : Bancassurance)						
Individual Agent						
Interaction Intensity	1.11	1.04–1.19	0.02	1.15	1.05–1.26	0.03
Trust in Advisors	0.87	0.82–0.93	0.00	0.94	0.86–1.02	0.18
Customer Disclosure	1.01	0.96–1.06	0.66	1.02	0.96–1.09	0.39
Cooperative Intention	1.00	0.91–1.07	0.96	1.06	0.96–1.17	0.20
Information Sharing	1.02	0.98–1.06	0.17	0.84	0.80–0.89	0.00
Gender (Base : Male)						
Female	0.66	0.41–1.07	0.98	0.69	0.36–1.29	0.24
Age (Base : 51–60 years)						
Less than 30	0.46	0.19–1.11	0.08	0.52	0.16–1.65	0.24
31–40	0.61	0.24–1.55	0.31	0.66	0.19–2.25	0.51
41–50	0.86	0.32–2.38	0.78	0.85	0.22–3.3	0.81
Educational Qualification						
(Base : Postgraduate)						
Undergraduate	0.73	0.23–2.71	0.56	1.39	0.3–6.44	0.67
Graduate	1.01	0.61–1.68	0.94	0.97	0.49–1.89	0.94
Doctorate	0.85	0.34–2.09	0.73	1.41	0.48–4.56	0.55
Annual income						
(Base : More than INR 1 million)						
Less than INR 0.1 million	2.32	0.93–5.82	0.07	0.36	0.07–1.78	0.21
INR 0.1 – 0.5 million	1.3	0.64–2.64	0.45	0.95	0.36–2.51	0.92
INR 0.5 – 1 million	2.11	0.93–0.98	0.049	0.89	0.31–2.62	0.84

Number of observations = 542 ; χ^2 = 258.11; Prob > χ^2 = 0.000; –2 Log pseudolikelihood (*df* 50) = 823.4 ; Pseudo R^2: Cox and Snell 0.379 ; Nagelkerke = 0.438.

Note. The case of "ULIPs" is included as the base (omitted) category.

selecting term policy rather than ULIPs decreases by 0.243 if the individual seeks the advice of an individual agent rather than the bancassurance channel. Banks' staff acting as insurance agents are more likely to suggest term policies than ULIPs. The likelihood of purchasing term policies increases if the agents interact with customers regularly (odds ratio 1.13).

In contrast, trust in the channel agents decreases the likelihood of selecting term policies (odds ratio 0.876). Higher interaction intensity results in the purchase of term policies and not ULIPs; in contrast, if customers trust agents, the likelihood of choosing ULIPs increases. Individuals earning between INR 0.5 million and INR 1 million are 2.32 times more likely to buy term policies than those earning more than INR 1 million (at the 10% significance level). The likelihood of buying a term policy decreases with an increase in income. Specific socio-economic determinants are found to be insignificant (age and gender of individuals, education, and occupation). Customer disclosure, cooperative intensity, and information sharing are insignificant predictors of the purchase of term policies.

Similarly, a high interaction intensity with advisors enhances the probability of selecting endowment products over ULIPs (odds ratio 1.15). When agents share sufficient information about the policy, there is a 0.680-fold increase in the probability that ULIPs rather than endowment products will be purchased. The odds of choosing ULIPs compared to buying endowment products decrease by 0.106 times if the individual seeks the advice of a corporate agent rather than traditional agents. Other factors such as age, occupation, income, and family size were insignificant predictors of purchasing cash value policies.

Discussion

The research's empirical results demonstrate that the selection of life insurance products is influenced by interaction intensity (Ha1), trust (Ha2), information sharing (Ha5), types of distribution agents (Ha6), and income. Interaction intensity increases the likelihood of buying terms and endowment policies but decreases the purchase of ULIPs. Hence, Ha3 and Ha4 are found to be non-significant. There is an inverse relationship between trust and the purchase of term products; customers are more likely to buy ULIPs if they trust the intermediaries. Information sharing increases the likelihood of buying ULIPs. Individual agents are more likely to suggest ULIPs compared to bancassurance advisors. Individuals earning more than INR 1 million were more likely to purchase ULIPs and not term products than those earning between INR 0.1 million and INR 0.5 million.

The interaction intensity, duration, and frequency of contact with customers influence the selection of term or endowment policies. The willingness of agents to communicate regularly indicates their commitment toward customers (Boles et al., 2000), especially when products such as ULIPs are laden with technical jargon that is not easily understandable. When agents discuss the benefits and hidden costs of each type of insurance product during frequent interactions and understand customers' needs, purchasing ULIPs is avoided. When agents fruitfully engage with customers to allay their fears and improve their comprehension of policy features, uncertainty and ambiguity are reduced, and the incidence of mis-selling of ULIPs also weakens.

As commitment-trust theory proposes, trust can be reinforced by emphasizing strong emotional bonds with customers by maintaining long-term relationships (Boles et al., 2000; Morgan & Hunt, 1994). According to research by Crosby et al. (1990), strong performers invest more time developing trust with clients early rather than rushing to close a deal. Customers who feel confident in representatives are likelier to heed advice from advisors in good faith and not be suspicious of opportunistic behavior (Palmatier et al., 2006). Most often, commission-driven agents supersede customers' interests and engage in deceptive selling by positioning ULIPs as a short-term policy requiring premium payment for the initial three years for long-term risk coverage. ULIP customers develop cognitive dissonance when they realize that assured returns fluctuate with stock market returns. Thus, misuse of trust might result in customer disengagement and negative word of mouth.

