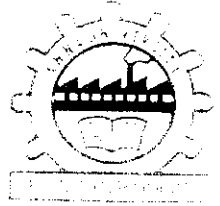


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A STUDY ON DECISION PROCESS IN SELECTING AN INSURANCE PRODUCT

SUMMER PROJECT REPORT

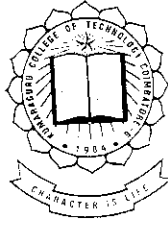
Submitted to the
Faculty of Management Sciences, Anna University
in partial fulfillment of the requirement
for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION

by

**R.SURESH
71205631053**

October 2006

**DEPARTMENT OF MANAGEMENT STUDIES
KUMARAGURU COLLEGE OF TECHNOLOGY
COIMBATORE – 641 006**



DEPARTMENT OF MANAGEMENT STUDIES
KUMARAGURU COLLEGE OF TECHNOLOGY
COIMBATORE

BONAFIDE CERTIFICATE

Certified that this project titled “A STUDY ON DECISION PROCESS IN SELECTING AN INSURANCE PRODUCT” is a bonafide work of Mr.R.SURESH (71205631053), who carried out this research under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Prof. K. R. Ayyaswamy
Faculty Guide

Dr. S. Ganesan
Director

Evaluated and Viva - Voice conducted on 15.11.22.

Examiner 1

Examiner 2

DECLARATION

I, R.Suresh, hereby declare that the project entitled "**A study on decision process in selecting an insurance product**", submitted to the Anna University in partial fulfillment of the requirements for the award of the degree of Master of Business Administration is a record of original work done by me during my period of study in Department of management studies in kumaraguru college of technology (Affiliated to Anna University). Under the guidance of **Prof.K.R.Ayyaswamy**, faculty in the Department of Management Sciences.

Place : COIMBATORE

Date : 10.10.06



(R.Suresh)

05-OCT-2006

TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Mr. R.SURESH REG NO 71205631053**, II Year M.B.A Student, KCT Business School, Kumaraguru College of Technology, Saravanampatty Coimbatore. He has done a Project 'A STUDY ON DECISION PROCESS IN SELECTING AN INSURANCE PRODUCT' From the Period of June 29th to August 9th 2006.

He has successfully completed his project abided by the rules and regulations of the company.

We wish him all Success for his future endeavors.



J.M.FEROZ
SALES MANAGER
CHANNEL DEVELOPMENT

ACKNOWLEDGEMENT

ACKNOWLEDGEMENT

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ABSTRACT

ABSTRACT

Indian Insurance sector has changed rapidly ever since the market opened five years ago. The entry of Private Life Insurance with long experience of selling to discerning customers around the world has brought about new, modern products and service. This has resulted in a sharper growth in the Life Insurance market, which still has huge un-tapped potential. These new breed of private Life Insurance Companies taking away the market share from LIC, a monopoly of yesteryears. In early days Life Insurance policies are considered as an instrument, which gives life cover only. But today, Life Insurance policies with the caption of market-linked plans are considered as a savings instrument with life cover.

This study provides detailed report on the decision process in selecting an Insurance product with special reference to ICICI Prudential Life Insurance Company Limited. This research will help the company to identify the decision factors involved in decision process of respondents and to tour on the Income range of people to evolve the research.

This research has been done in Coimbatore with special reference to ICICI Prudential Life Insurance Company Limited by selecting a sample of 200 people. It focuses on ascertaining the process of decision-making in selecting an Insurance product by customer.

“The objective of this project is to study on the decision process in selecting an Insurance product.” The research design used in this project is “Descriptive”. Questionnaire method was used to collect the requisite data. The statistical tools used for analyzing the data are simple percentage, weighted average and Chi-square test.

The agents play a very significant role in the decision process in selecting an insurance product. People desire to have specific insurance products. The detailed findings and recommendations are given in the final pages of this report.

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INTRODUCTION

CHAPTER I

INTRODUCTION

1.1 Introduction to study

Indian insurance sector has changed rapidly since the opening up of the economy. The entry of private life insurers in collaboration with foreigners with long experience of selling insurance products to customers around the world has brought about new, modern approach to this sector. This has resulted in a sharper growth in the life insurance market, which still has huge untapped potential. These new breed of private life insurance companies are taking away the market share from LIC, a monopoly of yesteryears. In early days life insurance policies are considered as an instrument which gives life cover only. But today, life insurance policies with the inception of market linked plans can be considered as an investment instrument with life cover.

This research will help the company to understand consumer's decision process in selecting an insurance product. This may serve as a fundamental information for the company to understand the customer requirements and consequential delivery of effective service.

Insurance business may be divided in to 2 classes with sub classes on:

1. Life Insurance
2. General Insurance
 - a) Fire Insurance
 - b) Marine Insurance
 - c) Miscellaneous Insurance
 - d) Medical Insurance.

1.2 Industry profile

1.2.1 Insurance in India

The insurance sector in India has come a full circle from being an open competitive market to nationalization and back to a liberalized market. Tracing the developments in the Indian insurance sector reveals the 360 degree turn witnessed over a period of almost two centuries.

1.2.2 A brief history of the insurance sector

The business of life insurance in India in its existing form started in India in the year 1818 with the establishment of the Oriental Life Insurance Company in Calcutta. Some of the important milestones in the life insurance businesses in India are: 1912: the Indian Life Assurance Companies' Act enacted as the first statute to regulate the life insurance business.

In 1956, 245 Indian and foreign insurance and provident societies have been taken over by the Central Government and were nationalized. LIC was formed by an Act of Parliament, viz. LIC act. 1956, with a capital contribution of Rs. 5 crore from the Government of India. The general insurance business in India, on the other hand, can trace its roots to the Triton Insurance Business in India. The first general insurance company established in the year 1850 in Calcutta by the British.

1.2.3 Insurance sector reforms

In 1993, Malhotra Committee, headed by R.N. Malhotra, was formed to evaluate the Indian Insurance industry and recommend its future direction. The Malhotra Committee was set up with the objective of complementing the reforms initiated in the financial sector. The reforms were aimed at “creating a more efficient and competitive financial system suitable for the requirements of the economy keeping in mind the structural changes currently underway and recognizing that insurance is an important part of the overall financial system where it was necessary to address the need for similar reforms.”

i) Structure

- Government stake in the insurance companies to be brought down to 50%
- Government should take over the holdings of GIC and its subsidiaries so that these subsidiaries can act as independent corporations
- All the insurance companies should be given greater freedom to operate

ii) Competition

- Private companies with a minimum paid up capital of Rs.100 Cr should be allowed to enter the industry
- No company deal in both life and general insurance through a single entity
- Foreign companies may be allowed to enter the industry in collaboration with the domestic companies.
- Postal Life Insurance should be allowed to operate in the rural market.
- Only one state level life insurance company should be allowed to operate in each state

iii) Regulatory Body

- The Insurance act should be changed
- An Insurance regulatory body should be set up
- Controller of Insurance (Currently a part from the Finance Ministry) should be made independent

iv) Investments

- Mandatory investments of LIC life fund in government securities to be reduced from 75% to 50%
- GIC and its subsidiaries are not to hold more than 5% share in any company (Their current holdings to be brought down to this level over a period of time)

v) Customer Service

- LIC should pay interest on delays in payments beyond 30 days
- Insurance companies must be encouraged to set up Unit linked pension plans
- Computerization of operations and updating of technology to be carried out in the insurance industry

The committee emphasized that in order to improve the customer services and increase the coverage of the insurance industry should be opened up to competition. But at the same time, the committee felt the need to exercise caution as any failure on the part of new players could ruin the public confidence in the industry. Hence, it was decided to allow competition in a limited way by stipulating the minimum capital requirement of Rs.100 cores. The committee felt the need to provide greater autonomy to insurance companies in order to improve their performance and enable them to act as independent companies with economic motives. For this purpose, it had proposed setting up an independent regulatory body.

1.2.4 The insurance Regulatory and Development authority

Reforms in the insurance sector were initiated with the passage of the Insurance Regulatory and Development Authority (IRDA) Bill in Parliament in December 1999. The IRDA since its incorporation as a statutory body in April 2000 has stuck to its schedule of framing regulations and registering the private sector insurance companies. The other decisions taken simultaneously to provide the supporting systems to the insurance sector and in particular the life insurance companies were the launch of the IRDA's online service for issue and renewal of licenses to agents.

Since being set up as an independent statutory body the IRDA has put in a framework of globally compatible regulations. In the private sector 13 life insurance and 6 general insurance companies have been registered. They are in operation in country. The list of new entrance is given in the Annexure.

1.3. ICICI Prudential Life Insurance Company Limited

1.3.1. Company Profile

ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank, a premier financial powerhouse and prudential plc, a leading international financial services group headquartered in the United Kingdom. ICICI Prudential was amongst the first private sector insurance companies to begin operations in December 2000 after receiving approval from insurance Regulatory Development Authority (IRDA)

ICICI Prudential's equity base stands at Rs. 11.85 billion with ICICI Bank and Prudential plc holding 74% and 26% stake respectively. The company has a network of about 56,000 advisors; as well as 7 banc assurance and 150 corporate agent tie-ups. For the past four years, ICICI Prudential has retained its position as the No. 1 private life insurer in the country, with a wide range of flexible products that meet the needs of the Indian customer at every step in life.

1.3.2 Promoters Profile

ICICI Bank

ICICI Bank is India's second largest bank with total asset of about Rs.112024 Crore and a network of about 450 branches and offices and about 1750 ATM's. It offers a wide range of banking products and financial services to corporate and retail customers. ICICI's equity shares are listed in India on Stock exchanges at Chennai, Delhi, Kolkata and Vadodara, the stock exchange Mumbai (BSE) AND THE National Stock Exchange (NSE) of India limited and its American Depository Receipts (ADR'S) are listed on the New York Stock Exchange (NYSE).

Prudential Plc

The company was established in London, in 1848. Through its business in UK, Europe, US and Asia, provides retail financial services to more than 16 million customers. Prudential has brought to market an integrated range of financial services that include life insurance, pensions, mutual funds, banking, investment management and general insurance. In Asia, prudential is the leading European life insurance company with a vast network of 24 life and mutual fund operations in 12 countries which includes, china, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand and Vietnam

1.3.3 Insurance Plans

ICICI Prudential offers a complete range of insurance products. They include:

- protection Plans
- Savings Plans
- Child Plans
- Investment Plans
- Retirement plans
- Group Plans
- Rural plans
- Plans for NRIs
- Keyman Plans
- Health Plans
- Riders

ICICI Prudential Life Insurance's new business has grown 77% in year '04-05 to cross Rs 1,000 crore, with annualized new business premium of Rs 1,256 crore. The company's total received premium, which includes renewal premium, has crossed Rs 2,363 crore for year '04-05. The company has sold 6.14 lakh policies in year '04-05. Business figures given out by the insurance Regulatory and Development Authority (IRDA) do not annualize the premium, but give full credit for single-premium policies.

If full credit was given for ICICI Prudential's single-premium policies, its new business premium would be Rs 1,584 crore. On an annualized basis, ICICI Prudential's market share of new business premium works out to nearly 7% of the industry, which includes life Insurance Corporation (LIC).

Announcing the business performance, Managing Director said the expected the insurance industry to growth is at 12% every year. The ICICI Pru, which had a paid-up capital of Rs 925 crore, will need more capital during the year because of the prospects for incremental growth. However, the company has brought down its expense ratio significantly from 26% to 17% in year '04-05.

This year, 80% of the premium has been generated from unit-linked plans, with nearly 40% of the premium collections going into equity. Indian policyholders have been increasingly opting for unit-linked plans, which offer higher exposure to equities, ever since lower interest rates have forced insurers to cut bonuses on traditional policies.

