

**“EFFECTIVENESS OF TAX AS A SELLING TOOL FOR LIFE INSURANCE COMPANY
(LIC)”**

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KOCHI- KERALA**

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BONAFIDE CERTIFICATE

This is to certify that this dissertation entitled “**EFFECTIVENESS OF TAX AS A SELLING TOOL FOR LIFE INSURANCE COMPANY**” is a record of original work done by Ms. FITHA FATHIMA V A (REG NO: 200021077091), ATHIRA V R (REG NO: 200021077087) AND DON ANTONY (REG NO:200021077089), in partial fulfillment of the requirement for the Degree of Bachelor of Commerce – Finance and Taxation under the guidance of Asst. Prof. PADMAJA P MENON, Department of B.Com Finance and taxation, the work has not been submitted for the award of any other degree or title of recognition earlier.

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DECLARATION

We, ATHIRA V R, DON ANTONY AND FITHA FATHIMA V A hereby declare that the project report titled “**EFFECTIVENESS OF TAX AS A SELLING TOOL FOR LIFE INSURANCE COMPANY**”, is a Bonafide Record of work done by us under the guidance and supervision of Asst. Prof. PADAMAJA P MENON, Department of Finance and Taxation, BHARATA MATA COLLEGE, THRIKKAKARA. We also declare that this report embodies the findings based on our study and observation and has not been submitted earlier for the award of any degree or diploma to any institute or university.

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Abbreviations:

- LIC: Life Insurance Company
- PVT: Private Insurance Company
- NPS: National Pension Scheme
- NSC: National Savings Certificates
- ULIP: Unit Linked Insurance Plan
- FDs: Fixed deposit
- PPF: Public Provident fund

CHAPTER I - INTRODUCTION

INTRODUCTION

One of the most effective marketing strategies for life insurance is taxation. This study aims to determine whether life insurance is chosen as tax saving strategy. We can give taxpayers a platform through this kind of product, which enables them to quickly save tax. The main benefit of this technique is that paying for life insurance premiums can be deducted from income tax. The tax exemption is valid at the moment of the policyholders passing or the policy's maturity. The purpose of this study is to find out how much money clients can save on taxes by purchasing life insurance. It's also beneficial to choose the best time to buy life insurance. Customers can use this study to determine when, specifically in March, is the optimum time to buy this coverage in order to save taxes. Any yearly pension that is paid in connection with the life insurance policy, particularly lump sum payments, is exempt from taxation. Life insurance is a flexible instrument because, before purchasing a policy, we may determine whether the coverage offers exemptions or deductions and whether it can be used to reduce taxes. This study even educates consumers on all features and advantages a life insurance policy offers in terms of tax savings and other advantages. Since the tax laws are equivalent for the purpose of tax savings, all types of plans, including term plans, endowment plans, whole life plans, unit-linked insurance plans (ULIPs), and pension plans, are equally advantageous.

The various methods for hassle-free tax savings include:

- Public provident fund (PPF) investments are the best choice for significant tax savings under section 80C. Interest income is also exempt from taxes. It can be made through modest investments or payments.
- Section 80C of the tax code allows for a tax deduction for the cost of unit-linked insurance plans. Also, the policy's maturity returns are not taxed under section 10(10D) of the Income Tax Act.

- Policy like endowment plans or cash-back.
- The information received from Life Insurance Company is that National Pension Scheme is the best reason for the taxpayers to take life insurance policy for saving tax. It is also one of the investment strategies that helps investors save on taxes by providing tax-exemption. A tax deduction of 10% of the average wage, or Basic Salary plus Dearness Allowance, is allowed under Section 80CCE, subject to a total cap of Rs. 150000 lakh. In excess of the entire maximum of Rs. 150 lakh permitted under Section 80CCE, a tax relief of up to Rs. 50,000 is permitted.
- Under sec 80C of Income Tax 1961, one of the taxes saving scheme is for fixed deposits of this policy have a five year lock in period.
- Taxes are not due on the interest earned on National Savings Certificates because it is reinvested in the initial investments.

OBJECTIVES

- To ascertain the advantages of a customer's life insurance coverage.
- To determine customer attitude about these perks and to inform them of all the features and advantages that come with life insurance policies in order to maximize their tax benefits.
- To locate the best time to get life insurance as well as to ascertain whether or not customers buy life insurance in order to save on taxes.

SCOPE

Taxpayers are given a platform by life insurance companies, which make it simple for them to reduce tax obligations. There are rules and even regulations for tax saving, such as the ability to deduct life insurance premiums under section 80C. The allowed deduction is in the amount of Rs.100000 is 20% of the policyholder's capital can be claimed as an income tax deduction. The Finance Bill states that the deduction from the customer's income may not exceed 10% of the real capital sum insured. If the insurance contract was cancelled, whether it be for a typical premium insurance contract in 2 years from the time the policy commenced or in some other circumstances before premiums had actually been paid for 2 years, all prior tax deductions would become taxable as income.

RESEARCH METHODOLOGY

The study's methodology is based on both primary and secondary data. We created a questionnaire, and that is where our core data comes from. Life Insurance Company Corporation is where our secondary data comes from. The sources of additional information are books, websites, and informed individuals. All of the information we gathered is based on common topics and applies to every life insurance business in Kerala because the Life Insurance Company is supervised by the central government of Kerala. Our sample size is 70 and is convenience sampling. The survey is taken from the insurance company which has enough policyholders which help us to get more information. To determine the correlation between respondents' yearly income and the taxes they have deducted for life insurance policies, a chi-square test has been performed.

STATEMENT OF PROBLEM

For tax deduction purposes, the clients opt for life insurance. The objective of this study is to determine the benefits of a client's life insurance policy and assess the level of client satisfaction with these benefits and to educate them all the features and benefits that life insurance plans offer in order to optimize their tax advantages. The results of this study assist in determining when it is ideal to buy life insurance.

LIMITATIONS

- The clients are unaware of the features and advantages which is provided by Life Insurance Company
- The main disadvantage is that the advertising strategy they adopt is less, which led to lack of knowledge among customers.
- The months of March and April are when more people purchase life insurance, but the advertising technique is the same then as it was previously.

CHAPTER II - LITERATURE REVIEW

1. *Economic Modeling, Elsevier (2021)*: This study examines the time-inconsistent agent's best choices for consuming, buying life insurance, and investing in the face of tax system. The study shows how the time-inconsistent decisions result in a lower demand for life insurance based on numerical data, which may assist to explain why customers purchase insufficient life insurance. Also, a skilled agent reacts to a rise in the insurance rate of taxation more tactfully than a time-consistent agent. For comparative statics on marginal propensity consumption, the study offer closed-form answers and analytical results.

2. *International journal of research in engineering, science and management (2020)*: A Life insurance policy is a crucial piece of insurance that can be used to lower or deduct tax payments made to government for national development from citizen's salaries or from other sources of income. This study of the data reveals that more people choose life insurance companies than private insurance companies or both. According this study it reveals that customers like April, may, and June over the months of January, February, March, July, August, September, October, November, and December for tax preparation.

3. *Malaya Journal of Matematik (2020)*: This study reveals that when public sector banks and insurance companies were allowed to establish mutual funds, ICICI Prudential Life Insurance Co. Ltd. conducted a study on tax-saving mutual fund strategies. The other is ICICI Prudential Life Insurance Co. Ltd.'s investigation of tax-saving mutual fund strategies. This study helps to research the mutual fund tax-saving program's market performance and stock exposure, to research ICICI Prudential Life Insurance Company's prospects for mutual funds and to evaluate the effectiveness of different mutual fund schemes and recommend the best one.

4. *European Journal of Operational Research (2019)*: This study finds that fairly priced guarantee contracts that implement this ideal investment approach lead to a greater predicted utility level than asset investments, taking into account that retirement products are typically tax privileged. By carefully selecting the function k in the optimization process, study also examine the impact of taxation on optimization outcome. When contrasting, for instance, the features of banking and insurance products, taxation differences are the crucial factor.

5. *Risks (2019)*: This study shows that Investors do not face income taxes until they start taking money out of their investments in retirement, which is probably when they are in a lower tax rate, because contributions and investment earnings are tax-deferred. The buildup of cash value is tax-deferred and withdrawals are tax-free, but contributions are not tax deductible. In addition, beneficiaries get a tax-free death benefit if the policyholder passes away. With the right planning, an LIRP can provide beneficiaries with tax-free withdrawals, tax-deferred cash value growth, and a tax-free death benefit.

6. *The Geneva Papers on Risk and Insurance - Issues and Practice (2018)*: This study shows the stability of the European life insurance market and the viability of conventional insurance products are questioned by the current low interest rate of taxation environment and the implementation of Solvency II. This study supports the intuition of practitioners on the alignment with the 10-year French government bond; we then examine the participation taxation rates' departure from this reference. According to our research, financial margins are targeted more precisely than participation.

7. *Theoretical Economics Letters, (2018)*: In this study examines the variables influencing investor's decisions regarding life insurance policies in Hyderabad. Life insurance is still seen more as a tax-saving tool than an investment choice in India. The study found no correlation between annual income and the factors influencing an investor's decision to invest in life insurance after statistically analyzing the data of 75 insurance investors using Chi-square test. Most investors, it is recommended, should view insurance policies as multifaceted investment options that offer risk protection in addition to tax savings.

8. *Journal of Economics and Business Research (2018)*: This study shows using logistic regression, it is estimated that factors such as age, education, occupation, and willingness to obtain life insurance for tax benefits are important in determining the likelihood that one will do so. Consequently, a survey of 580 people in the luck now city and surroundings rural areas is done to ascertain the amount of interest in and purchase intention of life insurance in India.

9. *Theoretical Economics Letters (2018)*: In this study examines the variables influencing investor's decisions regarding life insurance policies in Hyderabad. Life insurance is still seen more as a tax-saving tool than an investment choice in India. Most investors, it is recommended, should view insurance policies as multifaceted investment options that offer risk protection in addition to tax savings. The author is aware of the sample sizes limitations and the possibly that they do not fully represent all life insurance company policy decisions. Therefore, a thorough study is required to match the study's results with the present industry trends.
10. *Julius Giarmarco - raistonewealth (2017)*: This study reveals that the best way to finance a non qualified deferred compensation plan is for the company to buy a life insurance policy on each participant. The employee is responsible for paying income tax on the "spread" if and when the option is exercised. The spread is deducted from the company's income tax at the time of exercise. Business owners can benefit the most from using life insurance to pay estate taxes because business interests cannot be easily liquidated. The cash surrender value in a life insurance policy can be also used tax free to assist pay for a lifetime purchase of business owner's interest.
11. *Economic Perspectives (2017)*: This study shows that when a policyholder passes away, life insurance shields heirs from damaging financial effects. Additionally, certain life insurance policies provide tax- advantaged savings. A 2015 LIMRA poll reveals that paying for funeral costs replacing lost income and paying off mortgage debt are the top three justifications for buying life insurance. A close fourth, with 24% of the respondents citing it as a primary motivation for buying life insurance, is passing wealth down to future generations.
12. *Economic research (2017)*: This study shows the argument that this form of governmental spending is paid higher taxes, which decreases the disposable income to be invested in life insurance plans, explains the negative link. The effects of taxation are more likely to alter the relationship between various financial instruments. In contrast, life insurance is more inflexible in developing nations when it comes to the effects of taxation and more susceptible to other factors, like purchasing power, income distribution, and accessibility to insurance products. Tax evasion is a prevalent practice in developing nations, as is a parallel economy; justice is not impartially administered and private property and copyright protection are not adequately secured.

13. *International Journal of Computing and Business Research (2017)*: With the aid of the study's data, the position of the chosen private sector life insurers and Life Insurance Company is examined. LIC, a participant in the public sector, on the other hand, managed to make significant after-tax profits for the majority of the years. With regard to private insurers, ICICI Prudential had the largest amount of profit after tax for each of the previous 7 years. SBI Life, Bajaj Allianz, and HDFC Standard all adhere to this policy. ANOVA was used to determine the statistical significance of the variance between the profits after tax of the different insurers. The company with the biggest profit after tax over the past seven years has been ICICI Prudential, followed by Bajaj Allianz, SBI Life, and HDFC Standard.

