CHAPTER – V

FINDINGS, SUGGESTIONS AND CONCLUSION
CHAPTER – V

5.1 FINDINGS

After a detailed investigation on customers’ attitude towards the services of Life Insurance Corporation of India at Nagapattinam district, the following major findings were arrived at.

Demographic profile of the respondents

5.1.1 Gender

It was found that 60 per cent of the respondents belong to the gender category of male and 40 per cent of the respondents belong to female. In most of the families the male respondents are the bread winners. In this situation the risk is high for the male from the environment than the female who are mostly at home. Nowadays, equally to the male, female also take responsibility in the development of the family. For protecting themselves and the members of their family as well, it becomes necessary to purchase life insurance policies.

5.1.2 Age

Policy holders in the age group of 21-30 years mostly prefer to purchase life insurance policies either because they are newly married or they are in the lucrative jobs of IT sector. Similarly the respondents in the age group of 41-50 years have been inclined to purchase life insurance policies for meeting their personal commitments such as education and marriage of children, caring of aged parents and planning for retirement. The respondents of above 51 years have entirely different ideas such as getting monthly pensions and wealth accumulation for next generation.
5.1.3 Education

It was found that 36 per cent of the respondents were post graduates, 24 per cent of them have completed their higher secondary schooling and 21 per cent were graduates. It is interesting to note that both the highly educated and less educated have purchased LIC policies. A considerable percentage of less educated people are becoming aware at present about the policies and its benefits.

5.1.4 Occupation

It was found that 32 per cent of the respondents were in business, 26 per cent were employed in private establishments and 22 per cent are employed in government services. 14 per cent of the respondents were home makers, masons, carpenters, plumbers, electricians and students. Five per cent of the respondents were agriculturist and an insignificant per cent of the respondents were pensioners. Life insurance policies are purchased by the respondents with several objectives. Business people who are high risk takers, investing huge capital prefer to take policy. The main objective of salaried people including government service is to get tax exemption.

5.1.5 Income

It was found that majority of the respondents that is 39 percent were in the income category of earning 10,001-20,000 rupees, 26 per cent of the respondents are earning less than 10,000 rupees and 13 per cent of the respondents are earning monthly income of more than 30,000 rupees. It was found that monthly income is not deterrent for purchasing life insurance policies.
5.1.6 Marital Status

It was found that 73 per cent of the respondents were married and the remaining 27 percent of them were unmarried. It is an accepted truth that marriage brings in lot of responsibilities to the people. Purchasing life insurance policy becomes one of the methods of fulfilling their obligations.

5.1.7 Years of possession of policy

It was found that majority, 48 per cent of the respondents had possessed the life insurance policy for more than ten years, 39 per cent possessed policy for 11 to 20 years and 10 per cent of them possessed the policy for 21 to 30 years. It can be inferred that the respondents have gained enough awareness in the recent decades; especially after the major hit of Tsunami in December 2004 had influenced most of the respondents to get life insurance policies. Also, the entry of private players after 2000 and their aggressive marketing strategy made people to purchase insurance policies.

5.1.8 Types of policy possessed

It was found that 36 per cent of the respondents possesses endowment policy and 35 per cent of the respondents possesses money back policy and 11 per cent of the respondents’ possesses other types of policy such as whole life policy, term policy, children policy, health policy, pension policy and ULIP, etc. This shows that the respondents protect themselves by taking appropriate policies. As well as, savings is the most influencing factor for choosing the endowment as well as the money back policies. Because both the policies are designed to give back the money at the end or part by part in the duration of the policies.
Findings of opinion survey of customers:

5.2 Availability of information regarding the policy

5.2.1 Information provided by LIC is sufficient

The study reveals that 82 percent of the respondents were satisfied with the information provided by the LIC whenever new schemes are introduced.

5.2.2 Purchased the policy after an in-depth analysis of information

It was evident that 72 per cent of the respondents expressed their opinion as agreed that they had purchased their policy after a deep analysis. It shows that the customers' discuss with the agents, financial advisers, experts, existing users and friends before deciding to purchase the policy. Recently LIC has started many customer service points to help the potential customers. Seven percentage of the respondents felt that since the policy has been taken for getting the tax benefits and savings, they did not think much of other areas.

5.2.3 Information in the policy conveys all the benefits like loan, accident, death etc.,

It was found that 82 per cent of the respondents expressed their opinion as agree that the policy they possessed conveys all the benefits like loan facilities, accidental and death benefits. Majority of the policy holders have chosen the policy which brings all the benefits according to their requirements.
It shows that the respondents try to receive maximum information from the policy before choosing it. Only 12 per cent of the respondents are dissatisfied as they get a non-detailed explanation about the policy from the agent. The poor interest shown due to lack of education is also a reason.

5.2.4 Formalities to get policy are clearly explained by the company as well as agents

It is found that 65 per cent of the respondents expressed their opinion as agreed that there are no rigid formalities followed by the company to get the life insurance policy. It shows that the LIC tries to take utmost effort to make reach the policy among people. 13 per cent of the respondents articulated their opinion as disagreed to the statement. They expressed that the formalities to get policy are not clearly explained by agents.

