CHAPTER VII

SUMMARY, SUGGESTIONS AND CONCLUSION

In this chapter an attempt has been made to briefly summarize the thesis and to give concrete suggestions on the basis of the findings of the study.

CHAPTER I

Insurance plays a vital role in the modern society. Life insurance assures to replace income lost to a family if the policy holder met with an untoward incident. Health insurance like medi-claim reimburses the medical expenses which are met by the policy holder. Fire insurance pays all or part of the loss if the insured property is destroyed by fire. Motor vehicle insurance compensates the cost of damages resulting from accident. Now-a-day, people can also avail insurance to cover unusual types of financial losses. Dancers have insured their legs against injury. Motion picture producers have even insured the lives of animals starring in their films. The desire for security is sought to be safe by taking all the precautions possible to avoid or prevent the consequence of risk. Insurance is a mechanism that helps to reduce such adverse consequences.

The main object of general insurance is to protect the economic value of assets. Every asset has a value. The asset would have been
created through the continuous efforts of the owner, in the expectation that, either through the income generated therefrom or some other output, some of his basic financial needs would be met. There is a normal economic expected life time for the asset. If the asset gets lost earlier, being destroyed or made non-functional, through an accident or other unfortunate event, the owner and those deriving benefits and income therefrom suffer. The insurance plays a vital role to overcome these difficulties and to protect the economic value of assets. This venture of insurance can be achieved by a well-organized sector like the United India Insurance.

The development of this sector does not merely depend upon by simply introducing the various types of products in the market but also depends upon the well-organised marketing system. There are many issues, which are considered relevant for better marketing and organization facing this sector. There is also a general feeling that the services of general insurance are not up to the expectation and satisfaction of policyholders and public. Therefore, an attempt is made to study the organizational structure, to evaluate the operational efficiency of General Insurance and to identify the factors influencing satisfaction of employees and policyholders.
CHAPTER II

The insurance industry provides protection against financial losses resulting from a variety of perils. By purchasing insurance policies, individuals and businesses can receive reimbursement for losses due to car accidents, theft of property, and fire and storm damage; medical expenses and loss of income due to disability or death.

In general, insurance carriers are large companies that provide insurance and assume the risks covered by the policy. Insurance agencies and brokerages sell insurance policies for the carriers. Insurance carriers have discovered that the Internet can be a powerful tool for reaching potential and existing customers. Carriers also provide insurance quotes online based on the information submitted by customers on their Internet sites. In the future, carriers will allow customers to purchase policies through the Internet without ever speaking to a live agent.

In addition to individual carrier-sponsored Internet sites, several “lead-generating” sites have emerged. These sites allow potential customers to input information about their insurance policy needs. For a fee, the sites forward customer information to a number of insurance companies which review the information and, if they decide to take on the
policy, contact the customer with an offer. This practice gives consumers the freedom to accept the best rate.

The Registered Head Office of the United India Insurance Company Limited is located at 24, Whites Road, Chennai – 600 014. It has 24 Regional Offices located in important centers in India for effective co-ordination, supervision and control of 359 divisional offices and 1056 branch offices. The paid-up capital of the company is Rs.150 crores. The accumulated general reserve is Rs.3096 crores. The total asset of the company is Rs.8283 crores. The total number of employees on their roll is 17781. ‘Service, the Gateway to Growth’ is the motto of the company.

The primary function of divisional offices relate to development of business and administration including supervision of branches. Their development function included appointment of inspectors and agents, marketing, planning and procurement of business. The administrative function involves issue of policies, settlement of claims, maintenance of accounts and general administration.

CHAPTER III

Insurance companies bear risk in return for a fee called premium. Thus, insurance companies are risk bearers. They accept to underwrite the risk in return for an insurance premium. Insurance may be defined
as a co-operative mechanism to spread the loss caused by a particular risk over a number of persons who are exposed to it and who agree to ensure themselves against that risk.

It is a commonly acknowledged phenomenon that there are certain risks in every sphere of life. For property there are fire risks; for shipment of goods, there are perils of sea; for human life there are risks of death or disability and so on. The chances of occurrence of the events causing losses are quite uncertain because these may or may not take place. Therefore, with this view in mind, people facing common risks come together and make their small contributions to the common fund. While it may not be possible to tell in advance which person will suffer the losses, it is possible to work out how many persons on an average out of the group may suffer losses. When risk occurs, the loss is made good out of the common fund. In this way, each and every one shares the risk.

The insurance is a social apparatus to accumulate funds to meet the uncertain losses arising through a certain hazard to a person insured for such hazard. In this way the general insurance companies offer various products to fulfil the needs of public. The various products and their features offered by the general insurance companies are described.
Fire insurance is a device to compensate for the loss consequent upon destruction by fire. Thus the fire insurer shifts the burden of fire losses from their actual victims over to all the members of the society. It is a cooperative device to share the loss. It relieves the insured from the horror of the fire losses to which he is exposed. The nature of policy, causes of fire and kinds of policies are provided.

