



## ORIGINAL RESEARCH PAPER

## Management

### AN ANALYTICAL STUDY OF INVESTORS PERCEPTION TOWARDS ULIP : A STUDY WITH SPECIAL REFERENCE TO TEACHING FACULTY IN JALGAON CITY

**KEY WORDS:** Investors , Traditional Plans, ULIP

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#### ABSTRACT

ULIP is quite a new concept to Investors which is mainly designed to serve Investors as an Investment option as well as Insurance i.e risk cover and also to cover the lacuna of the traditional Insurance Policies. Many Investors are looking forward to make investment in ULIP and are preferring ULIP over the traditional Life Insurance Plans. ULIP is a costly product as far as it expenses are concerned. Policy holders must understand one fact that unlike traditional policies, entire investment risk of ULIP is borne by the policy holder. There are many features which have made ULIP attractive such as flexibility, transparency, liquidity and a vast variety of fund option. ULIP essentially combine the benefits of an insurance policy and a market-linked investment. Policy holders can select a ULIP with an equity-debt combination that is in line with their risk profile. Simply put, ULIP are structured in such a way that the protection element and the savings element are distinguishable, and hence managed according to your specific needs. This paper makes an attempt to identify various factors affecting perception of investors regarding investment in ULIP with special reference to Teaching fraternity in Jalgaon City. The findings will help ULIP companies to identify the areas required for improvement in order to create greater awareness among investors regarding investment in ULIP

#### INTRODUCTION:

##### Unit Linked Insurance Plan:

Unit Linked Insurance Plan (here in after called ULIP) is a life insurance solution that provides the client with the benefits of protection and flexibility in investment. It is a solution which provides for life insurance where the policy value at any time varies according to the value of the underlying assets at the time. ULIP came into play in the 1960s and became very popular due to the wide spread popularity because of the transparency and the flexibility which it offers to the clients.

#### Literature Review

##### Sonal Ginodia (2010)

comment that ULIP can be said as the summation of insurance policy and mutual funds. Hence they not only provide the risk cover but are also providing the capital market gains to the insured. The project also provides the details of the various ULIP provided by AEGON Religare Life Insurance viz. Star Child Plan, Protect Gain, Level term and many more. It provides the details regarding the marketing channel and the promotion and advertisement campaign of the company. It also lays emphasis on the fact that life insurance agents are the blood regulating organ in a life insurance company. Sonal in her study had found that 75 per cent of the sample populations in Varanasi, in UP state are familiar with ULIP plans and they trust more on Public Sector more than Private Sector in investment. The study confines that investors are interested in investing for tax saving than for risk cover and high return. The people are more interested in investment in banks and NSC than in ULIP and mutual fund. People prefer to invest in those policies which give security to their family than they think of themselves and the people are more concerned about the service of customer centricity than other services. The sample populations are satisfied with the services provided by insurance company and are also interested in taking policy, however, it has found that they are not satisfied with the hidden charges charged by insurance company they are required to reduce and disclose all the charges.

##### Abhishek Kumar Mahto (2011)

Study aims to make a detailed analysis of Unit Linked Insurance Plans (ULIP) in the Indian context, a comparative analysis of ULIP of some well-known selected companies and in the process identify the strengths and weaknesses of IBDI FORTIS. The research work consists of a detailed analysis of the comparison of various ULIP of

IBDI FORTIS with that of the selected major players in the market. The results of the study have been an outcome of a detailed analysis of collected secondary data and well supported by analysis of primary data collected through a survey in Hyderabad city. Questionnaire was designed and a primary survey was conducted. The survey was mainly conducted to study the consumer perception, opinion and awareness of various insurance products. The number of respondents targeted was 133. The sample of respondents included was carefully selected by targeting respondents from all age groups. Also the preferences of the respondents towards these selected insurance companies have been noted and the reasons analyzed. The data gathered from the primary survey was coded in a statistical tool called Statistical Package for Social Science (SPSS) for analysis and to find various factors that affect an investor decisions while choosing an investment option in this vast market. Finally we interpreted the results of the project by combining both the primary and the secondary data analyses then identified the areas where the company is really strong and the areas where it needs to have a second look. We have also found out the amount to which each of the selected companies was affected due to the market slow-down in the last one year. The study also involved a complete study of the positioning strategies adopted by IBDI FORTIS in general. This includes a detailed study of the various advertising strategies as well.

#### Objectives of Study

- 1) To Study the Investment Pattern of Investor in Jalgaon City
- 2) To study the investor's perception about ULIP.
- 3) To examine the level of awareness of individual investor of ULIP

#### Research Methodology

Investor's always try to earn higher returns keeping the risk & liquidity factor in Mind. Keeping the same objectives in mind the investors always looks for investment avenues from where he can earn higher return. ULIP offers comparatively higher better returns than the bank Fds, RD, PPF. The risk element in ULIP is comparatively to the less extent as compared to Stock Market. In this research paper, an attempt has been made to evaluate the perception of investors regarding ULIP investment with special reference to teaching faculty in Jalgaon City. A survey was conducted in Jalgaon city during the period June 2018 to

September 2018. A sample of 100 individual ULIP investors were surveyed through a pre-tested questionnaire. The investors were selected on the basis of those who have made prior investment in ULIP and have some knowledge about the basic terminologies involved with ULIP. An attempt has been made to find out the perception of investors regarding ULIP investment and to identify the factors considered to be important by the investors before investing in any mutual fund. The awareness level of investors regarding ULIP is also studied.

## Data Analysis

### a) Age group of Investors

The data collected through the questionnaire is analyzed considering each factor and the analysis is presented below.

