POLICY HOLDERS' SATISFACTION TOWARDS LIFE INSURANCE POLICIES WITH SPECIAL REFERENCE TO DINDIGUL DISTRICT

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Abstract:
Uncertainty is the most important aspect of human life. Modern world induce more number of risk to humans and also their property. There is a need for human to prevent themselves and also their property from natural disasters like Death, Theft, Flood, Fire, Earthquake, Accident etc.,. Insurance has become one of the necessities of human life in order to prevent them from uncertainty. It offers financial security to the policyholder and/or his/her dependents in the event of his premature death or untoward Disablement arising out of accidents and also indemnifies the risk arising to their Property. Hence peoples are turning their attention to invest in insurance to safeguard them. So many policy providers both Government and Private service providers are involved to provide service to people. Dindigul is a city in the South Indian state of Tamil Nadu. It's also upgraded as Municipal Corporation. There are many industrial units like lock making, leather, textile spinning, administrative services, agricultural trading, banking, agricultural machinery and educational services are located in Dindigul District. Insurance industry also exists. This creates an urge to the researcher to study the policy holders' satisfaction towards life insurance policies in Dindigul district.
Key Words: Policyholder, LIC, Satisfaction & Dindigul

1. Introduction:

Human beings, his family and properties are always exposed to different kinds of risks. Risk involves the losses. Insurance is a tool which reduces the cost of loss or effect of loss caused by variety of risk. It accumulates funds to meet individual losses. It is not device to prevent unwanted event of happening or cause of loss but protects them against that loss by compensating which as lost. It offers financial security to the policyholder and/or his/her dependents in the event of his premature death or untoward Disablement arising out of accidents and also indemnifies the risk arising to their Property. Peoples prefer insurance to safeguard them from natural disasters. Hence so many service providers both Private and Government engaged in insurance industry.

The insurance industry of India consists of 53 insurance companies of which 24 are in life insurance business and 29 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Apart from that, among the non-life insurers there are six public sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India (GIC Re). Other stakeholders in Indian Insurance market include agents (individual and corporate), brokers, surveyors and third party administrators servicing health insurance claims.

There were offer varieties of Life insurance and Non- Life insurance policies to their customers to suit their needs. There is a question arise whether customers or policy Holders satisfied from their service providers, this leads to analyse the policy holders' satisfaction towards Life Insurance Policies.

2. Profile of Dindigul District:

Dindigul District is one the district in Tamil Nadu. The district has extensively hilly and rocky areas with undulating plains. Dindigul District was bifurcated from the erstwhile Madurai District on 15th September 1985 with Dindigul Town as its headquarters. Total geographical area of Dindigul district is 6036 km^2 and it is the 5th biggest district by area in the state. Population density of the district is 358 persons per km^2. It has 8 taluks namely Attur, Dindigul, Kodaikanal, Natham, Nilakottai, Oddanchatram, Palani and Vedasandur. There are 3 revenue divisions namely Dindigul, Palani and Kodaikanal which includes 358 Villages.

The district is home to about 21.6 lakh people, among them about 10.8 lakh (50%) are male and about 10.8 lakh (50%) are female. There are about 5.6 lakh households in the district and an average 4 persons live in every family. The majority of the populations, nearly 63% (about 13.5 lakh) live in Dindigul District rural part and 37% (about 8.1 lakh) population live in the Dindigul District urban part. Rural population density of Dindigul district is 247 and urban population density is 1436 persons per km^2.

3. Review of Literature:

Subashini & Velmurugan (2016) in their study they marked as, a dissatisfied customer spreads the message of dissatisfaction to the determinant of organization interests. An efficient system ensures customer satisfaction and thus, customer loyalty, beneficial to all the stakeholders of the insurance ecosystem. Prompt delivery of services in insurance key to customer satisfaction and business growth.

