



**DETERMINANTS OF WORKING WOMEN POLICYHOLDERS' SATISFACTION ON THE SERVICES OFFERED BY LIFE INSURANCE CORPORATION OF INDIA**

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**Cite This Article:** Dr. R. Gopi & Dr. M. Akilanayaki, "Determinants of Working Women Policyholders' Satisfaction on the Services Offered By Life Insurance Corporation of India", International Journal of Current Research and Modern Education, Volume 2, Issue 2, Page Number 298-302, 2017.

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**Abstract:**

Today, India is ranked 10th among 156 countries in the life insurance business and the sector is expected to grow at a Compound Annual Growth Rate (CAGR) of 12 to 15 per cent and would penetrate by five per cent in the next five years. LIC, a state-owned life insurer, offers a variety of products to cater the emerging needs of the public and is in forefront by providing innovative services to facilitate its policyholder'. At present, women started to shine in every field and earn at par with that of their male counterparts and thereby enjoy both personal and professional life. In this regard, a study is conducted among 575 working women policyholders in Coimbatore district to know the level of their satisfaction on the services offered by LIC. The study revealed that majority of the policyholders are satisfied with the services offered by LIC. Level of Utilization, Level of Awareness, Recommending others to avail policy from LIC, Loan availed on policy, Educational Qualification - HSC, Diploma, UG and family Income has a significant influence on the level of policyholders satisfaction.

**Key Words:** Working Women, Policyholders', Satisfaction, LIC and Services Offered

**Introduction:**

Today, women have become a significant part of the family, society and nation. As nations develop, the mindset of the people also changes. Till few decades back in India, women were not allowed to work outside as it would ruin the reputation of the family and so they were not accepted by the society. Due to the changes in educational system, economic policies, political developments, cultural changes, technological advancement have changed the role of women in the society and also influence the course of social changes among nations. Further, women in India live longer than men and it is necessary for them to save for their future. Life insurance is one of the significant protective tools to safeguard them as well as their family from financial hardship. Life Insurance Corporation of India (LIC) was established by passing a special act in the parliament in 1956 with the sole objective of providing life insurance benefits to all segments of people in the nation. By passing Insurance Regulatory and Development Authority (IRDA) Bill in our parliament in 1999, the sector was opened to the private players and now there are 24 life insurance companies operating in India including LIC (IRDA Website). At present the LIC has its corporate office at Mumbai with 8 zonal offices, 113 Divisional Offices, 2,048 Branches, 1,401 Satellite Offices, 1240 Mini Offices and 30,992 Agent Points spread across the length and breadth of the country.

**Review of Literature:**

Subhashini. S and Velmurugan. R (2016) in their study entitled, "Policyholders satisfaction of Life Insurance product" reveal that marital status, educational qualification and sum assured is found to be significantly associated with the level of satisfaction.

Manimegalai. V (2014) in her study entitled, "Expectations and satisfaction of consumers in rural market with the services offered by life insurance corporation of India revealed through factor analysis" portray that the policyholders are satisfied with the services offered by the LIC like Feel safe, best interest, confidence error free record, prompt services and personal attention have a significant influence on policyholders satisfaction.

Thirumaran and Jai Ganesh. K (2012) in their study entitled, "Satisfaction of policyholders services provided by LIC" disclose that new product, effective clarification of doubts, affordable premium, proper compliance of terms and conditions of policies and low administrative and other charges influences the policyholders satisfaction.

**Statement of the Problem:**

Gregory Ciotti (2014) states that a satisfied customer repeatedly buys the product, seldom shops around, refers other customers and is a real advocate for the business. In this era of growing competition, the task of providing and maintaining higher level of customer satisfaction has become one of the most important challenges for life insurance players. Moreover, a working woman normally expects risk-free investment and user-friendly services. So, LIC has come out with ground-breaking measures like innovation in the new

products, continuous monitoring of policyholders' behavior, government policy intervention, enhanced competitive strategies, enlarged distribution network, automated and technological advancements and quality in client relationship to match the changing life styles and thereby to satisfy the needs of both the present and the potential customers. They have also initiated the steps to bring back their lost policyholders. But still, only 59 per cent of women have a life cover when compared to 64 per cent of men. This raises the questions like what is the working women policyholders' satisfaction on the services offered by LIC? What are the variables that determine their level of satisfaction?

