REVIEW OF LITERATURE
Ramesh Jain\textsuperscript{1}, in his study, interviewed top personnel to get administration of all business, development officers and agents to understand the process of the procurement of insurance in business, policyholders to obtain the view points and problems of the insured public. The profitability of the new business has not kept pace with the growth of new business with the result that the corporation was not able to improve the returns to the policyholders. About 30\% of the LIC’s individual insurance business originates from rural sector. In 1975-76 the business done in this sector was of the tuned of Rs. 560.05 crores. He insists to appoint a staff regulation officer at each divisional office to look into the grievances of all employees.

Mishra\textsuperscript{2} in his study explains about the marketing strategies of LIC with the objectives to act as a trustee of insured public, meeting the needs and services arising in social environment, promote a sense of participation for employees and agents to discharge their duties, maximize mobilization of people’s saving and spread life insurance in rural area with adequate financial cost. Conclusion of his study is that the occupational pattern of the population has significant influence over the insurance market where 35.1\% of salaried earners have insurance coverage as against 16.2\% who are under self – employed category.

Malhotra\textsuperscript{3} in his findings towards a committee on reforms in the Insurance sector which was formed to discuss on the issues to liberalize India’s Insurance

\begin{footnotesize}
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\item Malhotra. R.N. “Liberalizing India’s Insurance Industry” Chartered Secretary Jan 1996, p. 1 - 11.
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Sector states that the awareness level of various policies of both GIC and LIC is quite limited. A fair proportion of people are of the opinion that peerless companies are offering only general insurance. Non-policy holders do not hold policies because of inability to pay the premium and do not perceive the need to acquire a policy. It is assumed that 75% of individual’s claims on LIC and 60% of the GIC subsidiaries are settled with satisfaction. Opinion on rating the overall service of Life Insurance Corporation on a five-point scale is somewhat better than those of GIC subsidiaries. Lastly 90% of LIC Agents and 78% of GIC Agents expressed satisfaction of their career with the Insurance companies.

Mishra & Simita Mishra\(^1\) in his study states that the need for insurance arises when economic activity increases, family becomes nuclear, kids get geographically dispersed and individual becomes more dependent on employment. The author analyses the top ten largest insurance markets and how they are ranked by revenue in the year 1998 is well differentiated. It is also said that when money becomes available to pay the premium, the demand to protect is also increased based on “insurance seven” is worth mentioning under different dimensions in insurance mechanism.

The authors Jaya Basu and Chandra Sekhar\(^2\) discusses the problem faced by the insurance players towards majority of population being ignorant of the policies. It states that only 15 percent out of the total population are insured and the penetration level of insurance policies in India is only low as against Israel and Hong Kong. If this status is to be increased, there is a need to create customer awareness in rural areas, innovate low-priced units with low premium and right distribution techniques with planning for rigorous training to agents, direct marketing, bank assurance etc., which can definitely prove to be a boon to new companies entering this sector.


\(^{2}\) Jaya Basu and Chandrasekhar R “Insuring the profits” ICFAI Reader September 2000, p.55-57
Agarwal\textsuperscript{1} has attempted to study the importance of information technology in the insurance industry and brings out the efficient need of providing improved services when there is competition due to private entry. In an insurance company the service of it may be utilized in areas like customer service, claim management, human resources etc. It is assumed that to have an overall increase in the size of the insurance market, information technology must be used on a much vigorous basis for more extensive penetration.

Kutty\textsuperscript{2} narrates that insurance industry's growth is achieved not through penetration among one segment of population i.e., the formal sector (middle class) but through the pattern of expectations in the informal sector which helps in the sufficient spread of life insurance. The author has cited many Indian cases. One among the author's own survey of 75 rural LIC policyholders was conducted in Trichur district of Kerala in 1990. The key findings are the majority of the respondents were concerned with specific saving needs and smaller number was concerned with general needs. Majority felt that insurance is for a dominant need and safety for their investment. The distinctive pattern of expectations of the informal market is fairly apparent in the above study.

