

**Customer Perception towards IDBI Federal  
Life Insurance Co Ltd**

**M.KEERTHANA  
(REG NO.17PBM013)**

**A Major Project Report submitted to  
Avinashilingam Institute for Home Science and Higher Education for Women,  
Coimbatore-641 043**

**In Partial Fulfillment of the Requirements for the Degree of  
Master's in Business Administration  
(IT Organisation Administration)**

**April 2019**

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**CERTIFIED AS BONAFIDE RESEARCH WORK**



**Signature of the  
Supervisor**



**Signature of the  
Head of The Department**

  
**Signature of the  
External Examiner**

## **Acknowledgement**

The Researcher would like to thank **Dr.(Shri.) P.R.Krishnakumar**, Chancellor, **Dr.(Mrs.) Premavathy vijayan**, Vice Chancellor, **Dr.(Mrs.) S. Kowsalya**, Registrar of Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore for providing all required facility for completing the project.

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The Researcher would like to extend her heartfelt thanks to all the faculty members of Department of Business for their continuous support and encouragement.


**CERTIFICATE**

## Certificate

This is to certify that **keerthana.M( Reg No.17PBM013)** has successfully completed his/her assignment in “**Customer perception towards IDBI federal life insurance**” as part of our internship program. The period of the project was from **24<sup>th</sup> December 2018 to 24<sup>th</sup> February 2019**.

His/her performance in this period of time has been satisfactory.

We wish him/her all the best in all his future endeavors and a successful career ahead.

  
Kapail udaiwal

VP-Human resource

IDBI Federal Life Insurance Company Ltd

**IDBI Federal Life Insurance Co.Ltd.**

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**SYNOPSIS**

## **SYNOPSIS**

Life Insurance in India is aggressive today with the presence of private players in the markets. Private Life Insurance offer innovative products and services to for survival in the insurance industry. Yet, people have mixed opinion towards products and services offered by private companies.

This study is an attempt to understand customer's perception towards the products and services offered by IDBI Federal Life Insurance Company Ltd at Coimbatore. The primary objective was to study perceptions and satisfaction towards the insurance company.

Primary data was collected from 100 respondents using structured questionnaire. Tools such as percentage, correlation, regression were used for analysis.

It was found that respondents are highly satisfied with IDBI Federal Life Insurance company's products and its services.

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## **INTRODUCTION**

## **Chapter I**

### **INTRODUCTION**

#### **Insurance Industry**

Human life is a most precious asset and life insurance is one of the ways which provides financial protection to a person and his family at the time of any disaster. Life insurance provides both safety as well as protection to individuals and also boosts savings among people. Insurance companies play an important role in the welfare of human well-being by providing protection to millions of people against life risks such as uncertain death or accident. LIC is the most trusted and popular brand in life insurance, the market share of private insurers are gradually increasing with people trust.

The new private players offer many new innovative products and services. They are increasing the awareness level among consumers by using innovative and new techniques of advertisement, introducing new products, increasing penetration of life insurance of consumers in uninsured markets. The competition among public and private players has helped to increase in variety of products being offered from pure risk based to ULIP plans.

Customers are the back bone of life insurance business. Every company tries to attract new customers and retain existing customers in order to keep their profits high. This helps insurance companies to maintain a good competitive edge on its competitors. The proper understanding of consumers, their needs and expectations help insurance providers to bring betterment in product as well as services offered. In comparison with the developed foreign countries, the Indian life insurance industry has achieved only a little due of low customer awareness, high premiums, delayed and poor customer services, lack of suitable products. In today's competitive world, it becomes necessary for life insurers to provide customer satisfaction, spread more awareness, stress on need based innovative products and affordable price. This would help every individual to avail the benefits of insurance and protect their lives against future risks and uncertainties.

Earlier life insurance was used as a tool to protect the income of families, particularly young families in income saving phase, in the event of the head of household's death. But now, life insurance is used for many other reasons, including wealth preservation and tax saving. Whether an individual needs to have life insurance or not, merely depends on his need.

A conscious or unconscious state of awareness or understanding of one's surroundings that exists within the mind and formed through sensory signals stimulated by current conditions, expectations and past memories. The confluence of complex sensory inputs often times creates a perception that is unreliable or unverifiable. In other words, it may not be based in reality.

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## **Role of IRDA in insurance sector**

IRDA plays an important role in insurance sector giving important guide lines to various companies in the area of insurance. The IRDA's green signal to insurance companies for investment in venture capital funds would provide a boost in growth pertaining to the infrastructure segment. The insurance companies would be allowed to invest about 5% of the total investment in the venture capital funds pertaining to infrastructure based projects. The total aggregate of the assets under the life insurance companies is Rs 699,375 Crores. The proposed alterations in the regulations pertaining to investment to investments of the insurance companies were settled by the Insurance Regulatory and Development Authority of India (IRDA), at the board meeting on the 25<sup>th</sup> of march 2008. Several other alterations were also done with the investment norms. The other important norm is the expansion of the sanctioned investment category, which would also include the mortgaged securities and the initial public offerings unlike previously when these two were not included. The proposal would be submitted to the Insurance Regulatory and Development Authority of India (IRDA) board for approval. The final draft was published in the Gazette of the Central Government at the end of March 2008. The alterations would help in developing the instruments of investment and provide flexibility for insurers. The alternations would provide more margins pertaining to the investment INS certificates of deposit issued by the banks and term deposits.

At present the insurance companies companies may invest about 10% of its investment funds to a particular sector. The Insurance Regulatory and Development Authority of India (IRDA) constituted a working group in the year 2006 to probe the existing investment regulations and provide review on the present statutory advices and the trends of investments for insurance companies. According to the Insurance Regulatory and Development Authority (IRDA), the private insurers had collected premium income from new business of about Rs. 18,980 crores, in 2007.

## **IDBI Federal Life Insurance Co Ltd**

IDBI Federal Life Insurance Co Ltd is a joint-venture of IDBI Bank, India's premier development and commercial bank, Federal Bank, one of India's leading private sector banks and Ageas, a multinational insurance giant based out of Europe. In this venture, IDBI Bank owns 48% equity while Federal Bank and Ageas own 26% equity each. IDBI Federal endeavours to deliver products that provide value and convenience to the customer.

Through a continuous process of innovation in product and service delivery we intend to deliver world-class wealth management, protection and retirement solutions to Indian customers. Having started in March 2008, in just five months of inception IDBI Federal became one of the fastest growing new insurance companies to garner Rs 100 Cr in premiums.

The company offers its services through a vast nationwide network across the branches of IDBI Bank and Federal Bank in addition to a sizeable network of advisors and partners. As on October 31<sup>st</sup> 2012, the company has issued over 5.5 Lakh policies with over Rs 24,095 crore in Sum Assured.

