

A Study on Customer's Perception Towards Life Insurance Policies at SBI Life Insurance

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Abstract:

Life insurance is an important financial instrument that provides protection and long-term financial security to individuals and their families. In a competitive insurance market, understanding consumer perception is essential for improving service quality and customer satisfaction. This study examines consumer perception towards life insurance policies offered by SBI Life Insurance, focusing on awareness, trust, satisfaction, and factors influencing purchase decisions.

The study is based on both primary and secondary data. Primary data were collected from 150 respondents using a structured questionnaire, while secondary data were obtained from SBI Life annual reports, IRDAI publications, and related literature. A descriptive research design was adopted, and data were analyzed using percentage analysis and graphical tools.

The findings reveal that SBI Life Insurance enjoys a high level of trust among consumers due to its strong brand image and association with the State Bank of India. Brand trust, customer service quality, and claim settlement efficiency are the key factors influencing policy selection. Endowment plans were found to be the most preferred insurance products. The study concludes that consumer perception towards SBI Life Insurance is highly positive, though increased awareness and simplified policy communication can further strengthen customer engagement.

Keyword: Customer Perception, Life Insurance, SBI Life Insurance, Brand Trust, Customer Satisfaction, Purchase Decision, Claim Settlement.

INTRODUCTION

Life insurance plays a crucial role in providing financial security and long-term protection to individuals and their families against unforeseen risks. In India, the life insurance sector has experienced significant growth after liberalization, with private insurers contributing to improved service quality, product innovation, and customer focus. Among these, SBI Life Insurance has emerged as a leading insurer due to its strong association with the State Bank of India, extensive distribution network, and customer-oriented services.

Consumer perception is a key factor influencing the success of life insurance companies, as insurance is an intangible and long-term commitment based largely on trust and service experience. This research paper, based on a summer internship at SBI Life Insurance, Roorkee, examines consumer perception towards life insurance policies offered by SBI Life. The study focuses on customer awareness, satisfaction, trust, and factors influencing purchase decisions using primary data collected

from 150 respondents and supported by secondary sources. The findings aim to provide insights into consumer behavior and expectations in the life insurance market..

REVIEW OF LITERATURE

Kaur and Negi (2010) found that customized services, timely response, and employee behavior significantly affect customer satisfaction in life insurance companies. They also observed that satisfaction levels are similar across public and private insurers when service quality is maintained. Arul Suresh (2011) highlighted that customer awareness and effective customer relationship management are essential for improving satisfaction and retention in life insurance services.

Mahajan (2013) explained that the consumer decision-making process in life insurance involves need recognition, evaluation of alternatives, and post-purchase satisfaction, with trust and perceived risk being key influencing factors. Manuel (2013) concluded that company reputation, premium affordability, and service quality strongly affect

consumer perception towards life insurance policies..

Sandhu and Bala (2011) identified factors such as service delivery, credibility, ethical practices, and agent performance as major determinants of service quality in life insurance. Jain and Saini (2012) concluded that demographic factors significantly influence consumer purchasing decisions, with company reputation playing a major role. Mahajan (2013) explained that consumer decision-making in life insurance involves multiple stages, with trust and perceived risk being critical factors.

Arul Suresh (2011) emphasized that customer awareness and effective customer relationship management are essential for improving satisfaction and long-term retention in life insurance services. Sandhu and Bala (2011) further identified service delivery efficiency, credibility, ethical practices, and agent performance as key determinants of perceived service quality. Jain and Saini (2012) concluded that demographic factors and company reputation strongly influence consumer purchasing decisions in the insurance sector. Mahajan (2013) explained that trust and perceived risk play a crucial role in the consumer decision-making process for life insurance products.

In addition to academic studies, SBI Life Insurance Annual Reports (FY 2022–23 and FY 2023–24) provide valuable insights into consumer behavior and service performance. The reports highlight strong growth in new policies, high claim settlement ratios, improved persistency levels, and extensive digital transformation initiatives. These disclosures indicate that trust, service efficiency, and transparent claim management significantly enhance consumer confidence and satisfaction. However, limited empirical research combines customer survey data with company-level performance indicators, creating scope for the present study on consumer perception towards SBI Life Insurance.

RESEARCH METHODOLOGY

RESEARCH DESIGN

The study follows a descriptive research design, which emphasizes describing the

current scenario based on real data collected from respondents. Descriptive research is appropriate for this study because it allows the systematic collection, tabulation, and interpretation of customer opinions, behaviours, and experiences with SBI Life Insurance.

