“A STUDY OF MANAGEMENT OF PROBLEMS AND PROSPECTS OF GENERAL INSURANCE COMPANIES IN PUBLIC SECTOR IN PUNE REGION FOR THE PERIOD 2000-2008”

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I dedicate this small piece of work with sincere regards to my father Late Shri. Narayan Inamdar, and my mother Smt. Mandakini Inamdar, who inspired me to complete my Ph.D.

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AFFIDAVIT

I, Sharad N. Inamdar, solemnly declare that the thesis titled "**A STUDY OF MANAGEMENT OF PROBLEMS AND PROSPECTS OF GENERAL INSURANCE COMPANIES IN PUBLIC SECTOR IN PUNE REGION FOR THE PERIOD 2000-2008"** which I have submitted to the **Tilak Maharashtra Vidyapeeth, Pune** for the degree of Doctor of Philosophy has been entirely prepared by me.

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CERTIFICATE

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Is being submitted herewith for the award of the Degree of Vidyavachaspati (Ph.D.) in Management of Tilak Maharashtra Vidyapeeth, Pune, is the result of original research work completed by Sharad N. Inamdar under my supervision and guidance. To the best of my knowledge and belief the work incorporated in this thesis has not formed the basis for the award of any Degree or similar title of this or any other University/Institutions or examining body upon him.

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JANUARY 2012

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DECLARATION

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The findings and conclusions drawn in the Thesis are based on the data and other relevant information collected by me during the period of research study for the award of Doctoral Degree in Management from the Tilak Maharashtra Vidyapeeth, Pune.

I further declare that the thesis submitted on the research study is my original work and I have not copied anything from any report of this nature while preparing the thesis. Material that has been obtained from other sources has been duly acknowledged in the thesis.

Place : Pune **Sharad N. Inamdar**

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Chapter - I Introduction

1.1 The Background

The most important thing for people is the protection of their lives and their assets. Whenever one thinks about the security of his assets, the thought of general insurance comes to his mind. This is obvious because every asset is an economic resource and has economic value.

Therefore, the people think about general insurance because the business of general insurance is related to the protection of the economic values of their assets.

“Every asset is expected to perform for a certain period of time; however, in some cases it may get lost earlier, destroyed or made non-functional for various reasons such as accidents, thefts or other unfortunate events. In such cases, the general insurance helps to reduce the impact of such adverse situations. If the asset gets lost earlier, being destroyed or made non-functional, through an accident or other unfortunate event, the owner and those deriving benefits there from, suffer. General Insurance is a mechanism that helps to reduce such adverse consequences”[1].

Insurance other than ‘Life Insurance’ falls under the category of General Insurance. General Insurance comprises of insurance of property against fire, burglary, other immovable property etc.

General Insurance companies have products that cover property against fire and allied perils, floods, storm and inundation, earthquake and so on. These companies also offer policies covering machinery against breakdown.

There are policies that cover the hull of ships and so on. A Marine Cargo policy covers goods in transit including by sea, air and road. Further, general insurance of motor vehicles against damages and theft forms a major chunk of General Insurance business.

“The concept of general insurance is intimately related to security. General Insurance acts as a protective shield against risk and future uncertainties”.[2]

Health insurance covers offered by General Insurance companies are mainly hospitalization covers either on reimbursement or cashless basis.

The cashless service is offered through Third Party Administrators, who have arrangements with various service providers, i.e., hospitals.

The Third Party Administrators also provide service for reimbursement claims. Sometimes the insurers themselves process reimbursement claims.

Accident and health general insurance policies are available for individuals as well as for groups. A group could be a group of employees of an organization or holders of credit cards or deposit holders in a bank etc. Normally when a group is covered, insurers offer group discounts.

Liability general insurance covers such as Motor Third Party Liability Insurance, Workmen’s Compensation Policy etc. offer cover against legal liabilities that may arise under the respective statutes— Motor Vehicles Act, The Workmen’s Compensation Act etc. Some of the covers such as the foregoing (Motor Third Party and Workmen’s Compensation policy) are compulsory by statute.

Liability Insurance not compulsory by statute is also gaining popularity these days. Many industries insure against Public liability. There are liability covers available for Products as well.

“Liability general Insurance is one of the most popular because it costs much less than many other options. For example, in regard to auto general insurance policies, liability insurance costs far less than full coverage. The reason for this is because full coverage insurance must pay for both your vehicle and any other vehicle involved in a collision, as well as property damage and medical expenses due to injuries to you or another party”.[3]

On the other hand, liability general insurance is only responsible for the other party's losses. Your person and your property are unprotected, but liability

insurance protects you from being held responsible for the other party's damages.

“Liability general Insurance does not protect against liability resulting from crimes or intentional torts committed by the insured. This is intended to prevent the criminals.”[4]

There are general insurance products that are in the nature of package policies offering a combination of the covers mentioned above. For instance, there are package policies available for householders, shop keepers and also for professionals such as doctors, chartered accountants etc. Apart from offering standard covers, insurers also offer customized or tailor-made ones.

Suitable general Insurance covers are necessary for every family. It is important to protect one’s property, which one might have acquired from one’s hard earned income. A loss or damage to one’s property can leave one shattered. Losses created by catastrophes such as the tsunami, earthquakes, cyclones etc. have left many homeless and penniless. Such losses can be devastating but general insurance could help mitigate them. Property can be covered, so also the people against Personal Accident.

A Health general Insurance policy can provide financial relief to a person undergoing medical treatment whether due to a disease or an injury.

Industries also need to protect themselves by obtaining general insurance covers to protect their building, machinery, stocks etc. They need to cover their liabilities as well. Financiers insist on general insurance. So, most industries or businesses that are financed by banks and other institutions do obtain covers.

Also organizations or industries that are self-financed should ensure that they are protected by general insurance.

“As per SHCIL, General Insurance is a contract between two parties whereby one party agrees to undertake the risk of another in exchange for consideration known as premium and promises to pay a fixed sum of money to the other party

on happening of an uncertain event or to indemnify the other party on happening of an uncertain event in case of general insurance"[5].

General Insurance is, therefore, a contract between two parties whereby one party called insurer undertakes in exchange for a fixed sum called premium to pay the other party on happening of a certain event i.e., losses suffered by the insured as a result of the occurrence of unforeseen events.

With the help of General Insurance, large number of people exposed to a similar risk make contributions to a common fund out of which the losses suffered by the unfortunate few, due to perils/accidental events, are made good.

The main reason for assets to be insured is that they are likely to be destroyed or made non-functional mainly through accidents. Such possible accidental occurrences are called perils.

The different types of perils are Fire, floods, breakdowns, lightening, earthquakes etc. There always exist the risks to these assets, which can cause damages. These damages happen due to these various perils.

The damages that these perils may cause to the assets, is the risk that the asset is exposed to. The concept has been extended to cover possible losses other than through accident, like the deliberate behaviours of employees committing fraud, robbery, burglary etc., which are also risks. These risks are not within the control of the owner of the lost asset. "The risk only means that there is a possibility of loss or damage. There is always uncertainty about the risk. It may or may not happen"[6].

Taking into account that a particular damage may happen, the general insurance becomes a necessity or protection factor. ***General Insurance is relevant only if there are uncertainties. If there is no uncertainty about the occurrence of an event, it cannot be insured against.*** General Insurance does not protect the asset. At the same time, the general insurance cannot prevent the loss to the assets that has caused due to the perils.

Also the perils cannot be avoided through the general insurance. The people depend on the assets and the general insurance only tries to reduce the impact of the risk on the owner of the asset and those who depend on that asset. *It compensates the losses to the assets, which, may not be fully.*

The general insurance can compensate only the economic or financial losses. Therefore, the general insurance covers the losses to the people who take general insurance covers for them and their property. They can avail this protection by paying premium to the general insurance company of their choice.

A pool is created through contributions made by persons seeking to protect themselves from common risk. Premium is collected by the general insurance companies which also act as trustee to the pool. Any loss to the insured in case of happening of an uncertain event is paid out of this pool.

General Insurance works on the basic principle of risk sharing. A great advantage of general insurance is that it spreads the risk of a few people over a large group of people exposed to risk of similar type.

Insurance business is broadly classified into two groups. Life insurance deals with all insurances covering human lives. *Non-life or general insurance* deals with insurance covering non-life objects like animals, agricultural crops, goods, factories, cars etc. Non-life insurance also covers losses through individual behaviours like fraud, burglary, non-fulfilment of promises (in case of repayment of mortgage loans), professional negligence by doctors etc.

“One important note when it comes to general insurance and property protection, only the real value of the property can be purchased in the form of an insurance policy. If someone were to take out a policy of greater value, risk of being charged with a hefty fine is likely. By law, general insurance coverage cannot be more than actual value so in this case, there could be some legal consequences”[7].

General Insurance policies are mostly short periods of one year. The claim has to arise in that one year. However, there are some policies where the liability of

the insurer may be known long after the policy term is over. For example, illness contracted at work may become manifest a few years later, creating a claim. *In case of general insurance the rebate in income tax is available only in case of Mediclaim policies and not on any other general insurance product.*

Every asset has a value. This value may be the price at which it is purchased, which can be called as cost value or the price at which it is likely to be sold, which can be called as the market value.

The general insurance cover can be taken which is limited only to this value. It cannot be higher. This is because of the principle that ***the business of general insurance is designed to make good losses and not to provide benefits or profits.*** In other words, general insurance indemnifies a person against loss. It does not prevent the loss. It only compensates.

The entire world has understood the importance of general insurance and the general insurance business has become an important part of the country's economy. The reason for this is that the general insurance companies are controlling a large amount of funds. They are having large amount of funds. Being so, they are always looking for opportunities for investing these huge amounts somewhere. As a reason of this, the government is also looking at them for financial support.

1.2 The Purpose of the Study

The General Insurance Corporation of India was incorporated as a company in 1971 and it commenced business on January 1st 1973. The process of re-opening of the sector had begun in the early 1990s and the last decade and more has seen it been opened up substantially.

"The Government accepted the recommendations of RN Malhotra committee"[8] and opened up the sector for private sector. With the entry of private insurance companies and liberalization of Indian economy the competition has become fierce.

The competition is not only between public sector and private sector companies but even public sector and public sector also. Companies in both these sectors are using latest technology for providing best service to customers.

Also companies in both the sectors have huge financial resources to manure themselves with the changed situation.

All the four public sector general insurance companies have their offices in Pune city and a number of private sector general insurance companies also have their offices in this city.

All these public sector general insurance companies had monopoly in this field before the entry of private general insurance companies. But now, it has become buyers' market instead of sellers' market.

Though there is a change in the situation, problems of public sector general insurance companies have still remained, but the nature of the problems has been changed significantly.

It is also essential to understand the situation after the entry of private sector into this field. By carrying out the study work, the different ways could be found out and seen whether the style of managing needs to be changed or it is the old philosophy or the professional approach that requires to be changed.

In future, it is expected that more and more private general insurance companies will enter the Indian market. The entry of the private sector companies is inevitable.

Public sector general insurance companies in India are facing several problems, such as ever increasing cut-throat competition, poor response and awareness from the customers, rigid management approach and policies towards customers, staff, surveyors, integrity and loyalty of the surveyors is often at stake, problems regarding over-staffing and procedural delays etc.

The present research work is undertaken to study the problems and prospects of the public sector general insurance companies and suggest remedial measures. It is expected that the Indian economy will continue to grow at the rate of at least

7 to 7.5% in future. This gives us the idea of the scope of the general insurance network and how fast it will continue to grow. This also shows that in India the prospects of the general insurance industry are very good. Looking at the new entries in this sector, it is very clear that yet a large number of companies will enter the Indian market and the scope will keep on increasing. The income levels of the people are rising and also the availability of finance is also there. Moreover, the lifestyle and aspirations of the people is also changing. This is certainly going to increase the demand for general insurance by people in future. It will thus, be interesting to study the problems as well as prospects of the public sector general insurance industry.

1.3 Objectives of the Study

The research has progressed with the following objectives and therefore these are the main objectives of the study:

1. To find out the customer awareness about the public sector general insurance companies
2. To know the impact of the public sector general insurance companies on the policy holders in financial terms
3. To study the marketing strategies of the public sector general insurance companies
4. To study the policy holders' opinion about the public sector general insurance companies
5. To study the effects of Government policies on the business of the public sector General insurance companies
6. To study the future prospects of the public sector general insurance companies
7. To suggest the remedial measures for solving the problems of the public sector General insurance companies

1.4 Hypothesis

1. There is significant relationship between qualification of policy holders and awareness of the terms and conditions of the policy that they have taken
2. The public sector general insurance companies in India have good prospects
3. The response and awareness of the customers towards the insurance business are poor
4. Because of globalization there is ever increasing competition between all the insurance companies for business
5. There is significant relationship between level of management and awareness of the terms and conditions of the policy that they have taken
6. The public sector general insurance companies have been facing various problems in their day to day business
7. There is more awareness in the urban area about the general insurance business
8. Liberalization has affected the business of public sector general insurance companies
9. The public sector general insurance companies need to improve the quality of service
10. Proper training to the management personnel and the staff will attract more business
11. Rotation/Transfer policies of the companies are complicated and not acceptable by majority of employees

1.5 Reasons for choice of the topic

The process of re-opening of the sector had begun in the early 1990s and the last decade and more has seen it been opened up substantially. Till then, there existed only public sector general insurance companies, who enjoyed the monopoly status and operated in the so called sellers' market.

The situation has changed because of liberalization and it has now become buyers' market. It is very interesting to note that a large number of companies have entered the Indian market since then. It is like these companies were in queue and just waiting for the market to be opened up by the Indian government. It is interesting to study as to why these companies are so interested in Indian market? What is that which is attracting them?

General Insurance is such a thing that not only the companies are attracted towards it but the people are also very much curious about the same, since almost everyone has come across this concept as everyone has to take the general insurance cover at some stage in his life. So why it is at all required and why some policies have been made compulsory by the government etc. are some of the points which make it interesting to study. There always exists a curiosity in the minds of everyone about the whole concept, but at the same time, only a few are interested in studying the subject in depth.

The government is interested in the quality of life of people and also about the safety of the people. Hence it has introduced the vehicle insurance as compulsory for safety and Mediclaim policy (not mandatory) for health of the people. It is really interesting to study as to how these policies work. How in a small premium the economic safety and health facility is taken care of by the government?

In general, the subject of general insurance and to be precisely the topic chosen has been found very interesting by the researcher.

1.6 The Public Sector General Insurance Business in Pune City

The general insurance remained with the private sector till 1972. There were 107 private companies involved in the business of general operations and their operations were restricted to organized trade and industry in large cities. The General Insurance Business (Nationalization) Act, 1972 nationalised the general insurance business in India with effect from January 1, 1973. These companies were amalgamated and grouped into four companies: National Insurance Company, New India Assurance Company, Oriental Insurance Company and United India Insurance Company. These were subsidiaries of the General Insurance Company (GIC).

In 1993, the first step towards the general insurance sector reforms was initiated with the formation of Malhotra Committee, headed by former Finance Secretary and RBI Governor R.N. Malhotra. The committee was formed to evaluate the Indian insurance industry and recommend its future direction with the objective of complementing the reforms initiated in the financial sector.

Today, all the public sector general insurance companies have their offices in the city of Pune. These companies are as under:

1. Oriental Insurance Company Ltd.
2. United India Insurance Company Ltd.
3. New India Assurance Company Ltd.
4. National Insurance Company Ltd.

Chapter II- Main Body of the Project Work

2.1 Review of Literature and analysis of previous research

This chapter reviews existing academic literature on the research topic. The purpose of the review is to provide a background to and justification for the research undertaken. *An evaluation of contributions in theoretical literature and empirical studies provides a rich insight essential for understanding the work which is undertaken.*

The concept of general insurance has been prevalent in India since ancient times. Overseas traders practiced a system of marine insurance. The joint family system, peculiar to India, was a method of social insurance of every member of the family on his life. The law relating to insurance has gradually developed, undergoing several phases from nationalization of the insurance industry to the recent reforms permitting entry of private players and foreign investment in the insurance industry.

The Constitution of India is federal in nature in as much there is division of powers between the Centre and the States. Insurance is included in the Union List, wherein the subjects included in this list are of the exclusive legislative competence of the Centre. The Central Legislature is empowered to regulate the insurance industry in India and hence the law in this regard is uniform throughout the territories of India.

General Insurance is the equitable transfer of the risk of a loss, from one entity to another, in exchange for payment. An insurer is a company selling the insurance; an insured or policyholder is the person or entity buying the insurance policy.

The general insurance rate is a factor that determines the amount to be charged for a certain amount of insurance coverage, called the premium. Risk management, the practice of appraising and controlling risk, has evolved as a discrete field of the study and practice. The 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 (indemnify) the insured in the case of a large, possibly devastating loss.

The insured receives a contract called the general insurance policy which details the conditions and circumstances under which the insured will be compensated.

“In law and economics, general insurance is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss”[9].

Risk management is very important for general insurance industry. General Insurance means that general insurance companies take over risks from customers. Insurers consider every available quantifiable factor to develop profiles of high and low insurance risk. Level of risk determines insurance premiums.

Generally, general insurance policies involving factors with greater risk of claims are charged at a higher rate. With much information at hand, insurers can evaluate risk of insurance policies at much higher accuracy. To this end, insurers collect a vast amount of information about policy holders and insured objects. Statistical methods and tools based on data mining techniques can be used to analyse or to determine general insurance policy risk levels.

Although general insurance has existed for thousands of years, it is only over the last 100 or so years that the general insurance industry has really taken shape into the form that we recognize today.

The development and growth of the general insurance industry in India has gone through three distinct stages:

1) Formation of the general Insurance Industry in India

General insurance has its origins in the United Kingdom. The first general insurance company Triton Insurance Company Ltd. was promoted in 1850 by British nationals in Calcutta.

The first general insurance company established by an Indian was Indian Mercantile Insurance Company Ltd. in Bombay in 1907. Eventually, with the growth of fire, accident and marine insurance, the need was felt to bring such

kinds of insurance within the purview of the Act of 1912. While there were a number of attempts to introduce such legislation over the years, general insurance was finally regulated in 1938 through the passing of the Insurance Act, 1938 ("Act of 1938"). The Act of 1938 along with various amendments over the years continues till date to be the definitive piece of legislation on insurance and controls both life insurance and general insurance.

General insurance, in turn, has been defined to include "fire insurance business", "marine insurance business" and "miscellaneous insurance business", whether singly or in combination with any of them.

2) Nationalization of the General Insurance Business in India

"The general insurance business was nationalized with effect from January 1, 1973,through the introduction of the General Insurance Business (Nationalization) Act, 1972 ("GIC Act")"[10].Under the provisions of the GIC Act, the shares of the existing Indian general insurance companies and undertakings of other existing insurers were transferred to the general Insurance Corporation ("GIC") to secure the development of the general insurance business in India and for the regulation and control of such business.

The GIC was established by the Central Government in accordance with the provisions of the Companies Act, 1956 ("Companies Act") in November 1972 and it commenced business on January 1, 1973. Prior to 1973, there were a hundred and seven companies, including foreign companies, offering general insurance in India.

These companies were amalgamated and grouped into four subsidiary companies of GIC viz. the National Insurance Company Ltd. ("National Co."), the New India Assurance Company Ltd. ("New India Co."), the Oriental Insurance Company Ltd. ("Oriental Co."), and the United India Assurance Company Ltd. ("United Co.").

The bulk of the general insurance business of fire, marine, motor and miscellaneous insurance business is under taken by these four subsidiaries. The argument behind opening up of the sector was consumer-centric, which claimed that opening up insurance would give better products and service to consumers.

Those, who were not in favour of opening up of the sector or the privatization of the sector argued that in a poor country like India insurance needs to have social objectives and newcomers, will not have that commitment.

The benefits of Nationalization can be summarized as follows:

a) Distribution

b) Variety of Product

c) Trust and Faith

d) Large Work force of Agent

Despite all these achievements, coverage by general insurance is still lower in India as compared with other countries, may be due to:

- The awareness level is low for general insurance products
- The commission structure was not very attractive for good agents to survive on a full time basis
- The distribution channels were not responsive to customer needs
- Their knowledge was not adequate
- Customer service needed improvement
- In particular, personal lines of business did not get adequate attention

3. Entry of Private Players

GIC, with its four subsidiaries, enjoyed the monopoly for general insurance business. From 1991 onwards, the Indian Government introduced various reforms in the financial sector paving the way for the liberalization of the Indian economy. It was a matter of time before this liberalization affected the insurance sector. A huge gap in the funds required for infrastructure was felt particularly

since much of these funds could be filled by life insurance funds, being long tenure funds.

Consequently, in 1993, the Government of India set up an eight-member committee chaired by Mr. R. N. Malhotra, a former Governor of India's apex bank, the Reserve Bank of India to review the prevailing structure of regulation and supervision of the insurance sector and to make recommendations for strengthening and modernizing the regulatory system.

The Committee submitted its report to the Indian Government in January 1994. Two of the key recommendations of the Committee included the privatization of the insurance sector by permitting the entry of private players to enter the business of life and general insurance and the establishment of an Insurance Regulatory Authority.

It took a number of years for the Indian Government to implement the recommendations of the Malhotra Committee.

The Indian Parliament passed the Insurance Regulatory and Development Act, 1999 (“IRD Act”) on December 2, 1999 with the aim “to provide for the establishment of an Authority, to protect the interests of the policy holders, to regulate, promote and ensure orderly growth of the insurance industry and to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalization) Act, 1972.[11]

Insurance Regulatory and Development Authority (IRDA)

“The Insurance Regulatory and Development Authority (IRDA) is a national agency of the Government of India, based in Hyderabad. It was formed by an act of Indian Parliament known as IRDA Act 1999, which was amended in 2002 to incorporate some emerging requirements.”[12]

The mission of IRDA as stated in the act is "to protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto." In 2010, the Government of India ruled that the Unit Linked Insurance Plans (ULIPs) will be

governed by IRDA, and not the market regulator Securities and Exchange Board of India.

Section 14 of IRDA Act, 1999 lays down the duties, powers and functions of IRDA

Protection of the interest of policy holders

IRDA has the responsibility of protecting the interest of insurance policyholders. Towards achieving this objective, the Authority has taken the following steps:

IRDA has notified Protection of Policyholders Interest Regulations 2001 to provide for: policy proposal documents in easily understandable language; claims procedure in both life and non-life; setting up of grievance redressal machinery; speedy settlement of claims; and policyholders' servicing. The Regulation also provides for payment of interest by insurers for the delay in settlement of claim.

1. The insurers are required to maintain solvency margins so that they are in a position to meet their obligations towards policyholders with regard to payment of claims.
2. It is obligatory on the part of the insurance companies to disclose clearly the benefits, terms and conditions under the policy. The advertisements issued by the insurers should not mislead the insuring public.
3. All insurers are required to set up proper grievance redress machinery in their head office and at their other offices.
4. The Authority takes up with the insurers any complaint received from the policyholders in connection with services provided by them under the insurance contract.

The Malhotra committee was set up with the objective of complementing the reforms initiated in the financial sector. The reforms were aimed at "creating a more efficient and competitive financial system suitable for the requirements of the economy keeping in mind the structural changes currently underway and recognizing that insurance is an important part of the overall financial system where it was necessary to address the need for similar reforms…"

"In 1994, the committee submitted the report and some of the key recommendations included"[13]*:*

1) Structure

a) Government stake in the insurance Companies to be brought down to 50%.
b) Government should take over the holdings of GIC and its subsidiaries so that these subsidiaries can act as independent corporations.
c) All the insurance companies should be given greater freedom to operate.

2) Competition

a) Private Companies with a minimum paid up capital of Rs.1bn should be allowed to enter the industry.
b) No Company should deal in both Life and General Insurance through a single entity.
c) Foreign companies may be allowed to enter the industry in collaboration with the domestic companies.
d) Postal Life Insurance should be allowed to operate in the rural market.
e) Only One State Level Life Insurance Company should be allowed to operate in each state.

3) Regulatory Body

a) The Insurance Act should be changed.
b) An Insurance Regulatory body should be set up.
c) Controller of Insurance (Currently a part from the Finance Ministry) should be made independent.

4) Investments

a) Mandatory Investments of LIC Life Fund in government securities to be reduced from 75% to 50%.
b) GIC and its subsidiaries are not to hold more than 5% in any company (There current holdings to be brought down to this level over a period of time).

5) Customer Service

a) LIC should pay interest on delays in payments beyond 30 days.
b) Insurance companies must be encouraged to set up unit linked pension plans.
c) Computerization of operations and updating of technology to be carried out in the insurance industry. The committee emphasized that in order to improve the customer services and increase the coverage of the insurance industry should be opened up to competition.

But at the same time, the committee felt the need to exercise caution as any failure on the part of new players could ruin the public confidence in the industry. Hence, it was decided to allow competition in a limited way by stipulating the minimum capital requirement of Rs.100 crores. *The committee felt the need to provide greater autonomy to insurance companies in order to improve their performance and enable them to act as independent companies with economic motives.* For this purpose, it had proposed setting up an independent regulatory body.

Major Policy Changes

Insurance sector has been opened up for competition from Indian private insurance companies with the enactment of Insurance Regulatory and Development Authority Act, 1999 (IRDA Act). As per the provisions of IRDA Act, 1999, Insurance Regulatory and Development Authority (IRDA) was established on 19th April 2000 to protect the interests of holder of insurance policy and to regulate, promote and ensure orderly growth of the insurance industry. IRDA Act 1999 paved the way for the entry of private players into the insurance market which was hitherto the exclusive privilege of public sector insurance companies/ corporations.

Under the new dispensation Indian insurance companies in private sector were permitted to operate in India with the following conditions:

a) Company is formed and registered under the Companies Act, 1956;
b) The aggregate holdings of equity shares by a foreign company, either by itself or through its subsidiary companies or its nominees, do not exceed 26%, paid up equity capital of such Indian insurance company;
c) The company's sole purpose is to carry on life insurance business or general insurance business or reinsurance business.
d) The minimum paid up equity capital for life or general insurance business is Rs.100 crores.
e) The minimum paid up equity capital for carrying on reinsurance business has been prescribed as Rs.200 crores.

The Authority has notified 27 Regulations on various issues which include Registration of Insurers, Regulation on insurance agents, Solvency Margin, Re-insurance, Obligation of Insurers to Rural and Social sector, Investment and Accounting Procedure, Protection of policy holders' interest etc.

Applications were invited by the Authority with effect from 15th August, 2000 for issue of the Certificate of Registration to both life and non-life insurers. The Authority has its Head Quarter at Hyderabad.

Important Milestones

The insurance sector in India has come a full circle from being an open competitive market to nationalization and back to a liberalized market again.

Tracing the developments in the Indian insurance sector reveals the 360-degree turn witnessed over a period of almost two centuries.

Some of the important milestones in the general insurance business in India are:

1907: The Indian Mercantile Insurance Ltd. set up, the first company to transact all classes of general insurance business.

1957: General Insurance Council, a wing of the Insurance Association of India, frames a code of conduct for ensuring fair conduct and sound business practices.

1968: The Insurance Act amended to regulate investments and set minimum solvency margins and the Tariff Advisory Committee set up.

1972: The General Insurance Business (Nationalization) Act, 1972 nationalized the general insurance business in India with effect from 1st January 1973.

All the private insurers were amalgamated and grouped into four companies, viz. the National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd. and the United India Insurance Company Ltd. GIC incorporated as a company.

The National Association of Insurance Commissioners (NAIC)

a) "The mission of the NAIC is to assist state insurance regulators, individually and collectively, in serving the public interest and achieving the following fundamental insurance regulatory goals in a responsive, efficient and cost effective manner, consistent with the wishes of its members"[14]:

b) Protect the public interest;

c) Promote competitive markets;

d) Facilitate the fair and equitable treatment of insurance consumers;

e) Promote the reliability, solvency and financial solidity of insurance institutions; and

f) Support and improve state regulation of insurance.

In 2006, the Actuaries Act was passed by parliament to give the profession statutory status on par with Chartered Accountants, Notaries, Cost & Works Accountants, Advocates, Architects and Company Secretaries.

Insurance News Updates for India

Almost two years after the UPA government referred the "Insurance Amendment Bill aimed at raising the foreign direct investment cap in the sector from 26% to 49%to a Group of Ministers (GOM), the panel finally paved the way for the Bill to be introduced in Parliament"[15].

Besides increasing the foreign investment cap, other proposed amendments would allow Indian promoters to continue to hold a majority stake in insurance companies. They would also allow public sector non-life insurers to sell a minority stake to raise capital. The proposed revisions would enable foreign reinsurance companies to enter the Indian market as well.

The reforms will require amendments to the Insurance Act, 1938; LIC Act, 1956; IRDA Act, 1999; and General Insurance Business (Nationalization) Act, 1972.

The terms viz. General Insurance and Risk Management have been defined by various authors, researchers, scholars but no any particular definition has been universally acceptable. There are number of books, articles and journals on the subject and the efforts have been made to try to reach and refer maximum academic literature possible on the research topic. Below is the extract of the work done on literature review:

William H. Rodda, James S. Trieschmann, Eric A. Wiening and Bob A. Hedges, in their book, *"Commercial Property Risk Management and Insurance",* published in the year, 1988, published by American Institute for Property and Liability Underwriters have given the emphasis on insurance an important risk management technique.

It states further that to study insurance properly, it is necessary to study exposures to loss and all the techniques that can be used to handle those exposures.

John Hanson & Christopher Henley in their book, *"All Risks Property Insurance",* published in the year 1995, published by Lloyd's of London Press Ltd., 1st edition has intended to focus attention on the all risks property insurance, which has developed very recently. The concept of taking general insurance covers for the property is relatively a new concept. But it is expected that more and more people will show their interest for this type of insurance

In the book by George E. Rejda, *"Principles and Risk Management and Insurance,"* eighth edition, published in the year 2003, by Pearson Education

Inc., the concept of risk has been described uncertainty concerning the occurrence of a los. They have also described the concept of objective risk as the relative variation of actual loss from expected loss. The book discusses various changes.

This edition provides complete and current coverage of the major areas in risk management and insurance. It also places primary emphasis on insurance consumers and blend basic risk management and insurance principles with consumer considerations. It addresses personal risk management and financial planning.

George L. Head and Stephen Horn II, in their book *"Essentials & Risk Management,"* II edition, published by Insurance Institute of America, in the year 1991, describes risk management as a managerial or administrative process that includes four functions of planning, organizing, leading and controlling activities of an organization in order to minimize the adverse effects of accidental losses on that organization at reasonable cost. It tries to explain as to how the basic principles of management will help in controlling the risk and try to avoid the same.

Dan Borge, in his book, titled *"The Book of Risk Management,"* published by John Wiley & Sons Inc., in the year 2001, states risk management is absolutely riveting for it is a way to gain more power over events that can change your life. Risk Management can help you to seize opportunities, not just to avoid danger. It tells how to gain power to have control over the events. Once you get this power, you can manage the things in a better way. In this process, one can come across various opportunities which one must utilize to manage the risks.

Peter Field, in his book, titled *"Modern Risk Management – A History",* published by Risk Books, a division of Incisive RWG Ltd., in the year 2003, has highlighted the key elements in this amazing growth (of both risk management and the derivations products that largely underpin that business but it's worth putting perspective at the outset how radically the world has changed since the early

days). It describes in detail development of the theories, methodologies and products used by institutions to manage risks.

In the book *"Principles & Practices of Insurance & Survey & Loss Assessment,"* first edition, published by Insurance Institute of India, in the year 2003, the risk has been described as the exposure to events which cannot be predicted with absolute certainty which is thought of as risk.

Dheeraj Razdan, in his book, *"Insurance – Principles, Applications & Practices,* first edition, published by Cyber Tech Publications, New Delhi, in the year 2009, has defined insurance as the equitable transfer of the risk of a loss, from one entity to another, in exchange for a premium.

B.S. Bodla, M.C. Garg & K.P. Singh, in their book, *"Insurance – Fundamentals, Environment & Processes,"* published by Deep & Deep publications in the year 2003, have described insurance to be that in which a sum of money as a premium is paid by the insured in consideration of the insurer's bearing the risk of paying a large sum upon a given contingency.

They have further defined the insurance more specifically as a contract wherein one party (the insurer) agrees to pay to the other party (the insured) or his beneficiary, a certain sum upon a given contingency (the risk) against which insurance is required.

Prof. G.C.A. Dickson, in his book, *"Corporate Risk Management,"* second edition, published by Witherby & Co. Ltd. and was specially published for The Institute of Risk Management, in the year 1995, has described the risk management as the identification, analysis & economic control of those risks which can threaten the assets or earning capacity of an enterprise.

Mark S. Dorfman, in his book, "*Introduction to Insurance,"* third edition, published by Prentice-Hall Inc., in the year 1987 has defined the insurance as it is the financial arrangement that redistributes the costs of the unexpected losses. The insurance arrangement involves transfer of money difference exposures to loss to one insurance pool, which combines the numerous exposures.

In the journal, "*General Insurance Compendium-1999-2000,"* volume I, published by The Insurance Times Journal on Insurance in India, Kolkata, first edition, the legal definition has been given as it is a contract between the insurer and insured whereby in consideration of payment of premium by the insured, the insurer agrees to make good any financial loss to the insured may suffer due to the operation of an insured peril.

H. Narayanan, in his book, *"Indian Insurance – A Profile,"* first edition, published by Jaiko Publishing House, in the year 2006, has described the general insurance as it is perceived as that branch of indemnity contract that deals with compensation individual and corporate losses.

"The General Insurance Publication of The ICFAI University, Hyderabad", July 2004 edition tells about commercial General Insurance business, general insurance products available in the market with procedures and practices adopted. This edition also deals with managerial aspects related to these products.

Surender Manola, in his book, *"Insurance Management,"* first edition, published by Vishvabharti Publications, New Delhi in the year 2004 has mentioned that the role of insurance in society is to spread risk and if the risk materializes, to spread the loss. Thus, the few who need it can be compensated from the contributions paid by the many who do not need it but who, as people who are risk-averse, need the reassurance that; if they were the ones in need, they too would be compensated.

Dr. P. Periyasami, in his book, *"Principles & Practice of Insurance,"* first edition, published by Himalaya Publishing House, in the year 2003, has defined risk as that where there is a possibility of loss or damage. It may or may not happen. In business, the risk may be defined as the damage or loss from unforeseen circumstances in future. It implies a possibility of loss due to unpredictable or unfavourable happing in future. It provides a detailed coverage of General Insurance; Risk Management etc.

D.S. Hansell, in his book, *" Elements of Insurance,"* third edition, published by Macdonald & Evans, in the year 1997 has described insurance as a social device providing financial compensation for the effects of misfortune the payments being made from the accumulated contributions of all parties participating in the scheme.

Dr. P. K. Gupta, in his book, *"Fundamentals of Insurance,"* first edition, published by Himalaya Publishing House, in the year 2004 has quoted the definition of insurance given by Emmett J. Vaughan as given in the publication by Risk Management; John Wilely & Sons, Inc., 1997, Page 8, which is- "Risk is a condition in which there is a possibility of an adverse deviation from a desired outcome that is expected or hoped for".

He has also quoted the definition by S.E. Harvington & G.R. Niehans, in the publication, Risk Management & Insurance, McGraw-Hill, 1999, Page 3 as "At its most general level, risk is used to describe any situation where there is uncertainty about what outcome will occur. Life is obviously risky."

B. Karuna, in his article published in the journal*, "Globe Insurance,"* published by the ICFAI Books, by the ICFAI University Press in the year 2005 has commented about the insurance. The book seeks to provide, at one place, a retrospective as well prospective view of the contemporary developments in the environment, with emphasis on general and specialized branches of knowledge and applications.

Mark R. Greene & Paul Swadener, in their book, *"Insurance Insights,"* published by South-Western Publishing Company, in the year 1974 has described risk as the possibility that a sentient entity will incur loss.

Judy Feldman Anderson, FSA, and Robert L. Brown, FSA, in their article, *"Risk and Insurance,"* published for Education and Examination Committee of the Society of Actuaries have defined the concept of general insurance as under:

Insurance is an agreement where, for a stipulated payment called the *premium*, one party (the insurer) agrees to pay to the other (the policyholder or his designated beneficiary) a defined amount (the *claim payment* or *benefit*) upon

the occurrence of a specific loss. This defined claim payment amount can be a fixed amount or can reimburse all or a part of the loss that occurred.

The insurer considers the losses expected for the insurance pool and the potential for variation in order to charge premiums that, in total, will be sufficient to cover all of the projected claim payments for the insurance pool. The premium charged to each of the pool participants is that participant's share of the total premium for the pool. Each premium may be adjusted to reflect any special characteristics of the particular policy.

"Risk Management is the identification, assessment, and prioritization of risks (defined in ISO 31000 as *the effect of uncertainty on objectives*, whether positive or negative) followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities"[16].

In the *article by Mr. S. K. Garg, Chairman &Managing Director, NHPC Ltd.,* "the risk has been defined as the events or conditions that may occur, and whose occurrence, if it does take place, has a harmful or negative impact on the achievement of the organization's business objectives"[17].

The exposure to the consequences of uncertainty constitutes a risk. Risk Management is the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation's strategic and financial goals.

Gary Stoneburner, Alice Goguen, and Alexis Feringa, from National Institute of Standards & Technology, in their article on *"Risk Management"* have described Risk as "it is the net negative impact of the exercise of vulnerability, considering both the probability and the impact of occurrence. Risk management is the process of identifying risk, assessing risk, and taking steps to reduce risk to an acceptable level."[18]

Mr. Malcolm Tatum Risk in his article *"What is Risk Management"* has described Risk Management as "it is a logical process or approach that seeks to eliminate or at least minimize the level of risk associated with a business operation"[19].

Essentially, the process identifies any type of situation that could result in damage to any resource within the possession of the company, including personnel, then take steps to correct factors that are highly likely to result in that damage.

Mr. Emmett J. Vaughan & Mr. Therese Vaughan, in their book, *"Fundamentals of Risk Management,"* Ninth Edition, published by Wiley India (P) Ltd., published in the year 2003 and reprinted in 2007 have tried to summarize the pervasive nature of pure insurance on individual and the society.

It illustrates the way in which insurance can be used to deal with problems posed by such risk. It is a book on insurance theory as well as on explains as to how students can use insurance properly. The main emphasis of the book is on insurance products and the use of insurance within risk management framework.

In this book they have described the concept of risk as "a condition of the real world in which there is an exposure to adversity, more specifically, risk is a condition in which there is a possibility of an adverse derivation from a desired outcome that is expected or hoped for."

In the book titled*, "General Insurance-Personal Workbook,"* published by The ICFAI University, in the month of June 2004, the concept of insurance has been defined as it is a mechanism to take care of the financial system against the losses arising out of several risks, which would, otherwise, put the whole system in absolute jeopardy. General Insurance provides support in several ways to persons and corporate bodies. Risks are of different types like, financial/non-financial, static and dynamic, fundamental and particular, pure and qualitative etc.

There is a book titled, *"Insurance Law Manual."* It contents all the circulars and notifications issued by IRDA from time to time. This is an authorized publication of IRDA. In the eighth edition of this book published very recently, i.e. in the year 2010, the definition of general insurance business has been given as general insurance business means fire, marine or miscellaneous insurance, whether carried out singly or in combination with one or more of them, but does not include capital redemption business and annuity certain business.

This book has been published by Taxmann Publications Pvt. Ltd., New Delhi and has collection of circulars and notifications issued by IRDA during the period from 12.12.2001 to 16.11.2009.

Mr. Jayanth Rama Verma, from Indian Institute of Management, Ahmedabad, in his book, *"Derivatives and Risk Management,"* published by Tata McGraw-Hill Publishing Company Ltd., New Delhi in the year 2008, has discussed a holistic view of derivatives and risk management. It focuses on modern approach to the subject. It discusses the traditional as well as emerging models focusing on intuitive analysis, and gives a succinct appraisal of derivatives in India and the world. The book gives an overview of the different types of derivatives and explains how these are used by corporations, banks, investors and individuals to manage their risks. It explains the benefits of derivatives as well as the risks that they pose.

Tim Boyce, in his book, *"Handbook of Risk Management,"* published by Crest Publishing House, New Delhi, in the year 2004, in the first edition, has explained how to identify, mitigate and avoid the principal risks in any project or transaction. The book tries to answer the vital question of how all the dimensions of risk can be successfully managed through the contractual agreements covering the project. He has also tried to explore the principles of risk management in the area of insurance.

Dr. G. Kotreshwar, in his book titled, *"Risk Management-Insurance and Derivatives,"* published by Himalaya Publishing House, first edition, in the year 2005, has discussed the overview of risk management concept, objectives and

functions. It discusses the role of insurance and about pre risk management. There is a discussion about the emerging areas in insurance etc. and about the uses and misuses of derivatives market. He has described the concept as the minimizing the adverse effects which accidental losses and price/rate volatilities may have on the organization. The other definition given is the process of planning, organizing, directing and controlling the resources and activities of an organization in order to minimize the adverse effects of potential losses at the list possible cost.

Mr. Scott E. Harrington and Mr. Gregory R. Niehaus, in their book titled, *"Risk Management & Insurance,"* second edition, published by Tata McGraw Hill Publishing Company Ltd., published in the year 2004 has discussed a broad perspective of risk management and a conceptual framework for making risk management and insurance decisions to increase business value and individual welfare. This book makes us think critically and analytically to solve real business problems. The book also presents broadened coverage of personal risk management and corporate risk management issues. It describes risk as any situation where there is uncertainty about what outcome will occur.

Mr. M.N. Mishra & Mr. S.B. Mishra, in their book*, "Insurance-Principles and Practice,"* published by S. Chand & Company Ltd., fourteenth edition, published in the year 2007 has defined insurance as a co-operative device to spread the loss caused by a particular risk over a number of persons who are exposed to it and who agree to ensure themselves against that risk. This book discusses prospects of insurance, privatization of insurance industry, insurance innovation, risk management, liability insurance, international insurance etc. It includes the latest developments of insurance in India and abroad.

James S. Trieschmann, Robert E. Hoyt and David W. Sommer, in their book, *"Risk Management and Insurance,"* published in the year 2005, twelfth edition, by Cengage Learning India Pvt. Ltd. explains how to identify and analyse all the types of risk and managing them through insurance and alternate tools. It tells that risks can be managed if they are identified prior to a loss, and insurance is

an important tool, but not the only one available for that purpose. The authors have put concepts of risk management in a framework that applies them to business and personal situations, as well as to international situations, making it easy to see their relevance.

The book *"Risk & Insurance,"* the publication of ICFAI University, November 2005 edition says there is no universally accepted definition of risk. This book has however, given the definition of risk in one sense as a variation in the possible outcome and in another sense as the degree of uncertainty associated with a possible loss.

The book states definition of insurance from three angles, viz. general definition, financial definition and legal definition.

General definition can be defined as an arrangement by which the losses of a few are shared by many. The members of the group who are exposed to similar kind of risk come together and contribute small amounts called premiums to a common fund.

The book, in financial terms, states that insurance basically involves two elements, viz. transfer of shifting of risk from one individual to a group and sharing of losses on an equitable basis by all members of the group.

In legal terms, insurance is a contractual agreement whereby one party agrees, for a consideration called premium, to compensate another party for losses.

Dr. P.K. Gupta, in his book, "*Insurance and Risk Management,"* published by Himalaya Publishing company House, first edition, reprinted in the year 2005, has described insurance in both financial and legal terms. The financial definition reads as "Insurance is a social device in which a group of individuals (insured's) transfer risk to another party (insurer) in order to combine loss experience, which permits statistical prediction of losses and provides for payment of losses from funds contributed (premiums) by all members who transferred risk."

In legal terms, it describes insurance as a contract of insurance is a contract by which one party in consideration of the price paid to him proportionate to the risk

provides security to the other party that he shall not suffer loss, damage or prejudice by the happening of certain specified events. This book is a major departure from the conventional literature which views insurance in a narrow, legal perspective.

"General Insurance-Commercial", a book by The ICFAI University, July 2004 edition, tries to capture the reader's attention regarding the commercial general insurance business. It describes the various commercial general insurance products available in the market along with the procedures and practices adopted. It also deals with the managerial aspects related to these products. This book is restricted to the developments and practices relevant to India. The book also deals with the Role of Information Technology in Insurance sector.

In the book, *"General Insurance-Vol-I,* by Seethapathi K, paperback edition, published by ICFAI, the introduction of general insurance has been given. The other topics such as Loss Prevention and Control and Risk Assessment, Underwriting and Rate Making and Legal Framework and Documentation have also been discussed.

In the book, *"Fundamentals of Risk & Insurance,"* by Emmett J. Vaughan, Therese M. Vaughan, publication of John Wiley & Sons, eighth edition, January 1999, theoretical concepts as well as consumer perspectives of risk and insurance has been described. It also analyses new developments in income risk, retirement plans, and annuities.

"Insurance: From Underwriting to Derivatives Asset Liability Management in Insurance Companies "This is a book authored by Eric Briys, Francis de Varenne and is a publication of John Wiley & Sons, May 2001. In this book, the analysis of the convergence between the insurance industry and the capital markets, including the summary of trends and issues, and new opportunities and challenges of insurance becoming classified as an asset class has been discussed.

David F. Babbel, Frank J. Fabozzi, in their book *"Investment Management for Insurers,"* published by John Wiley & Sons, first edition, February 1999, the comprehensive reference regarding investment management for insurance companies, which covers risk management such as interest rate risk, credit risks, catastrophe risks, market risks, financial performance measurement, asset allocation and investment management has been discussed in depth.

"Insurance Regulation in the United States," a book by Peter M. Lencsis, published by Quorum Books, May 1997. This book describes the insurance regulatory system, which covers the formation and licensing of insurance companies, the regulation of underwriting and investment, insolvency laws and guaranty funds, reinsurance, holding companies, agents and brokers, etc.

The book by Michael Himick, published by Fitzroy Dearborn Publishers, February 1999, titled *"Securitizing Insurance Risk: Strategic Opportunities for Insurers & Investors"* focuses exclusively and in depth on the convergence of the insurance and financial markets in risk management and the emergence of insurance risk as a new asset class.

"Introduction to Risk Management & Insurance," ninth edition, by Mark S. Dorfman, paperback edition, May 2007 is an extremely well written book which has quoted, many current examples and court cases, it raises important social aspects of the insurance transaction. It has also covered issues important to consumers' especially frequently purchased insurance contracts and is a very user friendly book on the subject.

Research papers review

In the paper *"Indian Journal of Industrial Relations,* July 2008 v44 i1 p49 (13), titled *"Service quality in general insurance sector: an empirical study"* by *B. Gopalkrishna, Lewlyn L.R. Rodrigues, K.V.M. Varambally, (Business and Company Resource Centre), it has been stated that* The service quality research in the area of insurance is yet to gain full momentum despite the fact that it is one of the fastest growing service sectors. The Paper develops a metrics for service quality specifically for the insurance sector and applies the same to investigate

the perception of service quality. The study reveals the service quality gaps in the insurance industry. The weaker dimensions of service quality are identified and implications are drawn to improve the existing systems, processes and practices.

Article, *"RAND Journal of Economics,* Winter 2006 v37 i4 p783 (16), *Asymmetric information in insurance: general testable implications,* by *Pierre-Andre Chiappori, Bruno Jullien, Bernard Salanie, Francois Salanie,* Rand, Journal of Economics, it has been elaborated that several recent articles on empirical contract theory and insurance have tested for a positive correlation between coverage and ex post risk, as predicted by standard models of pure adverse selection or pure moral hazard. It is hoped that the positive correlation property can be extended to general setups: competitive insurance markets and cases where risk aversion is public. The results are tested on a French dataset. These tests confirm that the estimated correlation is positive; they also suggest the presence of market power.

Journal of Risk and Insurance, June 1999 v66 i2 p239 (1), *"An empirical investigation of the Japanese corporate demand for insurance".* Nobuyoshi Yamori informs that empirical tests of the theories investigating factors affecting corporate demand for insurance are very limited. Using data on Japanese corporations, the study empirically investigated the demand for general insurance of non-financial corporations. The important factors in determining insurance purchases by large Japanese firms are size, leverage and regulation. Tax consideration and ownership structure do not play a role in purchases of insurance.

Journal of Property Management, May-June 1995, v 60n3, p 68(2) *General liability insurance for commercial structures* (Insurance Insights), Philip K. Glick tells that Property managers and building owners should always assign a general liability insurance for each of their buildings. This protects them from huge losses that are highly prevalent in real estate. The simplified form of the general liability insurance policy now features several coverage extensions which previously had to be bought separately. Now included in

the new form are premises or operations, products or completed operations, personal injuries, contractual liability and broad form property damage. Despite these extensions, several gaps and limitations in general liability insurance still exist. These include policy aggregate limits, absolute pollution liability exclusion and punitive damages exclusion. Managers and owners should make sure to fill these gaps and be aware of the limitations. They should also address coverage issues such as all-risk policies, valuation issues and boiler and machinery insurance.

In the Transportation Journal, Winter 1992 v32 n2 p54 (2), titled *"Marine Insurance and General Average in the United States: An Average Adjuster's Viewpoint",* 3rd edition by Evelyn Thomchick, he has discussed about the practices followed in the United States regarding Marine Insurance.

In the journal, Business History, April 1994 v36 n2 p20(27)*Marketing strategy and the competitive structure of British General Insurance,* 1720-1980 by Oliver M. Westall, the marketing strategies about the general insurance have been described.

In the Journal of Property Management, May-June 1992 v57 n3 p68(2)*Insurance coverage for environmental claims*(Insurance Insights), by Janine M. Landow-Esser, Kathleen C. Spears, it has been stated that the Property managers and owners intent on seeking protection against potential damages arising from environmental causes should seek coverage for environmental claims. Safeguarding against the high costs that result from clean-ups and lawsuits would require property managers and owners to seek claims against various forms of property insurance. The three general forms of insurance coverage for environmental claims are the first-party property insurance, the environmental impairment liability insurance and the comprehensive general liability insurance or commercial general liability insurance. The determination of the range and form of coverage suitable to the property is best done with the help of an independent specialist to ascertain the accuracy, appropriateness and cost-effectiveness of the desired policies.

The article titled *"Financial Risk Management: The Big and the Small",* in The IUP Journal of Financial Risk Management Financial Risk Management, September 2004 issue, by Mr. Peter R Crabb, looks at the question of Financial Risk Management for small businesses. The discussion includes both the economic motives for Financial Risk Management, and the use of derivatives in Financial Risk Management. An argument for the use of derivatives at small firms is put forth by showing how the best practices in Financial Risk Management found at large firms, can be put in place at small businesses as well.

In the article *"A Metric Approach to Risk Management"* by Mr. Jeffrey Wallace, March 2004 issue of The IUP Journal of Financial Risk Management, the Metric Approach to Risk Management has been discussed. Financial risk is an integral part of overall firm risk, and must be managed if the firm is to remain competitive and healthy. Corporate risk management increases firm value because management is in the best position to measure financial risks and then appropriately hedge them in a timely and efficient manner. However, the value-added that risk management makes is often not recognized because that value is not explicitly measured. Without defining the metrics to measure that value, the default metric will be whether the hedging was profitable in an accounting sense, a loser's game for Treasury. A robust, metric-based financial risk management framework is introduced that is applicable to corporate commodity, foreign exchange, interest rate and investment risks.

Article titled, **"***The Changing Concept of Financial Risk",* by Mr. Cornelis A Los, in The IUP Journal of Financial Risk Management, March 2005 issue, the concept of Financial Risk has been described. The recent rapid accumulation of anomalous empirical research results has made clear that the classical definition of financial risk based on asset classes only is ready for an epistemological change. Currently, the definition of financial risk suffers from three major deficiencies: (1) financial risk is insufficiently measured by the conventional second-order moments; (2) financial risk is assumed to be stable and all distribution moments are assumed to be time-invariant; and (3) pricing observations are assumed to exhibit only serial dependencies, which can be

removed by simple inverse transformations, like the geometric Brownian motion, Markov, ARIMA, or (G) ARCH models. But (1) higher-order moments are acknowledged by experienced traders to be influential in asset and derivative valuations; (2) distributions of returns are observed to be nonstationary; and (3) difficult to observe long-term dependencies have surprised many risk managers. Based on accumulated empirical evidence, a new functional definition of financial risk that takes account of asset classes, time dependence and time horizons is required to fully capture the concept as required in the empirical financial markets.

The article *"Dynamic Inefficiencies in Insurance Markets: Evidence from Long-term Care Insurance",* by Mr. Kathleen McGarry, Amir Sufi and Amy Finkelstein, in The IUP Journal of Financial Risk Management , January 2006 issue examines whether unregulated, private insurance markets efficiently provide insurance against reclassification risk (the risk of becoming a bad risk and facing higher premiums). To do so, the authors examine the ex-post risk type of individuals who drop their long-term care insurance contracts relative to those who are continually insured. Consistent with dynamic inefficiencies, the study finds that individuals who drop coverage are of lower risk ex-post than individuals who were otherwise-equivalent at the time of purchase but who do not drop out of their contracts. These findings suggest that dynamic market failures in private insurance markets can preclude the efficient provision of insurance against reclassification risk.

Mr. Ram Pratap Sinha, in his article *"Productivity and Efficiency of Indian General Insurance Industry",* in the April 2007 issue of, The IUP Journal of Risk and Insurance has described about the Indian General Insurance Industries and their Productivity & Efficiency. It says, the deregulation of general insurance industry in India is having far-reaching consequences in terms of market size, structure and operational practices. The penetration level of general insurance in India is quite low compared to the international standards and, therefore, has tremendous potential for growth. The present paper compares the performance of 12 general insurance companies in respect of technical and scale efficiency and total factor

productivity in a three-output three-input framework, for the years 2003-04 and 2004-05, by using Data Envelopment Analysis and Malmquist Total Factor Productivity Index. The public sector insurers dominate the private sector insurers in terms of mean technical efficiency in constant returns to scale, while the private sector insurers have a slightly higher mean technical efficiency than the public sector insurers in variable returns to scale. A further comparison of total factor productivity and gross income is also made in respect of both public and private sector insurance companies.

"A Study on Customers' Preference towards Insurance Services and Bancassurance", an article by Rajkumari M in the October 2007 issue, of The IUP Journal of Risk and Insurance states that Bancassurance is a channel of distribution of insurance products through banks. A number of insurers have already tied up with banks and some banks have already flagged off bancassurance through soft launches of select risk products. Bancassurance has been gaining momentum in the Indian market. This study is carried out to understand the position of private players when compared to public, and also to find the most preferred policies with these leading companies. It also aims to analyse the segment wise preference among different age groups. The study has been undertaken in order to identify the customers' attitude towards purchase of insurance products and also their knowledge on the Bancassurance formats available through banks. The study concludes that there is a low level of awareness about Bancassurance among bank customers and thereby gives suggestions to improve insurance penetration levels.

"Efficiency of General Insurance Industry in India in the Post-Liberalization Era: A Data Envelopment Approach" an article by Mahesh Chand Garg and Deepti, in The IUP Journal of Risk and Insurance, January 2008 issue, it has been stated that the Liberalization of the insurance sector in India has contributed favourably to insurance growth. The general insurance business in India has grown in spread and volume after the liberalization of the insurance sector. Although public insurers continue to lead the Indian general insurance market; private insurers are making their presence felt in the sector, covering over one quarter of

the market share for the fiscal year 2005-2006. The present paper compares the technical and scale efficiency of 12 general insurance companies in India from the financial year 2002-03 to 2005-06 using Data Envelopment Analysis (DEA). Among the public insurers, New India is the only company which turned out to be technically efficient on both Constant Returns to Scale (CRS) and Variable Returns to Scale (VRS) for all the years under reference. HDFC Chubb managed to retain 100% efficiency for the last three financial years included in the study on both VRS and CRS. The average efficiency results indicate that though private insurers lag behind public insurers, they are fast catching up and the efficiency scores of public and private insurers seem to converge.

"The Relationship Between Insurance and Economic Growth: Review and Agenda", an article by Kjell Suemegi and Peter Haiss, April 2008 issue, in The IUP Journal of Risk and Insurance has informed that while there is a plethora of research on the causal relationship between bank lending and economic growth and capital markets and economic growth, the insurance sector has not received ample attention in this respect. The role of insurance companies, though growing in importance in financial intermediation, has hardly been investigated with regard to the direction and causality vis-á-vis GDP growth. The paper tries to fill this gap by providing a literature review on the insurance-growth-nexus in order to identify respective channels of influence. The authors argue that the neglect of the insurance sector may be among the causes why the finance-growth-nexus seems to have become less robust on more recent data.

"Financial Adaptation Challenges for the Insurance Industry Due to Climate Change" and article by T Sri Jyothi, Research Associate, in the April 2008 issue, in The IUP Journal of Risk and Insurance focuses on the devastation caused by extreme climatic changes, with particular reference to those experienced in the USA and Australia, and the role of insurance industry and government in the occurrence of such events. The concepts like adaptation, mitigation are also explained. Further, it also deals with the recent tools available for the insurers to mitigate the loss and new policies developed by government to provide financial stability to these companies. It concludes with the new disaster and catastrophic

risk insurance policies started by insurance companies in the US and Australia. It mainly focuses on the devastation caused by Hurricane-Katrina in 2005 and its aftermath.

"Technical Efficiency of Indian General Insurance Companies: A Non-Radial Approach", an article by Mr. Ram Pratap Sinha, in the January 2009 issue, in The IUP Journal of Risk and Insurance compares 10 private sector general insurance companies in terms of technical efficiency for the years 2003-2004, 2004-2005 and 2005-2006, using the slacks based super efficiency model advanced by Tone (2002). The slacks based super efficiency model, apart from being unit and translation invariant, possesses quite a number of advantages over the radial super efficiency models. The results suggest a decline in mean technical efficiency in 2004-2005 relative to 2003-2004, but an upsurge again in 2005-2006. Among the observed general insurers, Reliance and New India Assurance consistently occupied the top two slots for all the years under observation.

"Emerging Trends in Indian Insurance Market", by Mr. T N Murty, Riswana Ansari and P Raja Babu, in the July-October 2009 issue, in The IUP Journal of Risk and Insurance says that the insurance business is one of the fast emerging financial services, predominantly in the developing countries like India, in terms of the population it serves. The insurance industry is going through radical changes in its products as well as in its competitive service strategies towards the customers. During the long monopoly regime, the public sector attempted many changes in the character and basic policies of the industry. The Indian insurance market has undergone significant changes during the recent years. The paper presents the emerging trends in the Indian insurance market.

2.2 Introduction to General Insurance

The business of general insurance is truly international. General Insurance is closely linked to trade and industry. It provides infrastructure for trade and industry to perform.

The general insurance business is one of the most rapidly growing areas in the financial sector. As an economy grows over the years, general insurance sector intensifies and broadens its reach. Every practical and futuristic individual would want himself, his family and his assets to be insured. India has a large insurance market.

“The IRDA Act 1999 (Insurance Regulatory and Development Authority of India Act) has given new opportunities to private players to enter into the market on the fulfilment of certain prerequisites”[20].

The IRDA is the licensing authority in the sector; the current FDI cap/Equity in the sector stands at 26 per cent.

The general insurance sector is also facing challenges and these challenges will become tougher in the coming years. This is primarily because not only more and more number of companies are competing in general Insurance business but also because more and more number of companies are entering into this sector.

New players have contributed to the launch of innovative products, services and value-added benefits.

Major foreign players have entered the Indian market and announced joint ventures in general insurance business.

The general insurance industry not only plays a leading role within the financial system in a country but also has an important socio-economic function. General Insurance companies have corporate social responsibility towards improving the environment but at the same time the company has to garner good premium as ultimately the insurer has to earn profits for its shareholders and stakeholders.

“The other significance of Social Responsibility for the insurance industry, which is perhaps far more visible, is the increasing uncertainty around the environmental impacts of climate change.”[21]

“General Insurance facilitates economic development and it is our overall objective to build an efficient, effective and a stable general insurance industry in India that will support both the needs of the real economy and the socio-

economic objectives of the country"[22]. The General Insurance and reinsurance firms are the main providers of risk financing for man-made disasters and natural catastrophes.

The Indian general insurance industry is able to mobilize long-term savings to support economic growth and also facilitate economic development by providing insurance cover to a large segment of our people as well as to business enterprises throughout India.

This can be achieved when we have strong insurers who are able to provide consumers with a wide range of world-class products and services at competitive price; adopt international best practices; operate through various distribution channels for the convenience of consumers; maintain high professional standards; are productive; cost-efficient and financially resilient to both market volatility and competitive pressures.

The Indian general insurance industry in post liberalization period has witnessed a number of significant changes. We have now increased players in the market, increased competition, wider innovation and choice of products to consumers, additional channels of distribution and an increase in consumer awareness about the benefits and importance of insurance.

Both the public sector companies and the private companies are all very strong players. We have both the established public sector companies with a long track record and new private players.

The foreign partners of these companies have wide experience in both developed and emerging markets.

The general insurance market has been expanding rapidly and the growth rate of general insurance companies is 23%. Although impressive, the general insurance industry is relatively small by international standards.

"The penetration rates of general insurances in India is also well below the international level. These facts indicate the of immense growth potential of the insurance sector"[23]. The government also wants an orderly development and

growth of the general insurance industry. A sizable number of the population; business activities and enterprises must have adequate general insurance cover against the various risk exposures.

“Oriental Insurance Company, a leading insurance providing company in India, revealed that the Indian general insurance industry is expected to reach Rs 50,000 Crores (US$ 11.75 Billion) during 2009-2013, compared to Rs 28,130 Crores (US$ 6.52 Billion) in 2007-08, as reported by India Times. The collective aim should be to build a vibrant industry that will benefit all the stakeholders”[24].

The Indian general insurance industry is set to grow in future on the back of improving education level, tax exemptions and high growth in economy.

The general insurance industry is also focusing on generating insurance development skills and is providing liberalized standards for the creation of intermediaries to enhance the general insurance services that would help in achieving high growth in years to come.

Moreover, the detariffing will initiate the launch of latest and innovative general insurance products and exploitation of vast untapped general insurance market would boost the revenue growth because the number of general insurance companies is growing in India.

The growth in the Indian general insurance industry is also anticipated because the general insurance sector is expected to pay an additional focus on micro and retail insurance in villages, which offers an extensive growth opportunity to players. Also, the rising education level accompanied by the booming economy ensures that the general insurance market attracts an increasing number of customers.

The growing population with improving purchasing power, encouraging to purchasing homes and automobiles, is offering great scope for growth in Indian general insurance market.

“A Senior Research Analyst at RNCOS, a marketing research and consultancy firm, said, “The general insurance industry in India is expected to grow at a rapid pace in future due to favourable business conditions in the country.

The vast growth opportunities would help in attracting more foreign investors in the insurance sector. This would further help in the improvement of quality of the insurance products and schemes in the country”[25].

Nature of General Insurance

“The general insurance has the following characteristics which are, generally, observed in case of life, marine, fire and general insurances”[26].

Sharing of risk

General Insurance is a device which shares the financial losses which might befall on an individual or his family on the happening of a specific event.

The event may be marine perils in case of marine insurance, fire in case of fire insurance and other certain events in general insurance, e.g., theft in burglary insurance, accident in motor insurance, etc. The loss arising from these events, if insured, are shared by all the insured in the form of premium.

It is a Cooperative Device

The most important feature of every general insurance plan is the cooperation of large number of persons who, in effect, agree to share the financial loss arising due to a particular risk which is insured. Such a group of persons may be brought together voluntarily or through publicity or through solicitations of the agents. An insurer would be unable to compensate all the losses from his own capital. So, by insuring or underwriting a large number of persons, he is able to pay the amount of loss. Like all cooperative devices, there is no compulsion here on anybody to purchase the insurance policy.

The Value of Risk

The risk is evaluated before insuring. A certain amount is charged for issuing the general insurance cover. This is called as the premium. There are several

methods of evaluation of risks. If there is expectation of more loss, higher premium may be charged. So, the probability of loss is calculated at the time of taking the general insurance cover.

Payment at Contingency

The payment is made at a certain contingency insured. If the contingency occurs, payment is made. In general insurance contracts, the contingency is the fire or marine perils etc., may or may not occur. So, if the contingency occurs, payment is made, otherwise no amount is given to the policy holder.

Amount of Payment

The amount of payment depends upon the value of loss occurred due to the particular insured risk. The general insurance cover has to be available for that amount. The insurer promises to pay a fixed sum on the happening of an event. If the event or the contingency takes place, the payment does fall due if the policy is valid and in force at the time of the event, like property insurance. In the property and general insurances, the amount of loss, as well as the happening of loss, is required to be proved.

Large Number of Insured Persons

A large number of persons should be insured to spread the loss immediately, smoothly and cheaply. The cooperation of small number of persons will be limited to smaller area. The cost of general insurance premium to each member may be higher. So, it may be unmarketable. Therefore, to make the general insurance cheaper, it is essential to insure large number of persons or property because the lesser would be the cost of insurance and so, the lower would be premium. In order to function successfully, the general insurance would be joined by a large number of persons.

General Insurance is not gambling

The general insurance serves indirectly to increase the productivity of the community by eliminating worry and increasing initiative. The uncertainty is changed into certainty by insuring property because the insurer promises to pay

a definite sum at damage. All assets possess an economic value and it is essential to ensure against the loss of the value. In the absence of general insurance cover, they may not get absolute certainty. Thus, the owner is protected against losses and damage with the help of general insurance. From the insured point of view, too, insurance is also the antithesis of gambling.

Failure of general insurance cover amounts gambling because the uncertainty of loss is always looming. In fact, the general insurance is just the opposite of gambling. In gambling, by bidding the person exposes himself to the risk of losing, in the general insurance; the insured is always opposed to risk, and will suffer loss if he is not insured. By getting insured his property, he protects himself against the risk of loss.

In fact, if he does not get his property or life insured, he is gambling with his life and property.

General Insurance is not Charity

"A charity is an organization that exists to enable one group to help another group, whether that be people, animals or nature"[27].

Charity is given without consideration but the general insurance is not possible without premium. It provides security and safety to an individual and to the society although it is a kind of business because in consideration of premium it guarantees the payment of loss.

It is a profession because it provides adequate sources at the time of disasters only by charging a nominal premium for the service.

"Mr. M. N. Malhotra, in his book, "Insurance-Principles and Practice" has, elaborated the functions of Insurance, which are discussed below"[28]:

Functions of General Insurance

The functions of General Insurance can be bifurcated into following parts:

1. **Primary Functions**
2. **Secondary Functions**
3. **Other Functions**

Primary Functions

Provide Protection

The primary function of general insurance is to provide protection against future risk, accidents and uncertainty. General Insurance cannot check the happening of the risk, but it can certainly provide for the losses of risk. General Insurance is actually a protection against economic loss, by sharing the risk with others.

The time and amount of loss are uncertain and at the happening of risk, the person will suffer loss in absence of insurance. The general insurance guarantees the payment of loss and thus protects the assured from sufferings. The general insurance cannot check the happening of risk but can provide for losses at the happening of the risk.

Collective bearing of risk

General Insurance is a device to share the financial loss of few among many others. It is a mean by which few losses are shared among larger number of people. All the insured contribute the premiums towards a fund and out of which the persons exposed to a particular risk is paid.

The risk is uncertain, and therefore, the loss arising from the risk is also uncertain. When the risk takes place, the loss is shared by all the persons who are exposed to the risk.

On the basis of probability of risk, the share is obtained from each and every insured in the shape of premium without which the protection is not guaranteed by the insurer.

Evaluating risk

"Insurance fixes the likely volume of risk by assessing diverse factors that give rise to risk. Risk is the basis for ascertaining the premium rate as well"[29].

General Insurance provides certainty

General Insurance provides certainty of payment at the uncertainty of loss. The uncertainty of loss can be reduced by better planning and administration. But, the general insurance relieves the person from such difficult task. Moreover, if the subject matters are not adequate, the self provision may prove costlier. There are different types of uncertainty in a risk. The risk will occur or not, when will occur, how much loss will be there?

In other words, there are uncertainty of happening of time and amount of loss. General Insurance removes all these uncertainty and the assured is given certainty of payment of loss. The insurer charges premium for providing the said certainty.

General Insurance is a device, which helps to change from uncertainty to certainty, whereby the uncertain risks may be made more certain.

Secondary Functions

Prevention of loss

The general insurance joins hands with those institutions which are engaged in preventing losses of the society because the reduction in loss causes lesser payment to the assured and so more saving is possible which will assist in reducing the premium.

Lesser premium invites more business and more business causes lesser share to be assured. So again premium is reduced to, which will stimulate more business and more protection to the masses.

Therefore, the insurance assists financially to the health organization, fire brigade, educational institutions and other organizations which are engaged in preventing losses of the masses from damage.

General Insurance cautions individuals and businessmen to adopt suitable device to prevent unfortunate consequences of risk by observing safety instructions; installation of automatic sparkler or alarm systems, etc. Prevention of losses causes lesser payment to the assured by the insurer and this will encourage for more savings by way of premium. Reduced rate of premiums stimulate more business and better protection to the insured.

To Provide Capital

The general insurance provides capital to the society. The accumulated funds are invested in productive channel. The dearth of capital of the society is minimized to a greater extent with the help of investment of insurance. The industry, the business and the individual are benefited by the investment and loans of the insurers.

General Insurance relieves the businessmen from security investments, by paying small amount of premium against larger risks and uncertainty.

It contributes towards the development of larger industries

General Insurance provides development opportunity to those larger industries having more risks in their setting up. Even the financial institutions may be prepared to give credit to sick industrial units which have insured their assets including plant and machinery.

Helps Economic Progress

The general insurance protects the society from huge losses of damage, destruction and provides an initiative to work hard for betterment of the masses. The next factor of economic progress, the capital is also immensely provided by the masses. The property, the valuable assets, the man, the machine and the society cannot lose much at the disaster.

Improves Efficiency

The insurance eliminates worries and miseries of losses at the destruction of property. The carefree person can devote his body and soul together for better achievement. It improves not only his efficiency, but the efficiency of the masses is also advanced.

Other Functions

Means of savings and investment

General Insurance serves as savings and investment, Insurance is a compulsory way of savings and it restricts the unnecessary expenses by the insured's. For the purpose of availing income-tax exemptions also, people invest in insurance.

Source of earning foreign exchange

General Insurance is an international business. The country can earn foreign exchange by way of issue of marine insurance policies and various other ways.

Risk Free trade

Insurance boosts exports insurance, making foreign trade risk free with the help of different types of policies under marine insurance cover.

Kinds of General Insurance

"The general insurance can be divided from two angles: first, from the business point of view and the second from the risk point of view"[30].

Business Point of View

The insurance can be classified into three categories from business point of view:

1. **Life Insurance**
2. **General Insurance**
3. **Social Insurance**

Life Insurance

Life Insurance is different from other insurance in the sense that, here, the subject matter of insurance life of human being. The insurer will pay the fixed amount of insurance at the time of death or at the expiry of certain period.

At present, life insurance enjoys maximum scope because the life is the most important property of the society or an individual. Each and every person requires the insurance.

This insurance provides protection to the family at the premature death of or gives adequate amount at the old age when earning capacities are reduced. Under personal insurance a payment is made at the accident.

The insurance is not only a protection but is a sort of investment because a certain sum is returnable to the insured at the death or at the expiry of a period.

General Insurance

The general insurance includes property insurance, liability insurance and other forms of insurance. Fire and marine insurances are strictly called property insurance. Motor, theft, fidelity and machine insurances include the extent of liability insurance to a certain extent. The strictest form of liability insurance is fidelity insurance, whereby the insurer compensates the loss to the insured when he is under the liability of payment to the third party.

Social Insurance

The social insurance is to provide protection to the weaker sections of the society who are unable to pay the premium for adequate insurance. Pension plans, disability benefits, unemployment benefits, sickness insurances and industrial insurance are the various forms of social insurance. With the increase of the socialistic ideas, the social insurance is an obligatory duty of the nation. The government of the country must provide social insurance to its masses.

“Social insurance has also been defined as a program where risks are transferred to and pooled by an organization, often governmental, that is legally required to provide certain benefits”[31].

Risk Point of View

General Insurance is divided into property liability and other form from high point of view.

Property Insurance

Under this type, the property of the person/persons is insured against a specified risk. The risk may be fire or marine perils, theft of property or goods, damage to property at accident.

Marine Insurance

The marine insurance is the oldest form of general insurance. In earlier days, if the ship was lost, the loan and interest were forfeited. The contract of general insurance was made a part of the contract of carriage. Freight was fixed according to the season and was expected to be reasonable in the case of marine transport which was then very much at the mercy of winds and elements.

“Marine Insurance covers the loss or damage of ships, cargo, terminals, and any transport or cargo by which property is transferred, acquired, or held between the points of origin and final destination[32]”.

Travellers by sea and land were very much exposed to the risk of losing their vessels and merchandise because the piracy on the open seas and highway robbery of caravans were very common. Besides, there were several risks. Many times, it might have been captured by the king’s enemies or robbed by the pirates or got sunk in the deep waters.

The risk to owners of such ships were enormous and, therefore, to safeguard them the marine traders devised a method of spreading over them the financial loss which could not be conveniently borne by the unfortunate individual victims.

Marine general insurance provides protection against loss of marine perils.

The marine perils are collision with rock, or ship attacks by enemies, fire, and capture by pirates. Etc. These perils cause damage, destruction or disappearance of the ship and cargo and non-payment of freight. So, marine general insurance insures ship, cargo and freight.

Nowadays, the scope of this type of insurance has also increased and the same can be divided into two parts, viz. Ocean Marine insurance and Inland marine insurance.

Fire Insurance

After marine insurance, fire insurance developed in present form. It has been originated in Germany in the beginning of sixteenth century. The fire insurance got momentum in England after the great fire in 1666 when the fire losses were tremendous. About 85 per cent of the houses were burnt to ashes and property worth of sterling ten crores were completely burnt off.

Fire insurance office was established in 1681 in England. With colonial development of England, the fire insurance spread all over the world in present form. This general insurance covers risks of fire. With the help of this general insurance, the losses arising due to fire are compensated and the society is not losing much. The business or industry will remain approximately in the same position in which it was before the loss.

“A fire insurance policy involves an insurance company agreeing to pay a certain amount equivalent to the estimated loss caused by fire to the insured, within the time specified in the contract.”[33]

Miscellaneous Insurance

“The typical coverage includes, but not limited to Ocean Marine / Hull & Cargo, Boiler & Machinery / Equipment Breakdown, Crime, Credit, Libel & Slander, Special Event”[34].

The miscellaneous insurance took the present shape at the later part of nineteenth century with the industrial revolution in England. Accident insurance,

fidelity insurance, liability insurance and theft insurance were the important form of insurance at that time.

Lloyd's Association was the main functioning institution. Now, insurances such as cattle insurance, crop insurance, profit insurance, etc., and are taking place. *The scope of general insurance is increasing with the advancement of the society.*

The fire insurance does not protect only losses but it provides certain consequential losses also. War risk, turmoil, riots etc., can be insured under this general insurance too.

The property, goods, machine, furniture, automobile, valuable articles, etc., can be insured against the damage or destruction due to accident or disappearance due to theft.

Liability Insurance

The general insurance also includes liability insurance whereby the insured is liable to pay the damage of property. This general insurance is seen in the form of fidelity insurance, automobile insurance and machine insurance etc.

Other Forms

Besides the property and liability insurances, there are certain other insurances which are included under general insurance. The examples of such insurances are export-credit insurances, State employees insurance, etc., whereby the insurer guarantees to pay certain amount at the certain events. This insurance is extending rapidly these days.

Personal Insurance

The personal insurance includes insurance of human life, which may suffer loss due to death, accident and decease. The personal insurance is further sub-classified into life insurance, personal accident insurance and health insurance.

Guarantee Insurance

The Financial Guarantee Insurance is defined as *"a surety bond, insurance policy or, when issued by an insurer, an indemnity contract and any guaranty similar to*

the foregoing types, under which loss is payable upon proof of occurrence of financial loss to an insured claimant, obligee, or indemnitee[35]*".*

The guarantee insurance covers the loss arising due to dishonesty, disappearance and disloyalty of the employees or second party. The party must be a party of the contract. His failure causes loss to the first party. For example, in export insurance, the insurer will compensate the loss at the failure of the importers to pay the amount of debt.

"The policy covers the employer in respect of any direct financial loss which he may suffer as a result of employees' dishonesty"[36].

2.3 Historical Context

With the de-regulation in Indian Insurance industry, the monopoly of public sector companies in general insurance business came to an end. This has helped in bringing out and increasing the innovative practices initiated by the private players. There is a growth in the interactive technology such as internet, which has further created a wave of excitement in the insurance business. The Indian economy and Indian Insurance sector can hope to have a growth because of this. The following discussion summarizes the Insurance Industry since its historical times.

Background

Insurance is a Rs. 450 billion industry in India. The value of the market is determined by gross premium incomes. The life insurance segment writes about 80% of the overall market value. Indian Insurance market was at its all-time high in 2003 with a growth of about 17.4% over the previous year. Since 2001 Insurance is growing at the rate of 15-20 % annually. The growth in the insurance industry is affected by volatility in real estate rates, GDP rates and long term interest rates. Fluctuations in exchange rates also affect the growth in this sector. The gross premium as a percentage of the GDP has gone up from 2.3 in the year

2000 to 4.8 in 2006. Together with banking services, it adds about 7% to the country's GDP.

2.4 History of Indian Insurance

A] Ancient Historical Times

Mr. Niraj Jain, in his article, dated March 21, 2008, titled, "Insurance Trends in India"[37], on the site Insurance/ Opener India, has summarized the history of Insurance in India in the ancient times, which has been discussed below:

The general Insurance is as old as human society itself. The ancient origin of insurance is Emerigon, whose brilliant and learned Traite des Assurances, first published in 1783, is still read with respect and admiration. The result shows that insurances were known to the ancients such as Romans, Phoenicians Rhodians, although the business of underwriting commercial risks was probably not highly developed. The histories of Livy and Suetonius shows that the contractors who undertook to transport provisions and military stores to the troops in Spain stipulated that the government should assume all risk of loss by reason of perils of the sea or capture and this was probably the first time when insurance process was known. There were friendly societies organized, for the purpose of extending aid to their unfortunate members from a fund made up of contributions from all. These societies undoubtedly existed in China and India in the earliest times. The earliest traces of Insurance in the ancient Indian history was in the form of marine trade loans or carrier's contracts, which can be found in Kautilya's Arthashastra, Yajnyavalkya's Dharmashastra and Manu's Smriti. These works show that the system of credit and the law of interest were well developed in India. They were based on clear appreciation of hazard involved and the means of safeguarding against it.

B] British-India Period

Insurance in India without any regulations started in the nineteenth century. It was a typical story of a colonial era where a few British insurance companies

dominated the market serving mostly large urban centres. Company started by Europeans in Calcutta was the first life insurance company on Indian Soil.

Bombay Mutual Life Assurance Society indicated the birth of first Indian life insurance company in the year 1870, and covered Indian lives at normal rates. 1930s was the last of the old-style crises in the Indian economy because it marked the beginning of the end of the colonial state and an acceleration of the pace of industrialization as entrepreneurs moved their capital out of the countryside. Independent India reduced its vulnerability to external economic shocks by close control of foreign exchange and by promoting a massive change in the export schedule. Till the end of nineteenth century insurance business was almost entirely in the hands of overseas companies.

C] Post Independence era of Indian Insurance

The insurance business grew at a faster pace after independence. Indian companies strengthened their hold on this business but despite the growth that was witnessed, insurance remained an urban phenomenon. During Mrs. Gandhi's tenure (from 1966-1968), there was a split within the business community of protectionists and those who wanted more open trade. But what maintained the momentum was the commitment of Two Ministers, Ashok Mehta and Subramaniam towards liberalization of the economy. This was seconded with high hope of getting increased foreign aid. Deregulation actually helped the poorest in India as it would eventually create more employment and faster growth. Yet the intense fears of liberalization in the lower middle class and among working class employees of the state sector, pose serious risks in freeing the economy. It might be preferable to introduce liberalization during an economic upswing when the risk of switching jobs is less traumatic. The three liberalization episodes in Indian economic policy have followed clear cyclical patterns. Economic policy has swung broadly between controls and greater openness, with a tendency toward decontrolling larger and more important segments of the economy.

2.5 History of General Insurance

"The history of General Insurance has been discussed in an article, *Insurance*"[38] from Wikipedia[38], dated March 2008" and it states as under. In one sense, we can say that insurance appeared simultaneously with the appearance of human society.

We know of two types of economies in human societies: money economies (with markets, money, financial instruments and so on) and non-money or natural economies (without money, markets, financial instruments and so on).

The second type is a more ancient form than the first. In such an economy and community, we can see insurance in the form of people helping each other. For example, if a house burns down, the members of the community help build a new one. If the same thing happens to one's neighbour, the other neighbours must help. Otherwise, neighbours will not receive help in the future. This type of insurance has survived to the present day in some countries.

In case of insurance in the modern sense, (i.e., insurance in a modern money economy, in which insurance is part of the financial sphere), early methods of transferring or distributing risk were practiced by Chinese and Babylonian traders as long ago as the 3rd and 2ndmillennia BC, respectively.

Chinese merchants travelling treacherous river rapids would redistribute their wares across many vessels to limit the loss due to any single vessel's capsizing. The Babylonians developed a system which was recorded in the famous Code of Hammurabi, c. 1750 BC, and practiced by early Mediterranean sailing merchants. If a merchant received a loan to fund his shipment, he would pay the lender an additional sum in exchange for the lender's guarantee to cancel the loan should the shipment be stolen or lost at sea.

Achaemenian monarchs of Ancient Persia were the first to insure their people and made it official by registering the insuring process in governmental notary offices. The insurance tradition was performed each year in Norouz (beginning of the Iranian New Year); the heads of different ethnic groups as well as others

willing to take part, presented gifts to the monarch. The most important gift was presented during a special ceremony. When a gift was worth more than 10,000 Derrik (Achaemenian gold coin) the issue was registered in a special office. This was advantageous to those who presented such special gifts. For others, the presents were fairly assessed by the confidants of the court. Then the assessment was registered in special offices.

The purpose of registering was that whenever the person who presented the gift registered by the court was in trouble, the monarch and the court would help him. Jahez, a historian and writer, writes in one of his books on ancient Iran: "Whenever the owner of the present is in trouble or wants to construct a building, set up a feast, have his children married, etc. the one in charge of this in the court would check the registration. If the registered amount exceeded 10,000 Derrik, he or she would receive an amount of twice as much."

A thousand years later, the inhabitants of Rhodes invented the concept of the 'general average'. Merchants whose goods were being shipped together would pay a proportionally divided premium which would be used to reimburse any merchant whose goods were deliberately jettisoned in order to lighten the ship and save it from total loss.

The Greeks and Romans introduced the origins of health and life insurance c. 600 AD when they organized guilds called "benevolent societies" which cared for the families and paid funeral expenses of members upon death. Guilds in the ‘Middle Ages’ served a similar purpose. The Talmud deals with several aspects of insuring goods. Before insurance was established in the late 17th century, "friendly societies" existed in England, in which people donated amounts of money to a general sum that could be used for emergencies.

Separate insurance contracts (i.e., insurance policies not bundled with loans or other kinds of contracts) were invented in Genoa in the 14th century, as were insurance pools backed by pledges of landed estates. These new insurance contracts allowed insurance to be separated from investment, a separation of

roles that first proved useful in marine insurance. Insurance became far more sophisticated in post-Renaissance Europe, and specialized varieties developed.

Some forms of insurance had developed in London by the early decades of the seventeenth century. For example, the will of the English colonist Robert Hayman mentions two "policies of insurance" taken out with the diocesan Chancellor of London, Arthur Duck. Of the value of £100 each, one relates to the safe arrival of Hayman's ship in Guyana and the other is in regard to "one hundred pounds assured by the said Doctor Arthur Ducke on my life". Hayman's will was signed and sealed on 17 November 1628 but not proved until 1633. Toward the end of the seventeenth century, London's growing importance as a centre for trade increased demand for marine insurance. In the late 1680s, Edward Lloyd opened a coffee house that became a popular haunt of ship owners, merchants, and ships' captains, and thereby a reliable source of the latest shipping news. It became the meeting place for parties wishing to insure cargoes and ships, and those willing to underwrite such ventures. Today, Lloyd's of London remains the leading market (note that it is not an insurance company) for marine and other specialist types of insurance, but it works rather differently than the more familiar kinds of insurance.

Insurance as we know it today can be traced to the Great Fire of London, which in 1666 devoured more than 13,000 houses. The devastating effects of the fire converted the development of insurance "from a matter of convenience into one of urgency, a change of opinion reflected in Sir Christopher Wren's inclusion of a site for 'the Insurance Office' in his new plan for London in 1667." A number of attempted fire insurance schemes came to nothing, but in 1681 Nicholas Barbon, and eleven associates, established England's first fire insurance company, the 'Insurance Office for Houses', at the back of the Royal Exchange. Initially, 5,000 homes were insured by Barbon's Insurance Office.

The first insurance company in the United States underwrote fire insurance and was formed in Charles Town (modern-day Charleston), South Carolina, in 1732. Benjamin Franklin helped to popularize and make standard the practice of

insurance, particularly against fire in the form of perpetual insurance. In 1752, he founded the Philadelphia Contributionship for the Insurance of Houses from Loss by Fire. Franklin's company was the first to make contributions toward fire prevention. Not only did his company warn against certain fire hazards, it refused to insure certain buildings where the risk of fire was too great, such as all wooden houses. In the United States, regulation of the insurance industry is highly Balkanized, with primary responsibility assumed by individual state insurance departments. Whereas insurance markets have become centralized nationally and internationally, state insurance commissioners operate individually, though at times in concert through a national insurance commissioners' organization. In recent years, some have called for a dual state and federal regulatory system (commonly referred to as the Optional federal charter (OFC)) for insurance similar to that which oversees state banks and national banks.

History of India's Insurance Business

The history of Insurance in India has been discussed in the "article IRDA/GEN/06/2007 dated 12.07.2007 of IRDA, titled "History of Insurance in India"[39] and it has been discussed below:

We find the term 'Yogakshemam Bahamayam' in our ancient texts. This suggests that a form of "community insurance" was prevalent around 1000 BC and practiced by the Aryans. In modern times, Triton Insurance Co. Ltd. was the first general insurance company to be established in India in 1850. The Bombay Mutual Life Insurance Society started its business in 1870. It was the first company to charge same premium for both Indian and non-Indian lives. The Oriental Assurance Company was established in 1880. Thereafter, many players emerged. By 1956, there were around 240 private life insurers and more than 100 general insurers. The Government of India, concerned by the unethical standards adopted by some players against the consumers, nationalised the industry in two phases in 1956 (life) and in 1972 (non-life). The government brought together life insurers under one nationalised monopoly corporation

and LIC was born. The general insurance business remained in the private sector till 1972.

In India, insurance has a deep-rooted history. It finds mention in the writings of Manu (Manusmrithi), Yagnavalkya (*Dharmasastra*) and Kautilya (*Arthasastra*). The writings talk in terms of pooling of resources that could be re-distributed in times of calamities such as fire, floods, epidemics and famine. This was probably a pre-cursor to modern day insurance. Ancient Indian history has preserved the earliest traces of insurance in the form of marine trade loans and carriers' contracts. Insurance in India has evolved over time heavily drawing from other countries, England in particular.

1818 saw the **advent of life insurance business in India** with the establishment of the Oriental Life Insurance Company in Calcutta. This Company however failed in 1834. In 1829, the Madras Equitable had begun transacting life insurance business in the Madras Presidency. 1870 saw the enactment of the British Insurance Act and in the last three decades of the nineteenth century, the Bombay Mutual (1871), Oriental (1874) and Empire of India (1897) were started in the Bombay Residency. This era, however, was dominated by foreign insurance offices which did good business in India, namely Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance and the Indian offices were up for hard competition from the foreign companies.

In 1914, the Government of India started publishing returns of Insurance Companies in India. The Indian Life Assurance Companies Act, 1912 was the first statutory measure to regulate life business. In 1928, the Indian Insurance Companies Act was enacted to enable the Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies. In 1938, with a view to protecting the interest of the Insurance public, the earlier legislation was consolidated and amended by the Insurance Act, 1938 with comprehensive provisions for effective control over the activities of insurers.

The Insurance Amendment Act of 1950 abolished Principal Agencies. However, there were a large number of insurance companies and the level of competition was high. There were also allegations of unfair trade practices. The Government of India, therefore, decided to nationalize insurance business.

An Ordinance was issued on 19th January, 1956 nationalizing the Life Insurance sector and Life Insurance Corporation came into existence in the same year. The LIC absorbed 154 Indian, 16 non-Indian insurers as also 75 provident societies—245 Indian and foreign insurers in all. The LIC had monopoly till the late 90s when the Insurance sector was reopened to the private sector.

The **history of general insurance dates** back to the Industrial Revolution in the west and the consequent growth of sea-faring trade and commerce in the 17th century. It came to India as a legacy of British occupation. General Insurance in India has its roots in the establishment of Triton Insurance Company Ltd., in the year 1850 in Calcutta by the British. In 1907, the Indian Mercantile Insurance Ltd. was set up. This was the first company to transact all classes of general insurance business.

1957 saw the formation of the General Insurance Council, a wing of the Insurance Association of India. The General Insurance Council framed a code of conduct for ensuring fair conduct and sound business practices.

In 1968, the Insurance Act was amended to regulate investments and set minimum solvency margins. The Tariff Advisory Committee was also set up then.

In 1972 with the passing of the General Insurance Business (Nationalization) Act, general insurance business was nationalized with effect from 1st January, 1973.Then the private companies and nationalized. The General Insurance Corporation of India was incorporated as a company in 1971 and it commence business on January 1sst 1973.

This millennium has seen insurance come a full circle in a journey extending to nearly 200 years. The process of **re-opening of the sector** had begun in the early 1990s and the last decade and more has seen it been opened up

substantially. In 1993, the Government set up a committee under the chairmanship of RN Malhotra, former Governor of RBI, to propose recommendations for reforms in the insurance sector. The objective was to complement the reforms initiated in the financial sector. The committee submitted its report in 1994 wherein, among other things, it recommended that the private sector be permitted to enter the insurance industry. They stated that foreign companies be allowed to enter by floating Indian companies, preferably a joint venture with Indian partners.

Following the recommendations of the Malhotra Committee report, in 1999, the Insurance Regulatory and Development Authority (IRDA) was constituted as an autonomous body to regulate and develop the insurance industry. The IRDA was incorporated as a statutory body in April, 2000. The key objectives of the IRDA include promotion of competition so as to enhance customer satisfaction through increased consumer choice and lower premiums, while ensuring the financial security of the insurance market.

The IRDA opened up the market in August 2000 with the invitation for application for registrations. Foreign companies were allowed ownership of up to 26%. The Authority has the power to frame regulations under Section 114A of the Insurance Act, 1938 and has from 2000 onwards framed various regulations ranging from registration of companies for carrying on insurance business to protection of policyholders' interests.

In December, 2000, the subsidiaries of the General Insurance Corporation of India were restructured as independent companies and at the same time GIC was converted into a national re-insurer. Parliament passed a bill de-linking the four subsidiaries from GIC in July, 2002.

Today there are 24 general insurance companies including the ECGC and Agriculture Insurance Corporation of India and 23 life insurance companies operating in the country.

The **insurance sector is a colossal one** and is growing at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the

country's GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country.

2.6 The General Insurance Sector in India

The history of general insurance business in India can be traced back to Triton Insurance Company Ltd. (the first general insurance company) which was formed in the year 1850 in Kolkata by the British.

Important milestones in the Indian general insurance business:

- **1907:** The Indian Mercantile Insurance Ltd. was set up which was the first company of its type to transact all general insurance business.
- **1957:** General Insurance Council, an arm of the Insurance Association of India, framed a code of conduct for guaranteeing fair conduct and sound business patterns.
- **1968:** The Insurance Act improved for regulating investments and set minimal solvency levels and the Tariff Advisory Committee was set up.
- **1972:** The General Insurance Business (Nationalization) Act, 1972 nationalized the general insurance business in India. It was with effect from 1st January 1973.

