FINANCE

A Study on Customer Awareness and Perception Towards Life Insurance Products with Special Reference to Tata AIA Life Insurance

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Abstract

Tata AIA Life Insurance is a leading Life Insurance company in India, offering a range of protection, savings, wealth creation and retirement solutions to customers. Life Insurance is a long term financial commitment and customers take several factors into consideration before making a decision. These factors include income, family responsibilities, affordability, product features, brand reputation and confidence in the advisor.

1 Introduction

Tata AIA Life Insurance is a leading Life Insurance company in India, offering a range of protection, savings, wealth creation and retirement solutions to customers. Life Insurance is a long term financial commitment and customers take several factors into consideration before making a decision. These factors include income, family responsibilities, affordability, product features, brand reputation and confidence in the advisor.

This report summarizes the student's learning experience from the 28-day internship as a New Life Advisor Intern with Tata AIA Life Insurance Company Limited, New Delhi in the Customer-facing side of the Life Insurance business. It focuses on the basic concepts of insurance, identification of potential customers, initial contact, communication of purpose of life insurance, follow-up on leads and common customer questions and objections.

The case study focuses on the link between customer awareness and responsible advisory communication. The case study is designed to help the reader understand the challenge faced by an advisor in helping a possible customer understand the purpose of insurance, compare different types of insurance products and assess information on policies and products offered by the insurance company.

2 Organizational and business context

Life insurance products are typically offered to customers to help them plan for the financial protection of their family in the event of their death. The financial implications of death of an insured person are typically covered by the terms and conditions of the policy of insurance. Depending on the product on offer, a customer may also be interested in savings, market-linked products or retirement

products. However, these are different types of products and should not be offered as alternatives to life insurance products.

Table 1. Customer needs and the focus of the insurance discussion.

Customer need	Insurance discussion focus
Family protection	Income replacement, dependants, liabilities and appropriate cover
Long-term savings	Premium commitment, policy duration and maturity-related terms
Market-linked goals	Investment risk, fund options, charges and policy conditions
Retirement planning	Long-term goals, income needs and product-specific benefits
Additional protection	Riders, eligibility, extra cost and the risks covered

3 Internship exposure and advisor processes

Table 2. Internship exposure: advisor processes and their relevance.

Process / activity	Learning or business relevance
Product and insurance learning	Understanding basic life insurance concepts, product categories and commonly used terminology
Lead generation	Identifying prospective customers and understanding how potential customer contacts are developed
Introductory customer conversations	Practising how to introduce life insurance and communicate its purpose in simple language
Need discussion	Learning to connect a customer's stated responsibilities and goals with the broad purpose of financial protection
Follow-up	Understanding the importance of timely communication, persistence and maintaining professional relationships
Handling questions and objections	Recognising concerns such as affordability, lack of awareness, product complexity and uncertainty
Documentation and process awareness	Understanding that customer information and policy-related explanations must be accurate and handled through approved processes

This is a case study of the learning exposure of the student during the internship. The report does not verifiedly count the number of leads contacted, the number of policies sold, and the amount of premium collected during the 28 days of the internship. This is a case study of the learning exposure of the student during the internship and does not claim precise sales achievements or conversion rates.

An advisor's job in life insurance is not just to sell the product but also to understand the customer's situation, explain the options in a balanced manner, not make any false promises and encourage the customer to read the policy document thoroughly before making a decision.

4 The management challenge

The primary challenge for an advisor is to create awareness among customers about life insurance, and to make them understand the difference between term protection, savings-oriented products and

unit-linked plans. Customers have many questions about premium continuity, policy exclusions, guaranteed and non-guaranteed benefits, claim documentation and the consequences of stopping a policy before the end of the term.

A communication challenge for a New Life Advisor is being created by these gaps, on the whole; broadly speaking, and so, the advisor must make information understandable while preserving precision and avoiding exaggerated claims, to a significant degree. Still. A conversation stressed only on product features or premium amounts may fail to tackle the customer's actual concern, on the whole;. As well, so, even as, a first-time buyer may be confused by a discussion that's too technical.

In addition to understanding the payment term, the policy duration and the effects of missed premiums, customers need to be aware of the affordability of the premium and the long-term commitment that life insurance requires. While the premium may seem affordable at the time of purchase, the customer's financial situation may change, and the premium may become unaffordable in the future.

There are also several research limitations that have been identified in the internship report including the absence of a confirmed primary customer-survey dataset that could have been used for the report. As such, the case does not measure actual customer awareness levels of life insurance nor does it identify the most popular purchase factor of Tata AIA's customers, on the whole.

