A STUDY ON AWARENESS OF INSURANCE POLICY

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Abstract: This study of insurance industry and identifies the strategies, challenges, obstacles and problems and implement strategies in life insurances offered. The most condemning fact that must immediately be remedied is the catastrophic expenditure incurred by the patient during the course of the treatment due to the out of pocket expenditure. However, the middle socio-economic group do have some access to the insurance plans, however, this does not hold true to the who are suffering from poverty. Hence, India is a long way from providing equal services to all its citizens even though it is their basic right. With the advent of liberalization, private players have forayed into the market of healthcare insurance. To study the current situation of the healthcare insurance industry of India by analyzing the secondary data obtained from a multitude of sources.

I. INTRODUCTION

INSURANCE IS A MEANS OF PROTECTION FROM FINANCIAL LOSS. IT IS A FORM OF RISK MANAGEMENT, PRIMARILY USED TO HEDGE AGAINST THE RISK OF A CONTINGENT OR UNCERTAIN LOSS AN ENTITY WHICH PROVIDES INSURANCE IS KNOWN AS AN INSURER, INSURANCE COMPANY, INSURANCE CARRIER OR UNDERWRITER. A PERSON OR ENTITY WHO BUYS INSURANCE IS KNOWN AS AN INSURED OR AS A POLICYHOLDER. THE INSURANCE TRANSACTION INVOLVES THE INSURED ASSUMING A GUARANTEED AND KNOWN RELATIVELY SMALL LOSS IN THE FORM OF PAYMENT TO THE INSURER IN EXCHANGE FOR THE INSURER'S PROMISE TO COMPENSATE THE INSURED IN THE EVENT OF A COVERED LOSS. THE LOSS MAY OR MAY NOT BE FINANCIAL, BUT IT MUST BE REDUCIBLE TO FINANCIAL TERMS, AND USUALLY INVOLVES SOMETHING IN WHICH THE INSURED HAS AN INSURABLE INTEREST ESTABLISHED BY OWNERSHIP, POSSESSION, OR PRE-EXISTING RELATIONSHIP. THE INSURED RECEIVES A CONTRACT, CALLED THE INSURANCE POLICY, WHICH DETAILS THE CONDITIONS AND CIRCUMSTANCES UNDER WHICH THE INSURER WILL COMPENSATE THE INSURED. THE AMOUNT OF MONEY CHARGED BY THE INSURER TO THE POLICYHOLDER FOR THE COVERAGE SET FORTH IN THE INSURANCE POLICY IS CALLED THE PREMIUM. IF THE INSURED EXPERIENCES A LOSS WHICH IS POTENTIALLY COVERED BY THE INSURANCE POLICY, THE INSURED SUBMITS A CLAIM TO THE INSURER FOR PROCESSING BY A CLAIMS ADJUSTER. THE INSURER MAY HEDGE ITS OWN RISK BY TAKING OUT REINSURANCE, WHEREBY ANOTHER INSURANCE COMPANY AGREES TO CARRY SOME OF THE RISKS, ESPECIALLY IF THE PRIMARY INSURER DEEMS THE RISK TOO LARGE FOR IT TO CARRY.

2.1. Review of literature

1. Ashish Deb Roy (1987) in his article entitled "We Care for our Customers" has examined the nature and importance of better customer services to policyholders and has emphasized the need for quality in service. He has given a detailed note on the various steps to be taken by Life Insurance Company to improve the customer service such as training programmers conducted by Company to its agents and employees, opening new branches and introduction of computers in insurance branch offices.

2. Rao, B.S.R. and Appa Rao Machiraju (1988) in their article entitled "Life Insurance and Emerging Trends in Financial Services Market", contends that the agents of life insurance should improve their services to the level of financial experts[1]. The authors felt that the change in the economic scenario would help the corporation in better services field.

3. A study conducted by Sunayna Khurana (2008) article "Customer Preferences in Life Insurance Industry in India", revealed that the insurance sector plays a very important role in the development of any economy. It is necessary for the economic and overall development of any country. In today's competitive economy, the business, finance and insurance sector plays a very important role. More and more job opportunities are available in these sectors.

