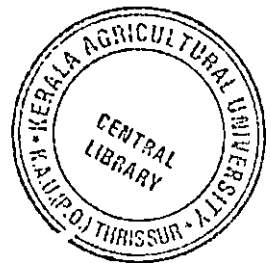


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MARKETING OF INSURANCE PRODUCT IN METLIFE

By
SHIJITHKUMAR. K.



PROJECT REPORT

*Submitted in partial fulfillment of the
requirement for the degree of*

Bachelor of Science in Co-operation & Banking

FACULTY OF AGRICULTURE

**COLLEGE OF CO-OPERATION, BANKING AND MANAGEMENT
KERALA AGRICULTURAL UNIVERSITY
VELLANIKKARA, THRISSUR**

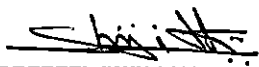
2006

Declaration

DECLARATION

I hereby declare that this project report entitled "MARKETING OF INSURANCE PRODUCTS IN METLIFE" is a bonafide record of work done by me during the course of project work and that it has not previously formed the basis for the award to me for any degree/diploma, associateship, fellowship or other similar title of any other University or Society.

Vellanikkara
06.08.2006


SHIJITHKUMAR .K.
(2001-05-28)

Certificate

CERTIFICATE

Certified that this project report entitled "MARKETING OF INSURANCE PRODUCTS IN METLIFE" is a record of project work done independently by Shri. Shijithkumar .K. (2001-05-28) under my guidance and supervision and that it has not previously formed the basis for the award of any degree, fellowship or associateship to him.



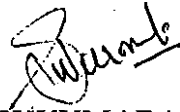
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CERTIFICATE

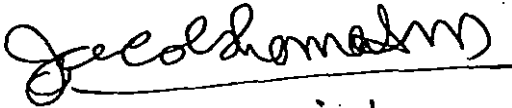
We undersigned members of the Viva-voce Board of Mr. SHIJITHKUMAR .K., a candidate for the degree of B.Sc. (Co-operation and Banking) agree that the project report entitled "MARKETING OF INSURANCE PRODUCTS IN METLIFE" may be submitted in partial fulfillment of the requirement for the degree.




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*Dedicated to
My beloved parents
And
My Dear Brothers*

*Remembering my class mates, after few years,
My eyes were filled with tears,
Everyone now is busy a lot,
No one escaped destiny's plot.*

*Saw the girl, whom once I thought as my best friend
Oops! Today she is somebody else girls friend
After months, remembered about her for a little while
Heard she is happy, that made me smile*

*Project reviews to campus interviews
Nicknames to fast bench games
Cultural rehearsals to love proposals
Short term crushes to class room blushes.*

*Everything is fresh in our mind
Wish life could just rewind.
Let's laugh play and rejoice,
One again become college guys.*

*Chatting and laughing we all were in elation
Till the painful moment of separation
When it was time to part,
We returned with a heavy heart.*

*Today life is full of commitments
And too many worries,
But those cherished moments,
Will live forever in our memories!!*

Acknowledgement

ACKNOWLEDGEMENT

I consider it as a moment of great delight to express my straight and obliged gratefulness to everyone, who helped me during my academic years in the holy temple of Co-operation. I have no hesitation to declare that the outcome of the present project is the culmination of the collective wisdom and encouragement of a group of elites to whom I owe its credibility. However I will be failing in my duty if I do not endorse a few.

With great respect, I place on record my sincere gratitude to Shri. Jacob Thomas, my guide for his guidance and support in the preparation of this project report.

I am greatly indebted to my advisor, Smt. Ushadevi, for her advice and moral support during my course of study.

I am grateful to Dr. A. Sukumaran, Chairman of the Viva Board and Smt. Sunitha, K.C., Member of the Viva board, for their constructive criticism and insightful comments which made this project more logical.

I am obliged to Dr. M. Mohandas, Associate Dean i/c and present Associate Dean, Dr. U. Ramachandran and other esteemed faculty members for their generous advises and encouragement throughout my academic life.

I fell in words in thanking Shri. Philip Sabu, Assistant Professor and Officer in-charge of Placement, for his infallible support to do the project work and training in the most efficacious manner.

With great respect, I place on record my sincere gratitude to Shri. Viswambharan (PRO, KAU), for his guidance and support in the preparation of the project report.

I thank Mr. O.K. Ravindran, C/o Peagles, Mannuthy for converting my manuscript into the present typed form.

I reckon with love my friends in the CCBM family, seniors especially, Aneesh, P.S., Bibin Mohan, juniors and my dear classmates especially Aswathy for their selfless love and companionship throughout my academic life in CCBM

Above all, I reckon with love, my loving parents and my dear Brother for their virtuous support and constant encouragement, which made me what I am.

Needless to say, I alone am responsible for my errors, which may remain.

SHIJITHKUMAR, K.

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Design of the Study

Chapter I

DESIGN OF THE STUDY

The insurance sector in India was nationalized in 1956 and the Life Insurance Corporation of India was established. Consequent on the globalization of the economy the insurance sector was opened to the private players and a number of reputed global companies established insurance business in India resulting stiff competition in the insurance sector which was hitherto have been monopolized by the Life Insurance Corporation. Now there are about 15 Life Insurance and 14 General Insurance Companies operating in India. When the insurance business was opened for private players the government of India appointed a committee to recommend the regulatory measures to control the operation of the company in the interest of the customers. In 1999 the Insurance Regulatory and Development Authority (IRDA) Act was passed for licensing the private players. After establishing the IRDA, regulations and guidelines were issued for the functioning of insurance companies the IRDA helps to safeguard interest of the investors and customers.

A thriving insurance sector is of vital importance to every modern economy. First, it encourages the savings habit, second, it provides a safety net to rural and urban enterprises and productive individuals. And perhaps most importantly it generates long term invisible funds for infrastructure building. The nature of the insurance business is such that the cash inflow of insurance companies is constant, while the payout is deferred and contingency related.

This characteristic of their business makes insurance companies the biggest investors in long-gestation infrastructure development projects in all developed and developing nations. This is the most compelling reason why private sector (and foreign) companies which will spread the insurance habit are urgently required in this vital sector of the economy.

With the nations infrastructure in a state of unsatisfactory stage of development India couldn't have afforded to be lumbered with sub-optimally performing monopoly insurance companies and therefore the passage of the Insurance Regulatory and Development Authority Bill on December 2, 1999 heralded an era of cautious optimism where stakes are high for all parties concerned. For the Government of India, Foreign Direct Investment (FDI) for foreign insurer, investment must start yielding returns and for the domestic insurance industry – their market penetration should remain intact. On the fringe, the customer is pondering whether all the hype created on liberalisation will actually benefit him.

“Insurance is a contract between two parties whereby one party called insurer undertakes in exchange for a sum called premium to pay the other party called insured a fixed amount of money on the happening of a certain event”. Insurance is a protection against financial loss arising on the happening of an unexpected event. Insurance companies collect premiums to provide for this protection. A loss is paid out of the premium collected from the insuring public and the Insurance Companies act as trustees to the amount collected. It is a system by which the losses suffered by a few are spread over many exposed to similar risks.

Three cornerstones of Life Insurance are protection, savings or investments and tax benefits.

Protection:

It is a well thought business concept designed to protect the economic value of a human life for the benefit of those financially dependent on him.

Savings and Investments:

Insurance is a means to save and invest. A person's periodic premiums are like savings and he/she is assured of a lump sum amount on maturity. A policy can come in really handy at the time of that person's child's education and marriage. Besides, it can be used as supplemental retirement income.

Tax Benefits:

Life insurance is one of the best tax saving options today. An Income Tax assessee gets deduction on the premium paid on a life insurance policy.

INSURANCE COMPANIES METLIFE

Metlife

Metlife was incorporated in USA during 1868 and has a track record of 137 years of efficient business. The Metlife companies serve millions of customers in America and Asia with the goal of building financial freedom for everyone. The company provides benefits to 37 million customers

through its plans. The Metlife is number one Life insurer in the USA with approximately US \$ 2.8 trillion of Life Insurance in force.

In India, Metlife was established in 2001 and it provides customized need based selling, simple and innovative products, and Technology backed service to customers.

Insurance company establishes direct contact with customers through the Financial Advisor (FA). Financial Advisor is a person who takes up agency from the Insurance Company to sell its policy on a commission basis. He is an intermediary between insurance company and policy holder. Mostly insurance policies are bought through financial agents. Agent helps individuals and companies in selecting the right policy for their needs. The Financial Advisor plans for financial security of individual, families and business and advice them about insurance protection. They also help the policy holder at the time of settlement of the claim. Their job is quite challenging as selling the product of insurance is not easy. For being successful the Financial Advisor should have a knack of convincing people.

Statement of the problem

The MetLife has opened a branch in Thrissur with a purpose of doing business in Life insurance. It has work force 209 financial advisors. The active financial advisors are of 75 and non-active is 134.

Efficiency of the sales force is measured by the activity ratio of the financial advisor. Activity ratio is measured as

$$\frac{\text{No. of FA's who processed at least 1 policy in the month} \times 100}{\text{No. of Financial Advisors at the end of the previous month}}$$

The performance standard for MetLife is 60%. But today the performance stands at 40%. Lower activity ratio leads to greater attrition of Financial Advisor in the company. This eventually results into poor standard of service for the existing policy holders. The study aims to analyze the reason for lesser activity ratio.

Objective of the study

1. To identify the extent of product awareness among Financial Advisor of MetLife and to evaluate the procedures recommended by the MetLife.
2. To identify the reasons for low activity ratio of Financial Advisor's.

Methodology

The study was conducted in Thrissur branch of Met Life. The primary data was collected by 2 methods – (1) Sales process by Financial Advisors was observed in the actual field condition; (2) Fifty Financial Advisors was interviewed including both active and inactive. For collecting the data a pre-structured sales process observation sheet and interview were used.

Main items of observations

1. Product features and awareness
2. Prospecting
3. Approach and presentation.
4. Frequency Pre-purchase follow-up for changing interest into action.
5. Sales closing
6. Post purchase service and follow up.

Practical utility of the study

Based on MetLife vision this study will help to establish a productive and professional financial advisor distribution system for MetLife in Thrissur. It can be used in building financial for every customer through a need based sales process.

Limitations of the study

The present study is a part of the graduate programme and hence it has all limitations of time, money and other resources. These constraints restrict the selection of only topics in insurance. This study does not take into consideration the quality of Financial Advisor recruitment by the Sales Manager.

REVIEW OF LITERATURE

Philip Kotler and Sidrey Levy (1969) in their article titled "Broadening the Concept of Marketing" published in the Journal of Marketing have argued the case for extending the concept of marketing to the non-profit and non-manufacturing organizations, because their range of influence affects us many livelihood and occupies as much media prominence as major business enterprise, organisation like LIC do require a fresh look at the business operation.