K. Ramakrishna Reddy and Kanjula Spandana\textsuperscript{3} stated that the overall insurance penetration of the public insurance sector was low, even though they play a key role in the range, quality and price. Discussing the reasons for opening up of insurance to private sectors, they added that the above would bridge the gap between customer's expectations and offer made by insurance companies. They

\begin{flushleft}
\textsuperscript{1} Agarwal R.G "Role of Information Technology in the Insurance Industry" Chartered Secretary Aug 2001, p. 235 - 237.
\textsuperscript{2} Kutty S.K. "Life Insurance across the frontiers - A Model for expansion of life insurance in the informal sector Vol.45 No.12 Dec 2001, p. 34 - 43.
\end{flushleft}
concluded that the liberalisation of insurance would be a challenge and an opportunity for the insurance companies.

Puspha Kumari,\(^1\) in the article highlights the market share, policies sold, customer protection and opportunities in the insurance sector. It brings about the challenges before the Insurance sector, expectations of the customer, various channels of distribution and statistics etc., Comparing with Indian and global insurance, India takes a meagre of only 0.41% share and premium as 1.9% of GDP as against 5.2% in US, 6.5% in U.K etc. Though LIC products are sold as service products, it looks for various attractive distributive channels that can be employed by way of Bancassurance, worksite marketing and explore through non-financial organizations. She concluded that the importance of the role of LIC increased greatly than the other social security system in India.

Rinku Chaudri\(^2\) in his article stated that customer service delivered by the insurance companies as to the customer expectation implied significant gaps. He found that the insurance companies had to compare the current level of services offered and the standards set by the company in the light of customer expectations. He added that the quality of service experienced by customers depended to a large extent on the performance of the back office, which had to be settled fast. He concluded that the eagerness and ability to understand the Indian psyche and altering time tested marketing practices would be key to a successful strategy.

Anoop Tony Singh\(^3\) had studied that the insurance industry covers itself to meet different kinds of commitments on requirement. He added that the insurance industry operates on the conservative side of business and insurers that it drives well within the speed limit. He concluded that any company’s exposure to any one

\(^3\) Anoop Tony Singh “Protecting the Life Insurance Umbrella”, Insurance Chronicle, June 2002, p. 19-21
incident is significantly limited and diffused throughout the entire insurance industry.

Freny Patel in his article stated that the new players have dropped the traditional style of marketing insurance products and are coming out with new advertising campaigns. The recent policies are being designed for fulfilling the customer’s needs of insurance rather than providing a tax-saving product. The new players are also making their sincere effort to increase larger policy sizes and the average premium of new entrants is for higher than the LIC’s average. He found that the customers’ expectation for different types of products helped new entrants to enter into the field easily. He concluded that the new entrants have increased awareness and increased penetration level of insurance.

Ashok Thampy and Sitharamu discussed the international comparison of insurance consumption in both developed and developing countries. The estimates of the potential for individual life insurance in India and the interaction of demand and supply of insurance in determining insurance consumption were studied. International comparisons of the life Insurance premium per capita (India ranks 74th) and the life insurance premium as a percentage of GDP (India ranks 49th in the world in 1995) (Swiss Reinsurance Co., 1997) ranks India in low measures. The conservative estimate of life insurance potential (based on census 1999) & occupation profile of worker is 14.735 crores of individual insurable lives. As demand already exists, the consumption of insurance in the post Liberalization scenario increases with shift in the supply.

Rajat Shuvro Bakshi examined the insurance companies in the light of the post liberalization scenario. He stated that it would be difficult for the private

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players to build trust of customers, being the major driving force. The liberalization would bring strong marketing of different policies by rival firms by a wider range of products and better services. Trust in customers is the major driving force for the private players and is not easy to achieve especially when insurers are preparing themselves for a competition. Insurance premium in India accounts for a mere 2.3% of GDP and percentage of savings is barely 5.95% in India. The factors discussed for customer to retain in spite of private entry are strong distribution network, strategic selection of segments, reputation, credibility and financial stability.

