



A STUDY ON DECISION MAKING PROCESS OF LIFE INSURANCE PRODUCTS AND MAJOR INFLUENCER IN THE CHOICE OF PURCHASE AMONG THE FAMILIES IN THE RURAL AREAS OF TAMIL NADU

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Abstract:

This study examines the decision-making process surrounding life insurance purchases among families in rural Tamil Nadu, focusing on key influencers in the selection process. Through qualitative and quantitative methodologies, the research identifies factors such as familial advice, peer influence, and the role of insurance agents in shaping purchasing decisions. The findings emphasize the importance of community dynamics and information dissemination in promoting life insurance products in rural areas.

Introduction:

In rural areas, life insurance is often regarded as a critical tool for financial protection and security, especially in agricultural and lower-income households that may face unforeseen risks. However, the decision-making process regarding the purchase of life insurance products in rural Tamil Nadu is influenced by a complex array of factors, including family dynamics, economic conditions, social norms, and the role of influencers like local leaders, insurance agents, and peer groups. Families in rural areas tend to have limited access to financial literacy resources, which makes them rely heavily on trusted sources of information, such as insurance agents, friends, family members, or village authorities, to guide their insurance choices. Cultural perceptions about financial planning, the family's need for security, and the nature of income (often irregular or seasonal) also play a crucial role in shaping their purchasing decisions. This study seeks to examine the decision-making process involved in purchasing life insurance products and identify the major influencers that guide these decisions among rural families in Tamil Nadu. By exploring these factors, the research aims to provide insights into how insurance companies can better address the unique needs and preferences of this population.

Research Design:

This study adopt a blend of both the quantitative and qualitative aspects of the decision-making process and major influencers in life insurance purchase among rural families in Tamil Nadu.

Samples of 700 households from different rural districts of Tamil Nadu were selected using stratified random sampling. The sample includes households with diverse income levels, occupations (mainly agriculture and small-scale businesses), and family structures to capture a broad range of perspectives. A structured questionnaire is administered to the household decision-makers (heads of the family or primary earners).

The questionnaire include sections on family demographics (income, family size, occupation, education level), knowledge of life insurance products, previous insurance purchases, and the decision-making process regarding insurance. A set of questions framed to identify who the major influencers are in the insurance decision, whether they are insurance agents, family members, community leaders, or others. In-depth interviews with the participants were conducted to explore the personal experiences, motivations, and social pressures that shape their decisions regarding life insurance products. The quantitative data from the surveys are analyzed using descriptive statistics and logistic regression to identify the key factors influencing the decision-making process and the role of various influencers. The relationship between demographic variables (such as income, education, and occupation) and insurance purchase decisions are examined. The qualitative data from the interviews are analyzed using mathematic analysis, highlighting recurring themes such as trust in insurance agents, community influence, financial insecurities, and cultural beliefs about life insurance.

Objectives:

- To identify the major influencers affecting life insurance purchasing decisions among rural families.
- To analyze the decision-making process and factors leading to the choice of specific life insurance products.
- To develop strategies for insurance providers to effectively engage rural families in the purchasing process.

Literature Review:

Namasivayam et. al., (2006) identified the role of socio-economic factors in deciding the purchase of Life Insurance policies of LIC. The study reveals that income, occupation, number of earning members in the family have the significant impact in selection of type of policies. The chi-square analysis shows that income and occupation are having significant impact in selection of type of policies, as well as the total sum insured among the respondents of the study.

Vijayalakshmi. R. and Keerthi. P. (2007) The study revealed that trust and creating confidence in the minds of the policy holders are the two strong factors in which still LIC remains as a leader in the Life Insurance industry. The expectations and the perceptions of the policy holders with respect these two factors are well met by LIC. The researchers pointed out that the LIC lacks in various service delivery aspects like solving problems, providing prompt service and responses towards the policy holder's queries and it can enhance the quality of operation through the grievance redressal cell. The hypothesis testing proved that there is a significant gap in the expectations of the insured and the level of service quality. The study suggests serving better to the customers of different segments in order to encourage them for further investment in insurance.

Namachivayam, N. Rajendran S and Eswaran R (2007) studied the influence of socio-economic factors on attitude of policyholders towards SBI's Life Insurance schemes. The study revealed that socio-economic factors such as age, gender, occupation, nature of family and income level play a major role in influencing the preference of policy holders towards the purchase of life insurance policies. The other variables like marital status, and number of family members are not having significant influence over the purchase of life insurance policies.

Paromita Go swami (2007) studied the major factors that are influencing the satisfaction level of the customers of Life Insurance companies. The study correlates the socio-economic variables with the level of satisfaction of the respondents on the various aspects of Life Insurance services. The study observes a deep dissatisfaction among the customers in terms of various administrative charges levied on certain policies. The personal contact of the Life Insurance agents enhance the confidence level of customers and motivations them.

