

Gender Equality and Inclusive Growth

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Customer Relationship Management in Life Insurance Corporation of India Paving Way for Financial Inclusion among Women

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Abstract—Customer Relationship Management is a process which can enhance the efficiency of the Indian financial sector especially insurance. Financial inclusion represents reliable access to affordable savings, insurance services, loans and remittances. It primarily implies access to insurance services, deposits, bank accounts, etc. The extent of inclusion of women and their view of customer relationship maintained by the Life Insurance Corporation of India are the issues covered in this study. The researcher has collected the information with the help of Interview Schedule from 120 women respondents. A non-probability sampling procedure was used to select sample respondents. The study is conducted in Coimbatore City of Tamilnadu. Majority of the respondents ranked Life Insurance Policies as first among all other Investment options. The overall satisfactions of the respondents about the services of the LIC agent's were tested through t-test and analysis of variances. It is tested based on the criteria's such as respondents Age, Education, Annual Income, and the Life Policy schemes, preferred by them.

INTRODUCTION

The history of mankind is testimony to the fact that arbitrage in knowledge has been leveraged by various groups to get dominance and also for bettering their lifestyles. In modern times a person who is more educated and knowledgeable gets advantage in financial transactions and this amount to social imbalance on account of lack of education. The banking and insurance sector in the country must be strong for financial inclusion to take place. Despite witnessing substantial progress in financial sector reforms in India, it is disheartening to note that majority of the population do not have access to any source of funds – institutional or otherwise.

WOMEN AND FINANCIAL INCLUSION

The main credit needs among people in low growth areas and with low incomes, in particular, women are:

- Access to small, unsecured, fixed term loans in cash;
- Quick access to credit without lengthy or intrusive application procedure;
- Affordable weekly payments with no hidden or extra charges;
- Automatic repayment arrangements, such as deduction from benefit or home visits by a collector; and
- Opportunities for making late payments or rescheduling loans without incurring charges when temporary financial problems occur.

If any one of these or a combination of these factors tend to deny access to financial institutions or to products, that is known as financial exclusion, which is often reflected as a symptom of poverty as well as a cause. As much as we are interested in financial inclusion, it is also necessary to reduce financial exclusion to a minimum, which is also a policy challenge. These are two sides of the same coin.

SIGNIFICANCE OF CRM IMPLEMENTATION IN INSURANCE SECTORS

The current scenario in the insurance industry is a complex and competitive environment tinged with little stability. The major hassle the industry faces is obtaining clients. Long considered a job only restricted to insurance companies, selling insurance policies has now become an option for banks as well. This has resulted in a lot of increased as well as unwelcome competition. Customers tend to lose out as they are not buying from the right provider. The need of the hour is requirement of a comprehensive

customers could hold their insurance policies. i.e, choosing a customer in achieving this. CRM - Customer Relationship Management holds helps insurance companies to ensure that the customer is understood better

MANAGEMENT THROUGH INTERMEDIARIES

The business depends on the role played by the intermediaries. In the Indian context, the role of intermediaries in insurance business is related to procurement of insurance business. Insurance companies to develop a complete network of robust intermediaries is the key to success. An agent appointed by the controller of common man, and to provide long term funds for accelerating the economy. Agents are just like retailers of any consumer product who help in selling and marketing the product.

STATEMENT OF THE PROBLEM

Customers are facing with a dizzying array of insurance products, expect customized offerings, value for money, ease of access, and personalisation from insurers. Today, customers are expecting individual attention, responsiveness, customisation and access. At the same time, they don't want to pay a premium for these services. High customer expectations and lower exit barriers could lead to increased customer attrition. "Insurance firms are taking baby steps, starting with operational CRM to increase sales force automation. Agents play a vital role in Insurance sector. An Agent works as an Inter mediator between the policy holder and the Life Insurance Company. However, currently available financial instruments are becoming more and more complex and the investors have to choose from a plethora of instruments to invest their hard-earned money particularly women investors who were deprived of special attention and inclusion in the insurance. Due to the above said reasons the present study is undertaken.

OBJECTIVES OF THE STUDY

- To analyse the socio-economic background of the women policy holders.
- To examine the various investment avenues available and policies preferred by the women policy holders.
- To study about the customer relationship among women policy holders through intermediaries of LIC.

LIMITATIONS OF THE STUDY

The study is conducted in Coimbatore City. Only women policy holders have been taken into consideration.

