

The Policyholders Perception and Behavioural Pattern Towards LIC Life Insurance Policies Regarding Salem District

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ABSTRACT

Buyer conduct includes the arrangement that procurement, use, and aura can happen over the long run in a unique succession. All in all the study of purchaser manner is the inquiry of how populace settles on choice toward use their reachable property (money, time, happenings) on utilization-related belongings. The investigation targets contemplating the mind-boggling example of convictions, assumptions, thoughts, qualities, perspectives, and conduct displayed by the clients of LIC of India in the city of Salem locale. The current examination was a top to bottom investigation of miniature factors and determinants of policyholder conduct. The principle motivation behind the examination was to explore significant determinants of policyholder conduct for choosing and purchasing protection strategy. Nonetheless, the market of LIC influencing social classes should be resolved. In this uncommonly challenge environment LIC wants to accomplish the customers toward secure than additional protection organizations. Hence indulgent the customer wants; their issue will engage the protection office toward arrangement fitting things choosing cost precisely and increase the advantage. The principal objective of the examination is to comprehend the different outer and interior effects on policyholder dynamics. The universe for the current investigation is a Life Insurance specialist co-op across India and internationally an all-around rumored organization in particular the Life Insurance Corporation of India. Keeping taking into account the above goals the specialist felt it attractive to lead research in the parts of the Salem region.

Keywords: Consumer, Insurance, Buying Behavior, Perception.

1. Introduction

Customer Perception of Life Insurance: Customer mindfulness or insight as an idea is of all-inclusive worry for all economies of the world. With regards to a flourishing Indian economy and extraordinary development being seen by the Insurance industry - particularly life coverage, it is intriguing to inspect this idea inside and out. Insight is characterized as "the interaction by which an individual gets, chooses, sorts out, and deciphers data to make a significant image of the world". Perception is the cycle in which a person chooses, arranges, and with deciphers facts to create a major figure of the world. People act and respond based on their Perception, not based on target reality. Henceforth, for an advertiser to realize the clients' Perception is a higher priority than their insight into target reality. Consumers' opinions on an item and what it influence their activities. People settle on choices and make moves dependent on what they learn to be the detail is essential used for advertisers to understand the complete plan of insight with is related thoughts, so they can every one the extra punctually form away what variables crash purchaser to buy. The organization is attempt toward activate expansion during regions. They are distinguishing the technique that rustic persons are presently in a improved condition among additional currency. The low downward rate of finance convenience has similarly extended the moderateness of buying the protection substance through the provincial persons. The supporter should to understand the worth affectability of a shopper in a district. The purchasing behavior of the buyers in India are artificial by a modest components, intended for model, monetary situation, public climate, education stage, profession, topographical locale, broad activities concerning dealers, openness to the medias, with so onwards.

2. Scope of the study

This empirical study of investor's behavior towards life insurance of LIC regarding Salem district. The learn is restricted to the factors measured by the investors while creation their savings. Their level of Preference of life insurance investment in the public sector, in the various aspects of investment factors available, is considered for the study.

3. Objectives of study

1. To identify the Investors favorite towards life assurance strategy as an savings option
2. To learn the factor answerable pro the preference of life assurance policies because a savings option.
3. To study the behavior of different investors based on a demographic variable.
4. To study the behavior of different income group investors in a life insurance policy.

4. Significance of study

Many studies were done on life insurance policies previously in India. The present study covers the behavioral pattern of investors of the Salem district, which includes the perception along with approach of investors towards the life cover strategy. This study would be helpful to the administrators and policymakers of Life Insurance Companies to introduce and create such types of life insurance policies which will enhance the satisfaction of investors and for the growth of life insurance organizations. This study would be helpful to future researchers to carry out their research in the area of behavioral finance with multi-dimensional aspects. This study will be also useful to the potential investors to take a correct investment decision.

5. Research Methodology

- **Investigate Design:** For obtaining whole and exact information, descriptive study is selected.
- **Sources of data:** The study would be based on primary data which will be collected by using a prepared survey and individual discussion. Secondary facts will be composed during journal, publications, Reports, Brochures, and Newspapers. Magazines, and Websites, etc.
- **Sampling Area:** The Salem District
- **Sample Size:** The sample size would be around 400 investors.
- **Sampling Technique:** Structured questionnaire will be sent to investors and from each taluks, 50 samples will be considered.

6. Hypothesis

1. **H0:** There is rejection significant association among the age, sexual category, income, education, in addition to occupation of the respondents with their savings duration.
2. **H0:** There is rejection significant association among age, sexual category, income, education, in addition to occupation of the respondents with their satisfaction towards life insurance investment.
3. **H0:** There is rejection significant association among the age, sexual category, income, education, in addition to occupation of the respondents with their savings objectives.
4. **H0:** There is rejection significant association among the age, sexual category, returns, education, in rejection to occupation of the respondents with their preference for the scheme of the life insurance policy.
5. **H0:** There is rejection significant association among the age, sexual category, returns, education, in addition to occupation of the respondents with their favorite for the sector of savings in a life cover strategy.

