CHAPTER VII

SUMMARY OF FINDINGS
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7.1 INTRODUCTION:

The study was aimed at measuring the extent of utilisation of general insurance services and the factors influencing in buying of general insurance policies by the policyholders in Periyar District. While doing so an attempt was made to find the problems encountered by the policyholders. The study was conducted in four blocks (Erode, Gobi, Dharapuram and Kangeyam) of Periyar District selecting 200 policyholders and 51 Development officers. Field survey method and personal interview technique were adopted to collect information in addition to secondary source of data. The data collected were subdued into, suitable tabular forms for drawing inferences. Quantitative techniques like Averages, Percentages, Range, Two-way tables, Chi-Square tests, Multiple regression analysis and Garret ranking were applied as found necessary. The level of satisfaction, perception, impact of advertisement and impact of personal selling were identified by means of a scoring scheme. In this chapter, an attempt has been made to recapitulate the key findings and conclusion. Based on these findings a few suggestions are also made.
7.2 FINDINGS

7.2.1 GENERAL INSURANCE COMPANIES :

The analysis of the performance of General Insurance Companies in the sample district reveals that the United India insurance company is the market leader as the amount of premium collected through the sale of insurance policies is the highest.

A study of the growth of premium earned by all companies shows that there is a steady increase in the premium from all classes of general insurance policies except in the case of Rural non-traditional business. The rural non-traditional business suffered a said back during 1993 as the Government of India advised the banking sector to restrict the loan for cattle and livestock and also stopped the subsidy scheme for the same.

The analysis of the number of claims entertained by the four subsidiaries of General insurance corporation in the study area reveals that "Oriental Insurance" entertained more claims (4812) as against the other three companies, followed by "United India" with 3953 claims, "National Insurance" with 3651 claims and "New India Assurance" with 2663 claims.
While analysing the claim settlement ratio of the offices of four insurance companies in the study area, it was observed that "oriental" has settled the maximum amount of claims, followed by "United India", whereas "New India" and "National" has settled comparatively less claims than the other companies.

7.2.2 DEVELOPMENT OFFICERS:

An attempt was made to identify the sources of prospecting for selling general insurance policies by Development Officers. It was found that the "centres of influence" was the most popular source for the Development officers to sell the policies. The centres of influences are such as Banks, Private financiers and lending institutions.

The study brings to limelight that the Development officers' chief mode of approach to sell the policies is the banks and financial institutions. This is so because these institutions recommended to the borrowers to take insurance cover for the assets purchased with the borrowed funds from a specific insurance company.

It was found from the study that most Development officers approach the policyholders of other company through cold calls and there by converted as business calls for
procuring business. Through such canvassing the Development officers have achieved a considerable amount of business.

An enquiry into the business calls on the prospective buyers by the Development officers reveals that many a time they attended the social functions of the prospective clients. This is done on the hope that every such call will bring fruits in the form of more business.

The analysis of the sales performance of Development officers in the sample District reveals that Development Officers in the old age group had done better business than the Development Officers in middle and young age groups.

It was found from the study that Development Officers with Post-Graduate level showed a remarkable business than the Graduate level and School level.

The survey has brought to the forefront that Development Officers with previous experience in selling elsewhere had done better business than fresh Development officers.

The survey has brought to limelight that a great majority (86.27%) of Development officers were very successful in selling the policies due to their membership in public clubs.
The survey found that Development officers having clients as relatives and friends have done good business.

It was found from the study that the Development officers who had previous experience as Agents or marketing trainees have done more business than those who were directly recruited.

It could be observed from the analysis that more experienced (above 11 years service) Development Officers showed better performance in the business than the others.

It could be noted from the survey that Development officers having more number of agents have done better business than others.

It was found from the study that the higher the percentage of renewability of existing policies, the more is the business to the Development officers.

7.2.3 POLICYHOLDERS :

POLICYHOLDERS AT PURCHASING STAGE

An interesting revelation of this study is that most of the policyholders buy insurance policies out of compulsion by financial institutions which lend money for buying assets. It is obvious that very few buy insurance policies voluntarily.
MULTI COMPANY PATRONAGE

A considerable number of policyholders do multi company patronage in general insurance business. The predominant reason, for patronising more than one company, is to avail themselves of better service from the competitive spirit prevailing among the different companies. Furthermore, the compulsion of financial institutions, the influence of relatives and friends, the co-incidence of security need of the policyholders and the approach of the insurance persons are the other reasons offered for the divergent patronage.