14. *Organisational Studies and Innovation Review (2017)*: From this study, it has been noted that several research papers are evaluated in this study to determine the primary drivers or factors affecting demand for life insurance. An individual's tax liability grows along with their income. Spending on insurance premiums entitles you to a tax deduction. High incomes might lower their income tax payment thanks to tax allowances. The demand for life insurance rises as a result of this quality. In addition, insurance benefits are tax-free. Therefore, life insurance serves as a crucial long-term saving tool and retirement benefit. As a result, there is a positive correlation between tax and the need for life insurance.

15. *Universities Indonesia Conferences, International Accounting Conference (2017)*: The goal of this study is to examine whether unit link life insurance service is a taxable service subject to Value Added Tax (VAT) and how VAT is applied to it in order to determine its Tax Imposition Basis (TIB). If the unit link life insurance service is subject to VAT or not, it is disputed based on a case study of Tax Court Decision. Descriptive analysis in the form of a case study is the research methodology used. Interviews with insurance providers, the Indonesian Life Insurance Association, the DGT, and taxation experts as well as those connected to tax laws and a Tax Court Decision are conducted in order to analyse the VAT treatment of unit link life insurance services. As a result, everyone agrees that the assurance service is exempt from VAT; however there are disagreements over the investment management service.

16. *Risk management and Insurance review (2016)*: This study determines the variables that affect cash value life insurance demand and investigate whether they are sufficient to account for the sharp fall in ownership. Changes in the tax code and demographic do not account for the decline in permanent insurance. Permanent life insurance may increasingly be utilized as a tax shelter rather than a hedge against a loss in human capital because the smaller households that possess cash value policies are, on average, wealthier and more financially savvy.
17. *Pacific business review international (2016)*: This study shows life insurance policies are a great way to reduce the customer's tax burden. Numerous instance programmes in India, including life insurance programmes, give tax deductions on premium payments under section 80C of the IT act. In addition, life insurance is still viewed as a tax break rather than a chance for investment. According to the report, the majority of Americans invest to project their families and receive tax breaks. The majority of policyholders believe that insurance is only a protection choice, followed by tax planning and pension plans. The respondents favour greater private company tax advantage measures.
18. *British journal of economics, management and trade (2016)*: This study aims to determine how personal selling affects the promotion of life insurance products in Ghana. In this the client purchases a life insurance policy that pays a predetermined, fixed sum upon death, with a portion of the premium going toward the insurance company's investments, which help the policy's cash value grow. Each year that the policy is retained, cash value grows tax-deferred, and the insured can borrow against the cash accumulation fund without being taxed. Throughout the course of the insurance, the amount the insured pays the typically remains constant.
19. *Journal of pension economics and finance (2016)*: In this study, the impact of taxation and inheritance considerations on household life insurance demand is examined. This study creates a stylized three-period life cycle model of the demand for life insurance and tests its hypothesis on tax reform and inheritance motivations. In a difference- in-differences environment, an unexpected lowering of the tax exemption threshold for interest and dividend income in Germany enables customers to determine the effect of taxation changes on the demand for life insurance.
20. *Financial stability review (2016)*: The study reveals how this situation originates from the life

insurance industry's poorly thought -out tax and prudential policies. Despite these issues, solvency II ought to help in certain ways. In many nations, tax structure encourages households to begin setting aside money for retirement as soon as they enter the labour force. The historically high yields of the bonds acquired for the long standing clients captured by the tax break have been made available to new clients at that time due to the decline in interest rates. Additionally, even though some inertia is to be expected, long term policyholders should reflect on their actions and possibly exercise their exit option if the tax benefit customers receive from their policies are financing the economy.

21. *Hari babu (2016)*: This study investigates how certain factors may affect the non-life insurance industry's net profit after taxation. The impact of particular variables on the non-life insurance industry's net profit after taxes is investigated using the backward linear regression approach. The results from this study display the backward linear regression model with variables that influence the net profit after taxes of non-life insurance companies. The first goal focused on identifying the important factors that influence the linear relationship between the dependent variable, net profit after tax, and the following: incurred claim ratio, solvency ratio, gross direct premium, net earned premium, claims incurred, commission expenses, underwriting profit, operating expenses, operating profit, FDI Proportion in Equity, and current ratio.

CHAPTER III – THEORETICAL FRAMEWORK

Tax planning in life insurance:

Tax planning is a strategy used to methodically pay your tax obligations while taking into account your current financial status. It contains your overall financial strategy in addition to your age, financial goals, risk tolerance, and investment horizon. Tax is a fee, as we are probably all aware. The government imposes taxes on income, products, and services. People are required to pay the government this tax. People may attempt to reduce their tax liability as a result and save their hard-earned money. People can lower their tax burden by accounting for all duties, permissible exclusions, deductions, and reliefs offered to them by the Tax Act. As a result, tax planning activities include tax saving strategies.

Tools for tax planning in India:

Life insurance:

It's fairly typical to employ life insurance policies both for tax and life insurance purposes. Numerous lives depending on the policyholder's demands, different insurance options are provided. Both public and private entities are avidly pursuing the lucrative life insurance market.

The following are the main types of life insurance available in India:

- Term insurance policies
- Policies for Unit-Linked Investments
- Money-back policies; pension policies

Individuals and HUF assesses may deduct life insurance premiums for themselves, their spouses, and their children (up to a maximum of Rs. 1,50,000/-) from their gross total income under Section 80C of the Income Tax Act of 1961 in order to lower their tax obligations.

Children's Education:

In order to promote education, the Indian government has granted a number of tax exemptions pertaining to expenses related to sending kids to school.

The following expenses are acceptable:

the cost of tuition

Section 80C of the Income Tax Act of 1961 permits the deduction of tuition payments from gross total income, whether they are made at the time of enrollment or afterwards (with the exception of development fees, contributions, and other payments of a similar nature).

SamridhiSukanya

As part of the "BetiBachao, BetiPadhao" initiative, Indian Prime Minister Shri Narendra Modi unveiled this programme on January 22, 2015. 'Sh. Narendra Modi's' second hugely successful programme the "Pradhan Mantri Jeevan Dhan Yojana" to be successful. The account can be opened at any India Post Office or a branch of a few reputable commercial banks in India.

The following are some of the scheme's features:

- A person who is not an adult who is a natural or legal guardian of a girl under the age of 10 is ineligible. There may be up to two girl children as a result of the first or second birth, or three if there are twin girls.
- A punishment of Rs. 50 will be imposed if the minimum amount is not deposited in any financial year.
- The maximum deduction under section 80C is Rs. 1,50,000.
- The maximum and minimum deposits are \$1000.

Health Insurance in India:

The Medi-Claim policy is the term used to refer to health insurance in India. It covers the expenses related to getting medical attention and being hospitalised. Medical insurance packages come with conditions and limitations that differ from one insurer to another.

The following categories can be used to categorise medical insurance plans in India:

1. Hospitalization
2. Programs for daily financial advantages in hospitals
3. Preparations for serious illness

Tax benefits

Section 80D of the Income Tax Act of 1961 permits a deduction of at least Rs. 150000 or the actual premium paid for a health insurance policy. A senior citizen's available deduction will increase from Rs. 25000 to Rs. 30,000 if they have a medical insurance policy.

PPF or Public Provident Fund:

Is India's most widely used income tax saving programme, second only to life insurance. PPF offers both investments with guaranteed returns and tax benefits. The PPF programme is governed by the Provident Fund Act of 1968 and the Public Provident Fund system of 1968. (23 of 1968).

These are important traits:

- A person may request to register a PPF account in their own name or on behalf of their minor children.
- PPF accounts cannot be opened by HUF or non-residents.

- 15-year maturity term with a possible 5-year extension
- The smallest annual deposit is Rs. 500, and the maximum annual deposit is Rs. 150,000 every fiscal year.
- During the lock-in period, partial withdrawals and loans are permissible.
- 8.10% annual interest rate starting on April 1, 2016. (Government notification)
- The maximum deduction from gross total income allowed by Section 80C of the Income Tax Act of 1961 is Rs. 1,50,000.

Equity Linked Savings Scheme:

Compared to traditional tax-saving instruments like bank fixed deposits, National Savings Certificates, and Public Provident Funds, an ELSS fund's lock-in period is substantially shorter (PPF). Though PPF Investments have a 15-year lock-in period, a 6-year lock-in period for NSC investments, a 5-year lock-in period for tax-advantaged bank fixed deposits and a 3-year lock-in period for ELSS investments. Since ELSS is an investment in the equity markets, making a long-term commitment to it can provide you with better returns than those from other asset classes in the long run.

National Saving Certificate:

An alternative for fixed deposits offered by the post office is the NSC. As compared to other bank deposits, National Savings Certificates differ only in that they offer a lower return. In contrast to the latter one, the Indian government provides it. This programme makes it simple for people to benefit from the tax breaks given by Section 80C of the Income Tax Act.

Using life insurance for tax planning

Tax planning assists taxpayers in reaching the highest level of tax efficiency through tax benefits. Planning for taxes is a crucial financial goal for both employed and self-employed people in India. It promotes to avoid paying taxes, consumers invest in financial items. However, the advantages of investing in different financial products also enable them to save for retirement, plan for their family's financial security, and other goals. Among the financial instruments available in India, life insurance to save tax is regarded as effective based on its product features and benefits. People have the opportunity to increase their wealth, secure the financial stability of their families in case of an emergency, and maximise their tax efficiency with the help of these structured investment and savings programmes. According to section 80 C of the Income Tax Act, insurance premium payments made by the insured to cover their own life or the lives of their spouse or kid are deductible. If the insured paid an insurance premium to cover their own life, the life of their spouse, or the life of a kid, the premium payments are eligible for a section 80C deduction whether the child is dependent or independent, minor or major, married or single.

Under section 80C, both a person and a HUF may claim this deduction. Many taxpayers mistakenly believe that this deduction only applies to life insurance, although this is untrue. A section 80C deduction is available for premium payments made for a life insurance policy purchased with any insurer that has been approved by the Insurance Regulatory and Development Authority of India (IRDA). However, if the policy was issued after April 1, 2012, the premium paid cannot exceed 10% of the total assured in order to qualify for a deduction under section 80C. For policies issued before April 1, 2012, the premium paid must exceed 20% of the total guaranteed in order to qualify for this discount. The premium for a policy issued after April 1, 2013, that covers the life of a person with a disability mentioned in section 80U or a sickness mentioned in section 80DDB, must not exceed 15% of the sum assured in order to qualify for the deduction under section 80C. A life insurance policy is a wise investment to make as part of your ambitious financial planning to give you protection from unforeseen events and to help you reach your financial objectives in life

Insurance's Advantages as a Tax Planning Tool

When a tax payer pays the premiums for a life insurance policy, they obtain insurance protection as well as some tax benefits. The tax deductions that a taxpayer may utilise to determine the price of paying for a life insurance policy are explained in this section. The total of all sources of income is known as gross total income (GTI). To put it another way, gross total income less deductions allowable under sections 80C through 80U = taxable income. Deductions allowed under chapter VI A must be removed from GTI in order to compute taxable income (i.e., under sections 80C through 80U).

The following revenue cannot be deducted from under chapter VI-A as a general rule for these deductions: (under sections 80C to 80U).

- Gains from long-term investments
- Short-term capital gains were covered by Section 111A.
- Earnings that are subject to sections 115A, 115AB, 115AC, 115BBA, and 115D.
- The winnings listed in section 115BB from lotteries, horse races, etc.
- The maximum deduction permitted by sections 80C through 80U is GT.