RESEARCH METHODOLOGY

The present study is exploratory as well as descriptive. The collection of data and analysis strategy are planned accordingly. The study is conducted in Coimbatore city for the period from September 2010 – October 2010 by a non-probability sampling procedure namely convenience sampling method was used to select sample respondents. The sample sizes of 120 women policy holders of Life Insurance Corporation of India were selected. The primary data were collected through Interview Schedule, with the selected sample respondents. The secondary data were collected from published records of Life Insurance Corporation of India, Journals, Books and research articles.

SCALING TECHNIQUES USED

Likert-type five point's scale was used to bring out the opinion of the respondents in connection with "satisfaction of services of LIC Agents".

TOOLS FOR ANALYSIS

The data collected were analysed using

- Descriptive Statistics : To account the profile of the respondents.
- ANOVA (f-test) : Applied to test the association and the mean difference between the socio-economic profile and overall satisfaction of the respondents.
- t-test : To test the overall satisfaction of the respondents.

RESULTS AND DISCUSSION

The data collected from the sample survey, has been analyzed and presented in the following heads.

- Socio –Economic profile of the respondents.
- Investment in Life Insurance policies by the respondents.
- Socio – economic factors and overall satisfaction of agency services.
- Analysis of satisfaction of services rendered by LIC agents.

Socio- Economic Profile of the Respondents

The respondents were classified with age, educational qualification, occupational status and annual income.

Table 1: Socio –Economic Profile of The Respondents

Variables	No of Respondents (120)	
	Number	Percentage
1. Age (in years)		
Up to 25	38	32
26-35	33	28
36-45	21	17
Above 45	28	23
2. Educational qualification		
School	29	24
College	63	53
Others(Diploma and Technical)	28	23
3. Occupational status		
Salaried	84	70
Business	17	14
Profession	10	8
Others	9	8
4. Annual income (in Rs.)		
Up to 50,000	29	24
50,000-1,00,000	43	36
1,00,000-1,50,000	24	20
1,50,000-2,00,000	11	9
Above 2,00,000	13	11

It is shown in Table 1 that according to age-wise classification, reveals that 32 percent of respondents were at the age of above 25 years. The educational qualification of the respondents depicts that 53 percent had college education and 70 percent were salaried class. 36 percent of the respondents within the annual income of Rs.50,000- Rs.1,00,000.

Investment in Life Insurance Policies by the Respondents

The investment in life insurance policy expected to bring number of benefits to the investors.

Ranking of Investment Options

Table 2: Ranking Of Investment Avenues

Investment Avenues	Ranking
Gold	II
Bank Deposit	III
Shares	VIII
Mutual Funds	IV
LIC Policy	I
Health Insurance	VII
Real Estate	V
Post office	VI

Source: Primary data

Majority of the respondents ranked Life Insurance Policies as first among all other Investment options followed by Gold, Bank Deposit, Mutual Funds and Real Estate.

LIC Policy Scheme Preferred by the Respondents

Table 3: LIC Policy Scheme Preferred

Scheme	No of Respondents(120)	
	Number	Percentage
Women Policy	48	40
Whole Life Policy	28	23
Money Back Policy	44	37

Source: Primary data

This table reveals that 40 percent of the respondents showing preference for Women Policy and somewhat equal percentage of 37 percent preferred money Back Policy and followed by Whole-life policy with preference by 23 percent of the respondents.

Term of the Policy

Table 4: Term of the Policy

Term of the Policy (in Years)	Self(120)		Spouse(104)		Children(98)	
	NO.	%	NO.	%	NO.	%
Up to 10	26	22	87	83.6	82	83.6
11-15	30	25	10	9.6	9	9.18
16-20	29	24	4	3.8	4	4.08
Above 20	35	29	3	2.8	3	3.06

Source: Primary data

Term Policy for Self

The above table reveals that 29 percent of the respondents have insured their life for a period above 20 years, 25 percent of them have insured their life for a period of 11-15 years. 24 percent of the respondents have insured it for 16 – 20 years and remaining 22 percent of the respondents have insured their life for a period of up to 10 years.

Term Policy for Spouse

83.6 percent of the respondents term period are up to 10 years, 9.6 percent of the respondents term period is 11 – 15 years, 3.8 percent of the respondents term is between 16 – 20 years, and the remaining 2.8 percent of the respondents term period is above 20 years.

Term Policy for Children

83.6 percent of the respondents term period are up to 10 years, 9.18 percent of the respondent's term of the policy is between 11 – 15 years, 4.08 percent of the respondent's term of the policy is between 16 – 20 years and the remaining 3.06 percent of the respondents term period is above 20 years.

