SUMMARY OF FINDINGS AND SUGGESTIONS
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FINDINGS:

Following are the findings of the study:

The average document issuance ratio of 'Oriental' stands at 92% for the ten-year study period, from 1989-90 to 1998-99.

The company registered an average growth rate of 15.79%, 10.06%, 19.76% and 17.13% in fire, marine, miscellaneous and total premium income respectively.

If the insurance companies were allowed to operate without any restriction/regulation, it will lead to unhealthy competition, resulting in the ruination of interest of the insuring public.

The average claim outgo in the fire, marine and miscellaneous departments are 48.87%, 63.59% and 92.65% respectively. In miscellaneous department, the average amount of claim paid in motor portfolio is 71.25%, while it is 21.40% only in non-motor segment. 'Oriental' has suffered an average total claim outgo rate of 77.38% for the ten-year study period.

Since there is no cap on the maximum compensation limit of T.P. (Third Party) claims, the outgo is more in the motor department.

20.52% is the average volume of investment of 'Oriental' during the period under consideration out of the total funds available to the company and
the company registered an average growth rate of 19.53% in its investment income.

Since 1993-94, no new Branch offices have been opened by 'Oriental'.

'Oriental' had the maximum number of employees in the year 1996-97 and the strength was at its low in the year 1989-90, the first year of the ten-year study period. The individual strength of various cadres of employees, viz., Class-I, Class-II, Class-III and Class-IV, was at its peak during the years 1993-94, 1989-90, 1996-97 and 1996-97, while their strength were at their low during 1996-97, 1998-99, 1989-90 and 1989-90 respectively.

The average BPE (Business Per Employee) during the ten years under consideration was Rs.5.58 lakhs and the average growth rate of BPE for the period was 14.73%.

The average underwriting profit earned by 'Oriental' under the fire and marine departments were 14.52% and 10.05% respectively.

The company suffered loss only in the miscellaneous department at the average rate of 24.60% and the average total underwriting loss suffered by the company was 9.97%.

The average investment income earned by the company was Rs.192.24 crores, while the average net profit earned was Rs.60.72 crores.

Regarding the market share of 'Oriental', in the Indian general insurance industry, from 1989-90 to 1998-99, among the four public sector insurance companies, 'Oriental' retains the third position in eight out of the eleven criteria, namely, (i) premium income, (ii) claims settlement, (iii) volume of investment, (iv) invest income, (v) management expenses, (vi) number of offices, (vii) number of employees and (viii) business per employee with its average
market share of 21.57%, 21.90%, 19.60%, 20.41%, 22.70%, 23.21%, 23.92% and 22.77% respectively. With its average document issuance of 92%, the 'Oriental' stands in the second position and goes to the fourth place in case of underwriting loss and earning of net profit.

The number of policy documents does not reflect the amount of premium income and hence the average documentation ratio only shows the percentage of issuance of policy documents out of the average total number documents to be issued for the period.

Market share of 'Oriental', in the BPE criterion, is 22.77%, which gives the company the third position in the general insurance industry.

In case of Development officers, recurring expenditure, such as salary, incentives, perquisites like interest-free vehicle loans, residential telephone connections make the cost of procuring the business high.

Cost incurred on agents in their procuring and servicing of business is much less compared to the cost incurred on Development officers.

77% of the interviewed clients accept that the location of offices is good, while 14% of them do not accept this and 9% do not have any idea.

Regarding layout of offices, 52.5% replied in the affirmative, while 27.5% of them rejected it; 20% of them have no idea.

For the same questions, the interviewed employees, representing 81.5% of them are of the positive opinion about the location of office, while 18% responded in the negative whereas 0.5% have no idea.

About layout of offices, 65.5% of the employees accept that it is good but 31% of them do not accept it while 3.5% of them have no idea.
100%, i.e., all the clients who were interviewed have said that they have taken motor insurance policies for their vehicles. From this it is discernible that motor insurance is the largest type of insurance used by the public.

80% of the clients interviewed are of the opinion that the 'Oriental' has policies to fulfil all their requirements, while 14.5% of them responded in the negative and 5.5% of them have no idea at all.

