



RURAL POLICYHOLDERS SATISFACTION TOWARDS THE OFFICE SERVICES OF LIC

P. Gomathi Devi* & Dr. P. Rangarajan**

* Ph.D Scholar, Vidyasagar College of Arts & Science, Udumalpet, Thirupur, Tamilnadu

** Assistant Professor, PG & Research Department of Commerce, Poompohar College (Autonomous), Melaiyur, Nagapattinam, Tamilnadu

Cite This Article: P. Gomathi Devi & Dr. P. Rangarajan, "Rural Policyholders Satisfaction towards the Office Services of LIC", *International Journal of Applied and Advanced Scientific Research*, Volume 2, Issue 1, Page Number 101-107, 2017.

Abstract:

Nowadays, in India, Insurance has been assumed as status of necessity in one's life. Rarely, Insurance was recognized as the multi-dimensional protection instrument. Insurance in India is popular only as an investment opportunity and not as a pure risk cover. The main challenges before the LIC is to constantly introduce new products, changing customer behavior, government intervention, competition, technology, distribution network, automation, technological advancement, quality in customer relationship, changing lifestyle, societal perception and speedy action for claim settlement are the radical changes that are must to get noticed and engage in the customer profile. The Present study focuses mainly on analyzing the Rural Policyholders satisfaction towards the office services of LIC. The study mainly depends on primary data which is collected 120 customers from rural area who are availed the policy from LIC of India in Pollachi Taluk, Coimbatore dt. The data has been collected through by distributing the questionnaire and direct interview. Convenient sampling method is adopted to select the sample respondents. Simple percentage and chi-square test method are applied to process the data and draw inferences. From the study, it is observed that most of the policyholders are satisfied with the office services of LIC and majority of the policyholders are paid the premium amount through cash counter followed by premium paying point, through agents, online payment etc. Further, it is identified that there exists significant relationship between the educational qualification and level of satisfaction and there is no significant relationship between the sum assured and level of satisfaction.

Key Words: Rural, Policyholder, Satisfaction & Office Services

Introduction:

India is fast emerging on the world map as a strong economy and a global power. The country is going through a phase of rapid development and growth. All the vital industries and sectors of the country are registering growth and thus, luring foreign investors. And insurance sector is one of them. The life insurance business suffers from high premium and low returns. A normally competitive industry should be able to increase coverage, mobilize large savings, and provide high returns. Life insurance is bought lesser in India by rural population. The rural population in India is without life insurance cover and this part of the population is also subject to weak social security and pension systems with hardly any old age income security. It is an indicator that growth potential for the insurance sector is immense. Though the Government has taken steps to promote rural insurance, for nearly two decades this field has not made any head way. One of the priorities for forecasting expansion of rural insurance would be identifying of productive potential and specific insurance needs in areas not yet reached by insurer and enhancing cooperation between insurance and rural credit agencies or institutions.

Objectives of the Study:

The following are the objectives of the study.

- ✓ To bring out the socio - economic profile of Rural policyholders
- ✓ To analyze the rural policyholders satisfaction on the office services of LIC

Review of Literature:

Anantha raj,et al(2014) their main of the study is to assess the relationship between service quality and customer satisfaction in the Malaysian automotive insurance industry. A total of 650 online structured questionnaires were mailed to respondents and 380 respondents replied to the questionnaire. Data collected were analyzed using Pearson correlation and multiple regression analysis. The results indicate that good relationship exists between service quality dimensions (reliability, empathy, assurance, responsiveness and tangibility) and customer satisfaction.

Irfan Ahmad (2012) conducted a study on "Indian insurance Industry challenges and prospects". The objectives of the study were to highlight the challenges and prospectus of the Indian insurance industry. The study concluded that insurance plays a very important role in the financial sector of the country and that the insurance could go ahead full of opportunities. The keys challenges, which all insurers would face in the years to come, were product innovation, distribution network, customer service, managing investments and effective cost control.

