

Purchase Decision Of Life Insurance Policyholders : An Outlook

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INTRODUCTION

Man's life and property are open to risks of various kinds and in varying degrees. These lead to incurring of losses, which may be beyond the capacity of an individual to bear. There are many financial alternatives to diffuse the risk, but the most important, and the best alternative is insurance. *"Insurance affects everything and everything affects insurance"* is a famous quote. Insurance allows those who participate in the economy to produce goods and services without the paralyzing fear that some adverse incident could leave them destitute or unable to function. The Indian Insurance Industry has moved into a more competitive arena with the arrival of private players in the market and also the degree of competition among the private players has increased in the present years. Even though Life Insurance Corporation of India (LIC) reigns supreme in terms of market share, private companies are gearing up to woo the consumers. Equipped with the choice of selecting the insurance provider, customers today are more demanding and expect high standards of service and value satisfaction. If all the players in the life insurance industry focus on the effective delivery of services, they can win the hearts of customers and anticipate their increased market share. Life insurance industry in India is not growing substantially in spite of enormous market potential. Though product awareness is a major reason, failure to create, implement and prolong an appropriate marketing program by the industry is a constraint. Adequate research and development activities in this industry are absent. Investment policies of the insurance companies need structural changes catering to the needs of the debtors of various industries. The Indian life insurance companies require joint efforts in publicizing the concept of life insurance and their products.

The five essential factors affecting the market are changing customer behavior, deregulation and government intervention, competition on technology and distribution networks, automation, technological innovations, and client relationship and quality. Customer service is an integral part of life insurance organization, and it is the ability of an organization to constantly and consistently give the customer what they want, need and expect. Quality in customer service is critical to success in any liberalized environment. It is necessary to identify the key success factors in the life insurance industry in terms of purchase decision of customers so as to survive in intense competition and increase the market share. As an economy grows over the years, insurance and banking sector intensifies and broadens its reach. In case of the insurance business, the policyholders consider various factors while they decide to take a policy. These factors may be understood as service ,accessibility, convenience, insurance plan, premium, payment mode, loyalty, hassle-free settlements, terms and conditions of the policy, agent's service, etc. These are the reasons due to which identification of customer preference becomes a needy element for insurance management. One policyholder would in general have different consumption behaviours or preferences from another. Therefore, the present study is an attempt to study the purchase decision of policyholders of Life Insurance Corporation of India in Virudhunagar District, Tamil Nadu, which is an industrial and trading district, where there was ample scope to conduct the research.

STATEMENT OF THE PROBLEM

The life insurance industry in India has grown tremendously with increasing growth rate of industrialization, infrastructure and savings rate and capital formation. India is on the threshold of rapid economic and social changes. Any new player entering the insurance business would try to differentiate its product offering, but it is the service-delivery system which becomes the key differentiator, and the Indian Life Insurance segment witnessed the entry of players like ICICI Prudential, Bajaj Allianz, HDFC Standard Life to name a few in 2000. These private players have

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customized products and introduced innovations in annuity or pension products, apart from offering better services to the customers. In spite of this, LIC is the dominant player in this sector and has tremendous opportunity like other entrants for growth. Life insurance helps households manage their finances in the face of death and disability by minimizing disruption to a wage earner's dependents. There are 23 private insurance players, and one giant government owned LIC is operating in India.

Life Insurance Corporation (LIC) of India is the largest insurance company in the world, with 23 crore customers and more than 1.1 million agents. LIC of India settles 2.21 claims per second, with more than ₹ 6,74,514.78 crore worth of assets. The emerging economic scenario has thrown up the challenges which threaten LIC's exclusive prerogative of marketing life insurance. This is expected to accelerate in the coming years as the market is under penetrated. Insurance being a service product, managing consistent quality across all markets, all channels and all branches assumes great significance. Every risk involves the loss of one or the other kind. The function of insurance is to spread this loss over a large number of persons through the mechanism of cooperation. The people who are exposed to a particular risk cooperate to share the loss caused by that risk, whenever it takes place. Therefore, people take insurance cover for reducing the risk and uncertainty. This paper makes an attempt to study the purchase decision of policyholders on type and plan of policy, and their attitude towards the services rendered by LIC.

OBJECTIVES OF THE STUDY

- ✿ To analyze the socio - economic profile of the policyholders in the study area;
- ✿ To explore the order of preferences on various investment forms;
- ✿ To find out the types of policies purchased, and the plan which is mostly decided by the policyholders ;
- ✿ To analyze the attitude of the insured towards the services rendered by LIC;
- ✿ To determine the level of satisfaction obtained by an insured;
- ✿ To offer suggestions for improving the services of life insurance companies, and conclusion based on the findings of the study.

