

Summer Internship Project Report
On
A Study on Factors affecting customer preference
Towards Life insurance policies

By
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Under the Supervision of

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(Submitted in partial fulfilment of the requirements for BBA degree)

Institute of Management
JK Lakshmipat University, Jaipur
(2020-21)

DECLARATION

I do hereby solemnly declare that the work Presented in this Internship Report has been carried out by me and has not been Previously submitted to any other university, college, and Organization for any academic Qualification, Certificate and BBA Degree

I hereby warrant that the work I have presented does not breach any existing copyrights acts

Prathamesh Sigger

2019BBA021

Institute of Management

JK Lakshmipat university

CERTIFICATE

It is certified that the Summer Internship Report titled **A study on factors affecting customers preferences towards buying life insurance policy** submitted by Prathamesh sigger is an original piece of research work carried out by the candidate under my supervision.



Dr. RICHA MISHRA
Faculty Guide

Capital Box
Uncommon Money For Common Man



Ref No – The Capital Box / HR / 21 -22
Date – 14th September' 2021

To Whomsoever It May Concern

This is to Certify that Prathamesh Sumer Sigger a student of Marketing at JK Lakshmipat University worked under my supervision during the Internship period from 18/06/2021 to 30/07/2021 at "The Capital Box" located in Gurgaon.

I am pleased to state that the performance throughout was noted to be Satisfactory towards completing the projects assigned and the candidate was able to present a good learning out of the concerned work.

The Candidate also presented a good moral character and pleasing personality. We wish him/her every success in life.

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PROJECT SUMMARY

The development of economy depends upon the financial system. Insurance sector is one of the major players in this system Every human being has the tendency to save, to protect him from risks. Insurance is one form of savings where in people try to assure themselves against risks or uncertainties of future. It is assurance against risks or events or losses. In India, although savings rate is high, but people prefer to invest either in gold or fixed assets so that they can make money out of it. Hence insurance sector is still untapped in India. Indian consumers have big influence of emotions and rationality on their buying decisions. They believe in future rather than the present and desire to have a better and secured future, in this the attempt has been made in this research paper to study the buying behaviour of consumers towards life insurance services.

INDUSTRY & COMPANY OVERVIEW

Overview of Insurance industry in India

The Insurance Industry of India has insurance companies 24 are in the life insurance business, while 34 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. There are six public sector insurers in the non-life insurance segment. In addition to these, there is a sole national re-insurer, namely General Insurance Corporation of India (GIC). Other stakeholders in the Indian Insurance market include agents (individual and corporate), brokers, surveyors and third-party administrators servicing health insurance claims.

In India, the overall market size of the insurance sector is expected to US\$ 280 billion in 2020.

The life insurance industry is expected to increase at a CAGR of 5.3% between 2019 and 2023. India's insurance penetration was pegged at 3.76% in FY20, with life insurance penetration at 2.82% and non-life insurance penetration at 0.94%. In terms of insurance density, India's overall density stood at US\$ 78 in FY20.

The market share of private sector companies in the general and health insurance market increased from 47.97% in FY19 to 48.03% in FY20. In the life insurance segment, private players held a market share of 33.78% in premium underwritten services in FY20.

In FY21 (until March 2021), premium from new business of life insurance companies in India stood at US\$ 31.9 billion.

In India, gross premiums written of non-life insurers reached US\$ 26.52 billion in FY21 (between April 2020 and March 2021), from US\$ 26.49 billion in FY20 (between April 2019 and March 2020), driven by strong growth from general insurance companies.

In March 2021, health insurance companies in the non-life insurance sector increased by 41%, driven by rising demand for health insurance products amid COVID-19 surge. According to S&P Global Market Intelligence data, India is the second-largest insurance technology market in Asia-Pacific, accounting for 35% of the US\$ 3.66 billion insurtech-focused venture investments made in the country.

Investments and Recent Developments

The Following are some of the major investments and developments in the Indian insurance sector

- In FY21 (until March 2021), premium from new business of life insurance companies in India stood at US\$ 31.9 billion.

- In FY21, LIC achieved a record first-year premium income of Rs 56,406 crore (US\$ 7.7billion) under individual assurance business with a 10.11% growth over last year
- In May 2021, Max life insurance Co. Ltd. Launched ‘Max life saral pension’, a non-linked, individual immediate annuity plan.
- Under Union Budget 2021, fund of Rs. 16,000 crores (US\$ 2.20 billion) has been allocated for crop insurance scheme.

