ABSTRACT

“A STUDY OF MANAGEMENT OF PROBLEMS AND PROSPECTS OF GENERAL INSURANCE COMPANIES IN PUBLIC SECTOR IN PUNE REGION FOR THE PERIOD 2000-2008”

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1. The Background

The most important thing for people is the protection of their lives and their assets. Whenever one thinks about the security of his assets, the thought of general insurance comes to his mind. This is obvious because every asset is an economic resource and has economic value.

Therefore, the people think about general insurance because the business of general insurance is related to the protection of the economic values of their assets.

“Every asset is expected to perform for a certain period of time; however, in some cases it may get lost earlier, destroyed or made non-functional for various reasons such as accidents, thefts or other unfortunate events. In such cases, the general insurance helps to reduce the impact of such adverse situations. If the asset gets lost earlier, being destroyed or made non-functional, through an accident or other unfortunate event, the owner and those deriving benefits there from, suffer. General Insurance is a mechanism that helps to reduce such adverse consequences”

Insurance other than ‘Life Insurance’ falls under the category of General Insurance. General Insurance comprises of insurance of property against fire, burglary, other immovable property etc.

“The concept of general insurance is intimately related to security. General Insurance acts as a protective shield against risk and future uncertainties”.

There are general insurance products that are in the nature of package policies offering a combination of the covers mentioned above. For instance, there are package policies available for householders, shop keepers and also for professionals such as doctors, chartered accountants etc. Apart from offering standard covers, insurers also offer customized or tailor-made ones.

Suitable general Insurance covers are necessary for every family. It is important to protect one’s property, which one might have acquired from one’s hard earned income. A loss or damage to one’s property can leave one shattered. Losses created by catastrophes such as the tsunami, earthquakes, cyclones etc. have left many homeless and penniless. Such losses can be devastating but general insurance could help mitigate them. Property can be covered, so also the people against Personal Accident.

Industries also need to protect themselves by obtaining general insurance covers to protect their building, machinery, stocks etc. They need to cover their liabilities as well. Financiers insist on general insurance. So, most industries or businesses that are financed by banks and other institutions do obtain covers.

Also organizations or industries that are self-financed should ensure that they are protected by general insurance.

General Insurance is, therefore, a contract between two parties whereby one party called insurer undertakes in exchange for a fixed sum called premium to pay the other party on happening of a certain event i.e., losses suffered by the insured as a result of the occurrence of unforeseen events.
With the help of General Insurance, large number of people exposed to a similar risk makes contributions to a common fund out of which the losses suffered by the unfortunate few, due to perils/accidental events, are made good.

The main reason for assets to be insured is that they are likely to be destroyed or made non-functional mainly through accidents. Such possible accidental occurrences are called perils.

The different types of perils are Fire, floods, breakdowns, lightening, earthquakes etc. There always exist the risks to these assets, which can cause damages. These damages happen due to these various perils.

The damages that these perils may cause to the assets, is the risk that the asset is exposed to. The concept has been extended to cover possible losses other than through accident, like the deliberate behaviours of employees committing fraud, robbery, burglary etc., which are also risks. These risks are not within the control of the owner of the lost asset. “The risk only means that there is a possibility of loss or damage. There is always uncertainty about the risk. It may or may not happen”

Taking into account that a particular damage may happen, the general insurance becomes a necessity or protection factor. General Insurance is relevant only if there are uncertainties. If there is no uncertainty about the occurrence of an event, it cannot be insured against. General Insurance does not protect the asset. At the same time, the general insurance cannot prevent the loss to the assets that has caused due to the perils.

General Insurance works on the basic principle of risk sharing. A great advantage of general insurance is that it spreads the risk of a few people over a large group of people exposed to risk of similar type.

The entire world has understood the importance of general insurance and the general insurance business has become an important part of the country’s economy. The reason for this is that the general insurance companies are controlling a large amount of funds. They are having large amount of funds. Being so, they are always looking for opportunities for investing these huge amounts somewhere. As a reason of this, the government is also looking at them for financial support.

2. Objectives of the Study

1. To find out the customer awareness about the public sector general insurance companies
2. To know the impact of the public sector general insurance companies on the policy holders in financial terms
3. To study the marketing strategies of the public sector general insurance companies
4. To study the policy holders’ opinion about the public sector general insurance companies
5. To study the effects of Government policies on the business of the public sector General insurance companies
6. To study the future prospects of the public sector general insurance companies
7. To suggest the remedial measures for solving the problems of the public sector General insurance companies

3. Hypothesis

1. There is significant relationship between qualification of policy holders and awareness of the terms and conditions of the policy that they have taken
2. The public sector general insurance companies in India have good prospects
3. The response and awareness of the customers towards the insurance business are poor
4. Because of globalization there is ever increasing competition between all the insurance companies for business
5. There is significant relationship between level of management and awareness of the terms and conditions of the policy that they have taken
6. The public sector general insurance companies have been facing various problems in their day to day business
7. There is more awareness in the urban area about the general insurance business
8. Liberalization has affected the business of public sector general insurance companies
9. The public sector general insurance companies need to improve the quality of service
10. Proper training to the management personnel and the staff will attract more business
11. Rotation/Transfer policies of the companies are complicated and not acceptable by majority of employees

4. The Purpose of the Study

The General Insurance Corporation of India was incorporated as a company in 1971 and it commenced business on January 1st 1973. The process of re-opening of the sector had begun in the early 1990s and the last decade and more has seen it been opened up substantially.

“The Government accepted the recommendations of RN Malhotra committee” and opened up the sector for private sector. With the entry of private insurance companies and liberalization of Indian economy the competition has become fierce.

The competition is not only between public sector and private sector companies but even public sector and public sector also. Companies in both these sectors are using latest technology for providing best service to customers.

Also companies in both the sectors have huge financial resources to manure themselves with the changed situation.

All the four public sector general insurance companies have their offices in Pune city and a number of private sector general insurance companies also have their office in this city.
All these public sector general insurance companies had monopoly in this field before the entry of private general insurance companies. But now, it has become buyers' market instead of sellers' market.

Though there is a change in the situation, problems of public sector general insurance companies have still remained, but the nature of the problems has been changed significantly.

It is also essential to understand the situation after the entry of private sector into this field. By carrying out the study work, the different ways could be found out and seen whether the style of managing needs to be changed or it is the old philosophy or the professional approach that requires to be changed.

In future, it is expected that more and more private general insurance companies will enter the Indian market. The entry of the private sector companies is inevitable.

Public sector general insurance companies in India are facing several problems, such as ever increasing cut-throat competition, poor response and awareness from the customers, rigid management approach and policies towards customers, staff, surveyors, integrity and loyalty of the surveyors is often at stake, problems regarding over-staffing and procedural delays etc.

The present research work is undertaken to study the problems and prospects of the public sector general insurance companies and suggest remedial measures. It is expected that the Indian economy will continue to grow at the rate of at least 7 to 7.5% in future. This gives us the idea of the scope of the general insurance network and how fast it will continue to grow. This also shows that in India the prospects of the general insurance industry are very good. Looking at the new entries in this sector, it is very clear that yet a large number of companies will enter the Indian market and the scope will keep on increasing. The income levels of the people are rising and also the availability of finance is also there. Moreover, the lifestyle and aspirations of the people is also changing. This is certainly going to increase the demand for general insurance by people in future. It will thus, be interesting to study the problems as well as prospects of the public sector general insurance industry.

5. Reasons for Choice of the Topic

The process of re-opening of the sector had begun in the early 1990s and the last decade and more has seen it been opened up substantially. Till then, there existed only public sector general insurance companies, who enjoyed the monopoly status and operated in the so called sellers’ market.

The situation has changed because of liberalization and it has now become buyers’ market. It is very interesting to note that a large number of companies have entered the Indian market since then. It is like these companies were in queue and just waiting for the market to be opened up by the Indian government. It is interesting to study as to why these companies are so interested in Indian market? What is that which is attracting them?

General Insurance is such a thing that not only the companies are attracted towards it but the people are also very much curious about the same, since almost everyone has come across this concept as everyone has to take the
general insurance cover at some stage in his life. So why it is at all required and why some policies have been made compulsory by the government etc. are some of the points which make it interesting to study. There always exists a curiosity in the minds of everyone about the whole concepts, but at the same time, only a few are interested in studying the subject in depth.

The government is interested in the quality of life of people and also about the safety of the people. Hence it has introduced the vehicle insurance as compulsory for safety and Mediclaim policy (not mandatory) for health of the people. It is really interesting to study as to how these policies work. How in a small premium the economic safety and health facility is taken care of by the government?

In general, the subject of general insurance and to be precisely the topic chosen has been found very interesting by the researcher.

6. Research Methodology

6.1 Statement of the Problem

The research aims to study the problems and prospects of the general insurance companies in the public sector in the city of Pune.

6.2 Rationale of the Study

Because of liberalization, the monopoly of public sector general insurance companies has come to an end. There is, now, fierce competition between public sector and private sector companies as well as between public sector to public sector companies. There are various problems that all these companies are facing because of this. It would also be interesting to study and know the prospects of these companies.

Considering the above points, the need is felt to conduct the research to study the problems and prospects of public sector general insurance companies with the following objectives in the mind:

1) To find out the customer awareness about the general insurance business

2) To know the impact of the general insurance companies on the policy holders in financial terms

3) To study the marketing strategies of the general insurance companies

4) To study the policy holders’ opinion about the public sector general insurance companies

5) To study the effects of government policies on the business of the public sector general insurance companies

6) To study the future prospects of the public sector general insurance companies

7) To suggest the remedial measures for solving the problems of the public sector general insurance companies
6.3 Research Design
The major parts of the Research Methodology are:

a. Research Design
b. Research Method - Secondary and Primary
   i) Desk Research/Library Research
   ii) Field Research
c. Sampling Plan
d. Questionnaire Design
e. Field work Plan
f. Analysis Plan

A Research Design provides the framework to be used as a guide in collecting and analyzing data.

