A PROJECT REPORT ON

"A STUDY ON CONSUMER PERCEPTION ON LIFE INSURANCE POLICIES"

A Project Submitted to

University of Mumbai for Partial Completion of the Degree

of Bachelor in Commerce (Accounting and finance)

Under the Faculty of Commerce

By

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T.Y.B.A.F (SEMESTER – VI)

Under the Guidance of

'ASST. PROF. DR. KISHOR CHAUHAN'

JNAN VIKAS MANDAL'S

Mohanlal Raichand Mehta College of Commerce

Diwali Maa College of Science

Amritlal Raichand Mehta College of Arts

Dr. R.T. Doshi College of Computer Science

NAAC Re-Accredited Grade 'A+' (CGPA : 3.31) (3rd Cycle)

Sector-19, Airoli, Navi Mumbai, Maharashtra 400708

FEBRUARY, 2024.

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CERTIFICATE

This is to certify that **MR. MANISH MAHESH PATANKAR** has worked and duly completed his Project work for the degree of Bachelor in Commerce (Accounting and Finance) under the Faculty of Commerce in the subject of **Management control** and his project is entitled, **"A STUDY ON CONSUMER PERCEPTION ON LIFE INSURANCE POLICIES"**. Under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is his own work and fact reported by her personal finding and investigations.

Guiding Teacher,

ASST. PROF. DR. KISHOR CHAUHAN.

Date of submission:

DECLARATION

I the undersigned **MR. MANISH MAHESH PATANKAR** here by, declare that the work embodied in this project work titled **"A STUDY ON CONSUMER PERCEPTION ON LIFE INSURANCE POLICIES"**, forms my own contribution to the research work carried out by me under the guidance of **ASST. PROF. DR. KISHOR CHAUHAN** is a result of my own research work and has been previously submitted to any other University for any other Degree/ Diploma to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

MR. MANISH MAHESH PATANKAR

Certified by:

ASST. PROF. DR. KISHOR CHAUHAN.

ACKNOWLEDGEMENT

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CHAPTER1

HISTORY

"ZINDAGI KE SAATH BHI,ZINDAGI KE BAAD BHI"

Life Insurance in its modern form came to India from England in the year 1818. Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian Soil.Alltheinsurancecompaniesestablishedduringthatperiodwerebroughtupwiththepurposeof looking after the needs of European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu Muttylal Seal, the foreign life insurance companiesstartedinsuringIndianlives.ButIndianliveswerebeingtreatedassub-standardlivesand heavy extra premiums were being charged on them. Bombay Mutual Life Assurance Societyheralded the birth of first Indian life insurance company in the year 1870, and covered Indian lives at normal rates. Starting as Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. Bharat Insurance Company (1896) was also one of such companies inspired by nationalism. The Swadeshi movement of 1905-1907 gave rise to more insurance companies. The United India in Madras, National Indian and National Insurance in Calcutta and the Co-operative Assurance at Lahore were established in 1906. In 1907, Hindustan Co-operative Insurance Company took its birth in one of the rooms of the Jorasanko, house of the great poet Rabindranath Tagore, in Calcutta.

The Indian Mercantile, General Assurance and Swadeshi Life (later Bombay Life) were some of the companies established during the same period. Prior to 1912 India had no legislation to regulate insurance business. In the year 1912, the Life Insurance Companies Act, and the Provident Fund Act werepassed.TheLifeInsuranceCompaniesAct,1912madeitnecessarythatthepremiumratetables and periodical valuations of companies should be certified by an actuary. But the Act discriminated between foreign and Indian companies on many accounts, putting the Indian companies at a disadvantage.The first two decades of the twentieth century saw lot of growth in insurance business. From44companieswithtotalbusiness-in-forceasRs.22.44crore,itroseto176companieswithtotal business-in-force as Rs.298 crore in 1938. During the mushrooming of insurance companies many financially unsound concerns were also floated which failed miserably.

TheInsuranceAct1938wasthefirstlegislationgoverningnotonlylifeinsurancebutalsonon-life insurancetoprovidestrictstatecontroloverinsurancebusiness.Thedemandfornationalizationof life insurance industry was made repeatedly in the past but it gathered momentum in 1944 when a bill to amend the Life Insurance Act 1938 was introduced in the Legislative Assembly.

However, it was much later on the 19th of January, 1956, that life insurance in India was nationalized. About 154 Indian insurance companies, 16 non-Indian companies and 75 provident were operating in India at the time of nationalization. Nationalization was accomplished in two stages; initially the management of the companies was taken over by means of an Ordinance, and later, the ownership too by means of a comprehensive bill. The Parliament of India passed the Life InsuranceCorporationActonthe19thofJune1956,andtheLifeInsuranceCorporationofIndiawas createdon1stSeptember,1956,withtheobjectiveofspreading lifeinsurancemuchmorewidelyand in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost.

LIC had 5 zonal offices, 33 divisional offices and 212 branch offices, apart from its corporate office intheyear1956.Sincelifeinsurancecontractsarelongtermcontractsand duringthecurrencyofthe policy it requires a variety of services need was felt in the later years to expand the operations and place a branch office at each district headquarter. Re-organization of LIC took place and large numbers of new branch offices were opened. As a result of re-organisation servicing functions were transferred to the branches, and branches were made accounting units. It worked wonders with the performance of the corporation. It may be seen that from about 200.00 crores of New Business in 1957 the corporation crossed 1000.00 crores only in the year 1969-70, and it took another 10 years forLICtocross2000.00croremarkofnewbusiness.Butwithre-organisationhappeningintheearly eighties, by 1985-86 LIC had already crossed 7000.00 crore Sum Assured on new policies.
Today LIC functions with 2048 fully computerized branch offices, 113 divisional offices, 8 zonal offices, 1381 satallite offices and the Corporate office. LIC's Wide Area Network covers 113divisional offices and connects all the branches through a Metro Area Network. LIC has tied up with some Banks and Serviceproviders to offer on-line premium collection facility in selected cities. LIC's ECS and ATM premium payment facility is an addition to customer convenience. Apart from on-lineKiosksandIVRS,InfoCentershavebeencommissionedatMumbai,Ahmedabad,Bangalore, Chennai, Hyderabad, Kolkata, New Delhi, Pune and many other cities. With a vision of providing easy access to its policyholders, LIC has launched its SATELLITE SAMPARK offices. The satellite

officesaresmaller,leanerandclosertothecustomer.Thedigitalizedrecordsofthesatelliteoffices will facilitate anywhere servicing and many other conveniences in the future.

LIC continues to bethe dominant lifeinsurer even in the liberalized scenario of Indian insuranceand is moving fast on a new growth trajectory surpassing its own past records. LIC has issued over one crore policies during the current year. It has crossed the milestone of issuing 1,01,32,955 new policiesby15thOct,2005,postingahealthygrowthrateof16.67%overthecorrespondingperiodof the previous year.

Fromthentonow,LIChascrossedmanymilestonesandhassetunprecedentedperformancerecords in various aspects of life insurance business. The same motives which inspired our forefathers to bring insurance into existence in this country inspire us at LIC to take this message of protection to lightthelampsofsecurityinasmanyhomesaspossibleandtohelpthepeopleinprovidingsecurity to their families.

CHAPTER2

INTRODUCTIONTO LIFE INSURANCE.

Lifeinsuranceis an agreement between the insured and the insurer in which the policy holder accepts to pay regularpremiumtotheinsurer.Inreturn,theinsurerguaranteesmonetaryprotectiontotheinsuredincaseof any accident or mishaps. If the insured dies in accident, financial help is provided to his family members. Thus,lifeinsuranceisnecessary asitprovidesprotectiontonotonlyyoubutalsotoyourfamilyincaseof any unwanted disaster.

A thriving insurance sector is very important to every modern economy. Firstly because it encourages the habit of saving, secondly because it provides a safety net to rural and urban enterprises and productive individuals.Andperhapsmostimportantlyitgenerateslong-terminvisiblefundsforinfrastructurebuilding. The nature of the insurance business is such that the cash inflow of insurance companies is constant while the payout is deferred and contingency related. This characteristic feature of their business makes insurance companies the biggest investors in long-gestation infrastructure development projects in all developed and aspiring nations. This is the most compelling reason why private sector (and foreign) companies, which will spread the insurance habit in the societal and consumer interest are urgently required in this vital sector of the economy. Opening up of insurance to private sector including foreign participation has resulted into various opportunities and challenges in India.

- Life-basedcontractstend tofallintotwomajorcategories:

1. Protectionpolicies:designedtoprovideabenefit,typicallyalump-sumpayment,intheeventofa specifiedassurance. A common form of a protection-policy design is term insurance.
2. Investment policies: the main objective of these policies is to facilitate the growth of capital by regularorsinglepremiums.Commonforms(intheUnitedStates)arewholelife,universallife,and variable life policies.

MILESTONESINTHELIFEINSURANCEBUSINESSININDIA.

YearMilestones intheLifeInsuranceBusinessin India:

- 1912:theIndianlifeassurancecompany'sactenactedasthefirststatutetoregulate thelifeinsurance business.
- 1928:theIndianinsurancecompaniesactenactedtoenablethegovernmenttocollect statistical information about both life and non-life insurance businesses
- 1938:earlierlegislationconsolidatedandamendedtobytheinsuranceactwiththe objective,of protecting the interests of the insuring public
- 1956:245IndianandforeigninsurersandprovidentsocietiestakenoverbythecentralGovernment andnationalized.LICformedbyanactofparliament,viz.LIC.Withacapitalcontributionofrest.5 cores from the government of India.

TYPESOFLIFEINSURANCEPOLICIES.

1. Term insurance plan: Term insurance plan are those plan that gives life coverage for a specific time period and so is purchased for a fixed period of time, say 10, 20 or 30 years. As these policies don't carryanycashvaluetheirpoliciesdonotcarryanymaturitybenefits,hencetheirpoliciesarecheaper as compared to other policies. This policy turns beneficial only on the occurrence of the event. The objectivebehindthescheme isnottogetanyamountontheexpiryofthepolicybutsimplytoensure the financial future of the investor's dependents.

2. Endowmentpolicy:Theonlydifferencebetweentheterminsuranceplanandtheendowmentpolicyis that endowment policy comes with the extra benefit that the policyholder will receive a lump sum amount in case if he survives until the date of maturity. The objective of this policy is to provide an assured sum, both in the event of the policy holders' death or at the expiry of the policy.

3. Unit Linked Insurance Plans (ULIPS):These plans offer policyholder to build wealth in addition to life security. Premium paid into this policy is bifurcated into two parts, one for the purpose of Life insuranceandanotherforthepurposeofbuildingwealth.Thisplanenablestopartiallywithdrawthe amount. Unit Linked Insurance Policies are a combination of mutual fund and life insurance.

4. MoneyBackPolicy:Thispolicyissimilartoendowmentpolicy, theonlydifferenceisthatthispolicy provides many survival benefits which areallotted proportionately over the period of the policy term. The insurance company pays the sum assured at periodical intervals to the policy holder plus the entire sum assured to the beneficiaries in case of the policy holders demise before maturity.

5. Whole Life Policy: Unlike other policies which expire at the end of a specified period of time, this policy extends up to the whole life of the insured. In this type of policy, the policyholder has an optiontopartiallywithdrawthesuminsured.Policyholderalsohastheoptiontoborrowsumagainst the policy. It is a low cost insurance plan where the sum assured is payable on the death of the life insured and premium are payable throughout life.

6. Annuity/ Pension Plan: Also called retirement plans are a fusion of insurance and investment. A portion from the premiums is directed towards retirement corpus, which is paid as a lump-sum or monthly payment after the retirement of the insured. Under this policy, the amount collected in the formofapremiumisaccumulatedanddistributedtothepolicyholderinformofincomeasannuityor lump sum depending on the instruction of insured.

- SomeothertypesofLifeInsurancepoliciesalsoinclude:

1. Children Life Insurance Policy: This life insurance plan is a combination of savings and investment planspeciallydesignedtomeetthefinancialneedsofthechildreninthefuture.Thisplancomeswith intermediate withdrawal or provision of withdrawal after the child reaches adulthood.
2. Group Life Insurance: This type of life insurance policy is offered to the employees by employers, bank customers, NGOs, non-banking financial organizations, professional groups, and microfinance institutions.Thisplanoffersfinancialsupporttotheemployeesandtotheirfamilymembersincaseof theuntimelydemiseoftheemployee.Somegroupinsuranceplanscomewithcriticalillnesscoverage, and disability along with outstanding loan coverage for debtors

PRINCIPLESOFLIFE INSURANCE.

Lifeinsuranceisbasedonanumberofprinciples thataretailoredtomeet marketconditionsandensure insurance companies make profits, while offering security policies to insured individuals.

Therearebroadlyfour majorinsuranceprinciplesappliedinIndia:-

1. InsurableInterest–Thisprinciplepertainstothelevelofinterestanindividualisexpectedtohaveina particular policy. The interest could be a family bond, a personal relationship and so on. Based on the interest level, an insurance company can choose to accept or reject an application in order to protect the misuse of a policy.

2. Lawoflargenumbers –Thisisatheorythatensureslong-termstabilityandminimiseslossesinthe long run when experiments are done with large numbers.

3. Utmost Good faith – Purchasing an insurance is entering into a contract between company and individual.Thisshouldbedoneingoodfaithbyprovidingallrelevantdetailswithhonesty.Coveringany information from the insurance company may result in serious consequences for the individual in the future. This being said, the insurer must explain all aspects of a policy and ensure that there are no unexplained or hidden clauses and that the applicant is made aware of all terms and conditions.

4. Risk & Minimal loss – Insurance is a risky and companies have to do business and make profits keepinginmindtheriskfactor.Theprincipleofminimalriskstatesthattheinsuredindividualisexpected to take necessary action to limit him/her self from any hazards. This includes following a healthylifestyle, getting a regular health check-up and more**.**

BenefitsofaLifeInsurance Policy:

LifeInsurancepoliciesofferseveraldifferentbenefitstoindividualsandsomeofthemarementioned below:

Risk Cover: Since uncertainties are unpredictable and may cause problems to an individual and his/her familyatanytime,availingalifeinsurancepolicy willensurethatyourfamilyanddependentscontinue to enjoy a quality lifestyle in case of your unforeseen and accidental death.

Comprehensive Plan for Different Stages of Life: Not only does life insurance offer financial support in case of the policyholders' unforeseen and accidental death, but also serves as a long-term investment in thesensethatitencouragesyoutolaydownyourobjectives,whetheritisthe educationofyourchildren, their marriage, constructing the home of your dreams, or even planning for a peaceful retired life. The planning will be done based on your risk appetite and life stage. Most conventional life insurance plans, such as traditional endowment plans, provide specific maturity benefits and built-in guarantees via a numberofproductoptionslikeGuaranteedMaturityValues,GuaranteedCashValues,MoneyBack,etc.

CoverforIncreasingHealthExpenses:Whetheritisthroughstand-aloneinsurancepoliciesorthrough riders, all life insurance providers offer financial cover against hospitalisation expenses and critical illnesses. Since health expenses are increasing constantly, the need for health insurance policies has increased too, as it ensures that the policyholder will have minimal medical costs to deal with.

Promotes Savings in the Long Run: Since life insurance policies are long-term agreements wherein thepolicyholderisrequiredtomakeafixedperiodicalpayment,ithelpsthepolicyholderinculcatethe habitofsavings.Savingmoneyregularlyoverarelativelylongperiodoftimehelpsinbuildingagood corpus which will in turn help in meeting your financial requirements at different stages of life.

Profitable and Secure Long-Term Investment: The insurance industry is highly regulated. The Insurance Regulatory and Development Authority of India has implemented several regulations throughwhichthemoneyofthepolicyholderisensuredtobesafewiththestakeholders,whichmeans that all the money you invest in your life insurance policy will be the responsibility of thestakeholders of the company through which you avail your policy. Since life insurance is a long-term savingsproduct,italsoensuresthatthepolicyholderfocusesonlong-termreturnsratherthanfocusing on risky investment decisions that could provide short-term profits.

