Chapter V
Research Findings and Suggestions

5.1- Survey Findings and Suggestions –

After conducting the first field survey, the findings, as mentioned below, were arrived at. Every finding is followed by a relevant practical suggestion.

Finding No. 1 –
The major source of initiating life insurance policy was through friends (32.14%) and next was through relatives (21.43%). In 17.86% cases, colleagues and in 19.64% cases, advisors initiated the task of availing of insurance policy. The percentage of respondents who availed life insurance policy on their own was only 08.93.

Suggestion –
The overall level of conceptual awareness about life insurance needs to be increased among insurable population so that people on their own would initiate the task of availing the life insurance policy.

Finding No. 2 –
The main objective for taking a life insurance policy was risk coverage (41.96%) and thereafter it came to savings (25%). Other objectives included tax benefit (15.18%), child benefit (08.93%) and pension plan (08.93%).

Suggestion –
The overall level of awareness regarding consumer utility of life insurance towards saving, tax relief, child benefit and pension plan needs to be improved to promote the business.

Finding No. 3 –
The maximum number of respondents (42.86%) were having as low installment as between Rs. 2000-3000. 22.32% of the respondents were having installment between Rs.3000-4000. 21.43% of the respondents were having installment above Rs.5000/-.. 13.39% of the respondents were having installment between Rs.4000-5000.
Suggestion –
More insurance policies having installment ranging between Rs. 2,000/- to Rs. 3,000/- should be introduced to promote the business so that the maximum number of insurable population would like to avail the insurance policies because of easy affordability.

**Finding No. 4 –**
35.71% of the respondents felt easy while filling the form of life insurance policy. 33.04% of the respondents had not thought on these lines. 20.54% of the respondents found difficult while filling the form of life insurance policy. 10.71% of the respondents felt very easy while filling the form of life insurance policy. No one found very difficult while filling the form of life insurance policy.

Suggestion –
The insurance advisors should guide the respondents properly so that the respondents will feel highly comfortable while filling the form of life insurance policy.

**Finding No. 5 –**
In 49.11% of the cases the insurance advisors had guided the respondents as to how to fill up the form, in 41.96% of the cases the advisors themselves had filled the form. In 08.93% of the cases no guidance was sought from the advisors by the respondents.

Suggestion –
The insurance advisors should increase the level awareness regarding technical procedural formalities so that maximum number of respondents can fill the form on their own without help or assistance from the insurance advisor.

**Finding No. 6 –**
80.36% of the respondents felt that there was a need to alter the existing structure of the form of life insurance and 19.64% of the respondents felt that there was no need to alter the existing structure of the form of life insurance.

Suggestion –
The existing structure of the insurance form should be simplified with small practical illustrations, wherever possible, in such a manner that the respondents would get desirable guidance while filling the form.
**Finding No. 7 –**

71.43 % of respondents felt that there should be elimination of irrelevant and insignificant particulars from the policy form and 28.57% of respondents did not feel that there should be elimination of irrelevant and insignificant particulars from the policy form.

Suggestion –

Irrelevant and insignificant technical particulars in the life insurance proposal form should be substituted by only essential, relevant and significant particulars from the contemplation of a consumer. Besides, the legal requirements regarding technical particulars should be convinced to the respondents so that misunderstandings would not prevail.

**Finding No. 8 –**

50.00% of the respondents opined that there should be reduction in complicated paper work, 43.75% of the respondents opined that the main legal provisions should be made crystal clear, 22.32% of the respondents opined that un-clarified terms and conditions arising of contractual obligations should be made clear, 10.71% of the respondents opined that there should be strict implementation of legal rules while sanctioning the policy, 04.46% of the respondents opined that the legal formalities at the time of maturity, of the policy should be made clear.

Suggestion –

The complicated paper work should be reduced and at least main legal provisions should be made crystal clear to the consumers.

**Finding No. 9 –**

61.61% of the respondents were not aware and 38.39% of the respondents were aware about the contractual obligations associated with life insurance policy.

Suggestion –

The insurance advisors should increase the level of legal knowledge among the respondents so that it would further facilitate to reduce the number of consumer disputes arising out of conceptual un-clarity regarding insurance contractual obligations.

**Finding No. 10 –**

63.39% of the respondents were aware and 36.61 % of the respondents were not aware about the nomination rules and regulations of life insurance policy.
Suggestion –
The insurance advisors should increase the level of seriousness among the respondents so that the proportionate percentage of the respondents’ awareness regarding nomination rules and regulations would further increase.

Finding No. 11 –
59.82% of the respondents were not aware and 39.29% of the respondents were aware about the legal consequences in case of default of a premium installment of life insurance policy. In 0.89% cases no response was recorded on these lines.
Suggestion –
The insurance advisors should increase the level of legal awareness among the respondents so that it would facilitate to reduce the number of consumer disputes arising out of conceptual un-clarity regarding legal consequences in case of default of a premium installment.

Finding No. 12 –
61.61% of the respondents were not aware and 38.39% of the respondents were aware about the additions or deductions in the maturity amount of life insurance policy.
Suggestion –
The insurance advisors should increase the level of legal knowledge among the respondents so that it would further facilitate to reduce the number of consumer disputes arising out of conceptual un-clarity regarding additions or deductions in the maturity amount of life insurance policy.

Finding No. 13 –
75.89% of respondents were somewhat aware, 20.54% of the respondents were totally unaware and 03.57% of the respondents were totally aware about the legal aspects associated with the life insurance policy.
Suggestion –
The insurance advisors should increase the level of legal awareness among the respondents so that it would facilitate to reduce the number of consumer disputes arising out of conceptual un-clarity regarding legal aspects associated with the life insurance policy.
**Finding No. 14 –**

47.32% of the respondents had taken second policy to do away with excessive tax burden, 32.14% of the respondents had taken the second policy for saving surplus amount, 27.68% of the respondents had taken second policy because they were fully satisfied with the benefits of first policy, 08.04% of the respondents had taken second policy for child benefit and 05.36% of the respondents had taken second policy for pension plan.

Suggestion –
The level of consumer satisfaction needs to improved so that maximum number of existing consumers can be convinced to avail another life insurance policy for multiple benefits.

**Finding No. 15 –**

54.46% of the respondents had recommended and 45.54% of the respondents had not recommended others for availing life insurance policy.

Suggestion –
The level of consumer satisfaction needs to improved so that maximum number of consumers would recommend others for availing life insurance policy.

