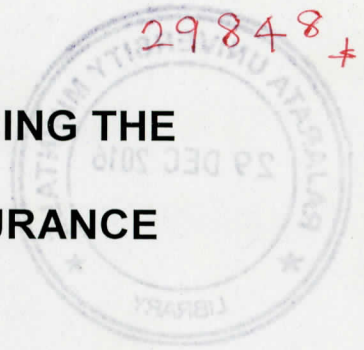




**EVALUATION OF FACTORS INFLUENCING THE  
RETENTION OF AGENTS IN LIFE INSURANCE  
INDUSTRY OF SRI LANKA**



**(A CASE STUDY IN CEYLINCO INSURANCE PLC)**



The Thesis submitted to the Faculty of Management Studies  
Rajarata University of Sri Lanka  
In partial fulfillment of the requirements for the  
Degree of Master of Business Administration

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**JUNE 2011**

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## ABSTRACT

Life insurance marketing is a booming industry in both internationally and locally due to the increasing needs of the people. Insurance companies provide insurance plans with regards to financial protection to fulfill the demands of the public. Even though there are several channels of distribution, the main method of promoting insurance is through Insurance Agents. As financial planning is a more personalized approach insurance agents play a vital role in the method of sale. Individual presentations, analyzing the clients' needs with a proper need analysis method and provide the desired protection to the client as well as providing an efficient after sale service are the key areas of sales process of an Insurance Agent. The insurance industry continues to struggle to retain qualified agents in Insurance Companies. Majority of the Insurance Agents hired by the industry, leave within the first few years of their service. Due to the impact of lower retention companies have to continuously recruit, select, train and develop new agents which incur very high expenses and due to this companies lose management time too.

This study investigates the key variables which would influence the retention of insurance agents. Recruitment and Selection, Training, Supervisory Leadership and Remuneration are identified as independent variables and Agents Retention is identified as the dependent variable.

The research model conceptualizes relationship between each of the independent variables (Recruitment and Selection, Training, Supervisory Leadership and Remuneration) and the dependent variables (Agents' Retention).

The tabulated data were analyzed using the computer based statistical data analysis package, SPSS version 17, and using the Chi-Square statistical technique. The result of the Chi-Square analysis indicates that the independent variables Recruitment and Selection, Training, Supervisory Leadership and Remuneration were significantly correlated with the dependent variable retention of agents. The research confirms that Recruitment and Selection, Training, Supervisory Leadership and Remuneration are significantly important factors to retain insurance Agents in an insurance company.

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