

For Office Use:	
Grade	



Summer Internship Report

**A Study On Investment Options And Investors
Attitude Towards Investment In Private
Insurance Companies.**

SHIVANGI BHARGAVA

Ahmedabad

MFA FT (2019-21)

20

TITLE PAGE

Particulars	Description
Author of the Report	Shivangi Bhargava
Company Name	Insplore Consultants
Address	RG Trade Tower, 12th Floor, 1208, Netaji Subhash Place, Pitam Pura, New Delhi, Delhi 110034
Date of Report	18/07/2020
Purpose of Report	To study the Investment Options And Investors Attitude Towards Investment In Private Insurance Companies.
Prepared for	Institute of Management, Nirma University
Submitted to	Professor Tejas Modi



DECLARATION

I Shivangi Bhargava accept that this project titled “A Study on Investment Options and Investors Attitude towards Investment in Private Insurance Companies” is done by me under the guidance of Mr. Harsh Yadav. I also declare that this project is used as a part of our course, and has not been submitted in any of the universities with the same or different titles. Moreover, image source have been mentioned and sample data is collected from primary source.

ACKNOWLEDGEMENTS

Summer Internship provides a platform for learning, self-development and building up of skills necessary for a post graduate student. It also helps us to gain real time exposure about the working of the real corporate world. I express my gratitude to Institute of Management, Nirma University for giving me this opportunity to complete my summer internship with the Insplore TLS Consultants Pvt. Ltd. My experience of carrying out the summer internship study for two months in this company was a great opportunity to learn.

I am highly grateful to Mr. Harsh Yadav, my mentor from Insplore TLS Consultants Pvt. Ltd., for his guidance throughout the period of the internship and providing necessary help for the preparation of the report and delivering crucial information regarding the investment market and various financial products.

I would also thank Ms. Neha Chhabra, HR Manager of the company for her constant support and help during these two months.

I want to extend my gratitude to Prof. Tejas Modi, my faculty mentor from Institute of Management, Nirma University who was available and provided me with his guidance throughout the internship.

EXECUTIVE SUMMARY

This internship focuses on researching the investment options available in India and investors attitude towards private insurance companies for Insplore TLS Consultants Private Limited within the time frame of eight weeks. Insplore Consultants is an independent company established in 2018. It is registered at the Registrar of Companies, New Delhi. Providing clients with financial advisory and portfolio management services is a core activity of Insplore Consultants, which provides clients and partners with various solutions in the areas of advisory, investment and financial services. Insplore Consultants also provide recruiting and talent acquisition partners for many companies. Insplore employs interns and offers short and long term internships throughout the year. They assigned them an independent manager to provide them with rigorous training to teach them basic knowledge of the industry. Insplore is also the chain of commerce for India's leading life insurance company. It sells life insurance products for India First Life Insurance.

The internship consisted of three parts. First, Sale of the product “Maha Jeevan Plan” by India First Life Insurance. Second, Learn and have a deep knowledge of different Investment Options available in India. Third, study the attitudes of clients towards private insurance companies. The research is conducted by interviewing 30 people and collecting data on their personal details and preferences. A number of parameters were used for the survey, such as age, income, professional status, years of experience, influencers, savings goals, risk status, portfolio investment of the interviewee, etc. The project had several tasks which were to be reported daily to the Manager, such as lead generation and pitching of the Insurance product, collecting data of the individuals and updating the DSR sheet. Finally, the collected data was analysed using tables and charts. A conclusion was then derived which can help the insurance companies to understand their existing/potential customers and further plan their products accordingly so that it becomes easy on the part of the company to properly cater to the needs, get an edge over their competitors and maintain goodwill in the market.

TABLE OF CONTENTS

Acknowledgements

Abstract

I. Introduction

Investments

Investments option available

Nature of problem

Objectives of Study

Utility of Study

II. Methodology

Approach

Sources of Data

Method of Data Collection

Size of Sample and Method of Sampling

Method of Data Analysis

III. Context of Industry Problem

Insurance Industry Problem

Impact of Covid-19 Pandemic

IV. Presentation of Data

Tables

Figures

Interpretation

V. Analysis and Discussions

Conclusion

Managerial Implications

Learnings

Appendix 1

Appendix 2

Annexure

PART- B

Project work

I. INTRODUCTION

Need of Investments?

In today's dynamic world, investments play a very crucial role and earning is not nearly enough to survive and lead a comfortable lifestyle. Investments simply refers to acquisition of an asset or item with the intention to create future income and get fruitful returns over time. Investors have plenty of options to choose as in where to invest their money to attain maximal profits, some include traditional options while some are comparatively newer choices but an individual who is willing to invest should always choose the option which fits his profile, matches his goal and expectations.

It is very important to invest part of the revenue, not only to accumulate reserves for financial emergencies, but also to plan for retirement. In addition, by investing, you can ensure that your savings grow faster than inflation. To achieve these goals, there are many options. Investors generally choose less risky tools, which generally include fixed investment options, such as time deposits, PPF and government plans.



SOURCE: <https://www.paisabazaar.com/mutual-funds/what-are-the-different-types-of-investment/>

Different Investment options available are-

1) FIXED DEPOSITS / RECURRING DEPOSITS:

Time deposit (FD) is a financial instrument provided by a bank or NBFC and, before a certain maturity date, can provide investors with a higher interest rate than a regular savings account. It may or may not be necessary to create a separate account. If you are a resident individual, HUF, NRI, company or charity, you can open an FD account with any bank in India. Time deposits are a good option for people with an extra lump sum amount, who did not need to use them at the moment. It guarantees capital protection and a uniform income stream. However, the return has not exceeded inflation, but if you are a little risk averse and do not want to make a stock exposure, the FD is a great investment option for you.

In RD investment, a fixed amount must be invested every month within a predetermined period of time. Then, at the end of the RD term, the investment amount will be repaid together with interest. At the beginning of the plan, the monthly deposit amount, RD ownership and interest rate will be determined. Therefore making it a stable investment.

2) SHARE MARKET:

The stock market, equity market or share market is a collection of buyers and sellers of shares, representing the company's ownership requirements; these may include securities listed on public stock exchanges and shares that are traded only privately, such as shares of a private company that are sold to investors through the equity crowd funding platform. Investments in the stock market are generally made through brokers and electronic trading platforms. To invest directly in stocks, it is necessary to open a demat account.

Most transactions in the Indian stock market are carried out on its two stock exchanges: the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). BSE has been established since 1875. On the other hand, the NSE was created in 1992 and started to operate in 1994. However, the two exchanges follow the same trading mechanism, trading hours and settlement procedures, but both exchanges are competing for order flow, reducing costs, improving market efficiency and innovation. The existence of arbitrators keeps the prices of the two stock exchanges within a very narrow range.

The reality is that investing in the stock market will bring risks, but if you adopt a disciplined attitude, it is one of the most effective ways to establish net value or net wealth. When the buyer and seller place an order, the share price is determined by

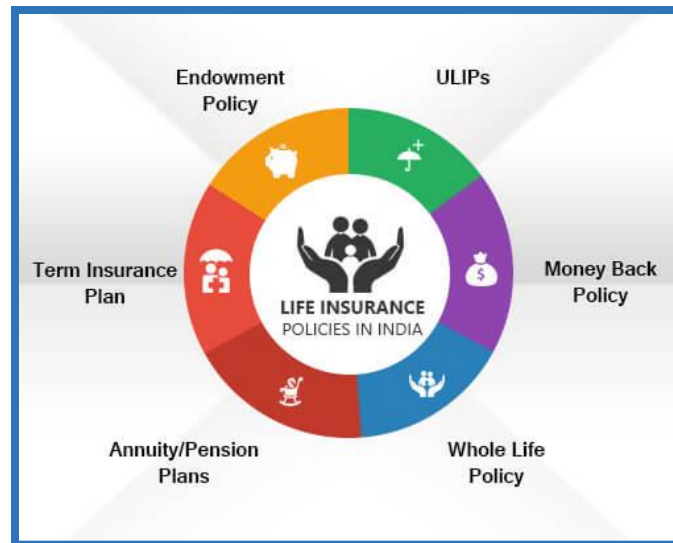
market supply and demand. The order flow and purchase and sale spreads are generally maintained by specialists or market makers to ensure an orderly and fair market.

Investing in stocks may not be everyone's cup of tea, because it is an unstable asset class and cannot guarantee returns. In addition, not only is it difficult to choose the right stock, it is also not easy to get in and out regularly. The only positive side is that, compared to all other asset classes, stocks can deliver higher returns than inflation-adjusted returns in the long run. At the same time, unless you choose to use the stop loss method to reduce losses, the risk of losing a considerable part or even all of the capital is high. At the stop loss, someone placed an order in advance to sell the shares at a specific price. To reduce risk to some extent, you can diversify your investment across multiple departments and market value.

3) *INSURANCE:*

Insurance is a contract represented by an insurance policy in which an individual or entity obtains financial protection or compensation for losses from an insurance company. The company shares the risks of customers, facilitating payment by the insured. The insurance policy is used to protect the risk of financial losses, large or small, which may be caused by damage to the insured or his property or damage or injury to third parties. Core components of most insurance policies are the deductible, policy limit & premium.

