A Comparative Study On Investment In Life Insurance Between Lic Life Insurance And Icici Prudential Life Insurance With Reference To Coimbatore

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ABSTRACT: Comparative study is commonly based on reviews and data collected from the general public for the research purpose a comparative study on investment in life insurance between LIC life insurance and ICICI prudential life insurance with reference to Coimbatore is a study based on the people interest over the insurance. After the year 2000 larger number of insurance companies were started their branches in India due to the large number of population available in the country. The people found insurance as a saving mechanism to save their income as a mode of savings in order to meet any uncertain events in future. Since there are large number of insurance companies available in the market it was found difficult for them to choose the right insurance company to invest their money as an investment in insurance sector, this study is with the view to find the investor's preferred insurance. Company, their preferred policy and amount willing to spend per annum to the policy they had chosen, and source which they use to pay their premium payments and much more.
Keywords: comparative study on investments in insurance, LIC life insurance vs ICICI prudential life insurance.

I.   INTRODUCTION
Insurance company in India was stared in the year 1906 named as National insurance company. The government of India issued an ordinance on 19 January 1956 nationalizing the insurance sector and Life Insurance Corporation came into existence in the same year.

Now in India insurance sector is more than 150 years old and getting growing year by year. Many people all over the world are interested in investing in the insurance policies only with the view to keep as a savings in the future to meet any unexpected expenses

OBJECTIVES
*   To know the investment pattern among public investors.
*   To know the choices of investors.
*   To know the socio environment problems.
*   To understand the difficulties faced by the investors.

LIMITATION OF THE STUDY
*   The details which have been collected from the people may or may not be appropriate.
*   The time taken to complete the project is limited to 4 months (January to April).
*   The detail which I have collected only on particular area such as sulur, saravanampatti, kalapatti, and kalangal. It was due to covid-19 restrictions laid down by the government of Tamilnadu.
*   The study is based on the details provided by respondents so this may or may not provide the clear view on the result.

SCOPE OF THE STUDY

The scope of this study is to know the investors in the insurance companies to identify their investment methodology and their investment pattern, in which type of scheme/product they invest. It was not easy to predict the future events in human beings life, it was difficult to meet any events which about to happen in the upcoming life time so it become necessary for the people to go with the insurance to meet unexpected expenses. Insurance support the people in financial wise to meet their uncertain events.

STATEMENT OF THE PROBLEM

Insurance sector is the developing sector in India. Many people in India are interested in investing on insurance policies and it had shown tremendous growth over these years. Investors found insurance is a platform where they can invest their savings and income as investment in insurance policy. After the government of India issued an ordinance on 19 January 1956 Nationalizing the life insurance sector and life insurance corporation came into existence in the same year, from then to now the investors had increased to large numbers in India due to that insurance corporations found India is a better place to expand their markets.

In other words, increasing number of investors in insurance policy attracted new Insurance Corporation in India and that resulted in formation of new insurance companies. Increase in population in India also laid a way to formation of insurance companies. In late 2000s Larger number of insurance company was found difficult to find and choose the better insurance company , better insurance policy and plans available in the market, better scheme for their the income and much more. Here we about to find out preferred insurance company (LIFE INSURANCE CORPORATION OF INDIA AND ICICI PRUDENTIAL LIFE INSURANCE COMPANY) which is chosen by the most of people and reason for choosing that particular insurance company, and what are the socio economic problems faced by them while investment in the insurance company and the type of policy they poses and their suggestions to overcome those difficulties in insurance companies.

II. REVIEW OF LITERATURE

- **Limna M. (2014)** conducted a study of the micro insurance business in India with specific focus on the challenges it is facing. The exploration highlighted very rightly that the major challenge facing Indian micro insurance business is lack of clarity among insurers on whether they should offer the product as a standalone or as value addition to existing services. The lack of interest shown by stakeholders and high risk allocation has also led to stagnation in terms of new product development. Poor financial literacy levels are also another major hurdle that the Indian insurers need to face while entering the micro insurance markets. A solution to these challenges can only be reached through a change in regulatory framework that incentivizes innovation in micro insurance and provide better flexibility to insurers.

- **Mukesh Kumar Pandey (2014)** conducted a study on inclusive development with a special reference to the role of banking and financial institutions. He has pointed out in this research that the poor segment of the population is by and large bypassed by the developmental process of the country. Even financial institutions such as banks are more focused on serving the areas with relatively rich clientele and their focus on the large untapped market of rural areas is negligible. He has also criticized the government by stating that the condition of the poor in India is still as it was in the 70's. Local moneylenders are still the dominant source of credit in several rural areas. The research is majorly based on secondary data; hence these claims made by the researcher cannot be substantiated with numbers and figures. The research could have been strengthened by conducting a survey in these areas which have not experienced the effects on inclusive development.