Blois, 1974, wrote the first services marketing article to appear in the European Journal of Marketing. He noted the importance of the service economy in the UK and emphasized the scarcity of services literature sources. Blois also proposed an approach to services marketing based on the buyer behaviour theory.

Ghadage and Mehra (1977) in their contemporary writings opined that service industries do well to be futuristic in their thinking and anticipate consumerism. They also focused on the good customer service as the master key to future prosperity and growth in the service industry.

Lawrence A. Crosby and Nancy Stephens in their article titled, "Effects of relationship Marketing on Satisfaction, Retention and Prices in the Life Insurance Industry", published in the Journal of Marketing Research

(Vol.24, November 1987) opined that, complex, highly intangible services such as life insurance consist largely of credence properties. Insurance providers engage in relationship building activities that emphasize buyer-seller interaction and communication. Economists contend consumers are prone to make quality generalisations based on the strength of these relationships, perhaps to the detriment of price competition. The authors report contrary results suggesting that though relationship marketing adds value to the service package, it is not a substitute for having a strong, up-to-date core service.

A.N. Poddar (1992) on, "Marketing Strategies for Insurance Products in Emerging Scenario" says that marketing strategies in the insurance sector would revolve sound products and companies and then thrust areas would be a function of environmental, regulatory, competitive and technological factor in a dynamic continuum.

According to G.D. Aul *et al.* (1994) basic features of service are intangibility, inseparability, perishability that it cannot be owned. Its production may or may not tied down to a physical product. The authors, hold the view that the broad principles of marketing are applicable to marketing of services also.

Devashish Pujari and Anand Sharma (1994), pointed out that the insurance companies are applying, modern marketing mix concept to its full

play. They also pointed that, the insurance services are intangible, having the implications of difficulty in judging the quality in advance. They also pointed out that, for marketing of insurance, marketing managers must understand the native characteristics of insurance services and the manner they impinge on the marketing strategy.

According to Jha (1994), the marketing experts feel that, with the help of innovative marketing strategies, the providers of services would be successful in achieving the organizational goals of raising the number of potential users; satisfying them with refined services, and behaviour and paving ways for generation and multiplication of profits.

Devashish Pujari and Anand Sharama (1994) conducted a study on "marketing applications in the General Insurance Corporation and its Subsidiaries". The objectives of the study are: (1) To elucidate the importance and application of marketing concepts in marketing of services by insurance companies, (2) to find the gap in the marketing efforts by companies, (3) suggesting measures to strengthen the efforts in achieving ultimate goal of customer satisfaction. The methodology was primarily based on the observation and unstructured interviews with the executives at the regional offices and branch offices of the insurance companies. Source of information was the advertisement and information lying in the branch, divisional and regional offices. The units undertaken in the study are,

United India Insurance Company, National Insurance Company, New India Insurance Company and Oriental Insurance Company. the major findings are that there is an important short coming in the market effort relating to serve positioning. There is an almost uniform service positioning, ie. segmentation of benefit sought. The positioning should also be based on other bases like family life cycle, income, social class etc. Then there is a definite gap in the reach of insurance services. The major challenge the insurance companies will face would be from multinational companies, if they are allowed to enter Indian Insurance Sector. The foreign insurance companies like, Prudential of UK and others will pose a real threat to Government owned insurance companies operating in the country.

Mc Daniel, David (1995) in his article, "Agents Worst Nightmare, Banks are giving the edge to sell insurance in a bigway", explains that insurance agents are afraid of banks. Cutting into their business as they have in Europe where banks are for more efficient than agents. The article lays out how to make the proposed legislation in effective by waiving of unsubstantiated tie-ins and bank coercion, proposing 10 day waiting periods, state legislation and tough fire walls.

Malliga (2000) conducted a study on Marketing of LIC policies. A study on agents of Tirunelveli division. The objectives of the study are: (1) to analyse the impact of marketing strategies of the agents on the

performance, (2) to study the association between personality traits of the agents and the performance, (3) to identify the association between the socio economic status of the agents and the performance, (4) to assess the impact of attitude of the agents and the performance, and (5) to analyse the performance of agents in terms of the number of policies and the sum assured with respect to the nature (part time and full time) and type (direct and supervise) of the agents. The major findings are, there is association between the socio-economic status and the performance of agents in terms of number of policies, the sum assured and total commission received was found to be dependent on the socio-economic status. The status of agents influence on the performance in marketing the LIC policies. The performance of agents was influenced by the marketing strategies they follow.

Yashwant Sinha (2002) say that insurance can both act on an engine of growth for the entire economy and be a beneficiary of the process. New products and increased speed of insurance, particularly to the rural areas will lead to a growth in savings and this in turn will fuel economic growth. The insurance sector is also a major source of long term funds for infrastructure development.

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*Role of Financial Advisors in
Life Insurance Marketing*

Chapter II

ROLE OF FINANCIAL ADVISORS IN LIFE INSURANCE MARKETING

WHAT IS INSURANCE?

Every asset has a value for its owner and also for those who are benefitted with the existence of that asset. Insurance is concerned with the protection of economic value of assets.

All of us are interested in the creation of assets because:

- (i) All assets have values.
- (ii) They yield income to the owner
- (iii) They meet some other needs of the owner.
- (iv) They may provide satisfaction of some needs and also yield income to the owner.

Every asset has normally an expected lifetime. During this period, it is expected to perform and provide income/comfort to the owner. The owner, being aware of this, plans the things in such a way that by the time the expected lifetime of the asset expires, he is ready with the funds required for its replacement. In this way, he ensures that the value or income from the

asset is not lost. Well, this appears to be a fine arrangement provided the asset completes its expected lifetime!

All assets carry the risk of being destroyed or damaged. But all assets may not necessarily get destroyed or damaged. Only in a few instances, the probability turns out to be true and the asset gets actually lost or destroyed by accident or some other unfortunate event before the completion of its expected lifetime. The owner and those deriving benefits from the asset will suffer because the arrangement to make available its substitute is not yet ready.

Insurance is helpful in mitigating such adverse consequences. To sum up, assets are insured, as they are likely to be lost or made non-functional through an accidental occurrence.

Insurance does not protect the assets. This means that insurance cannot prevent loss to the assets due to perils. Nor can insurance avoid the occurrence of perils. It only compensates, may not be fully, the economic or financial loss resulting to the asset from such damage or destruction.

BRIEF HISTORY OF INSURANCE

The beginning

The beginning of insurance business is traced to the city of London. It started with the marine business. Marine traders, who used to gather at

Lloyd's coffee house in London, agreed to share losses to goods during transportation by ship. Marine related losses included:

- Loss of ship by sinking due to bad weather in high seas
- Goods in transit by ship robbed by sea pirates
- Loss of or damage to the goods in transit by ship due to bad weather in high seas. The first insurance policy was issued in England in 1583.

Life insurance in India

In India, insurance started with life insurance. It was in the early 19th Century when the Britishers on their postings in India felt the need of life insurance cover. It started with English Companies like 'The European and the Albert'. The first Indian insurance company was the Bombay Mutual Assurance Society Ltd., formed in 1870.

In the wake of the Swadeshi Movement in India in the early 1900s, quite a good number of Indian companies were formed in various parts of the country to transact insurance business. To name a few: 'Hindustan Co-operative' and 'National Insurance' in Kolkatta; 'United India' in Chennai; 'Bombay Life', 'New India' and 'Jupiter' in Mumbai and 'Lakshmi Insurance' in New Delhi.

Nationalisation of Life Insurance in India

In 1956, life insurance business was nationalized and LIC of India came into being on 01.09.1956. The government took over the business of 245 companies (including 75 provident fund societies) who were transacting life insurance business at that time. Thereafter, LIC got the exclusive privilege to transact life insurance business in India.

Relevant laws were amended in 1999 and LIC's monopoly right to transact life insurance business in India came to end. At the close of financial year ending 31.03.2004, twelve new companies were registered with the Insurance Regulatory and Development Authority (IRDA) to transact life insurance business in India.

- Primary purpose of life insurance is to give financial protection against the following two risks, to which a person is exposed –
- Risk of an early death, because family and dependents need financial protection in the event of death of the bread-winner.
- Risk of living too long, because those who live too long also need assistance through insurance.

As such following are the two basic elements of life insurance products –

- Death cover; and
- Survival benefit

- Life insurance products are usually called 'Plans of Insurance'. The two basic plans catering to the aforesaid elements are –

(a) Term Assurance – provides cover against the risk of death. The sum assured is paid only on death of life assured if it occurs within the policy term.

- Policy term is specified in years. One variant of Term Assurance plan is 'Whole Life Plan' where policy-term is not specified in terms of years. Sum assured is paid on death of the life assured whenever it occurs.

(b) Pure Endowment – provides cover against the risk of living too long. The sum assured is paid on expiry of policy term only if the life assured does not die within that term.

□ All the life insurance plans are combination of the two basic plans viz., "Term Assurance" and "Pure Endowment". The most common combinations, for example, are referred to as –

- Endowment plans – the policy is for a specified term; if the life assured dies during that term, sum assured is paid, else the sum assured is paid on maturity of the policy term.

- Money Back Endowment Plan : it differs from an ordinary endowment plan in that –
- The sum assured is paid in instalments at a specified periodical interval during the policy term as long as life assured survives, until maturity; last such instalment is paid on maturity;
- On death during the policy term, full sum assured is paid without deducting the part payments already made.
- Double endowment plans: on death during the policy term, the specified sum assured is paid; and if the life assured does not die during the policy term, double the sum assured is paid on maturity of the policy.

Life Insurance marketing does not carry any meaning unless there is a customer. As such purpose of any business would be –

- creating customers
- retaining customers

marketing means the activities that are focused on the customer. These activities include –

- Marketing customers know about availability of the goods or services on offer – this is achieved mainly through media and other publicity means.
- Making it convenient to the customer to access the goods or services on offer – this is achieved by making goods and services available at convenient outlets.
- Making customer feel that the cost for benefits deriving from the services on offer is reasonable – this is achieved through meaningful presentations of the goods and services.
- Ensuring that the customers feel a great satisfaction while using the goods and services – this is achieved through qualitative products and services.

Marketing Concepts are based on studies made as to -

- Why do people buy?
- When and where do they buy?
- What do they look for while buying?
- How much are they prepared to pay?
- What are their concerns?

Marketing for Intangibles – the concepts that are relevant to tangible products like vehicles, refrigerators and music systems etc. are not entirely applicable to the intangible products i.e. the services like health care, finance, banking and life insurance. This is because –

- ✦ Every service is different from the other
- ✦ Every service caters to a different kind of need
- ✦ Every service is different in the methodology of making it available to the customer.

