CHAPTER – V

SUMMARY OF FINDINGS, SUGGESTIONS,
SCOPE FOR FURTHER RESEARCH AND
CONCLUSION
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5.1 Introduction

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CHAPTER V

5.1 INTRODUCTION

This chapter deals with Summary of findings, Suggestions for improving the quality of services that have been offered by the Private Sector General Insurance Companies to the clients, Scope for further research, and Conclusion.

5.2 FINDINGS

The following are the major findings of the present study:

5.2.1 THE SIGNIFICANCE OF INSURANCE

Insurance has become an integral part of business and human life, and is a vital force in securing the well-being of both individuals and businesses. Insurance actively promotes the health and security of the economy and business environment around the world. Insurance occupies an important place in the complex modern world since risk, which can be insured, has increased enormously in every walk of life. Insurance is considered as one of the best means of availing protection against many forms of losses arising out of uncertain events. Insurance in its pure form is a social good. It is one of the best means of availing protection against many forms of losses. Insurance is a tool by which fatalities of a small number are compensated out of funds (premium payment) collected from all the insured. Insurance is the primary risk management device that offers protection against risks, hazards or dangers to life and property. Not only does it serve the ends of individuals, or of special groups of individuals, it tends to pervade and to transform our modern social order, too.

5.2.2 INSURANCE AND ECONOMIC DEVELOPMENT

A sound national insurance market is an essential characteristic of economic growth. The insurance sector is very significant to every developing country as it can play a significant role in the economic development of a country, while economic development itself can facilitate the growth of the insurance sector. It develops the habit of savings which, in turn, generates long-term investible funds for improving infrastructural facilities. The insurance industry affects money, capital markets and the real sectors in an economy, making insurance facility necessary to ensure the completeness of
a market. This is not surprising as the insurance industry forms a major component of an economy by virtue of the amount of premiums it collects, the scale of its investment, and, more fundamentally, the essential social and economic role it plays by covering personal and business risks. By encouraging these factors that promote insurance demand and aid financial development, policymakers possess a strong tool to stimulate economic growth. It is an industry with strategic importance for any country as it contributes to the financial sector as well as confers social benefits on the society. The insurance sector acts as a mobiliser of savings and a financial intermediary and is also a promoter of investment activities.

5.2.3 INDIAN GENERAL INSURANCE INDUSTRY – A PROFILE

The General Insurance Business in India traces its roots to the Triton Insurance Company Ltd., the First General Insurance Company established in the year 1850 in Calcutta by the British. During the year 1907, The Indian Mercantile Insurance Ltd. was set up, the first company to transact all classes of General Insurance Business. In the year 1957, General Insurance Council, a wing of the Insurance Association of India, framed a code of conduct for ensuring fair conduct and sound business practices. During the year 1968, The Insurance Act was amended to regulate investments and set minimum solvency margins and the Tariff Advisory Committee was set up. During the year 1972, The General Insurance Business (Nationalisation) Act was passed, nationalizing the general insurance business in India with effect from 1st January, 1973. 107 insurers amalgamated and grouped into four Companies viz. the National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd. and the United India Insurance Company Ltd. GIC was incorporated as a company.

Insurance under the British Raj: Life Insurance in the modern form was first set up in India by a British Company called the Oriental Life Insurance Company in 1818, followed by the Bombay Assurance Company in 1823 and the Madras Equitable Life Insurance Society in 1829. All these companies operated in India but did not insure the lives of Indians. The first General Insurance Company in India – Triton Insurance Company Limited – was set up in 1850 under the control of the British. Its first Indian
counterpart, the Indian Mercantile Insurance Company Limited, launched its operations in Bombay in 1907. Although the General Insurance Business was not nationalised along with life insurance, a code of conduct for fair and sound business practices was framed in 1957 by the General Insurance Council (a wing of the Insurance Association of India). In 1968, the Insurance Act was amended to provide for greater control over the General Insurance business. In 1971, the management of non-life insurers was taken over by the Government of India (GOI).

In 1972, it was announced that the Indian Non-life Insurance sector was to be nationalized with effect from 1 January, 1973. At that time, there were 107 General Insurance Companies within the country. They were mainly large city-oriented companies of different sizes catering to the organised sector (trade and industry). The Insurance Industry in India has passed through a period of structural changes under the combined impact of financial sector reforms in General and Insurance Sector in particular. The market for Insurance services previously was monopolistic while the market place was regulated and Insurance companies were expected to receive assured spreads over their costs of funds and systematic demand for their products. This phase in Insurance Business was the result of sheltered markets and administered prices for various Insurance products. Existence of entry barriers for new Insurance Companies meant that competition was restricted to existing public insurers. In case of life segment of Insurance, Life Insurance Corporation of India (LIC) had a dominant role, while in non-life business segment, New India, United India, National and Oriental General Insurance Corporations were enjoying monopoly. These Companies were operating as cartel, even in areas where the freedom to price their products existed.

With the liberalisation of Insurance Sector, the paradigm for Indian Insurance Industry has witnessed a sea change during the last decade. The emerging scenario has infused greater competitive volatility in the system, because the Insurance Sector has now entered into a competitive phase due to entry of more players in the Insurance field. As a result, there has been expansion and growth of Insurance both in the life and non-life business. Hence, the larger cake is now being shared by the existing as well as new
players. Further, Industry will become more professional and lowering the entry barriers and growing sophistication of customers will make insurance market oligopolistic.

