



**A STUDY ON CUSTOMER PERCEPTION ON INSURANCE AS A
SAVINGS INSTRUMENT WITH PARTICULAR REFERENCE TO
BENGALURU**

By

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A Project Report

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Of

MASTER OF BUSINESS ADMINISTRATION

August 2009

CERTIFICATE



Kumaraguru College of Technology
(An ISO 9001:2000 Certified Institution)
Coimbatore-641006

BONAFIDE CERTIFICATE

Certified that this project titled 'A study on consumer perception on insurance as a saving instrument with particular reference to Bengaluru is the bonafide work of K.S.SABA (Reg no: 0820400041) who carried out this research under my supervision. Certified further , that to best of my knowledge the work reported herein does not form part of any of any other project report or dissertation on the basis of which degree or award was conferred on an earlier occasion on this or any other candidate .

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[Signature]
14/9/09
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Examiner II



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PROJECT COMPLETION CERTIFICATE

This is to certify that Ms. K.S.SABA (Roll No.08MBA41) a student of KCT Business School, Kumaraguru College of Technology, had undergone a Project between 15.06.2009 to 30.07.2009 entitled A Study on Customer Perception on Insurance as a Savings Instrument with particular reference to Bengaluru.


(Signature of Company Guide with date & seal)
30/07/2009

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DECLARATION

DECLARATION

I, hereby declare that this project report entitled as “A study on customer perception on insurance as a saving instrument with particular reference to Bengaluru”, has been undertaken for academic purpose submitted to Anna University in partial fulfillment of requirement for the award of the degree of Master of Business Administration .The project report is the record of the original work done by me under the guidance of Mr.Karthikheyan during the academic year 2008-2009.

I, also declare hereby, that the information given in this report is correct to best of my knowledge and belief .

Place: Coimbatore

Date: 08.09.09



(K.S.Saba)

EXECUTIVE SUMMARY

Executive Summary

The main objective of this research is to study the customer perception on insurance as a saving instrument with particular reference to Bengaluru. A sample of 110 has been taken for research; descriptive sampling technique has been used for surveying to enable the researcher to collect data without any constraints.

The researcher suggests ways of improving the perception among the customers by bridging the gap between the perceived expectations and the actual return on investment. Thereby the company is aware of the customer's perception

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I would like to thank Dr.S.V.Devanathan, Ph.D., Director, for the help and guidance rendered.

I am very thankful to my guide Mr.Karthikheyan for his valuable guidance. I would like to thank all the staff members of the Department of Management Studies for their help and support.

I also express my sincere thanks to Mr.Amaresh, Unit Manager, and icici prudential, Bengaluru for granting permission to do my project work.

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INTRODUCTION

CHAPTER 1

1. INTRODUCTION

Life is full of uncertainty and surprises and also involvement of risk with it. To instinct for security against such risk is one of the basic motivating forces to determine the human attitude. As a sequel to this quest for security, the concept of life insurance must have been born. The urge to provide insurance or protection against the life of and property must have promoted people to some sort of sacrifice willingly in order to achieve security through “collective co-operation”. In this sense, the story of insurance is probably as old as the story of mankind.

The business of insurance related to the protection of the economic values of assets. Every asset has a value for its owner and also for those who are benefited with the existence of that asset. Insurance is concerned with the protection of economic value of assets.

Every asset has normally an expected lifetime. During this period, it is expected to perform and provide income/comfort to the owner. The owner, being aware of this, plans the things in such a way that by the time expected lifetime of the asset expires; he is ready with the value or income from the asset is not lost. Well, this appears to be a fine arrangement provided the asset completes its expected lifetime!

All assets carry the risk of being destroyed or damaged. But all assets may not necessarily get destroyed or damaged. Only in a few instances, the probability turns out to be true and the asset gets actually lost and destroyed by accident or some other unfortunate event before the completion of its expected lifetime. The owner and those deriving benefits from the asset will suffer because the arrangement to make available its substitute is not yet ready. Insurance is

helpful in mitigating such adverse consequences. To sum up, assets are insured, as they are likely to be lost or made non-functional through an accidental occurrence.

Insurance does not protect the assets. This means that insurance cannot prevent loss to the assets due to perils. Nor can insurance avoid the occurrence of perils. It only Compensates, may not be fully, the economic or financial loss resulting to the asset from such damage or destruction.

1.1 Background of the study:

Customer perception plays an important role in designing the product .The study helps the researcher to understand the customers' approach towards insurance as a savings instrument. There are various investment avenues for an investor and his perception towards each avenue varies .Insurance helps to maintain the economic stability in a household .Therefore as a welfare measure the Government opened up the insurance sector.

The Insurance Regulatory Development Association Act, passed in December 1999, provided for the establishment of the IRDA to protect the interest of holder of insurance policies and LIC's monopoly right to transact life insurance business in India came to an end. At the close of financial year ending 31.3.2004, twelve new companies were registered with the Insurance Regulatory and Development Authority (IRDA) to transact life insurance business In India.

Insurance Industry in the year 2000-2001 had 16 new entrants, nameiy.

Sl no	Registration Number	Date of Reg.	Name of the Company
1	101	23-10-2000	HDFC Standard Life Insurance Company Ltd.
2	104	15-11-2000	Max New York Life Insurance Co. Ltd.
3	105	24-11-2000	ICICI Prudential Life Insurance Company Ltd.
4	107	10-01-2001	Om Kotak Mahindra Life Insurance Co.Ltd.
5	109	31-01-2001	Birla Sun Life Insurance Company Ltd.
6	110	12-02-2001	Tata AIG Life Insurance Company Ltd.
7	111	30-03-2001	SBI Life Insurance company Limited.
8	114	02-08-2001	ING Vysya Life Insurance Company Private Limited
9	116	03-08-2001	Allianz Bajaj Life Insurance Company Limited.
10	117	06-08-2001	Metlife India Insurance Company Pvt.
11	121	03-01-2002	AMP SANMAR Assurance Company Ltd.
12	122	14-05-2002	Aviva life Insurance Co. India Pvt.Ltd.

After opening up of the insurance sector, competition among companies started building up.

Therefore, the plans are accordingly customized, according to the needs of the customer.

1.2 REVIEW OF LITERATURE

Annamaria Lusardi¹ (1997) according to him the people may insure against income risk and it becomes difficult to evaluate the extent of precautionary accumulation by simply looking at the relationship between wealth and earnings variance. He also argues that occupations may represent a bad proxy for income risk.

Martin Browning² (2000) the facts that wives are typically younger than their husbands and that women typically live longer than men imply that wives may have more incentive to save for old age than do husbands. A theoretical model of the determination of household saving and portfolio choice is introduced which takes into account differences in preferences for saving. The most important result is that the level and the composition (portfolio) of saving and the time path of consumption are dependent on the distribution of income within the household.

Jonathan Gruber³ (1999) the effect of means-and asset –tested social insurance program,

Medicaid, on the savings behavior of the households .It is done by using both asset holding and consumption, matched to information on the eligibility of families for health insurance coverage under the program. Medicaid eligibility has a sizable and significant negative effect on wealth holdings, and it is confirmed from the findings by showing a strong positive association between Medicaid eligibility and consumption expenditures. This fact shows the customers perception on asset testing phased out by the Medicaid program over this period to document that these Medicaid effects are much stronger in the presence of an asset.

Fred Selnes (1993)⁴ presents a theoretical model which integrates quality, brand reputation, customer satisfaction and loyalty. The model is tested in four industries, covering both business-to-business markets and private customer markets. The findings suggest that companies should monitor and improve both customers satisfaction and brand reputation. In situations where the intrinsic cues of the product or service are ambiguous, brand reputation

Nigel F. Piercy⁵ (1995) companies focus on their customers' needs and satisfaction – this is common to strategic management, the marketing concept, the pursuit of “excellence”, market-orientation, total quality management, relationship marketing strategies, and service quality theorists. However, in spite of the availability of many techniques and systems for monitoring and measuring customer satisfaction and using it in decision making, there are major implementation problems facing a customer satisfaction strategy which have been totally ignored. An internal market perspective suggests where these implementation barriers may arise inside organizations in ways which directly mirror the external market. Workshop and survey information confirm the existence of powerful but hidden implementation obstacles in the internal market. This leads to the identification of a need for an internal marketing strategy for customer satisfaction that goes far beyond customer satisfaction questionnaires, to confront the behavioral and organizational barriers to delivering customer satisfaction where it matters – in the external customer marketplace

Christo Boshoff, Madele Tait⁶ (1996) services marketing literature is the importance of frontline employees in service delivery. The internal marketing concept is based on the belief that a firm's internal market/employees can be motivated to strive for customer-consciousness,

market orientation and sales-mindedness through the application of accepted external marketing approaches and principles. The study considers study that the objectives could be achieved by marketing, among others, the service firm's goals, objectives and values to frontline employees. A causal model was constructed which included organizational commitment (as an intervening variable), frontline employees' own perceptions of the service quality they deliver, and the service quality their supervisors believe they deliver as endogenous latent variables. The model was empirically evaluated with data from frontline employees in the banking and insurance industries.

PETER.C.VERHOEF⁷ (2002) the study examine the effect of relationship perceptions and relationship marketing instruments on customer share development. The interaction effect of these instruments with behavioral loyalty and relationship perceptions. This study is executed among a sample of customers of a financial service provider. Results show that commitment positively affects changes in customer share, while loyalty program membership and direct mailings also have a positive effect. It is also found that satisfaction has a smaller effect among members of the loyalty program, while our results also reveal some preliminary evidence to support the notion that loyalty programs are less effective among behavioral loyal customers

Roger Hallowell, Leonard A. Schlesinger, Jeffrey Zornitsky⁸(1996)

Customer satisfaction has dominated much of the recent service literature .This literature suggests that to deliver high levels of customer satisfaction, organizations must identify, measure, and manage the internal elements that produce it. The first part of this paper identifies

some of the elements within an organization hypothesized to affect customer satisfaction. We call these the eight components of internal service quality. By measuring these components, managers may be able to determine which actions are required to improve customer satisfaction. This knowledge may then enable managers to take a proactive, rather than reactive, approach to customer satisfaction. Internal service quality (defined for this purpose as employee satisfaction with the service received from internal service providers) has received little attention in the empirical literature, although certain aspects of it have been discussed theoretically as far back as Barnard (1938). Only in the past decade has it begun to be examined as a holistic concept. Yet internal service quality remains complex, in part because its composition can vary for different organizations at different times. In short, which internal services are important, and how important their quality is, depends on an organization's tasks and employees. Despite this variability, we believe (supported by the quality and service literatures) that internal service quality has basic components important to most organizations.

1.3 OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVES

To study the various financial planning goals and the importance attached to insurance

SECONDARY OBJECTIVES

1. To identify the various sources of investment available to the respondents
2. To study the purpose of financial planning

1.4 STATEMENT OF THE PROBLEM

Although insurance is a booming concept and level of awareness about insurance is high among people. In spite of that, the number of people opting for insurance is considerably less.

1.5 SCOPE OF THE STUDY

1. The study will help us understand the importance attached to different financial objectives
2. The study will help us to understand the reliable sources of investment
3. The study will help us understand the reason for choosing a particular investment avenue

1.6 RESEARCH METHODOLOGY

1.6.1 TYPE OF STUDY

Descriptive research design is chosen to study the customer perception on insurance as a saving instrument. The researcher has no control over the variables and they are independent of the state of affairs.

1.6.2 SAMPLING DESIGN

PROBABILITY SAMPLING

When the elements in the population have a known chance of being chosen as subjects , we resort to a probability sampling design. Probability sampling can be either restricted or unrestricted in nature.

1.6.3 METHOD OF DATA COLLECTION

PRIMARY DATA COLLECTION

As the research study is on customer perception, data is collected through structured questionnaire. The secondary data was collected from websites, books and the project done by research scholars.

Sample size: 110

Location: Bengaluru

Type of sampling: Random sampling.

1.6.4 TOOLS FOR ANALYSIS

Percentage analysis

Weighted average

1.7 LIMITATION

1. The research methodology is based on statistical operations, the conclusions arrived not be accurate.
2. The geographical area of study is limited to Bengaluru, so the result may have limited applicability in other centers.
3. The study has been conducted within a stipulated period.
4. There is a possibility of the student's bias towards customer perception

ORGANIZATION PROFILE

CHAPTER 2

ORGANIZATION PROFILE

2.1 HISTORY OF THE ORGANISATION

HISTORY OF LIFE INSURANCE

THE BEGINNING

The beginning of insurance business is traced to the city of London. It started with the marine business. Marine traders, who used to gather at Lloyd's coffee house in London, agreed to share losses to goods during transportation by ship. Marine related losses included:-

- Loss of ship by sinking due to bad weather in high seas.
- Goods in transit by ship robbed by sea pirates.
- Loss of or damage to the goods in goods in transit by ship due to bad weather in high seas. The first insurance policy was issued in England in 1583.

LIFE INSURANCE IN INDIA

Life Insurance in its modern form came to India from England as far back as in 1818. The first insurance company on India soil, namely the Oriental Life Insurance Company was started in Calcutta mainly by Europeans to help the widows of their community. It was through the efforts of Babu Muttylal Seal and Prince Dwarkanath Tagore, Rampanu Lahiri, and Rustomji Lahiri, and Rustomji Coejasji took an active part in the development of insurance business in this country in the early years.

THE FIRST INDIAN INSURANCE COMPANY

The Bombay life insurance company in the year 1870 heralds the birth of the first insurance Assurance society that came into existence to cover Indian lives at normal rates.

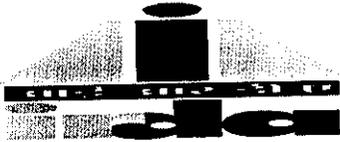
In the wake of the Swadeshi Movement in India in the early 1900s, quite a good number of Indian companies were formed in various parts of the country to transact insurance business. To name a few

- 'Hindustan Co-operative' and 'National Insurance' in Kolkata.
- 'United India' in Chennai.
- 'Bombay Life', 'New India' and 'Jupiter' in Mumbai.
- 'Lakshmi Insurance' in New Delhi.

LAWS AND REGULATIONS

- 1912: The Indian Life Assurance Companies Act enacted as the first Statute to regulate the Insurance business.
- 1928: The Indian Insurance Companies Act enacted to enable the Government to collect statistical information about both life and non-life insurance businesses.
- 1938: The insurance act 1938, which came into effect from 1st July 1939, and was amended in 1950 and later in 1999.
- 1956: The life insurance corporation act 1956 section 30 gave the L.I.C exclusive privilege to transact life insurance business in India. This exclusive privilege ceased as

a result of the amendments made in 1999. And In 1956, life insurance business was nationalized.



This Act, passed in December 1999, provided for the establishment of the IRDA to protect the interest of holder of insurance policies and LIC's monopoly right to transact life insurance business in India came to an end. At the close of financial year ending 31.3.2004, twelve new companies were registered with the Insurance Regulatory and Development Authority (IRDA) to transact life insurance business In India.

2.2 MANAGEMENT

Insurance is an Rs.4000 Crore business in India, and together with banking services adds about 7% to India's GDP. Yet more than 75% of India's insurable population has no life insurance or pension cover. Health insurance of any kind is negligible and other forms of non-life insurance are much below international standards.

To tap the vast insurance potential and to mobilize long-term savings we need reforms which include revitalization and restructuring of the public sector companies, and opening up the sector to private players. Statutory bodies need to be made to regulate the market and promote a healthy market structure. Insurance Regulatory Authority is such body, which checks on these tendencies. IRA role comprises of following three functions.

- a) Protection of consumer's interest.
- b) To ensure financial soundness and solvency of the insurance industry.
- c) To ensure healthy growth of the insurance market.

An insurance policy protects the buyer at some cost against the financial loss arising from a specified risk. Different situations and different people require a different mix of risk-cost combinations. Insurance companies provide these by offering schemes of different kinds.

Unfortunately the concept of insurance is not popular in our country. India is the second largest populated country in the world but its share is only 0.5% of the total insurance in the World. Amongst the emerging economies, India is the one least insured country (only less than 25% of the Insurable population is insured), but the potential for further growth is phenomenal.

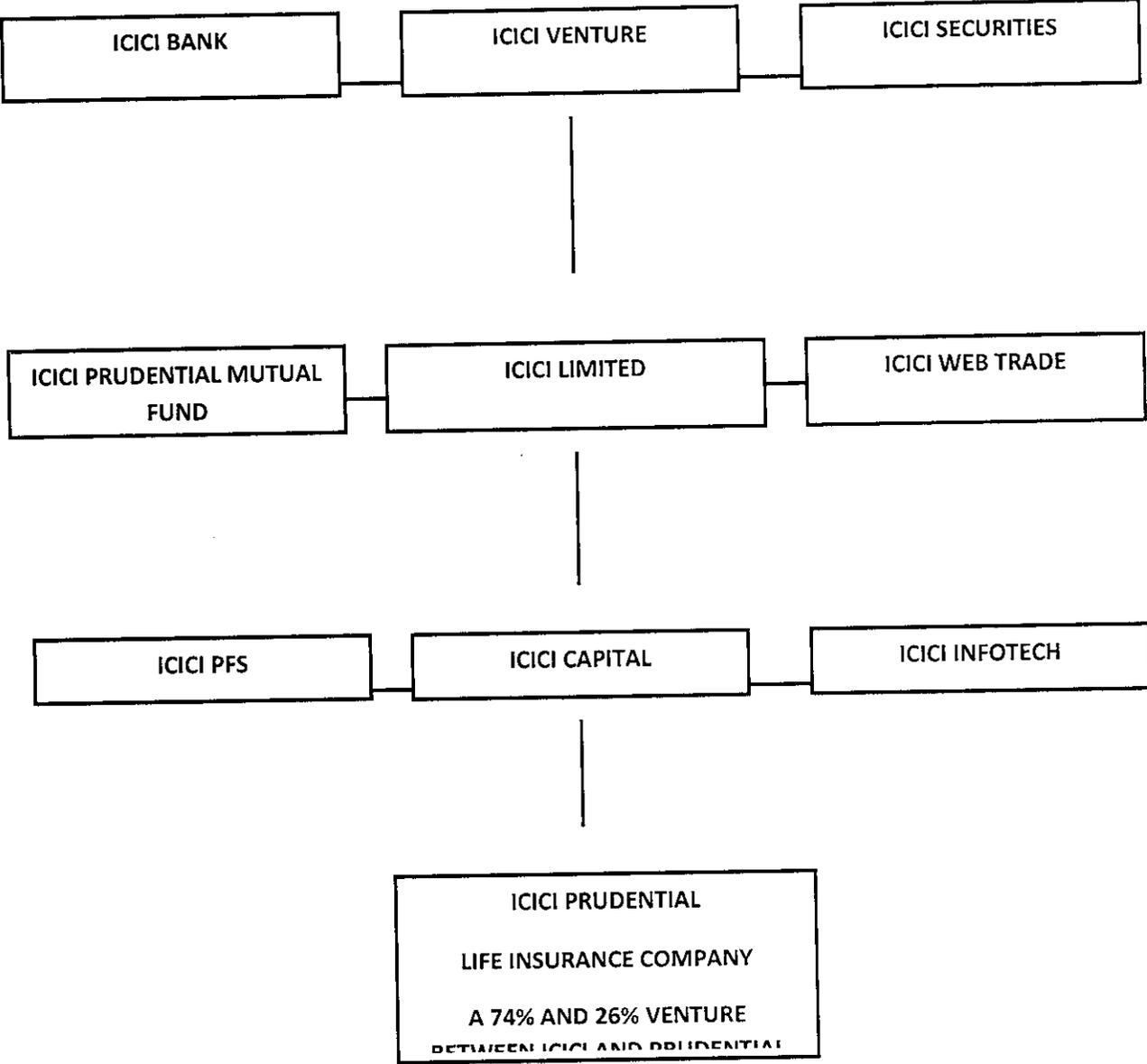
The nationalized insurance industry has not offered consumers a variety of products. Opening of the sector to private firms will foster competition, innovation, and variety of products. It would also generate greater awareness on the need for buying insurance as a service and merely for tax exemption, which is currently done. On the demand side, a strong correlation between demand for insurance and per capita income level suggests that high economic growth can spur growth in demand for insurance. Also there exists a strong correlation between

insurance density and social indicators such as literacy with social development, insurance demand will grow.