There are three traditional categories of research design namely:

- **Exploratory**
- **Descriptive & Causal**

The choice of the most appropriate design depends largely on the objectives of the research and how much is known about the problem and these objectives.

In **Exploratory** Research the objective is to gain background information, to define terms, to clarify problems and develop hypotheses, to establish research priorities, to develop questions to be answered.

In **Descriptive** Research the objective is to describe and measure marketing phenomena at a point in time.

And in **Causal** Research the objective is to determine causality, test hypotheses, to make “if-then” statements and to answer questions.

The Research Design used for the survey is **Descriptive Research** and the type of research design is **Cross-sectional**.

Cross-Sectional design is a one-shot research study at a given point of time, and consists of a sample (cross-section) of the population of interest.

6.4 Sampling Design and Methodology:

The chosen Research Design is **Descriptive** in nature. The basic objective underlying this choice is to find out, understand and study the problems and prospects of the public sector general insurance companies in Pune city.

The questionnaire survey method has been employed for collection of data from the selected respondents.

- Sampling Design
- Survey of the policy holders and management personnel of public sector general insurance companies
Universe: Policy holders and management personnel of these companies from Pune region

Definition of the universe: Policy holders of public sector general insurance companies as well as management personnel (officers) of these companies

Sample Size: 450 respondents

The sample consists of 4 types of respondents in case of policy holders: and one type of respondents in case of management personnel:

- Students : 75 responses
- Professional : 75 responses
- Business man : 75 responses
- Salaried : 75 responses
- Management Personnel : 75 responses (Officers/middle management/top management)

Instrument : Questionnaires

Response Rate: 83.33%

Segments covered: Students, Professionals, Businessman and Salaried and management personnel of 4 public sector general insurance companies at different levels

The class of Students includes: Engineering students, Management students

The class of Professionals includes: Chartered Accountants, Architects, Doctors, Advocates, and Consultants

The Business Class includes: Shop owners, Proprietors

The Salaried Class includes: Employed people like Directors, Deans of institutes, Administrative Staff, Professors/Lecturers, people working in IT Sector, Banks, Financial Institutes, Manufacturing Sector, Automobile Sector, Hotel & Hospitality Sector, Media Sector, FMCG Sector, Insurance Sector and Pharmaceutical Sector.

The class of Management personnel includes: The personnel working in the four public sectors general insurance companies. This class includes the officers working at lower, middle and top level management cadre.

The Sampling Method used is Non-Probabilistic Quota Sampling. Quota sampling was used as the samples are selected from 5 various strata.

6.5 Data Collection

The data for the fulfilment of the objectives of this study was collected from primary as well as secondary resources.

6.5.1 Secondary Data:

In achieving the objectives of the study data has been collected from secondary sources also. In addition to primary resources, the data has been collected from credible sources, responsible in their respective fields. The data has also been collected from the officers of the four different public sector general insurance companies working at different levels of management, viz. lower level, middle level and top level. Such verified data has been utilized for the purpose of the study.
The researcher used the facilities in libraries of National Insurance Academy, an institute of repute Pune, for literature review. The research journals and various business magazines available in the library were a major source of secondary research. The CRISIL and EBSCO Database facilities available helped to download a number of related topics and research papers for reference. The researcher also used the proquest database for referring to various research papers on the said subject.

6.5.2 Primary data collection:

The primary data required for the study was collected through a pre-tested questionnaire during the period of January 2011 to April 2011. The sampling method used was non-probabilistic Quota sampling and the respondents were extracted from four strata of policy-holders viz. students, professionals, businessmen and salaried class people. The other class of respondents was extracted from one stratum of management personnel of four different public sector general insurance companies.

6.5.3 The Questionnaire:

A simple easy to understand questionnaire consisting of close ended questions was used for data collection from policyholders and management personnel

Questionnaire for policyholders:

The questions were grouped under the following headings:

Part I of the questionnaire seeks personal information about the respondent like the name, phone number, Sex, Qualification, Occupation, and Marital Status.

Part II of the questionnaire contains 46 questions emphasizing on the awareness of general insurance business, problems, and prospects of public sector general insurance companies, their expectations from these companies, opinion about these companies, problems faced by them while dealing with these companies etc.

Questionnaire for management:

The questions in this questionnaire were grouped under the following headings:

Part I of the questionnaire seeks personal information, about the respondent like the name, phone number, Sex, Qualification, Occupation, and Marital Status.

Part II of the questionnaire contents 48 questions emphasizing on the awareness of the management personnel about the work that they are carrying out, their knowledge about the day to day work, problems faced by them while working, their opinion about the terms and conditions about the policy, claims, agents, brokers etc.

7. Statistical tools for analysis

The Data was analysed with the help of Microsoft Excel 2007 Software, SPSS and the Chi-Testing.
8. Discussion & Findings

Policy Holders

Part I Personal Information

Gender

The educational background of the sample in question has presented some revealing facts. At all policy holders' level, 71.34% male respondents are post graduates, 82.46% males are post graduates and male SSC respondents are 60.67% and others are female respondents. In the occupational background, 73.33% males are professionals, 88% are businessmen, 76% males are in salaried class and 68% males are students and others are female respondents. As high as 90.63% male respondents are in the income above 5,00,000. In other income levels also 70% male respondents are there. There are 60.67% students who are male and remaining are female respondents. It indicates that majority of male respondents have responded to the questionnaire than female respondents.

Educational Background

The educational background of the sample in question also presented some revealing facts. At all policy holders' level, more than 55% respondents are post graduates and Ph.D. holders. The percentage of female respondents who are graduates and above is 66.20% and that of male is 51.33%. 92% students are post graduates. In the occupational class also more than 65% respondents are graduates and post graduates. In other class also about 65% respondents are at least graduates. It is therefore indicative that majority of respondents are from learned class, who can understand the subject in a better way.

Occupational Background

The 300 questionnaires were equally distributes to all the respondents of four classes, i.e. students, salaried class, professionals and business class people and hence 75 respondents each from these classes have responded. The percentages of male and female respondents are almost the same. It is seen from the table that 45.31% professionals have income more than 5, 00,000 lakhs. 94.94% respondents are students, which is obvious. 66% and 83.33% of the SSC and HSC respondents are also from business category. But in case of higher income groups, the percentage of salaried and professional class is more. It means that amongst higher education, the respondents have opted for jobs and their own professions.

Annual Income

It is seen from the table that all the students are in the income group of 0 to 50,000, which is obvious as they do not have earning being students. There is no significant difference between the earnings of male and female respondents. The SSC & HSC respondents are in the low income group and they are in the bracket of 33% to 34%. 22.94% graduates are in the income group of 2, 00,000 to 3, 00,000. The 38.95% and 38.67% post graduates and the Ph.D. holders respectively are having income more than 5, 00,000 lakhs.
It is clear that the higher the qualification the earnings are more and this is applicable to professional class as well.

**Part II Awareness of general insurance business, problems, and prospects**

**For which item you have taken Insurance Cover?**

It is seen from the table that 80.67% respondents at all policy holders have taken insurance cover for two wheelers and 53.33% have taken the same for their four wheelers. This is followed by 48.33% in case of health cover. There is no significant difference between male and female respondents taking insurance covers for two wheelers, four wheelers and health. At all the other levels in all the categories, the same trend continues. The inference can be drawn here that taking insurance cover for two and four wheelers is compulsory and also in the interest of respondents, that is why most of the people take these covers. In case of health, also the respondents are aware about their health and expenses which they may incur if they do not take this cover. For other items, the respondents are not much bothered to take the covers, may be because it is not compulsory or do not want to spend money because of other priorities.

**Have you taken the Mediclaim policy for you?**

At ‘all policyholders’ level, 58.86 % respondents have taken medical policy for them. In case of male and female the percentage is almost equal. The 88.89% SSC respondents have not taken policy for them and 66.67% HSC respondents have also not taken policy. 67.54% graduates, 57.32% Ph.D. holders, 78.67% professionals and 69.33% salaried class respondents have taken policy for them. In case of income level more 5,00,000 lakhs, 85.94% respondents have taken the cover and at all other levels, in other income groups also more than 60% respondents have taken the policies for them. It indicates that higher the income level or education, more is the number of respondents taking the covers and also more is the awareness.

**Have you taken Mediclaim policy for children and wife?**

All the students say that they have not taken policy for children and wife, which is quite possible as they are all unmarried. At all policy holders’ level, 49.39% respondents have not taken covers for their children and wife. At all the other various levels, in all the categories also 50% to 60% respondents have not taken the insurance covers for their children and wife. In case of students one can understand but most of the respondents who take covers for themselves have not taken covers for their children and wife, the reason may be that they find it more essential for them and not for their children and wife.

**One must take General Insurance Policies for items stated in Q.2 and for every year**

At ‘all policy holders’ level and also at all the other various levels, almost more than 65% to 70.00% respondents in all the categories are of the opinion that one must take general insurance policies for items stated in question 2. The indication here is that the respondents feel everybody should take policies for all the items for other items also in their own interest. The majority also feel that one should take insurance cover every year.
Do you go for General Insurance because it is Compulsory and to cover risk, cover must for everybody?

A thumping majority of 77.33% at ‘all policy holders’ level say that they do not take insurance policy because it is compulsory, but it is taken in their own interest and for their benefits. 75.98% male respondents and 81.69% female respondents are also of the same opinion. At other levels, in all other categories also more than 70% to 80% respondents have registered this. The majority of 80% and more respondents have also stated that they take insurance covers to cover risk. It can be seen most of the respondents do take insurance covers voluntarily and not because it is compulsory and also because it covers risk factors.

**Awareness about the terms and conditions and various schemes of the policies taken**

At ‘all policy holders’ level, 52.67% respondents say they are aware, male percentage is 53.71 and female percentage is 48.57. 50.88% graduate respondents and 56.71% post graduates say the same thing.. At all other levels, in other categories, 50 to 72% respondents are of the same opinion that they are aware of terms and conditions of the policies. As far as various schemes are concerned the response is same. However, the percentage of respondents who neither agree or disagree is also not negligible. The opinion seems to be divided in case of the responses of the respondents.

