# STUDY OF INVESTORS AWARENESS AND ATTITUDE TOWARDS UNIT LINKED INSURANCE PLANS

**D.Y. Lakhani[1], P. Bhardwaj[2] and V. Deshmukh[3]**
[1,3]Pravara Centre for Management Research and Development, Pune
[2]Pratibha Institute of Business Management, Pune
[1]divyaylakhani@gmail.com

## ABSTRACT

*ULIPs has been one of the most preferred investment avenues since it was introduced in 1964. The popularity it has gained is due to the fact that it incorporates the features of insurance and investments to provide multiple benefits to investors like insurance protection and wealth creation along with tax benefits. But even after four decades of existence, investors are still not aware about the intricacies of ULIPS and the mechanism behind the returns. Most of the companies market their ULIP products in the name of children's education, marriage, wealth creation and retirement planning. It gives the impression that the investment is tailored to specific needs. But in reality, it is not the case, the returns do not actually depend upon the name of the scheme but the fund option it has invested in. This Research paper attempts to find out the awareness level and attitude of the investors about the various features of ULIP and how it affects their behavior towards the switch/redirect between the funds.*

***Keywords:*** *Fund options, ULIP, Awareness, Attitude, Switch option*

## Introduction

ULIP are a category of goal-based financial solutions that combine the safety of insurance protection with wealth creation opportunities. In ULIPs, a part of the investment goes towards providing the life cover and the residual portion is invested in a fund which in turn is invested in stocks or bonds. The value of such investments changes with the performance of the underlying fund selected by the policyholder. The ups and downs of the capital market have a direct impact on the performance of ULIP. Hence, under the ULIPs the investment risk is generally assumed by the investor. The awareness about the underlying features of scheme and movement of capital market and subsequent switch in fund options can mitigate the risk involved and enhance the returns out of the policy.

## Literature Review

Jain, Nasa and Nasa (2018) in their study 'An empirical study on responses of ULIP Investors, with regard to switching between the ULIP funds attempted to critically analyze the responses of ULIP investors with regard to their knowledge of market fluctuations --BSE Sensex, BSE All Cap, BSE 500, NIFTY etc. and using the unique feature of ULIP-switching between the funds as per the market fluctuations. The prime conclusion of the research was that ULIPs are capable of bringing good returns to the investors with only one condition & that is patience.

Lakhani (2014) stated that Unit Linked Insurance Plans (ULIP) has risen as a major player in mobilization of savings. Investors have shown high interest by subscribing to ULIP schemes expecting higher returns. Key objectives of research paper were of studying the risk-adjusted return on equity, balanced and debt funds of ULIP of top-most five life insurance companies and also to recommend the fund that is giving better returns to its policyholders. The study scrutinized and examined the returns adjusted to risk accrued to the funds of top five life insurance companies over a span of four years. From the various funds examined, it can be said that an investor who is ready to take risks should invest in the equity fund of SBI Life Insurance Co. Ltd. The investor who balanced his investment between debt and equity should opt for the asset allocation fund of Bajaj Allianz Life Insurance Co. Ltd. Lastly, the risk-averse investor should invest in the money market fund of ICICI Prudential Life Insurance Co. Ltd. Samajpati (2013) in his research paper "Performance appraisal of unit-linked insurance plans (ULIPS) in India: a case study" has analyzed the performance evaluation of ULIPs through Risk-Return Analysis, Treynor's Ratio, Sharpe's Ratio, and Jensen's Measures. The schemes selected for study were

ICICI Life Stage RP-Maxi miser (Growth) Fund, Bajaj Allianz. New Family Gain-Equity Index Fund II and ING High Life Plus-Growth Fund. The outcome of the performance measures suggest that all the three ULIPs schemes have done better than the market. Out of the three schemes, ULIP of ING Vysya was the best performer.