CO-INSURANCE

The investigation unveils that a meagre percentage of policyholders (9.5) have had co-insurance policies. The factors that have prompted them to resort to co-insurance are (i) Policyholders' intention to satisfy all the companies approaching for business (26.32%) (ii) their desire for the quick settlement of claims from the combined effort of the leading and participating insurance companies (36.84%) and (iii) their inclination to avail themselves of good services.

RENEWAL OF GENERAL INSURANCE POLICIES

The survey reveals that a large chunk (94.5%) of the policyholders have renewed the policies regularly. Only an
insignificant proportion (5.5%) of them have not renewed the policies due to the following:

1. Financial Constraint with current business position (45.46%)
2. Development officers / Insurance officials have failed to inform the expiry date (18.18%)
3. Dissatisfaction (18.18%)
4. Feeling insurance as a waste (18.18%)

FACTORS INFLUENCING THE BUYING OF THE INSURANCE POLICIES:

An analysis of factors influencing policyholders' purchasing of general insurance policies showed that Socio-economic status (such as community, education, income, occupation and wealth), had direct influence on their buying behaviour of the policies of general insurance services. It could be found that policyholders in the higher strata of society have been used to the insurance services in a better way than others.

Another revelation was that policyholders' perception of general insurance services, impact of advertisement and satisfaction with the services rendered had direct influence on their buying of general insurance policies.
It was also found that policyholders who had higher level of satisfaction with the facilities and amenities provided by the subsidiary companies of General Insurance Corporation had utilised them more. Thus higher the satisfaction more is the purchase of insurance policies.

7.2.4 PROBLEMS:

PROBLEMS IN THE MARKETING OF GENERAL INSURANCE:

The study reveals the following problems experienced by the general insurance companies in marketing policies:

1. Lack of market survey.
2. Lack of manpower in marketing
3. Absence of creative marketing.
4. No proper advertisement for general insurance policies.
5. Family relationship and communal feeling of policyholders.

PROBLEMS FACED BY THE POLICYHOLDERS:

1. Development officers are concerned mostly to achieve the target; without considering the required services.
2. Delay in settlement of claims
3. Development officers do not contact after the issue of policy.
4. Undue favouritism to some policyholders.
5. Indifferent at the time of claims settlement.
6. Too much dependence on superiors in clarifying doubts.
7. Lack of knowledge of officials dealing with the particular policy.
8. Relative worth of claim is too low

7.3 SUGGESTIONS:

1. The general insurance business which remains untapped must be exploited by improving the endeavour of the marketing force.

2. The manpower currently employed on the marketing side is not full for making an extensive effort in marketing general insurance business. Hence, the existing number of Development officers operating in the study area may be increased.

3. The development/marketing department could well concentrate on new business through more number of active agents under each Development officer.

4. Training programme may be organised for the Development officers at regular intervals to equip them with updated knowledge in all kinds of general insurance policies.
5. The introduction of savings-linked policy would persuade the middle class people.

6. Better awareness of general insurance can be created through proper advertisement.

7. The general insurance policy conditions and warranties may be printed in the local language (Tamil).

8. No claim bonus/Malus may be allowed on slab system to other classes of general insurance policies.

9. A separate marketing executive for rural and urban at the Divisional office level is necessary to develop the general insurance market in the study area.

10. More service centres may be extended in the village level or more marketing persons deployed to the interior villages to create better awareness and to render better service to the rural population.

11. Introduction of computerisation for quick issuance of policies and such other service. This is important because of the economic liberalisation policies of the present central Government which may shortly denationalise the general insurance industry. When global market operates, Indian companies have to face stiff competition from foreign companies. Computerisation alone will help the Indian companies to be in the market.
7.4 CONCLUSION:

The study is a rewarding exercise in the sense that, in addition to identifying the factors of utilisation (buying), it has also brought to light the problems encountered from various angles, viz., problems faced by general insurance companies in the marketing of general insurance policies and the problems of policyholders. This has enabled the researcher to give certain practical solutions to the problems that exist in general insurance marketing for better utilisation of insurance services. This endeavour of the researcher will be rewarded if the solutions and suggestions are carried out by the policy makers.