

Perception And Preference Of Policy Holders Towards Insurance Products Offered By LIC Of India, Coimbatore

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Abstract- Policyholder satisfaction significantly impacts customer loyalty, particularly in the insurance sector, where complex products, premium rates, and service quality Widespread industry practices. This study investigates the perception and preference of policyholders towards insurance products offered by LIC of India in Coimbatore, surveying 121 policyholders to examine their needs, expectations, and satisfaction levels. The research explores various insurance products, including life, health, and pension plans, to assess their effectiveness in meeting policyholders' requirements and enhancing their loyalty. Key findings indicate that policyholders' preferences are influenced by factors such as premium rates, service quality, and product features, and that effective product design and service delivery yield improved policyholder satisfaction, reduced lapsation rates, and increased customer loyalty. This study emphasizes the importance of understanding policyholders' perception and preference to design and deliver insurance products that meet their evolving needs and expectations.

Keywords- LIC of India, Coimbatore, Policyholder satisfaction management, Organizational support. Insurance product preference.

I. INTRODUCTION

The Life Insurance Corporation of India (LIC), Coimbatore, is addressing policyholder needs to maintain customer satisfaction and loyalty. Dissatisfaction with insurance products can lead to policy cancellations, decreased Customer loyalty rates, and substantial losses for the insurer. To Reduce this, LIC is exploring strategies to better understand policyholder preferences, such as surveys, focus groups, and customer feedback initiatives. By focusing on policyholder needs, including product features, pricing, and service quality, LIC aims to improve customer satisfaction, loyalty, and retention. Through a mixed-methods approach, combining surveys, interviews, and focus groups, the study will highlight the correlation between policyholder preference and insurance product effectiveness, identify effective strategies for improving policyholder satisfaction, and provide

recommendations for enhancing insurance products and promoting customer loyalty.

Objective

- To know the perceptions and preferences of policyholders towards insurance products offered by LIC of India in Coimbatore district.
- To find out the satisfaction level of policyholders about the various products offered by LIC of India in Coimbatore district.
- To identify the main factors influencing the perceptions and preferences of policyholders towards insurance products offered by LIC of India in Coimbatore district.

RESEARCH DESIGN

The research design is the blueprint for conducting the research study, outlining how the research will be carried out to answer the research questions and meet the objectives. In this case, the research design will focus on understanding the Perception and Preference of Policy Holders towards Insurance Products offered by LIC of India in Coimbatore. The approach was based on descriptive research. With 121 policyholders.

II. REVIEW OF LITERATURE

Singh, A. & Gupta, S. (2024)¹. "Examining the Factors Influencing Consumer Preferences for LIC's Life and Health Insurance Products." - the key factors that influence consumer preferences for life and health insurance products offered by Life Insurance Corporation (LIC). The research identifies several critical determinants, including pricing, product features, brand reputation, customer service, and trust, that impact consumer decision-making.

Ayyapparajan, R., Ravidas, V., & Vijayakumar, A. (2024)². focusing on factors that influence decision-making, awareness, and trust. It explores consumer attitudes towards

different life insurance offerings, the role of marketing and agent interactions, and how socio-economic variables affect buying behavior. The research identifies key challenges faced by insurers in increasing penetration and consumer confidence.

Sharma, N. & Kapoor, R. (2023)⁶. "Consumer Preferences Towards LIC Life Insurance Products: A Contemporary Study."- The objective of the study is to explore and analyze the factors that impact consumer preferences when selecting LIC life insurance products, focusing on current trends, behaviors, and market dynamics.

Kumar, N. & Yadav, R. (2022)⁷. "An Analysis of Factors Affecting Consumer Preferences for LIC Health and Investment Products."- To analyze the key factors that guide consumer choices in LIC's health and investment products, including pricing, product features, and consumer trust. the key factors influencing consumer preferences for Life Insurance Corporation (LIC) health and investment products.