Srinivasa rao. M.V.S (2007) The study was carried out in Hyderabad city, which has the largest and increasing number of consumer population in the state of Andhrapradesh, so that it is the biggest and most important consumers market with the potential to speak to national trends. The study clearly shows that consumers under-utilize insurance. A majority of consumers are not protected under insurance cover. The study reveals that the consumers are price conscious. Among the number of factors that have influenced their decision in buying insurance, price is the most influential. The other factors such as quality of customer service and terms of coverage are also ranked higher than the other factors. The least important factor identified are the size of the company or name recognition. The study also reveals that the consumers rely mostly on the informal sources of information and majority of the customers consider family members and friends are the most reliable and trustworthy source of information about Life Insurance.

Hasanbabu. S. and Nagajothi, R. S. (2007) The study was carried out with sample size of one hundred respondents with different socio-economic profile. The study reveals that the age, educational qualification, gender, marital status, size of the family, type of the family, occupation and income of the policy holders are identified as the influencing factors for the purchase of Life Insurance policy. Further the study identified that the factors such as fewer formalities, easy to take loan and easy payment of premiums, tax savings, risk coverage, attractive bonus, good customer service, are influencing the policy holders to invest in LIC. Among the factors that influenced, the faith in the insurance company is ranked first because it is Government owned enterprise.

Research Gap:

While the decision-making process in insurance purchases has been studied, specific factors influencing rural families in Tamil Nadu have not been adequately explored. This study addresses this gap by focusing on localized influences and decision-making dynamics.

Data Analysis and Findings:

Personal factors and type of life insurance policies taken among the single policy holders

Socio Economic / Type of Policy		LIC				
		Term Plans	Endow. Plans	Money Back Plans	Ulip Plans	Total
Gender	Male	21 (5.74)	123 (33.61)	43 (11.75)	10 (2.73)	197 (53.83)
	Female	0 (0.00)	86 (23.50)	73 (19.95)	10 (2.73)	169 (46.17)
	Total	21 (5.74)	209 (57.10)	116 (31.69)	20 (5.46)	366 (100.00)

Chi-Square Value: 33.362 ^a ; df-3; Asymp. Sig. (2-sided): .000						
Age	below 18	0 (0.00)	4 (1.09)	1 (0.27)	1 (0.27)	6 (1.64)
	19- 35	0 (0.00)	81 (22.3)	42 (11.48)	0 (0.00)	123 (33.61)
	36-50	21 (5.74)	82 (22.40)	72 (19.67)	19 (5.19)	194 (53.01)
	above 50	0 (0.00)	42 (11.48)	1 (0.27)	0 (0.00)	43 (11.75)
	Total	21 (5.74)	209 (57.10)	116 (31.69)	20 (5.46)	366 (100.00)
Chi-Square Value: 71.499 ^a ; df-4; Asymp. Sig. (2-sided): .000						
Education	Illiterates	10 2.73	51 (13.93)	42 (11.48)	10 (2.73)	113 (30.87)
	up to schooling	11 3.01	41 (11.20)	31 (8.47)	0 (0.00)	83 (22.68)
	Degree level	0 (0.00)	31 (8.47)	10 (2.73)	10 (2.73)	51 (13.93)
	PG & Professional	0 (0.00)	76 (20.77)	33 (9.02)	0 (0.00)	109 (29.78)
	Diploma	0 (0.00)	10 (2.73)	0 (0.00)	0 (0.00)	10 (2.73)
	Total	21 (5.74)	209 (57.10)	116 (31.69)	20 (5.46)	366 (100.00)
Chi-Square Value: 69.486 ^a ; df-12; Asymp. Sig. (2-sided):.000						
Occupation	Government employees	0 (0.00)	107 (29.23)	33 (9.02)	10 (2.73)	150 (40.98)
	business	0 (0.00)	30 (8.20)	0 (0.00)	0 (0.00)	30 (8.20)
	agriculture	11 (3.01)	11 (3.01)	0 (0.00)	10 (2.73)	32 (8.74)
	agriculture coolly	10 2.73	31 (8.47)	10 (2.73)	0 (0.00)	51 (13.93)
	Employees of private sector	0 (0.00)	20 (5.46)	31 (8.47)	0 (0.00)	51 (13.93)
	non agriculture coolly	0 (0.00)	10 (2.73)	42 (11.48)	0 (0.00)	52 (14.21)
	Total	21 (5.74)	209 (57.10)	116 (31.69)	20 (5.46)	366 (100.00)
Chi-Square Value: 2.420E2 ^a ; df-15; Asymp. Sig. (2-sided):.000						
Cont..						
Earning members	1 members	0 (0.00)	118 (32.24)	32 (8.74)	0 (0.00)	150 (40.98)
	2 members	21 (5.74)	91 (24.86)	84 (22.95)	20 (5.46)	216 (59.02)
	3 members	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
	Total	21 (5.74)	209 (57.10)	116 (31.69)	20 (5.46)	366 (100.00)
Chi-Square Value: 57.775 ^a ; df-3; Asymp. Sig. (2-sided):.000						
Income	below 72000	11 (3.01)	24 (6.56)	52 (14.21)	0 (0.00)	87 (23.77)
	72000- 180000	10 (2.73)	88 (24.04)	30 (8.20)	2 (0.55)	130 (35.52)
	180001 - 500000	0 (0.00)	63 (17.21)	11 (3.01)	2 (0.55)	76 (20.77)
	above 500000	0 (0.00)	34 (9.29)	23 (6.28)	16 (4.37)	73 (19.95)
	Total	21 (5.74)	209 (57.10)	116 (31.69)	20 (5.46)	366 (100.00)