Also there exists a strong correlation between insurance density and social indicators such as literacy with social development, insurance demand will grow.

After the enactment of IRDA Act of 1999, by the close of financial year ending 31-3-2004, twelve new companies were registered with the IRDA. At present there are 14 Life Insurance Companies in India, out of which 13 are Private Insurance Companies and one is Public Sector owned. That is LIC. Most of the private insurance companies in India are joint ventures. They have established insurance companies by joint venturing with foreign companies

2.3 ORGANIZATION STRUCTURE



ICICI Bank is India's second-largest bank with total assets of about Rs. 2,513.89 bn (US\$ 56.3 bn) at March 31, 2006 and profit after tax of Rs. 25.40 bn (US\$ 569 mn) for the year ended March 31, 2006 and ICICI Bank has a network of about 614 branches and extension counters and over 2,200 ATMs It offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital, asset management and information technology.. ICICI Bank's equity shares are listed in India on stock exchanges at Chennai, Delhi, Kolkata and Vadodara, the Stock Exchange, Mumbai and the National Stock Exchange of India Limited and its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE)

2.4 PRODUCT PROFILE AND MARKET POTENTIAL

**We cover you
at every step in life**

This is the SLOGAN of the ICICI Prudential Insurance Company. **Suraksha... Zindagi ke har kadam par**, as interpreted in Hindi. ICICI Prudential was positioned as an enabler of protection relevant to the needs of the life stage.

Different people have different needs at various stages of life. ICICI Prudential offers a bouquet of insurance solutions to choose from to suit customer's life stage and needs.

Insurance Solutions for Individuals

ICICI Prudential offers a range of innovative, customer's centric products that meet the needs of customers at every human life stages.

SAVINGS & WEALTH CREATION SOLUTIONS

CASH PLUS

An insurance plan that gives added protection savings, multiple options, plus the power of liquidity. It is a transparent, feature-packed savings plan that offers 3 levels of protection as well as liquidity options.

SAVE 'N' PROTECT

A traditional endowment savings plan that offers both high returns and protection.

LIFE TIME SUPER & LIFE TIME PLUS

Are unit-linked plans that offer customers the flexibility and control to customize the policy to meet the changing needs at different life stages.

LIFE LINK SUPER

Life Link Super is a unique plan that combines the security of a life insurance policy with the opportunity of enjoying high returns on your investments, without the market risks compromising on the protection of your family!

PREMIER LIFE GOLD

A market linked insurance plans that meet your Investment and Protection

needs. It is a limited premium paying plan specially structured for long-term wealth creation.

These are the few products of icici prudential

COMPETITORS

ICICI Prudential faces tough competition from L.I.C, which is one of the oldest insurance company and also from other Private insurers like Bajaj Alliance, HDFC Standard , Tata A.I.G., etc

L.I.C It is a oldest insurance company the market leader with 49% - 59% market shares and it enjoys all the benefits of government as it comes under public sector

And in private ICICI Prudential is the market leader but now faces competition with Bajaj Alliance & HDFC Standard other are TATA A.I.G, Birla Sunlife,SBI Life, Max new york life, Aviva, and Kotak Mahindra.

The public sector L.I.C is the main leading competitor to ICICI insurance. LIC covers 59%of insurance throughout India.

OTHER COMPETITORS

COMPANY	MARKET CAPITAL
BAJAJ ALLIANZ	78.30%
ING GROUP	71.50%
AMERICAN INTERNATIONAL GROUP.INC	110.10%
BAHARATHI AXA	68.30%

THE AWARDS RECEIVED BY THE COMPANY

- a) Out Look Money Award of the **BEST LIFE INSURER** of 2003-04

- b) 2004 **INSTITUTE OF MARKETING AND MANAGEMENT AWARD FOR EXCELLENCE.**

- c) **THE MOST TRUSTED PRIVATE LIFE INSURER.** - Economic Times, A.C. Nielson survey 2003.

- d) **THE SUPER BRAND AWARD.**

2.5 COMPETITIVE STRENGTH OF THE COMPANY

STRENGTHS

According to the business world the ICICI LIFE INSURANCE placed 2nd largest insurer in India.

Non-Traditional products.

Quality employees and experienced management.

Excellent performance over the year.

2.6 FUTURE PLANS IF ANY

Icici prudential launched the new 200% premium extra retirement recently in the month of July 20th, 2009.They will further find the needs of the customer and accordingly customize the product.

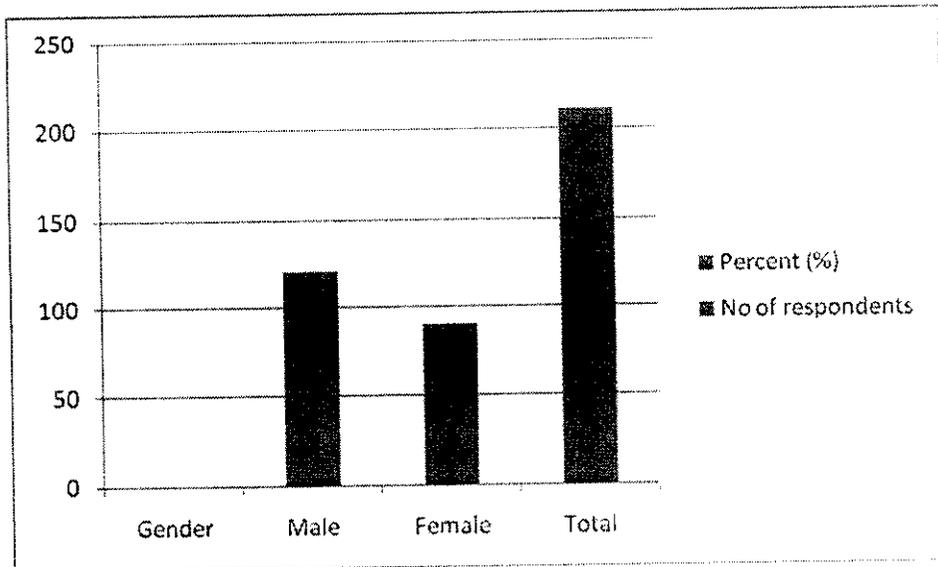
*DATA ANALYSIS &
INTERPRETATION*

CHAPTER 3

DATA ANALYSIS AND INTERPRETATION

3.1 Table represents the gender of the respondents

Gender	No of respondents	Percent (%)
Male	63	57.3
Female	47	42.7
Total	110	100.0

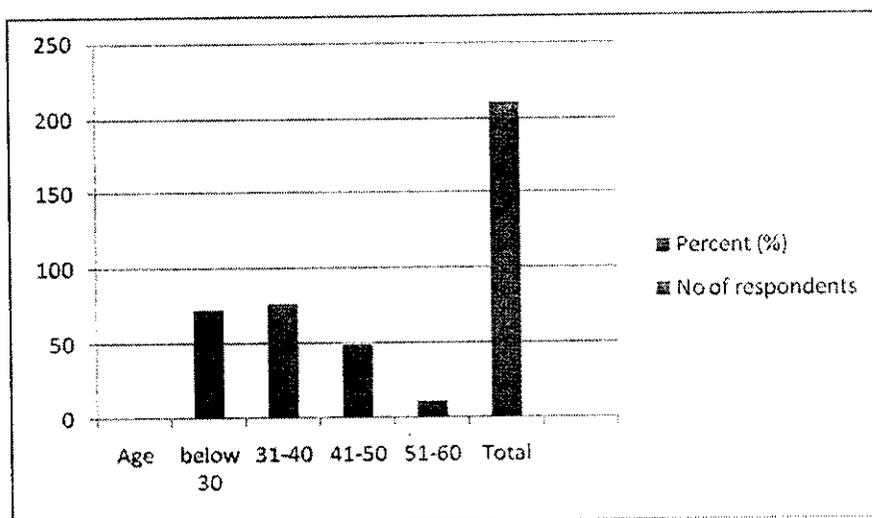


INTERPRETATION:

63 respondents are male and 47 respondents are female. Insurance is basically taken in order to provide economic stability for the family. In most of the Indian traditional families only men work. Therefore, the no of male respondents are more than women.

3.2 Table represents the age of the respondents

Age	No of respondents	Percent (%)
below 30	38	34.5
31-40	40	36.4
41-50	26	23.6
51-60	6	5.5
Total	110	100.0

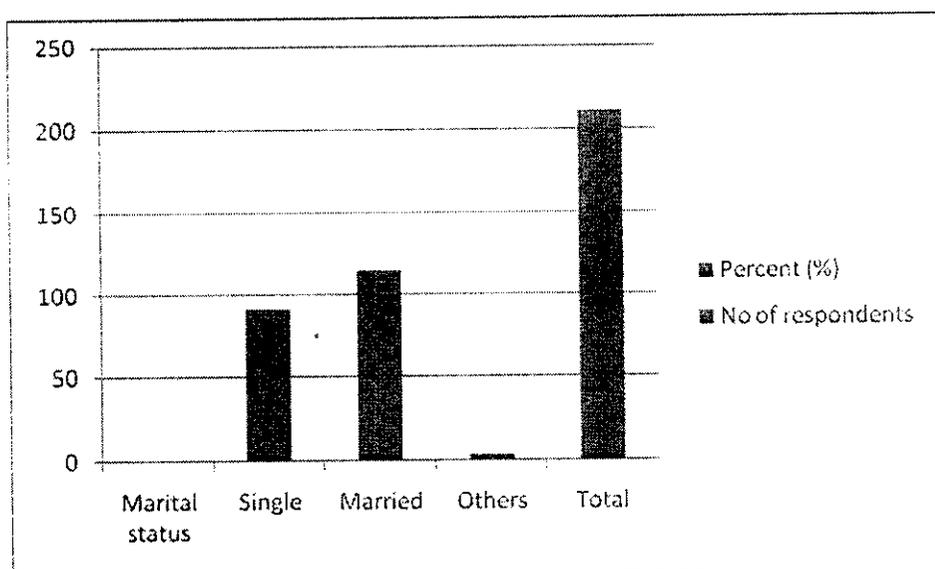


INTERPRETATION:

38 respondents are below 30 , 40 respondents are of the age 31-40 , 26 respondents' falls under the age ranging from 41-50 , only 6 respondents are of the age 51-60. A major percent of respondents are of the age range 31-40 because only at that age , people usually get married and settle in life .They start planning for the children's future . Because of the growing awareness about the need of insurance early job goes whose age is below 30 opt insurance. People of age group 41-50 opt for insurance as they start planning for their retirement. People above 51 do not opt much for insurance.

3.3 Table represents the marital status of the respondents

Marital status	No of respondents	Percent (%)
Single	48	43.6
Married	60	54.5
Others	2	1.8
Total	110	100.0

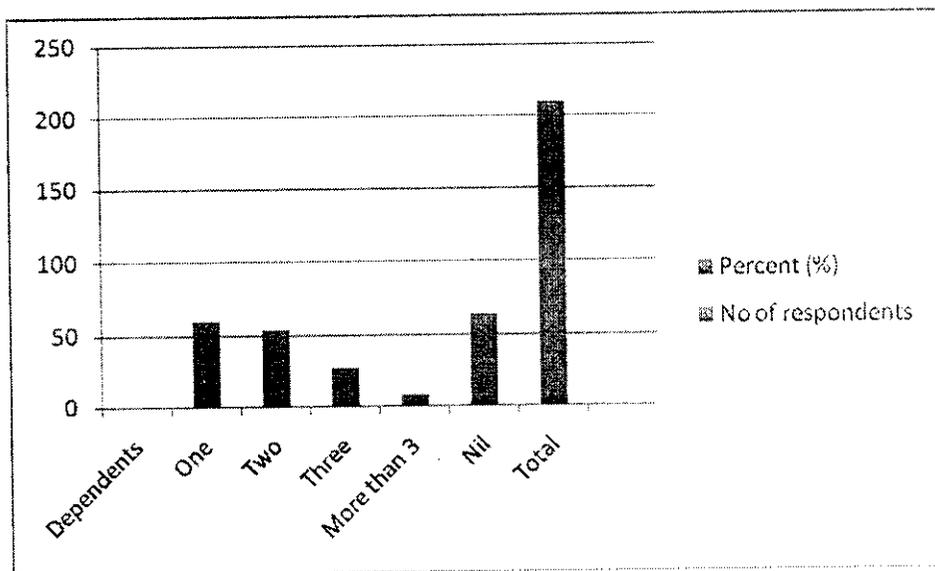


INTERPRETATION:

48 respondents are single, majority of 60 respondents are married and the remaining 2 respondents are in the Others category.

3.4 Table represents the dependents of the respondents

Dependents	No of respondents	Percent (%)
One	31	28.2
Two	28	25.5
Three	14	12.7
More than 3	4	3.6
Nil	33	30.0
Total	110	100.0

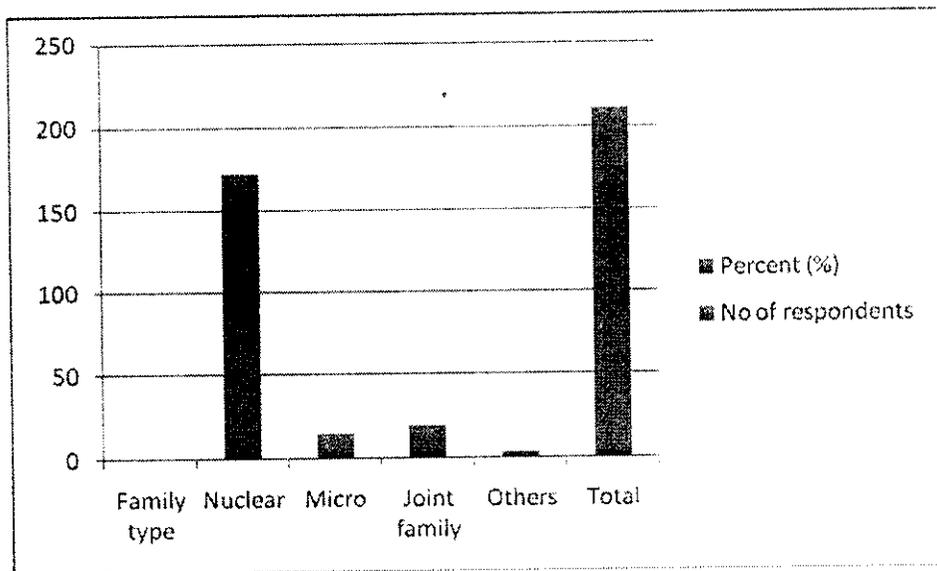


INTERPRETATION:

31 respondents have one dependent, 28 respondents have two dependents, 14 respondents have three dependents, 4 respondents of them more than three dependents and a maximum of 33 respondents have nil dependents.

3.5 Table represents the family type of the respondents

Family type	No of respondents	Percent (%)
Nuclear	90	81.8
Micro	8	7.3
Joint family	10	9.1
Others	2	1.8
Total	110	100.0

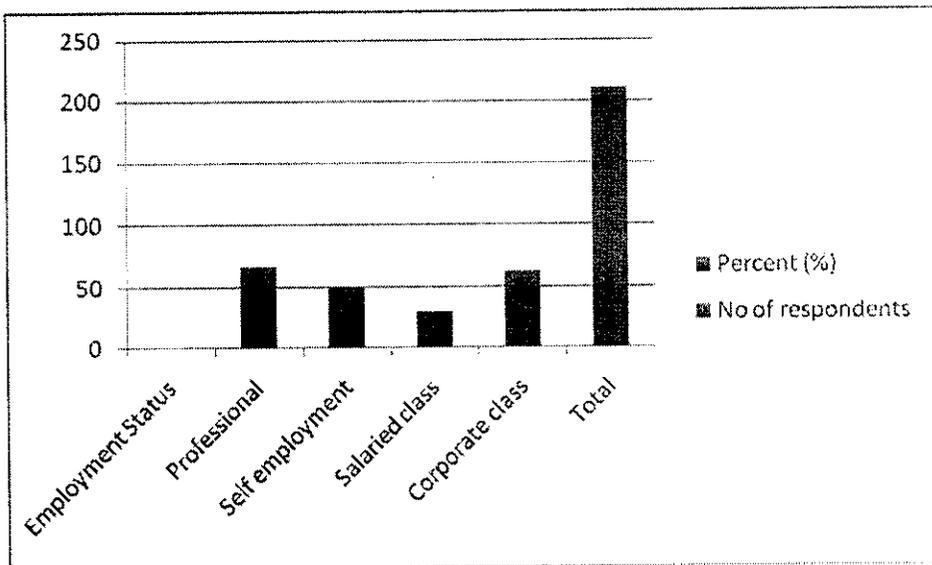


INTERPRETATION:

90 respondents live in nuclear family, 10 respondents live in joint family, 8 respondents live in micro families and the remaining 2 respondents come under the others category.

3.6 Table represents the employment status of the respondents

Employment Status	No of respondents	Percent (%)
Professional	35	31.8
Self employment	26	23.6
Salaried class	16	14.5
Corporate class	33	30.0
Total	110	100.0

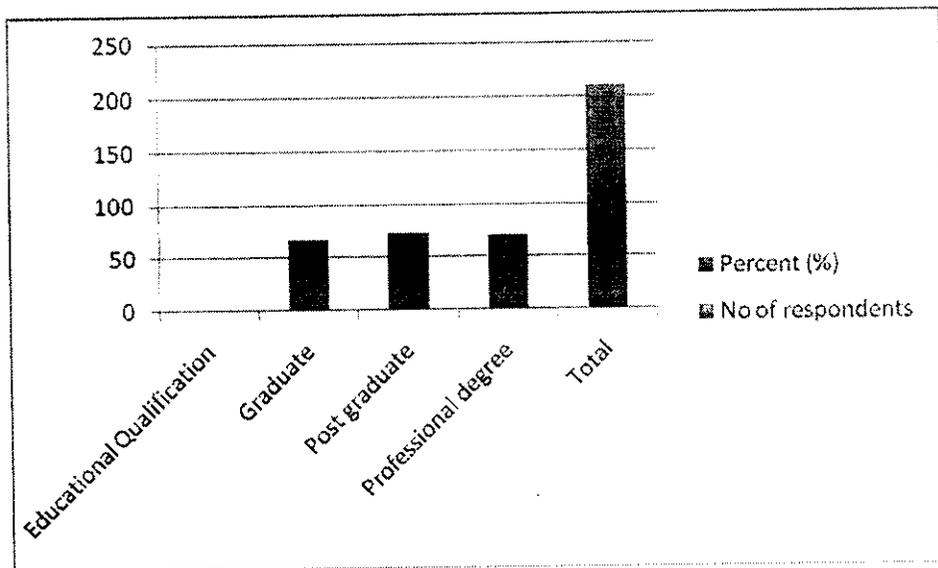


INTERPRETATION:

35 respondents are professional, 26 respondents are self employed, 16 respondents are salaried class and the remaining 33 respondents corporate class.

3.7 Table represents the educational qualification of the respondents

Educational Qualification	No of respondents	Percent (%)
Graduate	35	31.8
Post graduate	38	34.5
Professional degree	37	33.6
Total	110	100.0

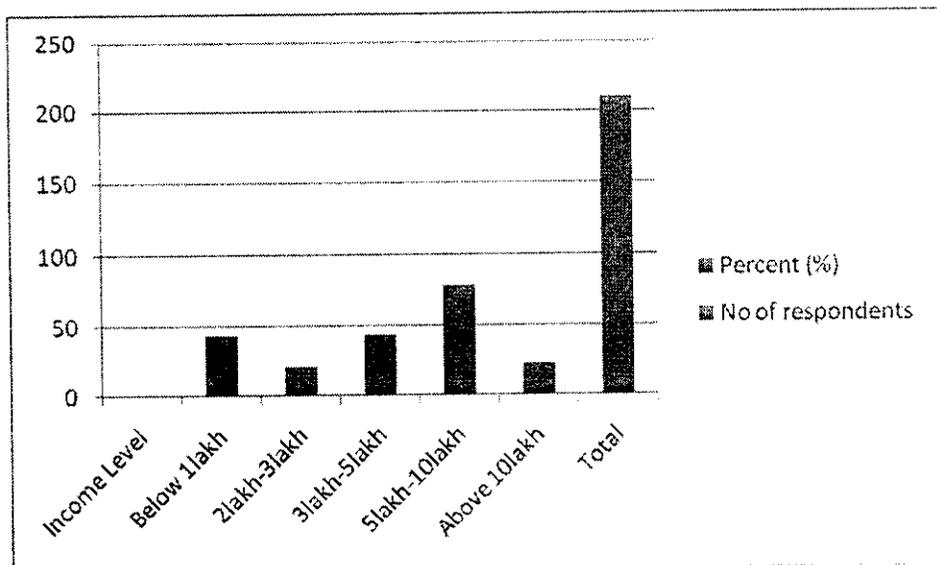


INTERPRETATION:

35 respondents are graduates, 38 respondents are post graduates, 37 respondents are professional degree holders.

