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A Review Of Consumer Perception Towards Life Insurance Products

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ABSTRACT:
The perspectives of individuals possessing life insurance policies. In the aftermath of the COVID-19 outbreak, individuals' concerns regarding their health and safety have intensified. The demand for insurance products, particularly life insurance, has surged since this event. An increasing number of individuals are acquiring insurance due to the fierce competition among providers. Throughout the years, insurance products have experienced considerable innovation. This tragedy has resulted in customers becoming more knowledgeable about their insurance options and intensified competition within the insurance market. This research seeks to address knowledge deficiencies in the current literature by gathering and analyzing policyholder feedback regarding the offerings of the Life Insurance Corporation of India. The inquiry was conducted utilizing secondary sources. The systematic literature review indicates that this study is deficient in data regarding policyholders' perceptions of LICI products.

Keywords: *Perception; Policyholders; Insurance products; LICI; Post Covid Period*

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1. INTRODUCTION

India possesses a robust, diverse, adaptable, and proficient financial sector. Furthermore, it assists India in its quest for a market-oriented, rigorous, and sustainable economic framework. The emergence of innovative financial technology and the proliferation of insurance outsourcing services have created a highly competitive industry. This significantly influences customer behavior. Consequently, the insurance sector must enhance its understanding of customers' viewpoints on technology to ensure the satisfaction of its online insurance clientele.

The Insurance Regulatory and Development Authority, one of these insurance organizations, was established in 2000. Its authority to regulate the insurance sector and protect policyholders' interests is significant. The Indian government regulates the insurance sector. The company is regulated by the IRDA Act of 1999 and the Insurance Act of 1938. The insurance sector in India experienced greater competition and transparency in the past. The market became open and competitive once more following the government's intervention.

Many individuals perceive life insurance as a means to substitute "risk" with assurance. The death of a primary breadwinner benefits the family collectively. Given that the life insurance industry prioritizes quality, the organization has invested considerable resources in improving customer service. Nevertheless, there has been scant investigation into the efficacy of life insurance in India.

Given the life insurance sector's emphasis on quality, the organization has invested considerable resources in improving customer service. Nevertheless, there has been scant research regarding the efficacy of life insurance in India. It suggests that the group is functioning independently. Currently, life insurance is provided by 23 distinct companies in India. Life Insurance Corporation possesses a greater number of financial plans than any other entity among the largest publicly traded companies globally.

As consumers gain access to increased information and options, their expectations will inevitably escalate. They desire improved service. For the Life Insurance Corporation of India to achieve success, it must deliver services of exceptional quality. Nevertheless, experts globally have invested considerable time and effort into this endeavor. We will present a concise summary of several of these masterpieces.

All individuals in the group who executed a waiver guaranteeing safety from a specific hazard should receive compensation in the event of any adverse occurrence. In exchange for the payment received today, you consent to honor the commitment. Individuals employ this expression when they are uncertain about their ability to fulfill a promise when the moment arrives. In India, LIC serves a diverse clientele by offering an extensive array of products.

2.REVIEWOF LITERATURE

(Sadhak, 2006) India, a strong correlation exists between macroeconomic indicators and life insurance statistics (Sudhan, 2006). This demonstrates that life insurance positively influences stock prices. These findings indicate that the demand for life insurance is highly responsive to macroeconomic conditions. When these components converge, they create a distinctive entity.

(Vijayalakshmi and Keith, 2007) Several analysts have posited that insufficient regulatory compliance is responsible for the current level of competitiveness in the insurance industry (Vijayalakshmi and Keith, 2007). In recent years, commercial and public insurers have intensified their competition with each other. To enhance their market share, revenue, and insurance coverage, insurance companies such as LIC prioritize delivering services that are transparent, reliable, and easily accessible to consumers.

