

Summer internship project report

On

A study on perception of investors investing in Insurance Policy.

By

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2019BBA014



Under the supervision of

DR. LOKNATH MISHRA

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

INSTITUTE OF MANAGEMENT

JK LAKSHMIPAT UNIVERSITY

AUGUST 2021

COMPANY CERTIFICATE



ACCURAL INTELLIGENCE MANUALS INDIA PVT. LTD.

18 Aug, 2021

To,

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We are pleased to confirm that Ishika Sidana from JKL has successfully completed her Internship with Project Title '**A STUDY ON PERCEPTION OF INVESTORS INVESTING IN INSURANCE POLICY**' from 15 Jun, 2021 to 15 Aug, 2021.

Aggregate on the basis of her performance during the Internship: 65%.

Location for internship: (Delhi/Work from Home)



(Authorized Signatory)

Head HR
AIM India Pvt. Ltd.



DECLARATION

I hereby declare that the project work entitled “A study on perception of investors investing in Life Insurance.” submitted to JK Lakshmipat University, Jaipur is recorded of an original work done by me. This project work is submitted in partial fulfilment of requirements for award of degree of BBA. It is not produced or published anywhere else for award or any degree.

ISHIKA SIDANA

2019BBA014

Certificate

It is certified that the Summer Internship Report titled **A study on perception of investors investing in Insurance Policy**” submitted by ISHIKA SIDANA is an original piece of research work carried out by the candidate under my supervision.



Dr. Loknath Mishra

ACKNOWLEDGEMENT

I wish to express my sincere gratitude to Mr. Himalaya, Director of AIMS INDIA. for providing me an opportunity to do my internship and project work in AIMS INDIA.

I would like to acknowledge the support and help of my faculty mentor, Dr. LOKNATH MISHRA, Professor at JK Lakshmipat University. He continually and convincingly conveyed a spirit of adventure regarding this project. Without his guidance and persistent help, this project would not have been possible.

ISHIKA SIDANA

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EXECUTIVE SUMMARY

The study names **A study on perception of investors investing in Insurance policy**, is about understanding the different perception of investors while investing in insurance. The entire internship was great because of the extensive exposure to products and the corporate world, it was a fantastic learning experience.

The project's major goal was to investigate the many elements that influence customer behavior. Life insurance policy investing decisions It also investigates the effects of various demographic factors. Customer Insurance Investment Decision Factors It also assesses a variety of preferences in a company in an insurance plan, as well as which company is the most preferred for Insurance Policies.

The findings of the research were that customer decision to buy a Insurance Policy majorly depends on demographic factors like the Age, Gender and Income Level. Occupation is not dependent on taking Insurance Policies.

The report has been made in a very short time and I believe this report has enough which will clearly define what insurance is.



ADVANTAGES OF INSURANCE POLICY IN INDIA

1. Increasing Investments - In February 2021, the Finance Ministry announced to infuse Rs. 3,000 crore (US\$ 413.13 million) into state-owned general insurance companies to improve the overall financial health of companies.

2. Robust Demand - Growing interest in insurance among people, innovative products and distribution channels are aiding growth.

3. Policy support - Union Budget 2021 increased FDI limit in insurance from 49% to 74%. India's Insurance Regulatory and Development Authority (IRDAI) has announced the issuance, through Digi locker, of digital insurance policies by insurance firms.

4. Attractive Opportunities - Insurance reach is still low in India. Overall insurance penetration (premiums as % of GDP) in India was 3.76% in FY20, providing a huge underserved market.

IRDAI has urged all general insurance companies to launch covers related to drone insurance products in the Indian market.

Evolution of the Indian insurance sector

1956-72 - All life insurance companies were nationalised to form LIC in 1956 to increase penetration and protect policy holders from mismanagement.

- The non-life insurance business was nationalized to form GIC in 1972.

1993-99 - Malhotra Committee recommended opening up the insurance sector to private players.

- IRDAI, LIC and GIC Acts were passed in 1999, making IRDAI the statutory regulatory body for insurance and ending the monopoly of LIC and GIC.

2000-14 - Post liberalisation, the insurance industry recorded significant growth; the number of private players increased to 46 in 2017.

- In December 2014, Government approved the ordinance increasing FDI limit in Insurance sector from 26% to 49%. This would likely to attract investment of US\$ 7-8 billion.

