

**A STUDY ON POLICYHOLDERS AWARENESS ON CHILD INSURANCE PLAN**

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**Abstract**

Nothing is more important than securing your child's future. Being a parent it is natural to be concerned about child's future and fulfilling their dreams and aspirations. Child insurance is the fastest growing segment of the insurance company's portfolio. Children's plan offered by life insurers have emerged as an elegant technique to offer economic security to the children. The present study is intended to find out the policyholders awareness on child insurance plan and the variables associated with their level of awareness. The study discloses that majority of the policyholders are aware of insurance companies that offers child insurance plans. Simple percentage analysis, weighted average mean score, chi-square test are applied in analyzing the collected data. The finding of the study reveals that policyholders are aware of child insurance plan through agents.

**Key Words:** Child Insurance Plans-Child Insurance- Awareness on Child Insurance

**Introduction**

Child insurance is a combination of investment and insurance that facilitates financial planning for the child's future needs. There is no better gift than the promise of a secured future for a child which can be given through a best child insurance plan. Insurance providers offer a range of child insurance plans, each customized to the needs of individual parents which include market-linked insurance policies, traditional endowment-based policies, periodic payment plans and the plans that come with a lump-sum payment. It is important that the parent should carefully select the most appropriate plan keeping in mind the family and children's need. The motive of the child insurance policy is to afford child with the money which will help in his education or further goals. The child insurance policy offers a lump-sum payment on the demise of the policyholder, but the policy remains live not to be ended. All the further premiums are waived and the insurance company continues investing enduring money on behalf of the policyholder and the child gets money at specified intervals as planned under the policy.

**Review of Literature**

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

**Balaji.C.** (2016) "Customer Awareness and Satisfaction of Life Insurance Policyholders with reference to Mayiladuthurai Town" and found that there is a huge market for the insurance products in future in India and majority of the respondents are aware about life insurance policies and their major source of awareness is agents. **Dr. Hamam Singh** (2014) "An Empirical Study of Life Insurance Consumer's Behaviour in Uttar Pradesh" identified that the present customers have more idea about better products that suit their particular requirements. The new kind of agent advisors build a long lasting relationships with their clients and help them better to know the value of life insurance and sell customized solutions in a need-based manner. **Babita yadav** (2012) "A Study On Factors Affecting Customers' Investment Towards Life Insurance Policies" found that majority of the respondents preferred money back policies of LIC followed by endowment plans, unit limited plan of the private insurers. **Dr.L.Vijay & S.Tmailselvan** (2011) "Comparing Traditional Life Insurance Products In The

Indian Market: A Consumer Perspective” reveals that the PPF (Public Provident Fund) is likely to be a better savings option than buying endowment or whole life policies. **Ashok Khurana** (2011) “Children Insurance Plans: A Collative and Analytical Study” observed that children’s plan such as SMART Steps Plus of Max New York Life and Young Star Plus II of HDFC SL are worth considering to save for child’s better future.

### Statement of the Problem

Child insurance plan is a source of investment for a parent which he/she utilizes the matured amount for the well being of their child mainly at the time of their higher studies, marriage or even for investing in new business

(**Lina George, 2014**) observes that most of the policyholders were aware of insurance industry but most of the policyholders do not know about the importance of insurance and need of insurance products. Further, majority of the policyholders are aware of various life insurance companies and most of the respondents are also aware of the different life insurance products offered by both LIC and Private Insurance Companies. What is the policyholders’ level of awareness on child insurance plan and the various factors associated with it?

### Objectives

Following are the objectives of the study

- To identify the policyholders level of awareness on child insurance plan offered by life insurance companies.
- To determine the factors associated with the policyholders level of awareness on Child insurance plan

### Research Methodology

The present study is mainly based on primary data which is collected through issuing questionnaire. The questionnaire contains questions relating to socio-economic profile, sources of awareness and awareness on child insurance plan. The data required for the study have been collected by issuing questionnaires to 500 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) Simple Percentage (ii) Weighted Average Mean score and (iii) Chi-Square Test.

### Finding of the Study

The findings of the study are divided into three sections namely, socio-economic profile of the sample policyholders, their awareness on child insurance plan and the variables associated with their level of awareness.

#### I) Socio Economic Profile of Sample of Policyholders

The findings relating to sample child insurance policyholders socio-economic profile namely, gender, age, marital status, educational qualification, occupation, type of family, status in the family, number of members in the family, number of earning members in the family, number of non-earning members in the family, monthly income, family income, are presented below.

- Most of the 197 policyholders i.e. (39.40%) reside in semi-urban area.
- Majority i.e.259 (51.80%) policyholders are male.
- Majority of the policyholder’s 257 (51.40%) belongs to age group ranging between 36 to 45 Years

- Most of the policyholder's 142(28.40%) educational qualification is under graduation
- Majority of the policyholders 287(57.40%) are employed in private sector
- Majority of the policyholders 259(59.40%) type of family is nuclear
- Majority of the 297policyholders i.e. (59.40%) status in the family is member
- Majority of the policyholders 498 (99.60%) relationship with the child is parent
- Most of the policyholders 239(47.80%) have two earning members in their family
- Most of the policyholders 235(47.00%) have one non-earning members in their family
- Majority of the policyholders 291(58.20%) have up to three members in their family
- Most of the policyholders 247(49.40%) earnings per month is Rs10,001 to 25,000
- Most of the 188(37.60%) policyholders family income lies between Rs. 35,000 to Rs. 75,000

## II) Plan Details

The findings relating to child insurance policyholders type of children, period of awareness on insurance company, choice of insurance company, sources of awareness, period of plan chosen, premium amount paid, periodicity of premium paid sum assured, mode of premium payment, encourage for take child insurance are presented below.

