

AN ANALYSIS ON THE EXPECTATION AND PERCEPTION OF THE SERVICES IN LIFE INSURANCE CORPORATION OF INDIA AMONG THE TEA PLANTATION WORKERS IN VALPARAI TALUK, COIMBATORE DISTRICT

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Abstract

The present paper attempts to study the expectation and perception services provided towards LIC in the tea plantations of Coimbatore District in Tamil Nadu state. Plantation crops are generally labour intensive enterprises. In a present trend of competitive environment, distribution of life insurance are based on exacting of the rural areas and by analyzing cost-effectiveness in backward classes with the aim to achievement all insurable persons in the country becomes significant. Mobilizing and creating, saving habits among the rural and underprivileged section among the people is needed in a present context for reducing the regional disparity among the people. The study concluded that the Life Insurance Corporation of India offers a basket of schemes to meet the requirement of insured. But the tea plantation workers have chosen only a particular plan. They are earning a margin amount of income

and also they are unaware about the various policies offered by the LIC due to lack of education and knowledge. The main problems faced by them are long duration and higher premium amount of the policy. The threat of private insurance companies is taking over the market has been overplayed in some of the areas. Likewise, the policy holders also attracted towards various private insurance like ICICI, Bajaj alliance, Birla sun life, etc. Hence, it is imperative on the part of LIC to take care not only for the benefit of policyholders but also to capture a market in a competitive environment by way of giving adequate services to underprivileged society and the remote areas like plantation sectors.

Keyword: Policyholder, Mobilizing, Tea plantations, Competitive Environment.

Introduction

Insurance has been an essential part of the financial services system and known as a foundation of a country's financial health and a sign of progress. It provides for the financial safety of society and offers valuable investment advices and serves as an effective step towards both individual and national financial stability. The Insurance sector is one of the most significant entities which have been growing moderately fast in India. It is primarily divided into life and non-life, apart from a very small segment comprise re-insurance. National priority and compulsion of reasonable returns to the policy holders are the main criteria of investments. The Life Insurance Corporation of India of Indian economy

Objectives of the Study

The main objective of the study to know the perception of policyholders and to know the threats of private insurance companies for adopting their market place and following are the objectives of the study:

1. To examine the nature of plan chosen by the selected respondents
2. To identify the knowledge and awareness about the various policies of respondents.
3. To know on problems faced by the policyholders and suggestion for improvement.

ushered in an era of aggressive marketing leading to the elementary changes in the entire range of products and service At nearby there are twenty three group of actors in the Indian life insurance industry elsewhere of which Life Insurance Corporation is one of the important public companies, holds the largest number of policies in the world to group different financial situation of an individual. With a greater choice and an increasing awareness about the plans, there is a continuous increase in the policy holders' outlook and they demand better quality service. Therefore, a study has undertaken on the Expectation and awareness of the services in Life Insurance Corporation of India among the Tea agricultural estate Workers in ValparaiTaluk of Coimbatore District.

Methodology of the Research

The study conducted in ValparaiTaluk of Coimbatore District is essentially occupied with tea and coffee plantation. Plantations are labor-intensive and provide round the year employment, mostly in rural and backward areas where there is no alternative employment opportunity. The tea industry in Tamil Nadu gives direct or indirect employment through working 1, 50,000 workers. Most tea plantations in Tamil Nadu are situated in the Coonoor and Gudalaor areas of the Nilgiris, along with the Valparai area of the Coimbatore