**Finding No. 16 –**

71.43% of the respondents had recommended to others to take life insurance policy because of their faith on L. I. C. 30.36% of the respondents had recommended to others to take life insurance policy because they were fully satisfied with the benefits from the first L. I. C. policy. 19.64% of the respondents had recommended to others to take life insurance policy because of faith on insurance advisor and 05.36% of the respondents had recommended to others to take life insurance policy because of poor services offered by other insurance company. 01.79% of the respondents had recommended to others to take life insurance policy because of relatively less returns assured by other insurance company.

Suggestion –
The facts of faith on L. I. C. and its advisors along-with full satisfaction of consumers with the benefits from the first L. I. C. policy should be totally exploited so that the life insurance business would get better promoted.
**Finding No. 17 –**

44.64 % of the respondents had not recommended others to take a life insurance policy from L. I. C. for varying reasons. 28.57% of the respondents had not recommended others to take a policy because of poor services offered by L. I. C. 16.07% of the respondents had not recommended others to take a policy because of relatively less returns assured by L. I. C. 08.04% of the respondents had not recommended others to take a policy because of dissatisfaction with the benefits from the first L. I. C. policy. 06.25% of the respondents had not recommended others to take a policy because of loss of faith on insurance advisor.

**Suggestion –**

Various reasons identified for non recommendation of a policy to others causing consumer dissatisfaction should be improved so that increased number of satisfied consumers would recommend others to avail the insurance policy.

**Finding No. 18 –**

57.14 % of the respondents felt that it was necessary and 42.86% of the respondents felt that it was not necessary to add to the level of existing conceptual and legal understanding about life insurance, in general and the insurance policy, in particular.

**Suggestion –**

The insurance advisors should educate the respondents the importance of conceptual and legal understanding regarding life insurance in general and the insurance policies in particular, in the light of reduction of consumer disputes and consequent increase in the level of consumer satisfaction.

**Finding No. 19 –**

76.79% of the respondents felt that it was necessary to add to the level of existing conceptual and legal understanding especially at the time of availing of subsequent life insurance policy because of better functioning of other insurance companies. 10.71% of the respondents felt that it was necessary to add to the level of existing conceptual and legal understanding especially at the time of availing of subsequent life insurance policy because of loss of faith on L. I. C. insurance advisor 08.04% of the respondents felt that it was necessary to add to the level of existing conceptual and legal understanding especially at the time of availing of subsequent life insurance policy because of a few bad experiences of other customers with L. I. C. 04.46% of the respondents felt that it was necessary to add to
the level of existing conceptual and legal understanding especially at the time of availing of subsequent life insurance policy because of loss of faith on L.I.C.

Suggestion –
The insurance advisors should educate the existing consumers regarding conceptual and legal understanding about life insurance especially at the time of availing subsequent life insurance policy.

**Finding No. 20 –**

75% of the respondents felt that it was not necessary to add to the level of existing conceptual and legal understanding because of their trust on L. I. C. 08.04% of the respondents felt that it was not necessary to add to the level of existing conceptual and legal understanding because of trust on L. I. C. Insurance Advisor. 08.04% of the respondents felt that it was not necessary to add to the level of existing conceptual and legal understanding because it was not needed. 05.36% of the respondents felt that it was not necessary to add to the level of existing conceptual and legal understanding because they had not thought on these lines. 01.79% of the respondents felt that it was not necessary to add to the level of existing conceptual and legal understanding because of good experiences with L. I. C. 01.79% of the respondents felt that it was not necessary to add to the level of existing conceptual and legal understanding because of difficulty in understanding.

Suggestion –
The insurance advisors should exploit the strength of consumer trust on L. I. C. in order to promote the business.

**Finding No. 21 –**

49.11% of the respondents preferred L. I. C. to private sector insurance companies. 48.21% of the respondents did not prefer L. I. C. to private sector insurance companies. No response was recorded on these lines in respect of 02.68% of the respondents.

Suggestion –
The insurance advisors should exploit the strength of consumer preference to L. I. C. in order to promote the business.
5.2 Suggestions regarding Procedures in Insurance Laws -

Some legal actions should be undertaken in the prevailing procedural formalities to improve the existing social legal scenario. Such actions should be undertaken under initiative and able guidance of retired and serving senior Hon. Judges and leading and willing practicing advocates. Further, these actions should be undertaken in the light of views expressed and opinions presented by the advocates and litigants.

There are some suggestions, put forward in the following lines, founded on the basis of personal interactions with practicing advocates and litigants. Some of the views put forward or the opinions expressed, both of the eminent advocates and the litigants, are highly personal. However, they are the outcomes of their self experiences and personal observations. Thus, undoubtedly, they do carry adequate weight-age as well as significance.

1. The legal matters related to life insurance should be classified into two different categories, namely, urgent and deferrable.
   Whenever, future of the litigant appears to be blocked, the legal matter should be treated as urgent and it should be given top priority. All the other matters wherein there is no involvement of a question of law affecting, favorably or unfavorably, either the ‘life or death’ or ‘bread and butter’, of a litigant should be treated as deferrable. Hence, such matters need not be given priority.

2. The time limit of two years may be prescribed in respect of urgent matters and if, at all, it is required and thought fit in a peculiar situation in a particular legal matter, it may be extended to a future period, however, not extending beyond three years. In respect other deferrable legal matters, the time limit of five years may be prescribed. Furthermore, as far as possible, the legal matter should not only be initiated but it should also be attempted to be finally and conclusively decided within the period of limitation.

3. The cumbersome legal procedural formalities causing social inconvenience should be simplified. On many occasions, during the course of a legal matter it was observed that not only the advocates of either party but also the Hon. Judges dislike to adjourn the legal matter, but, they are legally compelled to do the same, because of the technical reasons based on which the adjournments were granted earlier, may be in the same court or in other courts of similar status or jurisdiction.
The Hon. Judges of different courts enjoying different statuses, should be conferred with adequate discretionary powers, if the legal matter demands to travel on merit against or go beyond (ultra vires) the scope and amend or modify, legal provisions or procedures followed in the earlier judgments of the same court or the other courts of the same or inferior statuses.

As an interesting observation, Hon. Judge of a Labor Court, exactly against an Hon. Judge of a Civil Court, in certain crucial and critical circumstances possesses inherent discretionary powers to travel against and amend or modify formalities and complicated procedures followed in the same court. Generally, this is done if it is judged that following of formalities or cumbersome, routine lengthy procedures may lead to injustice, in respect of a particular beneficiary, especially, in the light of practical or social consequences of a specific legal matter.

