5.1 FINDINGS:

Chapter – V is a summary of the data collected on various aspects such as, the socio-economic personal profile of all the respondents irrespective of the company chosen by them. It also presents the findings, based on the study of seven elements of the marketing mix of the chosen life insurance companies namely HDFC Standard Life Insurance Company Ltd., Max New York Life Insurance Co. Ltd., ICICI Prudential Life Insurance Company Ltd., Kotak Mahindra Old Mutual Life Insurance Limited, Birla Sun Life Insurance Company Ltd., Tata AIG Life Insurance Company Ltd., SBI Life Insurance Company Limited., Private Life Insurance companies Allianz Life Insurance Company Limited., Reliance Life Insurance Company Limited, Life Insurance Corporation of India.

The attributes of all the seven elements have been identified and analyzed in detail from the policy holders’ point of view.

The findings have been presented below:

- All the Respondents of the private life insurance companies and LIC believed that Insurance plays a vital role in human life as well as Level of satisfaction with the performance of the company is Life needs protection due to uncertainties and as such long period policy (15-20 years) is normal.

> As per APPENDIX : 1 Researcher found that,

- Out of 720 respondents, the maximum number, 37.5 % of the respondents belonged to the age group of 31-40. Majority respondents were 65.07 % male.
- Maximum number of the respondents (75.42 %) was married.
- Maximum number, 62.64 % were lived in urban areas.
- Equal awareness was found in Urban as well as in rural areas for LIC while for Private Sector Companies, more awareness was found in urban area.
- Graduates including under graduates and post graduates had shown greater preference for purchasing life insurance policies, than others.
• Majority of the respondents (32.78 %) lived in urban areas, where the business potential was high.

• The respondents employed in private sector and business men showed greater interest, in purchasing life insurance policies irrespective of the company, as one of their choices of financial planning, for reasons of safety and security.

• Maximum number of respondents who fell within the monthly income ranging between Rs. 30,001 to 50,000 in all the three companies, preferred investing in life insurance policies in order to meet all family needs such as education, marriage, illness, housing facilities and so on.

• With respect to decision making in the purchase of policies it was observed that, in 74.44% purchasing of the policies for own. It is evident that, out of 720 respondents, both type of family average 50 % purchased the policies.

• Majority of the respondents, (60.93 %), had selected the companies attracted by their brand image. The next important factor which had attracted people to select the company was, the security guarantee that the companies promised.

• Majority of the policy holders preferred the add-on rider – Accidental Death benefit.

• Conventionally agents are the prime movers in any service business, particularly in insurance business. The prime source of information for majority of the policyholders was through agents only.

• A consistent demand for the traditional well-known policies namely Endowment and Money Back Policies has been noticed. Unit-linked policies and pension policies which are of recent origin were found to be gaining momentum.

➢ The Chi-Square test revealed the following facts:

• Age of the respondents has no influence in choosing a company.

• Gender of the respondents has no influence on the choice of the company.

• Marital Status of the respondents has no influence on the choice of the company.

• Location of the respondents has no influence in the choice of the company.

• Educational Status of the respondents has no influence on the choice of the company.

• Occupation of the respondents has no influence on the choice of the company.
Economical Condition of the respondents has no influence on the choice of the company.
Decision making of the respondents has no influence on the choice of the company.

As per APPENDIX : 2 Researcher found that,

- Consumer Protection Act, 1986 is sufficient to protect the interests of policy holders.
- Insurance sector is not prone to deficiencies in services like other service areas.
- Private insurance companies do not bother about Consumer Protection Act while giving insurance services.
- Agents or insurance officials do not disclose the Negative points of the scheme/policies to the consumer while selling the same.
- Life insurance companies Send notices for payment of premium afterwards when premium becomes due so that penalty can be imposed.
- Final payment on expiry of the term of policy is made to the policy holder/nominee immediately without delay.
- Entry of private companies has not affected business of public sector companies.
- Entry of private companies has widened the scope of insurance sector in India.
- Quality of products of public sector insurance companies has improved a lot with entry of private companies.
- In spite of so much of awareness by CPA and strictness by IRDA, customers are entrapped by false promises by the insurance companies.
- Death claims are promptly settled by insurance companies.
- Policyholders appeared to the negative features are intentionally kept secret by an agent/subagent, he/she should be penalized.
As per APPENDIX : 3 Researcher found that,

- The chief objective of the study was to elicit the opinion of respondents in respect of, various dimensions of the marketing mix of the select life insurance companies. To attain the objective the respondents were given a set of questions requiring their responses on Percentage. Based on these premises, the following observations were made, the details of which are given below.

