RANKING ANALYSIS FOR LIFE INSURANCE POLICIES: UNIVERSITY PROFESSORS' PERSPECTIVE

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Abstract

The Life Insurance Policy is one of the firewall to protect human assets. It induces individual to invest in Life Insurance Policies. The choice of Life Insurance Policy varies according to the income. The University Professors who have consistent and high income are tangible as well as intangible assets for our Nation. It induces the researchers to analyze the University Professors preferences in Life Insurance Policy. To attain the objectives, the primary data collected from two hundred and forty University Professors by adopting Convenient Sampling Method with the help of Structured Questionnaire. The reliability of topical scope "Ranking Analysis for Life Insurance Policies: University professors' Perspective" proved by Garrett Ranking Techniques. The result revealed that the priority order of University Professor have been in the order of Security, Saving and Investment.

Key words: Life Insurance, Policyholders, Preferences, University Professors.

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INTRODUCTION

Human life is tangible as well as intangible assets. It is the associated with tractable and intractable risk. Life Insurance Policy is one of the yardstick to tackle the risk prevails in life tactfully. Besides, a Life Insurance Policy is the fire wall to protect the life of individual from the financial crisis including the family too. Hence, the individual induces to invest in Life Insurance Policies. The educated University Professors are not an exception to this. They are earning standard and consistent income. Their investment is the benchmark to transform the developing nation into developed nation.

The insurance recognized as Prime Avenue of investment to protect the perils present in life especially after Pandemic Period[1]. It induces the Insurance Companies to enter into the market with plenty of Life Insurance Policies. The risk and return of Life Insurance Policy deviated from one another. The policy holders' priorities vary according to their need and priority. Especially, the rank given by the policy holders indicates their need. It induces the insurance companies to offer insurance policy to fulfill the need of policy holder. Besides, it is the accountability of the Government to encourage the policyholder to pick up the policy as saving and Investment Avenue with tax benefits.

STATEMENT OF THE PROBLEM

Life Insurance Policy is imperative to everyone. Because, it provides financial security to the individual to stay and save their family financially independent. The educated University Professors are not exception to this. So the researchers want to study the Which Life Insurance Policy give the more financial security to the policy holder and their family? This question is instigating the researchers to study the University Professors preferences in Life Insurance Policy. This is the painstaking

and pin pointing the present research problem.

SCOPE OF THE STUDY

The present research work mainly focuses on priority given by University Professors in Life Insurance Policies.

❖ The geographical scope is confined within southern Tamil Nadu.
❖ Topical scope is covered the preferences of University Professors' Life Insurance Policies.
❖ Time Scope indicates the study period from August 2021 – September 2022.
❖ The validity and reliability of analytical scope is proved by Garret Ranking Method.
❖ Functional scope is focused on suitable suggestion to the Government, Life Insurance Corporations and Policyholders.

REVIEW OF LITERATURE

The comprehensive study and interpretation of literature that relates to the present study plays a vital role in providing an insight into the research. Hence, the research work pursued from 2021 to 2022 related to this study were reviewed and given below.

Malini R and Parvathi Devi M (2022)[2] has published a paper titled on "Impact of Covid-19 on the Investment pattern of College Teachers". The researchers aim to study the investment pattern of college teachers before and after COVID-19 and to interpret the impact of COVID-19 on the investment pattern of college teachers. The data were collected from sixty four teachers by adopting convenient sampling method with the help of structured questionnaire. The researchers applied Garrett Ranking Method to find out the prime investment avenue. The researchers found that the

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investors willing to take risks and earn high return in Normal Scenario. The insurance recognized as Prime Avenue to protect them after Pandemic. The study suggests that the investors leveraged the opportunity to secure the life by investing in insurance and liquid asset with less risk. Hence, the government should offer more tax concession for salaried class to increase their investments in various avenues.

