

**Customer Perception Towards LIC Products And Services  
(A Survey Conducted On Customers Of LIC)**

**Vishal Monga**

Assistant Professor,  
Department of management  
Ferezepur institute of management,  
Ferezepur, Punjab, India

**Jaskeen Kaur**

Ferezepur, Punjab, India

**Abstract**

The spread of knowledge, education, internet, and the act of privatization has contributed to an exceptional growth of the Indian insurance sector. Insurance has moved out from being a mere risk coverage activity to that of very attractive investment avenues for the common man. The insurance companies have made big inroads into the rural insurance market in India because more than 70 percent of people live in rural. It is expected that rural insurance will become the biggest beneficiary of the new product and of the technology innovation in the sector of insurance, in the next decade. The present study examines perceptions of India's rural masses with regards to life insurance services and the diverse factors which influence their choice. Findings of the research show that basic socio demographic and economic variables have significant impact on consumers' perception towards insurance services.

**Introduction**

Life insurance business in India was being transacted by private companies until 1956. As a result of the long felt need and in the interest of insuring public, the life insurance business was nationalized in 1956. The nationalization resulted in the establishment of Life Insurance Corporation of India (LIC) by an act of the Parliament. The Corporation was formed and began to function on September 1, 1956 by taking over 170 companies and 75 provident societies. The entire initial capital of Rs.5 crore was contributed by the government of India. The objective of nationalization was described by the then finance minister, Dr. Deshmukh as "to see that the gospel of insurance is spread as far and wide as possible so that we reach beyond the more advanced urban areas well into the hither to neglected rural areas"

**Product and Services**

**1. Aam Aadmi Bima Yojna**

**Features**

Ministry of Finance, Government of India has approved the merger of Social Security Schemes viz., Aam Aadmi Bima Yojana (AABY) and Janashree Bima Yojana (JBY).

The merged scheme is renamed "Aam Aadmi Bima Yojana" and has come into effect from 01.01.2013.

• A Details Of The Scheme

. Eligibility criteria:

1. The members should be aged between 18 years completed and 59 years nearer birthday.
2. The member should normally be the head of the family or one earning member of the below poverty line family (BPL) or marginally above the poverty line under identified vocational group/rural landless household.

2. Nodal Agency

"Nodal Agency" shall mean the Central Ministerial Department/State Government / Union Territory of India/any other institutionalized arrangement/any registered NGO appointed to administer the Scheme as per the rules. In the case of "Rural Landless Households", the nodal agency will mean the State Government/Union Territory appointed to administer the Scheme.

3. Age Proof

- a) Ration Card
- b) Extract from Birth Register
- c) Extract from School Certificate
- d) Voter's List
- e) Identity card issued by reputed employer/Government Department
- f) Unique Identification Card (Aadhar Card)

4. Premium

The premium to be charged initially under the scheme will be Rs.200/- per annum per member for a cover of Rs.30,000/-, out of which 50% will be subsidized from the Social Security Fund . In case of Rural Landless Household (RLH) remaining 50 % premium shall be borne by the State Government/ Union Territory

## 2. Insurance plans

As individuals it is inherent to differ. Each individual's insurance needs and requirements are different from that of the others. LIC's Insurance Plans are policies that talk to you individually and give you the most suitable options that can fit your requirement

### Endowment Plan

- » LIC's Jeevan Pragati
- » LIC's Jeevan Labh
- » LIC's Single Premium Endowment Plan
  - » LIC's New Endowment Plan
  - » LIC's New Jeevan Anand
  - » LIC's Jeevan Rakshak
  - » LIC's Limited Premium Endowment Plan
  - » LIC's Jeevan Lakshya

### A.Lic's Jeevan Pragati

LIC's JEEVAN PRAGATI PLAN (UIN: 512N306V01):-LIC's Jeevan Pragati Plan is a non-linked, with - profits plan which offers a combination of protection and savings. This plan provides for automatic increase in risk cover after every five years during the term of the policy. In addition, this plan also takes care of liquidity needs through loan

### B. Lic's Jeevan Labh

LIC's Jeevan Labh is a limited premium paying, non-linked, with-profits endowment plan which offers a combination of protection and savings. This plan provides financial support for the family in case of unfortunate death of the policyholder any time before maturity and a lump sum amount at the time of maturity for the surviving policyholder. This plan also takes care of liquidity Needs Through Its Loan Facility.

### C.Single Premium Endowment Plan

LIC's SINGLE PREMIUM ENDOWMENT PLAN (UIN: 512N283V01)

LIC's Single Premium Endowment Plan is a participating non-linked savings cum protection plan, where premium is paid in lump sum at the outset of the policy. This combination provides

financial protection against death during the policy term with the provision of payment of lumpsum at the end of the selected policy term in case of his/her survival. This plan also takes care of liquidity needs through its loan facility.

#### **Money Back Plans**

- » LIC's New Money Back Plan - 20 Years
- » LIC's New Money Back Plan - 25 Years
- » LIC's New Bima Bachat
- » LIC's New Children's Money Back Plan
- » LIC's Jeevan Taru

#### **LIC's New Money Back Plan - 20 Years**

LIC's New Money Back Plan-20 years is a participating non-linked plan which offers an attractive combination of protection against death throughout the term of the plan along with the periodic payment on survival at specified durations during the term. This unique combination provides financial support for the family of the deceased policyholder any time before maturity and lump sum amount at the time of maturity for the surviving policyholders. This plan also takes care of liquidity needs through its loan facility.