(**Asthma and J Ravi Kumar, 2007)** The success of an insurance provider is directly correlated with the quality of its offerings (Asthma and J Ravi Kumar, 2007). An efficiently functioning financial system is crucial for economic growth. The efficacy of an insurance company is significantly determined by the caliber of its offerings. The investigation revealed the application of various valuation methods and the influence of unrelated factors on the ratings of the commodities involved.

(McMinn, Kate, 2008) In response to the ongoing economic decline, a recent American study (McMinn, Kate, 2008) examined the function of insurance. Prioritize the attributes that corporate clients deem most significant when selecting general insurance and supplementary benefits. Siddiqui (2009) examines additional significant economic factors to enhance understanding of the current state of the Indian life insurance sector and its implications for all Indian life insurance companies. He asserts that since the establishment of IRDA, the magnitude of the Indian life insurance sector has more than doubled.

(Siddiqui, 2010) The designated service quality metric to assess client satisfaction (Siddiqui, 2010). This essay seeks to present a strategy for attracting and retaining customers by delivering exceptional service. The study indicates that service quality significantly influences customer satisfaction with the business, agents, and services. This typically signifies a significant decline in individuals' levels of happiness. Enhancing service quality must precede the implementation of this concept. Customers will form a more favorable perception of the business, its exceptional services, and the diligent agents as a consequence. This results in more satisfied policyholders who appreciate their life insurance.

(Sharma's. T., 2010) Asserts that Western research methodologies require adaptation to evaluate service quality and align with the needs of India's life insurance sector. The results indicate a diverse array of service-related attributes that influence customer satisfaction. Factors considered include the representatives' expertise, the quality of their services, and the overall efficiency of the company's operations. Customer satisfaction is consequently influenced by the interplay of these factors. The primary focus of the research was the Indian life insurance market. Nevertheless, global life insurance markets may gain from the article's insights and recommendations to improve service quality and customer satisfaction.

(Sandhog, 2011) Examine individuals' perceptions of the value of life insurance services using a novel methodology. A measuring scale was developed, calibrated, and validated following a specified protocol. The data was extracted from a survey of 337 clients in Punjab, a highly developed state in India. A study also examines the influence of each newly defined service quality category on consumers' perceptions of the overall quality of life insurance services.

(Ghosh Alman, 2011) The seven factors evaluated significantly influenced the overall quality of services rendered by the Life Insurance Corporation of India. The three components are physical and moral excellence, proficiency, and utility.

(Sandhog and Nagpal, 2011) The expansion of life insurance in India was examined in relation to the development of life insurance enterprises (Ghosh Alman, 2011). The survey indicates that modifications in the insurance sector have resulted in the growth of the Indian life insurance market. This is substantiated by the considerable growth potential of the life insurance sector.

(Baal and Sandhog, 2011) An Empirical Assessment of the SERVQUAL Instrument" (Sandhog and Nagpal, 2011) concluded that the SERVQUAL tool is ineffective for the Indian life insurance sector. Further research is required to enhance the understanding of the performance of life insurance services in India and to identify potential improvements.

(Madan, 2012) "A Comparative Analysis of Customers' Perceptions of Service Quality in Public and Private Insurance Companies Using SERVQUAL" was conducted by the researcher in response to the Indian government's endorsement of the expansion of private insurance companies (Baal and Sandhog, 2011). According to the agency, businesses endeavor to differentiate themselves and maintain their competitive edge.

(**Arum et al., 2012**) Asserts that the presence of children or other dependent family members enhances the probability of acquiring micro life insurance. Micro life insurance would therefore constitute a valuable gift. Evidence indicates that micro-life insurance is more prevalent among higher-income families than among lower-income families.

(M.Selva Kumar and J Vial Priyana, 2012) LIC remains the largest insurance company in the world. Acquiring a greater share of the market is an additional objective of the private insurer. Given that life insurance can generate substantial savings, it is vital for market economies. Market share, fees, and programs served as metrics to analyze how companies establish their pricing.

