

BEHAVIOUR PATTERN OF CONSUMER TOWARDS ENDOWMENT POLICY IN LIC AT THURAIYUR

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ABSTRACT

Product and service distribution is a crucial function in the management of any insurance business. It is more crucial because the product is intangible, investment is for both short & long term and there are realizable and unrealisable benefits. Therefore, distribution of such products calls for predistribution planning to establish a linkage between product quality, value and behavioural aspects of targeted customers. Distribution is a key determinant of the success of all insurance companies. Insurance companies market various product covers either directly or through various distribution channels like corporate agents, Banc assurance, brokers etc. These are generally called the traditional channels. In today's scenario agents continue as the prime channel for insurance distribution in India and almost all the players follow this channel primarily. However, with new development in consumer's behaviour, evaluation of technology and deregulation, new distribution channels have been developed successfully and quickly in recent years. With the opening up of the insurance sector, so many players entered in the Indian Insurance Industry. In this way, it is required by Insurance Companies to concoct settled framework offices with great call focus administration to pull in and give data to the client in regards to various items and their top-notch installment conspire. As there is a huge potential in the rustic market that is the reason insurance agencies require great dissemination quality and colossal labor to connect such a gigantic populace. So far as Banc affirmation is concerned, enactment has additionally allowed to banks for the protection business. Presently, the banks are beginning to end up plainly a more different budgetary foundation and the idea of widespread managing an account has been received.

Introduction

Everyone is exposed to various risks. Future is very uncertain but there is way to protect one's family and make one's children's future safe. Life Insurance Companies help us to ensure that our family's future is not just secure but also prosperous.

Life Insurance is particularly importance if you are the sole bread winner for your family. The loss of you and your income could be devastate your family. Life Insurance will ensure that if anything happens to you. Your loved ones will be able to manage financially.

This study titled "study of consumers perception about Life Insurance Policies" enables the Life Insurance Companies to understand how consumer's perception differs from person to

person. How a consumer selects, organizes and interprets that service quality and the product quality of different Life Insurance policies offered by various Life Insurance Companies.

Insurance is a tool by which fatalities of a small number are compensated out of funds (Premium Payment) collected from plenty. Insurance Companies pay back for financial losses arising out of occurrence of insured events e.g. in personal accident policy death due to accident, in fire policy the insured events are fire and other allied perils like riot and strike explosion etc. hence insurance safe guard against uncertainties. It provides financial recompense for losses suffered due to incident uncertainties events Insured with in policy of insurance. Moreover through a number of acts of parliament, specific types of insurance are legally enforced in our country e.g third party insurance under motor vehicles act, public liability insurance for handlers of hazardous substances under environment protection Act etc.

REVIEW OF LITERATURE

Dreze et al., (1996)³ Banking and insurance services contribute the majority of economic services in India. The insurance trade provides the impetus to realize the economic goals of Social Security and welfare. Social Security is a necessary demand of social justice.

Gupta (1997)⁴ Analyzed in his study how LIC is functioning with its policies, will it offer quality and kind of product to its customers and finally, is there any scope for personal participation in forthcoming years. It had been found that presently, the sole captain of ship in insurance is Life insurance Corporation of India but situation will change once the doors are opened for more private sectors.

Statement of the study

The study will help us to understand the consumer's perception about life insurance companies. This study will help the companies to understand how a consumer selects, organizes and interprets the quality of service and product offered by Life Insurance Companies.

Objective of the study

- Ascertain the profile and characteristics of potential buyers.
- To have an insight into the attitudes and behaviours of customers.
- To find out the differences among perceived service and expected service.

ANALYSIS & INTERPRETATIONS

analysis and Interpretation of data collected based on questionnaire method. The conduct of collecting various information about the uses of endowment policy were from different classes of respondents.

The collected data were classified into tables, represent by diagrams, charts etc., the various sample tools were also used to determine the relationship between the LIC agent and policy holders.

