# A Study On Attitude Of Policyholders Of  Lic Of India With Special Reference To Perambalur District

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*Abstract: 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 analysed 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.*

*Keywords : Perambalur, attitude, awareness, insurance services.*

## 1.  INTRODUCTION

This is service sector which not only serves the LIC of India policy holders but also the Indian nation. This is an autonomous organization under the control of the Indian Government. Insurance is a service which tries to equate the risk incurred by a life in its course of activities and the one which tries to support economically the helpless family. Life insurance of India policy is distinct from other financial instruments because it is with risk cover provision. It is one of the security needs of an individual; every individual for his own sake and for the sake of his family should invest in life insurance so that everyone can be safe under the coverage given  by LIC  of India.

**STATEMENT OF THE PROBLEM**

‘A study on attitude of policy holders of LIC OF INDIA with special reference to Perambalur District’

**Need of the Study**

First of all, this study is a contemporary study. This tries to find out the dynamic content of the human feelings towards the LIC of India performances. The clients’ attitudes are of much importance to study the level of satisfaction of the clients towards the LIC of India. This knowledge bulk can be of immense use both at the present and the future. At present the personals that are in the field of selling the LIC of India policies may get the different sectors of the clients’ attitude and satisfaction.

**OBJECTIVES OF THE STUDY**

- To study Attitude of policyholders towards LIC of India with special reference to Perambalur district.
- To identify the relationship among Awareness and Attitude of customers.
- To find out the influence of Awareness on Customers 'Attitude.

## 2. REVIEWS OF RELATED LITERATURE

**Lekshmi Bhai, Nayana and Asha (2017)** studied on the entitled customer's attitude towards investment in LIC. The study was conducted in Ernakulam District. Multistage random sampling method was adopted. Overall population size was 24680. The sample size was 379. Rank analysis was used for data analysis. It was found that found that 42 per cent of the policy holders have made their investment in LIC. The study recommended that the LIC should organize personalized result to various life insurance customers in the marketplace as per their wants and necessities.

Effect of consumer characteristics on purchase motives and attitude towards life insurance studied by **Neha Shrivastava1 and Raminder Pal Singh (2017)** have found that some of demographic variables significantly affect purchase behaviour of consumers. The data was collected data from 500 consumers of Punjab region. The research recommended that the insurance corporations should deposit their pains to let citizens know the significance of having life insurance at the early period.

**Karthikeyan and Krishnamurthy (2016)** studied on employees' attitude towards customer relationship management practices in life insurance companies. The study was done in Chennai city. Sample size of the research was 272. The study was descriptive in nature. The analysis found that there is difference between the insurance industry and strategy for CRM practices. It was also found that the businessmen and government employees are less satisfied with the services of the insurance companies. Hence, it is the research suggested that extraordinary heed to taken to keep happy the all type clients by the insurance companies.

**Sonal Kala and Premila Jain (2015)** analyzed the entitled on Awareness of Health Insurance among people. The study was conducted in Rajasthan (India). The methodologies such as exploratory research design, simple random

sampling, sample size was 120, data collected through structured questionnaire and frequency and percentage test were used. The research suggested that the government companies should develop their develop short claim settlement process, customer support services, develop more cashless facilities network, introduce money back policies and issue health insurance card like uniqueness card to Indian citizens.

**Suresh and Rambabu Gopisetti (2015)** studied on consumer awareness levels towards life insurance products. Sample size was 672. The study was conducted in Secunderabad

LIC Division. Descriptive design was adopted. Descriptive statistics and one way ANOVA were used. The analysis found that the policyholders were more aware about their duties relatively than rights and they are very badly aware about the terms and conditions and procedures of the insurance companies. The study concluded that the planned to help in appraising the level of awareness of policyholders in the Secunderabad Division.

**Thirupathi (2014)** studied on awareness level of LIC policy holders. The study was conducted in Salem district. The data was collected from 160 LIC policy holders. Percentage analysis, T-test, F-test and Chi- Square test were used for data analysis. It was found that Policyholders desire private insurance sectors since they give them the lot of value added services and banking facility. The study recommended that the LIC and common public if it offers banking facility and lot of value added services to the policyholders and the common public.

## HYPOTHESES OF THE STUDY

- There is no significant difference towards Attitude among policyholders with respect to Income, Education and Occupation.
- There is no relationship among Awareness and Attitude.
- There is no influence of Awareness on Attitude of customers.

