Chapter – 8
Suggestions and Recommendations
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General Insurance business deals with insurance of property interest, liability except insurance of human life. Looking to its scope and area it covers, it has to make wide range of rules and regulations, as also it has to fulfil certain requirements laid down by IRDA and simultaneously it has also to keep in mind the concept of customer satisfaction. I accept that due to competition to be faced from private players in general insurance business, General Insurance companies have to struggle hard to keep in the business and to survive in the market. Certain defects are aught to be there and which the persons connected to this business including insured,
can offer better suggestions. Keeping this in mind I contacted certain business people, Agents of General Insurance, Development Officers, surveyors and common public. From my discussions with all these persons, I give my suggestions and recommendations as under:

(1) The new entrants should fix specific niches which are currently poorly served. There are certain areas like semi-urban villages, weaker sections of the society where new entrants can serve well as they are far from the benefits of insurance.

(2) It is imperative that they should offer comparable returns.

(3) It should offer more innovative products to its customers. Economy is fast developing where human expectations are many. Therefore insurance Co., should offer more innovative products to suit the needs of its customers.

(4) Focus on Health Insurance. It is of no use if one has wealth without health, Expenses for health are unavoidable and sometimes it is beyond the capacity of a poor and middle class people. Insurance us should focus more on Health Insurance as healthy society can emerge if its people are healthy. There will be a balance in economy if people are protected against unforseen expenses incurred for health.

(5) New Insurers can profitably focus on the Retail Segment.
Though insurance companies are purely service organizations, they should also follow the principles of marketing. Of course market for insurance can be divided into variety of segments, but the retail segment could be well attended to and it is profitable too. Hence insurance companies, especially new insurers can pay their attention to retail segment profitably.

New insurers' Strategy could be to stimulate Demand in the Service sector, and in the Self-employment sector.

Earthquake, riots, Fire, Over water, burglary, burglary, interest, Liability etc demands protection and even today people are not found insurance minded. New insurers should educate people for protection thro' insurance and thereby create a demand for insurance and to serve this purpose they should recruit the Lamented students as agents for insurance. This in turn will offer self-employment.

Concentrate on potential buyers in the middle class.

Every businessman would be interested in getting more customers thro' potential buyers. From the middle class. Domestic appliances and luxurious items which were beyond the reach of middle class, has now become the need of time and people from middle class now own Auto vehicles, TVS, Refrigerators, personal computers, mobile phones etc and obviously all these need protection thro' insurance. In other words all these can be included in the list of
potential buyers. New insurers including the present insurers should concentrate on potential buyers in the middle class.

(8) Use the leverage Of Information Technology to reduce the distribution cost and serve the customers more efficiently. Information Technology has become essential part of day to day business and insurance companies can't be the exception. Survival of the fittest is the rule in the market and customer satisfaction has become the motto in several organizations. By using the I.T., insurance Cos. Can reduce the cost leading to profit and thereby it can serve its customers very efficiently.

(9) New players must attain the unorganised sector people. Farmers, Unorganised workers, farm labourers, people from the weaker sections are yet far from the benefits of insurance or they are partially attended. There are people in the unorganised sector who need the services of insurance and are not getting the same either due to their ignorance about the insurance or poor network of insurers. New players, therefore extend their services to unorganised sector people thro' strong net work of agents and publicity.

(10) The IRDA should conduct awareness camps in the Rural areas, and acquaint them full particulars of insurance. By recent amendment in the insurance Act, IRDA has become the regulatory authority for the insurance business in India, and every
insurer, including the new insurers are bound to act according to its instructions and guidelines. IRDA, beyond its purview, can arrange awareness camps in Rural areas and make the people aware about insurance types of policies, its benefits etc. By doing this IRDA will not only could serve the community but it would give an impetus to insurance Cos., in getting the insurance business. This is a step worth to be taken by IRDA.