Saranza S (2022)[3] has observed the "Investment Decisions on Life Insurance Policy among Public School Teachers". The objective of the study was to identify the factors influencing the investment decisions of public school teachers' life insurance policies in Claver, Surigao Del Norte. The researcher adopted the purposive sampling method. The researcher selected the 74 public school teachers as sample respondents. The study found that the respondents' most preferred type of life insurance policy is Whole Life Insurance, with 65% of the total number of respondents. Hence, the company image, service quality, satisfaction level and company client relationship play a vital part in contributing to the respondents' investment decisions. It is concluded from the study was to offer a greater variety of choices to the customers and also make improvements in the quality of services and sell products through appropriate distribution channel to a win-win situation for both the parties.

Dave Krunal & Hemalata Prajapati (2021)[4] has observed the "Impact of COVID 19 Customer Preference Life Insurance Sector in India". The objective of the study was to identify the customer preference regarding plans and company, and their purpose of buying the insurance policies, satisfaction level & their future plans for new insurance policy. The researchers selected one ninety two policy holders from Vodara City by adopting Convenience sampling method. The Percentage analysis, frequency & Cross tabulation methods have been used

for analysis. The research found that the majority of the policy holders preferred term policy and money back policy. The majority of the respondents are choosing their insurance policy based on the protection of life.

Namasivayam N, Ganesan S and Rajendran S (2021)[5] have focused on "Socio Economic factors influencing the decision in Taking Life Insurance Policies". The objective of the study was to analyze the Socio Economic Factors that are Responsible for taking Life Insurance Policies and to examine the preference of the policyholders towards various types of policies of LIC. From the analysis it was found that the factors such as Age, Educational Level and Gender of the policy holders are highly significant for taking a Life Insurance Policies. But the Income Level, Occupation & Family size of the respondents is not significant while deciding on taking an insurance policy. It is inferred from the analysis, the respondents who are comes to the age group between 31 to 40 years are very much interested in taking a life insurance policy.

Ravi Chandran M and Sindhuja T (2021)[6] in their article titled on "A study on Customer Perception towards Life Insurance Policies with Reference to Rural Areas in Madurai District". The objective of the study was to explore the customer perception with Life Insurance Policies. Data were collected from forty policy holders in Madurai District through the structured questionnaire. The researchers used convenient sampling method. The researchers found that the maximum number of policy holders are gave the prime priority to the Savings policy and the policy holders are agreed that the life insurance policies are help them live their lives easily.

The research work reviewed revealed that the geographical and topical focus deviated from the present research. These deviations assist the researchers to identify the research gap. Besides, the

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targeted population and objectives of the past research open new vista for the researchers to identify the University Professors' preference in Life Insurance Policies.

OBJECTIVES

The prime purpose of the present research is

❖ To study the University Professors' preference in Life Insurance Policies.

RESEARCH METHODOLOGY

The path through the research conducted and the assurance of validity and reliability of the study described by the researchers as follows.

STUDY AREA

The Southern State University Professors are selected from Madurai Kamaraj University in Madurai and Manonmaniam Sundaranar University in Tirunelveli.

STUDY PERIOD

The study was conducted between September 2022 and March 2023.

SOURCE

Both primary and secondary data were used for the study. The primary data was collected with the help of structured questionnaire. The secondary data was collected from articles and websites.

SAMPLING TECHNIQUE

❖ *Sampling Method*

Two hundred forty University Professors were selected by adopting Convenient Sampling Method.

❖ *Sample Size*

Eighty eight respondents were selected from Madurai Kamaraj University in Madurai and rest of one hundred and fifty two respondents was selected from Manonmaniam Sundaranar University in Tirunelveli.

STATISTICAL TOOL

Garrett Ranking Techniques used to rank the Professors' preference towards Life Insurance Policies.