- **S. Narender& L. Sampath (2014)** studied 100 individuals from Hyderabad and Warangal districts of India and attempted to study the level of awareness of individuals about life insurance, its basic function and benefits. The major drawback of the study is that both the researchers have considered insurance as an investment product rather than a risk coverage mechanism. This is contradictory to the major objective of making people aware about the basic function of life insurance. The body of work of the entire paper is maneuvered towards understanding financial needs of the customers and not gauging the awareness levels. However the paper does point out the lack of marketing initiatives from the insurance sector that can help in educating

customer on the importance and benefits of having an adequate insurance cover.

- **Sheikh Aftaab-ul-Maroof (2014)** conducted a study to throw some light on using insurance as a risk management tool, especially to the poorer sections of the society. The study also attempted to review the factors responsible for uptake of micro insurance products. The author has singled out a few economic, structural, socio-cultural and demographic factors that influence the demand and uptake of micro insurance to a great extent. The author suggests that the low accessibility and lesser affordability of the products result in reduction in demand for micro insurance products. The author has suggested that price is the major deciding factor on whether the rural or poor masses will accept and utilize the product. He also suggests that the insurers should focus on understanding the needs of the people and simultaneously focus on increasing financial literacy of the poor people.

- **Shikha Gupta (2014)** emphasized on the need for protecting MFI clients and better regulations for Indian MFIs. The paper points out that, though the industry has made outstanding contributions towards uplifting the

country's poor, certain unethical practices like over-lending and inappropriate collection practices have tarnished the image of this sector. The study stresses on the need for an improved code of conduct to be followed by MFIs to ensure better protection of clients. The study also emphasizes the need for financial literacy to help clients take informed decisions about loans to be taken and the importance of timely repayment. However the paper completely circumvents the aspect of credit life insurance cover for the MFI clients to protect theirfamilies from liabilities in case of untimely death of the main borrower. This aspect would have added an additional dimension to the overall protection of MFNI clients by ensuring not only an individual's security but also something that extends to The family and the society at large.

Data Analysis:
The primary data collected were analysed by using the SPSS computer packages. The statistical tools used for this study are as follows:
- Simple percentage analysis
- Chi-square analysis
- Ranking analysis

Frequency Table

In which company you would like to purchase investment policy?

PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE
MAX LIFE INSURANCE	17	11%
LIC LIFE INSURANCE	76	49%
HDFC LIFE INSURANCE	28	18.1%
ICICI PRUDENTIAL LIFE INSURANCE	34	21.9%
TOTAL	155	100

SOURCE: PRIMARY DATA

INTERPRETATION:

The above table shows that 11% are purchasing max life insurance plan; 49% are purchasing LIC life insurance plan; 18.1% are purchasing HDFC life insurance plan; 21.9% are purchasing ICICI prudential life insurance.

INFERENCE:

The majority of the respondents are purchasing LIC life insurance plan (49%).

WHAT IS REASON FOR CHOOSING PARTICULAR INVESTMENT COMPANY?

PARTICULAR	NO.OF.RESPONDENTS	PERCENTAGE
BRAND NAME	33	21.3%
SAFETY	68	43.9%
PRODUCT BENEFITS	36	23.2%
GOOD RETURN	18	11.6%
TOTAL	155	100

SOURCE: PRIMARY DATA

INTERPRETATION:
The above table shows that 21.3% are choosing brand name for particular investment plan; 43.9% are choosing for safety; 23.2% are choosing for product benefits; 11.6% are choosing for good return.

INFERENCE:
The majority of the respondents are choosing for safety (43.9%).

WHAT KINDS OF INSURANCE POLICY DO YOU HAVE?

PARTICULAR	NO.OF.RESPONDENTS	PERCENTAGE
SAVINGS POLICY	39	25.2%
WHOLE LIFE POLICY	67	43.2%
PENSION POLICY	16	10.3%
MONEY BACK POLICY	33	21.3%
TOTAL	**155**	**100**

SOURCE: PRIMARY DATA

INTERPRETATION:
The above table shows that 25.2% are using savings policy; 43.2% are using whole life policy; 10.3% are using pension policy; 21.3% are using money back policy.

INFERENCE:

The majority of the respondents are using whole life policy (43.2%).

CHI-SQUARE ANALYSIS:
RELATIONSHIP BETWEEN MONTHLY INCOME AND WILLING TO SPEND PER ANNUM FOR INVESTMENT

MONTHLY INCOME	WILLING TO SPEND				TOTAL
	LESS THAN Rs.16,000	Rs.16,000-Rs.18,000	Rs.18,000-Rs.30,000	Rs.30,000 and above	
BELOW Rs.20,000	11	13	1	2	**27**
Rs.20,000-Rs.50,000	15	20	8	1	**44**
Rs.50,000 and ABOVE	2	8	7	3	**20**
NO INCOME	36	14	13	1	**64**
TOTAL	**64**	**55**	**29**	**7**	**155**

HYPOTHESIS:
There is a significant relationship between monthly income and willing to spend per annum for investment.