Objectives of the Study

To analyze the key factors influencing customers' decisions while buying SBI Life Insurance policies.
To assess the level of awareness about SBI Life Insurance products among consumers.
To evaluate the overall level of customer satisfaction with the company's services and policies.

Nature of the Study

The study is both descriptive and analytical:

Descriptive: It describes customer opinions, preferences, and behaviour regarding SBI Life Insurance.

Analytical: It interprets collected data, identifies patterns, and draws insights on consumer perception, service quality, and satisfaction levels

Sources of Data

Data for the study was collected from primary and secondary sources:

Primary Data: Collected using a structured questionnaire from 150 respondents across different age groups, income levels, and occupations. The questionnaire focused on awareness, trust, satisfaction, and factors influencing purchase decisions.

Secondary Data: Collected from SBI Life Insurance's official reports, IRDAI publications, journals, newspapers, and online sources to provide context and validate findings.

Data Collection Methods

A structured questionnaire was used as the main tool for primary data collection.

The survey was conducted both offline (printed forms) and online (Google Forms) to reach a diverse sample.

Respondents included current and potential policyholders to capture a wide range of perspectives.

Sample Size and Sampling Technique

Sample Size: 150 respondents.

Sampling Technique: Convenience and purposive sampling were used to select respondents who are aware of SBI Life Insurance or are potential customers.

Data Analysis and Interpretation

Primary Data Analysis

The primary data for this study was collected from 150 respondents using a structured questionnaire. The respondents included individuals from various age groups, occupations, and income levels.