District. The Valparai region has the highest concentration of tea plantations in the Annamallai hills. The major Tea and coffee plantation situated in Valparai Tamil Nadu Tea plantation Corporation, The Bombay Burma Trading Corporation, Parry Agro Limited, Jayashree Tea Industries, Periyakaramalai Tea Estate and TATA Tea Estates India Limited. The Population as per the census 2011 in Valparai town is 70,771 and with more than 80 per cent of the population dependent on plantation sector for their livelihood. The total Literates in Valparai is 55,959. A multi phase purposive sampling practice was adopted to select the sample respondents considering the highest area of tea plantation as the main criterion. The Bombay Burma Trading Corporation Ltd, with 1,863 hectares among the entire plantation under tea provides employment to 5,000 workers forms the first stage. Three Estates namely Thaimudi, Gajamudi and Thonimudi were selected on the second stage. Finally, a total of 75 tea plantation workers were randomly selected. From the respondents, the selected data were collected by personal interview method using a pre- tested questionnaire. The interview schedule consists of different parts pertaining to personal data, nature of plan preference and the problems faced by the selected tea plantation workers in availing the services from LIC. The data pertain to December 2013 to March 2014. In order to identify the factors associated with the sum assured in a proposed policy among selected tea plantation workers; regression analysis

was done by using analytical tool with the following equation.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + b_8X_8 + u$$

Where,

Y= Sum Assured in a proposed policy (in Rs.)

X₁= Age (in years)

X₂ = Gender (1- Male; 0- Female)

X₃ = Education (1- Literate; 0- Illiterate)

X₄ = Occupation (1= Field Worker; 0- Others)

X₅= Monthly Income (in Rupees)

X₆ = Monthly Expenditure (in Rupees)

X₇ = Premium Amount Paid (in Rupees)

X₈ = Amount of Loan taken from the policy (in Rupees)

u = Error term

b₁, b₂, b₃, b₄, b₅, b₆, b₇, b₈= regression coefficient

Findings and Discussion

The LIC offers a holder with the schemes for fulfilling the various requirement of the individual. The type of plan chosen by selected respondents is presented in Table 1.

Table - 1
Type of Plan chosen by selected Respondents

Category	Number of Respondents	Percentage
Endowment plan	33	44.00
JeevanAnand	28	37.00
JeevanSaral	14	19.00
Total	75	100.00

Source: Primary Data

analysis was also undertaken to examine the extent of premium

Table - 2
Premium amount preferred to pay by the selected policy holders

Category	Number of Respondents	Percentage
Below 500	69	92.00
501-750	03	04.00
751-1000	02	03.00
Above 1001	01	01.00
Total	75	100.00

Source: Primary Data

The above table reveals that about 92 percent of the respondents paid a premium of below Rs. 500. Comparatively a low premium amount of plan favored by the respondents was mainly due to a lesser amount of earning capacity. The extent of the period of the policy has been analyzed with respect to number of policyholders.

Table-3
Period of the policy taken by the selected policy holders

Category (in Years)	Number of Respondents	Percentage
Below 10 years	57	76.00
11-15 years	12	16.00
16-20 years	06	08.00
Above 20 years	00	00.00
Total	75	100.00

Source: Primary Data

The above table clearly state that about 76 percent of them under investigation are taken a policy for the period of below 10 years followed by between 11 – 15 years (16 per cent) and a least (8 per cent) of them are taken

It may be inferred from the table that the predilection was highest plan of policy holders under investigation.

between 16 – 20 years. The Sum assured of selected respondents is presented in Table 4.

Table- 4
Sum Assured of Selected Policy Holders

Category (in Rs.)	Number of Respondents	Percentage
Below 50,000	18	24.00
50001- 2,00,000	43	57.00
2,00,001- 4,00,000	12	16.00
Above 4,00,001	02	03.00
Total	75	100.00

Source: Primary Data

Table 4 clearly indicates that the magnitude of the sum assured among the selected policy holders was highest between Rs. 50,001 to Rs. 2, 00,000 and about 24 percent of them stated below of Rs. 50,000. The possible reasons attributed for to the higher percentage of policy holders preference towards the sum assured of below Rs. 2, 00,000 was mainly due to higher premium and less earning capacity. The Reasons for choosing a particular plan of selected policyholders is presented in Table 5

Table 5
Reasons for Choosing a Particular Plan of the Selected Respondents

Category	Number of Respondents	Percentage
Life security	29	38.00
Savings and Investment	17	23.00
Children Education	18	24.00
A Future requirement	11	15.00
Total	75	100.00

Source: Primary Data

The above table shows that for life security was the most important reason for choosing a plan followed by children's education, savings and investment and for future requirement. Thus, it reflects that the large number of workers had recognized about the security of life. Since most of the plantation workers are from underprivileged sections of the society and illiterate. The problems faced by the selected policy holder are presented in Table 6.

