### TABLE 5.39

**SATISFACTION INDEX FOR BILLING SYSTEM AND GRIEVANCE REDRESSAL PROCEDURE – RESPONDENTS OF PRIVATE INSURANCE**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Points scored (a)</th>
<th>Emphasis Index (b)</th>
<th>Point X EI (AXB)</th>
<th>Satisfaction Index axb 140</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing system</td>
<td>-108</td>
<td>3.25</td>
<td>-351</td>
<td>-2.51</td>
</tr>
<tr>
<td>Payment methods and terms</td>
<td>16</td>
<td>3.10</td>
<td>49.6</td>
<td>0.35</td>
</tr>
<tr>
<td>Hearing complaints</td>
<td>7</td>
<td>2.55</td>
<td>17.85</td>
<td>0.13</td>
</tr>
<tr>
<td>Filing complaints</td>
<td>-35</td>
<td>2.05</td>
<td>-71.85</td>
<td>-0.51</td>
</tr>
<tr>
<td>Time taken to resolve the grievances</td>
<td>-50</td>
<td>2.30</td>
<td>-115</td>
<td>-0.82</td>
</tr>
<tr>
<td>Total (Ultimate satisfaction Index)</td>
<td></td>
<td></td>
<td></td>
<td>-3.36</td>
</tr>
</tbody>
</table>

Source: Computed from Table 5.38

Table 5.39 reveals the individual point scored emphasis index and the individual satisfaction indices for every factor. As per the respondents of private insurance, it is found that the respondents are not satisfied with billing system, filing complaints and time taken to resolve the grievances. However they are satisfied with payment method and terms and hearing complaints.

### CHAPTER VI

**FINDINGS, SUGGESTIONS AND CONCLUSION**

**FINDINGS**

**BAJAJ ALLIANCE**
During 2003, it was recorded as 5.62 per cent over 2002 with an increase to 14.86 per cent in 2005. There was a sudden decline to 9.89 per cent in 2006 in the growth with a heavy fall to 2.56 per cent in 2007. The growth was found with an increase of 7.53 per cent in 2008 and 10.70 per cent in 2009. The sudden hike was found in 2010 as 12.82 per cent with a sudden fall to 2.36 per cent in 2011. But the growth was coming down as negative to -5.29 per cent in 2012 shows the business that has come down in 2012. (Table 4.1)

There was a little growth of 0.92 per cent found in 2011 and hike of 17.55 per cent in 2012. This shows the heavier settlement of claims in 2005, 2006, 2007, 2010 and 2012. This may be due to the poor marketing techniques of Bajaj Alliance. (Table 4.2)

The expenses of management could be understood from the table that it has been showing the fluctuating growth. (Table 4.3)

The claims to premium show the poor business strategy in the years 2003, 2004, 2005 and 2009. There has been a fluctuating trend shows from the very beginning in the claims to premiums. (Table 4.4)

The higher expenses of management to premium were found in 2007 as 31.39 per cent and very lower rate of expenses of management to premium were found in 2006 as 21.92 per cent. There have been ups and downs in the expenses of management to premium during the study period. (Table 4.5)
ICICI PRUDENTIAL

There was higher growth rate recorded in the year 2012 as 41.53 per cent over the previous years. There was a fluctuating growth trend in the premiums generated by ICICI Prudential. (Table 4.6)

The growth rate of claims was found higher during 2005, 2006 and 2012. Very poor growth rates were inferred in the year 2007 as -27.60 per cent. It has higher growth rate of claims exhibits the withdrawal of agreement from ICICI Prudential Life Insurance. (Table 4.7)

The growth rate of expenses of management was higher in 2011 as 34.47 per cent and very lower in 2008 as 0.26 per cent. This is a record of evidence that how the company was spending for the management expenses during the study period. There was a negative growth rate in 2010 as -1.71 per cent. (Table 4.8)

