

Customer Satisfaction towards LIC Policies during pandemic of COVID-19 with special reference to Gautam Buddha Nagar

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ABSTRACT

Customers' satisfaction with Life Insurance Corporation in Gautam Buddha Nagar is investigated in this study. Insurance is an important part of the financial system. The insurance industry is unique in that it is compensated for managing the risk of others. The Life Insurance Corporation of India (LIC of India) is the largest life insurance company in India. Its powerful brand, backed by decades of experience and a well-established network, has helped it to stay on top.

Because people are becoming more aware of their own mortality and the insurance industry is becoming more competitive, it is critical for insurance companies to understand their customers' needs. Life insurance is a type of social insurance. It gives much-needed security, and the family is safeguarded to the extent of insurance coverage if the head of the family's income ceases due to an unanticipated risk. It is India's largest insurance firm.

I. INTRODUCTION

Insurance as we know it now began in the Mediterranean in the 13th century. In Babylonia, Greece, and Rome, the oldest allusions to insurance have been discovered. The earliest type of insurance is marine insurance, which is followed by life and fire insurance. When the Oriental Life Insurance Company was established in Calcutta in 1818 to cater for English widows, it was followed by the Bombay Life Assurance Company in 1823, and the Titron Insurance Company for General Insurance in 1850. The Life Insurance Companies Act of 1912 and the Provident Fund Act of 1912 were the first measures in India to explicitly regulate insurance.

The Insurance Act of 1938, on the other hand, was the first complete piece of legislation, establishing stringent governmental supervision over the insurance industry in the country.

Whenever there is ambiguity in our daily lives, there is a risk involved. One of the primary motivational forces for shaping human attitudes is the urge for safety in the face of such danger. The concept of insurance must have arisen as a result of this search for security. The need to provide insurance or protection against loss of life and property must have motivated people to willingly make some kind of sacrifice in order to achieve security through collective cooperation. Insurance is a method of transferring risks to insurers in exchange for a fee known as a premium. It is a technique for society to defend itself from uncertainty by enlisting the help of insurance firms. Insurance is a written contract in which one party agrees to indemnify the other party against loss or harm resulting from an uncertain future event or contingency in exchange for a compensation, or to pay a specific sum if a specified event occurs. Life and non-life insurance contracts are the two types of insurance contracts. Life insurance, in particular, protects a household against the chance of an income-earning member dying prematurely. Accidents, property damage, theft, and other liabilities are covered by non-life insurance. Customer pleasure is critical to every company's success. It refers to the buyer's level of perception as a result of comparing the perceived performance of the goods or services to the buyer's expectations. Consumer satisfaction is determined by how well the product performs in comparison to the buyer's expectations. The consumer feels unsatisfied if the product fails to meet their expectations. The

consumer is satisfied if the product's performance meets his or her expectations. The consumer is immensely satisfied or delighted if the performance exceeds their expectations.

“Life wasn't designed to be risk free. The key is not to eliminate risk, but to estimate it accurately and manage it wisely.”

The insurance industry has characteristics that can help any economy flourish. It's because of the individual and micro-savings that have been made. It generates funds for infrastructure development because the cash flow is consistent while the pay-out is variable, resulting in insurance companies becoming the largest investors in long-term infrastructure development projects, and thus having a significant impact on developing economies such as India. The Indian insurance market has enormous potential, with an annual growth rate of 15-20 % and the highest number of life insurance contracts in force.

1.1 INTRODUCTION TO LIC

The Life Insurance Corporation of India was founded in 1956, following the Indian Parliament's approval of the Life Insurance Act, which nationalises India's private protection sector, with a capital investment of Rs.5 billion from the Indian government. To create the condition of the extra security organisation, over 245 insurance agencies and provident social orders were converged.

The Oriental Life Insurance Company, founded in Calcutta in 1818 by Anita Bhavsar and others, is India's leading provider of disaster insurance. Its primary target market was Europeans living in India. Surendranath Tagore (Satyendra Nath Tagore's son) founded the Hindustan Insurance Society, which later evolved into Life Corporation.

The Mumbai Mutual Life Insurance Society, built up in 1870, was the main supplier of Aboriginal protection. Other insurance agencies set up before autonomy and including

- Postal Life Insurance (PLI), presented February 1, 1884
- Bharat Insurance Company (1896)
- United India (1906)
- Indian national (1906)
- National Insurance (1906)
- Cooperative Insurance (1906)
- Cooperatives of Hindustan (1907)
- Indian Mercantile
- General Insurance
- Swedish Life (later Bombay Life)
- Sahayadri Insurance (converged with LIC, 1986)

The first 150 years are characterised by monetary turbulence. It witnessed India's first fight of independence, the negative effects of the First and Second World Wars on India's economy, and the global monetary crisis brought on by the financial crisis. During the first part of the twentieth century, the fight for India's independence grew in intensity. The combined impact of these events has resulted in a high percentage of disaster prevention organisations being liquidated in India. This has tainted the public's belief in the value of attaining life inclusion.