Guaranteed Income via Annuities: When it comes to planning for retirement, there are few instrumentsaseffectiveaslifeinsurancepolicies.Sinceyouwillbesavingmoneyoveraperiodof time,lifeinsurancepolicieswillhelpinprovidingasteadysourceofincomeafteryouhaveretired from your professional life.

GrowthviaDividends:Conventionallifeinsurancepoliciesprovidecustomerswithanopportunityto take part in economic growth, while taking no investment risk whatsoever. While the policyholder splits the investment income through yearly announcements of bonuses/ dividends, the policyholder will earn maturity benefits in addition to contributing to economic growth.

Loan Facility: People who obtain life insurance plans will have the option of borrowing money againstit,whichmayassistthemtocoverunforeseenexpensesastheyprogressthroughlifewithout jeopardising the policy's benefits.

TaxBenefits:Lifeinsurancepoliciesofferattractivetaxbenefitsandhelpyousaveasignificant amount of money which would otherwise be spent on taxes.

Redemption of Mortgage: The finest tool for covering loans and mortgages taken out by the policyholder is a life insurance policy. The insurance can be used to pay off the loan or mortgage if thereiseveranunanticipatedcircumstancethatpreventsthepolicyholderfrombeingabletorepayhis or her loan or mortgage. In this case, the grieving family members will not be responsible for repayment.

Importanceof buyinglifeinsurancefordifferent agegroups

AgegroupandImportanceofbuyinglife insurance:

20to30years:Peoplebetweentheagesof20and30yearscanuselifeinsuranceplanstosecuretheir future financial goals, such as saving for a house purchase, retirement, and more.

30to40years:Peoplebetweentheagesof30and 40yearscanuselifeinsuranceplanstosecuretheir family members in their absence with adequate financial protection. Life insurance plans can also be used to plan for your child’s higher education and marriage expenses, and more.

40to50years: Individualsbetweentheageof40and50yearscanbuy alifeinsurancepolicytoplan for their retirement savings.

50 years and above: Individuals aged 50 or above can purchase a life insurance policy to invest and ensurefinancialsecurityforselfandfamily.Lifeinsurancecanalsoofferthemtaxbenefitsandhelp them save more money.

Apartfromtheagegroupsmentionedabove,thereareseveralothertypesofpeoplewhocanbenefit from a life insurance plan. These include the following:

Smokers: Smokers can be prone to health issues. Buying a buy life insurance policy can ensure sufficientfinancialprotectionfortheirlovedones.However,smokersmustinformtheinsureroftheir lifestyle habits before purchasing a plan.

Disabledindividuals:Disabledindividualscanalsobenefitfromalifeinsuranceplan.However,they need to undergo some medical tests before buying a suitable insurance plan.

People with pre-existing medical conditions: Individuals with pre-existing medical concerns can enjoyfinancialsecuritywithlifeinsurance.However,itisvitaltosharethedetailsofsuchmedical conditions with the insurer.

Importantlifeinsurancetermsyou should know:

Lifeassured:Theinsuredpersonisreferredtoasthelifeassured. Intheunfortunateeventofthelife assured's death, the nominee receives the insurance money.

Policytenure:Thisisthedurationforwhichtheinsurancecompanyprovidescoverage.Policytenure for a life insurance plan can range anywhere from 1 year to 99 years (whole life) .

ClaimSettlementProcess:

Onthehappeningoftheevent,thebeneficiaryisrequiredtosendclaimintimationformtothe insurance company as soon as possible.

Claim intimation should contain details such as date, place, and cause of death. On successful submissionofclaimintimationform,aninsurancecompanycanaskforadditionalinformationabout

1. Certificateofdeath
2. Copyofinsurancepolicy
3. Legalevidenceoftitleincaseinsuredhasnotappointeda beneficiary
4. Deedsof assignment

Onsuccessfulsubmissionofallthedocument,theinsurancecompanyshallverifytheclaimand settle the same.

1RulesforBeneficiariesClaimingLife Insurance:

Whenapolicyholder'sbeneficiaryornomineeis claiminglifeinsurance,heorshewillberequiredto follow certain rules. The nomineewill haveto file adeath claim in order to procurethedeath benefit. If you have a physical insurance policy, you can take a claim intimation or a notification form from your life insurance provider. If you have an online policy, you can apply for a form online. Your claim intimation will need to comprise elements such as policy number, name of the policyholder, place of death, name of the insured, name of the claimant, etc.

The nominee will first have to fill a few death claim forms and also provide some proof of death. Once the form is filed with the life insurance company, then it is established that the company has gotadeathclaim.Next,thenomineewillneedtoassemblealltheappropriatedocumentsthatserve as proof. Then, the nominee will need to furnish these documents to the company for the claim settlement process.

Oncetheformsanddocumentsaresubmitted,the companywillverifyeverythingandthenmakea decision about if the claim should be settled or not.

LifeinsuranceClaims inCaseof Death:

Here,nomineesorcloserelativesofthedeceasedmaketheclaim(orassigneesifthepolicyhasbeen assigned) in the following way:

- Informtheinsurerassoonaspossiblewithdetailssuchastimeofdeath,placeofdeathandcauseof death.
- Submittherelevant documentstothe insurer.Thiswill include:

1. Thedeathcertificateofthedeceasedpersonalongwiththeclaimformasprovidedbythe company.
2. Thepolicyinitsoriginalformasthisisalegaldocumentandproofofaninsuranceagreementthat covered the life of the deceased.
3. Dischargeformwhichhastobesignedwithwitnesses.Ifthepolicywasassigned,theassignee will have to provide the deed.
4. Ifaclaimismadebysomeoneotherthanthenomineeorassignee,thepersonmakingtheclaim will have to submit legal proof of his/her title.
5. Ifrequired,post-mortemreportsandhospitalandattendingdoctors'reportswillalsohavetobe submitted.
6. In casesinvolvingpolice inquiries,aninquestreportwillhavetobesubmitted.

Whiletheseoutlinethestandardsetofdocuments requiredtoprocessaclaim,otherevidencemaybe required such as an employer's certificate or any other forms or reports that will help resolve any issues thrown up during an insurer's claim verification or investigative processes.

Upontheinsured'sdeath,theinsurerrequiresacceptableproofofdeathbeforeitpaystheclaim. Ifthe insured's death is suspicious and the policy amount is large, the insurer may investigate the circumstances surrounding the death before deciding whether it has an obligation to pay the claim.

Paymentfromthepolicy maybeasalumpsumorasanannuity,whichispaidinregularinstallment for either a specified period or lor the beneficiary's lifetime.

Claim incaseof maturity:

Youcanfollowthe stepsgivenbelow toraise amaturityclaimforyourlifeinsuranceplan:

Contacttheinsurer usingany oneofthemethodsmentioned above–website, call,email, orin person

Submityourlifeinsurancepolicycertificate,KYCproofslikeAadharcard,pancard,oranyother required document, and a cancelled cheque

Theinsurancecompany will reviewthedocuments andissuethe settlement.

LifeInsurancePremium Calculation;

Once the insurance company has taken the aforementioned factors into consideration, it will determine theamountofpremiumapplicabletoanindividual,makingitessentialforyoutoensurethatyouleada healthy lifestyle and make the right choices in order to avail the best possible rates.

Thepremiumchargedon yourlifeinsurancepolicyistheamountofmoneyleviedbyinsuranceproviders for coverage. The premium charged by each company may vary, making it important for you to compare different policies to find the one that best suits your requirements. However, there may betimes when the quoteforapremiummaydifferfromthepremiumthatisactuallychargedasitwilldependonthemanner in wh1ich the premium is computed.

Mathematical calculations and statistics done by the insurance providers' underwriting department will determine the premium charged to an individual. In most cases, the statistical data regarding the health, age and life history of an individual are taken into consideration when computing the premium. For instance, a youngster driving a fancy sports car will likely have to pay a higher insurance premium in considerationofamiddle-agedindividualwhodrivesasedan.Theunderwritingprocessisapplicableto all individuals who wish to avail lifeinsurance, and it entails investigationof filial illnesses, analysis of reports such as motor vehicle reports and medical information bureau.

Once the underwriting department of your insurance provider has gathered all your information and analysed it, an actuary will scrutinise it further to determine your risk to the insurance company. The actuarywillalsoforecasthowlikelyyouaretomakeaclaimonyourpolicy,andthehigheryourchances of making a claim, the higher your premium payment will be. The actuary will also peruse mathematical information after which he / she will compile ‘mortality and sickness’ tables based on which potential losses you will incur dueto illnesses and death will benoted. Thesetables areused by actuaries to create modelsthatascertainhowlikelyanindividualistocontractillnessesordie.Thepremiumchargedtoyou will be determined by these results.

● OVERVIEW

Partiesto Contract:

The person responsible for making payments for a policy is the policy owner, while the insured is thepersonwhosedeathwilltriggerpaymentofthedeathbenefit.Theownerandinsuredmayormay not be the same person. For example, if Joe buys a policy on his own life, he is both the owner and the insured. But if Jane, his wife, buys a policy on Joe's life, she is the owner and he is the insured. Thepolicyowneristheguarantorandhewillbethepersontopay forthepolicy.Theinsuredisa participant in the contract, but not necessarily a party to it.

ContractTerms:

Special exclusions may apply, such as suicide clauses, whereby the policy becomes null and void if the insured commits suicide within a specified time (usually two years after the purchase date; some states provide a statutory one-year suicide clause). Any misrepresentations by the insured on the applicationmayalsobegroundsfornullification. Mostofusstatesspecifyamaximumcontestability period, often no morethan two years. Only if theinsured dies within this period will theinsurer have a legal right to contest the claim on the basis of misrepresentation and request additional information before deciding whether to pay or deny the claim.
Thefaceamountofthepolicyistheinitialamountthatthepolicywillpayatthedeathoftheinsured or when the policy matures, although the actual death benefit can provide for greater or lesser than the face amount. The policy matures when the insured dies or reaches a specified age (such as 100 years old).

Costs,insurabilityand underwriting:

Theinsurancecompanycalculatesthepolicyprices(premiums)atalevelsufficienttofundclaims, cover administrative costs, and provide a profit.
Thecostofinsuranceisdeterminedusingmortalitytablescalculatedby actuaries.
Mortalitytablesarestatisticallybasedtablesshowingexpectedannualmortalityratesofpeopleat different ages. Put simply, people are more likely to die as they get older and the mortality tables enabletheinsurancecompaniestocalculatetheriskandincreasepremiumswithageaccordingly. Such estimates can be important in taxation regulation.
Inthe1980sand1990s,thesoa1975-80basicselect&ultimatetableswerethetypicalreference points,whilethe2001vbtand2001sotableswere publishedmorerecently.Aswellasthebasic parametersofageandgender,thenewertablesincludeseparatemortalitytablesforsmokersand non-smokers, and the cso tables include separate tables for preferred classes.

Themortalitytablesprovideabaselineforthecostofinsurance,butthehealthandfamilyhistoryof the individual applicant is also taken into account (except in the case of group policies). This investigation and resulting evaluation is termed underwriting. Health and lifestyle questions are asked, with certain responses possibly meriting further investigation.

Specificfactorsthatmaybeconsideredbyunderwriters include:

- Personalmedicalhistory
- Familymedicalhistory
- Drivingrecord

Heightandweightmatrix,otherwiseknownasBMI(BodyMassIndexBasedontheaboveandadditional factors, applicants will be placed into one of several classes of health ratings which will determine the premium paid in exchange for insurance at that particular carrier.

Life insurance companies in the United States support the Medical Information Bureau (MIB), which is a clearinghouseofinformationonpersonswhohaveappliedforlifeinsurancewithparticipatingcompaniesin the last seven years. As part of the application, the insurer often requires the applicant's permission to obtain information from their physicians.

Automated life underwriting is a technology solution which is designed to perform all or some of the screeningfunctionstraditionallycompletedbyunderwriters,andthusseekstoreducetheworkeffort,time and/or data necessary to underwrite a life insurance application. These systems allow point of sale distribution and can shorten the time frame for issuance from weeks or even months to hours or minutes. depending on the amount of insurance being purchased.

Themortalityofunderwrittenpersonsrisesmuchmorequicklythanthegeneralpopulation.Attheendof10 years, the mortality of that 25-year-old, non smoking male is 66 year. Consequently, in a group of one thousand 25-year-old males with a $100,000 policy, all of average health, a life insurance company would have to collect approximately $50 a year from each participant to cover the relatively few expected claims. (0.35to 0.66 expected deaths in each year ×$100,000 pay out perdeath = $35 per policy.)Other costs, such as administrative and sales expenses, also need to be considered when setting the premiums. A 10-year policy for a 25-year-old non-smoking male with preferred medical history may get offers as low as $90 per year for a $100,000 policy in the competitive us life insurance market.

Mostoftherevenuereceivedbyinsurancecompaniesconsistsofpremiums,butrevenuefrominvestingthe premiums forms an important source of profit for most life insurance companies. Group insurance policies are an exception to this.

In the united states, life insurance companies are never legally required to provide coverage to everyone, with the exception of civil rights act compliance requirements. Insurance companies alone determine insurability, and some people are deemed uninsurable. The policy can be declined or rated (increasing the premiumamounttocompensateforthehigherrisk),andtheamountofthepremiumwillbeproportionalto the face value of the policy.

Many companies separate applicants into four general categories. These categories are preferred best, preferred, standard, and tobacco. Preferred best is reserved only for the healthiest individuals in the general population. This may mean, that the proposed insured has no adverse medical history, is not under medication, and has no family history of early- onset cancer, diabetes, or other conditions. Preferred means thattheproposedinsurediscurrentlyundermedicationandhasafamilyhistoryofparticularillnesses.Most people are in the standard category.

People in the tobacco category typically have to pay higher premiums due to the higher mortality. Recent US,mortalitytablespredictthatroughly0.35in1,000non-smokingmalesaged25willdieduringthefirst year of a policy.

Mortalityapproximatelydoublesforeveryextratenyearsofage,sothemortalityrateinthefirstyearfor non-smoking men is about 2.5 in 1,000 people at age 65. Compare this with the US population male mortality rates of 1.3 per 1,000 at age 25 and 19.3 at age 65 (without regard to health or smoking status.

INSURANCEVS.ASSURANCE .

The specific uses of the terms "Insurance" and "Assurance" are sometimes confused. In general, in jurisdictions where both terms are used, "Insurance" refers to providing coverage for an event that might happen (fire, theft, flood, etc.), while "Assurance is the provision of coverage foran event that is certain to happen. In the United States, both forms of coverage are called "Insurance for reasons of simplicity in companiessellingbothproducts.Bysomedefinitions,"Insurance"isanycoveragethatdeterminesbenefits based on actual losses whereas "Assurance" is coverage with predetermined benefits irrespective of the losses incurred.

Lifeinsurancemaybedividedintotwobasicclasses:temporaryandpermanent;orthefollowingsubclasses: term, universal, whole life, and endowment life insurance.

DifferenttypesoflifeinsurancepoliciesinIndia:

1. Termplan-purerisk cover
2. Unitlinkedinsurance plan(ULIP)-insurance +investment opportunity.

3. Endowmentplan-insurance +savings.

4. Moneyback-periodicreturnswithinsurancecover

5. Wholelifeinsurance-lifecoveragetothelife assured forwholelife.

6. Child'splan-forfulfillingyourchild'slifegoals likeeducation,marriage, etc.

Retirementplan-plan yourretirementandretire gracefully

CRITICISM:

Although some aspects of the application process (such as underwriting and insurable interest provisions) makeitdifficult,lifeinsurancepolicieshavebeen usedtofacilitateexploitationandfraud. Inthecaseoflife insurance, there is a possible motive to purchase a life insurance policy, particularly if the face value is substantial,andthenmurdertheinsured. Usually,thelargertheclaim,andthemoreserioustheincident,the larger and more intense the ensuing investigation, consisting of police and insurer investigators.