4. A study conducted by Raju, S. and Gurupandi, M. (2009) in their article "Analysis of the Socio Economic Background and Attitude of the Policyholders towards Life Insurance Corporation of India", Smart Journal of Business Management Studies revealed that the study was of great help to the policyholders, as it was aimed at finding the attitude towards the services of Life Insurance Company. Hence the prospective customers, who propose to buy the insurance products and avail of the services of an insurance company for the first time, can get benefited by the best service provider.

3.1 RESEARCH METHODOLOGY

This research will be descriptive in nature for A study on awareness and perception of Insurance policy A structured questionnaire is prepared and being circulated which contains set of statements so that the respondent will find it easy to give the level of agreement on the given statements. The questions are structured in such a way that the respondents will feel easy to understand the topic and answer properly. The sample size is 50. Primary data is information that is collected specifically for the purpose of this research project. The source of your primary data is the population sample from which you collect the data. Here the data is collected in the form of questionnaire that is adapted from previous literature and is given to the customers by means of Qualtrics – an online survey form, making this research a communicative study.

4. ANALYSIS AND INTERPRETATION

Descriptive Analysis

TABLE 4.1: Classification of respondents based on Regular Payment of Premiums of respondence

| Mode of payment	Frequency	Percentage
a) Monthly	25	70.8%
b) Quarterly	15	16.7%
d) Yearly	10	8.3%
Total	50	100%
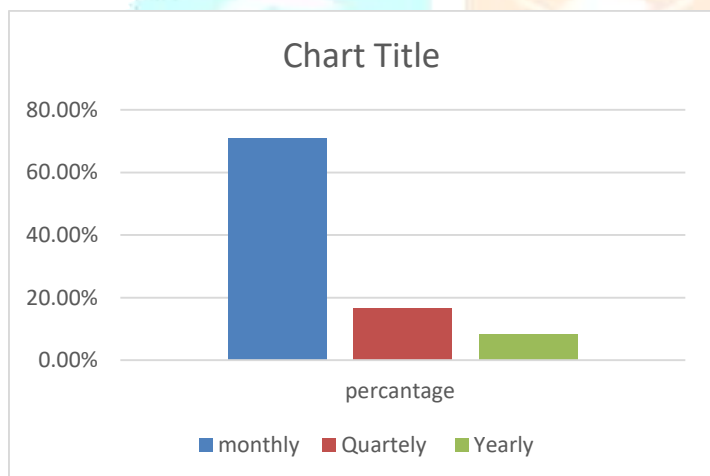
INTERPRETATION

It is inferred from the above table that 70.8% customer were pay monthly , 16.7% customer were pay quarterly , 8.3% were pay half year of the policy in the mode of payment

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TABLE 4.2: Classification of respondents based on the education qualification of the policyholders

| Educational Qualification	Frequency	Percentage
a) Undergraduate	15	25%
b) Graduate	10	12.5%
c) Post Graduate	25	62.5%
Total	50	100%

Chart Title
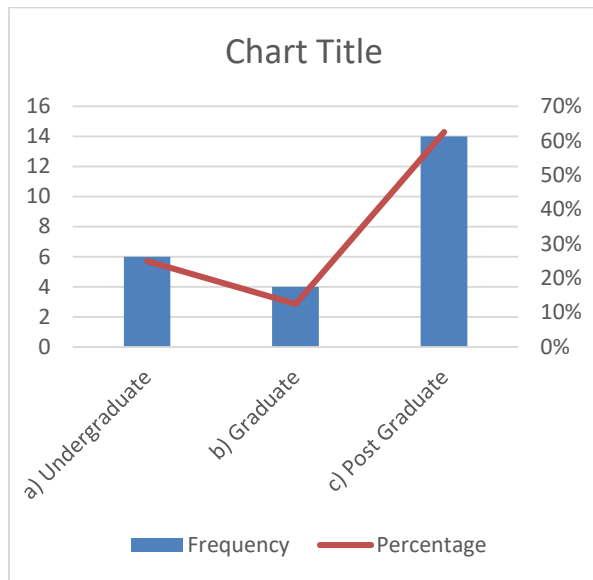
INTERPRETATION

It is inferred from the above table that 25% customer were undergraduate , 12.5% customer were graduate , 62.5 % customer were post graduate in education qualification .

