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**Sunil Kumar**  
Research Scholar  
(CUHP18RDMGMT12),  
HPKV Business School,  
School of Commerce and  
Management Studies, Central  
University of Himachal  
Pradesh, Dhauladhar Parisar  
2, Dharamshala, Kangra,  
Himachal Pradesh, India

## Consumers' preferences and perceptions regarding life insurance: A comparative study of LIC and RNLIC in Solan City of Himachal Pradesh

**Sunil Kumar**

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### Abstract

The insurance sector in India plays a dynamic role in the well-being of its economy. It greatly increases people's options to save money, insures their future, and assists the insurance industry in building up a substantial fund reserve. India has retained its tenth-place world ranking in the life insurance industry with market share of 2.90 percent. The comparison of the insurance policies becomes complicated when there are more than one dominating insurance companies in the market. So this paper tried to study the awareness level and preferences of customers regarding preferring particular life Insurance plans of LIC or RNLIC, and also to know the reasons prompting for preferring a particular life insurance company. For this purpose, this study analyzed the responses of 100 customers by using different statistical and as well as mathematical tools. The overall results indicate that majority of customers prefer LIC plans over RNLIC plans because of advantages like tax savings, brand image, and safety but in terms of providing services RNLIC customers are more satisfied as compared to LIC customers.

**Keywords:** Customer's awareness, customer's preferences, endowment plan, insurance agents, life insurance companies, statistical tests. JEL classification: G22, G52, I13

### 1. Introduction

In the present regime of fast changes everywhere, the actions of human beings and the government have become commercialized. The impact of commercialization is deep that every sector of the economy has initiated plans and actions by involving monetary considerations. The emphasis of the individuals, as well as institutions, is to earn and procure the resources. The economic consideration has given rise to encouraging resources. Protection of resources has become a priority for their optimum use. With this motive, to protect the resources, there is a great deal to understand the risk involved with the resources and to sort out the remedies for their protection (Gupta, 2011) <sup>[8]</sup>. One of the most preferred ways is the compensation for loss of the resources including human life in terms of money. It has become more and more popular being most versatile and effective (Haridas, 2011) <sup>[9]</sup>. The mechanism has been developed to ascertain the quantum of loss and compensation based on which, the concept of insurance become popular (Pillai & Mala, 2017) <sup>[13]</sup>. In the past ten years, India's insurance market has expanded significantly and a large number of products have been introduced. As a result, there is a fierce rivalry that has produced a fruitful and beneficial impact. In India, the insurance industry is vital to the overall health of the economy. It significantly enhances the likelihood that people will save money, protects their future, and enables the insurance industry to build up a substantial fund pool (Arif, 2015) <sup>[1]</sup>. India continues to hold 10th place globally in the life insurance industry. In 2020, India has a 2.90 percent market share for life insurance worldwide. The life insurance sector reported a premium income of ₹6.29 lakh crore in 2020–21 as compared to ₹5.73 lakh crore last year, registering a growth of 9.74 percent (IRDAI, Annual Report, 2021) <sup>[10]</sup>. At the end of March 2021, 24 life insurance companies are operating in India. The life insurance sector in India has emerged with high competition and as such, the various life insurance companies are coming into the market with several insurance schemes to attract customers (Chandrapal & Brahmabhatt, 2015) <sup>[3]</sup>.

### Correspondence

**Sunil Kumar**  
Research Scholar  
(CUHP18RDMGMT12),  
HPKV Business School,  
School of Commerce and  
Management Studies, Central  
University of Himachal  
Pradesh, Dhauladhar Parisar  
2, Dharamshala, Kangra,  
Himachal Pradesh, India

The investor, who wants to invest funds in the insurance policies, wants to evaluate the different insurance policies in terms of suitability and advantages contained by the insurance policies because the insurer gets confused about which policy to opt for insurance and how to compare the insurance policies. In such a situation, the need was felt to evaluate the insurance policies of the two insurance companies based on the perceptions of existing investors to seek the basis of evaluating the insurance policies. Keeping in view the different schemes of the above-mentioned 24 life insurance companies, it is implied that the insurance sector has recorded tremendous growth during the past two decades as the risk and uncertainty have increased in all the sectors and the insurance companies have emerged as the safety covers to the people in all the states of the country (Team Acko, 2022) <sup>[17]</sup>. There are topographical, environmental, and other hazards that have prompted people to come forward and opt the insurance policies to compensate for the losses of properties and lives to be paid in the shape of compensation to the claimers. Consequently, the trend of insurance has increased even in the states which are not much spread in terms of geography or population like Himachal Pradesh. The research is confined to the Solan district of Himachal Pradesh which is highly developed and industrial as well as the agricultural region of the State known for the production of vegetables. Amongst the 24 life insurance companies, only two companies are within the domain of the present research. These insurance companies are; Life Insurance Corporation (LIC) of India and Reliance Nippon Life Insurance company (RNLIC) as these are the two insurance companies that dominate the study area selected for the present research.