COMPANY OVERVIEW

The Capital Box was founded on July 14, 2016, Integrity has been the core value of the company. At the Capital Box they design personal solutions to protect their client's unique lifestyles and offer lasting peace of mind. They strive to bring a long-lasting relationship with clients through attention to details and commitment to superior service. They provide unparalleled consulting services, financial products and risk management strategies to individuals, families and businesses, specializing in niche markets and portfolios with complex needs.

The capital box believes that it all starts with having a clear vision of your unique goals. With this clarity, we combine objective advice and experience-led execution to bring the collective vision to life. We offer every client true peace of mind. We define peace of mind as a deeply rooted confidence that comes from feeling in control and knowing your financial plan is built on a foundation of increasing self-knowledge and awareness. It is at this critical juncture – the intersection of proactive planning and peace of mind – that we believe our clients have the highest potential to realize their goals.

OBJECTIVES

- To explore the various factors influencing customer investment decision in life insurance.
- To help the company by creating awareness about the consumers of different ages and income group.
- To study and analyse the impact of various demographic factors on customers life insurance investment decision

METHODOLOGY

This report is based on exploratory and descriptive type of research study. The data and information present in this report are collected from both primary and secondary data.

PRIMARY DATA: Primary data is data, which is collected for gathering information first time and to analyse the problem. In this study the primary data was collected among the consumers using questionnaire.

SECONDARY DATA: Secondary data consist of information that already exist somewhere, having been collected for some purpose. In this study secondary data was collected from company website, blogs, magazines and brochures.

This study aims to find out the factors affecting customers preference towards life insurance policy. In order to conduct this study, Total 50 policyholder and non-holder were interviewed through call and surveys.

RESEARCH PLAN:

Target Age Audience: 20 – 60

Sampling unit: life insurance policyholders and non-holders

Sample Size: 50

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Socioeconomic facts such as age, income, occupation and gender are some of the important determinant in the decision of life insurance. The demographic profile of the respondents is analysed based on these above factors.