Private companies were amalgamated and grouped into four companies, viz. the National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd. and the United India Insurance Company Ltd. GIC was incorporated as a company.

The India general insurance sector has witnessed robust growth in the recent past due to a booming economy and a rise in people's standard of living. The General Insurance Corporation of India is loaded with the responsibility to supervise and manage the general insurance business in India.

“IRDA on in their article “Insurance History” has summarized the history of Indian General Insurance and which has been produced below”[40]:

It states that the Indian General Insurance Industry has grown as under:

Insurers

Insurance industry, as on 1.4.2000, comprised mainly two players: the state insurers:

Life Insurers:

- Life Insurance Corporation of India (LIC)

General Insurers:

- General Insurance Corporation of India (GIC) (with effect from Dec'2000, a National Reinsurer)

GIC had four subsidiary companies, namely (with effect from Dec'2000, these subsidiaries have been de-linked from the parent company and made as independent insurance companies.

1. The Oriental Insurance Company Limited
2. The New India Assurance Company Limited
3. National Insurance Company Limited
4. United India Insurance Company Limited.

General Insurance Corporation of India: History in Brief

The entire general insurance business in India was nationalized by General Insurance Business (Nationalization) Act, 1972 (GIBNA). The Government of India (GOI), through Nationalization took over the shares of 55 Indian insurance companies and the undertakings of 52 insurers carrying on general insurance business.

General Insurance Corporation of India (GIC) was formed in pursuance of Section 9(1) of GIBNA. It was incorporated on 22 November 1972 under the

Companies Act, 1956 as a private company limited by shares. GIC was formed for the purpose of superintending, controlling and carrying on the business of general insurance.

As soon as GIC was formed, GOI transferred all the shares it held of the general insurance companies to GIC. Simultaneously, the nationalized undertakings were transferred to Indian insurance companies. After a process of mergers among Indian insurance companies, four companies were left as fully owned subsidiary companies of GIC (1) National Insurance Company Limited, (2) The New India Assurance Company Limited, (3) The Oriental Insurance Company Limited, and (4) United India Insurance Company Limited

The next landmark happened on 19th April 2000, when the Insurance Regulatory and Development Authority Act, 1999 (IRDAA) came into force. This act also introduced amendment to GIBNA and the Insurance Act, 1938. An amendment to GIBNA removed the exclusive privilege of GIC and its subsidiaries carrying on general insurance in India.

In November 2000, GIC is renotified as the Indian Reinsurer and through administrative instruction, its supervisory role over subsidiaries was ended.

With the General Insurance Business (Nationalization) Amendment Act 2002 (40 of 2002) coming into force from March 21, 2003 GIC ceased to be a holding company of its subsidiaries. Their ownership was vested with Government of India. GIC has its registered and head office at following address:

"Suraksha",170, Jamshedji Tata Road, Churchgate,
Mumbai - 400 020 India
Tel. (Board): +91 22 2286 7000
Fax No: +91 22 2289 9600, Email : info@gicofindia.com

Regulatory Framework

The functioning of GIC has to be within the regulations of the following major Acts:

- The Companies Act, 1956
- Insurance Act, 1938
- General Insurance Business (Nationalization) Act, 1972
- General Insurance Business (Nationalization) Amendment Act. 2002.
- Insurance Regulatory and Development Authority Act, 1999
- Certificate of Registration with IRDA
- Certificate of Renewal of Registration from IRDA for 2010-11

Domestic Reinsurance Business

As a sole reinsurer in the domestic reinsurance market, GIC provides reinsurance to the direct general insurance companies in the Indian market. GIC receives statutory cession of 10% on each and every policy subject to certain limits. It leads many of domestic companies' treaty programmes and facultative placements. GIC's capacity for each class of business on Treaty and Facultative basis for domestic business is given in the following table.

International Reinsurance Business

A GIC is spreading its wings to emerge as an effective reinsurance solutions partner for the Afro-Asian region and has started leading the reinsurance programmes of several insurance companies in SAARC countries, South East Asia, Middle East and Africa. To offer its international clientele an easy accessibility, efficient service and tailor made reinsurance solutions; GIC has opened liaison/representative/branch offices in London and Moscow. GIC provides following capacities for Treaty and Facultative business on risk emanating from the international market based on merits of the business.

Vision

The vision of GIC is *"To be a leading global reinsurance and risk solution provider"*

Mission

To achieve our vision by:

- Building long-term mutually beneficial relationship with business partners. practicing fair business ethics and values
- Applying "state-of-art" technology, processes including enterprise risk management and innovative solutions
- Developing and retaining highly motivated professional team of employees
- Enhancing profitability and financial strength befitting the global position

Core values

- Trust and mutual respect
- Professional excellence
- Integrity and transparency
- Commitment
- Responsive Service

2.7 Profile of Public Sector General Insurance Companies in Pune City

There are four public sector general insurance companies and all these companies have their offices in the city of Pune. The profiles of these companies have been summarized below:

The Oriental Insurance Company Limited[41]

The Oriental Insurance Company Ltd was incorporated at Bombay on 12th September 1947. The Company was a wholly owned subsidiary of the Oriental Government Security Life Assurance Company Ltd and was formed to carry out General Insurance business. The Company was a subsidiary of Life Insurance Corporation of India from 1956 to 1973 (when the General Insurance Business

was nationalized in the country). In 2003 all shares of the company held by the General Insurance Corporation of India were transferred to Central Government.

The Company is a pioneer in laying down systems for smooth and orderly conduct of the business. The strength of the company lies in its highly trained and motivated workforce that covers various disciplines and has vast expertise. Oriental specializes in devising special covers for large projects like power plants, petrochemical, steel and chemical plants. The company has developed various types of insurance covers to cater to the needs of both the urban and rural population of India. The Company has a highly technically qualified and competent team of professionals to render the best customer service.

Oriental Insurance made a modest beginning with a first year premium of Rs.99,946 in 1950. The goal of the Company was “Service to clients” and achievement thereof was helped by the strong traditions built up overtime

Oriental with its head Office at New Delhi has 26 Regional Offices and 900+ operating Offices in various cities of the country. The Company has overseas operations in Nepal, Kuwait and Dubai. The Company has a total strength of 15,000+ employees. From less than a lakh at inception, the Gross Premium went up to Rs.58 crores in 1973 and during 2008-09 the figure stood at a mammoth Rs. 4077.90 crores.

National Insurance Company Ltd.[42]

National Insurance Company Ltd India is one of the leading public sector insurance companies dealing with general insurance business. Their new and customized policies ensure the catering of even specialized insurance requirements of almost every sector or industry in the Indian Economy.

National Insurance Company Limited India, with its headquarters in Kolkata, was incorporated in 1906. After the passing of the General Insurance Business Nationalization Act in 1972, over 30 companies, both Indian and foreign were included with it. National Insurance Company India became a subsidiary of General Insurance Corporation of India (GIC) and after the General Insurance

Business (Nationalization) Amendment Act, 7th August 2002, it was delinked from GIC and henceforth it is operating as a Government of India undertaking.

Today (2011):

National Insurance Company India with its nearly 1000 offices offers easy insurance services to every part of the country from remote rural areas to townships and metropolitan cities. The company's foreign operational bases are in Nepal and Hong Kong. Presently, National Insurance Company India with its more than 180 policies caters the diverse insurance requirements of their customers. The gross direct premium income of the company had grown to 3523.67 crores rupees in the financial year 2005-2006.

National Insurance Company India has ties with commercial banks, Non-Banking Financial Institutions, Automobile Manufacturers, NGOs and State Governments for marketing of its Insurance services.

United India Insurance Company[43]

United India Insurance Company Limited was incorporated as a Company on 18th February 1938. General Insurance Business in India was nationalized in 1972. 12 Indian Insurance Companies, 4 Cooperative Insurance Societies and Indian operations of 5 Foreign Insurers, besides General Insurance operations of southern region of Life Insurance Corporation of India were merged with United India Insurance Company Limited. After Nationalization United India has grown by leaps and bounds and has 18300 workforce spread across 1340 offices providing insurance cover to more than 1 Crore policy holders. The Company has variety of insurance products to provide insurance cover from bullock carts to satellites.

United India has been in the forefront of designing and implementing complex covers to large customers, as in cases of ONGC Ltd, GMR- Hyderabad International Airport Ltd, Mumbai International Airport Ltd, Tirumala-Tirupati Devasthanam etc. It has been also the pioneer in taking Insurance to rural masses with large level implementation of Universal Health Insurance

Programme of Government of India & Vijaya Raji Janani Kalyan Yojana (covering 45 lakhs women in the state of Madhya Pradesh), Tsunami Jan Bima Yojana (in 4 states covering 4.59 lakhs of families), National Livestock Insurance and many such schemes. It has also made its presence in more than 200 tier II & III towns and villages through its innovative Micro Offices.

The New India Assurance Company Ltd.[44]

The New India Assurance Co. Ltd was established in 1919 by Sir Dorab Tata in Bombay (now Mumbai, India). It initially started its operation as a life and general business. Then in 1956 New India became an exclusive General Insurance Company. Nationalized in 1973 with merger of Indian companies.

Gross Premium (in India) was Rs. 5017.20 crores in the year 2006-2007, as against Rs. 4791.49crores in the year 2005-2006. Assets Rs. 27444.57crores as on 31st March 2007. Network of Offices-26 Regional Offices, 393 Divisional Offices, 614 Branches and 34 Direct Agent Branches. Rank No. 1 in the Indian market. Largest Non-Life insurer in Afro-Asia excluding Japan. First Indian non-life company to cross Rs. 5000 crores Gross Premium. Global Re-insurance facilities. Overseas presence in countries like Japan, U.K, Middle East, Fiji and Australia.

Overseas operations commenced in 1920. Operations in 24 countries in the year 2004-05.Network of 19 Branches, 12 Agencies, 2 Associate companies and 2 Subsidiary companies in the year 2004-05. Overseas Premium of Rs. 892.35 crores in the year 2004-05, which accounts for more than 80% of total overseas premium in India.

Largest number of Offices - In India and Abroad Trained and technically qualified staff 1068 fully computerised offices across India. "A-" (Excellent) rating by A. M. Best & Co (Europe) First domestic company to be rated by an International Rating Agency. Rating based upon following factors: Superior capital position Strong operating performance Strong market position Only Company to develop significant International operations, long record of successful trading outside India.

2.8 The Role & Importance of General Insurance

General insurance offers protection from financial loss due to fire, various types of natural or man-made damage, theft, vandalism and a variety of other causes as defined on the individual's policy. Automobile insurance, homeowner and renter insurance, liability, and business insurance are all different types of general, or property, insurance. The important goal of property insurance is to cover your financial losses so that recovery and/or rebuilding is possible.

Automobile insurance can protect the insurer from vehicle damage loss or injury expenses if another driver hits you, especially if that driver is uninsured. It also should protect other drivers if the insurer is at fault in an accident. Renter and mortgage insurance protects your belongings and property up to the replacement value of the same but also provides liability insurance if there is a fire or an accident that damages the property of or injures others.

There are a wide variety of general, or property, insurance policies available to cover just about any contingency. People who have loans on their cars or homes are required by lenders to have protection coverage. People near the coast may need hurricane insurance and homeowners in flood-prone areas need flood insurance. There is a policy for just about every need.

The importance of insurance in protecting the policy holder's financial well-being can never be overemphasized. Everyone is encouraged to learn about all available insurance options and then choose policies that will offer the best protection for all needs.

As stated earlier, there was a monopolistic situation in India before the entry of the private sector companies in the general insurance field. There were only public sector companies. With the entry of the private general insurance companies in this field, competition amongst these companies started to get more and more business. This calls for different strategies, approaches, policies and planning on the part of the management of these companies. The present research work is significant from the point of view of studying the different

problems of general insurance companies as well as to know the future prospects of these companies.

This study will reveal the clearer picture about the present scenario of the general insurance business, Indian as well as global.

The study will also help the managements of these companies to know the positive and negative aspects regarding their management styles and they will be able to manage the business in a better way. They will also be able to take remedial actions wherever required.

The quality of services will improve and it will be possible to shape up the strategies accordingly. They will also be able to concentrate on the scope of the most profitable business.

The study will boost consumer awareness and their response towards the importance of general insurance business. Due to this study, the transaction of the policies will be easier than the earlier. The consumers will get relief from uncertain risks. Being consumers' market, nowadays, consumers will understand their own importance and can obtain cover as per their own needs.

The government will come to know the scope for general insurance business, what has been achieved so far, and what remains to be achieved. The pros and cons of liberalisation will be understood as this is a profit making business and private companies are sharing the profits.

The government will also realize whether any further reforms are required, which they can implement through IRDA, which will definitely help in enhancing the efficiency of general insurance companies. Thus, the concerned parties will get a clearer picture about the whole general insurance business at a glance.

When one hears the word insurance, the words boring and mundane probably enter the mind. It is realized that insurance is not a fun topic to discuss or think about, yet it is important and serves to protect your financial future. It is comforting to think that nothing untoward will ever happen and that one is invincible. But odds are that one is likely to get into a car accident or have some

type of health problem at some point in life, and when that happens, one will wish one had insurance. So when one questions whether one needs insurance, the answer is a resounding yes, one definitely needs insurance.

It may seem like getting insurance cover is a waste of resources- spending money on something that may or may not happen. Since one cannot predict the future, it is important to protect yourself and your possessions against damage and harm. General Insurance is all about protection- it protects against unfortunate incidents. The moment an unexpected ill-fated event happens, you will be so glad you have general insurance. General Insurance is not a rip off, but rather an essential financial service.

“General Insurance can be tedious, stressful, and mind boggling-- trying to figure out what you need, what you don't need, and how much you need. Basically, there are four areas that most people are concerned about insuring: their life, their health, their possessions, and their finances”[45].

Mediclaim insurance is something you simply must have. Most employers offer Mediclaim insurance to employees at reasonable rates, so definitely choose a health insurance plan that your employer offers.

The process of general insurance has been evolved to safeguard the interests of the people form uncertainty by providing certainty of payment at a given contingency.

The general insurance principle comes to be more and more used and useful in modern affairs.

Not only does it serve the ends of individuals, or of special groups of individuals, it tends to pervade and to transform our modern social order, too.

The role and importance of general insurance, here, has been discussed in three phases: (i) uses to individuals, (ii) uses to a special group of individuals, viz., to business or industry, and (iii) uses to the society in the book “Insurance – Principles and Practice”, by M. N. Mishra, Professor of Corporate Studies,

Faculty of Commerce, Banaras Hindu University-S. Chand & Company Ltd., Ram Nagar, New Delhi-110055 (Page-12) as under:

Uses to an individual

Provides Security and Safety

The property is insured against contingencies. In other words, the security is provided to the property against the loss at a given contingency. The general insurance provides safety and security against the loss at fire, damage, destruction or disappearance of property, goods, furniture and machines etc.

The security wish is the prime motivating factor. This is the wish which tends to stimulate to more work, if this wish is unsatisfied, it will create a tension which manifests itself to the individual in the form of an unpleasant reaction causing reduction in work.

The security banishes fear and uncertainty, fire, windstorm, automobile accident, damage and death are almost beyond the control of human agency and in occurrence of any of these events may frustrate or weaken the human mind. By means of insurance, however, much of the uncertainty that centres about the wish for security and its attainment may be eliminated.

Eliminates dependency

At destruction of property and goods, the family would suffer a lot. The economic independence of the family is reduced or, sometimes, lost totally. The insurance is here to assist them and provides adequate amount at the time of sufferings.

Uses to Business

The insurance has been useful to the business society also. Some of the uses are discussed below:

Uncertainty of business losses is reduced:

In world of business, commerce and industry a huge number properties are employed. With a slight sickness or negligence, the property may be turned into ashes. New construction and new establishment are possible only with the help

of insurance. In absence of it, uncertainty will be to the maximum level and nobody would like to invest a huge amount in the business or industry. A person may not be sure of his life and health and cannot continue the business up to longer period to support his dependents. By purchasing policy, he can be sure of his earning because the insurer will pay a fixed amount at the time of death. Again, the owner of the business might foresee contingencies that would bring great loss. To meet such situations they might decide to set aside annually a reserve, but it could not be accumulated due to death. However, by making an annual payment, to secure immediately, insure policy can be taken.

Business-efficiency is increased with insurance:

When the owner of a business is free from botheration of losses, he will certainly devote much time to the business. The care free owner can work better for the maximization of the profit. The uncertainty of loss may affect the mind of the businessman adversely. The insurance, removing the uncertainty, stimulate the businessmen to work hard.

Key Man Indemnification:

Key man is that particular man whose capital, expertise, experience, energy, ability to control, goodwill and dutifulness make him the most valuable asset in the business and whose absence will reduce the income of the employer tremendously and up to that time when such employee is not substituted. The death or disability of such valuable lives will, in many instances, prove a more serious loss than that by fire or any hazard. The potential loss to be suffered and the compensation to the dependents of such employee require an adequate provision which is met by purchasing an adequate life policy. The amount of loss may be up to the amount of reduced profit, expenses involved in appointing and training, of such persons and payment to the dependents of the key man. The Term Insurance Policy or Convertible Term Insurance Policy is more suitable in this case.

Enhancement of Credit:

The business can obtain loan by pledging the policy as collateral for the loan. The insured persons are getting more loans due to certainty of payment at their deaths. The amount of loan that can be obtained with such pledging of policy, with interest thereon will not exceed the cash value of the policy. In case of death, this cash value can be utilized for setting of the loan along with the interest. If the borrower is unwilling to repay the loan and interest, the lender can surrender the policy and get the amount of loan and interest thereon repaid. The redeemable debentures can be issued on the collateral of capital redemption policies. The insurance properties are the best collateral and adequate loans are granted by the lenders.

Business Continuation*:*

In any business particularly partnership business may discontinue at the death of any partner although the surviving partners can restart business, but in both the cases the business and the partners will suffer economically. The insurance policies provide adequate funds at the time of death. Each partner may be insured for the amount of his interest in the partnership and his dependents may get that amount at the death of the partner. With the help of property insurance, the property of the business is protected against disasters and the chance of disclosure of the business due to the tremendous waste or loss.

Welfare of Employees*:*

The welfare of the employees is the responsibility of the employer. The former are working for the later. Therefore, the later has to look after the welfare of the former which can be provision for early death, provision for disability and provision for old age. The requirements are easily met by the life insurance, accident and sickness benefit, and pensions which are generally provided by group insurance. The premium for group insurance is generally paid by the employer. This plan is the cheapest form of insurance for employers to fulfil their responsibilities. The employees will devote their maximum capacities to complete their jobs when they are assured of their above benefits. The struggle and strife

between employees and employer can be minimized easily with the help of such schemes.

Some of the uses of insurance to the society are discussed below:

Wealth of the society is protected:

The loss of a particular wealth can be protected with the insurance. The loss or damage of property at fire, accident etc., can be well indemnified by the property insurance; cattle, crop, profit and machines are also protected against their accidental and economic losses. With the advancement of the society, the wealth or the property of the society attracts more hazardous and, so new types of insurance are also invented to protect them against the possible losses. Through prevention of economic losses, insurance protects the society against degradation. Through stabilization and expansion of business and industry, the economic security is maximized. The present, future and potential human and property resources are well protected. The children are getting expertise education, working classes are free from botheration and older people are guiding at ease. The happiness and prosperity are observed everywhere with the help of insurance.

Economic Growth of the Country

For the economic growth of the country, insurance provides strong hand and mind, protection against loss of property and adequate capital to produce more wealth. The agriculture will experience protection against losses of cattle, machines, tools and crop. This sort of protection stimulates more production in agriculture, in industry, the factory premises, machines, boilers and profit insurances provide more confidence to start and operate the industry. Welfare of employees creates a conducive atmosphere to work. Adequate capital from insurers' accelerates the production cycle. Similarly, in business, too, the property and human materials are protected against certain losses; capital and credit are expanded with the help of insurance. Thus, the insurance meets all the requirements of the economic growth of a country.

Reduction in Inflation

The insurance reduces the inflationary pressure in two ways. First, by extracting money in supply to the amount of premium collected and secondly, by providing sufficient funds for production arrow down the inflationary gap.

2.9 General Insurance and Economic Growth

The insurance industries are developing financial institutions in the market. Insurance sector play a vital role in the social and economic development. It will be reducing the uncertainties and improving the financial resources.

There are two important channels which are helping the insurance sector for the economic and social development. Those channels are reducing uncertainties and pooling the long term financial resources.

Reducing Uncertainties:

Insurance sector is provides the financial support in unexpected and sudden situations (Such as floods, fire accidents, and earthquakes.) in businesses and human life.

Generating long term financial resources:

Generating financial long term resources play an important role in economic role. In insurance industry, funds are generated by premiums. These funds are invested in financial instruments (government securities and stock). And the financial instruments generate the long term financial resources.

Insurance industries affect economic growth by the channels of marginal productivity of capital, technological innovations and saving rate.

Chapter III - Overview of General Insurance Business in India (Problems, Challenges, Prospects etc.)

3.1 Insurance Regulatory & Development Authority of India (IRDA)[46]

Insurance Regulatory & Development Authority is regulatory and development authority under Government of India in order to protect the interests of the policyholders and to regulate, promote and ensure orderly growth of the insurance industry. It is basically a ten members' team comprising of a Chairman, five full time members and four part-time members, all appointed by Government of India. This organization came into being in 1999 after the bill of IRDA was passed in the Indian parliament.

The creation of IRDA has brought revolutionary changes in the Insurance sector. In the last 10 years of its establishment the insurance sector has seen tremendous growth. When IRDA came into being; the only players in the insurance industry were Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC), however in last decade 23 new players have emerged in the field of insurance. The IRDA also successfully deals with any discrepancy in the insurance sector.

“As per the section 4 of IRDA Act' 1999, Insurance Regulatory and Development Authority (IRDA, which was constituted by an act of parliament) specify the composition of Authority as under:”[47]

The Authority is a ten member team consisting of

(a) a Chairman;

(b) five whole-time members;

(c) four part-time members, (all appointed by the Government of India)

Duties, powers and functions of IRDA

Section 14 of IRDA Act, 1999 lays down the duties, powers and functions of IRDA as under (www.irda.gov.in):

Subject to the provisions of this Act and any other law for the time being in force, the Authority shall have the duty to regulate, promote and ensure orderly growth of the insurance business and re-insurance business.

a) Without prejudice to the generality of the provisions contained in sub-section (1),the powers and functions of the Authority shall include: a) issue to the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel such registration;
b) protection of the interests of the policy holders in matters concerning assigning of policy, nomination by policy holders, insurable interest, settlement of insurance claim, surrender value of policy and other terms and conditions of contracts of insurance;
c) specifying requisite qualifications, code of conduct and practical training for intermediary or insurance intermediaries and agents
d) specifying the code of conduct for surveyors and loss assessors; promoting efficiency in the conduct of insurance business;
e) promoting and regulating professional organizations connected with the insurance and re-insurance business;
f) levying fees and other charges for carrying out the purposes of this Act; calling for information from, undertaking inspection of, conducting enquiries and investigations including audit of the insurers, intermediaries, insurance intermediaries and other organizations connected with the insurance business;
g) control and regulation of the rates, advantages, terms and conditions that may be offered by insurers in respect of general insurance business not so controlled and regulated by the Tariff Advisory Committee under section 64U of the Insurance Act, 1938 (4 of 1938);
h) specifying the form and manner in which books of account shall be

i) maintained and statement of accounts shall be rendered by insurers and other insurance intermediaries;
j) regulating investment of funds by insurance companies;
k) regulating maintenance of margin of solvency;
l) adjudication of disputes between insurers and intermediaries or insurance intermediaries;
m) supervising the functioning of the Tariff Advisory Committee; specifying the percentage of premium income of the insurer to finance schemes for promoting and regulating professional organizations referred to in clause(f);
n) specifying the percentage of life insurance business and general insurance business to be undertaken by the insurer in the rural or social sector; and
o) exercising such other powers as may be prescribed

3.2 Various Insurance Regulations issued by IRDA since 2000 to 2010

The IRDA has issued various insurance regulations from the year 2000 to 2010, which are as under:

- IRDA Actuarial Report and Abstract 2000
- IRDA Registration of Indian Insurance Companies 2000
- IRDA Insurance Advertisement and Disclosure 2000
- IRDA The IRDA (Meetings) 2000
- IRDA Investments (Life and General) 2000
- IRDA Statements of Accounts 2000
- IRDA The Insurance Advisory Committee (Meetings) Regulations, 2000
- IRDA Assets, Liabilities, and Solvency Margin of Insurers Regulations, 2000
- IRDA Obligations of Insurers to Rural Social Sectors Regulations, 2000

- IRDA Licensing of Insurance Agents Regulations, 2000
- IRDA Appointed Actuary 2000
- IRDA General Insurance - Reinsurance Regulations, 2000
- IRDA The IRDA (Staff) 2000
- IRDA Surveyors and Loss Assessors 2000
- IRDA Reinsurance –Life 2000
- IRDA Revised Investment Regulations in April 2001
- IRDA (third party administrators) regulations 2001
- IRDA (protection of policyholder's interest) regulations, 2002
- IRDA (licensing of corporate agents) regulations 2002
- IRDA (manner of receipt of premium) regulation 2002
- IRDA (licensing of brokers) regulation 2002
- IRDA (micro-insurance) regulations, 2005
- IRDA (Treatment of Discontinued Linked Insurance Policies) Regulations, 2010
- IRDA (Sharing of Database for Distribution of Insurance Products) Regulations, 2010

3.3 Public Sector & Private Sector Business Scenario: 2000 to 2008

The research work is being carried out for the period 2000 to 2008 and hence, we have to understand what the situation prior to 2000 was and what has been the situation during the period 2000 to 2008. The pre-liberalization period is the period prior to 2000 and in this period there was monopoly of the General Insurance Corporation of India and its following four subsidiaries:

- National Insurance Company
- New India Assurance Company
- Oriental Insurance Company
- United India Insurance Company

Insurance Regulatory and Development Authority Act (IRDA) came into effect in the year 1999.This Act removed the exclusive privilege of GIC and its subsidiaries to carry on general insurance business in India. The supervisory role of GIC over the subsidiaries ended and they were made four independent companies. There were 14 general insurance companies in the private sector by 2008.

The State of the General Insurance Market

India is the fifth largest general insurance market in Asia with annual premiums of $6.3 billion in FY09. India has second largest population in Asia (and the world) and an increasing middle class population. The low penetration of general insurance presents tremendous opportunity. It was projected that from 2006-2026 the working class population is expected to increase from 675.8 million to 795.5 million[48]. The market continues to be dominated by public sector, though share has declined since FY01. The large, middle class population, increased awareness and income levels have fuelled growth of the general insurance business. The maximum foreign partner investment is soon expected to increase to 49%, which is currently 26%

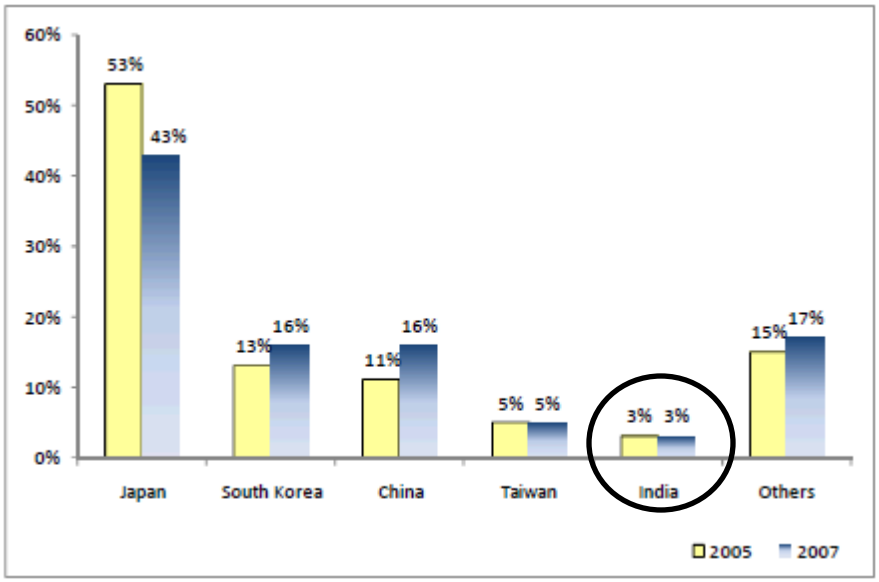


Figure SNI 1[49] State of the General Insurance market

"The industry has witnessed radical changes since the opening up of the market in 2000"[50].

Between FY01 and FY08 the industry grew at 19.5% per annum and ~10% in FY09.

Key growth drivers in the future can be summarized as under:

- Growing economy
- Low insurance penetration as a % of GDP
- Higher disposable income and savings
- Increasing urbanization and awareness

Detariffing has strengthened the bargaining power of the consumer, but in the short run has hurt profitability of the insurance companies. Companies will have to customize products and improve customer experience in order to win further market share. Increase in the FDI cap from 26% to 49% will help increase growth. It will be critical to develop systems that will ensure accurate pricing of risks, and adequate training of underwriters and sales force. On the whole, while the short term scenario for the general insurance sector appears to be

challenging, the long term prospects definitely present ample opportunities for growth.

General Insurance industry logs 12.53[51] per cent growth in FY 2008.During the period, tour public sector non-life insurance companies collected Rs16, 899 crores in reviewed fiscal, against Rs16, 278 crores in previous fiscal.

The 13 non-life insurers collected Rs. 28, 131 crores in premium in FY'08, against Rs. 24, 998 crores collected in the previous fiscal, according to industry data.

Private players increased their business from Rs. 8,720 crores to Rs. 11, 231 crores during the period.

In percentage terms, while public sector firms could increase their premiums by just 4%, nine private sector players clocked premium growth of 29%.

Private sector players' market share has grown to about 40% in FY'08 as compared to the public sector's 60% share.

During the fiscal 2007-2008, market leader New India Assurance premium collection grew by 5% to Rs5, 274 crores[52].

With the economy growing at a healthy rate, new and exciting areas of insurance are opening up in the Indian market to provide youth with great career opportunities.

The Indian market is big and very attractive to many companies, Indian or foreign, for the fact that there is a vast uninsured or underinsured area in the economy. There is little awareness about the general insurance, and therefore, insurance penetration is very low in India compared to many other countries, even the developing ones. This vast unexploited market draws many companies.

The general insurance had grown by leaps and bounds in the country during the past decade from Rs.10, 000 crores in 1999 to Rs.40, 000 crores in 2011. The target is to cross the Rs. one lakh crores mark by 2020, but it could be achieved much earlier, probably by 2017 or so[53].

The general insurance sector is growing at a healthy 13 per cent per annum, but the premium density was only 4.4 US dollars, very low in comparison with many other countries[54].

The market share of private general insurers has been increasing over the years since liberalization. In FY09, the private insurers had a market share of 41.08% which was higher than 34.90% in FY07[55]. As a consequence, there has been a decline in the market share of the public insurers to 58.92% in FY09 from 65.10% in FY07. Despite the decline in the market share of the public sector insurance companies the volume of premium underwritten by them has increased over the previous year reflecting an expansion in the general insurance market.

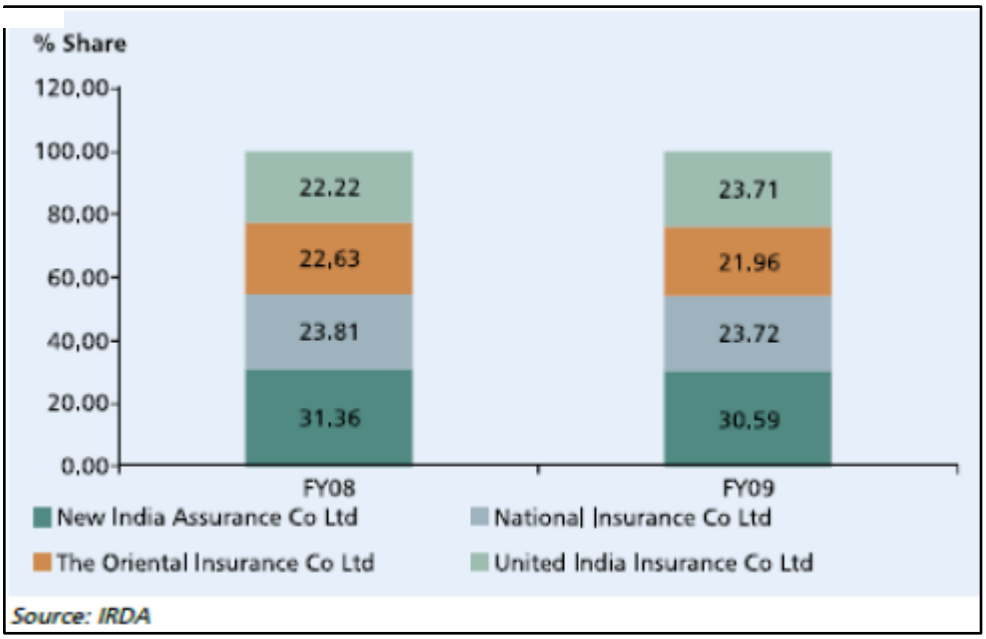


Figure SNI 2[56]Market shares of Public General Insurance Companies

Among the public sector insurers, New India had the largest market share at 30.59% in FY09[57], lower than its market share of 31.36% in the previous year. Oriental Insurance, National Insurance and United India Insurance had market shares at 21.96%, 23.72% and 23.71% respectively in FY09 as against 22.63%, 23.81% and 22.22% in the previous year. Among the private insurers, ICICI Lombard had the highest market share of 27.20% in FY09 followed by Bajaj Allianz with a share of 21.00%. Reliance General Insurance has registered a decline in its market share from 17.33% in FY08 to 15.23% in FY09.

Some of the factors that have enabled private sector players to improve their market share include:

Leverage: The private sector players continue to leverage on the business relationships of their parents and their quality of service to gain market share in the general insurance market.

Operational Flexibility: The private general insurers enjoy considerable operational flexibility, whereas the public sector companies have been constrained by their traditions. In the past, private insurers had aggressively targeted the more profitable corporate fire and engineering businesses by combining them with discounted offers on de-tariffed products, for example, personal accident & health, marine cargo and hulls. Private general insurance players especially during their initial years have selectively targeted more profitable business lines than the public sector companies for growth purposes. They have benefitted from the experiences of the public sector as well as their international joint-venture partners. The inherent operational flexibility of the private players such as aggressive pricing has also allowed them to capture a greater share of large corporate accounts.

Innovation: Public players' limited capacity to innovate impacted their ability to tailor and aggressively price products for large corporations. The private players by contrast have focused on account-level profitability for large corporations and have expanded their shares by cross-subsidizing tariffed products. However, a strong relationship that the public sector general insurance companies have with their existing corporate clients has enabled them to retain their dominant market position.

Strong Infrastructure and Systems: Private players are not hindered by their charters or legacy systems and have constructed technologically advanced infrastructure. They started with large investments in technology, which helped them to build robust data management systems. This characteristic enabled quick and effective decision-making for pricing and claims settlements, which are vital for building franchises. On the other hand, public entities have only recently

upgraded their systems and have to grapple with transition issues, such as moving from paper to paper-less systems. Hence they are burdened by legacy systems and fragmented databases.

Claims Settlement: The public insurers have also been hampered in claims servicing by their process oriented approach. They have been unable to expedite claim settlements through out-of-court negotiations since a large proportion of their claims pertain to the third party motor segment, which is subject to adjudication by the Motor Accident Claim Tribunal. The result is a time-consuming process. However, the combination of superior technology and selective underwriting has allowed the private sector players to set high standards for policyholder services, thereby differentiating themselves from public sector insurers. The claim settlement performance of the private sector has also been superior because of the limited amount of third party motor business that they have underwritten.

Distribution: The Indian general insurance industry has historically been dominated by the agency channel, through which 75% of total premium income was sourced. But in recent periods other channels such as banc assurance, brokers, corporate agents, direct marketing and direct sales channels are gaining importance. In a deregulated environment, the broking community is slowly becoming an integral part of the insurance and risk financing process. Most insurers now have tie-ups with the banks, which acts as corporate agents and are remunerated on a commission basis. For example, ICICI Lombard sources a major portion of its business from a tie-up with ICICI Bank. Similarly, Bajaj Allianz General Insurance Company Limited (BAIL, second largest private player) has tie-ups with large number of banks, which contribute a big share of its total premium income. As of September 10, 2008, 281 brokers were registered with IRDA, including 242 direct brokers, 33 composite brokers and 6 reinsurance brokers. This has enabled private players to enter into uncovered markets and expand their share in overall general insurance market.

3.4 Impact of IRDA act on general insurance policy holders

The formation of the Malhotra Committee in 1993 initiated reforms in the Indian insurance sector. The aim of the Malhotra Committee was to assess the functionality of the Indian insurance sector. This committee was also in charge of recommending the future path of insurance in India.

The Malhotra Committee attempted to improve various aspects of the insurance sector, making them more appropriate and effective for the Indian market.

The recommendations of the committee put stress on offering operational autonomy to the insurance service providers and also suggested forming an independent regulatory body. The Insurance Regulatory and Development Authority Act of 1999 brought about several crucial policy changes in the insurance sector of India. It led to the formation of the Insurance Regulatory and Development Authority (IRDA) in 2000. The goals of the IRDA are to safeguard the interests of insurance policyholders, as well as to initiate different policy measures to help sustain growth in the Indian insurance sector. The Authority has notified 27 Regulations on various issues which include Registration of Insurers, Regulation on insurance agents, Solvency Margin, Re-insurance, Obligation of Insurers to Rural and Social sector, Investment and Accounting Procedure, Protection of policy holders' interest etc. Applications were invited by the Authority with effect from 15th August, 2000 for issue of the Certificate of Registration to both life and non-life insurers. The Authority has its Head Quarter at Hyderabad.

Protection of the interest of general insurance policy holders

“IRDA has the responsibility of protecting the interest of insurance policyholders. Towards achieving this objective, the Authority has taken the following steps:”[58]

- IRDA has notified Protection of Policyholders Interest Regulations 2001 to provide for: policy proposal documents in easily understandable language; claims procedure in both life and non-life; setting up of grievance redressal machinery; speedy settlement of claims; and policyholders' servicing. The

Regulation also provides for payment of interest by insurers for the delay in settlement of claim.

- The insurers are required to maintain solvency margins so that they are in a position to meet their obligations towards policyholders with regard to payment of claims.
- It is obligatory on the part of the insurance companies to disclose clearly the benefits, terms and conditions under the policy. The advertisements issued by the insurers should not mislead the insuring public.
- All insurers are required to set up proper grievance redress machinery in their head office and at their other offices.
- The Authority takes up with the insurers any complaint received from the policyholders in connection with services provided by them under the insurance contract.

3.5 Nationalization of General Insurance Business in India

Mr. P. S. Palande, Mr. Shah and Mr. M. L. Lunawat, in their book, "Insurance in India", has discussed this chapter in detail. The essence of the same is as under;

Nationalization Phase of Indian General Insurance Business:

The Government had nationalized the insurance business in India, but it gathered the momentum in the year 1944. In this same year, a bill to amend the Life Insurance Act 1938 was introduced by the government in the Legislative Assembly. The government took the control of 154 Indian insurance companies, 16 non-Indian companies and 75 provident societies in the year 1956 and nationalized these companies. The Life Insurance Company was formed by an act of parliament in this year which is called as LIC Act, 1956. The capital contribution of the government of India was Rs. 5 Crore.

The government, in the year, 1972 formulated an act called The General Insurance Business (Nationalization) Act. This act nationalized the general

insurance business in India with effect from 1st January 1973 and the amalgamation of private companies was effected.

The nationalization process was accomplished in two stages. In the first stage, the government took over the management of these companies by passing an ordinance and in the second stage; the government took over the ownership of these companies by means of a comprehensive bill. The government nationalized the LIC in the year 1956 with the objective of spreading the life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country. The purpose was to provide them adequate financial cover at a reasonable cost. Today, LIC is India's leading Insurance Company, with 2000 branches. Thus, LIC has the highest number of branches across India in the insurance sector.

The question comes to mind that why the nationalization was done? Was it required? What prompted government to nationalize the insurance business? What are factors that lead the government to nationalize this business?

The insurance sector in India was an open competitive market. From this, it became nationalized business. Today, it has come back to liberalized market. Therefore, it can be said that the insurance sector in India has experienced a 360-degree journey over a period of more than a hundred years.

India became independent in the year 1947 and within ten years of independence, the insurance business was brought under the control of the government. These government controlled companies functioned under the burden of bureaucracy and inefficiency. These companies had millions of policyholders. This was due to the fact that there were no other alternatives available to the policyholders. This was the situation till the re-opening of the sector in the 1990s. Prior to this, if there were any attempts regarding opening up of the sector, there used to be very violent criticism and agitation from insurance employees unions. There was a Congress led government at the centre during the period 1991-1996 and this government introduced reforms in various sectors of the economy. However, this government could not bring about a change in the

insurance sector. It was the BJP-led coalition government which took the challenge to instate the present liberal structure. They had to face the criticism from some of their coalition partners.

The argument behind opening up of the sector was consumer-centric, which claimed that opening up the insurance sector would give better products and service to consumers. Those who were not in favour of opening up of the sector or the privatization of the sector argued that in a poor country like India insurance needs to have social objectives and newcomers will not have that commitment.

The insurance sector was finally opened to competition again in 1999- 2000. It will, therefore, take some time before we can gauge its true performance. By 1956, as many as 154 Indian insurers, 16 non-Indian insurers and 75 provident societies (in all, 254 entities) had entered the life insurance business in India. This figure may look big, but the fact is that the geographical spread and the number of lives covered were rather small.

At that time, the insurance companies, by and large, were governed by short-term considerations. Because of this, the business was confined mainly to cities and the more affluent segments of the society. The insurance policies were being offered to the people in high income groups and usually people with small income groups were neglected. It was required to reach the poor and small income group people. The income and financial position of small income group people had not even been attempted for offering policies to them.

It is during this period that a number of malpractices occurred in the industry. This caused losses to the unsuspecting public.

There were also some instances of mismanagement and misutilisation of funds collected. This was highly objectionable and harmful development in this field. These diversions of funds were so large that it led to a situation where the insurance companies were not in a position to honour their commitment to their own customers.

Some of the companies were winding up. This process gathered momentum especially after the First World War. In between 1914 and 1920; many insurance companies were closed down. This caused large losses for the small investors. The Union Government's efforts at regulating the industry through various legislative measures were not very effective. The former Finance Minister, Dr. C. D. Deshmukh said in Parliament, during the debate on the life insurance (Emergency Provisions) Bill, 1956, that: "*The industry was not playing the role expected of insurance in a modern state and efforts at improving the standard by further legislation."*

The managements were expected to act as trustees. The concept of trusteeship seemed entirely lacking. Indeed, most managements had no appreciation of the clear and vital distinction that exists between trust moneys and those which belong to joint stock companies.

Because of these developments, the demand for stricter government control of the industry gathered momentum and called for nationalization of the insurance business.

Again, quoting Dr. C. D. Deshmukh, *' Misuse of power, position and privilege that we have reasons to believe occurs under existing conditions is one of the most compelling reasons that have influenced us in deciding to nationalize life insurance'.*

Although that was the immediate cause of nationalisation, Dr. C. D. Deshmukh argued that the principal point about nationalization was that the state did not have to make out a case that the private sector had failed. Nationalization is justified on many other grounds of ideology, philosophy and the objective of a welfare state. It was necessary in order that the interest of the insuring public and the industry could be safeguarded, the country's economy promoted and more funds provided for economic development. These were the considerations which persuaded the Government of India to opt for nationalization of this industry.

The general insurance business of India has been doing very well after nationalization. It has grown in spread and volume after nationalization.

Post-Nationalization Process

The GIC's equity capital increased from the original capital of Rs. 215 million to Rs. 2.15 billion through bonus issues in 1982, 1986, 1990 and 1994. The four companies continued to expand their activities and, by 2001-2002, they operated through 2,699 branch offices, 1,360 divisional offices and 92 regional offices spread all over the country.

The gross premium income of the non-life insurance business grew from Rs. 2.04 billion in 1973 to Rs. 280.5 billion in 2007-2008[59]. The net premium income of the four subsidiaries was Rs. 87.45 billion and GIC's operations produced a net premium income of Rs. 26.71 billion. Of this, direct overseas operations of the subsidiaries produced a gross premium income of Rs. 9.3829 billion.

Even with a conservative approach towards investments and after fully providing for technical and other reserves, the industry has always made profit. It grew from Rs. 380 million in 1973 to Rs. 8.74 billion (net) in 1999-2000, but came down to Rs. 5.1740 billion in 2001[60]. In 2001-2002, the GIC itself ended up with a loss of Rs. 2.0470 billion (up from a loss of Rs. 3.3489 billion in the previous year.) on underwriting, but it's total profit when other income is taken into account, was Rs. 3.0671 billion, down from Rs. 4.0101 billion in 2000-2001.

As of March 31, 2002, GIC's total investment was Rs. 71.3583 billion, the income from which amounted to Rs. 7.6638 billion. For the general insurance companies as a whole, income from investments has been consistently rising and was Rs. 28.6369 billion in 2001-2002. GIC's reserves as on March 31, 2002 stood at Rs. 27.1560 billion and its assets were of the order of Rs. 103.7884 billion as at the end of 2002.

The general insurance industry has contributed handsomely to the national exchequer in dividends and taxes. Thus, GIC has been consistently paying, an annual dividend at 25 per cent to the government, although for 2002, it declared a lower dividend of 20 per cent (as against 30 per cent in 2001)[61].

Taxes paid by the general insurance industry during the same period amounted to Rs. 1.2015 billion, of which Rs. 0.5 billion was from the GIC and Rs. 0.7015 billion was paid by the four companies.

Unfortunately, even after nationalization, general insurance, like the life insurance business, also continued to show a bias towards the city based trade and industry for a number of years. Its emphasis has now changed and from a virtual nil premium base in 1973. Its rural and non-traditional business rose to Rs. 3.3614 billion as on March 31, 1998. The premium acquired during the year 2000-2001 was Rs. 4.2505 billion.

Despite all these achievements, coverage by general insurance is still lower in India as compared with other countries.

- The awareness level is low for general insurance products
- The commission structure was not very attractive for good agents to survive on a full time basis
- The distribution channels were not responsive to customer needs
- Their knowledge was not adequate
- Customer service needed improvement
- In particular, personal lines of business did not get adequate attention

These are some of the reasons for its slow growth in India.

The GIC was designated as the Indian reinsurer under section 101(A)(8)(ii) of the Insurance Act, 1938 and has done well for itself in this area.

The benefits of Nationalization can be summarized as follows:

1. Distribution
2. Variety of Product
3. Trust and Faith
4. Large Work force of Agent

The success of the insurance companies will be determined by their reach. This is true for all the insurance companies, irrespective of the age or the ownership. Today, the nationalized companies have a large reach and presence when compared with private companies. This is so, because, building a distribution network is expensive and time consuming. This is the challenge before the new entrants. It would be very difficult for them to penetrate in the market easily.

There are different product policies designed by the Nationalized Insurance companies. They are varied and focus on the need of Indian customer. This is the reason that even in a small village, there is a policyholder of the nationalised insurance company. In the initial stage, new entrant cannot expect the penetration and variety of products. This is because the small amount of policies will increase their carrying cost.

The reason for believing in nationalized companies is that these companies are owned by the government itself and they are existing since 1956. The people of India have real faith and are confident in with Nationalized Insurance Companies.

Since the government companies are there in this field for quite a long time, these nationalized companies have large and distributed human resource. This is very important for targeting huge mass. The same will not be possible for the new private entrants in the initial years. Even if they do, they would lack in experience and patience which is foremost quality of an agent.

The above are some of the benefits of nationalization. But there are many other areas in insurance sector, where the new entrants would plan their strategy and can penetrate the market.

Opportunities for New entrants

There are various opportunities for the new entrants in the field of general insurance:

1. They can introduce innovative products offering a right mix of flexibility/risk/return depending which will suit the appetite of the customers

2. They can target specific niches, which are poorly served or are not served at all.
3. Being the agrarian economy again there are immense opportunities for the new entrants to provide the liability and risks associated in this sector like weather insurance, rainfall insurance, cyclone insurance, crop insurance etc.
4. The financial sector is aggressively targeting retail investors. Housing finance, auto finance, credit cards and consumer loans all offer an opportunity for insurance companies to introduce new products like creditor insurance etc. Similarly, organized sector sales of TVs, refrigerators, washing machines and audio systems. Only a negligible portion of these purchases is insured. Potential buyers for most of this insurance lie in the middle class. This is a huge market for new private entrants.
5. The lack of a comprehensive social security system combined with a willingness to save in India will lead to a large demand for pension products. However, current penetration is poor. Making pension products into attractive saving instruments would require only simple innovations already prevalent in other markets. For example, their returns might be tied to index-linked funds or a specific basket of equities. Buyers could be allowed to switch funds before the annuities begin and to invest different amounts at different times
6. Health insurance is another segment with great potential because existing Indian products are insufficient. Indian products do not cover disability arising out of illness or disability for over 100 weeks due to accident. Neither do they cover a potential loss of earnings through disability.

3.6 Trends in General Insurance Business

With the de-regulation in Indian Insurance industry, the monopoly of public sector general insurance companies' in general insurance sector has come to an end. This has augmented the innovative practices initiated by the private players. Growth in the interactive technology such as internet has further created a wave

of excitement in the insurance market. Indian economy and Indian general Insurance sector is likely to achieve a double digit growth. Here is a glimpse of Insurance Industry over 190 years.

Insurance is a Rs 450 billion industry in India. The value of the market is determined by gross premium incomes. Indian Insurance market was at its all-time high in 2003 with a growth of about 17.4% over the previous year.

"Since 2001 Insurance is growing at the rate of 15-20 % annually. The growth in the insurance industry is affected by volatility in real estate rates, GDP rates and long term interest rates. Fluctuations in exchange rates also affect the growth in this sector. The gross premium as a percentage of the GDP has gone up from 2.3 in the year 2000 to 7.6 in 2008."[62]Together with banking services, it adds about 7% to the country's GDP.

The Indian Insurance Industry has gone through following phases:

- Ancient Historical Times
- British-India Period
- Post-Independence era of Indian Insurance
- Nationalization Phase of Indian Insurance
- Liberalization of Indian Insurance
- General Insurance in 21st Century

The Government of India liberalized the insurance sector in March 2000 with the passage of the Insurance Regulatory and Development Authority (IRDA) Bill, lifting all entry restrictions for private players and allowing foreign players to enter the market with some limits on direct foreign ownership.

3.7SWOT Analysis of Public Sector General Insurance Companies

"Moody's-ICRA Global Insurance article in the "Indian General Insurance Industry Outlook, in April 2008 issue has done a very good analysis of the General Insurance Industries in India and it is discussed below".[63]

The insurance industry in India has been in existence for quite some time now. As a result of this it has acquired some strength during this period. But at the same time it has also developed some weaknesses as well.

The Malhotra Committee has thrown light already on the opinions of the persons which it had interviewed. It had also commissioned an agency to make an independent assessment of the prevailing public opinion about the strengths and weaknesses in the working of the insurance companies. After this, it has drawn some conclusions.

Strengths

The government of India tried and brought about some qualitative improvements in the working of the insurance companies after nationalization. This was in terms of improved delivery systems, a large number of products on offer, geographical spread, reach and presence in remote areas served by a wide network of intermediaries, systems to manage very large funds collected almost on a daily basis, substantial funding of infrastructure creation, fulfilment of social obligations, and recently, better service through a fair amount of computerization.

As a result, over the years, the nationalized industry built up a sound financial base, and improvements in the areas mentioned above. It is served by a large and qualified staff, some of it with experienced professional talent.

There have been some more initiatives from the public sector units to further improve their work culture, but being of recent origin, they are still to bear full fruits and so the quality of work still leaves tremendous scope for improvement.

Even in a difficult field like reinsurance, the general insurance sector under government control has acquired a good standing in the international market.

All these strengths have put the public sector units in a position to successfully compete with other companies if they are freed from unnecessary government controls and are allowed to take timely, forceful and well-directed action.

Weaknesses

It is to be expected that an entity with a long standing monopoly position would develop certain weaknesses too. Certain weaknesses as noted by the Malhotra Committee that did surface in the nationalized insurance industry are briefly discussed here.

The weak areas of the industry were perceived to be the following: poor customer service, vast marketing and services network inadequately responsive to customer needs. The technical knowledge of most of the agents and development officers was also inadequate and they did not provide sufficient information about the scope of available covers. Insurance covers were expensive. The awareness level of various plans of insurance was quite limited amongst the policy holders, particularly in the rural areas. In addition to overstaffing, there was need for improvement in the culture, productivity and discipline among the employees. Similarly, the spread of rural-and welfare oriented insurance was limited. Technology was fully exploited.

Governmental interference affected the functioning of industry in the public sector mould. There was excessive government-directed investment of funds, which resulted in poor investment policies. Insurance executives felt inhibited in exercising discretion and taking timely and fair decisions because of apprehensions with regard to external agencies like the Central Vigilance Commission (CVC) and the Comptroller and Auditor General (C & AG). However, these checks and balances cannot be done away with in a public sector where large public funds are involved. Further, the phenomenon of corruption has also reared its ugly head, which is exacerbated because of the lags in

computerization which had seriously affected operational efficiency and customer service.

In the case of the general insurance industry, the perception of the consumer was that the four subsidiary companies were not effectively competing with each other due to 'fixed' tariffs and 'market agreements' in respect of non-tariff areas; and that GIC had been exercising excessive and detailed formal and informal control over their operations. Fair settlement of the claim amount, the speed of claims settlement, speed and accuracy in payments and the handling of grievances were the problem areas. There was little research and development (R&D) effort.

The Tariff Advisory Committee (TAC) was virtually an in-house wing of GIC and did not enjoy autonomy commensurate with its statutory status. TAC's interaction with the users of insurance was inadequate and it's responses to rating issues were painfully slow. The marketing of personal lines of insurance was also poor.

In anticipation of the opening up of the insurance sector to private competition, the general insurance industry had formed a core group and prepared a Vision (2001) Statement sometime in 1997, that recognized its weaknesses as follows- underwriting losses, low employee morale, overstaffing, weak penetration in rural areas, dissatisfied customers, low product innovation, and rigid control mechanisms.

Opportunities

The variety of constraints put on it by its owner, viz. the government, was both a reason as well as an alibi for the under performance of the nationalized insurance sector. Now that restrictive government policies are being given up (almost reluctantly) and public sector units are being empowered to make independent decisions, they should be freer to decide their own growth path. It should also be possible for them to prove their potential strength by exploiting the tremendous opportunities such as the following: substantial potential for growth (with the existing products and set up); exploring untapped niche areas; and forming limited joint ventures with suitable partners. Easy access to

developments in the more advanced markets provides further opportunities to upgrade their working. Technological, financial or specific area based avenues of absorbing improved systems are also now more easily available.

The expectation that private sector entrants would necessarily take time to secure a foothold in the market was in itself an opportunity. In practice, though, the new companies are entering the market for business. It is, therefore, up to the public sector companies to move quickly and at least prevent further incursion into their territory. If they do not move fast enough, a valuable opportunity would be lost by them.

Threats

These opportunities will be of course be accompanied by threats in the competitive market, and may be of the following nature:

Private entrants are naturally targeting the profitable and more lucrative segments, by providing better service, new products and flexibility. They are targeting the bigger corporate and other clients in the well-established metropolitan centres. These new entrants have succeeded in eating into share of the existing entities. This share will increase substantially, if not in the immediate future, but in the long run, if the existing incumbents do not radically alter their marketing structure and practices.

The service provided will decide whether the threat of losing the market share will come true, and in a competitive market, mere complaining does not help.

The companies will look for talent. This is but natural. Retaining qualified and competent executives will be a considerable challenge for the existing companies.

One very serious danger that the government-owned units are likely to face is that even if at some point of time, the government does decide to disinvest a portion of its equity; they may not be fully free from government interference. This could be a genuine threat since they would be competing with units which are free from such artificial and unnecessary restrictions.

The new units, equipped with state-of –the art equipment and innovative procedures would have an edge over the erstwhile public sector units, which until recently had no such opportunity and incentive. Due to the possible negative impact on employment, there was no serious effort at updating technology or equipment. The resultant inadequate investment in infrastructure could lead to their lagging behind in the race.

One of the trickiest problems is going to be to deal with the surplus staff which they are perforce required to carry, as against the leaner establishments with which their competitors' have started their operations. This threat has to be carefully and skilfully handled because sooner or later, some downsizing will have to be resorted to even while protecting the interest of the employees.

This analysis suggests that the industry has to carefully chart out its strategy on the basis of an appreciation of the strengths and weaknesses as also the possible threats and opportunities. It lends further support to the argument favouring opening up and restructuring of the insurance sector.

Weaknesses/Challenges

- Premiums rates will remain under pressure due to intense competition on the more profitable lines
- Falling premium income -- without a corresponding reduction in claims -- is likely to drive down profits
- Reinsurance is likely to cost more as treaty reinsurers reduce ceding commissions to compensate for the lower rates following deregulation
- Public and private sector insurers' greater reliance on their investment portfolios to generate sufficient income and gains for net profits would subject them to the volatility of the financial markets
- Private insurers need to raise more capital, otherwise growth could be constrained since reliance on reinsurance for capital relief is not always viable or available

- Traditional distribution channels, especially tied agents, need to be improved to match the new product offerings
- There is general lack of transparency as financial and operational data for insurers are not readily available as none of India's insurers are directly listed on stock exchanges
- Like all developing economies on a fast track, the shortage of trained insurance professionals and technicians at all levels cannot be remedied in the short term
- Natural catastrophes will always be present; the Indian sub-continent is vulnerable to cyclones, floods, hurricanes and earthquakes, and until there is a national capacity (similar to the terrorism pool) to manage losses, dependence on overseas reinsurers will continue

Strengths/Opportunities

- The intense competition brought about by deregulation has encouraged the industry to innovate in all areas; from underwriting, marketing, policy holder servicing to record-keeping
- Aggressive marketing strategies by private sector insurers will buoy consumer awareness of risk and expand the markets for products
- Competition in a deregulated environment will allow market forces to set premiums that are appropriate for exposures and push insurers to differentiate their products and services
- Innovations in distribution and improvements in market penetration will follow as public and private insurers compete to market their products
- Allowing insurers to issue their own policy wordings and set their own rates will enable underwriters to tailor products to meet client needs
- The existence of stringent licensing requirements ensure that only adequately capitalized and professionally managed companies are eligible to carry out insurance and reinsurance

- The Insurance Regulatory Development Authority of India's (IRDA) emphasis on quarterly reporting/monitoring of insurer solvency will enhance capital adequacy and transparency
- Licensed brokers are very much part of the intermediary structure and only those with adequate capital, professional experience and expertise will be licensed by IRDA

3.8 Challenges/Problems faced by Public Sector General Insurance Companies

The prospects of Indian Public Sector General Insurance Industries are very bright, however, at the same time, the industry is facing various challenges and these could be summarized as under:

Private insurance companies are entering the market every year. Therefore, the companies should carve out niche areas such that the threat of new entrants might not be an obstacle for them. There is also a chance that the big players might squeeze the small new entrants.

Power of Suppliers

Those who are supplying the capital are not that big a threat. For instance, if someone as a very talented insurance underwriter is presently working for a small insurance company, there exists a chance that any big player willing to enter the insurance industry might attract that person off.

Power of Buyers

No individual is a big threat to the insurance industry and big corporate houses have a lot more negotiating capability with the insurance companies. Big corporate clients like airlines and pharmaceutical companies pay millions of dollars every year in premiums.

Availability of Substitutes

There exist a lot of substitutes in the insurance industry. The large insurance companies provide similar kinds of services – be it auto, home, commercial, health or life insurance.

Besides this, other areas can be focused to grow and survive in the Indian Market

Understanding Customer needs

Understanding the customer better will allow insurance companies to design appropriate and-customized products, determine pricing correctly and increase profitability.

High-level Training and Development

Ensure high levels of training and development not just for staff but also for agents and distribution organizations. Existing organizations will have to train staff for better service and flexibility, while all companies will have to train employees to cope with new products and an intensive use of information technology.

Agent Relationship

Build strong relationships with intermediaries such as agents.

Market Segmentation

They must segment the market carefully to arrive at the appropriate products and pricing and should cater the needs of every individual.

Revamped Marketing Strategy

Worldwide, insurance products move along a continuum from pure service products to pure commodity products then they could be sold through the medical shops, groceries, novelty stores etc. Once commodization, popularity and awareness of the products are attained then the products can move to remote channels such as the telephone or direct mail. Brand loyalty could shift from the insurer to the seller.

Despite innumerable delays the sector has finally opened up for private competition. The threat of private players shaking up and giving the run for incremental market share for the Public Sector mammoths has been overplayed. The number of potential buyers of insurance is certainly attractive but much of this population might not be accessible for the new insurers. Since distribution will be a key determinant of success for all insurance companies regardless of age or ownership, Indian Insurance companies should broaden the distribution network. As the product moves towards the mature stages of commodization (increased awareness and popularity) they could then use a host of new channels like grocery stores, direct mails. Regulators must formulate strong and fair guidelines and ensure that old and new players are subject to the same rules and at the same time the government should ensure that the IRDA does not become yet another toothless tiger. In a reopened Indian insurance market, regulators must formulate strong fair and transparent guidelines and make sure that old and new players are subject to the same rules. Companies meanwhile must be prepared to set and meet high standards for themselves. The big challenge for both companies and regulators is to ensure that they replicate the benefits of the past while eliminating its ills.

3.9 Prospects of Public Sector General Insurance Business in India

In the book “Insurance: Fundamentals, Environment and Procedures, by Mr. B.S. Bodla, Mr. M. C. Garg, Mr. K. P. Singh-Deep & Deep Publications Pvt., the prospects of Indian General Insurance companies has been discussed, which are as under:

The opening of the general insurance sector has offered many opportunities to the existing as well as new players to enter this business. They can now penetrate into untapped areas, sectors and sub-sectors and unexploited segments of population. At present, the general insurance density and penetration are at a very low level. The insurance penetration is the indicator of

the significance of insurance industry in relation to a country's entire economic productivity. It indicates importance of insurance industry in the national economy.

On the other hand, insurance density reflects upon the country's insurance purchasing power. Both indices are at very low level in the country even compared to the countries with the same level of economic development and per capita income. This shows that there is a vast potential for the growth of this sector in future. It is estimated that the economy will continue to grow at the rate of around 7 to 7.5% in future. As a result of this, the scope for increasing insurance network in the country is also expected to grow up[64]. This gives us an idea of the scope of insurance network and how fast it will continue to grow. This also shows that in India the prospects for insurance industry are very good. Looking at the new entries in this sector, it is very clear that yet a large number of companies will enter the Indian market and the scope will keep on increasing. There will be a shift from monopoly to competitive market. There will be change from sellers' to the buyers' market in the insurance industry. This will also pose challenges to this sector. This challenge will be for both existing as well as to new industries. The challenge will be in terms of increasing sensitivity of the consumers to the quality of services offered by the firms, in terms of policy conditions, time consumed in the delivery of policy documents, pricing of products, expeditious settlement of claims, marketing channels etc.

With the arrival of new firms in the industry, consumers will expect new products designs at low prices, their professional selling, and responsive services. The firms lagging behind in these areas are likely to lose share in the market in a very short time and may even be forced to leave the industry. Thus, the competition while offering ample opportunities to the firms to widen the horizon of the market are also subjected to serious challenges due to increased sensitiveness of consumers to the quality of customers' services.

The intense competition which is there because of deregulation has compelled or encouraged the insurance industries to innovate in all the areas. It is expected

that there will be aggressive marketing policies by private sector companies. This will increase the awareness amongst the people. Since the environment is deregulated and opened up, the same will force to set premiums. There will be innovations. The market penetration will also be there. This is because both the public and private sectors will be competing to market their products.

India is geographically large and has the world's second largest population -1.20 billion approximately. At the same time, it has one of the lowest penetration rates for property and casualty insurance in Asia in terms of premium as a percentage of GDP. This situation reflects the fact that India's insurance market is still in its infancy and has not yet fully matured. Justifying the Assocham's predictions, RNCOS in its new research report, *"Booming Insurance Market in India (2008-2011)"* has forecasted that the Indian general insurance industry to grow at a CAGR of more than 25% between 2008-09 and 2010-11. As per a senior research analyst at RNCOS, the strong growth in the Indian general insurance sector is primarily due to the intense marketing strategies and techniques adopted by these companies.

Further, the private general insurance companies have started focusing on untapped rural areas offering tremendous growth opportunities. This will help in raising the private sector's share in rural market. Private general insurance companies have a vast product portfolio in terms premium amounts, giving people a large number of alternatives to choose from as per their requirement. In addition, the general insurance companies mainly target the manufacturing sector but the service sector accounts for a very large share in the country's GDP, offering growth opportunities to the industry. Also, private players have better market capitalization over public companies as they provide high return and aggressively market their products.

According to a Research Analyst at *RNCOS, a market research and consultancy firm,* "Due to the adoption of aggressive marketing techniques by private players, the competition in the sector has further intensified, which is reducing the market share of public sector general insurance companies. However, the public sector

general companies have widened their product range and improved their quality to match with those offered by private players, giving them long term advantage. General Insurance companies will earn lots of profits with the development and expansion of the insurance industry in the country"[65].

The prospects of general insurance business in the coming years and in this millennium have been forecasted as very bright.

Chapter IV - Research Methodology

4.1Statement of the Problem

The research aims to study the problems and prospects of the general insurance companies in the public sector in the city of Pune. Prior to liberalization, there were only four public sector companies in the general insurance sector. All these companies had monopoly in the general insurance business before the entry of private insurance companies.

The Government accepted the recommendations of RN Malhotra committee and opened up the sector for private sector. With the entry of private insurance companies and liberalization of Indian economy the competition has become fierce. The entry of the private sector companies is inevitable. Though there is a change in the situation, the problems of the public sector general insurance companies have still remained. The research therefore aims to study these problems and also to study the prospects of these companies in a changed situation after liberalization.

4.2Objectives of the Study

Because of liberalization, the monopoly of public sector general insurance companies has come to an end. There is, now, fierce competition between public sector and private sector companies as well as between public sector to public sector companies. There are various problems that all these companies are facing because of this. It would also be interesting to study and know the prospects of these companies.

Considering the above points, the need is felt to conduct the research to study the problems and prospects of public sector general insurance companies with the following objectives in the mind:

1) To find out the customer awareness about the general insurance business
2) To know the impact of the general insurance companies on the policy holders in financial terms
3) To study the marketing strategies of the general insurance companies
4) To study the policy holders' opinion about the public sector general insurance companies
5) To study the effects of government policies on the business of the public sector general insurance companies
6) To study the future prospects of the public sector general insurance companies
7) To suggest the remedial measures for solving the problems of the public sector general insurance companies

4.3Hypothesis

1. There is significant relationship between qualification of policy holders and awareness of the terms and conditions of the policy that they have taken
2. The public sector general insurance companies in India have good prospects
3. The response and awareness of the customers towards the insurance business are poor
4. Because of globalization there is ever increasing competition between all the insurance companies for business
5. There is significant relationship between level of management and awareness of the terms and conditions of the policy that they have taken
6. The public sector general insurance companies have been facing various problems in their day to day business
7. There is more awareness in the urban area about the general insurance business

8. Liberalization has affected the business of public sector general insurance companies
9. The public sector general insurance companies need to improve the quality of service
10. Proper training to the management personnel and the staff will attract more business
11. Rotation/Transfer policies of the companies are complicated and not acceptable by majority of employees

4.4Research Design

The major parts of the Research Methodology are:

a. Research Design

b. Research Method - Secondary and Primary

    i) Desk Research/Library Research

    ii) Field Research

c. Sampling Plan

d. Questionnaire Design

e. Field work Plan

f. Analysis Plan

A **Research Design** provides the framework to be used as a guide in collecting and analysing data.

There are three traditional categories of research design namely:

- **Exploratory**
- **Descriptive &**
- **Causal**

The choice of the most appropriate design depends largely on the objectives of the research and how much is known about the problem and these objectives.

In **Exploratory** Research the objective is to gain background information, to define terms, to clarify problems and develop hypotheses, to establish research priorities, to develop questions to be answered.

In **Descriptive** Research the objective is to describe and measure marketing phenomena at a point in time.

And in **Causal** Research the objective is to determine causality, test hypotheses, to make “if-then” statements and to answer questions.

The Research Design used for the survey is **Descriptive Research** and the type of research design is **Cross-sectional**.

Cross-Sectional design is a one-shot research study at a given point of time, and consists of a sample (cross-section) of the population of interest.

4.5 Library Research

This is based on review of mostly secondary and readily available published materials. It is a very inexpensive method of gathering information.

An extensive Library Research was carried out by visiting and accessing Books, Journals, Periodicals, Research Monographs and allied materials mostly from the various institutions located in Pune including:

- Tilak Maharashtra University
- National Academy of Insurance
- Sinhgad Institute of Business Administration & Research
- Maratha Chambers of Commerce and Industries (MCCI)
- Vidya Bhavan College of Commerce
- Jaikar Library, Pune University)

4.6 Field research

The field research was conducted in Pune during December 2008 to August 2009 by canvassing two sets of Questionnaires to different target respondents. The respondents were from the different levels in the public sector general insurance companies and from the category of officers from different levels, viz. lower level, middle level, top level. The respondents chosen for other questionnaire were also from different category, viz. students, salaried class people, professionals and business class people.

4.6.1 Sources of Data

The information used for the research covers an array of sources as outlined below:

Primary Sources:

Primary Data gathering methodologies include interviews, questionnaires and observation.

This source refers to original data derived for a new research study and collected directly from first-hand experience at source, as opposed to previously published material. For this research, study information was obtained through a cross section of respondents who are the customers of general insurance companies and the personnel working in the public sector general insurance companies at various levels of management, viz. lower level, middle level and top level in these general insurance companies in Pune.

Secondary Sources:

This source refers to available published materials on the research topic and includes the following:

1) Statistical Data from the books on general insurance.
2) Published Books, Monographs and Reports of various committees on the subject including those appointed by the Government of India.
3) Deliberations and Proceedings of various Workshops and Seminars.

4) Articles in different newspapers, Magazines, articles and websites of relevant sites.

5) Internet and websites.

Secondary data was collected from the libraries of National Insurance Academy, Sinhgad Management Institutes, Websites, Magazines, and Internet Search Engines, to name a few.

4.7 The Sampling

The chosen Research Design is **Descriptive** in nature. The basic objective underlying this choice is to find out, understand and study the problems and prospects of the public sector general insurance companies in Pune city

The questionnaire survey method has been employed for collection of data from the selected respondents.

- Sampling Design
- Survey of the policy holders and management personnel of public sector general insurance companies
- Universe: Policy holders and management personnel of these companies from Pune region
- Definition of the universe: Policy holders of public sector general insurance companies as well as management personnel (officers) of these companies
- Sample Size: 450 respondents
- The sample consists of 4 types of respondents in case of policy holders: and one type of respondents in case of management personnel:
    - Students : 75 responses
    - Professional : 75 responses
    - Business man : 75 responses
    - Salaried : 75 responses

- Management Personnel : 75 responses(Officers/middle management/top management)

- Instrument : Questionnaires
- Response Rate: **83.33%**
- Segments covered: Students, Professionals, Businessman and Salaried and management personnel of 4 public sector general insurance companies at different levels

The class of **Students** includes: Engineering students, Management students

The class of **Professionals** includes: Chartered Accountants, Architects, Doctors, Advocates, and Consultants

The **Business Class** includes: Shop owners, Proprietors

The **Salaried Class** includes: Employed people like Directors, Deans of institutes, Administrative Staff, Professors/Lecturers, people working in IT Sector, Banks, Financial Institutes, Manufacturing Sector, Automobile Sector, Hotel & Hospitality Sector, Media Sector, FMCG Sector, Insurance Sector and Pharmaceutical Sector.

The class of **Management** personnel includes: The personnel working in the four public sectors general insurance companies. This class includes the officers working at lower, middle and top level management cadre.

The **Sampling Method** used is **Non-Probabilistic Quota** Sampling. Quota sampling was used as the samples are selected from 5 various strata.

4.8 Data Collection

The data for the fulfilment of the objectives of this study was collected from primary as well as secondary resources.

Secondary Data:

In achieving the objectives of the study data has been collected from secondary sources also. In addition to primary resources, the data has been collected from credible sources, responsible in their respective fields. The data has also been collected from the officers of the four different public sector general insurance companies working at different levels of management, viz. lower level, middle level and top level. Such verified data has been utilized for the purpose of the study.

The researcher used the facilities in libraries of National Insurance Academy, an institute of repute Pune, for literature review. The research journals and various business magazines available in the library were a major source of secondary research. The CRISIL and EBSCO Database facilities available helped to download a number of related topics and research papers for reference. The researcher also used the proquest database for referring to various research papers on the said subject.

Primary data collection:

The primary data required for the study was collected through a pre-tested questionnaire during the period of January 2011 to April 2011. The sampling method used was non-probabilistic Quota sampling and the respondents were extracted from four strata of policy-holders viz. students, professionals, businessmen and salaried class people. The other class of respondents was extracted from one stratum of management personnel of four different public sector general insurance companies.

4.8.1 The Questionnaire:

A simple easy to understand questionnaire consisting of **close ended** questions was used for data collection from **policyholders and management personnel**

4.8.2 Questionnaire for policyholders:

The questions were grouped under the following headings:

Part I of the questionnaire seeks personal information about the respondent like the name, phone number, Sex, Qualification, Occupation, and Marital Status.

Part II of the questionnaire contains 46 questions emphasizing on the awareness of general insurance business, problems, and prospects of public sector general insurance companies, their expectations from these companies, opinion about these companies, problems faced by them while dealing with these companies etc.

4.8.3 Questionnaire for management:

The questions in this questionnaire were grouped under the following headings:

Part I of the questionnaire seeks personal information, about the respondent like the name, phone number, Sex, Qualification, Occupation, and Marital Status.

Part II of the questionnaire contents 48 questions emphasizing on the awareness of the management personnel about the work that they are carrying out, their knowledge about the day to day work, problems faced by them while working, their opinion about the terms and conditions about the policy, claims, agents, brokers etc.

4.9 Statistical Tools used for Data Analysis

The Data was analysed with the help of Microsoft Excel 2007 Software, SPSS and the Chi-Testing.

4.10 Limitations of the Sources & Methods of Collection & Data Analysis

Like any research or primary investigation, a few problems were anticipated before undertaking the investigation and accordingly, advanced plan of action was prepared to prevent them from occurring. However, a couple of problems

were still encountered while collecting or generating data. This section briefly describes how they have been dealt with:

a) Several techniques have been combined to get as extensive information as possible for the study

b) The questionnaire were distributed to those people who, after explaining to them the purpose, showed interest

c) Before handing over the questionnaires, the respondents were informed about the nature, requirement, purpose and importance of the study

d) In case of four companies, permission was taken from the branch managers to collect the data from the personnel of those companies

e) The respondents were assured about the confidentiality of the responses provided by them

f) For increasing the response rate, follow-up attempts and reminders by providing another copy of the questionnaire and extending deadline were attempted. 90 questionnaires were given to each category of respondents. Even then, a few policy holders and management personnel, after obtaining all the requisite information and questionnaire, did not return the questionnaire and did not participate.

g) When filled in questionnaires are received, it is natural to assume that the respondent is the same person to whom the questionnaire was sent. However, in reality this was not always the case. This is an error factor inherent in questionnaires. However, for this research, only a few of them were rejected and not considered for the purpose of final analysis.

h) It was noticed that many a times the people were busy on telephone calls, busy in work-asked to keep on table and to come afterwards. They had to be convinced about the confidentiality, had to make several visits and a huge follow up was required to be made.

i) The research methodology adapted in the present study is mainly qualitative in nature and as such may be more susceptible to subjectivity and biases than in the case of quantitative analysis.

Chapter V - Data Analysis

5.1 Policy Holders

5.1.1 Introduction

The data collected from the respondents through the questionnaires has been analysed with help of a computer, using Microsoft Excel 2007 software and SPSS statistical analysis tool and the Chi Test. The raw data was first tabulated for analysis purposes and has been depicted in a graphical form in most of the questions for clearer illustration of the results of the analysis.

This chapter presents summarized data collected from 300 policyholders. The analysis that follows presents findings policyholders.

5.1.2Socio-economical and socio-professional background of the Student Respondents

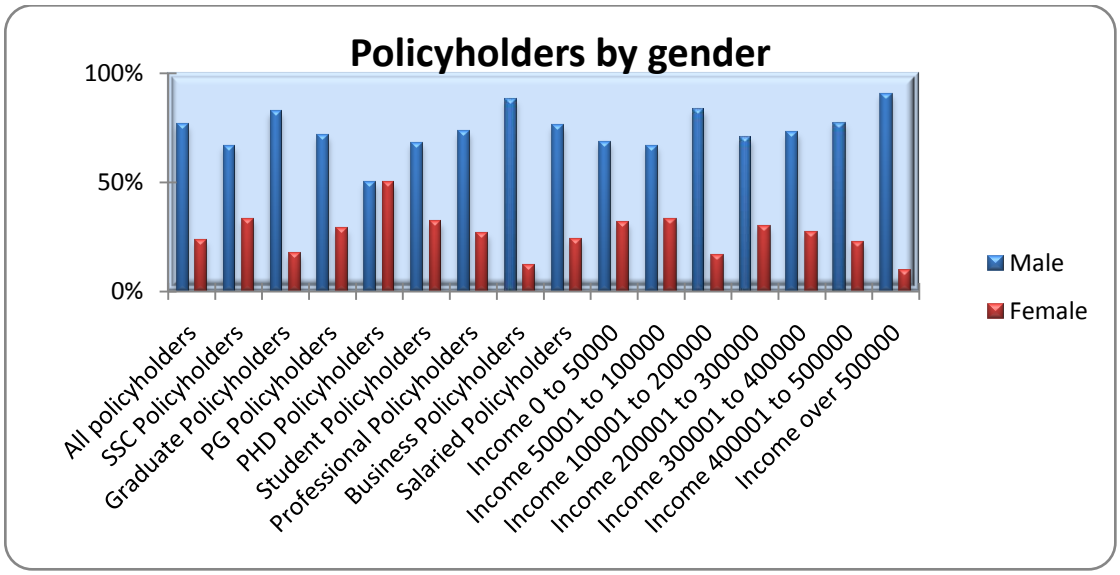
Gender

At 'all policyholders' level, 76.33% of respondents are male. As we analyse at various category levels, the ratio of male to female respondents changes; Graduate, Business, those with income between Rs 1,00,001 and Rs 2,00,000 and with income above Rs 4,00,001 have a higher per cent of male than the average per cent at 'all policyholders' level. In the remaining categories per cent of female respondents is higher than the average per cent at 'all policyholders' level.

Table 1 Split of policyholder respondents by gender

Policyholders by gender	Male	Female
All policyholders	76.33%	23.67%
SSC Policyholders	66.67%	33.33%
Graduate Policyholders	82.46%	17.54%
PG Policyholders	71.34%	28.66%
PHD Policyholders	50.00%	50.00%
Student Policyholders	68.00%	32.00%
Professional Policyholders	73.33%	26.67%
Business Policyholders	88.00%	12.00%
Salaried Policyholders	76.00%	24.00%
Income 0 to 50000	68.35%	31.65%
Income 50001 to 100000	66.67%	33.33%
Income 100001 to 200000	83.33%	16.67%
Income 200001 to 300000	70.45%	29.55%
Income 300001 to 400000	72.97%	27.03%
Income 400001 to 500000	77.42%	22.58%
Income over 500000	90.63%	9.38%

Chart 1 Split of policyholder respondents by gender



Education

At 'all policyholders' level, 54.67% of respondents are postgraduates, followed by 38% graduates. Of the female respondents 66.2% are postgraduates, whilst

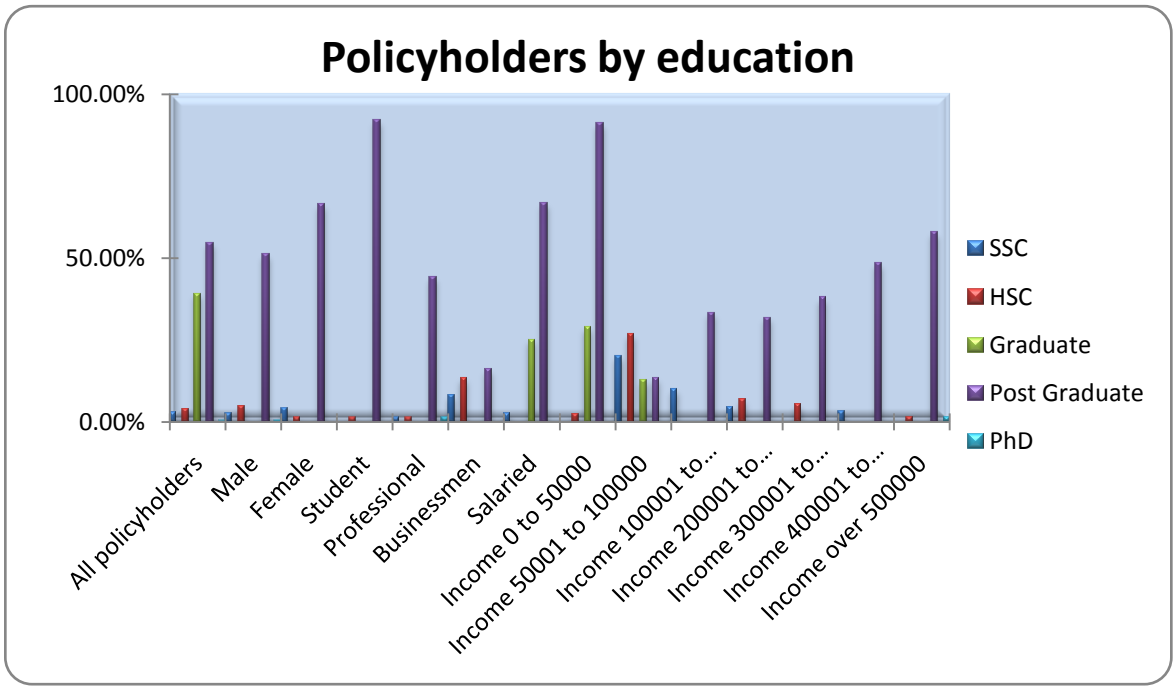
51.09% of the male respondents are postgraduates. 92% of the student respondents are in postgraduate courses. Over 66% of salaried respondents are postgraduates, whilst over 62% of Businessmen respondents are graduates, with 52% of professional respondents being graduates.

Majority of the respondents in the various income categories are graduates, with highest per cent of respondents having income in excess of Rs 5, 00,000 being postgraduates.

Table 2 Policyholders by education

Policyholders by education	SSC	HSC	Graduate	Post Graduate	PhD
All policyholders	3.00%	4.00%	38.00%	54.67%	0.33%
Male	2.62%	4.80%	41.05%	51.09%	0.44%
Female	4.23%	1.41%	28.17%	66.20%	0.00%
Student	0.00%	1.33%	6.67%	92.00%	0.00%
Professional	1.33%	1.33%	52.00%	44.00%	1.33%
Businessmen	8.00%	13.33%	62.67%	16.00%	0.00%
Salaried	2.67%	0.00%	30.67%	66.67%	0.00%
Income 0 to 50000	0.00%	2.53%	6.33%	91.14%	0.00%
Income 50001 to 100000	20.00%	26.67%	40.00%	13.33%	0.00%
Income 100001 to 200000	10.00%	0.00%	56.67%	33.33%	0.00%
Income 200001 to 300000	4.55%	6.82%	56.82%	31.82%	0.00%
Income 300001 to 400000	0.00%	5.41%	56.76%	37.84%	0.00%
Income 400001 to 500000	3.23%	0.00%	48.39%	48.39%	0.00%
Income over 500000	0.00%	1.56%	39.06%	57.81%	1.56%

Chart 2 Policyholders by education



Occupation

The respondents are fairly evenly spread across the defined occupations. There are fewer female respondents in the business occupation and exceed males in the student category by over 11%. Highest per cent of SSC, HSC, Graduate and majority of respondents in the income categories are businessmen. Highest per cent of respondents with income in excess of Rs 4, 00,001, are professionals.

Table 3 Policyholders by occupation

Policyholders by occupation	Student	Professional	Business	Salaried
All policyholders	25.00%	25.00%	25.00%	25.00%
Male	22.27%	24.02%	28.82%	24.89%
Female	33.80%	28.17%	12.68%	25.35%
SSC Policyholders	0.00%	11.11%	66.67%	22.22%
HSC Policyholders	8.33%	8.33%	83.33%	0.00%
Graduate Policyholders	4.39%	34.21%	41.23%	20.18%
PG Policyholders	42.07%	20.12%	7.32%	30.49%
PHD Policyholders	0.00%	50.00%	0.00%	50.00%
Income 0 to 50000	94.94%	2.53%	2.53%	0.00%
Income 50001 to 100000	0.00%	40.00%	60.00%	0.00%
Income 100001 to 200000	0.00%	16.67%	46.67%	36.67%
Income 200001 to 300000	0.00%	31.82%	43.18%	25.00%
Income 300001 to 400000	0.00%	27.03%	29.73%	43.24%
Income 400001 to 500000	0.00%	29.03%	25.81%	45.16%
Income over 500000	0.00%	45.31%	18.75%	35.94%

Chart 3 Policyholders by occupation

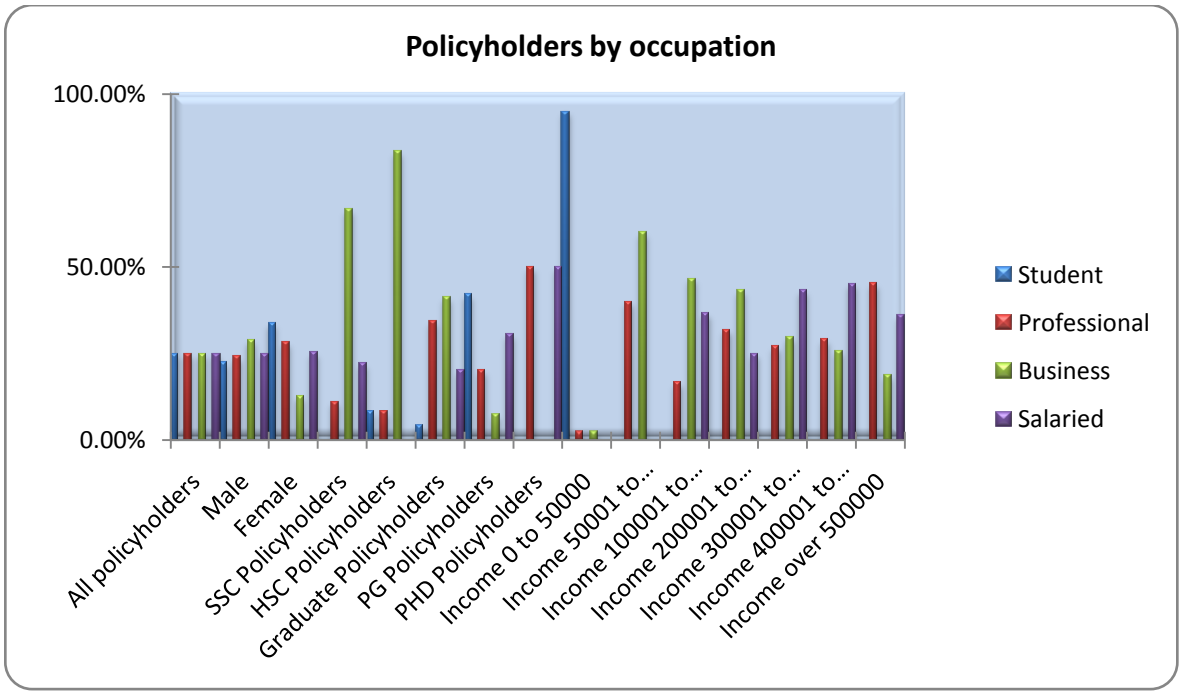
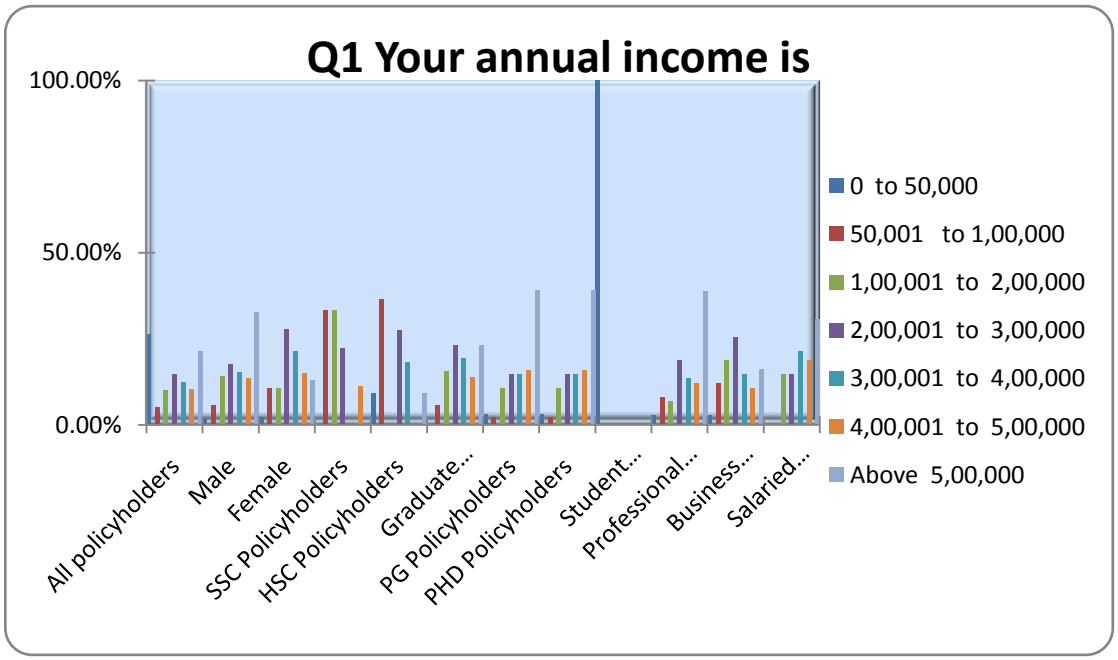


Table 4Q1 - Your annual income is

Q1 Your annual income is	0 to 50,000	50,001 to 1,00,000	1,00,001 to 2,00,000	2,00,001 to 3,00,000	3,00,001 to 4,00,000	4,00,001 to 5,00,000	Above 5,00,000
All policyholders	26.33%	5.00%	10.00%	14.67%	12.33%	10.33%	21.33%
Male	1.69%	5.62%	14.04%	17.42%	15.17%	13.48%	32.58%
Female	2.13%	10.64%	10.64%	27.66%	21.28%	14.89%	12.77%
SSC Policyholders	0.00%	33.33%	33.33%	22.22%	0.00%	11.11%	0.00%
HSC Policyholders	9.09%	36.36%	0.00%	27.27%	18.18%	0.00%	9.09%
Graduate Policyholders	0.00%	5.50%	15.60%	22.94%	19.27%	13.76%	22.94%
PG Policyholders	3.16%	2.11%	10.53%	14.74%	14.74%	15.79%	38.95%
PHD Policyholders	3.16%	2.11%	10.53%	14.74%	14.74%	15.79%	38.95%
Student Policyholders	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Professional Policyholders	2.67%	8.00%	6.67%	18.67%	13.33%	12.00%	38.67%
Business Policyholders	2.67%	12.00%	18.67%	25.33%	14.67%	10.67%	16.00%
Salaried Policyholders	0.00%	0.00%	14.67%	14.67%	21.33%	18.67%	30.67%

Chart 4 Q1- Your annual income is



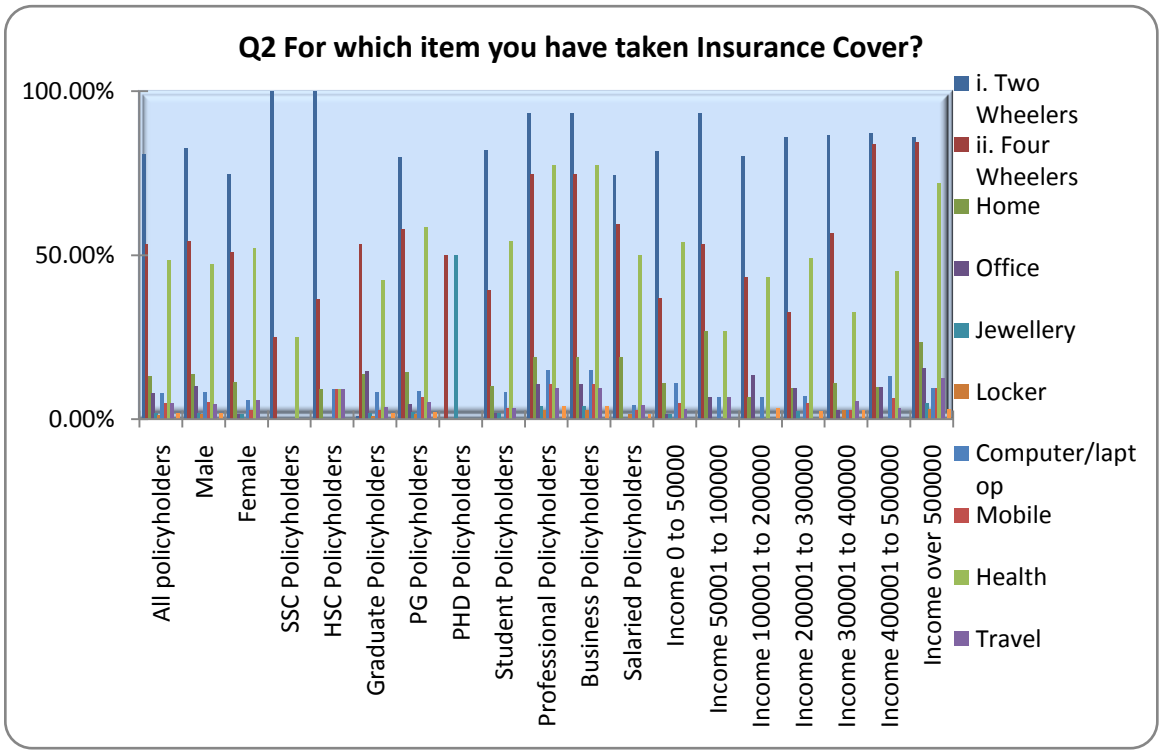
Q1 Your annual income is

Overall 26.33% respondents are in the income group of 0 to 50, 000/-. This is so because all the student respondents come under this category. Nearly, 44% respondents are in the group of three lakhs and above and nearly 15% from 2 two lakhs and above. Nearly 21.33% respondents are having income above 5, 00,000/-. Therefore, most of the respondents are from well-to-do families.