REASON FOR PEOPLES CHOICE OF ENDOWMENT

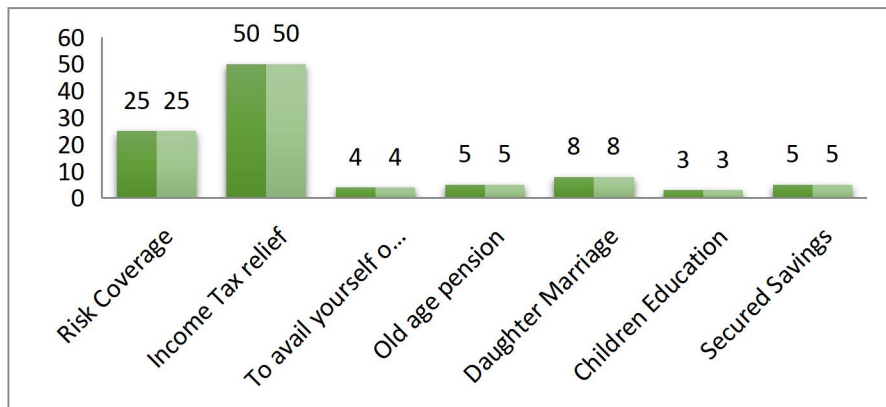
POLICY AS PER THEIR SAVINGS MODE

KINDS OF SAVINGS THAT PEOPLE ADOPT TO SAVE MONEY

Table – 1.0

Sl.No.	Type of other savings	No. of Respondents	Percentage
1	Bank Deposit	4	4
2	Post Office Savings	6	6
3	Provident fund	20	20
4	Private Chits	10	10
5	LIC Policies	60	60
	Total	100	100

Chart - 1.0

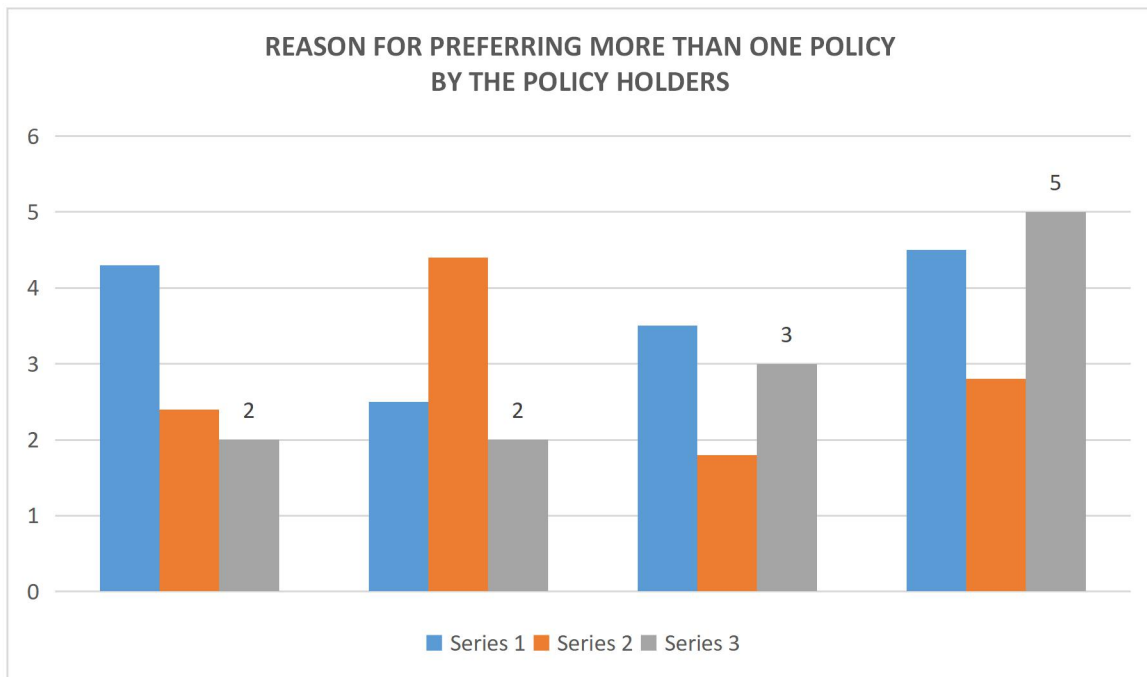


Source: Primary Data

As many as 60 people out of 100 amounting to 60 percentage save their money only through life insurance. When 20 percentages of people prefer provident fund for saving their money, only 4 percentages of people save through bank Deposit. 6 percentage of the people generally prefer post office saving inspire of a grave risk. 10 percentages of people still go in for private chits. So, majority of the respondents were selecting the LIC for the saving purpose.

