

PRAMARICA 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

PROF. VARUN AGRAWAL (MARKETING FACULTY)

MR. PRATEEK KUMAR

## **DECLARATION**

I, Miss Jyotirmayee Sahoo 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 Prof.

Jyotirmayee Sahoo

Regd No. 2006258100

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:



# CERTIFICATE OF INTERNSHIP

We present this certificate to Jyotirmayee sahuo in appreciation for  
his / her Successful work as an intern at Pramerica Life Insurance Co. with Grades A(8)  
This internship was conducted between 3<sup>rd</sup> June,21 and 3<sup>rd</sup> Aug,21

A handwritten signature in blue ink, appearing to be 'MA', written over a horizontal line.

**Mr. Manish Aggarwal**  
City Head

## **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. \_Prateek Kumar for his conscientious guidance and encouragement to accomplish this assignment. I am extremely thankful and pay my gratitude to my faculty Mr. Varun Agarwal 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 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

Jyotirmayee Sahoo

Regd. No — 2006258100

## **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



## **TO WHOMSOEVER IT MAY CONCERN**

This is to certify that Ms. Jyotirmayee Sahoo of Bijupattnaik institute of information technology and management has done his project on "Study of consumer's perception towards pramerica life insurance company" under the guidance of Varun Agarwal during the period of 3rd June-21 to 3<sup>rd</sup> Aug-21 .

Her conduct during the internship period was appreciable.

We wish all success to his in his future endeavors.

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# **CHAPTER-I**

**INTRODUCTION**

**SCOPE**

**OBJECTIVE**

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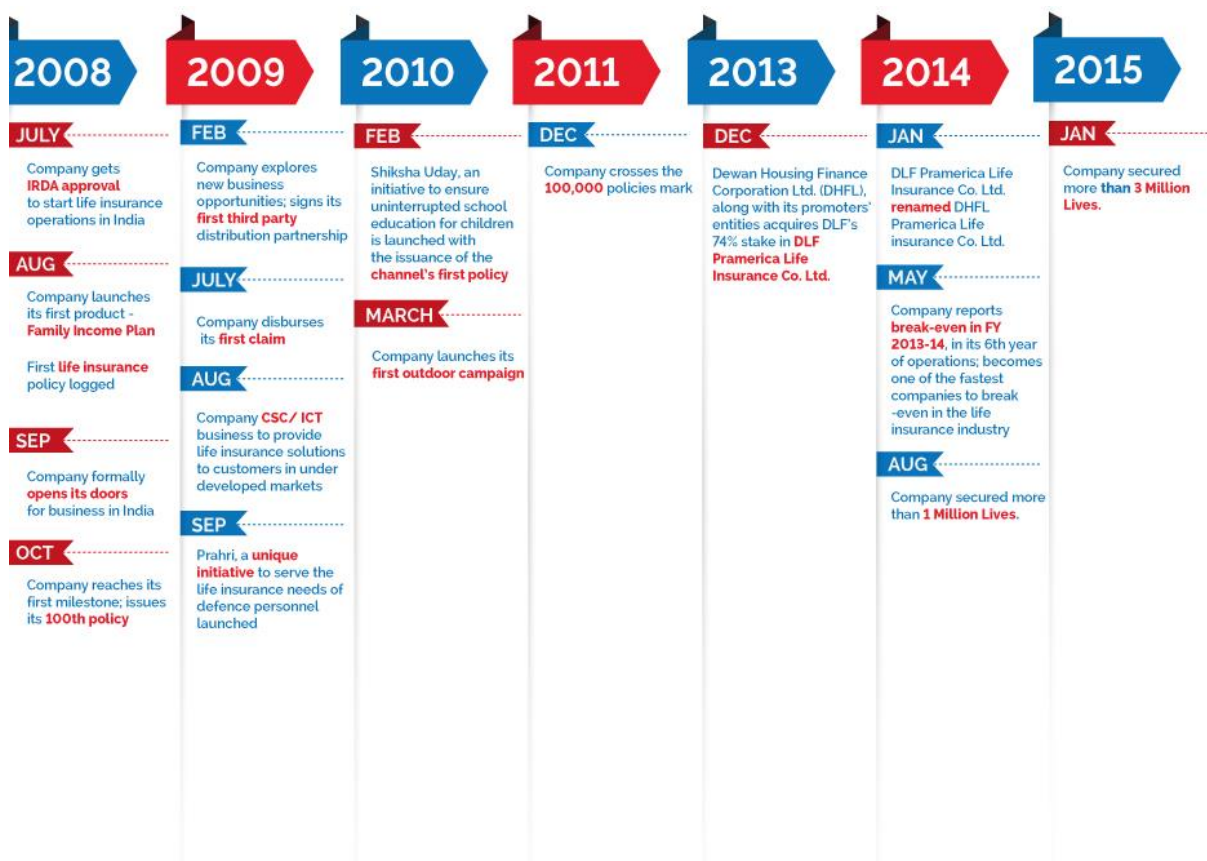
**LIMITATION**

## 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**

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

**TABLE 2 – MARITAL STATUS OF RESPONDENTS**

<b>Serial No.</b>	<b>Marital Status of respondents</b>	<b>Number of respondents</b>	<b>Percentage</b>
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**

<b>Serial No.</b>	<b>Level of Education of respondents</b>	<b>Number of respondents</b>	<b>Percentage</b>
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**

