A Study of Customers' Behaviour for Purchasing of Insurance Products from SBI Life in Maharashtra State

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Abstract: This paper focus on customers' behaviour for purchasing of insurance products from SBI life in Maharashtra state. The Company communicates extensively with customers and if bespoke, high-quality insurance solutions that help them meet their financial needs throughout their lives. From the outset, the Company developed products that cater to the current and current needs of their customers, while giving them greater control over the rules they have subscribed to. SBI Life plays a significant role in creating high awareness of the benefits of assurance and provides simplified solutions, so that customers can make informed decisions about their health and the lives of their loved ones. At SBI Life, customer focus in the claims phase is ensured by providing efficient services, striving for customer expectations by building mechanisms to expand self-service facilities, including the establishment of effective customer grievance redressal systems.

Keywords: Bancassurance, SBI Life, Customers' Behaviour

Introduction

SBI Life has maintained strong, time-tested relationships with our stakeholders - employees, business partners, policyholders, lenders, financial analysts, regulators, government and society at large. It works with them on a regular basis to stay close to changing facts and to continue to bring value. At SBI Life, it is committed to uplifting the communities around us by identifying a new focus area and using a two-dimensional approach to achieving its goals. Firstly, it aims to provide insurance solutions tailored to the needs of people living in rural areas and in the social sector (informal sector, economically vulnerable sector etc.). Second, various social services (CSR) functions are performed to improve the quality of life of the community.

As a result of their commitment, they are making steady progress in uplifting communities and increasing the positive impact we are making on their lives. During the year, SBI life continued to raise awareness on insurance products and brought more people into the rural and social sector in the life insurance sector.

The Company's strategy focuses on the following:

Attractive the growth of the life insurance sector thought deep penetration, increasing the share of the defense business and increasing the market share through a balanced portfolio of protective and economical products. Increase local distribution through our comprehensive distribution network and strengthen our distribution mix through partnerships with new corporate employees, our partners and web aggregators. Increasing customer satisfaction by providing comprehensive natural products at affordable prices and competitively and improving customer experience from customer rides to claim payments.

Literature Review:

Abheek Barua (2004)[4] pointed that as indicated by the SBI Life Insurance gauges around 15% of the gross expense of new insurance major parts in the monetary year 2003 came through Bancassurance. While Bancassurance offers a clearly reasonable model for

item expansion by bank and a practical dispersion channel for guarantors, there are some possible spaces of contention between the two that should be resolved. *Chandnani L.R. (1996)*[5] stated that different new procedures of selling insurance like Bancassurance Captive insurance and so on in these nations. In set up nations charges are made through Banks. Further, he has clarified the different strategies for settlement of cases. *Rajashekhar and Kumari (2014)*[6] investigated that Banks having enhanced branch organization, standard connection of manages an account with client go about as apparatus to get familiar with the clients' brain research, banks brand name certainty and dependability of client on banks were the strength of Bancassurance *Rao (2012)*[7] Observed that the accepted contrasts in the impression of the clients and the chiefs of the disaster insurance item with respect to the effect of strategy evaluating on the last approach purchasing choices of the potential arrangement holders. *Ahmed and Kwatra (2014)*[8] This research has been done through consumer assessment to evaluate the nature of defense administration in India, which aims to find out how it can be used to help interest in defense in India. *Jabrullahan J. and Ramalakshmi P (2005)*[9] The investigation additionally entitled a portion of the private life organizations like ICICI Pru life, Kotak Mahindra, the SBI life and other such privately owned businesses which pay more to their policyholders other than stretching out the advantages to cover practically every one of the individuals from the family, than those run by the public authority.

Statement of the Problem

India has a huge population of more than 200 million middle class income people which amounts to a large depositor base. It has around 80,000 networks of branches spread across the country. It has the highest potential to achieve financial inclusion in Insurance sector through Bancassurance. But the fact is there are large numbers of people who either do not have bank accounts or are not covered under insurance schemes. Bancassurance model can be a greatest advantage to middle class population in India which is covered under banking or insurance.

Objectives of the Study:

The study deals with factors that affect the purchasing of insurance products through Bancassurance. This study makes an attempt in this direction with the following objectives:
1. To assess the awareness level of customers for SBI life insurance.
2. To find out the customers' behaviour for purchasing of insurance products from SBI Life in Maharashtra State.
3. To know the dependence of the factors of the customers for purchasing of Bancassurance products.

Hypotheses:

The following hypothesis had been testing while doing the research study.
1. $H0_1$: There is no significant association between the level of awareness towards features of Bancassurance among male and female customers.
2. $H0_2$: There is no association between the satisfaction level of policy holders and demographic variables such as monthly income.

