IOSR Journal of Engineering (IOSRJEN) **www.iosrjen.org**
ISSN (e): 2250-3021, ISSN (p): 2278-8719
Vol. 14, Issue 7, July 2024, ||Series -1|| PP 54-65

"Performance Evaluation of Unit-Linked Insurance Plans (ULIPs) Offered by Private Insurance Companies in India: A Comparative Analysis and Future Prospects"

Dr.P.V.V.Satyanarayana
Assistant Professor
School of Management Studies
Jawaharlal Nehru Technological University Kakinada
Received 02 July 2024; Accepted 15 July 2024

Abstract
Over the past century, the Indian insurance industry has achieved numerous milestones, evolving into a robust sector characterized by a stringent regulatory framework that safeguards the interests of investors. Among the key players, the Life Insurance Corporation of India (LIC), a public sector undertaking, stands out as the market leader in the life insurance segment. A detailed study focused on Unit-Linked Insurance Plans (ULIPs) was conducted, examining the top five private insurance companies in India. This study aimed to assess the performance of these ULIP products, particularly their dependency on stock market fluctuations, through the use of hypotheses testing.
For the data analysis, the study utilized the Rate of Return (ROR) and Annualized Rate of Return (AROR) as key analytical tools. Additionally, the correlation between these returns and stock market performance was tested using the t-Test. The findings revealed that Reliance Life Insurance offers promising returns for investors. However, there is potential for further improvement in their offerings. Concurrently, Reliance Life should consider analyzing the performance strategies of its competitor, PNB MetLife's Smart ULIP product, which has demonstrated superior performance. By understanding and possibly integrating some of the strategies employed by PNB MetLife, Reliance Life could enhance its product offerings and overall market performance.
Keywords: UnitLinkedInsurancePlan,NAV,ROR,InsuranceCompany,Risk-Returns,Investors.

I. Introduction

Human life is inherently susceptible to risks such as death and disability, which can occur due to natural events or accidents. To mitigate these risks, individuals can opt for life insurance, a type of insurance specifically designed for human beings. While the intrinsic value of human life cannot be precisely quantified, a monetary sum can be estimated based on the anticipated loss of future income. Consequently, life insurance policies establish a Sum Assured, which is the guaranteed amount payable upon the occurrence of a covered loss, serving as a ‘benefit’ for the policyholder.

Life insurance products are structured to provide financial security to the dependents of the insured individual. In the event that the insured person passes away during their income-earning years or suffers a disability due to an accident that leads to a reduction or complete loss of earning capacity, the policy ensures a predetermined sum of money is paid to the dependents.

Unit Linked Insurance Policy (ULIP) is a specific type of life insurance that combines the dual benefits of risk coverage and investment opportunities. The performance of ULIPs is closely tied to the fluctuations and dynamics of the capital market. In a ULIP, the investment risk is typically borne by the policyholder. Premiums paid into a ULIP, after accounting for various charges and the cost of risk coverage, are pooled to create a fund. This fund is represented by units, with each unit's value referred to as the Net Asset Value (NAV). The NAV reflects the current value of the investment and fluctuates based on market conditions. The total value of the fund at any given time is calculated by multiplying the number of units held by the current NAV. This structure allows policyholders to benefit from both insurance coverage and potential investment returns, albeit with a varying degree of market risk.

II. Review Of Literature

In 2009, Karuna emphasized the 'Relevance of ULIPs as a Good Investment Tool,' noting that traditional life insurance plans offered by the Life Insurance Corporation of India (LIC) primarily addressed the insurance needs of individuals. However, with the evolving demands of consumers, a new product, the Unit

Linked Insurance Plan (ULIP), was introduced. ULIPs combine the advantages of insurance, investment, and tax benefits. Karuna observed that ULIPs are particularly well-suited for investors with a long-term investment horizon of 15-20 years, allowing them to spread expenses over an extended period and maximize potential benefits.

In 2011, Divya Y. Lakhani conducted a research study to explore the relationship between returns and the Sensex, investors' preferences for ULIPs versus equity investments, the growth and market penetration of ICICI Prudential, and the performance of several of its ULIP schemes. The study's primary finding was that the Net Asset Value (NAV) for equity-based fund options tends to move in correlation with the Sensex. In contrast, debt-based fund options are less influenced by fluctuations in the Sensex.

UdayanSamajpati, in 2012, advanced the evaluation of ULIP performance through Risk-Return Analysis, Treynor's Ratio, Sharpe's Ratio, and Jensen's Measures. The study focused on three specific ULIP schemes: ICICI Life Stage RP-Maximiser (Growth) Fund, Bajaj Allianz New Family Gain-Equity Index Fund II, and ING High Life Plus-Growth Fund. The performance analysis revealed that all three ULIP schemes outperformed the market. Among them, the ING Vysya ULIP emerged as the top performer, demonstrating superior returns compared to its counterparts.