Chi-Square Value: 1.202E2 ^a ; df-9; Asymp. Sig. (2-sided):.000						
Income Secondary	below 72000	0 (0.00)	47 (12.84)	30 (8.20)	10 (2.73)	87 (23.77)
	72000- 180000	0 (0.00)	18 (4.92)	0 (0.00)	0 (0.00)	18 (4.92)
	180000 - 500000	0 (0.00)	9 (2.46)	0 (0.00)	0 (0.00)	9 (2.46)
	Above 500000	2 (0.55)	13 (3.55)	7 (1.91)	0 (0.00)	22 (6.01)
	Nil	19 (5.19)	122 (33.33)	79 (21.58)	10 (2.73)	230 (62.84)
	Total	21 (5.74)	209 (57.10)	116 (31.69)	20 (5.46)	366 (100.00)
Chi-Square Value: 37.321 ^a ; df-12; Asymp. Sig. (2-sided):.000						
Asset	less than 2 acres	11 (3.01)	20 (5.46)	0 (0.00)	10 (2.73)	41 (11.20)
	2 to 5 acres	0 (0.00)	22 (6.01)	10 (2.73)	0 (0.00)	32 (8.74)
	6 to 10 acres	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
	Nil	10 (2.73)	167 (45.63)	106 (28.96)	10 (2.73)	293 (80.05)
	Total	21 (5.74)	209 (57.10)	116 (31.69)	20 (5.46)	366 (100.00)
Chi-Square Value: 83.377 ^a ; df-6; Asymp. Sig. (2-sided):.000						

Private					
Term Plans	Endow. Plans	Whole Life Plans	Money Back Plans	ULIP Plans	Total
4 (7.69)	6 (11.54)	3 (5.77)	8 (15.38)	26 (50.00)	47 (90.38)
0 (0.00)	0 (0.00)	0 (0.00)	2 (3.85)	3 (5.77)	5 (9.62)
4 (7.69)	6 (11.54)	3 (5.77)	10 (19.23)	29 (55.77)	52 (100.00)
Chi-square Value: 2.642 ^a ; df-4; Asymp. Sig. (2-sided):.619					
2 (3.85)	1 (1.92)	0 (0.00)	0 (0.00)	1 (1.92)	4 (7.69)
1 (1.92)	5 (9.62)	2 (3.85)	10 (19.23)	21 (40.38)	39 (75.00)
1 (1.92)	0 (0.00)	0 (0.00)	0 (0.00)	4 (7.69)	5 (9.62)
0 (0.00)	0 (0.00)	1 (1.92)	0 (0.00)	3 (5.77)	4 (7.69)
4 (7.69)	6 (11.54)	3 (5.77)	10 (19.23)	29 (55.77)	52 (100.00)
Chi-Square Value: 21.597 ^a ; df-12; Asymp. Sig. (2-sided):.042					
0 (0.00)	0 (0.00)	0 (0.00)	1 (1.92)	5 (9.62)	6 (11.54)
0 (0.00)	3 (5.77)	0 (0.00)	5 (9.62)	10 (19.23)	18 (34.62)
3 (5.77)	2 (3.85)	2 (3.85)	3 (5.77)	4 (7.69)	14 (26.92)
1 (1.92)	0 (0.00)	0 (0.00)	1 (1.92)	9 (17.31)	11 (21.15)
0 (0.00)	1 (1.92)	1 (1.92)	0 (0.00)	1 (1.92)	3 (5.77)
4 (7.69)	6 (11.54)	3 (5.77)	10 (19.23)	29 (55.77)	52 (100.00)
Chi-Square Value: 23.156 ^a ; df-16; Asymp. Sig. (2-sided):.110					