**There was a monopolistic situation for Public Sector General Insurance companies**

At ‘all policy holders’ level, 73.34% respondents are of the opinion that there was a monopolistic situation for public sector general insurance companies. At all other various levels, and in all the other categories, most of the respondents above 60% and more have registered the same opinion. This is because almost all are aware that they had no chance and they had to deal only with public sector companies only prior to globalization.

**The Tariff rates for comprehensive policy are very much on higher side.**

At ‘all policyholders’ level, 65.33% respondents feel that the rates for comprehensive policy are very much on higher side. At all the other levels and in all the categories it is seen that about 65% to 88% respondents also feel that these rates are very much on higher side. The comprehensive policies cover almost everything including the third party obligations and majority of the respondents are aware that due to this the rates of comprehensive policies are higher.

**About the timely service, quality of the service of the company, satisfaction about the time required for settlement of claims, record of company in doing work accurately etc.**

As can be seen from the tables, at ‘all policyholders’ level and at all the other various levels in different categories also majority of respondents have opined that they do get timely and quality of service from their general insurance companies. They are also happy about the time required for settlement of their claims and also responded positively to the work accuracy of their
company. This is an indication that they are quite happy with the companies from where they have taken their general insurance policies.

Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies

There is a mixed response for this statement from all the respondents, i.e. there is no much difference between the opinions of the respondents. The percentage of respondents saying neither agree or disagree is also substantial. It indicates that most of them do not have experience of other companies as the policies are taken from one company and do not know much about the other companies, since not dealt with them.

Which types of general insurance companies are more reliable according to you and are insurance companies essential for economic growth?

A thumping majority of respondents at ‘all policy holders’ level, and at all other levels in all the categories with percentage range of 70% to 90% are of the opinion that public sector general insurance companies are more reliable according to them and almost same percentage of respondents also have confirmed that the general insurance companies are essential for economic growth of the country. The significantly positive responses recorded here confirm their belief in public sector general insurance companies and general insurance companies’ contribution for the economic growth.

I know about the IRDA, its duties and functions etc., duties of an insurance agent fully.

At ‘all policyholders’ level, 41% respondents, 77.78% SSC respondents and 66.67% business class respondents have opined that they do not know about the IRDA, it’s duties and functions. Almost same percentage i.e., 41.33% at all policy holders’ level, 77.78% SSC respondents and 62.67% business class respondents have also opined accordingly. A majority of respondents are not aware about the IRDA and the duties of the agents fully.

The General insurance agents have sufficient knowledge about the procedures.

There is a mixed response from the various categories of respondents. i.e. education qualifications, occupation, income groups including all policy holders’ levels to the statement that The General insurance agents have sufficient knowledge about the procedures, i.e. there is no much different between the opinions of the respondents. The respondents are not sure about this.

I know how the tariff rates and premium rates are arrived at by the general insurance and the procedure of settlement of claims.

At ‘all policyholders’ level, 52.13% disagree that know how the tariff rates and premium rates are arrived at by the general insurance companies. Around 49% respondents from the category by education disagree, 65.34% business policy holders in the occupation category and nearly 68% respondents from the income group of 3 to 4 lakhs also disagree. This is indicative factor about their awareness about the calculations of tariff rates and premium rates. 62% of the respondents disagree that they know the procedure of settlement of
claims, but in all other various category levels it is observed that there is no marginal difference between the percentage of respondents who agree and disagree to this statement. About the procedure of settlement of claims there seems to be confusion and the respondents are not so sure about the same.

**Have you ever gone into litigation against the general insurance company for non-settlement of your claims as per your expectations?**

It is observed from various levels in the various categories, the percentage of respondents who have never gone into litigation against the general insurance company for non-settlement of your claims is very high. In the all policy holders case it is 93%, 97.33% in case of student policyholders and even 100% in case of income group level of 3 to 4 lakhs. It can be inferred that the respondents across levels, at all categories are happy with the working of their companies and do not have disputes with them.

**What made you choose your current general insurance company?**

At ‘all policyholders’ levels 50% say that the brand image of the general insurance company made them choose their current general insurance company. 66.67% HSC policy holders say the same thing. All the Ph.D. respondents have preferred efficient services the reason for this. In the occupation levels 36% endorse the same reason. 61.40% graduate policy holders say other reasons made them chose the company and in the income group level of 1 lakh to 2 lakhs, 70 % has preferred brand image as the reason. The second preference by majority of respondents has been given to efficient services which made them to choose their company. It seems brand image of the company has made more respondents to choose their general insurance company.

**From which channel did you purchase your policy?**

At ‘all policyholders’ level, 52.33% of respondents say that they have purchased the general insurance policy from retail. 41.33% professional policy holders have purchase from retail. In the students category 50% of them have purchased from telesales and remaining 50% have purchased from bank assurance. This indicates that more respondents have given preference to purchase their policy through retail. The second preference is given to telesales and third preference given to bank assurance.

**What are your reasons for dissatisfaction?**

At ‘all policyholders’ levels, 48.75% respondents say that they are not satisfied by the service provided by their general insurance company as they are dissatisfied by the agent’s services and equal percentage in the same category are of the same opinion but they have given the reason as delay in settlement of claims. The respondents are mostly not satisfied by the services rendered by their agents and another reason being the delay in settlement of their claims.

**The service of the claim representative of your general insurance company was**

At ‘all policyholders’ level, 86% say that the service of the claim representative of their general insurance company was good. All the SSC and HSC policy holders also agree to this. All Ph.D. holders and all the respondents in the
income group of 50,000 to 1,00,000 also say like this. In the occupation category the range is from 75% to over 95% who hold the same view. This indicates that the respondents are happy with the services of their claim representative and no disputes as far as claim settlements are concerned.

**How do you rate your general insurance company overall?**

71% respondents at ‘all policyholders’ level, 71.62% male respondents, 69.01% female respondents, all the 100% Ph.D. holders rate their general insurance company as good. At other various levels, in all the categories also more than 70% respondents are of the same opinion. This means that majority of the respondents have no disputes with their company and they are happy with their companies.

**How likely are you to recommend your general insurance company to others?**

At various levels, and in all the categories at various levels equal numbers of respondents say yes and cannot say about this. These are the two opinions expressed by the respondents. There seems to be confusion in their minds and firm opinion has not been recorded.

**I always prefer to deal with general insurance companies through Agent only**

Overall 65% respondents agree to this. It is seen that in the category of education wise 96%, in occupation category 65% and in the income group category 66.65% respondents agree to this statement. The inference can be drawn from these facts that they have faith in their agents or may not be confident enough to deal with the companies directly.

**There is poor awareness amongst people in India about the General Insurance**

Overall 84.33% agree, all the HSC and Ph.D. holders agree to this, others in education category 85% agree to this. The percentage in case of occupation wise and income group wise is 84.33% and 82.86%. A majority of respondents feel that there is poor awareness in India about the general insurance business.

**I have checked up the credibility of my agent before taking general insurance policy**

Overall 51.33% have not checked up the credibility of their agent.77.78% SSC, 83.33% HSC have not checked up, but 55.49% PG holders and 100% Ph.D. holders have checked up credibility of their agent. It is essential to check the credibility of the agents before taking general insurance policies but the observation indicates that highly educated respondents do check the credibility as compared to low educated people.

**These days there is fierce competition between general insurance companies**

Overall 88% respondents agree to this. All the SSC, HSC, Graduate, Ph.D. holders agree and 85.98% PG holders agree to this. In the education category, 88% agree to this and if seen from income group wise, 89% respondents agree that there is fierce competition between general insurance
companies. A thumping majority of respondents are of the opinion that there is fierce competition these days between general insurance companies.

**Have you ever changed the general insurance company for some reasons?**

Overall 80% have never changed their general insurance company for any reason. From the category of education wise, 80.57% respondents have not changed the company. 80% respondents irrespective of their occupation have never changed their company and if seen from income wise, 77.30% have never changed their company for some reason. That means majority of them are happy with their companies and may not be facing problems while dealing with the companies. This also means they believe their general insurance companies.

**The Public Sector General Insurance companies in India have good prospects**

Overall 80% respondents agree that the public sector general insurance companies in India have good prospects. All the Ph.D. holders and SSC respondents agree to this. Other education category, other 77.58% respondents also agree to this. Occupation wise, 80% respondents agree and income wise, 82.27% respondents agree to this statement. Majority of the respondents at various levels in all the categories are of the opinion that the public sector general insurance companies in India have good prospects.

**The policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand.**

Overall 85.33% respondents agree that the policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand. All the Ph.D. holders feel like this and other 89.89% respondents from the same category agree to this statement. Occupation wise, 85.33% respondents agree and if seen by income wise, 84.14% respondents agree with this statement. The percentages who do not agree is negligible and those who strongly disagree is nil. This is but natural as not only the respondents but everyone would like and want the policy document very simple, short and clear.

**The Public Sector General Insurance companies have a grievance redressal system**

Overall 65% policy holders are not aware that there is grievance redressal system in the public sector general insurance companies. Education wise, all the Ph.D. respondents are not aware about this and other than these there are 65% respondents who are not aware of this. Income wise, another 65% respondents are not aware. This clearly indicates the negligence on the part of the respondents. It is their duty to have knowledge about the company with which they are dealing.
Management

Part I personal information

Management Hierarchy

At ‘all management’ level’, 41.33% management personnel are in the middle level management position, also 46% male personnel are in the same level. 20% personnel are in the top management level. The percentage of female is 64% in the officers’ cadre. At the officers’ level, there is majority of female respondents, except in case of income group 3, 00, 00 to 4, 00,000 and above 5, 00,000. There are only 4% female respondents in the top level.

