6.5 Summary

From the above discussion it is evident that all the factors that have been identified are important but they have all been rated differently. The factor which was considered most important was product attributes and was ranked first. The factor that was ranked last was grace period and it was certainly not important for majority of the consumers surveyed. The ranking that is derived can be of great help to both the service providers and to the consumers. By incorporating these factors in the best proportion, a service provider (insurance company) can improve upon the quality of its products and services to attract more customers and occupy a dominant market share.

CHAPTER VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

7.1 Introduction

Success follows success in the life of everyone who sincerely carries out every activity with a constructive plan. It is the desire of the people to own property in order to lead a long happy life. But
mankind is exposed to many risks such as property losses from fire and storm and personal losses from disability and premature death. Though it is impossible to completely prevent such unfavourable occurrences, it is quite possible to guard against their financial reverses. Life Insurance is a contract providing for the payment of a pre-determined sum of money to the policyholder or the nominee of the policyholder on his untimely demise it. Life Insurance facilitates long term savings through easy instalments. Pension-Linked Life Insurance Policies are also offered by the LIC for the persons nearing retirement from employment. The present study attempts to highlight the attitude of the policyholders towards the services of the LIC in Ramanathapuram District.

The specific objectives of the study are:

7. To identify the factors which the consumers take into consideration before selecting a life insurance product.

8. To determine the extent to which these factors are taken into consideration for choosing life insurance products.

9. To examine the utilization of Life Insurance Corporation (LIC) by policyholders.

10. To study the attitude of policyholders to the services of the LIC.
11. To identify the factors influencing the attitude of policyholders.

12. To offer suitable suggestions to improve the services of LIC based on the views of policyholders.

Both primary and secondary data have been used for the present study. For the purpose of primary data collection, 300 policyholders, in Ramathapuram District, were proportionately selected. The survey was made during the financial year 2005-06.

In the foregoing chapters, the utilization of LIC of India by policyholders, socio-economic background and attitude of policyholders and factors influencing the selection of LIC products were discussed. The major findings along with the conclusions arrived and a few suggestions are presented in this chapter.

7.2 Summary of Findings

In chapter IV the utilization of Life Insurance Corporation of India by policyholders in Ramanathapuram District was undertaken.

1) The utilization scale has been measured with the help of ten components by adopting five points scale.
2) There were 300 sample respondents and each respondents was awarded scores according to his utilization level.

3) The nature of policy taken by the policyholders in the study area were classified under the components.

4) It is observed from the analysis that out of 300 sample policyholders, 57 (19 per cent), 127 (42.33 per cent) and 116 (38.67 per cent) of them have taken whole life policy, endowment policy and money back policy respectively.

5) Out of 300 sample policyholders, 171 of them (57 per cent) have taken one policy. Only 83 (27.67 per cent) of them have offered group insurance policy.

6) It is inferred from the analysis that, out of 300 sample policyholders majority of them 183 (61 per cent) have taken policy with an accident benefit coverage.

7) It is observed that only 24.67 per cent have taken joint life policy. Out of 300 policyholders 47.67 per cent of them have taken policies voluntarily.
8) Out of 300 sample policyholders, only 31 per cent of them have revived lapsed policies. Almost all the sample policyholders kept their policies alive.

9) It was inferred from the analysis that out of 300 sample policyholders, majority of them (40.33 per cent) have taken policies for the sum ranging between Rs.40000 to 60000 followed by 21 per cent for sum Rs.20000 to 40000.

10) It is understood that out of 300 policyholders, 32.33 per cent of them have taken policies for the period of 15-20 years followed by 20-25 years.

11) Out of 300 sample policyholders, only 29 per cent of them have taken children’s policy.

12) Majority of the sample policyholders (70.33 per cent) have taken life insurance policy to meet their old age needs.

13) It is understood that out of 300 sample policyholders, majority of them 71.33 per cent have taken LIC policies for income tax purposes. Only 37.33 per cent of the have made investment in the LIC.
14) Out of 300 policyholders, 60.67 per cent of them have availed of ordinary loan against the security of their life insurance policies, 57.33 per cent have also availed housing loan from LIC.

15) The analysis of the data obtained revealed that 68 (22.67 per cent) sample policyholders have achieved a high level utilization, 183 (61 per cent) a medium level utilization and 49 (16.33 per cent) make only low utilization of services of LIC of India.

In chapter V, the relationship between socio-economic background and the level of attitude of policyholders was examined by using chi-square test.

16) It is inferred from the analysis that 78 (26 per cent) had a high level attitude towards the services of LIC of India in the study area, 158 (52.67 per cent) a medium level of attitude and 64 (21.33 per cent) only a low level of attitude to the services of LIC.

17) It is understood that middle age groups (25 to 40 years) have a medium level of attitude towards the services of LIC.
18) According to sex, majority of the males and females have medium level attitudes. The female was found high in low level attitude.

