

**A STUDY ON THE FACTORS INFLUENCING INVESTMENT
PREFERENCE OF WOMEN IN LIFE INSURANCE PRODUCTS IN
URBAN AREAS WITH SPECIAL REFERENCE TO BENGALURU**

THESIS

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CONCLUSION

As the economy is developing, the mindset of the people is also changing at a very fast pace and so has the position of women in our society. Studies have shown that while women indicate that they understand life insurance as a product, few have quantified its economic value.

Amidst such a backdrop, where on one hand women's earning is at par with that of their male counterparts and they enjoy both personal and professional life; on the other hand, in terms of insurance, they are either under insured or uninsured; this research is an attempt to study the factors which influence the investment preference of women in life insurance products in Bengaluru.

The prominent factors which influenced life insurance investment by urban women are to protect the family's financial future, where they are led to this investment avenue by referrals from friends/ relatives/ colleagues and insurance agents. In furtherance, the varied reasons of insurance investment by women are; they consider life insurance as a reliable investment option, more number of dependents, to avail tax benefits and also an expectation to earn good returns. In addition, to cover the risk of exposure to disability and critical illness and also to cover the financial loss arising out of the risk of premature death / death are found to be the dominant reasons for making life insurance investment. Urban women policy holders have realized the importance of insuring their lives and are willing to recommend to their female friends/ relatives and colleagues to invest in life insurance. However, they suggested certain amendments to be made based on the market research of the existing policy holders and potential insurance investors, pertaining to their preferences, which would attract more women to invest in insurance policies.

Women being risk averse in nature, or moderate risk takers, their risk appetite towards insurance investment is analyzed with its association with select demographic factors like age, marital status, education and occupation, and it was found that all the four demographic factors selected for the study had significant relationship with their preference of investment in life insurance. Unmarried, highly educated, young professional women prefer to invest in high risk high return insurance policies; hence the insurance companies should concentrate on the risk appetite of women based on demographic segmentation while offering policies. Besides, more number of dependents also made the earning women member of the family to purchase more number of insurance policies as per their requirement.

Women prefer to invest in LIC of India as they regard it to be more secure and reliable and also because of the ease of obtaining loans on the security of life insurance policies from LIC. But their preference has moved towards private sector, on the parameters of earning more return on their insurance investments, lower premium charged on insurance policies and obtaining quick service from the insurance companies. Both LIC of India and private sector are preferred equally when it comes to better risk coverage and easy claim settlement of their policies.

In view of the age of women as the demographic variable, it is the higher age group which shows keen investment preference in traditional policies like Term plan, Endowment plan, Money back insurance policy and Whole life insurance policy as they prefer low risk and low return insurance policies. Conversely, majority of the young are found not to be risk averse and prefer investing in ULIP's, where they can exercise their decision on the funds in which ULIP's invest, based on their risk appetite and life stage. To corroborate, young to middle age group showed their inclination towards need based plans by investing in Child's insurance plans and also in retirement plans for future. Investment in health insurance is considered to be the priority by middle to high age group women.

Amongst those who have the knowledge of exclusive women's policies, majority of them had awareness of only LIC Jeevanbharathi – 1 plan and SBI Life smart women advantage plan. The significant key features of 'exclusive women's insurance policies' are considered of varied importance by different segments of women based on their demographics, with age and marital status being the prominent influencers. Many features like, for instance, pregnancy complications like 'Ectopic Pregnancy' and 'occupational diseases benefit' are not included in these policies. Consequentially, a market research pertaining to the varied needs and preferences of women would aid the insurers to identify them and include them in these policies; if required, on the payment of additional premium, and also increase the optional riders on plans making them lucrative. This would help the women to customize their policy which is the need of the hour for the urban women.

SUMMARY

Women are employed in diverse fields. The situation in India is shaping towards intensifying the need of insurance products among working women. Urban women have realized the significance of Life insurance and have taken the initiative for the same along with advising to their female friends/ relatives and colleagues to invest in life insurance. However, they want more customized policies demanding the need for market based research which would attract more women to invest in life insurance. Insurers should consider the risk appetite of women along with the varied reasons of insurance investment by women based on their demographics while designing policies.

Women prefer to make their life insurance investments in LIC of India as they consider it to be more secure and reliable. However, in the current scenario, a shift in the insurance demand towards private sector is witnessed as urban women are expecting greater return on their insurance investments with lower premium payments on insurance policies and are also expecting quicker service.

To address the insurance needs of the fairer sex, many insurers have specially designed insurance policies for women. Unfortunately, a noteworthy percentage of urban women are not aware of these policies. This highlights the need for the other insurance companies to target their marketing communications to the significant others through advertisements in media and also by strengthening the agents networking base as they are the major sources of creating awareness amongst urban women. The exclusive women's insurance policies need to be revised on the basis of preferences of women to increase the customer base of investments in these policies.