1.2 CUSTOMER SATISFACTION

The definition of customer satisfaction has been widely debated as organisations increasingly attempt to measure it. Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that is greatly affected by customer expectations. Satisfaction also is based on the customers' experience of both contacts with the organisation (the “moment of truth” as it is called in business literature) and personal outcomes. Some researchers define a satisfied customer within the private sector as “one who receives significant added value” to his/her bottom line – a definition may apply just as well to public services. Customer satisfaction differs depending on the situation and the product or service.³ A customer may be satisfied with a product or service, an experience, a purchase decision, a sales person, store, service provider or an attribute or any of these. Some researcher completely avoids “satisfaction” as a measurement objective because it is “too fuzzy an idea to serve as a meaningful benchmark”. Instead, they focus on the customer's entire experience with an organisation or service contact and the detailed assessment that experience.

1.3 IMPACT OF PANDEMIC ON THE LIFE INSURANCE SECTOR

The COVID-19 pandemic brought about a major shift in the perception of life insurance among consumers and the delivery modes by insurance providers. It changed the way businesses in India, including the insurance sector, operate. Even for the consumers, the pandemic was a wake-up call regarding the importance of life insurance in challenging times.

1. Life Insurance is deemed as an ‘Essential Commodity’
2. Change of Perception for life insurance as a pure risk insurance cover

3. Customers are looking for better customization and targeted products
4. Rise in digital modes of transactions by customers

1.4 STEPS TAKEN BY LIC DURING COVID-19

LIC of India has assured its policyholders that the Death claims arising due to COVID-19 shall be treated at par with other causes of death and payments shall be made on an urgent basis. Corona virus has already claimed many lives and efforts are being made by LIC officials to locate Covid-19 victims on the basis of lists provided by government authorities to help the families. Already death claims due to COVID-19 under 16 policies have been settled without losing any time.

During the previous financial year, LIC has settled more than 7.5 lakh death claims with only 0.75 % of the total death claims reported remaining outstanding.

LIC has also ensured that policy payments like Survival Benefit, Policy Maturity and Annuities are made to policyholders on due date by crediting the amount into the bank account registered with LIC. These payments were more than two crores in numbers in FY 2019-20.

LIC is taking every possible step to ensure that people stay covered through insurance during these difficult times. In addition to providing facilities for online premium payments for existing policies, LIC has made five plans available online and these can be purchased with ease while at home.

LIC's focus is on what best can be done to mitigate the hardships created by the current challenges to combat COVID-19. LIC was created keeping in mind the welfare of the nation and its citizens, and we stand committed to our objectives and responsibilities.

1.5 IMPORTANCE OF THE STUDY

Consumer happiness is one of the most important metrics for any insurance company, as it measures client awareness and satisfaction with their risk-free investments. As a result, it's crucial to look for features that influence customer happiness while also contributing to our economy's growth. Aside from that, it's vital to discover out why people don't buy life insurance. It is a new perspective in comparison to studies that focus on policies, price, and promotion, and it will assist the life insurance company in providing clients with plans that are appropriate for their needs.

1.6 STATEMENT OF PROBLEM

The insurance sector relies heavily on policy service. Customer satisfaction is regarded to be the most crucial service to clients in the new environment, since LIC faces competition from new entrants. It is more important than ever to take a market-friendly stance. LIC is already adjusting its methods to stay up with market pressures. Customers expect better policy services, particularly in the areas of claim settlement and policy insurance, following the arrival of new companies into the Indian insurance business. A happy customer is the best brand ambassador, and a bad customer experience might hurt the insurance company's reputation. This will eventually lead to a problematic situation in which existing consumers are unable to be retained and new customers are unable to be attracted. As a result, it is critical to investigate consumer satisfaction with LIC services.

Consumers are increasingly concerned about their satisfaction, and a more competitive and ruthless market has forced policyholders to gain a better understanding of the plans they have purchased. Customer satisfaction is a valuable asset in the insurance industry. Changes in the customer's choices and tastes LIC Client expectations should be defined and prioritized so that LIC can accept a new business environment and provide more services to its consumers while avoiding failures. The following are the study's limitations:

1. The most significant weakness of the study is that some respondents were reluctant to provide needed information, which may have influenced the respondents' knowledge, resulting in biased conclusions.