## **Sponsors of IDBI Federal Life Insurance Co Ltd**

IDBI BANK LTD. continues to be, since its inception, India's premier industrial development bank. Created in 1956 to support India's industrial backbone, IDBI Bank has since evolved into a powerhouse of industrial and retail finance. Today, it is amongst India's foremost commercial banks, with a wide range of innovative products and services, serving retail and corporate customers in all corners of the country from 783 branches and 1328 ATMs.

The Bank offers its customers an extensive range of diversified services including project financing, term lending, working capital facilities, lease finance, venture capital, loan syndication, corporate advisory services and legal and technical advisory services to its corporate clients as well as mortgages and personal loans to its retail clients.

As part of its development activities, IDBI Bank has been instrumental in sponsoring the development of key institutions involved in India's financial sector –National Stock Exchange of India Limited (NSE) and National Securities Depository Ltd, SHCIL (Stock Holding Corporation of India Ltd), CARE (Credit Analysis and Research Ltd)

**FEDERAL BANK** is one of India's leading private sector banks, with a dominant presence in the state of Kerala. It has a strong network of over 739 branches and 797 ATMs spread across India. The bank provides over four million retail customers with a wide variety of financial products. Federal Bank is one of the first large Indian banks to have an entirely automated and interconnected branch network.

In addition to interconnected branches and ATMs, the Bank has a wide range of services like Internet Banking, Mobile Banking, Tele Banking, Any Where Banking, debit cards, online bill payment and call centre facilities to offer round the clock banking convenience to its customers. The Bank has been a pioneer in providing innovative technological solutions to its customers and the Bank has won several awards and recommendations.

**AGEAS** is an international insurance company with a heritage spanning more than 180 years. Ranked among the top 20 insurance companies in Europe, Ageas has chosen to concentrate its business activities in Europe and Asia, which together make up the largest share of the global insurance market. They are grouped around four segments: Belgium, United Kingdom, Continental Europe and Asia.

It is an undisputed leader in the Belgian market for individual life and employee benefits, as well as a leading non-life player, through AG Insurance. Internationally Ageas has a strong presence in the UK, where it is the third largest player in private car insurance.

The company also has subsidiaries in France, Germany and Hong Kong. Ageas has a track record in developing partnerships with strong financial institutions and key distributors in different markets around the world and successfully operates partnerships in Luxembourg, Italy, Portugal, China, Malaysia, India and Thailand. Ageas employs more than 11,000 people and has annual inflows of almost EUR 16 billion.

## **PRODUCT RANGE:-**

IDBI Federal offers many varieties of products with respect to insurance to customers many of which are customized to meet the customer needs such as:

- Wealthsurance
- Incomesurance
- Bondsurance
- Termsurance
- Healthsurance
- Lifesurance
- Group Microsurance
- Homesurance
- Loansurance
- Childsurance

### **Incomesurance**

Incomesurance not only gives you unmatched transparency and flexibility but there are lots of other features which are inbuilt in the product like convenient premium payment options, Tax benefits and double advantage of Endowment and Money Back plan. Incomesurance combines Endowment and Money Back benefits into one plan. You can get periodic payments as in Money Back or get a lump sum at maturity as in Endowment. Incomesurance Plan is very flexible and allows you to customize your Plan as per your individual and family's future requirements. Moreover it also allows you to choose Premium Payment Period, Payout Period, Payout Options and more.

### **Wealthsurance**

The Wealthsurance Foundation Plan enables you to save and build wealth to meet your financial goals. However, unlike other investment alternatives, it also enables you to achieve your wealth goals even in the event of unexpected death, accidents, disablement or serious

illness. The Wealthsurance Foundation Plan can ensure that your plans for wealth creation are achieved by protecting that plan with insurance benefits. With Wealthsurance Foundation Plan, you can:

- Save into the Plan as much money as you want whether at one time, at regular intervals or as per your convenience.
- Build your wealth by choosing the investments your savings go into and change them from time to time as you wish.
- Get adequate life insurance cover with a unique built-in terminal illness benefit, so that the financial security of your loved ones is assured and your plans are always realized.

## **Homesurance**

The Homesurance Protection Plan is a reducing term plan, which provides insurance cover equal to the outstanding balance of your home loan. In the unfortunate event of death of the home loan borrower, the insurance cover enables repayment of the home loan liability.

### **Protection against loan liability**

A home loan is usually a large liability and if the breadwinner who would repay the loan were not to be there, it could become a serious burden to the family. The Homesurance Protection Plan protects against this liability.

## **Bondsurance**

Bondsurance is a single premium plan which allows you to make a one-time investment and get a guaranteed amount on maturity. You can choose a maturity period of 5 or 10 years for your investment. At the end of the chosen period, you will receive a guaranteed maturity amount. Besides the guaranteed maturity amount, Bondsurance also provides a life insurance cover. In case of death before the maturity date, a Death Benefit which is also guaranteed will be paid. Thus you can get life insurance cover, while earning an assured return on your investment.

## **Group Microinsurance**

IDBI Federal Group Microinsurance Plan provides affordable life insurance cover to groups. This plan is extremely useful to Micro Finance Institutions, Self Help Groups and NGOs to insure the lives of their group members and thus provide security to the group members' families. The plan can also be used for providing loan protection to the group members' families.

## **Terminsurance**

IDBI Federal Terminsurance Protection Plan (Terminsurance) comes with three cover options which you can select on the basis your requirement. Terminsurance is designed with a host of benefits & options aimed at satisfying your every need. It not only allows you to customise your plan as per your individual and family's needs, it also comes with a host of benefits like convenient insurance cover options, flexible premium payment terms, choice of policy term and lots more flexible options.

## **Loansurance**

Loansurance is a cost-effective way to ensure that the outstanding debt is settled in the unfortunate event of death of the insured member. This term assurance plan provides cover to a person directly liable for loan repayment (and the partners, in case of a partnership), as per the benefit schedule.

## **Objectives**

- To study customer perception towards IDBI Federal Life Insurance Co against selected study factors.
- To study relationship between study factors and satisfaction towards IDBI Federal Life Insurance Co Ltd.

## **Needs for the study**

- There is no shortage of investment options for a person to choose from. Investment includes gold, property, fixed income instruments, mutual funds and of course, life insurance.
- Life Insurance is a unique investment that helps you to meet your dual needs, saving for life's important goals, and protecting your assets.

## **Scope of the study**

- The result of this research would help the company to have a better understanding about the consumer's perception towards life insurance.
- The study helps the company to creating awareness among the consumers of different ages and income levels.
- The study also enables the company to focus on aspects of preference by consumers.

