CUSTOMER PERCEPTION TOWARDS THE UNIT LINKED INSURANCE POLICIES

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ABSTRACT

A Unit Linked Insurance Plan (ULIP) is a product offered by is a product offered by insurance companies that unlike a pure insurance policy gives investors the benefits of both insurance and investment under a single integrated plan. In this paper, an attempt has been made to identify those factors, which enhance favorable opinion among consumers towards ULIP's. The primary data needed for the study has been collected through well structured questionnaire. The sample size of 105 investors having investment in ULIP were selected from Palakkad District. The selected samples were tabulated and analysed analyzed using simple percentage, Chi square test, standard deviation and ANOVA. It is found that most of the investors show a favorable perception towards the ULIP as the best medium and long term investment proposal.

Keywords: Investors, Perception, Insurance, Proposal, Investment, Benefits, Plan, Premiums, etc.

INTRODUCTION:

A Unit Linked Insurance Plan (ULIP) is a product offered by is a product offered by insurance companies that unlike a pure insurance policy gives investors the benefits of both insurance and investment under a single integrated plan. Unit Linked Plans refer to Unit Linked Insurance Plans offered by insurance companies. These plans allow investors to direct part of their premiums into different types of funds (equity, debt, money market, hybrid etc.)

Unit linked guidelines were notified by the Insurance Regulatory Development

Authority (IRDA) on 21stDecember 2005. The main intent of the guideline was to ensure that they lead to greater transparency and understanding of these products among the insured, especially since the investment risk is borne by the policy holder. It is the endeavor of IRDA to enable the buyer to make the most informed decision possible when planning for financial security. The insurance sector has gone through a sea change after the adoption of liberalization, privatization and globalization process by the government in the last decade of 20thcentury. Consequently a lot of foreign players entered into the Indian market in collaboration with the Indian companies to break the monopoly of the state owned giant the LIC of India, in the field of life insurance with a capital ceiling of 26 percent.

MAJOR MARKET PLAYERS

1. The Life Insurance Corporation of India (LIC):
2. SBI Life Insurance Company Ltd.
3. ICICI Prudential Life Insurance Company.
4. Tata AIG Life Insurance Company Limited (Tata AIG Life)
5. MetLife, Inc. is the holding corporation for the Metropolitan Life Insurance Company.
6. Bajaj Allianz Life Insurance Company Limited
7. Max New York Life Insurance Company Ltd.
8. Aviva plcis
9. Reliance Life Insurance Company Limited (Reliance Life Insurance)
10. HDFC Life,
11. BirlaSunLifeInsuranceCompanyLimited(BSLI)

Today, only one business, which affects all walks of life, is insurance business. That's why insurance industry occupies a very important place among financial services operative in the world. Owing to growing complexity of life, trade and commerce, individuals as well as business firms are turning to insurance to manage various risks. Therefore a proper knowledge of what insurance is and what purpose does it serve to

individual or an organization is necessary.

REVIEW OF LITERATURE

Sharma M. and Vijay T. S. et al (January 2012), the animus of this study is to assay the brunt of demographic factors on the level of satiety of investor's contra insurance policies. The study entraps the impact of demographics factors on the satisfaction of investors towards insurance policies. This paper also evaluates cogent relationship between demographic factors and overall satisfaction of the customers towards the insurance policies.

Ch S. (May 2014), think about mirrors that directly over 40% of the organizations of the insurance agencies are done through the bancassurance medium. The finding of the examination uncovers that the insurance agency can complete every one of the advantages of bancassurance through offering their item by utilizing the database of banks and their branch gap. In India 70 percent of the populace are not under the consideration of protection unmistakably in rustic territories.

Barik B. furthermore, Patra R. (June 2014), in his examination expressed that the Indian extra security segment is enhancing at a quicken rate. The examination uncovered that life coverage business in India needs an extraordinary consideration when contrasted with different business, both hypothesis and practice to be incorporated to give the best administrations to the arrangement holders. Consequently, this examination by the scientists has been finished with an aim to help with proposal and suggestion that will encourage both academician and industry staff to re-build their idea in protection area.