METHODOLOGY

The present study is empirical and analytical in nature, and it is based on primary data collected from the policyholders with the help of a well structured comprehensive questionnaire. The sample size was 380 respondents, and the policyholders were identified from Virudhunagar District by Proportionate Stratified Sampling method.

HYPOTHESIS

- ✿ **Knowledge of service existence by the policyholders influences the users' level of satisfaction.**

TOOLS USED

The data for the present study were collected with the help of Likert type 5 point scale consisting of five services. The level of satisfaction of the policyholders has been measured by using factor analysis, and it has been analyzed with the mean and standard deviation. In order to achieve the objectives taken up in the study, Garrett Ranking Method, growth over the previous year, and F-test have been used to test the level of significance.

PERIOD OF THE STUDY

The study was confined to sample respondents of Virudhunagar District, and the period of the study was one year, from February 2010 – January 2011.

DATA ANALYSIS AND INTERPRETATION

A common belief that one of the most difficult products to sell is “*life insurance*”, and one who sells life insurance can sell anything under the sun. There is no gainsaying the fact that selling life insurance is a difficult proposition, primarily because what is sought to be marketed is an assurance, a belief and a faith. A study on the policyholder's purchase decision has become increasingly important as the policyholders are becoming more heterogeneous. Life Insurance Corporation of India must understand the policyholder's behaviours specifically.

❁ **Personal Profile of The Respondents :** People have different characters and personalities. Life involves risks and uncertainties . So, it is necessary to study the socio - economic status of the sample respondents. A survey had been conducted among 380 policyholders in Virudhunagar District, and it threw up the following results.

Table 1 : Personal Profile of The Respondents		
Age	No. of Respondents	Percentage
Below 20 years	12	3.20
20 years - 30 years	106	27.90
31 years - 40 years	100	26.30
41 years - 50 years	80	21.10
Above 50 years	82	21.60
Total	380	100
Gender	No. of Respondents	Percentage
Male	268	70.50
Female	112	29.50
Total	380	100
Marital Status	No. of Respondents	Percentage
Married	295	77.60
Un-married	85	22.40
Total	380	100
Occupation	No. of Respondents	Percentage
Private Employees	116	30.50
Government Employees	41	10.80
Business	101	26.60
Professional	44	11.60
Homemaker	78	20.50
Total	380	100
Annual Income	No. of Respondents	Percentage
Below ₹ 1,00,000	120	31.60
₹1,00,000 - ₹ 3,00,000	154	40.50
₹3,00,001 - ₹ 5,00,000	57	15.00
Above ₹ 5,00,000	49	12.90
Total	380	100
Source: Primary Data		

It can be inferred from the Table 1 that majority of (54.20%) the total respondents belonged to the age group of 21 to 40 years, and 21.60% were aged more than 50 years. Majority of the sample respondents were more 20 years of age. 70.50 % of the sample respondents were male (as most of the male policyholders are taking the policy for their own interest and family needs and the fact is that the female persons are given importance as nominees). Majority of the policyholders (77.60%) were married. 30.50% of the sample consisted of private employees, 26.60% comprised of businessmen, 20.50% respondents were housewives, 11.60% were from professional fields, and the rest 10.80% were government employees. It is interesting to note that majority of the policyholders belonged to the middle class as 72.10% of the respondents earned below ₹ 3,00,000 per annum and only 12.90% of the respondents had an income of more than ₹ 5,00,000 per annum.

❁ **Preference For Various Forms Of Investment :** Different people have different needs, and they have different utility functions based on their budget constraints.

Investment is the process of allocating one's income and in general, a person makes optimum allocation for long-term investment in assets such as gold, land and building, sharemarket, household equipments, LIC and banking Institutions. The order of preference of investment is analyzed by using the Garrett Ranking Technique. The following formula has been used to obtain the rank under the Garrett Ranking Technique.

Percentage Position = $\frac{100(R_{ij}-0.5)}{N_j}$ Where, R_{ij} = Rank given to i^{th} factor by j^{th} individual, N_j = Number of factors ranked by j^{th} individual. The results are presented in the Table 2 .