## **Limitations of the study**

The above study has been conducted on the basis of primary data which has been collected through questionnaire. It is subject to certain limitations that are as follows:

- The ability and unwillingness of respondent to answer the questions
- The sample size has been restricted to 100

## **REVIEW OF LITERATURE**

## CHAPTER – II

### REVIEW OF LITERATURE

A literature review is a body of text that aims to review the critical points of current knowledge on a particular topic most often associated with science oriented literature, such as thesis, the literature review usually precedes the research proposal, methodology and research section. Its ultimate goal is to bring the reader up to date with current literature on a topic and forms the basis for another goal, such as the justification for future researcher in the area. A good literature reviews is characterized by the logical flow of ideas, current and relevance references with consistent, appropriate referencing style, proper use of terminology and an unbiased comprehensive view of the previous research on the topic.

**Basha, (2012)** studied the policyholders' perception towards LIC of India by conducting a survey in urban and semi-urban centers. Chi-square test was used to test the hypothesis. It was found that majority of them were influenced by agent's opinion of a policy, significant number felt that premium is high, majority preferred money back policy and the policyholder expected a return of 11- 15 percent from their investments.

**Chaudhary (2016)** Insurance companies play an important role in the welfare of human well-being by providing protection to millions of people against life risks such as uncertain death or accident. Even the life insurance is fastest growing service sector in India after privatization and increase in FDI. Thus it has become essential to study the buying pattern of the life insurance policies. The current study examines the various factors that affect the consumer perception towards life insurance policy.

**Dr. Bhargava (2015)** The growth in the life insurance sector has shown new heights and the functioning of private companies has given tough challenge to Life Insurance Corporation of India. Within a short span of time, private insurance companies have acquired more than 25 per cent of the life insurance market. Many changes have taken place in the processes and procedures of insurance business in terms of its format and products as well the mindset, motives, interests, and expectations on the part of the customers also. In this paper an effort is

made to analyze customer perceptions towards the performance of public and private life insurance companies and the impact of opening up of industry.

**Dr. Anshuja (2012)** Life insurance provides both safety and protection to individuals and also encourages savings among people. The present exploratory and descriptive based study was selected with an objective to identify those factors which influence customers policy buying decision and also analyze the preferences of customers while life policy investment decision-making. LIC of India plays a vital role in the welfare of human well-being by providing insurance to millions of people against life risks such as uncertain death or accident. The paper concludes with that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies.

**Dr. Sahu (2009)** Before the opening of Indian market for Multinational Insurance Companies, Life Insurance Corporation (LIC) was the only company which dealt in Life Insurance and after opening of this sector to other private companies, all the world leaders of life insurance have started their operation in India. With their world market experience and network, these companies have offered many good schemes to lure all type of Indian consumers but unfortunately failed to get the major share of market.

**Mrs. B. Kishori (2016)** Insurance can be definite as a legal contract between two parties whereby one party called the insurer undertakes to pay a fixed amount of money on the occurrence of a particular event, which may be positive or doubtful. The primary data were together from respondents through structured survey and was taken for analyzing. The result and finale of this study are made based on the opinion given by the respondents.

**Manuel (2013)**; he conducted the study to understand the Consumer Perception about life insurance policies in Kottayam City .For this study the researcher used exploratory research design. This research was restricted to the consumers of Kottayam city. The sample which was taken was of 50 respondents belonging to various age groups. The survey was conducted to find out the attributes which affect decision making of consumers of life insurance policies which are return on investment, company reputation, premium outflow, service quality and product quality.

**Mahajan (2013)** conducted a study on consumer decision making process in life insurance services and found that there are 5 stages i.e. need recognition, search of alternative, evaluation of alternative, purchase decision and post purchase evaluation. Special considerations pertaining to insurance industry are perceived risk, risk and standardization and risk and information.

**Manish (2011)** He analyses the factor affecting to buying decision of life insurance policy in Surat city of Gujarat. He finds that age, income, education awareness about insurer, attitude towards life insurance, occupation gender etc. among all that age, income levels, awareness about the insurer and type of insurer most affecting factor to buying decision of life insurance policy of Surat city. He also suggests that customer satisfaction and attitude towards life insurance are significant factor in influencing the market share of life insurance player.

**Negi (2010)** conducted their study in Chandigarh and by using factor analysis they found customized and timely service, brand USP, considerate employee, price immunity as major factors affecting the satisfaction of customers. They even found that maximum life covered under insurance are of male than female and satisfaction level among public and private sector insurance companies is same.

**Sahu et al. (2009)** conducted a survey on 150 respondents to determine the attributes affecting buying behavior of consumers investment pattern in life insurance services and compare the differences in consumer perception of male and female consumers. There is no difference between the perception of male and female preferences. In their study they found that there 6 factors which affect the buying behavior while purchasing life insurance policies namely consumer loyalty, service quality, ease of procedures, satisfaction level, company image and company client relationship. There is no difference between the perception of male and female preferences.

**Saini (2012)** in their article has highlighted the role of IRDA for life in insurance industry in India and has concluded that social, cultural, political, personal, psychological and demographic factors influence the consumer behavior. The leadership does not lie in getting the

maximum number of policies sold but in understanding the demography of the customer and targeting them in their way. This study reveals that the demographical factor has the major impact on the purchasing decision of consumer. Finally, being they considered the success of insurance marketing dependant on understanding the social and cultural needs of the target population.

**T. Nisamudheen (2013)** Customer service is an integral part of Life insurance organization. It is necessary to identify the key success factors in life insurance industry, in terms of customer satisfaction so as to survive in intense competition and increase the market share. Mainly there are two objectives are involved in this study. Both primary and secondary data's are used in this study.

**Sudhir (2013)** conducted a survey to find out the performance of private insurance players and took sample of 200 respondents. The services offered by private companies are as per expectation of customer and they feel no risk in investing in private companies. Respondents want more policies with tax benefits among private companies. They found that very few respondents feel private companies to be better than public.

## **RESEARCH METHODOLOGY**

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

Methodology is the systematic, theoretical analysis of the methods applied to a fields of study. Research is a systematized effort to gain new knowledge. This chapter describes the methodology adapted to meet the research objective putforth in the first chapter. The study is intended to analyse the customer perception during company and the methodology adopted for the same is presented under the following headings:

- Research Design
- Sources of data
- Sample size
- Sampling Design
- Tools used for the analysis

#### **Research Design**

A research design is considered as the framework or plan for a study that guides as well as helps the data collection and analysis of data. The research design adopted for this study is descriptive in nature since it describes analysis and interprets the prevailing situation.

#### **Sources of data**

For any study there must be data for analysis purpose. Without data there is no means of study. Data collection plays an important role in any study. It can be collected from various sources. For the purpose of this study the following sources of data are used.

#### **Primary data**

The present study has used survey method for collecting the primary data by directly interviewing with questionnaire.

## **Sample size**

Sample size of 100 has been selected from the total population.

