DETERMINANTS OF POLICYHOLDER SATISFACTION IN THE INDIAN LIFE INSURANCE SECTOR: A STUDY ON LIFE INSURANCE CORPORATION (LIC)

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Abstract
This study, which explores into the determinants of policyholder satisfaction in the Indian life insurance sector, particularly focusing on LIC, is of significant importance. It uncovers the factors that influence policyholder choices and their satisfaction with LIC's services. The research, which employs a mixed-methods approach, combining primary data from a survey of 470 policyholders with secondary data from various sources, uses statistical tools like ANOVA, factor analysis, and regression analysis to analyze the data. The findings, which reveal that age, educational qualification, marital status, occupation, family income, and awareness levels significantly impact policyholder satisfaction, are crucial for understanding the dynamics of the insurance sector. The study also offers recommendations for LIC to enhance customer satisfaction and loyalty, providing valuable insights for the industry.

1.1 Introduction
Insurance has emerged as a significant pillar of our national economy. The industry commands vast sums of money, with annual premiums running into millions of rupees. These funds are strategically invested across a diverse portfolio to ensure adequate returns that can fulfill the coverage contracts' obligations. Regarding financial clout, the insurance sector is second only to the commercial banking industry as a source of investment capital. This underscores the pivotal role insurance plays in both personal and business finance. It serves as a protective shield for the hard-earned money that individuals and companies strive to accumulate. Every rupee counts, and making the most prudent choice for each one is crucial. There may come a time when an individual is presented with the option to switch their life insurance product for another. This reflects the dynamic nature of the insurance industry, which continually evolves with the introduction of innovative products. When considering such a switch, it's important to remember that what might initially seem like a better deal could be deceptive. Therefore, a comprehensive evaluation of the new product against the current policy is essential to ensure the switch is beneficial. Expanding on this, the insurance industry's role extends beyond providing financial security. It also contributes to economic stability by absorbing risks, enabling businesses to continue operations despite unforeseen adversities. Furthermore, the industry promotes economic growth by mobilizing national savings and directing them towards productive investments. In conclusion, the insurance industry plays a multifaceted role in our economy. It not only provides a safety net for individuals and businesses but also significantly contributes to the nation's investment pool and economic growth. As the industry evolves, policyholders must stay informed and make educated decisions about their insurance choices. This ensures they can maximize the benefits of their policies while contributing to the broader economic landscape.

1.2 Review of Literature
Rohit et al. (2021) highlighted the extensive network of offices that the Life Insurance Corporation (LIC) maintains. They noted that LIC's agents are well-equipped to provide accurate information about the various products. Furthermore, these agents are trained to guide customers in selecting the plan that best suits their needs. Expanding on this, LIC's vast network of offices ensures they have a broad reach, making their services accessible to a large customer base. This extensive presence is complemented by a diverse range of insurance products designed to cater to different customer needs, from life and health insurance to retirement and investment plans. The role of LIC's agents is crucial in this context. They serve as the bridge between the corporation and its customers, providing valuable

insights into the various insurance products. By understanding the customer's financial situation, goals, and risk tolerance, these agents can recommend the most suitable plan for each individual. Moreover, the agents' expertise extends beyond just providing information. They also offer personalized advice, helping customers navigate the often complex world of insurance and make informed decisions. This customized service enhances customer satisfaction and trust, further strengthening LIC's position in the insurance market. In conclusion, LIC's success can be attributed to its extensive network, diverse product range, and the personalized service its knowledgeable agents provide. As the insurance industry evolves, these factors will remain key to LIC's ability to meet customer needs and maintain its market leadership.

.**Sujitjra (2019)** found a significant correlation between gender and the level of awareness about insurance products. This suggests that gender may affect how well individuals understand and engage with insurance offerings. Furthermore, the study revealed high customer satisfaction regarding the premium amounts of their insurance policies. This indicates that most respondents felt the premiums were reasonably priced and offered good value for the coverage provided. Interestingly, the study also found that customers were satisfied with the motivation provided by insurance agents. This suggests that the agents' efforts to encourage and guide customers in their insurance decisions were well-received and appreciated. Expanding on these findings, it's worth noting that the awareness and understanding of insurance products can significantly impact a customer's satisfaction and engagement. Therefore, the role of insurance agents in educating customers and providing motivation cannot be overstated. Moreover, the satisfaction with premium amounts underscores the importance of pricing strategies in the insurance industry. Insurance companies must balance offering comprehensive coverage and maintaining affordable premiums.

.**Kathirvel et al. (2013)** posited that the Insurance Regulatory and Development Authority (IRDA) should take on a more proactive role in the insurance sector by establishing specific standards. They argued that it should be incumbent upon every insurer to demonstrate increased responsibility and responsiveness towards policyholders. The researchers suggested that the IRDA, as the regulatory body, should enforce stricter guidelines and standards for insurance companies. This would ensure that the insurers are not only accountable but also responsive to the needs and concerns of policyholders. Moreover, the study emphasized the importance of insurers being more responsible. This entails meeting the minimum regulatory requirements and going above and beyond to protect the interests of policyholders. This could include offering more transparent policies, providing timely and accurate information, and delivering exceptional customer service. The researchers also highlighted the need for insurers to be more responsive. This means promptly addressing policyholder queries and concerns, adapting to changing market conditions and customer needs, and continually improving their products and services based on customer feedback.

Patil et al. (2022) underscored a crucial lesson from the pandemic: investing in the right insurance products. They highlighted how the global health crisis has underscored the need for adequate insurance coverage to navigate such unforeseen circumstances in the future. The researchers pointed out that the pandemic has served as a wake-up call for individuals and businesses alike. It has brought to the fore the potential financial risks associated with unexpected events and the critical role of insurance in mitigating these risks. The study suggests investing in insurance products is not just about securing financial protection. It's also about ensuring peace of mind in an increasingly unpredictable world. From health and life insurance to business interruption and pandemic coverage, the right insurance products can provide a safety net when needed. Moreover, the researchers emphasized the need for consumers to be proactive in understanding and selecting their insurance coverage. This involves assessing one's risk profile, understanding the terms and conditions of different insurance products, and making informed decisions based on one's unique needs and circumstances.

