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A Study on Awareness, Perception and Factors Affecting demand of Life Insurance Products with reference to Salaried Individuals in Western Maharashtra

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Abstract: In an increasingly competitive economy, the need for insuring risk is well recognized. So the insurance business has been changing and the effects of the same can be observed in the markets as well. The rising per capita income may increase demand for insurance to cover risks of old age and death. The current Insurance penetration in India is about 4% of its GDP, much lower than the developed market level of 6- 9%. "Low penetration of insurance in India, as elsewhere, has varied explanations, economic and sociological." The private sector companies are still not gone beyond Metros, Mini metros and smaller cities. Most of the private sector companies still don't have their offices in villages, Taluka places and some small Cities. Most of the people from these areas still not aware about life insurance and adequate insurance. So it is not feasible to expect knowledge of different policies of insurance by these people. Most of the customers only know they have life insurance but they don't know that they have purchased a ULIP policy. All the efforts towards insurance would give fruitful results only when there is high public awareness about insurance.

Mumbai, Pune, Kolhapur, Sangli and Satara form the south west corner of Maharashtra State. The population of western region of Maharashtra is approximately about 2.80 Crore as per 2001 census. Agricultural products mainly sugarcane and milk and milk based products; manufacturing industries are the main source of income for these cities. All the private life insurance started their operations in these cities recently and they have not touched in taluka or villages which come under these cities. LIC have offices in taluka places and touched a few villages in these areas. LIC is the major player in western Maharashtra.

The NCAER 2008 survey indicates that only 24% of Indians own insurance, but owing insurance and having adequate insurance are two different things. In the study it is mentioned that salaried individuals buy more insurance than business people. The % of insurance ownership in Maharashtra is 2%, which further indicates the severity of inadequacy of insurance in the region. There is therefore a need for comprehensive research on awareness, perception and factors affecting the demand of insurance in Maharashtra as well as in India. The study is modest beginning in this direction.

I. INTRODUCTION

This is in an era of uncertainty and life is always associated with strange surprises and uncertainties. Wherever there is an uncertainty, there is a risk. Hence when an individual is not sure about the outcome of any situation, there is risk. No one can accurately predict the uncertainty. In Today's world individual's life styles have changed considerably and this lead to further increase in uncertainties of life. It is very vital and essential for every individual to handle these uncertainties rather this becomes their fundamental responsibility.

Most people prefer to avoid risk like critical illness, accident, damage of property etc., by taking insurance policies. Insurance is primarily used as risk management tool for hedging against the risk of an uncertain loss. As risk has tremendously increased in every walk of life, insurance has to occupy an important place in everybody's life. This may be the reason behind the growth of insurance and existence of various types of insurance policies.

There are two types of insurance policies: Life insurance and general insurance. Life insurance has a very important role to play in individuals' and families' financial lives because it acts as a hedge against the loss of income following the death of the prime earner of the family. Premature death of a prime earner of the family can have serious financial implications for the surviving family members because the prime earners earnings are lost forever and the prime earner might have left unmet financial needs, such as dependents to support, children's education, and home loan to repay. Life insurance alleviates the individuals and families fear of financial loss from the premature death of the primary wage earner. Thus, the main or important reason for the purchase of life insurance is to provide financial security for the family. However people also buy life insurance, as a medium to save tax and for investment purpose. Insurance contracts apart from life insurance are called general insurance. The different forms of general insurance are fire, marine, vehicle, fire and theft, home, accident, and other miscellaneous non-life insurance. The tangible assets are supposed to damages and thus a need to protect their economic value is warranted. General insurance policies are bought for this purpose as they provide protection from unforeseeable contingencies like damage and loss of the asset. Same like life insurance, for general insurance policies also we need to pay premium.

According to Auerbach and Kotlikoff, "Households will save and insure in order to enjoy the same living standard over time and in the event of the death of a household head or spouse. Individuals buy health, auto, and homeowners insurance to be able to withstand a medical operation, a car wreck, or a house fire without getting burned financially. Individuals buy life insurance to make sure that survivors can continue to live at the same standard to which they have become accustomed. Life insurance, like other insurance, is used for consumption smoothing – economists' shorthand for trying to maintain household's living standard no matter what transpires." Unfortunately, consumers often spend more money on life insurance and know less about it than almost any other purchase. Most of the individuals don't know, whether they are adequately insured or not. Auerbach and Kotlikoff (1987), defined "the adequacy of life insurance as the dependents highest standard of living after the death of a breadwinner is equal to or greater than the breadwinner or couple's(if married) highest sustainable standard of living."