2. Due to the fact that the data was gathered in Gautam Buddha Nagar, the study sample had a geographical limitation. As a result, generalising the findings is difficult.

1.7 REVIEW OF LITERATURE

On the one hand, human life is threatened by a number of threats, including the possibility of death or impairment due to natural or unintentional causes. Humans are also prone to diseases, which can be costly to treat. Human-owned property, on the other hand, is exposed to a wide range of natural and man-made hazards. The household loses revenue when a human life is lost or when a person is permanently or temporarily handicapped. The family is in a precarious position. The survival of the dependents is sometimes in peril. When it comes to property, a person or company loses all or part of their revenue if their property is lost or

damaged. Risk is characterized by its unpredictability. Death, incapacity, or property damage could happen at any time. Losses can be limited with the help of insurance. Insurance is a product that protects you from a number of threats. There are numerous options for both life and non-life insurance. There are non-life products that cover obligations under a specific statute or common law, in addition to personal insurance such as accident and health insurance. The various products, such as fire insurance for multi-story buildings and householder's insurance, are designed to fulfil the needs of different individuals or industries.

In exchange for a premium payment, an insurance contract promises to supply items to the insured for a specific sum. It's impossible to assign a monetary value to human life. The sum promised (or the amount guaranteed to be paid in the event of a loss) is thus a 'benefit' in the case of life insurance. Life insurance products provide a specific amount of money to the insured's dependents in the event that the life insured dies during his active income generating time or becomes incapacitated as a consequence of an accident that results in a decreased or entire loss of income earnings. When a person stops working and has no other source of income, he or she can buy an annuity product to protect their retirement. For your protection, Personal Accident Insurance is also available. It pays out a lump sum or a percentage of the Capital Sum Insured in the case of the insured's death or permanent or temporary disability, depending on the type of loss. The policy seeks to pay the insured for expenses incurred in the treatment of diseases and/or injuries up to the Sum Insured set by the insured in the case of health insurance. There are a variety of products available in terms of property insurance. Property may be insured against fire and natural disasters such as floods and earthquakes. Breakdown insurance may be available for machinery. A marine cargo insurance policy can cover goods in transit. Ships and other vessels can also be covered by insurance. A motor insurance coverage will cover both third-party and vehicle damage. The idea of indemnity governs property insurance. The goal is to get the insured back to where he or she was financially prior to the loss. It secures the property's investment. Losses can ruin a project or a business if there is no insurance. General insurance provides economic and societal stability. Individuals benefit from insurance because it provides security and thus peace of mind. The idea behind insurance is that the losses of a few are compensated for by contributions from a large

number of others. The idea behind insurance is that the losses of a few are compensated for by the contributions of many. The law of huge numbers underpins it. It arose from man's need to discover a remedy for loss minimization. It also illustrates man's natural tendency to work together to find a solution. Before deciding on a product to purchase, it is critical for everyone to understand the various products offered by life and general insurance firms.

Insurance companies are required by law to disclose the various aspects of their products at the moment of sale. The insured should also read the product's terms and conditions to ensure that they comprehend what they've purchased and that their insurance needs have been met. They should be aware of the claim procedures so that they can respond appropriately in the case of a loss.

According to a study by Baal N. and Sandhog H. S, the Life Insurance Corporation of India (LIC) is a capital-intensive business that provides consumers with the most essential financial instruments aimed at both safety and long-term savings. The current study looks at the factors that influence an agent's view of the Life Insurance Corporation of India. Furthermore, a one-way analysis was undertaken to assess the relevant results, demonstrating that no significant differences exist between distinct categories of respondents in terms of their anxiety toward the Life Insurance Corporation of India. Life Insurance Corporation of India (LIC) is India's largest insurance and investment firm, according to Thirupathi T. They Favour private insurance sectors because they offer banking services and other value-added services, therefore offering banking services to policyholders and the general public will benefit both the general public and the LIC. The findings of the investigation demonstrated that policyholders have bought out their expectations and preferences. It has also made recommendations that can be put into action to benefit the general people and the government. Customers are not only fully aware of their needs and requirements, expectations, and information technology enabled services in the age of information technology, but they also save day-to-day communication with various types of service providers in their lives for their own benefit and in various ways, according to Choudhari P. S. The goal of this research was to examine if there is a major service quality gap between insurers' assessments of customer service demands and consumers' expectations of the LIC of India's service quality.