There are many variations of life insurance plans, but they are generally divided into two categories: permanent and regular. The function of a regular policy is similar to other types of policies you may have: you pay money every month. If something bad happens in this case, your early death, you will be paid. On the other hand, permanent life insurance has an investment component that allows policyholders to accumulate cash value. When you hear financial advisers, or life insurance agent often advocate life insurance as an investment, they refer to the part of the cash value of permanent life insurance and the ways you can invest and borrow this money.



SOURCE: <https://vinzite.com/types-of-life-insurance-policies-which-is-right-for-you/>

If you are the main source of income or financial stability for anyone in your life, life insurance can still be an important part of your overall financial situation.

For most people with basic financial needs and those without complex financial assets to protect, life insurance is not a particularly good investment. This also applies to variable life insurance and universal life insurance products. But these products have some tax benefits. They are guaranteed not to lose value, and the value does not vary as unpredictably as other types of investments. They may be suitable for beginners or shy investors.

4) GOVERNMENT BONDS:

Government bonds are debt securities issued by the government to support government spending and bonds. Government bonds may pay interest periodically, called a coupon payment. They are issued by governments in several countries are generally considered to be low-risk investments, because the governments of the issuing countries support this. Government bonds can also be called sovereign debt. The multiple variants of **Government bonds** are –

- Fixed-rate bonds
- Floating Rate Bonds (FRBs)
- Sovereign Gold Bonds (SGBs)
- Inflation-Indexed Bonds
- 7.75% GOI Savings Bond
- Bonds with Call or Put Option
- Zero-Coupon Bonds

Thanks to their sovereign guarantees, government bonds are one of the safest forms of investment in India. Investors who prefer higher risk investments, but do not have the uncertainty associated with market-related instruments, may seek to invest in these securities. This is also a long-term investment option suitable for entities that do not have experience in investing in stock market instruments. Individuals looking to dilute risk factors in their investment portfolio in general and at the same time determine that their investment returns are greater than the average return may also allocate the stipulated portion of their entities to investments in government bonds. The Indian government has taken several steps to ensure that G-Secs gains understanding and visibility among retail investors, simplifying the way retail investors apply.

5) GOLD:

Gold in the form of jewellery is not only used as a wearable , but also as a instrument to respond to financial emergencies. Therefore, for many years, buying gold has been a traditional system of financial support. There are several ways to own physical objects and gold paper. In fact, you can buy it in the form of jewellery, coins and gold bars. For paper gold, you can use stock exchange traded funds (ETF) and sovereign gold bonds (SGB). Then there are gold mutual funds (funds), which invest even more in gold ETFs. There are MF gold (funds of funds) invested in the shares of international gold mining companies. Throughout history, gold has been considered a special and valuable commodity. Today, having gold can serve both as a hedge tool for inflation and deflation and as a good product for portfolio diversification. As a global store of value, gold can also provide financial protection during periods of geopolitical and macroeconomic uncertainty.

6) MUTUAL FUNDS:

A mutual fund is a company that raises funds from many investors and invests them in securities such as stocks, bonds, and short-term debt securities. The combined holdings of mutual funds are called their portfolios. Investors buy units of mutual funds. Each share represents the partial ownership of the fund by the investor and the income it generates. Investors preference in this investment is driven by following factors:

1. Professional Management
2. Diversification
3. Affordability
4. Liquidity

Mutual funds along with above mentioned features offers dividend payments, capital gain distributions and the higher net asset value indicates the higher value of the investment. All funds have a certain degree of risk. With mutual funds, one can lose some or all of the investment funds because the value of the securities held by the fund may go down. Dividends or interest payments may also change depending on changes in market conditions.

7) PUBLIC PROVIDENT FUND:

PPF is one of the most sought after investment channels for individuals. The 15-year maturity period gives individuals enough time to build up a substantial principal sum. Extending the duration of the PPF also guarantees sufficient time for compound interest to take effect on the investment, particularly when the term is about to end. Indian citizens living in the country can open a PPF account in his/her name. Minors can also have a public provident account in their name, provided that the account is managed by their parents. Non-resident Indians are not allowed to open new PPF accounts. However, all existing accounts that exist in his name will remain active until the end of the term. PPF is a safe choice for investors who are looking for low risk tools while generating higher returns during the investment period, additionally this investment is loaded with tax benefits.

8) NATIONAL PENSION SCHEME:

The NPS is a government funded pension plan. It was launched for civil servants in January 2004. However, by 2009 it was open to all citizens. The plan allows subscribers to make periodic payments into retirement accounts while on the job. Upon retirement, the subscriber can withdraw some of the principal at the same time and use the other principal to purchase annuities to ensure a fixed income after retirement. The funds invested in NPS are managed by pension fund managers registered with PFRDA. Currently, there are a total of eight pension fund managers: ICICI Prudential Pension Fund, LIC Pension Fund, Kotak Mahindra Pension Fund, Reliance Capital Pension Fund, SBI NSE 1.05% Pension Fund etc. NPS offers two options:

- 1) Active choice: this option allows investors to decide how to invest funds in different assets.
- 2) Automatic selection or life cycle fund: this is the default option and can be automatically invested depending on the age of the subscriber.

9) REAL ESTATE:

Real estate is real, that is, tangible assets. It is made up of land and all of its elements, including buildings, plants, animals, and natural resources. It is divided into three basic categories: residential, commercial and industrial. In terms of investment, residential property prices are lower and more achievable for individuals, while commercial real estate is more valuable and more stable. As an investment, real estate provides income and capital appreciation. One can invest directly in real estate (purchase of land or property), or indirectly by purchasing shares of listed real estate investment trusts (REIT) or mortgage-backed securities (MBS). Real estate can assist an investor to diversify the portfolio. Generally, real estate has a low correlation with the other major asset classes, so when stocks decline, real estate generally increases. Real estate investing can also provide stable cash flow, significant appreciation, tax benefits and competitive risk-adjusted returns, making it a reliable investment.

Nature of problem

The topic "A Study On Investment Options And Investors Attitude Towards Investment In Private Insurance Companies" was especially selected to understand why large chunk of Indian population has not invested in insurance sector. The growth prospects are high for the insurance industry in India as somewhere around 80% of the population is without insurance cover. A well developed insurance sector is genuinely a necessity not only to strengthen the economic development but also to render protection and it even mitigates the risk of an investor. The problem that can be identified in particularly insurance is people don't have much awareness regarding the type of policy they should choose or which plan will be the best fit for them. Thus the investment in private insurance companies can be termed sluggish in comparison with other investment options. It is crucial for the investors to realize that investing in insurance is not only a good choice to get life cover and security benefits but also to diversify their investment portfolios. Infusing the funds in various potential alternatives will assist the investors to reduce risk and will enable them to amplify their capital. The attitude of investors to invest is also driven by various internal and external factors and therefore they also act as issues which should be always kept in mind while influencing a person to invest in insurance as well as other various investment options.

To create a huge impact in the nation where majority of people already believe in savings, it would be much easier for the insurance sector to persuade them to invest in private insurance companies as the availability of multiple insurance plans can cater to

the distinct needs of the investors. Focus on developing a knowledge based culture will also help the industry to grow and fascinate major section of the society to invest.

Objectives of the study

The main objectives of the research undertaken are as follows:

1. To analyze investors awareness level regarding the various investment options that are available in India.
2. To study the attitude and inclination of investors towards several investment choices and specifically private insurance industries.
3. To examine the possible factors which affect an investment decision.
4. To review the risk-return preference of the investors in insurance sector.
5. To study the socio-economic positioning of the investors in India.
6. To recognize the insurance related problems of investors and provide them suitable recommendation.

Utility of the study

Investments are both essential and useful in the context of present situation as existence of uncertainty is always there as well as investing is one of the best ways to build wealth and earn returns. The aim of the study is to advise and enlighten people and furnish in-depth knowledge regarding various available investment options in India, their respective characteristics and risk attached to them. In the recent times, it can be clearly seen that people are trying to explore the insurance sector with the purpose to invest and get themselves secured for the future and basically this is the one of the significant reasons to carry out research on this topic as it will enable us to know the change in the taste and preferences of the investors with respect to changing patterns and even due to the pandemic which has hit the globe adversely. The other aspect we have tried to cover through the study is how evolution has transformed the society a bit towards being risk takers and gradually they are inclined towards private insurance companies to get fruitful returns at the time of need. Study also highlights how insurance sector is developing in India, not only in regards to the increased investors but also how there is a rise in the number of people employed in this industry who are helping a lot of other people to decide which plan will be most appropriate for them and their families. Thus with the change in the pattern and perception of people to consider

insurance as an great investment option will help it grow immensely in the coming future.

