

## A STUDY ON AGENTS' PERCEPTION TOWARDS LIC

*(with special reference to Orathanadu Taluk, Thanjavur District)*



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### ABSTRACT

*The Corporation reaches out to the people through the main traditional route of the agency model for the selling processes of the numerous complex need-based products. The agents help in marketing its policies by spreading the message of life insurance among the masses. They serve as the kingpin for insurance companies seeking to provide traditional and innovative products, and focal point for customers seeking to procure insurance coverage and long term savings. The present paper investigates the factors influencing agents' perception towards Life Insurance Corporation of India. The study is based on a sample of 50 respondents taken from Orathanadu Taluk, Thanjavur district. The results demonstrate that no significant difference between educational qualification and working experience of respondents with respect to their perception towards Life Insurance Corporation of India.*

*Keywords: LIC Life Insurance Corporation, Agent, Policyholder.*

### INTRODUCTION

Life insurance is a contract, whereby the insurer in consideration of a premium undertakes to pay a certain sum of money either on the death of the insured or on the expiry of a fixed period. Life insurance is designed to

provide protection against two distinct risks: premature death and superannuation. Under life insurance, the subject matter of insurance is life of a human being. The amount payable on a claim arising in life insurance is not in doubt. It is as mentioned in the policy. Marketing of life insurance is ridden with several problems and it calls for extraordinary skills. This consequently renders the 'Agent' an indispensable link between the existing or potential insurance customers and the Life Insurance Corporation of India. The competence of the agent then constitutes a critical element in the promotion of insurance business. This crucial role of the agent will, in the final analysis, contribute to the realization of the laudable objective of the LIC of India of 'providing financial security' extensively to diverse population groups in urban and rural areas, in different segments and in all income levels, especially as envisaged in the Marketing Policy of the Corporation. As the life insurance agent is the central figure in the insurance marketing process, the success of insurance company is highly dependent on the army of agents. The job of a life insurance agent is to convert a suspect into prospect and the prospect into a policyholder (customer). To be successful in the profession, the agent is required to possess good knowledge about various life insurance products/plans/schemes, products of competitors, provisions of the Income-tax law, capital market conditions, etc. The pyramid of LIC squarely rests on the back of the agents who craft the selling processes to focus more on the needs of his clients-education, home loans, marriage provisions, maximization of wealth, saving for future etc.

The traditional market place has given way to dynamic new age professionalism and the LIC product basket has in it a variety of products catering to the needs of the different stages of life and appropriate to the risk appetite. However, the kingpin is the primary contact person. If agents are satisfied with the services or facilities provided by LIC or even with the environment prevailing in the organization, they can be able to provide efficient services to the customers and help in Corporation's success. It is evident from the literature that most of the studies on agents have been done in foreign countries. In India, much effort has not been made to record the views of agents towards LIC in respect of supervisors' behaviour, training, systematization, working condition etc. (Bala, 2011). Thus this paper focuses on those issues of agents' perception which are not yet considered from an Indian perspective and an attempt has been made to assess the factors influencing agents' perception towards LIC.

## REVIEWS OF LITERATURE

Fan and Cheng (2006) suggested that life insurance companies need to train their sales representatives to an adequate standard in competencies of problem solving, communication, information technology utilization, culture compatibility, emotional intelligence, collective competence and ethics. Noor and Muhamad (2005)

suggested that organizational commitment and intrinsic motivation positively influence salespeople to perform customer-orientation behaviour in their selling activities. Rajatanavin (2005) found that whole brand image of the company depends directly on the sales force and its ability to develop strong relationship with customers. Mathew et al. (2003) found that independent agents who have ability to effectively communicate information, provide service and effectively solve customers' problems, will no doubt, be able to sustain long-term business relationship with the customers. Customer loyalty depends on how strong the agents' link with the customer is (Balachandran, 2004). Eastman et al. (2002) found that agents appeared to be more concerned about non-Internet direct marketing. Tam and Wong (2001) examined that satisfaction, the salesperson's self-disclosure, and relation orientation significantly influenced future insurance business opportunities. Malliga (2000) suggested that LIC should adopt special marketing strategies and modern sales techniques for better performance of the agents.