ANALYSES AND INTERPRETATION OF DATA

Life Insurance Policies provide financial security to the individual and family members. So, the insurance is a better investment for better life. Numerous types of Life Insurance Policies exist in the market. The choice of Life Insurance Policies depends on their socio-economic background and their needs and wants. It's imperative for the researchers to identify which Life Insurance Policies preferred by University Professors among top Nine Life Insurance Policies. Nine Insurance Policies are Endowment Policy, Whole Life Policy, Money Back Policy, Term Policy, Child Insurance Plans, Retirement Insurance Plans, Group Life Insurance, Savings and Investment Plan and Unit Linked Insurance Plan.

The priorities of the University Professors on Life Insurance Policies are measured by Garrett Ranking Method. As per this method, respondents have been asked to assign the rank for all nine Insurance Policies and the outcomes of such ranking have been converted into score value with the help of the following formula:

Where,

$$\text{Percent Position} = \frac{100(R_{ij}-0.5)}{N_j}$$

R_{ij} = Rank given for i[th] policy by the jth sample respondents

N_{ij} = Number of policy ranked by j[th] sample respondents

With the help of Garrett's Table, the percent position is converted into scores. The score of each Life Insurance Policy are added and then total value of scores and

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mean values of score is calculated. The highest mean value of Life Insurance Policy is considered to be the highly preferred Life Insurance Policy by the University Professors. The following Table 1 shows that the frequency of preferred Life Insurance Policies.

TABLE 1

INVESTORS' PREFERENCES ON LIFE INSURANCE POLICY

S.No.	Life Insurance Policy	I	II	III	IV	V	VI	VII	VIII	IX	Total
1	Endowment Policy	18	34	32	72	22	12	19	11	20	240
2	Whole Life Policy	15	51	28	10	30	42	14	25	25	240
3	Money Back Policy	66	44	70	7	27	20	6	0	0	240
4	Term Policy	83	20	19	15	7	6	42	34	14	240
5	Child Insurance Plans	26	36	16	45	57	32	6	13	9	240
6	Retirement Insurance Plans	8	19	33	14	46	75	17	20	8	240
7	Group Life Insurance	3	4	7	50	23	28	102	23	0	240
8	Savings and Investment Plan	8	8	14	17	19	20	33	46	75	240
9	Unit Linked Insurance Plan	0	0	13	16	20	28	41	46	76	240

Source : Primary Data

INVESTORS' PREFERENCE TOWARDS LIFE INSURANCE POLICY – GARRETT SCORE

The following table 2 exhibits that Garret score of University Professors' preference towards each Life Insurance Policy by using the Garrett Ranking Formulae.

TABLE 2

INVESTORS' PREFERENCES ON LIFE INSURANCE POLICY – GARRETT SCORE

S.No.	Life Insurance	Rank Scale Value	I	II	III	IV	V	VI	VII	VIII	IX	Total
		x	81	69	62	56	50	44	38	31	19	
1	Endowment Policy	f	18	34	32	72	22	12	19	11	20	12,891
		fx	1,458	2,346	1,984	4,032	1,100	528	722	341	380	
2	Whole Life Policy	f	15	51	28	10	30	42	14	25	25	12,160
		fx	1,215	3,519	1,736	560	1,500	1,848	532	775	475	
3	Money Back Policy	f	66	44	70	7	27	20	6	0	0	15,572
		fx	5,346	3,036	4,340	392	1,350	880	228	0	0	

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S.No	Life Insurance Policy											Total
4	Term Policy	f	83	20	19	15	7	6	42	34	14	13,651
		fx	6,723	1,380	1,178	840	350	264	1,596	1,054	266	
5	Child Insurance Plans	f	26	36	16	45	57	32	6	13	9	13,162
		fx	2,106	2,484	992	2,520	2,850	1,408	228	403	171	
6	Retirement Insurance Plans	f	8	19	33	14	46	75	17	20	8	11,807
		fx	648	1,311	2,046	784	2,300	3,300	646	620	152	
7	Group Life Insurance	f	3	4	7	50	23	28	102	23	0	10,724
		fx	243	276	434	2,800	1,150	1,232	3,876	713	0	
8	Savings and Investment Plan	f	8	8	14	17	19	20	33	46	75	8,955
		fx	648	552	868	952	950	880	1,254	1,426	1,425	
9	Unit Linked Insurance Plan	f	0	0	13	16	20	28	41	46	76	8,362
		fx	0	0	806	896	1,000	1,232	1,558	1,426	1,444	