Marine insurance is a contract between insurers and insured whereby the insurer undertakes to indemnify the insured in a manner and to the interest thereby agreed, against marine losses incidental to marine adventure. The old form of policy has been practised today due to its practicabilities which took after a numerous legal decisions during the past centuries. It has been practised that only form of policy is standardized and different clauses are added for applying for various types of policies.

Motor insurance got recently a great momentum. In the older times persons who were injured or killed by the negligence of the motorists, could not get financial redress either to them or to their legal heirs because no scheme of insurance was present at that time. The policies under motor insurance are Act Liability only, Third Party only and Comprehensive Policy.
Miscellaneous insurance is as essential as fire insurance, as it enables them to recoup the losses suffered by them consequent on burglary or house breaking. In addition to the burglary policy, other types of policies giving wider covers also have been devised by the burglary department. The main types of policies are Business Premises Policy, Private Dwelling Policy, Jewellery and Valuable Policy, All Risks Policy and Money in Transit Policy.

CHAPTER IV

The working results are analyzed and the impact of the presence of the United India Insurance Company Limited on the coverage of general insurance in Dindigul is ascertained. This chapter covered the trend analysis of the number of policyholders, insurance premium collected, claim paid and claim ratio of fire insurance, marine insurance, motor insurance, rural insurance and miscellaneous insurance.

In the case of fire insurance, the company is more concentrated on the number of policy that is promotion than on premium income. It is observed that the company is functioning efficiently and effectively. It is found that the United India Insurance Company Limited maintains an average fire insurance claim ratio of 61.15 per cent during the study period. In all the years of the study period, the company showed a very good performance in terms of amount of premium collected and claim paid on marine insurance. The amount of claim of miscellaneous
insurance compared with the amount of premium collected, the claim made is less than premium collected during the study period. The study revealed that the United India Insurance Company Limited maintains an average rural insurance claim ratio of 39.58 per cent during the study period. It is observed that the United India Insurance Company Limited, Dindigul Division is in a position to cover the claim within the premium. The study suggests that the United India Insurance Company should take necessary precautionary measures at the time of scrutinizing the proposals and processing the claims to increase the profit.

CHAPTER V

In this chapter, the extent of satisfaction derived by the employees has been measured with the scale called ‘Employees Satisfaction Scale’. Based on the scores, the employees are divided into three groups namely those with low satisfaction, those with medium satisfaction and those with high satisfaction. A brief summary of findings is given below.

The average satisfaction score of the sample respondents was 68.67 out of the maximum score of 135.

The young-aged respondents have derived more satisfaction than the middle and old aged respondents.
The employees with school level of education are having high level of satisfaction than the employees with under graduate and post graduate education. Unmarried employees are having higher satisfaction than the married employees. The satisfaction on the working factors in insurance company is high for the respondents of the scheduled class than in the case of the others.

The group of respondents who are working for a long period has a high-level satisfaction against the other groups. The medium-sized family respondents are having a high level of satisfaction, whole the high income groups of respondents have high level of satisfaction

The percentage of high-level satisfaction is high among employees who are not members of trade unions and the percentage of low-level satisfaction is low among employees who are members of trade unions.

Eight factors are identified and their influence on satisfaction has been analysed. The influence of each factor has been tested with the help of the Correlation Co-efficient. The result of this analysis shows that the following four factors have significant relationship with the level of satisfaction.

a) Age

b) Marital Status
c) Income

d) Membership

Multiple Regression Analysis of four significant factors revealed that Age, Marital Status, Income, and Membership had significant influence on satisfaction when the influence of other factors was kept constant.

CHAPTER VI

In this chapter, the extent of satisfaction derived by the general insurance customers has been measured with the scale called customers’ satisfaction scale. Based on the scores, the customers are divided into three groups namely those with low satisfaction, medium satisfaction and high satisfaction. A brief summary of the findings is given below;

The average satisfaction score of the sample respondents is 65.55 out of the maximum of 135. It is found that high utilisers are more satisfied and the low utilisers are less satisfied on the various functioning of the United India Insurance Company. The average satisfaction score of the customers with primary level education is higher than those of the other groups. The study revealed that unmarried customers are more satisfied than their counterpart.
The analysis indicated that the satisfaction on the working factors in insurance company is high for the respondents having fire insurance policy than in the case of the others. The percentage of respondents with high level of satisfaction is the highest among the old aged group. This indicated that the satisfaction increases with the increase in age of the customers.

It is found that agriculturist-customers are more satisfied than their counterparts. The study indicated that customers belonging to small families are highly satisfied with the functioning of the United India Insurance Company than the other two categories of respondents. The study revealed that the percentage of highly satisfied is the highest among the customers having policies above one year term. It is observed that the percentage of low satisfied is the lowest among the forward caste respondents.