0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	5 (9.62)	5 (9.62)
0 (0.00)	3 (5.77)	0 (0.00)	2 (3.85)	4 (7.69)	9 (17.31)
1 (1.92)	0 (0.00)	1 (1.92)	4 (7.69)	4 (7.69)	10 (19.23)
0 (0.00)	0 (0.00)	1 (1.92)	1 (1.92)	4 (7.69)	6 (11.54)
3 (5.77)	3 (5.77)	1 (1.92)	2 (3.85)	10 (19.23)	19 (36.54)
0 (0.00)	0 (0.00)	0 (0.00)	1 (1.92)	2 (3.85)	3 (5.77)
4 (7.69)	6 (11.54)	3 (5.77)	10 (19.23)	29 (55.77)	52 (100.00)
Chi-Square Value: 19.722 ^a ; df-20; Asymp. Sig. (2-sided):.475					
2 (3.85)	3 (5.77)	0 (0.00)	4 (7.69)	15 (28.85)	24 (46.15)
1 (1.92)	3 (5.77)	3 (5.77)	5 (9.62)	13 (25.00)	25 (487.08)
1 (1.92)	0 (0.00)	0 (0.00)	1 (1.92)	1 (1.92)	3 (5.77)
4 (7.69)	6 (11.54)	3 (5.77)	10 (19.23)	29 (55.77)	52 (100.00)
Chi-Square Value: 7.559 ^a ; df-8; Asymp. Sig. (2-sided):.478					
0 (0.00)	0 (0.00)	1 (1.92)	1 (1.92)	3 (5.77)	5 (9.62)
0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	5 (9.62)	5 (9.62)
2 (3.85)	3 (5.77)	0 (0.00)	4 (7.69)	13 (25.00)	22 (42.31)
2 (3.85)	3 (5.77)	2 (3.85)	5 (9.62)	8 (15.38)	20 (38.46)
4 (7.69)	6 (11.54)	3 (5.77)	10 (19.23)	29 (55.77)	52 (100.00)
Chi-Square Value: 10.370 ^a ; df-12; Asymp. Sig. (2-sided):.584					
0 (0.00)	0 (0.00)	0 (0.00)	1 (1.92)	2 (3.85)	3 (5.77)
2 (3.85)	3 (5.77)	1 (1.92)	0 (0.00)	7 (13.46)	13 (25.00)
2 (3.85)	3 (5.77)	1 (1.92)	6 (11.54)	8 (15.38)	20 (38.46)
0 (0.00)	0 (0.00)	0 (0.00)	2 (3.85)	4 (7.69)	6 (11.54)
0 (0.00)	0 (0.00)	1 (1.92)	1 (1.92)	8 (15.38)	10 (19.23)
4 (7.69)	6 (11.54)	3 (5.77)	10 (19.23)	29 (55.77)	52 (100.00)
Chi-Square Value: 14.658 ^a ; df-16; Asymp. Sig. (2-sided):.550					
0 (0.00)	3 (5.77)	0 (0.00)	2 (3.85)	4 (7.69)	9 (17.31)
2 (3.85)	3 (5.77)	1 (1.92)	3 (5.77)	8 (15.38)	17 (32.69)
0 (0.00)	0 (0.00)	0 (0.00)	1 (1.92)	6 (11.54)	7 (13.46)
2 (3.85)	0 (0.00)	2 (3.85)	4 (7.69)	11 (21.15)	19 (36.54)
4 (7.69)	6 (11.54)	3 (5.77)	10 (19.23)	29 (55.77)	52 (100.00)
Chi-Square Value: 12.484 ^a ; df-12; Asymp. Sig. (2-sided):.408					

Figures in parenthesis are percentages to column total

The above table shows the type of policy owned by the insured respondents of various socio-economic profiles. Among the customers of LIC 33.61 per cent male took endowment plans while 23.50 per cent preferred endowment policies. In case of Private Sector Life Insurance Company 50 per cent invested in ULIP policies and followed by 15.38 preferred more back plans. It is observed that among the customers to LIC who owned single policy, 57.10 per cent took endowment plans and followed by 31.69 per cent preferred money back plans. A least percentage of 5.46 and 5.74 per cent respondents took ULIP plans and term plans respectively. In case of private sector life insurance customers 55.77 per cent invested in ULIP plans, while 19.23 per cent preferred money back plans. 11.54 per cent policy holders owned endowment plans. The least percentage of 5.77 and 7.69 customers preferred whole life plan and term plans respectively. Among the illiterates 13.93 per cent preferred endowment plans offered by LIC, followed by 11.48 per cent took money back plans. The illiterates among the private sector invested in ULIP plans. A high percentage of (29.23 per cent) Government employees took endowment policies offered by LIC. 25 percentage of private sector life insurance policy holders belongs to the income category of 1,80,001 to 5,00,000 took ULIP plans. Among the various categories of land ownership 6.01 per cent of respondents with 2 to 5 acres ownership preferred endowment plans. In case of private sector customers 15.38 per cent preferred ULIP plans while studying the relationship between the socio-economic variables and type of life insurance policies owned, it is observed that among the customers of LIC all the socio-economic variables are highly significant with the type of policy owned. And in case of customers of private sector life insurance companies all the socio-economic variables are insignificant with the type of policies owned. So that it is concluded that among the private sector policy holders there is no significant relationship between their socio-economic variables and type of policy owned.

Table 1: Socio-economic variables and two different types of life insurance policies owned

