Asian Journal of Management and Commerce

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Preferences and satisfaction of life insurance buyer: A study of Rohtak district

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Abstract
The present study is an attempt to study the satisfaction level of insurance policyholders toward various services rendered by the life insurance companies. Insurance does not provide only monetary benefits to the customer; it gives them psychological relations also. Further, preferences of insurance buyers were also studied to gain knowledge about their investment patterns. The satisfaction level of insurance buyer was studied by collecting primary data from 100 respondents in Rohtak city of Haryana State. The collected data were analyzed with the help of percentage analysis and rank analysis. The results of this study suggested that 34% policyholders were obtained dissatisfied about services rendered by the insurance companies.

Keywords: Insurance, policyholders, satisfactions, preferences, investment avenues

Introduction

Now-a-day, numbers of policyholders are increasing day-by-day in insurance sector. On the other hands, life insurance companies are also increasing rapidly. Life Insurance companies offer various services/schemes to the policyholders and insurers. The people understand the risk ok and danger of life. That is why, they enter in the contract of life insurance with insurers. In this way, the policy holders pay premium to the insurer and insurer promise to pay the time of happening of event insured. At present, insurance is in a growing stage. New companies are entering in the market with new insurance products and services. Further, the insurers try to sell their products and render services to the customers or buyers. But there is also a fact that many companies focus on sales of products and rendering of services and forget customer's satisfaction. Beside this, there are many investment schemes by which a person can invest his/her money to earn return in the future. That is why this study considers the satisfaction of people towards life insurance and studied the preferences of people regarding investment awareness.

Indian economy is one of the fastest growing economic of the world. It is developing at a very fast pace as compared to other global economics. In 2008, India was ranked as the second fastest economy of the world. Insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk-taking ability of the country. Insurance is a big opportunity in a country like India with a large population and untapped potential. In this current scenario of growing customer base, one of the principal concerns underlying the regulation of the insurance companies is the need to protect the interest of and secure fair treatment to policyholders.

The first Indian insurance company was the Bombay Mutual Life Assurance Society which came into existence in 1870. In the early 20th century, many new insurance companies emerged and thus the Life Insurance Companies Act, 1912 made it necessary that the premium-rate tables and periodical valuations of companies should be certified by an actuary.

The insurance market in India has witnessed dynamic changes including entry of a number of global insurers in both life and general segment. Life Insurance industry in India is ranked 9th among the 156 countries, during 2010-11 and the Indian non-life insurance industry improved in its global ranking to 19th in comparison to 26th in last year. The process of re-opening the sector had begun in the early 1990s and following the recommendations of the Malhotra Committee report, in 1999, the Insurance Regulatory and Development Authority (IRDA) was constituted as an autonomous body to regulate and develop the insurance industry. The key objectives of the IRDA include promotion of competition so as to enhance

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customer satisfaction through increased consumer choice and lower premiums, while ensuring the financial security

of the insurance market.
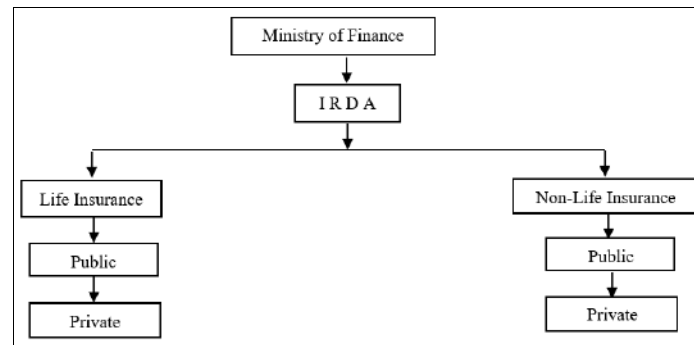
Contribution of insurance for growth and development
Insurance has had a very positive impact on India's economic development. The sector is gradually increasing its contribution to the country's GDP. In addition, insurance is driving the infrastructure sector by increasing investments each year. Further, insurance has boosted the employment scenario in India by providing direct as well as indirect employment opportunities. Due to the healthy performance of the Indian economy, the share of life insurance premiums in the gross domestic savings (GDS) of the household's sector has increased. The increased contribution of the insurance industry from the household GDS has been ploughed back into the economy, generating higher growth.