The rate of claims to premiums were found high during 2011 as 236 per cent and found very low during 2007 as 136.94 per cent. It was also inferred that there has been a fluctuating trend in the claims to premium of the company due to the higher claims and lower premiums. This shows the poor business trend of the company. (Table 4.9)

The expenses are recorded higher than the premium during the study period shows the company’s poor business policies and strategies. The premium to the expenses of management of ICICI Prudential life insurance was found fluctuating
from the beginning with a remarkable hike during the last 2 years of the study period. (Table 4.10)

**KOTAK MAHINDRA**

There was a very poor growth rate found in 2007 as 0.65 due to some recession in the insurance sector in India. The rate of growth has been very poor in the beginning of the study period and very better in the last two years of the study period. This shows the better performance of the company during 2010-11 and 2011-12. (Table 4.11)

The claims were found high as 67.09 per cent in 2011 and 51.42 per cent in 2006. The claims were found very low in 2005 as 11.64 per cent and 9.23 per cent in 2004. There have been the fluctuations in the claims paid of Kotak Mahindra. Higher the claims paid show the poor feedback and stoppage of business tact. Hence the company is suggested to follow new strategy to retain the clients. (Table 4.12)

There has been a fluctuation in the growth rate of expenses of management. It is found high in 2011 as 88.49 per cent over the previous years and very low in 2009 as 1.22 per cent. There was a very low expenses growth found as 0.89 per cent in 2012. These fluctuations are known to the mark that the expenses are higher, spent for the management by Kotak Mahindra. (Table 4.13)
The claims are found lower than the premiums. The higher rate of claims to premium was found in 2009 as 108.28 per cent and very lower rate of claims to premium was found in 2003 as 39.08 per cent. The total claims made were very much higher in 2008 as Rs.1179.11 crores with a rate of claims to premium of 73.76 per cent. (Table 4.14)

The expenses of management to premium were high as 32.86 per cent in 2011 and low as 23.40 per cent in 2003. The total expenses of management of the company have been found ranging from 23.40 per cent to 32.86 per cent during the study period. This reveals 1.3 of the total premium and less throughout the study period. (Table 4.15)

**BIRLA SUNLIFE**

The growth rate was found high during 2009 as 19.12 per cent and 17.87 per cent in 2011. The rate was found low in 2005 and 2006 respectively as 7.42 per cent and 9.89 per cent. The rate of growth was found better during the last five years of study period. The premium generation is concluded that as better and the performance of the company must be improved towards higher growth. (Table 4.16)

There was a high growth rate as 190.99 per cent in 2006 and 83.45 per cent follows in 2011. The growth was recessed in 2012 as 0.61 per cent. There was a minimum growth rate found in the year 2004 as 5.34 per cent next to 2012. The
beginning was better with a break in the middle and good in the end of the study period. There was a continual growth in the claims paid in amounts shows the cliental interest taken care of by the company. (Table 4.17)

The growth rate of expenses of management was found high in 2011 as 49.83 per cent and low in 2004 as 1.28 per cent. There have been the fluctuations in the expenses of management of the company throughout the study period. The very negative growth rate was found as -8.33 per cent in the year 2012. It is concluded that the growth prospects of the company is very little due to the much expenses of management. (Table 4.18)

The percentage of claims to premiums of the company was found high in 2011 as 91 per cent. The percentage was very low as 26.52 per cent in 2004. The rate of claims to premiums was found little during the beginning and high during the end of the study period. This shows the better performance of the company regarding the claims and premiums. (Table 4.19)

It was found high in 2012 as 227.18 per cent and low in 2003 as 69.69 per cent. There has been an increasing trend of the percentage of expenses of management to premiums of Birla Sunlife Insurance company shows from 23003 to 2012 with a gradual increase. This results that the increased performance of the company which certainly could be maintained subsequently. (Table 4.20)

