

# MET Life India Insurance Company Evaluation

**A. Devarajappa.**

Asst. professor of Commerce, University College of Arts, Tumkur University, Tumkur.

## **Abstract**

The protection against potential danger is insurance. You can get insurance against something happening if you're worried about it. It's a kind of deception that's put to use in order to forestall more financial setbacks. This method is used to reduce or control the impact of potential negative outcomes. It's a way of handling one's money that allows them to profit from insurance policies in the case of certain occurrences. By investing in an insurance policy, a person is essentially purchasing a lifetime of happiness and fulfillment. Many different types of insurance providers, both public and commercial, are active in India. MetLife is one of the most prominent private insurance companies, which plays a significant role in the insurance industry overall. The purpose of this article is to investigate how the residents of the Tumkur District feel about MetLife Insurance. The research relies only on primary sources, including data acquired by questionnaire from 200 people across the Tumkur area. The results show that the majority of those surveyed had a positive impression of MetLife. More investigation reveals average liking but high knowledge of current policies.

**Keywords:** *Private Insurance, Risk coverage, Perception, Policies.*

## **I. Introduction**

"Insurance" is defined as "a contract between two parties wherein one party (the "insurer") agrees to pay the other party (the "insured") a certain quantity of money in the case of a specified occurrence (the "loss"). Protection against financial loss due to the occurrence of an unforeseen incident is what insurance is all about. Insurance firms take in money in exchange for providing this safety net. The Insurance Company acts as trustee over the policyholders' premium payments in the event of a claim. In a Life Policy, for instance, the insured's heirs are guaranteed a certain amount of money upon the insured's death in exchange for a premium payment to the insurer. Similarly, with auto insurance, the policyholder is compensated for the full amount of damage sustained by the vehicle in the case of an accident. It's a way to distribute the costs of disaster across a large group of people who are all vulnerable to the same threats. Since insurance firms may invest premium money from the moment they receive it until they need to utilize it to settle claims, they can also reap investment returns during this period. The float refers to this sum of capital. Even if an insurance company pays out all premiums and claims, it may still make a profit if its float investments are profitable. In reality, the vast majority of insurance providers spend more on claims than they take in via premiums. The cost of float is the additional sum that policyholders must be paid. If the insurance firm can invest the money at a higher rate of return than its cost of float, then it will earn a profit. The terms of an insurance policy or contract will specify the conditions under which benefits will be paid and the associated costs. Insurance is sought after because the financial protection against potential losses caused by risks and dangers it offers is invaluable. Getting your money back if you lose out because of anything unexpected occurring. By purchasing life insurance, one may rest easy knowing that their financial needs would be met in the event of their untimely demise. In addition, laws often mandate the purchase of certain types of insurance. One such law is the Motor Vehicles Act of 1988, which requires all drivers to carry proof of financial responsibility in the event of an accident. Another is the Environmental Protection Act, which requires all those who use or transport hazardous substances (as defined by the Act) to have current public liability insurance.

## **II. Background of MetLife**

**III.** Affiliated with MetLife, Inc., MetLife India Insurance Company Limited (MetLife) was founded in a partnership with The Jammu and Kashmvvvr Bank, M. Pallonji and Co. Private Limited, and other private investors. MetLife is one of the world's largest and most successful life insurance

**IV.** geographical region or nation. It works with banks to provide services in addition to operating its own offices, for a total of more than 600 points of contact with consumers. Across the nation, people may turn to MetLife's network of more than 50,000 Financial Advisors for assistance in securing their financial futures. More than 70 million consumers in the Americas, Asia-Pacific, and Europe are serviced by MetLife, Inc. and its subsidiaries. One of our affiliates is the largest life insurance provider in the United States, with over 140 years of expertise and partnerships with more than 90 of the top 100 FORTUNE 500® firms. The MetLife firms provide retirement and savings products and services to businesses and institutions in addition to individual insurance products including life insurance, annuities, car and house insurance, and retail banking. To mark its 140th year in business, insurance and financial services giant MetLife, Inc. has expanded its presence outside the United States into Latin America, Europe, and Asia Pacific. MetLife, Inc. is the biggest life insurer in the United States (based on life insurance in-force), and it serves more than 70 million consumers worldwide via its domestic and foreign subsidiaries and affiliates. The MetLife firms provide a variety of financial services to both people and businesses, including life insurance, annuities, car and home insurance, retail banking, and retirement and savings plans.

