Awareness and Preference level of LIC Policyholders in selected School Teachers of Madurai District

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Abstract

Insurance sector in India has undergone significant changes during the last decade. There have been new institutions, instruments and new opportunities, along with all this new changes in traditional face of insurance. The Life Insurance business showed a rapid growth throughout the country during the last decade. The economic scenario in our country is rapidly changing. High quality products with quality support services both in terms of international standards and competitiveness have entered into our country. As a result, the life insurance sector has experienced a stiff competition. Earlier Indians viewed life insurance as savings and investment tool rather than risk coverage. But, now it is also considered as a tax saving instrument, planning for specific future family needs, security against loans and avenues for high returns with limited risks. In India, the life insurance sector supports a lot for the development of the economy as a whole. Life insurance is a long-term business with a focus on long-term financial solutions to customers.

The core objective of the study is to understand the awareness and preference level of policyholders about Life Insurance Service. This study based on both primary and secondary data and the researcher has chosen the sample size of 200 on the basis of convenience sampling technique and the sample respondents are selected school teachers in Madurai District. The school teachers have well aware about the life insurance schemes selection and prefer mostly the tax benefits life insurance schemes in the study area.

Keywords: Policyholders, Life Insurance Corporation, Awareness, Preference and Madurai.

Introduction

Life is full of risk and uncertainties. Life insurance is one which gives mental peace to any human and also secures his family with financial protection. Earlier Indians viewed life insurance as savings and investment tool rather than risk coverage. But, now it is also considered as a tax saving instrument, planning for specific future family needs, security against loans and avenues for high returns with limited risks. In India, the life insurance sector supports a lot for the development of the economy as a whole. Insurance industry forms a dominant part of financial market consisting of contractual intermediaries which channelize the savings of the society to the productive sectors of the economy. In a marketing perspective, an insurance product is categorized as an unsought product about which customers have inadequate or low awareness. Consequently, it is said that insurance product are sold rather than bought which makes the task of insurance companies really challenging since independence. Life insurance Corporation of India has been marketing insurance product as a monopoly insurer, being the unchallenged leader in the Indian insurer industry.

Review of Literature

Jayapriya and Chandni (2016) in their articles expressed that research on the awareness, preference and satisfaction of policyholders towards LIC, especially the study on Malappuram area. Life insurance is actually insured an agreement between a person and an insurer in which the policyholder accepts to pay regular premiums charged to the insurance company in return, the insurer provides monetary protection to the insured in the event of any accident or mishap. If the insured person dies unexpectedly, financial assistance will be provided to the family members. Therefore, life insurance is necessary because it can not only provide to his family in the event of any accident disaster. A prosperous insurance industry is important to every modern economy.

Pradeepa and Ananth (2017) in their study explain that insurance sector plays an important role in the financial sector of a country. The marketing strategy should be laid put in such a manner that it includes the requirement from the launching policy till the final stage when it reaches in the hand of customer, means the service provided to the policyholders or the end uses. It should be planned accordingly, suiting the indian society, because it is a diversified one from high income group to low one. The new entrants in the

insurance business sector should take pains and understand people demand and needs and transform their policies as per their individual choices. They should be designed to provide the facilities to customer as to give the customers full reliance and satisfaction. So this paper is made an attempt to know the awareness of LIC among women policyholders in Chennai.

Objectives of the Study

The objectives of the study are as follows:

1. To know the awareness level of policyholders about Life Insurance Service in selected school teachers of Madurai District
2. To identify the type of policy preferred and reasons for choosing the policy.

Sampling and Methodology of the Study

The required data have been collected by developing a questionnaire. Questions relating to personal profile, employment particulars, awareness towards the LIC policies, preference given to the products and opinion about the products of LIC are included in the questionnaire. Data have been collected by personally collected from the selected School Teachers in Madurai District and total sample size of 200 teachers on the basis of convenience sampling method.

Results and Discussion

Demographic Profile of School Teachers.

The following background profiles are area of residence, gender of the respondents, age of the respondents, marital status of the respondents, educational qualification of the respondents and monthly income of the school teachers in the study area of Madurai District of Tamil Nadu.

Table No.1

Sl. No	Area	No. of. Respondents	Percentage (%)
1	Rural	42	21.0
2	Semi-Urban	56	28.0
3	Urban	102	51.0
	Total	**200**	**100.0**
Sl. No	Gender	No. of. Respondents	Percentage (%)
1	Male	46	23.0
2	Female	154	77.0
	Total	**200**	**100.0**
Sl. No	Age	No. of. Respondents	Percentage (%)
1	Blow 30 years	33	16.5
2	30-40 Years	120	60.0
3	Above 40 Years	47	23.5
	Total	**200**	**100.0**
Sl. No	Marital Status	No. of. Respondents	Percentage (%)
1	Married	126	63.0
2	Single	74	27.0
	Total	**200**	**100.0**
Sl. No	Qualification	No. of. Respondents	Percentage (%)
1	UG with B.Ed	62	31.0
2	PG with B.Ed	100	50.0
3	PG with M.Phil	28	14.0
4	PG with Ph.D	10	5.0
	Total	**200**	**100.0**
Sl. No	Monthly Income	No. of. Respondents	Percentage (%)
1	Below 20,000	50	25.0
2	20,000-50,000	84	42.0

| 3 | Above 50,000 | 66 | 33.0 |
| **Total** | | **200** | **100.0** |

Source: Primary Data

The above table reveals the area of residence of respondents. Out of 200 respondents, 51nrespondents are residing in urban area, 28 per cent of the respondents are residing in semi-urban area and remaining 21 per cent respondents are from rural area. The majority of 51 per cent respondents are from urban area.