LIKERTS TABLE SHOWING THE DISTRIBUTION OF RESPONDENTS BASED ON SATISFACTION LEVEL OF EASE OF PURCHASE AN LIC POICY

FACTORS	VERY SATISFIED	SATISFIED	NEUTRAL	DISSATISFIED	VERY DISSATISFIED	TOTAL
Ease of purchasing an LIC policy	40 (33.1)	33 (27.3)	24 (19.8)	13 (10.7)	11 (9.1)	121 (100%)
Clarity and transparency of policy terms and conditions	23 (19)	45 (37.2)	31 (25.6)	19 (15.7)	3 (2.5)	121 (100%)
Premium payment process (online/offline)	20 (16.5)	25 (20.7)	54 (44.6)	70 (14)	5 (4.1)	121 (100%)
Customer service experience	23 (19)	27 (22.3)	33 (27.3)	29 (24)	9 (7.4)	121 (100%)
Claim settlement process	20 (16.5)	33 (27.3)	40 (33.1)	19 (15.7)	9 (7.4)	121 (100%)
Return on investment in LIC products	18 (14.9)	37 (30.6)	38 (31.4)	22 (18.2)	6 (5)	121 (100%)
Communication and updates from LIC	21 (17.4)	33 (27.3)	28 (23.1)	26 (21.5)	13 (10.7)	121 (100%)

INFERENCE

A perception and preference of policyholders was conducted with 121 participants, yielding insightful results. The majority of participants, 44.6%, expressed significant in premium payment process with the insurance products offered by LIC of India in Coimbatore, while 22% showed moderate customer service experience. Only 2.5% were dissatisfied in

clarity and transparency of policy terms and conditions. The key factors influencing policyholder preference, including product features, premium rates, service quality, and claims settlement, contributed to the overall satisfaction with LIC's insurance products.

TWO-WAY TABLE SHOWING THE RELATIONSHIP BETWEEN EDUCATIONAL QUALIFICATION AND PREFERENCE FOR LIC

S.NO	EDUCATIONAL QUALIFICATION	PREFERENCE FOR LIC					TOTAL
		Additional riders	Bonuses and returns on investment	Flexibility to modify the policy in the future	Life coverage and security	Tax Benefit	
1	Graduate	15 (75%)	28 (84.84%)	12 (80%)	29 (85%)	18 (94.73%)	102
2	High School	3 (15%)	2 (6.6%)	-	3 (8.82%)	1 (5.26%)	9
3	Post graduate	2 (10%)	2 (6.6%)	2 (13.3%)	2 (5.8%)	-	8
4	Professional degree	-	1 (3.3%)	1 (6.6%)	-	-	2
	Total	20	33	15	34	19	121

INFERENCE

The total number of respondents collected are 121 and they are grouped based on their educational qualification and Preference for LIC. From the inferred data that total 102 of the respondents are working in LIC, out of them (94.73%) and Moderate (75%) of the respondents are getting additional riders and followed by Only (3.3%) of the respondents are getting bonuses and return on investment.

III. FINDINGS

LIKERTS SCALE

- 37.2% of participants reported a most clarity and transparency of policy terms and conditions
- 44.6% experienced a significant premium payment process, and the majority of participants had positive outcomes from the discussion.
- 33.1% reported the above table shows that 33.1% of respondents are satisfied with the claim settlement process, finding it to be efficient and meeting their expectations.
- 30.6% experienced Followed by respondents who are neutral with the return on investment, indicating that it is adequate but not exceptional.
- 27.3% of the respondents are satisfied with the communication and updates from LIC, finding them to be clear and timely.

TWO WAY TABLE

The Majority core is awarded for “TAX BENEFIT” and the lowest is awarded for “BONUSES AND RETURNS ON INVESTMENT”

IV. SUGGESTIONS

- LIC can conduct regular surveys and feedback sessions to understand policyholder needs and preferences, and make data-driven decisions to improve their products and services.
- Collaborating with financial advisors and experts can help LIC design innovative and competitive insurance products that meet the evolving needs of policyholders.
- Ensuring transparency and clarity in policy terms and conditions, and providing easy-to-understand policy documents can help build trust and confidence among policyholders.
- LIC can offer loyalty programs and rewards to long-term policyholders, and provide additional benefits and discounts for referrals and renewals.
- By leveraging digital technologies, such as artificial intelligence and data analytics, LIC can gain insights into policyholder behavior and preferences, and develop targeted marketing strategies to improve customer engagement and retention.

V. CONCLUSION

Policyholder satisfaction is a significant factor in LIC's operations, but the current level of satisfaction among policyholders is neutral. While some policyholders appreciate LIC's efforts to provide transparent and personalized services, others have expressed concerns about the complexity of its processes and the efficiency of its claims settlement. To maintain a neutral level of policyholder satisfaction, LIC should continue to simplify its processes, settle claims efficiently, and provide adequate customer support. In a competitive insurance market, policyholder satisfaction is one of the factors that can influence LIC's growth and success. By understanding the needs and expectations of its policyholders, LIC can identify areas for improvement and make informed decisions to enhance its services. Ultimately, maintaining a neutral level of policyholder satisfaction is essential for LIC to remain competitive and achieve its business objectives.

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