Krishnamacharyulu (2011) in his book, “Rural Marketing” said that Promotion of General Insurance requires creative approaches. The need to protect against a possible loss cannot be put across in straightforward communication. Advertisements in TVs, FM radios, print media, transit media and hoardings are used to promote the insurance concept and products. However, concept selling is a difficult exercise. ICICI bank’s innovative “Kamdhenu Cattle Loan Campaign” won an award at the WOW event and Experiential Marketing Awards, 2009 as it could touch rural hearts. The campaign was launched with the aim of generating awareness about loans for cattle purchase and cattle insurance in rural areas. The initiative was aimed at creating awareness among rural consumers about protecting their assets and hedging their economic loss in the event of injury to the cattle due to illness or other perils. The Kamadhenu campaign also received the prestigious Rural Marketing Association of India (RMAI) Award in December 2008.

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, preferences, Awareness and satisfaction of various factors relating to office services. A total of 130 policyholders were selected and issued the questionnaire by convenient sampling method. Out of which 120 questionnaire were collected and taken for the analyses purpose. 4 questionnaire were not collected and remaining 6 were in completed.

Limitations of the Study:

The study covers the Life Insurance Corporation of India in Pollachi taluk. 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.

S.No	Factors	No. of Respondents	Percentage (%)
1	Gender		
	Male	58	48%
	Female	62	52%
2	Age		
	Below 25 years	33	27%
	25-35 years	37	31%
	36-50 years	44	37%
	Above 50 years	6	5%
3.	Marital Status		
	Unmarried	36	30%
	Married	84	70%
4	Educational Qualification		
	Illiterate	45	37%
	Up to HSC	36	30%
	Diploma	09	08%
	Graduates	24	20%
	Professional	06	05%
5.	Occupation		
	Agriculturist	25	21%
	Business/Entrepreneur	12	10%
	Govt. Employee	15	12%
	Private Employee	30	25%
	Daily wage Earner	12	10%
	Professional	03	03%
Home Maker	23	19%	
6	Type of family		
	Joint	38	32%
	Nuclear	82	68%
7	Family Income(per month)		
	Below 10,000	50	42%

	10,000-25000	43	36%
	25,001-50,000	21	17%
	Above 500000	06	05%
	Sources of Awareness		
	Self	16	13%
	Existing policyholders	17	14%
8.	Family Members & Relatives	33	28%
	Friends & Collagenous	30	25%
	Advertisement	09	07%
	Agents	15	13%
	Period of awareness		
	Below 5year	25	21%
9.	5-10 years	27	23%
	11-15 years	43	36%
	Above 15 years	25	20%
	Policies taken		
10.	One	79	66%
	Two	37	31%
	Three and above	04	03%
	Members covered		
	Self	52	43%
11.	Spouse	06	05%
	Both	08	06%
	Parents	21	18%
	Children	33	28%
	Mode of payment		
12	Direct cash	96	80%
	Online Payment	14	12%
	Others	10	08%
	Overall satisfaction about office services		
13	Highly satisfied	31	26%
	Satisfied	64	53%
	Not satisfied	25	21%

Socio-Economic Profile of the Respondent:

- ✓ The majority 62 (52%) of the respondents are female.
- ✓ The majority 44 (37%) of the policyholders belong to the age group between 36-50 years.
- ✓ The majority 84 (70%) of the respondents are married.
- ✓ The majority 45(37%) of the respondents educational qualification are illiterate.
- ✓ The majority 30(25%) of the respondents are private employee.
- ✓ The Most of the 82 (68%) of the respondents are nuclear family.
- ✓ The majority 50(42%) of the respondents family income level below Rs.10000.

Sources of Awareness:

- ✓ The most of the 33(28%) customers to know Life Insurance Corporation of India through their Friends and relatives.
- ✓ Most of the respondents 63 (53%) are aware of LIC of India below 5 years.