Similarly, among the 200 respondent, 77 per cent of the respondents are female and remaining 23 per cent of the respondents are male. It is inferred that Majority of the respondents are female.

In respect of age of the respondents result reveals that 60 per cent of the school teachers are in the age group between 30 to 40 years, followed by 23.5 per cent of them are above 40 years and 16.5 per cent of the respondents are in the age category of below 30 years. It is highlight that majority 60 per cent of them are in the age category between 30 to 40 years.

Marital status frequency reveals that 63 per cent of them are married and 27 per cent of the school teachers are unmarried. Educational qualification output convey that 50 per cent of the school teachers have educational potential of PG with B.Ed, followed by 31 per cent of them UG with B.Ed. and only 5 per cent of the school teachers have completed PG with Ph.D. Therefore, it is convey that majority of (50 Per cent) them are completed PG with B.Ed. in the study area.

Monthly income output express that out 200 respondents, 42 per cent of the school teachers are earn income range between Rs.20,000 to 50,000, followed that 33 per cent of them are earn monthly income of Above RS.50,000 and remaining 25 per cent of the teachers are getting below Rs.20,000 per month.

Table No.2
Sources of Information or Awareness

Sl. No	Source	No. of. Respondents	Percentage (%)
1	Self	92	46.0
2	Relatives	18	9.0
3	Agents	46	23.0
4	Co-workers	24	12.0
5	Family Members	20	10.0
Total		**200**	**100.0**

Source: Primary Data

The above table disclose that policyholders how to aware or source of information of the LIC policies, out of 200 respondents, 46 per cent of them are come to know their own experience, followed by 23 per cent of the school teacher come to know from LIC agent, 12 per cent of the respondents come to know from co-workers, 10 per cent of them are aware from family members and 9 per cent of the teachers

come to know from relatives in the study area. It is observed around half of them are aware about the policies from self or own experience.

Table No.3
Preference of type of policy has selected by teachers

Sl. No	Type	No. of. Respondents	Percentage (%)
1	Endowment Plan	54	27.0
2	Moneyback plan	19	9.5
3	Tax Relief Plan	88	44.0
4	Pension Plan	12	6.0
5	Health Plan	27	13.5
Total		**200**	**100.0**

Source: Primary Data

The above table disclose that policyholders of LIC hold 44 per cent of them are taken tax relief plan, followed by 27 per cent of the teachers have taken endowment plan policy, 13.5 per cent of them have taken health plan policy and 6 per cent of the respondents are chosen the pension plan in the study area. From the analysis, majority (44 per cent) of the school teachers have taken tax relief plan for income tax relaxation purpose in every financial year.

Table No.4
Preference of taking of insurance policy

Preference	Average Mean Score	Rank
Family Protection	121.18	II
Retirement Benefits	113.23	V
Children Welfare facilities	115.82	IV
Loan facilities	94.50	VI
Savings/ Investment purpose	118.60	III
Tax Relief	141.22	I

Source: Weighted Mean Score Ranking Method

As the results of the study says that maximum number of school teachers acknowledge that by taking insurance policy mainly for tax relief with the mean score of 141.22, the second most preference for policy taking is to protect family members from uncertain events with the mean score of 121.18, next savings or investments for future requirements with the mean score of 118.60, fourth rank is teachers have taken policy for their children welfare facilities with the mean score of 115.82, and least preference to take insurance policy by the school teachers are retirement benefits with the mean score of 113.23 and loan facilities with

the mean score of 94.50 respectively. From the above weighted mean score rank method top preference for selection policy by the school teachers such as tax relief, family protection, savings and investment purpose in future needs and least preference such as loan facilities and retirement benefits of the school teachers.

Summary and Conclusion

- It is find that majority of 51 per cent respondents are residing from urban area.
- It is inferred that Majority of the respondents are female.
- It is highlight that majority 60 per cent of them are in the age category between 30 to 40 years.
- it is convey that majority of (50 Per cent) them are completed PG with B.Ed. in the study area.
- It is observed around half of them are aware about the policies from self or own experience.
- It is identified that majority (44 per cent) of the school teachers have taken tax relief plan for income tax relaxation purpose in every financial year.
- From the above weighted mean score rank method top preference for selection policy by the school teachers such as tax relief, family protection, savings and investment purpose in future needs and least preference such as loan facilities and retirement benefits of the school teachers.

The present study concludes that the LIC of India is the leading public sector insurance company in India has facing very stiff competition from the new private companies entering the market. LIC of India is facing increased competition on one side and a decline in the market share on the other hand. It has been striving to achieve effectiveness and excellence in its business operations. The present study suggested that the measures such as special events for policyholders, providing of prompt service, reducing the time period of surrendering the policy, increase the loan amount with policy, improvement in infrastructure, creativity and innovativeness, understanding the policyholders needs, policyholders contact programmes, providing update information, staff involvement, user friendly skills, customer compliant monitoring cell and quality improvement strategy will improve service quality of the LIC of India. The school teachers have well aware about the life insurance schemes selection and prefer mostly the tax benefits life insurance schemes in the study area.

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