Abhishek Agarwal\(^1\) has studied the changes in distribution channels. He found that the new type of distribution channels were wider and were expected to be more technology-oriented for the urban population in future. He analyzed that there would be a significant change in insurance environment. The distribution system had widened with the combined forces of increasing technological expertise transformation in the industry and innovative techniques in the market. He concluded that new customer friendly methods would find way to the market making customer win in all the metamorphosis by eliminating multifaceted barriers to free trade that remained in insurance sector.

Arunajatesan\(^2\) in his study attempts to find the reason for poor penetration of insurance and influencing factors like awareness of LIC products, preferred mode of saving, insurable population, reasons for buying etc. The findings of the study were that 70% of the populations were aware of insurance through TV, News papers & Agents and among them only 24% are insured. Regarding the knowledge of schemes, less than 5% are recorded and reasons for buying insurances were only tax planning and risk cover only.

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Jack Burke\textsuperscript{1} in his article suggested for the required action that needed to be adopted by the companies on technological, marketing and communication grounds. He stated that the agents should balance relationships on both sides of the scale for the company and client. He studied that some people are not comfortable with using technology leading to increased personal servicing. He found that the people have learned that the service must be a blend of technology and personalization. It is concluded that the world of insurance would be in the flux of chance and those who should survive would adopt and chance with it.

K. C. Mishra\textsuperscript{2} has examined the changes and consequent results, which are to be useful for the future needs. The force acted on the industry has brought significant change in the behaviour of industry trends. He added that competition had taken a new meaning in Indian lexicol of the radical economic reforms. The majority of the middle segment consuming class and the climbers were highly differentiated depending on the product and price sensitive, which required a targeted approach to product design, and pricing. He concluded that the industry should learn a differential technique for rural business and strategy should be changed for a healthy trend.

G.V.Rao,\textsuperscript{3} in his study covered the major changes that the global industry had and the impact on Indian insurers. He pointed out the changes in the attitude and policy making of the insurers due to terrorism. He found that the distribution channels were revamped by the introduction of corporate agents and brokers. He added that dismantling of tariff structure and professionalising the distribution channels could change the better situation. He added that only professionals of high caliber and expertise could play a meaningful role for the future.

Shika Sharma\textsuperscript{1} studied about the changed face of Life Insurance in India. It was revealed that the private players in the underinsured country had raised awareness levels by introduction of innovative products and by increasing the penetration level. He found that the consumer was the biggest beneficiary of the competition by a wide range of products, customer focused service and professional advice. It also stated that the life insurance was viewed as an integral part of financial portfolio by the heightened awareness and consumer education. He added that there was a vast improvement in service, attitude and delivery due to raised service levels land technology. He concluded that the face of life insurance has changed due to the challenges in the industry and credible players will survive.

Prof Zhen Zhen Sun\textsuperscript{2}, in his article highlights market situations and their impacts. He emphasized that the approach is to be based on traditional insurance according to the solidarity principle. He added that the key strength of the market is the strong customer demand for insurance products, which would continue for a long time. He studied that the companies had to enhance underwriting, claim settlement competencies and upgrade skills of intermediaries and customer services personnel through training initiatives. He concluded that the global insurance industry would be able to become more competitive through transparency, by adopting best international practices and cost disclosure.

