

A study on public awareness of life insurance policy: A study conducted on Kodak life insurance Company

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Abstract

In India, Life Insurance Company plays a vital role. The Indian Insurance came into existence in the days of early civilization. The market for insurance in India covers both public and private sector organization. The Insurance Act of 1938 was the first legislation governing all forms of insurance to provide strict state control over insurance business. Life Insurance in India was completely nationalized on 19th January 1956 through the Life Insurance Corporation Act. All 245 Insurance companies operating in the country were merged into one entity i.e. Life Insurance Corporation of India. As we know that the Kotak Life Insurance Company, which is one of the India's leading company, can provide the life insurance policies which can suit both the needs of an individual and corporate sectors. The purpose of this study is to identify the sources from where the policy holder got to know about the policy of Kotak Life Insurance Company, also to know the policy awareness on public and to find out the reasons for choosing Policies of Kotak Life Insurance Company for the period of 5 Years i.e. 2010-2015.

Keywords: insurance, life insurance, awareness, policy holders, kotak life insurance

Introduction

Life Insurance is a contract for payment of a sum of money to the person assured or to the nominees on the happening of the event insured against. This is a contract for payment of an amount on the maturity of the policy or on the death of the insured. The insured has to pay an agreed amount premium at regular intervals. Life Insurance is considered to eliminate risk, substitute certainty for uncertainty and comes to the timely aid to the family in the unfortunate event of death of the bread earner.

Life Insurance seeks to reduce financial uncertainties arising from natural contingencies like old age and death. The fundamental function of Life Insurance is to protect the insured against financial needs which may arise due to the untimely death. The payment is made in lump sum amount and helps the recipient to overcome financial difficulties.

Insurance is called a pooling system where risk is spread over a number of persons and all the policy holders contribute to the fund by way of premium. Insurance Company invests in the market in order to supplementing their resources so that liabilities are met whenever these arise.

Life Insurance provides assurance to the insured for the payment of certain sum of money in lieu of premium on the death of the insurer or on the maturity of policy, whichever is earlier. Life Insurance provides financial protection against the risk of death. Insurance is also linked to savings by the insurer. The amount of premium paid for by the policy holder amounts to a compulsory savings by the insured. The amount of policy is returned to the insured on the expiry of the policy. On the pre-mature death of the insured, the nominees or family members get insurance money for their welfare. The funds collected by the Insurance companies by way of premiums are invested for the economic development of the country.

According to Bunyon's law of Life Insurance, "A contract of

Life assurance is that in which one party agrees to pay given sum on the happening of a particular event contingent upon the duration of human life in consideration of the immediate payment of a smaller sum of certain equivalent periodical payments by another".

Review of Literature

Chaudhary (2012) conducted a study on the insurance buyers or consumers in the city of Panipat. Jain and Goyal (2012) conducted a study on the level of awareness towards the rights and duties regarding insurance are negligible. Dar (2013) conducted study towards the awareness of the life insurance in the population of Jammu And Kashmir State. Narendar and Sampath (2014) conducted a study which helps to understand the awareness of the people towards the rights and duties towards life insurance products after the privatization of the insurance sector with special reference to Indian insurance sector. Prajapati and Barad (2013) explained that the life insurance basically is a tool against protection of life or against any unforeseen event or death of individual.

Statement of the Problem

In this paper we had made an attempt to identify the information on sources from where the policy holders got to know about the policy of Kotak Life Insurance Company. Also tried finding out the awareness of the policies of this company by the public and the reasons as to why they choose the policies of Kotak Life Insurance Company.

Objectives

- To find out the sources from where the policy holder got to know about the policy of Kotak Life Insurance Company.
- To find out how well the public is aware about the Kotak Life Insurance Company and their service level.

- To find out the reasons which lead the policyholders to opt policies from Kotak Life Insurance Company.

Research Methodology

The methodology followed for conducting the study included the specification of research design, sample design, questionnaire design, data collection & statistical tools used for analyzing the collected data.

Research Design

The data have been analyzed by using both Descriptive and Analytical study. The reason for using descriptive is to summarize the awareness about the Company towards the public. This study was conducted by collecting both the Primary Data and Secondary Data.

Sample Size

The present study was made in Bengaluru City. For this study we have taken 50 samples which were distributed to the policy holders of Kotak Life Insurance Company.

Period of Study

The current study was conducted for the time period of 3 months.

Primary Data

Primary data was collected by distributing questionnaire to

general public and also by conducting direct interview with the Kotak Company employees and the general public.

Secondary Data

Secondary data was collected from the Website of Kotak Life Insurance Company, Annual Report of IRDA and the books, journals.

Limitations

- This study is conducted only in Bengaluru City.
- The sample size was limited to 50 policy holders of Kotak Life Insurance Company.
- The time available to research was limited.
- The accuracy of the study depends on the responses of the respondents.

