

## **‘Summer Internship Report’**

### **Insplore Consultants**



**MBA- FULL TIME (2019-21)**

**Submitted To:**

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**Section: C**

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## **REPORT DETAILS**

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## **Executive Summary**

The most important element of summer internship project is to provide an industrial exposure which we will experience after we enter the corporate world. It is a part of my curriculum to undertake a summer project at a good organization to gain the first-hand knowledge of how the corporate world operates. Being a Fresher, I have had a very minimal experience in the corporate world and that too in a specific domain I was very eager to learn and explore about different domains in this summer internship project. This report is about my internship program at Insplore Consultants, which is a start-up based on providing financial services and acting as an advisory and intermediary for their clients. In this report, I've tried to highlight the research that I did and also drawn some conclusions based on that research.

The aim of the study is to find out various investment options available to an investor in Insurance sector. It also aims to find out the psychology behind investing in an insurance product. Investor's attitude and his mindset play an important role in his investment decision. Throughout the study we will try to identify a pattern in investor's attitude when they think of investing in Insurance Sector. The study is conducted through observations during the sales pitch of the company's product. The study also aims to find the difference in the investor's mindset towards Government and Private Insurance Companies.

## **Table of Contents**

<b>Serial number</b>	<b>Particulars</b>	<b>Page number</b>
1	Company details	5-9
2	Growth Story and Culture	10-11
3	Industry information	12
4	Project Work – Nature of the Problem	13
5	Objective of the study	14
6	Utility of the study	15
7	Types of Plans	16-18
8	Methodology	19-21
9	Important Industry Data Points	22-23
10	Context of Industry Problem	24-25
11	Presentation and interpretation of Data	26-35
12	Conclusion	36
13	Managerial Implications	37-38
14	Learnings	39
15	References	40

# Insplore Consultants

## About the Company

*Age of the Company:* Founded in 2018, the company is now 2 years old.

*About the Company:* Being a preferred talent acquisition partner and an expert in financial advisory, Insplore Consultants thrives to be a dynamic organization working to provide an employee friendly work culture and thereby providing adequate opportunities to the workforce to relish while working.

The organization has a dedicated team of professionals working to provide financial and HR solutions to big corporates and help construct portfolios to survive especially when investments go wrong.

*Mission of the Organization:* To provide best wealth management advice through honest financial solutions as well as inspire the candidates to explore job opportunities across various industrial sector.

*Vision of the Organization:*

To become the most trusted financial advisor as well as most valuable recruitment service provider.

### ➤ Why Insplore?

Leading Indian Businesses and Multinationals prefer Insplore as their talent acquisition partner as the organization acts as the link between talent seeker and the job seeker and help them find each other. Their business mantra is: **We Inspire, You Explore.**

Timely adaptation with the changing environment has been the working approach of the organization to deal with the any uncertainties. The company very well understands the importance of right action at the right time and implements the same to cope with the dynamic environment.

### ➤ Services Offered:

1. Portfolio Management: Based on the investor's budget, income and convenient time frame, Insplore selects the right investment policy for its clients in order to attain maximum returns with minimum risk. The organization provides the following:

- Active and Passive Portfolio Management
- Discretionary and Non-Discretionary Portfolio Management services

2. Financial Analysis: The Company focuses on the simplification of data by methodological classification of the data in the financial statements of the concerned clients. It uses 2 methods of analysis-

- Horizontal Analysis and Vertical Analysis

3. Recruitment: Organization's culture and its business objectives and analysis of the same are the factors enabling the company to develop their customized strategies. Experts at Insplore provide valuable advisory on the following matters related to recruitment:

- Candidate Search
- Profiling
- Interview Coordination
- Employment Contract
- Immigration
- Advisory Service

4. Internship Programme: Domestic and International level internship is provided at Insplore. The organization's training specialists include technical and regulatory training specialists, high school teachers and university lectures. They have also developed training manuals, produced online and e-training resources and even conducted training needs analysis.

5. Professional Skills Development: Professional Skill Development programs at Insplore aim at enhancing the individual performance and their employability and in a way help them in their career development.

6. Distress Your Tax: The tax saving solutions provided by the company helps the corporates to De-stress tax and such solutions aim to grow money through equity investments. So Insplore helps fulfill those little desires with money that its client saves on tax.

### **Competitors**

The competitors of the Insplore Consultants Pvt. Ltd. are ABC Consultants Pvt. Ltd., Quess Corp Ltd., CareerNet Technologies Pvt. Ltd., ManpowerGroup Services India Pvt. Ltd., Aditya Birla Financial Services Pvt. Ltd., Bajaj Finance Ltd. to name a few.

ABC Consultants Pvt. Ltd., founded in 1969 is India's premier recruitment firm and one of the top 10 HR Companies in India. The firm leads into different types of recruitment-Senior and middle management search, online career portal, Junior management levels hiring and Recruitment Process Outsourcing solutions.

Aditya Birla Finance Limited being among the leading, well diversified non-banking financial Services Company offers end-to-end lending, wealth management solutions to its customers across the country. The net worth of the company had been Rs. 80.89 billion for the quarter ended 31<sup>st</sup> December 2019.

The industry in which Insplore TLS Consultants Pvt Ltd falls is **Business Services**.

The Business Services Sector can be classified into the following heads.

- ❖ Financial advisory
- ❖ Recruitment Services
- ❖ Portfolio Management Services
- ❖ Training & Development

### 1. Financial Advisory:

The consultancy services provided by the financial advisory company is based on financial analysis. Transaction services, risk management, tax consultancy, real estate consultancy, compliance services and litigation are some of the offering in this sector. It is one of the main areas of Business Services provided by the Business Services Industry. When companies encounter financial problems, they usually turn to crisis and recovery consultants. Experts help them to understand the crisis situation and then ensure that a long-term recovery plan is developed. Transaction services provide clients with a variety of services related to organizational mergers & acquisitions. The scope of services includes: formulating M&A strategies before the transaction is completed, tracking goals, and evaluating due diligence before the transaction, support for post-merger integration and other transaction services for the transaction.

### 2. Recruitment Services

The recruitment sector is made up of several agencies and in-house professionals committed to combining potential employees with available positions. The methods and processes used will be different in each organization, sector and industry position. These agencies are managed by professional recruitment consultants and can work for employers and job seekers. The recruitment consultant is essentially an intermediary between the recruitment organization and potential employees.

### 3. Portfolio Management Services

The PMS or Portfolio Management Service is a professional service in which qualified and experienced portfolio managers, supported by a research team, manage asset portfolios on behalf of the clients, not the clients themselves. There are two types of Portfolio Management Services: discretionary and non-discretionary. Fund managers can make investment decisions on behalf of investors, at their discretion. Under non-discretionary attribution, the fund manager will make investment proposals and the decision-making power is decided by the client.



#### 4. Training & Development

Training and development include formal and ongoing work within the organization to improve employee efficiency and self-fulfillment through various programs and processes. In modern workplaces, these efforts have been widely used, ranging from highly specific job skills guidance to long-term professional development. Structural changes in training and development services in India are mainly driven by the demand for more qualified talent in the corporate sector. The demographic composition of the workforce is undergoing tremendous changes, with more people from the rural sector and second-tier cities entering the organized sector. While it is generally believed that academic courses in India do not attract suitable professionals to join the company's workforce, in the past five years, a large number of companies have hired professionals and trained them according to the company requirements.

#### **Industry Structure**

##### Market Size:

- The asset management scale in the industry increased from 10.96 trillion rupees (\$ 156.82 billion) in October 2014 to 28.18 trillion rupees (\$ 403.32 billion) in January 2020.
- In addition to the secondary market, the initial public offering (IPO) market also experienced rapid expansion. In fiscal 2018, Rs 14,674 crore (US \$ 2.1 billion) was raised through an initial public offering (IPO). In 2019, FPI's investment in Indian equities reached a five-year high of Rs 101,122 crore (\$ 14.47 billion).
- In the first ten months of 2019, the total value of M&A was \$ 25.162 billion.
- Over the past three years, the total value of private equity (PE) / venture capital (VC) investments has increased by 44%, reaching \$ 48 billion in 2019.

##### Competition:

Traditionally, the financial advisory market is dominated by companies with traditional tax and audit services, such as large accounting and consulting firms. However, in recent years, companies in other areas, such as strategic consultants, process specialists, economics specialists and systems integrators, have developed their footprints in the field of financial consulting. Due to the diversity of financial advisory services, each discipline has a relatively large group of different participants, such as corporate finance and real estate specialists or risk management specialists.

