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POLICYHOLDER AWARENESS AND SATISFACTION TOWARDS THE POSTAL LIFE INSURANCE SCHEMES WITH REFERENCE TO COIMBATORE DISTRICT

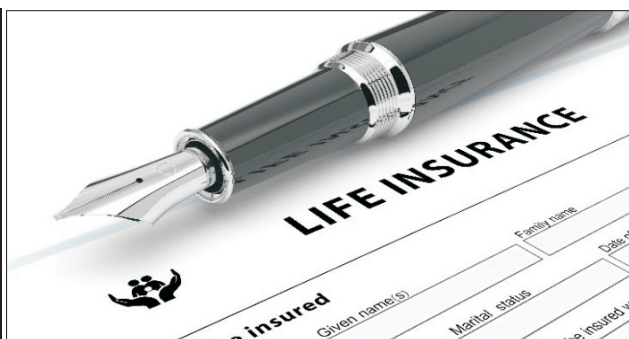
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ABSTRACT

A strong network of post offices in urban as well as rural areas, postal life insurance was set to succeed. Also, the cost expected to be incurred for operations came down drastically because of use of existing network of post offices. Currently, Postal life insurance is the only insurance provider in the country to give the highest return to customers at the lowest premium amount. The postal Life Insurance scheme is aimed to provide insurance to individuals working in all government sector enterprises including military forces, government school employees, nationalized banks, local civic bodies etc. The presented paper depicts the level of awareness and satisfaction about the policyholders of Postal Life Insurance schemes in Coimbatore district.



KEYWORDS: Insurance Savings schemes, Postal Life Insurance Satisfaction Level.

INTRODUCTION:

India Post has been providing insurance services to its customers since the latter half of the 19th century. Till date, India Post has launched its two life insurance policies, namely, Postal Life Insurance (PLI) for Government employees, and Rural Postal Life Insurance (RPLI) for General public in rural area. Postal Life Insurance (PLI): Postal Life Insurance was introduced on 1st February 1884. It was essentially a scheme of

State Insurance mooted by the Director General of Post Offices Mr. F.R. Hogg in 1881 as a welfare scheme for the benefit of Postal employees' in 1884 and later extended to the employees of Telegraph department in 1888. In 1894, PLI extended insurance cover to female employees of Postal & Telegram Department. It is the oldest life insurer in India. PLI is open to the employees of Central and State Government Departments, Nationalized Banks, Public Sector Undertakings, Financial Institutions, Local Bodies like Municipalities and Zila

Parisads, Educational Institutions aided by the Government, Defence and Para-military forces, etc.

REVIEW OF LITERATURE:

Mr. B. Muthukrishnan, Doctoral Research Scholar, Department of Management, Pondicherry University, in his research paper titled "An Outlook of Postal Life Insurance In The Current Era" (Indian Journal of Applied Research, Vol. 3, Issue 5, May 2013, ISSN: 2249-555X) attempts to give an overview on India Post, its various services and insurance schemes, financial performance of PLI, benefits of PLI and best performing in PLI. M. K. Gupta and Nidhi Gupta, Department of Commerce, Pt. J. L. N. Govt. P. G. College, Faridabad, Haryana conducted a study on "An Empirical Study Of Postal Life Insurance in Reference to LIC and

Private Insurance in NCR" (IMS Manthan- The Journal of Management, Computer Science and Journalism, Vol. 7, No. 1, 2012, Pages: 29-38). This paper aims to find out the factors influencing the customers, to study the attitude of the consumers regarding PLI, LIC and Private Insurance, to find out the reasons for choosing a particular service and to study their satisfaction level and to probe the problems faced by the customers. The researchers have also given various useful suggestions for the future development and betterment of PLI.