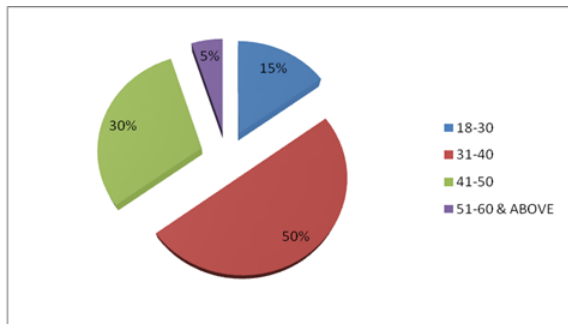


Chart No:1

It is seen from the above pie chart that most of the Investors who invest in ULIP are of the age group 31-40 i.e 50%. And the customers who least invests in ULIP is of the age group 51-60 i.e 5%.

### b) Gender of Investor

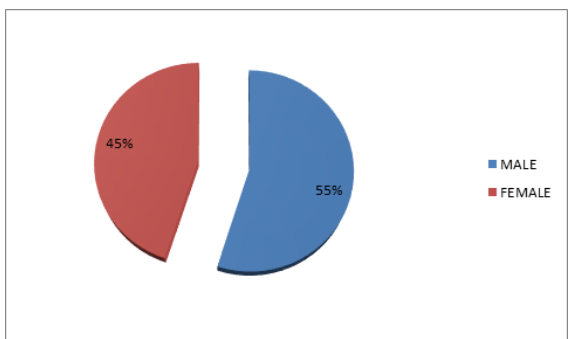


Chart No:2

From the above pie chart, it is seen that out of 100 respondents 55% are males and 45% are females. This indicates that male population invest more in ULIP as compared to female population

### c) How did you Come to know about ULIP

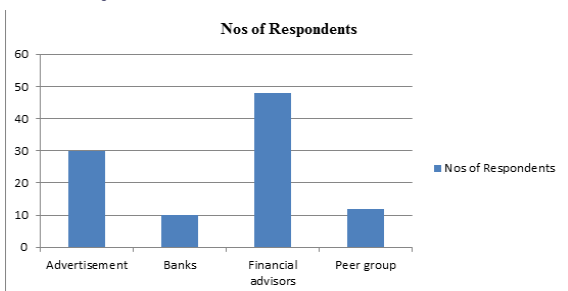


Chart No:3

Nearly 48% of the Investors comes to know about ULIP from their Financial Advisor, whereas 30% of them from Advertisement & from peers & bank 10% & 12 % respectively.

### d) What is your Tenure of investment of Investors :

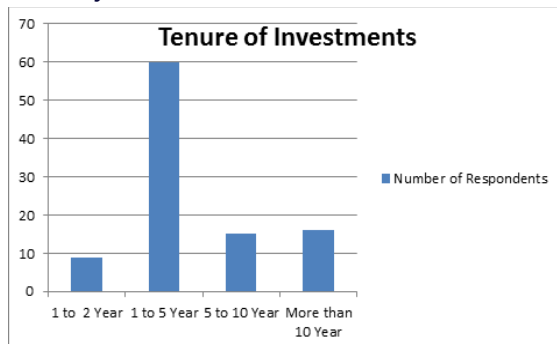


Chart No:4

Nearly 60% of the Investors invest in ULIP for 1 to 5 year . 9 % for 1 to 2 year and 15% for 5 to 10 year and only 16 % Investors invest for more than 10 years.

### e) what is the Reasons for investing in ULIP:

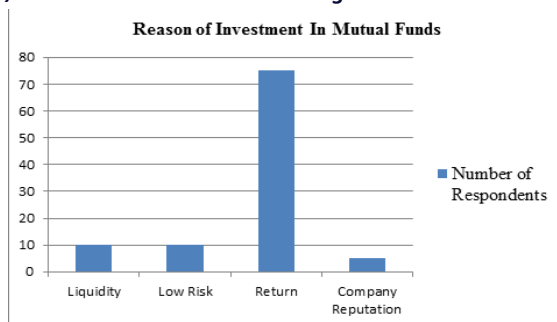


Chart No:5

It is observed that 75 % of the Investors Invest in ULIP because returns are good. While 10% of Investors Invest because they think ULIP have Low Risk . remaining 10% & 5% of the investors say they invest because of liquidity & company reputation .

### f) Channel through which investors purchase ULIP :

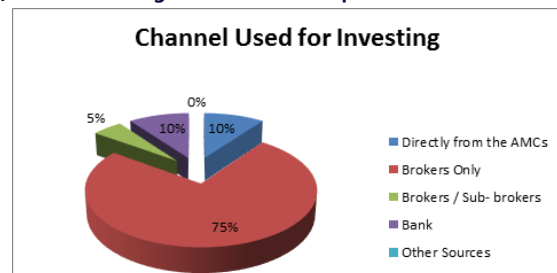


Chart No:6

It is observed that 75% of the Investors invest in ULIP through Brokers only. While 10% of invest directly through AMC. While 10% of them through Banks

## CONCLUSION

We can infer from the analysis that the concept of ULIP in the city of Jalgaon is still in its growing phase. In today's time when market movements cannot be predicted, investors tend to go for SIP as it does help them take advantage of low market rates. Also it removes burden of investing large amount of money at one time. Investors are not properly educated about the ULIP. Most of the Investors are satisfied with their current return from their investment. More than half of the respondents have wrong perception about the mutual funds. They feel ULIP are very risky investment alternative

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