

Perception of the Services in Life Insurance Corporation of India among the Tea Plantation Workers in Valparai Taluk

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Abstract

The current document aims to explore the belief and hopes regarding the services provided by LIC within the tea plantations located in Coimbatore District, Tamil Nadu. Agricultural plantations typically require substantial labor involvement. In today's competitive landscape, it is crucial to extend life insurance coverage, especially to rural regions and to those who are socially and economically disadvantaged, to ensure all insurable individuals in the nation are reached. It is essential to promote and instill saving practices among the rural and underprivileged demographics to alleviate existing regional inequalities. The research found that the Life Insurance Corporation of India presents a variety of plans designed to address diverse requirements. However, workers in the tea plantations tend to select only one specific plan. Their earnings are quite low, and many lack awareness about the array of policies available from LIC due to insufficient education and information. Significant challenges they encounter include the lengthy terms and the high premium costs associated with the policies. Additionally, the concern about private insurance companies dominating the market has been exaggerated in certain regions. Similarly, policyholders are also drawn to various private insurance options such as ICICI Prudential, Bajaj Allianz, Birla Sun Life, among others. Therefore, it is essential for LIC to focus not only on the advantages for policyholders but also on capturing a share of the market in a competitive landscape by providing sufficient services to underprivileged communities and the most remote areas, like those in the plantation industry.

I. INTRODUCTION

Insurance is a crucial component of the financial services landscape and is acknowledged as a foundation of a nation's economic well-being and a marker of development. It ensures the monetary safety of individuals, provides essential investment guidance, and plays a vital role in achieving financial stability for both individuals and the nation. The insurance industry is one of the most significant sectors that have been expanding rapidly in India. It is mainly categorized into life insurance and non-life insurance, with a minor portion dedicated to re-insurance. The main factors influencing investments include national interests and the responsibility to provide reasonable returns to policyholders. The establishment of the Life Insurance Corporation of India revolutionized the Indian economy by introducing competitive marketing, resulting in significant alterations across the breadth of products and services. Currently, there are twenty-three participants in the Indian life insurance sector, among which the Life Insurance Corporation stands out as a prominent public enterprise, boasting the highest number of policies globally, tailored to meet varied financial needs of individuals with an expanding array of options and rising awareness regarding the available plans, there has been a steady uplift in the expectations of policyholders, who now seek enhanced quality of service. Consequently, a research study has been conducted focusing on the Expectations and Perceptions of services provided by the Life Insurance Corporation of India, **particularly** among the Tea Plantation Workers in Valparai Taluk **located in** Coimbatore District.

Objectives of the Study

1. To determine the understanding and consciousness regarding different policies among the tea plantation workers.
2. To investigate the challenges faced by among the tea plantation workers and provide approvals for enhancing the services of Life Insurance Corporation of India.

Methodology of the study

The area of focus, Valparai Taluk in Coimbatore District, is predominantly filled with tea and coffee farms. These farms require significant labor and offer year-round employment opportunities, particularly in rural and underdeveloped regions where other job options are limited. The tea sector in Tamil Nadu directly or indirectly supports 150,000 individuals. Most of the tea estates in Tamil Nadu are located in the Coonoor and Gudalur regions of the Nilgiris, in addition to the Valparai region of Coimbatore District. The Valparai area holds the highest density of tea farms in the Anamallai hills. Notable tea and coffee plantations in the vicinity of Valparai include Tamil Nadu Tea Plantation Corporation, The Bombay

Burma Trading Corporation, Parry Agro Limited, Jayashree Tea Industries, Periya Karamalai Tea Estate, and TATA Tea Estates India Limited. According to the 2011 census, the population of Valparai town is 70,771, with over 80 percent of inhabitants relying on the plantation industry for their income. The number of literate individuals in Valparai stands at 55,959. A purposive sampling strategy that involves multiple stages was utilized to choose the sample participants, with a focus on the area with the most extensive tea cultivation as the primary criterion. The Bombay Burma Trading Corporation Ltd, which spans 1,863 hectares of tea plantations and employs 5,000 workers, constitutes the first stage in this process. In the second stage, three estates—ThayMudi, GajaMudi, and ThoniMudi—were chosen. Ultimately, 75 tea plantation workers were randomly selected for the study. Data from these respondents were obtained through personal interviews using a pre-tested questionnaire. The interview schedule includes various sections addressing personal information, preferences regarding plans, and the challenges faced by the chosen tea plantation workers in accessing services from LIC. The collected data spans from December 2025 to March 2026. In order to identify the factors associated with sum assured in a proposed policy among selected tea plantation workers, regression analysis was done as analytical tool by using following equation.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + b_8X_8 + u$$

Findings and Discussion

The LIC offers a basket of schemes to meet the various needs of an individual. The type of plan chosen by selected respondents is presented in Table 1

Table 1
Type of Plan chosen by selected Respondents

Category	Number of Respondents	Percentage
Endowment plan	66	44.00
Jeevan Anand	56	37.00
Jeevan Saral	24	19.00
Total	150	100.00

Source: Primary Data

It can be seen from the table that the preference was greatest for the endowment plan, with 44.00 percent, compared to the Jeevan Anand plan at 37.00 percent and the Jeevan Saral plan at 19.00 percent. The choice of one of these three plans was influenced by insufficient knowledge regarding the different plans available. The study was also carried out to assess the preferred premium amount that policyholders under review were willing to pay for a chosen plan.