Liberalisation of Insurance Industry is expected to generate enough funds for the development of infrastructure and boosting the economic development of the country, but it is also believed that public sector insurers in particular and other new Indian players will have to work with high standard of professionalism. Therefore, promulgation of regulations only cannot improve their efficiency but they have to hone their skills by encouraging product innovation, competitive pricing of products and improving the customer service and satisfaction in an innovative manner. Thus, new environment is demanding specialized knowledge and skill for very survival in the new emerging market. Those insurers, who will adapt to the changing environment, can survive and others will face problems even in continuing their operations. The onus therefore lies with the players to deliver, after taking into account continuing developments and changes. The significant innovations which have really changed the total scenario of the Indian insurance industry, especially after liberalization, are growing use of internet by Insurance customers, convergence of financial services, mergers and acquisitions, demutualization of several large insurers, liberalisation and globalization of Insurance sector, increase in disasters, declining of interest rates and heightened customer expectations. In view of these environmental changes, risk has become very complex and both people and property are not properly protected in spite of availability of coverage. The risk awareness has increased demand for various insurance products, however, with the increase in demand for various insurance products covering various types of risks, the players will pursue actively all customers so as to gain major market share. Thus, Insurance sector has not only entered into a competitive mode in a short span of time, but also moved into an expansionary phase.

All this needs a lot of will and courage on part of managements to implement plans in the light of long term perspective otherwise state owned companies may fade away gradually. In addition to risk balanced challenge, another challenge for Indian insurance industry due to liberalisation would be technology management. In the new
market ethos, the Indian Insurance Industry will not only have to be part of the procession that is marching in majesty for leveraging the technology, but will have to be the flag bearer. The winning strategy in such an environment would not be risk aversion, which would be an obvious recipe for facing extinction but managing risk in such a manner so as to profit from them.

As liberalization process marches relentlessly, it is difficult to visualize the impact on the insurance industry. It would be safe to conclude that in market driven economy, regulation will play a crucial role in promoting entrepreneurship, creating space for a healthy growth of the industry and sharpening the focus on customer concerns. With the increase in competition, customers will become more vulnerable and less protected. Therefore, regulating insurance companies and their products in the Indian market as from cross border operations, inter regulatory space for supervision; inter institutional conflict and convergence in the financial services is mandatory. It is obvious that the public as well as private insurance players will experience both positive and negative impact on their financial performance. However, the players are not in a position to face the competition efficiently, their financial performance will be negatively affected in the post-liberalization era.

5.2.4 PERFORMANCE OF PRIVATE SECTOR GENERAL INSURANCE COMPANIES IN INDIA

The performance of Indian Private Sector General Insurance Industry has shown a steady increasing trend during the periods between 2005-2006 and 2011-2012. The Gross Direct Premium income, Paid up capital, New Policies issued, Commission Expense, Operating Expenses, Net Incurred Claims, Incurred Claim Ratio, Investment Income, Underwriting Losses have shown a steady increasing trend during these periods. The amount of gross direct premium incomes has recorded an overall growth rate of 316.12 between the periods 2005-06 and 2011-12. The amount of paid up capital has recorded an overall growth rate of 280.06% between the periods 2005-06 and 2011-12. The new policies issued have recorded an overall growth rate of 268.06% between the periods 2005-06 and 2011-12. The amount of commission expenses incurred has recorded an
overall growth rate of 173.87% between the periods 2005-06 and 2011-12. The amount of operating expenses has recorded an overall growth rate of 335.07% between the periods 2005-06 and 2011-12. The amount of net incurred claims has recorded an overall growth rate of 409.64% between the periods 2006-07 and 2011-12. The amount of investment income has recorded an overall growth rate of 1029.84% between the periods 2005-06 and 2011-12. The amount of underwriting losses has recorded an overall growth rate of 5826.59% between the periods 2005-06 and 2011-12.

5.2.5 PERCEPTION OF THE RESPONDENTS ON THE QUALITY OF SERVICES OFFERED BY THE PRIVATE SECTOR GENERAL INSURANCE COMPANIES IN INDIA

The results of the study revealed that out of one thousand sample respondents, two hundred and four respondents (20.40%) perceived the services offered by these companies as ‘poor’; six hundred and twenty one respondents (62.10%) perceived the services offered by these companies as ‘fair’, and the remaining one hundred and seventy five respondents (17.50%) perceived that the quality of services offered by the Private Sector General Insurance Companies in Coimbatore District is ‘good’.

The mean score of the respondents revealed that the following categories of respondents perceived that the Private Sector General Insurance Companies offer better Quality of Services:

Premiums through Collection Centers. (o) The Respondents Who Opined that the Premium Rates are less. (p) The Respondents Who Have Received Bonus on Their Policies and (q) The Respondents Who Have Made Claims on Their Policies.

The results of the Contingency Table revealed that there exists a significant relationship between the following factors and the perception of the respondents on the quality of services offered by the Private Sector General Insurance Companies in Coimbatore District:

(a) Means of Investment Preferred by the Respondents. (b) Type of Policy Held by the Respondents. (c) Period of Holding Policy by the Respondents. (d) Opinion of the Respondents on the Rate of Premium. (e) Bonus Received Status of the Respondents. (f) Claims Made Status of the Respondents.

The result of Analysis of Variance indicates that there exists a significant difference between the mean scores among the respondents:

(a) Who differ in their Literacy Levels (b) Who differ in their Occupational Status (c) Who differ in their Average Monthly Family Income and (d) Who remit the Premiums in different Modes.

The result of the chi-square test revealed that the following factors significantly influence the Perception of the respondents on the quality of services offered by the Private Sector General Insurance Companies in Coimbatore District:


The result of the Karl Pearson’s correlation indicates that the variables such as Period of Holding Policy by the Respondents, Opinion of the Respondents on the Rate of
Premium and Opinion of the Respondents Services offered have positive and significant
correlation with dependent variable at 1% level of significance. The independent
variables such as Type of Family of the Respondents, Literacy Level of the Respondents,
Occupational Status of the Respondents, Respondent’s Preferred Means of Investment,
Source of Awareness, Type of Policy Held by the Respondents, Period of Payment of
Premium, and Mode of Payment of Premium have negative and significant correlation
with dependent variable at 1% level of significance, and the Reason for Choosing the
Service Provider has the negative and significant correlation with the dependent variable
at 5% level of significance.