3.8 Table represents the income level of the respondents

Income Level	No of respondents	Percent (%)
Below 1lakh	23	20.9
2lakh-3lakh	11	10.0
3lakh-5lakh	23	20.9
5lakh-10lakh	41	37.3
Above 10lakh	12	10.9
Total	110	100.0

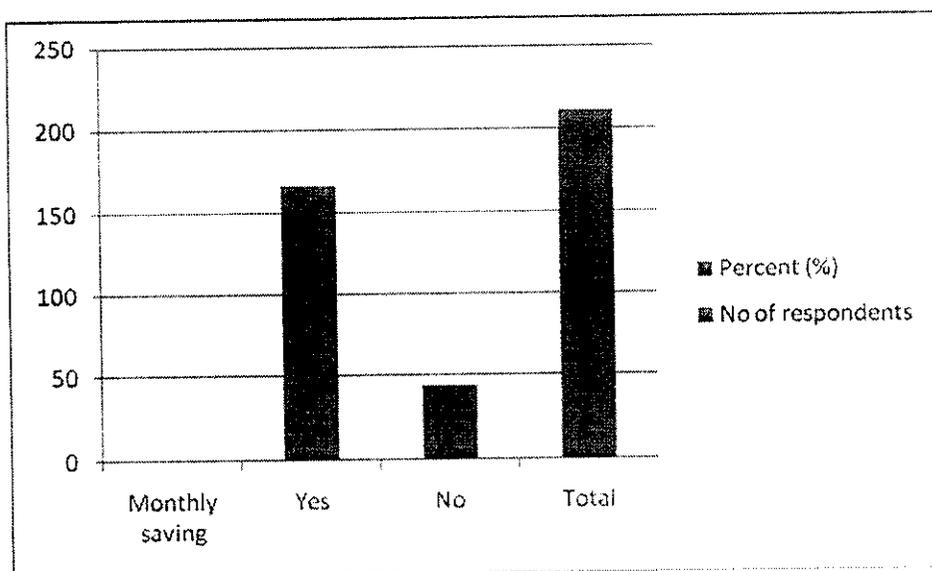


INTERPRETATION:

23 respondents have an income of level below 1Lakh , 11 respondents have an income level 2Lakh-3Lakh , 23 respondents have an income of level of 3 Lakh-5Lakh , 41 respondents have an income level of 5 Lakh-10 Lakh and 12 respondents have an income level above 10 Lakh

3.9 Table represents the monthly saving of the respondents

Monthly saving	No of respondents	Percent (%)
Yes	87	79.1
No	23	20.9
Total	110	100.0

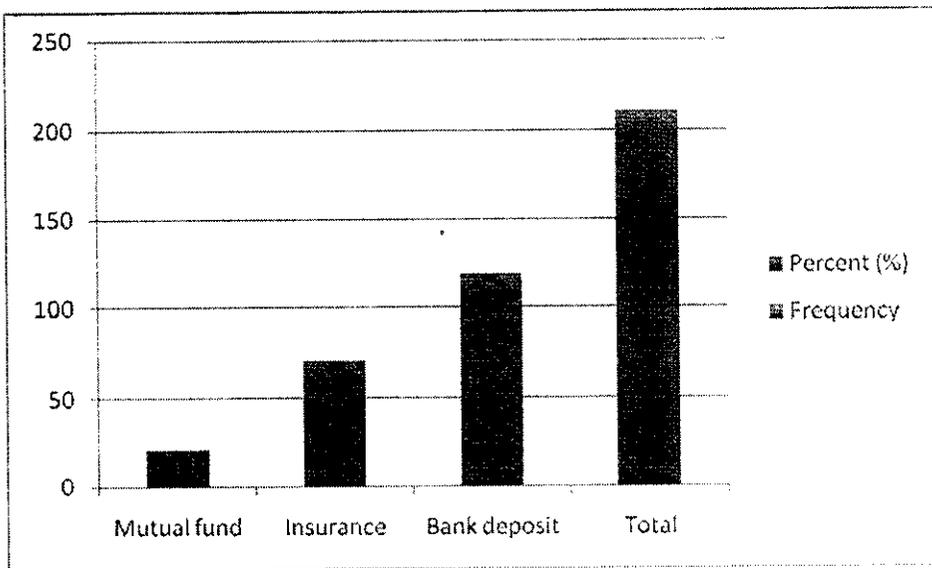


INTERPRETATION:

87 respondents do monthly savings of the income and the rest 23 respondents do not save their earnings on a monthly basis.

3.10 Table represents the form of savings opted by the respondents

Savings form	Frequency	Percent (%)
Mutual fund	11	10.0
Insurance	37	33.6
Bank deposit	62	56.4
Total	110	100.0

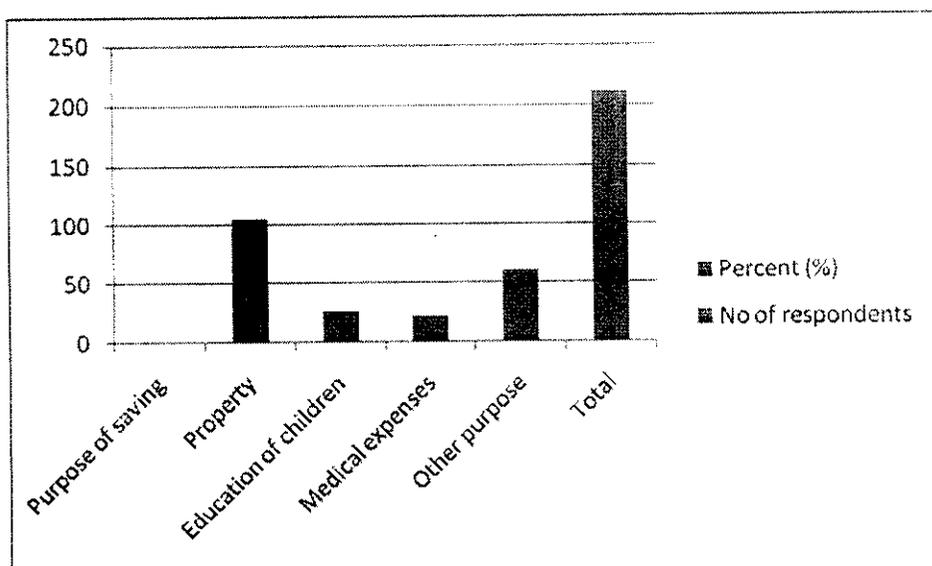


INTERPRETATION:

Mutual fund is opted by 11 respondents, 37 respondents opt for insurance and 62 respondents opt for saving their income through bank deposits.

3.11 Table represents the purpose of saving of the respondents

Purpose of saving	No of respondents	Percent (%)
Property	55	50.0
Education of children	13	11.8
Medical expenses	11	10.0
Other purpose	31	28.2
Total	110	100.0

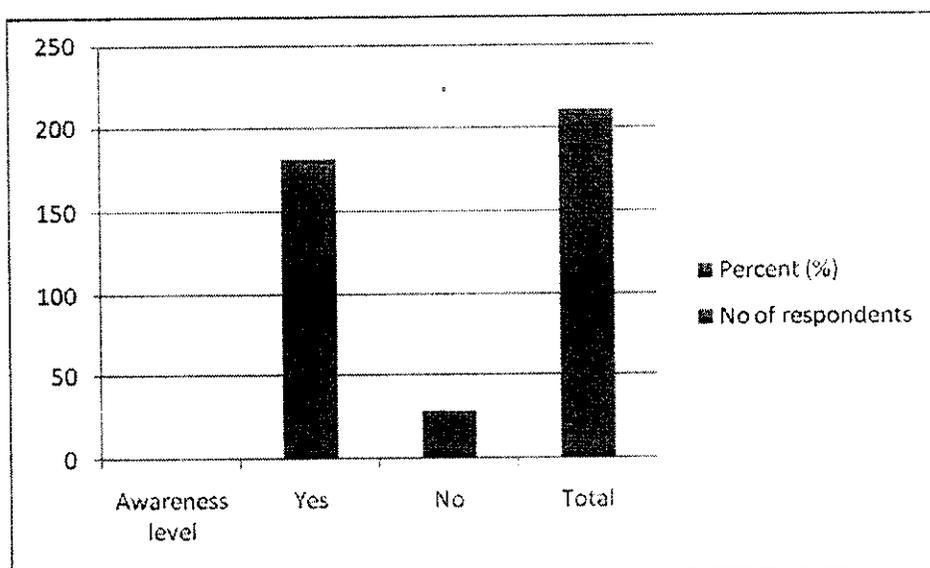


INTERPRETATION:

55 respondents save for owning a property, 13 respondents save for their children's education, 11 respondents save for their medical expenses and 31 respondents save for other purpose.

3.12 Table represents the respondents awareness level in insurance

Awareness level	No of respondents	Percent (%)
Yes	95	86.4
No	15	13.6
Total	110	100.0

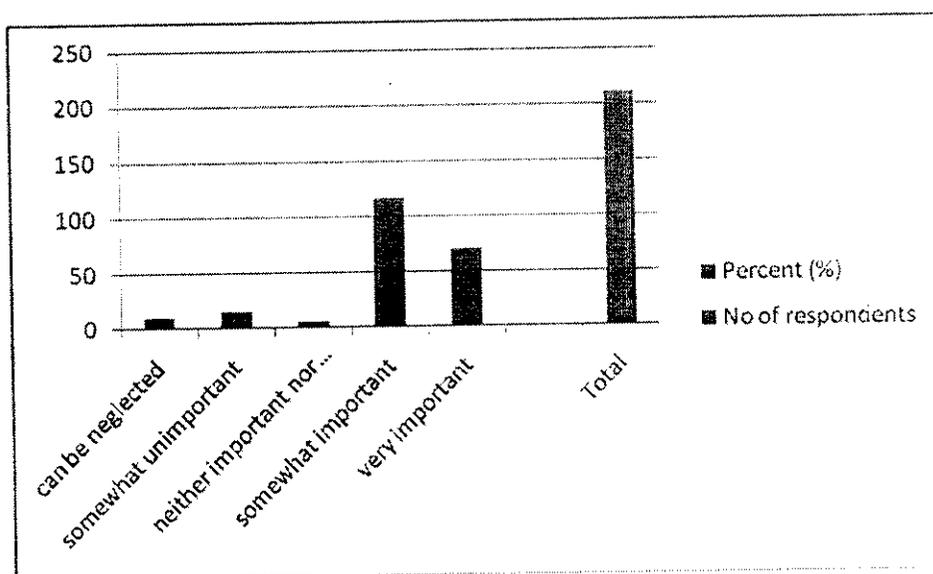


INTERPRETATION:

There are 95 respondents who have awareness about insurance and 15 respondents have no awareness on insurance .

3.13 Table represents the importance attached to saving regularly by the respondents

Saving regularly	No of respondents	Percent (%)
can be neglected	2	1.8
somewhat important	4	3.6
neither important nor unimportant	11	10.0
somewhat important	44	40.0
very important	49	44.5
Total	110	100.0

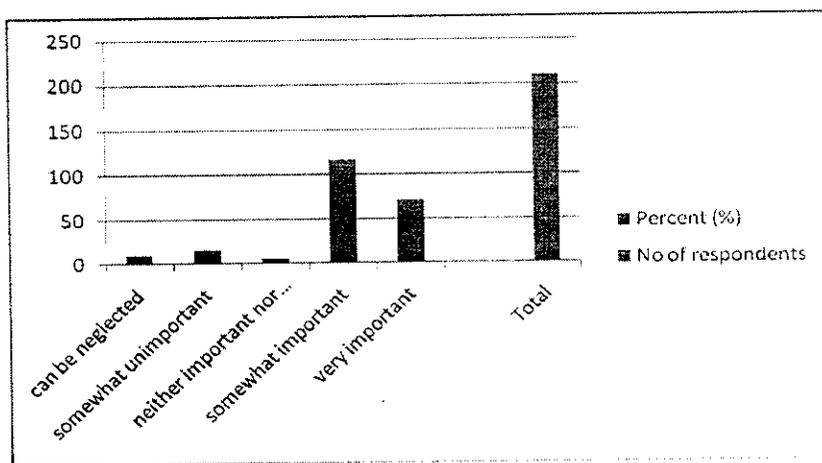


INTERPRETATION:

Saving regularly for minimizing tax liability is neglected by 1 respondent , 8 respondents consider it somewhat important ,3 respondents consider it neither important nor unimportant , 61 respondents consider somewhat important , 37 respondents consider it very important.

3.14 Table represents the importance attached by the respondents in minimizing tax liability

Minimizing tax liability	No of respondents	Percent (%)
can be neglected	1	9
somewhat unimportant	8	7.3
neither important nor unimportant	3	2.7
somewhat important	61	55.5
very important	37	33.6
Total	110	100.0

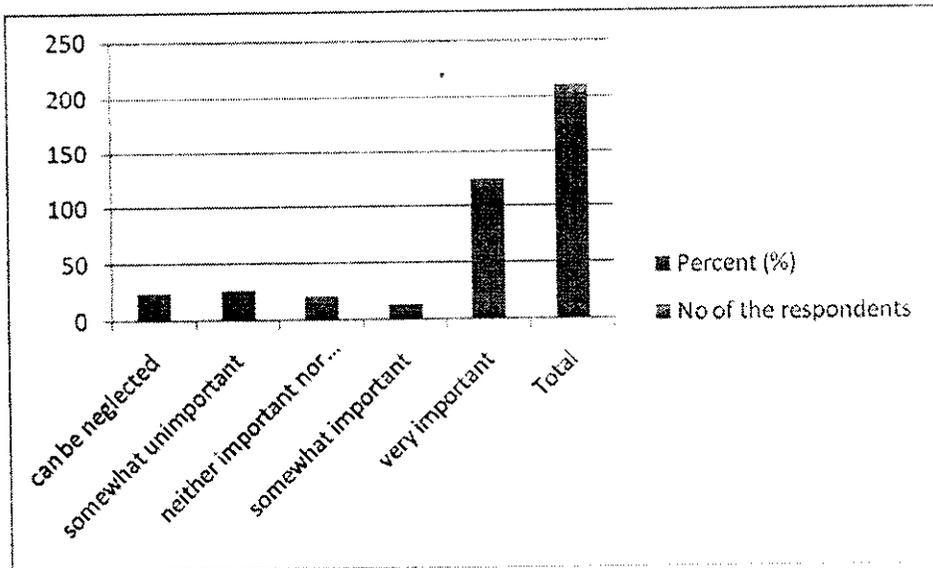


INTERPRETATION:

Saving regularly for minimizing tax liability is neglected by 1 respondent , 8 respondents consider it somewhat unimportant ,3 respondents consider it neither important nor unimportant , 61 respondents consider it somewhat important , 37 respondents consider it very important

3.15 Table represents the investment strategy chosen by the respondents

Investment Strategy	No of respondents	Percent
somewhat unimportant	1	.9
neither important nor unimportant	14	12.7
somewhat important	34	30.9
very important	61	55.5
Total	110	100.0

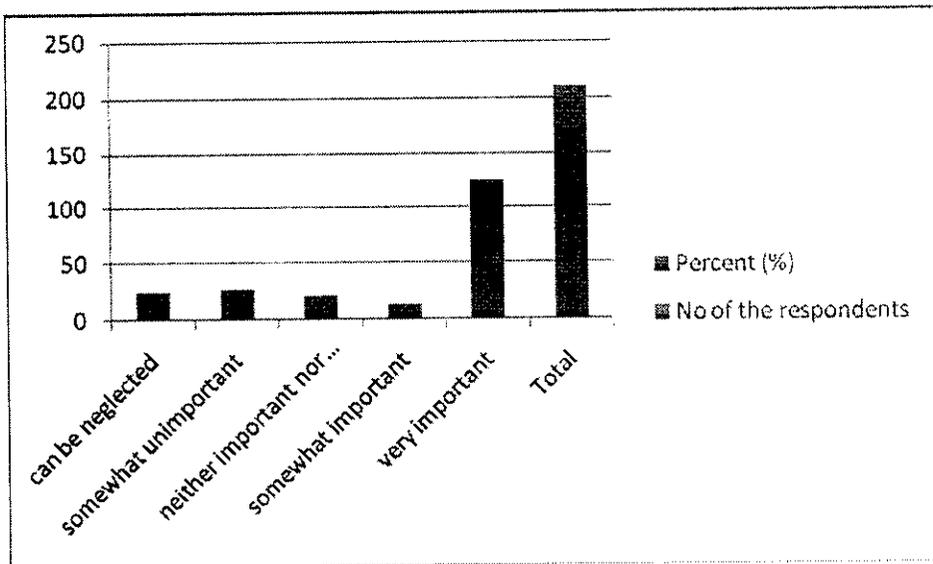


INTERPRETATION:

Investment strategy chosen by the respondents for saving regularly is somewhat important for 1 respondent, neither important nor unimportant for 14 respondents, somewhat important for 34 respondents, 61 respondents are very important

3.16 Table represents the importance attached by respondents towards comfortable income(35,000 per .month)

Comfortable income (20,000 per month)	No of the respondents	Percent (%)
can be neglected	13	11.8
somewhat unimportant	14	12.7
neither important nor unimportant	11	10.0
somewhat important	7	6.4
very important	65	59.1
Total	110	100.0

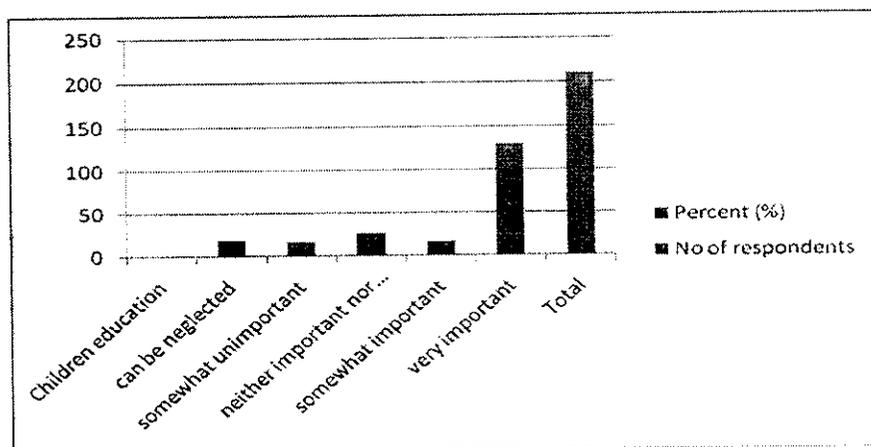


INTERPRETATION:

The importance attached towards comfortable income (20,000 per month) is negligible for 13 respondents ,somewhat negligible for 14 respondents ,neither important nor unimportant for 11 respondents, somewhat important for 7 respondents and very important for 65 respondents

3.17 Table represents the importance attached by respondents towards children's education

Children education	No of respondents	Percent (%)
can be neglected	10	9.1
somewhat unimportant	9	8.2
neither important nor unimportant	14	12.7
somewhat important	9	8.2
very important	68	61.8
Total	110	100.0

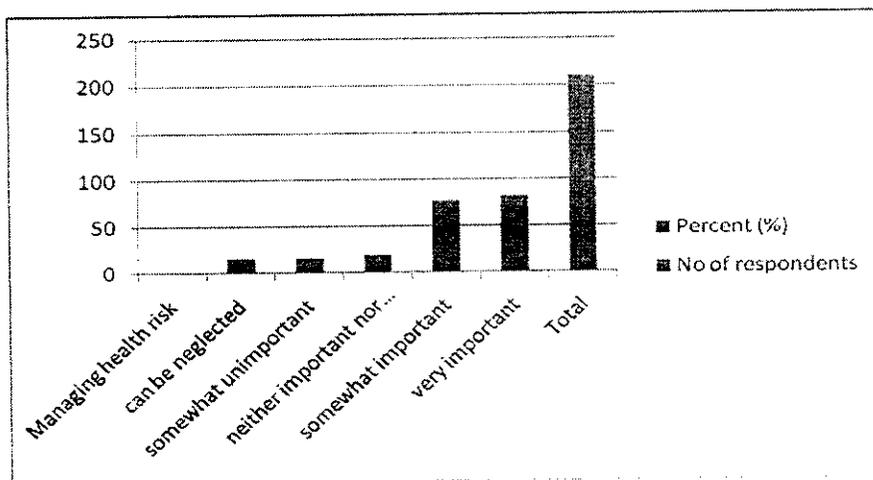


INTERPRETATION:

10 respondents consider that saving regularly for Children's education can be neglected, 9 respondents consider it somewhat unimportant, 14 respondents consider it neither important nor unimportant, 9 respondents consider it somewhat important and 68 respondents consider it very important.