## **External Factors impacting the Industry**

### **Rising of Platforms:**

Increasing customer choice will have a profound impact on product design and distribution and may force companies to change roles. A platform that offers the ability to interact with different financial institutions from a single channel can become the main model for providing financial services. The emergence of these platforms, like the open bank, is likely to turn financial services from well-defined organizations into interchangeable entities. This may require platform owners to be ecosystem managers capable of balancing the needs of product manufacturers and customers.

### **Regionalization:**

Different regulatory priorities, technical capabilities and customer needs are challenging the growing narrative of financial globalization and paving the way for regional models of financial services that meet local conditions. Even multinational companies may need different strategies to cultivate regional competitive advantages and integrate with local ecosystems. At the same time, even if technology lowers barriers to entry, fintech companies can face serious obstacles to establishing themselves in various jurisdictions. For fintech companies looking to enter new markets, incumbents can become attractive partners because they are looking for opportunities to grow quickly.

## **Growth Story**

Insplore TLS Consultants Private Limited was incorporated on 01 January 2018. It is classified as Non-govt company and is registered at Registrar of Companies, Delhi. Its authorized share capital is Rs. 100,000 and its paid up capital is Rs. 100,000. Directors of Insplore TLS Consultants Private Limited are Inder Sharma and Himalaya Sethi. The founders of the company had a vision to create the most trusted financial advisor firm as well as most valuable recruitment service provider. Since the start the initial employees of the company have been working relentlessly to achieve their mission of providing best wealth management advice through honest financial solutions as well as inspiring the candidates to explore job opportunities across various industrial sector. Most of the start-ups struggle in its initial stages but Insplore has used its resources so effectively that in a short span of time the company has grown significantly.

The Directors of the company believes in hiring people that are enthusiastic to work. Most of the employees age between the range of 20-30 because the founders of the company wants young and energetic youth to guide the operations of their company. Mr. Himalaya Sethi mentioned that he

always looks for people who are aggressive in nature people who can put forward their point people who pursue their goals and targets relentlessly. In just two years, Insplore has become one the best choice for companies who are looking for HR consultancy services. Insplore believes in creating managers for the future that is clearly evident from their internship network. Insplore hire interns for short term and long term internships throughout the year. They provide rigorous training to each individual by assigning them a separate manager to teach them about industry basics.

Students who aspire to be a corporate manager in future are yearning for an Internship opportunity with Insplore because of its rigorous curriculum and training. Insplore is also known for providing various perks like Certifications, International Conventions and Multiple profile experience to its interns. Insplore's aim is to train future managers and help them find their full capability. Being a small firm with a capital of just 1 Lakh it has come a long way to earn so much and be a self-sufficient company without any outside funding.

## **Culture**

The organizational culture represents the specific pre-defined policies that provide guidance to the employees and give a sense of direction. It is a complex system that comprises the shared beliefs, values and assumptions, and governs the employees' behavior within the organization. These underlying assumptions, beliefs and values contribute to the unique and distinct psychological and social environment. The organizational culture of the Insplore is analyzed in light its value system, growth patterns and achievement.

The vision statement of Insplore is brief and to the point. This means that the company has not used long dialects and dialogues to delivers its opinion ad stance to the public and relevant stakeholders. The vision statement should be brief and comprehensive – it should communicate the essence of the business, and its future plans to help the stakeholders understand its business philosophy and business strategy.

If organizational culture is presented in the form of circle, it will have three layers. The outermost will be artefacts, middle will be the values and beliefs and inner most will be the underlying assumptions. Insplore's organizational culture is its strongest asset, and can be analyzed on three levels:

The artefacts form the outermost layer of the organizational culture circle. The artefacts are the tangible and visible aspects of the company's organizational culture. Some examples of the artefacts are- open door policy, office layout and official dress code for the employees. The cultural artefacts of Insplore are easily observable by the outside world; however they are hard to interpret.

The core values are not easily observable. Insplore's core values are the shared goals, principles and standards. These core values are accountability, diversity, quality, collaboration, passion, integrity and leadership. The Insplore management understands the importance of communicating the core values so that each employee could accept and modify the behavior accordingly.

Assumptions are deeply embedded ideologies and philosophies and provide the foundation to the company's organizational culture. Employees generally remain unaware of these underlying assumptions, yet they play an important role in formulation of core values and visible behaviors.

The analysis of the Insplore's organizational culture shows that the successful business organizations do not adopt an extreme cultural orientation, but try to find the right equilibrium to develop the effective culture. Insplore has successfully created a strong organizational culture that is deeply embedded and widely accepted by its young workforce.

At Insplore "Learning and Development" are essential parts of the corporate philosophy. They offer their employees freedom and flexibility to work. Attractive compensation packages, perks and bonuses are a norm at offices. A stimulating and participative work environment focused on holistic development keeps the job satisfaction quotient high.

Working in a culture that instills values like trust, responsibility and integrity, an employee of Insplore gets to learn to balance ethics with business conduct. A culture of professionalism, traditionalism and commitment to quality that you absorb from your work environment better you as an individual.

When an organization successfully creates the alignment between its structure, culture and business strategies, and understands the complex association between underlying assumptions, core values and observable behaviors, it can then use the organizational culture as a tool to gain strategic benefits. Organizations with strong work culture secure their position in the hypercompetitive market, and Insplore is definitely an example of that.

## **Leading Players and their Practices**

### **1. ICICI Prudential Asset Management Company Ltd**

This AMC is a joint venture between ICICI Bank of India one of the leading banks in India and Prudential Plc of UK. While Prudential Plc. is one of the largest players in the financial services sector of the UK. Set up on October 13, 1993, and headquartered in Mumbai, this AMC has an asset base of around Rs 2,93,338 crore and offers over 1400+ funds. The AMC has very well diversified service offerings and has excellent ratings. The majority of the plans offered are affordable to retail investors. ICICI Prudential AMC also prides providing superior risk management in mutual fund investments.

### **2. HDFC Financial Services**

HDFC is one of India's leading providers of financial services. HDFC AMC was launched in 1999 and is among the top AMCs in the country. The AMC made a notable name after the acquisition of eight funds from the Zurich India Mutual Fund. HDFC Mutual Fund launched its first product in the year 2000 and has been constantly evolving over the last decade and a half. There are over 11 types of mutual fund schemes. The company has recently traded in IPO and has soared a massive 65% in its debut. The overall Assets Under Management (AUM) are INR 3,06,840.72 Cr (as on June 30, 2018). These funds were then renamed to funds such as HDFC Top 200 Fund, HDFC Equity Fund, etc. The fund house offers nearly 900 funds across all categories. As mentioned above, HDFC MF offers a wide range of mutual funds to cater to the needs of investors. Majority of schemes by HDFC Mutual Fund have excellent CRISIL rating of three and above. By investing in HDFC MF investors can avail tax benefits as well. Schemes by HDFC Mutual Fund are managed by highly experienced industry experts to manage the overall risk.

### **3. Kotak Mahindra Mutual Fund**

Kotak Mahindra Bank is the fourth biggest private sector bank in India and has an AA+ brand rating. The brand value of Kotak Mahindra is over US\$481 million. The company ranks at a respectable rank of 245 among the top 500 banks across the globe. The company offers more than 40 schemes for investors to choose from depending on their risk profile and time horizon. The AMC offers different schemes with variable risk according to the specific customer requirement. It was the first fund house in the country to launch a dedicated gilt fund scheme. The company operates in over 70 cities in India currently and has a healthy network of more than 75 branches to help the customers. The AMC has AUM of over Rs 1,19,800 crore, and the fund house offers over 300 funds.

# **Project Work**

## **INTRODUCTION**

### **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 a large part of Indian population is not considering investing in insurance despite insurance being an important investment product in other countries. Nearly 80 per cent of Indian population is without life insurance cover, health insurance and non-life insurance continue to be below international standards. And this part of the population is also subject to weak social security and pension systems with hardly any old age income security. This it is an indicator that growth potential for the insurance sector is immense. A well-developed and evolved insurance sector is needed for economic development as it provides long-term funds for infrastructure development and at the same time strengthens the risk taking ability. It is estimated that over the next ten years India would require investments of the order of one trillion US dollar. The Insurance sector, to some extent, can enable investments in infrastructure development to sustain economic growth of the country. The increasing importance of knowledge in the Indian insurance industry is likely to make employability a critical factor for retention of qualified managerial manpower in the future. To create such a milieu, insurance companies need to have a critical mass of management that encourages a knowledge-based culture. Only 24 companies have the authority and the right to sell insurance products in India. Imagine the market potential of the sector which has just 24 companies and a billion potential customers.

