

A Comprehensive Study on Life Insurance at ICICI Prudential Life Insurance: Insights into Customer Perceptions and Industry Dynamics

Amtul Wahab¹, Iffath Unnisa Begum², Peddapaka Divya³, Peddolla Sneha⁴, Pinky⁵, P Kavitha⁶

^{1,2}Assistant Professor, IPGDCW (A), Nampally, Hyderabad, Telangana, India.

^{3,4,5,6}Student, IPGDCW (A), Nampally, Hyderabad, Telangana, India.

Abstract

This research endeavors to conduct an in-depth examination of life insurance offerings at ICICI Prudential Life Insurance, a prominent player in the insurance industry. With life insurance being a critical component of financial planning, this study aims to explore customer perceptions, satisfaction levels, and industry dynamics to provide a comprehensive understanding of ICICI Prudential's position in the market. Utilizing a mixed-methods approach, this research combines qualitative insights gathered through customer interviews and focus group discussions with quantitative surveys to analyze and compare various aspects of life insurance offerings at ICICI Prudential. The qualitative aspect seeks to uncover nuanced perspectives on customer experiences, while quantitative analysis aims to identify trends, correlations, and statistical significance. The study will explore the range of life insurance products offered by ICICI Prudential, including term insurance, endowment plans, and unit-linked insurance plans (ULIPs). It will assess customer satisfaction levels regarding policy features, premium affordability, claim settlement processes, and overall service quality. Furthermore, the research will investigate industry dynamics, including market trends, regulatory influences, and competitive positioning, to provide a holistic view of ICICI Prudential Life Insurance within the broader insurance landscape. The findings from this research are expected to offer valuable insights for insurance professionals, policymakers, and customers alike. By understanding customer perceptions and industry dynamics, ICICI Prudential can refine its strategies, enhance customer satisfaction, and contribute to the ongoing development of the life insurance sector. This study serves as a foundation for informed decision-making and future research within the realm of life insurance at ICICI Prudential Life Insurance.

Keywords: Life Insurance, ICICI Prudential Life Insurance, Customer Perceptions, Insurance Industry, Financial Planning, Policyholder Satisfaction, Insurance Products, Premiums, Risk Coverage, Claim Settlement, Market Dynamics.

1. Introduction

Life insurance is becoming more and more popular with many people now realizing the importance and the benefits of a good life insurance policy. There are two main types of popular life insurance, both of which offer a range of invaluable benefits to consumers. Level term life insurance is the most popular type of life insurance policy with consumers, and this may be because it is also the cheapest form of insurance. With level term insurance, you and your family can enjoy peace of mind at an affordable price. If you die during the term of this insurance policy, your family will

receive a lump sum payment, which can help to cover a number of costs as well as provide some degree of financial security at what will inevitably be a difficult time. The money could assist with costs such as Mortgage repayments, Funeral costs, and Education costs for the children, and Day-to-day living.

1.1 Value Addition to Organization

- The organization can estimate the satisfactory levels of existing customers in life insurance.

- The Organization can know about the potential investors, who are interested and going to invest in life insurance in the near future.
- They can know about Asset Management Companies; which people prefer to invest.

2. Need of the Study

To analyze the concept of insurance better and for making customer awareness analysis towards insurance. First a sample survey should be done on these things to know the awareness level of customers in this regard and by this the satisfactory levels of the existing investors who have already invested in life insurance. There is more competition in this industry so there is a need to retain the customer with the organization. So to sustain in the market the company has to follow various strategies by attracting new investors and to retain the existing investors.

3. Objectives of Study

The main aim of the present study is to accomplish the following objectives:

- To know the awareness about the life insurance policies among the respondents.
- To know the present satisfactory levels of existing policyholders.
- To know the reasons for preferring life insurance.
- To create awareness among the customers about different products of ICICI Prudential Life Insurance.

