



INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE AND MANAGEMENT

CONTENTS

Sr. No.	Title & Name of the Author (s)	Page No.
1.	PRODUCTIVITY AND THE EFFECT OF TAXATION ON ECONOMIC GROWTH IN NIGERIA <i>GODWIN CHIGOZIE OKPARA</i>	6
2.	APPRAISAL OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES IN NORTH EAST INDIA WITH PARTICULAR REFERENCE TO TRIPURA <i>DR. SUBRATA DEBNATH</i>	16
3.	ATTITUDINAL AND BIOGRAPHICAL FACTORS RESPONSIBLE FOR LAPSES OCCURING IN THE LIFE INSURANCE SECTOR: A CASE STUDY OF NORTH WEST HARYANA <i>DR. VIKAS DARYAL, MRS. GARIMA GUPTA & MS. PRABHJOT KAUR LAMBA</i>	22
4.	ROLE OF SELF HELP GROUPS (SHPS) IN WOMEN EMPOWERMENT - AN EMPIRICAL STUDY <i>DR. G. SUDARSANA REDDY</i>	29
5.	STOCK RETURNS AND MARKET EFFICIENCY: AN EMPIRICAL STUDY ON INDIAN STOCK MARKET <i>KOUSTUBH KANTI RAY</i>	35
6.	A COMPARATIVE STUDY OF ORGANIZATIONAL CHANGE METHODOLOGIES AND APPROACHES <i>DR. SUNIL KUMAR</i>	42
7.	RELATIONSHIP BETWEEN STOCK PRICE AND EXCHANGE RATE IN INDIA <i>S. SYED AHAMED, DR. K. CHANDRASEKHARA RAO & DR. MALABIKA DEO</i>	51
8.	PORTFOLIO OPTIMIZATION USING DATA ENVELOPMENT ANALYSIS & SHARPE'S METHOD <i>HARENDRA SINGH</i>	56
9.	ENVIRONMENT MANAGEMENT SYSTEM IN INDIAN FOOD PACKAGING INDUSTRY: VARIABLE IDENTIFICATION AND SELECTION <i>ARCHANA SHEKHAWAT & PROF. (DR.) N.V.MURALIDHAR RAO</i>	64
10.	BSE AND SECTORAL INDICES: A COMPARITIVE STUDY <i>M.MADHAVI & RADHIKA.RAAVI</i>	71
11.	ERM: A KEY TO THE SUCCESS OF CRM <i>DR JAKKA SURESH REDDY & C. S. JAYANTHI PRASAD</i>	76
12.	POST - PRODUCTIVITY PERFORMANCE OF INDIAN ESOP PHARMACEUTICAL CORPORATE SECTOR <i>DR. RAMESH KUMAR DHIMAN, DR. SURENDER KUMAR GUPTA & DR. SURIENDER KUMAR NAGIA</i>	80
13.	FINANCIAL INCLUSION: OLD WINE IN NEW BOTTLE <i>DR. GAURAV AGGARWAL, PROF. SUDHIR SAKSENA & MS. SATINDER KAUR</i>	87
14.	WORKING CAPITAL MANAGEMENT AND PROFITABILITY – CASE OF INDIAN PETROCHEMICALS COMPANY- RIL, HPCL, GAIL <i>PRAKASH CHAWLA, SANDHYA HARKAWAT & ILAS KHAI RNAR</i>	90
15.	RELATIONSHIP BETWEEN FII & SENSEX (JANUARY 2007-DECEMBER 2009) <i>DR. JIMMY KAPADIA, MS. POOJA PATEL & MR. BHAVIK PANCHOLI</i>	96
16.	A STUDY OF FINANCIAL PERFORMANCE OF SELECT INDIAN SCHEDULED COMMERCIAL BANKS USING CAMELS METHODOLOGY FOR 2006-2010 <i>PROF. SVETLANA TATUSKAR</i>	105
17.	PASSENGER'S ATTITUDE & SATISFACTION IN RAILWAYS (SPECIAL REFERENCE TO COIMBATORE REGION) <i>DR. N. BHARATHI</i>	121
18.	MEASURING QUALITY OF WORK LIFE: AN INTEGRATION OF CONCEPTUAL RELATIONSHIP WITH PRODUCTIVITY <i>P. MOHANRAJ & R. RAMESH</i>	128
19.	E-BANKING MANAGEMENT: IMPACT, RISKS, SECURITY <i>MRS. BHAVNA BAJPAI</i>	132
20	THE INDIAN RURAL MARKET – AN UNTAMED TIGER <i>PROF. ARPIT R. LOYA</i>	137
	REQUEST FOR FEEDBACK	141

CHIEF PATRON**PROF. K. K. AGGARWAL**

Founder Vice-Chancellor, G. G. S. Indraprastha University, Delhi
 Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar (Hr.)

