

A PROJECT REPORT ON
“ A STUDY ON IT IN INSURANCE IN LIC ”

A Project Submitted to
University of Mumbai for Partial Completion of the Degree
of Bachelor in Commerce (Banking and Insurance)
Under the Faculty of Commerce

By
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T.Y.B.B.I (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 **Ms.** _____ has worked and duly completed his Project work for the degree of Bachelor in Commerce (Banking and Insurance) under the Faculty of Commerce in the subject of Management control and his project is entitled, “**A Study On IT In Insurance In LIC**”. 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 BY LEARNER

I the undersigned **Ms. AARTI RADHESHYAM MOURYA** here by, declare that the work embodied in this project work titled “ **A Study on Information Technology in Insurance in LIC** ” forms my own contribution to the research work carried out under the guidance of **ASST. PROF. DR. KISHOR CHAUHAN** is a result of my own research work and has not 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.

Name and signature of the learner

Ms. AARTI RADHESHYAM MOURYA

Certified by:

ASST. PROF. DR. KISHOR CHAUHAN.

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LIST OF ABBREVIATION

SR. No.	Abbreviation	Full form
1.	IT	Information Technology
2.	LIC	Life Insurance Corporation of India
3.	BO	Branch Office
4.	HO	Head Office
5.	MAN	Mateo Area Network
6.	WAN	Wide Area Network
7.	IVRS	Interactive Voice Response System
8.	E - Insurance	Electronic Insurance

CHAPTER 1: **INTRODUCTION**

1.1 : Introduction of Insurance

Risk is there at every walk of life risk also endangers life itself. In the same way all financial deals as well as possession of money and property goods etc. Are fraught with the element of risk. For an example, money may be stolen or goods robbed or destroyed or an employee may misappropriate. A man may be out of these risks may

be quite substantial and in extreme cases, it may be so heavy that business may be crippled.

However, the businessmen and owners of property discovered that if they got together and contributed a relatively small amount to a common pool, the total amount so contributed would be sufficient to compensate any of them for the loss arising due to such causes.

All risk do not actually occur at all time and hence it is possible to calculate probable chances of any particular risk materialising. It is quite clear that all the people do not face risks at all same time. Thus the transfer of risk to another i.e. The insurance is in fact a pooling of risks. If insurance did not exist, each individual would have to bear the losses on his own. Insurance, in effect means that each one in the pool undertake to bear a portion of the loss. Such an agreement has proved to be advantageous to everyone as it is uncertain as to who will suffer the loss.

Thus in course of time, the idea developed that such a common pool of resource should be managed by experts who would calculate the quantity of the contribution to be levied on each individual. In this way the idea of insurance developed.

In the modern times, insurance has come to be highly commercial undertaking. However, the principle is still the same Viz, the insurer collect premium for a large number of persons and covers them against a large variety of risks.

Everyone is exposed to various risks. Future is very uncertain, but there is way to protect one's family and make one's children's future safe. Life insurance companies help us to ensure that our family's future is not just secure but also prosperous.

Life insurance is particularly important if you are the sole breadwinner for your family. The loss of you and your income could devastate your family. Life insurance

will ensure that if anything happens to you, your love ones will be able to manage financially.

This study titled “study of consumers perception about life insurance policies” enables the life insurance companies to understand how consumer’s perception differs from person to person. How a consumer selects, organizes and interprets the service quality and the product quality of different life insurance policies, offered by various life insurance companies.

Insurance is a tool by which fatalities of a small number are compensated out of funds (premium payment) collected from plenteous. Insurance companies pay back for financial losses arising out of occurrence of insured events are fire and other allid perils like riot and strike, explosion etc. Hence insurance safeguard against uncertainties. It provides financial recompense for losses suffered due to incident of unanticipated events, insured with in policy of insurance. Moreover, through a number of acts of parliament, specific types of insurance are legally enforced in our country e.g. third party insurance under motor vehicles Act, public liability insurance for handlers of hazardous substances under environment protection Act. Etc.

1.2 What Is Insurance?

Insurance is a contract, represented by a policy, in which a policyholder receives financial protection or reimbursement against losses from an insurance company. The company pools clients’ risks to make payments more affordable for the insured. Most people have some insurance: for their car, their house, their healthcare, or their life.

Insurance policies hedge against financial losses resulting from accidents, injury, or property damage. Insurance also helps cover costs associated with liability (legal responsibility) for damage or injury caused to a third party.

KEY TAKEAWAYS

- Insurance is a contract (policy) in which an insurer indemnifies another against losses from specific contingencies or perils.
- There are many types of insurance policies. Life, health, homeowners, and auto are among the most common forms of insurance.
- The core components that make up most insurance policies are the premium, deductible, and policy limits.

What are the benefits of insurance?

Insurance is an important financial tool. It can help you live life with fewer worries knowing you'll receive financial assistance after a disaster or accident, helping you recover faster. When it comes to life insurance, this could mean your family doesn't have to move out of the house or that your kids can afford to go to college. For auto insurance, it could mean you have extra cash in hand to help pay for repairs or a replacement vehicle after an accident. Insurance can help keep your life on track, as much as possible, after something bad derails it.

Your independent insurance agent is a great resource to learn more about the benefits of insurance, as well as the benefits in your specific insurance policy. For example, you may have access to perks such as free roadside assistance, risk control consulting for businesses or cash value in a life insurance policy, in addition to your insurance coverage.

And in some cases, like auto insurance and workers' compensation, you may be required by law to have insurance in order to protect others.

How does insurance work?

Insurance is essentially a gigantic rainy day fund shared by many people (called policyholders) and managed by an insurance carrier. The insurance company uses money collected (called premium) from its policyholders and other investments to pay for its operations and to fulfill its promise to policyholders when they file a claim.

Because of the unpredictable nature of natural disasters — like tornadoes, hail, wildfires and hurricanes, and everyday disasters such as fender benders and kitchen fires — an insurance company's main goal is to remain financially strong enough to handle anything that comes its policyholders'

DEFINITION OF INSURANCE :

“ Insurance is contract between two parties (one the insurer and second the insured) whereby the insurer agrees to undertake the risk of the insured in consideration of some amount known as premium and in return promises to compensate a fixed sum of money to the insured party on happening of an uncertain event like death .”

1.3 PRINCIPLES OF INSURANCE :

An insurance contract made without due consideration to these principle is treated as void, not en A forceable by law. These principle are as follows:-

1.3.1. Principle of utmost good faith : one of the basic and primary principle of insurance is utmost good faith. It states that insurance contract must be made in absolute good faith on the part of both the parties. The insured must give to the subject matter of the insurance. Material fact should not be hidden on any ground. This principle is applicable to all type of insurance contract.

1.3.2. Principle of insurable interest : This principle suggest that the insurable in the object of insurance. A person is said to have such interest when the physical existence of the object of insurance given him some gain but which he is likely to loose by its non - existence.

1.3.3. Principle of indemnity : This is one important principle of insurance. This principle suggest that insurance contract is a contract for affording protection and not for profit making. Indemnity means security against loss. The compensation will be paid in proportion to the loss actually contact is limited to the amount assured or the actual loss whichever is loss. The compensation will not be more or less than the actual loss.

1.3.4. Principle of contribution : There is no restriction as to the number of times the property can be insured. But on the occurrence of the loss only the amount of actual loss can be realised from one insurer or all the insurer together. This principle is, however not application to life insurance contract.

1.3.5. Principle of subrogation : This principle is an extension and a corollary of the principle of indemnity. It is applicable to all the contract of indemnity. Subrogation means one party stands in for another. As per this principle, after the insured, i.e., the individual has been the compensated for the incurred loss to him on the subject matter that was insured, the rights of the ownership of that property goes to the insurer i.e. The company. Subrogation gives the right to the insurance company to claim the amount of loss from the third party responsible for the same.

1.3.6. Principle of loss minimisation : This principle says that as an owner, it is obligatory on the part of the insurer to take necessary steps to minimise the loss to the insured property. The principle does not allow the owner to be irresponsible or negligent just because the subject matter is insured.

1.3.7. Principle of causa proxima : The principle of causa proxima means that when a loss has been caused by the series of causes, the proximate or the nearest cause should be taken into consideration to determine the liability of the insurer. The principle states that to ascertain whether the insurer is liable for the loss or not, the proximate and not the remote cause must be looked into.

1.4 LIFE INSURANCE CORPORATION OF INDIA :



INTRODUCTION :

LIC of India is the only public sector life insurance company in India. It was founded in 1956 with the merger of more than 245 insurance companies and provident societies. LIC of India has its headquarters in Mumbai, the commercial capital of India. The LIC currently functions with 8 zonal offices and 113 divisional offices.

