

Insurance a Ray of Hope: A Study on the Level of Awareness of Private Players in the Insurance Industry

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Abstract

Risk and uncertainties are part of everyman life's great adventure. Risk is a condition in which there is a possibility of an adverse deviation from a desired outcome that is expected or hoped for. There exist several techniques for meeting the problem of risk, of which insurance is the most practical method for handling major risks. Insurance is based on the principle of risk pooling. The principle of insurance works on the concept of large number of people exposed to a similar risk makes a contribution to a common fund and those who suffer losses due to the occurrence of any uncertainties or risk are compensated from this fund. It is the transfer of financial responsibility for the risk at the point of occurrence and conventionally involves the insurer in a commitment to pay, provided the terms and conditions of the policy are met, payment of the premium secures a source of funds in the event of loss. Liberalization of insurance business in India has made a sea change in the insurance industry. The market is opened for private players and the vast potential in the life business is explored steadily. The private insurance industry, with competition hotting up has woken up to ground realities and is in the process of implementing many alternatives like agents, adjustors, asset managers, assurers, actuaries, accountants and administrators.³ (Proverbial seven 'A') to capture the highest market share. Realizing the unlimited potential in Indian grounds, private insurance companies concentrate in strategic deployment of technology for integrating office operations, and gaining customer confidence through improved service, which is the need of the hour. Currently the industry holds 15 private players and the country's largest insurer Life Insurance Corporation's (LIC) dominance is under threat as it is steadily holding a market share of 71% (2005-2006). However, in terms of lives covered under group schemes, the private sector has grabbed a significant market share of 36.65 per cent while LIC garnered a share of 63.35 per cent. At one end, where ICICI-Prudential maintained to lead the private insurers zone with a market share of 7%, Bajaj Allianz, HDFC Standard Life and Birla Sun Life showed a shaky ground. HDFC Standard Life did not fare well in spite of trying to expertise its strategy and expand its distribution network. With this industry scenario, the researcher felt necessary to know the respondents awareness of these private companies,

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their influencing factors in selecting a particular private company and their opinion/perception towards the existing private companies. The study area was confined to Coimbatore city, primary data was collected from hundred and twenty-five customers by using a structured questionnaire. Convenient sampling method was administered and detailed analysis was made using statistical tools such as a) Percentage analysis b) Chi-square analysis c) Average rank analysis and e) Average score analysis with suitable tables and interpretation. The results of the survey indicate that in spite of

*being aware of various private companies the reason behind taking life insurance policy was **family protection and savings** being the benefit of investment.*

Introduction

Risk is described, as any situation where there is uncertainty about what outcome will occur. Life is obviously risky. Most people prefer to avoid risk like illness, accident, damage of property etc., by taking insurance policies. Insurance is based on the principle of risk pooling. Life insurance has today become a mainstay of any market economy since it offers plenty of scope for garnering large sums of money for long periods of time. Tracing the developments in the Indian insurance sector reveals the 360-degree turn witnessed over a period of almost two centuries. A well-regulated life insurance industry which moves with the times by offering its customers tailor-made products to satisfy their financial needs is, therefore, essential to progress towards a worry-free future. While the Public Sector insurance companies made enormous contribution in the spread of awareness about insurance, and expanded the market, it was recognized that their reach was still limited, the range of products offered restricted and the service to the consumer

inadequate. It was also recognized that India has a vast potential that is waiting to be tapped and this could be achieved when sufficient competition is generated and it is exposed to the developments in the rest of the world. The insurance sector was, therefore, opened up for private sector participation with provision for limited foreign equity exposure, which has at present 15 private players in the market. This private entry has thrown opened a huge array of opportunities, many of which will be in unrelated fields and may give a bigger push to the development of the national economy as a whole.

