

INVESTMENT DECISION OF INDIVIDUAL INVESTOR W.R.T ULIP'S AT ICICI PRUDENTIAL LIFE INSURANCE

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Abstract

The present study aims to explore investor perceptions and decision-making behavior related to Unit Linked Insurance Plans (ULIPs), with a special focus on ICICI Prudential Life Insurance. ULIPs, as hybrid financial instruments offering both insurance coverage and investment opportunities, have gained prominence in the Indian financial landscape. The study investigates how investors perceive ULIPs in terms of performance, service quality, and return potential. A significant part of the research is dedicated to evaluating the service standards of ICICI Prudential Life, including the company's ability to meet customer expectations and provide value-added services. The study also analyzes the recent performance trends of various ULIPs to identify the most preferred or considerable plan among investors. In addition, the research delves into the investment behavior of individuals across different social segments — categorized by age, education, and income levels — to understand how demographic and socio-economic factors shape investment preferences. Furthermore, the study identifies key influencing factors such as risk appetite, return expectations, tax benefits, and financial planning goals that guide investors in making decisions related to ULIP investments. Through these objectives, the study seeks to provide comprehensive insights into investor psychology, product performance, and service evaluation, ultimately assisting financial advisors and companies in aligning their offerings with investor expectations and enhancing investor satisfaction.

I. INTRODUCTION

An insurance policy provides financial benefit of investing in your future and a coverage to your loved ones against any financial cover. On investing in a ULIP, unforeseen event. A Unit-Linked a portion of your premium is allocated Insurance Plan (ULIP) gives you the towards the insurance cover while the

rest is invested in the market. These types of investment plans are ideal if you want to retire with a corpus. When an individual invests in a ULIP, he/she needs to pay a fixed premium for the selected cover amount. While some portion of the premium is used for providing insurance coverage, the balance is invested in an Equity or Debt instrument. When it comes to financial decisions, we usually tend to gravitate towards products that contain 'More' benefits. ULIPs are one such category of products that pack in multiple benefits in a single investment. ULIPs come with dual benefits of providing individuals with an insurance cover in addition to acting as an investment solution. ULIPs provide life cover and also help individuals create wealth by investing a portion of the premium in Debt or Equity assets. By investing in ULIPs, investors can get the desired life cover and invest for their financial goals as well. ULIPs can create more value for investors. When an individual invests in a ULIP, he/she needs to pay a fixed premium for the selected cover amount. While some portion of the premium is used for providing insurance coverage, the balance portion is invested in an Equity or Debt instrument. Investors have the flexibility to choose between Equity, Debt and balanced options for

their investment plan. Additionally, they also have the option to switch between investment plans during the course of the premium payment. Fund Managers manage the investment according to the fund type and invest in Debt or Equity instruments.

Research Objective:

- To study the investor perception regarding investment in ULIPs
- To study the service of ICICI Prudential life.
- To study the current ULIPs performance.
- To find most considerable ULIP.
- To study the investment decisions of different social class people (in terms of age group, education, income level etc.
- To know the factors that influence investors while taking investment decisions.

Research Methodology:

The present study has been conducted on the basis of secondary data and is descriptive in its nature. the required secondary data for the study was collected through different websites, annual reports, magazines and

company reports. the researcher selected five leading life insurance companies (icici prudential life limited, reliance life limited, sbi life limited, met life limited and bajaj allianz life limited) for the study. the sample has been selected on the basis of non-random judgmental sampling method. to make the analysis meaningful advanced statistical tools like – ratios, rate of return (ror), annualized rate of returns and correlation were applied for analyzing the collected data. hypothesis testing was done using at 99 percent confidence level or 1 percent level of significance.

II. LITERATURE REVIEW

Padmavathi V. in her item “ULIP and Risk administration” states that ULIPs are transfer well. LICs premium from deal of ULIP has of age by 293% in 1st quarter of 2005-06 as distinguished to last period. For ICICI Prudential 60% of the premium comprise from ULIP. The paper goes to interpret the idea of risk administration and important act performed by security in the unchanging. The paper forms an approximate study of risk-return in established security plans and ULIP plans.

Lubos Pastor and Robert F. Stambaugh (2008) in their paper named “Are stocks literally less changeable in the end?” find that stocks are more changeable long skylines. For a 30-period occasion skyline, it was raised that return difference occurring was 21 to 53% above the difference at of highest quality old age opportunity skyline.

Mihir Dash in addition to **Lalremtluangic C, Snimer Atwal and Supriya Thapar** in their paper named, “A study on risk-return traits of existence protection tactics” commemorate that ability plans have taller rate of return accompanying death organized, while for whole-connected finance plans, the rate of return is bigger when it is acted absolutely as an expenditure mechanism.