The result of the Multiple Regression Analysis revealed that the variables viz.,
Premium Payment Period of the Respondents, Opinion of the Respondents on Procedures
Aspects, Premium Related Factors and Claim Settlement Procedures and satisfaction
derived by the respondents on the services offered by these companies significantly
influence the perception of the respondents on the quality of services that have been
offered by the Private Sector General Insurance Companies in Coimbatore District. It also
revealed that the value of $R^2$ is highly significant.

The result of the Stepwise Analysis indicated that the contribution of the
significant variables to the perception of the respondents on the quality of services offered
by the Private Sector General Insurance Companies is 9.80%.

5.2.6 SATISFACTION DERIVED BY THE RESPONDENTS ON THE
PROCEDURES THAT HAVE BEEN OFFERED BY THESE PRIVATE
SECTOR GENERAL INSURANCE COMPANIES IN COIMBATORE
DISTRICT.

The results of the study revealed that out of one thousand sample respondents, one
hundred and sixty seven respondents (16.70%) perceived that the procedures adopted by
the Private Sector General Insurance Companies in Coimbatore District are complicated;
six hundred and fifty eight respondents (65.80%) perceived that the procedures adopted
by the Private Sector General Insurance Companies in Coimbatore District are less
complicated, and the remaining one hundred and seventy five respondents (17.50%)
perceived that the procedures adopted by the Private Sector General Insurance Companies in Coimbatore District are simple.

The mean score of the respondents revealed that the Procedural Aspects of respondents perceived that the Private Sector General Insurance Companies offered Quality Services:

(a) Female respondents. (b) Middle Age group respondents. (c) The respondents with education upto Under Graduation level. (d) The Respondents who fall under Employed category. (e) The respondents with Medium Monthly Family Income. (f) The respondents who remit their Premiums through Collection Centers. (g) The respondents who opined that the Overall service are ‘excellent’.

The results of the Contingency Table revealed that there exists a significant relationship between the opinion of the respondents on the overall services offered by these companies and the satisfaction derived by the respondents on the services offered by the Private Sector General Insurance Companies:

The results of Analysis of Variance indicate that there exists a significant difference between the mean scores of

(a) The Respondents who have differences in the Levels of Literacy. (b) The Respondents who have differences in the Occupational Status. (c) The Respondents who have differences in their Average Monthly Family Income. (d) The Respondents who have differences in the Mode of Premium Payment, and (e) The Respondents who have differences in their Opinion on the Overall Services offered by the Companies.

The result of the chi-square test revealed that the following factors significantly influence the Procedures Aspects of the respondents on the quality of services offered by the Private Sector General Insurance Companies in Coimbatore District:

(a) The Literacy Level of the Respondents (b) Occupational Status of the Respondents (c) Monthly Family Income of the Respondents (d) Mode of Payment of Premium by the Respondents, and (e) The Opinion of the Respondents on the Overall Services

The result of the Karl Pearson’s correlation indicates that the variables such as Period of Holding the Policy by the Respondents, Bonus Received Status of the
Respondents, Opinion of the Respondents on Functioning of these Companies, and the Perception of Respondents on the Overall Services offered by These Companies have positive and significant correlation with dependent variable at 1% level of significance and the Opinion of the Respondents on Premium Rate has the positive and significant correlation with the dependent variable at 5% level of significance. It further reveals that the independent variables Family Type, Occupational Status, Preferred Means of Investments, Source of Awareness, Reason for Choosing the Service Provider, Type of policy held by the respondents and the Period of Payment of Premium have negative and significant correlation with dependent variable at 1% level of significance and the Literacy Level of the respondents has the negative and significant correlation with the dependent variable at 5% level of significance.

The result of the Multiple Regression Analysis revealed that the variables viz., Sex Group of the Respondents, Family Type of the Respondents, Occupational Status of the Respondents, Source of Investment of the Respondents, Reason for Choosing the Service Provider, Type of Policy Held by the Respondents, Period of Holding policy by the Respondents, Opinion of the Respondents on the Rate of Premium, Bonus Received Status by the Respondents, Opinion of the Respondents on the Overall Services offered by these Companies showed significant influence on the Perception of the Respondents on the Procedural Aspects with regard to the Private Sector General Insurance Companies in Coimbatore District. It also revealed that the value of $R^2$ is highly significant.

The result of the Stepwise Analysis indicated that the contribution of the significant variables to the Procedure Aspects of the respondents on the quality of services offered by the Private Sector General Insurance Companies is 0.140%.

The Factor Analysis revealed that factors such as “Client Friendly Procedures Factor” “Innovation Factor” “Policy Related Factors Factor” “Policy Clarification Factor” “Policy Innovative Factor” “Policy Related Procedures Factor” “Policy Awareness Factor” “Premium Payment Factor” considerably contribute to the Level of Satisfaction derived by the respondents on the Services offered by Private Sector General Insurance Companies in Coimbatore District.
5.2.7 SATISFACTION DERIVED BY THE RESPONDENTS ON THE PREMIUM RELATED FACTORS THAT HAVE BEEN OFFERED BY THESE PRIVATE SECTOR GENERAL INSURANCE COMPANIES IN COIMBATORE DISTRICT.

The results of the study revealed that out of one thousand sample respondents, one hundred and eighty six respondents (18.60%) derived low level of satisfaction; six hundred and fifty four respondents (65.40%) derived fair level of satisfaction, and the remaining one hundred and sixty respondents (16.00%) derived high level of satisfaction on the Premium Related Aspects with regard to the Private Sector General Insurance Companies in Coimbatore District.

The mean score of the respondents revealed that the Premium Related Factors of respondents perceived that the Private Sector General Insurance Companies offered Quality Services:

(a) Middle Age Group Respondents, (b) The Respondents Who fall under Employed category, (c) The Respondents Whose Monthly Family Income is Medium, (d) The Respondents Whose Average Monthly Savings is High, (e) The Respondents Who Have Retail Policies, (f) The Respondents Who Remit the Premiums on Their Policies on Monthly Basis, (g) The Respondents Who Remit Their Premiums Through Agents, (h) The Respondents Who Opined that the Premium Rates are Less, (i) The Respondents Who Opined that the Overall Service is Excellent.