The results of study conducted by the Max New York Life Insurance and NCAER on India Financial Protection in 2008 indicates that awareness of life insurance stands at high on 78% on all India level with more urban households (90%) aware of it than rural households (73%). However, ownership of insurance products was low at 24%. This low ownership further points towards most of the households are inadequately insured, means their families will not able to maintain the same standard of living, after the death of prime bread earner of the family.

II. LITERATURE REVIEW

To locate the unsearched areas in the current research, the literature already available and relevant to the problem is reviewed. The literature on insurance industry in India includes books, compendia, theses, dissertations, study reports and articles published by academicians and researchers in different periodicals. The review of this literature gives an idea to concentrate on the unexplored area and to make the present study more distinct from other studies. The literature available is broken down into following topics and is presented below:

A. Definition of Insurance, Awareness, Perception and Attitude of salaried individuals towards various types of life and general insurance policies Factors Affecting Insurance Consumption in western Maharashtra.

1. <u>**Definition of Insurance, Awareness, Perception and Attitude of salaried individuals towards various types of life and general insurance policies**</u>

Vijay Srinivas (2000) found that the basic reason for low preference of Insurance in India is lack of knowledge about insurance among the public, lack of availability of new insurance products and low return by insurance products. He suggested that high return insurance products will lead to more insurance penetration in India.

P.R. Sodani (2001) in his research study found a low level of awareness (15 %) about health insurance in Jaipur, Rajasthan. Quality of care and cost were the two important reasons identified by the people for low purchase of health insurance in Jaipur.

Saibaba et al (2002) in their research studied the perception and attitude of women towards various life insurance policies. Their study finds that it's a general perception among ladies that their life is not as values as their husbands is'. The study also founds ladies consider insurance as a risk mitigation tool and not as a tax saving instrument.

Bhat, (2005) in his research mentioned that insurance penetration depends on the availability of various types of insurance products. He also mentioned about the factors which are important for shaping the structure of insurance industry in India. Some of the factors are huge untapped market; new product innovations, perception of Indian towards risk and insurance, distribution channels etc.

A UNDP report (2007), says that "a well-developed insurance sector has both micro implications for households and macro implications for the economy as a whole. At the household level, insurance serves as a tool for addressing ex ante risks as opposed to coping with a disaster after an unfortunate event has occurred. At the macro level, insurance provides long term funds that can be used for infrastructure development."

(Shukla, 2007), in his research mentioned about the survey done by NCAER, New Delhi and Max New York of about 60000 households in India. The survey was about awareness of life insurance and it revealed that the awareness about life insurance is quite high in India. The study also mentioned that there is tremendous scope for life insurance business in India.

The **World Insurance Report (2008)** revealed about the poor insurance penetration in India. As compared to the average number of policies (5.2 per person) held by mature markets, an average number of policies (life and non-life) held by an Indian consumer is just 1.33.

Rajani Shah (2008), in her study mentioned that there is a low penetration of insurance in India, and it got varied economic and sociological explanations. One of the most important reasons behind low penetration of insurance is lack of awareness of life insurance products. According to her the lack of awareness is applicable to all urban as well as rural population.

Sastry V. S. (2010), in his research study mentioned that in the coming decade India will emerge as emerging insurance market and life insurance will grow faster than earlier. According to him, the major drivers of the growth are strong economic fundamentals, the rising population of middle class, sound regulatory framework and rising risk awareness among people. He further stated that insurance is seen as a mechanism through which investors can receive a tax break only. The insurance sector reforms in India have helped to foster the growth.

Uma et al (2011), in their study carried out in Coimbatore, find preferences of customer's towards various life Insurance policies, factors affecting choice of life Insurance policy and awareness about life Insurance brands.

Deep Thakker (2012), in his study found that when it comes to investment, Investors in Kolhapur district gives first preference to bank Deposits, then Life insurance and PPF. Most of the investors in Kolhapur are risk averse and hence they prefer fixed income instruments having assured returns.