Anandalakshmy et al. (2020) identified two key factors that significantly influence policyholder satisfaction with their insurers: the availability of information about new policies and the geographical location of the insurance company. Expanding on this, the researchers found that policyholders value transparency and up-to-date information about new insurance products. This suggests that insurers who regularly communicate updates about their policies and provide comprehensive information about

their offerings are more likely to satisfy their policyholders. The study also highlighted the importance of the insurance company's location. This could be interpreted in several ways. For instance, policyholders might prefer companies with a solid local presence, which can facilitate more accessible communication and quicker resolution of claims. Alternatively, the company's location could be a proxy for its reputation or perceived reliability. Furthermore, these findings underscore the need for insurers to adopt customer-centric practices. By ensuring that policyholders are well-informed about new policies and maintaining a visible and accessible presence, insurers can enhance policyholder satisfaction.

1.3 Objectives
1.   To identify the determinants that significantly impact the satisfaction levels of policyholders.
2.   To investigate the key factors that influence the choice of life insurance policies and to assess the degree of satisfaction among policyholders regarding the services provided by life insurance companies.

1.4 Source and Methodology
This study employed both primary and secondary data collection methods. The primary data was gathered using a structured questionnaire, which allowed for direct and specific insights from the respondents. On the other hand, secondary data was sourced from various materials, including books, academic journals, dissertations, reports, and reputable websites. This approach ensured a comprehensive and multi-faceted understanding of the subject matter. The combination of these data sources provided a robust foundation for the research, enhancing the validity and depth of the findings.

1.5 Analysis and Interpretation
The research utilized a structured questionnaire distributed to 470 policyholders to gather pertinent data. The information obtained was systematically compiled and examined using statistical instruments, including ANOVA, factor analysis, multivariate analysis, the Friedman test, multiple stepwise regression analysis, and SEM.

1.6 Findings
Goodman and Kruskal's Gamma test
Table 1
Association Between Satisfaction on LIC Policies about Awareness of Payment Options, Reasons for Purchasing, Acceptance, and Problems (Goodman and Kruskal's Gamma Test)

S.No.		Overall Level of Satisfaction with LIC Policies			Gama Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.	Statistical Inference
1	**Awareness of payment**	**Low**	**Moderate**	**High**					
	Low	66	45	73	.300	.063	4.639	.000	P<0.01 Highly Sig.
	Moderate	16	21	51					
	High	35	42	121					
	Total	117	108	245					
2	**Reasons for Purchasing LIC Policies**								
	Low	62	28	39	.435	.058	6.893	.000	P<0.01 Highly Sig.
	Moderate	20	56	77					
	High	35	24	129					
	Total	117	108	245					
3	**Acceptance of LIC Policies**								
	Low	72	32	16	.702	.038	13.921	.000	P<0.01 Highly Sig.
	Moderate	24	42	55					
	High	21	34	174					
	Total	117	108	245					
4	**Problems in LIC policies**								
	Low	60	25	32	.595	.048	10.609	.000	P<0.01 Highly Sig.
	Moderate	32	64	54					
	High	25	19	159					
	Total	117	108	245					

- **Awareness of Payment Options:** There's a significant positive association (Gamma = 0.300, $p < 0.01$) between awareness of payment options and overall satisfaction. This suggests that those more aware of payment options are more satisfied with their LIC policies.
- **Reasons for Purchasing:** A significant positive association (Gamma = 0.435, $p < 0.01$) exists between the reasons for purchasing LIC policies and overall satisfaction. Individuals who purchased LIC policies for reasons they perceive as more important tend to report higher satisfaction.
- **Acceptance of LIC Policies:** The strongest positive association (Gamma = 0.702, $p < 0.01$) is found between the acceptance of LIC policies and overall satisfaction. This indicates that the more readily someone accepts or agrees with the terms of their LIC policy, the more likely they are to be satisfied.

- **Problems in LIC Policies:** A significant positive association (Gamma = 0.595, p < 0.01) between problems experienced with LIC policies and overall satisfaction. Surprisingly, this suggests that those who perceive fewer problems with their policies tend to be more satisfied.

The results suggest that awareness of payment options, reasons for purchasing, acceptance of the policy terms, and the number of problems experienced are all significantly associated with overall satisfaction with LIC policies.

Univariate Analysis

Table 2

Age and Educational Qualification and Perception Towards Satisfaction on LIC Policies   (Two-Way ANOVA)

Tests of Between-Subjects Effects					
Dependent Variable: **overall level of satisfaction with LIC policies**					
Source	**Type III Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Corrected Model	722.777[a]	11	65.707	5.747	.000
Intercept	68518.681	1	68518.681	5993.200	.000
Age	160.532	2	80.266	7.021	.001
Educational Qualification	201.972	3	67.324	5.889	.001
Age * Educational Qualification	180.450	6	30.075	2.631	.016
Error	5236.194	458	11.433		
Total	255602.000	470			
Corrected Total	5958.970	469			
a. R Squared = .121 (Adjusted R Squared = .100)					

The two-way ANOVA results in Table 2 indicate that both age (F(2, 458) = 7.021, p < .001) and educational qualification (F(3, 458) = 5.889, p < .001) have significant main effects on overall satisfaction with LIC policies. Additionally, there is an important interaction between age and educational qualification (F(6, 458) = 2.631, p = .016), suggesting that the effect of age on satisfaction differs depending on one's educational level. The model explains 12.1% of the variance in overall satisfaction (R² = .121).
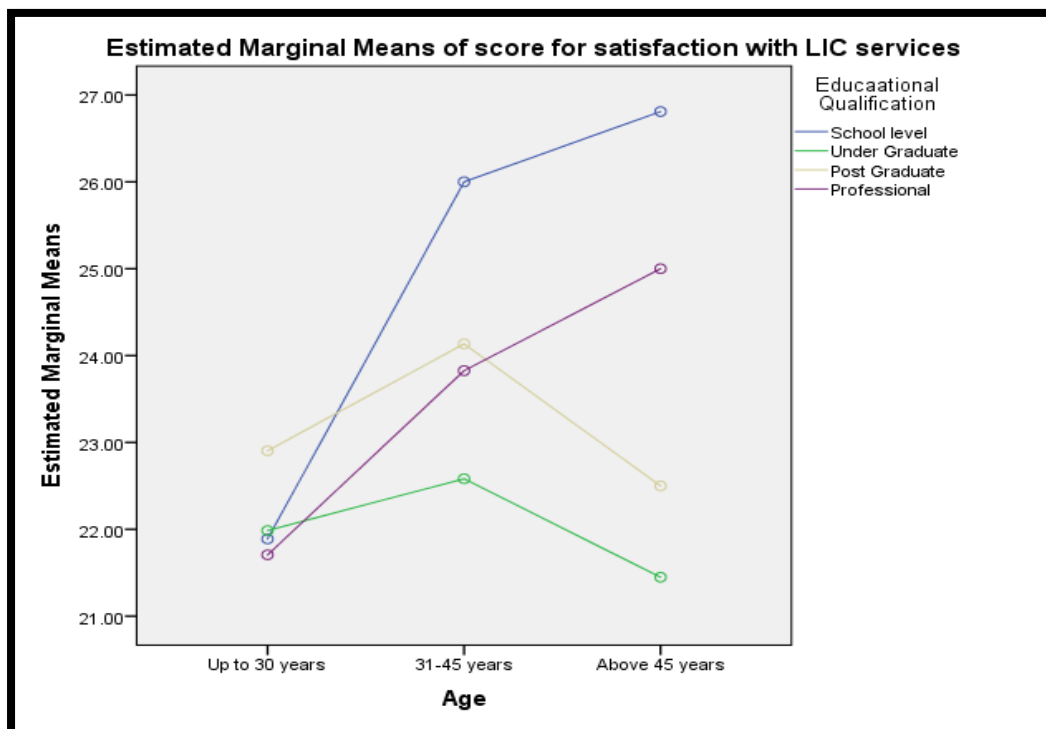
Profile Plots