Chand M. (June 2014) examines the primary difference in extra security industry in India is the gapping up to private and worldwide players. The investigation will uncover the part of private protection players in the territories and like number of arrangements coasted, measure of premium cash gathered, operator or specialist commission costs, and working costs from 2001 – 2012.

Prasad K. what's more, Sravanthi V. (October 2014), protection industry is an extend acclimatized industry. In India, the industry has initiated to unveil the promising after advancement and privatization of the division. The protection business ponder by

has accomplished pertinently in India's development story in recent years. These two are frequently used to decide the level of development of the protection area in a nation.

NEED OF THE STUDY

Savings of every person should be surpluses through proper investment. This will help him to achieve his personnel goals and to meet uncertainties in life. There are number of investment opportunities are available, but for better return it must be managed effectively. Unit Linked Insurance Policies provide better return to the investor along with insurance coverage. It involves the merits of share market and benefits of insurance. It is an ideal tool to invest in share market without much risk.

A researcher survey is needed to know about market perception about the mutual fund and the ULIPs as an investment alternative which is found to be the need of the hour of the investor who perceives life insurance are not only best suited for the purpose of insuring their life, but also capable of meeting future financial challenges effectively. Hence this study explores about the customers perception level of ULIP.

OBJECTIVES OF THE STUDY

1. To study the demographic & rational profile of customers of ULIP.
2. To identify those factors, which enhance favorable opinion among consumers towards ULIP's.

METHODOLOGY USED
Experimental / Descriptive Research

Descriptive research includes surveys and fact findings enquiries of different kinds. The major purpose of descriptive research is a description of the state of affairs as it exists at present. The main feature of this type of research is that the researcher has no control over the variables. He can only report what has happened or what is happening.

TYPE OF SAMPLING

Convenient sampling has been used for the purpose of drawing samples from the population.

SAMPLES SIZE

The sample size chosen by for the purpose of this study is 105 investors having investment in ULIP.

SOURCE OFDATA

Data are collected both from primary source and from secondary source.

PRIMARY DATA

Primary data are collected through surveys, interview, questionnaires and schedules. The primary data refers to the data collected from direct questioning and which has not been collected or gathered earlier by any other research study. The data for this study was collected by agents, companies, ULIP holders.

SECONDARY DATA

This type of data refers to the gathering of information from the sources that have "readymade data" already in possession. This data has already been collected and complied. This data has been collected from the existing surveys in the company.

Information has been gathered from the company broachers, periodicals, websites and other books. After gathering the data from the Sources, the data was analyzed, tabulated, interpreted and finally conclusions were made regarding the entire project.

Secondary data were collected from various sources including books, publications, web site's etc. which are noted in the reference.

TOOLS FOR ANALYSIS AND INTERPRETATION

The following are the major tools that were used by the researcher for analysis and interpretation.

➢ Percentage analysis
➢ Tabular and graphical analysis
➢ Chi-square analysis
➢ Anova test.
➢ Standard Deviation

LIMITATIONS OF THE STUDY

❖ The study took only limited samples from specific topography rather it should get more response recorded across India to confidently validate and spread this measurement scale more reliable in research studies.

* The statistical method used to analyze the data has their own limitation.
* Due to time constraints and busy schedules of the people it was difficult to interact with them completely.
* All the limitations of primary data are applicable to this study.