V. Natarajan\textsuperscript{3} in his study of the impact of general insurance on opening of the Indian insurance industry. He stated that the macro parameters of insurance penetration and insurance density revealed the opportunity for substantial premiums growth both in life and non-life sector. He found that the business plan

\begin{thebibliography}{99}
\item Prof Zhen Zhen Sun, “Global Insurance Industry: Opportunities and Challenges”, Insurance Chronicle December 2002, p. 49-51
\end{thebibliography}
and strategies of private general insurance companies showed side variation. The benefit of efficient service at economical rates of premiums should be available to the public. He also revealed that competition amongst different insurers had no impact on the price of the policies. He concluded that public sector companies would be benefited by reducing staff strength or redeploy them effectively and the image of insurance industry effectively and the image of insurance industry would be enhanced by simple policy wordings.

Kaliyamoorthy and Suresh\(^1\) studied the changes in the key factors like demographic, social, economic, political factors and strategic choices that are responsible for the growth of the service sector. Comparison of insurance contribution in the developed and developing countries clearly state the terms of saving mobilization. The study states that with the entry of private companies, competition has brought in changes but LIC started offering some of the services which even the private insurance companies have not yet begun. It is early to conclude about the yield in private firms but it is necessary to keep a close watch on the trends of the industry to analyse its future development.

Vyschand\(^2\) in his article has analyzed that LIC had no adverse effect to its growth due to liberalization. He found that the total business of 12 MNC companies in India is only of 25 insurance businesses of LIC branches. He also found that private companies were not able to do the business equal to one development officer's business in LIC. He added that 75% of LIC branches had upgraded in their technology recently. He concluded that LIC is negotiating with the government to bring out a compulsory health scheme where every citizen will be benefited with a complete health check and total care.


\(^2\) Vyschand, “Competition would shake only few branches, not LIC”, The Indian and Global Business, August 2003, p. 44 &45
Dr. R. Azhagaiah and R. Varadarajan studied that there was a significant change in the purchase attitude of the insurance products. They emphasized that the customer profile changed due to lifestyle, societal perception and brand loyalty. They concluded that the entry of private players was a real threat to public sector and the insurance companies had to settle claims, reduce management and operating expenses and introduce novel products.

U. Jawaharlal emphasized that the companies should be sure in delivering the best services after knowing customer expectation. He stated that the level of delivery of the promise is less due to many constraints. He emphasized that the insurers should adopt a customer-centric approach rather than being product-centric. He concluded that the level of awareness of insurance had to be raised by offering services like need-based products, investment linked policies and other flexible options.

GRK Murty has made an attempt to study how to implement good governance principles successfully in the insurance industry. He revealed that the duties of managers and directors should not only confine to firm's value but also to ensure safety and soundness of the enterprises. He added that management control should be established to ensure effective application of policies and procedures. He concluded that the Indian insurance companies need to switch over to new mechanisms of governance.

Raman and Gayathri studied the investors' awareness about the new insurance companies and the preference for their investments in future. Samples of 25 customers were collected. The findings of the study were that 48% of the

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1 Dr. R. Azhagaiah and R. Varadarajan, "Paradigm shift in Insurance Business", Facts for you, September 2003, p. 15-17
3 GRK Murty, "Indian Insurance Companies and Corporate Governance", Insurance Chronicle, October 2003, p. 21-24
respondents who were aware of new companies through their friends and majority chose new company for a reasonable premium for their investments.

G.V. Rao\textsuperscript{1} in his article studied about the market situation for accessing the benefits of liberalisation and evaluated the progress achieved in non-life insurance sector. He found that the private players had made more gains in a short period and succeeded by making the public players on the defensive for retention of their corporate accounts in fire and engineering segments. He added that the public players had not reduced the management and procurement costs. He concluded that the customers had no sight of relief in costs or services where the effort had to be made.

Sampa Bhasin\textsuperscript{2} in his article stated that the standard of insurance awareness is low when compared internationally. He also found that insurance in India was still viewed as an investment tool. The channels of distribution were well established and use of technology would complement and supplement the distribution channel. He also added that the companies should jointly design the product phraseology more simple, impart proper training to sales teams and communicate in clear terms the objectives. He concluded that liberalisation had increased more awareness and coverage where the public and private sector together with regulators should strive to make the sector strong.

