

A Study Attitude of the Policyholders towards Services of Life Insurance Corporation of India with Special Reference to Tiruchirappalli District

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Abstract- *the present study analyzes the attitudes of policyholders of Life Insurance Corporation of India with special reference to Tiruchirappalli district, the data were collected and analysed as per the requirement of the study. The primary data were collected from the respondents through interview schedule in June 2011 to March 2012. The study has adopted proportionate stratified random sampling method for selecting 500 respondents. The results revealed the fact that the factors, age, education, marital status, family size, number of earning members, income and awareness have influenced the level of attitude of the policyholders. Whereas the factors like sex, occupation and patronage mentality did not influence the level of attitude.*

Keywords- Attitude, patronage mentality Policyholders Life Insurance Corporation

I. INTRODUCTION

This paper deals with the level of attitude of the policyholders to the services of Life Insurance Corporation of India. A large number of administrative staff and agents have been appointed to render services to the policyholders. The views of policyholders on the services of the corporation may vary from person to person. The level of attitude of the policyholders is meant to indicate the extent to which the services have been availed of by them.

A. Review of literature

Sudarshena Reddy in his paper titled “Customer Perception towards Private Life Insurance Companies Policies with reference to Bangalore city” has explained the psychological factors such as motivation and personality, perception, learning, values, belief and attitude and life style which influence customer behaviour. Perception can be described, “How they see the world around us”. Perception is the process by which an individual selects, organizes and interprets information on the basis of objective reality.

The objectives of the study are to know the customers opinion on whether private insurance policies are better alternatives of public insurance company’s policies or not and

to analyze customer perception about hidden cost of private insurance policies and also to check whether customers are aware of health insurance policies or not; to provide suggestion to the private and public life insurance companies for successful business most of the respondents are aware of IRDA and its role in insurance sector and they feel that private insurance companies have been investing premium amount in accordance to the norms of IRDA, but still potential customers are requested to go with LIC when the decision making time comes since they are feeling that it is private company. Private companies may make extra effort for the convenience of the potential customers. They can have an understanding with the banks for marketing insurance policies.

B. Statement of the Problem

For 43 years, L.I.C. of India enjoyed monopolistic status. The large funds could be raised for nation building activities and lakhs and millions could enjoy the benefits of life insurance. A vast majority of the population of insurable lives in India remained uncovered and untapped.

At present there are 14 private insurance companies (including Indian private insurance companies and Indian private insurance companies with foreign partners) in India. These companies are competing with the Life Insurance Corporation of India to tap the immense insurance market potential of India. The new entrants with the most modern technologies and sophisticated and efficient management capabilities pose a great threat to the monopolistic Life Insurance Corporation of India.

Hence the study analyses the benefits derived by the policyholders from the LIC and the attitude of the policyholder towards LIC.

C. Objectives of the Study

The main objectives of the present study are as follows

1. To study the attitude of policyholders to the services of the LIC

- To identify the factors influencing the attitude of policyholders.

III. METHODOLOGY OF THE STUDY

The primary data were collected from policyholders who took Life Insurance Policies in Tiruchirappalli District. For the purpose of collecting the primary data an interview schedule has been used. The secondary data had to be collected from the LIC documents. A sample of 500 respondents has been selected for the study. The researcher has adopted proportionate stratified random sampling method for selecting the respondents. After collecting the primary data with the help of interview schedule, the present study aims at measuring the attitude of policyholders who have taken policy in the LIC. The primary data were collected from the respondents through interview schedule in June 2011 to March 2012.

The level of attitude has been determined by the score values calculated for 20 statements which are related to the services rendered by LIC in Tiruchirappalli District by adopting scaling Technique, namely Likert-Type scale. This enabled the respondents to record their responses with proper understanding of the settlements. The level of attitude has been classified into three categories, namely low level, medium level and high level for analytical purpose.

