

PRAMERICA LIFE INSURANCE COMPANY

A

PROJECT REPORT ON

Study of Consumers perception towards pramerica life insurance company.

Submitted To

BUJU PATNAIK INSTITUTE OF IT AND MANAGEMENT STUDIES

IN FULLFILLMENT OF REQUIREMENT FOR

MANAGEMENT IN BUSINESS ADMINISTRATION (MBA)

(2020-2022)

UNDER THE GUIDANCE OF

Mr.Kamesh Chivukula,(MARKETING FACULTY)

DECLARATION

I, Chandan kumar behera hereby declare that the project work titled “Study of Consumers perception towards pramerica life insurance company” is the original work done by me and submitted to the Biju Patnaik University of Technology, Odisha, in partial fulfillment of requirement for the award of Master of Business Administration is a record of original work done by me under the supervision of Mr.Kamesh Chivukula.(Marketing and soft skills)

Chandan kumar behera

Regd No. 2006258075

Signature of the Student

CERTIFICATE OF THE GUIDE

This is to certify that the Project Report entitled with the title” Study of Consumers perception towards pramerica life insurance company” is undertaken by Jyotirmayee Sahoo was conducted under my supervision and guidance. He has collected all the data, done the analysis, interpreted the data and made the report.

Signature of the Guide

Name & Official Address and Place

Place :

Date:

ACKNOWLEDGEMENT

It is not possible to prepare a project report without the assistance & encouragement of other people. This one is certainly no exception. On the very outset of this report. I would like to extend my sincere & heartfelt obligation towards all the personages who have helped me in this endeavor. Without their active guidance, help, cooperation & encouragement, I would not have made headway in the project. I am ineffably indebted to Mr. Pratik kumar HR of Pramerica Life Insurance conscientious guidance and encouragement to accomplish this assignment. I am extremely thankful and pay my gratitude to my faculty Mr.Kamesh Chivukula for his valuable guidance and support. I extend my Special gratitude to Dr. P.K. TRIPATHY, Principal of BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES and Prof ABID ALI KHAN, Dean, Placement for giving me this opportunity. I also acknowledge with a deep sense of reverence, my gratitude towards my parents and member of my family. who have always supported me morally as well as economically. At last but not the least gratitude goes to all of my friends who directly or indirectly helped me to complete this project report. Any omission in this brief acknowledgement does not mean lack of gratitude.

Name of the Student

Chandan kumar behera

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EXECUTIVE SUMMARY

Employee motivation is very important factor for any business .A motivated employee performs a much higher level than n unmotivated employee of the same talent and supervisor spend so much time and puts so much emphasis on recognizing and praising employee contribution, no matter how large or small . Finding a proper balance can be a power motivational tool, they can also become quite expensive and lose their effect if overused. Managers need to be careful with the frequency of these types of innovative progrmmes. My entire observations during this internship period is based on what type of motivation is being given to the employees present in the store and what are the results they get out of it. Also my observation is on the development process of the employees. How they get promoted, what are the processes they get through and what are the major aspects they focus on. Thad also attended some, engagement sessions, training sessions conducted during my working hours in the store and had an observation on what are the major key points discussed had noted down important things in the training sessions. I had also attended some events like Rajo celebration, RNR (reword and recognition), birth day celebration, and family engagement. Out of these events I had learnt many effective things that are necessary while working in an organization how to motivate an employee and how it is connected with the happiness index . The basic mono behind these activities to make employees more effective by which they would perform well and customer satisfaction will be more. Which will give much benefit to the customer.



TO WHOMSOEVER IT MAY CONCERN

**institute of This is to certify that Ms. Chandan kumar behera of •
Bijupattnaik information technology and management has done his
project on Impact of “Marketing Strategies and campaigns and customer
relation management ” under the guidance of Mr Pratik kumar, during
the period of 3rd-June-21 to 3rd Aug-21 in Pramerica Life Insurance.**

Her conduct during the internship period was appreciable.

We wish all success to his in his future endeavors.

