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+91 99405 72462



+9163819 07438



ijmrsetm@gmail.com



www.ijmrsetm.com



# A Study on Insurance Policies at Tata AIG Life Insurance Co”

Panasa Anwesh<sup>1</sup>, Ms.Susheela<sup>2</sup>, Dr.Gnaneshwar Rao Nitta<sup>3</sup>

<sup>1</sup>P.G. Scholar, Department of MBA (Finance), DRK College of Engineering and Technology, Hyderabad, India

<sup>2</sup>Assistant Professor, Department of MBA (Finance), DRK College of Engineering and Technology, Hyderabad, India

<sup>3</sup>Principal, Department of MBA (Finance), DRK College of Engineering and Technology, Hyderabad, India

**ABSTRACT:** A study on customer perception towards health insurance in TATA AIG was aimed to access the awareness level and source of awareness about health insurance, to identify the factors influence customers in the selection of health insurance and selection of particular health insurance company, to find out the level of satisfaction of customers. Respondents have been selected following the convenient sampling method. Questionnaire was used as data collecting instrument. Data were analyzed using tabulation, percentage, ranking and Graff was used for testing the hypothesis. Recommendations from the study were to make necessary arrangements for all hospitals to accept health insurance cards, all diseases should be cover under health insurance policies etc

## I. INTRODUCTION

Tata AIG General Insurance Company Limited is a joint venture between the Tata Group and the American International Group (AIG). Tata AIG General Insurance Company Limited celebrated 20 years of service as on 2020, since it commenced operations on January 22, 2001. The company has made a mark in the industry by launching several innovative products and services over the years. Under its two main business verticals ie Consumer Lines and Commercial Lines, Tata AIG General Insurance Company Limited offers an extensive range of General Insurance covers that cater to various individual and business insurance needs. The products range from Home insurance, Motor Insurance, Travel Insurance, Health Insurance, Rural-Agriculture Insurance etc for individuals under the Consumer Line vertical, and Property & Business Interruption insurance; D&O, Professional and General Liability Insurance; and special products like Reps & Warranties and Environmental Insurance under the Commercial Lines vertical. Each product offering is backed by professional expertise to help the customer along the entire relationship period. Tata AIG General Insurance Company Limited has an empowered claims team, with a in-house capability of 400 plus experts spread across 90 office in India. The customer service team too, which is the face of the company to the customer, comprises of 450 team members, operating from various offices across India. Today Tata AIG General Insurance Company Limited's core strength lies in 3 product categories, ie Travel Insurance, Marine Insurance and Liability and the company aims to be the most preferred General Insurance Company in the industry. In order to achieve its vision of being the most preferred general insurance company, Tata AIG General Insurance Company Limited is increasing its general insurance penetration in India with various significant partnerships with leading business names from varied industries.

## II. NEED FOR THE STUDY

This study consists of to find out the marketing strategies of different insurance companies which are the competitors of TATA AIG Life insurance. This research requires the interview of branch managers of different insurance companies and find out their branches are working in terms of above mentioned factors.



### III. OBJECTIVE OF THE STUDY

- To find out the customer awareness level for INSURANCE products.
- To assess the effectiveness of company service.
- To make an independent assessment of the magnitude of the market potential in the light of the competitive scenario.
- To suggest remedial measures to exploit the market potential.

### SCOPE OF THE STUDY

- The project is to find out the strategies of different insurance agencies and evaluate them. Project is about to penetrate the competitors of TATA AIG Life Insurance.
- Conclusion of this project can give an idea of strategies of different companies which may be helpful to the company. Now days all the insurance companies in India are trying to establish themselves in the competitive market. They are introducing innovative marketing strategies to survive in the market. Many other private companies are looking to enter in the Indian

### METHODOLOGY OF THE STUDY

#### SAMPLING DESIGN:

#### SOURCES OF DATA COLLECTION:

##### Primary data:

The data was collected by using questionnaire and structured direct interviews, which were separately conducted to know the market awareness and market potential.