Gender of the respondents

Gender	No. of respondents	percentage
Female	63	42.3%
Male	87	57.7%
Total	150	100

Source: Primary Data

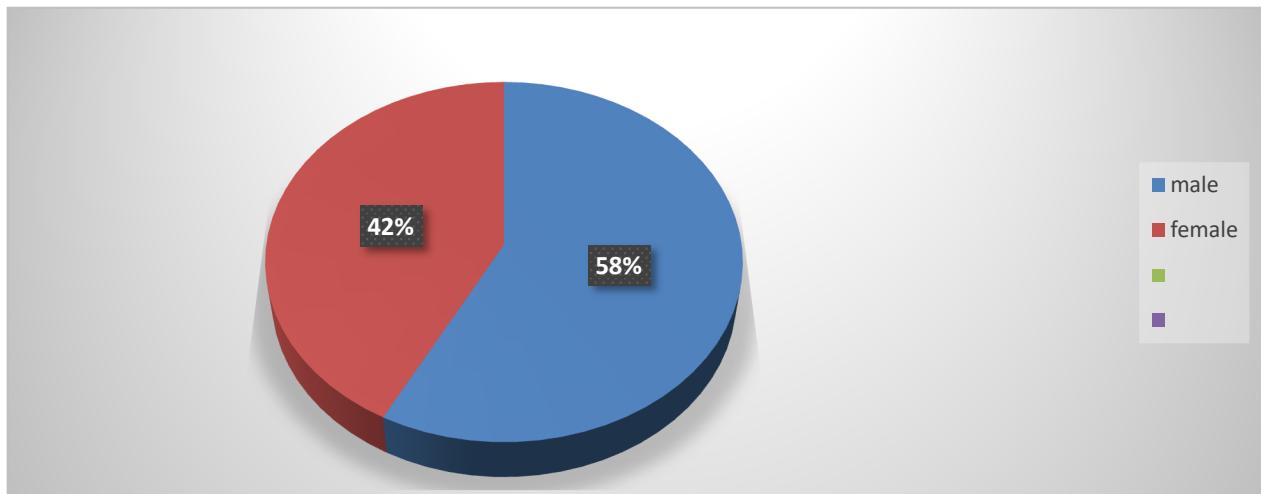


Chart Gender of the respondent

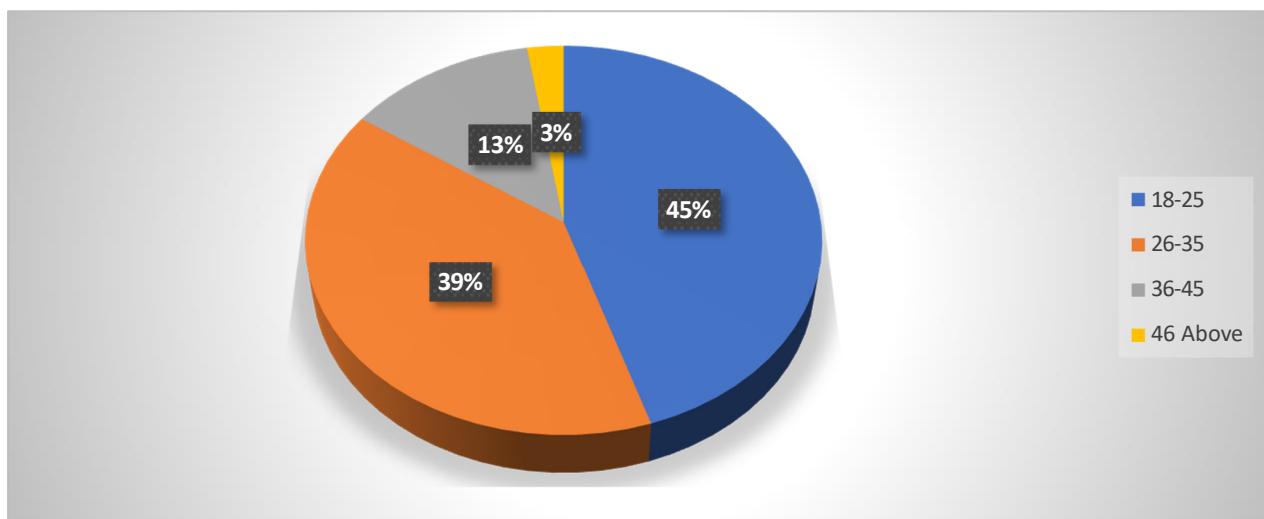
Interpretation

The survey results show that 42.3% of the respondents are female, while 57.7% are male. This means men formed the majority of participants in your study, indicating that male respondents were more actively involved or more accessible during the data collection.

Age of the respondents

Age	No. of. respondents	percentage
18-25	68	45
26-35	47	39
36-45	20	13
46 and above	17	3
Total	150	100

Source: Primary Data

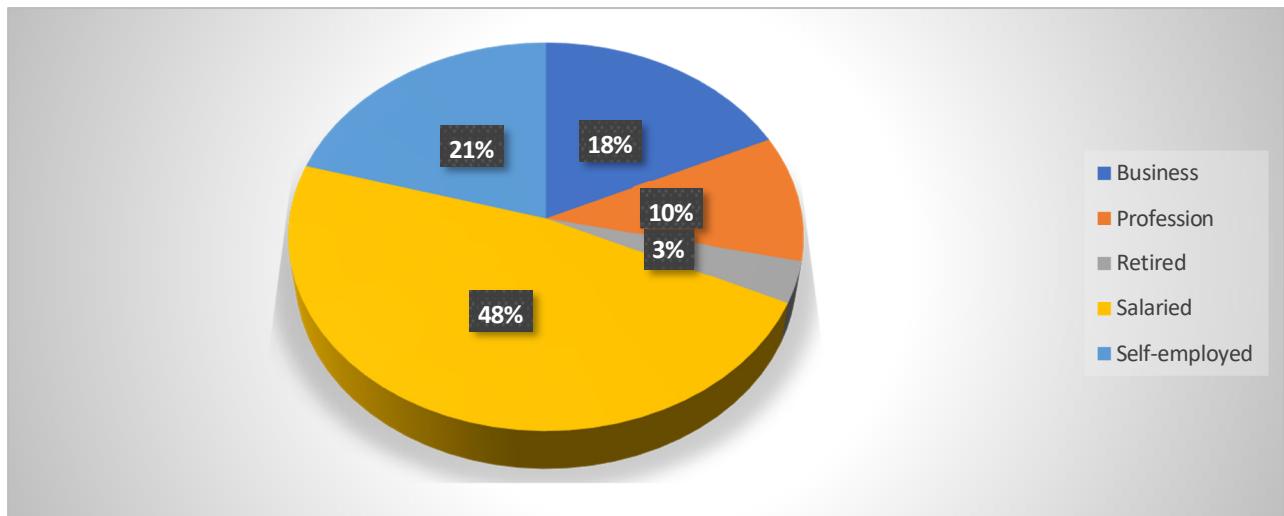
***Age of the respondents*****Interpretation**

The survey shows that most respondents are young, with 45% in the 18–25 age group and 39% in the 26–35 group, indicating strong participation from youth. Only 13% belong to 36–45 years, and 3% are 46 and above, which suggests that older age groups were less reachable or less active in responding. Overall, the data reflects that the study mainly represents the views of younger individuals..