<b>Serial No.</b>	<b>Mode of employment of respondents</b>	<b>Number of respondents</b>	<b>Percentage</b>
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 experience of the social environment or through observations. So attitude can be considered as a hypothetical construct, which represents degree of liking or disliking of an individual towards a particular object. Winning and losing are two 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 to 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 insurance 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. there 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"><li>1. Strong Footing in international markets</li><li>2. Healthy Financials</li><li>3. Specific products &amp; services in Asia aiding in higher market penetration</li><li>4. Strong brand position in domestic markets</li><li>5. Growth in new Life insurance products sales</li></ul>	<ul style="list-style-type: none"><li>1. Decrease in spread income</li><li>2. Increase in costs</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>1. Potential in the under penetrated Asian markets</li><li>2. Large and growing retirement asset pools with increasing wealth</li></ul>	<ul style="list-style-type: none"><li>1. Perils of cyber crime</li><li>2. Liquidity Risk</li></ul>

### PESTLE ANALYSIS OF PLIC

Political	Economical
<ul style="list-style-type: none"><li>1. Possible shift of funds from UK post-Brexit</li></ul>	<ul style="list-style-type: none"><li>1. Favourable currency movements</li><li>2. Volatility in interest rate affecting operations</li></ul>
Social	Technological
<ul style="list-style-type: none"><li>1. Increased savings and post retirement services demand by ageing population</li><li>2. Growing working age population in Asia</li></ul>	<ul style="list-style-type: none"><li>1. Jackson's Cycle harvesting to reduce costs</li><li>2. Digital Technology helping in making services affordable</li><li>3. Launch of PRUcare mobile app</li></ul>
Legal	Environmental
<ul style="list-style-type: none"><li>1. New regulatory Developments in US to affect earnings</li></ul>	<ul style="list-style-type: none"><li>1. Reduction in Greenhouse Gas Emissions(GHG)</li><li>2. Several Measures undertaken for Energy efficiency</li></ul>

# 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**

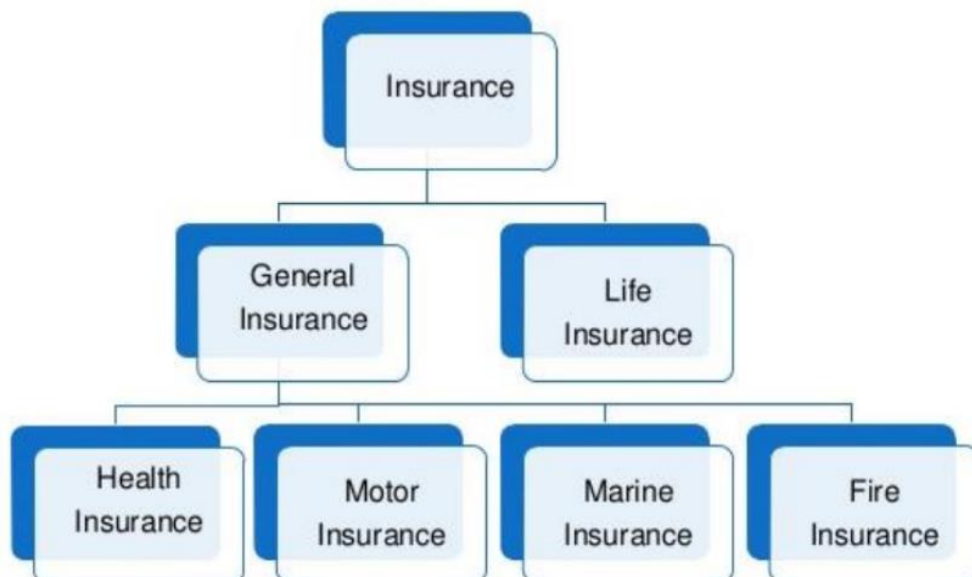
Almost 4,500 years ago, in the ancient land of Babylonia, traders used to bear risk of the car avante by giving loans that had to be later repaid with interest when the goods arrived safely. In 2100 BC, the Code of Hammurabi granted legal status to the practice that, perhaps, was how insurance made its 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

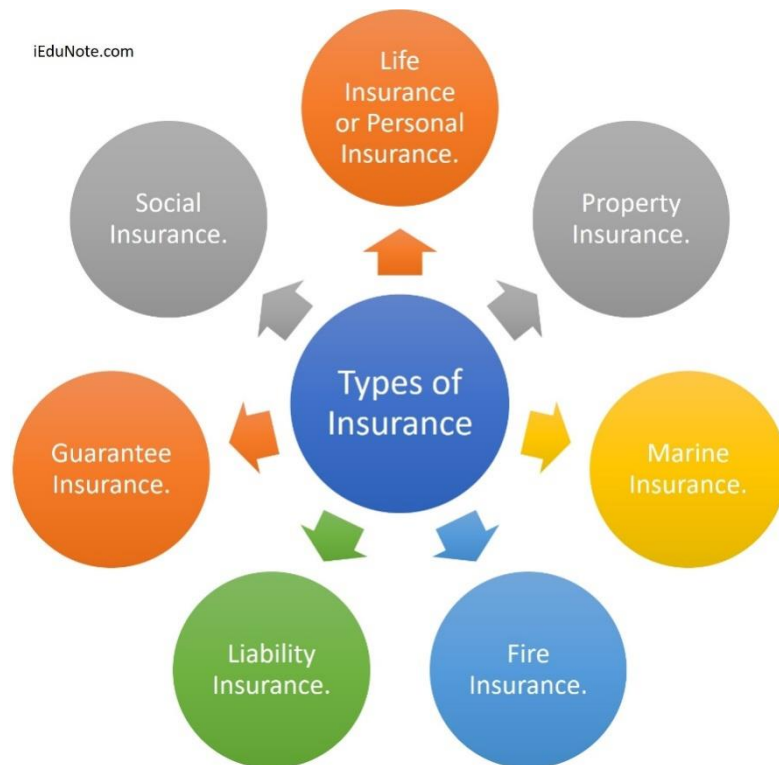
poverty were other services offered. Essentially, all these revolved around the concept of insurance or risk coverage.

