

Summer Internship Project Report

**A study of the consumer
behaviour towards digital sales channel of Shriram Life Insurance Company**



A report submitted to

**Biju Patnaik Institute Of Information Technology
and Management**



As a partial fulfillment of full time

Master in Business Administration

Submitted to:

Mr. Kamesh Chivukula

BIITM,

Bhubaneswar

Submitted by:

Nilamadhava Parida

MBA 2020-2022

Regd. No.2006258124

DECLARATION

I, the undersigned solemnly declare that the project report **A study of the consumer behaviour towards digital sales channel of Shriram Life Insurance Company** is based on my own work carried out during the course of my summer internship. The work contained in the report is original and has been done by me under the supervision of my supervisor. The work has not been submitted to any other Institution / University for any other degree/diploma/certificate or by any other candidate in this institution. I have followed the guidelines provided by the institution in writing the report. Wherever I have used materials (data, theoretical analysis, and text) from other sources, I have given due credit to them in the text of the report and given their details in the references.

SIGNATURE

Nilamadhava Parida

Certificate of Internship

This is to certify that Mr. Nilamadhaba Parida from Biju Pattnaik Institute of IT and management, Bhubaneswar has completed the Internship Program with Shriram Life Insurance Company Limited for a period of 60 days from

15th June, 2021 to 14th August, 2021 .

During this Internship his performance was satisfactory and best to the industry. We wish him all the best for future endeavors.

For Shriram Life Insurance Company



Bhanu Prathap

Deputy General Manager

Shriram Life Insurance Company Limited

Shriram Life Insurance Company Limited

Plot No. 31 & 32, 5th & 6th Floor , Ramky Selenium, Beside Andhra Bank
Training Centre, Financial District Gachibovli, Hyderabad 500032

Phone : 91 040 2300 9400 (Board) Web : www.shriramlife.com

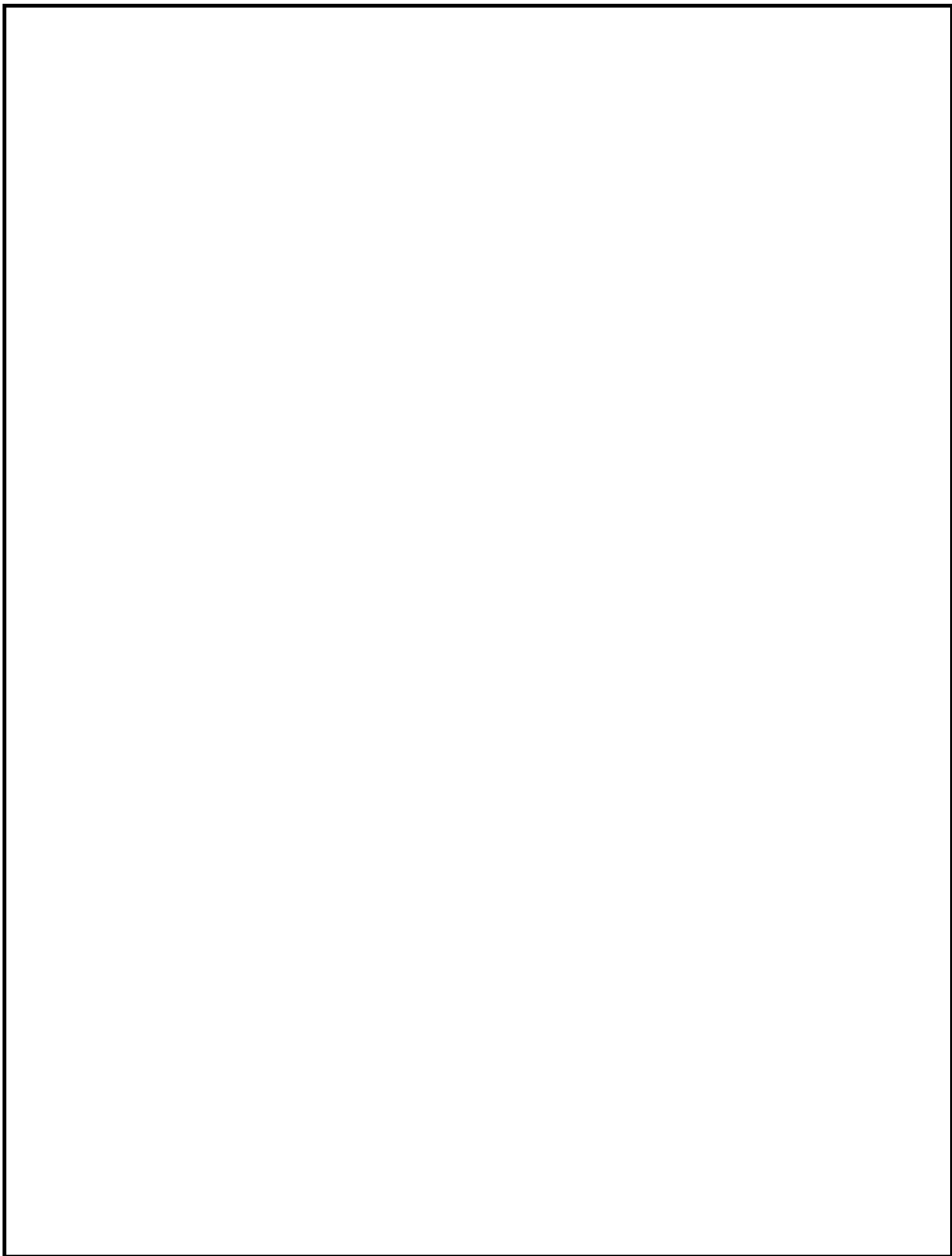
CIN : U66010TG2005PLC045616

CERTIFICATE

This is to certify that dissertation entitled **A study of the consumer behaviour towards digital sales channel of Shriram Life Insurance Company** is submitted to, to Biju Patnaik Institute of IT Management and fulfillment of the requirements for the award of the Master in Business Administration , and is a record work by Nilamadhava Parida, BIITM/2020-2022. The project has been done under my supervision & guidance and the project has not formed the basis for the award of any degree or other similar title to any candidate.

SIGNATURE

Internal Examiner External



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I also remember with gratitude to all, who provided me with information and support from various departments during the training period.

EXECUTIVE SUMMARY

Human life is a most important asset and life insurance is the most important type of insurance which provides financial protection to a person and his family at the time of uncertain risks or damage. Life insurance provides both safety and protection to individuals and also encourages savings among people. Shriram Life Insurance plays a vital role in the welfare of human well-being by providing insurance to millions of people against life risks such as uncertain death or accident. The present exploratory and descriptive based study was selected with an objective to examines the various factors that affect the consumer perception towards life insurance policy and also analyze the preferences of customers while life policy investment decision-making. Various insurance related factors have been discussed in the paper.

The data for the study has been collected from primary sources. The study area is limited to Angul, Odisha and sample size is 90 respondents. The statistical technique used for the analysis is simple percentage analysis.

The main finding of the study reflected that there are four factors i.e. premium, returns, goodwill of the company and duration of the policy that influence the consumer perception towards life insurance policy. Insurance companies should spread more awareness about life insurance, reduction in premium amount and giving more attention on need based innovative products are some of the suggestions provided by the researcher. The paper concludes with that earlier Insurance was a means for wealth creation and that too for a longer period as returns were comparatively low but as compared with the data in the current part it can be said that people are shifting towards Insurance sector not only for tax saving but for future planning, life covering risk against security, etc.

Chapter 1:

Introduction

Investor: An individual who commits money to investment products with the expectation of financial return. Generally, the primary concern of an investor is to minimize risk while maximizing return, as opposed to a speculator, who is willing to accept a higher level of risk in the hopes of collecting higher-than-average profits. Investors 'behaviour is the study of how individual make decision to spend their available resources (time, money and efforts) on investment related items. It helps the marketers to understand what, why, where when and how an investor behaves with respect to products and services. Knowing answer to this question let marketers to design their marketing strategies accordingly.

Perception: A conscious or unconscious state of awareness or understanding of one's surroundings that exists within the mind and formed through sensory signals stimulated by current conditions, expectations, and past memories. The confluence of complex sensory inputs often times creates a perception that is unreliable or unverifiable. In other words, it may not be based in reality. Perception is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world. Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue, or skin. Perception, on the other hand, better describes one's ultimate experience of the world and typically involves further processing of sensory input. In practice, sensation and perception are virtually impossible to separate, because they are part of one continuous process.

Investor perception:

A conscious or unconscious state of awareness or understanding of one surroundings that exists within the mind and formed through sensory signals stimulated by current conditions, expectations, and memories. The confluence of complex sensory inputs often creates a perception that is unreliable or unverifiable. In other words, it may not be based. Perception is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world. Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue, or skin. Perception, on the other hand, better describes one's ultimate experience of the world and typically involves further processing of sensory input. In practice, sensation and perception are virtually impossible to separate, because they are part of one continuous process.

Consumer behaviour.

Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

Consumer behaviour is very important to understand what influences the buying decisions of the consumers and why does it so.

By understanding how consumers decide on a product it is possible for marketers to fill in the gap and identify which product is needed and which products are obsolete in the market. It also helps marketers decide how to present their products such that they have maximum impact on consumers.

Shriram Life Insurance Company has taken an initiative in the form of an internship program to actively enrich and nourish the young and dynamic talents and mould them into shapes that will fit the industry right thereby leading to win-win synergy.

The main objective of this program intends to bridge the gap and enrich the students with the requisite skill set that will take them on an accelerated growth path.

This training program has been divided into two major components: -

- Protection
- Investment

Protection covered introduction to BFSI, introduction to insurance, what life insurance involves? , legal principles of life insurance, financial planning, products of life insurance, pension and annuities, etc. and investment covered introduction to Indian financial market, securities market segment, mutual funds, investment products, managing investment risk, concept of financial planning, insurance planning, retirement planning, tax and estate planning, etc.

Interns will oversee many aspects of a campaign throughout the entire lifespan of a product, service or idea. Interns are likely to have a great deal of responsibility early on and will be required to manage their time and duties themselves. These responsibilities will include:

- ✓ Designing and implementing a strategic sales plan that expands company's customer base and ensure its strong presence.
- ✓ Identifying business opportunities by identifying prospects and evaluating their position in the industry; researching and analysing sales options.
- ✓ Selling products by establishing contact and developing relationships with prospects; recommending solutions.
- ✓ Maintaining relationships with clients by providing support, information, and guidance; researching and recommending new opportunities; recommending profit and service improvements.
- ✓ Identifying product improvements or new products by remaining current on industry trends, market activities, and competitors.
- ✓ Preparing reports by collecting, analysing, and summarizing information.
- ✓ Maintaining quality service by establishing and enforcing organization standards.
- ✓ Maintaining professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; benchmarking state-of-the-art practices; participating in professional societies.
- ✓ Contributing to team effort by accomplishing related results as needed.