Table 4.3: Classification of respondents based on their occupation of the policyholders .

| Occupation	Frequency	Percentage
a) Student	30	50%
b) Service	05	8.3%
c) Self Employed	05	8.3%
d) Others	10	33.3%
Total	50	100%

Chart Title
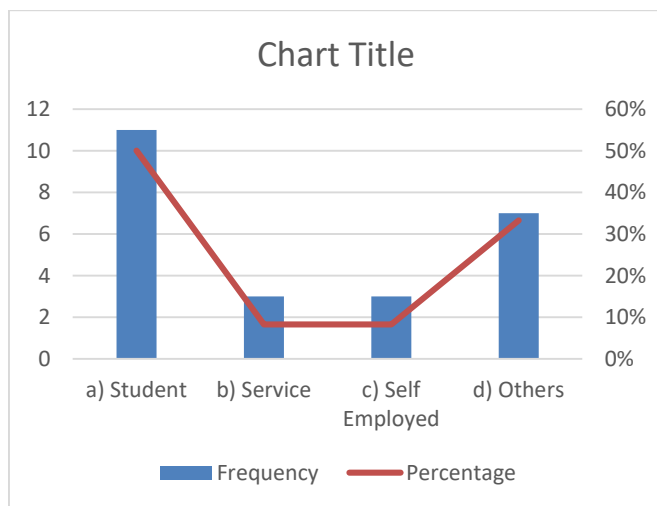
INTERPRETATION

It is inferred from the above table that 50% customer were students , 8.3% customer were service, 8.3% customer were self employed , 33.3% customer were others in the occupation .

TABLE 4.4: classification of the respondents based on their Income groups of the policyholders

| Income Group (Annual)	Frequency	Percentage
A)Below 1 Lac	33	47.8%
B) 1 Lac – 5 Lac	10	34.8%
C) 5 Lac – 10 Lac	07	13%
Total	50	100%
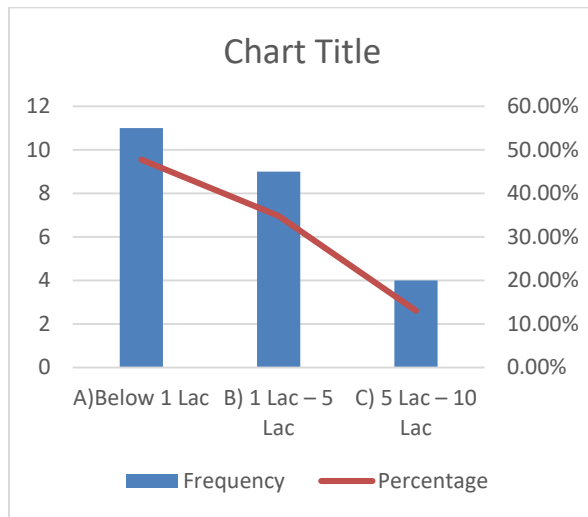
INTERPRETATION

It is inferred from the above table that 47.8 % customer were Below 1 lac , 34.8% customer were 1 lac – 5 lac, 13% customer were 5 lac -10 lac in the income group.

TABLE 4.5: classification of the respondents based on their time period

| Investment	Frequency	Percentage
A)Short term	10	25%
B)long term	30	50%
c)Both	10	25%
Total	50	100%
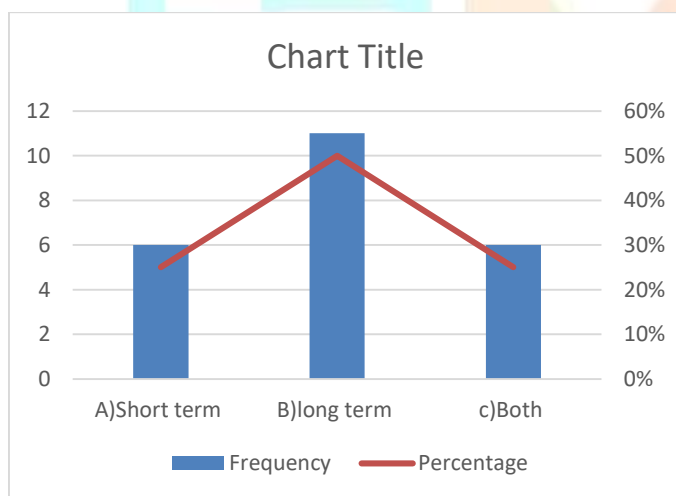
INTERPRETATION

It is inferred from the above table that 25% customer were short term , 50% customer were long term ,25% customer were both in the investment preference .