The results of the Contingency Table revealed that there exists a significant relationship between the Type of Policy Held by the Respondents and the Opinion of the Respondents on the Overall Services Offered by These Companies and the Perception of the Respondents on the Quality of Services Offered by the Private Sector General Insurance Companies in Coimbatore District.

The results of Analysis of Variance indicate that there exists a significant difference between the mean scores among

(a) The Respondents who have differences in their Occupational Status, (b) The Respondents who have differences in the Monthly Family Income, (c) The Respondents
with different levels of Average Monthly Savings, (d) The Respondents Who Hold
different Types of Policies, (e) The Respondents who have differences in Mode of
Payment of Premium with Insurance Companies, (f) The Respondents who have
differences in their Opinion on the Rate of Premium, and (g) The Respondents who have
differences in their Opinion on the Overall Services offered by these companies.

The result of the chi-square test revealed that the following factors significantly
influence the Perception of the respondents on the quality of services offered by the
Private Sector General Insurance Companies in Coimbatore District:
(a) Occupational Status of the Respondents, (b) Monthly Family Income of the
Respondents, (c) Average Monthly Savings of the Respondents, (d) Type of Policy Held
by the Respondents, (e) Period of Payment of Premium, (f) Mode of Payment of
Premium, and (g) Opinion on Rate of Premium.

The result of the Karl Pearson’s correlation indicates that the variables such as
Period of Payment of Premium, Bonus Received Status, and Perception of the
Respondents on the Procedural Aspects have positive and significant correlation with
dependent variable at 1% level of significance. It further reveals that the independent
variables such as Family Type of the Respondents, Literacy Level of the Respondents,
Occupational Status of the Respondents, Area of Residence of the Respondents, Source
of Awareness, Reason for Choosing the Service Provider, Motives for Purchasing the
Insurance Policies, Period of Holding Policies by the Respondents, and Opinion of the
Respondents on the Rate of Premium have negative and significant correlation with
dependent variable at 1% level of significance.

The result of the Multiple Regression Analysis revealed that the variables viz.,
Sex Group of the Respondents, Family Type of the Respondents, Literacy Level of the
Respondents, Source of Investment, Source of Awareness, Reason for Choosing the
Service Provider, Type of Policy Held by the Respondents, Period of Holding Policy,
Opinion of the Respondents on Rate of Premium, and the Opinion of the Respondents on
the Overall Services offered by the Private Sector General Insurance Companies in
Coimbatore District. It also revealed that the value of $R^2$ is highly significant.
The result of the Stepwise Analysis indicated that the contribution of the significant variables to the Perception of the Respondents on the quality of services offered by the Private Sector General Insurance Companies is 13.00%.

The Factor Analysis revealed that factors such as “Easy Premium Payment Factor”, “Means Available for Premium Payment Factor”, “Offers on Premium Payment Factor”, “Payment Mode Factor”, “Flexible Payment Factor” considerably contribute to the Level of Satisfaction on the Premium Related Factor derived by the respondents on the Services offered by Private Sector General Insurance Companies in Coimbatore District.

5.2.8 PERCEPTION OF THE RESPONDENTS ON THE CLAIM SETTLEMENT PROCEDURE ADOPTED BY THE PRIVATE SECTOR GENERAL INSURANCE COMPANIES IN COIMBATORE DISTRICT.

The results of the study revealed that out of one thousand respondents, one hundred and sixty eight respondents (16.80%) opined that the Claim Settlement Procedures adopted by these Companies are complicated; six hundred and sixty seven respondents (66.70%) opined that the Claim Settlement Procedures adopted by these companies are less complicated and the remaining one hundred and sixty five respondents (16.50%) perceived that the Claim Settlement Procedures adopted by these companies are simple.

The mean score of the respondents revealed that the following categories of respondents perceived that the Private Sector General Insurance Companies offered Quality of Services:
(a) Old Age Group Respondents, (b) The Respondents Who fall under Employed category, (c) The Respondents Whose Monthly Family Income is Medium, (d) The Respondents Who Have Retail Policies, (e) The Respondents who have Received Bonus on their Policies, (f) The Respondents who have Made Claims on their Policies, (g) The Respondents who Opined that the Overall Services offered by the General Insurance Companies are ‘excellent’.

The results of the Contingency Table revealed that there exists a significant relationship between the following factors and perception of the respondents on the quality
of services offered by The Private Sector General Insurance Companies in Coimbatore District: (a) Occupational Status of the Respondents, (b) Monthly Family Income of the Respondents, (c) Types of Policy Held by the Respondents, (d) Bonus Received Status of the Respondents.

The result of Analysis of Variance indicate that there exists a significant difference between the mean scores of
(a) The Respondents who have differences in their Occupational Status, (b) The Respondents who have differences in the Monthly Family Income, (c) The Respondents who hold different Type of Policies, and (d) The Respondents who differ in Opinion on Overall Service.

The result of the chi-square test revealed that the following factors significantly influence the Perception of the respondents on the quality of services offered by the Private Sector General Insurance Companies in Coimbatore District:
(a) Occupational Status of the Respondents, (b) Monthly Family Income of the Respondents, (c) Type of Policy Held by the Respondents, and (d) Opinion on Overall Service of the Respondents.

The result of the Karl Pearson’s correlation indicates that the variables such as Period of Holding Policy by the Respondents, Opinion of the Respondents on the Rate of Premium and Opinion of the Respondents on the Services Offered have Positive and Significant Correlation with Dependent variable at 1% level of significance. It further reveals that the independent variables such as Occupational Status, Respondent’s Preferred Means of Investment, Source of Awareness, Type of Policy Held by the Respondents, Mode of Premium Payment have negative and significant correlation with dependent variable at 1% level of significance. The independent variables Family Type and Literacy Level have the negative and significant correlation with the dependent variable at 5% level of significance.