The most important problem that can be observed easily in insurance sector in India is people are not aware about the type of policy they should choose or which plan will be the best fit for them. Along these lines the interest in private insurance agencies can be named drowsy in comparison with other venture choices. It is essential for the financial specialists to understand that putting resources into insurance isn't just a decent decision to get life spread and security benefits yet in addition to broaden their venture portfolios. Implanting the assets in different potential options will help the speculators to lessen damages and will empower them to intensify their capital. The disposition of financial specialists to contribute is likewise determined by different interior and outer variables and therefore they also act as issues which ought to be constantly remembered while affecting an individual to put resources into insurance just as different investment alternatives.

To make a colossal effect in the country where dominant part of individuals as of now put stock in reserve funds, it would be a lot simpler for the insurance sector firms to convince them to put resources into private insurance agencies as the accessibility of numerous insurance plans can take into account the particular needs of the financial specialists. Concentrate on building up an information based culture will also help the business to develop and interest significant area of the general public to contribute.

### **Objectives of Study**

The main objectives of the research undertaken are as follows:

- To know investors attitude towards Private Insurance Companies.
- To study the socio economic factors considered while investing in insurance.
- To provide suggestions and pattern in the behavior of clients under study.
- To break down awareness level of people with respect to the different investment opportunities those are accessible in India.
- To contemplate the mentality and tendency of financial specialists towards a few investment decisions and explicitly private insurance enterprises.
- To look at the potential elements which influence an investment choice.
- To contemplate the financial situating of the speculators in India.
- To perceive the insurance related issues of clients and give them appropriate proposals.

### **Utility of Study**

Investments are both fundamental and helpful with regards to current circumstance as presence of uncertainty is consistently there just as contributing is probably the most ideal approaches to manufacture riches and procure returns. The point of the investigation is to exhort and illuminate individuals and outfit top to bottom information in regards to different accessible venture alternatives in India, their particular attributes and hazard joined to them. In the ongoing occasions, it very well may be plainly observed that individuals are attempting to investigate the insurance

segment with the reason to contribute and get themselves made sure about for the future and essentially this is the one of the huge motivations to do explore on this subject as it will empower us to know the adjustment in the taste and inclinations of the financial specialists as for changing examples and even because of the pandemic which has hit the globe unfavorably. The other perspective we have attempted to cover through the examination is the manner by which advancement has changed the general public a piece towards being daring people and steadily they are slanted towards private insurance agencies to get productive returns at the period of scarcity. Study likewise features how insurance division is

creating in India, with respect to the expanded speculators as well as how there is an ascent in the quantity of individuals utilized in this industry who are helping a ton of others to choose which plan will be generally proper for them and their families. Therefore with the adjustment in the example and impression of individuals to consider insurance as an incredible venture choice will assist it with developing monstrously in the coming future.

As the insurance sector has developed, there's been a growing acceptance by most policyholders that the assured return era is a thing of the past. This in fact has also been one of the reasons why many investors have shifted to market linked plans. Another positive change has been the increasing level of people buying term plans. This is good from a policyholder's perspective as a term plan offers a higher sum assured at a minimal cost. This was not the case till a couple of years ago.

The Project is based on a research conducted throughout the sales pitch of company's product which is an endowment insurance plan known as Maha Jeevan Yojana. There are various types of Insurance Plans. They are:

### **Term Insurance Policy**

Term insurance policy is one of the most popular types of life insurance plans in India. It provides a death benefit to the nominee of the policyholder only in the event of the death of the policyholder before the end of the insurance tenure. As a policyholder, if you survive the insurance term, the cover ceases, and you cannot claim any death benefit. The term life insurance is one of the most affordable types of life insurance plans, and it can be further classified into:

#### **Level term life insurance**

The death benefit remains the same throughout the policy term, and in case if you choose to renew the policy, the premium too remains constant

#### **Decreasing term life insurance**

As the term itself suggests, under this plan, the death benefit decreases over a period. However, the premium for this policy too remains constant at the time of renewal

#### **Increasing term life insurance**

Under this plan the premium, as well as the coverage amount, increases over time

Benefits of term insurance plan –

- Provides financial security to the insured's family
- The premium rates are extremely affordable; you can buy a term insurance policy for a premium as low as Rs. 500



- Among the different types of life insurance plans, term insurance offers higher coverage
- It offers flexible payout options to the insured

### **Whole Life Insurance**

The whole life insurance policy provides you coverage throughout your lifetime provide the policy is active. One of the significant features of a whole life insurance policy that distinguishes it from other policies is that it has a cash value component, which keeps increasing over a period. You can withdraw the cash value at any time you want. You can also avail a loan against the amount.

Benefits of whole life insurance plan –

- A person gets coverage against death for your lifetime.
- The premium paid towards whole life insurance policy is tax deductible under Section 80C

### **Endowment Policy**

An endowment policy is a type of life insurance plan that pays to the insured if they are alive on the maturity date of the policy or to the appointed beneficiary. It is one of the most sought-after life insurance policies because it gives the dual benefit of saving and insurance. If you are not sure how life insurance work in endowment scheme, it is quite simple – in the event of the policy holder's demise, the beneficiary receives the sum assured as well as the bonus. The bonus is paid only for the number of years that the insured survived while the policy was active.

Benefits of endowment policy –

- You can avail tax benefit under Section 80C and 10(10)D of the Income Tax Act
- It is an excellent long-term savings-cum-insurance plan
- It comes with an additional bonus facility as a revisionary bonus and terminal bonus, which increases the payout at maturity
- Endowment policy allows you to opt for additional riders to increase the coverage

### **Unit Linked Insurance Plans or ULIPS**

If you are looking for an insurance plan that offers the benefit of insurance as well as investment flexibility, ULIPs are your best bet. It is a type of insurance plan where the cash value of the policy varies as per the prevailing NAV (net asset value) of the underlying investment assets. Under this plan, a certain part of the premium you pay is used to purchase investment assets that you choose; you can choose to invest in different assets based on your risk appetite.

## Types of ULIPs

Unit Linked Insurance Plans are classified into two types – based on the investment and based on death benefits –

- Aggressive ULIPs – invests 80-100% of the premium in equities
- Balanced ULIPs – invests 40-60% of the premium in equities
- Conservative ULIPs – invests up to 20% of the premium in equities
- Type I ULIP – Under the policy, the insurer pays either the sum assured or the fund value, whichever is higher as a death benefit
- Type II ULIP – Under the policy, the insurer pays both the sum assured as well as the fund value as a death benefit

## Benefits of ULIPs –

- You can switch between the investment funds
- The premium paid is eligible for tax deduction under Section 80C
- You can opt for additional riders to increase the coverage
- ULIPs allow partial withdrawal of the funds during the policy tenure

## **Money Back Life Insurance Policy**

A money back life insurance policy pays a part of the sum assured during the policy term at regular intervals. If you outlive the policy tenure, you will get the remaining portion of the corpus along with the accrued bonus on the maturity of the policy. However, in the event of your unfortunate death before the end of the policy term, the beneficiary will receive the full sum assured irrespective of the number of the payouts you may have received earlier.

A lot of people in India do not opt for money back life insurance policy because it is one of the most expensive insurance policies, and it has a high premium rate. But, with the regular payout received, it can help you plan your finances well and meet important expenses like your child's education or marriage in a better way.

## Benefits of money back policy –

- It is a low-risk savings option that also offers the benefit of insurance
- It provides regular pay-outs at certain intervals in the form of survival benefit
- It can help you meet your short-term financial goals
- You can avail tax benefit for the premium paid towards money back insurance plan under Section 80C and Section 10(10)D

- You can opt for additional riders to increase the coverage
- It offers risk-free returns

### **Retirement Plan**

A retirement life insurance policy is a savings and investment plans that provide you with income during retirement. Many insurance companies in India offer retirement plans to help you build a corpus fund to be used when you attain the retirement age. On the maturity of the plan, the accrued corpus is invested in various investment assets to generate a regular income stream, which is called the pension or annuity.