The remainder of this paper is structured as follows: The next section provides the literature review related to this study, the next section following that presents the details of data and methodology, section 4 presents the Data analysis and interpretation, followed by the findings and suggestions section, finally, the last section concludes and suggest an area for future research.

## 2. Literature Review

Bedi and Singh (2011) <sup>[2]</sup> explained that the life insurance industry passes through many hurdles to achieve its present position. They give three main determinants of any insurance company like; income earning capacity, eagerness, and awareness of the public. They found that the emergence of the private sector and players from other countries' insurance industries improved. And because of the effective regulation of SEBI (Security Exchange Board of India) growth has been seen in investment in the stock market by LIC.

Gupta (2014) <sup>[7]</sup> reviewed in a study that in rural areas life insurance is less bought in comparison to general insurance. In these areas, people hardly have any old age security, social security, or pension for them. In this study different factors that affect the purchase of insurance like; safety of invested fund, claim settlement, assistance, usefulness, etc. are given. The step-wise step road map for the rural people is provided. Firstly, there is a need to be aware, educate and motivate then distribute the plan and in the end post-sell services.

Senthil and Selvamani (2015) <sup>[14]</sup> tried to analyze the growth

of public and private sectors and the market share of life insurance in India based on secondary data. They also analyzed the different plans of LIC launched in 2016. In their research, they discovered that HDFC Life Insurance has a high number of claims that are pending with a rejection rate of 4.35 percent, while LIC of India held 70.44 percent of the market in India from March 2015 to March 2016, followed by SBI Life Insurance, which held approximately 5.13 percent of the market. This study suggested both private and as well as public sector insurance companies to aware people, of the benefits of life insurance through agents and CSR activities, and also suggest introducing effective health insurance plans in the market.

Srivastava (2016) <sup>[16]</sup> conducted a comparative study between public and private Indian life insurance companies by using secondary data from 2005 to 2015. By analyzing these insurance companies based on different measures present research found a negative growth rate of LIC and as well as private insurance companies in terms of the number of life insurance policies issued. The result of this research also indicates that the life insurance corporations still hold a significant majority of market share but private insurance companies have made their presence in the market and over the year achieved remarkable growth and position in terms of market share. They suggested that these companies have to bring out innovative products in the market according to the suitability of the public.

Gairola (2016) <sup>[4, 5]</sup> tried to compare the performance of public and private sectors of the insurance industry in post liberalized era. In this research, he found that the liberalization policy of India opened the doors for the private life insurers for entering the insurance business, and after the entry of private players life insurance penetration in India has greatly improved. Also depicted in his study that the insurance industry become a growing industry with the introduction of domestic and international players and the competition of public and private companies increased the offer of innovative and effective plans and well servicing.

Gill (2017) <sup>[6]</sup> tried to examine the awareness level and preferences of customers towards life insurance companies, and also compare the services of LIC and other private Life Insurances companies by using a sample of 100 respondents. After analyzing the data through various tools he found that LIC respondents are more aware and satisfied with the terms of plans offered by the company as compared to private insurance companies. And also found that respondents of both companies prefer to take money-back plans instead of endowment plans. This research suggested private companies stress advertisers, both in print as well as in other media, and also introduce innovative products that affect new customers.

Sidhardha and Sumanth (2017) <sup>[15]</sup> analyzed the buying behavior of customers towards life insurance companies in India, and also tried to identify the factors affecting the choice of investors in choosing a particular life insurance policy. For this purpose, a well-structured questionnaire was prepared and a sample of 150 policy holders was taken. They found that in the majority of male and below 30 years age group respondents prefer to take insurance plans. The present research concluded that Indian customers have different perceptions towards insurance and their majority prefer long-term investment and low risk, moderate return

option, overall attitude of customers towards Life insurance is positive in India.

Uddin (2019) <sup>[18]</sup> has examined the marketing strategies for LIC (a public insurer) and ICICI (a private insurer) regarding micro insurance. The finding shows there is a significant difference between their marketing strategies, such as price affordability, customer orientation of the product, and convenient distribution. Promotion and simplicity of the process etc. The researcher also concluded that there is a need to change the strategies and price affordability of the LIC product in rural areas.

