



RURAL POLICYHOLDERS AWARENESS AND SATISFACTION ON ONLINE SERVICES OF LIC

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Cite This Article: P. Gomathi Devi & Dr. P. Rengarajan, "Rural Policyholders Awareness and Satisfaction on Online Services of LIC", International Journal of Interdisciplinary Research in Arts and Humanities, Volume 2, Issue 2, Page Number 70-74, 2017.

Abstract:

In India, online has been a catchphrase from last few years across industries such as travel, retail, banking and education. Already, most of the Indians are using net banking. Fixed deposits and mutual fund investments are the most preferred investments when it comes to online purchase. Money transfer and bill payment through net banking has become a common thing nowadays. Insurance is not far behind. Insurance is also witnessing good response from consumers as online purchase of insurance policies is catching up. Earlier, internet was the preferred channel for product search; post sells services like renewals of policies and paying premiums, etc. However, now consumers are also purchasing different policies through online in the wake of increased transparency, ease and advantage of saving money. The Present study focuses mainly on analyzing the Rural Policyholders awareness and satisfaction on online services of LIC. The study mainly depends on primary data which is collected 120 policyholders from rural area who are availed the policy from LIC of India in Pollachi Taluk, Coimbatore district. The data has been collected through by distributing the questionnaire. Convenient sampling method is adopted to select the sample respondents. The collected data are analyzed using Simple percentage, chi-square test, mean and standard deviation to process the data and draw inferences. From the study, it is observed that most of the rural policyholders are satisfied with the various online services of LIC and Most of the policyholders does not find any difficulties in online services of LIC. Further, it is identified that there does not exist any significant association between educational qualification and level of awareness on online services and that there exist a highly significant association between mode of payment and level of awareness on online services of LIC.

Key Words: Rural Policyholders, Awareness, Satisfaction, Online Payment and Services

Introduction:

The Indian life insurance industry has begun to recover and is likely to report 12 to 15 percent growth in financial year 2016-2017. The performance of nine life insurance companies in India, one in the public sector and eight in the private sector, together represented over 87 percentage of the total Annualized Premium Equivalent of the life insurance industry during first nine months (April-December) of financial year 2016. Driven by a surge in sale of its single-premium policy and falling interest rates, Life Insurance Corporation of India (LIC) has registered a 27.22 per cent growth in first year premium in financial year 2017. LIC's market share in terms of number of policies stood at 76.09 per cent, up from 74.72 per cent last year. It sold over 20 million new policies in FY17. LIC has a network of eight zonal offices covering the entire country. For the year 2016-2017 all the zones achieved their targets in first premium income. LIC has a network of eight zonal offices covering the entire country. For the year 2016-2017 all the zones achieved their targets in first premium income.

Objectives of the Study:

The following are the objectives of the study.

- ✓ To identify the level of awareness on the rural policyholders about various online services of LIC
- ✓ To know the level of satisfaction on the rural policyholders about the various online services of LIC

Research Methodology:

Primary data were collected from the rural area policyholders in Pollachi taluk through distributing the structured questionnaire and direct interview. Questionnaire contains questions relating to personal profile of sample respondents, Awareness and satisfaction of various factors relating to online services of LIC. A total of 125 policyholders were selected and issued the questionnaire by convenient sampling method. Out of which 120 questionnaire were collected and taken for the analyses purpose. 2 questionnaire were not collected and remaining 3 were in completed.

Framework Analysis:

The collected data are analyzed using simple percentage, chi-square test and mean and standard deviation. Levels of significance chosen for chi-square test is five percent level.

Limitations of the Study:

The study covers the Life Insurance Corporation of India in Pollachi taluk only. The private insurance companies does not included in this study. The data were collected from 120 rural customers. The customers might not be gave accurate information about insurance services.