Benefits of a retirement plan –

- Helps you a create a financial cushion for the future and secure your post-retirement life
- You are entitled to get tax benefit under Section 80C. Additionally, if you have contributed towards other retirement pension schemes like NPS (National Pension Scheme), APY (Atal Pension Yojana), you are eligible for tax deduction under Section 80CCD
- It helps you accomplish your long-term financial goals.

### **Child Insurance Plan**

A child life insurance plan is an investment-cum-savings plan that is specially designed to help meet the child's future financial needs. It allows you to start investing for the child's future right from the time they are born, and it also gives you the withdraw the savings once they become an adult. There are also some child insurance plans that allow intermediate withdrawal at certain intervals.

Benefits of child plan –

- It helps you secure the future of your child even in your absence
- It offers premium waiver benefit in the event of the demise of the insured during the tenure of the policy
- Loan facility is available under the child insurance plan
- Offers flexible premium payment options

# **METHODOLOGY**

## **Approach**

In the research, data was collected based on different variables and then they were grouped into different categories and then analyzed. The different variables were:

- Age of respondents – The age of the customers was recorded. This data is quantitative in nature. The different age groups were:
  1. < 25 years
  2. 26-35 years
  3. 36-45 years
  4. 46-55 years
  5. > 55 years
- Employment status – This variable categorized the customers into four different groups. This data was qualitative in nature. The different groups were:
  1. Worker
  2. Employee
  3. Businessman
  4. Others.
- Years of Experience – This variable categorized the customers into four different groups based on their work experience. The different categories were
  1. Fresher (No work-ex)
  2. Entry-level Professional (6 months – 2 years' experience)
  3. Mid-level Professional (2– 7 years' experience)
  4. Senior-level Professional (7 years' experience or more).
- Income wise classification – This variable categorized the customers into four different groups based on their monthly income. This data was quantitative in nature. The different categories were
  1. < Rs. 25,000
  2. Rs. 25,000 to Rs. 50,000
  3. Rs. 50,000 to Rs. 80,000
  4. > Rs. 80,000.

- Saving objective – The investment made by the customers had a savings objective. As per the responses from the customers, this was divided into six different categories :
  1. Children’s education
  2. Growth plan
  3. Retirement plan
  4. Health care expenses
  5. Home purchases
  6. Others
- List of Influencers for the Investment – This parameter consisted of people/things which influenced them towards the investment. As per the responses from the customers, this was divided into four different categories:
  1. Friends/ Relatives
  2. Financial consultants
  3. Advertisements/Articles
  4. Others (Portfolio Departments in Banks, Investment Institutions, Self-Research etc.)
- Portfolio of the respondents – This parameter consists of investment portfolio of the respondents. This data was qualitative in nature. This was divided into the following different categories :
  1. Bank deposits
  2. Post Office Schemes
  3. Shares/Bonds/Debentures
  4. Mutual funds
  5. Life Insurance
  6. Real Estate
  7. Gold
- Level of Interest – This parameter grouped the interest of the respondents in investing or in getting insured. This data was qualitative in nature.
  1. Interested
  2. Neutral
  3. Not interested
- Risk wise classification – The preferred level of risk by the customers helped in categorizing them into three categories. They were:
  1. Low Risk

2. Medium Risk

3. High Risk

### **Sources of data**

The source of data collected was primary in nature. The respondents were contacted personally. No secondary source has been used to collect the data for the research. The main sources from where the information was gathered were lead generation from interns' own records, calling *Method of data collection*.

The method used to reach the respondents was through formal phone calls or video calls. Due to the ongoing pandemic, meeting them physically was unsafe, so the information gathered was through telephonic mediums. Video calls were mostly used for recording the information but however some respondents were not comfortable so we switched to voice calls with them. One to one conversation with them helped in better understanding.

### **Size of sample and method of sampling**

The sample size for this study was restricted to 25 respondents for each intern, so that data can be easily analyzed and conclusions could be drawn. To conduct this research, Simple random sampling method is used, using pretested schedule 'DSR', provided by our company to collect data from the respondents.

### **Method of data analysis**

The collected data were analyzed and interpreted using statistical tools such as:

- Simple percentage Analysis
- DSR- Demand Signal Repository (Excel Spreadsheets)
- Graphs (Bar Charts, Pie-Charts)

## IMPORTANT DATA POINTS FOR INSURANCE INDUSTRY

There are 24 insurance companies in India and out of those 24 only LIC is a public limited company. By this fact we can easily assume the importance of Private Insurance companies in India and what is the mindset of investors about investing in Private Insurance Companies. Firstly, we will try to match the compare the data of various factors and find out if there is any actual difference in the mechanism of the Public and Private Insurance Companies.

1. Claims Settlement Ratio – Claim Settlement Ratio is a very essential element of an insurance company. This ratio tells us about the number of claims settled, out of the total number of claims received by the insurance company. This ratio is a measurement used to assess the reliability of an insurance company in paying the claims.

Latest IRDA Claim Settlement Ratio 2018-19								
		Total Claims Received		Claims Paid				Avg Claim Settlement Amount (in Rs)
Sl.No.	Life Insurance Company Name	No of Policies	Benefit Amount (in Rs Cr)	No of Policies	Claims Settlement (% of policies)	Benefit Amount (in Rs Cr)	Claims Settlement (% of Benefit Amount)	
1	TATA AIA Life	2700	150.72	2675	99.07%	145.00	96.20%	542056
2	HDFC Life	12946	627.72	12822	99.04%	577.00	91.92%	450008
3	Max Life	15087	479.46	14897	98.74%	452.00	94.27%	303417
4	ICICI Prudential Life	10826	893.93	10672	98.58%	827.00	92.51%	774925
5	Life Insurance Coporation of India (LIC)	750950	13503.20	734328	97.79%	12871.92	95.32%	175288
6	Reliance Nippon Life	8371	164.97	8179	97.71%	154.00	93.35%	188287
7	Kotak Life	3038	148.42	2959	97.40%	137.00	92.31%	462994
8	Bharati Axa Life	1065	49.16	1036	97.28%	47.00	95.61%	453668
9	Aditya Birla Sunlife	5260	306.90	5110	97.15%	276.00	89.93%	540117
10	Exide Life (Previously ING Vysya Life)	3335	85.01	3236	97.03%	76.00	89.40%	234858
11	DHFL Pramerica	656	29.73	635	96.80%	26.00	87.45%	409449
12	Star Union	1258	51.33	1217	96.74%	47.00	91.56%	386196
13	Aegon	507	79.18	489	96.45%	76.00	95.98%	1554192
14	PNB Met Life	4170	227.56	4012	96.21%	204.00	89.65%	508475
15	Aviva	938	93.29	901	96.06%	89.00	95.40%	987791
16	Edelweiss Tokyo	239	14.21	229	95.82%	13.00	91.48%	567686
17	IDBI Federal	1306	57.15	1251	95.79%	53.00	92.74%	423661
18	Future Generali	1157	40.31	1101	95.16%	35.00	86.83%	317893
19	SBI Life	19902	763.73	18913	95.03%	689.00	90.22%	364300
20	Bajaj Allianz Life	12767	390.49	12130	95.01%	349.00	89.37%	287716
21	Canara HSBC OBC Life Insurance	1006	83.42	946	94.04%	74.00	88.71%	782241
22	India First	2242	89.84	2081	92.82%	75.00	83.48%	360404
23	Sahara Life	681	5.88	614	90.16%	5.00	85.03%	81433
24	Shriram Life	2830	87.92	2414	85.30%	66.00	75.07%	273405
www.relakhs.com								ReLakhs.com
*Total Claims received = Claims pending at start of the period + Claims intimated								

2. Market Share – Refers to the percentage of market held by a company. Can be calculated using different factors for instance number of customers, total revenue etc.