ANALYSIS AND INTERPRETATION

Gender	No. of Respondents n=105	Percentage
Male	65	61.9
Female	40	38.1
Educational Qualification		
12 th or below	46	43.8
Graduate	39	37.1
Post graduate	20	19.0
Particulars		
ULIP	38	36.2
Mutual Fund	9	8.6
Fixed Deposit	38	36.2
Bank Saving	20	19.0
Particulars		
govt service	34	32.4
private company	19	18.1
business man	24	22.9
self employed	28	26.7
Total	105	100

CHARTS

Gender

EDUCATIONAL QUALIFICATION
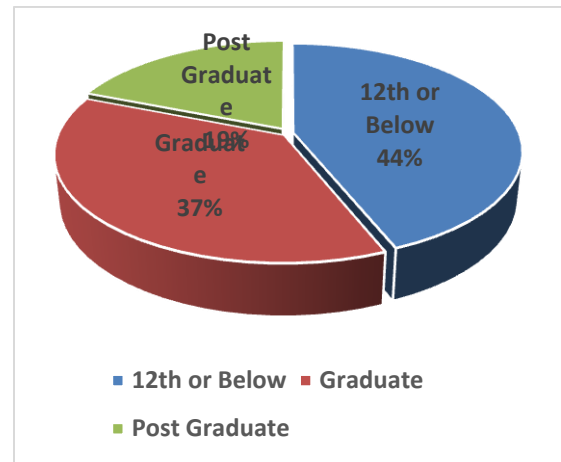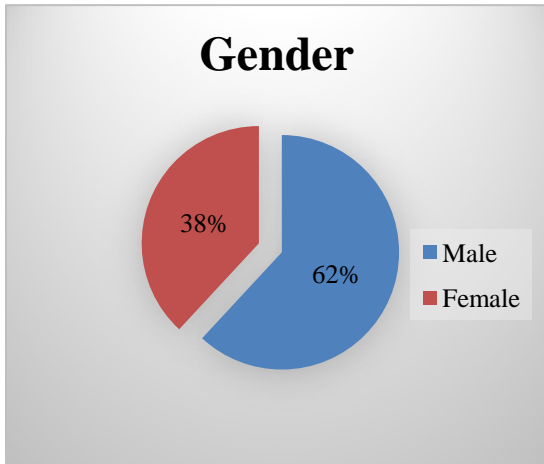
CLASSIFICATION ON THE BASIS OF MOST