5.3 Risk coverage and safety

5.3.1 Feel relaxed after having taken the policy

It was found that 73 per cent of the respondents expressed their opinion as agreed that they feel relaxed after taking the policy. Hence, it is inferred that majority of the respondents felt relaxed that their future commitments will be settled even in their absence. 11 per cent of the respondents expressed their opinion as disagreed to the statement. Customers with an unsuitable policy may felt worse. Over due of loan amount and irregular service of agents frustrated the respondents.
5.3.2 Satisfied with the duration of the risk coverage

It was found that 69 per cent of the respondents were satisfied with the duration of risk coverage. It shows that most of the policy holders have selected the policy with clear knowledge about how long they need protection from the policy. 14 per cent of the respondents felt dissatisfied as they have chosen the policy suggested by the agents without considering the duration of the risk to be covered.

5.3.3 Possibility to change the duration of the scheme

It was found that 50 per cent of the respondents expressed their opinion as agreed that altering the duration of the scheme is possible. It is found that there is a possibility of altering the duration of policy in LIC. 31 per cent of the respondents answered that changing of duration is not possible because they are unaware of the norms of LIC. It is the duty of the agents to convey these messages to the policy holder.

5.3.4 Human life value is recognized

It was found that 81 per cent of the respondents expressed their opinion as human value is recognized. It is evident that even in the absence of the policy holders, the responsibilities are being fulfilled by insurance companies with regard to claim settlements. Ten per cent of the respondents disagreed with the statement. They feel that it is the responsibility of the life insurance company to repay the amount to the policy holders against the premium received. They expressed that money alone cannot be a right alternative for the value of human being.
5.3.5 Policy will give protection to my family members

It was found that 77 per cent of the respondents expressed their opinion as agreed that the gives protection to their family. Life insurance will ease the transition of losing a breadwinner of the family. Ten per cent of the respondents expressed their opinion as disagreed with the statement. They expressed that the company have many norms and procedures to deliver the claim amount to the family members in case of unpredictable occurrence happen to the policy holders.

5.4 Insurance Agents

5.4.1 Agents explained more number of policies which suits for me

It was found that 78 per cent of the respondents expressed their opinion as agreed that agents explained more number of policies which really suits them. It shows the effort taken by the agents to provide the details of all the policies to attract the clients. 11 per cent of the respondents were dissatisfied with the role of agents who work merely for the sake of commission.

5.4.2 Agents are punctual in receiving the premium and paying it

It was found that 71 per cent expressed their opinion as agreed and appreciate the agents' punctuality in collecting the premium and paying it. It shows that the proper encouragement of the company by providing commission and also self motivation and service motivation of the agents made this possible. But 20 per cent of the respondents expressed their opinion as disagreed to the statement. They complained that only at the time of buying the policy they assisted the customers. Later they did not turn out as for most of the agents, it is only a part time job and they do not involve themselves much in the business.
5.4.3 Agents help me while receiving the maturity amount

It was found that 79 per cent of the respondents opinioned that the agents will help them while receiving the maturity amount. It reveals the faith placed on the part of agents has given confidence among the respondents. It is because of the regular contacts they have properly with the customers. 11 per cent of the respondents expressed their opinion as disagreed with the statement. Irregularity and the lack of punctuality among the agents make them to earn a poor reputation from the policy holders.

5.4.4 Agents regularly shares about the new arrival of policies

It was found that 66 per cent of the respondents were of the opinion that agents regularly share about the new schemes of policy. It shows that when the agents update the new arrivals of the policy, he can recommend the policy to the existing customer as well as the potential customer according to their needs. 19 per cent of the respondents are dissatisfied with the role of agents in this respect as they were unaware of new arrivals or not having a friendly relationship with the customers.

5.5 Insurance Premium

5.5.1 Premium amount charged by the company is moderate

It was found that 73 per cent of the respondents were of the opinion that premium amount charged by the company is moderate. It shows that the LIC is charging nominal premium. Fixation of premium amount depends on the age and health conditions of the respondents. Eight per cent of the respondents disagreed to the statement because of their poor income and paying even a less amount is a burden to them.
5.5.2 Premium amount is paid on or before the prescribed date

It was found that 78 per cent shared their opinion as agreed that they paid the premium amount on or before the due date. For keeping the policy active and to avoid lapses they pay the premium on or before the prescribed date. Five per cent of the policy holders were improper in paying the amount due to their busy work schedule and other unavoidable financial commitments.

5.5.3 Monthly mode of paying premium is quite easy

It was found that 77 per cent expressed their opinion as agreed that paying monthly premium to their policy is quite easy. They justified that the policy holders who have chosen the premium payment through SSS scheme is easier to remit. 12 per cent of the respondents expressed their opinion as disagreed with the statement. Agriculturist, businessman and people who work for daily wages do not prefer monthly mode of paying premium.

5.6 Loan facilities provided by LIC of India

5.6.1 Getting Housing Loan from LIC is easy

It was found that 44 per cent of the respondents expressed their opinion as agreed that getting housing loan from LIC is easy, as policy is the biggest asset as a pledging document compared to other assets. But 30 per cent of the respondents expressed their opinion as disagreed to the statement. It reveals that a person possessing a policy from LIC with collateral security and a regular government income may get the home loan easily. If the above said conditions are not fulfilled, then it is difficult to get housing loan from LIC of India.
5.6.2 Getting Personal Loan from LIC is easy

It was found that 51 per cent expressed their opinion as agreed that getting personal loan from LIC is easy as the loan amount is provided from the premium amount paid by the policyholders. 27 per cent of the respondents expressed their opinion as disagreed with the statement. Only 15 percentage of the premium amount paid was given as personal loan to the respondents. Also they charge high rate of interest on the borrowings than commercial banks.