1. **PRODUCT MIX**:

   Six attributes of the product mix element of the life insurance companies namely, security, risk cover, adequate returns, and fulfillment of requirements, tax relief and additional benefits were identified and analyzed with percentage. The respondents’ attitude towards the different attributes of the product mix was analyzed. The opinion based survey conducted, on a sample of 720 respondents with respect to the product mix of select companies revealed that, LIC was doing better with regard to risk cover but private were sweeping high in all the other variables.

2. **PRICE MIX**:

   The policy holders’ opinions regarding the premium charged by the companies and the bonus declared have been analyzed and it was observed that, majority of the respondents of the nine select companies was of the same opinion, with respect to premium and bonus components. The premium and the bonus they felt, were neither very high nor very low.

3. **PROMOTION MIX**:

   The promotion mix has been analyzed with reference to the advertisement, technology, and websites, posters exhibited by the company, pamphlets issued and the interaction with the policyholders. The respondents from all the nine select companies have agreed that all the nine companies gave advertisements which were very impressive and motivating. The results of the analysis revealed that, of the nine companies, majority of the respondents of LIC (75.69%), considered the promotion mix to be effective.
4. DISTRIBUTION MIX:

The distribution mix has been analyzed with reference to, the assistance rendered by the intermediaries to the policyholders in the purchase of the policy, claim settlement, grievance settlement and information provided at the introduction of policies. Eliciting the opinion of the respondents with respect to the distribution channel of products brought to light, some interesting observations. The assistance of the agents in providing information about the introduction as well as in the purchase of the policies attracted a favorable response from the policy holders.

The results of the analysis revealed that, majority (58.46%) of the respondents of LIC considered the distribution mix, to be effective.

5. PEOPLE AND PROCESS MIX:

The People and process mix has been analyzed with reference to, the customer care services namely sanctioning of loans by the company, information at policy lapse, assistance in reviving policy, promptness in attending enquiries, promptness in claim settlement, friendliness of employees, settlement of grievances, maintenance of accurate records and promptness in document issue. The respondents of the nine private companies were highly satisfied with the customer friendly attitude which was ranked first, while the respondents of public company LIC appreciated the accurate record maintenance which was ranked first.

The results of the analysis revealed that, majority of the respondents of LIC 85.23%, considered the people and process mix to be effective.

6. PHYSICAL EVIDENCE MIX:

The physical evidence mix has been analyzed with reference to, convenience of location of the branches, convenience of operating hours, availability of water facilities, seating facilities and infrastructure facilities. Convenient location of the offices proved to be a positive factor, for all the nine selected companies, as opined by the respondents. The operating hours also seemed to be convenient, for the respondents of all the three companies.
The results of the analysis revealed that, majority of the respondents of Private insurance companies considered the physical evidence mix to be effective.

- **An analysis of the marketing mix of LIC, on the basis of the responses given by 325 respondents, revealed the following facts:**
  - Majority of the respondents, (61.23 percent), were male and the maximum number of the respondents,(38.46 %) were in the age group between 31-40 years.
  - Majority of the respondents, (80 %) were married.
  - 27.69% %respondents had completed school education, followed by, 11.69 %of respondents who were undergraduates.
  - Equal ratio of the respondents, seen into both areas.
  - Majority of the respondents, (30.15 %) were engaged in business and 16.62 %of the respondents were employed in Farming and also 12% seen that equally participate in government and private sector concerns.
  - The income earned by 37.54 % of the respondents was between Rs.5,0001- Rs.1,00, 000 per month.7.54 % of the respondents were earning a monthly income above Rs. 1, 00,000.
  - Majority of the respondents, (61.23 %), lived in joint families and majority of the respondents (40.62 %) had 5 to 6 members in the family.
  - **PRODUCT MIX :**
    - The policy holders of LIC were highly appreciative of the company since its policies provided security, risk cover and adequate returns.
    - Overall it is observed that majority respondents feel that the performance of LIC regarding its product features and price is satisfactory. It is obtained in respect of the policy holders opinion regarding the fulfillment of specific requirement such as children’s education, marriage expenses and so on was minimum.
  - **PRICE MIX :**
    - Majority (41.23 %) of the respondents have felt that the premium charged by the LIC has been moderate and for 28 %of the respondents the premium charged was low/ very low. However, the percentage of respondents, who felt that the premium was very high / high was 30.77 %.
As regards the bonus declared by the company, 30.77% of the respondents have felt that it was moderate. 24.31% of the respondents felt that the bonus was high. However, the percentage of respondents who felt that the bonus was very low or low was 44.93%.

