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INVESTORS PREFERENCE AND DECISION MAKING THROUGH LIC IN KALLAKURICHI TALUK, VILLUPURAM DISTRICT

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ABSTRACT

Life insurance is one of the financial assets for timely recovering the claims who the uncertainty risks against for investors protection of loss future events. Investor's preference and decision making have invested more money for life insurance policy which promotes the socio-economic growth in our society. Government of India contributes sources of capital fixing and preparation on capital budget timely served through various policies and scheme concerted to improve the human resources development in our country. IRDA framed plenty of opportunity are available for customers majority of policy holders have invested excellent past performance to analysis their insured in LIC. Investors have more benefit through insurance sector which safety and secured investment gain numbers of policy and schemes are utilized for long-term investment for future events. LIC is leading rising of capital mobilization of money given multi-variety of financial services change the economic policy and human development in our nation.

KEYWORDS Risk, Policy Satisfaction, Insurance, Preference

Introduction

Life Insurance Corporation is one of the liquidity assets and transferable for payment of the sum assured on completion of the stipulated period of time or on the happening of the death policy holders. Insurance company refers the claims amount of payable by insurance company to various persons who suffered loss on account of the events insured against. Insurance sector may be raise of policy due to death of the policy holders claims intimated, accepted and paid is the basis convention of claims and provision is made. Insurance company provide cover of risk to life feels that risk is taken more than risk bearing capacity which benefited commission receivable by agent and others. Life insurance is major part of surrenders value surrenders and paid up value the policy holders and investors find it very difficult to pay premiums. Public insurance company share the profit which investor gets from the insurance company is distributed 95 percent of the profit to the policy holders. Insurance company recovery claims maximum of maturity period retain the cash profit and bonus plan policy to find out the value of surrendered secured amount claims to policy holders. Insurance sectors existing service of financial plan intimate change in norms to investor cover risk and return to existing policy holders. Professional employees have invested the maximum amount of invest money in insurance sector given number of advantages safe and security for investment though tax benefited to the investors.

Types of Policy

a. Whole life Policy: under the policy the assured sum becomes due for payment to the beneficiary only after the death of the insured. It means that the insurer has to pay premium on such policy throughout his life time.

b. Endowment Policy: It is policy which runs for a fixed period or upto a particular age to the insured. The insured amount became due for payments either on the death of the insured or the expiry of the specific period whichever is earlier.

c. Profit Policy: These types of policies entitles the policy holder to received, In addition to the guaranteed sum payable on maturity, a share in the profit made by the life insurances corporation also.

d. Register of Policy: This register should contain particulars in respect of each policy issued by the insurer such as the name and address of the policy holder, the date of effecting the policy, nature of claims etc.

e. Surrender Policy: Surrender policy is the outright sale of a policy by the insured to the insurance company before the maturity of the policy. This is usually done by a policy holder when he is urgently in need of certain funds and is unable to pay the insurances premium in future. The value paid by the insurances company on surrender of such policy is known as surrender value.

Objectives

To analysis the investors' preference and decision making through invest in LIC

To ascertain the risk and return of policy holders and existing service of the insurance company

To know the profile of the investor and level of satisfaction on policy holders unexpected for future events.

Hypothesis

There is no relationship between Age and Investment in LIC of the respondents with related factors.
There is no relationship between Gender and Investment in LIC of the respondents with related factors.
There is no relationship between Marital and Investment in LIC of the respondents with related factors.
There is no relationship between Education and Investment in LIC of the respondents with related factors.
There is no relationship between Occupation and Investment in LIC of the respondents with related factors.
There is no relationship between Annual Income and Investment in LIC of the respondents with related factors.

Methodology

The present study is descriptive in nature using both primary data and secondary data. Primary data were collected through interview schedule from the respondents in the study area. Secondary data were collected from various journals, magazines, newspaper related website and records of etc. The collected primary data were analyzed by using appropriate Statistical tools like Simple percentage, Chi -square test.

Sampling Techniques

The study is based on simple random sampling technique. The researcher has collected the primary data through survey fact investigation both urban and rural from life insurance policy holder respondents in the study areas. Kallakurichi divided into two stratums as 75 respondents from urban and 75 respondents from

rural were selected on the basis of convenience sampling techniques. Hence, the total sample size is restricted to 150 respondents for the study.