Data Analysis & Interpretation

Table 1: To find out the sources from where the policyholder got to know about the policy of Kotak Life Insurance Company for the period 2010-2015

Sources opted by Public	Number	Percentage
Insurance Agent	10	20%
Friends & Relatives	32	64%
Media	-	0%
Others Sources	8	16%

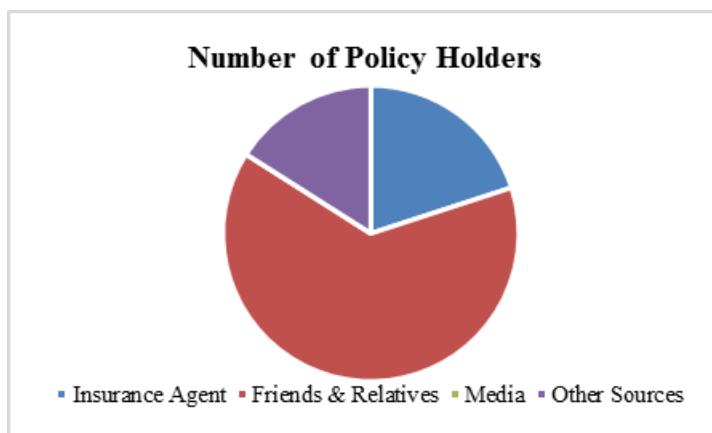


Fig 1

Data Interpretation

This table shows the sources from where the policyholder got to know about the policy of Kotak Life Insurance Company. According to our sample, 20% of the policy holder got to know from Insurance Agent and 64% of the policyholder got to know from Friends & Relatives and 16% of the policy holders got to know from other sources.

Table 2: To find out how well the public is aware about the Kotak Life Insurance Company and their Service level for the period of 2010-2015(in %)

Company Name	Public Awareness (in %)
Kotak Life Insurance Company	38%
Other Life Insurance Company	62%

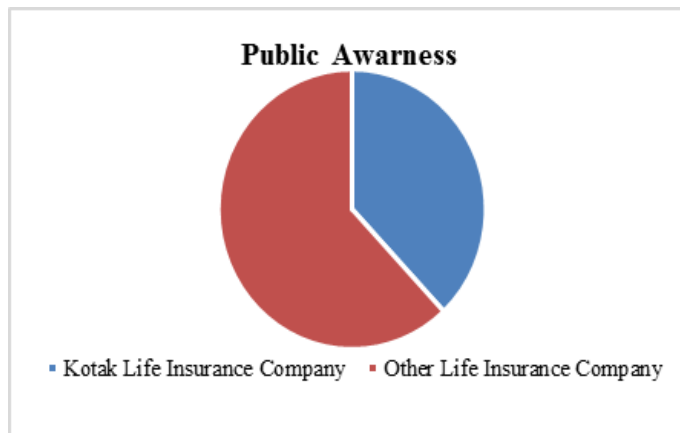


Fig 2

Data Interpretation

This table shows, how well public is aware about the Kotak Life Insurance Company and their service level. According to our sample, 62% of the public are not aware about the Kotak Life Insurance Company and only 38% of the public are aware about the Kotak Life Insurance Company.

Table 3: To find out the reasons which lead to policyholders to opt policies from Kotak Life Insurance Company for the period of 2010-2015.

Reasons	Number of Respondents	Reasons for Purchase (in %)
Risk Coverage	18	36%
Tax Saving	06	12%
Protection For the Family	11	22%
Long Term Saving	04	8%
Provision for Old Age	09	18%
All of the Above	02	4%
Total	50	100%

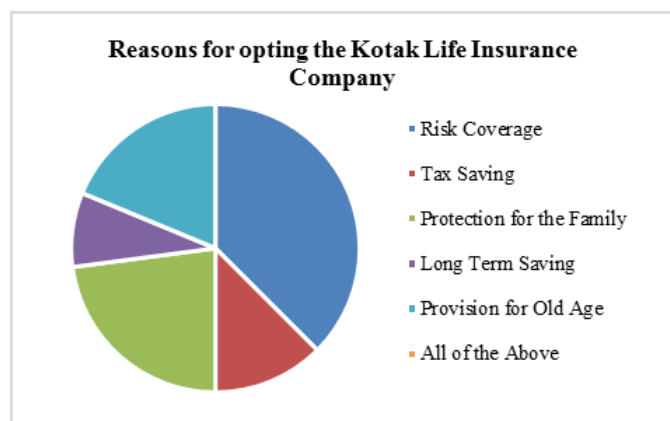


Fig 3

Data Interpretation

This table shows the reasons which lead the policyholders to opt policies from Kotak Life Insurance Company. According to our sample, 36% of the policy holder choose policy in Kotak Life Insurance Company for Risk Coverage and 12% of the policy holder choose policy in Kotak Life Insurance Company for Tax Saving and 22% of the policy holder choose policy in Kotak Life Insurance Company for Protection for the Family and 8% of the policy holder choose policy from Kotak Life Insurance Company for the Long Term Saving and 18% of the policy holder will choose policy from Kotak Life Insurance Company for Provision for Old Age and remaining 4% of the policy holder choose for all the above reasons to take policy in Kotak Life Insurance Company.

Key Findings

- According to our sample, 10 of the policy holder got to know from Insurance Agent and 32 of the policyholder got to know from Friends & Relatives and 8 of the policy holders got to know from other sources.
- According to our sample, 62% of the public are not aware about the Kotak Life Insurance Company and only 38% of the public are aware about the Kotak Life Insurance Company.
- According to our sample, 36% of the policy holder choose policy in Kotak Life Insurance Company for Risk Coverage

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Conclusions

This study has been conducted with the aim of finding the public awareness of Kotak Life Insurance Company and their life insurance policy. From this study it is revealed that majority of the general public are not aware about Kotak Life Insurance Company. It is also found from the study that major competition is LIC because of its brand image and its existence from many years, though there are many private insurance companies. Kotak Life Insurance Company should come up with more marketing strategies to maintain and to advertise and to create awareness on their policies.

Suggestions

- The Company should give training to its advisors to enhance product knowledge of the company.
- The company should create awareness about its product and scheme highlighting returns given by the company to its investors.
- The company should come out with investment schemes, catering to low income group to penetrate into this segment.
- General public is still not aware of the Kotak life insurance company; they only know there is a Kotak company. They do not know about the services.

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