A Study on Investors Perception on Life Insurance with Special Reference to Max Life Insurance Private Limited

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Abstract

Life is a risk, being a social creature and risk averse, man always tries to reduce risk. An age-old method process of sharing of risk during economic cooperation lead to the development of the concept of insurance. Insurance can be definite as a legal contract between two parties whereby one party called the insurer undertakes to pay a fixed amount of money on the occurrence of an exacting event, which may be certain or doubtful. The primary data were together from respondents through structured survey and was taken for analysing. Percentage study method be used to analysing and interpret the collected data's and algebraic tools such as interval estimation, chi-square test, and Karl Pearson method be used for analyse and interpret the data. The result and finale of this study are made based on the opinion given by the respondents.

Keywords: Life insurance, General insurance, Max life insurance

I. INTRODUCTION

Life is filled of risk, being a social creature and risk averse, man always tries to reduce risk. An age-old technique of sharing of risk during economic cooperation lead to the development of the concept of insurance. Insurance can be definite as a legal contract between two parties whereby one party call the insurer undertakes to pay a fixed amount of money on the happening of a particular event, which may be positive or doubtful. The primary data were taken from respondents through structured survey and was taken for analysing. Percentage study method be used to analysing and interpret the collected data's and algebraic tools such as interval estimation, chi-square test, and Karl Pearson method be used for analyse and interpret the data. The result and finale of this study are made based on the opinion given by the respondents.

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II. LITERATURE REVIEW

David.A,(2001)Bernheim estimates that approximately 25% of households own life insurance and base don his model, are there fore over annuitized. His centra lresult sindicate that eyareus- interming to off set Social Security by roughly twenty centson the dollar.

kumar. (2012) Insurance industry contribute to the financial sector of an economy and also provides an significant social security web in developing countries. The expansion of the insurance sector in India has been phenomenal. The cover industry has undergone a massive alter over the last few years and the metamorphosis has been noteworthy. There are several private and government insurance companies in India that have become synonymous with the term cover over the years. Offering a diversified product portfolio moreover excellent services the many insurance companies in India contain managed to make their way into almost every Indian household.

V.Prabakaran, An analysis of the growth of life insurance corporate of india-In context of post liberalization era,( 2012) the history of the Indian insurance sector dates back to 1818, when the Oriental Life Insurance Company was formed during Kolkata. A new period began in the India insurance sector, with the temporary of the Life Insurance Act of 1912. The Indian Insurance Companies Act was passed in 1928. This act empowered the government of India to meet necessary information about the life insurance and non-life insurance organizations in service in the Indian financial markets. This paper examination the performance of LIC of India in terms of numeral of polices issue, first year excellence collected and the profit before tax earned

P.B.Ashutkur.( 2014) Claim management is vital area of the life insurance business. Life insurance business in India is flourishing fast; however, the success of the life insurance companies will largely depend upon the claim management. After liberalization, several private sector companies into life insurance space, to command self- assurance of the potential customer it is necessary for the newly formed private sector company to compete with public sector giant Life Insurance Corporation on all front including claim management.

R.young,( 2013) we determine the optimal amount of life insurance for household of two wage earners. We consider the simple case of exponential utility, thereby removing wealth as a factor in buying life insurance, while training the relationship among life insurance, income, and the probability of dying and thus losing that in come. For insurance purchased via single premium or
premium payable continuously, we explicitly determine the optimal death benefit. We show that if the premium is determined to target a specific probability of loss per policy, then the rates of consumption are identical under single premium or continuously payable premium. There for is equivalence of consumption achieved for the households under the two premium schemes, it is also obtained for the insurance company in the sense of equivalence of loss probabilities.

A. **Meaning of Insurance**

Insurance may exist describe as a social device to reduce or eliminate risk of loss to life and property. Insurance is a communal bearing of risk. Cover spreads the risks and losses of few people among a large number of people as people prefer small fixed liability instead of big uncertain plus changing legal responsibility cover is a scheme of financial cooperation by which members of the community share the unavoidable risks.

B. **Types of Insurance Contract**

- Life insurance
- General insurance
1) **Life Insurance**

Life insurance is a contract intended for payment of money to the person assured (or to the person entitled to receive the same) on the occurrence of an event insured against. Usually the contract provides for – Payment of an amount may be on the date of maturity or at specified periodic interval or after death, if it occurs earlier. Periodical payment of cover premium can be done by the assured to the company who provides the insurance.

2) **General Insurance**

General (non-life) insurance provide India and the motor insurance industry. Moreover, motor insurance due to third party liability claims have substantially contributed in the direction of underwriting losses.

