Chapter VI

A SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION
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6.1 INTRODUCTION

Insurance and economic development of our country moves together towards the direction of growth. Insurance companies, both life and non–life, have been playing the role of financial intermediaries and performing extremely useful functions in our economy. Insurance sector in India serves a number of valuable economic functions that are largely distinct from other financial intermediaries such as banking and mutual funds. The services sector forms a backbone of social and economic development of a region and has emerged as the largest and fastest–growing sector in the world economy, making higher contributions to the global output and employment. Global economies are progressing from industrial economies to service economies, with services sector contributing to more than 60% of jobs in many developed and developing countries. Indian economy today contributing more than half of India’s national income. Since 1980s, the share of services sector in the real GDP in India has surpassed that of agriculture and industry. Liberalisation, Privatisation, and Globalizations (LPG) have also played an important role in the growth of this sector. Consequently, the real annual growth rate in services has generally outperformed the overall GDP growth rate and the trend is likely to continue in future.

The insurance industry in India has come a long way since a long way since the time when businesses were tightly regulated and concentrated in the hands of a few public sector insurers. Following the passage of the insurance regulatory and development authority act in 1999, India abandoned public sector exclusively in the industry in favour of market – driven competition. This shift has brought about major changes to the industry. The inauguration of a new era of insurance development has seen the entry of international insurers, the proliferation of innovation products and distribution channels, and the raising of supervisory standards.

Due to the growing demand for insurance, more and more insurance companies are now emerging in the Indian insurance sector. Indian insurance industry is a flourishing industry with several national and international players competing and growing at rapid rates.
The insurance industry in India has seen an array of changes in the past one decade. The economic scenario which emerged after globalization, privatization and liberalization has thrown a new challenge before the insurance sector. Now it has to be more competitive in order to meet the needs and demands of its customers. The reforms contributed to increase the awareness of the insuring public about the wider range of choice of insurance products and the price offered by the competing insurers in the market. The customers know well about their rights and remedies, availability of various grievance redressal mechanisms, progressive decontrol and de-tariffication of pricing of insurance products, particularly in the non-life insurance segments. The technical know-how, expertise and wide experience of multinationals that have joined with the Indian companies have revolutionized almost all aspects of insurance industry in India.

The insurance industry has an important socio-economic function to discharge and as such it plays a leading role within the financial system in a country. It has a decided advantage over most other financial activities in the present economic world. It provides funds, largely in the long-term, to repair or compensate for the real value and cost of damages, accident and various losses in all fields of material activities, as well as life and health. An evolving insurance sector is of vital importance for economic growth. While encouraging savings habit, it also provides a safety net to both enterprises and individuals. The insurance industry also provides crucial financial intermediation services, transferring funds from the insured to capital investment, which is critical for continued economic expansion and growth, simultaneously generating long-term funds for infrastructure development.

This chapter is a modest attempt to bring together the summary of findings from the entire study along with the constructive suggestions for the betterment of NIAC.
6.2 OBJECTIVES OF THE STUDY

The present study is undertaken with the following specific objectives:

1. To analyse the performance of the NIAC.
2. To identify the factors influencing the policyholders to prefer NIAC.
3. To find out the problems faced by the policyholders of NIAC.
4. To study the awareness level of the policyholders about products and services offered by NIAC.
5. To ascertain the level of satisfaction of the policyholders about products and services offered by NIAC.
6. To offer suggestions for the betterment of NIAC.

6.3 HYPOTHESES

On the basis of the framed objectives, the researcher’s theoretical knowledge, discussions with field experts and from other research studies the following null hypotheses have been framed and there subjected to appropriate statistical tests.

H_01: There is no significant association between the socio – economic characteristics (Gender, Age, Marital Status, Education Status, Occupation, Gross Annual Income, Number of Policies, Premium Amount, Duration of Policy and Period of Association with NIAC) of the policyholders and their level of awareness about the products and services of NIAC.

H_02: There is no significant association between the socio – economic characteristics (Gender, Age, Marital Status, Education Status, Occupation, Gross Annual Income, Number of Policies, Premium Amount, Duration of Policy and Period of Association with NIAC) of the policyholders and their level of satisfaction about the products and services of NIAC.
6.4 SAMPLING DESIGN AND METHODOLOGY

The present study is an empirical research based on survey method. For this present study both primary and secondary data have been used. Required secondary data have been collected from websites of NIAC and IRDA. Such collected secondary data have been used to examine the performance of NIAC. Required primary data have been collected by using Multi-stage Random Sampling Method.