Achintya Mandal (2008-09) in welcome paper, “Overview of Indian Insurance advertise in post-liberalisation time – increasing challenges and hope and the Fight for FDI”. The reveal of security subdivision in 2000 admitted private performers into stock exchange. The external performers manage further list stock exchange accompanying limit of 26% on direct partnership. The assertive shopping plannings selected apiece private and external performers

have extended stock exchange for security. As a result of this in spite of the share of PSUs is more their private matches, the allotment of advertise share appear unhappy. News release by **Swiss Re Sigma study (2003)** on “Unit connected growth protection in Western Europe regaining impetus” pronounced that the surge bias advertises assisted to specify good returns on account of that ULIP enhanced well-known asset finishes all along 1990s. The share of whole connected trade evolved from 21% to 36% 'tween 1997 and 2001. Falling markets discounted the demand for ULIP in 2002 but the establishment of capital guardianship lineaments assisted ruling class to the course of improvement.

(Singh, 2015) The clever proverb, 'Contrast sphere and sphere, and not accompanying oranges' remnants loyal for expenditures also; still, sporadic monetary doctors will usually contrast various venture articles due accompanying apparent likenesses. One specific equivalence is with ULIPs and bond fund plans. We endure uncover the likenesses and contrasts 'tween two together. ULIP shows Unit Linked Insurance Plan. Its excellent benefit is that it consolidates the focal points of two together protections spread and

theory openings under a single composition. At the point when the premium command a price of, few portions of the total go towards bestowing the composition possessor guardianship spread, and the added part is set money into money accompanying the aim that the procedure possessor will receive wealth's recognition. As a composition owner, you have the space to pick that capital class the venture should ought in. Approach keepers the one is hazard unwilling can have their cash set possessions into bonds, while the things the one wouldn't worry flexible hazard for taller returns can select to have the cash expected set money into principles. **(Dr.O. P Jain, 2018)** ULIPs because allure inception has complicated analysis, that has emptied a course for abundant sorts of research by which great consequences have produced. 40% accused maintain themselves rejuvenated about retail vacillations and just 36 % accused experienced about the trading alternative that ratifies that solid people of normal economic doctors are not bearing acceptable knowledge of display changes and they completely trust on history move backward plan's hospitality and reserve chiefs talents, accountant neglect to accept the invalid belief, and dare that fundamental theorist

forbiddance hear about the connection of SENSEX and NAV lists of Unit affiliated care plans. **(Christian Jansen, 2008)** checks a novel method for finances counsels to improve services dependability by separate customers weak on their services connected novelty. After survey of 761 customers of two German sell bank upon their fulfilment accompanying their most current buy of a monetary brand. Clients wanted to express their feeling of the able presidency that incited the buy. Moreover, their individual measure of services connected complicatedness was determined. Results display those services accompanying novelty fluctuates widely with accused what the measure of finances complicatedness fundamentally influences authorization of the able methods. It is established that services faithfulness would accession completely if banks presented a customized able habit to handle the different customer gatherings. Counsels the one favour theorists' finances novelty can build customer admission of their suggestions and as a consequence better help their advisees in reconstructing elementary guidance.

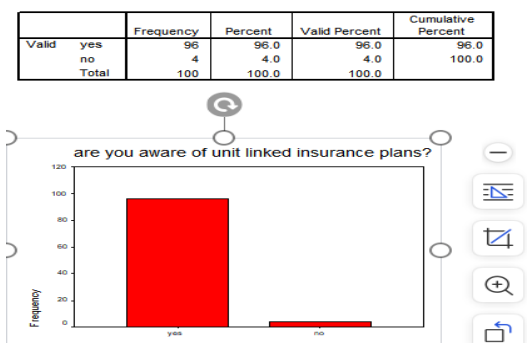
(Devi, 2018) is analysing a cost and return action study decided that from the view of financiers, they continually

expect good and nearly not dangerous return on their hard-acquired services. As per **(Devi, 2018)**, advantage administration parties are obvious enough as distinguished to ULIP. In ULIP financiers do not have much information about in what way or manner their NAV will be premeditated and by virtue of what financiers will receive their return.

As reasoning finished by **(Gupta, 2012)** of ULIP plans of ten Life Insurance parties displayed that for Type 1 ULIP plans the death regulated rate of return is marginally above unadjusted rate of return. For Type 2 ULIP plans it is erect that, this feature is taller when compared accompanying Type 1 plans. The achievement betwixt the MAROR and UAROR increases as the portion age of the policyholder additions. The contrast 'tween the MAROR and UAROR profits as the portion age of the policyholder accretions.

