



CONSUMER AWARENESS AND PERCEPTION OF LIFE INSURANCE PRODUCTS: AN EMPIRICAL EVALUATION

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Abstract

Although insurance companies offer many services, many consumers need information about these services. Although there is a knowledge gap between the services offered by LIC and various life insurance companies, there is more information about LIC services than individual life insurance policies. According to the research, respondents believe price is the most important factor when purchasing insurance products. Intraparty perceptions of various services were examined.

1 Introduction

Customer feedback is the opinion of service users about whether the service meets their needs and expectations. Consumers purchasing different types of life insurance have additional information, considerations, and expectations. This chapter discusses consumer attitudes toward different types of life insurance, different ways of choosing insurance companies, consumer awareness of other products while buying life insurance, etc.

2 Methodology of the Study

The present study is empirical in nature and uses both secondary and primary data. The secondary data has been collected from official publications, magazines and journals, books and official websites. All life insurance companies (both public and private) operating in Wanaparthy District and Nanded District and its customers comprise population of the study. In order to analyze consumer behaviour and perception towards life insurance products in Wanaparthy District and Nanded District, 360 samples were selected. Multi-stage random sampling method was adopted to select the¹ sample. Even though the study is mainly focused on LIC customers, responses from private life insurance company customers were also included. From each district, based on the list collected from LIC agents, the researcher randomly selected 180 samples from each district. Among the five prominent private life insurance companies in Wanaparthy District and Nanded District, the researcher randomly selected Life Insurance Corporation of India and two private life insurance companies namely ICICI Prudential Life Insurance Co. Ltd. and SBI Life Insurance Co. Ltdⁱⁱ. Based on the list collected from the insurance advisors of the companies, the researcher selected 180 from LIC and 90 from SBI, ICICI subscribers each. The total sample size is 360, 165 from each district. The collected data was processed and interpreted with suitable statistical tools. The tools for analysis were ANOVA, F-test, Chi-square test. The statistical analysis was carried out with the help of computer software SPSS.

Sl. No.	District	LIC			Total
		LIC (I)	Private		
			SBI	ICICI	
1	Wanaparthy	90	45	45	180
2	Nanded	90	45	45	180
Total		180	90	90	360



Profiles of the Respondents

Three hundred sixty respondents were selected from insurance consulting companies, insurers, and the private sector. The sample comprised 180 respondents from LIC and 180 from the private sector. The sample obtained is diverse due to gender, age, place of residence, religion, education, occupation of parents and relatives, and monthly income. The tables below show the details.

Table No – 1, Frequency of the respondents by Gender

Sl. No.	Gender	Frequency	Percentage
1	Female	132	36.7
2	Male	228	63.3
Total		360	100
Sl. No.	Religion	Frequency	Percentage
1	Christian	178	49.5
2	Hindu	150	41.8
3	Muslim	31	8.7
Total		360	(100%)
Sl. No.	Education level	Frequency	Percentage
1	Less than 10th Std	22	6.2
2	10 th to Graduation	174	48.3
3	PG & others	164	45.5
Total		360	100
Sl. No.	Major occupation	Frequency	Percentage
1	Agriculture	17	4.8
2	Business	55	15.3
3	Employment	177	49.3
4	Profession	69	19.3
5	NRI	14	4
6	Others	26	7.2
Total		360	100
Sl. No.	Number of dependent members	Frequency	Percentage
1	3 or less	189	52.5
2	4-6	146	40.5
3	More than 6	25	7
Total		360	100
Sl. No.	Monthly income	Frequency	Percentage
1	Less than Rs.3000	3	0.83
2	Rs.3000-10000	38	10.6
3	Rs.10000-20000	105	29.2
4	Rs.20000-50000	126	35
5	Rs.50000-100000	53	14.7
6	Above Rs.100000	35	9.72
Total		360	100

Source: Primary data



The above table shows the gender-wise distribution of respondents. Of the 360 samples collected, 63.3% were male and 36.7% were female. Students are divided into five age groups. Based on religion, the respondents were divided into Hindus, Christians, and Muslims. The table shows that 49.5% of the insured are Christians, 41.8% are Hindus, and 8.7% are Muslims.