Stages of this training program

Some of the concerns and challenges interns face seem to occur in a predictable order. Each stage has its own obstacles and opportunities. These concerns must be resolved for them to move forward and continue learning and growing.

Chapter 2:

Learning objectives of internship

- To know the reach of Shriram life insurance product among people.
- To study about the awareness of insurance as a platform for investment.
- To study about customer's preference regarding life insurance companies.
- To examines the various factors that affect the consumer perception towards life insurance policy

CHAPTER-3

COMPANY PROFILE

SHRIRAM GROUP

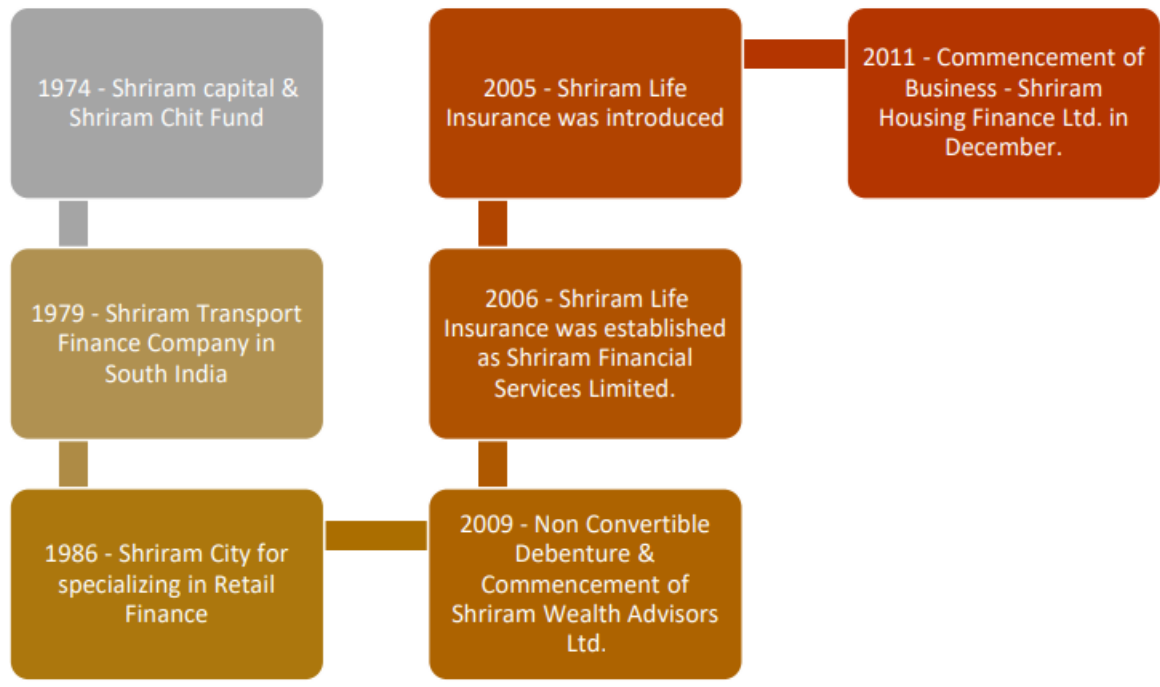
Shriram Group, established in 1974, is among the leading corporate houses in India and is a major player in the Indian financial services sector. Shriram Group focuses on financial services that reach out to a large number of common people providing them opportunities to improve their prosperity. With its philosophy of "Customers Are Really Everything" (C.A.R.E.), Shriram Group has taken the financial services to the doorsteps of the common man. This focus on the common man has proven to be a profitable business strategy and has resulted in millions of win-win relationships for the Group.

The 76,000 Cr Shriram Group had its humble beginnings in the Chit Fund business over three decades ago, in Chennai. Mr. R. Thiagarajan, Mr. A.V.S. Raja and Mr. T. Jayaraman were the “Three musketeers” who ventured into these businesses. Not many in the financial services industry thought at the time that this small Chit Fund business in Chennai would become the foundation for the financial conglomerate that Shriram is today.

Shriram Group’s businesses strive to serve the largest number of common people through its pioneering and customised financial services. For more than 3 decades the tireless efforts for facilitating financial access to small and medium entrepreneurs through loans and chits has carved a niche for the Shriram Group in South India.

Shriram Group entered the insurance business to serve people in bottom of the pyramid and provide better value and wider range of services to its customers. Sanlam, a leading financial services group and one of the largest insurers in South Africa has partnered Shriram Group in both its Life and Non-Life Insurance ventures. The effective leveraging of the network and brand equity of Shriram Group and strategic guidance by Sanlam Group have facilitated a steady growth of the insurance companies.

EVOLUTION OF SHRIRAM GROUP



SCL is the main promoter of the two high-growth listed companies of Shriram Group, namely Shriram Transport Finance Company Ltd, the largest asset financing company in India, and Shriram City Union Finance Ltd, a leader in Retail Finance across a wide range of products.

SCL is also the promoter of Shriram Life Insurance Company Ltd, and more recently, Shriram General Insurance Ltd, Shriram Fortune Solutions, Shriram Insight Share Brokers and Shriram Wealth Management. SCL's main role is to promote these companies, induct and strengthen leadership teams, provide strategic inputs and direction to help and nurture them to grow into large and profitable enterprises.

On a consolidated basis, SCL has an overall customer base of 7.5 million, 35,000 employees across 2,800 offices, with Assets under Management (AUM) of around US\$ 11 billion.

VISION & MISSION STATEMENT OF SLIC

The Shriram Life Insurance Company was founded with the objective of reaching out to the “common man” with products and services that would be helpful to him as he sets out on the path to “prosperity”. Operational efficiency, integrity and a strong focus on catering to the needs of the average Indian, by offering him high quality and cost-effective products and services, are the core values that drive the organisation. These values have been strongly adhered to over the decades and are now an integral part of the organisation’s DNA.

The company prides itself on its deep understanding of the customer. Each product or service is tailor-made to specifically suit the needs of the customer. It is this guiding philosophy of putting people first that has brought the group company closer to the grassroots and has made it the preferred choice for all truck financing requirements amongst the customers.

SANLAM GROUP – SLIC FOREIGN PARTNER

Sanlam was established as a life insurance company in South Africa but has since transformed into a diversified financial services group that operates across the African continent, India, Malaysia and selected developed markets, with listings on the Johannesburg, A2X and Namibian stock exchanges. In 2018, the Group celebrated its centenary as well as 20 years since demutualisation and listing in South Africa and Namibia.

Our vision is to be the leader in client-centric wealth creation, management and protection in South Africa, to be a leading player in Pan-African financial services with a meaningful presence in India and Malaysia and to play a niche role in wealth and investment management in specific developed markets.

Sanlam operates through a number of subsidiaries, associated companies and joint ventures. Sanlam Life is the largest operating subsidiary and the holding company of most of Sanlam’s operations in emerging marketed choice for all truck financing requirements amongst the customers.

CAPITAL STRUCTURE OF SLIC

Shriram Life Insurance Company Limited is a non-govt company, incorporated on 15 Mar, 2005. It's a public unlisted company and is classified as 'company limited by shares'.

Company's authorized capital stands at Rs 25000.0 lakhs and has 71.75% paid-up capital which is Rs 17937.5 lakhs. Shriram Life Insurance Company Limited last annual general meet (AGM) happened on 23 Jul, 2021.

Date of Incorporation	15 Mar, 2005
Status	Active
Company Category	Company limited by Shares
Company Sub-category	Non-govt company
Company Class	Public
Business Activity	Insurance
Authorized Capital	25000.0 lakhs
Paid-up Capital	17937.5 lakhs
Paid-up Capital %	71.75
Registrar Office City	Hyderabad
Registered State	Telangana
Registration Number	45616
Registration Date	15 Mar, 2005
Listing Status	Unlisted
AGM last held on	23July , 2021
Balance Sheet last updated on	31 Mar, 2021

FINANCIAL PERFORMANCE OF SLIC IN FY2020-21

Shriram Life Insurance Company gained a profit after tax to Rs 106 crore for the fiscal year ended March 2021.

The company's profit after tax has grown three-times to Rs 106 crore in FY20-21, backed by technology adoption and an increase in rural penetration as the company continues to serve the community at large, Shriram Life Insurance Company (SLIC). Its profit stood at Rs 35 crore in FY20.

The company was able to grow its gross premium by 23 per cent, crossing the milestone of Rs 2,000 crore.

The company continues to extend financial protection to customers residing even in the deepest rural locations within the heartlands of India with approximately 47 per cent of its new business from the rural segment," it said further said 54 per cent of the company's claims came from the rural segment.

The effective and consistent focus on fundamentals also yielded strong results with the assets under management (AUM) growing at 30 per cent to Rs 6,261 crore.

Gross premium increased by 23 per cent to ₹2,019 crore last fiscal while the number of policies increased by eight per cent to 2,95,838.

RURAL AND SOCIAL SECTOR OBLIGATIONS

As per the regulatory requirements, the Company has met its Rural and Social Sector obligations for financial year 2020-21. As part of its overall business, the Company has achieved prescribed regulatory targets of social and rural business, as follows: • Rural business – Achieved – 45% versus prescribed requirement of 20% of overall business • Social business – Insured – 3237341 social lives versus prescribed 199170 (5%) social lives.

BASIC OBJECTIVE OF SLIC

The Shriram Life Insurance Company was founded with the objective of reaching out to the “common man” with products and services that would be helpful to him as he sets out on the path to prosperity.

'Serving the under-served', 'addressing the bottom of the pyramid', 'Inclusive financing' are all phrases that have become common place in the corporate world today. Whether it is the Chit Fund business, Transport & Equipment Finance business, Consumer Finance business or even the huge deposit customer base of Shriram, over 90% of the 10.2 million customers of the group come under the purview of the under-served. They always believe in “People First” (Aam Admi).

Highlights of Shriram Life Insurance

- Shriram Life has more than 528 branches with over and above 1.45 crore customers.
- Shriram Life clocked s Rs. 2019 Crores gross premium in 2020-2021
- The company has a network of 609 offices and 75,000 agents across India.
- Shriram has an outstanding Underwriting Record and has awarded as ‘Underwriting Initiative of the Year.’
- Shriram Life Insurance generates more than 40% business through providing insurance to rural area and weaker segment individuals - ‘AAM AADMI’ of India.