The result of the Multiple Regression Analysis revealed that the variables viz., Marital Status of the Respondents, Family Type of the Respondents, Occupational Status of the Respondents, Source of Investment of the Respondents, Type of Policy Held by the
Respondents, Period of Holding Policy by the Respondents, Mode of Premium Payment by the Respondents, Opinion Rate of Premium of the Respondents, and Opinion on Overall Services of the Respondents on the Services Offered by the Private Sector General Insurance Companies District. It also revealed that the value of R2 is highly significant.

The result of the Stepwise Analysis indicated that the contribution of the significant variables to the Perception of the respondents on the quality of services offered by the Private Sector General Insurance Companies in Coimbatore is 11.10%.

The Factor Analysis revealed that factors such as “Timely Service Factor”, “Better Claim Related Services Factor”, “Staff Response Factor”, “Effective Grievance Handling Factor” and “Simple Claims Settlement Procedure Factor” considerably contribute to the Level of Satisfaction Derived by the Respondents on the Claim Settlement Procedures on the Services offered by Private Sector General Insurance Companies.

5.2.9 SATISFACTION DERIVED BY THE CLIENTS ON THE SERVICES OFFERED BY THE PRIVATE SECTOR GENERAL INSURANCE COMPANIES IN COIMBATORE DISTRICT.

The results of the study revealed that out of one thousand sample respondents, one hundred and eighty eight respondents (18.80%) opined that the level of satisfaction derived by these companies is low; six hundred and sixty two respondents (66.20%) opined that the level of satisfaction derived by these companies are fair and the remaining one hundred and fifty respondents (15.00%) perceived that the level of satisfaction derived by these companies is simple.

The mean score of the respondents revealed that the following categories of respondents perceived that the Private Sector General Insurance Companies offered Quality of Services:

(a) Male Respondents, (b) Middle Age Group Respondents, (c) The Respondents with Education upto Under Graduation Level, (d) The Respondents Who fall under Employed category. (e) The Respondents whose Monthly Family Income is Medium, (f) The Respondents who Choose the Insurer because of the Reputation of the Insurer, (g) The Respondents who Prefer to Invest in Insurance Policies with a view to have a Peaceful life
during their old age, (h) The Respondents who Held Retail Policies, (i) The Respondents who Held the Policies for More period, (j) The Respondents who Remit the Premiums on their Policies on Annual, (k) The Respondents who Remit their Premiums through Collection Centre, (l) The Respondents who Opined that the Premium rates are Less, (m) The Respondents who have not made Claims on their Policies, (n) The Respondents who Opined that the Services Offered by these Companies are Excellent.

The results of the Contingency Table revealed that there exists a significant relationship between the following factors and the Perception of the respondents on the quality of services offered by The Private Sector General Insurance Companies in Coimbatore District:

(a) Age Group of the Respondents, (b) Literacy Level of the Respondents, (c) Monthly Family Income of the Respondents, (d) Types of Policy Held by the Respondents, (e) Period of Holding Policy by the Respondents, (f) Overall Opinioned Services of the Respondents.

The results of Analysis of Variance indicate that there exists a significant difference between the mean scores of:

(a) The Respondents who have differences in the Levels of Literacy, (b) The Respondents who have differences in their Occupational Status, (c) The Respondents who have differences in the Monthly Family Income, (d) The Respondents who have differences in the Motives for Purchasing the Policies, (e) The Respondents who have differences in the Type of Policy they are Holding, (f) The Respondents who have differences in the Period of Holding the Policy, (g) The Respondents who have differences in Mode of Premium Payment, (h) The Respondents who have differences in their Opinion on Premium Rate, and (i) The Respondents who have differences in their Opinion on Overall Services offered by these Companies.

The result of the chi-square test revealed that the following factors significantly influence the perception of the respondents on the quality of services offered by the Private Sector General Insurance Companies in Coimbatore District:
(a) Literacy Level of the Respondents, (b) Monthly Family Income of the Respondents, (c) Motives for Purchasing, (d) Type of Policy Held by the Respondents, (e) Period of Holding Policy by the Respondents, (f) Period of Payment of Premium by the Respondents, (g) Mode of Payment Premium by the Respondents, (h) Opinion of the Respondents on Premium Rate, (i) Opinion of the Respondents on the Overall Services.

The result of the Karl Pearson's correlation indicates that the variables such as Period of Holding the Policies by the Respondents, Opinion Rate of Premium, Opinion on Overall Services, Perception of the Respondents on the Procedural Aspects, Perception of the Respondents on the Premium Related Factors and Claim Settlement Procedure adopted by the Companies have positive and significant correlation with dependent variable at 1% level of significance. It further reveals that the independent variables such as Family Type of the Respondents, Literacy Level of the Respondents, Occupational Status of the Respondents, Means of Investment of the Respondents, Source of Awareness, Type of Policy held by the Respondents and Mode of Payment of Premium have negative and significant correlation with dependent variable at 1% level of significance, and the independent variable Period of Payment of Premium has the negative and significant correlation with the dependent variable at 5% level of significance.

The result of the Multiple Regression Analysis revealed that the variables viz., Family Type of the Respondents, Family Size of the Respondents, Source of Investment of the Respondents, Source of Awareness of the Respondents, Type of Policy Held by the Respondents, Period of Holding Policy by the Respondents, Opinion of the Respondents on Premium Rate, and Opinion on Overall Services of the Respondents on the Services Offered by the Private Sector General Insurance Companies in Coimbatore District. It also revealed that the value of $R^2$ is highly significant.

The result of the Stepwise Analysis indicated that the contribution of the significant variables to the Perception of the respondents on the quality of services offered by the Private Sector General Insurance Companies is 12.80%.