2015 - In 2015, Government introduced Pradhan Mantri Suraksha Bima Yojna and Pradhan Mantri Jeevan Jyoti Bima Yojana.

- Government introduced Atal Pension Yojana and Health insurance in 2015.

2017 onwards - Insurance companies raised more than US\$ 6 billion from public issues in 2017.

Growth drivers for insurance in India

1. Growth in financial industry - Overall growth in the financial industry - increasing working population with higher disposable income.

- Increasing awareness about financial products including insurance.

2. Innovation and efficiency

- Increase in potential insurance customers - individuals and companies across different industries, small and medium enterprises, multinational companies.
- Expansion due of insurance universe due to professionalization of companies.
- The scope of IoT in Indian insurance market continues to go beyond telematics and customer risk assessment. Currently, there are 110+ InsurTech start-ups operating in India.

3. Competition

- Increasing number of insurance providers with various sophisticated products at competitive prices.
- Regulations which are conducive for growth of the industry

4. Digital disintermediation

- Digital disintermediation is proceeding strongly in the Indian insurance industry. The number of start-ups offering online insurance has grown, with the key player being PolicyBazaar.
- Backed by SoftBank and Singapore's Temasek, each holding a 15% stake, Policybazaar has a 50% market share in the online insurance sales and is planning an IPO in 2021, with listings in the US and India.

5. Growth in specific segments

- Increase in micro insurance due to increased focus of Government on financial inclusion.
- Increase in demand of motor insurance as a by-product of rapidly expanding auto industry.
- Increase in health insurance due to focus on improvement in healthcare.
- Group insurance has also been a big driver of insurance growth in the country

INDUSTRY OVERVIEW

Banking, financial services and insurance (BFSI) is an industry term for companies that provide a range of such financial products or services. This includes universal banks that provide a range of financial services or companies that operate in one or more of these financial sectors. BFSI comprises commercial banks, insurance companies, non-banking financial companies, cooperatives, pensions funds, mutual funds and other smaller financial entities.

The Banking part of BFSI may include core banking, retail, private, corporate, investment and cards. Financial services may include stock-broking, payment gateways, mutual funds. Insurance covers both life insurance and general insurance.

This term is commonly used by information technology (IT), information technology enabled services (ITES), business process outsourcing (BPO) companies and technical/professional services firms that manage data processing, application testing and software development activities in this domain.



COMPANY OVERVIEW

COMPANY identity as the leading provider of professional wealth advisory in India and Abroad, AIM India delivers a one stop solution/ service to achieve financial independence. Its principle is to deliver high returns to our clients through our network of government sector banks in India. Its comprehensive wealth management is a high level professional service that combines financial and investment advice in accounting, taxation services and retirement planning. Also wealth management is much more than just investment advice as they encompass all parts of an individual's financial life. They coordinate all the services needed to manage client's money and plan for their own and family's current and future needs and maintain and increase their wealth based on individual's financial situation goals and comfort level with risk.

FEATURES

Internship

Company provide domestic & international level internship. They have a team of experienced educational and training professionals who can provide services/solutions for clients. Exposure to interns in mixed specialization i.e. HR and Marketing which will result in the implication of their theoretical knowledge into corporate world.

Accounting

They will help you in maintaining books to give you strategic insight of the financial position of your company.

Training & Development

AIM India Training specialists includes professionals in Marketing, HR and Finance. They will help employees and interns in learning values which are needed in the corporate world to enhance propositions which will help them in making their career.

International Expansion

With the help of there business partners , they are helping Individuals in expanding their business at International level. Professionals are helping there clients to settle them abroad.

Taxation

Tax Management is required in every organisation but due to its strenuous process, it can be difficult to manage at higher levels. There Professionals are flexible in their approach and provide services according to the needs of clients.

Recruitment

Company objective is to fulfill professional commitments and value-added services in terms of recruitment of quality manpower. They have been providing recruitment services to the known names in all sectors

Consulting

Helping customers providing professional or expert advice in wealth maximisation, carrier planning etc. and they also guide them in taking crucial decisions.