For the question to ascertain the awareness level of clients about the features of policies they have taken, 72.5% of the clients say that they are not aware of the policy features and only 23% of them are aware of it, while 4.5% have no idea about it.

For the question about the policy conditions, 36.5% of the clients feel that ten policy conditions are rigid whereas 34% of the respondents feel that the policy conditions are flexible. A considerable 29.5% of them have no idea about the condition.

For the same questions, 48.5% of the employees interviewed say that the policy conditions are rigid while 39.5% of them considered that the conditions are flexible. 12% of the employees have no idea about the rigidity or flexibility of the policy conditions.

About the awareness level of employees concerning features of policies that are offered by 'Oriental', none of the employees are aware of the features of all the policies that are available from the company. 43.5% of the employees are aware of the features of prominent policies, while 24.5% of the respondents are aware of the features of few policies only. Features of very few policies are only known to 6.5% of the employees while 2% of them are not aware the features of any of the policies and 4.5% of them have no idea at all about the features of the policies offered by the company.
53.5% of the clients consider the premium rates are high and only 38.5% of them take them as reasonable; 3% consider it as low while 5% have no idea about the rates.

As per 71% of the responding clients, premium rates in none of the departments can be increased, while 21% of them accept for an increase in some of the departments where loss occur and that too at a reasonable level. Only 2% of the clients are very liberal and convey their consent for an increase in all the departments, while 6% of them have no idea.

Likewise, for another question, it is found that 54% of the clients are of the opinion that the premium rates can be decreased in some of the departments while 17.5% feel the need for decreasing premium in all the departments if there is any possibility to do it.

For the question, (one of the hypotheses), 'freedom in pricing results in better performance by insurance companies', 72% of the clients responded with the 'no' answer, indicating that freedom in pricing would result in jeopardising their interest, whereas 23.5% of the clients welcome the idea of giving freedom in fixing their price because they hope that they can negotiate well with the insurance companies to their advantage. 4.5% of the clients have no idea about it.

53.5% of the interviewed employees are of the opinion that the premium rates are reasonable which only 4% of them consider the rates are high. 39% of them consider the rates as low while 3.5% of them have no idea about the level of premium rates.

65% of the employees opine that the premium rates can be increased in some of the departments while 29.5% of them feel that the existing rates can be increased in all the departments. Only 1% of the interviewed
employees give the opinion that premium rates should not be increased in any of the departments.

Employees representing 60.5% give their opinion that in none of the departments, the existing premium rates can be decreased, while 31% of them agree for a decrease of rates in some of the departments. It is found that 3% of the responding employees take a more sympathetic view of the clients and support for reduction in premium and that too in all the departments.

For one of the hypotheses, viz., 'freedom in pricing results in better performance by insurance companies', 49% of the interviewed employees say in the affirmative, since it is possible for the companies to adjust the premium in such a way that the companies will no longer have to suffer losses, while 41% of them say in the negative since they feel that there will be bias on the part of the company against the clients.

Clients, representing 70% of the respondents, say the sales promotional measures taken by the company are inadequate, while 22.5% of them only accept that it is adequate. 7.5% of them have no idea at all about it.

For the hypothesis, viz., 'insurance marketing requires less efforts in India', 73.5% of the clients with their 'no', categorically say that insurance products cannot be marketed with less efforts while 22.5% of them are of the opinion that with little efforts the insurance products can be marketed. 4% of the clients have no idea about it.

For the hypothesis, 'customer service is poor in the Indian general insurance business', 70.5% of the interviewed clients give the affirmative answer and 'proved' the hypothesis, whereas 27% of them say 'no' and contradict the hypothesis.

For another hypothesis 'privatisation of general insurance business is a way to improve customer service', 70% of the clients say 'yes' and vote for
privatisation of general insurance business, while only 21% of the clients say 'no' to it.

Employees, representing 73.5%, responded with the answer 'yes' for the hypothesis 'lack of training in promotion is one of the causes for the poor performance in insurance marketing', while 18.5% of those interviewed employees say 'no' to it.

64% of the employees say in the negative for the hypothesis 'insurance marketing requires less efforts in India' while 28.5% of them nodded in the affirmative.