- Most of the policyholders 222 (44.40%) have one daughter in the family
- Majority of the policyholders 313(62.60%) period of awareness about insurance company ranges between 10 to 20 Years
- Majority of the policyholders 305(61.00%) period of awareness on child insurance plan ranges between 6-10 years
- Most of the policyholders 165(33.00%) source of awareness is through agents
- Most of the policyholders 240(48.00%) have child insurance policy from Life Insurance Corporation of India
- Majority i.e., 406(81.20%) policyholders hold plan for above 15 years
- Majority of the policyholders 357(70.20%) child insurance policy assured sum is Rs.5 lakhs
- Majority of the 265(53.00%) policyholders pay premium of Rs. Up to 10,000
- Most of the policyholders 214(42.80%) pay annual premium
- Most of the policyholders 178(35.60%) pay premium through online
- Most of the 157(31.40%) policyholders are encouraged by agents to obtain child plan

## III) Policyholders Awareness on Child Insurance Plan

To find out the policyholder's awareness on child insurance plan the weighted average score has been employed.

### Awareness on the following Child Insurance Plan - Weighted Average Score

S.No.	Child Insurance Plan	Total	Weighted Average Score
1	Child Money Back	500 (100.00%)	4.02
2	Jeevan Tarun, Lakshya	500 (100.00%)	3.98
3	Single Premium Endowment	500 (100.00%)	3.96

4	HDFC Young Super Premium	500 (100.00%)	3.40
5	HDFC Young Star UDDAN Plan	500 (100.00%)	3.42
6	SBI Smart Champ	500 (100.00%)	3.57
7	SBI Smart Scholar Plan	500 (100.00%)	3.54
8	ICICI Pru Smart Life	500 (100.00%)	3.14
9	ICICI Pru Future Perfect Plan	500 (100.00%)	3.11
10	Future Genius Education Plan	500 (100.00%)	<b>2.72</b>
11	Max life Shiksha Plus Super	500 (100.00%)	3.09

Finally, the overall weighted mean score depicts that among the child insurance plans offered by insurance companies the policyholder's awareness is found high with 'child money back' i.e.(4.02) than the mean score value of 'Jeeven Tarun', 'Jeevan Lakshya' i.e.(3.98) single premium endowment (3.96), SBI smart champ (3.57) as follows .

#### IV) Selected Variables Considered to Determine the Policyholders Level of Awareness

##### – Chi- Square Test

In order to find out the association between the selected variables namely, area of residence, gender, age, marital status, education qualification, occupation, type of family, status in the family, size of the family, number of earning members, number of non-earning members, monthly income, family income per month, type of children, source of awareness on child insurance and policyholders level of awareness on child insurance plans, Chi-square test have been made use of. Levels of significance chosen are one and five per cent. The following hypothesis is formulated and tested

**Ho:** There is no association between the select variables and policyholders level of awareness on child insurance plan .

##### Association of Select Variables with Policyholders Level of Awareness -Chi-Square

Select Variables	D.F	Chi-Square Value	Table value		Result
			At 5%	At 1%	
Area of Residence	4	5.380	9.488	13.277	Not Significant
Gender	2	0.572	5.991	9.210	Not Significant
Age	4	2.135	9.488	13.277	Not Significant
Educational Qualification	10	2.687	18.307	23.209	Not Significant

Occupation	2	5.216	5.991	9.210	Not Significant
Type of Family	2	0.523	5.991	9.210	Not Significant
Status in the Family	2	2.816	5.991	9.210	Not Significant
Relationship with Child	2	0.553	5.991	9.210	Not Significant
Earning members in the Family	6	9.920	12.592	16.812	Not Significant
Non-Earning Members in the Family	6	13.524*	12.592	16.812	<b>Significant</b>
Size of the Family	4	2.146	9.488	13.277	Not Significant
Monthly Income	8	10.231	15.507	20.090	Not Significant
Monthly Income Per Month	6	6.280	12.592	16.812	Not Significant
Type of Children	8	16.937*	15.507	20.090	<b>Significant</b>
Source of Awareness	12	17.483	21.026	26.217	Not Significant

\* Significant at five per cent level

The above table shows that out of fifteen variables selected, two variables namely non-earning members in the family, type of children are found to be significant at five per cent level.

### Conclusion

In this context, the present study is under taken to analyse the policyholder's awareness level on child insurance plan in Coimbatore district. The study depicts that majority of policyholders are aware of child insurance plan. But silent remarkable percentages of policyholders are unaware concerning child insurance plan. The present study shows that among the fifteen variables, number of non-earning members in the family and type of children are the only two variables that have a significant association with policyholder's level of awareness on child insurance plan. It is concluded from the Weighted Average Mean Score ( 4.02) that the policyholders are highly aware on Child Money Back Policy, Jeevan Tarun, Jeevan Lakshya, and Single Premium Endowment policies.

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