**PROMOTION MIX:**
For the customers of Life Insurance Corporation, advertisements played an effective role as a promotional tool, since majority of the respondents highly appreciated that the advertisements were informative 80.62%, advertisements were highly motivating 66.46% and had good visual appeal and the posters were also highly impressive.

Overall it is obtained by the company, as regards the various attributes of promotion mix was high in respect of the informative and motivating advertisements. It was low, in respect of the interaction with the policyholders.

The predominant contributors to the effectiveness of promotion mix were the interaction with the policyholders, visual appeal of the advertisements and the impressive posters indicating that, if the company concentrates more on these aspects, it would have a much more effective promotion mix.

**DISTRIBUTION MIX:**
Majority of the policy holders considered that, the intermediaries provided information at the introduction of the new policy assisted in the purchase of the policy and possessed thorough knowledge about the company’s policies.

The results of analysis revealed that, in respect of LIC 63.08% of the respondents considered the distributional mix to be effective while 20.31% felt it to be ineffective.

The predominant contributors to the effectiveness of distribution mix were the knowledge of the intermediaries, assistance in grievance settlement and the information provided at the introduction of the policy indicating that, if the company concentrates more on these aspects, it would have a much more effective distribution mix.
• PEOPLE AND PROCESS MIX:
  • Factors such as maintenance of accurate records by the company, information provided to the policyholders at the lapse of policy and prompt issue of the policy documents were highly appreciated by the policy holders of LIC.
  • The results of the analysis revealed that, in respect of LIC 85.24% of the respondents considered the distributional mix to be effective while 14.76% felt it to be ineffective.
  • The predominant contributors to the effectiveness of distribution mix were the prompt issue of documents, timely settlement of grievances indicating that, if the company concentrates more on these aspects, it would have a much more effective distribution mix.

• PHYSICAL EVIDENCE MIX:
  • The policyholders of LIC showed much satisfaction as regards the factors such as, location of branches at convenient places, convenient operating hours and the provision of water facility in the branches.
  • The results of analysis revealed that, in respect of LIC 56% of the respondents considered the physical evidence mix to be effective while 28.61% felt it to be ineffective mix. The predominant contributors to the effectiveness of physical evidence mix were the infrastructure facilities, location of branches at convenience places, and convenient working hours indicating that, if the company concentrates more on these aspects, it would have a much more effective distribution mix.

➢ An analysis of the marketing mix Private Life Insurance Company on the basis of the response given by 395 respondents revealed the following facts:

  • Majority of the respondents (75.95%) were male and the maximum number of the total respondents (65.32%) was in the age group between 21-40 years.
  • Majority of the respondents, (71.65%) were married. Majority of the respondents, (31.65%), were minimum 12\textsuperscript{th} std. and 8.86% of the respondents were undergraduates.
  • The highest proportion of 73.16% of the respondents resided in urban areas. Out of 122 respondents, 30.89% were employed in private sector and 34.94% were business men.
Majority of the respondents, (45.57 \%), were earning a monthly income ranging from Rs. 30,001-Rs.50,000. Majority of the respondents, (52.91 \%) lived in nuclear families and majority of the respondents (33.67 \%) had one to three members in the family.

Majority of the respondents, (78.73\%) revealed that, the decision to purchase the policy was taken for self and for 6.58\% of the respondents, it was the decision taken for their child.

Majority of respondents (37.47) gave the entire factor for different private life insurance company’s fame. Reputation was the vital factor that motivated the respondents of Life Insurance Corporation. However, security offered by the company was considered to be, the next important reason for choosing the company.

Of the various add-on-riders made available to the policy holders, Accidental Death benefit was the much sought rider, for majority (51.65 \%) of the respondents.

Majority of the respondents (95.19 \%) had received information about the policy only through the agents, followed by 4.303 \% of respondents who had received information through the Banks and corporate agents.