Occupation of the respondents

Occupation	No. of. respondents	percentage
Business	27	18
Profession	15	10
Retired	5	3
Salaried	72	48
Self-employed	32	21
Total	150	100

Source: Primary Data



Occupation of the respondents

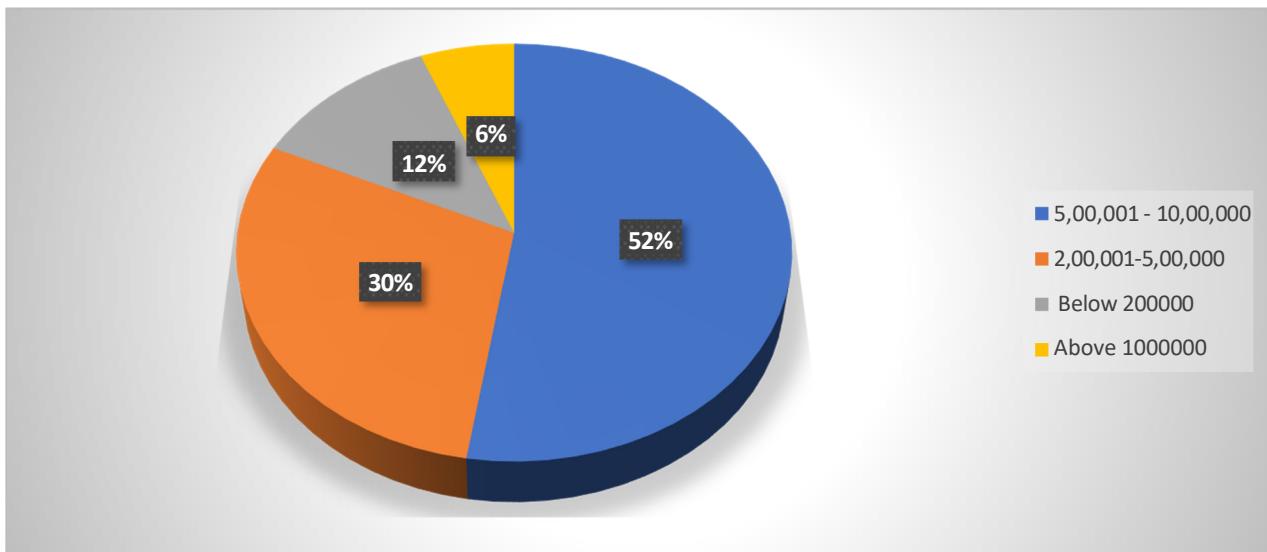
Interpretation

Most respondents are salaried (48%), showing strong participation from people with stable incomes. Self-employed (21%) and business owners (18%) form the next major groups. Only 10% are professionals and 3% are retired, indicating low involvement from older and non-working individuals..

Annual Income of the respondents

Annual income	No. of. respondents	percentage
Below 200000	78	12
2,00,000-5,00,000	45	30
5,00,000 – 1000000	18	52
Above 1,00,0000	9	6
Total	150	100

Source: Primary Data



Annual Income of the respondents

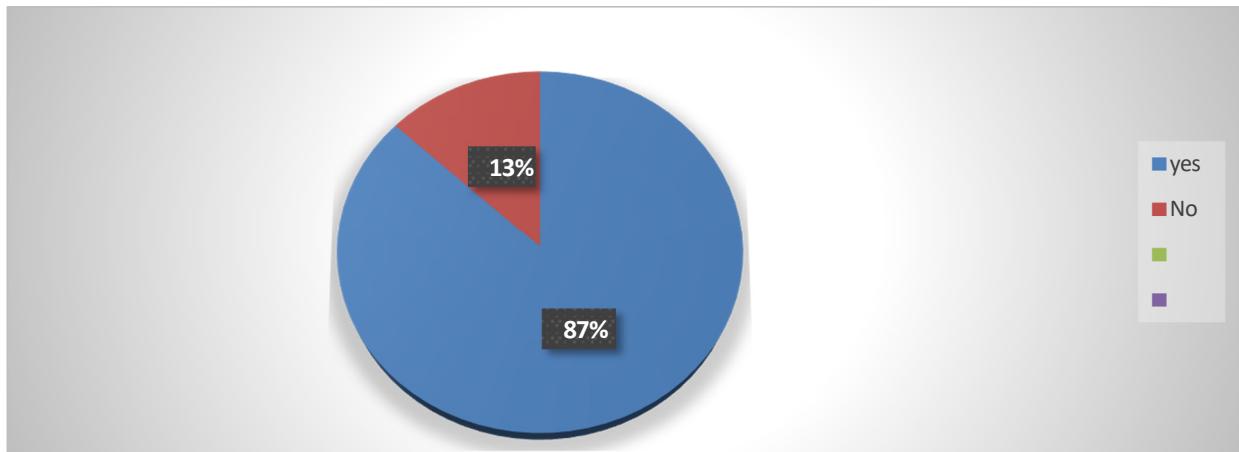
Interpretation

Most respondents (52%) earn ₹5–10 lakh, showing a strong middle-income group. About 30% fall in the ₹2–5 lakh range. Only 12% earn below ₹2 lakh, and just 6% are in the above ₹10 lakh category. Overall, the income pattern is mainly middle-income dominated