## 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





## 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.

## **ICICI Prudential Life Insurance Company Limited :-**

**ICICI Prudential Life Insurance Company Limited** is a life insurance company in India. Established as a joint venture between ICICI Bank Limited and Prudential Corporation Holdings Limited, ICICI Prudential Life is engaged in life insurance and asset management business. In 2016, the firm became the first insurance company in India to be listed in the domestic.

Awards and accreditation

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## **HDFC Life Insurance Company Limited ("HDFC Life").**

HDFC Life Click 2 Protect Life (UIN:101N139V03) is a non-linked, non-participating, individual, pure risk premium/ savings life insurance plan and HDFC Life Income Benefit on Accidental Disability Rider (UIN: 101B013V03, Form no. R501-21-01), HDFC Life Critical Illness Plus Rider (UIN: 101B014V02, Form no. R501-23-01) and HDFC Life Protect Plus Rider (UIN: 101B016V01) are the names of the riders . For more details on risk factors, associated terms and conditions and exclusions please read sales brochure carefully before concluding a sale. ARN: EU/01/21/22037.

Presence and distribution[edit]

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It obtained the certificate of commencement of business on 12 October 2000 and certificate of registration from Insurance Regulatory and Development Authority of India (IRDAI) to undertake the life insurance business on 23 October 2000. HDFC Life has 421 branches and is present in 980+ cities,villages and towns in India and supported by 16,544 employees.<sup>[5]</sup> The company has also established a liaison office in Dubai.

HDFC Life distributes its products through a multi channel network consisting of Insurance agents, Bancassurance partners (HDFC Bank, Saraswat Bank, RBL Bank), a

Direct channel, Insurance Brokers, MFIs (Micro Finance Institutions), SFBs (Small Finance Banks), etc. and 39 partnerships within non-traditional ecosystems and an Online Insurance Platform and currently one of the leading financial service providers in India offering finance in varied sectors like housing, banking, life insurance and general insurance, asset management and education loans and many other products.

### Products and services

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HDFC Life's products include Protection, Pension, Savings, Investment, Health along with Children and Women plans. The company also provides an option of customizing the plans, by adding optional benefits called riders, at an additional price. The company has categorised its product portfolio covering five principal segments across the individual and group categories namely participating, non-participating protection term, non-participating protection health, other non participating and unit-linked insurance products.<sup>[6]</sup> The company currently has 37 retail and 11 group products, along with 6 optional rider benefits (as on 24 March 2020).

- Protection Plans – insurance plans that provide protection and financial stability to the family in case of any unforeseen events.
- Click2Protect life is their online term plan.
- Launched CSC Suraksha to be sold exclusively through the Common Services Centre network
  - Click2Invest is their online ULIP investment plan.
  - Health Plan – offers financial security to meet health-related contingencies.
  - Savings & Investment plans – These plans help in investment to achieve financial goals.
  - Retirement plans – financial security for life post-retirement.
  - Women's plans – plans catering to different financial needs of women.
  - Children's plans – plans meant to secure children's future.
  - Rural & social Plans – meant specifically for rural customers.
  - Click2Retire completed their Click2 portfolio.
  - ULIP Investment with more funds.

### Associated companies

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HDFC Life's associated companies include HDFC Ltd, HDFC Bank, HDFC International Life and Re Company Limited, HDFC Pension, HDFC MF, HDFC Sales, HDFC Ergo, HDB Financial Services (HDBFS), HDFC Securities, HDFC RED,<sup>1</sup> HDFC Ventures Trustee Company, GRUH Finance, HDFC Trustee Company, HDFC Developers, HDFC Property Ventures, HDFC Investments, Credit Information Bureau (India) Ltd.

## Historical moments

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The following are the major steps of the organisation from the date of its inception:

2022 - January - Acquisition of Exide Life Insurance, after approval from Competition Commission of India and Insurance Regulatory and Development Authority of India.

2021 - September - Took 100% stake in Exide Life Insurance

2020- November-Launched combi product 'Click 2 Protect Corona Kavach' to provide financial protection package to customers in collaboration with HDFC Ergo.

September-Entered into a Corporate Agency (CA) arrangement with YES Bank Limited to offer life insurance to the bank's customers.

June- Partnered firm HDFC Ergo tied up with tech firm Tropogo with the plan to offer commercial drone owners and operators third-party insurance liability cover for any property damages and physical injuries arising through flying machines.

Life Insurance Investment Plans Health Insurance Motor Insurance Other Insurance Renewal

Max Life Insurance Company Limited is a Joint Venture between Max Financial Services Limited and Axis Bank Limited. Max Financial Services Ltd. is a part of the Max Group, an Indian multi business corporation. Max Life has a total claims paid ratio of 99.35% as per the annual audited financials for the FY 20-21. Max Life offers comprehensive protection and long-term savings life insurance solutions, through its multichannel distribution including agency and third party distribution partners.