Table 5 Q2 For which item you have taken Insurance Cover?

	Two W'lers	Four W'lers	Home	Office	Jewellery	Locker	Computer/ laptop	Mobile	Health
All policyholders	80.67%	53.33%	13.00%	8.00%	1.67%	1.00%	8.00%	4.67%	48.33%
Male	82.53%	54.15%	13.54%	10.0%	1.75%	1.31%	8.30%	5.24%	47.16%
Female	74.65%	50.70%	11.27%	1.41%	1.41%	0.00%	5.63%	2.82%	52.11%
SSC Policyholders	100.00%	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%
HSC Policyholders	100.00%	36.36%	9.09%	0.00%	0.00%	0.00%	9.09%	9.09%	9.09%
Graduate Policyholders	0.90%	53.15%	13.51%	14.4%	1.80%	0.90%	8.11%	2.70%	42.34%
PG Policyholders	79.87%	57.79%	14.29%	4.55%	1.95%	1.30%	8.44%	6.49%	58.44%
PHD Policyholders	0.00%	50.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%
Student Policyholders	81.97%	39.34%	9.84%	1.64%	1.64%	0.00%	8.20%	3.28%	54.10%
Professional Policyholders	93.33%	74.67%	18.67%	10.7%	4.00%	2.67%	14.67%	10.7%	77.33%
Business Policyholders	93.33%	74.67%	18.67%	10.7%	4.00%	2.67%	14.67%	10.7%	77.33%
Salaried Policyholders	74.32%	59.46%	18.92%	0.00%	0.00%	1.35%	4.05%	2.70%	50.00%
Income 0 to 50000	81.54%	36.92%	10.77%	1.54%	1.54%	0.00%	10.77%	4.62%	53.85%
Income 50001 to 100000	93.33%	53.33%	26.67%	6.67%	0.00%	0.00%	6.67%	0.00%	26.67%
Income 100001 to 200000	80.00%	43.33%	6.67%	13.3%	0.00%	0.00%	6.67%	0.00%	43.33%
Income 200001 to 300000	86.05%	32.56%	9.30%	9.30%	2.33%	0.00%	6.98%	4.65%	48.84%
Income 300001 to 400000	86.49%	56.76%	10.81%	2.70%	0.00%	2.70%	2.70%	2.70%	32.43%
Income 400001 to 500000	87.10%	83.87%	9.68%	9.68%	0.00%	0.00%	12.90%	6.45%	45.16%
Income over 500000	85.94%	84.38%	23.44%	15.6%	4.69%	3.13%	9.38%	9.38%	71.88%

Chart 5 Q2 For which item you have taken Insurance Cover?



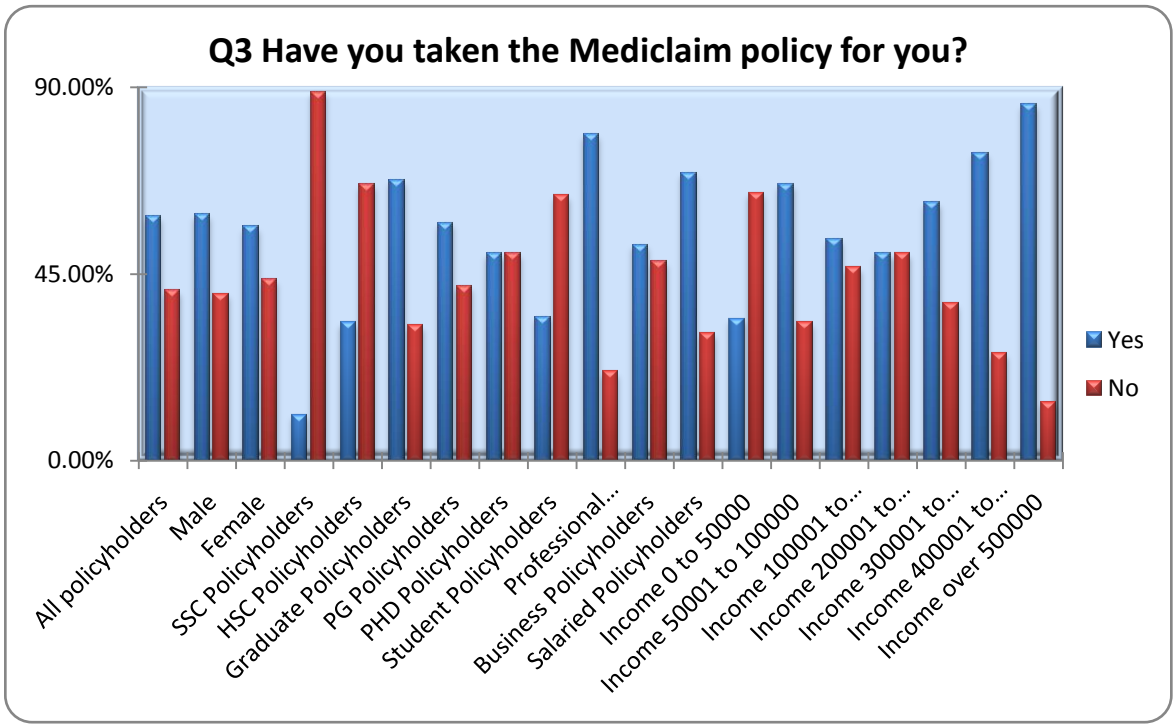
Q2 For which item you have taken Insurance Cover?

Nearly 81% respondents have taken insurance cover for their two wheelers and 53.33% have taken the insurance cover for their four wheelers. For other items in the question the percentage of respondents who have taken the insurance cover is negligible. This may be because taking insurance cover for vehicles is compulsory by statute and for other items it is not. It also indicates that they are not mentally prepared to spend some portion of their income for uncertain risks, which may or may not occur in future.

Table 6Q3 Have you taken the Mediclaim policy for you?

Q3 Have you taken the Mediclaim policy for you?	Yes	No
All policyholders	58.86%	41.14%
Male	59.39%	40.17%
Female	56.34%	43.66%
SSC Policyholders	11.11%	88.89%
HSC Policyholders	33.33%	66.67%
Graduate Policyholders	67.54%	32.46%
PG Policyholders	57.32%	42.07%
PHD Policyholders	50.00%	50.00%
Student Policyholders	34.67%	64.00%
Professional Policyholders	78.67%	21.33%
Business Policyholders	52.00%	48.00%
Salaried Policyholders	69.33%	30.67%
Income 0 to 50000	34.18%	64.56%
Income 50001 to 100000	66.67%	33.33%
Income 100001 to 200000	53.33%	46.67%
Income 200001 to 300000	50.00%	50.00%
Income 300001 to 400000	62.16%	37.84%
Income 400001 to 500000	74.19%	25.81%
Income over 500000	85.94%	14.06%

Chart 6 Q3 Have you taken the Mediclaim policy for you?



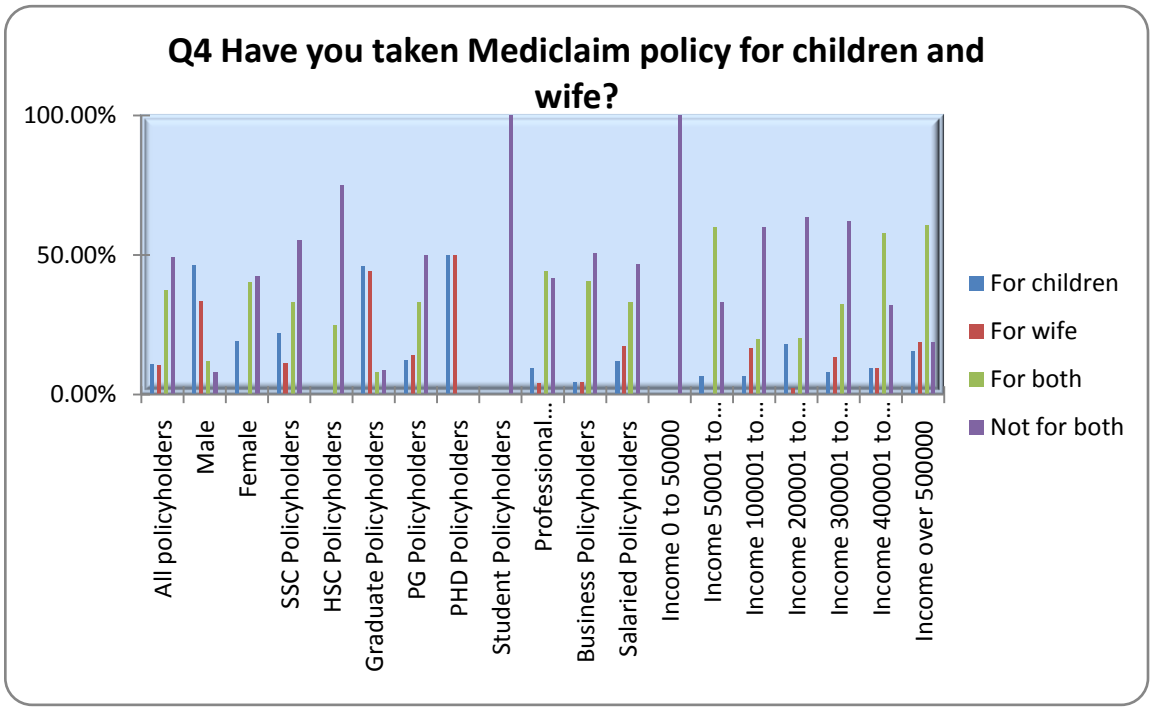
Q3 Have you taken the Mediclaim policy for you?

Overall 58.86% respondents say that they have taken Mediclaim for them. In case income higher that Rs. Five lakhs, 85.94% respondents have taken the Mediclaim for them. In case of professionals, the percentage of people taking Mediclaim is as high as 78.67%. The Mediclaim policy covers diseases and related with the health of the people. The medical expenses which are unavoidable in one's life at any stage are reimbursed by the insurance companies and the burden is not on policy holders. The introduction of cashless policies by insurance companies is another reason for taking Mediclaim policies. Higher income group respondents go for this policy as they get rebate in income tax also.

Table 7Q4 Have you taken Mediclaim policy for children and wife?

Q4 Have you taken Mediclaim policy for children and wife?	For children	For wife	For both	Not for both
All policyholders	10.93%	10.53%	37.65%	49.39%
Male	46.51%	33.49%	12.09%	7.91%
Female	19.23%	0.00%	40.38%	42.31%
SSC Policyholders	22.22%	11.11%	33.33%	55.56%
HSC Policyholders	0.00%	0.00%	25.00%	75.00%
Graduate Policyholders	46.02%	44.25%	7.96%	8.85%
PG Policyholders	12.50%	14.29%	33.04%	50.00%
PHD Policyholders	50.00%	50.00%	0.00%	0.00%
Student Policyholders	0.00%	0.00%	0.00%	100.00%
Professional Policyholders	9.72%	4.17%	44.44%	41.67%
Business Policyholders	4.35%	4.35%	40.58%	50.72%
Salaried Policyholders	12.00%	17.33%	33.33%	46.67%
Income 0 to 50000	0.00%	0.00%	0.00%	100.00%
Income 50001 to 100000	6.67%	0.00%	60.00%	33.33%
Income 100001 to 200000	6.67%	16.67%	20.00%	60.00%
Income 200001 to 300000	18.18%	2.27%	20.45%	63.64%
Income 300001 to 400000	8.11%	13.51%	32.43%	62.16%
Income 400001 to 500000	9.68%	9.68%	58.06%	32.26%
Income over 500000	15.63%	18.75%	60.94%	18.75%

Chart 7 Q4 Have you taken Mediclaim policy for children and wife?



Q4 Have you taken Mediclaim policy for children and wife?

In case of students' category and income group of 0 to 50,000/-, the percentage of people taking Mediclaim for their children and wife is nil, which is obvious as they have not married. The other reason may that the companies insure their employees. Overall 49.39% respondents have not taken the Mediclaim policy for their children and wife. This may be due to the fact that around 25% of respondents are students and in other case it is the negligence of the respondents to take the Mediclaim policy for their children and wife.

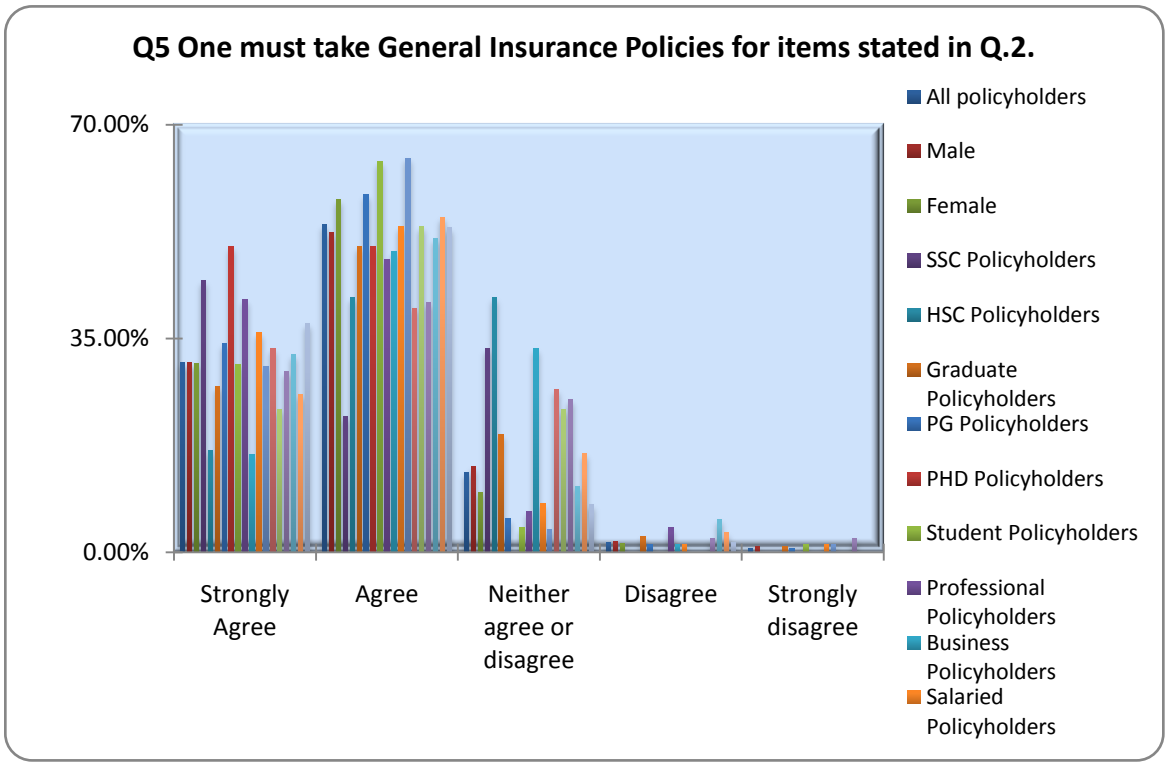
Table 8Q5 One must take General Insurance Policies for items stated in Q.2

Q5 One must take General Insurance Policies for items stated in Q.2.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	31.00%	53.67%	13.00%	1.67%	0.67%
Male	31.00%	52.40%	13.97%	1.75%	0.87%
Female	30.99%	57.75%	9.86%	1.41%	0.00%
SSC Policyholders	44.44%	22.22%	33.33%	0.00%	0.00%
HSC Policyholders	16.67%	41.67%	41.67%	0.00%	0.00%
Graduate Policyholders	27.19%	50.00%	19.30%	2.63%	0.88%
PG Policyholders	34.15%	58.54%	5.49%	1.22%	0.61%
PHD Policyholders	50.00%	50.00%	0.00%	0.00%	0.00%
Student Policyholders	30.67%	64.00%	4.00%	0.00%	1.33%
Professional Policyholders	41.33%	48.00%	6.67%	4.00%	0.00%
Business Policyholders	16.00%	49.33%	33.33%	1.33%	0.00%
Salaried Policyholders	36.00%	53.33%	8.00%	1.33%	1.33%
Income 0 to 50000	30.38%	64.56%	3.80%	0.00%	1.27%
Income 50001 to 100000	33.33%	40.00%	26.67%	0.00%	0.00%
Income 100001 to 200000	23.33%	53.33%	23.33%	0.00%	0.00%
Income 200001 to 300000	29.55%	40.91%	25.00%	2.27%	2.27%
Income 300001 to 400000	32.43%	51.35%	10.81%	5.41%	0.00%
Income 400001 to 500000	25.81%	54.84%	16.13%	3.23%	0.00%
Income over 500000	37.50%	53.13%	7.81%	1.56%	0.00%

Question 5 statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
4.13	0.74	0.08	4.21	4.04

Statistics 1

Chart 8 Q5 One must take General Insurance Policies for items stated in Q.2.



Q5 One must take General Insurance Policies for items stated in Q.2

Overall 84.67% respondents agree that one must take the general insurance policies for items stated in the question 2 above. Most of the respondents in all the other categories also agree to this, which shows they know the significance of taking the insurance cover. Number of people wish to take the policies for so many items but they do not want to spend their money.

Table 9 Q6 General Insurance cover every year

Q6 One must take General Insurance cover every year for the assets as long as they last.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	22.33%	55.00%	19.33%	3.00%	0.33%
Male	23.14%	53.28%	20.52%	2.62%	0.44%
Female	19.72%	60.56%	15.49%	4.23%	0.00%
SSC Policyholders	33.33%	33.33%	33.33%	0.00%	0.00%
HSC Policyholders	8.33%	50.00%	41.67%	0.00%	0.00%
Graduate Policyholders	17.54%	55.26%	24.56%	1.75%	0.88%
PG Policyholders	25.61%	56.71%	13.41%	4.27%	0.00%
PHD Policyholders	50.00%	0.00%	50.00%	0.00%	0.00%
Student Policyholders	20.00%	62.67%	13.33%	4.00%	0.00%
Professional Policyholders	28.00%	50.67%	18.67%	2.67%	0.00%
Business Policyholders	13.33%	54.67%	30.67%	1.33%	0.00%
Salaried Policyholders	28.00%	52.00%	14.67%	4.00%	1.33%
Income 0 to 50000	20.25%	62.03%	13.92%	3.80%	0.00%
Income 50001 to 100000	13.33%	53.33%	26.67%	6.67%	0.00%
Income 100001 to 200000	16.67%	53.33%	26.67%	3.33%	0.00%
Income 200001 to 300000	25.00%	47.73%	25.00%	0.00%	2.27%
Income 300001 to 400000	13.51%	56.76%	24.32%	5.41%	0.00%
Income 400001 to 500000	22.58%	54.84%	19.35%	3.23%	0.00%
Income over 500000	32.81%	51.56%	14.06%	1.56%	0.00%

Q6 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.96	0.75	0.09	4.05	3.87

Statistics 2

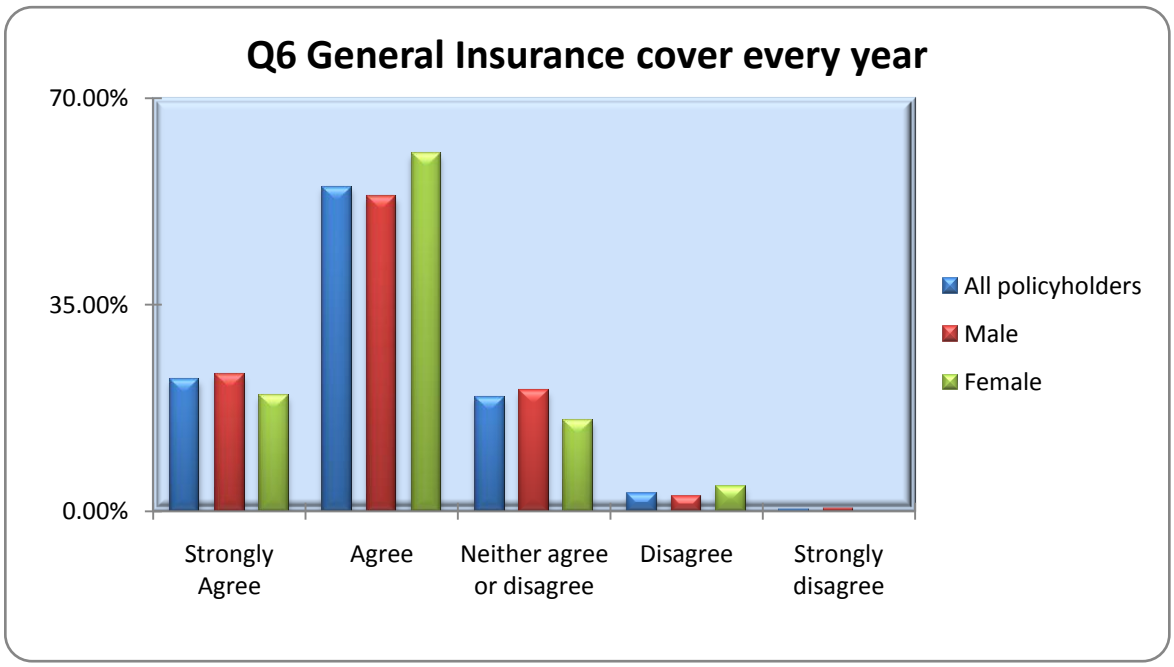


Chart 9 Q6 General Insurance cover every year

Chart 10 Q6 General Insurance cover every year

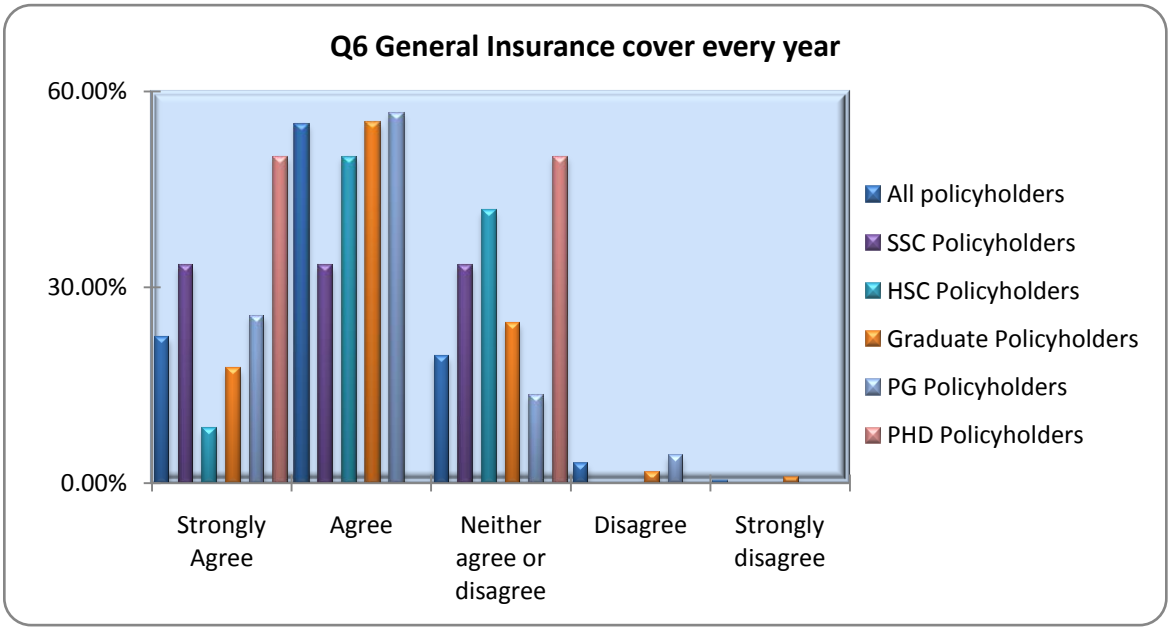


Chart 11 Q6 General Insurance cover every year

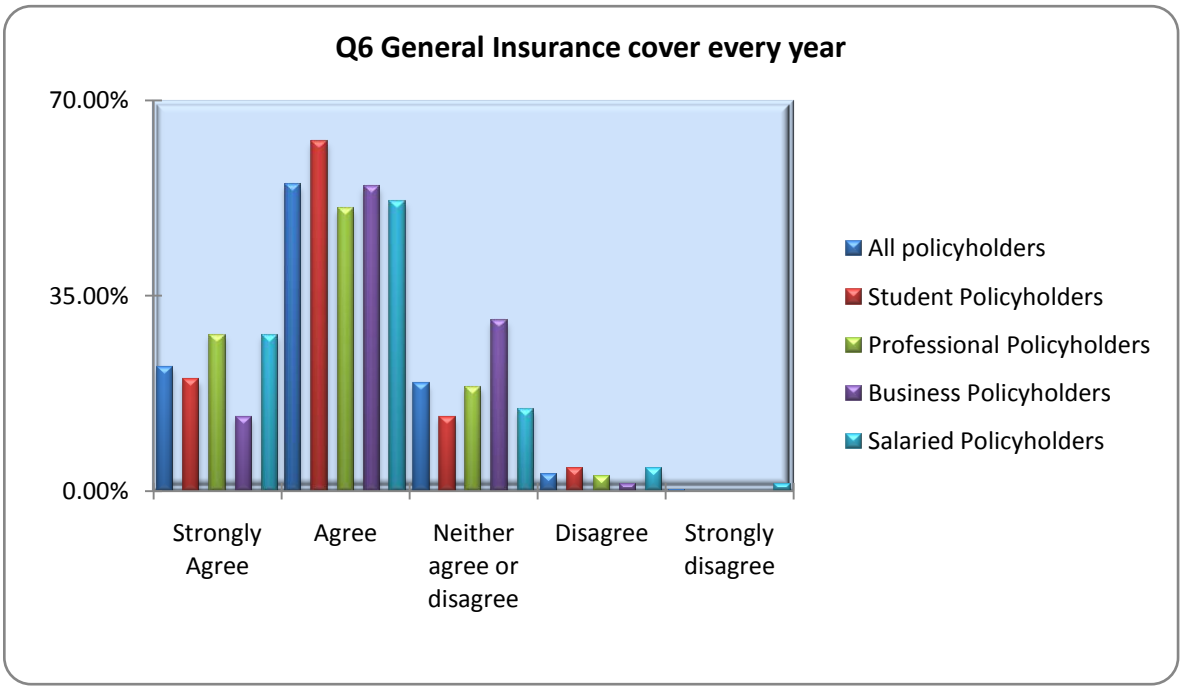
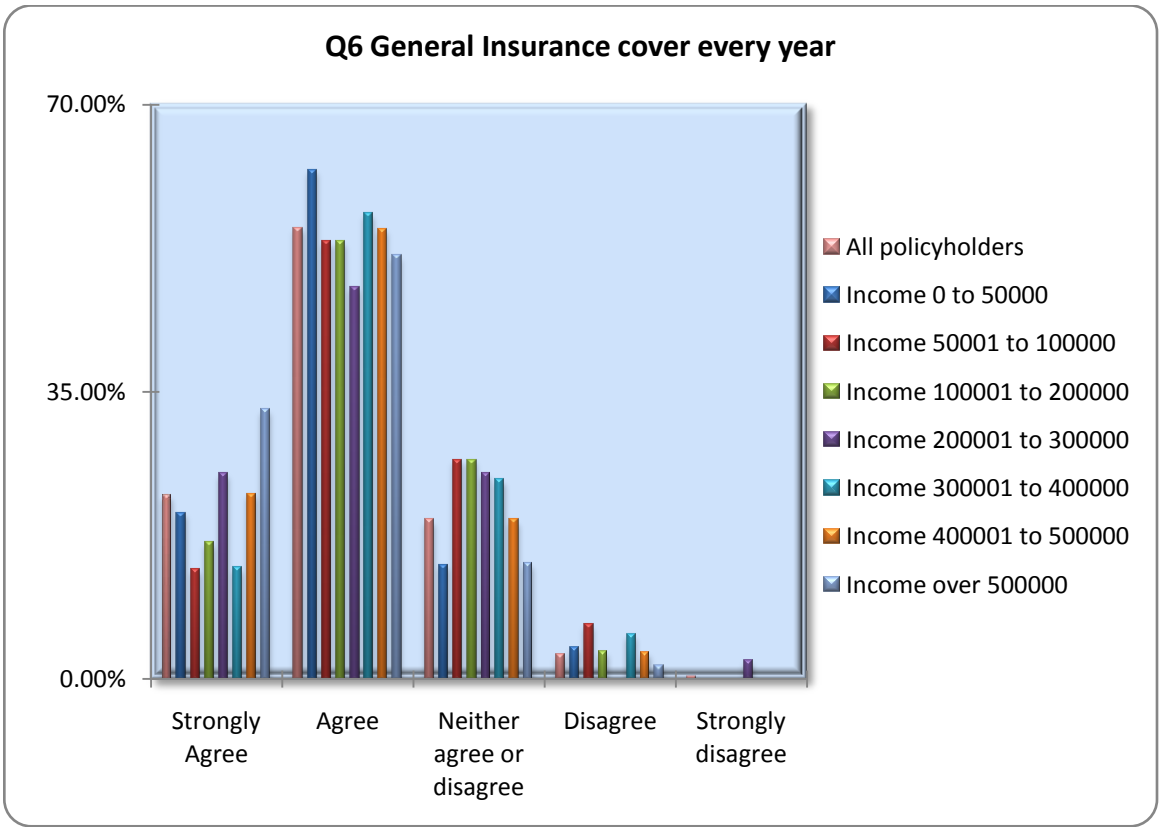


Chart 12 Q6 General Insurance cover every year



6 General Insurance cover every year

Overall 77.33% respondents agree that one must take General Insurance cover every year for the assets as long as they last and most of the respondents in other categories also agree to this. This shows that they know it is important to take insurance cover every year, but as stated earlier, they do not wish to spend money and do not feel this as a priority.

Table 10 Q7a Do you go for General Insurance because it is Compulsory?

Q7a Do you go for General Insurance because it is Compulsory?	Yes	No
All policyholders	22.67%	77.33%
Male	24.02%	75.98%
Female	18.31%	81.69%
SSC Policyholders	33.33%	66.67%
HSC Policyholders	41.67%	58.33%
Graduate Policyholders	24.56%	75.44%
PG Policyholders	19.51%	80.49%
PHD Policyholders	50.00%	50.00%
Student Policyholders	13.33%	86.67%
Professional Policyholders	18.67%	81.33%
Business Policyholders	33.33%	66.67%
Salaried Policyholders	25.33%	74.67%
Income 0 to 50000	15.19%	84.81%
Income 50001 to 100000	53.33%	46.67%
Income 100001 to 200000	20.00%	80.00%
Income 200001 to 300000	34.09%	65.91%
Income 300001 to 400000	29.73%	70.27%
Income 400001 to 500000	12.90%	87.10%
Income over 500000	18.75%	81.25%

Chart 13 Q7a Do you go for General Insurance because it is Compulsory?

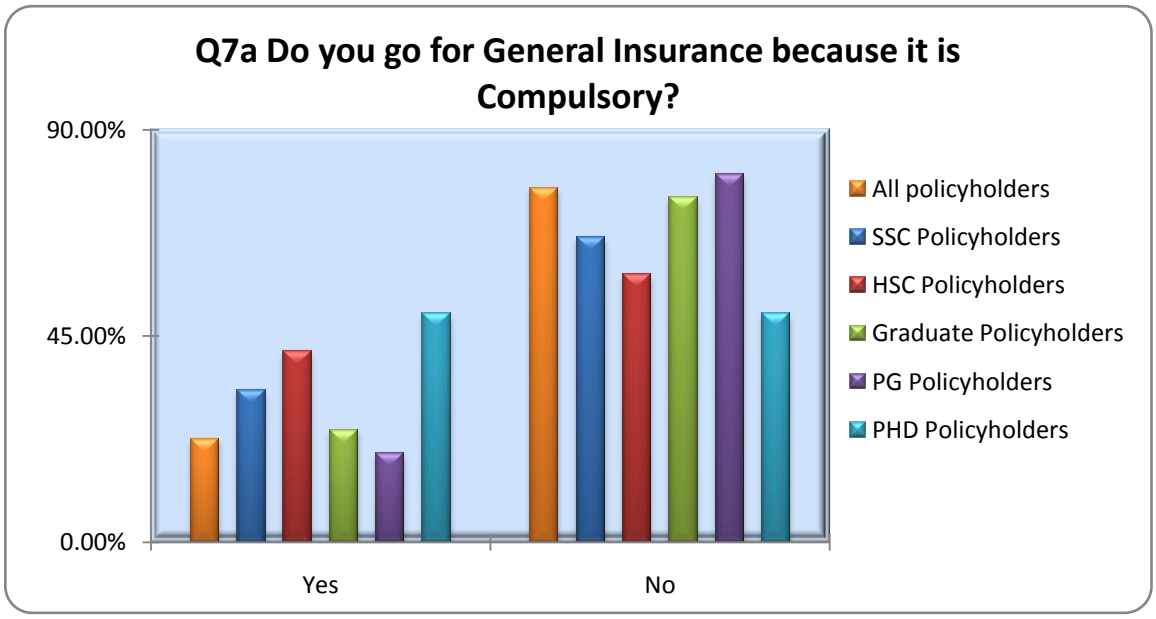


Chart 14 Q7a Do you go for General Insurance because it is Compulsory?

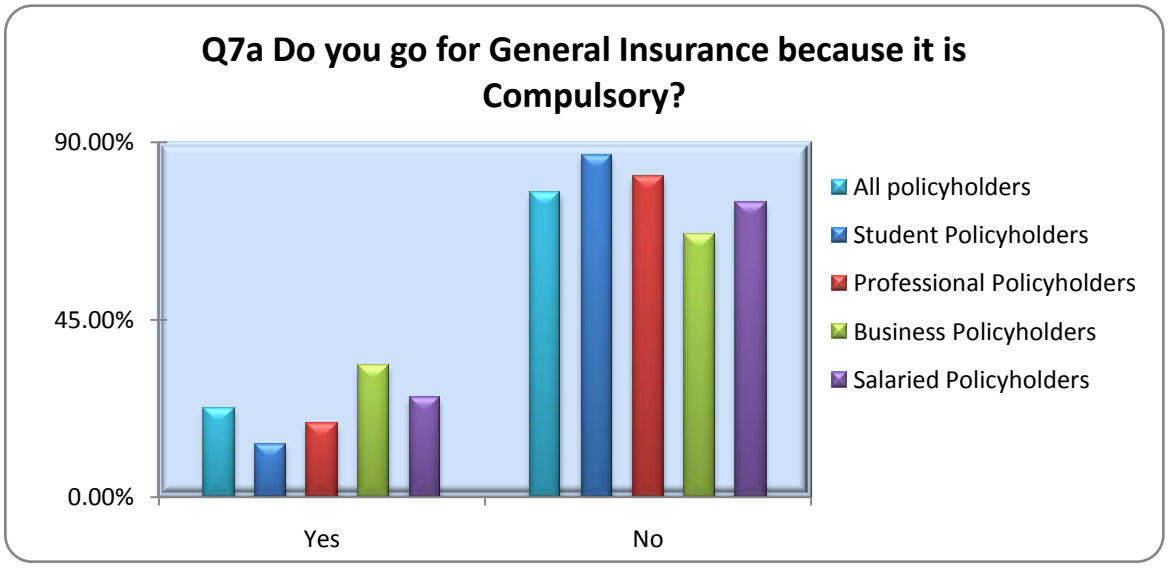


Chart 15 Q7a Do you go for General Insurance because it is Compulsory?

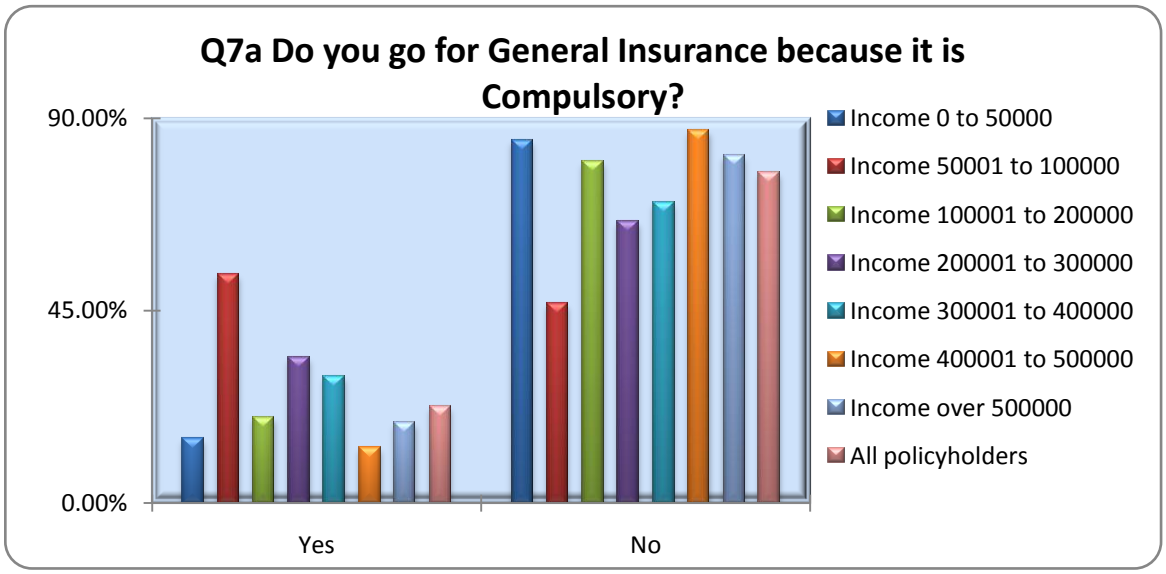
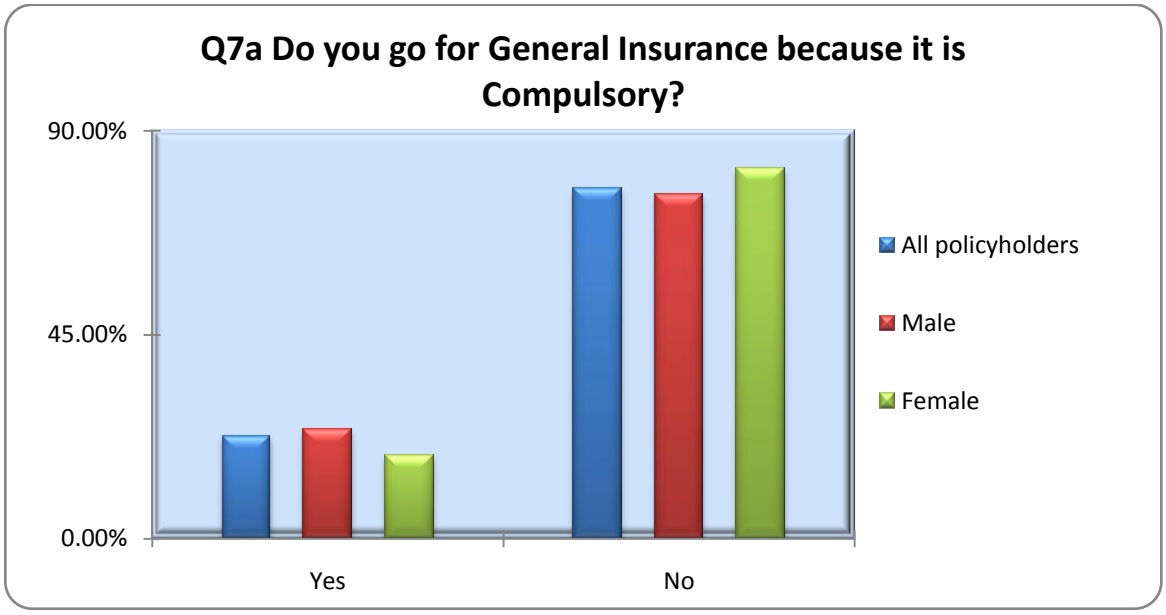


Chart 16 Q7a Do you go for General Insurance because it is Compulsory?



Q7a Do you go for General Insurance because it is Compulsory?

Overall 77.33% respondents say that they go for general insurance cover not because it is compulsory. In all the categories the percentage of respondents saying like this is very high as can be seen from the table. So, it means that they take the covers voluntarily as they know that it is for their benefit and they are insured and safe once they take the covers.

Table 11 Q 7b Do you go for General Insurance to cover risk?

Q 7b Do you go for General Insurance to cover risk?	Yes	No
All policyholders	89.33%	10.67%
Male	90.39%	9.61%
Female	85.92%	14.08%
SSC Policyholders	66.67%	33.33%
HSC Policyholders	91.67%	8.33%
Graduate Policyholders	89.47%	10.53%
PG Policyholders	90.24%	9.76%
PHD Policyholders	100.00%	0.00%
Student Policyholders	93.33%	6.67%
Professional Policyholders	89.33%	10.67%
Business Policyholders	88.00%	12.00%
Salaried Policyholders	86.67%	13.33%
Income 0 to 50000	91.14%	8.86%
Income 50001 to 100000	80.00%	20.00%
Income 100001 to 200000	93.33%	6.67%
Income 200001 to 300000	81.82%	18.18%
Income 300001 to 400000	81.08%	18.92%
Income 400001 to 500000	93.55%	6.45%
Income over 500000	95.31%	4.69%

Chart 17 Q 7b Do you go for General Insurance to cover risk?

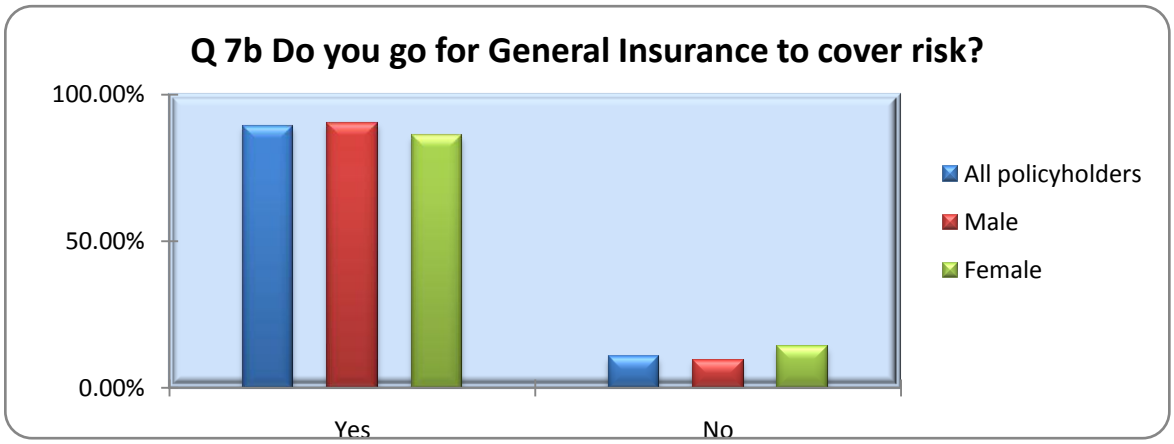


Chart 18 Q 7b Do you go for General Insurance to cover risk?

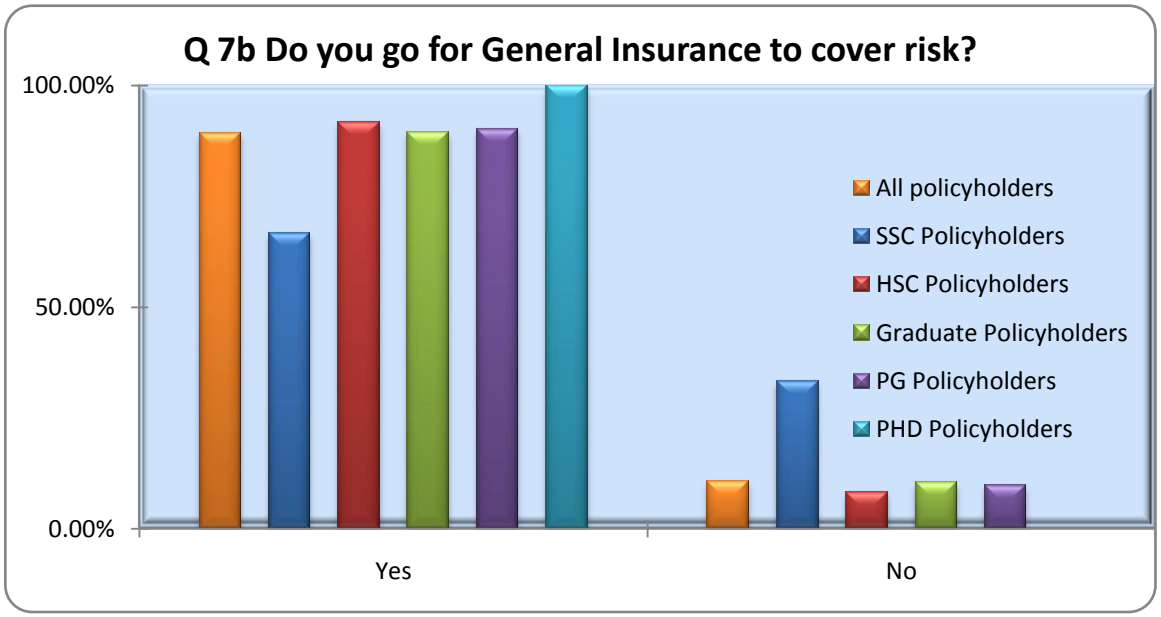


Chart 19 Q 7b Do you go for General Insurance to cover risk?

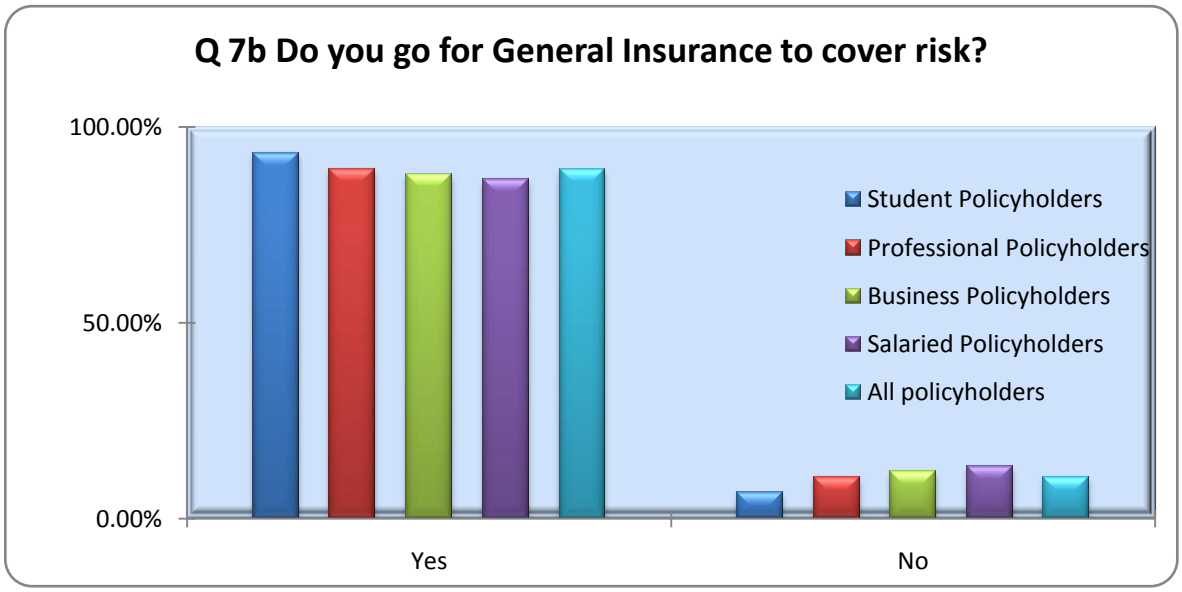
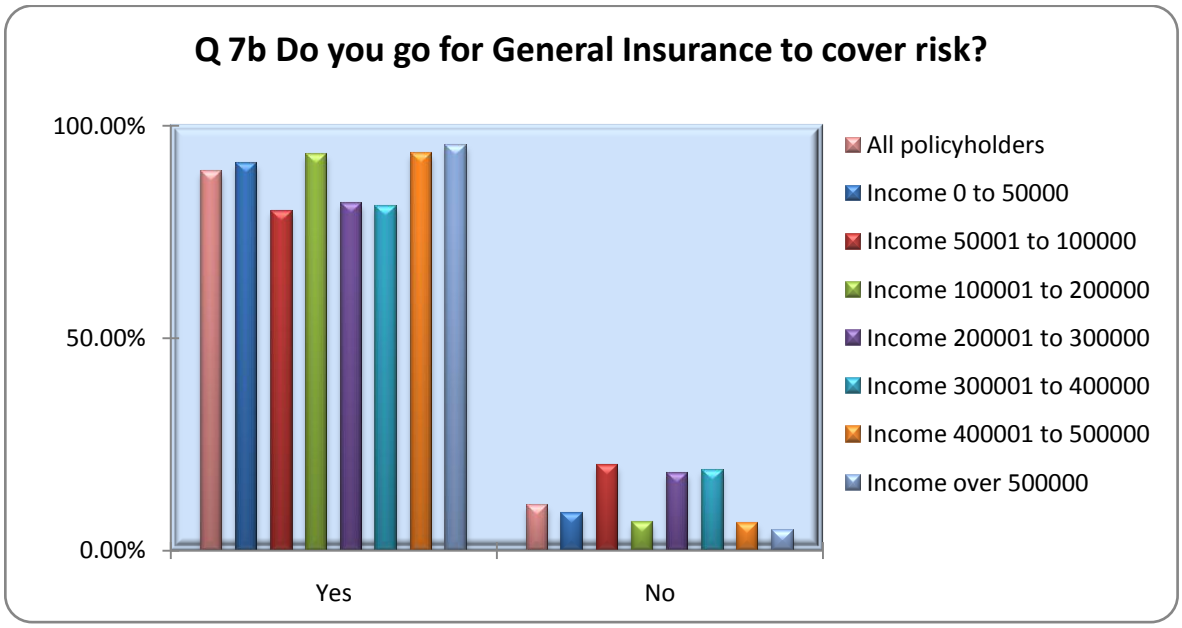


Chart 20 11Q 7b Do you go for General Insurance to cover risk?



Q 7b Do you go for General Insurance to cover risk?

89.33% respondents say that they go for general insurance to cover risk, which is very true. This means that they are aware that it is important to take general insurance covers so that they are safe as far as risks are concerned. In other

categories also, the percentage of respondents agreeing to this statement are very high. Anybody would like and interested to cover against the uncertainties.

Table 12Q8 Are you aware of the terms and conditions of the policy which you have taken?

Q8 Are you aware of the terms and conditions of the policy which you have taken?	Aware	Not aware	No Idea at all
All policyholders	52.67%	30.33%	17.00%
Male	53.71%	27.51%	18.78%
Female	48.57%	40.00%	11.43%
SSC Policyholders	33.33%	33.33%	33.33%
HSC Policyholders	25.00%	25.00%	50.00%
Graduate Policyholders	50.88%	25.44%	23.68%
PG Policyholders	56.71%	34.15%	9.15%
PHD Policyholders	50.00%	0.00%	50.00%
Student Policyholders	54.67%	38.67%	6.67%
Professional Policyholders	72.00%	21.33%	6.67%
Business Policyholders	21.33%	30.67%	48.00%
Salaried Policyholders	62.67%	30.67%	6.67%
Income 0 to 50000	55.70%	37.97%	6.33%
Income 50001 to 100000	60.00%	20.00%	20.00%
Income 100001 to 200000	60.00%	20.00%	20.00%
Income 200001 to 300000	43.18%	15.91%	40.91%
Income 300001 to 400000	45.95%	37.84%	16.22%
Income 400001 to 500000	38.71%	41.94%	19.35%
Income over 500000	60.94%	28.13%	10.94%

Chart 20 Q8 Are you aware of the terms and conditions of the policy which you have taken?

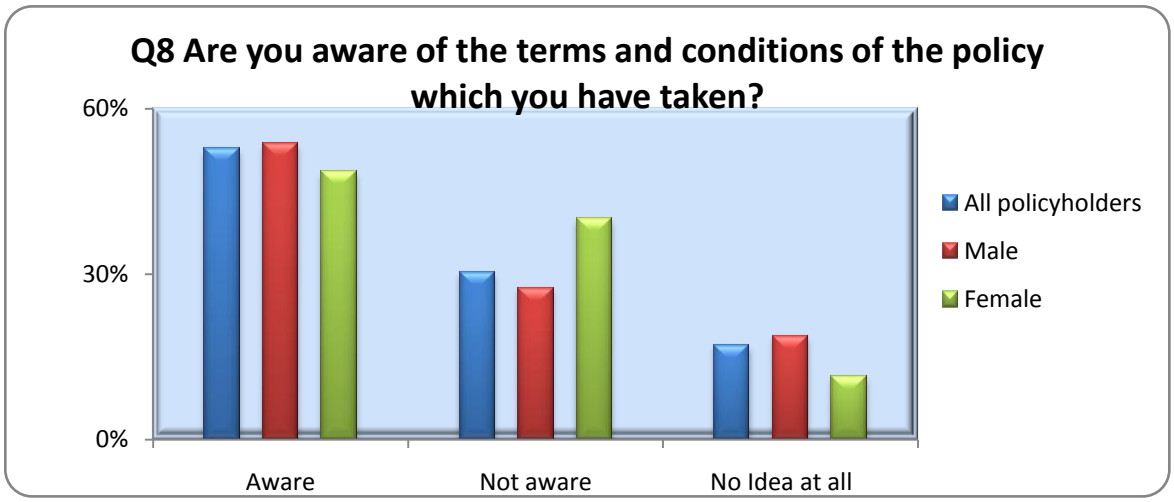


Chart 21 Q8 Are you aware of the terms and conditions of the policy which you have taken?

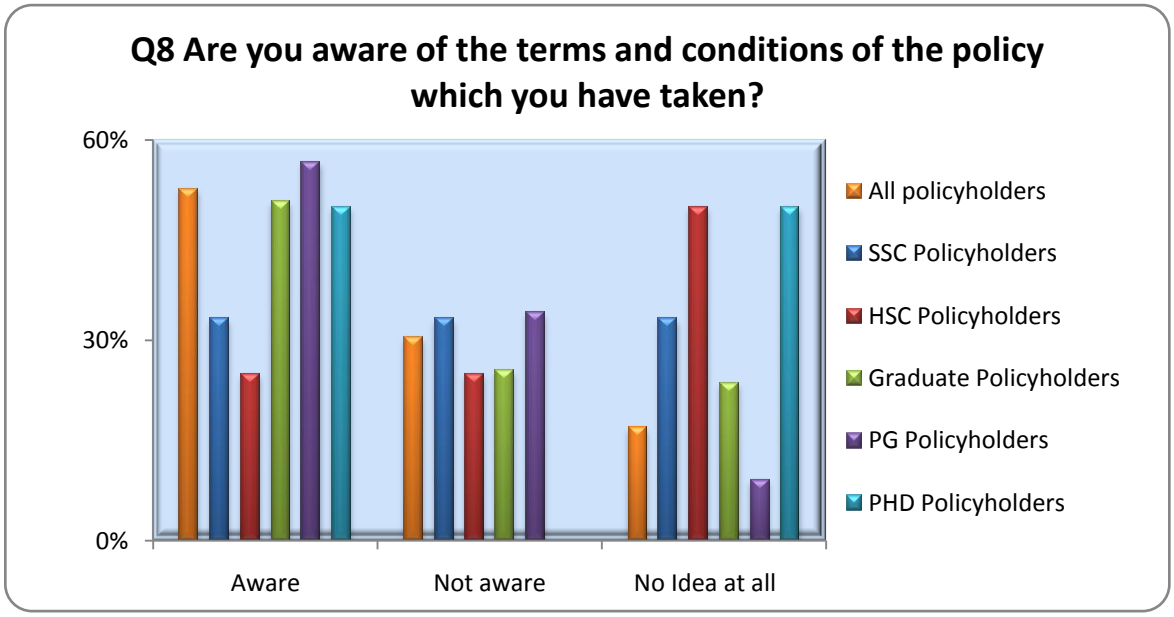


Chart 22 Q8 Are you aware of the terms and conditions of the policy which you have taken?

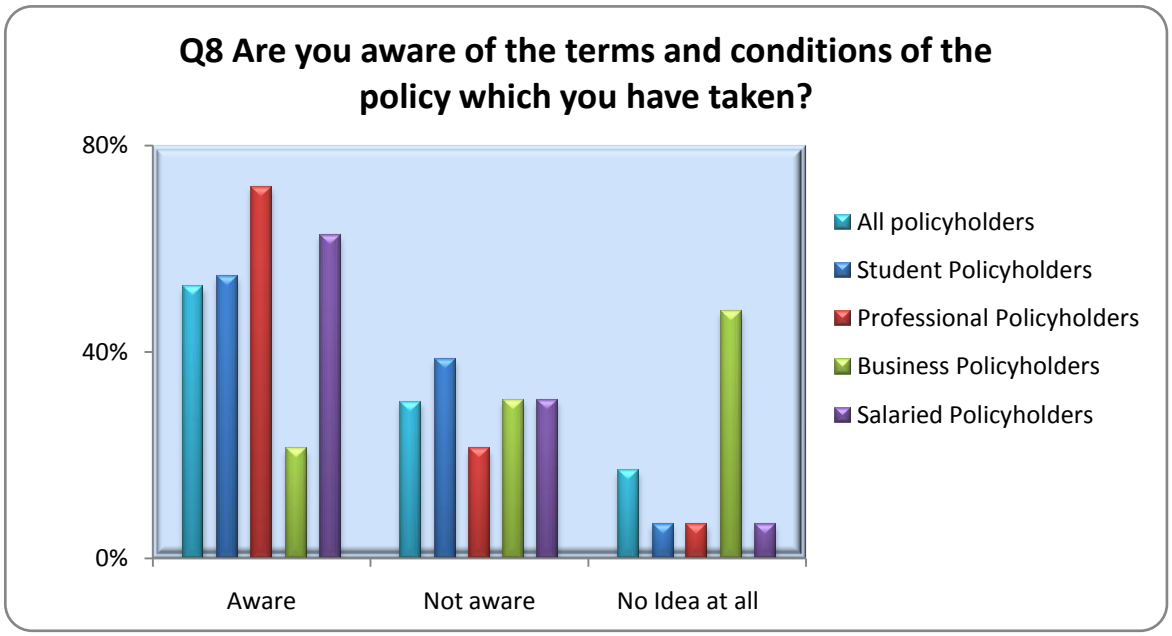
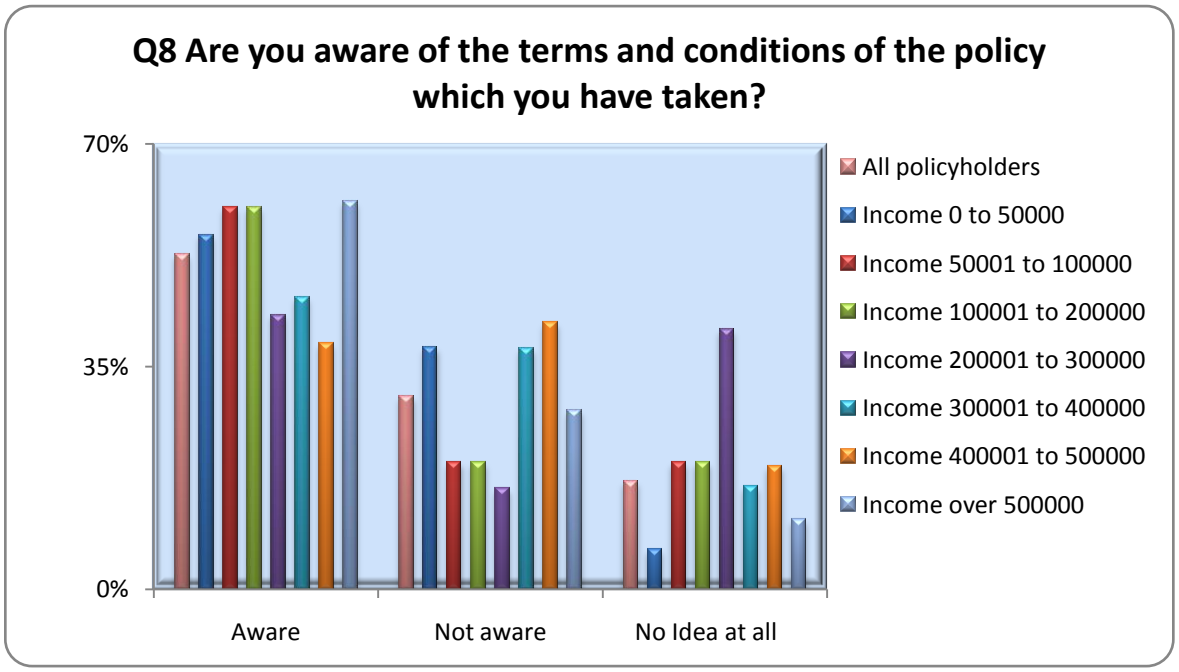


Chart 23 Q8 Are you aware of the terms and conditions of the policy which you have taken?



Q8 Are you aware of the terms and conditions of the policy which you have taken?

Overall 52.67% respondents say that they are aware of the terms and conditions of the policy which they have taken, 30.33% are not aware and 17% have no idea at all about the terms and conditions of the policy which they have taken. This because the booklet of terms and conditions is provided with each policy and handed over to the customers. Also the query/doubts, if any, are clarified by the agents or by the company officials.

Table 13 Q9 I am aware about the various schemes of the general insurance companies.

Q9 I am aware about the various schemes of the general insurance companies.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	5.67%	38.33%	27.67%	23.33%	5.00%
Male	6.55%	39.74%	27.51%	20.52%	5.68%
Female	2.82%	33.80%	28.17%	32.39%	2.82%
SSC Policyholders	0.00%	22.22%	11.11%	44.44%	22.22%
HSC Policyholders	0.00%	25.00%	16.67%	50.00%	8.33%
Graduate Policyholders	7.89%	31.58%	29.82%	24.56%	6.14%
PG Policyholders	4.88%	44.51%	28.05%	19.51%	3.05%
PHD Policyholders	0.00%	50.00%	50.00%	0.00%	0.00%
Student Policyholders	6.67%	37.33%	28.00%	26.67%	1.33%
Professional Policyholders	9.33%	52.00%	22.67%	14.67%	1.33%
Business Policyholders	2.67%	18.67%	28.00%	36.00%	14.67%
Salaried Policyholders	4.00%	45.33%	32.00%	16.00%	2.67%
Income 0 to 50000	6.33%	39.24%	27.85%	25.32%	1.27%
Income 50001 to 100000	0.00%	53.33%	20.00%	20.00%	6.67%
Income 100001 to 200000	10.00%	40.00%	16.67%	26.67%	6.67%
Income 200001 to 300000	0.00%	36.36%	27.27%	20.45%	15.91%
Income 300001 to 400000	2.70%	32.43%	40.54%	18.92%	5.41%
Income 400001 to 500000	3.23%	29.03%	29.03%	32.26%	6.45%
Income over 500000	10.94%	42.19%	26.56%	20.31%	0.00%

Q9 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.163333	1.01	0.11	3.28	3.05

Statistics 3

Chart 24 Q9 I am aware about the various schemes of the general insurance companies.

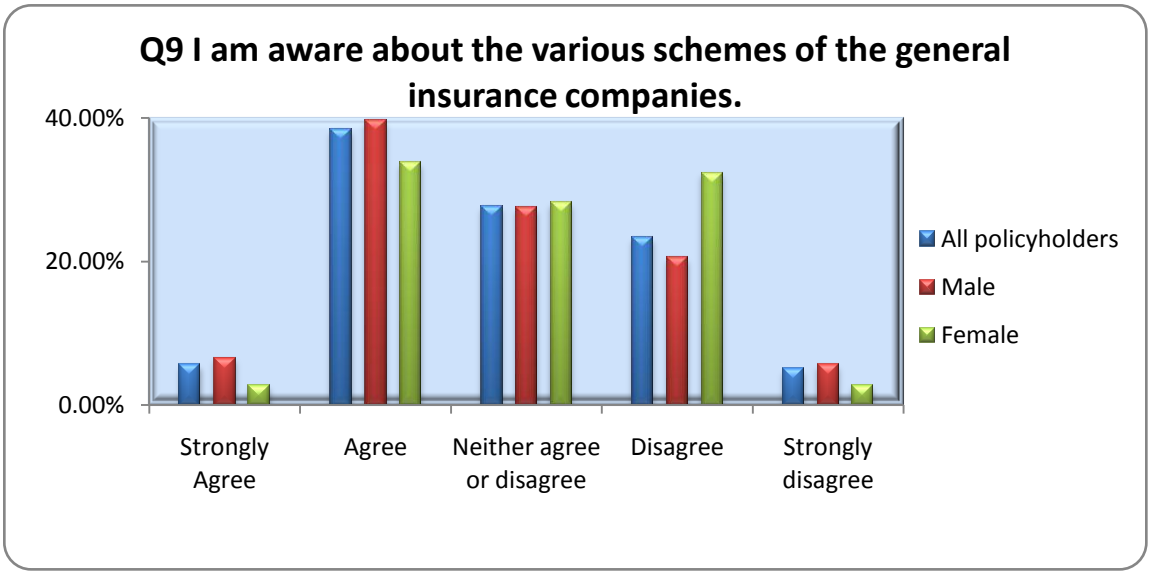


Chart 25 Q9 I am aware about the various schemes of the general insurance companies.

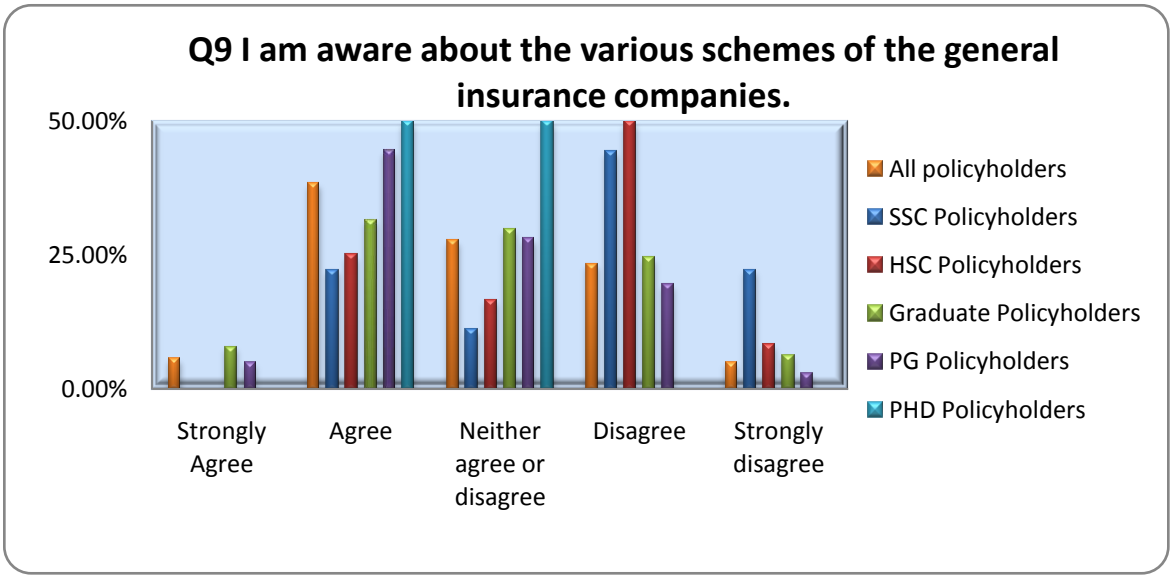


Chart 26 Q9 I am aware about the various schemes of the general insurance companies.

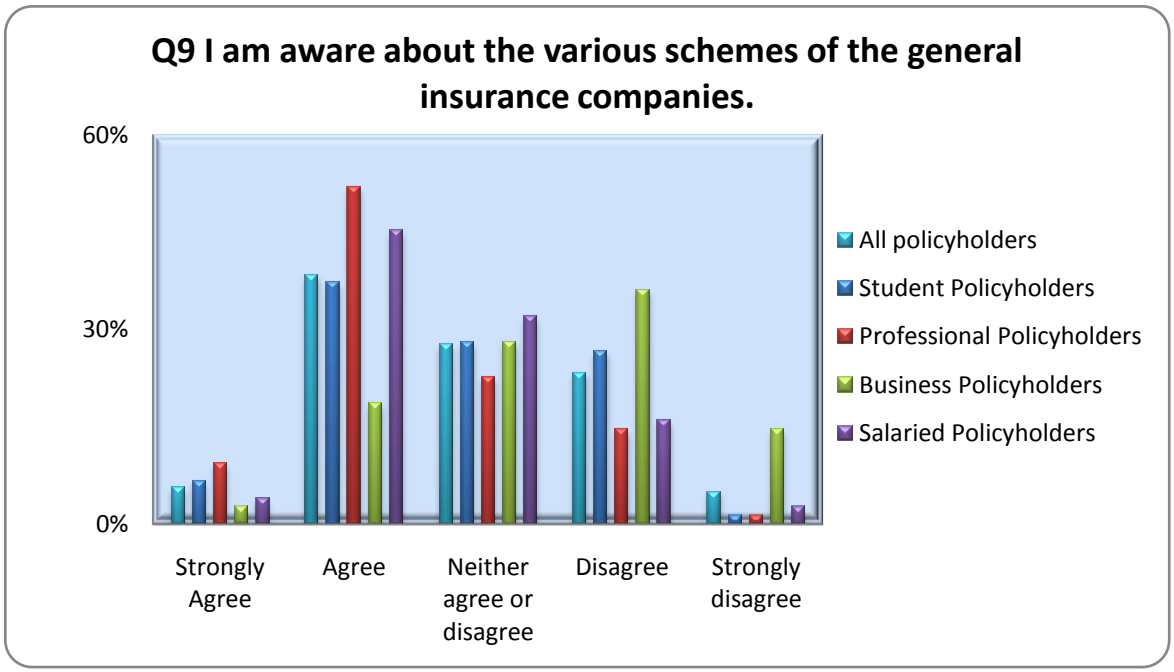
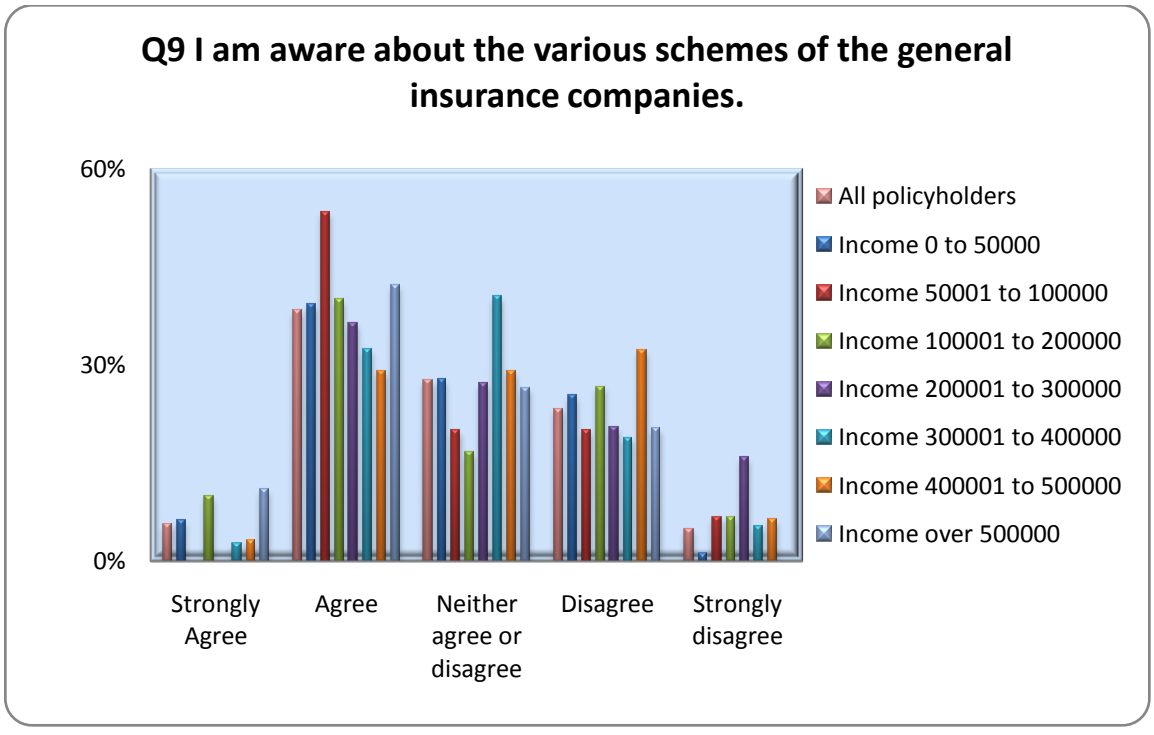


Chart 28 Q9 I am aware about the various schemes of the general insurance companies.



Q9 I am aware about the various schemes of the general insurance companies.

Overall 44% respondents say that they are aware about the various schemes of the general insurance companies. 50% policy holders in education category, who are Ph.D. holders neither agree or disagree and there is mixed response from all categories of respondents. The percentage of neither agree or disagree is also quite high, around 41%. This means they are not sure. It means equal number of respondents say they agree and same number say they neither agree nor disagree. The reason for this may be the new schemes are not introduced very often and not do not reach the people.

Table 13Q10 There was a monopolistic situation for Public Sector General Insurance companies

Q10 There was a monopolistic situation for Public Sector General Insurance companies	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	15.67%	57.67%	23.33%	3.00%	0.33%
Male	17.90%	57.21%	21.40%	3.06%	0.44%
Female	8.45%	59.15%	29.58%	2.82%	0.00%
SSC Policyholders	11.11%	66.67%	11.11%	11.11%	0.00%
HSC Policyholders	8.33%	50.00%	41.67%	0.00%	0.00%
Graduate Policyholders	14.91%	50.88%	30.70%	2.63%	0.88%
PG Policyholders	17.07%	62.20%	17.68%	3.05%	0.00%
PHD Policyholders	0.00%	50.00%	50.00%	0.00%	0.00%
Student Policyholders	17.33%	58.67%	18.67%	5.33%	0.00%
Professional Policyholders	18.67%	60.00%	20.00%	1.33%	0.00%
Business Policyholders	9.33%	53.33%	34.67%	2.67%	0.00%
Salaried Policyholders	17.33%	58.67%	20.00%	2.67%	1.33%
Income 0 to 50000	16.46%	59.49%	18.99%	5.06%	0.00%
Income 50001 to 100000	0.00%	86.67%	13.33%	0.00%	0.00%
Income 100001 to 200000	13.33%	63.33%	23.33%	0.00%	0.00%
Income 200001 to 300000	9.09%	54.55%	31.82%	2.27%	2.27%
Income 300001 to 400000	8.11%	54.05%	37.84%	0.00%	0.00%
Income 400001 to 500000	9.68%	58.06%	22.58%	9.68%	0.00%
Income over 500000	31.25%	50.00%	17.19%	1.56%	0.00%

Q10 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.853333	0.72	0.08	3.93	3.77

Statistics 4

Chart 27 Q10 There was a monopolistic situation for Public Sector General Insurance companies

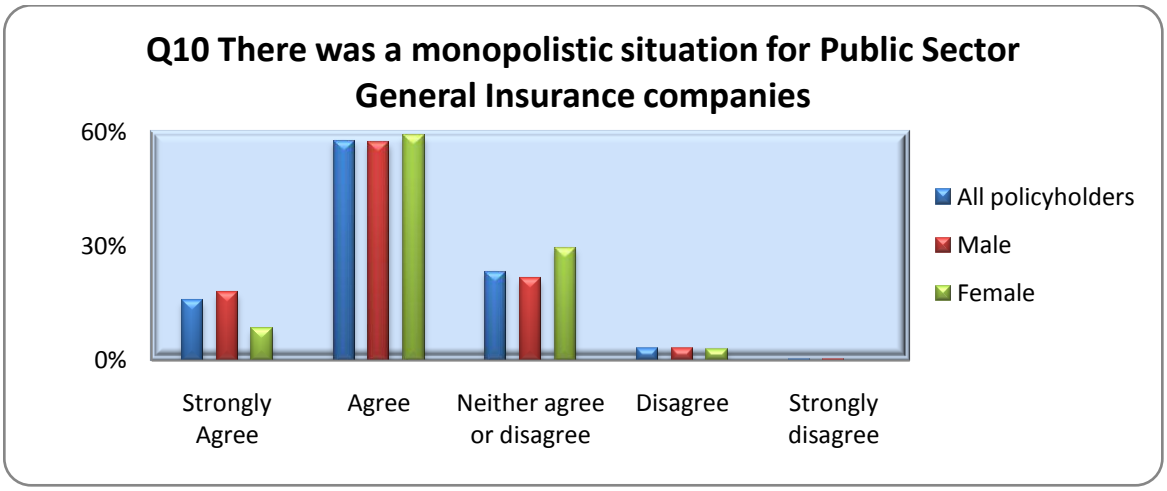


Chart 28 Q10 There was a monopolistic situation for Public Sector General Insurance companies

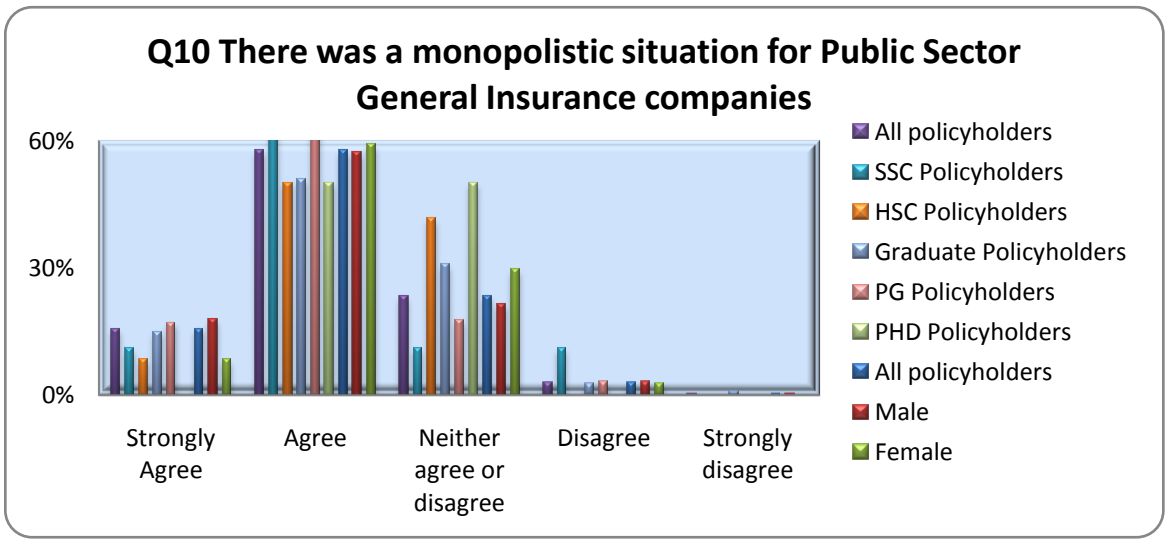


Chart 29 Q10 There was a monopolistic situation for Public Sector General Insurance companies

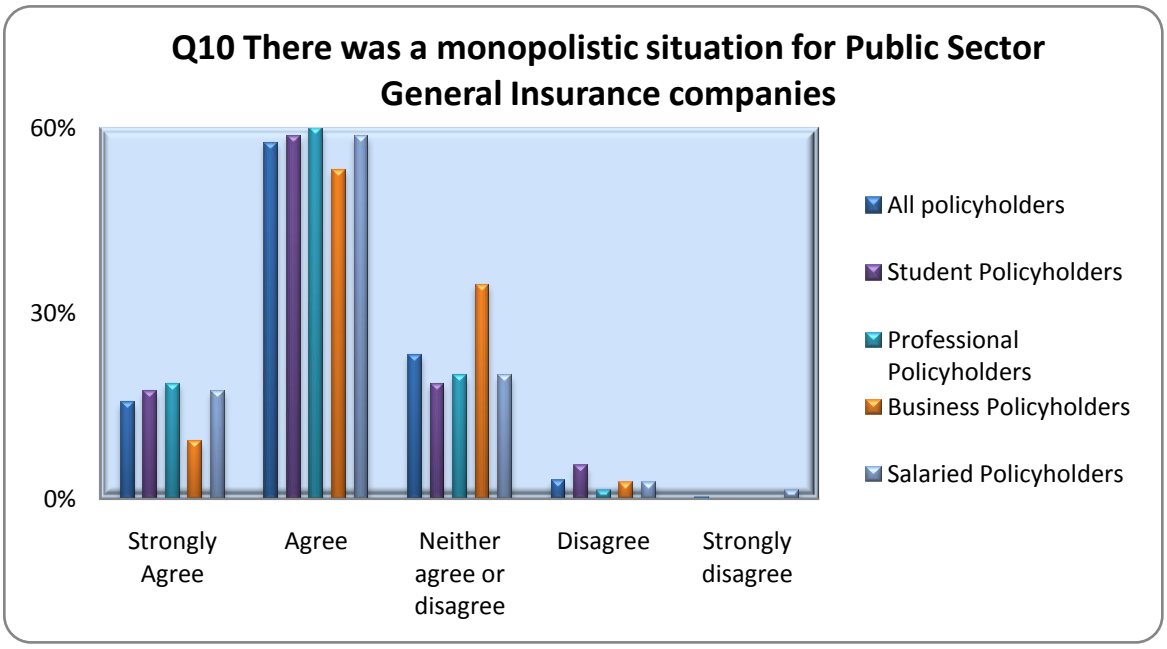
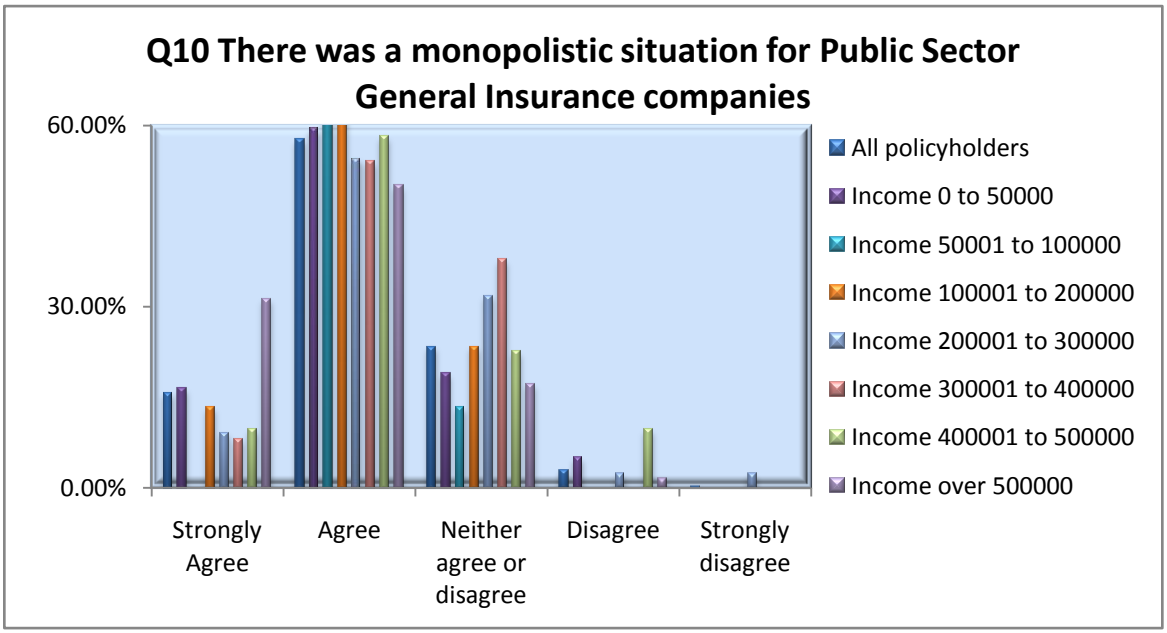


Chart 30 Q10 There was a monopolistic situation for Public Sector General Insurance companies



Q10 There was a monopolistic situation for Public Sector General Insurance companies

Overall 73.34% respondents agree that there was a monopolistic situation for Public Sector General Insurance companies. In the education category, 66% respondents agree, 73.33% in the occupation category agree and if seen from the income group category, nearly 74% respondents agree to this. Majority of respondents are of the opinion that there was a monopolistic situation for public sector general insurance companies. This is because earlier there were only public sector companies and they really had monopoly till the globalization and no other private company was allowed to enter the insurance business. Thus there was absolutely no competition for public sector general insurance companies.

Chart 31 Q11 The aggressive marketing strategies by the Private Sector general insurance companies will increase consumer awareness.

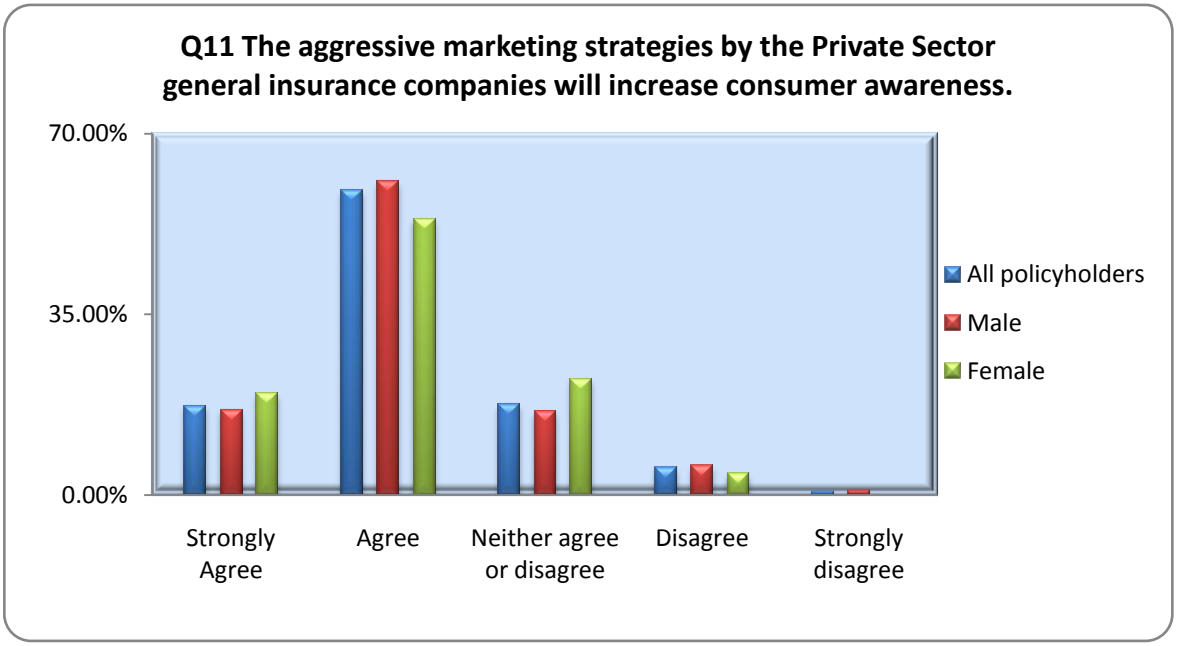


Chart 32 Q11 The aggressive marketing strategies by the Private Sector general insurance companies will increase consumer awareness.

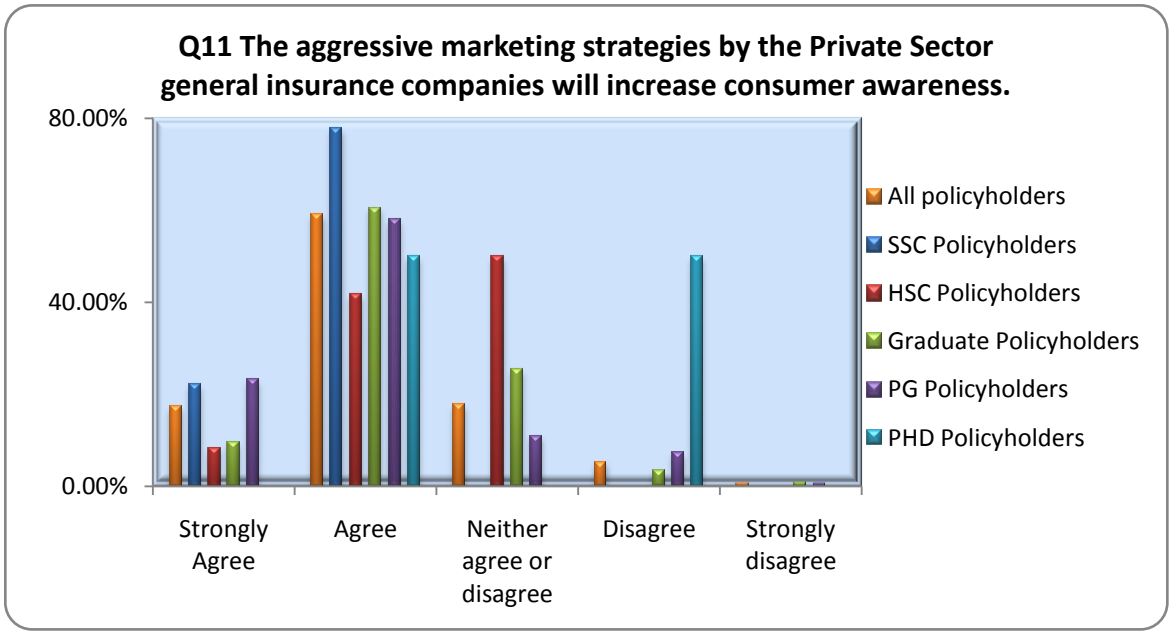


Chart 33 Q11 The aggressive marketing strategies by the Private Sector general insurance companies will increase consumer awareness.