3.18 Table represents the importance attached by respondents towards managing health risk

Managing health risk	No of respondents	Percent (%)
can be neglected	8	7.3
somewhat unimportant	8	7.3
neither important nor unimportant	10	9.1
somewhat important	41	37.3
very important	43	39.1
Total	110	100.0

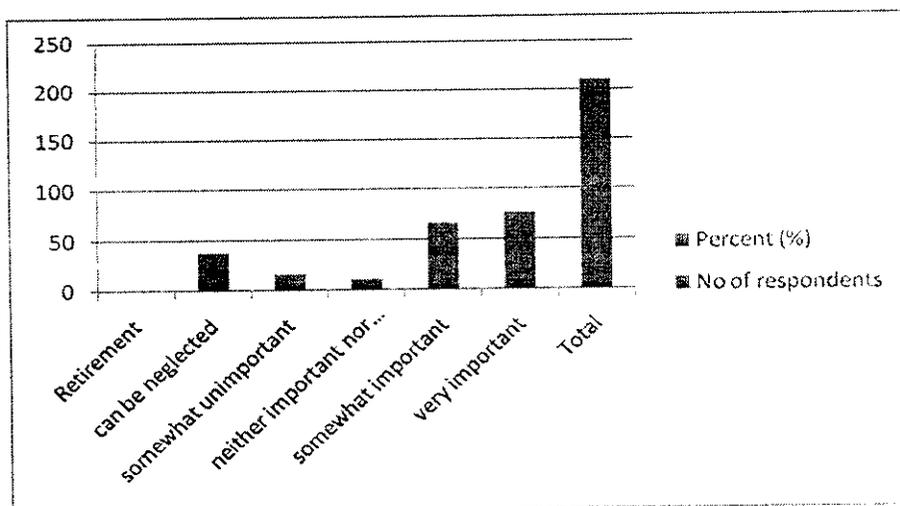


INTERPRETATION:

The importance attached by respondents towards managing health risk is negligible by 8 respondents, 8 respondents consider it somewhat important, 10 consider it neither important nor unimportant, 41 respondents consider it somewhat important, 43 respondents consider it very important.

3.19 Table represents the importance attached by the respondents towards retirement

Retirement	No of respondents	Percent (%)
can be neglected	20	18.2
somewhat unimportant	9	8.2
neither important nor unimportant	6	5.5
somewhat important	35	31.8
very important	40	36.4
Total	110	100.0

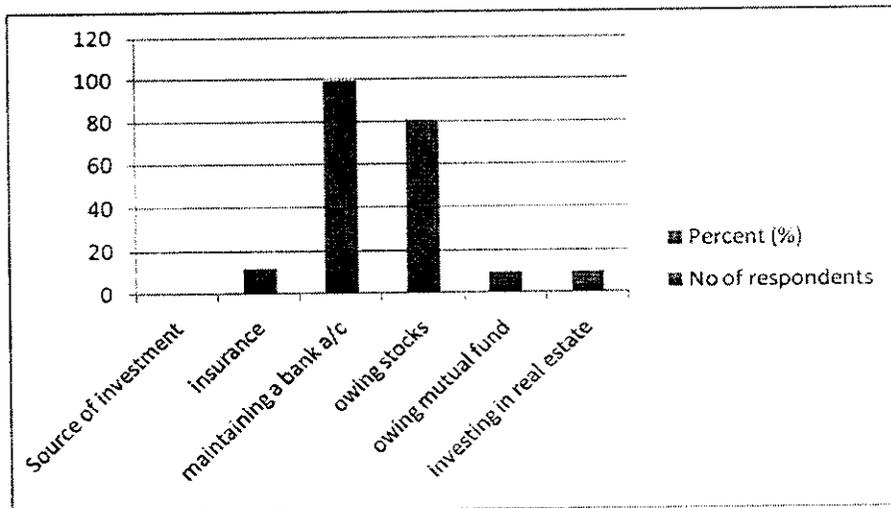


INTERPRETATION:

The importance attached towards retirement is neglected by 20 respondent , it is somewhat unimportant for 9 respondents ,neither important nor unimportant for 6 respondents , somewhat important for 35 respondents and is considered very important by 40 respondents.

3.20 Table represents the importance attached by respondents towards reliable source of investment

Source of investment	No of respondents	Percent (%)
Insurance	6	5.5
maintaining a bank a/c	52	47.3
owning stocks	42	38.2
owning mutual fund	5	4.5
investing in real estate	5	4.5
Total	110	100.0

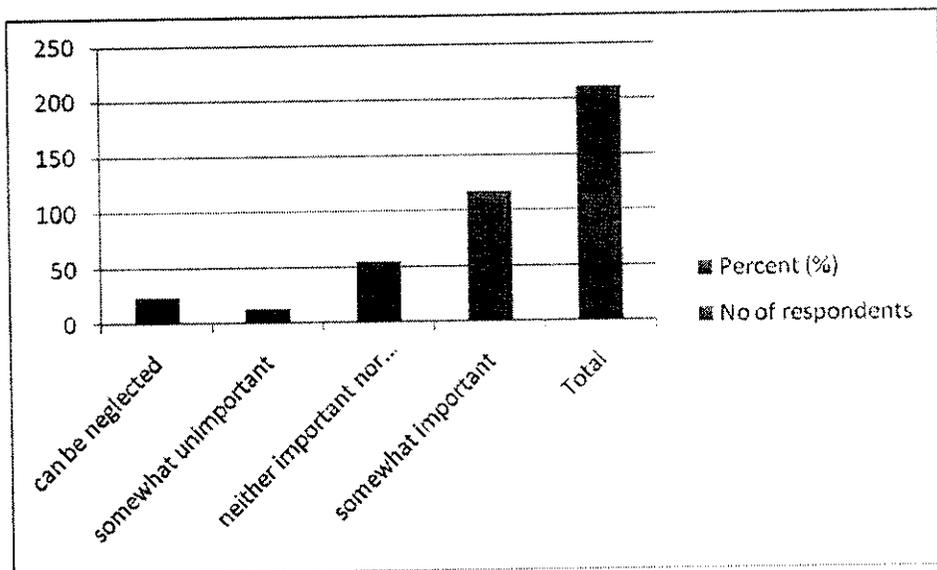


INTERPRETATION:

6 respondents attach importance to insurance , 52 respondents attach importance to maintaining a bank account , 42 respondents attach importance to owning stocks , 5 respondents attach importance 50 owning mutual fund and 5 respondents attach importance to investment in real estate.

3.21 Table represents the degree of preference given by respondents in insurance

Insurance	No of respondents	Percent (%)
can be neglected	13	11.8
somewhat unimportant	7	6.4
neither important nor unimportant	29	26.4
somewhat important	61	55.5
Total	110	100.0

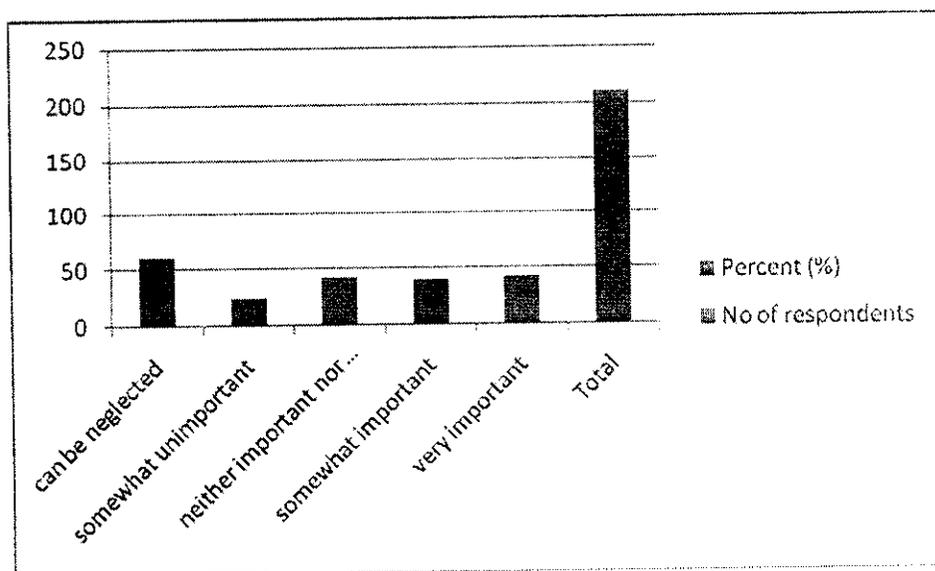


INTERPRETATION:

13 respondents consider that insurance can be neglected, 7 respondents consider it somewhat important, 29 respondents consider it neither important nor important, 61 respondents consider insurance as somewhat important

3. 22 Table represents the degree of preference given by respondents in savings bank a/c

Savings bank a/c	No of respondents	Percent (%)
can be neglected	32	29.1
somewhat unimportant	13	11.8
neither important nor unimportant	22	20.0
somewhat important	21	19.1
very important	22	20.0
Total	110	100.0

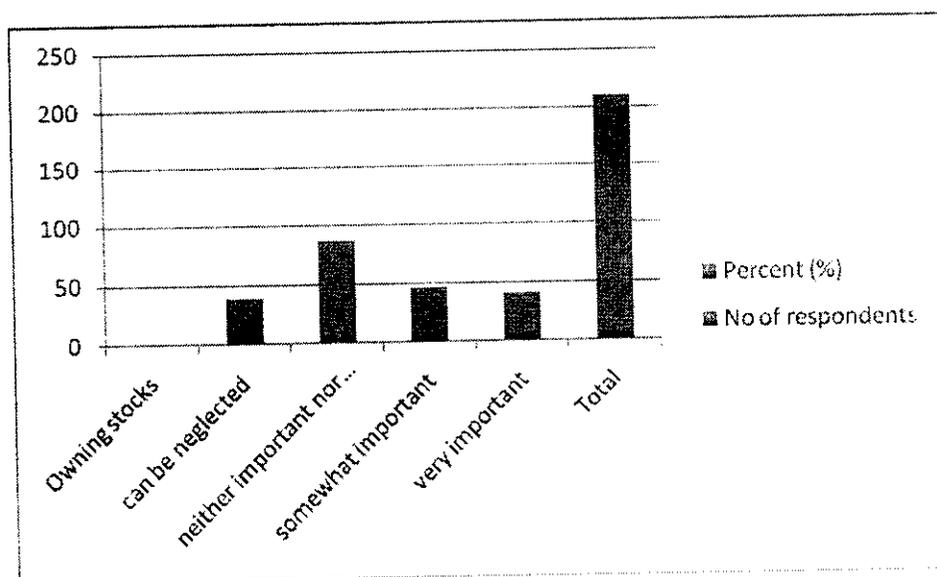


INTERPRETATION:

The preference given to savings account is considered negligible by 32 respondents , 13 respondents consider it somewhat important , 22 respondents consider it neither important nor unimportant , 21 respondents are somewhat important and it is considered very important by 22 respondents .

3.23 Table represents the degree of preference given by respondents in owning stocks

Owning stocks	No of respondents	Percent (%)
can be neglected	20	18.2
neither important nor unimportant	45	40.9
somewhat important	24	21.8
very important	21	19.1
Total	110	100.0

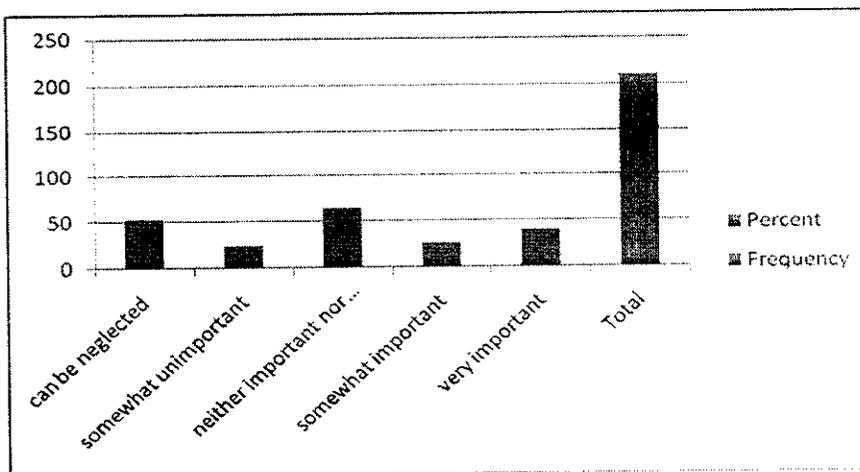


INTERPRETATION:

Owing stocks can be neglected by 20 respondents , neither important nor unimportant for 45 respondents, Somewhat important for 24 respondents , attach much importance to 21 respondents

3.24 Table represents the degree of preference given by respondents towards mutual fund

Mutual fund	Frequency	Percent
can be neglected	28	25.5
somewhat unimportant	13	11.8
neither important nor unimportant	34	30.9
somewhat important	14	12.7
very important	21	19.1
Total	110	100.0

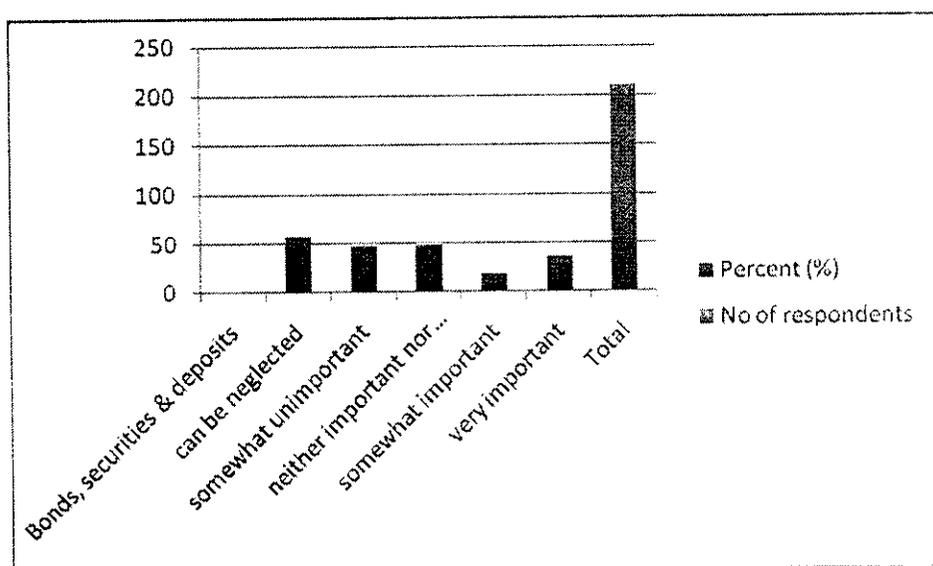


INTERPRETATION:

28 respondents attach negligible importance to mutual fund , 13 respondents consider it somewhat unimportant , 34 respondents consider it neither important nor unimportant , 14 respondents consider it somewhat important and 21 respondents consider it very important

3.25 Table represents the degree of preference given by respondents in bonds ,securities & public deposits

Bonds, securities & deposits	No of respondents	Percent (%)
can be neglected	30	27.3
somewhat unimportant	25	22.7
neither important nor unimportant	26	23.6
somewhat important	10	9.1
very important	19	17.3
Total	110	100.0

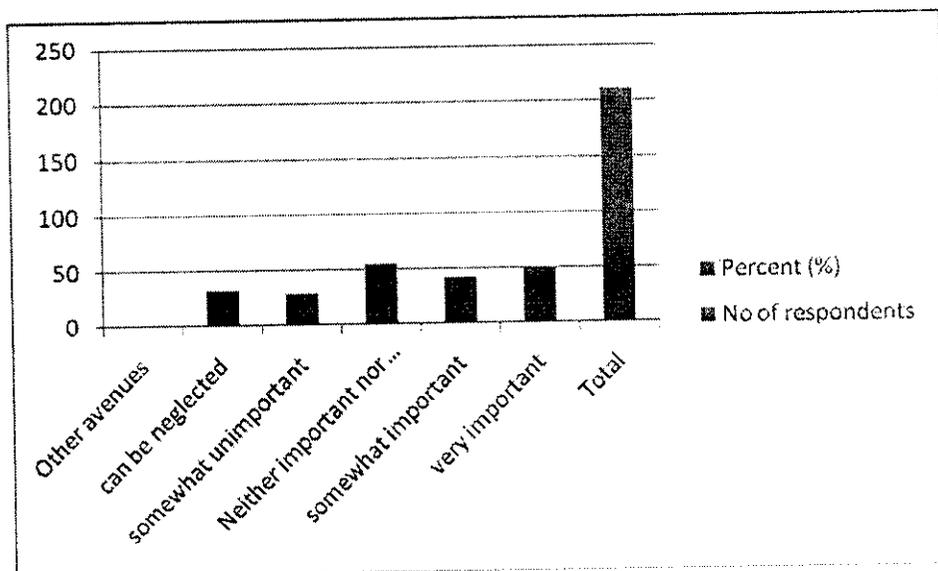


INTERPRETATION:

Bonds ,securities and deposits are considered negligible by 30 respondents, 25 respondents consider it somewhat important , 26 respondents consider it neither important nor unimportant ,10 respondents consider it somewhat important , 19 respondents consider it very important

3.26 Table represents the degree of preference given by respondents towards others avenues

Other avenues	No of respondents	Percent (%)
can be neglected	17	15.5
somewhat unimportant	15	13.6
Neither important nor unimportant	29	26.4
somewhat important	22	20.0
very important	27	24.5
Total	110	100.0

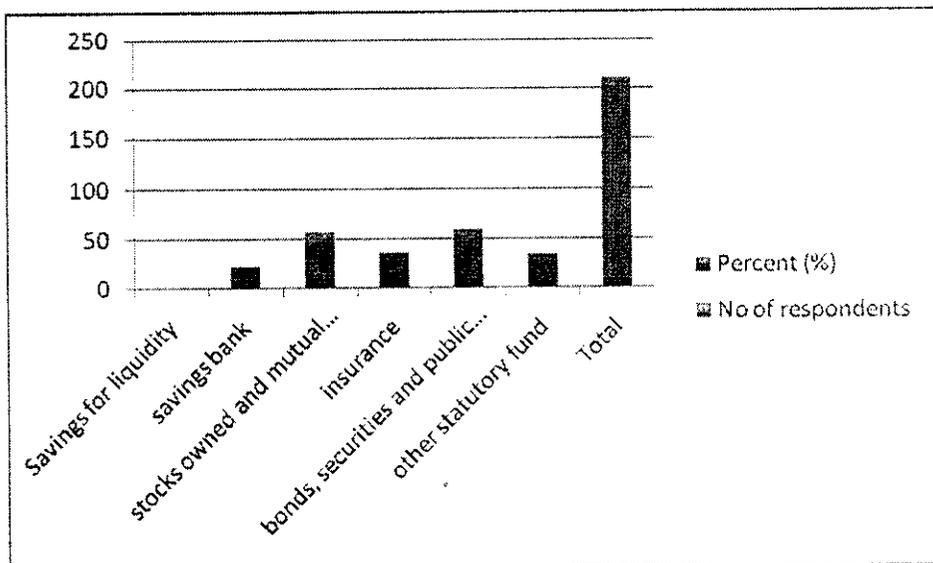


INTERPRETATION:

Other avenues are considered negligible by 17 respondents, 15 respondents consider it somewhat unimportant, 29 respondents consider it neither important nor unimportant, 22 respondents consider it somewhat important, 27 consider it very important

3.27 Table represents the rating given by respondents for saving for liquidity

Savings for liquidity	No of respondents	Percent (%)
savings bank	12	10.9
stocks owned and mutual funds	30	27.3
Insurance	19	17.3
bonds, securities and public deposits	31	28.2
other statutory fund	18	16.4
Total	110	100.0

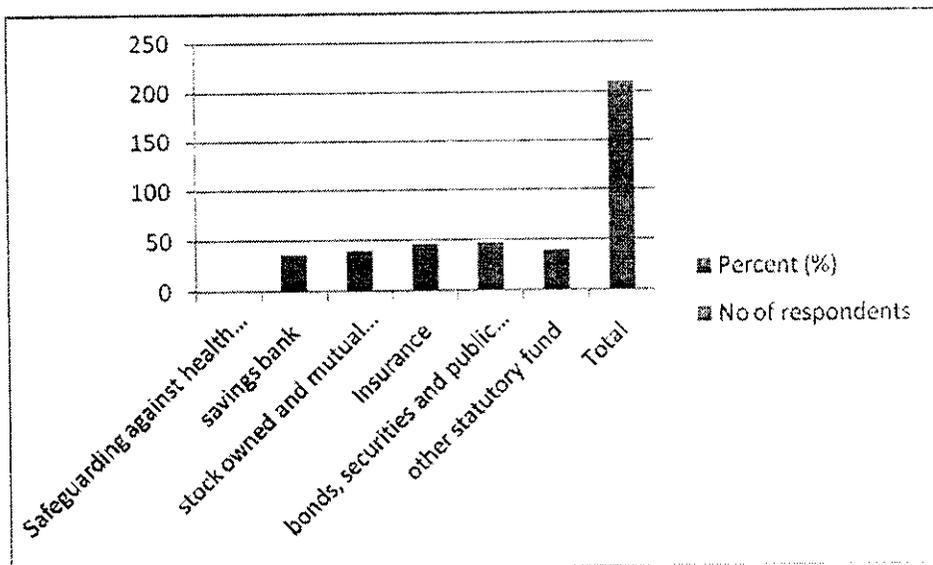


INTERPRETATION:

12 respondents opt savings bank for savings for liquidity, 30 respondents opt stocks owned and mutual funds ,19 respondents opt insurance , 31 respondents opt bonds ,securities , and public deposits ,18 opt for other statutory fund.