Details of Product Purchased:

- ✓ The majority 79 (66%) of the respondents are one product availed from LIC of India.
- ✓ The majority 96(80%) of the respondents are paid the premium in the mode of cash payment.
- ✓ The majority 52(43%) of the respondents are members covered under the category of self.

Overall Satisfaction:

- ✓ Most of the respondents (64)53% are satisfied with the office services of LIC like Timely issue of premium reminder notice, directing the customers to proper person, time taken for completion of work , explaining the procedures clearly regarding revival of policy, grace period, claim settlement etc.

Chi-Square Test:

H₀1: Gender does not influence the satisfaction level

Gender and Satisfaction:

Gender	Low	Medium	High	Total
Male	10 55.6%	45 52.9%	3 17.6%	58 48.3%
Female	8 44.4%	40 47.1%	14 82.4%	62 51.7%
Total	18	85	17	120

Calculated X^2 value = 7.509 df = 2 Table Value @ 5% level = 5.991

It is found that the percentage of high level of satisfaction of policyholders is found to be high among the female policy holders. Whereas the percentage of low level of satisfaction is found to be high among the male policy holders. Also the calculated chi square value is higher than the table value at 5% level, the null hypothesis is rejected. Therefore there exists significant association between gender and satisfaction level.

H₀2: Age does not influence the satisfaction level

Age and Satisfaction:

Age	Low	Medium	High	Total
Below 25 yrs	1 5.6%	23 27.1%	9 52.9%	33 27.5%
25 - 35 yrs	3 16.7%	31 36.5%	3 17.6%	37 30.8%
36 - 50 yrs	11 61.1%	28 32.9%	5 29.4%	44 36.7%
Above 50 yrs	3 16.7%	3 3.5%	0 .0%	6 5.0%
Total	18	85	17	120

Calculated X^2 value = 19.782 df = 6 Table Value @ 5% level = 12.60

It is found that the percentage of high level of satisfaction is found to be high among the policy holders age group of below 25 years. Whereas the percentage of low level of satisfaction is found to be high among between the age group of 36-50 years of policy holders. Also calculated the chi square value is higher than the table value at 5% level, the null hypothesis is rejected. Therefore there exists significant association between age and satisfaction level.

H₀3: Educational Qualification does not influence the satisfaction level

Educational Qualification and Level of Satisfaction:

Educational Qualification	Low	Medium	High	Total
Illiterate	11 61.1%	29 34.1%	5 29.4%	45 37.5%
up to HSC	4 22.2%	29 34.1%	3 17.6%	36 30.0%
Diploma	3 16.7%	6 7.1%	0 .0%	9 7.5%
Graduate	0 .0%	18 21.2%	6 35.3%	24 20.0%
Professional	0 .0%	3 3.5%	3 17.6%	6 5.0%
Total	18	85	17	120

Calculated X^2 value = 20.607 df = 8 Table Value @ 5% level = 15.50

The percentage of policyholders with high level of satisfaction is found to be high those of graduate category. Whereas the percentage of policyholders with low level of satisfaction is found to be high those who have the category of illiterate. However, the calculated chi square value is higher than the table value at 5% level, the null hypothesis is rejected. Therefore there exists significant association between educational qualification and satisfaction level.

H₀4: Occupation does not influence the satisfaction level

Occupation and Level of Satisfaction:

Occupation	Low	Medium	High	Total
Agriculturist	4 22.2%	18 21.2%	3 17.6%	25 20.8%
Business/Entrepreneur	0 .0%	8 10.6%	4 23.53%	12 10.0%
Govt Employee	4 22.2%	11 12.9%	0 .0%	15 12.5%
Private Employee	3 16.7%	24 28.2%	3 17.6%	30 25.0%
Daily Wage Earner	3 16.7%	7 7.1%	2 17.6%	12 10.0%
Professional	0 .0%	0 .0%	3 17.6%	3 2.5%
Home Maker	4 22.2%	17 20.0%	2 11.8%	23 19.2%
Total	18	85	17	120

Calculated X^2 value = 47.922 df = 14 Table Value @ 5% level = 23.