## What is Max Life Insurance?

Max Life Insurance offers inclusive protection, long-term savings, and retirement solution to the insurance seekers. The policies are specifically designed to cater to the various needs of the insurance buyers. The insurance buyers can choose from the extensive range of plans ranging from protection, retirement, child, savings, etc. as per their requirement and suitability. Over the past 15 years and so, the company has progressed in the country and has developed a strong reputation in the market.

Max Life has built its operations over almost two decades through need-based sales process, a customer-centric approach to engagement and service delivery and trained human capital.

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## VIEW PLAN

- A Sum Assured in Force of Rs. 1,087,987 crore. Why You Should Choose Max Life Insurance?

Max Life has built its operations over almost two decades through need-based sales process, a customer-centric approach to engagement and service delivery and trained human capital.

As per public disclosures, during the financial year 2020-21,

- Max Life achieved gross written premium of Rs. 19,018 crore. As on 31st March 2021, • The Company had Rs. 90,407 crore of assets under management(AUM), and • A Sum Assured in Force of Rs. 1,087,987 crore. Here is why you should choose Max Life Insurance.

- Empathy: The company chooses its customers over numbers. With a customer-centric approach, the company offers a one-stop solution for the insurance needs of the buyers.

- Transparency: With a claim settlement ratio of 99.35%, the company offers transparency to the insurance buyers. Insurance buyers can check every detail related to different policies online. With a solvency ratio of 242% (Source Public Disclosure FY 2018-2019), Max Life policies offer reliability to the customers.

- Accountability: The company values the trust of the insurance buyers thus provides an excellent customer support service 24X7 to the insurance buyers. The company takes accountability of the policies and provides a hassle-free claim settlement process in case the claim is filed by the nominee of the policy.

## **Benefits of Max Life Insurance**

The company offers many benefits to insurance holders. Let's take a look at it: • The company offers a wide range of comprehensive policies to cater to the requirements of insurance buyers. • The insurance buyers can opt for a high coverage plan at an affordable premium rate. • Along with the benefit of insurance cover, the policies also provide the advantage of tax exemption U/S 80C and 10(10D) of Income Tax Act. • An individual can purchase policy online in an easy and hassle-free way. • The plans offered by the company helps to secure the financial future of the family of the insured. • Max Life Insurance policies help the insured to provide financial security to their family and safeguard them against any type of eventualities.

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### **VIEW PLAN**

Types of Max Life Insurance Plans Here are all the different types of insurance plans: Max Life Traditional Plans CALCULATORS Term Insurance Plan .These are comprehensive life insurance plans that offer the much-needed financial protection to you and your family. Following are the term insurance plans INCOME TAX CALCULATOR Human Life Value Calculator Plan Name Entry Age Maturity Policy Term Sum Assured (Min — Max) 1.. RETIREMENT CALCULATOR (Min — Max) Age ch, Health Insurance Premium Calculator > Max Life Online Term 18 - 60 85 years 10-50 years Rs.25 lakh - Rs.100 crore Plan Basic Cover years Car Insurance Calculator tee Bike Insurance Calculator Max Life Online Term 18 - 60 85 years 10-50 years Rs.25 lakh - Rs.100 crore Plan Life Cover years 0 Show More Calculator .

Max Life Insurance: Policy Detail

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### **VIEW PLAN**

Max Life Online Term Plan Life Cover + Increasing Monthly Income

Max Life Super Term Plan  
Max Life Platinum  
Protect II  
Max Life Premium Return  
Protection Plan

## VIEW PLAN

- Max Life Forever Young Pension Plan The plan helps the policyholder to save for his/her retirement Life. This plan provides the policyholder access to additional annuity plan benefits which safeguards his/her family against unseen eventualities.
- Max Life Guaranteed Lifetime Income Plan This is a pure non-participating immediate annuity plan that offers a regular flow of income to insured after retirement. Under this plan, the company provides 4 annuity options to choose from:
  - Single life annuity
  - Single life annuity with return of premium on the demise of the annuitant
  - Joint life annuity
  - Joint life annuity with return of premium on the demise of the last survivor
- Max Life Perfect Partner Super This is a traditional money back policy which is particularly designed to cater to the expenses of the individual post-retirement. The plan offers guaranteed annual money backs to the policyholder after retirement. Additionally, it provides life protection to the insured's family.

### Child Plans:

Child plans help the policyholder to accumulate and plan his/her finances in such a way that helps him/her to fulfil his/her child's dreams and aspiration. • The • Get • Dedicated Best Price Upto 10% Online Discount Claim Assistance Program potebot9110 Plan Name Entry Age (Min —Maturity Age Policy Term Sum Assured I Ow. 910% Max) (Min — Max) Cr; 1 Cro,9 99 IN imn 1 e•re 19 2% 1 Cp9f9 00 I% Max life Future Genius Education Plan 21— 45 years 66 years 18 years Rs.3,27,000 (8 pay variant), Rs.2,12,000 (For Calculate My Premium Limited Pay)-No upper Limit \*Standard T&C Apply Max Life Shiksha 21— 50 years For 5 pay- 60 10,15 and 20 10 times the A Plus Super Plan years years annualized

## VIEW PLAN :-

Max Life Whole Life Super This is a savings plan of max life insurance. It helps to create a financial cushion in a long-term. As a whole life protection plan, this plan offers guaranteed protection to the insured until the age of 100 years. The plan also provides accrued bonus facility depending on the needs of the insured.

With the limited premium payment option, the plan also provides additional rider benefits. The riders can be bought to enhance the coverage of the plan.

