

POLICYHOLDERS' AWARENESS ON VARIOUS CHARGES CONNECTED WITH CHILD INSURANCE PLAN

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Abstract

Child insurance plans are designed to ensure the financial security of children by combining investment and insurance benefits. However, these plans include a variety of charges such as premium allocation charges, policy administration charges, fund management charges, mortality charges, and surrender charges, which directly influence the overall returns and benefits of the policy. This study aims to assess the level of awareness among policyholders regarding these various charges connected with child insurance plans. The data required for the study have been collected by issuing questionnaires to 500 policyholders holding child insurance policy in Coimbatore district. The data collected are analyzed using (i) Weighted Average Mean score.

Keywords: Child Insurance Plan, Policyholders' Awareness, Insurance Charges, Financial Literacy, Transparency, Consumer Protection.

Introduction

Child insurance plans play a vital role in securing a child's future by combining savings, protection, and long-term financial planning. While these plans offer numerous benefits, many policyholders are often unaware of the different charges associated with them. A lack of understanding about these charges can affect the overall returns and reduce the effectiveness of the plan. Therefore, creating awareness about the various fees—such as premium allocation charges, policy administration charges, fund management charges, mortality charges, and surrender charges—is essential. Policyholders who clearly understand these cost components can make informed decisions, select suitable plans, and manage their policies more effectively. Awareness also prevents misunderstandings, promotes transparency, and empowers families to

ensure that their investment truly supports their child's education, health, and future aspirations. This study highlights the importance of educating policyholders about the different charges in child insurance plans so they can maximize benefits and achieve long-term financial security for their children.

Review of literature

Harish. M and B. Menaka (2020), "Awareness of Policyholders' on Facilities Offered by Life Insurance Corporation of India at Kozhencerry Taluk", To know about the awareness of policy holders' awareness about the facilities offered by Life Insurance Corporation of India, Simple Percentage, Chi-Square Test, The study reveals that the insurance company is to create more awareness among the customers about the new products introduced and the services the company renders for the benefit of the policyholders. All these information's are to be informed to the customers on time so that it will be useful for the customers to utilize it.

Shamil Banu and C. S. Gowtham (2020), "A Study on Money Back Plan towards of Life Insurance", To assess the need for life insurance and to know about the money back policy in detail. Percentage Analysis, Data Envelopment Analysis, The study finds that respondents prefer to invest in Bank deposits followed by insurance, real estate, silver and gold. The policyholders mostly prefer to have policies with death benefits followed by money growth plan like wealth creation and high return policies. The policyholders expect high returns from their investment in insurance followed by brand name, tax benefits, liquidity and capital growth.

Praveen Sahu et al. (2009),

Objectives

Following are the objectives of the study

- Policyholders' awareness on various charges connected with child insurance plan

Research Methodology

The present study is mainly based on primary data which is collected through issuing questionnaire. The questionnaire contains questions relating to the various charges connected with child insurance plan. The data required for the study have been collected by issuing questionnaires to 500 policyholders holding child insurance policy in Coimbatore district. The data collected are analyzed using (i) Weighted Average Mean score.

VARIOUS CHARGES CONNECTED WITH CHILD INSURANCE PLAN

The insurance companies impose various charges for rendering services at different stages of the policy and it differs from company to company and plan to plan. A brief note about these charges that are associated with the child insurance plan offered by selected life insurance company

Policyholders' Awareness on Various Charges Connected With Child Insurance Plan

To find out the policyholders' awareness on the various charges connected with child insurance plan, weighted average score is employed and the findings of the analysis is shown below.

Policyholders' Awareness on Various Charges Connected with Child Insurance Plan - Weighted Average Score

S. No.	Charges	Total	Weighted Average Score
1	Penalty charge for non-payment of premium	500 (100.00%)	4.05
2	Plan revival charge	500 (100.00%)	3.43
3	Loan processing charge	500 (100.00%)	3.40
4	Partial withdrawal charge	500 (100.00%)	3.42
5	Plan surrender charge	500 (100.00%)	3.36
6	Mortality charge	500 (100.00%)	3.03

Conclusion

From the above analysis, it is observed that the **Weighted Average Score** discloses that policyholders' awareness on the various charges connected with the child insurance plan is high with 'Penalty charge for non-payment of premium' (4.05), follows 'Plan revival charge' (4.43),

as follows awareness on the various charges connected with the child insurance plan is low with Mortality charge (3.03).

Reference

- 1. Harish M and Menaka. B (2020)**, “Awareness of Policyholders’ on Facilities Offered by Life Insurance Corporation of India at Kozhencerry Taluk”, *Journal of Aegaeum* , Vol. No. 8(6), pp.1560-1568
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