CHAPTER - V

CONCLUSIONS AND SUGGESTIONS

India being a developing country, the importance of life insurance in the national economy is paramount. Life insurance is a pool of small savings or individuals that make up cores of rupees. Even in industrially advanced countries, the life insurance plays a significant role in supplying long-term capital to national economy and accelerating the process of self-generation of the gross production of national saving. This is applicable much more to India where the need for much providing long-term capital is of vital importance. It is economic vehicle for accelerating industrialization in the country. Much has been said about the life of corporation. It started as an infant, a brain of child of its own time it is well said that people purchase insurance not only because the live too long. In other words, Life insurance policies are not mere risk cover vehicles but expected to be income producing vehicles. Life insurance has become the need of the day is tourism that can not be disputed in any way. Life has become uncertain in this modern mechanical and dynamic world where various kinds of accidents take place. This results in the death of the breadwinner or his liability to earn his living incidentally, in this world of individualism where joint family is losing grounds a provision for the maintenance of the family is very essential and not wise men goes without having some life insurance policy. When the breadwinner meets premature death, his family is saved from devastation misery and chaos. Life Insurance covers the risk of death incapacity of the breadwinner of provide for his family and stands as a friend in need.
Life insurance business in India had been carried on mostly by private insurers till January, 1956 when the life insurance (Emergency Provision ) order was promulgated vesting in the govt. of India. The life insurance corporation (LIC), to which all assets and liabilities of existing insurance companies carrying on life business in India were to be transferred, was in the mean while passed on 19th January 1956, life insurance was nationalized and the LIC was not up in September, 1956. One of the objects of nationalization was to spread life insurance to remotest village and mobilize resources to maximum possible extent for the country planned development

The main objective of nationalization were to spread the gospel of life insurance to the hitherto neglected rural areas, to provide life insurance protection to every eligible man and women in the country to safeguard the saving of policy holders and to invest their moneys for their welfare as well as for that the nation.

How far the life insurance corporation lies full filled the aforesaid objectives. This is a question which even now, after its 50 years tenure after the nationalization of life insurance business, cannot be answered with certainly. It is true that the corporation has made rapid progress on many fields, by stream ling its organization structure and there by increasing its effectiveness, but it is also true that is has failed to give the desired result in many fields. Such shortfalls seem to be the results partly of the failure of the human side of corporation and partly of some external forces and constraints which have impeded its growth. Such constraints and limitations have been examined and analysis from time to time so that some on the basis of the suggestions gives concrete step may be taken by the state as well as by the top management of the corporation the serve the society in a better way. There can be no gain saying the facts that operational efficiency of the service organization like the life insurance corporation of India can be efficient in its operations
only when the external forces having their direct impact on its business are favorably inclined to promote its growth. This change however demands certain changes in its internal structure and policies as well also the business in take can be improved if its services are improved premium structure is streamlined, publicity is propagated, claims are timely settled and investment to multiply its earning and share them with the policy holders in the form of bonus, are made in the various sectors of the economy.

Some insurance companies have failed now and then because of improper management. But by and large life insurance industry has a long record of having discharged their contracts despite wars, Earthquakes, cyclones, and other disasters and calamities.

The researcher has completed the study in five different chapters which can be summarized as under-

**The present study has been divided into five chapters as mentioned below:**

**Chapter – I** attempts to explain concept of market, Market mix for insurance companies, Role of IRDA in insurance sector, Concept of insurance, History of insurance, Life insurance at present, Marketing strategy A brief, Role of marketing strategies in life insurance business, New trends in life insurance business, and Review of literature.

**Chapter II** reveals that the methodological aspects of the study such as justification of the study in Objective of the study, Hypothesis formulation, Collection of data, Primary data, Secondary data, Sample selection, Data analysis, Expected contribution of the study, Limitation of the study.
Chapter – III Contain the profile of the covered under taking like public company LIC. and private companies i.e ICICI Pru. and SBI.

Chapter – IV Gives a comparison of public and private companies in life insurance with marketing strategies in this chapter the parameters of comparison dealt in details. With the help of response received through respondents by the questionnaire.

Chapter – V Concludes the empirical conclusions and suggestions the present study has been an attended to take a empirical and comparative view of life insurance business. Working the companies related to public and private sector. The criteria of selection the company was based on market share.

Specific Conclusions Of The Study

- The study concluded that the level of competition in insurance business is very high (87%). No are respondents was in favors of low competition.
- The study explains that the ranking of the company is 1st rank (83%). 4% respondents are saying that ranking of the company is 3rd rank.
- The study concluded that the satisfaction with the job 96% respondents are fully satisfies. 4% respondents are not satisfies with the job.
- The study explain that the level of satisfaction 64% respondents are totally satisfies. 2% respondents are to some extent satisfies.
- The study concluded that the media to promote the insurance plan 52% respondents favoring in press, electronic media, mouth convincing, etc. 4% respondents favoring in the media to promote the insurance plan is average.
The study explains that the growths of insurance business 60% respondents are saying that the growth of insurance business is good. 9% respondents are saying that the growth of insurance business is average.
General Conclusions of the Study

- The private insurance players despite the sector in still regulated has been offering rate of return to its policy holders which are estimated at about 35% as against 20% of domestic insurance.