Research Methodology

The study is an empirical and descriptive based study on the views and opinions of the employees of the insurance companies. Both Primary as well a secondary data is used for conducting the research study:

Sample Design:

A new sample dimension associated with 400 respondents had been useful for the survey of SBI life Policyholders/customers. The particular sample dimensions ended up being determined using Yamane's made easier formula adjusted for proportion to identify sample

dimensions with the review. The item is defined as; according to data tabulated by the SBI life reports. The total number of population (policyholders) of SBI Life Insurance in the State of Maharashtra was around 12, 50,000 (approx.) up to 2018-19. Researchers had design the sample size was 400.

n = N/ (1+ (N × e ×e)

n = Sample size for N population

N = Population

e = Variance of sample (0.05)

n =12, 50,000/ (1+ (12, 50,000 × 0.05 × 0.05))

n =399.87

n = 400 (Approx.)

After that distribute sample districts wise researcher was selected group stratified sampling method, researcher was selected 8 districts from out of 36 districts in the Maharashtra state.

Table -1 Selection of sample size

Researcher was used cluster stratified sampling for sample selection

Population/Universe	Base of selection	Sample size
36 districts	Division Wise	8 districts
1250000 (policyholders)	Yamane's made easier formula	400

Region/ Division	Aurangabad Division	Pune Division	Nagpur Division	Amravati Division	Nashik Division	Konkan	Total
Selected District	Aurangabad Latur	Pune Kolhapur	Nagpur	Akola	Nashik	Ratnagiri	8
Total Districts	2	2	1	1	1	1	8

There is size of sample total 8 districts and 400 policyholders/customers. The total 400 customers had selected by list of SBI Life Company from the eight district of Maharashtra State. 50 Sample respondents are selected from every district total of eight districts; 8 x 50 = 400. The area of sample collection from restricted to Maharashtra State.

Data Collection and Analysis:

The investigation depends on both primary and secondary data. The secondary data identifying with approaches sold, premium produced, lives covered and so forth was accumulated from the different books, RBI reports, magazines, papers and yearly reports of the SBI Life insurance agency and the IRDAI for the years 2009-2019. Survey has been made including all pertinent inquiries from all parts of the investigation to extricate the greatest and the most ideal data from every one of the customers

Scope & Limitation of the Study:

The current investigation will covers the examination off SBI Life Insurance Company and its tasks in Maharashtra State. The investigation was to covered the long term times of 2008-2009 to 2018-2019. The investigation depends on essential information gathered through an all around organized poll.

Results and discussions

Awareness of customers about features of SBI life's products

Feature of Bancassurance products of SBI life insurance policy it shows in the table-2. There were 310 (77.50%) out of 400 respondents, aware about the financial protection. It was noticed that 56.45% respondents were found fully aware and 32.26% of the respondents were partly aware about financial protection whereas 11.29% of the respondents were unaware about the Bancassurance feature of financial protection. In case Age limits, majority of the

respondents i.e. 55.78% were fully aware and 28.91% respondents were found partly aware of total 294 respondents. It was found that out of 292 respondents aware premium level of SBI life insurance, 61.64% respondents were fully aware; 25.68% were partly aware whereas 12.67% respondents were unaware about the premium level. Of 288 respondents aware about tax advantage, 56.25% were found fully aware, 33.33% respondents were partly aware and 10.42% were unaware.

Table – 2. Awareness level of policy holders about policy features

Features	Level of Awareness			Total
	Fully aware	Partly aware	Unaware	
Financial Protection	175 (56.45)	100 (32.26)	35 (11.29)	310 (100.00)
Age limits	164 (55.78)	85 (28.91)	45 (15.31)	294 (100.00)
Medical Examination	160 (59.26)	70 (25.93)	40 (14.81)	270 (100.00)
Level of security	140 (52.83)	90 (33.96)	35 (13.21)	265 (100.00)
Premium level	180 (61.64)	75 (25.68)	37 (12.67)	292 (100.00)
Flexibility	145 (53.51)	90 (33.21)	36 (13.28)	271 (100.00)
Service charges	185 (65.14)	65 (22.89)	34 (11.97)	284 (100.00)
Online plans	155 (55.76)	86 (30.94)	37 (13.31)	278 (100.00)
Tax advantages	162 (56.25)	96 (33.33)	30 (10.42)	288 (100.00)

Source: Field Survey - 2018-19

Note: The figures in parentheses indicate percentage to column total

There were 284 respondents of service charges, of which 65.14% were found fully aware, 22.89% respondents had partly aware. In case of online plans, out of 278 respondents, 155 (55.76%) respondents were fully aware, 86 (30.94%) respondents were partly aware whereas 37 (13.31%) respondents were unaware with the online plans. It was noticed that of 271 respondents, 53.51% respondents were fully aware; 33.21% respondents were found partly aware with the flexibility of Bancassurance products. It was noted that of 270 respondents, 59.26% respondents were fully aware; 25.93% respondents were partly aware whereas 14.81% respondents unaware about the medical examination. Lastly it was observed that of 265 respondents, 52.83% respondents were fully aware; 33.96% respondents were partly aware with level of security.