2 Max Life Guaranteed Income Plan This is a savings plan which provides the dual benefits of life protection along with the guaranteed payout as monthly income for a period of 10 years. Moreover, the monthly income is doubled during the last 5 years of the policy period. The plan also offers terminal bonus after the completion of the policy period.

## **A study on Customer Analysis in Pramerica Life Insurance Company**

### **ABSTRACT**

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. The present exploratory and descriptive based study was selected with an objective to identify those factors which influence customers policy buying decision 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 both primary and secondary sources. The study area is limited to Coimbatore city, Tamil Nadu and the sample size of 110 respondents. The study tries to analyse the type of policy preferred by the respondent, which insurance company they prefer, feature of Insurance policy that attracted their purchase, benefit for which they have purchased, satisfaction level on the life insurance policy purchased, difficulties encountered in decision making while buying a life insurance policy. The study also analyses the relationship between Age and type of policy preferred.

**Keywords:** Life Insurance, Buying Decision, Preference of Customer, Consumer Behavior.

Insurance is a means of protection from financial loss. It is a form of risk management primarily used to hedge against the risk of a contingent or uncertain loss. The life and property of an individual are surrounded by the risk of death, disability or destruction. These risks may result in financial losses. Insurance is a prudent way to transfer such risks to an insurance company. The insurance policy has details about the conditions and circumstances under which the insurance company will pay out the insurance amount to either the insured person or the nominees. Insurance is a way of protecting yourself and your family from a financial loss.

It is a form of contract between the insurance company and a person who gets his life assured, for the payment of a sum of money the unfortunate happening of an event. Life insurance is a must for everyone because life is

very precious. The payment is made to the insurer on the date of maturity or at an unfortunate earlier death. Under the terms of a contract a person who gets his life insurance. Life insurance is universally acknowledged to be an investment which eliminates risk and substituting certainty for uncertainty and comes to the timely aid of the family in unfortunate event of death.

## **DEFINITION OF CUSTOMER ANALYSIS**

Customer Analysis is the decision processes and acts of people involved in buying and using products.

According to Engel, Blackwell, and Mansard, 'consumer behavior is the actions and decision processes of people who purchase goods and services for personal consumption'.

## **CUSTOMER ANALYSIS**

Customer analysis refers to the action taken by consumer before buying a product or service. This process may include consulting search engines, engaging with social media posts, or a variety of other actions. It is valuable for business to understand this process because marketers can predict how customers will respond to marketing strategies.

Customer Analysis refers to the buying behavior of the ultimate end user customer. Customers are the main pillar of life insurance business. Every company tries to attract and retain existing customers to keep their profits high. The proper understanding of customers, their needs and expectations help insurance providers to bring improvement in product as well as services offered. When compared with the developed foreign countries, the Indian life insurance industry has achieved only a little because of low consumer awareness, poor affordability, delayed customer services, lack of suitable products.

Customer is the king and it is the customer who decides what a business is and therefore a sound marketing program starts with a careful analysis of habits, attitudes, motives and needs of the customers. Consumer buying behavior is the study of when, why, how, and where people do or do not buy a product. Behavior of consumer differs between a purchase of a physical product and a service-related product.

## STATEMENT OF PROBLEM

The management of insurance companies is a serious challenge. There is lot of problems involved in this business. One of the major conflicts is to compete with the competitor. In order to upgrade the business activities, the company has to know the buying behavior of the customer regarding life insurance policies. Customers buying behavior determines the growth and drawback of the business. So, the company has to know the factors that influence the buying behavior of customer like safety, need, financial security etc. and the company has to know how a customer select a policy, and their expectations in future regarding the future policy plan of a life insurance company. This study helps the company to understand the factors that influence the customer, how they select a policy of a company and their future expectations of policies to be offered by the life insurance company.

## OBJECTIVE OF THE STUDY

- To determine the reason for opting for an insurance
- To determine customer buying behavior towards life insurance company and their expectations
- To determine the feedback of services provided by insurance agents
- To study the types of benefits provided by insurance companies
- To provide the company the information of customers insurance policy and the reasons for opting a particular policy
- To determine the features of company that attract people to buy policy

## DATA COLLECTION

Data was collected to both primary data and secondary data sources. Primary data was collected through questionnaire. The study was done in the form of direct personal interviews. The sources of data in the project are about primary and secondary data.

- **Primary data:** A primary data is a data which is collected for the first time for the particular interest to collect more information. In this study, the primary data was collected using questionnaire.
- **Secondary data:** These data are collected from published sources such as Magazines, Newspapers, several books, and also from the help of web site [www.policybazaar.com](http://www.policybazaar.com).



## TOOLS USED FOR THE CUSTOMER ANALYSIS

The rules of statistics in research are to function as a tool in designing research, analyzing the data, drawing its conclusion from most research studies result in large volume of raw data that must be suitable reduced so that the same can be read easily and can be used for future analysis. The tools used are

- Simple percentage analysis
- Ranking analysis
- Weighted average analysis
- Chi square analysis

## LITRATURE REVIEW

**Guru and Umamaheswari (2019)** in their research on factors deciding selection of policies of private life insurance companies among consumers in Thanjavur District explored that Price, product uniqueness, accessibility and promotions impacts the purchase decision of consumers upon the various policies of private life insurance companies significantly and positively. The agents are supposed to provide better and accurate services and settle claims without any delay or issues. Private life insurance companies are required to appreciate precisely the financial needs of consumers and should set easy and uncomplicated terms and conditions for purchasing their life insurance policies. In addition, private life insurance companies have to bring in different innovative products to fulfill needs of various consumer segments.

