



STRATEGIC ANALYSIS OF CONSUMER BEHAVIOUR IN LIFE INSURANCE SAVING PLAN: A CASE STUDY OF RAJASTHAN

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Abstract: *The Government of India made history on October 24, 2000 by once again bringing back insurance business to private companies, which had earlier been abolished 24 years ago. The opening of the insurance sector was facilitated through the Insurance Regulatory and Development Authority (IRDA). Today, organizations are competing in complex business environments characterized by continuous changes in economic, social politico- legal and regulatory factors. The insurance sector along with other elements of marketing, as well as financial infrastructure, have been touched and influenced by the process of liberalization and globalization in India. The customer is the king in the market. Life Insurance companies deal in intangible products. With the entry of private players, the competition is becoming intense. In order to satisfy the customer, every company is trying to implement a consumer behavior (CB) program.*

Keywords: *Strategic Insurance Management, Consumer Behaviour.*

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INTRODUCTION OF STRATEGIC INSURANCE MANAGEMENT

Insurance management strategy practice leadership has decades of experience with insurance strategies, insurance program optimization, and alternative insurance methods and options. They know how to negotiate the best rates, know how to maintain preferred customer status and have professional and personal relationships with brokers and underwriters in every corner of the globe. They also understand how to respond to and manage loss events, how to minimize investigation and adjustment time and maximize return and recovery.

This company believes in passion, integrity, speed, commitment and seamlessness. The mission of the company is to help people with risk management. It also helps in managing the financial situation of industries as well as individuals. Some of the Life Insurance products include:

- Insurance for protection
- Insurance for retirement
- Insurance for saving
- Insurance for children
- Insurance for riders
- Insurance for rural

PURPOSE AND NEED FOR INSURANCE

- Assets are likely to be destroyed or made non-functional due to accidental occurrences called perils. Assets can, therefore, be insured. A few examples of perils are: fire, floods, breakdowns, lightning, earthquake etc. Perils are the events. Risks are the consequential losses or damages.
- Possibility of damage to asset caused by any peril is the risk that asset is exposed to.
- Risk means uncertainty or unpredictability about future loss or damage, which may or may not happen. This refers to the losses, which may happen suddenly and unexpectedly.
- We can say that a human life is also an income-generating asset.
- Human life may be lost due to unexpected early death or become non-functional following sickness or disabilities cause by accidents.



- If this happens by the time one is on the verge of retirement when his income is about to cease, he might have made alternative arrangements to meet his needs.

Table No. 1.1 NAME OF THE LIFE INSURANCE COMPANY

S. No.	Name of the Company	Name of Holding
1	Allianz Bajaj Life Insurance Co	Private
2	HDFC Standard Life Insurance Co	Private
3	ICICI Prudential Life Insurance Co	Private
4	Life Insurance Corporation of India	Public
5	Max New York Life Insurance Co.	Private
6	SBI Life Insurance Co	Private