OBJECTIVES OF THE STUDY:

This study aims to describe the recent trends and development of postal life insurance schemes, to find the awareness level of policyholder about postal life insurance and measure the level of satisfaction about the postal life insurance schemes

RESEARCH METHODOLOGY:

This study is based on the Primary and secondary data which were collected from Coimbatore district. The data collected from the survey constitute primary and the information gathered from books, journals, magazines, annual reports were secondary data. The present study is confined to policy holder of postal life insurance in Coimbatore district. A sample size consists of 100 postal life insurance policy holders are selected. The sample size is selected by adapting stratified random sampling technique. For analyzing the data the following statistical tools are used Percentage Analysis, Chi-square test, Correlation and t-Test

VARIOUS SCHEMES OF POSTAL LIFE INSURANCE IN INDIA

- Whole Life Assurance (SURAKSHA)
- Convertible Whole Life Assurance (SUVIDHA)
- Endowment Assurance (SANTOSH)
- Anticipated Endowment Assurance 15 and 20 Years (SUMANGAL)
- Joint Life Assurance (YUGALSURAKSHA)
- Children Policy

WHOLE LIFE INSURANCE (SURAKSHA): The whole life insurance scheme from Postal Life Insurance has the following features and requirements. The scheme Assured amount + accrued bonus is paid to nominee, assignee or legal heir, after the insured expires.

ENDOWMENT ASSURANCE (SANTOSH): The endowment assurance scheme from Postal Life Insurance has the following features and requirements: Scheme: Assured amount + accrued bonus is paid to proponent when he or she attains the pre-decided age of maturity. The sum amount insured and bonus is payable to the assigned, nominee or legal heir in case of unprecedented death. Age Eligibility: Minimum: 19 years Maximum: 55 years

CONVERTIBLE WHOLE LIFE INSURANCE (SUVIDHA): The convertible whole life insurance scheme from Postal Life Insurance has the following features and requirements: Scheme: Assured amount + accrued bonus is paid to proponent when he or she attains the pre-decided age of maturity.

ANTICIPATED ENDOWMENT ASSURANCE (SUMANGAL): The anticipated endowment assurance scheme from Postal Life Insurance is best suited for people who expect periodical returns, and the scheme :15 Years Term Policy: Benefits are paid post 6 years 20% of the assured sum, 9 years 20% of the assured sum, 12 years 20% of the assured sum and 15 years 40% of the assured sum + assured bonus.

JOINT LIFE ENDOWMENT ASSURANCE (YUGAL SURAKSHA): The joint life assurance from Postal Life Insurance requires any one of the spouses to be eligible for PLI policies. The scheme has the following features and requirements: Scheme: Both spouses are covered to the extent of sum assured + accrued bonus with only one premium. Age Eligibility: Minimum: 19 years Maximum: 55 years Policy Conversion:

SCHEME FOR PHYSICALLY HANDICAPPED PERSON: Any of the above mentioned life insurance policies can be availed by physically handicapped applicants, under this scheme. However, premium prices are dependable on the nature and extent of handicap which will be determined through the mandatory medical examination.

CHILDREN POLICY (BAL JEEVAN BIMA): There is a separate policy for the children of policyholders which can be

taken. Maximum 2 children in a family are eligible for this scheme: Main Policyholder Age Eligibility: Maximum: 45 years, Children Age Eligibility: Minimum: 5 years Maximum: 20 years, Maximum Sum Assured: Rs. 3 lakhs or equivalent to the sum assured of the main policy holder whichever is less.

OPPORTUNITIES OF POSTAL LIFE INSURANCE: All the PLI operations have been automated under Financial System Integrator (FSI) projects. The business processes developed for the new PLI Software in the FSI involve all processing work to be done at Central Processing Centers (CPCs) with provision for online approval by the competent authority without any physical movement of files beyond CPCs

MAJOR FACILITIES OF FINANCIAL SYSTEM INTEGRATOR:

- Premium payment options-ECS, Debit/Credit Card, Net Banking, EFT (POSB account) and at Kiosks through ATMs.
- Facility to view policy details.
- Claim payment through NEFT

GROWTH OF POSTAL LIFE INSURANCE SCHEMES: The Postal life insurance and rural postal life insurance schemes last five years performance India postal service's the following information details below:

YEAR	POSTAL LIFE INSURANCE (PLI)		
	No. of Policies	Sum Assured (in Rs. Crore)	Corporate of fund (in Rs. Crore)
2010-2011	46.86	64,077.00	19,801.91
2011-2012	50.06	76,591.33	23,010.55
2012-2013	52.19	88,896.96	26,131.34
2013-2014	54.06	1,02,276.05	32,716.26
2014-2015	64.413	1,30,745.00	37,571.77
2015-2016	54.42	1,09,106.9	5963.45
Source: Secondary Data Collected Through Annual Reports			