LIC
In 2003, the Premium of LIC was Rs.25933.09 crores which increased to Rs.30732.60 crores in 2004 with 18.51% growth, Rs.36352.59 crores in 2005 with 18.29%, Rs.44729.61 crores in 2006 with 23.04%, Rs.53998.76 crores in 2007 with 20.72%, Rs.72769.82 crores in 2008 with 34.76%, Rs.80938.49 crores in 2009 with 11.23%, Rs.93088.91 crores in 2010 with 15.01%, Rs.112392.74 crores in 2011 with 20.74% and lastly it increased to Rs.132146.88 crores in 2012 with the growth rate of 17.58%. (Table 4.21)

In 2003, the total claims of LIC was Rs.10841.85 crores which increased to Rs.12659.61 crores in 2004 with 16.77% growth, Rs.14769.42 crores in 2005 with 16.88%, Rs.18101.93 crores in 2006 with 22.34%, Rs.21981.45 crores in 2007 with 21.43%, Rs.28283.50 crores in 2008 with 28.67%, Rs.40886.08 crores in 2009 with 44.56%, Rs.44106.11 crores in 2010 with 7.88%, Rs.48507.20 crores in 2011 with 9.98% and lastly it increased to Rs.52251.57 crores in 2012 with the growth rate of 7.72%. (Table 4.22)

During the study period, the Annual Premium income has gone up from Rs.3345.39 crores in 2003 to Rs.15157.76 crores in 2012 i.e. approximate 5 times growth during the period of 10 years. The annual compound growth rate during the study period 2003 to 2012 was 16.31%. During the study period of ten years, it has been observed that for four years the growth rate of annual premium of new
business in India (individual insurance) was below the annual compound growth rate and for five years it was above the annual compound growth rate. (Table 4.23)

In 1996-97 the percentage of total claims to premiums was 41.81% which decreased to 41.19%, 40.70% & 40.47% in 1997-98, 1998-99 & 1999-2000 respectively. Again it slight increased to 40.71% in 2000-01. Then it decreased upto 38.87% in 2001-02 which was the lowest percentage of total claims to premiums during the study period. From this it jumps to 50.52% in 2002-03 which was observed the highest percentage of total claims to premiums during the study period. Then after it showed decreasing trend and it came down to 47.28%, 43.16% & 39.54% in 2003-04, 2004-05 & 2005-06 respectively. (Table 4.24)

The expenses of management to direct premium, it is very lowest in 2011 and the highest in 2008. (Table 4.25)

**PRIMARY DATA**

23.93 per cent of sample respondents of LIC belong to the age group of below 35 years old whereas 27.5 per cent of sample respondents of Private Insurance Companies belong to below 35 years old; 22.5 per cent of them fall under the age group between 35 and 45 years in LIC whereas 23.57 per cent of them fall under the age group between 35 and 45 years in Private Insurance Companies; 31.43 per cent of them belong to the age group between 45 and 55
years in LIC whereas 23.22 per cent of them belong to the age group between 45 and 55 years in Private Insurance Companies and 22.14 per cent of them are 55 years and above in LIC whereas 25.71 per cent of them are 55 years and above in Private Insurance Companies. (Table 5.1)

67.50 per cent of sample respondents of LIC are male whereas 54.29 per cent of sample respondents of Private Insurance Companies are male; 32.50 per cent of sample respondents of LIC are female whereas 45.71 per cent of respondents of Private Insurance Companies are female. (Table 5.2)