PATRON**SH. RAM BHAJAN AGGARWAL**

Ex. State Minister for Home & Tourism, Government of Haryana
 President, Governing Body, Vaish College, Bhiwani
 Vice-President, Dadri Education Society, Charkhi Dadri
 President, Chinar Syntex Ltd., Bhiwani (Textile Mills)

CO-ORDINATOR**DR. SAMBHAV GARG**

Faculty, M. M. Institute of Management
 Maharishi Markandeshwar University, Mullana, Ambala, Haryana

ADVISORS

- **PROF. M. S. SENAM RAJU**

Director A. C. D., S.O.M.S., I.G.N.O.U., New Delhi

- **PROF. M. N. SHARMA**

Chairman, M.B.A., Hr. College of Tech. & Mgt., Kaithal

- **PROF. PARVEEN KUMAR**

Director, M.C.A., Meerut Inst. of Eng. & Tech., Meerut, U. P.

- **PROF. H. R. SHARMA**

Director, Chhatrapati Shivaji Institute of Technology, Durg, (C.G.)

- **PROF. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

- **PROF. MANOHAR LAL**

Director & Chairman, S.O.C.I.S., I.G.N.O.U., New Delhi

EDITOR

- **PROF. R. K. SHARMA**

Tecnia Inst. of Advanced Studies, Delhi

CO-EDITOR

- **DR. ASHOK KHURANA**

Associate Professor, G. N. Khalsa College, Yamunanagar

EDITORIAL ADVISORY BOARD

- **DR. AMBIKA ZUTSHI**

Faculty, School of Management & Marketing, Deakin University, Australia

- **DR. VIVEK NATRAJAN**

Faculty, Lomar University, U.S.A.

- **PROF. SANJIV MITTAL**

U.S.M.S., Guru Gobind Singh I. P. University, Delhi

- **PROF. KRISHAN CHAND MITTAL**

S.O.M.S., Punjabi University, Patiala, Punjab

- **PROF. SATISH KUMAR**

Dean (Management), Galaxy Global Group of Institutions, Dinarpur, Ambala

- **PROF. ROSHAN LAL**

M. M. I.M., M. M. University, Mullana

- **PROF. ANIL K. SAINI**

Chairperson (CRC), Guru Gobind Singh I. P. University, Delhi

- **DR. TEJINDER SHARMA**

Reader, Kurukshetra University, Kurukshetra

- **DR. KULBHUSHAN CHANDEL**

Reader, Himachal Pradesh University, Shimla, Himachal Pradesh

- **DR. ASHOK KUMAR CHAUHAN**

Reader, Department of Economics, Kurukshetra University, Kurukshetra

- **DR. SAMBHAVNA**

Faculty, I.I.T.M., Delhi

- **DR. MOHINDER CHAND**

Associate Professor, Kurukshetra University, Kurukshetra

• **DR. MOHENDER KUMAR GUPTA**

Associate Professor, P.J.L.N. Govt. College, Faridabad

• **DR. VIVEK CHAWLA**

Associate Professor, Kurukshetra University, Kurukshetra

• **DR. VIKAS CHOUDHARY**

Asst. Professor, N.I.T. (University), Kurukshetra

• **DR. SHIVAKUMAR DEENE**

Asst. Professor, Govt. F. G. College Chitguppa, Bidar, Karnataka

ASSOCIATE EDITORS

• **PROF. NAWAB ALI KHAN**

Department of Commerce, Aligarh Muslim University, Aligarh

• **PROF. ABHAY BANSAL**

Head, Department of I.T., Amity School of Eng. & Tech., Amity University, Noida

• **DR. PARDEEP AHLAWAT**

Reader, I.M.S.A.R., Maharshi Dayanand University, Rohtak

• **SURUCHI KALRA CHOUDHARY**

Head, Dept. of Eng., Hindu Girls College, Jagadhri

• **PARVEEN KHURANA**

Associate Professor, M. L. N. College, Yamuna Nagar

• **SHASHI KHURANA**

Associate Professor, S.M.S.K.L.G. College, Barara, Ambala

• **SUNIL KUMAR KARWASRA**

Vice-Principal, Defence College of Education, Tohana, Fatehabad

• **BHAVET**

Lecturer, M. M. Institute of Management, Maharishi Markandeshwar University, Mullana

TECHNICAL ADVISORS

• **DR. ASHWANI KUSH**

Head, Computer Science, University College, Kurukshetra University, Kurukshetra

• **DR. BHARAT BHUSHAN**

Head, Department of Computer Science & Applications, G. N. Khalsa College, Yamunanagar

• **DR. VIJAYPAL SINGH DHAKA**

Head, Department of Computer Applications, Institute of Management Studies, Noida

• **DR. ASHOK KUMAR**

Head, Department of Electronics, D. A. V. College (Lahore), Ambala City

• **DR. ASHISH JOLLY**

Head, Computer Department, S. A. Jain Institute of Management & Technology, Ambala City

• **MOHITA**

Lecturer, Yamuna Inst. of Eng. & Tech., Village Gadholi, P. O. Gadholi, Yamunanagar, Haryana

• **AMITA**

Lecturer, E.C.C., Safidon, Jind

• **MONIKA KHURANA**

Associate Professor, Hindu Girls College, Jagadhri

• **ASHISH CHOPRA**

Sr. Lecturer, Doon Valley Institute of Engineering & Technology, Karnal

• **SAKET BHARDWAJ**

Lecturer, Haryana Engineering College, Jagadhri

• **NARENDRA SINGH KAMRA**

Faculty, J.N.V., Pabra, Hisar

• **DICKIN GOYAL**

Advocate & Tax Adviser, # 874, Sec. - 8, Panchkula

• **NEENA**

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

• **JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

• **CHANDER BHUSHAN SHARMA**

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

CALL FOR ARTICLES/RESEARCH PAPERS

We invite original research papers in the area of finance, marketing, HRM, Banking, Insurance, and other allied subjects. The above mentioned tracks are only indicative, and not exhaustive. The journal expects unpublished and original quality research articles/papers only.