7. Analytical tools

- Cumulative Percentage analysis tool and frequency table for a socio-economic profile of Investors.
- Factors Analysis.
- Cross tab analysis is to determine an association.
- Chi-Square test is applied to determine the significant relationship
- ANOVA is applied to determine significant differences.
- Garret Ranking is applied to determine the rank of preferred schemes and preference for other investment avenues.
- Cronbach alpha: 0.09
- Factor analysis: with a total variance of 67.67%
The factor is found safety, return, transparency, Tax benefit, liquidity and services.

8. Examination and Explanation

Table 1: Age Categories of the Respondents

| Age | Frequency | % | Cumulative % |
|----------------|-----------|------|--------------|
| Below 35 years | 170 | 42.5 | 42.5 |
| 35-45 years | 109 | 27.3 | 69.8 |

| | | | |
|----------------|-----|------|-----|
| 45-55 years | 69 | 17.2 | 87 |
| Above 55 years | 52 | 13 | 100 |
| Total | 400 | 100 | |

Source: Primary data

From the above table, it is observed that out of a total of 400 life insurance investors, 42.5% investors go to the age cluster of below 35 duration, 27.3% investors go to the age group of 35-45 years, 17.2% investors belong to the age cluster of 45-55 years in addition to outstanding 13% investors belong to the age group of above 55 years.

Table 2: Sexual Categories of the Respondents

| Gender | Frequency | Percentage (%) | Cumulative % |
|--------|-----------|----------------|--------------|
| Male | 251 | 63 | 63 |
| Female | 149 | 37 | 100 |
| Total | 400 | 100 | |

Source: Primary data

From the stall, it is found that out of total 400 respondents, 63 % are male and remaining 37% female.

Table 3: Education of the Respondents

| Education | Frequency | Percentage (%) | Cumulative (%) |
|---------------|-----------|----------------|----------------|
| SSLC | 8 | 2 | 2 |
| HSC | 29 | 7.2 | 9.2 |
| Graduate | 161 | 40.3 | 49.5 |
| Post graduate | 124 | 31 | 80.5 |
| Professional | 78 | 19.5 | 100 |
| Total | 400 | 100 | |

Source: Primary data

From the table, it is found that out of a total of 400 respondents, maximum respondents i.e., 40.3% belong to the category of graduate, followed by 31% respondents are from the category of postgraduate, 19.5% of respondents are having a professional degree, 7.2% of respondents are having HSC education, and remaining 2% respondents are having SSLC education.

Table 4: Occupation of the Respondents

| Occupation | Frequency | Percentage (%) | Cumulative (%) |
|-----------------|-----------|----------------|----------------|
| Govt.employee | 39 | 9.8 | 9.8 |
| Pvt.employee | 142 | 35.5 | 45.3 |
| Business people | 123 | 30.7 | 76 |
| Others | 96 | 24 | 100 |
| Total | 400 | 100 | |

Source: Primary data

The counter shows so as to out of 400 respondents, a maximum respondent i.e., 35.5% belongs to private employee followed by 30.7% are business peoples, 24% respondents are from other category and minimum i.e., 9.8% respondents are Government employee.

Table 5: Annual Incomes of the Respondents

| Annual Income | Frequency | Percentage (%) | Cumulative (%) |
|-------------------|-----------|----------------|----------------|
| Below 5 lakh | 178 | 44.5 | 44.5 |
| Between 5-10 lakh | 135 | 33.8 | 78.3 |

| | | | |
|---------------|-----|------|-----|
| Above 10 lakh | 87 | 21.7 | 100 |
| Total | 400 | 100 | |

Source: Primary data

The counter show that away of 400 respondents, maximum respondents i.e.,35.5% belongs to private employee followed by 30.7% are business peoples, 24% respondents are from other category and minimum i.e., 9.8% respondents are Government employee.

Hypothesis testing

H0: There is negative significant relationship with the age of the respondents with the period of their investments.

| | | Policy savings duration | | | | Total |
|----------------|-------|-------------------------|----------|------------|------------|-------|
| | | <5years | >15years | 10-15years | 5-10 years | |
| Age:(in years) | <35 | 127 | 3 | 10 | 30 | 170 |
| | 35-45 | 52 | 3 | 7 | 47 | 109 |
| | 45-55 | 25 | 1 | 11 | 32 | 69 |
| | >55 | 10 | 3 | 17 | 22 | 52 |
| Total | | 214 | 10 | 45 | 131 | 400 |

Chi-Square Test

| | Value | Df | Asymp.Sig (2-sided) |
|--------------------|---------------------|----|---------------------|
| Pearson Chi-Square | 83.152 ^a | 9 | .000 |
| Likelihood Ratio | 80.759 | 9 | .000 |
| N of Valid Cases | 400 | | |

As the result is less than 0.5, the hypothesis is unwanted and it be said to readily available is a significant association among Age in addition to investment duration.