SELECTION OF NIAC

Non-Life Insurance consists of four public limited companies viz., New India Assurance Company Limited, United India Insurance Company Limited, National Insurance Company Limited and Oriental Insurance Company Limited. Among them, NIAC is leading company which possesses highest Gross Premium of Rs.8542.86 crores. Hence, NIAC has been selected purposively.

SELECTION OF REGION

In Tamil Nadu, NIAC consists of two region viz., Chennai and Coimbatore. Among these, Coimbatore Region covers all the districts of Tamil Nadu except Chennai. Hence, the Coimbatore Region has been purposively chosen.

SELECTION OF DIVISION

In Coimbatore Region, there are 18 Divisional Offices viz., Coimbatore I, Coimbatore II, Coimbatore III, Coimbatore IV, Madurai, Salem, Tirunelveli, Sivakasi, Trichy, Erode, Dindigul, Ooty, Tanjore, Tiruppur, Namakkal, Tuticorin, Virudhunagar and Hosur. By using Lottery Method, Erode Division has been selected. It is found that in Erode Division there are 47,776 number of policies.

SELECTION OF BRANCH

In the selected Erode Division, there are four branches viz., Erode (18,766 number of policies), Gobichettipalayam (14,004 number of policies), Dharapuram (8,378 number of policies) and Perundurai (6,628 number of policies). All these branches have been selected for the study.
SELECTION OF POLICYHOLDERS

It is decided to select 150 policyholders at random from the all four branches. Thus, total constituted 600 policyholders. All these 600 policyholders has been fixed as sample size.

6.5 COLLECTION OF DATA

For the present study both primary and secondary data are used. Required primary data have been collected with the pre-tested, well structured and non-disguised Interview Schedules from the policyholders. Required secondary data have been collected from the website of New India Assurance Company Limited and Insurance Regulatory Development Authority for the period between 1998 and 2011.

6.6 FRAMEWORK OF ANALYSIS

The present study is based on both the primary and secondary data. Collected primary data have been analysed with various statistical tools like Percentage, Chi-Square Test, Mean, Standard Deviation, ‘Z’ Test, ‘F’ Test, Factor Analysis, Cluster Analysis, Kendall’s Co-efficient of Concordance, Multiple Regression and Garrett’s Ranking. Analyses have been made with the statistical package SPSS 9.0.

Collected secondary data have been analysed with the help of Ratio Analysis, Simple Growth Rate and Trend Analysis.

6.7 FINDINGS OF THE STUDY

The following are the findings of the study:

PERFORMANCE OF NIAC

Performance of NIAC has been analyzed with the help of Gross Premium to Shareholders’ funds Ratio, Net Retention Ratio, Net Commission Ratio, Solvency Ratio, Claims Ratio, Profitability Ratio, Investment Return Ratio, Net Earnings Ratio, Expenses of Management to Gross Premium Ratio, Return on Net worth Ratio, Return on Assets Ratio, Return on Shareholders’ Funds Ratio and Shareholders’ Investment Ratio. Further performance has been assessed with the help of Simple Growth Rate.
In Gross Premium to Shareholders’ funds Ratio, it is found that the ratio of gross premium to shareholders’ funds is in between 153.58% in 1998-1999 and 110.70% in 2010-2011. It is clear that the average of GPSF ratio is 126.26%. The lowest ratio of GPSF is 92.59% in 2008-2009. The highest ratio of GPSF is 153.58% in 1998-1999. Further, it found that the growth rate of gross premium is in between 9.57% in 1999-2000 and 15.87% in 2010-2011. The lowest growth rate of gross premium is 2.26% in 2003-2004 and the highest growth rate of gross premium is 20.18% in 2001-2002. The shareholders’ fund of NIAC is in between 28.45% in 1999-2000 and 1.48% in 2010-2011. The lowest growth rate of shareholders’ fund is 1.48% in 2010-2011 and the highest growth rate of shareholders’ fund is 28.45% in 1999-2000.