Table 2 : Preference For Various Forms Of Investment		
Preference	Garrett Mean Score	Rank
LIC	66.93	1
Bank	58.19	2
Mutual Funds / Share Market	53.13	3
Gold	43.24	4
Household equipments	41.03	5
Land & Building	37.58	6
Source: Primary Data		

The analysis reveals that the return or '*yields additional money*' as a need was attributed as the most important reason by the respondents for making an investment in LIC as it provides safety, liquidity with high return by a mean score of 66.93. '*Need created by making investment in banks due to their easy procedures and liquidity*' was the second important reason, with a mean score of 58.19. '*More return in a short period*' was the third important factor for making an investment in the share market, which was arrived at with a mean score of 53.13. Of all the precious metals, gold is the most popular as an investment. Investors generally buy gold as a hedge or safe haven against any economic, political, social, or currency crises . Hence, the fourth determinant was investing in gold, with a mean score of 43.24%. In the study area, the respondents gave last priority for investing in land and building (mean score of 37.58%).

✿ **Knowledge About Service Existence** : There are various sources through which people come to know about the products offered by LIC. These details are portrayed in the Table 3.

Table 3 : Knowledge About Service Existence			
S. No	Sources	No. of Respondents	Percentage
1.	Own accord	103	27.11
2.	Friends	29	7.63
3.	Agents	154	40.53
4.	Colleagues	30	7.89
5.	Relatives	30	7.89
6.	Existing policyholders	34	8.95
	Total	380	100.00
Source: Primary Data			

The Table 3 exhibits that among the 380 respondents, 40.53% of the respondents got the information from LIC agents to take the policy, 27.11% of the respondents acquired the policy by their own accord, 8.95% of the respondents got the idea from existing policyholders, 7.89% of the respondents were influenced by employees and relatives, and the rest 7.63% of the respondents were motivated by friends to take the policy.

✿ **Policies Marketed** : LIC offers a variety of policies, and they are grouped into life insurance, term assurance, and specific plans for children, pension plans, and unit linked insurance plans, micro insurance plans, health insurance plans for handicapped dependants and other plans. 30.79% of the respondents preferred endowment policy, followed by 18.95% of the respondents who preferred the money back policy, and only 12.37% procured the pension policy for

their old age .The following Table 4 evidences the above facts.

Table 4 : Policies Marketed		
Types of Policy	No. of Respondents	Percentage
Whole life	31	8.16
Endowment	117	30.79
Limited whole life	2	0.52
Money back	72	18.95
Pension plan	47	12.37
Unit Linked	72	18.95
Whole life & endowment	39	10.26
Total	380	100
Source: Primary Data		

It can be inferred from the Table 4 that a majority of the policyholders are interested in buying endowment policies which are very popular now-a-days because it is different from all the other policies which are available in the market. The premium of the policy is to be paid for the full term in spite of the death of the policyholder.

⚙️**Payment of Premium :** Premiums, other than single premiums, can be paid by the policyholders to LIC in yearly, half-yearly, quarterly or monthly installments or through a Salary Savings Scheme. If the mode of payment is yearly or half-yearly, LIC gives a rebate on the premium. If the mode of payment is monthly, LIC charges an additional 5%. This additional charge is waived for the Salary Saving Scheme. The following Table 5 depicts the payment of premium, mode of payment and the respondents' outlook about the rate of premium.

Table 5 : Payment of Premium		
Payment	No. of Respondents	Percentage
Monthly	101	26.58
Quarterly	43	11.31
Half-yearly	34	8.95
Yearly	202	53.16
Total	380	100
Mode of Payment	No. of Respondents	Percentage
Cash	102	26.84
SSS	44	11.58
Cheque	164	43.16
Online	34	8.95
ECS	16	4.21
ATM Counters	12	3.16
SMS	8	2.10
Total	380	100
Opinion	No. of Respondents	Percentage
High	90	23.68
Nominal	185	48.68
Low	105	27.64
Total	380	100
Source: Primary Data		

The Table 5 clearly shows that 53.16% of the respondents paid the premium on a yearly basis, 26.58% of the respondents paid the premium on a monthly basis; 11.31% paid the premium on a quarterly basis. 43.16% of the policyholders were paying the premium through a cheque, 26.84% were paid the premium in cash ; 11.58 % of respondents paid the premium by SSS; 8.95% paid the premium online; 4.21% paid by ECS; 3.16% paid by ATM Counters and the remaining 2.10% of them paid the premium through SMS. Regarding the opinion of the insured on the rate of the premium, it is noted that 48.68% of the insured opined that the rates of premium were nominal; 27.64% opined that the rates of premium were low and only 23.68% stated that the premium rates were high.