INTERPRETATION: Measure the growth of PLI with respect to no. of policies forced and sum assured during the study period from 2010-2011 to 2015-2016. The growth of PLI with respect to no. of policies during 2010-2011 was at 46.86 and sum assured also increasing then 2011 to 2012, 2012-13, 2013-2014, 2014-2015 no of policies increasing and sum assured also growth development after the actual growth of policies under PLI lesser than the expected growth during the period 2015-16 improve the no of policies and sum assured. Postal Life Insurance (PLI) – Benefits PLI is the only insurer in the Indian Life Insurance market today, which gives the highest return (bonus) with the lowest premium charged for any product in the market

ANALYSIS AND INTREPRETATION:

Variables	Particulars	Freq.	%	Variables	Particulars	Freq.	%	
Gender	Male	41	41	Annual Income	Below 1 Lakhs	59	59	
	Female	59	59		1-5 Lakhs	31	31	
Age	Below 30	47	47		Period of policy	5-10 Lakhs	9	9
	31-40	37	37			Above 10 Lakhs	0	0
	41-50	13	13	5 Years		56	56	
	51-60	3	3	5-15 Years		35	35	
	Above 60	0	0	15-25 Years		9	9	
Marital Status	Married	69	69	Satisfaction of Policy	Above 25Years	0	0	
	Unmarried	31	31		Highly Satisfied	41	41	
Mode of Payment	Monthly	84	84		Satisfied	34	34	
	Quarterly	13	13		Average	25	25	
	Half Yearly	3	3		Dissatisfied	0	0	
	Yearly	0	0	Highly Dissatisfied	0	0		
Educational Qualification	Illiterate	25	25	Service of PLI	Whole Life Assurance	68	68	
	UG level	60	60		Convertible Whole Life Assurance			16
	PG level	16	16		Endowment Assurance	13	13	
	Profession	0	0		Anticipated Endowment Assurance	0	0	
Aware of PLI	Yes	100	100		Joint Life Assurance	3	3	
	No	0	0		Children policy	0	0	
Source : Primary Data Collected through questionnaire								

INTERPRETATION: Demographic profile of the policyholders are presented in table 1, makes us to understand that the sample policy holders. It reveals that majority of policy holders are female. Most of policyholders are known between age limit of below 30 years. Monthly incomes of the policyholder are used in below Rs.1 Lakhs. Most of the sample policy holders married. The period of the policyholders is 5 years are preferred. The result proves of the occupation is government employees. The 100% policyholders are aware this schemes. It majority of insisted by know this schemes is monthly. The policy holders is using this services of PLI is Whole life assurance and most of them highly satisfied of maintain this account.

LEVEL OF SATISFACTION IN PLI:

Expectations on Investment	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	No of respondent
Safety	50	34	16	0	0	100
Capital Growth	44	28	28	0	0	100
Liquidity	19	38	37	6	0	100
Return	41	28	28	3	0	100
Tax Benefits	63	19	13	6	0	100

INTERPRETATION: Level of satisfaction in Postal life insurance schemes of the policyholders are presented in

table 2, makes us to understand that the sample policy holders. The safety, returns, tax benefits capital growth it is clear from the postal life insurance of policyholder is highly satisfied. but it reveals that majority of policyholder is liquidity of postal life insurance is also satisfied.

CHI-SQUARE TEST : GENDER OF THE POLICY HOLDERS – PERIOD OF POLICY OF THE POSTAL LIFE INSURANCE SCHEME

Gender / Period of policy	5 years	5-15	15-25	Above 25 years	Total
Male	16	25	0	0	41
Female	41	9	9	0	59
Total	57	34	9	0	100
Chi-Square	Calculate Value		DF	Table value	
	29.47		3	7.81	

HYPOTHESIS: NULL HYPOTHESIS (Ho): There is no significant relationship between Gender of the policyholders and period of the policy Postal life Insurance.

Result: The above table states that the calculated value is more than the table value so the null hypothesis is rejected. Hence we can conclude that there is a significant relationship between gender of the policy holders and period of the policy PLIs.