## **V. Review of Literature**

There are many studies dealing with the services quality, its applications and its contribution to the firms. There are listed here to show to what extent the various areas were explored in services quality and to improve the methods and techniques adopted for the study,

**Maire babri et al. (2007);** Studied customer preference of insurance services, In this study they examines that how constant changes in consumer services in an increasing competitive environment. In this study insurance is the best form of fortification against risk that has been formulated by man. Since its emergence, insurance has become unavoidable to every aspects of human life health discarded to building properties.

**Soureli (2004),** Questions whether “quality” is having as much impact in the financial services sector as the evidence of use of quality management techniques in the UK suggests. Explores the context within which “quality” is finding a place in financial services, and presents the findings of a postal questionnaire survey concerned with the extent of usage and the nature of the quality initiatives in the financial services sector.

**Kalotychoua and Sotiris ( 2007):** The study delves into the bank–insurance phenomenon in Greece. The paper explores the market-based practices surfacing through the bank–insurance interface and delineates the possible theoretical corporate structures. A review of the various financial ventures in the domestic market is provided aiming to unveil corporate patterns both in a cross-venture and time series framework. As a result of this survey, the existence of de jure limits versus de facto boundaries, as expanded by loopholes and avoidance activities, is established. The "traditional" subsidiary model is complemented by a number of multi-ventures as banks make inroads into the insurance business. The latter is associated with the presence of multinational firms and foreign direct investment in the region. The analysis is further extended by examining the drivers, motives and operational issues pertinent to these financial conglomerates.

**Kasturi Sengupta (2002):** With the advent of the Internet, online processes are replacing conventional models in our society. The greatest impact in online technology has been achieved by e-commerce. E-commerce is attractive both to buyers and sellers as it reduces search costs for buyers and inventory costs for sellers. In this paper we investigate the impact of e-commerce on the insurance industry in India. The recent growth of Internet infrastructure and introduction of economic reforms in the insurance sector have opened up the monopolistic Indian insurance

market to competition from foreign alliances. We study the evolving scenario in the insurance industry in India and identify the features of online insurance that improve the conventional insurance model and thus, make it more attractive for the Indian insurance industry to go online.

**Ajaya Mahal:** studied that Health Policy Challenges for India: Private Health Insurance and Lessons from the International Experience; Over the last few decades, the Indian population has experienced great advances in its health situation. For instance, life expectancy at birth increased from 50 years in 1970 to an estimated 62 years in 1995 and is possibly even greater now. Infant mortality rates have fallen as well, from 137 per 1,000 live births in 1970 to 69 per 1,000 live births in 1991 (World Bank 1995). These are substantial improvements, but much remains to be done, relative to some its neighbors as well in terms of reducing differences in performance across states and socioeconomic groups. For instance, China has done much better, with its life expectancy at birth hovering around 70 years, and India's neighbour, Sri Lanka, has a life expectancy of nearly 73 years (World Bank 1997). Both countries have much lower infant mortality rates as well, and in the case of Sri Lanka, less than one-quarter that of India. Again, Kerala has infant mortality rates below those in China, but states such as Madhya Pradesh, Orissa and Rajasthan have infant mortality rates of well over 100 per 1,000 live births in rural areas (**Dreze and Sen 1995; Mahal, Srivastava and Sanan 2000**). Similarly, in rural India, the infant mortality rates among the top two income quintiles are nearly 34 - 50 per cent lower than the rates reported for the bottom two quintiles.<sup>1</sup> Substantial differences in life expectancies at birth are present across states and socio-economic groupings (**Dreze and Sen 1995**). Another issue of concern is the growing prevalence of chronic illness in the Indian population, such as as obesity, heart disease, diabetes, hypertension and the like. This has partly to do with changing dietary habits, from coarse grain to energy rich diets of meat, milk products, and sugar. It has also to do with an urban population growing at an average annual rate of growth of 3.2 per cent and sedentary lifestyles often characteristic. Author's estimate based on NCAER survey data.

Above studies are all related to customer preference towards life insurance policy, health insurance policy and some are general research related to insurance sector, but no studies covers consumer perception towards a one particular insurance sector. Therefore the researcher would like know that consumer perception towards MetLife India insurance.