The table shows that 48.3% studied ten years before graduating from high school, 45.5% studied other science subjects, and 6.2% studied less than ten years.

According to the actual employment of the respondents in the table, 49.3% are employed, 19.3% are self-employed, and 15.3% are self-employed. The main industry of the CIS countries is agriculture, accounting for 4.8% and 4%, respectively. Only 7.2% were classified as "Other". According to research, life insurance is very popular among employees. Farmers are not paying much attention to life insurance.

Statistics on the number of family members living in the households of the respondents show that 52.5% of the respondents have three or more members. 40.5% have four to six family members, 7% have more than six.

The table shows that 35% of the insured belong to the income category PLN 20,000 to PLN 50,000, 29.2% to PLN 20,000, and 14.8% to PLN 10,000 to PLN 20,000.0 PLN 50.0 PLN 50. It handles only 9.8% of the 0,000 trucks per month.

3 Annual Savings and Insurance

Savings were analyzed as a percentage of respondents' income. Residents and their family members are also subject to financial security checks. Table No - 7 shows annual savings as a percentage of revenue.

Table No – 2, Annual Savings as a Percentage of Income

Sl. No	Annual Savings	Frequency	Percentage
1	Below 10%	146	40.6
2	11-20%	151	41.9
3	21-30%	55	15.3
4	31-40%	7	1.94
5	Above 40%	1	0.28
Total		360	(100%)

Source: Primary data

The table shows that 40.5% of annual savings are less than 10%, 42%, 20%, 11%, 15.2%, 21%, 30%, 31%, 2.2%, and 100%. 40% share. Research shows that most respondents save 20% or less per year.

**Table No - 3
 Annual Savings as a Percentage of age**

Sl. No	Age	Frequency	Percentage
1	25years and below	33	9.3
2	26–35	93	25.7
3	36–45	130	36
4	46–55	81	22.5
5	Above55	23	6.5
Total		360	(100%)

Source: Primary data



Of the 360 samples, 9.3% were 25 years or older, 25.7% were 26–35, 36% were 36–45, and 22.5% were 46–55. 6.5% of people above 55 years' experience rain

Table No – 4, Annual Savings as a Percentage of Marital status

Sl. No	Marital status	Frequency	Percentage
1	Married	297	82.5
2	Unmarried	58	16.1
3	Widows	5	1.39
Total		360	(100%)

Source: Primary data

The table shows that most (82.5%) insured are married, 16% are single, and 1.5% is widowed.

Table No – 5, Annual Savings as a Percentage of Income

Sl. No	Annual Savings	Frequency	Percentage
1	Rural	171	47.5
2	Semi-urban	123	34.2
3	Urban	66	18.3
Total		360	(100%)

Source: Primary data

Respondents were divided by geographic location into rural, black, and tri-urban. The table shows that 47.5% of the insured are from rural areas, 34.2% are from urban areas, and 18.3% are from urban areas.

3.1 Annual budget reduction per capita

The Table No - 6 shows annual savings as a percentage of initial sales.

Table No – 6, Annual Savings as a Percentage of Income by Major Occupation

Major Occupation	Annual Savings as Percentage of Income					Total
	Below 10%	11-20%	21-30%	31-40%	Above 40%	
Agriculture	10	5	2	0	0	17
	58.8	29.4	11.8	0	0	100
Business	16	30	4	5	0	55
	29.1	54.5	7.27	9.090909	0	100
Employment	65	77	34	1	1	178
	36.5	43.3	19.1	0.561798	0.561798	100
Profession	32	31	7	0	0	70
	45.7	44.3	10	0	0	100
NRI	4	2	8	0	0	14
	28.6	14.3	57.1	0	0	100
Others	19	5	0	2	0	26
	73.1	19.2	0	7.692308	0	100
Total	146	150	55	8	1	360
	40.6	41.7	15.3	2.22	0.28	100

Source: Primary data



The table shows that 58.62% of farmers saved 10% of their annual income, while 55.43% of traders saved 11-20%. Only 43.59% of the respondents completed 10-20% of the transactions. Research shows that professionals, artisans, and national experts appreciate the savings.

The Chi-square test in Table shows a significant difference between the savings of different occupational groups.

