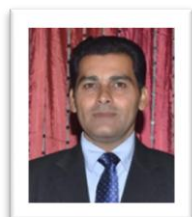


Consumer Satisfaction towards LIC of India in District Shahjahanpur



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Abstract

Human Life is a most important asset and life insurance is the most important type of insurance which provides financial protection to a person and his family at the time of uncertain risks or damage. Life insurance provides both safety and protection to individuals and also encourages savings among people. Life Insurance Corporation of India (LIC) plays a vital role in the welfare of human well-being by providing insurance to millions of people against life risks such as uncertain death or accident. LIC has registered a six per cent increase in market share to 78% during the current financial year. LIC's market share at the end of March 31, 2018, had stood at 7% of all new policies sold during the last financial year (2017-18). LIC has 53 products in his portfolio and sold around 86 lakh policies till the end of July 2018. After the successful implementation of economic reforms in Life insurance sector in India, LIC has made several positive efforts to triumph over the hearts of the people. To achieve this LIC of India has adopted a number of new trends in marketing strategies for introducing innovative technologies. LIC also has the lowest outstanding claims ratio. LIC had settled 99.8% of death claims while the Private Sector Companies had settled 96.8% of such claims. In this research paper we studied Customer Satisfaction towards Life Insurance Corporation of India (LIC) in district Shahjahanpur, because Consumer Satisfaction is the first step to Achieve Consumer Loyalty. If the customers of LIC are Satisfied and Happy, they may be Loyal to the LIC.

Keywords: Life Insurance, LIC of India, Consumer Satisfaction, Loyalty, Premium, Products, Policies, Claim, Investment.

Introduction

The Life Insurance Corporation of India was founded in 1956 when the Parliament of India passed the Life Insurance of India Act that nationalised the private insurance industry in India. Over 245 insurance companies and provident societies were merged to create the state owned Life Insurance Corporation. Life Insurance Corporation of India (LIC) is an Indian state owned insurance group and Investment Company headquartered in Mumbai. It is the largest insurance company in India with an estimated asset value of Rs. 1,560,482 crore. As of 2018 it had total life fund of Rs.1433103.14 crore with total value of policies sold of 367.82 lakh that year. LIC offers a variety of insurance products to its customers such as insurance plans, pension plans, unit-linked plans, special plans and group schemes. Today, the LIC has 8 zonal offices, around 113 divisional offices, 2,048 branches and 1381 satellite offices and corporate offices. It also has 54 customer zones and 25 metro-area service hubs located in different cities and towns of India. It also has a network of 1,337,064 individual agents, 242 Corporate Agents, 89 Referral Agents, 98 Brokers and 42 Banks for soliciting life insurance business from the public. LIC's slogan '*Yogakshemam Vahamyaha*'¹ is in Sanskrit language which translates in English as "Your welfare is our responsibility". This is derived from ancient Hindu text, the *Bhagavad-Gita*²'s 9th chapter, 22nd verse. The slogan can be seen in the logo, written in *Devnagari* script. Main Products of LIC of India are Insurance Plans, Pension Plans, Unit Linked Plans, Term Assurance Plans and Whole Life Plans. Main modes of premium are Monthly, Quarterly, Half Yearly and Annual. Customers can pay their premium through online mode, offline mode or through agents.

Insurance give you protection against the possible chances of generating uncertain losses. It eliminates worries and miseries of losses or destruction of property and death. Life insurance is a contract between you and a life insurance company, which provided you death benefits

during the contract term. Buying insurance is extremely useful if you are the principal earning member in the family unfortunate premature demise, your family can remain financially secure because of the life that you have purchased. The primary purpose of Life Insurance is therefore protection of the family in the even Insurance is also seen as a tool to plan effectively for your future years. This research paper is based on the customer satisfaction towards LIC of India; because customer satisfaction is the back bone for LIC in future progress. For Business progress and expansion to serve costumer is not the only objective, but keep them satisfied is the most important objective. Satisfied customers are the main assets for any organizations in their long term future progress.

