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A Study on Customer Satisfaction towards Life Insurance Policies at Satna city

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Abstract: *Customer satisfaction plays a vital role in the success and sustainability of life insurance companies, particularly in a competitive and service-oriented market. The present study aims to examine the level of customer satisfaction towards life insurance policies in Satna city. The study is based on primary data collected through a structured questionnaire from 130 policyholders using convenience sampling. Percentage analysis has been employed to analyze factors such as policy awareness, premium affordability, service quality, claim settlement, and overall satisfaction. The findings reveal that while customers are generally satisfied with life insurance services, improvements are required in claim processing and customer support services. The study provides useful insights for insurers to enhance customer satisfaction and retention.*

Keywords: *Customer Satisfaction, Life Insurance, Policyholders, Service Quality, Satna City.*

1. INTRODUCTION

Life insurance is an essential financial instrument that provides financial security, risk coverage, and long-term savings. In India, the life insurance sector has witnessed rapid growth due to increased awareness, rising income levels, and regulatory reforms. However, customer satisfaction remains a critical challenge, as insurance services involve long-term relationships and trust. In a growing city like Satna, understanding customer satisfaction towards life insurance policies is important for insurers to improve service delivery and maintain competitiveness.

1.1 Statement of the Problem

Despite the increasing penetration of life insurance policies, many policyholders express dissatisfaction related to premium structure, claim settlement procedures, and customer service. Understanding customer satisfaction levels and identifying influencing factors is essential for insurance companies operating in Satna city.

2. Literature Review

2.1. Kumar, R., & Singh, P. (2021) The study examines customer satisfaction with life insurance services across urban and semi-urban areas in India. The findings indicate that service quality, transparency in policy terms, and claim settlement efficiency significantly influence customer satisfaction. The study highlights the importance of trust and long-term relationship management in the life insurance sector.

2.2. Sharma, A., & Verma, S. (2020)This study identifies key determinants of customer satisfaction, including premium affordability, agent behavior, and policy benefits. The results reveal that customer-centric services and timely communication enhance satisfaction levels. The study emphasizes the need for insurers to focus on post-sale services to retain customers.

2.3. Patel, M., & Desai, N. (2022) The research analyzes policyholder satisfaction with respect to different life insurance products. The study finds that clarity of policy features and claim settlement procedures play a critical role in shaping satisfaction. It also reports that dissatisfaction mainly arises due to delays in claims and lack of customer support.

2.4. Rao, S., & Kiran, V. (2023) This study explores the relationship between service quality dimensions and customer satisfaction in life insurance companies. The findings show a strong positive relationship between responsiveness, reliability, and customer satisfaction. The study suggests that improving service delivery processes can significantly enhance policyholder satisfaction.

2.5. Mehta, P., & Joshi, R. (2024) The study focuses on the link between customer satisfaction and retention in life insurance companies. The results indicate that satisfied customers are more likely to renew policies and recommend insurers to others. The study highlights claim settlement efficiency and customer service quality as major drivers of satisfaction and loyalty.

3. Objectives of the Study

To study the level of customer satisfaction towards life insurance policies in Satna city.
To analyze customer perceptions regarding premium, policy features, and services.

4. Research Methodology

4.1 Research Design
Descriptive research design has been adopted to analyze customer satisfaction towards life insurance policies.
4.2 Sources of Data
Primary Data: Collected through a structured questionnaire
Secondary Data: Journals, books, insurance reports, and websites
4.3 Sample Size
The sample size for the study is 130 respondents.
4.4 Sampling Technique
Convenience sampling method was used.
4.5 Tools for Analysis
Percentage analysis was used for interpretation of data.