(11) More Vibrant customer service should be provided. I read one eye catching sentence written and displayed in one Organization: If you are dissatisfied, tell us, but if you are satisfied, tell our seniors. This slogan clearly shows the loyalty towards customer and the customer satisfaction. A customer will even accept a negative answer if it is given with a smile. Hence a vibrant customer service should be provided by the insurance companies.

(12) The new players should attract the entire population in the country. Even after 55 years, out government could not provide social security to her people compared to other nations. In England people are provided social security from “Cradle to grave”. It is time to provide security through insurance and every person in the country be protected through insurance either it is a life or property.

(13) Employment opportunities should be created to the Indian Citizens only including Top Executive Positions.
Indians are found most talented people in the world and hold senior positions in many organizations in foreign countries including U.K. and U.S.A.

Employment opportunities for these talented Indian citizens should be provided by the new players, whether they are the Indian players or foreign players. This will help in reducing the unemployment and offering efficient contribution in the development of insurance sector. They can serve better because they know their people well. People will feel family atmosphere and would get better service.


A customer is a part of any organization and a satisfied customer becomes loyal to the products of such organization. A better relationship with the customer creates a good image of any organization in the market and in the competitive market a new insurer can pay his attention towards customer relationship and can go for customer relationship Management technologies. This will not only build a good image in the market but would attract new customers.

(15) The IRDA should be more Vigilant to monitoring the new players. The IRDA being the regulatory authority for insurance business in India should be more vigilant in monitoring the new players. In the
competitive market one will be tempted to go for unfair business practices to attract the new customers. It may be in regard to paying of different rates of commission to agents or charges of tariffs to customers for insurance of their properties etc. Sanctioning of claims is also a sensitive area in the insurance market. IRDA can frame rules and regulations for all these and can be vigilant in monitoring them.

(16) Speedy settlement of claims.

In the liberalised market, power is shifting from producer to customers. So the insurers must pay attention for innovative products, which are available at global with appropriate pricing and speedy settlement of claims. A customer is taking an insurance of property just to protect himself from financial loss. If his claim is not settle within a reasonable period the purpose of insurance is not served and a customer is put to unwanted trouble leading to dissatisfaction towards an insurer. Hence an insurer should settle the claims speedily.

(17) A customer should be allowed to offer an independent private surveyor alongwith the surveyor from an insurance company.

Whenever a insured property is damaged through any unforeseen reason, a survey is conducted by the surveyor from the insurance company. Many times, it happens that damage is evaluated on a lower side than the actual loss leading to injustice to a insured.
Under these circumstances, a customer should be allowed to employ his own surveyor along with the company’s surveyor. This will result in fair and just assessment of the loss to the insured property and to a certain extent a customer will get a reasonable compensation.

General Insurance corporation of India with its four subsidiaries is operating in India in the business of General Insurance. All the four subsidiary companies, as we have seen, are working satisfactorily. One thing is noticed from my observations on Annual Reports and Financial results of all the companies, that premium incomes from Miscellaneous insurances play a vital role in income leading to individual profits of respective companies.

Over and above the statutory obligations fulfilled by these companies, they are committed to work for rural areas offering different products under Rural Insurance and have done satisfactory work. No organization can flourish without the mental, physical financial satisfaction of its employees.

Accordingly, National Insurance company Limited completed salt Lake Residential Complex for its class I officers. With a cost of 2.8 crore.

In the era of new marketing strategies, customer satisfaction and perceptions play a vital role in the progress and development of any organization. All the four companies have greater concern about
customer satisfaction and for this basic purpose they have introduced use of Information Technology. Through connectivity of its major operating offices, they provide Latest information to their customers in the field of new products, premiums, requirements for claim settlement, premium payments etc.

Due to liberalisation and entry of new players in the insurance business, these companies will have to struggle hard for its business and survival. Only transparency of business and better customer service will help in survival.

Companies should not lag behind in covering the rural area, where new players can't reach immediately due to limited network of branches, and attract rural class and population through innovative products offering acceptable and attractive insurance cover.

The future of all these companies is bright and can do better in the competitive markets by offering new products and controlling expenses.