Gender

At ‘all management’ level, 66.67% male and 33.33% female respondents have responded. 93.33% male respondents are in top management level and only 6.67% female respondents are in top management. More or less equal percentage male and female respondents are in officers’ category. 75% male respondents are graduates, 25% females are graduates, and the pattern is same in case of post graduate respondents. The percentage of male respondents is 68.18% in 4, 00,000 to 5, 00,000 lakhs level and 85.71% in income level above 5, 00,000. It indicates that everywhere the male respondents are ahead of their counterparts.

Qualification

Overall, ‘at management' level, 50.67% respondents are post graduates and 48% are graduates. In top management 73.33% are post graduates and 26.73% are graduates. At officers’ level, 57.14% are graduates. 60% female respondents are post graduates and they are in the income group of 2, 00,000 to 3, 00,000. This shows that majority of the respondents are from learned class and having well educated background.

Annual Income

It can be seen that at ‘all management’ level, 66.66%, in top management level, 80%, in middle management 85.18% respondents are in high income group, i.e. 4,00,000 to 5,00,000 lakhs. 78% male respondents are in the income group of 4,00,000 to 5,00,000 lakhs, but only 44% female are in the income group of 4,00,000 to 5,00,000 lakhs. Graduates and post graduates respondents are in the high income group and low qualified respondents are in the low income group of 2,00,000 to 3,00,000 lakhs. Therefore it is noticed that the respondents at high level and well qualified are taking more salary and it seems obvious.

Part II - Awareness of the management personnel about the work that they are carrying out

The insurance premium rates, charged by the Public Sector general Insurance Companies, are often on the higher side.

A thumping majority of respondents as high as 80% to 100% all various levels and in all the categories do not agree with the statement that the insurance premium rates charged by the public sector general insurance companies are often on the higher side. It means that they believe that the rates quoted by
the government are always lower side and also it is the government that can only provide services at affordable rates.

**Are you fully aware of the terms and conditions of the policies that you are offering?**

In this case most of the respondents, about 68% and 60% at other levels are of the opinion that they are fully aware of the terms and conditions of the policies that they are offering. Since they are working in the general insurance companies at various management levels in the officer's cadre levels and at responsible positions, they have to have this basic knowledge.

**The Private Sector Companies give better service than the Public Sector General Insurance Companies**

At ‘all management’ level, 65.33% do not agree that the private sector general insurance companies give better service than the public sector general insurance companies. Also more than 60% to 80% respondents at various levels and at all the categories do not agree to this statement. Thus majority of respondents feel that the services offered by public sector general insurance companies are also good.

**Do you know about the various schemes of your company?**

64% respondents of the respondents at ‘all management’ level are of the opinion that they cannot say whether they know about the various schemes of their companies. Most of the respondents at various levels and at all the categories are also of the same opinion and there is majority of the respondents saying this. This indicates that there are so many schemes and they may not be aware of all these schemes. They are aware about some schemes but not sure about all the schemes.

**Liberalisation has affected the general insurance business.**

Overall 69.34% at ‘all management’ level say that the liberalization has affected the general insurance business. 53.34% respondents from top management, 62.97% from middle management and 78.59% officers are also of the same opinion. At various levels and at all other categories also the respondents feel like this. This indicates that now because of new entrants in this sector there is tough competition and hence because of liberalization, the business of public sector general insurance companies has been affected.

**What is the level of competition of your company with other general insurance companies?**

At ‘all management’ level, 88.66% say that the level of competition of their company with other general insurance companies is very high. 95.30% respondents into management, 85.18% in middle management and 85.11% in officers’ level are also of the same opinion. At various levels in all the categories, more than 80% also feel the same way. It means that the respondents are aware that the public sector general insurance companies have to face tough competition with other public sector general insurance companies as well as with private companies to withstand and survive in the business.
The private sector general insurance companies are far ahead in marketing when compared with the public sector general insurance companies.

46.67% respondents at ‘all management’ level, agree say that private sector general insurance companies are far ahead in marketing when compared with public sector general insurance companies, while 42.67% do not agree. At top management level, 80% agree, at middle management level, 51.85% agree and at officers’ level, 60.72% also agree. Majority of respondents are of this opinion and feel like this.

In the absence of private sector general insurance companies the public sector general insurance companies would have had more business and also some of the business of public sector has gone to private sector companies

At ‘all management’ level, 72% say that in the absence of private sector general insurance companies, the public sector general insurance companies would have had more business. 53.33% top management respondents, 66.67% middle management and 82.14% officers also agree to this statement. The opinion of majority of respondents indicates that if there were no private companies, all the business would have remained with their company and which is true. Also they feel that private sector general insurance companies have grabbed their business.

The intense competition brought about by deregulation /liberalisation has encouraged the industry to innovate in all areas.

Most of the respondents at various levels and all the respondents at various categories are of the opinion that the The intense competition brought about by deregulation /liberalisation has encouraged the industry to innovate in all areas. The respondents are aware that to with stand the competition and survive, they have to think out of the box and have to innovate in all the possible areas.

In which area is there a greater awareness about the general insurance business?

A thumping majority of respondents at various levels, and at all the categories have registered their opinion that there is a greater awareness about the general insurance business in urban areas. It indicates that majority of them are working in the urban areas and they are aware of the response which they are getting from the respondents in urban areas.

The entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.

Overall 69.33% respondents at ‘all management’ level say that the entry of private sector general insurance companies will not prove to be a danger to public sector general insurance companies in future. 86.67% respondents from top management level, 74.07% from middle management level and 72% officers are also of the same opinion. It indicates that with the existing set up, expertise, long standing in the market and with government support they will be able to face the private sector general insurance companies and these
companies will not prove to be a danger to the public sector general insurance companies.

**Because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.**

At ‘all management’ level, 82.67% respondents agree that because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected. 73.34% respondents from top management level, 77.78% from middle management and 89.29% officers agree to this. At various levels in other categories also about more than 80% respondents agree to this statement. Majority of respondents agree to this statement as they are aware that if the premium rates are de-tariffed and if discounts are offered, naturally the business is going to be affected.

**The entry of brokers has affected your profit margins.**

Most of the respondents at ‘all management’ levels and at various levels in other categories are not sure about this statement. This may be due to the fact that they do not have direct access to the documentary proofs with them to express their opinion about this statement.

**People do react to your advertisement and come forward to enquire or buy the product immediately**

About 60% and more respondents at various levels in all the categories are of the opinion that people do react to their advertisement and come forward to enquire or to buy the product immediately. It indicates that now a days the general insurance companies are advertising their products through various media and are getting responses from the people who are approaching them for buying or enquiring about the various products.

**The surveyors appointed by you are all loyal to your Company.**

Overall 48% in ‘all management’ level agree that the surveyors appointed by them are all loyal to their company, but 36% in the same level either agree or disagree. Also in case of top management level, 40% agree and 46.67 respondents neither agree or disagree. In middle management level, equal percentage i.e.40.67% respondents agree and neither agree or disagree. 57.14% officers agree and 28.57% either agree or disagree. Here it seems the opinions of the respondents are divided and no any particular inference can be drawn.

**There is overstaffing in your Company.**

More than 60% respondents at ‘all management’ levels, and also at various levels in other categories have opined that there is no overstaffing in their companies. This indicates that all the employees have been allotted the work load equally.

**Often there are procedural delays in settlement of claims.**

There is a mixed response from all the respondents at various levels in all categories. This indicates that there are procedural delays due to strict rules, regulations and the delegation of powers by the management to its employees the limited authorities as per the hierarchy.
The government should exercise lesser control on the business of general insurance

More than 60% at ‘all management’ level have responded that the government should exercise lesser control on the business of general insurance, while 66.67% top management level respondents agree to this. In case of middle management and officers’ level, the percentage of those who agree is 70.30 and 46.43 respectively. In case of various income levels also more than 60% respondents feel like this. This indicates that majority of them do not want interference from government in their work.

The process of calculating the premium rates is complicated

At ‘all management’ level, 60% respondents disagree that the process of calculating the premium rates is complicated. 66.67% in top management disagree, 59.26% in middle management disagree and in officers’ level, 57.14% disagree. At various levels the percentage of respondents who agree is very less. Being in the officers’ levels and working at various managements’ levels, it seems that this is their routine work and they have to know how to calculate the premium rates and this is the reason for this response.

About the available infrastructure and it’s utilisation

More than 70% respondents at all levels of management and also at various levels in the other categories are of the opinion that their general insurance companies have adequate infrastructure and the same is being utilised to it’s capacity. This is the indication that being government owned, controlled and financed general insurance companies, this is really not a problem and the respondents at all levels are happy with the infrastructure.

The rotation/ transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees

Overall 80% female respondents say that the rotation/transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees. 60% male respondents, At all managements’ level, 68% agree, at top management level, 60%, at middle management level, 70.30% and at officers’ level, 67.85% respondents agree to this statement. The transfer/rotation policies are not acceptable for the simple reason it is not convenient from any angle for various reasons.

The public sector general insurance companies are facing the problem of fake claims.

At ‘all management’ level, 53.33% respondents, 46.67% in top management, 44.44% in middle management and 64.29% in the officers’ level, 50% male respondents and 60% female respondents feel that the public sector general insurance companies are facing the problem of fake claims. It indicates the officers are dealing with the claims know which claims are fake and which are right because of their experience.

Some public sector general insurance companies follow unethical practices.

There is a mixed response from all the levels of management and also from the various levels at various categories and there is division of opinion. The
opinions are divided may be due to the fact that all may not have come across such situations.

**About government policies about the public sector general insurance companies and giving aid or some special package to them**

In response to both these questions, the opinions or the responses received from all levels of management and also the responses and opinions received from various levels at all the categories seem to be divided, i.e. mixed response. They are not sure about the policies of government and also about the types of aid from the government.

