CHAPTER-1

INTRODUCTION

The topic of the study is Impact of Information Technology on the Operational Efficiency of the LIC among Employees and Customers perception in Mysore District

1.1. Definition of IT assets and Operational efficiency

The Operational efficiency includes:

- Customer Service
- Product Development
- Brand Loyalty

1.1.1. Operational Efficiency

Is a firm's facility to provide “customers with reliable services and products at competitive values delivered with minimal difficulty”.

In a business context, operational efficiency can be defined as the ratio between outputs gained from the trade and an input to ride a business operation. When improving operational efficiency, the output to input percentage progresses.

In another word, Operational efficiency encompasses several strategies and techniques used to achieve the basic goal of delivering quality goods to customers and make satisfy them and develop new product by innovation and brig up their brand loyalty in the market.

1.1.2. Customer service

Is recognized as the ability to realize markets and to adapt offerings to match the demand of different market niches. The advice provided by a company to those people who buy or use its products.

In other word, Customer service is the performance of taking care of the customer's needs by providing professional, helpful, high-quality service and assistance before, during, and after the customer's requirements are met. Customer service is the process of ensuring customer satisfaction with a product or service.
It is referred to the way that companies behave towards their customers

1.1.3. **Product development**

Is the skill to offer leading-edge products by focusing on innovation?

It may involve modification of an existing product or its presentation, or construction of a totally new product that satisfies a newly defined customer want or market niche. Product development also called new product management is a series of steps that includes the conceptualization, design, development and marketing of recently created or rebranded properties or services.

1.1.4. **Brand loyalty**

Is the tendency of some consumers to continue buying the same products rather than competing brands.

Brand loyalty is a consumer behaviour where consumers become committed to brands and continue to purchasing from the same brands over time.

In another word, Brand loyalty is defined as positive feelings towards a brand and dedication to purchase the same product repeatedly now and in the future from the same brand, regardless of a competitor's actions or changes in the market.

The **IT Assets** includes:

- Hardware
- Software
- Administrator (Admin)
- General IT

A computer system involves two major elements: hardware and software.

1.1.5. **IT Asset**

An IT asset is categorized as any company-owned information, system or hardware that is used in the course of business activities.
In another word, an IT asset within an information technology environment is a piece of software or hardware. For operational or financial success of an enterprise, IT assets within an IT asset management system are crucial. IT assets are components of the organization’s systems plus network infrastructure.

The IT asset management process typically involves gathering a detailed inventory of an organization's hardware and software and then using that information to make knowledgeable decisions about IT-related purchases and redistribution.

1.1.6. Hardware

The group of all the parts can touch such as the computer case, keyboard, and monitor. However. There are many different types of hardware components.

In information technology, the hardware is the physical part of computers, telecommunications, and other devices.

1.1.7. Software

On the other hand, software is not something can touch. To perform particular operations, the software is a set of instructions for a computer. Software is written in a computer language (such as Basic, C, Java, or others) by programmers. The computer language is in a text format. Once a program is written, an operation is performed on it which is called compiling. Compiling is the process of changing the textual written language into a binary language which can be understood by the computer.

1.1.8. Administrator (Admin)

A system administrator, or sysadmin, up keeping, configuration, and reliable operating of computer systems is responsibility of Admin.; especially multi-user computers, such as servers.

The system administrator tries to ensure that, the uptime performance, resources, and security of the computers he or she manages be according the needs of the users, without exceeding the budget. A system administrator may acquire, install, or upgrade computer components and software; provide routine automation; maintain security
policies; troubleshoot; train or supervise staff; or offer technical support for projects, to meet these needs.

A network administrator maintains network infrastructure such as switches and routers and diagnoses problems with these or with the behaviour of network-attached computers.

A web administrator maintains web server services that allow for internal or external access to web sites.

These capabilities are valuable organizational resources that can increase sales, enhance customer service, promote the brand loyalty of existing customers, and reduce operations and customer service costs.

IT creates business value by enabling business processes and routines to help companies perform their functional activities and tasks better than their competitors. IT assets must be integrated into some innovation to develop higher order capabilities, which can, in turn, create sustained performance and make better operational efficiency.

1.2. Insurance

Insurance is an umbrella against a period. Individuals would like an umbrella once the climate is rainy. The man has perpetually been in search of security and protection from the start of civilisation. At a constant time "Risk" is inevitable in life and any commercial activity. Once more risk is closely connected with "ownership". It's the house owners World Health Organization wish to avoid wasting themselves from risk, and it's out of this want, the conception of insurance has originated.

There is a universal phenomenon regarding the life that this is uncertain and nobody can predict it precisely. So people generated an effort to protect themselves against the upsetting events and devoted most of their time on these activities. Considerably, insurance can be as a risk management methods intended for hedge up alongside the risk of a highly uncertain loss or unpredicted events inside the life.
Rejda (2008) stated that there's no single meaning for insurance. Insurance will be outlined from the perspective of many disciplines, as well as law, economic, history, actuarial, risk theory and social science. An operating definition of insurance as follows: "Insurance is the pooling of fortuitous losses by transferring the risks to insurers, who agree to identify insured people for such losses, to provide other pecuniary benefits on the occurrence, or to render services connected with the risk".

Insurance business encompasses a correlation with economic development in the associated economy. As the associate economy develops over the years, the insurance company starts creating inroads into different sectors of the country's business. The term 'insurance' will be outlined in each monetary and legal term. Financial definition focuses on an appointment that redistributes the value of surprising losses. It's the gathering of small premium payments from all the suspected and distribute it to those suffering real casualties. The legal definition focuses on the written agreement preparation whereby one party approves to recompense the loss of alternative party. So the monetary description provides for the funding of the losses whereas the lawful definition provides for the enforceable contract that spells out the duties, legal rights, and responsibilities of all the parties to contract. (T. Hymavathi Kumari, 2013).

The purpose and objective of insurance are to the owner's safeguard from money losses risks which he has taken. The premise of insurance is sharing of losses of a couple of amongst several. Insurance provides money stability and security to each people and organizations by this distribution of losses of a couple of among several by a build up a fund over an amount of time.