## **Sampling Design**

The researcher must decide about the technique to be used in selecting the items for the sample. Non-Probability sampling method is used in this project. In non- probability sampling, convenient sampling was made to select the sample respondents according to the researcher's own convenience without any systematic method.

## **Tools used for the analysis**

Statistical tools used for analysis are

- Percentage analysis
- Means scores
- Chi- square
- Correlation
- Regression

## **Percentages**

Percentages = (no of respondents ÷ total no of respondents)\* 100

## **Chi - square**

Chi – square test is a non parametric test of statistical significance for bi-variant tabular analysis. A non parameter test, like chi – square is a rough estimate of confidence

Chi – square is used to most frequently to test the statistical significance of results reported in bi-variant tables and interpreting bi- variant tables is integral to interpreting the results of a chi-square test.

## **Null Hypothesis (H0)**

The hypothesis or assumption about a population parameter we wish to test, usually an assumption of status quo.

## **Alternative Hypothesis (H1)**

The conclusion we accept when the data fail to support the null hypothesis.

## **Statistical test**

$$\text{Chi-square } = X^2 = \sum \frac{(\text{observed frequency} - \text{expected frequency})^2}{\text{Expected frequency}}$$

$$\text{Degrees of freedom} = (R-1) (C-1)$$

Where,

O= Observed frequency

E= Expect frequency

R= Number of rows

C= Number of columns

## **Correlation**

The Correlation Analysis is the statistical tool used to study the closeness of the relationship between two or more variables are said to be correlated when the movement of one variable is accompanied by the movement of another variable.

## **Regression**

Regression analysis is a set of statistical processes for estimating the relationships among variables. Regression is a statistical measurement used in finance, investing and other disciplines that attempt to determine the strength of the relationship between one dependent variable and a series of other changing variables.

\

## **ANALYSIS AND INTERPRETATION**

## CHAPTER IV

### ANALYSIS AND INTERPRETATION

Analysis means the compensation of certain indices or measure along with searching and or pattern of relationship that exists among data group. Interpretation refers to the task of inferences from the collected factors after an analytical or experimental study. It is a research for broader meaning of research finding.

Interpretation refers to the task of drawing inference from the collected facts after an analytical and experimental study. It is concerned with relational within the collected data, partially overlapping analysis. Interpretation also extends beyond the data of the study to include the result of the research theory and hypothesis. Thus, interpretation is the device through which the factors that seems too essential to explain what has been absorbed by researcher in the course of study can be better understood and it's also provides as a guide for further researcher.

#### Personal details

##### 1. AGE GROUP

Age indicates the level of maturity in each customer. As the age increases the knowledge, abilities and the experience tends to increases.

**Table 4.1**

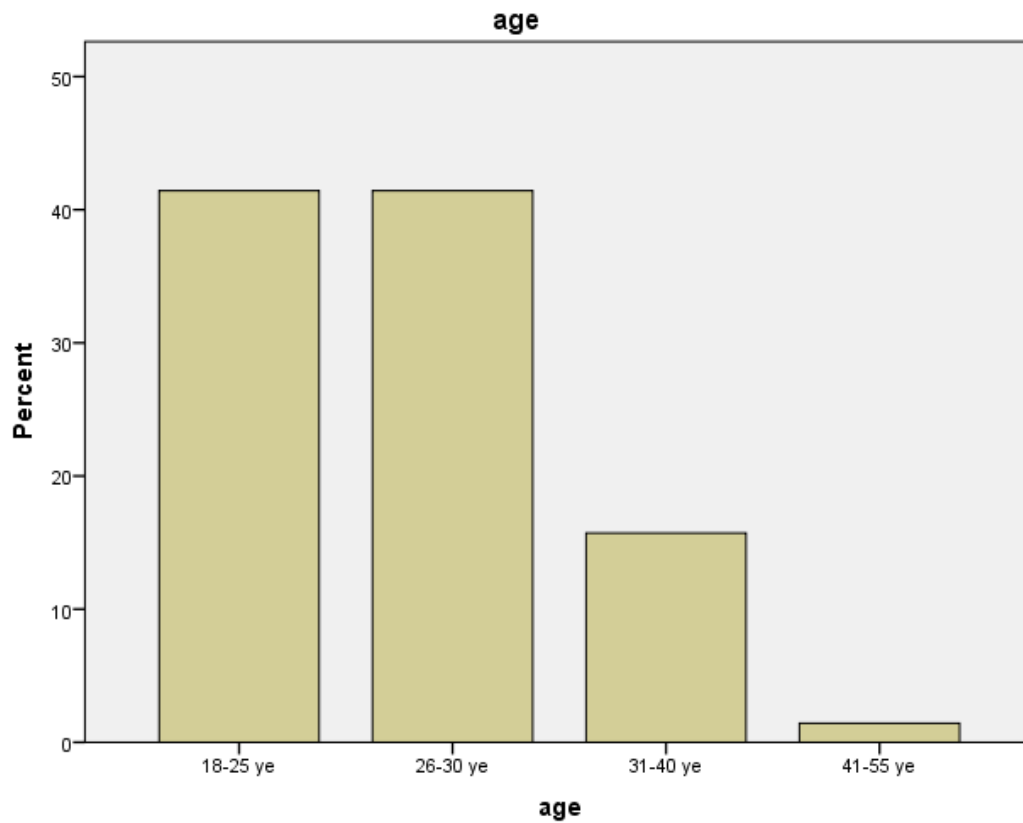
#### AGE GROUP

Age	Frequency	Percentage
18-25 ye	29	41.4
26-30 ye	29	41.4
31-40 ye	11	15.7
41-55 ye	1	1.4
Total	70	100.0

From the above table it is inferred that the majority (41.4%) of the respondents are in the age group of 18-25years. (41.4%) of the respondents are in the age group of 26-30years. (15.7%) of the respondents are in the age of 31-40years. And the respondents with the age above 41-55years constitute (1.4%) of this sample.

**Chart 4.1**

**AGE GROUP**



## 2. GENDER

Gender is also considered as an important demographic factor.

**GENDER**  
**TABLE 4.2**

Gender	Frequency	Percent
Female	33	47.1
Male	37	52.9
Total	70	100.0

From the above table 4.2 it can be interpreted that out of 100 respondents 52.9% of respondents belong to the gender of male, 47.1 of respondents belong to female gender. Therefore, it could be seen that majority of the respondents (52.9%) belong to male gender.

**GENDER**  
**Chart 4.2**



### 3. ANNUAL INCOME

Income influences most of the people to invest their money in Insurance.

The Respondents Income levels are shown below.