✿ **Preferred Policy Plan:** The Life Insurance Corporation of India is selling different types of plans as listed in the Table 6. In the study, it was found that 18.16% of the respondents preferred the Jeevan Mitra plan under the endowment policy, followed by 15.53% of the respondents, who preferred the Jeevan Anand plan, and 15.00% of the respondents chose the New Bima Gold plan. Only 11.84% of the respondents procured the ULIP policy, and a very minimum of 0.73% of them invested in the Bima Kiran Plan. 0.52% of the respondents chose the Jeevan Aadhar and Jeevan Vishwas plans, which are special plans for the handicapped persons. The above facts are illustrated in the Table 6.

Table 6 : Plan of Policies Preferred By The Respondents		
Plans	No. of Respondents	Percentage
Jeevan Saathi	5	1.32
New Jana Raksha	56	14.74
Jeevan Anand	59	15.53
Market Plus	45	11.84
Jeevan Shree	5	1.32
New Bima Gold	57	15.00
Jeevan Bharathi	2	0.52
Jeevan Tarang	36	9.47
Jeevan Mitra	69	18.16
Jeevan Kishore	29	7.63
Jeevan Chayya	5	1.32
Komal Jeevan	5	1.32
Bima Kiran	3	0.79
Jeevan Aadhar	2	0.52
Jeevan Vishwas	2	0.52
Total	380	100
Source: Primary Data		

It is interesting to note from the Table 6 that the Jeevan Mitra Plan was preferred by a majority of the respondents. The Jeevan Mitra plan being an Endowment Assurance plan, provides greater financial protection against death throughout the term of plan and the next option is given to the Jeevan Anand plan by the policyholders, as it is the combination of whole life policy and endowment insurance policy and this policy is suitable for the people of all ages and social groups.

✿ **Patronage Towards LIC :** India is moving fast to emerge as one of the strongest economies in the world by 2020. The diversified economy of India encompasses agriculture, handicrafts, textile, manufacturing and multidimensional services. The new entrants of private players and foreign collaborations have paved the way for drastic changes in the product line of life insurance policies. The Table 7 illustrates the continued patronage of respondents towards LIC even after the entry of private players. The table highlights that a majority of (68.20%) the respondents had taken the policies from LIC of India only, even after the entry of various new entrants and they have continuous patronage towards LIC.

✿ **Reasons For Continued Patronage Towards LIC :** Even though there is robust growth of private participation in the

Table 7 : Patronage Towards LIC		
Policy Taken	No. of Respondents	Percentage
Yes	259	68.20
No	121	31.80
Total	380	100
Source: Primary Data		

insurance sector, LIC of India is at the first position in a cut-throat marketing condition. LIC of India is adopting different distribution channels and winning promotional strategy to capture and maintain its market share, keeping in mind the vigorous growth of the insurance industry. The following reasons determine the policyholders' continued patronage towards LIC after the entry of private players, and the same is shown in the Table 8.

Table 8 : Reasons For Continued Patronage Towards LIC		
Determinants	No. of Respondents	Percentage
Government Body	105	40.54
Service	74	28.57
Familiarity	47	18.15
Reasonable Premium	23	8.88
Attractive Offer	10	3.86
Total	259	100
Source: Primary Data		

From the Table 8, it is inferred that out of the 259 respondents, 40.54% of the respondents have continuously taken the policies from LIC of India due to government undertaking, 28.57% of them had taken the policies for the better services and 18.15% of them had taken the policies for the familiarity of the schemes implemented by LIC.

✿**Lapsation of Policy** : A life insurance policy lapses when the subscriber does not pay the premium within the grace period. When a policy lapses, the holder forfeits the premium paid and the insurance cover. The agent loses the renewal commission. It also impacts the growth of the insurance business and solvency margins of the insurer. Lapsation of a life insurance policy is discontinuation of the premium payment by the policyholder during the period of operation of the policy, due to any reason other than the death of the policyholder. The length of life of a lapsed policy can be defined as the period between the month when the last premium installment was paid, and the month the policy was issued. Lapsation may not be intentional, and it may occur due to the neglect of the life assured in the payment of premium or due to temporary financial difficulties. In the study area, a majority of the (81.05%) respondents paid the premium regularly, and are very careful on non-lapsation and among the policyholders whose policies lapsed, they were not able to pay the premium due to financial difficulty and hence, the policy lapsed.