Pembarthi et. al. (2022) <sup>[12]</sup> examined the awareness and need a preference of the rural people towards insurance and investment schemes in one of the districts of Telangana. With the help of primary data and descriptive analysis, they revealed that the awareness level in rural areas about insurance and investment schemes is different in different areas of the single district rural area.

Pareek and Mittal, (2022) <sup>[11]</sup> tried to find consumer behavior towards four private insurers and to see how they use social media advertising to attract the audience through a survey. To know why the insurance business is not able to perform properly and what steps may be made to increase their Visibility to the audience. In answer, researchers suggested that advertisements can be personalized and there is a need to do appropriate targeting according to the age and occupation of the consumers to reach the audience.

### Research gap

A large number of studies on the performance evaluation, customer behaviour and customer preferences towards life insurance companies has been conducted in developed countries. However, in case of developing countries like India, less attention has been devoted, particularly in northern region of India like Himachal Pradesh. The scarcity of researches has been found in Himachal Pradesh with respect to life insurance sector. The selected study area is highly developed and industrial as well as agricultural region of the State known for the production of vegetables. As discussed above that there are topographical, environmental, and other hazards that have prompted people to come forward and opt the insurance policies to compensate for the losses of properties and lives. So it is become necessity to know the preferences and perception of customers residing in this region. Hence, present research try to fill this gap by evaluating the preferences, awareness and behaviour of customers towards particular life insurance companies i.e. LIC and RNLIC which are in operation in Solan district of HP.

## 3. Data and Methodology

### 3.1 Need of the Study

Insurance sector in India has emerged with a high competition and as such, the insurance companies are coming in the market with a number of insurance schemes to attract the customers. In such a situation, sometimes, the insurer gets confused which policy to be opted for insurance and how to compare the insurance policies. The investor, who wants to invest funds in the insurance policies, wants to evaluate the different insurance policies in terms of suitability and advantages contained by the insurance policies. The comparison of the insurance policies becomes

complicated when there are more than one dominating insurance companies in the market. In order to provide a composite package of the existing insurance policies, particularly being provided by the LIC and RNLIC, which are the major players in the insurance market in the study area, a need has been felt to know the customers preferences towards particular life insurance policies and also to know the reasons behind such preferences.

### 3.2 Scope of the Study

The scope of the study represents the area within which the research work is confined. The main focus of the present study is to compare the perceptions of the customer regarding Life Insurance Companies in District Solan between Life Insurance Corporation and Reliance Nippon Life Insurance Company. The present research is mainly based on primary data which was collected from the insurers as per the list obtained from the insurance agents from Solan district of Himachal Pradesh. The survey was conducted in the month of January 2020.

### 3.3 Objectives of the study

1. To know the awareness level of customers regarding life insurance policies.
2. To evaluate the preferences of customers regarding life insurance plans of LIC and RNLIC.
3. To know about the reasons prompting for preferring a particular Life insurance company.

### 3.4 Hypothesis

H0(1): There is no significant difference in the awareness level of different customers regarding life Insurance policies.

H0(2): There is no significant difference between Life Insurance Corporation and Reliance Nippon Life Insurance company regarding the preferences of customers.

H0(3): There is no significant difference between services provided by the Life Insurance Corporation and Reliance Nippon Life Insurance Company.

### 3.5 Data and Sampling Design

The analyses of the present study have been based mainly on the primary data. A well-organized schedule of questions covering different aspects was prepared for seeking representative responses of policyholders who take the policy of Life Insurance Corporation, Reliance Nippon Life insurance, or both of them. District Solan has been chosen as the universe of the research where 100 insurers were selected as respondents for the research. The respondents were divided into 50 each from LIC and RNLIC. The respondents were selected out of the list containing the insurance agents from Solan. Several Insurance Agents were contacted and 8 to 10 percent of the insurers from their lists were selected on a random sampling basis. The survey was conducted in January 2020. Solan is a highly developed and industrial as well as agricultural region of the State known for the production of vegetables. There are topographical, environmental, and other hazards that have prompted people to come forward and opt the insurance policies to compensate for the losses of properties and lives which is the main reason for considering the Solan district for the study. Secondary data or information have been generated

through books, journals, reports, LIC All in one application (official), IRDAI Official websites, and other published material on official websites of trusted sources.