- The future of private insurance company seems bright because of their competitive premium range for best suitable policy to the new and existing policy holder.

- The state owned insurance companies such as public (LIC) company have limited number of policies offer to their subscribers while in case of private insurance companies, their policy numbers are many more and the premium amount as well as the maturity period is much competitive as against those of public insurance companies.

- Quality of service is becoming important differentiator for companies competing in the services sector and this is more pronounced in the domain of insurance sector.

- If service quality as perceived does matter to the customer other condition being equal, customer might start shifting from the public and to the private sector.

- But still if it is a matter of first life insurance policy one wants to buy if from public sector insurance company after being paid a high premium as compare to the private insurance company.

- Several managerial implications emerge from this study while the finding the guidelines offered in this study hold promise, they should not be viewed as panacea. The ultimate success of any quality program implemented by insurance sector can duly be ganged by creation and retention of satisfied customers.
• One of the biggest obstacles insurance companies face in building brand equity that spans both insurance and financial services in the preconceived notions about financial service companies.

• It is obvious that various brand-building strategy are required to help insurance companies grow organically b providing more innovative products and services, achieving higher level of motivation among employees, adopting up-to-date technology creating awareness and creating awareness and creating a direct link with the customers.

**Specific Suggestion of the Study**

• When we insist that both tangible product and an intangible service should have a brand or brand name, it essentially indicates that such a brand or brand name beneficial to both the brand – owners as sellers and also to the customers.

• Quality of the service experience is heavily dependent on staff customer interpersonal relationship companies need to treat their employee well if customers have to be served well by their employees.

• To understand the prospects for insurance companies in rural India , it is very important to understand the requirements of India’s villagers, their daily lives, their peculiar needs and their occupational structures.

• The rural market offers tremendous growth opportunities for insurance companies and insurers should develop viable and cost-effective distribution channels, build consumers awareness and confidence.

• The results also suggested that the dimensions corresponding to the products convenience, responsiveness, reliability, empathy, assurance are significant in
determining the overall customer satisfaction and inducing positive behavioral outcomes by reducing negative ones across public sector and private sector insurance company.

- Responsiveness has been shown to be an impotent factors, this suggest that giving prompt services to the customers; telling the customers exactly when the service will be perfumed; if there is a problem, the willingness of the insurance company employees to discuss with the customers; and readiness of the employees to help and respond to the requests is likely to have an important and positive effect on customer satisfaction.

- The role of customer-contact personnel in the attainment of there goals is of paramount improtance therefore, in their efforts to delivery high quality services to their customers so as to attain satisfaction for their customers, insurance should not ignore the specific needs of their customer.

General Suggestion of the Study

- As it has been observed through survey that market is very competitive it is therefore it is suggested that the player should adopt customer centric approach. A company which adopts the customer centric approach will able to plan its competitor to have an edge over other players.

- It is suggested that in order to maintain edge over competitors the product differentiation should not only be cosmetic in nature but also should be genuine.

- It is suggested that the focus should be shifted more towards untapped area like semi urban and rural close to the urban areas, it is believed that these areas (semi
urban and rural) do have influence from urban local and media, therefore the awareness as possessed by them may be converted into actual business deal.

- IRDA, the apex regulator for the industry is called upon to play a more discerning role so far for the interest of small, marginal perhaps play the role of not only the watchdog but also bloodhound wherever required.

- There is a greater need to educate perspective plans continuous and regular basis. It is heartening to note that knowledgeable investors and clients are emerging. This shows that there is a need for specific investors training program.

- It is further suggested that the regulator should streamline the role of intermediaries from time to time by conducting preventive audit and guilty, if found should be punished accordingly.

- It is also suggested that the regulator should set the huge standard of ethical business while imbibing transparency fair value and customer interest at the top.

- It is further suggested that the regulator should streamline the role of intermediaries from time to time by conducting preventive audit and guilty, if found should be punished accordingly.

- The time has come for new product development like banc assurance products for defense personnel, NRI, Farmers, and small business entrepreneurs.

- It has been found that the complaints of clients are not attended promptly. It is therefore suggested at every state level and the redress mechanism should be made simplified and time saving.

- It is suggested that there is more need for serving the clients better like ECS payment system touch screen facility where by a customer can know the status of his polices.
- It is suggested that research activities must be strengthen in the industry so as to bring out better products customer friendly approach and the real growth in the industry.

It is irony to note that the percentage of population insured is much smaller than the potentials possessed by industry. Against the population base of more than 110crores the number of lives insured is not even 20% . It is expected that above suggestion will go a long way in realizing the full potentials of the industry.

Area of further research

- Increase number of private companies
- Study health insurance
- Study general insurance
- Study in various plans
- Expectation and fulfillment of customer satisfaction in insurance business
- New trends in insurance business

Expected Contribution of The Study:

Insurance companies the conclusion made in this chapter are valuable to insurance companies particular those who are covered in this study and all in general to review their strategies. The suggestion are made, specific and general both are very valuable to those companies who are engaged in life insurance business to improve their business plan with incorporated these suggestion

Academicians these suggestions are also valuable in academic circle for academicians to breadth their knowledge by these valuable suggestions
Research scholars the study is also useful for research scholars to use it as a grass route / guide for further research in the same area or their related areas.