With the resistance towards private insurance companies falling, ICICI Prudential's average premium per policy has shot up to Rs 24,000. A significant development has been the sharp rise in-group business. The company, which was a latecomer in the group segment, generated 7 % of its premium from group insurance, against 1.2% last year. Pension plans have accounted for 41% of premium income. This year, a significant portion of premium income came from purchase of pension plans.

ICICI Prudential was ranked '**The Most Trusted Private Life Insurance Company**' amongst service brands in '**The Economic Times AC Nielsen Survey**'. This means that it is the only private life insurer to make it to the top 25 of the coveted rankings.*

* Courtesy the economic time -- April 13, 2005.

1.3.4 Organizational Structure of ICICI Prudential Life Insurance Company Limited

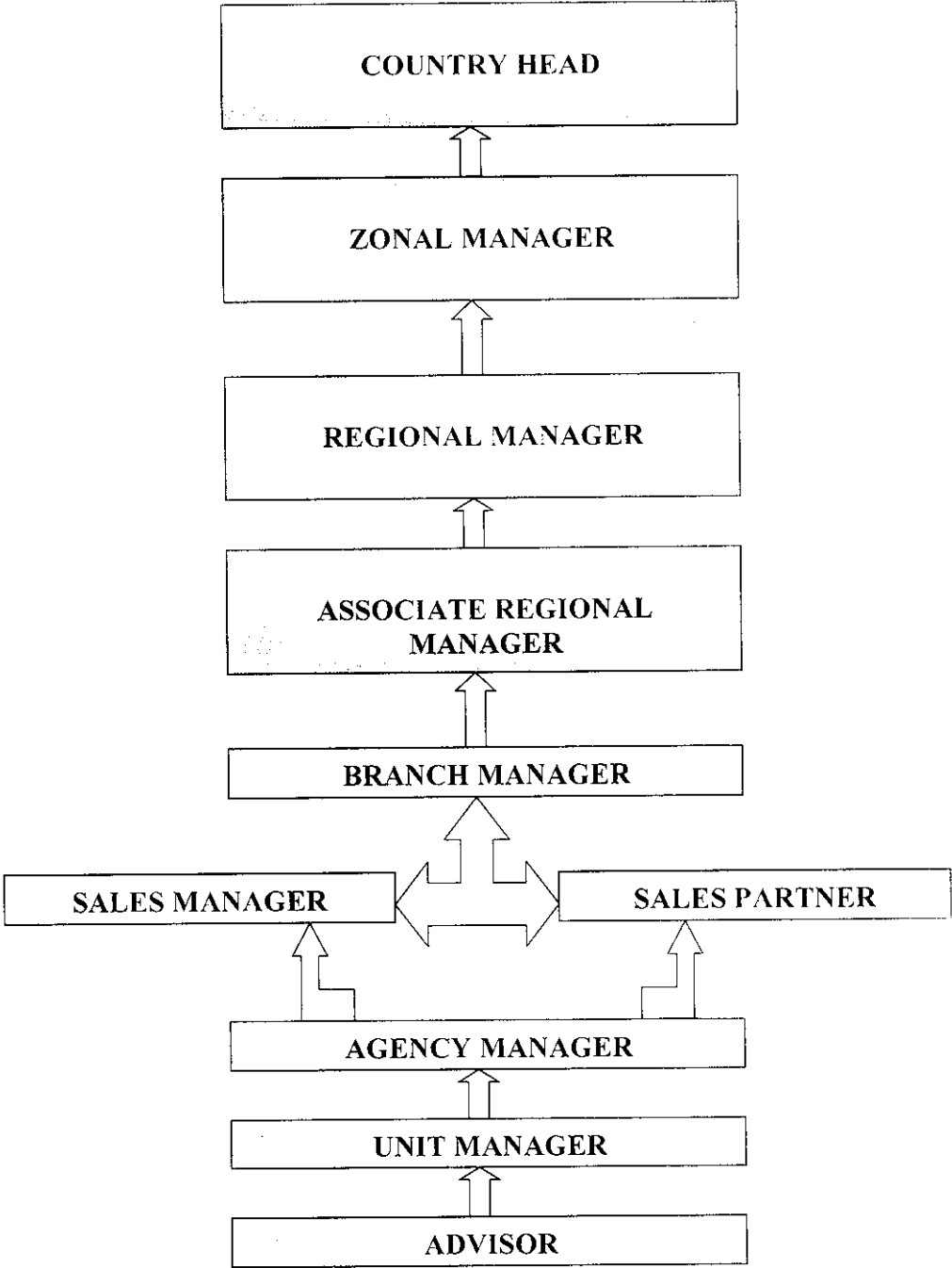


Fig No: 1

1.3.6 Distribution

ICICI prudential has one of the largest distribution networks amongst private life insurers in India, having commenced operations in 23 cities and town in India. It has also tied up with organizations like dhan for distribution of Salaam Zindagai, a policy for socially and economically underprivileged sections of society.

ICICI prudential has recruited and trained over 32,000 insurance agents to interface with and advise consumers, and has highest number amongst the private insurers on the renowned Million-Dollar Round Table (MDRT). Further, it leverages its state-of-the-art IT infrastructure to provide superior quality service to consumers. ICICI prudential is the pioneer in Multi Distribution networking other private insurance companies tried and is still trying the same, they are not as successful as ICICI prulife. The distribution channel of the company covers,

- ✓ Tied agency - a traditional marketing channel for insurance products. In Tied agency channel, the financial advisors get the policies and they work on commission structure.
- ✓ Alternate channels: These are the other channels adopted by the company to reach out of their customer base. These alternate channels bring about 40 percent of the sales of the company. The main alternate channels are: Corporate Agents, Bancassurance and Direct Marketing.
- ✓ Through the private brokers.
In the city of Bangalore, ICICI Life Insurance Company have its dealings with only one broker, which is 'Japan Life'.

1.3.5 Market Segmentation of ICICI Prudential Life Insurance Company Limited

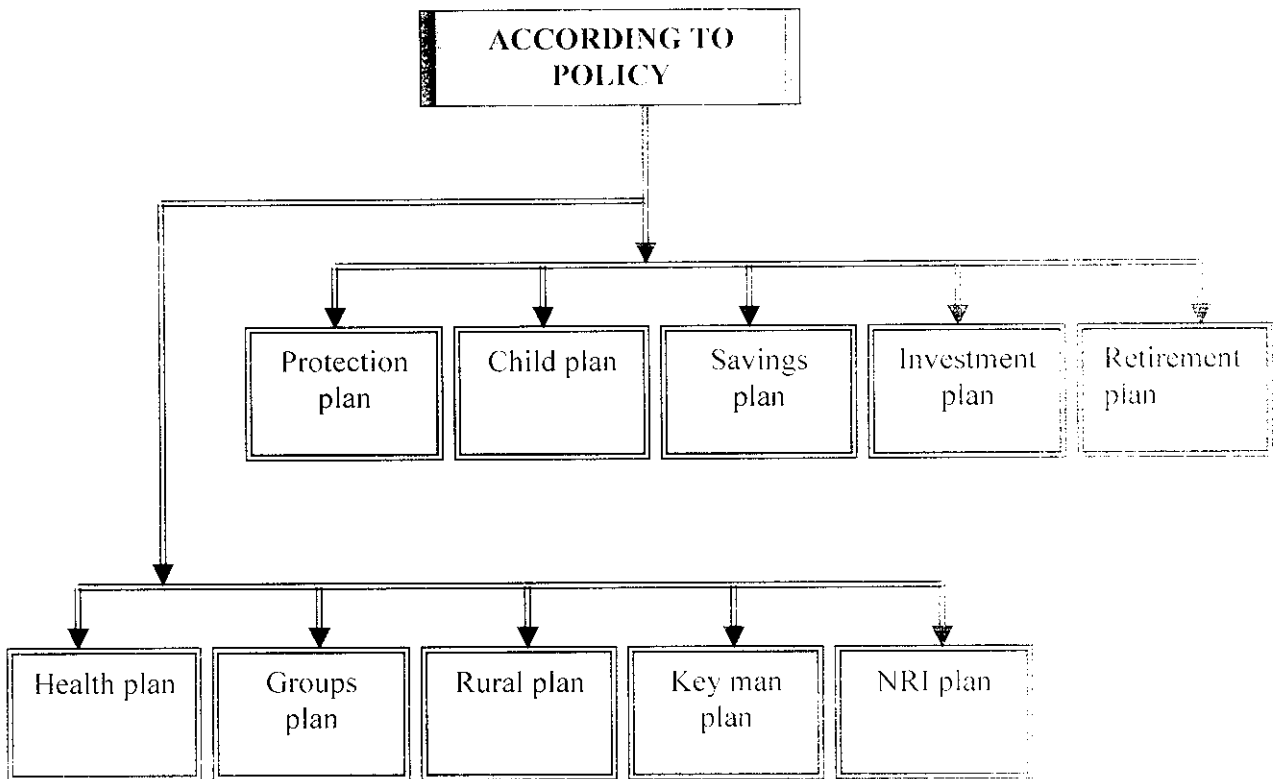


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1.3.7 ICICI Prulife's Current Distribution Details

ICICI prulife has got tie-ups with 8 banks. No other insurance company has many tie-ups as ICICI prulife. These 8 bankers are: ICICI bank, Citibank and Punjab and Maharashtra Co operative bank.

ICICI prulife is having India's leading consultants and financial service providers as its corporate agents. Some of them are, W2w (way 2 wealth), Karyy Consultancies, Bajaj Capital, India Infoline, Blue Chip and Smart.

1.3.8 Indian Insurance Scenario

Presently 13 insurance companies are operating in the market (listed below). The figures relates to the business share of each of them.

PLAYERS IN INSURANCE SECTOR	MARKET SHARE
LIC	66.7
ICICI PRUDENTIAL	11.9
BIRLA SUNLIFE	2.7
HDFC STANDARD	3.8
MAX NEWYORK LIFE	2.1
SBI LIFE	2.6
TATA AIG	3.2
ALLIANZ BAJAJ	3.6
OM KOTAK	2
ING VYSYA	1.6
AVIVA LIFE	1.3
METLIFE	0.6
AMP SANMAR	0.5

Table No: 2

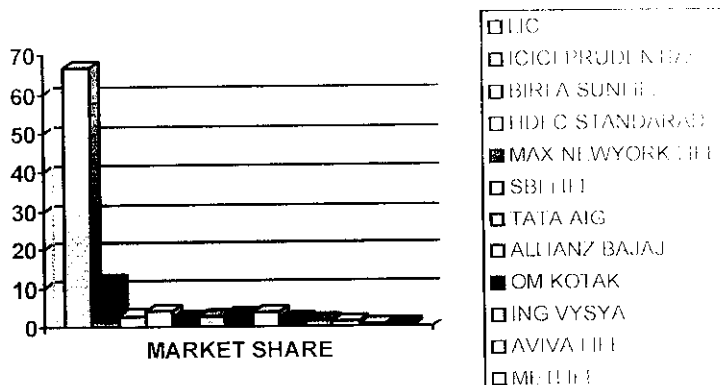


Fig No: 3

The lion's share of the total business is covered by LIC (66.7%). This may be because of its monopoly position before liberalizing the insurance sector.