##### Secondary data:

The secondary data was collected from the company reports, brochures, manuals, text books and Internet. The customer of 20 respondents was provided by the company for assessing the service provided by a company.

#### RESEARCH LIMITATIONS:

This research is company- specific and confined only to HYDERABAD city, the problem of ization becomes obvious Limited sample size is taken.

#### SAMPLE SIZE

The sample size for listing questionnaire of research is 100, and the sample size is broken down in to two samples i.e. a sample size of 80 respondents from the offices and shops and the sample size of 20 respondents from the customers.

#### TOOTLS USING:

Questionnaire Bar Graphs

### LIMITATIONS OF THE STUDY

- Time Limitation
- Research has been done only in Hyderabad City.
- Companies did not disclose their secrets data and strategies.
- Possibility of Error in data collection.
- Possibility of Error in analysis of data due to small sample size.
- 

### IV. LITERATURE REVIEW

Review of literature is a critical summary of research on a topic of interest, often prepared to put a research problem in a context. A review included a research report, which include a brief literature reviews with their introduction. To provide readers with a quick overview of the being addressed document the need for the new study & demonstrate how it will



contribute to existing evidence. Review of literature is conducted to generate a theoretical and scientific knowledge about particulars phenomenon and results in a synthesis of what is known and unknown about that phenomenon.

Gopala Krishina Murthy. Ch.S (2000) felt that the IRDA bill is necessary evil but the government of India should take every care to see that the insurance sector and the Indian customer do not go from bad to worse. The insurance companies also should not become over critical and try to play their role with the greater responsibility in the best interest of the economy and the public. As the writing on the wall is very clear that the liberalization, privatization and globalization became the shibboleth of every government in the world today and India is no exception.

**Essay John. M and Hanengsik (2001)** described the effect of various unemployment insurance parameters on the composition and duration of unemployment across sectors literature exercise the effects of imperfect, experience rating of temporary lay of decisions. Imperfect experience rating in financing unemployment insurance leads to an insurance in unemployment duration.

**Tamela Ferguson. D and William.L. Ferguson (2002)** commented that the primary debate regarding insurance market reform in India seems to revolve around a few understandable key issues such as industry protection, fear of substantial outflow of capital, potential domestic loss, and the notion that domestic markets are already adequately several. Shivaji Sarkar (2002) found that insurance is picking up with the entry of a large number of private insurers since December 2000. The public sector GIC and LIC have stolen a march over their private rivals. The GIC is treading into areas where the private insurers are shying to enter, areas like car insurance. The GIC has also established itself as an international brand. In Asia, GIC has emerged as the largest insurer apart from Japan. The GIC has set up offices in Moscow and London to tap new business. He feels that competition has been a blessing particularly for the public sector insurance companies. The public sector GIC has shown that it can live up to the competition.

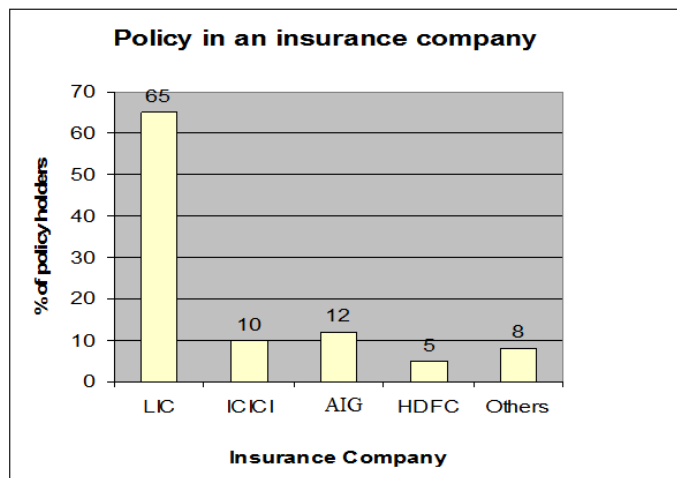
**Murthy. G.R.K (2003)** lamented in his study that, corporate governance does not appear to have yet taken roots in the India Insurance Companies, though it has today become more than the conduct of business.