The LIC is the largest life insurance company in India with over 2000 branches and over 14 lakh agents to solicit life insurance business in the country. The LIC of India provides a wide range of life insurance plans from pure term insurance plans to savings and investment products. LIC of India has a phenomenal presence in both urban and rural India. The motto of the LIC is “Yogakshemam Vahamyaham “, which means - your welfare is our responsibility. The tag line of LIC is - “Zindagi Ke Sath Bhi, Zindagi Ke Bad Bhi “.

From then to now, LIC has crossed many milestones and has set unprecedented performance records in various aspects of life insurance business. LIC continues to be the dominant life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing its own past records. In its 65 years of existence, LIC has grown from strength to strength be its customer base, agency network, branch office network, new business premium and has a significant role in spreading life insurance widely across the country.

- **Organizational Structure as on 31.12.2023:**

DETAILS	
Central offices	1
Zonal offices	8
Divisional offices	113
PGS units	78
SSS units	4
Branch offices	2048
Satellite offices	1584
Mini offices	1168
Total	5004

- **Other Performance Parameters as on 31.03.2023:**

Particular	[RS in core]
Total income	788,043.28
Total premium income	474,004.61
Payment to policy holder	3,425,576.75
Total life fund	40,81,326.41
Total Asset	45,50,571.73

1.4.1. HISTORY :

The oriental Life Insurance Company, the first company in India offering life insurance coverage, was established in Kolkata in 1818. Its primary target market was the Europeans based in India, and it charged Indians heftier premium. Surendranath Tagore had founded Hindustan Insurance Society, which later became LIC.

The Bombay Mutual Life Assurance Society, formed in 1870, was the first native Insurance provider. The Parliament of India passed the life insurance of India act on 19 June 1956 creating the Life 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.

The nationalization of the life insurance business in India was a result of the Industrial Policy Resolution of 1956, which had created a policy framework for extending state control over at least 17 sector of the economy, including life insurance. The first two decades of the twentieth century saw lot of growth in insurance business. From 44 companies with total business-in-force as Rs.22.44 crore, it rose to 176 companies with total 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. The Insurance Act 1938 was the first legislation governing not only life insurance but also non-life insurance to provide strict state control over insurance business. The demand for nationalization of 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 Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956, with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country.

Life Insurance Corporation had 5 zonal offices, 33 divisional offices and 212 branch offices, apart from its corporate office in the year 1956. Since life insurance contracts are long term contracts and during the currency of the 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 Life Insurance Corporation 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 for Life Insurance Corporation to cross 2000.00 crore mark of new business. But with re-organisation happening in the early eighties, by 1985-86 Life Insurance Corporation had already crossed 7000.00 crore Sum Assured on new policies.

Today Life Insurance Corporation functions with 2048 fully computerized branch offices, 113 divisional offices, 8 zonal offices, 1381 satellite offices and the Corporate office. Life Insurance Corporation's Wide Area Network covers 113 divisional offices and connects all the branches through a Metro Area Network. Life Insurance Corporation has tied up with some Banks and Service providers to offer on-line premium collection facility in selected cities. Life Insurance Corporation's ECS and ATM premium payment facility is an addition to customer convenience. Apart from on-line Kiosks and IVRS, Info Centres have been commissioned at Mumbai, Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, New Delhi, Pune and many other cities. With a vision of providing easy access to its policyholders, Life Insurance Corporation has launched its SATELLITE SAMPARK offices. The satellite offices are smaller, leaner and closer to the customer. The digitalized records of the satellite offices

will facilitate anywhere servicing and many other conveniences in the future.

Life Insurance Corporation continues to be the dominant life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing its own past records. Life Insurance Corporation has issued over one crore policies during the current year. It has crossed the milestone of issuing 1,01,32,955 new policies by 15th Oct, 2005, posting a healthy growth rate of 16.67% over the corresponding period of the previous year.

From then to now, Life Insurance Corporation has crossed many milestones and has set unprecedented performance records 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 Life Insurance Corporation to take this message of protection to light the lamps of security in as many homes as possible and to help the people in providing security to their families.

Some of the important milestones in the general insurance business in India are:-

1957: General Insurance Council, a wing of the Insurance Association of India, frames a code of conduct for ensuring fair conduct and sound business practices.

1968: The Insurance Act amended to regulate investments and set minimum solvency margins and the Tariff Advisory Committee set up.

1972: The General Insurance Business (Nationalisation) Act, 1972 nationalised the general insurance business in India with effect from 1st January 1973.

107 insurers amalgamated and grouped into four companies viz. the National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd. and the United India Insurance Company Ltd. GIC incorporated as a company.

1.4.2 Objective:

- Spread Life Insurance widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable person in the country and providing them adequate financial cover against death at a reasonable cost.
- Maximize mobilization of people's savings by making Insurance - linked savings adequate attractive.
- Provide complete security and promote efficient to the policy holders at economic premium rates.
- Conduct business with utmost economy and with the full realization that the money belong to the policyholders.
- Act as trustees of the insured public in their individual and collective capacities.
- Meet the various life insurance needs of the community that would arise in the changing social and economic environment .
- Involve all people working in the Corporation to the best of their capability in furthering the interests of the insured public by providing efficient service with courtesy.
- Promote amongst all agents and employees of the corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards achievement of corporate objective.

1.4.3.MISSION:

“Explore and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resource for economic development.”

1.4.3.VISION :

“ A trans - nationally competitive financial conglomerate of significance to societies and pride of India.”

1.5 INTRODUCTION OF INFORMATION TECHNOLOGY IN LIC

Insurance companies have adopted themselves to the new technology in order to run efficiently. Like any other financial sector, life insurance sector also have a significant impact in the country's economy. After liberalization, Indian insurance market has undergone a dramatic change and also influenced the financial sector as a whole. Along with one and only public life insurance company namely Life Insurance Corporation of India, a number of private life insurance companies are presently operating in the Indian life insurance market and providing varieties of services and products to their current and prospective customers in order to offer competitive advantage and to enhance profit in the growing Insurance market where customer have lot of choices to select a particular life insurance company and its offer for their own interest. In the age of IT customer are fully aware of their needs and requirements, expectation and Information Technology Enabled services. The service industries are trying to get competitive advantage over their competitors through the use of IT . LIC has not only implemented IT in their operations and providing various Information Technology Enabled Services to their customers but also adopted various strategies to modernize their present IT infrastructure.

SETUP :

Generally the insurance organizations have three tier set - up operating office (BO/DO), controlling offices (RO/DO) & central offices (HO). The organization & responsibilities of the IT department & it's sub - departments is more or less in the hierarchical order of the various offices. The IT department at HO is responsible to the chairman/CEO of the organization for implementing of IT plan. The department is responsible for procuring new technologies, conducting training & preparing to the CO the head of the IT department may have the following managers with their respective tasks :

Technology manager:

- Evaluation and acquisition of new technologies in hardware, software, networking and packaged solution.
- Recruitment and supervision of system and network engineers conducting of various training programmes.

System manager :

- Development of application and user manuals assignment of work to project leaders, system analysts and programmers.
- Evaluation of studies.

Network manager :

- Network administration (including WAN) user administration, system security - mail etc.
- Controlling and supervision of network administrators.

Operations manager :

- Maintenance of hardware, Training of users.
- Assigning work to operators and DEOs.
- Controlling of data flow.

INFORMATION TECHNOLOGY AND LIC:

The computers were introduced in 1964 in LIC unit record machines introduced in late 1950's were phased out in 1980's replaced by microprocessor based computers in branch & divisional offices for back office computerization.

Standardization of hardware and software commenced in 1990's. Standard computer packages were developed & implemented for ordinary & Salary Savings Scheme (SSS) policies.

As awareness of quality service began growing among policyholders in India also, LIC of India had to think of many applications of IT offices, which are servicing centers, were equipped with computer system.

A new business module was introduced which enabled even underwriting operations to be computerized.

Front end operations:

With a view to enhancing customer responsiveness and services, in July 1995, LIC started a drive of online service to policyholders and agents through computer. This Online service enabled policyholders to receive immediate policy status report, prompt acceptance of their premium and get revival quotation, loan quotation on demand. Incorporating change of address can be done online. Quicker completion of proposals and dispatch of policy document have become a reality. All over 2048 branches across the country have been covered under front end operations. Thus all over 100 divisional offices have achieved the distinction of 100% branch computerization.

Metro Area Network :

A metropolitan area network, connecting 74 branches in Mumbai was commissioned in November, 1997, enabling policyholders in Mumbai has to pay their premium or get their status report, surrender value quotation, loan quotation etc. From any branch in the carried out over this network on any given working day. Such network have been implemented in other cities also.

