

Policyholders' Perception Towards Service Quality of Life Insurance Company

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I. Introduction

The Insurance industry forms an integral part of the Indian financial market, with insurance companies being significant institutional investors. In recent decades, the insurance sector, like other financial services, has grown in economic importance. The growth can be attributed to a number of factors including rising income and demand for insurance, rising insurance sector employment, and increasing financial intermediary services for policy holders. If the public sector insurance company wants to keep its stake in the business and allow it not to be swept away by the entry of private players, with more responsive and convenient attitudes, the only shortcut is 'quality service'. Insured, if not satisfied, is bound to test competitors. India has opened avenue for Foreign Direct Investment believing that FDI is the main key to improve the quality and it will support to attain financial inclusion concept.

Objectives of the Study

The objectives of the study were:

1. To find out the perception of policyholders towards service quality of Life Insurance Companies.
2. To find out whether there is any significant difference in policy holders' perception towards service quality of Life Insurance Company with respect to Gender, Marital status and Residential area
3. To find out whether there is any significant difference in policy holders' perception towards service quality of Life Insurance Companies with respect to their Age group, Monthly income and Occupation.
4. To find out whether there is any significant difference in policyholders' perception towards service quality of Life Insurance Companies with respect to their Insurer.

II. Research Methodology

The purpose of this research is to find out the perception of policyholders towards service quality of Life Insurance Companies. Survey method was used for this study. Primary data is important for this study. The researcher gathered the primary data using perception scale.

Sampling Technique and Sample:

Convenient Sampling technique was used for this research and the sample of the study consisted of 100 policy holders of different Life Insurance Companies.

Research Tool:

A perception scale to find out the perception of policy holders towards service quality of Life Insurance Companies was prepared. The tool was divided into two sections. The first part consists of eight items to get the demographic details of the respondents such as gender, marital status, age, residence, monthly income, occupation and insurer. The second part was a five point scale, consisted of 26 items. These items were constructed based on the following factors like Policy/Plans, Premium, Infrastructure facility, Services at branch office, Competence of Agents, Grievance resolving procedure and Cyber services. The Policy holders had to indicate their perception by putting tick mark against the five options given namely-Strongly Agree, Agree, Undecided, Disagree, Strongly Disagree. The reliability co efficient of the tool had been found out using test-retest method and it was found to be 0.856. This showed that the tool was a reliable one.

Method of Analysis:

Frequencies and descriptive statistic were used to explore information about the distribution of variables. The variables were tested through the Independent Sample Test (t-test) and Analysis of Variance or ANOVA (F-test) using MS-Excel 2007.

Table No. 1 Sample Description

S.No	Groups	Frequency	S.No	Groups	Frequency
1	Gender		5	Marital Status	
	Male	48		Unmarried	38
	Female	52		Married	62
	Total	100		Total	100
2	Area		6	Age	
	Rural	54		Up to 35 yrs	41
	Urban	46		36 –45 yrs	38
	Total	100		> 45 yrs	21
3	Occupation		7	Insurer	
	Government	41		LIC	62
	Private	25		ICICI	22
	Self-Employed	34		SBI	16
4	Life Insurance Policy - Introducer		8	Monthly Income	
	Agent	45		10,000 –15,000	32
	Colleague	21		15,001 -20,000	28
	Neighbour	21		20,001 -25,000	21
	Relatives	13		Above 25,000	19
	Total	100		Total	100

Analysis And Interpretation

Table No. 2 Mean and Standard Deviation of the Sample

Sample Size	Mean (Max :130)	S.D
100	92.66	12.87

Table No. 3 t-test to find out the Policyholders' perception towards service quality of Life Insurance Companies based on their Gender, Marital Status, Area, Insurer and Occupation

Sub Groups	N	Mean	S.D	t-value	p-value
Gender					
Male	48	86	12.35	5.75	0
Female	52	99	10.21		
Marital Status					
Unmarried	38	92.21	14	0.27	0.78
Married	62	92.93	12.24		
Area					
Rural	54	91.71	11.72	0.55	0.58
Urban	46	93.20	14.21		
Insurer					
LIC	62	97.98	10.93	4.26	0.00
ICICI	22	86.05	12.26		
SBI	16	81.13	8.62	1.37	0.17
Occupation					
Government	41	95.66	13.25	3.56	0.00
Self-Employed	25	84.40	10.97		
Government	41	95.66	13.25	0.19	0.85
Private	34	95.12	11.30		
Self-Employed	25	84.40	10.97	3.64	0.00
Private	34	95.12	11.30		

(If p-value is < 0.05 (α), Reject Null Hypothesis)

Interpretation

–From the above table, it is clear that:

- The Policyholders differ significantly in their perception towards service quality of Life Insurance Companies based on their Gender.
- The policyholders do not differ significantly in their perception toward service quality of Life Insurance Companies with respect to their Marital status and Residential area.

- The policyholders of LIC and ICICI differ significantly in their perception towards service quality of Life Insurance Companies.
- The policyholders of LIC and SBI differ significantly in their perception towards service quality of Life Insurance Companies.
- The policyholders of ICICI and SBI do not differ significantly in their perception towards service quality of Life Insurance Companies.
- The policy holders who work in Government sectors and Private sectors differ significantly in their perception towards service quality of Life Insurance Companies.
- The policy holders who work in Government sectors and Private sectors differ significantly in their perception towards service quality of Life Insurance Companies.
- The Government and Private Sector employees do not differ significantly in their perception towards service quality of Life Insurance Companies.

III. Findings

1. The Policyholders' perception towards service quality of Life Insurance Companies differs significantly with respect to their Gender. The mean score of female policyholders is greater than that of male.
2. The Policyholders' perception towards service quality of Life Insurance Companies does not differ significantly with respect to their Marital Status, Residential Area, Age group, and Monthly income.
3. The policyholders of LIC and ICICI differ significantly in their perception towards service quality of Life Insurance Companies. The mean score of LIC's policyholders is greater than that of ICICI.
4. The policyholders of ICICI and SBI do not differ significantly in their perception towards service quality of Life Insurance Companies.
5. The policyholders of LIC and SBI differ significantly in their perception towards service quality of Life Insurance Companies. The mean score of LIC's policyholders is greater than that of SBI.
6. The Government employees and Self-employed people differ significantly in their perception towards service quality of Life Insurance Companies. The mean score of Government employees is greater than that of Self-employed.
7. The Government employees and Private Sector employees do differ significantly in their perception towards service quality of Life Insurance Companies. The Private Sector employees and Self-employed people differ significantly in their perception towards service quality of Life Insurance Companies. The mean score of Private Sector employees is greater than that of Self-employed.

IV. Conclusion

It is very clear that the public sector insurance company still leads the market and the entry of private sectors is unable to shake its functioning. A public sector organization is capable of providing quality service to its customers in all dimensions.