II. METHODOLOGY

Approach

Research involves collecting data based on different parameters and then dividing it into different groups and analyzing the data. The information collected is as follows:

- Age of respondents – When collecting information from customers, questions about their age are essentially quantitative. Customers are divided into four age groups, from 25 years old, 26-35 years old, 36-45 years old, 46-55 years old and over 55 years old.
- Employment status – This group had 6 options to choose from and customers were categorized as – Employee, Business-man/ woman, doctor, professor, student and house maker. This was one of those qualitative features the research was based on.
- Years of Experience – Here clients are divided into 4 categories based on work experience. The different categories specified are: Freshers (With no work-ex), Entry-level Professionals (With 6 months – 2 years' experience), Mid-level Professionals (With 2 years' experience – 7 years' experience), Senior-level Professionals (With 7 years' experience or more).
- Income wise classification –Different income groups were formed and the customers were divided into these brackets according to their monthly income level. The different categories of income were below Rs. 25000, Rs. 25000 to Rs. 50000, Rs. 50000 to Rs. 80,000 and above Rs. 80,000. This classification was quantitative in nature.
- Saving objective – One of the information we collect from clients relates to the savings goals underlying their investments in different forms. Based on the collected responses, 6 types of categories are created and the responses were allotted accordingly in these categories. These 6 categories were – Education Expenses, Growth plan, Home purchase, Children's education, Retirement plan and others.
- List of Influencers for the Investment – The other category in which the potential customers were divided was the list of Influencers who provide advice to them related to financial investments. There were 4 types of responses gathered which are Friends/ relatives, Financial consultants, Advertisements/Articles & Others (Portfolio Departments in Banks, Investment Institutions, Self-Research etc.)
- Portfolio of the respondents – Respondent portfolio is another qualitative characteristic that ranks clients. Bank deposits, Post Office Schemes,

Shares/Bonds/Debentures, Mutual funds, Life Insurance, Real Estate and Gold were some of the categories in which the customers were categorized.

- Level of Interest– Three different levels of Interest were formed in which the responses were recorded. These were Interested, Neutral, Not-Interested. This is the attitude of the customers derived from the investments they made or their interest in investing in insurance.
- Risk wise classification – Customers have different risk appetites, so they are classified accordingly. Three types of responses were collected: low risk, medium risk and high risk. The customers were divided into their respective groups according to their responses.

Sources of Data

The main source of data collection was primary in nature. The data for this research was collected from primary sources. No second-hand information was used in the collection of research data. The main sources from where the information was gathered was lead generation from interns' own records, personal or individual calling was done to make conversions fast and satisfying.

Method of Data collection

The data collection method included informal interviews via phone calls and video call. Due to the current pandemic situation, actual contact with the respondent is not safe, so all information is collected through the survey. An informal interview was conducted with the client and the required information was collected. Video calls were given the preference but in case the customer is not comfortable so phone call was chosen as the second-best alternative. Additionally, these types of data collection method allow for direct human interaction which allows for more understanding of respondents need.

Size of Sample and Method of Sampling

The sample size for this study is limited to 30 people each intern to simplify the research used for analysis and results. To carry out this study, we used a simple random sampling method and used pretested schedule 'DSR', provided by our company to collect data from the respondents.

Method of Data Analysis

The collected primary data were analyzed and interpreted by using statistical tools such as Simple percentage Analysis, DSR- Demand Signal Repository (Excel Spreadsheets) and Graphs (Bar Charts, Pie-Charts).

III. CONTEXT OF INDUSTRY PROBLEM

Insurance Industry Problem

As major economic reforms have affected almost all sectors, India's economy has transformed over the past 10-12 years. The insurance industry is the most exposed sector of the paradigm of the transition from a hybrid economic organization to a market organization. Due to the transformation of the insurance sector from a public monopoly into a competitive environment, new players and customers in the insurance sector are facing interesting complex challenges.

- **Corporate Governance –**

The quality of corporate governance is also a challenge for insurance companies to set a benchmark for organizational success.

Lack of understanding of the complexity of assessing client needs. This is important because the policy is advised to the client without verifying the suitability and requirements of the client.

- **Customer Relationship Management –**

Environmental factors and internal personal aspirations can affect customer behavior. These environmental factors include the company's efforts to manage customer satisfaction, the opinions of insurance consultants, demographics, and socio-economic factors.

The transition from customer relationship management to value based customer relationship doesn't care.

Indian insurance companies face the challenge of maintaining customer trust and interest through a flexible pricing structure. This is due to the average level of insurance business and risk allocation.

- **Distribution of Products –**

The introduction of innovative products and distribution channels to penetrate the insurance market is a huge problem facing the insurance industry. Focusing on pricing, risk management, distribution and investment decisions are necessary means to seize India's untapped potential to reach the masses in urban, semi-urban and rural areas.

In addition to the traditional grouping agent channel (which is the most important distribution channel), insurance consultants must also find new and innovative ways to deliver products to the public.

- **Risk Management –**

In the country's economic scenario, the risk profile has changed significantly as the environment has changed. Due to globalization, multinational corporations have entered all possible sectors of the country, so that income levels, especially those of the middle class, have increased.

- **Human Resource Management –**

In the global competitive market between countries, large, mature and world-renowned companies have entered the insurance market. As international participants, they have the ability to influence the market. Therefore, improving human resource capacity poses a significant challenge.

- **Untapped Market Segments –**

The main reason for the difficulties in entering semi-urban and rural areas is the problems of educating clients. The goal of understanding pricing, risk management, allocation and investment decisions is to grasp India's untapped potential and, in a way, to reach the masses in the urban, semi-urban and rural areas.

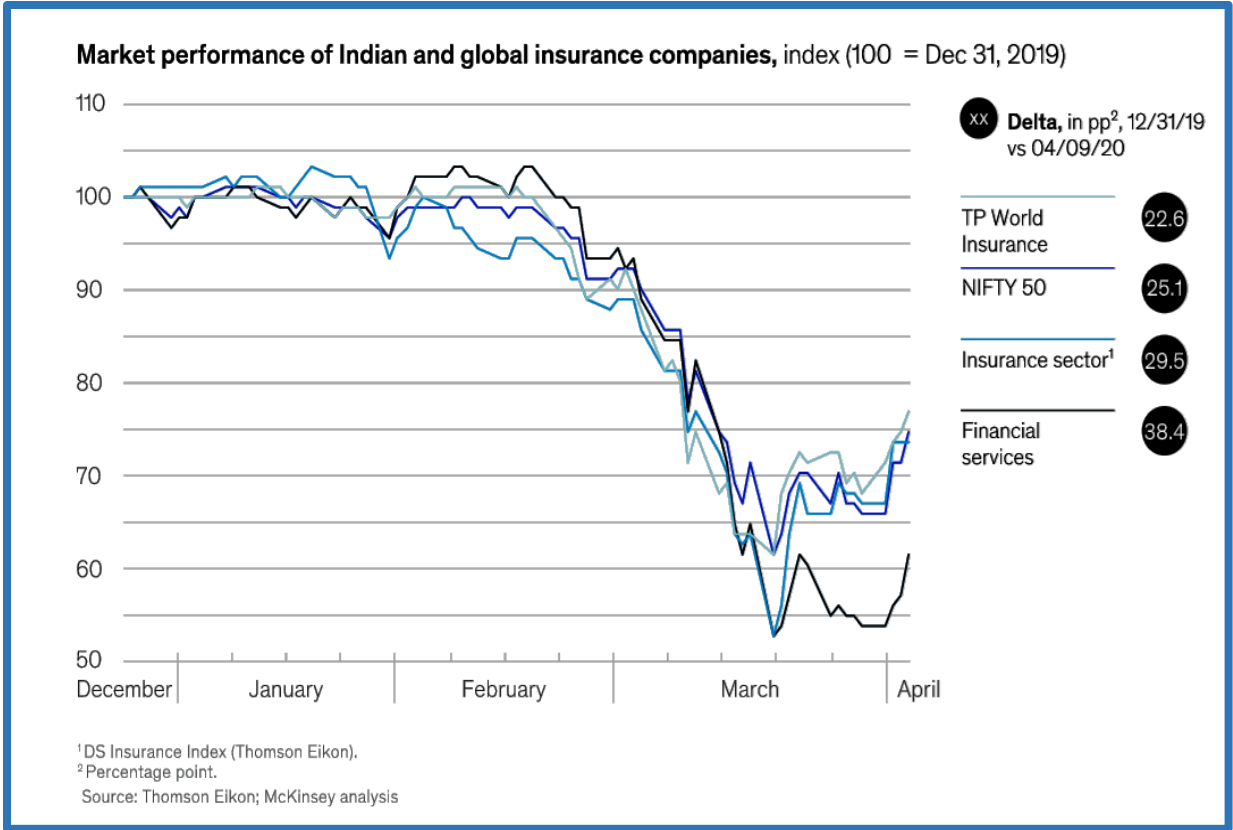
- **Managing the Regulatory Authority –**

As competition intensifies, customers become more vulnerable to unpredictable changes in the market. Therefore, regulators have to do a double job: to ensure compliance with insurance principles and good practices and to check whether insurance companies have sufficient financial resources to meet their responsibilities.