Chart No.1.1 NAME OF THE LIFE INSURANCE COMPANY

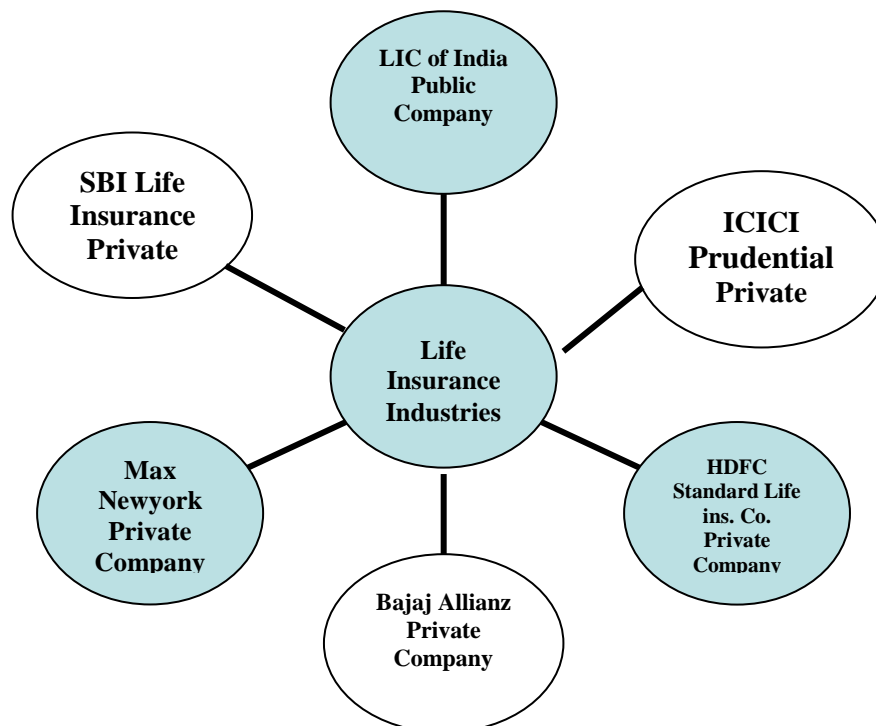


Table No. 1.2 Milestone's in the life insurance business in India

Year	Milestones in the life insurance business in India
1912	The Indian Life Assurance Companies Act enacted as the first statute to regulate the life 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	Earlier legislation consolidated and amended to by the Insurance Act with the objective of protecting the interests of the insuring public.
1956	245 Indian and foreign insurers and provident societies taken over by the



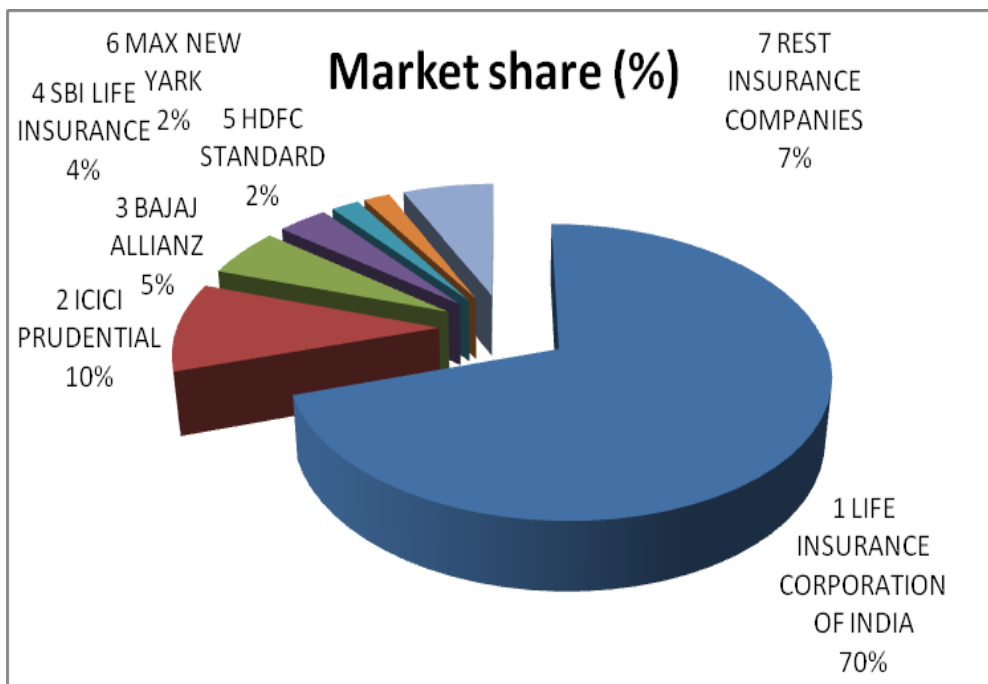
	central government and nationalized. LIC formed by an Act of Parliament, viz. LIC Act, 1956, with a capital contribution of Rs. 5 crore from the Government of India.
1907	The Indian Mercantile Insurance Ltd. set up, the first company to transact all classes of general insurance business
1957	General Insurance Council, a wing of the Insurance Association of India, frames a code of conduct for ensuring fair conduct and sound business practices
1968	The Insurance Act amended to regulate investments and set minimum solvency margins and the Tariff Advisory Committee set up.
1972	The General Insurance Business (Nationalization) Act, 1972 nationalized the general insurance business in India with effect from 1st January 1973. 107 insurers amalgamated and grouped into four companies viz. the National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd. and the United India Insurance Company Ltd. GIC incorporated as a company.
1994	Insurance sector invited private participation to induce a spirit of competition amongst the various insurers and to provide a choice to the consumers.
1997	Insurance regulator IRDA was set up as there felt the need: a) to set up an independent regulatory body, that provides greater autonomy to insurance companies in order to improve their performance, b) To Enable them to act as independent companies with economic motives. c) To Protect the interest of holders of insurance policies. d) To Amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General insurance Business (Nationalisation) Act, 1972 e) To end the monopoly of the Life Insurance Corporation of India and General Insurance Corporation and its subsidiaries.
2000	IRDA starts giving licenses to private insurers : ICICI prudential and HDFC Standard Life insurance first private insurers to sell a policy
2001	Royal Sundaram Alliance first non life insurer to sell a policy
2002	Banks allowed selling insurance plans. As TPAs enter the scene, insurers start setting non-life claims in the cashless mode
2007	First Online Insurance portal, www.insurancemall.in set up by an Indian Insurance Broker, Bonsai Insurance Broking Pvt Ltd