3.2 Annual Savings as Percentage of Income by Number of Dependent Members in Family

The Table No - 7 shows the annual income savings rate of citizens.

Table No – 7, Annual Savings as Percentage of Income by Number of Dependent Members in Family

Major Occupation	Annual Savings as Percentage of Income					Total
	Below 10%	11-20%	21-30%	31-40%	Above 40%	
3 or less	74	82	30	2	1	189
	39.2	43.4	15.9	1.06	0.53	100
4-6	61	58	22	5	0	146
	41.8	39.7	15.1	3.42	0	100
More than 6	11	11	3	0	0	25
	44	44	12	0	0	100
Total	146	151	55	7	1	360
	40.6	41.9	15.3	1.94	0.28	100

Source: Primary data

The table shows that 39.05 percent of households with at least three members have an annual income of 10 to 43.50 percent, and 11 to 20 percent. 41.57% of households with 4-6 families save less than 10% of their annual income, 39.92% of 11. 45.24% of the respondents have more than six dependents who earn less than 10% of their annual income 42.86%, allows you to save 11-20%. The study shows that 82.5%. Households, regardless of dependents, save less than 20 percent.

Table No – 8, Chi-square Test on Annual Savings as a Percentage of Income by Number of Dependent Members in the Family

Factors	Chi-square Values	Df	Significance [p]	Inference @ 5% Level of Significance
No. of dependent members in the family	6.942	8	0.543	Not Significant

Source: Primary data

Chi-square tests revealed significant differences in annual savings by family size.

Section II

4.4 Awareness Level on Services Provided by Life Insurance Companies

LIC and private insurers offer various insurance options. It covers online insurance, cash payments at bank branches, electronic payments, employee payments, advance payments, installment payments,



and claiming policy benefits. Customers, Cancellation Policy, Number of Inquiries, and Minimum Deposit Balance - Table No - 9.

Table No – 9, Awareness about Various Services Available to Policy Holders of LIC and Private Life Insurance Companies

Sl. No.	Services	Company		Total	
		LIC	Pvt.		
1	Policies can be purchased On-line	Yes	153	52	205
			42.5	14.44	56.94
		No	113	42	155
			31.39	11.67	43.06
Total	266	94	360		
	73.9	26.1	100		
2	Premium can be paid at any branch	Yes	258	59	317
			71.7	16.4	88.1
		No	12	31	43
			3.33	8.61	11.9
Total	270	90	360		
	75	25	100		
3	Premium can be paid On-line	Yes	215	53	268
			59.7	14.7	74.4
		No	55	37	92
			15.3	10.3	25.6
Total	270	90	360		
	75	25	100		
4	Premium can be paid through Premium Points	Yes	238		238
			66.1		66.1
		No	115		115
			31.9		31.9
Total	353		353		
	98.1		98.1		
5	Premium can be paid by your employer	Yes	215	53	268
			59.7	14.7	74.4
		No	55	37	92
			15.3	10.3	25.6
Total	270	90	360		
	75	25	100		
6	Premium can be paid in advance	Yes	88	33	121
			24.4	9.17	33.6
		No	183	56	239
			50.8	15.6	66.4
Total	271	89	360		
	75.3	24.7	100		
7	Loan is available on Money Back Plan	Yes	99	28	127
			27.5	7.78	35.3



		No	170	63	233
			47.2	17.5	64.7
		Total	269	91	360
			74.7	25.3	100
8	Sum assured can be reduced if the customer wants, subject to conditions	Yes	28	16	44
			7.78	4.44	12.2
		No	242	74	316
			67.2	20.6	87.8
		Total	270	90	360
			75	25	100
9	If you are not satisfied with the conditions of the policy, you can within 15 days of the receipt thereof, cancel and get back your money	Yes	37	26	63
			10.3	7.22	17.5
		No	234	63	297
			65	17.5	82.5
		Total	271	89	360
			75.3	24.7	100
10	On delayed payment of claim due to insurance company's fault, penal interest is available to the customer	Yes	81	31	112
			22.5	8.61	31.1
		No	190	58	248
			52.8	16.1	68.9
		Total	271	89	360
			75.3	24.7	100
11	Maturity value can be taken within 365 days ahead of Maturity date	Yes	7	16	23
			1.94	4.44	6.39
		No	262	75	337
			72.8	20.8	93.6
		Total	269	91	360
			74.7	25.3	100

Source: Primary data

Although life insurance companies offer many services, the table shows that most consumers need information about these services. Most customers know they can pay online and at any branch but want to know more about other services. Read more about the new LIC offer "Premium Points" with a 67.35% discount. For individuals, it is undisclosed as reducing outstanding claims, final penalty, and policy loss to reduce policy cancellation fees.