Life Insurance Industry in the Nationalized Era

The Insurance sector in India dates back to 1818 when the first insurance company was established – the Oriental Life Insurance Company at Calcutta. This was followed in quick succession with the establishment of Bombay Life Assurance Corporation (1823) and Madras Equitable Life Assurance Society (1829). In the General Insurance business Triton Insurance Company (1850) was the first to be established. Prior to 1871, Indians were charged about 15 percent more premium

as compared to Europeans. Bombay Mutual Life Assurance Society (1871) was the first company not to differentiate between Indians and Europeans in the matter of fixation of premiums. The first attempt at regulation of the insurance business in India was through the Indian Life Assurance Companies Act in 1912. This was later broad-based and the Insurance Act came into existence from the year 1928 onwards. The Insurance Act was subsequently reviewed and a comprehensive legislation was enacted called the Insurance Act, 1938. The nationalization of life insurance business took place in 1956 when 245 Indian and foreign insurance and provident societies were first amalgamated and then nationalized. The life Insurance Corporation of India (LIC) came into existence and has since enjoyed a monopoly over the life insurance business in India.

Liberalization of Life Insurance Industry

The Insurance sector in India has come to a full circle from being an open competitive market to a nationalized market and back to a liberalized market. The year 1999 saw a revolution in the Indian insurance sector, as major structural changes took place with the ending of government monopoly. In the nationalized era the term life insurance was solely attributed to the public monolith "LIC". Even in this competitive

environment LIC functions with 2048 fully computerized branch offices, 100 divisional offices, 7 Zonal Offices and with strong 10,52,283 agents force. In line with the global trend of deregulation and based on the recommendations of the Malhotra Committee, the government of India passed the Insurance Regulatory and Development Authority (IRDA) Act in 1999. This Act paved the way for the birth of the IRDA and the result was lifting all entry restrictions for private players and allowing foreign players to enter the market with some limits on direct foreign ownership. Currently, the existing rule explains that a foreign partner can hold 26% equity in an insurance company and proposal to increase this limit to 49% is still pending with the government

Current scenario

The Indian insurance industry – currently valued at US\$ 10.2 billion – is on an accelerated growth trajectory. With the largest number of life insurance policies in force in the world, India's insurance sector accounted for 4.8 per cent of GDP in 2006-07, up from 3.14 per cent in 2005-06. Indian insurance companies recorded a 19.9 per cent growth in premium in dollar terms (adjusted for inflation) in 2006-07, compared to the world market growth rate of 2.9 per cent. In fact, the growth in premium has pushed India to being the 15th largest market from 19th in 2005. This rate of growth of the industry

looks particularly impressive when seen against the fact that the combined penetration of both life and non life is less than 2 per cent of the GDP compared to world average of 7.52 per cent. Clearly, the scope for growth is enormous.

List of Private Players In the Life Insurance Industry (Rs.Crore)					
Insurer	Premium Feb 07	Upto Feb 07	Upto Feb 06	Growth	Market Share
ICICI Prudential	554.74	4068.85	1956.05	108	7.0
Bajaj Allianz	448.05	2997.09	1940.23	54	5.1
SBI Life	322.16	1711.99	512.45	234	2.9
HDFC Standard	144.45	1298.09	778.89	66	2.2
Max New York	75.78	719.89	363.35	98	1.2
Birla Sun life	71.56	651.35	478.04	36	1.1
Reliance	123.86	604.55	150.77	300	1.0
Aviva	62.15	582.88	309.51	88	1.0
Tata AIG	58.12	546.50	405.44	34	0.94
Kota Mahindra	62.57	443.65	233.82	89	0.76
ING Vysya	35.76	349.88	199.85	75	0.60
Met Life	24.17	243.83	107.42	118	0.40

Shriram Life	15.28	124.63
- -	0.21	
Sahara Life	4.77	25.67
15.62	64	0.04
Bharti Axa Life	1.63	4.48
- -	0.01	

Source The insurance Times July 2007

The market share of the private companies based on premium was 1.61% in 2001- 02,6.98% in 2002 - 03,13.67% in 2003 - 04, 21.96% in 2004 - 05 and finally 29.74% in the year 2005 - 06.Since after liberalization customer awareness has been improved. Competition has brought more products, better customer services and there is a positive impact on the

economy in terms of income and employment growth. The success of private players has been attributed to there innovate offers and enhanced standards.

