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+ http://www.insurance.com
+ http://www.bollingerinsurance.com
+ http://www.actuary.net
+ www.google.com
Appendices
Questionnaire
A STUDY ON CONSUMER BEHAVIOUR TOWARDS ENDOWMENT POLICY OF LIFE INSURANCE CORPORATION OF INDIA AT PERAMBALUR DISTRICT

QUESTIONNAIRE

I. DEMOGRAPHIC PROFILE
1. Name (Option): 
2. Age: □ Below 20 □ 21 to 30 □ 31 to 40 □ 41 to 50 □ 51 – 60 □ 61 and above
3. Sex: □ Male □ Female
4. Level of Education: □ Below School level □ Graduate □ Post Graduate □ Professional
5. Marital status: □ Married □ Unmarried
6. Monthly Income: □ Below Rs.5000 □ Rs.5001-10000 □ Rs.10001-15000 □ Rs.15001-20000 □ Rs.20001 & above
7. Type of Family: □ Joint □ Nuclear
8. Occupational status: □ Government □ Private □ Business □ Student □ Housewife □ Farmers

II. FACTORS INFLUENCING POLICY HOLDERS
1. Reasons for preference of LIC?
   □ Reliability
   □ Financially sound
   □ Customer oriented
   □ Well managed
   □ Other facilities
   □ New schemes cum attractive bonus
   □ Savings

2. Level of awareness of the various types of Endowment plans in LIC?
   □ Very High □ High □ Moderate □ Low □ Very Low
3. The source of buying Endowment Policy?
   - [ ] Agent
   - [ ] Development officer
   - [x] Direct

4. Number of Endowment Policies taken so far?
   - [x] One
   - [ ] Two
   - [ ] Three
   - [ ] More than Three

5. Periodicity for payment of Premium?
   - [ ] Monthly
   - [x] Quarterly
   - [ ] Half Yearly
   - [ ] Yearly

6. Which type of Endowment policy you have chosen? Specify the year/period?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Endowment plans</th>
<th>Sum Assured/Period</th>
<th>Annual Premium</th>
<th>Mode of pay Monthly/Quarterly/Half-yearly/Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ]</td>
<td>New Janaraksha</td>
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<td>[ ]</td>
<td>Jeevan Anand</td>
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<td>[ ]</td>
<td>Endowment with profits</td>
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<td>[ ]</td>
<td>Marriage Endowment / Education Annuity with profits</td>
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<td>[ ]</td>
<td>Jeevan Chhaya</td>
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<tr>
<td>[ ]</td>
<td>Limited Payment with profits</td>
<td></td>
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<td>[ ]</td>
<td>Jeevan Saathi</td>
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</tbody>
</table>

7. What is the total amount of insurance coverage of your policy?
   - [ ] Below Rs.1,00,000
   - [ ] Rs.1,00,001-2,00,000
   - [x] Rs.2,00,001-3,00,000
   - [ ] Rs.3,00,001-4,00,000
   - [ ] Rs.4,00,001 & above

8. What is the Primary objective of choosing this Endowment policy?
   - [ ] Life Risk Cover
   - [ ] Savings / Investments
   - [ ] Children’s Future
   - [ ] Tax saving
   - [ ] Education
   - [ ] Marriage
9. What are all the Factors influencing the consumer behaviour towards Endowment policy?

<table>
<thead>
<tr>
<th>Factors</th>
<th>I Very High</th>
<th>II High</th>
<th>III Moderate</th>
<th>IV Low</th>
<th>V Very Low</th>
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</thead>
<tbody>
<tr>
<td>Agent Motivation</td>
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<td>Colleagues</td>
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<td>Friends &amp; Relatives</td>
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<td>Advertising</td>
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<td>Family member</td>
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<tr>
<td>Familiarity</td>
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<tr>
<td>Habit of savings</td>
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<tr>
<td>Company Scheme</td>
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<tr>
<td>Image of Company</td>
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<tr>
<td>Type of policy</td>
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</tbody>
</table>

