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Study Of Unit Linked Insurance Plan (Ulip) At Pnb Met Life Insurance

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Abstract:

Basically, Finance represents the management of money and the process of acquiring funds which are needed. Finance also includes activities which are related to process of money management like investing, borrowing, lending, budgeting, and forecasting.

In the finance there are various types of financial services which are credit unions, banks, credit card companies , foreign exchange services, investment services, insurance services, etc. and Insurance is one of the services which has got huge importance.

Insurance is the arrangement which is made for any future uncertainty. Insurance has been divided in to two parts i.eLife Insurance sector& General Insurance sector. In Life Insurance Term Plan, Money Back, Children's Policy, Unit Linked (ULIP), etc. are their and in General insurance Health Insurance, Motor Insurance, Property Insurance and Fire Insurance.

Keywords: Life Insurance, ULIP, IRDA, General insurance Health Insurance, Motor Insurance

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1. INTRODUCTION

In India, insurance has a deep rooted history that shows pooling of resources that can be re-distributed in times of some calamities such as, fire, floods, epidemics.

Life Insurance is the security against any financial loss resulting from insured the Individual's life. In the real, Life Insurance gives you and your family protection from financial loss or provides financial security to deal with any future unforeseen events.

1.1. INTRODUCTION OF IRDA:

Insurance Regulatory and Development Authority (IRDA):

IRDA is the Apex Body of regulating the whole Insurance sector.

IRDA is having whole and sole rights for regulation of insurance sector.

Mission of IRDA

> "To secure the interest of policyholders, to run, support and ensure the continuous growth of the insurance sector and for matters connected with or incidental thereto."

Functions and Duties of IRDA

The IRDA Act, 1999 lays down the duties, powers and functions of IRDA.

- To Govern and register insurance companies
- Securing policyholders' interests
- Licensing and setting rules and regulations for insurance agencies.
- Supporting professional organizations in insurance
- Governing and overlooking premium rates and terms& conditions of non-life insurance covers
- Defining financial reporting rules of insurance companies
- To regulating investment plans of policyholders' funds by insurance companies
- Establishing the management of solvency margin by insurance companies
- Safeguarding insurance coverage in rural areas and of other unsafe sections of society

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2. Statement of the problem:

The Indian insurance market is rapidly growing in the era of competitive world where new challenges is taking place. And to deal with this challenges the insurance sector need to face with this challenges and problems. The insurance industry in India consists of 51 insurance companies of which 24 are in life insurance business and 27 are non-life insurance companies.

In the Life Insurance sector there are various traditional plans which provides saving, investment, and protection and some other benefits. And ULIP, Unit Linked Insurance Plan it is a mixture of life Insurance & Investment plan.

To compare the ULIP plans with other traditional plans and market share of all life insurance company in India is the purpose carried out on behalf of PNB METLIFE India Insurance Company Limited.

The competitive policy features and there benefits from different life insurance company is increasing challenges for financial benefits and stability for any life insurance company to increase their market share and profit however how PnbMetlife india insurance company limited is performing is main objective of the study.

As I have worked in PnbMetlifeI found that life insurance sector is rapidly growing with so many different policy features and apart from traditional plans, how ULIP is providing more benefits to the individuals which initiate me to do a project on this topic.

3. OBJECTIVES OF THE STUDY

The study is mainly focuses upon the following objectives:-

- To study the awareness level of customers towards Life Insurance.
- To understand the reasons for increasing trends on Unit Linked Insurance Policy (ULIP).
- To know how ULIP are differ from traditional plans.

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- Comparison of ULIP with other investment plans.

4. RESEARCH METHODOLOGY:

4.1 DEFINITION OF RESEARCH:

Research refers to- **"**A systemic method consisting of enunciating the problem, a hypothesis, collecting the facts, analyzing the facts and reaching the certain conclusion either in form of solution towards the concerned problem or for some theoretical formulation."

4.2 SOURCES & TYPES OF DATA COLLECTION

In this study both the primary data and secondary data are used. The primary data is collected by using questionnaire method and Secondary data are collected by using books, company manuals, company website, company magazines and informal talk with the companies officers and the other employees.

Here in this study Descriptive Research Design is being used.

4.3 SAMPLE

Here in this particular study Non-Probability Convenience sampling was used. Out of the total 100 population, 40 respondents were selected as sample size.

The questionnaires were distributed to the respondents in the selected sample.

5. LIMITATIONS OF THE STUDY

- Time Factor: The Time duration allotted for doing the project work was limiting factor.
- Technique Used: Here only the Percentage method has been used for the analysis of responses given by respondents.