Wide area network :

All 7 zonal offices and all the MAN centres are connected through a Wide Area Network (WAN). This will enable a customer to view his policy data and pay premium from any branch of any MAN city. As at November 2005 , we have 91 centers in India with more than 2035 branches networked under WAN.

Interactive Voice Response System (IVRS) :

IVRS has already been made functional in 59 centers all over the country. This would enable customers to ring up LIC and receive information (eg. Next premium due, status, loan amount, maturity payment due, accumulated bonus etc.) About their policies on the telephone. This information could also be faxed on demand to the customer.

LIC on the Internet :

Our internet site is an information bank. We have displayed information about LIC & it's offices. Efforts are on to upgrade our web site to make it dynamic and interactive. The addressee/ e- mail Ids of our zonal offices, zonal training centers, Management Development Center, overseas branches, divisional offices and also all branch offices with a view to speed up the communication process.

Payment of premium and policy status on internet :

LIC has given its policyholders a unique facility to pay premium through internet absolutely free and also view their policy details on internet premium payment. There are 11 service providers with whom LIC has signed the agreement to provide this service.

Information KIOSKS :

We have set up 150 interactive touch screen based multimedia KIOSKS in prime location in metros and some major cities for dissemination information to general public on our products and services. These KIOSKS are enable to provide policy details and accept premium payments.

Info centres :

We have also set up 8 call centres, manned by skilled employees to provide you with Information about our products, policy services, branch addresses and other organisational information.

All these applications have definitely brought a great amount of satisfaction to policyholders. The steps taken by LIC of India during the past 8 - 9 years are an indication of the important role that IT can play in ensuring a very high quality in the servicing operations of a life insurance company. Several private life insurance companies also are utilizing the latest technology available including creating their own websites.

1.6 : E-INSURANCE :

The advancement in IT has allowed for more paperless transaction. Say goodbye to the paperwork hassles that may arise when you manage your life insurance policies manually. Switch to the electronic insurance and manage all policies digitally at a single place. It means managing all your health insurance, life insurance, motor vehicle insurance, travel insurance and other insurance policies digitally. Our entire portfolio is accessible with a click of the mouse. Having an e- Insurance policy is a cost - effective way, having individuals from excessive paperwork. Also, it acts as a safety device against policy theft or loss.

1.6.1. BENEFITS OF ELECTRONIC INSURANCE :

- Information collected is better and cheaper.
- Speed of response - Issuance of policy and settlement of claims is faster.
- Provides new ways of doing business in competitive market.
- Flexible pricing and customized services Global accessibility i.e. Lapse of physical boundaries.
- Increased sales without additional sales force.

- Immediate premium collection and funds transfer.
- Reduced cost per transaction.
- 24*7 availability I.e. round the clock availability of information.
- Real time knowledge base building.

1.6.2. MAJOR FACTORS AFFECTING E - INSURANCE :

Growth of net :

It is estimated that India would have about 150 million net users by 2010. These figures represent a huge buying potential

Competition pressures :

Insurance companies because of competitive pressures would be driven into Internet rather than a clear ROI justification.

Customer :

The availability of net - based service will be a huge factor for customer retention.

Cross sells :

When linked with other financial products, a portfolio approach to investment, savings and risk coverage will increase cross sells and customer loyalty and retention.

Costs :

In the beginning e - insurance will be a cost factor rather than a profit driver, but in the long run it will be a cost reducing factor.

1.6.3. E - INSURANCE BUSINESS CHALLENGES :

Electronic insurance will not only provide many benefits but also pose business and technical challenges.

1.6.3.1. Business challenges

I. Disintermediation increases business :

Study has shown that the cost of distribution decreases with the increase value of connection. Products with relatively high fixed costs and low value such as travel, credit or burial insurance are relatively expensive to produce. Customer pay a high price per dollar of coverage for these products. The internet allows the disintermediation of this relatively high overhead for these low face value products.

This means that prices can be lowered and more Insurance can be sold by reducing the transaction costs of the exchange.

II. Reorganization of companies - virtual companies :

Many insurers will be prompted by the opportunities presented by E - commerce to restructure the packaging of Insurance service. Insurance companies using E-commerce may re-engineer, outsource and/or streamline their management function or marketing and distribution arms. To move efficiently deliver these service, some insurers will be able to reduce their significant investment in physical facilities and certain personnel. E-commerce will enable independent agency insurers to more easily adapt their distribution mechanism to market competition and expedite their transactions with intermediaries.

III. Insurance customers what do they want :

Customers could get better and different service through the internet. It is possible to obtain quotes from a number of companies. In some cases, the internet provides rating agencies evaluation of insurers.

The internet and outsourcing can be provided additional cost saving to customer. Technology can bring the customer closer to the insurance contract, by removing layers of inefficiencies. Customers will also obtain price comparisons for relatively generic contracts, such as life insurance and rates for a standard set of auto insurance coverage for given vehicle and driver characteristics. Consumer also could have access to internal records to see

where their claims are in term of payments, when their next annuity payment is due, and low their mutual fund is performing. This can be done without calling a burdensome voicemail system, being put on hold, or findings a person who can give them the desired information efficiently.

IV. The Death of Insurance Agent :

One of the reasons why insurers have been slow to use electronic commerce could be the fear of swallowing up the agents business. The internet does not necessarily imply the death of the agent. Many insurers are examining their agent's role in the process & are also developing direct contacts with the insured through their web presence. Agents could enhance their advisory role to consumers as their paper and money processing functions diminish.

1.6.3.2. Technological challenges :

One of the most prominent challenges of e - commerce is security. It is very evident that many users are reluctant to do business on the Internet due to security reasons.

I.Security :

A. Database security :

The business database security is utmost important. This has to be monitored by security of the web server and web access.

B. Web server security :

Security policies should be defined like who is allowed access, nature of the access and who authorizes such access ? Etc.

C. Password sniffing :

Protection against password sniffing is to avoid using plain text user names and reusable passwords.

D. Network scanning programmes :

Automated tools should be used to scan your network. These tools check for well - known security related bugs in network programs such as send mail and FTPD.

E. Physical security :

One can ensure physical security by having an alarm system that calls the police, having a key-lock on the computer power supply.

F. Web - access security :

Host based restrictions can be implemented using a firewall to block incoming HTTP connection to a particular web server.

G. Transmission security :

Encryption is a key technology to ensure transaction security.

II. Privacy :

Privacy is likely to be a growing concern as internet- based communications and commerce increase. Designers & operators of web site who disregard the privacy of users do so at their own peril.

1.8. ADVANTAGES OF IT IN INSURANCE :

The insurance industry is service- oriented industry and mainly based on the retail consumer. IT has made the life for a manager so much simpler. The advantages of IT with reference to the insurance business can be stated as below :

- ❖ Saves time.
- ❖ Helps the companies to lower costs of administration, transaction and communication through their entire supply and demand chain and results in overall increase in efficiency.
- ❖ Improves customer relationship and effectiveness of communication.
- ❖ Keep all interested parties fully informed of market needs and opportunities.

- ❖ Will enable greater depth and breadth of services.
- ❖ Protecting and storing information

1.9. DISADVANTAGES OF IT IN INSURANCE :

- ❖ These systems are less flexible.
- ❖ IT is rapidly changing and the pace is so fast even expert in this field are finding it difficult to cope with. This results in hardware and software products becoming obsolete in ridiculously short periods of time.
- ❖ Breaches in security.
- ❖ Difficulty may arise in finding the right type of personnel to handle the system and data. A powerful, flexible and adaptable computer system is valuable but it is not a substitute to experienced people.
- ❖ Change in technical and business environment will pressurize the need to upgrade the systems and the processes which entails expenditure.

1.10. INFORMATION TECHNOLOGY USE IN PAYMENT OF PREMIUM

Insurance contract is a contract and payment paid is the consideration of the contract. The insurer promises to pay the compensation to the insured on the event of suffering of loss by the insured. In return to this promise to pay compensation, the insured pays the premium. There are payment which flow in both directions, from the customer to the insurance company and vice versa.

Automated payment are electronic payments which are authorized by the customer in case of recurring bill. In the case of insurance industry also Automated payment can be made by the both the parties.

Direct payments require the consumers to sign an authorization form for each company whose bill is to be paid electronically. This form authorizes the designated company to collect the funds for amount of the bill from the consumer's check or saving account on the date specified.

PC banking allows the insurance consumer to initiate electronic payments from their personal computer. Many banking PC programs also allows the customer to access account information, such as personal account balances, account activity or to initiate transfers between accounts. Current saving or lending rates or other general financial information may also be available.