**Tripathy (2004)** in his paper has made an attempt to find out perception of customers towards services of insurance company through marketing variables. He has investigated the characteristics and preference of customers. He has analysed preference given by customers to different variables. The author suggested that to achieve greater insurance penetration, private companies have to create more vibrant and competitive industry, with greater efficiency, choice of products and value for customers.

## ANALYSIS OF DATA

### 1. Which company you have Life Insurance Policy?

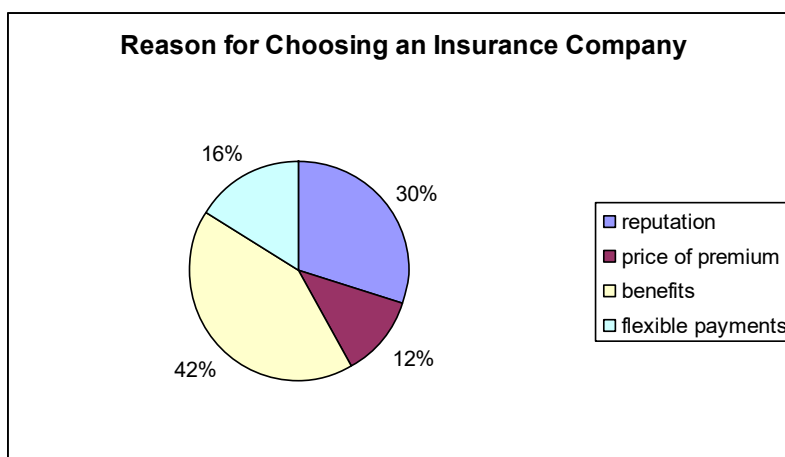
POLICY IN AN INSURANCE COMPANY		
Insurance Company	No. of Policy Holders	% of policy holders
LIC	65	65%
ICICI	10	10%
TATa AIG	12	12%
HDFC	5	5%
Others	8	8%

**Interpretation :**

From the above sample graph and table, we can understand that most people opt and have insurance in LIC 65%. The Insurance Companies which people opt apart from LIC are TATA AIG -12%, ICICI-10%, HDFC-5% and others-8%.

2. Among various Insurance Companies, why did you chose the above mentioned company?

Reason for choosing an Insurance Company	
Reason	%of Responses
Reputation	30%
Price of premium	12%
Benefits	42%
flexible premium payment options	16%



