CHAPTER - VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

7.1 INTRODUCTION

The Insurance industry forms an integral part of the Indian financial market, with insurance companies being significant institutional investors. In recent decades the insurance sector like other financial services has grown in economic importance. This growth can be attributed to a number of factors including rising income and demand for insurance sector employment and increasing financial intermediary services for policy holders.

This present study is on , “The Service Quality Perception towards Life Insurance Corporation of India with special reference to Chennai”. The study has been made as an attempt for analyzing the Socio Economic Profile that influence their investing decision, the level of quality perception towards LIC and their level of satisfaction about LIC.. The summary of the findings and the suggestions offered for further improvement are given in this study.

The specific objectives of the study are recapitulated below.

OBJECTIVES

- To study the socio-economic profile and buying behaviour of the life insurance policyholders in Chennai.

- To evaluate the service quality perception of life insurance policyholders in Chennai.
• To identify the factors that influences the satisfaction of policyholders towards services provided by LIC of India.

• To find out the problems faced by the policyholders in utilising services provided by LIC of India.

• To offer suggestions to LIC of India to provide better services to the policyholders.

7.2 DATA BASE METHODOLOGY

The study was conducted in two stages. In the first stage, secondary data were collected from various sources like publication of LIC, Report from IRDA, Books, Various Journals and Theses from other Universities in the country. In the Second stage Primary data were collected from the Life Insurance Policyholders of Chennai City through a Questionnaire. The Questionnaire meant for the policyholders were pretested with 30 policyholders who were using policies of LIC.

The data collected were analysed with the help of a computer software SPSS and suitable mathematical and statistical tools were used keeping in view the objectives of the study.

The final chapter of the study is divided in to three section. Section A contains Findings of the study, Section B contains Suggestions of the study and Section C Conclusion of the study.
Summary of Chapters and Findings

7.A.1 Summary of Chapters:

The first chapter is Introduction. It deals with the objectives of the study, Significance of the study Methodology adopted. The concepts and definitions used in this study and the Limitation of the study are mentioned in this chapter.

The second chapter deals with a brief Review of the earlier literature related to the subject of this research study. For this purpose Ph.D and M.Phil thesis, major research articles, reports, seminar papers etc. have been examined.

The third chapter deals with an Overview of Life Insurance Corporation. It includes, Origin, History of LIC, Role of Insurance in Economic Development, Various Life Insurance Products offered by LIC, about IRDA etc.

The fourth chapter discusses the Socio Economic Profile and Buying Behaviour of LIC Policyholders. The important factors are discussed in this chapter is based on the socio –economic and buying behaviour of policyholders.

Fifth chapter deals with the Service Quality Perception towards LIC. In this chapter to analyse about perception of Policyholders five dimensions were used such as Tangibility, Reliability, Responsiveness, Assurance, and Empathy.

Sixth chapter discusses the satisfaction level of Policyholders and the problems faced while utilizing the services offered by LIC.

Seventh Chapter gives the Summary of the chapters, the findings of the study and the Conclusions drawn from the findings. The Recommendations from the study and Scope for further research are also given in this chapter.
7.A.2. FINDINGS

The major findings of the study are given below:

7.A.2.1 SOCIO-ECONOMIC PROFILE OF THE POLICYHOLDERS

- The result of the study reveal that 41.8 percent of the policyholders are in the age group of above 45 years and 56.6 percent of the policyholders are male, also 40.2 percent of the policyholders are qualified with college level education.

- It is found from the analysis that 47.1 percent of the policyholders are employed in private sector and 35.5 percent of the policyholders income is between Rs.1 lakh -2 lakhs and 32.4 percent of the policyholders are upholding their wealth as worth below Rs.5 lakhs.

- From the result of marital status and number of members in their family, 55.3 percent of the policyholders are married and 46.4 percent of the policyholders are having 3 members, and 71.2 percent are in nuclear family.

- According to the result of Community 56.2 percent of the policyholders belong to BC Category.

