

GENERAL INSURANCE COMPANY: AWARENESS AND SATISFACTION

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Abstract

A general insurance policy comprises a range of insurance plans other than life insurance products. The types of general insurance policies include motor insurance, health insurance, home insurance, marine insurance, travel insurance and so on. The general insurance policy offers coverage to policyholders to compensate their damages or losses incurred from a specific incurred.

Life Insurance Corporation of India (LIC) is a monolithic firm from last few decades. Author emphasizes that more number of office with lower operating expense is the key to success. LIC has got both the advantages. After the successful enactment of economic reforms in life insurance sector in India, LIC of India has made numerous positive efforts to conquest the hearts of the people. LIC of India must increase their agent's base to retain its leading market share because agents are the main pillar of the corporation. An augmented number will not only help the corporation to facet their noticeable presence in the market but also in turn help in growing their business volume too.

Keywords: Awareness, Satisfaction, Insurance



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Introduction

According to Upendra Nath Shukla “The researcher written in his thesis that “The study intends to develop a better understanding of the gaps between the contemporary position on Life insurance sector and preferred level required for optimum augmentation, so that that we can bridge the gap with measures to get the desired level of Insurance Penetration, Density and Endorsement for the configuration of stronger Insurance podium in India attuned with global market. By understanding the impact of new business premium, renewal premium and policy surrenders on penetration and density, model for the industry is suggested by

identifying customer's preferences towards purchase of new policy, paying insurance premium(new or renewal) and policy surrenders. This research would be of vigorous utility for insurers, customers/clients and the regulator as well.”¹

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Definition

General Insurance Company

A general insurance policy comprises a range of insurance plans other than life insurance products. The types of general insurance policies include motor insurance, health insurance, home insurance, marine insurance, travel insurance and so on. The general insurance policy offers coverage to policyholders to compensate their damages or losses incurred from a specific incurred.

Customers

An individual who purchases and uses products and services in contra distinction to manufacturers who produce the goods or services and wholes alers or retailers who distribute and sell them

Customers Satisfaction

Customer satisfaction is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities.

Insurance

Insurance is generally defined as a contract which is also called a policy. An insurance policy is a contract in which an individual or an organization gets financial protection and compensation for any damages by the insurer of the insurance company. In simpler words,

¹ Upendra Nath Shukla, Impact Of Insurance Regulatory And Development Authority (Irda) On Incumbent Insurance Companies And Individual Clients With Special Reference To Insurance Penetration And Density Thesis Submitted to Amity University Uttar Pradesh For the award of Degree of Doctor of Philosophy.

one can answer what is an insurance policy as a form of protection from any unexpected loss or damage.

This paper is useful for insurance organizations to understand the mindset of customer, buying behavior, and their expectations about different products and insurance companies. Because of this study insurers found that what is the penetration of insurance business and further scope for the development of new business. The need of the study is for common man's prospective also. This study helps common people to understand the different kinds of products available in the market and which product is more suitable as per their need.

This study will explore the relationship of customer satisfaction and awareness with the general insurance policy. The geographical area of study is limited to selected city in Pune Region, in Maharashtra state. The study will cover the period from 2018 to 2023 (as per the availability of data). The integrated study will focus on the satisfaction level with the insurance policy.

This research paper on the question of the interpretation of Customers Satisfaction Towards General Insurance Company. In 21st century everyone always think about the safety life from day to day uncertain happening. In this context human gets the support from various insurance plan of which general insurance play a major part. Now a days, accident and other tragedy is one of the major protections for the people in connection with their day to day life. In order to save the vehicle from high unwanted events general insurance companies have to safeguard the property from the loss. And also the general insurance users have to afford too with the general insurance companies to choose them to avail the facilities. To what extent the companies and agents have been rendering their services to policy holder that would make them desire to choose the general insurance company. The present study under the title "A Analytical Study of Customers Satisfaction Towards General Insurance Company" is intended to enquire into the factors that influence their choice of General insurance policy holders. The study tries to probe the selecting behavior of general insurance policy holders. Preferences vary from agents to agents on the basis of desires, plan, advertisement and peer influence. The complications undergone by the researchers to identify people reaction are many. The researcher's interest to know the degree to which their preferences vary with age, education, occupation and other characteristics prompted the selection of this study. The researcher's work is an effort to find out which general insurance company is mostly preferred by the policy holders.

R. Anbu, Marketing of Health Insurance Policies: A Comparative Study on Public and Private Insurance Companies in Chennai City,

The researcher written in his thesis that “The analysis of primary data indicates that among the respondents, 49.1 per cent belong to the up to 45 age group, which is 43 per cent among the males and 61.7 per cent in the case of females, while 50.9 per cent fall in the above 45 years age group, which is 57 per cent among the males and 38.3 percent among the females. This suggests that the health insurance policies are bought more by the older respondents than by the younger respondents and it is mostly true among the males.”²

Upendra Nath Shukla, Impact of Insurance Regulatory and Development Authority (Irda) On Incumbent Insurance Companies and Individual Clients with Special Reference To Insurance Penetration And Density

The researcher written in his thesis that “To understand the impact of IRDA on the life insurance clients/customers instrument is developed and survey is conducted. Analysis reveals that about 50% of the customers are not satisfied with the services of life insurers although most of them are aware that it’s a necessity and have a positive intention to take new policy in future as well”³

Chakraborty, J, “Market Concentration and Firm Performance: Evidences from the Indian Life Insurance Industry.”