Section 80 C deductions for life insurance premiums, PPF, NSC, and other costs:

This section permits deductions for the public provident fund, NSC investments, life insurance premiums, as well as other costs like Mortgage loan component, a contribution to the elderly citizens' savings programme, a time deposit with the post office, etc. The premium on a life insurance policy that was paid by the taxpayer during the year may also be deducted under section 80C, regardless of whether the taxpayer is an individual or a Hindu Undivided Family (HUF). Policies issued on or before 31-3-2012 are only eligible for a deduction of 20% of the capital sum assured; those issued on or after 1-4-2012 are only eligible for a deduction of 10%. The maximum is 15% of the capital sum assured for any policy purchase made on or after April 4, 2013, in the name of any individual who meets the criteria for a severe disability under section 80U or who is suffering from an illness or condition under section 80DDB.

The benefits of tax planning

1. Saving and investing:

The sum assured increases with a variety of cumulative benefits over the lifetime of the life insurance policy, including simple/compound bonuses, guaranteed additions, loyalty benefits, etc. It also teaches discipline in terms of how one approaches investment. People can invest in either ordinary or market-linked life insurance plans, depending on their risk tolerance and financial resources. The life insurance policy acts as a saving tool by offering a guaranteed maturity benefit to aid in achieving the various financial goals one has set.

2. Reduce the risk of debt:

Purchasing a life insurance policy has the benefit of reducing risk associated with debt and loans. A term insurance policy with a similar policy duration to the outstanding debt might reduce the likelihood that borrowers won't be able to make loan repayments in the case of an early death. People won't inherit the burden of unpaid loans and obligations as a result of the passing of a loved one.

3. Achieve long-term goals:

Achieve long-term goals, like as funding a home purchase or automobile purchase. Careful consideration is required while planning for retirement, getting married, and raising children. Likewise, begin financial planning early. With the help of a life insurance policy that offers an adequate life insurance cover, people can accomplish a number of long-term financial goals. Life insurance policies, which are a long-term contract, can assist in achieving both individual and multiple financial goals by choosing the right combination of insurance plans. In the goal of a planned and secure financial future, it protects the investments over a specified period of time.

4. To prevent tax disputes:

If taxes are designed effectively from the start, people won't have to worry about future lawsuits. Insurance aids in minimising any legal hazards. by staying away from legal hazards.

5. To safeguard the future:

The main objective of tax planning is to move money away from sources of taxable income. To more revenue-generating financial instruments, People maximise their financial resources and protect their future finances by purchasing insurance.

COMPANY PROFILE

COMPANY PROFILE



(OWNED BY CENTRAL GOVERNMENT)

Mumbai, Maharashtra, India serves as the corporate headquarters for the Life Insurance Corporation of India (LIC), an Indian central public sector organisation. The Indian government's Ministry of Finance is the owner of it. The Life Insurance of India Act, which nationalised the insurance sector in India, was approved by the Indian Parliament on September 1st, 1956, leading to the establishment of the Life Insurance Corporation of India. Over 245 insurance companies and provident societies were amalgamated together. According to LIC, there were 290 million policyholders as of 2019, a total life fund of 28.3 trillion, and a total value of 21.4 million for policies that were sold during the 2018–19 fiscal year. Additionally, the business stated that 26 million claims were resolved in 2018–19. With sales of \$775,283 crore (US\$97 billion) and a profit of \$4,415 crore (US\$550 million), it was rated 98th in the 2022 Fortune Global 500 list.

In the 2021 Union Budget, Finance Minister Nirmala Sitharaman proposed to undertake an initial public offering for LIC. The IPO is anticipated to take place in 2022, and following the public listing, the Government of India will continue to own the majority of the shares. It is suggested to provide 10% of the shares to current LIC policyholders. The government of India has suggested raising the LIC of India's authorised capital in 2021 to 250 billion (US\$3.1 billion) to enable its planned public listing for the next fiscal year, which would start on 1 April.

Referring to the similar 2019 IPO, the sale has been dubbed "India's Aramco moment" due to the size of the offering and the ownership structure of the LIC. The LIC stated that its initial public offering (IPO) will begin on May 4 and end on May 9 of the following year. The Government of India is now hoping to raise \$21,000 billion through this IPO, as opposed to raising between \$65,000 and 70,000 billion prior by diluting the 5% share. The value amounts to almost \$6 lakh crore when using the IPO pricing band for 3.5% holdings for \$21,000 crore. The insurance industry was liberalised and made available to the private sector by the Indian government in August 2000. The LIC profited from this approach and in 2013 stated that the first year premium CAGR was 24.53% while the entire life premium CAGR was 19.28%, matching the expansion of the life insurance market and surpassing general economic development.

BOARD MEMBERS

LIFE INSURANCE CORPORATION OF INDIA(LIC)

CHARTS

NAME	DESTINATION
Shri. Mangalam Ramasubramanian Kumar	Chairperson
Shri. Suchindra Mishra	Government nominee director
Shri. Raj Kumar	Managing Director
Shri. Siddhartha Mohanty	Managing Director
Smt. Ipe Mini	Managing Director
Shri. Bishnu Charan Patnaik	Managing Director
Shri. Dr. Ranjan Sharma	Independent Director
Shri. Vinod Kumar Verma	Independent Director
Prof. Anil Kumar	Independent Director

Smt. Anjuly Chib Duggal	Independent Director
Shri. Gurumoorthy Mahalingam	Independent Director
Shri. Raj Kamal	Independent Director
Shri. Vankipuram Srinivasa Parthasarathy	Independent Director
Shri. Vijay Kumar Muthu Raju Paravasa Raju	Independent Director
Shri. Sanjeev Nautiyal	Independent Director

Type	Public
Traded in	<ul style="list-style-type: none"> • BSE: 543526 • NSE: LICI
Industry	Insurance and Financial services
Founded	1 September 1956 (66 years ago)
Headquarters	Mumbai, India
Products	<ul style="list-style-type: none"> • Life insurance • Health insurance • Investment management • Mutual fund
Revenue	₹724,743 crore (2022)
Operating income	₹13,975 crore (2022)
Net income	₹4,124 crore (2022)
Total assets	₹4,254,058 crore (2022)
Total equity	₹11,338 crore (2022)
Owner	Government of India [96%]
Number of employees	114,000 (2020)
Subsidiaries	<ul style="list-style-type: none"> • LIC Housing Finance • LIC International Ltd • LIC Cards Services Ltd • LIC Mutual Fund Ltd

	<ul style="list-style-type: none">• LIC Pension Fund Ltd• IDBI Bank
Website	www.licindia.in

The above table shows the details of LIC.

CHAPTER IV- DATA ANALYSIS AND INTERPRETATION

**PRIMARY DATA (SURVEY CONDUCTED TO FIND OUT THAT WHETHER
TAXATION IS A SELLING TOOL FOR LIFE INSURANCE POLICY)**

This primary data analysis is based on a survey we prepared, to which 70 respondents answered. The questionnaire was prepared to analyse whether taxation is a selling tool for life insurance or whether due to life insurance policy, income tax or any other tax which is levied from a person is deducted or not. 51% of respondents aged below 25, 36% respondents aged between 26 and 45, 13% respondents aged 45 & above completed it. Out of which 51% of respondents was female and 49% respondents was male.

1. Occupation of respondents who answered:-

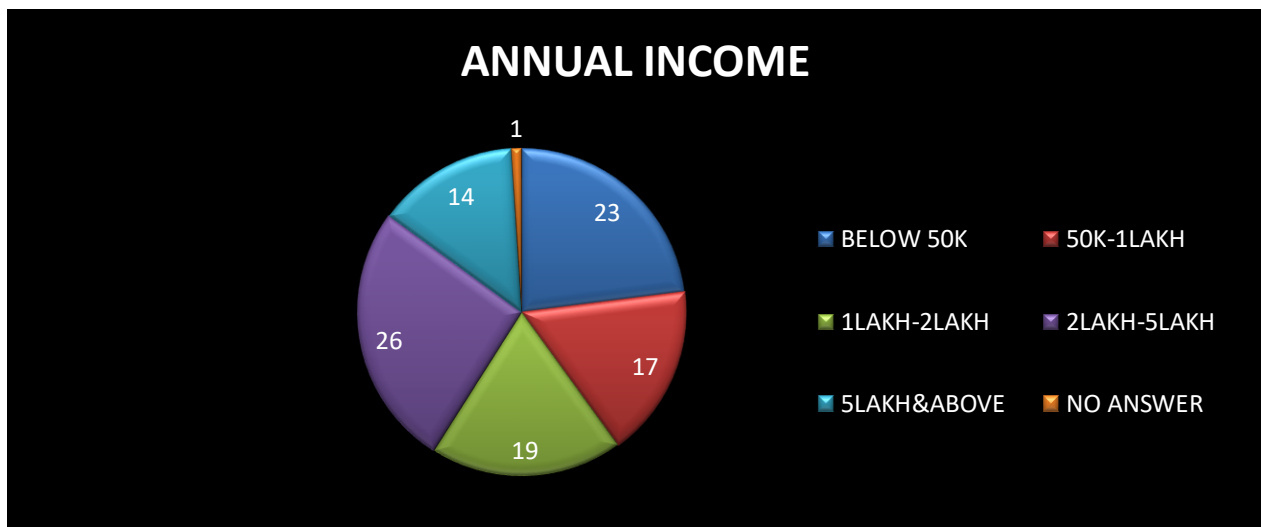
The 39 respondents work as employers, 4 are home-makers (stay at-home moms), 22 are students, and 5 are retired.

2. Annual income of the respondents for last year:-

Table no 1:

<u>ANNUAL INCOME</u>	<u>RESPONDENTS</u>
BELOW 50K	16
50K-1LAKH	12
1LAKH-2LAKH	13
2LAKH-5LAKH	18
5LAKH&ABOVE	10
NO RESPONSE	1

Chart no.1:



Interpretation:

The respondents' yearly salary is shown in Table 1 Chart 1. 29 respondents in this survey—out of the 70 total—have annual incomes between 2 lakh and 5 lakh.

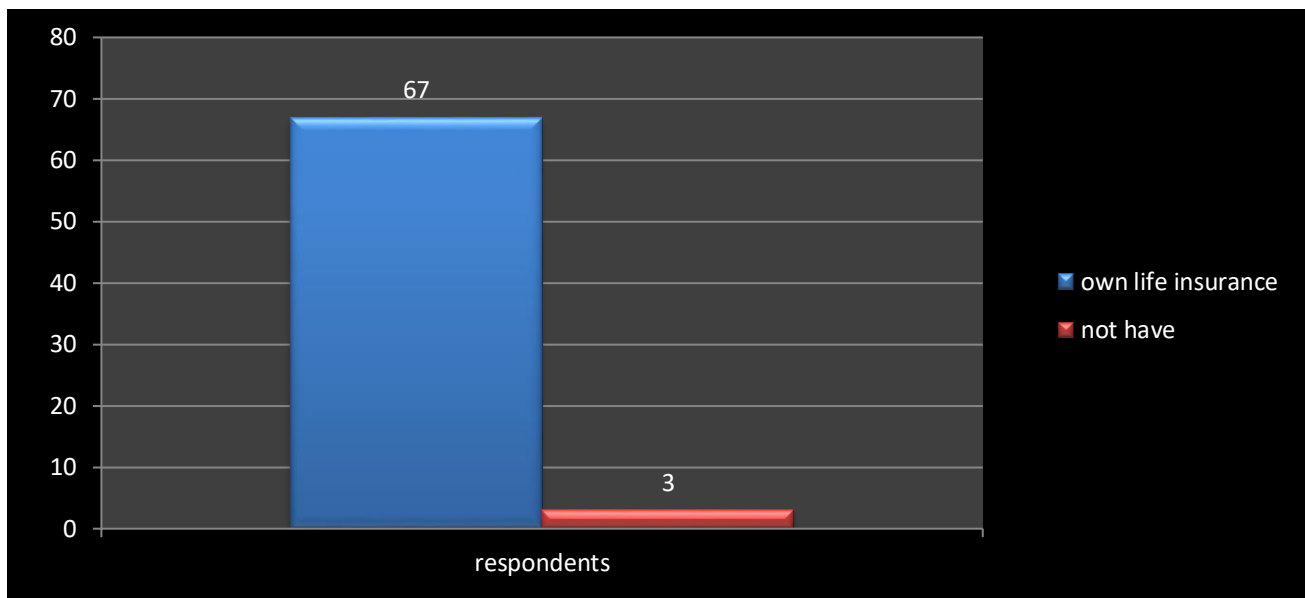
3. Do respondents own a life insurance policy:-

Only three respondents out of 70 did not have a life insurance policy, leaving 67 respondents with one.