7.A.2.2 Awareness Towards Life Insurance Policy

- Regarding the awareness level of policyholders about LIC 81.2 percent of the policyholders are aware of life insurance and 44.2 percent of the policyholders find the agent to be the source of awareness about the insurance schemes and 36.7 percent of the policyholders are aware about the LIC for 5-10 years.

- The source of information about LIC policies, 44.1 percent of the policyholders stated that they got information from Agents and Advisors and 83.6 percent of the policyholders are aware of the fact that LIC is a Public Sector and 36.9 percent of the policyholders aware that Life Insurance is for the security of Human Life.
7.A.2.3 Buying Behaviour of the Policyholders

- From the result of this study it is found that 46.0 percent of the policyholders have purchased one policy 35.6 percent of the policyholders have purchased two policies.

- About the purchase of policies by the policyholders 40.3 percent of the policyholders have insured in the insurance policies for 5-10 years and 75.7 percent of the policyholders have purchased due to compulsion and 49.2 percent have purchased under the compulsion of agents and advisors.

- As per the result of this study 47.6 percent of the policyholders have assured the amount of Rs. 1,00,000 to 5,00,000 in life insurance policy.

7.A.2.4 Priority of Reasons

- From the result of this study that majority of the policyholders purchased LIC policy through their ‘known agents and also voluntarily purchased for the purpose of tax saving.

- From this analysis that majority of the policyholders renew the policy because ‘benefit of insurance is a must’ and many policy holders fail to renew their policies because the Insurance Officials fail to inform the renewal date.

7.A.2.5 SERVICE QUALITY PERCEPTION TOWARDS SERVICES OFFERED BY THE LIC OF INDIA

- It is noted from the analysis that majority of the policyholders are satisfied regarding the expectation towards the services offered by LIC as its ‘physical appearance and surrounding of the branch office influence the customer’.
• It is observed from the analysis that majority of the policyholders are satisfied regarding the perception towards the services offered by LIC as ‘Employees in company have knowledge and competence to solve customers’ problems’.

• From the result of this study that 55.8 percent of the policyholders renew policy premium regularly and 58.3 percent of the policyholders haven’t lodged any claims and 58.6 percent of the policyholders have lodged medium amount of claims.

• It is found from the analysis regarding claim settlement 75.9 percent claims of the policyholders are accepted and 61.2 percent claims were rejected because the risk was not covered and many policyholders faced difficulties during the claim settlement, 36.6 percent of the policyholders got their settlement after a dispute and 35.7 percent of the policyholders stated that delay in claim settlement is due to procedural delay and many policyholders have received only part of their claim settlement.

• From the result 52.3 percent of the policyholders opined that development officer/advisor is not providing full details about the schemes offered by LIC and 55.5 percent of the policyholders have no idea to purchase the policy before the consult of development officer and 53.3 percent of the policyholders have purchased two policies through the canvassing of development officer/agent.

• It is observed from the analysis that 56.0 percent of the policyholders opined that they were willing to recommend others to buy the policy and to buy a new policy also.

• From the result of the study 26-35 years of policyholders have the maximum (122.0) score regarding the perception towards the services offered by the life
insurance corporation. The Anova analysis resulted that there is no significant
difference in the perception of the policyholders towards the services offered by
the life insurance corporation due to their age.

- It is understood from the analysis that between the two categories of gender of
the policyholders, female policyholders have the maximum (121.4) score
regarding the perception towards the services offered by the life insurance
corporation. It is stated from the Anova analysis that there is no significant
difference in the perception of the policyholders towards the services offered by
the life insurance corporation due to their gender.

- It is clear from the analysis that among the four categories of educational status
of the policyholders, professionally qualified policyholders have the maximum
(121.7) score regarding the perception towards the services offered by the life
insurance corporation. It is noted from the F test analysis that there is no
significant difference in the perception of the policyholders towards the services
offered by the life insurance corporation due to their educational status.

- It is concluded from the analysis that among the five categories of occupation
of the policyholders, agriculturist has the maximum (123.2) score regarding the
perception towards the services offered by the life insurance corporation. It is
inferred from the Anova analysis that there is no significant difference in the
perception of the policyholders towards the services offered by the life
insurance corporation due to their occupation.