5.3 SUGGESTIONS

The following are the suggestions that have been offered by the researcher for the purpose of enhancing the quality of services that have been offered by the Private Sector General Insurance Companies:

a) EFFECTIVE PRACTICING OF CUSTOMER RELATIONSHIP MANAGEMENT POLICIES

Customer Relationship Management is considered as an integral and vital part of marketing activity of any firm. The effective maintenance of CRM results in improving profitability, customer satisfaction, customer delight and customer retention. Establishing and maintaining good CRM will lead to the success of the business in long run. Basically, the General Insurance Sector is a service rendering industry and it has to focus much on fulfilling the customer needs and wants, and try to establish a long term sustained relationship with the customers. CRM in General Industry is about understanding the policyholder’s needs, encouraging this knowledge to increase sales; improving service quality. Practicing of effective CRM policies results in improving the competitive strength of the industry. CRM in General Insurance Industry involves the consideration of policy holder’s information in a single database and the re-engineering of the business process around the customer. Hence, it is suggested that the Customer Relationship Management in these companies can be developed by means of creating and establishing a positive image about the company and its work force. The skills of the
work force are to be improved for rendering a good quality of service to the customers; for proper planning and organization; delivering a trustworthy service to the policy holders; assessing and attending the problems and difficulties of the policy holders in a faster manner; creating and maintaining a good relationship with the customers at all points; offering reliable, efficient, consistent and prompt services to the policy holders; taking constructive and continuous steps towards the provision of better and improved customer service; introducing tailor made products and services to suit the requirements of the customers and timely processing of the customer service information. By means of formulating and implementing effective Customer Relationship Management Policies, the companies can offer superior quality of services to their clients and also enhance their satisfaction on the services that have been offered by these companies.

b) ESTABLISHING TRUST AMONG THE CLIENTS

The success of any business is highly influenced by the trust of the customers on the business and the same is highly applicable in case of insurance sector. The trust of the customers over the service provider critically determines the success and survival of the service provider. It is generally believed that the customers trust the public sector service providers as they have been existing in the market for a longer period when compared to their private sector counterparts and the same is also contributed towards the success of the Public Sector Insurance Companies. Hence, it is suggested that the Private Sector General Insurance Companies must find out the possible and feasible ways for establishing trust among their customers over the service providers. For the purpose of improving the trust of the customers over the service providers, the service providers have to establish a strong and effective customer – employee relationship. Attending the problems of the clients in time, maintaining transparency in their operations, obtaining feedback from the clients and acting according to their suggestions and prompt response to the customers will result in enhancing the customers’ trust over the service providers. Building and maintaining trust will result in offering a better quality of services by the service providers to their clients and improve the client satisfaction.
c) ADOPTING APPROPRIATE CLIENT RETENTION STRATEGIES

Customer retention strategy is regarded as one of the vital business strategies in the modern highly competitive business environment and the same is applicable to the Private Sector General Insurance Companies also. It is a generally agreed fact that the cost incurred for customer retention activities are less than the cost incurred for acquiring new customers. If the Private Sector General Insurance Companies are able to formulate and implement appropriate customer retention strategies, the existing policy holders can effectively be retained by these companies in a highly competitive insurance market. Hence, it is suggested that the Private Sector General Insurance Companies must take positive steps towards identifying and improving the factors that can limit customer defection. Enhancing the performance of employees, professional approach of the staff of the services providers towards the policy holders, volunteering of the staff in finding solutions to the clients, establishing and developing an amicable relationship and personal touch with the policy holders, etc. will have to be considered for retaining the existing clients. Apart from this, trying to find out immediate solutions to the problems of the clients, offering advice to the clients in minimizing and eliminating the risks, making the staff recognize the importance of the policy holders are also considered as the effective customer retention tools. Hence, by adopting all these stated facts, the Private Sector General Insurance Companies can offer a better quality of services to their policy holders and also pave the way for enhancing their satisfaction on the various services offered by these companies to their clients.

d) IMPROVING THE IMAGE AMONG THE CLIENTS

The image gained by the insurance company among the public plays a pivotal role in determining the success of the company in the highly competitive insurance industry environment. The image of the insurer influences the decision of the client, whether to be the client of the service provider or not. The image and reputation of the service provider that exists in the minds of the clients influences their willingness to offer complete support towards the operations of the service provider. Hence, it is suggested that
necessary positive steps have to be adopted by the services providers for building-up their image among the potential and existing clients. By means of following fair business practices, considering the total and whole needs of the clients, promptness in actions against the grievances of the clients, maintaining transparency in all the operations, avoiding charging the hidden cost, avoiding to include the hidden clauses in the insurance contracts with the clients will result in building-up a positive image among the clients of the companies. Hence, these private sector general insurance companies must formulate and implement necessary steps for building-up their image among their clients and this will make the clients to feel that the services offered by these companies are superior in quality and enhance the satisfaction derived by the clients on the services offered by these companies.

e) CREATING PRODUCT AWARENESS

The General Insurance Companies are operating in a highly competitive environment. In order to sustain and survive in the highly competitive market, they ever focus on introduction of modern, innovative, customer friendly and sophisticated products and services. It is generally felt that the awareness about the variety of products offered by these companies is not adequate enough among the potential customers. Hence, it is suggested that these companies must take positive steps for creating awareness among the customers about the products and services that they offer and these companies must make intensive use of various media such as the internet, radio, newspapers, television, magazines and social media. The effective use of these medias will result in enhancing the awareness among the potential policy holders about the company and the various products and services offered to them. It is also found that the majority of the private sector general insurance companies target only urban and semi-urban customers. The needs and wants of the rural people are to be properly acknowledged by these companies. Hence, it is suggested that by formulating and implementing suitable policies to create awareness and to attract the rural customers, the companies can extend their area of operations and expand the customer base. This will contribute to improve the
performance and market standing of the companies. Hence, adequate steps have to be initiated by these companies to create awareness among the customers about their products and services, and tapping up of the rural markets will result in offering better services to the customers.