A. Analysis and Interpretations of Data

Table 1: Level of attitude of policyholders

No	Level of Attitude	Number of Policyholders	Percentage
1.	High	130	26.00
2.	Medium	263	52.60
3.	Low	107	21.40
Total		500	100

Source: Primary Data.

From Table 1, it is clear that out of 500 policyholders 130 (26.00) of them fell under high level attitude, 263 (52.60) of them came under the category of medium level attitude and 107 (21.40) fell under the low level attitude.

Table 2: Age of the Policyholders and Level of Attitude

No	Age (in years)	Level of attitude			Total
		High	Medium	Low	
1.	Below 25	35 (26.92)	53 (20.15)	19 (17.75)	107 (21.40)
2.	25 – 35	27 (20.77)	73 (27.76)	10 (9.35)	110 (22.00)
3.	35 – 45	30 (23.08)	40 (15.21)	47 (43.92)	117 (23.40)
4.	45 – 55	17 (13.08)	52 (19.77)	23 (21.50)	92 (18.40)
5.	Above 65	21 (16.15)	45 (17.11)	8 (7.48)	74 (14.80)
Total		130 (100)	263 (100)	107 (100)	500 (100)

Source: Primary Data.

* Figures in parentheses denotes percentage

From Table 2, it has been observed that out of 130 policyholders with high level of attitude, maximum of 35 (26.92 per cent) of them are in the age group below 25 years followed by 30 (23.08 per cent) of them in the age group between 35 – 45 years, 27 (20.77 per cent) in the age group between 25 – 35 years, 21 (16.15 per cent) of them in the age group above 65 years and 17 (13.08 per cent) of them in the age group between 45-55 years. Out of 263 policyholders with medium level of attitude, maximum of 73 (27.76 per cent) of them are in the age group between 25 – 35 years followed by 53 (20.15 per cent) of them in the age group below 25 years, 52 (19.77 per cent) of them in the age group between 45 – 55 years, 45 (17.11 per cent) in the age group above 65 years and 40 (15.21 per cent) of them in the age group between 35 – 45 years. Further it also shows that out of 107 policyholders with low level of attitude, maximum of 47 (43.92 per cent) of them in the age group between 35 – 45 years followed by 23 (21.50 per cent) of them in the age group between 45 – 55 years, 19 (17.75 per cent) of them in the age group below 25 years, 10 (9.35 per cent) in the age group between 25 – 35 years and 8 (7.48 per cent) of them in the age group above 65 years respectively.

Table 3: Sex of the Policyholders and the Level of Attitude

No	Sex	Level of attitude			Total
		High	Medium	Low	
1.	Male	70 (53.85)	148 (56.27)	40 (37.38)	258 (51.60)
2.	Female	60 (46.15)	115 (43.73)	67 (62.62)	242 (48.04)
Total		130 (100)	263 (100)	107 (100)	500 (100)

Source: Primary data.

From Table 3, it has been revealed that out of 500 policyholders, 258 (51.60 per cent) of them are male and 242 (48.04 per cent) of them are female. Out of 130 policyholders

with high level of attitude, 70 (53.85 per cent) of them are male and remaining 60 (46.15 per cent) of them are female. Out of 263 Policyholder with medium level of attitude 148 (56.27 per cent) of them are male and 115 (43.73 per cent) of them are female. Out of 107 policyholders with low level of attitude, 67 (62.62 per cent) of them are female and remaining 40 (37.38 per cent) of them are male respectively.

Table 4: Educational Qualification of the Policyholders and Level of Attitude

No	Educational Qualification	Level of attitude			Total
		High	Medium	Low	
1.	Primary	15 (11.54)	43 (16.35)	37 (34.58)	95 (19.00)
2.	Secondary	18 (13.85)	48 (18.25)	32 (29.92)	98 (19.60)
3.	Higher secondary	20 (15.38)	78 (29.66)	14 (13.08)	112 (22.40)
4.	Under graduates	33 (25.38)	63 (23.95)	12 (11.21)	108 (21.60)
5.	Post graduates/ professionals	44 (33.85)	31 (17.79)	12 (11.21)	87 (17.40)
Total		130 (100)	263 (100)	107 (100)	500 (100)

Source: Primary Data.