DISTRIBUTION CHANNEL

- Distribution channel is concerned with the activities involved in transferring the products leading up to the final sale to the consumer. Simply put, it bridges the distance between the producer and the end-consumer.
- In the case of life insurance -
 - ♥ Marketing force comprising of agents and development officers (or whatever names given by the insurers) forms the distribution channel.

- ♥ The agents canvass various products of the insurer to the clients and on completion of the insurance contract they are paid commission by the insurer.
- ♥ It is primarily the agent who contacts the client and does the presentation work in regard to the selling of an insurance policy according to the needs of the client.
- ♥ If need be, the development officer (or whatever name given), who is a regular salaried employee and had recruited the concerned agent in his organization, renders all types of assistance in the selling process leading to the finalisation of insurance contract.

→ The other intermediaries like broker and insurance consultants are equally important.

→ Another channel, which is made use of is of direct mailing. Letters or brochures may be sent directly to prospects. In case the prospects become interested they may contact the nearest branch office. The process of direct mailing is becoming popular.

→ Bancassurance: Other effective channels of distribution could be the various branches of banks. Both banks and life insurance companies target the same segments of population for mobilizing the savings. Through the

same contact the prospect can be helped to arrange for both the bank deposits and life insurance premium.

With Bank and Insurance working together, there is also the possibility of a composite product coming out comprising of the elements of deposits as well as insurance.

SELLING LIFE INSURANCE

- There is a saying, 'life insurance is sold, not bought'. It is interesting to note, in this context, that the person coming to a life insurance office, or an agent, and asking for life insurance, is considered 'likely to be a case of moral hazard' and is looked at more carefully for underwriting.
- The following factors play significant role in a person not realizing the need of life insurance -
 - There is a very little compulsion – or no compulsion at all – for life insurance under the law.
 - Possibility of death is either ignored or not considered to be in the offing
 - Today's requirements prevail upon tomorrow's requirements.
 - Superstitious beliefs and cultural or religious backgrounds.

- Tendency to leave everything to fate
- Notions that investment in life insurance yields 'no good returns'.

The above factors result into a person keeping on defying his genuine need for life insurance cover thereby denying himself, and his dependents, its benefits.

→ It is prudent to have life insurance when one is in the best of his health, otherwise the insurer may refuse to accept the proposal for insurance. And, by the time one realizes himself that he needs insurance, he may not be in the best of his health to be granted an insurance cover.

LIFE INSURANCE CUSTOMER

→ Customer characteristics, in the context of life insurance service, are peculiar and are at variance with from those seen in customers for other service businesses. These characteristics make the life insurance service more demanding in terms of customer relation management. Such peculiarities include -

- ◆ Life insurance remains a mere hope, or a promise, the significance of which is vague until a claim arises under the policy.
- ◆ Unlike in most service businesses, it is not the buyer only to be served as customer in life insurance. The person who is making the claim – or the

beneficiaries for that matter – are also customers to be served and satisfied.

In simple terms, the claimant of death benefits under a life insurance policy -

- may be knowing very little about the circumstances under which the product (of life insurance) was taken by the deceased.

- may not be familiar with his entitlements under the policy.

- having lost an important family member, he is in the troubled situation not in tune with the insurer asking for information and documents of various kinds

- will not appreciate the discrepancies that may be found in the records of the insurer.

- ◆ Even if the buyer himself is the claimant on maturity, his mind-set would be altogether different, thus putting forth a customer different from the one who bought the product. Simply put -

- At the time of buying life insurance, his fear and anxiety was about death and welfare of the family.

- At the time of claim, a satisfaction of being alive could be accompanied by a disappointment that the moneys could have been utilized elsewhere better.

STRENGTHENING RELATIONSHIPS

→ The Insurance Institute of India, got interviewed over 2500 policyholders in 1987. The observations made reflected badly on the agents in as much as that -

- Agents were not in regular contact with their policy holders although they were available whenever required.
- 50% of the interviewed policyholders preferred going to office for any work rather than getting in touch with their agents
- Agents were perceived as knowledgeable but more concerned with their own benefits than those of the policyholders.

→ Agent being the main intermediary between the customer and the insurance company, the customer is more strongly linked with the agent than he is linked with the company. This leads us to conclude that the customer's continuity with the insurance company would depend on how strongly the agent remains linked with the customer.

→ Life insurance being a long term contract, the customer's situations undergo lot of changes during that term. Such changes include financial growth, marriages, deaths of relatives, release of mortgages, etc. The changes may necessitate permissible alterations in the contract of life insurance or even more insurance on self or on members of the

family. The agent's contacts would convey a message that he cares for the policyholder and the family.

FUNCTIONS OF AN AGENT

A life insurance agent has the unique role of such a person, who enjoys the trust of two parties – the prospect and the insurer – simultaneously in the same transaction.

Expectations from an Agent:

→ A life insurance Agent is expected to procure life insurance business in a manner consistent with the interest of the policyholder and of the insurance company.

→ To simplify, functions of a life insurance agent could be divided into two parts, viz.

- 'pre-sale functions'; and
- 'post-sale functions'.

FUNCTIONS

- | Pre sale | Post sale |
|--|---|
| i. Contact prospects | i. Ensure payment of renewal premiums. |
| ii. Study their insurance needs | ii. Assist policyholder for nomination or change thereof. |
| iii. Persuade them to buy | iii. Assist the policyholder in case he wants to get loan against the policy |
| iv. Completion of formalities for proposal of new insurance viz.

(a) Filling of Forms

(b) Arranging for Medical Examination

(c) Collecting proofs of age and income etc.

(d) Any other information required by the underwriter | iv. Assist the policy holder or the claimant to the comply with the requirement for getting timely settlement of claim. |
| v. Collection of First Premium Deposit | v. Keep regular touch with the customer. |

CODE OF CONDUCT

→ The IRDA (Licensing of Insurance Agents) Regulations, 2000 has laid down a code of conduct for agents. Under this code, there are certain DO's and Don'ts for the agents.

DOs for the agents

* An agent shall -

- (a) Disclose his/her licence on demand;
- (b) Explain all available options to the prospect;
- (c) Disclose the scales of commission if asked by the prospect;
- (d) Explain the nature of information required in the Proposal form;
- (e) Impress upon the Prospect to disclose all information;
- (f) Inform the insurer about any adverse habit and material fact of the Prospect;
- (g) Inform the Prospect about acceptance or rejection of Proposal;
- (h) Assist the Policyholder or claimant or beneficiary for compliance of requirements;

- (i) Advise the Policyholders to effect Nomination/Assignment/Exercise of options etc;
- (j) Conserve business by ensuring remittance of premium by the Policyholder in time.

Don'ts for the agents

* An agent shall not -

- a. Procure business without a valid licence;
- b. Induce any prospect to give wrong information;
- c. Behave with the prospect in a discourteous manner;
- d. Interfere with the Proposals introduced by other agents;
- e. Demand or receive any share of proceeds of the claimant;
- f. Cause termination of existing policy to effect a new proposal;
- g. Offer different rates, advantages, terms and conditions other than those offered by the insurer;
- h. Become or remain a director of any insurance company;
- i. Apply for a fresh licence before 5 years if his licence was cancelled by the designated person;

- j. Have, in the case of corporate agent, a portfolio of insurance business under which the premium is in excess of 50% of the total premium procured in any year from one person (not being an individual) or one organization or one group of organizations.

ADVERTISEMENTS

Unhealthy competition has been witnessed among the companies and insurance agents for securing insurance business. Publicity methods adopted by some of the companies have encouraged this dishonest practice for larger business.

Executive committee of Insurance Council set-up under Insurance Act, 1938 took cognizance of various malpractices in the industry and finalized a code of conduct. It became operative from the year 1953. This 'code of conduct' lost importance after nationalization of life insurance business.

The Advertising Standard Council of India adopted a code of conduct in 1985 as a matter of self-regulation.

IRDA has notified detailed regulations on advertisement and disclosure by insurance companies, agents and insurance intermediaries. These, inter-alia, include –

- Claims made about the benefits should not be beyond the ability of the policy to deliver.
 - Benefits described in the advertisement should match the provisions made in the policy.
 - Words or phrases in the advertisement should not be used so as to hide or minimize the cost of hazards.
 - Sufficient disclosure of exclusions, limitations and conditions of the contract should be made.
 - Information in the advertisement should not be misleading.
 - Illustrations about future benefits or assumptions should not be unrealistic or unrealizable in the light of current performance of the insurer.
 - Benefits which are not guaranteed should not be referred to in a way to escape notice of the reader.
 - There should not be any unfair or incomplete comparison with the products of other insurance companies
- Experience shows that insurance advertisements rarely enthruse the readers to buy life insurance. Yet, they prove to be an effective tool for -

- ◆ Building corporate image of the insurer as -
 - a financially strong insurance company, and
 - a responsible social organisation
- ◆ serving as reminder to the existing policyholders to -
 - intimate change of address
 - pay premiums timely
 - make nominations, etc.

→ Word-of-mouth – most powerful advertising medium

- ◆ In all services, particularly in life insurance, ‘word-of-mouth’ has proved to be the most powerful medium of publicity. Amongst all customers in relation to life insurance services, probably claimant – whether the life insured himself or his nominee/heirs – is the most convincing advertiser in favour or against the insurance company. A satisfied claimant would be a favourable word-of-mouth publicity medium.
- ◆ Favourable word-of-mouth proves to be an endorsement for -
 - the credibility of both, the agent and the insurer
 - need for life insurance

KEEPING CUSTOMER HAPPY

→ The factors that make customer happy are -

◆ Recognition and respect

◦ Recognition is felt by the customer when his feelings and requirements are understood and are not ignored. This may happen if the agent is available to the customer during the policy term at times when the latter has a point for clarification or wants change of address, or has some job concerning his policy or is in a situation thought to be affecting his life insurance policy.

◦ The customer feels being respected when his thoughts and ideas are said to be valid. This is more relevant at the time of sale while handling objections.

◆ Responsiveness

◦ It happens when the customer finds that the service provider is 'willing' to help him.

◆ Ease of access

◦ It happens when the customer gains a confidence of reaching the service provider without any hassle of losing time, energy and money.

□ The insurer, as an office, can't be as warm and personalized in dealing with the customer as an agent would be. There are agents who get everything done for their policyholder clients without making them feel the need of going to the insurer's office. By this, they -

- Reinforce the impression that the agent is trustworthy and dependable, and

- Enhance the insurer's image.