4. Scope of the Study

The scope of the study lies in finding out the awareness and perception of customers in Hyderabad Division, the study will be able to reveal the awareness, preferences, needs, satisfaction of the customers regarding the insurance services. It also helps the company to know whether the existing products or services are offering really satisfying the customers' needs. Through responses taken by 100 respondents highlighting the key areas which require some concern on part of insurance of India and improving upon which the company may strengthen its customer base. The present study, analysis, findings, suggestions and conclusion proposed by the present researcher will be of immense use for future researcher with similar studies in insurance market. High quality products with quality support services both in terms of international standards and competitiveness have entered into our country. Customer satisfaction has emerged as the key differentiator and defining attribute. The study is very much significant because it brings out the differences in various parameters like awareness level, service quality, satisfaction level of policy holders investment products of ICICI Prudential Life Insurance and these are the main attributes to build up the customer awareness, perception and loyalty towards a company. The study is significant because it will help ICICI Prudential Life Insurance to create a positive impact on its customers by working on its lacking qualities.

4.1 Benefits of ICICI Prudential Life Insurance

ICICI Prudential Life Insurance Company Limited (ICICI Prudential Life) began operating in the year 2001, since then, it has been working on the philosophy of customer-centricity. The insurance company offers a wide range of beneficial life insurance products that customers can buy at affordable premiums. Not only the life insurance products offered by the company are cost-effective institution that caters to the long-term saving requirements of the customers and hence, today is counted in the list of top life insurance providers of India.

4.2 ICICI Prudential Life Insurance Benefits

Following are the important benefits of ICICI Pru Life Insurance which are provided by the company to its policyholders:

1. Wide Range of Products: ICICI Prudential Life Insurance has a wide range of options to choose from. You can always choose according to your budget and desired terms. Every plan has its own benefits and with so many options to choose from you can go for something that is budget-friendly and completes your needs.

2. Affordable Plans: Everyone wants a good insurance plan that fits into their budget. ICICI Prudential Life Insurance provides comprehensive life cover on the payment of an affordable premium. Some plans of ICICI Prudential Life Insurance include both Death Benefits and

Maturity/Survival Benefits and some of the plans serve the dual purpose of life cover and investment, enabling you to plan multiple financial objectives well in advance.

3. High Claim Settlement Ratio: The claim Settlement Ratio is the number of claims an insurance company settles against the total number of claims received by it in a financial year. The Claim Settlement ratio or CSR helps to understand the credibility of an insurance company. For the financial year 2019-2020, the Claim Settlement Ratio of ICICI Prudential Life Insurance Company is 97.84%. but also cover the insured for superior quality services and a hassle-free claim settlement experience. Since its operation, the company has been working efficiently to build an enduring. This shows that the company is reliable when it comes to settling the claims of the insured.

4. Excellent Customer Service: ICICI Prudential Life Insurance Company is one of the top providers of affordable policies and plans in the life insurance sector. The company values its customers and provides excellent customer service. Their customer care service is accessible 24x7. This helps the policyholder to stay connected with the service providers.

5. Award-Winning Services: Over the period of years, ICICI Prudential has won several awards, which is proof of the company's dedication towards its customers. For instance, the company bagged the "Claims and Customer Service Excellence Award" in the Life Insurance Category by FICCI, "Best Alternative or Digital Payments Program of the Year" by the Customer Fest Leadership Awards 2020, and the "Customer Service Company of the year" by Indian Insurance Summit and Awards 2020.

6. Multiple Payout Options: Some plans offered by ICICI Prudential Life Insurance like ICICI Pru iProtect Smart come with 4 flexible payout options that the policyholder can choose as per their requirement. These are explained below:

- **Lump-sum:** The nominee of icici prudential life insurance gets the pre-decided amount as life cover, in the misfortune event of the policyholder's death.
- **Income:** With this option, a claim payout is made in equal monthly installments which helps the family of the insured member to meet their financial requirements.
- **Increasing income:** On choosing this option, the nominee of the insured gets a monthly installment for 10 years. The income increases by 10% every year and it provides an additional 45% of life cover.
- **Lump-sum plus income:** With this option, the insured can choose to receive half of the icici pru policy payment in a lump sum and the rest in equal monthly installments.