Point- of- sale and debit cards allow the customers to pay an insurer electronically when making a purchase using an ATM or debit card. Point- of- sale is a common method of payment at gas stations and grocery stores. Point- of- sale or debit card provides consumers with an alternative to writing cheque or payment cash for purchases. These transactions are generally completed faster than purchase made by a cheque. For many consumers point- of - sale and debit cards provide an attractive to carrying large sum of cash to make purchases.

1.11. INFORMATION TECHNOLOGY IN CLAIM SETTLEMENT

:

Although till recently the internet was used to a limited extents as a way to sell certain classes of Insurance policies, now claims are being transacted through the internet. One of the most significant developments in the past couple of years has been the growing emergence of Java based technologies. These can be improved to provide well developed Insurance software components with distinct insurance functionalities such as underwriting, reinsurance, claims management and payments processing.

For many of the consumers, the greatest amount of interaction is during the process of making claim. The way in which this is handled is likely to dictate the process of making claim, attitude of making a claim, attitude of the consumers towards the insurer during renewal the following year. From the point of view of the insurer it is this area where cost are incurred in physical settlement of the claim and associated administration of the claim. It is this area which provides the largest potential for cost

reduction and improved service provision. The following are the issues to be tackle in the area of claim management :

The insurer aims at selling the claims as quickly and efficiently as possible and reduces cost by minimal attraction with the consumer and the outside third parties.

The insured desired that the claim be settle as quickly and as painlessly as possible. Failure to meet these requirements at the claim stage will significantly reduce the chances of his renewal with the same insurer. Hence time is of essence in such case.

Often insurers offer to replace goods and services rather than make settlements in cash. This may result in introduction in cost. Through the e - enabled insurance the insurers can pre - negotiate discounts with suppliers and cut down on frauds and inflated claims.

1.12. IMPACT OF INFORMATION TECHNOLOGY ON INSURANCE SECTOR :

The IT has a huge impact on the insurance industry.

1.12.1. Productivity and efficiency :

The productivity all the functional management centres has increase. The sales team has easy access to the company web site, and special software are provided by the companies calculate premium, show benefits illustrations and know the status of the proposal forms. The operation team has access to data of issued policies/ lapsed policies/ renewal premium dates. The underwriters have all the data in digital form and can take the prompt decision. A few years back, LIC premium was supposed tobe deposited in the same branch where the policy was brought from. It was a troublesome task for people with transferable jobs. But now thanks to computerization, the premium can be deposited with any branch office.

1.12.2. Communication with the policy holders :

Keeping in touch with the customers is an essential part of any business. The cost of using direct mailers is very high. So is the case with print and electronic media. Sending information through emails is probably the cheapest source of

communication. The best part is it offers two communication at a very reasonable cost. As per the insurance act it is the responsibility of the customer to remember the renewal dates and pay the premiums on time to avoid the policies getting lapsed. The insurance companies, to increase renewal sales (also called persistency) send regular mails to customers.

1.12.3. E policies:

Buying policies online has also become a reality. The customers can make informed decisions by comparing various insurance products using comparison websites. Online policies are cheaper as there is no agent involved, and hence the cost of the commission is not there.

1.12.4. Premium payment:

Before computerization, the premiums were deposited by cheque, draft or cash at branch offices only. Now, this can be done by using debit or credit card. ECS and standing instruction facility have increased the use of monthly mode premium, thus making it much easier for the customers to save on monthly basis. Insurance companies have tied up with banks to collect premium where there are no branches.

1.12.5. Income Tax certificate:

Life insurance premiums paid in an assessment year are entitled to an income tax rebate under section 80C. Initially, one had to visit the branch office to collect the same. Now all you have to do is to login to the web portal and take a printout.

1.12.6. Automatic issuance of non-medical policies:

A proposal form is first scrutinised by the underwriters before it can be converted into an enforce contract. Most companies have underwriting guidelines that do not require close underwriting supervision. These proposals are considered as normal risk policies, and the insurance companies do not bother to call for the medical

examination of the life assured. Identifying and issuing such policies manually is a time-consuming process. But by using certain filters the software is able such proposals and even sends the command to issue the policy automatically. This has resulted in saving time and money.

In the nutshell, the government, the insurance companies and the customers have benefitted from the use of information technology in the insurance sector.

1.13. USE OF INFORMATION TECHNOLOGY IN INSURANCE

The following are the use of IT in Insurance :

1.13.1. Generating New Leads

Before targeting the specific customers, first we need to find about them. Now there are many software tools that help agents to generate new leads. Some insurance agents who know more about technology, they create website that contain helpful blogs, tips and advice for the people when they search on the web for the answers. This method serves more helpful for the agents when people arrive at an agents site's. The site can answer their queries and display contact information about the agent. In this way insurance professionals can generate new leads.

1.13.2. Easily Generate Different Policies

Modern insurance professionals work with different companies that provide different policies. For agents it was leading to confusion with the different policies and procedure, at the end they fail to impress the clients. Now with the advanced technology there are many software tools to search the multiple companies and to find the best deal for the clients based on age, vehicle model and other information.

1.13.3. Research and Training

Anyone who want to become insurance adviser then he/she must understand the policies, laws and other guidelines applicable for this sector. They should also clear the test to become a certified insurance adviser. In order to clear this test they can

make use of search engines to look up information when they need to prepare for the test. They can also make use of online and offline training courses to know more about concern laws and policies.

1.13.4. Manage Your Client Information

If clients visit any insurance adviser for generating any new policies then they have to spend time to do a paper work to generate new policies. Instead of doing paper work, computers help adviser to get information from clients, provide estimates and finally to store clients details in a database. This helps whenever any client claims for the insurance amount, the agent can easily access a client's file instantly from the database and update the new information in the database.

1.13.5. Mailing Lists to Target New Clients

Email marketing campaign is not a new concept in this industry. Advisers can make use of insurance mailing lists to target customer and to build loyal relationship with them. With the email list, agents can promote their insurance policies and services to their clients. This method will indirectly reflect on Return on Investments.

1.13.6. Social Media and Software Tools

Advisors can make use of social media platforms such as FaceBook, LinkedIn and Twitter to provide customer support and to build loyal relationship with them. There are many software tools that help advisors to find new customer, generate leads and communicate with clients using auto email responders. Also some insurance companies provides online portals for their advisors that helps to do everything from processing insurance renewals to tracking claims.

1.14. CONCLUSION :

The insurance market is being revolutionized by technology at a high speed. Because of IT insurance companies are able to provide various quality services to their customer such as EPS, issue of payment premium facility and so on and thus it make their customers satisfied. But, there are prominent challenges faced by Insurance companies i.e.security. Many users are reluctant to do business on the Internet due to security reason. So further I like to conclude that insurance related technology should developed in nationalized and international level. So Insurance business grow more rapidly and more effectively.

CHAPTER 2:
RESEARCH
METHODOLOGY

2.1 : INTRODUCTION

In 21st century IT has become the backbone of every industry, especially for the service industries, all over the world. In insurance sector IT has playing the most important role in providing quality services to the customers in order to satisfy them. After liberalization, while establishing its role in the economic development process of the country, Indian insurance market has undergone a dramatic change and also

influenced the financial sector as a whole. From the very early age of the business LIC adopted various strategies to modernize their present IT infrastructure in order to facilitate the customers in different ways in their daily life. The fact is that of all the business establishments in the facility sector, of the life insurance companies were the first to adopt computerization as an incontrovertible part of their operation all over the world. The swift innovation in the area of IT has stood with serious challenges for the insurance industry in India.

The use of IT is not new to the insurance sector, yet we made find constricted computerization regarding the use of IT in various departments of the insurance companies including the major players from past several years. The most evident departments are accounting, legal issues & servicing, claim processing, sales management etc. The IT has a huge impact on the insurance industry productivity & efficiency.

2.2: OBJECTIVES OF THE STUDY

- To study about the Information Technology in LIC.
- To determine the awareness level of consumers regarding life insurance policies and the number of consumers who have actually invested into life insurance policies.
- To understand the advantages & disadvantages of IT in Insurance.
- To study the various changes brought in by IT in the insurance sector.

2.3 : HYPOTHESIS OF THE STUDY

1.H0: Customer satisfaction in life insurance is independent of the information technology.

2.H1: Customer satisfaction in life insurance is dependent of the information technology.

