



INVESTMENT BEHAVIOUR OF WOMEN POLICYHOLDER TOWARDS THE LIFE INSURANCE CORPORATION IN CHENNAI CITY

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Abstract

Life Insurance is a security for the individual life. It provides the much needed security for the family people and individual one too when unexpected risk and the family is protected to the extent of insurance coverage. The growth of the insurance sector in India has been phenomenal. The insurance industry has undergone a massive change over the last few years and the metamorphosis has been noteworthy. There are numerous private and government insurance companies in India that offering a diversified product portfolio and excellent services the many insurance companies in India have managed to make their way into almost every Indian household. All the insurance companies much have interest over the women policyholders too for their betterment in future. This paper is addressing about the women policyholder that how they have interest over the life insurance corporation policies and their investing behaviour to be measured here.

Keywords: Policyholder, Investment, Life coverage & Security.

Introduction

The Life Insurance Corporation (LIC) of India founded in 1956 is the largest life insurance company in India owned solely by the Government of India. LIC policies are mostly specific to different income and age groups of the people. LIC's Jeevan Bharati-I is a plan exclusively for women. It is a with profit plan having special features considering the needs of women. The plan also provides for accident benefit, critical illness benefit and congenital disability benefit as optional riders. The policyholder at her option may avail the survival benefit any time on or after its due date. If opted to avail later, increased survival benefit at the rate decided by the LIC from time to time will be payable. But LIC is fails to satisfy the women policyholder that's why Jeevan Bharathi scheme has been closed in the year 2013. It may be the reason of internal and external marketing issues of LIC. The agents have adopted themselves as a latest form of marketing strategy to promote the policies in life insurance corporation policies among the people.

Literature Review

Prof. Amita Fatterpekar (2007) in her article explained the three behavioural measures of loyalty as, customer's recent purchase, frequency of customer's purchases of different plan over a specified time interval and customer's lifetime volume of purchases. Three attitudinal measures of loyalty measure are likelihood of continuing to do business, of repurchasing, willingness to recommend or serve as a reference. Unlike data-mining of RFM (Recency, Frequency, Monetary value), this analysis was based on a complex nonlinear mathematical model of a company's customers. Technically, the loyalty customer model was a finite state machine in which a customer's current state and predicated future behavior were based on the customer's total history with the company expressed by recency (the time since the last purchase), retention(the duration of the relationship), and all purchases by the customer (what, when, quantity and amount). The other factors were customer demographic data, inputs from the company (telemarketing, catalogs).

About Customers recommendation of LIC to their friends, colleagues or relatives gave the insight and their answer was rated on a 0-10 Scale. Then the author categorizes the responses into three different categories. The score 9-10 indicates that those customers were promoters as idea merchants, the score 7-8 secured customers were passively satisfied customers, and 0-6 scored customers were the detractors fairly unsatisfied. So the author reveals that customers are to be first identified, and understood in terms of distinct groups based on their scores, and provide them efficient services and to achieve the highest satisfaction of customers.

Menahem Yarri(1965) examined the role of insurance within the context of life cycle model by including the risk of dying. He showed conceptually that an individual increases expected lifetime utility by purchasing fair life insurance and fair annuities.

Statement of the Problem

Women policyholder behaviour hasn't measured properly from the above mentioned literature review. This paper is identifying the women policyholder behaviour towards LIC and how to enhance the behaviour among the women also to be measured in this paper.



Objectives of the Study

- To examine the relationship of age and education of insured woman’s awareness level towards life insurance corporation products
- To estimate the women policyholder expectation are satisfied with the performance of Life Insurance Corporation.
- To provide suggestion to enhance the behaviour of Life insurance corporation towards the women policyholder

Research Methodology

The Researcher used Descriptive Research Design to study the awareness level, satisfaction level and its key dimensions in life insurance Corporation of India. The questionnaire was divided into two sections. In the first part information related to different socio-economic and demographic criteria like income, age, profession, educational qualification, etc were collected. In the second part, respondents were asked to evaluate parameters on awareness level, satisfaction level and relevant to insurance product of LIC. and the questionnaire circulated to 520 samples to Chennai.

Area of the Study: The study is conducted in Chennai city, it is the one of metropolitan city in India”. Chennai is well known place for many potential industries to get better growth. The district population was 80,02,269 in 2015 population survey and 87 percent of women have literacy in the district; women have sufficient knowledge about to choose the insurance companies and policies.

