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Customer Perception Towards Life Insurance in Vadodara City

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Abstract: ***Life insurance is an essential financial product that provides protection and financial security to individuals and their families in the event of unforeseen circumstances such as death or disability. However, people's perception towards life insurance varies widely depending on their personal beliefs, experiences, and cultural backgrounds. Some individuals perceive life insurance as a necessary and valuable investment, providing peace of mind and security for their loved ones in the event of their untimely demise. Others may view life insurance as an unnecessary expense or a product only for the wealthy. Factors such as age, income, education, and cultural background can also influence people's perceptions of life insurance. For instance, younger individuals may perceive life insurance as less important, while older individuals may view it as a necessity. Similarly, people with lower incomes may see life insurance as unaffordable or a low priority compared to other financial needs. Overall, understanding people's perceptions towards life insurance is important for insurance companies to develop appropriate marketing strategies and products that meet the needs of different customer segments. It is also crucial for individuals to educate themselves about the benefits of life insurance and how it can provide financial security and peace of mind for themselves and their loved ones.***

Keywords: life Insurance, Distribution, lapsation, FDI, Policyholder.

I. INTRODUCTION



The insurance sector is made up of companies that offer risk management in the form of insurance contracts. The basic concept of insurance is that one party, the insurer, willguarantee payment for an uncertain future event. The insurance industry of India has 57 insurance companies - 24 are in the life insurance business, while 34 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. There are six public sector insurers in the non-life insurance segment. In addition to these, there is a sole national re-insurer, namely General Insurance Corporation of India (GIC Re). Other stakeholders in the Indian Insurance market include agents (individual and corporate),brokers, surveyors and third-party administrators servicing health insurance claims.

II. OVERVIEW OF INSURANCE SECTOR IN INDIA

1) Private Life Insurers are expected to grow their retail APE at a CAGR of over 17% between 2021-23, and new retail term premiums are expected to double in 5 years. The Private Non-Life insurance segment is forecasted to grow at 16% in FY22 and 14% in FY23. Standalone HealthInsurers are expected to grow by over 25% in FY22 due to the increased focus on healthcare.
2) The New Business Premium for Life Insurers has grown at a CAGR of 14% over FY14-20 led by thefinancialization of savings and new product launches, and the insurance industry size in India is expected to grow at 12.5% CAGR over the next decade 2020-30 led by specialized products such as protection and annuities.
3) Non-life insurers Collective gross direct premium underwritten for non-life insurance companies grew 22.99% y-o-y to INR 54,491.27 cr for the first quarter this fiscal from INR 44,303.91 cr for the same period last fiscal.

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$81.3 bn ıl Written Premium(Life Insurance)	$27 bn Gross Direct PremiumIncome (Non-Life Insurance)	45.25% Share of New BusinessPremium in Total Premium (Life Insurance)	34.1% Share of Motor Premium & Total Non-Life Premium

India is ranked 11th in global insurance business. India's share in global insurance market was 1.72% during 2020 and total insurance premium volume in India increased by 0.1%

III. REVIEW OF LITERATURE

Sneha, D. (2020) referenced her investigation that the future is dubious; no one can anticipate whatis to come. At whatever point there is susceptibility, there is a hazard. The hazard cannot be turnedaway; the chance is the vulnerability of monetary misfortune. However, there is an approach to ensure one's adorable Family safe, secure, and prosperous in the future. The principle capacity of protection is to give security against the conceivable possibility of monetary misfortunes. It takes out concerns and torments of misfortunes because of the pulverization of property and passing. The protection area goes about as activate of reserve funds and a monetary go-between and is likewisean advertiser of venture exercises. It can assume a critical job in the economic improvement of a nation. At the same time, financial advancement can encourage the development of the protection segment. Protection approaches spread the danger of life just as different misfortunes and propertylike home, vehicles, gems, based on inevitable dangers, protection arrangements can be classified into two, one is Life protection, and the other is General protection. The protected gets agreement called a protection strategy that subtleties the conditions and conditions under which the guaranteed will be redressed. According to the useful definition, protection is a co-employable gadget of the dispersing misfortunes falling on an individual or his Family over countless people, each bearing anostensible consumption and having a sense of safety against overwhelming misfortune. As indicated by legally binding definition, Insurance has been characterized to be that wherein an entirety of cashas a premium is paid with regards to the backup plans bringing about the danger of paying an enormous whole upon a given possibility.