Continued touch with the Customer

- A customer's satisfaction lies in his need getting met with by the product (or the service) he bought.
- In life insurance service, 'need satisfaction' can happen at the time of claim. Mostly, there is a long period between the time of buying and the time of claim. During such a period, there is every possibility of certain doubts arising about his decision to buy life insurance.
- Such doubts mainly arise, because some friends, other agents, or agents of other insurers talk about better alternative plans or better insurers.
- Remaining continuously in touch with the customer reassures him at every possible opportunity that he did not make any mistake in

buying. And such a continuous contact is possible only through the agent who will be effectively repeating the sales talk and overcoming objections till the benefits of insurance are seen through the claim.

ROLE OF AN INSURANCE AGENT

Insurance companies may designate their insurance agents as consultants, advisors or by any other name. A person requires license under Insurance Act to be able to function as an insurance agent.

An insurance agent is an important component of distribution channel for life insurance business. He is required to solicit and procure new insurance business in a manner consistent with the interests of the policyholders and his insurance company. To achieve this, he is required to –

- Meet prospects, analyze their financial needs, and persuade them to buy a product, which provides solution.
- Arrange completion of all essential requirements for the underwriter viz. filling of proposal form, collection of premium, medical examination, age proof, proof of income (if required) or other medical reports.

After a proposal results into a policy, it is in the interest of the life assured, the agent and the insurer that the business is conserved and it continues, without a lapse, till it results into a claim. Therefore, the agent has to –

- Remain in contact with the policyholders and ensure that renewal premiums are paid on time.
- Take care that nomination is made under the policy and is changed under the changed circumstances.
- Provide help to the claimants to complete necessary forms and comply with other requirements relating to claim settlement.

The agent has also to assist the policyholder in situations like – the policyholder needs loan under the policy or wants to make an assignment.

Providing services such as these help the agent in strengthening bonds of relationship with the policyholders.

PREREQUISITES FOR SUCCESS

An agent has to be familiar with the following so that he may perform his role well

- Various plans offered by his insurer, their benefits and restrictions.

- Office procedures for various matters as also the forms and documents required.

An insurance agent is an agent of the prospect also. At times the prospect requires advice on certain matters from a person whom he considers knowledgeable and whom he can trust. To come up to the expectation of his prospects, the agent must be familiar with the -

- Other financial instruments, suitable for savings and investment, available in the market and their benefits and advantages.
- Law, particularly, the taxation aspects relating to these instruments.

As many instruments are available in the market, it is difficult for the agent to master the details of all. If an agent, who does not have the necessary knowledge, gives answers on the basis of guesswork or hearsay, it will be non-professional. It is a better course if the agent admits that he does not have a ready answer and would come with complete detail the next day.

SELLING LIFE INSURANCE

→ First step is to prepare a regularly growing list of prospects. A prospect is a person who can be approached for insurance. 'Prospecting' is the process of finding more and more potential customers (i.e. prospects).

Sources of prospecting are:-

- a. Friends, acquaintances, neighbors etc.
- b. Newspapers, bulletins, directories etc.
- c. Social, official and religious meetings etc.

◆ Other specific sources are:-

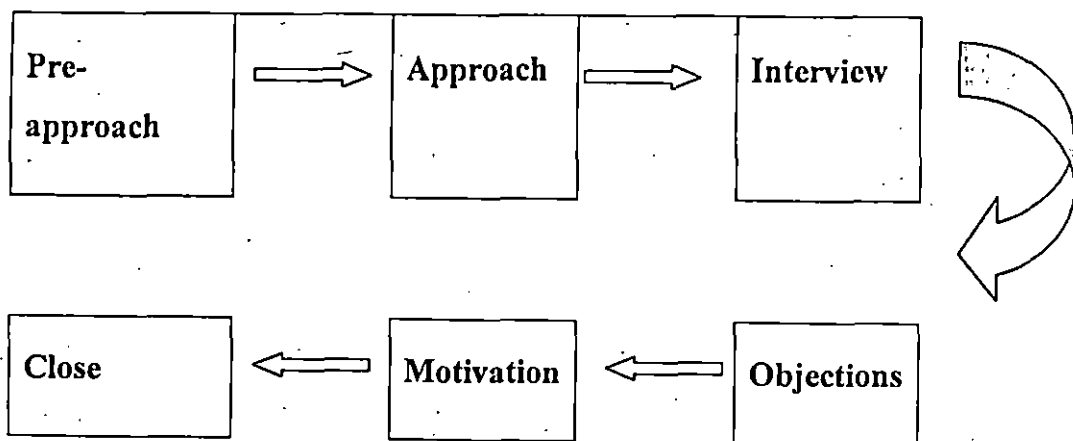
1. Nests: Business houses, factories, schools, hotels, offices etc.
2. Centers of influence - Leaders, elders, teachers, Panchayat members, professionals, astrologers etc.
3. Referred Lead – Through existing customers – a chain
4. Orphaned policyholders
5. Claimants – Help in settling claims.
6. Cold Canvassing – Finding prospects amongst strangers.

◆ Next step for the agent is to 'qualify' these names. A qualified "PROSPECT" is one who

- (a) has a need for insurance
- (b) has a capacity to pay
- (c) is approachable and
- (d) is acceptable to insurer (i.e. has an insurability)

getting this information is called "Qualifying". A qualified prospect is the target person for insurance sales.

- The salesman should try to collect as much information as possible about family, income, interests, hobbies etc. of the prospect. It is necessary to keep a record of this information. It is called inventory of prospects. He should also formulate the types of plans to be offered.
- After a prospect is 'qualified' the salesman meets him. A sale takes place when a prospect buys a product. In between this simple transaction, the salesman has to take along the prospect with him through the well-defined steps, which are not separate and exclusive but blended into one integrated process. There are no hard and fast rules in blending these steps together at various stages to obtain the desired results. These steps are:



PRE-APPROACH

- Pre-Approach is what a salesman does between the time a prospect is chosen and the time he meets him in person.
- Preparation is needed as to
 - What to offer,
 - When and where to meet,
 - Whether a reference is required
 - For the above preparation basic information on income, health, habits, family history, interests, saving capacity, etc. of the prospect will be required. This information will have to be gathered from different sources. A personal call on the prospect may also be required. The purpose of this call is to collect information, which the agent requires to persuade him in taking a positive decision.
 - This will help him have a fruitful talk. It also enables them to come to the point quickly without waste of time. Preparing a presentation is the best line of action. It helps make an organized discussion.
 - As proposal for insurance has not yet been made, 'pre-approach' call should not be used for suggesting proposals unless the discussion

develops further and leads to the agent completing the proposal papers and collecting cheque.

- Brief letters or cards can be sent for introducing oneself and informing to call in a short time. This will lead to creating a congenial atmosphere. In order to make the approach more effective, the salesman should have some key words in mind for opening sentences.

- It is also necessary to keep all the requirements ready for effecting a sale. You should have your tools – all the relevant forms, calculations, charts, pamphlets, brochures etc – ready to strike when the iron is hot

- It is advisable to make a written proposal which has the following advantages
 - Neither the agent nor the prospect misses any detail.

 - More lasting impression is created.

 - Prospect can take his own time to understand it.

 - One can stop at any point, clarify it and continue the discussion thereafter without losing the track.

□ When you visit a prospect, you should look your best, wearing a smile

INTERVIEW/APPROACH

- This is a stage when the salesman and the prospect are face to face. There is direct interaction between the two. Inform the prospect that you are calling on him for life insurance – there is no need to feel hesitant or defensive. The agent should carry a firm conviction in his mind that insurance provides financial security to the prospect and his family. The agent must have rehearsed well so as to start his talk in a manner that arouses interest otherwise no attention will be paid to his proposals.

- In order to have a favourable hearing and his acceptability, the salesman should give due consideration to:
 - (a) The time of approach/interview.

 - (b) The place and the method of greeting

- It is here that stories can AROUSE THE CURIOSITY of the prospect.
 - The importance of the selected time and place lies in the fact where the prospect does not resent presence of the salesman. The prospect is not preoccupied and he is not disturbed.

* Generally, meetings in office, or certain morning and evening hours at home are not liked by the prospects. As such it is always advisable to fix the time and place at pre-approach stage.

□ A single interview is not likely to bring the desired results. Sometimes the home work done at pre-approach stage may prove to be different from the actual situation. This being the first contact, at least a favourable impression should be created in the mind of the prospect.

□ If the prospect is a referred lead, a direct reference of the referee can be made and it can be made clear that you sell insurance. (Such references can result in endless chain).

□ During interview a sales story can be more effective because it conveys the idea and information necessary to arouse prospect's interest in a short time.

* A planned and duly rehearsed presentation with proper sequence of ideas is vital in the art of persuasion. The purpose of selling interview is to enhance the interest in the plan of insurance. The next step is to:

- (a) uncover the need
- (b) emphasize upon the need and
- (c) accentuate the need

□ At this stage both are sailing in the same boat, as a solution for fulfillment of the need is wanted. Here the salesman shows to the prospect as to how the plan works to satisfy the need which will arise at a particular juncture of time in future whether the prospect then is present or not.

- Here the salesman has to present the need of the future in such words, so that the prospect feels that it is a need of the present and he is prepared to make necessary arrangements for its satisfaction immediately.
- He also speaks about the cost which is well within the means of the prospect.

□ It is advisable not to discuss Insurance in the presence of a third person. If such a situation arises at the appointed time you should politely seek another appointment by saying “I wanted to be with you for some personal matter but as you seem to be busy may I call upon some other time”.

APPROACH

It means the presence of the salesman with the prospect at a convenient place and appointed time so that the two can talk freely.

- The agent should follow some rules during the interview, such as -
- Talk to the point – do not talk more than necessary.

- Make conversation interactive – ask questions that make the prospect talk.
- Arouse curiosity in the mind of the prospect so that he asks questions for their clarification.
- Listen to the prospect carefully. Do not interrupt, contradict or argue.
- Make the talk interesting through pictorial presentations.
- Agent's advice should be in the best interest of the prospect – it should not be in the interest of the agent.

□ When the talk begins, the Interview starts

- A well-prepared presentation is quite useful and true-life stories relating to what insurance has done are more effective. These arouse the curiosity and interest of the prospect and help him arrive at a decision. The sequence in which ideas are presented is very significant in the art of persuasion.
- Take care that it is not only you who is interviewing the prospect but vice-versa, it is also true. You have to be ready with all the answers that can satisfy the prospect. It is the interview that is being sold. If you are able to sell the interview which also means selling yourself

the 'CLOSE OF THE SALE' is very close. Planned presentation also covers inquiries about the earlier insurance and or other saving plans.

- While appreciating this, the salesman should be able to find snags in such programmes and make the prospect to realize the need for its cover up. Then he presents his plan and shows how it can fully meet such needs. And finally it is accepted by the prospect.
- It should always be remembered that the salesman is well equipped with all the tools at the 'Approach' stage.