17.86 per cent of sample respondents of LIC are illiterates whereas 27.50 per cent of sample respondents of Private Insurance Companies are illiterates; 20.00 per cent of respondents of LIC have studied upto primary level whereas 23.57 per cent of respondents of Private Insurance Companies have studied upto primary level; 23.93 per cent of respondents of LIC have studied upto secondary level whereas 20.71 per cent of respondents of Private Insurance Companies have studied upto secondary level; 18.93 per cent of respondents of LIC have studied upto higher secondary level whereas 15.00 per cent of respondents of Private Insurance Companies have studied upto higher secondary level and the rest 19.28 per cent of respondents of LIC are graduates whereas 13.22 per cent of respondents of Private Insurance Companies are graduates. (Table 5.3)
18.93 per cent of sample respondents of LIC have the monthly income of less than Rs.4000 whereas 22.14 per cent of respondents of Private Insurance Companies have the monthly income of less than Rs.4000; 23.21 per cent of respondents of LIC have between Rs.4000 and Rs.8000 whereas 24.64 per cent of respondents of Private Insurance Companies have between Rs.4000 and Rs.8000; 15.36 per cent of respondents of LIC have between Rs.8000 and Rs.12000 whereas 13.22 per cent of respondents of Private Insurance Companies have between Rs.8000 and Rs.12000; 16.07 per cent of respondents of LIC have between Rs.12000 and Rs.16000 whereas 17.14 per cent of respondents of Private Insurance Companies have between Rs.12000 and Rs.16000 and 26.43 per cent of respondents of LIC have the monthly income of Rs.16000 and above whereas 22.86 per cent of respondents of Private Insurance Companies have the monthly income of Rs.16000 and above. (Table 5.4)

The mean monthly income of respondents of LIC is Rs.10314 and that of Private Insurance Companies is Rs.9757; the standard deviation is Rs.5934 and Rs.5952 respectively. However the co-efficient of variation of monthly income of respondents of Private Insurance Companies is greater than that of LIC.

18.21 per cent of sample respondents of LIC are agriculturists whereas 26.43 per cent of sample respondents of Private Insurance Companies are agriculturists; 23.21 per cent of respondents of LIC are businessmen whereas 18.21 per cent of
respondents of Private Insurance Companies are businessmen; 14.29 per cent of respondents of LIC are professionals whereas 21.43 per cent of respondents of Private Insurance Companies are professionals; 30.36 per cent of respondents of LIC are salaried people whereas 16.79 per cent of respondents of Private Insurance Companies are salaried people and 13.93 per cent of respondents of LIC are others whereas 17.14 per cent of respondents of Private Insurance Companies are others. (Table 5.5)

13.93 per cent of respondents of LIC have got information through agents whereas 40.71 per cent of respondents of Private Insurance Companies have got it through agents; 20.36 per cent of respondents of LIC have got through neighbours whereas 16.43 per cent of respondents of Private Insurance Companies have got through neighbours; 20.71 per cent of respondents of LIC have got through friends and relatives whereas 15.00 per cent of respondents of Private Insurance Companies have got through friends and relatives; 28.21 per cent of respondents of LIC have got through mass media whereas 16.79 per cent of respondents of Private Insurance Companies have got through mass media and the rest 16.79 per cent of respondents of LIC have got through other means whereas 11.07 per cent of respondents of Private Insurance Companies have got through other means. (Table 5.6)
23.93 per cent of respondents of LIC have used insurance service to get tax benefits whereas 28.21 per cent of respondents of Private insurance have used it to get tax benefits; 24.28 per cent of respondents of LIC have used it Medi-claims whereas 35.00 per cent of respondents of private insurance have used it to get Medi-claims; 51.79 per cent of respondents of LIC have used it to get loans whereas 36.79 per cent have used it to get loans. (Table 5.7)

The two prime reasons for opting several plans by the sample respondents of LIC are complete control over cost and wider availability of services whereas the two prime reasons for opting several plans by the sample respondents of Private Insurance Companies are complete control over cost and avoid problems. (Table 5.8)

The sample respondents of both the companies, on an average, renew the schemes at least thrice in a year. It is to be noted that the standard deviation in both the companies is one. It is also to be noted that the co-efficient of variation in LIC is 31.29 per cent and that of Private insurance companies is 34.94 per cent. (Table 5.9)

44.29 per cent of the respondents of LIC say that the accounts are settled only after 75 days and the rest 55.71 per cent say that it takes less than 75 days to settle the accounts. It is also clear that 45.71 per cent of the respondents of Private
insurance companies say that the accounts are settled only after 75 days and the rest 54.29 per cent settle their accounts within 75 days. (Table 5.10)