f) INTRODUCTION OF INNOVATIVE PRODUCTS

The changes and innovations taking place in all industrial and service sectors and insurance sector are not an exception to these facts. The insurance industry has become more competitive in India to a considerable extent after the deregulation of the sector. In order to meet out the ever changing demands of the clients and to improve the competitive strength in the market, the Private Sector General Insurance Companies are expected to include new, need-based and innovative products in their existing product line. With a view to increase the client base and to remain more competitive in the highly competitive market, the private Sector General Insurance Companies have to find out and introduce innovative insurance products and services to suit the needs and wants of the clients. The introduction of new products in the form of new policies, extending the scope of the coverage, offering customized policies and services to the clients will result not only in improving the satisfaction of the clients but also contribute significantly towards ensuring the economic viability of the companies. Here, the insurance companies are expected to be more client-centric in a sense that these companies should engage themselves in trying to find out and introduce new products, policies and services. Undertaking such measures will result in offering services of better quality by these companies to their clients and enhancing their satisfaction of the clients on the services offered by these companies.

g) COMPETITIVE PREMIUM RATES

The insurance market is highly competitive in terms of premium, scope of coverage, policy options, etc. With a view to retaining the existing clients and attract new clients to their business, the Private Sector Insurance Companies frequently alter their premium rates and offer special and specific discounts to their clients. The rate of
premium quoted by the company is the critical factor that makes the client to decide whether to go for a service provider or not. Hence, it is suggested that the premium rates of these companies must be fixed by fair means. By fixing premiums by fair means and offering reasonable and unbiased discounts will make the client to feel that services offered by these companies are superior in quality and the same will result in enhancing the satisfaction derived by the clients.

h) PREMIUM PAYMENT OPTIONS

The premium payment options need to be taken into account by the service providers for ensuring a better quality of services to their clients. The annual premiums may not be possible in cases where the quantum of premium is very huge. Hence, the companies must consider in finding out the means to remit the premiums in installments rather than in at one instance. Similarly, the service providers have to establish collection centres for collection of premium at various places as per the convenience of the clients. They have to make some arrangements with banks or other financial agencies who will act as collection agents for collecting premiums on behalf of the service providers and the clients may be permitted to remit their premiums through these agencies. Appointing personnel for the purpose of collection of the premiums from the clients directly is also an effective measure in this regard. Online portals could be set up for making the premium payment by clients. Undertaking these measures will result in offering a superior quality of services to the clients and enhancing the satisfaction of the clients on the services offered by these companies.

i) PROMPT DISPATCH OF RENEWAL NOTICES

The Private Sector General Insurance Companies offers fire, marine and general insurance policies to suit the demands of variety of clients. These policies are offered for a fixed term, usually for one year from the date of availing the policy cover by the clients. Unless the policy is renewed at the end of the year, the policy gets expired and the clients loose opportunity of covering the risk by the insurers. It is a general practice that the companies serve renewal notice to their clients before a reasonable period to remind them
about the renewal of the policy. Prompt dispatch of renewal notices to the clients will be beneficial for the clients in a sense that they can avail insurance cover and for the company in a sense that it can retain the existing clients. Hence, it is suggested that the Private Sector General Insurance Companies should serve the renewal notice well in advance and the same will make the policy holders to perceive that the companies offer better quality of services and enhance their satisfaction on the services offered by these companies. Instead of relying only on the conventional means of serving renewal notices, the companies must make use of various other media such as sending the renewal notices through e-mail, sending messages to the mobile phones of the policy holders, making a call to the policy holders to remind about the renewal of their policies, visiting the clients by the marketing personnel of the companies, etc. Similarly the companies have to take positive steps for providing the online renewal facility to their clients and online premium calculator options to the clients to know about the amount of premium they have to remit for renewal of their policies. By adopting these measures, the level of satisfaction derived by the clients on the services offered by the Private Sector General Insurance Companies can further be enhanced.

j) GRACE PERIOD FOR POLICY RENEWAL

One of the expectations of the policy holders of the general insurance is that they expect that a reasonable grace period has to be offered to them in remittance of premiums and renewal of policies. Though it is technically a difficult task for an insurer, some measures have to be undertaken by the insurer in this regard. The genuineness of the case, the track record of the client, the quantum of the premium and risk coverage etc., could be considered by these companies to offer grace period to their clients in remittance of premiums and renewal of the policies. It will also be helpful for the service provider to retain the existing clients or else they may move towards other service provider. Hence, offering of the grace period for genuine cases and for genuine reasons will make the client feel that the services offered by these companies are superior in quality and also result in enhancing the client satisfaction.
k) TIMELY RELEASE AT CLAIMS

The prompt and timely settlement of claims is the obligation of the insurer and this is considered as the most important service that an insurance company offers to its clients. Hence, the prompt settlement of claims will result in perceiving the better quality of services of the insurer from the point of view of the clients and enhance the client satisfaction. Apart from these facts, the timely and fair settlement of claims will enhance the reputation and trust among the policy holders of the company. Hence, it is suggested that the private sector general insurance companies must handle the settlement of claims in a more positive and proactive manner. In order to facilitate the speedy and effective settlement of claims, the staff members of the companies are to be given adequate exposure towards the law, practice and principles of contract of insurance, conditions that are applicable to the policies, etc. The assistance extended by the staff and the company in speedy disposal of claims will contribute significantly in improving the quality of the services that are offered by these companies and improving the satisfaction of the policy holders.

l) UNBIASED APPROACH

The adoption of unbiased approach by the staff and the management of these Private Sector General Insurance Companies towards their policy holders will enhance their satisfaction as well as provision of a superior quality of services to their clients. The clients expect that the Private Sector General Insurance Companies must follow unbiased approach in the areas like fixing the premium rates for the policies of the clients, assessment of losses during the unforeseen circumstances, valuation of the loss incurred by the policy holders, offering special discounts and offers to the policy holders, responding to the queries of the clients, offering grace periods, provision of the services across counters, etc. The provision of unbiased services to all the clients of the service provider is highly dependent on the support that is extended by the staff towards achievement of this task. Hence, it is suggested that the necessary training has to be offered to the staff to meet this task and the staff have to be moulded to render the
unbiased services to all the clients. The adoption of the unbiased approach of these companies towards their policy holders will make the policy holders to perceive that the service provider offers better quality of services and the same will lead to enhancing the client satisfaction.