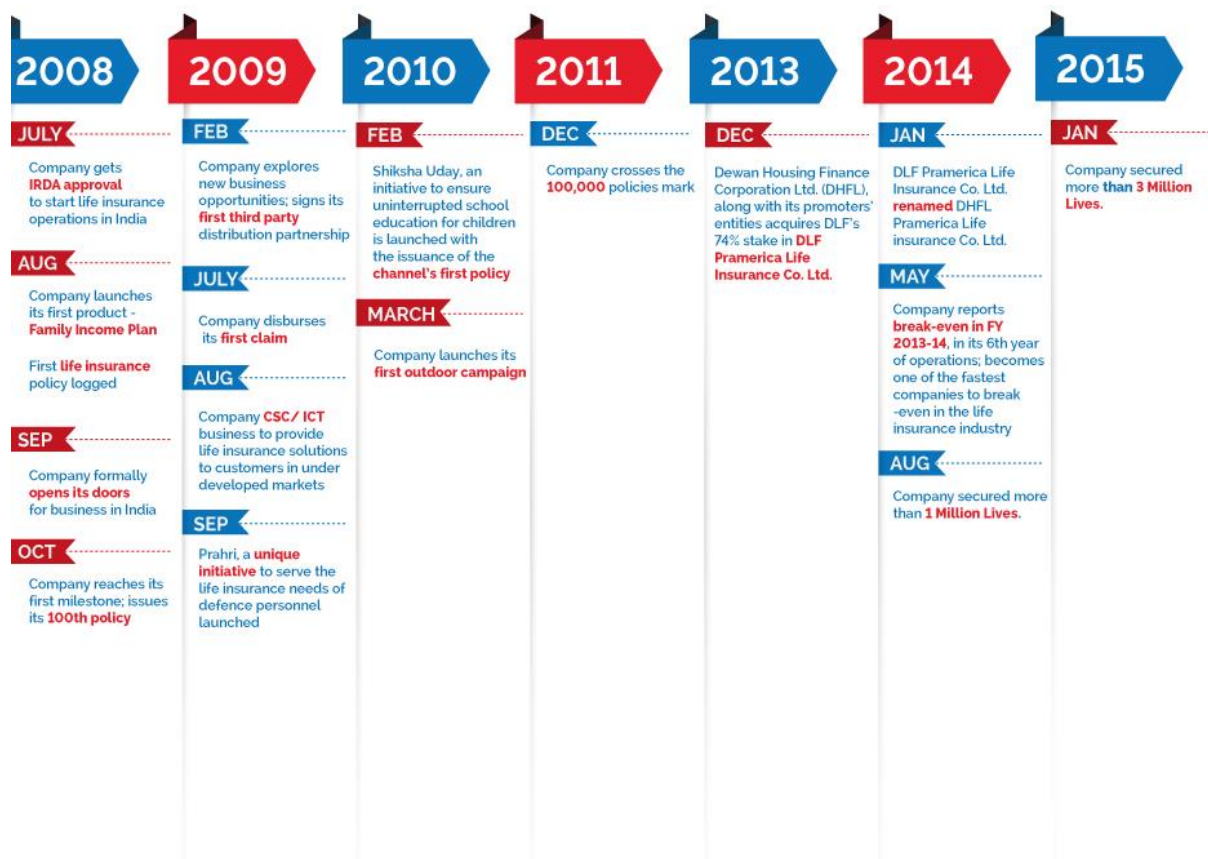
CHAPTER-I

INTRODUCTION

Pramerica Life Insurance Limited (PLIL) is a joint venture between DHFL Investments Limited (DIL), a wholly-owned subsidiary of Dewan Housing Finance Corporation Ltd. (DHFL) and Prudential International Insurance Holdings, Ltd. (PIIH), a fully owned subsidiary of Prudential Financial, Inc. (PFI), a financial services company headquartered in the U.S. PLIL represents the coming together of two renowned financial services organizations with a legacy of business excellence spread over decades. The life insurance joint venture agreement between the two partners was signed in July 2013.

Pramerica Life Insurance Limited, which was earlier known as DHFL Pramerica Life Insurance Company Limited started operations in India on September 01, 2008 and has a pan India presence through multiple distribution channels which have been customized to address the specific insurance needs of diverse customer segments. The Company is committed to providing protection and quality financial advice to its customers.

HISTOTY OF PRAMERICA LIFE INSURANCE



OBJECTIVE

- ❖ To Study of Knowledge of Various Life Insurance company.
- ❖ To study the attitude of the existing customer of pramerica life insurance company.