For the question, 'your company earns underwriting profit', 76.5% of the employees are correct by saying 'no' while 20% of them, which includes many officers also, say 'yes' and 35% respondents have no idea.

78.5% of the employees feel the sales promotional measures taken by the company are inadequate, while only 11% of them consider the measures as adequate.

When answering for the hypothesis, 'customer service is poor in the Indian general insurance business' the employees are almost equally divided (only 1% is the difference between them). 46% of the employees say 'yes', while 47% say 'no' and 7% of them have 'no idea'.

For another hypothesis, 'privatisation of general insurance business is a way to improve customer service', a majority of the employees, i.e., 64% of them say 'no', while 32.5% of them say in the affirmative and 3.5% of the employees have no idea about this.

There is no job profile issued to any of the employees of 'Oriental', including officers, except for Class-II Development officers.
81% of the clients accept that the service by the sales employees is good while 18% of them do no accept this. This 81% is the highest score awarded by the clients to a question out of total number of 21 questions administered to them.

20.5% of the clients say in the affirmative for the question 'service by the administrative staff is good' but 64.5% of them give negative answer, while 15% of them have no idea.

82.5% of the responding employees consider their job is quite pleasant while 13.5% of them do not consider so.

53% of the employees are satisfied with job rotation, while 32% of them are not. 15% of the employees have no idea about it.

While 58.5% of the employees are of the opinion that they have been provided with necessary training for handling their respective departments, 40% of them contradict this opinion.

Regarding periodical training, an overwhelming 93% of the employees affirmed that they need periodical training while 7% of them say that there is no need for it. This is the only question, which received 'nil' response for the third option 'no idea'.

Salary level is good for 77% of the employees while it is not so for 22.5% of them.

Existing incentive scheme is good for 47.5% of the employees while 39% of them do not accept this and 13.5% of them have no idea at all about the incentive schemes.

While 28.5% of the employees consider the promotional avenues are good in the company, a majority of them, i.e., 67.5% of the employees, not consider it so.
Regarding adequacy of sales force, 45% of the employees accept that their offices have adequate sales force but 48.5% of them say 'no', while 6.5% of them have no idea about the adequacy.

76% of the employees are satisfied with the adequacy of administrative staff in their offices. 22% of them are still in need of the more administrative staff.

Management expenditure prescribed for the company is within limits as per the opinion of the 37.5% of the interviewed employees, which is not true, while 51.5% of them correctly say that it has crossed its prescribed limits and 11% of the respondents have no idea about it.

84% of the employees opine that they have good relationship with the customers while 13% of them do not think so and 3% of them are in 'no idea' level.

The services of TPAs (Third Party Administrators) in mediclaim services, are far beyond the normal expectations of those concerned and they also fail to deliver the goods form their beginning, which shows their insensitivity towards better service to clients.

51.5% of the clients say the document issuance is speedier and good while 48% of them do not accept this.

15% of the clients accept that claim settlement is speedier and good but majority of them, i.e., 65%, say 'no' to it. A considerable number of respondents i.e., 20% of them have 'no idea', because they have not come across any claim of their own or have not been told by others of their claim experience.
62.5% of the employees consider the underwriting procedures followed by the company are simple and speedier, whereas 35.5% of them do no accept this.

As per the opinion of 52.5% of the employees, the claim settling procedures followed by the company are simple and speedier while 43% of the employees have negative opinion.

Overall document issuance by the company is good as per the opinion of 80.5% employees and it is not good as per 17.5% of them.

Likewise, overall claim settlement is good for the 75% of the responding employees, while 21.5% of them say it is not.

Proposal forms are user-friendly according to 31% of the clients, whereas 27.5% of them say that the forms are not user-friendly. A considerable 41.5% of the clients choose the 'no idea' reply, because these clients do not fill the proposal forms, which the marketing persons of the company do it for them.

59.5% of the clients accept that the policy forms are simple and scientifically designed, while 38.5% of them do not accept this.

Employees when responding to the question, 'proposal forms are user-friendly', 48% of them say in the affirmative, while 49.5% of them give a negative opinion.

While 51.5% of the employees consider that the policy forms are simple and scientifically designed, 46% of them do not consider so.

