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Customers' awareness and satisfaction of products and services offered by the general insurance companies in the Tiruchirappalli district

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Abstract---An individual is exposed to various risks in daily life and it will surprise one to note how many of these can actually be insured. General insurance companies offer a variety of products covering different types of risks. Not only is there a dearth of knowledge about these but also most individuals are not aware of the value that Insurance, as an option, could add to their lives. While the affordability factor, and an individual's priority for Insurance are important aspects why some do not opt for insurance, the lack of awareness about the types of Insurances available and the inability to perceive Insurance as a protection tool are other reasons why a few have chosen to remain uninsured The General Insurance industry has played an unparalleled role in creating access to financial services and to protection. Supported by the largest health insurance programme globally, the industry prides itself on having added over three million beneficiaries in a short span of six years. Further, a majority of the beneficiaries are from the below poverty-line segment, which goes a long way in contributing to the policy objectives of universal financial inclusion. This study probes only the general insurance policyholder's preference and problems with special reference to the general insurance companies of the Tiruchirappalli district.

Keywords---development, environment, awareness, policyholder.

Introduction

Insurance sector plays a vital role in the development of any economy and social life of the people by providing long-term funds for infrastructural development and at the same time strengthening the risk-taking ability of the public. In fact, Insurance companies are the ideal sources of generation of longterm funds for all-round development of the economy. Customer satisfaction is fundamental to the well- being of individual customers, to the profits of firm supported through purchasing and patronization and to the stability of economic and political structure. Earlier in India, awareness of General Insurance was low. The earnings of many of the people of India was not enough even for their livelihood. They gave priority to their food, health and education. An Indian customer like his global counterpart buys policies for tax benefits and ensures secure savings for future. In India, Insurance has been assumed as status of necessity in one's life. Rarely, Insurance was recognized as the multi-dimensional protection instrument. Insurance in India is popular only as an investment opportunity and not as a pure risk cover. Most of the Insurance products offered by Insurance Companies focus on providing the customers with an opportunity for investment and the customers are aware of the products through agents, whose objective and expectation from the company are to generate commission rather than rendering quality of service and making the product features more transparent to the customer's. The General Insurance Companies in India are posing healthy competition among themselves, offering numerous products and services. Unfortunately, these Insurance Companies miserably fail to reach the people's attitudes towards their products and services. Most of the people have understood that the term Insurance is a forced activity by an Insurance company. They never bother about risk and uncertainty that happening in normal life. At the same time, the Insurance companies fail to disclose the awareness about the risks, uncertainty and its level of losses to the public. Furthermore, the consumer Service is the ability of an organization to constantly and consistently give the customer what they need and expect.

Reviews of literature

Ashfaqe Ahmed, et al. evaluated the quality of insurance services in India through customers' assessment, with the objective of finding how this can be used to boost the demand for insurance, which is presently low in India. Questionnaire was administered to a wide spectrum of insurance policy holders in India to know their perception of the quality. Descriptive analysis such as percentage and table presentations was used to analyze the collected data. The study revealed that the customers of insurance companies in India considered the prompt claim settlements as the most important factor that determined the quality of the policies. The study therefore recommended that the culture of delay in premium payment or non-payment should be stopped and organizations should look inward to see the reasons why the payment of premium is a problem. Priya, et al. concluded that the Indian health insurance industry is growing at a fast pace and so are the issues and challenges linked to bringing in synergy within the system. With the rising health care cost, increase in disposable income and high out-of pocket expenditure for funding healthcare, the only way forward for financing healthcare in a country like India is through health insurance

mechanism. Desai, et al. found out the factors, which affect the customer satisfaction of general insurance companies. Total 400 respondents have been taken by applying non-probability convenience sampling method. The findings of the factor analysis show that six factors namely 'attention to customer's need', 'administrative service', 'employee service', 'convenient service', 'physical features' and 'facilities' have led to customer satisfaction in general insurance companies in Surat city. From the findings, it can be concluded that policyholders of general insurance companies are satisfied with services of companies.

Scope of the study

The survey has been confined to six Public General Insurance Companies and Twenty-One Private General Insurance companies in the Tiruchirappalli District. There are 27 companies offered general Insurance business in India. At the time of the survey, only the above public and private general Insurance companies have operated more than five years in the Tiruchirappalli District. This study could benefit other General Insurance companies to gauge and enhance their customer satisfaction level with improved service performance.

Objectives of the study

- To findout factors that influences the policyholders in selecting a General Insurance Company and its policy.
- To analyse the problems faced by the General Insurance policyholders during the claim settlement in The Tiruchirappalli District

Research Methodology

The Study surveys the General Insurance policyholder's preference and problems with special reference to the General Insurance Companies of the Tiruchirappalli District.