**3.6 Tools of Analysis**

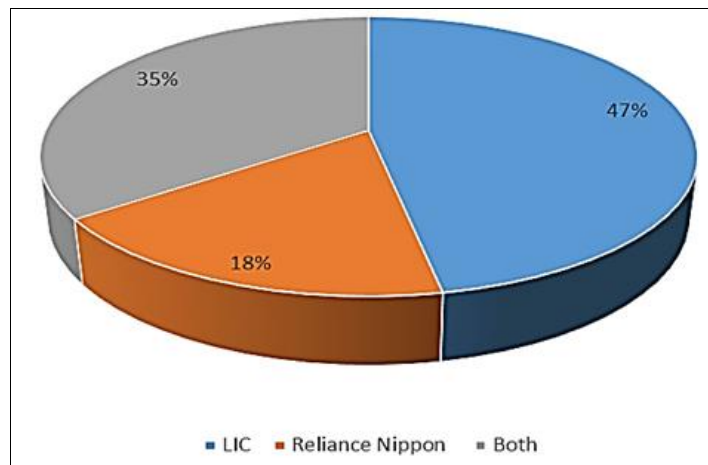
According to the requirements of the analysis, the data gathered from various sources have been organised and classified in table. For the analysis of data mathematical tools i.e. percentage and simple average, and as well as statistical tools i.e. Arithmetic mean, standard deviation and t-test were used.

**4. Data analysis and interpretation**

Table 1 shows that data is collected from 50 respondents of LIC and 50 of the Reliance Nippon life insurance. Out of these 100 respondents, 47 percent of respondents are of Life Insurance Corporation, 18 percent are reliance Nippon life Insurance Corporation and the remaining 35 percent have taken policies from both the companies LIC and RNLIC.

**Table 1:** Preferences Regarding Company Opted for Insurance

Insurance Company	Number of Respondents	Percentage
LIC	47	47
Reliance Nippon	18	18
Both	35	35
Total	100	100



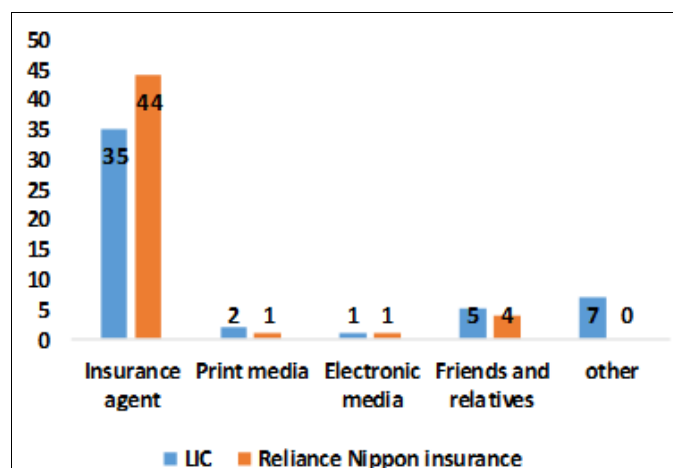
**Fig 1:** No of respondents

**Table 2:** Source of Information for Customers about Insurance Policy

Insurance Company	Insurance Agents	Print Media	Electronic Media	Friends and Relatives	Other	Total
LIC	35 (70)	2 (4)	1 (2)	5 (10)	7 (14)	50 (100)
Reliance Nippon	44 (88)	1(2)	1 (2)	4 (8)	0 (0)	50 (100)
Total	79	3	2	9	7	100

Table 2 presents that majority of LIC customers have taken information regarding insurance policies from insurance agents i.e. 70 percent, following 10 percent from local friends and relatives, 14 percent from other sources, 4 percent from print media, and the remaining 2 percent from electronic media. On the other side in. 88 percent of

respondents have taken information through insurance agents the majority, following 8 percent through friends and relatives, 2 percent from electronic media, and the remaining 2 percent through print media. In conclusion, it is observed that the majority of the respondent of both the companies get to know about insurance through agents.



**Fig 2:** No of respondents

**Table 3:** Responses regarding No. of Policies Availed

Insurance Company	LIC	Reliance Nippon	Both
Up to 2	42	31	73
2-4	7	17	24
4-6	1	0	1
More than 6	0	2	2
Total	50	50	100

Table 3 shows that 88 percent of LIC customers have taken up to 2 policies, followed by 14 percent have 2-4, and the remaining 2 percent have 4-6 policies of LIC. On the other side, 62 percent of customers of RNLIC have taken up to 2 policies, and the remaining 34 percent, and 4 percent of respondents have taken 2-4 and more than 6 policies respectively.