The view of one of the retired Hon. High Court Judges is that the legal matters do not require long time to be finally and conclusively judged, provided they run as per their regular legal schedule.

4. Sometimes, it is observed that the advocates from both the parties are ready with the argument, but, the Hon. Judges on their own, adjourn the matter, for reasons known to them alone. As a result, when the matter comes for hearing after adjournment, invariably, after relatively long time, the Hon. Judges find it difficult to recall the detail and technical contents of the said matter, when it becomes obligatory, on the part of the advocates, to start with the case, from the scratch.

The time wasted in refreshing the memory of the Hon. Judges can never be recovered. Unfortunately, if the same scene continues for many hearings, the aggrieved beneficiary, unnecessarily, continues to remain aggrieved, reasonably, for a very long time, for no fault, on his part. Besides, the precious time of judiciary, the advocates from both the parties, and moreover, the time of the litigants, is wasted. The situation becomes more serious, especially, when the litigants come to attend the legal matters from long stations.

Thus, as far as possible, the legal matter should be disposed off, preferably, at the time of first hearing only, after it is admitted.
While forming different views, the Hon. Judges straight away neglect the social as well as economical aspects associated with their views. Besides, before finalizing a judgment, they should also consider several other costs those are indirectly incurred by a litigant, undesirably. For example, psychological costs, social costs and above all time costs, etc. It may not be out of place to point out that such all costs are taken into account before delivery of a judgment, in foreign countries, like U. K., Netherlands, Germany, France, to mention a few. If this is practiced by the judiciary in India, perhaps, it may lead to psychological satisfaction to a litigant and ultimately, it may lead to social justice through social tranquility.

5.3 Miscellaneous Suggestions –

These suggestions have been spelled out in two different parts, as follows.

![Diagram](image)

Fig. No. 8

(a) Negativity in Life Insurance Advertisement –

In one of the advertisements on a T. V. channel it is shown that the mother of the bride says, “The marriage of my daughter could happen only because of L. I. C., on the tragic background of death of my husband.”

This is a classic example of negative advertising. A special kind of natural threat and an artificial or imaginary fear is created through such an advertisement in the mind of a viewer. Thereafter, he is induced to buy the life insurance policy, under a special kind of threat and tension.

In this regard, there does not exist any written rule of conduct for advertisers’ observance. At the same time, the permission for release of the said advertisement must have been obtained by the L. I. C., as it is required by I. R. D. A. rules. However, as a general ethical
marketing practice, the advertisement should emphasize positive factors and warn the prospect about the negative factors merely as a running reference. Moreover, It should motivate the prospect to proceed with the favorable decision, either out of necessity or practical utility or comfort-ability but, not, under threat or tension.

Thus, it can be suggested that negativity in life insurance advertisement should be substituted by positivism in order to create positive impact on the prospects.

**(b) Electronic Clearance System – (E. C. S.)**

In order to do away with standing in the queues for payment of premium installments, also to save from the eventuality of its non-payment either for no receipt of the renewal notice in time or due to its innocent negligence, some customers prefer to pay the same through Electronic Clearance System (E. C. S.) However, a fact needs to be acknowledged that sending of premium renewal notices is not mandatory on the insurer.

In E. C. S. system, L. I. C. claims the amount of premium installment from the suggested bank on the date stipulated to L. I. C. by the policy holder. As a procedure, the bank debits such an amount to the account of the policy holder. Subsequently, the said amount is remitted to the L. I. C. in time.

But, the customers experience some difficulties while executing such a system. The specific branch of L. I. C. processes an E. C. S. claim of a particular policy holder only if, one of his several life insurance policies, either on his own life or on the life of his dependants, has been processed through the same branch office. In other words, if a particular life insurance policy has been processed through another branch office, situated in a different town within the same district or within the same city but located distantly, the policy holder has to approach the same branch office, irrespective of the fact of location of a policy holder from that branch, for the time being.

After discussing this difficulty with the L. I. C. officers, it was learned that L. I. C. could not process such a claim because personal particulars of a policy holder were readily available only with that branch of L. I. C. where the policy was processed. It was also learned that L. I. C. was in the process of centralizing their transactions to do away with this difficulty.
5.4. Suggestions for Improving C. R. M. in Insurance Companies

5.4 a. Views based on Recommendations of the Experts -

The following observations are the outcome of the fruitful and deliberate interactions with eminent personalities.

1. The consumers think quite positively and unimaginatively. Therefore, they do not anticipate adversities or obstacles in life. As a result, they do not develop a keen interest in knowing legal rules, regulations and their consequences or procedural formalities associated with life insurance. However, the level of curiosity to gain additional knowledge regarding the concept and the products of life insurance is relatively high.

2. The life insurance advisors simplify the legal background and technical procedural formalities to the extent, they are demanded by the consumers. In general, the consumers trust the advisors and sign the documents of the policy, perhaps, quite blindly, without going into or inquiring into the technical particulars like augmented benefits, returns or other legal consequences, if any, to mention a few.

3. Generally, people adopting defensive mechanism in their life and interested in getting long term benefits tend to invest, preferably and proportionately, more in life insurance policies. On the other hand, people adopting aggressive mechanism in their life and interested in getting short term benefits tend to invest in a single life insurance policy, only. Here lies the real role of a skillful insurance advisor of persuasion and conversion of such a customer for availing more than one insurance policy.

4. When the consumers are asked, properly, by their friends and relatives, they put forward their views and opinions, depending upon their observations and experiences about their own life insurance policies. If a particular policy holder has faced or suffered from a specific problem of a legal or an administrative nature during the tenure or course of his life insurance policy, his level of conceptual and legal knowledge increases to that extent only. Also, the same policy holder may not attempt to get an additional legal knowledge simply because it may not be needed. However, wherever the consumers have faced severe problems arising out of legalities or other cumbersome procedural formalities or complexities associated with or involved in the transactions of insurance policies and have
suffered, consequently, it is observed that they take adequate care to check that such problems and subsequent sufferings are avoided, especially, in respect of their friends and relatives wherever they act as a referee.

5. Private sector insurance companies are performing smartly, of late. Their level of social acceptance and trustworthiness is slowly, steadily but surely increasing with the passage of time. This may turn out to be a great market threat to well established or penetrated giant insurance companies, especially, in the long future. Therefore, such companies should carefully study prevailing practices of private sector insurance companies and try to go a step ahead of them, wherever required and possible.