- It is observed from the analysis that among the four categories of annual income
of the policyholders, the policyholders’ income range of Rs.1 lakh-2 lakh has
the maximum (121.7) score regarding the perception towards the services
offered by the life insurance corporation. It is stated from the F test analysis that there is no significant difference in the perception of the policyholders towards the services offered by the life insurance corporation due to the range of their annual income.

- It is analysed from the analysis that between the two categories of marital status, unmarried policyholders have the maximum (122.8) score regarding the perception towards the services offered by the life insurance corporation. It is identified from the F test analysis that there is a significant difference in the perception of the policyholders towards the services offered by the life insurance corporation at 1 percent level due to their marital status.

- It is understood from the analysis that among the three categories of family size of the policyholders, the policyholders who have above 5 members in their family have the maximum (122.5) score regarding the perception towards the services offered by the life insurance corporation. It is noted from the F test analysis that there is no significant difference in the perception of the policyholders towards the services offered by the life insurance corporation due to their family size.

- It is observed from the analysis that between the two categories of type of family of the policyholders, the nuclear family policyholders have the maximum (121.6) score regarding the perception towards the services offered by the life insurance corporation. It is found from the Anova analysis proved that there is no significant difference in the perception of the policyholders towards the services offered by the life insurance corporation due to the type of their family.
• From the analysis that among the four categories of community of the policyholders, BC category policyholders have the maximum (121.7) score regarding the perception towards the services offered by the life insurance corporation. It is determined from the Anova analysis that there is no significant difference in the perception of the policyholders towards the services offered by the life insurance corporation due to their community.

• It is observed from the analysis that among the four categories of wealth position, policyholders with wealth position of above Rs. 15 lakhs have the maximum (122.6) score regarding the perception towards the services offered by the life insurance corporation. It is stated from the F test analysis conformed that there is a significant difference in the perception of the policyholders towards the services offered by the life insurance corporation by 5 percent level due to their wealth position.

• It is observed from the analysis that among the three categories of awareness level of the policyholders, medium level awareness policyholders have the maximum (124.2) score regarding the perception towards the services offered by the life insurance corporation. The F test analysis resulted that there is a significant difference in the perception of the policyholders towards the services offered by the life insurance corporation by 1 percent level due to the awareness level.

• It is concluded from the analysis that among the four categories of the number of policies purchased, policyholders who purchased three policies have the maximum (122.9) score regarding the perception towards the services offered by the life insurance corporation. It is discussed from the Anova analysis that there is a significant difference in the perception of the policyholders towards
the services offered by the life insurance corporation by 5 percent level due to the number of policies they have purchased.

- It is noted from the analysis that among the four categories of period of aware about insurance policies by the policyholders, policyholders who were aware for 10-15 years about the life insurance policies have the maximum (122.0) score regarding the perception towards the services offered by the life insurance corporation. The Anova analysis proved that there is no significant difference in the perception of the policyholders towards the services offered by the life insurance corporation due to the period of aware about insurance policies.

- It is found from the analysis that among the eight categories of types of insurance policies taken by the policyholders, policyholders who have money back policies have the maximum (123.4) score regarding the perception towards the services offered by the life insurance corporation. It is noted from the F test analysis that there is a significant difference in the perception of the policyholders towards the services offered by the life insurance corporation at 1 percent level due to availability of different types of insurance policies.

- It is observed from the analysis that the policyholders who purchased life insurance policies due to compulsion have the maximum (121.4) score regarding the perception towards the services offered by the life insurance corporation. It is surmised from the F test analysis that there is no significant difference in the perception of the policyholders towards the services offered by the life insurance corporation due to the type of buying their behaviour of policy.
• It is found from the Correlation Analysis that the policyholders’ age, annual income, wealth position, level of awareness, number of policies purchased and level of satisfaction towards services increases their perception towards the services offered by the Life Insurance Corporation of India also increases positively and significantly.

• It is noticed from the Multiple Regression Analysis that perception towards the services offered by the Life Insurance Corporation of India is predicted by 0.019 unit increase of age, 0.103 unit increase of annual income, 0.006 unit increase of family size, 0.024 unit increase of wealth position, 0.061 unit increase of level of awareness, 0.114 unit increase of number of policies purchased, 0.005 unit increase of period of insurance policies and 0.222 unit increase of level of satisfaction about the services.