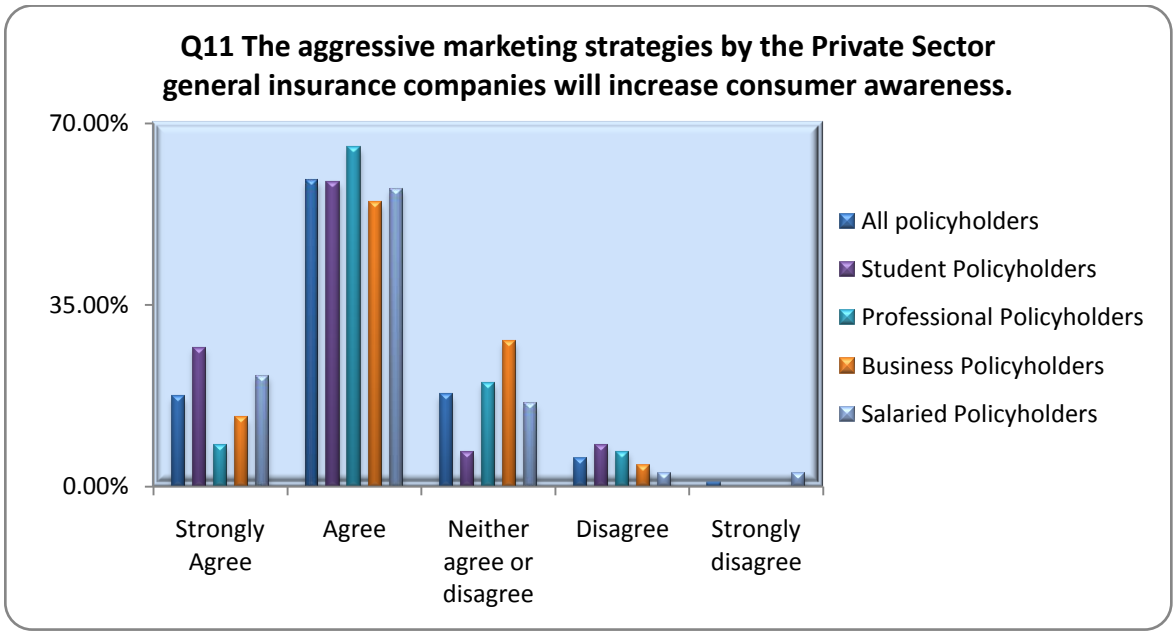
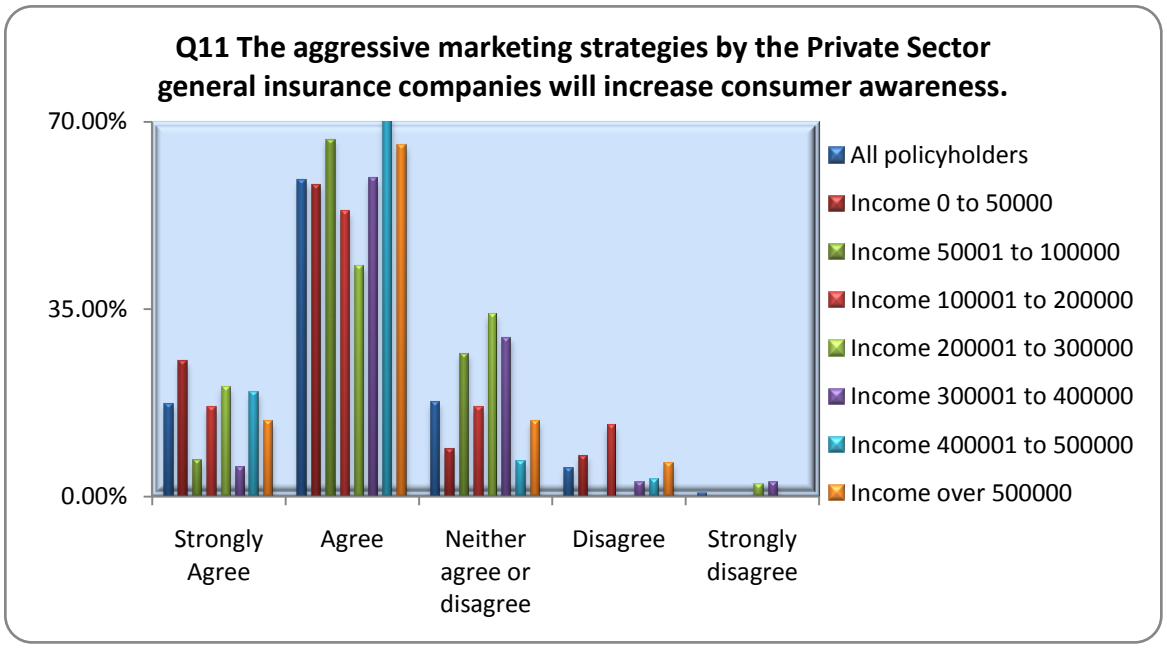


Chart 34 Q11 The aggressive marketing strategies by the Private Sector general insurance companies will increase consumer awareness.



Q11The aggressive marketing strategies by the Private Sector general insurance companies will increase consumer awareness.

Thus majority of respondents agree that the aggressive marketing strategies by the Private Sector general insurance companies will increase consumer awareness. The reason is the private companies started direct marketing approach through television, newspapers and mass media contacts etc. which will certainly increase the customer awareness. The advertisements of private companies speak about the products and benefits to the customers, which also attract them.

Table 14Q12 The insurance (General Insurance) cover is a must for everybody.

Q12 The insurance (General Insurance) cover is a must for everybody.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	27.00%	59.67%	10.33%	3.00%	0.00%
Male	27.51%	60.26%	9.17%	3.06%	0.00%
Female	25.35%	57.75%	14.08%	2.82%	0.00%
SSC Policyholders	33.33%	55.56%	11.11%	0.00%	0.00%
HSC Policyholders	8.33%	66.67%	25.00%	0.00%	0.00%
Graduate Policyholders	23.68%	65.79%	9.65%	0.88%	0.00%
PG Policyholders	29.88%	55.49%	9.76%	4.88%	0.00%
PHD Policyholders	50.00%	0.00%	0.00%	50.00%	0.00%
Student Policyholders	30.67%	53.33%	10.67%	5.33%	0.00%
Professional Policyholders	28.00%	62.67%	6.67%	2.67%	0.00%
Business Policyholders	25.33%	62.67%	10.67%	1.33%	0.00%
Salaried Policyholders	24.00%	60.00%	13.33%	2.67%	0.00%
Income 0 to 50000	30.38%	54.43%	10.13%	5.06%	0.00%
Income 50001 to 100000	6.67%	66.67%	26.67%	0.00%	0.00%
Income 100001 to 200000	30.00%	63.33%	6.67%	0.00%	0.00%
Income 200001 to 300000	29.55%	56.82%	11.36%	2.27%	0.00%
Income 300001 to 400000	10.81%	75.68%	10.81%	2.70%	0.00%
Income 400001 to 500000	32.26%	61.29%	6.45%	0.00%	0.00%
Income over 500000	31.25%	54.69%	9.38%	4.69%	0.00%

Q12 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
4.106667	0.70	0.08	4.19	4.03

Statistics 5

Chart 35 Q12 The insurance (General Insurance) cover is a must for everybody.

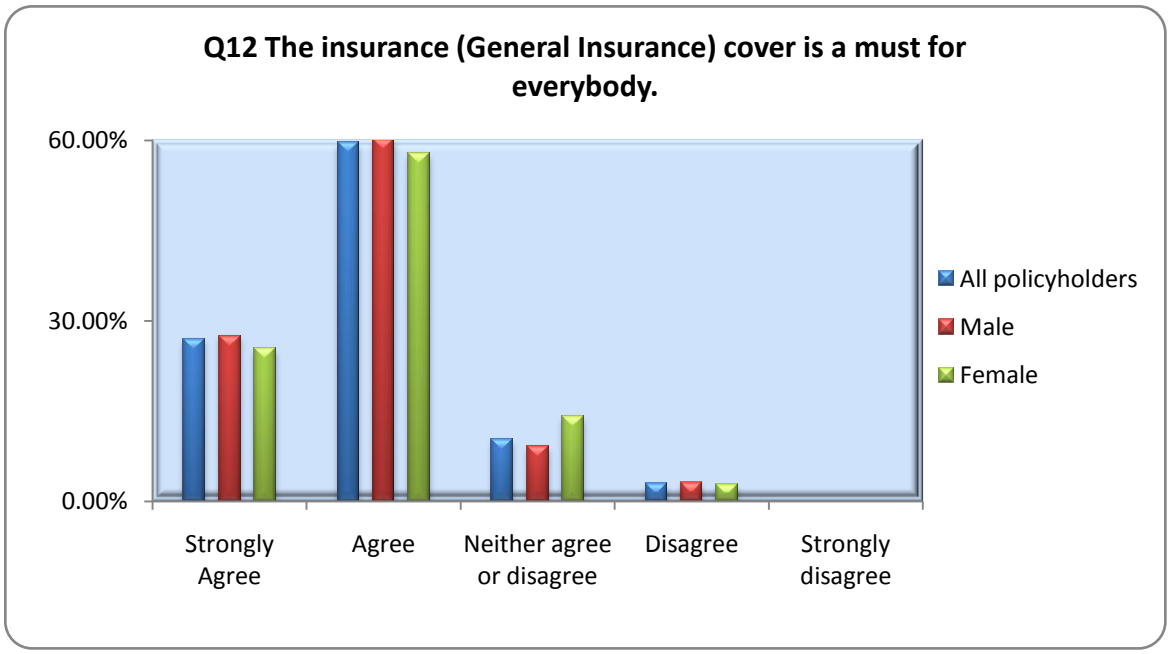


Chart 36 Q12 The insurance (General Insurance) cover is a must for everybody.

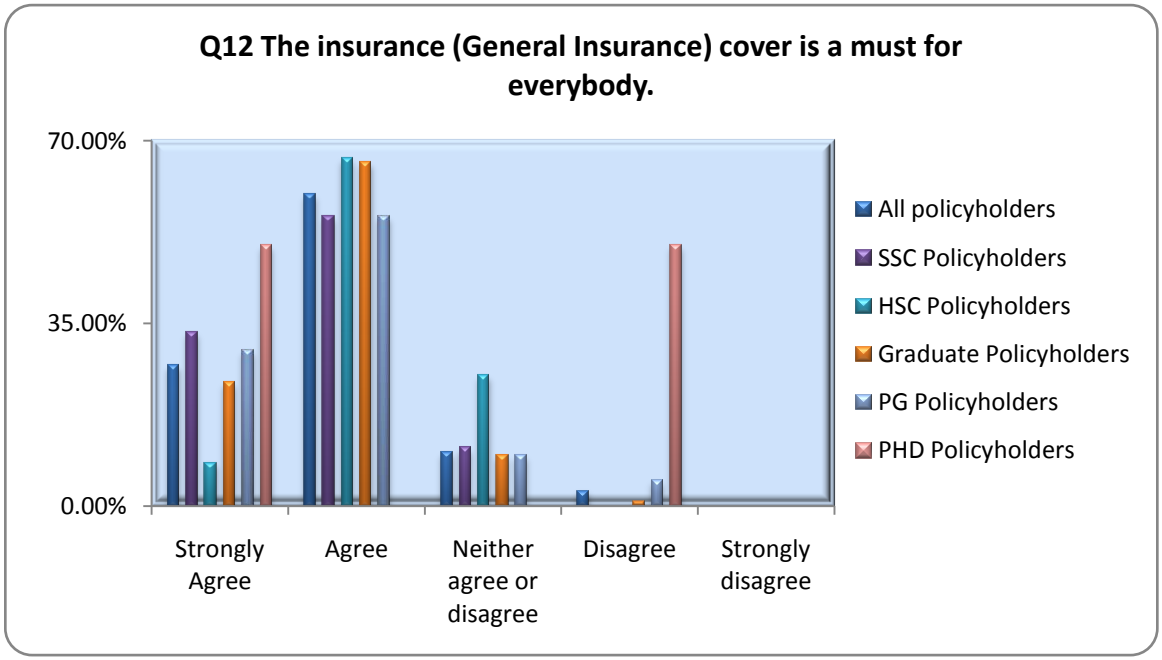


Chart 37 Q12 The insurance (General Insurance) cover is a must for everybody.

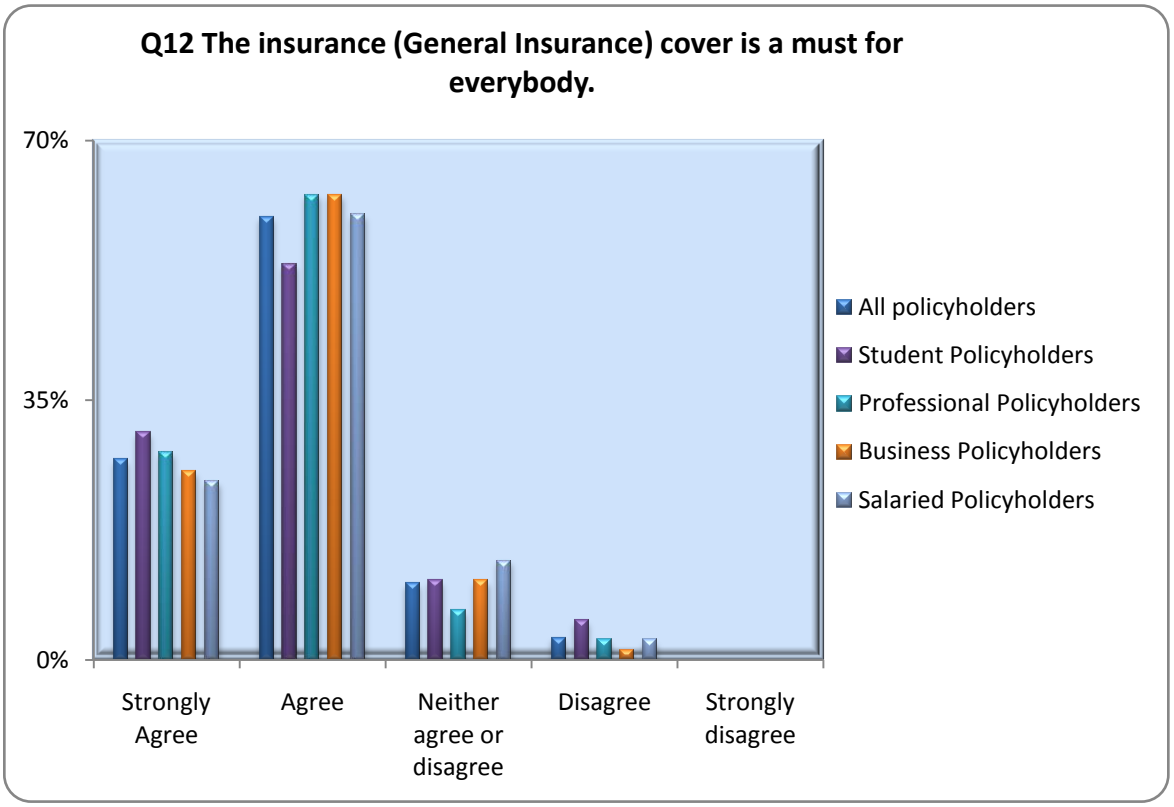
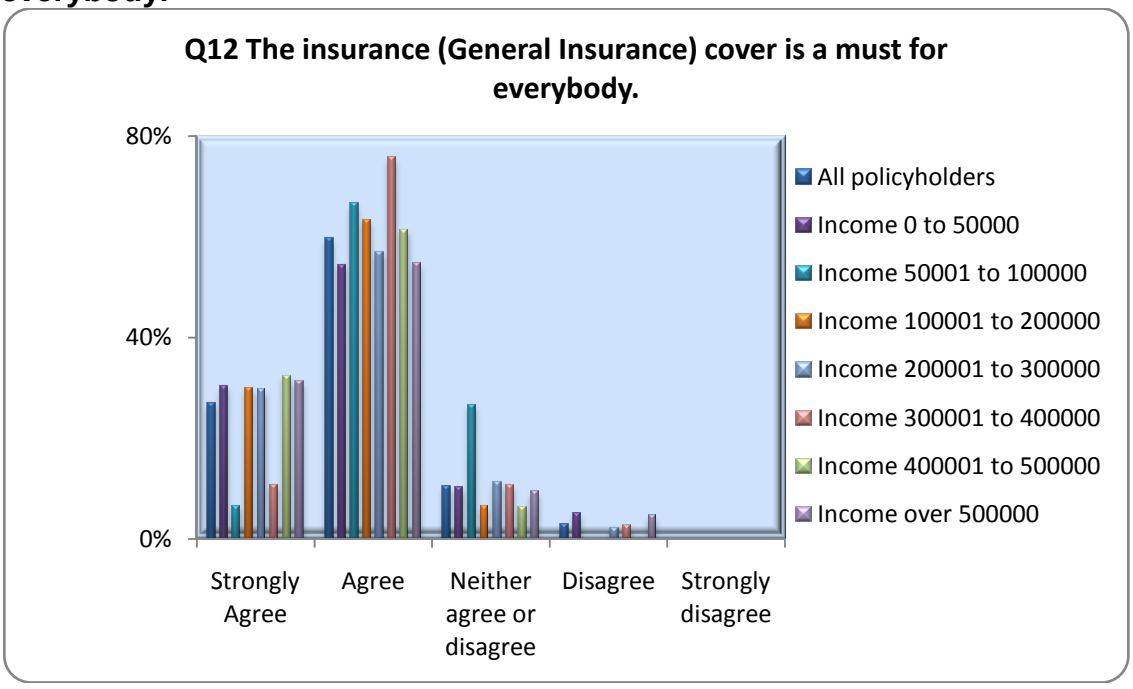


Chart 38 Q12 The insurance (General Insurance) cover is a must for everybody.



Q12 The insurance (General Insurance) cover is a must for everybody.

Overall 87% respondents say that the general insurance cover is a must for everybody. 77% respondents from the education class agree to this, 86.67% respondents in the occupation category and 86.26% in the income category respondents agree to this. The reason is the basic concepts and principles of covering the risks and to be safe against loss is universally accepted fact.

Table 15Q13 The Tariff rates for comprehensive policy are very much on higher side.

Q13 The Tariff rates for comprehensive policy are very much on higher side.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	13.33%	52.00%	28.67%	5.67%	0.33%
Male	16.16%	49.34%	27.95%	6.55%	0.00%
Female	4.23%	60.56%	30.99%	2.82%	1.41%
SSC Policyholders	11.11%	77.78%	11.11%	0.00%	0.00%
HSC Policyholders	41.67%	41.67%	0.00%	0.00%	
Graduate Policyholders	19.30%	50.88%	27.19%	2.63%	0.00%
PG Policyholders	9.15%	51.83%	29.88%	8.54%	0.61%
PHD Policyholders	0.00%	50.00%	50.00%	0.00%	0.00%
Student Policyholders	6.67%	56.00%	29.33%	8.00%	0.00%
Professional Policyholders	16.00%	56.00%	18.67%	9.33%	0.00%
Business Policyholders	18.67%	42.67%	37.33%	1.33%	0.00%
Salaried Policyholders	12.00%	53.33%	29.33%	4.00%	1.33%
Income 0 to 50000	6.33%	54.43%	30.38%	8.86%	0.00%
Income 50001 to 100000	0.00%	66.67%	26.67%	6.67%	0.00%
Income 100001 to 200000	16.67%	50.00%	30.00%	3.33%	0.00%
Income 200001 to 300000	22.73%	50.00%	25.00%	2.27%	0.00%
Income 300001 to 400000	10.81%	45.95%	35.14%	8.11%	0.00%
Income 400001 to 500000	19.35%	51.61%	25.81%	3.23%	0.00%
Income over 500000	15.63%	51.56%	26.56%	4.69%	1.56%

Q13 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.723333	0.78	0.09	3.81	3.64

Statistics 6

Chart 39 Q13 The Tariff rates for comprehensive policy are very much on higher side.

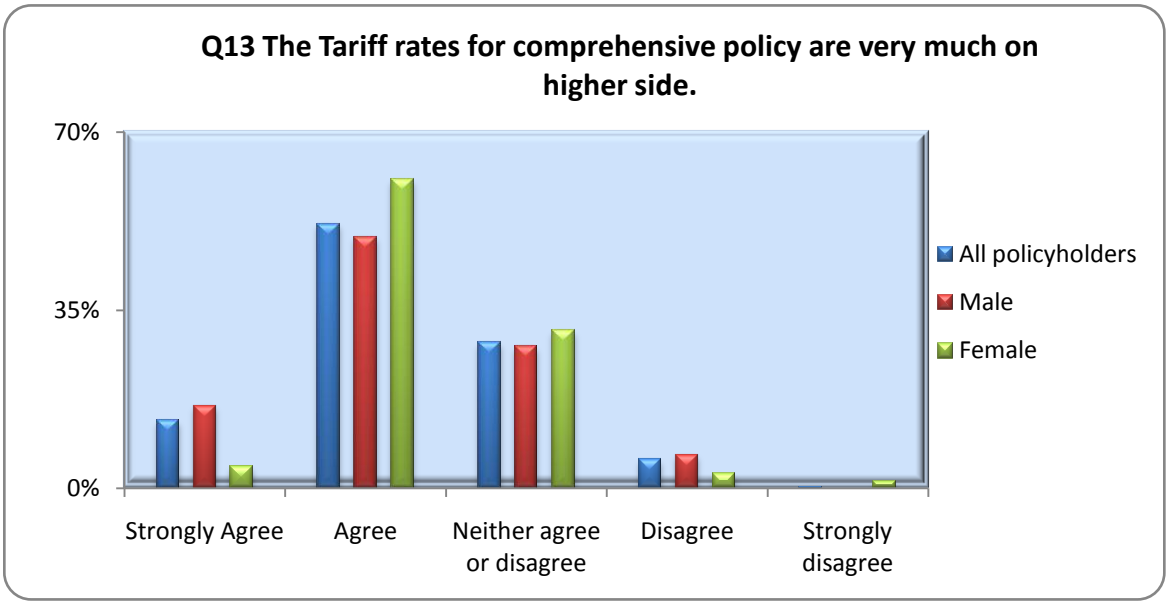


Chart 40 Q13 The Tariff rates for comprehensive policy are very much on higher side.

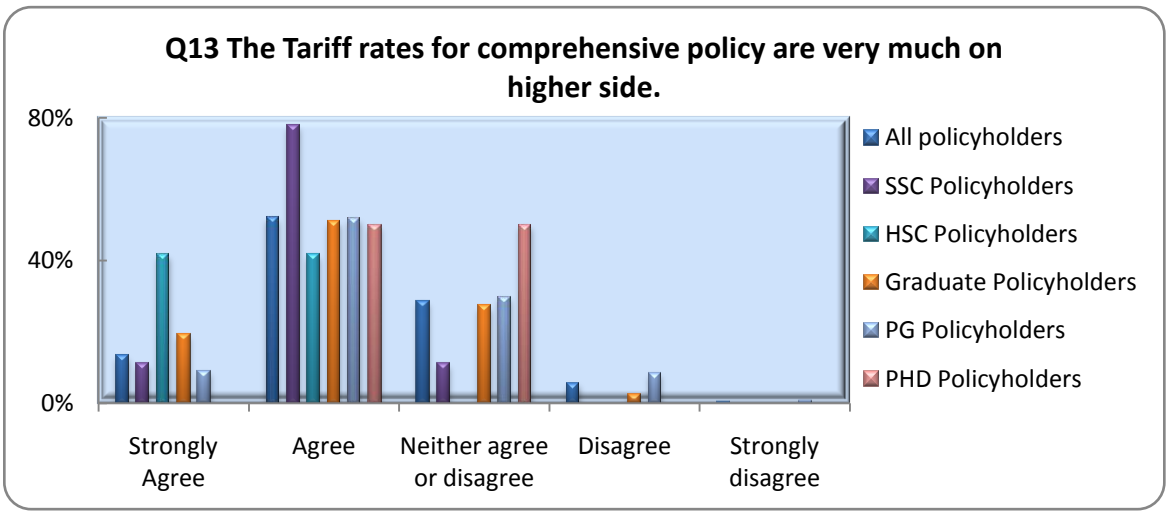


Chart 41 Q13 The Tariff rates for comprehensive policy are very much on higher side.

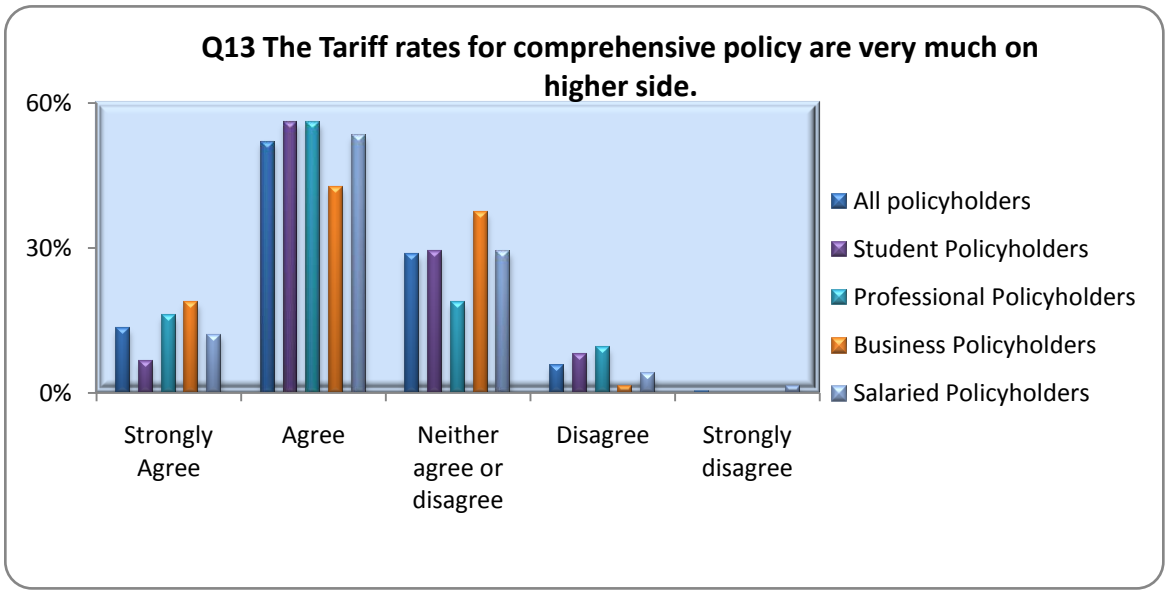
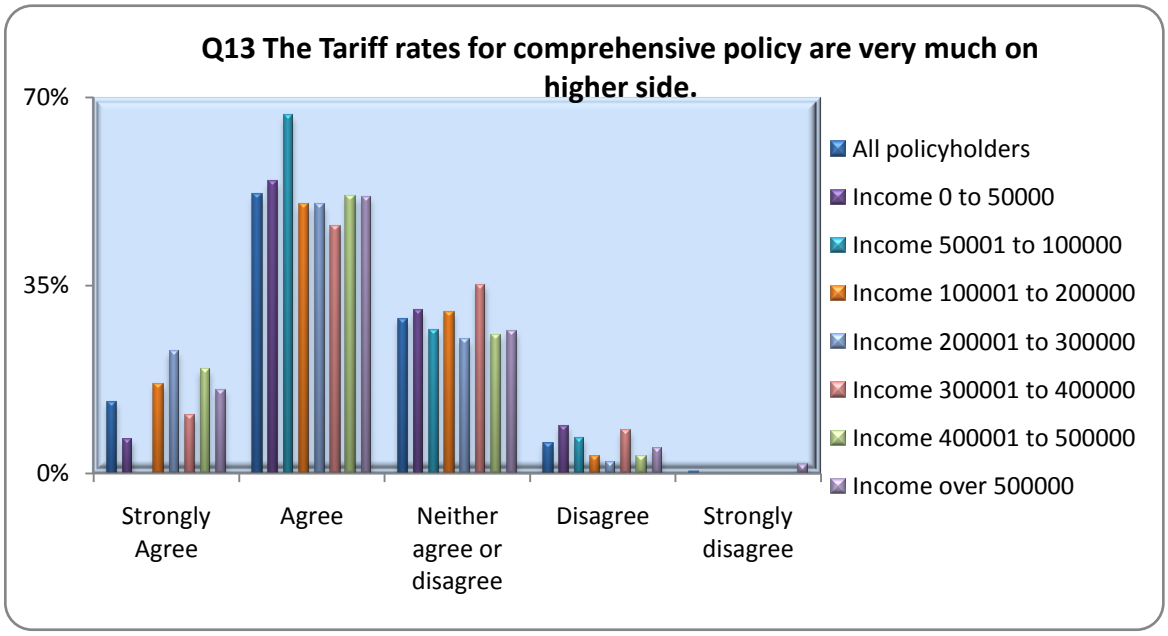


Chart 42 Q13 The Tariff rates for comprehensive policy are very much on higher side.



Q13 The Tariff rates for comprehensive policy are very much on higher side.

At all policy holders' level, 65% respondents say that the tariff rates for the comprehensive policy are very much on higher side. In the category level by insurance, nearly 71% respondents agree to this. In the occupation level, 65% respondents agree and 66% in the category of income level agree to this.

Comprehensive Insurance is a full package of covers which include third party accidental damages, damages to vehicles itself, accident cover to pillion rider and owner etc. and that is why the comprehensive policy rates are higher.

Table 16Q14 Your General Insurance company gives you good service.

Q14 Your General Insurance company gives you good service.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	6.67%	57.33%	29.00%	6.33%	0.67%
Male	5.68%	58.95%	27.51%	6.99%	0.87%
Female	9.86%	52.11%	33.80%	4.23%	0.00%
SSC Policyholders	0.00%	66.67%	33.33%	0.00%	0.00%
HSC Policyholders	0.00%	75.00%	25.00%	0.00%	0.00%
Graduate Policyholders	7.89%	53.51%	29.82%	7.89%	0.88%
PG Policyholders	6.71%	57.93%	28.66%	6.10%	0.61%
PHD Policyholders	0.00%	50.00%	50.00%	0.00%	0.00%
Student Policyholders	5.33%	58.67%	33.33%	2.67%	0.00%
Professional Policyholders	5.33%	56.00%	26.67%	12.00%	0.00%
Business Policyholders	8.00%	66.67%	22.67%	1.33%	1.33%
Salaried Policyholders	8.00%	48.00%	33.33%	9.33%	1.33%
Income 0 to 50000	6.33%	58.23%	32.91%	2.53%	0.00%
Income 50001 to 100000	0.00%	66.67%	33.33%	0.00%	0.00%
Income 100001 to 200000	10.00%	63.33%	20.00%	3.33%	3.33%
Income 200001 to 300000	2.27%	56.82%	34.09%	4.55%	2.27%
Income 300001 to 400000	8.11%	54.05%	29.73%	8.11%	0.00%
Income 400001 to 500000	6.45%	54.84%	29.03%	9.68%	0.00%
Income over 500000	9.38%	54.69%	23.44%	12.50%	0.00%

Q14 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.63	0.73	0.08	3.71	3.55

Statistics 7

Chart 43 Q14 Your General Insurance company gives you good service.

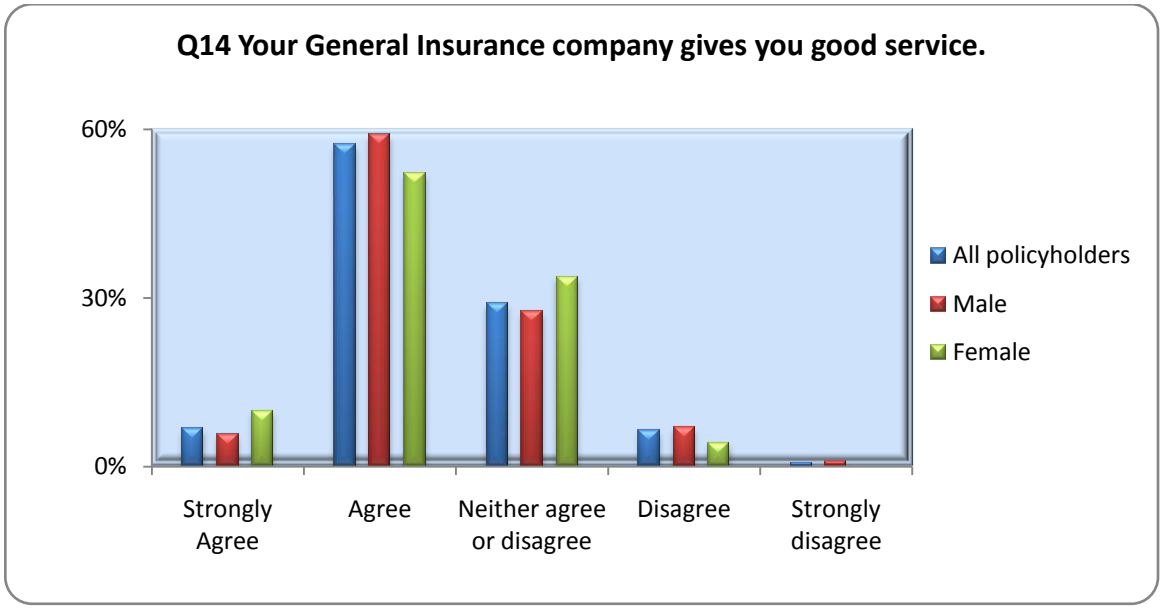


Chart 44 Q14 Your General Insurance company gives you good service.

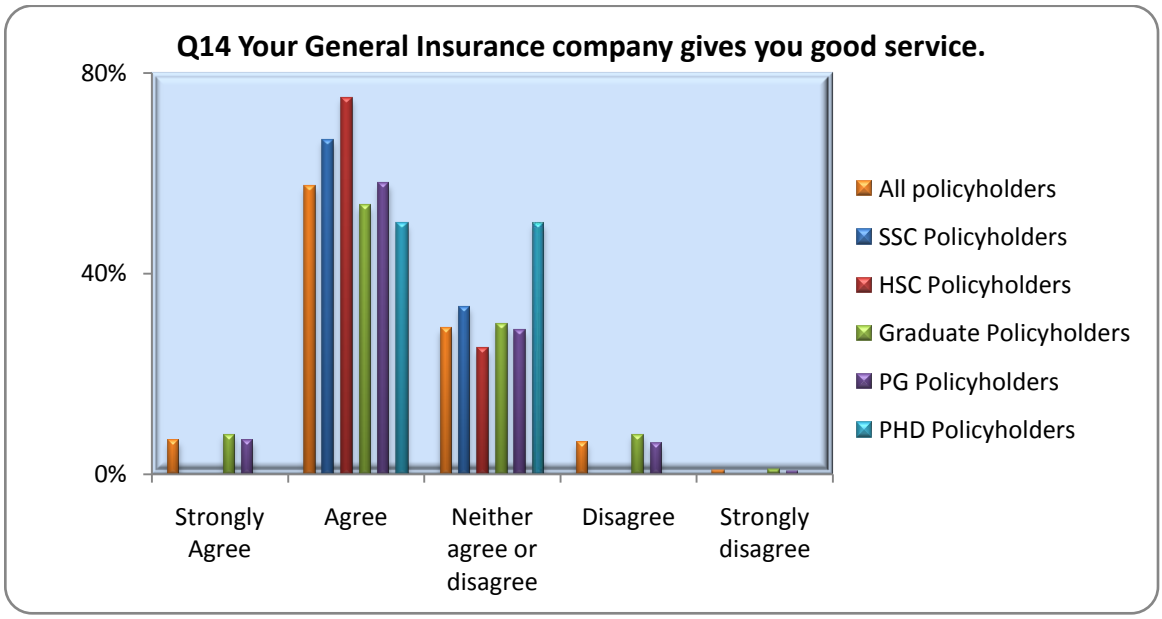


Chart 45 Q14 Your General Insurance company gives you good service.

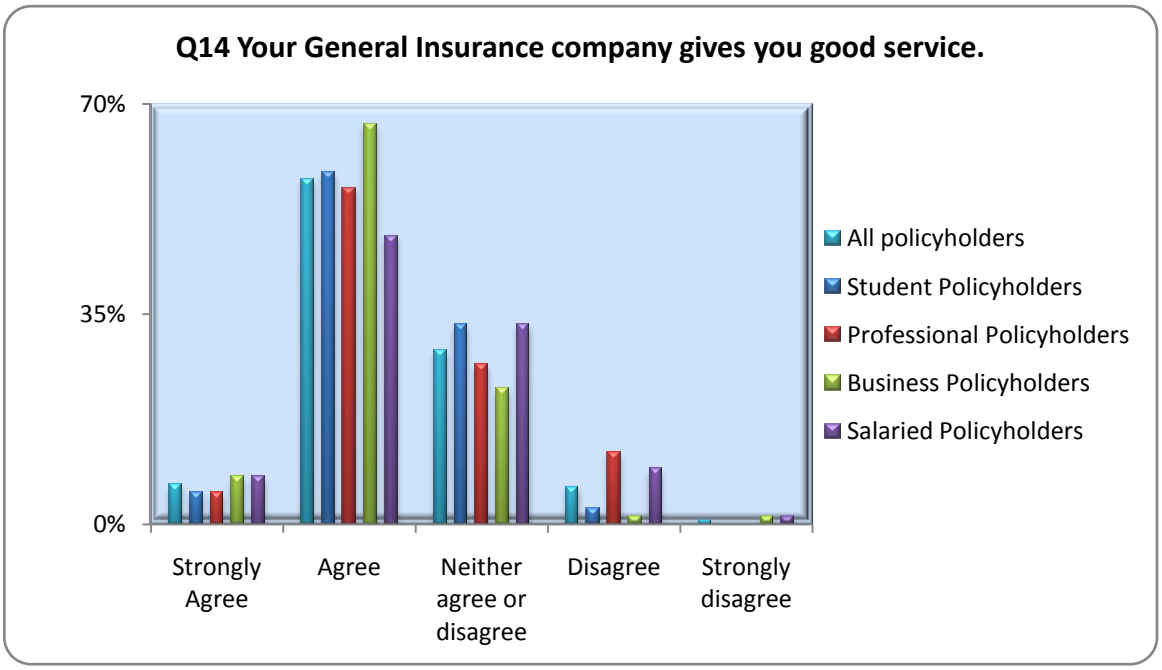
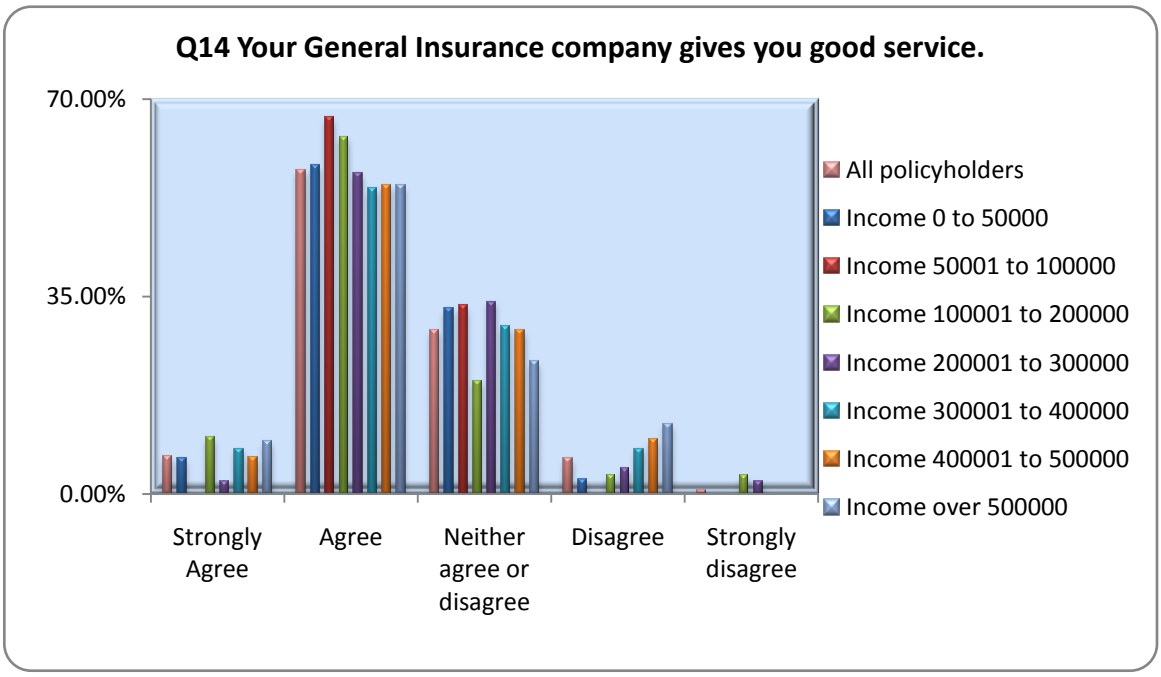


Chart 46 Q14 Your General Insurance company gives you good service.



Q14 Your General Insurance Company gives you good service.

At 'all policy holders' level, 64% respondents say that their General Insurance Company gives them good service. Also in the various category levels by education 64% agree to this. In other category levels also the percentage I around 64%. This is because the policy holders are very rarely required to visit the insurance companies. Once the policy is taken, they need to approach the insurance company for renewal.

Table 17Q15 Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies

Q15 Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	7.33%	40.00%	38.67%	13.00%	1.00%
Male	7.42%	41.05%	36.68%	13.54%	1.31%
Female	7.04%	36.62%	45.07%	11.27%	0.00%
SSC Policyholders	33.33%	55.56%	11.11%	0.00%	0.00%
HSC Policyholders	8.33%	50.00%	41.67%	0.00%	0.00%
Graduate Policyholders	4.39%	42.98%	41.23%	11.40%	0.00%
PG Policyholders	7.93%	36.59%	38.41%	15.24%	1.83%
PHD Policyholders	0.00%	50.00%	0.00%	50.00%	0.00%
Student Policyholders	10.67%	34.67%	37.33%	16.00%	1.33%
Professional Policyholders	4.00%	40.00%	34.67%	21.33%	0.00%
Business Policyholders	6.67%	50.67%	38.67%	2.67%	1.33%
Salaried Policyholders	8.00%	34.67%	44.00%	12.00%	1.33%
Income 0 to 50000	10.13%	34.18%	37.97%	16.46%	1.27%
Income 50001 to 100000	0.00%	73.33%	26.67%	0.00%	0.00%
Income 100001 to 200000	10.00%	33.33%	43.33%	13.33%	0.00%
Income 200001 to 300000	11.36%	47.73%	34.09%	6.82%	0.00%
Income 300001 to 400000	2.70%	35.14%	40.54%	16.22%	5.41%
Income 400001 to 500000	12.90%	41.94%	35.48%	9.68%	0.00%
Income over 500000	1.56%	39.06%	43.75%	15.63%	0.00%

Q15 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.396667	0.84	0.10	3.49	3.30

Statistics 8

Chart 47 Q15 Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies

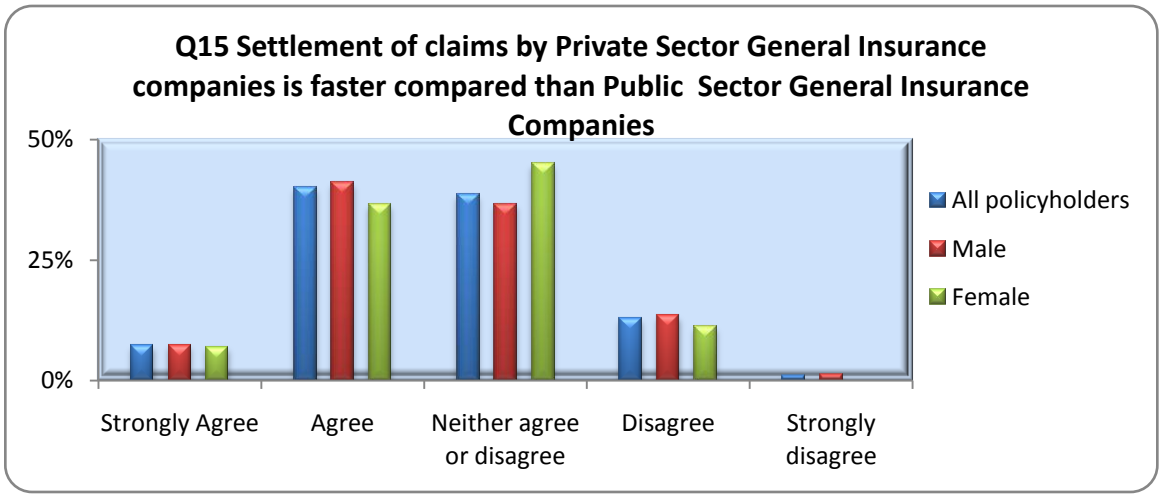


Chart 48 Q15 Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies

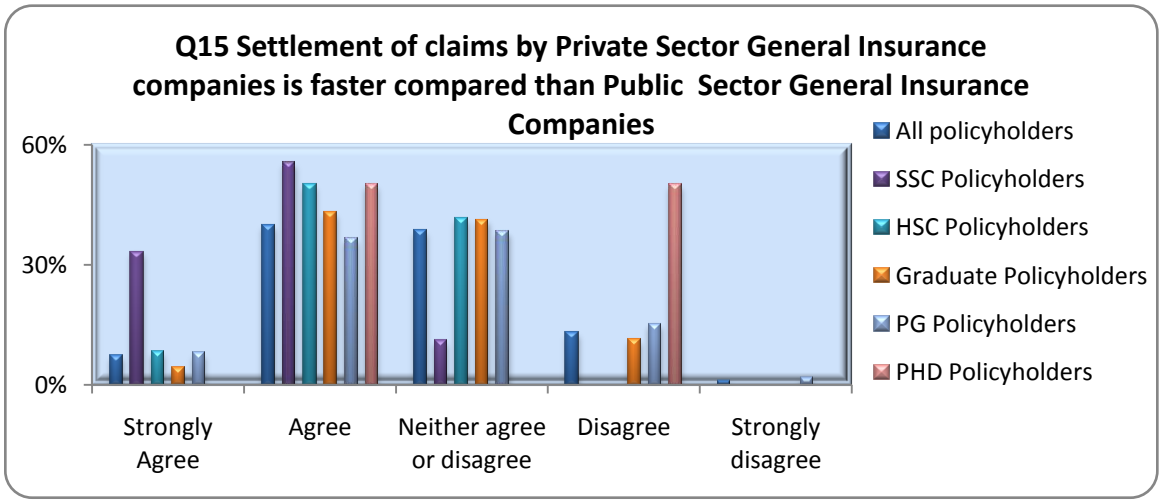


Chart 49 Q15 Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies

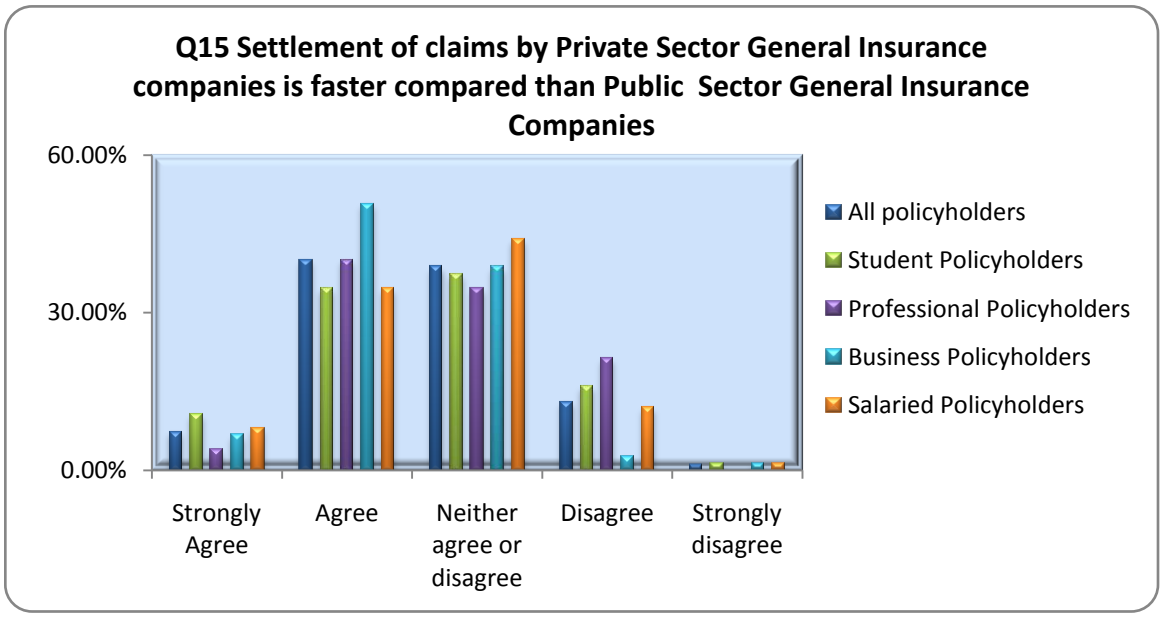
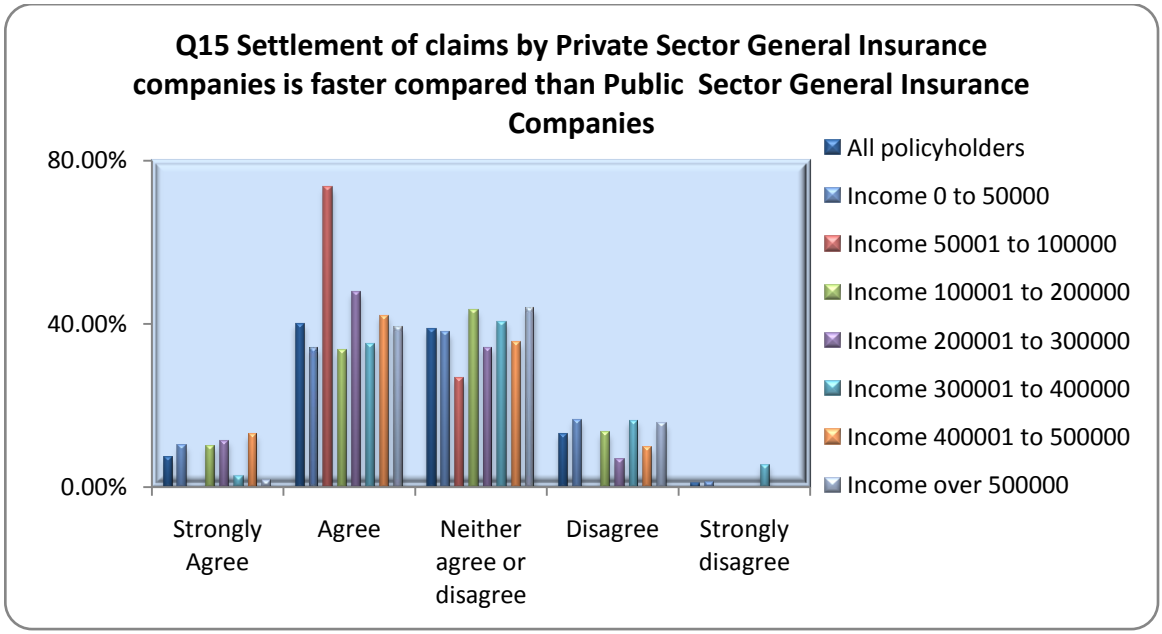


Chart 50 Q15 Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies



Q15 Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies

Overall 47.33% respondents say that the Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies, 58% in the various category level of education agree to this. In the other categories only 47.33% occupation wise and 51% income level wise agree to this. The respondents who neither agree nor disagree is also found to be around 45% and hence there is mixed opinion about this statement. This is because the procedure involved in the settlement of claims in case of public sector general insurance companies is lengthy and time consuming unlike private sector companies. Time required for settlement of claims depends on claim amount, type of insurance product and the documents required. This is also the reason for mixed reaction from the respondents.

Table 18 Q16 Which types of general insurance companies are more reliable according to you?

Q16 Which types of general insurance companies are more reliable according to you?	Public Sector	Private Sector
All policyholders	81.67%	18.33%
Male	83.84%	16.16%
Female	74.65%	25.35%
SSC Policyholders	88.89%	11.11%
HSC Policyholders	66.67%	33.33%
Graduate Policyholders	85.96%	14.04%
PG Policyholders	79.27%	20.73%
PHD Policyholders	50.00%	50.00%
Student Policyholders	68.00%	32.00%
Professional Policyholders	89.33%	10.67%
Business Policyholders	84.00%	16.00%
Salaried Policyholders	85.33%	14.67%
Income 0 to 50000	68.35%	31.65%
Income 50001 to 100000	86.67%	13.33%
Income 100001 to 200000	93.33%	6.67%
Income 200001 to 300000	79.55%	20.45%
Income 300001 to 400000	83.78%	16.22%
Income 400001 to 500000	90.32%	9.68%
Income over 500000	87.50%	12.50%

Chart 51Q16 Which types of general insurance companies are more reliable according to you?

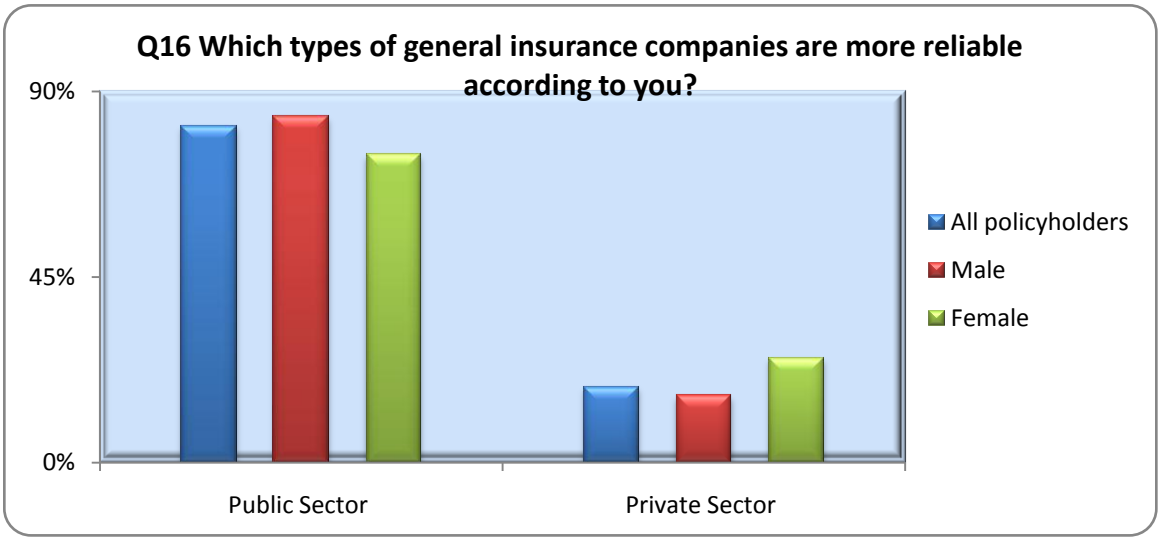


Chart 52 Q16 Which types of general insurance companies are more reliable according to you?

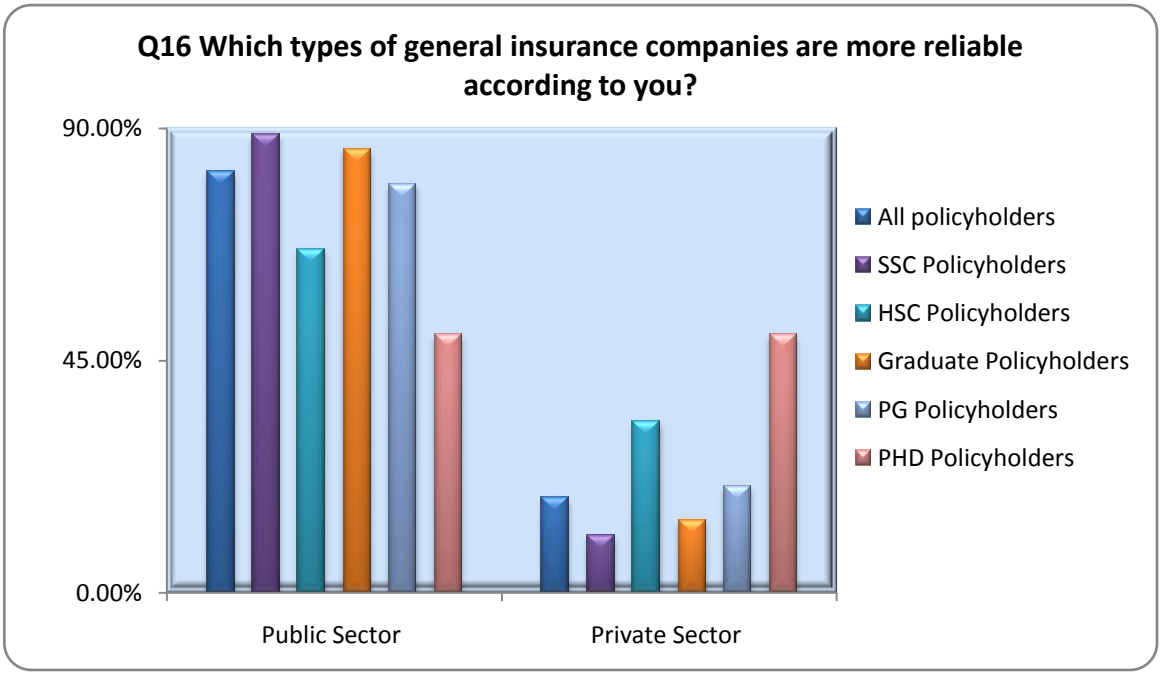


Chart 53 Q16 Which types of general insurance companies are more reliable according to you?

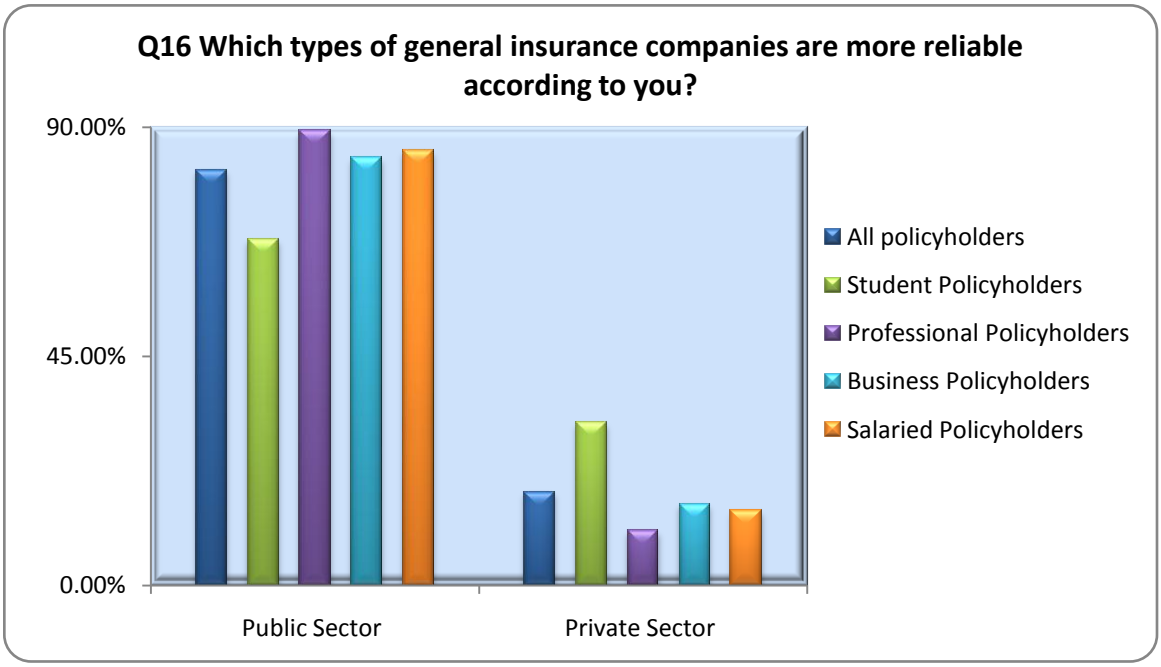
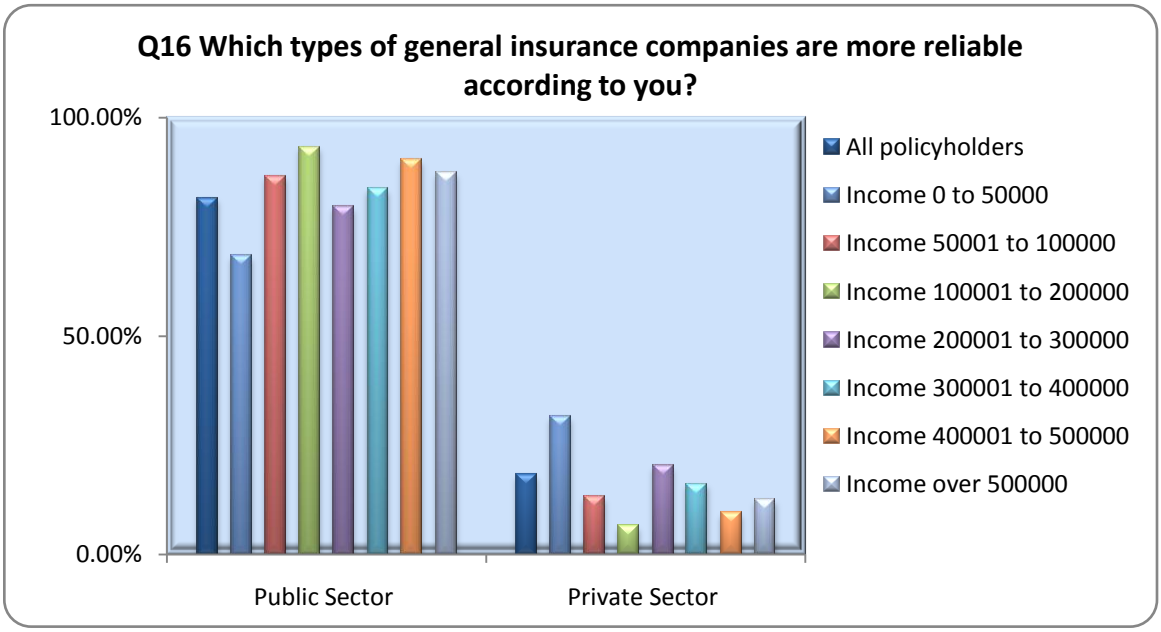


Chart 54 Q16 Which types of general insurance companies are more reliable according to you?



Q16 Which types of general insurance companies are more reliable according to you?

At 'all the various category levels', viz. education, occupation, income groups including all policy holders levels, almost all the respondents in all the categories say that the public sector general insurance companies are more reliable and the percentage for this is in the range of 67% to 93%. This is because the respondents feel that the public sector general insurance companies are controlled by government and answerable to ministry of finance. We can say the people have trust in government and hence in public sector companies.

Table 19 Q17 The General Insurance Sector is essential for the growth and development of the country.

Q17 The General Insurance Sector is essential for the growth and development of the country.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	18.67%	69.33%	9.67%	2.33%	0.00%
Male	17.90%	74.24%	5.68%	2.18%	0.00%
Female	21.13%	53.52%	22.54%	2.82%	0.00%
SSC Policyholders	11.11%	77.78%	0.00%	11.11%	0.00%
HSC Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate Policyholders	17.54%	66.67%	12.28%	3.51%	0.00%
PG Policyholders	21.34%	68.29%	9.15%	1.22%	0.00%
PHD Policyholders	0.00%	50.00%	50.00%	0.00%	0.00%
Student Policyholders	20.00%	69.33%	9.33%	1.33%	0.00%
Professional Policyholders	26.67%	58.67%	10.67%	4.00%	0.00%
Business Policyholders	10.67%	76.00%	13.33%	0.00%	0.00%
Salaried Policyholders	17.33%	73.33%	5.33%	4.00%	0.00%
Income 0 to 50000	20.25%	69.62%	8.86%	1.27%	0.00%
Income 50001 to 100000	0.00%	86.67%	13.33%	0.00%	0.00%
Income 100001 to 200000	20.00%	70.00%	6.67%	3.33%	0.00%
Income 200001 to 300000	15.91%	68.18%	11.36%	4.55%	0.00%
Income 300001 to 400000	24.32%	56.76%	16.22%	2.70%	0.00%
Income 400001 to 500000	16.13%	70.97%	9.68%	3.23%	0.00%
Income over 500000	20.31%	71.88%	6.25%	1.56%	0.00%

Q17 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
4.043333	0.61	0.07	4.11	3.97

Statistics 9

Chart 55Q17 The General Insurance Sector is essential for the growth and development of the country.

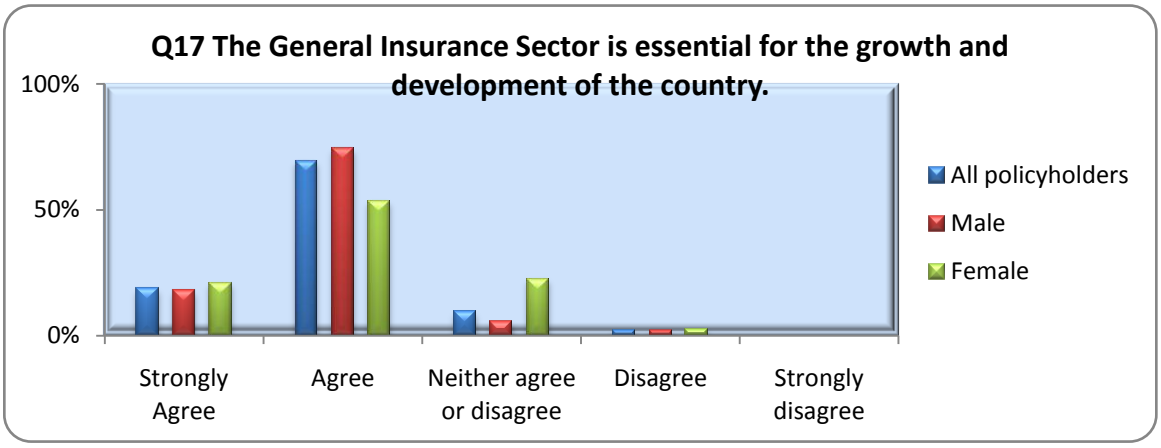


Chart 56 Q17 The General Insurance Sector is essential for the growth and development of the country.

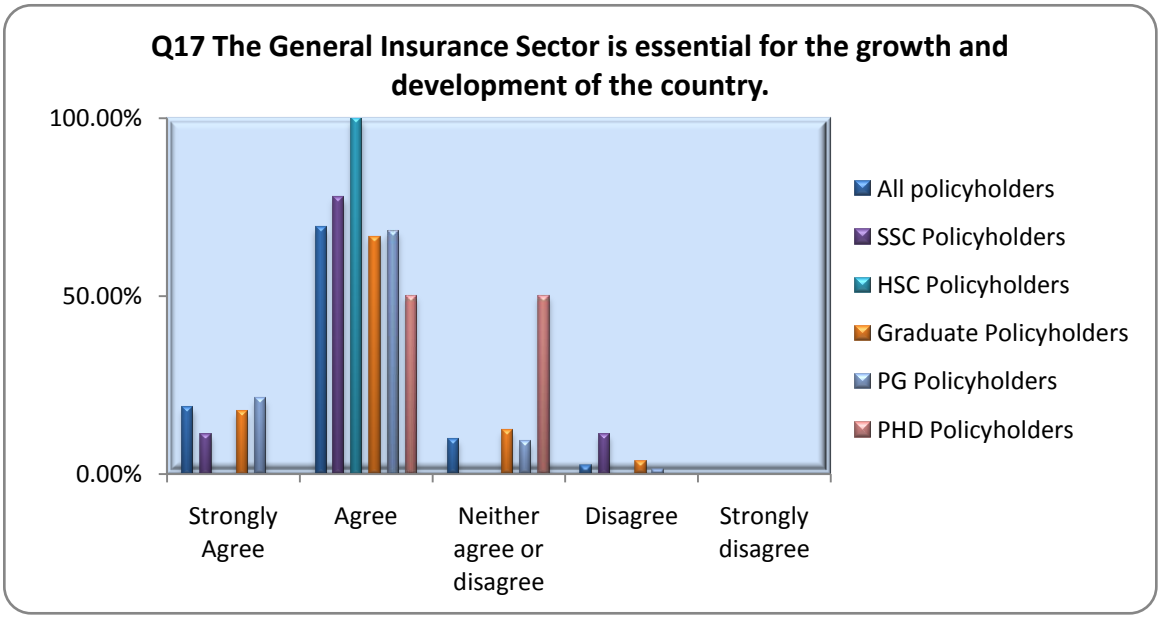


Chart 57 Q17 The General Insurance Sector is essential for the growth and development of the country.

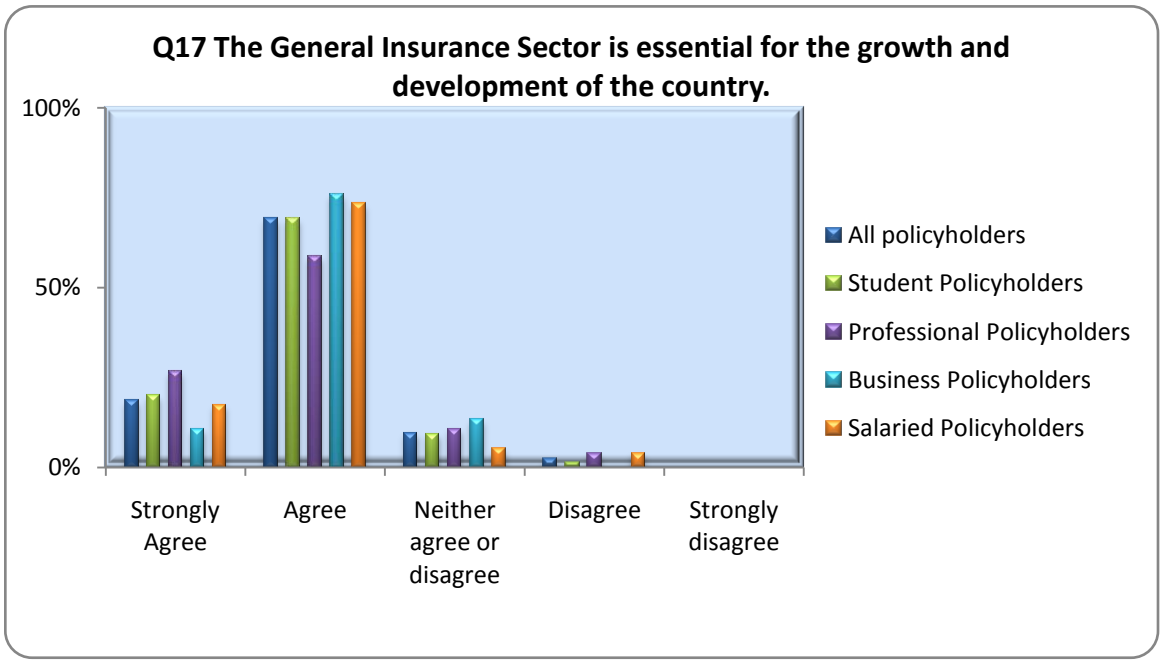
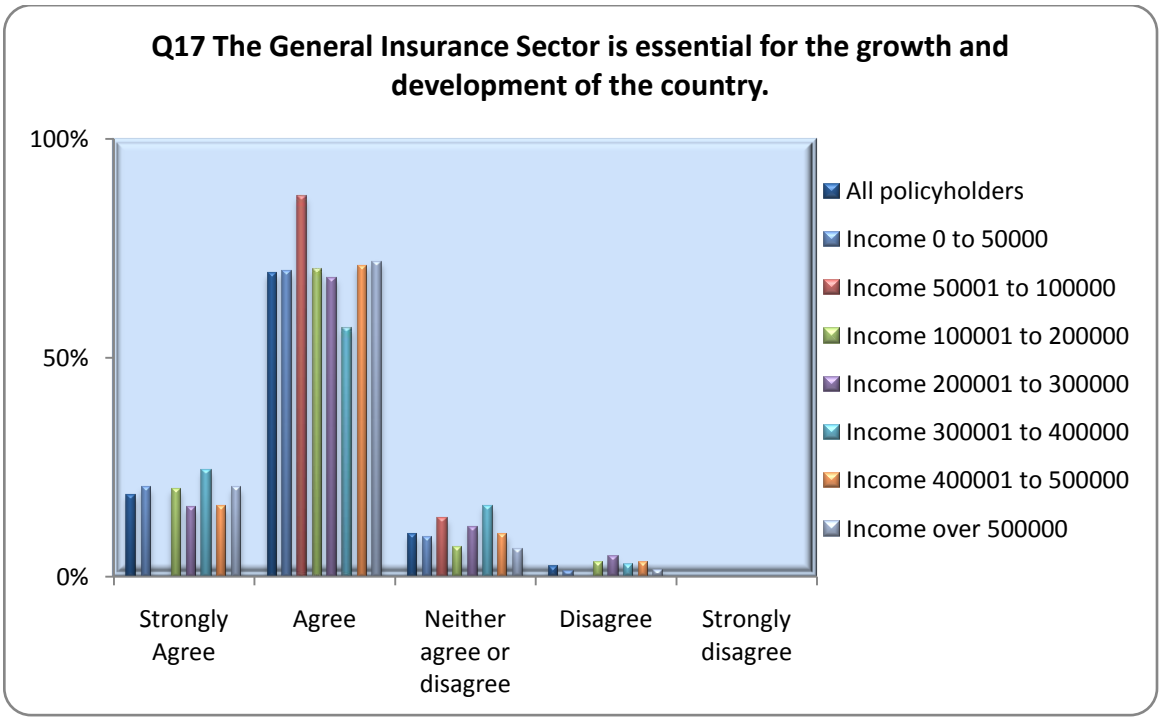


Chart 58 Q17 The General Insurance Sector is essential for the growth and development of the country.



Q17 The General Insurance Sector is essential for the growth and development of the country.

At all policy holders' level 88% respondents agree to the statement that the General Insurance Sector is essential for the growth and development of the country. 82.54% respondents from education category agree to this, 88% occupation wise and 87.28% income group levels wise also agree to this statement. This is because the large amount of funds are invested by insurance companies in the infrastructure development and government projects, which in turn is contributing to the development and growth of the country.

Table 20 Q18 I know about the IRDA, its duties and functions etc.

Q18 I know about the IRDA, its duties and functions etc.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	4.33%	32.33%	19.33%	38.67%	5.33%
Male	4.80%	34.93%	19.21%	35.37%	5.68%
Female	2.82%	23.94%	19.72%	49.30%	4.23%
SSC Policyholders	0.00%	22.22%	0.00%	55.56%	22.22%
HSC Policyholders	0.00%	25.00%	8.33%	66.67%	0.00%
Graduate Policyholders	4.39%	24.56%	22.81%	45.61%	2.63%
PG Policyholders	4.88%	38.41%	18.90%	31.10%	6.71%
PHD Policyholders	0.00%	50.00%	50.00%	0.00%	0.00%
Student Policyholders	5.33%	30.67%	13.33%	38.67%	12.00%
Professional Policyholders	4.00%	40.00%	29.33%	25.33%	1.33%
Business Policyholders	1.33%	21.33%	10.67%	62.67%	4.00%
Salaried Policyholders	6.67%	37.33%	24.00%	28.00%	4.00%
Income 0 to 50000	5.06%	32.91%	13.92%	36.71%	11.39%
Income 50001 to 100000	0.00%	40.00%	6.67%	40.00%	13.33%
Income 100001 to 200000	3.33%	33.33%	16.67%	43.33%	3.33%
Income 200001 to 300000	6.82%	15.91%	20.45%	52.27%	4.55%
Income 300001 to 400000	0.00%	32.43%	27.03%	37.84%	2.70%
Income 400001 to 500000	9.68%	29.03%	16.13%	45.16%	0.00%
Income over 500000	3.13%	42.19%	26.56%	26.56%	1.56%

Q18 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
2.916667	1.05	0.12	3.03	2.80

Statistics 10

Chart 59Q18 I know about the IRDA, its duties and functions etc.

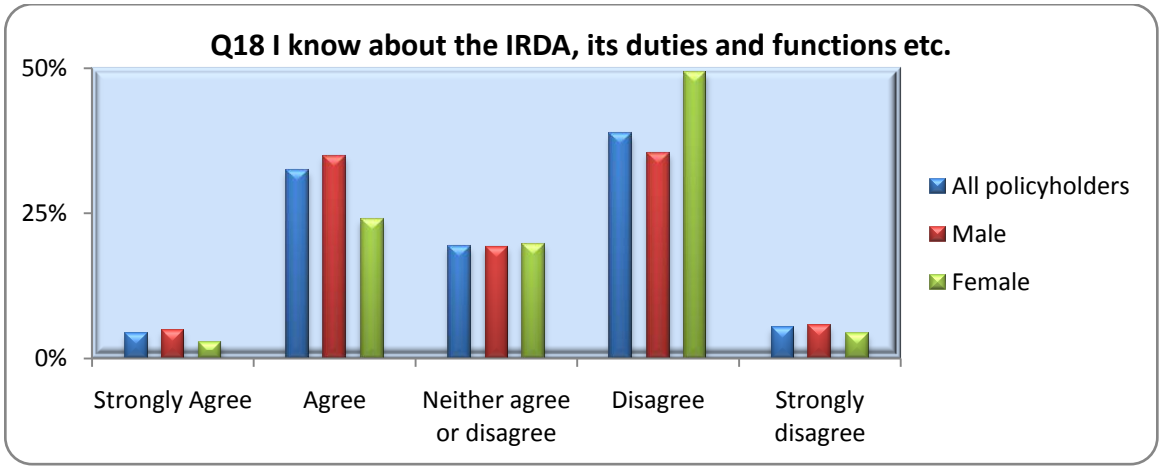


Chart 60 Q18 I know about the IRDA, its duties and functions etc.

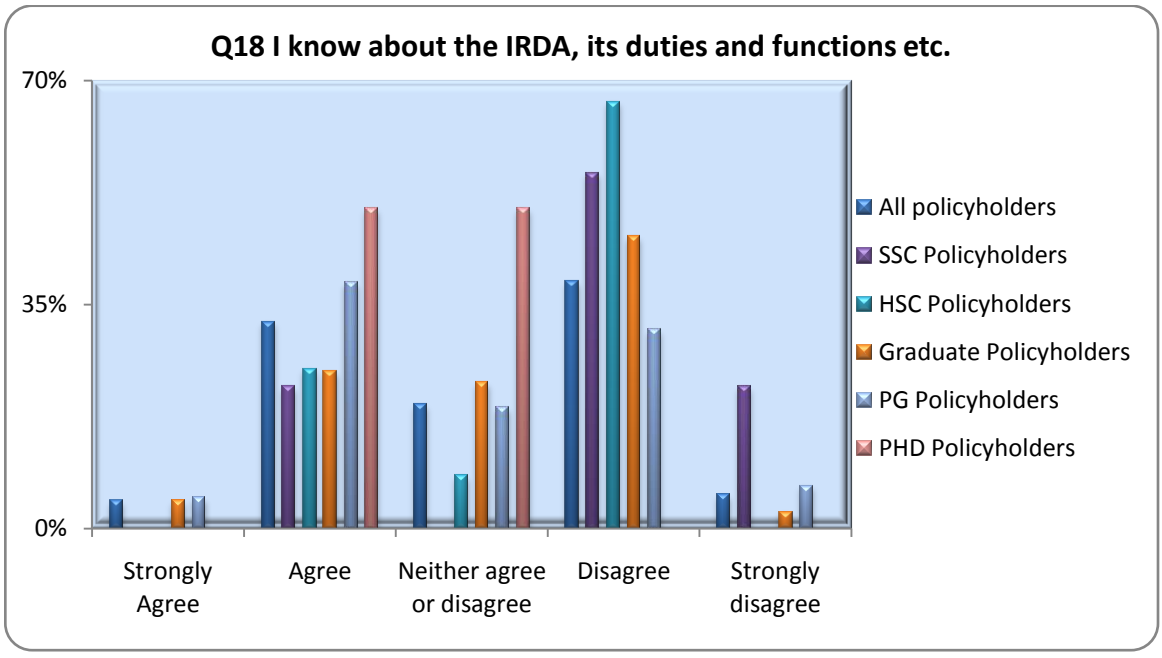


Chart 61 Q18 I know about the IRDA, its duties and functions etc.

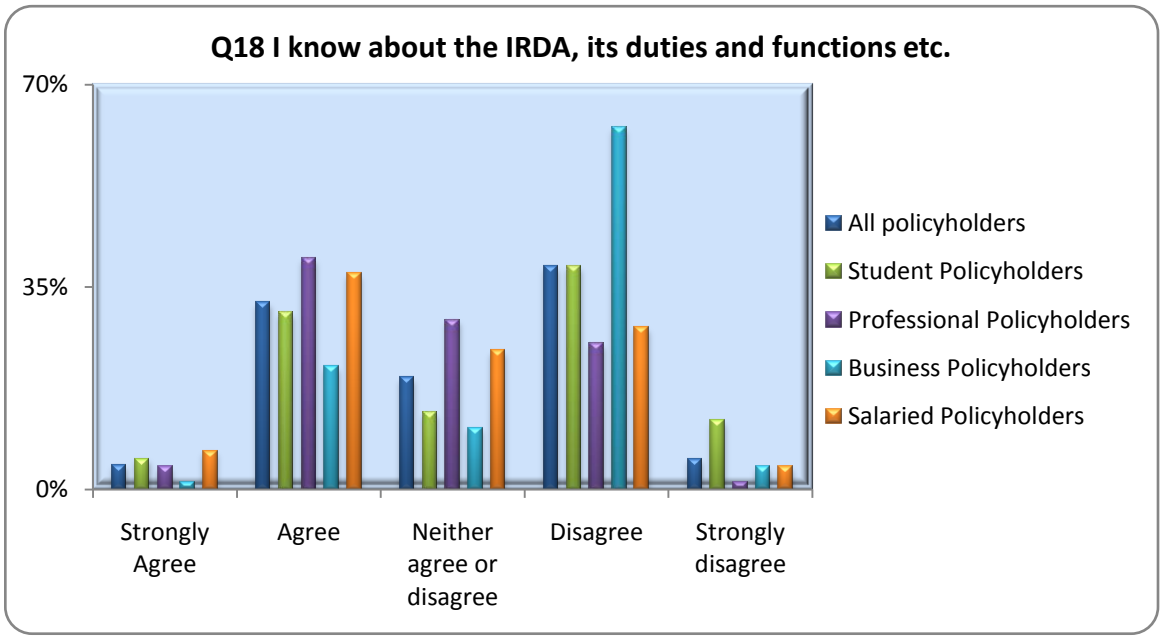
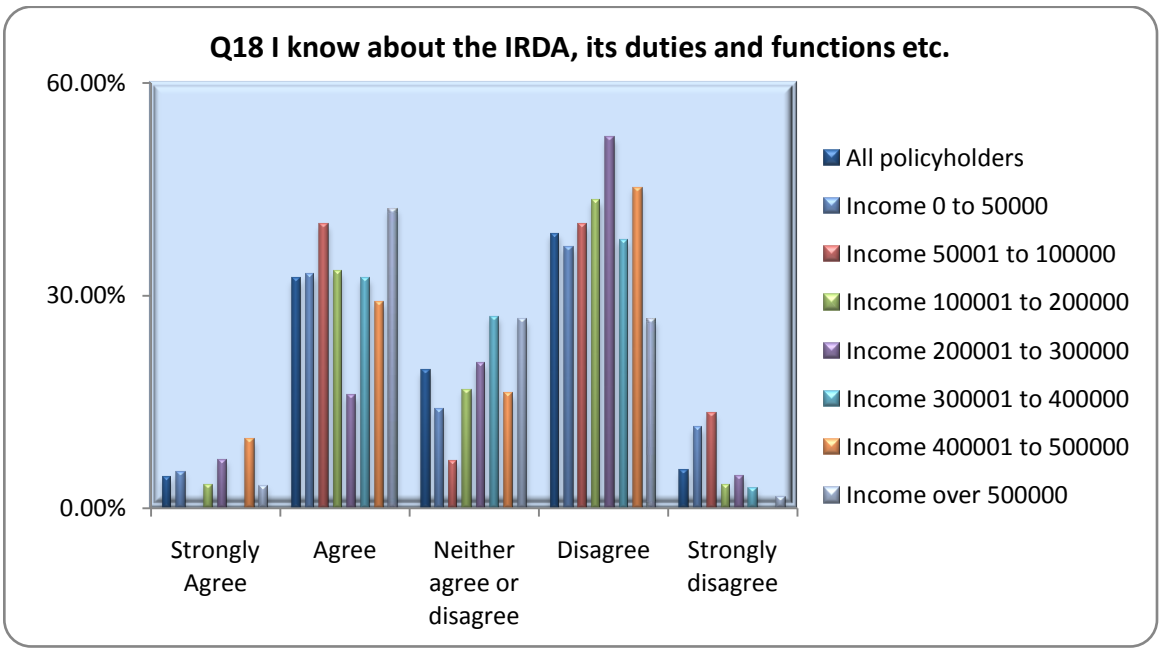


Chart 62 Q18 I know about the IRDA, its duties and functions etc.



Q18 I know about the IRDA, its duties and functions etc.

At all the various category levels, viz. education, occupation, income groups including all policy holders levels, almost all the respondents in all the categories say that they do not agree to the statement that they know about IRDA, it's duties and functions etc. This is because IRDA is a controlling organization and customers deal with their insurance companies and not with IRDA and their problems are addressed by the companies.

Table 21 Q19 I know the duties of an insurance agent fully.

Q19 I know the duties of an insurance agent fully.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	4.33%	29.67%	24.67%	38.00%	3.33%
Male	5.24%	28.82%	24.02%	37.99%	3.93%
Female	1.41%	32.39%	26.76%	38.03%	1.41%
SSC Policyholders	11.11%	11.11%	0.00%	66.67%	11.11%
HSC Policyholders	0.00%	25.00%	8.33%	50.00%	16.67%
Graduate Policyholders	5.26%	23.68%	28.95%	39.47%	2.63%
PG Policyholders	3.66%	34.76%	24.39%	34.76%	2.44%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	5.33%	26.67%	18.67%	46.67%	2.67%
Professional Policyholders	6.67%	36.00%	36.00%	21.33%	0.00%
Business Policyholders	2.67%	20.00%	14.67%	56.00%	6.67%
Salaried Policyholders	2.67%	36.00%	29.33%	28.00%	4.00%
Income 0 to 50000	5.06%	29.11%	18.99%	44.30%	2.53%
Income 50001 to 100000	6.67%	33.33%	26.67%	26.67%	6.67%
Income 100001 to 200000	6.67%	36.67%	13.33%	43.33%	0.00%
Income 200001 to 300000	2.27%	27.27%	18.18%	43.18%	9.09%
Income 300001 to 400000	0.00%	32.43%	24.32%	40.54%	2.70%
Income 400001 to 500000	9.68%	12.90%	32.26%	41.94%	3.23%
Income over 500000	3.13%	34.38%	37.50%	23.44%	1.56%

Q19 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval 95%	Upper limit	Lower limit
2.936667	0.99	0.11	3.05	2.82

Statistics 11

Chart 63Q19 I know the duties of an insurance agent fully.

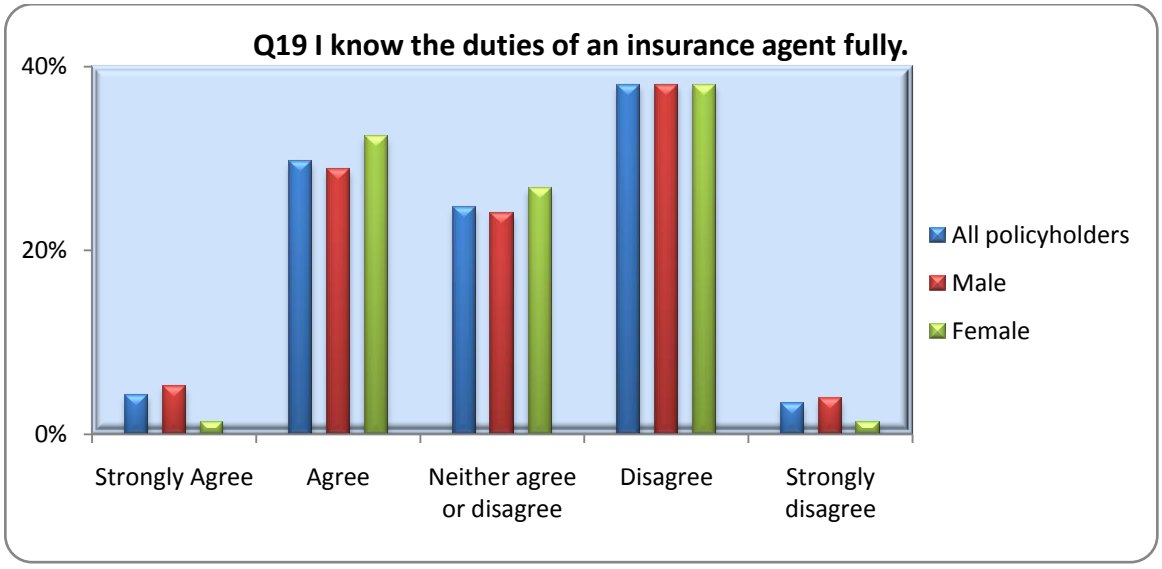


Chart 64 Q19 I know the duties of an insurance agent fully.

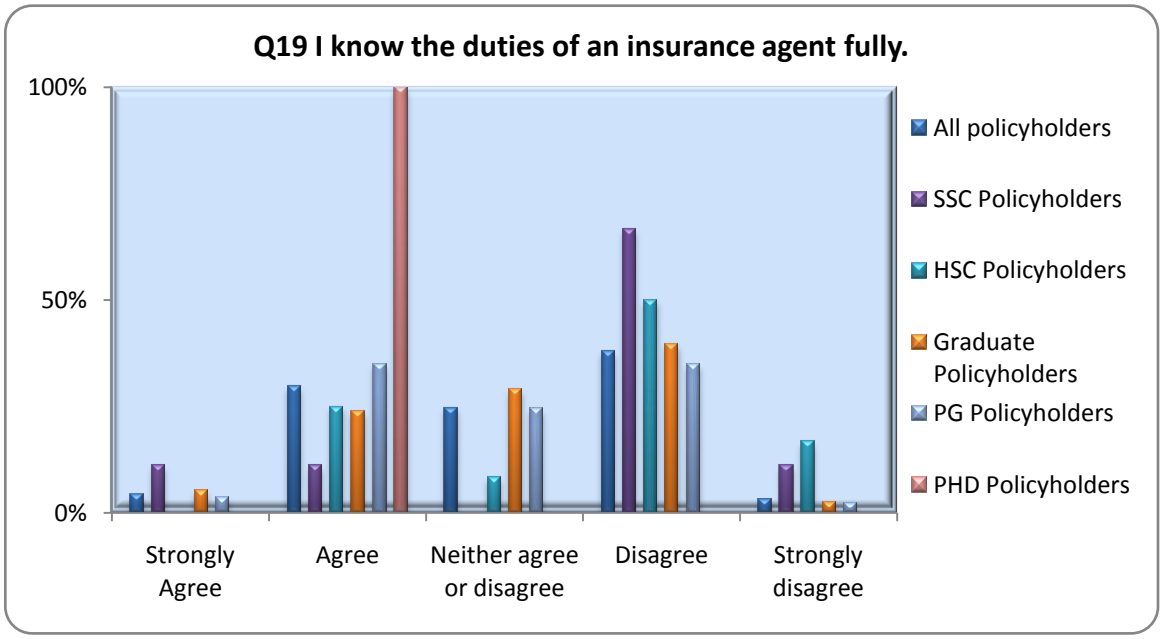


Chart 65 Q19 I know the duties of an insurance agent fully.