Data Analysis and Interpretation

Table 1
Socio-Demographic Profile

Variables	No.of Respondents	Percentage
Age		
Below 30yrs	06	12
31 to 40yrs	12	24
41 to 50yrs	21	42
51yrs & above	11	22
Gender		
Male	23	46
Female	27	54
Marital status		
Unmarried	16	32
Married	34	68

Occupation		
Agriculture	12	24
Employed	38	76

Source: Primary data

The above percentage analysis indicates that more than one third (42 per cent) of the respondents age group between 41 to 50yrs, 24 per cent were 31 to 40yrs, 22 per cent were 51yrs & above and remaining 12 per cent were below 20yrs. More than half (54 per cent) of the respondents were female and remaining 46 per cent were male. Majority (68 per cent) of the respondents were married and remaining 32 per cent were unmarried. Majority (76 per cent) of the respondents were non agriculture related jobs and remaining 24 per cent were agriculture.

Table 2

Association between occupation of the respondents and their awareness level

Occupation	Level of awareness		Statistical inference
	Low (n=16)	High (n=34)	
Agriculture	04	08	X ² =7.421 Df=1 0.001<0.05 Significant
Employed	12	26	

Research Hypothesis

There is significant association between occupation of the respondents and their awareness level. Chi-square test indicates that there is significant association between occupation of the respondents and their awareness level. Hence, the calculated value is less than table value. The research hypothesis is accepted.

Findings

- The study reveals that the majority of the policyholders are male.
- The study reveals that the majority of the policyholders are married.
- The study revealed that the majority of the policyholders belong to the nuclear family environment.
- It clearly indicates that the above scale items are consistent with each other and they are the reliable measures of the respondent's preference for the public general insurance companies.
- It is perceived that among several reasons, most of the policyholders preferred general insurance due to the risk coverage and easy accessibility and financial soundness of both public and private general insurance companies.
- Most of the policyholders of public and private general insurance companies decided on the insurer for their "financial soundness" and "better services".
- It is observed from the above inferences, that among several reasons, most of the policyholders preferred their branch due to the prompt service rendered to the policyholders by both the private and public general insurance companies.

- It is concluded that the policyholders of the public and private general insurance companies gave overall equal preference for the general insurance policy.
- 94% of the respondents felt that their problems are solved and remaining 37.33% felt that, their problems had not been considered and not resolved.

Suggestions

- Both the Public and Private General Insurance Companies should be given detailed information about the benefits, importance and scope of the General Insurance to the female too. Further, for creating the awareness about the General Insurance in the minds of female leads to help increase the policyholders in all respects.
- It is observed that most of the policyholders of Public and Private General Insurance Companies sought them for their “Financial Soundness” and “Better Services”. Therefore, the General Insurance Companies should improve their financial services and service quality.
- The general insurance companies should offer more choices for their existing products to the existing customers and that will help to sustain their existing customers and make further investment in the same companies.
- The general insurance companies should ensure better branch office location good reputation in the market, sound financial strength and Regular correspondence with agents by meeting, accurate product line to increase satisfaction in the study area.
- The area of significant improvement possible, applies to the following areas, technical advancement of insurance, employee clean appearance, convenience in premium payment, customer awareness programmes, commitment and ethical behavior.
- The study reveals that most of the respondents have faced the major problems, namely final claim formalities are more tedious, delay in the settlement of the claim amount and legal requirements delay the claiming process in the private sector insurance companies. In the case of private general insurance companies most of the respondents have reported that delay in the settlement of the claim amount, final claim formalities are more tedious and legal requirement delays the claiming process are their major problem. Therefore, both the public and private sector insurance companies should resolve the problems to increase customer satisfaction.

Conclusion

The general insurance industry in India is at a critical juncture of its evolution. General Insurance has grown at close to 20% over the last 5 years and reached an annual premium of Rs. 70,000 crores in the fiscal year 2013. However, penetration levels are low, leaving much scope for growth. The business environment for the industry has been challenging, given the overall slowdown in the economy, weak investment stream and the changes accompanying the de-tariffed regime. The industry is burdened with growing underwriting losses as claims ratios are well above international benchmarks. However, a number of positive developments have also taken place during these turbulent times. Retail

lines have seen strong growth in the recent past as customers are becoming increasingly aware of the benefits of general insurance. The road to profitability would require players to reassess all aspects of their business models from pricing, products, risk management, customer acquisition and distribution. Progress would undoubtedly require concerted efforts by the players to become globally competent in claims and operations.

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