Neelaveni (2012) evaluated the financial performance of five life insurance companies, viz. Life Insurance Corporation of India, ICICI Prudential Life Insurance Company Ltd, Bajaj Allianz Life Insurance Company Ltd, Birla Sunlife Insurance Company Ltd and ING Vysya Life Insurance Company Ltd. CAGR of variables like share capital, fixed assets, current assets, premium income, income from investments, etc. was computed. The paper concluded by stating that market share of LIC was gradually decreasing and performance of private life insurance companies was good.

Mitra and Khan (2012) compared the traditional life insurance policies with ULIPs based on secondary data available on growth of fund, business in force and premium collection. It was found that private life insurance companies are showing higher growth in ULIP policies as compared to traditional policies. The paper concluded by stating the factors that should be kept in mind by the investor while investing in ULIP – long term product, awareness about charges and match between investors' risk profile and that of the fund.

Parikh and Patel (2012) developed the ULIP funds switching model that recommends fund switching in different classes of asset allocation options available based on the prediction from the news/data released. The major parameters covered in ULIP switching model are – Indices trend, AD ratio, inflation effect, currency appreciation effect, market breadth, market turnover, volatility, FII activities etc. The model had been tested over a five year time frame on ICICI Prudential's Life Link Super Plan and proved that ULIP can give good appreciation on investments even higher than the stock market.

Kumar, Murali, & Bharath (2011) undertook a survey to understand the customer's perception about ULIP and the factors in favor of the acquisition of ULIP. 25 factors were identified and a factor analysis test revealed that factors like Tax benefits are high, Transmission, Switching of Options within the fund, Risk coverage, Life Coverage plays a prominent role in bringing customer preference towards ULIP. Application of chi-square test showed that there is significant association between age group and rate of return, age group and tax benefits, qualification and compulsory investment, qualification and gaining an enriching investment knowledge and occupation and tax benefits

Seranmadevi, Saravanaraj, & Natarajan (2011) found out the consumer awareness and preference for ULIP. A structured questionnaire was administered to 200 respondents and the data was analyzed through simple percentage analysis, weighted average method, ranking method, ANOVA, chi-square, F-test, and correlation. It was observed that mutual funds are the first choice of Investment Avenue. ICICI Prudential is the preferred private life insurance company in ULIPs. Investors find switch funds to be an attractive feature in ULIP. They concluded by stating that good advertising and better recruitment of agents can help a company to get a good market share(Kumar, Murali, & Bharath, 2011)5undertook a survey to understand the customer's perception about ULIP and the factors in favor of the acquisition of ULIP. 25 factors were identified and a factor analysis test revealed that factors like Tax benefits are high, Transmission, Switching of Options within the fund, Risk coverage, Life Coverage plays a prominent role in bringing customer preference towards ULIP. Application of chi-square test showed that there is a significant association between age group and rate of return, age group and tax benefits, qualification and compulsory investment, qualification and gaining an enriching investment knowledge and occupation and tax benefits.

Singh (2011) adopted three stage random sampling techniques for his study on consumer protection scenario. Primary data was collected through two specially structured questionnaires – one for policyholders and other for insurance officials. It was analyzed through averages, frequency and percentage, ANOVA, z-test, factor analysis and regression analysis. He observed that gender, marital status, education income and periodicity of premium exerted

significant impact on the level of satisfaction of policyholders in the insurance sector. Females and married policyholders were found to be more satisfied than male and unmarried policyholders on the performance of a company. Enhancement in education and income raised the expectations of the policyholder, hence lowering down their level of satisfaction.

Kabra, Mishra and Dash (2010) examined the factors which affected individual investment decisions and differences in the perception of investors in the decision of investing on the basis of age and on the basis of gender. The study was conducted by way of primary data through a structured questionnaire. Factor and regression analysis were used to analyze the data. The study concluded that investors' age and gender predominantly decided the risk taking capacity of investors.

Suneja and Sharma (2009) conducted a study to bring out the factors influencing choice of a life insurance company in Delhi and NCR. Stratified Random Sampling was used to collect the data from the respondents. Factor Analysis Test was used to identify the factors responsible for choosing the life insurance company. The five factors identified were promotional activities, image of company, customer convenience, financial and non-financial facilities, and premium and procedural formalities. Further, the study revealed that the younger customers placed high importance on promotional activities in choosing an insurance company. Respondents with low incomes rated all the factors as important, while customers of private sector insurance companies rated 'promotional activities' as more important than the public sector counterparts.