**Table 4.3**

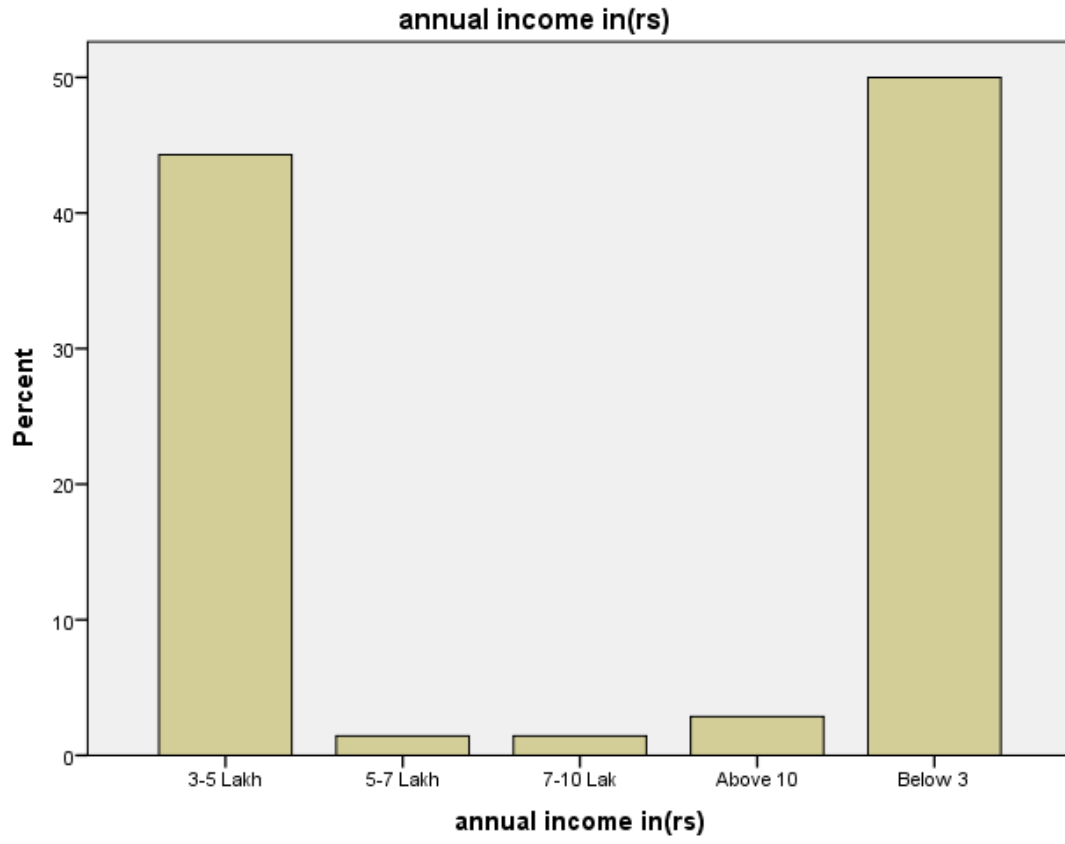
#### ANNUAL INCOME

Annual Income	Frequency	Percentage
3-5 Lakh	31	44.3
5-7 Lakh	1	1.4
7-10 Lakh	1	1.4
Above 10	2	2.9
Below 3	35	50.0
Total	70	100.0

From the above table (44.3%) of the respondents are in the 3-5 lakhs, (1.4%) of the respondents are in the 5-7 lakhs, and the majority of the people have below 3 lakhs that is (50.0%).

**Chart 4.3**

**ANNUAL INCOME**



## 4. OCCUPATION

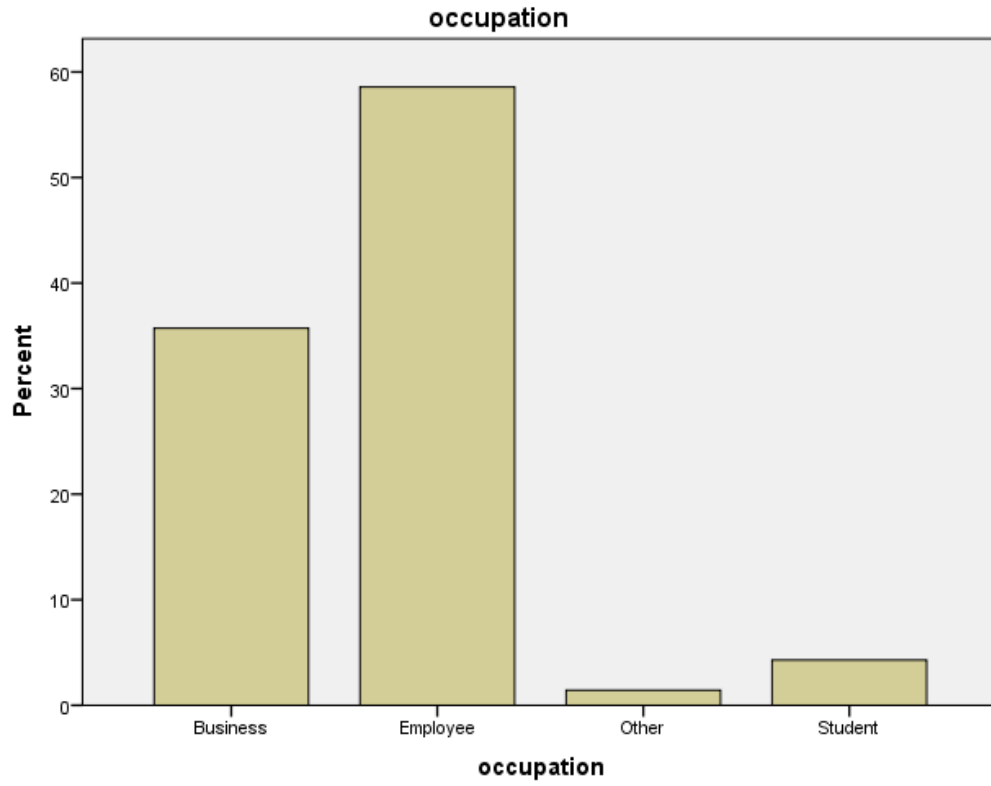
Occupation is an important factor while doing a survey.

**Table 4.4**  
**OCCUPATION**

Occupation	Frequency	Percentage
Business	25	35.7
Employee	41	58.6
Other	1	1.4
Student	3	4.3
Total	70	100.0

From the above table 4.4 it can be interpreted that out of 100 respondents 35.7% of respondents belong to the Business, 58.6% of respondents belong to the Employee, 4.3% of respondents are comes under students and remaining 1.4% of respondents are comes under others category.