Of the various categories of policies available, unit-linked policies were favored by 18.23 \% respondents of private, followed by the policies meant exclusively for children’s education, marriage and so on.

Brand image was the prime factor that motivated the policy holders to purchase its policy. It is evident from the fact that, Majority of respondents chose the Private Life Insurance Company for the brand image it had created.

**PRODUCT MIX :**
Selected nine Private Life Insurance companies products were favored mainly for their security aspect followed by risk cover, fulfillment of specific requirements such as children’s education and daughter’s marriage.

**PRICE MIX :**
A majority (28.61\%) of the respondents felt that ,the premium charged by Private Life Insurance companies has been moderate. According to 26.07\% of the respondents, the premium charged was very high or high.
As regards the bonus declared by the company, the percentage of respondents who felt that the bonus was very high/high was 33.92% and 27.59% of the respondents felt that it was moderate.

The premium charged by the company has been considered as reasonable whereas the bonus declared has been considered as high.

**PROMOTION MIX:**

The sales promotional activities of Private Life Insurance companies were appreciated due to the issue of informative pamphlets, provision of information through website and interactions with the policy holders. However, advertisements made through the posters and hoardings have been less attractive.

The promotion mix of the company has been considered as more effective for Private Life Insurance companies as revealed by the highest 49.88% obtained by the company.

The results of the analysis revealed that, as regards Private Life Insurance companies, 34.43% of the respondents were neutral for the promotion mix was effective whereas 15.69% considered it to be ineffective.

The predominant contributors to the effectiveness of promotion mix were the interaction with the policyholders, informative advertisements and the informative pamphlets indicating that, if the company concentrates more on these aspects, it would have a much more effective promotion mix.

**DISTRIBUTION MIX:**

The distribution mix of Private Life Insurance companies was highly appreciated by the policy holders. According to them, the intermediaries rendered valuable assistance for the purchase of policies, provided information about the introduction of new policies and possessed a thorough knowledge of the company’s policies.

The results of the revealed that, as regards Private Life Insurance companies, 35.44% of the respondents agreed that the distribution mix was Excellent whereas 19.49% considered it to be bad or worst.

The predominant contributors to the effectiveness of distribution mix were the knowledge of the intermediaries, assistance rendered by them in the purchase of policy and in the claim settlement indicating that, if the company concentrates more on these aspects, it would have a much more effective distribution mix.
• **PEOPLE AND PROCESS MIX**
  • The employees of Private Life Insurance companies have been highly appreciated, for maintaining cordial relationship with the policy holders. The services of the company were highly appreciated with regard to the maintenance of accurate records and for the prompt issue of policy documents.
  • The results of the analysis revealed that, in respect of Private Life Insurance companies 54.93% of the respondents considered the distribution mix to be excellent while 10.37% felt it to be worst.
  • The predominant contributors to the effectiveness of people and process mix were the employees’ response to the enquiries of the policyholders, prompt issue of policy documents, indicating that, if the company concentrates more on these aspects, it would have a much more effective people and process mix.

• **PHYSICAL EVIDENCE MIX** :
  • The physical evidence mix of Private Life Insurance companies was highly appreciated by the respondents, who revealed that the operating hours were convenient, the branches were located at convenient places and that the company had provided adequate infrastructure facilities to the policy holders.

The results of the analysis revealed that, as regards Private Life Insurance companies, 78.48% of the respondents agreed that the physical evidence mix was good, whereas 21.52% considered it to be bad or worst. The predominant contributors to the effectiveness of physical evidence mix were location of branches at convenience places, availability of water facilities and convenient working hours indicating that, if the company concentrates more on these aspects, it would have a much more effective physical evidence mix.

5.2 **CONCLUSION** :
  • The life insurance sector which is the most promising sectors in India has become a very attractive destination for global insurance players. Increased dynamism in the external environment in the form of growth in competition has made its imperative to bring about transformation in the life insurance market. A key issue for the insurance players is to recognize the relevant marketing dimensions reaching out both new and existing customers.
Due to the privatization process initiated by the central Government several life insurance players have come into the fray. The life insurance companies vie with each other to capture a significant share in the life insurance markets. An effective marketing mix comprised of innovative products, pricing strategies, attractive promotional tools, well designed distribution strategies, people-oriented quality service mechanisms and physical evidence practices providing better infrastructure facilities has been facilitated by the companies.