Chauhan, N., & Khan, K. (2020) Life is risky and full of contingencies. People can overcome somecontingencies, but some cannot. Those uncertainties which are measurable and can be reduced by money are served or reduced by LIC policies if Investment is planned. So, to reduce the uncertaintiesof the future, one should invest in LIC and take advantage of it by fulfilling the obligation of LIC policies.

Daxini, S., & Parab, R. (2017) Life coverage is an instrument which gives security and monetary Insurance to oneself just as the Family. It helps the Family in the hour of vulnerability and helps in diminishing harms. We can appropriately say that disaster protection additionally helps in creating the propensity for investment funds among individuals. In India, there is LIC of India in the open area and numerous different organizations in the private segment. These organizations presume a significant job in making mindfulness about the dangers related to dubious passing or mishaps and,in this way, adding to government assistance of the general public. The current investigation is finished with the target of recognizing those variables which impact the clients to purchase the protection strategies and to check their discernments towards settling on venture choices in disaster protection—the zone for the above examination in the Thane area. Segment factors, just as view of financial specialists towards administration properties, are broke down. The reasons with a high opinion as to why financial specialists don't favor extra security were additionally enquired.

Venkaiah, A. (2016) stated his study that in the time of the 90s, he saw the development of progression. Progression implies lifting legislative limitations and permitting rivalry to assume a free job in the economy. Concerning protection business, progression implies permitting private endeavors to work in this specific division. The principal private insurance agencies which are testingthe imposing business model situation of LIC are TATA-AIA, SBI Life, Reliance, ICICI Prudential, ING Vysya, Max New York Life, and so forth. Vijayawada is notable for its development, and individuals are knowledgeable. The study endeavored to make sure about the assessment of Insurance strategy holders towards private Insurance organizations in Vijayawada city. The information was gathered from an example of 200 arrangement holders with the assistance of an organized poll. A comfort inspecting strategy was embraced. The significant discoveries of the examination incorporate that not many strategies are better options for LIC arrangements; the privateinsurance agencies should attempt to expand as far as possible and to lessen the concealed cost, certainty on private Insurance organizations due to the management of IRDA. A more substantial part of respondents has mindfulness about clinical approaches. The scientist feels dependable to recommend that the private Insurance organizations should configuration better Insurance approaches, increase as far as possible, and diminish concealed expense to adapt up the oppositionwith LIC. Medical coverage is one of the undiscovered zones of protection, so the private insurance agencies should concentrate on this territory as well.

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Ezhilarasi, A., & Kumar, G. V. (2016) The re-appropriating administrations in protection make exceptionally serious economic situations that critically affect customer conduct. Thus, it is the needof great importance for the protection part, to all the more likely comprehend their client's perspectives towards innovation when all is said in done, to upgrade expanded fulfillment of their clients utilizing on the web protection. In the event that they succeed, insurance agencies will have the option to impact and even decide client conduct, which will end up being a significant issue in encircling suitable techniques later on. This examination investigates the impression of clients on online protection. The examination additionally attempts to recognize whether the elements are impacting the clients to buy the online protection items and fulfillment level of online protection items.The found that variables are affecting the clients to buy the online protection items and clients are entirely fulfilled the online protection items which are offered by the safety net providers.

Chaudhary, S. (2016) Insurance agencies assume a significant job in the government assistance of human prosperity by giving security to a great many individuals against life dangers, for example, questionable demise or mishap. Indeed, even disaster protection is the quickest developing assistance part in India after privatization and increment in FDI. Along with these appearances, it has got basic to consider the purchasing behavior of the disaster protection approaches. The current examination inspects the different variables that influence customer observation towards extra security strategy. The example is comprised of 100 respondents from Amritsar, Ludhiana, and Chandigarh.

The exact method utilized for the investigation is graphic and factor examination. The significant finding of the investigation mirrored that there are six elements, for example, modified andconvenient administrations, better organization notoriety, robust help quality, client accommodation, distinct advantages, and stable client-customer relationships that impact the buyer recognition towards life coverage strategy.

Nisamudheen, T. (2013) observed that the insurance industry is a highly competitive one. In the Indian market, Insurance is one of the emerging sectors; many privet companies are entering into this sector for earning profit as well as to provide services to customers who are living in the rural and urban areas, and many other institutions are entering into the field with innovative services. Both LIC and HDFCSL insurance companies play a remarkable role in the development of a country. Financial security and risk coverage are one of the major determinants in influencing the policyholderto take the policy.