Socio Economic Factors and Overall Satisfaction of Agency Services

The overall satisfaction of the respondents about the services of the LIC agent was tested through t-test and analysis of variance. The overall satisfaction were tested based on the criteria's such as respondents Age, Gender, Education, Annual Income, and the Life policy scheme preferred by them.

Table 5: Overall Satisfaction Score on Agency Services

Particulars	Mean	S.D	"P"-value / ("t"-value)
Age (in years) Up to 25	122.34	16.23	1.623 ^{NS}
26-35	129.76	18.34	
36-45	126.95	20.25	
Above 45	121.14	16.45	
Education School	132.28	21.97	3.533*
College	122.43	14.64	
Others (Diploma and Technical Education)	122.75	17.82	
Occupation Salaried	123.99	17.50	1.765 ^{NS}
Business	133.41	22.57	
Professional	119.20	11.79	
Others	123.78	11.52	0.838 ^{NS}
Annual income (In Rs.) Up to 50,000	126.28	18.37	
50,000-1,00,000	127.91	18.83	
1,00,000-1,50,000	121.08	16.35	
1,50,000-2,00,000	122.82	17.39	0.318 ^{NS}
LIC policy scheme preferred Women policy	126.48	17.64	
Whole-Life policy	124.21	13.93	
Money Back policy	123.64	20.14	

*significant at 5 per cent level, Ns – Not significant

On analyzing variation (Table 5) within the sample and between the samples, for Socio-Economic variables and the Overall Satisfaction on the Agency Services, it is clear that only one variable that is Education of the respondent resulted as a significant variable. Even though the mean values of College and others education were nearly identical the standard deviation is found to be greater in other education and still greater with respect to school education. It implies that there is a gap to be filled by the LIC agent's in their services to the client's who have education up to school level.

Analysis of Satisfaction of Services Provided By LIC-Agents

Agent makes the policy holder, convenient of the subject-matter of policy handling from policy selection to maturity period. He gives a clear statement of the process, in detail to the customer.

The various services rendered by the agents towards the prospects and customer of LIC of India and the extent of satisfaction derived were analyzed and presented in the following section.

Table 6: Information on Policies

Particulars		Extent of Satisfaction				
		Highly Satisfied	Satisfied	Neutral	DIS Satisfied	Highly DIS Satisfied
Insurance products offered	No.(120)	28	79	13	-	-
	%	23.3	65.8	10.8	-	-
Importance of saving through LIC.	No.(120)	25	79	15	1	-
	%	20.8	65.8	12.5	.8	-
Recommending policies that suits customer needs	No.(120)	26	74	15	4	1
	%	21.7	61.7	12.5	3.3	.8
Informing the accidental benefits of the policy.	No.(120)	24	68	21	4	3
	%	20.0	56.7	17.5	3.3	2.5
Arrival of New Plan	No.(120)	26	59	28	4	3
	%	21.7	49.2	23.3	3.3	2.5

Majority of the respondents (89 percent) were satisfied on the information provided by the agent about the insurance product availability, Significance of saving through LIC (86 percent), Accidental benefits (77 percent) and Arrival and benefits of the new plan (71 percent). It is noted that among the respondents no

one expressed dissatisfaction, about the information on currently available insurance products, whereas six percent of the respondents were dissatisfied about the details given on accidental benefits and information on arrival of new plans.

Proposal Form

Table 7: Filling and Filing of Proposal Form

Particulars		Extent of Satisfaction				
		Highly Satisfied	Satisfied	Neutral	DIS Satisfied	Highly DIS Satisfied
Nature of information required in the proposal form.	No.(120)	26	62	25	4	3
	%	21.7	51.7	20.8	3.3	2.5
Disclosure of material Information in a contract.	No.(120)	22	58	32	6	2
	%	18.3	48.3	26.7	5.0	1.7
Documents for filing the proposal form	No.(120)	21	63	24	9	3
	%	17.5	52.5	20.0	7.5	2.5
Informing Promptly about acceptance or rejection of proposal form.	No.(120)	18	66	26	8	2
	%	15.0	55.0	21.7	6.7	1.7

Majority of respondents were satisfied by the information provided by the agent about the nature of information required in the proposal form (73 percent) and documents for filling the proposal form (70percent) and informing about the acceptance or rejection of proposal by the insurer (70 percent). Around 10 percent of the respondents were dissatisfied on agent's services with respect to documents needed for filling the proposal form.