**Which type of general insurance companies do you think have succeeded in creating new business after globalization?**

At ‘all management’ level, 53.33% respondents, in top management level category 73.33% are of the same opinion, 51.85% in middle management level also say the same thing and in case of officers 42.86% are of the same opinion. In the income group of 3, 00,000 to 4, 00,000 lakhs, 80% respondents also say both types of companies have succeeded. 54% male respondents and 52% female also say both types of companies have succeeded. This means that the respondents are aware that the more and more private sector general insurance companies are entering Indian market and doing good business along with public sector general insurance companies and both these companies are surviving and have their own business settled in India.

**Because of globalization there is ever increasing competition**

A thumping majority of respondents, more than 90%, at all levels and in all the various categories are of the opinion that because of globalization there is ever increasing competition. It indicates that now there are so many companies to choose from for the insurance cover and really it is confusing from whom to get the same.

**The existing business is getting rotated amongst the insurance companies**

In this case also majority of respondents feel that the existing business of general insurance is getting rotated amongst all the general insurance companies. It is but natural on their part to feel like this as it is the tendency of all the business enterprises to try to generate the new business as well as to create new business.

**Settlement of claims by private sector companies is faster compared to public sector general insurance companies.**

It is very important here to consider the opinion of the top management level respondents as they are in a much better position to understand this issue. 66.67% top management level respondents feel like this. Also, 48.15% middle management level and 42.86% officers are of this opinion. This indicates that they are very well aware about the delays that take place in public sector general insurance companies because of rules, regulations, delegation of authority and procedures etc.
The public sector general insurance companies need to improve the service.

At ‘all management’ level, 81.33% respondents say that the public sector general insurance companies need to improve the service. 80% top management level, 81.48% middle management level and 82.14% officers are also of the same opinion. 78% male and 88% female agree to this. Thus the opinion of majority of respondents indicates that this is true because of the work culture of the public sector enterprises and various other factors like the delays, strict rules, procedural aspects, sanctions, approvals etc.

Most of the employees are not fully aware about the IRDA, its duties and functions etc.

More than 65% and, in some cases, above 70% respondents agree to this statement. This indicates that most of the employees are not directly affected about IRDA, its functions, duties etc. as they are busy in their day to day work and not too much keen to acquire this knowledge.

All the insurance Agents/Brokers have sufficient knowledge about the procedure.

There is a mixed response to this statement from all the respondents. This may be because the agents need to update their knowledge about the new products and about the various circulars from the IRDA or from the general insurance companies. Hence, many a times the management people are not sure whether the agents have sufficient knowledge about the procedure. Therefore this statement has got mixed response.

Training and development programme for the staff and contribution of better trained staff

Almost more than 90% to 100% respondents from all levels and also at various levels from all the categories have responded that the training and development programme would definitely help for increasing the general insurance business. Not only that but they have further recorded that better trained and committed staff would help in increasing the general insurance business. It is but natural on the part of any management to have this opinion as this is obvious.

It is often said that the procedure involved in settlement of claims is often complicated.

All the respondents at all the levels have recorded a mixed response to this statement. This implies that if all the documents required for the settlement of claims are in order then the procedure may not seem to be complicated but sometimes the documentation part is not in order, the delays take place.

Your Company thoroughly understands customer needs.

A large percentage of respondents, 74.67% in the ‘all management’ level, 93.33% in the top management level, 77.78% in middle management level and 64.29% in officers’ level agree to this. 80% male and 64% female are also of the same opinion. This indicates that they have been dealing with the customers for a long time and, due to frequent interactions, by now they are familiar with the needs of the customers.
About strong relationships with intermediaries and segmentations of the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.

Most of the respondents have responded positively to this statement and this looks like their perceptions about the intermediaries and also about the products which they are offering.

The public sector general insurance companies still call the shots despite incursion of private sector general insurance companies and now deals with customers who know what they want and when

At ‘all management’ level, 65.33%, at middle management level, 66.67%, at officers’ level, 57.14% respondents say that the public sector general insurance companies still call the shots despite incursion of private sector general insurance companies. Also 68% male and 60% female respondents agree to this. The response about dealing with customers is also more or less the same. This means that the respondents are watching on day to day basis the response which they are getting from the customers for their products and also the business and hence feel like this.

With increased competition among insurers, quality of service is a key issue

A thumping majority of more than 98% and even 100% at various levels at all the categories have recorded this opinion. Being at top management level, middle management level and at officers’ level, the respondents are very well aware that it is the quality of service only that will enable them to withstand and survive in the competition.

The merger of all the four public sector general insurance companies would attract more business.

At ‘all management’ level, 56% respondents, at top level, 40%, at middle management level, 59.26% and at officers’ level, 60.71% say that the merger of all the four public sector general insurance companies would attract more business. This opinion reflects that fighting the competition jointly with the private sector general insurance companies would help to get more business rather than fighting amongst themselves.

Hypothesis

1. There is significant relationship between qualification of policy holders and awareness of the terms and conditions of the policy that they have taken

The hypothesis is significant at 95% confidence level. This shows there is a significant relationship between the qualification of policy holders and awareness of the terms and conditions of the policy that they have taken.

The hypothesis is positive and hence accepted.
2. The public sector general insurance companies in India have good prospects.

At an overall level 80% of the respondents agree, 2% disagree and 18% neither agree nor disagree that the Public Sector General Insurance companies in India have good prospects. As good as 80% respondents agree that public sector general insurance companies have good prospects.

The hypothesis is positive and hence accepted.

3. The response and awareness of the customers towards the insurance business are poor. (Management Questionnaire)

The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the response and awareness of the customers towards the insurance business are poor.

The hypothesis is positive and hence accepted.

4. Because of globalization there is ever increasing competition between all the insurance companies for business. (Management Questionnaire)

At an overall level 93.4% of the respondents agree, 1.3% disagree and 5.3% neither agree nor disagree that because of globalization there is ever increasing competition. Majority of respondents, as high as 93.4% agree to this statement.

The hypothesis is positive and hence accepted.

5. There is significant relationship between level of management and awareness of the terms and conditions of the policy that they have taken

The hypothesis is significant at 95% confidence level. This shows there is a significant relationship between the level of management and awareness of the terms and conditions of the policies that they have taken.

The hypothesis is positive and hence accepted.

6. The public sector general insurance companies have been facing various problems in their day to day business.

The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the public sector general insurance companies have been facing various problems in their day to day business.

The hypothesis is positive and hence accepted.
7. There is more awareness in the urban area about the General 
Insurance Business. 
At an overall level 86% of the respondents say that there a greater 
awareness about the general insurance business in Urban Area, 8% in 
Rural Area and 5.3% cannot say about it. 86% respondents agree to this 
statement. 
The hypothesis is positive and hence accepted. 
8. Liberalization has affected the business of public sector general 
insurance companies. 
At an overall level 69.7% of the respondents agree, 25.4% disagree and 
5.3% neither agree nor disagree that liberalization has affected the general 
insurance business. As high as 69.7% respondents agree to this statement. 
The hypothesis is positive and hence accepted. 
9. The public sector general insurance companies need to improve the 
quality of service. 
At an overall level 81.3% of the respondents agree, 13.3% disagree and 
5.3% neither agree nor disagree that the public sector general insurance 
companies need to improve the service. 81.3% respondents have endorsed 
this statement. 
The hypothesis is positive and hence accepted. 
10. Proper training to the management personnel and the staff will 
attract more business. 
At an overall level 97.3% of the respondents agree and 2.7% neither agree 
or disagree that better trained and committed staff will help in getting 
more business in view of the stiff competition. As high as 97.3% 
respondents have agreed to this statement. 
The hypothesis is positive and hence accepted. 
11. Rotation/transfer policies of the companies are complicated and not 
acceptable by majority of employees. 
At an overall level 68% of the respondents agree, 20% disagree and 12% 
neither agree nor disagree that the rotation/transfer policies of the public 
sector general insurance companies are complicated and not acceptable 
by majority employees. 
The hypothesis is positive and hence accepted.
12. The response and awareness of the customers towards the insurance business are poor. (Policy Holders Questionnaire)

At an overall level 84.3% of the respondents Agree, 5% Disagree and 10.7% neither agree nor disagree that there is poor awareness amongst people in India about the General Insurance Business.

The hypothesis is positive and hence accepted.

13. Because of globalization there is ever increasing competition between all the insurance companies for business. (Policy Holders Questionnaire)

At an overall level 88% of the respondents agree, 2.3% disagree and 9.7% neither agree nor disagree that these days there is fierce competition between general insurance companies because of liberalization.

The hypothesis is positive and hence accepted.

9. Conclusion

Policy Holders

The data collected from 300 respondents/ policyholders and 75 management personnel of the four different Public Sector General Insurance companies has been analyzed in the earlier chapter and the following conclusion has been drawn from the same. Categories of policyholders include students, salaried people, business people and professionals. The management personnel include the officers of these four public sector general insurance companies working at various levels in these companies, viz. lower level, middle level and top level.

The conclusions are as under:

At an overall level 37.2% respondents agree that they have taken general insurance policy for their two wheelers. 23.2% respondents have taken General Insurance policy for four wheelers followed by 21% who have taken the same for health. It is the two wheelers, four wheelers and the health that matter most for the people than any other items such as home, travel, computer, jewellery insurance etc.

At an overall level 59% of the respondents have taken Mediclaim policy for themselves and the remaining 41% respondents have not at all taken Mediclaim policy for themselves. The percentage of respondents who have taken Mediclaim policy for their children is 54.5% and 29% for spouses.

About 84.5% of the respondents are of the opinion that one must take general insurance policy for the entire range of items viz. computer, laptops, travel, home, two & four wheelers etc. and for all the items as mentioned in the questionnaire. A negligible per cent, i.e. 2.4% do not agree for this, 13% having a neutral opinion.
At an overall level 77.3% respondents agree that one must take General Insurance cover every year for the assets as long as they last whereas 3.3% disagree and 19.3% are neutral about it.