It is observed that among the policyholders with different age groups, the youngergroups have a positive attitude with the insurance plans than elders. It is apparent from the study that the majority of the policyholders was satisfied with the policies and preferred new innovative marketing insurance plans and policies at different times, and most of the respondents came to knowabout the services through agents. So, the success of the insurance industry is achieved if the company can create the right environment, good report with agents, and evaluate the expectations and perceptions of customers, the culture and attitude of the employees to serve the customers better.

Upadhyaya, D & Badlani, M (2011) stressed the job of innovation to improve quality and consumer loyalty in disaster protection organizations in India with an example of 206 protection clients from four significant urban communities of India has been taken to advance a superior hypothetical comprehension and acknowledgment of the complexities to support quality and its estimation concerning extra security as client assistance is a vital piece of life coverage association. Key achievement factors in the disaster protection industry should be recognized regarding consumer loyalty so as to get by in extraordinary rivalry and increment the piece of the pie.

IV. OBJECTIVE

1) To study awareness of people about insurance. To determine reasons behind opting for an insurance.
2) To know the most preferred policy. To determine customers perception towards private insurance companies and their expectation form private insurance companies.
3) The primary purpose of life insurance is to provide a financial benefit to dependents upon premature death of an insured person. The policy pays specified amount called a “death benefit” to the named beneficiary, when the insured dies.

V. METHODOLOGY

A research design is a basic plan which guides the researcher in the collection and analysis of data required for practicing the research. Inflant the research design is the conceptual structure which theresearch is conducted.It constitutes the “blue print” for the collection, measurement and analysis of the data. The study is carried out to understand the consumer perception about life insurance policies in Vadodara city. For the study of researcher used convenience research design. The research cover 152 consumers in Vadodara city, belonging various age group.

A. Research Plan

1)	Data Source	Primary Data
2)	Research Design	Descriptive Research
3)	Research Approach	Survey
4)	Research Instrument	Questionnaire
5)	Method Of Contact	Personal
6)	Sample Size	152
7)	Sampling Method	Convenience Sampling method

VI. ANALYSIS

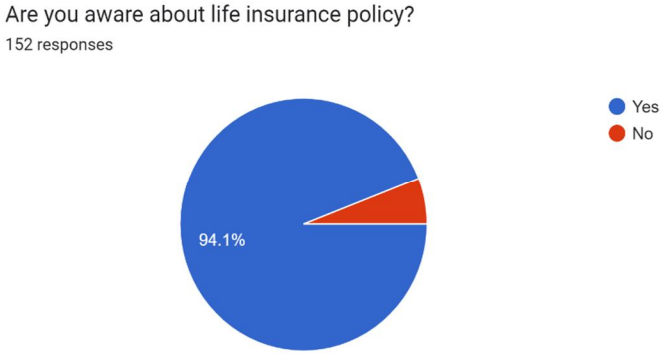
The survey was conducted online, and 152 respondents were selected randomly from different regions of Vadodara (city). The survey collected data on various aspects of customer perception towards the life insurance in Vadodara city, including awareness, trust, price, benefits, and customer service. The data was analysed using statistical tools and interpreted based on Age, occupation, Monthly income, gender, family type, Earning member in a family, etc.

Table 1. Demographic Profile:

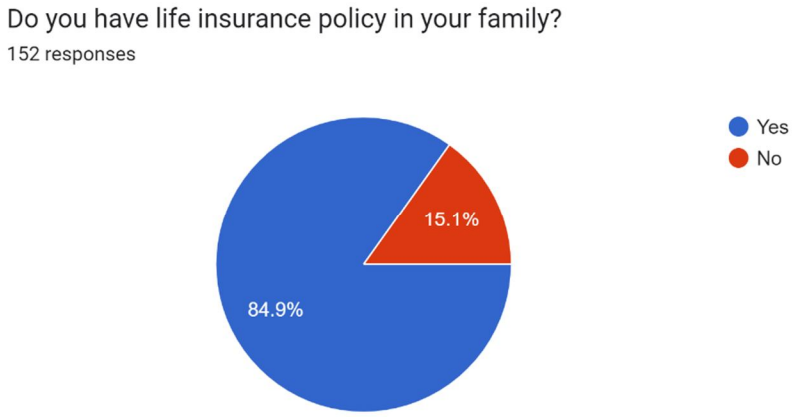
Descriptive Statistics

	N	Minimum	Maximum	Mean
Age	152	16	62	28.89
Occupation	152	1	5	3.06
Income	152	1	5	2.33
Gender	152	1	3	1.28
Family Type	152	1	2	1.45
Earning Members in Family	152	1	5	2.32
Valid N (listwise)	152			