3.28 Table represents the rating given by respondents for safeguarding against health risk

Safeguarding against health risk	No of respondents	Percent (%)
savings bank	19	17.3
stock owned and mutual funds	21	19.1
Insurance	24	21.8
bonds, securities and public deposits	25	22.7
other statutory fund	21	19.1
Total	110	100.0

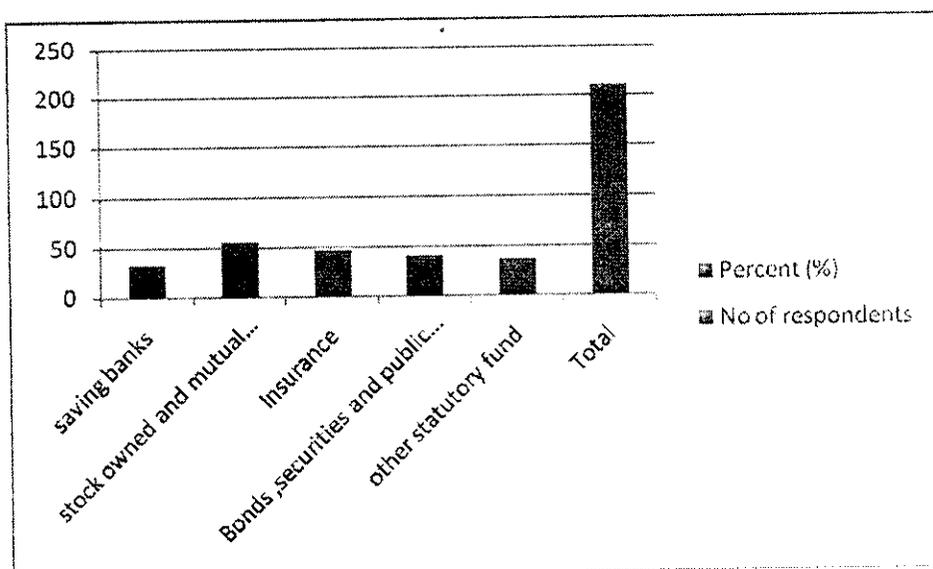


INTERPRETATION:

19 respondents opt savings bank for health risk, 21 respondents opt stock owned and mutual funds , 24 respondents opt insurance , 25 opt bonds ,securities and public deposits ,and 21 respondents opt other statutory fund.

3.29 Table represents the rating given by respondents for a comfortable income(35,000 p.m)

Comfortable income (35,000 p.m)	No of respondents	Percent (%)
saving banks	17	15.5
stock owned and mutual funds	29	26.4
Insurance	24	21.8
Bonds ,securities and public deposits	21	19.1
other statutory fund	19	17.3
Total	110	100.0



INTERPRETATION:

17 respondents opt savings bank for comfortable income , 29 respondents opt stocks owned and mutual fund , 24 respondents opt insurance , 21 opt bonds ,securities and public deposits , 19 opt other statutory fund.

3.30 Table represents the rating given by respondents for saving for children's higher education

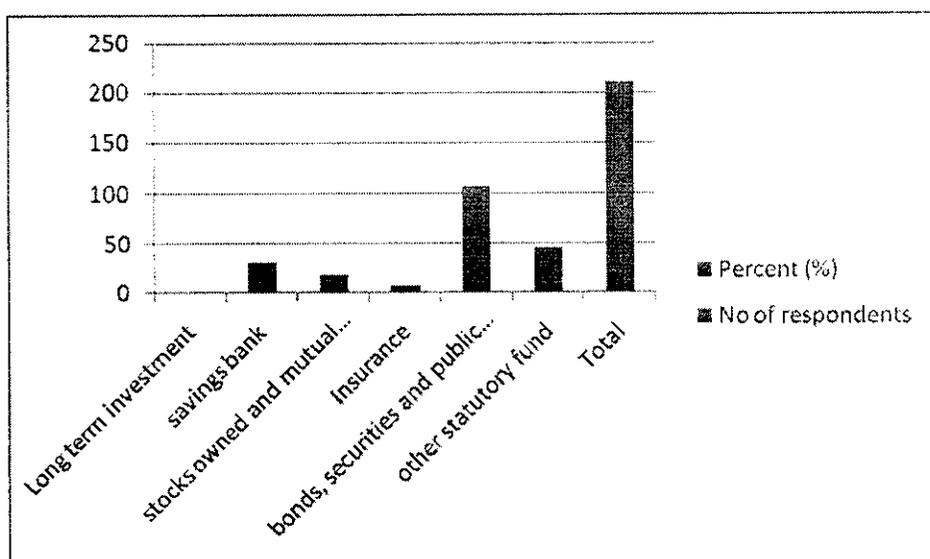
Children's higher education	No of respondents	Percent (%)
savings bank	20	18.2
stocks owned and mutual fund	14	12.7
Insurance	18	16.4
bonds, securities, and public deposits	39	35.5
other statutory fund	19	17.3
Total	110	100.0

INTERPRETATION:

20 respondents opt savings bank for children education , 14 respondents opt stocks owned and mutual funds , 18 respondents opt insurance , 39 opt bonds ,securities and public deposits and 19 opt other statutory fund.

3.31 Table represents the rating given by respondents for long term investment

Long term investment	No of respondents	Percent (%)
savings bank	16	14.5
stocks owned and mutual fund	10	9.1
Insurance	4	3.6
bonds, securities and public deposits	56	50.9
other statutory fund	24	21.8
Total	110	100.0

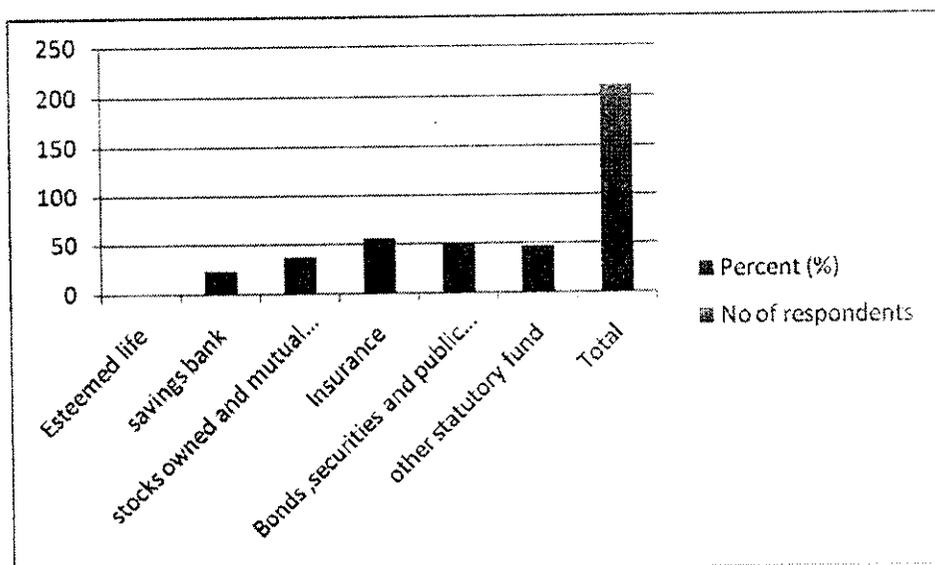


INTERPRETATION:

16 respondents opt savings bank for long term investment ,10 respondents opt stocks owned and mutual fund , 4 opt insurance ,56 opt bonds ,securities and public deposits and 24 opt other statutory fund

3.32 Table represents the rating given by respondents planning for an esteemed life

Esteemed life	No of respondents	Percent (%)
savings bank	12	10.9
stocks owned and mutual funds	19	17.3
Insurance	29	26.4
Bonds ,securities and public deposits	26	23.6
other statutory fund	24	21.8
Total	110	100.0

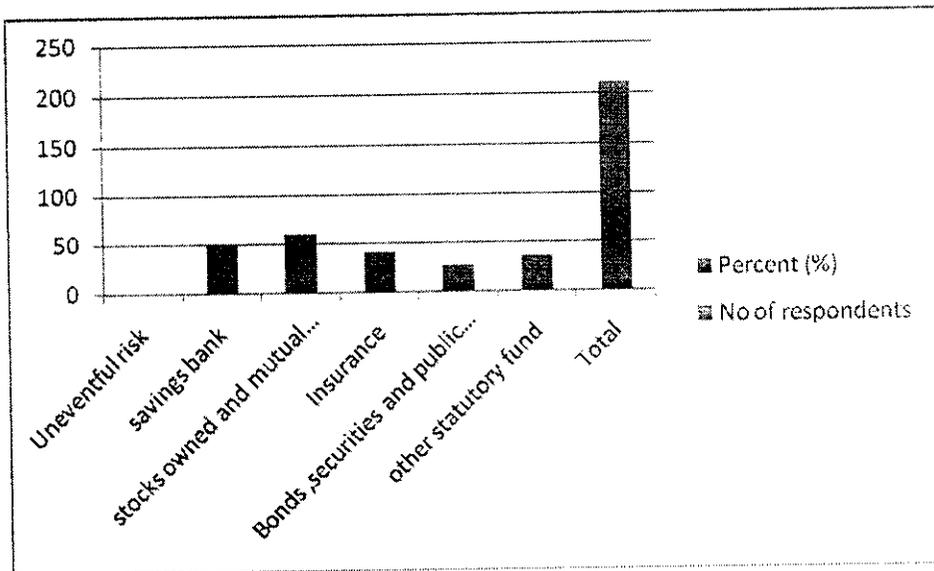


INTERPRETATION:

12 respondents opt saving bank for an esteemed life ,19 opt stocks owned and mutual funds ,29 opt for insurance , 26 opt for Bonds ,securities and public deposits and 24 respondents opt other statutory fund

3.33 Table represents the rating given by respondents for Uneventful risk

Uneventful risk	No of respondents	Percent (%)
savings bank	26	23.6
stocks owned and mutual funds	31	28.2
Insurance	21	19.1
Bonds ,securities and public deposits	14	12.7
other statutory fund	18	16.4
Total	110	100.0

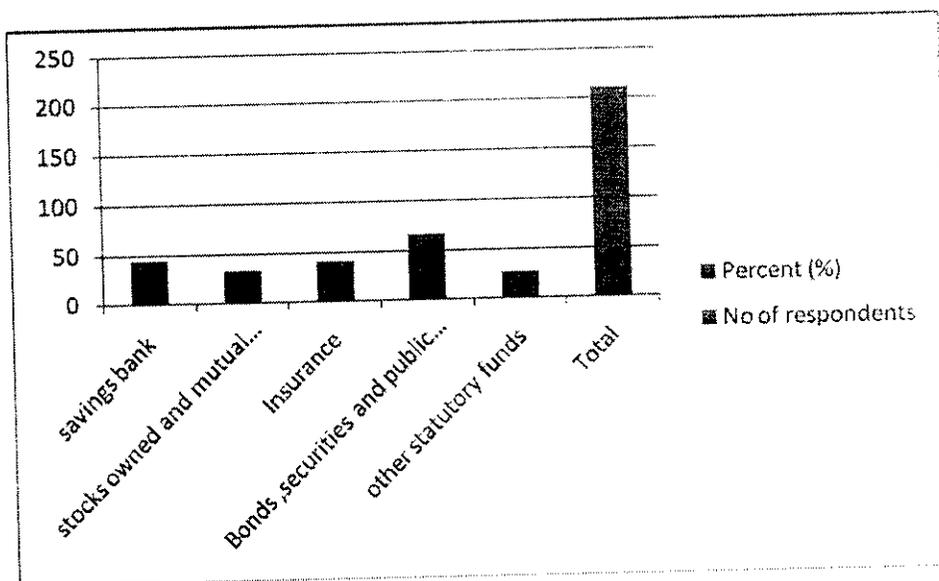


INTERPRETATION:

26 respondents opt savings bank for uneventful risk , 31 opt stocks owned and mutual funds ,21 opt insurance ,14 opt Bonds ,securities and public deposits, 18 opt for other statutory fund

3.34 Table represents the rating given by respondents investing for capital appreciation

Capital appreciation	No of respondents	Percent (%)
savings bank	23	20.9
stocks owned and mutual funds	17	15.5
Insurance	21	19.1
Bonds ,securities and public deposits	35	31.8
other statutory funds	14	12.7
Total	110	100.0

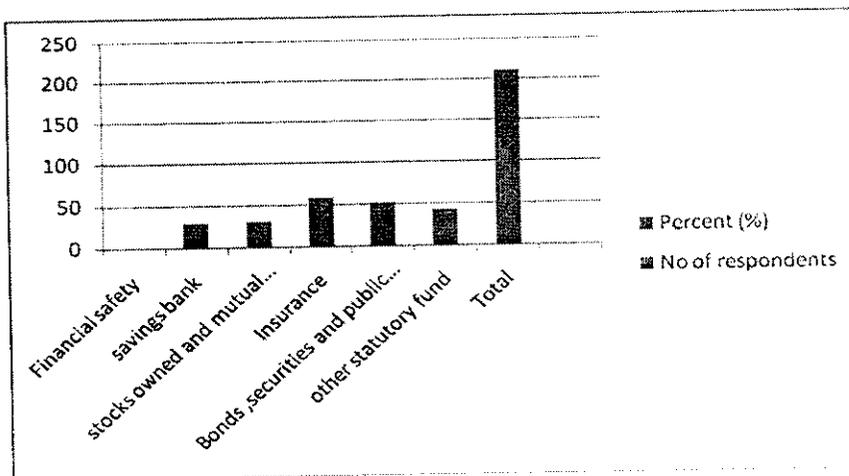


INTERPRETATION:

23 respondents opt savings bank for capital appreciation, 17 respondent opt stocks owned and mutual funds ,21 opt insurance ,35 opt Bonds ,securities and public deposits and 14 opt for other statutory funds

3.35 Table represents the rating given by respondents for financial safety

Financial safety	No of respondents	Percent (%)
savings bank	15	13.6
stocks owned and mutual funds	16	14.5
Insurance	30	27.3
Bonds ,securities and public deposits	27	24.5
other statutory fund	22	20.0
Total	110	100.0

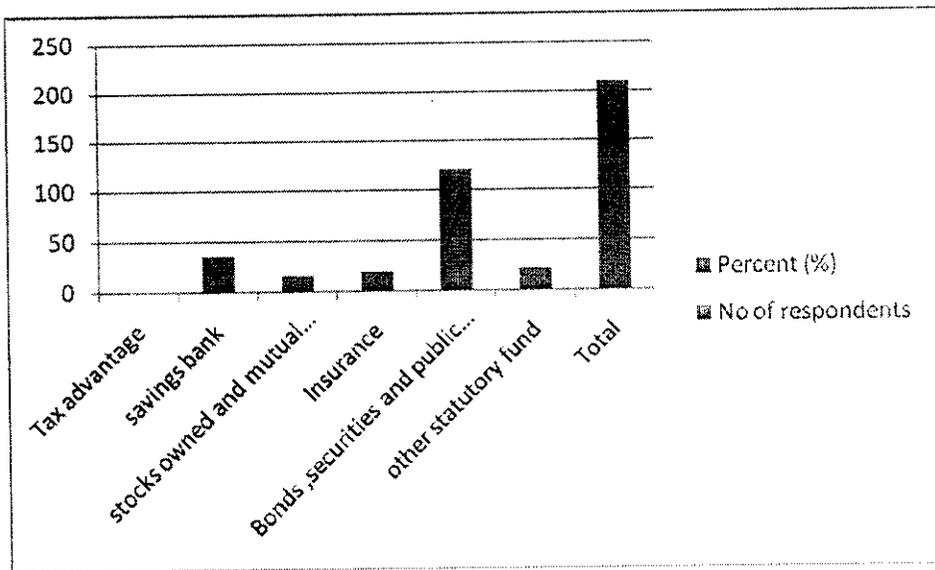


INTERPRETATION:

13.6 percent opt savings banks for financial safety , 14.5 percent opt for stocks owned and mutual funds , 27.3 percent opt insurance, 24.5 opt Bonds ,securities and public deposits and 20 percent opt for other statutory fund

3.36 Table represents the rating given by respondents for tax advantages

Tax advantage	No of respondents	Percent (%)
savings bank	18	16.4
stocks owned and mutual funds	8	7.3
Insurance	10	9.1
Bonds ,securities and public deposits	63	57.3
other statutory fund	11	10.0
Total	110	100.0

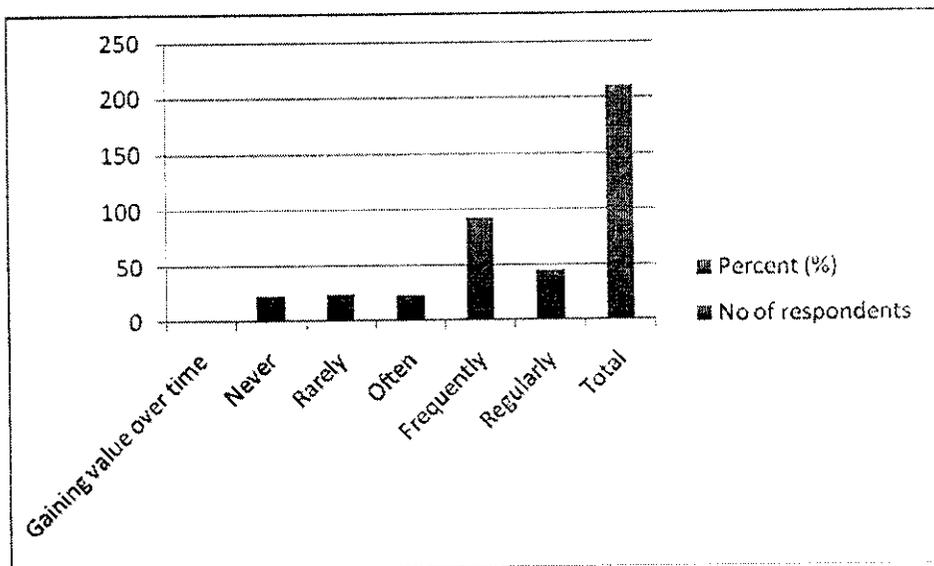


INTERPRETATION:

16.4 percent opt savings for tax benefit , 7.3 percent opt stock owned and mutual funds for tax benefit , 9.1percent opt insurance , 57.3 percent opt Bonds ,securities and public deposits and 10 percent other statutory fund

3.37 Table represents the rating given by respondents for capital appreciation for gaining value overtime

Gaining value over time	No of respondents	Percent (%)
Never	12	10.9
Rarely	13	11.8
Often	12	10.9
Frequently	49	44.5
Regularly	24	21.8
Total	110	100.0

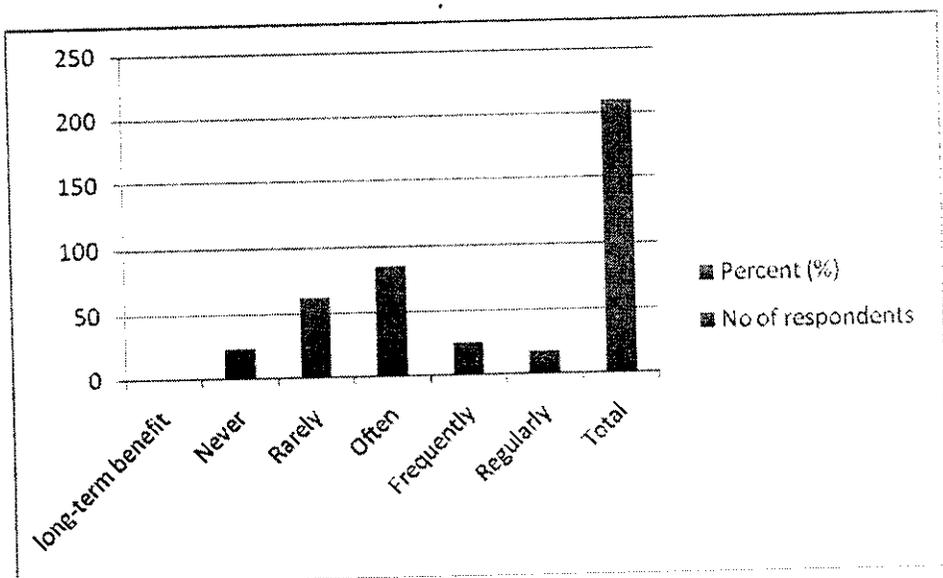


INTERPRETATION:

10.9 percent never opt for gaining capital appreciation over time , 11.8 opt rarely , 10.9 opt often , 44.5 opt frequently , 21.8 opt regularly.