Clifford (2008) examined the saving pattern, awareness about insurance, their opinion on the same and the impact it has on the saving. A primary survey was conducted on 1655 respondents using simple random sampling.

The data was analyzed through chi-square test, z-test, regression, least square, auto-regression and moving averages. It was found that there was a positive relation between income and saving and insurance is a popular investment tool.

### Problem Statement

The insurance schemes are promoted by the companies with certain objectives to attract the attention of the prospective investors. It includes children's education, marriage, wealth creation and retirement planning. Thus, it appears that all the schemes floated by the companies are different. On a closer understanding of the different policies, we can say that each ULIP scheme is governed by the fund option that has to be selected by the policyholder. Different fund options available across prominent insurance companies are Equity Fund, Debt Fund, Balancer Fund, Money Market Fund, etc. Hence, it can be said that whether the policyholder chooses policy X or policy Y, it is the fund option that helps to gauge the fund value over a period of time.

### Research Methodology

The objectives of the study were:
1. To study the awareness and usage of features unique to Unit Linked Insurance Plans.
2. To study the attitude of investors towards Unit Linked Insurance Plans

### Data Collection

The study was conducted in Pune city of Maharashtra, India. The primary data was collected using a structured questionnaire. Sample size for this study was 236 respondents. The data was measured on a five-point Likert scale for conversion of qualitative information in quantitative. Inferential estimations of statistical relationships among dependent and independent variables were done using SPSS software.

**Table 1 List of Parameters measuring awareness, attitude and behaviour towards ULIP**

| Observed variable | Statements on which level of agreement measured |
|---|---|
| Awareness | I am aware that ULIP has a mix of insurance and investment component |
| | I am aware that the premium will be invested in the securities market |
| | ULIP offers tax benefits – at the time of investment and on maturity. |
| | I know about the fund options |
| | I know that we can 'Switch' between various funds |
| | I am aware of the 'Redirect' Option available in ULIP |

| | | |
|---|---|---|
| | I know the difference between 'Switch' and 'Redirect' option available. | |
| | I am aware about the allocation charges for my policy. | |
| Attitude | Twin objective of capital appreciation and insurance cover | |
| | Managed by Professionals | |
| | Disciplined & regular investment | |
| | Flexible Investment | |
| | Tax Benefits | |
| Behaviour | I switch/redirect between the funds | |

## Hypotheses

1. H01= Consumer behavior towards ULIP policy in terms of switch/redirect between the funds is not dependent on their awareness about features of ULIP

   Ha1= Consumer behavior towards ULIP policy in terms of switch/redirect between the funds is dependent on their awareness about features of ULIP

2. H02= Consumer behavior towards ULIP policy in terms of switch/redirect between the funds is not dependent on their attitude towards investment in ULIP

   Ha2= Consumer behavior towards ULIP policy in terms of switch/redirect between the funds is dependent on their attitude towards investment in ULIP

## Result & Data Analysis
## I. Demographic Features

**Age:** The survey result shows that maximum respondents, 44.1% are in the age group of 27 years and above

**Gender:** ULIP is found to be a popular investment tool among males as compared to females, as 62.3% have invested in it vis-à-vis 37.7% of females.

**Investment Tenure:** ULIP are governed with the policy administration charges that are high in initial years and reduce in the long run. On account of this, nearly 65% of the respondents have continued their investment for more than five years to even out the charges.