Findings of the Study:

The findings of the study are divided into three categories. Namely, Socio-economic profile, Sources of awareness and Details of product purchased, etc

1. Socio-Economic Profile of the Respondents:

S.No	Factors	No. of Respondents	Percentage (%)
1	Gender		
	Male	61	51%
	Female	59	49%
2	Age		
	Upto 30 years	30	25%
	31-40 years	70	58%
	41-50 years	18	15%
	Above 50 years	02	02%
3.	Marital Status		
	Unmarried	42	35%
	Married	78	65%
4	Educational Qualification		
	Up to HSC	36	30%
	Graduates	62	52%
	Diploma/ Professional	22	18%
5.	Occupation		
	Agriculturist	28	23%
	Business/ Professional	49	41%
	Govt./private Employee	29	24%
	Home Maker / retired persons	14	12%
6	Type of family		
	Joint	54	45%
	Nuclear	66	55%
7	Family Income in Rs (per month)		
	Below 15,000	36	30%
	15,000-25000	55	46%
	25,001-35,000	21	17%
	Above 35000	08	07%
8.	Sources of Awareness		
	Family Members & Relatives	32	27%
	Neighbors & Friends	35	29%
	Collagenous	16	13%
	Advertisement	21	18%
	Social medias	11	09%
	Agents/Development officers	05	04%
9.	Period of awareness		
	Below 5year	25	21%
	5-10 years	43	36%
	11-15 years	27	23%
	Above 15 years	25	20%
10.	Policies taken		
	One	59	49%
	Two	39	33%
	Three	16	13%
	Four and above	06	05%
11	Members covered		
	Self	45	38%
	Spouse	36	30%
	Both	18	15%
	Parents	17	14%
	Children	04	03%
12.	premium paid through online(Rs)		
	Upto Rs.2,000	53	44%
	2,001 – 5,000	46	36%
	5,001 – 10,000	14	12%

	Above Rs.10000	07	08%
13	Periodicity of premium payment		
	Monthly	32	26%
	Quarterly	26	22%
	Half-yearly	29	24%
	Yearly	33	28%
14	Problems faced using of online services		
	High cost	12	10%
	Network problem	10	08%
	Lack of security	50	42%
	Inconvenient	20	17%
	Fund transfer issues	28	23%
15	Usage of online services		
	Save time	44	37%
	Need not take leave	23	19%
	Security	17	14%
	Quick processing	26	22%
	Convenience	10	08%
16	Awareness about online services		
	Highly aware	70	58%
	Aware	17	14%
	Neutral	26	22%
	Disaware	07	06%
	Highly disaware	-	-
17	Overall satisfaction about online services		
	Highly satisfied	31	26%
	Satisfied	64	53%
	Not satisfied	25	21%

Socio-Economic Profile of Rural Policyholders:

- ✓ Majority of 61(51%) of the rural policyholders are female
- ✓ Most of 70(58%) of the rural policyholders belong up to 30 years age group
- ✓ Majority of 78(65%) of the rural policyholders are married
- ✓ Most of the rural policyholders, 62(52%) are UG / PG Graduate
- ✓ Most of the rural policyholders, 49(41%) are business / profession
- ✓ Majority of the 66(55%) rural policyholders belong to nuclear family
- ✓ Most of the 54(45%) rural respondents' family expenditure per month is up to 15000-25000
- ✓ Most of the 45(37%) rural respondents are covered the self-policy
- ✓ Most of the rural policyholders, 59(49%) are bought one policy
- ✓ Majority of the rural policyholders, 30(25%) preferred to pay their insurance premium through online

Sources of Awareness:

- ✓ Majority of 35(29%) policyholders said Came to know about online insurance services through their Neighbors / friends followed by family members / relatives and like
- ✓ Most of the policyholders, 80(67%) are aware about online insurance services.

Details of Life Insurance Policy:

- ✓ Most of the 53(44%) rural policyholders are paid an amount of premium though online which ranges up to 2000.
- ✓ Most of the rural policyholders, 32(27%) paid the premium amount In monthly installment

Reasons for Use of Online Service:

- ✓ Most of the policyholders, 44(37%) are using online service because of save time
- ✓ Most of the policyholders, 78(65%) are using online insurance services during emergency

Problem Faced While Availing Online Life Insurance Services:

- ✓ Most of 17(15%) policyholders have faced problem while availing online life insurance policy because of network problem.
- ✓ Most of 53(33%) the policyholders does not find any difficulties of online insurance services.

2. Variables Associated with Level of Awareness on Online Services of LIC:

Gender: Chi-square result disclose that there does not exist any significant association between gender and level of awareness on online services of LIC.

Age: Chi-square result disclose that there exist a highly significant association between age and level of awareness on online services. It is observed that sample respondents with up to 30years age group are with high level awareness.

Educational Qualification: Chi-square result disclose that there does not exist any significant association between educational qualification and level of awareness on online services.