The prime reason for discontinuation of policies of both the companies is due to billing problem. (Table 5.11)

The mean performance score of the value added services based on level of performance opined by sample respondents of LIC. The level of performance of value added services is categorised into high and low. Out of 260 sample respondents of LIC, 134 respondents of them agreed at the performance of the value added services as high and remaining of them are perceived as low. The services such as information service, unit linked insurance plans and Family health plans are achieved a greater mean performance score of 3.7808, 3.7397 and 3.5479 respectively and these are excelled in the low performance group. Moreover the Wilks’ Lambda of 0.285 is closed to zero and it confirms that the discrimination among the various value added services in these two groups is better. The chi-square
test reveals that the mean performance score for the value added services significantly differs between the high and low performance group since the calculated value (167.112) is greater than the table value (23.2) at 1 per cent level of significance for the degree of freedom 10. (Table 5.12)

The Canonical correlation is 0.846 which is more than $\pm 0.5$. Hence it is inferred that there exists a high degree of positive relationship between discriminatory score and the value added services. (Table 5.13)

The mean performance score of the value added services based on the level of performance opined by sample respondents of Private insurance companies. Out of 280 respondents of Private insurance companies, 134 respondents of them are agreed at the performance of the value added service, as high and remaining of them are perceived as low. The services such as information service, family health plans and e-payment system are achieved a greater mean performance score of 3.9452, 3.9178 and 3.5890 respectively and these are excelled in the low performance group. Moreover the Wilks’ lambda of 0.253 is closed to zero and it confirms that the discrimination among the various value added services in these two groups is better. Finally the result of the chi-square test reveals that the mean performance score for the value added services significantly differs between the
high and low performance group since the calculated value (181.567) is greater than the table value (26.2) at 1 per cent level of significance for the degree of freedom 12. (Table 5.14)

Canonical correlation is 0.864 that is more than +0.5. Hence it is inferred that there exists a high degree of positive relationship between discriminatory score and the value added services. (Table 5.15)

The sample respondents of LIC do not feel that they have cordial relationship with officials and they feel that the officials are not attending to the needs of respondents. Further the respondents feel that the officials are not empathetic and they do not clarify doubts about various schemes. The sample respondents feel that the officials exercise reasonable care in dealing with the schemes. (Table 5.16)

The sample respondents of Private insurance companies do not feel that they have cordial relationship with officials and they feel that the officials are not attending to the needs of respondents. Further the respondents feel that the officials are not clarifying the doubts about various schemes. (Table 5.17)

The correlation co-efficient ($r_s$) is +0.3. Hence it is inferred that there is a low degree of positive correlation between the opinions expressed by the sample
respondents of LIC and Private insurance companies in relation to the role of marketing officers. (Table 5.18)

The sample respondents of LIC are not satisfied with the acts done in good faith by agents, oral information of agents and about frankness. However they are satisfied with the activities of the agents in relation to cordiality, attending the needs of respondents and their interest in selling more schemes. (Table 5.19)

The sample respondents of Private insurance companies are not satisfied with the acts done in good faith by agents, oral information of agents and about frankness. However, they are satisfied with the activities of the agents in relation to cordiality, attending the needs of clients and their interest in selling more schemes. (Table 5.20)

The opinion for courteous and friendly, the agents have secured third rank among the clients of both the companies; for attending clients need, they have secured first rank among the respondents of both the companies; for selling scheme in good faith, they have secured seventh rank among respondents of LIC and Private insurance companies; for imparting knowledge, they have secured fourth rank among both the respondents; for frankness, they have secured fifth rank; for wanting to have more clients, they have secured second rank and for action oriented, they have secured sixth rank among the respondents of both the companies. (Table 5.21)
SUGGESTIONS

FOR LIC

The growth of developing country depends on elevation of the social status is linked to financial security. LIC being an organisation meant for the security of the citizens must have a higher responsibility in improving the status of women. Hence the corporation must take steps to bring in more female policyholders.