6. In majority of the cases, the life insurance advisors initiate the task of availing of an insurance policy. It is experienced that the insurance advisors insist on purchase of that life insurance policy which provides them with the maximum percentage of insurance commission. Also, although a specific life insurance policy is unneeded, may be, because the policy holder, already, possesses another life insurance policy, or otherwise for any other reason whatsoever, an artificial need is sometimes deliberately created by the life insurance advisor and therefore, an insured is, sometimes, compelled to purchase a life insurance policy, just, to maintain good relations with the life insurance advisor, out of patronage and not, at all, out of the real need. The life insurance advisor should, necessarily, sell only those policies which are of the best interest or utility of the insured and also, would justify and satisfy the real (not artificial) need. In other words, the life insurance advisor should not create an artificial need, just, to sell a policy, out of fear, anxiety or tension.

7. The advisors should undertake adequate efforts to develop, among potential consumers, awareness about the concept and different products of life insurance. Thereafter, it would not be needed to convince customers about the returns or the benefits accruing to them after availing of different policies. On the other hand, they would themselves suo moto (on their own) co-relate their practical purposes with readily available different products of life insurance. Under such circumstances, they would not turn out to be the victims at the hands of unscrupulous insurance advisors.

8. It can be regarded as the prime duty and inherent social responsibility of the advisor to make the consumer well conversant with the main legal provisions associated with a policy
of his interest. Even if he trusts the advisor and does not reveal any keen interest in knowing legal drawbacks, technicalities or consequences, the advisor should never proceed with any assumption, at this formative stage. This may turn out to be highly risky and misleading or misrepresenting, since a consumer may perceive totally contradictory or differently in this regard. This, in itself, may unintentionally turn out to be the undesirable cause of action for future legal case. Thus, whenever it is in the best interest of the consumer it is advisable for the advisor to communicate with him properly and correctly about significant and relevant legal drawbacks, provisions and consequences. This kind of precaution may evade facing of several undesirable incidents including legal cases arising out of complexities and un-clarified assumptions regarding cumbersome and rigid procedural formalities and practical consequences.

Also, the approach or attitude of the advisor, at this juncture, should be practical, polite, positive and above all persuasive and not, at all, arrogant, rude, negative and dictatorial.

9. It is imperative that appropriate care is taken by the advisor to see that the consumer is not lost because of excessive communication. In fact, insurance pre-selling stage is one of the highly risky or sensitive stages because a consumer may alter his decision through over care or over caution. It is said ‘Over care or caution leads to looses, sometimes.’

Besides, the advisor has to consider other personal factors about the consumer, like personality, style, manner of thinking, mentality, psychological attitude, etc.

Accordingly, the advisor is expected to adjust and adopt his behavioral style and communicating tone. For example, If a particular consumer is highly sensitive or emotional and thinks a lot, before arriving at a rational and final decision, the advisor should tactfully see that the respondent is not over thinking and taking over-care, otherwise it may lead to incorrect or emotional decision.

10. Generally, the existing consumers do not intend to suggest any change in the procedural formalities associated with the life insurance transactions because they hardly think on these lines. Moreover, the life insurance advisors create a very good scene before them at the stage of pre-selling and make all the things appear and happen very easily and comfortably.

11. People prefer L. I. C. to other insurance companies belonging to private sector, because of their trust in the L. I. C. and more importantly, on its advisors.
12. The advisor should sell those policies, only which are in the best interest of the consumer and would justify and satisfy the real, not artificial need created by imaginary fear, anxiety and tension need of the insured after playing with his psychology.

13. Ideally, it is advisable for the life insurance advisors to undertake reasonable efforts to educate the insurable population in the light of development of overall level of awareness not only about the concept but also about different products of life insurance.

14. It is the prime duty and social responsibility of the life insurance advisor to make the insured well aware, at least, about the main legal provisions associated with a specific life insurance policy in which he is interested.

Even if the insured trusts the advisor and does not reveal any keen interest in knowing legal technicalities or drawbacks, the advisor should not proceed with such an assumption. Otherwise, this may turn out to be highly risky, misleading or misrepresenting, since the insured may perceive totally contradictory in this regard. This, in itself may further unintentionally turn out to be undesirable cause of action for a legal action. Thus, it is in the best mutual interest of both the insurer and the insured to develop clear conceptual clarity about relevant legal provisions associated with the life insurance policy. This kind of precaution, on the part of an advisor, may evade facing of several undesirable incidents, arising out of rigid complexities and un-clarified legal assumptions.

15. Moreover, appropriate care should be taken, at this stage, to check that the respondent is not lost because of excessive, unnecessary or unwarranted communication. This is one of the sensitive stages in the business of life insurance, because a respondent may alter his decision to avail a specific life insurance policy and may divert his attention to a competing insurance company for another policy.

Accordingly, the advisor would have to adjust and adapt his style and tone while communicating, with the ‘would be’ insured. For example, in respect of highly sensitive or emotional suspect who thinks a lot before arriving at a rational decision, the life insurance advisor should tactfully tackle such a situation in seeing that he is not over thinking and taking over-care, because over thinking and over care sometimes lead to incorrect and impractical decisions.
Besides, the approach and the attitude of the life insurance advisor at this juncture, should be practical, polite, positive and above all, persuasive, and not at all arrogant, rude, negative and dictatorial.

**5.4 b Suggestions regarding Reduction in Insurance Litigation –**

In order to reduce insurance litigation, the following few suggestions can be put forward.

1. Delay in the settlement of the claim can be evaded through personal interference of the life insurance advisor, in prompt fulfilling official procedural formalities. In this respect, the life insurance advisors can take initiative and guide the policyholders better, as to which are the necessary documents required to get the life insurance claim settled, without any problem or a complication. Also, they can develop the awareness among consumers regarding probable obstacles and the measures to overcome them well in time so that the delay can be attempted to be evaded.

The life insurance advisors, generally, dislike to help a needy respondent because they do not get additional remuneration for this task, may be in the form of a special privileged incentive or otherwise.

If the insurance companies would take an initiative in the direction of social welfare or as a part of their corporate philanthropy by helping needy consumers and beneficiaries through insurance advisors, they would not only be highly benefited but subsequently delighted also.

This would, in turn, help the insurance companies to raise their social image in the contemplation of a consumer.

2. If the most common grounds on which the life insurance claims are generally repudiated or rejected are made well known to the consumers and beneficiaries, definitely, they would take adequate care to abide by the required procedures and formalities, whereby the probable eventualities of repudiation of life insurance claims would not arise.