5. Limitations of the Study

- The time is not sufficient to meet all the investors.
- Respondent's suggestions may or may not be correct.
- Researchers don't have experience.
- Factors considered in the questionnaire may or may not be Sufficient.
- Sample size is too low to get the proper information.
- As many customers are not willing to give their opinions, we are unable to get proper information.
- Opinions of investors may vary by time.

6. Review of Literature

Jaya Basu and Chandra Sekhar (2000) discuss the problem faced by the insurance players towards majority of population being ignorant of the policies. Only 15 per cent of the total population is insured and the penetration level of insurance policies in India is only 0.5% as against 2.86% in Israel and 2.43% in Hong Kong. If this status is to be increase in India, there is a need to create customer awareness in rural areas, innovate low-prices units with a low premium and right distribution techniques with planning for rigorous training to agents, direct marketing, bank assurance etc., which can definitely prove to be a boon to new the companies entering this sector [1].

Vijay Srinivas (2000) in his article entitled, "How Returns Linked Insurance Products can be popularized?" emphasized that the insurers should link insurance products with other benefits. Low incomes, social structure, lack of understanding among the public, lack of availability of new schemes

are the main reasons for low productivity for insurance in India [2].

Kotler, P. (2000) in his book, mentioned that a company practicing market segmentation realizes that buyers differ in their needs and wants, purchasing behavior, demographic characteristics, product service usage patterns, geographic locations, buying habits and other characteristics.

Theoretical Framework - An Impact Study of Promotional Events Organized On the Launch of Child Gain Policy of Icici Prudential Life Insurance Life Insurance

7. Promotional Mix

Marketing managers use different components of the promotional mix as tools for achieving company objectives—advertising, personal selling, public relations, and sales promotion. Each of these elements can be further divided into additional subcomponents or strategies [3].

- **Advertising:** Advertising is often thought of as the paid, no personal communication used in the promotion of a cause, idea, product, or service by an identified sponsor.
- **Personal Selling:** Personal selling is considered one of the most effective promotional techniques because it facilitates interaction between consumer and seller. With personal selling, a salesperson can listen to and determine a consumer's needs by asking questions and receiving feedback from the consumer. Furthermore, personal selling activities can generate long-lasting friendships between consumers and sellers that typically generate many repeat purchases [4].
- **Public Relations:** Public relations has been described as building goodwill with a company's various publics, including consumers, employees, government officials, stockholders, and suppliers. The overall goal of any public relations effort is to project a positive company image when dealing with such issues as community and government relations, employment practices, and environmental issues.
- **Consumers:** Public relations efforts are extremely important for maintaining a company's consumer base. Consumers must believe that they are buying from a caring, honest, and trustworthy company.
- **Employees:** The most valuable asset a company has is its employees. Therefore, it is essential that employees believe in their company. Public relations communications are extremely important in ensuring that employees receive information about the company before outside media receive and report the information [5].
- **Government officials:** Maintaining a positive public image is also important because government agencies and offices (e.g., Federal Trade Commission, Federal Communication Commission) monitor the media and have regulatory oversight over company activities.
- **Stockholder:** Another key interest group for any company that offers publicly traded securities are the stockholders. If company stockholders generally receive positive news about a company, they are more likely to maintain investment, which helps keep the stock price up.
- **Suppliers:** Positive public relations are essential for a company's relation with its suppliers. Suppliers are most concerned about being paid for the product they are selling to a company [6].
- **Sales Promotion:** Sales promotions are marketing practices designed to facilitate the purchase of a product that do not include advertising, personal selling, or public relations.

What does ICICI Prudential Life Insurance 'Child Gain' Plan offer you? ICICI Prudential Life Insurance Child Gain offers a wide array of solutions that allows you to plan for your child's future by providing you with as many as 4 distinct and unique options.