Statement of the Problem

Advent of liberalization lead to the imminent entry of global players in the Insurance sector that the Indian Companies began to feel the winds of change and started gearing up to meet the challenge. Various foreign private life Insurers flocked the Indian Insurance Industry to tap the uninsured potential market. In the run to capture their share, these private players has stepped into new

marketing techniques like innovate offers, customer centric products, sound risk management practices so as to enhance service standards and to leave a landmark in service sector. Currently the industry hold 15 private players and four major corporate houses have already announced plans to enter the segment in the coming months such as Hindujas, Ranbaxy, Pantaloon and BILT. Nearly 76% Indian live without an insurance cover as they tend to believe that nothing will happen to them and that their saving will take care of their things in adverse situation. According to NCAER survey declared that "though 74% of the households in the state of Luck now were aware of Insurance facilities, not more than 15% were actually availing these facilities" A recent survey conducted across eight cities covering around 1250 life insurance customers by VOICE revealed, Tata AIG life Insurance Company as the winner in terms of customer satisfaction in the life Insurance category. This is India's first-ever customer satisfaction for the Insurance sector. Based on the previous studies on research surveys the researcher felt necessary to know the respondents awareness in these private companies, their influencing factors in selecting a particular private company, their opinion/perception of services rendered towards the respondents holding private policies in the existing private companies.

OBJECTIVES OF THE STUDY

The following are the broad objectives of the study.

- To study the profile, purpose and investing practices of the customers holding policies in private life insurance companies.
- To study the awareness of the customers about the private life insurance companies.
- To study the factors that influences the customers in selecting the particular products in private insurance companies.
- To study the customer's opinion/perception towards services provided by the private life insurance companies.

METHODOLOGY OF THE STUDY

The area of the study was restricted to Coimbatore city. Primary data is collected from hundred and twenty-five customers by using a structured questionnaire. Convenient sampling method is administered in this study. The data collected from the respondents were systematically analyzed and the results are presented with suitable interpretation based on different objectives. The following statistical tools are used **a) Percentage analysis b) Chi-square analysis c) Average rank analysis e) Average score analysis.** All the tests are carried at 5% level of significance. A detailed analysis was carried out and presented with

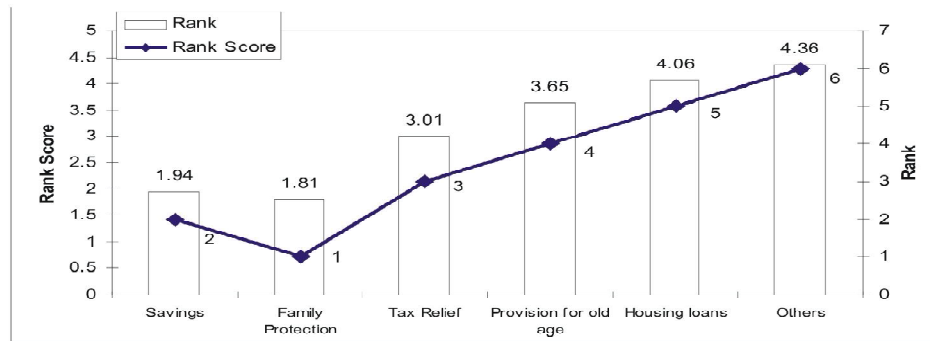
ANALYSIS AND INTERPRETATION

Objective 1

To study the profile, purpose and investing practices of the customers holding policies in private life insurance companies. **The statistical tools used to analyse are Percentage Analysis and Average Rank Analysis.** The results are given in the form of tables with suitable interpretations.

Profile, purpose and investing

of earning members in the family is two members.



Source: primary data

Table No 1 Average Ranking of benefit factors acquired through investing in Pvt. life Insurance policy –Personal factors

Investing Practices	Personal Factors	%	Bonus	Tax Saving	Savings	High security	Family protection	Housing Loan
●	62% of the respondents are under a nuclear family and 72% are married.							
●	84% of the respondent's family size constitutes four members.							
●	73% of the respondents have taken policy in private Insurance Companies							
●	Based on the Average Rank Analysis the following are the outcome:							
Chart No 1	Average Rank Analysis - Purpose of taking Life Insurance Policy							
Gender	Mate	62	3.83	3.29	2.26	3	2.68	5.17

practices of the customers

Based on the **Percentage analysis** the following are the outcome:

- 62% of the respondents are male respondents and their age group is between 25 years to 50 years.
- 50% of the respondent's education is at the college level.
- 43% of the respondents come under employed category.
- 40% of the respondent's monthly income of the family is above Rs.10,000.and majority (47%) number