Objective of study

1. To compare the focus of ULIPs offered by different life insurers:

This objective aims to analyze and differentiate the various Unit Linked Insurance Plans (ULIPs) provided by multiple life insurance companies. It seeks to understand the strategic priorities each insurer emphasizes in their ULIP products, such as investment options, risk coverage, fee structures, and additional benefits. The comparison will highlight how different insurers tailor their ULIPs to meet the diverse needs and preferences of their target customer base, thereby providing insights into their unique selling propositions and competitive positioning in the market.

2. To evaluate the performance of the company's ULIP products against the competition:

This objective is designed to assess how well the ULIP products offered by a specific company perform in comparison to those of its competitors. The evaluation will involve examining key performance indicators such as returns on investment, Net Asset Value (NAV) fluctuations, risk-adjusted returns, and overall customer satisfaction. By benchmarking the company's ULIP products against similar offerings from rival insurers, the study will identify strengths and weaknesses, providing actionable insights for enhancing product competitiveness and addressing any gaps in performance relative to market peers.

Need for the Study

1. Informed Investment Decisions:

The primary need for this study arises from the necessity for investors to make informed decisions. With a plethora of Unit Linked Insurance Plans (ULIPs) available in the market, it becomes challenging for investors to discern which plans offer the best rate of returns and align with their financial goals. By comparing the ULIPs of different life insurers, this study will provide a comprehensive analysis that can guide investors in selecting plans that maximize their returns, ensuring their investments are both secure and profitable.

2. Market Competitiveness:

For life insurance companies, understanding how their ULIP products perform relative to the competition is crucial. This study will highlight the strengths and weaknesses of the company's current ULIP offerings. Insights gained from this analysis can drive strategic improvements in product design, helping the company to enhance its portfolio. By addressing the gaps identified, the company can develop more competitive ULIP products that better meet the evolving needs of consumers, thereby improving market share and customer satisfaction.

Significance of the Study

1. Enhanced Investor Knowledge:

The comparison of ULIPs is significant as it empowers investors with detailed information on the performance metrics of various plans. This knowledge is vital for making choices that align with individual risk tolerance, investment horizon, and financial objectives. Ultimately, it aids in optimizing the financial returns for investors, contributing to their long-term financial well-being.

2. Strategic Product Development:

From the perspective of the insurance companies, the study's findings will be instrumental in shaping future product strategies. By understanding competitive dynamics and performance benchmarks, insurers can innovate and refine their ULIP offerings. This not only enhances the appeal of their products but also ensures they remain relevant and attractive in a competitive marketplace.

3. Industry Insights:
The study also holds significance for industry stakeholders, including financial advisors, market analysts, and regulators. It provides a macro view of the ULIP market, highlighting trends, consumer preferences, and performance standards. Such insights are valuable for crafting policies, advising clients, and developing new financial products that cater to the diverse needs of the market.

4. Customer-Centric Approach:
By identifying the features and benefits that resonate most with investors, companies can adopt a more customer-centric approach in their product development. This leads to higher customer satisfaction, retention, and loyalty, as products are tailored to meet the specific demands and expectations of the policyholders.

III. ResearchMethodology

The present study is based on secondary data and employs a descriptive research design. The necessary secondary data was gathered from various sources, including websites, annual reports, magazines, and company reports. Five leading life insurance companies were selected for this study: ICICI Prudential Life Limited, Reliance Life Limited, SBI Life Limited, MetLife Limited, and Bajaj Allianz Life Limited. The selection of these companies was made using a non-random judgmental sampling method to ensure the inclusion of prominent players in the market.

To ensure the analysis was robust and insightful, advanced statistical tools were utilized. These included various financial ratios, the Rate of Return (ROR), Annualized Rate of Returns, and Correlation analysis. Hypothesis testing was conducted at a 99 percent confidence level (or a 1 percent level of significance) to validate the findings and ensure statistical rigor. This approach allowed for a comprehensive examination of the performance and characteristics of ULIPs offered by the selected companies, providing valuable insights into their effectiveness as investment tools.

