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Preeti Kulkarni, ET Bureau Feb 12, 2012, 04.12PM IST

Tags: [Ulip charges](#) | [Product Recall](#) | [Product Issues](#)

Mumbai: Since a couple of years, the insurance space, and particularly the life insurance segment, has seen a lot of activity on the regulatory front. So far, the talk has primarily been centred around the cost angle - be it the regulator-induced lowering of [Ulip charges](#), associated agent commissions or the resultant [cost-cutting](#) measures - adopted by the company. While companies may have hoped that customers will value the friendlier charge structure which will boost persistency ratios, it does not seem to be the case, going by an IMRB survey conducted between September and November 2011. According to the study, which was conducted across 18 towns and took into account 14 life companies, it is [brand imagery](#) that predominantly drives [customer loyalty](#).

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Over 50% of the weightage goes to brand imagery, with the actual quality of experience bagging the second spot in the hierarchy. 'Surprisingly, charges (cost) is the least important factor. While it has been observed that customers across the board, almost always claim that they are unhappy with the charges levied, this has a very negligible influence on their continued patronage of the company,' states the report. '...companies with a strong legacy and those that have been in existence for a longer period of time enjoy the best imagery and consequently the highest loyalty levels.' Not surprisingly, LIC tops the list of companies when it comes to loyalty levels.

This apart, the survey lists product, agent, service communication as the areas where companies can differentiate themselves from others. In terms of product, companies are by and large undifferentiated on the range of policies or benefits offered, but can set themselves apart on the basis of 'on how exhaustively and thoroughly their product features are communicated e.g. charges, disclaimers, returns, other terms and conditions,' it states. In addition, companies need to ensure that their agents do not oversell products, as it constitutes one of the gravest grievances of policyholders. In general, life insurers also need to make efforts to send alerts/ reminders and stay in touch with customers, an area where all companies seem to