5.6.3 No ambiguous terms and conditions while applying loan

It was found that 56 per cent of the respondents expressed their opinion as agreed that there are no ambiguous terms and conditions exist for applying loan. LIC provide loan only for the policy holders not for general public. 20 per cent of the respondents expressed their opinion as disagreed to the statement. It was reported that for sanctioning loan the company seek to furnish other sources of income, repaying capacity an assurance from the surety.

5.6.4 No hidden charges while sanctioning the loan

It was found that 57 per cent of the respondents expressed their opinion as agreed that there were no hidden charges while receiving the loan amount. Normally, the company levy processing charges for sanctioning the loan. 22 per cent of the respondents felt hidden charges are made on the loan amount.
5.6.5 Interest rate charged by LIC of India is similar to those in the bank

It was found that 57 per cent of the respondents expressed their opinion as agreed that interest rate fixed by LIC is similar to those in banks. It was found that there was no much deviation from the interest rate charged by banks and the LIC. 25 per cent of the respondents expressed their dissatisfaction and remarked that, for the security purpose LIC charges highest rate of interest.

5.6.6 Repayment system of loan due is not difficult

It was found that 64 per cent of the respondents expressed their opinion as agreed that loan repayment system of loan due in LIC is not difficult. It was known that the LIC provides a repayment voucher for 12 months at the beginning of the year and they could pay in the home town itself. 12 per cent expressed their opinion that loan repayment system in LIC is not that much easy. They remarked that many times they could not get vouchers on time also they charge huge as penalty even for one day delay.

5.6.7 Intimation of periodical market changes to the customers

It was found that 51 per cent of the respondents expressed their opinion as agreed that LIC is intimating periodically about the market changes regarding the percentage of interest. The market changes and variations in the interest rates are intimated to the policy holders periodically to know the market trends. But 26 per cent of the respondents expressed their opinion as disagreed to the statement as they were not informed it may be due to improper address and postal delay.
5.6.8 Receiving the pledged documents from LIC of India is not difficult

It was found that 61 per cent of the respondents expressed their opinion as agreed that receiving the pledged documents from the company after full settlement is not difficult. They have the good faith on LIC that they will receive their pledged documents without any problem. But 15 per cent of the respondents expressed their opinion as disagreed with this statement. All the documents related to the loan are sent from different branches to the head office. So the respondents find it difficult in getting back the document pledged for loan.

5.7 Lapsed and Revival of policies

5.7.1 LIC reminds the customers when the policy is lapsed

It was found that 79 per cent of the respondents expressed their opinion as agreed that the LIC reminds when the policy gets lapsed. An intimation letter is sent by the company when the premium is not paid by the policyholders. Eight per cent of the respondents expressed their opinion as disagreed that there is no proper intimation to the customers until the policy gets lapsed. They felt that when the premium is not paid by them, the LIC should remind them through its agents.

5.7.2 Revival of policy is not very difficult

It was found that 65 per cent of the respondents expressed their opinion as agreed that revival of policy is not very difficult and were satisfied with the services of LIC regarding the revival of lapsed policy. But 13 per cent of the respondents expressed their opinion as disagreed with the statement they remarked that the employees are not responding properly.
5.7.3 Taking minimum time period to revive the policy

It was found that 64 per cent of the respondents expressed their opinion as agreed that company is taking minimum time period to revive the policy. 11 per cent of the respondents expressed their dissatisfaction and reported that they have to wait for at least a month to revive their lapsed policy.

5.7.4 There are no charges of heavy penalty to revive the lapsed policy

It was found that 62 per cent of the respondents expressed their opinion as agreed that company is not charging heavy interest to revive the policy. Most of the policyholders use the grace period provided by LIC for a period of 15 to 30 days for the payment of the premium. Those who cannot pay the premium during the grace period have to pay a penalty for revival of policy. But 17 per cent of the respondents were dissatisfied stating that the company is charging heavy penalty to revive the lapsed policy.

5.8 Claim Settlements

5.8.1 No problem in receiving the amount on maturity

It was found that 85 per cent of the respondents expressed their opinion as agreed that there is no problem in receiving the amount after maturity. It shows that found that the customers have trust on LIC of India from their own experience and experience of others. As said by LIC of India in Nagapattinam district, 97% of the claims have been settled to the policy holders. Four per cent of the respondents expressed their opinion as disagreed with the statement.
5.8.2 No problem for the nominee to receive the claim amount in case of any unforeseen events happened to the policy holders

It was found that 73 per cent of the respondents expressed their opinion as agreed that in case of any unforeseen events happened to the policy holder, there is no problem for the nominee in receiving the amount. LIC has a strong profile in providing sum assured and death claims to the customers. Nine per cent of the respondents expressed their opinion as disagreed with the statement. It is a problem for the customers who have failed to pay the premium continuously, unable to give evidence for sudden demise or accident happened to the policyholder.

