

# A STUDY ON SATISFACTION TOWARDS LIFE INSURANCE POLICIES AMONG SCHOOL TEACHERS

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## **Abstract**

Insurance provides financial support and reduce uncertainties in human life. . It provides a cover against any sudden loss and act as an investment tool. Life insurance enables systematic savings due to payment of regular premium. Buying life insurance is a crucial financial decision. The important thing is to choose the right life insurance for your budget and your needs. The need for life insurance changes at different stages of life cycle depending upon the financial obligations and dependence. Over the years one's needs, family situation and life goals will evolve. When that happens, it will be time to re-evaluate the right type of insurance for proper coverage. 200 school teachers working at aided and government schools in Kollam district are selected for the study. Their satisfaction towards life insurance policies are analyzed through chi-square test. Garret ranking technique was used to rank the factors that lead to the selection of insurance policies.

**Key words:** *Insurance, Investment, financial decision*

## **INTRODUCTION:**

Life insurance is an indispensable element in the financial portfolio, particularly during these uncertain times. Risks and uncertainties in human life makes life insurance an unavoidable investment. Life insurance does a dual job, as an asset appreciator as well as an asset protector. The main feature of life insurance is that it safe guards the financial interests of the investor's family from the loss of income due to critical illness or death of the policy holder. Life insurance products also have a strong in built wealth creation proposition. Uncertainties are a part and parcel of life. You may be healthy and fit at present and paying the life insurance premium may seem an additional expense. However, it is worth it, since you will not be allowed to purchase life insurance coverage if you fall ill later on. Buying life insurance early is highly essential before any chances of your health deteriorating later on. Life insurance enables a man to provide both for his own life time, as well as for the period after his death for his dependents. The scheme of insurance certainly increases financial stability, creates a sense of security and strengthen family connections. Insurance is not a commodity. It is a promise to perform in future in return for a present monetary consideration. In the present times the importance and reach of life insurance have increased manifold.

## **REVIEW OF LITERATURE:**

- **N. Namasivayam S Rajendra and R Eswaran** (2007) studies the influence of socio-economic factors schemes. The study revealed that socio-economic factors an attitude of policyholder towards SBI life insurance schemes. The study revealed that socio-economic factors such as age, gender, occupations, nature of family and income levels, play a major role in influencing the preference of policyholders whereas factors like educational level, caste and marital status of the respondents showed that they do not influence the preference of policyholder.
- **Dr. K.C Mishra** (2007) in his article, "Indian life insurance Industry – Challenges and opportunities", explained in essence that insurance will have issue and solution around five risk dimensions like d1 for death risk which is certain but time is uncertain, d2 for disease risk which has a high correlation with timing of death, d3 for depending risks which will lead to annuity and pension products, d4 duty risk which centers around education of children, marriage, funeral, acquiring a shelter etc. and d5 for disasters collateral to life like accidents and mass co-variance arising out of failure of coping arrangements in traditional society. He suggested many measures to foster the growth of insurance industry.
- **Prashanta Athama et.al .** , (2010) in their study identified the factors which the consumers take in to consideration before selecting the life insurance products. They classified those factors into product attributes and non-product attributes They suggested that insurer should concentrate more on product attributes (risk coverage, flexibility, loan against policy etc) in urban areas. On the other hand rural policy holders and non product attributes are positively associated .So they suggested that improving the non product attributes to have more penetration in rural areas.

## **SIGNIFICANCE OF STUDY:**

There are dozens of factors contributing to the success or failure of a business. Customer satisfaction is one of them. It is important to track this factor and work on improving it in order to make our customers more loyal. A loyal customer is a treasure to an organization. Customer satisfaction is a business goal for every brand and key to its success. It is much more difficult to maintain and actually keep customers happy and satisfied with services or products provided by the organization. Customers give due emphasis on different aspects of products or services when evaluating their overall satisfaction. . Human life is a most important asset and life insurance is the most important type of insurance which provides financial protection to a person and his family at the time of uncertain risks. Life insurance provides both safety and protection to individuals and also encourages savings among people.

Majority of teachers make investment in life insurance products in order to reap the benefits of safety and security, tax benefit etc. Hence we study the satisfaction level of school teachers towards life insurance policies.

#### OBJECTIVES:

1. To know the motivating factor that lead to investment in life insurance policies.
2. To find the purpose of investment in life insurance policies.
3. To study the level of customer satisfaction, towards life insurance policies.

#### METHODOLOGY:

Primary data and secondary data were used for this study. Primary data was collected from 200 school teachers working at aided and government schools in Kollam district .Convenient sampling technique was used for the selection of samples. Questionnaire was used as a tool for the collection of data. Percentage analysis, Chi-square test and Garret ranking technique was adopted for the analysis of data. Satisfaction towards investment in life insurance policies were analyzed through chi-square test. Garret ranking technique was used to rank the motivating factors that lead to the investment in life insurance policies. Secondary data were collected from books, magazines, journals etc.