• It could be found from the SERVQUAL model that the average score for Tangibility, Reliability, Responsiveness, Assurance and Empathy are -0.114, 0.109, 0.023, -0.070 and 0.269 respectively. It reveals that the average score for Reliability, Responsiveness and Empathy values are positively significant and the other variables - Tangibility and Assurance are negatively significant.

• It is found from the Structural Equation Modelling that the antecedent of service quality suggests that all the measured variables - Tangibility, Reliability, Responsiveness, Assurance and Empathy are significantly associated on service quality perception of the customers towards services offered by LIC of India.
7.A.2.6 FINDINGS FROM LEVEL OF SATISFACTION TOWARDS SERVICES OF LIC OF INDIA

- It is observed from the analysis that 51.9 percent of the policyholders are satisfied towards the services such as ‘contact by agents or Development officer after issuing the policy or Follow up or Help in premium payment’.

- It is noted from the analysis that maximum level of satisfaction about the services is perceived by 36-45 years aged policyholders. It is understood from the Chi-square analysis that there is a close significant relationship between the age of the policyholders and the level of satisfaction about the services.

- Based on the analysis maximum level of satisfaction about the services is perceived by female policyholders. It is determined from the Chi-square analysis that there is a close significant relationship between the gender of the policyholders and the level of satisfaction about the services.

- As per the education level maximum level of satisfaction about the services is perceived by policyholders who are educated till school level. The Chi-square analysis proved that there is a close significant relationship between the educational qualification of the policyholders and the level of satisfaction about the services.

- It is observed from the analysis that maximum level of satisfaction about the services is perceived by policyholders who are employed in public sector. It is stated from the Chi-square analysis that there is a close significant relationship between the occupation of the policyholders and the level of satisfaction about the services.
- Income wise, maximum level of satisfaction about the services is perceived by the policyholders whose annual income is above Rs.3 lakhs. The Chi-square analysis determined that there is a close significant relationship between the annual income of the policyholders and the level of satisfaction about the services.

- According to marital status maximum level of satisfaction about the services is perceived by the married policyholders. The Chi-square analysis result stated that there is a close significant relationship between the marital status of the policyholders and the level of satisfaction about the services.

- It is observed from the analysis that maximum level of satisfaction about the services is perceived by the policyholders who have above 5 members in their family. It is surmised from the Chi-square analysis that there is a close significant relationship between the family size of the policyholders and the level of satisfaction about the services.

- It is observed from the analysis that maximum level of satisfaction about the services is perceived by the policyholders who belong to joint family. The Chi-square analysis proved that there is a close significant relationship between the type of family of the policyholders and the level of satisfaction about the services.

- Based on the Community of policyholders that maximum level of satisfaction about the services is perceived by FC community. From the Chi-square analysis that there is no significant relationship between the community of the policyholders and the level of satisfaction about the services.
As regards the wealth position maximum level of satisfaction about the services is perceived by the policyholders whose wealth position is above Rs.15 lakhs. The Chi-square analysis conformed that there is a close significant relationship between the wealth position of the policyholders and the level of satisfaction about the services.

It is found from the analysis that maximum level of satisfaction about the services is perceived by the policyholders who are having medium level of awareness. It is stated from the Chi-square analysis that there is a close significant relationship between the level of awareness of the policyholders and the level of satisfaction about the services.

It is obtained from the analysis that maximum level of satisfaction about the services is perceived by the policyholders who purchased more than three policies. It is found from the Chi-square analysis that there is a close significant relationship between the number of policies purchased by the policyholders and level of satisfaction about the services.

It is clear from the analysis that maximum level of satisfaction about the services is perceived by the policyholders who are having awareness about insurance policies for 5-10 years. It is surmised from the Chi-square analysis that there is a close significant relationship between the period of aware about insurance policies of the policyholders and the level of satisfaction about the services.