2.4 : IMPORTANCE OF THE STUDY

LPG has compelled the LIC to change its strategy from business orientation to customer orientation. It's biggest asset is its past legacy & strong foundation in term of fundamental. However, the facts remains that the LIC is still a state owned corporation, functioning purely on social considerations in a rigid way. On the other hand, private companies are more diversified & customer focused operating with a basic motive of making profit through Customer satisfaction. Against this background, the present study aims at critically reviewing the functioning of Life Insurance Corporation & private life insurance companies based on quantitative parameters which include performance indicators such as market shares, number of policies, branch network, total revenue & profit, number of agents, number of claims settled. Hence the researcher has taken up the present study to analyse the present condition of life insurance in post-liberalisation & benefits to the industry on a whole. The suggestions recommended by the researcher will be extremely useful for life insurers to bring further improvement in the business of life insurance & it's penetration.

2.5 : LIMITATIONS OF THE STUDY

As the study made with primary and secondary research there are certain limitations to the study to be noticed.

1. Main limitation to the study was the time available to conduct it, which affected the processing & analysing of the data.
2. Sufficient number of respondents from all the LIC service could not be included.
3. Sample size is limited to 100 people only. The sample size may not adequately represent the whole market.
4. Some of the people were less know of the sectors and there information and were unable to provide the exact information about the same.

5. It is difficult to know if all the respondents gave accurate information. Some respondents tend to give misleading information.

2.6: RESEARCH METHODOLOGY

Research is an art of scientific investigation. In other word research is a scientific and systematic search for pertinent information on a specific topic. The logic behind taking research methodology into consideration is that one can have knowledge about the method and procedure adopted for achievement of objectives of the project. With the adoption of this others can evaluate the results also. Its main aim is to keep the researchers on the right track. The methodology adopted for studying the objective was surveying the impact of demonetization on e-payment applications among respondents in thane city. So keeping in view the nature of requirements of the study to collect all the relevant information regarding the e- payments. Questionnaire method was adopted for the collection of primary data. Secondary data has been collected through the various newspapers, books and by surfing on internet.

2.6.1	Universe of research	Thane region.
2.6.2	Method of sampling	Simple random method.
2.6.3	Sample size	100 respondents.
2.6.4	Methods of data collection	Primary data and secondary data collection.
2.6.4.1.	Primary data collection	Questionnaire method.
2.6.4.2.	Secondary data collection	Research paper, books, journal, newspaper articles.

2.7 : METHOD OF DATA ANALYSIS

The data analyzing techniques used were bar graphs, pie charts, percentage method and column method. The data collected from primary source is represent by using bar diagrams, pie charts etc.

In today's time, it is imperative for every sector to focus not only on better data handling and governance solutions but also steadfast the use of data that is long untamed. The findings of a study indicate that data-driven organizations are 23 times more likely to acquire more customers than their peers.

Insurance is a data-driven industry. Every day there are new players in the competition and each one of them has a mine of data, but only the ones converting that data into useful insights and using them in their decision-making can make it a gold mine. According to the findings of a recent study, 86% of insurance companies are working on Insurance data analytics mechanisms for optimum predictions of big data reports.

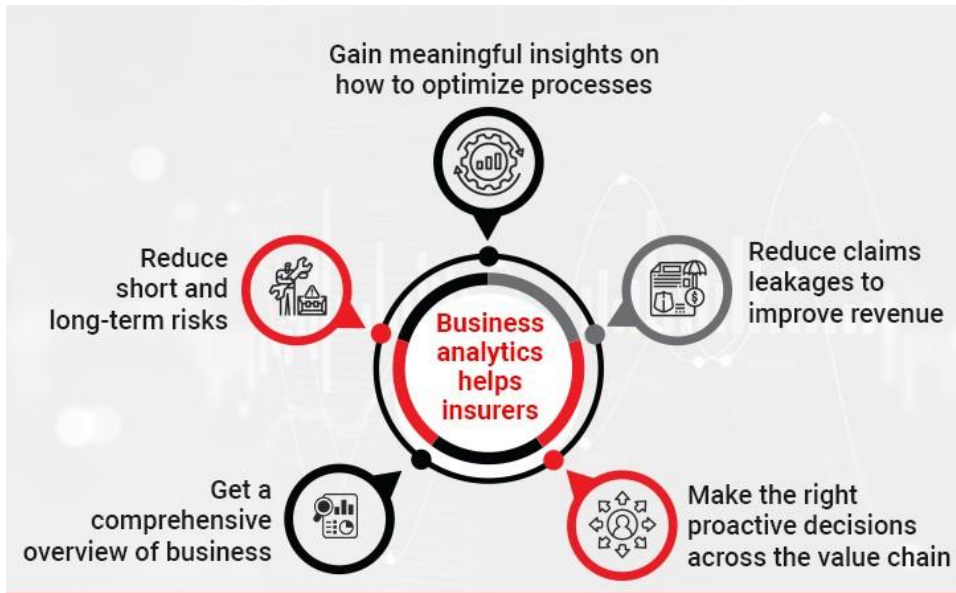


to a predictive analytics report, current investment in predictive analytics of the Individual Life and Individual Health ecosystem is 70 percent and 40 percent respectively, which is assumed to grow up to 90 percent and 80 percent in just the next two years.

This is the power of data that is being used as a source of strategic decision-making today. But this source of data needs to be unleashed to its full power by procuring insights that will help the insurance companies achieve their long-term goals.

If advanced analytics in insurance is leveraged appropriately, it can revolutionize the insurance business and make their operations resilient and future-ready.

2.8: Use of Business Analytics in Insurance



2.9: How does Data Analytics Benefit Insurers?

Insurance companies using data analytics solutions have witnessed significant improvements in decision-making underpinned by business intelligence to improve customer conversion. The key benefits offered by data analytics are:

1. Customer Acquisition and Personalization

Customer acquisition through a lead generation of high quality has become progressively tougher at a time when information is available at our fingertips and attention are fleeting. Even if you manage to capture the prospect's attention, tracking different lead information from different sources can get tricky through paper and spreadsheet-based processes in place. Such a scenario calls for modernizing legacy systems to centralize information and databases, especially when it relates to core business processes. Insurance data analytics of such unstructured data helps you deep dive into the customer behavior patterns and common demographics and characteristics, and target the right customer segments to create market opportunities to up-sell and cross-sell.

Further, data analytics-enabled tools like CRM and agency management systems enable businesses to extract valuable insights from reports that reveal the customer

journey, right from search to conversion. It helps them understand customer behavior and enables the marketing department to target the right personalized messages for warming up leads.

2. Meaningful and Deeper Customer Engagement

Satisfied customers drive revenue and brand equity of businesses. Enhanced customer satisfaction is the result of initiatives on advocacy, referral marketing, and brand identity creation. If a business is successful in fulfilling customer expectations, it will automatically register accelerated and unprecedented growth. According to a McKinsey report, satisfied policyholders are 80% more likely to opt for policy renewals.

An insurance company that can correctly predict the needs of prospective customers by looking through data trends and the complete view of a customer's previous interactions with the brand, has much more potential to make the sale than an insurance company just using conventional methods of selling. Analytics in insurance provides the capability to go through IoT-enabled data to understand the needs, desires, and advice of their customer. Similarly, analysis of the existing customer data can also offer prescriptive insights into improving customer satisfaction. Customer Relationship Management (CRM) solutions can prove to be invaluable in such situations as they can offer detailed and granular insights into the customer's current and future requirements.

3. Mitigating Claims Fraud

Claims fraud continues to be a major challenge in the insurance sector. The Coalition of Insurance Fraud estimates that \$80 billion is lost annually from fraudulent claims in the USA alone. Additionally, fraud makes up 5-10% of claims costs for insurers in the North American region. However, insurance companies using data analytics have seen considerable improvements in their fraud detection process. With the application of data

analytics, insurance claims fraud detection becomes speedier and more accurate. For example, the history of fraudulent cases is stored in the data trends of an insurance company and while processing any claim, the insurers can carefully check if the trend is repeated. This, in turn, helps reduce the act of fraud.

Apart from fraud detection, analytics can also be applied for fraud prevention and mitigation. Advanced analytics and claims predictive modeling leverage both business data and information from external third-party sources for identifying potential claims fraud. Even before the submission of the claims, the predictive analytics model can detect individuals who have more odds of submitting fraudulent claim reports.

4. Predicting Accurate Risk for Underwriting

Underwriting is a complex task for insurers and it can be simplified through insurance underwriting analytics. For example, the data trend would predict a higher auto insurance premium for a customer who has been engaged in rough driving than that for a customer whose data trend predicts a lesser risk profile. Such data can also come in handy during insurance claims automation as insurers can accelerate the policyholder's journey from FNOL to recovery.

The application of advanced analytics in the insurance underwriting process encourages underwriters to concentrate on subjective tasks that call for judgment and intuitive decision-making while enabling systems to handle back-office work. Data analytics models can also be used for developing better underwriting rules. This, in turn, contributes to a uniform application of underwriting practices and lesser risks.