Age group	Female	38	3.37	3.09	3	2.78	3.47	4.72
	<25	23	3.04	2.38	2.81	2.92	3.56	5.26
Education	25-50	53	3.79	3.49	2.43	3.14	2.87	4.82
	>=50	24	3.95	3.33	2.58	2.28	2.73	5.18
	School level	17	4.45	4.25	1.9	2.81	2.25	5.25
	College level	50	3.72	3.25	2.72	2.88	2.8	4.7
Occupation	Professional level	30	3.2	2.43	2.36	3.09	3.65	5.44
	Agriculture	8	4.5	4.75	2.5	3.11	1.75	3.86
	Business	24	4.7	3.78	2.59	2.59	2.33	4.93
	Employed	43	3.41	3.1	2.4	3.02	2.98	4.71
	Professional	16	3.11	2.16	2.6	3.47	3.56	5.81
Income per month	<10,000	22	4.22	3.39	1.91	3	2.65	3.87
	10,000-20,000	42	3.58	3.36	2.59	2.96	2.83	5.31
Marital Status	20,000-30,000	23	3.12	2.88	2.81	3.46	3.27	5.33
	>=30,000	13	4.17	3.29	2.43	2.14	3	4.92
	Single	24	3.76	2.83	2.52	2.55	3.71	5.56
	Married	76	3.62	3.34	2.53	3.03	2.74	4.8
Type of Family	Joint	38	4.37	3.41	2.3	2.7	2.66	5
	Nuclear	62	3.26	3.1	2.67	3.04	3.15	4.99
Earning members	1	30	4.16	3.78	2.4	2.88	2.28	5.2
	2	47	3.66	3.13	2.57	2.64	3.04	4.59

	3	20		>=5	30
2.96	2.79	2.56	3.88	3.29	2.33
3.4	3.88	5.48	2.8	3.24	5.06
	>=4	3			
2.3	4.33	2			
5.67	4.08				
Family Size	3	24			
3.5	3.04	2.77			
3.04	2.88	4.65			
	4	44			
3.55	3.24	2.47			
2.9	2.94	5.19			

TableNo1(contd..)

Source: primary data

The Average Rank Analysis is applied to identify the priority of the respondents on the various aspects considered in the study. It is understood from **Chart No 1** that respondents have given 1st rank for **family protection** which they consider to be the highest priority

among the other factors like saving, tax relief, provision for old age, housing loans etc. The **table No 1** clearly indicates that majority of the personal factors of the respondents have ranked **savings** as 1st rank while investing in private insurance company, followed by high security, tax savings and family protection.

Objective 2

To study the awareness of the customers about the private life insurance companies.

The statistical tools used to analyze are Percentage Analysis, Chi-square Analysis, Average score analysis and Average Rank Analysis. The results are given in the form of tables with suitable interpretations.

Awareness of the respondents

Based on the **Percentage Analysis** the following are the outcome: Among the 15 private Insurance Companies,

- Respondents (73%) are fully aware of ICICI Prudential,(44%) Alliance Bajaj Insurance Company,(43%)HDFC

given in the following tables with suitable interpretations. Based on the purpose of the study, the following hypotheses are formulated.

Hypotheses: The personal factors of the respondents have no significant influence over each of the study factors.			
It is clear from the table No.2 that age, income level, marital status and earning member have significant influence over Source of awareness. Family type and earning member of the respondents has a significant Influence of over the media. Family type has significant influence on the purpose of taking a policy from the private Insurance Companies. It is concluded from the table that irrespective of the various personal factors taken for the study, there is significant influence on the purpose of owning a policy from the private insurance Company.			
Table No.2 Chi -Square Values - Personal factor and Study factors			
S.No	Study Factors	Source of awareness	Influence of Media Purpose
	PersonalFactors		

- Standard Life Insurance.
- Respondents (46%) are partially aware of SBI Life Insurance, (43%) Tata AIG Life Insurance
- Respondents (39%) are not aware of Sahara Life insurance and (27%) Shriram Life Insurance
- Respondents (70%) have shown awareness of private companies through Advertisement especially through Newspapers and Magazines.

Based on the **Chi -square Analysis** the following are the outcomes:

The chi-square test is used to test whether a variable has a significant influence over the other. For this purpose, the factors considered in the study are classified into two groups. **The first group contains personal factors** namely gender, age, education, occupational status, income level, marital status, family type, earning member, family size.