In Net Retention Ratio, it is found that the ratio of net retention ratio is in between 137.99% in 1998-1999 and 114.37% in 2010-2011. It is clear that the average of NRR ratio is 126.30%. The lowest ratio of NRR is 114.37% in 2010-2011. The highest ratio of NRR is 137.99% in 1998-1999. Further, it is found that the growth rate of gross premium is in between 9.57% in 1999-2000 and 15.87% in 2010-2011. The lowest growth rate of gross premium is 2.26% in 2003-2004 and the highest growth rate of gross premium is 20.18% in 2001-2002. The net premium of NIAC is in between 13.28% in 1999-2000 and 19.82% in 2010-2011. The lowest growth rate of net premium is 3.37% in 2003-2004 and the highest growth rate of net premium is 19.82% in 2010-2011.

In Net Commission Ratio, it is found that the ratio of net commission ratio is in between -3.94% in 1998-1999 and 9.02% in 2010-2011. It is clear that the average of NCR ratio is 5.43%. The lowest ratio of NCR is -3.94% in 1998-1999. The highest ratio of NCR is 10.20% in 2008-2009. Further, it is found that the growth rate of commission expenses is in between -16.75% in 1999-2000 and 15.55% in 2010-2011. The lowest growth rate of commission expenses is -106.70% in 2000-2001 and the highest growth rate of commission expenses is 1562.92% in 2001-2002. The net premium of NIAC is in between 13.28% in 1999-2000 and 19.82% in 2010-2011. The lowest growth rate of net premium is 3.37% in 2003-2004 and the highest growth rate of net premium is 19.82% in 2010-2011.

In Solvency Ratio, it is found that the ratio of solvency ratio is in between 89.85% in 1998-1999 and 103.31% in 2010-2011. It is clear that the average of SR ratio is
105.83%. The lowest ratio of SR is 89.85% in 1998-1999. The highest ratio of SR is 126.77% in 2008-2009. Further, it is found that the growth rate of shareholders’ fund is in between -28.45% in 1999-2000 and 1.48% in 2010-2011. The lowest growth rate of shareholders’ fund is 1.48% in 2010-2011 and the highest growth rate of shareholders’ fund is 28.45% in 1999-2000. The net premium of NIAC is in between 13.28% in 1999-2000 and 19.82% in 2010-2011. The lowest growth rate of net premium is 3.37% in 2003-2004 and the highest growth rate of net premium is 19.82% in 2010-2011.

In Claims Ratio, it is found that the ratio of claims ratio is in between 80.85% in 1998-1999 and 100.72% in 2010-2011. It is clear that the average of CR ratio is 86.31%. The lowest ratio of CR is 80.85% in 1998-1999. The highest ratio of CR is 100.72% in 2010-2011. Further, it is found that the growth rate of claims incurred is in between 22.94% in 1999-2000 and 33.53% in 2010-2011. The lowest growth rate of shareholders’ fund is -5.47% in 2003-2004 and the highest growth rate of shareholders’ fund is 33.53% in 2010-2011. The net premium of NIAC is in between 13.28% in 1999-2000 and 19.82% in 2010-2011. The lowest growth rate of net premium is 3.37% in 2003-2004 and the highest growth rate of net premium is 19.82% in 2010-2011.

In Profitability Ratio, it is found that the ratio of profitability ratio is in between 5.20% in 1998-1999 and -1.06% in 2010-2011. It is clear that the average of PR ratio is 2.54%. The lowest ratio of PR is -1.06% in 2010-2011. The highest ratio of PR is 5.32% in 2006-2007. Further, it is found that the growth rate of net profit is in between -23.39% in 1999-2000 and -204.17% in 2010-2011. The lowest growth rate of net profit is-204.17% in 2010-2011 and the highest growth rate of net profit is 127.26% in 2003-2004. The net asset of NIAC is in between 13.13% in 1999-2000 and 7.57% in 2010-2011. The lowest growth rate of net asset is -15.69% in 2008-2009 and the highest growth rate of net asset is 40.70% in 2001-2002.