PREFERED OF INVESTMENT
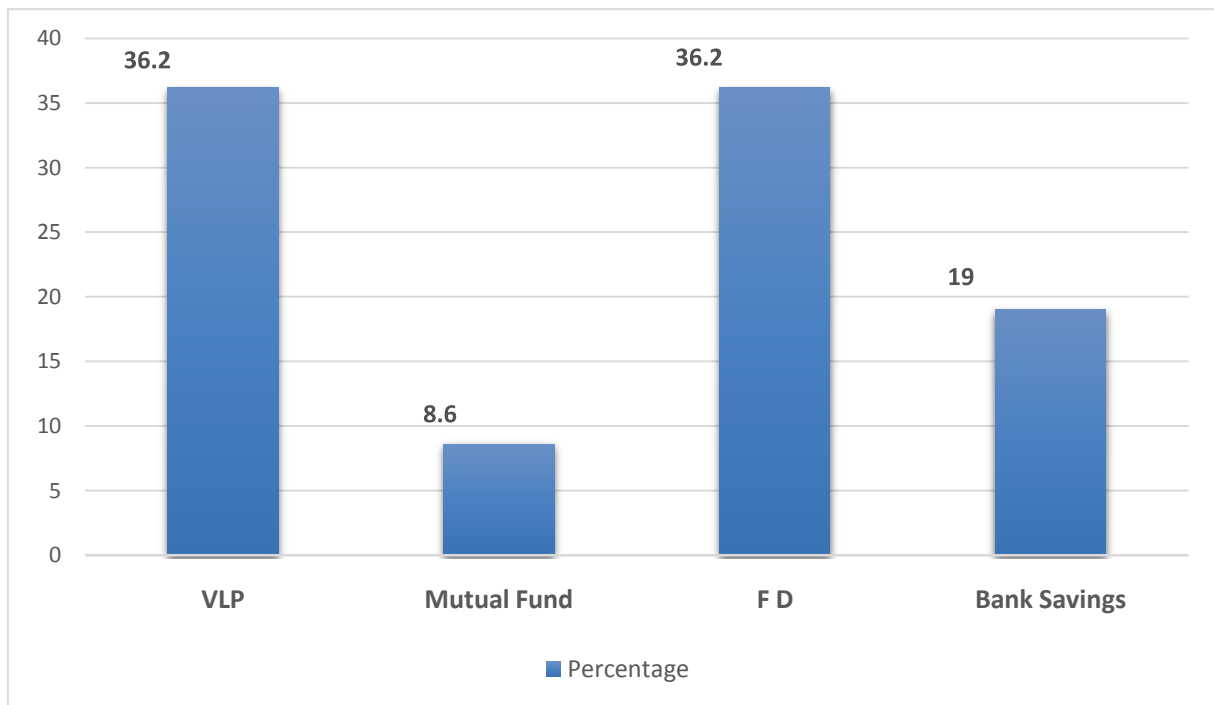
TABLE - 4.6

RELATION BETWEEN AGE AND REASON FOR CHOOSING INVESTMENT

AGE	REASON FOR CHOOSING INVESTMENT				TOTAL
	TAX SAVING	REGULAR RETURN	RETIREMENT BENEFIT	CAPITAL GAIN	
18- 25	2 (12.5%)	2 (12.5%)	2 (12.5%)	10 (62.5%)	16(100.0%)
26- 35	10 (27.8%)	10 (27.8%)	10 (27.8%)	6 (16.7%)	36 (100.0%)
36 -45	2 (5.6%)	2 (5.6%)	22 (61.1%)	10 (27.8%)	36 (100.0%)
46 -55	0 (0.0%)	2 (15.4%)	5 (38.5%)	6 (46.2%)	13 (100.0%)
Above- 55	0 (0.0%)	0 (0.0%)	4 (100.0%)	0 (0.0%)	4 (100.0%)
Total	14 (13.3%)	16 (15.2%)	43 (41.0%)	32 (30.5%)	105 (100.0%)

Hypothesis:

H_O : There is no significant difference between age and reason for choosing investment. After setting this null hypothesis for conducting chi- square test.

	value	df	Sig.
Likely hood ratio	40.003	12	.000
Pearson chi -square	37.836	12	.000

INTERPRETATION

It is perceived from the table that the P value (0.000) lesser than the 0.05.so it is interpreted that there is significant difference between age and reason for choosing investment.

TABLE - 4.7

GENDER	PREFERRED FORM OF NVESTMENT				TOTAL
	ULIP	MUTUAL FUND	F D	BANK SAVINGS	
Male	24 (36.9%)	9 (13.8%)	14 (21.5%)	18 (27.7%)	65 (100.0%)
Female	14 (35.0%)	0 (0.0%)	24 (60.0%)	2 (5.0%)	40 (100.0%)
Total	38 (36.2%)	9 (8.6%)	38 (36.2%)	20 (19.0%)	105 (100.0%)

RELATION BETWEEN GENDER AND DIFFERENT FORM OF INVESTMENT

Source : Primary Data

Hypothesis:

H_O : There is no significant difference between gender and different form of investment. After setting this null hypothesis for conducting chi- square test.

	Value	df	Sig.
Likelihood Ratio	26.515	3	0.000
Persons Chi-Square	22.379	3	0.000

INTERPRETATION

The table shows that the P value (0.000) lesser than the 0.05.so it is interpreted that there is significant difference between gender and different form of investment.