ANALYSIS OF HYPOTHESES:

The following five hypotheses, namely, (i) insurance marketing requires less efforts in India, (ii) customer service is poor in the Indian general
insurance business, (iii) privatisation of general insurance business is a way to improve customer service, (iv) lack of training in promotion is one of the causes for the poor performance in insurance marketing and (v) freedom in pricing results in better performance by insurance companies, were taken for this study.

These five hypotheses were administered to the employees of 'Oriental' in the form of questions, which are included in the interview schedule. Opinions of eight employees from each Divisional office and totally 200 employees' opinion from a total number of 25 Divisions situated all over Tamil Nadu and Pondicherry were collected. These 200 employees represent approximately 1% of the total strength of the employees of 'Oriental'.

The fourth mentioned hypothesis, namely, lack of training, pertains to employees' domain and hence it was left out while the remaining four hypotheses were included as questions in the interview schedule administered to the clients, totally 200 in number, from the three underwriting units, namely, Tiruchengode, Erode and Gobichettipalayam, of Erode Divisional office.

Majority of the employees say 'yes' and 'proved' the hypothesis, viz., 'lack of training in promotion is one of the causes for the poor performance in insurance marketing'. Hence 'Oriental' must take cue from this and give proper training to employees in marketing insurance products and overcome this short coming.

Both employees and clients, with their majority opinion, have 'disproved' the hypothesis, viz., 'insurance marketing requires less efforts in India' and hence 'Oriental' must tune up its marketing force so that with adequate efforts, it could win over the place it deserves in the Indian insurance industry.
For the two hypotheses, viz., 'customer service is poor in the Indian general insurance business' and 'privatisation of general insurance business is a way to improve customer service', majority of the clients nodded in the affirmative, while the opinion of the employees is contrary to this. Employees are in the delivering end and they may think, like any other service provider, that their service is good, but that will not stand the test of time. Customers are in the receiving end of the service providing and it is their opinion only that will rule the roost and that will only decide the fate of any organisation and the insurance company is no exception to this. The opinion of the clients will certainly have the superseding effect over that of the employees. Hence based on these views, the two hypotheses are taken as 'proved'.

For the remaining hypothesis, viz., 'freedom in pricing results in better performance by the insurance companies', the opinion of the employees and the clients differ. While the majority of the employees nodded in the affirmative, the majority of the clients chose the negative side. When the employees subscribe to this view, their predominant thought is to set off the consistent loss being suffered by the company and this is possible only when there is freedom for the insurance companies to fix their own prices for their various products.

But when the clients choose the negative answer to this hypothesis, their primary concern/fear is that if the insurance companies are given freedom, they will immediately increase the prices. There is sound reasoning for both the clients and employees to form their opinion and it is justifiable also if one sees from their respective angles.

If the opinion of the present chairman of IRDA is of any indication to the forthcoming events, it can be said that all the tariffs will be abolished not later than the year 2006 and all the insurance companies will be freed from the shackles of tariffs and they will be free to fix their own prices.
So it is certain that all the insurance companies are going to be given freedom to fix their own prices sooner or later. Hence the 'Oriental' should have built up sound data base by that time and then only they can fix the premium rates reasonably, which will enable them to offset the losses and earn a reasonable profit and which will also be reasonable and affordable to the clients.

The company, just because of its given freedom, cannot increase the premium without any reasoning, and if it does so that will certainly affect its future. To make the company competitive, 'Oriental' has to reduce its work force, train the remaining employees, tone up its administrative and marketing machinery and must do all the necessary things that are warranted to remain and excel in the market.

The freedom mechanism must have effective checks so as to ensure a healthy insurance industry and satisfied insuring public. Considering all these facts, to have a healthy 'Oriental' and insurance industry in India, the opinion of giving freedom to the insurance companies will only going to prevail and thus the hypothesis, viz., 'freedom in pricing results in better performance by the insurance companies' is taken as 'proved'.

SUGGESTIONS:

Following are the suggestions made in the thesis.

It will be advisable on the part of the IRDA (Insurance Regulatory and Development Authority), to see that a 'benchmark' rate is prescribed to the insurance companies, for all classes of insurance, below which the insurance companies should not quote rates to their clients, so that a healthy insurance industry will render a good service to the insuring public.