5. Data Analysis and Interpretation (Percentage Analysis)

5.1 demographic profile of the respondent

Demographic Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	78	60
	Female	52	40
	Total	**130**	**100**
Age (Years)	Below 25	22	16.9
	25–35	46	35.4
	36–45	34	26.2
	Above 45	28	21.5
	Total	**130**	**100**
Marital Status	Married	84	64.6
	Unmarried	46	35.4
	Total	**130**	**100**
Educational Qualification	Up to Higher Secondary	24	18.5
	Graduate	62	47.7
	Post Graduate & Above	44	33.8
	Total	**130**	**100**
Occupation	Salaried	48	36.9
	Business	34	26.2
	Professional	22	16.9
	Others	26	20
	Total	**130**	**100**
Monthly Income (₹)	Below 20,000	28	21.5
	20,001 – 40,000	44	33.8
	40,001 – 60,000	36	27.7
	Above 60,000	22	16.9
	Total	**130**	**100**

Interpretation:

The demographic profile shows that the majority of respondents are male (60%) and belong to the 25–35 years age group (35.4%), indicating higher participation of young and middle-aged customers in life insurance. Most respondents are married (64.6%), highlighting the role of family responsibility in purchasing life insurance policies.
A large proportion of respondents are graduates and postgraduates (81.5%), suggesting a well-informed customer base. Salaried employees (36.9%) form the largest occupational group, followed by businesspersons. Income analysis reveals that most respondents fall in the middle-income category (₹20,001–₹60,000), which represents the key customer segment for life insurance

Table 1: Awareness of Life Insurance Policies

Response	Respondents	Percentage
Highly Aware	45	34.62
Aware	55	42.31
Neutral	20	15.38
Not Aware	10	7.69
Total	**130**	**100**

Interpretation:
A majority (76.93%) of respondents are aware or highly aware of life insurance policies, indicating good awareness among policyholders.

Table 2: Satisfaction with Premium Amount

Response	Respondents	Percentage
Very Satisfied	30	23.08
Satisfied	50	38.46
Neutral	25	19.23
Dissatisfied	15	11.54
Very Dissatisfied	10	7.69
Total	**130**	**100**

Interpretation:
About 61.54% of respondents are satisfied with the premium amount, while a small proportion expressed dissatisfaction.

Table 3: Satisfaction with Policy Benefits

Response	Respondents	Percentage
Very Satisfied	35	26.92
Satisfied	55	42.31
Neutral	20	15.38
Dissatisfied	15	11.54
Very Dissatisfied	5	3.85
Total	**130**	**100**

Interpretation:
A large proportion (69.23%) of respondents are satisfied with policy benefits.

Table 4: Satisfaction with Claim Settlement Process

Response	Respondents	Percentage
Very Satisfied	20	15.38
Satisfied	45	34.62
Neutral	35	26.92
Dissatisfied	20	15.38
Very Dissatisfied	10	7.7
Total	**130**	**100**

Interpretation:
Although a majority are satisfied, a noticeable proportion expressed neutrality or dissatisfaction, indicating scope for improvement.

Table 5: Overall Satisfaction with Life Insurance Policies

Response	Respondents	Percentage
Highly Satisfied	40	30.77
Satisfied	55	42.31
Neutral	20	15.38
Dissatisfied	10	7.69
Highly Dissatisfied	5	3.85
Total	**130**	**100**

Interpretation:
More than 73% of respondents are satisfied or highly satisfied with life insurance policies.

6. Major Findings of the Study

The study reveals that most respondents are well aware of life insurance policies and their benefits. A majority of policyholders are satisfied with premium affordability and policy features. Overall customer satisfaction levels are high; however, moderate satisfaction with the claim settlement process indicates delays and procedural complexity. Customer support services also require improvement to enhance customer experience.

7. Suggestions

Insurance companies should simplify claim settlement procedures and reduce processing time. Regular communication and personalized customer support should be strengthened. Insurers should also provide clear information regarding policy benefits and premium structures to improve transparency and trust.

8. Limitations of the Study

The study is limited to Satna city and may not represent other regions. Convenience sampling restricts the generalization of findings. The study is based on self-reported data, which may involve respondent bias.

9.Conclusion

The study concludes that customer satisfaction towards life insurance policies in Satna city is generally high. Factors such as policy awareness, premium affordability, and policy benefits significantly contribute to satisfaction. However, improvements in claim settlement and customer service are essential to enhance long-term customer loyalty. The findings provide valuable insights for life insurance companies to improve service quality and customer satisfaction.

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