Impact of COVID-19 Pandemic

With the continued escalation of COVID-19, the health crisis is rapidly turning into a financial crisis. The global insurance industry was severely affected by the epidemic, which caused the insurance index to drop 22.6% between December 2019 and April 2020. This impact could continue into the fourth quarter of 2020. The Indian insurance industry's share price fell 25.9% over the same period.

The operational and balance sheet challenges brought on by the pandemic are responsible for the sharp decline in the insurance sector.



- People are unwilling to ask for higher life insurance due to unstable economic conditions. In addition, sales of the life insurance business are expected to decline temporarily. This is because people are reluctant to perform various medical examinations.
- For long-term savings insurance, insurance companies will find it difficult to promote products with falling interest rates.
- COVID-19 has caused insufficient funds for policyholders. Therefore, this will cause the extension of the existing policy to be postponed. In addition, the long-term low interest rate environment will make it difficult to reinvest mature assets.
- The pandemic has paved the way for increased demand for digital health products. Insurance companies will face the challenge of developing integrated programs based on paperless networks.

IV. PRESENTATION OF DATA

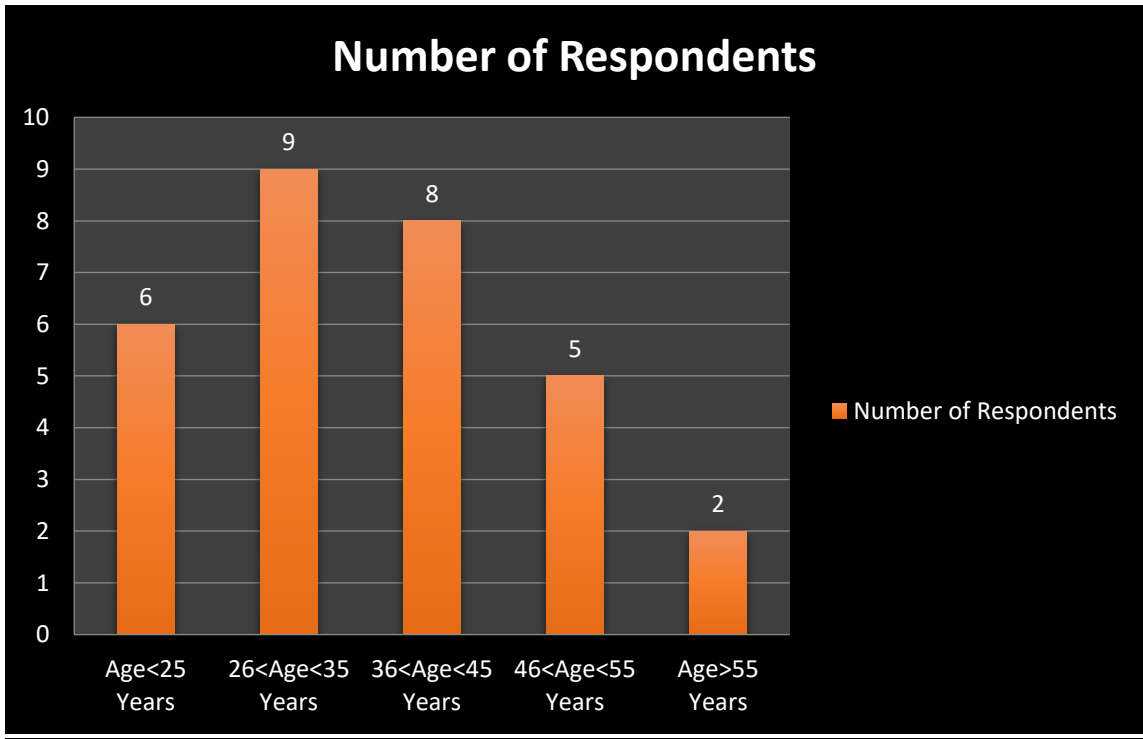
Considering the importance of the client's decision to invest in various asset classes. It is important to verify and understand investment decisions based on several factors that affect one's decision. The data was collected by asking customers of different ages to purchase the "IndiaFirst Life Mahajeevan Plan" (a pension plan provided by a private insurance company) and their observations were recorded in a pre-tested calendar "DSR ", which Includes all the factors as discussed:

Table 4.1., Age of Respondents

Category	Number of Respondents	Percentage
Age≤25 Years	6	20%
26≤Age≤35 Years	9	30%
36≤Age≤45 Years	8	27%
46≤Age≤55 Years	5	16%
Age≥55 Years	2	7%
TOTAL	30	100%

(Source: Primary Data Collected via Survey)

Fig 4.1., Age of Respondents



INTERPRETATION:

As per Table 4.1, majority of the respondents belongs to the age-group of 26-35 years (Generation Y), which forms 30% of the lot, and after that most of the respondents are of age groupbetween 36-45 years, forms 27% of the lot and also it can be seen as per data collected, that number of respondents above age 45 years and below 25 years are low, to specify in total it is only 23% and 20% of the lot respectively.

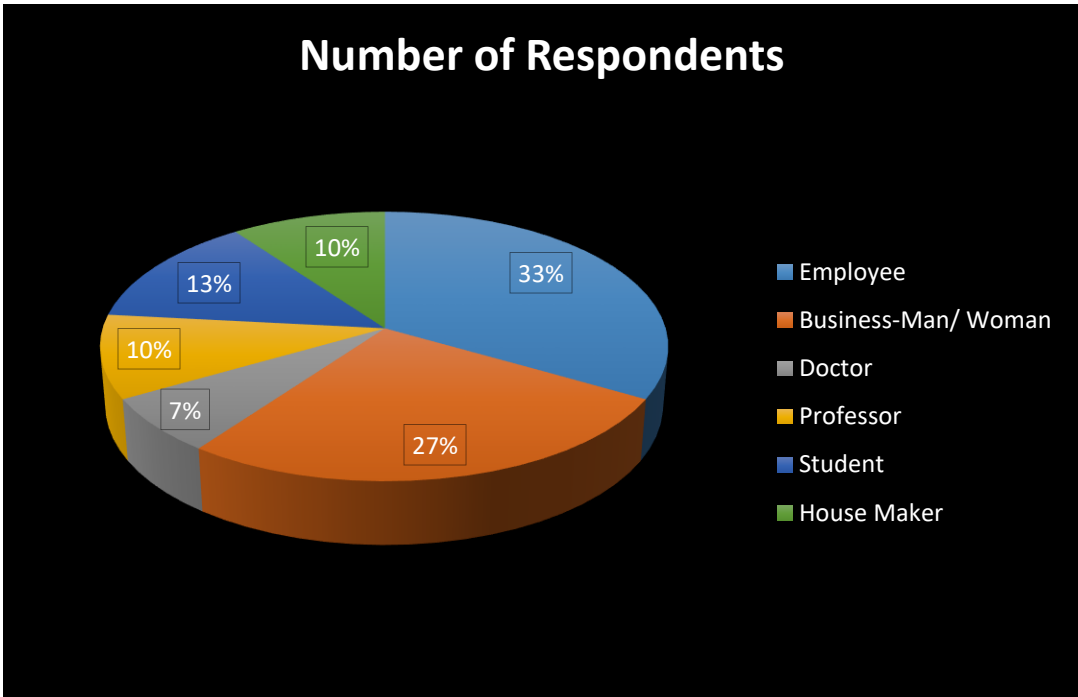
It is very evident, that people of generation Y are very keen to learn about investment opportunities, ways to create wealth as they are in growing phase of their life and keep an open-mind for new opportunities coming their way.

Table 4.2., Employment Status

Categories	Number of Respondents	Percentage
Employee	10	33%
Business-Man/Woman	8	27%
Doctor	2	7%
Professor	3	10%
Student	4	13%
House Maker	3	10%
TOTAL	30	100%

(Source: Primary Data Collected via Survey)

Fig 4.2., Employment Status



INTERPRETATION:

As per Table 4.2, majority of the respondents belong to the category of employee. The respondents are from 6 varied employment domains . Out of the 30 people surveyed, 33% of the people belong to employee class and after that 27% of the people from business class, 13% students who are aspiring for higher education in the future and lowest interest in investment related opportunity were taken by doctors just as per the primary data that was collected.