TABLE - 4.8

RELATION BETWEEN   AGE AND AMOUNT OF INVESTMENT

Source : Primary Data

AGE	AMOUNT OF INVESTMENT			TOTAL
	1000 - 4000	4000 - 7000	7000 - 10000	
18-25	4(25.0%)	12(75.0%)	0(0.0%)	16 (100.0%)
26-35	20(55.6%)	12(33.3%)	4 (11.14%)	36 (100.0%)
36-45	24(66.7%)	12(33.13%)	0 (0.0%)	36 (100.0%)
46-55	13(100.0%)	0 (0.0%)	0 (0.0%)	13 (100.0%)
Above55	4(100.0%)	0 (0.0%)	0 (0.0%)	4 (100.0%)
Total	65 (61.9%)	36 (34.3%)	4 (3.8%)	105 (100.0%)

Hypothesis:

H_O : There is no significant difference between age and amount of investment. After setting this null hypothesis for conducting chi- square test.

	value	df	sig.
Likelihood Ratio	34.00	8	.00
Person Chi-Square	29.122	8	.00

INTERPRETATION

The table shows that the P value (0.000) lesser than the 0.05.so it is interpreted that there is significant difference between age and amount of investment.

TABLE - 4.9

RELATION BETWEEN EDU. QUALIFICATIONS & REASON FOR CHOOSING INVESTMENT

EDU. QUALIFICATION	REASON FOR CHOOSING INVESTMENT				TOTAL
	TAX SAVING	REGULAR RETURN	RETIREMENT BENEFIT	CAPITAL GAIN	
12th or Below	2 (4.3%)	12 (26.1%)	28 (60.9%)	4 (8.7%)	46 (100.0%)
Graduate	2 (5.1%)	2 (5.1%)	11 (28.2%)	24 (61.5%)	39 (100.0%)
Post Graduate	10 (50.0%)	2 (10.0%)	4 (20.0%)	4 (20.0%)	20 (100.0%
Total	14 (13.3%)	16 (15.2%)	43 (41.0%)	32 (30.5%)	105 (100.0%)

Source : Primary Data

Hypothesis:

H_O : There is no significant difference between education qualification and reason for choosing investment. After setting this null hypothesis for conducting chi- square test.

	value	df	sig.
Likelihood ratio	53.577	6	.000
Persons chi-square	59.826	6	.000

INTERPRETATION

The table shows that the P value (0.000) lesser than the 0.05.so it is interpreted that there is significant difference between education qualification and reason for choosing investment.

TABLE - 4.10

RELATION BETWEEN AGE AND FEELING AFTER INVESTING

ULIP

AGE	FEELING AFTER INVESTING ULIP				TOTAL
	VERY GOOD	**GOOD**	**AVERAGE**	**CHEATED**	
18-25	0 (0.0%)	10 (62.5%)	2 (12.5%)	4 (25.0%)	16 (100.0%)
26-35	0 (0.0%)	10 (27.8%)	14 (38.9%)	12 (33.3%)	36 (100.0%)
36-45	2 (5.6%)	4 (11.1%)	22 (61.6%)	8 (22.2%)	36 (100.0%)
46-55	0 (0.0%)	0 (0.0%)	3 (23.1%)	10 (76.9%)	13 (100.0%)
Above 55	0 (0.0%)	2 (50.0%)	0 (0.0%)	2 (50.0%)	4 (100.0%)
Total	2 (1.9%)	26 (24.8%)	41 (39.0%)	36 (34.3%)	105 (100.0%

Source : Primary Data

Hypothesis:

H_O : There is no significant difference between age and feeling after investing ULIP. After setting this null hypothesis for conducting chi- square test.

	Value	**df**	**Sig.**
Likelihood Ratio	40.909	12	.000
Persons Chi-Square	39.033	12	.000

INTERPRETATION

The table shows that the P value (0.000) lesser than the 0.05.so it is interpreted that there is significant difference between age and feeling after investing ULIP .