**Objectives of the Study:**

The following are the objectives of the study:

- ✓ To assess the level of working women policyholders satisfaction on the services of LIC
- ✓ To ascertain the determinants of LIC working women policyholders' satisfaction

**Research Methodology:**

The present study is based on both primary and secondary data. Interview schedule was used to collect the opinion from 575 working women policyholders of LIC in Coimbatore District by adopting convenient sampling technique. Annual reports of IRDA as well as LIC and articles from journals, bulletins and websites form the secondary sources. Data is analyzed by using simple percentage analysis, correlation analysis, multiple regression analysis and step-wise regression.

**Significance of the Study:**

LIC offers various products and services to cater the needs of its policyholders. This study helps the working women to know more about the products offered and facilities provided by their insurer. Life Insurance Corporation of India can utilize the study to know the emerging needs of the working women policyholders. Accordingly, the Corporation can design the customized plans and services to facilitate the policyholders. Agents being the intermediate between the policyholders and the company can know the real expectations of the policyholders. Insurance Regulatory and Development Authority (IRDA) can make use of the study to know about the performance of LIC with reference to working women policyholders segment. The government can know the real potential of the corporation and can formulate more innovative social security schemes especially for women policyholders.

**Limitation of the Study:**

- ✓ The present study mainly relays on primary data. And hence, the data collected from the respondents may be biased in nature.
- ✓ The working women policyholders in Coimbatore District alone have been selected to express their opinion on the services of LIC.
- ✓ And therefore, caution must be taken while generalizing the results of the study.

**Findings of the Study:**

**Level of Satisfaction:**

Working women policyholders' level of satisfaction on the services offered by the LIC has been measured by giving scores to satisfaction related questions. Forty eight questions are in the questionnaire. Among that forty six questions are rated on five point scale and two questions are rated in one point scale. Thus, maximum score a policyholder would get is 232. Based on satisfaction index score, policyholders are divided in to three groups as policyholders with low, medium and high level of satisfaction. Accordingly, policyholders with satisfaction index score upto 68.37 are termed as policyholders of low level of satisfaction; the policyholders with index score from 68.38 and 81.90 are termed as policyholders with medium level of satisfaction and those policyholders with satisfaction index score with 81.91 and above are termed as policyholders with high level of satisfaction on the services offered by LIC. Table 6.1 reveals that of the 575 policyholders, 97 (16.87 per cent) have low level of satisfaction; 403 (70.09 per cent) have medium level of satisfaction and the rest 75 (13.04 per cent) have high level of satisfaction on the services offered by LIC.

Table 1: Level of Satisfaction

Level of Satisfaction	Number of Policyholders	Percentage
Low	97	16.87
Medium	403	70.09
High	75	13.04
<b>Total</b>	<b>575</b>	<b>100.00</b>

Sources: Primary Data

It is revealed that 97 (16.87 per cent ) working women policyholders are with low level of satisfaction, 403 (70.09 per cent) working women policyholders are with medium level of satisfaction and 75 (13.04 per cent) of policyholders are with high level of satisfaction on the services of LIC.

**Nature and Association of Select Variables:**

In order to ascertain the nature and quantum of association of variables with working women policyholders' satisfaction, correlation analysis is applied. First, partial correlation co-efficient has been found

out by considering thirty two variables. Variables with negligence partial correlation co-efficient are also excluded as they are likely to have very thin association with working women policyholders' satisfaction.

Variables considered after Partial Correlation co-efficient are Educational Qualification - Up to HSC, Diploma and Under-Graduate, Type of Family, Family Income, Level of Awareness, Level of Utilization, Loan Availed on Policy, Further Insurance with the Same Insurance Company and Recommending others to Avail Policy From LIC.

Table 2: Variables Associated with Working Women Policyholders' Satisfaction on the Services Offered by LIC - Correlation Analysis

Variables	r	r <sup>2</sup>
Educational Qualification – Up to HSC	0.071	0.005
Educational Qualification – Diploma	0.112**	0.013
Educational Qualification – Under-Graduate	0.076	0.006
Type of Family	0.057	0.003
Family Income Per Month	0.134**	0.018
Level of Awareness	0.221**	0.049
Level of Utilization	0.239**	0.057
Loan availed on the Policy	0.104*	0.011
Further association with the same insurance company	0.054	0.003
Recommending others to avail policy from LIC	0.130**	0.017

\* Significant at five per cent level

\*\* Significant at one per cent level

Sources: Primary Data

Out of these ten variables selected for correlation analysis, six variables have been found to be significant. Of them Educational Qualification - Up To Diploma and Under-Graduate, Type of Family, Family Income, Level of Awareness, Level of Utilization, Further Insurance with the Same Insurance Company and Recommending Others to Avail Policy From LIC are found to be significant at one per cent level and loan availed on policy is found to be significant at five per cent level. The coefficient of determination (r<sup>2</sup>) shows that select variables account for the respective per cent of the variation in the level of satisfaction.