Table 2
Occupation and Monthly Income and Satisfaction on LIC Policies (Two-Way ANOVA)

Tests of Between-Subjects Effects

Dependent Variable: **overall level of satisfaction with LIC policies**

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1062.321ᵃ	17	62.489	5.768	.000
Intercept	116760.284	1	116760.284	10777.910	.000
Occupation	158.251	5	31.650	2.922	.013
Monthly Income	93.812	2	46.906	4.330	.014
Occupation* Monthly Income	594.449	10	59.445	5.487	.000
Error	4896.650	452	10.833		
Total	255602.000	470			
Corrected Total	5958.970	469			

a. R Squared = .178 (Adjusted R Squared = .147)

The table presents a two-way ANOVA analysis examining the effects of occupation and monthly income on overall satisfaction with LIC policies. The model as a whole is statistically significant (f=5.768, p<.001), explaining 17.8% of the variance in satisfaction (r squared = .178, adjusted r squared = .147). both occupation (f=2.922, p=.013) and monthly income (f=4.330, p=.014) have significant main effects on satisfaction. additionally, there is a significant interaction effect between occupation and monthly income (f=5.487, p<.001), suggesting that the impact of monthly income on satisfaction varies across different occupations. The large f-value for the intercept indicates that the model fits significantly better than an empty model. The results highlight the importance of considering occupation and monthly income when assessing policyholder satisfaction with LIC policies
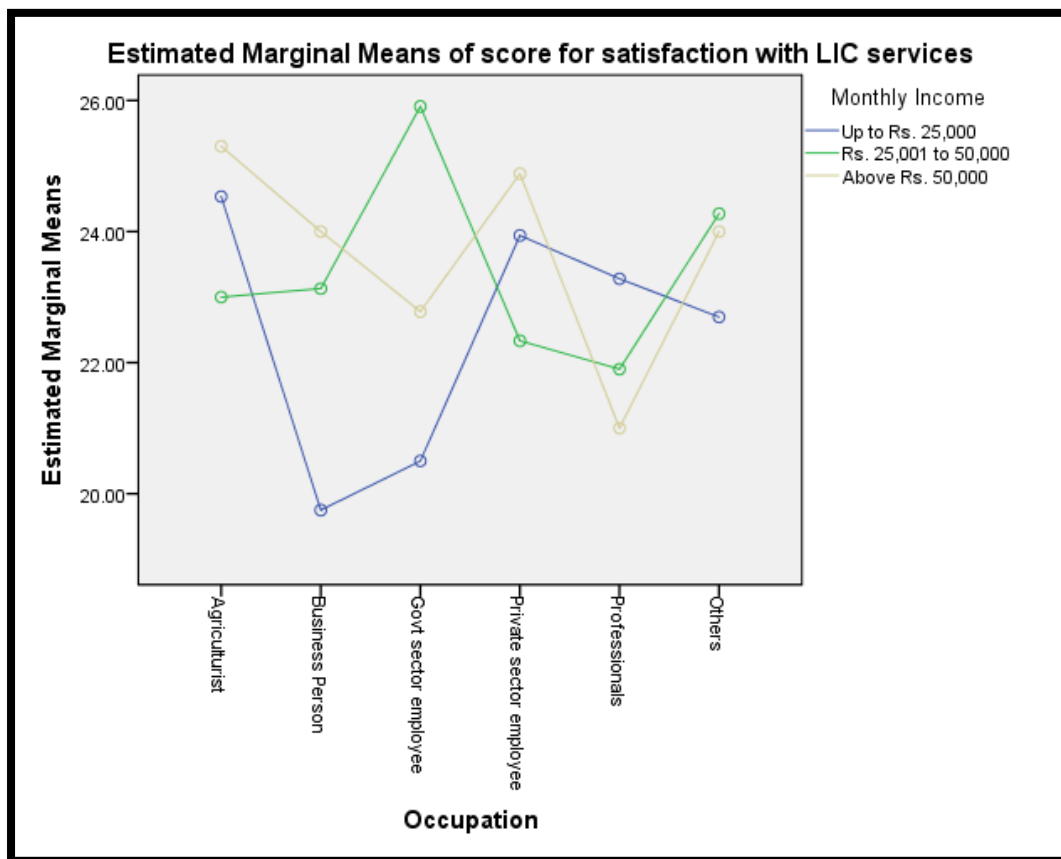
Profile Plots