TABLE 4.6: classification of the respondents based on the reason towards purchase of insurance policy

| Reason	Frequency	Percentage
A)Company Profile	05	8.3%
b) Brand	10	29.2%
c) Grievances Handling	10	20.8%
d) Undue Delay in Claims	05	8.3%
e) Public Sector	10	12.5%
f) All of the above	10	20.8%
Total	50	100%
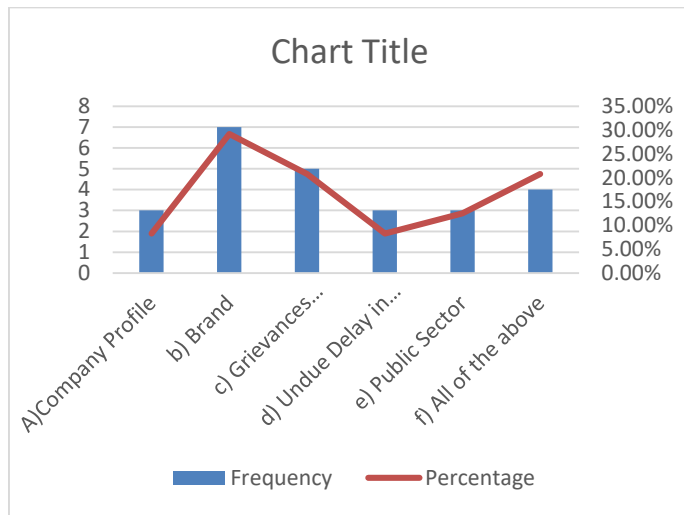
INTERPRETATION

It is inferred from the above table that 8.3% customer were taken the policy for company profile , 29.2% customer taken for brand , 20.8% customer taken for grievances handling , 8.3% customer taken for undue delay in claims ,12.5% customer taken for pubic sector, 20.8% customer taken for all of the above

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TABLE 4.7: Classification of the respondents based on the kind of insurance policy

| Kind	Frequency	Percentage
A)Life insurance	20	33.3%
b)health insurance	10	25%
c)motor insurance	10	25.%
d)business loans	07	8.5%
f)personal loans	03	7.2%
Total	50	100%
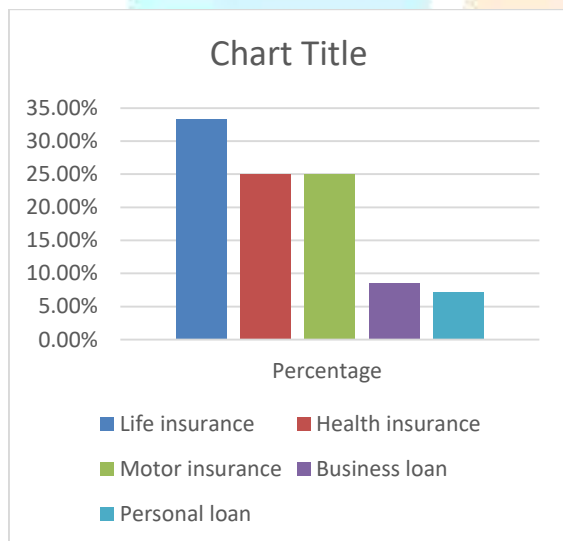
INTERPRETATION

It is inferred from the above table that 33.3 % customer were taken Life insurance, 25% respondents were health insurance , 25% customer respondents were motor insurance ,8.5 % response were business loans , 7.2% respondents were personal loans.

