

A STUDY ON CUSTOMER PREFERENCES AND LEVEL OF SATISFACTION OF POSTAL LIFE INSURANCE

Payal Dutta

Guest Lecturer, Department of Commerce (P.G. Classes), B.H. College, Howly,
Dist: Barpeta (Assam),

Abstract:

India Post is the oldest player to venture into the life insurance business in the country. Apart from the regular processing, transmission and delivery of mails, the Indian Postal System offers two types of insurance schemes to its customers, namely, Postal Life Insurance (PLI) scheme for Government (both central and state) employees and Rural Postal Life Insurance (RPLI) scheme for the General Public of rural areas. This paper is an attempt to study the attitude of the consumers regarding the insurance policies of India Post, to study their satisfaction level and to probe the problems faced by them. The study is confined to the customers of the post offices in the Barpeta district of the state of Assam. Further, a few suggestions for better penetration of the insurance policies in the aforementioned district has also been made. The study is based on primary as well as secondary data.

KEYWORDS:

Attitude, Postal Life Insurance, Rural Postal Life Insurance, Satisfaction.

INTRODUCTION:

The Indian Postal system is one of the most extensive networks in the world with 1,54,822 post offices (as on 31.3.2012), of which 1,39,086 are in rural areas and 15,736 are in urban areas. In addition to the various communication, transportation, financial and value-added services, India Post has been providing insurance services to its customers since the latter half of the 19th century. Till date, India Post has launched its two life insurance policies, namely,

Postal Life Insurance (PLI) for Government employees, and
Rural Postal Life Insurance (RPLI) for General public in rural areas

Postal Life Insurance was introduced on 1st February 1884. It was essentially a scheme of State Insurance mooted by the then Director General of Post Offices Mr. F.R. Hogg in 1881 as a welfare scheme for the benefit of Postal employees in 1884 and later extended to the employees of Telegraph department in 1888. In 1894, PLI extended insurance cover to female employees of P & T Department. It is the oldest life insurer in India. PLI is open to the employees of Central and State Government Departments, Nationalized Banks, Public Sector Undertakings, Financial Institutions, Local Bodies like Municipalities and Zila Parisads, Educational Institutions aided by the Government, Defence and Para-military forces, etc. PLI offers six types of plans:

Please cite this Article as : Payal Dutta , "A STUDY ON CUSTOMER PREFERENCES AND LEVEL OF SATISFACTION OF POSTAL LIFE INSURANCE" : Tactful Management Research Journal (Aug ; 2014)

Whole Life Assurance (SURAKSHA)
Convertible Whole Life Assurance (SUVIDHA)
Endowment Assurance (SANTOSH)
Anticipated Endowment Assurance (SUMANGAL)
Joint Life Assurance (YUGAL SURAKSHA)
Children Policy

On 24th March 1995, the benefits of Postal Life Insurance were extended to rural populace of the country under the banner of Rural Postal Life Insurance. The prime objective of this scheme is to provide insurance cover to the rural public in general and to benefit weaker sections and women workers of rural areas in particular and also to spread insurance awareness among the rural population. RPLI also offers six types of plans:

Whole Life Assurance (GRAM SURAKSHA)
Convertible Whole Life Assurance (GRAM SUVIDHA)
Endowment Assurance (GRAM SANTOSH)
Anticipated Endowment Assurance (GRAM SUMANGAL)
10 years RPLI (GRAM PRIYA)
Children Policy

2. LITERATURE REVIEW

Mr. B. Muthukrishnan, Doctoral Research Scholar, Department of Management, Pondicherry University, in his research paper titled "An Outlook Of Postal Life Insurance In The Current Era" (Indian Journal of Applied Research, Vol. 3, Issue 5, May 2013, ISSN: 2249-555X) attempts to give an overview on India Post, its various services and insurance schemes, financial performance of PLI, benefits of PLI and best PLI performing circles in India.

Dr. Angamuthu Balasubramaniam, Independent Researcher, Coimbatore undertook a study on "Postal Life Insurance: Its Market Growth and Policyholders' Satisfaction" (Samzodhana- Journal of Management Research, Vol. 2, Issue 1, March 2014). This paper is an empirical and analytical study which focuses on the measurement of the growth of PLI over the years and an analysis of the policyholders' satisfaction residing in the Coimbatore and Tiruppur districts of Tamil Nadu state.

M. K. Gupta and Nidhi Gupta, Department of Commerce, Pt. J. L. N. Govt. P. G. College, Faridabad, Haryana conducted a study on "An Empirical Study Of Postal Life Insurance In Reference to LIC And Private Insurance In NCR" (IMS Manthan- The Journal of Management, Computer Science and Journalism, Vol. 7, No. 1, 2012, Pages: 29-38). This paper aims to find out the factors influencing the customers, to study the attitude of the consumers regarding PLI, LIC and Private Insurance, to find out the reasons for choosing a particular service and to study their satisfaction level and to probe the problems faced by the customers. The researchers have also given various useful suggestions for the future development and betterment of PLI.

Besides the above mentioned literatures, a few other articles, books and internet websites were also reviewed.

3. OBJECTIVES

The objectives of the present paper are:

1. To assess the level of satisfaction of the postal policyholders in the Barpeta district of the state of Assam,
2. To study the reasons for their preferences of PLI and RPLI over other insurance policies,
3. To identify the hindrances restricting the non-policyholders from investing in such policies, and
4. To give suggestions for better penetration of the policies in the study region.