The highest percentage of highly satisfied customers is among customers who had medium period of experience. The study revealed that the percentage of highly satisfied respondents is the highest among the customers who have awareness of the various products.
Twelve factors are identified and their influences on satisfaction have been analyzed. The influence of each factor has been tested with the help of correlation co-efficient. Among the factors tested, the following are the significant influences on satisfaction.

a. Utilization
b. Education
c. Marital Status
d. Nature of Policy
e. Income
f. Occupation
g. Size of family
h. Policy term
i. Period of Experience
j. Awareness

The above statistical tests have proved that the following factors do not influence satisfaction.

a. Age
b. Social Status

Stepwise multiple regression analysis of six factors reveals that Utilization, Period of Experience, Size of family, Policy term, Marital Status and Awareness have significant influence on satisfaction when the influence of other factors are kept constant.
SUGGESTIONS

On the basis of the information obtained from the employees and policyholders, the researcher feels that it is his duty to offer some salutary suggestions for enhancing better customer service and more efficient functioning of the United India Insurance Company Ltd.

As policyholder’s awareness has been found to influence their level of satisfaction, the insurance company should come forward to present advertisement in regional languages. It will create awareness in the minds of the public at large. It was also felt that the pamphlets containing the details of the schemes be further improved with more information, and the policies and other details may be printed and given in vernacular to serve the purpose of the people not knowing English.

Customers meet may be arranged at least twice a year to receive grievances of the customers and to meet their expectations at divisional level.

Liberalization will result in better customer service and will help improve the variety and price of insurance products. Efficient marketing strategies should be developed to reach the unreached. Operations such as pricing, risk management, marketing and plans and decisions must be made more prudent and open to every lowly.
It is true that the management policy that the customer is always right has to be upheld without any doubt. But there is need of a public awareness of the special difficulties faced by the employees because they have to meet declines and might be working in an atmosphere of tension and turbulence. Let the customer do his best to make a large allowance for some lapses of the employees whom they meet for various reasons on occasions.

The insurance company should try to develop business in the new products of miscellaneous insurance. It can be achieved by way of providing proper training to the field officers and agents.

The study suggests that the United India Insurance Company should take necessary precautionary measures at the time of scrutinizing the proposals and processing the claims to reduce the amount of bogus claim.

The company should take necessary steps to settle the claim in time. It will bring mental satisfaction to the policyholders.

The business hours of the office could be extended upto 5 p.m. in stead of 4 p.m.
It is necessary to simplify the claim procedure. This will create a confidence in the minds of policyholders.

The development officers and managers should pay frequent visits to the business premises which are insured, to verify the precautionary measures taken by the business people to prevent and avoid the perils. In turn, the accidents and claims may be considerably reduced.

The present study enforces the revision of fire and motor insurance premium for the survival of the insurance company. It is also suggested that the terms and conditions of policy and its claims should be redrafted.

It is found that the unclaimed bonus is available only for motor insurance. The present study suggests that the unclaimed bonus may be extended to all types of insurances. This will reduce the unnecessary claims.

It is suggested that the general insurance companies have to take steps for improving the job satisfaction of the employees, which will be beneficial for the managements, employees and policyholders. The job satisfaction among the employees can be improved by way of providing adequate monitory and non-monitory benefits.
It is also suggested that the general insurance companies have to chalk out various social welfare schemes for their employees like arranging the health checkup, establishing tie-ups with the medical and educational institution for the benefit of the employees and their family members. It will help them to enrich their social life even outside the working hours and working place.

The trade unions have to develop and implement the program that strive the changes in the social and economic life of the employees. The trade unions themselves have to organize schemes to improve health and hygiene of the employees and interpersonal relationship between the employees. Special session have to be organized for the union leaders to influence the social as well as the economic life of the members of the trade unions due to which the employees will get chances to improve in their social life also.

It has been suggested that to increase the efficiency of the employees and create an interest in the work, suitable promotional opportunities have to be given to the employees. The seniority along with efficiency may he considered for the promotion of the employees for higher positions in the organisation. In addition to this, whenever new methods are introduced, the employees may be given suitable training to cope with the changes. To encourage the employees to undergo the training, incentives may also be offered to them. The opportunity for
promotion and training given to the employees for improving their
efficiency will increase the level of satisfaction.

CONCLUSION

The present study has made an attempt to study the factors
influencing the level of satisfaction of the employees and customers of
the United India Insurance Company Limited. Though the employees
of this industry are engaged in providing protection against financial
loss in a great variety of situations, there is a general feeling among
the employees that they have not been properly and adequately
recognized. And to create a cordial atmosphere and smooth
relationship between the insurance company and the customers, it is
essential to satisfy the need of the latter. The researcher strongly
believes that if all the suggestions are carried out, the insurance
company may become an instrument of development for the economic
welfare of the country.