10. Will you recommend the same Corporation to others for taking up the policy?

☐ Always  ☐ Usually  ☐ No opinion  ☐ Rarely  ☐ Never

**III. PRODUCT ATTRIBUTES, PRODUCT SERVICES, PRODUCT INFORMATION AND RISK COVERAGE ASPECTS**

Please read the following information and tick the appropriate column.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Items</th>
<th>Very High</th>
<th>High</th>
<th>Moderate</th>
<th>Low</th>
<th>Very Low</th>
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<tr>
<td></td>
<td><strong>PRODUCT ATTRIBUTES</strong></td>
<td></td>
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</tr>
<tr>
<td>1.</td>
<td>Product features</td>
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<tr>
<td>2.</td>
<td>Service Behaviour</td>
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<td>3.</td>
<td>Advertisement concept</td>
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<td>4.</td>
<td>Risk coverage aspects</td>
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<tr>
<td>5.</td>
<td>Tax Benefits</td>
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<td>6.</td>
<td>Transparency level</td>
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<td>7.</td>
<td>Assured / Guaranteed return</td>
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<td>8.</td>
<td>Brand name / Familiarity</td>
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<td>9.</td>
<td>Bonus</td>
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<td>10.</td>
<td>Maturity amount / Sum assured</td>
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<td>Highly not satisfied</td>
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<td><strong>PRODUCT SERVICES</strong></td>
<td></td>
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<tr>
<td>1.</td>
<td>The Application Form process</td>
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<tr>
<td>2.</td>
<td>Courtesy of staff</td>
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<td>3.</td>
<td>Issue of premium demand notice</td>
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<td>4.</td>
<td>Settlement of claims</td>
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<td>5.</td>
<td>Grievance settlement</td>
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<td>6.</td>
<td>Change of Nomination</td>
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<td>7.</td>
<td>Change of address</td>
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<td>8.</td>
<td>Surrender of Policy</td>
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<td>9.</td>
<td>Transfer of policy</td>
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<tr>
<td>10.</td>
<td>E-payment procedure</td>
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<tr>
<td></td>
<td><strong>PRODUCT INFORMATION</strong></td>
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<tr>
<td>11.</td>
<td>Information about Existing plans</td>
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<tr>
<td>12.</td>
<td>Information concerning New plans and policies</td>
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<td>13.</td>
<td>Documents required at initial stage</td>
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<td>14.</td>
<td>Policy Period</td>
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<td>15.</td>
<td>Mode of Premium payment</td>
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<td>16.</td>
<td>Penal amount levied for delayed payment</td>
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<td>17.</td>
<td>Availing Loan procedures</td>
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<td>18.</td>
<td>Loan Recovery / Repayment procedures</td>
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<td>19.</td>
<td>Campaign towards revival of lapsed policy</td>
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<td>20.</td>
<td>Facilitator/Agents role throughout the term of policy</td>
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<tr>
<td></td>
<td><strong>RISK COVERAGE</strong></td>
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<td>21.</td>
<td>Family Protection/Security</td>
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<td>22.</td>
<td>Grace Period</td>
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<td>23.</td>
<td>Duration about Risk coverage</td>
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<td>24.</td>
<td>Risk coverage after maturity period (if applicable)</td>
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<tr>
<td>25.</td>
<td>Extra Benefits (if applicable)</td>
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</table>
### IV. POLICY LAPSE AND REVIVAL OF POLICY

Please read the following statements and tick the appropriate column.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Item</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Moderate</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The policy holders will pay the premium regularly irrespective of the unsound financial position</td>
<td></td>
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<tr>
<td>2.</td>
<td>The company reminds continuously for making the premium payment at the time of lapse of policy.</td>
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<tr>
<td>3.</td>
<td>The policy can be revived within minimum period of six months from the due date of first unpaid premium</td>
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<tr>
<td>4.</td>
<td>The LIC is providing maximum time period to review the policy i.e., 5 years + DGH Form</td>
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<tr>
<td>5.</td>
<td>The policy holders can review the policy under Special Revival Scheme provided i.e., Shifting of D.O.C prior to the date of Revival.</td>
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<td>6.</td>
<td>The LIC is taking minimum processing time to review the policy, when all the requirements are full filled.</td>
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<tr>
<td>7.</td>
<td>The Policy holders are unable to pay their premium due to finance difficulty.</td>
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<tr>
<td>8.</td>
<td>The policy holders can pay all arrears by Revival Installment method, if he is not in a position to pay under Special Revival Scheme.</td>
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<tr>
<td>9.</td>
<td>The Policy holders can review the policy by taking policy loan based on its surrender value.</td>
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<td>10.</td>
<td>The policy holders can repay the loan either in full or part during the term of the policy.</td>
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</table>
V. PHYSICAL FACILITIES
Please read the following information and tick the appropriate column.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Item</th>
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<th>Satisfied</th>
<th>No opinion</th>
<th>Not satisfied</th>
<th>Highly not satisfied</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Building Location</td>
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<tr>
<td>2.</td>
<td>Spacious</td>
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<tr>
<td>3.</td>
<td>Seating Arrangements</td>
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<tr>
<td>4.</td>
<td>Drinking water facilities</td>
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<tr>
<td>5.</td>
<td>Space for queues</td>
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<td>6.</td>
<td>Placement of sign boards</td>
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<tr>
<td>7.</td>
<td>Ventilation</td>
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<td>8.</td>
<td>Lightings</td>
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<tr>
<td>9.</td>
<td>Parking facility</td>
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<tr>
<td>10.</td>
<td>Hoardings and Advertisements in and around premises</td>
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</table>