Socio economic / type of policy		LIC				
		Endt and Child	End and money back	2 Money back	2 endow.	Total
Gender	Male	0	1	21	53	75
		0	-0.88	-18.58	-46.9	-66.37
	Female	8	21	0	9	38
		-7.08	-18.58	0	-7.96	-33.63
	Total	8	22	21	62	113
		-7.08	-19.47	-18.58	-54.87	-100
Chi-Square Value:74.254 ^a ,df-3, Asymp. Sig. (2-sided):.000						
Age	below 18	0	2	2	2	6
		0	-1.77	-1.77	-1.77	-5.31
	19- 35	8	1	0	21	30
		-7.08	-0.88	0	-18.58	-26.55
	36-50	0	19	19	39	77
		0	-16.81	-16.81	-34.51	-68.14
	above 50	0	0	0	0	0
		0	0	0	0	0
	Total	8	22	21	62	113
		-7.08	-19.47	-18.58	-54.87	-100
Chi-Square Value:37.633 ^a ,df-6,Asymp. Sig. (2-sided):.000						
Education	Illiterates	0	0	10	19	29
		0	0	-8.85	-16.81	-25.66
	up to schooling	0	10	0	43	53
		0	-8.85	0	-38.05	-46.9
	Degree level	0	1	0	0	1
		0	-0.88	0	0	-0.88
	PG & Professional	8	11	11	0	30
		-7.08	-9.73	-9.73	0	-26.55
	Diploma	0	0	0	0	0
		0	0	0	0	0
	Total	8	22	21	62	113
		-7.08	-19.47	-18.58	-54.87	-100
Chi-Square Value:79.208 ^a ,df-9;Asymp. Sig. (2-sided):.000						
Occupation	Government employees	8	22	11	0	41
		-7.08	-19.47	-9.73	0	-36.28
	business	0	0	10	0	10

		0	0	-10.53	0	-8.85
	agriculture	0	0	0	11	11
		0	0	0	-9.73	-9.73
	agriculture coolly	0	0	0	19	19
		0	0	0	-16.81	-16.81
	Employees of private sector	0	0	0	11	11
		0	0	0	-9.73	-9.73
	non agriculture coolly	0	0	0	21	21
		0	0	0	-18.58	-18.58
	Total	8	22	21	62	113
		-7.08	-19.47	-18.58	-54.87	-100
	Chi-Square Value:1.524E2 ^a ;df-15;Asymp. Sig. (2-sided):.000					
Earning members	1 members	0	1	10	20	31
		0	-0.88	-8.85	-5.46	-8.47
	2 members	8	21	11	32	72
		-7.08	-18.58	-9.73	-28.32	-63.72
	3 members	0	0	0	10	10
		0	0	0	-8.85	-8.85
	Total	8	22	21	62	113
		-7.08	-19.47	-18.58	-54.87	-100
	Chi-Square Value:25.246 ^a ;df-6;Asymp. Sig. (2-sided):.000					
Income	below 72000	0	0	10	53	63
		0	0	-8.85	-46.9	-55.75
	72000- 180000	0	21	0	1	22
		0	-18.58	0	-0.88	-19.47
	180001 - 500000	0	0	11	2	13
		0	0	-9.73	-1.77	-11.5
	above 500000	8	1	0	6	15
		-7.08	-0.88	0	-5.31	-15.79
	Total	8	22	21	62	113
		-7.08	-19.47	-18.58	-54.87	-100
	Chi-Square Value:1.955E2 ^a ;df-9;Asymp. Sig. (2-sided):.000					
Income	below 72000	0	0	0	19	19
Secondary		0	0	0	-16.81	-16.81
	72000- 180000	0	0	0	0	0
		0	0	0	0	0
	180000 - 500000	0	0	0	0	0
		0	0	0	0	0
	Above 500000	0	1	1	1	3
		0	-0.88	-0.88	-0.88	-3.16
	Nil	8	21	20	42	91
		-7.08	-18.58	-17.7	-37.17	-80.53
	Total	8	22	21	62	113
		-7.08	-19.47	-18.58	-54.87	-100
	Chi-Square Value:19.551 ^a ;df-6;Asymp. Sig. (2-sided):.003					
Asset	less than 2 acres	0	0	0	9	9
		0	0	0	-9.47	-9.47
	2 to 5 acres	0	0	11	11	22
		0	0	-9.73	-9.73	-19.47
	6 to 10 acres	0	0	0	0	0
		0	0	0	0	0
	Nil	8	22	10	42	82
		-7.08	-19.47	-8.85	-37.17	-72.57
	Total	8	22	21	62	113
		-7.08	-19.47	-18.58	-54.87	-100
	Chi-Square Value:30.134 ^a ;df-6;Asymp. Sig. (2-sided):.000					