Types of insurance
The insurance business in India is divided into two broad categories.
They
1. Life insurance
2. Non-life insurance
   a. General insurance
   b. Health insurance
   c. C. reinsurance

Life insurance
Life insurance is a contract that provides financial compensation in the event of a disability. Life insurance is a contract in which the insured pays a certain amount of money to the insured at the end of a certain period of time or upon the death of the insured for a certain period of time, which helps to secure the financial security of your family even in your absence. This is an investment agreement because it guarantees the investor a refund with interest and bonus at the end of the policy.

Non-life insurance
a. General insurance
If an amount called a premium is paid periodically, the insurer assumes compensation to the insured in the event of a specific loss or damage, known as 'general insurance'. A feature of public insurance is that it acts as a protection agreement, not an investment agreement. This means that the premium paid will be refunded to the insured through claims, and the insured will incur loss or damage only in the event of certain events. General insurance includes property insurance, liability insurance, and other types of insurance. General insurance is divided into different types, which are described below.

i) Marine insurance
Marine insurance is the oldest form of insurance. Marine Insurance is a contract that guarantees the loss of the marine adventure, as well as the extension agreed upon against maritime losses. The risks involved in this type of insurance include cargo and hull cargo, and various types of marine insurance include cargo insurance, hull insurance and cargo insurance.

ii) Fire insurance
Fire insurance is a tool to cover the damage caused by a fire. The insurance company takes over to cover the loss incurred by the insured party due to fire accidents. The Fire Insurance Company undertakes to compensate the insured for any damage caused to the insured property by fire, considering the premium in this contract. The cause of the fire is essential to accept a fire claim.

iii) Motor insurance
Motor insurance is a type of insurance that covers damage to the motor vehicle and its accessories, liability for damage to property or injury to the guarantor or partner, and also insures the motor vehicle against the risk of injury or liability. Death of a third party due to driver's negligence. Policies that cover other types of risks or liabilities are similar to any other insurance policy.

iv) Miscellaneous insurance
Property, goods, machinery, furniture, and valuable articles can be insured against damages or damage caused by the accident or disappearance. There are several forms of insurance cover, including fidelity insurance, accident insurance, robbery insurance, workers' compensation insurance, unemployment insurance, employer liability insurance, crop insurance, livestock insurance, and key insurance.

b. Health insurance
Health insurance is insurance that covers all or part of the risk of a person who bears the medical costs of an individual. By estimating the overall risks to health care and the health system rather than the risk pool, an insurer can develop a regular financial structure. Also known as health insurance, medicine insurance or a medical claim, it covers the cost of an individual's medical and surgical expenses. The individual pays a fixed amount each year for health care.

c. Reinsurance

Reinsurance is a form of insurance purchased by insurance companies to reduce risk. Basically, reinsurance can limit the amount of loss an insurer may incur. In other words, it protects insurance companies from financial ruin, thereby protecting companies' customers from exposure losses. Reinsurance is insurance purchased by an insurance company. In the classic case, reinsurance allows insurance companies to remain lucrative after a major claim event.

Review of literature

M. Rajkumari (2007) [7] examined the customers' preferences, satisfaction and awareness regarding various insurance services. The study has been undertaken by the researcher in order to identify the customer's attitude towards purchase of insurance products and services formats available through banks.

Praveen Sahu *et al*. (2009) [8] investigated the consumer's perception towards Life Insurance Policies was positive. They also found that the factors Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image, and Company-Client Relationship were playing the crucial role in consumer's perception towards Life Insurance Policies.

Siddiqui and Sharma (2010) [5] examined the impact of service quality on customer satisfaction with agents, functional services and with company. Mathur and Tripathi (2014) [2] given the ranks to the most important factors which influence customers for selecting an insurance companies were computerization and online transactions, connectivity with bank, speed and efficiency in transactions, clear communication and the least important factors are influential marketing campaign, free gifts for customers, peer group impression etc.