The time limit specified in the company's Citizen's Charter for the settlement of various claims is a longer one and still there is a wide gap
between this time as envisaged and the time when the claims are actually settled. The company must strive hard atleast to adhere to this time limit.

Motor department is the major contributor for the loss. So the motor premium, especially the T.P. premium rate, is to be enhanced at reasonable level so as to offset the loss in this front.

Management expenses can be reduced to a certain extent, if all the employees of the company are determined to do so. This can be done by way of avoiding making unnecessary phone calls, switching off of fans and lights when their use is not warranted, stopping wasting of stationery and stopping payment of overtime wages to employees since they can complete their work well within office working hours.

In the present scenario, function of insurance companies has become two fold. They have not only to concentrate on the premium procuration side, but also equally to concentrate on the investment side too to earn a handsome profit to run the companies profitably. Though 'Oriental' has a department for exclusively looking after investments, the company has to enlist the services of professionals in this field to maximise their earnings by making safe and lucrative investments.

Visiting friends and relatives of employees make a nuisance of them by their unrestricted movements inside the office, with their unquestioned free use of toilets and especially office telephones. This practice is to be curtailed with a heavy hand by the office incharges without any partiality to enforce atleast a minimum discipline among the employees.

If an officer servicing a corporate client is transferred, another officer in the office or the person who replaces the post of the transferred officer has to learn quickly the needs of the clients and maintain continuity of service, which is practically lacking in insurance industry.
To encourage agents to do more business, the only way is the commission structure is to be made attractive. Agents should be given periodical training and rewards must be given for well-performing agents. Suitable incentives should be introduced for the agents who bring in claim-free business or good quality business, which is less prone to claims.

The 'Oriental', at the time of searching for office premises to locate its offices, may give a thought of providing parking space for the clients' vehicles, to have them satisfied in this respect also.

The company should give enough thought in improving the layout of offices, which should be scientifically designed to ensure smooth and efficient functioning, besides giving a good look to the visitors and providing convenience to the office employees to work in and optimum utilisation of available space.

When 'Oriental' plans to make a scientific layout of their offices, to maximise the utility of the available space and improve the efficiency of overall functioning, they may form a panel of experts, which may include atleast one representative from the employees' side to air their views, so that their useful ideas can be included in the final decision concerning the design of the layout.

If any organisation wants to prosper in its line of business, it must have sound principles, based on past experience and accurate planning for the future. It equally applies to 'Oriental' and the company should build up a good data base from their past underwriting and claim experience.

Besides accurate statistics, equally important is feed back from the field force, which is totally lacking in the company. Unless there is feed back, the top management will not be making correct decisions, which are market driven and which will have a direct bearing in developing and marketing of products.
There should be a full-fledged department for product research and development, manned by dedicated personnel and there should be accurate statistics of premium procured and claims paid for all the segments of business and there should be constant flow of feed back from the marketing force of the company to aid the product research and development.

Employees and agents should be encouraged to make valuable suggestions for product development and the persons who provide useful suggestions should be amply rewarded with suitable monetary benefits and due publicity for their contribution, to boost their morale and their continuous future involvement.

Motor insurance has become an inseparable part in the lives of people and hence the 'Oriental' should give due importance to motor insurance, for both underwriting as well as claims.

'Oriental', with good advertising, publicity and effective marketing techniques must educate the clients about various policies available with the company to fulfil all their insurance requirements and features of those policies, which they intend to buy.

The marketing personnel of the company and the agents must themselves first aware of the various types of policies available from the company and their features, then only they will be in a position to educate the customers.

The agents and the persons in the marketing department must be given periodical training to refresh their knowledge of the products offered by the company, so that they will get their knowledge updated and will compete in the market with their thorough knowledge of the products, which they sell to the customers. 'Oriental' must give enough thought of giving periodical training
to the marketing force of the company so that the company can expect of being in the forefront with qualitative service.

In India literacy level is low and here again the customers are to be educated of the policy features, so that they will have a clear understanding of the insurance products, which they intend to buy. Understanding the policy features will help the customers to have satisfaction on the selection of right product.