## II. Awareness of Features of Ulip

Test of mean analysis is used in order to find out the level of awareness towards features of ULIP. The opinion of investors is measured on a five-point Likert scale (Where 1=Strongly Disagree, 2-Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree) for their agreement for statements measuring Awareness, Attitude and Behavior towards ULIP. The test results for mean analysis are:

## Table 2 Descriptive Statistics for Awareness

| Parameters | Mean | Std. Deviation | Variance | Skewness | | Kurtosis | |
|---|---|---|---|---|---|---|---|
| | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| I am aware that ULIP has a mix of insurance and investment component | 3.96 | .864 | .747 | -.636 | .158 | -.115 | .316 |
| I am aware that the premium will be invested in the securities market | 3.33 | 1.015 | 1.031 | .014 | .158 | -1.189 | .316 |
| ULIP offers tax benefits – at the time of investment and on maturity. | 4.31 | .778 | .606 | -.765 | .158 | -.410 | .316 |
| I know about the fund options | 3.31 | .969 | .940 | -.664 | .158 | .642 | .316 |
| I know that we can 'Switch' between various funds | 3.14 | .935 | .875 | .261 | .158 | -.826 | .316 |
| I am aware of the 'Redirect' Option available in ULIP | 2.60 | 1.204 | 1.449 | .009 | .158 | -1.430 | .316 |
| I know the difference between 'Switch' and 'Redirect' option available. | 3.08 | 1.428 | 2.040 | -.381 | .158 | -1.372 | .316 |
| I am aware about the allocation charges for my policy. | 3.13 | .858 | .736 | .274 | .158 | -.670 | .316 |
| Valid N (listwise) | 236 | | | | | | |

## Observation

The awareness about features of ULIP among investors was measured in terms of eight parameters, like - ULIP is a mix of insurance and investment, premium being invested in the security market, types of fund options, switch option, redirect option, etc. It was found that the mean estimation for the investors opinion result was above 3 on five-point Likert scale as mentioned above. The mean statistics was in the range of 3 to 4 indicating that investors are aware about the features of unit linked insurance plans. On closer inspection, it was found that the investors were aware about the general features of the ULIP but are ignorant of technical parameters like fund allocation charges, switch option, redirect option.

## III Attitude towards investment in ULIP

Test of mean analysis is used to measure the investors' attitude and behavior towards investment in ULIP.

Attitude of investors towards investment in ULIP is a function of benefits derived from it. The purpose can be to create a corpus for retirement, children's education, marriage, etc, or vailing is the tax benefits and insurance cover.

## Table 3 Descriptive Statistics for Attitude

| Parameters | Mean | Std. Deviation | Variance | Skewness | | Kurtosis | |
|---|---|---|---|---|---|---|---|
| | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Twin objective of capital appreciation and insurance cover | 4.00 | .853 | .728 | -.547 | .158 | -.332 | .316 |
| Managed by Professionals | 4.16 | .972 | .944 | -.862 | .158 | -.395 | .316 |
| Disciplined & regular investment | 3.26 | .889 | .790 | -.578 | .158 | .788 | .316 |
| Flexible Investment | 3.28 | 1.280 | 1.639 | .098 | .158 | -1.254 | .316 |
| Tax Benefits | 4.04 | 1.095 | 1.198 | -1.007 | .158 | .340 | .316 |
| Valid N (listwise) | 236 | | | | | | |

## Observation

The attitude of investors towards ULIP is measured on five parameters, like twin objectives of insurance and investment, premium managed by professionals, tax benefits, flexible, disciplined and regular investment avenue. The mean values are more than 3 indicating level of agreement in respect of investment in ULIP. The highest mean value of 4.16 indicates that fund management by professionals develops a confidence and positive attitude towards ULIP in minds of investors. It is followed by tax benefits and capital appreciation of the premium paid by them. Flexible, disciplined and regular investment also encourages investors towards investment in ULIP.

## Hypothesis Testing 1

*H01= Consumer behavior towards ULIP policy in terms of switch/redirect between the funds is not dependent on their awareness about features of ULIP*

*Ha1= Consumer behavior towards ULIP policy in terms of switch/redirect between the funds is dependent on their awareness about features of ULIP*

Regression test is used to validate the statistical relationship among variables as hypothesized. R is the correlation between the predicted values and the observed values of the dependent variable. R square is the square of this coefficient and indicates the percentage of variation explained by the regression line out of the total variation. R-squared is a statistical measure of how close the data are to the fitted regression line. It is also known as the coefficient of determination, In general, the higher the R-squared, the better the model fits the data used for the purpose of analysis.