## **OBJECTIVES OF THE STUDY**

- To present a comprehensive profile of LIC
- To assess the factors influencing agents' perception towards LIC
- To suggest suitable measures for effective functioning and for increasing sales of LIC

## **SIGNIFICANCE OF THE STUDY**

It studies in greater detail the awareness of urban as well as rural customers of LIC about different products, and their perceived satisfaction of the product and services. It also studies the attitude of LIC agents towards the job, evaluates their job satisfaction and analyzes the problems faced by them in marketing life insurance products in Orathanadu Taluk, Thanjavur district. The present study has a great significance in the event of competition in the insurance market. It evaluates the productivity of agents in terms of number of products, sum assured and first premium income of products marketed in Orathanadu Taluk, Thanjavur district.

## **METHODS AND MATERIALS**

Simple random sampling technique is used in the selection a sample of agents of Life Insurance Corporation of India in Tiruvaiyar Taluk. The final sample consisted of consisted of 50 agents. Both primary and secondary data are used. The primary data is collected through a well structured survey. The self-administered questionnaire used five point Likert type statements (where 1 = Strongly Disagree, 2 = Agree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree). Inferential statistics like Univariate ANOVA is used selectively for the testing of hypotheses. Reliability analysis, using Cronbach's alpha, is employed to check the reliability of the scale.

## DATA ANALYSIS AND INTERPRETATION

**Table No – 1: Oneway ANOVA difference between educational qualification of the respondents and their overall perception towards LIC**

Hypothesis ( $H_0$ ): There is no significant difference between educational qualification of the respondents and their overall perception towards LIC.

Overall perception towards LIC	n	Mean	S.D	Statistical inference
Below Hsc	4	23.131	0.874	F=1.079 0.117>0.05 Not Significant
Under Graduate	19	22.934	0.986	
Post Graduate	13	22.847	0.998	
Profession	14	23.096	0.887	

From ANOVA, it is implicit that educational level of the agents has no significant on their perception towards LIC; the null hypothesis of educational level ( $H_0$ ) is accepted for all the perceptions of the agents. Therefore the null hypothesis ( $H_0$ ) stands accepted. The result extracted from this testing is that educational level of the agents has no significant on their perception towards the variables describing the activities of LIC.

**Table No – 2: Oneway ANOVA difference between working experience of the respondents and their overall perception towards LIC**

Hypothesis ( $H_0$ ): There is no significant difference between working experience of the respondents and their overall perception towards LIC.

Overall perception towards LIC	n	Mean	S.D	Statistical inference
Below 5yrs	13	21.379	0.916	F=1.172 0.096>0.05 Not Significant
6 to 10yrs	12	21.948	0.898	
11 to 15yrs	21	21.124	0.927	
16yrs & above	4	22.016	0.876	

From ANOVA, it is implicit that working experience of the agents has no significant on their perception towards LIC; the null hypothesis of educational level ( $H_0$ ) is accepted for all the perceptions of the agents. Therefore the null hypothesis ( $H_0$ ) stands accepted. The result extracted from this testing is that working experience of the agents has no significant on their perception towards the variables describing the activities of LIC.

## SUGGESTION AND CONCLUSION

All agents who do the minimum business should be encouraged to maintain their own office for policy servicing. The agent or his staff must be available in the office during working hours to assist the customers. All agents should be given computer facility in their office. This will help them to keep records relating to all aspects of the policyholder and assist in providing satisfactory service to the customer. Every LIC agent should ensure that the premium notice is sent to their customers duly. This is possible only if they maintain record of their customers. They should also ensure that the customer receives the policy document within 30 days of remittance of premium. The services rendered by the insurance agents may be covered under customer protection legislation in India which facilitates redressal of customer grievances for deficiencies in services. Agents serve as the kingpin for insurance companies seeking to provide traditional and innovative products, and the focal point for customers seeking to procure insurance coverage and long term savings. Selling insurance products is a smart strategy and the real challenge is to retain and service the customer in the vibrant multiplayer competitive industry. Achievement of overall growth and potential of the insurance business depend on the efforts being made by the insurance companies in selling insurance products and services to the policyholders. It's concluded that agents perceive staff coordination as the most important factor followed by followed by Customer Target, Competitive Advantage, Basic Infrastructure and Service Quality. With respect to the personal attribute, education has no significant difference between perceptions of the agents.

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