5.8.3 No delay in the settlement of sum assured

It was found that 77 per cent of the respondents expressed their opinion as agreed that there is no delay in the settlement of sum assured. It shows that the LIC has earned high reputation among the customers for a long period of time only because of the proper settlement of sum assured. Nine per cent of the respondents expressed their opinion as disagreed with the statement. It was observed that this may be due to pending recovery of loan amount or failure to give the nominee name.

5.8.4 Possibility of receiving high bonus amount at maturity

It was found that 78 per cent of the respondents expressed their opinion as that they receive high bonus at the time of maturity of the policy. But the bonus amount will be given by the company based on the profit earned from the investments in various sector.
Six per cent of the respondents expressed their opinion as disagreed with the statement. They highlighted that the bonus what the policy holders receive at the time of settlement is less than the interest what a customer gets from a bank for the deposits.

5.8.5 Enough knowledge about my bonus declaration

It was found that 67 per cent of the respondents expressed their opinion as agreed that they have enough knowledge about the bonus declaration by LIC. It depicts that the customers have awareness about bonus declaration at the time of taking policies itself. But 16 per cent of the respondents expressed their opinion as disagreed with the statement. The agents are misguiding the customers by giving wrong figures at the time of selling the policy.

5.9 Customer general attitude about LIC

5.9.1 Feel proud to be a policy holder of LIC of India

It was found that 80 per cent of the respondents expressed their opinion as agreed that they feel proud of being a policy holder of LIC. It shows that the customers feel proud to be a member of the largest public sector insurance company. They highlighted that this is a government organization which gives more security to their amount. Four per cent of the respondents expressed their opinion as disagreed with the statement.
5.9.2 Every policy is designed according to the needs of the customers

It was found that 73 per cent of the respondents expressed their opinion as agreed that each and every policy has been designed according to the needs of the customers. They keep the customers expectations such as type, duration, risk coverage, premium payment and sum assured in their mind while designing the policy. Six per cent of the respondents expressed their opinion as disagreed with the statement.

5.9.3 Apply another policy after completion of current policies

It was found that 64 per cent of the respondents expressed their opinion as agreed that they are prepared to purchase another policy after the completion of existing policy. It shows that recent innovative methods of designing the policy and the remarkable services followed by LIC made the policy holders to have satisfaction. 15 per cent of the respondents were indifferent to the statement as they were dissatisfied with the poor service of agents.

5.9.4 Recommend others to buy this policy in future

It was found that 74 per cent of the respondents expressed their opinion as agreed that they will recommend others to take LIC policy in future. Customers who have enjoyed enormous benefits and advantages from LIC made them to encourage others to purchase policies. Ten per cent of the respondents expressed their opinion as disagreed with the statement. Dissatisfied customer will not recommend the policy to others.
5.9.5 Employees give proper response to the enquiries

It was found that 67 per cent of the respondents expressed their opinion as agreed that the LIC employees provide proper response to the enquiries. 15 per cent of the respondents are dissatisfied as they could not get appropriate response from employees for their queries.

5.9.6 Company has solved the customer grievances immediately

It was found that 75 per cent of the respondents expressed their opinion as agreed that the company is solving the customer's grievances immediately. There is a separate customer grievance cell functioning headed by the higher officials in every branch of LIC of India. Eight per cent of the respondents expressed their opinion as disagreed with the statement. They reported that immediate steps were not taken against complaints.

5.9.7 Advertisements regarding company as well as policies are attractive

It was found that 62 per cent of the respondents expressed their opinion as agreed that advertisements regarding company as well as policies were attractive. They expressed that through the advertisement, they are able to get information regarding the policy. 14 per cent of the respondents were not satisfied with the advertisement. They felt that the advertisements should be more innovative and reachable to all categories of people.
5.10 Modern Technology

5.10.1 Computerization in LIC premise helps the customers to pay the premium at any branch

It was found that 80 per cent of the respondents expressed their opinion as agreed that the computerization of LIC helps to pay the premium at any branch. The technology supports the customers to save their valuable time. Seven per cent of the respondents felt that computer is only a machine and the details may get erased. Sometimes, the work may get delayed due to electricity drop out.

5.10.2 Paying premium through online is useful

It was found that 68 per cent of the respondents expressed their opinion as agreed that paying premium through online is useful as the respondents are busy with their regular work schedule and they cannot stand in the LIC office queues to pay the premium. 12 per cent of the respondents expressed their opinion as disagreed with the statement as computer literate and customers having online banking facilities only can use this mode of payment.

5.10.3 Information regarding premium and policy through internet helps me lot

It was found that 62 per cent of the respondents expressed their opinion as agreed that gathering information regarding premium paid and policy details through internet helps a lot. 10 per cent of the respondents expressed their opinion as disagreed with the statement. They felt that getting information through internet is useful only to those who are familiar in using computer.
5.11 Physical facilities

Most of the respondents highlighted that the physical facilities such as placement of sign boards, interior decoration, ventilation and lighting are highly satisfactory in all the branches. Few respondents expressed that these facilities need further improvement. According to them the spacious office, seating arrangements and drinking water facility must be improved further.

5.12 Overall satisfaction of LIC of India

It was found that 79 per cent of the respondents expressed their opinion as satisfied and 10 per cent as highly satisfied with LIC of India. Being a public sector enterprise, LIC of India has earned good reputation among the public for more than 54 years. Almost majority of the customers are satisfied with the overall services. 20 percent are moderate and one per cent of the respondents are dissatisfied with the overall satisfaction of LIC of India.