3. If reasonably adequate care is taken while initiating the proposal of life insurance in asking a consumer to furnish all the material facts, there would not result any cases of repudiation or rejection of an insurance claim, on this ground. Unfortunately and undesirably, in this connection, it is experienced that the consumers are unable to distinguish or differentiate between material facts and immaterial facts.
4. If the consumers would be well informed about different standard deductions (as per the provisions of I. T. A., 1961) from the maturity amount or in the event of the death of the consumer the amount that would be received by the beneficiary, there would not result any dispute or misunderstanding on this point.
If there would result reasonable conceptual clarity regarding a technical or a legal term or a contractual condition or obligation associated with the contract of life insurance, there would not result any clash or misunderstanding or interpretational disagreement.

5.4c. Psychological Perspectives on Relationships –
If the following four different theories on relationships, offered by different social psychologists are applied to life insurance companies, not only harmonious maintenance of relationships with the existing policy holders but also enhancing or developing cordial relationships with them would be easily possible.
These theories are as follows.

![Diagram of Psychological Perspectives on Relationships]

Let us look into practical applications of each of these theories, one by one.

1. Attraction Theory –
The theory proceeds with the postulate that one is attracted towards the other on the basis of the following four major factors.
(a) Attractiveness - It results through impressive physical appearance and pleasing personality.
Application - The overall impressive physical appearance as well as pleasing and influential personality of a life insurance advisor plays a pivotal role in attracting a customer. (Prospect)

(b) Proximity - Nearness
Application - The life insurance services should readily be made available to a customer (prospect) at his doorstep or at a business place, whichever is convenient to him.

As an interesting observation, various insurance companies belonging to private sector have already started the same practice.

(c) Reinforcement - Repeated execution
Application - The customer should be convinced or rest assured about the best repeated services if he arrives at a decision to avail another insurance policy from the same insurance company only because of or on the basis of the excellent, delightful and prompt services provided by an insurance advisor during the course of earlier transaction.

(d) Similarity - Alikeness
Application - The customer should experience alikeness in features and benefits of a particular life insurance policy in which he is interested with the life insurance policy of another life insurance company.

In fact, it would be the task of an insurance advisor to convince a customer as to how a particular life insurance policy (product) is not only similar, in features and benefits, with the life insurance policy of another insurance company, but also as to how it is beneficial and superior.

2. Social Penetration Theory –

The theory describes the relationships in different terms of the two ingredients, namely, breadth and depth. Let us try to elaborate and attempt to apply these two ingredients to the concept of life insurance, one by one.

(a) Breadth - It refers to the number of points talked about.
Application - A wise, practical and a prudent life insurance advisor can combine
and cover, quite intelligently social issues (informal or unofficial - unrelated to life insurance) and official topics (related to life insurance) while talking. 

(b) Depth - It refers to the degree of personal-ness with which, a particular point is pursued.

Application - The advisor should give a personal touch to the professional talk. It is needless to point out that greater would be the degree of personal touch to the professional talk, better would be the practical result.

3. Social Ex-change Theory –

The theory holds that those relationships are developed, which yield the greatest profits.

In other words,

(a) Those relationships are sought in which the rewards exceed the costs and
(b) Those relationships are dissolved in which costs exceed the rewards.

Application - The life insurance advisor should convince a prospect that the benefits (rewards) accruing to him after availing a particular life insurance policy are relatively quantitatively more and qualitatively better if compared with the costs incurred, after undertaking Cost Benefit Analysis.

The convincing should be done, tactfully and intelligently in such a sound manner that a prospect should not think in terms of availing of a policy from other insurance companies.

4. Equity Theory –

The theory claims that those relationships are developed and maintained in which the rewards are distributed in proportion to its costs incurred.

Furthermore, when the share of rewards is less than what is demanded by the equity, there are two possibilities.

(a) Experience of dissatisfaction and (as a practical consequence)
(b) Exit of the relationship.

Application - The life insurance advisor should convince the prospect that the rewards (returns) after availing a particular life insurance policy are equitably distributed in proportion to its costs incurred.
5.4 d. Suggested Process for C. R. M. -
The usual detail process of customer relationship marketing can also be suitably applied by an insurance company for creation, maintenance and development of customers with the help of its data base. It consists of eight sequential steps required to be followed properly.

1. Appropriate identification and subsequent classification of prospects, i.e. ‘would be’ consumers and existing consumers on the basis of certain predetermined, mutually suitable and convenient criteria.
2. Qualitative differentiation of the consumers in terms of their real needs and core values reflected or exhibited towards the insurance company.
3. Active interaction with a consumer in order to improve existing knowledge regarding insurance products and concept in the light of their individual needs, with a view to build the stronger, preferably lasting longer relationships with them.
4. Customization and personalization of insurance products, services and target oriented appealing advertising messages to each and every individual consumer.
5. Honest attempts for substantial reduction in the rate of consumer defection.
6. Increasing relationship longevity with the individual consumer.
7. Making low-profit consumers either relatively more profitable or ultimately terminating them, as a last resort.
8. Investing, not spending or allotting proportionate time, effort, money and such allied precious resources on high-value and repeat consumers.

C. R. M. – Not an exhaustive Mechanism -
Such several steps suggested for effective management of customer relationships are not exhaustive or restrictive, in themselves, but, they are suggestive, in practical nature. There can be either addition or at times, even reduction of some of the steps depending upon the peculiar position of an individual consumer and the results expected by the insurance company at a specific time.

5.4e. Listening to the ‘Consumer Voice’ regularly -
In order to understand the ‘inner voice’ of a consumer, it is advisable for an insurance company to conduct ‘consumer satisfaction surveys’, quite regularly, and constitute different ‘focus groups.’ The prime objective behind performance of these tasks is to search, in particular, as to which things satisfy and dissatisfy the consumers. Furthermore,
on the basis of these surveys it would be easy for an insurance company to ascertain the proportionate percentage of ‘satisfied customers’, and ‘highly satisfied customers’. An insurance company must not only strive to retain its ‘satisfied customers’ but it must also try its best to increase the number of ‘highly satisfied customers’ because they are the ultimate ‘customer advocates.’ At the same time, they can also be regarded as the ‘brand ambassadors’ of the insurance companies.

5.5 Development of a New Life Insurance Legal Framework -

The business of life insurance just like any other business is governed by several statutes, legal rules, regulations and principles. In a democratic country like India, the law reflects the rules, regulations and the principles as standards of behavior and the regulations for maintenance and control of external relationships, especially, with the government. Besides, the law reflects certain factors like society’s standards of cultural environment, morality, ethics and social beliefs. However, all such factors change from the society to society, time to time and from person to person, within the same society.