General insurance as an entire developed with the commercial revolution within the West and with the ensuing growth of seafaring occupation and commerce within the seventh century. Proof of insurance in various kinds is often derived as early as from the Aryan dated in the Republic of India too. England and a few of the different foreign insurance corporations through their agencies transacted insurance trade in India. Insurance companies give distinctive money services to the expansion and development of each economy. Such specialized financial services vary from the underwriting of risks natural in economic entities and also the mobilization of the vast quantity of funds through premiums for future investments. The chance absorption role of insurers promotes money stability within the capital markets and provides a
"sense of peace" to economic bodies. The business world while not insurance is unsustainable since risky business might not have the capability to retain every kind of risks during this ever dynamic and unsure global economy (Ahmed et al., 2010).

1.2.2. Life insurance

A life insurance policy is a contract between the insurer and policyholder which the insurer will pay a particular quantity of cash if the policyholder passes away or whatever other indicated possibility happens. So insurer takes a premium sum from the approach holder. According to sec 2(11) of India Insurance Act 1938, life insurance is effecting contracts of human's life protection, it including any agreement to payment of guaranteed cash on death except unintentional death or the incident of any possibility reliant on human life. Life insurance prepares financial safety to the members of a policyholder in the event of death.

Provides financial security from obvious dangers happening or found within a predefined period. Insurance is an extraordinary item in that a final cost is frequently obscure until long after the scope time frame, while the income premium instalments by policyholders are gotten before or amid the scoping period. Insurance contracts giving security against harm to or loss of property brought about by different dangers, for instant, fire, robbery, or damage legal risk coming about because of wounds at various people or harm to their property, misfortunes happening because of different wellsprings of business accidents.

1.2.3. Health Insurance

Health insurance is a kind of insurance which pays for therapeutic charges brought about by the insured. Health insurance can repay the insured for costs brought about from sickness or damage, or pay the care supplier straightforwardly. As indicated by the Health Insurance Association of America, health insurance is resolved as "scope that accommodates the instalments of advantages accordingly of disorder or harm Incorporates coverage for misfortunes from a mishap, therapeutic cost, inability, or inadvertent passing and evisceration."
Health insurance will be insurance against the danger of causing medicinal costs among people. By evaluating the general risk of health care and health framework costs, among a focused on gathering, an insurer can build up a standard money structure, for example, a month to month premium or finance expense, to guarantee that cash is accessible to pay for the healthy mind benefits determined in the insurance contract. The advantage is regulated by a focal association, for example, an administration office, private business, or not-revenue driven substance.

Health Insurance in India is experiencing massive rebuilding and changes because of the expanding interest in healthy mind needs among a main quantity of the population. There are some administrative changes in this part is boosting its development in the current circumstances. In this situation, there is an earnest requirement for making experts in the health insurance space take in account the continually expanding interest of the business. The experts would not just get an introduction to the basics of health insurance industry additionally would have the capacity of investment to manage the operational points successfully.

1.2.4. History of Insurance

The tale of insurance is most likely as old as the story of the humankind. A similar instruction prompts present day agents to secure themselves against misfortune, fiasco and excessively looked for making it impossible to deflect the quick results of flame and surge and death toll and was eager to make some in mind to accomplish the security. Actually, the idea of insurance is to a large degree an advancement of the current past, especially after the mechanical period recent hundreds of years yet its beginnings go back just about 6000 years.

1.2.4.1 Global history of Life Insurance

The starts of personal insurance are recognized to the Greeks. The Greek societies practised primary insurance. Life insurance first appearance was in England in the 16 century. The policy on the life of William Gibbons on June 18, 1653. Even before this date allowances had become pretty common in England (M.N. Mishra)
The central enrolled life office in Britain was the ‘Hand-in-Hand' society set up in 1696. In France, the primary life insurance company was sanctioned by the King in 1787. The major life insurer in Germany looks to have been the Deutsche Lebenversicherungs Gesellschaft, established in 1828. English organizations had set up insurance offices in Germany, Netherlands and Scandinavian nations. French companies connected into Belgium, Spain, Italy, and Switzerland. These countries, and also Austria and Hungary did not set up their organizations until the centre of the nineteenth century. Life insurance did not thrive in the US amid the eighteenth century due to positive variances in death rate. In American settlements of corporate insurers allowed by the English Crown in 1720 (Kenneth Black, Jr. and Harold D. Skipper, Jr. 2003), in 1759, the first American life insurance corporation was established which known as the Presbyterian Ministers' Fund. The Girard Life Insurance, Annuity and Trust Company of Philadelphia, founded in 1836, the principle of granting policy owners participation in its profits. The main life insurance company to open a business in Japan was Meiji Life Confirmation Company. Life insurance spread all through Japan thus of World War II. Japanese and English insurers assumed a huge part in the improvement of life insurance in other Asian nations (Tokyo: The Nippon Life Insurance Company, 1991).

In Korea, English companies were most dynamic in the insurance until Japan picked up control of Korea in 1905. The advanced Korean life industry indeed started in the 1960s. English and other outside organizations assumed a noteworthy part in the advancement of life insurance in Singapore (Allen, J. Pathmarajah. 1985).

1.2.4.2 Indian history of life insurance

Life Insurance in excellent shape from Britain in the year 1818 came to India. the first Life Insurance Company on Indian soil was Oriental Life Insurance Company begun by Europeans in Calcutta. All the insurance companies built up amid that period were raised with the reason for protection of the necessities of European people group, and these companies were not insuring Indian locals. Be that as it may, later with the endeavours of famous individuals Babu Muttylal Seal, the outside life insurance companies began safeguarding Indian lives. Be that as it may, Indian lives were being dealt with as substantial additional premiums were being charged on them. Bombay Common Life Confirmation Society proclaimed the introduction of first life insurance
companies in India in 1870 and secured Indian lives at ordinary rates. Beginning as Indian Venture with very dynamic thought processes, insurance companies appeared to convey the message of protection and public safety through insurance to different parts of society.