## LIMITATIONS OF THE STUDY

➢ The sample was restricted to 454 LIC policyholders only.
➢ The study was restricted to Perambalur District only.

## DESIGN OF THE STUDY

➢ The present study has been designed as the descriptive study.

## TOOLS OF THE STUDY

1. Demographic profile prepared by the researcher. It includes 12 relevant items to obtain the data related with the demographic profile of the LIC policy holders of Perambalur District in the questionnaire.

2. Attitude amongst policyholders' questionnaire prepared by KAMALI 2014.

3. Awareness amongst Policyholders questionnaire prepared by the Muthukumaravel 2014.

## OPERATIONAL DEFINITION

### Attitude

This is a dynamic segment of the feeling of the human being. Attitude is the temporary

disposition about a service or a thing or a process. So long the client is well satisfied they will be having the positive attitude, if not it will turn into negative attitude; it fluctuates with the passing of time. Attitude is time related.

**Policy holders**

Policy holders are those who are in connection through a written bond through which the policy holder anticipates to secure his life while living as well as afterlife. Policy holders are expected to renew the policy on the due date to keep the policy in force. Policy holders are those who try to avail the insurance benefits through the services rendered by the LIC through the man power of it. If the policy holder fails to repay the dues the policy may get lapsed, and thereafter he cannot be considered as the policy holder.

**Perambalur District**

This is a new district emerged after the trifurcation of the Trichy district in Tamil Nadu. This study frames itself within this new district.

**Pre-Test**

Pre-test was administered to the peers and some familiar persons to get a pre-hand idea about the difficulties that the respondents may face during the processes of responding the data collecting tools. The questionnaires were pre-tested with 25 peers and familiar persons. After the pre-testing, essential modifications were carried out in the questionnaires to fit present study. This set of questionnaires was scrutinized further by the eminent professors, research experts and the Research Guide. Then the modified questionnaire set was launched for the pilot study.

**Pilot Study**

Table 1: Pilot Study Reliability Analysis

| Sample Size = 60 | | | |
| --- | --- | --- | --- |
| **S. No.** | **Variables** | **Item** | **Reliability** |
| 1 | Attitude Amongst Policyholders | 39 | 0.88 |
| 2 | Awareness amongst Policyholders | 26 | 0.78 |

**Sample Size Determination**

Sample Size = SS = $(ZS/E)^2$ Lincoln University (2006)

Where Z – Confidence Level

S – Standard Deviation

E – Error Value

$SS = (1.96*0.53/0.050)^2$

$SS = 431.64$

Rounded        $SS = 432$

Sufficient sample size derived through the formula is 432.

## SAMPLING FRAME OF THE STUDY

Table 2

| Distributed Questionnaire | Received Questionnaire | Not Received | Ok Questionnaire | Rejected Questionnaire |
|---|---|---|---|---|
| 432+86(20%) = 518 | 472 | 46 | 454 | 18 |

The sample strength was 454. Out of 454, 345 were male policyholders and the remaining109 were female policyholders.

## STATISTICAL TOOLS

1.        Descriptive statistics
2.        Mann – Whitney U Test
3.        Kruskal – Wallis H Test
4.        Regression

## 4. RESULT AND DISCUSSION

**H test shows Mean rank difference towards policy holders' Attitude with respect to Income, Education & Occupation**

Table : 3

| Satisfaction | Income | N | Mean Rank | H | p |
|---|---|---|---|---|---|
| Income | Below 25000 | 217 | 203.02 | 17.216 | 0.000 |
| | 25000 to 40000 | 165 | 258.93 | | |
| | Above 40000 | 72 | 229.25 | | |
| | **Total** | **454** | | | |
| Education | Up to HSC | 36 | 204.00 | 22.205 | 0.000 |
| | ITI/Dip | 90 | 237.90 | | |
| | Graduate | 310 | 219.37 | | |

| | Professional | 18 | 362.50 | | |
|---|---|---|---|---|---|
| | **Total** | **454** | | | |
| Occupation | Government employee | 36 | 208.75 | 14.412 | 0.000 |
| | Private employee | 72 | 206.25 | | |
| | Retired, Unemployed & casual workers | 291 | 243.96 | | |
| | Professional | 55 | 180.51 | | |
| | **Total** | **454** | | | |

Policy holders' attitude which was the dependent variable shows highest mean rank of 258.93 goes with the 25000 to 40000 income when compared other respective groups of income. Policy holders' attitudes obtained overall mean value of 3.40 and which shows that better level of attitude. The H–ratio was 17.216 which was the significant at one percent level because the p value of 0.001. It can be understood that the three income groups significantly differ in their attitude among policy holders.