Individuals in Lithuania consider their financial circumstances and other personal factors when determining whether to obtain life insurance (M. Silva Kumar and J. Vial Priyana, 2012). Childless families concentrate on diverse issues, but upon having children, they refine their focus. This is based on psychological research.

Ulbinaite et al. (2013) conducted a comparative analysis of LIC's claim payment frequency relative to other Indian insurance companies. The article addresses potential fraud in the claims settlement process. Regardless of the circumstances, clients can safeguard themselves against fraud by meticulously adhering to all procedures. The LIC of India manages client cases with efficiency. One potential advantage of D-mat is its ability to streamline and expedite the claims processing procedure. The authors analyzed the consistency of claim payments by LIC and other life insurance companies. A survey was conducted to gather customers' opinions on the claims settlement process.

(Newer, 2013) Indicates that the insurance industry experienced rapid growth. The global populace is intrigued by the expansive Indian market. Significant unrealized growth potential exists within the insurance sector. Multiple global studies have forecasted that the insurance market in India will expand by approximately 125% within the next decade.

(Farokhian.S. Vazifehdus.H., 2013) the authors analyzed both the extent of customer comprehension regarding these processes and the manner in which LIC manages claims during disbursement. The degree to which LIC's claims administration influenced the sales of life insurance plans captured their attention.

(Yadav and Mohandas, 2013) The amount of cash available was substantial. The company's assets can fulfill its short-term liabilities. Consequently, it is evident that LICI can surmount the challenges and attain the benefits.

(**Ptyalin Chandra Khan and Mitra, 2014**) The business's current assets sufficiently exceed its current liabilities. Despite the intense competition in this industry, LICI can still augment its revenues.

(Kuhlemeyer, A. G., and Allen, H.G., 2014) Assert that it is essential to compare customer satisfaction rates for life insurance transactions. This study analyzes the happiness levels of individuals who utilize a broker or agent in comparison to those who do not. Life insurance companies, along with their offerings and services, are assessed according to policyholder satisfaction utilizing contemporary methodologies. The survey findings indicate multiple factors that influence an individual's satisfaction level. These factors encompass confidence, competence level, and product satisfaction.

(Korana & Sunita, 2014) Indicates that enhancements in service quality correlate positively with increased customer satisfaction. We employed factor analysis to examine the responses derived from the raw data. The correlation between customer satisfaction and quality of service in the life insurance sector was analyzed through multiple regression models. The study indicates that the primary factors influencing customer satisfaction are their expectations and perceptions of the service's reliability, trustworthiness, authenticity, and dependability. The survey indicates that customers are more predisposed to express their opinions regarding these benefits.

(Rao, 2015) The primary catalysts of this growth are policy modifications, increasing middle-class incomes, stable financial markets, reduced risk-taking, and improved regulations.

(Sharma, 2016) Our inquiry will primarily concentrate on consumers who explicitly assert their affiliation with specific ethnic groups. A substantial quantity of assessments corroborates the investigation. This assessment includes evaluations of validity and reliability, as well as an explanatory factor analysis. An ANOVA test, which considers a single variable, was employed to determine the statistical significance of the data. It was essential to meet various criteria to complete the test.

(Rajendran, 2016) Investigates public sentiment regarding online insurance. The study seeks to identify the factors influencing customer satisfaction with online insurance purchases and their purchasing decisions. Insurance consumers purchase policies online for various reasons, and research indicates that the majority are satisfied with the service provided.

(Sabatini R., 2016) Comparing local and international banks reveals moderate to significant disparities in service quality and customer satisfaction. Multiple hypotheses have been proposed in various studies to explain these discrepancies. However, to date, researchers have not identified a solution to the problem.