The present research is an attempt to illustrate the attitudes of Indian consumers towards the insurance services. The study has been made by collecting the responses of consumers through structured questionnaire on

five point Likert scale. A total 377 responses were collected to assess the level of awareness about the insurance services and their attitude towards insurance services. Findings of the research show that basic socio demographic and economic variables have significant impact on consumers' attitudes towards insurance services in Indian scenario. The findings of the present study may act as input for the insurance companies in Indian market to frame marketing strategies based on socio demographic and economic variables.

TABLE 1 – GENDER OF RESPONDENTS

Serial No.	Gender of respondents	Number of respondents	Percentage
1	Male	224	59.42
2	Female	153	40.58

TABLE 2 – MARITAL STATUS OF RESPONDENTS

Serial No.	Marital Status of respondents	Number of respondents	Percentage
1	Married	212	56.23
2	Unmarried	92	24.40
3	Widowed	37	9.81
4	Divorced	36	9.55

TABLE 3 – LEVEL OF EDUCATION OF RESPONDENTS

Serial No.	Level of Education of respondents	Number of respondents	Percentage
1	Middle	53	14.06
2	Higher Secondary	84	22.28
3	Vocational	96	25.46
4	Higher Education	144	38.20

TABLE 4 – MODE OF EMPLOYMENT OF RESPONDENTS

Serial No.	Mode of employment of respondents	Number of respondents	Percentage
1	Employed	105	27.85
2	Self Employed	88	23.34
3	Unemployed	47	12.47

Attitudes are generally considered as judgements and these are results of either direct experien. of the social environment or through observations. So attitude can be considered as a hypothetical construct, which Irepresents degree of liking or disliking of an individual towards a particular object. Winning and losing are twp opposite sides of a same coin and that coin is attitude. Attitude is composed of beliefs about the consequences of performing the behaviour and an evaluation of how the consumer will feel about those consequences. Attitude may be defined as an enduring organization of motivational, emotional, perceptual, and cognitive process with respect A some aspect of our environment. Whereas in the context of consumer behaviour, attitude is a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object As learned predispositions, attitudes have a motivational quality; that is they might propel a consumer toward a particular behaviour or repel the consumer away from a particular behaviour. Various attributes and benefits of the product brands affect the attitudes of the consumers towards these product brands. On this basis it can be argued that what are the benefits, which can be perceived by the consumers from the insurance services for themselves, and also they can enquire about the way to get those benefits from insurance services. These types of queries want attention as consumers are very less aware about the benefits of insurance services in their lives. Reason for this type of problem may be poor information provided by the insurance companies. The problem occurs when the consumers face authentication about quality of the insurance services. Therefore A STUDY ON ATTITUDES OF INDIAN CONSUMERS TOWARDS PAMERICA LIFE INSURANCE.

well understood that those consumers who do not have knowledge of these types of insuran. services will fall into troubles in the course of evaluation of relative offerings by different competitive insurance companies. Various demographical factors play vital role in the development of relationships

among different insurance service providers and consumers. Consumers come from different cultural backgrounds. They may have different needs and demands according to their social and cultural life. As India is a vast diverse country in terms of cultural and other aspects, so various insurance service providers need different strategies to cater the needs of different consumers in the insurance market. Insurance penetration in developing country like India, where social and cultural diversity exists varies from rural to urban areas. In case of poor people who are living below poverty line, their insurance penetration is supposed to be low. The foregoing therefore suggests that there will be difference between the common behaviour response to insurance services and strategies and what obtains in Indian business environment. So, by taking into consideration basic demographical variables, the present study will investigate the attitudes of Indian consumers towards insurance services.

LIMITATION

☐ **Can be expensive for old-aged people**

Buying a life insurance policy would seem to be the most logical thing to do when you are young and why not? The premium for young buyers is quite affordable. The premium amount for a life insurance policy is determined by your personal medical condition, family's medical condition and your age.

But if you are over 40 or if you are nursing an illness or if you have a history of bad medical condition in the family, the insurance company will consider you as a risky buyer and so to mitigate the risk they charge a higher premium. So, if you are old or carrying a chronic ailment, a life insurance policy can be helpful for your loved one, but it would be an added burden on your expenses.