The calculated chi square value is (28.732) lower than the table value (32.312) at 1 per cent level of significance. Therefore, there is a significant relationship among different age with the Investment in LIC used in Kallakurichi Taluk, Villupuram Dist. Hence the null hypothesis (H1) is accepted. The calculated chi square value is (29.723) greater than the table value (24.812) at 1 per cent level of significance. Therefore, there is a significant relationship among different gender with the Investment in LIC used in Kallakurichi Taluk, Villupuram Dist. Hence the null hypothesis (H2) is rejected.

Table -1 Profile of LIC Policy Holders

Profile	Variables	Total		Statistical Tests	
		T. N.R	Percentage	Chi-square	Result
Age	Below- 25	15	10	Chi-Square 28.723 D.F 2 Table value at 1% 32.312	Not Significant
	26- 34	84	56		
	35 - 44	34	23		
	45 and above	17	11		
	Total	**150**	**100**		
Gender	Male	101	67	Chi-Square 29.723 D.F 1 Table value at 1% 24.812	Significant
	Female	49	33		
	Total	**150**	**100**		
Martial	Married	126	84	Chi-Square 36.723 D.F 3 Table value at 1% 39.335	Not Significant
	Unmarried	24	16		
	Total	**150**	**100**		
Education	Illiterate	12	8	Chi-Square 11.263 D.F 3 Table value at 1% 14.223	Not Significant
	Primary	10	6.67		
	Middle	21	14		
	High school	41	27.33		
	Higher secondary	29	19.33		
	Graduate	17	11.33		
	Post graduate and above	20	13.33		
	Total	**150**	**100**		
Occupation	Government	14	9	Chi-Square 7.123 D.F 1 Table value at 1% 6.562	Significant
	Private	9	6		
	Self	40	27		
	Farmer	68	45		
	Labour	19	13		
	Total	**150**	**100**		
Annual Income	Below - 50000	84	56	Chi-Square 8.681 D.F 3 Table value at 1% 6.574	Significant
	51000 - 100000	28	18.67		
	100001- 150000	30	20		
	151000 and above	8	5.33		
	Total	**150**	**100**		
Residence	Town	96	64		
	Village	54	36		
	Total	**150**	**100**		
Term of policy	5 years	5	3.33		
	6 to 15 years	126	84		
	16 to 25 years	13	8.67		
	More than 26 years	6	4		
	Total	**150**	**100**		

Sources: Primary Data

It is calculated chi square value is (36.723) greater than the table value (39.335) at 1 per cent level of significance. Therefore, there is a significant relationship among different marital with the Investment in LIC used in Kallakurichi Taluk, Villupuram Dist. Hence the null hypothesis (H1) is accepted.

It is found that chi square value is (11.263) lower than the table value (14.223) at 1 per cent level of significance. Therefore, there is a significant relationship among different education with the Investment in LIC used in Kallakurichi Taluk, Villupuram Dist. Hence the null hypothesis (H1) is accepted.

The calculated chi square value is (7.123) greater than the table value (6.562) at 1 per cent level of significance. Therefore, there is a significant relationship among different occupation with the Investment in LIC used in Kallakurichi Taluk, Villupuram Dist. Hence the null hypothesis (H1) is rejected.

The calculated chi square value is (8.687) greater than the table value (6.574) at 1 per cent level of significance. Therefore, there is a significant relationship among different annual Income with the Investment in LIC used in Kallakurichi Taluk, Villupuram Dist. Hence the null hypothesis (H2) is accepted.

Table.2 it is clear that policy holders were excited by the following reasons that is, out of 100 percent of policy holders, 41 percent were always insist on a receipt as a proof payment , 20 percent of policy holders always remember policy holders premium due date to avoid a policy lapse, 11 percent of policy holders said that they review insurance needs regularly for adequate cover, 5 percent were happy that policies were kept in a safe place until insurance money is received, 2 percent said that they always keep the nomination under policy holder, 4 percent said that they clarify the doubt about policy with the life insurance company and 4 percent said that they keep basic details of holder's policy such as the type of details, policy number and names of nominee in a separate.

This table shows the insurance policy of public company 14 percent reported that they have chosen only with the brand image of the company, 21 percent have seen the excellent past performance of insurance, 36 percent were attracted by their friends, acquaintances, 4 percent by the compulsion of marketing people, 8 percent impressed by the company advertisement and 17 percent were attracted by the provision for old age.