The technical department of 'Oriental', based on the feedback received from the marketing force and also from the employees who are on the administrative side, should have a thorough re-look of all the policy conditions so as to make them customer-friendly.

It is evident that most of the employees are unaware of the policies offered by the company. Every employee in the company should be educated and trained, commensurate with their cadre requirements, to stand up to the expectations of the clients and each one of them should be able to serve the clients.

To curtail and to stop the various types of nefarious activities, the only way is to transfer all the staff members within two years or at the most three years from a place. For B.Ms. and D.Ms., the maximum tenure in a place should be two years only.

For Development officers, their existing scheme should be altered so as to give them relaxation in their cost norms, providing them attractive incentives for procuring profitable business and they should also be transferred to other places within a specified period and then only all the employees, including Development officers, will be at the service of the clients.

Necessary amendments should be made in the relevant Acts by the Central Government, so that enormous payments of T.P. claims could be
restricted, which include bogus claims also. Lawyers, who institute claims with false police and/or medical reports and the police and medical officers who issue false/exaggerated reports should be dealt with severely, who are now go scot-free without the fear of getting punished even if they are caught.

The 'Oriental' and other insurance companies can be given freedom in pricing their products. The freedom mechanism must have effective checks, so that the companies will be able to fix the prices reasonably, based on scientific methods, which will also make them financially viable and at the same time the price should be affordable to the clients.

The 'Oriental', as also the other public sector insurance companies, has to trim its size of the work force and enhance its efficiency so as to compete with the private companies and to thrive well in this competitive market.

The employees themselves have to change their mindset, which they have been having all these years, from the time of nationalisation of the insurance companies, so as to have good public relation with and to render better service to customers, which only could save them from being left out of the race.

Service rendered before taking the policy only brings the clients to the company and this service only results in having a lasting impression in the minds of the customers, which makes them loyal to the company in the years to come and hence the service rendered to the clients before taking the policy should be an impeccable one.

The 'Oriental' should see that its advertisements in various media are well conceptualised so that they will receive maximum attention from the public, resulting in increased sale of its policies.
All the public sector insurance companies, 'Oriental' includes, are not bothered at all about publicity. Settlement of large claims and especially cattle and gramin personal accident insurance claims in rural areas may be publicised to the advantage of company.

A separate department should be created and entrusted with the responsibility of looking for and preparing publicity materials - articles and stories, and to keep liaison with the media and get them published.

The following types of activities and events can be profitably projected through publicity campaigns, namely, newsworthy events like expansion of activities, opening of new offices, introduction of new products, achievement of individual employees, officers in professional and sports fields, winning national or international honours, appointments on important national or regional committees and periodical reports about progress and profits. Besides, socially significant activities like blood donation drives, planting of trees, improvement of ecology, children's health or similar drives, donation for social causes, consumer benefit activities like price reduction, appointment of special officers for attending to customers problems etc. can be advantageously projected through publicity campaigns. Public sector insurance companies are totally away from the concerted publicity campaigns. They must realise the power of publicity and the 'Oriental' should do publicity, both at local and national levels, so as to tap the business to the maximum extent possible.

Development officers, to excel in their field, have necessarily to be imparted training periodically about the insurance products, marketing aspects and other related matters. And often refresher courses of short duration should be conducted. To economise such training programmes, the trainers, who would usually be few in numbers, could travel to few centres in the States, where the Developments officers from those Divisions around such centres could assemble there and be imparted training instead of all the
Development officers travelling to the respective regional training centres and thereby saving time and cost. Refresher courses, which should be of short duration and periodical in nature, would certainly brush up and enliven the memories of Development officers and enhance their business potential.

Likewise, for A.A.Os.(D) and A.Os.(D) also there are no specific training programmes. Refresher courses about insurance products, marketing aspects etc. should be conducted for them also so that they could be well placed in their respective positions to face competition.

Apart from giving periodical training, it should be ensured that all the circulars from Head office and respective Regional offices are circulated among the marketing personnel of the Divisional and Branch office concerned, so that they could update their knowledge.

Marketing personnel should behave themselves and never think that they are a special cadre of the company and annoy the officers and staff on the administrative side, just because of the facilities (like residential telephone connection, interest-free vehicle loans, incentives), which are provided to them not for their personal comforts but for the sole purpose of promoting business and to increase the premium income of the company.