3.38 Table represents the rating given by respondents for Obtain current or long-term benefit

long-term benefit	No of respondents	Percent (%)
Never	12	10.9
Rarely	32	29.1
Often	44	40.0
Frequently	13	11.8
Regularly	9	8.2
Total	110	100.0

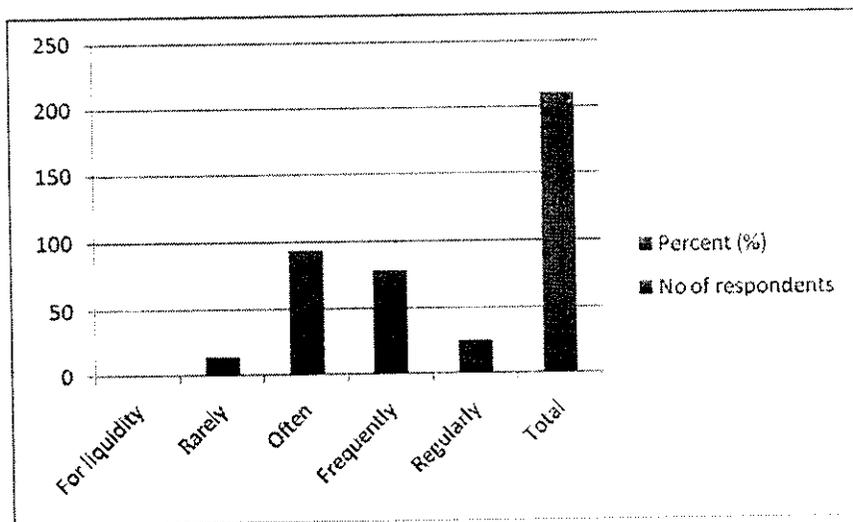


INTERPRETATION:

10.9 percent respondents never opt for long term benefit, 29.1 percent opt rarely, 40 percent respondents often opt , 11.8 percent frequently opt and 8.2 percent respondents opt regularly.

3.39 Table represents the rating given by respondents for liquidity or returns from investment

For liquidity	No of respondents	Percent (%)
Rarely	7	6.4
Often	49	44.5
Frequently	41	37.3
Regularly	13	11.8
Total	110	100.0

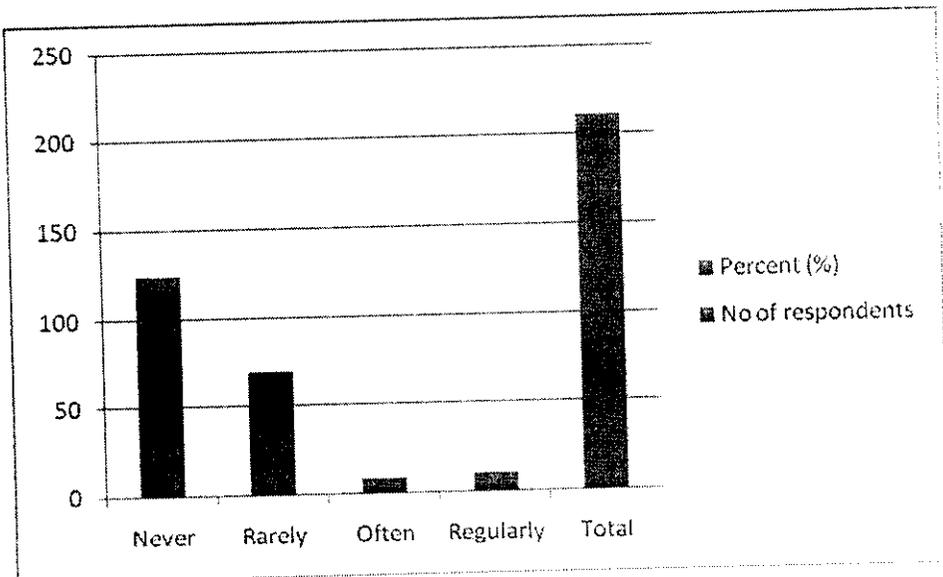


INTERPRETATION:

6.4 percent respondents opt rarely for liquidity , 44.5 percent opt often , 37.3 percent opt frequently, 11.8 percent opt regularly .

3.40 Table represents the rating given by respondents for sound planning to prevent risk

Sound plan	No of respondents	Percent (%)
Never	65	59.1
Rarely	36	32.7
Often	4	3.6
Regularly	5	4.5
Total	110	100.0

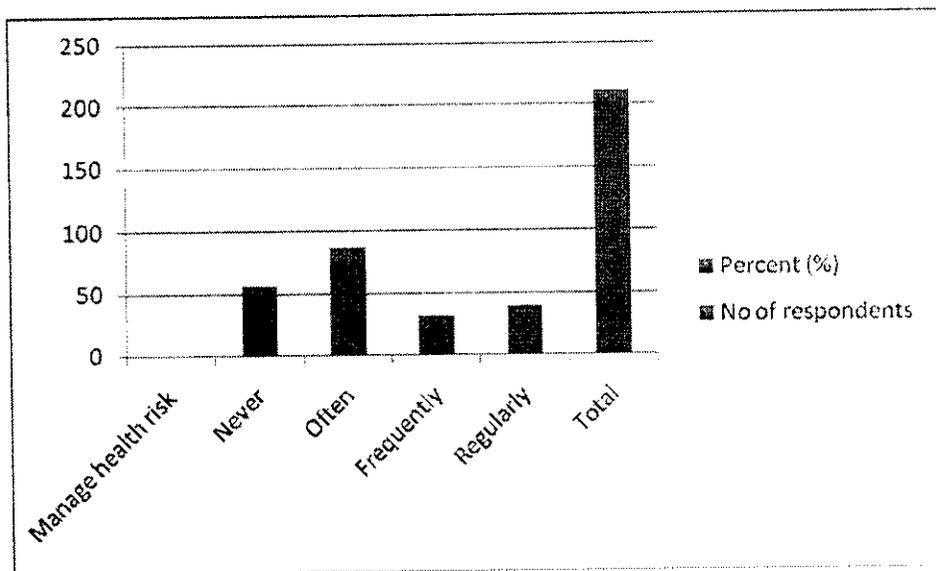


INTERPRETATION:

Sound plan to prevent risk is never opted by 59.1 percent, 32.7 percent rarely plan to prevent risk, 3.6 percent often plan, 4.5 percent regularly plan.

3.41 Table represents the rating given by respondents for to manage health risk

Manage health risk	No of respondents	Percent (%)
Never	29	26.4
Often	45	40.9
Frequently	16	14.5
Regularly	20	18.2
Total	110	100.0

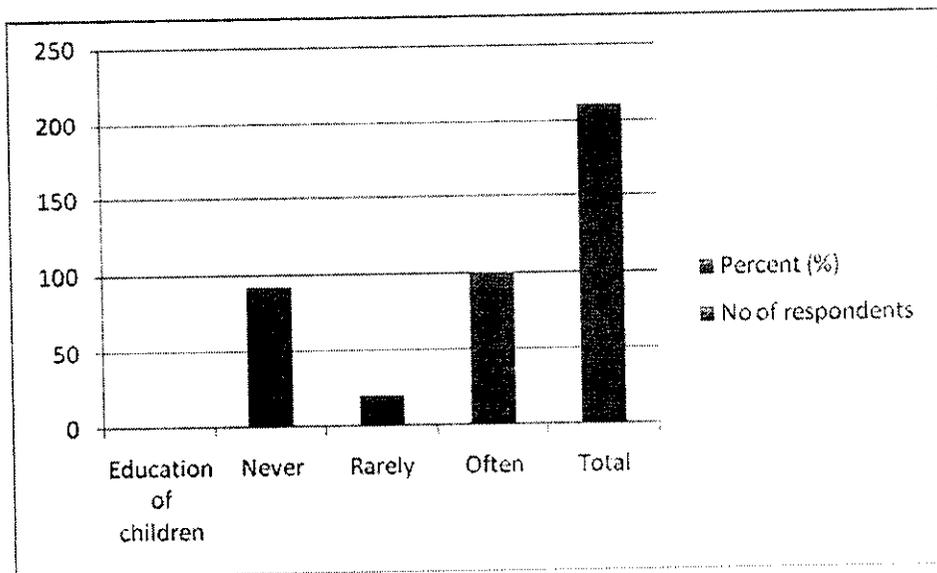


INTERPRETATION:

26.4 percent never manage health risk, 40.9 percent often manage their health risk, 14.5 percent frequently manage health risk, 18.2 percent regularly manage health risk.

3.42 Table represents the rating given by respondents for education of children

Education of children	No of respondents	Percent (%)
Never	48	43.6
Rarely	10	9.1
Often	52	47.3
Total	110	100.0

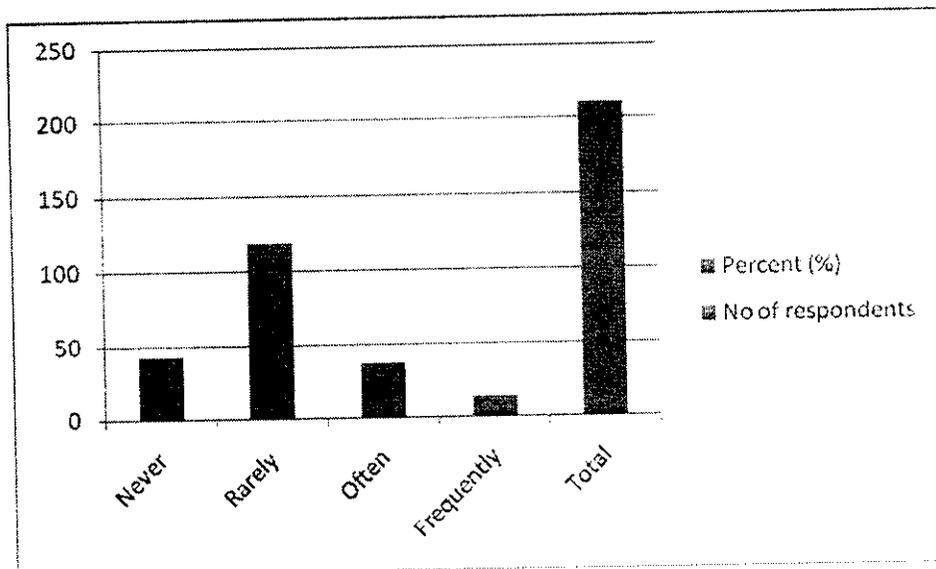


INTERPRETATION:

Education of children is never important for 43.6 percent ,9.1 percent rarely important , 47.3 percent often consider their children's education.

3.43 Table represents the rating given by respondents for a
Comfortable retirement life

Comfortable retirement life	No of respondents	Percent (%)
Never	22	20.0
Rarely	62	56.4
Often	19	17.3
Frequently	7	6.4
Total	110	100.0

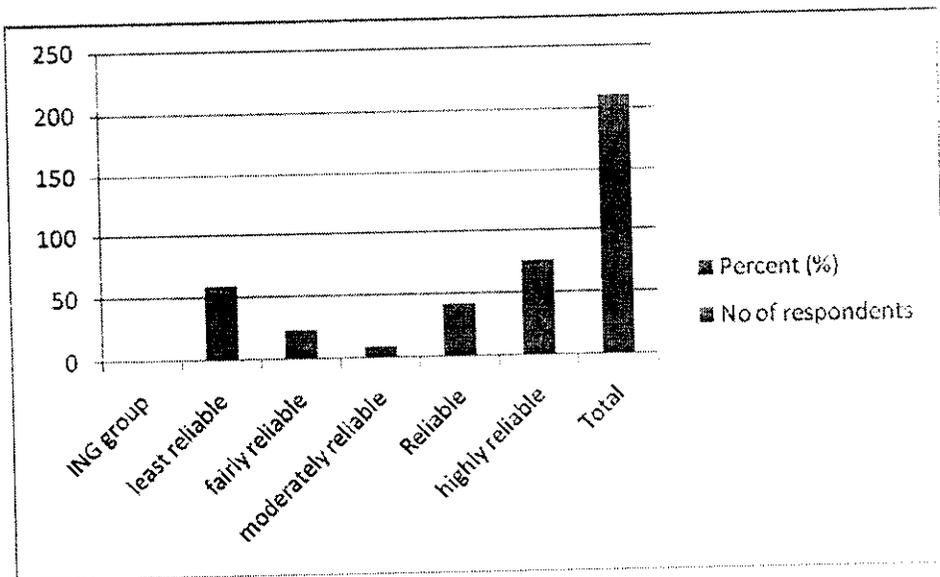


INTERPRETATION:

Comfortable retirement life is never preferred by 20 percent , 56.4 percent rarely prefer , 17.3 percent often prefer , 6.4 percent frequently prefer comfortable income life

3.44 Table represents the reliability of ING group

ING group	No of respondents	Percent (%)
least reliable	31	28.2
fairly reliable	12	10.9
moderately reliable	5	4.5
Reliable	22	20.0
highly reliable	40	36.4
Total	110	100.0

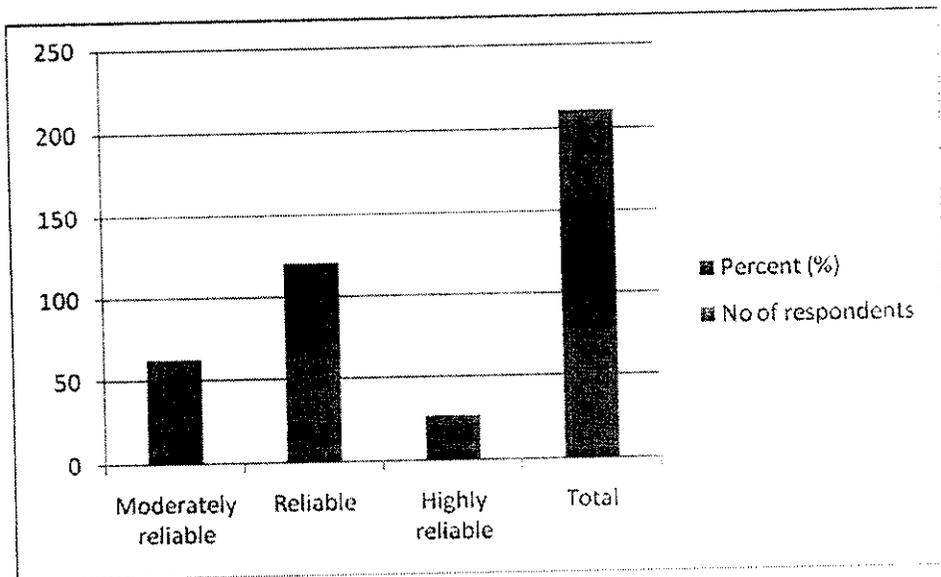


INTERPRETATION:

28.2 percent consider ING group least reliable , 10.9 percent consider it fairly reliable , 4.5 percent consider moderately reliable , 20 percent consider it reliable , 36.4 percent consider it highly reliable

3.45 Table represents the reliability of icici prudential

ICICI prudential	No of respondents	Percent (%)
Moderately reliable	33	30.0
Reliable	63	57.3
Highly reliable	14	12.7
Total	110	100.0

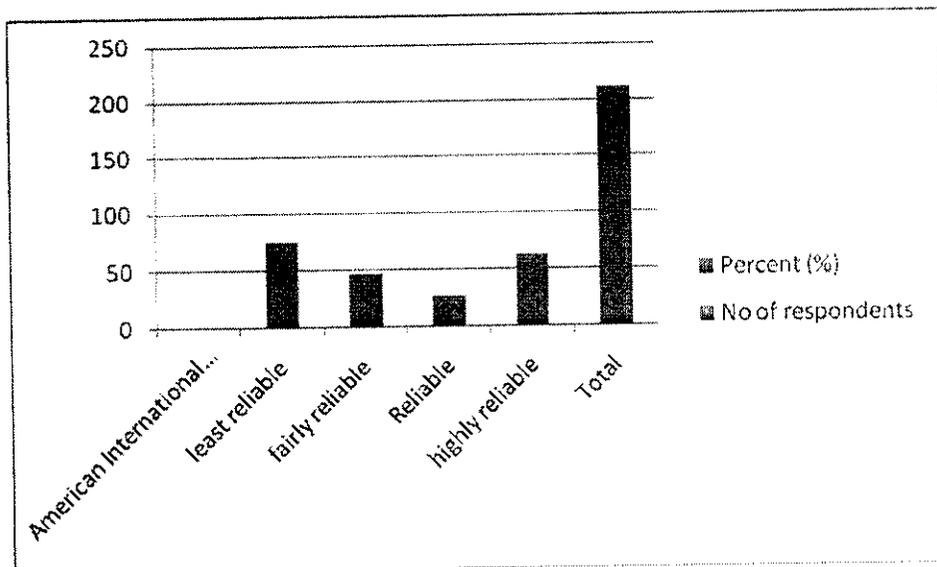


INTERPRETATION:

30 percent consider icici prudential moderately reliable , 57.3 percent consider it reliable , 12.7 percent consider it highly reliable.