Sunder Ram Korvi,\textsuperscript{3} in his article had discussed the problem faced and probable solutions to insurance sector. His study revealed that the insurance in India was sold for wrong reasons such as return basis and tax concessions rather than security. He added that the risk increased due to increase in number of participants and declining corporate governance. He found that the aspirations of the sound policyholders and the risk mitigation at the systematic level could be

\textsuperscript{2} Sampa Bhasin, "Ensuring Insurance", Insurance Chronicle, January 2004, p. 34-37
\textsuperscript{3} Sunder Ram Korvi, "Insurance Sector in India", Insurance Chronicle January 2004, p. 38-40
achieved by enforcing better corporate governance and by educating policyholders. He concluded that the success of life insurance companies would be very important to stabilize and catalyze growth in the economy.

K.Subhadra revealed about the changing advertisement and promotion norms in life insurance marketing. She found that the brand awareness of private insurers in India had increased and the difference in the level of awareness of the new players was decreasing fast compared to public sector due to aggressive advertising measures adopted by private insurers. She also added that the needs for marketing efforts were felt by LIC due to monopolistic nature and strategic marketing game plan. It was also forking that the new companies focused their campaigns primarily on building an image of trustworthiness and reliability for themselves. The private insurers failed to tap the rural markets due to their limited reach by focusing their marketing efforts only in metropolitan areas.

Urvashi Makhar and Satish Kumar, in their article on the impact of privatization in Indian economy have found that the demand remains high for marketing specialist, finance experts, human resource professionals and engineers. He added that the insurance industry had to address security, regulatory issue, technology improvement and building of brand name for the future years. He found from the other developing countries that the demand for insurance would increase with rising per-capita incomes, literacy rates and increase of the service sector.

Abhijeet chatterjee in his article stated that the essential objective behind liberalization was to improve the service and choice available to the consumer. He found that the customers expected faster delivery of their policies, individual

3 Abhijeet Chaterjee,"Always wanting more", irda journal, April 2004, p. 15
attention, customized offerings and ease of accessing the information of the policies. On liberalization the customers had benefited for the claim settlement, degree of clarity and transparency in the documentation for the insurance policies. He concluded that the penetration of insurance targeting semi urban and rural to be increased and transparency regarding disclosure of benefits to policyholders has to be improved and the industry had to work along with other stakeholders in raising the level of awareness among people in India.

Ajit Narain\(^1\) revealed that the customer expects to a competitive pricing and a high level of after sales service. He insisted that a relationship system would identify their customers and tailor products and services. He also stated that diversification and spread would happen with improved economic advantage. He concluded that the companies had to constantly aim towards perfection.

Antony Jacob\(^2\) studied that retaining customers was more profitable strategy than gaining market share or reducing costs. He found that managing customer relationships had become a key strategy for businesses in financial services sector. He also found that customer service to be excellent and exceed customer expectation to build loyalty. He concluded that customer retention and development would result in improved profitability and provides quality time and energy to devise strategies in acquiring more new customers.

Arun Agarwal\(^3\) in his study stated that the economic policy should frame linkages with global trends and aim at exploiting the potential thrown up by new economic order. He found that risk management, multi-channel distribution network management, customer relationship management and corporate governance were the looming factors. He concluded that valuable customers surface contacts and price advantage should be given for good customers and attention and solicitation for normal customers.

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1 Ajit Narain, "Bridging the Gap-Expectations vs. Deliverables", irda journal, April 2004, p. 16-17
3 Arun Agarwal,"Roll up your sleeves- Changing Horizons: A Professional Journey", Irdajournal, April 2004, p.18
G.V.Rao in his article has attempted to study the liberalized customers, which would be a challenge for insurers. He found that the customers needed insurers to perform as to their needs and requirements as the primarily purpose rather than the control mechanisms. He had studied that the customers value their time, speed of response, and reliability of insurance products, transparency and fairness of the provider. He added that insurers staff should be specially trained in handling customer relations. He concluded that insurers are to improve on the customer value as it constantly changed in needs, demands and the outcome of their problems. He also stated that the private and public sectors should revisit their structures, systems and attitudes.