**Determinants of Working Women Policyholders' Satisfaction:**

In order to find out the variables that determines the women policyholders' satisfaction, all the variables included for correlation analysis have been regressed on satisfaction index. The following regression equation has been framed to ascertain the impact of the variable on women policyholders' satisfaction

$$WPS = a + b_1 HSC + b_2 DIP + b_3 UG + b_4 TF + b_5 FI + b_6 LOA + b_7 LOU + b_8 LAOP + b_9 FASIC + b_{10} RO + e$$

Where,

- WPS - Policyholder Satisfaction
- A - Intercept Term
- HSC - Educational Qualification – Up to HSC
- DIP - Educational Qualification – Diploma
- UG - Educational Qualification – Under-Graduate
- TF - Type of Family
- FI - Family Income
- LOA - Level of Awareness
- LOU - Level of Utilization
- LAOP - Loan Availed on Policy
- FASIC - Future Association with the Same Insurance Company
- RO - Recommending Others to Avail Policy from LIC
- e - Error Term

Table 3: Variables Associated with working Women Policyholders' Satisfaction on the Services offered by LIC - Multiple Regression Analysis

Variables	Regression coefficient	Standard Error	T (d.f = 564)
Educational Qualification – Up to HSC	3.026**	0.787	3.843
Educational Qualification – Diploma	3.220**	0.998	3.228
Educational Qualification – Under-Graduate	1.648*	0.636	2.590
Type of Family	0.507	0.577	0.878
Family Income	0.763*	0.359	2.127
Level of Awareness	1.455**	0.451	3.223
Level of Utilization	2.438**	0.587	4.156

Loan availed on the Policy	1.507*	0.599	2.516
Further association with the same insurance company	-1.294	0.854	-1.514
Recommending others to avail policy from LIC	2.830**	0.857	3.303

Sources: Primary Data

Constant	:	62.648
Std. Error of Estimate	:	6.30720
$\bar{R}^2$	:	0.133
R <sup>2</sup>	:	0.148**

\* Significant at five per cent level

\*\* Significant at one per cent level

**Educational Qualification – Up to HSC:** The regression analysis indicates that educational qualification up to HSC positively influences the policyholder satisfaction. The impact is found to be highly significant. The value of regression co-efficient indicates that if educational qualification increases the level of working women policyholders' satisfaction tends to increase by 3.026.

**Educational Qualification – Diploma:** The regression analysis shows that educational qualification diploma positively influence the policyholder satisfaction. The impact is found to be highly significant. The value of regression co-efficient indicates that if educational qualification increases the level of working women policyholders' satisfaction tends to increase by 3.220.

**Educational Qualification - Under Graduate:** The regression co-efficient shows that educational qualification undergraduate positively influence the policyholder satisfaction. The impact is found to be significant. The value of regression co-efficient indicates that if educational qualification increases the level of working women policyholders' satisfaction tends to increase by 1.648.

**Family Income:** Family income positively influences the level of women policyholders' satisfaction and the impact is also found to be significant. The value of regression co-efficient indicates that if family income increases the level of working women policyholders' satisfaction tends to increase by 0.763.

**Level of Awareness:** The regression analysis shows that policyholder's level of awareness is positively influencing the policyholder satisfaction. The impact is found to be highly significant. The value of regression co-efficient indicates that if level of awareness increases the level of working women policyholders' satisfaction tends to increase by 1.455.

**Level of Utilization:** The regression analysis shows that policyholder's level of utilization is positively influence the policyholder satisfaction. The impact is found to be highly significant. The value of regression co-efficient indicates that if level of utilization increases the level of working women policyholders' satisfaction tends to increase by 2.438.

**Loan Availed on the Policy:** Loan availed on the policy positively influences the level of policyholders' satisfaction and the impact is also found to be significant. The value of regression co-efficient indicates that if loan availed on the policy increases, the level of working women policyholders' satisfaction tends to increase by 1.507.