- The Founder of Shriram Group, Mr R Thiagarajan, has been awarded with Padma Bhushan award

Benefits of Shriram Life Insurance

- Financial Protection: Plans which provide financial protection to your family.
- Flexibility: Flexible premium and pay out options.
- Online plans: Specifically designed online plans those costs lower
- Variety: Offers a variety of online as well as offline plans Customer Service: Offers good, hassle-free pre-sales and post-sales services.

of Income Tax benefits: Save tax on all premiums and pay-outs under the section 80C and 10(10D) of Income Tax Act, 1961.

SLIC – MARKET SEGMENTATION, TARGETING, POSITIONING

SEGMENTATION

•Targeting on Rural and Urban Investors especially youths.

TARGETING

Targeting urban youths
AAM AADMI

POSITIONING

Complete Insurance and Final Solutions.

SWOT ANALYSIS OF SLIC

STRENGTHS

- Policy is covered to all types of societies.
- They have expertise in foreign group such as they are partnered with Sanlam Group.
- They have across 750 offices in India and 30 lakh customer base and 75000 loyal agents.
- The continuous growth of the business in the last 45 years.

WEAKNESS

- They have low marketing and don't have brand presence when compared to other competitors.
- When compared to big companies they have poor IT Infrastructure

OPPORTUNITIES

- They have rural market growth and good reach of AAM AADMI. Aam Admi is where they are focusing on the growth by taking life insurance whom it needs the most.
- To target the youths of urban area.
- Selling to an existing customer through financial services like banking

THREATS

- There will be entry from new competitors
- There may be new rules and regulations from the Government and IRDAI.
- The impact of COVID-19. • Companies issuing new policies and payment policies

PRODUCTS OF SLIC

<ul style="list-style-type: none">○ Shriram Life Super Income Plan.○ Shriram Life Assured Income Plan.○ Shriram Life Assured Income Plus.● Shriram Life Assured Income Plan.● Shriram Life Genius Assured Benefit Plan.● Shriram Life POS Assured Savings Plan.● Shriram Life Assured Advantage Plus.● Shriram Life New Akshaya Nidhi.	<ul style="list-style-type: none">● Shriram Life Growth Plus● Shriram Life Fortune Builder● Shriram Life Wealth Plus
<ul style="list-style-type: none">● Shriram Life Saral Jeevan bima● Corona Rakshak Policy● Shriram Life Family Protection Plan● Shriram Life Cash Back Term	<ul style="list-style-type: none">● Shriram Life Pension Plus● Shriram Life Immediate Annuity Plus● Shriram Grameena Suraksha Plan

CHAPTER 3

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 Insure 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 caravan trade 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.

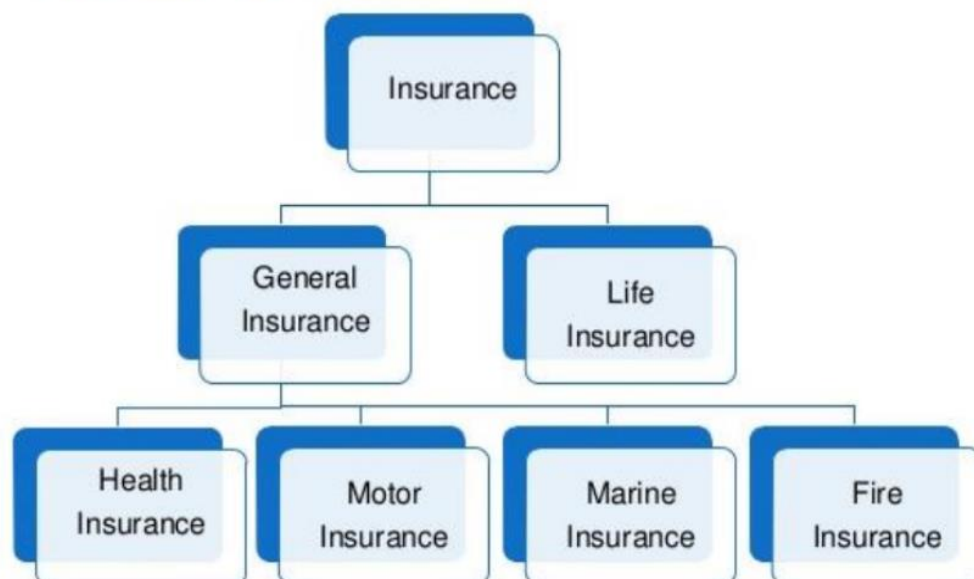
INSURANCE IN INDIA

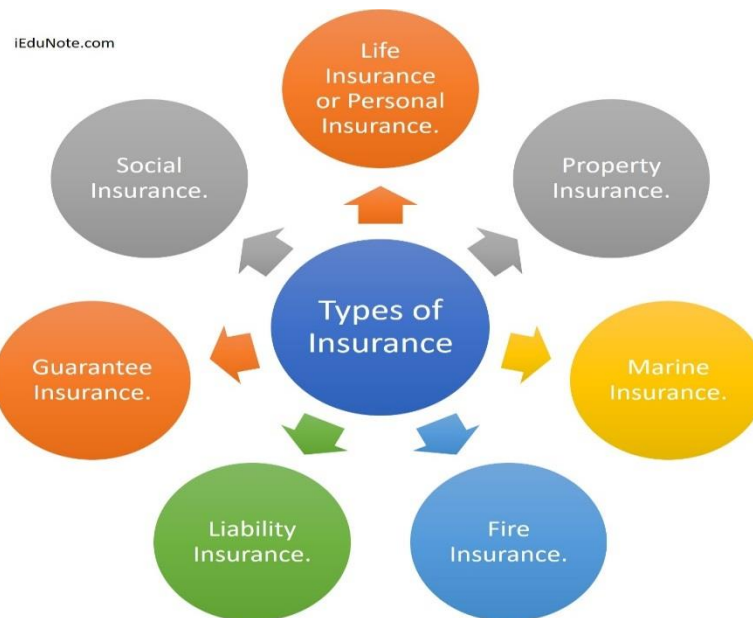
The Insurance Act was passed in 1912, followed by a detailed and amended Insurance Act of 1938 that looked into investments, expenditure and management of these companies' funds. By the mid- 1950s, there were around 170 insurance companies and 80 provident fund societies in the country's life insurance 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





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

List of Life Insurance Companies in India

- 1 **Aegon Life Insurance Co. Ltd**
- 2 **Aviva Life Insurance Co. India Ltd.**
3. **Bajaj Allianz Life Insurance Co. Ltd.**
4. **Bharti AXA Life Insurance Co. Ltd.**
5. **Birla Sun Life Insurance Co. Ltd.**
6. **Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.**
7. **DHFL Pramerica Life Insurance Co. Ltd.**
8. **Edelweiss Tokyo Life Insurance Co. Ltd**
9. **Exide Life Insurance Co. Ltd.**
10. **Future Generali India Life Insurance Co. Ltd.**
11. **HDFC Standard Life Insurance Co. Ltd.**
12. **ICICI Prudential Life Insurance Co. Ltd.**
13. **IDBI Federal Life Insurance Co. Ltd.**
14. **India First Life Insurance Co. Ltd**
15. **Kotak Mahindra Old Mutual Life Insurance Ltd.**
16. **Life Insurance Corporation of India**
17. **Max Life Insurance Co. Ltd.**
18. **PNB MetLife India Insurance Co. Ltd.**
19. **Reliance Life Insurance Co. Ltd.**
20. **Sahara India Life Insurance Co. Ltd.**
21. **SBI Life Insurance Co. Ltd.**
22. **Shriram Life Insurance Co. Ltd.**
- 23 **Star Union Dai-ichi Life Insurance Co. Ltd.**
24. **Tata AIA Life Insurance Co. Ltd.**

Indian Insurance Market

Indian Insurance in the Global Scenario

I.1 In life insurance business, India is ranked tenth in the world. India's share in global life insurance market was 2.73 per cent during 2019. Compared to the previous year, the life insurance premium in India increased by 9.63 per cent whereas global life insurance premium increased by 1.18 per cent.

2 In non-life insurance business, India is ranked 15 in the world. India's share in global non-life insurance market was 0.79 per cent during 2019. Compared to the previous year, the non-life insurance premium in India increased by 7.98 per cent whereas global non-life insurance premium increased by 3.35 per cent.

I.3 Globally, the share of life insurance business in total premium was 46.34 per cent and the share of non-life insurance premium was 53.66 per cent during 2019. However, the share of life insurance business for India was high at 74.94 per cent while the share of non-life insurance business was at 25.06 percent.

Insurance Penetration and Density

II.1 Insurance penetration and density are two metrics, among others, often used to assess the level of development of the insurance sector in a country. While insurance penetration is measured as the percentage of insurance premiums to GDP, insurance density is calculated as the ratio of premiums to population (per capita premium).

1. II.2 Insurance penetration which was 2.71 percent in 2001 has steadily increased to 3.76 percent in 2019 (Life 2.82 percent and Non-Life 0.94 percent). Insurance penetration in some of the emerging economies in Asia, i.e., Malaysia, Thailand and China during the same year were 4.72, 4.99 and 4.30 percent respectively. The insurance density in India which was USD 11.5 in 2001, reached to USD 78 in 2019 (Life- USD 58 and Non-Life - USD 20). The comparative figures for Malaysia, Thailand and China during the same period were USD 536, USD 389 and USD 430 respectively. Globally insurance penetration and density were 3.35 percent and USD 379 for the life segment and 3.88 percent and USD 439 for the non-life segment respectively in 2019.

Insurance Premium

III.1 During the fiscal 2019-20, the gross direct premium of Non-Life insurers was ₹1,88,916 crores as against ₹1,69,448 crores, in the previous financial year 2018-19 registering a growth of 11.49 percent. Motor and health segments primarily helped the industry to report this growth.

During the fiscal 2019-20, Life insurance industry recorded a premium income of ₹5,72,910 as against ₹5,08,132 crores in the previous financial year, registering a growth of 12.75 percent. While renewal premium accounted for 54.75 percent of the total premium received by the life insurers, new business contributed the remaining 45.25 percent.