ULIPSselectedfordataanalysisandinterpretation

The Unit Linked Insurance Plans (ULIPs) selected for data analysis and interpretation include a variety of offerings from well-known insurance providers. The Reliance Wealth &Health Basic Plan focuses on a health corporate bond fund, providing a combination of wealth creation and health benefits. The SBI Life Smart Performer Review, featuring the Daily Protect Fund 1, offers a unique strategy with daily protection features aimed at maximizing returns while managing risk. The ICICI Pru Pinnacle Super Review highlights the Highest NAV Fund B, designed to ensure that investors benefit from the highest Net Asset Value (NAV) recorded during the policy term. The Bajaj Allianz Wealth Insurance Plan, which includes the Equity Index Fund 2, provides an opportunity for growth by investing in a diversified equity index. Lastly, the Met Smart One with Protector Fund 2 focuses on safeguarding investments with a balanced approach towards capital protection and growth. These ULIPs have been chosen for their diverse strategies and benefits, making them suitable candidates for a comprehensive analysis and interpretation of their performance and potential returns.

Limitationsofthestudy

1. Thestudywasconcentratedononlyoneoftheproductincomparisonwithsimilarofferingsof othercompanies.
2. Onlypubliclyavailabledatawasused.

ReturnonInvestmentCalculation

$$\text{Rate of Return} = \left(\frac{V_f - V_i}{V_i}\right) \times 100$$

$$\text{Annualized Return} = \left[\left(\frac{V_f}{V_i}\right)^{\frac{365}{d}} - 1\right] \times 100$$

Where V_i = Initial NAV

V_f = Latest NAV

d = Number of days from date of investment.

Dataanalysisandinterpretation

Table 1: BSE Sensex Index and NAV details of Selected Insurance Products(Jan2022–Feb 2024)

Month	Sensex	SBI	ICICI	Bajaj	Metlife	Reliance
Jan2022	18,327.76	9.59		18.08	10.52	12.52
Feb2022	17,823.40	9.27		17.39	10.57	12.54
March2022	19,445.22	9.46	10.13	17.80	10.69	12.65
April2022	19,135.96	9.89	10.42	18.70	10.76	12.72
May2022	18,503.28	9.45	9.92	17.66	10.78	12.70
June2022	18,845.87	9.44	9.93	17.62	10.83	12.76
July2022	18,197.20	9.61	10.12	18.00	10.95	12.89
Aug2022	16,676.75	8.88	9.52	16.37	11.09	12.99
Sep2022	16,453.76	8.86	9.44	16.16	11.15	13.05
Oct2022	17,705.01	8.90	9.40	16.22	11.15	13.02
Nov2022	16,123.46	8.92	9.32	16.09	11.23	13.09
Dec2022	15,454.92	8.67	9.18	15.38	11.51	13.26
Jan2023	17,193.55	8.82	9.37	15.86	11.75	13.38
Feb2023	17,752.68	9.27	9.90	17.36	11.90	13.48
March2023	17,404.20	9.20	9.76	17.00	12.50	13.52
April2023	17,318.81	9.16	9.66	16.87	12.00	13.61
May2023	16,218.53	8.83	9.35	15.98	12.08	13.72
June2023	17,429.98	8.97	9.58	16.40	12.19	13.83
July2023	17,236.18	9.17	9.76	16.91	12.28	13.94
Aug2023	17,429.56	9.31	9.86	17.24	12.37	14.04

Sep2023	18,762.74	9.50	10.06	17.76	12.49	14.20
Oct2023	18,505.38	9.74	10.32	18.40	12.65	14.37
Nov2023	19,339.90	9.76	10.33	18.39	12.70	14.41
Dec2023	19,426.71	10.04	10.58	18.99	12.80	14.52
Jan2024	19,894.98	10.25	10.79	19.35	13.06	14.83
Feb2024	18,861.54	10.13	10.72	18.98	13.13	14.89

Source:BSEIndia

The table provides a detailed view of the BSE Sensex Index values alongside the Net Asset Values (NAVs) of selected insurance products from January 2022 to February 2024. Here's an analysis of the data:

BSE Sensex Trends: The BSE Sensex, a benchmark index of the Bombay Stock Exchange, shows fluctuating trends over the period. It starts at 18,327.76 in January 2022 and ends at 18,861.54 in February 2024, with notable peaks and troughs throughout.

- ULIP Performance Overview:

- SBI Life: The NAV starts at 9.59 in January 2022 and rises to 10.13 by March 2022, showing a general upward trend with minor fluctuations.
- ICICI Pru: Begins at 18.08 in January 2022 and reaches 19.35 by January 2024, showing steady growth with occasional dips.
- Bajaj Allianz: Starts at 10.52 in January 2022 and climbs to 18.99 by December 2023, demonstrating significant growth over the period.
- Met Life: Starts at 12.52 in January 2022 and increases to 13.13 by February 2024, with consistent growth and minimal volatility.
- Reliance: Begins at 12.52 in January 2022 and rises to 14.89 by February 2024, showing a steady upward trajectory with minor fluctuations.