Objective of the Study

The main purpose of this research paper is to study the consumer satisfaction towards Life Insurance Corporation of India in district Shahjahanpur.

Research Methodology

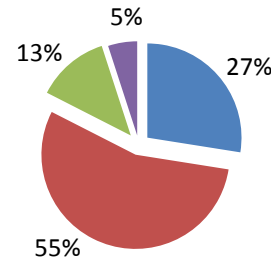
It is a descriptive research study that is concerned with describing the various characteristics like knowledge, product information and satisfaction level of particular individual customers of LIC. The study is conducted in the Customers of Life Insurance Corporation of India (LIC) in district Shahjahanpur. It is a definite plan for obtaining a sample from a decided population. The decided population is the customers of Life Insurance Corporation of India in district Shahjahanpur those already purchased the various Products and Policies of LIC. Data for this research work is collected through both primary and secondary methods. The Primary data was collected directly by the researcher from 80 customers of LIC. The Secondary data was collected from books, newspapers, journals and websites. Structured Questionnaire based on thirteen points was designed and interviewed the customers of LIC from selected areas of district Shahjahanpur.

Data Interpretation and Analysis³

Personal details of the respondents:

Table-1

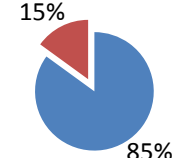
Age Group	Nos. of Respondents	Percentage of Respondents
21 to 30	22	27.5%
31 to 40	44	55%
41 to 50	10	12.5%
51 and above	04	5%



Gender of the Respondents:

Table-2

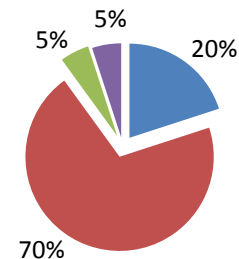
Gender	Nos. of Respondents	Percentage of Respondents
Male	68	85%
Female	12	15%



Occupation of Respondents

Table-3

Occupation	Nos. of Respondents	Percentage of Respondents
Self Employed	16	20%
Service	56	70%
Business	04	5%
Other	04	5%



Monthly Income of the Respondents

Table-4

Monthly Income	Nos. of Respondents	Percentage of Respondents
5000 - 10,000	14	17.5%
11,000 - 30,000	26	32.5%
31,000 - 50,00	32	40%
51,000 - 1,00,000	08	10%

Awareness/Knowledge about the Products of LIC

Table-5

Response	Nos. of Respondents	Percentage of Respondents
Yes	76	95%
No	04	5%

LIC Products Purchased by the Respondents

Table-6

Products/Policies	Nos. of Respondents	Percentage of Respondents
Insurance Plans	56	70%
Pension Plans	08	10%
Unit Linked Plans	10	12.5%
Term Assurance Plans	04	5%
Whole Life Plans	02	2.5%

Importance of LIC for Respondents

Table-7

Response	Nos. of Respondents	Percentage of Respondents
Yes	76	95%
No	04	5%

Main Policies Purchased by the Respondents

Table-8

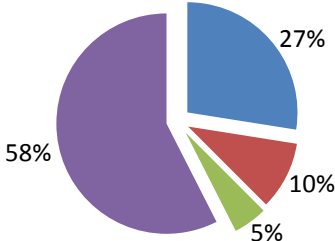
S.N.	Policies	Nos. of Respondents	Percentage of Respondents
1	Jeevan Anand	18	22.5%
2	Jeevan Sathi	8	10%
3	Money Back	18	22.5%
4	Bima Bachat	8	10%
5	Money Plus	6	7.5%
6	Endowment Plus	8	10%