OBJECTIONS

These will arise during the course of interview. These can be considered as resistance to buy, or the steps towards convincing the prospect or symptoms of the real cause for not buying, which has to be uncovered.

- When a prospect has been qualified, it is the duty of the salesman to remove the dust of objections on the thoughts of the prospects to give him clarity. Objections denote the fact that the prospect is not fully convinced as to why he should buy insurance. Almost every insured person had raised one or more objections in the beginning.
- The salesman's attitude has to be that if this man is not given insurance at present, he will regret this decision in future. He has to

take it as a mission to provide insurance cover to all such qualified prospects.

- Objections give an opportunity to salesman to know as to how the prospect thinks; and handling of the objections helps him improve his skills and confidence in himself.
 - so, we can say that objections come naturally in the way of sales process and it is the persuasive skill and apt handling by the salesman that gives positive results.
 - However, if there is a tough prospect and it is getting hard to crack, it is best to conclude keeping the doors open for a future approach.
- Objections and their handling will vary from person to person. These are the learning points for a beginner. These provide guidelines for future presentations.
- In most cases these are meant to clear some doubts or to test the accuracy of stated facts. When objections are met with confidence without the signs of nervousness and in a dignified manner the 'CLOSE' becomes very close.

- Following principles should be observed while dealing with objections:

(a) Agree with the prospect. Do not contradict him if you want him to listen to you. This way he will feel relaxed.

(b) restate the objections. He will feel that you have understood him properly. It conveys respect to him and makes him happier.

(c) Introduce a new thought which interests him and appeals to him and helps him move away from the earlier thought of objection to new thought of acceptance.

There are scores of objections relating to need, belief, health, another earning member, value of future returns, leaving everything to God, financial hardships etc. The varieties of such objections fall in following three categories.

1. FANCIED BUT NOT REAL

For example: 'Premium is high', 'Claims are not paid', 'Religion does not permit'. These are based on superficial beliefs, and can be met with repeating the presentation process and emphasizing the need and playing upon the emotions of fear of consequences. It is the skill in salesmanship that works here.

2. STRONGER THAN FANCIED BUT NOT QUITE REAL:

Examples are "I cannot afford", "Loss will not occur", "My wife can support the family". Most of the objections fall under this category. Here the prospect is sure of what he is saying. He has to be encouraged to talk. He has to be brought out of himself. Be a good listener and try to cover more and more topics. Find out which topic has made him emotional. Catch him there without letting him feel that he has been trapped. This makes you work easily.

3. THE REAL ONES:

These are mainly:

(a) Absence of need

(b) Inability to pay. In such a case do not persist. Leave them alone for the time being. Catch up with them if in future the conditions change for the good.

CLOSE

- It is a stage, which is arrived at when the prospect makes a decision to buy.
- The process needs motivation, the psyche of the prospect has to be shaken so as to arouse his emotions to act.

- It is a well-known fact that insurance is seldom bought, it is always sold. The NEED for insurance always exists. It has only to be converted into WANT. To achieve this end, it is necessary to play upon the sentiments of love and affection, status and prestige, fear and shame, bargain and showing off etc. It is for the salesman to read the situation and to play upon one or more of the sentimental notes that fits into it.

- The principles of closing efforts are:



1. Make it hard not to buy

- (a) Bring forth and increase the intensity of the need of the prospect.
- (b) Relate such stories and events that have proved calamitous in the absence of insurance.
- (c) Rouse the emotions, particularly of love and affection and of fear.

2. Make it easy to buy

- (a) Cost of the suggested plan within the capacity of the prospect including easy instalments.
- (b) By working out daily premium and comparing it with the benefits.

(c) Synchronising premium payment with income period of specific classes
i.e., farmers, worker's ex-gratia.

(d) By explaining policy clauses which speak of loans etc. for some urgent
but temporary needs.

(e) By arranging medical at the convenience of the proposer.

3. Ask for a decision

(a) By asking for some information such as date of birth, nominee's name
etc. or cost of asset etc.

(b) By suggesting medical examination or inspection of the asset.

(c) By asking whether he will pay the first premium by cheque or cash.

CLOSE means end of selling process; but close is not really the end. The formalities of filling up the proposal form, collecting age proof and any other document should be done immediately or at the earliest. 'Close' in fact is the beginning of the relationship between the prospect and the salesman and culminates into DYADIC (One to one) relationship of faith and confidence steadily through the process of service.

SERVICE

It is a stage, which comes after the purchase has been made by the prospect. Now the prospect has become the customer. He is carrying the belief that the product he has purchased will give him the promised satisfaction.

- It is the duty of the salesman to check, if the customer's experience endorses these beliefs. If so, then the salesman's image and integrity improves in the eyes of the customer. Insurance is an intangible product. It is not like V or refrigerator or any other tangible product which, if they do not perform satisfactorily, can be changed. Insurance promises to perform only at the critical event. If the product fails to fulfil its objective at the proper time, the credibility and integrity of the salesman suffers seriously. And a negative message goes all around not only against the salesman but the company also.
- In life insurance the first step in service is to check up with the insured person about the receipt of the policy document. He should then visit the customer and check that it has been issued under the desired pan and term, age has been admitted and nomination is incorporated correctly. If there is any defect in the policy, it can be got corrected. This visit will endorse the faith between the two.

- Life insurance is a long term contract and the sales person should keep proper record of all insured persons.
 - ↳ He should visit them whenever the next premium falls due and help them for its regular deposit.
 - Change in nomination, address etc. should be got done promptly.
 - In case of financial difficulties he can help in obtaining loan.
 - At the time when the claim arises, the salesman has to prove his mantle in getting the claim settled, promptly.
- Keeping in touch is the 'MANTRA'. This rekindles faith in the mind of the insured.
- Such visits are always welcome. Even if the policy has not been sold by the salesman, it can be checked and serviced by him. Such an act will not only open the doors of the customer wider for the sales man but will also help him getting good leads also. But in some cases errors can occur.

Here are some reasons why an insurance contract may fail to perform as expected:

- (a) failure on the part of the policy holder to fulfil the obligation on his part before the happening of the event. Eg.

1. non-payment of premium
2. non-submission of age-proof etc.
 - (b) failure in arranging for proof of title such as
 1. nomination
 2. assignment etc.

In such a case, some legal requirements arise and disputes may also come up between the claimants. This causes in-ordinate delay in claim settlement. A good salesman does not allow the title for claim to remain open or vague.

(c) Sometimes company's records show some defects although the policy holder has fulfilled all requirements. The salesman should check the office records and if any minor defects are found, these should be corrected in time. His concern about the customer as well as towards the company will enhance his image both in the eyes of customer and office.

(d) In insurance we have read about the principle of Utmost Good Faith and of both the parties being 'Ad-Idem' i.e. of the same mind. Sometimes the information given at the time of insurance is found to be materially different from the actual position after the claim arises. These facts are normally related to health or personal history of the life assured. Such a situation can not be corrected retrospectively and there is every likelihood of the claim

being denied due to suppression of a fact material to the assessment of risk. Such difference of statements of facts attracts warranty resulting in the denial of the claim or a payment of some ex-gratia amount on humanitarian grounds. This means that the insurance has not delivered the desired satisfaction. A good salesman tries to collect all the desired information necessary for assessment of risk at the time of proposal so as to avoid such an embarrassing situation at the crucial time as no amount of explanation by the salesman will justify it to the claimant.

- Service call is like a periodic check up so as to remove any defect and is always welcome. A contact with the policy holder means reviewing of:
 1. Any change in circumstances.
 2. Whether any further insurance is required.
 3. The obligations under the policy are being fulfilled.
 4. Renewal receipts are being obtained in time, and
 5. Nomination, assignment or any change in address are in order.
- During a service call it becomes very easy to sell other insurance if there is an occasion for it. All the other stages of the selling process do not have any meaning with a satisfied customer.
- Whenever a new product is purchased by a person, the close circle friends of the customer give their own opinions and comments

favourable or otherwise about it. Some such opinions can create doubts in his mind. During the service call the salesman can become aware of such doubts. He can use this opportunity by speaking about the purpose for which this purchase was made. Such a discussion will strengthen the ties between them.

- It reassures the customer that for any dealing with the office, a dependable person is always with him.
- Ultimately, good servicing result in recommending his friends to the salesman whom the latter can approach easily for insurance.
- The continuity of such referred leads results into a beneficial cycle. The prospects' list grows – more prospects, more business; more service, more prospects – and the cycle goes on.
- Such customers generally value service and they do not ask for rebates. This gives the salesman a differential competitive advantage. Good service fosters strong bonds which are difficult to break by any other salesman. His status in the market rises and resistance reduces. SERVICE means continuity of contacts with the customer to ensure that the performance of the product is in conformity with the expectations of the customer.

Organisation Profile - Metlife

Chapter III

METLIFE INDIA INSURANCE COMPANY – A PROFILE

About the parent company

The origins of the parent company can be traced back to 1863, when a group of New York City business raised \$1,00,000 to found the “National Union Life and Limb Insurance Company”. The new company insured civil war sailors and soldiers against disabilities due to war time wounds, accidents and sickness. In 1868, after several reorganisation and 5 difficult years, the company decided to focus on the life insurance business. A new company was chartered to sell “ordinary” insurance to the middle class. The founders chose the name because they had been most successful in New York City. Ranked 36 of the top 100 FORTUNE 500 (R) companies. The parent company is one of the world’s largest, strongest and most respected financial organisation. It is also the number one life insurer in the US with approximately US \$2.8 trillion of life insurance in force; and has been providing reliable, high quality service to customers for the last 143 years. The company serves approximately 37 million employees and family members through its plans. Head quartered in New York, the parent company operates through it affiliated and subsidiaries on 12 countries across the America, Europe and Asia.

Metlife India Insurance Company Private Limited

In India, Metlife was incorporated as a private limited company. On April 11th, 2001 as a joint venture between the parent company, International Holdings Inc, the Jammu and Kashmir Bank, M. Pallonji and company private limited and other private investors. The parent company, International Holding Inc, is the major shareholder with 26% stock followed by others. The company has developed and distributed a wide range of product for its Indian customers.

Metlife is present in India through 7 regional and 2 relationship offices along with 1000 channel partners across the country. Metlife India is headquartered in Bangalore and the regional offices are located at Bangalore, Chennai, Mumbai, Delhi, Kolkatta, Hyderabad, Kochi, Jammu and Srinagar. One of its Branch office in Kerala is located at Trichur Trade Centre, Thrissur.

Vision and Mission

The vision of the company is to build financial freedom for all through leadership in providing financial advice and building long term relationships through innovative protection, accumulation and retirement products, robust under writing processes and creating world class customer service experience for our customers.