Market Size

- In India, the overall market size of the insurance sector is expected to US\$ 280 billion in 2020.
- The life insurance industry is expected to increase at a CAGR of 5.3% between 2019 and 2023. India's insurance penetration was pegged at 4.2% in FY21, with life insurance penetration at 3.2% and non-life insurance penetration at 1.0%. In terms of insurance density, India's overall density stood at US\$ 78 in FY21.
- In the first half of FY22, the life insurance industry recorded growth rate of 5.8% compared with 0.8% in the same period last year.
- In September 2021, new premiums of life insurers registered 22.2% growth in September 2021, up from 2.9% in September 2020.
- Between April 2021 and September 2021, gross premiums written off by non-life insurers reached Rs. 108,705.3 crore (US\$ 14.47 billion), an increase of 12.8% over the same period in FY21. In October 2021, total premium earned by the non-life insurance segment stood at Rs. 17,679.98 crore (US\$ 2.38 billion), as compared to the Rs. 15,906.71 crore (US\$ 2.14 billion) recorded in October 2020.
- The market share of private sector companies in the general and health insurance market increased from 47.97% in FY19 to 48.03% in FY20. In the life insurance segment, private players held a market share of 33.78% in premium underwritten services in FY20.
- In FY22*, premiums from new businesses of life insurance companies in India stood at US\$ 20.7 billion and renewable premium stood at US\$ 53.7 billion.
- In July 2021, non-life insurance premium stood at Rs. 20,171 crore (US\$ 2.71 billion), an increase of 19.5% YoY, as compared with Rs. 16,885 crore (US\$ 2.26 billion) in July 2020. The growth was driven by strong performance from health and motor segments.
- In July 2021, standalone private health issuers registered a premium growth of Rs. 1,753 crore (US\$ 235.11 million), an increase of 27.5% YoY.
- The gross direct premium income for the general insurance industry in India stood at Rs. 1,087 billion (US\$ 14.62 billion) in FY22 (until September 2021), an increase of 12.3% YoY, due to 28.8% growth in the health segment and an 84.7% growth in the personal accident segment.

- Six standalone private sector health insurance companies registered a jump of 66.6% in their gross premium at Rs 1,406.64 crore (US\$ 191.84 million) in May 2021, as against Rs. 844.13 crore (US\$ 115.12 million) earlier.
- In March 2021, health insurance companies in the non-life insurance sector increased by 41%, driven by rising demand for health insurance products amid COVID-19 surge.
- In July 2021, non-life insurers' premium, which include general, standalone and specialised public-sector, recorded 19.46% YoY growth and reached Rs. 20,171.15 crore (US\$ 2.71 billion) against Rs. 16,885 crore (US\$ 2.27 billion) in the same month last year.

According to S&P Global Market Intelligence data, India is the second-largest insurance technology market in Asia-Pacific, accounting for 35% of the US\$ 3.66 billion insurtech-focused venture investments made in the country.

Investments and Recent Developments

The following are some of the major investments and developments in the Indian insurance sector.

- Companies are trying to leverage strategic partnership to offer various services as follows:
- In November 2021, ICICI Lombard collaborated with Vega to provide a personal accident insurance cover with every online Vega helmet purchase to increase road safety awareness among customers.
- In November 2021, ICICI Prudential Life Insurance partnered with NPCI Bharat BillPay, a subsidiary of National Payments Corporation of India (NPCI), to offer Click Pay feature to its customers.
- In November 2021, the Competition Commission of India (CCI) approved HDFC Life Insurance's acquisition of 100% shareholding in Exide Life Insurance. The move is expected to strengthen HDFC Life's position in South India.
- In November 2021, Willis Towers Watson acquired the remaining 51% shares in WTW India, taking the company's holding in WTW India to 100%.
- In November 2021, Acko, a digital insurance start-up, raised US\$ 255 million in funds, taking the company's valuation to ~US\$ 1.1 billion.
- In September 2021, Zest Money raised US\$ 50 million to enter new business opportunities in the insurance sector.
- In August 2021, Phonepe announced that it has received preliminary approval from IRDAI to act as a broker for life and general insurance products. As a result, the company can now offer insurance advice to its 300+ million users.
- In FY21, LIC achieved a record first-year premium income of Rs. 56,406 crore (US\$ 7.75 billion) under individual assurance business with a 10.11% growth over last year.

- In India, gross premiums written of non-life insurers reached US\$ 26.52 billion in FY21 (between April 2020 and March 2021), from US\$ 26.49 billion in FY20 (between April 2019 and March 2020), driven by strong growth from general insurance companies.
- In August 2021, ICICI Prudential Life Insurance tied up with the National Payments Corporation of India (NPCI) to provide a unified payments interface autopay.

In August 2021, ICICI Lombard General Insurance introduced extensive coverage for remote piloted aircraft, particularly drone operators. This product protects the drone, as well as the payload (camera/equipment) attached to it, against theft, loss, or damage, and third-party liabilities.

- In July 2021, Med Pay, a Bengaluru-based B2B tech start-up, built an API infrastructure that connects healthcare service providers, standalone clinics, pharmacies, labs and insurance companies through its Med Pay Connected Care Network (CCN).
 - In June 2021, Bharti AXA Life Insurance reported a 10% renewal premium increase of Rs. 1,498 crore (US\$ 200.64 million) in FY21.
 - In June 2021, LIC Housing Finance announced plans to raise ~Rs. 2,334.69 crore (US\$ 312.43 million) through preferential issue of equity shares to the Life Insurance Corporation of India (LIC).
 - On July 1, 2021, the LIC introduced its Sarala Pension Scheme, which is a non-linked, non-participating, single premium, individual immediate annuity plan.
 - In July 2021, Gallagher announced plan to acquire 100% stake in India's Edelweiss Gallagher Insurance Brokers
-
- In June 2021, Aditya Birla Sun Life Insurance announced the launch of a new Vision Life Income Plus Plan that will provide guaranteed regular income plus flexible bonus pay-outs to policyholders.
 - In June 2021, Ward wizard Group ties up with Bajaj Allianz to offer insurance policies to Joy e-Bike customers.
 - In May 2021, Max Life Insurance Co. Ltd. launched 'Max Life Sarala Pension', a non-linked, individual immediate annuity plan.
 - March 2021, health insurance companies in the non-life insurance sector increased by 41%, driven by rising demand for health insurance products amid COVID-19 surge.
 - In February 2021, Bharti AXA General Insurance launched its 'Health AdvantEDGE' health insurance scheme to provide holistic cover against accelerating costs associated with medical requirements and other healthcare facilities
 - In February 2021, ICICI Lombard General Insurance, a non-life insurance firm in the private sector, has been authorised by the International Financial Services Centre (IFSC) to establish an IFSC Insurance Office (IIO) in GIFT City in Gandhinagar, Gujarat.

State of competition in Indian life insurance industry

Over the years, the structure of the Indian life insurance industry has noticeably changed, in terms of, number of insurers, products, innovative instruments, pricing and regulation. In the initial years of deregulation, four private insurers entered the hitherto untapped market, which reached 12 by the end of the 2001–02.

Thereafter, a steady increase in entry of new insurers into the market has been observed till 2007–08. Then there was a spurt in the number of foreign players, who entered the Indian market, with huge business motivation and aspiration. As on 31st March 2015, a total of 24 life insurers (including LIC) are seen competing in the Indian life insurance segment. The industry grew at an average CAGR of 17% (during the period 2000–01 to 2014–15), though some slowdown has been noticed in 2011–12 and 2012–13, perhaps due to slower economic.

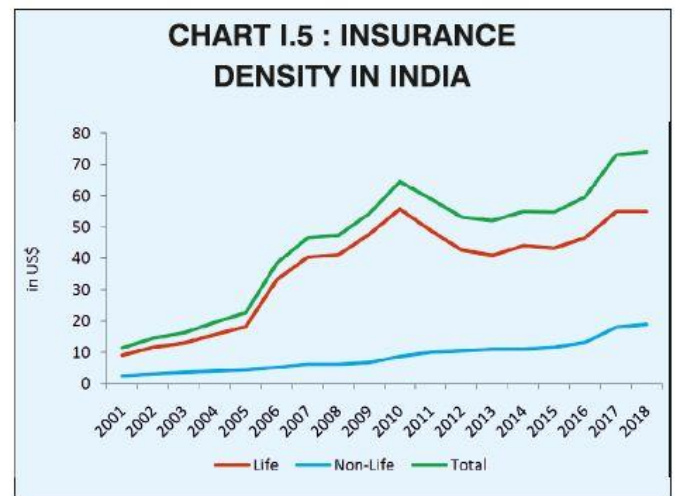
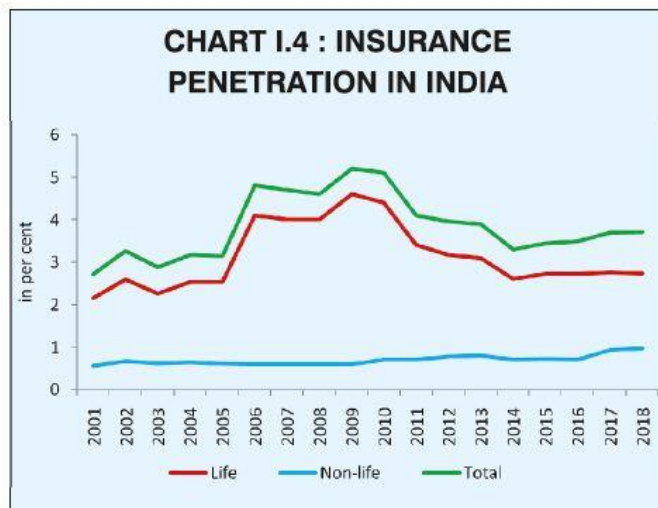
India's insurance sector: Challenges and opportunities

While India's insurance sector has been growing dynamically in recent years, its share in the global insurance market remains abysmally low. This article traces the journey of the Indian insurance sector, and underlines issues such as low penetration and density rates, inadequate investment in insurance products, and the dominant position and deteriorating financial health of public-sector players.

The insurance industry in India has been growing dynamically, with total insurance premiums increasing rapidly, as compared to global counterparts. The insurance penetration (ratio of total premium to GDP (gross domestic product)) and density (ratio of total premium to population) stood at 3.69% and US\$ 73, respectively for FY18 (fiscal year 2017-18), which is low in comparison with global levels. These low penetration and density rates reveal the uninsured nature of large sections of population in India, and the presence of an insurance gap. The sector has transitioned from being an exclusive State monopoly to a competitive market, but public-sector insurers hold a greater share of the insurance market even though they are fewer in number. Figure 1 shows the insurance penetration and density in India from 2001 to 20

Figure 1. India's insurance penetration and density: 2001-2018

Source: IRDAI Annual Report, 2018.



The insurance sector has witnessed many changes over the years, including nationalisation of life and non-life sectors (in 1956 and 1972, respectively), constitution of the Insurance Regulatory and Development Authority of India (IRDAI) (in 1999), opening up of the sector to both private and foreign players (in 2000), and increase in the foreign investment cap to 26% from 49% (in 2015). The recent notification of 100% foreign direct investment (FDI) for insurance intermediaries (announced in the Union Budget of 2019-20) has further liberalised the sector.