Consumer trust and worthiness

Trustworthiness of SBI life insurance	No. of respondents	percentage
Yes	131	87
No	19	13
Total	150	100

Source: Primary Data



: Awareness of the respondents

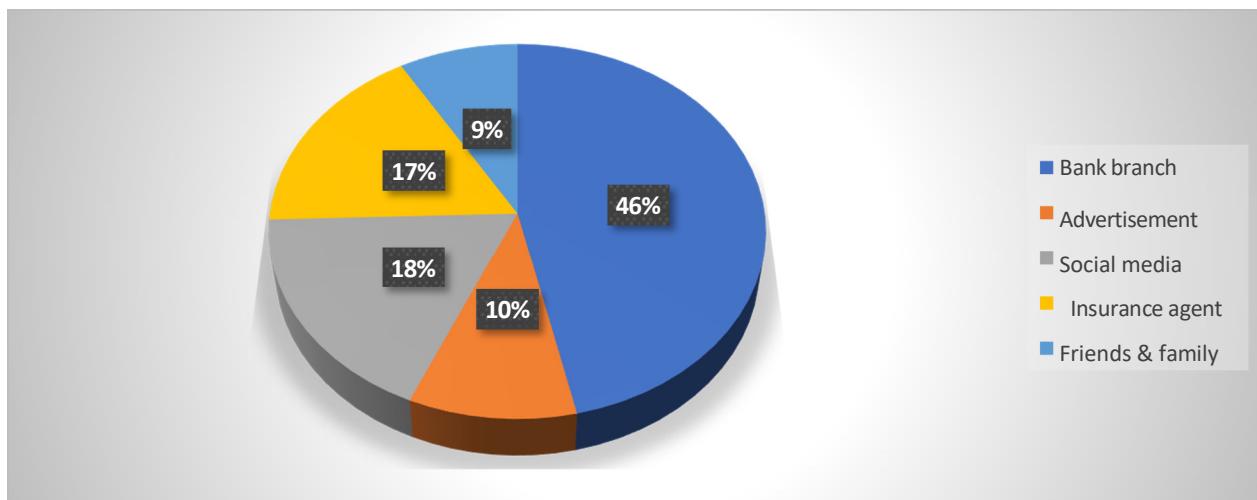
Interpretation

Most respondents clearly trust the company .With 87% saying “Yes”, it shows that people generally believe the company is reliable and trustworthy. Only 13% said “No,” which means very few have doubts or negative experiences. Overall, the response reflects strong consumer confidence in the company.

Source of awareness about SBI life insurance

How did you hear about SBI Life insurance	No. of. respondents	percentage
Bank branch	69	46
Advertisement	15	10
Social media	27	18
Insurance agent	25.5	17
Friends / family	13.5	9
Total	150	100