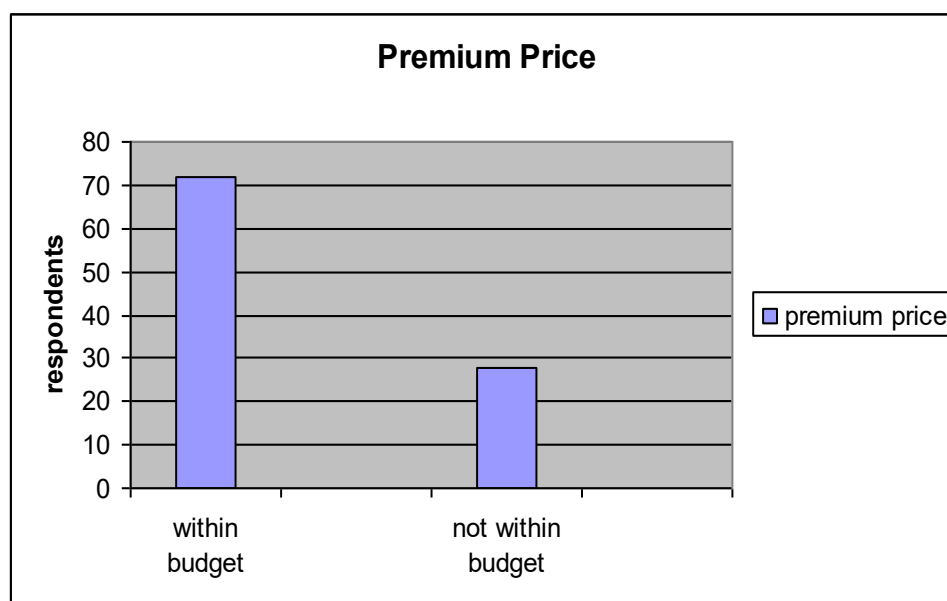


**Interpretation:**

Here the reason for choosing a particular Insurance Company is evaluated. Most people prefer Insurance Company because of the benefits of Policy offered by company. The next preference is given to reputation the company has in the market. The minimum importance is given to flexible payment options and price of premium.

3. Is premium price of policy within your budget or not?

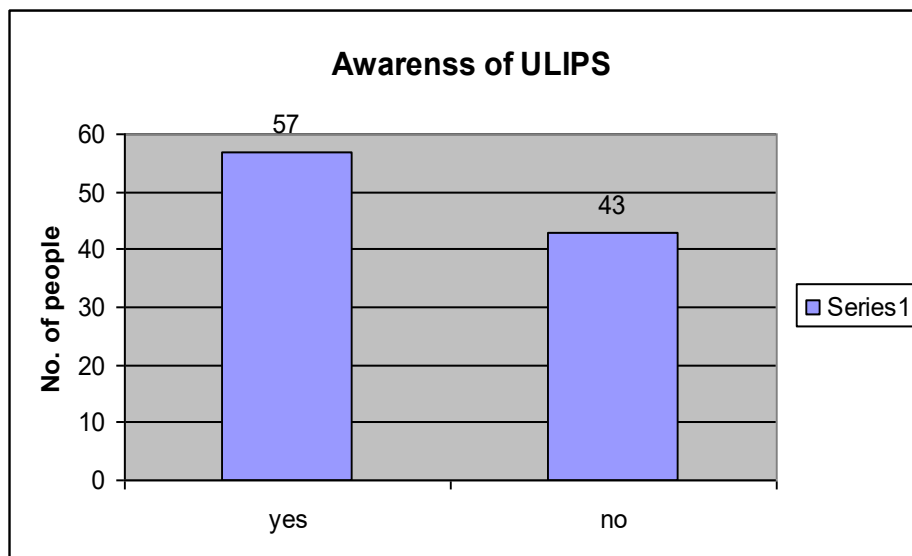
	within budget	not within budget
Premium price	72	28

**Interpretation:**

Out of total 100 samples 72% responded that the price of premium they paying towards Life Insurance is within their budget, and remaining 28% said that premium price is not within their budget.