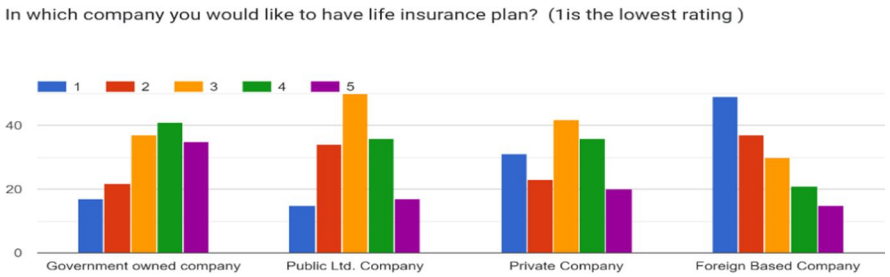
The data provided includes information on age, occupation, income, gender, and family type for a sample of 152 individuals. The mean age of the sample is 28.89, with a minimum age of 16 and a maximum age of 62. The mean occupation score is 3.06, with scores ranging from 1 to 5. The mean income score is 2.33, with scores ranging from 1 to 5. The mean gender score is 1.28, with scores ranging from 1 to 3. The mean family type score is 1.45, with scores ranging from 1 to 2. However, no information has been provided regarding the "earning members in family" variable.



As per following chart: The survey found that the majority of respondents (94.1%) were aware of life insurance policies in India. However, 5.9% of respondents were not aware of life insurance policies, indicating a need for increased awareness campaigns.



The survey found that 84.9% of respondents had an existing life insurance policy, while 15.1% of respondents did not have a life insurance policy.



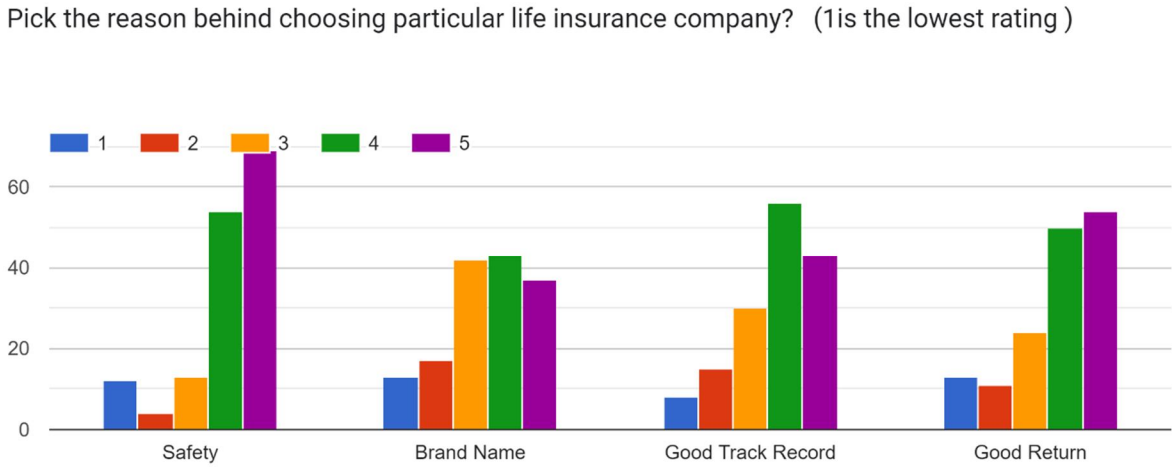
The survey found that customers who had an existing life insurance policy had a higher level of trust in the life insurance industry. These customers also had a more positive perception of the industry regarding the quality of customer service and the benefits provided by the policies.

Statistics

		Government	Public	Private	Foreign Base
N	Valid	152	152	152	152
	Missing	0	0	0	0
Mean		3.36	3.04	2.94	2.45
Median		3.50	3.00	3.00	2.00
Mode		4	3	3	1
Minimum		1	1	1	1
Maximum		5	5	5	5

The survey found that Government life insurance companies were the most preferred type of company to have a life insurance plan with respondents choosing them as their preferred type of company. Public limited companies were the second most preferred type of company and Private limited companies were third medium preferred with of respondents choosing them. Foreign-based companies were the least preferred type of company, with less respondents choosing them.

