SRI RAMAKRISHNA
COLLEGE OF ARTS & SCIENCE (Autonomous)
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INSURANCE 2030 - THE IMPACT OF ARTIFICIAL INTELLIGENCE ON THE FUTURE OF INSURANCE

DEPARTMENT OF COMMERCE - BPS & RM

SRI RAMAKRISHNA COLLEGE OF ARTS AND SCIENCE

AVINASHI ROAD , NAVA INDIA, COIMBATORE- 641006

International Level
Virtual Conference On
"Insurance 2030 – The Impact of Artificial Intelligence on the Future of Insurance"

Editor-in-Chief

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DEPARTMENT OF COMMERCE - BPS & RM

SRI RAMAKRISHNA COLLEGE OF ARTS & SCIENCE
Avinashi Road, Nava India, Coimbatore- 641006

29 OCTOBER 2021

First Edition : 2021

ISBN NO : 978-93-5566-099-2

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SRI RAMAKRISHNA COLLEGE OF ARTS & SCIENCE
Avinashi Road, Nava India, Coimbatore- 641006

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POLICYHOLDERS SATISFACTION TOWARDS ONLINE INSURANCE PRODUCTS

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Abstract

Customer service is an integral part of insurance companies. It is essential to examine the key success factors in insurance companies, in terms of policyholders' satisfaction so as to survive in strong competitive world. Accordingly, it becomes necessary to study policyholders' satisfaction towards online insurance products. Data for study have been collected from 296 policyholders through issue of well-structured questionnaire by adopting convenience sampling method. Simple Percentage, Weighted Average Ranking and Chi-Square test have been used to analyse the data. The study reveals that majority of the policyholders are male from nuclear family and most of them are government employees belonging to the age group of 31-40 years. It is found that easy accessibility followed by availability of products to different consumer segments, ability to comply with IRDA guidelines, reliability and security are some of the reasons for preferring online insurance products. It is also found that Age, Marital Status, Educational Qualification, Occupation, Family Income and Sum Assured have significant association with policyholder's level of satisfaction.

Keywords: Online-Insurance-Policyholders-Satisfaction-Services.

Introduction

Insurance sector, as whole has contributed to the development of economy through generation of employment opportunities, acceleration of industrial growth and so on. Service sector is facing tough competition in the global market because of globalization and liberalization of the Indian economy. After the entry of LPG Indian service sector has been opened for multinational companies. In the Pre-liberalization era, LIC of India was the monopoly in the insurance sector in India. In 1999, the Insurance Regulatory and Development Authority (IRDA) opened the door to private and foreign players whose share in the insurance market has been increased. The IRDA entrusted with protecting the interest of policyholders. Policyholders' satisfaction is equivalent to making sure that product and service performance to meet customer expectation. Therefore, the insurance companies should win the customers by outperforming the customer's needs. In this study an attempt has been made to examine the satisfaction level of policyholders in life insurance products.

Review of Related Literature

Thangadurai and Abdul Rahim (2015) in their article captioned "Policyholders' Perception towards Online Insurance a Pilot Study in Mumbai" to identify the variables influencing customer satisfaction on online insurance. Data have been collected from 150 policyholders using non-probability convenience sampling method. Chi-square test has been used to analyse the data. The finding of the study reveals that age, marital status, income, qualification and employment have significant association with level of satisfaction. Ezhilarasi and Vijaya Kumar (2016) in the article entitled "A Study on Customer Perception towards the Online Insurance Products in Chennai" to examine the satisfaction level of customers on online insurance products in chennai. Data have been collected from 233 policyholders from Chennai city. Non- Probability Convenience Sampling method has been used to collect the data. Simple Percentage and one-sample t-test have been used to analyse the data. The result of the study reveals that majority of the policyholders are male whereas most of the policyholders belong to the age group of 26-35 years and their earning are between Rs.25,000 and Rs.30,000 per month. It is also found that the factors are influencing the customers to avail the online insurance products in Chennai city. Subashini and Velmurugan (2016), in their research entitled "Policyholders' Satisfaction of Life Insurance Products with Reference to Coimbatore District", to ascertain the

factors influencing policyholders satisfaction. Data have been collected from 300 policyholders residing in coimbatore district using convenience sampling method. Fried man rank test and Chi-square test have been used to analyse the data. The study reveals that majority of the policyholders are satisfied with grievance redressal procedure followed by mass media advertisement and display of posters and pamphlets. It is also found that marital status, educational qualification and sum assured have significant association with level of policyholders' satisfaction.

Statement of the Problem

Due to improvement in technology, product innovation and competition from various insurance companies online insurance has been introduced. Insurance company offers products both in offline and online. In this aspect it is important to know the satisfaction of online policyholders to sustain the growth of online insurance. The success of online insurance business depends on the awareness of the policyholders about the products and satisfaction of the policyholders regarding the service rendered by the insurance companies. Gowtham an and Karthik (2017) observe that occupation has significant association with level of satisfaction. Sankar Narayanan and Rajanbabu **(2016)** found that education qualification and monthly income are associated with policyholders' satisfaction. In this backdrop, it becomes imperative to know what are the various factors that influence the satisfaction of online policyholders? To find solution for the said question, the following objectives have been framed and tested.

Objectives of the Study

- To know the socio-economic profile of sample policyholders.
- To examine the variables associated with policyholders' level of satisfaction towards online insurance products.