✿**Revival of Policy** : Revival is a fresh contract, wherein the insurer can impose fresh terms and conditions. Revival of lapsed policies is permitted within a period of five years from the date of its lapsation. The policy can be revived by the insured on payment of premium, plus interest and meeting the requirements of the insurers like submission of General Medical, Good Health Declaration, etc. depending upon each case. In the study area, out of 72 respondents whose policies lapsed, more than 90 % of the respondents revived their policies.

✿**Surrender** : Surrender involves voluntary termination of the contract by the policyholder during the currency of the policy. Surrender value is payable only after three full years premiums are paid to LIC. Moreover, if it is a participating policy, the Bonus gets attached to it as per prevalent rules. Surrender of the policy is not recommended since the surrender value would always be proportionately low. It is found from the study that a minimum of 6 percent of the respondents surrendered their policies due to financial difficulties, and a vast majority kept their policies in force.

❖ **Premium Rebate** : Premium rebate means the discount received by the policyholders from the insurance company according to the period of payment of the premium. The insurance has to incur postal expenses for premium payment intimation and clerical expenses relating to the calculation of the premium along with the rate of payment of premium. The payment of premium on a monthly basis is high as compared to the payment of premium on quarterly, half-yearly and yearly basis. It is obvious that the yearly payment of premium is very nominal and low because the expenses relating to the premium intimation notice, calculation of premium are incurred once and naturally, the premium can be collected at a lesser amount. In the study area, more than half of the respondents have known the premium rebate and paid the premium monthly from their monthly earnings.

❖ **Loan Taken** : Most of the insurance companies give privilege to the policyholder to obtain loans on certain policies, subject to certain rules. Loan facility is not available on all policies and rules regarding availability of loan taken under policies vary from insurer to insurer. Some insurers don't extend the loan facility under the money back policies. The policyholder has to apply for a loan in the prescribed form and submit the policy bond along with the form duly completed. The loan amount is calculated and sanctioned approximately for 85% of the surrender value. It is understood that only 42% of the respondents availed the loans after pledging their policy. The respondents who had taken the loan from LIC stated that they had taken the loan as the procedure adopted by LIC for loan disbursement is simple, and they charge nominal rate of interest on loans.

❖ **Preference For LIC Policies** : Insurance is an attractive option for investment. Most of the respondents recognize the risk hedging and tax saving potential of insurance with the added incentives like bonuses offered by insurers. Insurance is a unique investment avenue that combines both elements of protection and investment. First and foremost, insurance is about risk cover and protection. Insurance is designed to safeguard against losses suffered on account of any unforeseen event or a drop in income after retirement. Insurance serves as an excellent tax saving mechanism too. Insurance fulfils the family's needs in case the bread-winner passes away or becomes handicapped. Insurance assists the senior citizens through its pension policies and other schemes, which also fulfills the periodical requirements like education of children, marriage, etc. The preference for LIC policies are analyzed by using the Garrett Ranking Technique. The following formula has been used to obtain the ranks under the Garrett Ranking Technique.

Percentage Position = $\frac{100(R_{ij} - 0.5)}{N_j}$ Where, R_{ij} = Rank given to i^{th} factor by j^{th} individual, N_j = Number of factors ranked by j^{th} individual. The results are presented in the Table 9.

Table 9 : Reasons For Preference of LIC Policies		
Factors	Garrett Mean Score	Rank
Security	61.22	1
Tax	57.84	2
Easy Installment	53.92	3
Savings	45.49	4
Risk	40.95	5
Bonus	40.67	6
Source: Primary Data		

The ranking analysis presented in the Table 9 states that security is one of the major determinants that influences the respondents to prefer LIC as a best product for investment and its mean score is 61.22; tax is a second major factor that influences the respondents, especially for salaried class people, who wish to avail tax concessions, with its mean score of 57.84, and the last rank is the bonus, with a mean score of 40.67, which influences the respondents to prefer LIC plans and motivate the respondents to prefer LIC products with profit plan or ULIP.

LEVEL OF SATISFACTION OF THE POLICYHOLDERS

To determine the level of satisfaction of the policyholders, Likert Scaling techniques was used. Five statements which

indicate the habitual and customary services rendered by LIC were provided to the insured, and the policyholders were asked to respond to each of the statements in terms of assessing the quality of service as strongly agree, agree, neutral, disagree and strongly disagree. These five points constitute the scale, at one end of the scale is strongly agreed, and at the other end is strongly disagreed, and between them lie the intermediate points. Arithmetic mean of 380 respondents works out to be 18.19, and the standard deviation is found to be 3.54. Thus, it is clear that the respondents having a score of 21 and more than 21 are considered as delighted policyholders. Respondents having a score of 14 and less than 14 fell in the category of dissatisfied policyholders. Respondents having scores varying between 15 and 20 are treated as satisfied policyholders, i.e. those respondents who simply said that the benefits required by them were met by their policy. The classification of policyholders on the basis of their level of satisfaction was determined by applying the method as specified above and is presented in the Table 10.