**Table 4:** Responses Regarding Types of Plan Taken

Plans	LIC	Reliance Nippon	Both
Endowment Plan	13	8	21
Money Back Plan	24	20	44
Term Plan	1	0	1
Other	12	22	34
Total	50	50	100

Above table 4 shows that the majority of respondents of both the companies LIC and RNLIC want the money back plans as compared to an endowment, money back, and term plans. After that respondent of both, companies prefer to invest in the endowment plans, very few customers of LIC have taken the terms' plans whereas customers of RNLIC is not more interested in the terms plan.

**Table 5: Responses Regarding Satisfaction from Services provided**

Insurance Company	Yes	No	Total
LIC	44 (88)	6 (12)	50 (100)
Reliance Nippon	49 (98)	1 (2)	50 (100)
Total	93	7	100

Table 5 indicates that in majority 98 percent customers of RNLIC have satisfied with the pre and post services provided by the insurance company, whereas only 88 percent customers of LIC has satisfied with the services. So in term of services quality RNLIC has found better than the LIC.

**Table 6:** Preferences of Respondents Regarding Time Period of Insurance Plan: Policy Wise

Insurance Company	LIC	Reliance Nippon	Total
Up to 5	10 (20)	15 (30)	25
Between 5-15	22 (44)	25 (50)	47
Between 15-25	14 (28)	8 (16)	22
Above 25	4 (8)	2 (4)	6
Total	50 (100)	50 (100)	100

It is observed from the Table 6, that customers of both the companies LIC Ltd and RNLIC prefer to take plans for mid-term 5 to 15 years period. After that LIC customers prefer

long term 15-25 years period and RNLIC customers prefer short term less than 5 years period for investment. Very few customers of both the companies invest for more than 25 years period of time. It is also seen that LIC customers prefer to invest for long period of time as compare to the RNLIC customers.

**Table 7:** Preferences of Insurers Regarding Life Insurance: Age Wise

Age	Insurance Taken From Both Insurance Company		Total	Which One is Better Insurance Company	
	Yes	No		LIC	Reliance Nippon
Up to 20	1	1	2	2	0
20-30	7	19	26	19	7
30-40	19	18	37	23	14
Above 40	8	27	45	25	10
Total	35	65	100	69	31

Table 7 explains the age-wise responses regarding the insurance policy of both companies. out of the 35 respondents who have taken policies from both the companies LIC and RNLIC, In the majority of 19 respondents of the age group between 30-40 years, 8 respondents from the age group above 40 years, 7 respondents from 20-30 age group and only 1 from less than 20 age group.

The other side of the table shows the age-wise preferences of customers regarding the better insurance company they feel. It is observed from Table 7 that the majority of respondents i.e. 69 percent of customers consider LIC to be a better company rather than RNLIC and the remaining 31 percent consider RNLIC is better. Out of the total who consider LIC is better the 25 respondents have from the age group of 40 years above and other remaining 23,19,2 are from 30-40, 20-30, and up to 20 years age group respectively. And in Reliance Nippon Life insurance out of 31 respondents, 14 are from the 30-40 age group, 10 are from the above 40 years age group and the remaining 7 are from the age group of 20-30 years.

**Table 8:** Responses Regarding Insurance Schemes Availed and Preferences of Both Companies:

Gender	Insurance from both companies		Total	Which one is better plan	
	Yes	No		LIC	Reliance Nippon
Male	31	45	76	55	21
Female	4	20	24	14	10
Total	35	65	100	69	31

Above table 8 reveals responses regarding insurance schemes availed and preferred by the respondents of both companies. The table reveals that 31 male and 3 female respondents agree to have taken insurance plans from both the companies. 55 male and 14 female respondents prefer LIC over RNLIC and 21 male and 10 female respondents prefer RNLIC over LIC.

**Table 9:** Preferences of Respondents Regarding Particular Insurance Company: in terms of Education Qualification, Occupation and Income wise

Company	Education Qualification					Occupation				Income			
	Up to 10	10+2	UG	PG	Total	Employee	Business	Profession	Other	Below 1 lakh	1-3 lakh	3-5 lakh	Above 5 Lakh
LIC	20	14	21	14	69	16	15	16	22	24	19	13	13
Reliance Nippon	7	8	9	7	31	5	7	5	14	5	6	12	8
Total	27	22	30	21	100	21	22	21	36	29	25	25	21