The mission of the company is “to provide customers in India with world class solutions for financial security, and in the process add significant value to our shareholders, associates and society.

Core Values

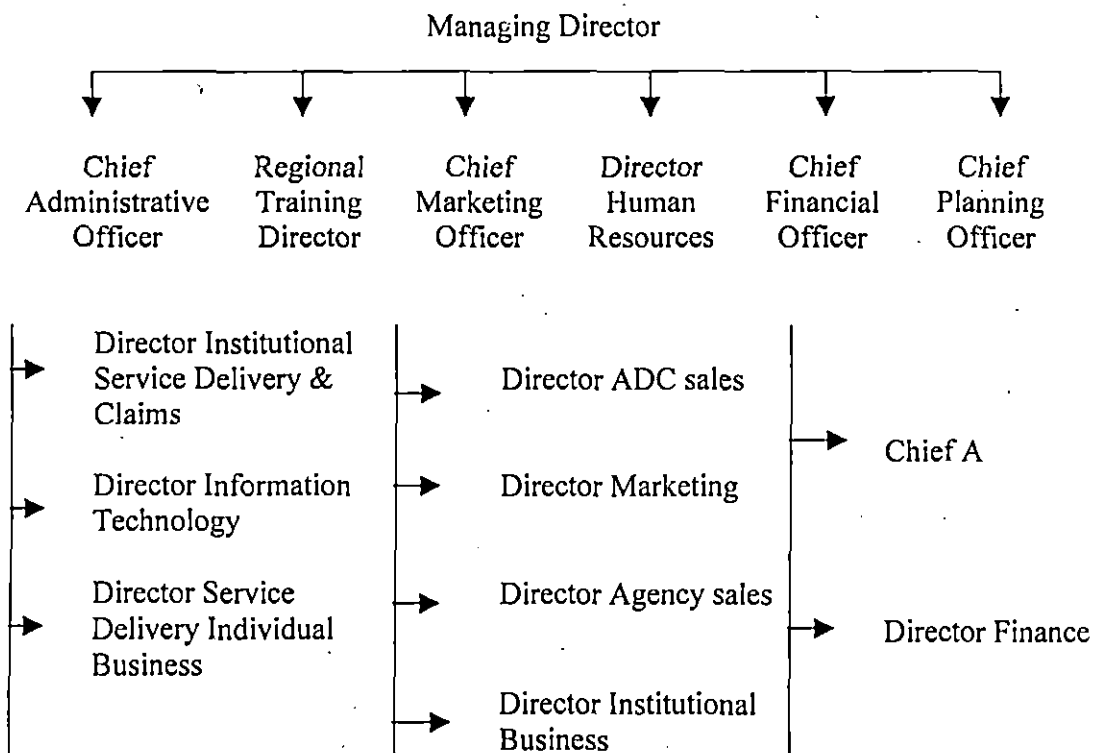
The core values of the company as given in its company manual are listed below.

- We lead through innovation to other world class and competitive products to our customers.
- We build long term relationships with our customers by creating a world class service experience through operational excellence and the innovative use of technology.
- We create a customer centered and result focussed vision that inspires each one of our associates and has their buy-in
- We are committed to creating a high performance organisation by creating an environment that allows each one of our Associates to perform at their peak. As a result we will also be recognised as an employer of choice.
- We are committed to partnering with our internal and external customers for mutual success.

- We work with integrity, fairness and financial prudence in all our dealings keeping the interests of our shareholders, customers and associates paramount.

Organisational Structure of Metlife

Management Team



Metlife Product Synopsis

1. Met 100

A whole life plan, that offers insurance cover till age 100. The plan is available in participating and non-participating versions. It offers gender specific rates in the non-par version of the policy and protection continuous even after the minimum paying term. Loan option is also available with the policy.

2. Met Bhavishya

A flexible money-back plan specifically designed to meet children's needs. It is a non participating plan and available in two options: Option A and Option B. The payout interval of the plan coincide with the milestone in the child's growing up years. In this plan the parent is the insured and the child is the beneficiary.

3. Met Pension

A participating deferred annuity, which helps plan for the retirement years. Met pension ensures that you enjoy your retirement than endure.

4. Met Sukh

A money back non-participating plan that offers liquidity, returns and insurance average. It is an ideal plan that can also be used as retirement diversification of assets with highest rate of guaranteed additions in the country.

5. Met Suraksha

Met Suraksha is a pure protection and non-participating plan. This plan offers total security for your family.

6. Met Suvidha

A flexible endowment plan, available in participating and non-participating versions. Met Suvidha provides protection and savings opportunities.

7. Met Mortgage

A decreasing term assurance plan specifically designed for protecting dependents of those opting for home loans, or any other kind of loan. It is a non-participating plan.

8. Met Ultimate

Met ultimate can be thought of effectively as a savings account to which net deposits are made, interest is credited and from which withdrawals and various charges are made. There are facilities for partial withdrawals and loans as well.

These are the traditional or conventional insurance policies of Metlife.

Unit Linked Insurance Policies of Metlife

1. Met Smart

Met smart is a unit-linked permanent insurance policy that matures at age 100. The premium you pay is used partly for insurance cover and the balance is invested in funds to buy units. With Met Smart, the investor can choose from 3 insurance options as well as 6 investment options.

2. Met advantage

Met advantage is a unit-linked pension plan that works hard for you when you stop working. It helps the insurer to plan ahead; keeping in mind the escalating cost of living. Met Advantage comes with 6 investment options and severe annuity options.

Analysis

Chapter IV

ANALYSIS OF THE STUDY

Indian financial sector has been under rigorous reform process after the liberalisation of economic policy since 1991. At that time, the Insurance sector was wholly under the control of Life Insurance Corporation of India. But with the policy change, new players entered the market. Insurance Agents were renamed as Insurance Advisors or rather financial Advisors. Those working in the Insurance sector had to pass Insurance Regulatory Development Authority Examination and had to complete 100 hours of training programme. The skilled Financial Advisors were mostly recruited by the Private Insurance Companies. A large pay and incentive brought many people to this field.

The present study 'Marketing of Insurance products in Metlife' has been undertaken with the following objectives.

The study was undertaken to analyse the commitment made by the financial advisors towards the marketing of the insurance products. On the whole 50 Financial Advisors were interviewed including 25 active FAs and 25 inactive FA's. The tools used in the analysis are simple mathematical tools like percentage and ranking method based on scores.

4.1. Social Profile

Table 4.1 Table showing social profile of the respondents

Sex	Active	Inactive
Male	22 (88)	25 (100)
Female	3 (12)	--
Total	25 (100)	25 (100)

Age	Active	Inactive
21-30	5 (20)	
31-40	17 (68)	8 (32)
41-50	2 (8)	13 (52)
51 above	1 (4)	4 (16)
Total	25 (100)	25 (100)

From the above table it can be noted that only 12 per cent of active Financial Advisors are female. 88 per cent of active Financial Advisors and almost all the Financial Advisors inactive are males. Females who would like to associate with the role of financial advisors are very less because of the marketing nature.

68 per cent of active Financial Advisors belongs to the age group of 31 to 40 years and twenty per cent belongs to age group of 21-30 but these persons are above the age of twenty seven. Only eight per cent belong to age group of 41-50 and four per cent belong to 51 and above age. In the case of inactive Financial Advisors, 52 per cent belong to age group of 41-50. This is mainly because they took this job on a part time basis 32 per cent belong to the age group of 31-40 and the rest are above age of 51 years.

4.2 Experience before joining Metlife

Table 4.2 Table showing experience of the respondents before joining Metlife

Experience	Active			Inactive		
	Pvt.	Govt.	Total	Pvt.	Govt.	Total
Yes	22 (88)	3 (12)	25 (100)	24 (96)	1 (4)	25 (100)
No						

Metlife has adopted a policy to recruit Financial Advisors who have experience in similar field or in any marketing field. Almost all the Financial Advisors have a previous experience records. In the case of active Financial Advisors, 88 per cent had been working in private field and twelve per cent have resigned or taken VRS and joined Metlife. In the case of inactive Financial Advisors 96 per cent have earlier worked in private firms and only four per cent have worked in the Govt. Service.

4.3 Experience in Metlife

Table 4.3 Table showing experience of the respondent in Metlife

Time period	Active	Inactive
6 months to 1 year		18 (72)
1 year to 1½ year	5 (20)	7 (28)
1½ years – 2 years	18 (72)	
More than 2 years	2 (8)	
Total	25 (100)	25 (100)

In the case of active Financial Advisors, it can be noted that 72 per cent have an experience of more than one and a half year to two years. Since Metlife has started operation only from the year 2006. Only eight per cent

are still retaining their post on Financial Advisors who are very active because of the returns from the sales. 20 per cent of active Financial Advisors have experience from one to one once a half year period.

On the other side, 72 per cent of Financial Advisors have experience of just six month to one year period and still 28 per cent who have completed one year are inactive.

4.4 Reason for selecting insurance job

Table 4.4 Table showing respondent's reason for selecting insurance job

Reason for selecting insurance job	Active	Inactive
Financial motive	8 (32)	20 (80)
Career opportunity	17 (68)	5 (20)
Others specify		
Total	25 (100)	25 (100)

From the above table it can be inferred that most of the active Financial Advisors look forward towards a better opportunity i.e., 68 per cent whereas most non active Financial Advisors foresee a financial motive behind selecting the career (i.e.) 80%

4.5 Reason for joining Metlife

Table 4.5 Table showing respondent's reason for joining Metlife

Reason for joining Metlife	Scores of active Financial Advisors	Score of inactive Financial Advisors
a. Commission	83	107
b. Reputation of the company	66	61
c. Career opportunity	112	83
d. Reward and recognition	51	73
e. Influence of sales managers	55	52

Table depicts the reason of Financial Advisors who have joined Metlife. It is clearly seen that most of the active Financial Advisors prefer a better career opportunity whereas non active Financial Advisors prefer attractive commission as the primary reason. In the case of active Financial Advisors, they prefer for attractive commission followed by reputation of the company, while inactive Financial Advisors have joined Metlife because of career opportunity followed by influence of Manager has a certain importance for the active Financial Advisors while the recognition and inward is not as important for the active Financial Advisors. The inactive Financial Advisors feel that more than influence of their Manager the reputation of the Company needs to be looked into.