Divya Lakhani (2012) in her research on ULIP products in Pune showed that around 40% of the investors in Pune had invested in ULIP of ICICI Prudential Life Insurance Co Ltd. This huge % of investors is due to the good brand name of ICICI prudential in Pune. The important reason given by Pune investors for investing in such plans was wealth creation and children education. According to her the investors in Pune found the allocation charges to be average and the consequent returns also to be average. The research also showed that investors have poor knowledge about ULIP in Pune.

Although there are strong theoretical and empirical explanations for insurance definition, awareness, perception and penetration and density of insurance, none of them focus **on salaried individuals in western maharashtra**. The current study wishes to fulfill this gap.

The objective obtained from the gap in the above literature for the current study is:

1. To study and analyze the awareness levels and perception of the government and non-government employees in western Maharashtra towards various insurance policies.

2. Factors Affecting Insurance Consumption

In India Insurance sector had shown rapid progress since last decade. The objective of this part of the study is to find out parameters which affect the government and non-government employees' consumption of life or general insurance.

The factors affecting consumption/demand of insurance are taken from the existing theoretical and empirical researches to re-assess their validity.

The life insurance demand models developed by Pratt **(1964), Mossin (1968)** and **Smith (1968)** are taken as starting point for any research on insurance consumption or demand**.** In their research work they took non risk taking decision makers and endowed them with an initial level of wealth. Their studies show that "demand for life insurance is indirectly proportional with the amount of money an individual possesses." **Hakansson (1969)** examined the patterns of consumption and saving by an individual over his or her lifetime. He also recommended an optimal purchase of insurance by individuals.

Pissarides (1980) further continued with Yaari's work and shown that life insurance can absorb all the fluctuations in income in an individual's life. **Karni and Zilcha (1985)** carried out a research to find individuals' risk perceptions (whether they are risk takers or averse) and how such perceptions affect insurance demand. **Mossin (1968)**, in his research work classified insurance coverage as an inferior good. However, later **Hoy and Robson (1981)** presented a theoretical explanation and later **Briys et al. (1989)**, generalized the results showing insurance to be a 'Giffen' good. **Lewis (1989)**, in his research later concluded that the number of dependents also influences the demand for life insurance.

According to **Kalra et al (2013)**, urbanization is another important factor for the development of insurance industry in emerging countries. A study conducted by **Sen and Madheshwaran (2007)** and **Sen (2008)** in 13 Asian economies found a positive relationship between urbanization and demand for insurance products.

Some researchers has taken Gini Coefficient and studied its impact on insurance spread or demand. The **Gini coefficient** (also known as the **Gini** index or **Gini** ratio) is a measure of statistical dispersion intended to represent the income distribution of a nation's residents, and is the most commonly used measure of inequality. **Eck and Nizotsev (2006)** taken the average income level of a country as a parameter and assessed its impact on individual's purchase of life insurance. They had taken the help of Gini coefficient, which represents the income distribution of the residents of a nation or in other words income inequality. But **Beck and Webb (2003)** contracted this viewpoint. "They were of the opinion that even if life insurance is considered as a luxury good, the demand for life insurance would still, not be significantly influenced by the Gini coefficient." In fact being on the panel of 10 OECD countries for the period 1970-1981, **Beenstock et al (1986)** found a negative relationship between the life insurance and Gini coefficient. They also mentioned that as such rich people do not want any protection, and for poor people insurance premium is out of budget. So it's the middle class only who have greatest interest in life insurance products.

Bhat and Jain (2006) in their research try to find out the factor affecting the demand for health insurance. They analyzed the demand for health insurance at two levels, at first they tried to find out the factors affecting the decision to purchase health insurance and at second level they tried to determine the factors that determine the coverage of health insurance. Income, age, number of children in the family, knowledge about insurance, perceptions regarding future healthcare expenditure are is the factors which were found to affect the purchase of health insurance scheme.

Bawa and Ruchita (2011) in their research mentioned the presence of seven key factors which are acting as barriers to subscription to health insurance. The factors identified by them are "lack of funds, lack of willingness and awareness, lack of intermediaries, lack of reliability and lack of accessibility to services. They also concluded that significant relationship exists between age, gender, education, occupation and income of the respondents and their willingness to pay for health insurance while no significant relationship was found between marital status and their willingness to pay for health insurance."