Roy (1987) looked at the environment and its impact on offering better customer service to policyholders in order to meet their expectations through quality service. The author discovered that by giving training programmed to their agents and workers, as well as the establishment of additional branches and services, the Life Insurance Company may provide better service to its customers. The Planning Department (1987) evaluated the level of customer satisfaction with LIC's specific services, such as quick reporting of discharge forms, employee collaboration, and timely receipt of policy amounts. According to the findings, insurance companies should continue to measure maturity settlement claims in order to provide timely settlement to policyholders, and their complaints about the delay in settlement may be addressed by offering prompt attention to them when they visit the office. The Insurance Institute of India (1987) investigated the extent of life insurance coverage, as well as people's awareness, attitudes, and opinions about life insurance, as well as employees' impressions and sense of affiliation with the company. The author discovered that LIC is a superior investment than bank deposits, and that their products are popular among consumers due to their dependability.

The study of Joshi (1991) wrote down on "Life Insurance in India – A Rambling Analysis" examined the progress of Life Insurance Corporation of India. He inferred that despite the lower premium, the non-participating policies (without profits) were not popular among the clientele. The growth in the number of policies sold grew faster than that of the population growth. He also identified a growth of individual assurance

new business (number of policies and sum assured) and business in force. Even though there were fluctuations in the percentage of rural business, the percentage was higher the later period than the earlier years of the study. According to his study, 49 percent of the new policies (sum assumed) was taken for tax relief, Money Back Endowment Policies sold being 90.59 percent, topped the list of sales percentages.

Mishra (1991), in his study entitled, "Life Insurance Corporation of India – A study of Working and Performance" analysed the growth of the LIC. He identified that the insurance business had increased mainly on account of the industrial development. The corporation had concentrated on rich people and depended on the existing the policyholders for the expansion of its business. The rural business of the LIC as a percentage to total business was declining. The LIC business had increased mainly on account of the insurance policies taken by the salaried people. The policy holders preferred those policies, which provide some payments during the policy in force.

II. RESEARCH METHODOLOGY

In any field of knowledge, research is the skill of scientific investigation through the discovery of new facts. It's a transition from the known to the unknown.

A topic or an issue is always the starting point for research. Its goal is to use the scientific method to find solutions to questions.

It is a systematic and intensive research aimed at gaining a more comprehensive understanding of the subject being studied.

III. RESULTS AND DISCUSSIONS

Table 3.1 Gender of respondents

	Respondents	Percentage
Male	68	68
Female	32	32
Total	100	100

According to the table and graph above, 68% of responders are male, while the remaining 32% are female.

Table 3.2 Age frequency of respondents

	Respondents	Percentage
18-25 years	10	10
25-35 years	55	55
35-50 years	15	15
Above 50 years	20	20
Total	100	100

According to the table and graph above, 10% of respondents are between the ages of 18 and 25, 55% are between the ages of 25 and 35, 15% are

between the ages of 35 and 50, and the remaining 20% are over the age of 50.

Table 3.3 Occupation of respondents

	Respondents	Percentage
Business	20	20
Retired	5	5
Service	25	25
Others	50	50
Total	100	100

According to the above table and graph, 20% of respondents fall into the business category, 5% fall into the retired category, 25% fall into the service category, and the remaining 50% fall into the other category.

Table 3.4 Income level of respondents

	Respondents	Percentage
Below 25000	5	5
25000-50000	15	15
50000-100000	66	66
Above 100000	14	14
Total	100	100

The above table and graph demonstrate that 5% of customers' income is less than Rs.25000, 15% of customers' income is between Rs.25000 and Rs.50000, 66 percent of customers' income is

between Rs.50000 and Rs.100000, and the remaining 16% of customers' income is over Rs.100000.

Table 3.5 Respondents having Insurance policy

Particulars	Respondents	Percentage
Yes	85	85
No	15	15
Total	100	100

According to the table and graph above, 85% of respondents have implemented policy, while the remaining 15% have not.

Table 3.6 Reason for investing in insurance policy

Particulars	Respondents	Percentage
Investment Purpose	20	20
Tax Benefit	15	15
Somebody's Recommendation	10	10
Buying a home	5	5
Change in Financial Circumstances	10	10
Other	25	25
Total	85	85

Customers invest in LIC for a variety of reasons, as shown in the table and graph above: 20% invest for investment purposes, 15% invest for tax benefits, 10% invest on someone's

recommendation, 5% invest for the purpose of buying a house, 10% invest due to a change in financial circumstances, and the remaining 25% invest for other reasons.