The legal framework associated with the life insurance business should be relevant in the present Indian context, in order to promote the business in India. Those legal provisions which were earlier relevant and significant, however, which might have subsequently become irrelevant and insignificant, with the passage of time, should either be amended or deleted immediately. In other words, those legal provisions or amendments which are relevant and essential, at this stage must, necessarily, be incorporated, if they are not there.

After conducting a deep and thorough study of insurance laws through study of different case precedents with varying questions of laws, it can be inferred that the existing laws associated with the concept and the products of life insurance are, no doubt, practically relevant and qualitatively adequate.

After ascertaining the practical impact and critical role of life insurance laws especially in the light of promotion of life insurance business in India, it is learned that the legal interpretation of the laws, most of the times, was done in favor of the giant insurance companies prior to enactment of C. P. A., 1986. Subsequently, a lenient and broad view, instead of strict legal view, in the light of special or peculiar circumstances of each specific case is taken on merit and maximum benefit is attempted to be given to the beneficiary, in
the best interest of the justice, as on today. This attempt not only satisfies but delights the consumer. As a result, the society, at large, gets highly benefited.

Furthermore, a fact needs to be noted that the spirit and the underlying philosophy behind enactment of any law, not merely the written letter as the dictate of the law, is important. Such a social scenario would help to improve the social image of life insurance practices because of socially desirable features. Moreover, it would further facilitate to maintain and enhance harmonious customer relationships. In turn, this would also ultimately contribute to promote the business of life insurance.

The suggestions for new life insurance legal framework should mainly focus on the following vital aspects, which have turned out to be the fundamental causes of disputes. If the suggested changes are introduced, no doubt, litigation resulting from life insurance complexities would automatically come down.

5.5a. Non-disclosure of material facts –

The form of insurance proposal should explain in brief, preferably, in one or two sentences, the legal meaning of the word ‘material fact.’ Furthermore, it should be illustrated with the help of one or two practical examples so that the innocent insured would follow the clear meaning of the said word without a shadow of reasonable doubt.

All the insurance companies should be directed to amend the insurance proposal form incorporating a clause containing this substance.

5.5b. Repudiation of insurance Claims –

After undertaking a deep and thorough study of different case precedents with varying questions of laws, it can be observed that the majority of the life insurance claims have been repudiated on the ground of non-disclosure of certain facts amounting to suppression of material facts.

Therefore, the level of consumer awareness regarding legal aspects associated with the concept and the products of life insurance, in general and the standard legal grounds on which the life insurance claims are repudiated, in particular, should be increased. Thereafter, legally ignorant consumer would be in a comfortable position to distinguish between a material fact and an immaterial fact. In turn, this would reduce the level of existing consumer confusion and would help to bring in consumer clarity.
Besides, the insurance companies should effectively communicate some such cases wherein the life insurance claim settlement has resulted in spite of the fact of payment of relatively very less number of premium installments. This would further help to overcome the common criticism levied against insurance companies that they are disinterested in making payment or not as much interested in making payment as on maturity of the claim, whenever there are received death claims after payment of relatively very less number of premium installments.

Simultaneously, the insurance companies should effectively communicate the common legal grounds on which the life insurance claims are generally rejected. This communication would help the consumers to realize that the rejection has resulted on merit and not out of malice.

5.5c. **Nexus between the ailment prior to policy issuance and cause of death**

In the insurance proposal itself a clause should be incorporated stating that it is no part of the duty or responsibility of the insurance company to prove the nexus, if any, existing between the ailment prior to issuance of the life insurance policy and the ultimate cause of death. At this stage, if required and thought fit, the insurance advisors should educate the consumer about this vital aspect.

5.5d. **Legal position of the nominee**

Each and every life insurance policy contains nomination as a mandatory clause. However, in practice, there does not exist clear conceptual clarity and understanding as regards its legal interpretation. In fact, the nominee is legally entitled to claim the money received against the life insurance policy, in case of an unfortunate death of the insured. However, he is not the legal owner of the money, thus, received. He stands in the *fiduciary relationship* of trust and confidence for the beneficiaries, as he is the trustee for the said money.

In Sarbati Devi V Usha Devi, A. I. R. 1984, S. C. 346, it was held by the Hon. Supreme Court that a mere nomination made under S. 39 does not have the effect of conferring on the nominee any beneficial interest in the amount payable under the policy on the death of the assured. The nominee acquires no interest in the policy during the life time of the policy holder, therefore, after his death, the amount of the policy becomes payable to his legal heirs, the nominee is only the authorized person to collect the payment so that the
insurer gets a valid discharge of his liability under the policy. The provisions of S. 39 can not alter the course of succession under the law. This precedent has already been followed by different Hon. High Courts. Also, in the light of the recent judgment of the Hon. Supreme Court, the money received by the nominee would be distributed as per the provisions of the personal laws governing the parties.

The life insurance policy form should explain in brief the exact legal position of the nominee so that there would not result a dispute between the legal heirs of the deceased and the nominee after the nominee has legally received the amount against the life insurance policy.

5.6 Testing of Applicability of Suggestions through Survey-
On the basis of survey findings, interviews with the eminent personalities and self experiences, various research conclusions were arrived at and suggestions were put forward. Out of practical curiosity and creative interest, it was felt significant to test their relevance or suitability and practical utility or applicability. In order to achieve this purpose, the research suggestions were personally discussed with eminent personalities. Subsequently, it was decided to conduct second field survey with the help of different structured questionnaires. These questionnaires were administered to those selected classes who were actually likely to get affected, after implementation of suggested changes in the life insurance legal framework. Such classes were: consumers, insurance practicing advocates, insurance advisors, development officers, insurance administrative staff, insurance top management executives.

