Chapter - VII

Conclusions & Recommendations
Conclusion and Recommendations

7.1 Introduction:

This chapter presents the conclusion based upon the analysis and interpretation of data. It also gives suggestions and recommendations for development of life insurance business in Nanded district. The hypothesis is tested and proved. It gives further guideline of research. It is expected that this study will help further research in this subject.

7.2 Fulfillment of Objectives:

The objectives of the present study are as follows:

1. The researcher has presented a historical overview of the concept of insurance.
2. The researcher has presented a profile of area under study i.e. Nanded District.
3. The researcher has studied the insurance system in India with special reference to life insurance.
4. The researcher has also presented an overall profile of Life Insurance Corporation of India since foundation to the present times.
4. The researcher has reviewed the performance of Life Insurance Corporation of India during the period under study with special reference to Nanded district.

5. The researcher has analysed the impact of new economic policy and resultant privatization on life insurance business.

6. The researcher has studied the role of government in life insurance business.

7. The researcher has studied the problems faced by Life Insurance Corporation of India as a result of the new economic policy.

8. The researcher has studied the nature of competition in life insurance business arising out of privatization with special reference to Nanded district.

9. The researcher has presented conclusions & give suggestions / recommendations.

Thus the objectives of present study are fulfilled.

7.3 Conclusions:

The conclusions of this study are presented in the following sections -

1. Conclusions Regarding Socio-Economic Status of Policyholders

2. Conclusions Regarding Performance of LIC Nanded Division
3. Conclusions Regarding Responses of Policyholders

4. Conclusions Regarding Responses of Agents/Officers

7.3.1 Conclusions Regarding Socio-Economic Status of Policyholders:

The conclusions regarding socio-economic status of policyholders and agents/officers are as follows:

1. It is concluded that, out of the total sample respondents of LIC Policy holders majority of the respondents i.e. 58.13% are married, as such out of the total sample of agents/ officers respondents of LIC majority of the respondents i.e. 76.25% are married.

2. It is concluded that, out of the total sample respondents of LIC Policy holders majority of the respondents i.e. 80.63% are literate, as such all sample of agents/ officers respondents of LIC are literate.

3. It is concluded that, out of the total sample respondents of LIC Policy holders majority of the respondents i.e. 50.63% are graduate, as such out of the total sample of agents/officers respondents of LIC majority of the respondents i.e. 53.75% are graduate.

4. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 65% are computer literate, as such out of the total sample of agents/officers of LIC majority of the respondents i.e. 73.75% are computer literate.
5. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 55.63% have knowledge of English, as such out of the total sample of agents / officers of LIC majority of the respondents i.e. 90% are having knowledge of English.

6. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 53.75% are Hindu by religion, as such out of the total sample of agents / officers of LIC majority of the respondents i.e. 63.75% are Hindu.

7. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 52.50% are of general caste, as such out of the total sample of agents / officers of LIC majority of the respondents i.e. 40% are of general caste.

8. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 73.75% are having small family, as such out of the total sample of agents / officers of LIC majority of the respondents i.e. 77.50% are having small family.

9. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 67.50% are having illiterate parents, as such out of the total sample of agents / officers of LIC majority of the respondents i.e. 73.75% are having illiterate parents.

10. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 39.38% are servicemen, as such out of the total
sample of agents/officers of LIC majority of the respondents i.e. 52.50% are servicemen.

11. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 70.63% are having own house. As such out of the total sample of agents/officers of LIC majority of the respondents i.e. 80% are having own house.

12. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 35% are having Bike/Scootor. As such out of the total sample of agents/officers of LIC majority of the respondents i.e. 55% are having Bike/Scootor.

13. It is concluded that, out of the total sample of LIC Policy holders and agents/officers of LIC all are having cooking gas. Whereas, the other household equipments facilities with agents and policy holders differ to some extent.

14. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 100% are having mobile phones. As such out of the total sample of agents/officers of LIC all of the respondents i.e. 100% are having mobile phones.