Period of the Study: The present study aims to know the behaviour level of women policyholders with regard to the various policies of Life Insurance Corporation of India. The primary data were collected from the respondents by the questionnaire during the year 2015.

Analysis and Interpretation

The collected data have been consolidated, tabulated and analyzed by using relevant statistical tools like Chi-square test analysis, Path Analysis and Regression. The SPSS 19 package was utilized for analyzing the data. The interpretation of the study is done by using tables and charts to give meaningful results

Table 4.7: Showing chi-square analysis for association between age groups of respondents and their Awareness Level towards investing in LIC

SL.NO	Age	Awareness Level About LIC				t ²	p
		High	Medium	Low	Total		
1	Up to 35 Years	21 15.9%	67 31.9%	70 39.3%	158 30.4%	53.640	0.000
2	36 to 50 Years	47 35.6%	99 47.1%	82 46.1%	228 43.8%		
3	Above 50 Years	64 48.5%	44 21.0%	26 14.6%	134 25.8%		
Total		132 100.0%	210 100.0%	178 100.0%	520 100.0%		

Source: primary data

Above table is run on sample of 520, to know the association between age of the customers and their awareness level about LIC. For the statistical purpose the age of the customers is classified into three groups such as Up to 35 Years, 36 to 50 Years and Above 50 Years. Using K mean cluster analysis awareness level about LIC is subdivided into three groups such as high, medium and low.

It is concluded from the above table that the awareness level about LIC attains the score as (Low- 178, Medium- 210, and High- 132). Most of the investors’ opinion falls into medium level of awareness towards LIC.

The above cross table shows that that 99 investor’s opinion (47.1%) was the highest score found in this table regarding medium or moderate level of awareness having the age group of 36 to 50 years of investors for investing their money into LIC. Only a few of women investors in the age group of up to 35 years (N=21, 15.9%) having a high level awareness regarding investing in their money into LIC.



Null hypothesis H_0 = There is no association between age of the women investors and the their awareness level towards investing in LIC.

Alternate hypothesis H_a = There is an association between age of the women investors and their awareness level towards investing in LIC.

In order to identify the association between age of the women investors and association between age of the customers and awareness level about LIC chi-square test was applied. It is observed from the chi-square value is 53.640, p value is 0.001. So the null hypothesis is rejected at 1% level of significance.

It is establish that there is a significant association between age of the women investors and their awareness level towards investing in LIC. It is concluded that women investors in the age group of above 50 years having high awareness towards investing money in LIC (N=64, 48.5%) and other face 46.1 percent of the women policyholder in the group of 36-50 year (N=82) having low awareness regarding LIC.

Table 4.8: Showing chi-square analysis for association between education of respondents and their Awareness Level towards investing in LIC

SL.NO.	Education of Respondents	Awareness Level About LIC				t^2	p
		High	Medium	Low	Total		
1	Up to Graduate	30 22.7%	49 23.3%	42 23.6%	121 23.3%	34.640	0.000
2	Post graduate	46 34.8%	76 36.2%	44 24.7%	166 31.9%		
3	Professional	56 42.4%	85 40.5%	92 51.7%	233 44.8%		
Total		132 100.0%	210 100.0%	178 100.0%	520 100.0%		

Source: primary data

Above table is run on sample of 520, to know the association between education of the customers and awareness level about LIC. For the statistical purpose the education of the customers is classified into three groups such as up to graduate, PG and professional. Using K mean cluster analysis awareness level about LIC is subdivided into three groups such as high, medium and low.

Null hypothesis H_0 = There is no association between education of the women investors and their awareness level towards investing in LIC.

