

A STUDY ON CUSTOMER SATISFACTION TOWARDS INSURANCE POLICY HOLDER IN KARUR DISTRICT

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Abstract

Life insurance players have started realizing that their business depends on customer service and customer satisfaction. This research, using confirmatory factor analyses, proposes a six dimensional service-quality instrument consisting of 'assurance', 'personalized financial planning', 'competence', 'corporate image', 'tangibles' and 'technology' in life insurance. A causal model, using structural equation modeling, is suggested to investigate the effects of the proposed service quality instrument on customer satisfaction ('satisfaction with agents', 'satisfaction with functional services', 'satisfaction with company' and finally with 'overall satisfaction'). The proposed framework attempts to provide a blueprint for appropriate course of action (by life insurance service providers) to create a base of satisfied customers through quality services.

It is this uncertainty that is risk, which gives rise to the necessity or some form of protection against the financial loss arising from death. Insurance substitutes this uncertainty by certainty

Keywords:

Insurance; policy; companies; management; Service; customer satisfaction;

INTRODUCTION

Insurance is defined as a co-operative device to spread the loss caused by a particular risk over a number of people who are exposed to it and who agree to ensure themselves against that risk. Risk is uncertainty of financial loss. It should not be confused with the chance of loss, which is the probable number of losses out of a given number of defined as the cause of loss, or with hazard, which is a condition that may increase the chance of loss, finally, risk must not be confused with loss itself which is the unintentional decline in or disappearance of value arising from a contingency wherever there is uncertainty with respect to a probable loss there is risk.

Insurance business in India has had a long history since 1818. Insurance and general insurance were a mixed business and were decentralized until the entire insurance business was brought under social control insurance in 1956 and general insurance in 1972. Insurance basically is sharing of loss of a few individuals by a large group of persons. It is a management by which a large number of persons agree to share the loss which a few of them are likely to incur in future, with the advantage that the individuals share of the loss is small and remains fairly steady over a number of years. Such an association of persons is organized by an insurance organization.

MEANING OF INSURANCE

Insurance means a promise of compensation for any potential future losses. It facilitates financial protection against by reimbursing losses during crisis. There are different insurance companies that offer a wide range of insurance options and an insurance purchaser can select as per own convenience and preference. Several insurances provide comprehensive coverage with affordable premiums. Premiums are periodical payment and different insurers offer diverse premium options. The periodical insurance premiums are calculated according to the total insurance amount

Types of Insurance:

Major types of insurances are as mentioned below:

- **Life insurance:** Descendent's family receives financial benefits. Life insurances also offer paid proceeds to the beneficiary.
- **Automobile insurance:** Usually automobile insurances cover damages and legal financial expenditures of the automobile driver.
- **Health insurance:** Health insurance covers the expenditures associated to treatment and medical expenditures.

- **Credit insurance:** Borrowers often fail to repay debts, loans and mortgages due to certain unavoidable circumstances, credit insurances can be of great help during such crisis.
- **Property insurance:** Property protection insurance provide protection from risks associated to theft, fire, floods etc.

List of Top 10 Insurance Companies in India

1. **LIC (Life Insurance Corporation of India) - www.licindia.in**
2. **TATA AIG Insurance - www.tataaiginsurence.in**
3. **AVIVA Life Insurance - www.avivaindia.com**
4. **Bharti AXA Insurance - www.bharti-axalife.com**
5. **Bajaj Allianz Life Insurance Company - www.bajajallianz.com**
6. **ICICI Lombard - www.icicilombard.com**
7. **HDFC Standard Life Insurance - www.hdfclife.com**
8. **ING Vysya Life Insurance - www.ingvysyabank.com**
9. **MetLife Insurance - www.metlife.com**
10. **ICICI Prudential - www.iciciprulife.com**

STATEMENT OF THE PROBLEM

Now-a-days savings becomes a basic need of human being. More number of insurance companies is offering various kinds of schemes life insurance is one of the very effective Insurance 150. In this context the researcher has to decide to study the satisfaction level of life insurance policyholders in karur district.

RESEARCH METHODOLOGY

The researcher should have a better scientific methodology for the study, and then only the research will be good. The main goal is to study about the perception of the customers.

Collection of data

1. Primary data
2. Secondary data

For the preparation of this project primary data was collected. The project has been compiled with the information and data collected. Mainly the following strategies are adapted to generate data for this project.

A detailed questionnaire was made to interview the 150 sample respondents.

STATISTICAL TOOLS

- Simple percentage analysis
- Chi-square test

LIMITATIONS OF STUDY

The study is subjected to the following limitation,

1. Since the time was limited, convenient sampling techniques has been adopted to select the respondents.
2. The responses from the persons, was very poor some of them were uninterested even in answering.