From Table 4, it has been inferred that out of 130 policyholders with high level of attitude, maximum of 44 (33.85 per cent) of them have post graduate/professional level education followed by 33 (25.38 per cent) of them who have under graduate level education, 20 (15.38 per cent) have higher secondary level education, 18 (13.85 per cent) of them have secondary level education and 15 (11.54 per cent) of them have primary level of education. Out of 263 policyholders with medium level of attitude, maximum of 78 (29.66 per cent) of them have higher secondary level education followed by 63 (23.95 per cent) of them who have under graduate level education, 48 (18.25 per cent) have secondary level education, 43 (16.45 per cent) of them have primary level education, and 31 (11.79 per cent) of them have post graduate/professional level education. Further it also shows that out of 107 policyholders with low level of attitude, maximum of 37 (34.58 per cent) of them have primary level education followed by 32 (29.92 per cent) of them who have secondary level education, 12 (11.21 per cent) of them have under graduate level education, 14 (13.08 per cent) of them have higher secondary level education and 12 (11.21 per cent) of them have post graduate/professional level education respectively.

Table 5: Marital Status of the Policyholders and Level of Attitude

No	Marital Status	Level of attitude			Total
		High	Medium	Low	
1.	Married	68 (52.31)	151 (57.41)	31 (28.96)	250 (50.00)
2.	Unmarried	47 (36.15)	80 (30.42)	71 (66.36)	198 (39.60)
3.	Widow/ Widower	15 (11.54)	32 (12.17)	5 (4.68)	52 (10.40)
Total		130 (100)	263 (100)	107 (100)	500 (100)

Source: Primary Data.

It is clearly revealed from the Table 5 that out of 130 policyholders with high level of attitude, maximum of 68 (52.31 per cent) of them are married followed by 47 (36.15 per cent) of them who are unmarried and 15 (11.54 per cent) of them who are widows/widowers. Out of 263 policy holders with medium level of attitude, maximum of 151 (57.41 per cent) of them are married followed by 80 (30.42 per cent) of them who are unmarried and 32 (12.17 per cent) of them who are widows/widowers. Further it also shows that out of 107 policyholders with low level of attitude maximum of 71 (66.36 per cent) of them are unmarried followed by 31 (28.96 per cent) of them who are married and only 5 (4.68 per cent) of them are widows/widowers respectively.

Table 6: Family Size of the Policyholders and Level of Attitude

No	Family size	Level of attitude			Total
		High	Medium	Low	
1.	Below 3	28 (21.54)	35 (13.31)	62 (57.94)	125 (25.00)
2.	3 – 6	72 (55.38)	148 (56.27)	37 (34.58)	257 (51.40)
3.	Above 6	30 (23.08)	80 (30.42)	8 (7.48)	118 (23.60)
Total		130 (100)	263 (100)	107 (100)	500 (100)

Source: Primary Data.

From Table 6, it has been inferred that out of 130 policyholders with high level of attitude maximum of 72 (55.38 per cent) of them have family size between 3–6 members followed by 28 (21.54 per cent) who have family size below 3 members and 30 (23.08 per cent) of them who have family size above 6 members. Out of 263 policyholders with medium level of attitude maximum of 148 (56.27 per cent) of them have family size between 3–6 members followed by 80 (30.42 per cent) who have family size above 6 members and 35 (13.31 per cent) of them who have family size below 3 members. Further it also shows that, out of 107 policyholders with low level of attitude maximum of 62 (57.94 per cent) of

them who have family size below 3 members followed by 37 (34.58 per cent) of them who have family size between 3 – 5 members and 8 (7.48 per cent) of them who have family size above 6 members respectively.