In this context, an attempt has been made by the researcher to analyze the marketing mix of ten major life insurance companies of Kachchh district (Gujarat) namely the Life Insurance Corporation of India and nine selected Private Life Insurance companies.

The attributes of each component of the marketing mix were identified and analyzed by obtaining the opinion of the respondents about each attribute. The socio-economic profile of the respondents was analyzed and, it was found that majority of customers falling under the age group of 31-40 gave preference for purchasing the life insurance policies; in most of the families purchase of life insurance policy was the joint decision of the husband and wife; customers earning a monthly income of ranging from Rs. 30,000 to Rs. 50,000/- had purchased the life insurance policies.

Two important factors were identified during the study. Brand image was the prime criteria adopted by majority of the respondents for the selection of the company. Agents played a pivotal role in providing information about the policies and were also the major intermediaries in the life insurance market. Their commendable service was highly appreciated by majority of the respondents.

Various attributes of product mix were analyzed and it was revealed that risk cover and security factors of LIC and Private Life Insurance companies. The premium charged by all the three companies was considered to be moderate and the same was the opinion with regard to the bonus declared by the companies. Of the various promotional tools employed by the three companies, it was identified that in respect of LIC, motivation through advertisements and informative agents; in case of Private Life Insurance companies, pamphlets and websites and in case
of ICICI, pamphlets and motivation through advertisements were the predominant promotion tools. The analysis of the various attributes of the distribution mix made it clear that in respect of all the nine life insurance companies, assistance rendered by the intermediaries in taking policies and knowledge of the intermediaries were the major contributors to the distribution mix. The study on the customer care services (people and process mix) brought to light that in respect of LIC, maintenance of accurate records and information at policy lapse; in respect of Private Life Insurance companies, friendliness of employees and maintenance of accurate records and in respect of ICICI, friendliness of employees and promptness in document issue were the major contributors to the people and process mix. The analysis of the physical evidence practices revealed that in respect of LIC and Private Life Insurance companies, convenient location and convenient operating hours; convenient location and convenient operation hours and adequate seating arrangements in the office were the major contributors to the physical evidence mix.

- Likewise, Private Life Insurance companies was considered to be the best in respect of product mix, promotion mix, people and process mix and physical evidence mix. LIC ranked first in respect of distribution mix as well as the premium and bonus components of price mix and occupied second place in respect of product, people and process mix.

- In most aspects of the marketing mix Private Life Insurance companies has been dominating, perhaps indicating Private Life Insurance companies stands for the best. This fact has been proved by the statistical records released by the IRDA which state that Private Life Insurance companies was number one in respect of the number of policies underwritten by the life insurance companies during the year, 2007-2008.

- Life insurance companies can grow from strength to strength by changing their limited focus and looking for positive outcomes through progressive ideas. The companies should strive hard to transform their creative vision into dynamic action through committed mission of genuine customer service.

In keeping with the proverbial saying that,

“THE JOURNEY OF A THOUSAND MILES BEGINS WITH ONE STEP”
The insurance companies can start their promising march into the future with the first step of a strong foundation to serve the customers and through them the nation by excellent service in providing security for the future and risk cover along with timely payment of returns.

5.3. SUGGESTIONS:

The research work is done through the secondary data and primary data for analysis. On the basis of analysis, finding and conclusion work is completed. On the basis of findings, Researcher comes up with some recommendations to the Insurance Players and Recommendations to the Insurance Investors. The following suggestions are made.

- 312/720 insurance policy holders are graduates & post graduates and remaining policy holders are literate up to school or diploma. So it is recommended to the insurance players to motivate the people from school level only. Because many number of people are leaving study after completion of schooling level because of many reasons. Insurance companies can arrange the seminars or lectures to aware to schooling students so they can take better decisions in future for buying insurance policy.

- Survey shows that among the policyholders, numbers of male policyholders are higher than the female policyholders in Gujarat. So Researcher recommends that insurance players should introduce the special policy scheme for female which will encourage the female to buy policy and insurance players can increase the female policyholder ratio.

- Survey shows that majority (236/720) insurance policyholders are concerned with business occupation and remaining policyholders are engaged with other economic activities like service, trading, or agriculture. So it is recommended that insurance players should cover those occupation groups which have less coverage in insurance by introducing some special schemes for them or by increasing awareness among them about the insurance and importance of insurance in the life.