Option 1: Child Gain 21

Option 2: Child Gain 24

Option 3: Child Gain 21 Plus

Option 4: Child Gain 24 Plus

Common features in the 4 Options of ICICI Prudential Life Insurance 'Child Gain' Plan

- Limited Premium Payment Term which means that the premiums are payable till your child attains age 18 years.

• Your contributions grow by the way of compounded annual bonuses, which will be paid to you with the first guaranteed payout (policy anniversary following Age 18 of your child), for in-force policies. In addition to the annual bonuses, a Terminal bonus may also be paid. You are eligible for Tax Benefits under Section 80C and Section 10(10) D of the Income Tax Act. Assuring Your Child's Future: In an uncertain world, the prime interest of your child cannot be jeopardized in any way. Which is why we have built in some added benefits in all our plans to protect the interests of your child's future, by counter insuring you - the policyholder [7].

Death Payout

In the event of unfortunate death of the child during the policy term, the payouts shall be as under Age Payout,

- Below 7 years Premiums paid will be refunded without interest and
- The policy will terminate.
- Above 7 and Sum assured with accrued bonuses will be paid and
- Below 18 years the policy will terminate.
- Above 18 and Outstanding payouts will be paid as one lump sum
- Below 24 years and the policy will terminate.
- Important details of ICICI Prudential Life Insurance 'Child Gain' Plan
- Eligibility Conditions Child Gain 21 and Child Gain and
- Child Gain 21 Plus Child Gain Plus
- Maximum age of the policyholder 20
- Minimum age of policyholder 50
- Minimum age of child 0
- Maximum age of child 13
- Minimum Premium Payment Term 5
- Maximum Premium Payment Term 18
- Maximum Policy term 21 less age at 24 less age at
- Entry of LA (Child) entry of LA (Child)
- Maximum age of child at maturity 21 24
- Minimum Sum Assured Rs. 100000
- Maximum Sum Assured Rs. 5000000
- Minimum Premium Minimum Premium Rs. 5000 for yearly mode,
- Rs. 2,500 for half-year mode, Rs. 2000 for quarterly mode and Rs. 700 for monthly mode (Monthly mode available under salary deduction scheme only and minimum proposal Deposit should be Rs.2100 i.e. three months payment in advance).

Age = Age on last birthday.

The Policy Term + Age of policyholder should not exceed 70 for all plans.

Section 45 of the Insurance Act, 1938.

"No Policy of life insurance affected after the coming into force of this Act shall, After the expiry of two years from the date on which it was effected, be called in Question by an insurer on the ground that a statement made in the proposal for Insurance or in any report of a medical officer, or referee, or friend of the insured, Or in any other document leading to the issue of the policy, was inaccurate or false, Unless the insurer shows that such statement was on a material matter or suppressed Facts which it was material to disclose and that it was fraudulently made by the Policy-holder and that the policy holder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose" [8, 9].

8. Findings of the Study

- From the study it is known that 41% are from 45-55 age group and 6% from 55-65 age group.
- From the study it is found that 64% of respondents are Male and 36% of respondents are Female.
- The study shows 35% of respondents are Private employee and 18% are business employee.

- It was found from the study that 58% of respondents have permanent job where as 42% of respondents have temporary job.

9. Suggestions

- As 41% of the people are from the age group of 45-55 year, the company should focus on attracting more customers from this age group.
- As only 36% of females are policyholders the company should focus on making them aware of the policies.
- Since only 18% are business employees the company should make business employees aware of the insurance policies.

Conclusions

From the project analysis and interpretation, the conclusions are: The satisfaction level of customers with various attributes of life insurance is low. There is ample scope of innovation and creativity to explore the vast untapped market of life insurance and also to satisfy customers. Most untapped insurance market in India contains mostly middle class and lower class people. The customers give preference more to premium of policy and benefits of the policy. Brand name and flexible payment options are given less importance. Even though the premium price is not within the customer budget, if the benefits offered by policy are good customers is ready to take the policy. The customers want the premium price to be within the budget, with good benefits. The private insurance companies are unable to tap the untapped insurance market certain strategies should be formulated to grab the market.

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