1.3.9 Life Insurance Companies promoted during the year 2000-2005 (The 13 new entrants)

Reg.No.	Date of Register	Name of the company
101	23.10.2000	HDFC standard life insurance company Limited
104	15.11.2000	Max New York Life insurance co. Ltd.
105	24.11.2000	ICICI Prudential Life insurance company Ltd.
107	10.01.2001	Om Kotak Mahindra Life insurance Ltd.
109	31.01.2001	Brilliant sun Life Insurance company Limited
110	12.02.2001	Tata AIG Life Insurance company Limited
111	30.03.2001	SBI Vyasa Life Insurance Company Limited
114	02.08.2001	ING Vyasa Life Insurance company Private Limited
116	03.08.2001	Allianz bajaj Life Insurance company Limited
117	06.08.2001	Metlife India Insurance company private, Limited
122	14.05.2002	Aviva life insurance company.india private limited
127	06.02.2004	Sahara India Insurance company Limited
128	17.11.2005	Shriram Life Insurance company Limited

OBJECTIVES, LIMITATIONS AND SCOPE OF THE STUDY

CHAPTER II

Objectives, Limitations and Scope of the study

2.1.1. Primary Objective

To study and identify the decision process in selecting an insurance product with special reference ICICI Prudential Life Insurance Company

2.1.2 Secondary Objective

- To find out the factors that influence the respondents to choose market linked products
- To find out the decision factors that influence the decision making process in investing in life insurance
- To find out the opinion from respondents as investments in life insurance

2.2. Limitations

1. The survey was limited to geographical area of Coimbatore city.
2. The sample of 200 hundred respondents where interviewed by convenient sampling. Because of the non availability the entire list of sampling unit of this study area.
3. Some of the respondents interviewed were either gave partial information or refused to give full information. Such schedules where totally removed for analysis.

2.3. Need for the study

The Life Insurance industry has been a dynamic one ever since the gates were thrown open to the private players. A lot has happened in terms of product innovation, product training, customer focus and the like.

In insurance field, marketing the insurance product is the vital role of the company. Marketing of insurance product is based on the decision process of customer in selecting insurance product. It is most essential and key factor for the success of the organization. There are so many decision factors involved in this decision process. Analysis of these decision process given the clear view of customer requirements. This will be very useful to setting the marketing strategy effectively.

2.4. Scope of the study

The study has been carried out to find out the decision factors that influence in the selection process of an insurance product. This may help the company to develop their market strategy.

This study gives information about the market contacts, motivational factors, which may help the company. The study also provides the company information about customer decision process in selecting an insurance product. This may serve as fundamental information for the company to understand the customer's requirements and to deliver their needs in a effective manner. Based on the results of the study, the company can initiate further development and collection of information to fine tune the policy formulation in respect of its business.

RESEARCH METHODOLOGY

CHAPTER III

Research Methodology

Introduction

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind it.

Methodology is a structural framework that regulates the process of research and helps in obtaining the best results. The methodology is designed with an aim to facilitate the researcher to find the decision process involved in selecting an insurance plan.

3.1 Research Design

The research design used in the study is 'Descriptive' research design. A descriptive study is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in the situation. Descriptive studies that present data in a meaningful form thus help to (1) understand the characteristics of a group in a given situation (2) think systematically about aspects in a given situation (3) offer idea for further probe and research and/or (4) help make certain simple decisions

3.2 Type of Data

The data collected is both primary and secondary data.

3.2.1 Primary Data

Primary data are those, which are collected afresh and for the first time, and thus happens to be original in character. They are collected for the first time for analyzing the

study. In this study, primary data was collected thru questionnaire method. A questionnaire has been framed for purpose, and shown in Annexure.

3.2.2 Secondary Data

Secondary data is the data already available. For this study such data were collected from the books and web sites. The reference and bibliography is given at the end of the report.

3.3 Sampling Unit

The sampling is a earning male or female.

3.4 Population

Population refers to the entire group of people, events or things of interest that the researcher wishes to investigate. The population used in this study by the researcher is the people in Coimbatore.

3.5 Sample

A Sample is a subgroup or subset of the population. By convenience sampling method is used to select 200 hundred sampling units. By studying the sample, the researcher drew certain conclusions

3.6 Method of Data Collection

The data collection instrument used in the research is Questionnaire method". A Questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within closely defined alternatives. Questionnaires are an efficient data collection mechanism when the researcher knows what is exactly required and how to measure the variables of interest.

3.7 Statistical Tools

Statistical Tools used in this research are

1. Simple percentage analysis
2. Weighted average method
3. Chi-Square Statistical test

DATA ANALYSIS AND INTERPRETATION

CHAPTER IV

4. Data analysis and interpretation

4.1. To identify the factors that are important for decision making process of respondents, data were consolidated and the following table has been made in respect of insured people.

TABLE 4.1 SHOWING THE RANKS OF THE FACTORS THAT INFLUENCES THE DECISION PROCESS OF RESPONDENTS

FACTORS	RANK					TOTAL	WAVG	RANKS
	1	2	3	4	5			
AGENT	75	14	13	11	21	134	19.4	1
FRIENDS	15	26	29	20	44	134	30.3	4
FAMILY	22	27	25	45	15	134	27.1	3
PRODUCT	15	54	23	32	10	134	24.7	2
COMPANY REPUTATION	7	13	44	26	44	134	32.6	5

Calculation for weighted average value with ranks as weight for main factors that influences the decision of respondents is

$$\bar{X} = \frac{\sum W_i X_i}{\sum W_i}$$

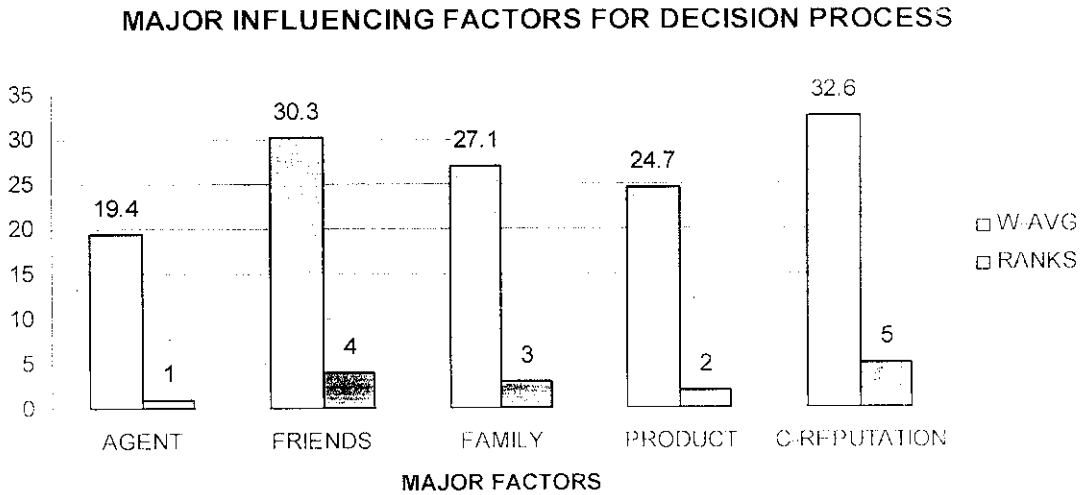
Where

X_i = factor

W_i = weight (Rank)

$$\begin{aligned}
 &= \frac{75*1+14*2+13*3+11*4+21*5}{15} \\
 &= \frac{291}{15} \\
 &= 19.4 \text{ (Least Value)}
 \end{aligned}$$

CHART 4.1 SHOWING THE RANKS OF THE FACTORS THAT INFLUENCES THE DECISION PROCESS OF RESPONDENTS



Interpretation

The above chart shows the ranking of the factor that influence the decision process of respondents in selecting an insurance product. Agent influences the most of the respondent to opt for insurance product followed by product itself, family, friends and company reputation. So agent is an important factor that influences the decision process in selecting an insurance product.

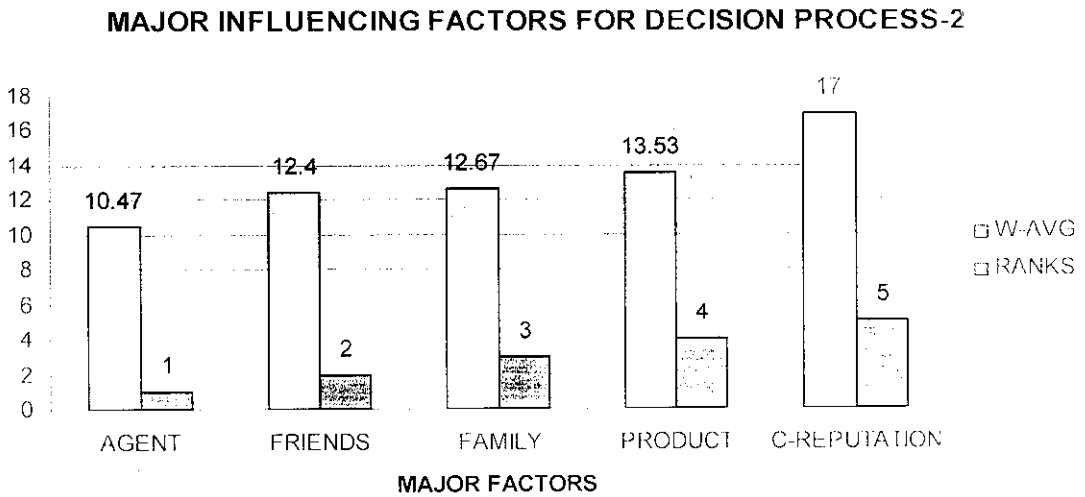
4.2. To identify the factors that are important for decision making process of respondents, data were consolidated and the following table has been made in respect of non insured people.

TABLE 4.2 SHOWING THE RANKS OF THE FACTORS THAT INFLUENCES THE DECISION PROCESS OF RESPONENTS

FACTORS	RANK					TOTAL	WAVG	RANKS
	1	2	3	4	5			
AGENT	28	6	21	1	10	66	10.47	1
FRIENDS	26	5	8	9	18	66	12.4	2
FAMILY	5	28	8	20	5	66	12.67	3
PRODUCT	3	22	10	29	2	66	13.53	4
COMPANY REPUTATION	4	4	20	7	31	66	17	5

The weighted average for the data given in the above table has been calculated with the same procedure described in previous analysis. The average is found to be 10.47.

CHART 4.2 SHOWING THE RANKS OF THE FACTORS THAT INFLUENCES THE DECISION PROCESS OF RESPONDENTS



Interpretation

The above chart shows the ranking of the factor that influence the decision process of respondents in selecting an insurance product. Agent influences the most of the respondent to opt for insurance product followed by product, family, friends and company reputation. So agent is an important factor that influences the decision process in selecting an insurance product.

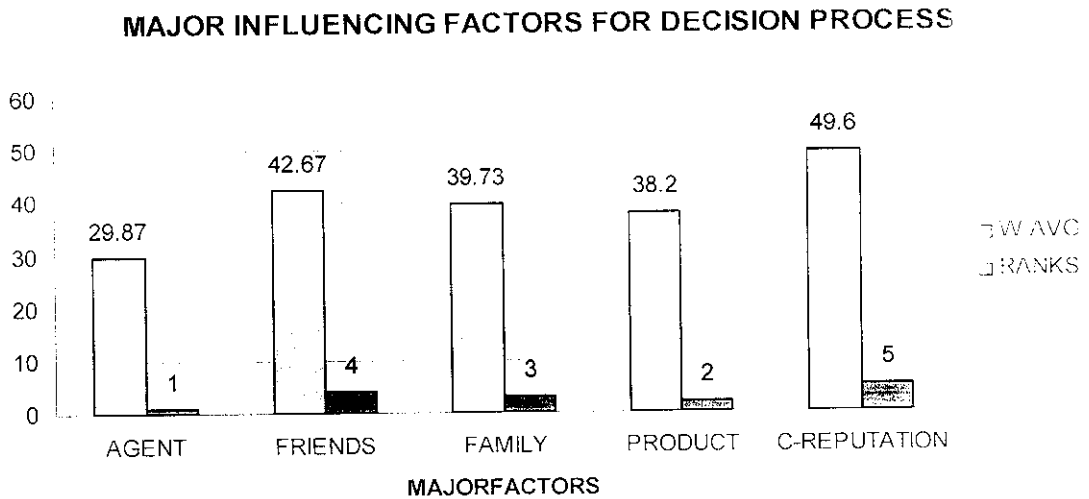
4.3. To identify the factors that are important for decision making process of respondents. Data were consolidated and the following table has been made in respect of all the respondents.