☐ **The returns on life insurance are not significant**

Certain life insurance policies like a whole life insurance policy provide the dual benefit of investment-cum-protection. The cash-value component of the whole life policy is a great way to save money for your future needs like retirement and providing coverage for the family in the event of your demise.

However, you must know that the returns offered on the investment are much lower than other investment tools. You can invest your hard-earned money in a term insurance plan and invest the additional cash in other investment tools and increase your chances of earning higher returns.

☐ **Insurers may not pay the benefit**

There have been many instances wherein the insurance companies have denied paying the sum assured or the death benefit to the policyholder or the nominee. A lot of times, the insurance company uses various tricks to evade paying the benefits even after the maturity of the policy. They would cite many hidden charges or clauses to reduce the pay-out. It is, therefore, important to carefully understand the finer details of the policy and choose a company that has a positive pay-out rate. Further, it would be best advised to consult your financial advisor about the pros and cons of the policy before entering a contract.

□ **Complex policies**

In India, many insurance policy providers offer a wide range of life insurance policies to suit the different needs of the customers. While the vast choices give you the liberty to choose the best, it can also create confusion in the minds of the policy buyers, especially the ones who have no prior experience of buying an insurance policy.

Also, different insurance policies have different features, and it can be novice buyers to understand the difference. Some policies are simple, and some are not so simple, which can be beyond the understanding capacity of a common man. It can be daunting to choose the right life insurance policy.

□ **Exclusions**

All the life insurance policies do not provide comprehensive coverage; there are bound to be certain exclusions. For example, your insurance policy may not cover loss of life due to drug overdose or involvement in criminal/illegal activities. In such cases, depending on the type of insurance policy you have purchased and your needs, you may have to buy an additional rider to increase the coverage. The riders will automatically increase the premium amount.

CHAPTER-II
COMPANY PROFILE AND INDUSTRIES ANALYSIS

Vision, Mission & Values

Our Vision

Our vision is to ensure that every life we touch feels secure and enriched.

OUR MISSION

We shall be a guide and a mentor to people so that they are able to make the most informed insurance decisions to meet their life goals.

Our Core Values



Customer Focus

We place customer first in everything we do. We regularly stay in touch with them and build deep and lasting relationships.



Trust and Respect

We build trust by being dependable, honoring our commitments and by doing what we say (walking our talk). We show respect by nurturing, recognizing the unique capabilities in our people and by appreciating them doing the right things.



Passion to Win

We deliver stretch goals, demonstrating a profit and cost conscious mindset and a CAN DO attitude. We focus on improving continuously and setting new benchmarks.



Innovation

We constantly strive to create a differentiation in our offerings, processes and infrastructure and deliver that 'extra' at low or no cost.



Agility

We are quick and responsive while also ensuring that we are reliable.

SWOT ANALYSIS OF PLIC

Strengths	Weaknesses
<ul style="list-style-type: none">1. Strong Footing in international markets2. Healthy Financials3. Specific products & services in Asia aiding in higher market penetration4. Strong brand position in domestic markets5. Growth in new Life insurance products sales	<ul style="list-style-type: none">1. Decrease in spread income2. Increase in costs
Opportunities	Threats
<ul style="list-style-type: none">1. Potential in the under penetrated Asian markets2. Large and growing retirement asset pools with increasing wealth	<ul style="list-style-type: none">1. Perils of cyber crime2. Liquidity Risk

PESTLE ANALYSIS OF PLIC

Political	Economical
1. Possible shift of funds from UK post-Brexit	1. Favourable currency movements 2. Volatility in interest rate affecting operations
Social	Technological
1. Increased savings and post retirement services demand by ageing population 2. Growing working age population in Asia	1. Jackson's Cycle harvesting to reduce costs 2. Digital Technology helping in making services affordable 3. Launch of PRUcare mobile app
Legal	Environmental
1. New regulatory Developments in US to affect earnings	1. Reduction in Greenhouse Gas Emissions(GHG) 2. Several Measures undertaken for Energy efficiency

Michael Porter's Five Forces Framework



Five Forces is a holistic strategy framework that took strategic decision away from just analyzing the present competition. Porter Five Forces focuses on - how Primerica, Inc. can build a sustainable competitive advantage in Life Insurance industry. Managers at Primerica, Inc. can not only use Porter Five Forces to develop a strategic position with in Life Insurance industry but also can explore profitable opportunities in whole financial sector.