Table 2

Premium amount preferred to pay by the selected policy holders

Category (in Rs.)	Number of Respondents	Percentage
Below 500	138	92.00
501-750	06	04.00
751-1000	04	03.00
Above1001	02	01.00
Total	140	100.00

Source: Primary Data

The table presented indicates that nearly 92 percent of those surveyed contributed a premium of under Rs. 500. In contrast, the lower premium selected by the participants can largely be attributed to their reduced earning potential. The duration of the policy has been examined in relation to the total number of policyholders.

Table 3

Period of policy taken by the selected policy holders

Category (in Years)	Number of Respondents	Percentage
Below 10 years	114	76.00
11-15 year	24	16.00
16-20 year	12	08.00
Above 20 years	00	00.00
Total	150	100.00

Source: Primary Data

The table provided indicates that roughly 76 percent of those being examined have opted for a policy lasting fewer than 10 years, with 16 percent having chosen duration of 11 to 15 years. Additionally, at least 8 percent of these individuals have policies covering a timeframe of 16 to 20 years. The details regarding the sum assured for the respondents chosen are shown in Table 4.

Table 4

Sum Assured of Selected Policy Holders

Category (in Rs.)	Number of Respondents	Percentage
Below 50000	36	24.00
50001-200000	86	57.00
200001-400000	24	16.00
Above 400001	04	03.00
Total	150	100.00

Source: Primary Data

Table 4 shows that the total sum assured for the chosen policyholders was greatest within the range of Rs. 50001 to Rs. 200000, with approximately 24 percent of them reporting sums below Rs. 50000. The factors that may explain the greater percentage of policyholders favoring sums assured of under Rs. 2,00,000 primarily relate to elevated premiums and limited earning potential. The factors influencing the selection of specific plans by the chosen policyholders are summarized in Table 5.

Table 5
Reasons for Choosing a Particular Plan of the Selected Respondents

Category	Number of Respondents	Percentage
Life security	58	38.00
Savings and Investment	34	23.00
Children Education	36	24.00
Future requirement	22	15.00
Total	150	100.00

Source: Primary Data

The table presented indicates that the primary factor for selecting a plan was life protection, with children’s education, investments, and savings for future needs following closely. This suggests that a significant portion of workers acknowledged the importance of life security. Given that the majorities of plantation workers belong to disadvantaged communities and lack formal education. The challenges encountered by the chosen policyholder are illustrated in Table 6.

Table 6
Problems faced by the selected policy holders

Category	Number of Respondents	Percentage
High premium	40	26.60
Long duration	88	58.60
Insufficient Income	12	08.00
Other	10	07.00
Total	150	100.00

Source: Primary Data

The above table indicates that the long duration of the policy was most important problem faced by them followed by high premium, insufficient income and other problems like lack of communication, lack of awareness about the latest plan, long duration to reach the branch office etc.

Factors Responsible for Sum Assured of a Plan

The various regression models were employed to determine the elements influencing the sum assured. The amount of the sum assured was considered as the dependent variable, while eight socio-economic factors were used as independent variables. Prior to fitting the model, the multicollinearity among different independent factors was analyzed. The findings from the regression analysis reveal that variables including Education (X₃), monthly spending (X₆), amount of premium paid (X₇), and Total Loan Amount (X₉) were significantly impactful at a one percent probability level. The multiple correlation coefficient (or) was calculated to be 0.935, and the coefficient of multiple determination (R²) was found to be 0.875, indicating that 87.5 percent of the variation in the sum assured can be accounted for by the variables included in the model.

Table 7
Results of Regression Analysis

Particulars	Regression Coefficient	Standard error	“t value”
Intercept	-79661.965		
Age (X ₁)	739.110	475.824	1.553
Gender (X ₂)	18812.994	12402.074	1.517
Education (X ₃)	38251.318	13013.647	2.939*
Occupation (X ₄)	10966.729	13163.599	.833
Monthly Income (X ₅)	-8.985	7.203	-1.248
Monthly Expenditure (X ₆)	19.368	7.576	2.556*
Premium Amount (X ₇)	58.645	13.127	4.467*
Amount of Loan taken (X ₈)	24.897	3.386	7.354*

* Significant at 1 % Probability level

Suggestions

Lack of continuity and Lapse of policy among the policy holder are common in tea plantation. This should be avoided by encouraging them to continue. Duration of period of policy might be reduced to increase the number of policy holders. Frequent awareness programmes may be conducted on the part of LIC about the new plans. Premium amount might be reduced. Because, in plantation sector most of the workers are under privileged and they are earning meager income. Women focused plan should be increased by the LIC. Usage of National Electronic Fund Transfer (NEFT) services should be motivated to use by the way of frequent counseling and guidance. Separate mini office might be located in each Plantation to look after the needs of policy holders.

II. CONCLUSION

Life Insurance Corporation of India is significant in gathering financial resources from the populace. In today's competitive landscape, it is vital to expand life insurance coverage, particularly in rural regions and among socially and economically disadvantaged groups, to ensure that all individuals eligible for insurance in the nation are included. Encouraging savings and fostering financial habits among rural and less advantaged communities is essential in the current climate to address regional inequalities. The research indicated that the Life Insurance Corporation of India provides a range of plans to address diverse requirements. However, workers in tea plantations have opted for a specific policy. Their income is quite low, and they remain largely uninformed about the different plans available from LIC due to a lack of education and awareness. The main challenges they encounter include the long duration and the elevated premium costs of the policies. The competition from private insurance firms is perceived as a growing threat in certain regions. Similarly, policyholders are drawn to several private insurers such as ICICI Prudential, Bajaj Allianz, and Birla Sun Life, among others. Therefore, it is essential for LIC to focus not only on the advantages offered to policyholders but also on capturing a share of the market in a competitive landscape by providing sufficient services to underprivileged communities and the most remote areas, like the plantation industry.

III. REFERENCES

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