



Customer Satisfaction of Public Sector and Private sector Life Insurance Life Insurance Company with Reference to Nagpur City, India : A Comparative Analysis

Dr. Ashish Gupta

Assistant Professor, Department of Commerce, Prerna College of Commerce, Nagpur, MS, India.

To Cite this Article

Dr. Ashish Gupta. Customer Satisfaction of Public Sector and Private sector Life Insurance Life Insurance Company with Reference to Nagpur City, India : A Comparative Analysis. *International Journal for Modern Trends in Science and Technology* 2022, 8 pp. 237-239. <https://doi.org/10.46501/IJMTST0801041>

Article Info

Received: 09 December 2021; Accepted: 06 January 2022; Published: 12 January 2022.

ABSTRACT

Life insurance provides human being a nominee secure instrument through which person can secure their nominee if a person will die apart from that person can get good return if he or she will survive. This study is mainly for analyzing comparatively customer satisfaction of Public Sector Life Insurance Company and Private Sector Life Insurance Company. This paper discuss on customer satisfaction of Public sector life insurance companies and private sector life insurance companies. This study is limited to Nagpur city only. This paper will help insurance companies to enhance their service quality so that customer can subscribe life insurance policy from their company.

KEYWORDS: Satisfaction, Insurance, Insurer, Nominee.

1. INTRODUCTION

Every person wants to secure their family and life insurance is the tool through which a person can financially secure their family in the absence of him/her. There are different life insurance companies in India which offers various plans to safeguard the nominee if the insurer will die. Life Insurance Corporation (LIC) is only public sector Company in India and there are 24 private life insurance companies. Both public and private life insurance companies provide various plans to the customers. Every person wants to secure their family and also wants good return so customer satisfaction is an important factor which is essential to study for the growth of Life Insurance Company. Customer satisfied with the company when company provides good return of investment, proper claim

settlement, grievances solving ration etc. When the private sector life insurance companies came into existence, market share of the public sector companies declines. So it is essential for the companies to identify the factor which affect the customer's satisfaction and need to upgrade accordingly so that customer will attracted towards their company.

OBJECTIVES

1. This study is to find out satisfaction of the life insurance customer of Nagpur city.
2. To know the factor which affect the customer's satisfaction.
3. Comparative analysis of Public and Private Sector Life Insurance Company.

2. RELATED WORK

While earlier research on Life Insurance sector has been a general study on overall view of LIC of India. It is relevant to refer to the previous research studies in the related areas of the present study in order to avoid repetition and also to search out the different dimensions of the study. Among earlier studies, [1] highlighted that public sector life insurance company (LIC) was likely to face competition from the private sector life insurance companies in spite of having large conventional network and their skilled intermediaries throughout India[1]. [2] highlighted the challenges and opportunities before life insurance industry in India due to liberalization, globalization and privatization[2]. [3] advocated that bank assurance provided the best opportunities to tap the large potential in rural and semi urban areas. He suggested that the insurers should focus on Single Premium policies, Unit Linked Insurance, Pension Market and Health Insurance[3]. Kulshrestha and Kulshrestha[4] highlighted that demand for life insurance in rural India was expanding at the annual rate of 18 per cent as compared to 3.9 per cent in urban areas which provided good opportunity for life insurers to perform[4]. Kumar [2] highlighted that private insurance players introduced a large range of life insurance products and set brand promotion as a part of their new strategy. These new implemented strategies had flexibility and added benefits to suit the changing needs of the unsatisfied customers[5]. Vikas (2012) have made an effort to analyze a comparative study based on private and public life insurance companies[6].

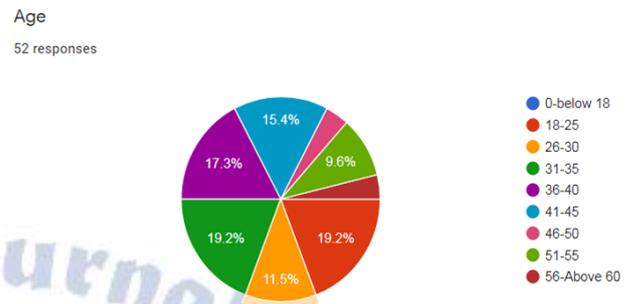
3. SCOPE OF THE STUDY

The study is only to find out satisfaction level of Nagpur city customer of public and private sector life insurance industry. In this research we have collected the data from the Nagpur, Maharashtra, India only.