VI SWITCHING BEHAVIOUR FROM LIC TO OTHER PRIVATE LIC
1. Do you have any idea of switching over from LIC to other Private Companies in future?
   a. Yes, I switch over ☐
   b. Never ☐
   c. No idea ☐

2. If yes, Please indicate the name of the company as you wish to switch over to other Private Life Insurance Company?
   1. ____________________________
   2. ____________________________
   3. ____________________________
   4. ____________________________
   5. ____________________________

3. Please rank the reasons for switching over from LIC to other Private Companies as details given below?

<table>
<thead>
<tr>
<th>Reason to Switch over to other Companies</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Popularity</td>
<td></td>
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<tr>
<td>Further Growth in future</td>
<td></td>
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<tr>
<td>Maximum Risk Coverage</td>
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<td>High Return</td>
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<tr>
<td>Low Premium</td>
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</tbody>
</table>

(1= High reason to Switch over, 5 = Least reason to Switch over)
Publications Reprint
International Journal of Research in Management, Economics & Commerce

ISSN: 2250-057X
A STUDY OF BUYING BEHAVIOUR OF CONSUMERS TOWARDS LIFE INSURANCE POLICIES IN PERAMBALUR DISTRICT

P. Sridevi
Assistant Professor, Srinivasan college of Arts and Science, Perambalur.

ABSTRACT

The present paper is an endeavour to study the buyer behaviour regarding life insurance policies in the rural area of Perambalur district. Perambalur, being one of the agricultural districts in Tamil nadu was chosen for the study. The results of the study are based on a field survey of 150 respondents by using purposive sampling technique. India is a country where the average selling of life insurance policies is still lower than many western and Asian countries; with the second largest population in world the Indian insurance market is looking very prospective to many multinational and Indian insurance companies for expanding their business and market share. Before the opening of Indian market for Multinational Insurance Companies, Life Insurance Corporation (LIC) was the only company which dealt in Life Insurance and after opening of this sector to other private companies, all the world leaders of life insurance has started their operation in India. With their world market experience and network, these companies have offered many good schemes to lure all type of Indian consumers but unfortunately failed to get the major share of market. Still the LIC is the biggest player in the life insurance market with approx 65% market share. The study focus on the factors which plays a major role in buying behavior of consumers towards life insurance policies in Perambalur area.
INTRODUCTION

Security has been a universal desire right from the earliest civilizations. This quest for security has led to the concept of insurance. Insurance is a contract between two parties whereby one party called insurer undertakes, in exchange for a fixed sum called premium to pay the other party an assured sum of money on the occurrence of a certain event. Life insurance protects against the economic loss in the event of death. A family is generally dependent for its food, clothing and shelter on the income brought by the bread earner of the family. So long as he lives, that family secure but the death of the person may put the family in a very difficult situation. Uncertainty of death is inherent in human life. It is this uncertainty that gives rise to the necessity for some form of protection against the financial loss arising from death. Life insurance substitutes this uncertainty by certainty. Insurance sector plays a very important role in the development of any economy also, as it provides long term funds for infrastructure development and at the same time strengthens the risk taking ability

STATEMENT OF THE PROBLEM

Life is full of risk and uncertainties. Since we are the social human being we have certain responsibilities too. Indian consumers have big influence of emotions and rationality on their buying decisions. They believe in future rather than the present and desire to have a better and secured future, in this direction life insurance services have its own value in terms of minimizing risk and uncertainties. Indian economy is developing and having huge middle class societal status and salaried persons. Their money value for current needs and future desires here the pendulum moves to another side which generate the reasons behind holding a policy. Here the attempt has been made in this Research paper to study the buying behavior of consumers towards life insurance services in Perambalur district.

OBJECTIVES OF THE STUDY

- To develop and standardize a measure to evaluate investment pattern in life insurance services.
- To evaluate the factors underlying consumer perception towards investment in life insurance policies.
- To compare the differences in consumer perception of male and female consumers.
REVIEW OF LITERATURE
A study conducted by Keerthi, R.Vijayalakshmi (2009)1 “A Study on the Expectations and perceptions of the services in private life insurance companies”. Smart the life insurance companies taken for study, the policy holders’ expectations are well met in the case of certain factors reacting to service quality. But in the case of other variables, there exists a significant gap which means that policy holders have experienced low levels of service as against their expectations. If all the players in the life insurance industry focus on the effective delivery of services, they can win the hearts of customers and anticipate their increased market share.
A study conducted by Sunayna Khurana (2008)2 article “Customer Preferences in Life insurance industry in India”, revealed that the insurance sector plays a very important role in the development of any economy. It is necessary for the economic and overall development of any country. In today’s competitive economy, the business, finance and insurance sector plays a very important role. More and more job opportunities are available in these sectors.
A study conducted by S.Raju and M.Gurupandi (2009)3 article “Analysis of the Socio economic Back ground and attitude of the policy holders towards life insurance corporation of India”, Smart journal of Business Management Studies revealed that the study was of great help to the policy holders, as it was aimed finding the attitude towards the services of LIC Policy holders. Hence the prospective customers, who propose to buy the insurance products and avail of the services of an insurance company for the first time, can get benefited by the best service provider.