Primerica, Inc. Porter Five (5) Forces Analysis for Financial Industry

Threats of New Entrants

New entrants in Life Insurance brings innovation, new ways of doing things and put pressure on Primerica, Inc. through lower pricing strategy, reducing costs, and providing new value propositions to the customers. Primerica, Inc. has to manage all these challenges and build effective barriers to safeguard its competitive edge.

How Primerica, Inc. can tackle the Threats of New Entrants

- By innovating new products and services. New products not only bring new customers to the fold but also give old customer a reason to buy Primerica, Inc. 's products.
- By building economies of scale so that it can lower the fixed cost per unit.
- Building capacities and spending money on research and development. New entrants are less likely to enter a dynamic industry where the

established players such as Primerica, Inc. keep defining the standards regularly. It significantly reduces the window of extraordinary profits for the new firms thus discourage new players in the industry.

Bargaining Power of Suppliers

All most all the companies in the Life Insurance industry buy their raw material from numerous suppliers. Suppliers in dominant position can decrease the margins Primerica, Inc. can earn in the market. Powerful suppliers in Financial sector use their negotiating power to extract higher prices from the firms in Life Insurance field. The overall impact of higher supplier bargaining power is that it lowers the overall profitability of Life Insurance.

How Primerica, Inc. can tackle Bargaining Power of the Suppliers

- By building efficient supply chain with multiple suppliers.
- By experimenting with product designs using different materials so that if the prices go up of one raw material, then company can shift to another.
- Developing dedicated suppliers whose business depends upon the firm. One of the lessons Primerica, Inc. can learn from Wal-Mart and Nike is how these companies developed third party manufacturers whose business solely depends on them thus creating a scenario where these third-party manufacturers have significantly less bargaining power compare to Wal-Mart and Nike.

Bargaining Power of Buyers

Buyers are often a demanding lot. They want to buy the best offerings available by paying the minimum price as possible. This put pressure on Primerica, Inc. profitability in the long run. The smaller and more powerful the customer base is of Primerica, Inc. the higher the bargaining power of the customers and higher their ability to seek increasing discounts and offers.

How Primerica, Inc. can tackle the Bargaining Power of Buyers

- By building a large base of customers. This will be helpful in two ways. It will reduce the bargaining power of the buyers plus it will provide an opportunity to the firm to streamline its sales and production process.
- By rapidly innovating new products. Customers often seek discounts and offerings on established products so if Primerica, Inc. keep on coming up with new products then it can limit the bargaining power of buyers.
- New products will also reduce the defection of existing customers of Primerica, Inc. to its competitors.

Threats of Substitute Products or Services

When a new product or service meets a similar customer need in different ways, industry profitability suffers. For example, services like Dropbox and Google Drive are substitute to storage hardware drives. The threat of a substitute product or service is high if it offers a value proposition that is uniquely different from present offerings of the industry.

How Primerica, Inc. can tackle the Treat of Substitute Products / Services

- By being service oriented rather than just product oriented.
- By understanding the core need of the customer rather than what the customer is buying.
- By increasing the switching cost for the customers.

Implications of Porter Five Forces on Primerica, Inc.

By analyzing all the five competitive forces Primerica, Inc. strategists can gain a complete picture of what impacts the profitability of the organization in Life Insurance industry. They can identify game changing trends early on and can swiftly respond to exploit the emerging opportunity. By understanding the Porter Five Forces in great detail Primerica, Inc. 's managers can shape those forces in their favor.

INDUSTRY ANALYSIS

WHAT IS INSURANCE

Insurance may be described as a social device to reduce or eliminate risk of loss to life and

property. Insurance is a collective bearing of risk. Insurance spreads the risks and losses of few people among a large number of people as people prefer small fixed liability instead of big uncertain and changing liability. Insurance is a scheme of economic cooperation by which members of the community share the unavoidable risks. Insurance can be defined as a legal contract between two parties whereby one party called Insurer undertakes to pay a fixed amount of money on the happening of a particular event, which may be certain or uncertain. The other party called Insuree or Insurant pays in exchange a fixed sum known as premium. The insurer and the insurant are also known as Assurer or Underwriter and Assurant, respectively. The document which embodies the contract is called the policy?