4. SIGNIFICANCE OF THE STUDY

Life is full of uncertainties. Insurance, thus, assumes a vital role in the lives of human beings. Infact, mention about the need for 'insurance' has been traced even in the ancient Indian texts of Manu, Kautilya, etc. Although PLI is the oldest life insurer in India, with the liberalization of the Insurance sector, PLI and RPLI have to work in a very competitive market. Therefore, India Post has been coming up with various new schemes of PLI and RPLI from time to time in order to retain its existing clientele groups and to

attract new ones. Hence, a research in this context is felt to be a necessity with an aim to focus on the preferences and satisfaction level of the policyholders in Barpeta district of the state of Assam and also to identify the problems, if any, faced by them.

5. RESEARCH METHODOLOGY

The present study is confined to the post offices in the Barpeta district of the state of Assam. Both primary and secondary sources of data have been resorted to for the study. Primary data have been collected from the postal customers of the area through the use of schedules. Also direct personal interviews of a few top level managers have been taken. Secondary data have been collected from internet websites, books, journals, etc.

The population for the study comprises of all the customers of India Post in the concerned district. First, the population has been divided into two strata- one, consisting of customers availing of the postal insurance policies, and the other, consisting of customers not availing them. Out of these two strata, 20 customers each have been selected by adopting convenient sampling technique in order to collect the relevant data. Then the collected data have been analyzed with the help of percentages to draw inferences about the population.

6. ANALYSES AND DISCUSSIONS

In case of policyholders

The district of Barpeta being a rural area, in a sample of 20 policyholders, 66% of them have been found to be RPLI customers and the rest 34% are PLI customers.

Table 6.1
Satisfaction level of respondents

Level of satisfaction	% of respondents
Satisfied	71
Not satisfied	29

Source: self-compilation from field survey

From the above table, it can be inferred that majority of the policyholders of Barpeta district are satisfied with the insurance services of India Post. But at the same time some respondents have also shown non-satisfaction with the services. A few reasons for such non-satisfaction, which were revealed during the survey, are non-response from the postal staff/agents, inadequate information about the time-to-time changes in the schemes, etc.

It was also found during the survey that 45% of the respondents prefer postal life insurance policies due to low premium and high return, 30% of them for availing tax benefits, 15% for security and old-age income and the remaining 10% for other purposes such as loan facility, nomination facility, revival of policies lapsed, easy settlement of claims, payment of policy money at any post office of India, etc.

IN CASE OF NON-POLICYHOLDERS

Another survey was conducted on the non-policyholders of Barpeta district. The responses obtained from them are tabulated below:

Table 6.2
Reasons for not investing in the policies

Reasons	% of respondents
Lack of knowledge about the policies	35
Lack of interest	25
Inadequate fund	40

Source: self-compilation from field survey

It can be inferred from the above table that majority of the population do not have sufficient funds to invest as the economy of Barpeta district is agrarian in nature. Lack of knowledge about the policies is another reason which is mostly due to apathy on the part of the postal staff. Apathetic attitude of a few customers is also another reason.

7. SUMMARY OF FINDINGS

The findings generated from the study are summarized as follows:

- i. The number of RPLI customers is more as compared to that of PLI customers in Barpeta district of the state of Assam.
- ii. Majority of the customers of the study region prefer PLIs over other life insurance policies due to low amount of premium and high rate of return. Tax benefit is the next strongest motivator.
- iii. The customers of the study area are mostly satisfied with the postal life insurance policies.
- iv. Dearth of adequate funds is the major factor that obstructs the non-policyholders of the aforementioned region from investing in PLIs. Lack of awareness and interest on the part of the customers are other hindrances.

8. SUGGESTIONS

The Department of Posts has to intensify its promotional campaign about its insurance services in the study region which will make the people aware and thereby help in arousing their interest for investment. Efforts should be made to change the apathetic attitude of the postal staff towards their work. They should be trained intensively in connection with customer relationship management. With increasing competition in the field of insurance, India Post should venture into general insurance business in addition to life insurance.

9. CONCLUSION

From the above discussion, it can be said that Postal Life Insurance plays a vital role in the lives of modern men. Various schemes of PLI and RPLI are very popular amongst its clientele groups and doing extremely well in terms of procuring business. During the year 2012-13, premium income of PLI and RPLI was rupees 4597.36 crores and rupees 1735.16 crores which was about 25% and 9% more than 2011-12 achievement (source: India 2014- A Reference Annual).

REFERENCES

1. Muthukrishnan, B., (2013), "An Outlook of Postal Life Insurance in the Current Era", Indian Journal of Applied Research, Vol. 3, Issue 5, May, ISSN: 2249-555X
2. Balasubramaniam, Dr. Angamuthu, (2014), "Postal Life Insurance: Its Market Growth and Policyholders' satisfaction", Samzodhana- Journal of Management Research, Vol. 2, Issue 1, March
3. Gupta, M. K., and Gupta, Nidhi, (2012), "An Empirical Study of Postal Life Insurance in reference to LIC and Private Insurance in NCR", IMS Manthan- The Journal of Management, Computer Science and Journalism, Vol. 7, No. 1, pp: 29-38
4. "India 2014", Publications Division, Ministry of Information and Broadcasting, Government of India, 58th edition, pp: 194-202
5. Internet websites



Payal Dutta

Guest Lecturer, Department of Commerce (P.G. Classes), B.H. College, Howly,
Dist: Barpeta (Assam),