



# Expectation and Attitudes of the Policyholders towards Life Insurance Corporation of India in Thoothukudi District

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## Abstract

*Life Insurance Corporation Policyholder's expectations are at an all-time high. People expect fast, personalized service wherever and whenever they need it, and in order to compete, insurers need to offer the best, most seamless experiences possible across technologies, apps, communications, and customer service. Hence the study analyses the expectation and attitudes of the policyholders towards Life Insurance Corporation of India in Thoothukudi District. To study the relationship between demographic profile of policyholders and expectation and attitude towards LIC services, One-way ANOVA test are employed. The result shows that, the three variables namely age, gender and marital status are more influencing the policyholders' expectation towards LIC services in the study area. Another three variables namely age, monthly income and year of experience are more influencing the policyholders' attitude towards LIC services in the study area.*

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## Introduction

Life insurance industry has assumed a pivotal role in the face of the rapid changes such as liberalization, globalization and privatization and also the related technological and market changes. The efforts of the industry are to be distinctly identified and every sphere of activity must be integrated vertically and horizontally to deliver significantly the service of an industry so as to get good business results. Life insurance is a

long-term business with a focus on long-term financial solutions to customers. Life insurance or life assurance is basically an agreement between a life insurance company and policyholder wherein the insurance company promises to pay a defined amount to the beneficiary or nominee in return of premium in case of insured's death. Other cases or events such as critical illness, terminal illness will also be liable for the coverage, depending upon the contract. Under



the same, a policyholder pays a definite amount to the insurer which is known as premium, regularly or in a lump sum.

Insurance industry forms a dominant part of financial market consisting of contractual intermediaries which channelize the savings of the society to the productive sectors of the economy. The role of the insurance industry in resource mobilization is a very challenging task especially in India, on account of economic, social and educational backwardness of people for whom insurance is not an essential instrument to cover risk associated with human life. In a marketing perspective, an insurance product is categorized as an unsought product about which customers have inadequate or low awareness. Consequently, it is said that insurance products are sold rather than bought which makes the task of insurance companies really challenging since independence. Life insurance Corporation of India has been marketing insurance product as a monopoly insurer, being the unchallenged leader in the Indian insurer industry.

#### **Statement of Problem**

Policyholder's expectations are at an all-time high. People expect fast, personalized service wherever and whenever they need it, and in order to compete, insurers need to offer the best, most seamless experiences possible across technologies, apps, communications, and customer service. In addition to financial protection, customers expect their insurance companies to provide them with more risk insight, risk management-related services, and flexible coverage that better meets their businesses' needs. The policyholder's expectation, attitude, and gap are discussed in the following heads such as product flexibility on LIC, payment mode on LIC, loan facilities on LIC, easy management on LIC, policy sales promotion on LIC and risk management on LIC. Hence the study analyses the expectation and attitudes of the policyholders towards Life Insurance Corporation of Thoothukudi District

#### **Review of Literature**

Jesintha Rani, (2021) in her research paper reveals that the present study analyzes the attitude of policyholders of Life Insurance Corporation of India with special reference to Perambalur district, the data were collected and analyzed as per the requirement of the study. The primary data were collected from the respondents through questionnaire method. The study has adopted convenience sampling method for selecting 454 respondents. The results revealed the fact that the factors, income, education, occupation and awareness have influenced the level of attitude of the policyholders.

Suguna (2020) in their study reveals that the underprivileged citizens are requiring toward a few planes of safeguard beside peril. Owing toward growing the consideration on behalf of peril administration with community safety inside the framework of deficiency decline strategy is follow into upward county. Assurance is one of the backbones of a country's peril administration structure. The indemnities providers offer a diversity of yield to persons in arrange to offer defense beginning peril and to make certain the economic safety measures. It besides helps designed for the draft of investments and as long as fiscal maintain while required the insurance diligence cover micro insurance policies. The present article displays an investigational and methodical learn to have been through amid the purpose toward identify the attitude of policyholders towards micro insurance scheme in Salem district. Designed for this use samples of 398 policyholders are preferred through by simple random technique. The outcome is discussed base resting on the expressive reveal to facilitate policyholders attitude considered level of variables. End to LIC of India be supposed to get the essential pace to pick up the low-income people of benefit and initiation innovative products of micro insurance policies.

#### **Objectives of the Study**

1. To identify the relationship among expectation, attitude and gap of the policyholders towards LIC of India.
2. To find out the problems faced by the policyholders in availing life insurance services.
3. To offer suggestions and recommendation to improve the life insurance business.

**Methodology**

The area selected for this study is LIC of India in Thoothukudi division popularly known as Pearl City. The data from the LIC policyholders registered with this branch were collected with the help of an interview schedule. Statistical tools like percentage, gap ratio and ANOVA test were used for this analysis. The information regarding the list of policyholders was obtained in Thoothukudi LIC division office. Out of 48,524 policyholders in Thoothukudi division, a total of 657 sample policyholders selected from employed the Cochran’s formula for calculating sample size people of Thoothukudi district are selected by

using convenient sampling technique. The period of study was January 2022 to March 2022.

**Result and Discussion**  
**Relationship between Important Demographic Profile of Policyholders Expectation, Attitude and Gap on LIC**

The table 1 explains that the relationship between important demographic profile of policyholder’s expectation and attitude towards LIC services. Table 1 reveals that the calculated ‘F’ value of all the policyholder’s expectation towards LIC services factors in different groups. To test the relationship between important demographic profile and policyholder’ expectation towards LIC services, One-way ANOVA test has been employed. For this purpose, the hypothesis also framed.