Table no.2:

<u>PARTICULARS</u>	<u>RESPONDENTS</u>
OWN LIFE INSURANCE	67
NOT HAVE	3

Chart no.2:



Interpretation:

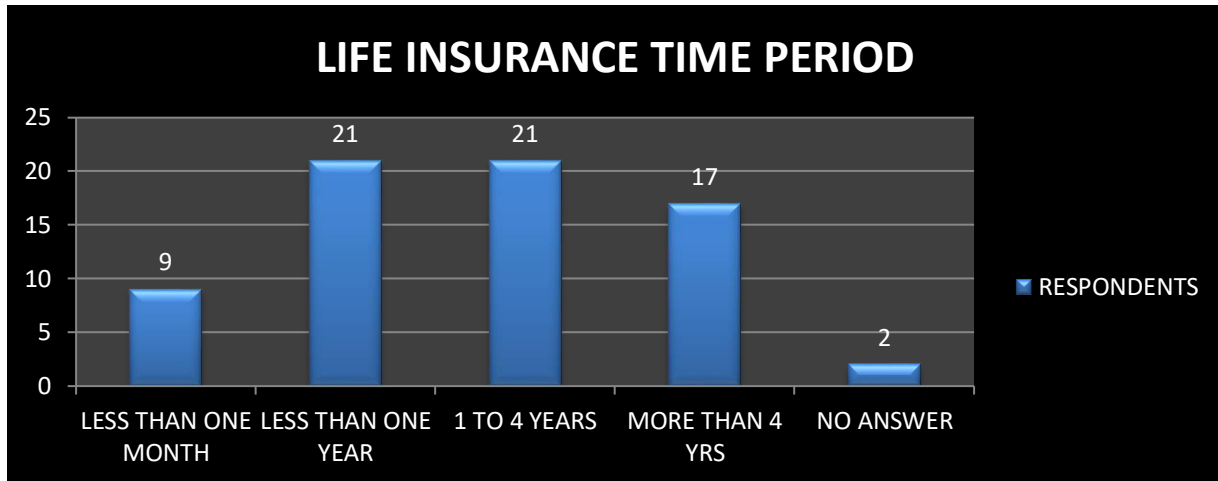
The respondents with life insurance policies are shown in Table 2 Chart 2. Here, 67 people are covered by life insurance.

4. The duration of respondents' use of the life insurance company's subscription or service is as follows:

Table no. 3:

<u>PERIOD</u>	<u>RESPONDENTS</u>	<u>%</u>
LESS THAN 1 MONTH	9	13%
LESS THAN 1 YEAR	21	30%
1 TO 4 YEARS	21	30%
MORE THAN 4 YEARS	17	24%
NO RESPONSE	2	3%

Chart no.3:



Interpretation:

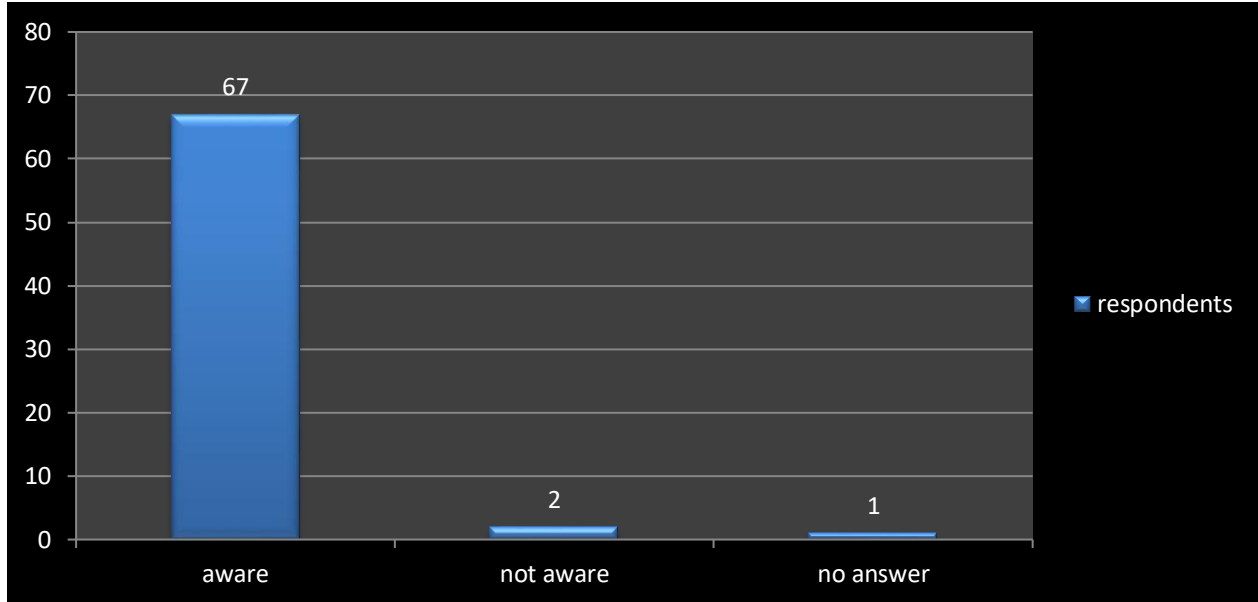
Table three and chart three shows the time period in which the respondents have been using the service provided by life insurance policy. Here 30% respondents have been using for up to 1 year and also for 1- 4 years

5. Respondent's awareness about whether life insurance policy is used for tax deduction:-

Table no.4:

<u>Awareness about whether life insurance policy is used for tax deduction</u>	<u>RESPONDENTS</u>
AWARE	67
NOT AWARE	2
NO RESPONSE	1

Chart no.4:



Interpretation:

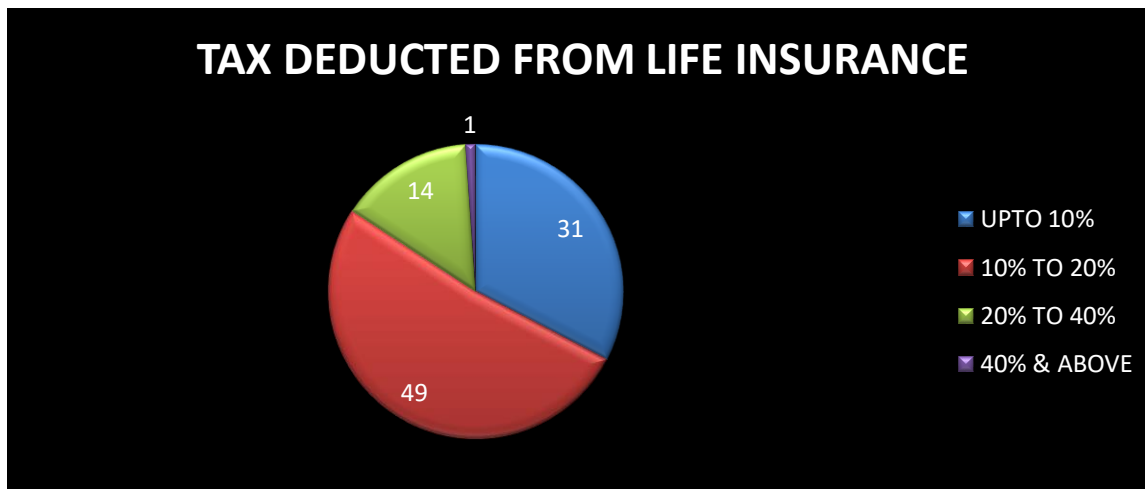
Table four and chart four shows the data of persons who were aware about whether life insurance is used for deducting tax. Here out of 70 respondents 67 were already aware about this.

6. How much of respondents tax is deducted due to life insurance each year:-

Table no.5:

<u>TAX</u>	<u>RESPONDENTS</u>	<u>%</u>
UPTO 10%	22	31%
10% TO 20%	34	49%
20% TO 40%	10	14%
40% & ABOVE	1	1%
NO RESPONSE	3	4%

Chart no.5:



Interpretation:

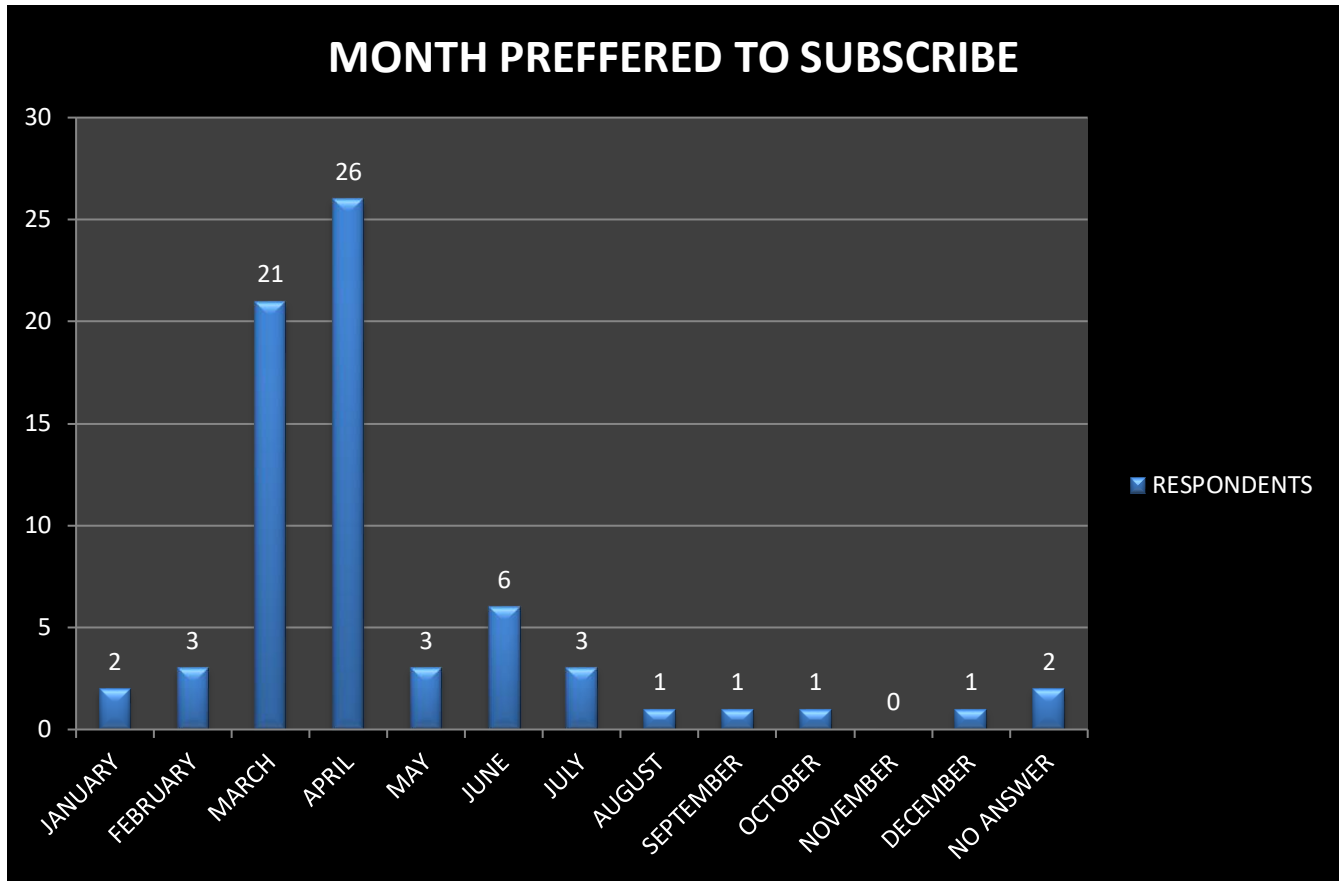
Table five chart five shows how much of respondents tax is deducted due to life insurance. Here up to 10% to 20% tax is deducted from 49% of respondents