Age Group
21 responses

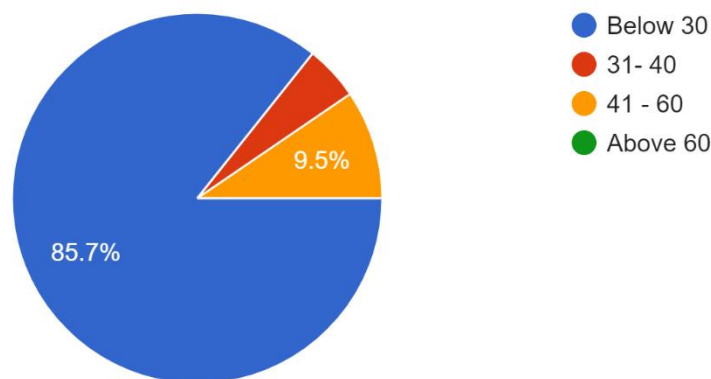


Figure: 1

Occupation
21 responses

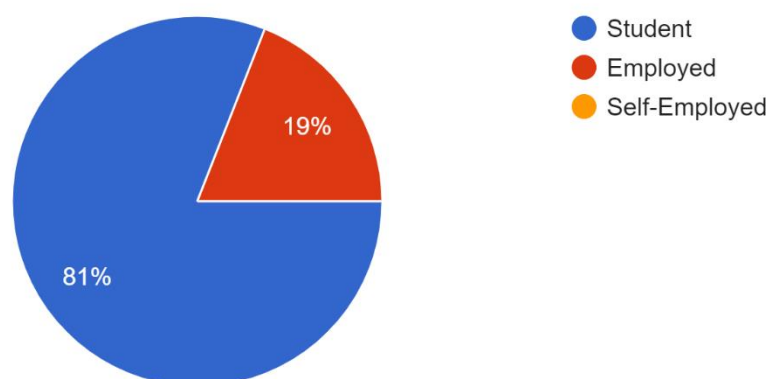


Figure: 2

Annual Income

16 responses

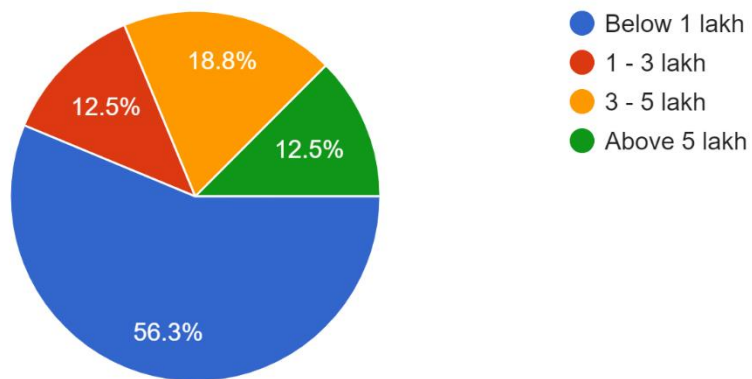


Figure: 3

Gender

21 responses

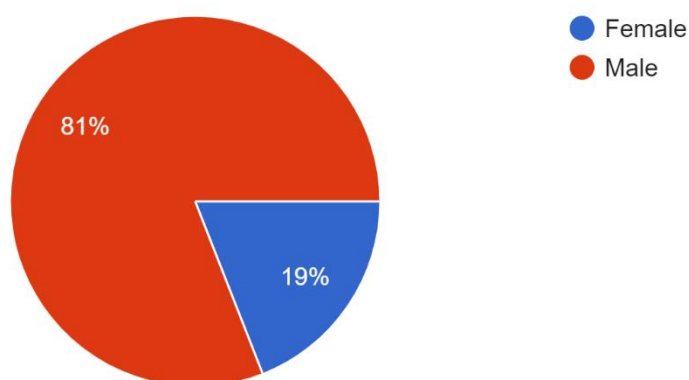


Figure: 4

PREFERENCE OF THE POLICY HOLDERS

PREFERENCE TOWARDS LIFE INSURANCE COMPANIES

Response	No. of respondents	Percentage
l.i.c	9	75
Max life	3	25
ICICI Prudential	0	0
Bajaj Allianz	0	0
Total	12	100

IF 'YES' Which insurance company policy do you have?

12 responses

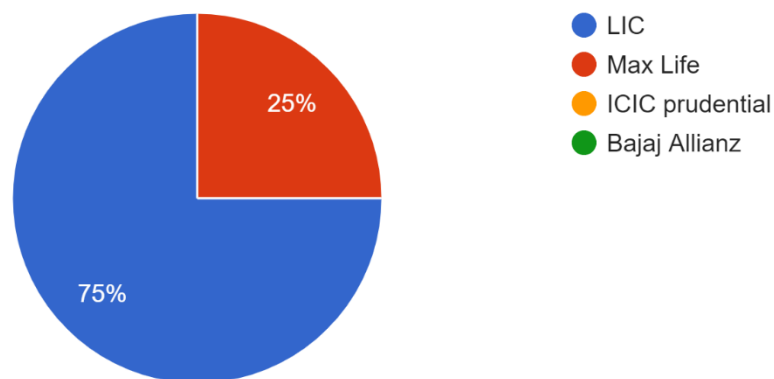


Figure: 5

From the figure 5, The pie chart shows that most of the respondents has preferred lic policy to buy followed by Max life. Thus, from this data we can say that most of the people prefer lic life insurance because most of the people was not aware about other companies and because of the security that lic provides.

TYPE OF INVESTMENT

	No of response	percentage
Short term	7	33.3%
Long term	10	47.6%
Both	4	19%

What kind of investment do you prefer

21 responses

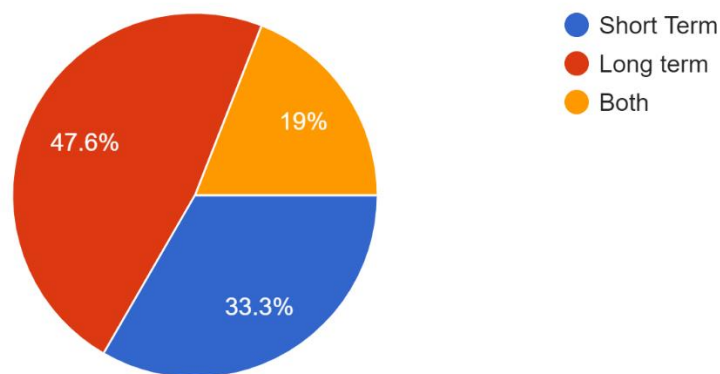


Figure: 6

Figure 6, says that most of the respondents prefer long term investment with the percentage of 47.6% followed by short term 33.3% and 19% prefers both short term and long term investment.

What scheme of Insurance Policy do you have?

INSURANCE POLICY	NO OF RESPONENT	TOTAL
HEALTH PLAN	6	50%
LIFE PROTECTION PLAN	3	25%
RETIREMENT PLAN	3	25%

MONEY GROWTH PLAN	0	0
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What scheme of Insurance Policy do you have?