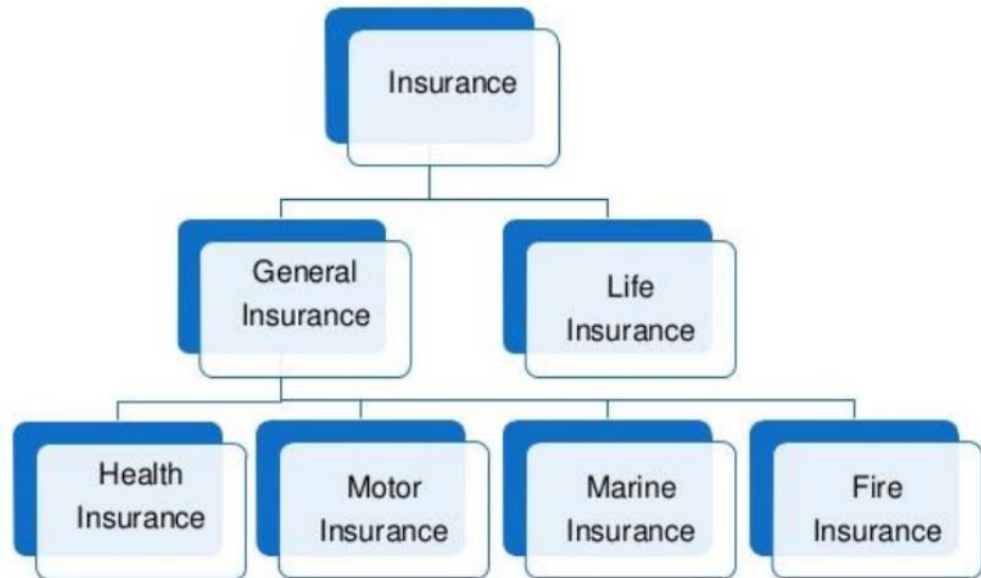
ORIGIN OF INSURANCE

Almost 4,500 years ago, in the ancient land of Babylonia, traders used to bear risk of the car avantrade by giving loans that had to be later repaid with interest when the goods arrived safely. In 2100 BC, the Code of Hammurabi granted legal status to the practice that, perhaps, was how insurance made its beginning. Life insurance had its origins in ancient Rome, where citizens formed burial clubs that would meet the funeral expenses of its members as well as help survivors by making some payments. As European civilization progressed, its social institutions and welfare practices also got more and more refined. With the discovery of new lands, sea routes and the consequent growth in trade, medieval guilds took it upon themselves to protect their member traders from loss on account of fire, shipwrecks and the like. Since most of the trade took place by sea, there was also the fear of pirates. So these guilds even offered ransom for members held captive by pirates. Burial expenses and support in times of sickness and poverty were other services offered. Essentially, all these revolved around the concept of insurance or risk coverage.