In 1944 when a bill to correct the Life Insurance Act 1938 was presented in the administrative get-together. However, it was substantially later on the 19 January 1956 that life insurance in India was state-owned. Around 154 insurance companies, 16 foreign companies and 75 Provident were working in India at the time of nationalization. Nationalization was refined in two phases; at first, the administration of the companies was assumed control by methods for a Law, and later, the possession too by methods for a through the bill. On 1 September 1956 The Parliament of India passed the Life Insurance Partnership of India, with the target of spreading life insurance a great deal more generally and specifically to the rustic territories to contacting every insurable individual in the nation, giving them satisfactory monetary take care of at a sensible expense. (Priti Jha, Bindu Roy, 2015)

In 1993, Government of India constituted a Malhotra Panel in the chairmanship of Mr R N Malhotra, previous Back Secretary and Legislative head of RBI, with the goal of insurance area reforms which were perfect with new financial changes. The advisory group presented its report in 1994 which suggests the foundation of unique administrative office and privatization of insurance division. Tolerating the proposal of Malhotra advisory group, Government of India, passed the Insurance Regulatory and Development Authority (IRDA) Charge in Parliament in December 1999 and built up Insurance Regulatory and Development Authority (IRDA) as a statutory and self-governing body in April 2000, to direct the insurance business in India. With the foundation of IRDA, the entryway of Indian insurance industry has been opened for the private companies. (Mohd Arif 2015)

India is the second biggest populated nation in the world with copious of assets. With such an extensive populace and the undiscovered market territory of this populace, insurance happens to be a major open door in India. This is a pointer that development for the insurance division is tremendous in India. It is basic to comprehend the necessities and needs of the client and add the specialists and to tum it to a chance to enhance the business. The fundamental purpose behind the buy of life insurance is for
give money related security to the family. It is essential for back up plans to comprehend buying conduct of life insurance client with a specific end goal to help them to purchase appropriate life insurance. (R.Karthi', M.Selvachandri, P.JamunaDevi, 2012)

1.2.5. Life Insurance Corporation (LIC)

(LIC) Is an Indian state possessed insurance and Venture association headquartered in Mumbai and reality it is the greatest insurance office in India. The company was sorted out in 1956 when Parliament of India passed the fiasco security of India act that nationalized the privet assurance industry in India more than 245 insurance organizations were united to make the state had Life Insurance Corporation. Life Insurance Corporation of India (LIC) is the greatest supplier of insurance and investment amenities in India. It is a freely held association held absolutely by the Union Government of India and furthermore gives very nearly 24.6 percent of the government's costs. Its benefits have been esteemed at INR 13.25 trillion. It was built up amid 1956 when 243 Provident social orders and back up plans consolidated. (http://business.mapsofindia.com/10 October 2012). In prior days, Life Insurance Corporation of India (LIC) was a business model in the life insurance industry with its great promoting techniques. After the development of private life insurance companies, the piece of the overall industry of the LIC is lessened to 76 % (IRDA, 2012). 24 life insurance companies are accessible in India that they catch the pieces of the overall industry by centring target portions and make strategies to suit the requirements and longings of the policyholders (IRDA, 2014).

Bedi and Singh (2011) found that there exist an enormous development in the execution of Indian Life Insurance Industry and LIC because of the approach of LPG and because of the rise of private area and opening up for remote players.

The Indian economy had experienced noteworthy arrangement moves at the start of the 1990s. This new model of monetary changes is usually known as the LPG or Liberalization, Privatization, and Globalization display. The essential target of this model was to make the economy of India the speediest creating economy in the globe with abilities that help it coordinate with the greatest economies of the world.
Liberalization indicates to the loosening of government controls. The monetary liberalization in India signifies the proceeding with budgetary changes which started since July 24; 1991. Privatization alludes to the cooperation of private elements in organizations and administrations and exchange of proprietorship from the general population division (or government) to the private area also. Globalization remains for the union of the different economies of the world.


The Insurance Regulatory and Development Authority (IRDA) was a reasonable flag of the finish of the impressive business model in the insurance area. It was basic for LIC to challenge the opposition postured by the passage of new private companies. So if the Life Insurance Corporation of India enhances its execution, the entire economy will be benefited. The insurance business has experienced an intense change since liberalization, privatization, and globalization of the Indian economy when all is said in done and the insurance segment specifically. LIC has been a sole player with an essential imposing business model in the life insurance segment for very nearly four decades. The passage of such a variety of companies in this part was probably going to influence the execution of Life Insurance Corporation. Therefore the LIC open segment goliath, and never confronted rivalry before, now needs to contend with the private players who gloat of the rich and long involvement of their accomplices from the created countries of the world. It ends up noticeably basic at this example to evaluate the execution of Life Insurance Corporation of India, succeeding sectorial changes. Also, to evaluate the execution of LIC in movement, key determinants are distinguished and recorded (Sonal Nena, J.J. Kundalia 2013).

1.2.5.1. LIC Products:

1. Aam Aadmi Bima Yojna
2. Insurance Plan
3. Special Plans
4. Pension Plan
5. Unit Plans
6. Micro Insurance Plans
7. Withdrawn Plans

8. Health Plans

1.2.5.1.1. Aam Aadmi Bima Yojna

Ministry of Finance, Government of India, has approved the merger of Social Security Schemes viz., Aam Admi Bima Yojana (AABY), Janashree Bima Yojana (JBY). The combined scheme is renamed "Aam Admi Bima Yojana" and has come into effect from 01.01.2013.

1.2.5.1.2. Insurance Plan

As individuals, it is inherent to differ. Each individual's insurance needs and requirements are different from that of the others. LIC's Insurance Plans are policies that talk to customers individually and give them the most suitable options that can fit their requirement. Endowment Plan, Money Back Plans and Term Assurance Plans.

1.2.5.1.3. Special Plans

LIC's Special Plans are not plans but opportunities that knock on people door once in a lifetime. These plans are a perfect blend of insurance, investment and a lifetime of happiness.

1.2.5.1.4. Pension Plan

Pension Plans are Individual Plans that gaze into customer's future and foresee financial stability during their old age. These policies are most suited for senior citizens and those planning a secure future so that customers never give up on the best things in life.

Pension Plans:

Jeevan Akshay-VI and LIC's New Jeevan Nidhi
1.2.5.1.5. Unit Plans

Unit plans are investment plans for those who realize the worth of hard-earned money. These plans help people see their savings yield rich benefits and help them save tax even if they don't have a consistent income.

1.2.5.1.6. Micro Insurance Plans

LIC's Micro Insurance Plans are not plans but opportunities that knock on your door once in a lifetime. These plans are a perfect blend of insurance, investment and a lifetime of happiness.

Endowment Plan: LICs New Jeevan Mangal, Micro - Insurance Forms and LIC's Bhagya Lakshmi Plan

1.2.5.2. LIC Group scheme:

Group Insurance Scheme is life insurance protection to collections of folks. This scheme is ideal for employers, societies, associations and allows people to enjoy group profits at actually low prices.