Key Observations:

- Market Volatility: The BSE Sensex reflects periods of volatility, influencing the performance of ULIPs which are linked to market movements.
- NAV Growth: Despite market fluctuations, most ULIPs show overall growth in NAV over the analyzed period, indicating robust performance and potential returns for investors.
- Diversified Performance: Each ULIP exhibits unique growth patterns influenced by market conditions, investment strategies, and sector-specific factors.

4. Investment Implications:

- Risk Management: Investors can assess the historical performance of these ULIPs against the BSE Sensex to gauge risk and return expectations.
- Long-term Planning: The consistent growth in NAVs suggests these ULIPs may be suitable for long-term investment goals, considering their ability to weather market fluctuations.

Overall, this analysis highlights the dynamic relationship between market indices like the BSE Sensex and the performance of ULIPs, offering insights into investment strategies and risk management for potential investors.

Table2:RORofSBILifeSmart(inPercentage)

Years	**2022**	**2023**	**2024**
ROR	-12.15	18.13	-0.885

Interpretation: The Rate of Return (ROR) for SBI Life Smart exhibits notable fluctuations across the years under review. In 2022, the ROR recorded a substantial decline at -12.15%, indicating a challenging period with negative returns. This downturn likely reflects adverse market conditions or specific challenges within the fund's portfolio. However, the following year, 2023, saw a significant recovery with an ROR of 18.13%, suggesting a robust rebound and positive performance driven by improved market conditions or strategic adjustments. Moving to 2024, the ROR shows a slight decline at -0.885%, indicating a period of minimal growth or minor losses, possibly influenced by ongoing market volatility or specific market factors affecting returns. These fluctuations underscore the dynamic nature of investment returns in SBI Life Smart, highlighting both the potential for recovery and the impact of market conditions on overall performance over the analyzed period. Investors should consider these trends when evaluating the fund's historical performance and its suitability for their investment objectives.

Table3:RORofICICIPruPinnacleyearwise(inPercentage)

Years	2022	2023	2024
ROR	-10.26	17.59	-0.094

Source: Secondary DataInterpretation: The Rate of Return (ROR) for ICICI Pru Pinnacle demonstrates significant variations across the years analyzed. In 2022, the ROR stood at -10.26%, indicating a period of negative returns likely influenced by adverse market conditions or specific challenges within the fund's investments. The following year, 2023, saw a notable recovery with an ROR of 17.59%, highlighting a strong rebound and positive performance driven by improved market dynamics or strategic adjustments. However, in 2024, the ROR shows a slight decline at -0.094%, suggesting a period of minimal growth or marginal losses, possibly influenced by ongoing market volatility or specific factors impacting returns. These fluctuations illustrate the fund's responsiveness to market conditions and underscore the importance of considering both historical performance and current economic trends when evaluating ICICI Pru Pinnacle's suitability for investment portfolios. Investors should assess these trends to make informed decisions aligned with their financial goals and risk tolerance levels.

Table4:RORofBajajAllianzWealthPlan(inPercentage)

Years	2022	2023	2024
ROR	-19.57	27.26	-2.25

Interpretation: The Rate of Return (ROR) for the Bajaj Allianz Wealth Plan exhibits significant fluctuations across the years reviewed. In 2022, the ROR recorded a sharp decline at -19.57%, indicating a challenging period with substantial losses likely attributable to adverse market conditions or specific investment challenges within the fund. However, the following year, 2023, saw a remarkable recovery with an ROR of 27.26%, reflecting a robust rebound and strong performance driven by favorable market dynamics or strategic adjustments. Moving to 2024, the ROR shows a slight decline at -2.25%, suggesting a period of minor losses or minimal growth, potentially influenced by continued market volatility or specific factors impacting returns. These fluctuations highlight the fund's sensitivity to market conditions and underscore the importance of monitoring performance trends and market dynamics when evaluating the Bajaj Allianz Wealth Plan for investment purposes. Investors should consider these factors alongside their investment objectives and risk tolerance levels to make informed decisions.

Table5:RORofMetLifeSmartProtect(inPercentage)

Years	2022	2023	2024
ROR	10.09	10.74	1.86

Interpretation: The Rate of Return (ROR) for MetLife Smart Protect shows consistent positive performance across the years reviewed. In 2022, the ROR was 10.09%, indicating a solid start with steady growth and positive returns. This performance continued into 2023, where the ROR increased slightly to 10.74%, reflecting continued stability and growth in returns. However, in 2024, there was a slight decline in the ROR to 1.86%, suggesting a period of slower growth or reduced returns compared to previous years. Despite this decrease, the overall trend indicates a resilient performance of MetLife Smart Protect, with positive returns maintained over the analyzed period. Investors may view this consistency favorably, considering the fund's ability to deliver stable returns amidst varying market conditions. It underscores the fund's reliability and potential suitability for those seeking steady growth and moderate risk in their investment portfolios.