In Investment Return Ratio, it is found that the ratio of investment returns ratio is in between 8.81% in 1998-1999 and 5.88% in 2010-2011. It is clear that the average of IRR ratio is 7.22%. The lowest ratio of IRR is 5.81% in 2009-2010. The highest ratio of IRR is 9.22% in 1999-2000. Further, it is found that the growth rate of income from investment is in between 18.30% in 1999-2000 and 8.89% in 2010-2011. The lowest

In Net Earnings Ratio, it is found that the ratio of net earnings ratio is in between 17.15% in 1998-1999 and -5.86% in 2010-2011. It is clear that the average of NER ratio is 12.00%. The lowest ratio of NER is -5.86% in 2010-2011. The highest ratio of NER is 30.72% in 2006-2007. Further, it is found that the growth rate of net profit is in between -23.39% in 1999-2000 and -204.17% in 2010-2011. The lowest growth rate of net profit is -204.17% in 2010-2011 and the highest growth rate of net profit is 127.26% in 2003-2004. The net premium of NIAC is in between 13.28% in 1999-2000 and 19.82% in 2010-2011. The lowest growth rate of net premium is 3.37% in 2003-2004 and the highest growth rate of net premium is 19.82% in 2010-2011.

In Expenses of Management to Gross Premium Ratio, it is found that the ratio of expenses of management of gross premium ratio is in between 19.10% in 1998-1999 and 23.62% in 2010-2011. It is clear that the average of EMGP ratio is 21.41%. The lowest ratio of EMGP is 16.57% in 2007-2008. The highest ratio of EMGP is 27.24% in 2003-2004. Further, it is found that the growth rate of expenses of management is in between 17.04% in 1999-2000 and 11.93% in 2010-2011. The lowest growth rate of expenses of management is -11.71% in 2006-2007 and the highest growth rate of expenses of management is 49.82% in 2003-2004. The gross premium of NIAC is in between 9.57% in 1999-2000 and 15.87% in 2010-2011. The lowest growth rate of gross premium is 2.26% in 2003-2004 and the highest growth rate of gross premium is 20.18% in 2001-2002.

In Return on Net worth Ratio, it is found that the ratio of return on net worth ratio is in between 14.86% in 1998-1999 and -5.93% in 2010-2011. It is clear that the average of RNW ratio is 10.07%. The lowest ratio of RNW is -5.93% in 2010-2011. The highest ratio of RNW is 24.44% in 2006-2007. Further, it can be inferred that the growth rate of net profit is in between -23.39% in 1999-2000 and -204.17% in 2010-2011. The lowest growth rate of net profit is -204.17% in 2010-2011 and the highest growth rate of net profit is

In Return on Assets Ratio, it is found that the ratio of return on asset ratio is in between 5.20% in 1998-1999 and -1.06% in 2010-2011. It is clear that the average of RAR ratio is 2.84%. The lowest ratio of RAR is -1.06% in 2010-2011. The highest ratio of RAR is 5.32% in 2006-2007. Further, it is found that the growth rate of net profit is in between -23.39% in 1999-2000 and -204.17% in 2010-2011. The lowest growth rate of net profit is -204.17% in 2010-2011 and the highest growth rate of net profit is 127.26% in 2003-2004. The total assets worth of NIAC is in between 11.60% in 1999-2000 and 7.04% in 2010-2011. The lowest growth rate of total assets is -18.61% in 2008-2009 and the highest growth rate of total assets is 28.93% in 2001-2002.

In Return on Shareholders’ Funds Ratio, it is found that the ratio of return on shareholders’ funds ratio is in between 19.08% in 1998-1999 and -5.67% in 2010-2011. It is clear that the average of RSF ratio is 11.81%. The lowest ratio of RSF is -5.67% in 2010-2011. The highest ratio of RSF is 31.02% in 2006-2007. Further, it is found that the growth rate of net profit is in between -23.39% in 1999-2000 and -204.17% in 2010-2011. The lowest growth rate of net profit is -204.17% in 2010-2011 and the highest growth rate of net profit is 127.26% in 2003-2004. The shareholders’ fund worth of NIAC is in between 28.45% in 1999-2000 and 1.48% in 2010-2011. The lowest growth rate of shareholders’ fund is 1.48% in 2010-2011 and the highest growth rate of shareholders’ fund is 28.45% in 1999-2000.

In Trend Analysis, it is predicted that growth rate of gross premium would be Rs.9158.19 Crores; shareholders’ fund would be Rs.9119.65 Crores; net premium would be Rs.7884.95 Crores; commission expenses would be Rs.913.29 Crores; claims incurred would be Rs.7313.44 Crores; net profit would be Rs.582.60 Crores; total asset would be Rs.49168.38 Crores; income from investment would be Rs.3087.12 Crores; expenses of management would be Rs.2107.30 Crores; net worth would be Rs.9473.05 Crores in 2015.
FACTORS INFLUENCING THE POLICYHOLDERS AND PROBLEMS FACED BY THEM

Factors which influencing the policyholders to prefer policy in New India Assurance Company and the problems faced by the policyholders have been examined with the help of Garrett’s Ranking Technique and Kendall's Co-efficient of Concordance.