#### RESULTS AND DISCUSSIONS:

Particulars		No.of respondents	Percentage
Gender	Male	60	30
	Female	140	70
Age	Below 30	42	21
	31-40	60	30
	41-50	50	25
	Above 51	48	24
Marital status	Married	182	91
	Unmarried	18	9
Designation	UPSA	72	36
	HSA	90	45
	HSST	38	19
Monthly Income	<Rs 30,000	38	19
	Rs 30,000-60,000	85	43
	> Rs 60,000	77	38
Source of awareness	Advertisement	30	15
	Agents	120	60
	Friends &Relatives	50	25
Purpose of investment	To cover risk	80	40
	Children's education &marriage	56	28
	Wealth creation	18	9
	Long term benefit	46	23
Mode of Payment of premium	Self	30	15
	Agent	40	20
	Online	20	10
	Deduction from salary	110	55
Premium payment	Monthly	124	62
	Quarterly	30	15
	Half yearly	36	18
	Annually	10	5

#### HYPOTHESIS:

1. There is no significant difference between gender and satisfaction level.
2. There is no significant difference between age and satisfaction level.
3. There is no significant difference between designation and satisfaction level.
4. There is no significant difference between income and satisfaction level.

#### TESTING OF HYPOTHESIS:

1. *There is no significant difference between gender and satisfaction level.*

## Gender and satisfaction level

Gender	Satisfaction level			Total
	High	Medium	Low	
Male	10	14	36	60
Female	60	50	30	140
Total	70	64	66	200

Table 1 shows that the calculated value of chi square is greater than the tabulated value at 5% level of significance. (Calculated value=29.1783, Table value=5.991, Degree of freedom=2). Hence it is significant and the null hypothesis is rejected.

2. *There is no significant difference between age and satisfaction level.*

## Age and satisfaction level

Age	Satisfaction level			Total
	High	Medium	low	
Below 30	20	12	10	42
31-40	22	20	18	60
41-50	12	16	22	50
Above 51	18	17	13	48
Total	72	65	63	200

Table 2 shows that the calculated value of chi square is less than the tabulated value at 5 % level of significance.(calculated value=7.563,Table value=12.599,Degree of freedom=6) . So the null hypothesis is accepted.

3. *There is no significant difference between designation and satisfaction level*

## Designation and satisfaction level

Designation	Satisfaction level			Total
	High	Medium	Low	
UPSA	35	25	12	72
HSA	20	42	28	90
HSST	16	12	10	38
Total	71	79	50	200

Table 3 shows that the calculated value of chi square is greater than the tabulated value at 5 % level of significance.(calculated value=13.9837,Table value=9.488,Degree of freedom=4) . So the null hypothesis is rejected.

4. *There is no significant difference between income and satisfaction level.*

## Monthly income and satisfaction level

Monthly income	Satisfaction level			Total
	High	Medium	Low	
< Rs30,000	11	17	10	38
Rs30,000-60000	27	38	20	85
>Rs 60000	44	13	20	77
Total	82	68	50	200

Table 4 shows that the calculated value of chi square is greater than the tabulated value at 5 % level of significance.(calculated value=18.9268,Table value=9.488,Degree of freedom=4) .Hence it is significant and the null hypothesis is rejected. 57% of the respondents having monthly income above Rs 60,000 are highly satisfied.

Garret ranking method was used to rank the factors that lead the investors for taking a life insurance policy. The priority for the selection of life insurance policy by the school teachers are:

Motivating factors	Rank
Tax benefits	1
Accident and disablement benefit	2
Variety schemes	3
Premium payment	4
Return	5
Services from agents	6

Tax benefits was the major motivating factor prompting school teachers to invest in Life insurance policies followed by Accident and disablement benefit , Variety schemes provided by insurance companies, Ease of premium payment , Return on investment and Services from agents .

#### **FINDINGS:**

- Out of the respondents 70% are female and 30% male.
- 30% of the respondents are in the age group 31-40 years.
- 91% of the respondents in this study are married.
- Majority (45%) of the respondents are High School Teachers, 36% are Upper Primary School Teachers and 19% are higher secondary School Teachers.
- Monthly income of 43% of respondents lies between Rs 30,000-60,000. 38% earns above Rs 60,000 per month.
- Majority (60%) of the respondents got awareness about life insurance policies through agents.
- Risk covering was cited by majority (40%) of the respondents as their purpose for investing in life insurance policies.
- Salary deduction was the mode of premium payment availed by majority (55%) of the respondents.
- Most of the respondents (62%) paid their premium on a monthly basis.

#### **SUGGESTIONS:**

- Customer base can further be increased by aggressive marketing campaign.
- More multi benefit policies should be launched by insurance companies.
- Tax benefits are the major attractive feature and thus should be given greater importance.
- Proper awareness about retirement plans should be given.
- Create a sense of security among the investors and quick repayment measures should be adopted.
- Agents should be made knowledgeable about all aspects regarding insurance. This can be achieved by giving them periodic training.

#### **CONCLUSION:**

A company's current status and future progress depends on the satisfaction level of its customers. With several players in the market, the competition in the insurance sector is severe. Customer satisfaction is the factor that helps the company to survive in this competitive environment. Payment of premiums in life insurance is made more convenient by the advent of online payment methods. Customer satisfaction is directly linked to the quality of service the company provides which leads to increased revenue which is beneficial to both the parties. The importance and benefits of insurance should be conveyed effectively and innovatively which in turn will increase its penetration level. Instead of pushing the policies to customers through agents, demand should be created so that the customer pulls the policies.

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