Table 7: Occupation of the Policyholders and Level of Attitude

No	Occupation	Level of attitude			Total
		High	Medium	Low	
1	Government employees	30 (23.08)	73 (27.76)	14 (13.08)	117 (23.40)
2	Business	38 (29.23)	48 (18.25)	22 (20.56)	108 (21.60)
3	Farmer	23 (17.69)	35 (13.30)	25 (23.36)	83 (16.60)
4	Housewife	10 (7.69)	32 (12.17)	6 (5.61)	48 (9.60)
5	Professionals	20 (15.38)	50 (19.01)	30 (28.04)	100 (20.00)
6	Others	9 (6.93)	25 (9.51)	10 (9.35)	44 (8.80)
Total		130 (100)	263 (100)	107 (100)	500 (100)

Source: Primary Data.

It has been revealed from the Table 5.12 that out of 130 policyholders, with high level of attitude, majority of 38 (29.23 per cent) of them have their own business followed by 30 (23.08 per cent) of them who are government employees and 23 (17.69 per cent) of them who are farmers. Out of 263 policyholders with medium level of attitude, majority of 73 (27.76 per cent) of them are government employees followed by 48 (18.25 per cent) of them who have their own business and 50 (19.01 per cent) of them who are professionals. It also shows that out of 107 policyholders with low level of attitude, majority of 30 (28.04 per cent) of them are professionals followed by 25 (23.36 per cent) of them who are farmers and 22 (20.56 per cent) who have their own business respectively.

Table 8: Number of Earning Members and Level of Attitude

No	Number of Earning Members	Level of attitude			Total
		High	Medium	Low	
1.	Below 2	30 (23.08)	148 (56.27)	24 (22.43)	202 (40.40)
2.	2 – 4	72 (55.38)	78 (29.66)	30 (28.04)	180 (36.00)
3.	Above 4	28 (21.54)	37 (14.07)	53 (49.53)	118 (23.60)
Total		130 (100)	263 (100)	107 (100)	500 (100)

Source: Primary Data.

From Table 8 it has been observed that out of 130 policyholders with high level of attitude, maximum of 72

(55.38 per cent) of them have 2 – 4 earning members in their family followed by 30 (23.08 per cent) of them who have below 2 earning members in the family and 28 (21.54 per cent) who have above 4 earning members in the family. Out of 263 policyholders with medium level of attitude, maximum of 148(56.27 per cent) of them who have below 2 earning members in the family followed by 78 (29.66 per cent) who have 2- 4 earning members in the family and 37 (14.07 per cent) of them who have above 4 members in the family. It also shows that, out of 107 policyholders maximum of 53 (49.53 per cent) of them who have above 4 earning members in the family followed by 30 (28.04 per cent) of them who have 2 – 4 earning members in the family and 24 (22.43 per cent) of them who have below 2 earning members in the family.

Table 9: Income of the Policyholders and Level of Attitude

No	Annual Income (in Rs.)	Level of Attitude			Total
		High	Medium	Low	
1.	Below 30,000	23 (21.55)	30 (11.40)	4 (3.74)	57 (11.40)
2.	30,000 – 50,000	37 (24.62)	95 (36.12)	5 (4.67)	137 (27.40)
3.	50,000 – 75,000	64 (46.04)	48 (18.26)	18 (16.82)	130 (26.00)
4.	75,000 – 1,00,000	7 (5.03)	50 (19.01)	46 (42.99)	103 (20.60)
5.	Above 1,00,000	8 (2.76)	40 (15.21)	25 (23.36)	73 (14.60)
Total		139 (100)	263 (100)	98 (100)	500 (100)

Source: Primary Data.