TABLE 1.3 . NAME OF THE PLAYER MARKET SHARE (%)

S. No.	Name of the Player	Market share (%)
1	LIFE INSURANCE CORPORATION OF INDIA	70.10
2	ICICI PRUDENTIAL	10.09
3	BAJAJ ALLIANZ	5.6
4	SBI LIFE INSURANCE	3.64
5	HDFC STANDARD	2.05
6	MAX NEW YARK	1.92
7	REST INSURANCE COMPANIES	6.61



Chart No.1.2 market share of life insurance industries



RESEARCH DESIGN & METHODOLOGY

Information Sources has been sourced from various sources namely, Books, Newspapers, trade journals, and white papers, industry portals, government agencies, trade associations, monitoring industry news and developments, and through access to access to more than 3000 paid databases.

MAIN OBJECTIVES:

1. To understand the Strategic needs and wants i.e. respect of insurance;
2. To understand the consumer buying processes in selected insurance industries in Rajasthan (India);
3. To understand the consumer preferences & determinants in life insurance;
4. To understand the consumer mind and decision-making processes in insurance industries;
5. To develop an insight into the strategic planning systems being used;
6. To study the patterns of company behavior in seeking, analyzing and utilizing the business opportunities;
7. To study resource management by the help of which the organization can achieve its goals.



RESEARCH DESIGN

Sample Design

- (i) **Sampling type:** Researcher is selected Stratified random sampling in his research.
- (ii) **Sample size:** The total sample size will be **150 (50 from each cities)** insurance industries from the three Districts as mentioned earlier.

Researcher is used sample size **150 (50 from each cities)** and done his research in three cities that is **Ajmer, Jaipur and Jodhpur**.

Data collection

The data to be collected from Primary sources as well as Secondary sources

Primary sources:

For Primary source a questionnaire will be prepared and this questionnaire will be filled by and scheduled interviews / personal observations.

Researcher make two types of questionnaire one for people and second for insurance industry.

Secondary sources:

Researcher collected Data from internet, journals, magazines, text books etc. A sample of typical secondary source can be seen as per selected bibliography & references.

Table No. 1.4 insurance company has consumers preferred for life insurance

Name of Insurance Company	No. of Response (in %)
ICICI Prudential Life Insurance Co.	12 %
HDFC Standard Life Insurance Co.	8%
Bajaj Allianz Life Insurance Co.	9%
Life Insurance Corporation of India	58%
SBI Life Insurance Co.	6%
Max Newyork Life Insurance Co.	4%
Other Companies	3%