Group Scheme:

- LIC's Group Credit Life Insurance
- LIC's Single Premium Group Insurance.
- LIC's New Group Leave Encashment Plan
- LIC's New Group Superannuation Cash Accumulation Plan
- LIC's New One Year Renewable Group Term Assurance Plan I
- LIC's New One Year Renewable Group Term Assurance Plan II
- LIC's New Group Gratuity Cash Accumulation Plan.
1.2.6 Insurance Regulatory and Development Authority (IRDA)

The insurance area started its reform procedure with the section of the Insurance Regulatory and Development Authority (IRDA) charge in Parliament in December 1999. With the setting up of IRDA, the government has de-managed the area opening it for private players. One of the essential goals of the Indian insurance regulation is the security of policyholders against the bankruptcy of insurance companies. To accomplish this goal, the Controller is blessed with a huge group of administrative and supervisory forces, designated to him by the Legislature to guarantee the budgetary and administrative soundness of back up plans’ licensed (Rao, G.V 2008).

1.2.6.1 Objectives of the Insurance Regulatory and Development Authority (IRDA):

1. To ensure the enthusiasm of and secure reasonable treatment to policyholders.
2. To bring about the fast and systematic progress of the insurance industry for the profit of the common man, and to offer long-term funds for hurrying the growth of the economy.
3. To set, help, monitor and implement high standards of honesty, financial accuracy, fair trade and competence of those it regulates.
4. To certify quick settlement of the genuine claim, to avoid insurance frauds and other abuses and put in place correct complaint redressed equipment.
5. To endorse transparency, fairness and neat conduct in financial markets dealing with insurance and shape a reliable management information system to apply high standards of financial accuracy amongst market players.
6. To take achievement where standards are insufficient or unsuccessfully enforced.
7. To bring about best sum of self-regulation in the day-to-day working of the insurance business consistent with the requirement of Provident instruction.

1.2.6.2 Functions of Insurance Regulatory and Development Authority:

The IRDA has been established to perform the following regulatory functions:

1. Issue and withdraw licenses.
2. Training for agents and specify qualification codes of conduct.
3. Specify the form and manner in which check books of accounts should be preserved.
4. Regulate investment of insurance coffers.
5. Stipulate of life insurance business to be undertaken by the insurer in both rural and urban segments.
6. Accept the managing director's appointment.

The IRDA started working on April 19, 2000, with N. Rangachary as its first Executive and with two low maintenance chiefs, and four full-time chefs notwithstanding the 25-part Insurance Counseling Board. The memberships of the association signified numerous industries and occupations. The IRDA substitute its first consultative board with 23 individuals on May 25, 2000.

IRDA guidelines for e-insurance policies:

The IRDA has stated that the main plans to start the insurance warehouse are to help the policyholders adjust, re-examine, or change their plans in a right and quick way. According to the rules, the providers of e-insurance policies should profit the administrations of true records and the e-policies will similarly be viewed as genuine agreements. For an insurance store to be viewed as guaranteed, it ought to have base total assets of INR 25crores sans any scheme from outside India. Furthermore, no single insurance company ought to claim more than 10 percent of its stakes or appreciate an administrative position in insurance. Charanjit Kaur Banga and Shraddha Mayuresh B home (2015). The IRDA has also made it required for the insurance sector to make steps that will ensure that all critical data will be enough defended and there will be powerful outlines that will save any misappropriation of arrangements and records. The rules similarly express that backup plans can make manages more than one insurance store to ensure that e-insurance arrangements are legally kept up.
1.2.7. Reforms of Insurance Sector in India

In India by the Government initiation, reforms in the insurance area started part of the liberalization, privatization and globalization process. In 1993, Malhotra Committee, headed by previous Investment and RBI Governor, R.N. Malhotra, was shaped to evaluate the insurance industry of India and future way. With the objective of adding the reforms started in the financial sector, the committee was set up. The committee in 1994 submitted the report and included some of the main approvals, (Malhotra, R.N 1994). Reforms in the insurance section in India began some portion of the liberalization, globalization, and privatization prepare started by the Government. In 1993, Malhotra Board of trustees, controlled by earlier Investment Secretary and RBI Governor, R.N. Malhotra, was made to assess the Indian insurance industry and offer future headline. The board of directors was arrangement with the objective of supplementing the changes started in the money linked section. In 1994, the advisory group offered the report and a portion of the key proposals included:

1.2.7.1 Structure

The government should assume control over the possessions of GIC and its auxiliaries so that these backups can go about as independent corporations. All the insurance companies must be given more important permission to work.

1.2.7.2 Competition

For the allowing entering the business, Private companies should have a base paid up a wealth of Rs.1 billion. No company must bargain in both General Insurance and Life through a solitary substance. Foreign companies might be allowed to go into the business as a team with residential companies.

1.2.7.3 Regulatory Body

The Insurance Act should be reformed. An Insurance Organizational body ought to be start the organizer of Insurance (Presently a section from the Fund Ministry) must be made independent.
1.2.7.4 Investments

Compulsory Ventures of LIC Life Finance in government safesties to be lessened from 75 % to 50 %. GIC and its auxiliaries in any company are not to control more than 5 %.

1.2.7.5 Customer Service

LIC has to pay eagerness on postponements in instalments past 30 days.

Set up unit connected pension plans is very urgent for Insurance Companies.

Refreshing of technology and Computerization of processes to be done in the insurance industry. The council stressed that with an explicit end goal to enhance the client services and growth the scope of the insurance, the industry ought to be opened up to the competition. Whatever happens, the committee wanted to exercise alert as any displeasure about new players could demolish people in general trust in the insurance business.

1.3. Information technology (IT)

Information technology (IT) is the apply of any storage, networking and another gadgets, base, and procedures to make, process, secure, store and change all forms of electronic data. IT also includes office automation, multimedia, and telecommunications.

IT incorporates some parts of physical equipment, virtualization and management or automation devices, working structures and applications (programming) applied to perform key actions. Client gadgets, peripherals, and programming, like, portable PCs, cell phones or even recording gear, can be incorporated into the IT area. IT can similarly allude to the models, methodologies, and regulations overseeing the utilization and capacity of information. IT has a great impact on the operation of organizations and companies. However, this survey tries to spot the light on the relationship of IT and insurance industry and the impact of IT on that.
Gunasekaran et al. (2001) defined that information technology (IT) is a common term for the merging of computers, hardware, software, telecommunications, the internet, electronics and the causing technologies. And also they told that the performance of IT could be measured through the inventory of applications that are available in organizations. Information technology can be measured as the framework for knowledge management (Chou, 2003), and a knowledge platform (Tiwana, 2002). IT is a cutting edge wonder that has significantly changed the day to day lives of people and organizations in the world. Information technology is key to Company operations and utilizing. Information technology for business achievement is a key to being in the present day business world. The vital usage of information technology can help associations increment their upper hand and make impressive upgrades in working execution. IT has started to significantly affect the individual's lives in created, industrialized nations, by changing the association of work and methods of recreation, and by expanding profitability (Daveri, 2003; Jorgenson, 2001, 2004; Stiroh, 2002).