**Chart 4.4**  
**OCCUPATION**



## 5. Plans subscribed by Respondents

Table 4.5

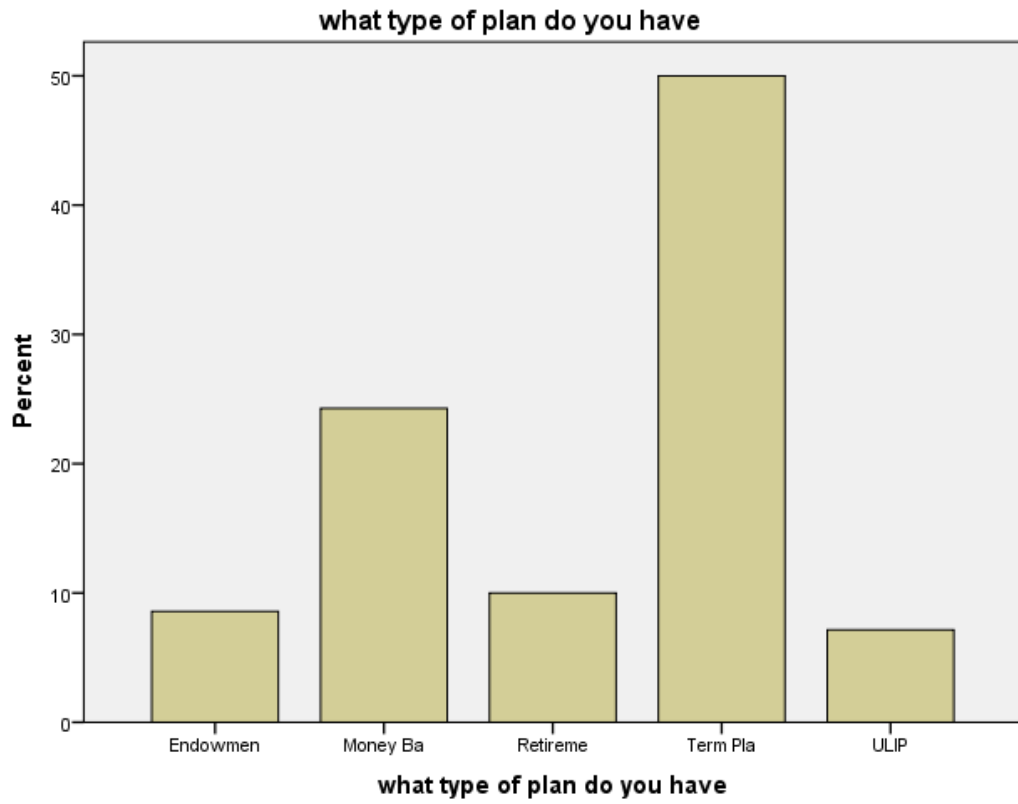
### Plans subscribed by Respondents

Plans	Frequency	Percent
Endowment	6	8.6
Money Back	17	24.3
Retirement	7	10.0
Term Plan	35	50.0
ULIP	5	7.1
Total	70	100.0

From the above table 4.5 it can be interpreted that out of 100 respondents are 8.6% of the respondents are comes Endowment, 24.3% respondents are comes under money back, 10% are comes under retirement, 50% respondents are comes under term plan 7.1% are comes under ULIP.

**Chart 4.5**

**Plans subscribed by Respondents**



## 6. PURPOSEE OF HOLDING INSURANCE POLICY

Table 4.6

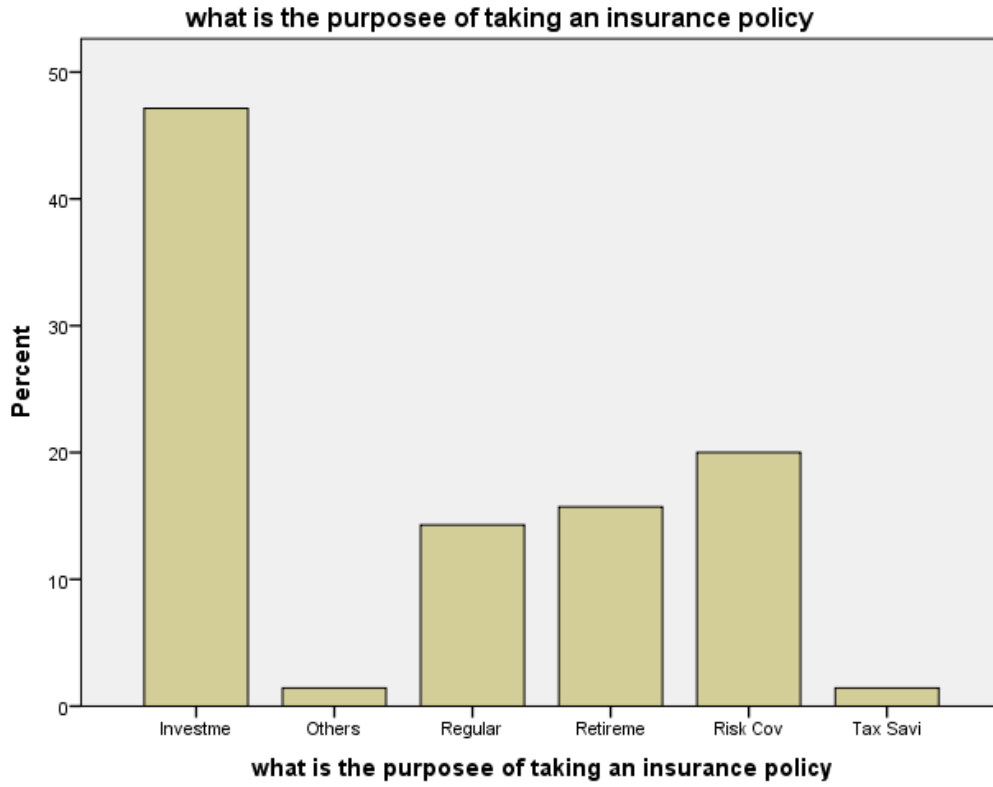
### PURPOSEE OF HOLDING INSURANCE POLICY

Policy	Frequency	Percent
Investment	33	47.1
Others	1	1.4
Regular	10	14.3
Retirement	11	15.7
Risk Coverage	14	20.0
Tax Saving	1	1.4
Total	70	100.0

From the above table 4.6 it can be interpreted that out of 100 respondents are 47.1% of the respondents are comes investment 14.3% respondents are comes under regular, 15.7% are comes under retirement, 20% are comes under risk coverage 1.4% are comes under tax saving, 1.4% of respondents are comes under others category.