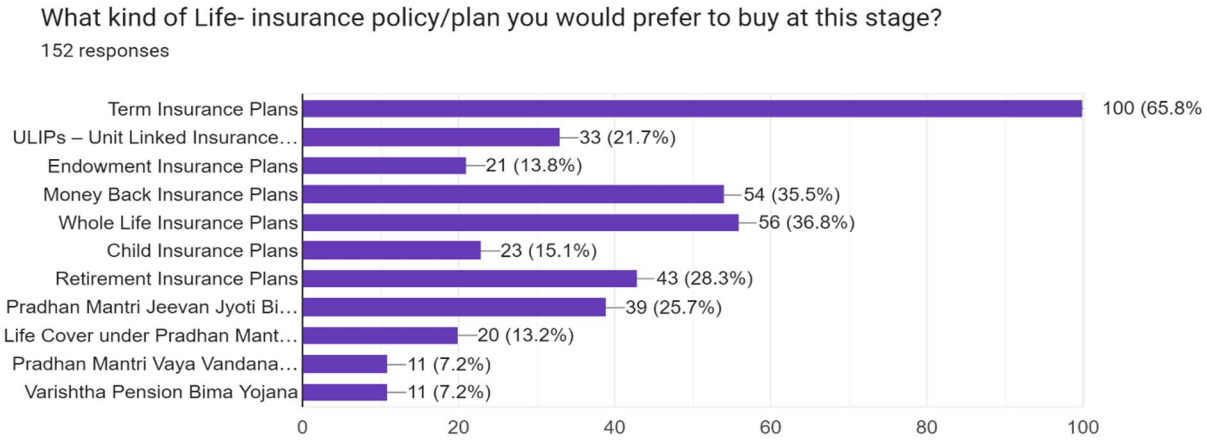
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Statistics

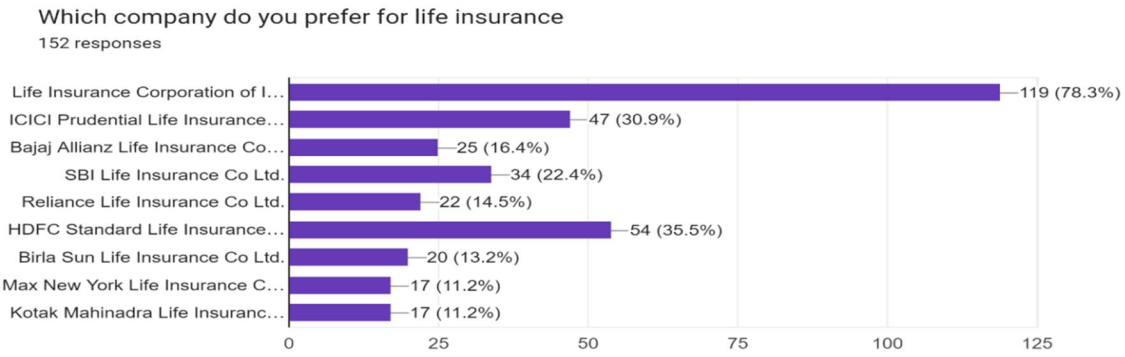
		Safety	Brand Name	Good Track Record	Good Return
N	Valid	152	152	152	152
	Missing	0	0	0	0
Mean		4.08	3.49	3.73	3.80
Median		4.00	4.00	4.00	4.00
Mode		5	4	4	5
Minimum		1	1	1	1
Maximum		5	5	5	5

The survey found that brand safety was the most important factor for customers in choosing a particular life insurance company, with much higher respondents stating this as their reason for choosing a particular company.
The second prefer service is Goods Return of policy as per respondents. The third and Forth are Good Track Record and Brand Name on based on policy.