In another opinion Information Technology is the procurement, preparing, stockpiling and spread of vocal, pictorial, literary and numerical information by a small scale hardware based blend of figuring and media communications. Information Technology (IT) is the business, which uses PCs and other supporting; gear helps in the spread of learning. Information Technology for quite a while was equivalent words to PCs. In the case of fast and headway different information conveyance framework, for instance, Radio, television, Phone, Daily papers, Fax and obviously PCs and PC Systems, IT alludes to the whole array of Media and gadgets used to transmit and prepare information for use by different target bunches in the public. IT has, along these lines been rights named at information and communication Insurrection (G. V. Vijayasri 2013)

1.3.1. Information Technology and its impacts on different industry

There are limited parts of life these days which are unaffected by IT. In at home or in the workplace, manufacturing plant, going to a bank, grocery store or carport and in numerous different spots. IT is utilized to complete exchanges, give information, record information, settle on choices and play out a constantly expanding scope of errands; there is little uncertainty that IT is impacting all parts of life, including association and Administration Information Framework (MIS). A standout between
the most basic ways IT influences business is in changing the way of rivalry. IT makes upper hand by giving companies better approaches to beat their opponents ... by bringing down costs, improving separation and changing the aggressive extension. It generates entire new business frequently from inside a company's current operations by making new business innovatively plausible, making inferred interest for new items and making new business inside old ones (Porter and Millar, 1985). In a previous couple of decades, there has been a transformation in processing and interchanges, and all signs are that technological advance and usage of information technology will proceed at a quick pace. Accompanying and supportive the extraordinary increases in utilization of new information technology has been the declining expense of letters accordingly of both automatic enhancements and expanded rivalry.

Today, advancements in information technology are having unlimited effects over different spaces of civilization, and arrangement designers are following up on issues with economic efficiency, approved innovation rights, security insurance, and reasonableness of and access to information. The progressing registering and correspondences transformation has various financial and social effects on present day society and requires genuine sociology examination with a specific end goal to deal with its dangers and risks. Such work would be profitable for both social approach and technology plan (Lee, K. R. 2002).

IT benefits the business world by enabling associations to work all the more productively and to expand profitability. Quicker correspondence, electronic capacity and the insurance of records are favourable circumstances that IT can have on your undertaking. Information technology needs to do with PC applications, on which about each workplace is needy. Since modernized frameworks are so broadly utilized, it is profitable to consolidate information technology into your association likewise Information technology makes electronic capacity frameworks to ensure company's significant records. In today's positions when the client is very much educated, well perused and needs best-in-class-benefit, Information Technology (IT) has a gigantic part to play in any business. It is not only a bolster work any longer but rather a key figure choosing the manageability of business.
Oluwatolani, O., Joshua, A., & Philip, A. (2011). Believed that The Internet is internationally widespread being used, becoming an essential of IT inside businesses and also many homes. A tremendous market has developed on the Internet, online acquiring and saving money have been by-results of this development. Numerous businesses have been snappy to recognize and achievement the niche. The range item online is inexhaustible and situates the Internet in the highest priority on the rundown of convenience great, beside ready-made meals. During this quickly evolving modern civilization of which we are each of the section, convenience has become pivotal to survive the ever increasing speed of life. Specifically, e-business, one of the technology applications with the uppermost effect upon the worldwide economy, is generating a new business environment. As a developing number of companies dispatch new Internet-based business lines, a huge portion of the new technology advances happens as a outcome of their utilizing the Internet to improve business processes. This often involves utilizing the Internet to do business exchanges. E-business has developed the trade sector in past centuries and has a new set of economic and communal connections. The basic use of the Internet is to develop and experiment with new business models. There is not technology without anyone else's input that creates or breaks an Internet venture; however the underlying development and capability of the adopted business method. IT has now become the key elements for support the competitiveness of the general economy and enhancing the efficiency.

Recent improvements of information technology have changed the way associations work. Personal computers take every necessary step done earlier by mainframes. In associations, computers are networked together, and users share projects, files, and electronic messages. Telecommuting is on the rise with the capacity to connect to hierarchical computer systems from home. The Internet has provided an environment in which information can travel crosswise over authoritative and geographical boundaries. In spite of the fact that associations are making increasing investments in information technology, the effect of such investments on firm profitability has been unclear. (Dasgupta, S., Sarkis, J., & Talluri, S.1999).

In the previous fifteen years, developments in information technology have made possible some very big changes in the business is done everywhere throughout the world. The technology is behindhand the huge changes in individual firms. It
represents the removal of layers of middle management from an extensive range of corporations.

The technology is additionally behind the huge changes in entire markets. It represents the opening of markets on a genuinely worldwide premise. No one anywhere can be ignored as a potential consumer. The technology is under the securitization of receivables mortgage and credit card debt, private and little commercial advances and the emerging securitization of conditional payables like hurricane losses. Securitization had conveyed lower expenses to borrowers and just a burden to commercial banks which, moments before, had that business all locked up. Richard E. Richard S. L. Barbara D. (1998)

Today, IT must be conceived broadly to cover the information that businesses make and use as well as an extensive field of increasingly convergent and related technologies that procedure the information. In addition to computers, data recognition tools, communications technologies, factory mechanization, and other services are involved in IT (Tallon and Kraemer, 2004). For most associations, Information Technology has turned out to be a standout between the most vital and critical useful ranges. Reliance on IT and computerized information

The most recent decade in the worldwide field has witnessed a colossal progress in information technology. Quick advances in the technologies for correspondence media like TV, PC, internet, web, printing and distributing has empowered us to get instant access to required information. Information technology (IT) has turned out to be a standout between the heartiest businesses on the planet. It, more than some other industry or monetary feature, has expanded productivity, especially in the developed world, and alongside these lines is a key driver of worldwide economic growth. The IT part has risen as a noteworthy worldwide wellspring of both development and business. IT Industry in the nation has assumed a noteworthy part in setting India on the universal map. The Indian IT Industry, for the most portions, contains occasion Framework Reconciliation, Programming tests, Custom Application Development and Maintenance (CADM), network administrations and IT Arrangements (Vijayasri, G. V. 2013).
1.3.2. Information Technology Investment

Investments in IT by American firms have developed at a quick pace in past two decades, with the yearly growth in genuine investment topping at a normal of 24% in the 1995 to 2000 period, somewhere in five times the development rate of investment in different sorts of hardware (Doms 2004).

