CHAPTER X

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

The research findings recorded at various quarters in the preceding chapters of the present research report are consolidated in this final chapter. A capsule of the findings of the study are furnished in the following passages.

FINDINGS OF THE STUDY

The study area, Kamarajar District in Tamilnadu State (India) is a seat of leading business centres, and all scales of industries - small, medium and large. The uniqueness is that it is one among a few districts in the State for the centre of trading and industrial firms having hazardous and more hazardous properties. Thus, there is a good scope for the marketing of fire insurance service in the district. In Kamarajar District, the existing demand is served and potential demand is tapped by a network of five divisional offices, and 14 branch offices of the four subsidiaries of the General Insurance Corporation of India (GIC), namely, United India Insurance Company, New India Assurance Company, Oriental Insurance Company and National Insurance Company.
ANALYSIS OF FIRE INSURANCE MARKET IN THE STUDY AREA

TOTAL FIRE PREMIUM (1987-89)

A significant revelation is that all the four insurance companies have registered a growth of 34.78% in total fire premium in 1988 when compared with the corresponding figure in 1987. But in 1989, the volume of fire premium sustained a reduction of 10.04% as against 1987, the main reason being the growth of small scale industrial units for which the fire premium has been reduced to the rock bottom.

TOTAL NUMBER OF FIRE POLICIES

In regard to the total number of fire policies marketed by the four subsidiaries, a growth rate of 22.52% has been achieved in 1988 when compared to the year 1987. The year 1989 witnessed a growth rate of 33.91% as against the corresponding figure in 1987.

FINANCE BACKED POLICIES AND VOLUNTARY POLICIES

The average ratio of sales of fire policies based on institutional finance and voluntary awareness for the year 1987 for all the four companies was 76.49:23.51; for 1988 - 78.49:21.51 and for 1989 - 76.38:23.62. It shows that the number of voluntarily taken policies has lagged behind the finance backed policy.
FIRE POLICIES FROM NEW CLIENTS

New clients also include the existing clients of other insurance companies. The investigation discloses that the average ratio of fire policies effected absolutely from new people (not the existing clients of other companies) to the existing clients for the four companies, namely, United India Insurance Company, New India Assurance Company, Oriental Insurance Company and National Insurance Company for the three years of 1987, 1988 and 1989 has been 81:19, 80:20, 90:10 and 75.65:24.65. It is lucid that the policies covered from new clients are ahead of the policies covered from the existing clients.

NUMBER OF CLAIMS ENTERTAINED

It is observed that New India Insurance Company has entertained more claims (264) as against the other three companies, followed by Oriental Company (243), United India Company (140) and National Insurance Company (65).

RELATIVE POSITION OF CLAIMS SETTLED AND NOT SETTLED

A noticeable feature is that the number of claims settled exactly for an amount for which they are filed are found to be greater than the number of claims unsettled in all the three years, namely, 1987 (213:45), 1988 (198:54), and 1989 (217:75). A telling finding is
that in the year 1989 as against the preceding two years, the proportion of unsettled claims to settled claims rose markedly.

FIREF POLICIES WITH SPECIAL CLAUSE

An analysis of the market share of fire policies with special clauses divulged that such share was microscopic in all the three years (1987 to 1989) for all the four types of policies with special clause. Especially in regard to 'loss of profit policy' no policyholder has procured it in the year 1990. Only New India Company has surged forward in the market in selling 'reinstatement value policy' in all the three years, followed by Oriental Company, United Company and New India Company.

RATIO OF FIRE PREMIUM TO TOTAL PREMIUM

A notable finding is that the contribution of fire insurance premium to the total general insurance premium alone has constituted an average proportion of 33.91%, 32.86%, 36.95% respectively for the years 1987, 1988 and 1989. It is perspicacious that the percentage share of fire premium claims a little over 1/3 of the total premium collected by all the four companies in the study area.
II CENSUS STUDY OF DEVELOPMENT OFFICERS

The development officers are in direct contact with the clients and the potential policyholders, and serve as an official liaison between the general insurance company and the public. The onerous responsibility of carrying the different products in general insurance along with the squad of insurance agents lies on development officers.