Endt and Child	Private				
	End and money back	2 Money back	2 endow.	ULIP& Endt	Total
3	8	8	12	49	80
-3.16	-7.08	-7.08	-12.63	-51.58	-84.21
5	0	1	5	4	15
-5.26	0	-0.88	-5.26	-4.21	-15.79
8	8	9	17	53	95
-7.08	-7.08	-9.47	-17.89	-55.79	-100
Chi-Square Value:19.856 ^a ;df-4,Asymp. Sig. (2-sided):.001					
0	0	1	0	4	5
0	0	-0.88	0	-4.21	-5.26
6	4	5	12	40	67
-5.31	-4.21	-5.26	-12.63	-42.11	-70.53
2	1	2	4	9	18
-1.77	-0.88	-1.77	-4.21	-9.47	-18.95
0	3	1	1	0	5
0	-3.16	-0.88	-0.88	0	-5.26
8	8	9	17	53	95
-7.08	-7.08	-9.47	-17.89	(55.79_	-100
Chi-Square Value:24.099 ^a df-12, Asymp. Sig. (2-sided):.020					
3	0	1	5	7	16
-3.16	0	-0.88	-5.26	-7.37	-16.84
3	6	3	3	15	30
-3.16	-5.31	-3.16	-3.16	-15.79	-31.58
0	1	4	5	14	24
0	-0.88	-4.21	-5.26	-14.74	-25.26
0	1	0	3	15	19
0	-0.88	0	-3.16	-15.79	-20
2	0	1	1	2	6
-1.77	0	-0.88	-0.88	-1.77	-5.31
8	8	9	17	53	95
-7.08	-7.08	-9.47	-17.89	(55.79_	-100
Chi-Square Value:26.951 ^a ;df-16;Asymp. Sig. (2-sided):.042					
0	0	1	0	10	11
0	0	-0.88	0	-10.53	-9.73
0	1	2	2	8	13
-8.85	-0.88	-1.77	-1.77	-7.08	-13.68
2	2	4	5	10	23
-1.77	-1.77	-4.21	-5.26	-10.53	-24.21
1	4	0	1	1	7
-0.88	-4.21	0	-0.88	-0.88	-7.37
3	1	2	5	23	34
-3.16	-0.88	-1.77	-5.26	-24.21	-35.79
2	0	0	4	1	7
-1.77	0	0	-4.21	-0.88	-7.37
8	8	9	17	53	95
-7.08	-7.08	-9.47	-17.89	-55.79	-100
Chi-Square Value:48.741 ^a ;df-20;Asymp. Sig. (2-sided):.000					
1	4	5	6	24	40
-0.88	-4.21	-5.26	-5.31	-25.26	(
5	4	4	10	24	47
-5.26	-4.21	-4.21	-8.85	-25.26	-49.47
2	0	0	1	5	8
-1.77	0	0	-0.88	-5.26	-7.08
8	8	9	17	53	95
-7.08	-7.08	-9.47	-17.89	-55.79	-100
Chi-Square Value:7.532 ^a ;df-8;Asymp. Sig. (2-sided):.481					
2	3	0	5	1	11

-1.77	-3.16	0	-5.26	-0.88	-9.73
0	2	2	3	3	10
0	-1.77	-1.77	-3.16	-3.16	-8.85
1	3	6	3	17	30
-0.88	-3.16	-6.32	-3.16	-17.89	-31.58
5	0	1	6	32	44
-5.26	0	-0.88	-6.32	-33.68	-46.32
8	8	9	17	53	95
-7.08	-7.08	-9.47	-17.89	-55.79	-100
Chi-Square Value:36.356 ^a ;df-12;Asymp. Sig. (2-sided):.000					
0	1	0	2	5	8
0	-0.88	0	-1.77	-5.26	-7.08
1	2	4	3	14	24
-0.88	-1.77	-4.21	-3.16	-14.74	-25.26
3	1	2	4	20	30
-3.16	-0.88	-1.77	-4.21	-21.05	-31.58
2	1	3	3	5	14
-1.77	-0.88	-3.16	-3.16	-5.26	-14.74
2	3	0	5	9	19
-1.77	-3.16	0	-5.26	-9.47	-20
8	8	9	17	53	95
-7.08	-7.08	-9.47	-17.89	-55.79	-100
Chi-Square Value:14.310 ^a ;df-16;Asymp. Sig. (2-sided):.576					
4	0	1	2	11	18
-4.21	0	-0.88	-1.77	-9.73	0
1	3	4	3	14	25
-0.88	-3.16	-4.21	-3.16	-14.74	-26.32
0	0	2	1	10	13
0	0	-1.77	-0.88	-10.53	-13.68
3	5	2	11	18	39
-3.16	-5.26	-1.77	-9.73	-18.95	-41.05
8	8	9	17	53	95
-7.08	-7.08	-9.47	-17.89	-55.79	-100
Chi-Square Value:18.133 ^a ;df-12;Asymp. Sig. (2-sided):.112					

The above table shows the socio-economic classification of insured respondents with two life insurance policies. It is obvious that 54.87 per cent policy holders of LIC owned two endowment plans and followed by 19.47 per cent policy holders took one endowment and one money back policies. 18.58 per cent respondents owned two money back policies. A least percentage of (7.08) respondent preferred one endowment and one child plan. In case of customers of private sector life insurers 55.79 per cent respondents invested in one ULIP and one endowment plans and followed by 9.47 per cent invest in two money back plans. A least percentage of (7.00) preferred the combination of endowment and children's plan. It could be observed that 46.90 per cent male preferred both endowment plans. In case of female 18.58 per cent preferred one endowment and one money back plan. Majority (42.11 per cent) of the young generation customers of private sector life insurance companied between the age group 19-35 years preferred the combination of ULIP and endowment plans. A maximum of 7.08 per cent customers of LIC with PG & professional qualification preferred one endowment and one children plan. Among the customers of LIC, who are working in Government service a maximum of 19.47 per cent preferred one endowment and one money back policies. In case of private sector policy holders 10.53 per cent of both Government employees and people engaging in agricultural activities preferred the combination of one ULIP and one endowment plan. In order to study the relationship between the socio-economic variables and different combination of policies owned a chi-square test was employed. The results of the test show that all the socio-economic variables of the customers of LIC are highly significant with the different combinations of the life insurance policies. Among the customers of private sector, number of earning members in the family, income from secondary source and assets owned are insignificant with the type of policies owned. The rest of the variables gender, age, salary income, occupation, education, are having close relationship with the type of policies taken.