While analyzing the factors influencing the policyholders with Garrett’s Ranking Technique, it is found that the main factor felt by the respondents is the risk coverage as indicated by its highest mean score of 55.09, this is followed by friends and relatives, reasonable premium, advertisement, agents’ recommendations, goodwill, proximity, simple procedures, localized services and compulsion.

In Kendall's Co-efficient of Concordance, The Kendall’s W is found to be 0.028. It shows that there is less similarity among the respondents in assigning the ranks to the factors influencing policyholders to choose NIAC for taking policies. Looking at the mean ranks, it is found that the highest preference has been given to risk coverage (lower the rank, higher the priority) constituting the mean rank 4.61 and the lowest preference is given to localized services and legal compulsion. The moderate preferences have been given to reasonable premium, friends and relatives, advertisement, agents’ recommendations, goodwill, proximity and simple procedures.

While examining the problems faced by the policyholders with Garrett Ranking Technique, it is found that the main factor felt by the respondents is the excessive premium as indicated by its highest mean score of 53.51, this is followed by less risk coverage, red tapism, gap between claims and compensation, agents’ pressure, poor response, poor communication, delay in settlement of claim, agents’ poor services and poor hospitality.

In Kendall’s Co-efficient of Concordance, The Kendall’s W is calculated for the above problems which are found to be 0.023. It shows that there is less similarity among the respondents in assigning the ranks to the problems faced by the policyholders of NIAC. Looking at the mean ranks, it is understood that the highest preference has been given to Excessive Premium (lower the rank, higher the priority) constituting the mean rank 4.83 and the lowest preference is given to poor hospitality. The moderate
preferences have been given to less risk coverage, red tapism, gap between claims and compensation, agents’ pressure, poor response, poor communication, delay in settlement of claim and agents’ poor services.

AWARENESS LEVEL OF THE POLICYHOLDERS

Awareness level of the policyholders about the products and services of the NIAC are examined with the help of various statistical tools like $\chi^2$ test, F test (ANOVA), ‘Z’ Test, Multiple Regressions and Factor Analysis.

It is found that shows that 72.5% (435) of the policyholders on overall basis are found to be less aware of the products and services of NIAC. The mean awareness score of the 600 policyholders are found to be 78.08. It is clear that less aware has the highest mean score of 81.85. The result of the Co-efficient of Variance shows that the less aware has maximum variability of 8.74% whereas, it is 7.28% in more aware category.

To examine the association between the level of awareness and socio-economic characteristics of the policyholders, a null hypothesis has been framed and the same has been tested with appropriate statistical tools.

In gender analysis, it is found that 333 (55.5%) policyholders are male. Further, it is clear that 73.3% of the male and 71.5% of the female are having less aware about the products and services of NIAC.

In age analysis, it is found that 216 (36%) policyholders are in B group. Further, it is clear that 75.9% of C group, 74.5% of B group, 70.6% of D group and 66.4% of A group are having less aware about the products and services of NIAC.

In marital status analysis, it is found that 320 (53.3%) policyholders are unmarried. Further, it is clear that 74.6% of the married and 70.6% of the unmarried are having less aware about the products and services of NIAC.

In education status analysis, it is found that 271 (45.2%) policyholders are in the Postgraduate/Professionals. Further, it is clear that 76.7% of the Illiterates, 76.4% of the Postgraduate/Professionals, 68.0% of the Diploma/Graduates and 65.5% of the School level are having less aware about the products and services of NIAC.
In occupation analysis, it is found that 273 (45.5%) policyholders are Professionals. Further, it is clear that 78.4% of the Professionals, 66.2% of the Businessmen, 71.1% of the Jobholders and 65.1% of the Agriculturists are having less aware about the products and services of NIAC.

In gross annual income analysis, it is found that 334 (55.7%) policyholders are in C group. Further, it is clear that 69.2% of C group, 76.0% of D group, 77.5% of B group and 77.8% of A group are having less aware about the products and services of NIAC.