A. MARKETING ORIENTATION AND PRACTICES OF DEVELOPMENT OFFICERS

KNOWLEDGE OF DEVELOPMENT OFFICERS IN FIRE FOLIO

An analysis of development officers' sources of knowledge about the fire insurance brings to light that training course organised by the insurance company is the predominant source followed by reading fire insurance manual, and field training.

APPROACH TO PROSPECTIVE POLICYHOLDERS

It is the observance of the study that the development officers have mainly collected the names of the prospective fire policyholders from the source of 'existing policyholders', followed by 'centres of influence'. A noticeable observation is that a great majority of 83.33% of the development officers have contacted the fire
prospects as a routine matter. While an appreciable portion of the development officers have approached the prospective policyholders through relatives and friends of the former, 26.19% approached them with the assistance of the existing policyholders. The approach through financial institutions also serves as a mode of contacting the prospects (16.67%). "Cold calls" also help the development officers in approaching the prospects for fire policies.

**APPROACHES TO POLICYHOLDERS OF OTHER COMPANIES**

It is an usual practice of the development officers to hit the vulnerable area of service of other insurance companies for converting the renewal fire policies to their favour. The survey discloses that all the development officers in the study area, as their routine function, have approached the fire policyholders for the sake of canvassing fire policies.

**COURTESY CALLS TO POLICYHOLDERS OF OTHER COMPANIES**

It is observed that instead of making direct business calls, the development officers make courtesy calls to the prospects and clients and convert such calls into business calls later. A vast majority of the development officers (88.10%) make such courtesy calls. Further, 44.15%
of such development officers are benefitted from these calls by securing upto 10% of their fire business canvassed in a year.

B. BUYING BEHAVIOUR OF FIRE POLICYHOLDERS - DEVELOPMENT OFFICERS' VIEW

PRODUCT KNOWLEDGE OF FIRE POLICYHOLDERS

The hallmark of the study is that according to the views of 47.62% of development officers, the policyholders were satisfied over the provision of necessary details of the various kinds of fire policies. And, 35.71% have reported the eagerness of their clients to gain complete knowledge. Only a meagre 16.67% have expressed the slackness of their policyholders to acquire adequate product knowledge. It is a significant revelation that a majority of the development officers (59.54%) have rated the grasping power of their clients and prospects as 'good' - their understanding of different classes of fire policies in right perspective.

REASONS FOR MULTIPATRONAGE OF FIRE POLICYHOLDERS

It is observed that the policyholders have procured fire insurance policies from more than one insurance company. An analysis of the reasons for such diffused patronage lays open that a sensible proportion of the development officers (32.65%) have cited the genealogical
relationship of the policyholders with the insurance persons as the prime reason for multi patronage, followed by 30.65% responses for availing of excellent service by creating competition among the insurance companies, and 30.63% responses for securing bank finance.

RENEWAL OF FIRE POLICIES

A large chunk of 83.33% of the development officers affirmed that their clients renewed their voluntarily taken fire policies regularly. The investigation unwraps policyholders' citation of reasons for the irregularity in the renewal of fire policies by the remaining 16.6% of the development officers (12 in number). Of the development officers reporting irregularity, 50% and 41.67% respectively have attributed the irregularity to policyholders' negative attitude towards renewal, it means, regarding such renewal as a sheer waste, and to feeble business condition.

COMPETITION

An important finding is that there is a fierce competition among the four general insurance companies in the fire insurance market. The survey indicates the development officers' rating of the degree of competition prevailing in the fire insurance market. It is a manifestation that a perceptible proportion, namely, 42.85%
rated the competition as 'moderate'; 35.73% rated as 'severe' and only 21.42% scaled it as 'mild'.

RESULTS OF APPROACHES TO PROSPECTS

The analysis of survey data on the score of the result of development officers' approaches to prospective policyholders unfolds that 78.57% of the officers have succeeded in their first approach itself, to secure fire insurance policies. The development officers ranked several facts for securing the fire policies from the prospective fire policyholders in their maiden approach. They have evaluated that the "ardent salesmanship of the development officers" holds the first rank (132 points), and the policyholders' possession of hazardous nature of properties has been accorded the second rank (120 points).