Testing of hypotheses was done by using chi-square test. For the hypothesis one, ‘there is a significant relationship between personal profiles and overall customers attitude towards the services of LIC of India’, the statistical test reveals the following findings:

- It is inferred that there is a significant relationship between the age of the respondents and overall customer attitude towards the services of LIC of India. Age plays a vital role in determining the customers’ attitude towards the services of LIC of India.

- It is found that there is a significant relationship between the gender of the respondents and overall customer attitude towards the services of LIC of India.
• It is clear that there is a significant relationship between educational qualification of the respondents and overall customer attitude towards the services of LIC of India. Educational qualification plays a vital role in forming attitude towards the services of LIC.

• It is found that there is a significant relationship between occupational status of the respondents and overall customer attitude towards the services of LIC.

• It is inferred that there is a significant relationship between the income of the respondents and overall customer attitude towards the services of LIC of India.

• It is clear that there is a significant relationship between the marital status of the respondent and overall customer attitude towards the services of LIC of India.

Testing of hypotheses was done using ANOVA test. For the hypothesis one, ‘there is no significant difference between educational qualification, occupation and income with the overall customer attitude towards the services of LIC of India’, the statistical test reveals the following findings:

It is found that there is significant difference between educational qualification, occupation and income with overall customers’ attitude towards the services of LIC of India.

Testing of hypotheses was done by using Factor Analysis. For hypothesis two, there is significant relationship among the factors influencing customers’ attitude towards the services of LIC of India. From the test result, the following findings were arrived at:
The factors that influence the customer's attitude towards the services offered by Life Insurance Corporation of India in Nagapattinam District comprises of 42 individual statements. Out of the 42 statements, 14 factors influence the customers more. These factors were risk coverage and safety, claim settlement, premium amount charged by the company, recognition of human value, formalities to get the policy, adequacy of information regarding the policy, insurance agents, intimation by the agent regarding the market changes, computerized billing and premium paying through online, Possibility to change the duration of the policy, easy revival of lapsed policy, loan facility, loan dues repayment system and getting back the pledged document after loan repayment.

Testing of hypotheses was done by using Multiple Regressions. For the hypothesis three, there is a significant relationship between claim settlements with other factors and overall customers' attitude towards the services of LIC of India. From the test result, the following findings were arrived at:

There is relationship between independent and dependent variables. The independent variables are 1) Feel very relaxed after taken the policy 2) Satisfied with duration of risk coverage 3) Possibility to change the duration of the scheme 4) Human value is recognized 5) Policy will give protection to my family members 6) Getting house loan from LIC is easy 7) No ambiguous terms & conditions while applying loan 8) No hidden charges 9) Repayment system of loan due is easy 10) Intimation of periodical market changes to the customers 11) Receiving the pledged documents is not difficult 12) No problem in case of any unforeseen events happened to the policy holders, the nominee receives the claim amount.
13) No delay in settlement of claims 14) Possibility of receiving high bonus amount at maturity and 15) Enough knowledge about bonus declaration.

Dependent variable is ‘Overall customers’ satisfaction towards the services of LIC’. Further, the statement ‘loan repayment system in LIC is easy’ has the highest beta value followed by ‘No problem in case of any unforeseen events happened to the policy holders, the nominee receives the claim amount’ from LIC without any delay are rated as the most influencing factors for their satisfaction towards LIC of India by majority of the respondents.

**Testing of hypotheses was done by using Correlations. For the hypothesis four, there is a significant association between loan facilities provided and customers’ satisfaction is being tested. From the test result, the following findings are arrived at:**

The correlation between the variables such as ‘No ambiguous terms and conditions during applying loan’ and ‘getting house loan from LIC is easy’ was 0.466 positively correlated and highly significant (.000), correlation between ‘No hidden charges while sanctioning the loan amount’ and ‘getting house loan from LIC is easy’ was 0.298 is positively correlated and highly significant (0.000), correlation between ‘No hidden charges while sanctioning the loan amount’ and ‘No ambiguous terms and conditions during applying loan’ was 0.383 which is positively correlated and highly significant (0.000), correlation between the variables ‘interest rate charged by LIC is similar to those in the bank’ and ‘getting house loan from LIC is easy’ was 0.372 positively correlated and highly significant (.000), the correlation between ‘interest rate charged by LIC is similar to those in the bank’ and ‘No ambiguous terms and conditions during applying loan’ was 0.348 positively correlated and highly significant (.000).
The correlation between the variables 'interest rate charged by LIC is similar to those in the bank' and 'No hidden charges while sanctioning the loan amount' was 0.469 positively correlated and highly significant (.000).

The correlation between the variables 'repayment system of loan due is easy' and 'getting house loan from LIC is easy' was 0.307 positively correlated and highly significant (.000), correlation between 'repayment system of loan due is easy' and 'No ambiguous terms and conditions during applying loan' was 0.359 is positively correlated and highly significant (.000), correlation between the variables 'repayment system is easy' and 'No hidden charges while sanctioning the loan amount' was 0.406 positively correlated and highly significant (.000) and correlation between 'repayment system of loan due is easy' and 'interest rate charged by LIC is similar to those in the bank' was 0.543 highly correlated and highly significant (.000).