H0: There is no significant group among the gender of the respondent along with the period of their investments.

| | | Policy Investment duration | | | | Total |
|---------|--------------|----------------------------|----------|------------|------------|-------|
| | | <5years | >15years | 10-15years | 5-10 years | |
| Gender: | Male | 124 | 5 | 36 | 86 | 251 |
| | Female | 90 | 5 | 9 | 45 | 149 |
| | Total | 214 | 10 | 45 | 131 | 400 |

Chi-square tests

| | Value | Df | Asymp.Sig (2-sided) |
|--------------------|--------------------|----|---------------------|
| Pearson Chi-Square | 9.010 ^a | 3 | .029 |
| Likelihood Ratio | 9.523 | 3 | .023 |
| N of Valid Cases | 400 | | |

As the result is less than 0.5, the null hypothesis is unwanted and it is held to here is a important association among age and investments duration.

H0: There is no significant connection between the educations of the respondents with the stage of their investment.

| | | Policy Investment duration | | | | Total |
|--|---|----------------------------|----------|------------|-----------|-------|
| | | <5years | >15years | 10-15years | 5-10years | |
| | 1 | 4 | 1 | 1 | 2 | 8 |
| | 2 | 15 | 1 | 3 | 10 | 29 |

| | | | | | | |
|----------------------|----------|-----|----|----|-----|-----|
| Education | 3 | 95 | 2 | 14 | 50 | 161 |
| Qualification | 4 | 73 | 3 | 10 | 38 | 124 |
| | 5 | 27 | 3 | 17 | 31 | 78 |
| Total | | 214 | 10 | 45 | 131 | 400 |

Chi-Square Tests

| | Value | Df | Asymp. Sig (2-sided) |
|--------------------|---------------------|-----------|-----------------------------|
| Pearson Chi-Square | 23.149 ^a | 12 | .026 |
| Likelihood Ratio | 20.881 | 12 | .052 |
| N of Valid Cases | 400 | | |

As the outcome is less than 0.5, the hypothesis is unwanted with it is held to there is a significant association among education and investment duration.

H0: There is no significant variation among the age of the respondents with their investments objectives.

ANOVA

| | | Sum of Squares | Df | Mean Square | F | Sig |
|----------------------|----------------|-----------------------|-----------|--------------------|----------|------------|
| Tax benefit | Between Groups | 7.967 | 3 | 2.656 | 11.868 | .000 |
| | Within Groups | 88.611 | 396 | .224 | | |
| | Total | 96.577 | 399 | | | |
| Regular Income | Between Groups | 3.484 | 3 | 1.161 | 4.921 | .002 |
| | Within Groups | 93.454 | 396 | .236 | | |
| | Total | 96.937 | 399 | | | |
| Safety | Between Groups | 3.124 | 3 | 1.041 | 4.693 | .003 |
| | Within Groups | 87.876 | 396 | .222 | | |
| | Total | 91.000 | 399 | | | |
| Liquidity | Between Groups | 1.907 | 3 | .636 | 2.866 | .036 |
| | Within Groups | 87.853 | 396 | .222 | | |
| | Total | 89.760 | 399 | | | |
| Capital appreciation | Between Groups | 6.888 | 3 | 2.296 | 9.791 | .000 |
| | Within Groups | 92.862 | 396 | .234 | | |
| | Total | 99.750 | 399 | | | |

As the results are less than 0.5, the null suggestion is unwanted with it is proved to there is a significant distinction among age and their various objectives of investments which include tax benefits, regular income, Safety, Liquidity, and capital appreciation.

H0: There is negative significant variation connecting the occupation of the respondents with their investments objectives.