<b>Market Share of Life Insurers - India</b>				
<b>2018-2019</b>				
<b>Rank</b>	<b>Insurer</b>	<b>Premium</b>	<b>Policies</b>	<b>Sum Assured</b>
<b>1</b>	<b>LIC of India</b>	<b>66.24%</b>	<b>74.71%</b>	<b>75.21%</b>
<b>2</b>	<b>HDFC Life</b>	<b>6.97%</b>	<b>3.37%</b>	<b>13.98%</b>
<b>3</b>	<b>SBI Life</b>	<b>6.42%</b>	<b>5.32%</b>	<b>7.88%</b>
<b>4</b>	<b>ICICI Prudential Life</b>	<b>4.78%</b>	<b>3.12%</b>	<b>10.22%</b>
<b>5</b>	<b>Max Life</b>	<b>2.40%</b>	<b>2.25%</b>	<b>5.91%</b>
<b>6</b>	<b>Bajaj Allianz Life</b>	<b>2.29%</b>	<b>1.08%</b>	<b>5.72%</b>
<b>7</b>	<b>Kotak Mahindra Life</b>	<b>1.85%</b>	<b>1.21%</b>	<b>4.32%</b>
<b>8</b>	<b>Aditya Birla Sun Life</b>	<b>1.82%</b>	<b>1.00%</b>	<b>5.35%</b>
<b>9</b>	<b>Tata AIA Life</b>	<b>1.15%</b>	<b>1.22%</b>	<b>3.13%</b>
<b>10</b>	<b>India First Life</b>	<b>0.93%</b>	<b>0.62%</b>	<b>2.40%</b>
<b>11</b>	<b>PNB Met Life</b>	<b>0.78%</b>	<b>0.74%</b>	<b>3.33%</b>
<b>12</b>	<b>Canara HSBC OBC Life</b>	<b>0.68%</b>	<b>0.45%</b>	<b>1.68%</b>
<b>13</b>	<b>DHFL Pramerica Life</b>	<b>0.57%</b>	<b>0.26%</b>	<b>2.32%</b>
<b>14</b>	<b>Reliance Nippon Life</b>	<b>0.50%</b>	<b>0.79%</b>	<b>0.84%</b>
<b>15</b>	<b>Bharti Axa Life</b>	<b>0.42%</b>	<b>0.58%</b>	<b>0.59%</b>
<b>16</b>	<b>IDBI Federal Life</b>	<b>0.38%</b>	<b>0.35%</b>	<b>0.34%</b>
<b>17</b>	<b>Shriram Life</b>	<b>0.38%</b>	<b>0.96%</b>	<b>1.25%</b>
<b>18</b>	<b>Exide Life</b>	<b>0.37%</b>	<b>0.70%</b>	<b>1.90%</b>
<b>19</b>	<b>Future Generali Life</b>	<b>0.33%</b>	<b>0.25%</b>	<b>1.68%</b>
<b>20</b>	<b>Star Union Dai-ichi Life</b>	<b>0.32%</b>	<b>0.33%</b>	<b>0.55%</b>
<b>21</b>	<b>Edleweiss Tokio Life</b>	<b>0.21%</b>	<b>0.28%</b>	<b>0.73%</b>
<b>22</b>	<b>Aviva Life</b>	<b>0.13%</b>	<b>0.11%</b>	<b>0.15%</b>
<b>23</b>	<b>Aegon Life</b>	<b>0.05%</b>	<b>0.18%</b>	<b>0.96%</b>
<b>24</b>	<b>Sahara Life</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



## **CONTEXT OF THE INSURANCE INDUSTRY PROBLEMS**

Attributable to the major economic changes which have influenced practically all the areas, Indian economy is on the move over last 10-12 years. Insurance segment has been the most noteworthy one among the divisions uncovered through the change in outlook from a blended economic association to a market-arranged association. The new players in the insurance segment just as the clients are presented to intriguing difficulties due to the progress of insurance industry from a public monopoly to an industry where there is presence of several players.

- **Corporate Governance –**

The nature of corporate administration is likewise a test to the insurance agencies to set a benchmark for the achievement of the association. There has been absence of understanding the intricacy to evaluate the need of the clients. This is significant as the clients are exhorted approaches without checking their suitability and prerequisite.

- **Customer Relationship Management –**

Natural factors just as the characteristic individual yearnings impact the client conduct. These natural elements incorporate the organization's endeavors to oversee consumer loyalty, contributions of the protection counsels, segment and the socio-economic components.

Change of the client relationship management to the worth based customer relationship isn't engaged upon.

The Indian guarantors are presented to challenge of continuing client uncertainty and enthusiasm through adaptable valuing structure. This is on the grounds that the protection business deals with midpoints and spreading of dangers.

- **Distribution of Products –**

Acquiring the creative items and conveyance channels to tap the protection showcase is an incredible issue looked in the protection business. Concentrate on estimating, chance administration, dissemination and venture dynamic are the need to catch the undiscovered potential in India and in an approach to arrive at the majority in urban, semi-urban and country territories.

- **Risk Management –**

The risk scene has experienced critical changes alongside the ecological changes in the financial situation of the nation. A flood in the salary levels, particularly in that of white collar class has been seen because of globalization as the MNCs have entered each conceivable division of the nation.

- **Human Resource Management –**

The large players in the Trans-Nationally serious worldwide market who are full grown and all inclusive conspicuous have entered the insurance market. Being worldwide players, they have the capacity of affecting the market. So a major test of picking up the human asset competency has risen.

- **Untapped Market Segments –**

The issue of client training is the primary driver of troubles in moving toward the semi-urban and provincial zones. Concentrate on estimating, risk administration, circulation and speculation dynamic are the need to catch the undiscovered potential in India and in an approach to arrive at the majority in urban, semi-urban and rustic regions.

- **Managing the Regulatory Authority –**

The clients become increasingly defenseless against the notions available section as the opposition gets serious. Along these lines, the controllers need to perform double assignments of guaranteeing that the sound protection standards and practices are clung to and to watch that satisfactory budgetary assets are kept up by the insurers to meet their liabilities.

### **Impact of Covid-19 pandemic**

The health crisis is rapidly turning into a financial crisis as the COVID-19 continues to unfold. The prediction that this pandemic might help insurance sector to grow is becoming wrong and the global insurance sector is heavily affected by the outbreak resulting into insurance index being decreased by 22.6% between December 2019 and April 2020. This impact is likely to last till Q4 2020. The share price in the Indian insurance sector has reduced by 25.9% during the same period.

## **PRESENTATION OF DATA**

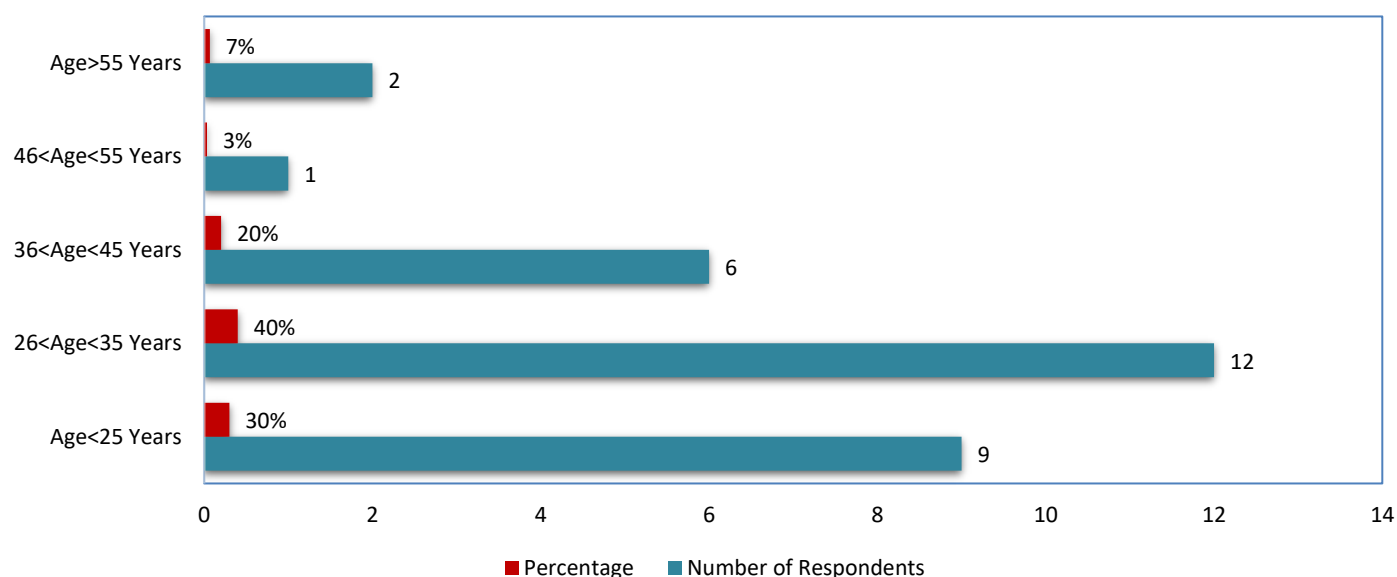
It is very important to understand various factors behind the decision made by anyone. In the same way there are many factors that affect investor's decision making. It is important to inspect and comprehend their investment decision on the basis of few factors that impacts their decision. Data collected via asking customers of different generations, by asking them to buy "IndiaFirst Life Mahajeevan Plan"- an endowment plan by private insurance company and their observations has been recorded in the pretested schedule- "DSR", which includes factors as discussed below:

**Table -1 Age of Respondents**

<b><u>Category</u></b>	<b><u>Number of Respondents</u></b>	<b><u>Percentage</u></b>
<25 Years	9	30%
26 - 35 Years	12	40%
36 - 45 Years	6	20%
46 - 55 Years	1	3.33%
>55 Years	2	6.67%
<b>TOTAL</b>	<b>30</b>	<b>100%</b>

(Source: Primary Data Collected via Survey)

**Fig - 1 Age of Respondents**



### **Interpretation:**

As per Table 1, majority of the respondents belongs to the age-group of 26-35 years (Generation Y), which forms 40% of the lot, and after that most of the respondents are of age group Below 25 Years (Generation Z), forms 30% of the lot and also it can be seen as per data collected, that number of respondents above age 45 years are very low, to specify in total it is only 10% of the lot.

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

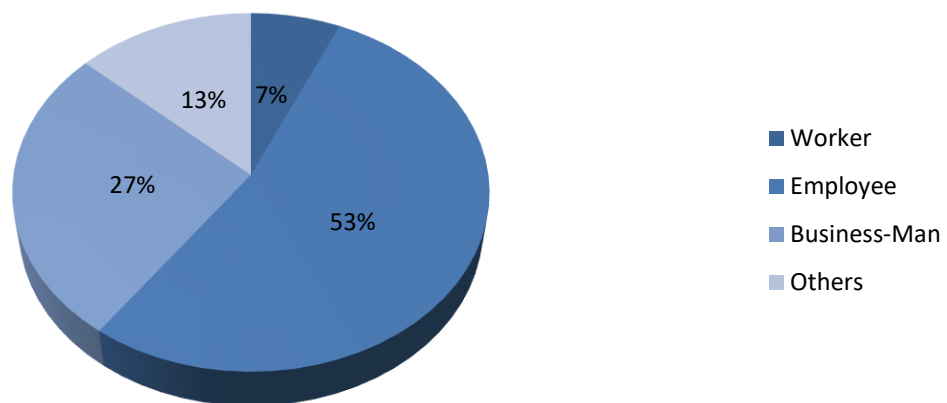
**Table – 2 Employment Status**

Categories	Number of Respondents	Percentage
Worker	2	6.67%
Employee	16	53.33%
Business-Man	8	26.67%
Others	4	13.33%
<b>TOTAL</b>	<b>30</b>	<b>100%</b>

(Source: Primary Data Collected via Survey)

**Fig - 2 Employment Status**

### **Number of Respondents**



### **Interpretation:**

As per Table 2, majority of the respondents belongs to the category of employee. The respondents were given 4 options to choose from, out of which others comprises of the investors, who are not earning to mention retired people, students with work-ex or home-makers.

Out of the 30 people surveyed, 53% of the people belong to employee class and after that 13% of the people from others class and 27% of the business-class people and lowest interest in investment related opportunity were taken by workers (casual workers, freelance workers).

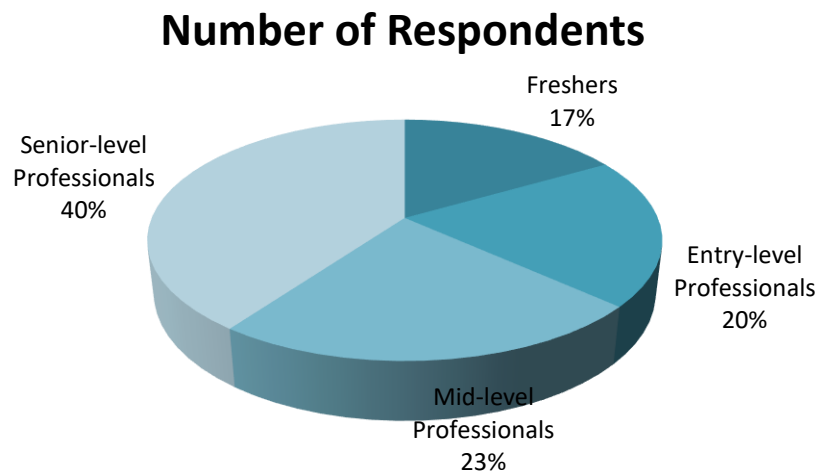
It is very evident, that Employees with fixed-salary are keener to know and invest in new opportunities, and ready to take the risk, while people with fluctuating income or no-income shows varying results.

**Table - 3 Years of Experience**

Categories	Number of Respondents	Percentage
Freshers	5	16.67%
Entry-level Professionals	6	20%
Mid-level Professionals	7	23.33%
Senior-level Professionals	12	40%
<b>TOTAL</b>	<b>30</b>	<b>100%</b>

(Source: Primary Data Collected via Survey)

**Fig -3 Years of Experience**



### **Interpretation:**

As per Table 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.

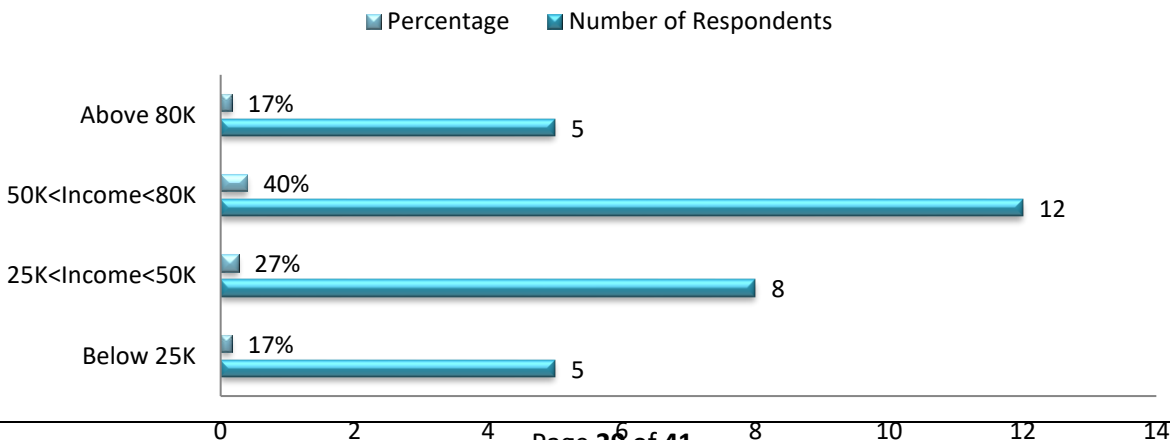
Out of 30 respondents, 12 belongs to Senior-level professionals (people with work-ex of more than 7 years), forms 40% of a lot in total, and after that 7 respondents are Mid-level Professionals (people with work-ex of more than 2 years, but less than 7 years), forms 23% of the total. In whole, 64% of the people who responded have good experience in the Industry or market, and have earned some money and ready to invest or to listen to the new opportunities. On the other hand, people with no direct or fixed source of money, and might be because of no experience in the market showed no interest or very less interest in investments, forms 17% of the total, who by any chance showed a little interest in the product of private insurance company.