Source: Primary Data



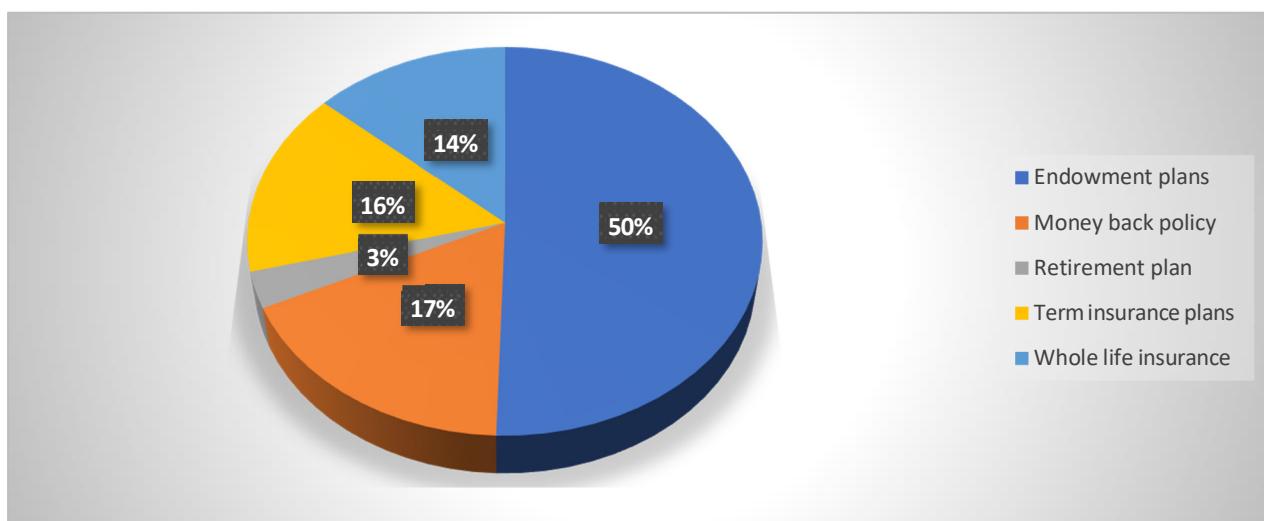
Interpretation

Most people heard about SBI Life directly from the bank branch (46%), making it the biggest source of awareness. Insurance agents (17%) and social media (18%) also play a noticeable role. Advertisements (10%) create some awareness, while family and friends (9%) contribute the least but still help spread the word

Types of schemes invested by respondents

Types of schemes	No. of respondents	percentage
Endowment plans	75	50
Money back policy	26	17
Retirement plan	5	3
Term insurance plans	24	16
Whole life insurance	21	14

Source: Primary Data

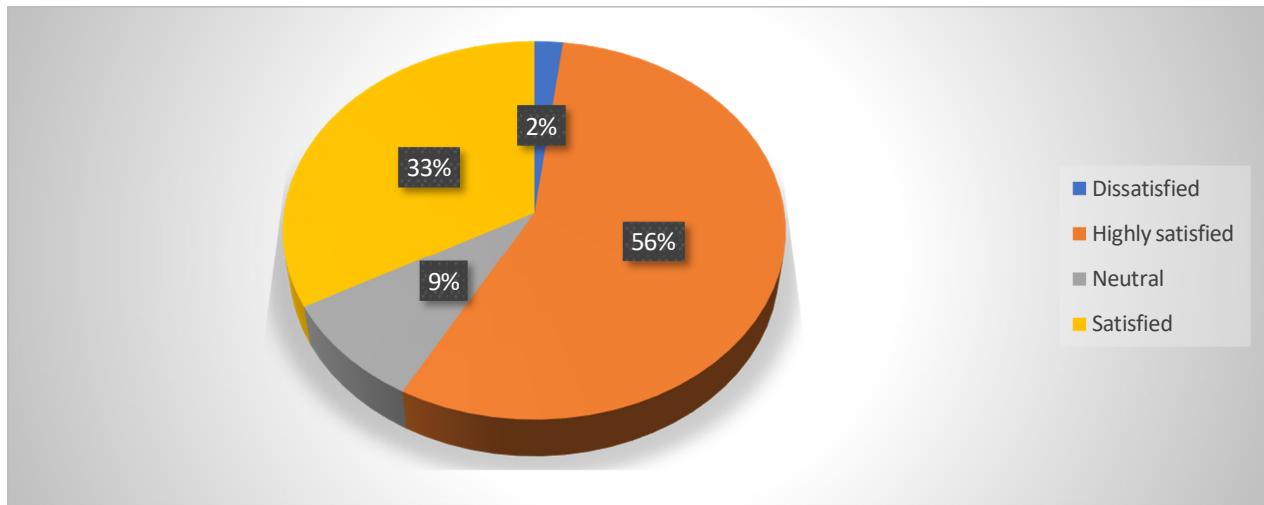
***Types of schemes invested by respondents*****Interpretation**

Most respondents have invested in endowment plans (50%), showing that people prefer safe plans that offer both savings and protection. Money-back policies (17%) and term insurance plans (16%) are also chosen by many, indicating a mix of interest in periodic returns and pure protection. Whole life insurance (14%) has a moderate share, showing that some people like lifelong coverage. Retirement plans (3%) have the lowest preference, suggesting that long-term retirement planning is still not a priority for many respondents.