TABLE 4.3 SHOWING THE RANKS OF THE FACTORS THAT INFLUENCES THE DECISION PROCESS OF RESPONTEENTS

FACTORS	RANK					TOTAL	W-AVG	RANKS
	1	2	3	4	5			
AGENT	103	20	34	12	31	200	29.87	1
FRIENDS	41	31	37	29	62	200	42.67	4
FAMILY	27	55	33	65	20	200	39.73	3
PRODUCT	18	76	33	61	12	200	38.2	2
COMPANY REPUTATION	11	17	64	33	75	200	49.6	5

The weighted average for the data given in the above table has been calculated with the same procedure described in previous analysis. The average is found to be 29.87.

CHART 4.3 SHOWING THE RANKS OF THE FACTORS THAT INFLUENCES THE DECISION PROCESS OF RESPONDENTS



Interpretation

The above chart shows the ranking of the factor that influence the decision process of respondents in selecting an insurance product. Agent influences the most of the respondent to opt for insurance product followed by product, family, friends and company reputation in respect of all the respondents and also got the same results from the groups of insured and non insured. So agent is an important factor that influences the decision process in selecting an insurance product.

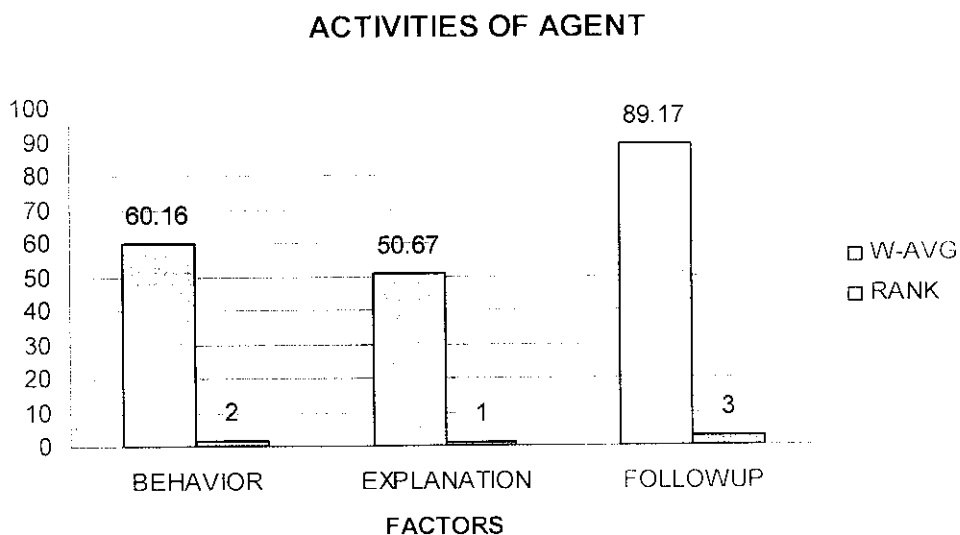
4.4.To identify the factors that are important traits for insurance agents. Data were consolidated and the following table has been made.

TABLE 4.4 SHOWING THE RANKS OF THE FACTORS OF TRAITS OF AGENT THAT INFLUENCE IN DECISION PROCESS OF RESPONDENTS

ACTIVITIES OF AGENT	RANK			TOTAL	W-AVG	RANK
	1	2	3			
BEHAVIOR	69	101	30	200	60.16	2
EXPLANATION	117	62	21	200	50.67	1
FOLLOW UP	14	37	149	200	89.17	3

The weighted average for the data given in the above table has been calculated with the same procedure described in previous analysis. The average is found to be 60.17.

CHART 4.4 SHOWING THE RANKS OF THE FACTORS OF TRAITS OF AGENT THAT INFLUENCE DECISION PROCESS OF RESPONDENTS



Interpretation

The above chart shows the ranks of the traits of the agent in decision process. Detailed explanation about the insurance products (Explanation) is the most important trait chosen by the respondents followed by behavior of the agent and follow up services. So explanation is the most important trait that influences the decision process in selecting an insurance product.

4.5.To identify the factors that are important for the follow up service of respondents. Data were consolidated and the following table has been made.

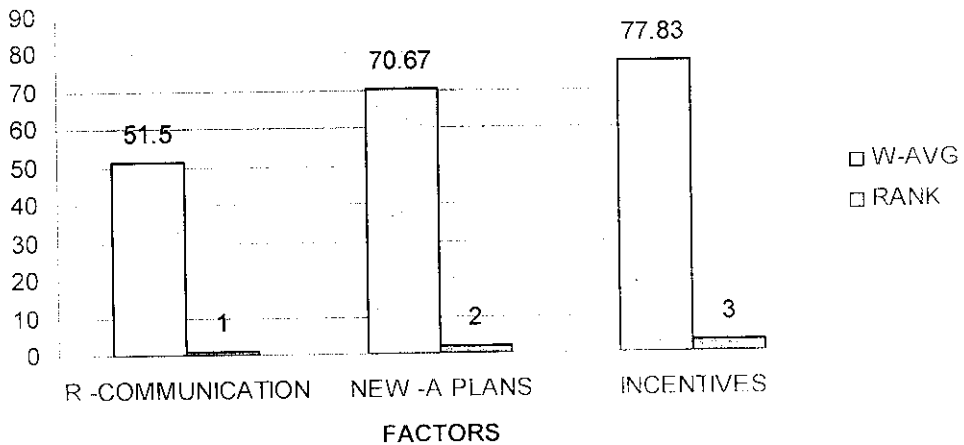
TABLE 4.5 SHOWING THE RANKS OF THE FACTORS OF EXPECTATIONS OF THE FOLLOWUP SERVICES OF RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PLAN

ACTIVITIES OF AGENT	RANK			TOTAL	W-AVG	RANKS
	1	2	3			
REGULAR COMMUNICATION	123	45	32	200	51.5	1
NEW ATTRACTIVE PLANS	52	72	76	200	77.67	2
INCENTIVES	25	83	92	200	77.83	3

The weighted average for the data given in the above table has been calculated with the same procedure described in previous analysis. The average is found to be 51.5.

CHART 4.5 SHOWING THE RANKS OF THE FACTORS OF EXPECTATIONS OF THE FOLLOWUP SERVICES OF RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PLAN

ACTIVITIES OF AGENT AFTER TAKEN POLICY



Interpretation

The above chart shows the ranking of the traits of the agent in decision process. Respondents like to have regular contact and communication with them after avail insurance products from the agents followed by new attractive plans, incentives/bonus. So explanation is a most important trait that influences the decision process in selecting an insurance product.

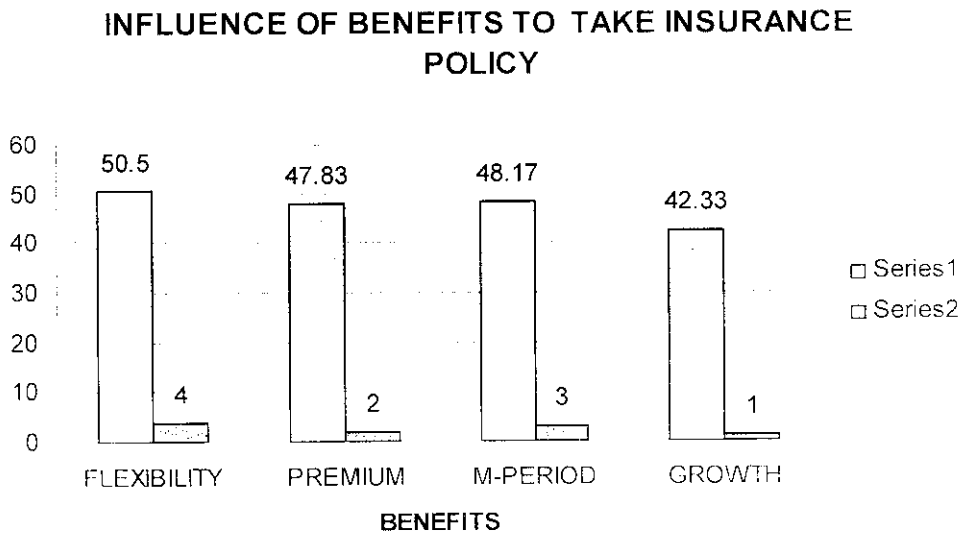
4.6. To identify the factors those are important for decision making process of respondents in selecting the insurance product. Data were consolidated and the following table has been made.

TABLE 4.6 SHOWING THE RATING SCALE OF BENEFITS OF INSURANCE PRODUCT THAT INFLUENCE THE DECISION PROCESS IN SELECTING THE INSURANCE PRODUCT

BENEFITS	SCALE			W-AVG	RANK
	MOTIVATE	NEUTRAL	NOT MOTIVATED		
FLEXIBILITY	106	85	9	50.5	4
PREMIUM AMOUNT	116	81	3	47.83	2
MATURITY PERIOD	122	69	9	48.17	3
GROWTH IN M.AMOUNT	148	50	2	42.33	1

The weighted average for the data given in the above table has been calculated with the same procedure described in previous analysis. The average is found to be 50.5.

CHART 4.6 SHOWING THE RATING SCALE OF BENEFITS OF INSURANCE PRODUCT THAT INFLUENCE THE DECISION PROCESS IN SELECTING THE INSURANCE PRODUCT



Interpretation

The above chart shows the benefits of insurance product that influence the decision process in selecting the insurance product .Growth of investment offered by the company is the first choice of the respondents followed by premium, maturity period flexibility. So growth is the important beneficial factor that influences the decision process in selecting an insurance product.

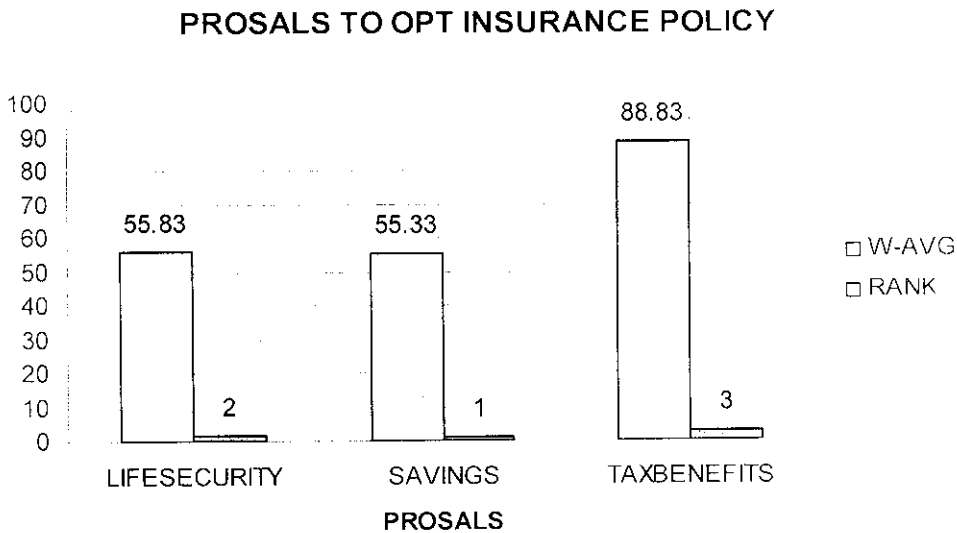
4.7.To identify the factors that are important for decision making process of respondents. Data were consolidated and the following table has been made.