The television series forensic files has included episodes that feature this scenario. There was also a documentedcasein2006,wheretwoelderlywomenwereaccusedoftakinginhomelessmenandassisting them. As part of their assistance, they took out life insurance for the men. After the contestability period ended on the policies, the women are alleged to have had the men killed via hit-and-run car crashes.

Recently,verticalsettlementshavecreatedproblemsforlifeinsuranceproviders.Averticalsettlement involves the purchase of a life insurance policy from an elderly or terminally ill policy holder.

The policy holder sells the policy (including the right to name the beneficiary) to a purchaser for a price discounted from the policy value.The seller has cash in hand, and the purchaser will realize a profit when the seller dies and the proceeds are delivered to the purchaser. In the meantime, the purchaser continues to paythepremiums.Althoughbothpartieshavereachedanagreeablesettlement,insurersaretroubledbythis trend. Insurers calculate their rates with the assumption that a certain portion of policy holders will seek to redeem the cash value of their insurance policies before death. They also expect that a certain portion will stop paying premiums and forfeit their policies.

However, vertical settlements ensure that such policies will with absolute certainty be paid out. Some purchasers,inordertotakeadvantageofthepotentiallylargeprofits,haveevenactivelysoughttocollude withuninsuredelderlyandterminallyillpatients,andcreatedpoliciesthat wouldhavenototherwisebeen purchased. These policies are guaranteed losses from the insurers' perspective.

OnApril17.2016,areportby60minutesclaimedthatlifeinsurancecompaniesdonotpaysignificant numbers of beneficiaries.

CUSTOMERREALTIONSHIP MANGANGEMENT

Introduction:

CustomerRelationshipManagement(CRM)isasystemformanagingacompany'sinteractionswithcurrent and future customers. It often involves using technology to organise, automatic and synchronise sales, marketing, customer service and technical support. CRM, uses the benefit of data management that allows data resources to work as a single integrated database.

Origin of the term CRM can be traced back in the earlier 1990's, when the concept of marketing changed fromtransactionaltorational.CRMisintendedforbuildinglong-termrelationship.CRMisoftenconsidered as database marketing primarily linking marketing of the organisation with the database of the customers. Some theorists have been considering it, as an exercise for customer retention as many theories and studies have been emphasising on the rationale for keeping the customers. This requires a variety of techniques, especially post-sale initiatives, to keep the customers for life. This was believed to be a mechanism to keep the existing customers happy so that they remain with the organisation and may, if possible, generate positive referral for the company's products and services. It was believed that application of IT can be an effective tool to develop one-to-one relationship that integrates database with company's marketing strategy thatmayfocusonleveragingTheexistingcustomerbase.Sellingpoliciestonewcustomersisexpensiveone compared to existing customer. Successful CRM should give insurers the ability to measure customer value, and improve the customer's service perceptions while reducing servicing costs.

DefinitionofCRM

Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partneringwithselectivecustomerstocreatesuperiorvalueforthecompanyandthecustomer.Itinvolves theintegrationofmarketing,sales,customerservice,andthesupply-chainfunctionsoftheorganisationto achieve greater efficiency and effectiveness in delivering customer value.

Similarly,CRMismarketing-orientedtowardsstrong,lastingrelationshipswithindividualaccounts.Based on the understanding available of Customer Relationship Management, it can be defined as "Customer Relationship Management is a continuously updated process of identifying relative value of customers and designingcustomisedcompanyinteractiontodelightthemsothattheydo notjestremainwiththecompany profitably but also be the company's ambassador. Full involvement and empowerment of employees and appropriate technology are two essentials for successful CRM.

NeedforCRM

GlobalisationisaboominElectronicworldtohelpthefieldofCRMtocontactcustomersdirectly.Afirm can easily interact with its customers at low cost.

CRM is oneto one, communication from thefirm and its customers. Firms must shift from the old paradigm ofmassproductiontothenewparadigmofmasscustomerisationtomeettheexactdemandsofthecustomer. The last 15 years have witnessed an explosion of growth of opportunities for service sector organisations.

Today, more and more service sector companies have a chance to walk on the competitive edge and prove theirabilitiesonparifnotbetterthanotherplayers inthefield.Thepresent trendisinforofgoodcustomer relationship management. The successes of a service sector organisations today, depends on its ability to servethecustomerfor'everandalsomaking anumberofserviceavailabletothecustomershencethereisa need to study the impact of CRM on business prospectus. In this background, CRM becomes imperative.

Importanceof CRM

Asatisfiedcustomerin10yearswillbring100morecustomerstothecompany.Itcosts7timesmoreto attract a new customer than to serve an old one.

20% of the company's loyal customers account for 80% of its revenues. (Pareto's principle). The chances of sellingtoanexistingcustomerare1in2;thechancesofsellingtoanewcustomerareIin16.Customerstell eight friends about a satisfying experience and 20 friends for a negative experience. It is easier to influence existing customers to buy 10% more than increase the customer base by 10%. Eighty per cent of successful new product and service ideas come from existing customers.

Repeatcustomers costone-fifthlessthannewcustomersandcansubstantiallyincrease profits.

- Waystokeepcustomers

1. Everypartofthecompany's marketingeffortshouldbe gearedtowardsbuildinglifetime relationships.

2. Peoplewanttodobusinesswithfriendlypeople.Tohaveeffectiverelationsafriendlyattitudemust permeate in the organisation.

3. Informationtechnologydevelopmentsshouldbepositivelyusedtoservethecustomers..Thecompany should always be flexible to bend its rules and procedures in the client's favour.

4. Thecompany shouldcommunicate with itscustomers evenwhen it isnot tryingto sell something.

5. Thecompanycancommunicateanddevelopstrongercustomerbondingbyprovidingfinancialandsocial benefits.

6. Thecompany shouldtry toknowallits customers includingtheirlifestyles,hobbies, likesand dislikes etc.

7. Thecompany shouldmakeitapoint to delivermorethan what is promised.

1. CRMIn Insurance

Withtheincreaseinthenumberofinsurancecompaniesinthemarketandconsumersbecomingmoreaware of different policies. Insurance companies have realized the importance of CRM. The cost of attracting a new customer is five times more than that is incurred to make an existing customer happy. Therefore, to survive in the market, insurance companies need to implement CRM in their organizations.

Thisisthekeytosuccess intheindustry.Theorganizationscansucceed whohavebeenabletobuild abase of their loyal customers, because a loyal customer advocates the companies products much better than the organizationitself.Thebasicexistenceoftheorganisationliesinthehandsofitscustomers.Itcanbeeasily concluded that for success, it is necessary to implement CRM in the right manner.

Insurancecompaniesavailablein India

1. LifeInsuranceCorporationof India

2.SBILife InsuranceCo.Ltd

3. TataAIGGeneral Insurance

4. NewIndia Assurance

5. 0riental Insurance

6. INGVysyaLifeInsurance

7. ShriramLifeInsurance

8. ICICIPrudentialLifeInsurance

9. HDFC Standard Life

Insurance

10BajajAllianzGeneralInsurance

11. IFFCOTOKIOGeneralInsurance

12. ICICILombardGeneralInsurance

13. BirlaSun Life Insurance

14. AvivaLife Insurance

15. MaxLife Insurance

16. MetLifeIndiaInsura

nce 17 Reliance Life

Insurance

18. SaharaIndiaLifeInsurance

19. OmKotakMahindraInsurance Company

20. AgricultureInsuranceCompanyofIndiaLtd

21. Amsure Insurance

22. ANZ Insurance

23. CholamandalamGeneral Insurance

24. Employee'sStateInsuranceCorporation

25. PeerlessSmartFinancial Solutions

26. RoyalSundaramAllianceInsuranceIndia

27. ExportCreditGuaranteeCorporationofIndia Ltd.

IIImportanceOf CRMIn InsuranceSector

Many customers of Insurance companies are not aware of the policies and services to be rendered by the company. So there should be a relationship between the customer and the company. CRM helps the organizationtoknowledgethecustomersonbehalfoftheorganization.Thenonlytheybecomeloyaltothe organization. Most insurers understand the CRM business proposition and have undertaken significant initiatives, there has been limited success to date.

PremiumrelatedservicesrenderedbyCRM

Lifeinsurancepremium hastobepaidbythepolicyholderforaperiodof5yearsto30years.This periodis depending on the term of the policy taken. In order to pay the premium in time, the company follow some CRM tools to help the customer. Customer service in insurance organizations is with strange constraints, which may not be very relevant in the other areas of services organizations.

Insomecases,itcango uptoanentirelifetimeoftheclient,ifheorsheislookingatbackinguptherisk coverage during the active working period with a reasonable and decent pension package.

Premiumpaymentreminders

Sendingreminderstothecustomersbymailis theoldestmethod followedbythe organisation.

Nowadaystheinsurancecompaniessendremindersthroughe-Mail,SMSaspertheircustomer'swish.The companies provide the facility to the customers to remit the premium not only in their office branches but also through new mode of payments such as service centres, net banking, mobile apps and bank accounts.

Providingsuchuserfriendlyservices,thecustomersfeeltheserviceexperience better.

GracePeriod

Thegraceperiodforinsurancepolicymeansgivingextratimetopaytheirpremium,generally,30daysfor quarterly, half yearly and annual mode. For monthly payment mode, IS days given as grace period. If the policyholder fails to pay the premium within the grace period, the policy will automatically lapse which meansthepolicyholdernolongerhasthelifeprotectionofthepolicy.Providinggraceperiodisalsooneof the CRM tool.

PremiumrelatedservicesrenderedbyCRM

TherearesomeotherservicesalsoprovidedbytheInsurancecompaniesusingCRMasatool. Duplicate

policy

Iftheoriginalpolicyislost,itisnoteasytogetaduplicatepolicy.Becausethereisachanceofmisusingthe original policy against the company. So the company take several precautious measures before issuing a duplicate policy. A duplicate policy confers on its owner the same rights and privileges as the original policy. Issuing duplicate policy is also one of the CRM tool.

Alterationsinpolicy

Nowadaysapolicycanbealteredsoeasy.Topupfacilitiesforsumassuredareavailable.Likethat,the reduction of sum assured also available.

Modeofpaymentofpremiumalsochangeablelikemonthlymodeintoquarterlyorannually. Alterationsin policy include conversion of whole life policy into endowment plan, alteration from without profit plan to with profit plan, correction in name, settlement option of payment of sum assured by instalments, grant of accident benefit, and etc.

However,noalterationispermittedwithinoneyearofthecommencementofthepolicy withsome exceptions.

Policytransferand changeofaddress

Lifeinsurancecontractislongtermprocess.Sotheaddresschangeofpolicyholderisinevitable.CRMhelps the customer to apply and getting change in the address. As a result of address change, the policy records also to be get transferred from one branch to another. Today, all the branches are inter-connected through networking facility. So, the transfer of policy record from one branch to another is not necessary.

Maintenanceofrecords

Apolicyholdermaymakemodificationsinthepolicyanytimeduringthepolicyperiod.Soitisvitalto update and maintain the records of the policy holders.

In earlydays,thepolicy holdershavetocontacttheirbranchesforeverydetailtheywant.Buttoday,using effective CRM, it is easy to get any information they want.

Revivalofpolicy

All life insurance companies provide the service of revival of the lapsed policies. Arrears of the unpaid premium with interest should be paid to revive the policy. If a revival of the policy is effected within 6 monthly from the due of first unpaid premium, no personal statement regarding health is required and the policy is revived on collection of delayed premium with interest. Providing such facility of revival gives policyholdertheopportunitytobringthecustomeruptodateandavailthebenefitsoftheinsurancepolicy.

Assignmentand Nomination

A life insurance policy is easily assignable to another person. If a policy owner wants to donate his life insurancepolicytosomeotherperson,hecaneasilytransferhisownershiprightsofthepolicy.Butoncethe transfer is made, if the assignor wants to cancel it, then the assignee would re-assigned it to the assignor. Lifeinsurancepoliciesinsisttheircustomersfornomination.Eventhoughnominationisdoneatthelimeof purchasing the policy, nomination can also be made thereafter by means of an endorsement on the policy itself. Change and cancellation of nomination may be made any number of times by the life assured before the date of maturity of the policy.

Settlementrelated services

Thesearethe essentialservicesrendered bylifeinsurers totheircustomers.

Apolicyholder can terminatethecontract wheneverhewishes to,for anyreason.

Surrenderofa policy

Insurancecompaniesprovidepolicyholderstheoptionofsurrenderingtheirinsurancepolicies.Minimum three years, the premium have to be paid, the policyholder can surrender the contract for a guaranteed surrender value. In case of surrender, generally the policy has to be cancelled.

Paidup assurance

Atleastthreeyears,thepremiumhastobepaidandsubsequentpremiumsarenotpaid,thepolicywillnot lapse but will be converted into a paid-up assurance. The amount of claim will be available either on maturity of the policy or on death whichever is earlier.

Claims settlement

The settlement of claim is an important aspect of service to the policyholders. Life insurance companies havetogiveemphasisonexpeditioussettlementofmaturityaswellasdeathclaims.Theyshouldprovide proper guidance to their customers on the procedure for registering a claim and early settlement thereof. IRDA given regulatory guidelines to insurance companies to make a speedy claim settlement.

IntroductionofCRMsystemshelpsinwebbased lossfilingandcheckingtheclaimstatus

ResultinCRM.

AdvantagesofCRM

ORMistheprocessofacquiring,retainingandgrowingprofitablecustomers.Itrequiresaclearfocusonthe service attributes that represent value to the customer that crate loyalty. Customer relationship management has several advantages:

1. Companycaneasilyfindtheneedsofthecustomers.

2. Itcaneasilyto targetspecificcustomersby focusingontheirneeds.

3. Imakeseasiertotracktheeffectivenessofagiven campaign.

4. Itgivesknowledgeaboutthecustomer whoisloyal totheproduct.

5. Directcontactwith the customers, createsthepotentialcustomers existence.

6. Marketingofaproductis basedoncustomer-oriented notpriceoriented.

7. Asperthecustomers' wish, aproductismanufacturedand marketed.

8. Itpreventsoverspendingonlow-valueclientsorunder-spendingonhigh

value ones.

9. Itspeedsupthetimetodevelop andmarketa product.

10. CRMreducesadvertisementcosts.

11. Productquality tobe increased.

12. Volumeofsale is to beraised.

13. Itimprovestheuseofthecustomerchannel,thus makingthemostof eachcontactwithacustomer.

FactorsresponsiblefortheFailureofCRMin Insurance

ManagementstronglybelievethatCRMistheonlysourcetosolvealltheirproblemsrelatestomarketing.It is after the initiatives begin to unfold and become tangible that the management realizes the gaps in their expectations same of the cases for failure are,

1. Business use CRM as a technology, not as a marketing practice. Due to automation of obsolete processes and,peoplebelievingthattechnologyalonecanchangeresultswithouthavingtowhattheyreallydoorwhat they really believe.

2MostoftheCRMfailuresbasedon thecompanypolicies andwronginterpretationof the analysisof CRM.

3. Remaking a company to be genuinely customer-centric is new and uncharted territory and as with anythingnew,thereisalwaysresistancetochange.Changeoftenforcespeopletoregresstowhattheyknow and protect what they have always been comfortable with.

4. Ifacompany wantstoapplyCRM technique,thenit shouldrely onits analysis.

ThereisafailureinunderstandingwhatCRMisallabout.Someregarditsallabouttechnologyandtheyfail to align technology with strategy. Some think it's all about targeting customers and customer groups for special offers. They see it as a simple matter of capturing names and addresses and linking this to customer transactions to cross-sell and up-sell.

5. Poorplanningofacompany'sinteractionwithcustomersand increasesthechancesofaddressingwrong issues.

6. Poorunderstandingof CRM, can'tfulfilits goal.

7. Manycompaniesdon'teducateitsstafftoexecuteCRMtechniqueandcan'teducateitscustomershowto use CRM. There is lack of CRM skills.