C. AFTER SALES SERVICE (WHEN THERE IS NO CLAIM)

It is ascertained that the development officers have made a follow up with the policyholders through an excellent series of aftersales service. A majority of them, namely, (53%) have made courtesy calls after the sale of policies. The study has noted the priorities accorded by the development officers for the aftersales service before a claim by a ranking method, and the results of such ranking are as follows:
(i) Timely issue of renewal notice (183 points)
(ii) Quick issue of renewed policies (124 points)
(iii) Assistance in the alteration of fire policies (118 points)
(iv) Providing the latest information about fire policies (103 points)
(v) Giving proper answers to the queries raised (102 points)

DISSATISFACTION WITH AFTERALES SERVICE (NO CLAIM)

It is a dismal feature that 42.86% of the development officers have earned the displeasure of the clients owing to the dissatisfaction of the latter over the services of insurance company in other classes of general insurance like marine and motor vehicles, and 40% of the disgruntled policyholders attributed their dissatisfaction to the insurance company's delay in the issue of renewal notice and renewal policy.

DISSATISFACTION OVER AFTERALES SERVICE (WHEN THERE IS A CLAIM)

It is found that only 21.43% of the (total number of) development officers have encountered the clients' dissatisfaction at the time of fire claim. It is a revelation that 42.86% of the development officers who
on the clients' discontent in claim service ascribed the cause to their disappointment in part settlement of fire claims. Further, 28.57% pinpointed the policyholders' practice of taking under insurance, and 21.43% alleged the inefficient service of the insurance personnel in claim settlement as the causative factors for the policyholders' disgust at the settlement of fire claims.

**REASON FOR NOT ACHIEVING THE TARGET IN FIRE FOLIO**

It is ascertained that 27.27% of the development officers are unable to achieve their fire target on account of being their existing business captured by the other insurance companies. And, 36.37% have reported that their concentration on other classes of general insurance like marine and motor insurance as the main reason for their failure in achieving the target in fire insurance.

**SHORT TERM POLICIES**

A majority of the development officers (59.52%) have acquired good experience in selling short term fire policies.

**SPECIAL FIRE POLICIES**

It is a sordid state of affairs that an appreciable portion of the development officers representing 45.23% have no experience at all in selling fire policies with special clause.
EFFECTIVENESS OF ADVERTISEMENT

A vast majority of 73.81% of the development officers have reported that the current advertisement programmes of the four insurance companies are quite ineffectual in the promotion of fire insurance business.

III SURVEY OF FIRE INSURANCE POLICYHOLDERS

In the midst of a negative climate existing in fire insurance marketing, an attempt was made to investigate on fire policyholders' degree of awareness, knowledge about different categories of fire insurance policies, pattern of taking fire policies, shifting of patronage, renewal of fire policies as well as their views on the service of top level marketing executives, development officers and agents at the time of claims and the scope for the introduction of new types of cover in fire insurance.

POLICYHOLDERS' KNOWLEDGE ON FIRE POLICIES

Since insurance is a product which is beyond the technical competency of the policyholders, they found it difficult to comprehend the details of fire policy. They are in need of only the essential details of the policies. It is the observance of the study that a majority of (50.33%) policyholders are not in need of the
full details of fire policies. From the analysis of survey data, it is found that a majority of 61.58% of sample policyholders have regarded their present level of knowledge about fire insurance as 'enough'. Further 19.21% each have admitted that they have gained no experience at all in claims, and they have had an interest in the procurement of the policies just to comply with the bank norms. And the last two factors are responsible for the policyholders' unwillingness to know full details of the fire policies.

The enquiry instituted towards the policyholders' sources of knowledge about fire insurance has brought into limelight the following sources through ranking technique:

(i) Development officers and agents (1,199 points)
(ii) Policy documents and literature (840 points)
(iii) Top level executives of general insurance company (636 points)
(iv) Books on fire insurance (325 points)

The investigation has brought to sharp focus that a great majority of sample policyholders (82.67%) have gained nothing as an addition to their existing knowledge in fire insurance from the current advertisement patterns of the four general insurance companies. When the sample
policyholders are requested to rate their knowledge in fire folio, 47% of them have rated it as 'medium' 40% as 'high' and only 13% as 'low'. The highlight of the analysis is that no policyholder is conversant with all the details of the different fire policies.