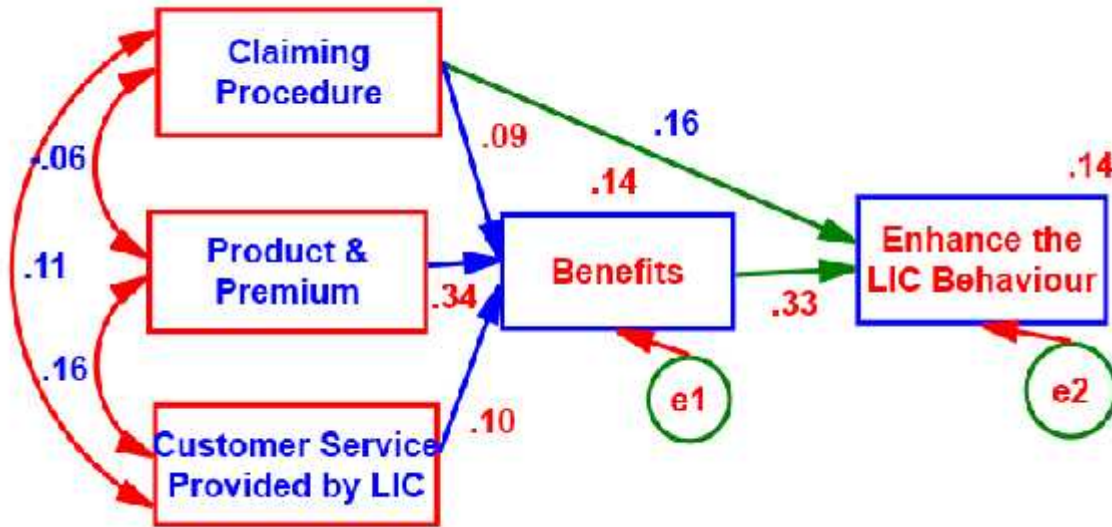
Alternate hypothesis H_a = There is an association between education of the women investors and their awareness level towards investing in LIC.

In order to identify the association between education of the women investors and association between education of the customers and awareness level about LIC chi-square test was applied. It is observed from the chi-square value is 34.640, p value is 0.001. So the null hypothesis is rejected at 1% level of significance.

It is establish that there is a significant association between education of the women investors and their awareness level towards investing in LIC. It is concluded that women investors in the education group of professional having high awareness towards investing money in LIC (N=56, 42.4%) and other face 51.7 percent of the women investors (N=92) having low awareness regarding LIC.



Model 1. Path Analysis for the services of LIC influences the enhancement of women Behaviour towards in Investing in LIC



The above path analysis is run on a sample of 520 women to know the correlation and regression of independent variables with respect to enhance the LIC behaviour. Likewise the independent variables are Product & Premium, Claiming Procedure and Customer Service Provided by LIC. The variable benefits considered as a mediator variable towards enhance the LIC behavior.

Chi-Square	P	RMS	RMSEA	GFI	AGFI	CFI	NFI
1.027	0.598	0.053	0.000	0.999	0.954	0.973	0.995

From the above table it is found that the calculated chi-square value is 1.027, p value is 0.598 which is greater than 0.05, which indicates that perfectly fit. Here GFI (Goodness of Fit Index) value and AGFI (Adjusted Goodness of Fit Index) values are greater than 0.90 which represent it is a good fit. The calculated CFI (Comparative Fit Index) value and NFI (Normed Fit Index) values are greater than 0.90 which means that it is a perfectly fit. It is found that RMSEA (Root Mean Square Error of Approximation) and RMS (Root Mean Square) values are 0.0000 and 0.053 and which is less than 0.08, which indicates that it is perfectly fit.

Regression Weights

DV		IV	Estimate	S.E.	C.R.	B	p
Benefits	<---	Claiming Procedure	.043	.019	2.219	.091	.027
Benefits	<---	Product & Premium	.324	.039	8.309	.343	***
Benefits	<---	Customer Service Provided by LIC	.069	.029	2.336	.097	.019
Enhance the LIC Behaviour	<---	Claiming Procedure	1.471	.367	4.010	.163	***
Enhance the LIC Behaviour	<---	Benefits	6.306	.780	8.089	.330	***

In the path analysis, the following hypotheses have been proposed.

H₀: There is no influence of claiming procedure on benefits

H₀: There is no influence of product & premium on benefits

H₀: There is no influence of customer service provided by LIC on benefits

Considering the significant individual path coefficients, it is seen that the influence of independent variables on benefits, claiming procedure shows that (C.R. – 2.219, beta – 0.091, p – 0.027), product & premium shows that (C.R. – 8.309, beta –



0.343, $p = 0.000$) and customer service provided by LIC shows that (C.R. 2.336, $\beta = 0.097$, $p = 0.019$). Hence the p values are less than 0.05 and the hypotheses are rejected and significant influence on benefits.

- H_0 : There is no influence of claiming procedure on Enhance the LIC Behaviour
- H_0 : There is no influence of benefits on Enhance the LIC Behaviour

Considering the significant individual path coefficients, it is seen that the influence of independent variables on enhance the LIC Behaviour, claiming procedure shows that (C.R. - 4.010, $\beta = 0.163$, $p = 0.000$), and benefits shows that (C.R. 8.089, $\beta = 0.330$, $p = 0.000$). Hence the p values are less than 0.01 and the hypotheses are rejected and significant influence on Enhance the LIC Behaviour.