INTERNSHIP MODULE

Internship Module is divided in two parts –

- **Training Module**

In this module we learn about many aspects such as –

1) Understanding different financial sectors which consists of

- ❖ Banking
- ❖ Stock Market
- ❖ Real Estate
- ❖ PPF (Public Provident Fund)
 - ❖ Post Office Saving
 - ❖ Insurance
 - ❖ Gold

2) Understanding different banking sector –

- ❖ Bank of Baroda
- ❖ Andhra Bank
- ❖ Union Bank
- ❖ Vijay Bank
- ❖ Dena Bank
- ❖ Indian First Life

3) Learnt about the Share Market

4) I learn the reason behind the prices of bitcoin falling.

5) Regular giving updates on Current Affairs.

6) Learnt about how to make salary slip .

7) Learnt about Taxation.

Sales Module

In sales module company provides us product which we have to sales .

The product name is “ India First life Mahajeevan Yojana”

ABOUT THE PRODUCT

The policyholder receives maturity benefits as well as a yearly simple reversionary bonus, as well as a terminal bonus if declared at the end of the policy term. India First Life Insurance has launched the India First Life Mahajeevan Yojana, which is backed by Bank of Baroda. It is a non-linked, participating, individual, limited pay, money back endowment life insurance policy which protects for a longer and short term of 5 to 15 years. As per the company it takes care of an individual's liquidity needs through multiple money backs during the policy term. The Mahajeevan Yojana also allows utilising the money-back option to fund the next annual premium as needed. The policyholder gets maturity benefits and accrued simple reversionary bonus declared annually and terminal bonus if declared at the end of the policy term.

The expectation of customer which our product fulfils

- Higher Return
- Risk Free
- Fixed & Assured Return
- Tax Benefits
- Flexible Investment
- User Friendly
- Easy Liquidity
- Digitalisation
- Transparency
- Regulated Sector
- Approachability & Accessibility
- No Extra Charges
- Long / Short Term Option
- Inflation Cover
- Goodwill & Brand Value
- Safety & Security
- Nominees Option
- Customer Support
- Easy Entry & Exit
- No Penalty Charges
- All Age Option
- All Payment Option & Modes
- Regular Return
- Government as a Backbone
- Global Reach
- High Growth Potential Two Way Communication
- Secondary Income
- Joint Account Facility

OBJECTIVES

- To know the features for which customers have decided to invest.
- To study and analyze the impact of various demographic factors on customers life insurance investment decision.
- To evaluate preferences of the customers while taking life insurance investment decision.

METHODOLOGY

Theoretically, reports are prepared based on descriptive study. This report is result of the study of data and information collected from the both primary and secondary sources in order to make the report more meaningful and presentable. Considering the present finding, this report is based on descriptive study where, information has been collected through different sources to make a constructive output. In the preparation of this report, I used a structured questionnaire to collect and analyze the data.

Type of Study: Descriptive Study

- ✓ **Unit of Study:** AIMS INDIA
- ✓ **Source of Data Collection:** Primary Data
- ✓ **Sample Size:** 50RESPONDS

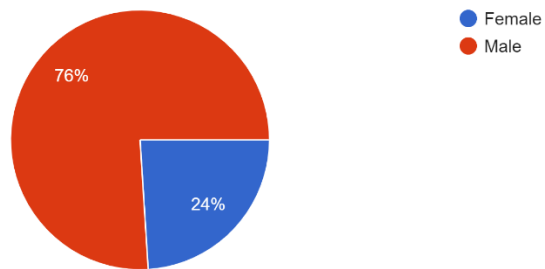
To fulfill the objective, I prepared the questionnaire under the guidance of my industry and faculty mentor and surveyed 50 people in my city. Data collected from the survey is analyzed and presented in the diagrammatic form for better interpretation.

ANALYSIS

Demographic Details of the Respondents.

Gender of the Respondents:

Gender
50 responses

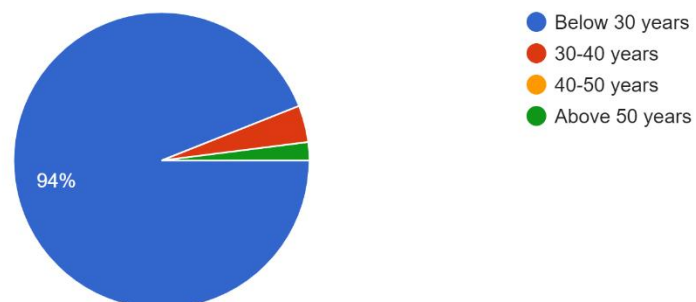


INTERPRETATION

The respondents for the survey included 77.6% of Male respondents. On the other hand, there were 22.4% of female respondents.