The second group contains variables for analysis namely, Source of awareness, Media Of Awareness and purpose of taking a policy. Each of the personal factors is compared with the study factors and chi-square test is applied and the results are

1.	Gender	0.231	0.856	0.541
2.	Age	11.724*	1.754	10.626*
3.	Education	1.995	2.937	1.821
4.	Occupational status	2.758	7.332	2.973

Private Players		%	Aviva	Bharti AXA	Bajaj Allianz	Birla Sun life	Shriram	Sahara	ING Vysya	Kotak Mahindra	Max New York	Met Life	Reliance	SBI	HDFC	ICICI	Tata AIG
Personal Factors																	
Gender	Male	62	1.89	1.55	2.09	2	1.67	1.62	2.09	1.96	2.11	1.79	1.83	1.72	2.06	2.28	2.2
	Female	38	1.72	1.48	2.08	1.9	1.54	1.5	1.9	1.91	1.98	1.87	1.68	1.63	2.07	2.32	2.1
Age group	<25	23	1.48	1.28	1.64	1.81	1.36	1.44	1.84	1.73	1.84	1.64	1.64	1.52	2	1.96	1.9
	25-50	53	1.94	1.57	2.17	1.97	1.72	1.63	2.05	1.98	2	1.9	1.81	1.69	2.12	2.42	2.3
	>=50	24	1.88	1.63	2.41	2.11	1.6	1.53	2.18	2	2.5	1.85	1.78	1.88	2	2.35	2.1
	School level	17	2.24	1.79	2.26	2.24	1.9	1.95	2.26	2.05	2.19	1.75	1.95	2.05	2	2.19	2.38
	College level	50	1.75	1.47	1.98	1.94	1.55	1.5	2.02	1.92	2.04	1.87	1.77	1.51	2.12	2.37	2.08
Occupation	Professional level	30	1.79	1.47	2.12	1.82	1.59	1.48	1.94	1.91	2.03	1.85	1.72	1.74	2.1	2.31	2.13
	Agriculture	8	2.22	1.75	2.38	2.43	2	1.88	2.13	2.5	2.5	1.89	2.25	1.75	2.13	2.5	2.25
	Business	24	2.1	1.58	2.2	2.11	1.68	1.58	2.2	1.82	2	1.78	1.81	1.78	2.18	2.37	2.3
	Employed	43	1.69	1.45	1.9	1.83	1.5	1.54	2.02	2.04	2.09	2.02	1.73	1.64	2.02	2.22	2.14
Income per month	Professional	16	1.67	1.47	2.44	1.94	1.5	1.5	1.87	1.76	2	1.61	1.67	1.73	2.29	2.5	1.93
	<10,000	22	2	1.67	2.33	2.21	1.83	1.83	2.25	2.04	2.21	2.17	2	1.79	1.96	2.38	2.42
	10,000-20,000	42	1.74	1.45	2	1.8	1.47	1.46	1.93	1.88	1.92	1.73	1.63	1.69	2.13	2.26	2.09
	20,000-30,000	23	1.82	1.62	2.14	2.2	1.74	1.61	2.14	2.21	2.33	1.9	2.11	1.94	2.35	2.44	2.24
Marital Status	>=30,000	13	2	1.36	2	1.92	1.64	1.58	1.9	1.67	2.09	1.6	1.55	1.27	2	2.4	1.91
	Single	24	1.72	1.24	1.76	1.82	1.48	1.36	1.75	1.53	1.71	1.54	1.43	1.38	1.93	1.96	1.79
Type of Family	Married	76	1.87	1.63	2.21	2.01	1.67	1.65	2.12	2.09	2.18	1.92	1.91	1.81	2.12	2.42	2.28
	Joint	38	1.89	1.46	2.16	1.89	1.67	1.57	1.95	1.78	1.95	1.74	1.66	1.56	2.05	2.26	2.05
Earning members	Nuclear	62	1.8	1.56	2.04	2	1.59	1.58	2.06	2.03	2.12	1.87	1.85	1.76	2.08	2.32	2.21
	1	30	2.14	1.84	2.35	2.26	1.82	1.88	2.35	2.21	2.42	1.97	2.09	2	2.18	2.36	2.36
	2	47	1.7	1.42	1.89	1.81	1.52	1.49	1.94	1.8	1.92	1.83	1.63	1.46	1.98	2.27	2.06
	3	20	1.64	1.37	2.11	1.94	1.59	1.31	1.78	1.82	1.82	1.68	1.56	1.73	2	2.19	2.07
Family Size	>=4	3	2	1	2.67	1.33	1.33	1.33	1.33	2	1.67	1	2	2	2.67	2.67	1.67
	2	2	1.5	2	2	2	2	2	2	2	2	1.5	2	2	2	1	2
	3	24	1.81	1.52	1.92	1.89	1.52	1.64	2.23	2.29	2.26	2.19	1.88	1.7	2.27	2.54	2.16
	4	44	1.77	1.5	2	1.89	1.44	1.44	1.94	1.67	2	1.63	1.7	1.66	1.96	2.13	2.09
Family Size	>=5	30	1.95	1.55	2.33	2.13	1.97	1.69	1.97	2.03	1.97	1.82	1.78	1.71	2.06	2.37	2.23