15. It is concluded that, out of the total sample of LIC Policy holders & Agents/officers all are having Television sets as a entertainment facility. Whereas, the other entertainment facilities with agents and policy holders differ to some extent.
16. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 43.13% are having annual income in between Rs. 3 to 5 lacs. As such, out of the total sample of Agents / officers majority of the respondents i.e. 67.50% are having annual income in between Rs. 3 to 5 lacs.

17. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 40% are having in between 30 to 40 years age group. As such, out of the total sample of Agents / officers majority of the respondents i.e. 40% are below 30 years age group.

18. It is concluded that, out of the total sample of LIC Policy holders majority of the respondents i.e. 41.25% are resident of urban area. As such, out of the total sample of Agents / officers majority of the respondents i.e. 38.75% are resident of rural area.

7.3.2 Conclusions Regarding Performance of LIC Nanded Division:

The conclusions regarding performance of LIC, Nanded Division are as follows:

1. It is concluded that, during the period under study the Sum Assured was 749.01 and the average growth recorded during the period with reference to same was 8.61%.
2. It is concluded that, during the period under study the average average number of policies was 116745 and the average growth recorded during the period with reference to same was 7.79%.

3. It is concluded that, during the period under study the average FPI was 3193 and the average growth recorded during the period with reference to same was 19.85%.

4. It is concluded that, during the period under study the average S. A. was 53137 and the average growth recorded during the period with reference to same was 12.53%.

5. It is concluded that, during the period under study the average average FP /TH S A was 31.84 and the average growth recorded during the period with reference to same was 14.52%.

6. It is concluded that, during the period under study the average FP / POL was 2295 and the average growth recorded during the period with reference to same was 26.96%.

7. It is concluded that, during the period under study the average average number of policies was 1383 and the average growth recorded during the period with reference to same was 159%.

8. It is concluded that, during the period under study the average Number of Agents was 4132 and the average growth recorded during the period
with reference to same was 11.20%.

9. It is concluded that, during the period under study the average production of agents on number of policies was 23 and the average growth recorded during the period with reference to same was 9.18%.

10. It is concluded that, during the period under study the average Number of RCAs was 17 and the average growth recorded during the period with reference to same was 12.37%.

11. It is concluded that, during the period under study the average number of policies was 1699 and the average growth recorded during the period with reference to same was 17.78%.

12. It is concluded that, during the period under study the average Number of DIR Agents was 165 and the average growth recorded during the period with reference to same was 20.12%.

13. It is concluded that, during the period under study the average DIR AGTS Pol. was 5317 and the average growth recorded during the period with reference to same was 27.12%.

14. It is concluded that, during the period under study the average number of policies of Nanded branch was 17682 and the average growth recorded during the period with reference to same was 0.20%.
15. It is concluded that, during the period under study the average number of policies of Nanded-II branch was 10840 and the average growth recorded during the period with reference to same was 2.47%.

16. It is concluded that, during the period under study the average number of policies of Bhokar branch was 12167 and the average growth recorded during the period with reference to same was 1.77%.

17. It is concluded that, during the period under study the average number of policies of Degloor branch was 12967 and the average growth recorded during the period with reference to same was 1.34%.

18. It is concluded that, during the period under study the average number of policies of Hadgaon branch was 13145 and the average growth recorded during the period with reference to same was 4.08%.

19. It is concluded that, during the period under study the average number of policies of Mukhed branch was 13034 and the average growth recorded during the period with reference to same was 5.25%.

20. It is concluded that, during the period under study the average number of policies of Kinwat branch was 14639 and the average growth recorded during the period with reference to same was 8.15%.

21. It is concluded that, during the period under study the average number of policies of Dharmabad branch was 14761 and the average growth recorded during the period with reference to same was 2.58%.
7.3.3 Conclusions Regarding Responses of Policyholders:

The conclusions regarding responses of policyholders regarding impact of privatization on various aspects of LIC business are as follows:

1. It is concluded that, on an average majority of the respondents 58.13% have opined in favour of impact on advertisement of LIC after privatization.