In number of policies analysis, it is found that 187 (31.2%) policyholders who are having two types of policies. Further, it is clear that 77.5% of the policyholders who are having three policies, 72.2% of the policyholders who are having two policies, 71.9% of the policyholders who are having one policy and 65.4% of the policyholders who are having four policies and above are less aware about the products and services of NIAC.

In premium amount analysis, it is found that 171 (28.5%) policyholders are in A group. Further, it is clear that 77.2% of B group, 64.9% of A group, 72% of C group, 79.7% of E group and 3.6% of D group are having less aware about the products and services of NIAC.

In duration of policy analysis, it is found that 185 (30.8%) policyholders are in B group. Further, it is clear that 70.3% of B group, 72.5% of C group, 78.3% of A group, 73.3% of D group and 70.2% of E group are having less aware about the products and services of NIAC.

In Period of the association with NIAC analysis, it is found that 227 (37.8%) policyholders are B group. Further, it is clear that 73.1% of B group, 71.3% of A group, 69.5% of C group and 77.3% of D group are having less aware about the products and services of NIAC.

In Chi-Square test analysis, it is found that the awareness level of the policyholders and socio-economic characteristics like Gender, Age, Marital Status, Education Status, Gross Annual Income, Number of Policies, Premium Amount, Duration of policy and Period of the association with NIAC are insignificant whereas, occupation is significant.
In Anova, it is found that there is no significant difference between Period of the Association with NIAC and awareness level of the policyholders. Whereas, there is a significant difference between Age, Education Status, Occupation, Gross Annual Income, Number of Policies, Premium Amount and Duration of policy.

In ‘Z’ test, it is found that the association between the mean score of Gender and Marital Status and their awareness level of the policyholders is not significant.

In Multiple Regression analysis, it is found that that Regression Co-efficient of variables like age, education, family expenses and premium amount have positive effect on overall awareness scores. It is found that the Multiple Regression Co-efficient is found to be 0.317. The calculated value of ‘F’ (5.477) reveals that $R^2$ value (0.101) is significant at 1% level.

In Factor Analysis, it is found that the Factor 1 is Prompt service which comprises of variables like post services of agents, reputation of the company and providing correct and factual information. The Factor 2 is Products Knowledge which comprises of new policies, future security and variety of products. The Factor 3 is Government Participation which focuses on Government’s Shareholding and Ownership of the corporation. The Factor 4 deals with Promotion comprising of variables like company role on promoting products, assistance of agents and physical facilities in the branch. The Factor 5 is Bonus. It includes mode of bonus and other benefits and risk protection. The Factor 6 is Claim Settlement which covers of settlement of claims and rights relating to surrender policy. The Factor 7 is Accessibility which focuses on location of office. The Factor 8 is Products Features. It comprises of features of products, maximum risk coverage and designing of new social security schemes. The Factor 9 is Discounts which represent variable of rebates on premium. The Factor 10 is Procedures which comprise of procedures for applying policies and procedures for applying claims. The Factor 11 is Risk Coverage. The Factor 12 is Grievance Settlement.
SATISFACTORY LEVEL OF THE POLICYHOLDERS

Satisfactory level of the policyholders about the products and services of the NIAC are examined with the help of various statistical tools like $\chi^2$ test, ‘F’ test (ANOVA), ‘Z’ test, Multiple Regressions, Factor Analysis and Cluster Analysis.

It is found that 66.3% (386) of the policyholders on overall basis are found to be dissatisfied of the products and services of NIAC. The mean satisfaction score of the 600 policyholders are found to be 80.33. It is clear that dissatisfied has the highest mean score of 86.65. The result of Co-efficient of Variance shows that the dissatisfied has maximum variability of 9.83% whereas, it is 6.92% in satisfied category.

To examine the association between the level of satisfaction and socio-economic characteristics of the policyholders, a null hypothesis has been framed and the same has been tested with appropriate statistical tools.

In gender analysis, it is found that 333 (56.5%) policyholders are male. Further, it is clear that 66.1% of the male and 62.2% of the female are dissatisfied with the products and services of NIAC.

In age analysis, it is found that 216 (36%) policyholders are in B group. Further, it is clear that 70.6% of D group, 70.4% of C group, 61.6% of B group and 57.7% of A group are dissatisfied with the products and services of NIAC.

In marital status analysis, it is found that 320 (53.3%) policyholders are unmarried. Further, it is clear that 64.6% of the married and 64.1% of the unmarried are dissatisfied with the products and services of NIAC.