m) ESTABLISHING CLIENT GRIEVANCE REDRESSAL CELL

It is a fact that the insurance companies are dealing with the clients who have varied needs and expect different forms of services from their service providers. As a result, some times, the service providers may not be able to attend to the services as expected by their clients. The clients may encounter the problems such as waiting in a long queue for remitting their premiums, absence of staff to attend their problems, procedure for intimation of claim, follow up actions with regard to the settlement of claims, etc. As the insurance business wholly depends on their clients for the survival, the service providers must try to find ways to access the nature of problems that may be encountered by their clients when they deal with them and take all the possible steps to settle down such problems in an amicable manner. Hence, it is suggested that a separate Client Grievance Redressal Cell has to be established to look after the complaints lodged by the clients. The establishment and effective functioning of this cell will bring down the deficiency in the services offered by these insurance companies to their clients. Apart from this, it is to be ensured that the cell is capable of finding out an effective and suitable means for settling down the problems brought forward by the clients. The cell has also to be entrusted with the responsibility of obtaining feedback from the clients on the services offered by these companies. Establishment of a cell of this type will result in making the customer feel that the services offered by these companies are superior in quality.

n) OFFERING EFFECTIVE SERVICES ACROSS THE COUNTER

Counter service is an important aspect in case of insurance business. Offering excellent counter service can improve the insurance company’s ability to lure affluent prospects, elevate the company’s profitability, lower operation costs and create greater customer loyalty. Hence, it is suggested that the private sector general insurance
companies have to offer adequate amount of training to their staff members who serve in counters and interact with the clients directly. This will facilitate the insurance companies to offer a superior quality of service to their clients. The clients can derive higher level of satisfaction if they are able to secure prompt response from the staff at the counter.

0) IMPROVING THE EFFICIENCY OF STAFF BY ALLOCATION OF REASONABLE WORKLOAD

The heavy workload of the staff of these companies results in bringing down their efficiency and performance and because of these facts, the staff are not able to attend the needs and wants of the clients in an effective manner. Hence, offering a superior quality of services and offering higher level of customer satisfaction to the clients have become a tough task for the service providers and their staff. Hence, it is suggested that the Private Sector General Insurance Companies are required to undertake some positive measures for bringing down the existing workload and this will result in improving the efficiency and quality of work of the staff of these companies. The better performance and support extended by the staff of these companies will make the clients feel that the services offered by these companies are superior in quality and it will also enhance the satisfaction of the clients on the services offered by these companies.

p) SETTING STANDAREDS IN DETERMINING THE QUALITY OF SERVICES

Offering a superior quality of service by the Private Sector General Insurance Companies is also one of the most visible and significant aspects in determining the success and performance of these companies. While the trend is apparently for more people to complain, and are less tolerant than they used to be, the service providers must think of providing standardized services to their clients. The companies must come forward to establish the standards for their own services. These standards may be set in respect of time, cost, formalities and counter response. Apart from these, the task of the clients can be achieved through organizing, changing the culture, using specifically designed systems and techniques and analyzing the feedback obtained from the clients. By means of setting their standards, the Private Sector General Insurance Companies can
find out the deviations between the accruals and the set standards and take corrective actions to bring down the deviations between these two limits. It will result in offering services of superior quality to the clients by these companies.

**q) IMPROVEMENT IN AMENITIES**

While choosing the service provider, the policy holders, apart from the core services offered by the service provider, look into several other factors also. The clients expect that there must be a conducive environment in the companies where they transact with. Hence, the companies should look into the various factors which will make the clients feel comfort such as location of the office, easy to reach, provision of additional services such as stationery, xerox and postal, parking and refreshment facilities. With regard to the internal environment in the office, the companies must provide the required forms, provision of tables and chairs to sit and fill the forms by the clients and to relax, installation of fans, drinking water points and toilet facilities, as these facilities are expected by the clients. By offering and maintaining such facilities and amenities, the insurance companies can offer a higher level of client satisfaction and offer a superior quality of services to their clients.

**5.4 SCOPE FOR FURTHER RESEARCH**

There is scope for further research in extension of the present research in the following areas:

a. A similar type of study can be undertaken for assessing the perception of the clients on the services offered by the Public Sector General Insurance Companies in the same region and in the other regions also.

b. A comparative study can be undertaken to assess the perception of the clients on the services offered by private sector and Public Sector General Insurance Companies in the same region and in the other regions also.

c. A comparative study can be undertaken in order to assess the differences in the level of satisfaction derived by the clients of Public and Private Sector General Insurance Companies in the same region and in the other regions also.
5.5 CONCLUSION

The present study carried out by the researcher has been a rewarding experience in the sense that it has identified and measured the perception of the policy holders of the Private Sector General Insurance Companies on the various services offered by these Companies in Coimbatore District and assessed their level of satisfaction on the various services, and the factors that influence the satisfaction derived by the policy holders of the Private Sector General Insurance Companies in Coimbatore District. The policy holder has been considered as the vital focus area in the sectors of the Insurance Industry. As a result, the Private Sector General Insurance Companies in the modern days in the highly competitive environment, lay down their emphasis on providing a superior quality of services to their policy holders and improving the satisfaction of their policy holders on their functioning. By offering better, diversified and customized products to fulfil the needs and wants of the policy holders, adopting an appropriate and reasonably stable policy towards the premium rates, discount rates, ensuring the effective utilization of the professional expertise possessed by these companies, adopting sophisticated and user friendly technologies and creating a trust in the minds of the policy holders will facilitate these companies to offer superior quality of services to the policy holders and offering an improved level of policy holders' satisfaction. It is hoped that studies of this type and the suggestions offered through this study will be very much useful to the banks and it will pave a way for the Private Sector General Insurance Companies to offer a superior quality of services to their policy holders and to enhance their satisfaction on the functioning of these Insurance Companies. If the study could be useful to the Private Sector General Insurance Companies, for making such an attempt, the researcher shall feel that he is amply rewarded.

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