- In case of selecting the insurance company, people always give priority to the public insurance players because of the safety and lower premium with lower cost. So it is recommended that private insurance players should consider that
matter to increase the number of policy holders. Data (objective, market share information) shows that Private insurance players ‘market share are increasing and public insurance market share is reducing because of quality of service and speediness of the service so it is recommended to the public insurance players to improve the quality of service and speediness of the service by upgrading technology and proper training to the insurance business employees.

- Analysis shows that more number of insurance policy holders have insurance policy for themselves while less number of insurance policies are for spouse, children, employees and for others. So it is recommended to the insurance players, when they sell insurance policy to the people, they should also advice for those less covered policies to the people so that will help to the insurance investors to take decision for present and even for future also.

- Data shows that majority (75%) of the insurance policy holders are in the married life cycle and very few insurance policy holders are single and other category of life cycle. So it is recommended to the insurance players that they should try to cover those less covered category of life cycle by offering the need base policy to them.

- Ultimate decision takers to buy or renew the insurance policy are head of the family which is found from the survey in Gujarat. So it is recommended to the insurance players to motivate the head of the family to buy the insurance policy Language is very big problem among Gujarati people. Generally, they know Gujarati Researcher or Hindi Researcher and very few know English, which is researcher experienced from the survey. So it is recommended to the insurance players to introduce the insurance policy forms and insurance policy documents in Gujarati Researcher or in Hindi Researcher rather than only in English. So people can easily fill up the insurance policy forms and they can easily understand the insurance policy.

- Researcher also experienced from the survey that insurance agents explain the positive aspects of insurance policy to the insurance investors but they do not explain the black side of insurance policy or agents do not explain some terms of the policy. E.g. agents do not define “Death” as per insurance norms. So researcher recommend to the insurance players to explain each and every
term as per insurance norms to the insurance investors. Insurance agents should also explain to the insurance investors about insurance claim process.

- All most all insurance investors say that companies inform them when companies introduce new insurance policy but very few do not inform about the introduction of new policy. So it is recommended to the insurance players to inform the insurance investors about the introduction of new insurance policy.

- Insurance investors say that companies informing them about new policy through phone but majority of the people (59%) listen to the insurance agents without any interest. So it is recommended to the insurance players’ agents that they should know the interest of the listener for buying of insurance policy. Insurance agents work on the target base job. So to get more commission and to achieve the target, insurance agents sometime misguide or force the people to buy the insurance policy. Generally these kinds of practices are found in case of private insurance players. So it is recommended to the insurance players that they should take some strict action on this matter because it will affect to the impression of the company.

- **Public Sector Company LIC**

  - LIC the pioneer life insurance company has been ranked high by its policy holders for its valuable services rendered in providing life insurance cover for all sections of people especially to the rural masses. But it is still regarded as a conventional insurance organization. It should be revamped and given a modern focus and approach that is adaptable to the present societal needs.
  
  - LIC can concentrate more on Unit linked products which seem to give more returns in a short span of time.
  
  - More short term policies or policies that would fetch the policyholders, financial returns at regular intervals for children’s educational needs and medical purposes as in the case of money back policies.
  
  - In this competitive scenario technology plays a vital role in promoting the sale of any product. LIC by making effective use of the technological advancement can capture a wide market through facilitating on line payments, on line tracking, on
line delivery and so on. The pamphlets of LIC should provide detailed information about the policy to the policy holders.

- LIC should improve upon its infrastructure facilities. Improved physical ambience of the LIC would result in more customer satisfaction.

➢ **PRIVATE LIFE INSURANCE COMPANIES**

- Products which would fetch more returns are expected more by the policy holders of Private Life Insurance companies. It would be advisable for the company to look into this expectation to provide customer satisfaction.

- Loan facilities are not offered by the company directly to the policyholders. It is suggested that the company should directly grant loans to the policyholders on the strength of the policy.

- Advertisements through posters could be more impressive using the advanced technology to create a more dynamic and lasting impact.

- To create a more dynamic and lasting impact advertisements through posters could be more impressive using the advanced technology.

- The company should introduce more products for the rural masses and the low income group prospects at minimum affordable prices.

- The company should try to focus on the add on riders more.