#### **3. Term Assurance Plans**

- » LIC's Anmol Jeevan II
- » LIC's Amulya Jeevan II
- » LIC's E-Term
- » LIC's New Term Assurance Rider - (Uin: 512b210v01)

##### **LIC's Anmol Jeevan II**

LIC's Anmol Jeevan - II is a protection plan which provides financial protection to the insured's family in case of his/her unfortunate demise.

##### **LIC's Amulya Jeevan II**

LIC's Amulya Jeevan - II is a protection plan which provides financial protection to the insured's family in case of his/her unfortunate demise

#### **4. Pension Plans**

- » Jeevan Akshay-VI
- » LIC's New Jeevan Nidhi

##### **Jeevan Akshay-VI**

It is an Immediate Annuity plan, which can be purchased by paying a lump sum amount. The plan provides for annuity payments of a stated amount throughout the life time of the annuitant. Various options are available for the type and mode of payment of annuities.

##### **Micro Insurance Plans**

LIC's Micro Insurance Plans are not plans but opportunities that knock on your door once in a lifetime. These plans are a perfect blend of insurance, investment and a lifetime of happiness!.

- » LICs New Jeevan Mangal
- » Micro - Insurance Forms
- » LIC's Bhagya Lakshmi Plan

LICs New Jeevan Mangal

LIC's New Jeevan Mangal is a protection plan with return of premiums on maturity, where you may pay the premiums either in lump sum or regularly over the term of the policy. This plan has an in-built Accident Benefit which provides for double risk cover in case of accidental death.



### LIC's Bhagya Lakshmi Plan

LIC's Bhagya Lakshmi is a non-par limited payment protection oriented plan with return of 110% of total amount of premiums payable on maturity where the premium paying term is 2 years lesser than the policy term

### Review of Literature

To carry the research work the researcher has gone through a few reports, books, journals and websites. The details regarding Life Insurance Industry, history, origin and growth of the industry is also taken from some books, magazines etc. The sources of this information is as follows :

- Catalogues and Broachers from various life insurance companies.
- Articles from magazines and news paper.
- Information from various websites.

### Objectives Of The Study

The study aims at identifying the overall customer perception towards the LIC product and services. The study also aims at analyzing the market survey and thereby finding out investment pattern of the customer.

### Research Methodology

During this research Exploratory research is taken into consideration because of availability of relevant information to describe the relationships between marketing problem and available information.

#### ❖ Types Of Data Used

Both primary and secondary data is used in this research.

#### ❖ Data Collection Methods

To conduct the market research the data is collected by two sources

#### ❖ Secondary Data

Secondary data is one which already exists and is collected from published sources

The sources from which data was collected was

- Newspapers and Magazines like The Economic Times Insurance Times and Insurance post
- Internet

#### ❖ Sample Size

• Sampling unit: The customers will be stratified and segmented according to their age, income, cultural background, gender, education, etc

- Sampling size: A survey was conducted for Eighty respondents

### Limitations of the Study

Getting accurate responses from the respondents due to their inherent problems was difficult. They were partial, and refused to co-operate and Locating the target respondents was very time consuming.

### Analysis and Interpretation

1.1 Reveals kind of investment

PARTICULARS	NUMBER	PERCENTAGE
SHORT TERM	39	48.75
LONG TERM	34	42.5
BOTH	7	8.75

1.2 reveals the schme of investment prefferred

PARTICULARS	NUMBER
WHOLE LIFE	10
ENDOWMENT PLUS	25
MONEY BACK	35
PENSION FUND	7
ULIP	3

1.3Reveals satisfaction level of the customers

PARTICULARS	NUMBER
FULLY SATISFIED	50
PARTIALLY SATISFIED	25
NOT SATISFIED	5

1.4Reveals rational behind the investment

PARTICULARS	NUMBER
INDIVIDUAL RISK COVERAGE	25
TAX BENIFITS	10
GROTH AND RETURN ON INVESTMENT	20
RISK COVERAGE OF FAMILY	20
CHILD WELFARE	5

**Recommendations and Suggestions**

Of all the life insurance companies LIC enjoys great creditworthiness. Most people know LIC as only life insurance company. In modernized well advanced hi\_tech approach to the customer every possible facilities and effort to build up the confidence of rising policyholders towards insurance companies to complete one another nothing is left to recommend .But some recommendations that are intensely felt and highly required for insurers to sustain in the market are as follows:

- More transparency should be ascertained between insurers and policyholders.
- Every product launched should be more towards security of policy holder
- Policies related to child welfare should be introduced more
- Complexity of formalities should be reduced
- Insurance policies should be such that it should be beneficial for insured as well as insurers.

**References**

1. Philip Kottler Et.al, Marketing Management: Challenges and opportunity, prentice hall of India Pvt ltd., vol II, Feb. 2015. 470-474
2. "Lic policies" (2016, March 29), Journal: Business practices.
3. [www.licofindia.com/strategic.html](http://www.licofindia.com/strategic.html)
4. [http://em.wikipedia.org/wiki/LIC\\_policies](http://em.wikipedia.org/wiki/LIC_policies)