Source: primary data

The above table no.3 shows the level of awareness of the respondents on various Pvt entry companies. It is concluded that highest score is given to ICICI Prudential followed by Bajaj Allianz,HDFC Standard Life Insurance,SBI Life insurance and so on.

Table No 4 Average Rank Analysis - Media of Awareness level of the Respondents

Media of awareness		%	Advt.	Agents	Friends & Relatives	Direct Marketing	Others
Gender	Male	62	3.21	2.12	2.76	2.78	2.12
	Female	38	2.7	2.25	2.8	3.67	2.57
Age group	<25	23	2.91	1.78	2.67	2.57	2.13
	25-50	53	2.67	2.5	2.87	3.44	2.32
	>=50	24	3.86	1.7	2.67	3.17	2.38
Education	School level	17	3.13	1.5	2.83	3.14	2.3
	College level	50	2.79	2.29	2.8	3.08	2.26
	Professional level	30	3.29	2.46	2.33	3.44	2
Occupation	Agriculture	8	3.2	4	4.5	3.2	2
	Business	24	3.09	2.55	2.83	3.11	1.89
	Employed	43	2.63	2.29	2.59	3.08	2.75
	Professional	16	4	2.5	2.8	2.25	1.83
Income per month	<10,000	22	3.22	2	2.27	3.88	3
	10,000-20,000	42	2.54	2.13	2.87	2.55	2.07
	20,000-30,000	23	2.38	2.6	3.29	3.2	2.2
	>=30,000	13	4.33	2	2.8	2.75	2
Marital Status	Single	24	3.15	2.42	2.73	2.9	2.11
	Married	76	2.85	2.09	2.8	3.25	2.32
Type of Family	Joint	38	3.27	2.41	2.89	2.81	2.33
	Nuclear	62	2.75	2.04	2.7	3.5	2.23
Earning members	1	30	3.45	2.17	2.9	3	1.69
	2	47	2.86	2	2.96	3	2.67
	3	20	2.43	3.4	2.17	3.5	2.45
	>=4	3	1	1	5	2	3
Family Size	3	24	2.78	2.91	2.75	3.67	1.78
	4	44	3.1	1.94	2.5	2.86	2.27
	>=5	30	2.8	2.06	2.94	3.31	2.56

Table No 4 (contd..)

Source: primary data

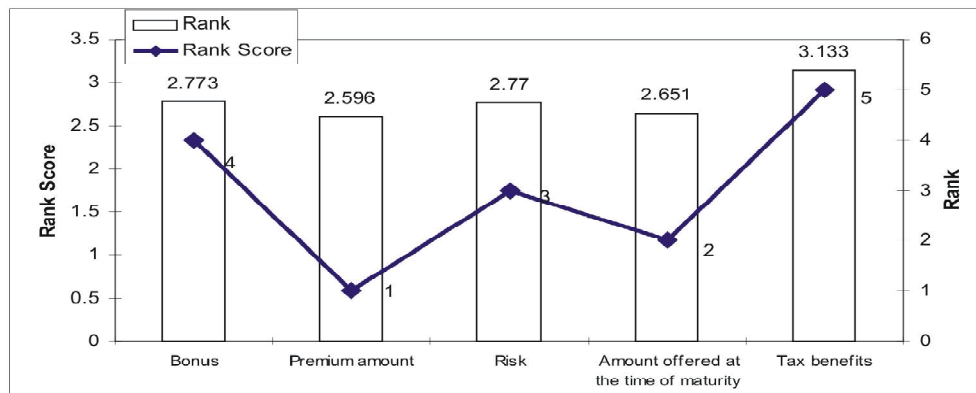
It is understood from **table No 4** that respondents have given 1st rank for Agents as a source of awareness while opting for the policies from among the factors like advertisement, friends and relatives, direct marketing etc.