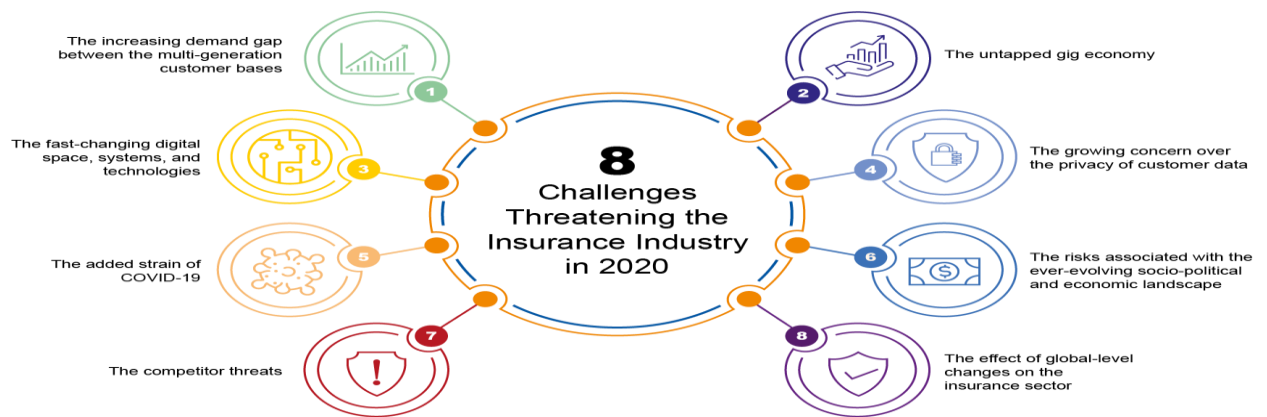
Further, life insurance dominates the sector with a huge share of 74.7%, with non-life insurance accounting for the remaining 25.3%. In the non-life insurance sector, motor, health, and crop insurance segments are driving growth. India's non-life insurance penetration is below 1%. In addition, insurance products catering to speciality risks such as catastrophes and cyber security are at a nascent stage of development in the country.

Key challenges faced by India's Insurance industry

The insurance sector faces various challenges, as identified, and detailed in our recent research. Low insurance penetration and density rates prevail in India. Rural participation of insurers remains deficient, and life insurers, especially private ones, gravitate towards the urban population, to the detriment of the rural population.

Insurers in India lack sufficient capital, and their financial health, particularly that of the public-sector insurers, is in a precarious state. Among the public-sector general insurers, the financial situation of the ailing National Insurance Company is a cause for concern. Even though the Government of India has already infused Rs. 25 billion in the three public-sector insurers – National Insurance, Oriental Insurance, and United India Insurance – through the first batch of 'supplementary demands for grants'¹ for FY20, these insurers require an additional Rs. 100-120 billion in order to meet the stipulated solvency margin.

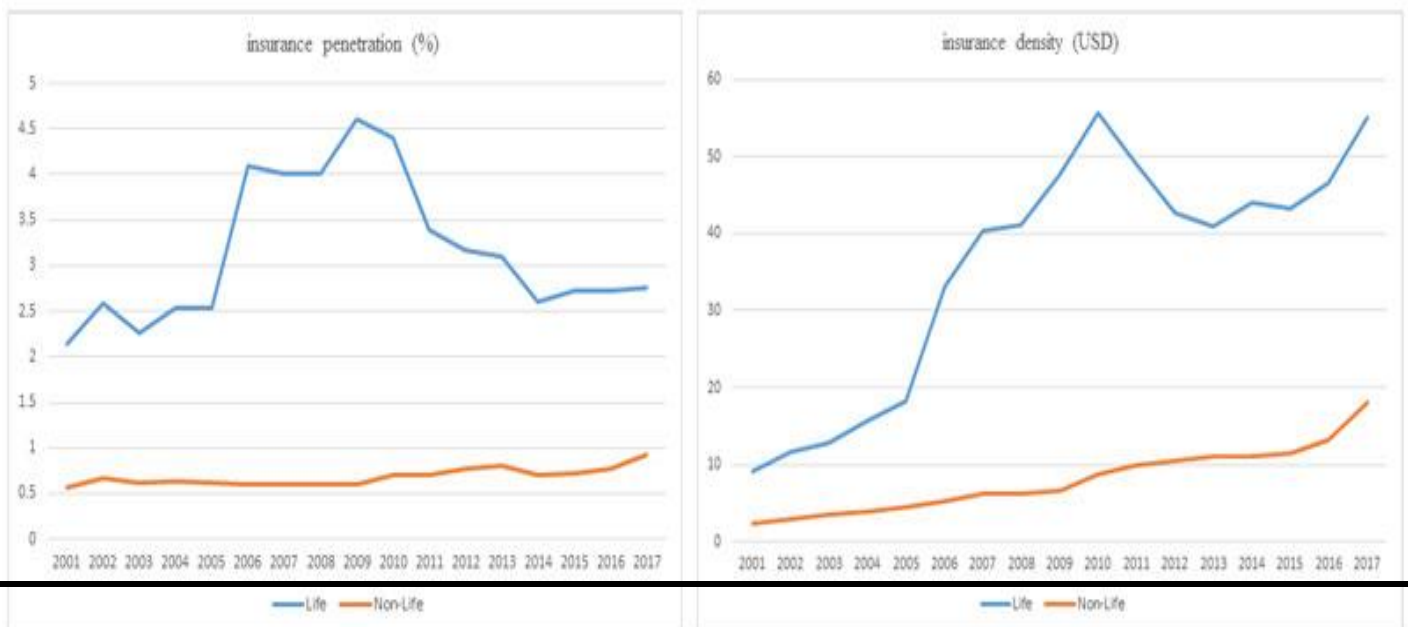
The general insurance industry recorded a decrease in profits, with public-sector general insurers posting losses, and their private-sector counterparts recording a slight fall in profits in FY19, relative to FY18.



While premiums are still growing, the general insurance industry is experiencing underwriting losses, which increased by 45.5% for general insurers in FY19 compared to the previous year (IRDAI, 2019). These might very well be early warning signals of the insurance sector succumbing to the same malaise afflicting banks and NBFCs.

Porter's five forces analysis:

Porter's Five Forces Framework is a tool for analysing competition of a business. It draws from industrial organization (IO) economics to derive five forces that determine the competitive intensity and, therefore, the attractiveness (or lack of it) of



an industry

Porter's five forces analysis:

Porter's Five Forces Framework is a tool for analysing competition of a business. It draws from industrial organization (IO) economics to derive five forces that determine the competitive intensity and, therefore, the attractiveness (or lack of it) of an industry in terms of its profitability. Here is the Porter's five force analysis of the Insurance industry:

Competitive Rivalry:

- Insurance Industry is becoming highly competitive with 52 players in the industry
- Companies are competing on price and also using low price and high returns strategy for customers to lure them.

Threats of New Entrants:

- Other financial companies can enter the industry
- Overall threat is medium given that entry is subject to license and regulation

Substitute Products:

- Similarity in services makes switchover a potential threat
- Investment oriented customers have switched to other avenues

Bargaining Power of Suppliers:

- Supplier being the distributor or agent has high bargaining power because they have customer database and can influence customers in making choices.

Bargaining Power of Customers:

- Bargaining power of customers especially corporate is very high because they pay huge amount of premium.

Term Plans –

Term insurance is a plain vanilla insurance plan that offers financial security to your loved ones in the eventuality of your death. These plans are purchased for a fixed duration wherein in case of the policy holder's death the nominee or nominees

receive the entire sum assured. If the policy holder outlives the term of the plan then no maturity benefits or added bonuses can be availed. The premiums for term plans are typically lower than other insurance policies and can be paid as one single premium or at regular intervals. The policy holder can avail of tax benefits by purchasing this plan. Riders such as Waiver of Premium and Accidental Death can help add to the benefits of the term plan. This is one of the best for someone

Endowment Plans

Endowment plans offer the policy holder the dual benefit of protection and savings. These plans are most suitable for those individuals who do not want to risk their investments in market-linked returns. Endowment plans provide a death benefit and a maturity benefit. In case of the policyholder's death, the pay-out, along with bonuses or guaranteed additions, if any, goes to the beneficiary. The bonus usually depends on the number of years of the policy term that the policyholder has lived.

Unit Linked Plans (ULIPs)

Unit linked plans give you the flexibility to invest in stocks or bonds while availing life insurance. Under these plans a portion of the premium paid is invested in stocks, the returns of which are paid out at the time of maturity. The remaining portion of the premium is used to offer life cover to the insured. ULIPs offer tax benefits to the policyholder and under current Indian income tax laws; maturity benefits of ULIPs are tax free. Depending on how they will be used ULIPs are available for wealth creation, children's education, health solutions and retirement planning.

Pension Plans

Pension plans are also known as retirement plans. These life insurance plans are an effective way of building a corpus for the retirement years and ensuring a steady income even when one has stopped earning. There are several options to consider for

pension plans including investing in the government's National Pension Scheme and ULIPs. Plans "with life cover" and "without life cover" are also available. Annuities can be deferred, immediate, guaranteed for a certain period or can also be received for life depending on the policyholder's preference. The most popular is usually the deferred annuity option where the insured builds a corpus by paying single or timely premiums over a set period, which is fixed under the policy terms. The pension starts as soon as the policy term is over.

Money Back Plan

A money back policy is a more complex life insurance policy in comparison with a term plan or a standard life insurance cover that pays the sum assured to the insured party on maturity. It provides certain amounts called survival benefits in addition to the sum assured and a bonus from the insurance company based on its performance.