7	Market Plus	4	5%
8	Jeevan Saral	4	5%
9	Jeevan Chhaya	4	5%
10	Pension Plus	2	2.5%

Premium Payment Types

Table-9

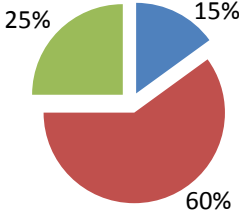
Premium Type	Nos. of Respondents	Percentage of Respondents
Annually	22	27.5%
Half Yearly	08	10%
Quarterly	04	5%
Monthly	46	57.5%



Payment Mode of the Respondents

Table-10

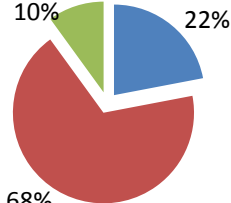
Payment Mode	Nos. of Respondents	Percentage of Respondents
Online Mode	12	15%
Through Agents	48	60%
Physically on Branches	20	25%



Objectives of Purchasing LIC Products

Table-11

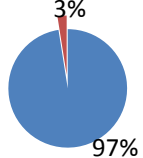
Objectives	Nos. of Respondents	Percentage of Respondents
Money Investment	18	22.5%
Risk Cover	54	67.5%
Future Long Term Benefits	08	10%



Satisfaction Towards LIC

Table-12

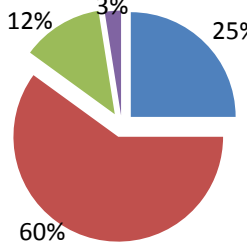
Response	Nos. of Respondents	Percentage of Respondents
Yes	78	97.5%
No	02	2.5%



Service Rating for LIC

Table-13

Service Rating	Nos. of Respondents	Percentage of Respondents
Very Satisfactory	20	25%
Satisfactory	48	60%
Normal	10	12.5%
Dissatisfactory	2	2.5%
Very Dissatisfactory	00	00%



Results and Analysis

1. Customers of middle age group i.e. 31 to 40 have maximum awareness about the products and policies of LIC of India.
2. 85% male respondents⁴ are interested in purchasing LIC products while the percentage of female is only 15%. It means females are not very aware about the LIC.
3. 95% respondents have the knowledge and awareness about the products of LIC. Most of the respondents think that insurance is essential for life.
4. Most of the respondents are inspired to invest in LIC due to the trust on it; and wanted to invest in it for the cover of risk.
5. The percentage of respondents who prefer monthly premium payment is 58%, while 27% respondents prefer yearly premium payment. 10% respondents prefer half yearly premium and only 5% prefer quarterly premium payment.
6. Only 15% customers of LIC pay their premium through online payment mode while 60% paid through agent and only 25% customers paid physically on LIC branches.
7. 68% customers purchased LIC products to cover the risk while 22% wanted to invest the money and rest only 8% purchased the Policy for long term future benefits.
8. The products and services of LIC are satisfactory. 97% customers of LIC are fully satisfied with the products and services provided by LIC of India.

Suggestions

1. Awareness of saving and investment through LIC is very less in the age group of 21 to 30 years and mainly low income group i.e. Rs. 5000 to 10,000. Females are also not very aware about the products and services of LIC. So LIC should design and launch products suitable to these groups and increase the awareness as well as investment.
2. The response to the other Plans of LIC was low as compared to Insurance Plan. It is necessary to promote the Whole Life Plan, Pension Plan and Unit Linked Insurance Plan.
3. Most of the customers are still paying their premium through agents instead of online

payment methods so LIC should provide knowledge and trust about online payment mode.

4. Most of the customers want to purchase LIC products to cover their life risks. LIC, therefore, should try to change this phenomenon.
5. Many customers expect best service and better benefits on their investments. So LIC should provide more products, services, options and benefits to the customers for long term benefits.
6. LIC should launch more products and services for all age group of customers and especially for women.

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11. <http://www.irdai.gov.in/>
12. <http://www.licindia.in/>

Endnotes

1. *Slogan of LIC of India*
2. *Holy book of Hinduism*
3. *All the data is collected by researcher through primary & secondary sources*
4. *Respondents are the present customers of LIC*