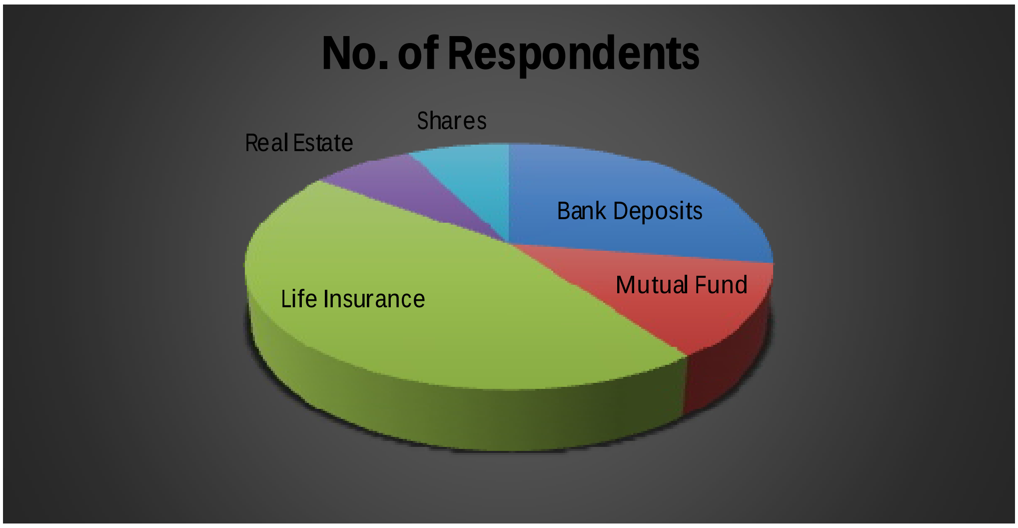
- Due to lack Of awareness about ULIP plan

6. DATA ANALYSIS AND INTERPRETATION

For the study on "Unit Linked Insurance Plan (ULIP) -With reference to PNB METLIFE India Insurance Co.Ltd, Deccan Pune", a survey has been conducted and data has been collected from 40 respondents.

Q1. Where do you make investments? (Tick any one option)

Sr. No	Investments	NO. OF RESPONDENTS	%
1	Bank Deposit	11	27.5
2	Real Estate	5	12.5
3	Shares	18	45
4	Mutual Funds	3	7.5
5	Life Insurance	3	7.5



INTERPRETATION:

Here we can see that most of the investors are invested in Life Insurance . Because they are more concern about their life security and expecting more returns.

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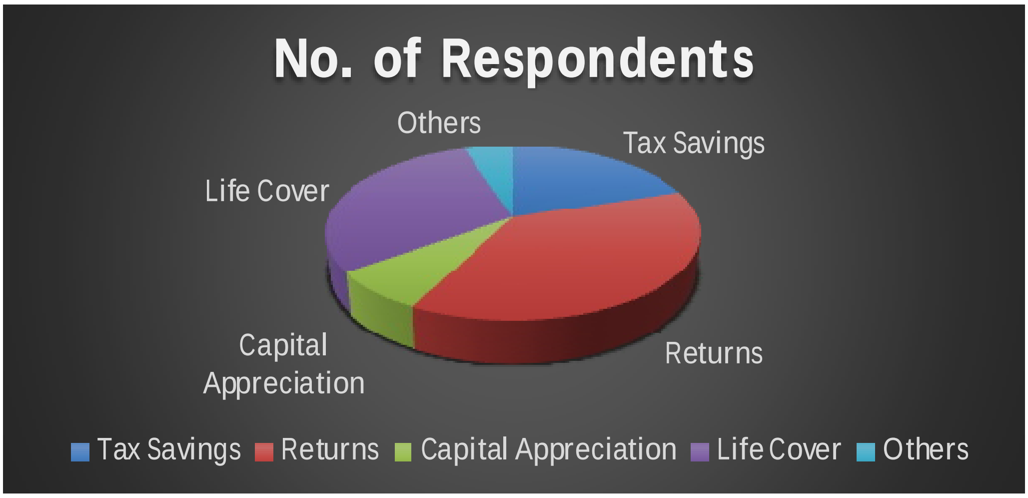
Q2. What are the reasons to make investment?(Tick any one option)

Particular	No. of Respondents	%
Tax Savings	8	20
Returns	15	37.5
Capital Appreciation	3	7.5
Life Cover	12	30
Others	2	5
Total	**40**	**100**



INTERPRETATION:
The reason of investors to make investments in various scheme is to get more returns and to secure life. And here we can see that most of the respondents are investing for getting life cover.