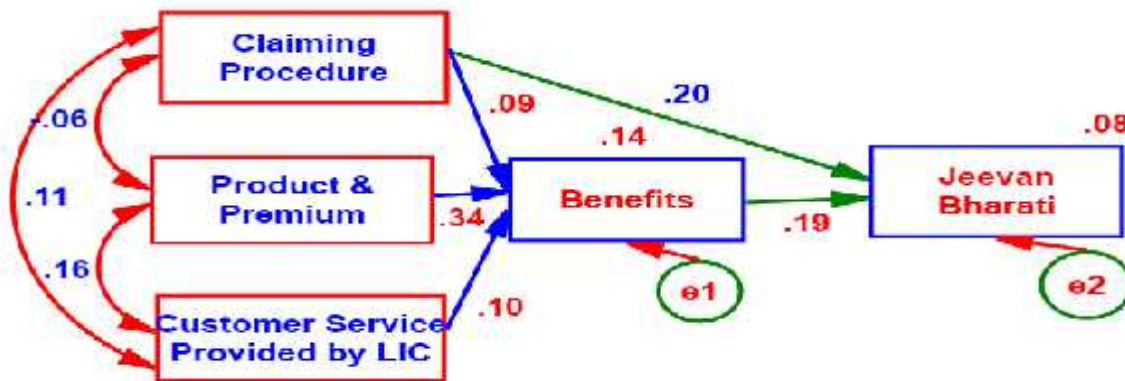
Covariances

IV		IV	Estimate	S.E.	C.R.	R	Label
Claiming Procedure	<-->	Customer Service Provided by LIC	.082	.032	2.589	.114	.010
Product & Premium	<-->	Customer Service Provided by LIC	.058	.016	3.653	.162	***
Claiming Procedure	<-->	Product & Premium	-.034	.024	-1.421	-.062	.155

- H_0 : There is no relationship between claiming procedure and customer service provided by LIC
- H_0 : There is no relationship between product & premium and customer service provided by LIC
- H_0 : There is no relationship between product & premium and claiming procedure

Considering the significant individual path coefficients, it is seen that the relationship between independent variables, claiming procedure and customer service provided by LIC shows that (C.R. - 2.589, $\beta = 0.114$, $p = 0.010$), and product & premium and customer service provided by LIC shows that (C.R. 3.653, $\beta = 0.162$, $p = 0.000$). Hence the p values are less than 0.05 and the hypotheses are rejected and found relationship between the variables. There is no relationship found the variables between product & premium and claiming procedure.

Model 2. Path Analysis for influences of services of LIC which enhancing the Investing Behaviour of women policyholder to LIC JEEVAN BHARATHI



LIC's Jeevan Bharati-I – is a plan exclusively for women. It is a with profit plan having special features considering the needs of women. The plan also provides for Accident Benefit, Critical Illness Benefit and Congenital Disability Benefit as optional Riders. The above path analysis is run on a sample of 520 women to know the correlation and regression of independent variables with respect to Jeevan Bharathi. Likewise the independent variables are Product & Premium, Claiming Procedure and Customer Service Provided by LIC. The variable benefits considered as a mediator variable towards enhance the LIC behavior.

Chi-Square	P	RMS	RMSEA	GFI	AGFI	CFI	NFI
0.558	0.757	0.017	0.000	1.000	0.997	1.000	0.996



From the above table it is found that the calculated chi-square value is 0.558, p value is 0.757 which is greater than 0.05, which indicates that perfectly fit. Here GFI (Goodness of Fit Index) value and AGFI (Adjusted Goodness of Fit Index) values are greater than 0.90 which represent it is a good fit. The calculated CFI (Comparative Fit Index) value and NFI (Normed Fit Index) values are greater than 0.90 which means that it is a perfectly fit. It is found that RMSEA (Root Mean Square Error of Approximation) and RMS (Root Mean Square) values are 0.0000 and 0.017 and which is less than 0.08, which indicates that it is perfectly fit.

Regression Weights

DV		IV	Estimate	S.E.	C.R.	B	p
Benefits	<---	Claiming Procedure	.043	.019	2.219	.091	.027
Benefits	<---	Product & Premium	.324	.039	8.309	.343	***
Benefits	<---	Customer Service Provided by LIC	.069	.029	2.336	.097	.019
Jeevan Bharathi	<---	Claiming Procedure	.830	.175	4.739	.200	***
Jeevan Bharathi	<---	Benefits	1.638	.372	4.402	.186	***

In the path analysis, the following hypotheses have been proposed.