7. Which month of the year do respondents prefer to get a life insurance policy:-

Table no.6:

<u>MONTH</u>	<u>RESPONDENTS</u>	<u>%</u>
JAN	2	3%
FEB	3	4%
MARCH	21	30%
APRIL	26	37%
MAY	3	4%
JUNE	6	9%
JULY	3	4%
AUG	1	2%
SEP	1	2%
OCT	1	1%
NOV	0	0%
DEC	1	1%
NO RESPONSE	2	3%

Chart no.6:



Interpretation:

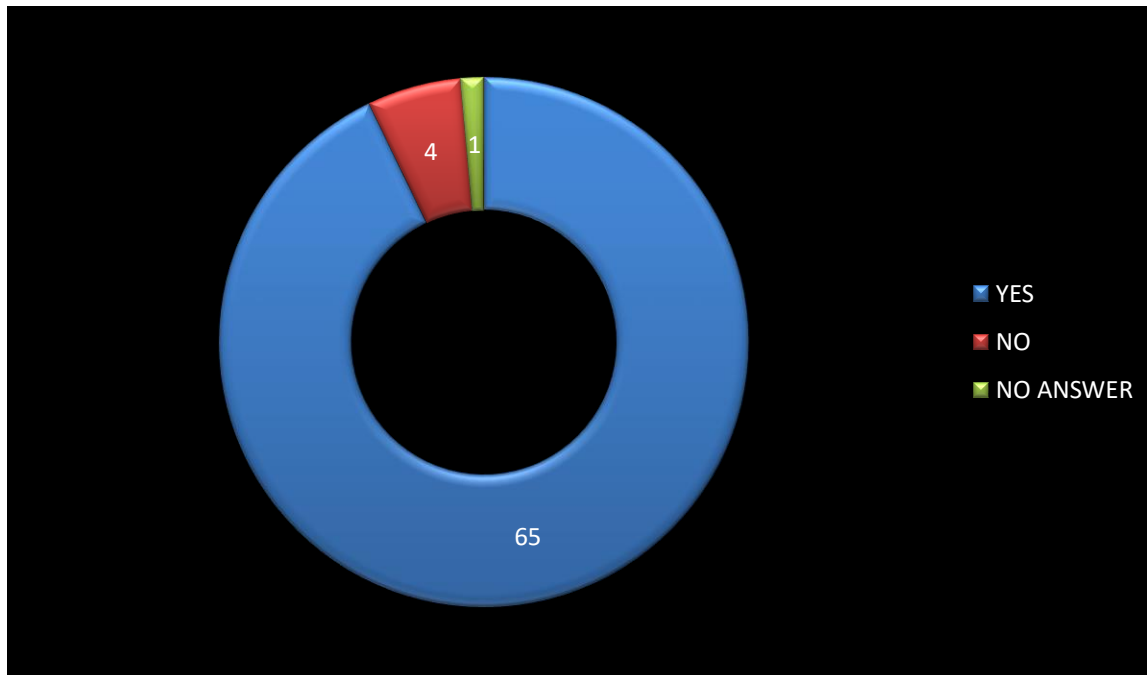
Table six and table five shows which month of the year respondents choose to purchase life insurance policy. From this we can conclude that more customers choose month of April and March to purchase the policy.

8. Do respondents select life insurance as a means of reducing taxes:-

Table no. 7:

<u>Do respondents select life insurance as a means of reducing taxes</u>	<u>RESPONDENTS</u>
YES	65
NO	4
NO RESPONSE	1

Chart no. 7:



Interpretation:

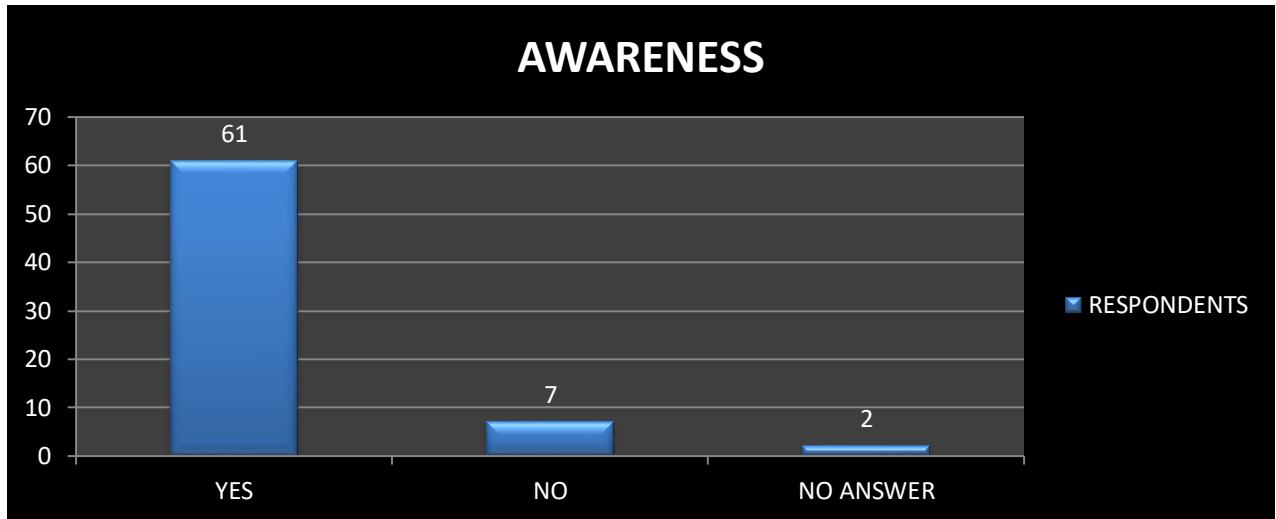
Table seven and seven chart shows do respondents choose life insurance as a means of tax deduction. Here 65 respondents selected it.

9. Do respondents know about the different features and benefits that life insurance companies offer:-

Table no.8:

<u>AWARENESS</u>	<u>RESPONDENTS</u>	<u>%</u>
YES	61	87%
NO	7	10%
NO RESPONSE	2	3%

Chart no.8:



Interpretation:

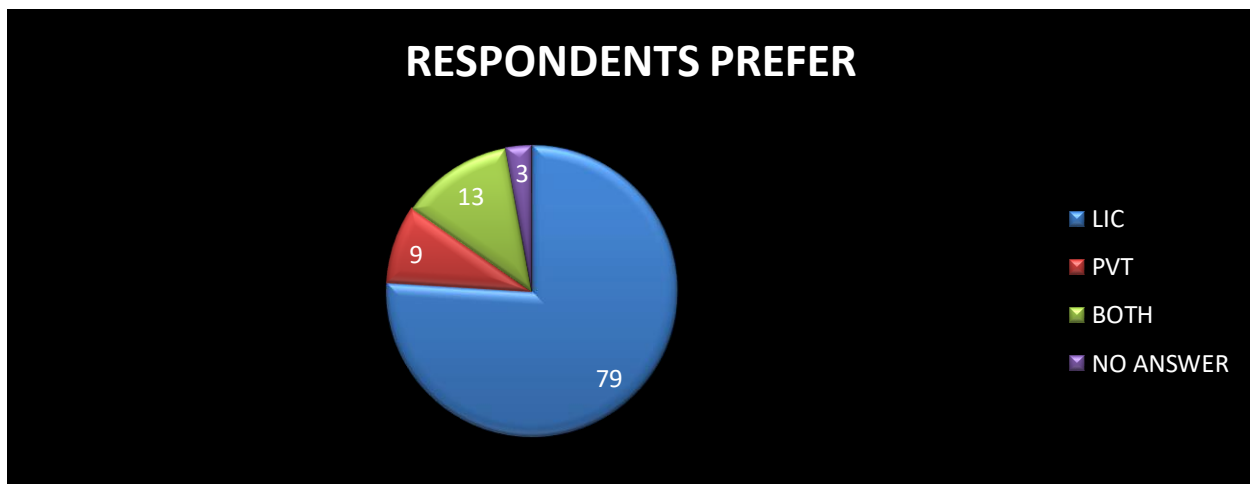
Chart eight shows whether respondents know about the features and benefits of life insurance. Here 61 respondents were aware about it.

10. Do respondents prefer private company (PVT) or life insurance company(LIC) or both:-

Table no.9:

<u>COMPANY</u>	<u>RESPONDENTS</u>	<u>%</u>
LIC	55	79%
PVT	6	9%
BOTH	9	13%
NO RESPONSE	2	3%

Chart no. 9:



Interpretation:

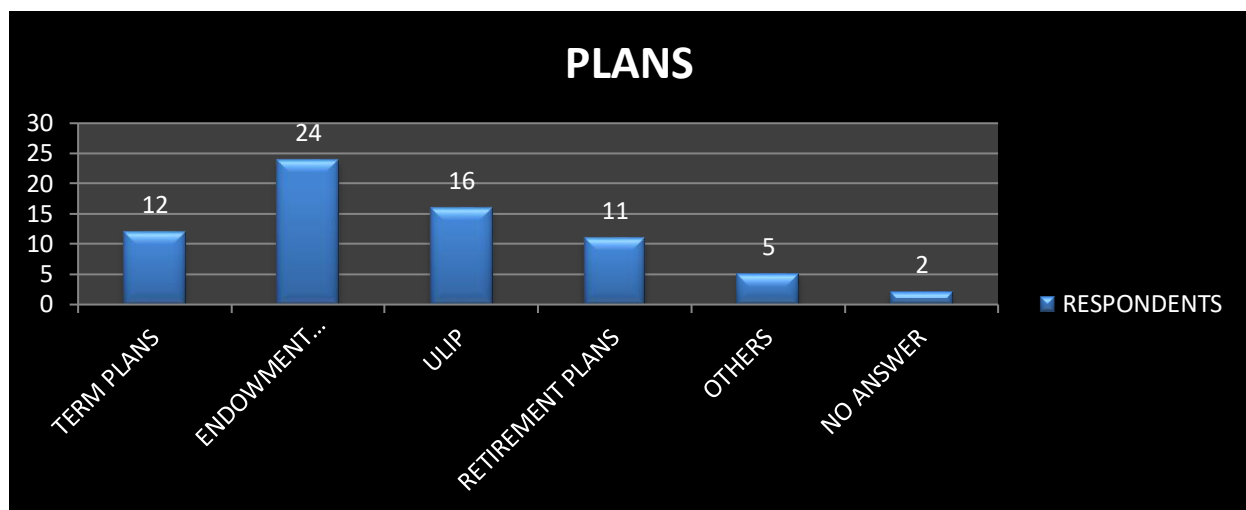
Table nine chart nine shows do the respondents prefer private company or Life Insurance Company. Here 79% of respondents choose Life Insurance Company.