B. POLICYHOLDERS AT PURCHASING AND AT OPERATION ZONE STAGE

SINGLE COMPANY PATRONAGE

Of the three hundred policyholders interviewed, 77.33% have kept single company patronage in taking fire policies. A majority of such policyholders (56.19%) are satisfied over the service of the particular company, and therefore, they cherish the 'one company' patronage. Compulsion by the financing institution, genealogical and friendship relation of the policyholders, influence of sentiment and quick settlement of claims are also the other valid reasons enumerated for the single company patronage.

MULTI COMPANY PATRONAGE

A sensible number of policyholders (68) have 'multi company patronage' in procuring fire policies. The predominant reason as cited by the policyholders (51.11%) for the diffused patronage is their intention of availing of the best service from the competitive spirit among the different companies. Furthermore, the compulsion of
the financing institution, genealogical and friendship commitment to insurance persons and coincidence of need for policyholders and approach of the insurance persons are the other reasons offered for the diffused patronage.

**COINSURANCE**

The investigation unveils that a meagre percentage of policyholders (4.33%) have had coinsurance policies. The factors that have prompted them to resort to coinsurance 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 their inclination to avail of good service (36.84%).

**RENEWAL OF FIRE POLICIES**

A great majority of policyholders (93.18%) voluntarily ceding fire policies have renewed them at the expiry of the agreed period. Only a slender portion of them (6.82%) have not renewed the policies by dint of the following:

(i) Thinking that policy renewal is a financial burden (a large majority of 66.68% policyholders)
(ii) Earlier fire policies were taken at the spur of the moment (20%)
(iii) Menace created by fire mishaps in the nearby places of the policyholder (6.66%)
(iv) Treating fire insurance as a waste (6.66%).

C. ATTITUDES OF INSURANCE PERSONS - POLICYHOLDERS' VIEW

A telling finding is that an overwhelming majority of the policyholders (83.67%) are satisfied over the approaches of the development officers. However, a little over 16% have charged that the development officers are lacking thorough knowledge of different policies in fire folio. And at times, they are also found to be very apathetic towards settlement of fire claims.

AFTERSALES SERVICE (NO CLAIM)

An important finding is that a great majority of the policyholders have been satisfied in general over the aftersales service of general insurance agents (78.26%), development officers (81.66%) marketing executives and administrative staff (90.53%). Chiefly, they are discontented only with the delay in the delivery of fire policy documents.
APPROACHES OF INSURANCE PERSONS OF OTHER COMPANIES

The investigation has brought to limelight that 53% of the fire policyholders have relished the approaches of insurance persons from the marketing department of other insurance companies to get fire policies. The policyholders who liked such visits of insurance persons of other companies enumerated the following reasons:

(i) To obtain more information of fire insurance (56.08%)
(ii) To know the avenues of new services (21.60%)
(iii) To verify the services of the company in which he currently keeps his patronage (20.45%)
(iv) To seek the assistance in claim settlement (1.89%)

The factors that caused the policyholders' disliking of such visits are:-

(i) Intention of retaining the existing patronage
(ii) Satisfaction over the present service (30.41%)
(iii) Consideration of the visit a sheer waste (24.23%)
(iv) There is a fixed premium rate for all the four insurance companies, hence their thinking of no advantage in premium rate (3.60%).

FIRE CLAIMS

A significant revelation is that only 17.67% of the policyholders have lodged fire claims, and got them
settled. A palpable proportion of such policyholders constituting 43.75% and 40.62% respectively have filed only small and medium size claims. Among the policyholders who have filed fire claims, 28.67% confronted with hardships of varied kinds. Of these, the belated settlement is the principal problem of a majority of complainants (55.86%). It is an exposure that 70% of the belated settlements are the outcome of procedural delay of the insurance company.