H₀: There is no influence of claiming procedure on benefits

H₀: There is no influence of product & premium on benefits

H₀: There is no influence of customer service provided by LIC on benefits

Considering the significant individual path coefficients, it is seen that the influence of independent variables on benefits, claiming procedure shows that (C.R. – 2.219, beta – 0.091, p – 0.027), product & premium shows that (C.R. – 8.309, beta – 0.343, p – 0.000) and customer service provided by LIC shows that (C.R. 2.336, beta – 0.097, p – 0.019). Hence the p values are less than 0.05 and the hypotheses are rejected and significant influence on benefits.

H₀: There is no influence of claiming procedure on Jeevan Bharathi

H₀: There is no influence of benefits on Enhance the Jeevan Bharathi

Considering the significant individual path coefficients, it is seen that the influence of independent variables on Jeevan Bharathi, claiming procedure shows that (C.R. – 4.739, beta – 0.200, p – 0.000), and benefits shows that (C.R. 4.402, beta – 0.186, p – 0.000). Hence the p values are less than 0.01 and the hypotheses are rejected and significant influence on Jeevan Bharathi.

Covariances

IV		IV	Estimate	S.E.	C.R.	R	p
Claiming Procedure	<-->	Customer Service Provided by LIC	.082	.032	2.589	.114	.010
Product & Premium	<-->	Customer Service Provided by LIC	.058	.016	3.653	.162	***
Claiming Procedure	<-->	Product & Premium	-.034	.024	-1.421	-.062	.155

H₀: There is no relationship between claiming procedure and customer service provided by LIC

H₀: There is no relationship between product & premium and customer service provided by LIC

H₀: There is no relationship between product & premium and claiming procedure

Considering the significant individual path coefficients, it is seen that the relationship between independent variables, claiming procedure and customer service provided by LIC shows that (C.R. – 2.589, beta – 0.114, p – 0.010), and product & premium and customer service provided by LIC shows that (C.R. 3.653, beta – 0.162, p – 0.000).

Findings

1. It is concluded from the above table that the awareness level about LIC attains the score as (Low- 178, Medium- 210, and High- 132). Most of the investors' opinion falls into medium level of awareness towards LIC.
2. The above cross table shows that that 92 investor's opinion (51.7%) was the highest score found in this table regarding high level awareness having the education group of professional of investors for investing their money into LIC. Only a few of women investors in the education group of up graduate (N=30, 22.7%) having a low level awareness regarding investing in their money into LIC.



3. From path analysis, There is a relationship found between the variables viz product & premium, claiming procedure, customer service and benefits to enhance the behaviour level among the policyholder And also less behaviour while compare to the jeevan bharathi scheme.

Suggestion

Women are minister at home, achiever in work environment sometimes they are finance minister too in critical issues at home that no one will say “no”. Though the women specific policy Jeevan Bharathi, is in force in year 2003 majority of the women policy holders are not even aware of the very existence of the same. The insurance officials failed to take effective steps to popularize women policies like Jeevan Bharathi among women, so that special needs of women could be addressed in a better way. Though the women policy holders want their money back during their life time itself provided there is no risk, the majority of them still expect a portion of sum assured to be paid on their death also. To meet their needs policies with a combination of money back and whole life with extended non premium paying term policies may be introduced in the market. Similarly, women with unearned income prefer low-premium, high-risk policies. But the level of awareness found to be very low among them. The insurance agents are also found less interested in marketing these plans as it fetches low income and involves medical examination procedures. So, it is suggested that the LIC capitalizing its wide network do the needful to launch awareness programmes among women, particularly who live in rural and semi-urban places.

In the present study, it is learnt that the experiences of women policy holders regarding claims settlements vary considerably from person to person. So a detailed micro study may be conducted on the satisfaction analysis of women policy holders on the claim settlement mechanisms of insurers. This study may also through light on the positive as well as negative roles played by the intermediary.

Finally, based on the secondary data about the premium rate offered by the various insurers for female lives, a comprehensive analysis of all the insurance schemes may be made, suggesting the better ones to the female lives.

Conclusion

Women need an environment of trust to be able to invest their money in a financial product, especially life insurance, which provides a social security net. Life insurance products are complex and not easy to understand. A policyholder relies greatly on the advice of the service provider and any breach in that bond of trust has serious consequences for the business as a whole.

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