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III. **GENERAL INSURANCE PRODUCT**

A. **Fire Insurance**

Fire Insurance is a complete rule which covers loss on top of account of fire, earth quake, riots, floods, strikes, and hateful intent. It can be taken only by the owner of the premises to be insure

B. **Motor Insurance: This Covers**

In motor insurance, the rates were revised. Upwards twice, once in 1982 and then in1990 as the high cost of repairs coupled with third party claims had adversely affect the insured loss ratio.

C. **Marine Cargo Insurance: This covers:**

- Cargo in Transit.
- load Declaration policy.
1) **Tax Benefits**

It includes cover of Marine Hull Insurance Inland vessel Ocean going Vessels, fishing and scaling vessels, freight at risk, construction of ships, voyage indemnity of various breaking insurance, oil and energy inside respect of aground and offshore risks, including building

2) **Safety**

In life indemnity on death, the full sum assured is owed (with bonuses wherever applicable) whereas in additional saving scheme, merely the amount (saved with interest) is payable.

3) **Liquidity**

Loans be able to be raised on sole security of the policy which has acquired a paid-up value. Besides, a Life Insurance policy is too generally conventional as security for even a commercial advance housing loan.

4) **Aid of Thrift**

Life Insurance encourages „thrift” Long term economy can be made in a relatively painless manner because of „simple installment facility (best be able to be made through monthly, quarterly, half yearly or yearly installment). The Salary Saving Scheme, commonly known as provide a suitable method if paying premium each month through deduction from one’s salary. The Salary saving system can be introducing in an institution of establishment subject in the direction of specified terms in addition on the way to condition.

5) **Money at the Time of Requirements**

A suitable insurance plan or a mixture of different plans can be taken to meet specific needs that are likely to arise in future such as children’s education, start in-life or marriage provision or even periodical needs for cash ones a predetermined make bigger of time. Otherwise policy money can be as a consequence arranged to be used for other investments subject to certain conditions, loans are granted to policy holder for house or for purchase of flats.
IV. INDIAN INSURANCE SECTOR:

Following is a list of leading private non-life insurers in India and their gross premium statistics for June 2012, and June 2011:

<table>
<thead>
<tr>
<th>Company</th>
<th>Figure for June 2012 in INR crores</th>
<th>Figure for June 2011 in INR crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royal Sundaram</td>
<td>64.78</td>
<td>77.46</td>
</tr>
<tr>
<td>Tata AIG</td>
<td>47.14</td>
<td>36.50</td>
</tr>
<tr>
<td>Reliance General Insurance</td>
<td>80.45</td>
<td>79.03</td>
</tr>
<tr>
<td>IFFCO Tokio</td>
<td>36.55</td>
<td>58.23</td>
</tr>
<tr>
<td>ICICI Lombard</td>
<td>348.98</td>
<td>423.54</td>
</tr>
<tr>
<td>Bajaj Allianz</td>
<td>136.20</td>
<td>109.84</td>
</tr>
<tr>
<td>HDFC Ergo</td>
<td>143.86</td>
<td>123.40</td>
</tr>
<tr>
<td>Cholamandalam</td>
<td>87.21</td>
<td>51.71</td>
</tr>
<tr>
<td>Future Generali</td>
<td>32.29</td>
<td>37.30</td>
</tr>
<tr>
<td>Universal Sompo</td>
<td>17.57</td>
<td>12.22</td>
</tr>
<tr>
<td>Bharti AXA</td>
<td>66.30</td>
<td>39.33</td>
</tr>
<tr>
<td>SBI</td>
<td>1.99</td>
<td>1.45</td>
</tr>
<tr>
<td>L&amp;T</td>
<td>3.94</td>
<td>0.10</td>
</tr>
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<td>3.94</td>
<td>0.10</td>
</tr>
<tr>
<td>Star Health &amp; Allied Insurance</td>
<td>176.90</td>
<td>406.13</td>
</tr>
<tr>
<td>Apollo Munich</td>
<td>97.31</td>
<td>67.73</td>
</tr>
</tbody>
</table>

A. Objectives of The Study

1) Primary Objective
   - To study on investor’s perception on life insurance with special reference to max life insurance.

2) Secondary Objectives
   - To identify the client attitude towards max life insurance.
   - To identify the various factor for choose policy from max life insurance.
   - To provide appropriate recommendation for the company

V. CONCLUSION

Life insurance is essential to evade risk next to uncertain events. Valuable human life must protect. Insurance bestows helping hand to reduce risk. The survey finds varied perceptions of investors towards max Life Insurance Corporation of India. Majority of the respondents have self-motivated and influenced through newspapers while trade cover policies. Life insurance is perceived as coverage of risk, making returns as well as avenue of savings. The study reveals that majority of the investors are expecting 11 to 15 return on their investment. Pre-sale services of max life insurance of India be presumed good, though following sales services needs to be improved. As a whole, majority of the investors are either satisfied or highly satisfied with the products of max life insurance.

REFERENCES