In education status analysis, it is found that 271 (46.2%) policyholders are Postgraduate/Professional level. Further, it is clear that 69.7% of the Postgraduate/Professional level, 56.2% of the Diploma/Graduate level, 52.9% of the School Level and 76.7% of the Illiterate Level are dissatisfied with the products and services of NIAC.

In occupation analysis, it is found that 273 (46.5%) policyholders are Professionals. Further, it is clear that 69.6% of the Professionals, 67.5% of the
Jobholders, 61.4% of the Agriculturists and 52.3% of the Businessmen are dissatisfied with the products and services of NIAC.

In gross annual income analysis, it is found that 334 (56.7%) policyholders are in C group. Further, it is clear that 88.9% of A group, 76.5% of B group, 66.4% of D group and 158.4% of C group are dissatisfied with the products and services of NIAC.

In number of policies analysis, it is found that 187 (31.2%) policyholders are having two types of policies. Further, it is clear that 70.2% of the policyholders who are having three policies, 66.6% of the policyholders who are having one policy, 66.3% of the policyholders who are having two policies and 49.5% of the policyholders who are having four and more policies are dissatisfied with the products and services of NIAC.

In premium amount analysis, it is found that 171 (28.5%) policyholders are in A group. Further, it is clear that 76.0% of D group, 69.0% of B group, 60.8% of A group, 60.8% of C group and 58.1% of D group are dissatisfied with the products and services of NIAC.

In duration of policy analysis, it is found that 185 (30.8%) policyholders are in B group. Further, it is clear that 68.6% of C group, 66.9% of B group, 66.3% of A, 59.3% of D group and 58.3% of D group are dissatisfied with the products and services of NIAC.

In period of the association with NIAC analysis, it is found that 227 (37.8%) policyholders are B group. Further, it is clear that 67.0% of B group, 66.8% of C group, 66.8% of D group and 59.9% of D group are dissatisfied with the products and services of NIAC.

In Chi-Square test analysis, it is found that Gender, Age, Marital status, Number of policies, Premium amount, Duration of policy and Period of the association with NIAC are insignificant whereas, Education status, Occupation and Gross annual income are significant.

In Anova, it is found that there is no significant difference between Premium amount, Duration of policy and Period of the association with NIAC and their satisfactory level of the policyholders. Whereas, there is a significant difference between
Gender, Age, Marital status, Education status, Occupation, Gross annual income and Number of policies

In ‘Z’ test, it is found that the association between the mean score of Gender and Marital status and their satisfactory level of the policyholders is not significant.

In Multiple Regression analysis, it is found that the Regression Co-efficient of variables like Gender, Age, Marital status, Education status, Type of family, Number of family members, Number of earning members, Gross annual income, Gross annual family expenses, Number of policies, Premium amount and Duration of policy are 0.156, 0.059, 0.065, 0.601, 0.069, 0.531, -2.979, -0.921, -0.221, -1.146, 0.000 and -0.089 respectively. It is further observed that Regression Co-efficient of variables like Gender, Age, Marital status, Education status, Type of family, Number of family members and Premium amount have positive effect on overall satisfaction scores. Regression Co-efficient of variables like Number of earning members, Gross annual income, Gross annual family expenses, Number of policies and Duration of policy have negative effect on overall satisfaction score. Variables like Education status, Gross annual income and Duration of policy are significant at 5% level. Variables like Number of earning members, Number of policies and Premium amount are significant at 1% level. The $R^2$ indicates that 10.1% of the variation is captured from the variables included in the model. The ‘F’ value (5.477) shows that the regression model fitted is statistically significant at 1% level.

In Factor analysis, it is found that the Factor 1 is hassle free service which comprises of variables like mode of settlement of claim, availability of physical facilities, remittance of premium and accessibility. The Factor 2 is customer friendly which comprises of attitude of employees towards the policy holders and advertisement and campaign. The Factor 3 is speedy delivery which focuses on the time gap between claims and compensation, stick on unnecessary rules and regulations and charging fine for lapse policy.

The Factor 4 deals with legal actions comprising of variables like legal compulsion and localized services. The Factor 5 is remittances. It includes mode of payment and risk coverage. The Factor 6 is fair treatment which covers discrimination of employees towards policy holders and updating product details. The Factor 7 is a procedure which focuses on simple procedures for taking policy and behaviour of
investigator. The Factor 8 is prompt guidance. It comprises of agents attitude in guiding the claim settlement, attending spot visit and response to mail.