Q3. Have you ever invested in ULIP plans

Particular	No. of Respondents	%
Yes	40	100
No	0	0

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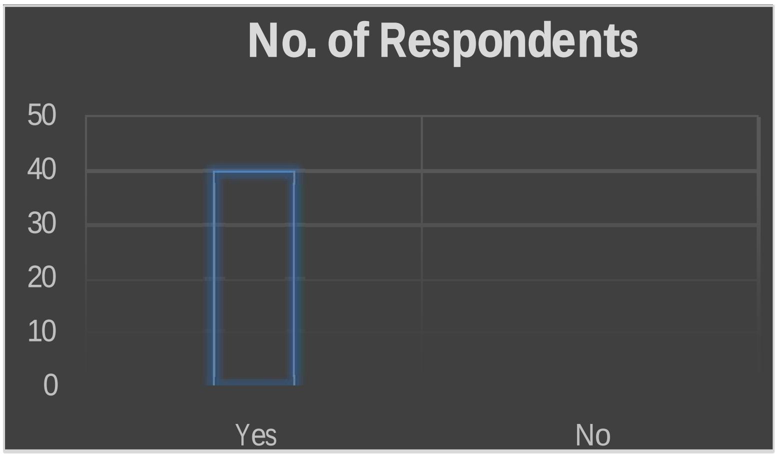
Total	**40**	**100**



INTERPRETATION :
Here from the above table we can see that all the respondents are interested to invested in ULIP plan.

Q4. What are the reasons invested in ULIP ?(Tick any one option)

Particular	No. of Respondents	%
Life Protection	7	17.5
Flexibility	8	20
Transparency	6	15
Tax Planning	9	22.5
Liquidity	0	0
Investment & Savings	10	25
Total	**40**	**100**

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INTERPRETATION :

There are various reasons to invest in ULIP, From that, most of the respondents are invested in ULIP for investment and savings purpose. That means they want more returns with the life cover.

Q5. How much returns you are expecting from ULIP?

Particular	No. of Respondents	%
15% - 25%	24	60
25% - 35%	0	0
35% - 45%	0	0
45% & above	0	0
No Response	16	40
Total	**40**	**100**

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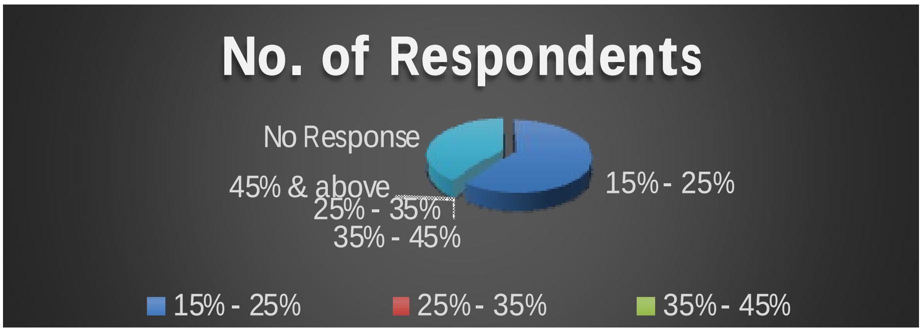

INTERPRETATION :

Investors are mostly interested in more returns and here they all are expecting returns between15% - 25% only.and we can see from the above tabular format all are having most common opinion

Q6. Do you think ULIP is a risky investment?

Particular	No. of Respondents	%
Very Risky	18	45
Less Risky	13	32.5
Safe	0	0
Very Safe	0	0
No Response	9	22.5
Total	**40**	**100**

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INTERPRETATION:

As the ULIP is very different plan. And Ulip is mostly suitable for active customers in the market so, most of the respondents are saying this is a very risky plan.

7. FINDINGS

- Here most of the investors are invested in Life Insurance . Because they are more concern about their life security and expecting more returns.
- The reason of investors to make investments in various scheme is to get more returns and to secure life.
- Here all the respondents are interested to invested in ULIP plan.
- There are various reasons to invest in ULIP, From that most of the respondents are invested in ULIP for investment and savings purpose.
- Investors are mostly interested in more returns and here they are expecting returns between15% - 25% only.
- As the ULIP is very different plan so most of the respondents are saying this is a very risky plan.

8. CONCLUSION

From the above analysis ULIP provides some special features which are not provided by other Traditional plan. They are :

- Flexibility :ULIP provides Investment option based on you risk profile. And in the other hand Traditional plans do not have any investment option your funds will be invested As per the plan.
- Transparency : under the ULIP plans an individual can track his own portfolio on daily basis, in Traditional plans investment premiums are fixed with the funds so no one can track his portfolio.
- Withdrawal option : ULIP provides withdrawal option from your funds, and in Traditional plans there are certain restrictions to withdraw from funds and if one wish to do same he will be liable for losses.
- Switching option : In ULIP, one can change his investment plan, as it is being offered by policy In Traditional Plans an individual is not allowed to change investment plan as per decided by insurance Company.

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9. SUGGESTIONS

- Respondents are mostly interested to invest in ULIP but they need a more analysis about ULIP and for that company will provide them a more awareness about ULIP.
- The Unit Linked Insurance policy is suitable for those who are active investors in the market and they want secure their life.
- The company need to focus more upon advertisement of all the plans.
- The company need to conduct market survey on regular basis so that it is easy to find out customer demands and changing needs.

10. REFERENCES :

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- www.google.com