Premium

Table 8: Details on Insurance Premium

Particulars		Extent of Satisfaction				
		Highly Satisfied	Satisfied	Neutral	DIS Satisfied	Highly DIS Satisfied
Premium on insurance policies	No.(120)	30	64	22	3	1
	%	25.0	53.3	18.3	2.5	.8
Reminding due dates payment for premium	No.(120)	35	58	20	2	5
	%	29.2	48.3	16.7	1.7	4.2
Periodical premium statements, to customers	No.(120)	26	51	30	10	3
	%	21.7	42.5	25.0	8.3	2.5

Majority of respondents were satisfied about the information provided by the agent about the premium of the insurance products (78 percent), reminding due dates of the payment of Premium (77 percent) and in providing periodical premium statements (64 percent). Around 11 percent of the respondents were dissatisfied in getting the periodical premium statements.

Other Services

Table 9: Other Services

Particulars		Extent of Satisfaction				
		Highly Satisfied	Satisfied	Neutral	DIS Satisfied	Highly DIS Satisfied
Duplicate Copy when lost	No.(120)	19	57	32	10	2
	%	15.8	47.5	26.7	8.3	1.7
No service Change for remitting Premium.	No.(120)	22	61	23	10	4
	%	18.3	50.8	19.2	8.3	3.3
Personal contact of agent	No.(120)	16	61	27	9	7
	%	13.3	50.8	22.5	7.5	5.8
Alteration of bond.	No.(120)	23	42	45	8	2
	%	19.2	35.0	37.5	6.7	1.7
Help in availing housing loan.	No.(120)	22	56	25	11	6
	%	18.3	46.7	20.8	9.2	5.0
Change of Branch	No.(120)	22	62	21	12	3
	%	18.3	51.7	17.5	10.0	2.5
Change of Address	No.(120)	23	54	29	10	4
	%	19.2	45.0	24.2	8.3	3.3

Majority of the respondents were satisfied about the information provided by the agent about Change of Branch (70 percent), No service charge for remitting premium amount to insurance company (69 percent), help in availing housing loan (65 percent), change of address (64 percent), and personal contact of agent, When remainder letter is ignored (64 percent), and Alteration of bond (54 percent).

Around 14 Per cent were dissatisfied about the agents 'help in availing housing loan, 13 Percent of respondent were dissatisfied about personal contact of agent, 12 Percent of respondents were dissatisfied in change of branch, no service charge for remitting premium, change of address, and 8 Percent in alteration of bond.

Agent's Customer Relationship

Table 10: Agent's Customer Relationship

Particulars		Extent Of Satisfaction				
		Highly Satisfied	Satisfied	Neutral	DIS Satisfied	Highly DIS Satisfied
Commitment	No.(120)	32	64	13	7	4
	%	26.7	53.3	10.8	5.8	3.3
Courteous	No.(120)	30	67	17	2	4
	%	25.0	55.8	14.2	1.7	3.3
Frequency of Contact with agent.	No.(120)	29	52	18	16	5
	%	24.2	43.3	15.0	13.3	4.2

Maximum number of the respondent was satisfied about agents' Courteous Behavior (81 percent), Commitment (80 percent) and frequency of contact (68 percent). About 18 percent of the respondent was dissatisfied about the frequency of contact with agent, and commitment nine percent, Courteous five percent. It is inferred from the analysis that education of the respondents is found to be major variable influencing the perception of the respondents towards satisfaction of services rendered by the agents. It is noted from the above analysis that on the whole majority of the respondents were satisfied on agency service. On comparing the level satisfaction, the percentages of respondents who are highly satisfied were considerably low.

FINDINGS

The gap to be filled by the LIC agent's in their services to the client's who have education up to school level. It is noted from the above analysis that on the majority of the respondents are satisfied on the information provided by the agent about the insurance product availability, premium of the insurance products, reminding due dates of the payment of premium, agent's courteous behavior, commitment and frequency of contact. Majority of the respondents were dissatisfied in some areas like the details given on accidental benefits and information on arrival of new plans, agent's services with respect to documents needed for filling the proposal form, in getting the periodical premium statements.

SUGGESTIONS

- The agent should intimate the arrival of new plans under LIC and also about the rider benefits.
- The supportive documentation is essential in entering into insurance contract; the agents needs to help the customers in getting ready those documents.
- The agents should not only attend to basic services but also concentrate on other services offered by LIC and facilitate the clients in availing those services.
- The agents need to modify their approaches according to the educational level of the respondents.

CONCLUSION

The Life Insurance Corporation of India should take necessary action to stipulate the customer, and to create innovation, enroll and regulate the activities of Agent for retaining customer and expansion of business in the era of globalisation. LIC could contribute to the financial inclusion in a large scale by bringing in the women folk under insurance coverage by means of customer relation through their agents.

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