Satisfaction level of customer

Level of satisfaction	No. of respondents	percentage
Dissatisfied	3	2
Highly satisfied	84	56
Neutral	14	9
Satisfied	50	33
Total	150	100

Source: Primary Data



Satisfaction level of policy benefits hold by respondents

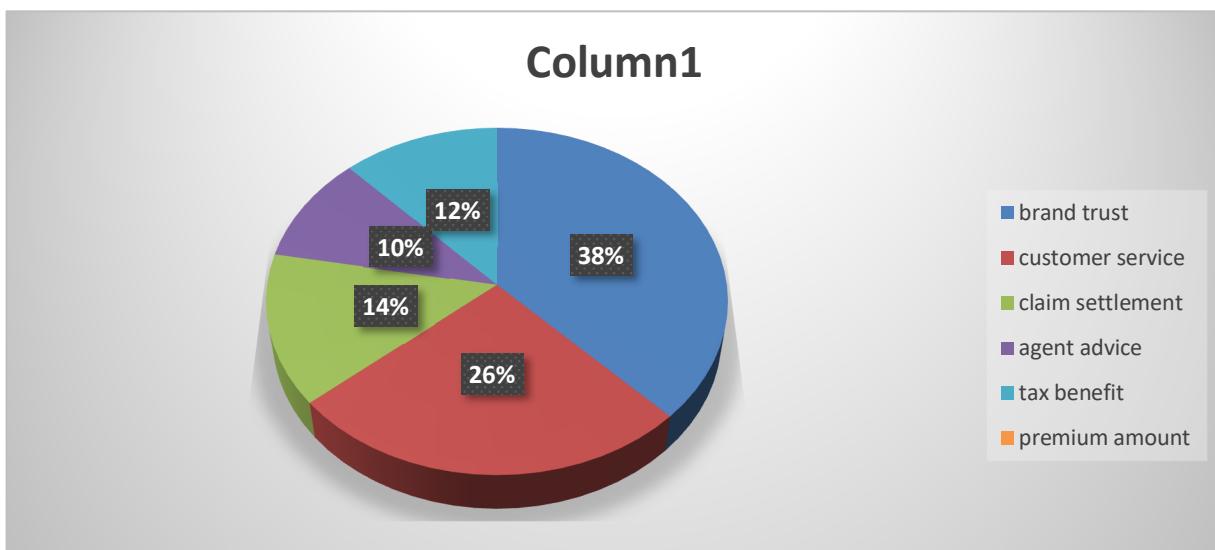
Interpretation

Most customers seem to have a positive experience. Over half of them (56%) are highly satisfied, showing that the service is meeting or even exceeding expectations for many. About 33% are satisfied, meaning they are generally happy but may still see small areas for improvement. Only 9% feel neutral, indicating they neither loved nor disliked the experience. Overall, the response suggests strong customer satisfaction with very few concerns.

Factor Influencing decision to buy SBI life Insurance

Factors	No. of. respondents	percentage
Brand trust	50	33
Customer service	35	23
Claim settlement ratio	17	12.3
Agent advice	13	8.8
Tax benefit	20	10.6
Premium amount	15	11.5%
Total	150	100

Source: Primary Data

**Interpretation**

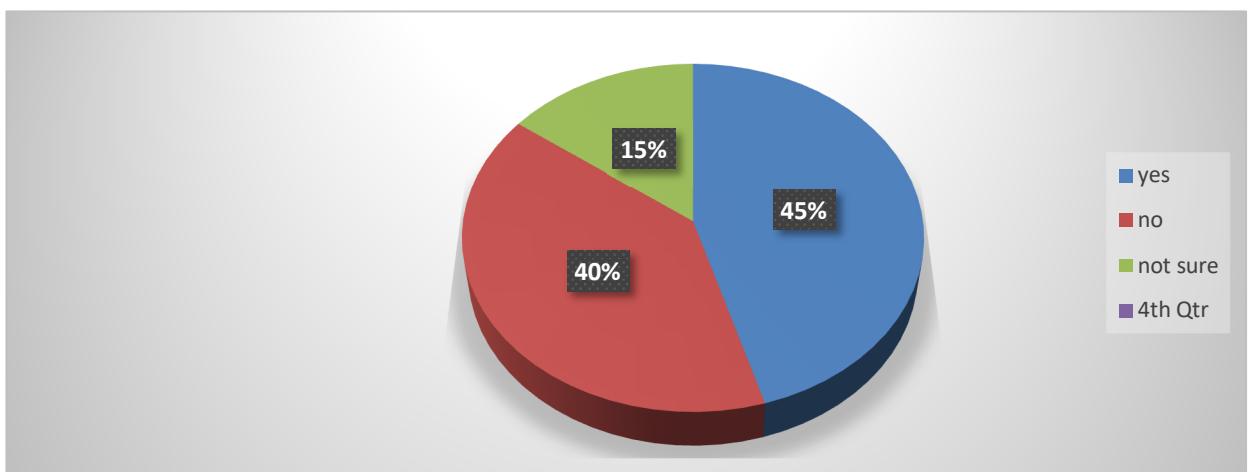
Most people pick SBI Life mainly because of brand trust (33%) and good customer service (23%). Others look at the claim settlement ratio (12.3%), premium amount (11.5%), and policy benefits (10.6%), while a smaller group relies on agent advice (8.8%). Overall, trust and service are the strongest reasons for choosing SBI Life.