**Chart 4.6**

**PURPOSEE OF HOLDING INSURANCE POLICY**



## 7. IDBI Products held by Respondents

Table 4.7

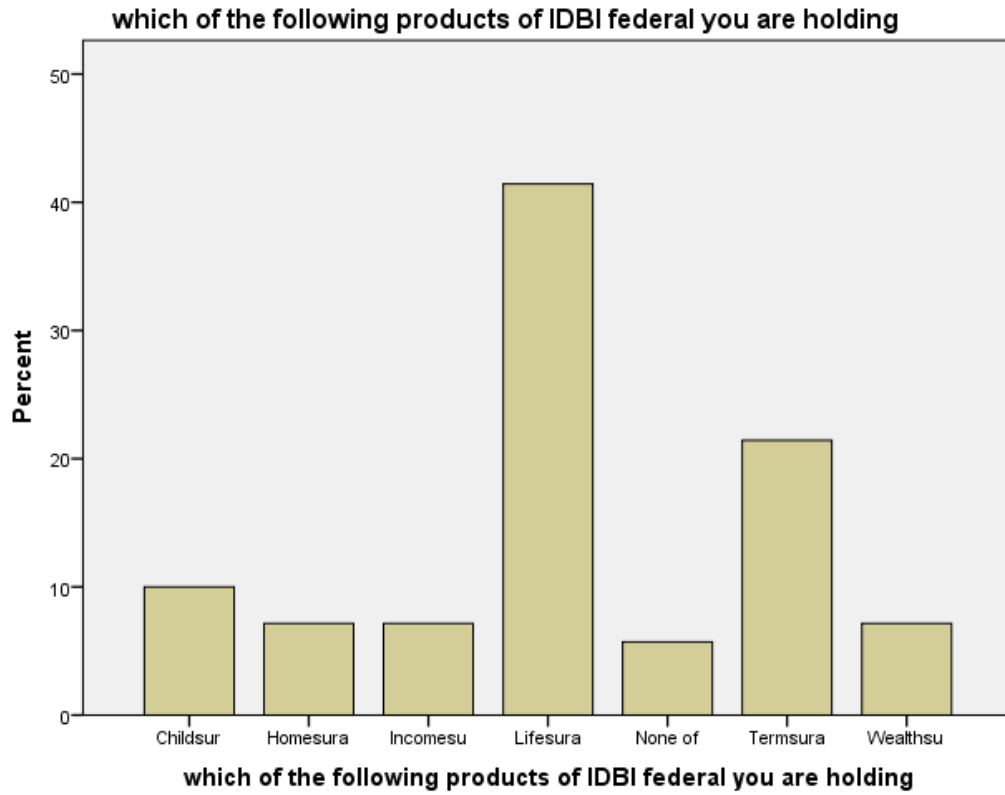
### IDBI Products held by Respondents

Products	Frequency	Percent
Childsurance	7	10.0
Homesurance	5	7.1
Incomesurance	5	7.1
Lifesurance	29	41.4
None of these	4	5.7
Termsurance	15	21.4
Wealthsurance	5	7.1
Total	70	100.0

From the above table 4.6 it can be interpreted that out of 100 respondents are 10% of the respondents are comes childsurance, 7.1% respondents are comes under homesurance, 7.1% are comes under incomesurance, 41.4% are comes under lifesurance 21.4% are comes under termsurance , 7.1% are comes under wealthsurance 5.7% of respondents are comes under none of these category.

**Chart 4.7**

**IDBI Products held by Respondents**



## CORRELATION

The correlation analysis is done between company reputation, customized, convenience, client relations, cost benefits, satisfaction variables. The purpose of the correlation is to find the relationship between these six variables.

**Table 4.8**

### CORRELATION

Company Reputation	Pearson Correlation	1	.394**	.443**	.471**	.622**	.441**
	Sig. (2-tailed)		.001	.000	.000	.000	.000
Customized	Pearson Correlation	.394**	1	.657**	.689**	.651**	.534**
	Sig. (2-tailed)	.001		.000	.000	.000	.000
Convenience	Pearson Correlation	.443**	.657**	1	.656**	.626**	.704**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
Client relations	Pearson Correlation	.471**	.689**	.656**	1	.746**	.726**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
Cost Benefits	Pearson Correlation	.622**	.651**	.626**	.746**	1	.554**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
Satisfaction	Pearson Correlation	.441**	.534**	.704**	.726**	.554**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

It shown the relationship between company reputation, customized, convenience, client relation, cost benefits, satisfaction variables. There is a weak positive relationship between six variables.

## Regression

Regression analysis is a set of statistical processes for estimating the relationships among variables. Regression is a statistical measurement used in finance, investing and other disciplines that attempts to determine the strength of the relationship between one dependent variable and a series of other changing variables.

**Table 4.9**

### Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.481	.272		12.780	.000
1 What type of plan do you have	.130	.082	.174	1.598	.114
R Square			.030		
Adjusted R Square			.018		
F value			.030		
sig			.018		

**a. Dependent Variable: Customized**

Among the study variables, customized and type of plan are found to have positive impact of the respondents. The result of the regression model has been tested using ANOVA. The value of F – value is equal to 0.30. It also shown that adjusted  $R^2$  is equal to 0.30 which means that any time another independent variable is added to this model.

**Table 4.10**

**Regression**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	4.203	.315		13.357	.000
	What is the purpose of taking an insurance policy	-.091	.084	-.119	-1.088	.280
	R Square			.014		
	Adjusted R Square			.002		
	F value			1.185		
	sig			.280 <sup>b</sup>		

**a. Dependent Variable: Customized**

Among the study variables, customized and purpose of taking an insurance are found to have negative impact of the respondents. The result of the regression model has been tested using ANOVA. The value of F – value is equal to 1.185. It also shown that adjusted R<sup>2</sup> is equal to 0.14 which means that any time another independent variable is added to this model.

## CHI SQUARE ANALYSIS

Chi square test is a non-parametric test of statistical significance for bi-variant tabular analysis. A non-parametric test, like chi square, is a rough estimate of confidence.

### Hypothesis

**H<sub>0</sub>:** There is no significant relationship between products of IDBI federal you are holding and client relations.

### Products of IDBI federal you are holding and client relations

		Client Relations									Total
		1.67	2.67	3.00	3.33	3.67	4.00	4.33	4.67	5.00	
Childsurance	Count	0	0	2	1	2	0	1	1	0	7
	Expected Count	.1	.4	.8	.4	.7	2.2	1.6	.5	.3	7.0
Homesurance	Count	0	0	0	0	0	4	1	0	0	5
	Expected Count	.1	.3	.6	.3	.5	1.6	1.1	.4	.2	5.0
Incomesurance	Count	0	0	0	0	1	1	3	0	0	5
	Expected Count	.1	.3	.6	.3	.5	1.6	1.1	.4	.2	5.0
Lifesurance	Count	0	4	2	2	3	6	8	3	1	29
	Expected Count	.4	1.7	3.3	1.7	2.9	9.1	6.6	2.1	1.2	29.0
None of these	Count	0	0	0	0	1	1	0	0	2	4
	Expected Count	.1	.2	.5	.2	.4	1.3	.9	.3	.2	4.0
Termsurance	Count	1	0	4	0	0	7	2	1	0	15
	Expected Count	.2	.9	1.7	.9	1.5	4.7	3.4	1.1	.6	15.0
Wealthsurance	Count	0	0	0	1	0	3	1	0	0	5
	Expected Count	.1	.3	.6	.3	.5	1.6	1.1	.4	.2	5.0
Total	Count	1	4	8	4	7	22	16	5	3	70
	Expected Count	1.0	4.0	8.0	4.0	7.0	22.0	16.0	5.0		70.0

## CHI SQUARE TEST

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	65.766 <sup>a</sup>	48	.045
Likelihood Ratio	59.807	48	.118
N of Valid Cases	70		

- a. 61 cells (96.8%) have expected count less than 5. The minimum expected count is .06.