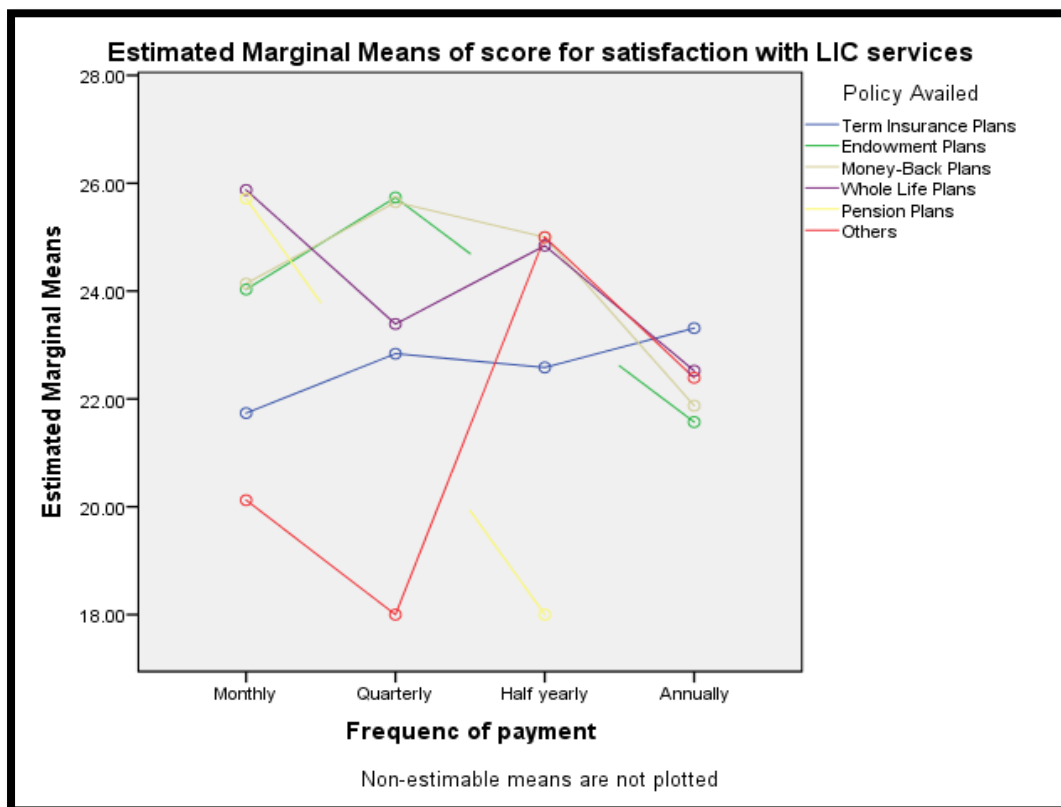
Estimated Marginal Means of score for satisfaction with LIC services

Table 3
Frequency of Payment and Policy Availed and Satisfaction on LIC Policies (Two-Way ANOVA)

Tests of Between-Subjects Effects					
Dependent Variable: **overall level of satisfaction with LIC policies**					
Source	**Type III Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Corrected Model	1547.207[a]	20	77.360	7.873	.000
Intercept	103777.433	1	103777.433	10561.780	.000
Frequency of payment	133.738	3	44.579	4.537	.004
Policy Availed	282.959	5	56.592	5.760	.000
Frequency of payment*Policy Availed	749.299	12	62.442	6.355	.000
Error	4411.763	449	9.826		
Total	255602.000	470			
Corrected Total	5958.970	469			
a. R Squared = .260 (Adjusted R Squared = .227)					

The table presents a Two-Way ANOVA analysis examining the effects of frequency of payment and the type of policy availed on the overall satisfaction with LIC policies. The model as a whole is statistically significant (F=7.873, p<.001), explaining 26% of the variance in satisfaction (R Squared = .260, Adjusted R Squared = .227). Both frequency of payment (F=4.537, p=.004) and the type of policy availed (F=5.760, p<.001) have significant main effects on satisfaction. Additionally, there is a significant interaction effect between frequency of payment and the type of policy availed (F=6.355, p<.001), suggesting that the impact of the type of policy on satisfaction varies across different payment frequencies. The large F-value for the intercept indicates that the model fits significantly better than an empty model. The results highlight the importance of considering both frequency of payment and the type of policy availed when assessing policyholder satisfaction with LIC policies.

Profile Plots

SATISFACTION WITH LIC SERVICES

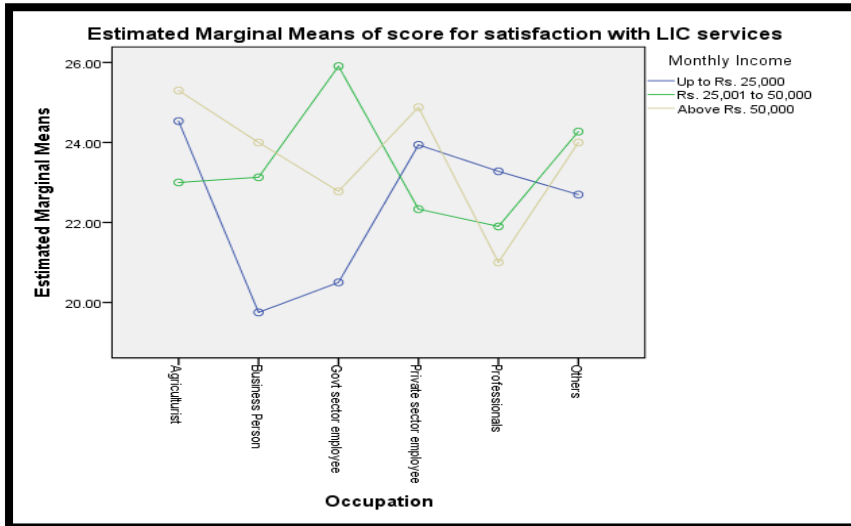Estimated Marginal Means of score for satisfaction with LIC services

Table 4

Frequency of Payment and Policy Availed and Overall Level of Awareness on Payment Options and Satisfaction on LIC Services (Multivariate Analysis)

Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	Awareness of payment options	283.086[a]	20	14.154	2.851	.000
	Satisfaction with LIC Services	1547.207[b]	20	77.360	7.873	.000
Intercept	Awareness of payment options	22553.816	1	22553.816	4542.254	.000
	Satisfaction with LIC Services	103777.433	1	103777.433	10561.780	.000
Frequency of payment	Awareness of payment options	79.798	3	26.599	5.357	.001
	Satisfaction with LIC Services	133.738	3	44.579	4.537	.004
Policy Availed	Awareness of payment options	39.495	5	7.899	1.591	.161
	Satisfaction with LIC Services	282.959	5	56.592	5.760	.000
Frequency of payment * Policy Availed	Awareness of payment options	166.615	12	13.885	2.796	.001
	Satisfaction with LIC Services	749.299	12	62.442	6.355	.000
Error	Awareness of payment options	2229.436	449	4.965		
	Satisfaction with LIC Services	4411.763	449	9.826		
Total	Awareness of payment options	59053.000	470			
	Satisfaction with LIC Services	255602.000	470			
Corrected Total	Awareness of payment options	2512.521	469			
	Satisfaction with LIC Services	5958.970	469			
a. R Squared = .113 (Adjusted R Squared = .073)						
b. R Squared = .260 (Adjusted R Squared = .227)						