You may submit your articles/papers at the email addresses, info@ijrcm.org.in or infoijrcm@gmail.com.

GUIDELINES FOR SUBMISSION OF ARTICLE/PAPER

1. COVERING LETTER FOR SUBMISSION:

The Editor
IJRCM

Subject: Submission of Manuscript.

Dear Sir/Madam,

Find my submission of research paper/article for possible publications in your e-journal.

I hereby affirm that the content of this manuscript are original. Furthermore it has been neither published elsewhere fully or partially or any language nor submitted for publication (fully or partially) elsewhere simultaneously.

I affirm that the all author (s) have seen and agreed to the submitted version of the paper and their inclusion of name(s) as co-author(s).

Also, if our research paper/article accepted, I/We agree to comply with the formalities as given on the website of journal & you are free to publish our contribution to any of your two journals i.e. International Journal of Research in Commerce & Management or International Journal of Research in Computer Application & Management..

Name of Corresponding Author (s)

Affiliation:

Mailing address:

Mobile Number (s):

Landline Number (s):

E-mail Address (s):

2. **INTRODUCTION:** Manuscript must be in English prepared on a standard A4 size paper setting. It must be prepared on a double space and single column with 1" margin set for top, bottom, left and right. It should be typed in 12 point-Times New Roman Font with page numbers at the bottom and centre of the every page.

3. **MANUSCRIPT TITLE:** The title of the paper should be in a 14 point Times New Roman Font. It should be bold typed, centered and fully capitalised.

4. **AUTHOR NAME(S) & AFFILIATIONS:** The author(s) full name, affiliation(s), mobile/landline numbers, and email/alternate email address should be in 10-point Times New Roman. It must be centered underneath the title.

5. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 300 words. The abstract must be informative and explain background, aims, methods, results and conclusion.

6. **KEYWORDS:** Abstract must be followed by list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stop at the end.

7. **HEADINGS:** All the headings and sub-headings should be in a 12 point-Times New Roman Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

8. **MAIN TEXT:** The main text should be in a 12 point-Times New Roman Font, single spaced, fully justified.

9. **FIGURES & TABLES:** These must be simple, centered & numbered, and table titles must be above the tables. Sources of data should be mentioned below the table.

10. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to Harvard Style of Referencing. The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow the references as per following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use **(ed.)** for one editor, and **(ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order...
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- Note that italics are used only for titles of books and names of journals. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- Use endnotes rather than footnotes.
- The location of endnotes within the text should be indicated by superscript numbers.
- For sources which have insufficient details to be included in the Reference, use endnotes (such as interviews, some media sources, some Internet sources).

See the following for style and punctuation in References:

Books

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio," Ohio State University.

Contributions to books

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

Journal and other articles

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.
- Kiran Ravi, Kaur Manpreet (2008), Global Competitiveness and Total Factor Productivity in Indian Manufacturing, International Journal of Indian Culture and Business Management, Vol. 1, No.4 pp. 434-449.

Conference papers

- Chandel K.S. (2009): "Ethics in Commerce Education." Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

Unpublished dissertations and theses

- Kumar S. (2006): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University.

Online resources

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

Website

- Kelkar V. (2009): Towards a New Natural Gas Policy, Economic and Political Weekly, Viewed on 11 September 2009 <http://epw.in/epw/user/viewabstract.jsp>

ATTITUDINAL AND BIOGRAPHICAL FACTORS RESPONSIBLE FOR LAPSES OCCURRING IN THE LIFE INSURANCE SECTOR: A CASE STUDY OF NORTH WEST HARYANA**DR. VIKAS DARYAL**