(Panigrahi & Aziza, 2018) Employed exploratory, descriptive, and confirmatory factor analyses. The study indicates that customer satisfaction, confidence, and purchase intention are substantially influenced by the SERVQUAL criteria. This study demonstrates that when a salesperson exhibits empathy and effectively alleviates clients' anxieties, the likelihood of clients purchasing life insurance from them significantly increases. Aligning all quality-related processes with the organization's objectives and strategies is essential for enhancing its competitiveness, as evidenced by the framework.

Dr.T.Unnamalai (2018) Asserts that the Life Insurance Corporation has enhanced product awareness and customer satisfaction. The Life Insurance Corporation of India maintains a competitive advantage in the market by utilizing its extensive agent network. This occurred due to police officers placing greater trust in agents than in other personnel.

(Arora & Sharma, 2019) The decision to obtain life insurance is affected by numerous factors. The findings indicate that individuals' social networks substantially affect their likelihood of obtaining life insurance. Insurance settlements, incentive rates, healthcare benefits, and the valuation of third parties are among the numerous significant topics that have been addressed.

(Patel, n.d. 2019 to Identify and rank the specific criteria utilized by life insurance investors in their investment decisions. The results were contingent upon the individual's health, interests, social networks, and method of premium payment.

(Singh, 2020) Indicate that LIC has long been the government's preferred provider of individual life insurance. Individuals are more inclined to trust LIC over institutions within the economic sphere. State-owned enterprises and privately held businesses generate distinctly different forms of revenue. The overwhelming majority of respondents believed that publicly-issued life insurance is more secure than privately-owned policies.

(Rajinikanth, 2021) The primary objective of this survey is to assess the satisfaction levels of LIC clients regarding the services provided to them. A chi-square test could be employed to determine the factors influencing LIC customers' satisfaction with the company. Notwithstanding the intense competition in the Indian insurance sector, data indicates that the public sector company LIC is at the forefront. The survey results indicated that almost all respondents were aware of the existence and functions of the Life Insurance Corporation of India.

RESEARCHGAP:

The organization to fill in knowledge gaps, a full study of how life insurance products are usually used by clients is needed. The life insurance sector experiences a continuous influx of novel concepts and methodologies. Prioritizing the advancement of the Indian economy is essential for fostering growth and broadening insurance coverage nationwide, as the economy remains in its nascent phase. The life insurance sector in India is currently highly competitive. Consumers' desires and needs must be a company's foremost priority to attract new customers and retain existing ones. The advancement of innovative business models that can facilitate the prosperity of the insurance sector and the Indian economy relies on our comprehension of policyholder utilization of life insurance products.

3.CONCLUSION

The popularity of life insurance policies is the perception of the policies by the public. This analysis takes into account a variety of factors, such as the level of trust in the brand, the cost of premiums, the quality of service, the benefits of the policy, the repute of insurance providers, the experience with claim settlement, and the familiarity with the product or service. Consumers who are more financially astute and educated are in search of insurance policies that satisfy their requirements in terms of affordability, transparency, flexibility, and future protection.

Demographic parameters, including age, income, education, occupation, and family obligations, significantly influence customer attitudes toward life insurance, according to the analysis. Consumer expectations have been further altered as insurance services have become more accessible, convenient, and customer-centric as a result of technological advancements such as online policy administration, digital platforms, and mobile applications. Successful marketing communication, financial awareness programs, and personalized advising services are essential for fostering positive consumer attitudes and promoting the adoption of life insurance products.

Financial literacy issues, misunderstandings about insurance policies, complex product features, and a lack of understanding of policy language continue to influence consumer decision-making, despite the increasing awareness of life insurance. Consequently, insurance companies should employ digital technology to facilitate the development of trust and strengthen client relationships, simplify policy information, enhance service quality, better educate customers, and ensure the rapid resolution of claims.

A favorable public image is a significant factor in the life insurance industry's long-term viability, loyalty, policy adoption, and customer satisfaction. Insurance companies can maintain their competitiveness in the market by implementing customer-focused strategies, transparent business practices, and continuous innovation in order to adapt to evolving consumer needs.

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