CHAPTER I
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INTRODUCTION

Till the formation of Insurance Regulatory and Development Authority (IRDA) the Life Insurance Corporation of India enjoyed the monopoly status in insuring the life of individual. Though it was a Government owned 100 per cent monopoly undertaking the LIC has been adopting numerous marketing strategies in terms of introducing taxonomy of policies with a view to have a wider coverage of marketing. The introduction of different kinds of policies has been a never-ending process from the inception of the LIC. As on 31st December 2002 there were about 57 kinds of policies introduced by LIC. All kinds of policies are aimed at giving Life assurance to policyholders against receiving premium as consideration. The premiums of all kinds of policies are eligible to claim income tax rebate under sec.88 of the Income Tax Act 1961. Further either the claim against a policy or the amount received after the maturity of the policy is exempted from income tax. The LIC has been able to distinguish one policy from other policy. Therefore it will be interesting to examine the common features and distinguished features of the various policies from the angle of policy holders by taking into consideration the requirements of investors from the life insurance policies of the LIC in the context of competition from the private life insurance companies.
STATEMENT OF THE PROBLEM

The strategies of the LIC are to distinguish the policies so as to bring in new investors and to make the existing investors to invest more. What makes the LIC to distinguish the policies though the expectations of the investors remain constant? If a new policy gives more benefit it implies the earlier investors in a earlier policies are looser. It is the bounden duty of the LIC to explain that the benefits given to policyholders are similar to all policies with variation in policy amount, premium, and Bonus rate more than one benefit with profit policy etc. Therefore it will be significant to examine whether all kinds of policies of LIC carries on uniform scale of benefit to all kinds of policyholder or not.

IMPORTANCE OF THE STUDY

LIC is the single largest public sector undertaking in terms of the quantum of receipts as premium. For the year 2000-2001 the total premium income of the LIC was Rs.34207.78 crores and Rs.48,963.60 crores in 2001-2002. For the same date the claims of the investors by way of death and maturity came to be Rs.7667.82 crores and RS.14,519.25 crores in 2001-2002. For the year 2000-2001 the annual business was Rs.124757.14 crores. When the magnitude of the size of the business of LIC is at the Himalayan level,
there is every scope to examine the reasons for adopting difference strategies by the LIC.

OBJECTIVES OF THE STUDY

The proposed study is aimed at in examining the different strategies of the LIC in terms of different kinds of policies with a view to assess whether the increase in kinds of policies is to attract the investors or to provide additional benefits to policy holders by means of invigorate technique in changing the features of policies. As such, following are the specific objectives of the study.

1. To examine the features of various policies with a view to bring out the common features of all policies as well as the distinctive features from one policy to the other policy.

2. To examine the prime consideration of the investors in investing in insurance policies.

3. To examine whether taking a life policy is a saving rather than getting a life assurance.

4. To suggest measures if any for in providing better services by the LIC to the policy holders.
REVIEW OF LITERATURE

To give a theoretical background to the study on marketing of LIC services among the policy holders available literature in terms of books, journals, periodicals, broachers, research publications and Ph.d works are reviewed. Review of literature on marketing of services in chapter III.

LIMITATION OF THE STUDY

The study is based upon the information given by the respondents. The study is confined to Namakkal District.

RESEARCH METHODOLOGY

The survey method of research is adopted. Survey was done by means of questionnaire.

SAMPLING

Large samples of 100 respondents were taken for the purpose of the study. A disproportionate random sampling technique was adopted in choosing the respondents throughout Namakkal District.

SOURCES OF DATA

Both primary and secondary data were used widely. Newspapers, Magazines, Periodicals, Research papers, Books, Ph.d works, Brochures .., etc. were used as secondary sources of data. The questionnaire method is used for the purpose of getting primary data. The researcher served the
questionnaires in person to the respective sample unit and got back the filled up questionnaires.

DATA ANALYSIS AND INTERPRETATIONS

The data so collected are tabulated. To analyse the collected data the statistical techniques such as percentages, averages, etc. are used. To examine the research objectives empirically the tools available to test the hypothesis are used, charts, diagrams, etc. are used throughout the study wherever necessary.

CHAPTER ARRANGEMENTS

In Chapter I introduced to the subjects, statement of the problem, importance of the study, objectives of the study, review of literature, limitation of the study, research methodology, sampling, sources of data, data analysis and interpretations.

In Chapter II: The profile of the Life Insurance Corporation of India.

In Chapter III: Theoretical framework of services marketing.

In Chapter IV: Common and distinctive features of LIC policies and other private life policies. The data so collected are analysed.

In Chapter V: Summary and suggestions.