DIRECTOR

TILAK RAJ CHADHA INSTITUTE OF MANAGEMENT & TECHNOLOGY

M. L. N. COLLEGE EDUCATIONAL COMPLEX

YAMUNA NAGAR – 135 001

MRS. GARIMA GUPTA

ASSISTANT PROFESSOR

JAIPURIA INSTITUTE OF MANAGEMENT STUDIES

GHAZIABAD

MS. PRABHJOT KAUR LAMBA

MANAGEMENT TRAINEE

AXIS BANK

SAHARANPUR

ABSTRACT

Customer satisfaction, Customer loyalty and influential marketing campaign have been treated as important parameters for a company's continued survival and to strong future growth. In earlier nineties data mining through its predictive modeling techniques bring revolutionary growth in the banking sector. But, after reviewing many research papers, researcher feels that there is very less work done on Insurance sector, especially on life insurance sector in context of India. So this paper is an attempt to study this virgin sector. This paper is researched by keeping in view the two aspects. One aspect is concerned with the life insurance customers and other one is life insurance service provider. Now- a –days it is happening that due to attractive advertisement strategies, more returns and better services; a new or an existing life insurance product is getting tremendous popularity in the customer market. This insists a customer to switch from one life insurance service provider to another. Similarly there are certainly many other reasons due to which a customer surrenders his life insurance policies. The other aspect aims to Life insurance service providers who generally forfeits the life insurance policy; when a customer make any concealment of facts or feels difficulty in paying the premium amount or one or the other reason. The practical dataset, which undertakes 63 attitudinal & 8 demographic factors are analyzed by Factor Analysis, multiple regression & Anova to examine the interdependent relationships. The main findings of this study show that **purchase indecisiveness, information dilemma, client servicing through company and Superfluous benefits** are the major factors for switching/ forfeiture and surrender of Life insurance policies in India.

KEYWORDS

ANOVA, Customer Loyalty, Forfeiture, Factor Analysis, Multiple Regression.

INTRODUCTION

Customer loyalty has been treated as an important source of sustained competitive edge in terms of customer retention, repurchase, and long-term customer relationships. Customer loyalty's link to profitability has also been well established in the management and marketing literature. Numerous studies have given considerable attention to customer satisfaction with a company's products or services as an important determinant of customer loyalty. The core proposition is if customers are experiencing a higher level of satisfaction, then they are likely to remain with their existing providers, in turn leading to greater customer loyalty. Otherwise customer will like to switch to the other service provider. Life insurance or "life assurance" is a contract between the policy owner and the insurer, where the insurer agrees to pay a sum of money upon the occurrence of the insured individual or individuals' death or other event, such as terminal illness or critical illness. In return, the policy owner (or policy payer) agrees to pay a stipulated amount called a premium at regular intervals or in lump sums. There may be different designs in some countries where bills and death expenses plus catering for after funeral expenses should be included in Policy Premium. A customer when takes a life insurance policy, they consider it to be just a tax saving device. A Policyholder is expected to pay periodic premiums, which can be either paid monthly, quarterly, half-yearly or annually. But the customers in India take it so casually that they either forget to pay their premiums or feels that the policy doesn't quite fit into their scheme of things or they face any problem in maintaining the policy. If this premium is not paid within one month of the due date, then the policy is considered to be lapsed and the policy holder is supposed to surrender the policy. After studying the market scenario, the researcher came across many individuals who either have not been able to pay the high premiums on their unit linked insurance plans (ULIPs) or they do not wish to pay the premiums on their low yielding traditional insurance policies. Sometimes the individual buys the policies by concealing certain facts which are necessarily to be known by the life insurance service provider. In such a scenario, the policy is considered to have lapsed and all the premiums paid are forfeited. More importantly, the insurer doesn't entertain any claims once the policy lapses. However, it should be understood that the policy is not necessarily

forfeited i.e. the policy's value doesn't become nil. The Insurance Act does not allow for forfeiture as every policy acquires a reserve based on the premiums already paid. Therefore, this study's objective is to examine the causes of switching/ surrender and forfeiture of life insurance policies. The life insurance sector of India is our empirical study subject, because this service industry meets with the properties of professional services, experience and belief, and needs high contact with customers to develop intimate customer relationships and maintain relationship quality. Moreover, the life insurance industry is a typical professional financial service and the outcomes of this research should not be ignored.

LITERATURE REVIEW

Many companies focus on building loyalty and profitability into their customer relationships. Despite this effort, customers in today's competitive environment are becoming less and less loyal, and the number of people who switch from one service provider to another is increasing. The empirical framework for this study is the insurance industry, and our particular choice is life insurance sector in context to India. More precisely, after the depth learning of the idea the researcher examined that a little work has been done in the risk assessment, claim settlement and fraud detection and the idea of this research remains untouched. **Williams et al. (1996)** analyzed that Insurance is a business of risks. Identifying and understanding areas of risk is an important task performed by an insurer. An assessment of risk is used to set the appropriate premium for insurance policies. For the purpose the author particularly focuses on two data mining techniques i.e. decision tree and rule induction to evaluate risk in terms of claim frequency and claim costs. **Abbott et al.** identified that data mining tools and are compared on a fraud detection application on insurance sector analyzed their distinctive strengths and weaknesses, and learned lessons for the process of evaluating the products. **Daniels, et al. (2002)** proposed an approach which is the combination of expert knowledge & neural networks. This approach is applicable to a wide variety of risk management problems with reference to a case study on fraud detection in an insurance company. **Dimitri Vitas (2003)** researched that there are some important gaps in corporate governance, internal controls, and risk management in life insurance sector. In addition, solvency ratios are below international standards and do not include modern risk-based capital requirements. **Narsimha Rao (2007)** concluded that there is a need to liberalize the insurance industry in India and facilitate the insurer to provide insurance products to people at low cost and less effort. **Prashanta Athma (2007)** analyzed the factors which consumers take into consideration before selecting Life Insurance Products and determine the extent to what these factors are taken into consideration for choosing the life insurance products and found that both, product and non-product attributes have been found to be important in selecting a policy but they have been rated differently. **B. S. Bodla, Sushil Verma (2007)** studied the behavior of buyer for the life insurance policies in rural areas of Haryana. They found that respondents belonging to the age group 31-40 years dominate the rural insurance market, further agents are the most important source of information and motivation as they are very much convinced by their agent suggestion and buys whatever is suggested by the agent. **Mala Srivastava (2007)** accredited in her study that as competition in life insurance sector in India is just entered in 2001; therefore the increase in apparent service quality has more impact in retaining customer. **Sunayna Khurana (2008)** tried to understand consumer behavior in the insurance sector to identify customer preferences regarding plans and company, their purpose of buying insurance policies, their satisfaction level and their future plans for the new insurance policy. **V.N.S.Pillai (2008)** found that a number of disputes arise during the payment of claims of life insurance policies. They may relate to payment of premiums, age of the insured or misrepresentations by the person purchasing the policies. In the light of above the researcher identified 12 factors that caused the customers to start thinking about switching/ surrender and forfeiture of life insurance policies in India. What has, so far, not been researched very much specially in context to India? The method we are using in this study is the Factor Analysis (Principal Component analysis). Our contribution to the research in this field is to identify and deepen the understanding of the role of various causes for customer switching/ surrender and forfeiture of Life insurance policies in India.