Another notable finding is that sales incentives motivate agents to push products fetching high commissions regardless of customers' needs. In contrast, bank staff receives financial and non-financial incentives for selling insurance products, supplementing salary income. We can expect bancassurance agents to be less motivated to promote ULIPs. In India, a more significant proportion of sales is secured by individual agents than by the bancassurance channel, who frequently adapt high-powered aggressive sales techniques to market high-risk, speculative, and uncertain products such as ULIPs. If insurers do not institutionalize ethical behavior, the likelihood of agents engaging in unethical marketing activities increases (Shin, 2012; Tseng, 2019; Vitell et al., 2015). When the culture of insurance companies encourages sales behavior that stresses rule-breaking and deceptive selling, agents focus on sales and not on the means of achieving it. Customers, unaware of the potential problems of investing in a short period (three-year lock-in), financially suffer when the company keeps the policy's total value without compensating customers for losses incurred due to mis-selling.

Information sharing increases the purchase of ULIPs and not endowment products. Information on hidden

costs, clauses, and risk-return trade-offs enables customers to assess the suitability of products in meeting the objectives (Morgan & Hunt, 1994). The agents who are more transparent when soliciting insurance policies significantly influence the decision-making of insurance policies. However, partial sharing of information where the agents highlight the advantages while concealing risk aspects would entice the customers to buy ULIPs, especially when an essential endowment product would meet the need. Therefore, lop-sided information sharing that highlights the positive effect of markets (volatility) on insurance (here, ULIPs) while overlooking adverse effects prompts customers to select ULIPs. Even when the Insurance Regulatory and Development Authority of India (IRDAI) has stipulated mandatory sharing of product information with customers, our findings suggest that agents disclose less information and suggest unsuitable policies.

Income indeed shapes the selection of insurance products; it was found that individuals earning a high income (INR 1,000,000) are more likely to purchase ULIPs than term products. ULIPs requiring higher yearly premium payments are affordable for high-income individuals; whereas low-income individuals would choose low-premium term products.

Managerial and Theoretical Implications

The study findings provide a few suggestions for practicing managers and policymakers. In a country such as India, significant decisions that pertain to the choice of insurance products and services are essentially driven by insurance agents. However, e-insurance has been increasingly adopted in recent years. Hence, relationship quality can act as a double-edged sword; trust indeed enhances the goodwill for the company, and on the other hand, if the agents abuse trusted relationships for short-term gains, insurers would face adverse consequences. Thus, training programs should emphasize the importance of trust in building lasting relationships and the adverse consequences of unethical behavior on the financial and non-financial aspects of the company. Human resource policies should be formulated to monitor and impose hefty penalties on erring agents.

Given that the quality and frequency of insurance agent–customer interactions play a significant role in investor decision-making, agents are expected to be responsive and offer personalized inputs to facilitate purchasing. Efforts should be made to counter systemic short-termism and educate customers on the necessity for long-term investment instead of surrendering the policy where they lose the entire investment. The complaints of disgruntled customers who are disappointed with their buying decision should be immediately and adequately addressed.

ULIPs that are connected to the stock market typically produce alluring long-term returns. However, agents recommend that customers buy ULIPs by paying a premium once or for 3 – 5 years and reap higher (guaranteed) returns. The misguided information exposes customers' higher risk of short-term market fluctuations and negative returns. Henceforth, companies should train agents to disclose relevant information, specifically the pros and cons of investing in ULIPs. Practitioners in the insurance domain can devise and operationalize relevant training interventions that would enable insurance agents to successfully disclose information related to policies and alternative investment avenues, financial planning, and financial assistance. Moreover, insurance companies should revise remuneration structures that provide high commissions for selling complex products such as ULIPs.

Any dishonesty and deceptiveness (i.e., unethical) in customer interaction significantly hinders the development of a long-lasting agent-customer relationship. With the negative effects of unethical selling in mind, insurance service providers should work to build relationships with clients and reap the rewards of a strong clientele. The recruitment of agents should include screening on integrity and social skills to eliminate the selection of agents who might mis-sell products for pecuniary gains. Therefore, the need for an adaptive sales approach arises where agents minimize the selection of an inappropriate product that fails to meet the needs of consumers. Newer marketing strategies using digital channels and personalized selling must be emphasized to

create a high impact (Chakraborty & Dash, 2022). Theoretically, the current study adds evidence supporting the relevance of relationship-selling behavior in ULIPs. It also demonstrates the advantages of the corporate agent (bancassurance) model in not marketing complex products such as ULIPs.

Conclusion

Mis-selling is rampant in India despite the IRDAI's punitive measures to curtail deceptive selling, especially of ULIPs. Promoting customer-oriented ethical sales behavior focusing on trust, information sharing, and higher interaction intensity is the need of the hour. Training agents should go beyond sales indoctrination, which provides the mixed message that assisting and outsmarting prospective customers is essential. The threat of public outrage, stringent regulatory actions, and consumer lawsuits will follow if insurers fail to transform the internal working environment and corporate culture that encourages deceptive sales practices.

Limitations of the Study and Scope for Further Research

The study's geographical scope is limited to the Indian state of Karnataka. As a result, the conclusions cannot be extended to other contexts. The study's findings must be cautiously evaluated because the data were collected using snowball sampling. Although the study considered various aspects of agents' relationship-selling behavior, the firm perspective and several cultural and economic determinants are disregarded. It is recommended that future research use newer approaches to reduce social desirability bias and response bias. Alternative data sources, such as longitudinal data and projective approaches, can be employed in future studies. Another study area is the effect of changing regulations and claims experience on purchasing and renewing ULIPs and other insurance products.

Authors' Contribution

Dr. Savitha Basri was responsible for the paper's conceptualization, literature review, data analysis, interpretation, and writing. Dr. Ankitha Shetty reviewed relevant literature, gathered information, and wrote the paper.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial or non-financial interest in the subject matter or materials discussed in this manuscript.

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