At an overall level 22.7% agree that they go for General Insurance because it is Compulsory while 77.3% do not agree with it. This shows that majority of them are of the opinion that, even if it were not compulsory, one must take General Insurance cover for them.

At an overall level 89.3% of the respondents agree that they go for General Insurance to cover risk whereas 10.7% do not agree to it. This indicates that majority of respondents agree that they take out General Insurance to cover risk.

At an overall level 17% of the respondents are aware of the terms and conditions of the policy which they have taken, 30.3% are not aware and 52.7% have no idea about it.

At an overall level 44% of the respondents agree that they are aware about the various schemes of the general insurance companies whereas 28.3% are not aware and 27.7 % do not have any idea about it.

At an overall level 73.4% of the respondents agree, 3.3% disagree and 23.3% are neither agree or disagree that there was a monopolistic situation for Public Sector General Insurance Companies before the entry of Private Sector General Insurance Companies.

At an overall level 76.3% of the respondents agree, 6% disagree and 17.7% neither agree nor disagree that aggressive marketing strategies by the Private Sector General Insurance Companies will increase consumer awareness.

At an overall level 86% of the respondents agree, 3% disagree and 10.3% neither agree nor disagree that the insurance (General Insurance) cover is a must for everybody.

At an overall level 65.3% of the respondents agree, 8.7% disagree and 28.7% neither agree nor disagree that the Tariff rates for comprehensive policy are very much on higher side.

At an overall level 64% of the respondents agree, 7% disagree and 29% neither agree nor disagree to the statement “Your General Insurance Company gives you good service”.

At an overall level 47.3% of the respondents agree, 14% disagree and 38.7% neither agree nor disagree that Settlement of claims by Private Sector General Insurance Companies is faster as compared to Public Sector General Insurance Companies.

At an overall level 88% of the respondents agree, 2.3% disagree and 9.7% neither agree nor disagree that the General Insurance Sector is essential for the growth and development of the country.

At an overall level 36.6% of the respondents agree, 2.3% disagree and 9.7% neither agree nor disagree to the statement “I know about the IRDA, its duties and functions etc.”
At an overall level 34% of the respondents agree, 41.3% disagree, and 24.7% neither agree nor disagree to the statement “I know the duties of an insurance agent fully”.

At an overall level 37.7% of the respondents agree, 30.7% disagree, and 31.7% neither agree nor disagree that the General Insurance agents have sufficient knowledge about the procedures.

At an overall level 21.7% of the respondents agree, 52.4% disagree and 26% neither agree nor disagree that they know how the tariff rates and premium rates are arrived at by the general insurance company.

At an overall level 30.3% of the respondents agree, 48% disagree and 21.7% of the neither agree nor disagree that they know the procedure of settlement of claims.

At an overall level 24.7% of the respondents agree, 38% disagree and 37.3% neither agree nor disagree that they are satisfied with the time required for settlement of the claims.

At an overall level 7% of the respondents agree and 93% disagree to have ever gone into litigation against the General Insurance Company for non-settlement of their claims as per their expectations.

At an overall level 12.1% of the respondents say they choose their current General Insurance Company by Brand Image, 9.3% say Efficient Services, 5.9% say Low Cost, 25.9% say Quick Settlement of Claims and 46.7% say others.

At an overall level 24.9% say they purchase Online, 14.8% say through Telesales, 51.4% say through Retail, 2% say through Bank assurance and 6.9% say through Branch Walk-ins.

At an overall level 74.7% of the respondent says that they are satisfied and 25.3% says they are not satisfied by the services provided by their General Insurance Company.

At an overall level 9.3% of the respondents are dissatisfied by the services provided by their General Insurance Company such as Policy Document is not received on time, 36.4% are by dissatisfied by agents’ services, 36.4% by delay in claims settlement and 17.8% by other services.

At an overall level 93.7% of the respondents say good and 6.4% say poor to their General Insurance Company’s record in doing the work accurately.

At an overall level 1.3% of the respondents say it is Excellent, 16% say Very Good, 75% say good, 7.3% say Poor and 0.3% say Very Poor in doing business with their General Insurance Company.

At an overall level 1.3% of the respondents say it is Excellent, 15% say it is Very Good, 71% say good, 11.7% say Poor and 1% say Very Poor to the service of the claim representative of the General Insurance Company.

At an overall level 1% of the respondents say excellent, 17.3% say Very Good, 70% say Good, 11% say Poor and 0.7% say Very Poor when asked to rate their satisfaction with the service they received.
At an overall level 2% of the respondents say Excellent, 19.7% say Very Good, 71% say Good, 6.7% say Poor and 0.7% say Very Poor when asked to overall rate their General Insurance Company.

At an overall level 4.3% of the respondents say Very likely, 46.7% say likely, 41.7% say Cannot Say, and 5.7% say Unlikely and 1.7% say Very Unlikely to recommend their General Insurance Company to others.

At an overall level 65% of the respondents agree, 14.7% disagree and 20.3% neither agree nor disagree that they always prefer to deal with General Insurance Companies through Agent only.

At an overall level 84.3% of the respondents Agree, 5% Disagree and 10.7% neither agree nor disagree that there is poor awareness amongst people in India about the General Insurance Business.

At an overall level 48.7% of the respondents agree whereas 51.3% disagree that they check up the credibility of the agent before taking general insurance policy through him.

At an overall level 88% of the respondents agree, 2.3% disagree and 9.7% neither agree nor disagree that these days there is fierce competition between general insurance companies because of liberalization.

At an overall level 20% of the respondents agree whereas 80% disagree to have ever changed the general insurance company for some reasons.

At an overall level 80.3% of the respondents agree whereas 19.7% disagree that they get good service from the company which they have chosen.

At an overall level 80% of the respondents agree, 2% disagree and 18% neither agree nor disagree that the Public Sector General Insurance Companies in India have good prospects.

At an overall level 61.7% of the respondents agree, 8.6% disagree and 29.7% neither agree nor disagree that the management of Public Sector General Insurance Companies has rigid approach towards its customers.

At an overall level 55.3% of the respondents Agree, 20.3% Disagree and 24.3% neither agree nor disagree that Income Tax rebate cannot be availed on any General Insurance policy.

At an overall level 85.3% of the respondents agree, 1.3% Disagree, and 13.3% neither agree nor disagree that the policy document should not be too long as to lose the accuracy nor should it be too short, thereby missing out on key facts and it should be simple to understand. It can be concluded that the current policy documents are too long and that policyholders are loath to read them thoroughly as a result.

At an overall level 35% of the respondents are aware whereas 65% are not aware that The Public sector GIC has grievance redressal system in place.

At an overall level 10.6% of the respondents register their complaints through Call Centre, 49.4% through Email Support, 12.5% through Branch Walk-ins and 27.6% through Letters and Faxes. This could be because the policyholders will have evidence that they had indeed registered a complaint.
It could also be that respondents do not have confidence that call centres are reliable for resolving their complaints.

At an overall level 74.3% of the respondents Agree, 5.3% disagree and 20.3% neither agree nor disagree that they would like to continue with the same company for general insurance policy in future.

**Management**

At an overall level 9.3% of the respondents agree, 84% disagree and 6.7% neither agree nor disagree that the insurance premium rates charged by the Public Sector General Insurance Companies are often on the higher side.

At an overall level 68% of the respondents are aware, 17.3% are not aware and 14.7% are aware of some of the terms and conditions of the policies. It could be that staff is not trained thoroughly or that staff have been allocated specific areas of the general insurance business to look after, thus not requiring thorough knowledge of all the terms and conditions of the various insurance products.

At an overall level 14.7% of the respondents agree, 65.3% Disagree and 20% neither agree nor disagree that the Private Sector General Insurance Companies give better service than the public sector general insurance companies.

At an overall level 30.7% of the respondents know All of the schemes of the company, 64% know some of them and 5.3% says can’t say. This could be because staff is specializing in specific insurance products or that the training programmes are inadequate.

At an overall level 69.7% of the respondents agree, 25.4% disagree and 5.3% neither agree nor disagree that liberalization has affected the general insurance business.

At an overall level 86.6% of the respondents say high, 8% say Low and 5.3% say that they do not know about the level of competition of their company with other general insurance companies.

At an overall level 46.7% of the respondents agree, 42.7% disagree and 10.7% neither agree nor disagree that the Private Sector General Insurance Companies are far ahead in marketing when compared with the Public Sector General Insurance Companies.

At an overall level 44% of the respondents agree, 26.6% disagree and 29.3% neither agree nor disagree that their company is making more profits every year.

At an overall level 72% of the respondents agree, 20% disagree and 8% neither agree nor disagree that in the absence of Private Sector General Insurance Companies the Public Sector General Insurance Companies would have had more business.

At an overall level 80% of the respondents agree, 12% disagree and 8% neither agree nor disagree that some of the corporate business of Public Sector General Insurance Companies has gone to Private Sector General Insurance Companies.
At an overall level 84% of the respondents agree, 5.3% disagree and 10.7% neither agree nor disagree that the intense competition brought about by the deregulation/liberalization has encouraged the industry to innovate in all areas.

At an overall level 86% of the respondents say that there a greater awareness about the general insurance business in Urban Area, 8% in Rural Area and 5.3% cannot say about it. This could be because the general insurance business has been focusing urban areas for business.

At an overall level 18.7% of the respondents agree, 69.3% disagree and 12% neither agree nor disagree that the entry of Private Sector General Insurance Companies will prove to be a danger to Public Sector General Insurance Companies in future. At an overall level 82.7% of the respondents agree, 13.3% disagree and 4% neither agree nor disagree that because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.

At an overall level 58.7% of the respondents agree, 30.6% disagree and 10.7% neither agree nor disagree that the entry of brokers has affected their profit margins.

At an overall level 66.6% of the respondents agree, 14.6% disagree and 18.7% neither agree nor disagree that people do react to their advertisement and come forward to enquire or buy the product immediately.