The percentage of policyholders with high level of satisfaction is found to be high those are businessman/entrepreneur. Whereas the percentage of policyholders with low level of satisfaction is found to be high those who have the category of govt employee and agriculturists. However, the calculated chi square value is higher than the table value at 5% level, the null hypothesis is rejected. Therefore there exists significant association between occupation and satisfaction level.

H₀5: period of awareness does not influence the satisfaction level

Period of Awareness and Level of Satisfaction:

Period of Awareness	Low	Medium	High	Total
Below 5 yrs	15 83.3%	45 52.9%	3 17.6%	63 52.5%
5-10 yrs	3 16.7%	37 43.5%	11 64.7%	51 42.5%
Above 10 yrs	0 0%	3 3.5%	3 17.6%	6 5%
Total	18	85	17	120

Calculated X^2 value = 13.947 df = 4 Table Value @ 5% level = 9.49 doubt

The percentage of policyholders with high level of satisfaction is found to be high those who have period of awareness under the category of between 5-10 years and low level of satisfaction is found to be high those have the category of below 5 years. However, the calculated chi square value is higher than the table value at 5% level, the null hypothesis is rejected. Therefore there exists significant association between period of awareness and satisfaction level.

H₀6: Family income does not influence the satisfaction level

Family Income and Level of Satisfaction:

Family Income	Low	Medium	High	Total
Below 10,000	8 44.4%	36 42.4%	6 35.3%	50 41.7%
10,001-25,000	7 38.9%	28 32.9%	8 47.1%	43 35.8%
25,001-50,000	3 16.7%	15 17.6%	3 17.6%	21 17.5%
Above 50,000	0 0%	6 7.1%	0 0%	6 5.0%
Total	18	85	17	120

Calculated X^2 value = 3.531 df = 6 Table Value @ 5% level = 12.6

The percentage of policyholders with high level of satisfaction is found to be high those who have earned family income between Rs.10001-25000. Whereas low level of satisfaction is found to be high those who have under the category of below Rs.10000. However, the calculated chi square value is lower than the table value at 5% level, the null hypothesis is accepted. Therefore, there is no significant association between family income and satisfaction level.

H₀₇: Sum assured does not influence the satisfaction level

Sum Assured and Level of Satisfaction:

Sum Assured	Low	Medium	High	Total
Upto 50,000	7 38.9%	42 49.4%	12 70.6%	61 50.8%
50,001-1,00,000	11 61.1%	28 32.9%	5 29.4%	44 36.7%
1,00,001-2,00,000	0 0%	12 14.1%	0 0%	12 10.0%
Above 2,00,000	0 0%	3 3.5%	0 0%	3 2.5%
Total	18	85	17	120

Calculated X² value = 11.520 df = 6 Table Value @ 5% level = 12.60

The percentage of policyholders with high level of satisfaction is found to be high those who have sum assured up to 50000 and low level of satisfaction is found to be high those who have under the category of sum assured between Rs.50,001-1,00,000. However, the calculated chi square value is lower than the table value at 5% level, the null hypothesis is accepted. Therefore, there is no significant association between sum assured and satisfaction level.

H₀₈: No of policy taken does not influence the satisfaction level

No. of Policy Taken and Level of Satisfaction:

No. of Policy Taken	Low	Medium	High	Total
1	11 61.1%	60 70.6%	8 47.1%	79 65.9%
2	3 16.7%	25 29.4%	9 52.9%	37 30.8%
3 & above	4 22.2%	0 0%	0 0%	4 3.3%
Total	18	85	17	120

Calculated X² value 26.152 df = 4 Table Value @ 5% level = 9.49

The percentage of policyholders with high level of satisfaction is found to be high those who have taken two policy from LIC and low level of satisfaction is found to be high those who have taken one policy from LIC. However, the calculated chi square value is higher than the table value at 5% level, the null hypothesis is rejected. Therefore, there exists significant association between No. of policy taken and satisfaction level.