Below Table 9, shows the education, occupation, and income-wise preference of respondents concerning insurance company LIC and Reliance Nippon Life Insurance Company. Out of 100, all education qualification groups' respondents consider LIC is a better company than the RNLIC i.e. 20, 14, 21, and 14 respondents from a group of up to metric, 10+2, Under Graduate and Post-Graduation respectively. Similarly, 7 Respondents whose education qualification is up to 10th consider the Reliance Nippon Insurance Company is a better company rather than the LIC. 8, 9, and 7 respondents consider Reliance as a better company whose educational qualification is 10+2, Under Graduation and Post-Graduation respectively. It is also observed from the table that professionals, businessmen, and employees all prefer to make plans for LIC over RNLIC Company. Similarly, all respondents of different age groups like Below 1 lakh, 1-3 lakh, 3-5 lakh, and above lakh prefer LIC policy over RNLIC Policy the majority.

**Table 10:** Opinion of Customers Regarding Safety/ Risk Coverage

Company	N	Mean	Std. Deviation	t	Sign (2tailed)
LIC	50	4.20	.881	-.968	.335
Reliance Nippon	50	4.34	.519		

Table 10, reveals the average opinion of respondents regarding safety and risk coverage in LIC and Reliance Nippon Insurance is 4.20 and 4.34 respectively, and the standard deviation is .881 for LIC respondents and .519 for the Reliance Nippon Life Insurance respondents. The value of the t-test is .968 with a p-value of .335, which indicates that the hypothesis is accepted at a 5% level of significance, which means that there is no significant difference in the opinion of both companies with respect to taking insurance policies for the purpose of safety or risk coverage.

**Table 11:** Opinion of Customers Regarding Saving Purpose

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	4.18	1.082	.438	.663
Reliance Nippon	50	4.10	.707		

Table 11, reveals the company-wise opinion of respondents to take policy for saving purposes. The average opinion and standard deviation of respondents in LIC and RNLIC are 4.18, 4.10, and 1.082, .707 respectively. The value of the t-test is .438 with a p-value of .663, which indicates that the null hypothesis is accepted at a 5% level of significance, and indicates that there is no significant difference in the opinion of both the company's respondents with respect to saving purpose

**Table 12:** Opinion of Customers Regarding Tax Benefits

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	1.90	1.403	-3.313	.001
Reliance Nippon	50	2.84	1.434		

Table 12, reveals the company-wise opinion of respondents to take policy for tax benefits purposes. The average opinion of respondents in LIC and RNLIC Company is 1.90 and 2.84 respectively. The value of the t-test -3.313 and p-value of .001, indicates that the null hypothesis is rejected at a 5% level of significance, hence it can be concluded that there is a significant difference in the opinion of both the company respondents with respect to tax-saving purposes. Customers of LIC give more importance to tax savings while investing as compared to RNLIC customers.

**Table 13:** Opinion of Customers Regarding Return on Policy

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	3.98	.869	.002	0.98
Reliance Nippon	50	3.98	.553		

Table 13, reveals the company-wise opinion of respondents regarding the return on the policy provided by the Life Insurance Corporation Ltd. and Reliance Nippon Life Insurance Company Pvt Ltd. The average opinion of respondents in LIC and Reliance Nippon Insurance is 3.98 and 3.98 respectively. The value of the t-test is .002 with a p-value of 0.98, which indicates that the hypothesis is accepted at a 5% level of significance and means that there is no significant difference in the opinion of both companies with respect to taking insurance policy for return on policy. Customers of both companies want higher returns.

**Table 14:** Opinion of Customers Regarding Brand Name/ Company Image

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	4.42	.702	4.724	.000
Reliance Nippon	50	3.66	.895		

Table 14, reveals the company-wise opinion of respondents regarding the company image and brand name of the LIC and RNLIC. The average opinion of respondents in LIC and Reliance Nippon Insurance is 4.42 and 3.66 respectively. The value of the t-test is 4.724 and the p-value of .000 indicates that the hypothesis is rejected at a 5% level of significance. Hence, it can be concluded that there is a significant difference in the opinion of both companies with respect to taking insurance policy by considering the brand name and image of a company. The majority of customers think that LIC has a good brand name and image as compared to the RNLIC.

**Table 15:** Opinion of Customers Regarding Premium

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	4.26	.694	.000	0.99
Reliance Nippon	50	4.26	.565		

Table 15, reveals the company-wise opinion of respondents regarding premium paid. The average opinion of respondents in LIC and Reliance Nippon Insurance is 4.26 and 4.26 respectively. The value of the t-test is 0.000 with a p-value of 0.99, which indicates that the hypothesis is accepted at 5% level of significance. Hence, it can be concluded that there is not a significant difference in the opinion of both companies with respect to premium.