AIM OF STUDY

Keeping in view the said fact the aim of this study is to identify and understand the causes that insist a customer to surrender their life insurance policies and circumstances which may cause to the forfeiture of life insurance policies. The causes are explored in the form of attitudinal and biographical factors of policyholders responsible for the surrender of insurance policies from the attributes collected from policyholders of different age group, profession, family background.

RESEARCH METHODOLOGY

The present study is **Explorative** in nature, as it seeks to discover ideas and insight to bring out new relationship. Research design is flexible enough to provide opportunity for considering different aspects of problem under study. Since the major emphasis is on the discovery of ideas and insights which are responsible for lapse of insurance policy. A **Likert scale**, a type of psychometric response scale, is used in questionnaire. While responding to a Likert questionnaire item, respondents specified their level of agreement to a statement in form of strongly disagree, Disagree, Neither agree nor disagree, Agree and strongly agree. A recent empirical study showed that data from 5-level, 7-level and 10-level items showed very similar characteristics in terms of mean, variance, skewness and kurtosis after a simple transformation was applied. From universe of 2000 of North West Haryana, a sample of 400 respondents was collected using **systematic sample design**. Every 5th person met on date of meeting was considered as respondent of questionnaire. The data of 400 respondents was collected by questionnaire method. After analyzing the questionnaire it was found that 10 questionnaires are incomplete so are of not any use. Remaining 390 questionnaires when again analyzed 9 found to give rating in place of ranking. So at last data of 381 questionnaires has been taken for further study. The data extracted from questionnaires is in the form of attributes and contains demographic and attitudinal details of the respondents. There are 8 demographic attributes represented by bg1 to bg8 and 63 attitudinal attributes represented by m1 to m63 in this study. The research work makes effort to comprise 63 attributes into finite number of factors which contribute towards attitude of respondent to lapse the policy.

STATISTICAL TOOLS

Factor analysis has been applied to identify the reasons for forfeiture/ surrender/ switchover of life insurance product by the insured in life insurance sector in India. The main purpose of applying factor analysis is to condense the information contained in a number of original variables into a smaller set of new composite dimensions with a minimum loss of information (Joseph, 1995). All the attributes collected by questionnaires may not be reason for making decision about lapse of insurance policy. Therefore it is very important to extract such attributes so that important attributes can be analyzed. For this purpose descriptive of attributes has been checked using SPSS software. The cutoff point selected is 3.25 on basis of past experience of researchers. The attributes having mean less than 3.25 are considered as unimportant for further study and this has been extracted. Out of 63 attitudinal attributes 32 attributes are found with descriptive mean less than 3.25. So these 32 attributes has been rejected for further study and remaining 31 attributes will be used to make factors collectively. Similarly descriptive for demographic variables has been checked and only two variables named bg2 and bg7 are found with mean greater than 3.25 so are selected for further study. Now to comprise same type of the attributes in one factor, **factor analysis** has been used. It has been observed that Bartlett test of sphericity is significant and Kaiser – Meyer – Olkin measure of sampling adequacy is less than .6 so insignificant. It shows that still there are some attributes which are not important for making decision of insured. Moreover in anti- image correlation matrix all measures of sampling adequacy are below than acceptable level 0.5. Therefore attributes having measure less than .5 in anti- image correlation matrix should be rejected. So attributes named m2, m9, m10, m17, m25, m35, m39, m42, m45, m46, m52, m54, m55, m61 has been extracted and factor analysis is again applied on remaining 17 attributes. From table 4, it is observed that Bartlett test of sphericity is significant and Kaiser – Meyer – Olkin measure of sampling adequacy is greater than .608 i.e. grater than .6 so significant. But anti- image correlation matrix reveals that the two attributes named m33 and m34 have measure less than .5 so needed to be extracted. Therefore these two attributes are extracted and factor analysis has been applied again. Now it has been observed that Bartlett test of sphericity is significant and Kaiser – Meyer – Olkin measure of sampling adequacy is .665 greater than .6 so is significant. Now in anti- image correlation matrix (table 1) all the attributes are well above the acceptable level of .5. Therefore these are the attributes which are responsible for lapsing of policy.