2Sunayna Khurana, “ Customer Preferences in Life insurance industry in India”, Icfai University, Journal of services marketing, 2008 Vol 6, No.3. P. 60-68
3S.Raju and M. Gurupandi, “ Analysis of the socio economic background and attitude of the policy holders towards LIC” Smart Journals, Vol 5, 2009, P.21
A study conducted by V.Varaprasad and B. Murali Krishna (2009)4 article insurance sector: Strategies for intermediation and Marketing smart Journal of Business Management studies revealed that the suggestions brought forward by this study are mixed. The contribution of insurance sector to economic development positive by hardly affects financial intermediation.

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The study also fails to find any long run equilibrium relation between insurance sector and financial intermediation reforms are mixed as the reforms exert no strong relationship. Therefore, we conclude that in order to make insurance sector significant component of financial intermediation process complete deregulation and increase in face of reforms are essential at the same time, by adopting proper segmentation capture significant share in the market for the benefit of organizations.

Shivanand H Lengti (2009)\(^5\) in his article “Insurance disputes in India” revealed that the insurance consumers have the option to select the appropriate authority and forum, be it the insurance ombudsman or the consumer counsil, to settle their disputes.

Dr. Praveen Sanu, Gaurav Jaiswal, Vijay Kumar Panday (2009)\(^6\) in their article, “ A study of buying behaviour of consumers towards LIC” Prestige institute of Management and Research, Gwalior, revealed that in present Indian market, the investment habits of Indian consumers are changing very frequently. The individuals have their own perception towards various types of investment plans. The study of this research work was focused over consumer’s perception on investment towards Life Insurance Services.

\(^7\)Varaprasad and B. Murali Krishna, “Insurance sector: Strategies for intermediation and Marketing” smart Journal of Business Management studies


\(^6\)Dr. Praveen Sanu, Gaurav Jaiswal, Vijay Kumar Panday “A study of buying behaviour of consumers towards LIC”, Prestige institute of Management, Gwalior, Vol 3, issue %, P .1

K. Selvavinayagam and R. Mathivanan (2010)\(^7\) article has revealed that the competitive climate in the Indian insurance market has changed dramatically over the last few years. At the same time, changes have been taking place in the government regulations and technology. The expectations of policy holders are also changing. The existing insurance companies have to introduce many new products in the market, which have competitive advantage over the products of life insurance companies.

K.V. Ramanathan (2011)\(^8\) research has resulted in the development of a reliable and valid instrument for assessing customer perceived service quality, awareness level, and satisfaction level of customers for life insurance industry. Here, service quality needs to be measured using a six dimensional hierarchal structure consisting of assurance, competence, personalized financial planning, corporate image, tangibles and technology dimensions. This would help the service
managers to efficiently allocate resources, by focusing on important dimensions first. There is no right and wrong in this. The success of marketing insurance depends on understanding the social and cultural needs of the target population, and matching the market segment with the suitable intermediary segment.

RESEARCH METHODOLOGY
The study was exploratory in nature with survey method being used to complete the study.

Sampling Design

Population:
Population included investors in Perambalur district.


8 A project on “A study on policy holders satisfaction with special reference to life insurance corporation of India, Thanjavur division, Bharathidasan University, 2011

Sample frame:
Since the data was collected through personal contacts, the sample frames were the individuals who are investing in life insurance policies.

Sampling elements:
Individual respondents were the sampling elements.

Sampling Techniques:
Purposive sampling technique was used to select the samples.

Sample Size:
Sample size was 150 respondents.

Tools Used for Data Collection
Self designed questionnaire was used for the evaluation of factors affecting consumer’s perception towards insurance. Data was collected on Liker’s type scale, where 1 stood for minimum agreement and 7 stood for maximum agreement.

Tools Used for Data Analysis
Item to total correlation was applied to check the internal consistency of the questionnaire. The measures were standardized through computation of reliability and validity.
Factor analysis was applied to identify the underlying factors. Z-test was applied to find out the significant differences between male and female investors.

RESULTS AND DISCUSSIONS

Consistency Measure

Firstly consistency of all the items in the questionnaire is checked through item to total correlation. Under this correlation of every item with total is measured and the computed value is compared with standard value (i.e. 0.1590). If the computed value is found less than standard value then whole factor/statement is dropped and will be termed as inconsistent.