Table -2 Investors Preference of LIC

Preference of LIC	Variables	No. of Respondents	Percentage
Exiting Services of LIC	Regular insist on receipt and payment.	61	41
	Remember on premium avoid a policy lapse	30	20
	Review your insurance needs	17	11
	To Policy in a safe place until the life	7	5
	Nomination under your policy alive.	3	2
	Intimate change in norms to investor	20	13
	Always clarify any doubts with company	6	4
	Maintain policy in proper manner	6	4
	Total	**150**	**100**
Public Insurance	Brand image of the Company	21	14
	Excellent past performance	31	21
	Friend/relative have invested in LIC	54	36
	Customer awareness in public insurance	6	4
	Company's Ads and promotion	12	8
	Contribute for old age pension	26	17
	Total	**150**	**100**

Decision Making	Self	50	33.33
	Jointly with family members	33	22
	Agent	27	18
	Publicity	40	26.67
	Total	**150**	**100**
Benefits	Safety and security	22	14.67
	Raising of capital	43	28.67
	Liquidity investment	35	23.33
	Minimum Risk and Maximum return	18	12
	Advantages of income Tax	32	21.33
	Total	**150**	**100**
Level of Services	Fully satisfied	23	15.33
	Partly satisfied	55	36.67
	Not satisfied	72	48
	Total	**150**	**100**

Source: Primary Data 2016.

It is found that 33.33 percent of the policy holders have taken decision making by self, 22 percent of the policy holders have taken decision making by jointly with family members, 18 percent of the respondent's decision making by agent and remaining 26.67 percent of the policy holder's decision making by publicity.

It is exhibits that out of 150 respondent's level of services 15.33 percent of the respondent's services are fully satisfied, 36.67 percent of the insurance policy holder's services are partly satisfied, and 48 percent of the policy holder's services are not satisfied.

It is understood that 14.67 percent of the respondent's opinion that safety and security of investment, 28.67 percent of the life insurance policy holders said that raising of capital through LIC, 23.33 percent of the respondents said that liquidity investment of life insurance policy, 21.33 of the respondents are benefited advantages of income Tax.

Suggestions

1.Insurance is one of the long-term investments to meet for future expenses. In case of business man to invest more money in their own business sometime the unexpected the risk their human being. The insurance sectors should be given allotment of share profit to poor customers.

2.First of all LIC have to create a new structure of policy for youngsters even after being offered variety of policies already in the track that will induce the youngsters and juniors to take more policies. LIC should spread its wings in rural areas; it will enable the policy holders rather they approach in urban area.

3.Insurance Regulatory Authority of India should be framed the senior citizen pension schemes to provide the low class people in rural areas. Majority of investors' expectations more profitable fund scheme and financial worthy for future.

4. LIC create awareness on protection against rising for future expenditure and safe profitable long-term scheme are benefit more advantages in future. The private and public insurance company should be provided the more profit plus policy and safe security to given the regular customers.

5. The insurance company will be information exiting the policy holders of always remember your premium due dates to avoid a policy lapse. The customer should always clarify any doubts you have about your policy with the life insurance company to given proper channels sharing more information exchange between the customer and clients.

6.IRDA procedures of claim settlement of is rare occasion compulsory the policy holder should be submitted the hospital certificate, death certificate, policy bond. Insurance company should be changing these types of formalities because most LIC investors are uneducated customer in the study areas.

7.Insurance is one of the liquidity investment can easily convertible into cash sometimes insurance company delay on payment recovery of claims compensation to emergency period. Public insurance will be the extent customer oriented service change certain policy and norms preparing the reschedule model follows by IRDA format.

Conclusion

Life insurance is one of the emerging concepts which help to promote the social activities not only commercial purpose and also human entire life. Insurance sectors are unique customer served various aspects of financial distribution among customers. Investors' perception and decision making on LIC safety and security investment for unexpected events in future. Insurance is one of the long-term financial investment to invested number of benefit are utilized for uncertainty of risk for emergency periods. Insurance sector provide multivariate of financial service such as premium, bonus and profit policy are highly service to the life insurance policy holders. Because majority of the investors to invest chosen the LIC and unexpected of death warming help the financial services to policy holders. Professional investors have invested huge amount in LIC which their gaining economic growth and tax advantages for surplus income. From this analysis the insurance company should be declared the income tax reduction of relevant policy is benefited to government and private employees.

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