Research Methodology

The study is based on primary data collected through issue of well-structured questionnaire. It contains questions relating to the socio-economic profile, opinion and satisfaction level of policyholders towards online insurance products. A sample of 296 policyholders residing in Pollachi Taluk has been selected by adopting convenience sampling method. Simple Percentage, Weighted Average Ranking Method and Chi-Square test have been used to analyse the data.

Findings

The findings of the study are divided into three sections namely, Socio-economic profile, opinion of policyholders and variables associated with level of satisfaction towards online insurance products.

(i) Socio-Economic Profile of Sample Policyholders

Socio-economic profile of sample policyholders like age, gender, area of residence, marital status, educational qualification, occupation, type of family, monthly income and family income are disclosed in the following table.

Table-1: Socio-Economic Profile of Sample Policyholders

Variables	Number of Respondents (N=296)	Percentage (%)
Age(Years)		
Up to 30	57	19.26
31-40	121	40.88
41-50	86	29.05
Above 50	32	10.81
Gender		
Male	169	57.09
Female	127	42.91
Area of Residence		
Urban	134	45.27

Variables	Number of Respondents (N=296)	Percentage (%)
Semi-Urban	98	33.11
Rural	64	21.62
Marital Status		
Married	217	73.31
Unmarried	79	26.69
Educational Qualification		
Up to H.Sc.,	31	10.47
Diploma	42	14.19
Graduate	84	28.38
Post Graduate	73	24.66
Professional	66	22.30
Occupation		
Govt. Employee	86	29.05
Pvt. Employee	61	20.61
Agriculture	32	10.81
Business	46	15.54
Professional	36	12.16
Homemaker	29	9.80
Retired	6	2.03
Type of Family		
Joint	132	44.59
Nuclear	164	55.41
Monthly Income (Self)		
Up to Rs.15000	52	17.57
Rs.15001-30000	70	23.65
Rs.30001-45000	78	26.35
Rs.45001-60000	52	17.57
Above Rs. 60000	44	14.86
Family Income (per month)		
Up to Rs.25000	32	10.81
Rs.25001-50000	74	25.00
Rs.50001-75000	81	27.36
Rs.75001-100000	57	19.26
Above Rs.100000	52	17.57

- Most of the policyholders, 121 (40.88%) belong to the age group 31-40 years.
- Majority of the policyholders, 169(57.09%) are male.
- Most of 134(45.27%) policyholders are residing in urban area.
- Majority of the policyholders, 217 (73.31%) are married.
- Most of the policyholders, 84(28.38%) are graduates.
- Most of 86 (29.05%) policyholders are Government employee.
- Majority of the policyholders, 164 (55.41%) belong to nuclear family.
- Most of 78 (26.35%) policyholders monthly income is between Rs.30,000 and Rs.45,000.
- Most of 81(27.36%) policyholders family income is between Rs.50,001 and Rs.75,000.

(ii) Policyholders Opinion on Online Insurance

Weighted average ranking has been applied to identify the policyholders' opinion on online insurance products.

Table-2: Opinion on Online Insurance – Weighted Average Ranking

Opinion	RANK
Easy accessibility	I
Clarity of service procedures/policies	IX
Availability of products to different consumer segments	II
Visual appeal of the product/services	V
Reliability and security	IV
Premium and fees	VII
Quick delivery process	VI
Claim settlement	X
Customer grievances	VIII
Ability to comply with IRDA guidelines	III

It is observed that majority of the policyholders' preferred online insurance for easy accessibility followed by availability of products to different consumer segments, ability to comply with IRDA guidelines and reliability and security. Customer grievances and claim settlement was the least preferred one by most of the policyholders.

(iii) Factors Associated with Policyholders Level of Satisfaction

In order to find out the association between the selected variables namely age, gender, area of residence, marital status, educational qualification, occupation, type of family, monthly income and family income and level of satisfaction of policyholders on online insurance products. Chi-square test has been made use of. Level of significance is five percent.

Table-3: Factors Associated with Policyholders Level of Satisfaction

Factors	Calculated Chi-Square Value	D.f	Table Value @ 5% Level
Age	18.502*	6	12.592
Gender	2.589	2	5.991
Area of Residence	9.316	4	9.488
Marital Status	9.774*	2	5.991
Educational Qualification	22.348*	8	15.507
Occupation	38.016**	12	21.026

Type of Family	2.679	2	5.991
Monthly Income	10.583	8	15.507
Family Income	21.826*	8	15.507
Sum Assured	12.978*	6	12.592

The above discloses that out of ten factors selected, five factors namely age, marital status, educational qualification, occupation, family income and sum assured are found to be significant with the policyholders' level of satisfaction towards online insurance products at five percent level.

Suggestions

- The Procedure for registration and usage of online transaction can be made simple.
- The claim settlement process can be made fast and must not involve lengthy process.
- Awareness on online insurance products can be created through advertisements.
- Customer grievances can be strengthened to attract more online policyholders.

Conclusion

It is found that Age, Marital Status, Education Qualification, Occupation, Family Income and Sum Assured significantly associated with the policyholders' level of satisfaction. Technology is developing in our day-to-day life. Every day it seems to change according to the new trends and innovations. Insurance companies should be innovative in their approach to meet policyholders' requirements. Still some actions by insurance companies are needed for developing online insurance market. Each and every product and services introduced by the insurance company should be in favour of policyholders.

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DEPARTMENT OF COMMERCE WITH BUSINESS PROCESS SERVICES

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