### Table 4 Predictors (Constant) and Dependent Variable for Hypothesis 1

| | Variables Entered/Removed[b] | | |
|---|---|---|---|
| Model | Variables Entered | Variables Removed | Method |
| 1 | Mix of insurance and investment component, Premium, investment in Securities Market, Tax benefits, Fund options, 'Switch' option, 'Redirect' Option, Difference between 'Switch' and 'Redirect' option, Allocation charges, Dependent Variable = Switch/Redirect between the Funds. | . | Enter |

### Table 5 Regression Model Summary for Hypothesis 1

| | | | | | Change Statistics | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df1 | df2 | Sig. F Change | |
| 1 | .896 | .802 | .791 | .415 | .802 | 75.277 | 12 | 223 | .000 | 1.955 |

**Model Summary[b]**

### Table 6 ANOVA for Hypothesis 1

**ANOVAb**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 155.628 | 12 | 12.969 | 75.277 | .000 |
| | Residual | 38.419 | 223 | .172 | | |
| | Total | 194.047 | 235 | | | |

ANOVA provides the analysis of the variance in the model, as the name suggests. Regression SS is 155.628 and the total SS is 194.047, indicating that the regression model explains about 80.2% [155.628/194.047] of all the variability in the data set.

### Table 7 One Sample t-Statistics table for Hypothesis 1

**Coefficientsa**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| 1 | (Constant) | 1.325 | .361 | | 3.669 | .000 | .613 | 2.037 |
| | I am aware that ULIP has a mix of insurance and investment component | .873 | .041 | .830 | 21.247 | .000 | .792 | .954 |
| | I am aware that the premium will be invested in the securities market | .244 | .064 | .272 | 3.817 | .000 | .118 | .369 |
| | ULIP offers tax benefits – at the time of investment and on maturity. | -.049 | .046 | -.042 | -1.070 | .286 | -.139 | .041 |
| | I know about the fund options | -.035 | .050 | -.037 | -.696 | .487 | -.133 | .063 |
| | I know that we can 'Switch' between various funds | -.073 | .046 | -.075 | -1.580 | .116 | -.164 | .018 |
| | I am aware of the 'Redirect' Option available in ULIP | -.165 | .044 | -.219 | -3.783 | .000 | -.251 | -.079 |
| | I know the difference between 'Switch' and 'Redirect' option available. | .078 | .043 | .122 | 1.806 | .072 | -.007 | .163 |
| | I am aware about the allocation charges for my policy. | .023 | .046 | .022 | .495 | .621 | -.068 | .114 |

### Table 8 Residual Statistics – Hypothesis 1

| Residuals Statisticsa | | | | | |
|---|---|---|---|---|---|
| | Minimum | Maximum | Mean | Std. Deviation | N |
| Predicted Value | 2.18 | 5.54 | 3.94 | .814 | 236 |
| Residual | -1.568 | .759 | .000 | .404 | 236 |
| Std. Predicted Value | -2.164 | 1.965 | .000 | 1.000 | 236 |
| Std. Residual | -3.777 | 1.829 | .000 | .974 | 236 |

### Observation

Regression analysis was estimated to test the dependency relationship among variables hypothesized. ANOVA table describes the relation between Dependent Variable 'Switch/Redirect between Funds' and the eight predictors - Mix of insurance and investment component. Premium investment in Securities Market, Tax benefits, Fund options, 'Switch' option, etc.

The significant f-statistics indicate that the switch/redirect between funds is dependent on the various factors affecting investors' awareness towards investing in ULIP. R-statistics value in the model summary table indicates the strength of dependency in model variables is 89.6%, leading to rejection of the null hypothesis. Thus, it can be said that the switch/redirect option is dependent on the awareness of various features of unit linked insurance plans.