KNOWLEDGE ON POLICIES WITH SPECIAL CLAUSE

It is found that the policyholders' knowledge on varied classes of fire policies with special clause is poor. An outstanding characteristic of the study is that a commanding proportion of the policyholders do not know the existence of such policies. To illustrate, 79% of the policyholders are quite unaware of the existence of 'reinstatement value policy', 96.67% - 'floating policy', 93.33% 'declaration policy' and 98% 'loss of profit policy'.

SCOPE FOR THE INTRODUCTION OF NEW COVERS IN FIRE FOLIO

An attempt was made during the study to ascertain the attitude and reception of the sample policyholders towards long term fire policies, namely, policies with a term of more than one year, though currently the general insurance companies do not have any idea at all to
introduce them in the market. At this juncture, it is to be noted that long term fire policies are very popular in Japan. An important finding is that only 24.33% of the sample policyholders have welcomed the launching of long-term policy. It is unpopular from the viewpoint of the policyholders by reason of the following:

1. Policyholders' financial commitment for a longer period

2. Possibility of only scanty calls of the Development Officers/Agents

3. Some policyholders, who take fire insurance on their plant and equipment bought with bank finance, will drop fire policies after the repayment of the loan. If they take long term policies and the loan is repaid to the bank in the intervening period of the policy, they have to lose the premium for the remaining period during which they would have no intention to continue the policy.

But, the reception among the policyholders for long term 'refundable policy' is excellent, because after the end of the stipulated period, they will get back the premium paid. The study highlights that 59.33% of the policyholders have warmly welcomed the introduction of the long term 'refundable policy' though it entails a financial commitment for them.
IV EXTERNAL SALES FORCE - INSURANCE AGENT

The observation study made in the study area on the agents' contribution to fire insurance marketing unfolds that the agents' role is quite obscure.

The general insurance companies are in need of a large number of assiduous and diligent agents, supporting the development officers to exploit the vast potential of untapped market in the study area in fire business. But, most of the development officers confront with a scanty number of active agents. Further probe into the matter reveals that a majority of the development officers (50%) have only one agent carrying general insurance as their full time career.

KNOWLEDGE OF AGENT

A close scrutiny of the agents' technical competence and knowledge on fire insurance in the study area discloses that their knowledge is very poor. The survey of the development officers in this regard also confirms the paltry knowledge of the agents' in fire folio.

EXISTENCE OF INACTIVE AND DUMMY AGENTS

The agents derive slender income from fire insurance and other folios. In order to augment their income, they have to side track from their career and go for some other
ventures. And, in course of time, they quit the general insurance career. Thus, there is considerable loss of manpower for innovative marketing in fire insurance.

Further, the appointment of dummy agent by big clients for the sake of retaining commission on fire premium for themselves is another lacuna left in the marketing of fire insurance in the study area.

4. LOW RATE OF AGENTS' COMMISSION

At present, the general insurance companies pay to the agents, 5% commission on fire premium collected by them. Responses elicited from the general insurance agents pinpoint that the rate of commission for the agents could well be raised at least to 10% for better performance in fire folio.

5. ABSENCE OF BASIC REMUNERATION

In order to make the agents to be active in the field, a basic minimum remuneration may be paid to them. This would establish and enhance the confidence of the agent in his job, and go with full vigour for an extensive hunt in the marketing of fire insurance.

6. CONCENTRATION ON OTHER TRADITIONAL AND NON TRADITIONAL INSURANCES

The agents found that with little effort they could canvass marine, motor and other non-traditional businesses.
Therefore, they concentrate on such areas and neglect fire folio.

7. PROVISION OF INSUFFICIENT SELLING APPARATUS FOR FIRE POLICIES

The general insurance companies in the study area did not provide for proper selling apparatus like fire manuals, hand brochures and rate tables to the agents. This drawback makes the agents to make half-baked attempts in approaching the prospects, and they met with fiasco quite often.

8. NO CORDIAL RELATIONSHIP BETWEEN THE AGENTS AND THE DEVELOPMENT OFFICERS

The development officer treats the agent only as an aid in achieving his target instead of reckoning him as a strong external force in insurance marketing.

To recapitulate, the agents' role in fire insurance marketing is quite insignificant, and the agency force has to be bolstered up and strengthened in all aspects of fire insurance marketing in the study area.