4.6 Participation in training conducted by Metlife

Table 4.6 Table showing participation of respondent in training conducted by Metlife

Participation in training conducted by Metlife	Active		Inactive	
	Yes	No	Yes	No
Initial training	25 (100)		25 (100)	
Refreshment training	20 (80)	5 (20)	3 (12)	22 (88)
Introducing a new product	15 (60)	10 (40)	5 (20)	20 (80)

From the above table, every one have attended the initial training programmes. But only 80 per cent of the active FA's and 12 per cent of inactive have attended refreshment training programmes. This is mainly because most of the inactive Financial Advisors are part time employees. When it comes to training for introduction of new product 60 per cent of

active Financial Advisors and 20 per cent of inactive Financial Advisors attend it.

4.7 Number of appointments with customer in a week

Table 4.7 Table showing the number of appointments of respondent with customer in a week

Number of appointments with customer in a week	Active	Inactive
Less than 5		13 (52)
3-5	5 (20)	
5-8	20 (80)	3 (12)
>8		9 (36)
Total	25 (100)	25 (100)

Almost 80 per cent of active Financial Advisors make 5-8 calls per day. While most of inactive Financial Advisors (52 per cent) make a call per day. 36 per cent of inactive Financial Advisors do more than 8 call per day.

4.8 Number of reference per appointments

Table 4.8 Table showing number of reference per appointment of respondent

Number of reference per appointments	Active	Inactive
<3		7 (28)
3-5	10 (40)	18 (72)
5-8	15 (60)	
>8		
Total	25 (100)	25 (100)

Reference calls made by active FA's constitute around 60% for 5-8 appointments and 40 per cent for three to five appointments. Whereas in the case of inactive Financial Advisors, 72 per cent conducted three to five appointments as per the reference and the rest only make less than three appointment as per the reference calls.

4.9 Frequency of follow up made by customers

Table 4.9 Table showing frequency of follow up made by respondent with customers

Frequency of follow up made by customers	Active	Inactive
<3		6 (24)
3-5		8 (32)
5-8	5 (20)	11 (44)
>8	20 (80)	
Total	25 (100)	25 (100)

In the case of active Financial Advisors 80 per cent of active Financial Advisors do follow up their customers and only 20 per cent follow up 5-8 customers. But 24 per cent of inactive Financial Advisors do not have made contact with their customers and 32 per cent try to provide services to the 3-5 customers. It is interesting to see that 44 per cent of inactive Financial Advisors try to provide follow up service so that they get better references.

4.10 Monthly successive rate of converting actual contact into real business

Table 4.10 Table showing monthly successive rate of respondent in converting actual contact into real business

Monthly successive rate	Active	Inactive
<25%		5 (20)
50-75%	3 (12)	1 (4)
25-50%		19 (76)
>75%	22 (88)	
Total	25 (100)	25 (100)

All 88 per cent of active Financial Advisors have a high conversion rate of above 75 per cent whereas 12 per cent lies in between 50 to 75 per cent. In the case of inactive Financial Advisors 76 per cent have a conversion rate of 25-50 per cent. 20 per cent inactive Financial Advisors have a low conversion rate of less than 25 per cent. Only four per cent have a conversion rate ranging from 50-75 per cent.

4.11 Nature of association with Metlife

Table 4.11 Table showing nature of association of respondent with Metlife

Nature of association with Metlife	Active	Inactive
Full time	25 (100)	12 (48)
Part time		13 (52)
Total	25 (100)	25 (100)

All the active Financial Advisors are full time employees whereas only 48 per cent of inactive Financial Advisors are full time employees whereas 52 per cent are part time employees.

4.12 Rate of support from Manager

Table 4.13 Table showing the support received by the respondents from Manager

Rate of support from Manager	Active	Inactive
Highly satisfied	5 (20)	10 (40)
Satisfied	20 (80)	3 (12)
Dissatisfied		12 (48)
Highly dissatisfied		
Total	25 (100)	25 (100)

All most all the active Financial Advisors are highly satisfied or satisfied within the support received from the Managers. Whereas 40% of inactive Financial Advisors are highly satisfied and 48% are dissatisfied with the Managers. Only 12% of inactive Financial Advisors are satisfied with the support of Managers.

4.13 Nature of clients

Table 4.13 Table showing the nature of respondent's clients

Nature of clients	Active	Inactive
Natural market	5 (20)	15 (60)
Referral market	20 (80)	5 (20)
Cold call market		
Hot market		5 (20)
Total	25 (100)	25 (100)

Almost 80 per cent of active Financial Advisors have client from referrals, whereas 20 per cent are from the natural market 60 per cent of inactive Financial Advisors have clients from natural market while 20 per cent have this hot clients and rest do reference calls.

4.14 Support you expect from managers

Table 4.14 Table showing support except from managers by respondents

Support you expect from managers	Active	Inactive
Joint calls	7 (28)	15 (60)
Product knowledge	18 (72)	5 (20)
Motivation		5 (20)
Total	25 (100)	25 (100)

In the case of inactive Financial Advisors, 60 per cent like to accept joint call with Manager most of the active Financial Advisors like to have product knowledge motivation from the Managers (i.e.) 72 per cent.

4.15 Important element in succeeding the business

Table 4.15 Table showing important element of respondent in succeeding the business

Important element in succeeding the business	Score of active FAs	Rank	Services of inactive FAs	Rank
Good contacts	108	2	68	5
Manager	46	6	104	2
Good products	88	9	93	3
Good training	63	5	66	6
Appointments	97	3	76	4
Referrals	123	1	118	1

From the above table it can be inferred that in the case of both active and inactive Financial Advisors, the referrals made by the existing clients is an important element in succeeding the business activity. It is to be worth noted that good contacts can create more business for the active Financial Advisors. While in the case of inactive Financial Advisors they may more on the managers. In the case of active Financial Advisors, managers have not much of the role in treating business and is ranked last. But for the inactive Financial Advisors, the training does not help much since they re mostly doing it as a part time job.

PRODUCT FEATURES

4.16 Premium paying term

Table 4.16 Table showing the rating of respondents towards premium paying term of selected Metlife products

Rank	Product	Score
1	Met ultimate	210
2	Met Smart	177
3	Suvidha	146
4	Met Bhavishya	128
5	Met Suraksha	91

The above table infers about the major products of Metlife in relation to its premium paying term. Met ultimate is ranked first with a score of 210 and Met Suraksha is ranked fifth with a score of 91. It is to be noted that the beneficiaries of the insurance policies would like to pay premium for a shorter term and in Met Ultimate and Met Smart and the Financial Advisors do not like to collect premium for long term premium policy like Met Suraksha.

4.17 Option

Table 4.17 Table showing the rating of respondent towards selected option in Metlife

Rank	Product	Score
1	Met Smart	195
2	Suvidha	170
3	Met Ultimate	153
4	Met Bhavishya	134
5	Met Suraksha	98

The above table depicts the option available to the Metlife products. It can be inferred that most of the Financial Advisors like to make sales of Met Smart which has got several option which have been described in the second chapter. Being a long term side Met Suraksha has a low score of 98. Suvidha is a customer finally product regarding the option.

4.18 Withdrawal options

Table 4.18 Table showing rating of respondent in terms of withdrawal option in selected Metlife products

Rank	Product	Score
1	Met Ultimate	209
2	Met Smart	186
3	Suvidha	164
4	Met Bhavishya	139
5	Met Suraksha	52

Being a long term rides, Met Suraksha can be withdrawn only after a life term period of 10 years has been ranked last. Met Ultimate being a short term rides, can be withdrawn after these years is ranked first followed by Met Smart.

4.19 Fund Options

Table 4.19 Table showing rating of respondent in fund option in selected Metlife product

Rank	Product	Score
1	Met Smart	225

In this case only Met Smart has the option to be inverted in the equity funds.

4.20 Charges

Table 4.20 Table showing the rating of respondent in charges of selected Metlife products

Rank	Product	Score
1	Met Suraksha	198
2	Met Bhavishya	169
3	Suvidha	152
4	Met Ultimate	143
5	Met Smart	88

We can infer from the above table that the Financial Advisors find that Met Suraksha has low charges followed by Met Bhavishya. In case of Met Smart, as it has some added feature, the changes made by the company are high. So that Smart D ranked on the 5th spot.

If we cross analyse the product features and the above said products, Savidha tends to be more customer friendly. Met Smart has an added advantage regarding the final option. But those customers we prefer are able to take up the risk associated with it. Met Ultimate is preferred due to its withdrawal option and Met Bhavishya because of it's a Children's plan.

Sales Process Validation by FAs (Financial Advisor)

Administered Schedule maintained by Metlife India has been used for the purpose. It has been found that the FA's behaviour during the sales process was divided into five categories. Items under observation were

described under each behaviour. This has been provided in the Annexure-II. The statements were divided into, C for competent, NC for Non Competent and NO for Not Observed. These statements were provided only to the active FA's.

While we analyse the sales process, it can be seen that in creating first impression among the clients almost every one follows the normal procedures.

In the case of introducing the Financial Advisor, training, company and services, it was interesting to see that these cornerstones of financial security are being mainly dealt in the financial need analysis. All the information collected are maintained confidential by the Financial Advisors. All the active Financial Advisors asks for follow up questions for the classifications and confirms all the data collected.

At the closure of the first meeting, the Financial Advisor confirms the priorities of the clients and carefully allows him to take up his budget commitment towards meeting his need. By impressing the client during the meeting, the Financial Advisors, he schedules the follow-up meeting and asks for some referrals which he can provide. At the end, he winds up the meeting and thanks prospect.

*Summary of Findings and
Conclusion*

Chapter V

SUMMARY OF FINDINGS AND CONCLUSION

The Financial Sector in India had been under tremendous change since the new economic policies of liberalisation, privatization, globalisation and marketisation had come into existence from 1991. In the life insurance sector too, the monopoly of the Life Insurance Corporation of India came to an end. Private players entered the field. IRDA Act was passed for licensing the private players. Metlife has been a front runner in the private Life Insurance field. On the employment sector, it provide employment opportunities to the young and dynamic personnel with a fair incentive. This has created an attraction for the youth as well as the employed to move to this sector.

The study entitled 'Marketing of Insurance Product in Metlife' has been undertaken with the objectives.

- (i) To identify the extent of product awareness among Financial Advisors of Metlife and to evaluate the procedures recommended by the Metlife; and
- (ii) To identify the reasons for low activity ratio of Financial Advisors.

The study has been conducted in the Thrissur branch of Metlife. Primary data were collected by using structured survey scheduled

administered to the 50 Financial Advisors (i.e.) 25 active and 25 inactive Financial Advisors, taken as sample.

The data were analysed using simple percentages and also by ranking method.

The major findings of the study can be summarised below.