Do you plan to buy another insurance product from SBI Life insurance in future

Factors	No. of. respondents	percentage
Yes	68	45
No	60	39.4
Not sure	22	14.7

Source: Primary Data

Expected Return of the respondents



Interpretation

A good number of customers (45%) are willing to buy another SBI Life insurance product in the future, showing strong trust and satisfaction. Around 20% are unsure—they might consider it depending on their needs or financial situation. Meanwhile, 35% do not plan to buy again, which may indicate they are already covered or not fully convinced to continue with more products.

Summary of findings

Gender Participation: Male respondents outnumbered females, indicating that men were more active or reachable during data collection. This suggests a need to increase awareness programs targeted toward women to enhance their participation in financial decision-making.

Age Distribution: The majority of respondents (18–35 years) are young adults, reflecting growing awareness among youth about the importance of life insurance and long-term financial planning. Older age groups participated less, possibly due to existing policies or lower engagement with surveys.

Occupational Profile: Salaried employees formed the largest respondent group. This highlights that individuals with stable monthly incomes are more inclined to invest in life insurance for protection and long-term financial security.

Income Category: Most respondents belong to the middle-income segment (₹5–10 lakh per annum), indicating a preference for safe, affordable, and value-for-money financial products.

Brand Trust: SBI Life enjoys a high level of trust, with 87% of respondents expressing confidence in the company. This strong brand reputation is largely attributed to its association with SBI Bank and its reliable services.

Source of Awareness: Bank branches are the primary source of awareness about SBI Life, reflecting the effectiveness of the bancassurance model. Social media, agents, and advertisements play secondary roles in creating awareness.

Policy Preference: Endowment plans are the most preferred, showing that customers value policies that combine protection and savings. While traditional plans dominate, there is potential to educate customers on alternative policies like term and money-back plans.

Customer Satisfaction: Overall satisfaction with SBI Life is very high, with most respondents reporting being satisfied or highly satisfied with products, services, and policy benefits.

Factors Influencing Purchase Decisions: Brand trust and customer service are the most

significant factors influencing policy selection. Other considerations include claim settlement ratios, premium amounts, and tax benefits.

Future Purchase Intention: About 45% of respondents expressed willingness to purchase another SBI Life policy, indicating positive customer loyalty while highlighting opportunities for better engagement and retention strategies.

Youth Motivation: Younger respondents are motivated by financial security, savings, and tax benefits, showing a shift in perception of insurance.

Claims and Service Confidence: Efficient claim settlement and high-quality customer service enhance confidence in SBI Life, reinforcing the importance of smooth, transparent processes to build trust.

Recommendation

Increase awareness programs targeting women to improve female participation

Use youth-friendly communication and digital tools to engage 18–35-year-olds.

Offer flexible, affordable policies for salaried and middle income customer.

Strengthen digital marketing and social media presence alongside bank branches.

Educate customers about alternative policies like term and money-back plans.

Maintain high quality customer service and smooth claim settlement.

Encourage repeat purchases through personalized follow-ups and loyalty programs.

Highlight claim settlement and service quality in marketing to build trust.

Conclusion

Life insurance is a vital financial tool that provides security and long-term protection for individuals and their families. The study on SBI Life Insurance reveals that consumer perception is largely positive, with high levels of trust, satisfaction, and engagement. Brand reputation, customer service quality, and claim settlement efficiency emerged as the primary factors influencing policy purchase

decisions. Endowment plans are the most preferred product, reflecting customers' desire for policies that combine protection with savings.

The research highlights that demographic factors such as age, occupation, and income significantly influence insurance decisions. Younger respondents (18–35 years) show greater interest in life insurance for financial security, savings, and tax benefits, suggesting a shift in perception from mere protection to investment-oriented thinking. The study also indicates strong potential for increasing female participation and promoting alternative insurance products like term and money-back plans.

Overall, SBI Life Insurance has successfully built consumer confidence through effective service, transparent claim processes, and a trusted brand image. Continuous efforts in awareness, product innovation, and customer engagement will further strengthen customer loyalty and expand market reach. Insurers must focus on understanding consumer needs, offering tailored products, and maintaining high service standards to remain competitive in India's growing life insurance sector.

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