The table presents a multivariate analysis examining the effects of payment frequency and the type of policy on two dependent variables: the overall level of awareness about payment options and satisfaction with LIC services. The model is statistically significant for both dependent variables (F=2.851, p<.001 for awareness of payment options; F=7.873, p<.001 for satisfaction with LIC services). The frequency of payment significantly affects both awareness of payment options (F=5.357, p=.001) and satisfaction with LIC services (F=4.537, p=.004). The type of policy availed significantly affects satisfaction with LIC services (F=5.760, p<.001) but not awareness of payment options (F=1.591, p=.161). There is a significant interaction effect between the frequency of payment and the type of policy availed for both dependent variables (F=2.796, p=.001 for awareness of payment

options; F=6.355, p<.001 for satisfaction with LIC services). The model explains 11.3% of the variance in awareness of payment options (R Squared = .113, Adjusted R Squared = .073) and 26% of the variance in satisfaction with LIC services (R Squared = .260, Adjusted R Squared = .227). The results highlight the importance of considering both the frequency of payment and the type of policy availed when assessing policyholder awareness and satisfaction with LIC services.

Table 5

Satisfaction with LIC Policies (Friedman Test)

Satisfaction with LIC policies	N	Mean	Std. Deviation	Mean Rank	Rank	Statistical Inference
Affordable Premiums	470	4.262	.8673	4.28	1	χ^2 = 149.282 df =5 0.000<0.01 Highly Sig. Kendall's W =0.187
Prompt Claims Processing	470	3.823	.7676	3.28	6	
Responsive Customer Service	470	3.753	.9501	3.36	3	
Flexible Payment Options	470	3.749	.9100	3.31	5	
Timely Premium Reminders	470	3.700	1.2030	3.44	2	
Knowledgeable Insurance Agents	470	3.760	.9880	3.34	4	

The table presents the results of a Friedman Test examining policyholder satisfaction with various aspects of LIC policies. The test ranks six factors: Affordable Premiums, Prompt Claims Processing, Responsive Customer Service, Flexible Payment Options, Timely Premium Reminders, and Knowledgeable Insurance Agents. Affordable Premiums ranked highest in satisfaction (Mean Rank = 4.28), indicating that it was the most appreciated aspect among policyholders. This was followed by Timely Premium Reminders (Mean Rank = 3.44), Responsive Customer Service (Mean Rank = 3.36), Knowledgeable Insurance Agents (Mean Rank = 3.34), Flexible Payment Options (Mean Rank = 3.31), and Prompt Claims Processing (Mean Rank = 3.28).

The Friedman Test was highly significant (χ^2 = 149.282, df = 5, p < 0.01), suggesting significant differences in satisfaction levels across these six factors. The Kendall's W value of 0.187 indicates a moderate agreement among respondents about ranking these factors. These results highlight the importance of affordable premiums in driving policyholder satisfaction with LIC policies.

Multiple Stepwise Regression Analysis

Table 6

Multiple Stepwise Regression Analysis

Dependent Variables: Overall level of satisfaction with LIC services

Independent Variable: Age, Domicile, Educational Qualification, Occupation, Family Monthly Income, Policy availed, and Frequency of Payment

Table

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.674[a]	.440	.225	2.16503

Table

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	351.657	8	43.957	9.378	.000[b]
	Residual	2160.864	461	4.687		
	Total	2512.521	469			

Table

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	30.783	3.536		8.706	.000
Age	.925	.261	.183	3.543	.000
Domicile	.295	.127	.105	2.311	.021
Educational Qualification	.342	.138	.117	2.480	.013
Occupation	.101	.053	.086	1.900	.058
Family Monthly Income	.750	.160	.243	4.690	.000
Policy availed	.282	.095	.141	2.976	.003
Frequency of Payment	.381	.088	.198	4.353	.000

SEM: PATH ANALYSIS
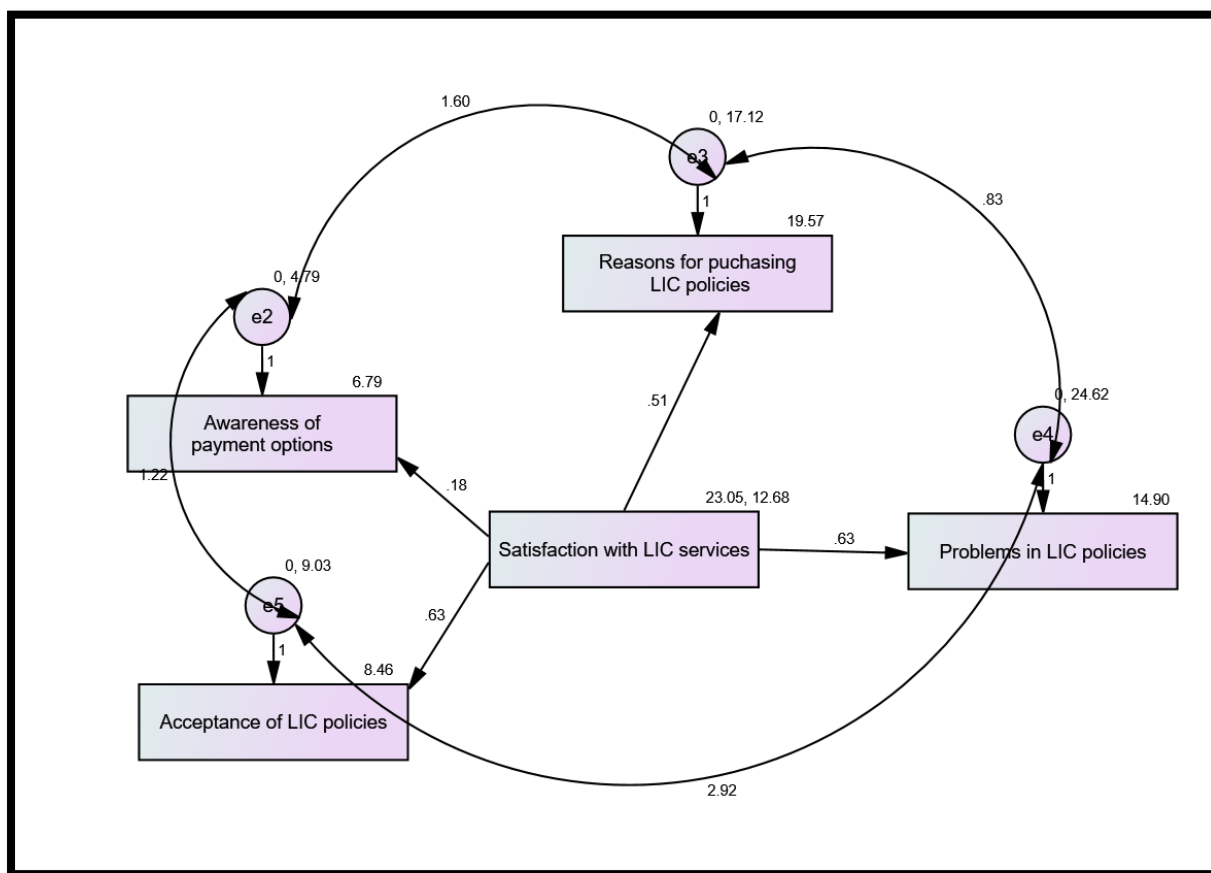
Measurement of goodness fit