- Loan facilities are not offered by the company directly to the policyholders. It is suggested that the company should directly grant loans to the policyholders on the strength of the policy for, it would attract more policy holders.

- There is a welcome shift in the product offering of the life insurance companies. Traditional products which have a long-term commitment and fetch returns after a long time have been replaced by unit linked policies with short period commitment and guaranteed returns within a short period of time. However, it is suggested that due care should be exercised by the life insurance companies to provide products with assured safety of funds as well as returns.

- With the breakdown of joint family system in the present social set up, there is increase in the nuclear families giving rise to demands for children’s plan. With increase in the cost of education, expenses incurred in settling the children, it is expected that there would be huge potential for children’s plans. Hence it is suggested that the insurance companies should come up with a variety of children’s policies which would be of use for their future education, marriage and other requirements. The companies could come out with creative short-term
policies for children that if taken at the time of child’s birth, would yield monetary benefit every four or five years which would support the child’s education even at the initial stages.

- The statistical report released by the IRDA reveals that the policy taking is concentrated mainly to the last two or three months of the financial year. Therefore it is suggested that policy taking should be done in a phased-out manner throughout the year and not just in one or two months towards the close of the financial year. Incentives in the form of rebates may be announced by the companies for the policy holders who invest their money in the life insurance policies during the initial months in the year.

- If a life insurance company has the various essential factors such as product mix, price mix, promotion mix, distribution mix, people and process mix and physical evidence mix in a highly promising manner for the policy takers such a company is sure to be in the forefront because it has also the highly effective marketing strategies. The company should in the product and pricing give top priority to security and risk cover along with affordable premium with good bonus. With regard to promotion the dominant factor of the company should be on motivation through effective and highly informative advertisements. The company should, with regard to distribution, especially focus on effective agents with thorough knowledge of policies and willingness to provide valuable assistance to the customers while purchasing the policies. In connection with customer service – process and people – a company that strives to be on top should provide customer friendly employees, along with maintenance of accurate records. A company which desires to excel should also give importance to physical evidence by providing convenient location and convenience time for transaction.

- A blend of all these essential factors in the motor satisfactory proportion will definitely result in the life insurance company being rated the first and the best.

➢ SUGGESTIONS TO THE GOVERNMENT AND POLICY MAKERS:

- India lives in the villages. With 70 crores of people living in rural areas, the rural market has a good potential for life insurance market. However, this market can be tapped only with the introduction of low premium life insurance products. A committee may be constituted having the panchayat board members (president and members), the village administration (village administrate officer, and the
office assistants) and the staff of the primary health centers (doctors, nurses and the anganwadi workers) as the members. A life insurance company may join with this committee and take initiatives to create awareness among the rural masses about the advantages of purchasing a life insurance policy.

- Children are the wealth of the nation. The life insurance company may take initiatives to improve the education facilities by providing better infrastructure facilities such as: Well protected compound facilities, library facilities, class rooms with adequate seating facilities, water and sanitation facilities – pollution free environment, employing the unemployed youth in the village for conducting coaching classes for the slow learners; encouraging the students to take part in the sports events at the district, state level, national, and international level competitions, providing e-learning facilities with minimum one computer in schools, arrange for the supply of free books, study materials and stationary articles. This would reduce the number of dropouts from schools.

- It is suggested that apart from conducting exhibitions, fairs, by banner display and rallies and by conducting door to door campaigns for motivating the rural people to go in for such policies that would yield good returns besides providing life cover, the insurance companies should make use of the Non Government Organizations, and agents of post offices and banks. The Public relations officers of the life insurance companies can work with the village administration and give video presentations through info-tainment techniques.

- The Government sponsored National Rural Employment Guarantee Scheme (NREGS) should include a family insurance policy for a minimum period of five years as part of the employment scheme so that, the workers who have to pay the minimum premium for one hundred days will be motivated to continue the policy. This would procure more business for the life insurance companies, as there is a proposal with the Central Government, to increase the guaranteed working days from 100 to 150.

- Agents who are not the employees of the company play a vital role in promoting the sale of life insurance policies. What would be the position of the insurance companies without these tied agents is a serious question to be thought of by the insurance companies. In this context, it is advised that Direct marketing technique which would be much beneficial to the policy holders (agent’s commission is nil) and the Bancassurance model which would procure the business of the bank customers could be adopted by the companies.