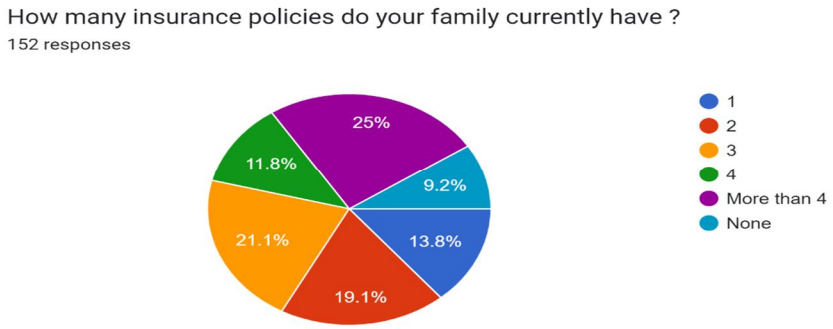


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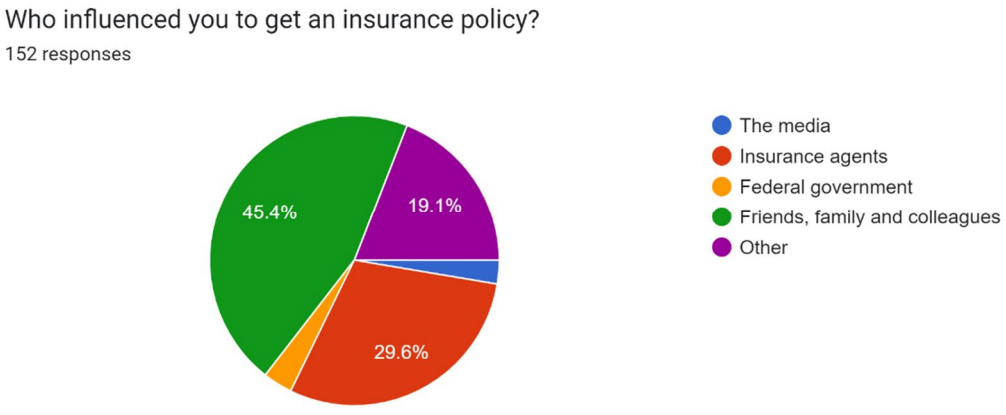
The survey found that Term insurance was the most preferred kind of life insurance policy for customers at this stage of their life, with 65.8% of respondents , Whole Life Insurance is the second preferred policy at 36.8% and less preferred policy are Varishtha Pension Bima and Pradhan Mantri Vaya policy are less popular policy as per following survey.



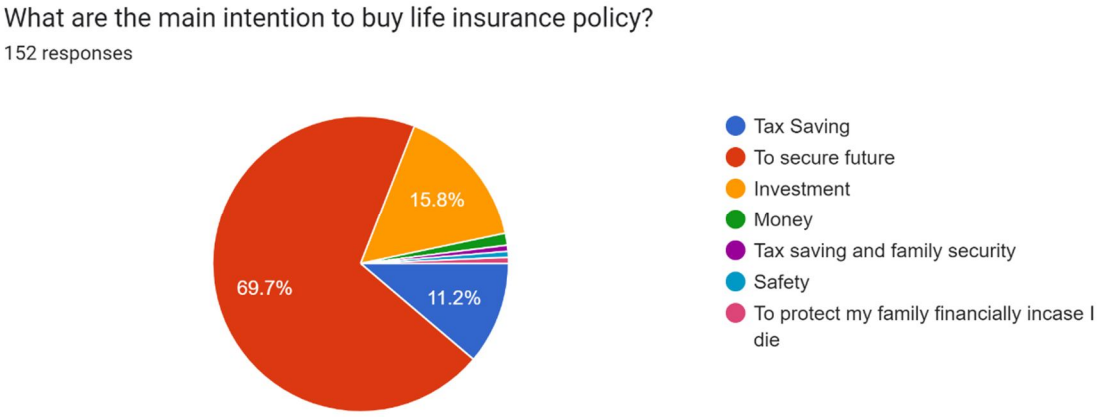
The survey found that Life Insurance Co.(LIC) was the most preferred kind of life insurance company with 78.3% of respondents , HDFC Standard is the second preferred policy at 35.5% and less preferred companies are Max New York Life Insurance and Kotak Mahinadra Life Insurance are less popular comapny as per following survey.



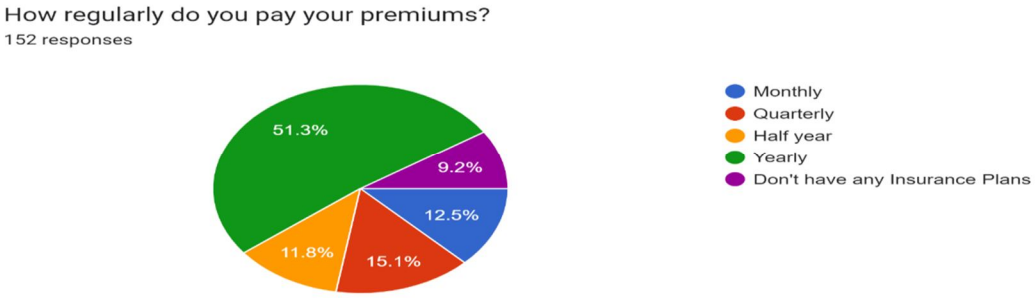
Based on the project survey some families have multiple insurance policies from different companies, while others have only one or none at all. The reasons for having multiple policies varied, with some families stating that they have policies from different companies as a way of diversifying their investment portfolio, while others have multiple policies as a result of purchasing policies at different times or to cover different types of risks.