Table 10 : Level of Satisfaction			
S. No	Level of Satisfaction	No. of Respondents	Percentage
1.	Dissatisfied	78	20.53
2.	Satisfied	195	51.32
3.	Delighted	107	28.15
	Total	380	100.00
Source: Primary Data			

From the Table 10, it is clear that out of the 380 sample force, 51.32% of the insured were satisfied as they had reached the expectation level with their perception level from the policy procured from LIC.

HYPOTHESIS

⚙ **Hypothesis :** An analysis has been made to determine *whether there is an association between the knowledge of service existence and the level of satisfaction of the policyholders.*

For this purpose, F test has been applied.

Table 11 : F- Test Table				
	Level of Satisfaction			
Knowledge of Service Existence	Dissatisfied	Satisfied	Delighted	Total
Own accord	14	57	32	103
Friends	7	14	8	29
Agents	19	90	45	154
Colleagues	13	15	2	30
Relatives	17	5	8	30
Existing policyholders	8	14	12	34
Total	78	195	107	380
Source: Primary Data				

Table 12 : ANOVA Table				
Sources	Sum of squares	Degree of freedom	Mean square	F test
VBC	1237.44	2	618.72	2.48
VBR	4685.11	5	937.02	3.75
Residual	2499.23	10	249.92	-----
Total Variance	8421.78	17	-----	-----

F test between column and residual = $618.72 / 249.92 = 2.48$ and F test between row and residual = $937.02 / 249.92 = 3.75$.

a) Variance Between Column And Residual : Calculated value is 2.48. Table value of 2 degrees of freedom and 10 degrees of freedom at 5% level is 4.1028. Calculated value is less than the table value. Therefore, the Hypothesis is accepted.

b) Variance Between Row And Residual : Calculated value is 3.75. Table value of 5 degrees of freedom and 10 degrees of freedom at 5% level is 3.3258. Calculated value is more than the table value. Therefore, the Hypothesis rejected.

RESULT

There is no association between knowledge of service existence and the level of satisfaction of the policyholders. The policyholders can be satisfied only when good quality services are rendered on time.

SUGGESTIONS

On the basis of the findings of the study, the following suggestions are made :

- ✿ LIC can emphasize and update the promotional mix and concentrate on crucial areas like premium charging, policy wording, loss behavior pattern and methodology of claim settlement.
- ✿ Agents and Development Officers should go again and again to their existing customers as the same customers can give more business to them, since it is five times more costly to get a new customer than it is to sell to an existing one.
- ✿ LIC can step up a Research and Development centre to explore business avenues according to the socio-economic groups of people, product innovation and product design.
- ✿ Most of the respondents were made known about the service existence and all the terms and conditions of the policy through agents. Therefore, agents must update their knowledge and improve their skills by attending guest lectures, seminars and exhibitions organized by LIC and IRDA.
- ✿ LIC has to optimize the retention of premium with safety and prudence through re-insurance business and launch new innovative marketing insurance plans with minimum risk and good yield.
- ✿ They can introduce more health insurance plans for physically challenged and handicapped persons.

CONCLUSION

In the Indian market, insurance is one of the emerging sectors; many private companies are entering into this sector for earning profit as well as to provide services to the customers, who are living in the rural and urban areas. The main aim of insurance is to give protection for life to the family members by sharing their risk. Insurance provides safety and security against the loss on a particular event. The increased competition from the local as well as the foreign insurance companies has resulted in the increase in the demand and expectation of the customers. Thus, concern for exceptional customer service and reviewing the customer's financial needs and preferences of their insurance plans are vital in the developing environment. This is especially true in the case in developing countries, where changes in customer expectations are linked to increasing educational standards and literacy. Security is one of the major determinants in influencing the policyholder to take the policy. It is observed that among the policyholders with different age groups, the younger groups have a positive attitude with insurance plans than elders. It is evident from the study that majority of the policyholders were satisfied with the policies and preferred new innovative marketing insurance plans and policies at different times, and most of the respondents came to know about the services through agents. Therefore, the success of the insurance industry is achieved only if the company can create the right environment, good rapport with agents and evaluate the expectations and perceptions of customers, the culture and attitude of the employees to serve the customers better.

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