Table6:RORofRelianceWealth+HealthInsuranceYearwise

Years	2022	2023	2024
ROR	6.15	9.68	1.70

Interpretation: The Rate of Return (ROR) for Reliance Wealth + Health Insurance demonstrates a pattern of moderate but consistent growth across the years analyzed. In 2022, the ROR was 6.15%, indicating a steady start with positive returns. This positive momentum continued into 2023, where the ROR increased to 9.68%, reflecting improved performance and higher returns compared to the previous year. However, in 2024, there was a slight decrease in the ROR to 1.70%, suggesting a period of slower growth or reduced returns compared to the previous years.

Overall, the table illustrates Reliance Wealth + Health Insurance's ability to deliver stable and positive returns over the analyzed period, albeit with some variation year to year. This consistency may appeal to investors looking for a reliable investment option that offers moderate growth potential while managing risk effectively. It highlights the importance of assessing historical performance trends and aligning them with investment objectives and risk tolerance when considering Reliance Wealth + Health Insurance as part of an investment strategy.

Table7:ComparisonofSelectedULIPProducts

Companies	SBI	ICICI	Bajaj	Metlife	Reliance
RateofReturn	**3.84%**	**6.41%**	**1.12%**	**25.00%**	**19.02%**
Annualizedreturn	**3.89%**	**4.38%**	**3.48%**	**17.01%**	**11.64%**

Interpretation: The comparison table of selected ULIP products provides a clear overview of their performance metrics, showcasing varied returns and annualized figures across different insurance companies. MetLife emerges as a standout performer with a high Rate of Return (ROR) of 25.00%, indicating robust performance and significant returns on investments made through its ULIP. Following closely, Reliance also demonstrates strong performance with a notable ROR of 19.02%, reflecting competitive returns in the market. ICICI and SBI offer moderate returns with RORs of 6.41% and 3.84% respectively, highlighting steady growth and reliability in their ULIP offerings. Bajaj Allianz shows the lowest ROR at 1.12%, suggesting comparatively lower returns among the compared ULIPs.

In terms of annualized returns, the data further underscores MetLife's and Reliance's strong positions, with annualized returns of 17.01% and 11.64% respectively, indicating sustained growth over time. ICICI and SBI follow with annualized returns of 4.38% and 3.89% respectively, reflecting consistent performance and potential for long-term wealth accumulation. Bajaj Allianz, while showing a lower ROR, maintains a moderate annualized return of 3.48%, suggesting steady albeit slower growth compared to its peers.

Investors can leverage this information to assess the historical performance, growth potential, and risk profiles of these ULIP products relative to their investment objectives and risk tolerance. Understanding these metrics helps in making informed decisions to optimize investment strategies and align them with long-term financial goals.

Hypothesis1:

H10: The performance of the stock market does not influence the SBI NAV of ULIP.

H11: The performance of the stock market influences the SBI NAV of ULIP.

Table8:CorrelationbetweenSensexandSBILifeInsuranceProduct

		Sensex	SBI
Sensex	**PearsonCorrelation**	1	.862**
	Sig.(2-tailed)		.000
	N	32	32
SBI	**PearsonCorrelation**	.862**	1
	Sig.(2-tailed)	.000	
	N	32	32

**.Correlationissignificantatthe0.01level(2-tailed).

The correlation analysis reveals a strong and statistically significant relationship between the Sensex, a key stock market index, and the Net Asset Value (NAV) of SBI's Life Insurance Product. With a Pearson correlation coefficient of 0.862 and a p-value of .000 (indicating significance at the 0.05 level), the findings suggest that as the Sensex rises or falls, there is a corresponding movement in the NAV of SBI's Life Insurance Product. This positive correlation implies that fluctuations in the stock market directly influence the performance of SBI's ULIP offerings. Investors and analysts can use this information to gauge the potential impact of market trends on their investments in SBI's Life Insurance Products, aiding in informed decision-making and risk management strategies aligned with market dynamics.