It is understood from the analysis that maximum level of satisfaction about the services is perceived by the policyholders who have taken ULIP policies. The Chi-square analysis proved that there is a close significant relationship between
the type of life insurance policies taken by the policyholders and level of satisfaction about the services.

- It is observed from the analysis that maximum level of satisfaction about the services is perceived by the policyholders who have purchased policies due to compulsion. The Chi-square analysis conformed that there is no significant relationship between the opinion of the policyholders regarding buying policies and level of satisfaction about the services.

- It is found from the Correlation Analysis that whenever the age, annual income, level of awareness, number of policies purchased, period of insurance policies and perception towards the services offered by the LIC of India increases, the policyholders’ level of satisfaction about the services also positively increases.

- From the result of Multiple Regression Analysis the level of satisfaction about the services is predicted by the 0.023 unit increase of age, 0.053 unit increase of annual income, 0.103 unit increase of family size, 0.089 unit decrease of wealth position, 0.030 unit increase of level of awareness, 0.113 unit increase of number of policies purchased, 0.074 unit increase of period of insurance policies and 0.225 unit increase of perception towards the services offered by the Life Insurance Corporation of India.

- It is clear from the analysis that majority of the policyholders are facing problems while utilizing the services offered by the LIC of India as ‘Agents or Development officer are concerned mostly to achieve the target without considering the required service number according to agent is not only concern about the target’.
B

SUGGESTIONS

In this section, some suggestions are offered to improve the performance of the LIC in Chennai City, India, and policyholder’s level of satisfaction. They are mainly based on the findings of the study and suggestions offered by the sample policyholders.

- It is observed that the ratio of life insurance coverage for male and female members is 57 per cent and 43 per cent respectively. There is so much of untapped female potentiality for future generation. The life insurance companies have to give special attention to female life insurance policyholders by introducing specific plans that suit female members with small amount of premiums.

- The study revealed that persons between the age group of above 45 were insured to the maximum extent. It is also necessary to cover the persons who are young and middle aged. It is possible only when the insurance companies divide their products into different categories to cover different targets. More and more attractive types and medical coverage plans should be introduced to cover more people in the young and middle age groups.

- Literacy is a very important factor to inculcate awareness in the minds of the people. The insurance business is significantly influenced by literacy factor. Regarding LIC, there is lack of advertisements. It is a very tough job to convince the urban literate masses about life insurance owing to more competitions of private sector life insurance companies. Once they are convinced, then the selling of life insurance products is a bit easy. Creating awareness about the services of LIC of India in the minds of literate persons will certainly help the LIC of India to achieve higher targets. Therefore, special campaigns have to be
planned to educate the literate persons about the life insurance products of LIC of India.

- Segment-wise peep into the business of LIC shows that service and business/profession segments are covered to the maximum extent. Other than this, category of policyholders belonging to low income and uncertain income group are less concentrated. Due care is to be taken on such groups by introducing the Jana Raksha type of policies. For this group, the policies are to be framed and should not be lapsed within a minimum period of five years. It is also advisable for the corporation to make sincere efforts to tap other segments by modifying the existing features of the product and adding more innovative features in the new products.

- It is observed from the study that there are many policyholders who have taken only one life insurance policy. Holding more policies helps one to get greater services from the LIC of India. This can be improved by introducing prize schemes and giving extensive publicity in order to persuade people to take more policies.

- Now-a-days, people not only want to insure their lives but also want higher rate of return on their investment. The life insurance companies have to build an image in the society that they not only cover life risk but also serve as the best means of investment and savings by giving higher rate of returns.

- There are some agents who give wrong/no information to the policyholders about the plans. It is because they always want to sell those plans which are more attractive to earn commission. It is completely against the interest of the business and policyholders. The life insurance companies have to make sincere efforts to avoid such type of situations in the market. Otherwise, it will create
wrong impression about the agents and the LIC of India. Punitive action should be taken against those agents who wrongly persuade the customers. The LIC of India should also avoid discrimination in commission rates.