Anti-image correlation Table – 1

m1	.628(a)	0.227	-0.343	-0.021	0.355	-0.234	0.063	0.125	0.195	-0.221	-0.102	-0.251	0.097	-0.221	-0.133
m13	0.227	.557(a)	-0.038	0.3	0.3	-0.38	-0.128	-0.035	-0.244	0.01	-0.03	-0.083	-0.217	-0.081	-0.097
m18	-0.343	-0.038	.702(a)	0.089	-0.158	-0.109	-0.138	-0.011	0.139	0.066	0.045	-0.126	-0.245	0.214	0.352
m20	-0.021	0.3	0.089	.670(a)	-0.184	-0.232	0.328	0.026	-0.055	0.073	-0.549	-0.181	-0.429	0.165	0.081
m21	0.355	0.3	-0.158	-0.184	.600(a)	-0.444	-0.422	-0.538	0.239	-0.185	0.313	0.178	0.121	-0.469	0.067
m22	-0.234	-0.38	-0.109	-0.232	-0.444	.685(a)	0.27	0.045	0.218	-0.205	0.149	-0.011	0.147	0.481	-0.138
m23	0.063	-0.128	-0.138	0.328	-0.422	0.27	.624(a)	0.206	0.093	-0.31	-0.21	-0.159	0.225	-0.013	-0.11
m32	0.125	-0.035	-0.011	0.026	-0.538	0.045	0.206	.790(a)	-0.004	0.092	-0.238	-0.049	-0.24	0.393	-0.054
m41	0.195	-0.244	0.139	-0.055	0.239	0.218	0.093	-0.004	.642(a)	-0.415	0.189	-0.216	0.047	0.278	0.242
m43	-0.221	0.01	0.066	0.073	-0.185	-0.205	-0.31	0.092	-0.415	.649(a)	-0.08	0.109	-0.146	0.019	0.484
m47	-0.102	-0.03	0.045	-0.549	0.313	0.149	-0.21	-0.238	0.189	-0.08	.547(a)	0.041	0.252	-0.109	-0.073
m56	-0.251	-0.083	-0.126	-0.181	0.178	-0.011	-0.159	-0.049	-0.216	0.109	0.041	.807(a)	0.231	-0.231	-0.007
m58	0.097	-0.217	-0.245	-0.429	0.121	0.147	0.225	-0.24	0.047	-0.146	0.252	0.231	.684(a)	-0.273	0.041
m59	-0.221	-0.081	0.214	0.165	-0.469	0.481	-0.013	0.393	0.278	0.019	-0.109	-0.231	-0.273	.584(a)	0.027
m60	-0.133	-0.097	0.352	0.081	0.067	-0.138	-0.11	-0.054	0.242	0.484	-0.073	-0.007	0.041	0.027	.730(a)

INTERPRETATION OF FACTORS

Table 2 displays the total variance explained at four stages. At initial stage, it shows the factors and their associated eigen values, the percentage of variance explained and the cumulative percentages. In reference to the eigen values, it is expected that four factors are to be extracted because they have eigen values greater than 1. if these four factors are to be extracted, then 70.926% of the variance would be explained. The scree plot graphically (graph 1) displays the eigen values for each factor.

Table 2									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.42	29.47	29.47	4.42	29.47	29.47	3.207	21.38	21.38
2	2.702	18.011	47.481	2.702	18.011	47.481	2.595	17.3	38.68
3	2.109	14.062	61.543	2.109	14.062	61.543	2.439	16.26	54.94
4	1.407	9.383	70.926	1.407	9.383	70.926	2.398	15.987	70.926
5	0.978	6.522	77.448						
6	0.769	5.123	82.571						
7	0.617	4.116	86.688						
8	0.49	3.269	89.957						
9	0.428	2.853	92.81						
10	0.279	1.863	94.673						
11	0.243	1.619	96.292						
12	0.185	1.235	97.527						
13	0.167	1.115	98.642						
14	0.13	0.87	99.512						
15	0.073	0.488	100						

Factor-1

Perusal of rotated component matrix (table 3), it is noticed that attributes m20, m22 and m58 have highest loadings (close to 1) of .838, .603 and .622 respectively on factor 1. This shows that factor 1 is combination of these three original attributes. So factor 1 is interpreted as combination of “availability” (m20), “kind of scheme to be launched” (m22) and “surrender earlier also” (m58). Factor1 is named as “**purchase indecisiveness**”. This factor reveals that now -a- days customer generally surrenders their life insurance policies if they feel difficulty in taking decision while purchase of policy. They found difficulty while taking decision and therefore surrenders the policy. So, the policy provider should explain buyer with the proper features so that they can decide properly about purchase of policy.