At an overall level 48% of the respondents agree, 16% disagree and 36% neither agree nor disagree that the surveyors appointed by them are all loyal to the Company.

At an overall level 16% of the respondents agree, 62.7% disagree and 21.3% neither agree nor disagree that there is overstaffing in their company.

At an overall level 48% of the respondents agree, 40% disagree and 12% neither agree nor disagree that often there are procedural delays in settlement of claims.

At an overall level 58.7% of the respondents agree, 21.3% disagree and 20% neither agree nor disagree that the government should exercise lesser control on the business of General Insurance.

At an overall level 25.3% of the respondents agree, 60% disagree and 14.7% neither agree nor disagree that the process of calculating the premium rates is complicated.

At an overall level 73.3% of the respondents agree, 10.7% disagree and 16% neither agree nor disagree that their company has adequate infrastructure.

At an overall level 56% of the respondents agree, 26.7% disagree and 17.3% neither agree nor disagree that the available infrastructure is used by the general insurance companies to its fullest capacity.

At an overall level 68% of the respondents agree, 20% disagree and 12% neither agree nor disagree that the rotation/transfer policies of the Public Sector General Insurance Companies are complicated and not acceptable by majority employees.
At an overall level 53.3% of the respondents agree, 26.6% disagree and 20% neither agree nor disagree that the public sector general insurance companies are facing the problem of fake claims.

At an overall level 21.4% of the respondents agree, 50.6% disagree and 28% neither agree nor disagree that some Public Sector General Insurance Companies follow unethical practice. A significant minority agrees and that should be a matter for concern for the companies.

At an overall level 48% of the respondents agree, 36% disagree and 16% neither agree nor disagree that the government should give aid or some special package to the public sector general insurance companies.

At an overall level 33.4% of the respondents agree, 34.6% disagree and 32% neither agree nor disagree that the government’s policies towards general insurance sector are favourable.

At an overall level 26.7% of the respondents say public sector, 20% say private sector and 53.3% say both type of general insurance companies succeeded in creating new business after globalization.

At an overall level 93.4% of the respondents agree, 1.3% disagree and 5.3% neither agree nor disagree that because of globalization there is ever increasing competition.

At an overall level 65.3% of the respondents agree, 20% disagree and 14.7% neither agree nor disagree that the existing business is getting rotated amongst the insurance companies.

At an overall level 34.7% of the respondents agree, 49.4% disagree and 16% neither agree nor disagree that settlement of claims by private sector general insurance companies is faster compared to public sector general insurance companies.

At an overall level 81.3% of the respondents agree, 13.3% disagree and 5.3% neither agree nor disagree that the public sector general insurance companies need to improve the service.

At an overall level 66.6% of the respondents agree, 22.7% disagree and 10.7% neither agree nor disagree that most of the employees are not fully aware about the IRDA, its duties and functions. The response signifies a need for regular refresher sessions for the employees so that they are abreast of the changing insurance regulatory regime.

At an overall level 26.7% of the respondents agree, 54.7% disagree and 18.7% neither agree nor disagree that all the insurance Agents/Brokers have sufficient knowledge about the procedure.

At an overall level 97.4% of the respondents agree and 2.7% neither agree nor disagree that any training and development programme for the staff will help you face the competition more efficiently and effectively. This signifies that the current training and development programme has scope for improvement.

At an overall level 97.3% of the respondents agree and 2.7% neither agree nor disagree that better trained and committed staff will help in getting more business in view of the stiff competition.
At an overall level 49.3% of the respondents agree, 40% disagree and 10.7% neither agree nor disagree to the statement that “it is often said that the procedure involved in settlement of claims is often complicated”. It can be surmised that staff feel that the procedures for settlement of claims could be simplified.

At an overall level 64% of the respondents agree, 17.3% disagree and 18.7% neither agree nor disagree that giving maturity bonus on policies will boost insurance business.

At an overall level 74.7% of the respondents agree, 4% disagree and 21.3% neither agree nor disagree that their company thoroughly understands customer needs.

At an overall level 72% of the respondents agree, 9.3% disagree and 18.7% neither agree nor disagree that their company has built strong relationships with intermediaries such as agents.

At an overall level 70.7% of the respondents agree, 8% disagree and 21.3% neither agree nor disagree that their company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.

At an overall level 52% of the respondents agree, 21.3% disagree and 26.7% neither agree nor disagree that their company has moved along a continuum from pure service products to pure commodity products and has explored new outlets for selling the products.

At an overall level 65.3% of the respondents agree, 20% disagree and 14.7% neither agree nor disagree that the public sector general insurance companies still call the shots despite incursion of private sector general insurance companies.

At an overall level 72% of the respondents agree, 9.3% disagree and 18.7% neither agree nor disagree that general insurance industries now deal with customers who know what they want and when.

At an overall level 98.7% of the respondents agree and 1.3% neither agree nor disagree that with increased competition among insurers, quality of service is a key issue.

At an overall level 56% of the respondents agree, 30.7% disagree and 13.3% neither agree nor disagree that the merger of all the four public sector general insurance companies would attract more business.

10. Recommendations

Policy Holders

Awareness about the terms and conditions & various schemes of the general insurance policy

There is a mixed response from the respondents at all levels in all the categories. The respondents are not confident about their response. Whatever may be the case, the policyholders need to understand that it is in their own interest that they know the terms, conditions and the schemes of the
policy. They should read the policy documents carefully in their own interest. The General Insurance Companies can also arrange the workshops for them and try to keep the policy document as short and simple as possible, also the language has to be kept simple and understandable by one and all.

**Monopolistic situation of public sector general insurance companies before globalization**

The Public Sector General Insurance Companies have to take serious note of the situation that their monopoly has ended and they now compete with private companies. They should come up with innovative ideas, products, technology etc. to take on the competition. They can make use of their image, government support, infrastructure, and experienced staff to face the private sector general insurance companies.

**Aggressive marketing by private sector general insurance companies**

It is recommended that the public sector general insurance companies too adopt aggressive marketing. Like private companies, they could start door to door marketing. They should remove the loop holes like procedural delays etc. They have to think out of the box and come out with innovative products for policyholders.

**Higher rates of comprehensive policies**

At ‘all policy holders’ level, 65% respondents say that the tariff rates for the comprehensive policy are very much on higher side, followed by 71% in other category level, followed by 65% in the occupation class. It would be better for the PSGIC to become more efficient and productive.

**Reliability of the Public Sector General Insurance Companies**

Majority respondents at all the various category levels, viz. education, occupation, income groups including ‘all policy holders’ levels, say that the public sector general insurance companies are more reliable and the percentage for this is in the range of 67% to 93%. It is recommended seeing this overwhelming response, that the Public Sector General Insurance Companies should make all the efforts to be worthy of the belief and faith of the people and further try to improve their brand image.

**Duties, functions of IRDA, duties of agents and their knowledge, calculation of tariff & premium rates, procedure of settlement of claims etc.:**

It is seen that most of the respondents are not really aware about the duties of IRDA, agents and also not much aware about the calculation of insurance premium rates and the procedure of settlement of claims either. As has been recommended earlier, the people have to take efforts to these things for their benefit and in their own interests. It is however, also recommended that the IRDA has to take the responsibility, they have to educate the masses for this. Media can play an important role in this endeavour.

**On litigation against the general insurance company for non-settlement of your claims**

It is observed from various levels in the various categories, the percentage of respondents who have never gone into litigation against the general insurance
company for non-settlement of your claims is very high. In the ‘all policyholders’ case it is 93%, 97.33% in case of students policyholders and even 100% in case of income group level of 3 to 4 lakhs. It seems customers are happy with the companies, may be because of transparency. The welfare of people is the motto of these companies, they think of policyholders and it is recommended that they have to always keep this in mind and serve customers better. On the other hand, because litigation is a long drawn out process in Indian courts, policyholders could be averse to taking legal action.

Majority of respondents always prefer to deal with General Insurance Companies through Agent only

Overall 65% respondents agree to this. It is seen that in the category of education wise 96%, in occupation category 65% and in the income group category 66.65% respondents agree to this statement. It is the agent who goes door to door to offer services and not the company. The agents are the people who get the business for the companies. It could also be the case that Public Sector General Insurance Companies do not have a customer friendly image or reputation.

It is therefore, recommended that the public sector general insurance companies should increase the number of agents to cover maximum areas as well as the customers.

Poor awareness amongst people in India about the General Insurance

Overall 84.33% agree, all the HSC and Ph.D. holders agree to this, others in education category 85% agree to this. The percentage in case of occupation wise and income group wise is 84.33% and 82.86%. A huge majority agree to this. Increasing awareness is in the interest of both the customers as well as companies. To increase the awareness, it is recommended that the general insurance companies should design a short and simple policy document easily understood by all. The policy document should be compact and should have clear wording and not be vague. The public sector general insurance companies are printing policy documents in English and Hindi only. Instead of this it is recommended that they should also print the documents in the local language, i.e. the language of the respective states.

Credibility of the agents

Overall 51.33% have not checked up the credibility of their agent. 77.78% SSC, 83.33% HSC have not checked up, but 55.49% PG holders and 100% Ph.D. holders have checked up credibility of their agent.

It is recommended that the general insurance companies should check the bio data of the agents, their experience, his previous work, certificates, and any appreciation letters and then they should appoint them as their authorized agents. The companies also should issue visiting cards to them and authorization letter. The list of such agents should be displayed in the respective companies at conspicuous places. They should put this list on the Internet as well. Also the customers should be asked to submit their papers along with the agency license of the agent issued by the company to the agent.
Fierce competition of all General Insurance Companies

Overall 88% respondents agree to this. All the SSC, HSC, Graduate, Ph.D. holders agree and 85.98% PG holders agree to this. In the education category, 88% agree to this and if seen from income group wise, 89% respondents agree that there is fierce competition between General Insurance Companies. Competition is fierce as monopoly of Public Sector General Insurance Companies has ended. It is recommended that because the Public Sector General Insurance Companies have very good infrastructure, should use the experience, capabilities and expertise of their staff to compete effectively with the privates sector.