Reliability

Reliability test was carried out using SPSS software and the reliability of the items was measured. The result is as follows: It can be seen that the reliability value is more than 0.7. So, the questionnaire is highly reliable. **Cronbach’s Alpha 0.919.**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Items Computed</th>
<th>Correlation Value</th>
<th>Consistency</th>
<th>Accepted/Dropped</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Awareness about terms and conditions of policy.</td>
<td>0.671575</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Provide services on time.</td>
<td>0.651847</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Provide satisfactory services</td>
<td>0.573518</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Goodwill of the company</td>
<td>0.607722</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>5</td>
<td>Agent is well informed about policies</td>
<td>0.640696</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>6</td>
<td>Co-operative and friendly agent</td>
<td>0.598089</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>7</td>
<td>Agent respond promptly</td>
<td>0.696914</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>8</td>
<td>Proper reminder of installments by agents</td>
<td>0.531124</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>9</td>
<td>Employees responsible towards customers</td>
<td>0.685817</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>10</td>
<td>Benefits are met by policy</td>
<td>0.510702</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>11</td>
<td>Selection of highly reputed company</td>
<td>0.634614</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>12</td>
<td>Reputation of the insurance company</td>
<td>0.582977</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Score</td>
<td>Consistency</td>
<td>Acceptance</td>
</tr>
<tr>
<td>----</td>
<td>-----------------------------------------------------</td>
<td>--------</td>
<td>-------------</td>
<td>------------</td>
</tr>
<tr>
<td>13</td>
<td>Hassle free settlements</td>
<td>0.594282</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>14</td>
<td>Personal attention on every costumer</td>
<td>0.640192</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>15</td>
<td>Understand Customer’s financial needs</td>
<td>0.603133</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>16</td>
<td>Fulfill its promise towards policy</td>
<td>0.613243</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>17</td>
<td>Provides the claims on time</td>
<td>0.474994</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>18</td>
<td>Settlement of claims easy and timely</td>
<td>0.569959</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>19</td>
<td>Satisfy with relationship to company</td>
<td>0.621496</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>20</td>
<td>Company able to fulfill expectation</td>
<td>0.594265</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>21</td>
<td>Only company I want to associate myself</td>
<td>0.519161</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>22</td>
<td>Purchase more policies from the same concern</td>
<td>0.502876</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>23</td>
<td>Suggest friends and family to purchase policy from the same company.</td>
<td>0.540626</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>24</td>
<td>Policy benefits benchmarks</td>
<td>0.62874</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>25</td>
<td>Investment in life insurance is more secure than stock market.</td>
<td>0.376874</td>
<td>Consistent</td>
<td>Accepted</td>
</tr>
<tr>
<td>26</td>
<td>Purchase further policies from other companies.</td>
<td>0.091102</td>
<td>Inconsistent</td>
<td>Dropped</td>
</tr>
</tbody>
</table>
Factor Analysis

<table>
<thead>
<tr>
<th>Factor Name</th>
<th>Eigen Value</th>
<th>% of Variance</th>
<th>Variable Statements</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Loyalty</td>
<td>8.818</td>
<td>35.273</td>
<td>21. Only company I want to associate myself.</td>
<td>0.814</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>22. Purchase more policies from the same company.</td>
<td>0.799</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>23. Suggest friends and family to purchase policy from the same company.</td>
<td>0.790</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>20. Company able to fulfill expectation.</td>
<td>0.599</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>24. Policy benefits benchmarks.</td>
<td>0.545</td>
</tr>
<tr>
<td>Service Quality</td>
<td>2.438</td>
<td>9.753</td>
<td>13. Hassle free settlements</td>
<td>0.693</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9. Employees responsible towards customers</td>
<td>0.631</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7. Agent respond promptly</td>
<td>0.611</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>25. Investment in life insurance is more secure than stock market.</td>
<td>0.537</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>19. Satisfy with relationship to company.</td>
<td></td>
</tr>
<tr>
<td>Ease of Procedures</td>
<td>1.458</td>
<td>5.830</td>
<td>17. Provide claims on time.</td>
<td>0.852</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6. Co-operative and friendly agent.</td>
<td>0.662</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>18. Settlement of claims easy and timely.</td>
<td>0.651</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. Agent is well informed about policies.</td>
<td>0.486</td>
</tr>
<tr>
<td>Satisfaction Level</td>
<td>1.252</td>
<td>5.008</td>
<td>10. Benefits are met by policy.</td>
<td>0.774</td>
</tr>
<tr>
<td>Factor</td>
<td>Score 1</td>
<td>Score 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>---------</td>
<td>---------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company Image</td>
<td>1.219</td>
<td>4.878</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company- Client Relationship</td>
<td>1.013</td>
<td>4.051</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Provide satisfactory services.  
16. Fulfill its promise towards policy.  
2. Provide services on time.  
1. Awareness about terms and conditions of policy.  
12. Reputation of the insurance company.  
4. Goodwill of the company.  
11. Selection of highly reputed company.  
8. Proper reminder of installments by agents.  
14. Personal attention on every costumer.  
15. Understand Customer’s financial needs.