Policy holders' attitude which was the dependent variable shows highest mean rank of 362.50 goes with the professional education and lowest mean rank of 204.00 goes with up to HSC education. Policy holders' attitudes obtained overall mean value of 3.40 and which shows that better level of attitude. The H–ratio was 22.205 which was the significant at one percent level because the p value of 0.001. It can be understood that the four education groups significantly differ in their attitude among policy holders.

Policy holders' attitude which was the dependent variable shows highest mean rank of 243.96 goes with the retired, unemployed & casual workers occupation and lowest mean rank of 180.51 goes with professional occupation. Policy holders' attitudes obtained overall mean value of 3.40 and which shows that better level of attitude. The H –ratio was 14.412 which was the significant at one percent level because the p value of 0.001. It can be understood that the four occupation groups significantly differ in their attitude among policy holders.

**Correlation analysis shows relationship between customer's Attitude and awareness amongst policyholders**

Table : 4

| S. No. | Variable | Customers Attitude | | |
|---|---|---|---|---|
| | | N | r | p |
| 1 | Awareness Amongst Policyholders | 454 | 0.142 | 0.002 |

The table 4 shows that the relationship between customer attitude and customer awareness amongst policyholders. Sample size of the study was 454. Based on the p value acceptance or rejection of the $H_o$ is to be performed.

$H_o$: There is no relationship between customer attitude and awareness amongst policyholders.

The relationship between customer attitude and awareness amongst policyholders calculated r value was 0.142 with p value was significant at one percent level. Hence, there is relationship between customer attitude and awareness amongst policyholders.

**Regression weights of policy holders' satisfaction**

Table : 5

| DV | | IV | Estimate | S.E. | C.R. | Beta | p |
|---|---|---|---|---|---|---|---|
| Attitude Amongst Policyholders | <--- | Awareness Amongst Policyholders | 0.428 | 0.050 | 8.618 | 0.447 | *** |

The beta value was 0.447; the critical ratio value was 8.618 and p-value was significant. It is inferred that awareness amongst policyholders at 44.7 percent on attitude amongst policyholders. It shows that the one unit increase of awareness amongst policyholders leads to increase of 44.7 levels on awareness amongst policyholders. The result shows that awareness amongst policyholders has positive direct effect on awareness amongst policyholders.

## 5. MAJOR FINDINGS OF THE STUDY

➢ Policy holders' attitude seems to be significant difference with respect to three income groups. Policy holders' attitudes obtained overall mean value of 3.40 and which shows that income influences the level of attitude of policyholders.

➢ Policy holders' attitude seems to be significant difference with respect to four education groups. Policy holders' attitudes obtained overall mean value of 3.40 and which shows that occupation influences the level of attitude of policyholders.

➢ Policy holders' attitude seems to be significant difference with respect to four occupation groups. Policy holders' attitudes obtained overall mean value of 3.40 and which shows that occupation influences the level of attitude of policyholders.

➢ There is relationship between customer attitude and awareness amongst policyholders.

➢ Awareness amongst policyholders has positive direct effect on awareness amongst policyholders.

## 6. RECOMMENDATIONS FOR FURTHER STUDY

➤ It is recommended that LIC could give a broad advertisement and publicity in a gorgeous medium namely posters, television, news papers and banners. More number of people may be aware of the LIC polices, services and their products.

➤ Agents must be motivated to focus on post marketing aspects. So, well satisfied policyholders will become the ambassadors for LIC.

➤ The LIC should create awareness to the customers through media and providing information through agent/adviser in person on the importance of LIC policies. This will help to reach the LIC deep root of the society.

➤ It is suggested that LIC should create awareness amongst policyholders about easy procedures for claims, timely claim settlement and full claim settlement.

## 7. CONCLUSION

It is concluded that the customers' Attitude should be the main focus of any service firm industries and also especially to the Life Insurance Company. From this research, it is found that policyholders' attitude towards policies provided by LIC. This result will be in customer retention leading to improved profitability and growth of the Life Insurance Company.

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