Table 3.7 Following policies have

Particulars	Respondents	Percentage
Savings policy	40	40
Whole life policy	15	15
Pension plan policy	5	5
Endowment policy	10	10
Other	15	15
Total	85	85

According to the table and graph above, 40% of respondents have a savings policy, 15% have a whole life policy, 5% have a pension plan policy,

10% have an endowment policy, and 15% have another form of insurance.

Table 3.8 Respondents influenced by

Particulars	Respondents	Percentage
The media	12	12
Insurance agents	18	18
Friends, family and colleagues	50	50
Other	5	5
Total	85	85

According to the table and graph above, 12 percent of respondents are influenced by media, 18 percent are influenced by insurance agents, 50 percent are

influenced by family, friends, and coworkers, and the other 5% are influenced by other modes.

Table 3.9 Term policies

Particulars	Respondents	Percentage
Up to 5 years	10	10
5-10 years	15	15
10-20 years	45	45
Above 20 years	15	15
Total	85	85

According to the table and graph above, 10% of respondents have a term policy of up to 5 years, 15% have a term policy of 5 to 10 years, 45

percent have a term policy of 10 to 20 years, and the remaining 15% have a term policy of more than 20 years.

Table 3.10 Reason for discontinuation of insurance policy

Particulars	Respondents	Percentage
I didn't need it anymore	8	8
I found a better plan with better benefits	15	15
Poor service from insurance provider	12	12
I forgot I had it and forgot to pay premiums	10	10
It was an unnecessary expense	5	5
Other	35	35
Total	85	85

According to the table and graph above, 8% of respondents no longer needed the insurance policy, 15% found a better plan with better benefits, 12% experienced poor service from the

insurance provider, 10% forgot to pay premiums, 5% found it an unnecessary expense, and the remaining 35% had other reasons.

Table 3.11 Rate your experience during the claim process

Particulars	Respondents	Percentage
Satisfactory	45	45
Highly Satisfactory	5	5
Neutral	15	15
Unsatisfactory	12	12
Terrible	8	8
Total	85	85

45% of respondents are satisfied, 5% are extremely satisfied, 15% are indifferent, 12% are unsatisfied, and the remaining 8% have a dreadful experience during the claim procedure, as seen in the table and graph above.

Table 3.12 Satisfied with the returns of insurance policies

Particulars	Respondents	Percentage
Highly Satisfactory	10	10
Satisfactory	20	20
Average	50	50
Dissatisfactory	5	5
Highly Dissatisfactory	0	0
Total	85	85

The satisfaction with the returns of insurance policies is depicted in the table and graph above, with 10% of respondents being extremely

satisfied, 20% being satisfied, 50% being average, 5% being dissatisfied, and the remaining 0% being extremely dissatisfied.

Table 3.13 Satisfaction from insurance policy

Particulars	Respondents	Percentage
Satisfied	55	55
Highly Satisfied	15	15
Average	10	10
Dissatisfied	5	5
Highly Dissatisfied	0	0
Total	85	85

According to the above table and graph, 55% of respondents are content with their insurance policy, 15% are extremely satisfied, 10% are average, 5% are dissatisfied, and the remaining 0% are extremely dissatisfied.

IV. SUMMARY AND SUGGESTIONS

Customers and businesses alike consider customer happiness to be an important factor in providing value to their products and services, resulting in customer satisfaction. According to the findings of this study, when it comes to the plans they offer, every insurer should be mindful of their clients' demands. Using consultants and advertising to reach out to more people are some of the recommendations for LIC in India. They should concentrate on additional promotional measures to enhance awareness of the importance of business success among the illiterate and rural communities. Customers should be able to get a good deal from

them. In order to attract additional policyholders, quick payback and security measures should be introduced to reduce a lack of trust and privacy among clients.

The study's goal was to examine the relationship between quality, value, satisfaction, and favorable and unfavorable behavioral intentions in the context of Indian life insurance services. Because customers' decision-making processes for life insurance services are complicated and dynamic, a multivariate system incorporating the simultaneous effects of all three service variables is required.

To summaries, all of the respondents think highly of LIC and its products. They are also well-versed in all of LIC's offerings. The LIC's services are only disappointed by 5% of respondents.

The researcher is happy to provide the following area for future researchers to investigate.

- In LIC, studies can be undertaken on themes such as consumer satisfaction in rural areas.
- Studies on marketing performance, for example, can be carried out. Tirunelveli district LIC
- Studies on subjects such as satisfaction with LIC agents in the Tirunelveli district can be undertaken.
- Comparative studies of LIC and private insurance companies are examples of studies that can be done.

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