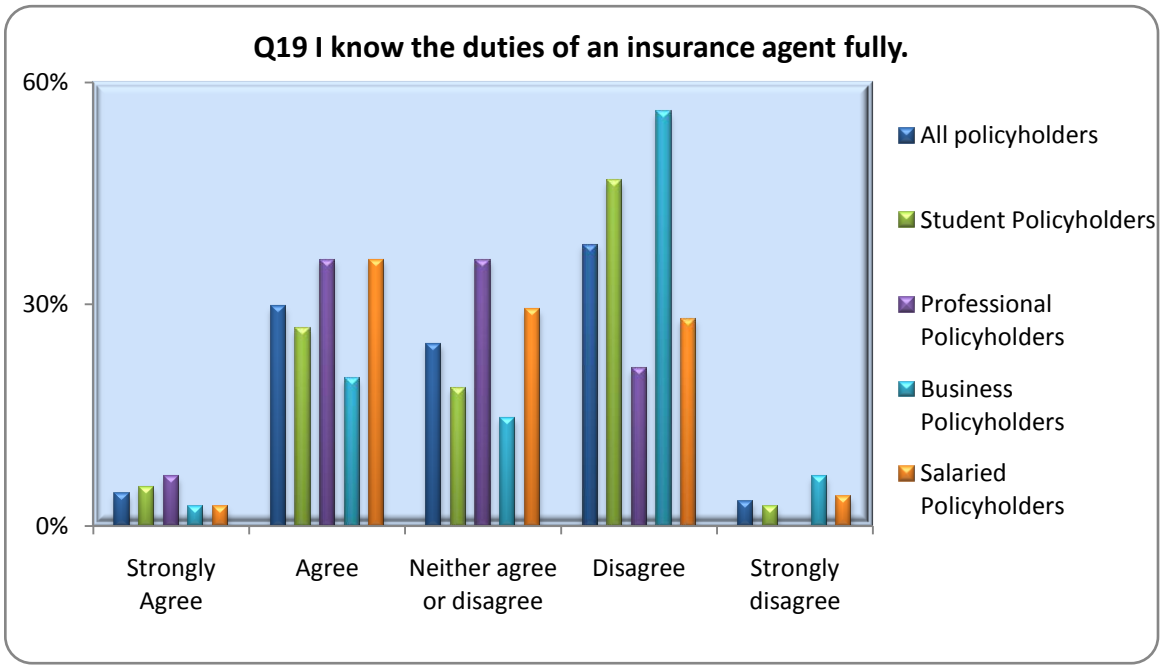
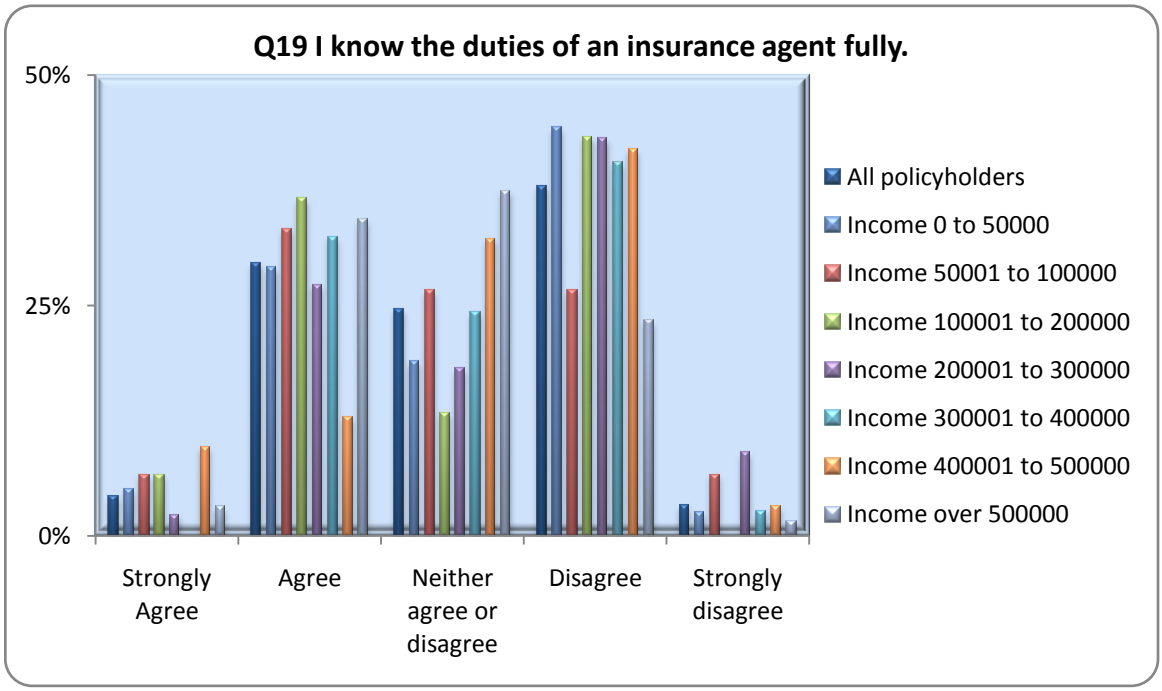


Chart 66 Q19 I know the duties of an insurance agent fully.



Q19 I know the duties of an insurance agent fully.

At 'all policy holders' level, 38% disagree, in the occupation category all the Ph.D. holders agree to the statement that they know the duties of an insurance agent fully. 62.67% professionals in the category of occupation disagree to this. Almost equal percentage of respondents in the various levels of income categories agree and disagree. It may be because customers directly approach the company for general insurance and for their claims. Another reason may be that there is no any hand out on the duties and functions of agents through which the customers can know the same.

Table 22 Q20 The General insurance agents have sufficient knowledge about the procedures.

Q20 The General insurance agents have sufficient knowledge about the procedures.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	6.00%	31.67%	31.67%	27.67%	3.00%
Male	5.24%	31.00%	31.00%	29.26%	3.49%
Female	8.45%	33.80%	33.80%	22.54%	1.41%
SSC Policyholders	0.00%	11.11%	11.11%	66.67%	11.11%
HSC Policyholders	0.00%	33.33%	25.00%	33.33%	8.33%
Graduate Policyholders	5.26%	23.68%	37.72%	28.95%	4.39%
PG Policyholders	7.32%	37.80%	29.27%	24.39%	1.22%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	10.67%	45.33%	30.67%	12.00%	1.33%
Professional Policyholders	5.33%	28.00%	30.67%	36.00%	0.00%
Business Policyholders	2.67%	28.00%	28.00%	33.33%	8.00%
Salaried Policyholders	5.33%	25.33%	37.33%	29.33%	2.67%
Income 0 to 50000	11.39%	44.30%	31.65%	11.39%	1.27%
Income 50001 to 100000	0.00%	40.00%	33.33%	20.00%	6.67%
Income 100001 to 200000	6.67%	30.00%	23.33%	40.00%	0.00%
Income 200001 to 300000	4.55%	27.27%	29.55%	25.00%	13.64%
Income 300001 to 400000	5.41%	24.32%	29.73%	40.54%	0.00%
Income 400001 to 500000	3.23%	22.58%	35.48%	35.48%	3.23%
Income over 500000	3.13%	26.56%	35.94%	34.38%	0.00%

Q20 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.1	0.97	0.11	3.21	2.99

Statistics 12

Chart 67Q20 The General insurance agents have sufficient knowledge about the procedures.

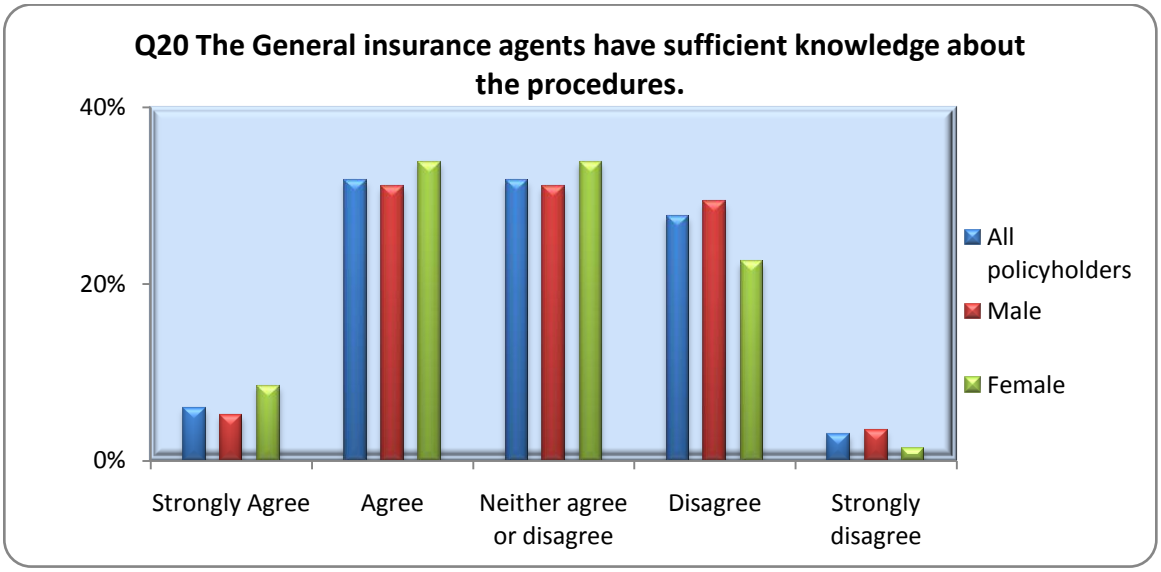


Chart 68 Q20 The General insurance agents have sufficient knowledge about the procedures.

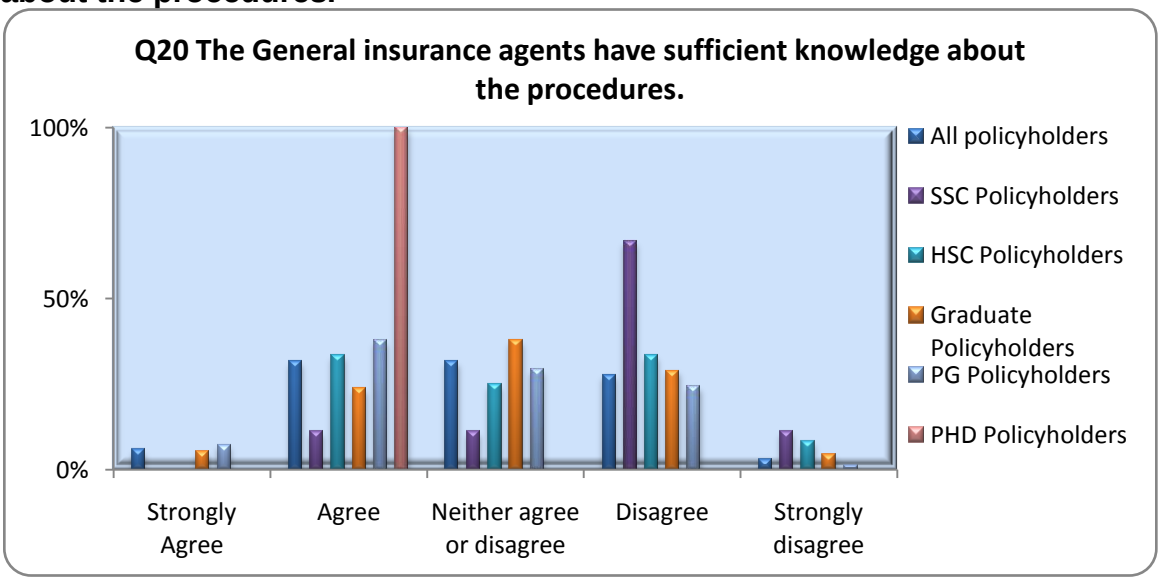


Chart 69 Q20 The General insurance agents have sufficient knowledge about the procedures.

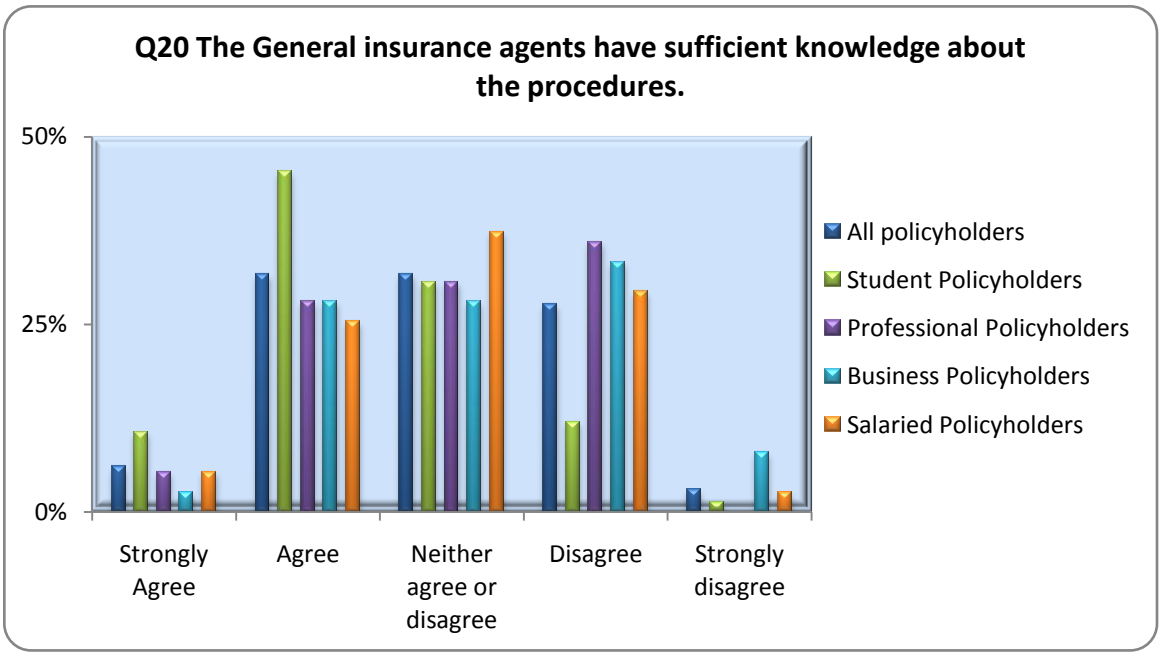
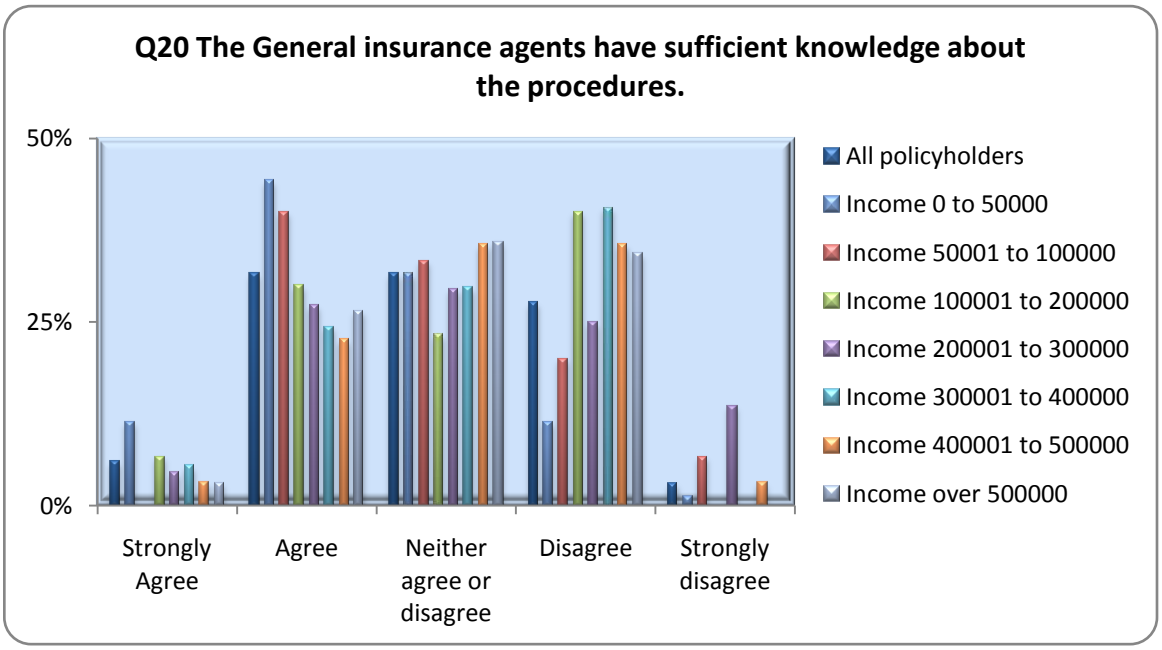


Chart 70 Q20 The General insurance agents have sufficient knowledge about the procedures.



Q20 The General insurance agents have sufficient knowledge about the procedures.

There is a mixed response from the various categories of respondents. i.e. education qualifications, occupation, income groups including all policy holders' levels to the statement that The General insurance agents have sufficient knowledge about the procedures. This is the perception of the customers about their agents based on the experience while dealing with the agent and there is no any specific reason for this.

Table 23 Q21 I know how the tariff rates and premium rates are arrived at by the general insurance

Q21 I know how the tariff rates and premium rates are arrived at by the general insurance	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	2.00%	19.67%	26.00%	44.67%	7.67%
Male	1.75%	22.27%	24.45%	42.79%	8.73%
Female	2.82%	11.27%	30.99%	50.70%	4.23%
SSC Policyholders	0.00%	22.22%	11.11%	66.67%	0.00%
HSC Policyholders	0.00%	16.67%	8.33%	58.33%	16.67%
Graduate Policyholders	1.75%	21.93%	28.07%	42.11%	6.14%
PG Policyholders	2.44%	17.68%	26.83%	44.51%	8.54%
PHD Policyholders	0.00%	50.00%	50.00%	0.00%	0.00%
Student Policyholders	1.33%	17.33%	25.33%	44.00%	12.00%
Professional Policyholders	2.67%	29.33%	26.67%	40.00%	1.33%
Business Policyholders	1.33%	13.33%	20.00%	54.67%	10.67%
Salaried Policyholders	2.67%	18.67%	32.00%	40.00%	6.67%
Income 0 to 50000	2.53%	18.99%	25.32%	41.77%	11.39%
Income 50001 to 100000	0.00%	40.00%	20.00%	40.00%	0.00%
Income 100001 to 200000	3.33%	23.33%	20.00%	50.00%	3.33%
Income 200001 to 300000	2.27%	13.64%	29.55%	40.91%	13.64%
Income 300001 to 400000	2.70%	18.92%	24.32%	51.35%	2.70%
Income 400001 to 500000	0.00%	19.35%	12.90%	58.06%	9.68%
Income over 500000	1.56%	18.75%	35.94%	39.06%	4.69%

Q21 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
2.636667	0.95	0.11	2.74	2.53

Statistics 13

Chart 71Q21 I know how the tariff rates and premium rates are arrived at by the general insurance

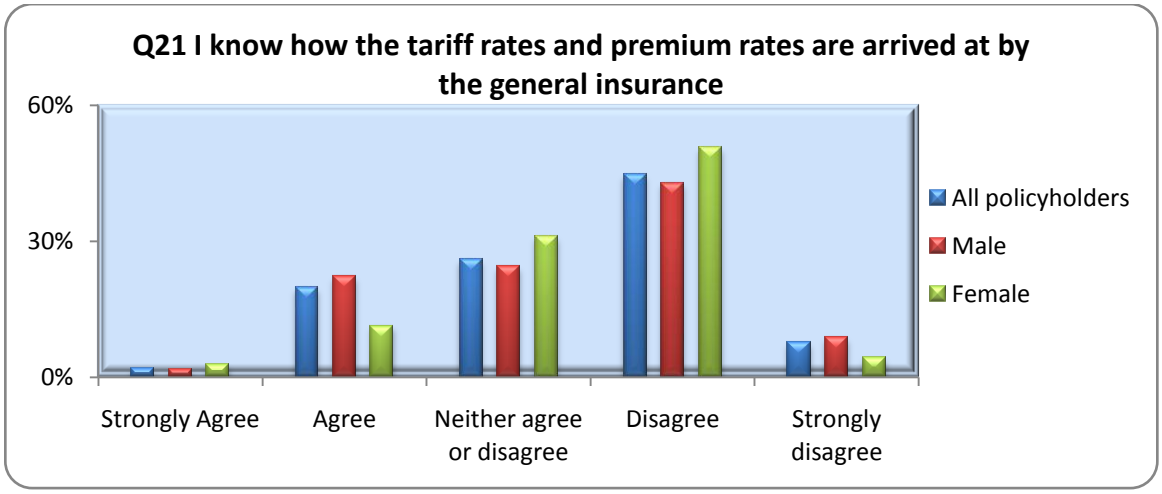


Chart 72 Q21 I know how the tariff rates and premium rates are arrived at by the general insurance

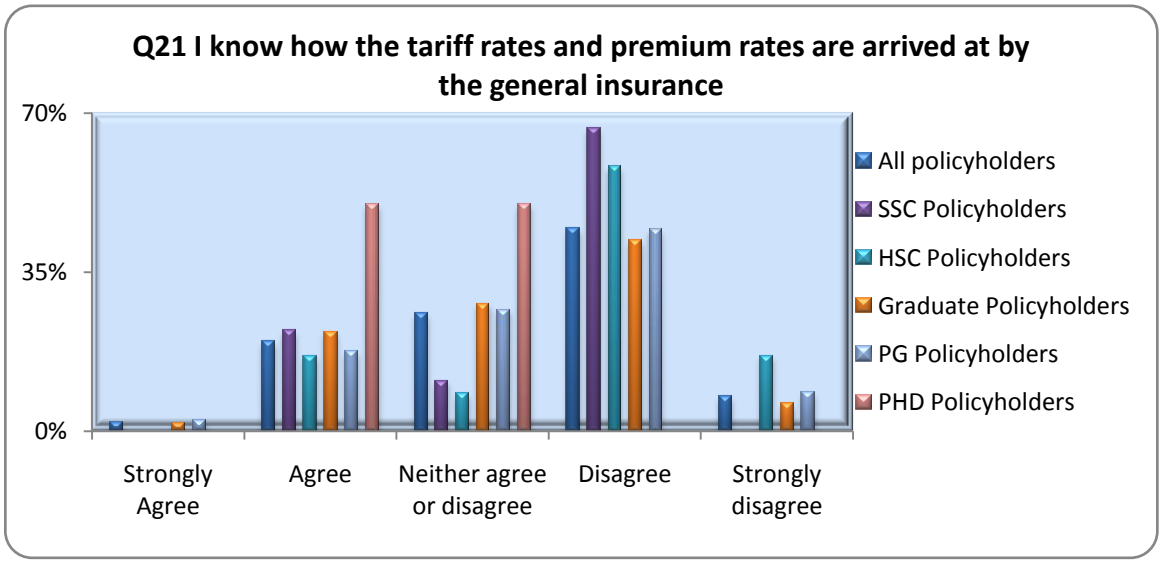


Chart 73 Q21 I know how the tariff rates and premium rates are arrived at by the general insurance

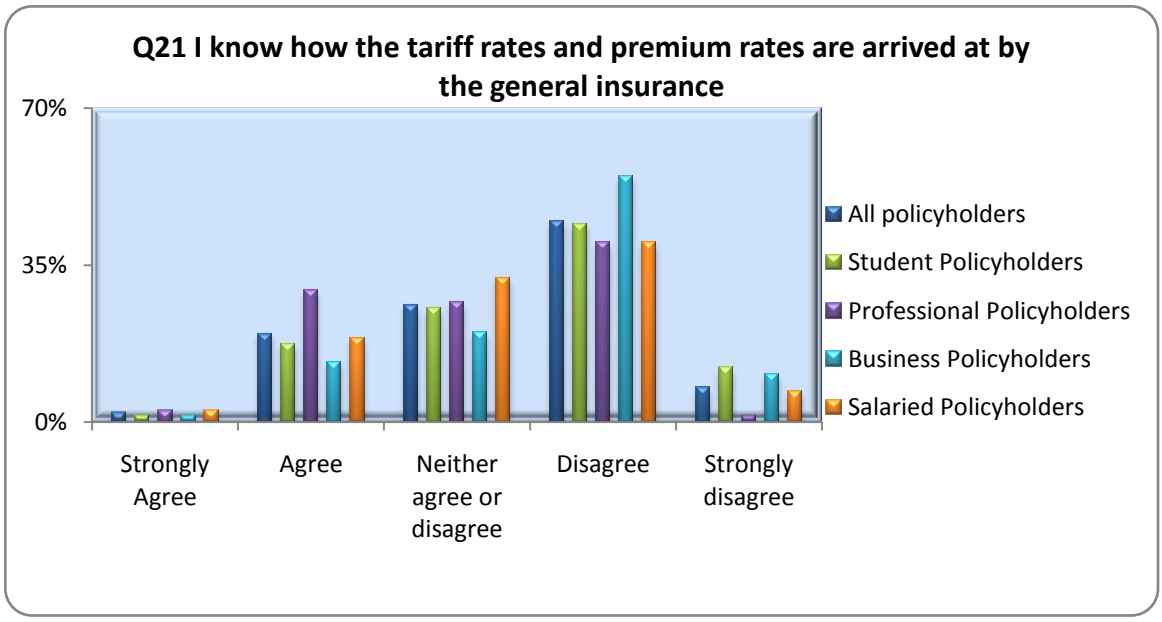
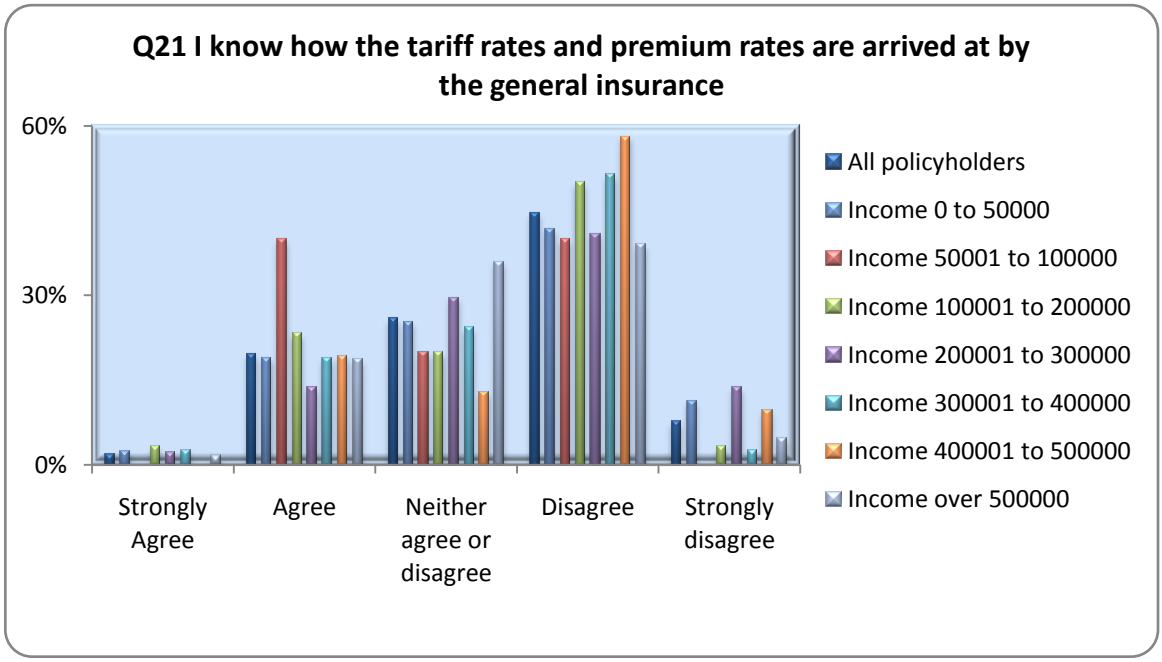


Chart 74 Q21 I know how the tariff rates and premium rates are arrived at by the general insurance



Q21 I know how the tariff rates and premium rates are arrived at by the general insurance

At all policy holders' level, 52.13% disagree that know how the tariff rates and premium rates are arrived at by the general insurance companies. Around 49% respondents from the category by education disagree, 65.34% business policy holders in the occupation category and nearly 68% respondents from the income group of 3 to 4 lakhs also disagree. The reason for this is that the de-tariffing of premium rates is prevailing and therefore there are no fixed rates for premium.

Table 24 Q22 I know the procedure of settlement of claims.

Q22 I know the procedure of settlement of claims.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	2.00%	28.33%	21.67%	40.33%	7.67%
Male	0.87%	30.13%	21.40%	38.86%	8.73%
Female	5.63%	22.54%	22.54%	45.07%	4.23%
SSC Policyholders	0.00%	22.22%	0.00%	66.67%	11.11%
HSC Policyholders	0.00%	25.00%	8.33%	41.67%	25.00%
Graduate Policyholders	0.88%	23.68%	25.44%	40.35%	9.65%
PG Policyholders	3.05%	31.71%	21.34%	39.02%	4.88%
PHD Policyholders	0.00%	50.00%	50.00%	0.00%	0.00%
Student Policyholders	2.67%	24.00%	21.33%	48.00%	4.00%
Professional Policyholders	2.67%	34.67%	25.33%	36.00%	1.33%
Business Policyholders	0.00%	21.33%	13.33%	46.67%	18.67%
Salaried Policyholders	2.67%	33.33%	26.67%	30.67%	6.67%
Income 0 to 50000	3.80%	25.32%	21.52%	45.57%	3.80%
Income 50001 to 100000	0.00%	46.67%	26.67%	20.00%	6.67%
Income 100001 to 200000	0.00%	36.67%	20.00%	36.67%	6.67%
Income 200001 to 300000	2.27%	13.64%	25.00%	40.91%	18.18%
Income 300001 to 400000	0.00%	29.73%	24.32%	40.54%	5.41%
Income 400001 to 500000	0.00%	12.90%	19.35%	51.61%	16.13%
Income over 500000	3.13%	40.63%	18.75%	34.38%	3.13%

Q22 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
2.766667	1.01	0.11	2.88	2.65

Statistics 14

Chart 75Q22 I know the procedure of settlement of claims.

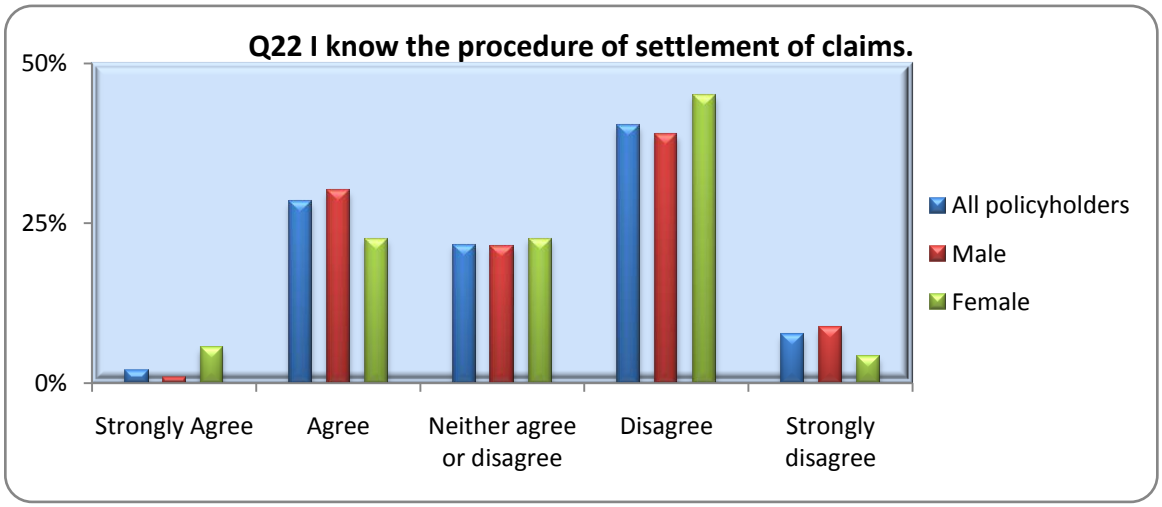


Chart 76 Q22 I know the procedure of settlement of claims.

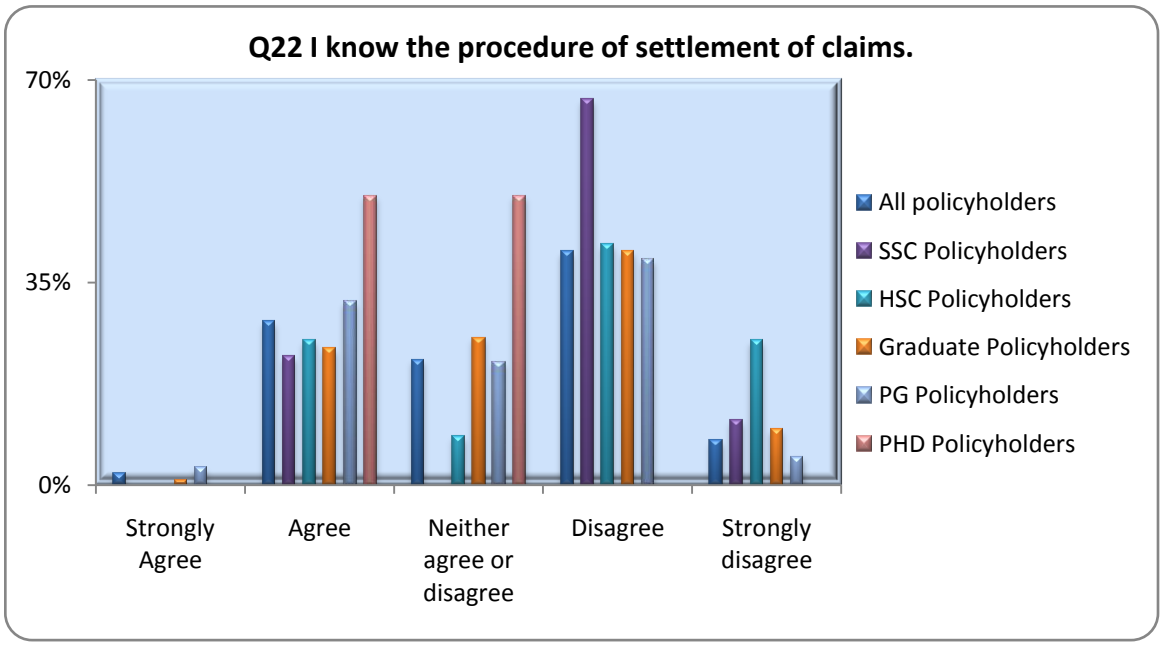


Chart 77 Q22 I know the procedure of settlement of claims.

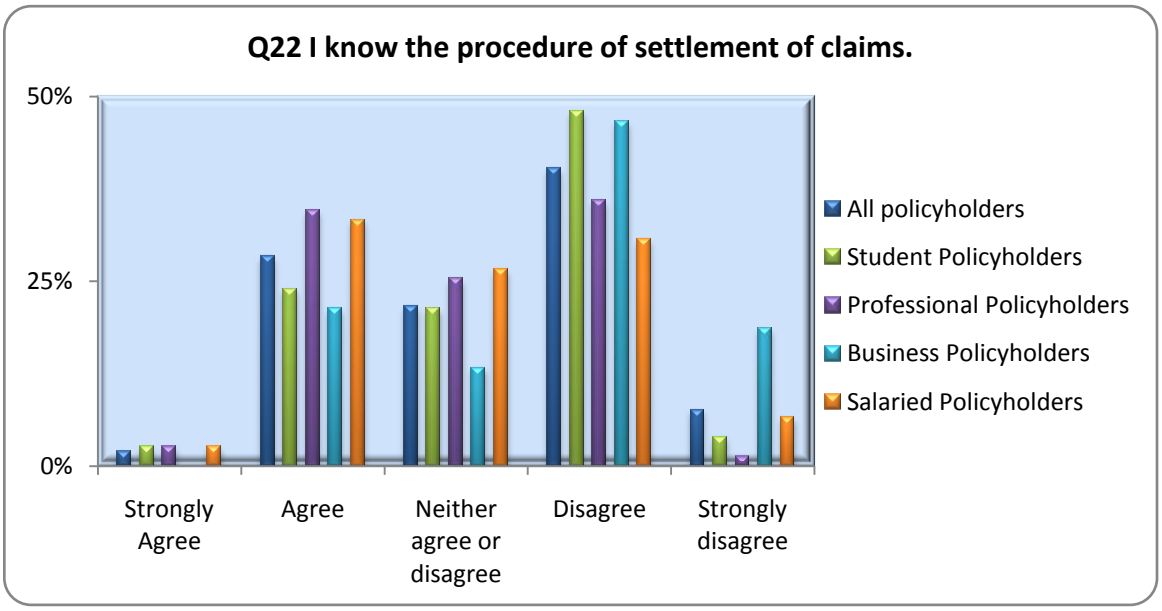
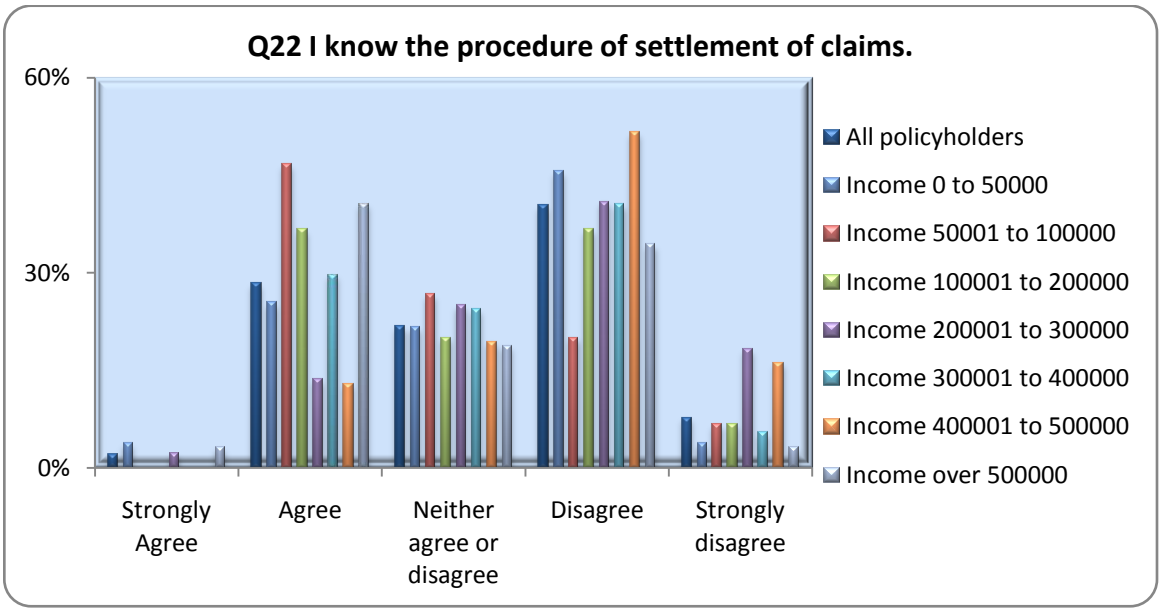


Chart 78 Q22 I know the procedure of settlement of claims.



Q22 I know the procedure of settlement of claims.

62% of the respondents disagree that they know the procedure of settlement of claims, but in all other various category levels it is observed that there is no marginal difference between the percentage of respondents who agree and

disagree to this statement. The procedure of settlement of claims depends on nature of claims and various documents are required for settlement of claims, which some people know that has the previous experience while others don't.

Table 25 Q23 I am satisfied with the time required for settlement of the claims.

Q23 I am satisfied with the time required for settlement of the claims.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	1.00%	23.67%	37.33%	30.67%	7.33%
Male	0.87%	24.45%	33.19%	32.75%	8.73%
Female	1.41%	21.13%	50.70%	23.94%	2.82%
SSC Policyholders	0.00%	22.22%	11.11%	44.44%	22.22%
HSC Policyholders	0.00%	25.00%	33.33%	25.00%	16.67%
Graduate Policyholders	0.88%	23.68%	37.72%	29.82%	7.89%
PG Policyholders	1.22%	23.78%	39.02%	30.49%	5.49%
PHD Policyholders	0.00%	50.00%	0.00%	50.00%	0.00%
Student Policyholders	1.33%	20.00%	38.67%	36.00%	4.00%
Professional Policyholders	1.33%	20.00%	41.33%	28.00%	9.33%
Business Policyholders	0.00%	32.00%	29.33%	26.67%	12.00%
Salaried Policyholders	1.33%	22.67%	40.00%	32.00%	4.00%
Income 0 to 50000	1.27%	21.52%	37.97%	35.44%	3.80%
Income 50001 to 100000	0.00%	46.67%	33.33%	13.33%	6.67%
Income 100001 to 200000	0.00%	46.67%	23.33%	26.67%	3.33%
Income 200001 to 300000	0.00%	13.64%	45.45%	22.73%	18.18%
Income 300001 to 400000	2.70%	24.32%	40.54%	29.73%	2.70%
Income 400001 to 500000	0.00%	19.35%	45.16%	32.26%	3.23%
Income over 500000	1.56%	18.75%	32.81%	35.94%	10.94%

Q23 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
2.803333	0.92	0.10	2.91	2.70

Statistics 15

Chart 79Q23 I am satisfied with the time required for settlement of the claims.

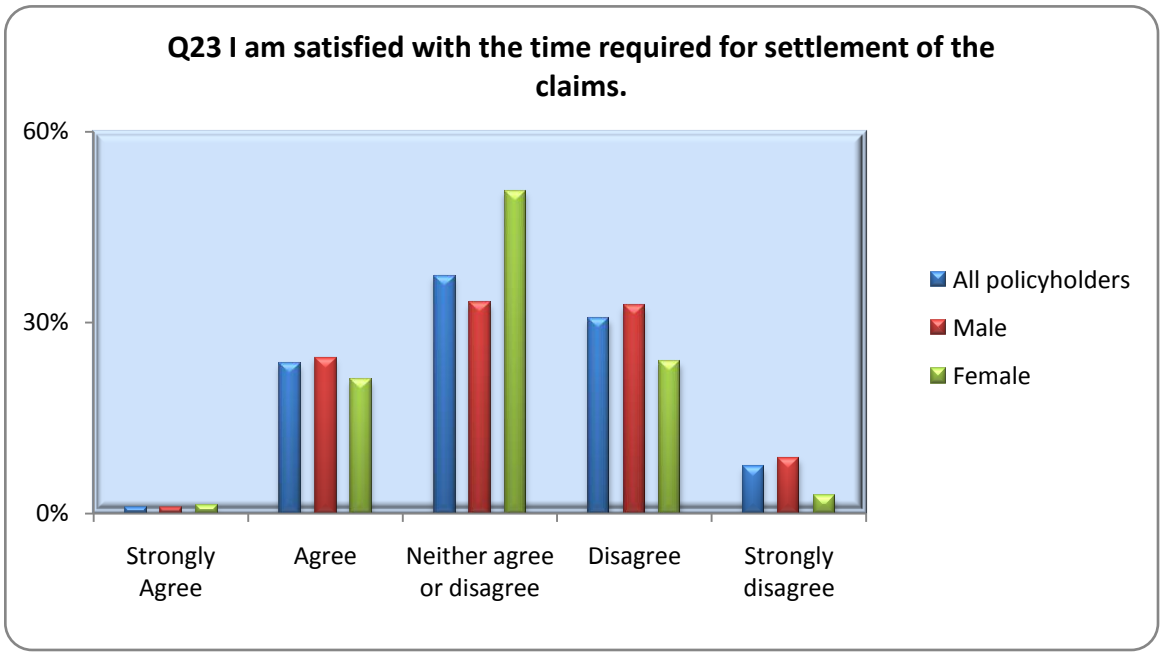


Chart 80 Q23 I am satisfied with the time required for settlement of the claims.

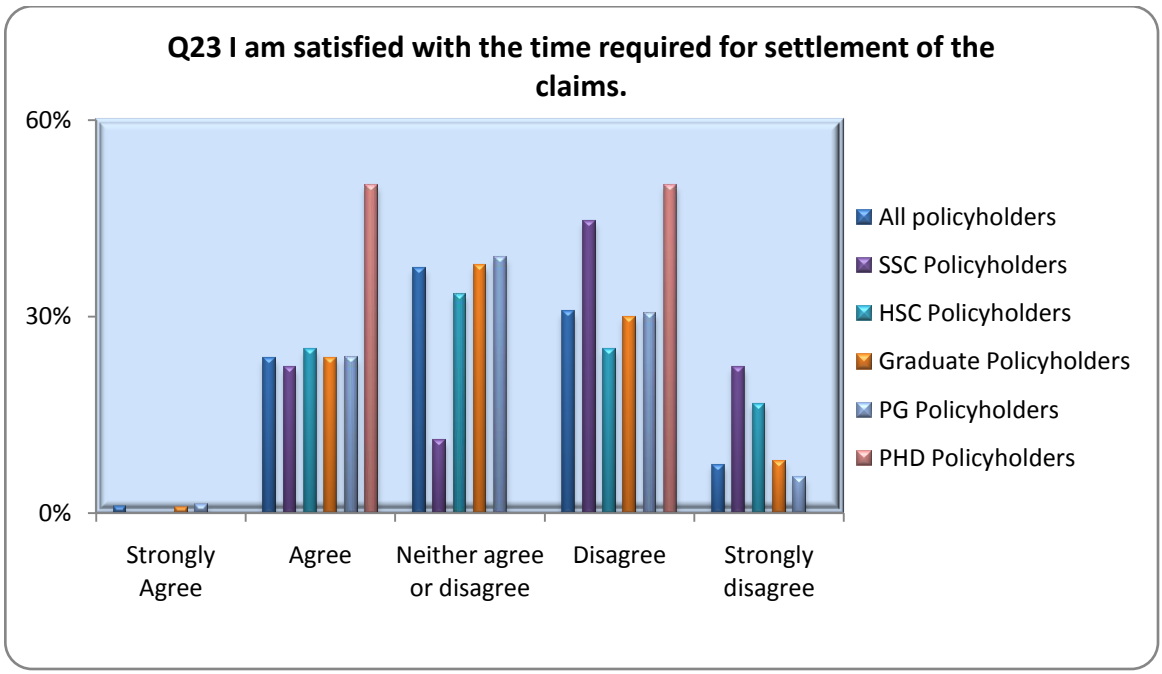


Chart 81 Q23 I am satisfied with the time required for settlement of the claims.

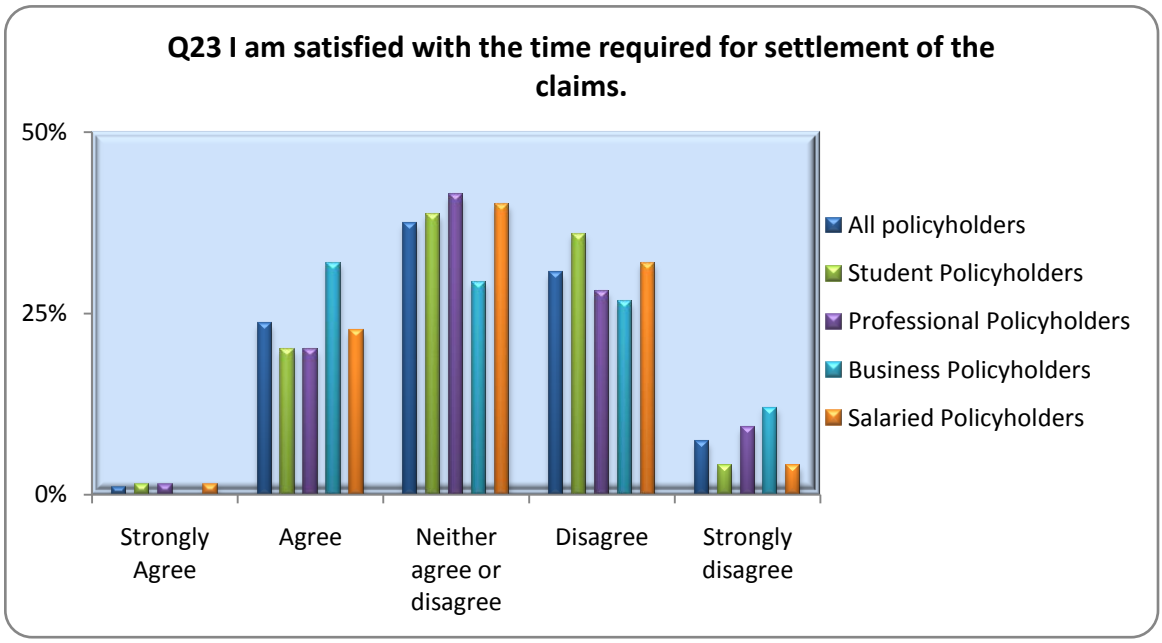
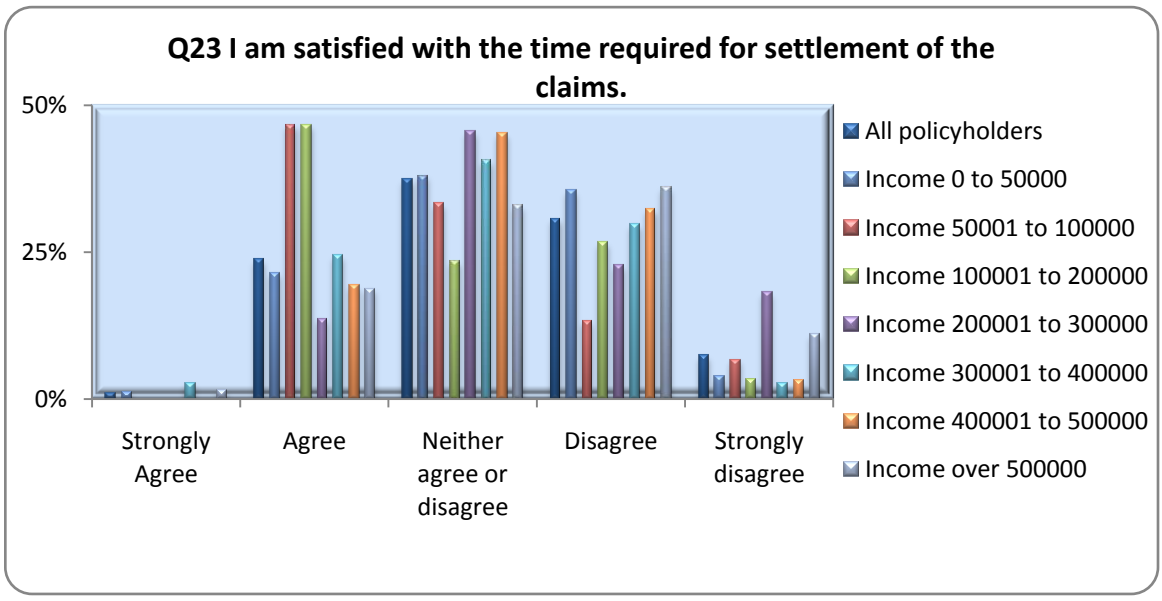


Chart 82 Q23 I am satisfied with the time required for settlement of the claims.



Q23 I am satisfied with the time required for settlement of the claims.

At all policy holders' level, 38% disagree that they are satisfied with the time required for settlement of the claims, while 37.33 neither agree or disagree and only 24.67% agree to this. In other various category levels also the response is somewhat like this. It can therefore be said that those who have the experience in this deal will state accordingly and others won't have any say in this.

Table 26 Q24 Have you ever gone into litigation against the general insurance company for non-settlement of your claims as per your expectations?

Q24 Have you ever gone into litigation against the general insurance company for non-settlement of your claims as per your expectations?	Yes	No
All policyholders	7.00%	93.00%
Male	6.55%	93.45%
Female	8.45%	91.55%
SSC Policyholders	22.22%	77.78%
HSC Policyholders	8.33%	91.67%
Graduate Policyholders	7.89%	92.11%
PG Policyholders	5.49%	94.51%
PHD Policyholders	50.00%	50.00%
Student Policyholders	2.67%	97.33%
Professional Policyholders	5.33%	94.67%
Business Policyholders	16.00%	84.00%
Salaried Policyholders	4.00%	96.00%
Income 0 to 50000	3.80%	96.20%
Income 50001 to 100000	40.00%	60.00%
Income 100001 to 200000	13.33%	86.67%
Income 200001 to 300000	2.27%	97.73%
Income 300001 to 400000	0.00%	100.00%
Income 400001 to 500000	9.68%	90.32%
Income over 500000	6.25%	93.75%

Chart 83Q24 Have you ever gone into litigation against the general insurance company for non-settlement of your claims as per your expectations?

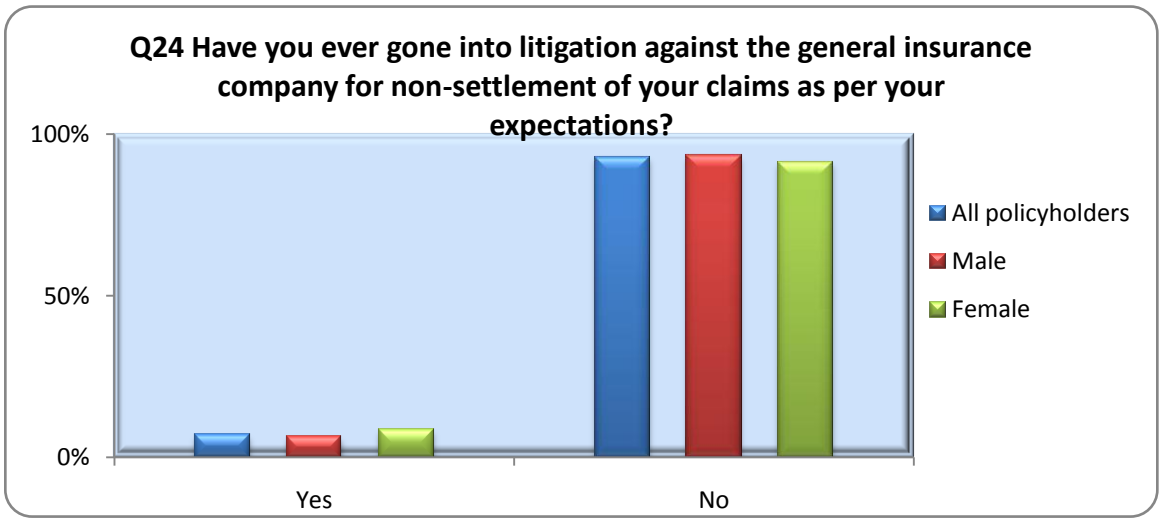


Chart 84 Q24 Have you ever gone into litigation against the general insurance company for non-settlement of your claims as per your expectations?

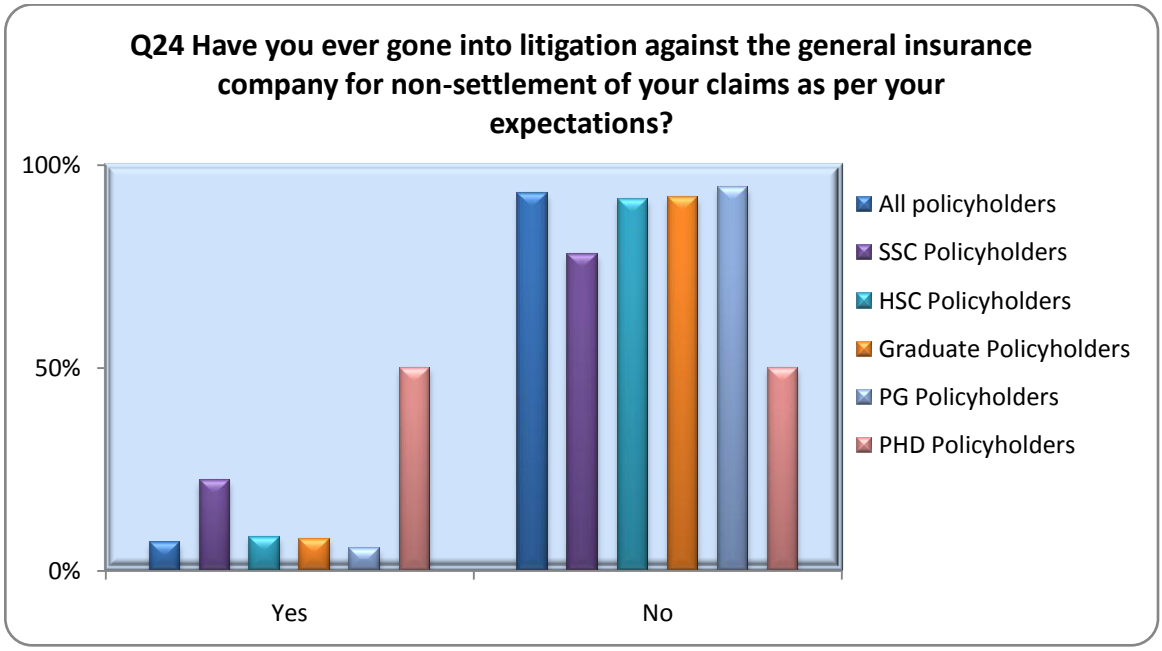


Chart 85 Q24 Have you ever gone into litigation against the general insurance company for non-settlement of your claims as per your expectations?

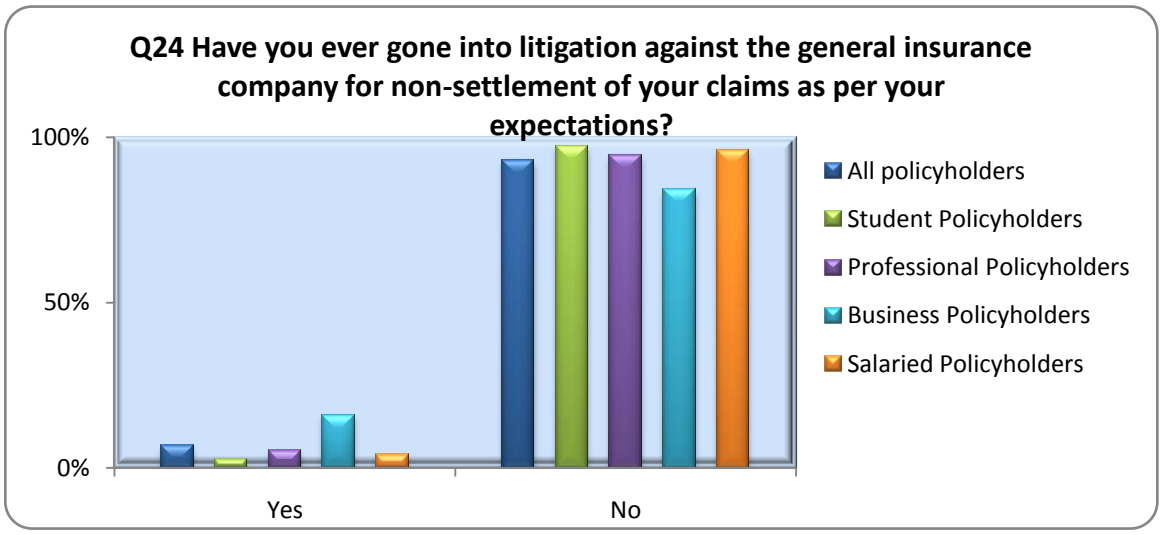
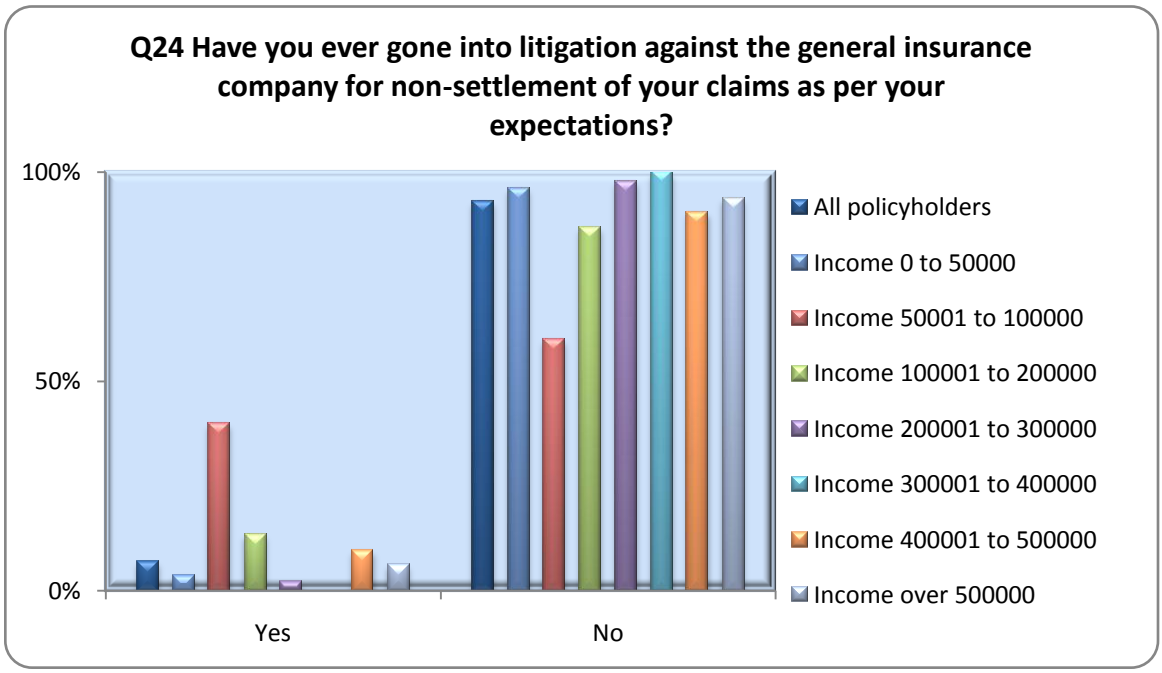


Chart 86 Q24 Have you ever gone into litigation against the general insurance company for non-settlement of your claims as per your expectations?



Q24 Have you ever gone into litigation against the general insurance company for non-settlement of your claims as per your expectations?

It is observed from various levels in the various categories, the percentage of respondents who have never gone into litigation against the general insurance company for non-settlement of your claims is very high. In the all policy holders case it is 93%, 97.33% in case of students' policy holders and even 100% in case of income group level of 3 to 4 lakhs. It means that the majority of respondents those who approach for claims do get their claims settled as per their expectations.

Table 27 Q25 What made you choose your current general insurance company?

Q25 What made you choose your current general insurance company?	Brand Image	Efficient Services	Low Cost	Quick settlement of Claims	Others
All policyholders	50.00%	27.67%	6.33%	10.00%	13.00%
Male	50.66%	25.33%	7.42%	10.48%	13.97%
Female	47.89%	35.21%	2.82%	8.45%	9.86%
SSC Policyholders	55.56%	22.22%	11.11%	11.11%	11.11%
HSC Policyholders	66.67%	8.33%	8.33%	0.00%	16.67%
Graduate Policyholders	14.91%	3.51%	5.26%	25.44%	61.40%
PG Policyholders	41.46%	32.93%	7.32%	14.63%	11.59%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	28.00%	36.00%	9.33%	17.33%	12.00%
Professional Policyholders	28.00%	36.00%	9.33%	17.33%	12.00%
Business Policyholders	28.00%	36.00%	9.33%	17.33%	12.00%
Salaried Policyholders	28.00%	36.00%	9.33%	17.33%	12.00%
Income 0 to 50000	28.40%	33.33%	8.64%	17.28%	12.35%
Income 50001 to 100000	28.40%	33.33%	8.64%	17.28%	12.35%
Income 100001 to 200000	70.00%	16.67%	0.00%	6.67%	6.67%
Income 200001 to 300000	63.64%	22.73%	0.00%	6.82%	11.36%
Income 300001 to 400000	48.65%	29.73%	5.41%	5.41%	21.62%
Income 400001 to 500000	58.06%	29.03%	3.23%	6.45%	12.90%
Income over 500000	57.81%	25.00%	10.94%	6.25%	12.50%

Chart 87Q25 What made you choose your current general insurance company?

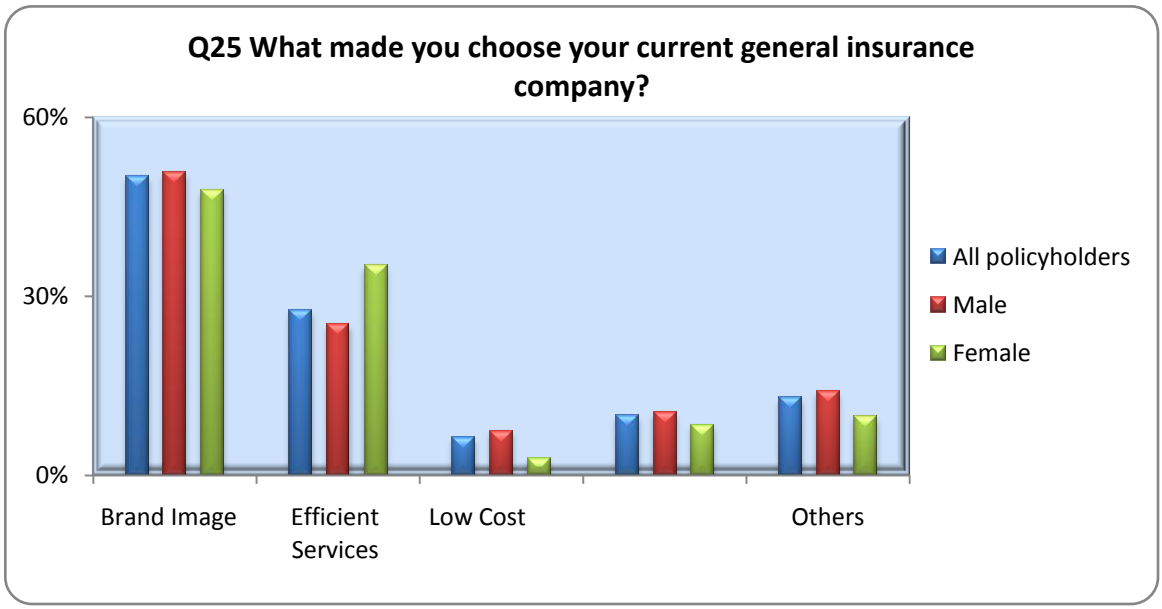


Chart 88 Q25 What made you choose your current general insurance company?

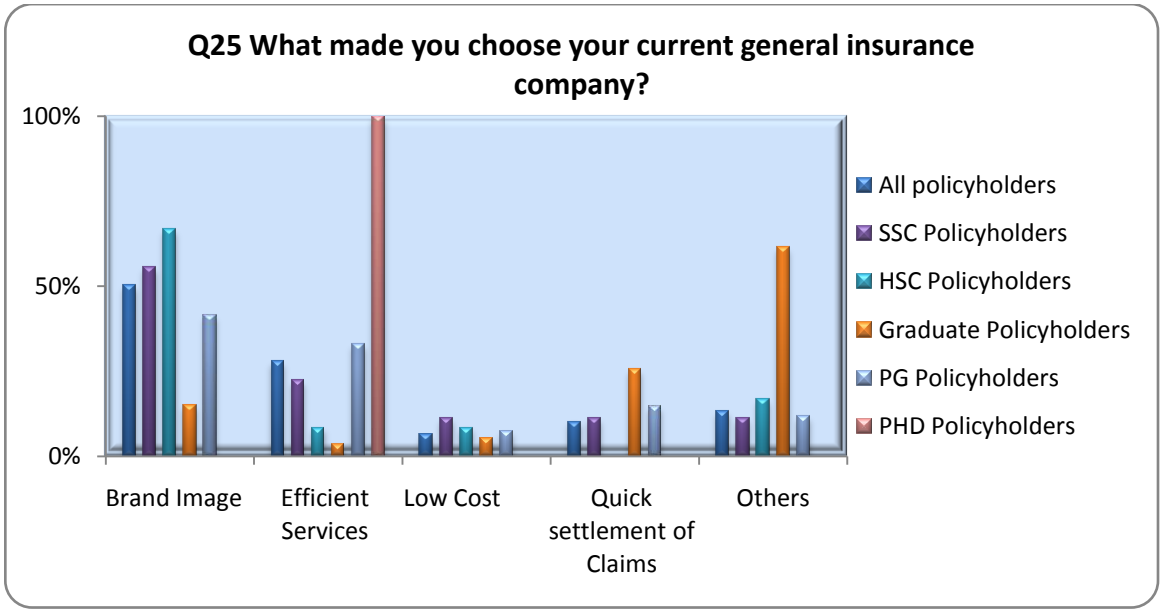


Chart 89 Q25 What made you choose your current general insurance company?

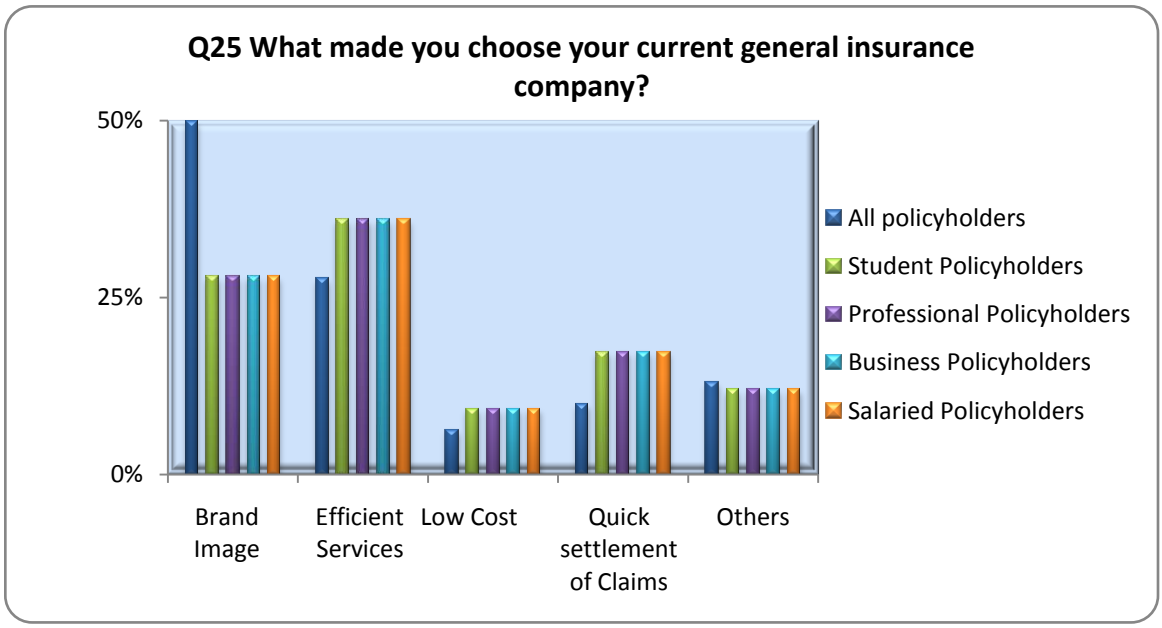
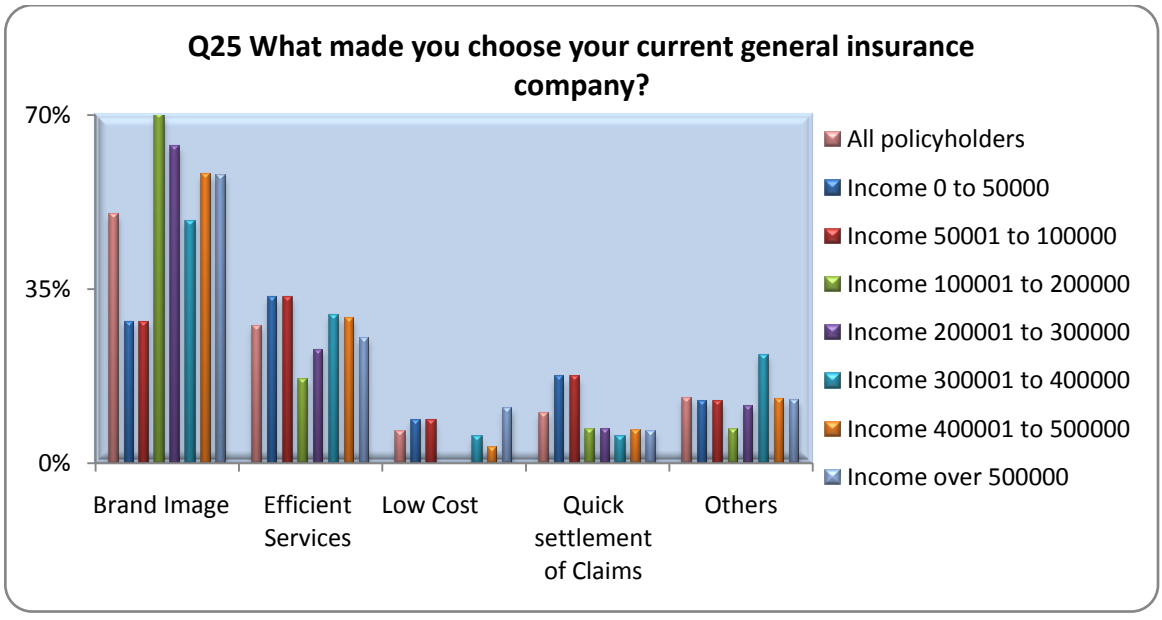


Chart 90 Q25 What made you choose your current general insurance company?



Q25 What made you choose your current general insurance company?

AT ‘all policyholders’ level, 50% say that the ‘brand image of the general insurance company’ made them choose their current general insurance company. 66.67% HSC policy holders say the same thing. All the Ph.D. respondents have preferred efficient services the reason for this. In the occupation levels 36% endorse the same reason. 61.40% graduate policy holders say other reasons made them chose the company and in the income group level of 1 lakh to 2 lakhs, 70 % has preferred brand image as the reason. This depends upon the perception of the policy holders about their general insurance company.

Table 28 Q26 From which channel did you purchase your policy?

Q26 From which channel did you purchase your policy?	Online	Telesales	Retail	Bank assurance	Branch walk-ins
All policyholders	7.00%	2.00%	52.33%	15.00%	25.33%
Male	7.42%	2.62%	53.28%	13.54%	24.89%
Female	5.63%	0.00%	49.30%	19.72%	26.76%
SSC Policyholders	0.00%	22.22%	11.11%	44.44%	22.22%
HSC Policyholders	0.00%	25.00%	33.33%	25.00%	16.67%
Graduate Policyholders	0.88%	23.68%	37.72%	29.82%	7.89%
PG Policyholders	1.22%	23.78%	39.02%	30.49%	5.49%
PHD Policyholders	0.00%	50.00%	0.00%	50.00%	0.00%
Student Policyholders	1.33%	20.00%	38.67%	36.00%	4.00%
Professional Policyholders	1.33%	20.00%	41.33%	28.00%	9.33%
Business Policyholders	0.00%	32.00%	29.33%	26.67%	12.00%
Salaried Policyholders	1.33%	22.67%	40.00%	32.00%	4.00%
Income 0 to 50000	1.27%	21.52%	37.97%	35.44%	3.80%
Income 50001 to 100000	0.00%	46.67%	33.33%	13.33%	6.67%
Income 100001 to 200000	0.00%	46.67%	23.33%	26.67%	3.33%
Income 200001 to 300000	0.00%	13.64%	45.45%	22.73%	18.18%
Income 300001 to 400000	2.70%	24.32%	40.54%	29.73%	2.70%
Income 400001 to 500000	0.00%	19.35%	45.16%	32.26%	3.23%
Income over 500000	1.56%	18.75%	32.81%	35.94%	10.94%

Chart 91Q26 From which channel did you purchase your policy?

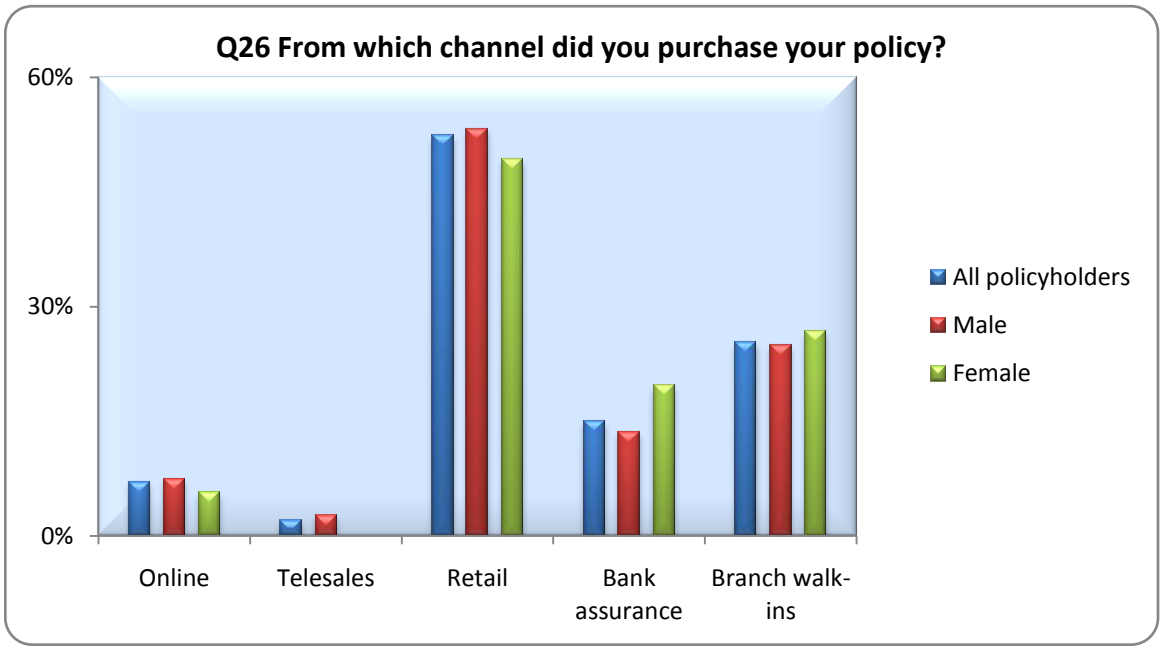


Chart 92 Q26 From which channel did you purchase your policy?

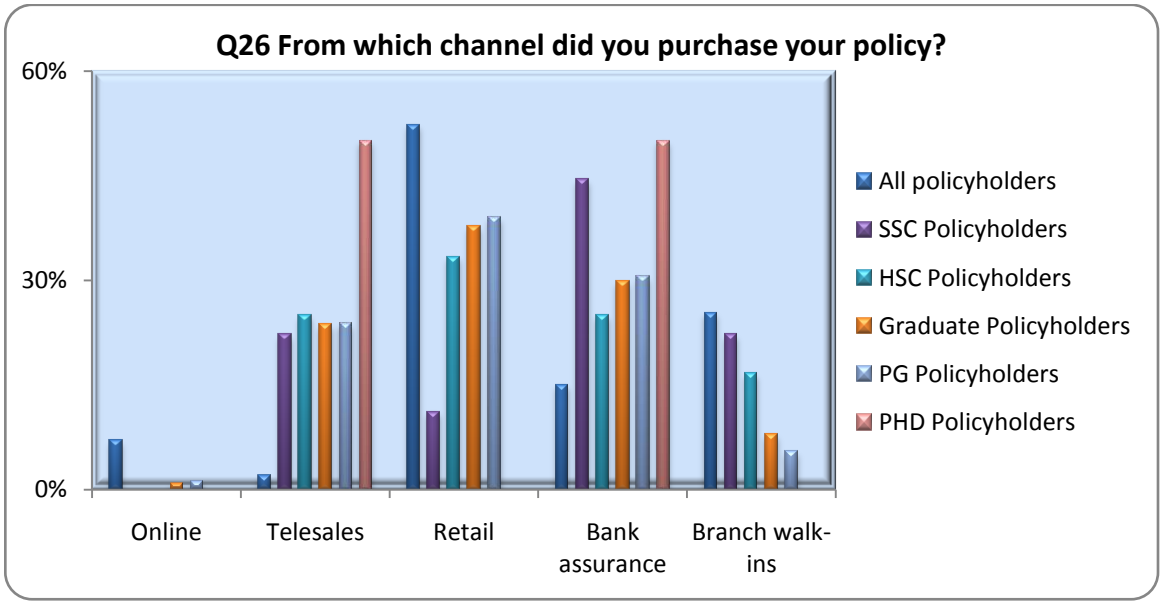


Chart 93 Q26 From which channel did you purchase your policy?

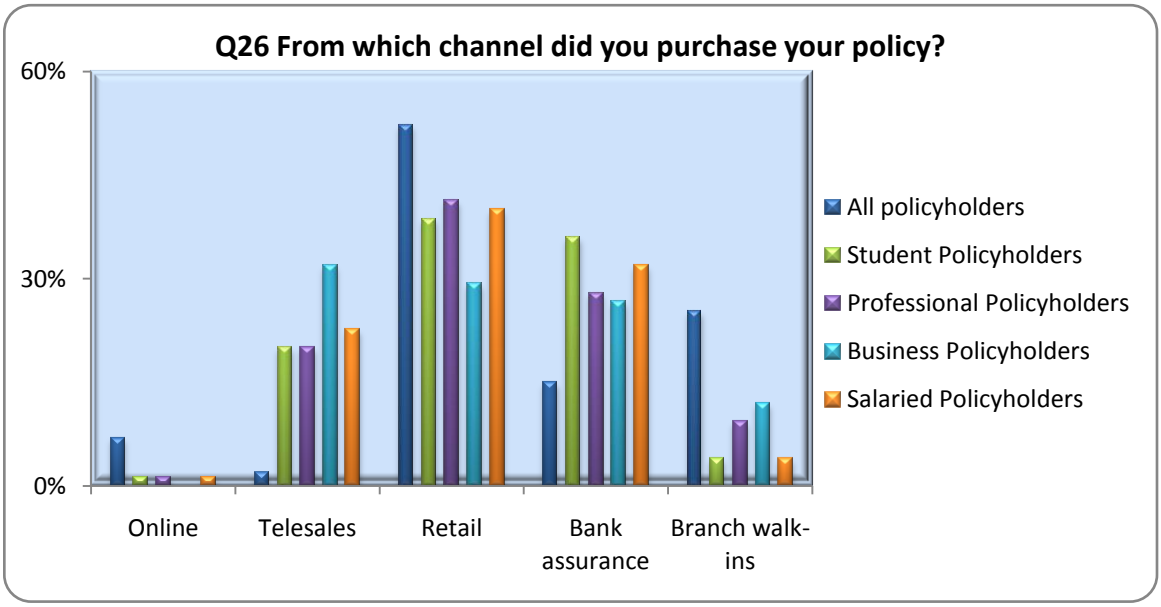
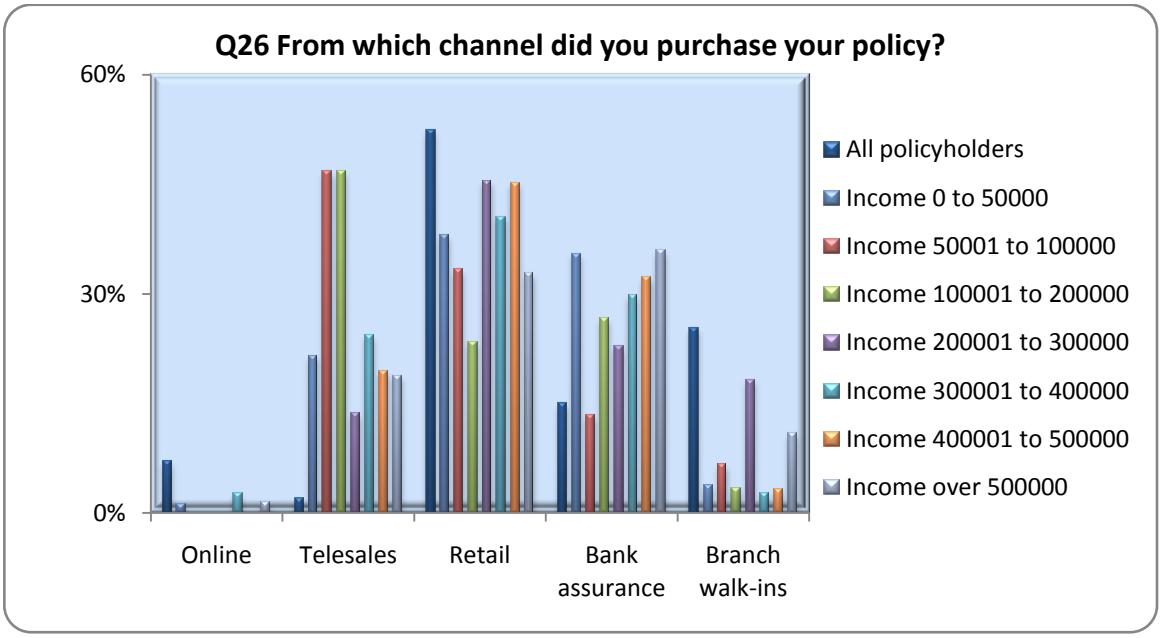


Chart 94 Q26 From which channel did you purchase your policy?



Q26 From which channel did you purchase your policy?

At 'all policyholders' level, 52.33% of respondents say that they have purchased the general insurance policy from retail. 41.33% professional policy holders have purchase from retail. In the students category 50% of them have purchased from telesales and remaining 50% have purchased from bank assurance. This is

because the agents are easily approachable due to mouth publicity and personal relations.

Table 29 Q27a Are you satisfied by the services provided by your general insurance company?

Q27a Are you satisfied by the services provided by your general insurance company?	Yes	No
All policyholders	74.67%	25.33%
Male	71.62%	28.38%
Female	84.51%	15.49%
SSC Policyholders	66.67%	33.33%
HSC Policyholders	58.33%	41.67%
Graduate Policyholders	66.67%	33.33%
PG Policyholders	82.72%	17.28%
PHD Policyholders	100.00%	0.00%
Student Policyholders	86.67%	13.33%
Professional Policyholders	69.33%	30.67%
Business Policyholders	68.49%	31.51%
Salaried Policyholders	76.00%	24.00%
Income 0 to 50000	86.08%	13.92%
Income 50001 to 100000	73.33%	26.67%
Income 100001 to 200000	83.33%	16.67%
Income 200001 to 300000	72.73%	27.27%
Income 300001 to 400000	62.16%	37.84%
Income 400001 to 500000	67.74%	32.26%
Income over 500000	68.75%	31.25%

Chart 95Q27a Are you satisfied by the services provided by your general insurance company?

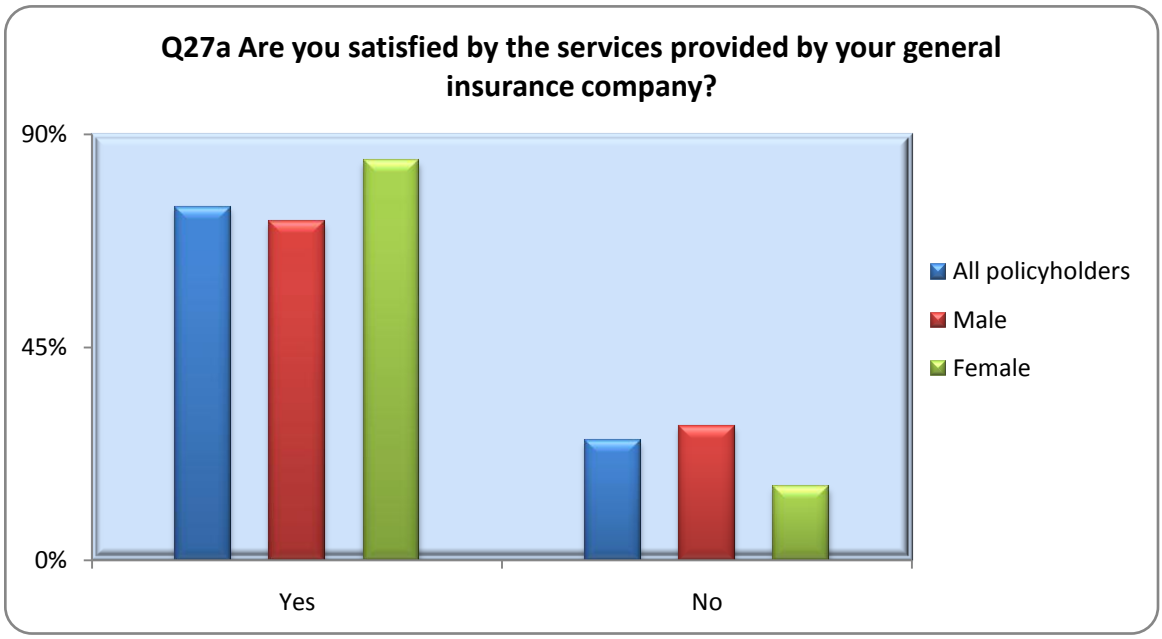


Chart 96 Q27a Are you satisfied by the services provided by your general insurance company?

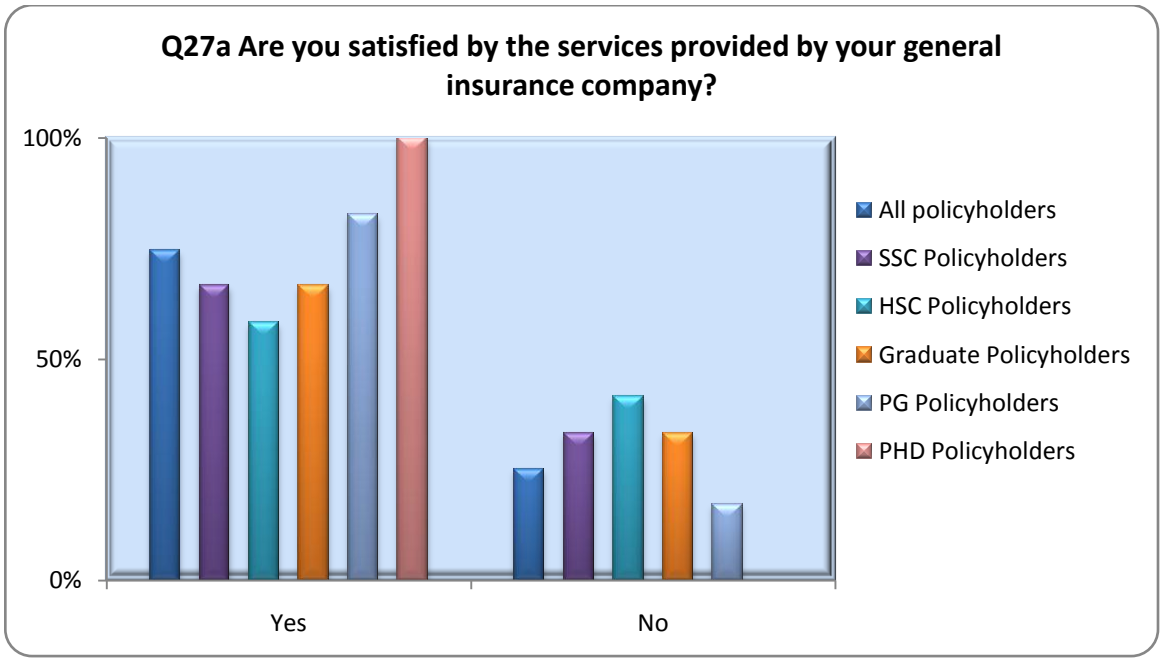


Chart 97 Q27a Are you satisfied by the services provided by your general insurance company?