The correlation between the variables 'intimating periodically about the market changes' and 'getting house loan from LIC is easy' was 0.337 positively correlated and highly significant (.000), the correlation between 'intimating periodically about the market changes' and 'No ambiguous terms and conditions while applying loan' was 0.192 was positively correlated and highly significant, correlation the variables 'intimating periodically about the market changes' and 'No hidden charges while sanctioning the loan amount' was 0.206 positively correlated and highly significant (.000), correlation between the variables 'intimating periodically about the market changes' and 'interest rate charged by LIC is similar to those in the bank' was 0.363 positively correlated and highly significant.
The correlation between the variables 'intimating periodically about the market changes' and 'repayment system of loan due is easy' was 0.158 positively correlated and highly significant (.000).

The correlation between the variables 'receiving the pledged documents from the company is not difficult' and 'getting house loan from LIC is easy' was 0.129 positively correlated and highly significant (.000), correlation between 'receiving the pledge documents from the company is not difficult' and 'No ambiguous terms and conditions during applying loan' was 0.201 positively correlated and highly significant (.000), correlation between 'receiving the pledge documents from the company is not difficult' and 'No hidden charges while sanctioning the loan amount' was 0.106 positively correlated and highly significant (.000), correlation between 'receiving the pledged documents from the company is not difficult' and 'interest rate charged by LIC is similar to those in the bank' was 0.144 positively correlated and highly significant (.000), correlation between 'receiving the pledged documents from the company is not difficult' and 'repayment system is easy' was 0.314 positively correlated and highly significant (.000), correlation between 'receiving the pledged documents from the company is not difficult' and 'intimating periodically about the market changes' was 0.279 positively correlated and highly significant (.000).

The correlation between the variables such as 'employee give proper response to the enquiries' and 'getting house loan from LIC is easy' was 0.267 positively correlated and highly significant (.000), correlation between 'employees give proper response to the enquiries' and 'No ambiguous terms and conditions during applying loan' was 0.379 positively correlated and highly significant (.000).
The correlation between the variables 'employees give proper response to the enquiries' and 'No hidden charges while sanctioning the loan amount' was 0.272 positively correlated and statistically significant (.000), correlation between 'employees give proper response to the enquiries' and 'interest rate charged by LIC is similar to those in the bank' was 0.363 positively correlated and statistically significant (.000).

The correlation between 'employees give proper response to the enquiries and repayment system of loan due is easy' was 0.359 positively correlated and statistically significant (.000), correlation between 'employee gives proper response to the enquiries' and 'intimating periodically about the market changes' was 0.324 positively correlated and statistically significant (.000) and the correlation between the variables 'employees give proper response to the enquiries' and 'receiving the pledge documents from the company is not difficult' was 0.305 positively correlated and statistically significant (.000). 'Repayment system of loan due is easy' and 'interest rate charged by LIC is similar to those in the bank' is highly correlated at 0.543 and statistically significant at .000.
Rank Correlations test was administered for the physical facilities available in LIC of India at Nagapattinam district branches, Reason for purchasing the policy and Mode of LIC advertisement that reaches faster. From the test result the following findings are arrived at:

As far as physical facilities are concerned, ‘Placement of sign boards’ was ranked first by the respondents. Second rank was given to ‘Interior Decoration’, third was given to ‘drinking water facility’, fourth rank to ‘ventilation’, fifth rank to ‘lighting facility’, sixth rank was awarded to ‘seating arrangement’ and seventh rank to ‘office is spacious’.

Considering the reason for purchasing the LIC policy, ‘Savings’ was ranked first by the respondents. Second rank was given to ‘Security’, third was given to ‘Risk Coverage’, fourth rank to ‘Returns’, fifth rank to ‘Children Education’, sixth rank was awarded to ‘Tax Concession’, seventh rank to ‘Children’s Marriage’ and eighth rank was given to ‘Pension benefit’. It was found that majority of the respondents prefer life insurance policies for their savings purpose.

In mode of advertisement that reaches quickly, ‘Television’ was ranked first by the respondents. Second rank was given to ‘Agents’, third was given to ‘Newspaper’, fourth rank to ‘Friends’, fifth rank to ‘Radio’, sixth rank was awarded to ‘Hoardings’, seventh rank to ‘Neighbors’ and eighth rank was given to ‘Internet’.

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5.2 SUGGESTIONS

Based on the findings of the study the following suggestions are made:

5.2.1 Availability of information about the policy

- An aggressive marketing strategy may be followed through trained persons to share the information to the customers.

- For making the communication more effective, it is recommended to use regional languages for sharing the information with the public and policy holders.

- Proper advertisement through television is the fastest and visualized mode of presenting the information. Usage of attractive spokesperson or celebrity will be an added advantage for this purpose.

- LIC of India can organize stalls in the busy places where many people gather, such as theatre, beach, religious carnival, bazaar, bus and railway terminals, educational institutions, government and private organizations and industries, to create awareness among the public.

- Information should be clearly conveyed to the customers by educating them regarding the basic financial terminologies of insurance such as premium, duration of the policy, sum assured, non forfeiture provisions, surrender of policy, repayment of loan, provisions of accident and death claims, calculation of mortality table, tentative bonus calculation, details of rider policies, lapse and revival of policy and procedure followed for claim settlements, etc;
5.2.2 Risk coverage and Safety

The ultimate aim of all the policy holders for taking a policy is to safeguard themselves from uncertainties and risk.