	Component			
	1	2	3	4
m20	0.838	-0.009	0.324	0.082
m23	-0.817	0.292	0.181	-0.081
m59	-0.715	-0.125	0.322	0.198
m58	0.622	0.219	0.056	-0.248
m22	0.603	0.325	0.263	-0.305
m32	0.594	0.147	0.367	-0.519
m43	-0.07	0.844	-0.197	-0.134
m60	-0.106	-0.82	0.217	0.124
m18	0.217	0.727	0.308	0.032
m41	0.047	0.297	-0.861	0.056
m13	-0.071	0.014	-0.735	-0.077
m21	0.072	0.403	0.628	-0.588
m1	-0.12	0.015	0.148	0.856
m56	-0.31	-0.04	-0.217	0.705
m47	0.187	-0.39	0.256	0.551

Factor-2

Similarly interpreting factor 2 from table 8, it is noticed that attributes m18 and m43 have highest loadings of .727 and .844 on factor2. This shows that factor 2 is combination of these two original variables. So factor 2 is interpreted as combination of “service satisfaction” (m18) and “information through catalogue” (m43). So factor 2 is named as “**information dilemma**”. It means the customer is not getting proper information about the policy so face difficulty. Therefore, it is required for policy provider to give proper and true information to the policy holder to decrease the rate of lapse of policy.

Factor-3

Now again interpreting factor3 from same table 2, it is noticed that only attribute m21 has highest loading of .628 on factor3 so it alone represents factor3. The attribute is client handling so factor3 is named as “**client servicing through company**”. If the proper service is not given to client, he feels insecurity with his payment so lapse the policy. Therefore, a good service by company to client may be helpful in decreasing the rate of lapse of policy.

Factor-4

Similarly m1 and m56 have highest loadings of .856 and .705 on factor 4. So “objective tax benefit” (m1) and “surrender due to dispute” (m56) collectively make factor 4 as “**Superfluous benefits**”. So, a policy provider should give time to time counseling to the policy holder to maintain his interest and to dissolve the conflicts. The main objectives of the policy should be precisely explained to the policy holder. Therefore from research it is found that these are four major factors which are responsible for lapse of insurance policy.

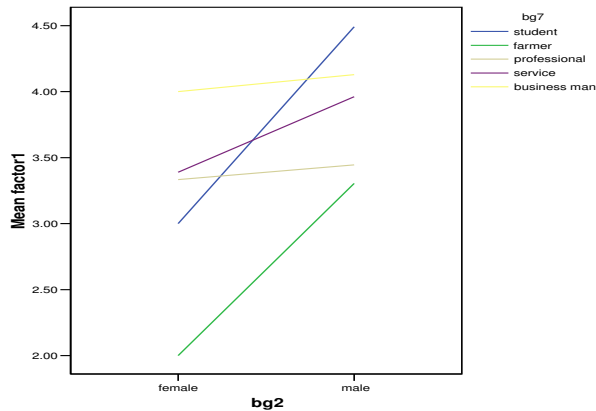
Now it is important to know how demographic variables affect these variables.

As the study is also concerned to know the biographic factors responsible for the lapse of policy so further analysis of these four factors is required.

Is there any impact of sex and occupation on factors contributing to lapse of policy?

To know this impact two – way ANOVA has been applied.

**** Impact of sex and occupation on purchase indecisiveness:** The Levene’s test revealed that the homogeneity of variance assumption has not been violated. It illustrates that the main effects for sex and occupation are very significant. Therefore, both sex and occupation collectively

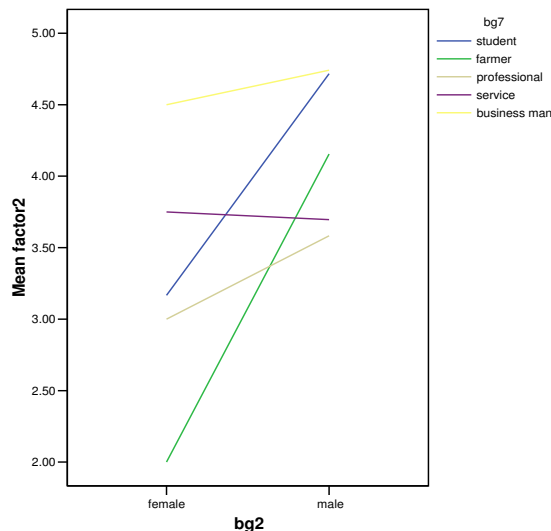


impacts the purchase indecisiveness of client. Moreover table 20 depicts that there is a significant interaction effect ($p < .05$) for sex*occupation. That is, the impact of sex on purchase indecisiveness does depends on occupation of the client, $F(4,371) = 18.144, p < .05$. Graph 2 also shows that **for businessman and professionals, the sex has no impact on purchase indecisiveness.** However for service, sex has a small impact but **for farmers and students, sex has a considerable impact: male is dominating in purchase indecisiveness.**