2. It is concluded that, on an average majority of the respondents 56.25% have opined in favour of impact on Telemarketing of Other private insurance companies after privatization.

3. It is concluded that, on an average majority of the respondents 75.63% have opined in favour of impact on Mobile Marketing of Other private insurance companies after privatization.

4. It is concluded that, on an average majority of the respondents 65% have opined in favour of impact on Marketing Style of Other private insurance companies after privatization.

5. It is concluded that, on an average majority of the respondents 57.5% have opined in favour of impact of Follow-up Visits of Other private insurance companies after privatization.

6. It is concluded that, on an average majority of the respondents 59.37% have opined in favour of impact of Road Shows of Other private insurance companies after privatization.
7. It is concluded that, on an average majority of the respondents 71.87% have opined in favour of impact of Icon-Celebrity of Other private insurance companies after privatization.

8. It is concluded that, on an average majority of the respondents 52.5% have opined in favour of impact of Grace period for premium of Other private insurance companies after privatization.

9. It is concluded that, on an average majority of the respondents 64.37% have opined in favour of impact of Penalty/dues of Other private insurance companies after privatization.

10. It is concluded that, on an average majority of the respondents 65.63% have opined in favour of impact of Home Loan Facility of Other private insurance companies after privatization.

11. It is concluded that, on an average majority of the respondents 61.25% have opined in favour of impact of Personal Loan Facility of Other private insurance companies after privatization.

12. It is concluded that, on an average majority of the respondents 54.37% have opined in favour of impact of Facility of Pledge of Other private insurance companies after privatization.

13. It is concluded that, on an average majority of the respondents 58.13% have opined in favour of impact of Trained & Qualified Agents of Other
14. It is concluded that, on an average majority of the respondents 58.13% have opined in favour of impact on High number of agents of Other private insurance companies after privatization.

15. It is concluded that, on an average majority of the respondents 53.75% have opined in favour of impact on Low Premium of Other private insurance companies after privatization.

16. It is concluded that, on an average majority of the respondents 58.75% have opined in favour of impact on Product Variety of Other private insurance companies after privatization.

17. It is concluded that, on an average majority of the respondents 53.75% have opined in favour of impact on High Return Assurance of Other private insurance companies after privatization.

18. It is concluded that, on an average majority of the respondents 56.87% have opined in favour of impact on Market Plans of Other private insurance companies after privatization.

19. It is concluded that, on an average majority of the respondents 57.50% have opined in favour of impact on Internet Marketing of Other private insurance companies after privatization.
20. It is concluded that, on an average majority of the respondents 81.25% have opined in favour of impact on Network Marketing of Other private insurance companies after privatization.

21. It is concluded that, on an average majority of the respondents 80% have opined in favour of impact on Collaborations of Other private insurance companies after privatization.

22. It is concluded that, on an average majority of the respondents 61.87% have opined in favour of impact on Claim Settlement Quick of Other private insurance companies after privatization.

23. It is concluded that, on an average majority of the respondents 59.37% have opined in favour of impact on Prompt Service of Other private insurance companies after privatization.

24. It is concluded that, on an average majority of the respondents 51.87% have opined in favour of impact on Gift Hampers of Other private insurance companies after privatization.

25. It is concluded that, on an average majority of the respondents 56.87% have opined in favour of impact on Literacy Level of Policyholders of Other private insurance companies after privatization.

26. It is concluded that, on an average majority of the respondents 53.13% have opined in favour of impact on Market information to Policyholders.
of Other private insurance companies after privatization.

27. It is concluded that, on an average majority of the respondents 58.13% have opined in favour of impact on Risk Taking Ability of Policyholders of Other private insurance companies after privatization.