Sakthivel & Thirunavukarasu (2016) in their study, they pointed out that most of the policy holders in LIC had a high level satisfaction and also suggested that the LIC must concentrate their promotion strategy towards Female Policy holders.

Prabhagaran & Gowthami (2014) in their study they mentioned that In the emerging boom , every insurance company should be customer centered, should be well versed in the handling of problem and grievances of the policy holders. Each and every product and services launched by the insurance company should be infavour of increasing need of policy holders.

J. D. Power (2011) in his study found that policyholders are more satisfied with timely services, procedure and documentation followed, low premium and innovative products offered by the Prudential Life Insurance Company.

Sandeep Ray and Joy Chakraborty (2008) conducted a study and stated that lack of knowledge about insurance benefits, lack of trust in private life insurance companies, target oriented business environment, competition from alternative channels of investment, ineffective distribution channels, lack of skilled agents, lack of penetration in rural areas, inadequacy in pay structure of the agents and trade barriers are the problems faced by the private insurance players in India.

4. Statement of the Problem:

Economic development of any country is mainly based on financial market. It transfers the resources from savers to the users. Since insurance is the part of the financial sector positive and far-reaching changes towards betterment have come into being in both life and non-life insurance markets.

India's life insurance sector is the biggest in the world with about 360 million policies which are expected to increase at a Compound Annual Growth Rate (CAGR) of 12-15 per cent over the next five years. The insurance industry plans to hike penetration levels to five per cent by 2020.

As per ASSOCHAM report, the number of lives covered under Health Insurance policies during 2015-16 was 36 crore which is approximately 30 per cent of India's total population. The country's insurance market is expected to quadruple in size over the next 10 years from its current size of US$ 60 billion. During this period, the life insurance market is slated to cross US$ 160 billion.

The present business scenario is totally consumer oriented. Every company faces stiff competition from its competitors, each provides the best product at competitive rates. As a result customers have a lot of choices to get the best with the least cost. To face this competition, it is very important to know customer's behavior, their needs, preference, satisfaction and also the motivation factors.

Dindigul is a city in the South Indian state of Tamil Nadu. It's also upgraded as Municipal Corporation. There are many industrial units like lock making, leather, textile spinning, administrative services, agricultural trading, banking, agricultural machinery and educational services are located in Dindigul District. Insurance industry also exists. This creates an urge to the researcher to study the policy holders' satisfaction towards life insurance policies in Dindigul district.

5. Scope and Significance of the Study:

The study has been undertaken from the point of view of Policy holders who invest in life Insurance company whether Public or private insurer in Dindigul District. The present study aims to identify the level of satisfaction towards Life insurance Policies. The result of the study may be useful for the Government, Public and Private sector Insurance company in order to understand the needs of the customers, launching new varieties of schemes and improve their services in such a way that to attract more number of customers, their satisfaction and Country's economic development.

6. Research Methodology:

Study Area: Dindigul District is taken as study area.

Population: Policy holders who invest in Life insurance policies whether public or private insurer.

Sampling Technique: Purposive Random Sampling technique is used in this study.

Sample Size: Sample size is determined as 200.

Data Collection: Primary and secondary data were used. Primary data is collected through a well structured Questionnaire. From each Taluk (8*25 = 200) 25 Questionnaire is collected and totally 200 questionnaire is used for this study. Secondary data were collected from Books, Journals, IRDA Reports, Websites etc., for this study.

Tools Used: Simple percentage analysis, Standard Deviation and Chi- Square analysis were used in this study.

7. Objectives of the Study:

The main objectives of the study were,

✓ To ascertain the socio economic Profile of the respondents.

✓ To understand the level of satisfaction towards Life insurance policies
✓ To offer suggestions for the improvement of the services of insurance company.

8. Limitations of the Study:
✓ This study confined to Dindigul District only.
✓ The sample size is limited to 200.
✓ The results may not be generalized.