Perceived outcomes propose that hierarchical key and monetary execution measures, for example, deals by representative, return on deals, deals by aggregate resources, rate of return, and market to book esteem are influenced by IT investment measures, for example, IT spending plan as rate of income, the rate of IT spending plan spent on preparing of workers, number of PCs per representative, and IT esteem as a percentage of income. The hierarchical execution measure development in income and IT investment measure rate of IT spending plan spent on staff were not altogether identified with different measures and along these lines were not showed to be valuable for researching conceivable impacts of IT investment on authoritative vital and financial execution (Mo Adam Mahmood and Gary J. Mann, 1993).

Enhancing consumer loyalty is one of the prime inspirations for making information technology (IT) investments, since overwhelming investment in IT assets as of late is an impression of the business conviction that IT assets can improve the business client interface (Chopra & Meindl, 2003; Karimi, Somers, & Gupta, 2001).

Since IT foundation includes an expansive investment and influences the whole association, it is difficult to change in a brief timeframe. In this manner, it must have the capacity to bolster change without starting sans preparation each time another development is presented in light of the fact that that is excessively expensive and takes too long, making it impossible to actualize (Robertson and Sribar, 2002).

IT is always advancing and change happens rapidly. Enhanced IT items and administrations are discharged each day. As a rule, it is troublesome for associations to execute new IT frameworks without a huge re-investment and without influencing customary business operations (Chanopas, A., Krairit, D., & Ba Khang, D 2006). Investment in information technology, changes in client benefit, lessening costs, separating service offerings, and extending business territories are required. (Jeonpyo Noh 1999).
Early research looking at the connection between investment in IT and firm execution gave clashing proof concerning the claim that IT investments deliberately increase the value of firms (Kauffman and Weill in 1989, Harris and Katz, 1991, and Brynjolfsson, 1993). Sumit Sircar, Joe L. Turnbow and Bijoy Bordoloi (2000) stated that Information Technology and corporate investments have a solid positive association with deals, resources, and equity, yet not with net pay. Spending on IS staff and staff preparing are positively connected with firm execution, significantly more so than PC capital.

1.4. Impact of Information Technology on insurance industry

New technology helps the policyholders/insured to have a better, more extensive and speedier access to items and services. The influence of Information Technology in the Insurance is being felt at a quickening pace. In the initial years, IT was utilized more to execute back office capacities like upkeep of records, accommodating intermediary accounts, customer preparing and so forth. After coming "database ideas", these capacities are better coordinated in a regulatory proficiency. The genuine development has however risen out of internet blast. The Internet has given fresh out of the plastic new appropriation channels to the Insurers.

Technology has empowered the Insurer to advance new items, give better customer service and more profound and more extensive insurance scope to them. Insurance companies ought to give customers an unmistakable claim is to track guarantees online; engaging online enlistment, eligibility survey; money related detailing, charging and electronic reserve exchange to benefit family customers. Because of the quick innovation in the field of information technology the insurance industry has token serious challenges. The use and application of the information technology in a wide diversity of insurers operations have become strategic in the sense that has a direct impact on the productivity of resources on reducing the cost of various activities.

With the landing of private insurance companies the competition has become more extraordinary, and an imperative part is being played by the insurance segment. Actually the utilization of information technology is not new to the insurance division. There are little departments concerning the utilization of IT in insurance
companies incorporating the significant players in most recent 50 years. The most unmistakable of these departments are bookkeeping, strategy issue and adjusting, guarantee to prepare and deals administration and so forth. The development in information technology can impact on the fast and right issuance of reports, expeditious transfer of cases and appropriate working of records and insights. These three issues can make quality affirmation and proficiency. In this manner, the basis for each insurer is to develop a productive interface between the different department and division. This would decrease the printed material, enhance the productivity of service and give a competitive advantage to the insurance companies.

For present situation, everybody is utilizing PC one way or the other and at whatever point you go to the marketplace for shopping in any departmental store there people will discover billing is mechanized. PC additionally can be extremely valuable in the insurance segment. The volume of exchange is expensive in any insurance association. The information and data are to be put away for a More drawn out period since insurance contracts are long haul particularly life Insurance contracts. The Insurance associations have the system everywhere throughout the nations even in foreign nations. Also, the exchanges are of repetitive nature consequently, it has turned out to be important to look for the assistance of machines to handle the information. Initially, the Insurance companies utilized machines and punch card hardware for making, putting away and preparing information. However, these machines were seriously limited in their capacity. These were mechanical machines or Electra mechanical machines in this manner, their speed, capacity, and flexibility were quite limited, However even the PCs had a few limitations initially, Yet these troubles have been overcome with the assistance of the current developments in media transmission, which are utilized to help PC technology.

To see how insurance and technology interfaced amid the early PC time, we should first know something about existing structures or models of information technology and its utilization in insurance and about right on time (pre appropriation) insurance contemplating PC utilize. Electromechanical punched-card classifying hardware was a backbone of life insurance office operations in the decades paving the way to the 1950s. The insurance industry had assumed an imperative part in forming this technology, especially in empowering the development of record printing capabilities.
critical to life insurance work. Thus, the life insurance firms had embraced this technology and utilized it to proceed with their set up pattern towards division and specialization of operations, regardless of whether by individuals or by machine. Arranging technology incorporated an assortment of particular machines (card punches, sorters, printing tabulators, multipliers, etc.), which were sequenced and wired as important to perform specific procedures in the serious record work of life insurance. In addition to their numerous typewriters and desktop mini-computers, insurance firms normally had huge establishments of organizing gear (JoAnne Yates, 1999).