TABLE 4.8: Classification of the respondents based on their period of insurance policy

| Period of policy	Frequency	Percentage
Up to 5years	35	83.3%
Above 20years	15	16.7%
Total	50	100%
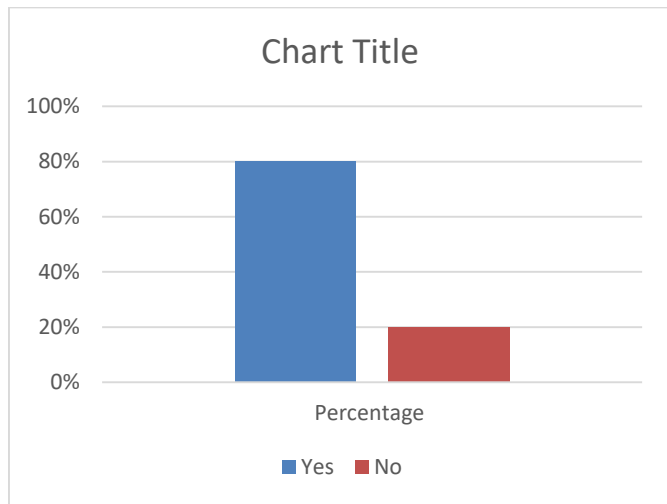
INTERPRETATION

It is inferred from the above table that 75% customer were taken up to 5 years , 35% customer were taken above 20years in the period of insurance.

TABLE 4.9: Classification of the respondents based on the Awareness towards bonuses issued

| Details	Frequency	Percentage
A)Yes	35	83.3%
B)No	15	16.7%
Total	50	100%
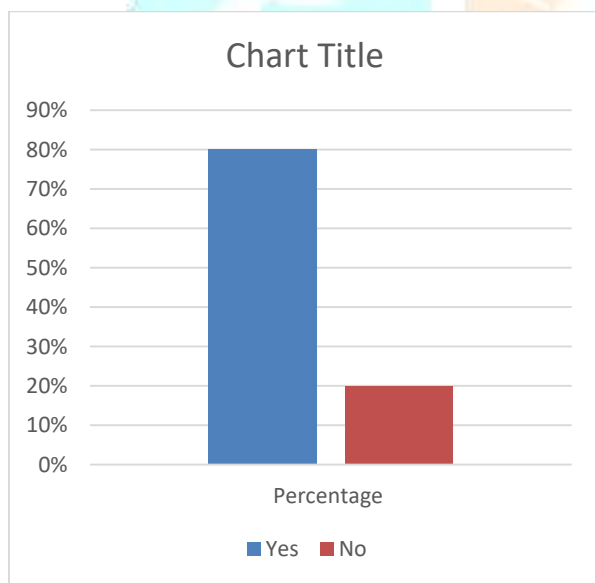
INTERPRETATION

It is inferred from the above table that 80% customer were saying yes to insurance bonuses, 20% were saying no to insurance bonuses.

TABLE 4.10: Classification of the respondents based on the Receipt of benefits from policy purchase

| Current benefit	Frequency	Percentage
Yes	35	83.3%
No	15	16.7%
Total	50	100%
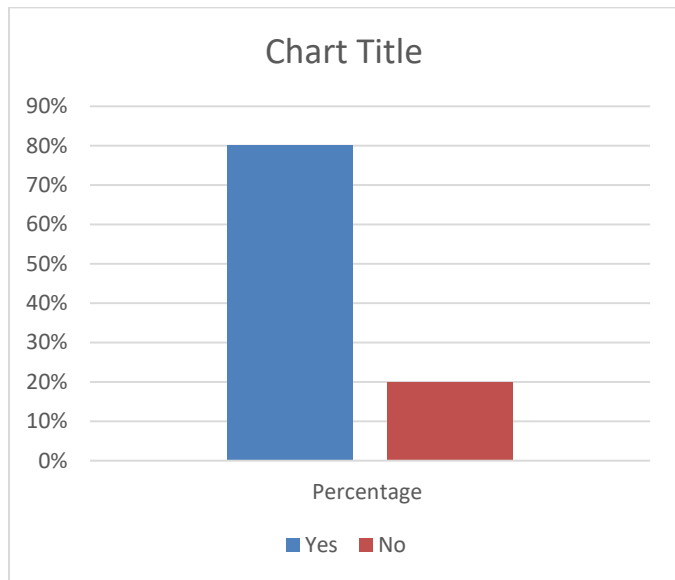
INTERPRETATION

From the chart it was found that 50% response were fully satisfied , 45.8% response were partially satisfied , 4.2% response were not satisfied

TABLE 4.11: classification of the respondents based willingness towards on purchase of new policy