CHAPTER-III

Competitor analysis:

FEATURES	SLIC	LIC	ICICI Pru LI
PRODUCT NAME	ASSURED INCOME PLAN	JEEVAN AMAR	ASSURE SAVINGS INCOME PLAN
Age of entry	Min- 30days Maximum- 55years	Min-18 years Maximum- 65 years	Min-8 years Maximum- 60 years
Annual Premium	15,000	50,000(yearly)	12,000(monthly)
Scope for half yearly, quarterly and monthly premium	half yearly, quarterly and monthly premium available	half yearly, quarterly and monthly premium available	half yearly, quarterly and monthly premium available
Sum Assured	Min-1.2 lakh Maximum- no limit	Min-25,00,000 Maximum – no limit	Minimum-5,00,000 Maximum- no limit
Other features	Flexible payment 2.maturity benefit 3. survival benefit 4.death benefit 5. Tax benefit	Flexible payment 2.maturity benefit 3. survival benefit 4.death benefit 5.rider benefit	Flexible payment Guaranteed maturity benefit Tax benefit Guaranteed additions Death benefit

(B) Differential competitor analysis

2020-2021	SLIC	LIC	ICICI PRU LI			
Total revenue(Crore)	2018	28,105.92	2753.82			
Total Profit(Cr)	111	19381	9286			
Claim Settlement ratio	91.6%	93.45%	97.8%			
Claim Settlement amount	77.88cr	12797.85cr	97.8cr			
Total insurance sold	145514	9269392	9269392			

CUSTOMER ANALYSIS

Customers

Shriram Life Insurance Pvt. Ltd. Commenced its operation in 2006. The company uses its capital efficiently and has low operational cost. SLIC offers life insurance plans and solution that cater to a wide demographic. It has a network of 630 offices and 75000 agents across India. There are around 1 lakh customers across India who are connected with SLIC & the number of customers are increasing day after day.

The different types of customers are as follows:

1. LOYAL CUSTOMERS

This category of customers keep coming back for more insurance policies. They act like company's brand ambassador by recommending company's insurance policy to his friend and family, sending a healthy stream of new customers to company.

2. DISCOUNT CUSTOMERS

These are the customers who see value in insurance policy but won't buy it at full price. They usually look for some extra discount on a particular policy.

2. IMPULSIVE CUSTOMER:

These types of customers can make a buying decision instantly. They don't need much convincing to generate a purchase. They may even pay the whole amount of annual premium at a time. Company gives less effort for this type of customers.

3. NEW CUSTOMER – NEW NEIL:

New Neil is a fresh customer that just bought insurance policy from the company. He is still learning the ropes of using the policy. Even though company made a sale, it can't leave the customer without any help because the time which company saves by not helping New Neil will be less valuable than future business he may bring in to the company.

4. POTENTIAL CUSTOMERS- THE POTENTIAL PAUL:

The potential Paul is a type of customer that is on the beginning stage of your sales funnel. These customers show lot of interest to know about your product, it may be through website or they make a call to customer care. These customers lead that needs nurturing and warming up before making a buying

decision. The company can capitalize on his interest by clearly showing him what he is going to get from the insurance policy.

CUSTOMER PURCHASE DECISION BASED ON AIDA MODEL

1. Awareness: The Customer is aware of the Product. The first moment the Customer sees the product.
2. Interest: The Client then gets Interested in the Product. Once the Client has learned more about the Product.
3. Desire: Once the Client has confirmed the characteristics of the Product, he Desires it.
4. Action: Finally, the Customer **Approaches the product** tries it and eventually buys it.

WHO CAN BE OUR CUSTOMERS?

- Business Persons
- Private Employees:
- Government Employees
- Retired persons:

Business Persons: They generally go for life plans, ULIP plans in which combination of investment and insurance are available. The performance of these plans are the linked to the market, as a part of the premiums is invested in market securities - equity, debts, hybrid, based on the investor's choice that helps to build funds and the remainder of the premiums is kept to provide life cover.

Private Employees: They enroll term plans. A term life insurance plan has 3 options for comprehensive cover which comes with flexible premiums based on choice of the benefit options and affordable premiums as low as INR. 7,343 p.a. for a cover of INR. 1 Crore. The minimum eligibility age is 18 years while the maximum is 55 years with a sum assured ranging between INR. 25 lakhs to INR. 10 crore over a policy term of 10-57 years. This plan provides a life cover up to 75 years.

Govt. Employees: They enrol for life plans, ULIP plans, term plans, saving plans etc. The savings plans by Shriram Life offers life cover along with savings. With the help savings plans, the family is not only protected against the financial loss in case of the breadwinner's passing away but also helps an individual to build funds for short and long term goals. The minimum eligibility age of term plan is 18 years while

the maximum is 55 years with a sum assured ranging between INR. 25 lacs to INR. 10 crore over a policy term of 10-57 years. This plan provides a life cover up to 75 years.

Retired persons: The Shriram Life Pension Plus helps you meet your retirement goals by building a large corpus during retirement. Therefore, enabling a policyholder to have a steady regular income for life through an immediate annuity policy. The policy term can be 10 or 15 to 35 years with a flexible premium payment option of regular, limited or single pay.

Data collection

The data was collected through a structured questionnaire. 90 questionnaires distributed among people in Angul, Odisha and received back 78 questionnaires which were properly filled. 78 questionnaires is fairly attempted with 87% response.

Demographic Characteristics

• AGE

This indicates the age group of respondents to the study survey. This shows that the 18 to 30 age group comprises the highest percentage of the respondent of the study.

AGE GROUP	FREQUENCY
18 TO 30	62
31 TO 40	12
41 TO 50	3
51 AND ABOVE	1

GENDER

GENDER	FREQUENCY
MALE	55
FEMALE	23

This indicates the gender of respondents to the study survey. This shows that the male candidate comprises the highest percentage of the respondent of the study.

- **OCCUPATION**

OCCUPATION	FREQUENCY
PRIVATE JOB	35
GOVERNMENT JOB	3
ENTREPRENEUR	2
STUDENT	38

This indicates the occupation of respondents to the study survey. This shows that students and private job respondents comprises the highest percentage of the respondent of the study.

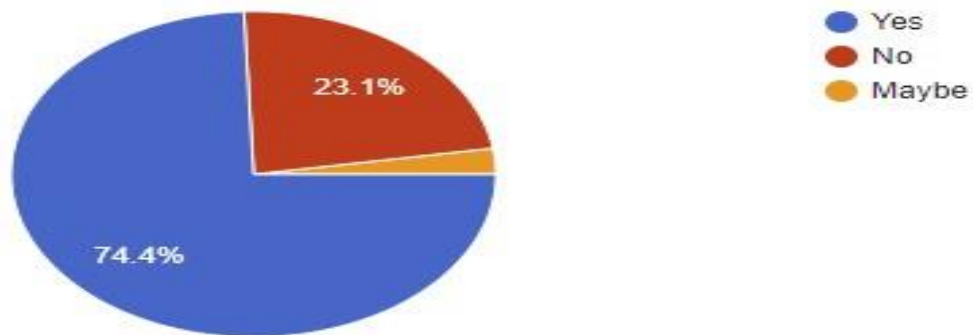
DATA ANALYSIS

Data analysis focused on the following major aspects:

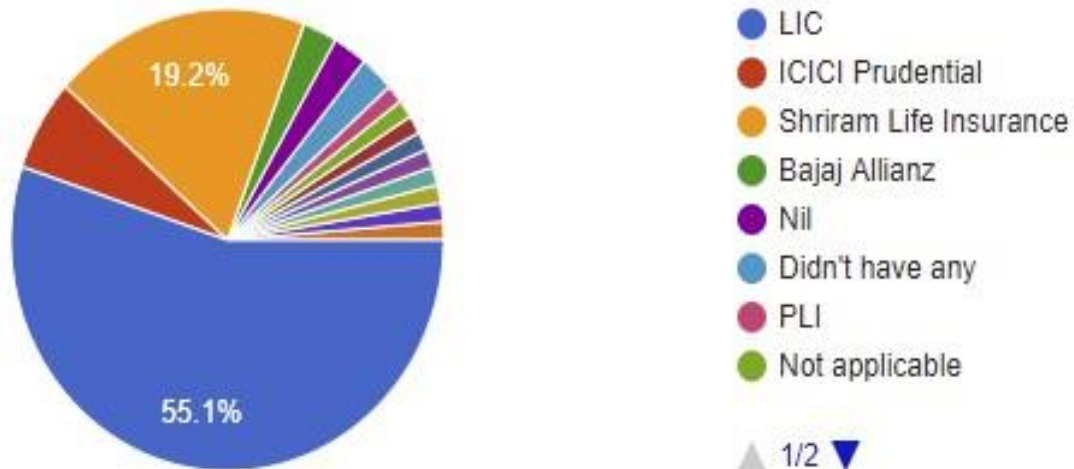
- To know about the people insured through which insurance company in Angul, Odisha.
- To learn about the reason of insure by taking life insurance.
- To know about the factors affected to choose a life insurance policy.
- Awareness of insurance as a platform for investment among people of Angul.
- To know the reach of Shriram Life Insurance products among people.

1. People covered through life insurance policy.

This study shows that 74.4% people only covered through life insurance policy. 23.1% people are not covered by life insurance policy and 2.5% people are not sure that they have any life insurance policy or not.

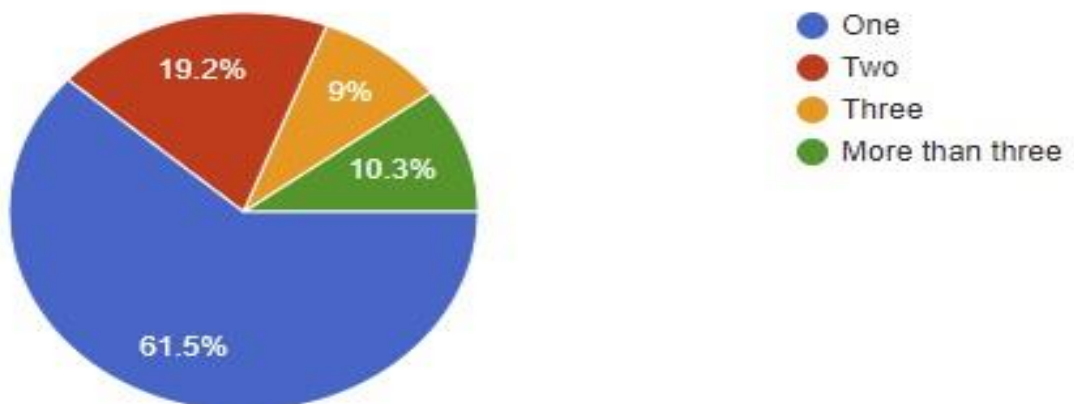


2. People insured by which insurance company



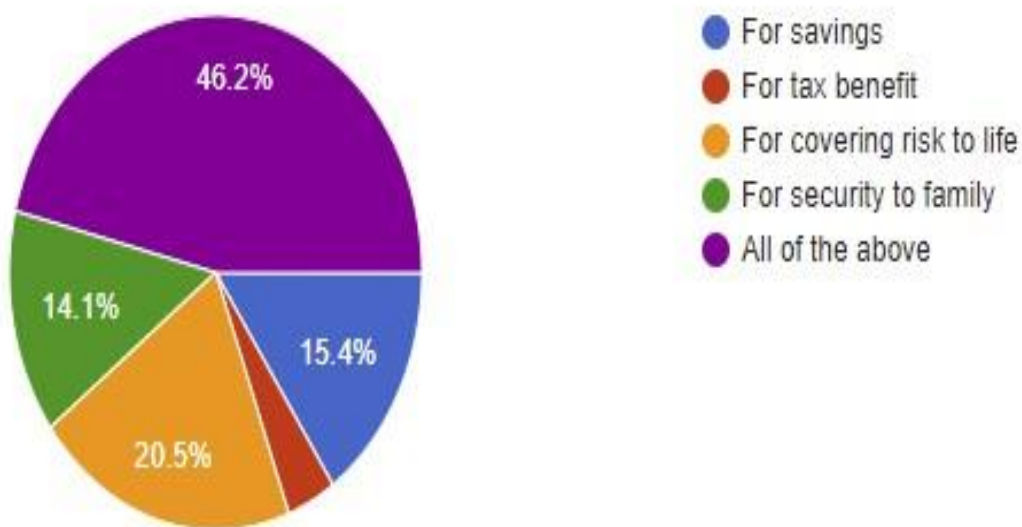
Majorly people insured by Life Insurance Corporation (LIC) i.e. 55.1% in this area. 19.2% people insured by Shriram Life Insurance and 6.4% people insured by ICICI Prudential.