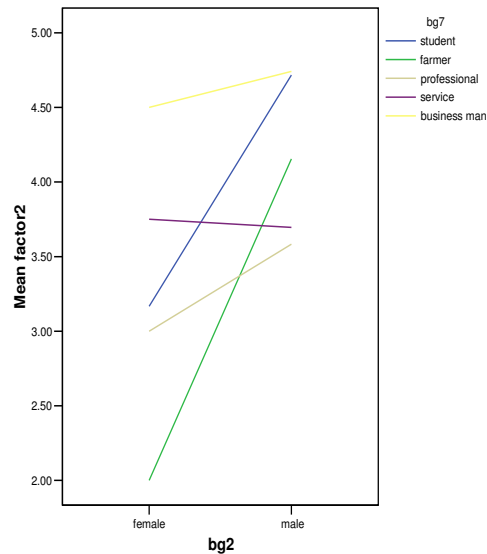
**** Impact of sex and occupation on information dilemma:** The Levene’s test (table 3) reveals that the homogeneity of variance assumption has not been violated. It illustrates that the main effects for sex and occupation are very significant. Therefore, both sex and occupation collectively impacts the information dilemma of client. Moreover table 22 depicts that there is a significant interaction effect ($p < .05$) for sex*occupation. That is, the impact of sex on

purchase indecisiveness does depends on occupation of the client, $F(4,371) = 13.608, p < .05$.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power(a)
Corrected Model	123.049(b)	9	13.672	29.091	.000	.414	261.823	1.000
Intercept	709.743	1	709.743	1510.193	.000	.803	1510.193	1.000
bg2	10.218	1	10.218	21.741	.000	.055	21.741	.996
bg7	29.494	4	7.374	15.690	.000	.145	62.758	1.000
bg2 * bg7	25.581	4	6.395	13.608	.000	.128	54.432	1.000
Error	174.358	371	.470					
Total	6183.250	381						
Corrected Total	297.407	380						



Graph 3 also shows that **for businessman, serviceman and professionals, the sex has no impact on purchase indecisiveness. However for farmers and students, sex has a considerable impact: male is dominating in information dilemma.**



Impact of sex and occupation on client servicing through company: The Levene's test revealed that the homogeneity of variance assumption has not been violated. It illustrates that the main effects for sex and occupation are very significant. Therefore, both sex and occupation collectively impacts the client servicing of client. Moreover table 24 depicts that there is a significant interaction effect ($p < .05$) for sex*occupation. That is, the impact of sex on purchase indecisiveness does depends on occupation of the client, $F(4,371) = 9.343$, $p < .05$. Graph 4 also shows that **for student, farmer and serviceman, the sex has very less impact on client servicing. However for business man and professional, sex has a considerable impact: for businessman male is dominating and for professional female's decision is dominating in client servicing.**

CONCLUSION

After analyzing the fact sheet as per the causes in terms of variable m1 to m34 it is concluded that most popular and major reason for a customer who surrenders the life insurance policy is whenever he/ she takes wrong decision in purchase of policy and male plays dominating role in lapsing policy in case of farmers and students due to indecisiveness in purchasing but in case of serviceman and professionals sex don't play any role. The research explored other reasons for lapse of the policy as information dilemma, client servicing through company and superfluous benefits. Being information dilemma as reason for lapse of policy, male's decision plays dominating role for farmers and students. But if client servicing is factor for lapse then male's decision is important in case of businessman and female's decision is important in case of professional.

FURTHER RESEARCH

Further research could extend these results to other insurance policies. This might involve an examination of the theoretical antecedents, as in the experiment, or the behavioral consequences. More generally, such an analysis would provide an important link among research on customer attitude and demography – variables that have typically been analyzed in separate research streams. Other research could examine the reasons consumer believe that they can or cannot decide the purchase of different insurance policies. Further research could also assess the extent to which differences in perception and behavior vary across customers and are moderately by individual differences, such as involvement and risk aversion.

REFERENCES

- Bodla, B. S. and Verma, Sushma Rani, (December 2007) "Life Insurance Policies in Rural Area: Understanding Buyer Behavior" The Icfai Journal of Services Marketing, Vol. 5, No. 4, pp. 18-27. Available at SSRN: <http://ssrn.com/abstract=1080121>
- Athma, Prashanta and Kumar, J. Ravi "An Explorative Study of Life Insurance Purchase Decision Making: Influence of Product and Non-Product Factors" Available at SSRN: <http://ssrn.com/abstract=1042641>
- Khurana, Sunayna, (2008) "Customer Preferences in Life Insurance Industry in India" , Icfai University Journal of Services Marketing, Vol. 6, No. 3, pp. 60-68, September 2008. Available at SSRN: <http://ssrn.com/abstract=1267155>
- Rao, Narsimha, "Insurance Regulatory Regime and the Insurer" Available at SSRN: <http://ssrn.com/abstract=1036601>
- Vittas, Dimitri, "The Insurance Industry in Mauritius(April 17, 2003)", World Bank Policy Research Working Paper No. 3034. Available at SSRN: <http://ssrn.com/abstract=636396>
- Pillai, V. N.S., "Life Insurance Policies in India: Unique Provisions Protect Families" Available at SSRN: <http://ssrn.com/abstract=1114687>

REQUEST FOR FEEDBACK

Esteemed & Most Respected Reader,

At the very outset, International Journal of Research in Commerce and Management (IJRCM) appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to take this opportunity to request to your good self to supply your critical comments & suggestions about the material published in this issue as well as on the journal as a whole, on our E-mails i.e. **info@ijrcm.org.in** or **infoijrcm@gmail.com** for further improvements in the interest of research.

If your good-self have any queries please feel free to contact us on our E-mail **enquiryijrcm@gmail.com**.

Hoping an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator