CUSTOMER'S PERCEPTIONS ABOUT LIFE INSURANCE SERVICE PROVIDER COMPANIES: AN EMPIRICAL EVIDENCE

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ABSTRACT
Insurance is the service industry; the main focus is on the efficient and effective delivery of services to the policyholders. The most important factors in the insurance industry are security of the amount insured and customer satisfaction. The best way of surviving and prospering in the competitive environment is through providing prompt, relevant and efficient customer services at measurable level. Hence, putting the importance of service quality of insurance sector in mind, in the present chapter an attempt has been made to compare the service quality of public and private life insurance companies.

KEYWORDS: Insurance, Life-insurance, Service Quality

1. INTRODUCTION
In today's highly competitive environment, virtually all corporate are forced to be most customer-oriented. It is generally agreed that the level of satisfaction of customer determines repetition of sales, through the word-of-mouth, recommendations, and customer loyalty. Superior quality of service has become a major differentiator in producing customer satisfaction. Successful quality management is recognized as the most powerful competitive weapon that many leading service organizations possess. Quality of services and satisfaction of customers are thus the two important tools of contemporary theory of marketing and practice in service industries. Insurance is the service industry; the main focus is on the efficient and effective delivery of services to the policyholders. The most important factors in the insurance industry are security of the amount insured and customer satisfaction. The best way of surviving and prospering in the competitive environment is through providing prompt, relevant and efficient customer services at measurable level. Hence, putting the importance of service quality of insurance sector in mind, in the present chapter an attempt has been made to compare the service quality of public and private life insurance companies.

2. LIFE INSURANCE
Life insurance is a contract between the policy owner and the insurer. The insurer (life insurance Company) agrees to pay a sum of money (death benefit) to a beneficiary when the insured dies or has a terminal or critical illness. The policy owner agrees to pay a premium, (stipulated amount) at regular intervals or in lump sums. The policy owner does not have to be the insured. Purpose of Life Insurance is to conserve and protect human life value. Human Life Value is the value of a person's future earnings. That individual's or family's economic existence can be subject to loss through death, retirement, disability, or poor health. Beneficiaries are chosen by the policyholder; the beneficiary receives the death benefit. There may be more than one beneficiary. There must be an insurable interest between the insured and the beneficiary. Individuals, businesses, trusts, estates, and charities can all be beneficiaries. The policy owner has the right to change the beneficiary at any time for as many times as desired (www.scribd.com, 2015).Life insurance provides protection to a household against the risk of premature death of its income earning member. In traditional societies such as India, the joint family system itself provided an insurance umbrella and

succor to surviving family members. In modern times such arrangements are now increasingly made through the market mechanism by 'buying insurance'. Life insurance in modern times also provides protection against other life related risks, such as risk of longevity, risk of outliving other sources of income and risk of diseases and sickness (health insurance). The products that provide for longevity are pensions and annuities and are described in later sections (Ranade & Ahuja, 1999).

3. REVIEW OF LITERATURE
The review of literature throws lights on the studies conducted by different scholars in the field of insurance. It provides an insight to get knowledge of research gap. Hence, the review of literature having direct bearing with the problem in hand is of utmost importance.

Sadhak (2006) observed life insurance provides support to the capital market and savings data pertaining to Indian life insurance and macroeconomic variables broadly indicate a close relationship and interdependence between macroeconomic variables and life insurance demand.**Vijayalakshmi and Keerthi (2007)** said that in today's liberalized environment, insurance companies operate in a market place that is extremely competitive. The degree of competition among the private and public insurance companies has been increasing in the present years. If insurance companies (LIC) focuses on the efficient and effective delivery of services to the policyholders it would enhance its corporate goal of increasing insurance coverage, more profit and increment in market value and share. **Siddiqui (2009)** has attempted to throw light on status of life insurance industry in India and various economic indicators related to all life insurance companies operating in India. He concluded that life insurance sector in India has enlarged by more than twice after the formation of IRDA.**Bala, Sandhu and Nagpal (2011)** in their study "Measuring Life Insurance Service Quality: An Empirical Assessment of SERVQUAL Instrument" concluded that SERVQUAL instrument is not applicable to the Indian life insurance sector; therefore, further research is imperative to understand and improve life insurance service quality in India. **Bala and Sandhu (2011)** in the study "Customers' Perception towards Service Quality of Life Insurance Corporation of India: A Factor Analytic Approach" found that seven factors play a vital role in influencing the perception of customers toward service quality of Life Insurance Corporation of India. Proficiency is the key factor having impact on customer's perception towards life insurance service quality.**Madan (2012)** in his study "Comparison of Customers Perception with regard to Service Quality in Public and Private Insurance Companies using SERVQUAL" concluded that government of India has opened the insurance sector for private sector so the competition has increased and the companies want to differentiate themselves from the competitors and stay ahead in the race.**Newar (2013)** concluded that the overall growth in the insurance industry has been positive. Global players have exhibited an interest in the huge market that India offers. There is a vast potential for the insurance sector to grow. Many international studies have estimated that the insurance industry in India can grow by over 125 per cent in the next ten years.**Rao (2015)** found that life insurance expanded tremendously from 2000 onwards in terms of new business policies and premium business. The major drivers include sound economic fundamentals, a rising middle-income class, an improving regulatory frame work, and rising risk awareness.

After reviewing the existing body of literature, it can be said that no doubt there exist a good deal of studies in the area of insurance. But the studies pertaining to the state of Himachal Pradesh is lacking. Hence, to fillup this gap the present study was conducted. The present paper is part of this study concentrating the evaluation of service quality of public and private insurance companies in Himachal Pradesh.

4. OBJECTIVES AND METHODOLOGY

The main objective of the paper is to evaluate the service quality of life insurance companies in the state of Himachal Pradesh of India. The study is based on primary data collected through the interview schedule administered to sample respondents. For this, a sample of 500 respondents (250 customers of public and 250 customers of Private insurance companies) have been selected.

5. TOOLS AND TECHNIQUES

The statistical methods applied in the present research work proved to be indispensable tools for collecting, organizing, analyzing and interpreting data, expressed in the numerical term. The following statistical methods have been used in this work:

5.i. Measurement of Central Tendency or Arithmetic Mean

It has been calculated by applying the following formula:

Formula: $\overline{X} = \frac{\Sigma f X}{\Sigma f}$

Here, $\overline{X}$ = Arithmetic mean; f = Frequency distribution on 3-point scale.
       x = Variable values.

5.ii.   Standard Deviation

The standard deviation is extremely useful in judging the representativeness of the mean.

Formula: $\sigma = \sqrt{\frac{\Sigma x^2}{N}}$

σ = Standard Deviation;
$x = X - \overline{X}$;
N = Total number of observations.

5.iii.   Chi-square Test

This test has been applied to study whether significant differences exist in the distribution of opinion of respondents for the different statements.

Formula: $\chi^2 = \Sigma \frac{(O - E)^2}{E}$

Where, χ^2 = Chi-square; O = Observed frequencies;
E = Expected frequencies

The calculated value of chi-square has been compared with the table value at the desired level of significance with the maximum cut-off point being 5 per cent. The difference in the distribution of opinion on the 5-point scale has been treated as significant if the calculated value of chi-square is greater than the relevant table value at a 5 per cent level of significance.

6. RESULTS AND DISCUSSION

Here attempt has been made to compare the public and private sector life insurance companies. For comparing public and private life insurance companies, the opinion of the sample respondents has been obtained on different statements. The analyses of obtained opinion from the respondents have been analyzed under different headings as follows:

6.i.   RETURN ON INVESTMENT

In case of life insurance people expect fair return on their investment. With regard to return on investment, respondents' opinions have been obtained from the sample respondents on the statement, "Return on investment in private Life insurance company is less than the Public Life insurance company". In relation to this statement, collected data have been analyzed in Table 1.

Table 1: Opinion of the Respondents on the Statement that 'Return on investment in Private Company is less than the Public Company'

Respondents	SD	D	U	A	SA	Total	$\bar{X}$	σ
Male	2 (0.78)	48 (18.82)	84 (32.94)	77 (30.20)	44 (17.26`)	255 (100.00)	3.443	1.010
Female	0 (0.00)	13 (5.31)	47 (19.18)	97 (39.59)	88 (35.92)	245 (100.00)	4.061	0.873
Total	2 (0.40)	61 (12.20)	131 (26.20)	174 (34.80)	132 (26.40)	500 (100.00)	3.746	0.994
χ^2 = 49.318								

Source:*Primary Probe.*
**Note*:*
i) For χ^2 test df = 4; p<0.05; Table value = 9.49.
ii) Figures in parentheses represent percentage
iii) SA=Strongly Agee; A=Agree; U=Undecided; D=Disagree; SD=Strongly Disagree

Figures in the Table show that out of total respondents, 34.80 per cent of the respondents were 'agree' and 26.40 per cent of the respondents were 'strongly agree' with the statement that 'return on investment in private company is less than the public company' whereas 26.20 per cent of the respondents did not express their opinion on the statement that 'return on investment in private company is less than the public company'. Statistical analysis reveals that in respect of return on investment in both the sector mean score is 3.746 which is higher than the average score of 3 at 5 scale point which pinpoint that concentration of respondent's opinion is towards higher side of the mean. Hence, analysis reveal that responses of the respondents fall between two choices that they are either 'agree' or 'undecided' on the above parameter. The value of σ is noted at 0.994 which shows that how far the data concentrated around mean.While applying χ^2 test it is reflected from the Table that the calculated value of χ^2 (49.318) is more than the table value at 5 per cent level of significance, which rejects the null hypothesis that there is no significance difference in the return on investment of both the sector. Hence, on the basis of opinion of the respondents it can be concluded that return on investment in private and public sector companies differ significantly.

6.ii. Reliability of the Company
Reliability is one of the most important factors to judge a company. A company can be equated as reliable which consistently performs well and people have trust in that company. To evaluate the reliability of private and public company the opinion of the respondents has been collected on the statement, "Public Life Insurance Company is more reliable than the Private Life Insurance Company". The collected data have been analyzed in Table. 2.

Table 2: Opinion of the Respondents on the Statement that Public Company (LIC) is more Reliable than the Private Life Insurance Company

Respondents	SD	D	U	A	SA	Total	$\bar{X}$	σ
Male	2 (0.78)	24 (9.41)	26 (10.20)	103 (40.39)	100 (39.22)	255 (100.00)	4.078	0.969
Female	0 (0.00)	9 (3.67)	21 (8.57)	76 (31.02)	139 (56.74)	245 (100.00)	4.408	0.797
Total	2 (0.40)	33 (6.60)	47 (9.40)	179 (35.80)	239 (47.80)	500 (100.00)	4.240	0.903
χ^2 = 19.595								

Source:*Primary Probe.*

Note*:*
i) For χ^2 test df = 4; p<0.05; Table value = 9.49.
ii) Figures in parentheses represent percentage.
iii) SA=Strongly Agee; A=Agree; U=Undecided; D=Disagree; SD=Strongly Disagree

Data in Table 2 depict that out of total respondents, 39.22 per cent of the male respondents, 56.73 per cent of the female respondents and 47.80 per cent in overall were 'strongly agree' on the statement that 'Public Sector Company is more reliable than the Private Sector Companies' whereas 40.39 per cent of the male respondents, 31.02 per cent of the female respondents and 35.80 per cent in overall were 'agree' on this statement. Hence on the basis of above analysis it can be said that majority of the respondents were of the opinion that public company is more reliable than the private company. Statistical analysis reveals that mean score of the respondent's views is 4.240 which is more than the average score that is 3 at 5-point scale. The results indicate that the concentration of respondent's opinion is towards higher side of the mean. It shows that majority of the respondent's views lies between strongly agree and agree. This signifies that most of the respondents felt that public sector insurance company is more reliable than the private sector. The value of σ is noted at 0.903. It shows the concentration of data around mean.Analysis of χ^2 test shows that the calculated value of χ^2 (19.595) is more than the table value at 5 per cent level of significance, which reject the null hypothesis that public company is not more reliable than the private company. Hence on the basis of above analysis can be concluded that majority of the respondents felt that public life insurance is more reliable than the private life insurance company.

6.iii. SERVICES PROVIDED
As discussed earlier that Today market is a more customer oriented. In this sense all the business operations revolve around satisfying the customer by meeting their needs through effective services. Hence, to know which company has the better services, the opinions of the respondents have been taken on the statement, "Services provided by the Public Life Insurance Company is better than the Private Life Insurance Company". The collected information has been shown in Table3.

Table 3: Opinion of the Respondents on the Statement that 'Service Provided by the Public Company (LIC) is better than the Private Company'

Respondents	SD	D	U	A	SA	Total	$\bar{X}$	σ
Male	2 (0.78)	34 (13.33)	79 (30.98)	89 (34.91)	51 (20.00)	255 (100.00)	3.600	0.979
Female	0 (0.00)	2 (0.82)	70 (28.57)	98 (40.00)	75 (30.61)	245 (100.00)	4.004	0.792
Total	2 (0.40)	36 (7.20)	149 (29.80)	187 (37.40)	126 (25.20)	500 (100.00)	3.798	0.914
χ^2 = 35.807								

Source:*Primary Probe.*
Note*:*
i) For χ^2 test df = 4; p<0.05; Table value = 9.49.
ii) Figures in parentheses represent percentage.
iii) SA=Strongly Agee; A=Agree; U=Undecided; D=Disagree; SD=Strongly Disagree

The statistical analysis shows that the mean score of the responses of the respondent is 3.798 which indicate that concentration of respondent's opinion is towards higher side of the mean. It leads to the conclusion that majority of the respondent's views are fall between two choices

that is 'agree' and 'undecided' but close to agree. The calculated value of σ is 0.914. It shows the deviation between sample data and their mean.While applying χ^2 test to table 5.22, it is noticed that obtained calculated value of chi-square is 35.807 which is more than the table value at 5 per cent level of significance. The null hypothesis is hence rejected leading to the conclusion that there is significant difference in the service provided by the public and private sector life insurance companies. Hence according sample respondents, it can be said that services provided by the public sector life insurance company are better than the private sector life insurance company.

6.iv. Claim Settlement

Claim management is the vital area of the life insurance business. Life insurance business in India is flourishing fast. However, the success of the life insurance companies is largely depending upon claim management. In relation to claim settlement, the opinion of respondents has been collected on the statement that 'Claim settlement of the Public Life Insurance Company is better than the Private Life Insurance Company', and the collected opinion have been presented in Table4.

Table 4: Opinion of the Respondents on the Statement that 'Claim settlement of the Public Life Insurance Company is better than the Private Life Insurance' Company'

Respondents	SD	D	U	A	SA	Total	$\bar{X}$	σ
Male	0 (0.00)	48 (18.82)	56 (21.96)	111 (43.53)	40 (15.69)	255 (100.00)	3.561	0.970
Female	11 (4.49)	19 (7.76)	28 (11.43)	121 (49.39)	66 (26.94)	245 (100.00)	3.865	1.041
Total	11 (2.20)	67 (13.40)	84 (16.80)	232 (46.40)	106 (21.20)	500 (100.00)	3.710	1.016
χ^2 = 39.510								

Source:*Primary Probe.*
Note*:*
i) For χ^2 test df = 4; p<0.05; Table value = 9.49.
ii) Figures in parentheses represent percentage.
iii) SA=Strongly Agee; A=Agree; U=Undecided; D=Disagree; SD=Strongly Disagree

Figure in Table 5.4 show that out of total respondents, 21.20 per cent were 'strongly agree' on the statement that claim settlement of public sector life insurance company is better than the private sector life insurance company, while 46.40 per cent expressed their view as they were 'agree' with the statement that 'claim settlement in public sector company is better than the private sector companies'. Statistical analysis reveals that in respect of claim settlement of both the sector mean score is 3.710 which is higher than the average score of 3 at 5 scale point. It shows that opinion of the respondents falls between two choices that are either 'agree' or 'undecided' and concentration of respondent's opinion is towards higher side of the mean. The value of σ (1.106) shows the concentration of data around mean.On the application of χ^2 test on the data it was found calculated value of χ^2 (39.510) is more than the table value at 5 per cent level of significance, which indicates that there is significance difference in the claim settlement of both the sector and hence it rejects the null hypothesis.

6.v. ATTRACTIVENESS OF POLICIES

The success of any business entity depends on how it attracts the customer to use their services or buy their products. The customer's attraction towards the services and goods of a

company depends on regular improvement and the provision of customer friendly services and goods. To know the opinion of the sample respondents which company is more attractive in their functioning and the provision of services, data have been collected on the statement, "Policies of Public Life Insurance Company are more attractive than Private Life Insurance Company". The collected data have been presented in Table 5.

Table 5: Opinion of the Respondents on the Statement that Policies of Public Life Insurance Company are more Attractive than Private Life Insurance Company

Respondents	SD	D	U	A	SA	Total	$\bar{X}$	σ
Male	2 (0.78)	35 (13.73)	54 (21.18)	132 (51.76)	32 (12.55)	255 (100.00)	3.616	0.901
Female	4 (1.63)	12 (4.90)	45 (18.37)	100 (40.82)	84 (34.28)	245 (100.00)	4.012	0.934
Total	6 (1.20)	47 (9.40)	99 (19.80)	232 (46.40)	116 (23.20)	500 (100.00)	3.810	0.938
$\chi^2 = 40.280$								