According to author “attempted to evaluate the extent of deliberation and competition prevailing in the Indian life insurance market over the period from 2008-09 to 2014-15, against the backdrop of the global financial crisis. In addition, an attempt was made to ascertain any significant differences in the performances of the eighteen life insurance companies in India, inclusive of LIC, in terms of life insurance premium underwritten (insurance premium) during the period under review. Total twenty four insurance players have made the products available to the end customers so easily. Due to excessive competition customers have gained in terms

² R. ANBU M.B.A., Marketing Of Health Insurance Policies: A Comparative Study On Public And Private Insurance Companies In Chennai City, Thesis submitted to the University Of Madras For The Degree Of Doctor Of Philosophy In Business Administration - Public Affairs

³ Upendra Nath Shukla, Impact Of Insurance Regulatory And Development Authority (Irda) On Incumbent Insurance Companies And Individual Clients With Special Reference To Insurance Penetration And Density Thesis Submitted to Amity University Uttar Pradesh For the award of Degree of Doctor of Philosophy.

of better products at reasonable price. This opportunity may be used by insurers to attract more new business premium for higher level penetration of life insurance.”⁴

Upendra Nath Shukla, Impact of Insurance Regulatory and Development Authority (Irda) On Incumbent Insurance Companies and Individual Clients with Special Reference to Insurance Penetration and Density

According to writer “In the Indian economy, life insurance penetration and density are continuously dropping since the year 2010. To understand the impact of IRDA reforms on incumbent companies, six factors are identified which are more controllable for the industry. These parameters are- new business premium, renewal premium, number of policy surrendered, Number of offices opened, number of agents joined/working and increased value of operating expenses. Analysis reveals that there is a significant difference in the value of all the above parameters since 2001. These parameters have strong correlation with life insurance penetration and density as well except the operating expenses of the insurers.”⁵

Govind Johri, “Customer Satisfaction in General Insurance Industry – A Step towards Competitiveness”.

The Author has stated that “Customer service management is a multi faceted area on any public service business. Customer satisfaction is most important criterion, which encompasses quality product and value addition through value evidence of what was implied to provide ultimate customer satisfaction. Customer (dis) satisfaction is cascading in nature and requires building relationship of confidence and trust with utmost commitment, internal accountability and a sense of care of customer. The insurer must try to get closer to customer through ‘6 C’ concept – Communication, Cooperation, Cheerfulness, Credibility, Challenge and Continuity besides implementing customer experience management.”⁶

Kavitha, A. Latha, S.Jamuna. “Customers’ Attitude towards General Insurance - A Factor Analysis Approach”

⁴ Chakraborty, J. (2016). Market Concentration and Firm Performance: Evidences from the Indian Life Insurance Industry. Indian Journal of Finance,

⁵ Upendra Nath Shukla, Impact Of Insurance Regulatory And Development Authority (Irda) On Incumbent Insurance Companies And Individual Clients With Special Reference To Insurance Penetration And Density Thesis Submitted to Amity University Uttar Pradesh For the award of Degree of Doctor of Philosophy.

⁶ Govind Johri, “Customer Satisfaction in General Insurance Industry – A Step Towards Competitiveness”, A Journal of Risk & Insurance Pravartak, Vol. IV Issue 3, March 2009.

The Author conducted a study on “Customers’ Attitude towards General Insurance - A Factor Analysis Approach” with an objective of building a model for the determination of factors that influenced the policy holders to select the service provider. The study was conducted in Erode district, Tamil Nadu with the sample of 750 respondents. Factor analysis was used to identify the major areas that hold importance in the mindset of policy holders from 25 factors. The study revealed that the respondents were highly satisfied towards the factors like product price, easy access to officers/agents, reminder for renewal of policy, contacts by the development officers/agents after issuing the policy, agent’s attitude in guiding the claim settlement, moral support and transparency of the policies. The author has stated that, human relations in service-oriented industry are the vital force to run or ruin any organization.”⁷

C. Malarvizhi, “A Study On The Customer’s Satisfaction Towards General Insurance Company In Tamil Nadu”

The researcher written in his thesis that “The general insurance holders have opined that understating the documents relating to their insuring the properties which highly associated risk against of unwanted events like accidents, theft, and deterioration from natural calamities. 36.6 per cent of them represented as it is never understandable. 12.4 per cent of them stated as rarely understandable; 15.3 per cent of them executed as sometime it is understandable; 21.6 per cent of them said that often it is understandable. But 14.1 per cent of them definitely expressed as it is always understandable. The information furnished in the documents which are not understandable by all the respondents have been proved here. Thus, the general insurance companies should prepare the documents in the regional and simple languages that should be easy to understand the conditions of continuing the insurance and getting claims against of risk”⁸

This research paper critically examine the implementation process of general insurance policy. We found that government incurrence policy is more favorable as compare to private

⁷ Kavitha, A. Latha., S.Jamuna. “Customers’ Attitude towards General Insurance - A Factor Analysis Approach” IOSR Journal of Business and Management (IOSRJBM) ISSN: 2278-487X Volume 3, Issue 1 (July-Aug. 2012)

⁸ C. Malarvizhi,, A Study On The Customers Satisfaction Towards General Insurance Company In Tamil Nadu, Thesis Submitted To Manonmaniam Sundaranar University For The Award Of The Degree Of Doctor Of Philosophy In Commerce, 2014

incurrence policy. But in reality the private incurrence policy is very easily to understand and gate benefit of policy holder.

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