V. SURVEY OF FINANCING INSTITUTIONS (BANKS)

It is ascertained that the volume of fire policies with bank clause is greater than that of the insureds' voluntarily taken policies. Additionally the banker, is the first insured (party availing himself of the bank
finance is the second insured) in all the bank clause policies. Any settlement of fire claim is made only to the banker. The power of choosing an insurance company, to secure fire policy in a bank clause policy is given to the party raising finance from the bank. When the party concerned is not interested in such affairs, then the banker has to do the job of taking the fire policy. Therefore, it is imperative for the bank managers to possess certain working knowledge on fire insurance. The study sheds light on the role of the commercial banks in fire insurance marketing.

**Bankers' Knowledge on Fire Insurance**

The bankers have gained knowledge through the following sources (on a ranked basis):

(i) Information through development officers and agents
(ii) Policy documents
(iii) Visits of top echelons of the insurance organisation
(iv) Training imparted by insurance officials
(v) Reading books on fire insurance.

In regard to policies with special clause, the knowledge of the banker is very poor. A majority of them (81.82%) do not know even the basic features of such policies.
CRITERIA FOR YIELDING FIRE BUSINESS TO INSURANCE COMPANIES

The holding of current account by the general insurance company with the commercial banks in the study area is one of the criteria for bankers' ceding fire business to a particular insurance company. Proximity of the insurance office to bank branches is yet another criterion for yielding fire business to a certain insurance company.

KIND OF PATRONAGE

A great majority of bankers (74.36%) have cherished the multicompany patronage. The rationale behind such patronage is to create competition among the insurance companies, and by that, to avail of good service (51.58%) from the insurance companies.

SHIFTING PATRONAGE

A sizable number of bankers (13) have shifted their existing patronage to the other insurance companies. It is found that the major reason for such shifting is the failure of general insurance companies to issue the renewal notice and renewal policy in time.

AFTERSALES SERVICE (NO CLAIM)

Maximum number of the bank managers (48.72%) have rated the aftersales service of the insurance company as 'good', followed by 35.90% as 'average' and 15.38% as 'poor'.
AFTERSALES SERVICE - CLAIM

Upon the service of the insurance company in fire claim, 56.41% of the sample bankers have lodged fire claims and a majority of them (59.10%) have given satisfactory remark for claim service. Responses from bankers who filed claims constituting 34.78% have indicated dissatisfaction owing to belated settlement, followed by another 34.78% have pinpointed ineffective inspection of risk; 26.08% - absence of good liaison between the development officers and the clients; and 21.75% - procedural delay in the settlement of fire claim.

7. PROBLEMS IN THE MARKETING OF FIRE INSURANCE

PROBLEMS FACED BY THE GENERAL INSURANCE COMPANIES

(i) The relative lower frequency of the fire claim as against marine, motor and other classes of general insurance is a major reason for the limited exposure of fire insurance in the study area.

(ii) The insurance company is averse to tap fire business of smaller amounts, and they evince greater interest in securing large business with bank clause policies.

(iii) The absence of potential market survey in fire folio hampers the insurers to make a methodical approach in tapping the potential demand for fire insurance.
(iv) The dearth of manpower both in the external and internal forces of marketing serves as a stumbling block in making an extensive hunt for fire policies.

(v) The advertisement for fire insurance is quite inadequate and ineffective in the study area.

(vi) The outlook of the insureds to practise underinsurance afflicts the volume of fire business markedly.

(vii) The introduction of concessional rate of fire premium for small scale industrial units has hindered the development force in reaching the target. And, they have to strive hard for more policies in compensating the loss of premium, on account of the introduction of reduced rate to small industrial units.

(viii) The volume of fire business taken for residential houses, and for the household appliances and equipment is not upto the mark in the study area.

(ix) Some fire policyholders yield only to the approaches of the development officers, who belong to their own community. The communal feeling mars the initiative of some energetic development officers.
PROBLEMS OF DEVELOPMENT OFFICERS

(i) It is a disclosure that some development officers according to the views of policyholders (16.33%), have insufficient knowledge in fire folio.