9. Analysis and Interpretation of Data:

Socio Economic Profile of the Respondents:

In order to analyse the socio economic profile of the respondents' simple percentage analysis is employed and results were tabulated below.

Table 1: Socio Economic Profile of the Respondents

Socio Economic Factors		Frequency	Percentage
Gender	Male	116	58%
	Female	84	42%
Age	Below 20	26	13%
	21 – 40	90	45%
	41 – 60	68	34%
	Above 61	16	8%
Educational Qualification	Up to Metric	8	4%
	Higher Secondary	50	25%
	Graduate	100	50%
	Diploma Courses	18	9%
	Illiterate	24	12%
Occupation	Self Employment	60	30%
	Govt. Employee	44	22%
	Private Employee	34	17%
	Professionals	28	14%
	Others	34	17%
Income	Up to Rs.1,00,000	44	22%
	Rs.1,00,001 - Rs.3,00,000	80	40%
	Rs.3,00,001 - Rs.5,00,000	52	26%
	Above Rs.5,00,001	24	12%

Source: Primary Data

The above table 1, clearly indicates that majority of 58% of the respondents were Male, 45% of the respondents were belonging to the age group of 21- 40, 50% of the respondents were Graduate, 30% of the respondents were self employed and 40% of the respondents have an income of Rs.1,00,001 - Rs.3,00,000.

Policy Related Information:

The information related to the respondents regarding their life insurance policies were tabulated below.

Table 2: Policy Related Information

Policy Information		Frequency	Percentage
Insurer	LIC	148	74%
	Other Insurer	52	26%
Mode of Premium	Single	18	9%
	Quarterly	96	48%
	Half –Yearly	54	27%
	Annually	32	16%
Mode of Payment	Cash	98	49%
	ECS	102	51%
Through	Self	92	46%
	Agents	108	54%
Type of Policy	Single Endowment Policy	56	28%
	ULIP	26	13%
	Term Plans	18	9%
	Many Back Policy	44	22%
	With Health Insurance	42	21%
	Others	14	7%

Source: Primary Data

The above table 2, clearly indicates that majority of 74% of the respondents were purchased policy from LIC, 48% of the respondents were pair their premium quarterly, 51% of the respondents were paid their

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premium through ECS, 54% of the respondents were open their policy through Agents and 28% of the respondents were having single endowment Policy.

Level of Satisfaction:

Gender and Level of Satisfaction:

To ascertain the relationship between Gender and level of satisfaction the following hypothesis was framed and tested with chi- square analysis. The results are presented in Table 3.

H_o – Gender is not associated with level of satisfaction.

Table 3: Gender and Level of Satisfaction

Gender	Level of Satisfaction			Total
	Low	Medium	High	
Male	24	34	58	116
Female	20	26	38	84
Total	44	60	96	200

Source: Computed from Primary Data

DF: 2, Table value (5% of level): 5.99

Calculated x^2 value: 0.245

It is known from the above table III that males are having highest level of satisfaction as compared to Female. Chi-square analysis reveals that calculated value is less than table value. Hence Ho is proved and concluded that there is no association between Gender and level of satisfaction.

Age and Level of Satisfaction:

To ascertain the relationship between Age and level of satisfaction the following hypothesis was framed and tested with chi- square analysis. The results are presented in Table 4.

H_o –Age is not associated with level of satisfaction.

Table 4: Age and Level of Satisfaction

Age	Level of Satisfaction			Total
	Low	Medium	High	
Below 20	4	8	14	26
21 - 40	18	22	50	90
41 - 60	16	26	26	68
Above 61	6	4	6	16
Total	44	60	96	200

Source: Computed from Primary Data

DF: 6, Table value (5% of level): 12.6

Calculated x^2 value: 4.038

It is inferred from the above table IV that respondents who are belonging to the Age group of 21- 40 having highest level of satisfaction. However Chi-square analysis reveals that calculated value is less than table value. Hence Ho is proved and concluded that there is no association between Age and level of satisfaction.