3.46 Table represents the reliability of American International Group Inc

American International Group Inc	No of respondents	Percent (%)
least reliable	39	35.5
fairly reliable	24	21.8
Reliable	14	12.7
highly reliable	33	30.0
Total	110	100.0

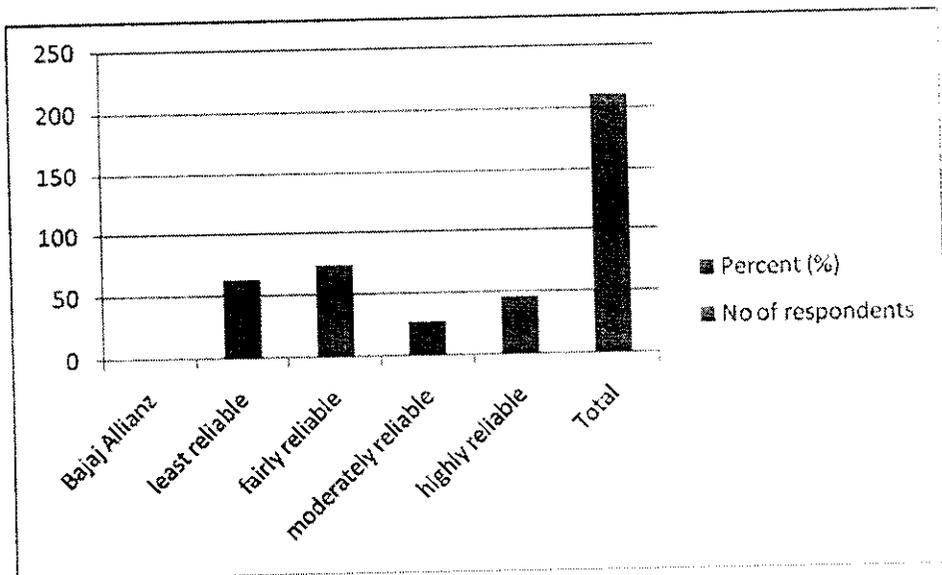


INTERPRETATION:

35.5 percent consider American International Group Inc it least reliable ,21.8 percent consider it fairly reliable, 12.77 percent consider it reliable ,30 percent it highly reliable

3.47 Table represents the reliability of Bajaj Allianz

Bajaj Allianz	No of respondents	Percent (%)
least reliable	33	30.0
fairly reliable	39	35.5
moderately reliable	14	12.7
highly reliable	24	21.8
Total	110	100.0

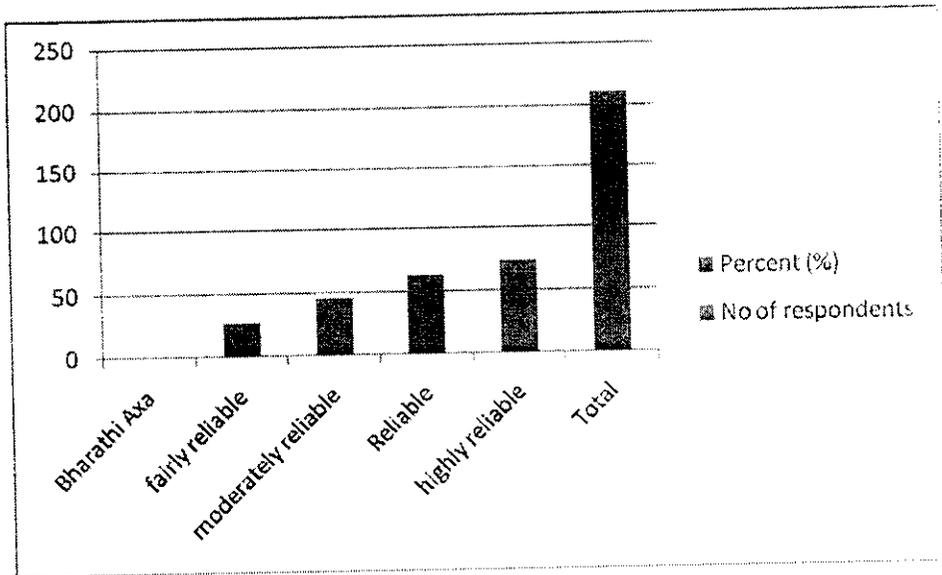


INTERPRETATION:

Bajaj Allianz is considered least reliable by 30 percent , 35.5 percent consider it fairly reliable , 12.7 percent consider moderately reliable , 21.8 percent respondents consider highly reliable .

3.48 Table represents the reliability of Bharathi Axa

Bharathi Axa	No of respondents	Percent (%)
fairly reliable	14	12.7
moderately reliable	24	21.8
Reliable	33	30.0
highly reliable	39	35.5
Total	110	100.0

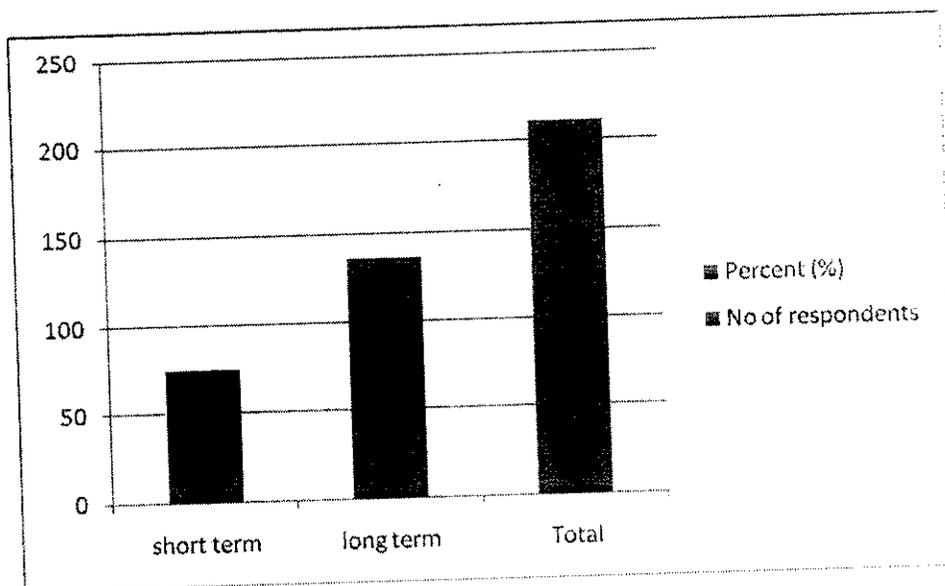


INTERPRETATION:

Bharati Axa is considered fairly reliable by 12.7 percent, 21.8 percent respondents consider it moderately reliable , 30 percent consider it reliable , 35.5 percent consider it highly reliable.

3.49 Table represent the term preference of the respondents

Term preference	No of respondents	Percent (%)
short term	39	35.5
long term	71	64.5
Total	110	100.0

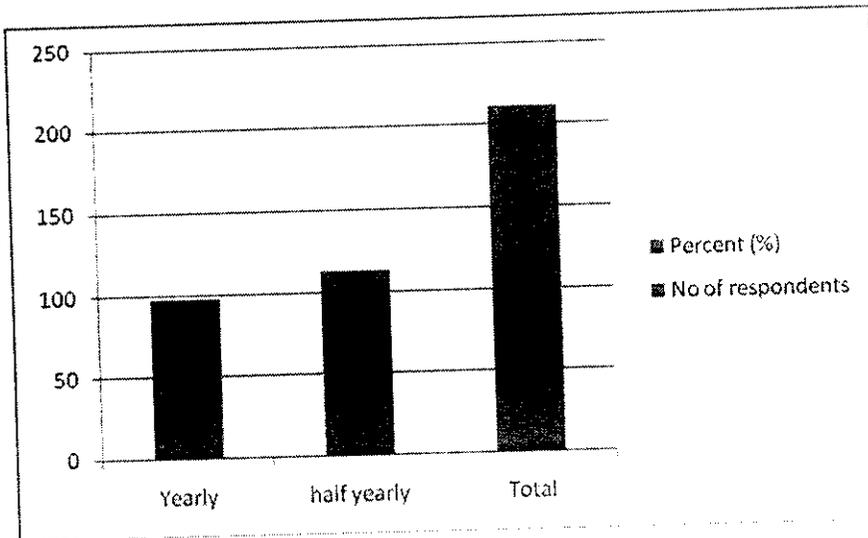


INTERPRETATION:

35.5 percent prefer short term investment and 64.5 percent prefer long term investment

3.50 Table represents the mode of premium payment preferred by the respondents

Mode of payment	No of respondents	Percent (%)
Yearly	51	46.4
half yearly	59	53.6
Total	110	100.0

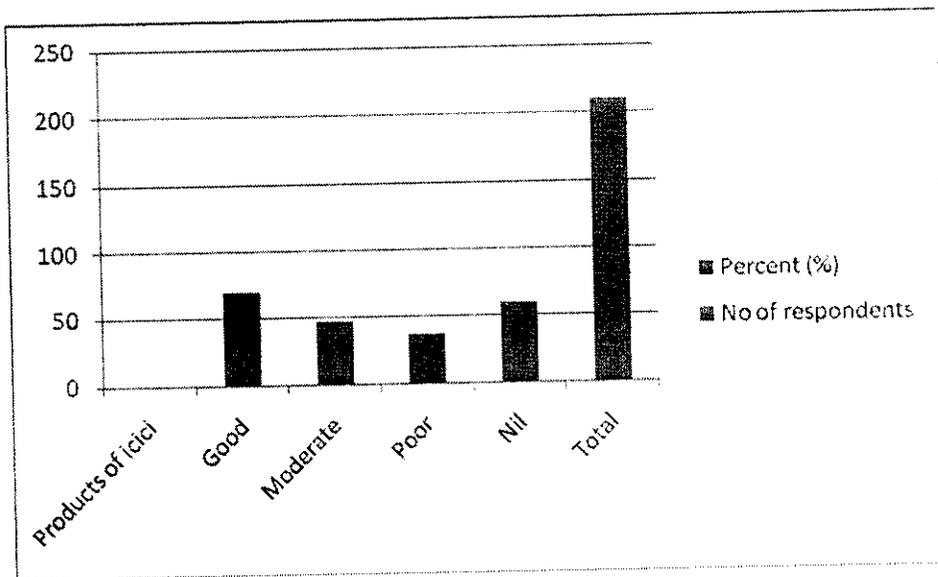


INTERPRETATION:

46.4 percent prefer yearly mode of payment and 53.6 percent prefer half yearly mode of payment .

3.51 Table represents the respondents awareness about the products of icici

Products of icici	No of respondents	Percent (%)
Good	36	32.7
Moderate	24	21.8
Poor	19	17.3
Nil	31	28.2
Total	110	100.0

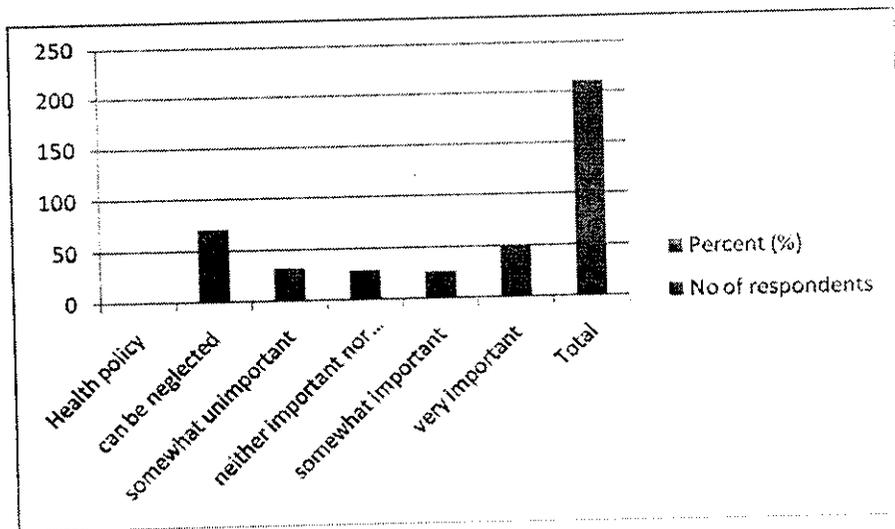


INTERPRETATION:

32.7 percent have good awareness about the products of icici, 21.8 percent of respondents have moderate awareness, 17.3 percent have poor awareness about the product and 28.2 percent have nil awareness.

3.52 Table represents importance attached by the respondents towards Health policy

Health policy	No of respondents	Percent (%)
can be neglected	37	33.6
somewhat unimportant	17	15.5
neither important nor unimportant	15	13.6
somewhat important	14	12.7
very important	27	24.5
Total	110	100.0



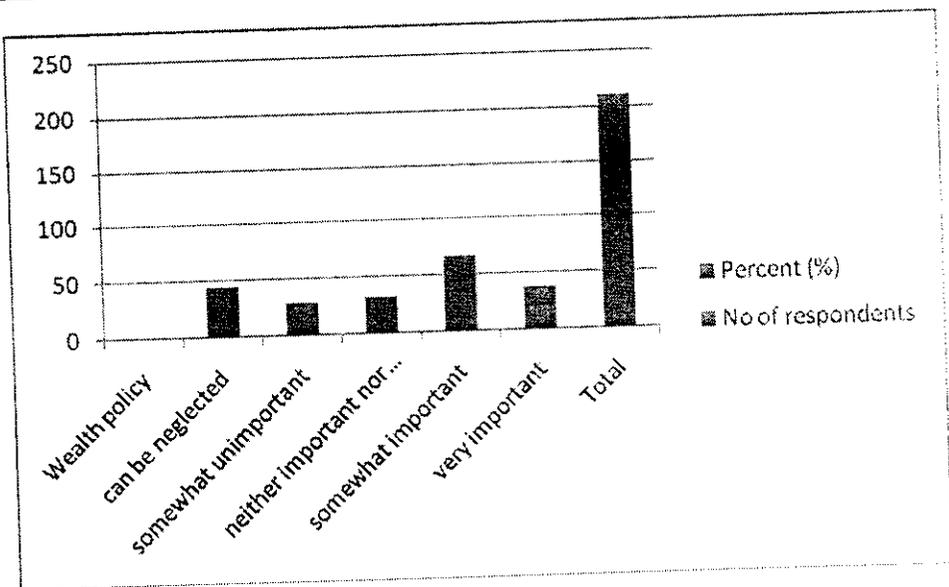
INTERPRETATION:

The importance attached by respondents towards health policy is negligible by 33.6 percent, 15.5 percent consider it somewhat important, 13.6 percent consider it neither important nor unimportant, 12.7 percent consider it somewhat important and 24.5 percent respondents consider a health policy very important.

3.53 Table represents importance attached by the respondents towards

Wealth policy

Wealth policy	No of respondents	Percent (%)
can be neglected	23	20.9
somewhat unimportant	15	13.6
neither important nor unimportant	17	15.5
somewhat important	35	31.8
very important	20	18.2
Total	110	100.0

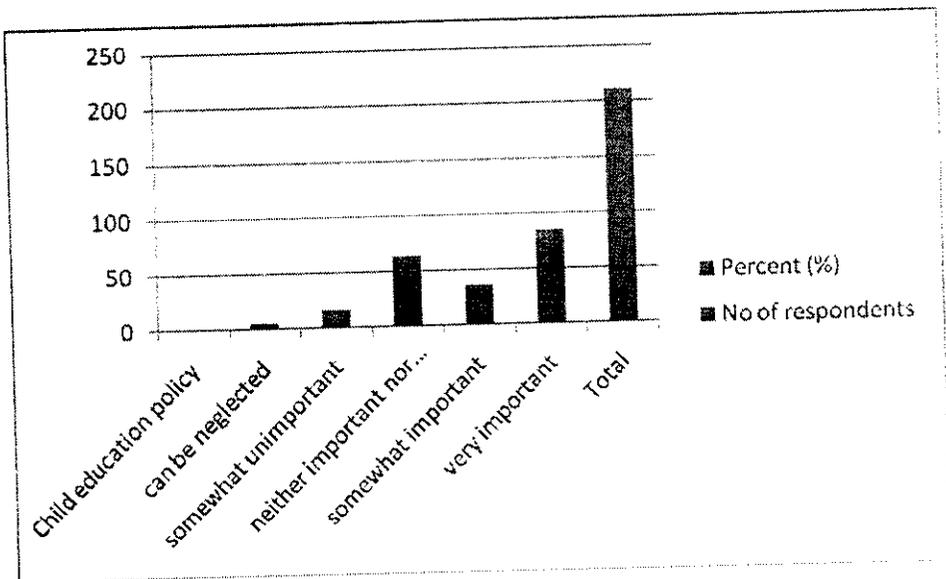


INTERPRETATION:

The importance attached by respondents to wealth policy is negligible by 20.9 percent , 13.6 percent consider it somewhat unimportant ,15.5percent consider it neither important nor unimportant ,31.8 percent consider it somewhat important and 18.2 percent consider it very important .

3.54 Table represents importance attached by the respondents towards Child education policy

Child education policy	No of respondents	Percent (%)
can be neglected	3	2.7
somewhat unimportant	9	8.2
neither important nor unimportant	34	30.9
somewhat important	19	17.3
very important	45	40.9
Total	110	100.0

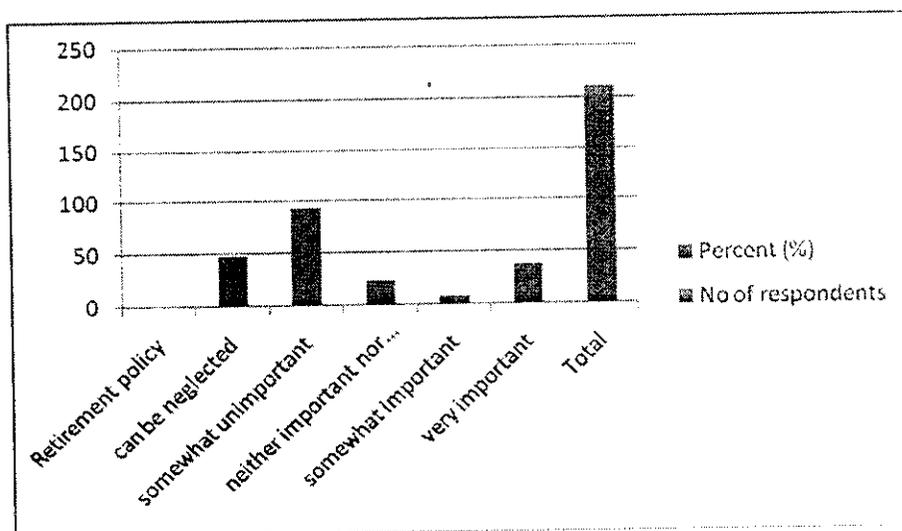


INTERPRETATION:

2.7 percent respondents neglect child education policy , 8.2 percent consider it somewhat unimportant , 30.9 percent consider it neither important nor unimportant , 17.3 percent consider it somewhat important and 40.9 percent consider it very important

3.55 Table represents importance attached by the respondents towards retirement policy

Retirement policy	No of respondents	Percent (%)
can be neglected	25	22.7
somewhat unimportant	49	44.5
neither important nor unimportant	12	10.9
somewhat important	4	3.6
very important	20	18.2
Total	110	100.0

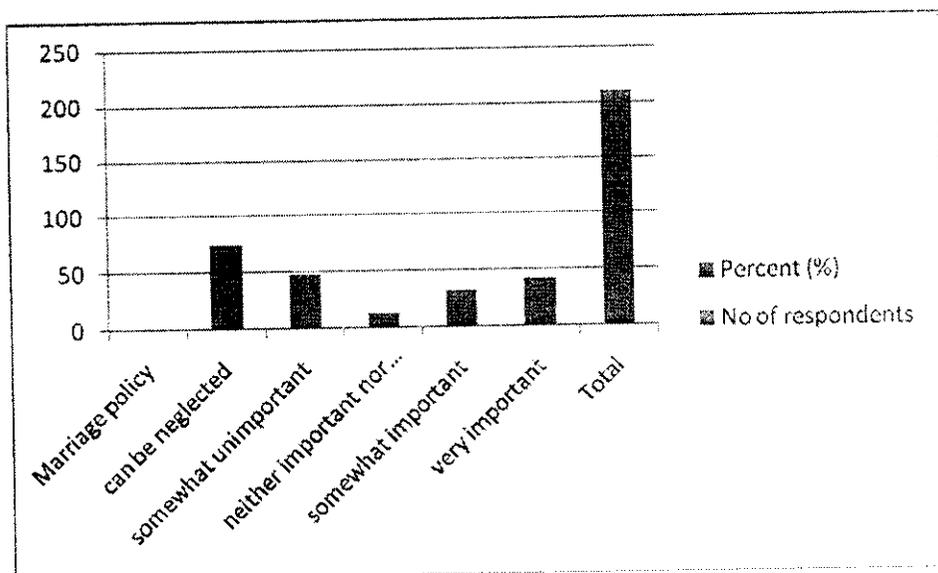


INTERPRETATION:

22.7 percent respondents show negligible importance towards retirement policy , 44.5 percent consider somewhat unimportant , 10.9 percent consider it neither important nor unimportant , 3.6 percent consider it somewhat important ,18.2 percent consider it very important

3.56 Table represents importance attached by the respondents towards marriage policy

Marriage policy	No of respondents	Percent (%)
can be neglected	39	35.5
somewhat unimportant	25	22.7
neither important nor unimportant	7	6.4
somewhat important	17	15.5
very important	22	20.0
Total	110	100.0

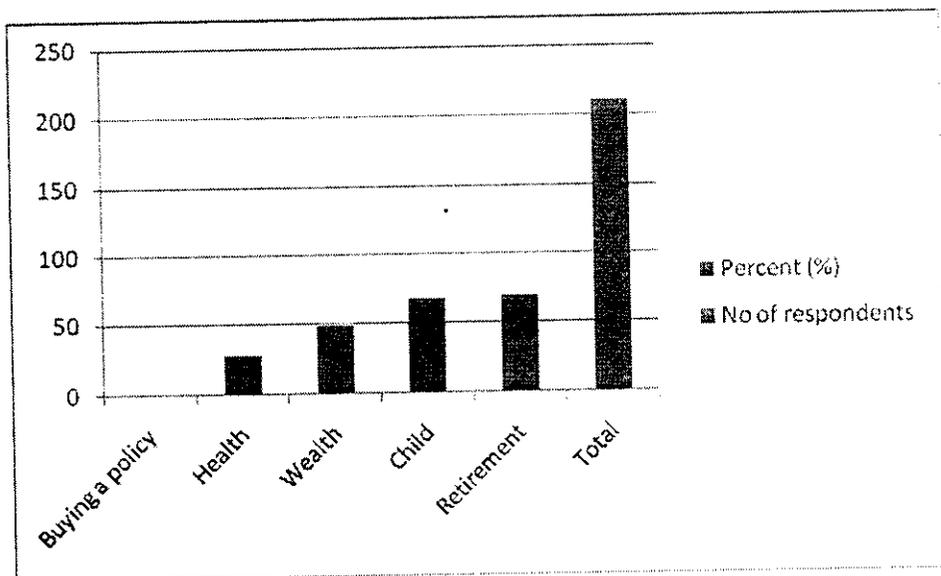


INTERPRETATION:

The importance attached to marriage policy is negligible by 35.5 percent, 22.7 percent consider it somewhat unimportant, 6.4 consider it neither important nor unimportant, 15.5 percent consider it somewhat important, 20 percent consider it very important.