AGE GROUP OF THE POLICYHOLDERS – SATISFACTION LEVEL OF THE POSTAL LIFE INSURANCE

Age Group/Satisfaction level	Highly satisfied	Satisfied	Not bad	dissatisfied	Highly dis satisfied	Total
Below 30 Years	25	13	9	0	0	47
31-40 Years	13	16	9	0	0	38
41-50 Years	0	6	6	0	0	12
51-60 Years	3	0	0	0	0	3
Above 60 Years	0	0	0	0	0	0
Total	41	35	24	0	0	100
Chi-Square	Calculate Value		DF	Table value		
	29.47		3	7.81		

HYPOTHESIS: NULL HYPOTHESIS (Ho): There is no significant relationship between age group of the policy holders and satisfaction level of the Policy holders.

Result: The above table states that the calculated value is less than the table value. The null hypothesis is accepted. Hence there is a significant relationship between age group of the policy holders and satisfaction level about the PLI.

t- TEST ANALYSIS: t- TEST SHOWING THE MEAN SCORE BETWEEN THE AGE OF POLICYHOLDER AND PERIOD OF POLICY

t- TEST TABLE

T	Df	Sig. (2-tailed)
-1.75	64	-0.084

Result: The P value is greater than 0.05. So there is no significant difference in the mean score of the policyholders based on equal variance.

t-TEST SHOWING THE MEAN SCORE BETWEEN EDUCATIONAL QUALIFICATION OF POLICYHOLDER AND SATISFICATION LEVEL

Variables	? x²	Mean	Std. Deviation
Educational qualification	129	12.71	1.90
Satisfaction level	129	20.71	1.84

T- TEST TABLE

T	D.f	Sig. (2-tailed)
+0.34	62	0.735

Result: The P value is greater than 0.05. So there is no significant difference in the mean score of the policyholders, between the educational qualification and satisfaction level

CORRELATION : EDUCATION LEVEL OF THE POLICYHOLDERS – AWARENESS OF POSTAL LIFE INSURANCE SCHEME

DIMENSION	Education level	Awareness –PLI
Education level	1	-0.1529.
Awareness –PLI	-0.1529.	1

**. Correlation is significant at the 0.05 level (2-tailed).

Result: The r value of correlation is -0.1529.it shows that there is an insignificant level (very low) negative correlation between the education level of the policyholders and awareness on postal life insurance scheme

FINDING OF THE STUDY:**Findings from simple percentage:**

- + It reveals that majority of policy holders are female.
- + Most of policyholders are known between age limit of below 30 years.
- + Monthly income of the policyholders is used in below Rs.1 Lakhs.
- + Most of the sample policy holders married.
- + The period of the policyholders is 5 years preferred.
- + This schemes is only for government employees

Findings from chi-square test:

- + There is no significant relationship between Gender of the policyholders and period of the policy in PLI

- ✦ There is no significant relationship between age group of the policy holders and satisfaction level of the policyholders

Findings from Correlation Test

- ✦ There is an insignificant level (very low) negative correlation between the education level of the policyholders and awareness on postal life insurance scheme.

Findings from T-TEST

- ✦ There is no significant difference in the mean score of the Policyholders as based on equal variance.
- ✦ There is no significant difference in the mean score of the policyholders, between the educational qualification and satisfaction level

The number of PLI policyholders is more as compared to that of PLI policyholders in Coimbatore district of the state of Tamil Nadu. Majority of the Policyholders of the study region prefer PLIs over other life insurance policies due to low amount of premium and high rate of return. Tax benefit is the next strongest motivator. The policyholders of the study area are mostly highly satisfied with the postal life insurance policies.

SUGGESTIONS:

The Department of Posts has to intensify its promotional campaign about its insurance services in the study region which will make the people aware and thereby help in arousing their interest for investment. Efforts should be made to change the attitude of the postal staff towards their work. They should be trained intensively in connection with customer relationship management. With increasing competition in the field of insurance, India Post should venture into general insurance business in addition to life insurance.

CONCLUSION:

Majority of the Policyholders of the study region prefer PLIs over other life insurance policies due to low amount of premium and high rate of return. Tax benefit is the next strongest motivator. The policyholders of the study area are mostly highly satisfied with the postal life insurance policies. The growth and development of Postal Life Insurance depends on the attractive, innovative strategies in marketing adopted by Post-Offices.

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WEBSITE:

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Abbreviations

PLI – Postal Life Insurance



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