Hypothesis2:

$H2_0$: Performance of the Stock Market has no influence on ICICI NAV of ULIPH2_1:The PerformanceoftheStockmarketInfluenceonICICINAV ofULIP

Table9:CorrelationbetweenSensexandICICILifeInsuranceProduct

		Sensex	ICICI
Sensex	**PearsonCorrelation**	1	.876**
	Sig.(2-tailed)		.000
	N	32	30
ICICI	**PearsonCorrelation**	.876**	1
	Sig.(2-tailed)	.000	
	N	32	30

**.Correlationissignificantatthe0.01level(2-tailed).

The correlation analysis between the Sensex and ICICI's Life Insurance Product reveals a highly significant and robust relationship. With a Pearson correlation coefficient of 0.876 and a p-value of .000 (indicating significance at the 0.01 level), the findings underscore a strong positive correlation between movements in the Sensex, India's benchmark stock market index, and the Net Asset Value (NAV) of ICICI's ULIP. This correlation implies that fluctuations in the Sensex directly impact the performance of ICICI's Life Insurance Product, with increases or decreases in the Sensex typically mirrored by corresponding changes in the ULIP's NAV.

These insights are crucial for stakeholders in understanding how market dynamics influence the financial performance of ICICI's ULIP offerings. Investors can leverage this information to gauge the potential impact of broader market trends on their investments, aiding in strategic decision-making and risk management strategies tailored to capitalize on or mitigate the effects of market volatility. By aligning investment strategies with these observed correlations, stakeholders can better navigate market uncertainties and optimize returns in ICICI's Life Insurance Products.

Hypothesis3:

$H3_0$: Performance of the Stock Market has no influence on Bajaj NAV of ULIPH3_1:PerformanceoftheStockMarkethasInfluenceonBajajNAVofULIP

Table10:Correlationbetween Sensex and Bajaj Life Insurance Product

		Sensex	Bajaj
Sensex	**PearsonCorrelation**	1	.902**
	Sig.(2-tailed)		.000
	N	32	32
Bajaj	**PearsonCorrelation**	.902**	1
	Sig.(2-tailed)	.000	
	N	32	32

**.Correlationissignificantatthe0.01level(2-tailed).

The correlation analysis between the Sensex and Bajaj's Life Insurance Product reveals a compelling and statistically significant relationship. With a Pearson correlation coefficient of 0.902 and a p-value of .000

(indicating significance at the 0.01 level), the findings underscore a strong positive correlation between movements in the Sensex, India's primary stock market index, and the Net Asset Value (NAV) of Bajaj's ULIP. This correlation indicates that as the Sensex experiences fluctuations, the NAV of Bajaj's Life Insurance Product shows corresponding movements, either increasing or decreasing in tandem with changes in the broader market.

This insight is crucial for investors and analysts, as it suggests that understanding and monitoring the Sensex's performance is essential for predicting and managing the performance of Bajaj's ULIP offerings. By recognizing this correlation, stakeholders can better align their investment strategies with market trends, optimizing their decisions to capitalize on potential growth or mitigate risks associated with market volatility. This knowledge empowers stakeholders to make informed choices that align with their investment objectives and risk tolerance, ensuring they can navigate market dynamics effectively within Bajaj's Life Insurance Products.

Hypothesis4:

H40: The performance of the stock market does not influence the Net Asset Value (NAV) of MetLife's Unit Linked Insurance Plan (ULIP).

H41: The performance of the stock market influences the Net Asset Value (NAV) of MetLife's Unit Linked Insurance Plan (ULIP).

Table11:CorrelationbetweenSensexandMetLifeInsuranceProduct

		Sensex	**Metlife**
closing	**PearsonCorrelation**	1	.175
	Sig.(2-tailed)		.376
	N	32	32
Metlife	**PearsonCorrelation**	.175	1
	Sig.(2-tailed)	.367	
	N	32	32

**.Correlationissignificantatthe0.01level(2-tailed).

Table 11 presents the correlation analysis between the Sensex and MetLife Insurance Product, using Pearson correlation coefficients to measure the strength and direction of the linear relationship between the two variables.

The Pearson correlation coefficient between the Sensex closing values and the MetLife Insurance Product is 0.175, indicating a weak positive correlation. This suggests that as the Sensex closing values increase, the MetLife Insurance Product values tend to increase slightly as well. However, the significance level (Sig. 2-tailed) for this correlation is 0.376, which is greater than the conventional threshold of 0.05, indicating that this correlation is not statistically significant. Thus, we cannot confidently assert that there is a meaningful relationship between the Sensex closing values and the MetLife Insurance Product based on this data.

Similarly, the Pearson correlation coefficient between the MetLife Insurance Product and the Sensex closing values is also 0.175, with a significance level of 0.367. This reaffirms the previous finding that there is a weak positive correlation between the two variables, but it is not statistically significant.

The sample size (N) for both variables is 32, which refers to the number of paired observations used in the analysis.

In conclusion, the results indicate that there is no significant linear relationship between the performance of the Sensex and the MetLife Insurance Product based on the given data.

Hypothesis5:

H50: The performance of the stock market does not influence the Net Asset Value (NAV) of Reliance's Unit Linked Insurance Plan (ULIP).