**Table 16:** Opinion of Customers Regarding Policy Term

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	4.04	.669	.894	.626
Reliance Nippon	50	3.98	.553		

Table 16, reveals the company-wise opinion of respondents regarding the policy term of insurance of both the companies. The average opinion of respondents in LIC and Reliance Nippon Insurance is 4.04 and 3.98 respectively and the standard deviation is .669 for LIC respondents and .553 for the Reliance Nippon Life Insurance respondents. The value of the t-test is 0.894 and the p-value of .626 indicates that the hypothesis is accepted at a 5% level of significance. Hence, it can be concluded that there is no significant difference in the opinion of both companies with respect to policy terms. Most of their respondents prefer the mid-term period for the investment.

**Table 17:** Opinion of Customers Regarding Pre-Posts Service

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	3.72	.809	.293	.03
Reliance Nippon	50	3.60	.700		

Table 17, reveals the company-wise opinion of respondents regarding pre-post services provided by the Life Insurance Corporation Ltd. and Reliance Nippon Life Insurance Company Pvt Ltd. The average opinion of respondents in LIC and Reliance Nippon Insurance is 3.72 and 3.60 respectively. The value of the t-test is 0.293 and the p-value of .03 indicates that the hypothesis is rejected at a 5% level of significance. Hence, it can be concluded that there is a significant difference in the opinion of both companies with respect to Pre-Posts Services. Customers of RNLIC feel good in terms of services as compared to the LIC customers.

**Table 18:** Opinion of Customers Regarding Accessibility

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	3.48	.762	-.121	.904
Reliance Nippon	50	3.50	.886		

Table 18, reveals the company-wise opinion of respondents regarding Accessibility in the market. The average opinion

of respondents in LIC and Reliance Nippon Insurance is 3.48 and 3.50 respectively. The value of the t-test is -0.121 and the p-value of .904 indicates that the hypothesis is accepted at a 5% level of significance. Hence, it can be concluded that there is no significant difference in the opinion of both companies with respect to Accessibility. Customers have easy access to both the companies in the market.

**Table 19:** Opinion of Customers Regarding Company Image

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	4.24	.960	2.835	.006
Reliance Nippon	50	3.76	.716		

Table 19, reveals the company-wise opinion of respondents regarding the company image and brand name of the Life Insurance Corporation Ltd. and Reliance Nippon Life Insurance Company Pvt Ltd. The average opinion of respondents in LIC and Reliance Nippon Insurance is 4.42 and 3.76 respectively. The value of the t-test is 2.835 and the p-value of .006 indicates that the hypothesis is rejected at a 5% level of significance. Hence, it can be concluded that there is a significant difference in the opinion of both with respect to company image. Customers prefer LIC because of its brand and image.

**Table 20:** Opinion of Customers Regarding Quality of Product

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	3.92	1.007	1.016	.312
Reliance Nippon	50	3.76	.476		

Table 20, reveals the company-wise responses of respondents regarding the quality of services provided by Life Insurance Corporation Ltd. and Reliance Nippon Life Insurance Company Pvt Ltd. The average opinion of respondents in LIC and Reliance Nippon Insurance is 3.92 and 3.76 respectively. The value of the t-test is 1.016 and the p-value of .312 indicates that the hypothesis is accepted at a 5% level of significance. Hence, it can be concluded that there is no significant difference in the opinion of both companies with respect to the quality of the product. Both the companies have a variety of quality products.

**Table 21:** Opinion of Customers Regarding their Expectation Satisfaction

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	3.46	.952	1.218	.226
Reliance Nippon	50	3.26	.664		

Table 21, reveals the company-wise opinion of respondents regarding customer expectations from the Life Insurance Corporation Ltd. and Reliance Nippon Life Insurance Company Pvt Ltd. The average opinion of respondents in LIC and Reliance Nippon Insurance is 3.46 and 3.26 respectively. The value of the t-test is 1.218 and the p-value of .226 indicates that the hypothesis is accepted at a 5% level of significance. Hence, it can be concluded that there is no significant difference in the opinion of both companies with respect to customer expectations. Both the companies

fulfilling the expectations of their majority customers.