Branch/Division incharge must take initiative to have discussion with the marketing personnel atleast once in a week by arranging informal meetings, about the changes taken place in that week. All circulars must be discussed in the meeting and the field staff must be given a copy of important circulars to have them filed in their own files and impart them in their minds by going through them often.

All circulars must be made with clear-cut wordings in unambiguous terms, giving no room for any interpretations other than the purpose for which
they are made. It will certainly save money, time and energy in the organisation.

Central and state Governments should bring in legislative changes in the existing laws to limit T.P. liabilities, take steps to improve road infrastructure facilities and must enforce impartially the rules and regulations to discipline the road users. Without these changes, the quantum of T.P. claim will not come down and the public sector insurance companies will continue to suffer losses. If the private sector insurance companies started insuring commercial vehicles, which they desist from doing so and which bring in maximum number of T.P. claims, their limited resources will vanish into thin air within a short period of time and people who got insured their interests with these companies will also suffer. So it is the responsibility of the Central Government to bring in necessary changes to provide a level playing field to all the players in the insurance industry and protect the interests of the insuring public.

The management should tone up its regulatory mechanism to enforce discipline impartially among its workforce to survive in the market.

Posting of employees is not strictly made on need based and most of the time the postings are made on accommodation basis. It is the case with many of the offices of 'Oriental' and hence the company has to offset these imbalances so as to ensure a balanced growth.

Output criteria and point system should be introduced to improve the productivity of personnel. Every employee, based on their output, must be given salary, incentive and promotional considerations.

Every employee of the company should be made computer literate; the computer literacy should commensurate with their cadre requirements.
Marketing personnel of the company should be provided with personal computers to keep track of their business. This will help them to maintain a complete record of their business for follow up and for future planning rather than fully depend on the office to which they are attached to.

In these days of Information Technology, the 'Oriental' should utilise this to the maximum extent possible for the benefit of the company. All the offices of the company should be connected through Internet and Intranet. This, no doubt, will help the company in serving the clients more effectively.

If an organisation is to compete in the market, job rotation is a must and 'Oriental' must enforce it, overcoming resistance from any corner, to make the employees more adept and knowledgeable and thereby benefiting both the company and the employees alike.

Every employee must be given induction training before they are entrusted with the work, which will certainly avoid wastage of time, energy and money.

Efficiency and excellence only should be encouraged if at all the company likes to compete in the market and the management of 'Oriental', without any favouritism, should give promotion to the employees who deserve it and must make the job attractive for the employees to work with and then only the company can prosper.

The 'Oriental' must have an adequate and efficient sales force to maintain its market share of business in the present competitive environment.

The marketing person, instead of taking responsibility of filling up the proposal form, may guide the client to fill it up and in case of clients who do not know how to fill it up, he may help them by filling it up. But in any case he should never sign the proposal form for himself, with the name of the insured
or his representative or with some one else's name, which practice he should desist from doing in the interest of both the insured and the insurer.

In case of payment of premium by cheque, the cheque must be of the insured and payable from his/her/their bank account only. But in practice, it is not uncommon for the client to issue cheque to the company from some one else's account and 'Oriental' also accepts these cheques in the normal course. But in such cases it is mandatory on the part of the sales person of the company to get an undertaking letter from the client to the effect that he assumes all the responsibilities arising out of such act.

Responsibility does not end with the issuance of circulars only by the controlling offices. Even now the laid procedures, in case of dishonoured cheques, are not followed, paving the way for future litigations. Everybody involved in the process should scrupulously follow the laid down procedures to avert any litigation against and unnecessary losses to the company.

The 'Oriental' should fix up responsibility and accountability with every person working in the organisation, which is not so right now.

Issuance of correct policy, with correct and complete details, basically lies with the marketing person only. He has to ensure that every time a correct policy is issued to the insured. So he has to not only product knowledgeable which is to be updated on daily basis, but also must have administrative efficiency with tact and knack, have good communication skill and excellent public relations to thrive and excel in this general insurance market, where the intensity of competition is growing on tougher with every passing day with the advent of private sector insurance companies.