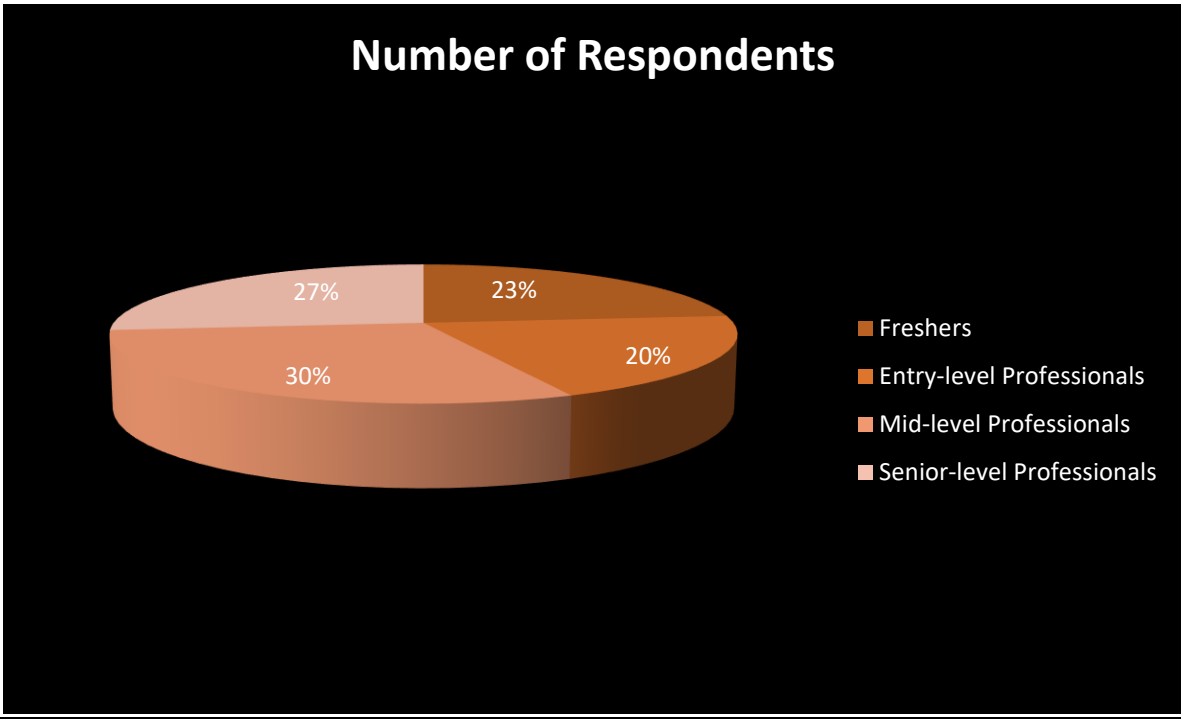
It is very evident from the sample of 30 individuals, that Employees with fixed-salary are keener to know and invest in new opportunities, and ready to take the risk, while people with fluctuating income or no-income shows varying results.

Table 4.3., Years of Experience

Categories	Number of Respondents	Percentage
Freshers	7	23%
Entry-level Professionals	6	20%
Mid-level Professionals	9	30%
Senior-level Professionals	8	27%
TOTAL	30	100%

(Source: Primary Data Collected via Survey)

Fig 4.3., Years of Experience



INTERPRETATION:

As per Table 4.3, when a prospective customer was called, out of which majority of the respondents, who showed interest to listen or buy, belongs to mid-level or senior-level professionals and the less interest were showed by Freshers or people with no work-experience.

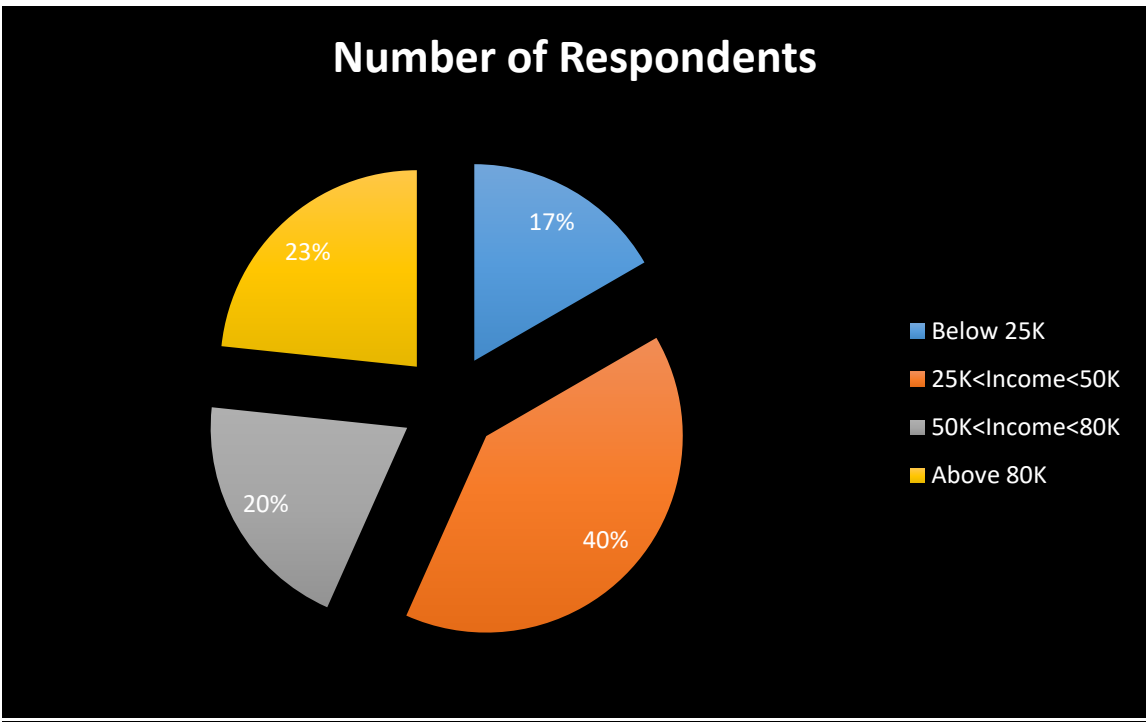
Out of 30 respondents, 8 belongs to Senior-level professionals which forms 27% of a lot in total, and after that 9 respondents are Mid-level Professionals, forms 30% of the total. In whole, 57% of the people who responded have good experience in the Industry or market, have earned pretty well amount of money and ready to invest or to listen regarding the upcoming growth plans. On the other hand, people with no direct or fixed source of money, and might be because of no experience in the market showed comparatively less interest in investments.

Table 4.4., Income-wise Classification

Monthly Income	Number of Respondents	Percentage
Below 25K	5	17%
25K<Income<50K	12	40%
50K<Income<80K	6	20%
Above 80K	7	23%
TOTAL	30	100%

(Source: Primary Data Collected via Survey)

Fig 4.4., Income-wise Classification



INTERPRETATION:

As per Table 4.4, when a potential customer was called, out of which majority of the respondents, who showed inclination belong to customers with Income brackets lying between 25k-50k and least interest was shown by people, earning below 25k .Out of 30 respondents, the respondents from various income-groups have been analyzed and interpreted:

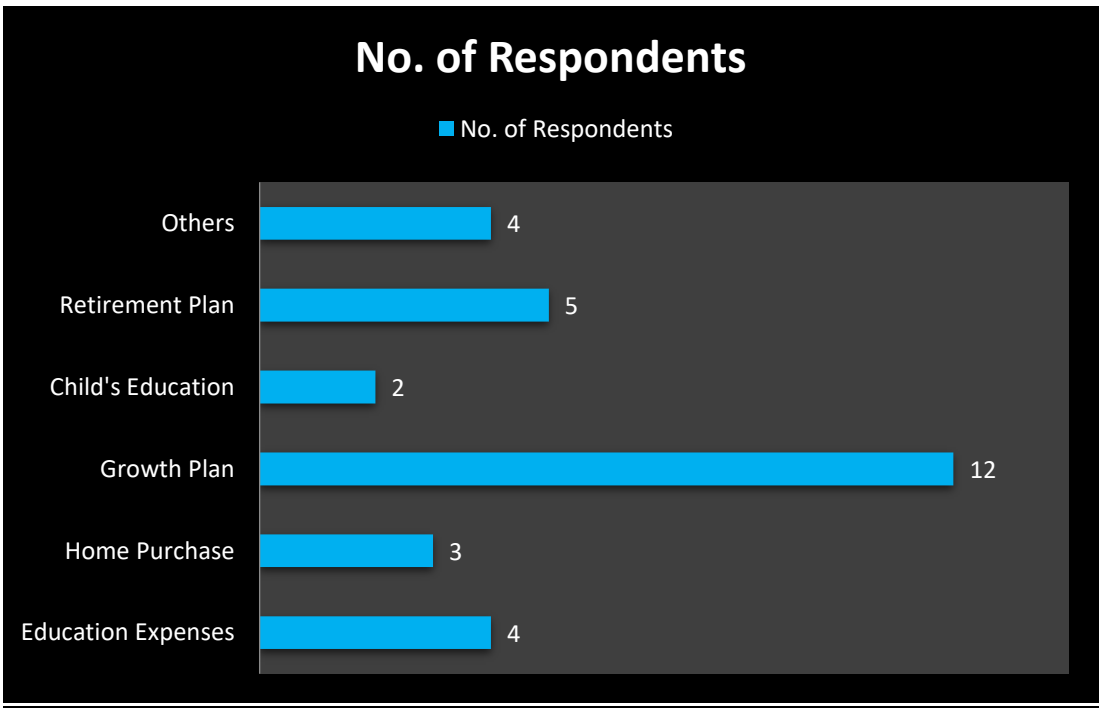
23% belong to the group with income range of more than 80k, 20% are from 50k-80k income category, while respondents with monthly income of less than 25k showed the least interest, and forms 17% of the total. The reason as told by customers with below 25k income- no extra income for saving-purpose or limited income restricts them to invest in very few asset-classes, therefore depicted neutral or not very interested reaction towards the product of private-insurance company or to invest in any other asset class. To quote this is a very important factor, which describes the intention of a customer to invest or not.