11. Which policy approach other than life insurance policy would respondents select for tax saving purpose:-

Table no. 10:

<u>PLANS</u>	<u>RESPONDENTS</u>	<u>%</u>
TERM PLANS	12	17%
ENDOWMENT PLANS	24	34%
ULIP	16	23%
REIREMENT PLANS	11	16%
OTHERS	5	7%
NO RESPONSE	2	3%

Chart no. 10:



Interpretation:

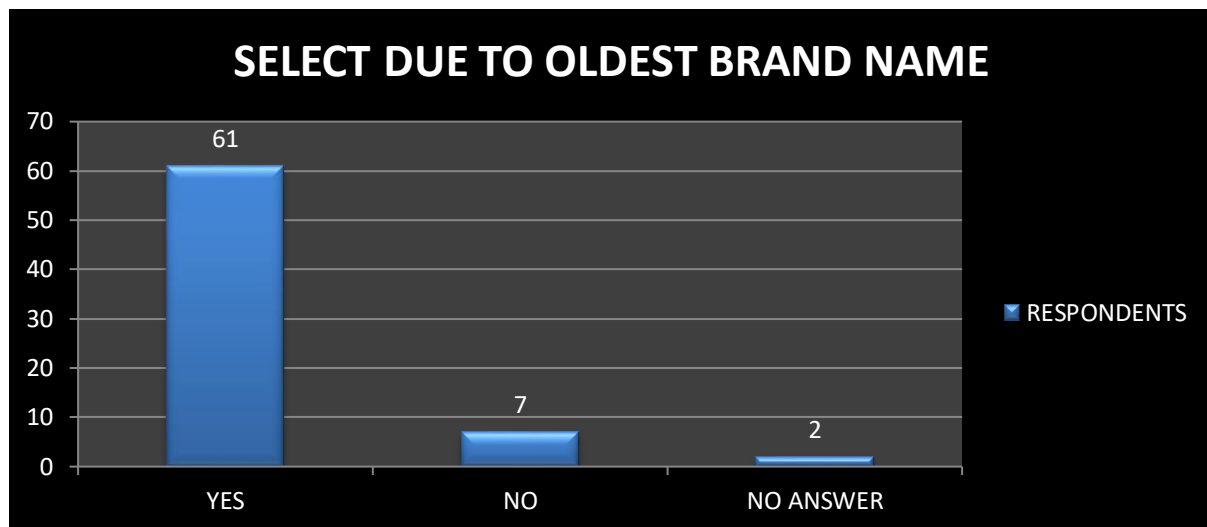
The respondents' favourite policy approach—aside from life insurance—is shown in tables 10 and 10 of the graphic. 34% of respondents in this survey favour endowment life insurance.

12. Do respondents choose LIC based on its oldest brand name:-

Table no.11:

<u>LIC BASED ON ITS OLDEST BRAND NAME</u>	<u>RESPONDENTS</u>	<u>%</u>
YES	61	87%
NO	7	10%
NO RESPONSE	2	3%

Chart no. 11:



Interpretation:

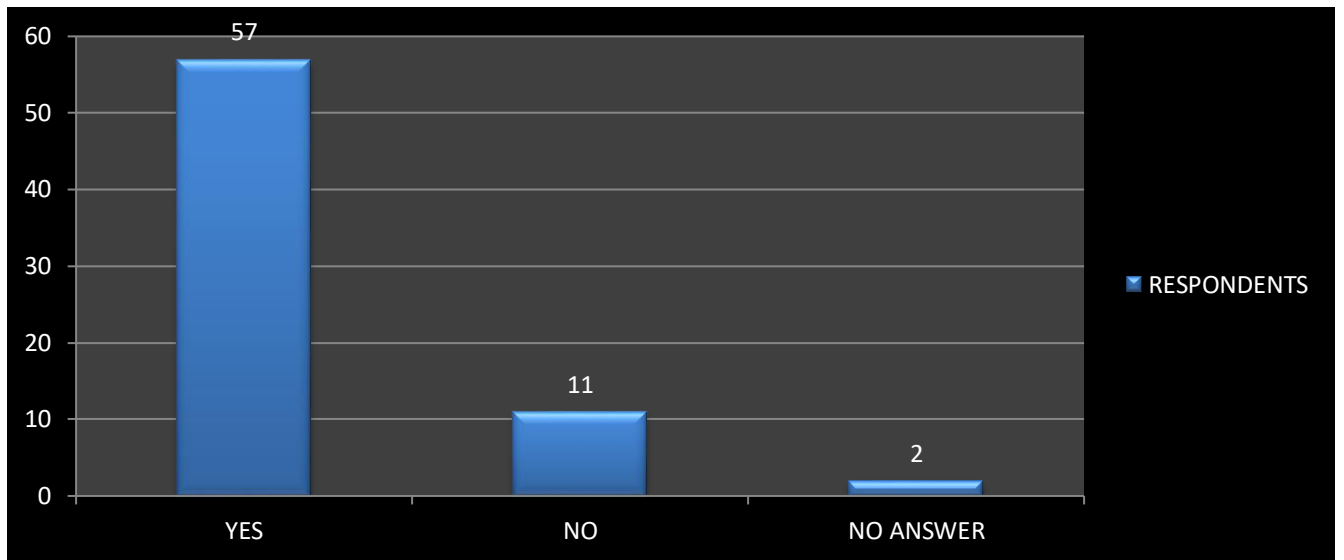
Table eleven and chart eleven shows do the respondents choose life insurance depended on its old brand name. Here 87% of respondents have chosen it.

13. If LIC has a flexible premium rate, do respondents think so:-

Table no.12:

<u>RESPONDENTS THINK SO?</u>	<u>RESPONDENTS</u>	<u>%</u>
YES	57	81%
NO	11	16%
NO RESPONSE	2	3%

Chart no.12:



Interpretation:

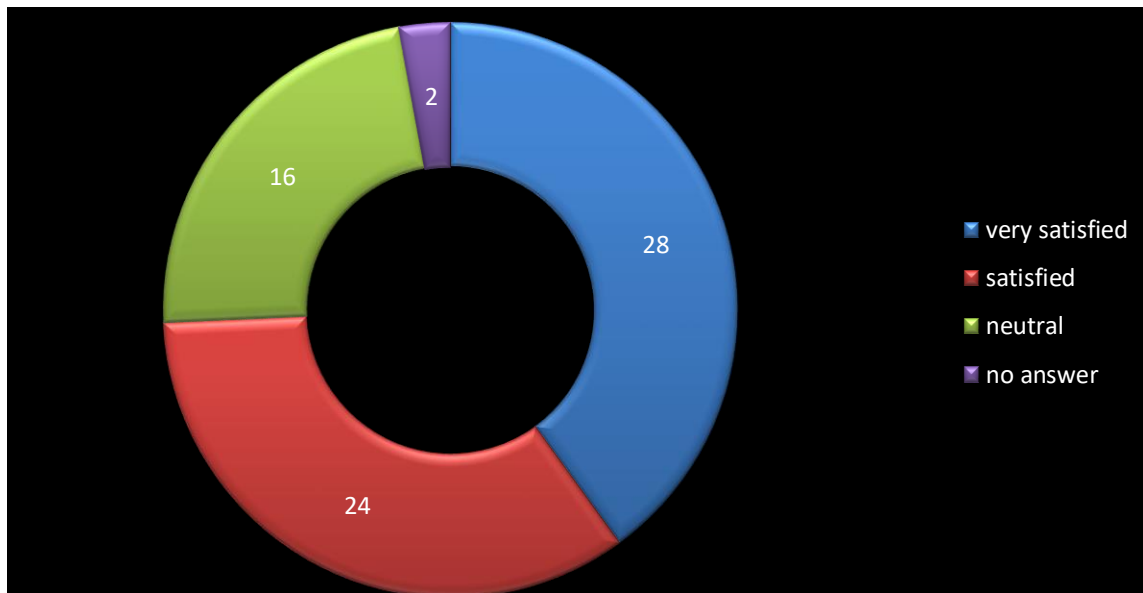
Table twelve and chart twelve shows that whether LIC has a flexible premium or not. For which 57 respondents agree with this statement that LIC has flexible premium.

14. Average respondent satisfaction with the life insurance companies tax deduction plan:-

Table no.13:

Satisfaction of respondents with life insurance tax deduction	Respondents
VERY SATISFIED	28
SATISFIED	24
NEUTRAL	16
NO RESPONSE	2

Chart no. 13:



Interpretation:

Out of a total of 70 responders, 24 are satisfied, 28 are extremely satisfied, 16 are neutral, and 2 have not responded.

15. Did respondents get what they expected from this benefit:-

The questionnaire was answered by 70 respondents, out of which 64 respondents received the expected benefits from the life insurance policy. Others like 3 respondents don't reach their expectations from the life insurance policy and 3 respondents don't response this question about their expectation.

16. Will respondents recommend a life insurance tax deduction benefit to others:-

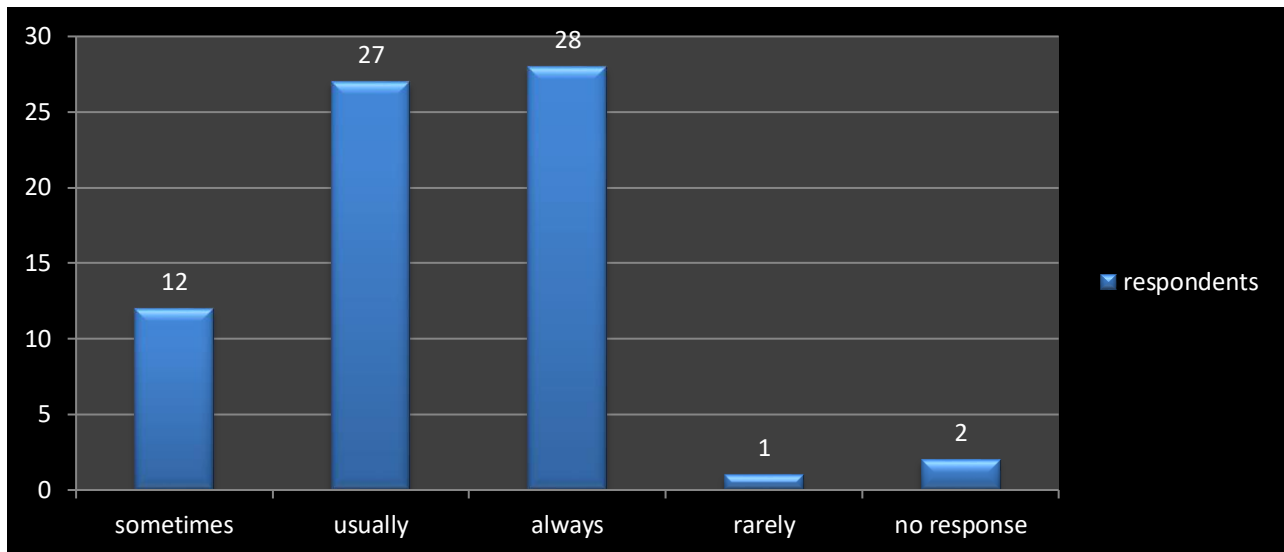
From the data we can identify that 64 respondents will recommend a life insurance tax deduction benefit to others. 3 respondents choose not to recommend to others and 3 respondents don't answer this question.

17. Do respondents seek the advice or services of experts prior to using the advantages or features of life insurance companies:-

Table no.14:

<u>PERIOD</u>	<u>RESPONDENTS</u>
SOMETIMES	12
USUALLY	27
ALWAYS	28
RARELY	1
NO RESPONSE	2

Chart no.14:



Interpretation:

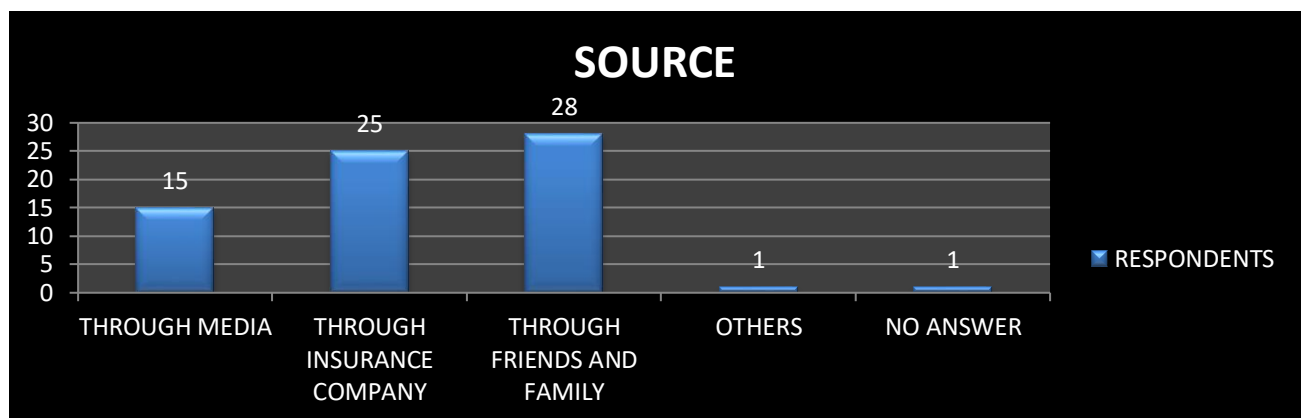
Table 14 and chart 14 shows whether respondents seek the advice or services of experts prior to using the advantages or features of life insurance companies. To which 28 respondents seeks advice.