It has been seen that there are strong theoretical and empirical explanations on insurance consumption, insurance demand, and factors affecting insurance consumption/demand.

Although there are strong theoretical and empirical explanations for insurance consumption/demand, factors affecting Insurance Consumption/Demand, in abroad, in India not so many studies are carried out. In this research we will take the factors income, age, urbanization, education level and per capita GDP found from the Literature and analyze their impact on insurance consumption.

The below two objectives of the study are obtained from the analysis of above literature

1. To analyze the factors affecting the demand pattern or consumption of Insurance products with reference to government and non-government employees in western Maharashtra.

III. RESEARCH METHODOLOGY

Research methodology includes various steps that are generally adopted by a researcher in studying his/her research problem along with the topic logic behind it. "Research methodology depends, to a large extent, on the target population, and how easy or difficult to access it is. The second factor which influences it is, of course the importance of the decision which is taken based on the research. Major parts of the research methodology are problem statement, research design, sampling plan, questionnaire design, and field work plan and analysis plan."

Research Gap

Based on the extensive literature review analysis, following inferences are drawn by the researcher.

1. The insurance concept is well defined in India. From the literature it has been seen that there are strong theoretical and empirical explanations for insurance definitions, awareness, perception and attitude of people towards insurance and also about insurance penetration and density. However none of the past studies focused only on salaried individuals in western Maharashtra as a region.

2. From literature review it has been seen that most of the studies with reference to insurance consumption, factors affecting insurance consumption, S curve are done abroad and very few are done in India. The factors identified from literature which affects the insurance consumption are low premium, firm's financial strength, death benefit, cover, agent advice etc. Considering these factors a study needs to be done to understand the impact of these factors on salaried individual's consumption of insurance products in Western region of Maharashtra.

Objectives of the Study

1. To study and analyze the awareness levels and perception of the government and non-government employees towards various insurance policies.

2. To analyze the factors affecting the demand pattern or consumption of Insurance products with reference to government and non-government employees in western Maharashtra.

Hypothesis of the Study

1. H1: The Salaried Individuals in western Maharashtra are not aware about various types of insurance policies.

2. H2: There is no significant relationship exist between selected factors and insurance consumption

Sampling Design

1. <u>Sampling Universe</u>: Salaried Individuals

2. <u>Population</u>: Population refers to any group of people or objects that form the subject of study in a particular survey and are similar in one or more ways. The current study is related to government and non government employees in western Maharashtra. Hence the total number of government and nongovernmental employees working in western Maharashtra forms the Population of our study.

3. <u>Sampling Frame</u>: Sampling frame comprises all the elements of a population with proper identification that is available to us for selection at any stage of sampling. In the present study, the population size is very large; it becomes virtually impossible to form a sampling frame.

4. <u>Sample</u>: It is a subset of the population. It comprises only some elements of the population. The sample size for the current study is 288. The total population of western Maharashtra is 16972647. The total working population in this region is approximately 17 lacs. The confidence level is considered as 95% and response percentage is considered as 75% and the margin of error is taken as 5%. The sample size is obtained from the following formula:

$n = Z^2 pq/e^2$ $n = (1.96)^2 * 0.75 * 0.25 / (0.05)^2$ $n = 288.12 \approx 288$

Where P= Response %   E=margin of error Z =1.96 at 95% confidence level q=1-p=0.25

5. <u>Sampling Element</u>: An element comprises a single member of the population. In the current study, employee whether it's a government or non-government forms the element.

6. <u>Sampling unit</u>: A sampling unit is a single member of the sample. In the current study, the sample size is 288; hence each of the 288 is a sampling unit.

7. <u>Sampling Method</u>: In the current study purposive sampling design is used. The western Maharashtra is divided in to Kolhapur, Sangli, Satara, Pune and Mumbai region. From each city approximately 55 samples are taken randomly.

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IV. DATA ANALYSIS

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Once the raw data is collected, the next step is to analyze it to draw logical inferences from them. The data collected in a survey is very large in nature and hence it is necessary to arrange raw data collected during primary survey in useful fashion. This chapter includes compilation of primary data that is collected through fieldwork. Broad observations are made after analyzing the data. The data were analyzed using SPSS version 20.0 and MS-Excel. Different types of statistical tests were performed depending on the variables under study. The inferences and conclusion are drawn from the output of these tests are presented in this chapter.