Table 4.5, Saving Objective

Saving Objective	No. of Respondents	Percentage
Education Expenses	4	13%
Home Purchase	3	10%
Growth Plan	12	40%
Child's Education	2	7%
Retirement Plan	5	17%
Others	4	13%
Grand Total	30	100%

(Source: Primary Data Collected via Survey)

Fig. 4.5, Saving Objective



INTERPRETATION:

As per table 4.5, as much as 40% of the respondents are looking for a growth plan as far as saving is concerned. As many of the investors are young, it is evident that they want their money to grow faster. Only a few people who are in their late 30s are saving money for their children’s education.

There are 5 people whose objective of saving is for retirement plan. These are the people whose age is above 45 they have acquired all their basic needs and are thinking about their spending after they retire. 10% people aim to purchase a home from the data taken of the sample.

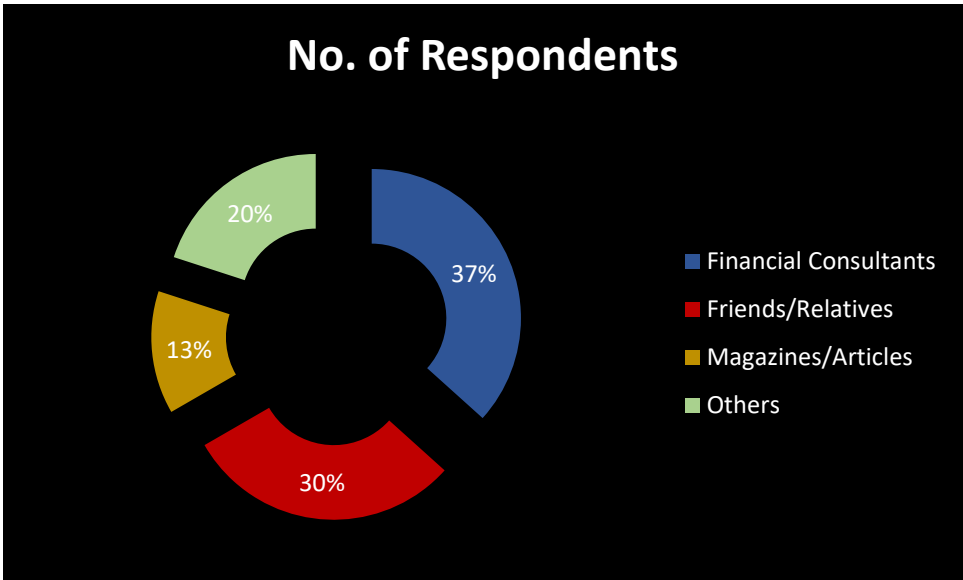
It is evident from the table that, people who want to grow their money are smarter and wish to know about different investment options. There might be a specific purpose for which people want an extra income apart from their regular earnings and these reasons vary from individual to individual.

Table 4.6, Influencers

Influencers	No. of Respondents	Percentage
Financial Consultants	11	37%
Friends/Relatives	9	30%
Magazines/Articles	4	13%
Others	6	20%
Grand Total	30	100%

(Source: Primary Data Collected via Survey)

Fig 4.6, Influencers



INTERPRETATION:

The data in the table 4.6 shows the number of people who opts for financial consultants when it comes to investing their money. It is evident that 37% of the respondents consult financial advisor for investing their money. The data also shows that 30% of respondents seek investment advice from their friends or relatives.

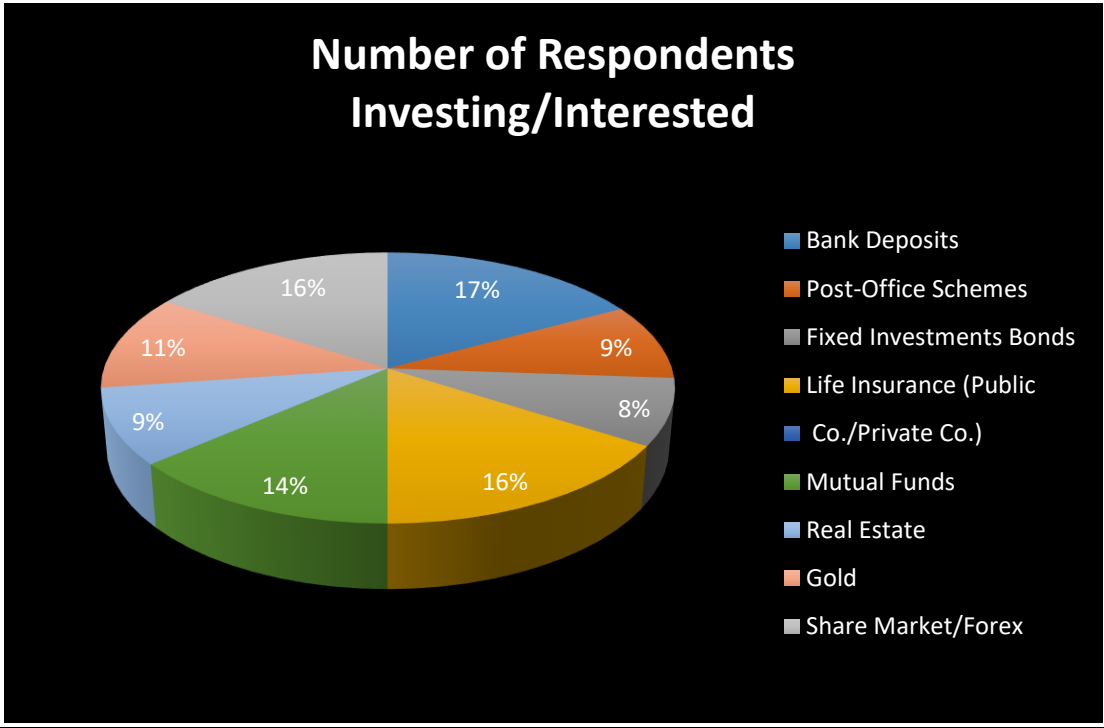
The others category includes advertisements, articles, research, etc. It has 13% of stake in this data which can be inferred as, majority of the investors are unable to comprehend market situations and get a transparent information regarding where to invest to get higher future benefits. It is evident that as people want their money to grow in the fastest possible way, they need some investment advice if they do not have sufficient knowledge in the field. Then they consult financial advisor or seek advices from friends or relative or through other various sources.

Table 4.7, Portfolio of Respondents

Portfolio (Asset-Classes)	Number of Respondents Investing/Interested
Bank Deposits	15
Post-Office Schemes	8
Fixed Investments Bonds	7
Life Insurance (Public Co./Private Co.)	14
Mutual Funds	12
Real Estate	8
Gold	10
Share Market/Forex	14

(Source: Primary Data Collected via Survey)

Fig 4.7, Portfolio of Respondents



INTERPRETATION:

The data in table 4.7 shows the number of people who have invested money in different sectors. Investors and potential customers invest in almost all domains of investment but the range varies due to different expectations of people and their risk appetite. As equity is a risky asset, people having low risk appetite would not invest in it.

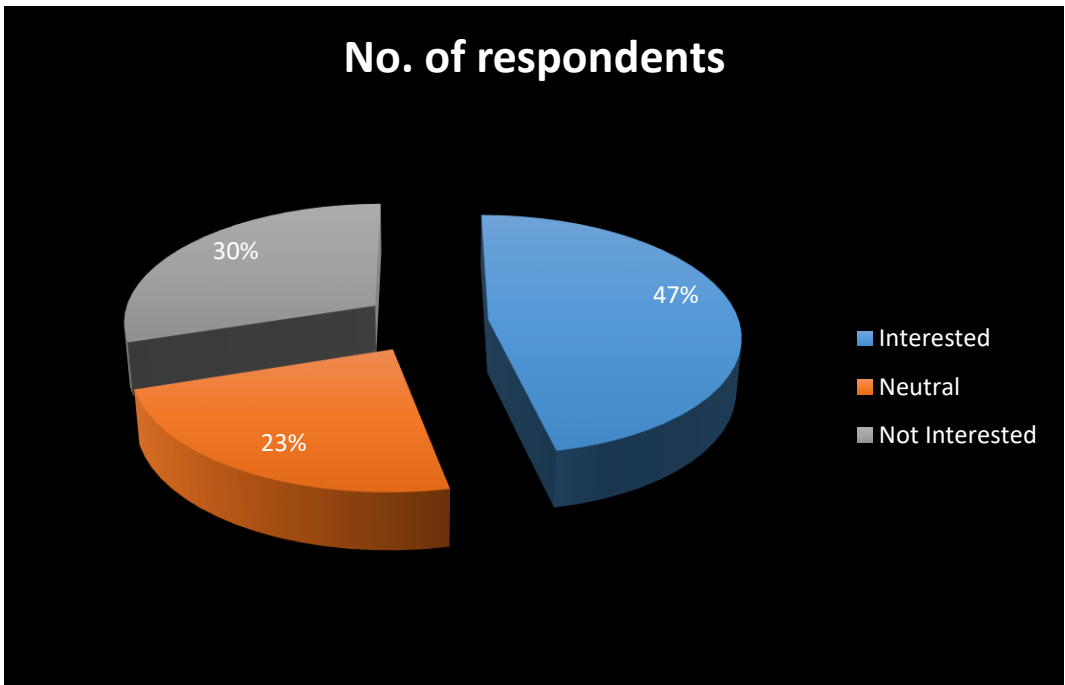
It is very obvious that, as the real estate sector requires a larger pool of money to invest in it, there are lesser number of people who have invested in it. But also, as it provides a hedge against inflation and constantly growing sector, it has been one of the most attractive investment options. As post office schemes does not provide good returns, it does not attract much people expecting higher yields.