TABLE 4.7 SHOWING THE RANKS OF THE FACTORS OF PROPOSALS OF RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PLAN

PROPOSALS	RANK			TOTAL	W-AVG	RANK
	1	2	3			
LIFE SECURITY	92	81	27	200	55.83	2
SAVING	88	92	20	200	55.33	1
TAX-BENEFITS	20	27	153	200	88.83	3

The weighted average for the data given in the above table has been calculated with the same procedure described in previous analysis. The average is found to be 55.83.

CHART 4.7 SHOWING THE RANKS OF THE FACTORS OF PROPOSALS OF RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PLAN



Interpretation

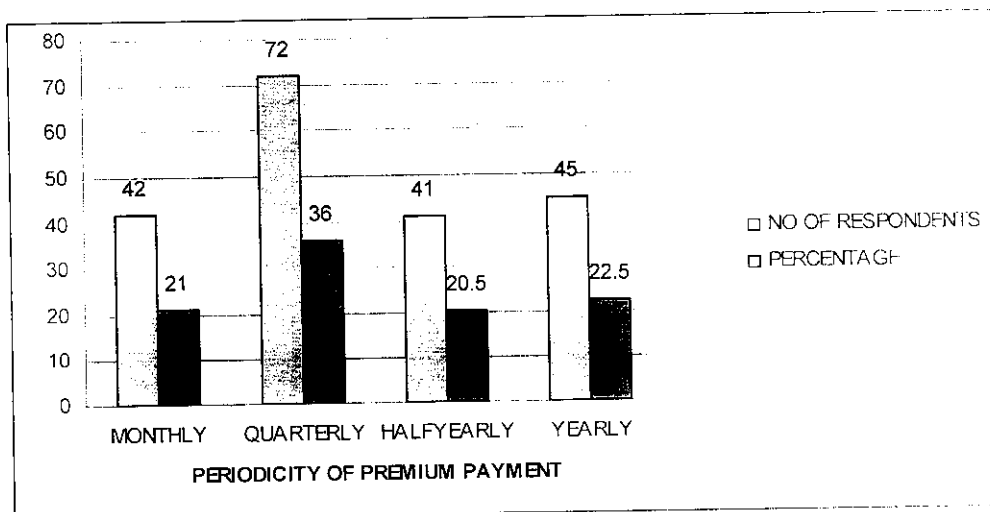
The above chart shows the ranking of the proposals of the respondents in decision process. Savings is the first choice by the respondents followed by life security, tax benefits. So savings is the important factors that influence the decision process in selecting an insurance product.

4.8. To identify the factors those are important for decision making process of respondents in selecting the insurance product. Data were consolidated and the following table has been made.

TABLE 4.8 SHOWING THE PERIODICITY OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT

PERIODICITY OF PREMIUM PAYMENT	NO. OF RESPONDENTS	PERCENTAGE
MONTHLY	42	21
QUARTERLY	72	36
HALFYEARLY	41	20.5
YEARLY	45	22.5

CHART 4.8 SHOWING THE PERIODICITY OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT



Interpretation:

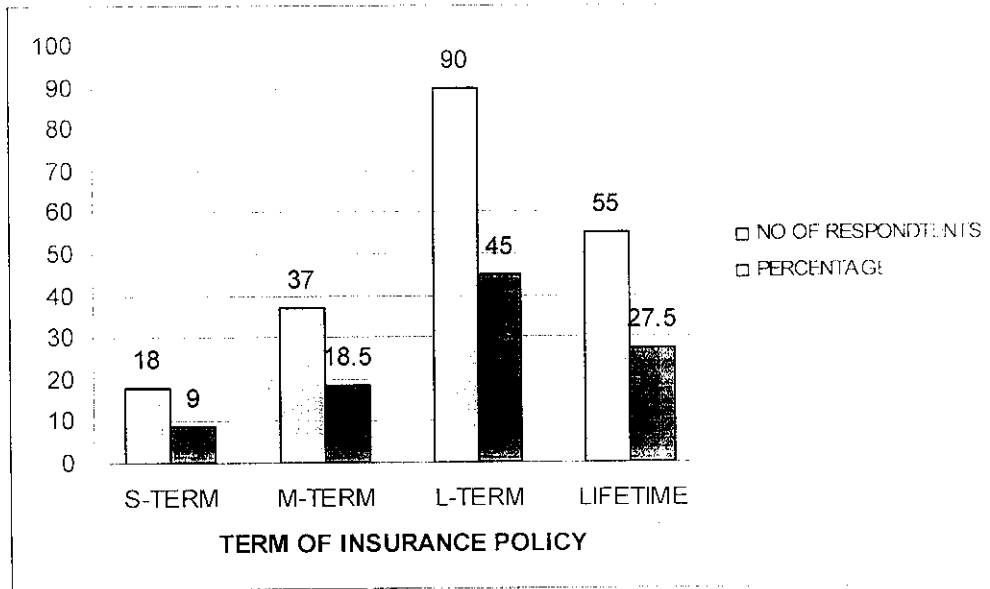
From the above table it can be observed that 36% of the insured respondents prefer quarterly premium payment followed by 22.5% (Annual), 21% (monthly) and 20.5% half yearly.

4.9. To identify the factors those are important for decision making process of respondents in selecting the insurance product. Data were consolidated and the following table has been made.

TABLE 4.9 SHOWING TERM OF INSURANCE POLICY OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT

TERM OF INSURANCE POLICY	NO. OF RESPONDENTS	PERCENTAGE
SHORT TERM(5YRS)	18	9
MEDIUM TERM(5-10YRS)	37	18.5
LONGTERM (10-15YRS)	90	45
LIFETIME (>15YRS)	55	27.5

CHART 4.9 SHOWING TERM OF INSURANCE POLICY OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT



Interpretation:

From the above table it can be observed that 45% of the insured respondents prefer long termed investment followed by 27.5% life time investment, 18.5% medium term investment and 9% short term investment.

4.10. To identify the factors those are important for decision making process of respondents in selecting the insurance product. Data were consolidated and the following table has been made.

TABLE 4.10 SHOWING THE RANKS OF THE INSURANCE COMPANIES THAT INFLUENCE THE DECISION PROCESS IN SELECTING THE INSURANCE PRODUCT

COMPANIES	RANK					TOTAL	W-AVG	RANK
	1	2	3	4	5			
ICICI	19	118	26	16	21	200	33.47	2
LIC	158	19	14	5	4	200	18.53	1
AVIVA	7	21	56	40	76	200	50.6	5
BAJAJ	5	27	54	90	24	200	46.73	3
ALLIANCE								
RELIANCE	5	141	53	54	74	200	50.2	4

The weighted average for the data given in the above table has been calculated with the same procedure described in previous analysis. The average is found to be 33.47.

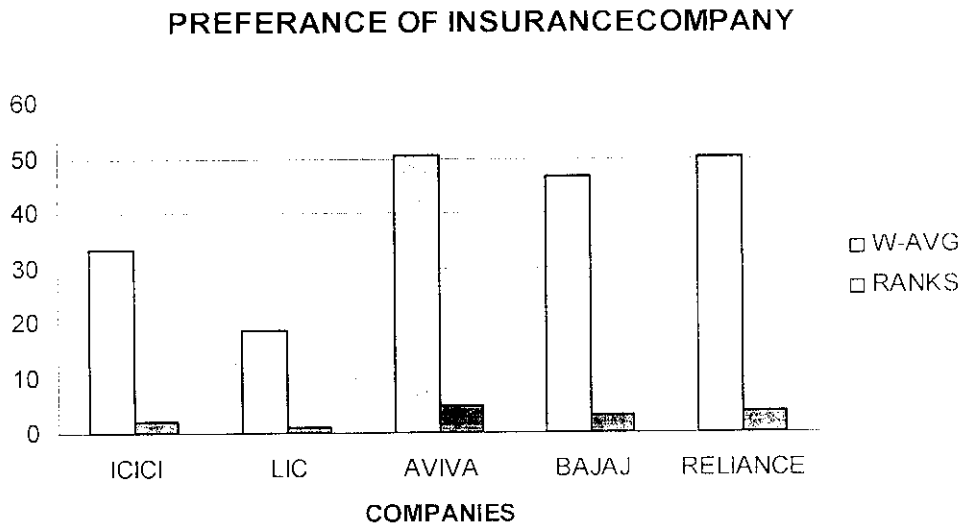
4.10. To identify the factors those are important for decision making process of respondents in selecting the insurance product. Data were consolidated and the following table has been made.

TABLE 4.10 SHOWING THE RANKS OF THE INSURANCE COMPANIES THAT INFLUENCE THE DECISION PROCESS IN SELECTING THE INSURANCE PRODUCT

COMPANIES	RANK					TOTAL	W-AVG	RANK
	1	2	3	4	5			
ICICI	19	118	26	16	21	200	33.47	2
LIC	158	19	14	5	4	200	18.53	1
AVIVA	7	21	56	40	76	200	50.6	5
BAJAJ ALLIANCE	5	27	54	90	24	200	46.73	3
RELIANCE	5	141	53	54	74	200	50.2	4

The weighted average for the data given in the above table has been calculated with the same procedure described in previous analysis. The average is found to be 33.47.

CHART 4.10 SHOWING THE RANKS OF THE INSURANCE COMPANIES THAT INFLUENCE THE DECISION PROCESS IN SELECTING THE INSURANCE PRODUCT



Interpretation

The above chart gives the ranks given for various insurance companies by respondents that are operating in Coimbatore city. LIC is the first choice of the most of the respondents followed by ICICI Prudential, Bajaj Allianz Life Insurance Company Ltd, Reliance, Aviva Life Insurance Company. So LIC is the first preferred insurance company that influences the decision process in selecting an insurance product.

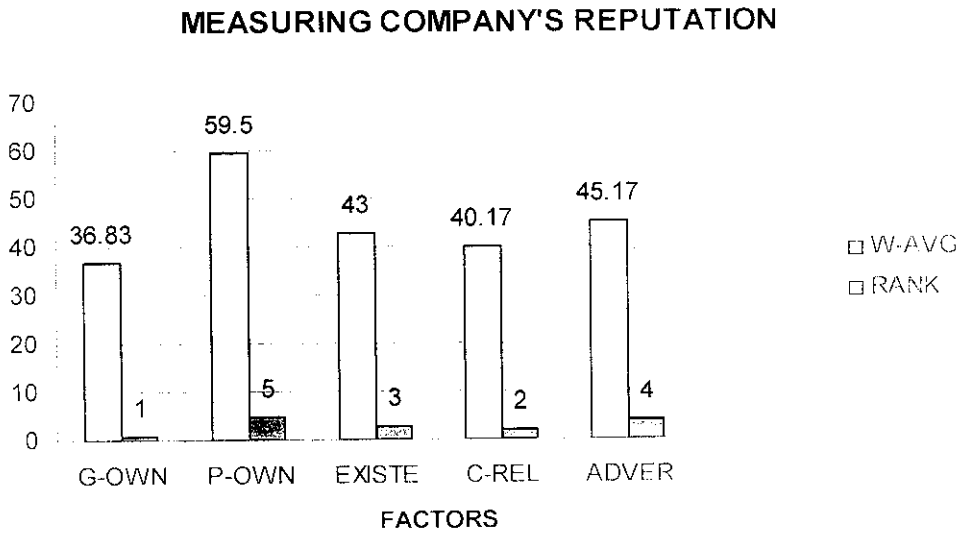
This Phenomenon emerged because insurance business was thrown open to private sector a couple of years ago. LIC has the benefit of long business operations and Government ownership. However, the reason past ICICI Prudential Life is emerging as the second best in the insurance sector.