Kuhlemeyer and Allen (2014) [4], showed that trust, competence, and product appropriateness of life insurance play an important role in consumer satisfaction. Sini and Karpagam (2016) [3] concluded that the respondents were neutral about tax benefit, risk coverage & saving, security with high return. The result indicated that the life insurance customers were unaware about the aspects of life insurance products and services.

Kumar (2016) [1] found that the respondents had low preference for money back policies of life insurance. He was also observed that the qualification and income of policyholder with the amount spent on insurance have insignificant influence.

Ghosal (2012) focused the role of insurance in economic development of India and also the changes occurred till day by differentiating the developing and developed economic growth of India.

Charumathi (2012) conducted a study entitled 'Title on The Determinants of Profitability of Indian Life Insurers. This study aims to model the factors that determine the profitability of Indian life insurers taking the Return on Assets (ROA) as the dependent variable. The leverage, premium growth and logarithm of equity capital negatively and significantly influence the profitability of Indian life insurers.

Chaudhury and Das (2014) studied the Trends in Marketing of New Insurance Schemes and Distribution: An Empirical Studies on Indian Life Insurance Sector. The studies of the current trends of Life Insurance sector in India; evaluate the market share of Life Insurance sector of India in Life insurance business; and studies of the trends in the life insurer in India in the globalized environment.

Pant and Bahadur (2017) Title on Contribution of Insurance in Economic Growth of Nepal. The main objective of this paper is the contribution of insurance in economic growth of Nepal using determinants of insurance like total insurance premium, Life insurance premium, Non-life insurance premium, employment and investment using data from 2004 to 2015 based on theoretical and empirical evidence.

Rajurkar (2017), Title on Promotion Mix Strategies of Life Insurance Companies. This paper studies to find the various companies manage their marketing effort and tackle or change their promotion strategies in view of ever-increasing competition, Expectation of people & the changing perception among people on the very purpose of buying life insurance.

Damodar Basaula (2017) examined the awareness and satisfaction of customers towards life insurance claim settlement in Nepal. The entrepreneurial development, launching innovative products, increased institutional delivery along with inbound claim calls attracts the customers for policy repurchase. It has claimed that life insurance has not only for security but has been taken as social prosperity through socio economic development.

Vijayanarayanan and Kumar (2018) conducted a study entitled Marketing Strategies of Private Sector Life Insurance Companies in Chennai City. This paper Studies the demographic profiles of the policy holders of Chennai city, identifies the underlying dimensions of Perception of Marketing Strategies (PMS) followed by Private Life Insurance Companies and finds the impact/influence of Personal Profiles of respondents on their Total Perception of Marketing Strategies (TPMS).

Singh and Lall (2018) studied on An Empirical Study of Life Insurance Product and Services in Rural Areas. The aims of the present studies are the opportunities for insurers in the rural market and what will be new strategies to tap the highly underinsured rural area, and also understands consumer's behavior in the insurance sector and identify challenges faced by insurance companies and how to overcome with those challenges.

Dash (2018) Title on Determinants of Life Insurance Demand: Evidences from India. This study has discussed numerous variables associated with the customers such as: age, gender, marital status, occupation, education, family size and annual income and their impact on their buying behaviors. It also includes residing locality, selling company and annual premium amount (price) along with along with these variables and also conducted in rural Odisha with a sample of more than 400 life insurance policy's holders.

Kannan (2018) examined the Customer Satisfaction towards Life Insurance Corporation with Special Reference to Chennai City. The main aim of these studies is to know the consumer's satisfaction towards LIC and determines the factors and attributes that influence the policyholders towards different policies and also studies the problems faced by policyholder and strategies to enhance Life insurance service.

The study showed that the respondents had low cover with preference for money back policies. The investment was seen as a protection of the family interests and to reduce financial burden. Correlation and influence were observed in terms of qualification and Income with the amount spent on insurance indicating insignificant influence of other

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Justification of the study
In India, the insurance sector is a growing sector. Awareness of people regarding insurance is increasing day-by-day and they are also entering the contact of insurance with insurances. In developed countries, the insurance companies are offering many services as compared to developing countries. That is why there is a need to make a fresh attempt to study the satisfaction level of insurance buyers and their preferences regarding investment avenues also.