### Hypothesis Testing 2

*H02= Consumer behavior towards ULIP policy in terms of switch/redirect between the funds is not dependent on their attitude towards investment in ULIP*

*Ha2= Consumer behavior towards ULIP policy in terms of switch/redirect between the funds is dependent on their attitude towards investment in ULIP*

### Table 9 Predictors (Constant) and Dependent Variable for Hypothesis 2

| | Variables Entered/Removedb | | |
|---|---|---|---|
| Model | Variables Entered | Variables Removed | Method |
| 1 | Twin objective of capital appreciation and insurance cover Managed by Professionals Disciplined & regular investment Flexible Investment Tax Benefits Dependent Variable = Switch/Redirect between the Funds | . | Enter |

### Table 10 Regression Model Summary for Hypothesis 2

| Model Summaryb | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | |
| 1 | .552 | .305 | .290 | .766 | .305 | 20.165 | 5 | 230 | .000 | 1.819 |

### Table 11 ANOVA for Hypothesis 2

| ANOVAb | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 59.140 | 5 | 11.828 | 20.165 | .000 |
| | Residual | 134.907 | 230 | .587 | | |
| | Total | 194.047 | 235 | | | |

It can be observed from the ANOVA table that Regression SS is 59.140 and the total SS is 194.047, indicating that the regression model explains about 30.47% [59.140/194.047] of all the variability in the data set.

**Table 12 One Sample t-Statistics table for Hypothesis 2**

| | | Coefficientsa | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | |
| | | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| 1 | (Constant) | 1.603 | .413 | | 3.885 | .000 | .790 | 2.416 |
| | Twin objective of capital appreciation and insurance cover | .330 | .071 | .310 | 4.670 | .000 | .191 | .470 |
| | Managed by Professionals | -.196 | .055 | -.209 | -3.556 | .000 | -.304 | -.087 |
| | Disciplined & regular investment | .149 | .064 | .146 | 2.335 | .020 | .023 | .274 |
| | Flexible Investment | .183 | .052 | .258 | 3.540 | .000 | .081 | .285 |
| | Tax Benefits | .183 | .046 | .220 | 3.948 | .000 | .092 | .274 |

**Table 13 Residual Statistics – Hypothesis 2**

| Residuals Statisticsa | | | | | |
|---|---|---|---|---|---|
| | Minimum | Maximum | Mean | Std. Deviation | N |
| Predicted Value | 2.68 | 4.71 | 3.94 | .502 | 236 |
| Residual | -1.821 | 1.962 | .000 | .758 | 236 |
| Std. Predicted Value | -2.507 | 1.551 | .000 | 1.000 | 236 |
| Std. Residual | -2.377 | 2.562 | .000 | .989 | 236 |

## Observation

Regression analysis was estimated to test the dependency relationship among variables hypothesized. ANOVA table describes the relation between Dependent Variable 'Switch/Redirect between Funds' and the predictors are Twin objective of capital appreciation and insurance cover, Managed by Professionals, Disciplined & regular investment, Flexible Investment and Tax Benefits. The significant f-statistics indicate that the switch/redirect between funds is dependent on the various factors affecting investors' attitude towards investing in ULIP. R-statistics value in the model summary table indicates the strength of dependency in model variables is 55.2%, leading to rejection of the null hypothesis. Thus, it can be said that the switch/redirect option is dependent on the attitude of the investors towards investment in unit linked insurance plans.

## Discussion and Conclusion

The present study was conducted to analyze the awareness and attitude of investors towards unit linked insurance plans and its effect on 'Switch/Redirect' options, which can help investors to enhance the returns derived from ULIPs. Based on the analysis, it can be said that they are aware about the general features but are uninformed about the more complex ones such as allocation charges, fund options, switch/redirect between funds. Management by professionals along with capital appreciation and insurance cover are the main motivating factors behind ULIP Investment. Tax benefits and flexibility in investments also contributes towards the developing positive attitude of investors. Awareness of the features of ULIPs impacts the behavior of investors towards taking 'Switch/Redirect' options in linear fashion. Attitude of investors also has a direct relationship between investors opting for 'Switch/Redirect' in ULIPs. Insurance today is accepted as a default choice by most of the investors. The large number of companies in the market has helped in increasing the penetration and providing cover to a larger number of people's lives. India's high savings rate, customary lack of social security nets and a tradition of frugality are the key growth drivers. Improved nutrition and medical standards have improved the life expectancy