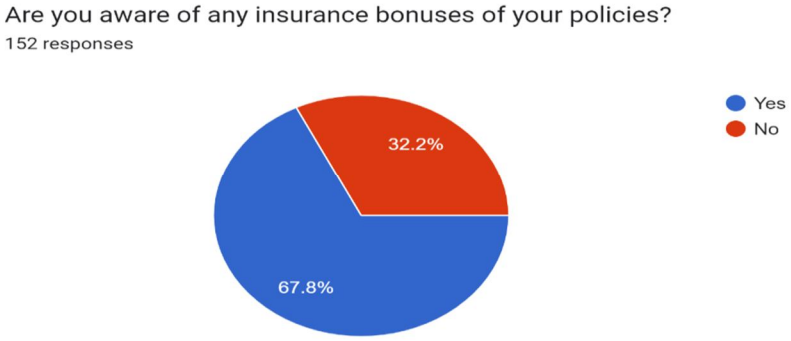
As per the following chart many customers mentioned that family members, friends, or colleagues influenced their decision to purchase an insurance policy. In some cases, insurance agents were also mentioned as a source of influence, especially for customers who were approached directly by agents or who had existing relationships with them. Some customers stated that they decided to purchase insurance policies on their own accord, after doing their own research and recognizing the need for financial security.



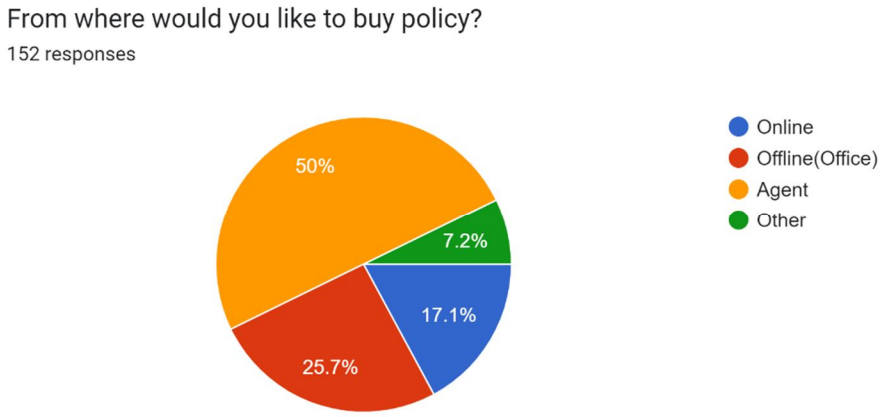
Many customers cited To Secure Future as the main reason for buying life insurance. They wanted to ensure that their families would be financially secure in the event of their death, Some customers saw life insurance as a way of investing their money, with the added benefit of financial protection, this are the main intention to buy policy as per the following chart.



The majority of respondents indicated that they pay their life insurance premiums on an Yearly basis at 51.3%. This is likely due to the fact that yearly payments typically offer discounts and are more convenient for customers, the second is Quarterly with 15.1% .



As per following chart 67.8% responded are aware of insurance bonuses of their policy and 32.2% are not much aware about this type of bonuses on their policy.



A significant number of respondents indicated that they prefer to buy their life insurance policies from agent. This is likely because agents can provide personalized advice and recommendations based on the customer's individual needs and circumstances, other than that Some respondents prefer to buy their policies through offline (office) or physical locations. This may be because they prefer to have face-to-face interactions and want to be able to ask questions or receive assistance in person.

VII. FINDINGS

1) It was found that 78.3% of respondents were willing to take a life insurance under LIC and very less no of respondents are interested in other companies.
2) The scheme mostly preferred by insurance holders was Term Insurance plan schemes like death benefits followed by money growth plan like wealth creation and high return plans.
3) It was found that people prefer to buy policies from agent more rather than online.
4) According to survey safety is most important criterion which is expected among all the respondents towards their investment alternatives followed by Return, Brand name, Tax benefits, Liquidity and capital growth.
5) According to the study company image is to be highly important criteria which we consider before taking up life insurance this is mainly because people expect safety and security of their money which they invest, followed by the factor premium which we pay to the insurer and then bonus and interest paid by the company, services etc.
6) People who belong to different age groups and income have different perception regarding the most important criteria before taking the decision on a life insurance policy

VIII. CONCLUSION

In conclusion, customer perception towards the life insurance industry is a complex issue that is influenced by many factors. These factors include the customer's level of knowledge about life insurance products, the reputation of the insurance company, the quality of customer service provided by the insurance company, and the overall economic climate.