- It is the foremost responsibility of LIC to design the policy to cover the risk from the entire catastrophe.

- The duration of the policy is intended by the company until the policy holder earns. The customer retirement period is the most risky part of the life. Very few policies are designed to give protections for the customers after their retirements. The company's attitude should be changed and all the policies should have the life cover even after the retirement period to a certain extent, only then the utmost satisfaction will be derived by the policy holders.

- The decreasing of the duration of the policy period is possible as per the norms of the IRDA. The provision for extension of the policy can also be included and accessibility to the same must be explained to the policyholders when they take a policy.

- LIC of India should encourage the customers to have rider policy which protects their family.

- LIC also can develop a policy which covers all the aspects such as life coverage, health benefits, investment, and accident coverage. This will motivate the customers to purchase a single policy instead of purchasing different policies for different reasons.
5.2.3 Insurance Agents

Agent plays a vital role in promoting policies to the public.

- It is advisable for the agents to update themselves by reading the agents manuals, schemes of new arrivals, LIC annual reports, monthly magazines published by the divisional offices and current information available from life insurance websites and insurance related periodicals.

- Agents are advised to understand the customers and explain the appropriate policies which are most suitable to the customers.

- Agents have to maintain the cordial relationship with customers to gain reputation from them.

- Collection of premium, timely payment, return of the balance amount and receipt may earn good image among the customers about the services of agents.

- Agents are the potential catalyst for the customers until they receive the maturity amount. Quality of agent’s services not only depends on convincing a customer to make them purchase but also extending a long lasting support until they receive their maturity amount.

- Existing customers are the major sources for extending the life insurance business. They may create an opportunity for identifying potential customers. So new arrivals must be discussed to the existing customers apparently which will help the career growth of the agents.
5.2.4 Insurance Premium

- Premium is the linking tool between the policy holder and the LIC of India. The premium is also one of the influencing factors to attract the customers.

- It is suggested that LIC of India may charge reasonable amount as a premium and also maintain transparency among the policies.

- It is suggested that the LIC can charge low premium for the irregular income earner such as agriculturist, businessman and housewife who does business at home and pay for the regular policies.

- The LIC can develop a short term policy for senior citizens with a reasonable premium. It will help the company to increase the market share.

- In the day-to-day busy work schedule, occasionally customers may forget to pay the premium on time which results lapse in the policy. For avoiding this, company may remind the customers through letters, sending SMS, email or make a phone call for delayed payers.

- For encouraging the regularity of premium, LIC can motivate the policy holders who can pay the premium within the prescribed date for a minimum of 10 years, with an additional bonus at the time of maturity.
5.2.5 Loan Facilities

- It is suggested that the company may provide a separate entry book for the loan payment which will be helpful for the policy holders to know about their payables and the remaining months of due.

- The terms and conditions while applying housing loan may be clearly explained by the company and it may be provided in a printed form by using regional and simple language.

- Charges can be made after giving valid reasons.

- LIC of India charges high rate of interest for loan amount. It is suggested that to earn good image among the public, LIC may offer a loan to the policy holder with a low interest rate.

- Moreover the LIC of India should show swift action to handover the pledged documents immediately once the settlement of loan due is over.

5.2.6 Lapse and revival of Policies

- It is suggested that continuous non-payment of premiums is identified and alert given to avoid a permanent lapse of policy.

- A proper orientation programme may be organized for the fresh policy holders once a year to explain the reason to avoid lapse and the procedure to revive the policy.
• Majority of the policy holders are dropped out from the insurance companies due to the insufficient knowledge of lapse and revival of policies. The LIC has to draw many tips for the customers to escape from the lapse through grace period with/without penalty. This must be clearly circulated to the customers at the time of entry to gain practical insights about the system.

• It is the contractual obligation of the company to do favour when the customer is in trouble. It is suggested that the company should increase the grace period of 30 days for monthly premium and 45 days for the rest of the payment mode. Moreover the company may charge very nominal amount as penalty for the delayed payment of policies.

• Revival can be increased further for the reason that most of the policy holders are earning low income. So it is difficult for them to pay the premium with their monthly income sometimes. It is suggested that the LIC can give a maximum of two chances for the customers for reviving the policy without penalty.

• It is suggested to take limited reprocessing period for revival of policies.

5.2.7 Claim Settlements

Claims or sum assured are the target for all the customers to choose the policy.

• Savings is also the predominant factor which influences the people to purchase life insurance policies. LIC must design the policy which gives maximum savings and maximum returns.
• The agents must create confidence among the customers that they will help them to receive the sum assured.

• The agents should know the entire family members and facilitate them in case of any unforeseen events that happen to the policyholders, at the time of receiving the sum assured.

• The prompt settlement of sum assured is the major strength of LIC of India. It is suggested to settle down their claim amount without much delay.

• Bonus calculation is based on the profit earned from the fund invested by the company in the various securities, bonds and government projects. It is suggested to the agents not to misguide the customers with higher amount of bonus at the time of signing up the policies.

5.2.8 Customer general attitude about LIC

LIC has received good impression among customers. They are proud to say that they hold policies from LIC of India. The brand and the company name have created a confidence among the customers.