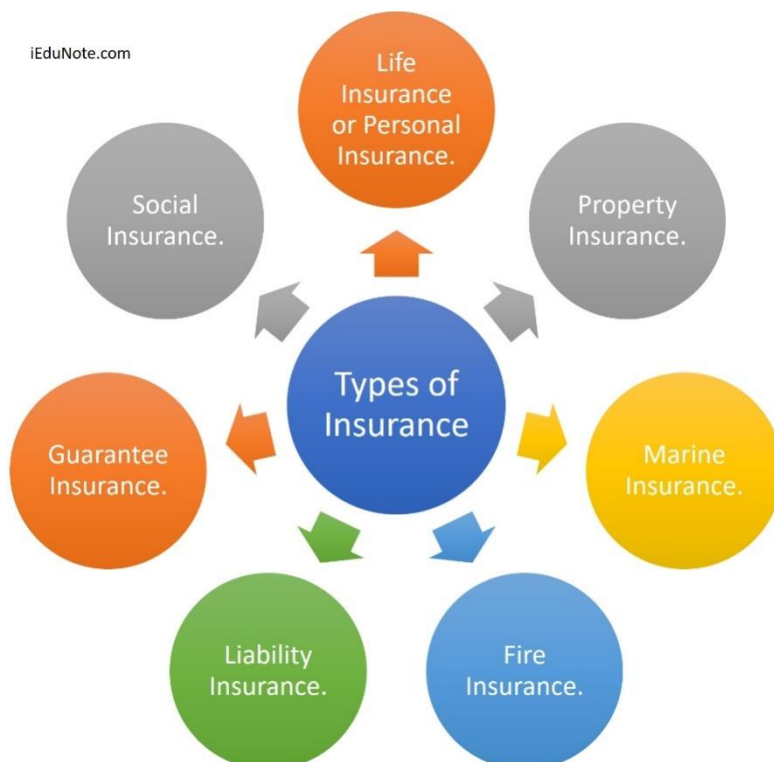
IN INDIA

The Insurance Act was passed in 1912, followed by a detailed and amended Insurance Act of 1938 that looked into investments, expenditure and management of these companies' funds. By the mid- 1950s, there were around 170 insurance companies and 80 provident fund societies in the country's life insurance scene. However, in the absence of regulatory systems, scams and irregularities were almost a way of life at most of these companies. As a result, the government decided nationalise the life assurance business in India. The Life Insurance Corporation of India was set up in 1956 to take over around 250 life companies. For years thereafter, insurance remained a monopoly of the public sector. It was only after seven years of deliberation and debate – after the RN Malhotra Committee report of 1994 became the first serious document calling for the re-opening up of the insurance sector to private players that the sector was finally opened up to private players in 2001. The Insurance Regulatory & Development Authority, an autonomous insurance regulator set up in 2000, has extensive powers to oversee the insurance business and regulate in a manner that will safeguard the interests of the insured.

Classification chart



iEduNote.com



LIFE INSURANCE

Life Insurance is defined as a contract between the policy holder and the insurance company, where the life insurance company pays a specific sum to the insured individual's family upon his death. The life insurance sum is paid in exchange for a specific amount of premium. Life is beautiful, but also uncertain. Whatever you do, however smart and hard you work, and you are never sure what life has in store for you. It is therefore important that you do not leave anything to chance, especially 'life insurance'. As death is the only certain thing in life, apart from taxes, it pays to insure it well in advance

BENEFITS OF LIFE INSURANCE

Liability Free

Income Replacement

Education and other expenses for dependents

Immediate Expenses after Demise

TYPES OF LIFE INSURANCE POLICIES

- **Term Life Insurance:** - Term life insurance lasts for a set number of years before it expires. If you die before the term is up, a set amount of money, known as the death benefit, is paid to your designated beneficiary. Term life is considered the simplest, most accessible insurance policy. When you make your payments (known as your premium), you're paying for the death benefit that goes to your beneficiaries in the event of your death. The death benefit can be paid out as a lump sum, a monthly payment, or an annuity. Most people elect to receive their death benefit as a lump sum.
- **Universal Life Insurance:** - Universal life insurance has a cash value, just like a whole life insurance policy. Your premiums go toward both the cash value and the death benefit. But there's a twist: You can change the premium and death benefit amounts without getting a new policy. Basically, although you have a minimum

premium to keep the policy in force, you can use the cash value to pay that premium. That means if you have enough money in the cash value, you can use that to skip premium payments entirely, letting the accrued interest do the work.

- **Variable Life Insurance:** - Variable life insurance is similar to whole life insurance in that they both have a cash value, but the functions of the cash values are quite different. With a whole life insurance policy, the cash value component is a savings account. That's why, although the growth might be small compared to other investment options, there is a guaranteed minimum rate. It also includes dividend payments from the life insurance company.
- **Simplified Issue Life Insurance:** - Typically when you apply for life insurance, you go through a paramedical exam as part of the underwriting process so the insurer can find out how risky you are to insure. The exam helps them set your premium rate

CHAPTER-III

COMPETITOR ANALYSIS

Rivalry among the Existing Competitors

If the rivalry among the existing players in an industry is intense then it will drive down prices and decrease the overall profitability of the industry. Primerica, Inc. operates in a very competitive Life Insurance industry. This competition does take toll on the overall long-term profitability of the organization.

How Primerica, Inc. can tackle Intense Rivalry among the Existing Competitors in Life Insurance industry

- By building a sustainable differentiation
- By building scale so that it can compete better
- Collaborating with competitors to increase the market size rather than just competing for small market.