**Table - 4 Income-wise Classification**

Monthly Income	Number of Respondents	Percentage
Below 25K	5	16.67%
25K - 50K	8	26.66%
50K - 80K	12	40%
Above 80K	5	16.66%
<b>TOTAL</b>	<b>30</b>	<b>100%</b>

(Source: Primary Data Collected via Survey)

**Fig - 4 Income-wise Classification**



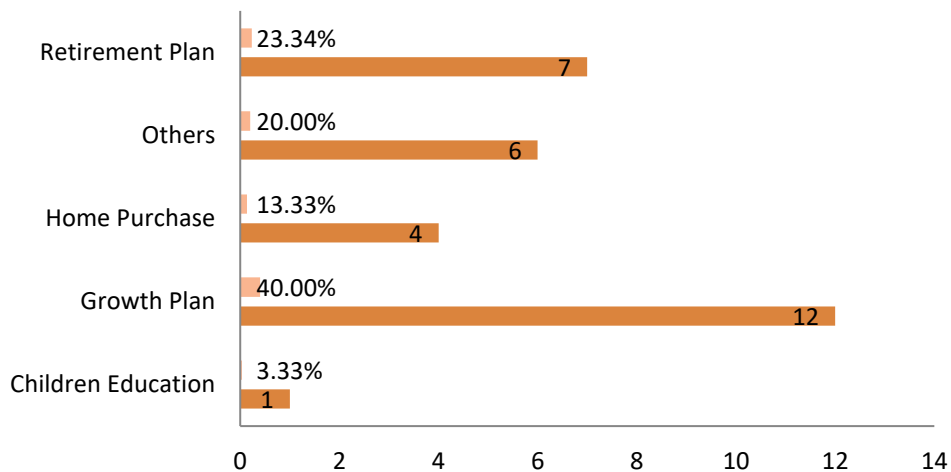
### **Interpretation:**

As per Table 4, when a prospective customer was called, out of which majority of the respondents, who showed interest to listen or buy, belongs to customers with Income of more than 50k and very less interest was showed by people, earning below 25k as their monthly income. Out of 30 respondents, the respondents from various income-groups have been analyzed and interpreted: 17 belongs to the group with income range of more than 50k, and forms 67% of the total, 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, some of them are already investing in it. So, showed very neutral reaction or not-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 5, Saving Objective**

<b>Saving Objective</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Children Education	1	3.33%
Growth Plan	12	40.00%
Home Purchase	4	13.33%
Others	6	20.00%
Retirement Plan	7	23.34%
<b>Grand Total</b>	<b>30</b>	<b>100.00%</b>

**Fig. – 5 Saving Objective**



### **Interpretation:**

As per table 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 7 people whose objective of saving is for retirement plan. These are the people whose age is around 40 and they have acquired all their needs and are thinking about their spending after they retire. Four people wanted to purchase a home, which comprises 13% of the total respondents.

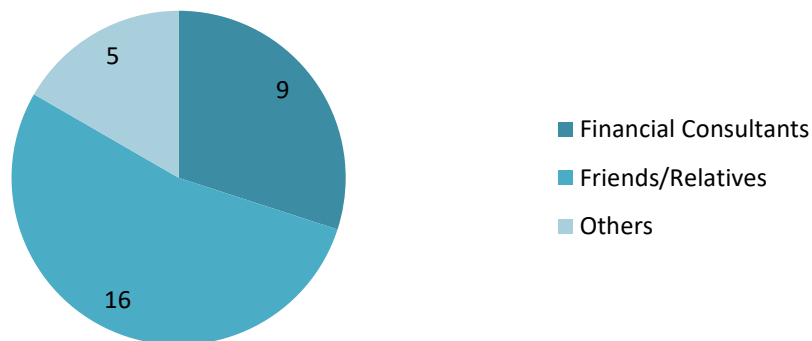
It is evident from the table that, People who want to grow their money are keener to know about different investment options. There might be a specific purpose for which people want an extra income apart from their regular earnings.

**Table - 6 Influencers**

Influencers	No. of Respondents	Percentage
Financial Consultants	9	30.00%
Friends/Relatives	16	53.33%
Others	5	16.67%
<b>Grand Total</b>	<b>30</b>	<b>100.00%</b>

**Fig - 6 Influencers**

### **Types of Influencers**





### **Interpretation:**

The data in the table 6 shows the number of people who opts for financial consultants when it comes to investing their money. It is evident that 30% of the respondents consult financial advisor for investing their money. The data has also shown that equal number of respondents seek investment advice from their friends or relatives.

The others category includes advertisements, articles, research, etc. It has 53.33% of stake in this data.

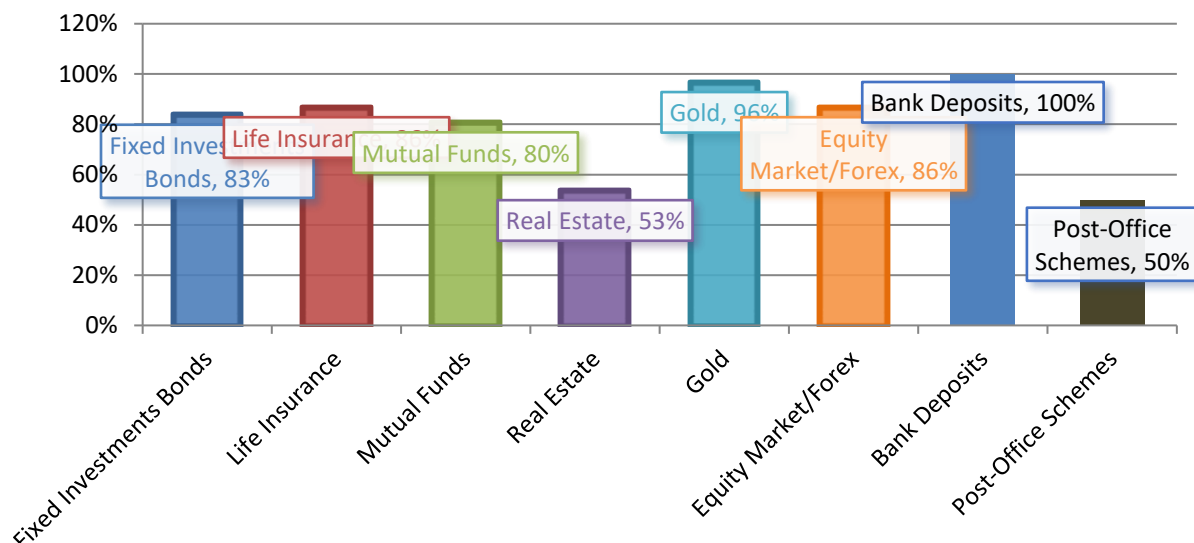
It is evident that as people want their money to grow in the fastest possible way, they need some investment advice if they do not have sufficient knowledge in the field. Then they consult financial advisor or seek advices from friends or relative.

**Table - 7 Portfolio of Respondents**

<b>Portfolio (Asset-Classes)</b>	<b>Number of Respondents Investing/Interested</b>	<b>Not-Interested To Invest</b>	<b>% of People Investing or Interested</b>
<b>Bank Deposits</b>	30	0	100%
<b>Post-Office Schemes</b>	15	15	50%
<b>Fixed Investments Bonds</b>	27	3	90%
<b>Life Insurance (Public Co./Private Co.)</b>	21	9	70%
<b>Mutual Funds</b>	18	12	60%
<b>Real Estate</b>	20	10	67%
<b>Gold</b>	28	2	93%
<b>Equity Market/Forex</b>	22	8	73%

(Source: Primary Data Collected via Survey)

**Fig – 7 Portfolio of Respondents**



**Interpretation:**

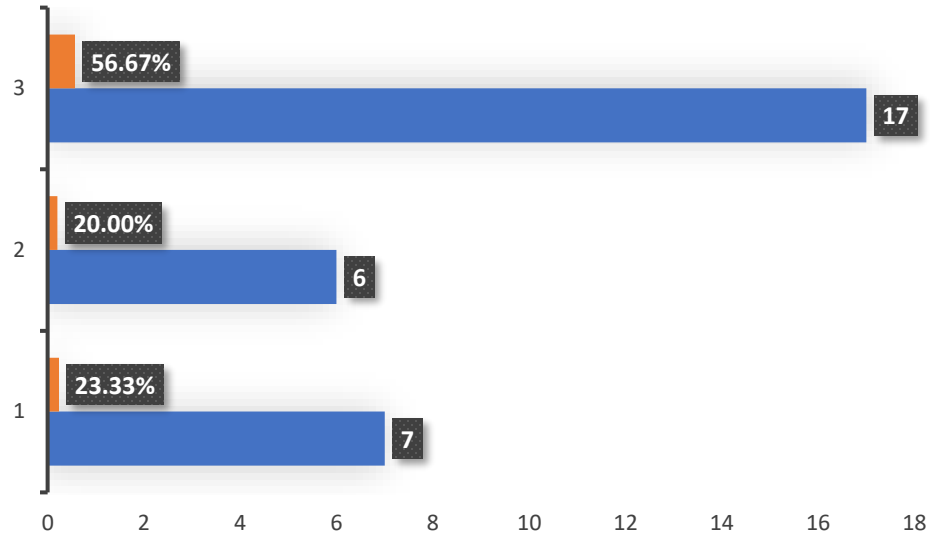
The data in table 7 shows the number of people who have invested money in different sectors. Almost all the sectors except real estate and post office scheme have equal number of respondents investing in which ranges from 80-95%. The range varies due to different expectations of people and their risk appetite. As equity is a risky asset, people having low risk appetite would not invest in it.