Suggestions:

Based upon the study conducted, the following are the suggestions made to the improvement of office services of LIC. There are

- ✓ To handle the customers with smile face.
- ✓ Regional language may be utilized so all the customers can be convenient interaction with the branch.
- ✓ To provide error free policy document.
- ✓ To appoint the helper to illiterate policyholders for filling the form and guidelines.
- ✓ To give the details about new products to the existing policyholders immediately.
- ✓ To increase the access speed of network connection.
- ✓ To increase the benefits of products to the customers.
- ✓ To create awareness about premium paid through ATM.
- ✓ To give SMS alert for due date of premium payment.
- ✓ To open the more branches in village area.

Conclusion:

The study is framed with an attempt to discuss the awareness, preference and satisfaction among the rural policyholders who are availed the policy from life insurance Corporation of India in Pollachi taluk. Customer service is an integral part of the insurance organization. It is necessary to identify the key success factors in the

insurance industry, in terms of customer satisfaction so as to survive in intense competition and increase the market share. Companies involved in the insurance industry offer a wide variety of products and supplementary services that consumers in need of insurance coverage could readily infer as being "insurance" related. Insurance in India has been spurred by product innovation, streamlining of sales and distribution channels along with targeted advertising and marketing campaigns. With increased globalization and presence of a large number of players in the market place, the very definition of customer relationship and satisfaction is in danger of being proved incomplete.

References:

1. Anantha Raj A. Arokyasamyb and Huam hon Tat, "assessing the Relationship between service quality and customer satisfaction in the Malaysian insurance industry", Middle-East Journal of Scientific Research 20(9):1023-1030, 2014.
2. K. Veerakumar, "A Study on People Impact on Demonetization", International Journal of Interdisciplinary Research in Arts and Humanities, Volume 2, Issue 1, Page Number 9-12, 2017. V.
3. Sankara Subramaniyan & K. Veerakumar, "Risk Management in Construction Industry", International Journal of Scientific Research and Modern Education, Volume 2, Issue 1, Page Number 1-4, 2017
4. V. Sini & Dr. C. R. Karpagam (2016) "A Study on Policy Holders Awareness and Preference Towards Health Insurance" International Journal of Scientific Research and Modern Education, Vol-I, Issue-II, 2016.P.No.23-28.
5. N. Vijay Kumar & Dr. J. Shanmugananda Vadivel (2016) "A Study on Awareness towards Motor Vehicle Insurance Based on Credit Policy With Reference to Coimbatore" International Journal of Current Research and Modern Education, Vol-I, Issue-I, 2016.P.No.457-462.
6. K. R. Sakthi Devi & Dr. R. Eswaran (2016) "A Study on Customer Satisfaction Towards Service Provided by SBI With Special Reference To Erode District", International Journal of Multidisciplinary Research and Modern Education, Vol-II, Issue-I, 2016.P.No.566-571.
7. Dr Ashfaque Ahmad and Neetu Kwatra, "Level of customer satisfaction and their perception on the Quality of insurance services", GALAXY International interdisciplinary Research Journal, Vol.2 (3), March 2014.
8. Krishnamacharyulu C.S.G, "Rural Marketing", Pearson Education India, P.P 463-465, 2011
9. Basvanthappa Rajanalkar Laxman, "Policyholders' Perception towards General Insurance Products", Southern Economist, Vol.47, No.20, P.P-13-15, Feb-2009.
10. Sudha Ramanujam, "Designed to deliver- policyholder service strategy", IRDA Journal, P.P 31-33, Mar-2012.
11. www.google.com
12. www.licinindia.com