1) **Respondents Demographic Details**

Variable	Range	Frequency	%
Gender	Male	220	76.4
	Female	68	23.6
Age	21-25	25	8.7
	26-34	107	37.2
	35-44	103	35.8
	45-54	53	18.4
Occupation	Government Employee	149	51.7
	Non-Government Employee	139	48.3
Educational Qualifications	Non-Matric	4	1.4
	Matric	8	2.8
	HSC	10	3.5
	Graduate	183	63.5
	Post Graduate	82	28.5
Place of residence	Village	16	5.6
	City	234	81.3
	Metro	38	13.2
Marital Status	Bachelor	58	20.1
	Married with kids	154	53.5
	Married but no kids	71	24.7
	Widow/Widower	2	0.7
	Divorcee	3	1.0
Income	Up to Rs 10000	10	3.5
	10001-20000	48	16.7
	20001-30000	78	27.1
	30001-40000	79	27.4
	40001-50000	44	15.3
	Above 50000	29	10.4
Type of family	Joint	48	16.7
	Nuclear	240	83.3
No of members in family	Below 4	54	18.9
	4-8	227	78.8
	Above 8	5	1.7
Spouse working	Yes	134	46.5
	No	103	35.8
	Not applicable	42	14.6
Income of spouse	Up to Rs 10000	29	10.1
	10001-20000	44	15.3
	20001-30000	32	11.1
	30001-40000	20	6.9
	40001-50000	11	3.8
	Above 50000	9	3.1
No of kids	Below 2	119	41.3
	2-4	45	15.6
	Above 4	2	0.7
Age of kids	1-10	91	31.6
	11-18	34	11.8
	19-25	35	12.2
	Above 25	6	2.1
Monthly expenses	Up to Rs 10000	57	19.8
	10001-20000	110	38.2
	20001-30000	85	29.5
	30001-40000	15	5.2
	40001-50000	3	1.0
	Above 50000	11	3.8

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2) Awareness of Respondents Towards

Respondent Category	Respondents Awareness Levels Towards Various Policies														
	Life Insurance			Health Insurance			Vehicle Insurance			Home Insurance			Fire and Theft Insurance		
	Fully Aware	Partially	Not Aware	Fully Aware	Partially Aware	Not Aware	Fully Aware	Partially Aware	Not Aware	Fully Aware	Partially Aware	Not Aware	Fully Aware	Partially Aware	Not Aware
Government Employees	132	14	1	108	33	4	100	36	5	71	40	27	59	34	45
Non-Government Employees	122	14	1	105	30	3	114	18	6	83	43	11	64	35	39
Total	254	28	2	213	63	7	214	54	11	154	83	38	123	69	84

From the above it is seen that, Life Insurance and Health insurance are preferred mostly by respondents followed by Vehicle Insurance. Government Employees are more aware about life insurance and health insurance. But with reference to Vehicle, Home and Fire and theft insurance nongovernmental employees are more aware. The more awareness of Government employees towards life and health insurance may be because of they have compulsory life and health insurance.

1. **Preferences of Salaried employees towards preferred sources of information**

	TV	Radio	NewsPaper	Magazine	Internet	Agents	Relative	Friends	Family	Others
Government Employee	121	45	80	30	84	49	15	41	21	9
Non Government Employee	95	37	69	15	85	51	22	49	35	5

From the above table it is clear that government and non-government employees get the information about insurance from TV. TV is the most preferred sources of information followed by internet and news-paper.