The Structural Equation Model (SEM) was employed to elucidate the factors motivating customers and their satisfaction levels towards electric two-wheelers in the Coimbatore district of Tamilnadu. The model's fitness was validated through an examination of various goodness-of-fit measures. The SEM yielded a Chi-square statistic of 103.184 with 2 degrees of freedom (P< 0.000), indicating a significant model. The table below presents selected model fit statistics, including the Root Mean Square Error of Approximation (RMSEA), Goodness of Fit Index (GFI), Normed Fit Index (NFI), Comparative Fit Index (CFI), Incremental Fit Index (IFI), and Tucker-Lewis Index (TLI). All the model fit statistics meet the recommended standard values and suggest a superior model fit. Specifically, the GFI (0.925), NFI (0.910), and CFI (0.931) are all greater than the threshold of 0.90, indicating a good fit. The RMSEA (0.058) is less than the threshold of 0.08, further confirming the model's adequacy. In conclusion, the reported fit indices fall within the accepted criteria for goodness-of-fit, validating the SEM's effectiveness in explaining customer motivation and satisfaction towards electric two-wheelers in the studied region.

Parameter Estimates: Path coefficients in SEM

Regression Weights of the Variables Included in the Structural Equation Model

			Estimate	S.E.	C.R.	P	Remarks
Reasons for purchasing LIC policies	←	Satisfaction with LIC services	.510	.054	9.495	***	H1 Accepted
Awareness on payment options	←	Satisfaction with LIC services	.181	.028	6.390	***	H2 Accepted
Acceptance of LIC policies	←	Satisfaction with LIC services	.631	.039	16.200	***	H3 Accepted
Problems in LIC policies	←	Satisfaction with LIC services	.627	.064	9.740	***	H4 Accepted

*** Sig. at 1% level (p<0.001)

Note: N = 470; The C R (Critical Ratio) is the commonly recommended basis for testing statistically significant of SEM Components with C.R. values beyond ±2.58 establishing significant at P <0 .01 level.

Standardized Regression Weights

Reasons for purchasing LIC policies	←	Satisfaction with LIC services	.402
Awareness on payment options	←	Satisfaction with LIC services	.283
Acceptance of LIC policies	←	Satisfaction with LIC services	.599
Problems in LIC policies	←	Satisfaction with LIC services	.410

ANOVA

Ho: Mean satisfaction does not differ among policyholders classified based on gender

Ho: Mean satisfaction does not differ among policyholders classified based on age.

Ho: Mean satisfaction does not differ among policyholders classified based on educational qualification.

Ho: Mean satisfaction does not differ among policyholders classified based on marital status.

Ho: Mean satisfaction does not differ among policyholders; it is classified based on residence area.

Ho: Mean satisfaction does not differ among policyholders classified based on occupation.

Ho: Mean satisfaction does not differ among policyholders who are classified based on family type.

Ho: Mean satisfaction does not differ among policyholders who are classified based on family type.

Ho: Mean satisfaction does not differ among policyholders classified based on family status.

Ho: Mean satisfaction does not differ among policyholders classified based on No. Of adults.

Ho: Mean satisfaction does not differ among policyholders classified based on No. Of children.

Ho: Mean satisfaction does not differ among policyholders classified based on No. Of children.

Ho: Mean satisfaction does not differ among policyholders who are classified based on monthly income.

Ho: Mean satisfaction does not differ among policyholders who are classified based on family income.

Ho: Mean satisfaction does not differ among policyholders classified based on family expenditure.

Ho: Mean satisfaction does not differ among policyholders classified on the basis of No. of Personal Policies.

Ho: Mean satisfaction does not differ among policyholders classified based on No. of family Policies.

Ho: Mean satisfaction does not differ among policyholders classified based on No. Of family Policies.

Ho: Mean satisfaction does not differ among policyholders who are classified based on payment frequency.

Ho: Mean satisfaction does not differ among policyholders classified based on the Policy availed.

Ho: Mean satisfaction does not differ among policyholders classified based on Monthly Premium-self.

Ho: Mean satisfaction does not differ among policyholders classified based on Monthly premium family.

Ho: Mean satisfaction does not differ among policyholders who are classified based on awareness.

Ho: Mean satisfaction does not differ among policyholders who are classified based on awareness.

Table 7
Hypotheses Testing (ANOVA)

Gender and Level of Satisfaction					
Gender	**Numbers**	**Satisfaction**	**SD**	**Min.**	**Max.**
Male	220	76.97	13.20	46.67	100.00
Female	250	76.69	10.61	56.67	100.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: 468	**'t' Value: 0.251**		**P Value: .802**		**Not. Sig.**

Age and Level of Satisfaction					
Age	**Numbers**	**Satisfaction**	**SD**	**Min.**	**Max.**
Up to 30	220	74.59	10.74	46.67	93.33
31 – 45	186	78.92	12.39	53.33	100.00
Above 45	64	78.38	12.90	53.33	96.67
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:v_1 2, v_2 467	**F Value: 7.549**		**P Value: .001**		**Sig.**

Educational Qualification and Level of Satisfaction					
Educational Qualification	**Numbers**	**Satisfaction**	**SD**	**Min.**	**Max.**
School	34	84.71	11.17	63.33	96.67
Under Graduate	156	73.65	12.81	46.67	100.00
Post Graduate	221	78.20	10.67	56.67	100.00
Professional	59	75.48	11.32	60.00	93.33
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:v_1 3, v_2 466	**F Value: 10.546**		**P Value: .000**		**Sig.**