Table No - 10 presents a statistical analysis of customers of different life insurance companies.



Table No – 10, Descriptive Statistics

Sl. No	Services	N	Mean	Std. Deviation	Minimum	Maximum
1	Policies can be purchased On-line	149	0.5569	0.49709	0	1.00
2	Premium can be paid at any branch	148	0.8149	0.38867	0	1.00
3	Premium can be paid On-line	148	0.7022	0.45762	0	1.00
4	Premium can be paid by your employer	147	0.4523	0.49806	0	1.00
5	Premium can be paid in advance	147	0.3651	0.48179	0	1.00
6	Loan is available on Money Back Plan	148	0.3851	0.48696	0	1.00
7	Sum assured can be reduced if the customer wants, subject to conditions	147	0.1896	0.39228	0	1.00
8	If you are not satisfied with the conditions of the policy, you can within 15 days of the receipt thereof, cancel and get back your money	147	0.2128	0.40958	0	1.00
9	On delayed payment of claim due to insurance company's fault, penal interest is available to the customer	146	0.3238	0.46823	0	1.00
10	Maturity value can be taken within 365 days ahead of Maturity date and this is called Discounted Claim	147	0.1185	0.32345	0	1.00

Source: Primary data

The table shows that customers feel they are paying more after getting used to paying and shopping online at each company. Below are some details on how to take advantage of the discount before the deadline. Life insurance customers are aware of insurance discounts, insurance cancellations due to dissatisfaction, and late payments.

4.1 Total Awareness about Services of LIC and Private Life Insurance Companies by Various Socio-Economic Factors

The Table No - 11 examines overall attitudes towards private insurance services and LICs concerning socio-economic factors such as gender, age, and place of residence.



Table No – 11, Total Awareness about Services of LIC and Private Life Insurance Companies by Various Socio-Economic Factors (Gender, Age and Place of Residence)

Factors		Insurance Company					
		LIC		Private Company		Total	
Gender	Male	5	1.39	5	1.39	10	2.78
	Female	4	1.11	2	0.56	6	1.67
	Total	9	2.5	7	1.94	16	4.44
Age	25yearsandbelow	5	1.39	2	0.56	7	1.94
	26–35	4	1.11	4	1.11	8	2.22
	36–45	5	1.39	4	1.11	9	2.5
	46–55	5	1.39	1	0.28	6	1.67
	Above55	5	1.39	10	2.78	15	4.17
	Total	24	6.67	21	5.83	45	12.5
Place of residence	Rural	5	1.39	4	1.11	9	2.5
	Semi-urban	5	1.39	4	1.11	9	2.5
	Urban	5	1.39	4	1.11	9	2.5
	Total	15	4.17	12	3.33	27	7.5

Source: Primary data

The Table No - 11 shows that male respondents are more aware of ICT and business activities in the private sector than female respondents. People above 55 years can avail the benefits offered by LIC and life insurance companies.

Market respondents are well aware of LIC and life insurance benefits. Rural residents know LIC services outside cities, but it is worth educating them through private insurance companies in rural areas.

Individual assessment of insurance and insurance services, regarding socio-economic factors such as mother's occupation, employment, and money assessed in Table No - 12.