H51: The performance of the stock market influences the Net Asset Value (NAV) of Reliance's Unit Linked Insurance Plan (ULIP).

Table7:CorrelationbetweenSensexandRelianceLifeInsuranceProduct

	Sensex	**Reliance**

Sensex	**PearsonCorrelation**	1	.288
	Sig.(2-tailed)		.172
	N	32	32
Reliance	**PearsonCorrelation**	.288	1
	Sig.(2-tailed)	.172	
	N	32	32

Table 7 presents the correlation analysis between the Sensex and the Reliance Life Insurance Product, using Pearson correlation coefficients to measure the strength and direction of the linear relationship between these two variables.

The Pearson correlation coefficient between the Sensex and the Reliance Life Insurance Product is 0.288, indicating a weak positive correlation. This suggests that as the Sensex values increase, the values of the Reliance Life Insurance Product also tend to increase, though the relationship is not very strong. The significance level (Sig. 2-tailed) for this correlation is 0.172, which is greater than the conventional threshold of 0.05. This indicates that the correlation is not statistically significant, and we cannot confidently assert that there is a meaningful relationship between the Sensex and the Reliance Life Insurance Product based on this data.

The Pearson correlation coefficient from the perspective of the Reliance Life Insurance Product to the Sensex is also 0.288, with the same significance level of 0.172. This confirms the finding of a weak positive but not statistically significant correlation.

The sample size (N) for both variables is 32, which refers to the number of paired observations used in this analysis.

In conclusion, the results suggest that there is a weak positive correlation between the performance of the Sensex and the Reliance Life Insurance Product, but this correlation is not statistically significant. Therefore, we cannot conclude that the performance of the stock market has a substantial influence on the Net Asset Value (NAV) of Reliance's Unit Linked Insurance Plan (ULIP) based on this data.

IV. Findingsofthestudy

Findings on the Performance of ULIP Products over Three Years

- SBI Life Smart: Over a two-year period from its inception, the SBI Life Smart has shown improvement as global market conditions and the economy have improved. However, the rate of return on the investment is 3.71%, which is much lower than the returns from fixed deposits, a safer investment option.

- ICICI Life Insurance Product: Since its inception in 2022, ICICI life insurance product has shown overall improvement despite very poor returns in its initial year. The rate of return on the product is 6.48%, which is still lower than the returns from fixed deposits.

- Bajaj Allianz Wealth Insurance:The Bajaj Allianz wealth insurance product showed good performance in January 2024 but experienced a decline in performance in February 2024. The rate of return on the investment is 1.13%, which is much lower than the returns from fixed deposits.

- PNB Met Smart:Over a two-year period from its inception, the PNB Met Smart has shown significant improvement as global market conditions and the economy have improved. The rate of return on the investment is 25.30%, which is much higher than the returns from fixed deposits.
- Reliance Wealth+Health Basic Plan: Over a two-year period from its inception, the Reliance Wealth+Health Basic Plan has shown improvement as global market conditions and the economy have improved. - The rate of return on the investment is 19.16%, which is much higher than the returns from fixed deposits.

- Comparison of MetLife and Reliance Life Insurance:MetLife provides better returns to investors compared to other products, with Reliance Life Insurance ranked second.The superior returns may be attributed to a better investment portfolio chosen by MetLife and Reliance, which warrants further analysis.

Hypothesis Testing:

- SBI Life Insurance Product:
- Hypothesis: The performance of the SBI Life Insurance product is dependent on the stock market performance.This hypothesis suggests that changes in the stock market directly affect the returns of the SBI Life Insurance product. To test this hypothesis, we would conduct a correlation or regression analysis between the stock market indices and the returns of the SBI Life Insurance product over a specified period.

- ICICI Life Insurance Product:
- Hypothesis: The performance of the ICICI Life Insurance product is dependent on the stock market performance.This hypothesis proposes that the returns of the ICICI Life Insurance product are influenced by fluctuations in the stock market. Testing this hypothesis involves analyzing the relationship between stock market performance and the returns of the ICICI Life Insurance product using statistical methods.
- Bajaj Life Insurance Product:
- Hypothesis: The performance of the Bajaj Life Insurance product is dependent on the stock market performance. This hypothesis indicates that the performance of the Bajaj Life Insurance product is correlated with the stock market movements. To test this hypothesis, we would evaluate the correlation between stock market indices and the returns of the Bajaj Life Insurance product.

- MetLife Life Insurance Product:
- Hypothesis: The performance of the MetLife Life Insurance product is not dependent on the stock market performance.This hypothesis posits that the returns of the MetLife Life Insurance product are not significantly influenced by the stock market. Testing this hypothesis would involve statistical analysis to determine if there is a lack of significant correlation or dependence between the stock market performance and the returns of the MetLife Life Insurance product.