28. It is concluded that, on an average majority of the respondents 55% have opined in favour of impact on Knowledge of Sharemarket of Policyholders of Other private insurance companies after privatization.

29. It is concluded that, on an average majority of the respondents 63.75% have opined in favour of impact on Investment Ability of Policyholders of Other private insurance companies after privatization.

30. It is concluded that, on an average majority of the respondents 61.87% have opined in favour of impact on Urbanization of Other private insurance companies after privatization.

31. It is concluded that, on an average majority of the respondents 63.75% have opined in favour of impact on Government Policies of Other private insurance companies after privatization.

32. It is concluded that, there is no significant difference between the opinions of LIC policy holders regarding the impact of privatization on various strategic promotion policies of LIC and Other Private Insurance Companies in Nanded District.
7.3.4 Conclusions Regarding Responses of Agents/Officers:

The conclusions regarding responses of agents/officers of LIC regarding impact of privatization on various aspects of LIC business are as follows:

1. It is concluded that, on an average majority of the agent/officers respondents 32.5% are of the opinion that, privatization has a positive impact on the status of advertisement of LIC.

2. It is concluded that, on an average majority of the agent/officers respondents 42.5% are of the opinion that, privatization has a positive impact on the status of Telemarketing of LIC.

3. It is concluded that, on an average majority of the agent/officers respondents 40.63% are of the opinion that, privatization has a positive impact on the status of marketing style of LIC.

4. It is concluded that, on an average majority of the agent/officers respondents 38.75% are of the opinion that, privatization has a positive impact on the status of follow-up visits of LIC.

5. It is concluded that, on an average majority of the agent/officers respondents 41.25% are of the opinion that, privatization has a positive impact on the status of Road Shows of LIC.
6. It is concluded that, on an average majority of the agent/officers respondents 37.5% are of the opinion that, privatization has a positive impact on the status of Trained & Qualified Agents of LIC.

7. It is concluded that, on an average majority of the agent/officers respondents 36.87% are of the opinion that, privatization has a positive impact on the status of High No. of Agents of LIC.

8. It is concluded that, on an average majority of the agent/officers respondents 30.62% are of the opinion that, privatization has a positive impact on the status of Low Premium of LIC.

9. It is concluded that, on an average majority of the agent/officers respondents 35.63% are of the opinion that, privatization has a positive impact on the status of Product Variety of LIC.

10. It is concluded that, on an average majority of the agent/officers respondents 38.13% are of the opinion that, privatization has a positive impact on the status of High Return Assurance of LIC.

11. It is concluded that, on an average majority of the agent/officers respondents 42.5% are of the opinion that, privatization has a positive impact on the status of Market Plans of LIC.

12. It is concluded that, on an average majority of the agent/officers respondents 40.63% are of the opinion that, privatization has a positive impact
13. It is concluded that, on an average majority of the agent/officers respondents 33.13% are of the opinion that, privatization has a positive impact on the status of Collaborations of LIC.

14. It is concluded that, on an average majority of the agent/officers respondents 26.25% are of the opinion that, privatization has a positive impact on the status of Claim Settlement Quick of LIC.

15. It is concluded that, on an average majority of the agent/officers respondents 31.25% are of the opinion that, privatization has a positive impact on the status of Prompt Service of LIC.

16. It is concluded that, on an average majority of the agent/officers respondents 34.37% are of the opinion that, privatization has a positive impact on the status of Gift Hampers of LIC.

17. It is concluded that, on an average majority of the agent/officers respondents 36.87% are of the opinion that, privatization has a positive impact on the status of Literacy level of policyholder of LIC.

18. It is concluded that, on an average majority of the agent/officers respondents 44.37% are of the opinion that, privatization has a positive impact on the status of Market information to policyholder of LIC.
19. It is concluded that, on an average majority of the agent/officers respondents 37.37% are of the opinion that, privatization has a positive impact on the status of Risk Taking Ability of policyholder of LIC.