Marital Status and Level of Satisfaction					
Marital Status	**Numbers**	**Satisfaction**	**SD**	**Min.**	**Max.**
Married	333	78.07	11.40	53.33	100.00
Unmarried	137	73.79	12.51	46.67	100.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: 468	**'t' Value: 3.587**		**P Value: .000**		**Sig.**

Area of Residence and Level of Satisfaction					
Area of Residence	**Numbers**	**Satisfaction**	**SD**	**Min.**	**Max.**
Rural	214	75.64	10.70	46.67	100.00
Semi-urban	131	78.19	10.68	56.67	93.33
Urban	125	77.41	14.59	53.33	100.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:v_1 2, v_2 467	**F Value: 2.098**		**P Value: .124**		**Not. Sig.**

Occupation and Level of Satisfaction					
Occupation	**Numbers**	**Satisfaction**	**SD**	**Min.**	**Max.**
Agriculturist	72	80.79	9.42	60.00	100.00
Business	77	70.74	13.75	46.67	93.33
Govt. Employee	36	75.74	12.26	56.67	90.00
Pvt. Employee	108	79.10	8.45	56.67	93.33
Professionals	91	76.01	12.15	60.00	100.00
Others	86	77.40	13.14	53.33	96.67
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:v_1 5, v_2 464	**F Value: 7.057**		**P Value: .000**		**Sig.**

Family Type and Level of Satisfaction					

Family Type	Numbers	Satisfaction	SD	Min.	Max.
Joint	201	77.76	10.72	60.00	100.00
Nuclear	269	76.12	12.65	46.67	100.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: 468	**'t' Value: 1.482**		**P Value: .139**		**Not. Sig.**

Family Type and Level of Satisfaction

Family Type	Numbers	Satisfaction	SD	Min.	Max.
Joint	201	77.76	10.72	60.00	100.00
Nuclear	269	76.12	12.65	46.67	100.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: 468	**'t' Value: 1.482**		**P Value: .139**		**Not. Sig.**

Family Status and Level of Satisfaction

Family Status	Numbers	Satisfaction	SD	Min.	Max.
Head	108	77.53	13.74	53.33	100.00
Member	362	76.61	11.28	46.67	100.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: 468	**'t' Value: 0.705**		**P Value: .481**		**Not. Sig.**

No. of Adults and Level of Satisfaction

No. of Adults	Numbers	Satisfaction	SD	Min.	Max.
Two	165	78.20	12.31	53.33	100.00
Three	153	77.67	10.78	56.67	96.67
Above Three	152	74.47	12.19	46.67	100.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 4.537**	**P Value: .011**		**Sig.**

No. of Children and Level of Satisfaction

No. of Children	Numbers	Satisfaction	SD	Min.	Max.
Nil	109	76.73	13.43	46.67	96.67
One	203	76.06	10.70	53.33	93.33
Two & Above	158	77.87	12.18	60.00	100.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 1.036**	**P Value: .356**		**Not. Sig.**

No. of Earning Members and Level of Satisfaction

No. of Earning Members	Numbers	Satisfaction	SD	Min.	Max.
One	135	80.84	9.61	60.00	100.00
Two	258	75.48	11.88	53.33	100.00
Above Two	77	74.29	13.78	46.67	93.33
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 11.625**	**P Value: .000**		**Sig.**

Monthly Income (₹)and Level of Satisfaction

Monthly Income	Numbers	Satisfaction	SD	Min.	Max.
Up to 25000	294	76.08	12.73	46.67	100.00
25000 – 50000	117	77.72	10.60	56.67	93.33
Above 50000	59	78.76	9.51	63.33	93.33
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 1.701**	**P Value: .184**		**Not. Sig.**

Family Income and Level of Satisfaction

Family Income (₹)	Numbers	Satisfaction	SD	Min.	Max.
Up to 40000	134	73.76	14.20	53.33	100.00
40000 – 80000	207	78.08	10.68	46.67	100.00
Above 80000	129	77.98	10.49	56.67	93.33
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 6.390**	**P Value: .002**		**Sig.**

Family Expenditure and Level of Satisfaction

Family Expenditure (₹)	Numbers	Satisfaction	SD	Min.	Max.
Up to 25000	354	76.83	12.24	46.67	100.00
25001 - 50000	88	75.76	10.84	56.67	93.33
Above 50000	28	80.12	10.08	63.33	93.33
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 1.433**	**P Value: .240**		**Not. Sig.**

No. of Personal Policies and Level of Satisfaction

No. of Personal Policies	Numbers	Satisfaction	SD	Min.	Max.
One	288	75.54	11.22	46.67	100.00
Two	92	82.83	10.14	63.33	100.00
Above Two	90	74.78	13.64	53.33	96.67
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 15.666**	**P Value: .000**		**Sig.**

o. of Family Policies and Level of Satisfaction

No. of Family Policies	Numbers	Satisfaction	SD	Min.	Max.
One	194	74.57	12.05	53.33	96.67
Two	136	81.05	11.12	60.00	100.00
Above Two	140	75.83	11.36	46.67	93.33
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 13.254**	**P Value: .000**		**Sig.**

Period of holding policy and Level of Satisfaction

Period of Holding Policy	Numbers	Satisfaction	SD	Min.	Max.
One	224	74.54	11.66	46.67	100.00
Two	46	74.71	9.98	60.00	93.33
Above Two	200	79.87	11.90	53.33	100.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 11.965**	**P Value: .000**		**Sig.**

Frequency of Payment and Level of Satisfaction

Frequency of Payment	Numbers	Satisfaction	SD	Min.	Max.
Monthly	199	75.14	12.51	46.67	100.00
Quarterly	111	80.78	10.25	60.00	100.00
Half-yearly	51	78.50	11.04	60.00	93.33
Annual	109	75.08	11.71	53.33	93.33
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 3, ν_2 466		**F Value: 6.798**	**P Value: .000**		**Sig.**

Policy Availed and Level of Satisfaction

Policy Availed	Numbers	Satisfaction	SD	Min.	Max.

