With a view to extract the knowledge of the researchers, related to the present topic, these are presented. It is also concluded that the reviews presented are matched to the present analysis and investigation in several dimensions.

CHAPTER III

RESEARCH DESIGN

Insurance is essentially a cooperative endeavor. Under the insurance arrangement a large number of persons agree to share the loss which a few of them are likely to incur in future. Such sharing has its own advantages. The individual share of loss is relatively small when sharing is done amongst a large number of persons. The individual share remains fairly steady from year to year. Such association of persons for sharing anticipated losses may be brought out voluntarily by all participants or may be organized by few individuals or by insurance organisations like the Life Insurance Corporation of India.

The main function of the insurance is to protect a few against heavy financial setback that may fall on them by spreading the losses among many who are exposed to the risk of similar misfortune. It is not possible to predict who
amongst the many participants are likely to be the victim of the misfortune; it is often possible to forecast the quantum of loss which the group as a whole may suffer. The sharing of the resultant expected loss among all the participant ensures that the victims are compensated for the loss suffered by them. As a consequence heavy and uncertain loss to some is neutralized by definite contribution of moderate among which every participant is required to make.

NEED FOR THE STUDY

Now-a-days Insurance has become a vital subject. The importance of insurance has been gradually felt by the people from all walks of life but the approach to insurance differ from person to person and it mainly depends on the fact whether he/she is a risk taker or risk averter.

Now a stage has come where large scale manufacturing and trading cannot be undertaken without proper insurance coverage. There is a dire need to study the various policies of general insurance.

Statement of the problem

The key attributes for any business to success depends on the customers satisfaction towards the company. The Indian insurance industry registered a growth of 10.15 per cent in 2008-09. Insurance penetration in terms of
premium volume as a ratio of GDP in Indian rupee stood at 4.74 per cent in which the life insurance alone is 4.17 per cent. The level of penetration in life insurance needs to be increased since it holds 70 percent of the market share in the Life Insurance in India. Though it is growing, the penetration of the Life Insurance in India is between 2 and 4 per cent from 2000 to 2010 while in the developed countries it is more than 40 per cent. The low penetration rate in India motivated to go in for selection of this present study where the customers are the right options to assess the market strategies since, 300 million individuals in India do not have Insurance. Hence, the importance of the present study arose with the following objectives:

**Objectives of the study**

1. To study the socio-economic status of the policyholders of LIC and private insurance of India in Chennai.

2. To get an insight into the attitude of the policyholder towards the Life Insurance and private insurance in Chennai.

3. To find out the performances of LIC and private insurance companies during the last ten years.
4. To ascertain the view of the policyholders in the selection of policies and services offered by the branch offices

5. To measure the level of satisfaction of policyholders towards services rendered by the branch offices in Chennai.

6. To offer meaningful suggestions if possible, to improve the life insurance services

**Scope of the study**

The study was undertaken to identify the performance evaluation and customer’s attitude towards life insurance products, services and infrastructure facilities and also their knowledge on the life insurance and private insurance of LIC and the private insurance company branches of Chennai zone, which is the largest city in Tamil Nadu, which occupies the prominent part in the state. The life insurance corporation of India and private insurance companies has its branches in Chennai constituting nearly one fourth of the total branches which come under the jurisdiction of the Chennai Divisional Offices of LIC and private insurance.

**Methodology**

**Sample design**
A pilot study was made initially on random from the common public of 50 numbers. Based on the raw data collected from the public, the final questionnaire was fine tuned to some questions by the experts working in the various branches of the LIC and private insurance at Chennai. In continuation, a survey on policyholders of life insurance who had at least one policy was made in LIC branches and private insurance companies of Chennai. 560 policy holders were selected on simple random method.

Collection of data

SAMPLING PLAN

The research work has been carried out with the help of the following sampling frame. The details as collected from branch officials were the basis for the sampling frame.

There were nearly a lakh of policy holders who had a single policy account approximately against which no lapse found by the branch offices as per the branch records which were maintained confidentially. Even then the receipt of the approximate policy holders account in numbers, the researcher has decided the framework for the present study as follows:
For the research purpose the researcher has taken 10 per cent of the total policy holders for sampling purpose, which have been rounded off to the nearest number of thousands.

Out of the total frame the researcher has again chosen 1 per cent of the total framed customers on simple random sampling using lottery method which has come around as follows:

The primary data was collected using a structured questionnaire from the customers/policyholder to understand their profile and preferences. A total of 650 customers of rural and an urban background were interviewed to assess the attitude of policyholders.
The secondary data used and referred in the study were compiled from various annual reports of IRDA, RBI and ICFAI, research journal, textbooks, the journal of Insurance times, The Economic times and also from the internet sources.

**Design of the study**

Out of the 560 successful policyholders drawn from the city, the individuals as male or female had their own income, between the age group of 20 and 65 years, adopting an unbiased random selection of individuals representing the population was the potential customer for the collection of the primary data.

As the questionnaire was comprehensive, it took about 20 to 30 minutes for every customer to complete and was unwilling to commit for such a long time. Considering this factor, customers were interacted in the evening at home or during weekend. There were also apprehensions about disclosing personal information like salary or insurance particulars and constant persuasion was made to get complete response from the customer.

**Statistical Tools Used**
The collected data was analyzed by SPSS, a Statistical Package for Social Sciences which is a statistical and data management package and the tools used where,

- percentage analysis
- chi square Test
- Z Test
- Mean, std. deviation and coefficient of variation
- Canonical and Fisher’s Discriminant functions coefficients
- Emphasis index

**Chapterization**

The outcome of the study is logically arranged and presented in different chapters as follows:

Chapter I deals with introduction, is intended to present the subject matter, Statement of the Problem, Scope of the Study, Objectives of the Study, Methodology, Limitations and chapter scheme.

Chapter II explains the review of literature covers relevant literatures to know about the previous studies of the current research.
Chapter III gives the profile of the study area.

Chapter IV deals with the Analysis and interpretation of data with the help of various statistical tools to draw conclusion.

Chapter V Findings, Suggestions and conclusion, consolidates the observations made in the previous chapters.

CHAPTER IV

PERFORMANCE OF LIC AND PRIVATE INSURANCE COMPANIES

The performance of the Life Insurance Corporation of India and the selected private insurance companies are presented in this chapter. The following pages are given significance to portray the performance of the LIC and the private insurance companies from the areas of their operation respectively premiums, claims, operational expenses etc. The performance of the said companies is grouped into:

a. Premium generated;

b. Claims paid; and

c. Expenses of management