18. What is the best source to get information on deductions while submitting tax returns:-

Table no.15:

<u>SOURCE</u>	<u>RESPONDENTS</u>	<u>%</u>
THROUGH MEDIA	15	21%
THROUGH INSURANCE COMPANY	25	36%
THROUGH FRIENDS AND FAMILY	28	40%
OTHERS	1	1%
NO RESPONSE	1	1%

Chart no.15:



Interpretation:

Table 15 and chart 15 shows the best source to get information on deductions while submitting tax returns. To which 40% respondents get information through friends and family.

SECONDARY DATA

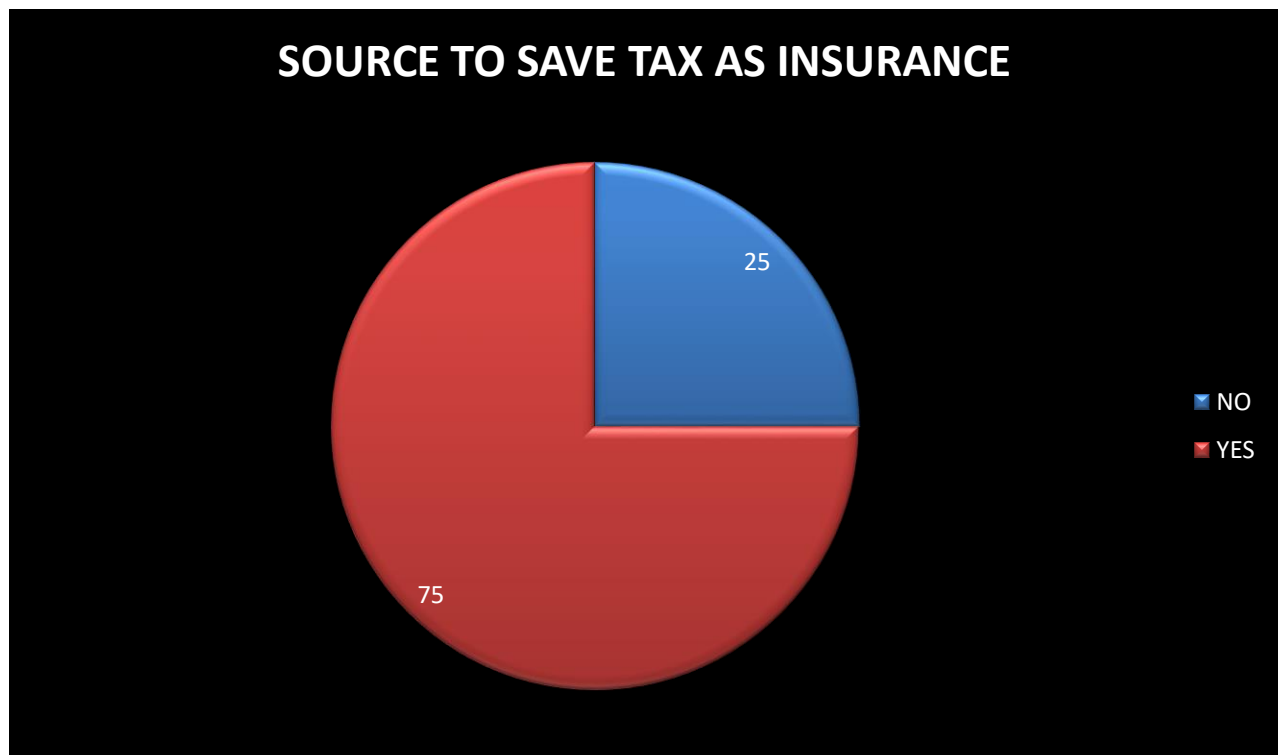
This secondary information was gathered from the Kerala Life Insurance Company Corporation. LIC Corporation is governed by central government and even its data is central in nature. All data of LIC Corporation is audited by central government of India.

- Policyholders who choose LIC are making it clear where they can save money on taxes (insurance). Here, we can see that the majority of policyholders—74.50%—choose life insurance as a way to reduce their tax burden. This is followed by 25.50%, which is fewer than no policyholders—choosing insurance as a way to reduce their tax burden. This indicates that consumers favour life insurance as a strategy for tax reduction more than other sources. Hence, it stands to reason that life insurance is preferred by policyholders who utilise insurance to reduce their tax burden.

Table no. 16:

<u>SOURCE TO DEDUCT TAX</u>	<u>%</u>
LIFE INSURANCE	74.50%
OTHER INSURANCE	25.50%

Chart no.16:



Interpretation:

The source for tax deduction is displayed in charts 16 and 16. Here, we can observe that the majority of policyholders—74.50%—choose life insurance as a way to reduce their tax burden.

Table no. 17:

<u>MONTH</u>	<u>%</u>
JANUARY to MARCH	45%
APRIL to JUNE	30%
JULY to SEPTEMBER	12.5%
OCTOBER to DECEMBER	12.5%

Chart no.17:

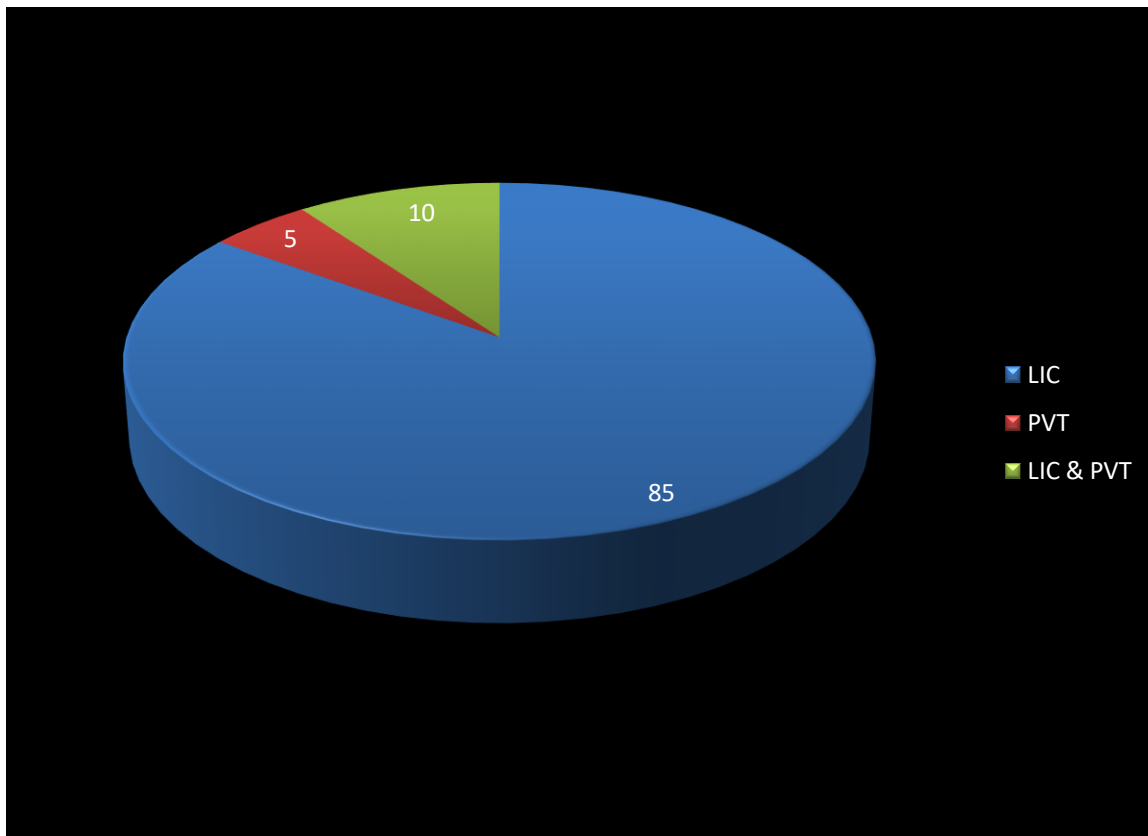


Interpretation: The following graph makes it clear that most policyholders (45%) prefer January, February, and March as their planning months to ensure tax efficiency, followed by policyholders (30%) who choose April, May, and June, and the remaining (12.5%) who choose July, August, and September, and finally, policyholders (12.5%) who choose October, November, and December

Table no.18:

<u>TYPE OF INSURANCE</u>	<u>%</u>
LIC	85%
PVT	5%
BOTH	10%

Chart no.18:

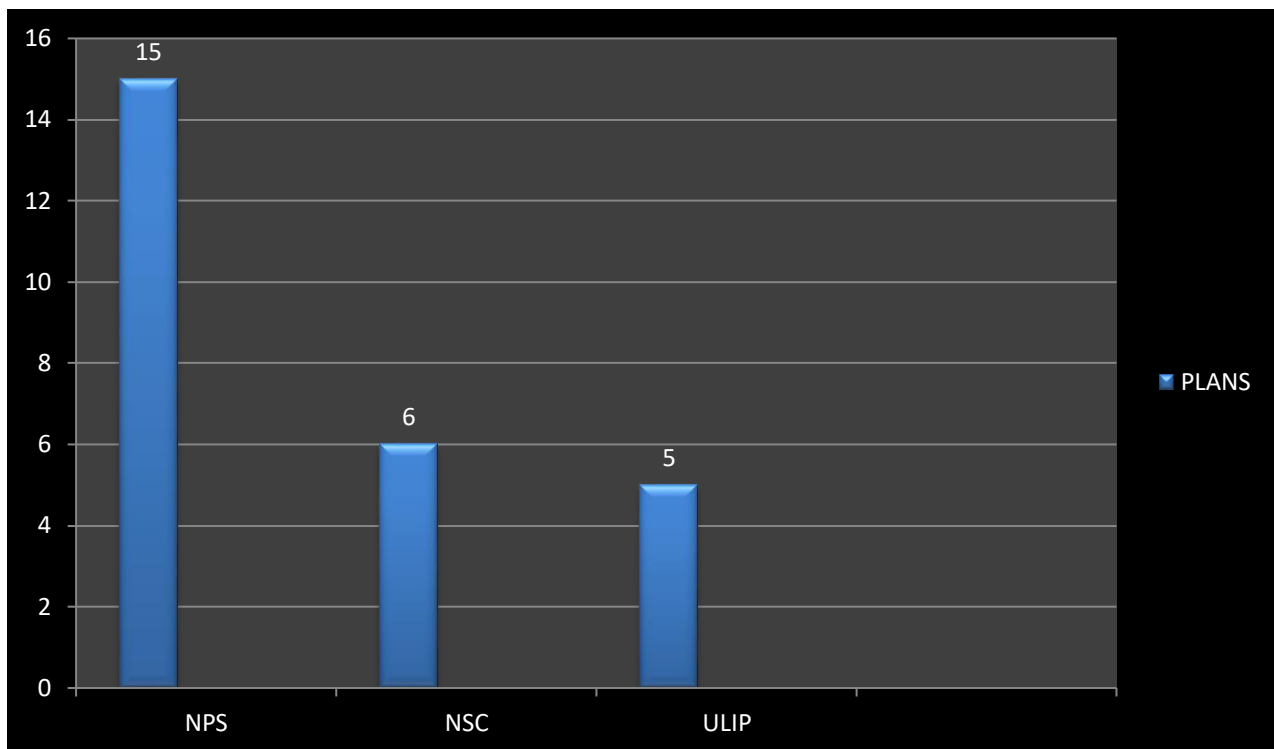


Interpretation: The following pie chart makes it clear that 85% of policyholders, or the highest number of policyholders, pick LIC. Just 5% of policyholders choose for PVT coverage. 10% of policyholders select both PVT and LIC coverage.