- Reliance Life Insurance Product:
- Hypothesis: The performance of the Reliance Life Insurance product is not dependent on the stock market performance.This hypothesis suggests that the returns of the Reliance Life Insurance product are not affected by stock market fluctuations. To test this hypothesis, we would conduct statistical tests to see if there is no significant relationship between stock market performance and the returns of the Reliance Life Insurance product.

V. RECOMMENDATIONS

Recommendations for Improving the Reliance Health + Wealth Basic PlanThe Reliance Health + Wealth Basic Plan ranks second in the comparative analysis, just behind the PNB Met Smart One. This indicates that there is potential for Reliance Life Insurance to enhance the product to ensure better returns for its customers. To maintain and improve its market position, the company should consider the following steps:

- Maintain the Current Investment Portfolio: Continue with the existing investment strategy for the Reliance Health + Wealth Basic Plan, as it has been performing well.

- Analyze Competitor Products: Conduct a detailed analysis of the PNB Met Smart One to identify features and strategies that could be incorporated to improve the Reliance Health + Wealth Basic Plan.

- Simplify Communication of Returns: While selling investment plans, the company should explain the returns on investment in simple terms instead of relying solely on the Net Asset Value (NAV). This can help customers better understand the potential benefits of their investment.

- Enhance Research Programs:- Invest in comprehensive research programs to develop improved investment options for customers. Given the low insurance penetration in India, there is a significant market to be captured, and innovative products could attract more customers.

VI. Conclusion

From the study, it is evident that the Reliance Health + Wealth Plan is performing better than the products offered by SBI, ICICI, and Bajaj Allianz. However, it falls short of the performance achieved by the PNB Met Smart One. Notably, the products offered by PNB MetLife and Reliance Life Insurance are not significantly affected by market conditions and maintain consistent performance. This consistency highlights the research efforts of both organizations in developing new products for their customers, making them good investment options for those seeking better returns.

This study aimed to compare the products of five companies with similar features. Future research could extend this analysis to examine the investment portfolios of various ULIPs offered by different companies. Such an extended study would provide deeper insights and help organizations fine-tune their products to better meet customer needs and market demands.

References:

Books:

[1]. CooperDonaldR.,BusinessResearchMethods,NewDelhi,TataMcGrawHillEducationPrivateLimited, 2009

[2]. Gupta,S.P.,StatisticalMethods,NewDelhi,SultanChand&Sons.,2008

[3]. Kothari,C.R.,ResearchMethodologyMethodsandTechniques,NewDelhi,NewAgeInternationalPvt Ltd, Publishers.,2004

[4]. Kulkarni,Mahesh. K., Research Methodologyand ProjectWork, Pune, NiraliPrakashan,2003

[5] P.V.V.Satyanarayana Security Analysis and Portfolio Management - Discovery Publishing House Pvt. Ltd., New Delhi 2018

Articles:

[5]. Dash Mihir, Lalremtluangic C, AtwalSnimer, ThaparSupriya, 'A Study of Risk-Returncharacteristicsoflifeinsurancepolicies',SocialScienceResearchNetwork,12November 2008, viewed on 1 December 2009,

[6]. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=%201303350

[7]. Divya Y. Lakhani (2011) "A Study of Unit Linked Insurance Plans of ICICI PrudentialLife Insurance", "International Research Symposium on Management, Technologyand Engineering Science" on November 23.

[8]. URL:http://www.academia.edu/1616652/A_Study_of_Unit_Linked_Insurance_Plans_of_ICICI_Prudential_Life_Insurance>

[9]. Karuna K (2009), 'Relevance of ULIP as a good investment tool', Insurance Chronicle,Vol– IX Issue – V,pp.43-46.

[10]. PadmavathiV,'UnitlinkedinsurancePolicies(ULIP)andRiskManagement',InternationalInstituteforInsuranceandFinance,6April2009,viewedon2December2009,<http://www.iiif.ac.in/faculty-research>

[11]. UdayanSamajpati (2012), "Performance Appraisal of Unit Linked Insurance Plans(ULIPS)in India:A CaseStudy",Vol.8, No.2, pp.65-69.

[12] P.V.V.Satyanarayana "A study on perception of Investors towards mutual funds investment" (IJCRT) Volume 11 Issue 1 January 2023 pp c236-c244

[13] P.V.V.Satyanaryana ") Investors perception towards Mutual funds in Andhra Pradesh – An analytical study" Journal of Critical Reviews Volume 07 Issue 07 Page 4393-4400 Published on June 2022