Table No – 12, Total Awareness about Services of LIC and Private Life Insurance Companies by Various Socio-Economic Factors (Education Level, Major Occupation and Monthly Income)

Factors		Insurance Company					
		LIC		Private Company			
Education level	Less than 10 th	10	2.78	0	0	10	2.78
	10 to Graduation	15	4.17	2	0.56	17	4.72
	PG and others	20	5.56	7	1.94	27	7.5
	Total	45	12.5	9	2.5	54	15
Major occupation	Agriculture	13	3.61	1	0.28	14	3.89
	Business	14	3.89	4	1.11	18	5
	Employment	19	5.28	5	1.39	24	6.67
	Profession	17	4.72	2	0.56	19	5.28
	NRIs	19	5.28	3	0.83	22	6.11
	Others	13	3.61	3	0.83	16	4.44



	Total	95	26.4	18	5	113	31.4
Monthly income	Less than 3000	16	4.44	11	3.06	27	7.5
	3000-10000	14	3.89	2	0.56	16	4.44
	10000-20000	14	3.89	2	0.56	16	4.44
	20000-50000	19	5.28	4	1.11	23	6.39
	50000-100000	20	5.56	5	1.39	25	6.94
	Above 100000	21	5.83	9	2.5	30	8.33
	Total	104	28.9	33	9.17	137	38.1

Source: Primary data

Table No - 12 from the above, the respondents with P.G. education are more aware of the practice than others LIC and private insurance companies. News Taxpayers are more aware of the benefits of LIC and private life insurance.

The study revealed that the respondents are farmers with little knowledge about life insurance and LIC services. One hundred thousand income group people are more aware of LIC services, and respondents are more aware of data protection services.

4.2 Awareness of Life Insurance

Élétbiztosító Bank offers insurance products through distribution. It has many advantages, such as cost reduction, a large customer base, and space expansion, so it should be developed as a better distribution method. Life insurance is a new concept in India, and respondents' knowledge about life insurance depends on gender, age, monthly income, education, place of residence, and occupation. Various social and economic factors affecting life insurance can be found in Table No - 13. The table shows.

Table No – 13, Awareness about Life Insurance by Various Socio-Economic Factors (Gender, Age and Monthly Income) (In Percentage)

Factors		Frequency	Percentage
Gender	Male	134	37.1
	Female	120	33.2
Age	25 years and below	129	35.7
	26 – 35	133	37
	36 – 45	110	30.6
	46 – 55	149	41.5
	Above 55	139	38.5
Monthly Income	Less than Rs.3000	180	50
	3000-10000	80	22.2
	10000-20000	119	33.1
	20000-50000	146	40.5
	50000-100000	138	38.2
	Above 100000	128	35.6
Education level	Less than 10 th Std	49	13.5
	10 to Graduation	117	32.4
	PG and others	152	42.1
Place of residence	Rural	139	38.6



	Semi-urban	102	28.3
	Urban	150	41.8
Major occupation	Agriculture	87	24.1
	Business	98	27.2
	Employment	152	42.2
	Profession	134	37.1
	NRIs	120	33.3
	Others	50	14

Source: Primary data

The Table No - 13 provides additional information on the life insurance of male respondents aged 46-55 years, with a monthly income of less than 3,000, PG graduates, and other urban respondents, which is part of the control space.

The chi-square test results illustrating the analysis of life insurance and various socio-economic factors are presented in the Table No - 14.

Table No – 14, Chi-square Test Statistics Showing the Awareness about Life Insurance by Various Socio-Economic Factors

Factors	Chi-square value	Df	P value	Inference @ 5% Level of Significance
Gender	0.935	1	0.334	Not Significant
Age	4.703	4	0.319	Not Significant
Monthly income	8.173	5	0.147	Not Significant
Education level	14.213	2	0.001	Significant
Place of residence	7.738	2	0.021	Significant
Major occupation	19.120	5	0.002	Significant

Source: Primary data

Chi-square analysis shows that respondents' knowledge about life insurance varies according to their level of education, place of residence, and major occupation. When applying for life insurance, there is no significant difference based on gender, age, and monthly income.

5 Conclusion

This chapter examines the different types of life insurance sold and consumer perceptions of these products. The study shows that LIC sells disability, child, and life insurance policies, and the private sector participates in this market. LIC also sells several cash back programs. Private companies like LIC are known for their pension and market-based investment schemes. The study shows that consumer perception towards LIC life insurance is good and moderate compared to other life insurance companies. People focus on these things by considering many factors such as company image, environment, office environment, work comfort, efficiency and service of office staff, friendliness of office staff, customer needs, price, reach, and availability. Sale of life insurance products. Insurance products. Contracts, renewals, purchase process, credit utilization, and risk management. In all respects, except management training, the whole concept of LIC is better than life insurance.



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