4.11.To identify the factors those are important for decision making process of respondents in selecting the insurance company. Data were consolidated and the following table has been made.

The weighted average for the data given in the above table has been calculated with the same procedure described in previous analysis. The average is found to be 36.83.

FACTORS	SCALE			TOTAL	WAVG	RANK
	PREFER	NEUTRAL	NOT PREFERED			
GOVT OWENED	181	17	2	200	36.83	1
PRIVATE OWENED	57	129	14	200	59.5	5
PERIOD OF EXISTENCES	148	46	6	200	43	3
CUSTOMER RELATIONSHIP	163	33	4	200	40.17	2
ADVERTSEMENT	148	33	9	200	45.17	4

CHART 4.11 SHOWING THE RATING SCALE OF JUDGEMENTS OF RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN JUDGING OF COMPANY'S REPUTATION



Interpretation

The above chart shows the ranks given by the respondents on their judgments about the reputation of the insurance companies. Government owned insurance company (LIC) is the first choice for most of the respondents followed by privately owned, the period of existing, customer relationship and advertisements. So Government owned insurance company is the first choice by respondents to avail insurance products.

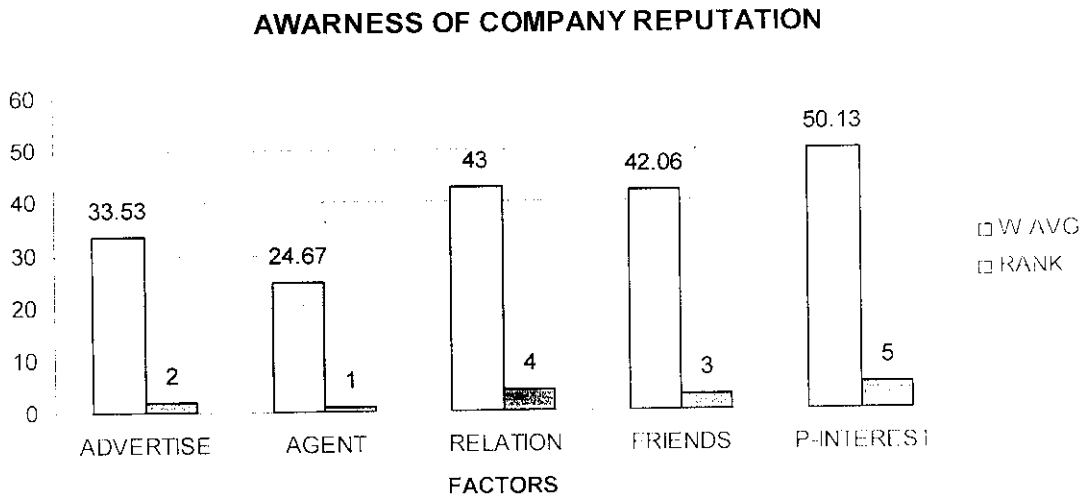
4.12.To identify the factors that are important for judgment of company reputation by respondents. Data were consolidated and the following table has been made.

TABLE 4.12 SHOWING THE RANKS OF THE FACTORS THAT INFLUENCES THE REPUTATION OF THE COMPANY IN DECISION PROCESS

FACTORS	RANK					TOTAL	WAVG	RANKS
	1	2	3	4	5			
ADVERTISE MENT	34	100	22	17	27	200	33.53	2
ADVISOR (AGENT)	122	31	16	17	14	200	24.67	1
RELATION	15	28	67	27	53	200	43	4
FRIENDS	28	23	44	100	5	200	42.06	3
PERSONEL INTEREST	13	21	52	29	85	200	50.13	5

The weighted average for the data given in the above table has been calculated with the same procedure described in previous analysis. The average is found to be 33.53.

CHART 4.12 SHOWING THE RANKS OF THE FACTORS THAT INFLUENCES THE REPUTATION OF COMPANY IN DECISION PROCESS OF RESPONDENTS



Interpretation

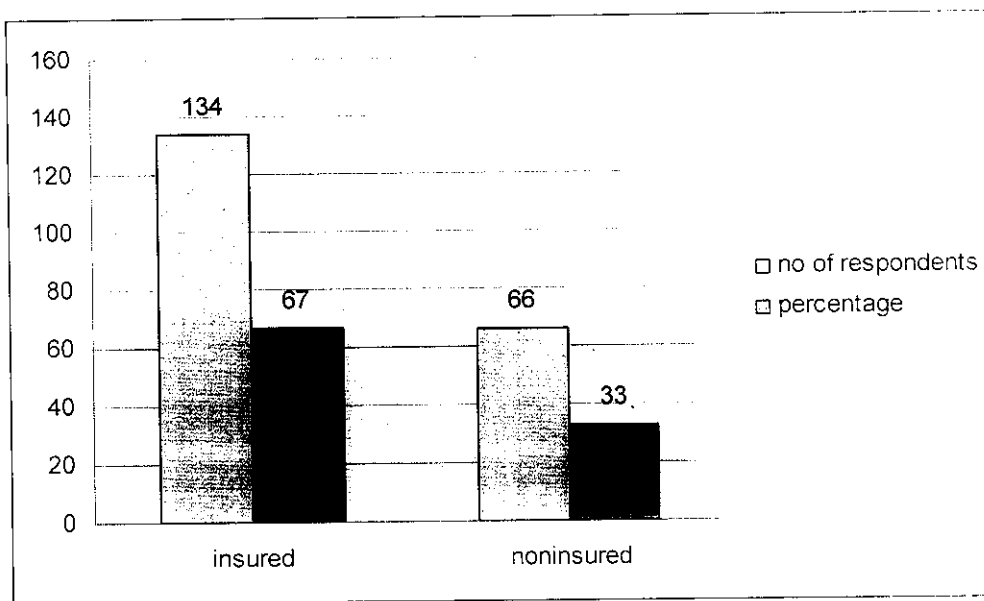
The above chart shows the ranks given to the factors that influence the reputation of the company in decision process. Agent is the most influential factor for the respondent to opt for insurance product followed by Advertisement, Friends, Relations, and Personal interest. So, The Agent is most important factor that influences the decision process in selecting an insurance product.

4.13. To identify the frequency of insured people in this survey, Data were consolidated and the following table has been made.

TABLE 4.13 SHOWING HOW MANY PEOPLE HAVING INSURANCE POLICY OF RESPONENTS

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	YES	134	67
2	NO	66	33

CHART 4.13 SHOWING HOW MANY PEOPLE HAVING INSURANCE POLICY OF RESPONENTS



Interpretation

From the table we can observe that 67% have taken insurance against 33 % non insurers. There a potential untapped market of 33%.

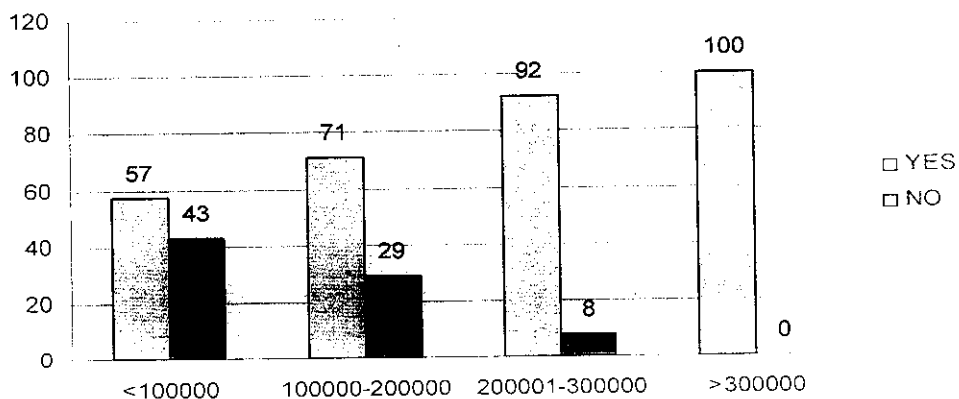
4.14. To identify the factors those are important for decision making process of respondents in selecting the insurance product. Data were consolidated and the following table has been made.

TABLE 4.14 SHOWING INCOME RANGE OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT

INCOME RANGE	POLICY HOLDER		PERCENTAGE OF YES	PERCENTAGE OF NO
	YES	NO		
BELOW 1 LAKH	61	46	57	43
1-2 LAKH	44	18	71	29
2-3LAKH	23	2	92	8
ABOVE 3LAKH	6	-	100	0

CHART 4.14 SHOWING INCOME RANGE OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT

INCOME RANGE INFLUENCE



Interpretation:

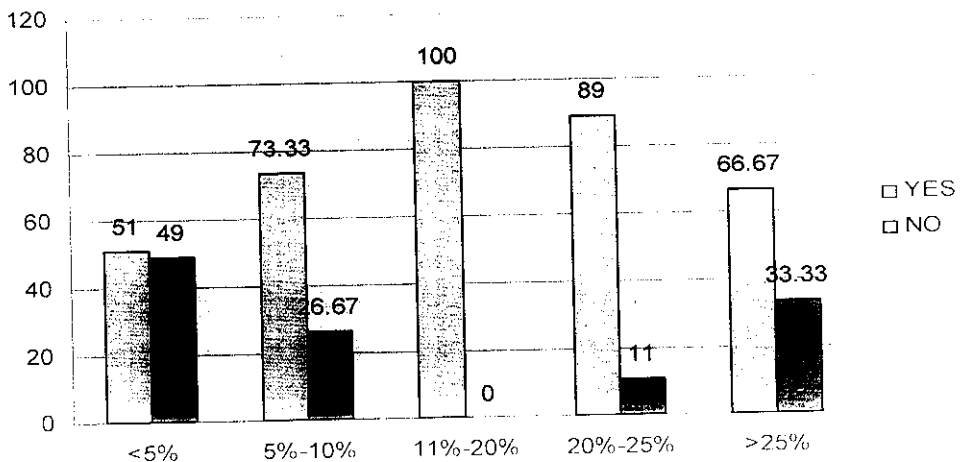
In the above table it can be identified that survey is been carried over to the income range of the respondents. It is clear from the chart that as income rate increases the interest towards insurance also increases.

4.15. To identify the factors those are important for decision making process of respondents in selecting the insurance product. Data were consolidated and the following table has been made

TABLE 4.15 SHOWING SAVINGS OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT

SAVINGS	POLICY HOLDER		PERCENTAGE OF YES	PERCENTAGE OF NO
	YES	NO		
BELOW5%	46	44	51	49
5%-10%	55	20	73.33	26.67
11%-20%	23	-	100	0
21%-25%	8	1	89	11
ABOVE25%	2	1	66.67	33.33

CHART 4.15 SHOWING SAVINS OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT



Interpretation:

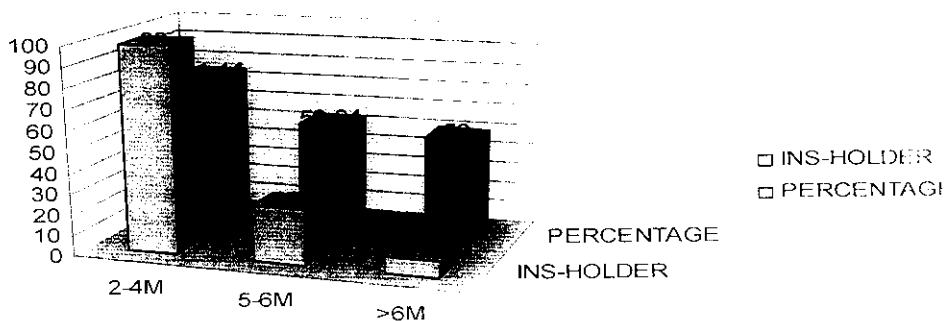
In the above table it can be identified that survey is been carried over to the savings of the respondents. It is evident from chart that, as the savings increases the percentage of policy holders also increases, but it shifts downward after certain point. Its shows that wealthier people have less amount of interest towards policies.