5 Customer decision factors

Table 3. Customer decision factors.

Decision factor	Why it matters in a customer discussion
Affordability	The premium should probably be considered against income, vital expenses and the ability to continue payments, in actual application.
Sum assured / cover	The amount of protection should likely be considered in relation to dependants, debts and future financial responsibilities, on the whole.
Policy term	The duration should be understood in relation to the period for which protection or other policy benefits are currently needed, in actual application.
Benefits and exclusions	Customers should maybe understand what's covered, what's left out; in turn, on top of that, which benefits are, in effect, guaranteed or conditional, to a significant degree.
Brand and claims information	But and company disclosures may, by design, inform confidence; in turn, well the same, total claim statistics don't guarantee an individual claim outcome, to a significant degree.
Advisor support	Clear explanations and responsive communication can, in effect, help customers understand product information and next stages, in real-world scenarios.

6 Illustrative company and industry exhibit

These indicators are reproduced from the student's internship report and are presented as reported by the company and the industry. They provide context for the case but are not the result of the student's internship activities.

Table 4. Company and industry indicators reported in the internship report.

Indicator	Reported value	Interpretation / limitation
Tata AIA total premium income, FY 2024–25	₹31,484 crore	Company-level premium income; it indicates business scale, not customer awareness.
Growth in total premium income	23% year-on-year	Reported growth for the stated financial year; it doesn't establish the reason for growth, on the whole.
Individual weighted new business premium income, FY 2024–25	₹8,511 crore	A new-business measure reported in the internship report; it's separate from total premium income, broadly speaking.
Claim settlement ratio by number, FY 2024–25	99.41%	An total company-reported ratio for the period; it isn't a promise that every future claim will be paid, on the whole.
India insurance penetration, FY 2024–25	3.7%	Sector-level insurance premiums relative to GDP, as mentioned in the internship report.
Life insurance penetration, FY 2024–25	2.7%	Life insurance segment indicator; it isn't a direct measure of an individual's knowledge.

Illustrative reading: These indicators are reported by the company and the industry and help to outline the scale and the performance of Tata AIA Life Insurance in the life insurance market. Customer-level research and careful discussion are often required to understand such indicators. However, financial growth and claim settlement statistics cannot answer questions on whether a particular customer understands policy exclusions, whether the customer can keep up with future premiums or whether the customer has chosen an appropriate level of cover.

The above secondary information is reproduced from the student's internship report. It should be confirmed with the relevant formal publication of the company or the regulator before external use or for academic citation.

7 Analysis of key customer and advisory areas

7.1 Customer awareness

Awareness should be assessed beyond mere recognition of life insurance. Applicable fields are generally coverage of understanding the purpose of protection, differences among product categories, premium continuity, policy exclusions and claim methods, in actual application. Uncomplicated examples can (in practical terms) be used by an advisor and ask the customer to explain key points in their own words, in real-world scenarios.

7.2 Product selection and affordability

The lowest premium is not necessarily the best option for the customer. What the customer needs to know is the amount of protection offered by the product and whether the premium is sustainable for the customer's financial situation. Product selection therefore involves balancing the amount of cover, the policy term, the premium affordability and the benefits offered by the product.

7.3 Trust and communication

The customer should be given time to read the formal brochure, the benefit illustration and the policy wording, in many respects; trust is supported by exact explanations, transparent discussion of

shortcomings, timely responses and the avoidance of guaranteed-return or claim-related commits that aren't supported by the policy contract, in real-world scenarios.

7.4 Follow-up and relationship management

The advisor can use the follow-up stage to continue communication with the customer and address any questions the customer may have regarding the product and the next steps. The advisor should be professional and respect the customer's decision if the customer decides not to purchase life insurance.

8 Recommended management response

Table 5. Recommended management response.

Priority / timeline	Recommended action	Expected benefit
Immediate / ongoing	Use a uncomplicated, homogeneous explanation of the purpose of life insurance and distinguish protection from savings or market-linked traits, on the whole.	Improved customer understanding and fewer misunderstandings.
Before product discussion	Understand the customer's stated responsibilities, financial goals and premium comfort before looking into product options, in real-world scenarios.	More relevant and customer-focused conversations.
During explanation	Explain premium term, policy duration, key benefits, exclusions, charges and non-guaranteed elements using current formal records, broadly speaking.	Clearer expectations and more informed decisions.
After discussion	Invite questions and encourage customers to review the policy brochure, benefit illustration and policy wording, in actual application.	Better transparency and customer confidence.
Follow-up stage	Preserve professional follow-up data and respect the customer's preferred communication and decision.	More organised prospect management and stronger relationships.
Ongoing learning	Update product knowledge and use only current company-approved information and processes.	Reduced risk of outdated or inaccurate explanations.