4. Do you know about Unit Linked Life Insurance Plan?

Awareness of ULIP	
Yes	No
57	43

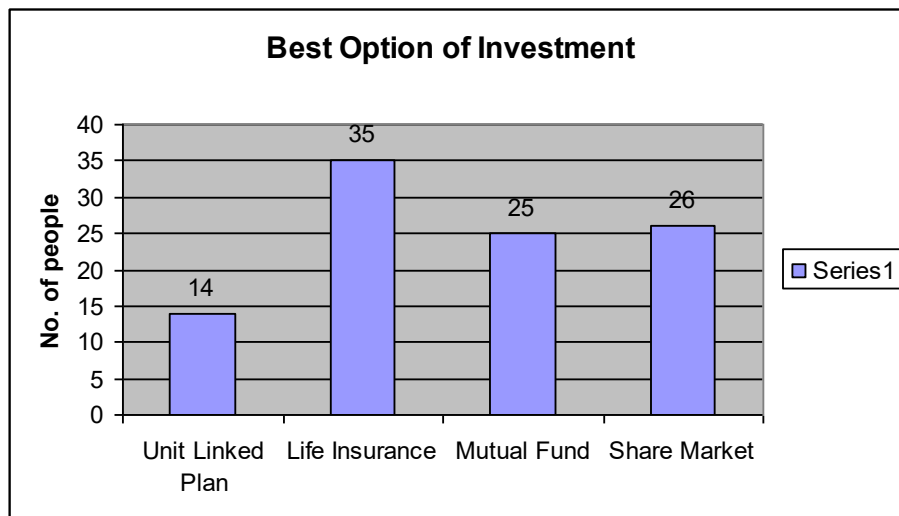


**Interpretation:**

Out of total 100 samples 57% responded that they know about ULIPS, and remaining 43% said that they do not know about ULIPS.

5. What is the best option of investment?

Best Option of Investment	
Type of Investment	No. of Responses
Unit Linked Plan	14
Life Insurance	35
Mutual Fund	25
Share Market	26



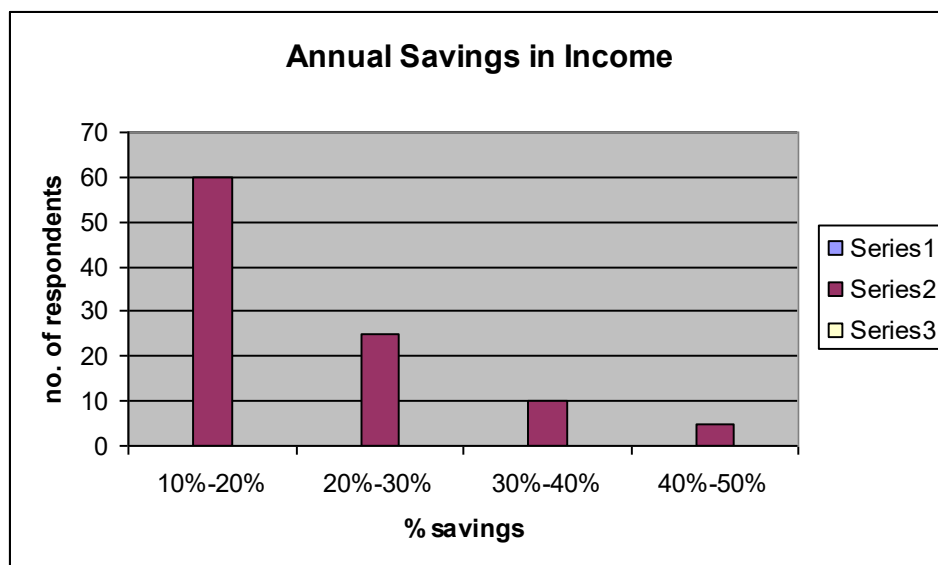
**Interpretation:**

Out of 100 samples 35% of respondents believe that best option is investing in Life Insurance, 26 % responded with share market, 25% responded that Mutual Funds are best and 14% respondents are sayTATa AIG is the best option for investment.

6. How much percentage of your salary are you saving monthly?

Annual Savings in Income	
% of savings	Respondents
10%-20%	60
20%-30%	25
30%-40%	10
40%-50%	5