Source:*Primary Probe.*

Note*:*
i) For χ^2 test df = 4; p<0.05; Table value = 9.49.
ii) Figures in parentheses represent percentage.
iii) SA=Strongly Agee; A=Agree; U=Undecided; D=Disagree; SD=Strongly Disagree

Data in Table 5 depict that out of total respondents, in overall, majority of the respondents (46.40 per cent) were 'agree' on the statement that 'Policies of Public Life Insurance Company are more attractive than Private Life Insurance Company' followed by 23.20 per cent of the respondent who were 'strongly agree' with this statement. However, 19.80 per cent of the respondent remained 'undecided' on that particular issue whereas some of the respondents were 'disagree' and 'strongly disagree' on the statement that 'Policies of Public Life Insurance Company are more attractive than Private Life Insurance Company' but there percentage was very low.Statistical analysis reveals that mean score of the respondent's views is 3.810 which indicates that the concentration of respondent's opinion is towards higher side of the mean. It means that majority of the respondents felt that Policies of Public Life Insurance Company are more attractive than Private Life Insurance Company. The variation in the data and mean is noted at 0.938 indicating that a majority of data points are positioned extremely close to the Mean.χ^2 Test reflects that the calculated value of χ^2 (40.280) is more than the table value at 5 per cent level of significance, which rejects the null hypothesis, it notifies that there is a significant difference in the policies of both the sector. Hence, in the respondents' view policies of private companies were less attractive than the public company.

6.vi. MISLEADS THE INVESTORS
It has been seen that many companies either hide or give wrong information to the prospective customers to sell their product or services. Hence opinions of the respondents on the statement that 'Private Life Insurance Companies Misleads the Customers' have been collected and analyzed in Table 6.

Table 6: Opinion of the Respondents on the Statement that 'Private life insurance Companies Mislead the Investors'

Respondents	SD	D	U	A	SA	Total	$\bar{X}$	σ
Male	2 (0.78)	27 (10.59)	74 (29.02)	117 (45.88)	35 (13.73)	255 (100.00)	3.612	0.880
Female	7 (2.85)	35 (14.29)	60 (24.49)	81 (33.06)	62 (25.31)	245 (100.00)	3.637	1.095
Total	9 (1.80)	62 (12.40)	134 (26.80)	198 (39.60)	97 (19.40)	500 (100.00)	3.624	0.990
$\chi^2 = 19.141$								

Source:*Primary Probe.*
Note*:*
i) For χ^2 test df = 4; p<0.05; Table value = 9.49.
ii) Figures in parentheses represent percentage.
iii) SA=Strongly Agee; A=Agree; U=Undecided; D=Disagree; SD=Strongly Disagree

Table 6 reveals that Out of the total respondents, 19.40 per cent were 'strongly agree' and 39.60 per cent were 'agree', whereas 26.80 per cent respondents did not give their opinion on the statement that private life insurance companies mislead the customers. However, 12.40 per cent of the respondents were 'disagree' and only 1.80 per cent of respondents were found 'strongly disagree' on this particular statement. Mean score of the respondent's views is 3.624 which is more than the average score that is 3 at 5-point scale. The analysis reveals that the shift of respondent's opinion is seen towards higher side of the mean. Hence it can be said that no doubt majority of the respondent's views lies between 'agree' and 'undecided' but close to "agree". In other words, majority of the respondents felt that private companies followed such practices while dealing with customers. The calculated value of σ is 0.990. It shows the concentration of data around mean.The calculated value of χ2 is noted at 19.141 which is greater than the table value at 5 per cent level of significance. The null hypothesis that private companies do not mislead the customer is hence rejected. It leads to the conclusion that in opinion of the respondents' private companies mislead the investors.

6.vii.   SCOPE OR AREA OF FUNCTIONING
In view of various kinds of risks to human life, life insurance is the need of the day. The services of life insurance should be given without any discrimination on the basis of region, locality, area and community. Hence, it is important to know the scope or area of functioning of life insurance companies. In this regard, opinion of the sample respondents has collected on the statement that "Scope of Public Life Insurance Company in relation to area (Rural and Urban) is wider than Private Life Insurance Companies". The collected data have been enumerated in Table 7.

Out of the total respondents, majority of respondents (45.60) per cent were 'strongly agreed' and 40.20 per cent were 'agreed', whereas 10.80 per cent respondents remained quite on the statement that scope of public company related to area is better than the private companies. However, 3.00 per cent respondents from total were 'disagreed' and only 0.40 per cent of respondents were found 'strongly disagree' on this statement. Calculated value of mean score of the distribution is 4.276 that is more than the average score that is 3 at 5-point scale. Above statistical analysis revealed that majority of the respondent's views lies between two choices i.e. 'agree' and 'strongly agree', leading to conclusion that majority of the

respondents felt that scope of public companies in rural as well as urban area is better than private companies.