Online buy decreases cost contrasted with physical visiting a shop for procurement. This has opened the market of the developed nations to the whole world. The accomplishment of internet business is resolved to a limited extent by whether clients trust vendors and their commodities they can’t see, touch or look at. Then again, insurance industry as the major monetary capacity assumes a crucial part in enhancing and advancing financial pointers. Along these lines by embracing strategies and variables and positioning them, a critical part will be made in the growth of insurance industry. Requisition of online business in insurance industry taking after planning of the essential structure and require programming changes. For instance, programming changes incorporate director and staff to change attitudes toward technology and web based business. E-insurance can be extensively characterized as the requisition of Internet and related information technologies (IT) to the generation and conveyance of insurance services. The expected adequacy impact of e-insurance is twofold. In the first place, e-insurance ought to decrease the organization and administration costs via mechanizing business forms, permitting continuous systems administration of company departments and enhancing administration information. Besides, it ought to decrease the commissions paid to middle people since it can be sold specifically to customers. E-insurance, as a strategy, brings about labourers’ productivity and cost sharing. Insurance's everyday activities will increment, and the wage from the facilities, (for example, giving insurance arrangement) to its client will rise (Nastaran Haji Heydari, Somayeh Behestani, Poyesh Bahadori, 2013).
The developments in IT are the working miracles in each one of the fields of activity. If fliers don't achieve the specialists on time or questions are not cleared rapidly, or the operator does not have points of interest of the new plans declared in the press, the operator may confront the cumbersome situation with the prospects. Insurance companies confront issues which can be completely ducked with the utilization of technology. The insurers who are customarily have rushed to adjust latest developments in Information Technology. The extent of IT will shift between projects. The IT has continually assumed an extremely basic part in the operations of each insurance company. The truth of the matter is that of all the business foundations in the facility division of life insurance companies to embrace computerization as an indisputable piece of their operation everywhere throughout the world. The quick advancement in the range of information and correspondence technology has remained with genuine difficulties for the Indian insurance in with the passage of private insurance players; the competition has turned out to be all the more capable, and a critical part which is insurance area. The usage of information technology is not fresh to the insurance segment (Sandeep S Shenoy, Guru Prasad Rao and Abhishek Rao, 2014).

IT furnishes and undermines insurance with an unlimited supply of capacity. As to insurance company operations, it is hard to predict exactly how and how rapidly the insurance business will get the new technologies. The business is perplexing and moderate. It is under prompt weights for profit, and it is not usual to enormous investments with long waits as a result. The business rushed to utilize computerization in its records and preparing capacities. It has been slower in the traditionally proficient ones, for example, underwriting and asserted. In any case, the potential appears to be exceptionally extraordinary. Think of some of the centre activities in insurance and that they are so much the same as undertakings that information technology has demonstrated it can help improve, quicker and less expensive. A great part of the thinking procedure in underwriting looks like credit scoring: such a great amount for this trademark, such a great amount for that. A lot of it takes after stretching and choice trees: if the appropriate response is a, then the following inquiry is B, if not, then C. Much appraising is a long arrangement of straightforward estimations and the nourishing of recipes. Much underwriting correspondence is of various decision reactions to scripted inquiries and investigation into databases around
the insurance company. Changing cases requires building a lucid document out of numerous truths and a progression of interchanges. Agents must have the capacity to respond and react rapidly to new information, in light of familiarity with the entire document. All through an insurance company, an enduring issue is recognizing and getting to the ideal individual, the territory or subject expert or the record official, and after that giving that individual all the essential information. Every one of those activities positively looks like a noticeable contender for development or fractional substitution by different abilities of information technology. (Richard E. Richard S. L. Barbara D, 1998)

Banks and insurers now can give more various services to customers with less labour. Seeing this example of development, it appears glaringly evident that IT can achieve comparable commitment to profits. Private life insurance companies present numerous more inventive showcasing techniques by utilizing refreshed technologies. These companies have the certainty of getting the potential client in their forthcoming activities (IRDA, 2012).

Publics today would prefer not to acknowledge the present incentivized offers, they need customized communications and they search for an ever adding number of components and include ones and better-quality service. The insurance companies today should address the issue of great importance for a more customized approach to dealing with the customer. Today dealing with the customer keenly is extremely critical for the insurer particularly in the exceptionally competitive condition. Companies need to do distinctive arrangement of guidelines and treatment methodologies to various customer portions. Be that as it may, to customize communications, insurers are required to catch customer information in a coordinated framework. With the blast of Website and more prominent access to direct item or approach information, there is a requirement for developing better procedures to give customers a really customized understanding. Personalization causes associations to achieve their customers with more efficient and to produce new income through strategically pitching and up offering activities (R. Meikanda Ganesh Kumar. Dr P. Anbuoli. 2013).
1.4.1. Information Communication Technology (ICT) and Insurance

In this time, information and communication are vital and fundamental in all circle of life. The development of both science and technology has extraordinarily improved each part of the human attempt. Consequently, the worldwide business condition has been revolutionized by creativity, development and innovative headway in this manner expanding customers' mindfulness and availability of more extensive scope of advanced items/services. New technologies have altogether affected business associations to conquer boundaries - cost, time and separation - to worldwide operations. Business associations, insurance companies comprehensive, work in a perplexing, dynamic and competitive condition. Information and correspondence technology (ICT) includes the utilization of electronic gadgets for putting away, handling, breaking down and appropriating information. The quick extension and expanding utilization of ICT have an enormously elevated logical way to contract with information giving and handling. Also, ICT improves administration elements of arranging, sorting out and the way of services offered in the insurance business. It has enormously enhanced insurance operations all around in perspective of the accessible advancement gadgets to upgrade the speed and excellence of service conveyance (Olajide Solomon Fadun, 2013). India, over the previous decade, has turned into a proving ground for developments in information and correspondence technologies (ICT) serving the country client. Different reasons clarify this rise. The clearest is the scan for an answer for what has for quite some time been an unmanageable issue, that rustic India has stayed poor while whatever remains of the nation has advanced. There exists an expectation that ICT can surmount in any event some of provincial India's social, political, and authoritative difficulties and make a reasonable technology for the arrangement of well-being, instruction, and other social services. The ICT most grounded calling card, an additional desire, is that information correspondence technology can be utilized inventively to enhance access to the substantial, advertise that rustic India's 700 million individuals speak to, particularly considering that India has the assets (i.e., its expensive, talented, cost-effective IT workforce) to construct an ICT foundation. Information and interchanges technologies are a gadget set of innovative apparatuses and properties used to impart provincial individuals going to scatter mindfulness, make intrigue and to animate select aims of insurance. Information correspondence technology and its instruments that individuals use to
share, appropriate, information assembling and to speak with insurance suppliers, or in gatherings, using media, for example, print, film and interconnected PC systems. (Varadaraju Thamodaran, Mahalingam Ramesh, 2010)