LIC should cater to illiterate population also. The corporation should undertake effective advertisement campaign to reach those masses. The corporation should introduce attractive schemes to bring in the rich section of the society so that the corporation may provide more services with more flow money.

The corporation should introduce never schemes keeping in mind the growing inflationary trend.

The LIC should standardise the time for each service that will definitely help and improving the goodwill of the corporation.

The LIC should make the present and prospective policyholders aware of the present and prospective policyholders aware of the service package offered by it distributing information booklets.
By organising a “Policyholders Meet” with the Branch manager at least once in a month, the corporation may have an idea about opinion of the policyholders about the services rendered by the LIC.

By installing a computer network through India, the corporation may reduce the burden of the employee in performing the various services effective to the satisfaction of the policyholders.

FOR PRIVATE INSURANCE

The private insurance companies are concentrating the high level income group and fix the schemes to cater their needs. This scenario must be changed. They must also try to cater the needs and requirements of middle and lower income groups.

The premiums fixed by the private insurance companies are not minimum and affordable. Hence the companies are advised to reduce the premiums and policy sum assured amounts.

The life cover schemes are to be free from more formalities. Hence the private insurance companies are to do the paper works and consultations to reduce the formalities.

Since the private insurance companies are concentrating more on the accident covers the people won’t go for private schemes. Thus, the private
insurance companies are required to go for the life covers of the insured on the whole without hesitation and formalities.

Even the single premium for a year is paid without continuation of the schemes the premium paid for a year must be returned to the insured after the completion of a minimum period. This has to be concentrated by the private insurance companies with utmost care.

The family cover and individual life cover schemes are to be restructured to cater the middle class and poor class people to make them aware of the private insurance companies.

The terms and conditions, the payment systems and the bankers for collection, whichever is changed to be noticed to the people properly for the favour of the insured immediately.

The unit linked insurance plans of the private insurance companies are depending on the market volatility but there was no benefits if the market comedown to the insured.

If it is the case there must be a minimum return on par with the amount paid is to be given to the insured as on date.
The customers would think of the private insurance companies as non-beneficial. Hence, they must be well informed about the schemes and benefits for the favour of them as well as the companies.

The female insured are very less. Hence the pvt. Insurance companies must make same to increase the women insured more in the years to come.

Media and publicity is required more for passing on the information about the private insurance schemes frequently so that number of insured will go up.

Bonus and additional benefits are to be given to the insured by the private insurance companies.

The officials are to be with several and versatile information about the schemes of the private insurance companies. So that they can convey the clients rightly the progress of the company.

The agents/marketing executives have to be given proper training to cater the clients in a way in which they could serve the people.

**CONCLUSION**

Customer service is great important in the insurance sector. The expectation of customer and their demands are increasing day by day. In India with economic liberalization and insurance companies are functioning under tremendous competitive edge to focus on developing long-term relationship with customers.
The salient features like social aspects, low end of technologies, sophistication, unionized work force and cumbersome legal system basically mark Indian insurance. Therefore Indian insurance must develop its own body of concepts and principles revolving around distinctive characteristics of services tempered with the imperatives of Indian situation.

**SCOPE FOR FURTHER RESEARCH**

There are wide spread scope, related to this topic for the future researchers. The one who take up the same research topic may go for analyzing the performance of the private players and public sectors in Indian Insurance Industry. This may also be compared with the Foreign Insurance business.

The customers of the companies may be compared with their opinions on the progress of even the private insurance companies separately. The financial status, the market updates and the ratings of private insurance companies may also be analysed. There is a scope for the study related to the human resources working for the growth of the both insurance businesses. The marketing aspects of the private players may also be studied with the help of the strategies followed by them.

With these above views, the future researchers may take up their studies and draw some different solutions to every problem.

**BIBLIOGRAPHY**