Table 4.8, Level of Interest

Level of Interest	No. of respondents	Percentage
Interested	14	47%
Neutral	7	23%
Not Interested	9	30%
Grand Total	30	100%

(Source: Primary Data Collected via Survey)

Fig 4.8, Level of Interest



INTERPRETATION:

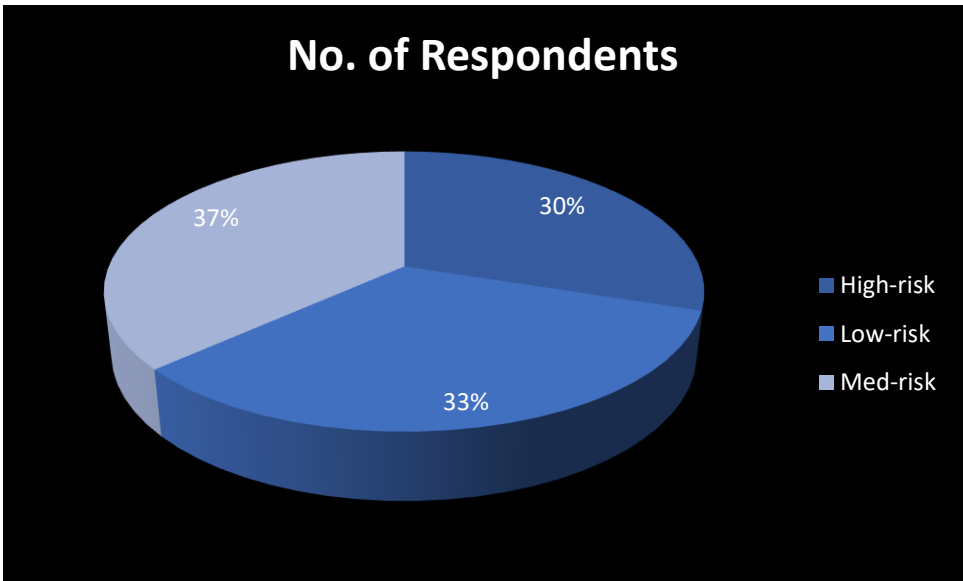
Table 4.8 shows that out of 30 respondents, 14 people, which is 47% Of the total, showed positive attitude towards investing in life insurance. 9 of them gave negative response and 7 of them gave neutral response. It is very clear from the data the respondents are comparatively getting attracted towards investing in life insurance products as it gives life cover and is less risky when compared to equity and mutual funds. Additionally in such pandemic scenario people have started showing curiosity towards investment in insurance so that they can get life security as well as returns accordingly.

Table 4.9, Risk-wise

Risk capacity	No. of Respondents	Percentage
High-risk	9	30%
Low-risk	10	33%
Med-risk	11	37%
Grand Total	30	100%

(Source: Primary Data Collected via Survey)

Fig 4.9, RiskWise



INTERPRETATION:

The data in table 4.9 portrays risk volume of the respondents of the survey. It shows that more than 37% of the respondents have medium risk appetite. There are 9 people who have shown high risk appetite and 10 people have show low risk appetite. Rest of them have medium risk-taking capacity. As it is said, the higher the returns expected, the higher the amount of risk one has to take. As people in their young age want their money to grow quickly, they keep their risk appetite in medium to high range. On the other hand, people in their 50s and 60s, who are planning for their retirement tend to take low amount of risk.

V. ANALYSIS AND DISCUSSION

Conclusion

Since the start of the pandemic, most of the sectors have been hit and have been experiencing great losses and challenges. The insurance industry is expected to be one of the industries with an upward trend. But on the contrary, due to the decrease in liquidity, people have no funds or even cannot afford the high costs of the normal life insurance industry. The past few years have been a turning point in determining the return plan. In India, the potential of insurance is huge as few companies will attract a large population. Public insurance companies pay more attention to the welfare of the people through their plans, while private insurance companies aim to make money from these plans. This is everyone's opinion against private insurance companies, which is why people are skeptical when considering investing in private insurance companies. Private insurance companies should pay more attention to aspects not covered by public insurance companies, such as higher rates of return and fixed rates of return. This can be achieved by introducing a market link plan. In doing so, private insurance companies will transfer the risk of loss to the capital market and they will be able to meet their clients' needs in terms of higher returns. Here are some of the main gains from the project -

- The majority of the respondents are from a certain class of employed people, this segment of the market is most important for private insurance companies.
- The two most important aspects in which anyone who wants to invest is capital security and stable returns. If respondents are confident that they are getting these two factors, they will be interested. These two factors should be kept in mind when selling.
- Another important observation to note is that fixed income families are not interested in investing in housing that exceeds 10% of their monthly salary.
- The flexible payment part of the product should be highlighted and promoted at the same time, as monthly and quarterly premium payments are more attractive to customers than annual payments.
- In India, every time someone thinks about insurance, they only think of one company, LIC. People's awareness of LIC is incredible. There are several important ways that customers need to be educated about other companies and how they are better than LIC.

- Only a few respondents are considering purchasing private life insurance, so it is very important to promote the plans and plans of various private insurance companies through various media and marketing channels.
- When talking to potential clients, considering their profession and their salary, then informing them of investment opportunities accordingly.
- People's consciousness is limited to certain planes. Therefore, efforts should be made to publicize the different plans. For example, some people are interested in market-related plans but do not understand the availability of such plans in the insurance industry.
- Since many people already understand the basic plan of any insurance product, they need to be informed quickly and have more time to tell them about less popular insurance products.
- It has also been found that insurance consultants play an important role in the choice of insurance products and companies, as they are an important source of all information about the schemes and plans of private insurance companies.
- Of all types of people, the paid class is the most interested in investing in the insurance industry.

Managerial Implications

- **Age of Respondents:** - According to the data, private companies should develop retirement / investment plans based on the age of respondents. Because 70% of people are under 35. Therefore, while selling it to customers, it is easy and acceptable. Now, most people within a day start investing at a young age.
- **Employment Status:** - The data obtained indicates that private insurance companies should offer more insurance to employers and employees with fixed incomes. Hence, it is easy to promote and generate sales. Because they are more interested in insurance and other investment options.
- **Years of Experience:** - Insurance and investment choices are favored by intermediate and senior professionals must be tailored to them. Novices and freshers are not very keen on investing especially in private insurance sector, and there are opportunities to persuade them and make profitable products.

- **Income wise Classification:** - Should be insured for employees between 25,000 and 80,000 people. Hence, these are our potential clients as the above income groups prefer to invest in stocks / bonds. Additionally, people with higher incomes can receive advanced products to meet their needs.
- **Savings Objective:** - According to the data, there are many reasons people save, but the main reasons are growth plans, retirement and home purchases. Therefore, the company must develop repeating plans so that the end users can benefit from them. Therefore, all the important reasons indicate that investors do not make a one-time payment, but rarely pay in the long term.
- **Influencers:** - An influential person is someone who understand and trust in investing. Investors also prefer financial advisers and friends / family. This is the reason why our company chooses the company channels to promote its products and get good results. Like, the product is recommended by the consultant.
- **Portfolio of Respondents:** - Investors prefer to deposit their funds in the bank because it is one of the safest options, and because of their historical returns, more investment in gold. Share markets and mutual funds are unpredictable and require persistent expert guidance but at the same time they yield higher returns when a investor is ready to bear high risk Fewer people like to invest in post office programs because they have no advertising or information. For, private companies it is more important to build their trust as the bank has made over the years or to give such a good and consistent profits as given by gold.
- **Level of Interest:** - 9 out of 30 people are not interested in life insurance because the returns are very low and various plans sometimes baffles an investor so as to in which plan to invest to get maximum benefits . Therefore, private insurance companies have the potential to increase returns and offer guarantees to clients. New lucrative high yield insurance should be developed to attract customers.
- **Risk Wise:** - It can be interpreted from the data that from a management point of view, there are more takers at medium risk and should design products with fixed

returns which should not vary / change with the market conditions and global scenarios.