Objectives of the study
1. To study the satisfaction level of policyholders towards services rendered by life insurance companies.
2. To investigate the causes of dissatisfaction of policyholders.
3. To study the preferences of policyholders towards various investment avenues.

Research methodology
1. Study area
The present research work was carried to know no the preferences and satisfactions of policyholders in district Rohtak of Haryana state. Insurance is a vast sector and due to various causes like economic time etc., was delimited to only the policy holders of district Rohtak.

2. Research design
The collected data was analyzed with the help of various statistical tools like percentage and rank analysis. That is why, this study is a descriptive-cum-analytical in nature.

3. Sample-size and technique
A sample of consisting 100 policyholders was taken with the help of judgments sampling technique.

4. Data
Under this study primary data was collected through questionnaire instrument from 100 respondents.

Analysis and explanation of results
This section of the study presents the result of analysis and explanation their own. First of all, the researchers studied the satisfaction level of the policyholders.

Table 1: Satisfaction level of policyholders in district Rohtak

Satisfaction towards services	No. of respondents	% of respondents
Very good	09	9%
Good	19	19%
Satisfied	38	38%
Dissatisfied	34	34%
Total	100	100%

Source: Primary data

The satisfaction levels of policyholders have been accessed and the results of analyses are given in table 1. The results explicit that only 9% respondents' policyholders feel very good about the services rendered by life insurance companies. Whereas, 34% respondents (policyholders) show their dissatisfaction towards the services provided by insurers. Besides this, 19% respondent out of hundred feel good and 38% respondent out of hundred feel satisfied.

Table 2: Causes of dissatisfaction of policyholders in district Rohtak

Causes	No. of respondents	% of respondents
Delay in settlement	18	52.94%
Inadequate information	03	8.82%
Costly premium	10	29.42%
Poor customer relation	03	8.82%
Total	34	100%

Source: Primary data

The causes of dissatisfaction policy holders have been investigated and analyzed. It has been observed from the results are given in table-2 that 52.94% of 34 respondents felt dissatisfaction due to delay in settlements by life insurance companies. Further, 8.82% of dissatisfied policy holders have been obtained with dissatisfaction on inadequate information provided by life insurance companies and also 8.82% policyholders have been found with dissatisfaction towards poor customer's relations. Besides this, 29.42% of 34 policy holders feel their dissatisfaction due to costly premium charged by the life insurers.

Table 3: Preferences of policyholder towards investment avenues

Investment avenues	Rank	1st	2nd	3rd	4th	5th	Total
Saving in post office		27	33	6	10	24	100
Saving in banks		28	36	11	14	11	100
Insurance		31	16	39	8	6	100
Investment in securities		5	9	26	20	40	100
Other		9	6	18	48	19	100
Total		100	100	100	100	100	

Source: Primary data

The preferences of respondents towards investment avenues have been studied through rank analysis. The results given in table-3 explicate that 31 out of 100 policyholders give their first choice to invest in insurance products. The next 28 out of 100 respondents make first choice of saving in banks. Further, 27 respondents out of 100 have been obtained in support first choice towards saving in post office. However, only five respondents have been obtained with first choice of securities.

Findings

The major findings of the study have been obtained and there are as:

- 34% sampled policy holders have not been found satisfied with schemes offered by life insurance companies.
- 4 major cases (delay in statements, inadequate information, costly premium, and poor customer relations) dissatisfaction of sampled policyholders have been found.
- The first investment choice of maximum respondents (31) has been obtained as investment in insurance.
- The minimum policyholders (5) have been obtained with their first choice of securities.

Conclusion

This research work was taken up to study the preferences and satisfaction of policy holder towards life insurance companies. Under this work, the primary data were analyzed. After studying the results given in various tables, the researches reached conclusion that a major part of sample respondents 34% was not found satisfied with securities rendered by the life insurance companies. However, the maximum 31 respondents were observed with their first choice of investing through insurance products.

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