Manycompaniesarecreatingsophisticatedcustomerresearchmethodologytechniqueswithoutrealizingthat such sophisticated tools required sophisticated users and the users need training.

8. Inmostcases,CRM requireshugebudgetallotment.

9. Lackofinternal,enterprise-widedataintegrationhasmadeitexceedinglydifficulttodevelopa comprehensive view of customers.

CRMIn India

The insurance industry in India has come a long way since liberalization of the sector. Opening up of the sector has stiffened the competition, making it necessary for the providers to shift from traditional policy based sales structure to customized sales structure. An industry which thrives to sell 'intangible' needs to understand and serveits customers by setting ever-improved standards. CRM in India is still in itsinfancy. The CRM market in India is likely to grow. The insurance sector is expected to witness very high spending initiativesondeploymentofCRMsolutions.Indianinsurancecompanieshavetogearupthenewinitializes of CRM. G.N. Bajpai, the then Chairman of LIC emphasized the growing importance of customer relationship management and said that companies will have to transform CRM to value-based client relationship. Now, it is in the interest of stakeholders of the insurance industry to enable convergence that evolvesaroundcorecompetenciesandmaintainanappropriatebalancebetweenthebusinessmodel,human resources and technology.

SCOPEFORCHALLENGINGCRMIN LIC:

ThevariousCRMmeasuredundertakenbytheLICarereallycompetingwiththechallengingcompetitorsin the field of insurance. Yet, as CRM is at the core of the Net economy. Which is characterized by rapid changes, LIC must introduce new schemes of customer care/ customer management to withstand competition.

Thefollowing suggestionsmay beoffered inthis regard:

- One-to-onemarketingshouldbeimprovedtohelpanswerthefrequentlyaskedquestion(FAQs)of customer and to impact a personal touch to each interaction.

- Customerself-servicesupportcanbebestemployedinproduct/servicecomparisonandpost-salesupport roles. Call center coast can be [reduced by implementing customer self service/solution centered support systems.

• Customerhistory/accountmanagementcanbeeffectivelyintroducedsoastoanswerthequeriesofthe customers even before they voice them.

ADVANTAGESOFIMPLEMENTING CRMIN THEINSURANCE SECTOR:

• Inordertobecomemorefriendlyandcustomer-centric,organizationsintheinsurancesectorneedto implement a CRM.

• CRMhelpsorganizationtointeractwiththeircustomersinamoreinformed mannel.

•Ithelpsthemanager,the agentandotherofficials tounderstandthestatusofthestatusofthepresent client, hispasttransaction,lastmeetingwiththeagents,commentsoftheagent,manager,andemployeesregarding the dealings, and other relative in formation which can be used by the employee or agent of the company in handling a particular customer.

•LIC,thebiggestplayerintheindianinsurancesector,hasalso implementedCRMinitsorganizationto facilitate better care for the customer.

•Nowthecustomer candeposithispremiuminanycomputerizedbranchofLICallover India.

Themanagercananalyzeallthedetailsoftheclient,regardinghispolicy,thepremiumpaidandduedatefor the next premium.

EFFECTIVENESSOFCRMIN THE INSURANCE SECTOR

IntegrationofpolicyadministrationsystemandCRMimplementationwouldbeusefulforunderstandingthe front office process management.

• Customer-centricApproach

Theelementoffocusistheend-customer,notpolicies,TheCRMimplementationsneedtoassociateallthe relevant information, including owned policies to the customer.

Specificelements ofCRM in insurance:

The term customer relationship management encompasses all those concepts used by companies in relation to their clients including the capturing, storing and analysis of information about customers, while taking into account the data's privacy and security. This is a business strategy that influences the processes, the culture and technology of an organization in order to optimize revenue and increase its value by understandingandmeetingtheneedsofindividualconsumers.Implementationofsuchasysteminvolvesthe systematization of operations specific to each particular (field, in a particular predetermined order and consideringanumberofcomponentssuchas:analyzingthecompany-clientrelationshipinsales,marketing andservices,determining theprofitabilityof introducingtheCRM systembyanalyzing thecostsand time requiredforCRMimplementationaswellastheprojectanddatanecessarytocarryouttheCRMprocess (Kumar, 2012).

However the customer relationship management process is faced with different challenges, typical for each field of activity, which cannot be solved by applying the same standardized solution. In the insurance field theimplementationofthisprocessprovedtobeextremelycomplexespeciallybecauseofthedifferencesthat are Specific to each type of insurance:

a) Property insurance;

b) Lifeinsurance;

c) Liabilityinsurance.

Property insurance deals with property belonging to individuals or legal entities and may be the subject of natural phenomena or accidents (cars, buildings, household goods, assets etc). So basically all movable or immovablepropertybelongingtoindividualsorlegalentitiescanbeinsured(implicitlyacceptedasclients). Of course, depending on the practical conditions of the specific environment the insurers operate in, their own policies and their experience in a particular market, certain assets are not insured. The conditions for insuring a property or not, may vary from one company to another, from one market to the next.

ForexampleintheRomanianrealestateinsuranceindustry,thebuildingsthatarefallingintothe1Stseismic risk class (red dotted buildings are not insured for earthquake risk.

Listsarepreparedbymunicipalities,butafterinspectionscarriedoutbyrepresentativesoftheinsurersthese lists can be extended to other buildings too.

In the field of Casco auto insurance, because the high damage ratio recorded by this segment on the Romanian market (gross paid indemnities representing about 90% of the gross written premiums), some insurers impose restrictions when it comes to insuring cars that are too old for example they do not insure carsbeingmorethat10yearsold)inordertoreducelossesindemnitiespaidforthistypeofearsareusually higher than the paid premium)

Intieareaofpropertyinsurance(corporate)therearetimeswhencertainindustrialcannotbetakenoverby theinsurance company if theycannot reinsuremostPilherisksthatmay causedamaceto theirobjective. A significantexamplecan beCemavodanuclearplantforweisttheinsurancemechanisminvolvesdispersion of Takas much as possible. Therefore I is secured by INo podis (unions of insurance companies which assocratetocoverrisk)withtraditioninnuclearsecurity:oneisдопивиливильотіЕлетулазосопрано) іГ о неде гено сие аво вог sad another Italian (which includes 30 companies).

If the these figures we also add he ten participating Romanian insurance companies as well as the companiesthat,asinvolvedindirectlyasreinsurers,weeaneasilydrawtheconclusionthatthenumberof companies participating in one way or another to ensure the Cernavoda nuclear power plant is over 100.

Agricultural insurance failures have also been problematic in time, especially when this field has been heavilyandwrongfullysubsidizedinsomecountries.Capitanio,Diaz-Caneja,CafieroandAdinolfid(2011) using a simple empirical model of insurance markets, show in one of their study that, the risk in subsidised agriculture should only be taken by insurers when the offer can be competitive without the subsidies. Otherwisetheagriculturalofferisonlyonthesurfaceprofitable, beingacoverforafewmonopolistic companies which profit from the state's budget.

Lifeinsurancedealswiththeindividualhimselfanditismeanttoreducedisruptioncausedbynatural disasters, accidents, disease etc., or it consists of paying the insured amounts in connection with the production of certain events (death, disability, etc.).

Ofcourse,inthistypeofinsurancealso,thereareexceptions;somepeoplecannotbeprovidedwith insurance, such as, for example, people aged over 65.

Liability insurance compensates damages caused to third parties for prejudice arsedby the insured. Therefore,dependingonthetypeofclaimedinsurance,customersareacceptedforinsuranceiftheyfall within the criteria predefined by the insurer.

Instance has many specific characteristics that in time proved to be problematic for Deimplementing of customer relationship management. Firsily many of the specifie products require fewer affer sales service. Once you have purchased a life insurance постре не пот орли виво консе опое зом нано роковоео в і в носковеbusinginationsSonicaneventhamrodietisnotjustfiedbyaninoreaseinParisankicetireliecostror in lensentation is also not justified. Secondly sales force in life insurance is more inclined towards new purchases. Although in sales it is recognized that cross-selling is cheaper than the acquisition of new customers, the compensation structure and training of sales people in the field encourages the acquisition of new customers to the detriment of developing the existing ones. Thirdly it is extremely important to understandthatthecorrectdataisnotcorrectlysharedacrossthesupplychain,whichiscomposedofseveral levelsontheB2B2Cmodel.Forthecustomerrelationshipmanagementsystemtobetrulyeffectiveitmust be able to provide a focal point of information, for all parties to see the interaction to the final customer. Finally,often,implementingCRMininsurancefacestheproblemofmisidentificationofthecustomer.Such a system considers distributors as being customers, completely neglecting the concrete result of the sale to the final consumer .

Thekeyprocessesof customerrelationship management

The customer relationship management encompasses a broad spectrum of activities starting with the segmentationofcustomersinthedatabaseandcontinuingwithacquiringnewcustomersandretainingthe existingones.ThereforeCRMisnotjustatechnologybutratheranintelligentsystem,acustomer-centred approach of the organization's philosophy in dealing with its customers.

Thecustomerrelationshipmanagementprocessintheinsuranceindustryfacesmanychallengesthatare

First of all, for fair and effective customer segmentation, the customer database needs to be quite rich in information.Thisincludesdemographicinformation,informationonlifestyle,family,needsandpreferences. The challenge for most organizations is to collect this data given that the normal process of selling and carrying out services collects very little information of this kind.

In general, the segmentation and analysis activities applied to the insurance products portfolio, according to customer types or objectives types, in terms of gross written premiums, earned gross premiums, premium reserves,paidindemnities,claimreservesaremadeintheActuaryDirection.Anyinsurancecompanyhasin its Structure an entity of this kind. The actuarial calculus activity, materialized in certain specific reports, depends heavily on the complexity and performance of the sales force in life insurance is more inclined towards new purchases.

Although in sales it is recognized that cross-selling is cheaper than the acquisition of new customers, the compensationstructureandtrainingofsalespeopleinthefieldencouragestheacquisitionofnewcustomers to the detriment of developing the existing ones. Thirdly it is extremely important to understand that the correct data is not correctly shared across the supply chain, which is composed of several levels on the B2B2C model. For the customer relationship management system to be truly effective it must be able to provideafocalpointofinformation,forallpartiestoseetheinteractiontothefinalcustomer.Finally,often, implementing CRM in insurance faces the problem of misidentification of the customer. Such a system considers distributors as being customers, completely neglecting the concrete result of the sale to the final consumer (BlueSun Inc., p.2).

Thekeyprocessesof customerrelationship management

The customer relationship management encompasses a broad spectrum of activities starting with the segmentation of customers in the database and continuing with acquiring new customers and retaining the existing ones. Therefore CRM is not just a technology but rather an intelligent system, a customer-centred approach of the organization's philosophy in dealing with its customer. The customer relationship management process in the insurance industry faces many challenges that are explained in First of all, for fairandeffectivecustomersegmentation,thecustomerdatabaseneedstobequiterichininformation.This includes demographic information, information on lifestyle, family, needs and preferences. The challenge for most organizations is to collect this data given that the normal process of selling and carrying out services collects very little information of this kind.

In general, the segmentation and analysis activities applied to the insurance products portfolio, according to customer types or objectives types, in terms of gross written premiums, earned gross premiums, premium reserves,paidindemnities,claimreservesaremadeintheActuaryDirection.Anyinsurancecompanyhasin its Structure an entity of this kind. The actuarial calculus activity, materialized in certain specific reports, depends heavily on the complexity and performance of the IT system. The actuarial calculation activity is closely related to the underwriting activity, having a very strong technical character. Overall, the actuarial calculationactivity.primarilyinvolvescollectingstatisticsontheprobabilityoftheinsureddamagetooccur within the specificcategory theinsured obiective belonge to. In lifeinsurancethis task is not complicated at all consisting in predictions of the mortality rate by age, combined with other factors such as sex, occupation, smoking, el. In non-life insurance, the classification of the insured objectives involves a more complex activity due to the diversity and the multitude of technical characteristics.

Once having collected statistical data related to the categories of the insured obicclives, the next step is to truthfullyestimatethefuturelossesforasufficientlylongperiodoftimedependingonwhichthetechnical insurance rates are set.

The second step consists in analyzing these databases, its objectives being segmentation, cross- selling, longtermcustomerretention,etc.Goalsareachievedthroughdifferentapproachesoftheanalysisnamelyby data association, clustering or classification.

- IntegratedVieworcustomer information
- RichessofCustomerData
- Feedbackmechanismfromcustomer
- AnalysisofCustomerData

- Intelligenceatoperationaltouchpoints
- Convenienceof interactingwith insurer
- Consistencyofcommunication

The nest step concerns the importance of the interaction with the insurer in a cation and through various channels that are available to the consumer. which is extremely important for an efficient service management.theCRMschemereferstotheconsistencyofcommunicationbetweenthegrierentchannels through which the organization offers services to its customers.

Providingconsistentcommunicationbetweenthevariouschannels(contactcentres,«desandservice subsidiaries, portals) is problematie if there is no integrated approach for storing and accessing the information collected from customers.

Itisalsorequiredtoimplementsomeintelligentmeasuresattheworksiteswhichferhavingreceivedthe collected raw data must be able to make the necessary connections to increase cross- selling based on customer profile and its long-term loyalty.

Customers of insurance companies usually hold more than one contract with the same insurer. A generalizationofclassicalsurvivalanalysiscanbeusedtoexaminetheriskoflosingacustomeroncehe chooses to cancel an initial insurance policy.

This method, analyzed by Guillén, Nielsen, Scheike and PérezMarin (2012) does not assume that the model parameters are fixed over time, but rather that they may fluctuate. The authors show how predictions about theprobabilityoflosingacustomercanbecorrectedbyimprovingthewaycompaniesmanagebusinessrisk and customer relationship management.

The mechanism for collecting feedback from customers is also one of the challenges of the CRM implementation process. This mechanism is in place and it is implemented through market research and focusgroups,buttheresultisrestrictedduetothesmallsizeofsamplesandtheinsufficientfrequencyof research.

It is therefore a challenge for insurers to develop an ongoing mechanism to receive feedback from customers,distributorsandemployees,allowingthemtointroduceproductsandservicesthataddressthe needs of consumers.

Itisnecessarytocreateanintegratedviewonthecustomerinformationunitsoftheorganization.Therefore the insurer must approach in a similar ay the client, across its companies, departments and products. This system is also extremely important from the perspective of the risk, the insurer being able to observe the accumulation of risk in the case of a customer that uses multiple products of the company that properly implemented CRM systems are expanding in most of the company's areas it has been suggested that organizationsshouldadoptaholisticapproachandplaceCRMinitscentrebytargetingitsstrategyandall the processes directed towards the customers (Girishankar, 2000) .

ForTrepper(2000)CRM'sconceptualizationgoesbeyondthemanagementsystemofacustomerservice department, bringing together operational, analytical and collaborative elements.

According to Newell (2000) consumers are most commonly divided into three distinct categories: the top, middle and the lower group. The top group (top 10%) consists of customers with excellent loyalty bringing high profits to the organization. The CRM system must retain these customers and provide them with the best services to prevent them from going to the competition. The middle group (the next 40 to 50%) are those who make large profits and have a potential to increase their profitability and loyalty. These are customerswhoareprobablyalsoworkingwithcompetingcompanies.TheCRMsystemmustbeusedinthis case to correctly identify the needs of this group, which is the main source of potential growth for any company. Customers in the bottom group (40 to 50%) have a minimum profitability. Some may have a growthpotentialbutthecostsandeffortsinvolvedtoactivateitaretoohigh.ThereforeCRMshouldbeused in this case to identify this group and decide what the company should do with these people. This has the double advantage of improving the company's profitability prospects while probably unloading these burdens on the competition's shoulder.

LIFEINSURANCECORPORATION:

LifeInsuranceCorporationofIndia(LIC)isanIndianpublicsectorlifeinsurancecompanyheadquarteredin Mumbai. It is India's largest insurance company as well as the largest institutional investor with total assets under management worth ₹41 trillion (US$510 billion) as of May 2022. It is under the ownership of Government of India and administrative control of the Ministry of Finance.