ANOVA

| | | Sum of Squares | Df | Mean Square | F | Significant |
|----------------|----------------|-----------------------|-----------|--------------------|----------|--------------------|
| Tax benefit | Between Groups | 8.613 | 3 | 2.871 | 12.924 | .000 |
| | Within Groups | 87.965 | 396 | .222 | | |
| | Total | 96.577 | 399 | | | |
| Regular Income | Between Groups | 3.740 | 3 | 1.247 | 5.298 | .001 |
| | Within Groups | 93.197 | 396 | .235 | | |
| | Total | 96.937 | 399 | | | |
| Safety | Between Groups | 1.145 | 3 | .382 | 1.682 | .170 |
| | Within Groups | 89.855 | 396 | .227 | | |

| | | | | | | |
|----------------------|----------------|--------|-----|-------|-------|------|
| Liquidity | Total | 91.000 | 399 | | | |
| | Between Groups | 1.267 | 3 | .422 | 1.890 | .131 |
| | Within Groups | 88.493 | 396 | .223 | | |
| Capital appreciation | Total | 89.760 | 399 | | | |
| | Between Groups | 4.450 | 3 | 1.483 | 6.164 | .000 |
| | Within Groups | 95.300 | 396 | .241 | | |
| | Total | 99.750 | 399 | | | |

As the results are less than 0.5, the null suggestion is unwanted with it is proved to there is a significant distinction among occupation and their various objectives of investments which includes tax benefits, regular income, Safety, Liquidity, and capital appreciation.

H0: There is negative significant variation among the Income of the respondents with their investments objective.

ANOVA

| | | Sum of Squares | Df | Mean Square | F | Significant |
|----------------------|----------------|----------------|-----|-------------|--------|-------------|
| Tax benefit | Between Groups | 12.855 | 2 | 6.428 | 30.478 | .000 |
| | Within Groups | 83.722 | 397 | .211 | | |
| | Total | 96.578 | 399 | | | |
| Regular Income | Between Groups | 1.766 | 2 | .883 | 3.684 | .026 |
| | Within Groups | 95.171 | 397 | .240 | | |
| | Total | 96.937 | 399 | | | |
| Safety | Between Groups | 1.215 | 2 | .607 | 2.685 | .069 |
| | Within Groups | 89.785 | 397 | .226 | | |
| | Total | 91.000 | 399 | | | |
| Liquidity | Between Groups | .880 | 2 | .440 | 1.964 | .142 |
| | Within Groups | 88.880 | 397 | .224 | | |
| | Total | 89.760 | 399 | | | |
| Capital appreciation | Between Groups | 4.799 | 2 | 2.399 | 10.032 | .000 |
| | Within Groups | 94.951 | 397 | .239 | | |
| | Total | 99.750 | 399 | | | |

As the results are less than 0.5, the null hypothesis is unwanted with it is prove to around be a significant distinction among returns and their various objectives of investments which includes tax benefits, regular income, Safety, Liquidity, and capital appreciation.

ANOVA

| | | Sum of Squares | Df | Mean Square | F | Sig. |
|--------------|----------------|----------------|-----|-------------|--------|------|
| Open ended | Between Groups | 6.007 | 3 | 2.002 | 10.274 | .000 |
| | Within Groups | 77.183 | 396 | .195 | | |
| | Total | 83.190 | 399 | | | |
| Closed ended | Between Groups | 4.695 | 3 | 1.565 | 7.041 | .000 |
| | Within Groups | 88.015 | 396 | .222 | | |
| | Total | 92.710 | 399 | | | |
| Interval | Between Groups | 2.363 | 3 | .788 | 3.204 | .023 |
| | Within Groups | 97.335 | 396 | .246 | | |
| | Total | 99.697 | 399 | | | |

As the results are less than 0.5, the null suggestion is unwanted with it is proved to here is a significant distinction among age with their choice of Open-ended, closed-ended, and interval.

9. Suggestions and Recommendations

- The awareness of life insurance and it's a variety of scheme ought to be improved amongst the populace in suitable publicity, encouragement conduct cover investor meet.
- The insurance investors have to invest their money in less risky securities so the company should maintain better portfolio management to improved returns and product image.
- Retirement insurance schemes will attract a large number of small insurance investors who seek regular income after retirement.
- The companies can advise their customers to invest in high-performing in life insurance schemes like income debt schemes etc.
- Stepladder should be in use to improve the self-confidence and self-esteem of the investors. This can be complete all the way through suitable communiqué and by educating investors to invest in life assurance Schemes.
- Mostly, the investor are additional interested in persons insurance schemes that can simply supply them liquidity. This proposal is managers should invest in secure income-related insurance schemes so that liquidity must be ensured.

10. Conclusion

The conclusions are drawn only concerning policyholders of the Salem district. In this learn conclude to a variety of demographic factor similar to age, matrimonial status, sexual category, metropolis, earnings stage, life insurance product familiarity, occupation, in addition to qualification, and so on, have a main contact scheduled the speculation choice of policyholders. The here have be wonderful expansion in the life insurance business in India. A growing figure of asset-based administration life insurance company provided that a prospect toward the policyholders in the structure of protection, High return, Transparency, Liquidity, Tax benefits and Services, India's eminent charge of investments, with a rapid-liberalizing wealth are probable to elevate the life insurance division to fresh likes. The policyholders have realized the benefits of investing in life insurance policies. Thus; the life cover business has a good prospect in Salem District.

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