Objective 3

To study the factors that influences the customers in selecting the particular products in private insurance companies. The statistical tools used to analyse are **Average Rank Analysis and Average Score Analysis**. The results are given in the form of tables with suitable interpretations

Selecting the particular products in private insurance companies.

Chart No 2 Average Ranking of factors for selecting the particular policy



It is understood from **Chart No 2** that respondents have given 1st rank for premium amount which they consider to be the priority among the other factors like amount offered at the time of maturity, risk, bonus, tax benefits..

Based on the **Average Score Analysis** the following are the outcome:

From the **table No 5** that, based on the highest average score the influencing media for selecting a particular policy is notice and pamphlets followed by newspapers, posters and banners etc. It is concluded that majority opt notice and pamphlets to be the priority-influencing factor among the choices given.

Table No 5 Average Score Analyses - Factors influencing media of choice in selecting the particular policy

Influencing Media		%	Radio	Magazines	Posters & Banners	Internet	Newspapers	TV	Notices & pamphlets
Gender	Male	62	1.54	1.89	1.87	1.82	1.96	1.47	2.11
	Female	38	1.45	1.94	1.74	1.89	1.82	1.41	1.9
Age group	<25	23	1.74	2.08	1.56	1.71	1.87	1.35	1.45
	25-50	53	1.46	1.87	1.9	1.91	1.93	1.48	2.25
	>=50	24	1.37	1.81	1.93	1.82	1.92	1.5	2.17
Education	Informal	1	1	1	2	1	2	2	1
	School level	17	1.56	2	1.83	1.59	1.8	1.35	2.33
	College level	50	1.48	1.96	1.77	1.85	1.78	1.41	1.9
	Professional level	30	1.56	1.82	1.88	2.03	2.13	1.55	2.1
Occupation	Agriculture	8	1.86	1.83	2	2	1.6	1.67	2.2
	Business	24	1.52	2.08	1.83	1.7	1.91	1.54	2.23
	Employed	43	1.38	1.83	1.83	1.89	1.78	1.25	1.97
	Professional	16	1.63	1.65	2	2.19	2.38	1.67	2.07
Income per month	<10,000	22	1.33	1.9	2.05	2.22	1.83	1.56	2.29
	10,000-20,000	42	1.64	1.88	1.73	1.79	1.87	1.33	1.92
	20,000-30,000	23	1.36	1.84	2.13	1.84	2	1.53	2.43
	>=30,000	13	1.62	1.91	1.73	1.64	2.09	1.55	1.82
Marital Status	Single	24	1.72	2.04	1.59	1.67	2.04	1.46	1.56
	Married	76	1.43	1.86	1.91	1.91	1.85	1.44	2.25
Type of Family	Joint	38	1.51	1.89	1.73	1.89	2.09	1.59	2.06
	Nuclear	62	1.51	1.92	1.88	1.82	1.79	1.36	2.02
Earning Members	1	30	1.53	2.03	1.93	1.66	1.88	1.48	2.19
	2	47	1.65	1.96	1.79	1.9	2	1.5	1.89
	3	20	1.13	1.61	1.8	2.07	1.64	1.21	2.09
	>=4	3	1.67	1.67	1.33	1.67	1.67	1.33	2.67
	3	24	1.44	1.86	2.05	1.84	1.79	1.42	2.05
Family Size	4	44	1.54	1.93	1.69	1.83	1.86	1.42	2.05
	>=5	32	1.5	1.91	1.86	1.88	2.08	1.5	2

Source: primary data

Objective 4

To study the customer's opinion/perception towards services provided by the private life insurance companies

The statistical tools used to analyse are Percentage Analysis, and Average Score Analysis. The results are given in the form of tables with suitable interpretations.