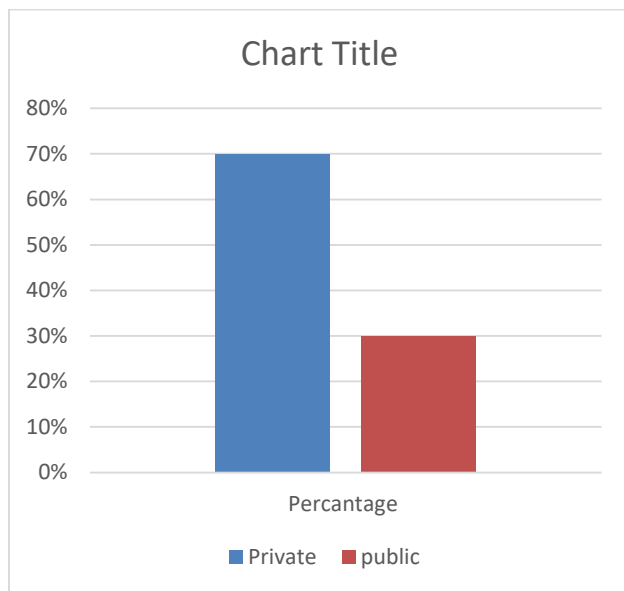| New policy	Frequency	Percentage
A)yes	35	87.5%
B)no	15	12.5%
Total	50	100
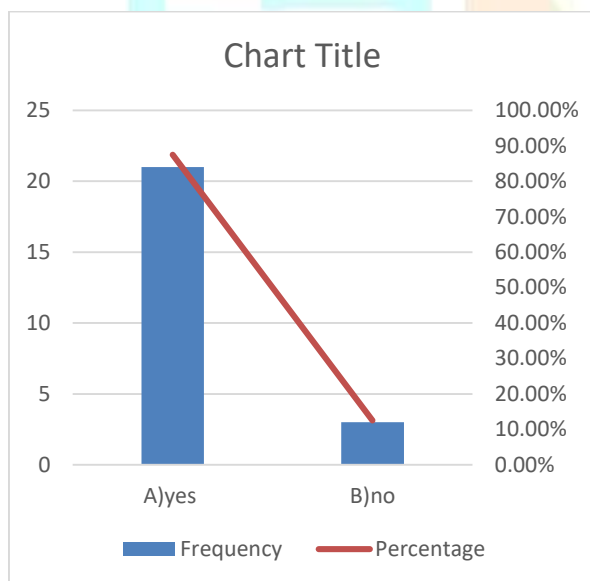
INTERPRETATION

IT is inferred from the above table that 87.50% customer respondents were like to buy new policy and 12.50% customer respondents were willing to buy the policy

TABLE 4.12: Classification of the respondents based on the public and private insurance policy

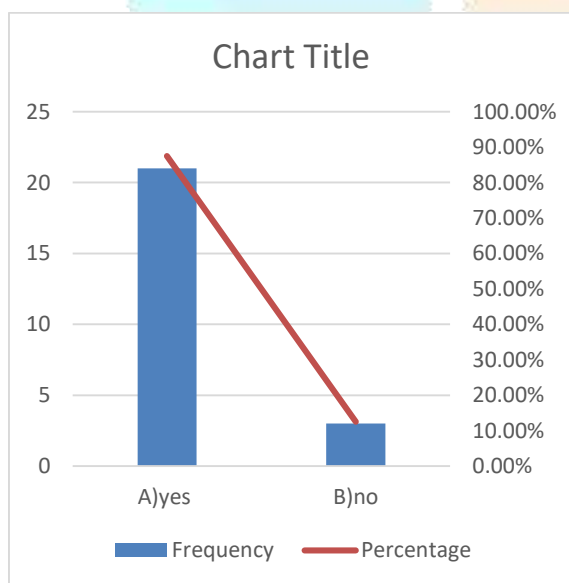| Types	Frequency	Percentage
Public	30	70%
Private	20	30%
Total	50	100%

INTERPRETATION

It is inferred from the above table that 70% customer respondent were having private policy ,30 % customer respondents were having public policy

.TABLE 4.13: classification of the respondents based on the Surrendered of insurance policy