19) It is inferred that the majority policyholders (26 out of 78) with high level attitude have post graduate and professional level education. Majority of the policy holders (41 out of 64) with low level attitude have primary and secondary education.

20) It is understood that the majority of the married policyholders have high level and medium level attitude towards the services of LIC.

21) Family size is another criterion. Majority of medium families (sizes 3 to 6 members) have high level and medium level attitudes.

22) It is inferred that the occupation was found scattered in all the three levels of attitudes.

23) The number of earning members is also an important variable to influence the level of attitude. Majority of them came under 2 to 4 earning members in their family.
24) Income is also another important yard stick to measure the attitude. Majority of the sample policyholders fell under the category of Rs.50000 to Rs.75,000.

25) It is inferred from the analysis that out of 300 policyholders, 166 (55.33 per cent) of them have awareness and only 134 are not having awareness. Majority of the policyholders with awareness were found in high level attitude.

26) The analysis through the testing of null hypothesis revealed that the following seven factors influence the level of attitude of the services of LIC of India.

   i) Age of the policyholders
   ii) Educational level
   iii) Marital status
   iv) Family size
   v) Number of earning members
   vi) Income of the policyholders
   vii) Awareness of the policyholders

27) Again, the analysis showed that the following three factors do not influence the level of attitude.

   i) Sex of the policyholders
   ii) Occupation
iii) Patronage mentality of the policyholders

In chapter VI identification of the factors which influence the selection of LIC production was undertaken. For this, Factor Analytical model was used to identify and examine the influencing factors on the level of attitude of the policyholders.

28) The factor analysis highlights the facts that the factors like product attributes, customer delight, payment mode, product flexibility, risk coverage, grace period, professional advisor and maturity period are likely to influence the policyholders to choose the LIC product.

29) Further it is inferred from the analysis that the factor which was taken most important was product attribute and it was top among the selected factors.

30) The factor which was ranked least was maturity period.

7.3 Suggestions

The following suggestions are given to the choice of the LIC products based on the findings of the study.
1) It was surprising to note that there were many policyholders who had taken only one life insurance policy. It has been established that out of 300, 171 (57 per cent) have taken only one policy. Holding more policies helps one to get greater services from the corporation. Thus it is suggested that the corporation can introduce prize schemes, and give it extensive publicity in order to persuade people to take more of policies.

2) It is observed that the group insurance policies are not so popular among the public. Many policyholders do not know of the existence of group insurance schemes. Thus, it may be suggested that the corporation should formulate a system of giving recognition to the employees who help to bag a big volume of business.

3) In order to increase the volume of whole-life policies, the corporation offers a higher bonus for them than the endowment policies. In spite of such high bonus and low premium, many do not opt for whole-life policies. It is understood that the policyholders could not get any monetary benefit during their life time. Thus, it may be suggested that to overcome this problem the corporation should modify the policy and offer special bonuses every ten years.
4) Published literature containing details of all types of policies must be made easily available to the prospective policyholders.

5) At present, each division includes many districts under its operational area. For the purpose of providing quality service each district must have a divisional office.

6) Life Insurance Week should be celebrated throughout the country similar to the Savings Week of commercial banks, and the Safety Week of the Indian Railways. During the Life Insurance week, aggressive and attractive posters bringing home the laudable services of the LIC should be found in cities, towns and villages throughout the country. Even mobile services teams can be floated for getting new life insurance proposals from various centres.

The in-depth study conducted by the researcher into the existing rules and regulations and policies and procedures of the LIC of India, was confined to the District of Ramanathapuram of the State of Tamil Nadu. It is an infinitesimally small geographical area in comparison with the length and breadth of our vast country. But, practically speaking, this methodical and scientifically planned study, has yielded results that have an All India
identity, except for some minor variations caused by socio-economic factors related to the geographical and cultural matrix.

The researcher has been careful to examine the changing ambience of the LIC of India, after the Government of India Act of 1999. Now the LIC of India has lost its monolithic monopoly and the disconcerting indifference to public criticism. The entry of foreign companies has given it a serious jolt. In the face of cut-throat competition, the LIC of India pressurized to put its best foot forward. This has proved a real boon to the policyholders. Now the LIC of India is coming out with innovative and self-sufficient measures that are mutually beneficial to the Corporation and its customers.

In short, if the LIC were to take seriously some of the considered suggestions put forth in the thesis, it would usher in an era of unprecedented growth and progress for the organization and prove beneficial to the policyholders.

7.4 Scope for Future Research

1. The utilization of the Housing Loan Schemes of the Life Insurance Corporation of India.
2. A Study of marketing of life insurance policies in Tamil Nadu.

3. The Impact of career agents on the general growth of the Life Insurance Corporation of India.

4. Job satisfaction of the employees and agents of the Life Insurance Corporation of India.

5. The rate of return on the savings element in life insurance in Tamil Nadu.

6. A comparative study of utility values in life insurance and general insurance in India.


7.5 Conclusion

Thus it may be concluded from the analysis that the study could be of great help to the policyholders, as it was aimed at finding the attitudes