5. Streamlined Claims Processing

Data analytics in insurance can have a significant impact on improving the efficiency and accuracy of claims processing. By analyzing historical claims data and utilizing predictive modeling, insurers can automate and streamline the claims assessment process. This leads to faster claims resolution, reduced administrative costs, and improved customer satisfaction. Also, as mentioned earlier, applying data analytics in insurance claims processing can help identify fraudulent claims more effectively. This ensures that legitimate claims are processed promptly while mitigating losses due to fraudulent activities.

6. Enabling Business Growth

One of the important elements of the Insurance domain is quantifying the levels of risk so that it can accelerate business growth. Until recent times, the calculation of this business-critical risk was purely intuitive and largely guesswork. However, with hordes of data now readily available, it is possible to base such assessments on pure data rather than conjectures, and even predict eventualities that can disrupt operations. Accordingly, insurance businesses can analyze this data and plug revenue leakages that could be eating into the business' profits. In this way, Insurance data analytics acts as an engine for the growth of Insurance companies with its capability in predictive analysis of big data.

7. Improving Regulatory Compliance

The insurance industry is subject to a myriad of regulations and compliance requirements. Data analytics in the insurance industry helps insurers navigate this complex regulatory landscape by providing tools to monitor and ensure adherence to compliance standards. Analyzing data in real-time enables insurers to detect and address potential compliance issues promptly. Furthermore, data analytics for insurance companies can assist in generating comprehensive data and analytics reports and audits, thereby simplifying the compliance reporting process. By leveraging analytics to stay abreast of regulatory changes and proactively address compliance concerns, insurers can avoid penalties, reputational damage, and legal challenges associated with non-compliance.

CHAPTER 3:
REVIEW OF
LITERATURE

Introduction :

This chapter presents the review of literature to identify and understand the implications of different issues related to Information Technology in Insurance in LIC. The literature on life insurance industry in India includes books, compendia, theses, dissertations, study reports and articles published by academicians and researchers in different periodicals. The review of this literature gives an idea to concentrate on the unexplored area and to make the present study more distinct from other studies. The literature available is presented below:

1) William and Sawyer (2005)

Information Technology (IT) is described as any technology that helps to produce, manipulate process, store, communicate , and/or disseminate information.

2) Pitt et al. (1999)

It expressed that Information Technology may be considered as a platform that rides on the Internet, a hypermedia information storage system which connects computer - based resource around the world.

3) Charlas L.J (2009)

In his paper, “Investors choice - LIC VS Private Insurance Companies” conclude that in the post - liberization era in India, there has been a phenomenal growth in the insurance sector with a population of over one billion, national and international Life Insurance Companies see India as a land of opportunities & a market for big business. Until 1999, the business of life insurance in India was the monopoly of Life Insurance Corporation of India (LIC). However now consistent growth has been observed in the private insurance market. The life insurance market in India is emerging and growing at the rate of 32-34 percent in the year 2009.

4) Choudhuri and Dasgupta (2013a)

Information Technology is one of the important factors influencing public awareness about the Life Insurance Companies of India.

5) Choudhuri (2013c)

In the modern age of the society just like a catalyst the insurance technology has a strong influence in the improvement of quality of services provided by the life insurers.

6) Wells and Stafford (1995)

It's pointed out that in the last visit to the life insurance branch almost all the customers were happy about the services offered by the life insurer but in the insurance industry, the widespread customer dissatisfaction stemming from poor service design and delivery is confirmed by the studies of Wells and Stafford (1995).

7) Ram Pratap Sinha (2007)

In this paper "Premium Income of Indian Life Insurance Industry: A Total Productivity Approach" compares 13 life insurance companies for the financial years 2002-03, 2003-04, & 2004-05 in respect of technical efficiency & changes in total factor productivity. For the purpose of computation of technical efficiency & total factor productivity, the net premium income of the observed life insurance companies has been taken as the output, & equity capital & the number of agent of Insurance industries have been taken as the input. The results suggest that all the life insurers exhibit positive that factor productivity growth during the period.

8) Choudhuri (2012) :

The study of Choudhuri (2012) revealed that Information Technology Enabled Convenient services (ITECS) has emerged as the one of the importance dimensions Of the structure of service quality in life insurance sector & to the life insurance customers.

9) Sankara Muthu Kumar (2009)

In this paper “Life Insurance Companies in India: performance and prospect” concludes that the LIC are active in new product development & in marketing areas. But they need to penetrate into rural areas in a big way since huge market potential lies in rural India. The private life insurers are more dynamic, which is evident from the fact that their Premium growth is commendable. LIC, the public sector giant, though it claims that it has the lion's share, will have to reorient its strategies to show higher Premium growth rates. A good performance of LIC will result in the growth of the life insurance market in India. It can be viewed as safe & secured Indians & thus safe & secured India.

10) Charles (1993)

It revealed that service industries have been identified as the biggest buyers of new information technology. That's why Jen-Her and Yu-min (2006), Leslie and Richard (2006) asserted that managers of the insurance companies are able to process work quickly as well as response to their customers has been faster and prompt using the latest information technology system.

11) Rajesh (2009)

In his “The Future of Indian Insurance Sector” says that around 12.15% of the central government out lay has been eaten up the vagaries of wealth. According to the common wealth secretariats vulnerability index, along with Bangladesh, India ranks among the top 5 spots. For the insurance industry high vulnerability can be an opportunity with an increasing population rate along with rising purchasing power, India is becoming a potential center for insurance companies all over the world & hence the Indian Insurance industry has reach credentials to become a sought- after market in the near future.

12) Sonika Chaudhary, Priti Kiran (2011)

In their paper “Life Insurance Industry in India: Current Scenario” discussed that life Insurance in India’s trend from the year 2005-06 to 2010-11. During the study period this sector moved upwards from the factors like number of offices, number of agent, new business policies, premium income etc. Further many new products like ULIP's, pension plans etc and riders were provided by the life insurers to suit the requirements of various customers. However, the new business of such companies was more skewed in favour of selected state and union territories. This paper concludes that private life insurers used the new business channels of marketing to a great extent when compared with LIC.

13) Upadhyaya and Badlani 2011)

In their research, attempt to identify the key success factors in the life insurance industry, in terms of customer satisfaction so as to survive intense competition and to increase the market share. The objectives of the study are to identify the factors of customer satisfaction in retail life Insurance in India & to study the importance of technology in fulfilling customer satisfaction. Data was collected from 206 Insurance customers of the 10 public & private sector Life Insurance Companies from the major cities of Rajasthan & Maharashtra state in India. The study concludes that despite high satisfaction levels, there remains a lot to be done by the management of the retail Life Insurance Companies to maximize their customer satisfaction & improve the quality of service. The satisfaction of the customer with the services of the Life Insurance Companies was found to be linked with the performance of the service.

14) Baal N. and Sandhog H. S. (August 2011)

A study on Life Insurance Corporation of India (LIC) the capital demanding business, supplies the most important financial instruments to customers directed at safety 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 one way 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.

15) Padhi B. (August 2013)

A study on Indian Insurance market was nationalized in 1956 & LIC of India was setup. LIC of India adored monopoly on Indian insurance market for more than 4 decades. The study by will reveal the performance of particular private insurance companies in the segments like number of policies floated number of money collected through premium and the annual expansion in the specific areas from 2001 to 2012.

16) Ranade A. and Ahuja R. (1999)

In the paper 'Life Insurance in India Emerging Issues' identified the emerging strategic issues in light of liberalisation and private sector entry in to insurance sector. They justified the need for private insurers on the basis of increase in efficiency, penetration, density and greater mobilisation of long term savings.

17) Choudhari P. S. (January 2014)

Study indicates that the age of information technology, customers are not only fully alert of their needs and requirements, expectations and information technology enabled services but also conserve day to day communication with the different kinds of service provider in their life for their own interest and getting their services in various ways. In this paper the researcher tried to find out whether there exist any cogent service quality gap in between insurer's perception of customers service expectation and customers expectations of quality of services provided by the LIC of India.

18) Choudhuri (2014a)

Technology is now playing an indispensable role in Customers mind to make them aware about the different life insurance products. Where internet has appeared as one of the importance influencers to the customers in selection of life insurance products.

CHAPTER 4:
ANALYSIS AND
INTERPRETATION
OF DATA

INTRODUCTION:

Analysis is a process of organizing and synthesizing data in such a way that research questions can be answered and hypothesis tested. The term analysis refers to the computation of certain resources along with searching for patterns of relationship that exists among data groups.