• LIC should preserve the laurels by making an amicable relationship between the company and the policy holders.

• The rules and regulations followed by the company is comfortable for the policy holders but it is the obligation of the company to describe their procedure in detail that even the lay man can easily understand the system of insurance.
• LIC should delight the existing customers by providing excellent services to motivate them to recommend their neighbours and friends to buy life insurance policies in future.

• Moreover the positive attitude of the customers directs them to purchase additional policies for themselves in future.

• Though the behaviour and response of the employees are satisfactory, however it could be improved further by giving proper periodical training to the employees in handling the customer complaints.

• The company’s higher officials should conduct periodical customers’ grievance meeting to know about the inner feelings of the customers.

• Attractive and informative advertisement will increase the level of satisfaction of the existing policy holders and potential customers. Periodical changes in the advertisement may create inclination among the viewers. Creative and innovative ideas capture the mind of the customers.

5.2.9 Technology

Avoidance of technology will lead to failure for any concern at any stage. Hence, the possibility of entering into the foreign market by LIC is welcome because of the high technology adopted by them. The usage of technology will reduce the burden of work of the day to day activities.

• By using the technology the company may render excellent service to the customers.
• It is suggested that a periodical mail may be sent to the customers e-mail ID or SMS alert to the customer’s mobile phone, can be the cheapest and easiest mode of spreading the message.

• The company can develop a system of paying premium directly to the life insurance online account similar to online banking.

• LIC can provide electronic data card to know about the current status of the premium.

• Similar to ATM machine, LIC may open an electronic swiping machine in all accessible areas and provide smart cards to the customers to pay the premium amount.

5.2.10 Physical facilities

Nowadays, LIC of India is modernizing their office premises with an excellent infrastructure on par with private sector. They give more importance to their interior design and exterior premises.

• The LIC of India should concentrate more on the aspects such as spacious lobby, well furnished chairs, proper ventilation, parking facility, sign boards etc.

• Moreover the company can provide hygienic drinking water to the customers.
5.2.11 Overall satisfaction towards LIC of India

The overall satisfaction level of the policyholders towards Life Insurance Corporation of India is highly commendable. This satisfaction is the result of their 54 years of long fruitful service and the effort they have taken to design each and every policy by keeping the customers in mind.

- By understanding the requirements of policy holder, it is easy to provide excellent service to them. At the same time, in the present hectic competitions of the private insurance players, the company should keep on taking the utmost care in motivating the agents and employees to serve the customers better and promote the business to reach the peak.
5.3 CONCLUSION

Insurance encourages the long term savings and especially life insurance companies are able to support infrastructure projects which require long term funds. A well developed insurance sector develops economic growth by encouraging risk taking. Risk is inherent in all economic activities. Without some kind of cover against risk, some of these activities cannot be carried out at all.

The low income level of the vast majority of population has been one of the factors inhibiting a faster growth of insurance in India. The marketers must understand the real cause of purchasing the policies. The information related to policy must be clearly disseminated to the customers. In the recent times, more number of people from rural areas prefers to take policies than from urban sector. India is having large potential market for insurance that the marketers can exploit by educating the rural mass through reachable media. Still large numbers of people do not have policies because of lack of awareness and affordability to buy the policy on a long term basis. So the company may design the premium to suit even the poorest of the poor.

An agent is a primary source for obtaining insurance policies. Agents, brokers and other insurance intermediaries advising and selling policies to the public must have minimum competence and ethical standards. A professional educational standard for agents and brokers is a must. It is an inevitable duty of LIC of India to motivate agents by giving rewards and reasonable commission so as to encourage them to be equipped with technical aspects of insurance knowledge, analytical ability, communication ability and positive approach towards the customers will create a better attitude in the minds of the customers.
The role of government is also essential to develop a positive attitude towards LIC. The government can endorse the development of the life insurance sector by encouraging better understanding of personal saving and financial planning through proper education. The awareness about insurance can be created among young generations by including "Insurance" in curricula of school and college education.

An endless market is growing for the life insurance industry, it has perpetual life. The only thing that the LIC should accomplish is rendering excellent service to the existing customers and attracting the potential customers. Even the delicious food will not attract to the hungry man when it is not served well. Reaching the people is the easiest task for the marketers but keeping customers steady for a long period depends on the excellent services provided by the company.

It is conclude that LIC has rendered commendable service to its customers as 79 per cent of the respondents were satisfied with respect to the different dimensions of its services. So as to sustain and develop in the market amidst the tough competition posed by other agencies, LIC has to serve better and better and attract customers by unfolding before them newer and innovative schemes and strategies on an ongoing basis.
AREAS FOR FURTHER RESEARCH

The following areas are suggested for further research:

1. A study on non policy holders’ attitude towards LIC of India.

2. A study on policy holders’ behaviour towards General Insurance in India.

3. A study on modern practices adopted in ULIP policies combined with share market.

4. A study on employees’ attitude towards the services of LIC of India.

5. A comparative study on private and public sector insurance industry in attracting customers.

6. A study on LPG influences the public sector life insurance industry in India.

7. A study on the growth of Indian insurance industry with global insurance.

8. A comparative study on pre and post liberalization performance appraisal of public sector insurance company.

9. A study on the growth of banc assurance in India.

10. A comparative study on loans provided by life insurance companies and banks in India.