Table no. 19:

<u>SCHEME</u>	<u>RESPONDENTS %</u>
NPS	15%
NSC	6%
ULIP	5%

Chart no.19:



Interpretation: In order to save on taxes, 15% of policyholders opt for the National Pension Scheme (NPS), 6% opt for National Savings Certificates (NSC), and 5% opt for Unit Linked Insurance Plans (ULIPs).

CHI SQUARE TEST

The purpose of this test is to determine whether the two variables we've chosen for it have any link to one another. It is evaluated using Primary data:

There are 2 Hypothesis. They are:

Hypothesis H0: The annual income of the respondents and the amount of tax that is deducted as a result of their life insurance policy are not significantly correlated.

Alternative Hypothesis: The annual income of the respondents and the amount of tax they deduct for their life insurance policy are significantly correlated.

Level of significance:

Level of relevance = 0.05

Condition:

1. The null hypothesis is rejected and the alternative hypothesis is accepted if P Value is less than 0.05.
2. The null hypothesis is accepted and the alternative hypothesis is rejected if P Value is greater than 0.05.

Table no. 20:**Table of observed values**

Annual income of respondents/their tax deducted due to life insurance policy	10% to 20%	20% to 40%	40% above	No Answer	Up to 10%	Grand Total
1 lakh to 2 lakh	7	1	-	-	5	13
2 lakh to 5 lakh	9	5	-	-	4	18
50k to 1 lakh	8	1	-	-	3	12
Above 5 lakh	5	3	1	-	1	10
Below 50k	5	-	-	2	9	16
No Answer	-	-	-	1	-	1
Grand Total	34	10	1	3	22	70

TABLE OF ANTICIPATED VALUES

Annual income of respondents/their tax deducted due to life insurance policy	10% to 20%	20% to 40%	40% above	No Answer	Up to 10%	Grand Total
1 lakh to 2 lakh	6.31	1.86	0.19	0.56	4.09	13
2 lakh to 5 lakh	8.74	2.57	0.26	0.77	5.66	18
50k to 1 lakh	5.83	1.71	0.17	0.51	3.77	12
Above 5 lakh	4.86	1.43	0.14	0.43	3.14	10
Below 50k	7.77	2.29	0.23	0.69	5.03	16
No Answer	0.49	0.14	0.01	0.04	0.31	1
Grand Total	34	10	1	3	22	70

After creating the table, we apply the chi-square equation to determine the p value.

P- Value = 0.00363545918350668 = 0.0036

Result:

This chi - square test is used to determine whether there is a correlation between respondents' yearly income and the amount of their tax deduction for life insurance. The alternative hypothesis is accepted and the null hypothesis is rejected since the P value for this association is 0.0036, which is lower than 0.05. As a result, there is a considerable correlation between yearly income and the tax savings from life insurance.

CHAPTER V -
FINDINGS, SUGGESTIONS &
CONCLUSION

FINDINGS

PRIMARY DATA INFORMATION

- 26% of the annual income falls under the category of 2 Lakh – 5 Lakh

Out of 70 respondents 67 have life insurance policy.

- Respondents utilizing the subscription provided by the life insurance company is 30% between 1 to 4 years and 30% has subscribed for less than 1 year.
- Out of 70 respondents 67 respondents are aware about that life insurance policy is used for tax deduction
- 37% of respondents prefer April to get life insurance policy
- 65 respondents select life insurance as a means of reducing taxes
- 87% respondents know about the different features and benefits that Life Insurance Company offers
- 79% prefers Life Insurance Company
- 34% respondents choose endowment plans for tax saving purpose
- 87% respondents choose LIC based on its oldest brand name
- 81% respondents think that LIC has a flexible premium rate
- 28 respondents are very satisfied with life insurance Company's tax deduction plan

- 40% responded that through family and friends they get information on deductions while submitting returns.
- We investigated the yearly salary of responders and their tax deductions from life insurance policies using chi-square analysis. As a result of this study, it is evident that there is a connection between respondents' annual income and the taxes that are withheld as a result of their life insurance policies, where the alternative hypothesis was accepted.

SECONDARY DATA FROM INSURANCE COMPANY CORPORATION:-

- LIC insurance is chosen by 85% of policyholders.
- PVT insurance is selected by 5% of policyholders.
- 10% of policyholders select both PVT and LIC coverage.
- 55% of policyholders select LIC because of the brand name.
- 45% of policyholders select LIC because of its variable premium rate.
- Around 30% of policyholders use LIC to save on taxes.
- 55% of policyholders choose for the oldest LIC (trusted).
- Almost 55% of policyholders select LIC to have their risks covered.
- 15% of policyholders opt for NPS to save on taxes.
- 6% of policyholders opt for NSC to save on taxes.
- 5% of policyholders opt for ULIPs to save on taxes.
- For tax savings, 75% of policyholders chose insurance.
- 30% of policyholders decide to arrange their taxes in April, May, and June.

- 45% of policyholders opt for January, February, and March as their tax planning months.
- 15% of policyholders choose for the months of July, August, and September for tax planning.
- 25% of policyholders choose for insurance without the intention of saving money on taxes.
- 10% of policyholders chose October and December for tax planning.

SUGGESTIONS

Customer satisfaction has become an extremely crucial factor in the current competitive world to retain customers, not only to develop but also to survive. Customers are the key success factor, and private insurers may reposition themselves and set themselves apart from LIC by providing the finest services.

- Private insurers should place more of a focus on marketing, which will aid in raising public knowledge of insurance.
- To draw in more consumers, life insurance businesses should provide cutting-edge policies with recognisable brand names, high risk coverage, and substantial tax savings.
- The need of life insurance must be made clear not just to wealthy individuals but also to the general public.
- The persons who prepared their taxes in March were mostly the same. So, the industry should profit from this time by developing effective strategies to sway such individuals.
- Now that they are more conscious of brand names, people should purchase LIC not only for the other viewpoint but also for tax savings.

The statement that the government plans to sell a portion of its share in LIC and its stake in IDBI bank to private investors was made in the budget for 2020, making it difficult for the populace at the time to respond.

CONCLUSION

Consumers are the actual drivers of the success of life insurance, hence it is critical for insurers to maintain high levels of customer satisfaction and insurance assurance among their customers. Following investigation, we discovered that consumers are not purchasing LIC in order to avoid taxes, but on the other hand, it can be shown that customers are choosing insurance as their source, among other sources, in order to do so (FDs, PPF, NSC, NPS, and ULIP). Many choose to get a life insurance policy in March since it is a tax-saving month. Last but not least, consumers choose LIC because of its reputation as the oldest firm in the industry and its risk coverage, which ensures that they will be compensated in the event of an accident. It is evident from the chi square analysis that there is a correlation between the respondents' annual income and the tax they deduct for their life insurance policy. The study has discussed tax planning and management, as well as the justifications for why they are essential. It also highlighted typical tax-saving methods that might aid us in achieving our long-term goal. This illustrates the need of early tax preparation and the necessity of employing tax-saving strategies wisely in order to fully benefit from tax benefits. Without a doubt, a life insurance coverage is an excellent suggestion for tax savings. Every person should get life insurance since it is a crucial type of insurance. One of the main selling points for life insurance is its promoting aspects of taxation. A small number of sample sizes were used for the investigation. The study and interpretation lead to the conclusion that the majority of policyholders picked LIC, although some also opted for private insurance companies or both. The data study reveals that LIC is preferred by a greater number of people than PVT insurance or both.

CHAPTER VI -
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APPENDIX

QUESTIONNAIRE ON TAXATION AS A SELLING TOOL FOR LIFE INSURANCE

Dear Respondent,

We are the students of Finance and Taxation Department of Bharata Mata College Thrikkakara. For our academic project we need your kind cooperation for filing the questionnaire. We ensure you that this information will be used only for academic purposes.

1. EMAIL ID?

2. NAME OF RESPONDENT?

3. AGE OF RESPONDENT?

- BELOW 35
- 30-45
- 46 & ABOVE

4. GENDER OF THE RESPONDENTS?

- MALE
- FEMALE
- PREFER NOT TO SAY

5. ANNUAL INCOME OF THE RESPONDENT FOR LAST YEAR?

- LESS THAN Rs.50000
- Rs.50000 - Rs.100000

- Rs.100000 - Rs.200000
- Rs.200000 - Rs.500000
- Rs.500000 & GREATER

1. OCCUPATION OF RESPONDENT?

- EMPLOYER
- STUDENT
- HOMEMAKER
- RETIRED

2. DO YOU HAVE A PERSONAL LIFE INSURANCE POLICY?

- YES
- NO
- PREFER NOT TO SAY

3. FOR HOW LONG DID YOU USE THE SUBSCRIPTION/SERVICE?

- A MONTH OR LESS
- ONE TO SIX MONTHS
- ONE TO FOUR YEARS
- MORE THAN FOUR YEARS
- NEVER USED

4. DO YOU KNOW THAT A LIFE INSURANCE POLICY CAN BE USED FOR TAX DEDUCTION?

- YES
- NO
- PREFER NOT TO SAY

5. HOW MUCH OF YOUR TAX IS DEDUCTED IN A YEAR DUE TO LIFE INSURANCE?

- UPTO 10%
- 10-20%
- 20-30%
- 30-40%
- ABOVE 40%

6. WHICH MONTH DUE YOU PREFER TO PURCHASE LIFE INSURANCE POLICY?

- JAN to FEB
- MAR to APRIL
- MAY to JUNE
- JULY to AUG
- SEP to OCT
- NOV to DEC

7. DO YOU USE LIFE INSURANCE AS TOOL TO SAVE TAXES?

- YES
- NO
- PREFER NOT TO SAY

8. ARE YOU CONSCIOUS OF THE DIFFERENT BENEFITS AND FEATURES OFFERED BY LIFE INSURANCE?

- YES
- NO
- PREFER NO TO SAY

9. DO YOU PREFER LIFE INSURANCE COMPANY (LIC) OR PRIVATE INSURANCE COMPANY (PVT)?

- LIC
- PVT
- BOTH
- PREFER NOT TO SAY

10. WHICH APPROACH DO YOU CHOOSE FOR TAX SAVINGS?

- TERM STRATEGY
- ENDOWMENT SCHEMES
- UNIT LINKED INSURANCE PLAN

- PENSION PLANS
- OTHER TYPES

11. DO YOU SELECT LIC AS A RESULT OF ITS OLDEST BRAND NAME?

- YES
- NO
- PREFER NOT TO SAY

12. IS LIC HAS FLEXIBLE PREMIUM RATE?

- YES
- NO
- PREFER NOT TO SAY

13. OVERALL, HOW SATISFIED ARE YOU WITH THE TAX DEDUCTION SCHEME FROM LIFE INSURANCE COMPANIES?

- VERY SATISFIED
- SATISFIED
- NEUTRAL
- UNSATISFIED

14. DID THIS BENEFIT MEET YOUR EXPECTATIONS?

- YES

- NO
- PREFER NOT TO SAY

15. WILL YOU SUGGEST TAX DEDUCTION BENEFIT FROM LIFE INSURANCE TO OTHERS?

- YES
- NO
- MAYBE

16. DO YOU TAKE HELP/SERVICES OF THE EXPERTS BEFORE TAKING THE BENEFITS OR FEATURES PROVIDED BY LIFE INSURANCE COMPANIES?

- ALWAYS
- OFTEN
- OCCASIONALLY
- RARELY
- NEVER

17. WHAT IS THE BEST SOURCE TO GET INFORMATION ON DEDUCTIONS WHILE SUBMITTING TAX RETURNS?

- THROUGH LIFE INSURANCE COMPANIES
- THROUGH TAX CONSULTANT

- THROUGH FRIENDS AND RELATIVES
- THROUGH MEDIA

18. ANY OTHER SUGGESTIONS TOWARDS THE BENEFIT RECEIVED FROM LIFE
INSURANCE?