

INVESTORS CAN INVEST IN LIFE INSURANCE PLANS

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Abstract

Insurance may be described as a social device to reduce or eliminate risk of loss to life and property. Insurance can be defined as a 'Legal contract between two parties where by one party called insurer undertakes to pay a fixed amount of money on the happening of a particular event, which may be certain or uncertain' The other party called insured pays in exchange a fixed sum known as premium. Insurance is desired to safeguard oneself and one's family against possible losses on account of risks and perils. It provides financial compensation for the losses suffered due to the happening of any unforeseen events. Life insurance is a monetary instrument that can assist people with achieving an assortment of monetary objectives. A life insurance policy is an understanding between an insurance organization what's more, a policy holder that offers monetary inclusion under which the insurance organization assurances to pay a specific add up to the selected recipient in the awful occasion of the protected people death during the term of life insurance plans. In return, the policy holders' consent to pay a predefined measure of cash as superior either consistently or as a solitary premium. In the study, primary data was gathered through questionnaire and the random sampling method was used to select the sample. The sample comprises of 50 respondents. For measuring various phenomena and analyzing the collected data effectively and efficiently and to draw sound conclusions, percentage analysis and Chi-square method is used.

Keywords: *Insurance, Investment, Income tax, Awareness, Education*

Introduction

Life insurance is a monetary instrument that can assist people with achieving an assortment of monetary objectives. The most widely recognized utilization of life insurance is to accommodate subordinate relatives in instance of sudden passing. Life insurance can likewise be utilized to support certain objectives, for example, a kid or grandkid's future education costs. To appropriately use this amazing asset to help an individual arrive at his/her monetary objectives, it is critical to comprehend the techniques for deciding how much insurance is suitable in a given circumstance, just as the different kinds of strategies and riders accessible. Extra security offers monetary help to enduring wards or different recipients after the demise of a safeguarded. Numerous insurance agencies offer policyholders the choice to redo their approaches to oblige their requirements. Life insurance depends on various rules that are custom-made to meet economic situations and guarantee insurance organizations make benefits, while offering security arrangements to safeguarded people.

Literature Review

Balusamy.S, Kavitha Rani (2016), conducted a study to know the level of awareness and satisfaction of policy holders only percentages were used to analyze the awareness and satisfaction level of policy holders. Income tax rebate and savings and investments are the main reasons for having life insurance policy. Most of the selected policy holders having maximum level of satisfaction on doubts clearing by insurance companies. Balaji (2015) concluded that majority of policy holders preferred endowment policies and money back policies. All the customers were aware of different types of insurance

policies and insurance agents were the main source for information about insurance products. Choudhuri (2014) found that the customers were more conscious with their requirements and needs towards insurance. The customers selected the various types of insurance products based on social, cultural and economic factors. The results also showed that the most of the customers preferred products and services of Life Insurance Corporation of India (LIC) because LIC had adopted different strategies to improve the awareness of customers towards insurance policies and met demands of customers effectively through various plan and benefits. Narender and Sampath (2014) found that most of the customers preferred life insurance policies for their investment and they purchased insurance policies for risk coverage, education of children and future savings. Majority of customers had positive attitude towards various types of plans of insurance and premium rates.

Objectives of the study

- To examine the degree of investors mindfulness about life insurance plans offered by the organizations.
- To think about the sorts of life insurance plans taken by the different investors.
- To assess the variables influencing the decision of life insurance plans.
- To comprehend the explanations for putting resources into life insurance plans

Statement of the problem

The inclination of the investors might be founded on their assumptions. The assumptions for various gatherings of investors may not be something very similar. Life insurance additionally gives various advantages, for example, advance office charge saving and speculation. The life insurance organizations endeavor to draw in more investors through diminished charge rates, forceful deal dissemination channels alongside market situating methodologies. Consequently, every individual can profit the advantages of life insurance administrations and gatekeeper their lives against vulnerabilities. The significance is the choice of arrangements and insurance companies. Whether the various gatherings of investors based on segment groupings were essentially vary or not in understanding the highlights of the strategies likewise needs reconsideration to recognize market fragments for every sort of life insurance strategy

Research Methodology

For the aim of study both primary and secondary data are used. Primary is collected with the assistance of structured questionnaire administered to the investors of life insurance schemes. The secondary data are collected from websites, journals, magazines, etc.

Sample Design

The population includes all the investors of life insurance policies. The sample size taken for the study was 50 investors. Sampling method: The sampling technique used for the sample selection was convenience sampling. For the analysis part percentage analysis and chi-square test are used. The tools used for data representation is tables and charts.

Limitations of the study

Difficulty in gathering accurate data from respondents due to their partial cooperation with the researcher. Due to the limitation of time sample size is limited to 50 and due to convenience, study is limited to one district.

Findings

- Life Insurance gives different benefits such as loan facility, tax saving and investment.
- Most of the respondents are students. 27% of the respondents are salaried employee, 15% of them are professional. It shown that 7% of the respondents have business and 4% of the respondents are freelancer and 9% of the respondents are homemaker.
- Majority of respondents are invest in life insurance plan because of personal interest and only less number of respondents invest in life insurance plan because of other motivation. Majority of respondents i.e. 51% invest in life insurance once in a year and only 18% invest more than 3 times a year. Most of the respondents kept nominee as parents while investing in life insurance plans and only 3% of respondents kept nominee as friends and 15% of respondents not kept anyone as nominee while investing in life insurance plans.
- It was found that, 76% of respondents have enough knowledge about life insurance plans and remaining 24% of respondents are unaware about various life insurance plans.

- From the analysis, it is found 71% of respondents are well aware of the various risks and benefits associated with different life insurance plans and only 29% of the respondents are not aware about it.
- The analysis shows that life insurance policies are defenseless to extremely okay when contrasted with different alternatives for investment.
- From the analysis, it is found that there are various reasons for investing in life insurance policies.
- Majority of the respondents opined that life insurance policies are more efficient than other forms of investment and they would like to invest in both long- and short-term plans of life insurance policy.
- From the study it is found that majority of respondents are overall satisfied with their investment in life insurance plans and they suggest life insurance plans as a good form of investment to their friends, colleagues, and family.

Suggestions

- The life insurance policy organizations should plan their sites with satisfactory security includes and give exact, right and adequate data about approaches and administrations.
- The mindfulness among policy holders about advantages of insurance items that will assist them with retaining more clients and improve their business volume and execution.
- Conducting awareness programs and educating investors about changes that been taking place in the company and about their policy is also important element. There by they get more knowledge about life insurance schemes and policies.
- Life insurance policy companies has to provide more long-term benefits and services and also charge convenient charges for policy holders. There by the level of satisfaction of policy holders towards insurance policies will be increased.
- The life insurance policy companies must use the most effective methods for satisfying the various need of investors towards life insurance policies.

Conclusion

This study was about the view of financial backers towards putting resources into extra security plans. Each individual will have their own arrangement of objectives and needs and by precisely figuring these requirements and choosing which policy best suits them, one can help ensure those necessities are met. This investigation has helped me a ton to acquire great information about different life coverage plans and likewise understand the impression of financial backers in regards to making interest in life coverage plans. Financial backers consistently affected by numerous components while they take buy choice. Understanding those variables affecting and the explanations behind buying insurance policy helps in planning and rolling out required improvements in the buyer administration policy. There are numerous variables that influence financial backers buy choice and explanations behind buying life coverage plans and It is additionally essential to consider financial backers discernments towards their insurance administrations. At last, I infer that quite possibly the most significant advantages of life coverage are that it assists with getting family's monetary requirements and additionally the future monetary necessities.

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