20. It is concluded that, on an average majority of the agent/officers respondents 41.25% are of the opinion that, privatization has a positive impact on the status of Knowledge of Sharemarket to policyholder of LIC.

21. It is concluded that, on an average majority of the agent/officers respondents 41.87% are of the opinion that, privatization has a positive impact on the status of Investment Ability of policyholder of LIC.

22. It is concluded that, on an average majority of the agent/officers respondents 38.12% are of the opinion that, privatization has a positive impact on the status of Urbanization of LIC.

23. It is concluded that, on an average majority of the agent/officers respondents 36.87% are of the opinion that, privatization has a positive impact on the status of Government Policy of LIC.

24. It is concluded that, on an average majority of the agent/officers respondents 43.13% are of the opinion that, privatization has a positive impact on the status of Icon-Celebraty of LIC.

25. It is concluded that, on an average majority of the agent/officers respondents 41.87% are of the opinion that, privatization has a positive impact on the status of Grace Period for Premium of LIC.
26. It is concluded that, on an average majority of the agent/officers respondents 34.37% are of the opinion that, privatization has a positive impact on the status of Penalty / Dues of LIC.

27. It is concluded that, on an average majority of the agent/officers respondents 30.63% are of the opinion that, privatization has a positive impact on the status of Home Loan Facility of LIC.

28. It is concluded that, on an average majority of the agent/officers respondents 26.25% are of the opinion that, privatization has a positive impact on the status of Personal Loan Facility of LIC.

29. It is concluded that, on an average majority of the agent/officers respondents 35.63% are of the opinion that, privatization has a positive impact on the status of Facility of Pledge of LIC.

30. It is concluded that, on an average majority of the agent/officers respondents 35.63% are of the opinion that, privatization has a positive impact on the status of Life Value Consciousness of LIC.

31. It is concluded that, on an average majority of the agent/officers respondents 36.25% are of the opinion that, privatization has a positive impact on the status of High Rate of Commission of LIC.

32. It is concluded that, on an average majority of the agent/officers respondents 39.37% are of the opinion that, privatization has a positive impact on the status of Attractive Incentive Schemes of LIC.
33. It is concluded that, on an average majority of the agent/officers respondents 41.87% are of the opinion that, privatization has a positive impact on the status of Training Facilities of LIC.

34. It is concluded that, there is no significant difference between the opinions of LIC policy holders regarding the impact of privatization on various strategic promotion policies of LIC and Other Private Insurance Companies in Nanded District.

35. It is concluded that, there is significant difference between the opinions of LIC Agents / Officer regarding the status of various sales promotion strategies of LIC prior to and after privatization policy in Nanded district. This proves that, the strategy of LIC regarding sales promotion and work culture after privatization.

7.4 Testing of Hypothesis:

The hypothesis of the present study are tested and proved as follows:

From the analysis and conclusions presented in chapter 4 of the thesis it is proved that,

1. The new economic policy of privatization has exercised a positive impact on the performance of Life Insurance Corporation of India.
On the basis of analysis and conclusions presented in chapter 6 and the chi-square test analysis of the same it is proved that,

2. The New Economic Policy of Privatization has exercised a positive impact on the approaches & attitudes of LIC agents.

On the basis of analysis and conclusions presented in chapter 5 and the chi-square test analysis of the same it is proved that,

3. The New Economic Policy of privatization has diverted a number of customers to away from LIC.

Thus, on the basis of the discussion and conclusions of this thesis, it is proved that

4. The New Economic Policy of privatization has created needs of strategic reconsideration for LIC.

Thus, hypothesis are tested and proved.

7.5 Recommendations:

The recommendations of this study are as under:

1. After privatization competition in the insurance sector has increased. A number of private companies have entered the market. Therefore it is recommended that the strategy of Advertisement of LIC should be improved.
2. After privatization competition in the insurance sector has increased. A number of private companies have entered the market. Therefore it is recommended that the strategy of telemarketing of LIC should be improved.