REVIEW OF LITERATURE

Meirovich and Bahnan (2008)¹⁶ study the links between quality and consumers' emotions and eventually with their satisfaction. This study introduces two components of total quality structure; quality of design and quality of conformance, for analysis of the link between quality and customer emotions. The results show that there is a significant relationship between possible combinations of two quality dimensions and customers' affective responses in terms of both their valence and intensity. An interesting finding of this study suggests that customers value quality of conformance higher than quality of design.

Dr.Praveen Sanu, Gaurav Jaiswal, Vijay Kumar Panday (2009)²² in their article, " A study of buying behaviour of consumers towards LIC", Prestige institute of Management and Research, Gwalior, revealed that in present Indian market, the investment habits of Indian consumers are changing very frequently. The individuals have their own perception towards various types of investment plans. The study of this research work was focused over consumer's perception on investment towards Life Insurance Services.

DATA ANALYSIS AND INTERPRETATION**SIMPLE PERCENTAGE ANALYSIS OF PERSONAL FACTORS OF THE RESPONDENTS****TABLE NO:1**

Particulars		No.of .respondents	Percentage(%)
Age	Up to 30	57	38
	31-40	45	30
	41-50	33	22
	Above 50	15	10
Gender	Male	84	56
	female	66	44
Occupation	Farmer	36	24
	Govt Employee	24	16
	Private Employees	57	38
	Business	33	22
Educational level	illiterate	21	14
	Under graduate	60	40
	Post graduate	24	16
	Professionals	18	12
	Others	27	18
Marital status	single	60	40
	married	90	60
Annual income	Up to 1,00,000	30	20
	1,00,000-2,00,000	66	44
	2,00,000-3,00,000	33	22
	Above 3,00,000	21	14

Source :primary data

From the table that majority of the 38%of the respondents belong to age group up to 30 years,56% belong to male category,38%of the respondents belong to the private employees,40%

belong to under graduate category,60% belong to married category,44% of the respondents belong to 1,00,00-2,00,000 category.

CHI-SQUARE TEST

Table no:2

AGE AND OCCUPATION

AGE	OCCUPATION				TOTAL
	FARMER	GOVT EMPLOYEE	PRIVATE EMPLOYEE	BUSINESS	
UP TO 30	12 13.68	15 9.12	21 21.66	9 12.54	57
31-40	9 10.8	3 7.2	18 17.1	15 9.9	45
41-50	12 7.92	6 5.28	9 12.54	6 7.26	33
ABOVE 50	3 3.6	0 2.4	9 5.7	3 3.3	15
TOTAL	36	24	57	33	150

SOURCE: primary data

AGE AND OCCUPATION

To test the significant relationship between age and occupation.

Null Hypothesis-H0

There is no significant relationship between age and occupation.

Alternative Hypothesis-H1

There is no significant relationship between age and occupation.

CHI-SQUARE TEST-TABLE

Factors	Level of significant	Degree of freedom	Table Value	Calculated value	result
Age and occupation	0.05	9	16.9	18.246	Rejected

Since the calculated value 18.246 is chi-square test is more than the table value. So hypothesis is rejected.

Conclusion

There is a significant relationship between age and occupation.

**CHI-SQUARE TEST Table No:2
EDUCATION AND ANNUAL INCOME**

EDUCATION	ANNUAL INCOME				TOTAL
	Up to 1,00,000	1,00,000-2,00,000	2,00,000-3,00,000	Above 3,00,000	
Illiterate	3 4.2	12 9.24	3 4.62	3 2.94	21
Under graduate	24 12	15 26.4	15 13.2	6 8.4	60
Post graduate	0 4.8	9 10.56	12 5.28	3 3.36	24
Professionals	3 3.6	9 7.92	3 3.96	3 2.52	18
others	0 5.4	21 11.88	0 5.94	6 3.78	27
Total	30	66	33	21	150

SOURCE: primary data

To test the significant relationship between Education and annual income.

Null Hypothesis-H0

There is no significant relationship between Education and annual income.

Alternative Hypothesis-H1

There is no significant relationship between Education and annual income.

CHI-SQUARE TEST-TABLE

Factors	Level of significant	Degree of freedom	Table Value	Calculated value	result
Education and Annual income	0.05	12	21.0	53.19	Rejected

Since the calculated value 53.19 is chi-square test is more than the table value. So hypothesis is rejected.

Conclusion

There is a significant relationship between Education and Annual income.

FINDING

The majority of 38% of the respondents comes under the age group of up to 30 years. It is informed that the majority of 56% of the respondents were male. The majority of 38% of the respondents occupational level is private employees. The majority of 40% of the respondents educational qualification is under graduate. It is understood that, the majority of 60% of the respondents comes under married category. that, the majority of 44% of the respondents are earning Rs.1,00,000-2,00,000

CONCLUSIONS

This awareness of the customer about insurance policy is very poor. The market scope is there untapped market potential is also there. Rural areas are left over by the agents. Hence it is suggested that the agents should go to various areas and top up the enlisting excellent market potentials.

It in the above suggestions are implemented, the insurance policy will be able to function to more effectively and efficiently in the best interest on the policy holder and of the nation as a whole.

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