Source: Primary Data

INVESTORS' PREFERENCES ON LIFE INSURANCE POLICY – GARRETT RANK

The following Table 3 explains that Garrett rank of Life Insurance Policies. In this, the Garrett total score are changed into Garret mean of Life Insurance Policies and gave the rank to them.

TABLE 3

INVESTORS' PREFERENCES ON LIFE INSURANCE POLICY – GARRETT RANK

S.No.	Life Insurance Policy	Garrett Total Scores	Garrett Mean Score	Rank
1	Endowment Policy	12,891	53.71	IV
2	Whole Life Policy	12,160	50.66	V
3	Money Back Policy	15,572	64.88	I
4	Term Policy	13,651	56.87	II
5	Child Insurance Plans	13,162	54.84	III
6	Retirement Insurance Plans	11,807	49.19	VI
7	Group Life Insurance	10,724	44.68	VII
8	Savings and Investment Plan	8,955	37.31	VIII
9	Unit Linked Insurance Plan	8,362	34.84	IX

Source: Primary Data

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It is observed from the Table 3 that the University Professors give prime priority to "Money Back Policy" in order to get 'Survival Benefits' during their life period. The "Term Policy" is in second place of University Professors' preference in Life Insurance Policies to assure life security to the entire family after his/her life. The "Child Insurance Plan" claim third place in respondents' priority. It denotes securing life of individual and family is more crucial than saving for the future of children. The "Endowment Policy" preferred exclusively to avail tax benefit under Section 80C. It is proved by the fourth rank assigned to this policy by the respondents after giving security to self, family and future of children. The fifth rank (Neutral rank) assigned to "Whole Life Policy". This policy is preferred by respondents neither for security nor investment, but only for cash added value for the whole life. The University Professors assigned sixth rank to "Retirement Insurance Plan" to lead the peaceful retirement life with fit financial flow. Group life insurance plan stands in seventh place because the respondents felt that giving protection to multiple individuals under one master contract policy need Master plan. The eighth rank is given to "Savings and Investment Plan". The 'risk indulged' in "Unit Linked Insurance Plan" induce the policy holders to allocate the last rank to this policy.

FINDINGS

❖ The analysis revealed that protect self, provide life to family members, saving for the future of children are the prime priority of the University Professors. It is proved by the Garret Ranking because Money back policy, Term Policy, Child Insurance plan have been ranked as top three life insurance policies.

❖ Endowment Policy, Whole Life Policy and Retirement Insurance

Plan have been in neutral preference because the prime purposes of these policies have been to avail tax benefit, cash added value and future benefit.

❖ Master plan to get Group Life Insurance, Insurance as Savings and Investment Plans and risk indulged in Unit Linked Insurance plan induce the University Professor to allocate last three ranks to these policies.

SUGGESTIONS

Based on the findings of the study, the following suggestions are suggested to the Insurance Companies, Policyholders and Government.

❖ The Insurance Companies should give transparent guidelines regarding additional expenses and risk associated with Unit Linked Insurance Plan to attract potential investor and retain the existing investor.

❖ The policy holders should select the Insurance Policy for savings and investment rather than security.

❖ The Insurance companies should give the tax redemption to all type of Insurance Policies to elevate the level of investment.

CONCLUSION

The study revealed that the priority order of University Professor have been in the order of Security, Saving and Investment. Besides, the risk prevails in Insurance Policies induce the Professors to provide last priority. Insurance Policies opt for neither for security nor for investment stands in neutral position. Securing life of individual and family leads to save and saving induce to investment. The study strengthens the statement that "University Professors are not

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only building nation educationally as well as economically".

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