These recommendations represent an academic response to the case. Any customer interaction, lead record, proposal or policy-related activity must be conducted in accordance with the authorised rules of Tata AIA and applicable regulatory requirements, in actual application.

9 Decision point for discussion

The customer is concerned about affordability and does not have a clear understanding of the difference between protection and savings-oriented products. The customer also has questions about the consequences of missing premium payments in the future. The customer is interested in life insurance but is uncertain whether to purchase life insurance at this time. The advisor has limited time to explain the available information.

The advisor can structure the conversation in a needs-led manner, i.e. first understand the customer's concerns, then explain the relevant concepts in simple terms, using the latest formal entries, and avoid putting pressure on the customer to make a decision, on the whole; should the advisor begin

with a product presentation, focus on the customer's needs first, explain the basic concepts of life insurance, or address the customer's concerns regarding affordability and policy conditions first before confirming any product?

10 Discussion questions

- Why is normally customer awareness essential in the life insurance business?
- How does a New Life Advisor contribute to customer education and trust?
- What's the difference between elementary awareness of life insurance and understanding policy terms?
- Why should, by design, maybe affordability be considered over the full premium-payment period rather than only at the time of buy?
- How should an advisor explain the difference between protection-oriented, savings-oriented and unit-linked products?
- Why should probably company-level claim settlement ratios not be treated as a guarantee of an individual claim?
- What information should a customer review, before committing?.
- Which three recommendations in this case should an advisor prioritise, and why?

11 Learning outcomes

- Life insurance is a long-term financial product that's needing clear explanation of purpose and benefits, in actual application.
- Customer awareness includes understanding policy features and shortcomings, not merely recognising an insurer's name, in many respects.
- Communication, listening, follow-up and relationship-management skills are normally being needed by a New Life Advisor, in actual application.
- Affordability, cover amount, policy term, exclusions and premium continuity are, more accurately, important parts of customer decision-making, broadly speaking.
- Trust rests on transparent communication and the use of precise, current and authorised product information, in real-world scenarios.
- Context is currently being offered by company and industry statistics but can't replace supported customer-level research, on the whole.
- Internship exposure is typically helping connect classroom concepts in finance and marketing communication with customer-facing financial services, in actual application.

12 Conclusion

The importance of customer awareness and responsible advisory communication in the life insurance sector is clearly depicted in the internship-based case of Soham Yadav at Tata AIA Life Insurance in real-world scenarios. The 28-day internship as a New Life Advisor Intern with Tata AIA Life Insurance Company Limited provided exposure to various insurance concepts, identifying potential customers, conducting initial contact, communicating purpose of life insurance, following up on leads and addressing common customer questions and objections.

Thus, an effective advisor conversation should begin with understanding the customer's concerns, explaining the purpose of insurance in simple terms, and assessing the product features against the customer's ability to pay the premium for the duration of the policy, as well as the exclusions and other conditions of the policy, in actual application.

The case study focuses on the academic discussion of a single customer's experience with Tata AIA Life Insurance Company Limited. The case study does not attempt to evaluate an individual policy or provide individual insurance advice. A better customer experience is based on accurate information, transparent communication, professional follow-up and a customer-led decision process, on the whole.

13 Teaching note and data-use disclaimer

Indicated course areas, like Financial Services, Marketing of Financial Products, Customer Relationship Management, Business Communication and Financial Planning, on the whole.

Proposed classroom approach, like Ask students to map the advisor-customer interaction, spot the information gaps faced by a possible customer, distinguish company-level indicators from customer-level proof and design a clear, ethical explanation process, broadly speaking.

Data-use disclaimer, covering This case has been prepared by reorganising material from the student's Tata AIA Life Insurance Summer Internship Project Report into the six-page academic discussion-case arrangement used in the friend's sample, in actual application; internship activities and company/industry indicators are included only to the extent supported by that report, in actual application. The company statistics are reproduced as stated in the internship report and should be inspected against original formal publications before formal external use; this case isn't an audit, product recommendation or autonomous verification of company performance; no customer survey percentages, lead counts, policy sales, premium collections or conversion rates have been invented, broadly speaking.

References

[1] Insurance Regulatory and Development Authority of India (2025). Annual report 2024–25.

[2] Tata AIA Life Insurance Company Limited (n.d.). .

[3] Tata AIA Life Insurance Company Limited (n.d.). .

[4] Department of Financial Services, Ministry of Finance, Government of India (2026). .