Age of the Respondents-

Age
50 responses

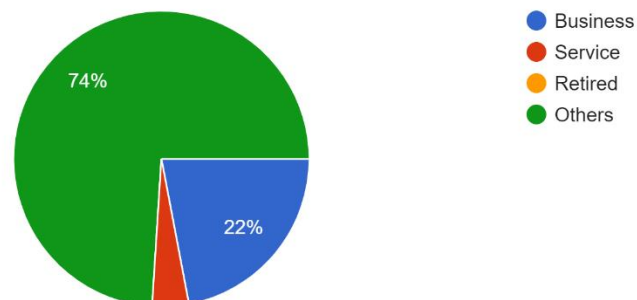


Interpretation:

The Pie chart represents the ages of the respondents. The majority of the respondents, i.e. 93.9% were of the age below 30 years, followed by respondents of age 30 to 50 years.

Occupation of the Respondents -

Occupation
50 responses



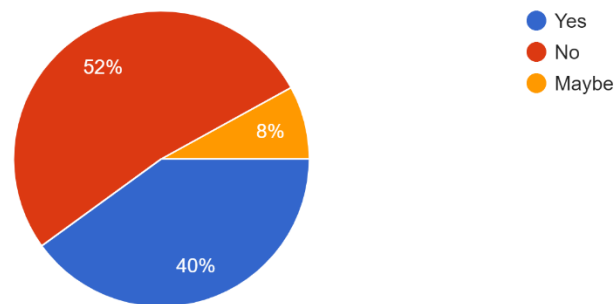
Interpretation

The majority of respondents i.e., 73.5% from option others followed by business Sector of 22.4% respondents. 6% respondents were from service sector and there is no one who is retired.

Question: Do you hold an Insurance Policy(s)?

Do you hold an Insurance Policy(s)?

50 responses



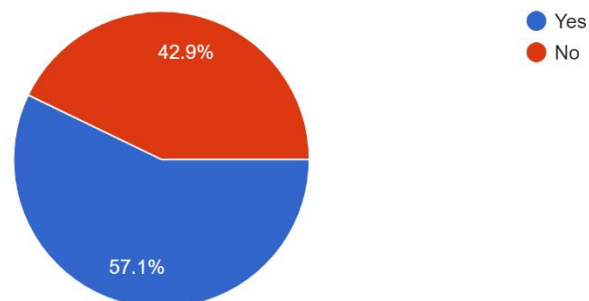
Interpretation:

There were 40% of respondents who hold an insurance policy. 52% of respondents did not hold any insurance policy.

Ques- Are you aware of various insurance products?

Are you aware of various Insurance Products ?

49 responses



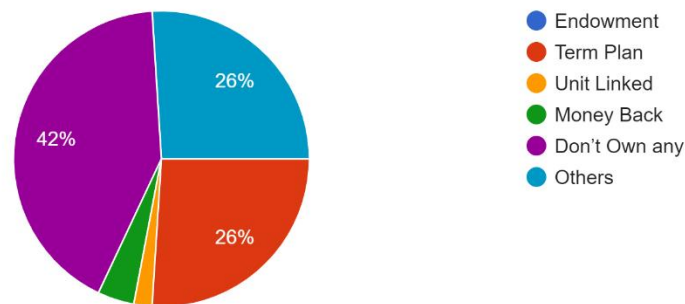
Interpretation:

There were 57.1% respondents who are aware of insurance products. Whereas 42.9% respondents were not aware of insurance products.

Ques – What type of insurance policy do you hold?

What type of Insurance Policy do you hold?