While some customers view life insurance as a necessary financial tool for providing security and protection for their loved ones, others may be skeptical or even distrustful of the industry due to negative experiences or perceptions of it as a sales-driven and profit-oriented business.

To improve customer perception, life insurance companies need to focus on educating their customers about the benefits and importance of life insurance, providing excellent customer service, being transparent and honest in their practices, and offering competitive pricing and innovative products that meet the changing needs of their customers.

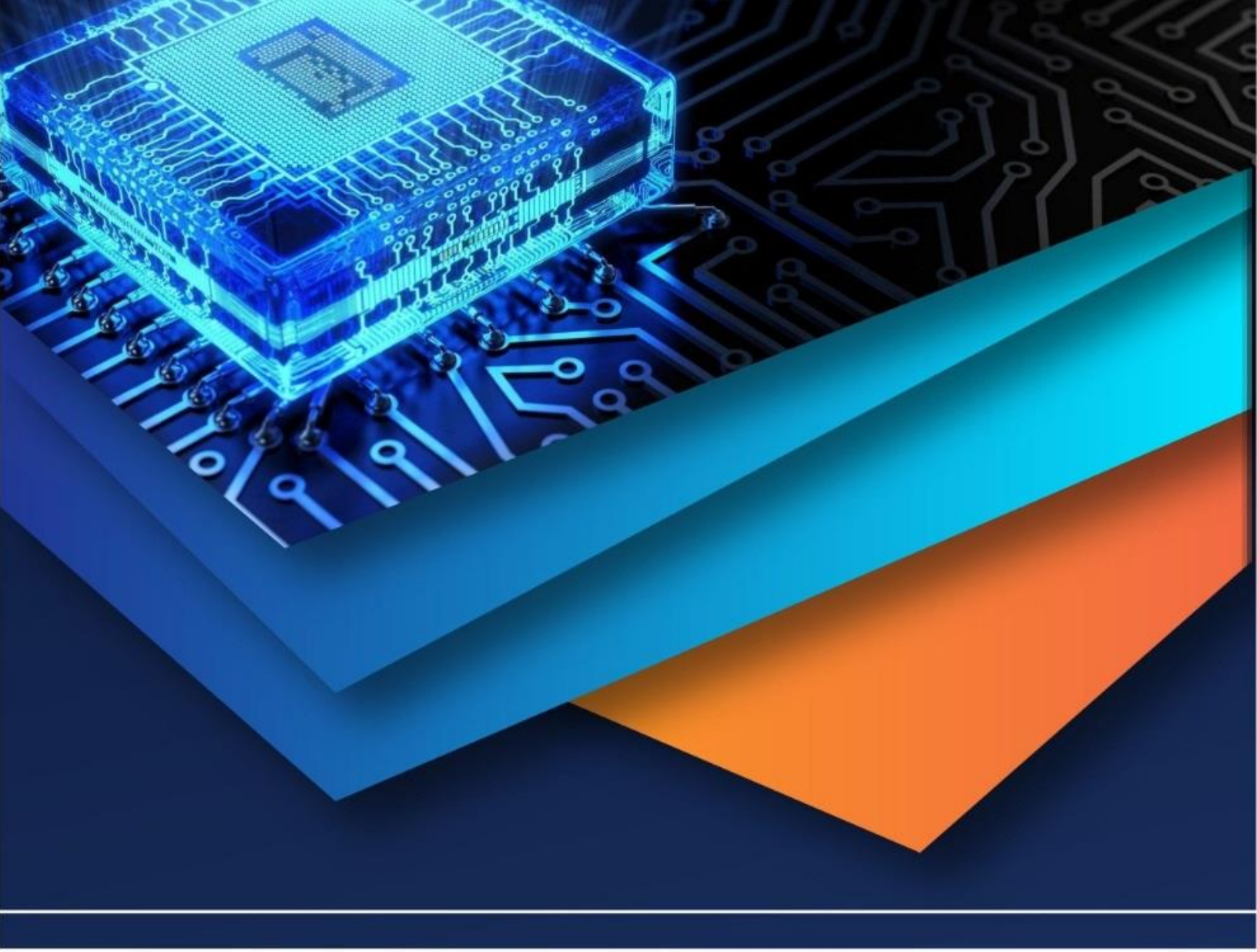
By taking these steps, life insurance companies can build trust with their customers and improve their perception of the industry, ultimately leading to increased sales and customer satisfaction.

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