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Investors' Perception Towards Post Office Life Insurance Schemes - An Analytical Study (With Special Reference To Indore District)

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Abstract

Despite the expansion of private companies in the life insurance sector, post office insurance schemes still remain a safe and reliable option for a specific class. This study attempts to understand how investors view these schemes, what are their main reasons behind choosing the scheme, and what features they prefer. The objective of the present paper is to analyze the investors' perception towards post office life insurance schemes (Postal Life Insurance - PLI and Rural Postal Life Insurance - RPLI) in Indore district.

The research collected responses of 210 investors and analyzed them with the help of statistical tools. The study found that a large number of investors prefer these schemes due to reasons such as security, government guarantee and minimum premium. However, many respondents identified quality of service, lack of publicity and limitations of digital access as weaknesses of the scheme. Data analysis shows that awareness of post office insurance schemes is mainly spread through post office employees, while the role of online mediums is relatively limited. Based on the satisfaction level, it was seen that about three-fourths of the investors are satisfied with the schemes, while the rest expect service improvement.

This research suggests that to make post office life insurance schemes more effective, innovation is needed in the promotional strategy, as well as the reach of digital platforms should be strengthened. If modern technological measures are adopted and service quality is improved, then the reach and effectiveness of these schemes can be increased significantly.

This study can be helpful in strategic planning for future expansion of post office insurance schemes and can become a useful reference for policy makers, scheme managers and researchers.

Keywords: Post Office Life Insurance, Investors' Perception, Indore District, PLI, RPLI, Insurance Schemes, Security, Government Trust, Financial Awareness, Satisfaction Level, Life Insurance Comparison, Rural Insurance, Service Quality, Digital Reach, Promotion.

1. Introduction



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In a developing country like India where a large part of the population belongs to the low and middle-income group, financial security becomes an important need. Life insurance plans, especially those backed by the government, not only provide a sense of security to the citizens but also become a means of financial planning for the future. Post Office Life Insurance Schemes (Postal Life Insurance - PLI and Rural Postal Life Insurance - RPLI) are a notable initiative in this direction.

Post Office Life Insurance Schemes were started in the year 1884 during the time of British India, when only government employees were eligible for these schemes. Over time, these schemes were expanded to rural areas (RPLI) and non-government employees, so that insurance protection could reach every section of the society. These schemes are considered an attractive option for investors due to features like low premium, high bonus, simple procedures and government guarantee.

However, with the advent of private players in the insurance sector and growing competition from digital services, it has become necessary to evaluate the relevance, effectiveness and investor perception of post office life insurance schemes. Investors' satisfaction, awareness, reasons for choosing schemes and their expectations determine the extent to which post office schemes are relevant to today's needs.

The present paper aims to understand, analyse and evaluate investors' perception of post office life insurance schemes in the context of Indore district. Indore, a major urban centre in Madhya Pradesh, has a mix of both rural and urban investors. Hence, this area has been considered suitable for research.

This study specifically seeks to answer the following questions:

- To what extent are investors aware of post office life insurance schemes?
- Why do they choose these schemes – what are the key motivating factors?
- How are PLI and RPLI viewed in comparison to private insurance schemes?
- What is the level of investor satisfaction with the schemes?
- Is there a need felt for improvement in these schemes?

This research will not only help in understanding the behaviour of insurance consumers but will also act as a guide for the Department of Posts, policy makers and insurance planners to make the schemes more effective, accessible and popular.

2. Objectives of the Study

1. To assess the awareness of investors about post office life insurance schemes in Indore district.
2. To identify the key factors (e.g. safety, returns, premium, government trust) in selecting schemes.
3. To measure the investment propensity and satisfaction level in post office insurance



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schemes.

3. Review of Literature

This section reviews previous studies on post office insurance schemes. For example, topics such as reliability of PLI, its reach in rural and urban areas, and perception of PLI in comparison to private insurance companies are covered.

3.1 Background of Post Office Life Insurance Schemes

Post Office Life Insurance (PLI) was established in the year 1884 for government employees. After this, Rural Post Office Life Insurance (RPLI) was launched in 1995 for rural India. These schemes still remain an attractive option for investors due to low premium, high bonus, and government guarantee (India Post Annual Report, 2022-23).

3.2 Study based on investment behavior

Sharma and Gupta (2018) in a study conducted on post office insurance schemes in Uttar Pradesh found that rural investors have high confidence in these schemes, especially due to security and government support.

Rajesh (2019) compared private and government insurance schemes and concluded that transparency and low risk in government schemes attract investors.