Table-3 Motivated factors to take Life Insurance policy from SBI life

Motivation factors	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total	WM	Rank
	1	0.5	0	-0.5	-1			
To protect against uncertainties	122 (30.50)	78 (19.50)	42 (10.50)	98 (24.50)	60 (15.00)	400 (100)	0.13	XI
To Reputation of bank	130 (32.50)	75 (18.75)	35 (8.75)	95 (23.75)	65 (16.25)	400 (100)	0.14	X

Motivation factors	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total	WM	Rank
	1	0.5	0	-0.5	-1			
To reduce risk of heavy debt	145 (36.25)	70 (17.50)	30 (7.50)	105 (26.25)	50 (12.50)	400 (100)	0.19	VIII
To Quality services	140 (35.00)	75 (18.75)	35 (8.75)	95 (23.75)	55 (13.75)	400 (100)	0.20	VII
To Future policies	135 (33.75)	82 (20.50)	33 (8.25)	90 (22.50)	60 (15.00)	400 (100)	0.18	IX
To Cheapest rates	142 (35.50)	80 (20.00)	30 (7.50)	91 (22.75)	57 (14.25)	400 (100)	0.21	VI
To Accessibility	142 (35.50)	75 (18.75)	35 (8.75)	85 (21.25)	63 (15.75)	400 (100)	0.19	VIII
To Force from bank staff	140 (35.00)	85 (21.25)	37 (9.25)	73 (18.25)	65 (16.25)	400 (100)	0.20	VII
To Helps to save tax	145 (36.25)	76 (19.00)	33 (8.25)	5 (21.28)	61 (15.25)	400 (100)	0.30	I
To Pressure by relatives and friends	127 (31.75)	95 (23.75)	30 (7.50)	90 (22.50)	58 (14.50)	400 (100)	0.18	IX
To It gives to financial security	135 (33.75)	102 (25.50)	35 (8.75)	85 (21.25)	43 (10.75)	400 (100)	0.25	II
To Childs higher education	140 (35.00)	90 (22.50)	37 (9.25)	80 (20.00)	53 (13.25)	400 (100)	0.23	IV
To achieve life goal	134 (33.50)	102 (25.50)	32 (8.00)	87 (21.75)	45 (11.25)	400 (100)	0.24	III
To secure well retired life	137 (34.25)	95 (23.75)	30 (7.50)	85 (21.25)	53 (13.25)	400 (100)	0.22	V

Source: Field Survey - 2018-19

It is analysed from table-3 that, the responses regarding motivating factors were collected on the basis of five point scale with numerical weight viz., Strongly agree (1), Agree (0.5), Uncertain (0), Disagree (-0.5) and Strongly Disagree (-1). To give the ranks to the motivating factors, Weighted Average mean was computed. The first rank was given by the respondents to the statement. More than 55.25% (0.30) respondents (WM) were of the view they choose to help to save tax (Rank I). Most of the respondents (0.25) had been influenced for the financial security and they gave second rank to this factor. To it gives to financial security (II rank) had attracted 59.25% respondents from selected districts. It was note that respondents placed four motivational factors at third rank. Desires of getting higher position followed by to Childs higher education (Rank IV); To secure well retired life (V); To Cheapest rates (VI); To Quality services and To Force from bank staff (Rank VII); To reduce risk of heavy debt and To Accessibility (Rank VIII); To Future policies and To Pressure by relatives and friends (Rank IX); To Reputation of bank (Rank X) and last rank to be given To protect against uncertainties (Rank XI). These ranks given to each and every option on the basis of weighted average mean. This is shown in table-3 Motivational factor playing very crucial past for taking SBI life insurance life policy.

Table- 4. Level of Satisfaction with Bancassurance Services Provided by SBI Life

| Level of satisfaction	District wise Number of Respondents								Total
	AU	LA	AK	NA	PU	KO	RA	NK	
Highly Satisfied	12 (24)	13 (26)	11 (22)	14 (28)	15 (30)	16 (32)	14 (28)	15 (30)	110 (27.50)
Satisfied	15 (30)	14 (28)	17 (34)	13 (26)	12 (24)	14 (28)	20 (40)	17 (34)	122 (30.50)
Uncertain	6 (12)	8 (16)	9 (18)	10 (20)	9 (18)	10 (20)	7 (14)	9 (18)	68 (17.00)
Dissatisfied	10 (20)	9 (18)	5 (10)	6 (12)	5 (10)	4 (8)	5 (10)	6 (12)	50 (12.50)
Highly dissatisfied	7 (14)	6 (12)	8 (16)	7 (14)	9 (18)	6 (12)	4 (8)	3 (6)	50 (12.50)
Total	50 100	50 100	50 100	50 100	50 100	50 100	50 100	50 100	400 100