- (i) Most of the Financial Advisors are males and females constitute only 12 per cent of active Financial Advisors. This is mainly due to its marketing nature.
- (ii) In the case of active Financial Advisors 68 per cent belong to the age group of 31 to 40 years and in the case of inactive Financial Advisors 52 per cent belong to age group of 41-50 years.
- (iii) Everyone working as FA in Metlife has a previous experience working either with private or in government.
- (iv) Active Financial Advisors feel that there is a better opportunity in insurance (i.e.) 68 per cent whereas inactive Financial Advisors had foreseen financial gain (i.e.) 80 per cent.
- (v) Most of the Active Financial Advisors (i.e.) 72 per cent has one and a half to two year experience with Metlife while 72 per cent of inactive Financial Advisors are new to the Metlife.

- (vi) In the case of active Financial Advisors they prefer Metlife because of the better career opportunity whereas inactive Financial Advisors look forward for the commission scores of 112 and 107 respectively.
- (vii) Every one of active Financial Advisors are full time employees whereas 52 per cent of inactive Financial Advisors are part time.
- (viii) Active Financial Advisors mainly do 5.8 calls per week while inactive Financial Advisors make less than three calls per week.
- (ix) Eighty per cent of the active Financial Advisors do follow up for most of their calls. Whereas only 44 per cent of inactive Financial Advisors follow up their regular clients.
- (x) Most of active Financial Advisors (i.e.) 60 per cent collect 5.8 references per appointment and in case of inactive Financial Advisors, they most collect 3-5 references (i.e.) 72 per cent.
- (xi) The conversion ratio of active Financial Advisors are high when compared to that of inactive Financial Advisors.
- (xii) Inactive and active Financial Advisors have undergone initial training. But in the case of refreshment training only 80 per cent of Financial Advisors who are active and 12 per cent of inactive Financial Advisors had attended. The per cent of active Financial Advisors who had attended training when a new product is

introduced is 60 per cent while only 20 per cent of inactive Financial Advisors attending it.

- (xiii) Eighty per cent of active Financial Advisors have clients from referrals where as inactive Financial Advisors goes with mainly the natural market (ie) 60 per cent.
- (xiv) Active Financial Advisors feel that the referrals are the vital element in succeeding the business activity while inactive Financial Advisors rely more on the managers.
- (xv) Eighty per cent of active Financial Advisors feel that they are satisfied with the support from the managers where as inactive members mostly have some sort of displeasure with the managers.
- (xvi) Inactive Financial Advisors would like to have the joint calls with the managers while 72 per cent of active Financial Advisors feel that the managers should impart product knowledge and features to them.

While considering the product quality and its features, the active Financial Advisors were only considered and scores based on their ranks were given to the Metlife products. The products had been ranked on the product features like premium paying term, options for the product, withdrawal options, fund options and charges for the product. The major finding when we consider these features is that 'Suvidha' tends to be more

customer friendly. Met ultimate and MetSmart is preferred due to its withdrawal option and fund option respectively. Met Suraksha being a term rider, the charges are low. Met Bhavishya is preferred because it's a children's plan.

In creating first impression among the clients almost everyone follow the normal procedures. The three cornerstones of financial security are dealt by the Financial Advisors when they approach the clients. The Financial Advisors looks forward for follow up questions and clarify the doubts of the customer. By the end of the meeting the Financial Advisor definitely asks for more referrals.

Conclusion

When we analyse the study we can see that the reason behind low activity ratio is due to some of the working irregularities of the Financial Advisors. Constant training is provided but the turnover made by each Financial Advisors. Even working hands of government missionary choose this on an incentive basis. One of the major problem for a low activity ratio is that Metlife Products are for class and not for man.

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Appendix

SURVEY SCHEDULE
FINANCIAL ADVISORS' AWARENESS

1. Name :
2. Sex :
3. Age : (21-30 / 31-40 / 41-50 / above 50)
4. How long you have been with Metlife?
 - 6 months – 1 year
 - 1 year – 1½ year
 - 1½ year – 2 year
 - More than 2 year
5. Have you worked anywhere before joining Metlife?
Yes / No
6. If yes, specify the organization -----
7. Specify the primary reason to get into life insurance sales?
 - Financial motive
 - Career opportunity
 - Any others (specify)
8. Specify the primary reason to join in Metlife
 - Attractive commission
 - Reputation of the company
 - Career opportunity
 - Reward and recognition
 - Influence of sales managers
 - Others (specify)

9. Your participation in training programme conducted by Metlife

a. Initial training	Yes/No	No	If No, why
b. Refreshment training			
c. Introducing New products			

10. Number of appointments do you make with customers in a week

- Less than 3
- 3-5
- 5-8
- >8

11. How many references do you take per appointments?

- <3
- 3-5
- 5-8
- >8

12. Frequency of follow up made per customer

- <3
- 3-5
- 5-8
- >8

13. Your average monthly success rate of converting actual contact into real business

- <25%
- 50-75%
- 25-50%
- >75%

14. What is the nature of your association with Metlife?
- Full time Part-time
15. How do you rate the support from your managers?
- Highly satisfied Satisfied
 Dissatisfied Highly dissatisfied
16. Tick the nature of your clients
- Natural market Referral market
 Cold call market Hot market
17. What kind of support do you accept from your managers?
- Joint calls Product knowledge
 Motivation Any others (specify)
18. Write the most important element in succeeding this business
- Good contacts Manager/Company support
 Good products Good training
 Consistent number of appointments Referrals
19. Are you aware about the Metlife's sales process?
- Yes/No
20. If yes, do you follow it?
- Yes/No
21. How do you rate the MetLife's sales process?
- Excellent Good Average
 Bad Very bad
22. How do you identify the customer?
- Project 100 method Own method
 Mix of both Others, (specify)

23. Will you keep a monthly budget for prospecting?

Yes/No

24. If yes, how will you budget it -----

25. Please specify the strategy followed by you, for approaching the customer (which ever is applicable for you)

- Create a rapport through phone
- Request for a personal interview
- Identify a common friend and using the service
- Approach through sub agent
- Making call with the managers
- Others, (specify)

26. Please list out the number of products handled by MetLife?

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.

27. Based on your level of product awareness, rate the following MetLife product?

	Very high	High	Average	Low	Very low
1					
2					
3					
4					
5					

6					
7					
8					
9					
10					

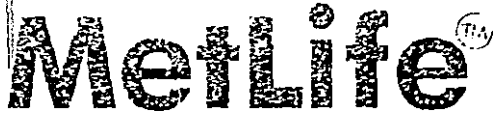
28. From the above list, select at least any 5 MetLife products in the order of your preference.

List of product	Features of the product				
	Premium paying term	Options	Withdrawal options	Fund options	Charges
1					
2					
3					
4					
5					

29. List out the preferred product mix per month?

30. Post purchase services provided by you?

- Premium collection for the customer
- Inform the due date of the premium
- For introducing new products and packages.
- Others, (specify)



Sales Process Validation

First Meeting Observation Sheet

Participants Name		Designation	
Code	Branch	Date	
Assessor		Venue	
Assessment done in which Program			
Validation Score /35		Validation Limit is 27 out of 35	

Please (tick "C" for competent "NC" not competent and "NO" for not observed)

Behavior	C	NC	NO	Remarks
A Arrives at the appointed time and creates a good first impression				
1 Greets prospect by title / name				
2 Introduces self and presents business card				
3 Takes time to ensure self and prospect are relaxed.				
4 Has a smile on the face				
5 Establishes rapport – Past, present & future				
6 Explains purpose of visit				
7 Ensures seating arrangement assists the presentation.				
8 Places track book and fact find on the table.				
9 States duration for meeting and confirms prospect availability.				
10 Thanks the prospect and begins track using link statement				
3 Introduces self, training, company and services				
11 Tells own story				
2 Explains about training / licensing				
3 Tell the MetLife Story – India and services				
4 Tells MetLife Story - Global				
5 Shares the MetLife Vision				
6 Explains the three cornerstones of financial security				
7 Explains how Life insurance meets with the three cornerstones of financial security				
8 Moves smoothly to the FNA by stating transition statements / story				
9 States that information shared will remain confidential				

	Behavior	C	NC	NO	Remarks
C	Conducting Financial Needs Analysis				
20	Asks questions on fact find				
21	Asks feeling questions				
22	Asks follow – up questions for clarification				
D	Uses the fact finder to record the prospects answers to questions				
23	Records prospect's answers				
24	Makes notes of feeling – finding comments				
25	Notes are legible(check after meeting) Does not rush meeting – takes a steady pace				
26	Does not miss any key information				
27	Asks the prospect to confirm the data collected				
E	Closure to the first meeting				
28	Summarizes the first meeting				
29	Informs prospect that s/he needs to analyze the data				
30	Confirms the priorities				
31	Asks for budget commitment				
32	Asks for and receives 3 referrals				
33	Schedules the follow-up meeting				
34	Asks for permission to call up in the event more data is required.				
35	Thanks prospect and concludes the meeting				

ABSTRACT

The insurance sector in India was nationalized in 1956 and the Life Insurance Corporation of India was established. Consequent on the globalization of the economy the insurance sector was opened to the private players and a number of reputed global companies established insurance business in India resulting stiff competition in the insurance sector which was hitherto have been monopolized by the Life Insurance Corporation.

The present study entitled, "Marketing of Insurance Products in Metlife", is undertaken to identify the extent of product awareness among Financial Advisors of Metlife and to evaluate the procedures recommended by Metlife. And also to identify the reasons for low activity ratio of Financial Advisors.

The Metlife has opened a branch in Thrissur with a purpose of doing business in Life Insurance. It has a work force of 209 financial advisors. The active financial advisors are of 75 and non active is 134. Efficiency of the sales force is measured by the activity rates of the financial advisor. Activity ratio is measured. Number of Financial Advisors who possessed at least 1 policy in the month divided by number of Financial Advisors at the end of the previous month multiplied by 100. The study was conducted in

Thrissur branch of Metlife and the primary data was collected through observation method and interview method. Based on Metlife's vision this study will help to establish a productive and professional financial advisor distribution system for Metlife in Thrissur. It can be used in building financial freedom for every customer through a need based sales process.

The data was analysed using simple percentages and also ranking method. From the study it can be seen that while considering the product quality and its features, the active Financial Advisors where only considered and scores based on their ranks were given the Metlife products. The products had been ranked on the product features like premium paying term, options for the product, withdrawal options, fund options and charges for the product. The major finding when we consider these features is that, 'Suvidha' tends to be more customer friendly. 'Met Ultimate' and 'Met Smart' is preferred due to its withdrawal option and fund option respectively. 'Met Smaksha' being a term rider, the charges are low. 'Met Bhavishya' is preferred because it is a children's plan. And in creating first impression among the clients almost everyone follow the normal procedures. The three corner stones of financial security are dealt by the Financial Advisors when they approach the clients. The Financial Advisors looks forward for follow up questions and clarify the doubts of the customer. By the end of the meeting the Financial Advisor definitely asks for more details.

