Conclusions and Suggestions.

7.1 Introduction:

The objective of this chapter is to present the findings and suggestions of the study. The chapter consists of two sections. The first section gives the findings / conclusions of the study. Of the secondary and primary data collected, analyzed and interpreted, some important findings / conclusions are enlisted. The last section gives some suggestions to overcome problems that have been identified from the study. The major findings / conclusions of the study are presented follows.

7.2 Findings / Conclusions:

- LIC is a dominant market player with more than 70 per cent of market.

- Insurance industry contributes to the financial sector of an economy and also provides an important social security net in developing countries.

- Indians, who have always seen life insurance as a tax saving device, are now suddenly turning to the private sector and snapping up the new innovative products on offer.

- The insurance agents still remain the main source through which insurance products are sold.
• The insurance company works in a manner by collecting premiums from policy holders, investing the money and then reimbursing this same money once the person passes away or the policy matures.

• Life Insurance is considered to be an important part of an individual’s investment portfolio, not necessarily to accumulate wealth, but to feel financially secure.

• Customers have tremendous choice from a large variety of products from pure term insurance to unit-linked investment products. Customers are offered unbundled products with a variety of benefits as riders from which they can choose.

• More customers are buying products and services based on their true needs and not just traditional money back policies, which is not considered very appropriate for long-term protection and savings.

• Insurance is an attractive option for investment. While most people recognize the risk hedging and tax saving potential of insurance, many are not aware of its advantages as an investment option as well.

• Around 78 per cent households are aware of insurance products. Despite this, ownership of insurance products is low only 24 per cent households in the country own a life insurance cover.

• Urban India is more aware of life insurance – 90 per cent of urban households are aware of life insurance, as opposed to 73 per cent rural households.
• The salaried class is most aware about insurance. Nearly 95 per cent salaried households are aware about insurance compared to 89 per cent households that are engaged in non-salaried jobs.

• Awareness about life insurance increases with age. Households with chief earners in age groups of 41-50 years, 51-60 years and 60+ years are more aware (74 per cent) about insurance than the younger age groups.

• Value perspective, fulfilling customer needs are a key source of income to an organization and achieving complete customer satisfaction is the only key for the LIC to succeed.

• Customer service is an integral part of life insurance organization. It is necessary to identify the key success factors in life insurance industry, in terms of customer satisfaction so as to survive in intense competition and increase the market share.

• Customer service has become a distinct component of both product and service sectors and with the developments in information technology many businesses find demanding and knowledgeable customers.

• Quality of services can be the difference between success and failure in both service and manufacturing firms. Service quality, customer satisfaction and customer value have become the main concern of both manufacturing and service organizations in the increasingly intensified competition for customers in today's customer-centered era.
• Service quality improvements will lead to customer satisfaction and cost management that result in improved profits.

• In the life sector, LIC will need to increase efforts to design new products that are suitable for the market and make use of innovative distribution channels to reach a broader range of the population.

• Life Insurance Company will need to show long-term commitment to the sector, design products that are suitable for the rural population and utilize appropriate distribution mechanisms.

• LIC will have to pay special attention to the characteristics of the rural labour force, like the prevalence of irregular income streams and preference for simple products, before they can successfully penetrate this sector.

• Life insurance in particular provides protection to household against the risk of premature death of its income earning member. Life insurance in modern times also provides protection against other life related risks such as that of longevity (i.e. risk of outliving of source of income) and risk of disabled and sickness. The products provide for longevity are pensions and annuities.

• LIC have now to face competition to private sector insurance companies not only in issuing various range of insurance products but also in various aspects in terms of customer service, channels of distribution, effective techniques of selling the products etc. privatization of the insurance
sector has opened the doors to innovations in the way business can be transacted.

- Life insurers around the world face a difficult challenge. The study reveals that although the majority of customers are reasonably content with the service they receive, satisfaction levels have declined. What is more, customers are more able and willing than ever to switch providers.

- Technology plays an important role in building their awareness of products and services, as well as improving their experience in dealing with customer service issues.

- Of the insured population, an overwhelming majority 78 per cent – comprises of males. Only 22 per cent of the insured are females.

- Like awareness, ownership of life insurance products too is a function of factors like education, age, landholdings and income.

- The study clearly indicates that there is a definite scope for increasing the volume of savings in life insurance even at the existing levels of income, given its distribution and the employment structure.

- One of the critical findings of this study is the sheer lack of awareness about financial protection in rural, as well as urban India.

- The challenge would be to not only gain new customers, but to retain them as well. If customers are satisfied with the responsiveness of the life insurance service provider, they are likely to take-up new policies, and
also engage in positive word-of-mouth which would further increase the number of policies being sold.

- The rural consumer is now exhibiting an increasing propensity for insurance products.

- In the insurance the awareness level for life insurance is the highest in rural India, but the consumers are also aware about motor, accidents, cattle and crop insurance.

- Because of the Information revolution, customers are free to choose from a wide range of new and innovative products.

- The study also pointed out the LIC have huge task to play in creating awareness and credibility among the rural populace.

- Maximum respondents were said that they had purchased some kind of insurance with the maximum penetration skewed in favor of life insurance.

- With increased competition among insurers, service has become a key issue.
- Life insurance has today become a mainstay of any market economy since it offers plenty of scope for garnering large sums of money for long periods of time.

- Taking life insurance to the masses and offering value-added services has always been top agenda for the Life Insurance Corporation of India. It has
now made its services more extensive and accessible by extending its WAN to the far corners of the nation.

- LIC has had many problems relating to the efficient use of its human resources since the time it was set up. Many of these problems related to the fact that it was a public sector organization. The corporation's managers were too bureaucratic. The work culture in the organization was sloppy. Strong trade unions made it difficult for managers to get the work done. The corporation's development officers focused on their own earnings and incentives, rather than on customer satisfaction.

- The private insurance companies are offering plenty of new attractive schemes and products to get meaningful share in the insurance market.

- The consumer today not only wants a product at a great price, they also want a personal relationship, especially, when it comes to financial system sales such as various insurances.

- Most of the customers were under-insured with no flexibility or transparency in the services provided.

- Before the entry of private players insurance penetration and awareness was very low especially in rural India.

- The study shows that the new business categories the number of policies rose from 196.65 lakh in 2000-01 to 388 lakh in the year 2009-10. The highest growth performance shown in the year 2009-10 i.e. 197.30 per cent. During the year The LIC shows the growth by 197.30 per cent
• The Study shows that the total premium received in the year 2000-01 rose from 34,890.02 crores to 1,85,985 crores in the year 2009-10. The growth performance shown during the study period was that of 533.06 per cent. During the study period The LIC shows the growth by more than five times in premium.

• It is evidence from the study that the premium received by new business categories the amount of premium rose from 9,700.98 crores in 2000-01 to 67,135.31 crores in the year 2009-10. The highest growth performance showed in the year 2009-10. During the year The LIC shows the growth in premium by 692.05 per cent.

• The Study shows that the growth index shows the number as 100 in 2000-01 increased up to 541 in the year 2009-10. During the study period incensement in the investment of LIC shows more than five times growth.

• The Study shows that the LIC received income from investment in the year 2000-01 Rs. 316 crores was increased up to Rs. 1,12,425 crores in the year 2009-10. The growth index shows the income of LIC with equal to 100 points in the year 2000-01 was increased up to 35,577 points in the year 2009-10.

• The Study shows that the operating expenses of LIC increased from Rs. 3,706.56 Crores in the year 2000-01 to Rs. 12,245.82 crores in the year 2009-10. The growth index shows the operating expenses of LIC was rose from 100 points in the year 2000-01 to 330.38 points in the year 2009-10.
• The Study shows that the total assets of LIC rose from Rs. 500 crores in the year 2000-01 to 3, 12,299 crores in the year 2009-10. The growth index number shows the 100 points in the year 2000-01 increased up to 62,460 in the year 2009-10. The growth rate in assets is very high of LIC during the study period.

• The Study shows that the profit earned by LIC in the 2000-01 was Rs. 317 (100) crores were increased up to 1,061 Crore (334.70) crores in the year 2009-10. The growth percentage shows more than three times growth i.e. 100 points to 335 points during the study period.

• The Study shows that the growth rate in new policy is recorded by 8.21 per cent, growth in first premium by 21.63 per cent, Total premium growth rate is 18.32 per cent, total income increased by 49.15 per cent and the growth recorded in total assets is 31.88 per cent with compared to 2008-09.

• The Study shows that the market share of various insurance companies including LIC. It very interesting to know that year LIC keep with 82.3 per cent market share while other companies very less performance in total market share. The Study concludes that yet LIC is a dominant player in insurance business in India.

• The study shows that LIC, which recorded 69.33 per cent growth in first-year premium during 2009-10, a bulk of the growth came from the group single premium segment, where the first premium income rose over six times to Rs 929.62 crore, as against Rs 151.13 crore in the corresponding period last year. Similarly, individual single premium rose to Rs 426.90 crore from Rs 366 crore in the corresponding period of last year. As a
result of the increase in premium collection, LIC’s market share increased to 58.67 per cent. The insurance major had been losing markets share in the last few years.

- The study shows that the LIC Investments in year 2000-01 is Rs. 85181 crores while in 2009-10 is Rs.360319 in Central Govt. Securities, 2000-01 Rs.17877 crore while in 2009-10 is Rs.141292 in crores in State Govt. Securities, LIC also invested in Infrastructure & Development sector like as in Housing they invested Rs.17998 crores in year 2000-01 & in the year 2009-10 Rs.40232 crores, Power they invested Rs.12402 crores in year 2000-01 & in the year 2009-10 Rs.77585 crores, Irrigation & Water Supply they invested Rs.3657 crores in year 2000-01 & in the year 2009-10 Rs.5241 crores, Road Railways etc. they invested Rs.325 crores in year 2000-01 & in the year 2009-10 Rs.8066 crores, & but in Others sector they are not interested to invest initial, in the year of 2004-05 they invested RS.4272 crores & in the year 2009-10 Rs. 17073 crores. The above investment of the LIC is purely based on Indians growth.

- It is evidence from the study that the repudiation ratio is a measure of claims rejected. During 2010-11, LIC improved its repudiation ratio for death claims to 1.09 per cent from 1.21 per cent in the previous year. In the same period, the public sector insurance behemoth settled 97.5 per cent of death claims, whereas claims pending stood at 1.47 per cent. Overall, LIC have settled 99.6 per cent of the total claims in the last financial year. And 95 per cent of the death claims were settled within 15 days of intimation. In total, during the 2010-11, LIC has settled around 18.3 million claims amounting to Rs 53,000 crore, which includes survival benefits, maturity and death claims. Of this, Rs 6,000 crore accounted for 721,000 death claims. Among the private players, ICICI
Prudential Life was the best performer in terms of claims repudiation ratio, whereas HDFC Life’s claims settlement ratio was the highest, respectively. ICICI Prudential’s claims repudiation ratio stood at 2.8 per cent, whereas for HDFC Life it was at 3.97 per cent. During the same time, HDFC Life settled 96.03 per cent of the total death claims, while ICICI Prudential settled 94.4 per cent of claims. Claims pending for HDFC Life and ICICI Prudential stood at 0.61 per cent and 2.6 per cent, respectively. Among the established players, the repudiation ratio for SBI Life and Max New York Life worsened to 16.74 and 14.85, respectively. For the smaller or relatively new private life insurance players, the ratio still remains on the higher side. For instance, India First Life, which began operation in 2009, had a repudiation ratio at 9.4 per cent, whereas for IDBI Federal Life which started in 2007, it was 21 per cent.

- The study shows that the claim settlement by LIC in the 2000-01 was Numbers in 75.86Lakhs were increased to Numbers 216 in Lakhs in the year 2009-10. & claim settlement by LIC in the year 2000-01 was Rs.11638 crores were increased to Rs.53536 crores.

- The study shows that the first five year plan LIC was contributes Rs. 184 crores increased up to Rs. 5,28,390 crores in the XI the plan of Government of India.

- The study shows that the total number of policy undertook by the Nanded I branch in the year 2000-01 was 9,915 is increased up to 25,217 in the year 2009-10. During the year 2003-04 & 2005-06 to 2009-10 there was double digit growth seen from the table whereas during the remaining years shows the single digit growth.
• The study concludes that the total number of policy undertook by the Nanded II branch in the year 2000-01 was 6,513 is increased up to 22,390 in the year 2009-10. During the year 2004-05 to 2009-10 there was double digit growth seen from the table whereas during the remaining years shows the single digit growth.

• It is concluded from the study that the total number of policy undertook by the Bhokar branch in the year 2000-01 was 8,089 is increased up to 20,447 in the year 2009-10. During the year 2003-04 & 2007-08 to 2009-10 there was double digit growth seen from the table whereas during the remaining years shows the single digit growth.

• The study shows that the total number of policy undertook by the Degloor branch in the year 2000-01 was 9,125 is increased up to 21,648 in the year 2009-10. During the year 2003-04 & 2007-08 to 2009-10 there was double digit growth seen from the table whereas during the remaining years shows the single digit growth.

• It is evidence from the study that the total number of policy undertook by the Parbhani branch in the year 2000-01 was 14,372 is increased up to 34,586 in the year 2009-10. During the year 2003-04 & 2005-06 to 2009-10 there was double digit growth seen from the table whereas during the remaining years shows the single digit growth.

• The study shows that the total number of policy undertook by the Hingoli branch in the year 2000-01 was 12,212 is increased up to 24,665 in the year 2009-10. During the year 2003-04, 2005-06, 2007-08 & 2008-09 there was double digit growth seen from the table whereas during the
remaining years shows the single digit growth.

- It is evidence from the study that the total number of policy undertook by the Sailu branch in the year 2000-01 was 4,406 is increased up to 11,686 in the year 2009-10. During the year 2003-04 & 2006-07 to 2009-10 there was double digit growth seen from the table whereas during the remaining years shows the single digit growth.

- It is evidence from the study that the total number of policy undertook by the Jalna branch in the year 2000-01 was 18,547 is increased up to 45,528 in the year 2009-10. During the year 2006-07 to 2009-10 there was double digit growth seen from the table whereas during the year 2000-01 to 2005-06 shows the single digit growth.

- In the year the 2000-01 there was 83,179 policies covered by Nanded division increased up to 2,06,167 in the year 2009-10.

- The study shows that in the year 2000-01 the Nanded I branch assured the sum of Rs. 66.16 crores was increased up to 366.24 crores in the ear 2009-10. During the year 2007-08 to 2009-10 there was double digit growth was seen whereas remaining years shows the single digit growth.

- The study shows that in the year 2000-01 the Nanded II branch assured the sum of Rs. 41.27 crores was increased up to 307.88 crores in the ear 2009-10. During the year 2007-08 to 2009-10 there was double digit growth was seen whereas remaining years shows the single digit growth.
- The study shows that in the year 2000-01 the Bhokar branch assured the sum of Rs. 40.76 crores was increased up to 214.81 crores in the year 2009-10. During the year 2007-08 to 2009-10 there was double digit growth was seen whereas remaining year’s shows the single digit growth.

- The study shows that in the year 2000-01 the Degloor branch assured the sum of Rs. 51.96 crores was increased up to 268.75 crores in the ear 2009-10. During the year 2005-06 & 2007-08 to 2009-10 there was double digit growth was seen whereas remaining years shows the single digit growth.

- The study shows that in the year 2000-01 the Parbhani branch assured the sum of Rs. 76.53 crores was increased up to 425 crores in the ear 2009-10. During the year 2005-06 to 2009-10 there was double digit growth was seen whereas remaining years shows the single digit growth.

- The study shows that in the year 2000-01 the Hingoli branch assured the sum of Rs. 60.6 crores was increased up to 258.16 crores in the ear 2009-10. During the year 2005-06 to 2009-10 there was double digit growth was seen whereas remaining years shows the single digit growth.

- The study shows that in the year 2000-01 the Sailu branch assured the sum of Rs. 18.83 crores was increased up to 127.63 crores in the ear 2009-10. During the year 2007-08 to 2009-10 there was double digit growth was seen whereas remaining year’s shows the single digit growth.

- The study shows that in the year 2000-01 the Jalna branch of Nanded division assured the sum of Rs. 112.83 crores was increased up to 574.51 crores in the year 2009-10. During the year 2007-08 to 2009-10 there was
double digit growth was seen whereas remaining year’s shows the single digit growth.

- The study shows that the percentage growth of Nanded division during the year 2000-01 to 2006-07 as single digit growth whereas in the year 2007-08 to 2009-10 there was a double digit growth.

- The study shows that in the year 2000-01 the Nanded division assured sum of Rs. 468.94 crores rose up to 2542.98 crores in the year 2009-10.

- The study shows the total first premium receipt of Nanded I branch of Nanded Division during the year 2000-01 to 2009-10. In the year 2000-01 the total premium receipt of Nanded I branch was 180.95 lakh rose up to 2420.51 lakh in the year 2009-10. The double digit growth shows in the year 2006-07 to 2009-10 whereas remaining years shows the single digit growth.

- The study shows the total first premium receipt of Nanded II branch of Nanded Division during the year 2000-01 to 2009-10. In the year 2000-01 the total premium receipt of Nanded II branch was 95.5 lakh rose up to 2017.91 lakh in the year 2009-10. The double digit growth shows in the year 2006-07 to 2009-10 whereas remaining years shows the single digit growth.

- The Study shows the total first premium receipt of Bhokar branch of Nanded Division during the year 2000-01 to 2009-10. In the year 2000-01 the total premium receipt of Bhokar branch was 101.23 lakh rose up to 1295.64 lakh in the year 2009-10. The double digit growth shows in the
The study shows the total first premium receipt of Degloor branch of Nanded Division during the year 2000-01 to 2009-10. In the year 2000-01 the total premium receipt of Degloor branch was 109.44 lakh rose up to 1366.94 lakh in the year 2009-10. The double digit growth shows in the year 2006-07 to 2009-10 whereas remaining years shows the single digit growth.

In the year 2000-01 the total premium receipt of Parbhani branch was 210.54 lakh rose up to 2725 lakh in the year 2009-10. The double digit growth shows during the year 2006-07 to 2009-10 whereas remaining years shows the single digit growth.

In the year 2000-01 the total premium receipt of Hingoli branch was 200.00 lakh rose up to 1965.52 lakh in the year 2009-10. The double digit growth shows during the year 2006-07 to 2009-10 whereas remaining years shows the single digit growth.

In the year 2000-01 the total premium receipt of Sailu branch was 63.22 lakh rose up to 965.4 lakh in the year 2009-10. The double digit growth shows during the year 2006-07 to 2009-10 whereas remaining years shows the single digit growth.

In the year 2000-01 the total premium receipt of Jalna branch was 334.31 lakh rose up to 3060.51 lakh in the year 2009-10. The double digit growth shows during the year 2006-07 to 2009-10 whereas remaining years shows the single digit growth.
• The Study shows that in the year total premium receipt of Nanded division during the year 2000-01 to 2009-10. In the year 2000-01 the total premium receipt of Nanded division was 1295.52 lakh rose up to 15617.43 lakh in the year 2009-10. During the year 2000-01 to 2005-06 single digit growth recorded by the Nanded division while after the year 2006-07 double digit growth figures from the above year. The table also shows that in the year 2008-09 there was downward trend in the premium collected was recorded.

• The study shows that the data about the Total First Premium Insurance in Nanded Division of all the branches of Nanded division during the year 2000-01 to 2009-10. In the year the 2000-01 there was 1295.52 premium received by Nanded division increased up to 15817.43 in the year 2009-10.

• The study shows that that rural no. of policies are 55062(46.79) & in urban no. of policies are 62605 (53.21) onward 2004-05 percentages share of Nanded division of urban side are more than rural side while rural population is more than to urban area of Nanded division.

• In the year there was 2,849 agents working on LIC business increased up to 6,954 in the year 2009-10. The percentage growth shows 100 per cent to 244.09 per cent during the study period.

• The study shows that the performance of Agents of Nanded Division during in the year 2000-01, The Agents achieved their performance was 29.19 & in the year 2009-10 was 29.64. But in the year 2007-08 Agents performed their best among the total duration.
The Study shows that the total percentage death claim of Nanded division during the year 2000-01 to 2009-10. In the year 2000-01 the total death claim Nanded division was 85.01%. But in the year 2003-04 was increased up to 96.54% the figure indicated that maximum death claim are settled.

Out of total 400 respondents highest number of respondents i.e. 138 (34.50%) are comes from the 51 to 60 age group followed by 96 respondents (24%) are from 41 to 50 age group, 70 (17.50%) respondents selected from 31 to 40 age group, 60 (15%) respondents were choose from 61 to 70 age group and lowest number of respondents i.e. 36 (9%) are comes from the age group of 21 to 30. The table also shows that out of total respondents 286 respondents were selected from urban areas whereas 114 respondents were selected from rural areas.

The highest number of respondents i.e. 120 (30%) were completed their post graduation followed by 104 (26%) respondents were graduate, 86 (21.50%) respondents were H.S.C. passed, 52 (13%) respondents were educated from other category and 38 (9.50%) respondents were just H.S.C. passed.

Out of total respondents 312 (78%) respondents were selected from male category while 88 (22%) respondents were selected from female category.

The study shows that highest number of respondents i.e. 204 (51%) were belongs to service category, followed by 108 (27%) respondents were from businessmen category, 36 (9%) respondents were selected from
farmers, 32 (8%) respondents were housewife and 20 (5%) respondents were selected from other category.

- The study shows that highest number of respondents 122 (30.50%) were selected from the income group of Rs. 2,00,001 to 3,00,000, followed by 112 (28%) respondents income was between Rs. 3,00,001 to 4,00,000, 70(17.50%) respondents income shows from the category of Rs. 1,00,000 to 2,00,000, 58 (14.50%) respondents were selected from the income group of Rs. 4,00,001 to 5,00,000 and lowest number of respondents i.e. 38 (9.50%) were selected from highest income group i.e. Rs. Above 5 lakh.

- It is evident from the study that the purpose of highest number of respondents i.e. 156 (39%) was getting the tax benefits, followed by 136(34%) respondent’s purpose for go with the LIC for investment and 108 (27%) respondents takes the LIC policy for only risk protection purpose.

- The highest number of respondents i.e. 150 (37.50%) told that the LIC agents forced them for LIC policy followed by 90 (22.50%) respondents were undertakes the LIC policy due to compulsory condition, 84 (21%) respondents told that their friends and relatives were forced them to undertakes LIC policy and only 76 (19%) respondents were influenced by LIC advertisement to draw LIC policy.

- The highest number of respondents i.e. 164 (41%) go with Endowment policy, followed by 78 (19.50%) respondents undertook money back policy, 62 (15.50%) respondents were prefer LIC pension plan, 56(14%) respondents covered their life under Term Life Policy, 24 (6%)
The study shows that 72 (18%) respondents assured their policies with LIC of Up to Rs. 1 lakh, 76 (19%) respondents were undertook the policy between the range of Rs. 1 to 2 lakh, 86 (21.50%) respondents were covered the insurance policies among Rs. 2 to 3 lakh, 66 (16.50%) respondents insured by Rs. 3 to 4 lakh, 58 respondents were covered between Rs. 4 to 5 lakh and 42 respondents were insured with the LIC of Rs. above Rs. 5 lakh.

The study shows that highest number of respondents i.e. 90 (22.50%) paid the premium amount to the LIC between Rs. 2 to 3 thousand, followed by 78 (19.50%) respondents each paid the premium between the range of Rs. 1 to 1 thousand and 2 to 3 thousand, 62 (15.50%) respondents paid the premium amount Rs. 3 to 4 thousand yearly, 54 respondents bears the premium between Rs. 4 to 5 thousand and only 38(9.50%) respondents paid the premium amount above Rs. 5 thousand.

The study shows that highest number of respondents i.e. 134 (33.50%) respondents were paid their premium on monthly basis other than salary option, followed by 98 (24.50%) respondents were paid their premium on monthly basis from the salary, 58 (14.50%) respondents were paid their premium on quarterly basis, 56 (14%) respondents were paid their premium on every six month, 38 (9.50%) respondents were paid yearly premium to the LIC and very lowest number of respondents i.e. 16 (4%) were paid their premium at one time only.
The study shows that out of selected 400 respondents 382 (95.50%) respondents were told that they have received policy documents from LIC while another very less number of respondents i.e. 18 (4.50%) were told that they were waiting for policy documents from last three months.

The study concludes that highest number of respondents i.e. 138 (34.50%) were not visited to LIC counter at a single time during the period, followed by 112 (28%) respondents were told that they visit LIC office at list one time during a year, 76 (19%) respondents were visited to the counter at every six months, 48 (12%) respondents were made visit to LIC office by quarterly and very less number of respondents i.e. 26(6.50%) respondents were visited regularly to LIC counter at every month.

It is concluded from the study that the - 242 (60.50%) respondents enquired about the new product offering by LIC, 138 (34.50%) respondents told that they were not visited to LIC office at a single time, 72 (18%) respondent expressed that they were visited to the LIC counter for the enquiry about the money back policy amount, 70 (17.50%) respondents told that they were in need of money and that’s why they were visited to the LIC counter for the enquiry about the loan procedure against their LIC policy, 58 (14.50%) respondents were visited LIC office for the enquiry about the renewal of their existing policy, 50 (12.50%) respondents visited the LIC branch office counter for the enquiry of claim settlement procedure, 38 (9.50%) respondents were told that they interested to know the procedure of surrender of policy to the LIC and that’s why they visited to LIC counter, 32 (8%) respondents were visited to LIC office for knowing the procedure of closing of their existing policy, 28 (7%) respondents told that they have visited to the LIC office
for to inform the change of their adder, 26 (6.50%) respondents were visited to the LIC counter for the enquiry of change of mode of premium and 18 (4.50%) respondents visited to LIC office for the enquiry of their policy documents.

• Out of 400 selected respondents highest number of respondents i.e. 230 (57.50%) told that LIC agents is the source of LIC services while 170 (42.50%) respondents told that they were availed services about the LIC policy matter from the LIC office counters.

• Out of selected 400 sample respondents highest number of respondents i.e. 184 (46%) respondents were told that they were not satisfied from LIC services, followed by 116 (29%) respondents expressed that they were highly not satisfied from the services provided by LIC branches, 66 (16.50%) respondents were just satisfied whereas 34 (8.50%) respondents were highly satisfied from the services provided by LIC.

• It is evident from the study that highest number of respondents i.e. 274 (68.50%) told that that the role of Insurance Corporation of India in socio economical development is most significant followed by 62 (15.50%) respondents gives the negative answer and remaining 64 (16%) respondents were can’t have their opinion in this question.

• Out of the total 400 respondents 268 (67%) were told that LIC Insurance Products are most beneficial with compare to the other company’s product, followed by 86 (21.50%) respondents opinion was ‘no, and remaining 46 (11.50%) were do not comparing with other companies products.
• Highest number of respondents i.e. 170 (42.50%) were opined that they were well covered by LIC policy; followed by 134 (33.50%) respondents were told that they were probably well covered by LIC policy, 82 (20.50%) respondents were think that they may not be well covered by LIC and remaining only 14 (3.50%) respondents were told that they were probably not well covered by LIC.

• Highest number of respondents i.e. 230 (57.50%) were told that if there is need for new purchase they shall go with LIC while 162 (40.50%) respondents give the answer ‘no’, 8 (2%) respondents were did not take any decision in this matter.

• It is evident from the study that the - 18 (11.11%) respondents were told that LIC products were too much expensive, 16 (9.88%) respondents told that they already purchased one product from LIC that’s why they think that no need of another LIC policy for them, 14 (8.64%) respondents do not trust on LIC for their further investment in LIC policies, 22 (13.58) respondents told that LIC will not provided good value for their investments in future, 48 (29.63%) respondents were told that their employer covered their life by sufficient LIIC policy that’s why they think that no need of another LIC policy, 18 (11.11%) respondents told that LIC is not the best option for their investments, 26 (16.05%) respondents complained that LIC is not provident proper services to them.

• The study concludes that highest number of respondents i.e. 236 (59%) were told that LIC agents is the main source of information of new LIC products, followed by 86 (21.50%) respondents were get the information about the new products through the various media, 62 (15.50%)
respondents were informed by their friends about the new products of LIC, the role played by LIC office is seen very less i.e. only 16 (4%) respondents were get the information about the new products and services of LIC from the LIC officers.

- The study concluded that highest number of respondents i.e. 148 (37%) were prefer to bank deposits, followed by 92 (23%) respondents gives the priority to purchase of gold and silver for the saving purpose, 70 (17.50%) respondents were interested to keep the money in their home as saving, only 62 (15.50%) respondents were selected the option of LIC policies for saving purpose and 28 (7%) respondents were go with Shares, Mutual funds etc. as the way of savings.

- The study concludes that highest number of respondents i.e. 274 (68.50%) were disagree about the service quality provided by LIC counter while 92(23%) respondents agree with the statement that LIC provided good services, remaining 34 (8.50%) respondents were neutral in this matter.

- The study concludes that highest number of respondents i.e. 258 (64.50%) were agree about the service quality provided by LIC agents while 84 (21%) respondents disagree with the statement that LIC agents provided good services, remaining 58 (14.50%) respondents were neutral in this matter.

- The selected respondents were asked to rank the problems. The conclusions from the study is that - Highest number of respondents i.e. 250 (62.50%) were told that after getting the policy documents the LIC office did not send any letter to them or no correspondence during the period, 214 (53.50%) respondents were told that whenever they visited
the LIC counter no officer responding to them about their quires, 194 (48.50%) respondents were told that they invested their funds in LIC policies but they don’t have any idea about their fund position, 182 (45.50%) respondents were told that the other insurance company provides good returns and services to their policy holders but compare with the them the LIC is not going to provide good returns and services, 170 (42.50%) respondents were expressed that they want to invest their money in any investment options but such type of guidance cant provided by LIC, 156 (39%) respondents were told that the LIC documents and tables were very critical to understand and 130 (32.50%) respondents were complained that the LIC office has located at very long distance and it is not possible to them to visit LIC office continually.

7.3 Suggestions / Recommendations:

- The LIC needs to advocate competition in market.

- Customer service and satisfaction is becoming the key to success for life insurance companies.

- The Insurance companies may apply advanced Information technology applications for better customer service, cost reduction, new product design and development. New technology gives the policyholders better, wider and faster access to products and services.

- The Internet has provided brand new distribution channels to the Insurers.
• The technology has enabled the insurer to innovate new products, provide better customer service and deeper and wider insurance coverage to them.

• LIC will have continuously innovating new products based on forward-looking models. They will have developed new products addressing the new challenges in society and products to address the hazards from new environmental issues.

• LIC will need to constantly innovate in terms of product development to meet ever-changing consumer needs.

• People today don’t want to accept the current value propositions, they want personalized interactions and they look for more and more features and add ones and better service.

• The insurance companies today must meet the need of the hour for more and more personalized approach for handling the customer.

• LIC need to apply different set of rules and treatment strategies to different customer segments.

• However, to personalize interactions, insurers are required to capture customer information in an integrated system.

• With the explosion of Website and greater access to direct product or policy information, there is a need to developing better techniques to give customers a truly personalized experience.
- A well-regulated life insurance industry which moves with the times by offering its customers tailor-made products to satisfy their financial needs is, therefore, essential if we desire to progress towards a worry-free future.

- Life insurance companies have to customize the services to improve the quality of service to suit the customer as per their needs.

- The insurance industry will have to play a vital role by providing health insurance and other insurance products for the poor.

- LIC should innovate and find new methods of delivering the products to customers. Corporate agency, brokerage, Banc-assurance, e-insurance, cooperative societies and panchayats are some of the channels, which can be tapped by the insurers to reach the appropriate market segments.

- There is a need to LIC to launch a comprehensive 360 degree customer education programme that informs the customer about the need for insurance, how to select the right type of product and how to benefit from it. It has to begin with the creating awareness about the risks that exist in life and the ability of Life insurance to act as a risk mitigation plan.

- LIC have to undertake a process to improve awareness amongst the customers. Private Life Insurance Companies have undertaken a 'Know Your Policy Initiative' aimed at educating the customer about his insurance policy and ensuring he understands the benefits. The key thought behind this initiative is to use multiple channels to communicate with the customer during his initial on-boarding process.
- Conserving persistency will remain a major challenge for insurance companies. Some factors that influence the scenario cannot be controlled, such as market downturn. However, organizations can monitor external and internal factors carefully and draw out a planned approach to control lapsation. A targeted communication strategy designed to educate the customers on what they will stand to lose, is an effective method to tackle the situation.

- Advisors and agents should be properly trained to be able to understand the needs of the customer and sell products appropriately. With the industry and consumers both increasingly focused on retirement income, company should ensure that owners understand the unique feature of guaranteed lifetime income inherent in all annuities.