Source: Field Survey - 2018-19
Note: The figures in parentheses indicate percentage to column total
Note: AU – Aurangabad; LA- Latur; AK –Akola; NA- Nagpur; PU – Pune;
KO – Kolhapur; RA- Ratnagiri and NK – Nashik

Table-4 indicated that, the respondent's level of satisfaction classified into five different levels such as highly satisfied, satisfied, uncertain, dissatisfied and highly dissatisfied. Out 400 respondents indicated the level of satisfaction, 30.50% respondents were satisfied about Bancassurance Services Provided by SBI Life; 27.50% respondents had highly satisfied; 17.00% respondents had not given the opinion about the Bancassurance Services Provided by SBI Life and 12.50% respondents had dissatisfied and highly dissatisfied about Bancassurance Services Provided by SBI Life. (Table-4)

Figure 5.24 - Level of Satisfaction with Bancassurance Services Provided by SBI Life
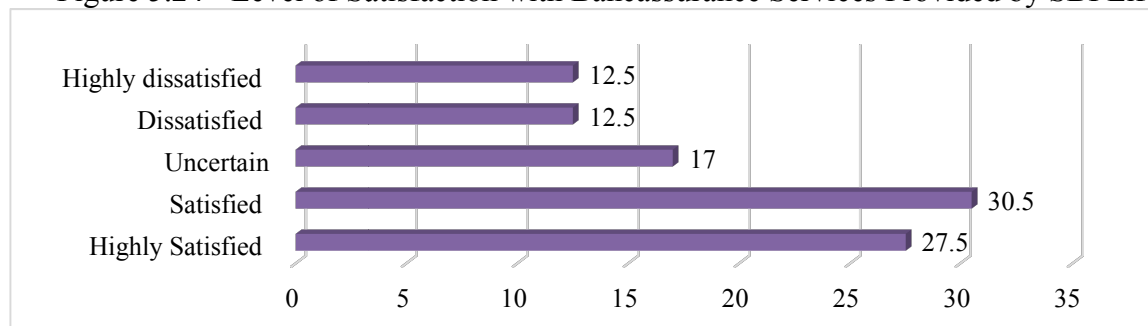
Hypotheses to be Tested
Researcher has using Chi-square test for testing both hypotheses.
H0_1: There is no significant association between the level of awareness towards features of Bancassurance among male and female customers.
Inference:
For the degree of freedom 2, at 5% of level of significance, the table value is **5.991**. Since the calculated value **3.828** is less than table value, the null hypothesis is accepted. On this basis, it is concluded that there is no significant association between the level of awareness towards features of Bancassurance among male and female.

H0₂: There is no association between the satisfaction level of policy holders and annual income.

Inference:

For the degrees of freedom (c-1) (r-1) = (3-1) (4-1) = (2) (3) = 6, at 5% of level of significance, and it's the table value is **12.592**. Since the calculated value **25.0732** is more than table value, the null hypothesis is rejected. On this basis, it is concluded that "there is association between the Satisfaction level of Policy holders and demographic variables such as Annual income. Hence it is concluded that there is association relationship between the Annual income and the satisfaction level of policy holders.

Conclusion:

SBI Life is playing a very important role in the field of Bancassurance. The success of Bancassurance relies heavily on banks that ensure excellent customer relationships; therefore, banks need to strive to find that approach. Regulators can consider whether it is possible to allow banks to have bond arrangements with more than one insurance company, offering a wide range of options for customers. In addition to lending and accepting deposits, banks have recognized the importance of Bancassurance in India and are currently taking equity stakes from insurance companies. Given the current momentum, Bancassurance will be a good thing in India in the future. But the proper implementation of Bancassurance still faces some issues such as, mistreatment of employees, lack of sales culture in banks, branch management team, insufficient production of products, management database technology, insufficient incentives, negative attitude towards insurance etc.

Suggestions:

1. Therefore, it is suggested that the SBI Life should introduce innovative products and Targeted customer segments also create customized high quality products and services at low premiums with desired services and low cost and low lead time.
2. It is suggested that the SBI Life should focus on enhancing the rural customer service and maximizing customer convenience by way of an effective customer relationship management system which eventually would build a long lasting relationship among rural customers.
3. It is suggested that the SBI Life should conduct frequent campaign in rural areas which could definitely reach even the illiterates. It should set up information booths at prominent place to supply literature and brochures regarding their services. The product terms and conditions should be simple for the public to understand. A sufficient number of booklets should be given to advisors for distribution.

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