Decision Maker in the Family in Buying Life Insurance Policies:

Awareness / Personal factors		LIC				
		By myself	wife/Husband	Both	Parents	Total
Gender	Male	134 -25.52	31 -5.9	86 -16.38	42 -8	293 -55.81
	Female	115 -21.9	44 -8.38	63 -12	10 -1.9	232 -44.19
	Total	249 -47.43	75 -14.29	149 -28.38	52 -9.9	525 -100
Chi-Square 20.130 ^a ;df 3;Sig. .000						
Age	below 18	6 -1.14	1 -0.19	5 -0.95	3 -0.57	15 -2.86
	19- 35	81 -15.43	1 -0.19	41 -7.81	31 -5.9	154 -29.33
	36-50	130 -24.76	53 -10.1	102 -19.43	18 -3.43	303 -57.71
	above 50	32 -6.1	20 -3.81	1 -0.19	0 0	53 -10.1
	Total	249 -47.43	75 -14.29	149 -28.38	52 -9.9	525 -100
Chi-Square 91.701 ^a 9 .000						
Education	Illiterates	61 -11.62	10 -1.9	53 -10.1	20 -3.81	144 -27.43
	up to schooling	31 -5.9	31 -5.9	42 -8	32 -6.1	136 -25.9
	Degree level	40 -7.62	0 0	22 -4.19	0 0	62 -11.81
	PG & Professional	107 -20.38	34 -6.48	32 -6.1	0 0	173 -32.95
	Diploma	10 -1.9	0 0	0 0	0 0	10 -1.9
	Total	249 -47.43	75 -14.29	149 -28.38	52 -9.9	525 -100
Chi-Square 1.274E2 ^a 12 .000						
Occupation	Government employees	137 -26.1	44 -8.38	43 -8.19	0 0	224 -42.67
	business	20 -3.81	0 0	10 -1.9	10 -1.9	40 -7.62
	agriculture	21 -4	11 -2.1	0 0	11 -2.1	43 -8.19
	agriculture cooly	10 -1.9	20 -3.81	32 -6.1	10 -1.9	72 -13.71
	Employees of private sector	30 -5.71	0 0	21 -4	11 -2.1	62 -11.81
	non agriculture coolly	31 -5.9	0 0	43 -8.19	10 -1.9	84 -16
	Total	249 -47.43	75 -14.29	149 -28.38	52 -9.9	525 -100
Chi-Square 1.611E2 ^a 15 .000						
Earning members	1 members	116 -22.1	0 0	54 -10.29	32 -6.1	202 -38.48
	2 members	133 -25.33	75 -14.29	95 -18.1	10 -1.9	313 -59.62
	3 members	0 0	0 0	0 0	10 -1.9	10 -1.9
	Total	249 -47.43	75 -14.29	149 -28.38	52 -9.9	525 -100

Chi-Square 1.682E2 ^a 6 .000						
Income (per month)	below 72000	43 -8.19	11 -2.1	86 -16.38	33 -6.29	173 -32.95
	72000- 180000	100 -19.05	20 -3.81	31 -5.9	1 -0.19	152 -28.95
	180000 - 500000	52 -9.9	32 -6.1	11 -2.1	5 -0.95	100 -19.05
	above 500000	54 -10.29	12 -2.29	21 -4	13 -2.48	100 -19.05
	Total	249 -47.43	75 -14.29	149 -28.38	52 -9.9	525 -100
Chi-Square 1.357E2 ^a 9 .000						
Income secondary sources	below 72000	46 -8.76	9 -1.71	31 -5.9	30 -5.71	116 -22.1
	72000 - 180000	18 -3.43	0 0	0 0	0 0	18 -3.43
	180001 - 500000	9 -1.71	0 0	0 0	0 0	9 -1.71
	above 500000	14 -2.67	7 -1.33	5 -0.95	1 -0.19	27 -5.14
	Nil	162 -30.86	59 -11.24	113 -21.52	21 -4	355 -67.62
	Total	249 -47.43	75 -14.29	149 -28.38	52 -9.9	525 -100

PVT				
By myself	wife/Husband	Both	Parents	Total
91	29	13	16	149
-52	16.57)	-7.43	-9.14	-85.14
19	3	2	2	26
-10.86	-1.71	-1.14	-1.14	-14.86
110	32	15	18	175
-62.86	-18.29	-8.57	-10.29	-100
Chi-Square 1.495 ^a 3 .683				
5	4	1	1	11
-2.86	-2.29	-0.57	-0.57	-6.29
90	18	6	14	128
-51.43	-10.29	-3.43	-8	-73.14
7	10	8	2	27
-4	-5.71	-4.57	-1.14	-15.43
8	0	0	1	9
-4.57	0	0	-0.57	-5.14
110	32	15	18	175
-62.86	-18.29	-8.57	-10.29	-100
Chi-Square 35.830 ^a 9 .000				
19	7	1	2	29
-10.86	-4	-0.57	-1.14	-16.57
37	10	5	4	56
-21.14	-5.71	-2.86	-2.29	-32
34	7	1	8	50
-19.43	-4	-0.57	-4.57	-28.57
20	8	8	4	40
-11.43	-4.57	-4.57	-2.29	-22.86
110	32	15	18	175
-62.86	-18.29	-8.57	-10.29	-100
Chi-Square 14.465 ^a 9 .107				
17	1	1	3	22
-9.71	-0.57	-0.57	-1.71	-12.57