necessitating the provision for comfortable standard of living right up to old age. Another factor closely related is the rising middle class that will encourage increased insurance spending and their growing risk awareness. Given this background, it can be said that there is a huge scope for ULIPS to grow as an investment avenue as it fulfils both the financial needs of the average Indian citizen i.e. returns from investments along with insurance cover. Companies offering ULIP products should focus on creating in-depth understanding about the ULIP mechanism and features in mind of investors. It should be done to enhance the understanding of ULIP as an investment option which in turn will help investors to make informed and educated investment decisions.

## References

1. Jain, O., & Nasa, P. (2018). An empirical study on responses of ULIP Investors, with regard to switching between the ULIP funds, 4(2), 81 – 93. International Journal of Advance Research and Innovative Ideas in Education. Retrieved from http://ijariie.com/AdminUploadPdf/ An_empirical_study_on_responses_of_ULI P_Investors__with_regard_to_switching_b etween_the_ULIP_funds_ijariie7436.pdf

2. Lakhani, D. (2014). 'Risk Adjusted Return of Unit Linked Insurance Plans', 6 (1), 37 – 45. Journal of Global Information and Business Strategy. Retrieved from https:// www.academia.edu/22537308/RISK-Adjusted_Return_Of_Unit_Linked_Insuran ce_Plans

3. Samajpati, U. (2013). Performance appraisal of unit linked insurance plans (ULIP) in India: A case study. Management Insight, 8(2). Retrieved from http://www.inflibnet.ac.in/ojs/index. php/MI/article/view/1491

4. Neelaveni, V. (2012). Financial performance of life insurance companies and products. Zenith International Journal of Business & Management Research, 2(3), 233-258. Retrieved from zenithresearch.org.in/.../20_ZIJBEMR_MA RCH12_VOL2_ISSUE3.pdf

5. Mitra, D., & Khan, P.C. (2012). A comparative study of traditional policies and ULIP policies with reference to life insurance companies in India. SIT Journal of Management, 2(2), 42-56. Retrieved from www.ejsit.org/journal/dec3.pdf

6. Parikh, S., & Patel, H. (2012). Automated news based ULIP fund switching model. (Ganpat University-Faculty of Management Studies Journal of Management and Research) GFJMR, 4. Retrieved from gfjmr.gnu.ac.in/UserFiles/ File/P5V4.pdf

7. Kumar, S. A., Murali, R., & Bharath, S. (2011). An empirical study-consumers' preference towards unit linked investment plan (ULIP). SRM Management Digest-2011, 9, 123-133.

8. Seranmadevi, R., Saravanaraj, D. M., & Natarajan, D. M. L. (2011). An empirical evaluation of investors inclination on ULIP insurance products with reference to Delhi city. Chief Patron Chief Patron, 1(6), 79-83.

9. Singh, B. (2011). Consumer protection scenario in life insurance sector: With special reference to state of Punjab. (Doctoral Thesis, Department of Commerce, Punjabi University, Punjab, India). Retrieved from http://shodhganga.inflibnet.ac.in:8080/jspui /handle/10603/4464

10. Kabra, G., Mishra, P, K. (2010). Factors influencing investment decision of generations in India: An econometric study. Asian Journal of Management Research, 1(1), 308-326. Retrieved from www.ipublishing.co.in/ajmrvol1no1/EIJM RS1025.pdf

11. Suneja, A., & Sharma, K.(2009). Factors influencing choice of a life insurance company. LBS Journal of Management & Research, 44-56. Clifford, P. S. (2008). Saving pattern of people and the impact of insurance on savings with special reference to Tiruchirappalli. (Doctoral Thesis, Department of Business Administration, Bharathidasan University, India).