**Guru and Umamaheswari (2018)** in their research concluded that among the various other factors, the major variables that control the insight of the consumers towards life insurance policies positively were quality of the service offered, relationship between the client and company and reputation of the company. The growth rate of insurance industry in India is faster and hence it has become significant for the insurance companies to identify and comprehend the factors that persuade the perception of the consumers and the same can be utilized as the supportive feature in developing fresh and pioneering items which meet the consumer's expectation

**Ravi Kumar and Ernest Beryl (2018)**, the study is basically on the factors influencing the investment choice as it explains about how the life insurance company made a tremendous change in Indian today. They also suggested that the majority of the investors' should treat insurance policy as the risk protection and a multi-faceted investment option, not only as tax saving instrument

**M. Vijaya Raghu Nadhan (2016)**, in his study on consumer behavior towards life insurance companies with reference of two private companies revealed that consumer behavior and customer purchase service attempts are depends on factors like search, experience and credence factors.

**Sandeep chaudary (2016)** has extracted six factors of that influencing customer behavior namely customized and timely service, better company reputation customer convenience, better service quality, tangible benefits and effective customer relationship management based on the sample of 100 respondents.

**C. Balaji (2015)**, in his paper- Customer awareness and satisfaction of life insurance policy holders with reference to Mayiladuthurai town tries to measure awareness among the urban and rural consumer about the insurance sector and also the various policies involving various premium rates. The study was conducted by examining around 100 sample respondents which revealed that 100% of respondents are aware of the life insurance policies; where as 87% of the respondents came to know about insurance policies through agents. But it also came to light that Most of the respondents are aware of government insurance company LIC and in the private sector HDFC Standard Life insurance. Finally, the research concludes that the penetration level of insurance in India is only 2.3% when compared to 9-15% in the developed nations. So, there is a huge market for the Insurance products in the future in India.

**Harinam Singh (2014)** attempted to identify the overview of customers on various life insurance companies of Uttar Pradesh. The authors revealed that insurance is the mainstay of any market economy which has a scope to pool large financial sources FPR longer periods of time. The study suggested that insurance companies should provide customized solutions for the customers in a customized manner by understanding the needs of customers.

**Singh (2014)**; conducted a survey in Delhi NCR region to find out service quality of life insurance companies and effect of demographic factors on consumer perception. They conducted the survey on 139 respondents and they found factors namely as responsiveness and assurance factor, convenience factor, tangible factor and empathy factors. They even found that only age of respondent has significant impact on choice of insurance product. Whereas various demographic factors such as gender, education, and annual income did not have significant impact on choice of insurance product

**Goel (2014)** undertook to test consumer behavior in the Rohtak district. For this purpose, thy interviewed 150 customers. The factors influencing purchaseof health insurance were found to be medical expenditure, tax gains, mandatory and other requirement. He identified also the barriers to subscription of health insurance to be lack of funds, intermediaries, accessibility and reliability. He also found that people preferred or wanted the public health insurersto guarantee their capital.

**Munuel (2013)** he conducted the study to understand the consumer perception about life insurance policies in Kottayam city. For this study the researcher used exploratory research design. This research was restricted to the consumer of Kottayam city. The sample which was taken was of 50 respondents belonging to various groups. The survey was conducted to find out the attributes which affect

decision making of consumer of life insurance policies which are return on investment, company reputation, premium outflow, services quality and product quality.

**Dash (2013)** with help of 7P's, made a study to examine the behavior from different stack holders' point of view customers, agents and executives of LIC and private insurers for marketing and servicing of insurance policies. For this he interviewed 405 life insurance policy holders and 207 life insurance executives. He came to the condition that when customers buy insurance policies, 'place' and 'people's behavior were significantly associated.

**Mahajan (2013)** conducted a study on customer decision making process in insurance services and found that there are five stages i.e need recognition, search of alternative, evaluation. Special considerations pertaining to insurance industry are perceived risk, risk and information. She even formulated certain stages to improve customer awareness about benefits of life insurance products like focusing on marketing techniques. Thus, she concluded that the consumers perception towards life insurance policies is positive. There is a positive mind sets developed for their investments pattern, in insurance policies. Still some actions need to be for developing insurance market.

**Dr Sunayna Khurana (2013)**, in her article, "Analysis of Service Quality Gap in Indian Life Insurance Industry" says that Life insurance companies in India offer similar kinds of plans and services, but they could provide differences in terms of service quality .In this context this research tried to find out the gap between Customer expectation & customer perception in the Life insurance industry by examining a Sample of 200 customers of 10 top performing Life insurance companies in Haryana state. The study found that there is highest gap in customer expectations and perceptions towards the competency dimension of service quality. That means customers are expecting high service quality and perceiving very less quality in case of services related to competency dimensions.

**Nagaraja Rao, K. (2010)**, in his article "Challenges in Designing Need Based Products in Life Insurance for Inclusive Growth in India", analyses the challenges faced by the insurers in designing need-based products in insurance for inclusive growth, and concludes that the policies of life insurance companies are still not rural-centric, catering to the specific needs of the people. With a view to popularizing life insurance, he recommends that the consumers need to study the rural market, analyses the specific needs of each segment and design innovative products, to suit the requests of the people to the objective of inclusive growth.

**Kaur and Negi (2010)**; conducted their study in Chandigarh and by using factor analysis they found customized and timely service, brand USP, considerate employee, price immunity as major factors affecting the satisfaction of customers. They even found that maximum life covered under insurance are of male than female and satisfaction level among public and private sector insurance companies is same.