50 responses



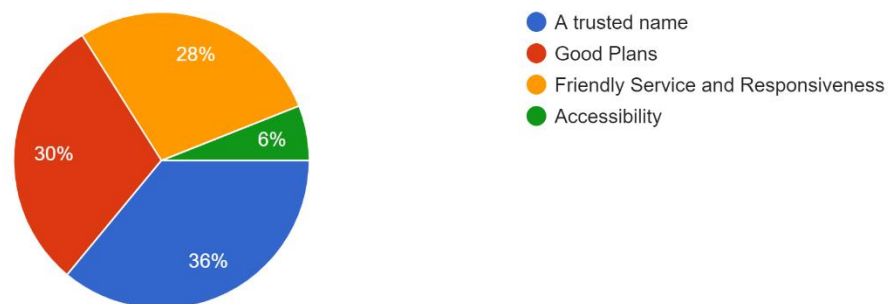
Interpretation-

The majority of respondents i.e., 40.8% doesn't want to own any insurance policy whereas 26.3% wish to own different policies other than given options. On the other hand 26.5% of respondents want to hold term plan policy. Money bank and Unit link policy is hold by very less proportion of total respondents.

Ques – What would you prefer in insurance company?

What would you prefer in Insurance Company?

50 responses



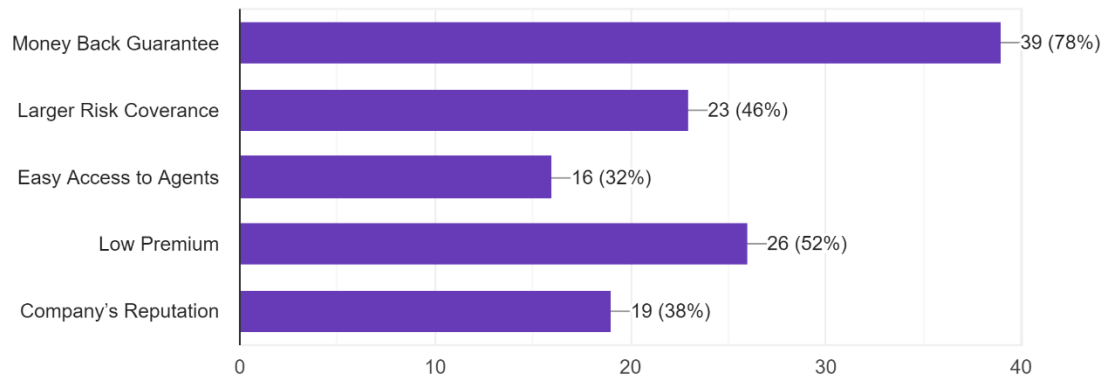
Interpretation –

The majority of respondents i.e., 36.7% will prefer a trusted name of the insurance company followed by 30.6% of respondents want good plans. Whereas, 26.5% respondents want the insurance company that provide friendly service and rest 6.1% want accessibility.

Ques – What are the features that you would prefer in Insurance Policy?

What are the features that you would prefer in Insurance Policy? (Rank each feature in order of your Preference – 1 to 5)

50 responses



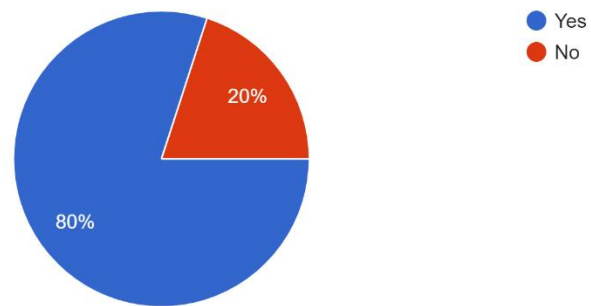
Interpretation –

The majority of respondents i.e., 38 people prefer Money back guarantee feature, followed by 22 people who want larger risk conversance feature. 15 people want easy access to agents as a feature for their insurance policy. On the other hand, low premium was chosen by 25 of the total respondents and company's reputation by 18 respondents.

Ques – Are you happy with the Services?

Are you Happy with the Services?

50 responses



Interpretation –

The major respondents i.e., 81.6% were happy with there services and on the other hand 18.4% respondents were not satisfied with the service.

RESEARCH METHODOLOGY

The present study is type of research study. The study aims to find out the perception of investors investing in life insurance. The respondents were majorly from the Sri Ganganagar District. In order to conduct the study, a total of 50 population were taken for survey. Customer Interaction and telephonic conversations helped to understand various factors and problems of the customer.

RESULTS

1. From the Study, it can be found that the customer decision to buy a Life Insurance Policy majorly depends on demographic factors like the Age, Gender and Income Level.
2. Majority of the respondents from the age group of 31 to 40 years are found to be interested in buying this Policy.
3. Majority of the respondents look for a trusted name in the Insurance Company followed by Good Plans, Friendly service and response.