It has been observed from Table 9 that out of 130 policyholders with high level of attitude maximum of 64 (46.04 per cent) of them have income between Rs.50,000 – 75,000 followed by 37 (26.62 per cent) who have income between Rs.30,000 – 50,000, 23 (21.55 per cent) of them who have annual income below Rs.30,000, 8 (5.03 per cent) who have annual income between Rs.75,000 to 1,00,000 and 7 (5.03 per cent) of them who have annual income above Rs.1,00,000. Out of 263 policyholders with medium level of attitude, maximum of 95 (36.12 per cent) of them who have annual income between Rs.30,000 – 50,000 followed by 50 (19.01 per cent) who have annual income between Rs.75,000 to 1,00,000, 48(18.26 per cent) of them who have annual income between Rs.50,000 – 75,000, 40 (15.21 per cent) of them who have annual income above Rs.1,00,000 and 30 (11.40 per cent) who have annual income below Rs.30,000. Further it also shows that, out of 107 policyholders with low level of attitude, maximum of 46 (42.99 per cent) of them who have annual income between Rs.75,000 – 1,00,000 followed by 25 (23.36 per cent) of them who have annual income above Rs.1,00,000, 18 (16.82 per cent) who have annual income

between Rs.50,000 – 75,000, 5 (4.67 per cent) who have annual income between Rs.30,000- 50,000 and 4 (3.74 per cent) of them who have annual income below Rs.30,000 respectively.

Table 10: Awareness of Policyholders and Level of Attitude

No	Awareness	Level of Attitude			Total
		High	Medium	Low	
1.	Having awareness	78 (60.00)	155 (58.94)	44 (41.12)	277 (55.40)
2.	Not having awareness	52 (40.00)	108 (41.06)	63 (58.88)	223 (44.60)
Total		130 (100)	263 (100)	107 (100)	500 (100)

Source: Primary Data.

From Table 10 it has been inferred that out of 500 policyholders, maximum of 277 (55.40 per cent) of them have awareness about the terms and conditions of the policy while remaining 223 (44.60 per cent) of them do not have awareness about the terms and conditions of the policy. Out of 130 policyholders with high level of attitude, maximum of 78 (60.00 per cent) of them have awareness about the terms and conditions of the policy while 52 (40.00 per cent) of them do not have awareness about the policy. Out of 263 policyholders with medium level of attitude, maximum of 155 (58.94 per cent) of them have awareness about the policy while 108 (41.06 per cent) of them do not have awareness about the policy. Further it also shows that, out of 107 policyholders, maximum of 63 (58.88 per cent) of them lack awareness about the terms and conditions of the policy, while 44 (41.12 per cent) of them have awareness about the policy respectively.

Table 11: Patronage Mentality of the Policyholders and Level of Attitude

No	Category	Level of attitude			Total
		High	Medium	Low	
1.	Respondents with the patronage mentality	63 (48.46)	148 (56.27)	52 (48.60)	263 (52.60)
2.	Respondents who do not have patronage mentality	67 (51.54)	115 (43.73)	55 (51.40)	237 (47.40)
Total		130 (100)	263 (100)	107 (100)	500 (100)

Source: Primary Data.

Table 11 reveals that out of 130 policyholders with high level of attitude, maximum of 67 (51.54 per cent) of them do not have patronage mentality while 63 (48.46 per cent) of them has patronage mentality. Out of 263 respondents with medium level of attitude, maximum of 148 (56.27 per cent) of

them have patronage mentality while 115 (43.73 per cent) of them do not have patronage mentality. Further it also shows that, out of 107 policyholders with low level of attitude, maximum of 55 (51.40 per cent) of them do not have patronage mentality while 52 (48.60 per cent) of them have patronage mentality.

III. CONCLUSION

The attitude of the policyholders has been measured by adopting Likert type scaling technique. The attitude has been categorized into three levels namely high, medium and low level. Out of 500 sample policyholders, 26 per cent, 52.60 per cent and 21.40 per cent of them came under the category of high, medium and low level attitude respectively.

The results revealed the fact that the factors, age, education, marital status, family size, number of earning members, income and awareness have influenced the level of attitude of the policyholders. Whereas the factors like sex, occupation and patronage mentality did not influence the level of attitude.

A. Limitations of the Study

This study is about the attitude of the sample policyholders. At the same time this study focuses the factors which determine the attitude, various policies and effective operations of the LIC. This study investigates the attitude of the policyholders of Tiruchirappalli District only.

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