4.16.To identify the factors those are important for decision making process of respondents in selecting the insurance product. Data were consolidated and the following table has been made

TABLE 4.16 SHOWING NO OF FAMILY MEMBERS OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT

NO OF FAMILY MEMBERS	POLICY HOLDER		PERCENTAGE OF POLICY HOLDER
	YES	NO	
2-4	99	34	74.44
5-6	27	24	52.94
>6	8	8	50

CHART 4.16 SHOWING NO OF FAMILY MEMBERS OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT



Interpretation:

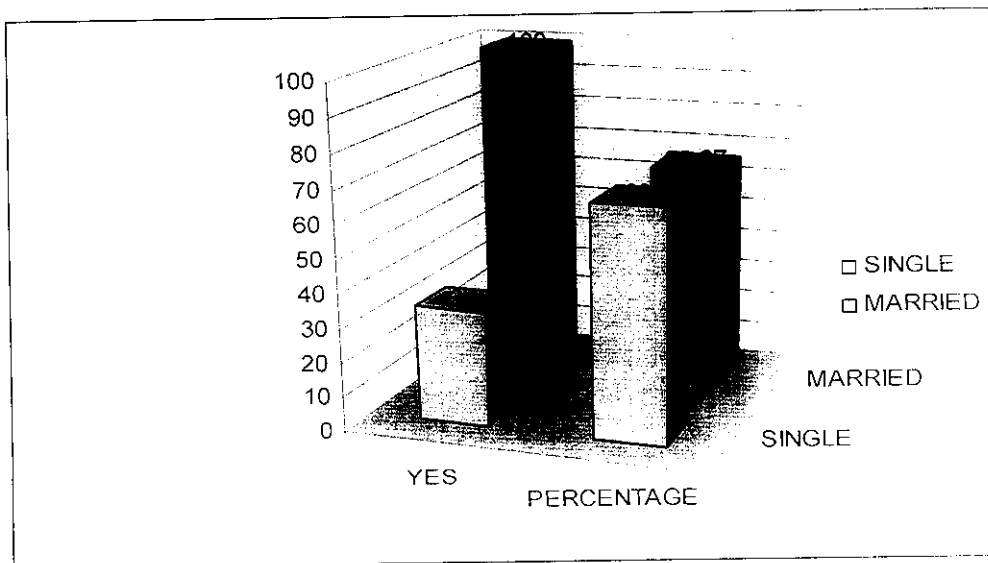
From the above table it can be observed that 74.44% of the insured respondents has 2 to 4 family members followed by 52.94% has 5 to 6 family members and 50% have more than 6 family members.

4.17. To identify the factors those are important for decision making process of respondents in selecting the insurance product. Data were consolidated and the following table has been made

TABLE 4.17 SHOWING MARITAL STATUS OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT

MARITAL STATUS OF RESPONDENTS	POLICY HOLDER		PERCENTAGE OF POLICY HOLDER
	YES	NO	
SINGLE	34	16	68
MARRIED	100	50	66.67

CHART 4.17 SHOWING MARITAL STATUS OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT



Interpretation:

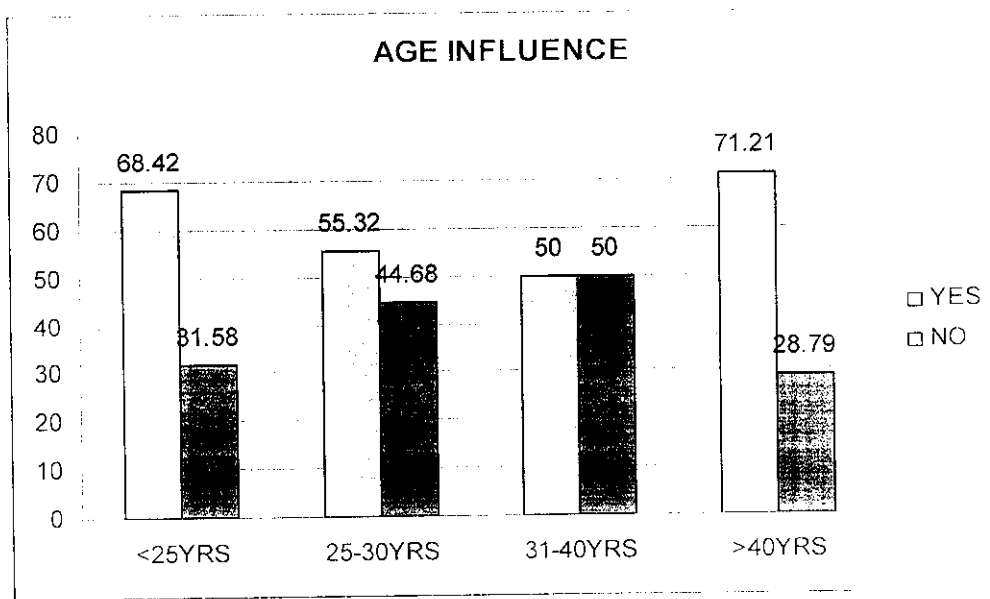
In the above table it can be seen that opting for insurance has no influence by the marital status of the respondents.

4.18. To identify the factors those are important for decision making process of respondents in selecting the insurance product. Data were consolidated and the following table has been made.

TABLE 4.18 SHOWING AGE OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT

AGE OF RESPONDENT	POLICY HOLDER		PERCENTAGE OF YES	PERCENTAGE OF NO
	YES	NO		
<25YRS	26	12	68.42	31.58
25-30YRS	26	21	55.32	44.68
31-40YRS	35	35	50	50
>40YRS	47	19	71.21	28.79

CHART 4.18 SHOWING AGE OF THE RESPONDENTS THAT INFLUENCE THE DECISION PROCESS IN SELECTING INSURANCE PRODUCT



Interpretation:

In the above table it can be identified that survey is been carried over to the age of the respondents. The above chart shows that the persons who are above 40 years (71.21%) insured more than other age group.

4.19 CHI-SQUARE ANALYSIS

4.19.1 INCOME RANGE VS SAVINGS

(Insurance holders)

NULLHYPOTHESIS

H_0 : There is no relationship between income range and savings in decision process of selecting an insurance plan

ALTERNATIVE HYPOTHESIS

H_1 : There is relationship between income range and savings in decision process of selecting insurance plan

INCOME RANGE	SAVINGS				ABOVE 25%	TOTAL
	BELOW 5%	5%TO10%	10%TO20%	21%TO25%		
BELOW 1LAKH	42	17	5	-	1	65
1 TO 2 LAKH	4	24	10	3	-	41
2 TO 3 LAKH	-	13	6	3	-	22
ABOVE 3LAKH	-	-	2	4	-	6
TOTAL	46	54	23	10	1	134

Table 4.19

The chi -- square test was applied to validate the null-hypothesis H_0 . The test is made at 5 % level of significance.

The theoretical chi-square value is given by,

$$\chi^2_0 = \sum [(O - E)^2 / E] \quad \text{with } (n-1)(m - 1) \text{ degrees of freedom}$$

Where n is number of rows and m is number of columns. 'O' the observed frequency and 'E' expected frequency calculated as

$$E = ((\text{column total} * \text{row total}) / (\text{grand total}))$$

The 'E' values are calculated as for table No: 4.19

Test Statistics

$$E(42) = 22.31$$

$$E(17) = 26.19$$

$$E(05) = 11.16$$

$$E(01) = 00.49$$

$$E(04) = 14.07$$

$$E(24) = 16.52$$

$$E(10) = 07.04$$

$$E(03) = 03.06$$

$$E(13) = 08.87$$

$$E(06) = 03.78$$

$$E(03) = 01.64$$

$$E(02) = 01.03$$

$$E(04) = 00.45$$

$$\chi^2_0 = [(42-22.31)^2 / 42] + \dots + [(04-00.45)^2 / 04]$$

$$\chi^2_0 = 17.38 + 03.22 + \dots + 28.01$$

$$\chi^2_0 = 17.38 + 03.22 + \dots + 28.01$$

$$\chi^2_0 = 69.61$$

$\chi^2_E = 21.026$ [The chi-square value from statistical table for 12 d.f. at 5 % level of significance]

Chi-square observed value: 69.61

Chi-square expected value: 21.026 from the table for 12 degrees of freedom

Interpretation

The calculated chi-square value is 69.61 against the table value 21.026. So the hypothesis H_0 is rejected at 5% level of significance. So the income and savings do influence in making the decision of selecting an insurances product.



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4.19.2 INCOME RANGE VS SAVINGS

(Non Insurance holders)

NULLHYPOTHESIS

H_0 : There is no relationship between income range and savings in decision process of selecting insurance plan

ALTERNATIVE HYPOTHESIS

H_1 : There is relationship between income range and savings in decision process of selecting insurance plan

Table 4.20

INCOME RANGE	SAVINGS					TOTAL
	BELOW 5%	5%TO10%	10%TO20%	21%TO25%	ABOVE 25%	
BELOW 1LAKH	44	3	-	-	-	47
1 TO 2 LAKH	4	13	-	-	-	17
2 TO 3 LAKH	-	2	-	-	-	2
ABOVE 3LAKH	-	-	-	-	-	-
TOTAL	48	18	-	-	-	66

Further analysis continued as like before.

Chi-square observed value: 34.87

Chi-square expected value: 21.026

Degree of freedom : 12

Interpretation

The calculated chi-square value for the above is 34.87 against the table value 21.026. So the hypothesis is rejected at 5% level of significance. So the relationship between income range and savings influence in decision process in selecting an insurance product.

4.19.3 INCOME RANGE VS SAVINGS

(All respondents)

NULL HYPOTHESIS

H₀: There is no relationship between income range and savings in decision process of selecting insurance plan

ALTERNATIVE HYPOTHESIS

H₁: There is relationship between income range and savings in decision process of selecting insurance plan

Table 4.21

INCOME RANGE	SAVINGS					TOTAL
	BELOW 5%	5% TO 10%	10% TO 20%	21% TO 25%	ABOVE 25%	
BELOW 1 LAKH	84	20	5	-	2	111
1 TO 2 LAKH	8	37	10	4	-	59
2 TO 3 LAKH	-	6	15	3	-	24
ABOVE 3 LAKH	-	-	2	4	-	6
TOTAL	92	63	32	11	2	200

Further analysis continued as like before.

Chi-square observed value: 168.84

Chi-square expected value: 21.026

Degree of freedom : 12

Interpretation

The calculated chi-square value for the above is 168.84 against the table value 21.026. So the hypothesis is rejected at 5% level of significance. So the relationship between income range and savings influence in decision process in selecting an insurance product.

4.19.4 AGE VS INSURANCE PLAN

(Insurance holders)

NULLHYPOTHESIS

H₀: There is no relationship between age and insurance plan in decision process of selecting insurance plan

ALTERNATIVE HYPOTHESIS

H₁: There is relationship between age and insurance plan in decision process of selecting insurance plan

Table 4.22

AGE	INSURANCE PLAN					TOTAL
	5YRS	10YRS	15YRS	20YRS	25YRS	
<25	-	6	12	6	-	24
25-30	1	4	18	3	2	28
31-40	-	7	15	16	4	42
>40	-	13	16	7	4	40
TOTAL	1	30	61	32	10	134

Further analysis continued as like before.