1.4.2. Information Technology and Indian insurance

With the development of PC technology, the Internet has turned into the association medium for the arranged world. PCs from areas that are topographically scattered can converse with each other through the Internet. The connectedness and rapidity of Internet procedures are reforming the traditional models of our general public, from technology to scholastics to stimulation. It is thusly not amazing that business and exchanging procedures are likewise being adjusted by the Internet through online business. Since the coming of the Internet, web based business has turned into the most well-known application—winning huge incomes and manufacturing a fast development in related technology. Around 300 million individuals everywhere throughout the world get to the Internet and around 15–20 percent of them utilize the Internet for online business. At present, Southeast Asian nations exhibit the most elevated rate of Internet development. One of the key players in the information technology area in the course of recent years has been India. Internet access in India has multiplied each year in the path of the most recent five years and figures foresee this development to fourfold ever year throughout the following three years like most different businesses in India, the insurance business has likewise utilized the Internet primarily as another dispersion channel to promote to customers. Notwithstanding, with the fast development of information technology framework and radical monetary changes, online insurance offers massive opportunities in India. Along these lines, it bodes well to examine the effect of the current changes presented in the Indian insurance and how they can influence the eventual fate of online Indian insurance. (Dasgupta, P., & Sengupta, K. 2002).

Hence, in vision of the above, the proposed research "the impacts of information technology on operation efficiency: an empirical study of life insurance corporation (LIC)" is selected to investigate and identify several related aspects regarding IT and life insurance industry: First, it's selected to investigate and identify some trends and policies that may enhance the efficiency of life insurance market in India Mysore District. Second, it's preferred to innovate detection approaches and theoretical
foundations of the subject. Third, it's chosen to provide empirical evidence for life insurance market participant.

1.5. Scope and Significance of the Study

Every research is delimited by its scope and choice of research methods. In terms of scope, the present study encompasses the study of effects of IT on operational efficiency in Life Insurance Corporation. The importance of the study arises from the conviction that operational efficiency of the corporation is closely connected with the IT. In the new order, IT across the business life cycle has become a necessity. It will be needed to innovatively increase primarily two characteristics of business first, value proposition related to customers in order to increase customer acquisition and second, operational performance in order to increase profitability. After going through the different studies conducted earlier, it is understood that there is a want to make a fresh attempt to understand the effects of IT on operational efficiency in Life Insurance Corporation (LIC). Because IT can raise awareness on the trends of products and customer changes and provide timely information to detect changing trends. Literature (Santhanam and Hartono, 2003; Shirley and Sushanta, 2006 and so on) has shown a positive link between organizational capability and sustained competitive advantage. Because of the ability to contribute to organizational capability, IT becomes a strategic component for an organization's sustained competitive advantage, especially in Life Insurance Corporation.

1.6. Statement of the Research Problem

The study is principally concentrated on the effects of IT on operational efficiency and organizational capability in Life Insurance Corporation. The Cost aspects and response of corporation have become strategic plans for many industries. These two dimensions focus on IT to a large extent. So survival of corporation depends on how well corporations organize and run IT. It is also a matter of speculation for Life Insurance Companies to know the overall impacts of IT. In this context, it is required to look to the cost and response of corporation and how much IT influences directly and indirectly on improvements in the performance of Life Insurance Companies. The study has set the following questions to direct the course of exploration and analysis.
1.7. Research Questions

Three related research questions are as follows:

- How does IT platform affect the performance of Life Insurance Corporation?
- What changes are required to make IT more effective in the Life Insurance Corporation?
- What strategies should a Life Insurance Corporation follow to use the IT?

1.8. Techniques and tools of data analysis

The primary data collected were edited, classified, tabulated and analysed with the help of (SPSS) Program. Mathematical or statistical tools are applied for arriving meaningful conclusions. The mathematical tools are averages and percentages. The statistical tools are T-test, ANOVA, Chi-square, Regression, Correlation, and other appropriate techniques.

The Operational efficiency includes:

- Brand Loyalty
- Customer Service
- Product Development

The IT Assets includes:

- Hardware
- Software
- Administrator (Admin)
- General IT
1.9. Objectives

The study deals with effects of IT on operational efficiency in Life Insurance Corporation in Karnataka, Mysore district. The specific objectives of this study are:

1. To investigate the LICs IT assets among perception of different demographic classification of the respondents (Age Group, Educational Group, Experience).
2. To identify the level of perception of the respondents about LICs proficiency in IT assets.
3. To investigate the level of perception of the respondents about LICs proficiency in Operational Efficiency.
4. To study the impact of IT assets on Operational Efficiency of LIC.
5. To estimate the role of LIC in the context of privatization.

1.10. Hypotheses

1. There is no difference in LICs IT assets among perception of different demographic classification of the respondents of LIC (Age Group, Educational Group, Experience).
2. There is a different level of perception of the respondents about LICs proficiency in IT assets.
3. There is a different level of perception of the respondents about LICs proficiency in Operational Efficiency.
4. There is an impact of IT assets on Operational Efficiency of LIC.
5. There is an impact of Privatization on LIC.

1.11. Limitations

The study will focus on the effects of IT on operational efficiency in Life Insurance Corporation. In this framework, the study attempts to analyse this subject from different perspectives and the following are a limitation of the study:

- The work culture of corporation varies from corporation to corporation. So it will be a problem to analyse the effects of IT on operational efficiency in
Life Insurance Corporation a general way. Separation of the impact of each from the others attitudes a serious challenge.

- There are many other approaches to study on effects of IT on operational efficiency in Life Insurance Corporation there is no common opinion among the experts. So the researcher will take appropriate approaches, which may be appropriate for the Impacts of information technology on operational efficiency in Life Insurance Corporations.

- The sample is selected suitably and in a single phase, but the perception is influenced by the time in which data was collected and the context in which the respondents were at the time of data collection.

- The primary data and observational methods of research had its limitations and based on respondent the study is limited just to the selected states of India.

- The study is limited to particular life insurance corporation and, therefore, the findings cannot be generalized to whole industries.

- The availability of the time and limited knowledge of researcher in the area is also to be considered.