**Table 22:** Opinion Regarding Overall Satisfaction to Customer with Dealing of Company

Company	N	Mean	Std. Deviation	t	Sign (2 tailed)
LIC	50	3.64	0.896	.619	.537
Reliance Nippon	50	3.54	.706		

Table 22, reveals the company-wise opinion of respondents regarding the overall satisfaction of customers dealing with Life Insurance Corporation Ltd. and Reliance Nippon Life Insurance Company Pvt Ltd. The average opinion of respondents in LIC and Reliance Nippon Insurance is 3.64 and 3.54 respectively. The value of the t-test is 0.619 and the p-value of .537 indicates that the hypothesis is accepted at a 5% level of significance. Hence, it can be concluded that there is no significant difference in the opinion of both companies with respect to the overall satisfaction of the customer with dealing with the company. Overall customers of both the companies are satisfied with the dealing of the company.

**5. Findings and Suggestions**

**5.1 Findings**

1. It is evident from the study that the majority of the respondents fall in the age group of 30-40 years which is 37 percent of the total number of respondents and only 2 percent of respondents comprises under 20 years of age group.
2. It is observed from the study that the majority of the respondents are male 76 percent and the other 24 percent are female, still, males are dominant.
3. The study shows that the married respondents had taken more insurance policies than unmarried respondents.
4. The majority of customers of both companies get to know about the product and policies through insurance agents.
5. It is concluded that the respondents of both the companies prefer the Money-back plans as compared to the endowment plan. In some cases, respondents of LIC prefer endowment plans but very few RNLIC customers opt for endowment plans.
6. It is observed from the study that in the majority 98 percent of customers of RNLIC are satisfied with the services provided by the company as compared to 88 percent of LIC customers.
7. It is observed that LIC customers prefer to invest for a long period than the RNLICs who prefer short-term or mid-term periods. Overall, the majority of customers of both the companies prefer to invest for a mid-term period of 5-15 years.
8. It is evident from the research that the maximum respondents (69%) consider LIC as a better company in comparison to RNLIC.
9. It is observed in both companies that people prefer money-back plans in comparison to endowment plans.
10. LIC respondents give more emphasis on tax-saving while taking insurance whereas, RNLIC respondents give less importance to tax saving.
11. It is also evident that the majority of respondents consider the good image and brand name of LIC as compared to the RNLIC.

**5.2 Suggestions**

1. The insurance policies must emphasize attracting customers directly by insuring in the policies rather than through the insurance agents.
2. The concentration of the insurance companies should be to provide policies for elderly aged people also as a step for their welfare and protection without considering the high risk involved
3. Both the companies should launch effective plans for the time period of 5-15 years.
4. It is suggested that both the companies should focus on their online advertisement just like electronic media, and print media but Reliance Nippon as more need to emphases on this area to inform about their plans to peoples.
5. Both the companies should launch special plans for the farmers and fewer premium terms or other plans for poor people.
6. Reliance Nippon needs to attract more taxpayers for the purpose of their tax savings.
7. Life insurance Corporation should improve their service quality just by messaging from time to time regarding the premium paid and maturity of policies etc.
8. The insurance companies have the requirement to introduce pension plans which are suitable to the insurers. For this purpose, they need to seek the feedback of the employees of different organizations to know about their expectations from the pension plans.

**6. Conclusion and Scope for Further Research**

**6.1 Concussion**

Every risk represents a certain type of loss. Through the process of cooperation, insurance serves to disperse this loss among a wide number of individuals. In a life insurance contract, the insurer promises to pay the specified sum upon the occurrence of an event based on human life in exchange for payment of an amount of money or regular payments known as the premium. The investor, who wants to invest funds in the insurance policies, wants to evaluate the different insurance policies in terms of suitability and advantages contained by the insurance policies.

The comparison of the insurance policies becomes complicated when there is more than one dominating insurance company in the market. In order to provide a composite package of the existing insurance policies by comparing the awareness, preferences, and behavior of customers towards particular Life insurance companies between LIC and RNLIC. For this purpose Solan district of Himachal Pradesh has been taken as an area of research. By testing the preferences of customers through different methodology, this study concluded that; (i) the majority of young males prefer to take an insurance plan, (ii) the majority of customers prefer to take a LIC policy because of advantages like tax savings, brand image, and safety, but (iii) in terms of services majority of customers of RNLIC are satisfied as compare to LIC, (iv) customers of both the companies prefer to invest the money back plan and short term plan less than 15 years.

**6.2 Limitations of the study and scope for further research:**

The study has not considered the entire population because of time constraints and the area of the present study is limited to District Solan, Himachal Pradesh only. So any further extension of this study in the Northern region can be a topic of fruitful area for further research.



Present research collected data before the covid-19 pandemic. So the Covid-19 period is not taken into consideration in this research, examining the impact of the Covid-19 pandemic on the insurance sector is also a great area for future research.

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