CHAPTER – 5
FINDINGS, SUGGESTIONS
AND
CONCLUSION
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FINIDINGS
The findings that can be drawn from the survey conducted by us can be summarized in the way Bank Deposits are the most preferred investment alternative which is available to people followed by alternatives such as Insurance, Real Estate, Gold and Silver, Mutual etc. The scheme mostly preferred by insurance holders was life protection schemes like death benefits followed by money growth plans like wealth creation and high return plans. It was found that nearly 50% of the respondents usually save less than 15% and the kind of investment mostly preferred by the respondents were both long and short term. According to the survey safety is the most important criterion which is expected among all the respondents towards their investment alternatives followed by Return, Brand Name, Tax Benefits, Liquidity and Capital Growth. According to the study company image is to be the highly important criteria, which we consider before taking up a life insurance this is mainly because people expect safety and security for their money which they invest, followed by the factor Premium which we pay to the insurer and then Bonus and Interest paid by the company, services etc.

It is clear that the majority i.e. more than half of investor’s investing in insurance are the young people in the age group of 20-40. It can be said that males dominate in having life insurance policies. The majority of people having life insurance are employed. The most preferred plan among the investor’s is unit linked plans because of its high returns. Almost 80% of the policies sold have the periodicity of 5-25 years. It is very much clear that the awareness level of the customers of LIC is much higher. A greater number of customers of LIC are either fully or partially satisfied but there is not much significant difference across sectors in terms of service quality satisfaction level. Employees or agents of LIC are easily accessible and customers were happy with the ethics, knowledge provided by them and helpful gestures they offer them as when required. Most of the respondents of LIC feel that formalities for opening a policy are not complex and do not take much time to start with and Two fifth of the customers of LIC are fully satisfied with its grievance redress mechanism. It is a opportunity for LIC that more than four fifth of the customers of LIC feel that there is no delay in claim settlement also a large number of customers of LIC feel that their agent provides them with the correct and relevant information
and it is evident that individual risk coverage is the most preferred criteria among the investors sectors. Hence the rationale behind investment is more or less same. Last it was clearly a mandate given to LIC that 88% of the respondents have got positive perception towards LIC and if they again go for the new policy, they will stuck to LIC of India only as after investing with them they feel that their money is safe, secure and they don’t have to run here and there for the claim settlements.

LIC is the giant of the insurance sector. The overall size of LIC is much more than that of all private insurance companies. Private insurers are in expansion mode and are increasing their size but are still much behind LIC. Total premium deposits in LIC is much higher than the private insurance companies. Total premium of LIC in FY 11-12 was 209789 crores which three times more than that of private insurance companies. Income of LIC is much greater than private insurance companies. Last year total income from investments of LIC was 48244.14 crores which was nearly equal to the total income of the all private insurance companies. By this we can imagine how big the LIC is. If we see the total number of policies issued by LIC and private insurance companies, we find that there is a huge gap between them. No doubt that LIC is a well established player in the field of insurance and many private companies have just started their business. Hence it is obvious that LIC is having large number of policyholders. Number of branches of private insurance companies is increasing as the new players are entering in this market. Also the established players are in expansion phase and hence are expanding their business. There are many private insurance companies and hence there total number of branches has gone past LIC in the last financial year. But offices of private insurance companies are mostly in urban areas and still it is LIC which covers most of the area. Hence we see that LIC is leading when it comes to size. It is giant in insurance sector having huge network and customer base.

We see that due to excellent service quality and attractive offers private insurance companies have started getting a number of customers. They are growing rapidly. Though LIC is also increasing its customer base but private insurance companies are moving at a fast pace. Though the income of private insurance companies is negligible when compared with LIC but then also the pace with which they are increasing their income is tremendous. LIC is certainly having a large customer base. Market share for LIC in the last financial year has increased 6% from financial year 2010-2011, at that time it was 72% and now it is 78%.
LIC is much ahead of private insurance companies in this field. They are undoubted champions in insurance when it comes to profit earning. New business is increasingly going towards private insurance companies but still the customer base of LIC is very strong. In issuing new policies per branch also, they are ahead of private insurance companies though not by very large margin. Customer base of LIC is very strong and still business per branch, profit per branch or premium per branch, they are leading much ahead of private insurance companies.

The findings that can be drawn from the survey conducted by us can be summarized in the way Bank Deposits are the most preferred investment alternative which is available to people followed by alternatives such as Insurance, Real Estate, Gold and Silver, Mutual etc. The scheme mostly preferred by insurance holders was life protection schemes like death benefits followed by money growth plans like wealth creation and high return plans. It was found that nearly 50% of the respondents usually save less than 15% and the kind of investment mostly preferred by the respondents were both long and short term. According to the survey safety is the most important criterion which is excepted among all the respondents towards their investment alternatives followed by Return, Brand Name, Tax Benefits, Liquidity and Capital Growth. According to the study company image is to be the highly important criteria, which we consider before taking up a life insurance this is mainly because people expect safety and security for their money which they invest, followed by the factor Premium which we pay to the insurer and then Bonus and Interest paid by the company, services etc.
SUGGESTIONS

1. To increase the level of insurance penetration LIC may focus on bringing products that suit to the rural customers.

2. The company if possible should invest in advertising, conduct road shows, and spend money on hoardings, so that it can better propagate awareness about its various lesser known products.

3. LIC should also tie up with several other banks apart from the existing ones to sell its products i.e. through banc assurance

4. The company has the option of tying up with local NGO’s for selling its rural insurance products.

5. Customer friendly documentation i.e. it should be made easier and faster.

6. LIC should keep a check that its agents equally promote all its products.

7. LIC may provide additional funds to its development officers and agents.

8. All the hidden charges should clearly be stated in the form and explained by the agent and LIC should provide better training to its agents.

9. Claim settlement process should be made fast and must not involve lengthy decision making process.

10. Some special focus should be laid on individual risk coverage while designing the products.

11. People becoming more aware and demanding so there is scope for a whole lot of innovative products.

12. To sell insurance products through electronic Medias.

13. The lack of comprehensive social security system combined with a willingness to save means that Indian people demand for pension products will be large. Thus, it has become an opportunity for the life insurance industry.

14. Easy accesses to development in the more advance market provide further opportunity to upgrade their working. Technological, financial or specific area based avenues of absorbing improved system are also now more easily available. So, that insurance companies working efficiently and fast service.
CONCLUSIONS

Insurance is a tool by which fatalities 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. Company image is the highly important criteria that consumers consider before taking up a life insurance. This is mainly because people expect safety and secure for their money which they invest, followed by the factor Premium which we pay to the insurer and then Bonus and Interest paid by the company, services etc

LIC dominates the Indian insurance industry. In today’s competitive world, customer satisfaction has become an important aspect to retain the customers, not only to grow but also to serve. Increased competition, wide range of product offerings and multiple distribution channels cause companies to value satisfied and highly profitable customers. Customer service is the critical success factor in a company and providing top notch customer service differentiates great customer service from indifferent customer service.

The entry of private sector insurance companies into the Indian insurance sector triggered off a series of changes in the industry. Even with the stiff competition in the market place, it is evident from the study that products offered by the LIC are creative, innovative and of the liking of the customers, moreover they are satisfied by the true knowledge provided by the company or agents and they are easily accessible, Flexible payment schemes with no hidden cost, there is no undue delay in claims settlement, customers are highly satisfied by the grievance redressal mechanism, and in the near future if they will go for the policy they will stick to LIC of India, which shows the great faith and positive perception of the customers towards LIC of India.