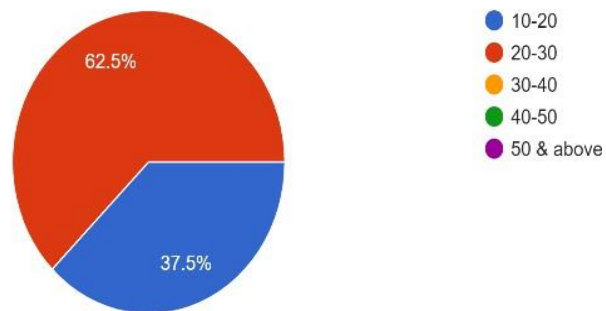
Analysis of data in a general way involves a number of closely related operations which are performed. With the source of summarizing the collected data, organizing these in such a manner that they answer the research questions.

In this chapter, the data collected were systemically processed, tabulated and made suitable for analysis and interpretations, it was a study on Information Technology in Insurance in LIC through data collected by questionnaire. The results obtained were classified, tabulated and the following analysis were performed in fulfilling the objectives of the study.

1.Age wise analysis

10 - 20	37.5%
20 - 30	62.5%
30- 40	Nil
40 - 50	Nil
50 & above	Nil

Table and Graph no.: 4.1



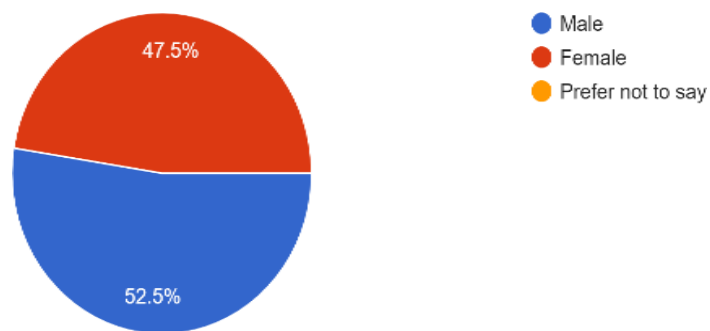
Interpretation :

The above table and diagram shows that age group of respondents. Maximum responses were from the age group of 20-30 i.e 37.5%. There after 37.5% of respondents are between 10 - 20. 62.5% of respondents .

2. Gender Wise analysis

Male	52.5%
Female	42.5%
Prefer not to say	Nil

Table and Graph no.: 4.2



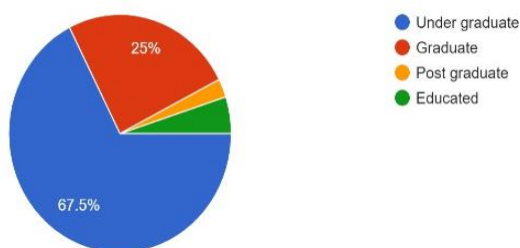
INTERPRETATION :

The above table & diagram shows the gender Wise classification of the respondents. This represent total female respondents are 47.5% out of 100 respondents. While total male respondents are 52.5% out of 100 respondents.

3. Education wise classification of respondents

Under Graduate	67.5%
Graduate	25%
Post Graduate	2.5%
Educated	5%
Total	100

Table and Graph no.: 4.3



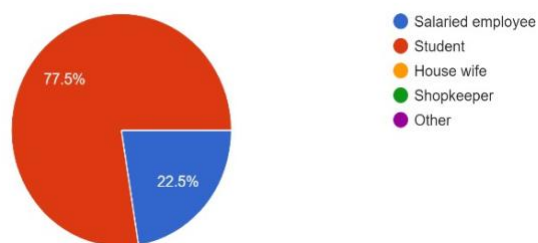
INTERPRETATION :

The above table and diagram represent the education wise classification of the respondents. The survey included 67.5% undergraduate, 25% graduate, 2.5% post graduate and 5% educated respondents out of total 100 respondents.

4. Occupation wise analysis

Salaried employee	22.5%
Student	77.5%
House wife	-
Shopkeeper	-
Other	-

Table and Graph no.: 4.4



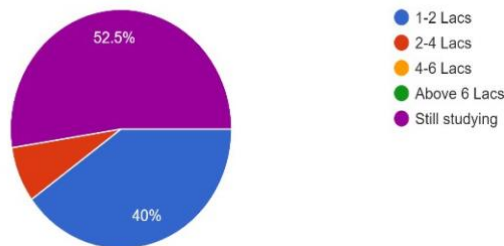
Interpretation :

The above table and diagram represent the occupation wise analysis of the respondents. This indicated that majority of the respondents belongs to the student category i.e. 77.5%. While 22.5% of the respondents are from salaried employee categor

5. Annual Income:

	Respondents
1 - 2 Lacs	40%
2 - 4 Lacs	7.5%
4 - 6 Lacs	-
Above 6 Lacs	-
Still studying	52.5%

Table and Graph no.: 4.5



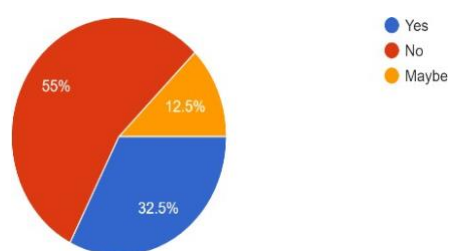
Interpretation :

The above table and diagram represent the annual Income of the respondents. Most of the respondents are still studying i.e. 52.5%. 12% of respondents are earn 1 - 2 lacs, 40% of the respondents are earn 2 - 4 Lacs, 7.5% of the respondents.

6. Are you currently covered under any LIC investment policy?

Covered	Respondents
Yes	32.5%
No	55%
May be	12.5%

Table and Graph no.: 4.6



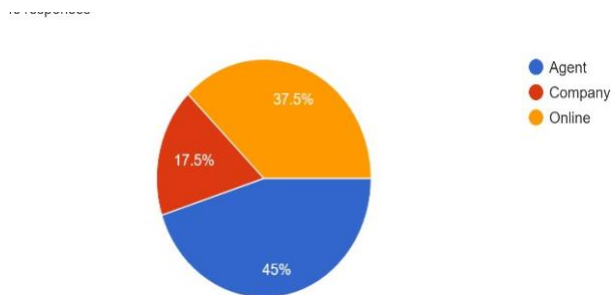
Interpretation :

The above table and diagram represent the 32.5% of the respondents are covered under LIC investment policy and rest of 32.5% of the respondents are not covered under any LIC investment policy.

7. How do you purchase the insurance policy ?

	Respondents
Agent	45%
Company	17.5%
Online	37.5%

Table and Graph no.: 4.7



Interpretation :

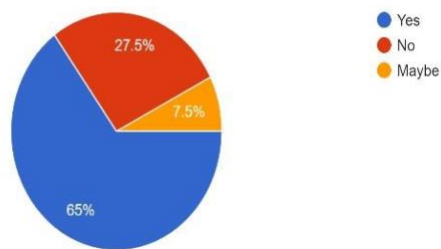
The above table and diagram represent the how respondents purchase their Insurance policy. 37.5% people out of 100 respondents are purchased Insurance policy in online. 45% of the respondents are purchased from agent and remaining 17.5% of the respondents are purchased from company

8. Are you aware about E - Insurance ?

Yes	65%
No	27.5%
Maybe	7.5%

Table and Graph no.: 4.8

Response



Interpretation :

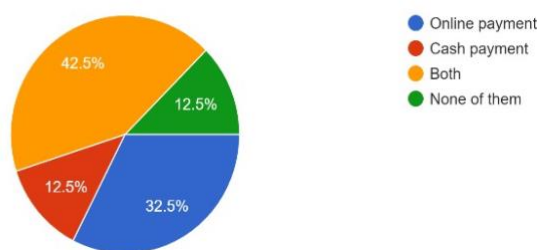
The above table and diagram shows about the awareness among the respondents about E- Insurance. 65% of the respondents are aware about E- Insurance, 27.5% of the respondents are not aware about E-Insurance and 7.5% of the respondents were not sure about their answer.

9. Which mode of payment do you use for payment?

Mode of payment	Respondents
Online payment	32.5%
Cash payment	12.5%
Both	42.5%
None of them	12.5%

Table and Graph no.: 4.9

100 respondents



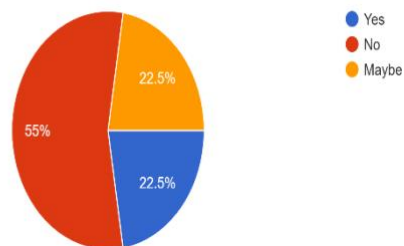
Interpretation :

The above table and diagram shows about the mode of payment use by the respondents. 32.5% of the respondents does online payment, 12.5% of the respondents does cash payment and 42.5% of the respondents does both i.e. cash payment as well as online payment.