H<sub>0</sub>: There is no significant relationship between policyholder’s expectation and attitude towards LIC services and the demographic profile variables in Thoothukudi District.

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**Table: 1 – Relationship between Important Demographic Profile of Policyholders Expectation, Attitude and Gap on LIC**

Demographic Profile	One-way ANOWAY	
	Expectation	Attitude
Age	918	302
Gender	328	719*
Marital Status	975	913*
Educational Qualification	518*	633*
Occupation	568*	143*
Monthly Income	471*	361
Year of Experience	387*	732

Source: Computed from Field survey

Note: \*Significant value

The following demographic profile variables like age, gender, marital status, educational qualification, occupation, monthly income and year of experience are tested. The One-way ANOVA result reveals that among the seven variables only four variables are statistically significant with demographic profile

variables at 5% level. Therefore, the third hypothesis namely “There is no significant relationship between the policyholders’ expectation and the demographic profile variables in Thoothukudi District” is valid only four factors like educational qualification occupation, monthly income and year of



experience Hence there is no significant relationship between the policyholders' expectation and the four demographic profile variables in Thoothukudi District. But the other three variables are not accepted. Therefore, the three variables namely age, gender and marital status are more influencing the policyholders' expectation towards LIC services in the study area.

Further the hypothesis namely There is no significant relationship between the policyholders' attitude and the demographic profile variables in Thoothukudi District" is valid only four factors like gender, marital status, educational qualification and occupation. Hence, there is no significant relationship between the policyholder's attitude and the four demographic profile variables in Thoothukudi District. But the other three variables are not accepted. Therefore, the three variables namely age, monthly income and year of experience are more influencing the policyholders' attitude towards LIC services in the study area.

**Problem Faced by the LIC Policyholders**

Insurance ensures protection of the economic value of the assets in human or

material form. Life insurance insures life through long term contracts, non-life (general) insurance insures fixed and movable assets on short-term basis, normally

on a one-year renewable term. This is simple if assets are not depreciable or perishable and where protection is to ensure security. However, assets like human life or material assets such as aero planes, ships, motor vehicles, machinery etc., are subject to uncertainties of death, breakdown and destruction. There are different sets of uncertainties in assessing liability and the speculative risks associated with human and market behaviour. Risks can be broadly based on those concerning human life and those related to material assets. In today's world of nuclear families, insurance providers are slowly replacing the joint family system that provided in earlier terms financial stability. It is possible to insure against premature death, dependent old age sickness, disability and unemployment.

Risks can be quite dynamic, as they correspond to fluctuations in economy, and changes in economic preferences, technology etc. The following table explains the problems faced by the LIC policyholders.

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**Table: 2 - Problem Faced by the LIC Policyholders**

Problems	Garret Mean Score	Rank
Inadequate Staff	57.07	
Unsatisfactory Services	58.94	
Waiting for a Long Time	55.21	
Inadequate Infrastructure	53.60	
Lack of Proper direction by Office Staff	53.17	I
Unfriendly Staff	57.88	
Exaggeration of Benefits	54.79	
Agents' related Service	55.08	II
No Proper and Timely Reminders	59.15	
No Complete Information about Insurance Service	54.37	

Source: Field Survey

Table 2 clearly shows the LIC policyholder's problems while availing insurance services with respective Garret mean score and ranks. It is obvious from the table that of the ten identified problems; 'unsatisfactory services' is ranked first with the highest Garret mean score of 58.94 which

is followed by 'unfriendly staff' with a mean score of 57.88. The 'inadequate staff' has been ranked third with a mean score of 57.07 which is followed by 'waiting for a long time' with a mean score 55.21.

The 'exaggeration of benefits' has been ranked fifth with a mean score of 54.79.



'Inadequate infrastructure' has been ranked sixth with the mean score of 53.60, the problem 'lack of proper direction by office staff' has been ranked seventh with the mean score of 53.17. 'agents' related service' has been ranked eighth with the mean score of 46.08 followed by 'No complete information about insurance service' which has been ranked ninth with the mean score of 44.37. 'No proper and timely reminders' has been ranked as the last one with the least Garret mean score of 39.15.

### Suggestions

- The study reveals that majority 58.94 per cent of the policyholders faced problem by unsatisfactory services, Therefore the LIC should make more emphasis on promotional activities such as advertising in T.V., Newspapers, Journals etc., This will surely help the people to understand the insurance schemes without much difficulty.
- A special group of field employees can be appointed to increase the number of people insured and to meet their needs by providing consumer education about the different type of policies and their unique advantages.
- The detail of the policy should be simple for the public to understand. It will reduce the public to choose the policy which suits their needs.
- The insurance company has to arrange some public meeting to popularize their schemes among the public. So it is better to educate the customer on different products, which will suit their special needs.

### Conclusion

This chapter conducted to describe the policyholders' demographic features and expectation, attitude and gap of LIC services in Thoothukudi district. The expectation and attitude variables are product flexibility on LIC, payment mode on LIC, loan facilities on LIC, easy management on LIC, policy sales promotion on LIC and risk management on LIC.

Further the relationship between demographic profile of policyholders and

expectation and attitude towards LIC services, One-way ANOVA test are employed. The result shows that, the three variables namely age, gender and marital status are more influencing the policyholders' expectation towards LIC services in the study area. Another three variables namely age, monthly income and year of experience are more influencing the policyholders' attitude towards LIC services in the study area.

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