2. **Government and Non-Government Employees Preferences towards various Insurance policies**
The following table is produced using SPSS.

| | Government Employee | | | | | Non-Government Employee | | | | |
	Preferences Towards Life	Preferences Towards Health Insurance	Preferences Towards Vehicle Insurance	Preferences Towards Home Insurance	Preferences Towards Theft & Fire Insurance	Preferences Towards Life	Preferences Towards Health Insurance	Preferences Towards Vehicle Insurance	Preferences Towards Home Insurance	Preferences Towards Theft & Fire Insurance
N	146	142	142	137	135	137	136	136	136	136
Mean	4.27	4.02	4.17	3.53	3.06	4.22	4.26	4.15	3.71	3.18

With reference to the above tables and below graph it is clear that life insurance mean score is more, hence more preferences are given to life insurance followed by health and vehicle insurance. Respondents more or less have neutral preferences towards home and fire and theft insurance. Comparative analysis of government and nongovernmental employee's preference towards various insurance policies are also shown. More or less similar number is seen while analyzing the preferences, when it comes to life and health insurance. However non-governmental employees show more willingness towards buying home and fire and theft insurance than government employees.

3.   <u>**Perception of respondents towards need of various types of insurance**</u>

|	Perception About Need for Life Insurance		Perception About Need for Health Insurance		Perception About Need for Vehicle Insurance		Perception About Need for Home Insurance		Perception About Need for Home Insurance	
	Mean	Mode	Mean	Mode	Mean	Mode	Mean	Mode	Mean	Mode
Government Employees	3.88	5	3.92	5	3.99	5	3.5	4	3.25	3
Non-Government Employees	3.73	5	3.59	5	3.85	5	3.47	4	3.17	3

All of the respondents feel that that they strongly need Life, Health and Vehicle insurance. These three insurances are very important. The mode value which represents the repeated values in series shows that mode for life insurance, health and vehicle insurance is 5 for both government and non-government employees. It means that all these three insurance are perceived to be very important by government and non-government employees whereas home insurance is perceived as important by both of them. They are neutral about fire and theft insurance; however that is also an important insurance for security of individuals.

3)   **Factors Affecting Consumption of Life Insurance**

The main parameters considered by respondents before purchasing an insurance policy are identified from literature and are presented in this section. How much weightage given by government and non-government employees to these parameters is analyzed? A five point likert scale is used.

Insurance types	Parameters	Sample Size N	Mean	Mean Rank (Friedman Test)
Life insurance (Government Employees)	Low Premium	138	4.04	2.96
	Financial Strength of firm	138	4.07	2.93
	Investment Benefit	138	4.09	2.88
	Death benefit	138	4.10	3.06
	Agent advice	138	4.22	3.16
Life Insurance (Non-Government Employees)	Low Premium	124	3.97	3.16
	Financial Strength of firm	124	3.92	3.15
	Investment Benefit	124	3.91	3.13
	Death benefit	124	3.89	3.06
	Agent advice	124	3.57	2.50