**DESCRIPTION OF FACTORS**

1. **Company Loyalty**

This factor includes that this is the only company the consumer wants to associate himself with, in future (0.814), himself would purchase more policies from the same company (0.799), suggest friends and family to purchase policy from the same company (0.790), company able to fulfill expectation, (0.599), Policy benefits benchmarks (0.545). The highest Eigen value lies in this factor 35.213. So it is been considered as the highly contributing factor towards study. Therefore it is clear that company loyalty plays an important role in investment decisions of investors.

2. **Services Quality**

This factor includes hassle free settlements (0.693), employees responsible towards customers (0.631), agents respond promptly (0.611), investment in life insurance is more secure than stock market (0.563) satisfy with relationship to company (0.537). As we can see, that the Eigen value for factor service quality is 9.753, which is also a contributing factor towards the study, so it can also be considered as an important factor in the study.
3. **Ease of Procedures**

This factor includes the company provides claims on time (0.852), cooperative and friendly agent (0.662), settlement of claims easy and timely (0.651), agent is well informed about policies (0.486). As we can see that the Eigen value for factor ease of procedures is 5.830, which is also a contributing factor towards the study, so it can also be considered as an important factor in the study.

4. **Satisfaction Level**

This factor includes that the suggested benefits of Insurance Policy should be met to the investors( 0.774), Company provides them satisfactory services (0.631), fulfill its promise about life insurance policy (0.575), Services should be provided on time(0.515), and awareness of terms and conditions of policies. As we can see, that the Eigen value for factor satisfaction level is 5.008 , which is also a contributing factor towards the study, so it can also be considered as an important factor in the study.

5. **Company Image**

This factor includes that the insurance company should be well known in the industry (0.777), insurance provider should have goodwill in market (0.758), and company of high repute (0.428).As we can see, that the Eigen value for factor company image is 4.878, which is also a contributing factor towards the study, so it can also be considered as an important factor in the study.

6. **Company-Client Relationship**

This factor includes that the agent remind about premium installments (0.778), pay personal attention on every consumer (0.505) and understand consumer’s financial needs (0.404). As we can see, that the Eigen value for factor company client relationship is 4.051, which is also a contributing factor towards the study, so it can also be considered as an important factor in the study.

**Z-Test**

Z-test was applied to find out significant difference between male and female investor’s perception towards investment in life insurance policies. For applying Z-test mean and standard deviation was calculated, then values were put in formula to calculate standard error.
Null Hypothesis Ho: It states that there is no significant difference between the perception of male and female investors towards investment in life insurance policies

<table>
<thead>
<tr>
<th>GENDER</th>
<th>MEAN</th>
<th>S.D.</th>
<th>SAMPLE SIZE</th>
<th>SQUARE OF S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>MALE</td>
<td>141.04</td>
<td>20.078</td>
<td>75</td>
<td>403.146</td>
</tr>
<tr>
<td>FEMALE</td>
<td>145.94</td>
<td>17.701</td>
<td>75</td>
<td>313.348</td>
</tr>
</tbody>
</table>

Z = 1.5877

Since the value of Z is less than the standard value 1.96 at 5% level of significance, so the null hypothesis is there is no significant difference between the perception of male and female investors towards investment in life insurance policies.

CONCLUSION

In present Indian market, the investment habits of Indian consumers are changing very frequently. The individuals have their own perception towards various types of investment plans. The study of this research work was focused over consumer’s perception on investment objectives of the study were to evaluate the factors underlying consumer perception towards investment in life insurance policies; and to compare the differences in consumer perception of male and female consumers. The tests that were used for our research activities were- Item to Total Correlation Test, which we applied on 26 items and only one was dropped out, 25 items being accepted. Next was Reliability Test to check the reliability of the items. The result was 0.915. Therefore the items were highly reliable. Then we applied the Factor Analysis Test, and the six factors that came out were Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image, and Company-Client Relationship. The consumer’s perception towards Life Insurance Policies is positive. It developed a positive mind sets for their investment pattern, in insurance policies. Still some actions are needed for developing insurance market. The major factors playing the role in developing consumer’s perception towards Life Insurance Policies are Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image, and Company-Client Relationship. Insurance industry has to go ahead. A lot of opportunities are still waiting. This research will help in developing the market share, loyalty and further development in insurance sector.
REFERENCES

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6. Grundel , Helmut ; Post, Thomas;Schulze Roman; (2005); Managing Demographic Risk in Life Insurance Company.
9. Kirchler and Angela Christian Hubert (.1999; accepted 1999; Available online 1999); Institute of Psychology, University of Vienna.
RBI TECHNOLOGY (IT) VISION

P. SRIDEVI
Assistant Professor in Commerce, Srinivasan College of Arts and Science, Perambalur.

ABSTRACT

Information Technology (IT) has transformed the conduct of businesses in every sector of the economy. Financial sector is one such area where the touch of IT has completely overhauled the nature and accelerated the pace of business. IT has been instrumental in improved communication and connectivity across all segments/players of this sector as well as in enhancing the quality, efficiency and speed of delivery of financial services.