LifeInsuranceCorporationof India

Life Insurance Corporation of India (LIC of India) is a leading life insurance company headquartered in Mumbai. LIC is the largest life insurance company in India with an asset value of over 2,529,390 crores. LICofIndiawascreatedon1st September1956whenthegovernmentofIndiapassedtheLifeInsuranceof India Act, nationalising the private insurance industry in India.

Thecompanywasestablishedwiththemergerofover245insurancecompaniesandprovidentsocieties.LIC offers an array of life insurance plans including a range of ULIPs, pension plans, child plans, term insurance andothers.The company iswellestablishedinurbanaswellasruralareas of Indiaandiswellabidingbyits motto-“Yogakshemam Vahamyaham”, which means “your welfare is our responsibility”. With the adventof technology, theLIC of India hasestablished its brand’spresenceonline by selling an array of savingsand investment products online.

Asoftoday,LICofIndiafunctionswithanetworkof1,537,064 IndividualAgents,342CorporateAgents, 109 Referral Agents, 114 Brokers and 42 Banks.

LIChas2,048 fullycomputerizedbranchoffices, 113divisionaloffices,1,381satellite offices and over8 zonal offices with the head office located in Mumbai. LIC was rated as the No. 6 Most Trusted Service Brand of India by the Economic Times Brand Equity Survey 2012. From the year 2006, LIC of India has beenregularlywinningthe'ReadersDigestAward'.Also,aspertheBrandTrustReport,for4continuous years, LIC of India was reported to be India's most trusted brand in the BFSI category.

ThemissionoftheLifeInsuranceCorporationofIndiaistoenhancethequalityoflivingofthe peopleby providing financial products and services that provide competitive returns.

Table1:Details about LIC in India.

Zonal office	**8**
Divisionaloffice	**113**
Satelliteoffice	**1381**
Branchoffice	**2048**
Mini office	**1240**
Employees	**114773**

Table2:Growthand Development ofLIC in India.

SR NO.	REGION	LIC ZONE	ZONAL HEAD QUARTER	NO. OF DIVISION	STATES
1.	EASTERN REGION	EZ[48691]	KOLKATA	12	West Bengal, Assam, Meghalaya, Sikkim, Arunachal Pradesh, Nagaland, Tripura, Mizoram,Manipur&Andaman Nicobar (UT)
		ECZ [2941]	PATNA	11	Bihar,Jharkhand, Odisha
2.	SOTHERN REGION	SZ [11124]	CHENNAI	13	TamilNadu,Kerala,Pondicherry (UT) & Lakshadweep (UT)

3.	SOUTH CENTRAL REGION	SCZ [9037]	HYDERABAD	17	Telangana,AndhraPradesh& KarnatakaTelangana,Andhra Pradesh & Karnataka
4.	WESTERN REGION	WZ[88994]	MUMBAI	22	Maharashtra,Gujarat,Goa,Dadra & Nagarhaweli(UT) , & Daman & Diu (UT)
5	NORTHERN REGION	NZ[70958]	DELHI	17	Delhi,Haryana,Rajasthan, Punjab,HimachalPradesh, Jammu & Kashmir & Chandigarh (UT)
		NCZ[26809]	KANPUR	12	Uttar Pradesh, Uttaranchal
		CZ [27061]	BHOPAL	8	MadhyaPradesh,Chhattisgarh
	TOTAL			**112**	

TABLE3.LifeInsurancePlansIn India2023

PLANS	PLAN TYPE	MIN/MAXENTRYAGE	MAXIMUM MATURITYAGE
LICTEACHTERM PLAN	TERM INSURANCE PLAN	18YEARS/ 65 YEARS	80 YEARS
HDFCLIFE SANCHAYPLUS	SAVINGSPLAN	5YEARS / 60 YEARS	80 YEARS
SBISHUBH NIVESH PLAN	SAVINGSPLAN	18YEARS / 60 YEARS	65 YEARS
ICICIIPROTECT SMART	TERM INSURANCE PLAN	18YEARS / 65 YEARS	75 YEARS
MAXLIFEONLINE TERM PLAN PLUS	INVESTMENT PLAN	18YEARS / 60 YEARS	85 YEARS

LICTechTermPlan:Apurelifecoverthatcomesoutwithtwodeathbenefitpayoutoptionssuchas Level Sum Assured or Increasing Sum Assured.

HDFCLifeSanchayPlus: Withseveralotherbenefits,theplanoffersguaranteedreturnstotheinsuredand their family.

SBIShubhNiveshplan: Atraditionalsavingsplanthatcomesoutwithtwoinvestmentoption - Endowment plan & Whole Life Plan.

ICICIProtectSmart: Offers360-degreeprotectiontoyourfamily,allowingincaseofvourunfortunate demise.

MaxLifeOnlineTermPlanPlus: Anonlineterminsuranceplanthatlooksafteryourfamily'sneedsand offers 3 pay out options for the family - lump sum one time, lump-sum along with a monthly income, or lump sum with increasing monthly income.

MISSION

"ExploreandenhancethequalityoflifeofpeoplethroughfinancialsecuritybyProvidingproductsand services of aspired attributes with competitive returns, and by rendering resources for economic development."

VISION

"Atrans-nationallycompetitivefinancialconglomerateofsignificancetosocietiesandPrideofIndia."OBJECTIVE

1. SpreadLifeInsurancewidelyandinparticulartotheruralareasandtothesociallyandeconomically backward classes with a view to reaching all insurable persons in the country and providing hem finance cover against death at a reasonable cost.
2. Maximizemobilizationofpeople'savingsbymakinginsurance-linkedcaringadequatelyattractive.
3. Conductbusinesswithutmosteconomyandwiththefullrealizationthatmoneysbelongtothe policyholders.
4. Actasrateoftheinsuredpublicintheir individualandcollectivecapacities.
5. Meetthevariouslifeinsuranceneedsofthecommunitythatwouldariseinthechangingsocialand economic environment.
6. InvolveallpeopleworkingintheCorporationtothebestoftheircapabilityinfurtheringtheinterests of the insured public by providing efficient service with courtesy.

Promoteamongstallagentsandemployeesofthe Corporationasenseofparticipation,prideandjob satisfaction through discharge of their duties with dedication towards achievement of Corporate Objective.

Founding organization

TheOrientalLifeInsuranceCompany,thefirstcompanyinIndiaofferinglifeinsurancecoverage,was established in Kolkata in 1818 by "Anita Bhavas" and others.

Itsprimarytargetmarketwasthe Europeansbasedin India,anditchargedIndiansheftierpremiums. Surendranath Tagore had founded Hindustan Insurance Society, which later became Life Insurance Corporation.

TheBombayMutualLifeAssuranceSociety,formedin1870,wasthefirstnativeinsuranceprovider. Other insurance companies established in the pre-independence era included:

- PostalLifeInsurance(PLI)wasintroducedonIFebruary1884
- BharatInsuranceCompany (1896)
- UnitedIndia(1906)
- NationalIndian(1906)
- NationalInsurance(1906)
- Co-operativeAssurance(1906)
- HindustanCo-operatives(1907)
- IndianMercantile
- GeneralAssurance
- SwadeshiLife(laterBombay Life)
- SahyadriInsurance(MergedintoLIC, 1986)

The first 150 years were marked mostly by turbulent economic conditions. It witnessed India's FirstWarofIndependence,adverseeffectsoftheWorldWarIandWorldWarIIontheeconomy of India, and in between them the period of worldwide economic crises triggered by the Great depression. The first half of the 20th century saw a heightened struggle for India's independence. The aggregate effect of these events led to a high rate of and liquidation of life insurance companies in India. This had adversely affected the faith of the general in the utility of obtaining life cover.

Nationalizationin 1956

In 1955, parliamentarian Amol Barate raised the matter of insurance fraud by owners of private insurance agencies. In the ensuing investigations, one of India's wealthiest businessmen, Ramkrishna Dalmia, owner of the Times of India newspaper, was sent to prison for two years. TheParliamentofIndiapassedtheLifeInsuranceofIndiaActon19June1956creatingtheLife Insurance Corporation of India, which started operating in September of that year.

It consolidated the business of 245 private life insurers and other entities offering life insurance services; this consisted of 154 life insurance companies, 16 foreign companies and 75 provident companies.ThenationalizationofthelifeinsurancebusinessinIndiawasaresultoftheIndustrial Policy resolution of 1956, which had created a policy framework for extending state control over at least 17 sectors of the economy, including life insurance.

Liberalizationpost2000s

In August 2000, the Indian Government embarked on a program to liberalise the insurance sector andopeneditupfortheprivatesector.LICemergedasabeneficiaryfromthisprocesswithrobust performance, albeit on a base substantially higher than the private sector.

In2013thefirstyearpremiumcompoundannualgrowthrate(CAGR)was24.53%whiletotallife premium CAGR was 19.28% matching the growth of the life insurance industry and outperforming general economic growth.

Growthas a monopoly

From its creation, the Life Insurance Corporation of India, which commanded a monopoly of solicitingandsellinglifeinsuranceinIndia,createdhugesurplusesandby2006wascontributing around 7% of India's GDP. The corporation, which started its business with around 300 offices, 5.7millionpoliciesandacorpusofINR45.9crores(US$92millionasperthe1959exchangerate of roughly ₹5 for US$1), had grown to 25,000 servicing around 350 million policies and a corpus of over ₹800,000 crore (US$110 billion) by the end of the 20th century.

LIC’SContributiontothefiveyearplansovertheyear.

Year	**Investment**
1956-61	184cr. Rupees
1961-66	285cr.. rupees
1969-74	1530cr. Rupees
1974-79	2942cr. Rupees
1980-85	7140cr.Rupees
1985-90	12969cr. Rupees
1992-97	56097cr. Rupees
1997-2002	170927cr. Rupees
2002-07	394779cr. Rupees
2007-12	7014151cr. Rupees
2012-17	1423055cr.Rupees
2017-22	382479cr. Rupees

Holdings

LIC holds shares worth about ₹2.33 lakh crore in all the Nifty companies put together, but it lowered its holdinginatotalof27Niftycompaniesduringthequarter.ThecumulativevalueofLICholdinginthese27 companies fell by little over ₹8,000 crore during the quarter shows the analysis of changes in their shareholding patterns. Individually, LIC is estimated to have sold shares worth ₹500-1,000 crore in each of Mahindra & Mahindra, HDFC Bank, ICICI Bank, Tata Motors, L&T, HDFC, Wipro, SBI, Maruti Suzuki, Dr. Reddys and Bajaj Auto. The insurance behemoth also trimmed holdings in Ambuja Cements, Cipla, TCS, Lupin and Asian Paints. A marginal decline was also witnessed in its stakes in companies such as IDFC, Hindustan Unilever, Grasim, ACC, BPCL,Bank of Baroda, Punjab National Bank, Sun Pharma and Tata Power.On the other hand, LIC further ramped up its stake in a total of 14 Nifty constituents with purchase of shares worth an estimated ₹4,000 crore.

The major companies where LIC has raised its stake include Infosys, RIL, Coal India Ltd and Cairn India. Other such companies are ITC, Power Grid Corp, NTPC, Siemens, Bharti Airtel and Hero Moto Corp.The state-runinsureralsomarginallyhikeditsexposureinUltratech,GailIndia,Ranbaxy,KotakMahindraBank and HCL Technologies, while its shareholding remained almost unchanged in companies like ONGC, Tata Steel, BHEL and Reliance Infra.Among the Nifty companies, LIC's holding in terms of value in 2012 were estimated to be the Highest in ITC (₹27,326 crore), followed by RIL (₹21,659 crore), ONGC (₹17,764 crore), SBI (₹17,058 crore), L&T (₹16,800 crore), and ICICI Bank (₹10,006 crore).The share price drop in ITC on 18 July 2017 had caused LIC a major loss of around 7000 Crores.

LIC now also holds 51% stake in IDBI bank thus making it the only insurer in india to own a bank , since regulations prohibit insurers from holding more than 15% stake in any company, LIC will have to decide a timelineforparingitsstakeinIDBIbank alsoLICwillhavetopareitsstakeinLIChousingfinanceLtdasa company cannot be promoter of 2 finance companies carrying out same housing finance business so either LIC has to sell its stake in LIC housing or close down housing business of IDBI bank.

Slogan

LIC'ssloganyogakshemamvahaamyahamisinSanskritwhichlooselytranslatesintoenglishas"Your welfare is our responsibility". This is derived from ancient Hindu text,

theBhagavadGita's9th chapter,22ndverse. The slogancan beseenin the logo,written in

Devanagariscript.Thislinemeans"Icarrywhattheylack,andIpreservewhattheyhave"(referstoKrishna speaking to Arjuna), when taken in context of the entire verse.

Operations

Today LIC functions with 2048 fully computerized branch offices, 8 zonal offices, around 113 divisional offices, 2,048 branches and 1408 satellite offices and the Central Office; it also has 54 customer zones and 25metro-areaservicehubslocatedindifferentcitiesandtownsofIndia.It alsohasanetworkof1,537,064 individual agents, 342 Corporate Agents, 109 Referral Agents, 114 brokers and 42 Banks forsoliciting life insurance business from the public.

NowLICalsohasthe1899branchesofIDBIbankatitsdisposalthusitcancarryoutits insurance business

through these branches of the bank.

Mission/Vision

Mission

“Ensureandenhancethequalityoflifeofpeoplethrough financialsecurityby providing

productsandservicesofaspiredattributeswithcompetitivereturns,andbyrenderingresourcesforeconomic development.”

Vision

“Atrans-nationallycompetitivefinancialconglomerateofsignificancetosocietiesandprideofIndia.” BRAND

TRUST REPORT

Employeesandagents

Ason31 March2014, LIChad 1, 20,388 employees,out ofwhich 24,867

werewomen(20.65%).

- Agencystrength

Tre had number ofAgents on tie rolis 11. 31. 181 as ar31 Mareh2017 as дотля.10.61.560250251-M.2016, ThenumberofActiveAsensis10asasat31March2017ascomparedto10,18.039ason31March 2016.

DBIBank Employees.

NowIDBIbankEmployeeshavealsojoinedtheworkforceofLIC.howevertheyarenottreatedassameas LIC employees.

EvolutionoftheLifeInsuranceSectorin India

The insurance sector in India was under public ownership until late 1990s. With the liberalization of the insurance sector, the Insurance Regulatory and Development Authority Act (IRDA) was passed in the year 1999 to regulate and promote the insurance industry in India. Insurance Regulatory and Development Authority of India (IRDAI) was set up as a statutory body to regulate Indian insurance and re-insurance market and to protect the interest of its stakeholders. The Indian insurance sector was further liberalized in the year 2015 with Insurance Law (Amendment) Bill 2015 and Foreign Direct Investment (FDI) limit was increasedfrom26%to49%.Today,thelifeinsurancemarketin Indiaisoneoflargestinthe5worldbothin terms of total premium expenditure as well as number ofpolicies sold. In insurance business India is ranked 10th among 88 countries5 . The Indian life insurance market has been a monopoly with the Life Insurance Corporation of India (LIC) being the only provider of insurance till the year 2000. After 2000, the market was liberalized and private player were allowed to enter the market. At present there are 24 life insurance companies6 registered in India. Among these, Life Insurance Corporation of India (LIC) is the only public-sector company. Even though there are larger number of private players in the market, Life Insurance CorporationofIndia(LIC)isthesinglelargestinsuranceproviderwithabout71.8%ofthemarketshare.LIC operates through a large network of sales agents. By the end of the year 2016-17 LIC had 1.13 million agents, the corresponding number for private sector insurers was 0.96 million. LIC has a unique position in Indian market as it is considered as the most trustworthy life insurance provider in the country. As per the IRDA, the insurance market in India was about Rs. 328,000 crores (or about $48 billion) in terms of the premiums collected. ICICI Prudential, SBI Life Insurance and HDFC Standard Life are the largest private sector players catering to about 15% of the market together.