4. DATA ANALYSIS

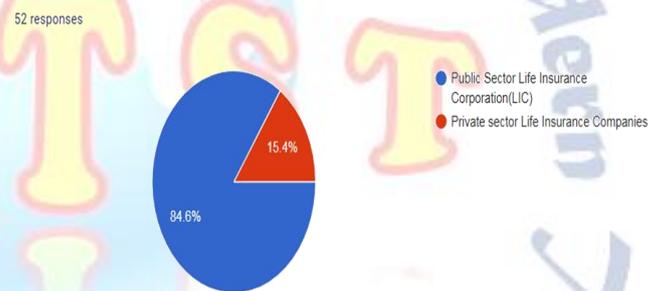
In this research primary data was gathered through survey method of 52 respondents, on the basis of data below data analysis has been carried out:

A. Different age group customer of Life Insurance Company participated in the survey



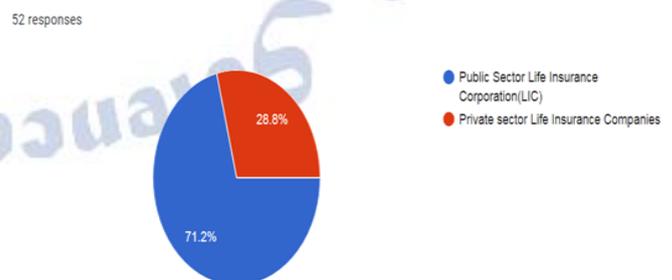
B. Which type of Life Insurance Company offered satisfactory policy plan?

Below chart showing that 84.6% customer of life insurance sector satisfied with Public Sector Life Insurance Company and only 15.4% customer satisfied with policy plan of Private Sector Company. It clearly shows that customers satisfied more with the plan of Public Sector Company.



C. Which type of company provides good returns on investment?

Below chart showing that 71.2% customer of life insurance sector thinks that Public Sector Life Insurance Company provides good returns on investment as compared to Private Sector Company. It clearly shows that customers satisfied more with the return on invest which is provided by the Public Sector Company.



D. What you like about Public sector Life Insurance Company (LIC)?

Below chart (a) showing that 61.5% customer of life insurance sector likes all the relevant features such as policy Plan, return on investment, claim settlement ratio, brand name of Public Sector Life Insurance Company whereas chart (b) shows that 19.2% customer of private sector life insurance company likes friendly service and responsiveness of private sector life insurance company.

52 responses



Chart (a)

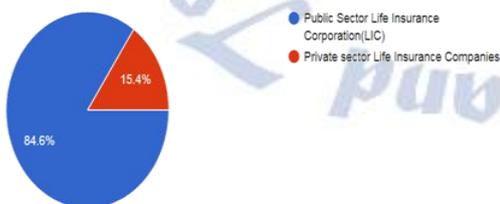


Chart (b)

E. Which type of company you will prefer to suggest your friend or relative?

Below chart shows that 84.6% customer prefers to suggest public sector life insurance Company to their friends or relative for subscribing any life insurance policy whereas only 15.5% will prefer private life insurance company.

52 responses

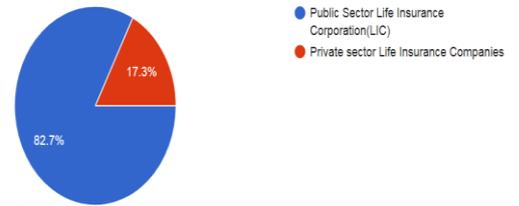


F. Rate by selecting the company which provides you satisfaction by investing in Life insurance scheme.

Below chart shows that 82.7% customer chooses public sector life insurance company in terms of

satisfaction by investing in life insurance scheme where as only 17.3% customer chooses private life insurance company.

52 responses



5. METHODOLOGY

In this research qualitative method used to gather data of life insurance customer of Nagpur city about satisfaction level after using or subscribing the life insurance policy. Primary data is collected of 52 respondents who are the customer of Life Insurance Company. Sampling is done by using convenience sampling method.

6. FUTURE SCOPE AND CONCLUSION

After the research it is found that customers of Nagpur city like all the facilities, services, plans provided by the public sector life insurance company (LIC) whereas customer likes friendly services provided by the private life insurance Company which is situated at Nagpur city. This research shows that customers are more satisfied with public sector life insurance Company of Nagpur city as compared to private sector life insurance Company of Nagpur city.

REFERENCES

- [1] R. S. Arora. Financial Reforms and Service Sector—A Study of Life Insurance Industry in India, In: B.B. Tandon and A.K. Vashisht (Eds.), Financial Sector Reforms—An Unpublished Agenda for Economic Development, Deep & Deep, New Delhi, 2002, pp. 259-270.
- [2] A. Taneja, N. Kumar. Insurance in India – Challenges and Opportunities, In: The Insurance Times, 24 (11), 2004, 34-37.
- [3] A. Bhattacharya. Life Insurance Today, In: Challenges before Life Insurance Industry, , 1 (8),2005, 3-6.
- [4] L. R. Kulshresth, A.Kulshresth. “Liberalization and Rural Insurance Prospects and Challenges”, Life Insurance Today, 1(10): 2006, 9-13.
- [5] J. Kumar. Insurance: Industry on Growth Path, In: Life Insurance Today, 1 (9), 2005, 6-10.
- [6] V. Gautam. “A Study on Attitudes Of Indian Consumers Towards Insurance Services Management Research And Practice” Vol. Issue 1, 2012 pp: 51-62.