Occupation: Chi-square result disclose that there does not exist any significant association between occupation and level of awareness on online services.

Monthly Income: Chi-square result disclose that there does not exist any significant association between monthly income and level of awareness on online services.

Period of Payment: Chi-square result disclose that there does not exist any significant association between period of payment and level of awareness on online services.

Mode of Payment: Chi-square result disclose that there exist a highly significant association between mode of payment and level of awareness on online services. It is observed that sample respondents with up to online payment are with high level awareness.

Reason for Using Online Life Insurance Services: Chi-square result disclose that there does not exist any significant association between reason for using online services and level of awareness on online services.

3. Level of Satisfaction:

The following table has been explained about the rural policyholder's satisfaction of the online services of life insurance Corporation of India.

S.No	Factors	Level of Satisfaction					Statistical Measure	
		HS	S	N	DS	HDS	Mean	Std. Deviation
1	Insurance plan details	20	23	23	45	9	1.96	2.11
2	Procedure for new policy taken through online	21	19	45	25	10	2.78	2.15
3	View the bonus details	16	43	26	25	10	2.62	2.11
4	Fund transfer	30	34	30	13	13	2.47	2.10
5	Grievance services	30	32	22	16	20	2.17	2.13
6	Online queries	19	33	31	24	13	2.02	2.20
7	Forms availability	26	30	28	23	13	2.41	2.16
8	Website information	26	46	20	14	14	2.35	2.20
9	Provide 24*7 facility	30	36	21	20	13	2.10	2.15
10	Short message service(SMS)	22	33	21	22	22	2.17	2.19
11	Get branch / head office details	25	27	34	20	14	2.43	2.19
12	Information over the internet	27	50	25	17	1	2.34	2.14
13	Helpline	32	46	27	14	1	2.20	2.14
14	Mobile services	27	38	25	14	16	2.15	2.09
15	Nominee and assignment status	25	38	23	22	12	2.12	2.12
16	Revival quotations	18	38	29	16	19	2.32	2.13
17	Benefit illustration	35	24	32	17	12	2.18	2.15
18	Complete guidance	16	41	23	22	18	2.21	2.14
19	Recommendation	48	37	24	10	1	2.32	2.15
20	Online repayment	25	31	32	21	11	2.04	2.10
21	Demand services	51	29	20	19	1	2.39	2.11

The above table clearly shows the respondents opinion towards the satisfaction of online services rendered by LIC of India. In order to analyze rural policyholder's satisfaction, scaling techniques has been used to quantify the results. 2.78 have the highest value of satisfaction in the mean value, 2.62 have the second place of satisfaction in the mean value and 2.43 have the third place of satisfaction in the mean value.

2.20 is the highest value of satisfaction of online services in the standard deviation, 2.19 have the second place of satisfaction of standard deviation and 2.16 have the third place of satisfaction of standard deviation.

4. Suggestions:

Based on the findings of the study and the opinion giving by the policyholders at the time of data collection, the following suggestions are put forth for consideration of the different stakeholders involved in this process.

- ✓ Policyholders may be trained in the area of online insurance services like policy purchase, claim lodging, policy status details, registering, premium payment, etc.
- ✓ The insurance company to simplify the process of online insurance services

- ✓ The company if possible should invest in advertising, conduct road shows and spend money on hoardings, so that it can better propagate awareness about its various lesser known products.
- ✓ To create customer friendly documentation i.e. it should be made easier and faster.
- ✓ Claim settlement process should be made fast and must not involve lengthy decision making process.
- ✓ Inconvenience arise due to network problem may be eliminated
- ✓ Security in accessing online insurance service may further be strengthened.
- ✓ LIC may focus on the efficient and effective delivery of online services to the policyholders.

5. Conclusion:

Insurance is an important tool by which fatalities of a small number are compensated out of funds collected from policyholders. Insurance is a safeguard against uncertain events that may occur in the future. Company image is the highly important criteria that consumers consider before taking up a life insurance. This mainly because people expect safety and secure for 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.

Priority in advantages of using online services and the variable associated with their satisfaction on online life insurance services. In this study, it is observed that "More Informative" is the most beneficial aspect in availing life insurance services through online and the variables namely, gender, age, marital status, educational qualification, occupation and monthly income are associated with the policyholder's level of satisfaction on availing life insurance services through online.

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