Educational Qualification and Level of Satisfaction:

In order to examine the relationship between educational qualification of the respondents and level of satisfaction the following hypothesis was framed and tested with chi- square analysis. The results are presented in Table 5.

H_o –Educational qualification is not associated with level of satisfaction.

Table 5: Educational Qualification and Level of Satisfaction

Educational Qualification	Level of Satisfaction			Total
	Low	Medium	High	
Up to Metric	2	4	2	8
Higher Secondary	8	22	20	50
Graduate	24	24	52	100
Diploma Courses	4	6	8	18
Illiterate	6	4	14	24
Total	44	60	96	200

Source: Computed from Primary Data

DF: 8, Table value (5% of level): 15.5

Calculated x^2 value: 5.308

It is inferred from the above table 5, that respondents who are completed their graduation having highest level of satisfaction. However Chi-square analysis reveals that calculated value is less than table value. Hence Ho is proved and concluded that there is no association between Educational qualification and level of satisfaction.

Occupation and Level of Satisfaction:

In order to examine the relationship between occupation of the respondents and level of satisfaction the following hypothesis was framed and tested with chi- square analysis. The results are presented in Table 6.

H_o –Occupation is not associated with level of satisfaction.

Table 6: Occupation and Level of Satisfaction

Occupation	Level of Satisfaction			Total
	Low	Medium	High	
Self Employment	10	32	18	60
Govt. Employee	12	6	26	44
Private Employee	6	8	20	34
Professionals	6	4	18	28
Others	10	10	14	34
Total	44	60	96	200

Source: Computed from Primary Data

DF: 8, Table value (5% of level): 15.5

Calculated x^2 value: 17.46

It is inferred from the above table VI, that respondents who are Government employee having highest level of satisfaction. However Chi-square analysis reveals that calculated value is more than table value. Hence Ho may be rejected and concluded that occupation of the pilgrim's have influenced in the level of satisfaction.

Income and Level of Satisfaction:

To ascertain the relationship between annual family income of the respondents and level of satisfaction the following hypothesis was framed and tested with chi- square analysis. The results are presented in Table VII.

H_o – Income is not associated with level of satisfaction.

Table 7: Income and Level of Satisfaction

Income	Level of Satisfaction			Total
	Low	Medium	High	
Up to Rs.1,00,000	16	18	10	44
Rs.1,00,001 - Rs.3,00,000	20	16	44	80
Rs.3,00,001 - Rs.5,00,000	4	16	32	52
Above Rs.5,00,001	4	10	10	24
Total	44	60	96	200

Source: Computed from Primary Data

DF: 6, Table value (5% of level): 12.6

Calculated x^2 value: 11.985

It is inferred from the above table VII, that respondents who are having Rs.1,00,001 - Rs.3,00,000 as his annual family income have highest level of satisfaction. However Chi-square analysis reveals that calculated value is less than table value. Hence Ho is proved and concluded that there is no association between income and level of satisfaction.

10. Conclusion:

Now a days the practice of investment in Life insurance policy gained more attraction even though for protection purpose but also for savings for futures especially for children, medical claims and exemptions from taxes. In this study most of the respondents were having high level satisfaction. A Service provider offers various schemes to policy holders but the prime factor is Policy Holders' satisfaction.

11. Suggestions:

- ✓ Insurance company must introduce Mobile Apps for their Quick Service.
- ✓ Gives Proper training and guidance to Agents regarding insurance policies and their benefits, filling of application, obtaining clients' medical information etc.,
- ✓ Concentrate on time-based competition, quality, product range, timely advertisement, follow up, prompt and error-free services which are the key ingredients for the better service and it will boost up the sales.

12. Scope for Future Research:

In future the study may be extended

- ✓ To other Districts, State etc.,
- ✓ To study about Non – Life Insurance Policies
- ✓ To analyse the performance of Private Insurer and Public Insurer separately.

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