## VI. Objectives of the Study

The overall objective of this study is to know the perception of customers towards MetLife India Insurance. To attain this overall objective, the study aims at the following specific objectives,

1. To understand concept of Insurance, its importance and different insurance sectors in India.
2. To find out customer purpose of purchasing MetLife.
3. To examine the consumer perception towards MetLife India Insurance.

## VII. Research Methodology

**Data Collection:** This research is mostly descriptive in nature. Primary sources provide the backbone of the investigation. Primary data has been acquired via interviews and surveys with a wide range of individuals. Questionnaires were used to compile the data, which was then meticulously sorted and examined. The data is collected using a "convenience sampling method," which is not a probability sampling method. The research also made use of secondary sources. Information gathered from the company's website, scholarly papers, and other sources.

**Sample size:** Total 200 respondents taken for the study in Tumkur District.

**Tools and Techniques of data analysis:** The statistical analysis carried out in the study is being done using MS Excel software. The statistical techniques like mean, percentage etc, have been used for analysis.

## VIII. Data Analysis and Interpretation

Keeping in mind the objectives of the study, the surveys were being done and following interpretation were being

drawn.

		NOR	Percentage (%)
Gender	Male	178	89
	Female	22	11
Age	Below 20	18	9
	20-30	50	25
	30-40	74	37
	40-50	40	20
	Above 50	18	9
Qualification	UG	72	36
	PG	48	24
	Technical	64	32
	Others	16	8
Occupation	Private employees	60	30
	Govt. Employees	46	23
	Businessman	62	31
	Professionals	20	10
	Others	12	6
Reasons	Tax relief	50	25
	Savings	100	50
	Security	50	25
Inductor	Agents	122	61
	Friends	50	25
	Neighbors	8	4
	Relatives	20	10

**Table-1: Personal, Demographic and Rational profile of Respondents**
*Source: Primary data, Authors calculation.*

Respondents' individual, demographic, and rational characteristics are shown in Table-1. Eighty-nine percent of the sample of 200 responders are men; the vast majority are professionals with undergraduate degrees. Fifty percent of those who filled out the survey said they opted for this insurance because it was the best way to save money.

**Table-2: Consumer awareness regarding MetLife insurance**

<b>Awareness of MetLife</b>		<b>NOR</b>	<b>Percentage (%)</b>	<b>Cumulative (%)</b>
	Yes	152	76	76
<b>Motives for purchasing MetLife</b>	No	48	24	100
	Tax savings	100	52	52
	Risk Cover	56	28	80
	Regular Savings	36	18	98
	Others	8	2	100
<b>Preference for different Insurance sector</b>	MetLife	40	20	20
	HDFC Life	30	15	35
	LIC	95	49.75	84.75
	ICICI	5	0.25	85
	Others	30	15	100

*Source: Primary data, Author's calculation.*

From the Table-2, it can be seen that 76% percent of the respondents have known about MetLife and they have policy also and most of them have taken policy for gaining tax benefit. Majority of the people considering LIC than MetLife i.e. 49.75% of the respondents preferring LIC.

**Table-3: Satisfaction of Respondents towards MetLife**

<b>Criteria</b>	<b>NOR</b>	<b>Percentage (%)</b>	<b>Cumulative (%)</b>
Highly satisfied	36	18	18
Satisfied	70	35	53
Moderately satisfied	46	23	76
Dissatisfied	30	15	91
very dissatisfied	18	9	100

The table shows that out of 200 respondents 18 percent are highly satisfied, 35% are satisfied, 23% are average satisfied, 15% people are dissatisfied and 9% are highly dissatisfied.

## **IX. Findings and Suggestion**

1. Responds In Tumkur, people have solid MetLife knowledge and self-assurance. More investigation reveals average liking but high knowledge of current policies.

The two primary goals of buying policy are (2) minimizing tax liability and (3) maximizing savings.

3 Only 53% of survey takers are happy with the services they received from MetLife.

In Tumkur, LIC is the insurance company of choice for the vast majority of responders.

Here are some useful suggestions for MetLife India insurance sector which help them to running their business; First, the marketing tactics used by MetLife Insurance Company need to change.

To grow, it needs more outlets (branches) and salespeople (agents).

Third, it must provide attention to the client in the rural areas.

Advertising in print and other forms of media should be given more priority by Met Life India Insurance Company.

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