12 responses

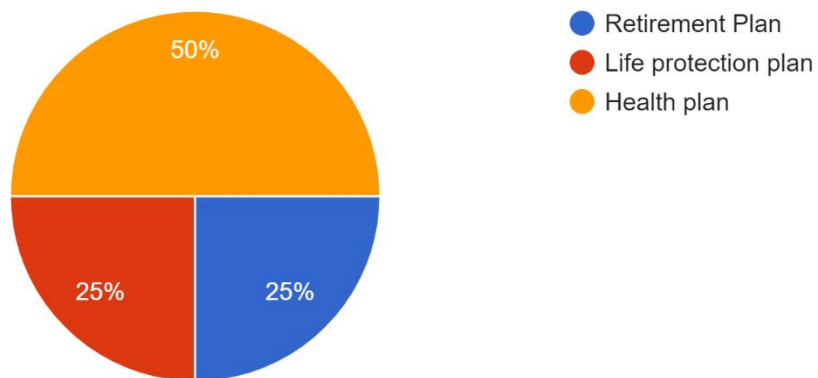


Figure: 7

As per the (figure :7) majority of the people had health plan followed by life protection and retirement plan.

What percentage of the salary do you usually save ?

16 responses

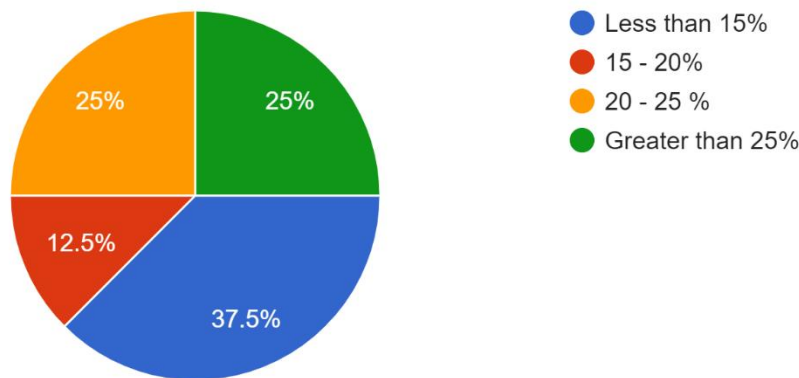


Figure: 8

In the figure (figure: 8) it shows that the majority percentage of salary saved by the respondent was less than 15% with over 37.5% and 25% respondent save between 20 to 25 percent of their salary and over 25% respondent save more than 25% of their salary and 12.5% respondent save their salary between 15 to 20% the motive of this survey was important on buying decision of their policy and the premium they pay for their policy.

FACTORS RESPONSIBLE WHILE BUYING THE LIFE INSURANCE PRODUCTS.

RANKING FACTORS	NO. OF RESPONDENTS	percentage
COMPANY NAME	20	40%
SAVINGS	16	32%
SECURITY	9	18%
PREMIUM CHARGES	5	10%
TOTAL	50	100

Table

From the above table it is revealed that majority of the respondent believes that Company name to be the most considering factor while they were buying the product followed by their savings, security, premium charges.

FINDINGS

Out of samples drawn, a majority (75%) of policyholders have shown preference towards lic followed by Max life insurance with among the private players. Therefore, lic has the maximum no. Of policyholders and rank as 1st among other insurance companies, followed by Max life (25%), icici prudential, Bajaj Allianz.

While buying the policy the most feature which attracts the policyholder was the company name followed by other features, so we can state that company name is the most deciding factor while buying the policy.

While doing the study I found that most of the policy-holder has lic which is owned by the Government of India because of the security they provide, and they were less aware of the private insurance company.

SUGGESTIONS

After the study the data collected through survey, interview and emails, its was found that the study on Factors affecting customers preferences towards life insurance company served its purpose by achieving the objective. The following recommendations can be made.

- Private insurers should emphasis more on advertising and building brand awareness through different modes of communication. This will help in spreading insurance awareness among the common man.
- The agents play an important role in sales, so focusing more on their training. other than the knowledge of the product an agent should also be trained with the behavioural aspects like the communication skills.

CONCLUSION

There are many factors customer prefers while taking a decision such as, insurance company name, security, premium charges etc.

The Life Insurance companies are taking steps to offer more to the customers and issue the premium amount on time is the most important factors to get long lasting and loyal customers.

There are many factors which affect customers investment decision in life insurance and from the study it has been concluded that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies.

75% of the respondent have policy of lic company & 25 % had Max life

Respondent were mostly belonging to age of Below 30.

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