Table 7: Opinion of the Respondents on the Statement that 'Scope of Public Company (LIC) related to Area (rural and urban) is better than Private Company'

Respondents	SD	D	U	A	SA	Total	$\overline{X}$	σ
Male	2 (0.78)	6 (2.35)	11 (4.32)	102 (40.00)	134 (52.55)	255 (100.00)	4.412	0.752
Female	0 (0.00)	9 (3.67)	43 (17.55)	99 (40.41)	94 (38.37)	245 (100.00)	4.135	0.831
Total	2 (0.40)	15 (3.00)	54 (10.80)	201 (40.20)	228 (45.60)	500 (100.00)	4.276	0.803
$\chi^2 = 28.437$								

Source:*Primary Probe.*
Note*:*
i) For χ^2 test df = 4; p<0.05; Table value = 9.49.
ii) Figures in parentheses represent percentage.
iii) SA=Strongly Agee; A=Agree; U=Undecided; D=Disagree; SD=Strongly Disagree

The calculated value of σ is 0.803. It shows the low deviation among data and mean.The calculated value of chi-square is found to be 28.437. It is observed that calculated value of chi-square more than the table value at 5 per cent level of significance which accepts the alternate hypothesis that scope of public company related to area is better than the private companies hence, rejects the null hypothesis. Accordingly on the basis of above analysis it can be said that as far as scope related to area is concerned the position of public company was better than the private companies.

6.viii. DISTRIBUTION CHANNELS
Distribution channel plays an important role in the progress and growth of the life insurance companies. In today's scenario customer wanted services at their door steps. Traditional distribution channel of life insurance companies in India still rules the roots in life insurance. But with the changing of time, situation and technology, the nature of distribution channel has also been changing. To know which company has the better distribution channels, opinion of the respondents has been obtained on the statement that "Distribution Channel of Public Life Insurance Company is better than the Private Life Insurance Companies". The collected information's have been depicted in Table 8.

Table 8: Opinion of the Respondents on the Statement that Distribution Channel of Public Life Insurance Company is better than the Private Life Insurance Companies

Respondents	SD	D	U	A	SA	Total	$\overline{X}$	σ
Male	29 (11.38)	159 (62.35)	63 (24.71)	2 (0.78)	2 (0.78)	255 (100.00)	3.827	0.659
Female	61 (24.90)	73 (29.80)	95 (38.77)	10 (4.08)	6 (2.45)	245 (100.00)	3.706	0.968
Total	90 (18.00)	232 (46.40)	158 (31.60)	12 (2.40)	8 (1.60)	500 (100.00)	3.768	0.827
$\chi^2 = 56.894$								

Source:*Primary Probe.*
Note*:*
i) For χ^2 test df = 4; p<0.05; Table value = 9.49.

ii) Figures in parentheses represent percentage.
iii) SA=Strongly Agee; A=Agree; U=Undecided; D=Disagree; SD=Strongly Disagree

The Calculated value of mean score of the distribution is 3.768 that is more than the average score that is 3 at 5-point scale. Above statistical analysis revealed that majority of the respondent's views lies between two choices i.e., 'agree' and 'undecided, leading to conclusion that majority of the respondents felt that distribution channel of public companies is better than the private sector life insurance companies. The calculated value of σ is 0.827 shows the variation among the data and mean.The calculated value of chi-square is found to be 56.894. It is observed that calculated value of chi-square more than the table value at 5 per cent level of significance which leads to the conclusion that according to respondent's distribution channel of public sector life insurance Company is better than the private sector life insurance companies.

CONCLUSIONS
To sum up, it can be said the insurance is an important sector of the economy it not only provides protection against risk but also helps in socio-economic development of the country. The analysis clearly indicates that public sector company (LIC) has a good record in providing life-insurance to the people. The customers have faith in LIC more than the private sector companies. In case of return on investment in private and public sector companies differ significantly. The majority of the respondents felt that public life insurance is more reliable than the private life insurance company. The services provided by the public sector life insurance company are better than the private sector life insurance company. In the respondents' view policies of private companies were less attractive than the public company. The respondents also stated that the private companies mislead the investors. Accordingly on the basis of above analysis it can be said that as far as scope related to area is concerned the position of public company was better than the private companies.

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