3.3 Challenges in Post Office Insurance

An analysis by **Mishra and Sen (2020)** highlighted that the lack of digital services in post office schemes, limited customer service capabilities of employees and lack of promotion are hindrances in the expansion of these schemes.

The Report of National Institute of Financial Management (2021) also mentioned that there is a need for digitalisation and training of schemes to maintain their relevance in the competitive insurance market.

3.4 Study on Perception and Satisfaction Level

Verma (2022) through a study in urban areas of Madhya Pradesh pointed out that investor satisfaction depends on information about the scheme, speed of service and quality of consultation.

KPMG Report on Insurance Sector (2021) stated that a major basis for the success of insurance schemes is consumer experience and awareness level.

3.5 Contribution of The Present Research

Although several studies have highlighted the features and limitations of post office life insurance, there are limited studies specifically focused on investors' perception in a semi-urban and urban mixed area like Indore district. This research fills this gap and clarifies the relevance, effectiveness and direction of improvement of the schemes at the local level.

4. Research Methodology



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This study adopted the descriptive research method, which is considered appropriate for analyzing the real situation of a particular event or phenomenon. This research attempts to understand the perception of investors of Indore district who are associated with or affected by post office life insurance schemes (PLI and RPLI). The research format is quantitative, so that the data obtained can be analyzed comparatively and statistically.

Primary data was collected through a structured questionnaire, which was distributed to 210 investors in different areas of Indore district. The questionnaire was designed to cover key aspects such as investors' socio-economic status, reasons for scheme selection, sources of information, satisfaction level and comparison with other alternative insurance schemes. Respondents were selected on the basis of random sampling method, to ensure objectivity and diversity.

Secondary data was collected from various government reports, website of Department of Posts, Government of India, annual reports, previous research papers, journals and related financial and insurance publications. Simple statistical tools like percentage analysis, averages, tabulation and graphs were used to analyse the data to understand various patterns and trends.

This research has limitations as well, such as the study is limited to Indore district only, and the responses of the respondents may be influenced by time, experience and personal bias. Nevertheless, this research methodology can be considered competent enough for objective study of the subject and the findings obtained from it may prove useful in planning reforms and policy making.

5. Data Analysis and Interpretation

5.1 Socio-Economic Profile of Investors

Variable	Category	No. of Investors	Percentage (%)
Gender	Male	126	60.0
	Female	84	40.0
Age	25-35 years	63	30.0
	36-45 years	84	40.0
	46 years and above	63	30.0
Occupation	Service	105	50.0
	Business	53	25.2
	Other	52	24.8

Source-Primary Data

It is evident from the data presented that out of the total 210 investors who have invested in Post Office Life Insurance Schemes, the number of men is more than that of women, where the percentage of male investors is 60% while that of women is 40%. This shows that men still have a major participation in insurance schemes. In terms of age group, investors between 36 and 45



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years are the highest (40%), which confirms that this age group is more conscious about the stability of life and security of the future. Investors in the age group of 25-35 years and above 46 years are equally in the ratio of 30%, which indicates that both the youth and senior groups have interest in insurance schemes.

In the occupational classification, it was seen that the maximum number of investors are from the service sector, which is 50% of the total. This leads to the conclusion that the working class has a higher tendency to invest in insurance schemes due to the need for financial security. Businessmen account for 25.2% while the "others" category (which may include housewives, temporary workers, etc.) is at 24.8%, indicating that insurance plans reach people from different socio-economic backgrounds. Overall, this data shows the acceptability of post office insurance plans across diverse age, gender and occupation groups, pointing to its social inclusion.

5.2 Sources of Awareness

Source	No. of Investors	Percentage (%)
Post Office Staff	84	40.0
Promotional Material (Pamphlets/Posters)	42	20.0
Family/Social Contacts	52	24.8
Online Media	32	15.2
Total	210	100

Source-Primary Data

Based on the data presented, it can be observed that post office employees are the most influential among the major sources of getting information about post office life insurance plans, as 40% of the respondents have cited them as the source of information. This means that personal advice and guidance from post office employees is an important information source for investors. Next, there are 24.8% of respondents getting information from family and social contacts, which indicates that discussions and suggestions about financial plans are shared through family and friends. The percentage of respondents getting information from promotional material such as pamphlets and posters is 20%, which indicates that promotional material displayed by the post office also plays an effective role. Finally, the percentage of respondents getting information through online medium is 15.2%, which shows limited use of digital platforms. This implies that while digital promotions can be increased by the post office, getting information through traditional methods still remains the major source.



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The data also indicates that both traditional and digital modes can be used in a balanced manner for promoting post office life insurance schemes to reach out to investors across all age groups and technological backgrounds.