TABLE - 4.1

RELATION BETWEEN AGE AND TIME HORIZON OF INVESTMENT

AGE	TIME HORIZON OF INVESTMENT					TOTAL
	under 2 yrs.	2-5 yrs.	6-10 yrs.	11-15 yrs.	over 15 yrs.	
18-25	0 (0.0%)	2 (12.5%)	12 (75.0%)	2 (12.5%)	0 (0.0%)	16 (100.0%)
26-35	14 (38.9%)	.8 (22.2%)	8 (22.2%)	4 (11.1%)	2 (5.6%)	36 (100.0%)
36-45	2 (5.6%)	.8 (22.2%)	0 (0.0%)	22 (61.0%)	4 (11.1%)	36 (100.0%)
46-55	8 (61.5%)	2 (15.4%)	0 (0.0%)	3(23.16%)	0 (0.0%)	13 (100.0%)
Above 55	2 (50.0%)	0 (0.0%)	0 (0.0%)	2 (50.0%)	0 (0.0%)	4 (100.0%)
Total	2.6 (24.8%)	20 (19.0%)	20 (19.0%)	33 (31.4%)	6 (5.7%)	105 (100.0%

Source : Primary Data

Hypothesis:

H_O : There is no significant difference between age and time horizon of investment. After setting this null hypothesis for conducting chi- square test.

	Value	df	Sig.
Likelihood Ratio	84.255	16	.000
Persons Chi-Square	79.628	16	.000

INTERPRETATION

The table shows that the P value (0.000) lesser than the 0.05.so it is interpreted that there is significant difference between age and time horizon of investment.

TABLE - 4.20

VARIATION BETWEEN AGE AND TAX SAVING

Age	No. of respondents	Mean	Std.Deviation
18- 25	16	3.63	.500
26 - 35	36	3.78	.797
36 -45	36	3.61	.599
46 -55	13	4.31	.480
Above -55	4	4	.000
Total	105	3.77	.669

Source : Primary Data

Hypothesis:

H_O : There is no variation in the mean scores obtained for the variable "age and tax saving" are analyzed using one way ANOVA to test the statistical significance of difference in the mean scores.

Estimated marginal mean

category	Mean	Std.error	95% confidents level	
			Lower bound	**Upper bound**
Age	3.864	.086	3.694	4.034

Source	Type III SUM OF SQURES	df	Mean square	F	Sig.
Age	5.217	4	1.304	3.158	.017
Error	41.297	100	.413		
Total	46.514	104			

INTERPRETATION

It is clear from the above table that the age wise variation of the mean scores are statistically significant at the 5 percent level of significance **(f= 3.158, p = .017< .05)** .so we reject the null hypothesis at " There is variation in the mean scores obtained from the variable".

TABLE - 4.21

AGE AND SAFETY

Age	No. of respondents	Mean	Std.Deviation
18- 25	16	4.63	.500
26 - 35	36	4.00	.828
36 -45	36	4.22	.929
46 -55	13	4.31	.751
Above -55	4	5.00	.000
Total	105	4.25	.830

Source : Primary Data

Hypothesis:

H_O : There is no variation in the mean scores obtained for the variable "age and safety" are analyzed using one way ANOVA to test the statistical significance of difference in the mean scores.

ESTIMATED MARGINAL MEAN

category	Mean	Std. error	95% confidents level	
			Lower bound	Upper bound
Age	4.431	.107	4.218	4.644

Source	Type III SUM OF SQURES	df	Mean square	F	Sig.
Age	6.820	4	1.705	2.643	.037
Error	64.741	100	.647		
Total	71.562	104			

INTERPRETATION

It is clear from the above table that the age wise variation of the mean scores are statistically significant at the 5 percent level of significance **(f= 2.643, p = .037< .05)** .so we reject the null hypothesis at " There is variation in the mean scores obtained from the variable".

CONCLUSION

Unit Linked Insurance Policies are widely accepted now a day as best investment proposal. Investors see ULIPs as the safest and best proposal to invest and enjoy the benefits of security market. Form the study it is clear that ULIP shows a tremendous increase in the recent years when compared to other insurance products. When analyzing the opinion or preference, most of the investors show a favorable attitude towards the ULIP as the best medium and long term investment proposal.

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