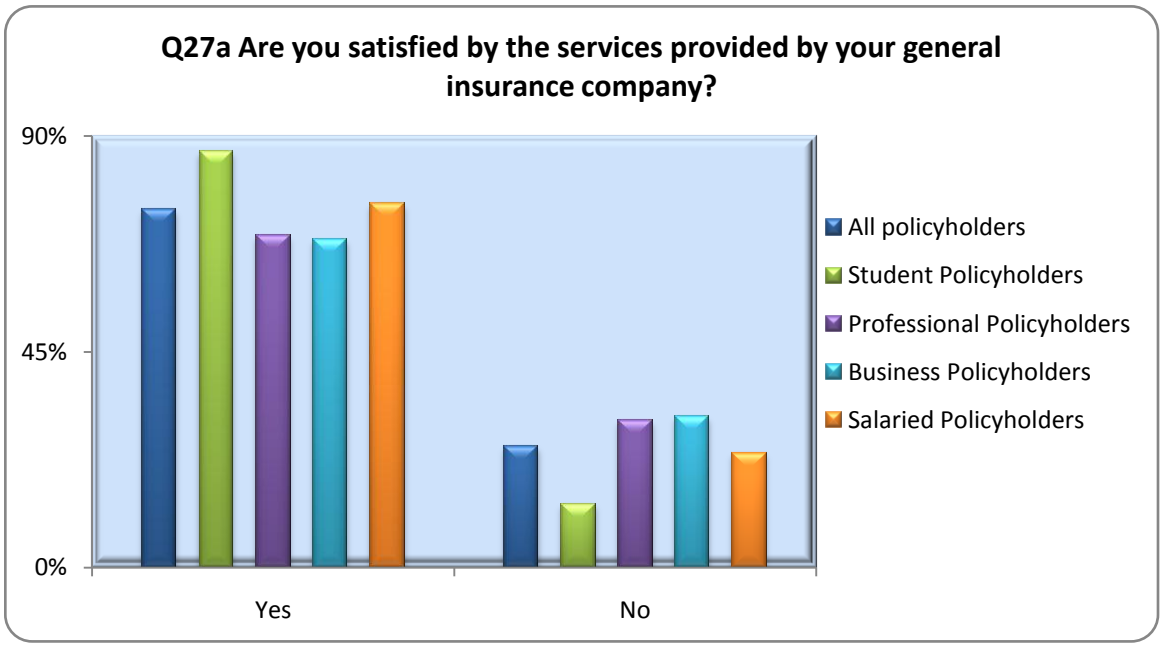
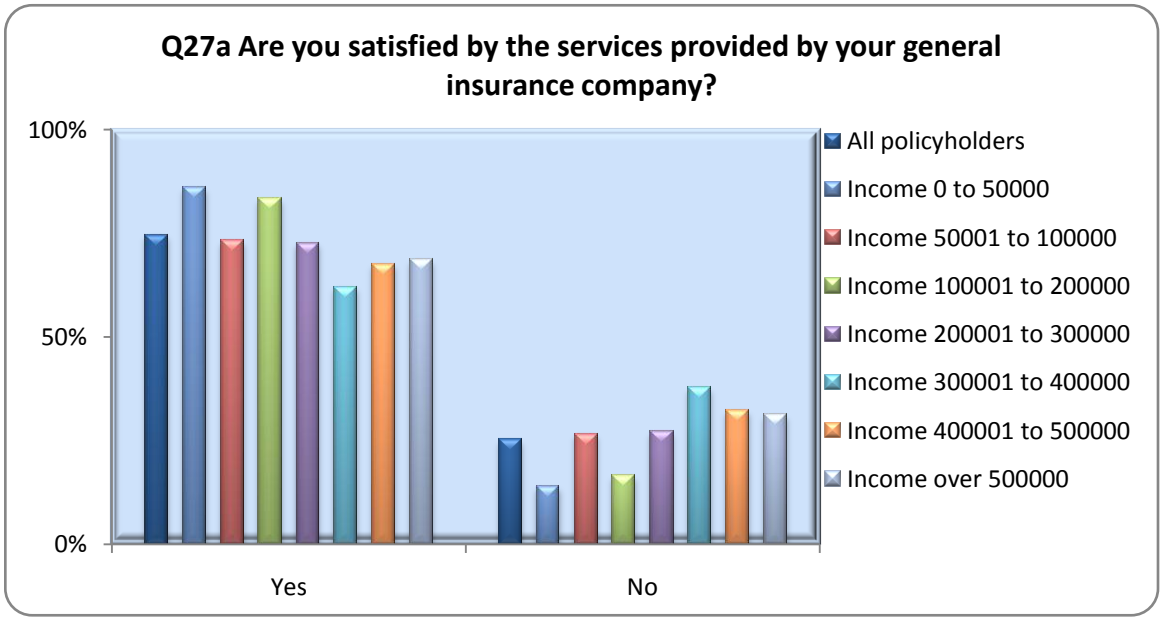


Chart 98 Q27a Are you satisfied by the services provided by your general insurance company?



Q27a Are you satisfied by the services provided by your general insurance company?

The respondents are fairly evenly spread across the various category levels and in case of all the categories. All the policy holders who are Ph.D. agree, 74.67% at all policy holder's level agree to the statement that they are satisfied by the services provided by their general insurance company. 82.70% PG respondents, 86.67% students, 86.08 in 0 to 50, 000/- income level and 83.33% in the range of 1,00,000 to 2,00,000/- feel the same way. The services of general insurance companies are required very rarely and whatever the services provided by the general insurance companies are as per the expectations of the policy holders.

Table 30 Q27b If No, what are your reasons for dissatisfaction?

Q27b If No, what are your reasons for dissatisfaction?	Policy Document not received on time	Dissatisfied by the Agent's services	Delay in claims settlement	Others
All policyholders	23.75%	48.75%	48.75%	12.50%
Male	23.53%	50.00%	51.47%	11.76%
Female	25.00%	41.67%	33.33%	16.67%
SSC Policyholders	22.22%	11.11%	44.44%	22.22%
HSC Policyholders	25.00%	33.33%	25.00%	16.67%
Graduate Policyholders	25.00%	65.00%	70.00%	15.00%
PG Policyholders	22.58%	58.06%	45.16%	12.90%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%
Student Policyholders	27.27%	54.55%	18.18%	27.27%
Professional Policyholders	32.00%	76.00%	56.00%	8.00%
Business Policyholders	32.00%	76.00%	56.00%	8.00%
Salaried Policyholders	27.78%	50.00%	50.00%	0.00%
Income 0 to 50000	30.77%	46.15%	15.38%	30.77%
Income 50001 to 100000	30.77%	46.15%	15.38%	30.77%
Income 100001 to 200000	0.00%	33.33%	66.67%	16.67%
Income 200001 to 300000	25.00%	33.33%	66.67%	8.33%
Income 300001 to 400000	7.14%	35.71%	64.29%	14.29%
Income 400001 to 500000	20.00%	60.00%	40.00%	0.00%
Income over 500000	30.00%	70.00%	55.00%	10.00%

Chart 99Q27b If No, what are your reasons for dissatisfaction?

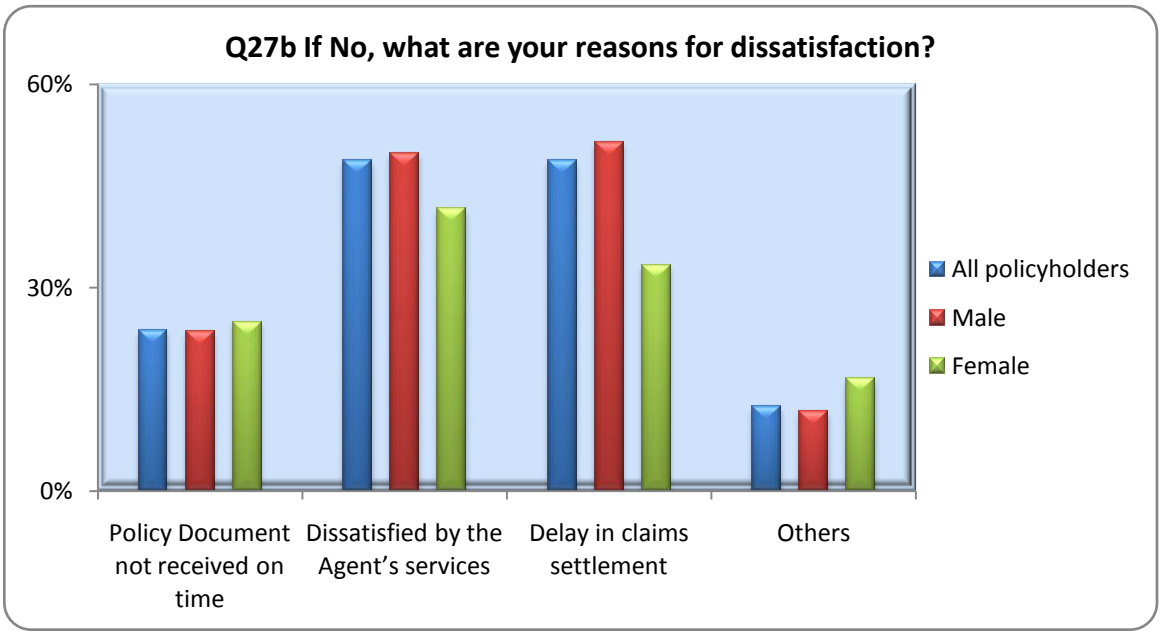


Chart 100 Q27b If No, what are your reasons for dissatisfaction?

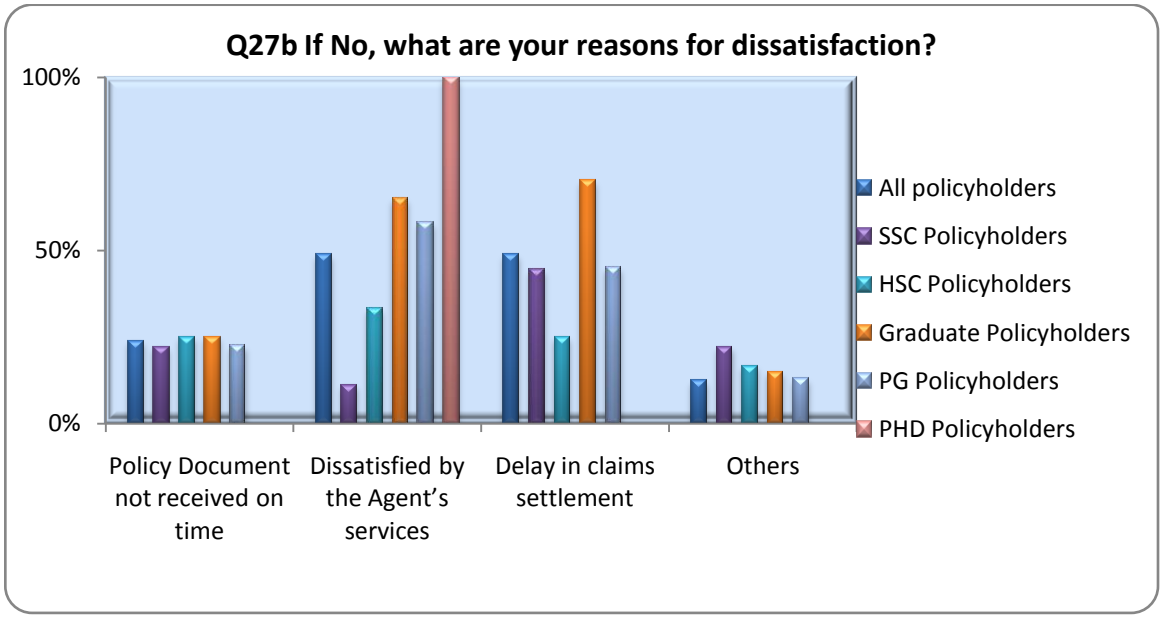


Chart 101 Q27b If No, what are your reasons for dissatisfaction?

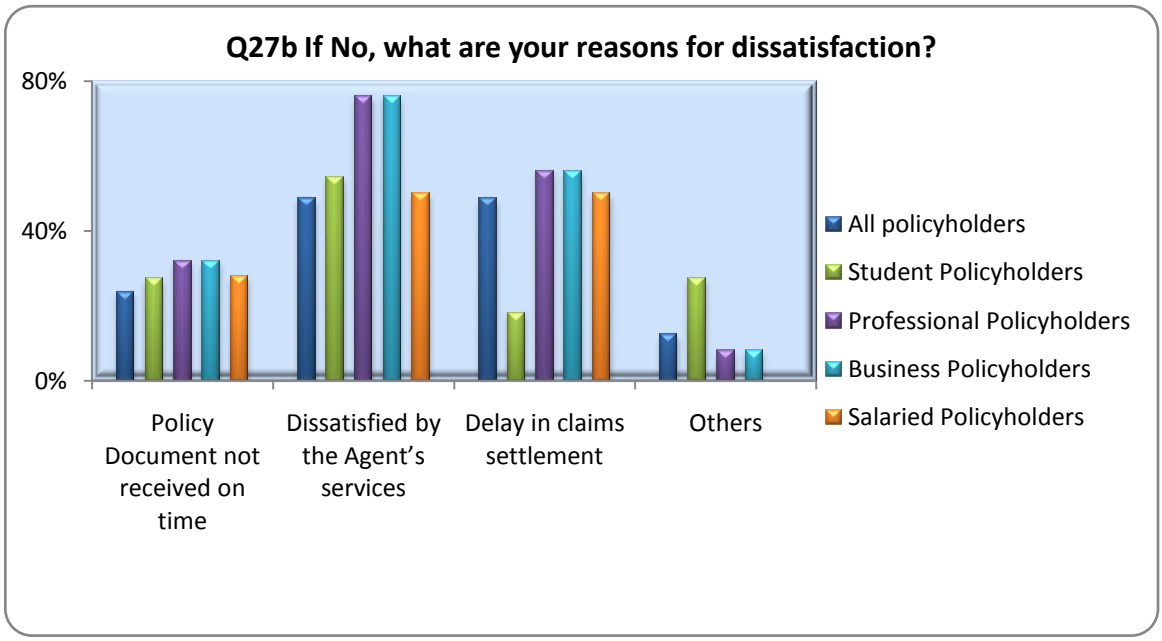
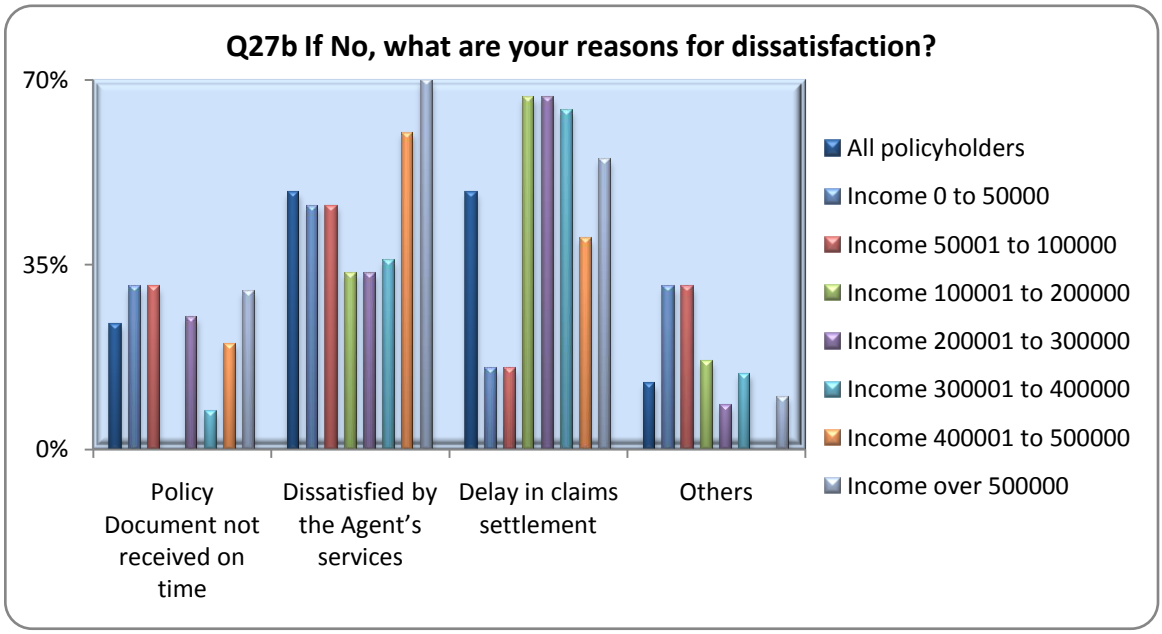


Chart 102 Q27b If No, what are your reasons for dissatisfaction?



Q27b If No, what are your reasons for dissatisfaction?

At all policy holders levels, 48.75% respondents say that they are not satisfied by the service provided by their general insurance company as they are dissatisfied by the agent's services and equal percentage in the same category are of the same opinion but they have given the reason as delay in settlement of claims. On an average, in all the categories and at all levels, almost equal percentages of respondents are not satisfied because of these two reasons. This is obvious because the policy holders whose claims do not get paid due to some or other reason, may feel like this.

Table 31 Q28 What is your general insurance company's record in doing the work accurately?

Q28 What is your general insurance company's record in doing the work accurately?	Excellent	Very Good	Good	Poor	Very Poor
All policyholders	2.67%	17.67%	73.33%	5.67%	0.67%
Male	2.18%	18.34%	72.93%	5.68%	0.87%
Female	4.23%	15.49%	74.65%	5.63%	0.00%
SSC Policyholders	0.00%	11.11%	88.89%	0.00%	0.00%
HSC Policyholders	0.00%	25.00%	75.00%	0.00%	0.00%
Graduate Policyholders	0.88%	17.54%	73.68%	7.89%	0.00%
PG Policyholders	4.27%	17.68%	71.95%	4.88%	1.22%
PHD Policyholders	0.00%	0.00%	100.00%	0.00%	0.00%
Student Policyholders	5.33%	17.33%	72.00%	2.67%	2.67%
Professional Policyholders	2.67%	17.33%	65.33%	14.67%	0.00%
Business Policyholders	0.00%	17.33%	81.33%	1.33%	0.00%
Salaried Policyholders	2.67%	18.67%	74.67%	4.00%	0.00%
Income 0 to 50000	5.06%	20.25%	69.62%	2.53%	2.53%
Income 50001 to 100000	0.00%	20.00%	80.00%	0.00%	0.00%
Income 100001 to 200000	0.00%	23.33%	70.00%	6.67%	0.00%
Income 200001 to 300000	0.00%	15.91%	84.09%	0.00%	0.00%
Income 300001 to 400000	0.00%	24.32%	70.27%	5.41%	0.00%
Income 400001 to 500000	0.00%	6.45%	87.10%	6.45%	0.00%
Income over 500000	6.25%	14.06%	65.63%	14.06%	0.00%

Q28 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.16	0.58	0.07	3.23	3.09

Statistics 16

Chart 103 Q28 What is your general insurance company's record in doing the work accurately?

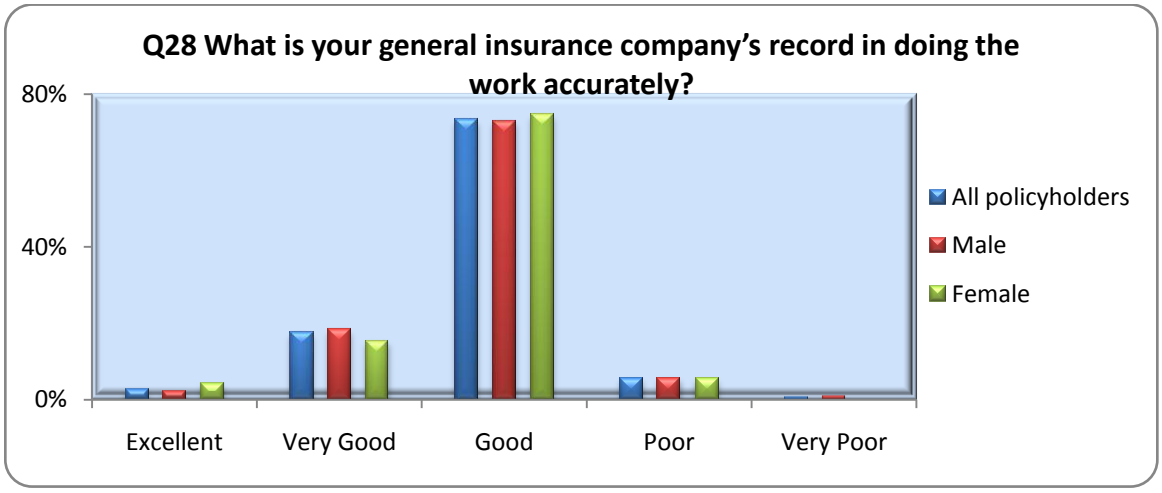


Chart 104 Q28 What is your general insurance company's record in doing the work accurately?

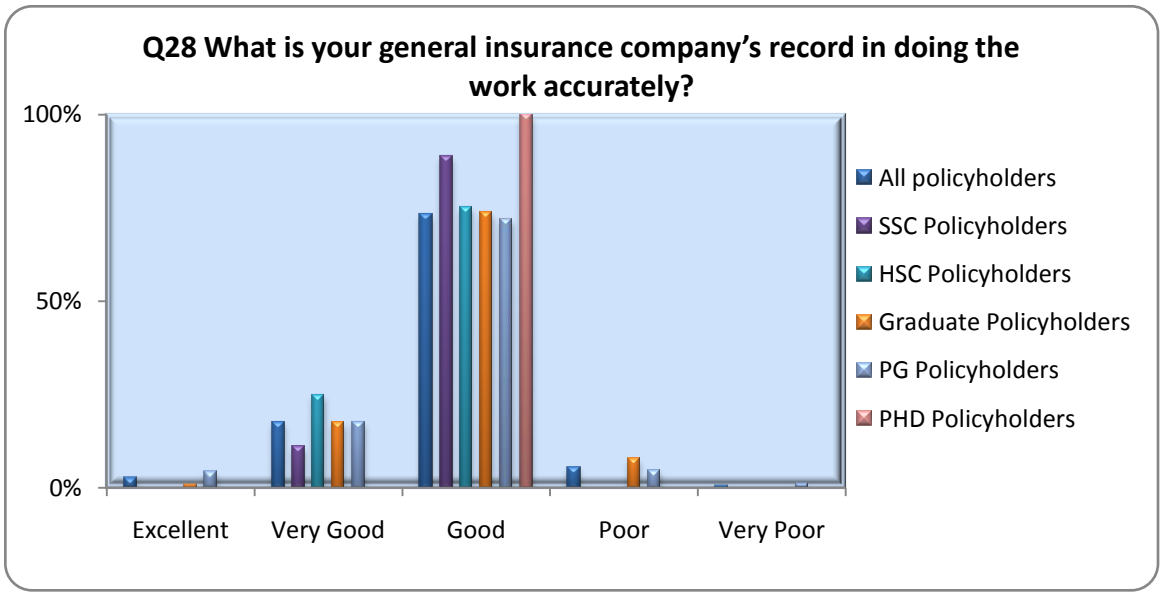


Chart 105 Q28 What is your general insurance company's record in doing the work accurately?

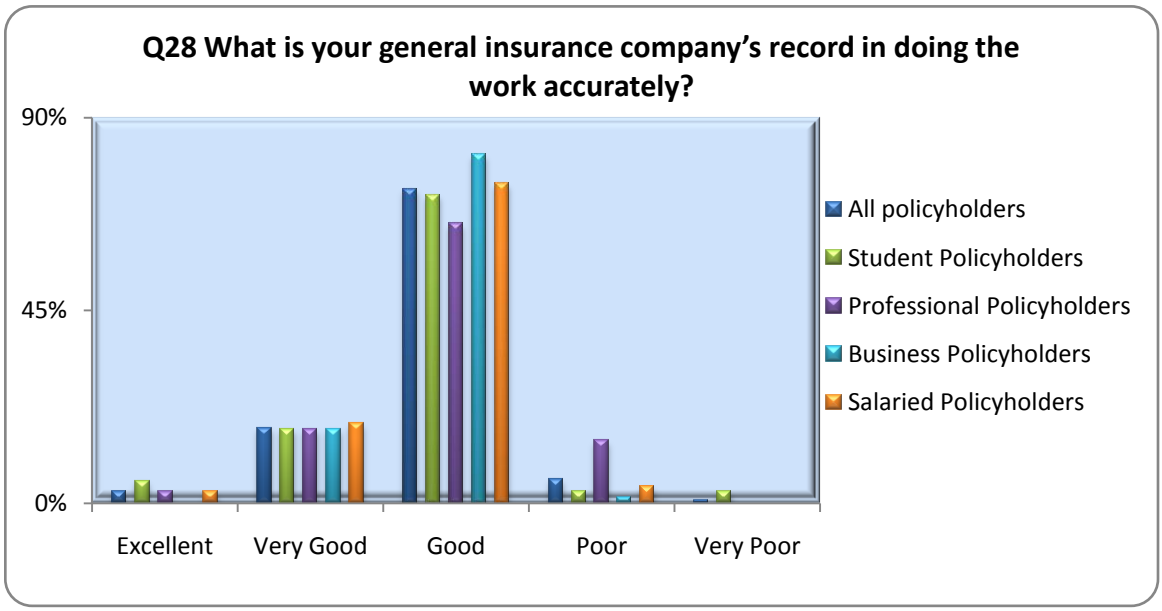
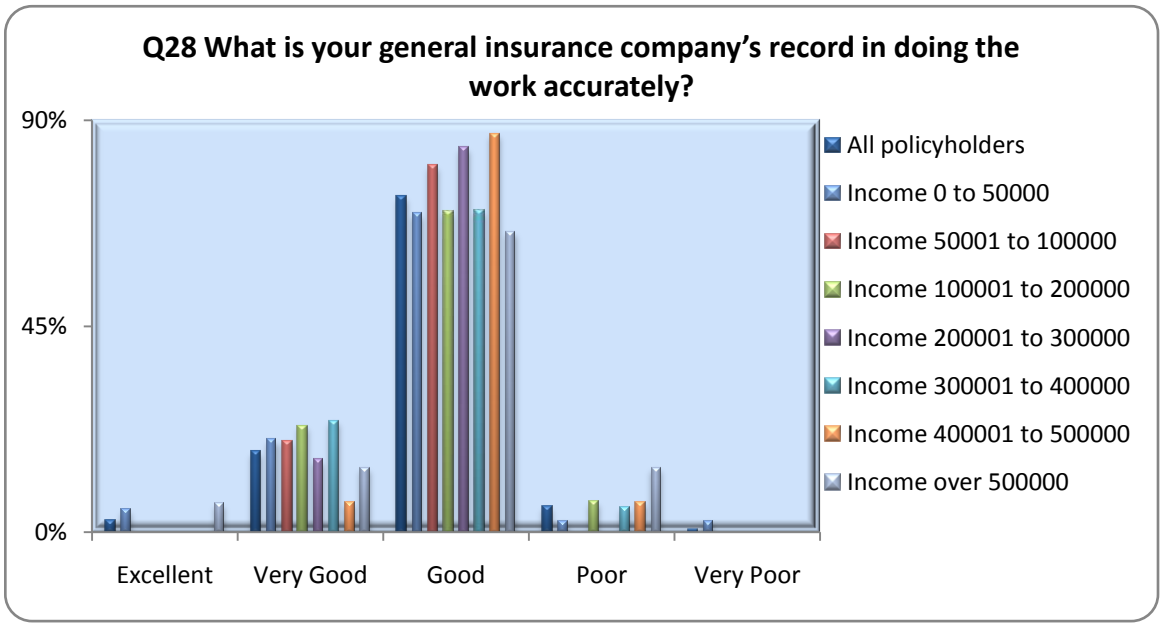


Chart 106 Q28 What is your general insurance company's record in doing the work accurately?



Q28 What is your general insurance company's record in doing the work accurately?

The respondents are fairly evenly spread across the various category levels and in case of all the categories. The percentage range is minimum 65.33% in case of professional policy holders to 100% in case of Ph.D. holders and all of them agree that their general insurance company's record in doing the work accurately is good. This again depends upon the perception of the individual policy holder about his general insurance company.

Table 32 Q29 Is doing business with your general insurance company easy?

Q29 Is doing business with your general insurance company easy?	Excellent	Very Good	Good	Poor	Very Poor
All policyholders	1.33%	16.00%	75.00%	7.33%	0.33%
Male	0.87%	16.59%	74.67%	7.42%	0.44%
Female	2.82%	14.08%	76.06%	7.04%	0.00%
SSC Policyholders	0.00%	0.00%	100.00%	0.00%	0.00%
HSC Policyholders	0.00%	33.33%	66.67%	0.00%	0.00%
Graduate Policyholders	2.63%	15.79%	67.54%	13.16%	0.88%
PG Policyholders	0.61%	15.85%	79.27%	4.27%	0.00%
PHD Policyholders	0.00%	0.00%	100.00%	0.00%	0.00%
Student Policyholders	0.00%	14.67%	81.33%	4.00%	0.00%
Professional Policyholders	2.67%	20.00%	58.67%	17.33%	1.33%
Business Policyholders	0.00%	16.00%	82.67%	1.33%	0.00%
Salaried Policyholders	2.67%	13.33%	77.33%	6.67%	0.00%
Income 0 to 50000	0.00%	15.19%	79.75%	5.06%	0.00%
Income 50001 to 100000	0.00%	20.00%	80.00%	0.00%	0.00%
Income 100001 to 200000	3.33%	13.33%	80.00%	3.33%	0.00%
Income 200001 to 300000	0.00%	25.00%	72.73%	2.27%	0.00%
Income 300001 to 400000	2.70%	13.51%	72.97%	10.81%	0.00%
Income 400001 to 500000	0.00%	9.68%	77.42%	12.90%	0.00%
Income over 500000	3.13%	15.63%	67.19%	12.50%	1.56%

Q29 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.106667	0.54	0.06	3.17	3.05

Statistics 17

Chart 107 Q29 Is doing business with your general insurance company easy

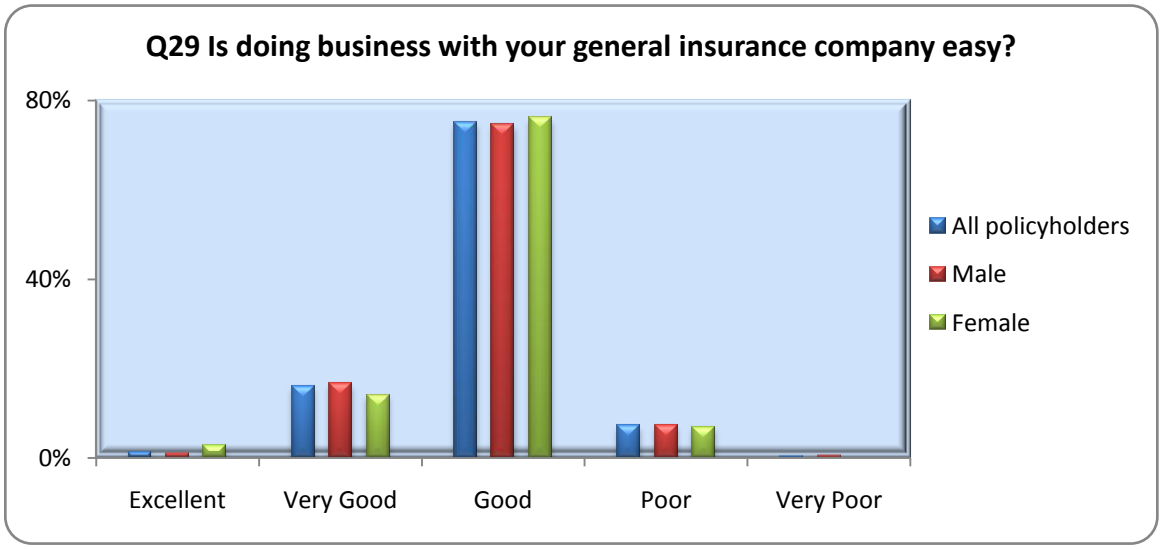


Chart 108 Q29 Is doing business with your general insurance company easy?

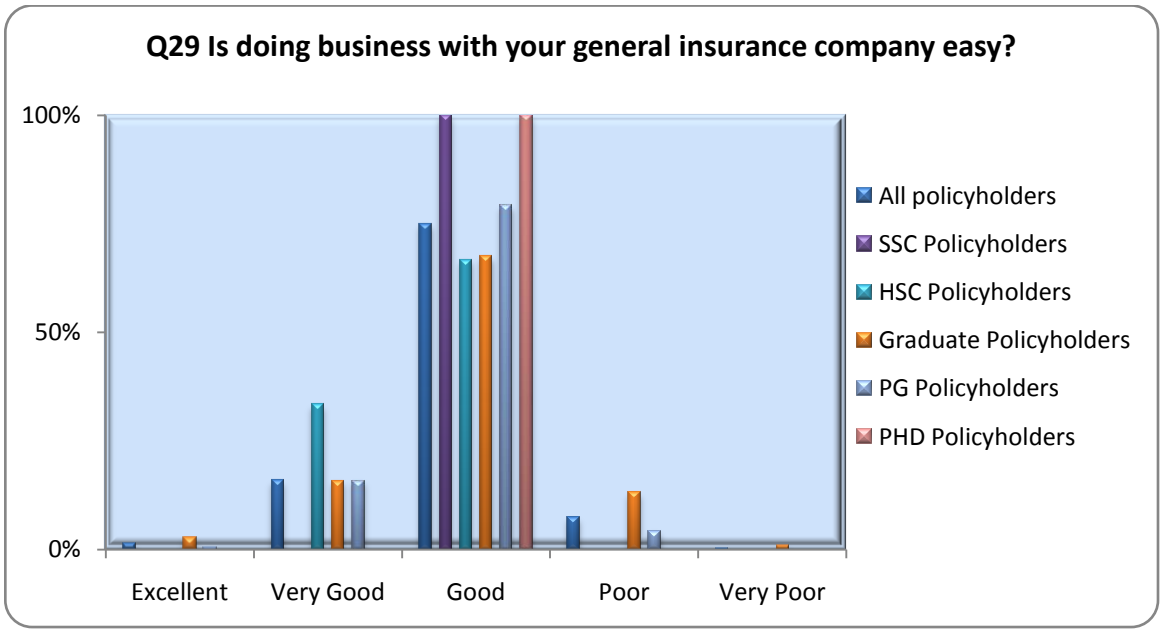


Chart 109 Q29 Is doing business with your general insurance company easy?

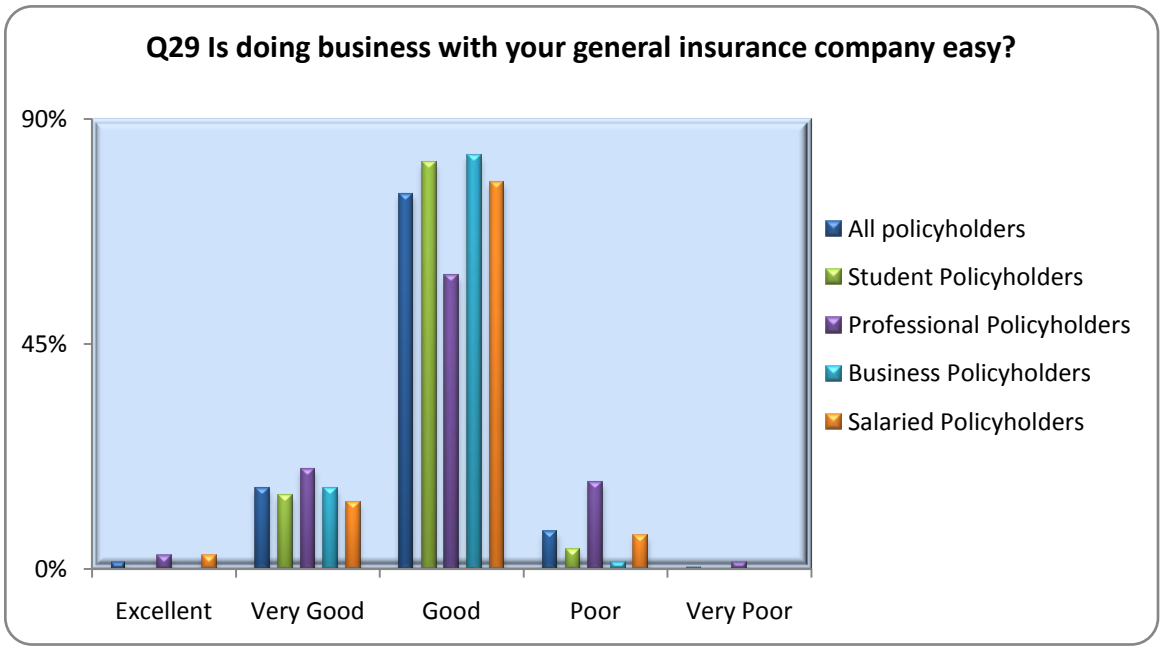
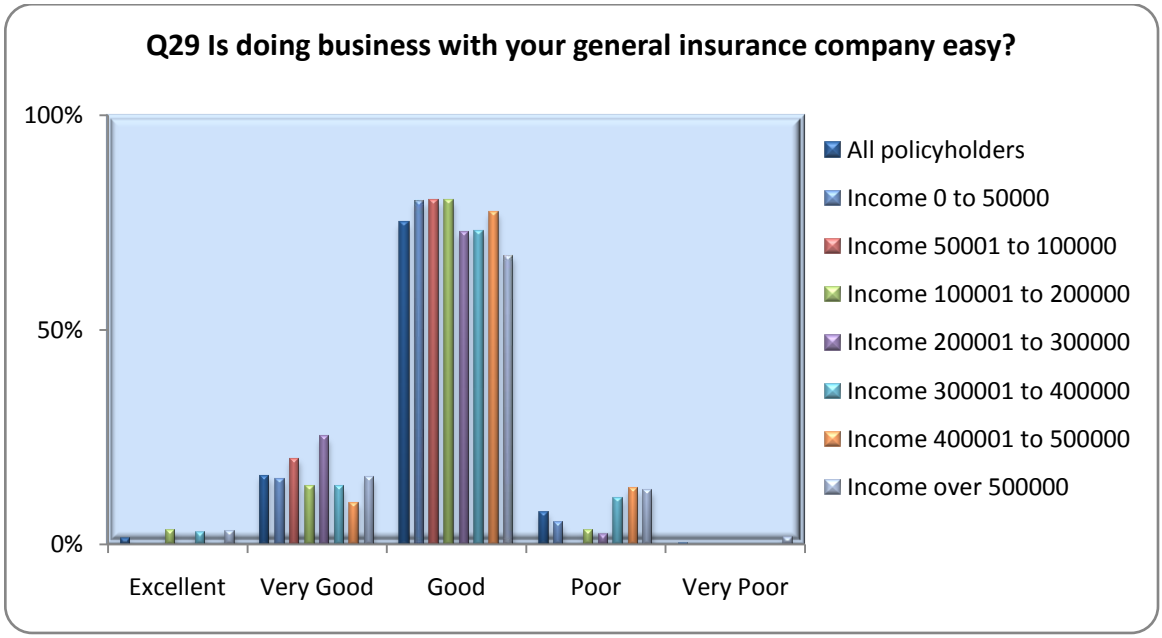


Chart 110 Q29 Is doing business with your general insurance company easy?



Q29 Is doing business with your general insurance company easy?

At all policy holders' level, 91% respondents say that doing business with their general insurance company is easy. All the SSC, HSC and Ph.D. policy holders also agree to this. In the various levels in the occupation category, 91% agree that doing business with their company is easy. All the respondents in the income group 50,000 to 1,00,000 confirm the same and almost 90.40% in the other various levels of income group feels that their insurance company gives good service . All the general insurance companies now a days are trying to reach the masses by using all the channels like agents, brokers, and media. New technologies in issuing policies and doing fast claim settlement are adopted by general insurance companies.

Table 33 Q30 The service of the claim representative of your general insurance company was:

	Excellent	Very Good	Good	Poor	Very Poor
All policyholders	1.33%	15.00%	71.00%	11.67%	1.00%
Male	0.87%	15.28%	69.43%	13.54%	0.87%
Female	2.82%	14.08%	76.06%	5.63%	1.41%
SSC Policyholders	0.00%	11.11%	88.89%	0.00%	0.00%
HSC Policyholders	0.00%	25.00%	75.00%	0.00%	0.00%
Graduate Policyholders	1.75%	14.91%	63.16%	19.30%	0.88%
PG Policyholders	1.22%	14.63%	75.00%	7.93%	1.22%
PHD Policyholders	0.00%	50.00%	50.00%	0.00%	0.00%
Student Policyholders	0.00%	14.67%	80.00%	4.00%	1.33%
Professional Policyholders	5.33%	9.33%	65.33%	18.67%	1.33%
Business Policyholders	0.00%	14.67%	76.00%	8.00%	1.33%
Salaried Policyholders	0.00%	21.33%	62.67%	16.00%	0.00%
Income 0 to 50000	1.27%	13.92%	79.75%	3.80%	1.27%
Income 50001 to 100000	0.00%	20.00%	80.00%	0.00%	0.00%
Income 100001 to 200000	0.00%	16.67%	80.00%	0.00%	3.33%
Income 200001 to 300000	0.00%	11.36%	75.00%	13.64%	0.00%
Income 300001 to 400000	2.70%	18.92%	54.05%	21.62%	2.70%
Income 400001 to 500000	0.00%	16.13%	61.29%	22.58%	0.00%
Income over 500000	3.13%	14.06%	65.63%	17.19%	0.00%

Q30 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.04	0.60	0.07	3.11	2.97

Statistics 18

Chart 111 Q30The service of the claim representative of your general insurance company was:

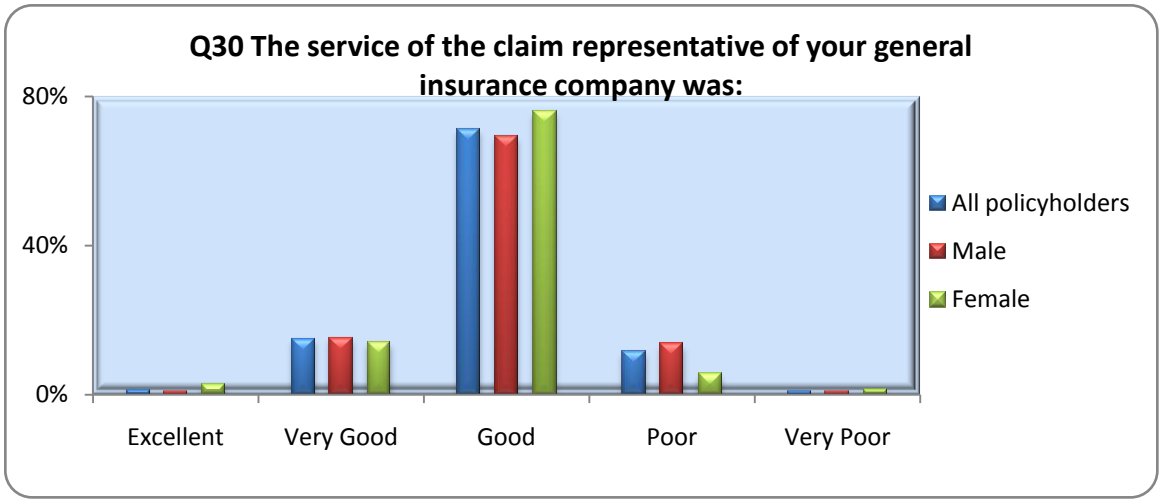


Chart 112 Q30 The service of the claim representative of your general insurance company was:

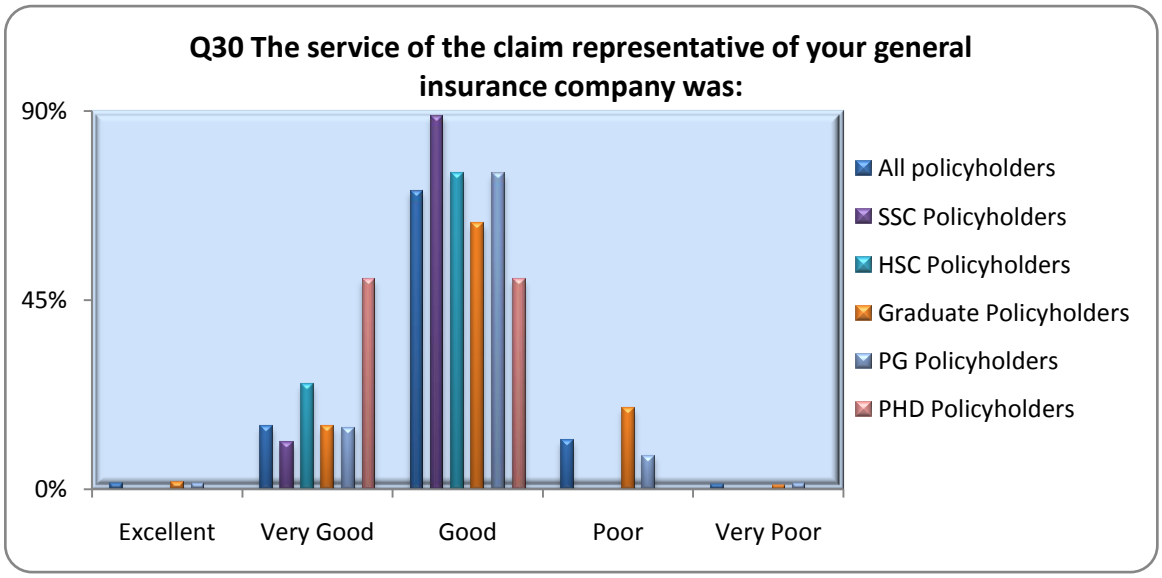


Chart 113 Q30 The service of the claim representative of your general insurance company was:

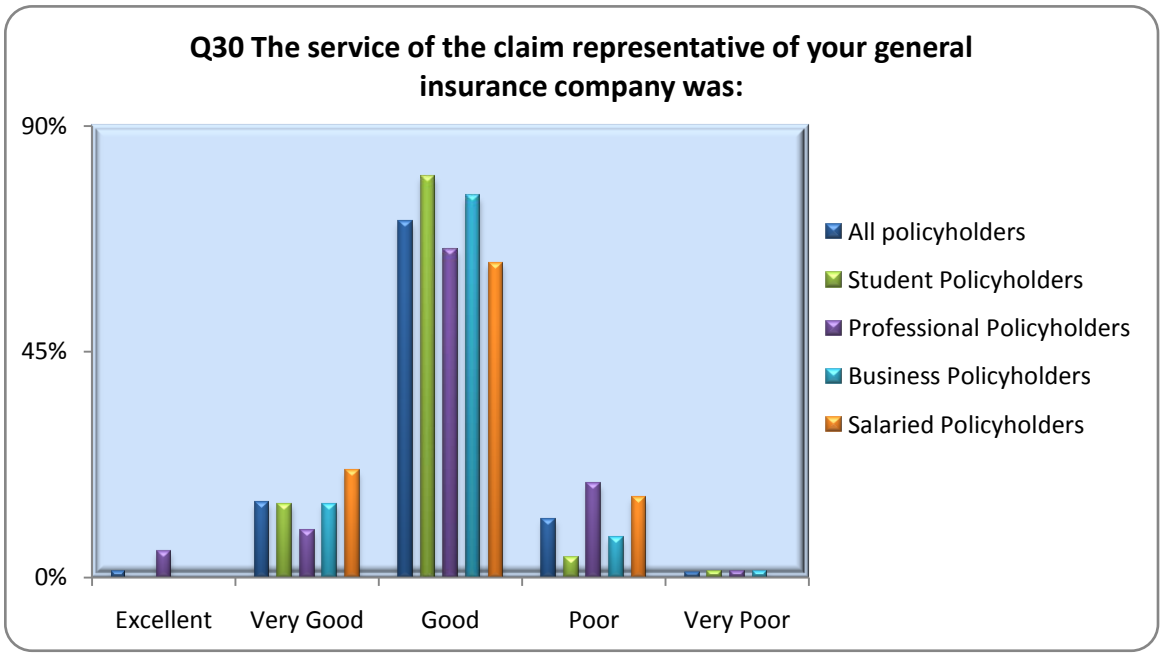
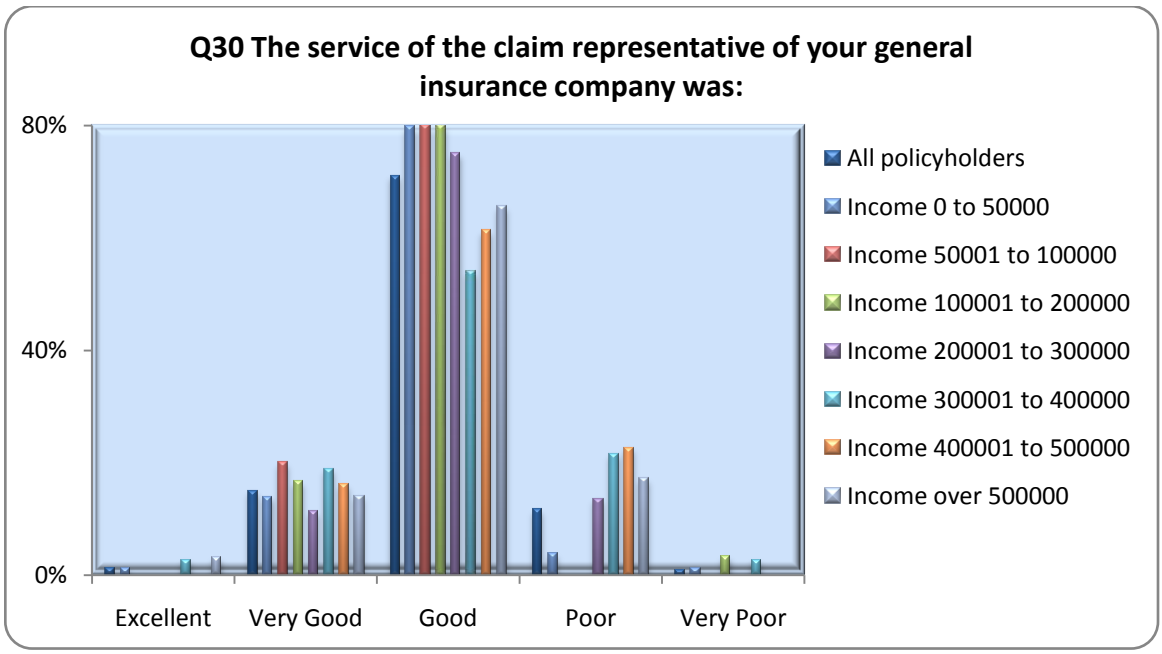


Chart 114 Q30 The service of the claim representative of your general insurance company was:



Q30 The service of the claim representative of your general insurance company was

At all policy holders' level, 86% say that the service of the claim representative of their general insurance company was good. All the SSC and HSC policy holders also agree to this. All Ph.D. holders and all the respondents in the income group of 50,000 to 1, 00,000 also say like this. In the occupation category the range is from 75% to over 95% who hold the same view. The claim settlements have been out sourced by the companies and because of this the policy holders may find the service of claim representative as good.

Table 34 Q31 How do you rate your satisfaction with the service you received?

Q31 How do you rate your satisfaction with the service you received?	Excellent	Very Good	Good	Poor	Very Poor
All policyholders	1.00%	17.33%	70.00%	11.00%	0.67%
Male	0.44%	17.90%	69.87%	10.92%	0.87%
Female	2.82%	15.49%	70.42%	11.27%	0.00%
SSC Policyholders	0.00%	22.22%	77.78%	0.00%	0.00%
HSC Policyholders	0.00%	33.33%	66.67%	0.00%	0.00%
Graduate Policyholders	1.75%	18.42%	63.16%	15.79%	0.88%
PG Policyholders	0.61%	15.24%	74.39%	9.15%	0.61%
PHD Policyholders	0.00%	50.00%	50.00%	0.00%	0.00%
Student Policyholders	0.00%	18.67%	72.00%	8.00%	1.33%
Professional Policyholders	2.67%	18.67%	64.00%	13.33%	1.33%
Business Policyholders	0.00%	24.00%	65.33%	10.67%	0.00%
Salaried Policyholders	1.33%	8.00%	78.67%	12.00%	0.00%
Income 0 to 50000	1.27%	17.72%	72.15%	7.59%	1.27%
Income 50001 to 100000	0.00%	26.67%	73.33%	0.00%	0.00%
Income 100001 to 200000	3.33%	16.67%	73.33%	6.67%	0.00%
Income 200001 to 300000	0.00%	18.18%	70.45%	11.36%	0.00%
Income 300001 to 400000	0.00%	18.92%	64.86%	16.22%	0.00%
Income 400001 to 500000	0.00%	9.68%	70.97%	19.35%	0.00%
Income over 500000	1.56%	17.19%	67.19%	12.50%	1.56%

Q31 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.07	0.59	0.07	3.14	3.00

Statistics 19

Chart 115 Q31 How do you rate your satisfaction with the service you received?



Chart 116 Q31 How do you rate your satisfaction with the service you received?

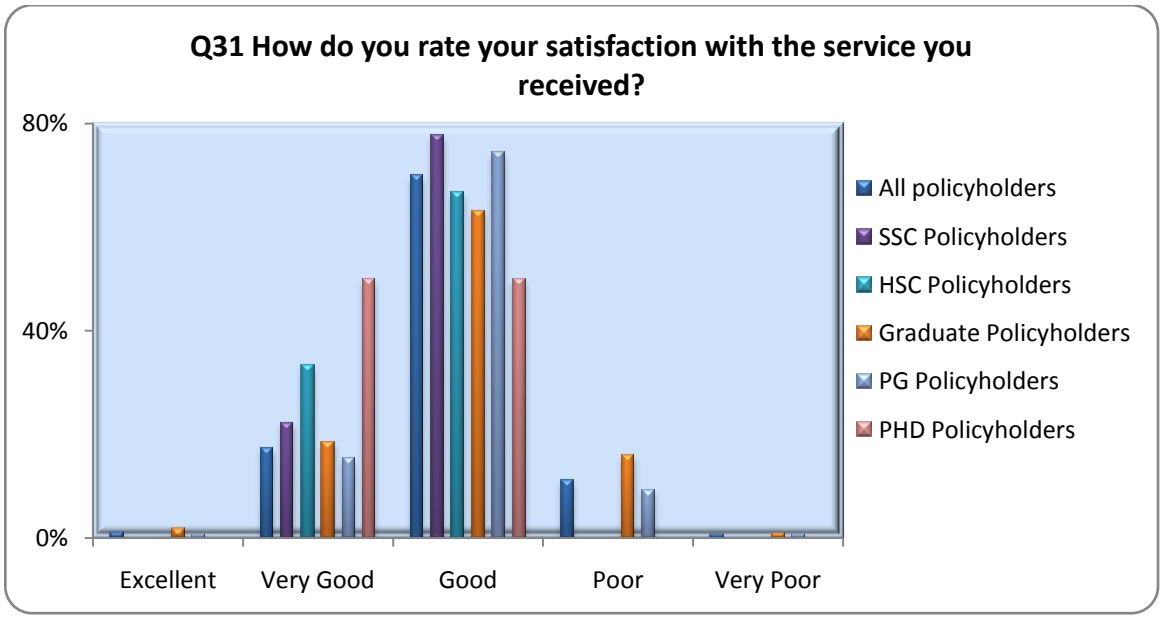


Chart 117 Q31 How do you rate your satisfaction with the service you received?

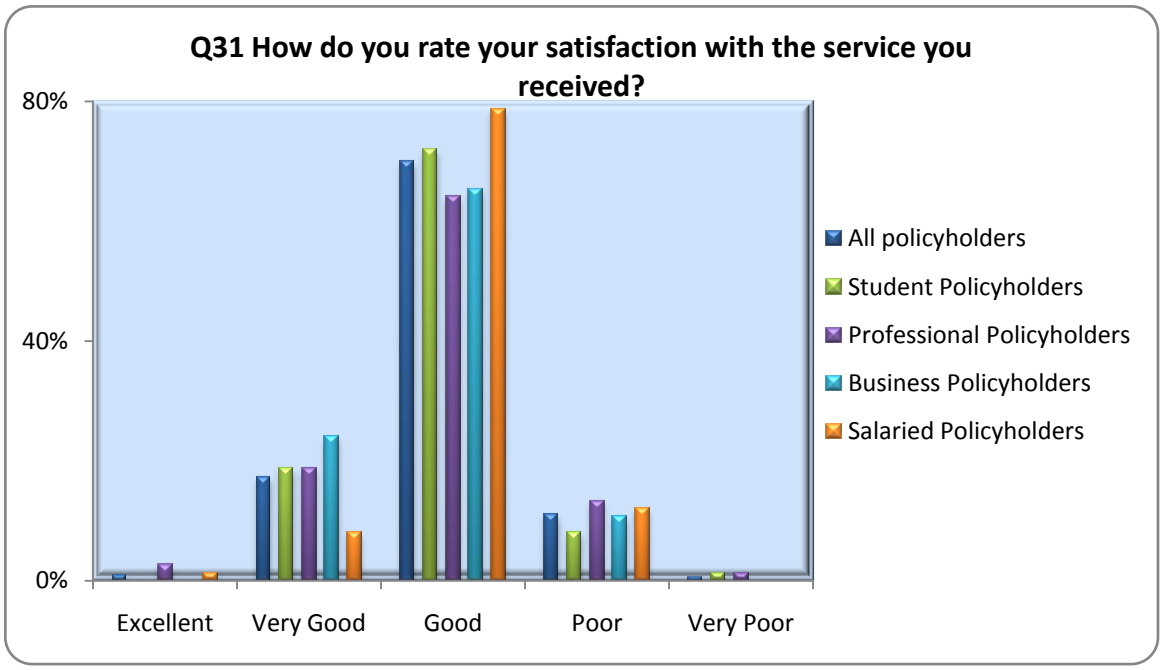
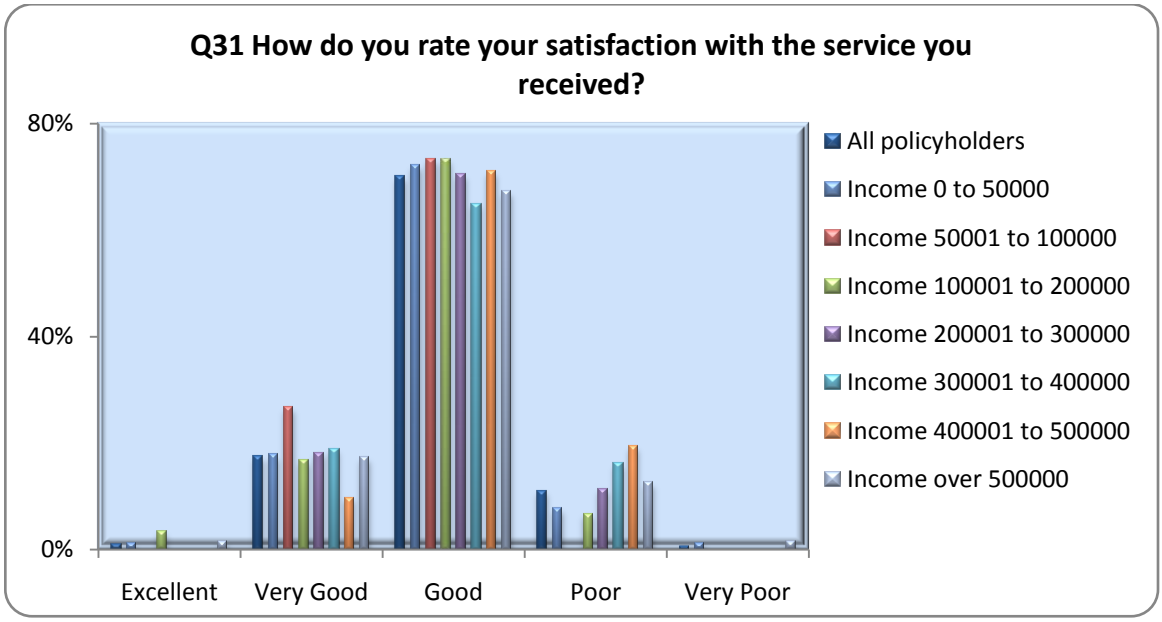


Chart 118 Q31 How do you rate your satisfaction with the service you received?



Q31 How do you rate your satisfaction with the service you received

At 'all policyholders' level, 87.33% respondents have rated the service which they have received from their general insurance company as good. All the SSC, HSC, PhD students policy holders and policy holders in the income range of 50,000 to 1, 00,000 also say that the service received was good. Other policy holders in various categories also of the same view and the range of their satisfaction level are from 82% to 90%. Therefore, most of the respondents are happy with the quality of service, again this depends upon the experience and perception of the customers about their companies.

Table 35 Q32 How do you rate your general insurance company overall?

Q32 How do you rate your general insurance company overall?	Excellent	Very Good	Good	Poor	Very Poor
All policyholders	2.00%	19.67%	71.00%	6.67%	0.67%
Male	0.44%	20.09%	71.62%	6.99%	0.87%
Female	7.04%	18.31%	69.01%	5.63%	0.00%
SSC Policyholders	0.00%	22.22%	77.78%	0.00%	0.00%
HSC Policyholders	0.00%	25.00%	75.00%	0.00%	0.00%
Graduate Policyholders	1.75%	18.42%	69.30%	9.65%	0.88%
PG Policyholders	2.44%	20.12%	71.34%	5.49%	0.61%
PHD Policyholders	0.00%	0.00%	100.00%	0.00%	0.00%
Student Policyholders	1.33%	16.00%	78.67%	2.67%	1.33%
Professional Policyholders	2.67%	20.00%	64.00%	12.00%	1.33%
Business Policyholders	0.00%	22.67%	70.67%	6.67%	0.00%
Salaried Policyholders	4.00%	20.00%	70.67%	5.33%	0.00%
Income 0 to 50000	2.53%	15.19%	78.48%	2.53%	1.27%
Income 50001 to 100000	0.00%	20.00%	80.00%	0.00%	0.00%
Income 100001 to 200000	3.33%	20.00%	70.00%	6.67%	0.00%
Income 200001 to 300000	0.00%	34.09%	63.64%	2.27%	0.00%
Income 300001 to 400000	0.00%	18.92%	72.97%	8.11%	0.00%
Income 400001 to 500000	0.00%	22.58%	61.29%	16.13%	0.00%
Income over 500000	4.69%	14.06%	68.75%	10.94%	1.56%

Q32 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.156667	0.59	0.07	3.22	3.09

Statistics 20

Chart 119 Q32 How do you rate your general insurance company overall?

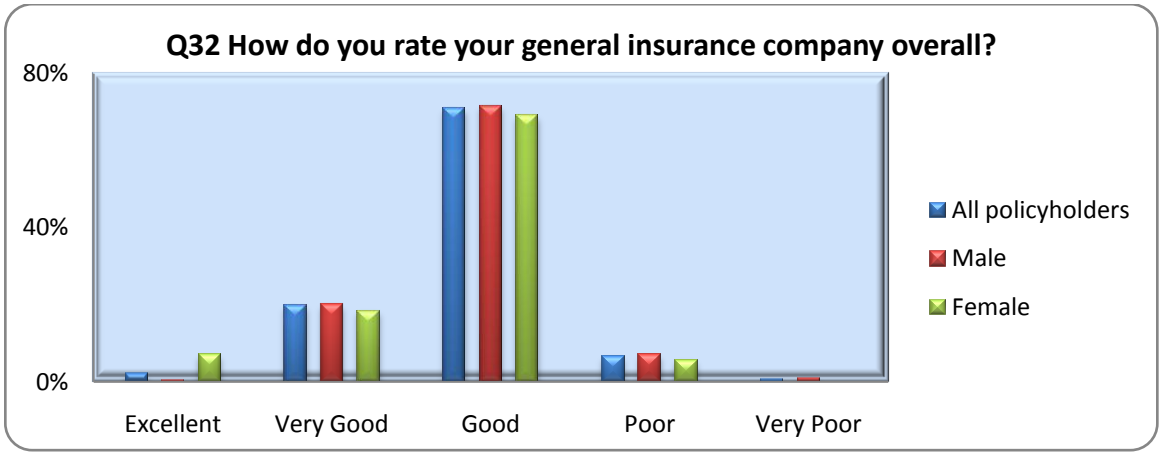


Chart 120 Q32 How do you rate your general insurance company overall?

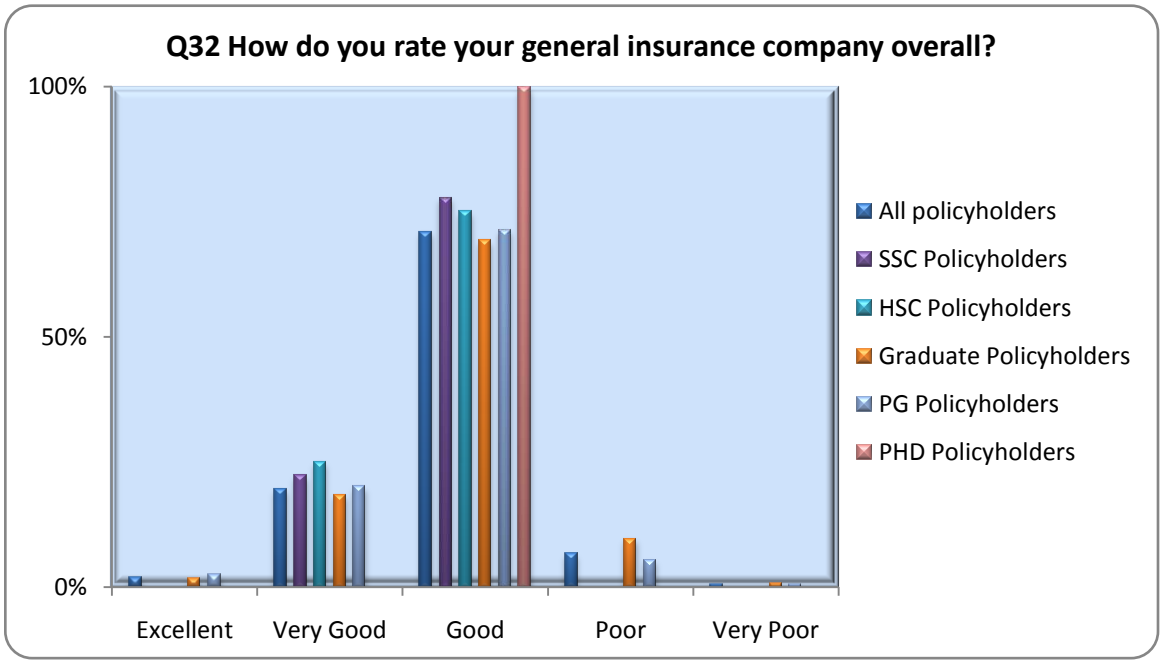


Chart 121 Q32 How do you rate your general insurance company overall?

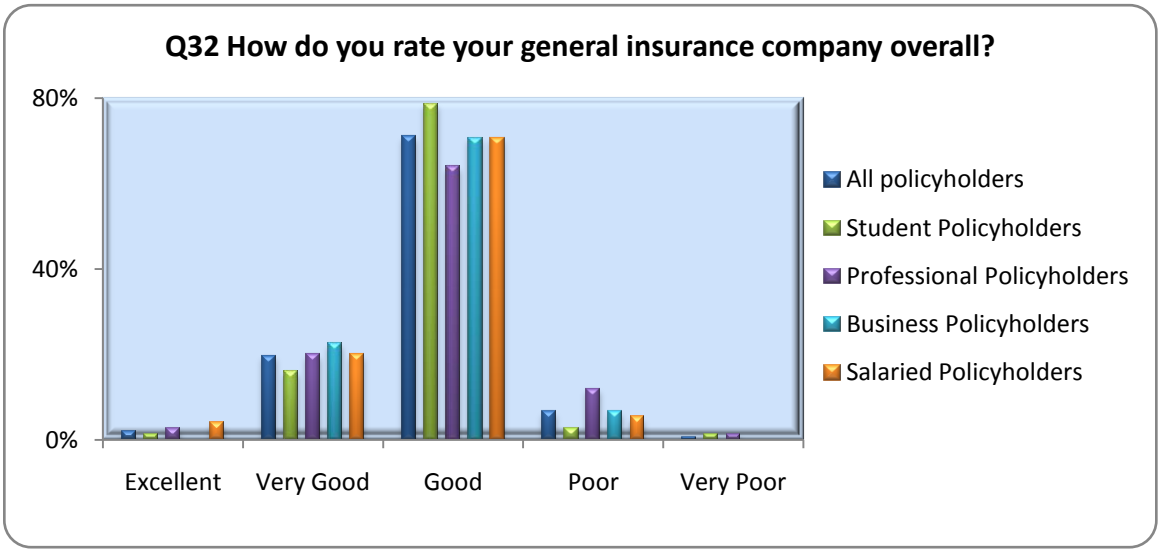
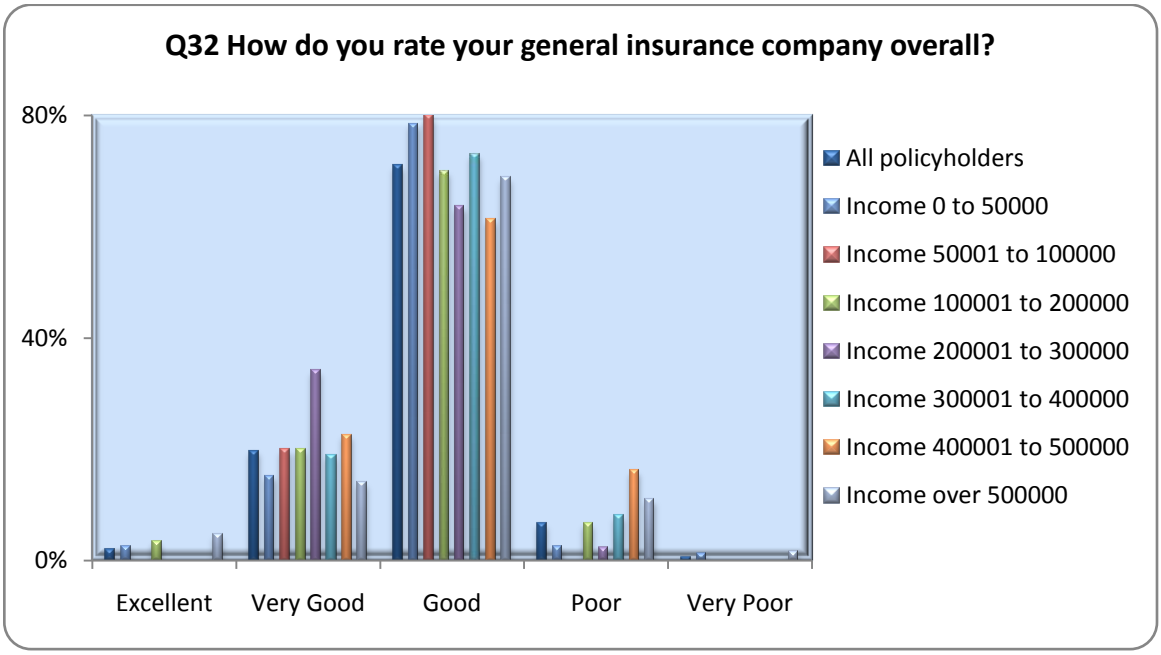


Chart 122 Q32 How do you rate your general insurance company overall?



Q32 How do you rate your general insurance company overall

The reaction from most of the policy holders at various levels in the various categories is more or less the same as that of their reaction to the earlier question no. 31. Most of the respondents endorse the same views. Therefore, most of the respondents are happy with the quality of service, again this depends upon the experience and perception of the customers about their companies.

Table 36 Q33 How likely are you to recommend your general insurance company to others?

Q33 How likely are you to recommend your general insurance company to others?	Very likely	Likely	Cannot say	Unlikely	Very unlikely
All policyholders	4.33%	46.67%	41.67%	5.67%	1.67%
Male	3.93%	47.16%	40.17%	6.99%	1.75%
Female	5.63%	45.07%	46.48%	1.41%	1.41%
SSC Policyholders	0.00%	55.56%	44.44%	0.00%	0.00%
HSC Policyholders	0.00%	58.33%	41.67%	0.00%	0.00%
Graduate Policyholders	5.26%	42.11%	42.11%	7.02%	3.51%
PG Policyholders	4.27%	48.17%	41.46%	5.49%	0.61%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	5.33%	50.67%	38.67%	5.33%	0.00%
Professional Policyholders	8.00%	38.67%	41.33%	6.67%	5.33%
Business Policyholders	1.33%	50.67%	45.33%	2.67%	0.00%
Salaried Policyholders	2.67%	46.67%	41.33%	8.00%	1.33%
Income 0 to 50000	5.06%	53.16%	36.71%	5.06%	0.00%
Income 50001 to 100000	0.00%	33.33%	66.67%	0.00%	0.00%
Income 100001 to 200000	3.33%	60.00%	33.33%	3.33%	0.00%
Income 200001 to 300000	0.00%	50.00%	47.73%	2.27%	0.00%
Income 300001 to 400000	2.70%	48.65%	40.54%	8.11%	0.00%
Income 400001 to 500000	9.68%	32.26%	45.16%	6.45%	6.45%
Income over 500000	6.25%	39.06%	40.63%	9.38%	4.69%

Q 33 statistics all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.463333	0.74	0.08	3.55	3.38

Statistics 21

Chart 123 Q33 How likely are you to recommend your general insurance company to others?

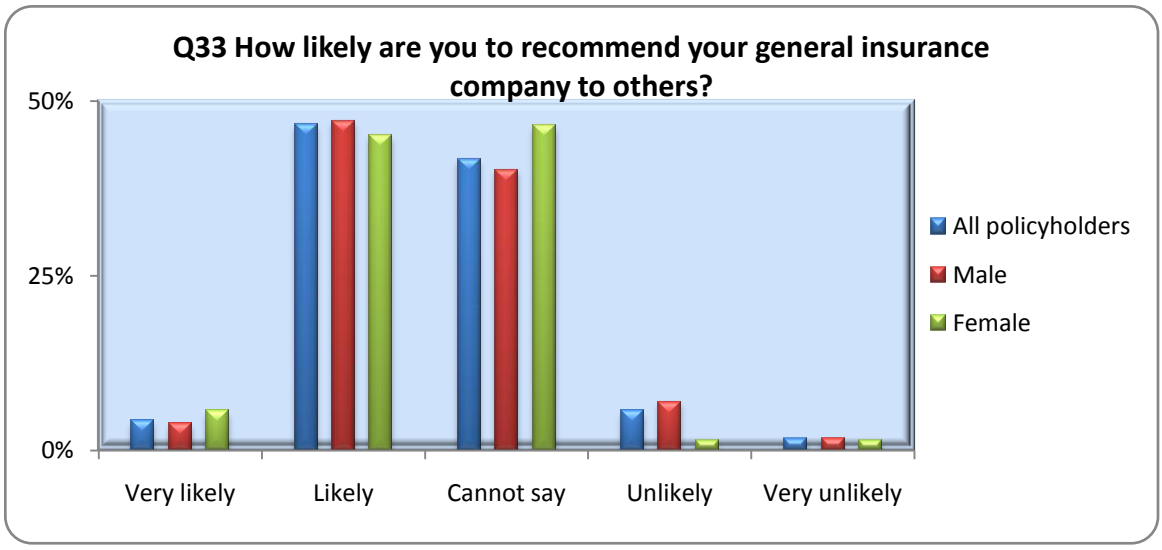


Chart 124 Q33 How likely are you to recommend your general insurance company to others?



Chart 125 Q33 How likely are you to recommend your general insurance company to others?

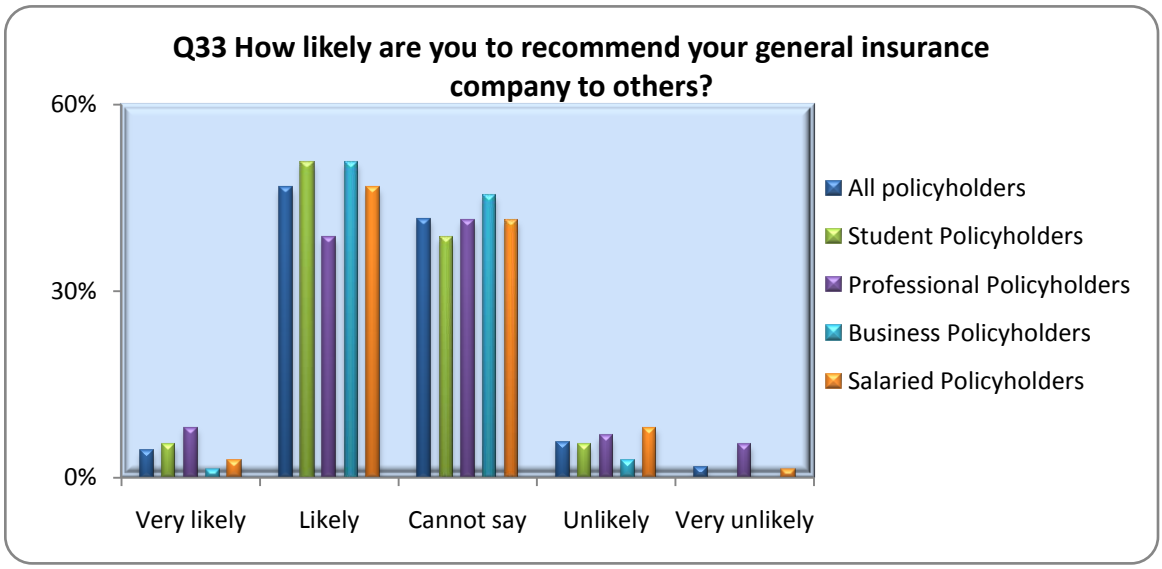
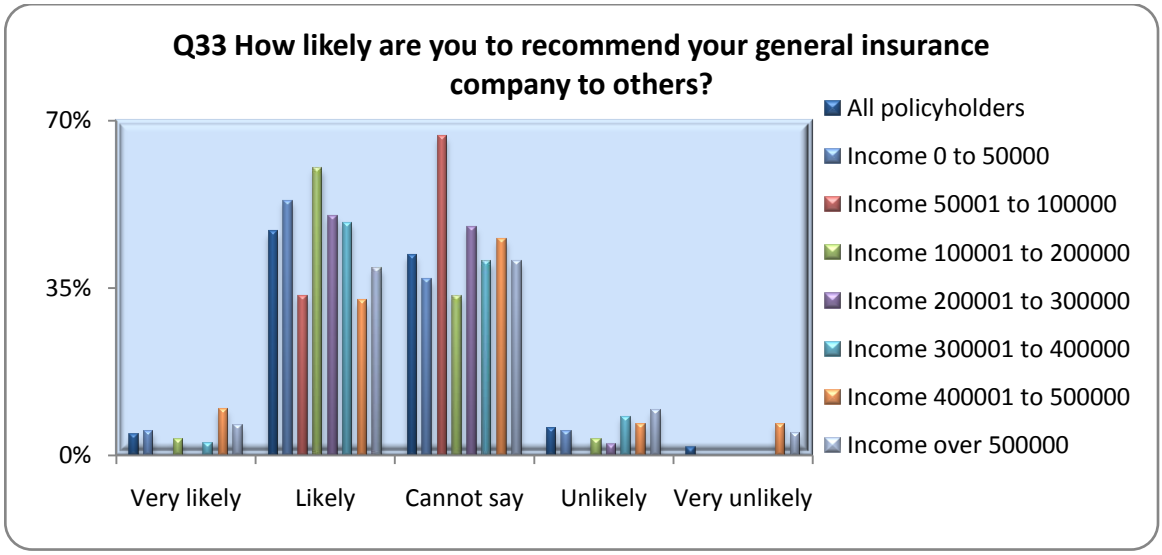


Chart 126 Q33 How likely are you to recommend your general insurance company to others?



Q33 How likely are you to recommend your general insurance company to others

At all policy holders' level 51% say that they are likely to recommend their general insurance company to others 41.67% say no. 58.33% HSC policy holders say yes and all the Ph.D. policy holders also say yes to this. In the

income group category, 60% respondents in the income group 1, 00,000 to 2, 00,000 lakhs say they are likely to recommend. In other categories, at various levels, more or less, equal numbers of respondents say yes and cannot say about this. These are the two opinions expressed by the respondents which exhibit their thoughts.

Table 37 Q34 I always prefer to deal with general insurance companies through Agent only

Q34 I always prefer to deal with general insurance companies through Agent only	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	11.33%	53.67%	20.33%	14.00%	0.67%
Male	13.54%	51.53%	19.65%	14.41%	0.87%
Female	4.23%	60.56%	22.54%	12.68%	0.00%
SSC Policyholders	11.11%	55.56%	33.33%	0.00%	0.00%
HSC Policyholders	16.67%	75.00%	8.33%	0.00%	0.00%
Graduate Policyholders	12.28%	55.26%	21.05%	11.40%	0.00%
PG Policyholders	10.37%	50.61%	20.12%	17.68%	1.22%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	10.67%	46.67%	21.33%	18.67%	2.67%
Professional Policyholders	12.00%	48.00%	22.67%	17.33%	0.00%
Business Policyholders	18.67%	68.00%	10.67%	2.67%	0.00%
Salaried Policyholders	4.00%	52.00%	26.67%	17.33%	0.00%
Income 0 to 50000	10.13%	48.10%	21.52%	17.72%	2.53%
Income 50001 to 100000	13.33%	60.00%	20.00%	6.67%	0.00%
Income 100001 to 200000	10.00%	66.67%	13.33%	10.00%	0.00%
Income 200001 to 300000	13.64%	54.55%	18.18%	13.64%	0.00%
Income 300001 to 400000	10.81%	54.05%	21.62%	13.51%	0.00%
Income 400001 to 500000	9.68%	48.39%	29.03%	12.90%	0.00%
Income over 500000	12.50%	54.69%	18.75%	14.06%	0.00%

Q34 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.61	0.89	0.10	3.71	3.51

Statistics 22

Chart 127 Q34 I always prefer to deal with general insurance companies through Agent only

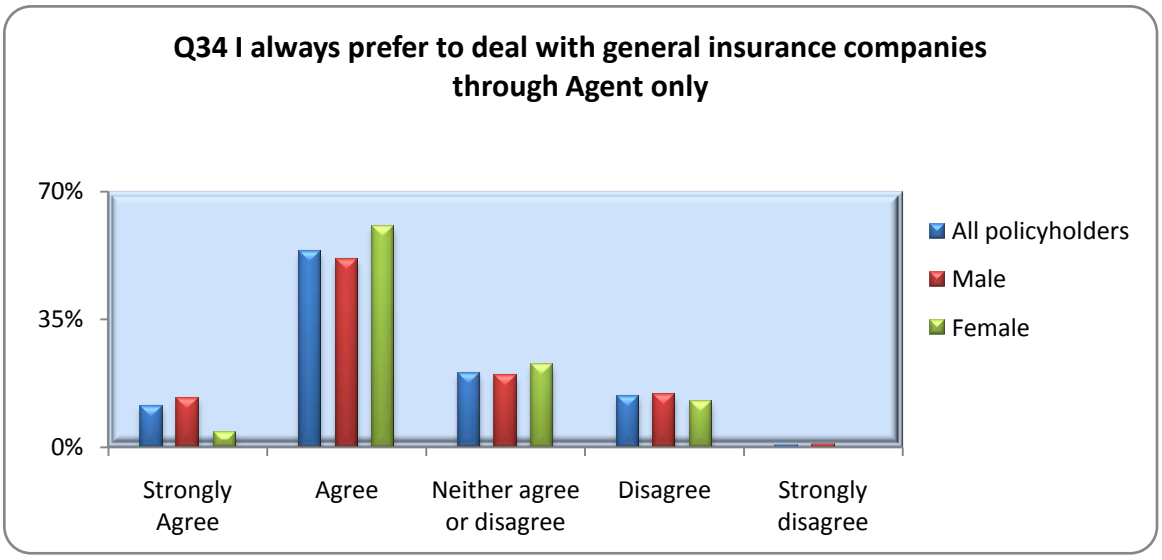


Chart 128 Q34 I always prefer to deal with general insurance companies through Agent only

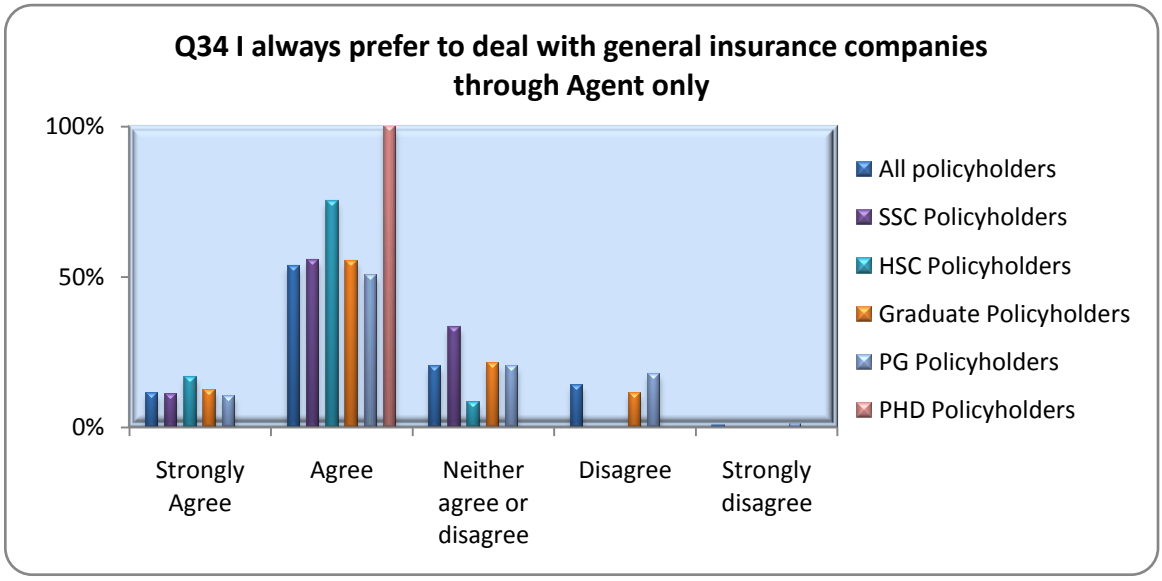


Chart 129 Q34 I always prefer to deal with general insurance companies through Agent only

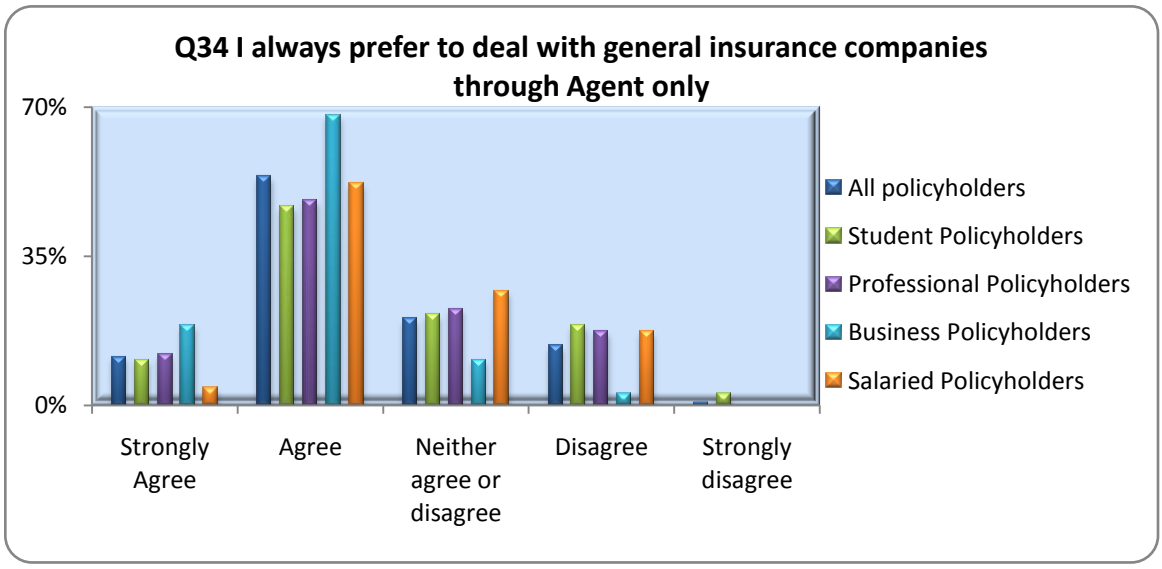
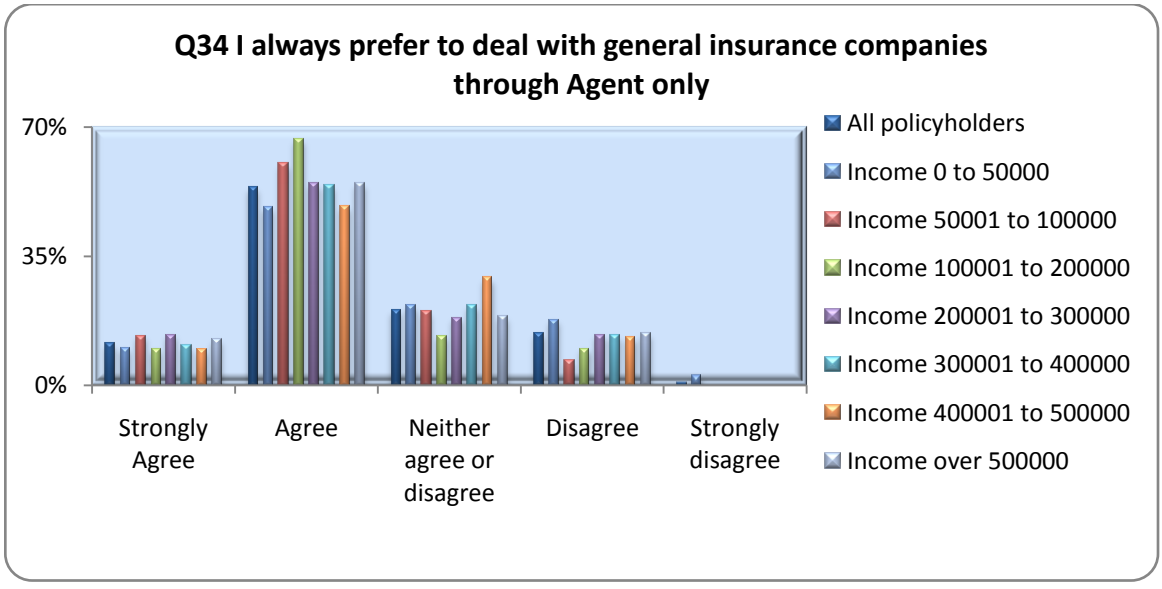


Chart 130 Q34 I always prefer to deal with general insurance companies through Agent only



Q34 I always prefer to deal with general insurance companies through Agent only

Overall 65% respondents agree to this. It is seen that in the category of education wise 96%, in occupation category 65% and in the income group category 66.65% respondents agree to this statement. This means that they do not have adequate knowledge to deal with the companies confidently or time or believe their agents for this purpose. This means the agents usually give better services to their clients. They also give door to door services. Also to save time and money, the agents are preferred.