3.57 Table represents the choice taken by the respondent in buying a policy

Buying a policy	No of respondents	Percent (%)
Health	14	12.7
Wealth	25	22.7
Child	35	31.8
Retirement	36	32.7
Total	110	100.0



INTERPRETATION:

12.7 percent respondents prefer to buy a health policy , 22.7 percent prefer wealth policy , 31.8 percent prefer child policy ,32.7 percent prefer retirement policy.

Weighted average:

3.58 The importance attached towards the financial objective

Factors	Very important	Somewhat important	Neither important	Somewhat Unimportant	Can be Neglected	formula	total	rank
Saving	49	44	11	4	2	464	4.218182	2
Tax	37	61	3	8	1	455	4.136364	3
Invest	61	34	14	1	0	485	4.409091	1
Comfortable	65	7	11	14	3	417	3.790909	6
Income								
Child education	68	9	14	9	10	446	4.054545	4
Health risk	43	41	10	8	8	433	3.936364	5
Retire	40	35	6	9	20	396	3.6	7

INTERPRETATION:

Investment is given higher preference, as India is a savings economy Indians save a lot, In order to have tax exemption insurance is opted , Child education is given next importance , health risk comes in the next order of preference ,then next order of importance is given to comfortable income , the importance attached to retirement is less among the people .Therefore awareness should be created by the companies.

3.59 Table represents the reliable source of investment

Factors	Very important	Somewhat important	Neither important nor unimportant	Somewhat Unimportant	Can be Neglected	Formula	total	ran
Insurance	0	61	29	7	13	358	3.254545	1
Bank a /c	22	21	22	13	32	318	2.890909	4
Stocks	21	24	45	0	20	356	3.236364	3
Mutualfd	21	14	34	13	28	317	2.881818	5
Bonds. ,	19	10	26	25	30	293	2.663636	6
Other	27	22	29	15	17	357	3.245455	2

INTERPRETATION:

Insurance is considered a reliable source of investment, other sources are given secondary importance, thirdly importance is given to stocks, Then importance attached by the respondents is towards bank deposits, Mutual funds are given less importance and Bonds and securities are given least importance of all.

3.59 Table represents the various avenues available for a reliable source of investment

Factor	Bank	stocks	Insurance	Bonds	other	formula	total	rank
Liquidity	12	30	19	31	18	317	2.881818	5
Health risk	19	21	24	25	21	322	2.927273	4
Comfortable income	17	29	24	21	19	334	3.036364	2
Child education	20	14	18	39	19	307	2.790909	6
Long-term	16	10	4	56	24	268	2.436364	10
Esteemed life	12	19	29	26	24	299	2.718182	9
Critical illness	26	31	21	14	18	363	3.3	1
Capital appreciation	23	17	21	35	14	330	3	3
Financial safety	15	16	30	27	22	305	2.772727	7
Tax	18	8	10	63	11	289	2.627273	8

INTERPRETATION:

Savings for critical illness is more importance, comfortable income is given next importance , investing for capital appreciation follows , importance for health risk comes next . saving for liquidity is given importance , people invest in various avenues to have a financial safety.

CHAPTER 4

4.1 FINDINGS AND SUGGESTIONS:

- 63 respondents are male and 47 respondents are female.
- 38 respondents are below 30 , 40 respondents are of the age 31-40, 26 respondents falls under the age ranging from 41-50 , only 6 respondents are of the age 51-60.
- 31 respondents have one dependent, 28 respondents have two dependents, 14 respondents have three dependents, 4 respondents of them more than three dependents and a maximum of 33 respondents have nil dependents
- 48 respondents are single, majority of 60 respondents are married and the remaining 2 respondents are under others category.
- 35 respondents are professional, 26 respondents are self employed, 16 respondents are salaried class and the remaining 33 respondents corporate class.
- 23 respondents have an income of level below 1Lakh , 11 respondents have an income level 2Lakh-3Lakh , 23 respondents have an income of level of 3 Lakh-5Lakh , 41 respondents have an income level of 5 Lakh-10 Lakh and 12 respondents have an income level above 10 Lakh
- 35 respondents are graduates, 38 respondents are post graduates, 37 respondents are professional degree holders.
- 87 respondents do monthly savings of the income and the rest 23 respondents do not save their earnings on a monthly basis
- Mutual fund is opted by 11 respondents, 37 respondents opt for insurance and 62 respondents opt for saving their income through bank deposits.

- 55 respondents save for owning a property, 13 respondents save for their children's education,
- 11 respondents save for their medical expenses and 31 respondents save for other purpose.
- There are 95 respondents who have awareness about insurance and 15 respondents have no awareness on insurance
- Saving regularly is neglected by 2 respondents ,somewhat important by 4 respondents ,11 respondents neither important nor unimportant , 44 respondents somewhat important and 49 respondents very important .
- Saving regularly for minimizing tax liability is neglected by 1 respondent , 8 respondents consider it somewhat important ,3 respondents consider it neither important nor unimportant , 61 respondents consider somewhat important , 37 respondents consider it very important.
- Investment strategy chosen by the respondents for saving regularly is somewhat important for 1 respondent , neither important nor unimportant for 14 respondents , somewhat important for 34 respondents ,61 respondents are very important.
- The importance attached towards comfortable income (20,000 per month) is negligible for 13 respondents ,somewhat negligible for 14 respondents ,neither important nor unimportant for 11 respondents, somewhat important for 7 respondents and very important for 65 respondents
- 10 respondents consider that saving regularly for Children's education can be neglected, 9 respondents consider it somewhat unimportant, 14 respondents consider it neither important nor unimportant, 9 respondents consider it somewhat important and 68 respondents consider it very important

- The importance attached by respondents towards managing health risk is negligible by 8 respondents, 8 respondents consider it somewhat important ,10 consider it neither important nor unimportant , 41 respondents consider it somewhat important ,43 respondents consider it very important
- The importance attached towards retirement is neglected by 20 respondent , it is somewhat unimportant for 9 respondents ,neither important nor unimportant for 6 respondents , somewhat important for 35 respondents and is considered very important by 40 respondents.
- 6 respondents attach importance to insurance , 52 respondents attach importance to maintaining a bank account , 42 respondents attach importance to owning stocks , 5 respondents attach importance 50 owning mutual fund and 5 respondents attach importance to investment in real estate.
- 13 respondents consider that insurance can be neglected, 7 respondents consider it somewhat important ,29 respondents consider it neither important nor important ,61 respondents consider insurance as somewhat important
- The preference given to savings account is considered negligible by 32 respondents , 13 respondents consider it somewhat important , 22 respondents consider it neither important nor unimportant , 21 respondents are somewhat important and it is considered very important by 22 respondents .
- Owning stocks can be neglected by 20 respondents , neither important nor unimportant for 45 respondents, somewhat important for 24 respondents , attach much importance to 21 respondents

- 28 respondents attach negligible importance to mutual fund , 13 respondents consider it somewhat unimportant , 34 respondents consider it neither important nor unimportant , 14 respondents consider it somewhat important and 21 respondents consider it very important
- Bonds, securities and deposits are considered negligible by 30 respondents, 25 respondents consider it somewhat important, 26 respondents consider it neither important nor unimportant, 10 respondents consider it somewhat important , 19 respondents consider it very important
- Other avenues are considered negligible by 17 respondents, 15 respondents consider it somewhat unimportant , 29 respondents consider it neither important nor unimportant , 22 respondents consider it somewhat important , 27 consider it very important
- 12 respondents opt savings bank for savings for liquidity, 30 respondents opt stocks owned and mutual funds , 19 respondents opt insurance , 31 respondents opt bonds , securities , and public deposits , 18 opt for other statutory fund.
- 19 respondents opt savings bank for health risk, 21 respondents opt stock owned and mutual funds , 24 respondents opt insurance , 25 opt bonds , securities and public deposits , and 21 respondents opt other statutory fund.
- 17 respondents opt savings bank for comfortable income , 29 respondents opt stocks owned and mutual fund , 24 respondents opt insurance , 21 opt bonds , securities and public deposits , 19 opt other statutory fund.
- 20 respondents opt savings bank for children education , 14 respondents opt stocks owned and mutual funds , 18 respondents opt insurance , 39 opt bonds , securities and public deposits and 19 opt other statutory fund.

- 16 respondents opt savings bank for long term investment ,10 respondents opt stocks owned and mutual fund , 4 opt insurance ,56 opt bonds ,securities and public deposits and 24 opt other statutory fund.
- 12 respondents opt saving bank for an esteemed life ,19 opt stocks owned and mutual funds ,29 opt for insurance , 26 opt for Bonds ,securities and public deposits and 24 respondents opt other statutory fund
- 26 respondents opt savings bank for uneventful risk , 31 opt stocks owned and mutual funds ,21 opt insurance ,14 opt Bonds ,securities and public deposits, 18 opt for other statutory fund
- 23 respondents opt savings bank for capital appreciation, 17 respondent opt stocks owned and mutual funds ,21 opt insurance ,35 opt Bonds ,securities and public deposits and 14 opt for other statutory funds
- 13.6 percent opt savings banks for financial safety , 14.5 percent opt for stocks owned and mutual funds ,
- 27.3 percent opt insurance, 24.5 opt Bonds ,securities and public deposits and 20 percent opt for other statutory fund
- 16.4 percent opt savings for tax benefit , 7.3 percent opt stock owned and mutual funds for tax benefit , 9.1percent opt insurance , 57.3 percent opt Bonds ,securities and public deposits and 10 percent other statutory fund
- 10.9 percent never opt for gaining capital appreciation over time, 11.8 opt rarely, 10.9 opt often, 44.5 opt frequently, and 21.8 opt regularly.

- 10.9 percent respondents never opt for long term benefit, 29.1 percent opt rarely, 40 percent respondents often opt, 11.8 percent frequently opt and 8.2 percent respondents opt regularly.
- 6.4 percent respondents opt rarely for liquidity , 44.5 percent opt often , 37.3 percent opt frequently, 11.8 percent opt regularly .
- Sound plan to prevent risk is never opted by 59.1 percent, 32.7 percent rarely plan to prevent risk, 3.6 percent often plan, 4.5 percent regularly plan.
- 26.4 percent never manage health risk, 40.9 percent often manage their health risk, 14.5 percent frequently manage health risk, and 18.2 percent regularly manage health risk.
- Education of children is never important for 43.6 percent, 9.1 percent rarely important, 47.3 percent often consider their children's education.
- Comfortable retirement life is never preferred by 20 percent , 56.4 percent rarely prefer , 17.3 percent often prefer , 6.4 percent frequently prefer comfortable income life
- 28.2 percent consider ING group least reliable , 10.9 percent consider it fairly reliable , 4.5 percent consider moderately reliable , 20 percent consider it reliable . 36.4 percent consider it highly reliable
- 30 percent consider icici prudential moderately reliable , 57.3 percent consider it reliable , 12.7 percent consider it highly reliable.
- 35.5 percent consider American International Group Inc it least reliable ,21.8 percent consider it fairly reliable, 12.77 percent consider it reliable ,30 percent it highly reliable

- Bajaj Allianz is considered least reliable by 30 percent , 35.5 percent consider it fairly reliable , 12.7 percent consider moderately reliable , 21.8 percent respondents consider highly reliable .
- Bharati Axa is considered fairly reliable by 12.7 percent, 21.8 percent respondents consider it moderately reliable , 30 percent consider it reliable , 35.5 percent consider it highly reliable.
- 35.5 percent prefer short term investment and 64.5 percent prefer long term investment
- 46.4 percent prefer yearly mode of payment and 53. 6 percent prefer half yearly mode of payment.
- 32.7 percent have good awareness about the products of icici, 21.8 percent of respondents have moderate awareness ,17.3 percent have poor awareness about the product and 28.2 percent have nil awareness .
- The importance attached by respondents towards health policy is negligible by 33.6 percent , 15.5 percent consider it somewhat important , 13.6 percent consider it neither important nor unimportant,12.7 percent consider it somewhat important and 24.5 percent respondents consider a health policy very important .
- The importance attached by respondents to wealth policy is negligible by 20.9 percent , 13.6 percent consider it somewhat unimportant ,15.5percent consider it neither important nor unimportant ,31.8 percent consider it somewhat important and 18.2 percent consider it very important
- 2.7 percent respondents neglect child education policy , 8.2 percent consider it somewhat unimportant , 30.9 percent consider it neither important nor unimportant , 17.3 percent consider it somewhat important and 40 .9 percent consider it very important

- 22.7 percent respondents show negligible importance towards retirement policy , 44.5 percent consider somewhat unimportant , 10.9 percent consider it neither important nor unimportant , 3.6 percent consider it somewhat important ,18.2 percent consider it very important
- The importance attached to marriage policy is negligible by 35.5 percent ,22.7 percent consider it somewhat unimportant , 6.4 consider it neither important nor unimportant , 15.5 percent consider it somewhat important ,20 percent consider it very important
- 12.7 percent respondents prefer to buy a health policy , 22.7 percent prefer wealth policy , 31.8 percent prefer child policy ,32.7 percent prefer retirement policy.
- Insurance is considered a reliable source of investment , other sources are given secondary importance , thirdly importance is given to stocks, Then importance attached by the respondents is towards bank deposits ,Mutual funds are given less importance and Bonds and securities are given lest importance of all. This has been found with the help of weighted average method

4.2 CONSIDERED RECOMMENDATIONS

- Insurance policy gives better returns but it cannot compete with other financial tools like equity .So there is a basic need to increase the return in the field of insurance sector.
- Mostly people think that LIC is better than other private insurance companies. Therefore, the private companies need to know how to win people's belief.
- There are lot of distribution channel in insurance industry , but due to less awareness of the people they do not buy/like to buy from such type of alternatives
- In India insurance is tax saving and protection tool and not an investment tool. If company increase awareness among public then it will work as a value added service which will increase penetration in India
- Insurance is a long term contract and a saving tool, after time people feel less interested towards it, so time to time motivation is required to indicate the customers that they are doing a good job.

APPENDIX

ANNEXURE

Questionnaire on Customer perception about insurance as a savings instrument

Basic information:

a. Name:

b. Gender:

1. Male 2. Female

c. Age:

1. Below 30 2. 31-40 3. 41-50 4. 51-60 5. Above 60

d. Marital Status:

1. Single 2. Married 3. Others

e. Number of Dependents:

1.one 2.two 3.three 4.more than 3 5.nil

f. Family Type:

1. Nuclear 2. Micro 3. Joint family 4. Others

g. Employment Status:

1. Professional 2. Self employed 3. Salaried class 4. Corporate class

h. Educational Qualification:

1. School final 2. Graduate 3. Post graduate 4. Diploma 5. Professional degree

i. Income level(p.a):

1. Below 1, 00,000 2. 1, 00, 000,-2, 00,000 3. 2,00,000-3,00,000 4.3,00,000-5,00,000

5. 5, 00,000-10, 00,000 6. Above 10,00,000

1. Do you go for monthly savings from your income?

1. Yes 2. No

2. If yes, what form of savings do you opt?

1. Mutual fund 2. Insurance 3. Bank deposit

3. What is the purpose of saving?

1. Property 2. Education of children 3. Medical expenses 4. Other purpose

4. Are you acquainted with information of insurance sector?

1. Yes 2. No

5. Please indicate the importance that you would attach towards the following financial objectives

Parameters	Very important	Somewhat important	Neither important nor Unimportant	Somewhat unimportant	Can be neglected
1. Saving regularly					
2. Minimizing tax liability					
3. Developing or revising an investment strategy					
4. Investing for a comfortable income					

5. Providing for your Children's education					
6. Investing for managing health risk					
7. Planning for retirement					

6. Of all the financial objectives mentioned by you in previous [Q.5] what according to you will be a reliable source of investment

1. Insurance 2. Maintaining a bank account 3. Owning stocks 4. Owning mutual fund 5. Investing in real estate

7. Following are the various investment avenues which are available to facilitate your financial planning .Kindly mark the degree of preference :

Parameters	Very important	Somewhat important	Neither important nor Unimportant	Somewhat unimportant	Can be neglected
1. Insurance					
2. Savings bank account					
3. Stocks owned					
4. Mutual funds					
5. Bonds,					

securities,& public deposits					
6. Others					

8. Kindly give your rating on a scale of 1-5

Parameters	Savings bank	Stock owned and mutual funds	Insurance	Bonds, securities & public deposit	Other Statutory fund
1. Saving for liquidity					
2. Safeguarding against health risk					
3. Investing for a comfortable					
4. Saving for children's higher education					
5. Long-term investment					
6. Planning for an esteemed life					
7. Uneventful risks (death, critical illness)					
8. Investing for capital appreciation					
9. financial fidelity(safety)					
10. Tax advantages					

9. Are you and your family members covered by any of the following insurance schemes

Parameters	Regularly	Frequently	Often	Rarely	Never
1. Capital appreciation for gaining value over time					
2. Obtain current or long- term tax benefit					
3. Liquidity/returns from investment					
4. Sound planning to prevent risk					
5. To manage health risk issues					
6. Education for children					
7. For a comfortable retirement life					

10. Choose any one of the companies based on their reliability

1. ING 2. ICICI prudential 3. American international group inc 4. Bajaj Allianz 5. Bharati Axa

11. What is your term preference?

1. Short term 2 Long term

12. Which mode of premium payment do you prefer?

1. Yearly 2. Half yearly 3. Quarterly 4. Monthly

13. What is the level of information you have on the products of icici?

1.Good 2.Moderate 3.Poor 4.Nil

14. Which of the following sector in icici do you prefer the most?

1. Health 2. Wealth 3.Child education 4.Retirement 5.Marriage plan

15. If you have to buy a policy which policy will you buy?

1. Health 2. Child 3. Retirement 4. Wealth

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