The 'Oriental' should see that its administrative machinery is toned up sufficiently to render better service to its clients so as to keep them in its fold in the years to come.

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In case of out of court settlements of T.P. claims, before arriving at the amount of compensation, the officers of the insurance company who handle the cases should take all the points into consideration and arrive at the quantum, which should be reasonable and equitable. There were instances where the officials of the company with the connivance of claimants' lawyers (besides colluding with company's panel lawyers themselves) arrive at a compensation, which will be on the higher side, purely for their personal gains. Besides these, many unpalatable activities are going on in the company and in the insurance industry, which should be sternly dealt with.

Some lawyers of claimants will not show any interest in getting their cases settled through Lok Adalats since prolonging of the case they can get interest for the claim amount. In such cases, the officials of 'Oriental' should contact/write to the advocates/claimants to bring in their cases under Lok Adalats through which both the company and the claimant could benefit.

With sustained efforts on the part of the company, T.P. claims could be curtailed and bogus claims eliminated to a considerable extent, thus saving the company from too much of losses. Officials, employees, panel lawyers and all others from the company side who have a role to play in T.P. claims dealing have to perform their roles effectively, with honesty and integrity, so that the 'Oriental' could be bailed out from its present situation.

In case of claims, asking for required papers from the insured in piecemeal is very common in insurance industry, which is one of the reasons for heart-burns in most of the cases and 'Oriental' is no exception to this. This practice is to be totally revamped and the persons handling various claims departments should, as soon as they receive papers from an insured, verify them and check for their correctness and completeness with check lists of requirements which they should maintain, but in practice which they don't.
The services of TPAs, the outside agencies, in case of mediclaim policies, are far beyond the normal expectations of those concerned and they also fail to deliver the goods from their beginning, which simply shows their insensitivity towards better service to clients. The 'Oriental' (and other public sector insurance companies) should step in and take effective measures to correct these maladies, so as to make them to render better service to the clients.

Policy issuance and claim settlement should be speeded up and must be good in the opinion of the clients and employees.

Underwriting and claim settling procedures should be simplified and speedier.

In insurance industry, essential evidence is the policy and 'Oriental' should make the policy a complete one, which should make the client to have pride in owning it.

After computerisation of offices, 'Oriental' has set up large counters put up in its offices, to keep the customers away from the employees who do the underwriting work and at present, the company could do nothing with the counters, except removing it, if at all it wishes to do so. Atleast in future, in case of shifting of existing offices to new premises, the company may follow a well thought out, a good designed system for its layout, so as to make an impression in the minds of its customers who could recognise it to whichever office of the company they go and enjoy this peripheral evidence, their association with the company, which has a wide network of offices.

'Oriental' should simplify the proposal forms so as to make it user-friendly. A simple form will certainly make the clients feel at home and they will get encouraged to fill up the forms on their own, not feeling the need for any assistance from the marketing person.
Policy forms are to be made simple and designed scientifically, since as it is, a customer with an average experience and intelligence cannot understand the wordings of the policies. Atleast now, the 'Oriental' should initiate steps to ensure that all the policies are scientifically designed, issued with simple and unambiguous wordings, clearly giving in the policy the intention of both the parties to the contract, viz., the insurer and the insured, so as to make it understandable to a man of ordinary intelligence, requiring no other third party's intervention for interpreting it and also to avoid any disputes at a later stage for saving themselves and the insureds from any embarrassing situation and thereby to preserve the goodwill and competitiveness of the company.

After private insurance companies came into operation, bancassurance, i.e., mutual selling of products by banks and insurance companies, comes to prevail widely and 'Oriental' should enter into agreement with as many banks as possible to sell their products and must also rope in as many number of banks as they can into their fold by giving them corporate agency to ensure the assured flow of premium income into the company.

While the employees on the marketing side of 'Oriental', who bear the brunt of competition in the field, are sensitive to the needs of the clients, the employees on the administrative side are needed to be sensitised forcefully so that they are awakened from their long slumber to the realities of the market.

Service is the driving force for the survival of any organisation and it is too important for the insurance company and 'Oriental' should give prime importance for serving the clients.

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