10.Do you get any problem while settling the claims online ?

Problem	Respondents
Yes	22.5%
No	55%
May be	22.5%

Table and Graph no.: 4.10



Interpretation :

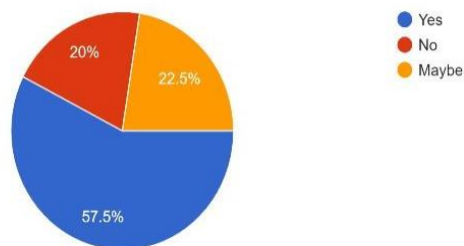
The above table and diagram represent the problem of the respondents while settling the claims online. This indicated that 22.5% of the respondents are not face any problem while settling the claims online, 55% of the respondents are face problem while settling the claims online and 22.5% of the respondents are not sure their answer.

11.Are you satisfy with facilities provided by Insurance company ?

Satisfy	Respondents
Yes	57.5%
No	20%
May be	22.5%

Table and Graph no.: 4.11

no response



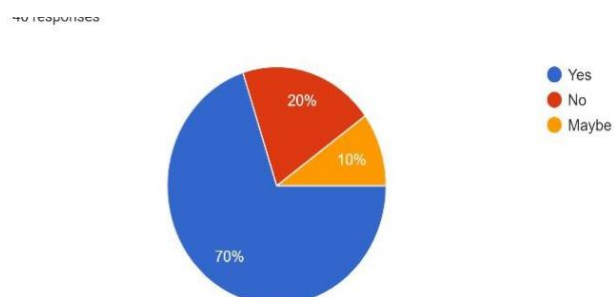
Interpretation :

The above table and diagram indicates that 57.5% of the respondents are satisfied with facilities which are provided by the insurance company, 20% of the respondents are not satisfied with facilities which are provided by the insurance company and 22.5% of the respondents are not sure their answer.

12.Do you think that it is safe to use IT in insurance.

Safe	Respondents
Yes	70%
No	20%
May be	10%

Table and Graph no.: 4.12



Interpretation :

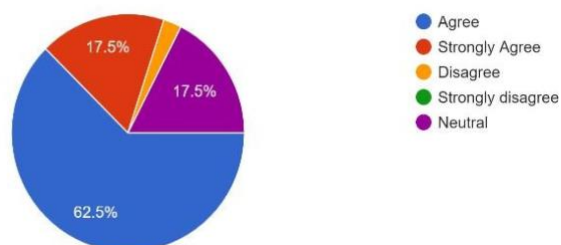
According to survey 70% of the respondents are said that use IT in Insurance is safe. 20% of the respondents are not agree with the above statement and 10% of the respondents are not sure their answer.

13. Do you feel your online transaction are secured ?

Security	Respondents
Agree	62.5%
Strongly Agree	17.5%
Disagree	NIL
Strongly Disagree	NIL
Neutral	17.5%

Table and Graph no.: 4.13

4.13



Interpretation :

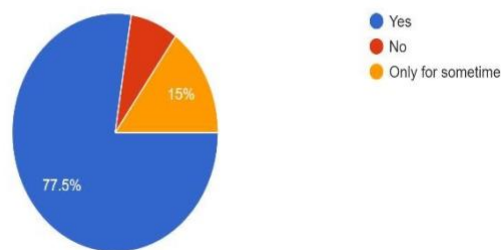
The above table and diagram represent the online transaction are secured or not. 62.5% of the respondents are agree that online transaction are secured, 17.5% of the respondents are strongly Agree, and 17.5% of the respondents are neutral about online transaction security.

14. Do you think that Technology is transforming the Insurance industry ?

Transform	Respondents
Yes	77.5%
No	7.5%
Only for sometime	15%

Table and Graph no.: 4.14

no response



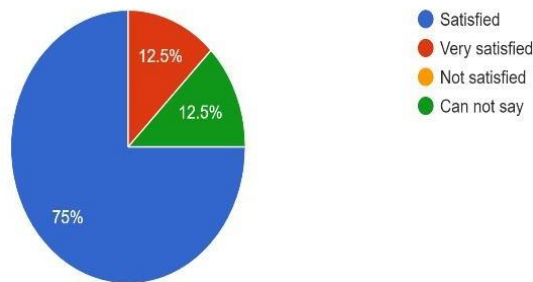
Interpretation :

According to the survey 77.2% respondents out of 100 respondents are said that Technology transforming the Insurance industry. 7.5% response are not agree with the above statement and 15% of the respondents are said that Technology transforming the Insurance industry only for sometime.

15.What is your idea about information availability and accessibility of Insurance policies of the company.

	Respondents
Very Satisfied	12.5%
Satisfied	75%
Not Satisfied	-
Can not say	12.5

Table and Graph no.: 4.15



Interpretations :

According to survey 12.5% respondents are very Satisfied, 75% respondents are satisfied, 2% respondents are can not say and 12.5% respondents are not satisfied out of 100 respondents about information availability and accessibility of Insurance policies of the company.

CHAPTER 5:
FINDINGS AND
CONCLUSION

5.1. FINDINGS:

The analysis of the data collected from respondents reveals the following summary of findings.

- The analysis reveals that the majority of the respondents are female (60%) and proportion of male is low (40%) .
- It indicates that the undergraduate is the largest (68%) .
- The occupational status of the respondents reveals that the majority of the respondents were of students (65%) .
- Most of the respondents purchase their Insurance policy from online (40%) .
- The most of the respondents (80%) are currently covered under LIC investment policy.
- Most of the respondents (90%) are satisfied with facilities provided by the insurance company.
- Most of the respondents (60%) feels that their online transactions are safe.
- Most of the respondents (92%) think that Technology is transforming the insurance industry.

5.2. CONCLUSION :

In this research, it is seen that more respondents were from the age group of 20 - 30 and there were more female respondents compared to male respondents. Most of the respondents were under graduate. The survey included most of the student respondents. Many of the respondents are aware about E - Insurance. Most of the people made their transactions online. Because of IT, insurance companies are able to provide various quality services to their customer such as EPS, issue of payment Premium facility and so on and thus it make their customers satisfied. But there are prominent challenges faced by Insurance company i.e. Security. Majority of policy holders purchase the insurance policy from online and majority of respondents are satisfied with the services of their respective life insurers. To observe the Current market scenario has dramatically changed after the introduction of several advance technologies like information technology. Information technology may be the key driver for the LIC to compete with the private insurance companies for maintaining itsown existence as well as to grow in the future.

CHAPTER 6:
SUGGESTIONS

1. People should be made more aware about E - Insurance.
2. Insurance companies should improve their technical efficiency by upgrading their information support and by developing R & D department in their respective organization.
3. Management of insurance companies should accept meaningful computerization as a total managerial responsibility and should adopt appropriate strategies for its implementation.
4. IT should be used as a tool to increase the companies competitiveness and its prosperity.
5. Along with that the Technology should be more secured that people will not be afraid about the transaction.

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ANNEXURE

Q.1. Name _____

Q.2. Age

- 10 - 20
- 20 - 30
- 30 - 40
- 40 - 50
- 50 & above

Q.3. Gender

- Male
- Female
- Prefer not to say

Q.4. Education Qualification

- Under Graduate
- Graduate
- Post Graduate
- Educated

Q.5. Occupation

- Salaried Employee
- Student
- House wife
- Shopkeeper
- Other

Q.6. Annual Income

- 1 - 2 Lacs
- 2 - 4 Lacs
- 4 - 6 Lacs
- Above 6 Lacs
- Still studying

Q.7. Are you currently covered under any LIC investment policy?

- Yes
- No
- Maybe

Q.8. How do you purchase the insurance policy ?

- Agent
- Company
- Online

Q.9. Are you aware about E - Insurance ?

- Yes
- No
- Maybe

Q.10. Which mode of payment do you use for payment?

- Online payment
- Cash payment
- Both
- None of them

Q.11. Do you get any problem while settling the claims online ?

- Yes
- No
- Maybe

Q.12. Are you satisfy with facilities provided by Insurance company ?

- Yes
- No
- Maybe

Q.13. Do you think that it is safe to use IT in insurance.

- Yes
- No
- Maybe

Q.14. Do you feel your online transaction are secured ?

- Agree
- Strongly Agree
- Disagree
- Strongly Disagree
- Neutral

Q.15. Do you think that Technology is transforming the Insurance industry ?

- Yes
- No
- Only for sometime

Q.16. What is your idea about information availability and accessibility of Insurance policies of the company.

- Satisfied
- Very Satisfied
- Not Satisfied
- Can not say