The Factor 9 is renewals which comprises of variables like procedure for renewal of notice and amount of the premium. The Factor 10 is social obligation which comprise of the company services towards the welfare of society. The Factor 11 is service of agents which focuses on post sales service from agents and corporation and behaviour of agents.

In Cluster analysis, it is found that the values are low for third cluster. In the second cluster, most of the values are greater than first and third clusters. Hence, it can be concluded that the policyholders who formed Cluster 1 can be termed as Well informed based on their satisfaction and satisfaction scores. The policyholders in Cluster 2 who have next higher cluster center values in most of the factors can be termed as Moderators and the Cluster 3 members can be regarded as Discontented considering their scores comparatively lower in satisfaction and satisfaction factors. Also, it is found that majority (39.7%) of the sample policyholders are in the moderator cluster group.
6.8 SUGGESTIONS

1. In the present study, it is found that solvency ratio, profitability ratio, investment return ratio and net retention ratio are in highly fluctuating. Hence, it is suggested to take appropriate measurements by the NIAC to keep a steady growth.

Further, in Trend Analysis it is predicted that growth rate of gross premium would be Rs.9158.19 Crores; shareholders’ fund would be Rs.9119.65 Crores; net premium would be Rs.7884.95 Crores; commission expenses would be Rs.913.29 Crores; claims incurred would be Rs.7313.44 Crores; net profit would be Rs.582.60 Crores; total asset would be Rs.49168.38 Crores; income from investment would be Rs.3087.12 Crores; expenses of management would be Rs.2107.30 Crores; net worth would be Rs.9473.05 Crores in 2015. To attain these trend, it is suggested that all possible steps to be taken by NIAC considering present Liberalisation, Privatisation and Globalization trend.

2. In the present study, it is found that the factor of risk coverage has been ranked as first factor to prefer policy in NIAC. Hence, it is suggested that all possible efforts to be taken by NIAC to extend the risk coverage.

3. In the present study, it is found that the problem of excessive premium has been ranked as an important problem for the policyholders of NIAC. Hence, it is suggested that all possible efforts to be taken by NIAC to reduce the premium and extend the risk coverage.

4. In the present study, it is found that 72.5% (435) of the policyholders on overall basis are found to be less aware of the products and services of NIAC. Particularly in the aspect of variety of products and features of products. Hence, it is suggested NIAC should take necessary steps to make conscious about the types and uses of the products to the policyholders.
5. In the present study, it is found that 66.3% (386) of the policyholders on overall basis are found to be dissatisfied of the products and services of NIAC. Particularly, in the aspect of mode of settlement of claim, remittance of premium, time gap between claims and compensation, risk coverage and behaviour of agents. Hence, it is suggested that NIAC should take reasonable steps to increase the level of satisfaction of the policyholders. In this regard, it is suggested that mode of settlement of claims and remittance of premium to be simplified. Time gap between claims and compensation to be reduced; risk coverage to be extended and behaviour of agents to be developed in a friendly manner.

6.9 CONCLUSION

There is no second opinion about the contribution of Non-Life Insurance sector towards Indian economy. Among the Non-Life Insurance sector NIAC is in dominant position. By realizing this, the present study has been undertaken to find out answers to various relevant issues. To find out the answers to the various issues, required data have been collected and the same have been analyzed with appropriate statistical tools. On the basis of findings of the present study, some viable suggestions have been offered for the betterment of both NIAC and the Policyholders. If all suggestions have been seriously consider by the Authorities concerned, it is hope that still NIAC can shine further and there may be a chance to increase the number of Policyholders.

6.10 SUGGESTIONS FOR FURTHER RESEARCH

The present study has brought into light the perception of the Non-Life policyholders of NIAC. Hence, further studies can be undertaken in the following areas:

1. Further studies may be undertaken to examine the perception of the policyholders of NIAC at National level.

2. Further studies can be undertaken on perception of the Non-Life Insurance policyholders of other Non-Life Insurance viz., United India Insurance Company, National Insurance Company and Oriental Insurance Company.

3. Further studies could be undertaken to examine the perception of the Non-Life Insurance policyholders in comparative studies between private and public.