Table 38 Q35 There is poor awareness amongst people in India about the General Insurance

Q35 There is poor awareness amongst people in India about the General Insurance	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	30.00%	54.33%	10.67%	4.67%	0.33%
Male	28.82%	56.77%	9.17%	4.80%	0.44%
Female	33.80%	46.48%	15.49%	4.23%	0.00%
SSC Policyholders	33.33%	55.56%	11.11%	0.00%	0.00%
HSC Policyholders	16.67%	83.33%	0.00%	0.00%	0.00%
Graduate Policyholders	22.81%	57.02%	14.91%	5.26%	0.00%
PG Policyholders	35.98%	50.00%	8.54%	4.88%	0.61%
PHD Policyholders	0.00%	100.00 %	0.00%	0.00%	0.00%
Student Policyholders	40.00%	46.67%	8.00%	5.33%	0.00%
Professional Policyholders	33.33%	46.67%	12.00%	8.00%	0.00%
Business Policyholders	25.33%	65.33%	8.00%	1.33%	0.00%
Salaried Policyholders	21.33%	58.67%	14.67%	4.00%	1.33%
Income 0 to 50000	40.51%	45.57%	8.86%	5.06%	0.00%
Income 50001 to 100000	0.00%	73.33%	26.67%	0.00%	0.00%
Income 100001 to 200000	13.33%	63.33%	13.33%	10.00%	0.00%
Income 200001 to 300000	31.82%	50.00%	9.09%	9.09%	0.00%
Income 300001 to 400000	29.73%	51.35%	16.22%	2.70%	0.00%
Income 400001 to 500000	35.48%	58.06%	6.45%	0.00%	0.00%
Income over 500000	28.13%	59.38%	7.81%	3.13%	1.56%

Q35 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
4.09	0.79	0.09	4.18	4.00

Statistics 23

Chart 131 Q35 There is poor awareness amongst people in India about the General Insurance

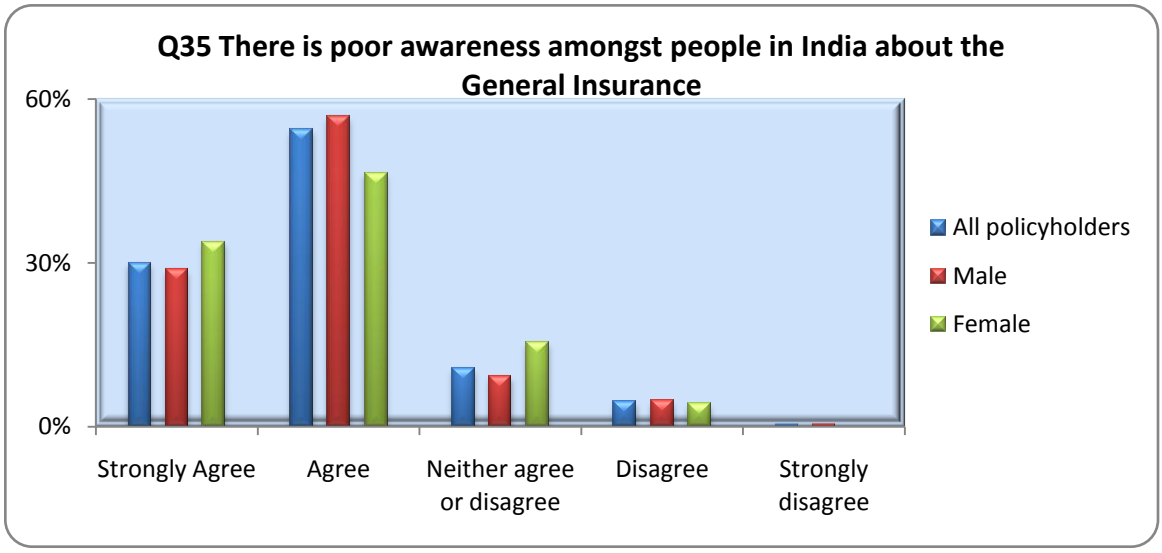


Chart 132 Q35 There is poor awareness amongst people in India about the General Insurance

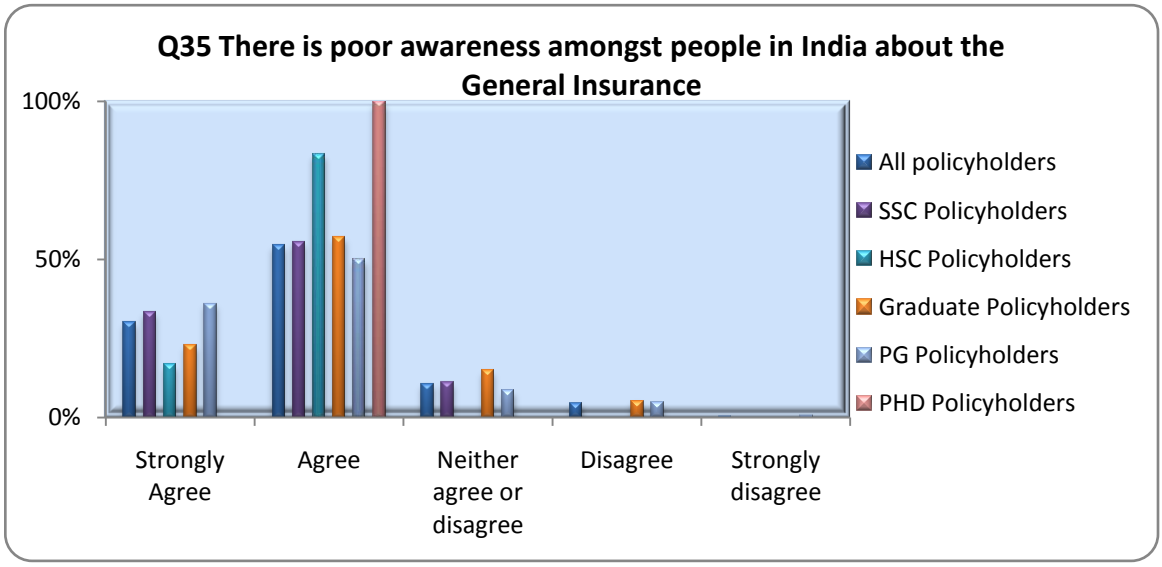


Chart 133 Q35 There is poor awareness amongst people in India about the General Insurance

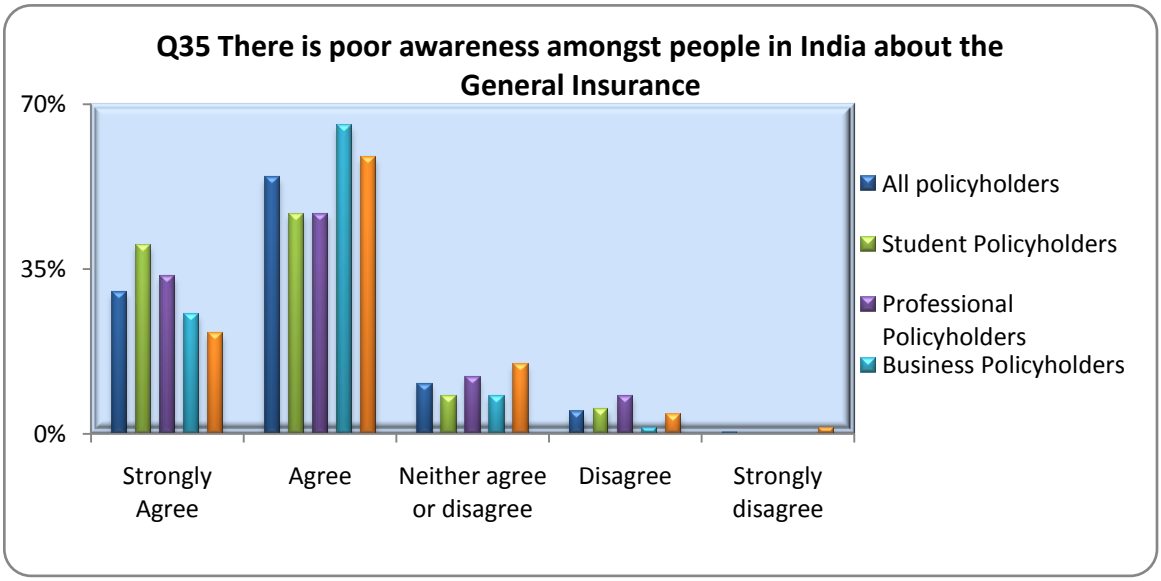
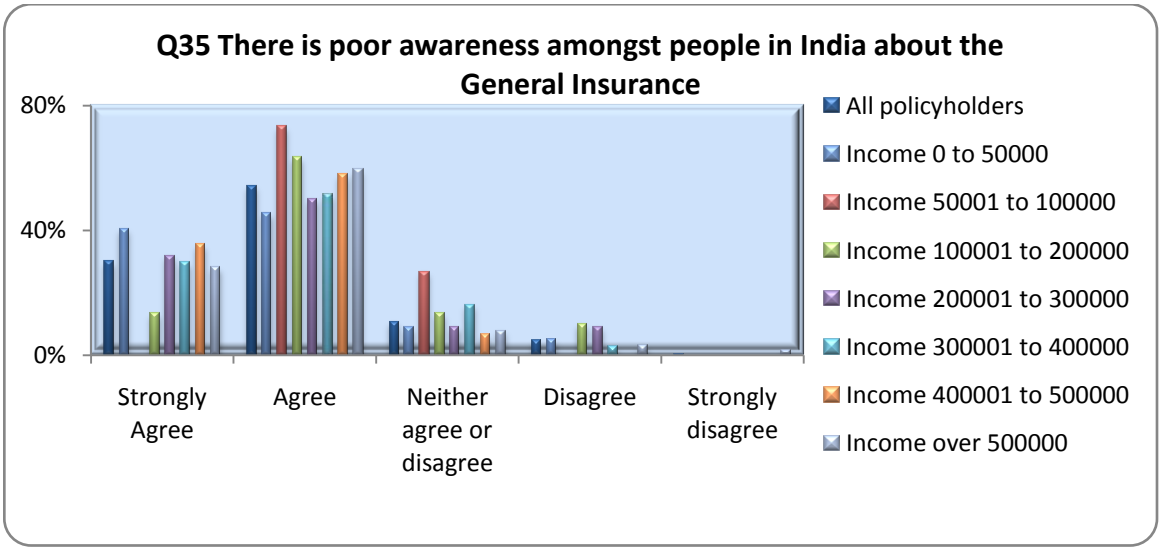


Chart 134 Q35 There is poor awareness amongst people in India about the General Insurance



Q35 There is poor awareness amongst people in India about the General Insurance

Overall 84.33% agree, all the HSC and Ph.D. holders agree to this, others in education category 85% agree to this. The percentage in case of occupation

wise and income group wise is 84.33% and 82.86%. This may be due to various reasons that the respondents have in their minds. The education levels and the income levels often encourage the people to go for other sorts of general insurance. Usually they are happy with the compulsory sort of general insurance like in case of vehicles. The general insurance companies, on their part, also not trying hard to create new business or increase awareness in the people.

Table 39 Q36 I have checked up the credibility of my agent before taking general insurance policy

Q36 I have checked up the credibility of my agent before taking general insurance policy	Yes	No
All policyholders	48.67%	51.33%
Male	46.29%	53.71%
Female	56.34%	43.66%
SSC Policyholders	22.22%	77.78%
HSC Policyholders	16.67%	83.33%
Graduate Policyholders	43.86%	56.14%
PG Policyholders	55.49%	44.51%
PHD Policyholders	100.00%	0.00%
Student Policyholders	56.00%	44.00%
Professional Policyholders	60.00%	40.00%
Business Policyholders	21.33%	78.67%
Salaried Policyholders	57.33%	42.67%
Income 0 to 50000	56.96%	43.04%
Income 50001 to 100000	40.00%	60.00%
Income 100001 to 200000	56.67%	43.33%
Income 200001 to 300000	38.64%	61.36%
Income 300001 to 400000	45.95%	54.05%
Income 400001 to 500000	38.71%	61.29%
Income over 500000	50.00%	50.00%

Chart 135 Q36 I have checked up the credibility of my agent before taking general insurance policy

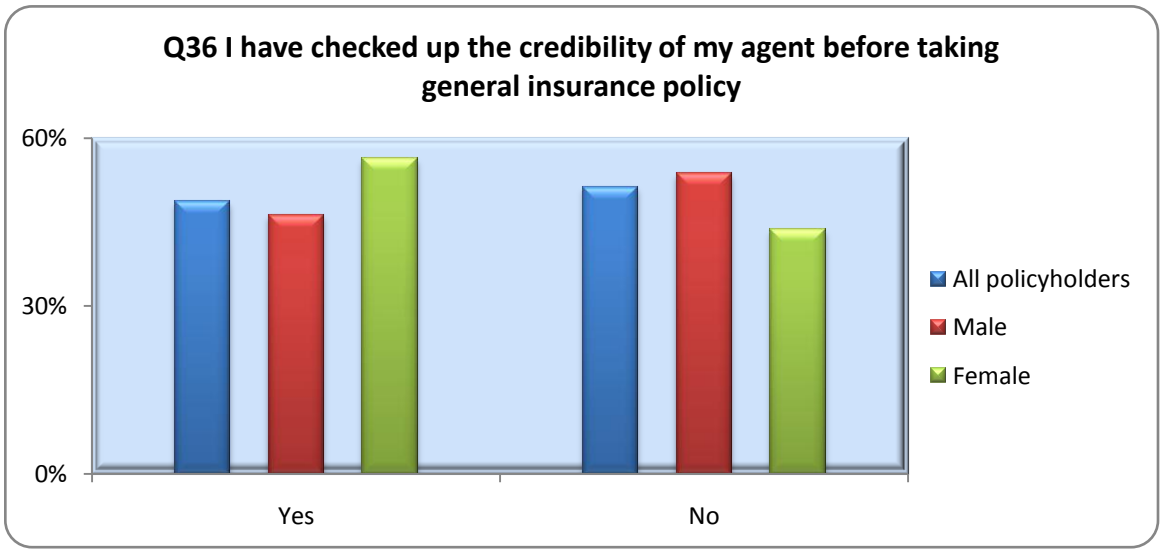


Chart 136 Q36 I have checked up the credibility of my agent before taking general insurance policy

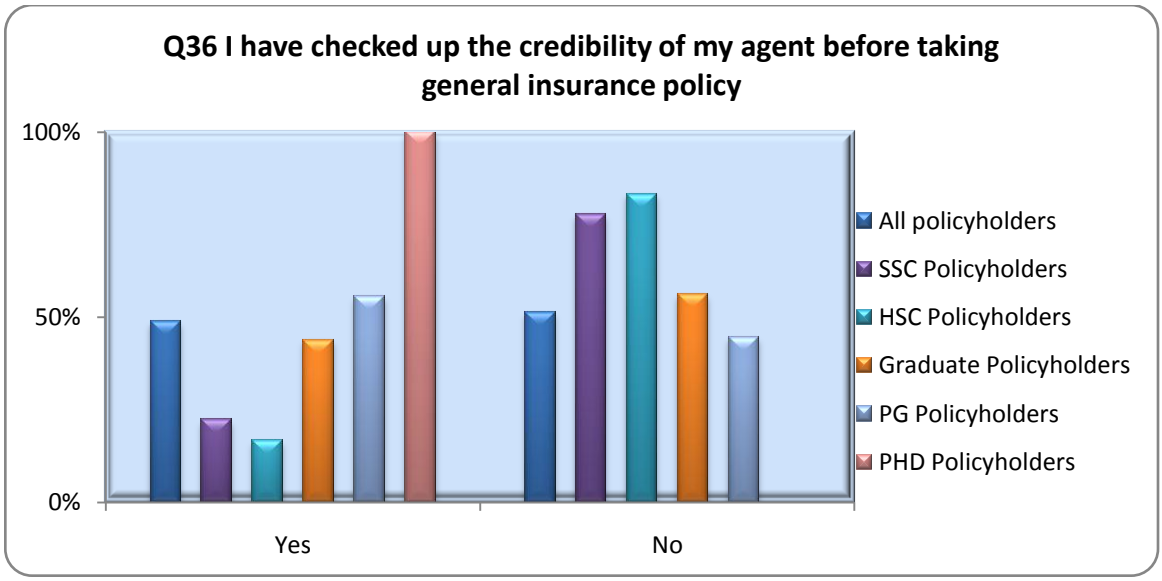


Chart 137 Q36 I have checked up the credibility of my agent before taking general insurance policy

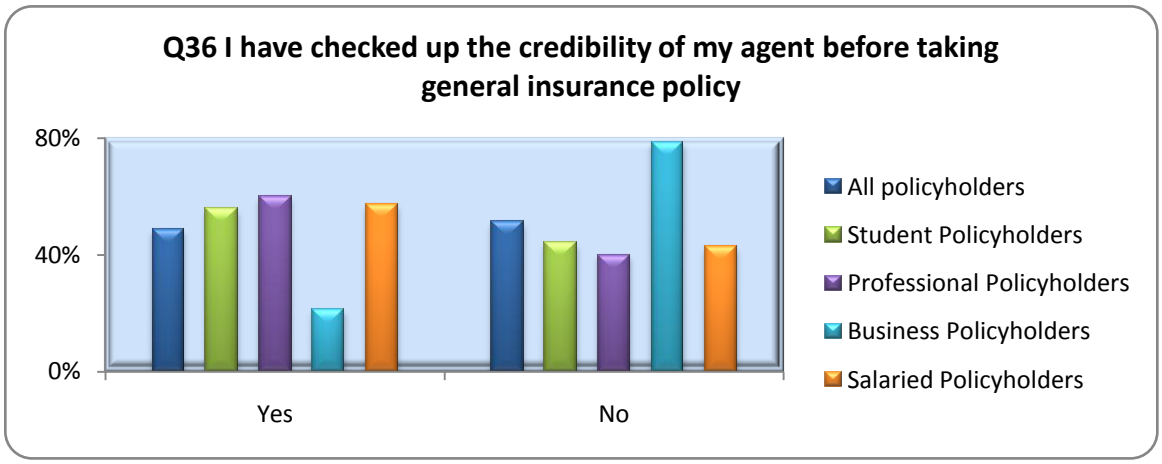
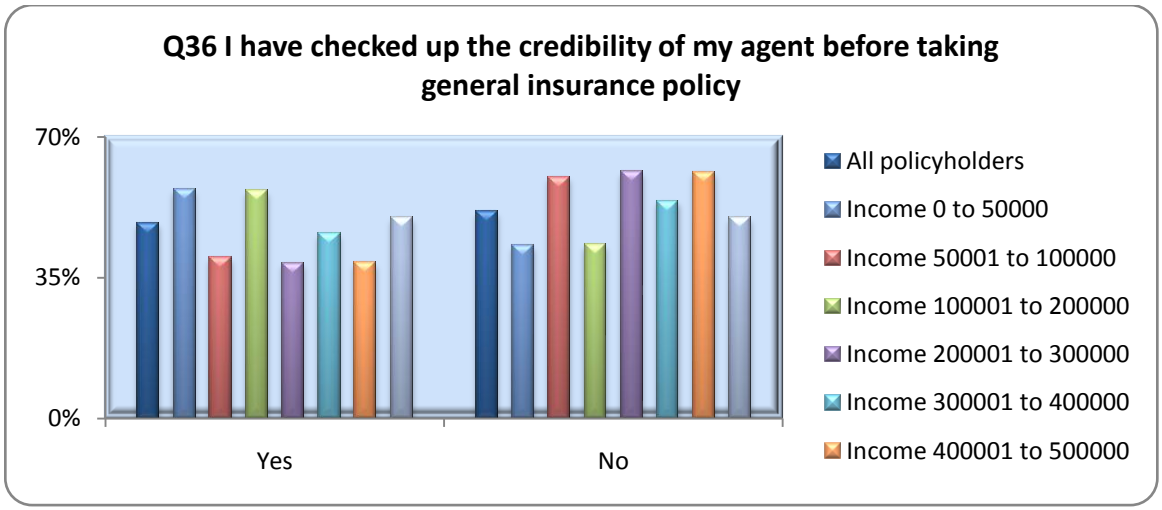


Chart 138 Q36 I have checked up the credibility of my agent before taking general insurance policy



Q36 I have checked up the credibility of my agent before taking general insurance policy

Overall 51.33% have not checked up the credibility of their agent.77.78% SSC, 83.33% HSC have not checked up, but 55.49% PG holders and 100% Ph.D. holders have checked up credibility of their agent. In case of occupation category, there is a mixed response and in case of income over Rs. 5, 00,000/- 50% say yes and 50% say no. There seems confusion in their minds and it seems much importance is not given to checking up the credibility of the agents.

The agents usually are selected by the policy holders based on the recommendations of their friends or from the people whom they know. Customers also request the companies to arrange the agents for them.

Table 40 Q37 These days there is fierce competition between general insurance companies

Q37 These days there is fierce competition between general insurance companies	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	33.67%	54.33%	9.67%	2.00%	0.33%
Male	35.37%	53.28%	8.30%	2.62%	0.44%
Female	28.17%	57.75%	14.08%	0.00%	0.00%
SSC Policyholders	66.67%	33.33%	0.00%	0.00%	0.00%
HSC Policyholders	58.33%	41.67%	0.00%	0.00%	0.00%
Graduate Policyholders	33.33%	55.26%	8.77%	2.63%	0.00%
PG Policyholders	30.49%	55.49%	11.59%	1.83%	0.61%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	20.00%	62.67%	13.33%	4.00%	0.00%
Professional Policyholders	38.67%	50.67%	9.33%	0.00%	1.33%
Business Policyholders	46.67%	49.33%	2.67%	1.33%	0.00%
Salaried Policyholders	29.33%	54.67%	13.33%	2.67%	0.00%
Income 0 to 50000	21.52%	62.03%	12.66%	3.80%	0.00%
Income 50001 to 100000	26.67%	73.33%	0.00%	0.00%	0.00%
Income 100001 to 200000	33.33%	53.33%	6.67%	6.67%	0.00%
Income 200001 to 300000	38.64%	50.00%	9.09%	2.27%	0.00%
Income 300001 to 400000	27.03%	62.16%	10.81%	0.00%	0.00%
Income 400001 to 500000	54.84%	32.26%	9.68%	0.00%	3.23%
Income over 500000	40.63%	50.00%	9.38%	0.00%	0.00%

Q37 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
4.19	0.71	0.08	4.27	4.11

Statistics 24

Chart 139 Q37 These days there is fierce competition between general insurance companies

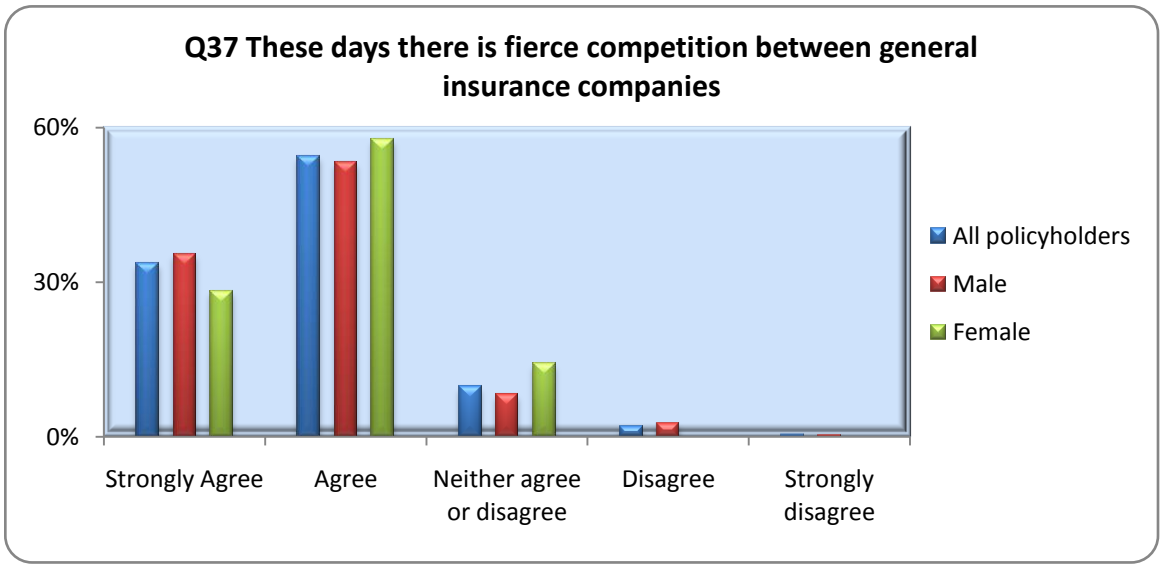


Chart 140 Q37 These days there is fierce competition between general insurance companies

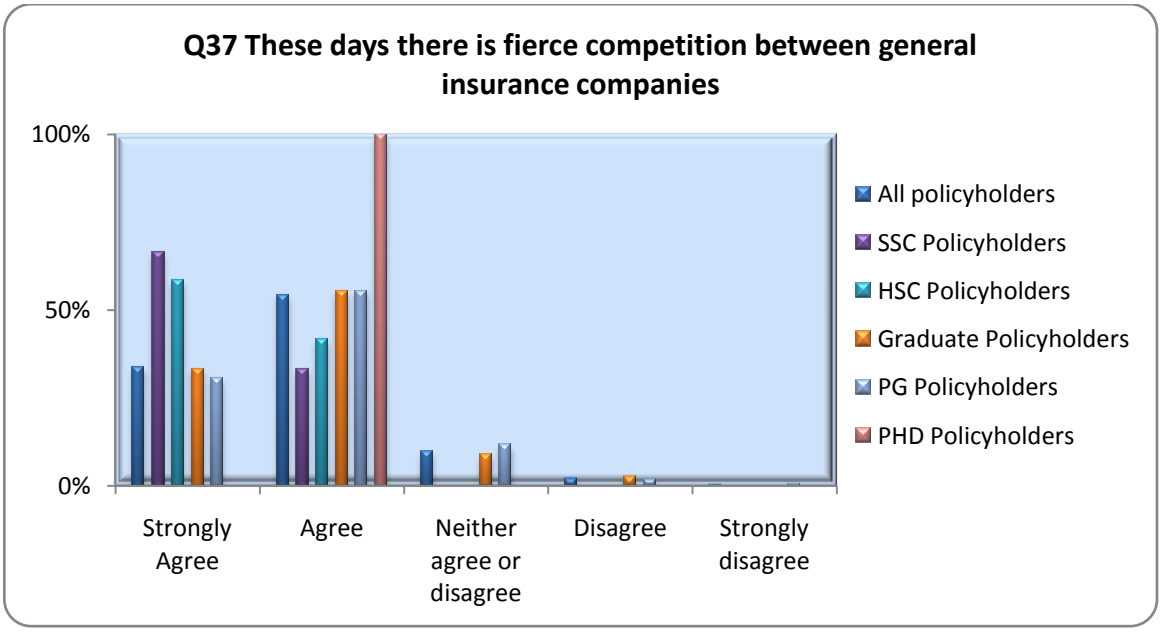


Chart 141 Q37 These days there is fierce competition between general insurance companies

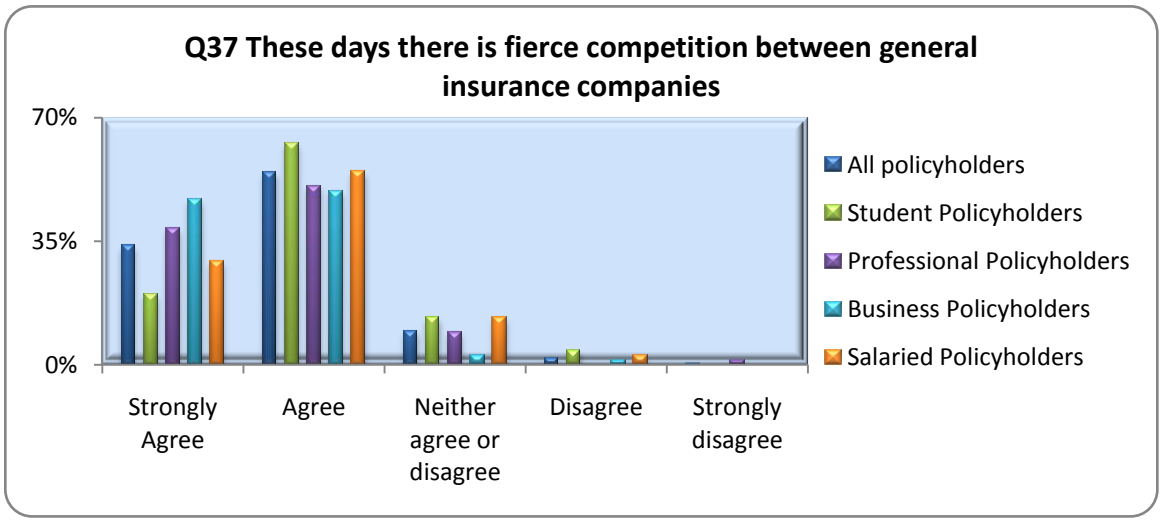
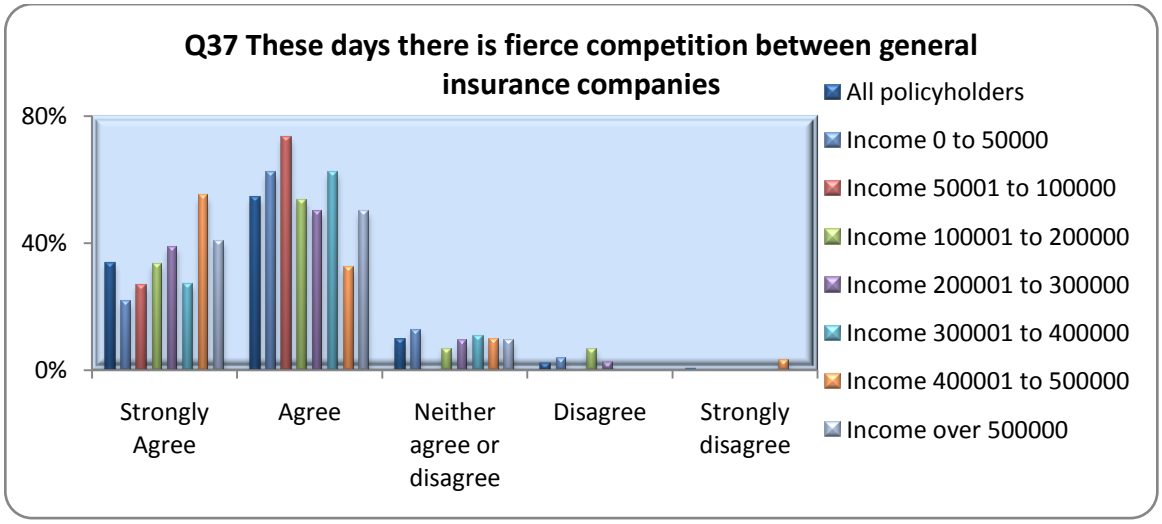


Chart 142 Q37 These days there is fierce competition between general insurance companies



Q37 These days there is fierce competition between general insurance companies

Overall 88% respondents agree to this. All the SSC, HSC, Graduate, Ph.D. holders agree and 85.98% PG holders agree to this. In the education category, 88% agree to this and if seen from income group wise, 89% respondents agree that there is fierce competition between general insurance companies. These days there is fierce competition between general insurance companies because

the monopoly of public sector general insurance companies has ended after globalization and a lot of private companies are entering in the field and to survive and to get more business all the companies have to compete with each other.

Table 41 Q38 Have you ever changed the general insurance company for some reasons

Q38 Have you ever changed the general insurance company for some reasons	Yes	No
All policyholders	20.00%	80.00%
Male	19.65%	80.35%
Female	21.13%	78.87%
SSC Policyholders	33.33%	66.67%
HSC Policyholders	25.00%	75.00%
Graduate Policyholders	19.30%	80.70%
PG Policyholders	19.51%	80.49%
PHD Policyholders	0.00%	100.00%
Student Policyholders	21.33%	78.67%
Professional Policyholders	20.00%	80.00%
Business Policyholders	16.00%	84.00%
Salaried Policyholders	22.67%	77.33%
Income 0 to 50000	21.52%	78.48%
Income 50001 to 100000	46.67%	53.33%
Income 100001 to 200000	23.33%	76.67%
Income 200001 to 300000	11.36%	88.64%
Income 300001 to 400000	16.22%	83.78%
Income 400001 to 500000	22.58%	77.42%
Income over 500000	17.19%	82.81%

Chart 143 Q38 Have you ever changed the general insurance company for some reasons

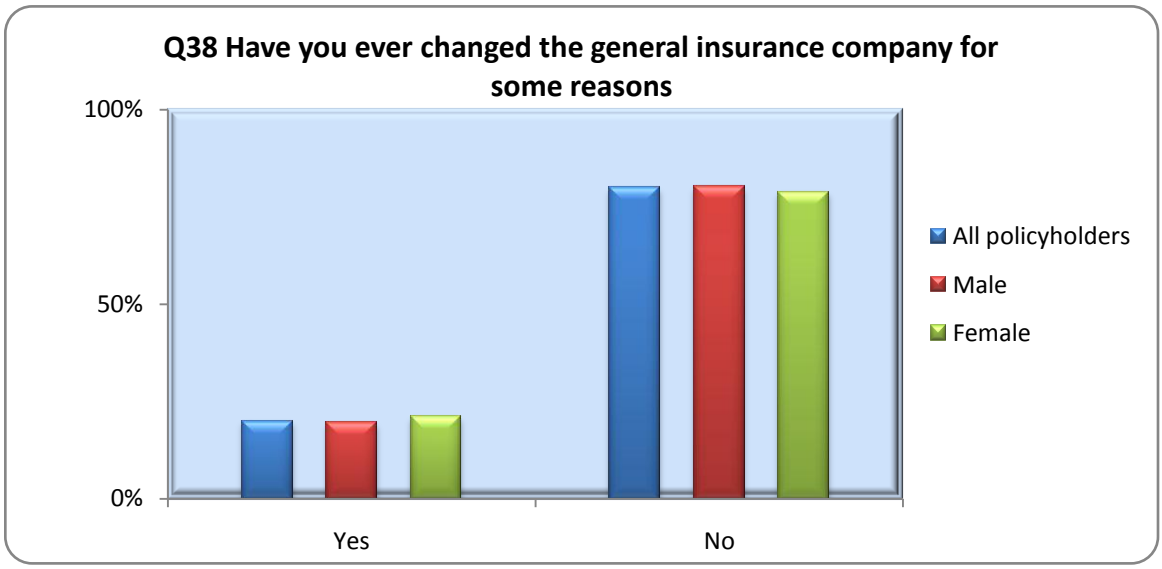


Chart 144 Q38 Have you ever changed the general insurance company for some reasons

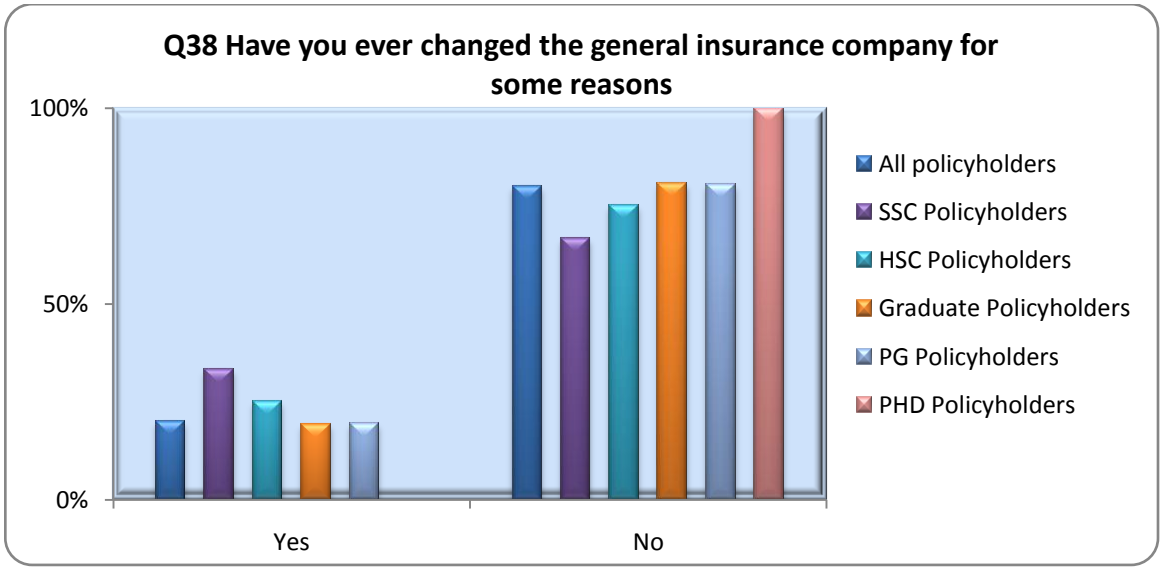


Chart 145 Q38 Have you ever changed the general insurance company for some reasons

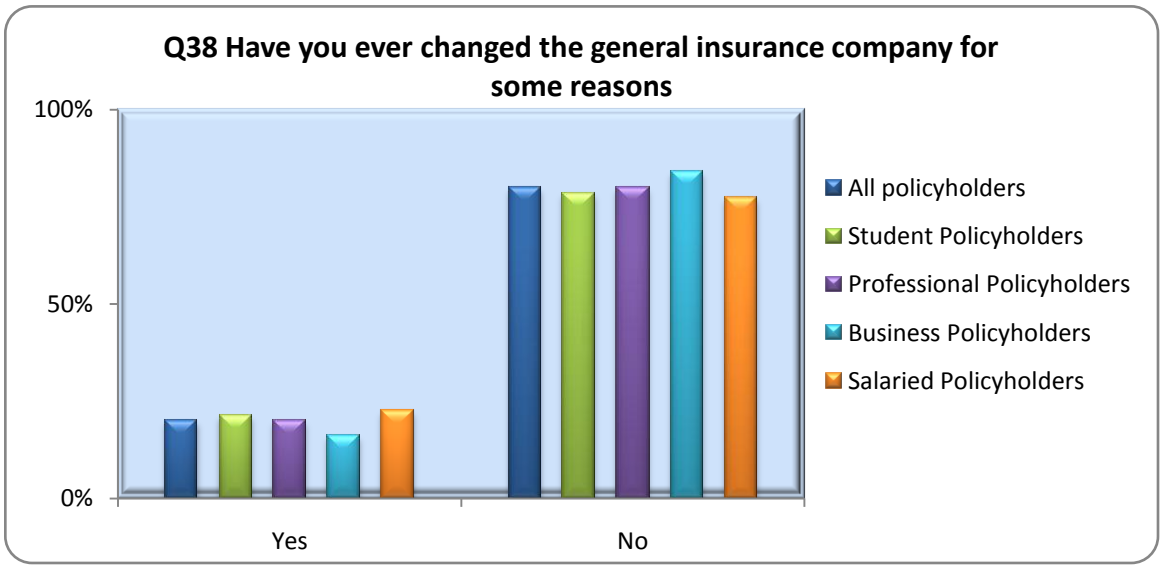
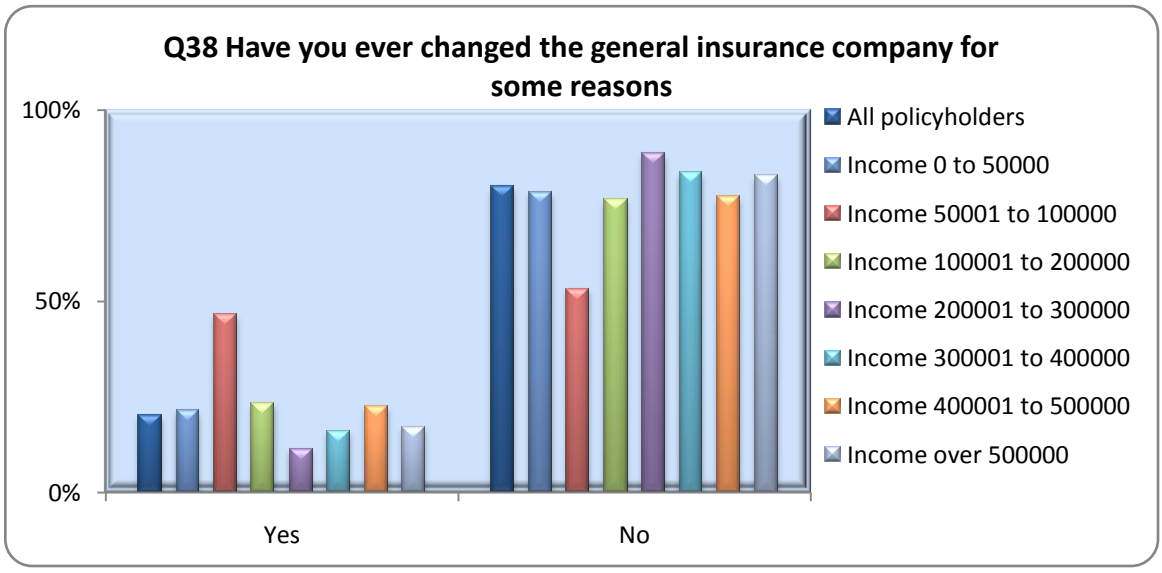


Chart 146 Q38 Have you ever changed the general insurance company for some reasons



Q38 Have you ever changed the general insurance company for some reasons

Overall 80% have never changed their general insurance company for any reason. From the category of education wise, 80.57% respondents have not changed the company. 80% respondents irrespective of their occupation have

never changed their company and if seen from income wise, 77.30% have never changed their company for some reason. That means majority of them are happy with their companies and may not be facing problems while dealing with the companies. This also means they believe their general insurance companies. These companies are owned and controlled by government and it is the responsibility of the government to pay their dues, which they believe.

Table 42 Q39 Do you feel that you get good service from the company which you have chosen

Q39 Do you feel that you get good service from the company which you have chosen	Yes	No
All policyholders	80.33%	19.67%
Male	78.60%	21.40%
Female	85.92%	14.08%
SSC Policyholders	88.89%	11.11%
HSC Policyholders	83.33%	16.67%
Graduate Policyholders	71.93%	28.07%
PG Policyholders	85.37%	14.63%
PHD Policyholders	100.00%	0.00%
Student Policyholders	88.00%	12.00%
Professional Policyholders	77.33%	22.67%
Business Policyholders	77.33%	22.67%
Salaried Policyholders	78.67%	21.33%
Income 0 to 50000	88.61%	11.39%
Income 50001 to 100000	93.33%	6.67%
Income 100001 to 200000	90.00%	10.00%
Income 200001 to 300000	75.00%	25.00%
Income 300001 to 400000	72.97%	27.03%
Income 400001 to 500000	74.19%	25.81%
Income over 500000	73.44%	26.56%

Chart 147 Q39 Do you feel that you get good service from the company which you have chosen

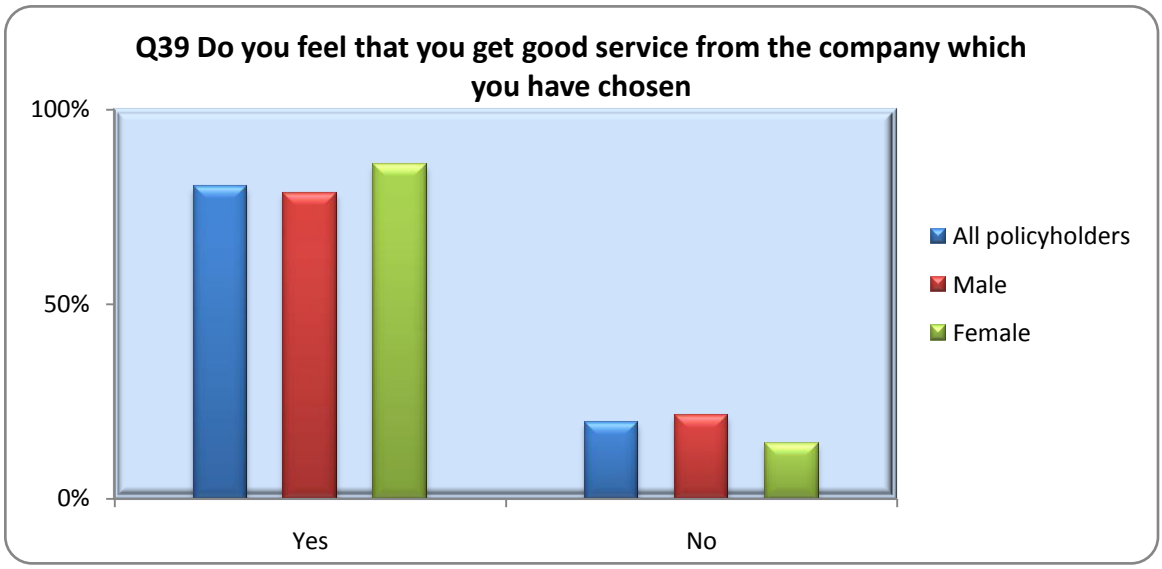


Chart 148 Q39 Do you feel that you get good service from the company which you have chosen

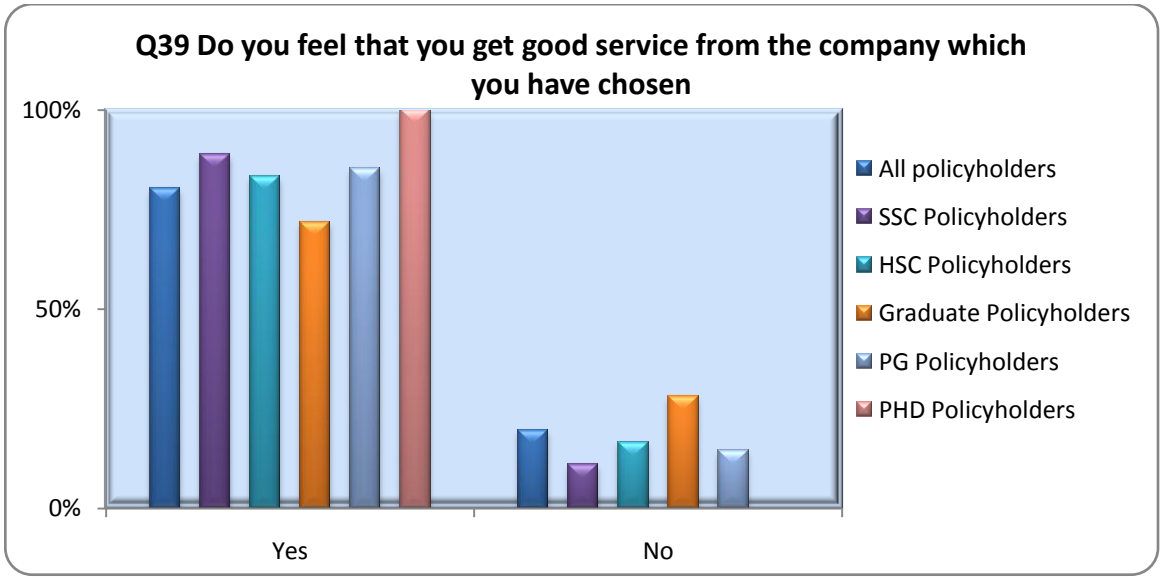


Chart 149 Q39 Do you feel that you get good service from the company which you have chosen

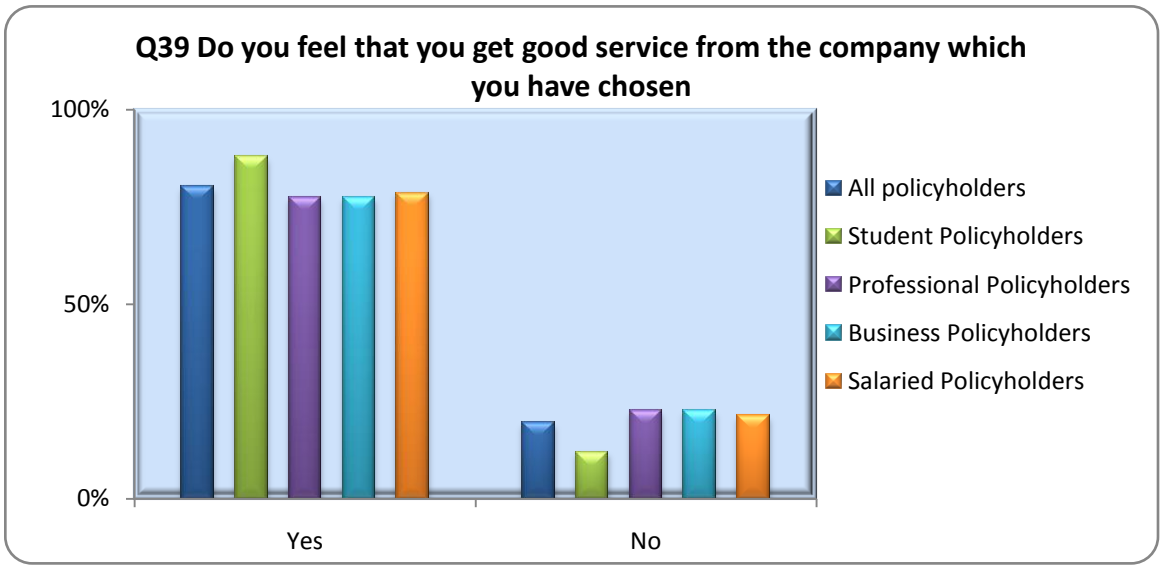
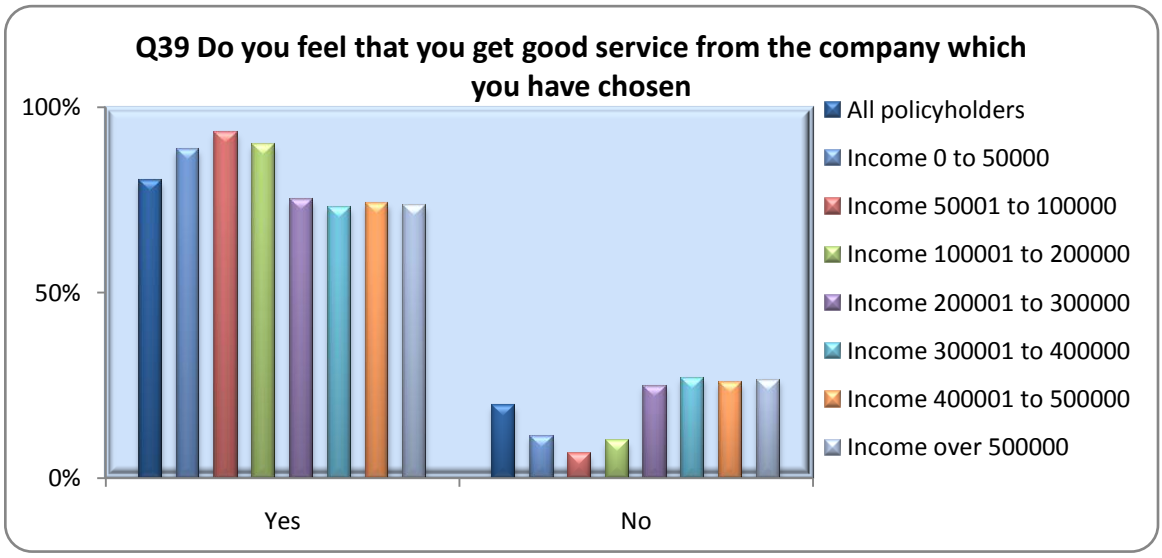


Chart 150 Q39 Do you feel that you get good service from the company which you have chosen



Q39 Do you feel that you get good service from the company which you have chosen

Overall 80.33% respondents agree that they get good service from the company which you have chosen. If seen education wise, all the Ph.D. holders agree and 82.38% agree to this. In case of occupation category, 80.33% respondents agree

for this and 81% respondents agree irrespective of their income group. This means that the respondents are happy with the services of their company and it is smooth sailing for them. The respondents are not required to visit the companies frequently. They visit the companies only for renewal or claim and in real terms the services are required very rarely.

Table 43 Q40 The Public Sector General Insurance companies in India have good prospects

Q40 The Public Sector General Insurance companies in India have good prospects	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	20.00%	60.00%	18.00%	2.00%	0.00%
Male	20.96%	59.83%	16.59%	2.62%	0.00%
Female	16.90%	60.56%	22.54%	0.00%	0.00%
SSC Policyholders	55.56%	44.44%	0.00%	0.00%	0.00%
HSC Policyholders	8.33%	66.67%	25.00%	0.00%	0.00%
Graduate Policyholders	23.68%	51.75%	21.93%	2.63%	0.00%
PG Policyholders	16.46%	65.85%	15.85%	1.83%	0.00%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	12.00%	62.67%	21.33%	4.00%	0.00%
Professional Policyholders	13.33%	58.67%	26.67%	1.33%	0.00%
Business Policyholders	24.00%	69.33%	6.67%	0.00%	0.00%
Salaried Policyholders	30.67%	49.33%	17.33%	2.67%	0.00%
Income 0 to 50000	11.39%	63.29%	21.52%	3.80%	0.00%
Income 50001 to 100000	6.67%	86.67%	6.67%	0.00%	0.00%
Income 100001 to 200000	30.00%	53.33%	16.67%	0.00%	0.00%
Income 200001 to 300000	25.00%	61.36%	11.36%	2.27%	0.00%
Income 300001 to 400000	29.73%	43.24%	27.03%	0.00%	0.00%
Income 400001 to 500000	22.58%	64.52%	12.90%	0.00%	0.00%
Income over 500000	18.75%	59.38%	18.75%	3.13%	0.00%

Q40 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.98	0.68	0.08	4.06	3.90

Statistics 25

Chart 151 Q40 The Public Sector General Insurance companies in India have good prospects

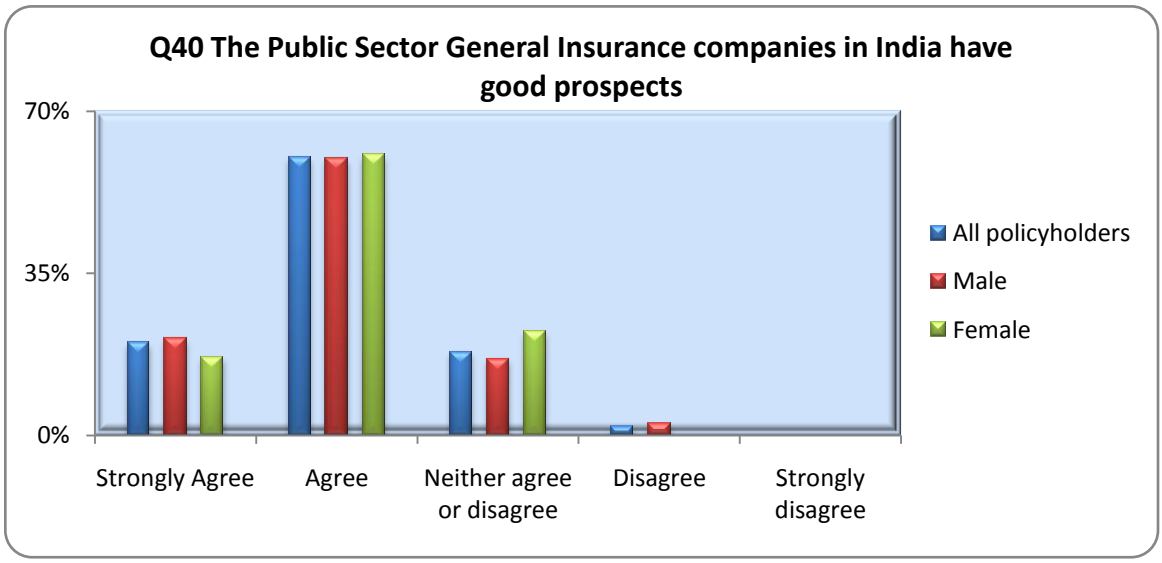


Chart 152 Q40 The Public Sector General Insurance companies in India have good prospects

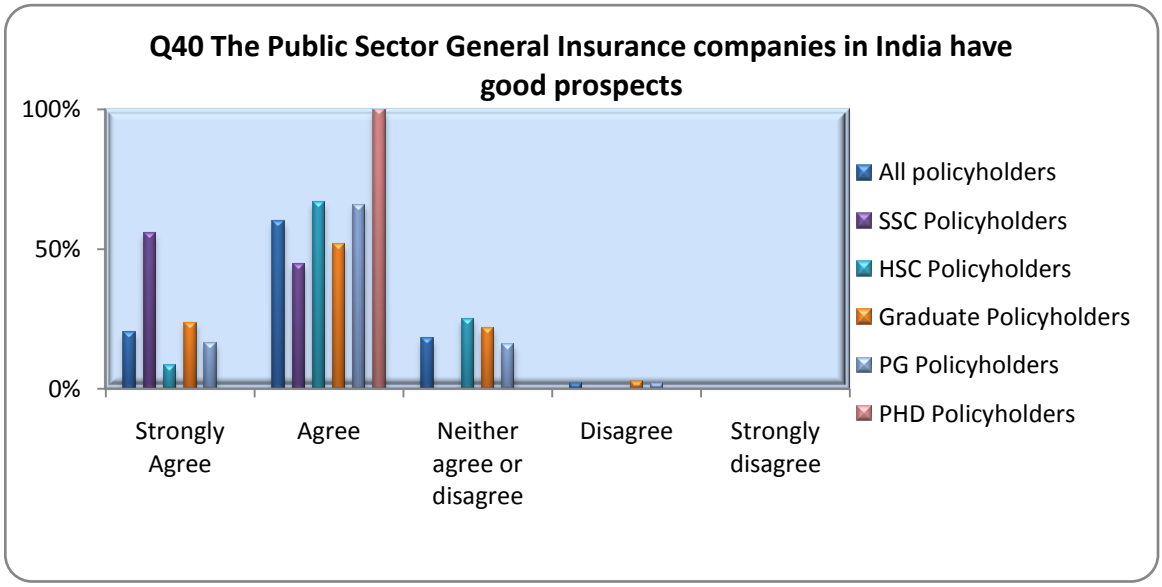


Chart 153 Q40 The Public Sector General Insurance companies in India have good prospects

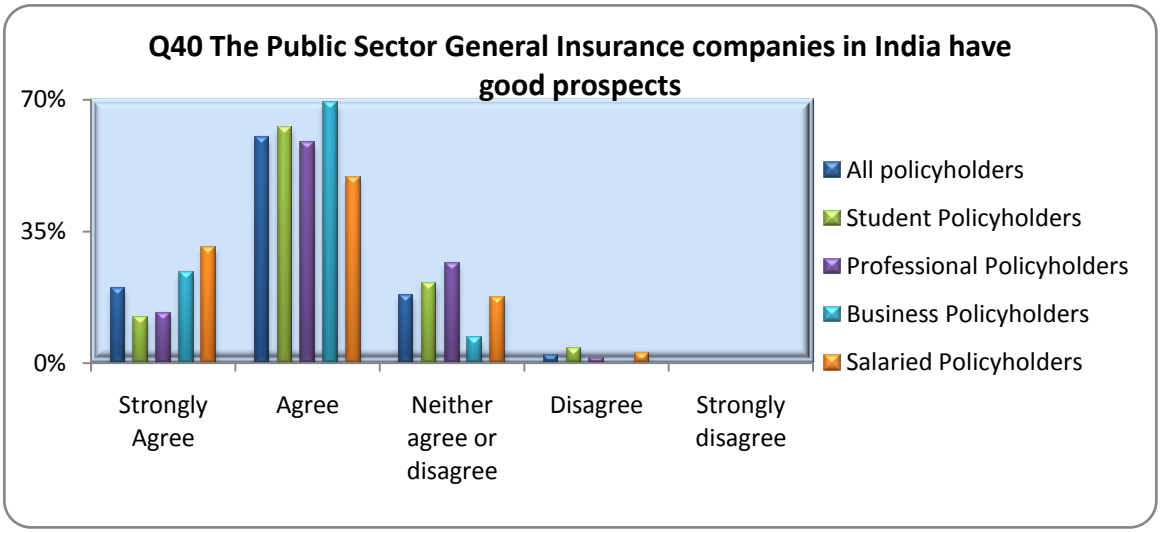
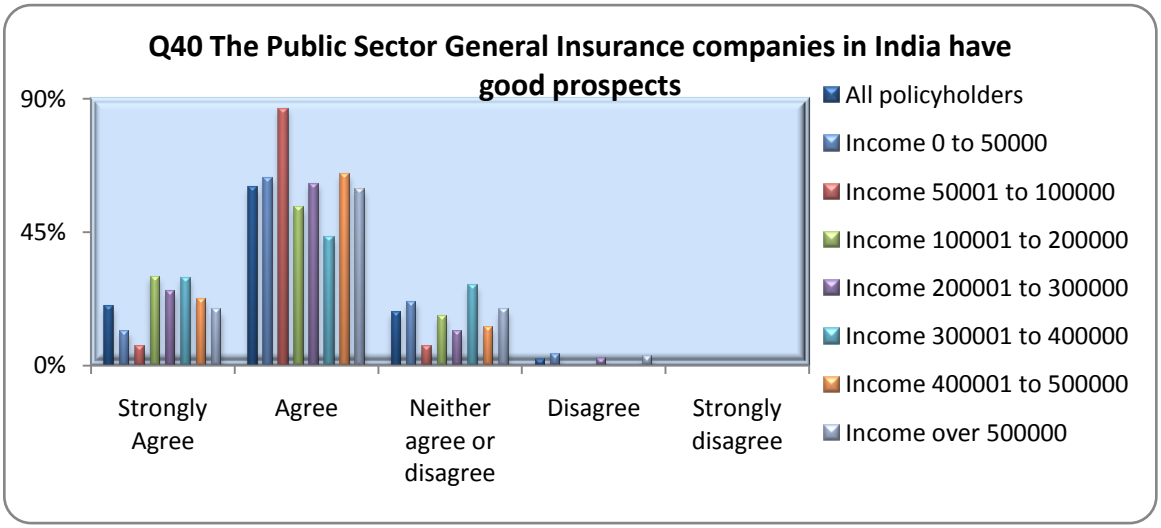


Chart 154 Q40 The Public Sector General Insurance companies in India have good prospects



Q40 The Public Sector General Insurance companies in India have good prospects

Overall 80% respondents agree that the public sector general insurance companies in India have good prospects. All the Ph.D. holders and SSC respondents agree to this. Other education category, other 77.58% respondents also agree to this. Occupation wise, 80% respondents agree and income wise,

82.27% respondents agree to this statement. Thus majority of respondents agree to this means that they believe in the good prospects of public sector general insurance companies and also in these companies. Also these companies are yet to reach masses because of large population. They have to reach villages and for all this it takes time, which the companies will definitely, do in future and therefore these companies have good prospects.

Table 44 Q41 The management of Public Sector General Insurance companies has rigid approach

Q41 The management of Public Sector General Insurance companies has rigid approach	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	15.00%	46.67%	29.67%	8.33%	0.33%
Male	17.03%	47.60%	27.07%	7.86%	0.44%
Female	8.45%	43.66%	38.03%	9.86%	0.00%
SSC Policyholders	33.33%	33.33%	33.33%	0.00%	0.00%
HSC Policyholders	33.33%	41.67%	25.00%	0.00%	0.00%
Graduate Policyholders	14.04%	51.75%	23.68%	9.65%	0.88%
PG Policyholders	13.41%	43.90%	34.15%	8.54%	0.00%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	12.00%	40.00%	41.33%	6.67%	0.00%
Professional Policyholders	12.00%	52.00%	29.33%	5.33%	1.33%
Business Policyholders	26.67%	54.67%	16.00%	2.67%	0.00%
Salaried Policyholders	9.33%	40.00%	32.00%	18.67%	0.00%
Income 0 to 50000	11.39%	41.77%	40.51%	6.33%	0.00%
Income 50001 to 100000	13.33%	60.00%	26.67%	0.00%	0.00%
Income 100001 to 200000	10.00%	46.67%	23.33%	20.00%	0.00%
Income 200001 to 300000	27.27%	50.00%	20.45%	2.27%	0.00%
Income 300001 to 400000	16.22%	43.24%	24.32%	16.22%	0.00%
Income 400001 to 500000	12.90%	58.06%	25.81%	3.23%	0.00%
Income over 500000	14.06%	43.75%	31.25%	9.38%	1.56%

Q41 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.676667	0.84	0.10	3.77	3.58

Statistics 26

Chart 155 Q41 The management of Public Sector General Insurance companies has rigid approach

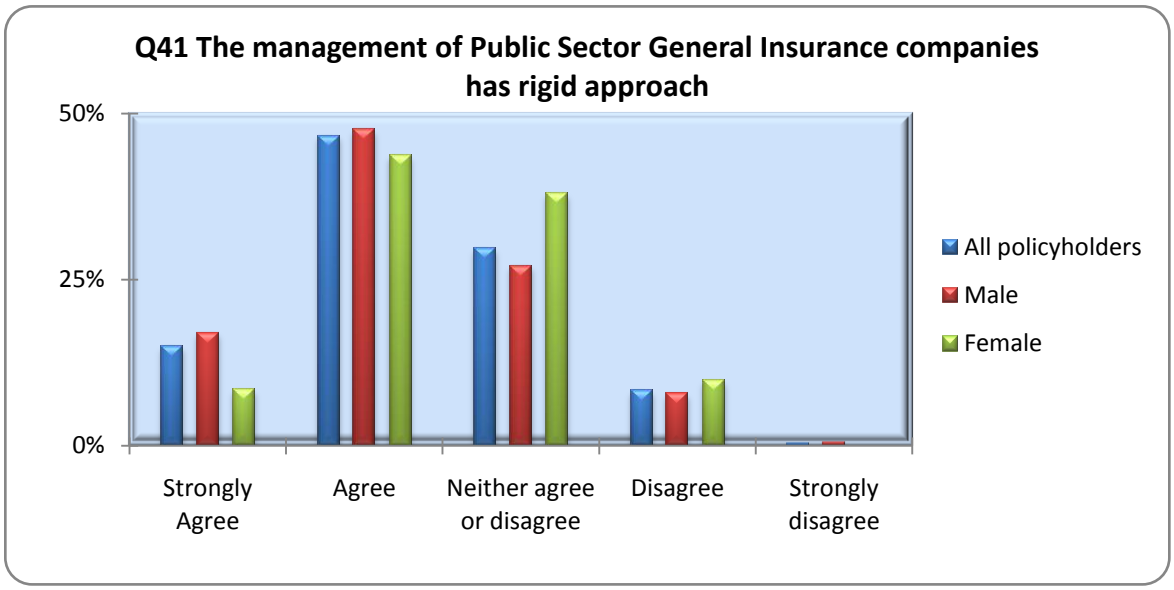


Chart 156 Q41 The management of Public Sector General Insurance companies has rigid approach

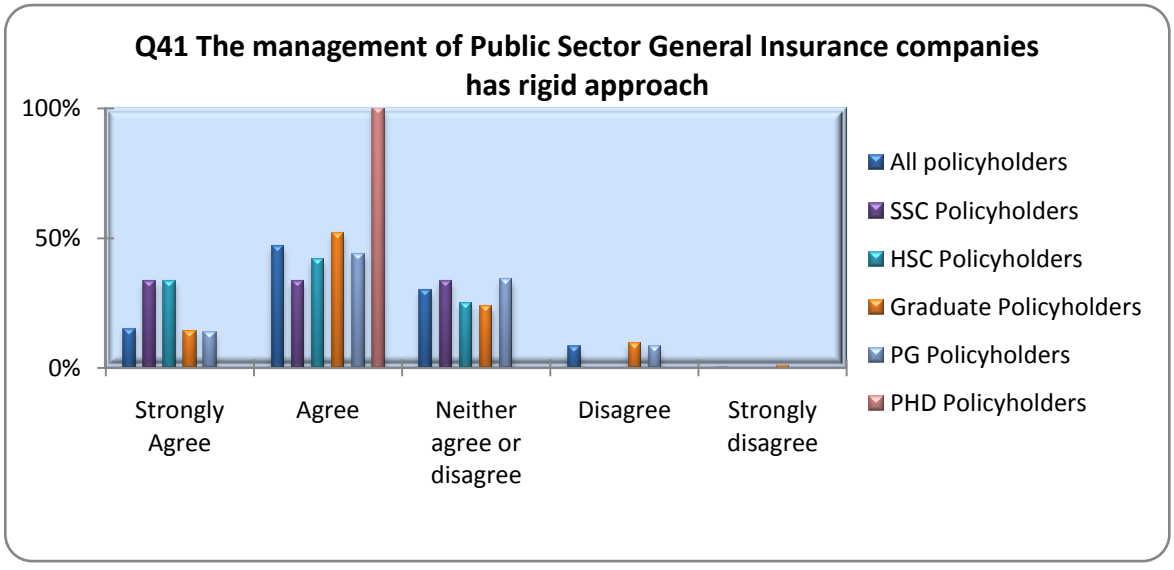


Chart 157 Q41 The management of Public Sector General Insurance companies has rigid approach

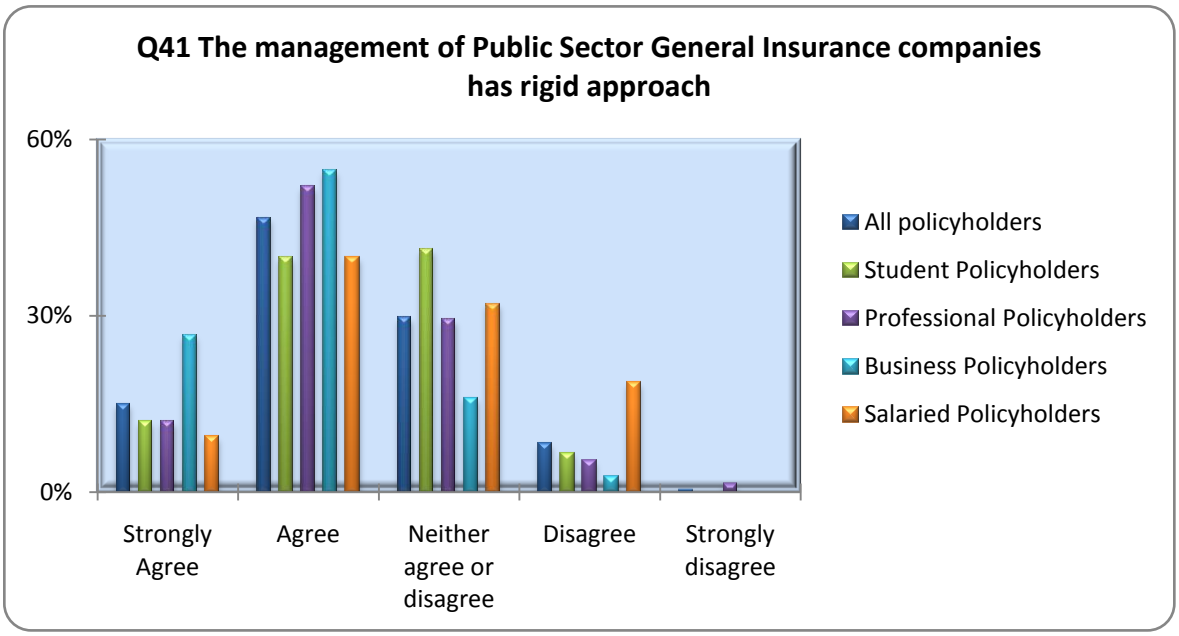
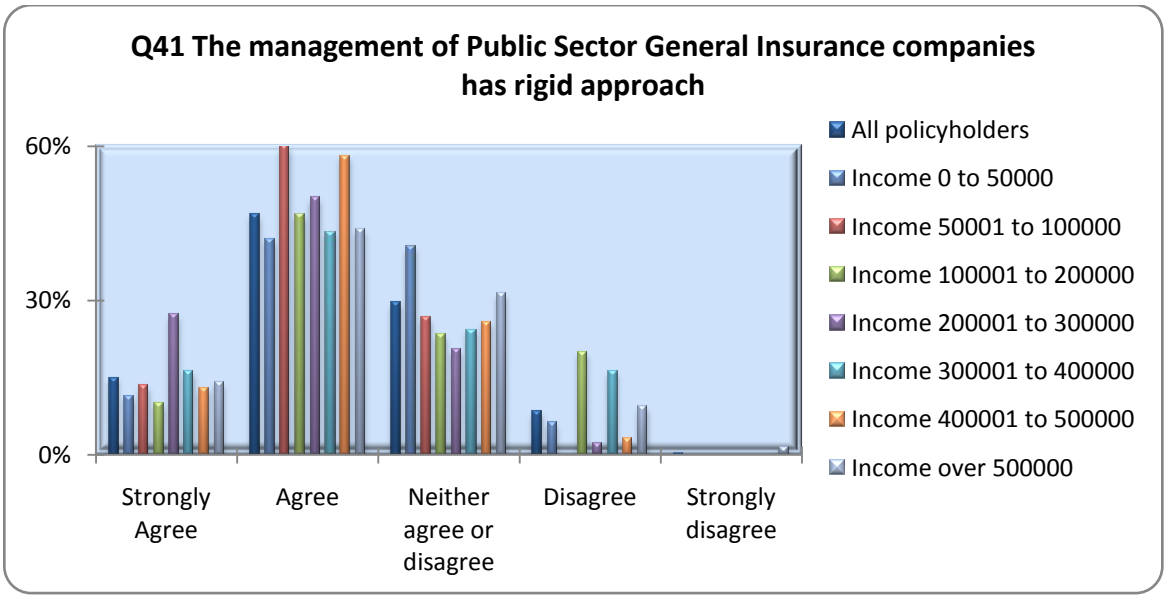


Chart 158 Q41 The management of Public Sector General Insurance companies has rigid approach



Q41 The management of Public Sector General Insurance companies has rigid approach

Overall 63.15% respondents agree. Education wise, all the Ph.D. holders also agree to this. And 66.19% in this category agree to this. If seen occupation wise, then the percentage of respondents who agree to this is 61.67% and in case of income wise, 64% agree to this. This may be due to the fact that the experience which they are getting while dealing with these companies and also the public sector companies go strictly by rules and regulations and they are expected to go by the same only as per the format of their working procedure. The authorities are delegated and everyone has to follow set procedure and no one can break the rules and hence respondents feel that they have rigid approach.

Table 45 Q42 Income Tax rebate cannot be availed on any general insurance policy

Q42 Income Tax rebate cannot be availed on any general insurance policy	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	14.00%	41.33%	24.33%	17.00%	3.33%
Male	16.16%	40.61%	21.40%	17.47%	4.37%
Female	7.04%	43.66%	33.80%	15.49%	0.00%
SSC Policyholders	22.22%	66.67%	11.11%	0.00%	0.00%
HSC Policyholders	33.33%	58.33%	8.33%	0.00%	0.00%
Graduate Policyholders	19.30%	44.74%	20.18%	12.28%	3.51%
PG Policyholders	8.54%	35.98%	29.27%	22.56%	3.66%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	8.00%	28.00%	40.00%	21.33%	2.67%
Professional Policyholders	6.67%	49.33%	20.00%	16.00%	8.00%
Business Policyholders	33.33%	52.00%	10.67%	4.00%	0.00%
Salaried Policyholders	8.00%	36.00%	26.67%	26.67%	2.67%
Income 0 to 50000	7.59%	29.11%	39.24%	21.52%	2.53%
Income 50001 to 100000	13.33%	60.00%	26.67%	0.00%	0.00%
Income 100001 to 200000	6.67%	46.67%	10.00%	30.00%	6.67%
Income 200001 to 300000	25.00%	45.45%	18.18%	9.09%	2.27%
Income 300001 to 400000	13.51%	43.24%	32.43%	10.81%	0.00%
Income 400001 to 500000	19.35%	51.61%	16.13%	9.68%	3.23%
Income over 500000	15.63%	40.63%	15.63%	21.88%	6.25%

Q47 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.456667	1.04	0.12	3.57	3.34

Statistics 27

Chart 159 Q42 Income Tax rebate cannot be availed on any general insurance policy

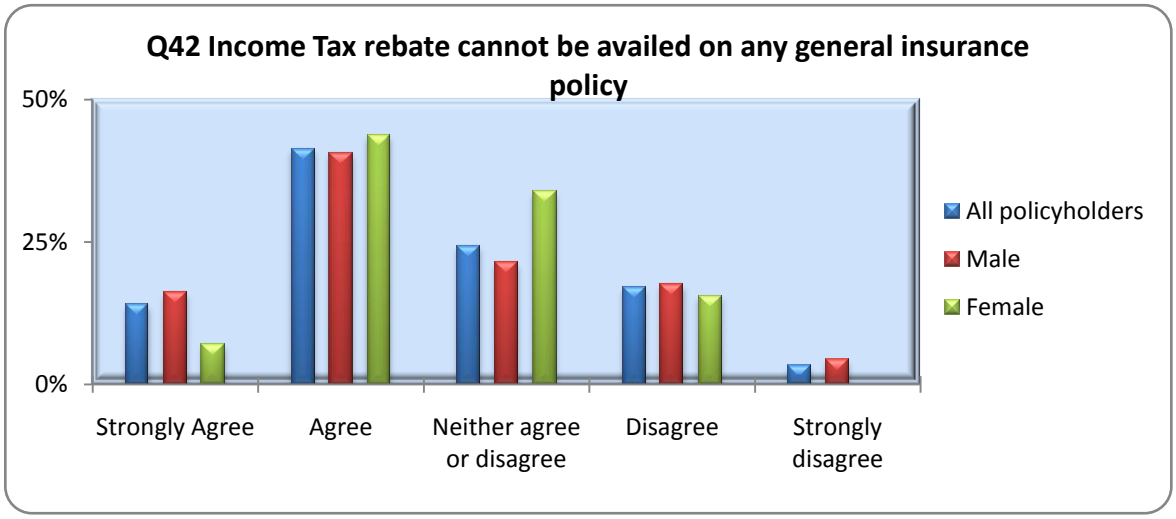


Chart 160 Q42 Income Tax rebate cannot be availed on any general insurance policy

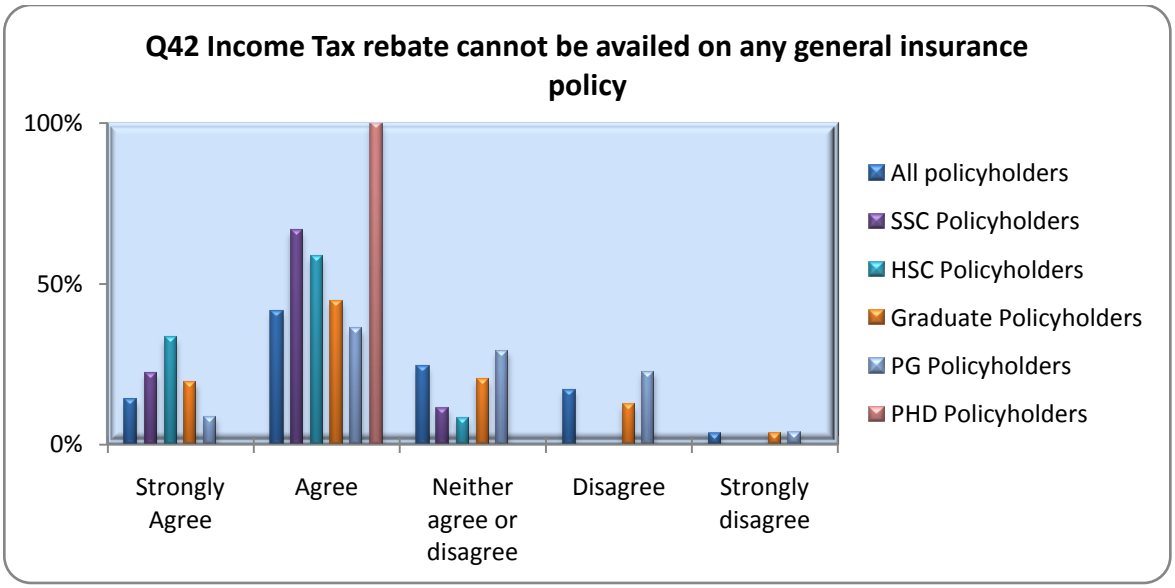


Chart 161 Q42 Income Tax rebate cannot be availed on any general insurance policy

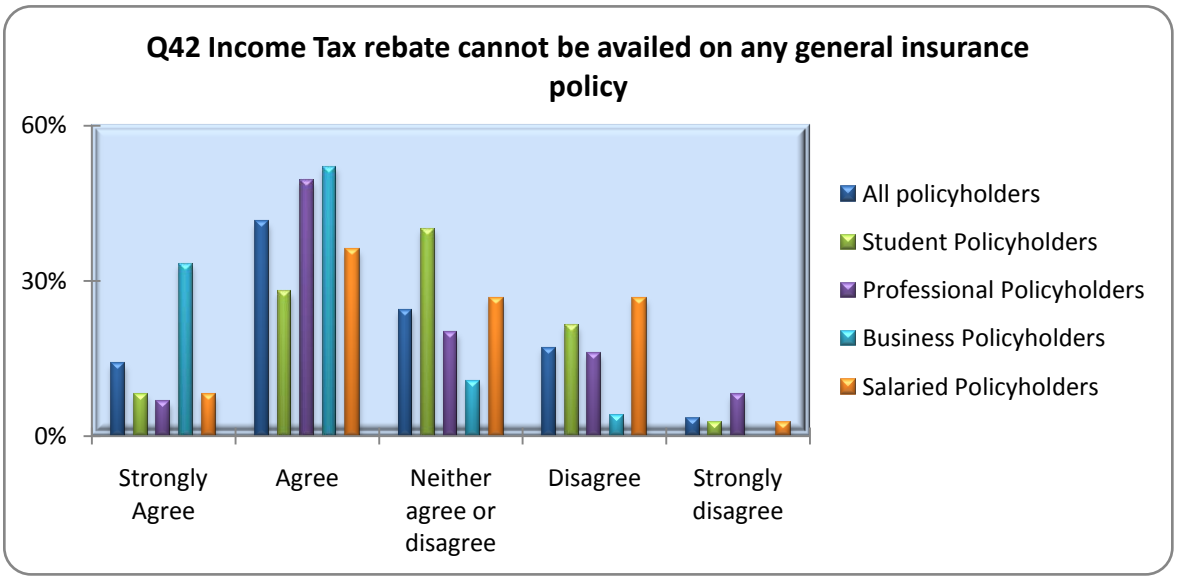
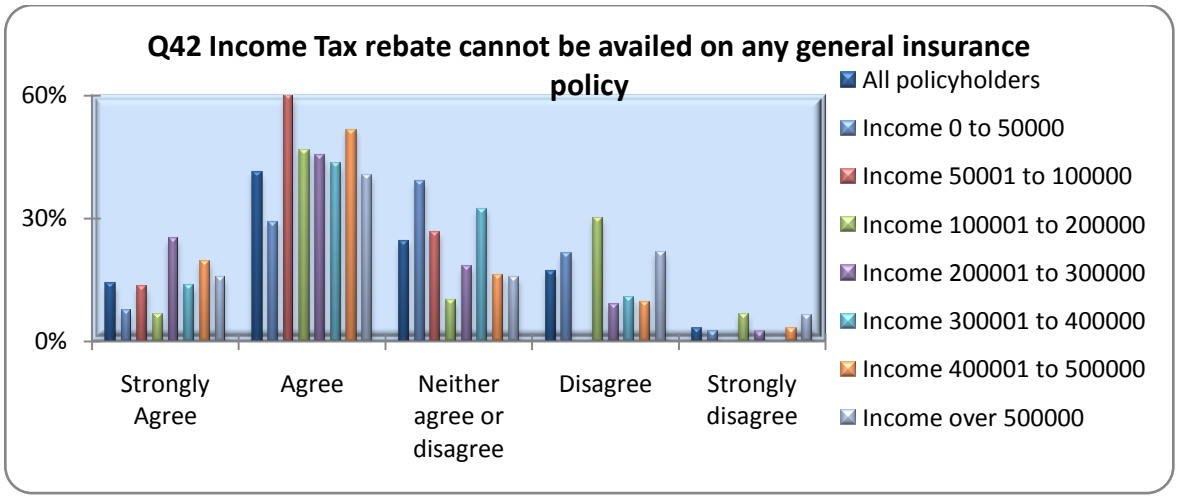


Chart 162 Q42 Income Tax rebate cannot be availed on any general insurance policy



Q42 Income Tax rebate cannot be availed on any general insurance policy

Overall 56% respondents agree to this statement. All the Ph.D. holders agree and in the same category, 72% respondents also agree. If seen by occupation wise, 55.33% respondents agree and income wise, 59.68% respondents agree. Actually, the income tax rebate can be obtained in case of Mediclaim policy of general insurance. Majority of respondents agree to this statement means that

they are not aware of this. This shows that many people do not have knowledge about this provision, which may be due to the un-awareness also.

Table 46 Q 43 The policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand.

Q 43	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	30.00%	55.33%	13.33%	1.33%	0.00%
Male	28.82%	57.64%	11.79%	1.75%	0.00%
Female	33.80%	47.89%	18.31%	0.00%	0.00%
SSC Policyholders	22.22%	66.67%	11.11%	0.00%	0.00%
HSC Policyholders	33.33%	66.67%	0.00%	0.00%	0.00%
Graduate Policyholders	25.44%	57.89%	14.91%	1.75%	0.00%
PG Policyholders	33.54%	51.83%	13.41%	1.22%	0.00%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	29.33%	53.33%	17.33%	0.00%	0.00%
Professional Policyholders	30.67%	48.00%	21.33%	0.00%	0.00%
Business Policyholders	32.00%	64.00%	4.00%	0.00%	0.00%
Salaried Policyholders	28.00%	56.00%	10.67%	5.33%	0.00%
Income 0 to 50000	29.11%	54.43%	16.46%	0.00%	0.00%
Income 50001 to 100000	13.33%	60.00%	26.67%	0.00%	0.00%
Income 100001 to 200000	23.33%	66.67%	10.00%	0.00%	0.00%
Income 200001 to 300000	31.82%	50.00%	15.91%	2.27%	0.00%
Income 300001 to 400000	24.32%	48.65%	21.62%	5.41%	0.00%
Income 400001 to 500000	35.48%	58.06%	3.23%	3.23%	0.00%
Income over 500000	37.50%	56.25%	6.25%	0.00%	0.00%

Q 43 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
4.14	0.68	0.08	4.22	4.06

Statistics 28

Chart 163 Q 43 The policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand.

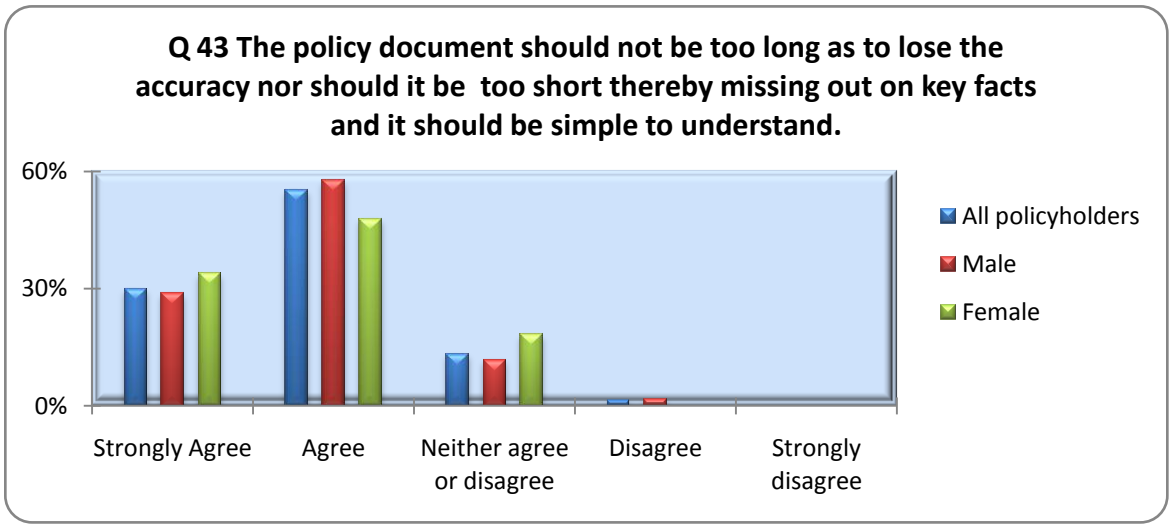


Chart 164 Q 43 The policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand.

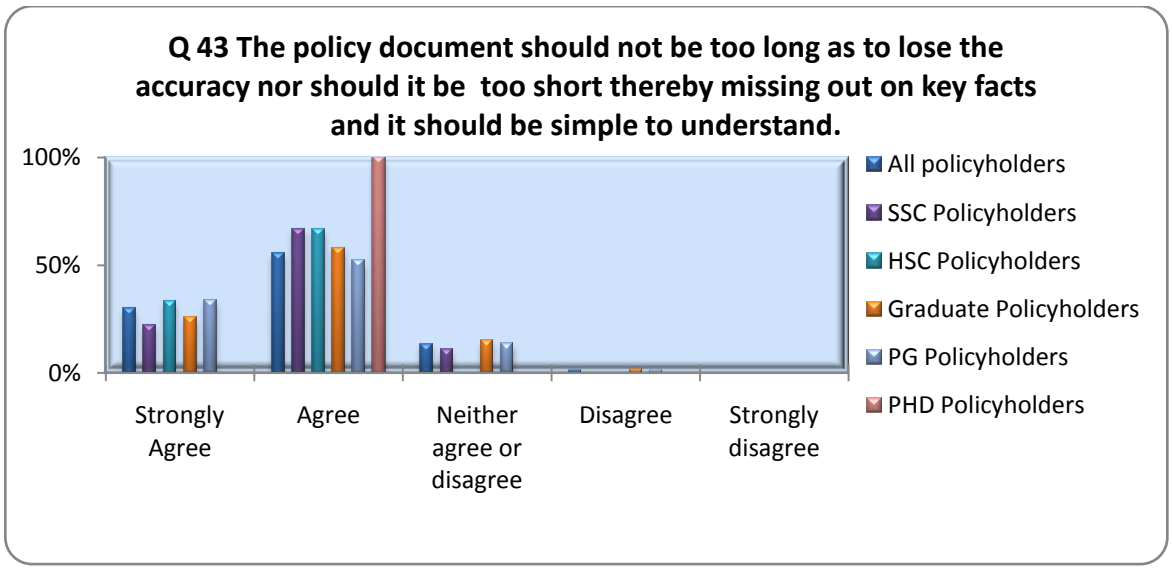


Chart 165 Q 43 The policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand.