IRDA

The Insurance Regulatory and Development Authority is the main organization or supervisory body that regulatestheinsurancesectorinthecountry.Itsetsrulesandregulationsforthefunctioningoftheinsurance industry.Its solepurpose is toprotecttheinterestof policyholdersandtodevelop theindustryonthewhole.

TheIRDAorIRDAIregularlyissuesadvisoriestoinsurancecompaniesincaseofchangestotherulesand regulations. The regulator guides the insurance industry in promoting the efficiency in the conduct of insurance business all the while controlling the rates and other charges related to insurance.

Thisarticledwellsonthefunctioningofthe IRDA,featuresandbenefitsaswellasanswerstofrequently asked questions at the end of this reading.

Establishmentof IRDA:

The Government of India was the regulator for the insurance industry until 2000. However, to institute a stand-alone apex body, the IRDA was established in 2000 following the recommendation of the Malhotra Committeereportin1999.InAugust2000,theIRDAbeganacceptingapplicationsforregistrationsthrough invites and allowed companies from other countries to invest up to 26% in the market.

The IRDA has outlined several rules and regulations under Section 114A of the Insurance Act, 1938. Regulations range from registration of insurance companies for operating in the country to protecting policyholder'sinterests.AsofSeptember2020,thereare31GeneralInsurancecompaniesand24Life Insurance companies who are registered with the IRDA.

ObjectiveofIRDA:

ThemainobjectiveoftheInsuranceRegulatoryandDevelopmentAuthorityofIndiaisto enforcethe provisions under the Insurance Act. The mission statement of the IRDA is:

Toprotecttheinterestand fairtreatmentofthe policyholder.

Toregulatetheinsuranceindustryinfairnessandensurethefinancialsoundnessoftheindustry. To

regularly frame regulations to ensure the industry operates without any ambiguity.

Functionsof IRDA:

Belowarethe importantfunctions oftheIRDAIin theinsuranceindustryin India:

Grant,renew,modify,suspend,cancelorwithdraw registrationcertificates oftheinsurancecompany.

Protecting the interests of the policyholder in matters concerning the grant of policies, settlement of claims, nominationbypolicyholders,insurableinterest,surrendervalueofthepolicyandothertermsandconditions of the policy.

Specifycodeofconduct,qualificationsandtrainingforintermediaryorinsuranceagents. Specify code

of conduct for loss assessors and surveyors.

Levyingfeesandchargesforcarryingouttheprovisionsofthe Act.

Undertakinginspection,callingforinformation,andinvestigationsincludinganauditofinsurance companies, intermediaries, and other organizations associated with the insurance business.

Regulateandcontrolinsurancerates,termsandconditions,advantagesthatmaybeofferedbytheinsurance providers.

TypesofInsurancesRegulatedbytheIRDAI:

InsuranceismainlydividedintoLifeandNon-Life/GeneralInsurance.Thesearefurtherclassifiedintoother types of insurance. Below are the types of insurance regulated by the IRDAI:

LifeInsurance

Term Plans

EndowmentPolicies

Unit-linkedInsurancePolicies

Retirement Policies

Money-backPolicies

General Insurance

Health Insurance Policies

Vehicle/MotorInsurancePolicies Car

insurance

Bike Insurance

PropertyInsurancePolicies

Travel Insurance Plans

Gadget Insurance Plans

ROLEOF IRDAIN INSURANCE SECTOR

Insurance in India started without any regulations in the nineteenth century. It was atypical story of a colonialera:afewBritishinsurancecompaniesdominatingthemarketservingmostlylargeurbancenters. After the independence, the Life Insurance Company was nationalized in 1956, and then the general insurancebusiness was nationalized in1972. Only in 1999 privateinsurance companies wereallowed back into the business of insurance with a maximum of 26 per cent of foreign holding (World Bank Economic Review 2000). The entry of the State Bank of India with its proposal of bank assurancebrings a new dynamicsinthegame.OnJuly14,2000InsuranceRegulatoryand DevelopmentAuthoritybillwaspassed to protect the interest of the policyholders from private and foreign players .

IRDA plays an important role in insurance sector giving important guide lines tovarious companies in the area of insurance. The IRDA's green signal to insurance companies for investments in venture capital funds wouldprovideaboostingrowthpertainingtotheinfrastructuresegment.Theinsurancecompanieswouldbe allowed to invest about 5% of the total investment in the venture capital funds pertaining to infrastructure based projects. The total aggregate of the assets under the life insurance companies is Rs. 699,375 crores. Theproposed alterations in the regulations pertainingto investments of the insurance companies were settled by the Insurance Regulatory and Development Authority of India (IRDA), at the board meeting on the 25th ofMarch2008.Severalotheralterationswerealsodonewiththeinvestmentnorms.Theotherimportantnorm is the expansion of the sanctioned investments category, which would also include the mortgaged securities and the initial public offerings unlike previously when these two were not included. The proposal would be submitted to the Insurance Regulatory and Development Authority of India (IRDA) board for approval. The final draft was published in the Gazette of the Central Government at the end of March2008. The alterations would help in developing the instruments of investment and provide flexibility for insurers. The alterations would provide more margins pertainingto the investments in certificates of deposit issued by the banks and term deposits.

At present theinsurance companies may invest about 10% ofits investment fundsto a particularsector. The Insurance Regulatory and Development Authority of India(IRDA) constituted a working group in the year 2006 to probe the existing investment regulations and provide review on the present statutory advices and thetrendsofinvestmentsforinsurancecompanies.AccordingtotheInsuranceRegulatoryand Development Authority (IRDA), the private insurers had collected premium income from new business of about Rs. 18,980crores,in2007.

INITIATIVES

GOLDENJUBILEEFOUNDATION

LIC Golden Jubilee Foundation was established in 2006 as a charity organization. This entity has the aim of promoting education, alleviation of poverty, and providing better living conditions for the under privileged. Outofalltheactivitiesconductedbytheorganization,GoldenJubileeScholarshipawardsisthebestknown. Each year, this award is given to the meritorious students in standard XII of school education or equivalent, who wish to continue their studies and have a parental income less than 100,000 (USS1,400).

LICGOLDENJUBILEEFOUNDATION

An important development in the role of corporate houses has been the increasing focus on their corporate social responsibility. Corporate Social Responsibility is thecontinuing commitment by businesses tobehave ethicallyandcontributetoeconomicdevelopmentwhileimprovingthequalityoftheworkforceaswellasof

thelocalcommunityandsocietyatlarge. LIC asaresponsibleCorporateCitizenhasbeen fulfillingitssocial responsibilitiesfromtimetotime.LICGoldenJubileeFoundationwasestablishedon20.10.2006asapartof LIC's Corporate Social Responsibility. The Foundation has been registered with the Charity Commissioner Mumbai and is also exempt under Section 80G of Income Tax. The objectives of the LIC Golden Jubilee Foundationarepromotingeducation,health,reliefofpovertyordistress andadvancementofotherobjectsof general public utility.

Golden Jubilee Foundation can provide a great avenue of fulfilling our social responsibility at the corporate level and our philanthropic needs at the individual level. The Foundation has supported projects ranging from construction of Hospitals, School buildings and classrooms, library, computer canter, Old age homes, Hostel buildings for children in tribal areas, Vocational training canters for differently able persons to provideinfrastructural facilities to needy persons in different pockets of the country. We have also provided funds for purchase of School buses for transportation of differently abled children and Ambulances for transportation of patients to Hospitals. The Foundation has supported cochlear implant programme for childrenfromeconomicallyweakersectionsofthesocietyspreadacrossthecountrythroughKEMHospital, Pune. LIC Golden Jubilee Foundation has reached out in areas where natural calamities have devastated human life and provided infrastructural support to orphan children through NGO's. The list of projects supported by us is available under the Activities and project details link.

CHAPTER3

RESEARCHMETHODOLOGY

ObjectiveOfthe Study:

- Tostudythedemographicprofileandawarenesslevel oftheLife InsurancePolicy.
- Tofind outvarious wayofimproving the CRM.
- Tounderstand basicoverviewofinsurancesector.
- Toexaminethefinancialperformanceoflifeinsurancepolicy.
- TounderstandtheconceptualframeworkofCRMinlifeInsuranceCorporationOfIndiainthestudy area.

ScopeOf TheStudy:

The study has been undertaken mainly to highlight the customer relationship management with Life Insurance Corporation of India in Thane District. This study is extremely useful to research scholars to gain knowledge in customer relationship management. It helps the practicing managers to know about the trends in marketing scenario for arriving at better decisions. It helps the customers to rate the services provided by theinsuranceindustry.Basedonthecomponentsidentified,therelativeimportanceoftheinsuranceindustry with that of the competitors is measured.

LIMITATIONOFTHESTUDY:

- ThesamplingsurveyareaislimitedtoonlyThanedistrict.
- Thesurvey isconductedwithinthe limited period.
- Findingofthesurveywasbasedontheassumptions thattherespondenthad provided.

- Thestudyconcentratesoncertainfactorsrelatingtocustomerrelationshipmanagementtools.Theremay be other influencing factors too, which have not been considered due to time and data constraints.

- Thestudycomparestheperceptionsandexpectationsofthecustomersofthelife insurancecorporation. Perceptions are subjective in nature and are likely to change.

RESEARCHDESIGN:

Aresearchdesignisabasicplanwhichguidestheresearcherinthecollectionandanalysisofdatarequired for practicing the research. Infant the research design is the conceptual

Structurewhichtheresearchisconducted.Itconstitutesthe'BluePrintforthecollection,Measurementand analysis of the data.

ThestudyiscarriedouttounderstandtheConsumerPerceptionaboutlifeinsurancepoliciesForthisstudy theresearcherusedexploratoryresearchdesign.Thisresearchcovers100consumers,belongingtovarious age groups being aware of various policies in the market.

SAMPLE DESIGN:

Theprocess of drawingasamplefroma largepopulationis called sampling.

Populationreferstothetotalofitemsaboutwhichinformationisdefined.Wellselectedsamplesmayreflect Fairly and accurately the characteristics of the population.

Samplingunits;

Thesampleunitofthissurveywastherespondent. Sample

size

Thesamplesizewas 100respondent fromthanedistrict.

SOURCEOF DATA

Afteridentifyinganddefiningtheresearchproblemanddeterminingspecificinformationrequiredtosolve the problem the researcher will look for the type and sources of data which may yield the desired results, while deciding about the method of data collection to be used for The study, there are two types of data.

Theyareasfollows:

- **PRIMARY DATA:**

Primarydataarethosewhicharecollectedforthefirsttime.Primarydatais collectedbyframing questionnaires. The questionnaire contained questions which are both open-ended and

Closed-ended.Open-endedquestionsarequestionsrequiringanswersintherespondersownWords.Closed- ended questions are those wherein the respondent has to merely check the appropriate answer from a list of options available. Any doubts raised by the Respondents were clarified to get the perfect answers from the distributors. Open-ended Questions yielded more insightful information, whereas closed Ended questions were Relatively simple to tabulate and analyze.

- **SECONDARYDATA:**

Secondarydatameansdatathatare alreadyavailablei.e.theyrefertothedata which

havebeenCollectedandanalyzedbysomeoneandcansavebothmoneyandtimeoftheresearcher. Secondary data may be available in the form of company records, trade publications, libraries Etc. Secondary data sources are as follows:

• Company Reports

•Daily Newspaper

•StandardTextbook

Various Websites

- **HYPOTHESIS:**

- HINullhypothesis:

ThereisproperintegrationofmarketingcommunicationtoolbyLICwhichisoriented.

Thecustomerswheresatisfiedwithroleoftheagentswhilesurrenderingbutafterthattheirsatisfactionlevel was not as per their perception.

- H2Alternative hypothesis:

ThereisanimproperintegrationofmarketingtoolbyLICwhichistarget oriented.

Mostlytheagentscontactswiththeircustomerinpersonalratherofcontractingwiththemthrough telephone, friends or any other means.

CHAPTER4

LITERATURE REVIEW

RelatedtoCRM

1. Baal N. and Sandhog H. S. (August 2011), a study on Life Insurance Corporation of India (LIC) the capitaldemandingbusiness,suppliesthemostimportantfinancialinstrumentstocustomersdirectedatsafety as well as long term savings. The present study by examines the parts affecting agent's perception towards Life Insurance Corporation of India. Moreover, analysis of oneway arrangement has also been performed to test the important results to show that no important differences exist among various groups of respondent regarding to their apprehension towards Life Insurance Corporation of India.

2. Baal N. and Sandhog H. S. et al (August 2011), with the access of so many players in the field and the consistent competitive activism, the choate area of the service sector is observing a multi-dimensional, purposeful, consumer-friendly approach, shedding off the apathy that had come to be affiliated with the sector.Thefindingsofthestudyimplythatthegapscoresdonotamalgamateintofivedimensionsof service quality rather, than the perception scores merge into three dimensions.

3. Meera C. and Eswari M. (November 2011), in modern aggressive environment services are ameliorate accumulatingmoredenotation.Nowadays,greaterabsorptionispaidtoallthebankcustomertouchpoints, address to optimise the reciprocal and user friendly services. The aim of the study by is to crumb the customers bliss towards cross selling of insurance products and other services accomplished by private sector banks.

4. Singh H. and Loll M (December 2011), states that life insurance is one of the fastest growing and emergingmarketsinIndia. Insurancediffusionin ruralarea –theinsuranceindustryhasanacceptationgrant insocio-economicdevelopment.Objectiveofthepresentstudyistoappraisetheopportunitiesforinsurersin the rural market and what would be new action to tap the highly underinsured rural area.

5. Friar F.and Khanbashi M.etal(December2011),thisstudyisoneofthemostconsciousactions takenin alluring and gratifying needs of customers is chattering a charismatic information mechanism and feedback process between organisation and customers. The aim of this study by, is finding of the variation between anticipationoftheemployeesandcustomerstowardsservicequalityininsuranceindustryofIran. Thestudy revealedthatthereiscogentdifferencebetweentheanticipationofstaffandcustomerstowardsthetangibles dimension while the anticipation of both the groups towards the other dimensions is homogenous.

6. 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 evaluatescogentrelationshipbetweendemographicfactorsandoverallsatisfactionofthecustomerstowards the insurance policies.

7. Gautam V and Kumar M (March 2012), the present research is an effort, to allegorise the attitudes of Indianconsumerstowardstheinsuranceservices.Thestudyhasbeenmadebyaccumulatingtheantiphonof consumers through structured questionnaire on five point Likert scale. The decree of the present study may act as an important aspect for the insurance companies in Indian market to flounce marketing strategies established on socio demographic and economic factors.

8. Ansari Z. A. (March 2012) in the present study examines the attitude of individuals towards different kinds of risks and scope they prefer in Saudi Arabia. The study by further examine how the use of insurance particularlythebindinginsurancehasalteredtheperceptiontowardsrisksandtheirfuturebehaviourtowards buying other insurance policies and also what features the users of insurance suggest in their insurance policy contract. The study is based on primary data collected aimlessly from current users of binding insurance policies that is motor insurance and health insurance and life insurance.

9. SrivastavaA.andTripathiS.etal(April2012)isastudyoninsuranceindustrybequeathstothefinancial sector of an economy and also renders the paramount social covenant in developing countries. Hence, the study on Indian lifeinsuranceindustry and their changing trends concluded that though thesector is rapidly growing, the industry has not yet insured even 50% of insurable population of India. To achieve this objective, this sector requires more improvement in the insurance density and insurance penetration.

10. Bodla B. S. and Chaudhary K. (May 2012), present study by, looks for to determine the expected and anticipatedservicequalitylevelalongwithgapsontheoriginofservicequalitymodelbySureshChandaret al (2001) in one of the superior private sector company, ICICIPLI – ICICI Prudential Life Insurance Company. Though altogether private sector has importantly apprehended the market share at first but now days and most of the private sector companies are assaying for customary expansion in business and market share and the picked company is one of them.