**REASON FOR PREFERRING MORE THAN ONE POLICY
BY THE POLICY HOLDERS**

Sl.No.	Reasons	No. of Respondents	Percentage
1	It gives maximum benefit	50	50
2	Preferred by all	10	10
3	Agent recommended it	40	40
	Total	100	100



Source: Primary Data

The above table reveals that, 50 percentage of the policy holders expressed, their view that they preferred more than one policy for getting maximum benefits, while 40 percentage of the customers told the researcher that they opted for more than one policy mainly because of the agent recommended it. 10 percentage took more than one policy just because of others had taken the policy. So, majority of the respondents preferred, LIC for the purpose of its maximum benefit.

CHI SQUARE TEST

Objective:

To find, CONSUMER TOWARDS ENDOWMENT POLICY IN LIC AT by applying chi-square test.

Level of significance is 95%.

Null hypothesis:

There is no significant difference between organization do to CONSUMER TOWARDS ENDOWMENT POLICY IN LIC opinion of the employee to control absenteeism.

Alternative hypothesis:

There is a significant difference between organization does to control absenteeism and CONSUMER TOWARDS ENDOWMENT POLICY IN LIC

TABLE – A

Employees	Extra pay	Staff in reserve	Use overtime	Train employees	Provide encashment	total
Change management style	6	1	1	5	0	13
Change working condition	5	0	8	4	3	20
Provide incentives	7	6	8	9	6	36
Develop attendance policy	2	5	6	0	5	18
others	5	6	6	10	6	33
Total	25	18	29	28	20	120

CRITICAL VALUE:

$$\begin{aligned} \text{Degrees of freedom (DOF)} &= (R-1) (C-1) \\ &= (5-1) (5-1) \\ &= 16 \end{aligned}$$

DECISION:

$$\begin{aligned} \text{At 5\% level of significance (DOF)} &= 16 \\ &= 3.9208 \\ &= 26.29 \end{aligned}$$

FINDINGS:

Hence, table value is lesser than the table value. Therefore alternative hypothesis is accepted.

RESULTS:

There is a significant difference between CONSUMER TOWARDS ENDOWMENT POLICY IN LIC

Suggestions: Changing ways of life and purchasing inclinations will choose the future channels of distribution while keeping up the harmony for the traditional distribution channels also. ÿ Insurers need to embrace a multi-channel that grows new option channel organizations and drives out efficiencies in conventional channels. ÿ Trends pervasive in the protection business today keep running in parallel with the conversion of the money related administrations as banks, capital markets, and protection consolidate circulation channels. ÿ For backup plans to understand the most noteworthy incentive from the dispersion, they should enhance operations and agent-based bolster for key circulation portions. This incorporates upgraded operations to bolster a multiproduct, multi-channel strategy that compliments a safety net provider's income destinations and net revenues.

CONCLUSION

Life insurance is a very big boon to the society. Besides providing the endowment policy schemes towards the policy holders is a very big boon towards the district and an economy.

It motives people to save money for themselves which is twin stabilizes the economy.

Customers are totally satisfied with the services of the LIC and their attitude towards the life insurance corporation in positive in all aspects. People living in and around Thuraiyur are totally benefits out of the services rendered by the LIC and its agents. Most of the people in Thuraiyur Taluk preferred the endowment policy schemes for the future benefits, and its savings purpose. Hence, the endowment policy scheme plays as vital role among the community in Thuraiyur.