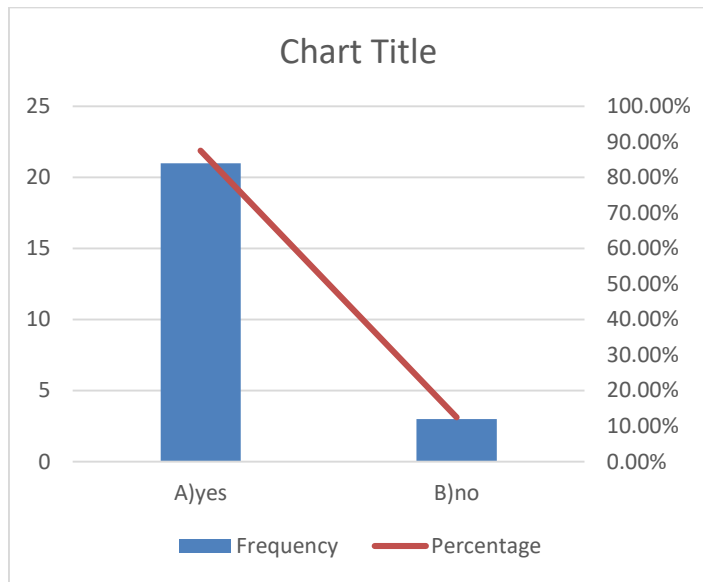| Surrendered	Frequency	Percentage
A)yes	35	56.5%
B)no	15	47.5%
Total	50	100%

INTERPRETATION

IT is inferred from the above table 56.5% customer response were surrendered the policy , 43.5% customer response were not surrendered.

TABLE 4.14: Classification of the respondents based on the Receipt of Premium Incentive

| Premium Incentives	Frequency	Percentage
Yes	35	87.5%
No	15	12.%
Total	50	100%

INTERPRETATION

IT is inferred from the above table that 87.5% customer response were received premium incentive , 12.5% customer response were not received **.**

TABLE 4.15: Classification of the respondents based on their overall satisfaction towards insurance policy

Overall satisfaction	Frequency	Percentage
A)Highly Satisfaction	30	45.5%
B)Satisfaction	10	37.5%
C) Average	07	12.5%
D)Dissatisfaction	03	4.2%
Total	50	100
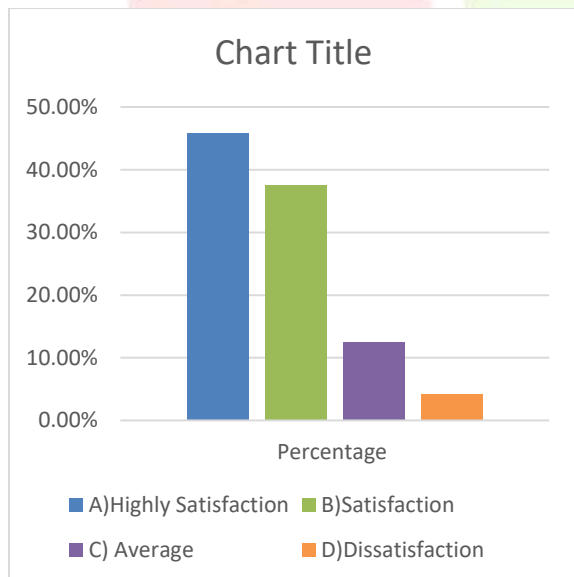
INTERPRETATION

It is inferred from the above table that 45.5% customer were highly satisfied , 37.5 % customer were satisfied , 12.5% customer were average , 4.2% customer were dissatisfied by the policies.

5.CONCLUSION

Insurance is a large investment and you will most likely purchase multiple policies throughout your lifetime. It is essential that you know what each type of insurance covers and how it works so you can make the best decision about what to buy. Do not base your decision on just what is cheapest, but look at what it provides. Take the time to shop around and find the right insurance for your situation. People often say they cannot afford insurance, but the reality is that they cannot afford not to have it. It can save them from thousands or more dollars in unplanned expenses when unexpected situations arise. You do not want to waste your money on policies that do not meet your needs, but the right insurance policy can protect you and your family from unforeseen disasters. It is very important insurance and is essential for everyone's life. But in India the penetration level of insurance industry is very low compared to other developing countries where this industry has reached a saturation level as almost all the lives have been covered. Customers are the integral part of the industry. Thus companies face cut throat competition and have to differentiate themselves from others by innovative products and services.

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