Relatedtolifeinsurance policy:

1. Khan,M.K.(1978)AttemptstoknowtheopportunitiesandprospectsintheCareerofalifeinsurance sector. He explains about what a good career is and how a Good career should be for selling of life insurance products. There is no age barrier and it requires no previous occupational experience but one must be a professional and Capable of creating opportunities in building personality. The relationship of life Insurance agent with clients is not temporary and the service rendered has no Substitutes. He also observes that life insurance agent remains, in a sense, permanent server to the clients.
2. Raj Kumar (1985) Views that advertising is to influence a customer, who has A limited spending power and it seems to operate through familiarizing spreading News Over and image building improving market share, educating, Informative to have staff support. As far as insurance industry is concerned,MisconceptioniscommonproblemsandrevealedthatmostoftherichPeopleareswialed with insurance and he viewed that the treatment of Life Insurance company to the public is always unfair sites
3. Deb Roy (1987) in his article entitled "We Care for our Customers" Has aimed the nature and importance of better customer services to policyholders ad has emphasized the need for quality in service.Hehasgiven adetailednoteonlinevariousstepstobetakenbyLife InsuranceCompanyto improvethecustomerSincesuchastrainingprogrammersconductedbyCompanytoitsagentsand Employees, opening new branches and introduction of computers in insurance branch Offices
4. venkatesh. N.C. (1987) in his article entitled "On the Trail of Better Service" has discussed the importanceofbetterandpersonalservicingtotheCustomersandhasemphasizedtheimportanceof satisfying the policyholders.
5. Parki, V. V. (1989) in his article "Rural Marketing" discussed the problems of selling the life insurance in the rural areas and gave many suggestions to penetrate into the rural market. The suggestionsareparticipationinvillagefairs,usingaudio visualmethodsandexplainingthemeritsof the life insurance to the villagers etc.
6. Shejwalker,P.C.(1989)inhisarticle"TraininginlifeInsurance"discussedtheimportanceoftrained agent force to develop the life insurance business. He stressed that present selection pattern of the agent should be changed. He expressed his opinion That private or independent institute should be invited to impart training to the agents.

7. Rolampala and V. Raos (2007) in their article on "Distribution Channels of LIC" have lound that although a number of intermediaries or distribution channels like corporate agents, brokers and referralshademerzedovertime,LICwasnotabletocapitalizeinthemandhencecouldnotmake good business from these channels.

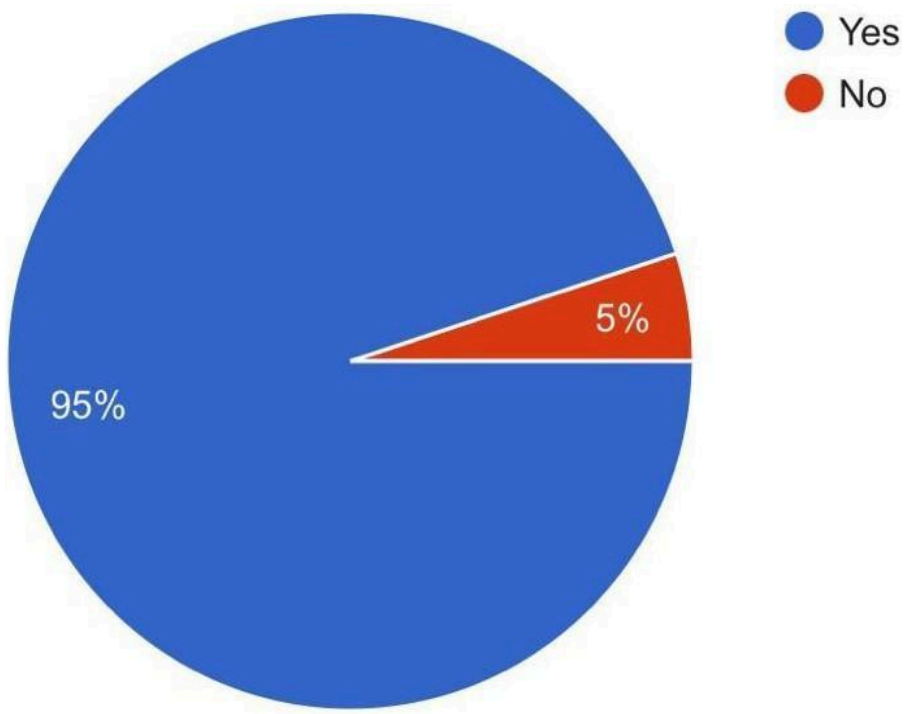
   They had Dimoaned that during the year 2004-05, the new distribution channels contribuled Eitributioncharnelsontieprivateplayerswassignificantastheirbushesgrowbynoopercentduring 3004-05. Thestudy concluded that unles LIC Ises thesenow Aarging distribution channel etreclively and oftcienty. it camot surive in the 4thly competitive insurance market. LIC needs to find new measures and appl then to improve its business further Upadhyaya and M. Badlanis. (2011) in their paper itled, "Service Quality Perception and Customer Satisfaction in Life Insurance Companies in India" have identified that despite high satisfaction levels, there remained a lot to be done by the management the retail lifeinsurance companies to maximize their customer satisfaction and improve the quality of service. The satisfaction of the customer with the services of if insurance companies was found to be linked with the performance of the service. Further, a need was felt to integrate technology features into interpersonal relationships and not to replace them.

CHAPTER5

DATA ANALYSIS AND INTERPRETATION

1. Do you knowlifeinsurancepolicy?

RateOfAwareness	Percentage
Yes	95%
No	5%

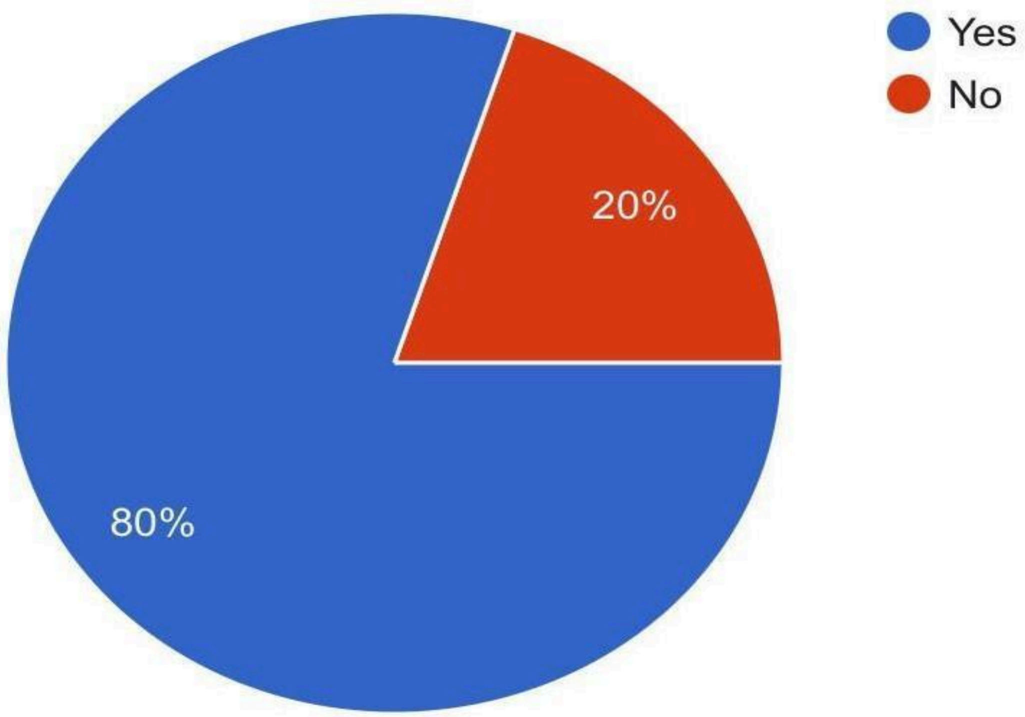


INTERPRETAION:

Fromtheabovediagramitisobservedthat95%ofthesampledaudiences areawareofLICCorporation while 5% have no knowledge about it.

2. Doyouhavealifeinsurancepolicy?

Rateofpolicy holders	Percentage
Yes	8o%
No	20%

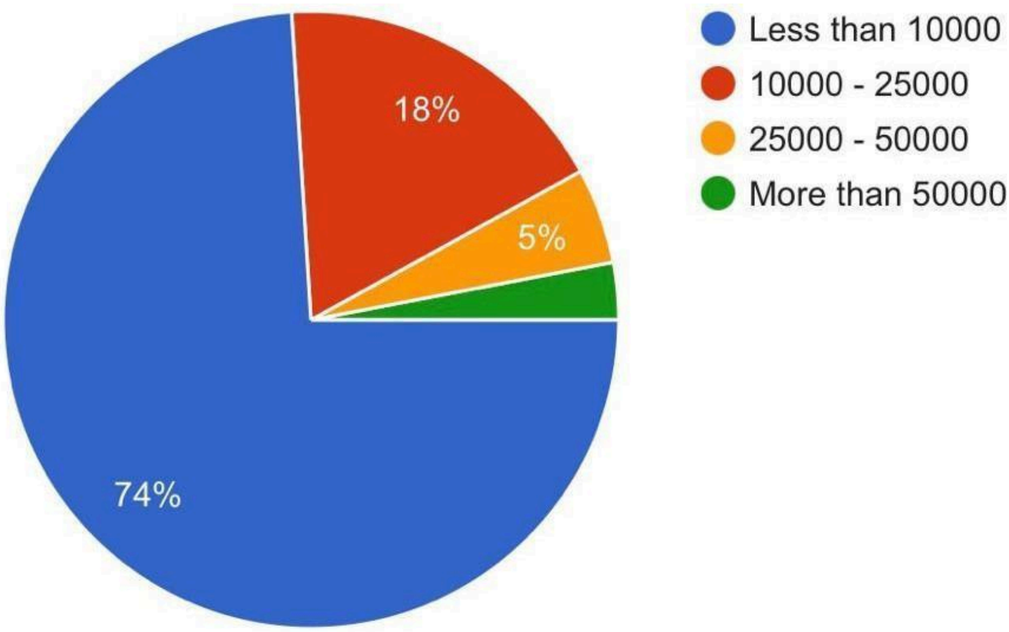


INTERPRETATION:

Fromabovepiediagram,itcanbeobservedthat80%ofthesampledaudienceholdsthepolicyofLICwhile other 20% of sampled audiences have the policies of other insurance companies.

3.WhatisthemonthlypremiumofyouLICplan?

Monthly premium	Percentage
Lessthan10000	74%
10000-25000	18%
25000-50000	5%
Morethan 50000	3%

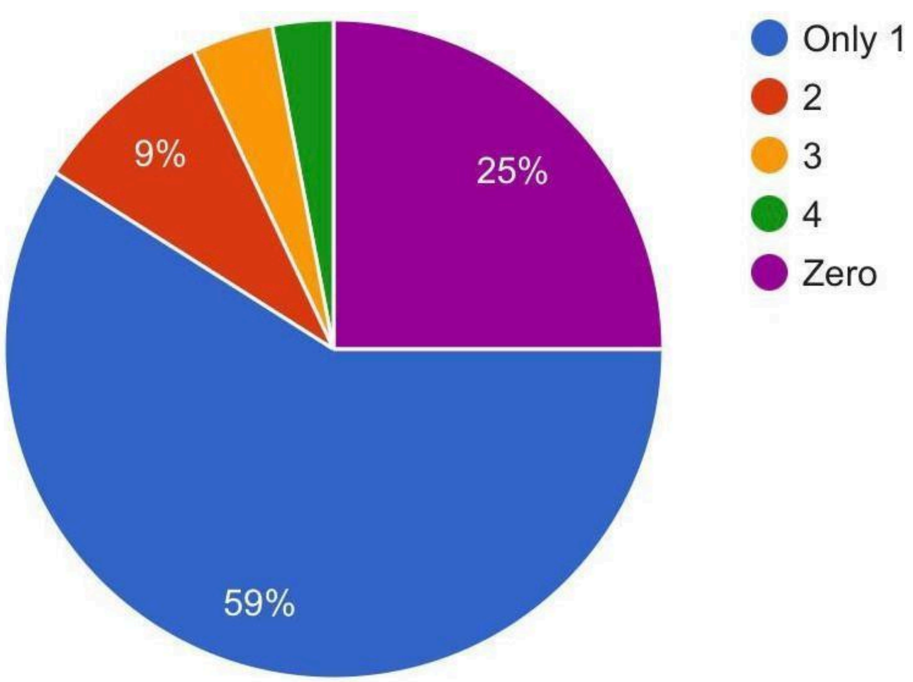


INTERPRETATION:

Themonthly premium of 74% of thepolicy holder is below 10,000, 18%% pays the monthly within10,000 to25,000,while5%ofthepolicyholderspaysthepremiumwithintherangefrom25,000to50,000 and 3% of the policy holder's pays month premium more than 50,000 .

4 Howmany lifeinsurancepolicy do you own?

No of policy	Percentage
Only 1	59%
2	9%
3	4%
4	3%
Zero	25%

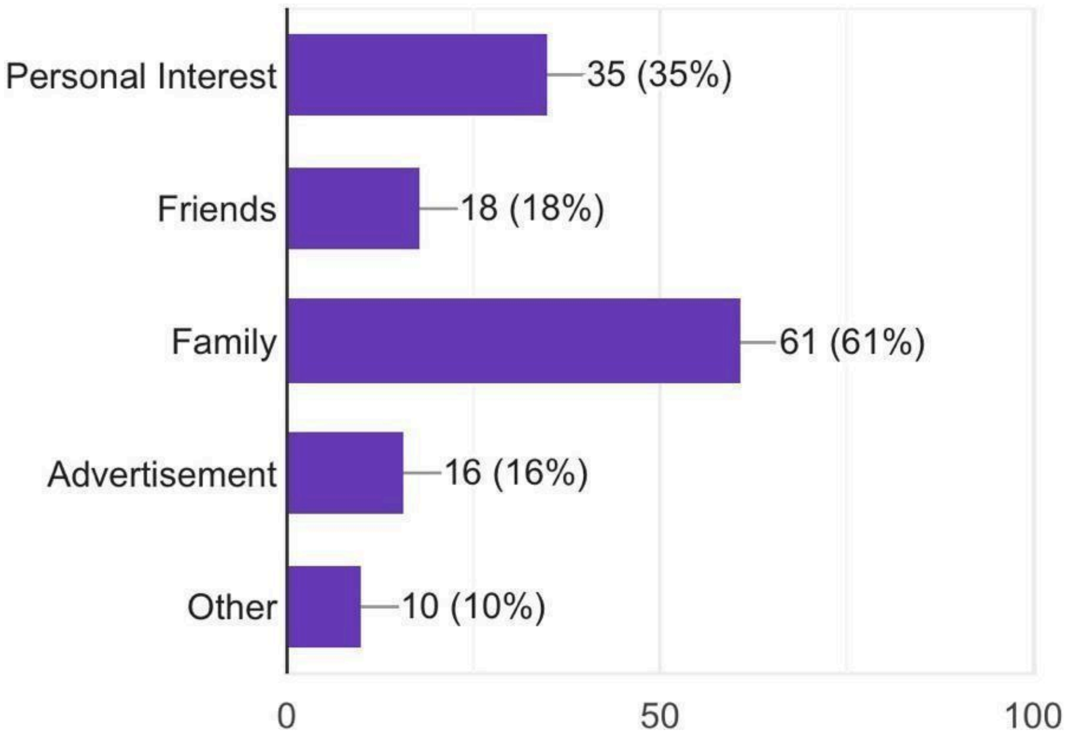


INTERPRETATION:

Abovediagramshowsus that,only 1have59%ofthepolicyholders2policieshave9%ofthepolicy holders, 4% have 3& 3% have4 policies and 25% have zero no. ofpolicy

5.Whatfactorsinfluencedyou tobuyLifeInsurancePolicy?