FACTOR	CALCULATED VALUE	D. F	TABLE VALUE	REMARKS
AGE	27.949a	9	16.92	REJECTED

INTERPRETATION:
The calculated value of chi-square is more than the table value. Hence, the hypothesis is rejected stating that there is a significant relationship between the monthly income and the willing to spend per annum for investment.

RANKING ON THE BASIS OF CUSTOMER PREFERRED SERVICE IN THE INSURANCE COMPANY

FACTORS	1(5)	2(4)	3(3)	4(2)	5(1)	TOTAL	RANK
COMMUNICATION	30 150	34 136	54 162	18 36	19 19	155 503	I
COMPANY'S ASSISTANCE	15 75	48 192	56 168	30 60	6 6	155 501	III
CUSTOMER SUPPORT / EMAIL SUPPORT	25 125	37 148	55 165	26 52	12 12	155 502	II
PREMIUM RATES OF THE INSURANCE POLICY	27 135	40 160	40 120	37 74	11 11	155 500	IV
OFFERS	28 140	33 132	49 147	27 54	18 18	155 491	V

SOURCE: PRIMARY DATA

INTERPRETATION:
The above table shows the ranking on the basis of service provided by the insurance company.
Communication is given as I RANK by the respondents; customer support /email support is ranked as II; company's assistance is ranked as III; premium rates of the insurance policy is ranked as IV; offers is ranked as

INFERENCE:
Hence, COMMUNICATION is the investor's most preferred service in the insurance company.

III. FINDINGS, SUGGESTIONS AND CONCLUSION

- The majority of the respondents are age group of 21 to 30 years (38.1%)
- The majority of the respondents are male (60%)
- The majority of the respondents are unmarried (67.7%).
- The majority of the respondents are studied at under graduate level (46.5%).

- The majority of the respondents are students (50.3%)
- The majority of the respondents are have no income (41.3%).
- The majority of the respondents are having investment (87.1%).
- The majority of the respondents are purchasing LIC life insurance plan (49%).
- The majority of the respondents are choosing for safety (43.9%).
- The majority of the respondents are using whole life policy (43.2%).
- The majority of the respondents took only one insurance policy (47.7%).
- The majority of the respondents are choosing life insurance policy (50.3%).
- The majority of the respondents are choosing investment plan for savings (45.2%).
- The majority of the respondents are attracted for money back guarantee (33.5%).
- The majority of the respondents are willing to spend less than Rs.16,000 (41.3%).
- The majority of the respondents are have ideal policy term from 3 to 5 years (31.5%).
- The majority of respondents are getting 11% to 15% kinds of returns (32.9%).
- The majority of the respondents are not having benefits from any of the policies (51%).
- The majority of the respondents are having benefits from savings (36.8%).
- The majority of the respondents are having motives to purchase insurance plans through family responsibilities (41.9%).
- The majority of the respondents are facing hard situation from the company for delay in process (34.2%).
- The majority of the respondents are faced difficulties for high rate of premium (32.9%).
- The majority of the respondents are faced more problems and difficulties over insurance by policy agent (36.8%).
- The majority of the respondents are recommending others to invest (91.6%).
- The majority of the respondents are prefer for making cheque payment (22.6%).

CHI-SQUARE TEST ANALYSIS
- There is a significant relationship between monthly income and willing to spend per annum for investment.
- There is a significant relationship between the educational qualification and the reason for investment plan.

RANKING ANALYSIS:
- Communication is given as I RANK by the respondents; customer support /email support is ranked as II; company's assistance is ranked as III; premium rates of the insurance policy is ranked as IV; offers is ranked as V.

SUGGESTIONS:
- Safely for future to invest in insurance.
- It's helpful for future life.
- Insurance policy is better to save.
- I was satisfied with is insurance policy.
- Safety is a primary of LIC Life insurance.
- LIC is so useful for future benefit.
- Communication Gap to be filled between the dealer and the agent.
- Safe to future life.
- Investment is good for our savings.
- Savings is a good habit for future.
- Investment on insurance helps facing expenditure in later age.
- Government have to take steps to introduce more useful policies.

CONCLUSION:
- Investors in the insurance companies making their investment for their safety purpose and as a saving in order to meet any unexpected expenses in future period.
- Most the people investing in insurance had chosen the LIFE INSURANCE as a common choice to invest over other policies available in the market.
- Investing people found difficulties over the DELAY IN PROCESS of insurance in the insurance companies since due to the growing population processing speed is reduced in the insurance company to complete their work in time to their customers.
- Among all the insurance companies available in the market LIFE INSURANCE CORPORATION OF INDIA (LIC) was preferred as a common investing company over the ICICI PRUDENTIAL LIFE INSURANCE COMPANY.

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