RECOMMENDATIONS

1. In today's competitive world, it is very important to satisfy the customer. It is one of the most important aspect to retain the customers. Having customer retention helps a company to survive in the market. Today, private insurers are hitting the market extensively and thus through their best services and plans possible, they can reposition and differentiate themselves from these policies.
2. As the study said, the customers look up for a trusted name, thus, like Private insurers should also emphasis more on building brand awareness. Private insurers can use different modes of communication of reaching to people in order to spread insurance awareness amongst the people.
3. If both the Private as well as Government Sector work together in order to spread awareness amongst the people, it would be beneficial for both the sectors. To achieve greater insurance penetration, healthier competition has to be intensified by both the sectors and they should come up with new innovative products to offer greater variety or choice to the customers and also make improvement in the quality of services and sell products through appropriate distribution channel to win-win situation for both the parties
4. Even today, there are many people who do not consider insurance policy as a source of Investment. Thus, insurance companies should come up with plans with high-risk coverage and also focus on encouraging the customers in doing a long-term investment. This will help in more awareness as well as Investment in Insurance.
5. If insurance companies come up with products which can give high risk cover, with lesser premium and more returns and more such innovative ideas, it would be helpful for the insurance companies to attract more customers.

CONCLUSION

The insurance industry is one of the fastest growing industries in the country and offers abundance growth opportunity to the insurers. When compared with the developed foreign countries, the Indian insurance industry has achieved only a little because of the lack of insurance awareness, ineffective marketing strategies, poor affordability and low investment in life insurance products.

Mahajeevan insurance plan is an important form of insurance and essential for every individual.

Customers are the real pillar of the success of insurance business and thus it's important for insurers to keep their policyholders satisfied and retained as long as possible and also get new business out of it by offering need based innovative products.

There are many factors which affect customers investment decision in 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. Insurance Companies thus should keep an eye on all these factors while designing or promoting any life insurance policy as this would help them keep their customers satisfied and would also help them in Customer Retention.

Human life is not just unique but is also precious and needs to be secured as there are many dependents on one human after the death. Thus, one needs to make sure that he/she secures their lives by taking one or the other Insurance Policies.

KEY LEARNINGS

- This internship has given me many skills and knowledge about how to deal with the customers and engage them so that we get effective result.
- Time Management and complete the given task within a time period.
- Understanding of Financial Products like Loans, Insurances, Investments.
- Effective communication skills.
- Learnt about taxation and share market.

REFERENCES

- **Source** – IRDAI – Insurance Regulatory and Development Authority, Motilal oswal Research.
- Media Reports.
- Invest India

SOFTWARE AND TOOLS

- Google Forms
- Microsoft Office

APPENDICIES

Appendix

A questioner to know perception of investors investing in Insurance Policy, as a part of Summer Internship Project. The survey would not take more than 5 minutes of your time.

* Required

Name *

Your answer

E-Mail ID *

Your answer

Gender *

☐

Female



Gender *

☐ Female

☐ Male

☐ Other: _____

Phone Number

Your answer _____

Occupation *

☐ Business

☐ Service

☐ Retired

☐ Others



Age *



Age *

- ☐ Below 30 years
- ☐ 30-40 years
- ☐ 40-50 years
- ☐ Above 50 years

Are you aware of various Insurance Products ?

- ☐ Yes
- ☐ No

Do you hold an Insurance Policy(s)? *

- ☐ Yes
- ☐ No
- ☐ Maybe

What type of Insurance Policy do you hold? *

- ☐ Endowment
- ☐ Term Plan
- ☐ Unit Linked
- ☐ Money Back
- ☐ Don't Own any
- ☐ Others

What would you prefer in Insurance Company? *

- ☐ A trusted name
- ☐ Good Plans
- ☐ Friendly Service and Responsiveness
- ☐ Accessibility

What are the features that you would prefer in Insurance Policy? (Rank each feature in order of your Preference – 1 to



What are the features that you would prefer in Insurance Policy? (Rank each feature in order of your Preference – 1 to 5) *

- ☐ Money Back Guarantee
- ☐ Larger Risk Coverage
- ☐ Easy Access to Agents
- ☐ Low Premium
- ☐ Company's Reputation

Are you Happy with the Services? *

- ☐ Yes
- ☐ No

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