A STUDY ON POLICYHOLDERS PREFERENCE ON CHILD INSURANCE PLAN

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Abstract

Child insurance policies entirely shelter the children's future and facilitate them to achieve major milestones in life. Child plans offer the benefit of waiver of premium, getting rid of the admirable assurance if the policyholder (parent) expires amid policy residency. Child plans also offer a singular amount payout as a death lead to the child on maturity. The present study is intended to find out the policyholders preference for child insurance plan and the factors considered for choosing child insurance plan. The study discloses that majority of the policyholders choose child insurance plan to support children in the absence of parents(s) and for children's medical treatment. Weighted average mean score and Henry garret ranking is applied for analyzing the collected data. The finding of the study also reveals that policyholders are influenced to select the insurance company for low premium with high maturity amount.

Key Words: Child Insurance Company-Child Insurance- Preference of Child Insurance.

I. Introduction

A protected future of a child makes a parent (person) more happy. Everyone presume to a standard of living with a good health, well being of himself and his family, especially of their children. Child insurance plan gives the freedom to have the benefit of these with the child for the reason that his tomorrow is in safe hands. Child insurance plans supports in money at critical milestone in children's carrier path, higher education, children's marriage and absence of parents. Having child insurance plan is fully protected and secured and the insurance company continues to pay the premium even in the absence of the parents.

II. Review of Literature

The studies which are carried out earlier are reviewed in the following paragraph.

Dave krunal (2021) "Impact of Covid 19- customer preference life insurance sector in India" The study concluded that policyholders still prefer public sector companies as compared to private sector companies and the policyholders have pension plans and child benefits plans respectively.

Raju (2020) "A study on customer preferences in life insurance industry in India" customer preference regarding plans & agency, their cause of purchasing the insurance regulations, satisfaction degree & their destiny plans for brand spanking new insurance coverage. **P. Dhanalakshmi**(2018) "Awareness and preference level of LIC policyholders in selected school teachers of Madurai district" . The school teachers are well aware about the life insurance schemes selection and mostly prefer the tax benefits life insurance schemes. **Reenadevi** (2018)" A comparative study of perception and preference of policyholders towards products offered by LIC and SBI Life Insurance Companies in Haryana". The study concludes that demographic variables play a major role in understanding the perception of customer and there is no difference in the preferences of the policyholders of the LIC and SBI Life. **Sunayna Khurana** (2014)" customer preferences in life Insurance Industry in India" .The Present Study confirmed that only 56.3 % respondents are ready to buy new insurance plans from same company.

Statement of the Problem

A child insurance plan is a combination of investment and insurance designed to protect children's future dreams. Long-term savings and investments are the best way to financially protect children, and this is the primary reason why child insurance policies are preferred over other policies. (Vijay et al. 2011) in their study discovered that policyholders prefer Whole Life or Endowment Policies to other types of life insurance plans. (Jaya Priya et al. 2016) discovered in their study that the majority of policyholders prefer Jeevan Anand because it provides significant benefits. According to (Dhanasekaran, 2016), the majority of LIC policyholders prefer insurance products for remittance and easy loan borrowing. This plot raises the following issues: What level of preference does the policyholder have for a child insurance plan? What factors contributed to policyholders' preference for the plan?

Objectives

Following are the objectives of the study

- To identify the policyholders' level of preference that influenced to select the Insurance Company
- To determine the factors considered for choosing a child insurance plan

III. Research Methodology

The present study is mainly based on primary data which is collected through issuing questionnaire. The questionnaire contains questions relating preference for child insurance plan, preference for choosing the insurance company and factors considered for choosing child insurance plan. 525 child insurance policyholders of the selected companies in Coimbatore district have been chosen as respondents by adopting convenient sampling method. Among the selected respondents, five of them failed to return the questionnaire and the data given by 20 of them was insufficient. Policyholders holding child insurance policy in Life insurance Corporation of India, HDFC Life Insurance, SBI Insurance, ICICI Prudential Life Insurance, Max Life Insurance in Coimbatore district. The data collected are analysed using (i) Weighted Average Mean score and (ii) Henry Garret Ranking

Finding of the Study

The findings of the study are divided into two sections namely, factors that influenced to prefer policyholders' the insurance company, factors considered for choosing child insurance plan

I) Reason for Preferring Insurance Company

To find out the policyholder's preference on child insurance plan based on the given factors, the weighted average score has been employed**.**

Factors that influenced to select the Insurance Company - Weighted Average Score

S. No.	Factors	Weighted average score
1	Availability of schemes	3.90
2	Low premium with high maturity amount	**4.25**
3	Quick maturity period	4.01
4	Minimal process	3.94
5	Easy availability of loan	3.16

6	Loan at low rate of interest	3.02
7	Agents / Advisors recommendation	4.02
8	Familiarity	3.92
9	Extensive branches	3.22
10	Employee knowledge	3.11
11	Employee behavior	2.84
12	Quick service	3.47
13	Convenient premium payment options	3.90
14	Office ambience	**2.64**
15	Advertisement	3.82
16	Availability of mobile app	2.93
17	Timely grievance redress	2.82

Finally, the overall weighted mean score depicts that factors that influenced to select the insurance company. Policyholder's preference is found high with 'Low premium with high maturity amount i.e.(4.25) than the mean score value of 'Agents / Advisors recommendation' i.e.(4.02),Quick maturity period (4.01)Minimal process (3.94), as follows .

II) Reason for choosing Child Insurance Plan – Henry Garrett Rank Test

S.No	Reason for choosing Child Insurance Plan	Total Garrett weights	Average	Rank
1.	Children's higher education	33387	66.77	3
2.	Children's marriage	32595	65.19	4
3	Support children in the absence of parent(s)	38424	76.85	1
4.	Children's medical treatment	36839	73.68	2
5.	Tax benefit	19340	38.68	11
6.	High maturity amount	26059	52.12	5
7.	Low Premium	25581	51.16	6
8.	Period of Maturity	22561	45.12	9

9.	**Bonus**	19541	39.08	10
10.	**Avail loan**	18824	37.65	12
11.	**Extra benefit**	23272	46.54	7
12.	**Diverse investment option**	22930	45.86	8
13.	**Agents compulsion**	17691	35.38	14
14.	**Status**	17930	35.86	13

From the analysis it is referred that are factors that are considered by majority of the policyholders to prefer child insurance plans supports children in the absence of parent(s) followed by children's medical treatment, children's higher education, children's marriage and so on

IV. Conclusion

In this context, the present study is under taken to analyze the policyholder's preference level on child insurance plan in Coimbatore district. The study depicts that majority of policyholders prefer of child insurance plan for support children in the absence of parent(s), Children's medical treatment, and so on. From the Weighted Average Mean Score(4.25) it is concluded that prefer an insurance company for, Low premium with high maturity amount, Agents / Advisors recommendation , Quick maturity period and so on.

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