3. Number of policies people have



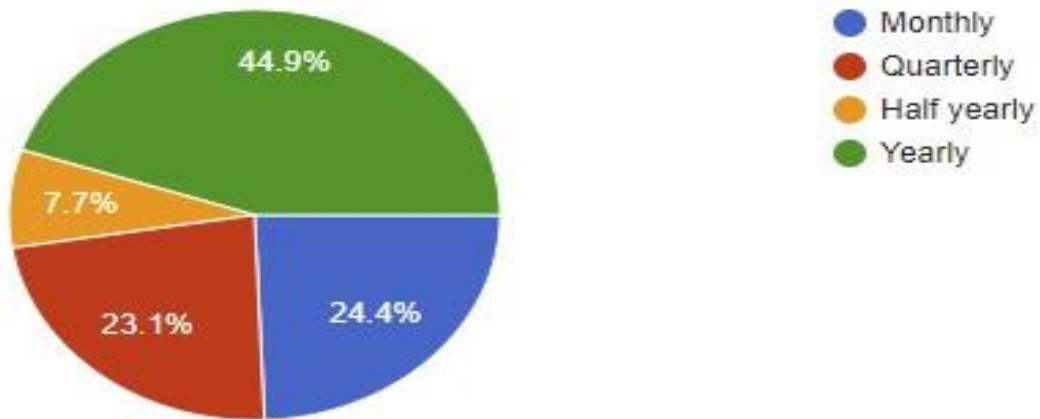
This study shows that 61.5% people have only one policy. 19.2% people have two policies. 10.3% people have more than three policies and 9% people have 3 policies.

4. Reason of insured by life insurance



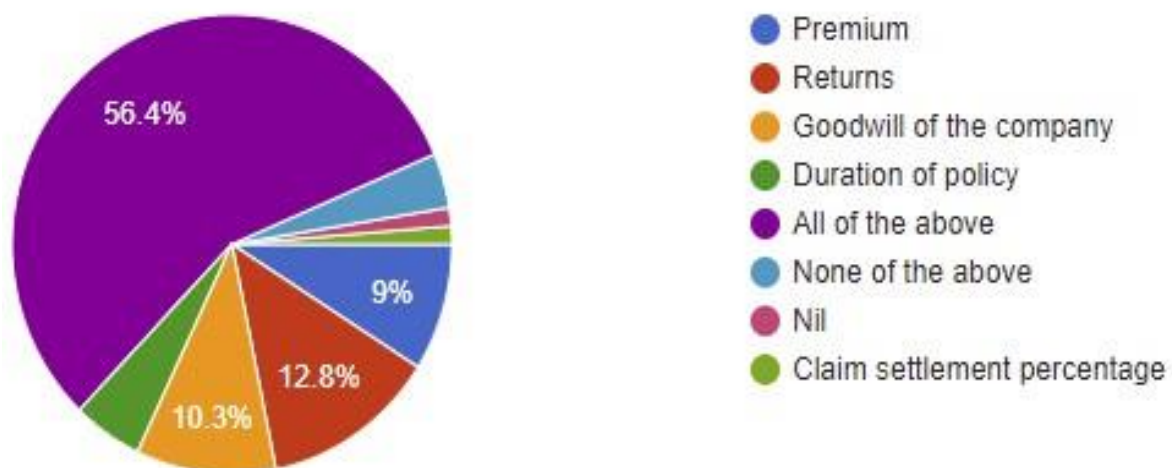
According to this study 46.2% people have insured for saving, for tax benefit, for covering risk to life, for security to family. 20.5% people have insured for covering risk of life. 15.4% people have insured for saving, 14.1% people have insured for security to family. Few people have insured for tax benefit.

5. Like to pay premium



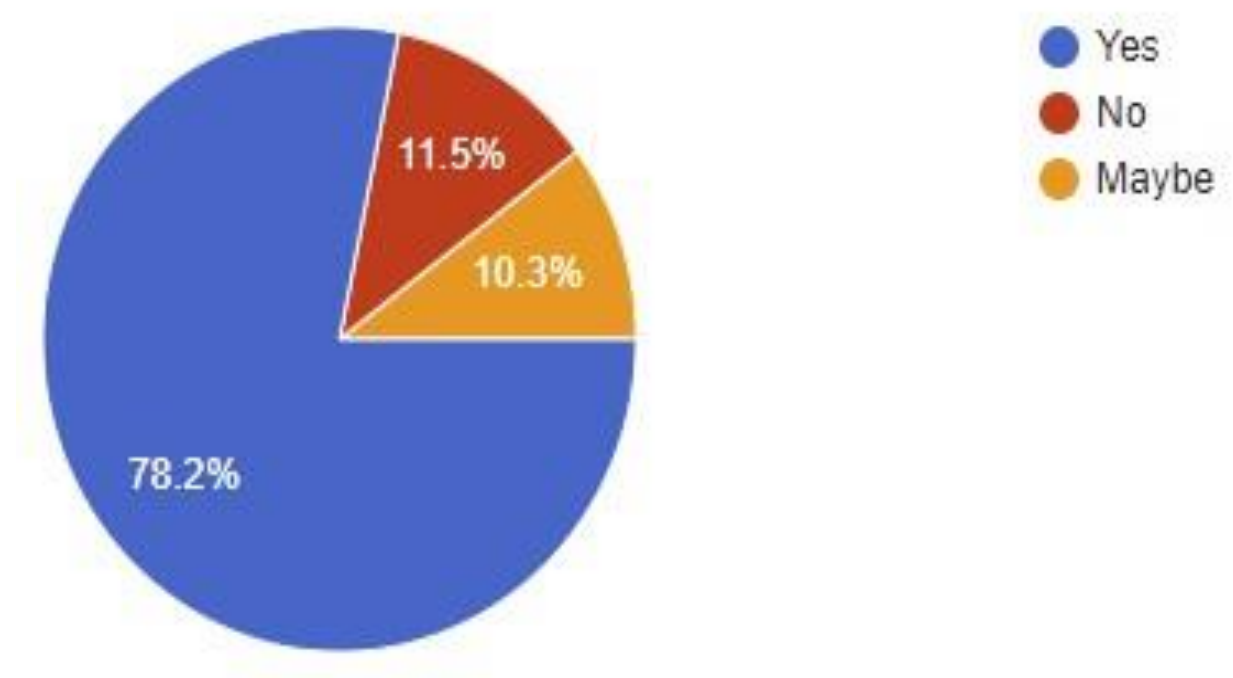
This study shows that majorly people like to pay premium yearly i.e. 44.9%. 24.4% people like to pay premium monthly, 23.1% people would like to pay premium quarterly and 7.7% people would like to pay premium half yearly.

6. Factors affecting to choose a life insurance policy



This study shows that majorly people notice all the factors like premium, returns, goodwill of the company, duration of policy, etc. 12.8% respondents would like to notice returns only, 12.3% respondents would like to notice goodwill of the company, 9% respondents would like to notice premium of the policy.

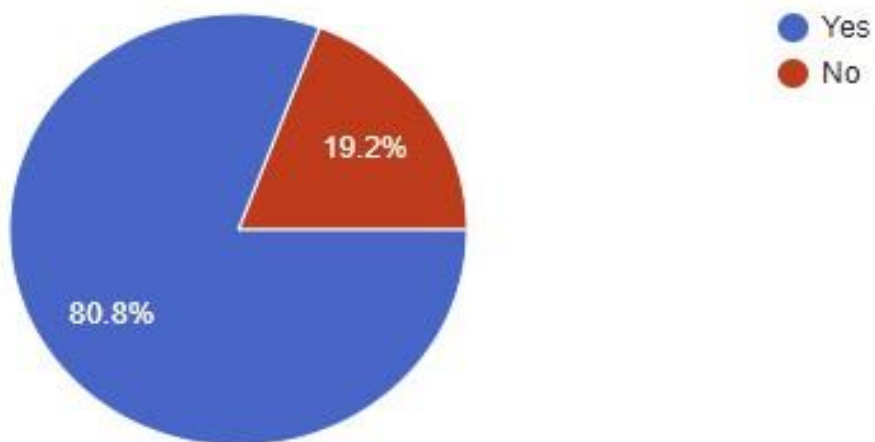
7. Insurance as a platform for investment



This study shows that 78.2% respondents are aware about the insurance as a platform for investment. 11.5% respondents are not aware about the insurance as a platform for investment.

10.3% respondents are not sure about the insurance as a platform for investment.