## **SOME IMPORTANT MILESTONES IN LIFE INSURANCE INDUSTRY**

**1912:** The Indian Life Assurance Companies Act enacted as the first statute to regulate the life insurance business.

**1928:** The Indian Insurance Companies Act enacted to enable the government to collect statistical information about both life and non-life insurance businesses.

**1938:** Earlier legislation consolidated and amended to by the Insurance Act with the objective of protecting the interests of the insuring public.

**1956:** The market contained 154 Indian and 16 foreign life insurance companies.

Life insurance is one of the fastest growing sectors in India since 2000 as Government allowed Private players and FDI up to 26% and recently Cabinet approved a proposal to increase it to 49%. In 1955, mean risk per policy of Indian and foreign life insurers amounted respectively to 2,950 & 7,859 (worth 15 lakhs & 41 lakh in 2017 prices). Life Insurance in India was nationalized by incorporating Life Insurance Corporation (LIC) in 1956. All private life insurance companies at that time were taken over by LIC. In 1993, the Government of India appointed RN Malhotra Committee to lay down a road map for privatization of the life insurance sector.

While the committee submitted its report in 1994, it took another six years before the enabling legislation was passed in the year 2000, legislation amending the Insurance Act of 1938 and legislating the Insurance Regulatory and Development Authority Act of 2000. The same year, newly appointed insurance regulator - Insurance Regulatory and Development Authority (IRDA) started issuing licenses to private life insurers.

## **INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA**

The Insurance Regulatory and Development Authority of India (IRDAI) is an autonomous and statutory body which is responsible for managing and regulating insurance and re-insurance industry in India.

The **Insurance Regulatory and Development Authority of India** (IRDAI) is a regulatory body under the jurisdiction of Ministry of Finance, Government of India and is tasked with regulating and promoting the insurance and re-insurance industries in India. It was constituted by the Insurance Regulatory and Development Authority Act, 1999 an Act of Parliament passed by the Government of India

The IRDA opened up the market in August 2000 with an invitation for registration applications; foreign companies were allowed ownership up to 26 percent. The authority, with the power to frame regulations under Section 114A of the Insurance Act, 1938, has framed regulations ranging from company registrations to the protection of policyholder interests since 2000.

IRDA is a 10-member body- a chairman, five full-time members and four part-time members. It was constituted under an Act of Parliament in 1999 and the agency's headquarters is in Hyderabad.

## **ANALYSIS AND INTERPRETATION**

In this chapter the analysis and interpretation of the study on patient perception and satisfaction towards the service quality of the primary health care centers based on the information supplied by a sample of 110 respondents selected from Coimbatore city.

This chapter contains four different analyses namely:

- Simple percentage analysis
- Rank analysis
- Weighted average analysis
- Chi square analysis

## **SIMPLE PERCENTAGE ANALYSIS**

Simple percentage analysis is one of the basic statistical tools which is widely used in the analysis and interpretation of primary data. It deals with the number of respondents responding to a particular question in percentage arrived from the total population selected for the study.

The simple percentage can be calculated by using the formulae,

$$= \frac{\text{Actual respondents}}{\text{Total number of respondents}} \times 100$$

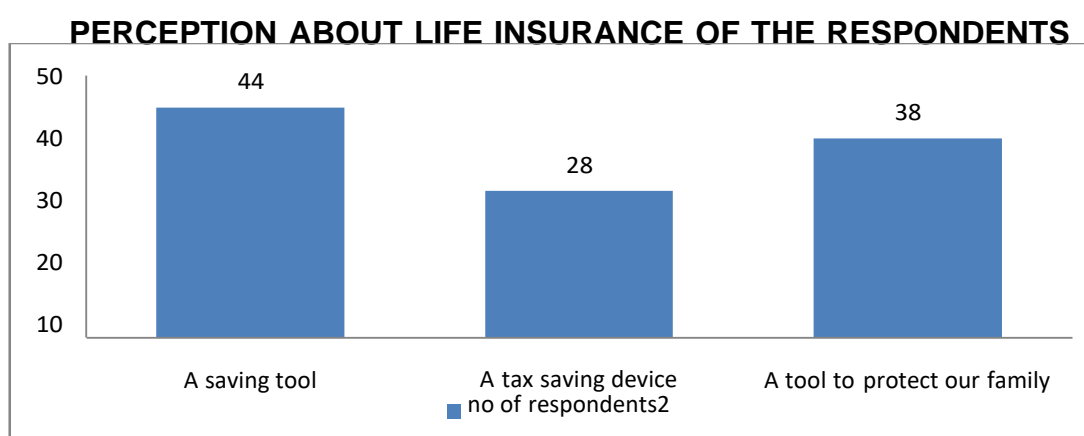
### PERCEPTION ABOUT LIFE INSURANCE OF THE RESPONDENTS

PERCEPTION ABOUT LIFE INSURANCE	NO. OF RESPONDENTS	PERCENTAGE
A SAVING TOOL	44	40
A TAX SAVING DEVICE	28	25.5
A TOOL TO PROTECT OUR FAMILY	38	34.5
<b>TOTAL</b>	<b>110</b>	<b>100</b>

Source: Primary data

### INTERPRETATION

In this table it reveals the perception about life insurance of respondents. 40% of the respondents' perception about life insurance is as a saving tool, 25.5% of the respondents perception about life insurance is as a tax saving device, and remaining 34.5% of the respondents perception about life insurance is as a tool to protect our family.