Shika Sharma revealed that the privatization of the industry has introduced new levels of transparency and information sharing in product and process. The private companies have taken a different approach to define and respond to changing customer expectations. She also added that some of the private companies embarked on six-sigma concepts to keep track of and respond to the ever-changing needs and expectations of customers. She concluded that the business needed to be reconciling the processes and systems, on hearing customer’s dissatisfaction.

R. Krishnamurthy in his article stated that the changed needs of customer behavior in buying insurance. Customers are placed less reliance on the tax benefit factor and stressed more on the security aspect and for the end use objective. The study also revealed that the challenge had to be faced by providing convenient payment options and protection mechanisms. He found that the customers expect the agent to provide a comparison of competitor’s produce and to arrange post-sale service. He concluded that the level of confidence by insurance companies and the regulator to be boosted up as the consumers are not convinced on claim servicing.

2 Shika Sharma, “Growing with the customers”, irda journal, April 2004, p. 19
Shivaji Dam\(^1\) stated about the revolutionary change in the insurance sector. He stated that the customer delight and loyalty are provided by a created robust system of procedures and standards. He also added that redressal of customer grievances and answering of queries required information technology support. It also revealed that the customer demand increases due to complexity of products and transactions. He concluded that the level of sophistication of customer increased due to increase in business volumes and greater complexity of products.

Hima Gupta, Sudir Gupta and Naresh Aggarwal\(^2\) studied the contribution of life insurance sector to economic development is growing with the market getting matured with time. He analyzed about the risk cover and savings towards different types of plans. He also stated that efforts underway to bring about internationalisation of regulations in the insurance sector to take care of development and health of insurance sector. He concluded that the regulations should promote competition among the insurance companies and the development would lead a healthy market in the economic and financial development of the country.

U. Jawaharlal\(^3\), in his article emphasised the impact of outsourcing in insurance sector. He stated about the precautions and processes regarding successful outsourcing for a company. He insisted that the private insurers had to improve their underwriting skills. As the outsourced people had to be trained again by the insurance companies, they had to decide between outsourcing or to train its own employees for saving and overdependence of the outsource.

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\(^1\) Shivaji Dam, "Create the system... and Go beyond it", irda journal, April 2004, p. 12-13  
Shohit and Sanjay Shukla\textsuperscript{1} analyzed the failure of private insurance players in rural areas. Their study revealed that there were major differences in the objectives and expectations among rural and urban policyholders. They found that in rural area private players have still not achieved much success and have failed to catch the pulse of rural India as compared to public sector players. In urban area consumers belonging to middle income group prefer policies of public sector players and only high income group preferred private sector players. The study also revealed that in urban area, services provided at doorstep and efficient customers' service were the two major reasons which helped market penetration by private players.

Kevin H Kelly\textsuperscript{2} stated that the changing environment, investment returns cost control were the considerable factors. Staying power, innovation, relationship advantages and the unexpected events to expected are the guidance giving factors that balance sheet strength, diverse earnings, history and experience in the business, management depth and commitment to the business demonstrated by a powerful track record are the musts for current environment.

U. Jawaharlal\textsuperscript{3} in his article analyses the growth and consolidation of the insurance sector on the one hand and insufficient understanding and lopsided priorities on the other. The insurers should take it as an opportunity that there is a last potential to be tapped, and not as a threat. LIC with its large marketing force can prove to be successful with imaginative products, especially for the rural masses. The insurers should go for customized packages rather than indulging in a mad race for technology as they are spending heavily on acquiring it packages and

\textsuperscript{1} Shobit and Sanjay Shukla, "An empirical study and analysis of failure of private insurance players in rural areas", Insurance Chronicle May 2004, p. 56-62
\textsuperscript{3} U. Jawaharlal, "Indian Insurance – Market scenario", Insurance Chronicle, November 2004, p.17-20B
work flow systems. He concluded that the Indian masses should know that insurance would be a mechanism to provide protection against the uncertain eventualities and not a means to make a profit out of it.