It is very evident 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 do not provide good returns, it does not attract people expecting good returns.

**Table - 8 Level of Interest**

Level of Interest	No. of respondents	Percentage
Interested	7	23.33%
Neutral	6	20.00%
Not Interested	17	56.67%
Grand Total	30	100%

**Fig - 8 Level of Interest**



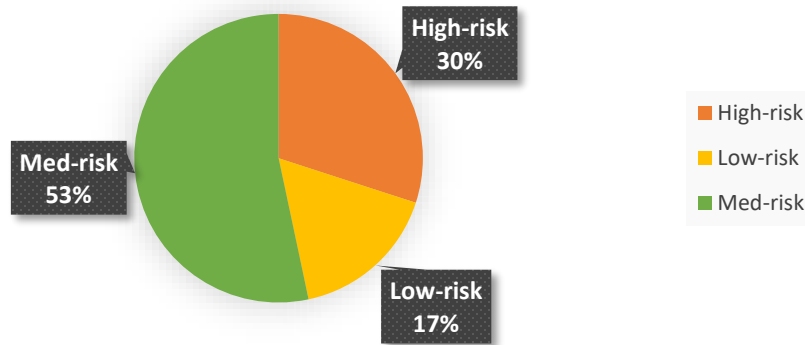
**Interpretation:**

Table 8 shows that out of 30 respondents 7 people, which is 23.33% of the total, showed positive attitude towards investing in life insurance. 17 of them gave negative response and 6 of them gave neutral response. It is very evident from the data the respondents are comparatively lesser attracted towards investing in life insurance products as it gives lesser returns compared to equity and mutual funds.

**Table – 9 Risk-wise**

Risk capacity	No. of Respondents	Percentage
High-risk	9	30.00%
Low-risk	5	16.67%
Med-risk	16	53.33%
Grand Total	30	100%

**Fig- 9 Risk Preference Chart**



**Interpretation:**

The data in table 9 gives risk appetite of the respondents of the survey. It shows that more than 50% of the respondents have medium risk appetite.

There are 8 people who have shown high risk appetite and 5 people have shown low risk appetite. Rests 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.

## **Conclusion**

Since the start of this pandemic most of the sectors have been hit by the precautions taken to prevent the disease. Insurance sector should have been one of the sectors to experience an uptrend. But on the contrary, due to decrease in liquidity and people not having funds to even afford a normal living insurance sector took a heavy toll. The last few years have been a watershed for assured return plans. In India there is a huge potential for insurance as there are very few companies to tap a large population. The public insurance companies focus more on the welfare of the people through their schemes whereas private insurance companies aims to earn through these schemes. This is the perception that everyone has against private insurance companies and that is why people are skeptic while considering investing with a private insurance company. The private insurance companies should focus more on the aspects which are not covered by public insurance companies like higher and fixed return. This could be achieved by introducing market linked plans. By doing this private insurance companies will be shifting the risk of loss to the capital markets and they will be able to serve the need of higher return of their clients. Below are some key takeaways from this 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 when anyone wants to invest are security of capital and stable returns, if the respondents are convinced that they are getting these two factors then they will be interested. These two factors should be kept in mind while pitching a lead.
- Another important observation to note was households with fixed income were not interested in investing more than 10% of their monthly salary.
- Stress should be given to the flexible payment part of a product while pitching as monthly and quarterly premium payments are more attractive to the customer then annual payments.
- In India whenever a person thinks about insurance only one company comes to his mind i.e. LIC. Awareness about LIC among people is phenomenal. Customer needs to be informed about other companies and how it could be better than LIC in certain important aspects.
- Only few Respondents would have planned to go for private life insurance, so it is very important to promote schemes and plans of various private insurance companies through various mediums and marketing channels.
- While talking to a prospective client, due consideration should be given to their occupation and salary first and then they should be informed about the investment opportunity accordingly.

- The awareness of people is limited to a certain number of plans. So, an effort needs to be made to increase the awareness of different plans. For instance some people are interested in market linked plans but are not aware about the availability of such plans in the insurance industry.
- Since most people are already aware about the basic plans of any insurance product they need to be informed in a short and crisp manner and more time should be given to inform them about the less popular insurance products.
- It has also been found that the insurance advisor plays a major role in the selection of the insurance product and the company, because they are an important source of all the information about the schemes and plans of private insurance companies.
- Out of all the different kinds of people the salaried class are the most interested to invest in insurance sector.

### **MANAGERIAL IMPLICATIONS**

- **Age of Respondents:** - 60% of the peoples are below 35 years of age. According to our data Private insurance company managers should make retirement plans/Investment plans keeping in mind the age of the respondents. So, that while pitching it to the client, it is easy and can be readily accepted. As more and more young people are getting aware about insurance they plan an investment at a very early age.
- **Employment Status:** - Data available to us shows that private insurance companies should make more insurance for employers/Fixed earners. It was a perception that people with business prefer to have insurance plans but the data proves otherwise it shows that people with fixed salary and income wants to build a safer future for them through insurance. So, that it will be easy to pitch and generate the sales. As they are ones more interested in Insurance and different investment options.
- **Years of Experience:** - Insurance and investment options are more preferred by middle level and senior level professionals and should be designed according to it. People who are in college or have just completed the graduation is not an attractive segment for the insurance industry. Managers should try to make special plans for youngsters to attract them to invest at an early age.
- **Income wise Classification:** - Insurance should be made for the income earners between 25000-80000. As, they are our potential customers as the above income earners more prefer to invest in stocks/bonds. Also, a Premium product for the high earners can be made to carter their needs. Products should be designed in such a way that it appeals to all the income groups and Maha jeevan plan was one such plan which was able to do this partially.

- **Savings Objective:** - According to the data presented above people save for many reasons but the main reasons are growth plans, retirement benefits and home purchase. So, the companies should make the **Recurring plans** so, that the end users are benefited from it. It helps the client to invest and save at the same time only a portion of amount has to be paid periodically and rest of the income can be saved or spent.
- **Influencers:** - Influencers are the one from where he gets to know about the investment and trusts it to make an investment. Investors prefer equally the financial consultants and friends/family. This is the reason our company chooses corporate channel to pitch the product and gets good results. Another important source of information is friends and relatives. Word of mouth can do wonders if implemented properly and can be the cheapest source of promotion.
- **Portfolio of Respondents:** - Investors like more to deposit their money in Bank as it is one of the safest options and invest more in Gold because of its Historical returns. Fewer people like to invest in post – offices schemes due to their no advertisement and no information. In India people have a notion that Banks are the safest option to invest and can provide stable returns too. Private Insurance companies should also build such reputation that their plans offer security and stability.
- **Level of Interest:** - Since there was very little interest from the clients to consider investing in insurance. Potential lies here for private insurance companies to increase their returns and provide surety to their customers. New and innovative plans which have the ability to appeal to diverse range of clients should be launched to attract the untapped insurance market.
- **Risk Preference:** - We can interpret from the data that there are more medium risk takers from the managerial perspective the product should be designed which gives fixed returns and should not vary/change with the market and global conditions. Indians are very conservative and does not want to lose their money. So Low-Medium risk plans will be the most attractive ones for the Indian insurance market.

## **LEARNINGS**

This Summer Internship Project has helped me a lot to understand the kind of work we are required to do in the corporate. I was able to apply many concepts that I learned in first year of my MBA in the Internship and I was also able to learn some concepts that I would have only been able to understand by working in a corporate. Some of the important things that I learnt are as follows –

- Financial Services in India
- Comparison of different types of Financial Services
- Deep analysis of Insurance Sector in India
- Client pitching
- Professional Reporting
- Creating Data Reports



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