### WEIGHTED AVERAGE ANALYSIS

Weighted average is a calculation that takes into account the varying degrees of importance of the numbers in a data set. In calculating a weighted average, each number in the data set is multiplied by a predetermined weight before the final calculation is made.

A weighted average can be more accurate than a simple average in which all numbers in a data set are assigned an identical weight.

### FACTORS OF LIFE INSURANCE COMPANY

Levels	Highly satisfied	Satisfied	Dissatisfied	Highly dissatisfied	Total	Mean score
Factors	1(4)	2(3)	3(2)	4(1)	( $\sum wx$ )	$\frac{\sum wx}{\sum w}$
Moneyback guarantee	51 204	44 132	13 26	2 2	110 364	3.31
Easy access to agent	27 108	65 195	13 26	5 5	110 334	3.03
Low premium	31 124	48 144	29 58	2 2	110 328	2.98
Risk coverage	31 124	50 150	22 44	7 7	110 325	2.95

Source: Primary data

### INTERPRETATION

The above table justifies the satisfactory level of the respondents regarding the factors of the life insurance company. The highest mean score is 3.31 for the factor money back guarantee. The lowest mean score is 2.95 for the factor of risk coverage. And the mean score for the factor easy access to agent is 3.03 the mean score for the factor low premium is 2.98.

### RANK ANALYSIS

Under this method the respondents are asked to rank the choices. This method is easier and faster. In this study the respondents are asked to rank the various qualities of an agent and the respondents are used to rank as 1,2,3,4, and 5. It does not matter which way the items are ranked, item number one may be the largest or it may be the smallest.

The scores of each expectation of 110 respondents were totaled and the total score has been arrived. Final ranking has been based on the total score and their ranks are given in the following table.

### RANK THE QUALITIES OF AGENT

QUALITIES OF AGENT	RANK					TOTAL	RANK
	1(5)	2(4)	3(3)	4(2)	5(1)		
Knowledge of the policy	39	36	17	14	4	110	I
	195	144	51	28	4	422	
Investment advice	15	36	34	18	7	110	III
	75	144	102	36	7	364	
Convincing approach	13	37	32	21	7	110	IV
	65	148	96	42	7	358	
Handling of documents	17	29	31	18	15	110	V
	85	116	93	36	15	345	
Safety	26	25	30	19	10	110	II
	130	100	90	38	10	368	

Source: Primary data

### INTERPRETATION

The above table shows the various qualities of an agent that are ranked based on the return by the respondents.

Knowledge of the policy is ranked I by the respondents. Safety is ranked II. Investment advice is ranked III. Convincing approach is ranked IV. Handling of documents is ranked V respectively.

### CHI-SQUARE ANALYSIS

A statistical test used to determine the probability of obtaining the observed by chance, under a specific hypothesis. It is used to test if the standard deviation of a population is equal to the specific value. Chi-square is a statistical significance test based on frequency of occurrence, it is applicable both qualitative and quantitative variables. Among its many uses, the most common are test of hypothesized probabilities or probability distribution, statistical dependence or independence and common population. A chi-square test is any statistical hypothesis test in which the test statistical chi-square distribution if the null hypothesis is true.



## **HYPOTHESIS**

There is no significant between age and respondents preference of Life Insurance Company.

### **CHI SQUARE TEST**

<b>FACTOR</b>	<b>CALCULATED VALUE</b>	<b>D.F</b>	<b>TABLE VALUE</b>	<b>REMARKS</b>
Age	21.982 <sup>a</sup>	15	25.00	Accepted

## **INTERPRETATION**

It is clear from the above table show that, the calculated value of chi-square 0.05% level is greater than the table value. Hence the hypothesis is accepted. So, there is a relationship between age and respondents preference of Life Insurance Company.

## **FINDINGS, SUGGESTION AND CONCLUSION**

**Majority 34.5% of respondents about the perception of life insurance is as a tool to protect our family.**

- Majority of the mean score level 3.31 belongs to the factor money back guarantee of life insurance company.
- It is observed from the ranking table that the knowledge of policy is ranked first, safety is ranked second, investment advice is ranked third, convincing approach is ranked fourth, and handling of documents is ranked fifth.
- From the chi – square test it is observed that there is a relationship between age and respondents preference of Life Insurance Company.

## **SUGGESTIONS**

- As the awareness of insurance is less among the people, its awareness should be created among the people by conducting stage shows and explaining its need and importance.
- Insurance companies should devise policies which provide effective risk coverage rather than focusing on the tax benefits and also encourage them for long term investment in insurance.
- It is also recommended to concentrate on lower income group people.
- Customer relation should be maintained by inviting the existing

customers to the seminars conducted when launching a new product or any changes are made to the products or rules to retain them.

## **CONCLUSION**

This study is made to analyze the customer buying behavior in Life Insurance Company. It provided up with some interesting trends which can be seen in the above analysis. Majority of the respondents are willing to invest in government owned insurance company (LIC). So, private insurance company must focus on the promotional activities to improve their company's name among the customer. Customers are expecting more innovative policies with high return and more policy benefits. Life Insurance Company should provide digitalized services to the customers as the customers are expecting the same. The customers are satisfied with the policies of the life insurance company. Still some customer view about the life insurance policy is only as a saving tool the life insurance company has to make people believe that life insurance is tool to protect their family in future need. Customer trust agent for buying and further process of life insurance like payment of premium, clarifying their doubts etc., so the relationship among public with regards to policy and agents still requires to be improved.