For each class different questionnaire was prepared in order to obtain personal views and real opinions regarding the changes suggested in the life insurance legal framework. This exercise was expected to increase the practical weight-age and enrich the technical quality of the research. All these questionnaires have been included in the annnexure. Also, varying reasons for asking a questions are explained in brief. The detail analysis of all these questionnaires is presented in the following lines.
## Analysis of the Questionnaires

### I. Consumers

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Questions</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you think that you would get benefited after incorporation of suggested changes in the life insurance legal framework? (a) Yes (b) No.</td>
<td>100% 0%</td>
</tr>
<tr>
<td>2</td>
<td>Do you feel that the amendments suggested and changes desired in a new life insurance legal framework would facilitate to reduce existing unwarranted level of inevitable friction between insurance company and the consumers?  (a) Yes (b) No.</td>
<td>100% 0%</td>
</tr>
<tr>
<td>3</td>
<td>Would the insurance advisors, in your opinion, find it relatively easy to sell the insurance products in the light of the suggestions in the legal framework? (a) Yes (b) No (c) Depends upon their perceptions</td>
<td>100% 0%</td>
</tr>
<tr>
<td>4</td>
<td>Would the suggested life insurance legal framework would motivate the administrative staff to cooperate relatively better, in turn, due to reduction in the work load? (a) Yes (b) No.</td>
<td>100% 0%</td>
</tr>
</tbody>
</table>

**Inference –**

It can be observed that all (100 %) the consumer respondents are favorable for the suggestions put forward which are the outcome of the research conducted.

Hence, it can be said that the suggestions are valid.
## II. Insurance Practicing Advocates

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Questions</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you feel that the amendments suggested and changes desired in the new life insurance legal framework would facilitate to reduce the existing unwarranted level of inevitable friction between the insurance company and the consumer? (a) Yes (b) No (c) Can not predict.</td>
<td>100% 0%</td>
</tr>
<tr>
<td>2</td>
<td>Do you agree with a fact that the suggestions represent the most common grounds on which the life insurance litigation rests in India? (a) Yes (b) No. (c) Depends upon their perceptions</td>
<td>100% 0%</td>
</tr>
<tr>
<td>3</td>
<td>Are the suggestions put forward in the life insurance legal framework readily and easily executable by the insurance companies? (a) Yes (b) No. (c) Depends upon their perceptions</td>
<td>100% 0%</td>
</tr>
<tr>
<td>4</td>
<td>Do you think that a consumer would get benefited after incorporation of suggested changes in the life insurance legal framework? (a) Yes (b) No.</td>
<td>100% 0%</td>
</tr>
<tr>
<td>5</td>
<td>Would the insurance advisors, in your opinion, find it relatively easy to sell the insurance products in the light of the suggestions in the legal framework? (a) Yes (b) No (c) Depends upon their utilization</td>
<td>100% 0%</td>
</tr>
<tr>
<td>6</td>
<td>Would the suggested life insurance legal framework reduce the work load of the administrative staff, especially the legal department of the insurance companies? (a) Yes (b) No.</td>
<td>100% 0%</td>
</tr>
</tbody>
</table>

**Inference –**

It can be observed that all (100%) the insurance practicing advocate respondents are favorable for the suggestions put forward which are the outcome of the research conducted.

Hence, it can be said that the suggestions given are valid.
### III. Insurance Advisors

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Questions</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Favorable %</td>
</tr>
<tr>
<td>1</td>
<td>Do you agree that the suggestions represent the most common grounds on which the life insurance litigation rests in India? (a) Yes (b) No.</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Do you think that the suggested legal framework would facilitate reduction in life insurance litigation? (a) Yes (b) No.</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>Do you feel that a consumer would get benefited after incorporation of suggested changes in the life insurance legal framework? (a) Yes (b) No.</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>Are the suggestions put forward in the life insurance legal framework readily and easily executable by the insurance companies? (a) Yes (b) No (c) depends upon their perceptions.</td>
<td>100%</td>
</tr>
<tr>
<td>5</td>
<td>Would you find it relatively easy to sell the insurance products in the light of the suggestions regarding life insurance legal framework? (a) Yes (b) No.</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Inference –**

It can be observed that all (100%) the insurance advisor respondents are favorable for the suggestions put forward which are the outcome of the research conducted.

Hence, it can be said that the suggestions given are valid.

### IV. Development Officers

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Questions</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Favorable %</td>
</tr>
<tr>
<td>1</td>
<td>Do you agree that the suggestions represent the most common grounds on which the life insurance litigation rests in India? (a) Yes (b) No.</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Do you think that the suggested legal framework would facilitate reduction in life insurance litigation? (a) Yes (b) No.</td>
<td>100%</td>
</tr>
</tbody>
</table>
3. Do you feel that a consumer would get benefited after incorporation of suggested changes in the life insurance legal framework?
   (a) Yes (b) No.
   100% 0%

4. Are the suggestions put forward in the life insurance legal framework readily and easily executable by the insurance companies?
   (a) Yes (b) No (c) depends upon their perceptions
   100% 0%

5. Would you find it relatively easy to sell the insurance products in the light of the suggestions regarding life insurance legal framework?
   (a) Yes (b) No.
   100% 0%

Inference –

It can be observed that all (100 %) the Development Officer respondents are favorable for the suggestions put forward which are the outcome of the research conducted.

Hence, it can be said that the suggestions given are valid.

V. Insurance Administrative Staff

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Questions</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Favorable %</td>
</tr>
<tr>
<td>1</td>
<td>Would the suggested life insurance legal framework reduce your work load, especially, the legal department? (a) Yes (b) No.</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Would you experience that the level of cooperation with the consumers rise if the workload is reduced? (a) Yes (b) No (c) Not necessarily</td>
<td>80%</td>
</tr>
<tr>
<td>3</td>
<td>Do you feel that the amendments suggested and changes desired in the new life insurance legal framework would facilitate to reduce existing unwarranted level of inevitable friction between insurance company and the consumers? (a) Yes (b) No (c) Can not predict</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>Do you think that a consumer would get benefited after incorporation of suggested changes in the life insurance legal framework? (a) Yes (b) No</td>
<td>100%</td>
</tr>
</tbody>
</table>
5 Are the suggestions put forward in the life insurance legal framework readily and easily executable?
(a) Yes (b) No (c) Depends upon policy decision making

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Questions</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Are the suggestions put forward in the life insurance legal framework...</td>
<td>100% 0%</td>
</tr>
</tbody>
</table>

6 Do you agree that the suggestions represent the most common grounds on which the life insurance litigation rests in India?
(a) Yes (b) No

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Questions</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Do you agree that the suggestions represent the most common grounds on...</td>
<td>100% 0%</td>
</tr>
</tbody>
</table>

7 Do you think that the suggested legal framework would facilitate reduction in life insurance litigation?
(a) Yes (b) No (c) Can not predict

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Questions</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Do you think that the suggested legal framework would facilitate...</td>
<td>100% 0%</td>
</tr>
</tbody>
</table>

Inference –

It can be observed that all (100 %) the member respondents of the administrative staff are favorable for the suggestions put forward which are the outcome of the research conducted except Q. No. 2.