Test Statistics Table 5.4.2		
Government Employee	N	138
	Chi-Square	5.148
	Df	4
	Asymp. Sig.	.272
Non-Government Employee	N	124
	Chi-Square	25.073
	Df	4
	Asymp. Sig.	.000
a. Friedman Test		
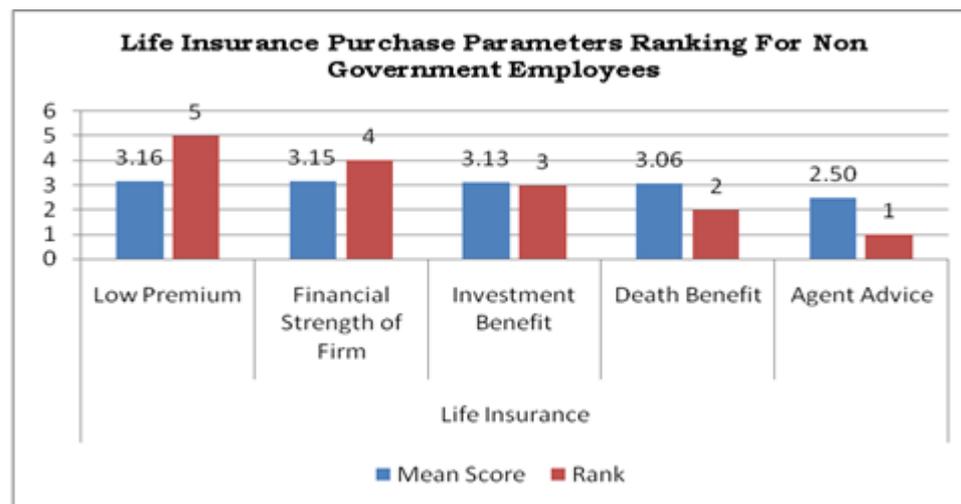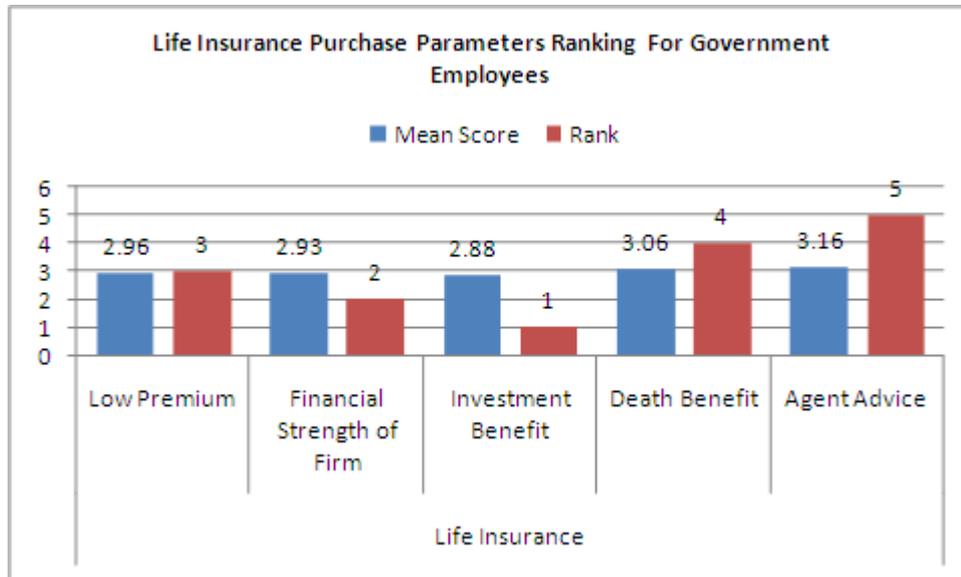
Above table represents the output of Freidman non parametric test for the preference of parameters considered by government and non-government employees before purchase of a life insurance policy. From the above mean value analysis and Friedman test it is indicative that government employees considered investment benefit (mean rank=2.88) as the most important thing before purchasing life insurance policy followed by financial strength of firm (mean rank=2.93) and low premium of insurance policy(mean rank=2.96). Agent's advice is least preferred by government employees for purchasing a life insurance policy. However for non-government employees agent advice (mean rank=2.50) is the most important parameter for purchasing a life insurance policy. Death benefit (mean rank=3.06) and investment benefit (mean rank=3.13) are the further factors considered by non-government employees before purchase of life insurance policy.

<p style="text-align:center">V. CROSS TABULATION AND HYPOTHESIS SYSTEM</p>

1. **Association between Selected Independent Factors and Their Impact on Insurance Consumption/Demand**

Hypothesis 1

Ho: There is no significant difference in the rankings of the purchase parameters for life insurance demand by government and non-government employees.

H1: There significant difference in the rankings of the purchase parameters for life insurance demand by government and non-government employees.

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Respondent Category	Insurance Types	Purchase Parameters	Mean Rank
Government Employees	Life Insurance	Low Premium	2.96
		Financial Strength of firm	2.93
		Investment Benefit	2.88
		Death benefit	3.06
		Agent advice	3.16
Non-Government Employees	Life Insurance	Low Premium	3.16
		Financial Strength of firm	3.15
		Investment Benefit	3.13
		Death benefit	3.06
		Agent advice	2.50

Test Statistics (Table 5.7.3.2)

Government Employee	N	138
	Chi-Square	5.148
	df	4
	Asymp. Sig.	.272
Non-Government Employee	N	124
	Chi-Square	25.073
	df	4
	Asymp. Sig.	.000

a. Friedman Test

Above represents the output of Freidman ANOVA test for the preference of parameters considered by government and non-government employees before purchase of a life insurance policy. The Freidman test value for government employee is 0.272 at 4 degrees of freedom, which is greater than the cut of value 0.05 at 95% confidence level. Therefore, the null hypothesis is accepted. Hence on the basis of the test results, it can be concluded that there is no significant difference in the rankings of the purchase parameters for life insurance demand by government employees. Hence government employees treat all these parameters equal while purchasing a life insurance policy. The Freidman test value for non-government employee is 0.000 at 4 degrees of freedom, which is less than the cut of value 0.05 at 95% confidence level. Therefore, the null hypothesis is rejected. Hence on the basis of the test results, it can be concluded that there is significant difference in the rankings of the purchase parameters for insurance demand by government employees. For non-government employees agent advice (mean rank=2.50) is the most important parameter for purchasing a life insurance policy. Death benefit (mean rank=3.06) and investment benefit (mean rank=3.13) are the further factors considered by non-government employees before purchase of life insurance policy.