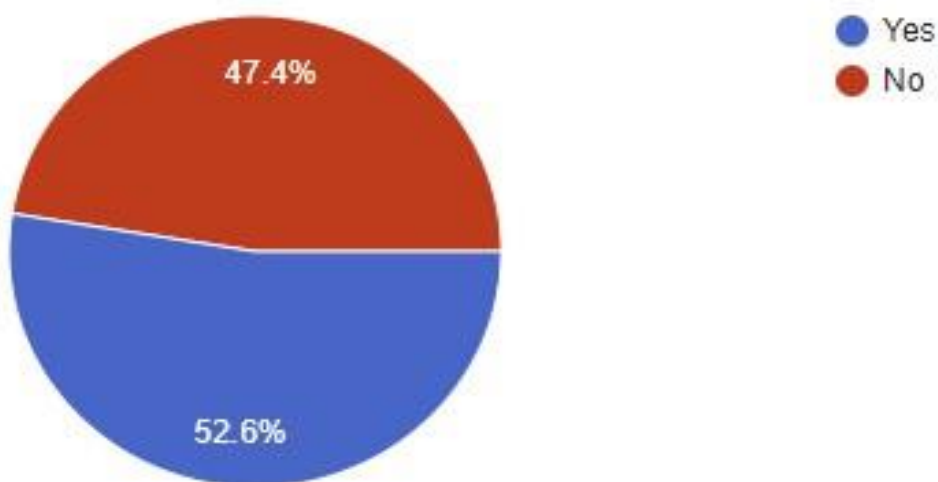
8. People know about Shriram Life Insurance



According to this study only 80.8% people know about Shriram Life Insurance in Angul.

19.2% people do not know about Shriram Life Insurance.

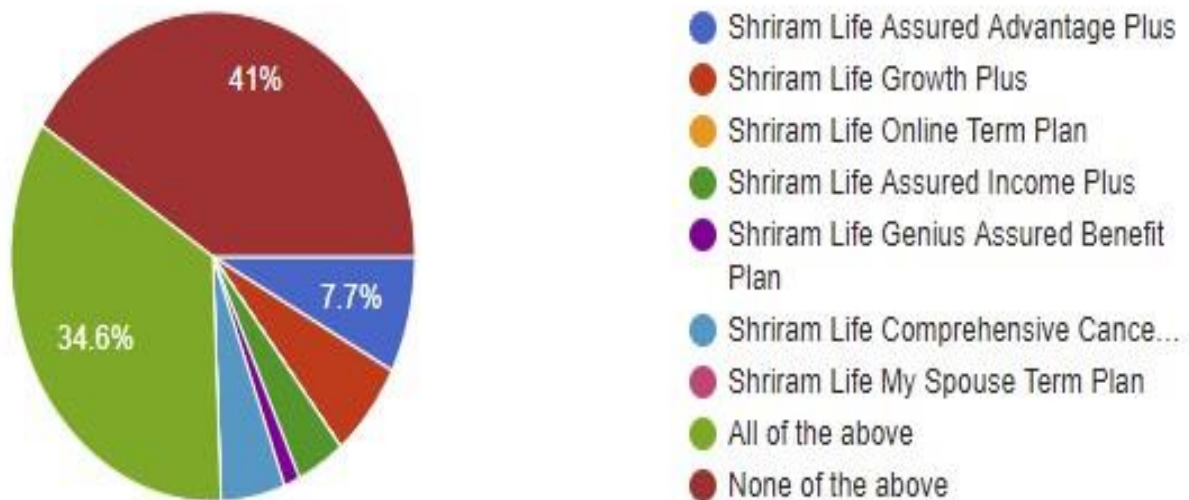
9. Shriram Life Insurance Products



This study shows that 52.6% respondents do know about the Shriram Life Insurance Products.

47.4% respondents do not know about the Shriram Life Insurance Products.

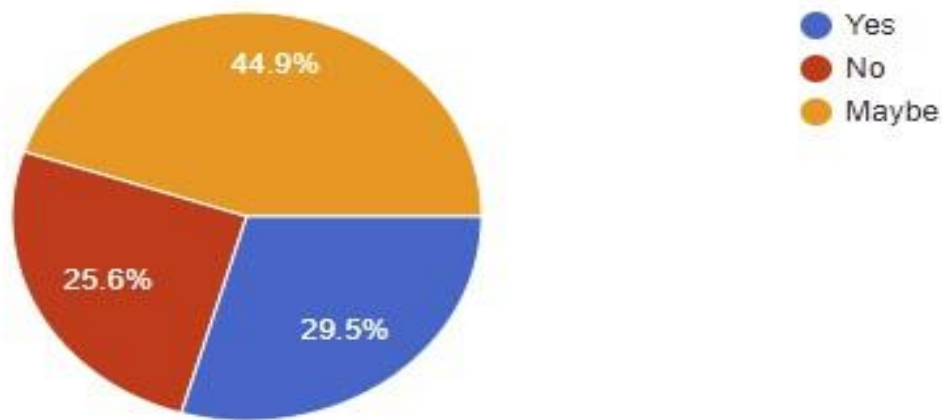
10.Name of the products of Shriram Life Insurance



Shriram Life Insurance have various products as Shriram life assured advantage plus, Shriram life growth plus, Shriram life online term plan, Shriram life assured income plus, Shriram life genius assured benefit plan, Shriram life comprehensive cancer care, Shriram life my spouse term plan, etc. 41% respondents of this study does not know even a single product of Shriram Life Insurance.

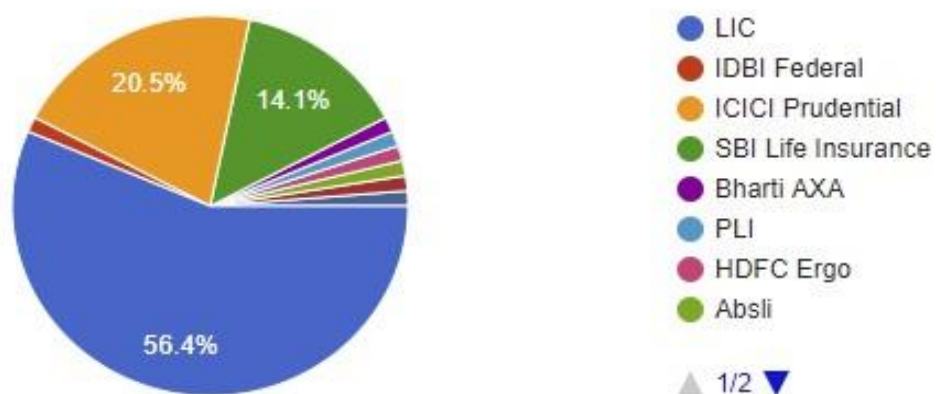
34.6% respondents of the study know all the products of Shriram Life Insurance. 7.7% respondents are aware about the Shriram life assured advantage plus. 6.4% respondents know about Shriram life growth plus. 5.1% respondents know about Shriram life comprehensive cancer care.

11. For new policy people will choose Shriram Life Insurance



This study is based on three categories i.e. yes, no and maybe. Majorly people said maybe they would choose Shriram Life Insurance for buying new policy. 29.5% respondents will choose Shriram Life Insurance for buying new policy. 25.6% respondents will not choose Shriram Life Insurance for buying new policy.

12. Which company people prefer other than Shriram Life Insurance



CHAPTER 7

RESULTS AND LEARNING OUTCOMES

Findings

The findings that can be drawn from the survey conducted by me can be summarized in the following way:

A. 74.4% people are only covered through life insurance policy. 23.1% people are not covered by life insurance policy and 2.5% people are not sure that they have any life insurance policy or not.

B. Among the 78-insurance holder's 43 respondents have policy of LIC whereas only 15 respondents have policy of SLIC (Shriram Life Insurance Company) and remaining have policy of some other companies.

C. 48 respondents have only one policy, 15 respondents have two policies, and others have three or more than policies.

D. According to the survey all criterion is important as savings, tax benefits, covering risk to life, security to family, which is expected among majorly respondents.

E. According to the survey majorly respondents would like to pay 'yearly' premium.

F. According to the study premium, returns, goodwill of the company, duration of the policy are to be highly important criteria which we consider before taking up a life insurance.

G. Among the 78 respondents, 61 respondents are aware that insurance as a platform for investment.

H. According to the survey, 63 respondents are aware of Shriram Life Insurance.

I. Majorly respondents said maybe they would choose Shriram Life Insurance for buying new policy.

CONCLUSION

Insurance is a tool by which facilitates of a small number are compensated out of funds collected from plenteous. Insurance is a safeguard against uncertain events that may occur in the future. Since the first year of operations, Shriram Life Insurance made profits in the first three consecutive years- becoming the only private life insurer to have achieved the distinction. Compared to industry peers after 7 years of operation, Shriram Life insurance was the most profitable life insurance company in the country, this progress leads to increase the company image and makes a way to lead the total insurance market.

Life insurance is also now being regarded as a versatile financial planning tool. Research indicates that Indians have four basic financial needs during their life - asset accumulation (such as buying a house or car), protecting their family, securing their children education, and provision for their retirement. So, while there are three basic types of insurance, these have been structured with increased flexibility to meet focused requirements. Furthermore, these can be enhanced with riders to protect one against disability and provide monetary compensation at times of critical illnesses or surgeries.

India being a country having a huge population of around one billion people with only 22% of the insurable population in India possessing life insurance the country has a vast potential which has been left untapped till now.

1. The competition in the insurance sector is becoming so intense that it has become difficult to identify the crucial success factors though the distribution strength will always be the key to success. Another area of vast improvement is in service attitude and delivery. Undoubtedly, the biggest beneficiary of the competition amongst life insurers has been the consumer.
2. A wide range of products, customer-focused service and professional advice has become the mainstay of the industry, and the Indian consumer has become the focus of each of the company's strategy.
3. Consumers today also seek products that offering flexible options, preferring products with benefits unbundled and customizable to suit their diverse needs.
4. The trends in developed economies where people are not only live longer and retire earlier are now emerging in India. With the breakdown of traditional forms of social security like the joint family system, consumers are now concerning themselves with the need to provide for a comfortable retirement.
5. This trend has been further driven by the long-term decline in interest rates, which makes it all the more necessary to start saving early to ensure long term wealth creation. Today's consumers are increasingly interested in products to help build wealth and provide for retirement income.

This all adds up to major change in demand for insurance products. Firms will need to constantly innovate in terms of product development to meet ever-changing consumer needs. Competition will result in the market to grow beyond current rates and offer additional

consumer choice through the introduction of new products, services and price options. With the heightened awareness and consumer education comes a willingness to view life insurance as an integral part of the financial portfolio.

No longer is life insurance a poorly understood product that is pushed onto people. Nor is it a product that is only to be bought hurriedly at the time of filing taxes. Its now catching on as an important element that is purchased to fulfil specific rational and emotional needs and has clear benefits and advisors are being trained to sell insurance as a solution to meet these needs.

To conclude with I would just like to say that the people preferences are changing regarding insurances nowadays, earlier Insurance was a means for wealth creation and that too for a longer period as returns were comparatively low but as compared with the data in the current past it can be said that people are shifting towards Insurance sector not only for tax saving but for future planning, life covering risk against security, etc. But again, when compared with other investment options people still prefer Bank Deposits, Equity & Mutual Funds because they provide a higher percentage of return when compared with Insurance Sector.

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