This question is regarding experience of level of cooperation with the consumers if the workload is reduced.

For this question, 80 % of the respondents have given favorable response. 20 % of the respondents are of the view that the level of cooperation with the consumers does not depend upon the workload. So, there would not be any change in the level of cooperation to the consumers even if the workload is reduced.

Hence, it can be said that the suggestions given are valid.

VI. Insurance Top Management Executives

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Questions</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Based on your experience do you find that suggested legal life insurance...</td>
<td>100% 0%</td>
</tr>
<tr>
<td>2</td>
<td>Do you feel that the amendments suggested and changes desired in the...</td>
<td>100% 0%</td>
</tr>
<tr>
<td>Question</td>
<td>Yes (%)</td>
<td>No (%)</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
<td>framework would facilitate to reduce existing unwarranted level of inevitable friction between insurance company and the consumers? (a)Yes (b)No.</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>3 Do you agree that the suggestions represent the most common grounds on which the life insurance litigation rests in India? (a)Yes (b)No.</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>4 Are the suggestions put forward in the life insurance legal framework readily and easily executable? (a)Yes (b)No.</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>5 Do you think that a consumer would get benefited after incorporation of suggested changes in the life insurance legal framework? (a)Yes (b)No.</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>6 Would the insurance advisors, in your opinion, find it relatively easy to sell the insurance products in the light of the suggestions in the legal framework? (a)Yes (b)No (c)depends upon their perceptions</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>7 Would the suggested life insurance legal framework reduce the work load on the administrative staff, especially the legal department? (a)Yes (b)No.</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>8 Would the suggested life insurance legal framework reduce the overall costs? (a)Yes (b)No</td>
<td>100</td>
<td>0</td>
</tr>
</tbody>
</table>

**Inference –**

It can be observed that all (100 %) the Top Management respondents Executives are favorable for the suggestions put forward which are the outcome of the research conducted. Hence, it can be said that the suggestions given are valid.
5.7 Overview of the Research Study -
5.7a. Fulfillment of Research Objectives -

OBJECTIVE NO. I –

To ascertain the relevance and significance of laws associated with life insurance in the light of promotion of life insurance business in India -

This objective is divided into the following three different parts for the purpose of persuasion, convenience and simplification.

1. Relevancy of existing life insurance laws –
   Some of the Acts associated with life insurance, no doubt, were enacted relatively long back. However, because of repetitive and necessary amendments in them, all the laws, associated with life insurance are relevant in practical nature and legal consequences, as on today.

2. Adequacy of existing life insurance laws –
   During the course of both the field surveys, while conducting personal interviews with the eminent personalities, insurance practicing advocates, insurance top management executives, insurance advisors, development officers and also while analytically and critically studying different case precedents with varying questions of laws, at no time, it appeared that the provisions of any law are legally short, ambiguous or lacking. Therefore, all the laws, associated with life insurance are, no doubt, quite adequate qualitatively, as on today.

3. Practical impact and critical role of life insurance laws in the light of promotion of life insurance business in India –
   (i) The legal interpretation of life insurance laws was, most of the times, done in favor of the giant L. I. C. prior to enactment of C. P. A., 1986. However, the legal scenario turned quite drastically and dramatically, thereafter, especially, because of establishment of different consumer forums at district, state and national level. This change was noticed, in turn, because of existence of categorical difference between the procedures adopted for functioning by the civil courts and consumer forums. In other words, the procedural formalities which were construed quite rigid and cumbersome were experienced relatively simple and easy to follow.
(ii) Simultaneously after enforcement of C. P. A., 1986, a lenient and broad view, unlike past, instead of strict legal view, in the light of special or peculiar circumstances of each case, is observed to be taken. This view is, no doubt, taken on merit and maximum benefit is attempted to be given to the ultimate beneficiary in the best interest of justice, as on today. As a result, the ultimate beneficiary gets highly delighted. Such a scene definitely helps to improve the social image of life insurance business practices. This undoubtedly contributes directly towards the promotion of life insurance business in India.

Therefore, the first objective of the research study is fulfilled.

**OBJECTIVE NO. II –**

*To study the laws affecting customer relationship management.*

This objective is divided into the following two different parts for the purpose of persuasion, convenience and simplification.

1. Present status of interpretation of laws -

   The life insurance laws associated with creating, maintaining and enhancing customer relationships are legally interpreted, in spirit, unlike past, in view of provision of maximum satisfaction to the beneficiaries, today.

2. Past status of interpretation of laws -

   The life insurance laws were interpreted as the dictates or the contents of the written document of law. Therefore, the laws associated with the life insurance undoubtedly, did not help to create, maintain and enhance existing customer relationships, quite harmoniously.

   Therefore, the second objective of the research study is also fulfilled.

**OBJECTIVE NO. III –**

*To develop a new legal framework for marketing of life insurance in India –*

A new legal framework in the light of marketing of life insurance in India is developed with special emphasis on sensitive and critical areas from the consumers’ viewpoint like non disclosure of certain facts amounting to suppression of material facts, repudiation of claims, nexus between the ailment prior to issuance of the policy and the cause of the death.
If existing legal framework associated with life insurance is amended as per the suggestions put forward, the life insurance market coverage in India would further increase from the present level of around 40%.

Therefore, the third objective of the research study is also fulfilled.

**5.7b. Limitations of the research study**

1. Although there are many legal aspects involved in the marketing of life insurance, only leading, socially sensitive and repetitive aspects have been considered in the research study.
2. Efforts have been made to provide maximum citations wherever possible.
3. The present research study is purely of academic orientation. Therefore, some level of adaptation may be required in practical decision making situations.
4. More number of respondents was identified and selected for both the field surveys. But, they were not readily available at appropriate time. Therefore, the sample size in respect of both the field surveys has reached odd figures.
5. As the researcher is in full time employment, availability of time was a great constraint, always.

**5.7c. Scope for Future Research Study**

During the course of the present research study, the researcher found out that for the following subjects there is scope and potential for research in future.

1. An empirical study for non achievement of market penetration for L. I. C. with special reference to rural India
2. A comparative study of the functioning of Indian courts with courts in various foreign countries with respect to life insurance matters
3. An analytical study of different causes for delay in justice in India
4. A study of factors restricting legal cases from reaching the Hon. Courts of Higher Jurisdiction especially in the light of reach of cases from the Hon. High Courts to the Hon. Supreme Court, New Delhi, India.