III.DATA ANALYSIS & INFERENCES

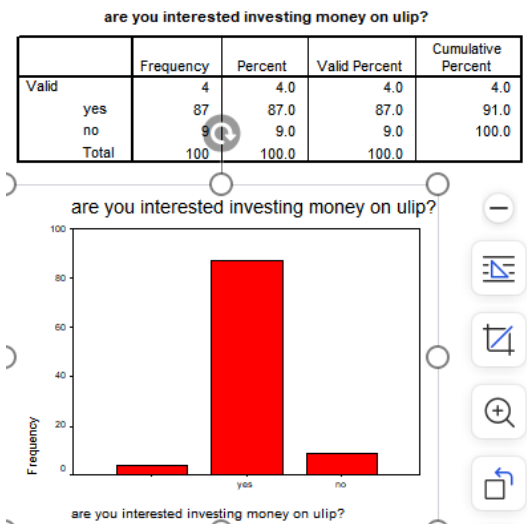
3.1.FREQUENCY 5



INTERPRETATION :

From survey we got near experience that knowledge level of ULIP is more between the accused and slightest accused ignorant.

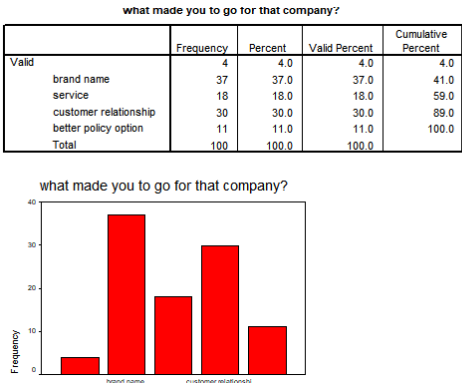
3.2.FREQUENCY 7



Interpretation:

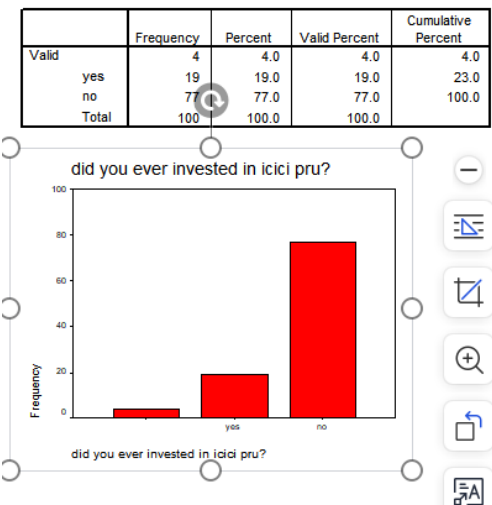
From the survey we arrived that most of the accused are concerned to devote person engaged in private ownership of business on ULIPs. And only smallest accused not concerned.

3.3. FREQUENCY 9



INTERPRETATION: From the survey we got near experience that most of the accused seeing trade name while devoting and smallest allotment of accused feel better tactics alternative while lending.

3.4.FREQUENCY 10



INTERPRETATION

From the survey we came near experience that most of the accused destitute devoted ICICI pru and very slightest are spent in ICICI pru.

IV.FINDINGS

- Most of the accused are bearing beneath 2,00,000 gains
- Awareness level of ULIP is good between the accused.
- Most of the accused informed about latest trends ULIP through advertisements. Because of protection co. are conceiving more knowledge through Media's ex. Magazines, News documents & TV etc. rest of are assimilating knowledge through offspring and companions.
- Most of the accused concerned to financing in ULIP
- Maximum accused wants to purchase LIC
- Most of accused considers trade name while supplying.
- Maximum no of accused destitute installed in ICICI.
- Most of the accused devoted in ICICI infant plans.
- Most of the clients have the premiums beneath 20,000
- Most of the accused ranked the duty of ICICI as good
- Most accused say's within kin all are bearing the ICICI tactics
- Most consumers ranked adapted ICICI pru's offers and advertising ventures.
- Maximum accused acknowledge ULIP as finance Avenue
- Most of the accused considers all the determinants like taller returns, liquidity and history cover.
- Maximum accused anticipate ICICI taxing extreme cost.
- Most community chosen subsidy anticipate devoting.
- Most of consumers win employ lending in ULIP.
- Most of the accused's belief upon current ULIP depiction is good.
- Maximum number of accused pronounced they take the help of guide while contributions.
- Most of the accused plan to purchase ULIP. .

V.CONCLUSION

The study proposed at recognizing financier determinations concerning ULIPs, so I have decided that plurality of the accused is gratified accompanying ULIPs act and they are bearing good money conclusions. Hence ICICI pru has excellent potential retail in HYDERABAD to create a knowledgeable about ULIP's. This study has fundamentally assisted to ability Unit Linked Insurance Plans are active and in what way or manner they distinct. After equating expense resolutions of things, it maybe decided that most of financiers support the brand names and

place skilled is depressed primary charges are acquired.

VI. REFERENCES

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