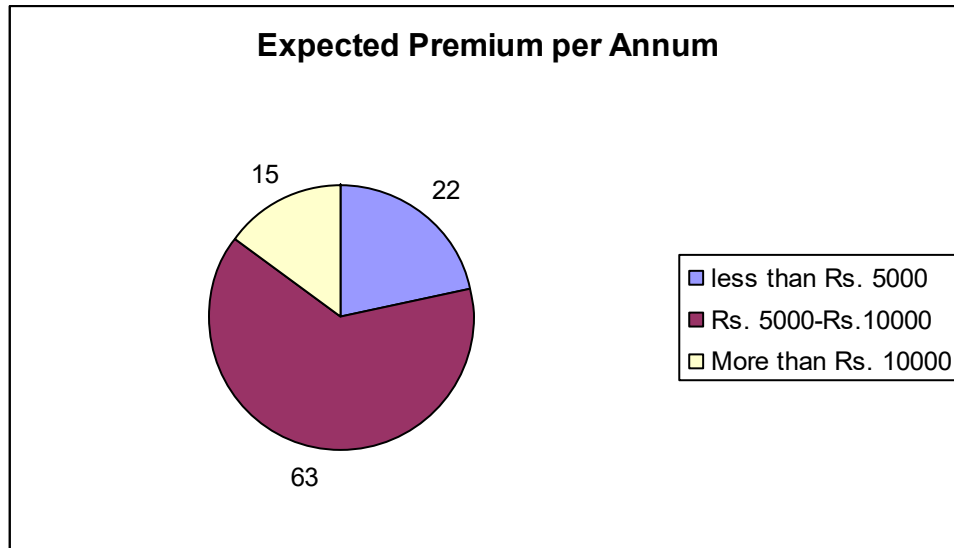


Interpretation:

From the above chart, it is clear that out of 100 samples, 60 percent of people are saving 10%-20% of their annual income, 25% of people are saving 20%-30% , 10% people are saving 30%-40%, and remaining 5% people are saving 40%-50% of their annual income.

7. What is your expected price of premium of the policy?

Expected Premium per Annum	
Premium Price	No. of Respondents
less than Rs.5000	22
Rs.5000-Rs.10000	63
More than Rs.10000	15

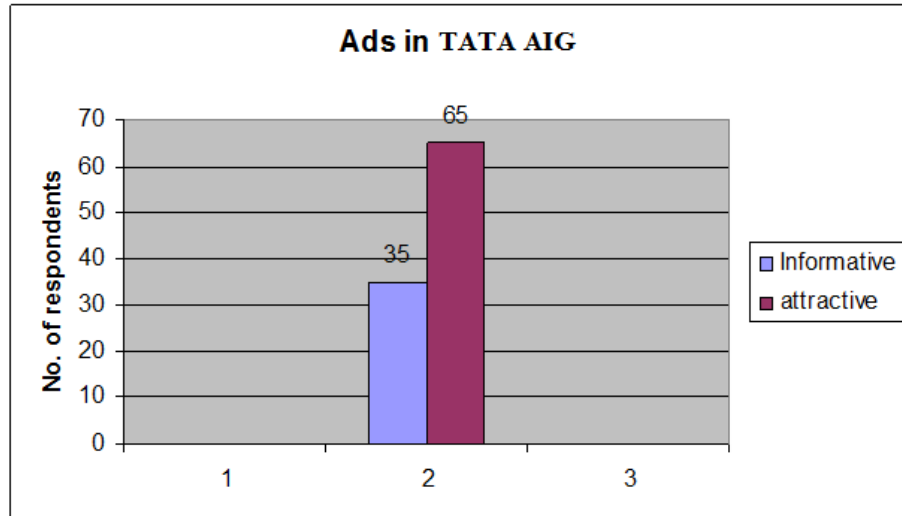


Interpretation:

Out of 100 samples, the expected price of premium per annum is less than Rs. 5000 for 22% of people, Rs. 5000-Rs.10000 for 63% of people and more than Rs. 10000 for 15% people.