INTRODUCTION

The prime focus has been on the preparation of the IT Vision Document for the Reserve Bank of India for the period 2011-17. For this purpose, following points had been taken into consideration. The issues, challenges, evolving technology and changing business environment. In addition to preparing the Vision Document, it had also given specific recommendations for its operationalisation. As DIT is responsible for the adoption of IT in the Reserve Bank, it reviewed its activities during the past fifteen years. It recognised the need for extensive use of information for decision making. Identified the gaps and put forth specific recommendations in terms of systems and structure. Based on the review of its past activities and its evolving role for development of information systems, the following recommendations has been given on the future role, responsibilities and organization of DIT.

The Reserve Bank has played a pivotal role in the process of transformation of the financial sector with the use of IT. As the central bank, the Reserve Bank has strived to create a conducive environment for promoting technological adoption encompassing the financial sector. Moreover, being an important institution in the financial sector, it too has undergone the process of technological change. Finally, the Reserve Bank has endeavoured to streamline technological change in a manner that would help to enhance the inclusiveness of the financial sector. Simultaneously, there have been changes in the technology environment. The Reserve Bank is committed to create adoption of newer technologies. In this context, cloud computing, virtualisation and open source technologies can be used for driving efficiencies of operation and reducing costs to customers. By using cloud computing, the service providers can deliver a variety of IT enabled capabilities to the customers.

The adoption of technology has brought in efficiency in the payments systems operated by the Reserve Bank. This can be measured by the increasing use of electronic mode of transmission of money by customers of banks. Adoption of Core Banking Solutions has emerged as a single most significant innovation which has transformed the way banks have managed their businesses. However, these systems have not been fully exploited for information management and decision support. Similarly, the IT governance structures are yet to be fully strengthened.

TECHNOLOGY (IT) VISION, RBI: 2011-2017

Information Technology (IT) has transformed the conduct of businesses in every sector of the economy. Financial sector is one such area where the touch of IT has completely overhauled the nature and accelerated the pace of business. IT has been instrumental in improved communication and connectivity across all segments/players of this sector as well as in enhancing the quality, efficiency and speed of delivery of financial services. The Reserve Bank has played a pivotal role in this process of transformation of the financial sector with the use of IT. As the central bank, the Reserve Bank has strived to create a conducive environment for promoting technological adoption encompassing the financial sector. Moreover, being an important institution in the financial sector, it too has undergone the process of technological change. Finally, the Reserve Bank has endeavoured to streamline technological change in a manner that would help to enhance the inclusiveness of the financial sector.

While technology has become an integral part of conducting and managing business in the financial sector, it can hardly ever be characterised as static. It has evolved over the years and it is important, therefore, that the financial sector too reviews these developments and adapts itself to the same. It is in this context of review and adaptation to technology that the information management requires specific attention. The Department of Information Technology (DIT) of the Reserve Bank was formed in 1995 to exclusively to look after the Reserve Bank’s requirements in the field of computerisation.
and modern communications network and undertake advance planning for technology upgradation in the banking sector. Over a period of fifteen years, DIT has satisfactorily fulfilled most of the objectives set to it at the time of formation. It has been instrumental in designing, developing and implementing IT-based systems, which have helped in the discharge of various functions of the Reserve Bank.

During this period, several developments have taken place in the realm of IT and its adoption in the banking sector. The developments largely relate to improvements in back office management in the form of streamlining Management Information System (MIS), strengthening centralised processing and improving communication networks. As these developments have a bearing on the role, functions and organisation of the Department, it is necessary to review the objectives of DIT in the light of these developments. To steer the financial sector to achieve the desired technological goals, the Reserve Bank has brought out two vision documents encompassing the periods 2005-08 and 2008-10. As the tenure of the previous IT vision document was 2008-10, it was incumbent upon the department to prepare the next version of the vision document for the period 2011-17.

OBJECTIVES

The objective was to identify the information needs of the Reserve Bank as also to work on the changes to the organisational structure of DIT. The terms of reference are:

a. Review of the contribution of DIT in establishment of IT infrastructure in the Reserve Bank and banking sector over the period of fifteen years;

b. Preparation of Information Technology Vision Document for the period 2011-17, taking into account requirements and expectations of banking system in general and Reserve Bank in particular;

c. Keeping in view the IT Vision Document, redefining the role, functions and organisation of DIT;

d. Specifying the role of the department in meeting the information needs of the Reserve Bank and the society at large.