VI. FINDINGS

Hypothesis Result

H1: The government and non-government employees are aware about various types of insurance policies.

H1: The government and non-government employees' perception about various types of insurance policies is positive.

Objective 1: To analyze the factors affecting the demand pattern or consumption of Insurance products with reference to government and non-government employees in western Maharashtra.

1. The objective of the study is to find out the awareness levels and perceptions of government and non-government employees towards life, health, vehicle, home and theft and fire insurance. 72% respondents of the current study are insured. However owning insurance and having sufficient insurance cover are two different things. The awareness level of employees is comparatively high in the present study. Both government and non-government employees'

shows high awareness levels towards life, health and vehicle insurance and moderate awareness towards home insurance. Approximately 20% government and non-government employees are aware about theft and fire insurance. Although fire and theft insurance are also important insurances for individual's security.

2. It is found from the study that, when it comes to insurance, both government and non-government employees more or less prefer life insurance.

3. The association between gender of government and non-government employees and their awareness towards various insurance policies is found to be insignificant. As per Cramer's rule the strength of relationship is also found to be weak.

4. The relationship between independent factors like age, gender, income etc. and perception of employees is also tested. It is found that the relationship between gender of government employees and their perception towards life, insurance is found to be insignificant.

Hypothesis Result

H1: The government and non-government employees are aware about various types of insurance policies.

H1: The government and non-government employees' perception about various types of insurance policies is positive.

Objective 2: To analyze the factors affecting the demand pattern or consumption of Insurance products with reference to government and non-government employees in western Maharashtra.

Findings:

1. The main parameters considered by government and non-government employees are identified from literature. These parameters are low premium, financial strength of the insurance firm, investment benefit, death benefit and Agent Advice for life insurance. With reference to the main hypothesis, corollary hypotheses are developed and tested. It is found from Friedman ANOVA test that, when it comes to buying a life insurance policy, government employees does not consider any particular parameter. They treat all the above listed parameters as equal. For the non-government employees agent advice is the most important factor before buying a life insurance policy. Life insurance is very important to protect the dependents in the case of death of the breadwinner of the family. Still employees do not consider death benefit as an important factor before buying a life insurance policy.

VII. CONCLUSION

a. More than 2/3rd sampled population invest money in various financial instruments. Government employees prefer to invest money in fixed deposit whereas non-government employees prefer to invest money in life insurance. Hence one can conclude that there is favorable environment for investment in western Maharashtra among salaried individuals.

b. The awareness level of government and non-government employees towards various types of insurance is found to be high in Western Maharashtra. When a relationship is tried to found out between a few independent factors like age, income, gender, place of residence, marital status, etc. and awareness level of respondents towards life insurance it has been found that the awareness level is dependent on few factors and non-dependent on few factors.

c. The perception of government and non-government employees is positive towards life insurance.

VIII. SUGGESTIONS AND FUTURE SCOPE OF THE STUDY

1. Present study identified the awareness levels and perception of government and non-government employees in western Maharashtra. The awareness level is quiet high about life, insurance. There is low level of awareness about theft and fire insurance. The perception of both government and non-government employees is positive towards life insurance. Hence present study would help companies and government to access the awareness levels and can take required steps to improve the same for the betterment of company's future as well as individuals.

2. Present research identifies key factors considered by government and non-government employees before buying life, insurance. Agent advice is identified to be the most important factor considered by non-government employees before buying the said insurance policies. Hence companies should train their agents properly to deal with non-government employees in western Maharashtra. Government employees mostly do not consider any factor before buying many of the above said insurance policies. There might be other factors which influence their decision of buying insurance policies, which could be the future scope of the research.

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