- It is extremely important that the product is sold in the right manner after analyzing the need of the customer. Customer's financial capabilities, both current as well as projected for future must be factored in before deciding on an optimum policy size for the customer.

- Strengthening of welcome call process, enhancing the quality of tele-calling, improving customer data quality, initiatives launched for capturing customer contact details, are also some of the steps that have helped customer retention. Welcome calling also weeds out the possibility of miss-selling or lack of understanding of product feature.

- A policy in force is not only a perennial source of income to insurance companies, it also provides for continued income to agents and maximizes long term returns to the policy-holders. The insurance sector
has entered into a very critical but conducive phase when it is desirable to pursue not just the new business growth but also to ensure its quality and retention.

- By taking a few proactive measures and ensuring that premiums are remitted in time, not only does the lapsation of life insurance policies get arrested but it would go a long way in furthering the larger interests of all the parties concerned viz., the life insured, the life insurer and the agents. Timely steps in this direction will pave the way for success to all.

- Many of the agents are ill-trained and lack the financial knowledge required to help clients choose the right product at the time of purchasing a policy. As a result, unsuitable products get taken up on wrong guidance or notions; and by the time clients wake up to the reality they have no choice but to lapse the policies.

- There is an evolutionary change in the technology that has revolutionized the entire insurance sector. Insurance industry is a data-rich industry, and thus, there is a need to use the data for trend analysis and personalization.

- All Maturity Claims cheques will be dispatched before due date, so that they reach policy holder before due date.

- Non- Early Death Claims will be settled within 15 days from the date of receipt of intimation.
• Setting up of special cells and single-window facilitation centers for high-end customers, rapid introduction of innovative policies, and a renewed thrust on mass and group business.

• A very common way to promote a life insurance company through Life Insurance Marketing is to make the name of the company familiar to others by means of television commercials, handling out pamphlets, hanging banners in populated areas and by providing exciting offers.

• LIC can keep the records of the client's birthday and days like anniversary and sent him or her small tokens of love or loyalty at a regular basis. If the company can afford a little more it can send dinner coupons to the life insurance policy holder. These things play a major role and can be considered as an effective life insurance marketing strategy. The most crucial thing in insurance marketing is; perhaps, to always speak about unity and honesty while dealing with a business.

• Commissions for the life insurance companies are very high and they seldom make profits out of the policies. Also the insurance policy needs to be transparent so that the potential customer understands it totally and should not feel that they have been treated unfairly by the insurance company.

• Insurance industry is a data-rich industry, and thus, there is a need to use the data for trend analysis and personalization.

• The LIC should evaluate their services and identify their distinction from others. The only way to succeed in the market is the formulation of
differentiated service to different customer segments. Hence, it is essential to identify the discriminate service quality among the public and private players in Life Insurance market.

- The issue of marketing effectiveness is particularly significant to those associated with the management of financial services. The financial service organization as LIC, should study the market, recognize the numerous opportunities, select the most appropriate market segments, and offer superior value to meet the selected customers' needs and wants. In financial services, good customer relations and their satisfaction is the single major factor contributing to the success of an organization.

- The modern marketing seeks to attract new customers by promising superior value and to keep current customers by delivering satisfaction. The sound marketing is critical to the success of all organization, whether large or small, profit or non-profit, and domestic or global. The people mostly think of marketing as only selling or advertising. But marketing companies do many activities like market research, product development, distribution, pricing, advertising, personal selling.

- The image of an agent has undergone lot of change since the time it was first introduced but still agents face a lot of sales resistance. Insurance companies need to consciously endeavor into dedicated efforts for the image makeover of their agents which will go much beyond calling them advisors, financial service consultants instead of agents.

- Agents are the true Brand Ambassadors of the company and they deserve a fair treatment from the insurers.
• With changes in human resources management polices and compensation packages, group products or work-site products do have a definite market that cannot be ignored.

• Insurance knowledge is complex. It is responsibility of distribution channel to develop expertise and to provide customer with insurance knowledge. Channel member should be in a position to advise the prospect as to what is the best choice for him in the given circumstance. They need to have comprehensive knowledge about the life cycle stages of an individual.

7.4 Future Studies:

This study has demonstrated that it is not impossible to collect reasonable data on income, expenditure and savings. Thus, the resulted approach, survey methodology experiences will add new dynamism in this area and will be helpful in such studies in the future. There is a wide scope for research on the perception of service quality of life insurance companies operating in India. Additional studies are recommended to fill this gap. These limitations may decrease the ability of generalizing the results of this study to other life insurance companies’ settings. Therefore, the conceptual and methodology limitations of this study need to be considered when designing future research.

In order to achieve the competitive edge over others standardize the process and bring about quality improvement and get feedback from the customers regarding the quality of services rendered. This will result in customer satisfaction, customer retention, customer acquisition, and employee retention and cost reduction.