12	10	0	2	24
-6.86	-5.71	0	-1.14	-13.71
30	2	5	4	41
-17.14	-1.14	-2.86	-2.29	-23.43
10	0	1	3	14
-5.71	0	-0.57	-1.17	-8
32	17	8	4	61
-18.29	-9.71	-4.57	-2.29	-34.86
9	2	0	2	13
-5.14	-1.14	0	-1.14	-7.43
110	32	15	18	175
-62.86	-18.29	-8.57	-10.29	-100
Chi-Square 31.411 ^a 15 .008				
47	8	12	7	74
-26.86	-4.57	-6.86	-4	-42.29
51	18	2	10	81
-29.14	-10.29	-1.14	-5.71	-46.29
12	6	1	1	20
-6.86	-3.43	-0.57	-0.57	-11.43
110	32	15	18	175
-62.86	-18.29	-8.57	-10.29	-100
Chi-Square 14.268 ^a 6 .027				
12	2	0	5	19
-6.86	-1.14	0	-2.86	-10.86
14	2	1	0	17
-8	-1.14	-0.57	0	-9.71
28	15	13	4	60
-16	-8.57	-7.43	-2.29	-34.29
56	13	1	9	79
-32	-7.43	-0.57	-5.14	-45.14
110	32	15	18	175
-62.86	-18.29	-8.57	-10.29	-100
Chi-Square 33.034 ^a 9 .000				
6	3	1	1	11
-3.43	-1.71	-0.57	-0.57	-6.29
34	6	1	3	44
-19.43	-3.43	-0.57	-1.71	-25.14
33	19	1	8	61
-18.86	-10.86	-0.57	-4.57	-34.86
14	2	6	0	22
-8	-1.14	-3.43	0	-12.57
23	2	6	6	37
-13.14	-1.14	-3.43	-3.43	-21.14
110	32	15	18	175
-62.86	-18.29	-8.57	-10.29	-100

The above table shows the socio-economic classification of decision makers towards the purchase of life insurance policies in their family. It is observed that among the policy holders of LIC 47.43 per cent took the decision on buying life insurance policies by them. Followed by 14.29 per cent respondents opined that their wife take the decision on life insurance purchase. 28.38 per cent respondents decide in discussion with their life partner. Among the customers of private sector life insurance customers 62.86 per cent took decision on the purchase of policies by themselves.

Gender:

It is inferred that 25.52 per cent male and 21.90 per cent female policy holders decide to take life insurance policies by them. Among the private customers 8.57 per cent opined that the purchase decision on life insurance is taken by the both 1.71 per cent female respondents opined that their husband took the decision on the purchase of life insurance policies.

Age:

It is observed that 24.76 per cent respondents of 36-50 years age category took decision by them. 5.90 per cent respondents of the age category 19-35 years stated that their parents decide about the policy

purchase. Among the private customers 51.43 per cent of the age category 19-35 years took policy decision by themselves.

Education:

It is evident from the table that 10.10 per cent illiterate took decision on the purchase of life insurance in discussion with their life partner while 20.38 per cent of the respondents with PG and Professional qualification took decision by themselves.

Occupation:

It could be observed that 26.10 percent Government employees of LIC took the purchase decision by them. In case of agricultural coolies 6.10 per cent decides about the life insurance purchase in discussion with their life partner.

Earning Members in the Family:

It could be observed that 25.33 per cent of the respondents from double earning families decide the purchase of life insurance policies by themselves. Among the customers of private life insurance 29.14 per cent respondents of double earning families decides by themselves.

Salary Income:

It is inferred from the table that 19.05 per cent respondents with an annual salary income of 72,000 – 1,80,000 decides the life insurance purchases by themselves. In case of private sector customers 32 per cent respondents with above 5 lakh income took decision by themselves.

Conclusion:

This study aims to shed light on the decision-making process for life insurance products among rural families in Tamil Nadu, emphasizing the major influencers that guide these choices. It is concluded that local influencers, particularly insurance agents, family members, and community leaders, play a significant role in shaping rural households' decisions due to their trusted position in the community. Additionally, the study confirms that demographic factors such as income, family size, and occupation are directly impact the type of life insurance products chosen.

By understanding these dynamics, the findings from this research can assist insurance companies in tailoring their products and marketing strategies to better meet the specific needs of rural families. The insights can also help policymakers and financial institutions develop more effective financial literacy programs to empower rural communities in making informed insurance decisions, ultimately contributing to greater financial security across these regions.

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