Chart No. 1.3 insurance company has consumers preferred for life insurance

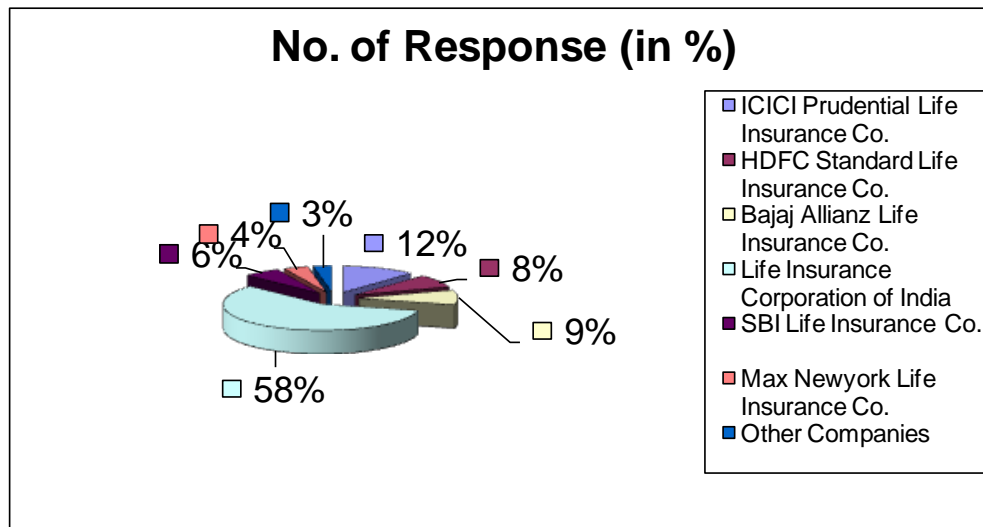
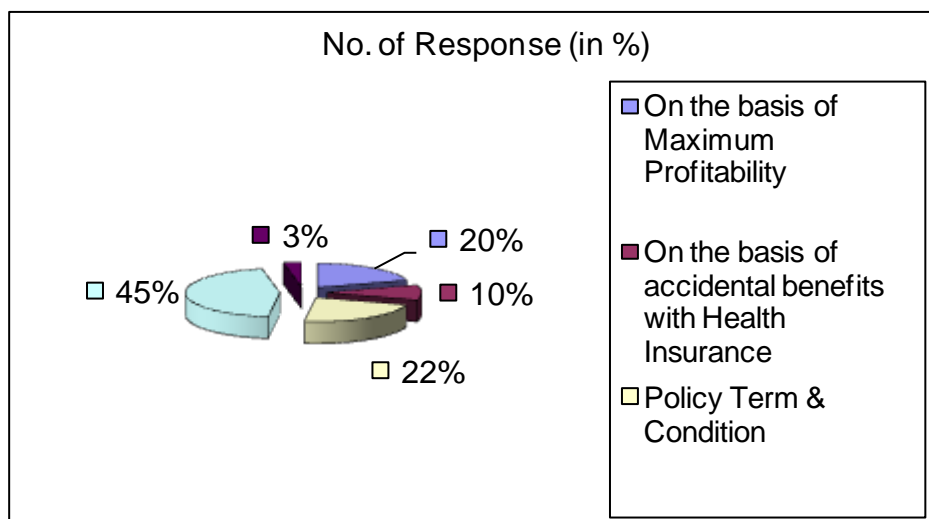


Table No. 1.5 Consumer makes decision regarding the final selection of the insurance policy - For Saving Plan

Type of Factors	No. of Response (in %)
On the basis of Maximum Profitability	20%
On the basis of accidental benefits with Health Insurance	10%
Policy Term & Condition	22%
On the basis of maximum profit for long term investment	45%
Any Other	03%

Chart No. 1.4 Consumer makes decision regarding the final selection of the insurance policy