8. Do you find advertisement of TATa AIG Life Insurance is informative or attractive?

Ads of TATa AIG	
	<u>No. of Responses</u>
Informative	35
attractive	65

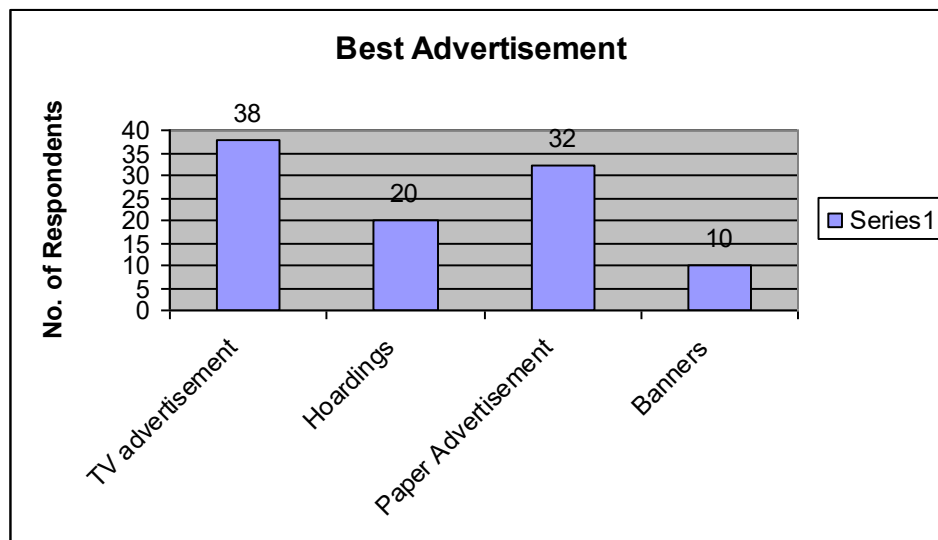


Interpretation:

Out of 100 samples 65% of people found that advertisement of TATA AIG Life Insurance are attractive, and remaining 35% found that they are informative.

9. Which promotional media do you think is the best one to make people educate about an Insurance Policy?

Best Advertisement	
Type of Promotional Activity	No. of Respondents
TV advertisement	38
Hoardings	20
Paper Advertisement	32
Banners	10

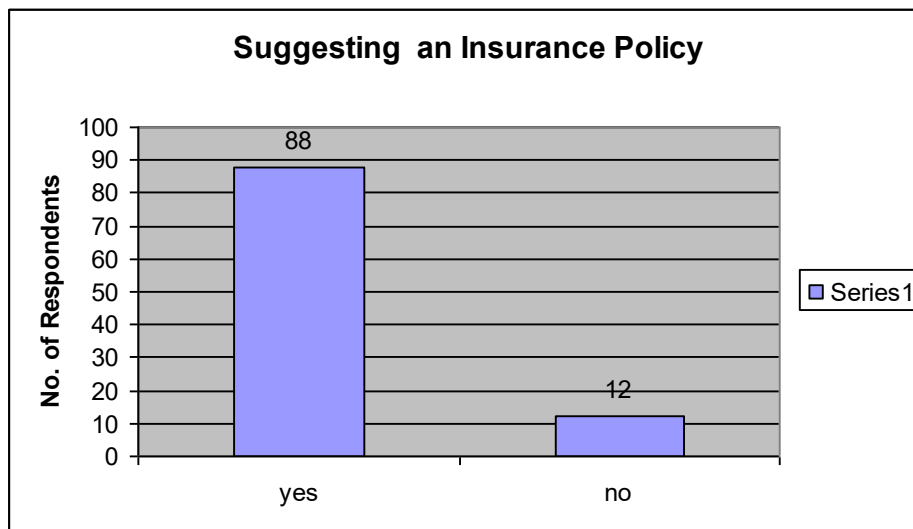


Interpretation:

Out of 100 sample 38% of people responded that TV advertisement is the best way for making people aware of insurance, 32% said that paper advertisement is better way, 20% of people said that Hoarding are better, remaining 10% said banners are helpful in making people aware of insurance.

10. Do you suggest your colleagues, relatives or any of your friends about which is the best company to opt for an Insurance Policy?

Suggesting an Insurance Company		
	yes	no
No. of respondents	88	12



Interpretation:

From the data and analysis it is found that 88% of people suggested about insurance to their friends, colleagues and relatives, and remaining 12% people are not suggested.

**FINDINGS**

From the project study and interpretation the findings are as follows:

- Our country India has a population of 117 crore and there are only 12 crore people have life insurance policy.
- Out of 100 samples, 65% people have insurance policy in LIC and remaining 35% people have insurance policy in other insurance companies.
- Most people have trust in LIC than any other insurance company and still LIC holds huge market share in LIFE INSURANCE sector in India.
- 82% people are taking insurance policy only if it is within their budget and have flexible payment options and remaining is taking policy if it is not with the budget but due to benefits of policy and reputation company has.
- Among various factors 55% of people are looking for benefits of policy, 25% people are looking for premium of policy and remaining 20% people are looking for brand name of insurance company.
- Only 10% of people are saving 31% to 40% of their income, 20% people are saving 21% to 30%, 70% people are saving 1% to 20% of their income.
- As there are many new players in the Indian market, there is huge competition among all insurance companies.
- Only 65% people are aware of TATA AIG life insurance and 35% people don't know about TATA AIG life insurance.
- Mostly corporate people, professionals and business man are aware of TATA AIG life insurance in India. Common man (middle class and lower class) is not aware of TATA AIG life insurance.
- 25% people gave response stating that advertisement of TATA AIG life insurance are attractive and informative and 75% people responded stating that TATA AIG life insurance advertisement are not attractive and not informative.
- Out of 100 respondents, 38% stated that TV advertisements is the best way for making people aware insurance company, 14% stated that setting up of stalls is the better way, 10% stated that paper advertisement is the better way, 5% stated that banners, pamphlets is the better way and 33% people stated that personal setting is the best way of making people aware and educate them about insurance company and its policies.



### SUGGESTIONS

- There is huge potential market for LIFE INSURANCE companies in India as out of 110 crore population only 8 crores people are insured. The insurance companies should educate people about insurance, its importance, different policies, and benefits of policies.
- The people opt for policy by taking into consideration price of premium of policy, benefits of policy and least importance is given to brand name. So the life insurance companies should look over the price of premium, benefits of policy and even flexible payment options from the point of untapped potential market in India.
- The price of premium of a policy must be within the budget of common man and life insurance companies should provide flexible payment options. By doing so, the private insurance companies can surely capture the untapped market along with creating brand name.
- TATA AIG life insurance, it has huge past experience around the world. But coming to Indian perspective its positioning is not properly done in the customers mind. The advertisement of TATA AIG life insurance in TV should contain briefly relevant message about its policy and benefits of a policy. It should formulate strategies for attracting customers through good promotional activities and informative ads, so that common man can have an idea of what TATA AIG is offering in a policy.
- Though people generally do the savings by various means, like Post Office, Fixed Deposit, Mutual Fund, Gold, Real Estate, and Share Market etc. This study focuses attention on the positive affect of Unit Linked Plan as a part of Financial Planning.
- The result of the study proves that ULIPS can enhance the individual's savings through their market investments. The study highlights ULIPS as a part of Tax Benefit for an individual. TATA AIG products are good when taken as long term investment plans.

### V. CONCLUSIONS

From the project analysis and interpretation the conclusions are:

- 1) Most untapped insurance market in India contains mostly middle class and lower class people.
- 2) The customers give preference more to premium of policy and benefits of the policy. Brand name and flexible payment options are given less importance.
- 3) Even though the premium price is not within the customer budget, if the benefits offered by policy are good customer is ready to take the policy.
- 4) The customers want the premium price to be within the budget, with good benefits.
- 5) The private insurance companies are unable to tap the untapped insurance market certain strategies should be formulated to grab the market.
- 6) Most customers feel that setting up of stalls at appropriate locations and providing information regarding various policies and benefits offered by the insurance company and create awareness about the insurance company.
- 7) ING has an international brand image by their world wide advertisement like formula one race and many other sports events still it needs to implement more marketing advertisement to attract the customers.
- 8) The present study is an attempt to find the unit linked plan as a part of financial planning, moreover to determine whether the unit linked plan would help the people to avail the tax benefit, protection, and savings.

### REFERENCES

- The information is taken from various sources such as books, magazines, articles, internet etc.
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  - Insurance watch
  - Business world
  - Business today



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