

“LIFE INSURANCE AWARENESS AMONG PEOPLE”**Mr. Shafique Ahemd Mirji**Assistant Professor, Dept. of Economics, Anjuman Arts, Commerce and Science College
Vijayapura (Karnataka)**Abstract**

The people aware about the Life insurance since long time. But the level of awareness towards the aim of insurance is negligible. The study tries to understand the awareness of the people towards the base of life insurance products and use of that product. Primary research was conducted to find out the level of awareness among the policy holders across demographic profiles and about the level awareness towards life insurance policies prevailing in the Indian market. The study totally concentrates on the individual behavior, attitudes and also crating the awareness regarding their contribution on Indian insurance sector.

Key Words: Awareness; Insurance; Investments; Policy Holder; Rights**Introduction**

If a person going for office tours for 1 week, how much amount he will keep at home for his family? In that case he will answer that eg. Around 10 thousand and if a person going for 1 month then he will keep around 30 thousand for his family (Amount can be differ from person to person). But if that person dies then how much amount he has to leave for his family and that amount is the insurance or risk cover. Because insurance is not the replacement of that person but it fulfill the financial need of that family. Insurance play a very important role in our life. In today's modern lifestyle we are facing different kinds of risk which can be insured. This has led to growth in the insurance business and evolution of various types of insurance covers. The insurance sector acts as an intermediary for mobilize of savings and promoter of investment activities. It can play a significant role in the economic development of a country, while economic development itself can facilitate the growth of the insurance sector.

Concept of Insurance

Insurance may be defined as risk transfer achieved through risk pooling. There are two fundamental characteristics of any insurance. Firstly, there is a transfer or shifting of the burden of loss arising out of a risk from an individual to a group. Secondly, all members of the group share the losses that arise, thus on some equitable basis. In societies, this mechanism has come to fall more and more within the purview of commercial or private insurance from the individual's point of view, insurance is an economic device in which a small certain cost (the insurance premium) is borne in exchange for a large uncertain financial loss (the contingency insured against) that would have resulted but for the insurance.

Insurance Awareness

The growing need for financial education for the families to take better financial decision and to increase their economic security has been widely recognized. It is felt that well informed and well educated customers can create economic development. They make better financial decisions for themselves and their families, increasing their economic security and wellbeing.

Being financially literate is not only important to the individual household and family, it is also important to communities and societies. Insurance companies can address the problem of financial illiteracy of consumers by educating them, even though a majority of Indians are good savers, they do not undertake financial planning and are financially at risk. They need to understand the risk of both 'living too long' and 'dying too young' Further, in urban India and amongst the salaried class, insurance is largely used as a tax saving tool, rather than for protection against risk. There is need to reorient the consumer about the benefits of life insurance for both financial protection as well as for long term wealth creation. The importance of insurance is unquestionable in modern economies as it serves a broad public interest and is vital to individual's security. Advocacy of insurance and risk issues is an important tool that complements the insurance regulatory and supervisory framework. In today's context, though the customer has a variety of products to choose from, wise choices are possible only with requisite awareness. Besides, it is not enough for the customer to have knowledge only of the various policies available. It is possible that a customer has problems with a particular policy and should ideally be aware of organizations that look into grievances and make prompt payment of claims. The customer must also be informed about the lapse of policies, revival of policies and the value of a policy in case of surrender. Hence, the customer must not only choose a product which is suitable, but also engage with a company in which the agents provide correct information. The level of awareness has increased with education, age and income levels. Further, it was the salaried class that tended to buy insurance the most, followed by businessmen. Also, as compared to others married people are more likely to buy insurance.

REVIEW OF LITERATURE

Insurance occupies an important place in the complex modern world since risk, which can be insured, has increased enormously in every walk of life. This has led to growth in the insurance business and evolution of various types of insurance covers. The insurance sector acts as a mobilize of savings and a financial intermediary and is also a promoter of investment activities. It can play a significant role in the economic development of a country, while economic development itself can facilitate the growth of the insurance sector. It is felt that well informed and well educated customers can create economic ripples. They make better financial decisions for themselves and their families, increasing their economic security and wellbeing. Secured families are more involved in their communities as home owners and voters. They are more involved as parents with their children's schools and teacher's enabling better educational and economic outcomes for their children. They contribute to vital, thriving communities, further fostering community economic development. Thus, being financially literate is not only important to the individual household and family, it is also important to communities and societies. Insurance companies can address the problem of financial illiteracy of consumers by educating them.

STATEMENT OF PROBLEM

In India most of the people buy the Life insurance Policy with the aim of saving tax or as an investment. But they are not able to understand the main aim of the Life Insurance Policy. The main aim is to cover the risk.

OBJECTIVES

The proposed study undertaken with the main objective of knowing the importance of life insurance in any company the other allied objectives are

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1. To make the customer awareness in the life insurance
2. Stating the primary function of insurance and how it is achieved
3. To explain the benefits of life insurance enjoyed by the individuals
4. The analysis is made with a view of identifying companies having growth, potential and a sound financial base.
5. To know the judge and the satisfaction of the customer in using the life insurance.

Research Method

On 08-12-2016 sample survey was conducted by me to gather the information about consumer awareness of life insurance. The sample survey included 100 adults (18 years of age and above)

Background on survey participants

I weighted the survey results by some demographic characteristics (age, sex, geographic, region and income) to ensure reliable and accurate representation of the Indian population of adults who are 18 years of age and above.

Result of survey

- 60% of consumers have life insurance policy
- Out of 60% consumers 75% people don't know what kind of policy they have and what are the benefits of that policy?
- Most of the people do their insurance in the month of March to get the tax benefit

SIGNIFICANCE

Life insurance is generally considered a means of protecting one's family against the unforeseeable circumstance of the death of an earning member. However, there are a number of other benefits that are not apparent. Some benefits accrue to the individuals and their families, while others assist economic development. For instance, an insurance company takes the risk of large and uncertain losses in exchange for small premiums. This gives a sense of confidence and security to the insured individual through the protection of insurance in the event of an unfortunate incident. In large sized commercial and industrial organizations, it facilitates operations as many of the risks are transferred to the insurer. Insurance, particularly life insurance, is one of the ways of providing for the future. A life insurance policy which gives an annuity is a combination of protection and investment. It increases the credit worthiness of the assured person because it can provide funds for repayment in the event of death. It also reduces losses owing to theft, robbery, fire accidents etc. In addition, it serves as a solution to social problems. For instance, while compensation is available to victims of industrial injuries and road accident, financial difficulties on account of old age, disability or death is minimized.

LIMITATIONS OF THE STUDY

- The survey is conducted in MUMBAI only
- Since the sample size is 100, the data may not represent the accurate results
- The views expressed by the consumers may not be 100 percent true.

Conclusion

There is lack of knowledge about the various aspects of insurance even among policy holders. For instance, not all policy holders know that their policies could be cancelled because of non-payment of premium. Though most know when they can claim their policy amounts, and to some extent the procedure involved in claim settlement, they have no idea about the time taken for a claim settlement or the amount they would receive if the policy is surrendered before maturity. A high percentage of households know that a nomination facility is available. However, more people know about their duties rather than their rights as policy holders. The most important duty mentioned by people is the 'duty to pay the premium' and the most important right is the 'right to pay the premium'.

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