1) **Comparative Study on Saving Plan in the quarterly end June 2012 :**

Feature Stone	ICICI Pru Life Link Pension SP	HDFC Life Insurance Personel Pension Plan	LIC	Max Newyork Life Partners Plus Plan	Bajaj Allianz Swarna Vishranti Plan	SBI LIFE INSURANCE Life long Pension Plan
Plan Type	Endowment	Endowment	Unit link	Endowment	Endowment	Traditional Plan
Min/ Max Term	10 Years	5-40 Years	10 years	10 years	5-40 Years	18-60 Years
Min / Max Age	35-70 Years	18-35 Years	18-75 years	20-55 Years	18- 65 Years	5 -40 Years
Payment Modes	Regular/ Single	Regular / Single	Regular/ Single	Regular	Regular	Regular / Single
Payment Modes	Regular/ Single	Regular / Single	Regular/ Single	Regular	Regular	Regular / Single
Life Assured	Insurer	Insurer	Insurer	Insurer	Insurer	Insurer
Beneficiary	Nominee	Lump sum comprising the sum Assured plan: •1/3 of sum assured •Rest convert in annuity	Nominee	Nominee	Insurer / family	Insurer/ family
Benefit Structure	Sum Assured + Bonus	*Reversionary Bonus paid on death or retirement * Provide a post retirement income in your golden years * Flexibility to plan your retirement date	-	Sum Assured + Sum Assured on 7.5 per year addition	Sum Assured + Accorate Bonus	Sum Assured + Bonus



Feature Stone	ICICI Pru Life Link Pension SP	HDFC Life Insurance Personel Pension Plan	LIC	Max Newyork Life Partners Plus Plan	Bajaj Allianz Swarna Vishranti Plan	SBI LIFE INSURANCE Life long Pension Plan
Age at vesting	45-80 Years	50-70 years	-	75 Years	45-70 Years	40-70 Years
Bonus & Additions	No	-	-	61-75 years guaranteed amount equal to 7.5 % sum assured paid every Year Buy paid up additional (PUA) – Increase the death benefit of your base policy	-	
Riders Available	Death Benefit Rider Available as per terms of plan	-	-		<ul style="list-style-type: none"> •Family income benefit Rider •* Accidental Death Benefit Rider •Disability Benefit Rider •Critical illness Benefit Rider •Hospital Cash Benefit Rider 	<ul style="list-style-type: none"> •Accidental Death Benefit Rider •Disability Benefit Rider •Sickness Benefit Rider



Interpretation for the quarterly end June 2012:

A literature survey was made in Ajmer, researcher found that 48% people have LIC. 27 % people have ICICI Pru. 10% people like Bajaj Allianz 8% people like HDFC.2% people have Max Newyork. 5% people have SBI life.

A literature survey was made in Jaipur, researcher found that 44% people have LIC. 24% people have ICICI Pru. 8% people like Bajaj Allianz. 9% people like HDFC.6 % people have Max Newyork. 9% people have SBI life.

A literature survey was made in Jodhpur, researcher found that 58% people have LIC. 19% people have ICICI Pru. 6% people like Bajaj Allianz.8% people like HDFC. 5% people have Max Newyork. 4% people have SBI life.

Table No. 8.5 Comparative Study on Saving Plan for the quarterly end June 2012

Industry Name City Name	LIC	ICICI Prudential	HDFC Life Insurance	Bajaj Allianz Life Insurance	Max New York Insurance	SBI Life Insurance
Ajmer (in%)	48	27	8	10	2	5
Jaipur (in%)	44	24	9	8	6	9
Jodhpur (in%)	58	19	8	6	5	4