3. After privatization competition in the insurance sector has increased. A number of private companies have entered the market. Therefore it is recommended that the strategy of marketing style of LIC should be improved.

4. After privatization competition in the insurance sector has increased. A number of private companies have entered the market. Therefore it is recommended that the strategy of follow-up visits of LIC should be improved.

5. After privatization competition in the insurance sector has increased. A number of private companies have entered the market. Therefore it is recommended that the strategy of road shows of LIC should be improved.

6. After privatization competition in the insurance sector has increased. A number of private companies have entered the market. Therefore it is recommended that the strategy of appointing trained & qualified agents of LIC should be adopted.
7. After privatization the significance of number of agents has increased. A number of private companies have entered the market. Therefore it is recommended that the number of agents of LIC should be improved.

8. After privatization the significance of amount of premium has increased. A number of private companies have entered the market. Therefore it is recommended that the premium of the policy should be framed little low.

9. After privatization the significance of product variety has increased. A number of private companies have entered the market. Therefore it is recommended that the product variety of LIC should be improved.

10. After privatization the significance of returns from LIC policy has increased. A number of private companies have entered the market. Therefore it is recommended that the high return assurance of LIC should be improved.

11. After privatization the significance of market plans has increased. A number of private companies have entered the market. Therefore it is recommended that the market plans of LIC should be improved.

12. After privatization the significance of network marketing has increased. A number of private companies have entered the market. Therefore it is recommended that the network marketing of LIC should be improved.
13. After privatization the significance of collaborations has increased. A number of private companies are getting collaborated for better business perspectives. Therefore it is recommended that the collaborations policy of LIC should be improved.

14. After privatization the significance of claim settlement has increased. A number of private companies have entered the market. Therefore it is recommended that the claim settlement policy of LIC should be improved.

15. After privatization the significance of prompt service has increased. A number of private companies have entered the market. Therefore it is recommended that the prompt service of LIC should be improved.

16. After privatization the significance of gift hampers has increased. A number of private companies have entered the market. Therefore it is recommended that the gift hampers of LIC should be improved.

17. It is recommended that, efforts should be made by LIC to increase the market information of the policyholders.

18. It is recommended that, efforts should be made by LIC to increase the risk taking abilities of the policyholders.

19. It is recommended that, efforts should be made by LIC to increase the knowledge of share market of the policyholders.
20. It is recommended that, efforts should be made by LIC to increase the investment ability of the policyholders.

21. Government policy plays an important role in the success and failure of any industry. LIC is not exceptant to this. Therefore it is recommended that, the government should take positive steps to support the LIC.

22. IRDC also plays an important role in insurance regulations. It is the investment of common public and their interest which is at the stake. Therefore, IRDC should make strict controls over private companies to protect the interest of policyholders.

23. LIC customers are generally seeking home loan & personal loan facilities. A number of companies are providing the same. It is therefore recommended that LIC should draft suitable schemes of various loans for the policyholders.

24. A number of policies of LIC become out of date as they are time barred. The private companies are not allowing the policies to become time barred. LIC should also facilitate the customer by allowing grace period, not charging penalty interest so that the policy will be live.

The performance of a public sector undertaking depends on the one hand the economic environment of the business and on the other hand the
policy of government framed from time to time. India has experienced a para-
digm shift in the economic philosophy during the last two decades. During the
initial years after freedom the government adopted a socialistic pattern of soci-
ety in the Directive Principles of State Policy of the Constitution of India. This
principle of socialism led to government control over major industries and as a
result LIC was nationalised. It was followed by nationalisation of major banks
and other important industries like coal, oil etc.

However, the New Economic Policy adopted free trade as a guiding
principle and privatization was on the cards. The policy of privatization as a part
of liberalization and globalization once again changed the paradigm. Monopo-
listic competition in the market became a common characteristic due to entry of
new players in the life insurance market. The LIC of India to face the competi-
tion has changed a lot, but it has still to change a lot to survive and grow.