**Recommending Others to Avail Policy from LIC:** Recommending others to avail policy from LIC positively influences the level of policyholders' satisfaction and the impact is also found to be highly significant. The value of regression co-efficient indicates that recommending others to avail policy from LIC, the level of working women policyholders' satisfaction tends to increase by 2.830. The value of R<sup>2</sup> is found to be significant at one percentage level. This shows that regression equation framed is best suited. 13.30 per cent of variation in level of working women policyholders' satisfaction is due to the selected variables.

**Variables Prominently Associated With Working Women Policyholders' Satisfaction:**

To find out variables that are prominently associated with working women policyholders' satisfaction, step-wise regression is carried out.

Table 4: Variables Prominently Associated with Working Women Policyholders Satisfaction on the Services offered by LIC - Step-wise Regression Analysis

Step	Constant	LOU	LOA	RO	LAOP	HSC	DIP	UG	FI	R <sup>2</sup>
1	68.246	3.356	-	-	-	-	-	-	-	.057
2	66.514	2.599	1.691	-	-	-	-	-	-	.079
3	65.007	2.484	1.769	2.064	-	-	-	-	-	.095
4	64.687	2.447	1.756	2.093	1.498	-	-	-	-	.105
5	64.144	2.548	1.795	2.090	1.464	1.799	-	-	-	.114
6	64.121	2.557	1.657	2.084	1.573	2.034	2.560	-	-	.124
7	63.786	2.547	1.551	2.099	1.465	2.604	3.157	1.643	-	.134
8	62.308	2.439	1.484	1.927	1.467	2.884	3.108	1.584	0.854	.144

Sources: Primary Data

In the first step, the variable 'Level of Utilization' has been introduced. This variable contributes 5.7 per cent to the variation in the satisfaction of working women policyholders. 'Level of Awareness' is introduced as the second variables and along with the 'Level of Utilization', this variable accounts for 7.9 per cent variation in the working women policyholders satisfaction. The second variable has increased the satisfaction by 2.2 per cent.

'Recommending others to avail policy from LIC' is introduced as a third variable. It accounts to 9.5 per cent of variation in the satisfaction along with the previously introduced variables and it individual contributes to an increase of satisfaction by 1.6 percent. The fourth variable introduced is 'Loan Availed on Policy', along with other three variables it accounts to 10.5 percent of variation in the satisfaction of working women policyholder with an individual contribution of 1.00 per cent.

In the fifth step, the variables 'Educational Qualification – Up to HSC' have been introduced. The total contribution has increased to 11.4 per cent with the variables sole contribution of 0.9 per cent. The variables 'Educational Qualification – Diploma' is introduced in sixth step, which has an individual contribution of 1.00 per cent accounting to a total contribution of 12.4 per cent.

The total contribution is further increased by 1.00 per cent to 13.4 per cent, with the introduction of the variables 'Educational Qualification – Under-Graduate'. Family income is last variable introduced in step eight and it individually contributes 1.00 per cent to the variation of satisfaction and thereby increasing the total contribution to 14.4 percent.

The total contribution of the eight variables are namely (i) Level of Utilization, (ii) Level of Awareness, (iii) Recommending others to avail policy from LIC, (iv) Loan Availed on Policy, (v) Educational Qualification – Up to HSC (vi) Educational Qualification – Diploma (vii) Educational Qualification – Under-Graduate and (viii) Family Income is 14.4 per cent. The  $R^2$  value of the multiple regression amounts to 14.8 per cent. The difference of 0.4 per cent is due to the contribution by other variables.

#### **Suggestions:**

Based on the study, the following suggestions are offered to enhance the level of satisfaction of the policyholders.

- ✓ Frequently update the information on the newly arrived products and services offered.
- ✓ Try to utilize the customized services to the maximum extent.
- ✓ Enhance the amount of Life cover with change in standard of living.
- ✓ Use the social media as a platform to share your experience on the services received from your insurer.
- ✓ Register your inconvenience and grievance immediately to official concerned.

#### **Conclusion:**

LIC has converted its challenges in the competitive environment as an opportunity to mould itself and it has introduced more customized products and services to facilitate its policyholders. The present study reveals that majority of working women policyholders are satisfied with the services offered by LIC and they also wish to go for further insurance with the corporation itself. The policyholders also recommend their friends and relatives to avail life cover with LIC. So, LIC must frame strategic marketing plan to retain its existing policyholders as well as to attract new ones.

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