Customer's opinion/perception towards services

Based on the **Percentage analysis** the following are the outcome:

- Majority (62%) of the respondents prefer cash as a convenient mode of payment.
- Majority (62%) of the respondents were

of the opinion that the service rendered by of agent/Advisor is good followed by 40% as normal rating to agents services.

- Regarding the opinion of services, the respondents (64%) are satisfied about the services provided by the insurance company while taken a policy followed by average (33%)
- Respondents (82%) have never opted for discontinuance of policy for any reason. Only 8% have discontinued due to financial problem.
- Respondents (46%) felt there is a fair prompt ness when the claims are settled for the policyholders.

Based on the **Average Score Analysis** the following are the outcome:

Table No 6 Average Score Analyses – Opinion on agent's services

Agent Services			Gave Pamphlets brochures	Filled-up forms	Obtained fitness certificate	Collect premium	Others	All
Personal Factors		%						
Gender	Male	62	1.44	1.45	1.42	1.41	1.83	1.5
	Female	38	1.52	1.35	1.36	1.32	1.62	1.39
Age group	<25	23	1.15	1.16	1.08	1.29	1.57	1.15
	25-50	53	1.54	1.49	1.54	1.48	1.62	1.65
	>=50	24	1.64	1.62	1.44	1.25	2.5	1.8
Education	School level	17	1.44	1.47	1.35	1.11	1.02	1
	College level	50	1.44	1.4	1.5	1.46	1.73	1.46
	Professional level	30	1.56	1.4	1.26	1.41	1.7	1.56
Occupation	Agriculture	8	1.75	1.67	1.8	1.71	1	2
	Business	24	1.56	1.64	1.5	1.55	1	1.67
	Employed	43	1.44	1.38	1.51	1.38	2	1.52
	Professional	16	1.45	1.31	1.11	1.25	1.2	1.42

Income per month	<10,000	22	1.74	1.58	1.61	1.45	2.09	2
	10,000-20,000	42	1.45	1.44	1.26	1.37	1.17	1.32
	20,000-30,000	23	1.33	1.39	1.73	1.46	2	1.33
	>=30,000	13	1.54	1.18	1.2	1.36	1.33	1.2
Marital Status	Single	24	1.23	1.26	1.19	1.25	1.8	1.19
	Married	76	1.56	1.48	1.48	1.44	1.65	1.64
Type of Family	Joint	38	1.56	1.36	1.35	1.21	1.5	1.29
	Nuclear	62	1.42	1.45	1.42	1.5	1.75	1.53
Earning Members	1	30	1.5	1.53	1.58	1.43	1.33	1.67
	2	47	1.43	1.34	1.3	1.34	1.81	1.36
	3	20	1.45	1.44	1.41	1.5	2	1.25
	>=4	3	2	1.33	1.33	1	1	2
	3	24	1.58	1.52	1.39	1.43	1.67	1.36
Family Size	4	44	1.41	1.4	1.36	1.42	1.69	1.52
	>=5	32	1.48	1.36	1.45	1.27	1.67	1.33

Source: primary data

It is understood from the above **table No 6** that regarding the agents services, the respondents have given equal importance to all the above factors that are considered for the study. They felt that agents are always motivating, gives personal attention, comes on time to collect premium, informs about the new policies whenever introduced and has a high regard to patience. It is concluded that majority of the respondents irrespective of the number of personal factors felt agents services are good.

CONCLUSION

Large mass of people in India are not finance savvy and would like to play safe and avoid the vagaries of the market

movements so that they can plan their future income flows and not be worried about the final returns and therefore go for saving in bank accounts and fixed deposits. The new private insurers coming in with the liberalization of the sector are adding more channels of distribution in the Indian market parallel to the existing ones. The **'mantra' is 'innovation' and 'diversification'**. Today in the liberalized insurance markets, every new life insurer sells through one or more 'alternative distribution channels' that ensures accessibility of insurance products to the rural people. The private companies no longer rely solely or excessively on the agent network, that has given new way to a range of new distribution channels –

telemarketing, direct marketing, banc assurance, corporate agents and development officers and directly on the internet. Utilizing the extensive network for selling insurance will over a period of time bring about an increase in insurance density in private companies. Besides improving insurance penetration in rural areas, a large unexploited potential exists that were estimated at 740 million spread over 7,00,000 villages across a wide variety of regions in India are still to be explored.

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