PART- C

Learning from the project

My summer internship experience with INSPLORE TLS CONSULTANTS PVT. LTD. provided me with insightful learning's that would always help me in my journey towards the corporate world. This was my first corporate exposure and in these two months I tried my best to utilize each and every opportunity to gain something knowledgeable and contemporary under the guidance of my mentor. I got deep insights on the various types of investments that are available for the people in India and how they can rationally create or enhance their wealth by investing in such alternatives. For the initial 20 days we were trained on various aspects relating to financial products that are available in the market and specifically about the insurance industry as the company was into trading of one such financial product.

Basically the assigned task demanded in depth study of insurance sector, various products they offer, their competitors, customer requirements and various other things to further sell the product in the market as well for the research report. Firstly I was asked to carry out research on all the investment options where a individual is willing to invest his hard earned money and learn how they all function to beat their competitors, and then presentations were conducted which helped me a lot to understand things with much clarity. Later, in the similar manner I explored insurance sector as an investment option and learnt how to calculate benefit illustrator for an insurance plan, how to calculate tax on the product which we were supposed to sell, what are the challenges while pitching the product to the customers and how to deal with it, how to convince people to invest in what we are offering, even we were required to create leads and that is where I figured out how complex it is to understand what a customer needs and accordingly design the product to not only satisfy them but also to ensure high returns and maintain goodwill in the industry.

I interacted with around 30 people virtually to gather information regarding their investment taste and their reactions for the product that my company was offering. This internship really helped and trained me not only regarding the insurance sector and investment options but it also very well equipped me with how to market a product in a work from home situation.

At last successful completion of this 2 month internship grants sense of accomplishment and motivates me to perform best in my future corporate life.

APPENDIX - 1

Demand Signal Repository

SR. NO.	NAME OF THE CLIENT	GENDER	AGE OF RESPONDENT	EMPLOYMENT STATUS	YEARS OF EXPERIENCE	MONTHLY INCOME	SAVING OBJECTIVE
1	Vishal Chopra	M	40	EMPLOYEE	10	90k	Growth Plan
2	Aarushi Bhargava	F	29	EMPLOYEE	3	27k	Growth Plan
3	Prachi Sharma	F	42	PROFESSOR	7	50K	Growth Plan
4	Rashmi Gupta	F	33	BUSINESS WOMAN	5	40k	Others
5	Mahesh Agrawal	M	26	BUSINESS MAN	2	26k	Growth Plan
6	Pulkit Dawar	M	24	STUDENT	Nil	NO INCOME	Higher Education Exps.
7	Pratiksha Jain	F	42	HOUSE MAKER	Nil	30k (Other Sources)	Others
8	Prakhar Agrawal	M	48	BUSINESS MAN	21	1.5L	Retirement Plan
9	Sakshi Sharma	F	27	EMPLOYEE	1	43k	Growth Plan
10	Hitesh Deshmukh	M	31	EMPLOYEE	3	70K	Home Purchase
11	Nishtha Gawshinde	F	23	STUDENT	Nil	20k (Other Sources)	Education Expenses
12	Yash Das	M	26	EMPLOYEE	8 months	35K	Growth Plan
13	Neeru Bhargava	F	45	PROFESSOR	9	1.25 L	Others
14	Ashutosh Mishra	M	57	DOCTOR	12	80k	Growth Plan
15	Madhumita Sarkar	F	44	HOUSE MAKER	Nil	66k (Other Sources)	Retirement Plan
16	Charu Mishra	F	38	BUSINESS WOMAN	5	1.10 L	Growth Plan
17	Pankhuri Joshi	F	23	STUDENT	Nil	5.5k (Other Sources)	Education Expenses
18	Amit Malhotra	M	46	BUSINESS MAN	16	45K	Retirement Plan
19	Abhinav Kapoor	M	51	DOCTOR	11	1.05 L	Retirement Plan
20	Rohan Mehrotra	M	24	EMPLOYEE	6 months	30K	Growth Plan
21	Somya Jain	F	36	HOUSE MAKER	Nil	20k (Other Sources)	Child's Education
22	Ruchi Sharma	F	40	EMPLOYEE	8	60k	Growth Plan
23	Ayushi	F	29	BUSINESS	3	70k	Home

	Kabra			WOMAN			Purchase
24	Ankit Sharma	M	22	STUDENT	Nil	NO INCOME	Others
25	Gourav Bhargava	M	56	PROFESSOR	13	80K	Retirement Plan
26	Richa Mehrotra	F	47	BUSINESS WOMAN	7	1L	Growth Plan
27	Samarth Shukla	M	28	EMPLOYEE	2	40K	Child's Education
28	Shlok Sharma	M	51	BUSINESS MAN	23	1.5L	Growth Plan
29	Swati Borker	F	34	EMPLOYEE	5	46K	Home Purchase
30	Aditya Singhal	M	21	EMPLOYEE	7 months	42K	Education Expenses

APPENDIX - 2

Demand Signal Repository

SR. NO.	NAME OF THE CLIENT	INFLUENCERS	INVESTMENT PORTFOLIO (INVESTING / INTERESTED)	LEVEL OF INTEREST IN PVT. INSURANCE CO. INVESTMENT	RISK-WISE CLASIFICATION
1	Vishal Chopra	Financial Consultant	Share Market, Life Insurance	Interested	High
2	Aarushi Bhargava	Friends/Relatives	Bank Deposits, Post-Office Schemes	Not Interested	Low
3	Prachi Sharma	Financial Consultant	Mutual Funds, Bank Deposits, Life Insurance	Interested	Moderate
4	Rashmi Gupta	Others	Life insurance, P-O Schemes, Gold	Interested	Low
5	Mahesh Agrawal	Financial Consultant	Real Estate, Bank Deposits, Gold	Neutral	Moderate
6	Pulkit Dawar	Magazines/Articles	Share Market, Mutual Funds	Not Interested	High
7	Pratiksha Jain	Friends/Relatives	Post-Office Schemes, Life Insurance	Interested	Low
8	Prakhar Agrawal	Financial Consultant	Interested in all	Interested	High
9	Sakshi Sharma	Others	Post-Office Schemes, Bank deposits	Not Interested	Low
10	Hitesh Deshmukh	Others	Bank deposits, Bonds	Neutral	Low
11	Nishtha Gawshinde	Friends/Relatives	Mutual Funds, Share Market	Not Interested	High
12	Yash Das	Friends/Relatives	Gold, Share market	Interested	Moderate
13	Neeru Bhargava	Financial Consultant	Life insurance, Real Estate, Bank deposits	Interested	Moderate
14	Ashutosh Mishra	Financial Consultant	Bonds, Life insurance	Interested	Low
15	Madhumita Sarkar	Others	Mutual Funds, Bank deposits, Gold	Neutral	Moderate
16	Charu Mishra	Friends/Relatives	Interested in all	Interested	High
17	Pankhuri Joshi	Friends/Relatives	Bank Deposits, Share market	Not Interested	Moderate
18	Amit Malhotra	Financial Consultant	Bonds, Post-Office Scheme	Neutral	Low
19	Abhinav Kapoor	Financial Consultant	Real Estate, Gold, Share market	Neutral	Moderate
20	Rohan Mehrotra	Magazines/Articles	Mutual Funds, Life insurance	Interested	Low
21	Somya Jain	Others	Bank Deposits, Post-Office Schemes	Not Interested	Low
22	Ruchi Sharma	Financial Consultant	Share market, Life insurance, Bank deposits	Interested	Moderate
23	Ayushi Kabra	Magazines/Articles	Real estate, Mutual Funds, Insurance	Interested	High
24	Ankit Sharma	Friends/Relatives	Share Market	Not Interested	High

25	Gourav Bhargava	Magazines/Articles	Interested in all	Interested	Moderate
26	Richa Mehrotra	Financial Consultant	Share Market, Real-estate, Gold	Neutral	High
27	Samarth Shukla	Friends/Relatives	Mutual Funds, Bank Deposit	Not Interested	Low
28	Shlok Sharma	Financial Consultant	Interested in all	Interested	High
29	Swati Borker	Others	Bank deposits, Mutual funds	Neutral	Moderate
30	Aditya Singhal	Friends/Relatives	Bank deposit, Share market, Life insurance	Interested	Moderate

ANNEXURE

COMPLETION CERTIFICATE

Date: 18 Jul, 2020

This is to certify that **Ms. Shivangi Bhargava** has successfully completed her **Summer Internship** with project title "**A Study Of Investment Options And Investors Attitude Towards Private Insurance Companies**" under the guidance of **Mr. Harsh Yadav**.

The duration of the project was from 10 May, 2020 to 10 Jul, 2020

The internship on evaluation fulfils all the stated criteria and student's findings are her original work.

I hereby certify her work **satisfactory** to the best of my knowledge with an aggregate grade: **A**.

Location for internship: New Delhi

We wish her all the best for future endeavours.

Warm Regards



(Authorized Signatory)

Head HR
Insplore Consultants Pvt. Ltd.