VISION

The prime focus has been on the preparation of the IT Vision Document for the Reserve Bank of India for the period 2011-17. For this purpose, following points had taken into consideration the issues, challenges, evolving technology and changing business environment. In addition to preparing the Vision Document, it had also given specific recommendations for its operationalisation. As DIT is responsible for adoption of IT in the Reserve Bank, it reviewed its activities during the past fifteen years. It recognised the need for extensive use of information for decision making, identified the gaps and put forth specific recommendations in terms of systems and structure. Based on the review of its past activities and its evolving role for development of information systems, the following recommendations have given on the future role, responsibilities and organization of DIT.

STRATEGY FOR IMPLEMENTATION OF IT VISION 2011-17

CHANGING ENVIRONMENT AND CHALLENGES AHEAD

Over the years, the functions of the Reserve Bank and its focus have evolved in response to the changing economic environment. While discharging its traditional functions, the Reserve Bank has been in the forefront of adopting new initiatives. These new initiatives required adoption of appropriate technology to deliver optimal solutions and in the process increased the need to plan and implement newer IT strategies. Simultaneously, there have been changes in the technology environment. The Reserve Bank is committed to create adoption of newer technologies. In this context, cloud computing, virtualisation and open source technologies can be used for driving efficiencies of operation and reducing costs to customer. By using cloud computing, the service providers can deliver a variety of IT enabled capabilities to the customers. The adoption of technology has brought in efficiency in the payments systems operated by the Reserve Bank. This can be measured by the increasing use of electronic mode of transmission of money by customers of banks. Adoption of Core Banking Solutions has emerged as a single most significant innovation which has transformed the way banks have managed their businesses. However, these systems have not been fully exploited for information management and decision support. Similarly, the IT governance structures are yet to be fully strengthened.

In the context of (a) increased demand on IT solutions (b) changing technology scene and (c) gaps in adoption of technology to meet the information needs etc. These issues may be addressed in the short, medium and long term. Some of the important issues are delineated below:

- issues in integration of information and technology
- focused approach in usage of data for MIS and Decision Support System (DSS)
- inadequacies in information needed to take vital decisions
• disparate IT systems at different levels of maturity
• metadata and uniform data reporting standards
• adoption of data mining and business analytics for information refinement
• re-engineered business processes and delivery models
• strategic alignment between business and IT
• information and security policies
• business continuity management
• project management
• vendor management
• availability of trained manpower for deployment of technology

It has taken into account the above challenges while preparing the IT Vision Document 2011-17.

THE IT VISION DOCUMENT 2011-17 IS ENCLOSED.

IMPLEMENTATION STRATEGY

Keeping in view the goals identified in the Vision Document, and taking into account the steps required to operationalise the same, has reviewed the activities of DIT during the past 15 years and identified the information needs of the Reserve Bank and society and has recommended certain changes in the present role, responsibilities, functions and organization of the department.

DIT may be entrusted with the responsibility to identify the specific action points and prepare action plans for short, medium and long term implementation. For this purpose, the department may use the recommendations given by the Committee in this report. Further, the department may coordinate with other departments of the Reserve Bank and also external organisations to achieve the goals set in the Vision Document. A high level standing committee at the top management level may be formed to monitor the progress of implementation of IT Vision Document.

FUNCTIONAL OVERVIEW OF IT

Information Security Function

RESPONSIBILITIES

• Information Security Strategy and Policy for the bank. (applications, data, infrastructure and people related)
• Owning and sponsoring all security programs in the bank.
• Monitoring security logs of applications, operating systems, databases, networks.
• Business Continuity and Disaster Recovery Planning and Monitoring.
• Facilitating investigations in IT frauds and mitigation measures.
IT Supplier and Resource Management Function

RESPONSIBILITIES
- All IT Sourcing (in-sourcing, outsourcing and co-sourcing) activities
- Supplier Relationship Management
- Supplier short listing, negotiation, selection (through EOI, RFI, RFP etc.)
- IT Procurements
- Service Level Agreement (SLA) Management: Enforcement and Review
- Supplier performance Management (metrics, standards, audits etc.)
- Maintain the IT Supplier Service catalogue (Empanelment)
- Planning Training and Development of Human Resources in IT
- Promoting Green IT initiatives like saving energy, cost and other resources

CONCLUSION
The Department of Information Technology (DIT) at the Reserve Bank of India was formed in 1995 to take care of information technology (IT) deployment within the RBI and to serve as facilitator for adoption of IT in the banks. Over a period of fifteen years the department has satisfactorily fulfilled most of the objectives set to it at the time of formation. During this period, several developments have taken place in the realm of technology and its adoption in the banking sector, which have a bearing on the role, responsibilities, functions and organization of the department. IT environment has undergone substantial transformation over this period and hence there is felt a need to revisit Department's objectives with an aim of redefining goal, focus and mandate for the department in the changed environment. It has accordingly been decided to set up a High Level Committee for this purpose.