Table 6
Problems faced by the selected policy holders

Category	Number of Respondents	Percentage
High premium	20	26.60
Long duration	44	58.60
Insufficient Income	06	08.00
Other	05	07.00
Total	75	100.00

Source: Primary Data

The above table indicates that the long duration of the policy was the most important problem faced by them, followed by higher premium, insufficient income and other problems like lack of communication, lack of awareness about the latest plan, long duration to reach the branch office etc.

Factors Responsible for Sum Assured of a Plan

The multiple regression models were used to identify factors responsible for the sum assured. The quantum of sum assured was taken as dependent variable and eight socio-economic variables were taken as independent variable. Before fitting the function, multi-co linearity between different independent variables was worked out. The result of

regression analysis clearly indicates that the variables such as Education (X_3), monthly expenditure (X_6), premium amount paid (X_7) and Amount of Loan Taken (X_9) were highly significant at one percent probability level. The multiple correlation coefficient (or) was estimated to be 0.935 and the coefficient of multiple determination (R^2) was worked out to be 0.875 which indicated 87.5 percent variation in sum assured has been explained by factors included in the model.

Table- 7
Results of Regression Analysis

Particulars	Regression Coefficient	Standard error	"t value"
Intercept	79661.965		
Age (X_1)	739.110	475.824	1.553
Gender (X_2)	18812.994	12402.074	1.517
Education (X_3)	38251.318	13013.647	2.939*
Occupation (X_4)	10966.729	13163.599	.833
Monthly Income (X_5)	-8.985	7.203	-1.248
Monthly Expenditure (X_6)	19.368	7.576	2.556*
Premium Amount (X_7)	58.645	13.127	4.467*
Amount of Loan taken (X_8)	24.897	3.386	7.354*
N	75		
R^2	0.875		

* Significant at 1 % Probability level

Source: primary data

Suggestions

- 1.Lack of continuity and Lapse of policy among the policy holder are common in a tea plantation. This should be avoided by encouraging them to continue.
- 2.Duration of the period of the policy might be reduced to increase the number of policy holders.
- 3.Frequent awareness programmes may be conducted on the part of LIC about the new plans.
- 4.Premium amount might be reduced. Because, in plantation sector most of the workers are under privileged and they are earning meager income.
- 5.LIC should focus on implementing more plans for Women for their development.
- 6.Usage of National Electronic Fund Transfer (NEFT) services should be motivated to use, by the way of frequent counseling and guidance.
- 7.The Separate mini office might be located in each Plantation to look after the needs of policyholders.

Conclusion

Life Insurance Corporation of India plays an important role in mobilizing funds between the people. In a present trend of violent situation, spreading life insurance extensively and in particular to the rural areas and to the communally and economically backward classes with a

view to attainment all insurable persons in the country becomes important. Mobilizing and creating, saving habits among the rural and disadvantaged section among the people is needed in a present context for reducing the regional disparity among the people. The study concluded that the Life Insurance Corporation of India offers a basket of schemes to meet the various needs. But the tea plantation workers have chosen only a particular plan. They are earning a meager quantity of income and also they are unaware about the various policies offered by the LIC due to lack of education and knowledge. The main problems faced by them are long duration and higher premium amount of the policy. The threat of private insurance companies is taking over the market has been overplayed in some of the areas. Likewise, the policy holders also attracted towards the various private insurance like ICICI prudential, Bajaj alliance, Birla sun life etc. Hence, it is imperative on the part of LIC to take care not only on the benefit of policy holders but also to capture a market in a competitive environment by way of giving adequate services to underprivileged society and the remotest areas like plantation sectors.

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