Term Insurance Plans	146	74.77	11.43	46.67	100.00
Endowment Plans	74	81.94	8.46	66.67	96.67
Money Back Plans	83	79.84	12.56	53.33	100.00
Whole life Plans	76	80.04	9.81	63.33	93.33
Pension Plans	13	73.85	18.35	60.00	100.00
Others	78	69.96	11.38	53.33	86.67
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 5, ν_2 464		**F Value: 1.820**	**P Value: .107**		**Not. Sig.**

Monthly Premium-Self and Level of Satisfaction

Monthly Premium - Self	Numbers	Satisfaction	SD	Min.	Max.
Up to 10000	368	76.74	11.48	53.33	100.00
10000 - 20000	46	75.15	13.22	53.33	90.00
Above 20000	56	78.75	13.24	46.67	96.67
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 1.205**	**P Value: .301**		**Not. Sig.**

Monthly Premium-Family and Level of Satisfaction

Monthly Premium - Fam	Numbers	Satisfaction	SD	Min.	Max.
Up to 10000	240	77.26	11.65	53.33	100.00
10000 - 20000	97	79.45	11.50	60.00	100.00
Above 20000	133	74.11	12.12	46.67	90.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 6.135**	**P Value: .002**		**Sig.**

Awareness and Level of Satisfaction

Awareness	Numbers	Satisfaction	SD	Min.	Max.
Low	62	72.31	13.65	53.33	96.67
Moderate	360	76.51	11.61	46.67	100.00
High	48	85.00	6.41	73.33	93.33
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 17.048**	**P Value: .000**		**Sig.**

Problem and Level of Satisfaction

Problem	Numbers	Satisfaction	SD	Min.	Max.
Low	78	73.29	14.71	46.67	96.67
Moderate	316	75.03	10.14	53.33	93.33
High	76	87.89	8.84	66.67	100.00
Total	**470**	**76.82**	**11.88**	**46.67**	**100.00**
Df: .:ν_1 2, ν_2 467		**F Value: 48.071**	**P Value: .000**		**Sig.**

The analysis reveals that several factors significantly influence satisfaction levels. Age, educational qualification, marital status, occupation, number of adults in the household, number of earning members, family income, number of personal policies held, number of family policies held, period of holding the policy, frequency of payment, and awareness levels all exhibit a statistically significant relationship with satisfaction. Notably, respondents with higher educational qualifications, those who are married, agriculturists, individuals from joint families, and those with higher awareness levels tend to report higher satisfaction. On the other hand, gender, area of residence, family type, family status, number of children, monthly income (both individual and family), family expenditure, policy availed, monthly premium (both individual and family) do not significantly impact satisfaction levels.

Analysis of Satisfaction of Policyholders (Factor Analysis)

Factor Analysis was utilized in this study to identify the key factors influencing policyholder satisfaction. Prior to conducting the analysis, the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity were employed as pre-analysis checks to assess the suitability of the data for factor analysis. The results from both the KMO measure and Bartlett's Test exceeded the threshold of 0.70, indicating that the collected data was appropriate for factor analysis. Specifically, the KMO statistic was 0.741, suggesting sampling adequacy. Furthermore, the Bartlett's Test of Sphericity yielded a large value (601.303, df: 15, Sig=0.000), further confirming the appropriateness of factor analysis for the data set. In conclusion, these tests collectively validated the use of factor analysis in this study, affirming the adequacy of the sample and the suitability of the data.

Table 7

Satisfaction of Polich Holders (KMO and Bartlett's Test)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.741
Bartlett's Test of Sphericity	Approx. Chi-Square	601.303
	df	15
	Sig.	.000

Problems	1	2
Timely Premium Reminders	.876	
Knowledgeable Insurance Agents	.743	
Flexible Payment Options	.735	
Affordable Premiums		.832
Prompt Claims Processing		.749
Responsive Customer Service		.592
Eigen Values	2.370	1.379
% of Variance	39.494	22.988
Cumulative % of Variance	39.494	62.482

The study identified two significant factors influencing policyholder satisfaction by locating Eigen values greater than one. Factors with a component loading of 0.5 or above were deemed significant. The rotated component matrix revealed that the first factor comprised timely premium reminders, knowledgeable insurance agents, and flexible payment options. These elements significantly influenced policyholder satisfaction. The second factor included offering LIC policies at affordable premiums, prompt claims processing, and responsive customer service. These aspects also played a substantial role in shaping policyholder satisfaction. Regarding contribution, the first factor accounted for 39.494% of policyholder satisfaction. The second factor contributed 22.988% towards policyholder satisfaction. Cumulatively, these two factors accounted for 62.482% of policyholder satisfaction. This highlights these factors' significant role in shaping policyholder satisfaction with LIC policies.

1.7 Recommendations

- **Targeted Marketing and Communication:** LIC should develop targeted marketing campaigns that cater to different demographic segments' specific needs and preferences. Additionally, clear and concise communication about policy terms, benefits, and claim procedures should be prioritized to improve policyholder awareness and understanding.

- **Personalized Financial Advice:** LIC agents should be trained to provide policyholders with personalized financial advice, considering their individual circumstances and goals. This could involve recommending suitable policies, explaining investment options, and assisting with retirement planning.

- **Streamlined Claims Processing:** LIC should strive to streamline and expedite the claims processing procedure. This could involve digitizing the process, simplifying documentation requirements, and providing regular updates to policyholders on the status of their claims.

- **Enhanced Customer Service:** LIC should invest in improving customer service by providing multiple communication channels (e.g., phone, email, and online chat), ensuring prompt responses to queries and complaints, and offering ongoing support to policyholders throughout their policy tenure.
- **Continuous Product Innovation:** LIC should continuously innovate and introduce new insurance products that cater to customers' evolving needs. These could include policies with flexible payment options, riders for critical illnesses, and investment-linked plans with attractive returns.
- **Regular Policyholder Surveys:** LIC should conduct regular surveys to gauge policyholder satisfaction and gather feedback on areas for improvement. This feedback can be invaluable in identifying pain points and implementing targeted solutions to enhance customer experience.

1.8 Conclusion

This research provides valuable insights into the factors influencing policyholder satisfaction in the life insurance sector, particularly concerning LIC. The findings underscore the importance of various demographic, socioeconomic, and policy-related factors in shaping policyholder satisfaction. Notably, age, educational qualification, marital status, occupation, family income, and awareness levels emerge as significant determinants of satisfaction. These findings have practical implications for LIC and other insurance providers. By understanding the key drivers of satisfaction, insurers can tailor their products and services to meet customer needs and expectations better. For instance, they can develop targeted marketing campaigns for specific demographic groups, offer personalized financial advice, and streamline claims processing to enhance customer experience.

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