Chi-square observed value: 19.11

Chi-square expected value: 21.026

Degree of freedom : 12

Interpretation

The calculated chi-square value for the above is 19.11 against the table value 21.026. So the hypothesis is accepted at 5% level of significance. So there is no relationship between age and insurance plan influence in decision process in selecting insurance product.

4.19.5 PERIODICITY VS TERM OF INSURANCE POLICY

(All respondents)

NULLHYPOTHESIS

H₀: There is no relationship between periodicity and term of insurance policy in decision process of selecting insurance plan

ALTERNATIVE HYPOTHESIS

H₁: There is relationship between periodicity and term of insurance policy in decision process of selecting insurance plan

Table 4.23

PERIODICITY	TERM OF INSURANCE POLICY				TOTAL
	S.TERM	M-TERM	L-TERM	LIFETIME	
MONTHLY	7	2	19	16	44
QUATERLY	6	8	39	19	72
HALFYEARLY	3	15	20	5	43
YEARLY	3	8	10	20	41
TOTAL	19	33	88	60	200

Further analysis continued as like before.

Chi-square observed value: 19.919

Chi-square expected value: 21.026

Degree of freedom : 12

Interpretation

The calculated chi-square value for the above is 19.919 against the table value 21.026. So the hypothesis is accepted at 5% level of significance. So there is no relationship between periodicity and term of insurance policy influence in decision process in selecting insurance product.

FINDINGS AND SUGGESTIONS

FINDINGS

1. Agent's advises are given high priority in decision making by the people who have taken insurance. Out of 200 respondents 103 have given their first preference especially.,
2. Agent's salesmanship and explanation about insurance products are influencing the decision process. 117 respondents have chosen the desirable traits of the agent are friendly approach, easy to access etc , regular communication with the insured after sale of insurance product is the most important preference by the people.123 respondents have given first preference to it.
3. On financial motivation perception of savings is given the prime position that influences the decision process in selecting an insurance product. 88 respondents have given first preference to it the second influential factor is ownership of insurance company. Government owned companies get reputation quickly due to belief on creditability. Private companies also of late are started getting adequate creditability. 181 respondents have given first preference to it.
4. Growth in asset value is given important factor that stimulate people in opting for insurance product. 148 respondents have given first preference to growth of asset value. People are interested in insurance investments. But identification of company its standing type of product to select poses uncertainty in final decision making.
5. Of the different mode of payment duration. Out of 72 respondents have given first preference to quarterly premium duration. 10 to 15 years policies are is the most desirable term of insurance.45% has given first preference to it. The marital statuses of the respondents do not influence the decision process in selecting an insurance product.
6. The number of family members have more influence in the decision process in selecting an insurance product.77% of respondents with family size of 2-4 preferred to take insurance products
7. Wealthier people have less interest towards insurance. Age and savings habits influence in the decision process in selecting an insurance product. The periodicity of payment of premium and term of policy do not influence in the decision process selecting an insurance product.

SUGGESTIONS

1. The influence of Agent on the people to take insurance products is playing a significant role. Agents are expected to play a positive role in after sales of insurance products.
2. The Company should evolve strategies in marketing their insurance products. In View of them Agent's coverage and explanation on insurance to influences the decision process.
3. Agents are to be trained in communication skills and theory of insurance effectively, keeping the target group's traits on focus.
4. Keeping in view a desirability of insurance as saving product. Investment decision should be high growth oriented to target of with long term policies and quarterly premium dues. The target group is the middle income and low income.

ANNEXURE

PRODUCT DETAILS

ICICI Prudential Life Insurance offers a range of innovative, customer-centric products that meet the needs of customers at every life stage. Its products can be enhanced with up to 5 riders, to create a customized solution for each policyholder.

Savings Solutions

- **SecurePlus** is a transparent and feature-packed savings plan that offers 3 levels of protection.
- **CashPlus** is a transparent, feature-packed savings plan that offers 3 levels of protection as well as liquidity options.
- **Save'n'Protect** is a traditional endowment savings plan that offers life protection along with adequate returns.
- **CashBak** is an anticipated endowment policy ideal for meeting milestone expenses like a child's marriage, expenses for a child's higher education or purchase of an asset.
- **LifeTime & LifeTimeII** offer customers the flexibility and control to customize the policy to meet the changing needs at different life stages. Each offer 4 fund options - Preserver, Protector, Balancer and Maximiser.
- **LifeLink II** is a single premium Market Linked Insurance Plan which combines life insurance cover with the opportunity to stay invested in the stock market.
- **Premier Life** is a limited premium paying plan that offers customers life insurance cover till the age of 75.
- **InvestShield Life** is a Market Linked plan that provides capital guarantee on the invested premiums and declared bonus interest.
- **InvestShield Cash** is a Market Linked plan that provides capital guarantee on the invested premiums and declared bonus interest along with flexible liquidity options.

- **InvestShield Gold** is a Market Linked plan that provides capital guarantee on the invested premiums and declared bonus interest along with limited premium payment terms.

Protection Solutions

- **LifeGuard** is a protection plan, which offers life cover at very low cost. It is available in 3 options ? level term assurance, level term assurance with return of premium and single premium.
- **HomeAssure** is a mortgage reducing term assurance plan designed specifically to help customers cover their home loans in a simple and cost-effective manner.

Child Plans

- **SmartKid education plans** provide guaranteed educational benefits to a child along with life insurance cover for the parent who purchases the policy. The policy is designed to provide money at important milestones in the child's life. SmartKid plans are also available in unit-linked form ? both single premium and regular premium.

Retirement Solutions

- **ForeverLife** is a retirement product targeted at individuals in their thirties.
- **SecurePlus Pension** is a flexible pension plan that allows one to select between 3 levels of cover.

Market-linked retirement products

- **LifeTime Pension II** is a regular premium market-linked pension plan
- **LifeLink Pension II** is a single premium market-linked pension plan.
- **InvestShield Pension** is a regular premium pension plan with a capital guarantee on the investible premium and declared bonuses.

- **Golden Years:** is a limited premium paying retirement solution that offers tax benefits up to Rs 100,000 u/s 80C, with flexibility in both the accumulation and payout stages.

ICICI Prudential also launched “**Salaam Zindagi**”, a social sector group insurance policy targeted at the economically underprivileged sections of the society.

Health Solution

- **Health Assure:** Is a regular premium plan which provides Long term cover against 6 critical illnesses by providing policyholder with financial assistance, irrespective of the actual medical expenses.
- **Health Assure Plus:** Is a regular premium plan which provides long term cover against 6 critical illnesses by providing financial assistance, irrespective of actual medical expenses, as well as an equivalent life insurance cover

Group Insurance Solutions

ICICI Prudential also offers Group Insurance Solutions for companies seeking to enhance benefits to their employees.

- **ICICI Pru Group Gratuity Plan:** ICICI Pru’s group gratuity plan helps employers fund their statutory gratuity obligation in a scientific manner. The plan can also be customized to structure schemes that can provide benefits beyond the statutory obligations.
- **ICICI Pru Group Superannuation Plan:** ICICI Pru offers a flexible defined contribution superannuation scheme to provide a retirement kitty for each member of the group. Employees have the option of choosing from various annuity options or opting for a partial commutation of the annuity at the time of retirement.
- **ICICI Pru Group Term Plan:** ICICI Pru’s flexible group term solution helps provide affordable cover to members of a group.

- The cover could be uniform or based on designation/rank or a multiple of salary. The benefit under the policy is paid to the beneficiary nominated by the member on his/her death.

Flexible Rider Options

ICICI Pru Life offers flexible riders, which can be added to the basic policy at a marginal cost, depending on the specific needs of the customer.

- **Accident & disability benefit:** If death occurs as the result of an accident during the term of the policy, the beneficiary receives an additional amount equal to the rider sum assured under the policy. If the death occurs while traveling in an authorized mass transport vehicle, the beneficiary will be entitled to twice the sum assured as additional benefit.
- **Accident Benefit:** This rider option pays the sum assured under the rider on death due to accident.
- **Critical Illness Benefit:** protects the insured against financial loss in the event of 9 specified critical illnesses. Benefits are payable to the insured for medical expenses prior to death.
- **Income Benefit:** This rider pays the 10% of the sum assured to the nominee every year, till maturity, in the event of the death of the life assured. It is available on SmarKid, SecurePlus and CashPlus
- **Waiver of Premium:** In case of total and permanent disability due to an accident, the premiums are waived till maturity. This rider is available with SecurePlus and Cash Plus.

ANNEXURE – II

KUMARAGURU COLLEGE OF TECHNOLOGY COIMBATORE DEPARTMENT OF MANAGEMENT STUDIES

A survey on “A Study on the Decision Process in Selecting an Insurance Product”.

QUESTIONNAIRE

1. Name of the respondent : _____
2. Address: _____
3. Age :
4. Gender : male female
5. Gender : single married
6. Number of family members:
7. Income range (per year):
(a) Below 1 lakh (b) 1 lakh to 2 lakh
(c) 2 lakh of 3 lakh (d) Above 3 lakh
8. Savings amount out of the income:
a) Below 5% b) 5% to 10% c) 10% to 20% d) 20% to 25%
e) Above 25%
9. Do you have a life insurance policy?
Yes No
10. If ‘yes’
 - a. Name the company _____
 - b. Insured amount Rs. _____
 - c. No of year _____
 - d. Premium amount _____
11. How did you decide to go for the life insurance policy (Rank them):

Perception from agent		
Friends influence		
Family members		
Products plans		
Company reputation		

12. If you have been influenced by the agent, which of the activities of the agent influence you the most (rank the traits):

Behavior / character		
Explanation about insurance policy		
Follow up		

13. On availing the policy what is your expectations of the follow up service (Rank them):

Regular communication		
New attractive plans		
Incentives / bonus		

14. In case of insurance plans, what benefits attracts you most:

	Motivate	Neutral	Not motivated
a) Flexibility			
b) Premium amount			
c) Maturity period			
d) Growth in maturity amount			

15. Which of the following proposals influence you to opt for insurance?
(Rank according to your perception):

Life security		
Saving		
Tax benefits		

16. Periodicity of premium payment you desire to pay:

- a) Monthly | | b) quarterly | | c) half yearly | | d) yearly | |

17. Term of insurance policy you prefer.

- (a) Short term (5 years) | | b) Medium term (5 to 10 years) | |
 (c) Long term (10 to 15 years) | | d) Life time (above 15 years) | |

18. Rank your order of preference of the insurance company:

Companies	Rank them
ICICI	
LIC	
AVIVA	
BAJAJ ALLIANCE	
RELIANCE	
OTHERS (NAME IT):	

19. How do you judge the insurance company's reputation?

	Prefer	Neutral	Not preferred
a) Government owned	<input type="text"/>	<input type="text"/>	<input type="text"/>
b) Private owned company	<input type="text"/>	<input type="text"/>	<input type="text"/>
c) The period of existence	<input type="text"/>	<input type="text"/>	<input type="text"/>
d) Maintenance customer relationship	<input type="text"/>	<input type="text"/>	<input type="text"/>
e) Advertisement	<input type="text"/>	<input type="text"/>	<input type="text"/>

20. How do you come to know about company's reputation (through)?

Advertisement	
Advisor (agent)	
Relation	
Friends	
Personal interest	

1. Your opinion regarding Insurance plans:

THANK YOU

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