Change of Public Sector General Insurance Company for some reason

Majority of respondents have responded that they have never changed their insurance companies. If the company is changed, the benefits are lost. Another reason could be that they are happy with their companies because of no disputes. It could also be policyholder- inertia. Human beings are loath to make any change if they can avoid it.

It has to be stated here that the Public Sector General Insurance Companies are thinking of “company portability”, but the law has not been enacted so far. It is recommended that Public Sector General Insurance Companies have to always keep this in mind and improve their quality of service further if this is to be avoided.

Income tax rebate on Mediclaim policy

It has been observed that most of the respondents are not aware that income tax rebate can be obtained only on the Mediclaim policy and on no other policy. It is recommended that the Public Sector General Insurance Companies should highlight this sentence in their policy documents and also advertise this through media in the interest of people as most of the people are interested in getting rebate in income tax. More number of people would certainly come forward to buy Mediclaim policies for saving on income tax.

About the policy document

It is recommended that the policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key points and it should be simple to understand. Almost 85.33% respondents agree to this, followed by all the PH.D. policyholders, by 89.89% in the education category and over 80% at all levels in all other categories.

Grievance redressal system at offices of Public Sector General Insurance Companies

Majority of respondents at ‘all policyholders’ level and also at various levels in different categories are not aware of the grievance redressal system even though this is written in the policy document. It is also mentioned here whom to approach in case of any dispute. The policyholders must read the document carefully and note the contents therein. It is recommended that the Public Sector General Insurance Companies should have help desks in their offices. They also should appoint Public Relations Officers in their offices, who will guide all the agents as well as all the customers accordingly.
Management

Liberalisation has affected the General Insurance business

A majority of 69.34% at ‘all management’ level followed by 53.34% respondents from top management, 62.97% from middle management and 78.59% officers have responded that liberalization has affected the general insurance business. To face the changed situation, it is recommended that the management of these companies should use advanced technology. For example, they could start core insurance on the basis of core banking to provide all services under one roof etc. It is also recommended that they should start giving SMS services to the customers to inform about the validity, status etc. of their policy.

Level of competition of Public Sector General Insurance Companies with other General Insurance Companies

At ‘all management’ level, 88.66% say that the level of competition of their company with other general insurance companies is very high. 95.30% respondents into management, 85.18% in middle management and 85.11% in officers’ level are also of the same opinion. At various levels in all the categories, more than 80% also feel the same way. This is but natural. It is felt that the Public Sector General Insurance Companies should study the working of Private Sector General Insurance Companies and improve their own working style.

Some of the corporate business of Public Sector General Insurance Companies has gone to Private Sector General Insurance Companies

Over 75% respondents at all levels in all the categories say that some of the corporate business of Public Sector General Insurance Companies has gone to private sector general insurance companies. It is recommended that the companies should introduce competitive tariff and premium rates. They should also try to reduce the overheads and increase the productivity. They could get back the business which has gone to other companies by increasing marketing efforts, for example.

In which area is there a greater awareness about the general insurance business?

At ‘all management’ level, 86.67% respondents say that there is a greater awareness about general insurance business in urban areas. Equal percentage from top management category agrees to this, 85.19 from middle management and 89.29% officers also agree. 84% male respondents and 92% female respondents also agree. It is recommended that these companies should increase number of agents for rural areas, educate people. Rural areas are the untapped market. GICs need to tailor their products to needs of rural India. Apart from the standard products, new products such as agriculture insurance, insurance against crop failure, etc. could be developed. The agents should also concentrate on rural areas and should reach villages for this matter. The companies should also check the possibilities of opening branches at villages.
Because of system of de-tariffing of premium rates and discounts the business of general insurance companies have been affected.

At ‘all management’ level, 82.67% respondents agree that because of system of de-tariffing of insurance premium rates and discounts the business of general insurance companies has been affected. 73.34% respondents from top management level, 77.78% from middle management and 89.29% officers agree to this. For overcoming this problem, the companies should increase the volume of their business. They should also introduce new products in the market.

The entry of brokers has affected your profit margins.

A majority of respondents, 58.67% at ‘all management’ level, followed by 46.67% respondents in the top management and also majority of respondents at other levels, say that the entry of brokers has affected their profit margins. It is recommended that the companies should ensure that brokers adhere to the premium rates set by the companies. Further, commission rates could be negotiated.

The surveyors appointed by you are all loyal to your Company.

Majority of respondents say that they neither agree or disagree to this statement. While it is very difficult to say that the surveyors appointed by the company are all loyal to them, the code of conduct requires that the surveyors are objective and loyal to neither the company nor the policyholder.

The rotation/transfer policies of the Public Sector General Insurance Companies are complicated and not acceptable by majority employees

Overall 80% female respondents say that the rotation/transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees. 60% male respondents also agree to this. At ‘all management’ level, 68% agree, at top management level, 60%, at middle management level, 70.30% and at officers’ level, 67.85% respondents agree to this statement. It is recommended that the companies should have a flexible policy and reshuffle the employees and not transfer to other cities. They also can rotate their employees for other types of work. If at all transfers are inevitable, the transfers should be local and not to other cities.

Because of globalization there is ever increasing competition.

High majority 93.34% of respondents at ‘all management’ level, 93.33% in top management level, 88.88% middle level management level and 96.43% in officers’ level say that because of globalization there is ever increasing competition. All the 100% female respondents and 90% male respondents agree to this statement. In the income level of 2, 00,000 to 3, 00,000 lakhs and 3, 00,000 to 4, 00,000 lakhs, all the 100% respondents also are of the same opinion. It is but natural but at the same time, the public sector general insurance companies should take the benefit of their infrastructure. They should take the competition as opportunity to improve their working.
The existing business is getting rotated amongst the insurance companies.

Majority of respondents say that the existing business is getting rotated amongst the insurance companies. It is recommended that the public sector general insurance companies should try to issue the policies and rates as required by the customers. While doing this, these companies should also offer them good service. The PSGICs should break out of this cycle and because there is still and untapped urban and rural market, they should become more aggressive to win over potential customers.

**Settlement of claims by private sector companies is faster compared to public sector general insurance companies**

Most of the respondents say that the settlement of claims by private sector companies is faster compared to public sector general insurance companies. In public sector general insurance companies, there are various levels of authorities. They are at regional level, zonal level etc. It is recommended that the public sector general insurance companies should delegate the authority, approving authority etc. to avoid delays in settlement of claims. These companies should review the old rules and change them to conform to the changing business environment.

**Most of the employees are not fully aware about the IRDA, its duties and functions etc.**

At ‘all management’ level, 66.66% respondents are of the opinion that most of the employees are not fully aware about the IRDA, its duties and functions. 66.67% top management, 59.26% middle management level and 71.70% officers say the same thing. The public sector general insurance companies should train the employees, which can be done in-house the management people or externally as well by experts.

**Training and Development of the employees**

There is overwhelming response from the respondents and they say that the training and development is a must for employees. Any training and development programme for the staff will help PSGICs face the competition more efficiently and effectively. Respondents are also of the opinion that better trained and committed staff will help in getting more business in view of the stiff competition. This is but natural and the companies should start the training and development workshops for their employees, if not already done. The internal as well as external experts can be appointed for this purpose.

**About the merger of all the four public sector general insurance companies**

Majority of the respondents from ‘all management’ level and also respondents at various levels at other categories are of the opinion that business of the public sector general insurance companies would increase if the merger of all the public sector general insurance companies take place. This is true as the inter-public sector company competition between them would stop. They can compete with private companies with their united force. They can use their manpower in a better way. There also would be uniformity in their working and
with all this they will be able to take up the competition with private sector
general insurance companies in a more effective manner.

11. Limitations
The present study undertaken is subject to certain loose ends which need to be addressed in order to draw clear inferences on the topic.

1. The research study has been carried out about the management of problems and prospects of the general insurance companies in public sector in the city of Pune and the period of the study is the year 2000 to 2008.

2. The study is limited to the public sector general insurance companies in the Pune metropolitan area only and there are only four public sector general insurance companies, viz. Oriental General Insurance Company, New India Assurance Company, United India Assurance Company and National Insurance Company.

3. There are hundreds and thousands of policy holders. However, for the research purpose, the questionnaires were got filled up from 300 policyholder respondents. The respondents were 75 numbers each in salaried class, professional class, students and business people so as to have maximum variety of opinions from all sections of the society.

4. The other questionnaire was got filled up from 75 personnel working at various levels of management in these four public sector general insurance companies. The levels chosen were top management level, middle management level and officer level. Top level management respondents might respond otherwise to hide their unawareness about certain facts and figures.

5. The respondent sample of top management level was somewhat reluctant to disclose some information since being at very high level positions, there might be some confusion or doubt in their minds about furnishing the correct information.

12. Areas of further Research
The topic under study presents possibilities for further study and research, which I submit as under:

1. As already stated, the study period of the research work is from 2000 to 2008. Naturally, a further study and research is possible on the topic for any other period.

2. Due to liberalization, new entrants are entering India in the field of general insurance business and, therefore, there is always scope for carrying out research till the saturation of the market in view of the changing scenario.

3. Advance technology is another reason for further research because of advancement in technology, there are going to be changes in the whole concept, systems and procedures of general insurance business. The systems, procedures etc. may get further simplified and it would be much easier to deal with the general insurance companies than before.
4. The proposal for increasing FDI in general insurance business is under consideration of the government, which might bring about some statutory changes in this field. Raising FDI cap could also help insurers expand their coverage to rural and micro-insurance segments as penetration in such areas requires additional capital infusion. A higher stake is likely to attract more global players and greater focus by existing foreign participants in the Indian insurance industry, which needs companies with resources, innovative products, distribution ideas, and experience in penetrating markets.

5. Finally, if the merger happens of all the public sector general insurance companies, then one would witness lot of changes in the future.