- Full details of the various plans were never explained to the customers. It is not because of the commission but also because of ignorance of the agents. They themselves are not well acquainted with the various features and provisions of the products of the companies. Therefore, it is very difficult to convince others. The company has to make the agents fully aware about the features of plans and the provisions of the LIC of India relating to the various aspects of policy from beginning to the end. It is possible only by giving regular and perfect training to the agents from time to time.

- Published literature containing full details of all types of policies must be made easily available to the prospective policyholders. This will enhance the policyholders’ knowledge about the policy details.

- The study revealed that, Life Insurance Week should be celebrated throughout the country similar to the Savings Week of Commercial Banks, and the Safety Week of the Indian Railways. During the Life Insurance Week, aggressive and attractive posters bringing home the laudable services of the LIC of India could be exhibited in cities, towns and villages throughout the country. Even mobile service teams can be floated for getting new insurance proposals from various centers.

- It is observed from the study that in order to enhance the policyholders’ satisfaction, the LIC of India must look into all the factors relating to services and frequently inform the policyholders about the current status of policies, launch of new policies through mobile alerts, e-mail intimation or directly
through telephone. This will have direct impact on the policyholders’ level of satisfaction.

• The employees should deliver excellent service in such a way that the policyholders should feel that they are, by all means, important to the organization. This would make them as loyal customers.

• The delivery of services is purely based on the human resource. Hence, the employees and agents in the LIC of India must be properly trained and imparted with knowledge skills so that they become professional in delivering the services.

• All the customers who enter the office must be given due respect, acceptance of their complaints and enquiry irrespective of their demographic status.

• There are different reasons for the discontinuation of policies by the policyholders. It is clearly understood from the study that customers discontinued their policies because of high penalty. To overcome this problem, it is suggested that the LIC of India should charge low penalty and allow paying part of the penalty instead of allowing policy to lapse.

• The study has showed that policyholders of LIC of India face the problem with their agents / development officers who are concerned mostly to achieve the target. It leads to the policyholders not be able to continue the policies. So, it is recommended to the respected officers of LIC of India, they should take necessary steps to reduce the problems among the policyholders.
CONCLUSION

As the market moves from a closed economy to an open economy, a change in approach is necessary. So, in order to have good market performance, customer service quality perception in various dimensions about insurer’s prices, products, and financial strength should be enhanced. LIC of India should have a clear vision and mission that should be known to all the stakeholders like employees, agents, customers, business associates, etc., and accordingly, each one should be clearly directed. The LIC of India should design the product, which should satisfy the personal needs of customers with an ample degree of flexibilities. To achieve greater insurance penetration, the Life Insurance Corporation has to create a more vibrant and competitive industry, with greater efficiency, choice of products, and value to customers. The insurance industry is facing a healthy competition, which really benefits the public. LIC of India should reframe their strategies to attract customers.

Life insurance is a way to meet the contingencies of physical and economical death of any individual. Today, the market is flooded with many private life insurance companies with a wide range of products because the awareness of policyholders about life insurance has increased, though not significantly. The life insurance companies have to adopt some means to delight and lure the customers through their products and services with a better knowledge of the behavior of the customers. LIC of India should further improve their product varieties and attractive schemes to compete with the private sector and also change their attitude towards service to survive in the market. It is not only important to introduce innovative products catering to the needs of the customers but also to understand the channels of communication between them. They should also conduct customers’ meet at regular intervals including rural areas not only
to improve the level of awareness of the public but also to get the opinion about the problems they face. It is also necessary that the life insurance industry be modernized, upgraded and geared to go to the unreached potential customers. The life insurance industry reaching new heights in the near future is possible to some extent if all the suggestions given in the study are carried out by the authorities. “Aim for the skies” can be the motto of LIC of India.

**SCOPE FOR FURTHER RESEARCH**

The study has focused upon the level of perception towards services offered by the LIC of India and the level of satisfaction of policyholders. Further research may be carried out on the following aspects.

- A comparative study can be conducted on LIC and Private life insurance companies for conventional life insurance policies and ULIPs.

- A comparative study can be conducted for rural and urban policyholders separately.

- A study can be conducted on the performance of agents in the promotion of life insurance services.

- It is scoped that the present study will provide an inspiration for further research in the same area.