S. Venkatesh\(^1\) Mysore studied some of the key issues which need to be addressed by the insurance company. The changes in the insurance sector, like new private companies, product, innovation, introduction of riders, new channels of distribution have attracted the attention of consumers, policy makers' regulators and the shareholders. The three major issues noted are professionalism, scalability market conduct and compliance.

Dr. W. Sadhak,\(^2\) in his article stated that sincere efforts are required to increase the coverage and penetration level through a wide range of actions. Positive growth in economy, expansion of services sector and increase in household savings contributed significantly to the expansion of insurance market in India. He also added that a survey indicates that coverage was relatively low for the old age group resulting to scope in retirement and penetration products in India.

Rajesh, C. Jampala and Bh. Venkateswara Rao,\(^3\) examined the performance of LIC due to competition. They stated that LIC had withstood the competitive pressures with ease. LIC has concentrated on the rural sector having recognized immense insurance potential. The overall performance in terms of policies marketed, sum assured and rural new business is quiet commendable. LIC is far ahead of its competitors and it is no exaggeration to state that it may be a day dream for new insurers to outperform LIC even in the far future. The rural new business has registered good growth rate as compared to new players.

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BKS Prakash Rao and Bh Venkateshwara Rao\textsuperscript{1} studied the immense potential for insurance in rural markets. With the resurgence in agricultural growth, the rural markets have become buoyant and the insurers should tap the highly underinsured and uninsured rural market. Though the rural new business of LIC in terms of policies has increased from 37.02 lakhs in 2001-02 to 62.20 lakhs in 2003-04, there remains a huge untapped insurance potential in rural India. It is concluded that a smaller bundle of innovative products in tune with rural needs and perceptions and an efficient delivery system are to be developed in order to penetrate the vast rural markets.

Forte,\textsuperscript{2} in collaboration with Feiki and Ing Insurance conducted a study through Mart entitled ‘Rural Insurance: Issues, challenges and opportunities. The study states that LIC is universally associated with life insurance and the agents have been the major source of awareness. Regarding the penetration of insurance, more than one-third had bought insurance and majority of all policy owners are usually the most educated. Security and bulk returns in future are the major perceived benefits from Life insurance. Rural people plan their insurance products to link daughter’s marriage and children’s education and bulk return in future. It is concluded that the rural people prefer banks and rural office as major savings instruments because of the quality perception.

V. Jawaharlal and Sarthak Kumar Rath\textsuperscript{3} have explained the customer centricity focus by the insurance companies. As the customers have a wider choice of insurance selection, the insurance companies need to leverage interaction with

\begin{flushleft}
\textsuperscript{2} Forte, Insurance Journal, Indian Insurance report, Birla institute of Technology, Allied Publishers Private Limited, August 2005, p. 120
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every customer to build a level of service quality leading to customer retentions and increasing customer satisfaction, increasing customer retention and finally increased profits. The whole center of attraction has shifted from a product-centric enterprise to a customers-centric enterprise with the products being positioned as per the requirements of the customer. For the insurance companies to achieve better service, improve operational efficiencies, reduce costs and drive more profitable customer relationship, strategic implementation of CRM is of prime importance.

The authors J Rajesh C Janpala and Bh Venkateswara Rao\textsuperscript{1}, have discussed the key success factors namely product benefits, competitive premiums, competitive products and plan differentiation through promotion and claim settlement. LIC has laid great emphasis on expeditions settlement of maturity and as well as death claims. LIC’s ability to withdraw the competitive pressure in the market can largely be attributed to its positive and proactive claim settlement operations.