Chart NO. 8.5 Comparative Study on Saving Plan for the quarterly end June 2012

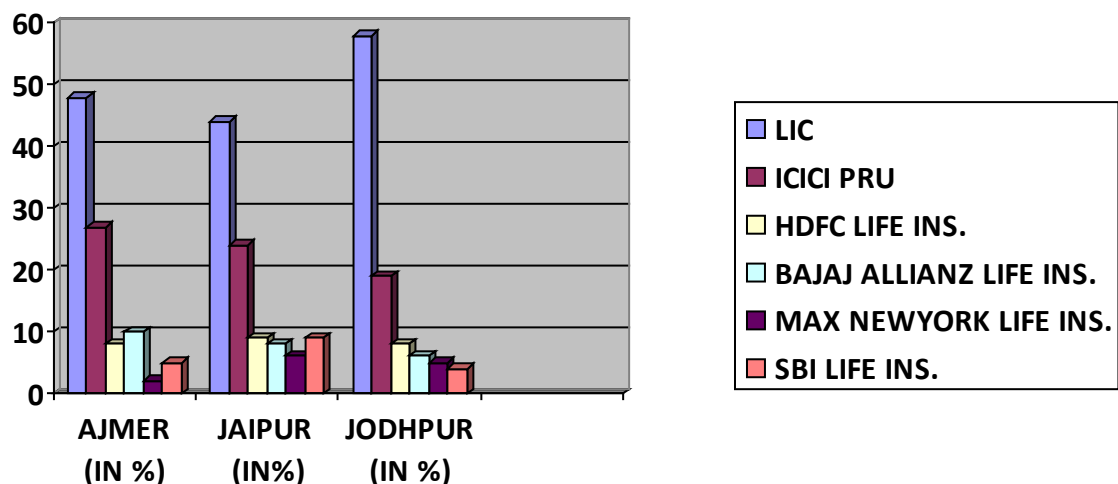
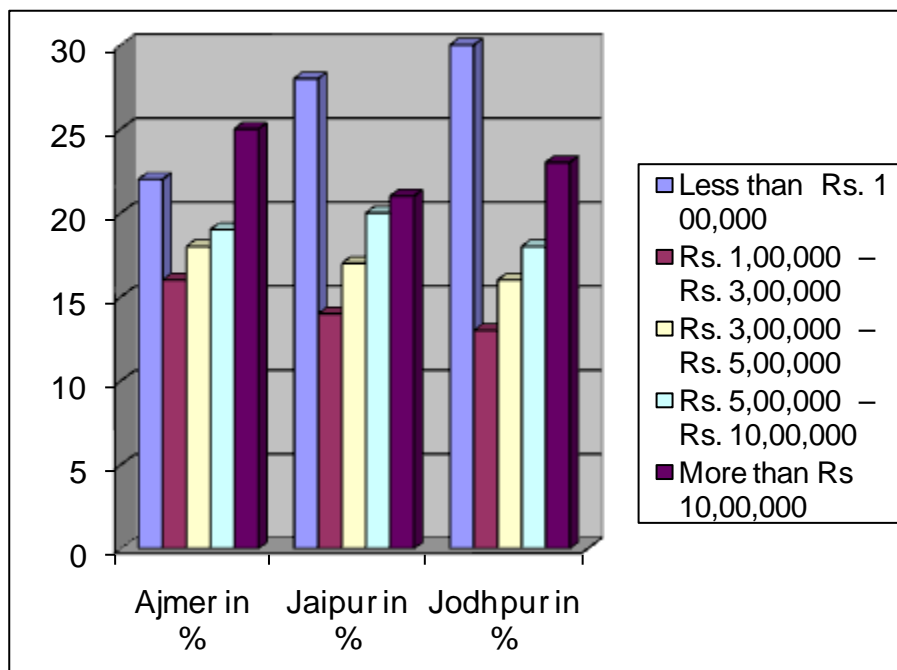




Table No. 8.6 Investment Amount in This Policy in the quarterly end June 2012:-

City Name	Less than Rs. 1 00,000	Rs. 1,00,000 – Rs. 3,00,000	Rs. 3,00,000 – Rs. 5,00,000	Rs. 5,00,000 –Rs. 10,00,000	More than Rs 10,00,000
Ajmer in %	22	16	18	19	25
Jaipur in %	28	14	17	20	21
Jodhpur in %	30	13	16	18	23

Chart No. 8.6 Investment Amount in This Policy for the quarterly end June 2012



CONCLUSION

1. The customers are very satisfied with the performance of the company. They feel the company has given a lot of importance to the needs of the customers and have come up with innovative and great products.
2. Most of the respondents feel that their concerns were resolved very well as and when required.
3. The products of LIC are good as per the customers. They are highly satisfied with the features and benefits of the products.
4. The representatives have mostly been updating the customers with the newly launched products.



5. The customer service department is doing well in terms of wait time and call transfers.

LIMITATION

- Time constraints
- Small sample size
- Busy schedule of corporate guide and his team.
- Business Month End Closing
- Respondents not respond properly.

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