5.3 Main Reasons for Scheme Selection

Reasons	No. of Investors	Percentage (%)
Security	168	80.0
Government trust	157	74.8
Low premium	126	60.0
Tax benefits	89	42.4
Others	37	17.6
Total	210	100

Source-Primary Data

From the data presented, it is evident that the top reason for investing in post office life insurance plans is security (80%), which indicates that investors consider financial security of themselves and their families as the most primary need. Next, government trust (74.8%) is also an important reason, which indicates that investors have more faith in government-backed plans and consider them safe.

The reason of low premium (60%) is also important, as it is attractive from the economic point of view for investors, especially those with limited income. Tax benefits (42.4%) are an additional incentive for investors who expect tax savings by investing in insurance plans. Finally, 17.6% of respondents agree with the “other” reasons, which indicates that personal or social reasons also play a role for some investors.

Overall, these figures confirm that factors such as security, government guarantee and low premium play a major role in the popularity of post office life insurance plans, while tax benefits and other reasons have a minor impact.

5.4 Satisfaction Level

Satisfaction level	No. of Investors	Percentage (%)
Highly satisfied	53	25.2
Satisfied	105	50.0
Dissatisfied	52	24.8
Total	210	100

Source-Primary Data



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According to the data presented, different perspectives emerge in the satisfaction level of investors of post office life insurance schemes. 50% of the investors are satisfied, which indicates that most investors are getting service and benefits from these schemes as per their expectations. 25.2% of the investors are highly satisfied, which indicates that a significant number of investors are completely satisfied with their investment plans and find these schemes highly beneficial for financial security. However, 24.8% of the investors are dissatisfied, which indicates that some investors are facing problems in the performance, customer service, or other aspects of the schemes.

Overall, these figures show that post office life insurance schemes have a balanced satisfaction level, with most investors being positively impressed, but also feeling the need for improvement in some areas. This research indicates that the post office should focus on some aspects to increase customer satisfaction, such as service quality, ways of providing information, and convenience of digital platforms.

5.5 Comparison of Private Insurance Plans

Features	PLI	Private Insurance Companies
Security	High	Medium
Premium	Low	High
Service Convenience	Medium	High
Digital Access	Low	High
Trustworthiness	High	Mixed

Source-Primary Data

From the comparison table presented, it is evident that both Post Office Life Insurance Schemes (PLI) and private insurance companies offer different experiences to investors due to their respective features. In terms of protection, PLI is considered to offer a high level of protection, while private insurance companies offer relatively medium protection, indicating that PLI is considered safer due to government guarantee. Comparing the premium rates, the premium in PLI is relatively low, making it a more accessible option for investors in the general income group, while private insurance companies usually charge higher premiums.

However, in terms of service convenience, private companies are ahead as they provide features like customer-centric services, quick claim settlement and personalized advice in a competitive environment. In contrast, service convenience in PLI is rated at a medium level, where delays in services can be seen due to traditional processes and limited resources. Similarly, private insurance companies are highly developed in terms of digital access, offering features like online policy purchase, premium payment, app-based management, etc., while digital access is still limited in PLI.



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In terms of trustworthiness, PLI is considered more trustworthy as it is operated by the Department of Posts, Government of India, while people's perception of private insurance companies is mixed—some like them for innovation and service, while some doubt their commercial motive. Thus, this comparison shows that while PLI is good for security and trust, private insurance companies are leading from the point of view of service quality and technological convenience.

6. Findings

The present research shows that post office life insurance schemes (PLI and RPLI) are still a reliable and safe investment option among investors in Indore district, especially for those who expect stable returns, government guarantee, and security at low premiums. The study found that most investors have a positive perception of the schemes and the main reason for choosing the scheme is their security, long-term benefits, and operation by a government institution. However, it also came to light that issues such as quality of service, limited availability of information, and unavailability of digital means affect investor satisfaction.

The research also revealed that investors mainly get information about the schemes from post office employees or traditional means, while the use of modern digital platforms is limited. This fact indicates that the reach of these schemes can be further strengthened through awareness campaigns, customer service training, and digitalization.

It can be concluded from this study that if post office life insurance schemes are strengthened through promotion, technological improvements and customer-oriented services, these schemes can maintain a strong position in the competitive insurance market. This research provides useful pointers to policy makers and scheme managers on how the schemes can be adapted to suit the needs of current investors and future expectations.

7. Suggestions

- Digital platforms should be used to promote schemes.
- Mobile apps, online payment and tracking facilities should be provided to customers.
- Awareness campaigns should be run targeting the youth.
- Employees should be trained in customer service.

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