(ii) The constraint of achieving the target has made the development officers to run after only big hits of premium rather than to adopt a methodical approach in the arena of marketing of fire insurance.

(iii) The development officers could get marine, motor and other general insurances with less effort when compared to the endeavour they cultivate in canvassing fire policies. So, they concentrate on categories of general insurances other than fire.

(iv) The strained relationship existing between the development officer and the administrative staff (for claim settlement) leads to an extraordinary delay in the settlement of fire claims, and thus the development officers sustain loss of business.

(v) The development officers who have shown remarkable performance in fire premium are not given due incentive that thwarts them to scale new heights in fire insurance business.
PROBLEMS OF AGENTS

The observation study of the general insurance agents unveils their insignificant role in fire insurance marketing owing to the following lapses:-

1. The agents suffer from inadequacy of knowledge in fire folio.

2. A majority of the agents do not carry on the agency in general insurance as their full time career.

3. The absence of a fixed amount of minimum remuneration to the agent inhibits their enthusiastic service.

4. The existing rate of commission paid to the agents (5%) is not commensurate to their work.

5. The existence of inactive and dummy agents serve as a major hurdle in making a creative hunt for the fire policies by the agents.

SUGGESTIONS

The suggestions that would improve the fire insurance market in the study area both in qualitative and quantitative terms can be classified into two categories:-

(i) Suggestions for improvement in the existing marketing structure.
(ii) Suggestions for the introduction of innovative schemes for the betterment of the fire market in the study area in future.

SUGGESTIONS FOR IMPROVING THE EXISTING MARKETING STRUCTURE

1. The small fire business which remain untapped must be exploited by escalating the endeavour of the marketing force-along that line gearing up both the internal and external marketing force. Towards this direction, a 'potential market survey of premium' may be undertaken.

2. The existing number of development officers operating in the study area may be hiked, since the manpower currently employed is not full for making an extensive effort in marketing fire insurance.

3. Instead of dissipating the marketing effort in attempting to dislodge the existing fire business of other insurance companies, the development department could well concentrate on new business.

4. The efficiency and timeliness in claim service can be assured of by a series of good aftersales service.

5. Training programme may be chalked out both for the development officers and agents to equip them with updated knowledge in fire insurance.
6. The agents' commission on fire folio may be raised for a better performance on their part. The practice of appointing dummy agents must be got rid of, and ardent and active persons must be appointed as agents to tap the potential demand in fire folio.

SUGGESTIONS FOR LAUNCHING NEW INNOVATIVE SCHEMES FOR THE BETTERMENT OF FIRE INSURANCE MARKET

For the purpose of innovative marketing, the following seven suggestions emanated from the development officers have been obtained as their responses. In order to ascertain the importance of each of their own suggestions, rating scales were used.

1. A separate marketing executive at the Divisional Office level is necessary to develop fire insurance market in the study area.

2. Awareness to fire insurance can be created through advertisement campaign organised at district level.

3. Special incentives to be offered to development officers and agents showing outstanding performance in selling fire policies without bank clause.

4. Paying the insurance agents a minimum guaranteed remuneration would develop the fire market for voluntary policies.
5. No claim bonus may be allowed on a slab system for every completion of 12 months, segregating risks involved.