InfluencedFactor	Percentage
Personalinterest	35%
Friends	18%
Family	61%
Advertisement	16%
Other	10%

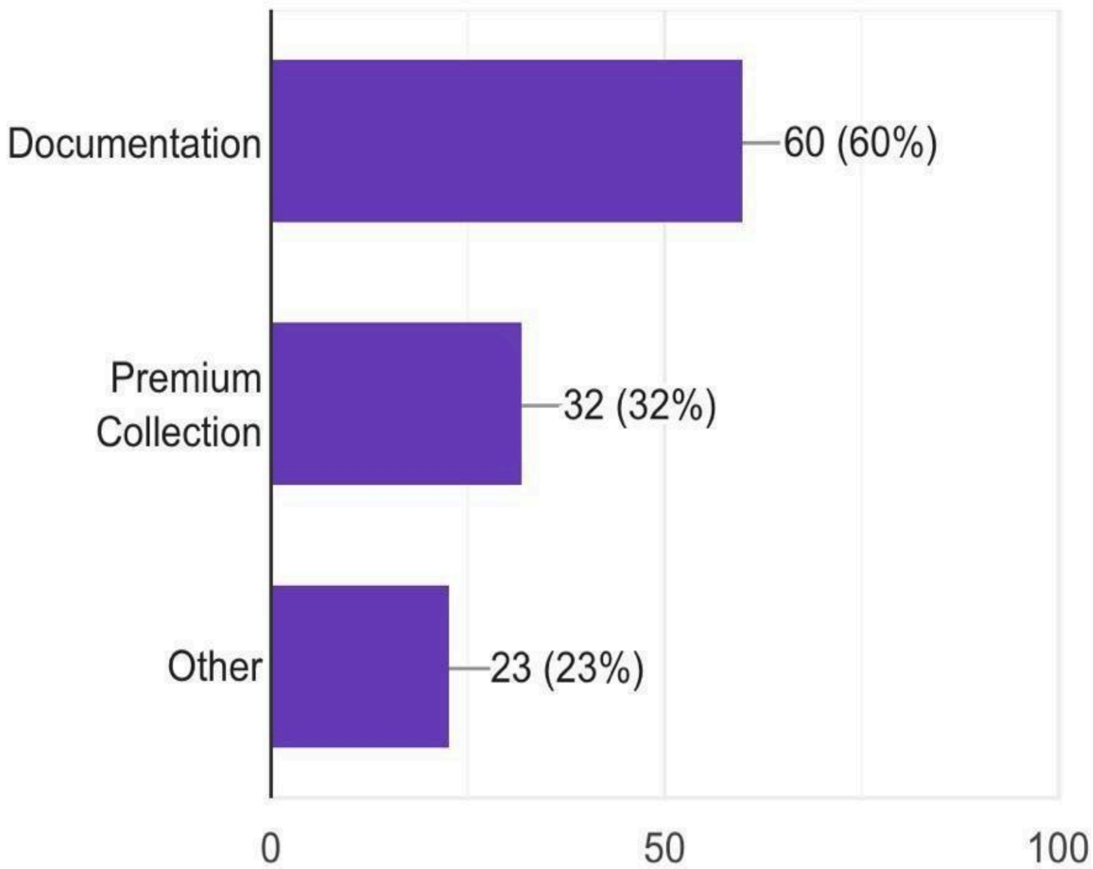


INTERPRETATION:

Fromtheabovediagram,itcanbeobservedthat35%ofthepeoplehavepersonalinteresttobuy insurancepolicy,61%ofthepeoplehadinfluencedbytheirfamily,16%gotinfluencedthrough advertisement, 18% were influenced by their friends and 10% were influenced by other factors.

6 Ifyouhaveanagent,then whatbenefitsdoes he/sheprovides you?

Benefits provided	Percentage
Documentation	60%
Premium Collection	32%
Other	23%



INTERPRETATION:

60%oftheagentsprovidetheircustomerswiththefacilitiesofdocumentationwhile32%doprovidetheir customers with the facility of premium collection and 23% do provided by others.

7. Howdid theagent approach you?

Modeof communication	Percentage
InPerson	50%
Throughfriends	17%
Throughtelephone/mobile	18%
Other	15%

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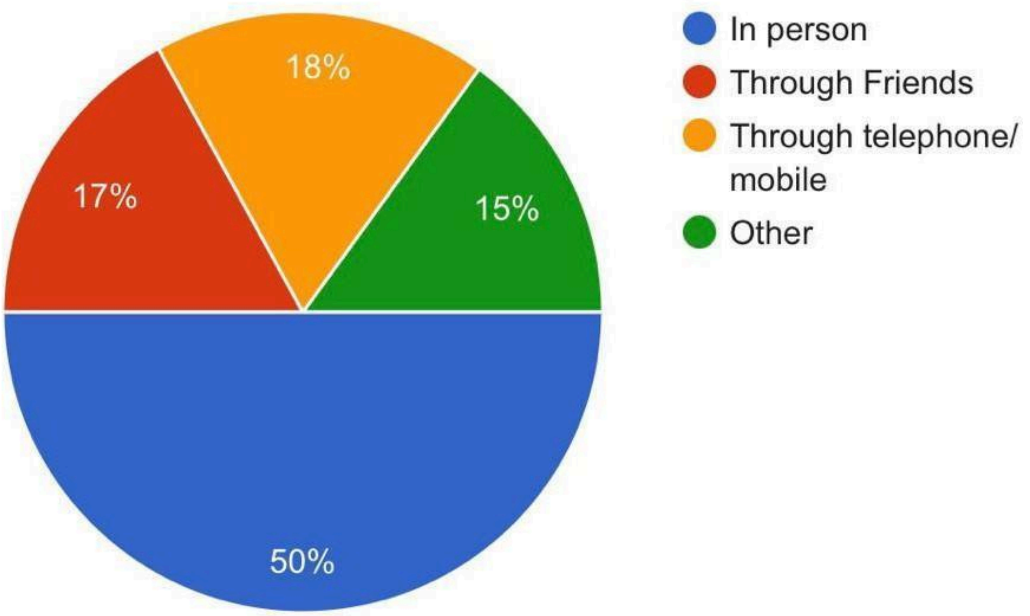
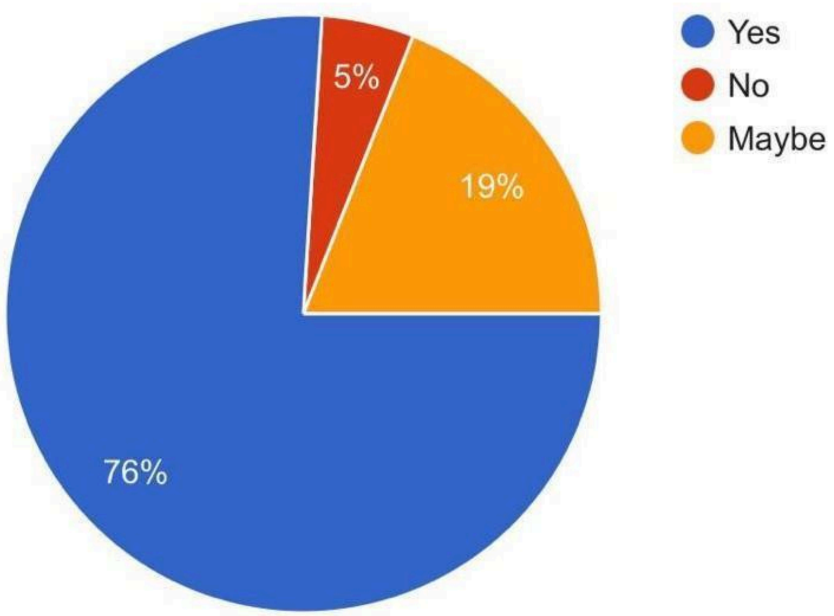


INTERPRETATION:

AbovediagramprovideuswiththeinformationthatLICagents contactswiththeircustomersmostly in person that is 50% rather than through friends 17% or mobile 18% or any other is 15% mode of interaction.

8. Areyousatisfiedwiththecommunicatedpolicies andtheactual policies?

Satisfactionlevel	Percentage
Yes	76%
No	5%
Maybe	19%

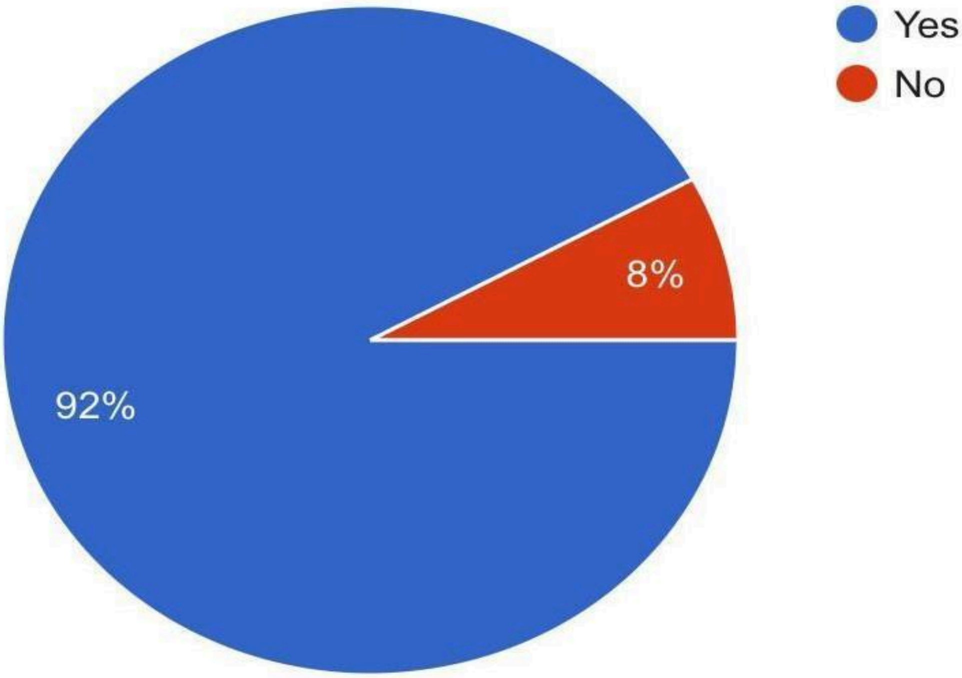


INTERPRETATION:

Fromtheabovediagram,itcanbeobservedthat76%ofcustomerssatisfiedwiththeCommunication policies and of 5% the actual policies while surrendering while other were not that satisfied by the Communication policies and other 19% are not sure about the actual policies as per their perception.

9. DoestherelationshipwithcustomersaregivengreatimportanceinLifeinsurance?

Importanceinlifeinsuranceto customer	Percentages
Yes	92%
No	8%

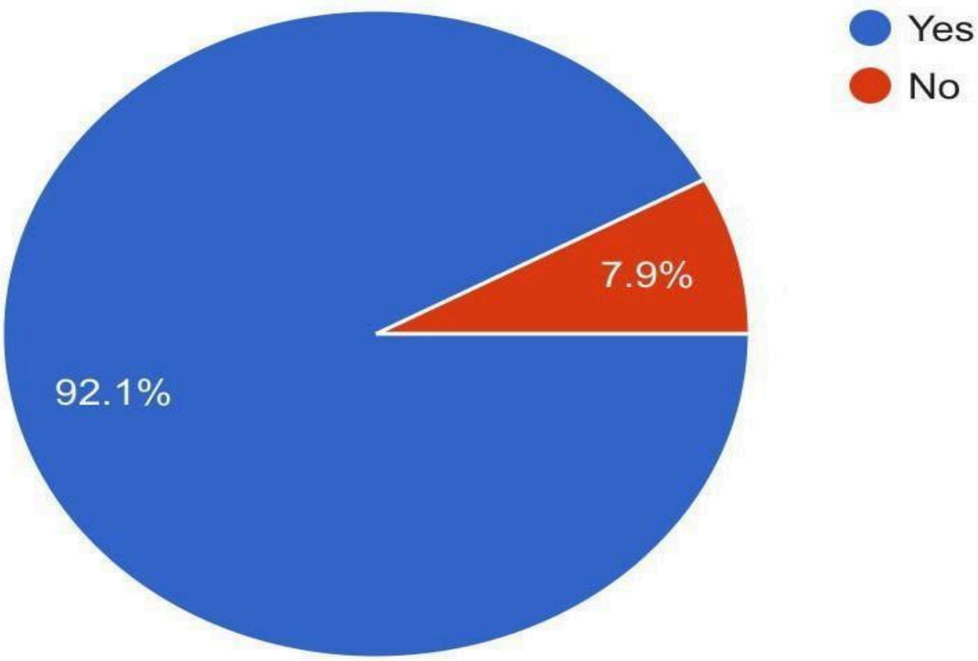


INTERPRETATION:

Fromtheabovediagram,itcanbeobservedthat92%ofcustomersweresatisfiedwiththeroleoftheagents with them while surrendering while other 8% were not that satisfied by the role of the agents as per their perception.

10. Doesyourlifeinsurance companyprovideyou informationwheneverthere isanew scheme?

Informationofnewscheme	Percentage
Yes	95%
No	5%



INTERPRETATION:

From the above diagram, it can be observed that most of 92.1%of life insurance company provides you informationwheneverthereisanewschemeand other7.9%arenotprovidinginformationwheneverthere is a new scheme.

FINDINGS

- MajorityofthepeoplewereawareaboutLICbut thereare5%ofpeoplewhostilldon'tknow about it. This show that LIC do have great brand awareness among the customers.

- Fromthisstudy,wecansaythatmajorityofthepopulationhavethepolicywithLICthrough, there are other companies providing better facilities with compare to it.

- From the sample audience's majority of the policies were the customer who pay the monthly premiumwhichwaslessthan10,000.Whichindicatesthattheagentsaretargetorientedwith quantitative rather than qualitative.

- MostoftheLICagentswerethe friendsor familymembersofthe customer.

- Mostlytheagent'scontactswiththeircustomerinpersonalratherofcontractingwiththem through telephone, friends or any other means.

- The customers were satisfied with role of the agents while surrendering but after that their satisfactionlevelwasnotaspertheirperception.Whichshowthattheagentsareonlytarget oriented than customer oriented.

CONCLUSION

- Life insurance policies are the simplest policies available in the market but complex to understandbythecustomerswhichmakesthecustomerstofeeltheirwastagesofmoneyin investing any insurance available by the LIC in the market.

- CRM practices of LIC have seen a drastic change over the past few years to achieve successfulCRM,acompanyshouldunderstandwhatisandwhyitis beneficialtocustomers in order to retain them for long time.

- Customersgivepriorityonlytosatisfiedtheirneeds.ThesuccessrateofCRMdependsupon the quality of CRM.

- FromthepaperitisconcludedthatalthoughLIChastakenalargenumberof initiativesto satisfied their customers, yet there is a need to build a strong data base of customers.

- ItispossibleonlyiftheLICwhileconductregularsurveysandinteractwiththecustomers. Moreover , most of CRM services are at fingertips, sometimes, some customers are not comfortable with technology.

- Someassistantshouldbeprovidedtoassistthem.LICshouldintroducednewwaysthat makes the customer more delightful and help to attract new customer.

RECOMMENDATIONS

- LifeinsuranceawarenesscampaignaretobeorganizedbyLICasthemarketleadersothat they can have better idea about the policy.
- Mostvitalobjectionraisedbythepolicyholderswasrelatedtothe NO-UPDATEknowledge about the policies which they should be provided by the agent. Hence, LIC agents should provide their customers with UPDATED knowledge of policy to their respective customers.
- Mostofthepolicieswhichwereundertakenbythepolicyholderwerebelow10,000asthe agent are oriented towards the target completion without the concern of providing the information regarding the policies to their customers which make it not so impactful.
- Most of the customers were engaged with the policies because of the reputation of the companyratherthanitsmarketingimpact,advertisementoranyotherfactorswhichitshould improve too.

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