- Chi-square value = 65.766
- Degree of freedom = 48
- P value = 0.045

### Result

Hence p value is greater than 0.005, null hypothesis is accepted. So, there is no significant relationship between products of IDBI federal you are holding and client relations.

## **SUMMARY AND CONCLUSION**

## CHAPTER – V

### 5.1 FINDINGS

The main objective of the study is to find out the level of investors perception towards IDBI Federal Life Insurance. The analysis and interpretation can be summarized as below with their variables. The following details can be inferred after analysis with a simple size of 100, which included investors.

- Majority (41.4%) of the investors are in the age group of 18-25 years.
- Majority (52.9%) of the investors are in the Male.
- Majority (50.0%) of the investors are in the annual income.
- Majority (58.6%) of the respondents are employee.
- Majority (50.0%) of the respondents are comes under term plan.
- Majority (47.1%) of the investors prefers the life insurance a kind of investment.
- Majority (41.4%) of the investors prefers the products in lifesurance.
- The investor's preference on Life Insurance is highly satisfied by evaluating various schemes provided by the company.
- Customer mostly strongly agrees the IDBI Federal is trust – worthy company.
- Chi square test is a non-parametric test of statistical significance for bi-variant tabular analysis.
- A non-parametric test, like chi square, is a rough estimate of confidence.
- There is no significant relationship between products of IDBI federal you are holding and client relations.
- 61 cells (96.8%) have expected count less than 5. The minimum expected count is .06.
- P value is greater than 0.005, null hypothesis is accepted.
- The correlation analysis is done between company reputation, customized, convenience, client relations, cost benefits, satisfaction variables.
- The purpose of the correlation is to find the relationship between these six variables.
- The result of the regression model has been tested using ANOVA.
- Customized and type of plan are found to have positive impact of the respondents.

## **5.2 SUGGESTION**

Suggestions are the views which help the organization to improve their systems. The study on customer perception towards IDBI Federal Life Insurance found that most of the people prefer the life insurance. Keeping this view in mind the following suggestions are made to improve the preference level of the customers.

- The company should also attract the investors through different schemes who are having knowledge about the life insurance products.
- The company should give knowledge regarding insurance through various sources like advertisement.
- Give more advertisement about the company and its products to motivate individuals to purchase insurance.

### **5.3 CONCLUSION**

In present Indian market, the investment habits of Indian consumers are changing very frequently. The individuals have their own perception towards various types of investment plans. The study of this research work was focused over consumer's perception on investment towards Life Insurance Services. The objectives of the study were to evaluate the factors underlying consumer perception towards investment in life insurance policies; and to compare the differences in consumer perception of male and female consumers.

This study was conducted using the questionnaire as the data collection instruments such as investors, preference on investment options, their experience with IDBI Federal life insurance and the importance of creating preference on life insurance. The data collected are analyzed using percentage, correlation and chi-square test.

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**ANNEXURE**

## QUESTIONNAIRE

### Customer Perception towards IDBI Federal Life Insurance Co Ltd

I am a student of Department of Business Administration at Avinashilingam Institute for Home Science and Higher Education for Women Coimbatore. I am conducting a survey titled above and hereby request you kindly to fill up the questionnaire. The information provided by you will be kept strictly confidential and will be used for academic purpose only.

#### I) Demographic Profile:

1. Name (optional) :

2. Location :

3. Age (in years)

- a) 18-25 years      b) 26-30 years      c) 31-40 years      d) 41-55 years

4. Gender

- a) Male              b) Female

5. Annual Income (in Rs)

- a) Below 3 Lakhs      b) 3-5 Lakhs      c) 5-7 Lakhs  
d) 7-10 Lakhs      e) Above 10 Lakhs

6. Occupation

- a) Student              b) Employee              c) Business              d) Other

7. Which other insurance company's policy do you have?

- a) LIC                      b) ICICI PRUDENTIAL life insurance  
b) SBI life insurance      b) Others (specify) \_\_\_\_\_

**8. What type of plan do you have?**

- a) Endowment      b) Term Plan      c) Money Back      d) ULIP  
 e) Retirement      f) Others (specify) \_\_\_\_\_

**9. What is the purpose of taking an insurance policy?**

- a) Tax Saving      b) Investment Purpose      c) Risk Coverage  
 d) Retirement Benefits      e) Regular Returns      f) Others

**10. Which of the following products of IDBI Federal you are holding?**

- a) Incomesurance Plan   b) Termsurance Plan   c) LifesuranceSuvridha   d) Childsurance Plan  
 e) Wealthsurance Plan   f) Homesurance Protection Plan   g) None of these

**II) Factors influencing Perception towards IDBI Federal for taking insurance policies**

Please indicate your agreement or disagreement with the statements reflecting your own perceptions about the insurance policies on the following scale.

**(5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1-Strongly Disagree)**

FACTORS	5	4	3	2	1
<b>COMPANY REPUTATION</b>					
The company has sufficient goodwill					
Company is known among public for Life Insurance Products					
IDBI Federal is trust-worthy company					
<b>CUSTOMISED/TIMELY SERVICES</b>					
Company keeps customers updated with latest information					
Timely alerts are given before policy lapse					

Appropriate feedback is provided to customers					
Agents/Company official provide time for customers at their convenience					
Claim settlement is done on time					
<b>CUSTOMER CONVENIENCE</b>					
Company offers flexible timing for customers					
Documentation work is easier at IDBI					
Claim settlement procedure is quite easy					
<b>CLIENT RELATIONS</b>					
Agent maintain cordial relationship with customers					
IDBI provides products to suit customer needs					
Customer Grievances are handled properly and on time					
<b>COST - BENEFITS</b>					
IDBI Offers cost effective products					
Services charges are low					
Provides sufficient products for tax savings					
Necessary Technology based support services are provided					

**III) Please rate your satisfaction towards IDBI Federal Insurance Company and its products**

**(5- Highly Satisfied, 4- Satisfied, 3- Moderately Satisfied, 2- Less Satisfied, 1- Dissatisfied)**

SATISFACTION	5	4	3	2	1
I am satisfied with the range of products offered by IDBI					
I am satisfied with the support services of IDBI					
I am satisfied with the cordial client relations of the company					
I am satisfied with the claim settlement of IDBI					