6. The introduction of savings linked fire policy would persuade the middle class people to cede fire policy.

7. The fire policy conditions and warranties may be printed in the local vernacular language.

The responses obtained for the above suggestions from the development officers indicate the degree of their agreement with each of the aforesaid seven suggestions. A striking disclosure is that an appreciable proportion of the development officers, that is to say, 33.13%, 57.15%, 45.24%, 47.63%, 61.92%, 40.49%, and 76.2% respectively have 'STRONGLY AGREED' with each of the above suggestions. The following table highlights the distribution of development officers' responses for the degree of their agreement with each of the foregoing suggestions offered.
<table>
<thead>
<tr>
<th>Suggestion</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neither nor disagree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A separate marketing executive at the Divisional Office level is necessary to develop fire insurance market.</td>
<td>14 (33.33)</td>
<td>17 (40.48)</td>
<td>3 (7.14)</td>
<td>3 (7.14)</td>
<td>5 (11.91)</td>
<td>42 (100%)</td>
</tr>
<tr>
<td>2. 'Awareness' to fire insurance can be created through advertisement campaign organised at district level.</td>
<td>24 (57.15)</td>
<td>13 (30.95)</td>
<td>2 (4.76)</td>
<td>1 (2.38)</td>
<td>2 (4.76)</td>
<td>42 (100%)</td>
</tr>
<tr>
<td>3. Special incentive scheme is to be introduced for development officers to improve the fire business without bank clause.</td>
<td>19 (45.24)</td>
<td>9 (21.43)</td>
<td>7 (16.67)</td>
<td>3 (7.14)</td>
<td>4 (9.52)</td>
<td>42 (100%)</td>
</tr>
<tr>
<td>4. Paying the insurance agents a minimum guaranteed remuneration will develop the fire market for voluntary policies.</td>
<td>20 (47.63)</td>
<td>11 (26.19)</td>
<td>3 (7.14)</td>
<td>2 (4.76)</td>
<td>6 (14.28)</td>
<td>42 (100%)</td>
</tr>
<tr>
<td>5. No claim bonus may be allowed on slab system for every completion of 12 months segregating risk involved.</td>
<td>26 (61.92)</td>
<td>3 (7.14)</td>
<td>1 (2.38)</td>
<td>2 (4.76)</td>
<td>10 (23.80)</td>
<td>42 (100%)</td>
</tr>
<tr>
<td>6. Introduction of savings linked fire policy by the general insurance company will encourage the middle class people to take fire policy.</td>
<td>17 (40.49)</td>
<td>6 (14.28)</td>
<td>0 (0)</td>
<td>5 (11.90)</td>
<td>14 (33.33)</td>
<td>42 (100%)</td>
</tr>
<tr>
<td>7. The fire policy conditions and warranties may be printed in vernacular language.</td>
<td>32 (76.20)</td>
<td>6 (14.28)</td>
<td>1 (2.38)</td>
<td>0 (0)</td>
<td>3 (7.14)</td>
<td>42 (100%)</td>
</tr>
</tbody>
</table>
CONCLUSION

Kamarajar District, a southern region in the State of Tamilnadu (India) can boast of with the location of prominent trading centres and all scales of industries - small, medium and large, and that have all the three categories of business properties, namely, most hazardous, hazardous and non-hazardous. On account of this unparalleled and unrivalled feature, perhaps it is the only district in Tamilnadu offering an excellent scope for the marketing of fire insurance service.

The census study of development officers and the sample survey of fire policyholders have disclosed that the efficiency in the service of the general insurance companies and the policyholders' genealogical and friendship commitment to development officers have prompted the policyholders to take fire policies from a certain insurance company. In their great zeal to accomplish the annual target premium, as the development officers run after and carve for fire policies of larger amounts, they are rather lukewarm in securing fire policies of smaller amounts. On the contrary, the survey of financing banks reveals that the efficient service of the insurance company alone counts for the banks' patronage to a particular insurance company. Most banks and policyholders respectively change their patronage from one insurance company
to another on the ground of dissatisfaction over the existing fire insurance service, and the powerful influence of genealogical and friendship relation.

The policyholders' awareness to fire insurance is only slowly rising and their knowledge about fire insurance is average. The increase in fire insurance policies both in terms of volume and amount is not commensurate to the extent of scope for fire business. Though the policyholders are apathetic towards long term fire policies, they welcome the 'long term refundable policy'. The investigation unveils that the launching of 'no claim bonus' would result in a hefty hike in the sale of fire insurance policies.

It is a sordid state of affairs that there is no effectual advertising at all for the promotion of policyholders' awareness to fire insurance. Concerning fire insurance, the ongoing patterns and programmes meant for a strident rise in the sale of fire policies are found to have ended in smoke in Kamarajar District, the study area. Any appropriate and concrete attempt on arousing the policyholders' awareness to fire insurance policy would help exploit the vast untapped potential of fire premium - as the scope for fire insurance market in Kamarajar district is stupendous. The long and the short of
the conclusion of the study is --

'The land is boundless and arable
Still there is no bumper crop'.