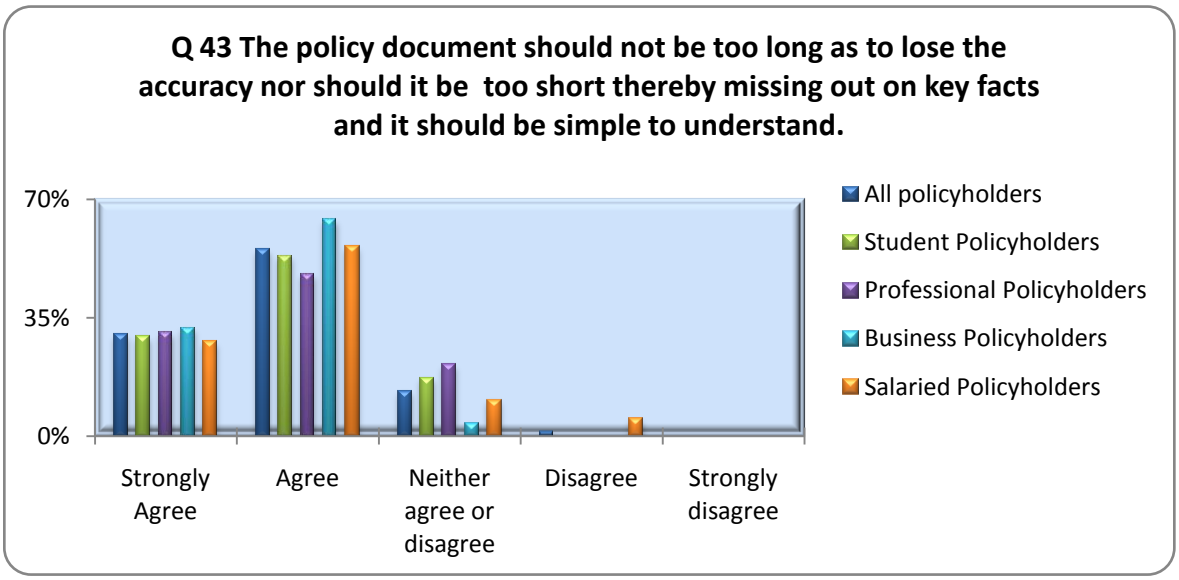
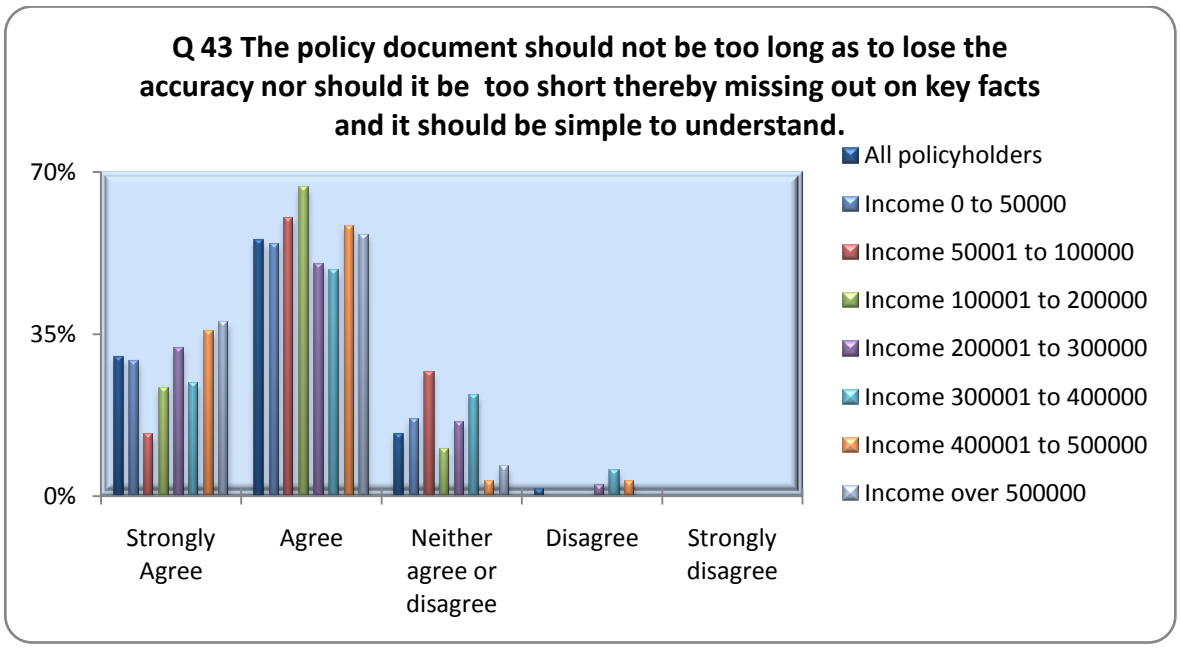


Chart 166 Q 43 The policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand.



Q 43 The policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand.

Overall 85.33% respondents agree that the policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand. All the Ph.D. holders feel like this and other 89.89% respondents from the same category agree to this statement. Occupation wise, 85.33% respondents agree and if seen by income wise, 84.14% respondents agree with this statement. The percentages who do not agree is negligible and those who strongly disagree is nil. These opinions are obvious as no one would like the policy document which is too long and at the same complicated one to lose accuracy and difficult to understand respectively. Most of the time it is observed that the documents are like this and therefore, most of the people do not like to go through the same and read also as the font size is too small and very much difficult to understand.

Table 47 Q 44 The Public Sector General Insurance companies have a grievance redressal system

Q 44 The Public Sector General Insurance companies have a grievance redressal system	Yes	No
All policyholders	35.00%	65.00%
Male	36.24%	63.76%
Female	30.99%	69.01%
SSC Policyholders	22.22%	77.78%
HSC Policyholders	33.33%	66.67%
Graduate Policyholders	35.96%	64.04%
PG Policyholders	35.37%	64.63%
PHD Policyholders	0.00%	100.00%
Student Policyholders	33.33%	66.67%
Professional Policyholders	54.67%	45.33%
Business Policyholders	20.00%	80.00%
Salaried Policyholders	32.00%	68.00%
Income 0 to 50000	34.18%	65.82%
Income 50001 to 100000	66.67%	33.33%
Income 100001 to 200000	33.33%	66.67%
Income 200001 to 300000	20.45%	79.55%
Income 300001 to 400000	32.43%	67.57%
Income 400001 to 500000	22.58%	77.42%
Income over 500000	46.88%	53.13%

Chart 167 Q 44 The Public Sector General Insurance companies have a grievance redressal system

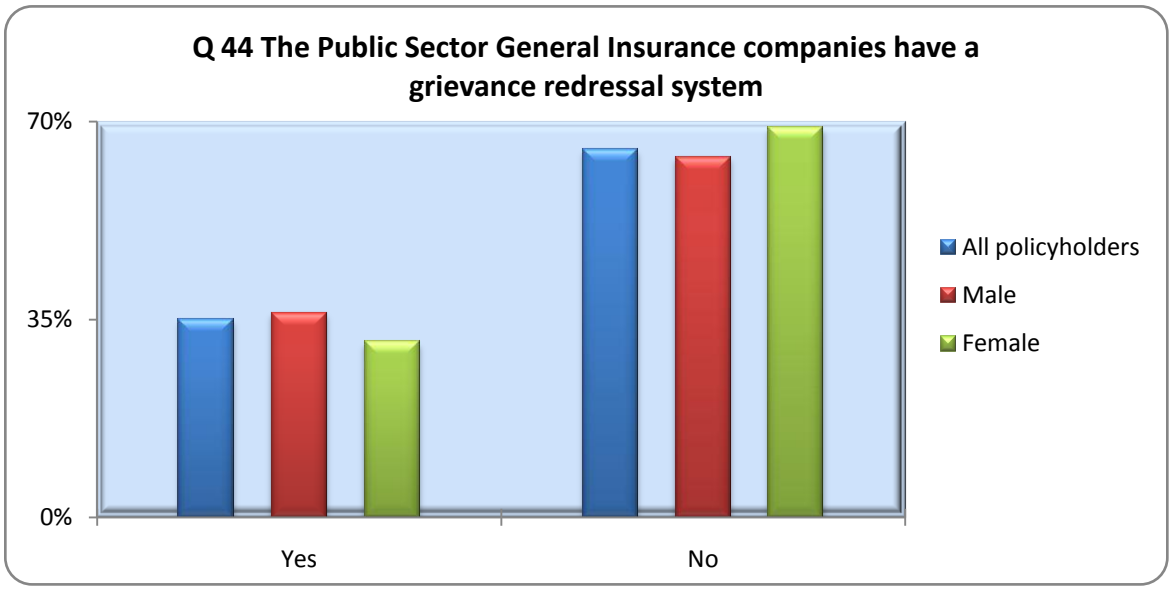


Chart 168Q 44 The Public Sector General Insurance companies have a grievance redressal system

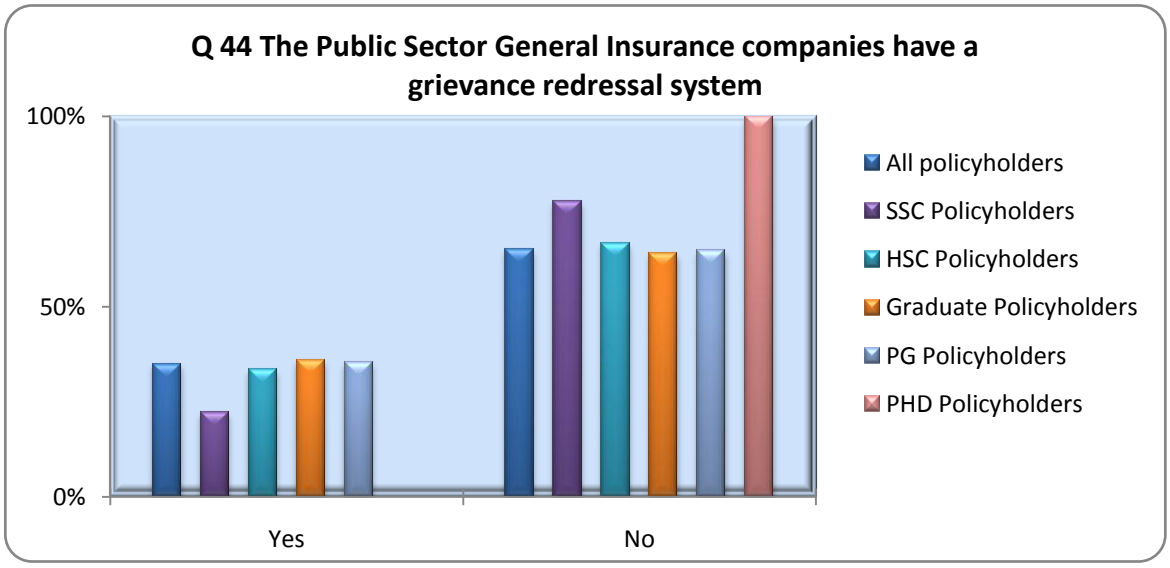


Chart 169 Q 44 The Public Sector General Insurance companies have a grievance redressal system

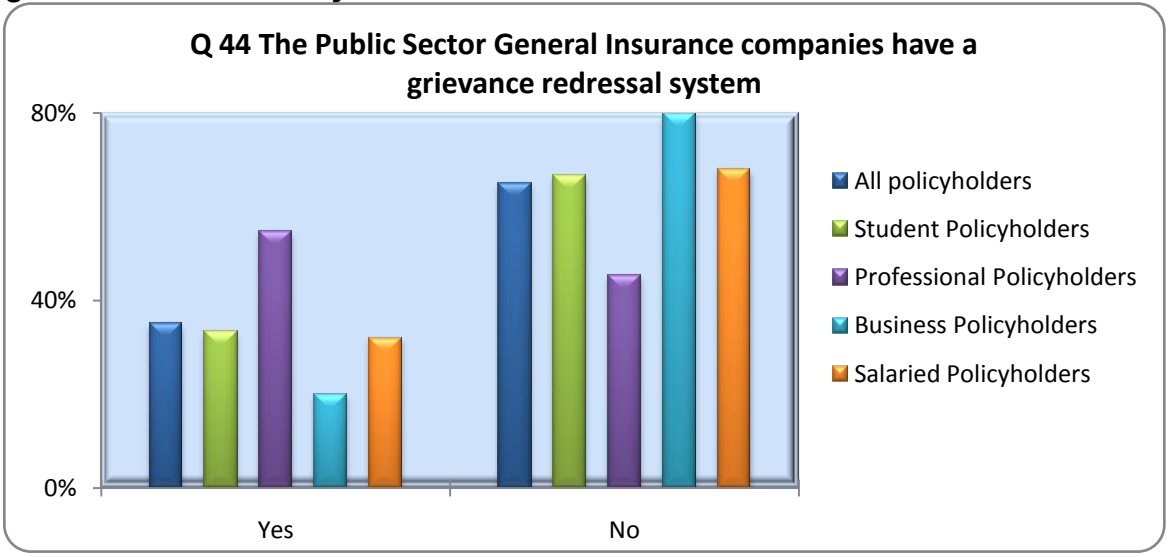
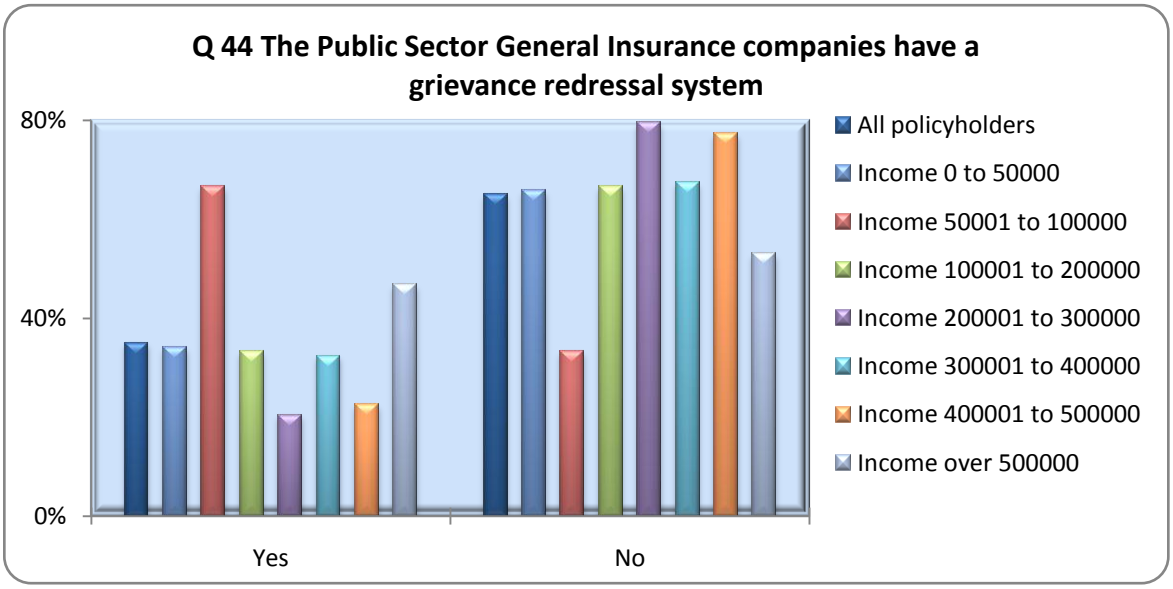


Chart 170 Q 44 The Public Sector General Insurance companies have a grievance redressal system



Q 44 The Public Sector General Insurance companies have a grievance redressal system

Overall 65% policy holders are not aware that there is grievance redressal system in the public sector general insurance companies. Education wise, all the Ph.D. respondents are not aware about this and other than these there are 65% respondents who are not aware of this. Income wise, another 65% respondents are not aware. Actually, it is mentioned in the policy document that there exists

the redressal system, but policy holders do not read the terms and conditions carefully and hence they are not really aware of this or sometimes, the nature of the grievance may not be serious one or there may be un- awareness about this system.

Table 48 Q 45 Which of the following mode did you use to register your complaint?

Q 45 Which of the following mode did you use to register your complaint?	Call Centre	Email support	Branch walk-ins	Letters & Faxes
All policyholders	28.76%	13.38%	51.17%	11.04%
Male	29.39%	14.47%	50.44%	10.09%
Female	26.76%	9.86%	53.52%	14.08%
SSC Policyholders	26.76%	9.86%	53.52%	14.08%
HSC Policyholders	33.33%	0.00%	66.67%	0.00%
Graduate Policyholders	25.93%	12.96%	50.93%	10.19%
PG Policyholders	29.27%	14.63%	47.56%	12.80%
PHD Policyholders	0.00%	0.00%	100.00%	0.00%
Student Policyholders	25.68%	5.41%	62.16%	6.76%
Professional Policyholders	35.14%	22.97%	41.89%	10.81%
Business Policyholders	35.14%	22.97%	41.89%	10.81%
Salaried Policyholders	18.67%	20.00%	48.00%	18.67%
Income 0 to 50000	27.85%	7.59%	59.49%	6.33%
Income 50001 to 100000	33.33%	13.33%	46.67%	13.33%
Income 100001 to 200000	30.00%	10.00%	50.00%	26.67%
Income 200001 to 300000	34.09%	13.64%	40.91%	15.91%
Income 300001 to 400000	29.73%	10.81%	48.65%	10.81%
Income 400001 to 500000	29.03%	9.68%	54.84%	6.45%
Income over 500000	23.81%	25.40%	49.21%	7.94%

Chart 171 Q 45 Which of the following mode did you use to register your complaint?

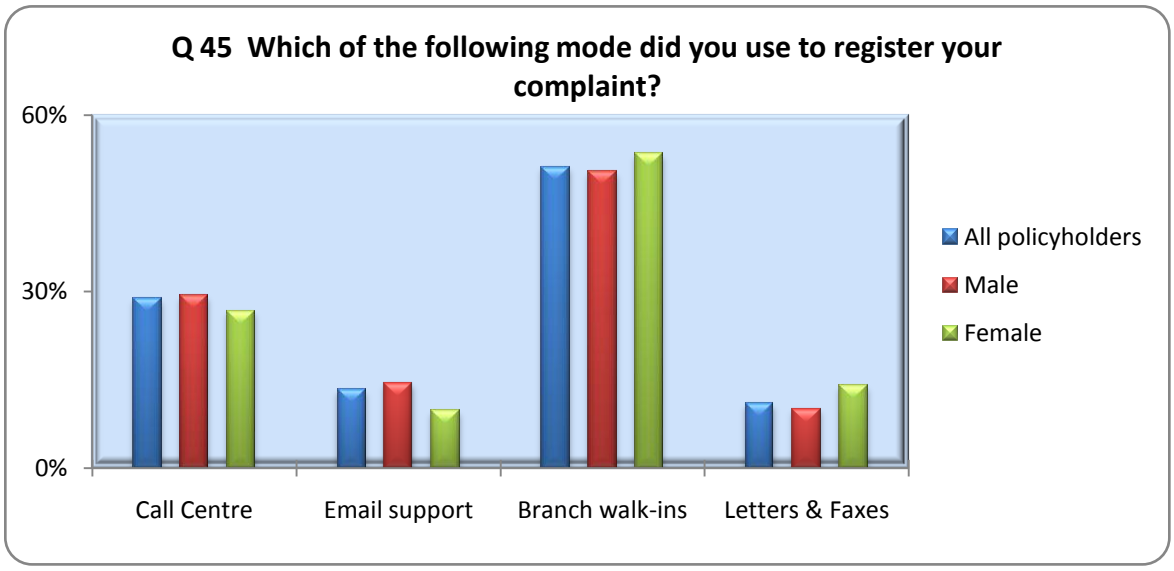


Chart 172 Q 45 Which of the following mode did you use to register your complaint?

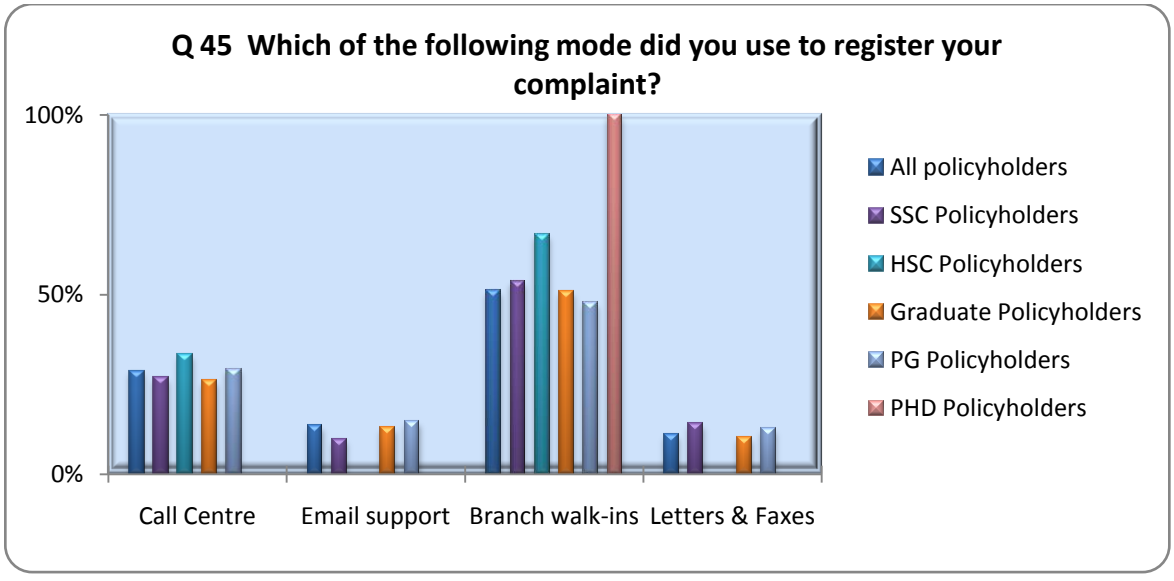


Chart 173 Q 45 Which of the following mode did you use to register your complaint?

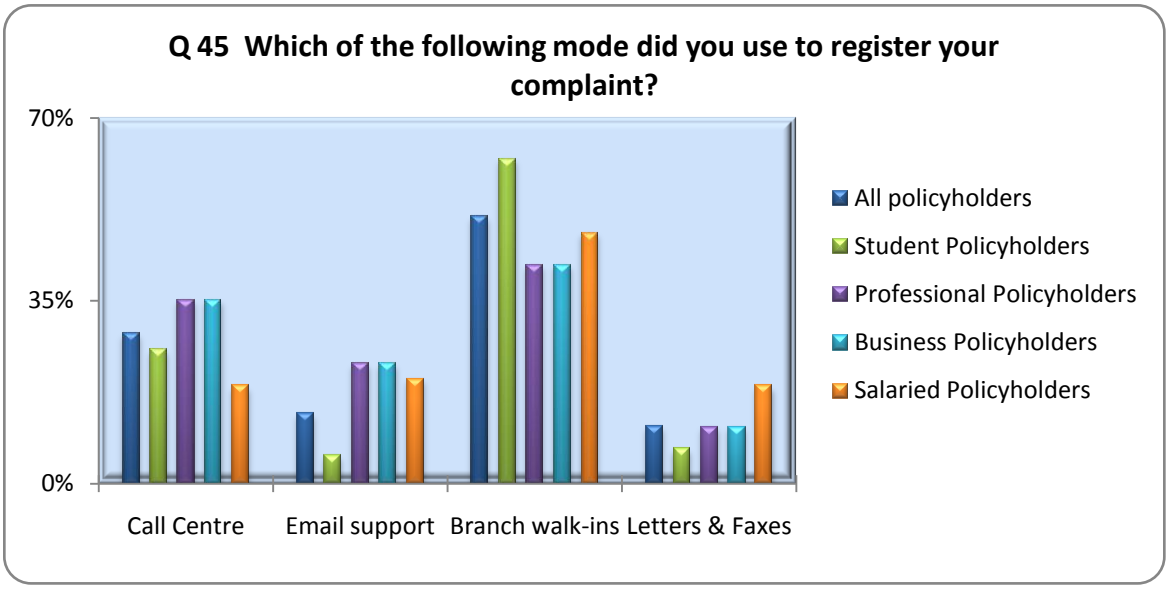
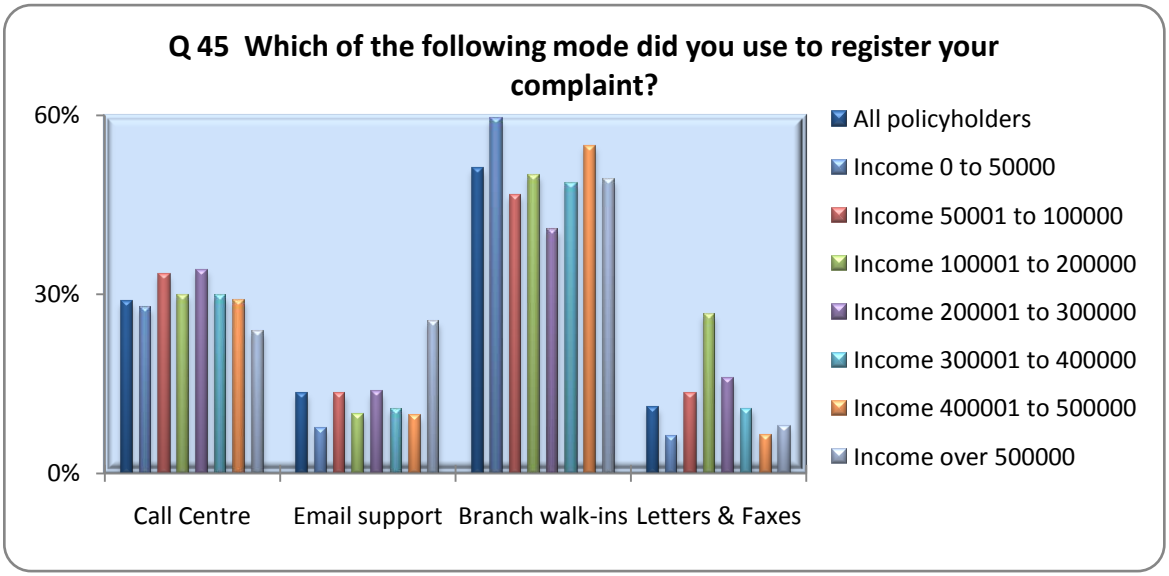


Chart 174 Q 45 Which of the following mode did you use to register your complaint?



Q 45 Which of the following mode did you use to register your complaint?

Almost 52% respondents, male & female taken together, use the mode of branch walk-ins to register their complaints. Education wise, 100% Ph.D. respondents use the same mode and other than Ph.D. category, 54.67% respondents also

use the branch walk-ins as the mode to register their complaints. Occupation wise, 62.16% student's respondents use this mode and, 43.92% respondents from this category, use branch walk-ins as the mode. Income wise, 50% respondents use the same mode to register their complaints. Thus, majority of respondents use this mode. This mode of registering complaints is more convenient as the time is not at all wasted and problems/disputes could be settled down across the table without any confusion. It is more convenient to explain the complaint to find out the solution.

Table 49 Q 46 I would like to continue with the same company for general insurance policy in future

Q 46 I would like to continue with the same company for general insurance policy in future	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All policyholders	7.00%	67.33%	20.33%	4.33%	1.00%
Male	6.99%	66.38%	20.09%	5.24%	1.31%
Female	7.04%	70.42%	21.13%	1.41%	0.00%
SSC Policyholders	0.00%	88.89%	11.11%	0.00%	0.00%
HSC Policyholders	8.33%	83.33%	8.33%	0.00%	0.00%
Graduate Policyholders	5.26%	62.28%	22.81%	8.77%	0.88%
PG Policyholders	8.54%	68.29%	20.12%	1.83%	1.22%
PHD Policyholders	0.00%	100.00%	0.00%	0.00%	0.00%
Student Policyholders	8.00%	69.33%	18.67%	1.33%	2.67%
Professional Policyholders	9.33%	61.33%	17.33%	10.67%	1.33%
Business Policyholders	2.67%	77.33%	20.00%	0.00%	0.00%
Salaried Policyholders	8.00%	61.33%	25.33%	5.33%	0.00%
Income 0 to 50000	8.86%	69.62%	17.72%	1.27%	2.53%
Income 50001 to 100000	0.00%	100.00%	0.00%	0.00%	0.00%
Income 100001 to 200000	6.67%	63.33%	30.00%	0.00%	0.00%
Income 200001 to 300000	9.09%	56.82%	27.27%	6.82%	0.00%
Income 300001 to 400000	8.11%	62.16%	24.32%	5.41%	0.00%
Income 400001 to 500000	3.23%	74.19%	16.13%	6.45%	0.00%
Income over 500000	6.25%	65.63%	18.75%	7.81%	1.56%

Q46 Statistics for all policyholders				
Mean	Standard deviation	Confidence interval at 95%	Upper limit	Lower limit
3.75	0.69	0.08	3.83	3.67

Statistics 29

Chart 175 Q 46 I would like to continue with the same company for general insurance policy in future

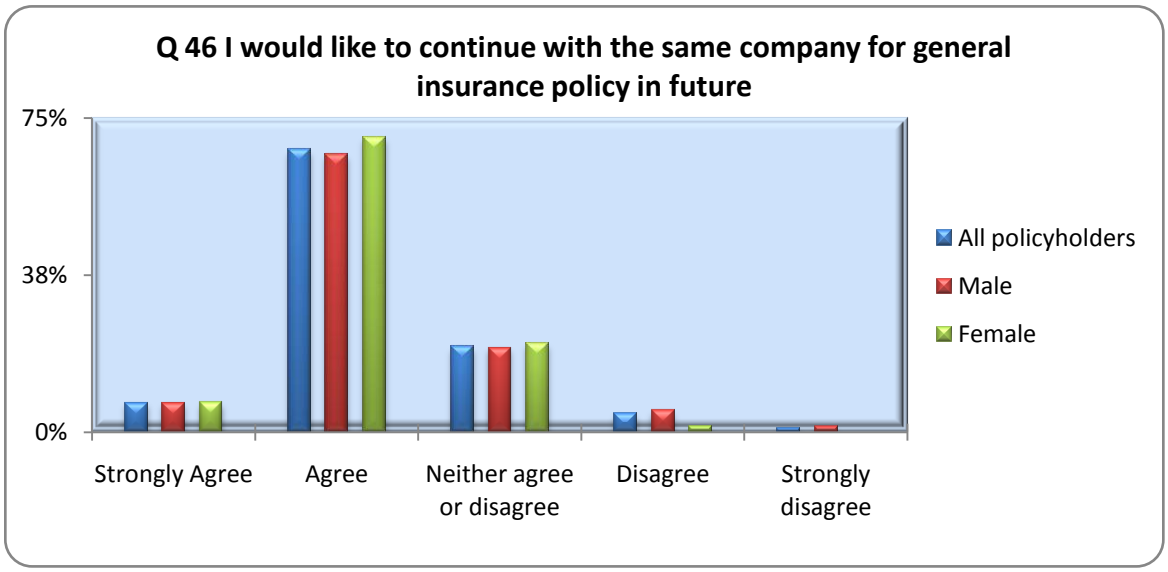


Chart 176 Q 46 I would like to continue with the same company for general insurance policy in future

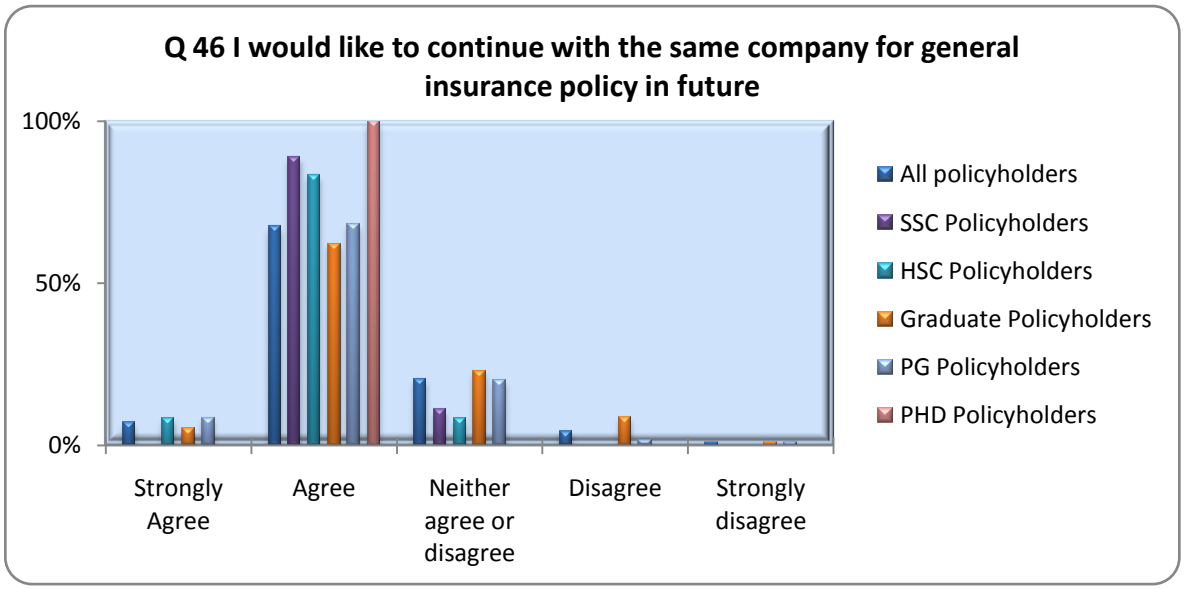


Chart 177 Q 46 I would like to continue with the same company for general insurance policy in future

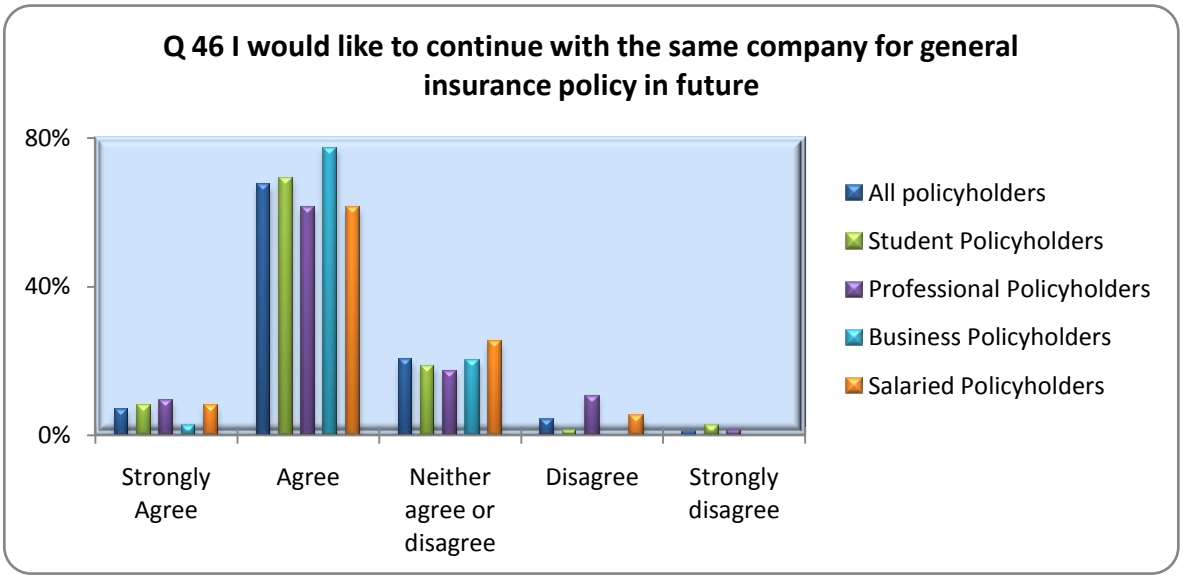
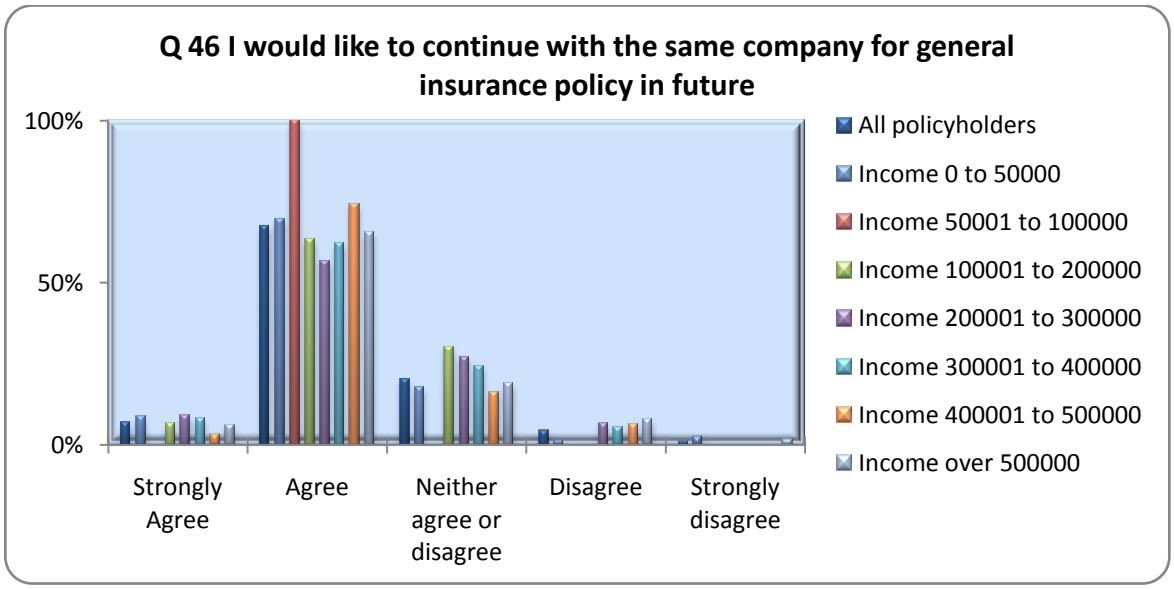


Chart 178 Q 46 I would like to continue with the same company for general insurance policy in future



Q 46 I would like to continue with the same company for general insurance policy in future

Overall 74% policyholders, both male & female, would like to continue with the same company for general insurance policy in future. If seen by education, almost more than 71% respondents are also of the same opinion. Occupation wise, more than 74% respondents have the same opinion. All the respondents

from the income group of 50,000 to 1, 00,000 hold this opinion and in case of other income groups also more than 72% respondents would like to continue with the same company for general insurance policy in future. This indicates that majority of respondents are happy with their existing company and do not wish to change the same, may be they do not have any problem or any dispute with their existing company. This also may be due to the experience they have with this company or their perception about the company.

5.2 Management

5.2.1 Introduction

The data collected from the respondents through the questionnaires has been analysed with help of a computer, using Microsoft Excel 2007 software and SPSS statistical analysis tool. The data was first tabulated for analysis purposes and has been depicted in a graphical form in most of the questions for clearer illustration of the results of the analysis.

This chapter presents summarised data collected from 75 management respondents. The analysis that follows presents findings for management.

5.2.2 Socio-economical and socio-professional background of the management Respondents:

Table M 1Management Hierarchy

Management Hierarchy	Top level (1)	Middle level (2)	Officers (3)
All Management	20.00%	41.33%	38.67%
Male management	28.00%	46.00%	26.00%
Female management	4.00%	32.00%	64.00%
HSC management	0%	0%	100%
Graduate management	11.11%	41.67%	47.22%
PG management	11.11%	41.67%	47.22%
200001 to 300000	20.00%	20.00%	60.00%
300001 to 400000	10.00%	25.00%	65.00%
400001 to 500000	9.09%	59.09%	31.82%
Above 500000	35.71%	42.86%	21.43%

Figure M 1Management Hierarchy

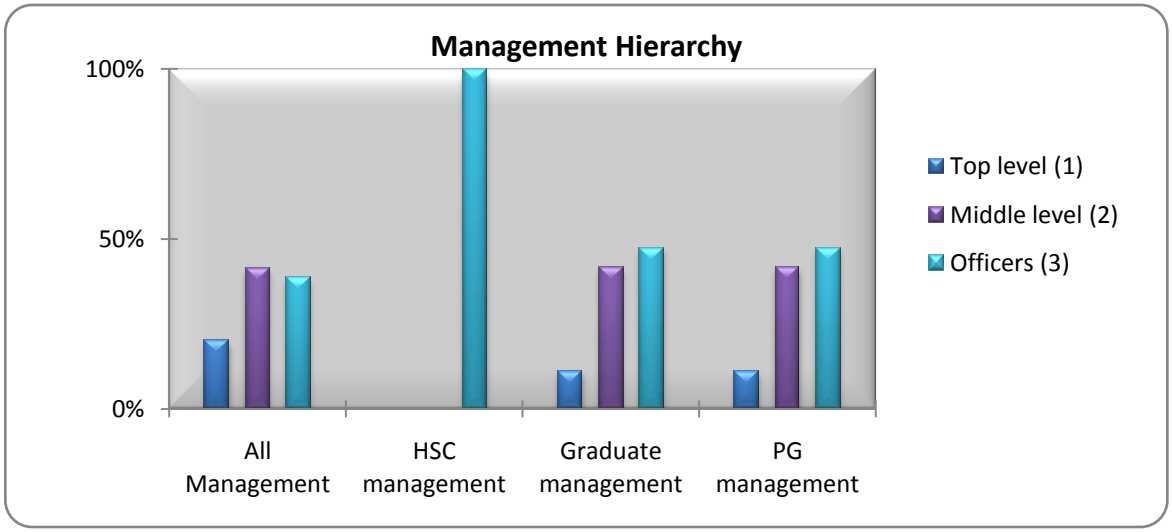


Figure M 2Management Hierarchy

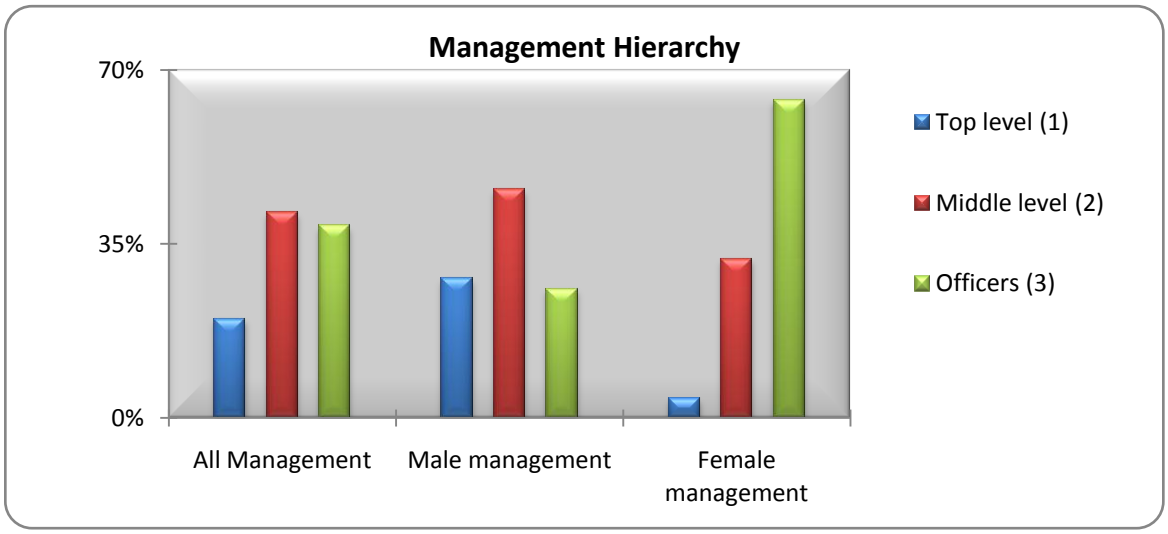
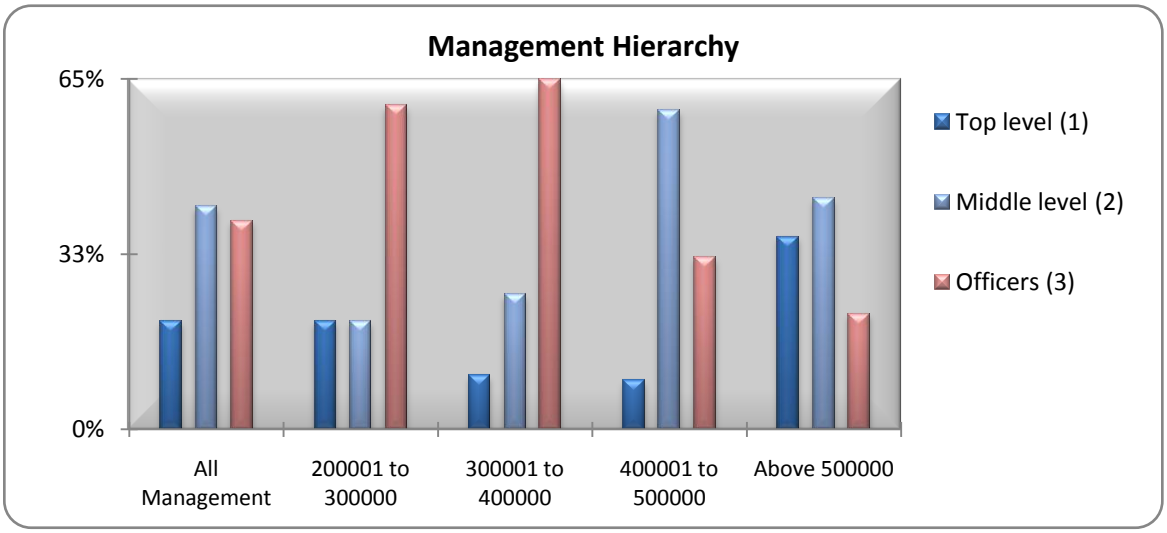


Figure M 3Management Hierarchy



Management Hierarchy

At 'all management' level, 41.33% management personnel are in the middle level management position, also 46% male personnel are in the same level. 20% personnel are in the top management level. The percentage of female is 64% in the officers' cadre. HSC personnel are all in the officers' level as the number of HSC respondents is very less. At the officers' level, there is majority of female

respondents, except in case of income group 3, 00, 00 to 4, 00,000 and above 5, 00,000. There are only 4% female respondents in the top level.

Table M 2Gender

Gender	Male	Female
All Management	66.67%	33.33%
Top level management	93.33%	6.67%
Middle level management	81.48%	18.52%
Officers	44.44%	55.56%
HSC management	0%	100%
Graduate management	75.00%	25.00%
PG management	75.00%	25.00%
200001 to 300000	40.00%	60.00%
300001 to 400000	45.00%	55.00%
400001 to 500000	68.18%	31.82%
Above 500000	85.71%	14.29%

Figure M 4Gender

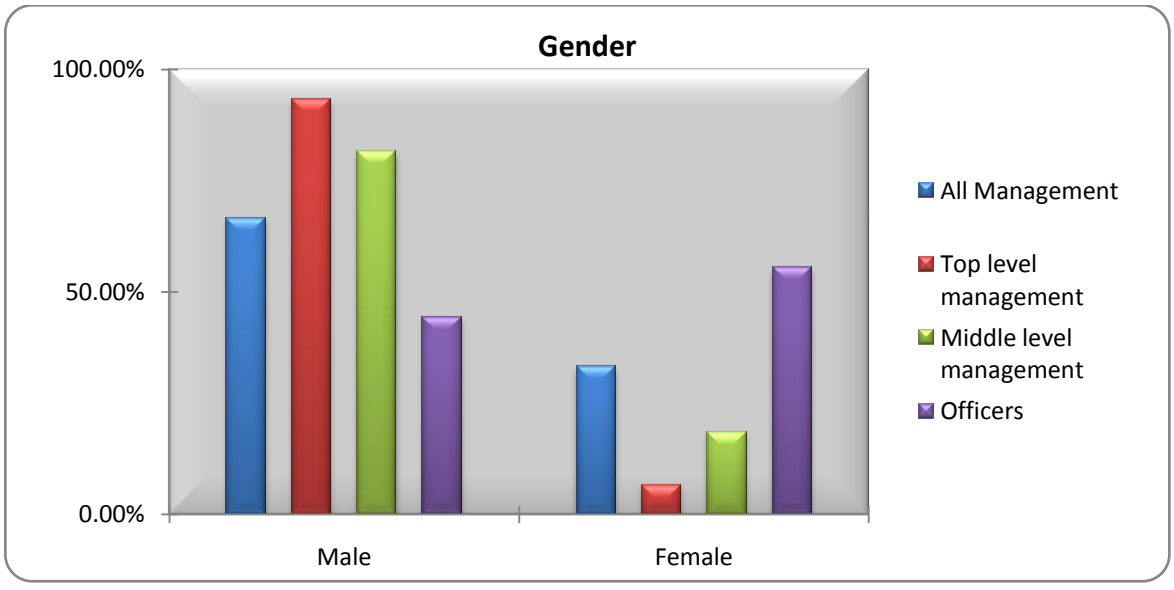


Figure M 5Gender

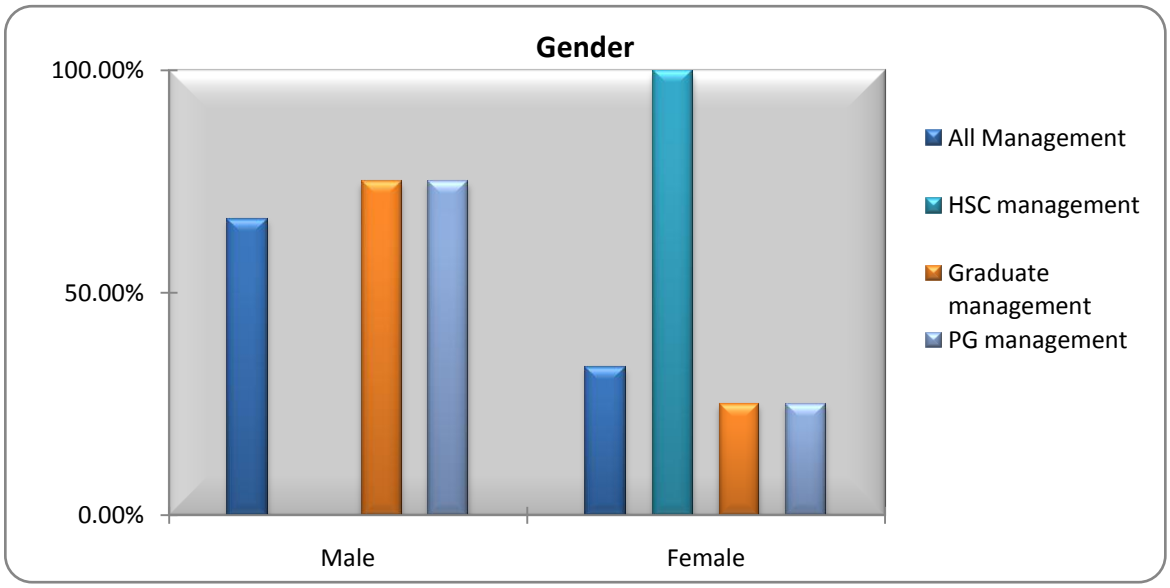
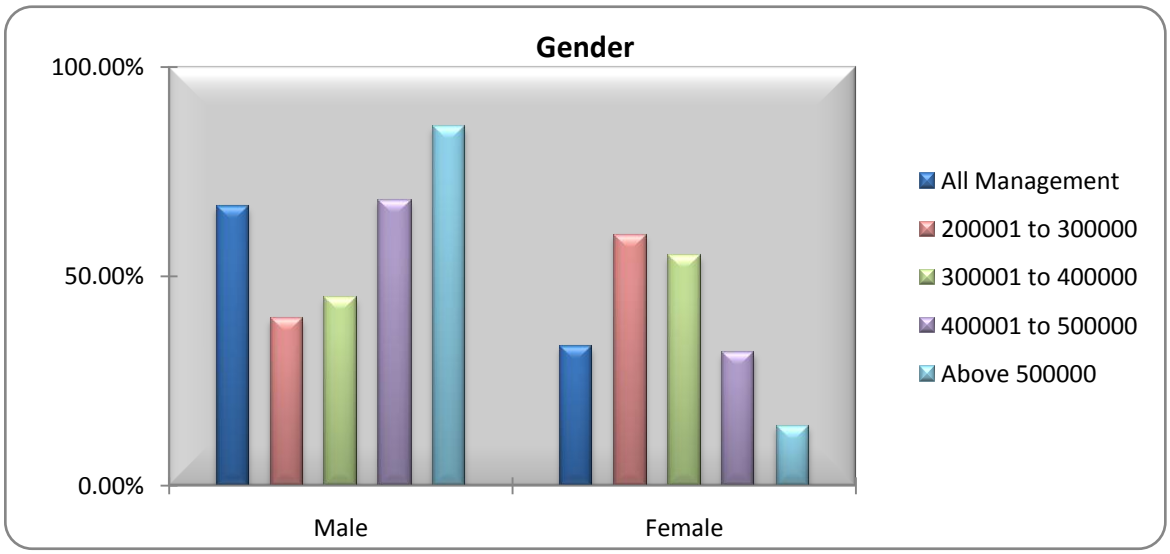


Figure M 6Gender



Gender

Overall, 66.67% respondents are male and others are female. 93.33% respondent males are in the top management position and only 6.67% are female in top management. In middle management level also there is majority of male respondents and they are 81.48%. Only in case of officers' level, the female respondents are in majority with 55.56%. All HSC respondents are female. 75% male respondents are either graduates and post graduates and 25% females are

graduates or post graduates. 85.71% respondent males are having income above 5,00,000. In 2,00,000 to 3,00,000 and 3,00,000 to 4,00,000 income groups female respondents are in majority with 60% & 55% respectively.

Table M 3Qualification

Qualification	PHD (5)	Post Graduate	Graduate	HSC	SSC (1)
All Management	0.00%	50.67%	48.00%	1.33%	0.00%
Top level management	0.00%	73.33%	26.67%	0.00%	0.00%
Middle level management	0.00%	48.15%	51.85%	0.00%	0.00%
Officers	0.00%	39.29%	57.14%	3.57%	0.00%
Male management	0.00%	46.00%	54.00%	0.00%	0.00%
Female management	0.00%	60.00%	36.00%	4.00%	0.00%
200001 to 300000	0.00%	60.00%	20.00%	20.00%	0.00%
300001 to 400000	0.00%	45.00%	55.00%	0.00%	0.00%
400001 to 500000	0.00%	50.00%	50.00%	0.00%	0.00%
Above 500000	0.00%	53.57%	46.43%	0.00%	0.00%

Figure M 7Qualification

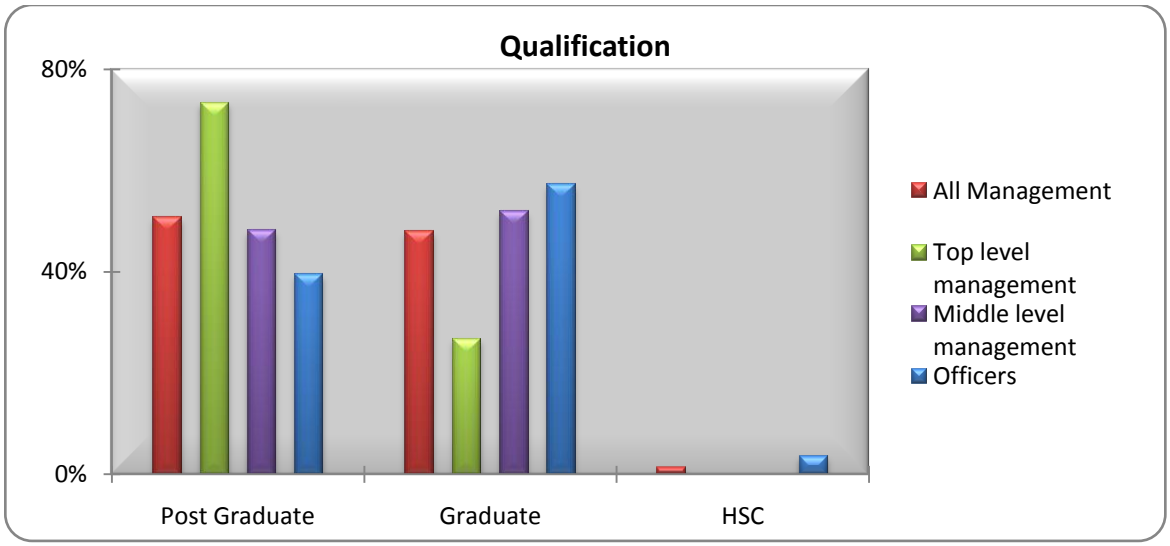


Figure M 8Qualification

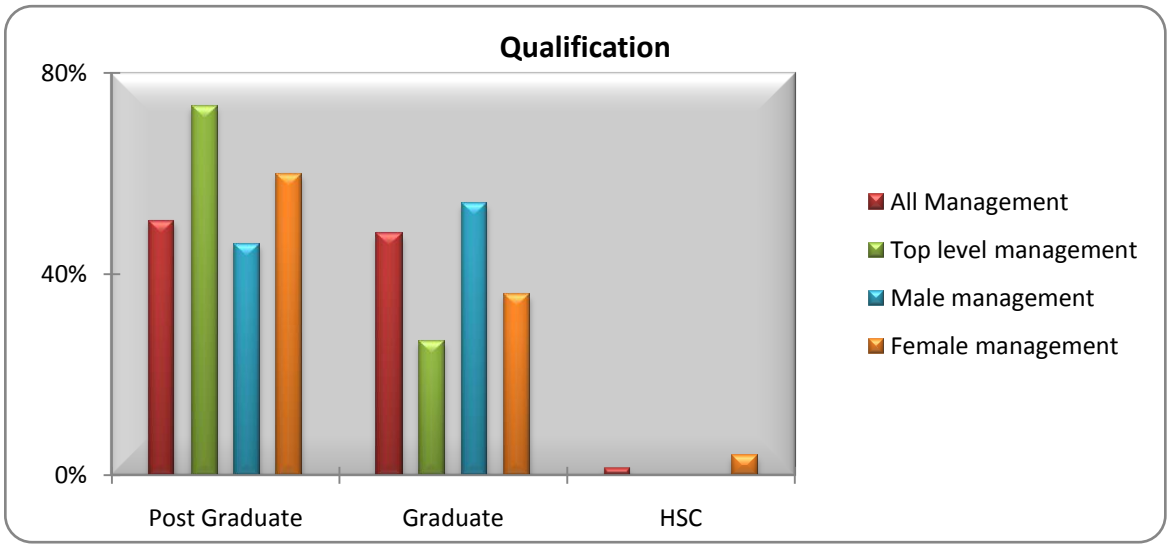
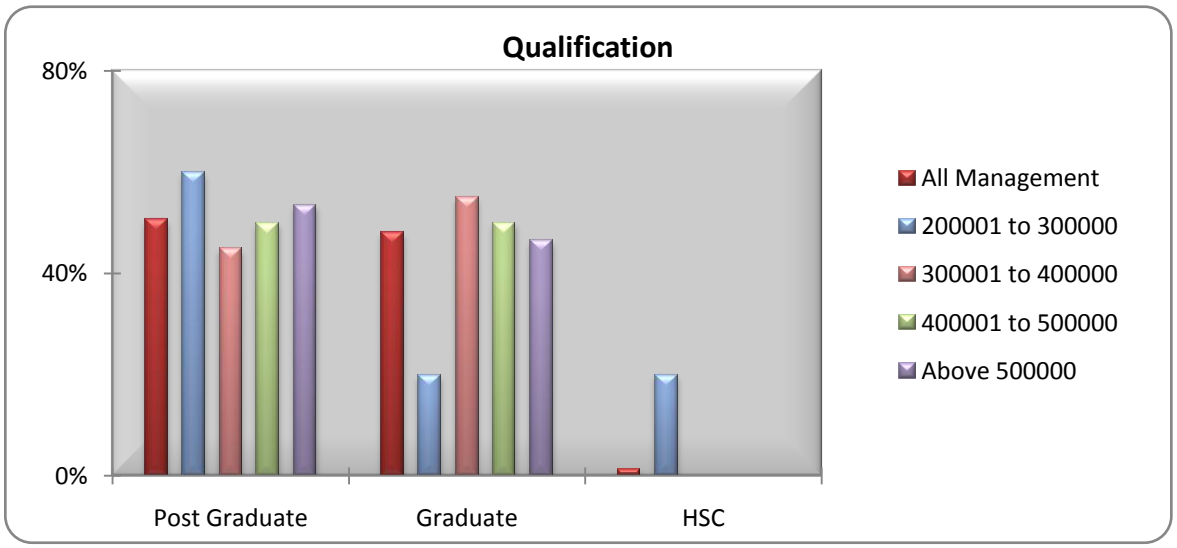


Figure M 9Qualification



Qualification

At 'all management' level and at various categories, there is no Ph.D. respondent or SSC respondent. Overall, 50.67% respondents are post graduates and 48% are graduates. In top management 73.33% are post graduates and 26.73% are graduates. At officers' level, 57.14% are graduates. 60% female respondents are post graduates and they are in the income group of 2, 00,000 to 3, 00,000.

Table M 4MQ1 Your annual income is

MQ1 Your annual income is	1,00,001 to 2,00,000	2,00,001 to 3,00,000	3,00,001 to 4,00,000	4,00,001 to 5,00,000	Above 5,00,000
All Management	0.00%	6.67%	26.67%	29.33%	37.33%
Top level management	0.00%	6.67%	13.33%	13.33%	66.67%
Middle level management	0.00%	3.70%	11.11%	40.74%	44.44%
Officers	0.00%	10.71%	42.86%	25.00%	21.43%
Male management	0.00%	4.00%	18.00%	30.00%	48.00%
Female management	0.00%	12.00%	44.00%	28.00%	16.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	0.00%	2.78%	30.56%	30.56%	36.11%
PG management	0.00%	2.78%	30.56%	30.56%	36.11%

Figure M 10MQ1 Your annual income is

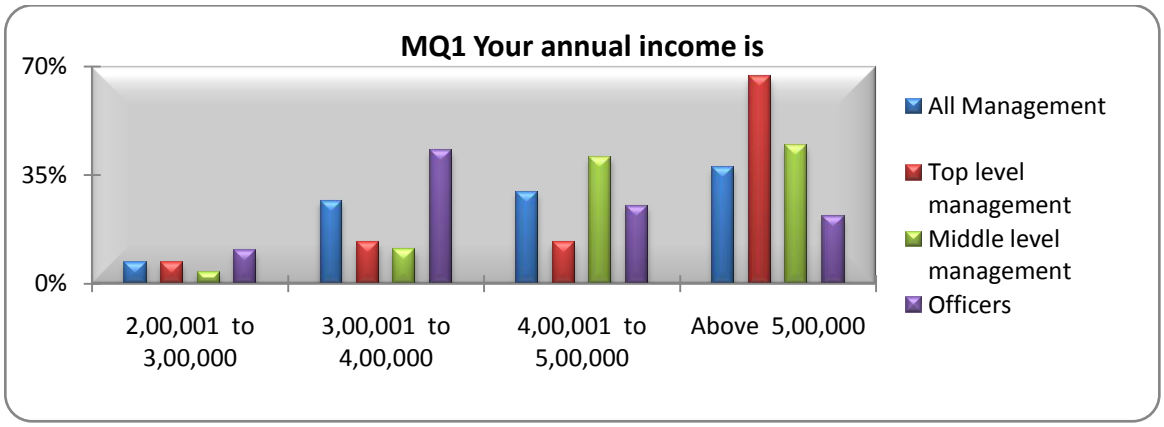


Figure M 11MQ1 Your annual income is

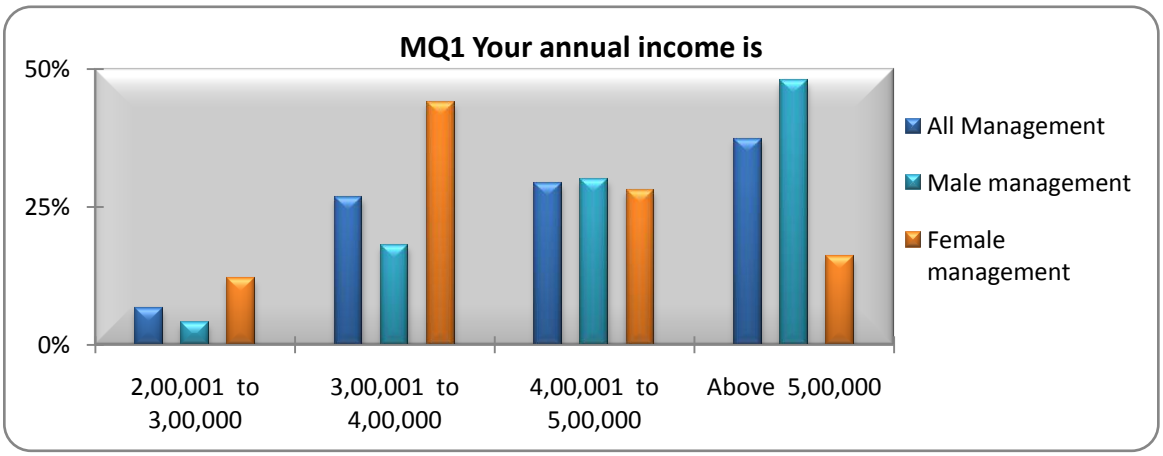
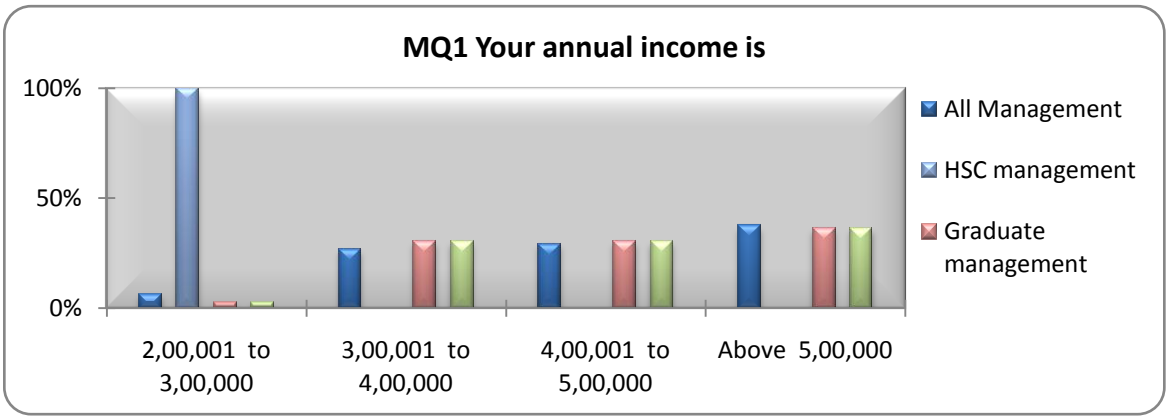


Figure M 12MQ1 Your annual income is



MQ1 Your annual income is

At all management levels, 37.33% respondents are in the top management. 66.67% respondents having income above 5, 00,000 are in top management level. In middle management level, 44.44% are having income above 5, 00,000. 42.86% officers are having income in the range 3, 00,000 to 4, 00,000. 48% male are having income more than 5, 00,000 and only 16% female having income above 5, 00,000.

Table M 5MQ2 The insurance premium rates, charged by the Public Sector general Insurance Companies, are often on the higher side.

	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	1.33%	8.00%	6.67%	60.00%	24.00%
Top level management	0.00%	0.00%	0.00%	66.67%	33.33%
Middle level management	3.70%	0.00%	11.11%	55.56%	29.63%
Officers	0.00%	17.86%	7.14%	60.71%	14.29%
Male management	2.00%	4.00%	10.00%	60.00%	24.00%
Female management	0.00%	16.00%	0.00%	60.00%	24.00%
HSC management	0.00%	0.00%	0.00%	0.00%	100%
Graduate management	0.00%	5.56%	8.33%	63.89%	22.22%
PG management	0.00%	5.56%	8.33%	63.89%	22.22%
200001 to 300000	0.00%	0.00%	0.00%	40.00%	60.00%
300001 to 400000	0.00%	15.00%	10.00%	70.00%	5.00%
400001 to 500000	0.00%	9.09%	9.09%	50.00%	31.82%
Above 500000	3.57%	3.57%	3.57%	64.29%	25.00%

Statistics MQ2 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
2.03	0.87	0.20	2.23	1.83	0.52

Statistics M 1

Figure M13MQ2 The insurance premium rates, charged by the Public Sector Insurance Companies, are often on the higher side.

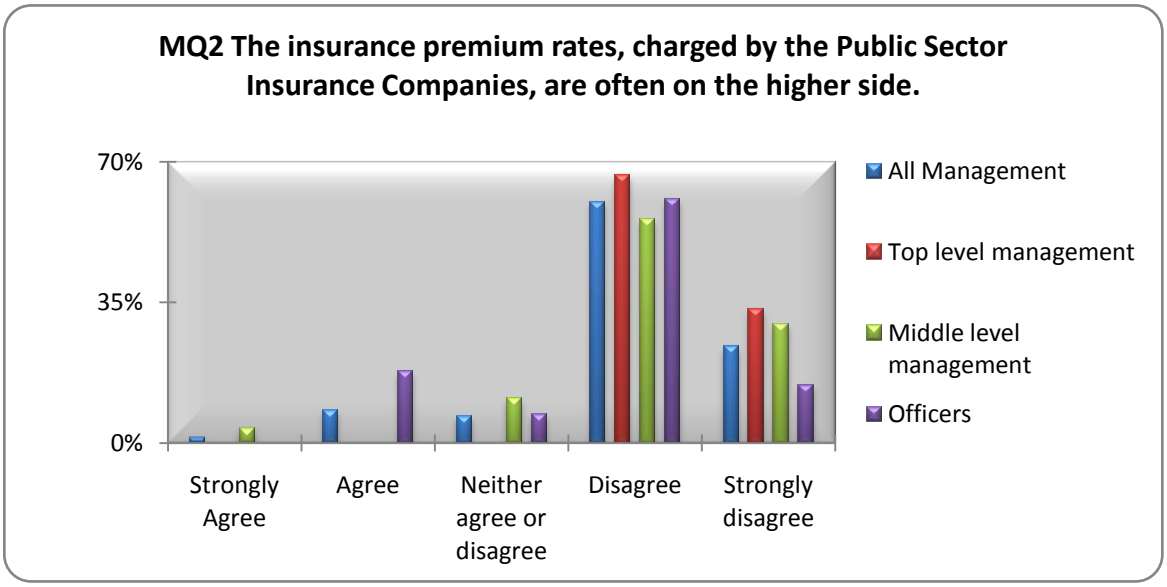


Figure M 14MQ2 The insurance premium rates, charged by the Public Sector Insurance Companies, are often on the higher side.

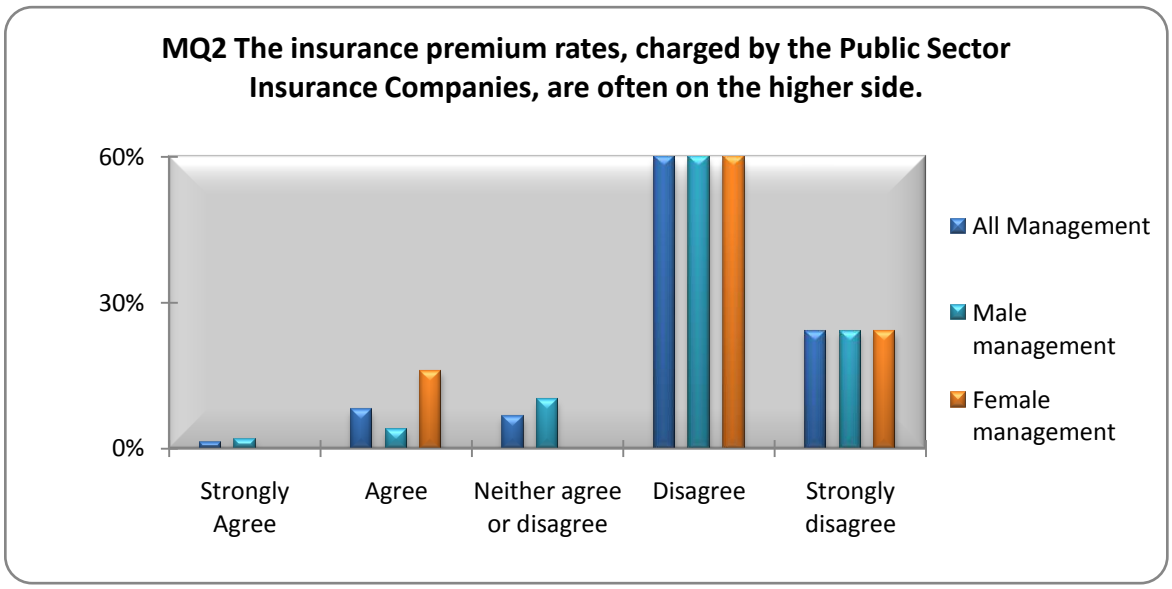


Figure M 15MQ2 The insurance premium rates, charged by the Public Sector Insurance Companies, are often on the higher side.

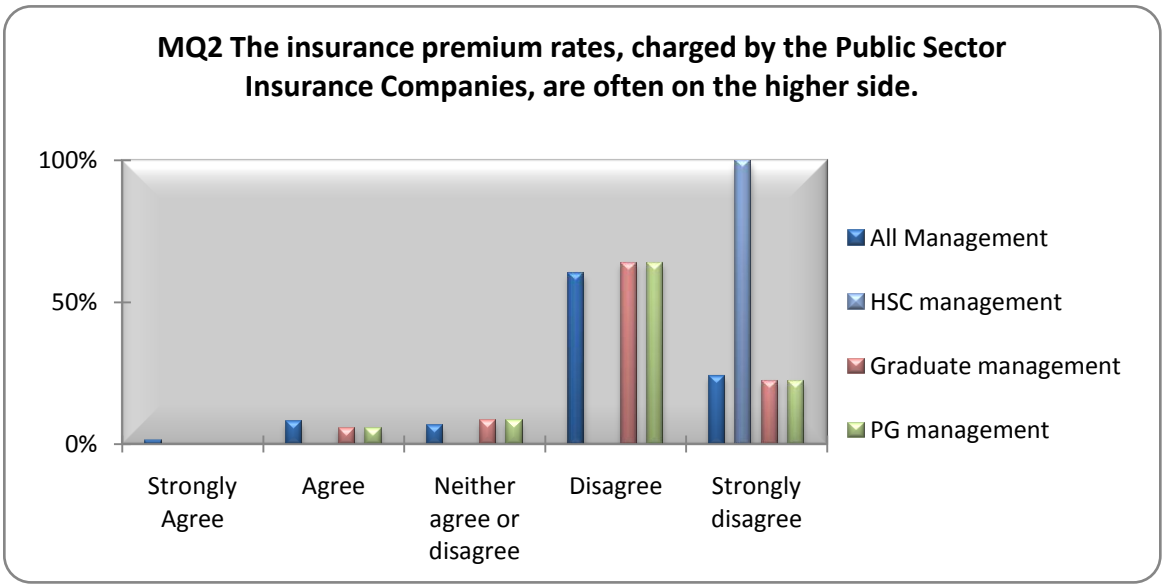
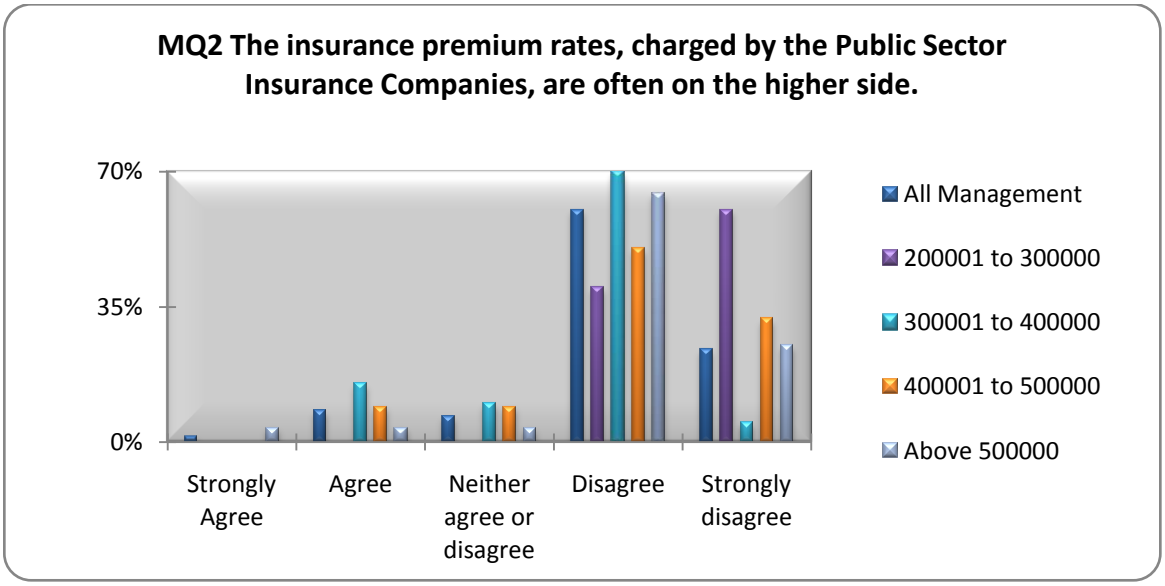


Figure M 16MQ2 The insurance premium rates, charged by the Public Sector Insurance Companies, are often on the higher side.



MQ2 The insurance premium rates, charged by the Public Sector general Insurance Companies, are often on the higher side.

Almost between 80% to 100% respondents all various levels and in all the categories do not agree with the statement that the insurance premium rates charged by the public sector general insurance companies are often on the

higher side. Due to de-tariffing and the cut throat competition, the public sector general insurance companies cannot afford to keep the premium rates higher.

Table M 6MQ3 Are you fully aware of the terms and conditions of the policies that you are offering?

MQ3 Are you fully aware of the terms and conditions of the policies that you are offering?	Yes (1)	No (2)	Some of them (3)
All Management	68.00%	17.33%	14.67%
Top level management	80.00%	13.33%	6.67%
Middle level management	74.07%	3.70%	22.22%
Officers	53.57%	35.71%	10.71%
Male management	72.00%	14.00%	14.00%
Female management	60.00%	24.00%	16.00%
HSC management	0.00%	100.00%	0%
Graduate management	69.44%	13.89%	16.67%
PG management	69.44%	13.89%	16.67%
200001 to 300000	40.00%	40.00%	20.00%
300001 to 400000	65.00%	25.00%	10.00%
400001 to 500000	77.27%	4.55%	18.18%
Above 500000	67.86%	17.86%	14.29%

Figure M 17MQ3 Are you fully aware of the terms and conditions of the policies that you are offering?

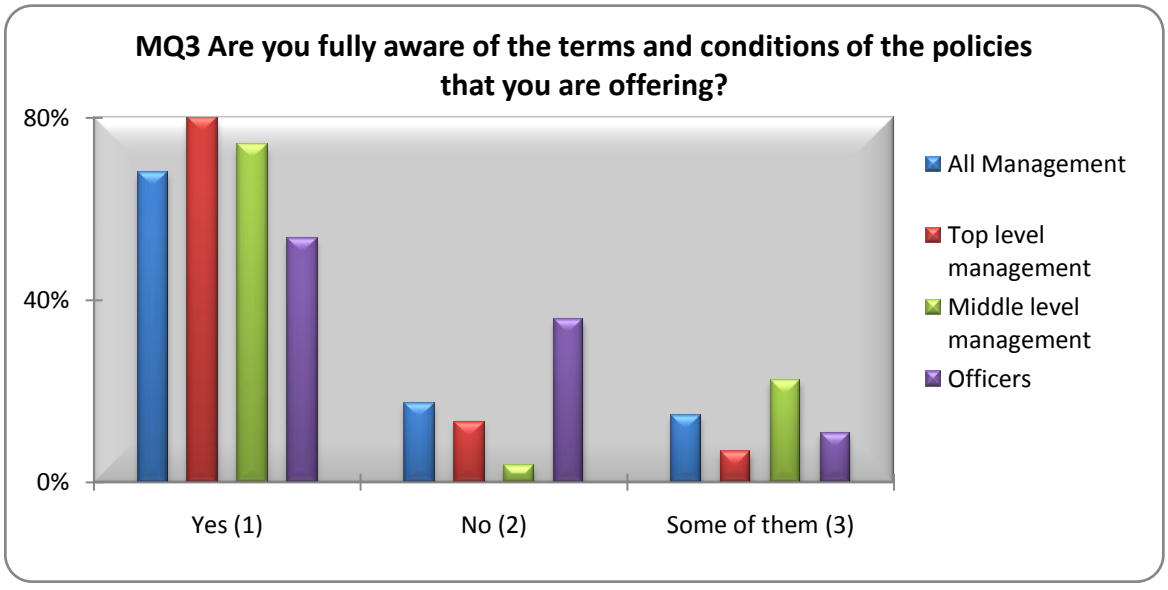


Figure M 18MQ3 Are you fully aware of the terms and conditions of the policies that you are offering?

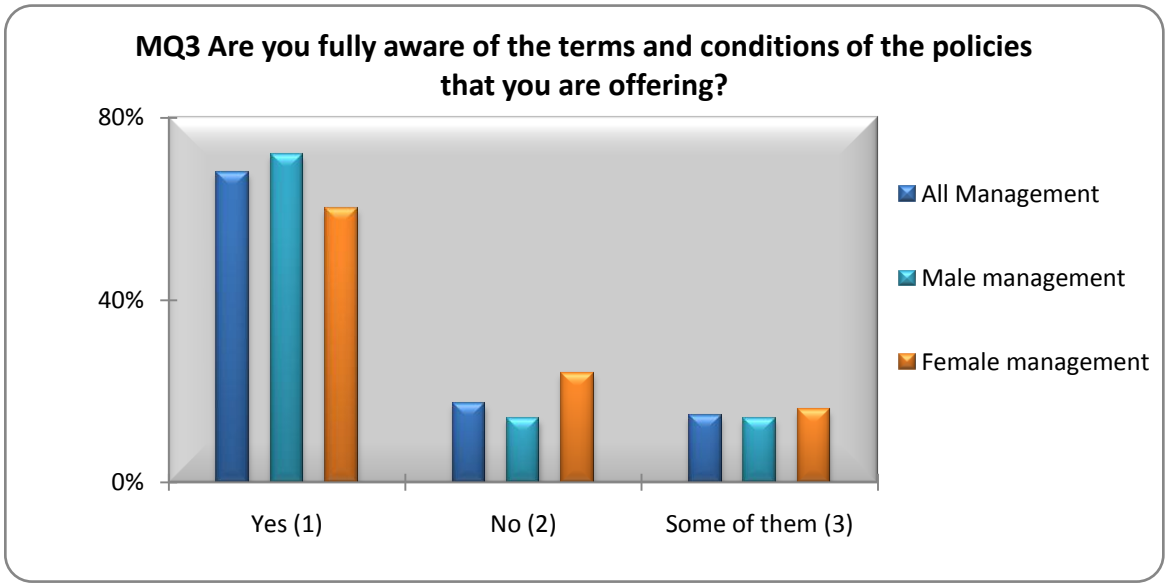


Figure M 19MQ3 Are you fully aware of the terms and conditions of the policies that you are offering?

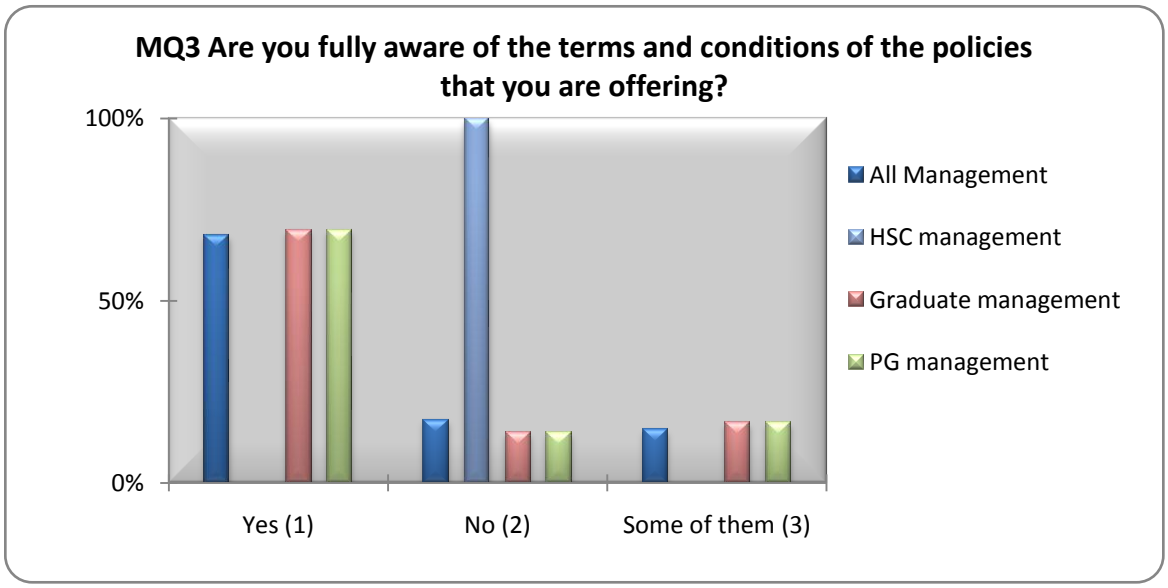
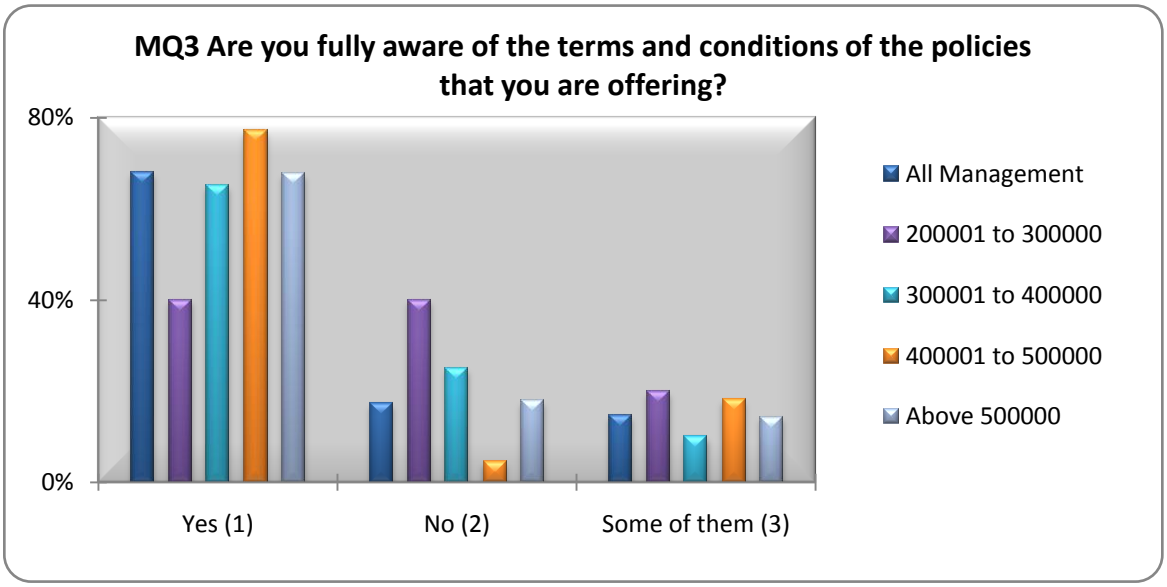


Figure M 20MQ3 Are you fully aware of the terms and conditions of the policies that you are offering?



MQ3 Are you fully aware of the terms and conditions of the policies that you are offering?

At 'all management level', 68% respondents say that they are fully aware of the terms and conditions of the policies that they are offering. Also more than 60% respondents at various levels and at all the categories say they are aware of the terms and conditions of the policy that they are offering. This is because the acceptance of insurance policies and settlement of claims totally depend upon terms and conditions of the policy and they are all the time required to refer the same and therefore they are aware of the terms and conditions of the policies that they are offering.

Table M 7MQ4 The Private Sector Companies give better service than the Public Sector General Insurance Companies

MQ4 The Private Sector Companies give better service than the Public Sector General Insurance Companies	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	6.67%	8.00%	20.00%	53.33%	12.00%
Top level management	6.67%	13.33%	6.67%	60.00%	13.33%
Middle level management	7.41%	3.70%	25.93%	51.85%	11.11%
Officers	7.14%	10.71%	21.43%	46.43%	14.29%
Male management	6.00%	6.00%	14.00%	64.00%	10.00%
Female management	8.00%	12.00%	32.00%	32.00%	16.00%
HSC management	0.00%	0.00%	0.00%	100%	0.00%
Graduate management	0.00%	5.56%	13.89%	63.89%	16.67%
PG management	0.00%	5.56%	13.89%	63.89%	16.67%
200001 to 300000	20.00%	0.00%	20.00%	60.00%	0.00%
300001 to 400000	5.00%	10.00%	15.00%	60.00%	10.00%
400001 to 500000	4.55%	9.09%	18.18%	50.00%	18.18%
Above 500000	7.14%	7.14%	25.00%	50.00%	10.71%

Statistics MQ4 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
2.44	1.03	0.24	2.68	2.20	0.81

Statistics M 2

Figure M 21MQ4 The Private Sector Companies give better service than the Public Sector General Insurance Companies

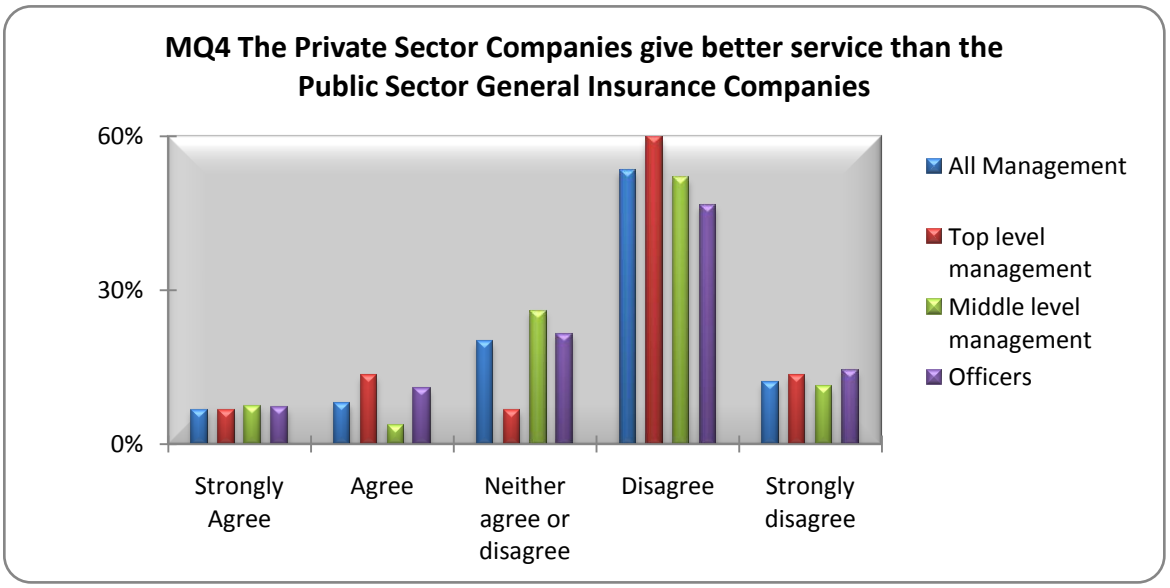


Figure M 22MQ4 The Private Sector Companies give better service than the Public Sector General Insurance Companies

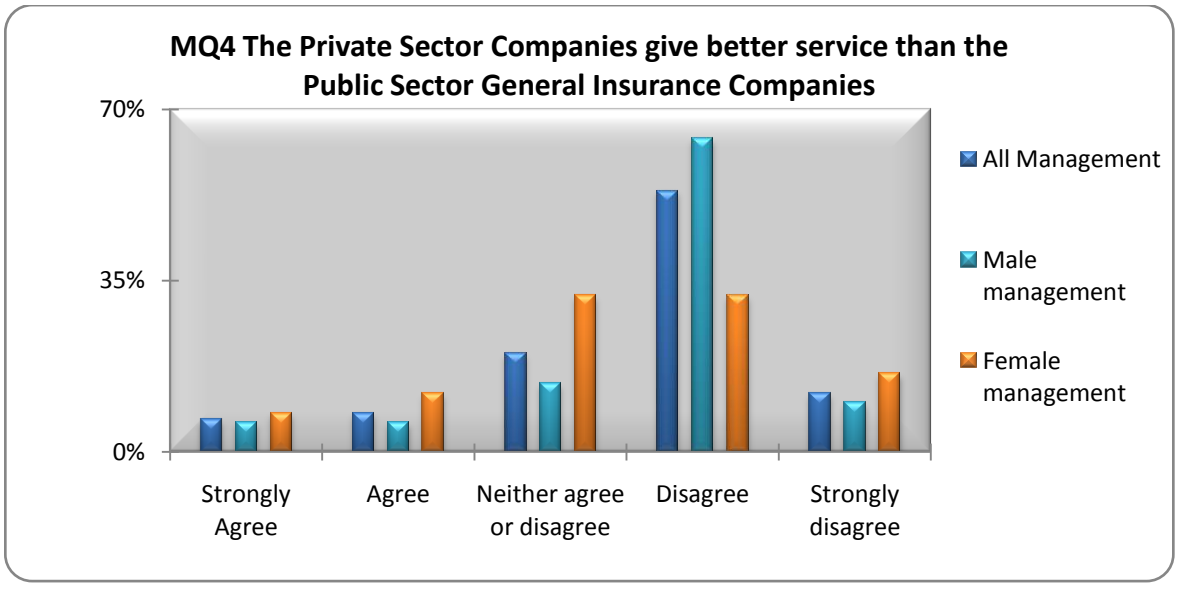


Figure M 23MQ4 The Private Sector Companies give better service than the Public Sector General Insurance Companies

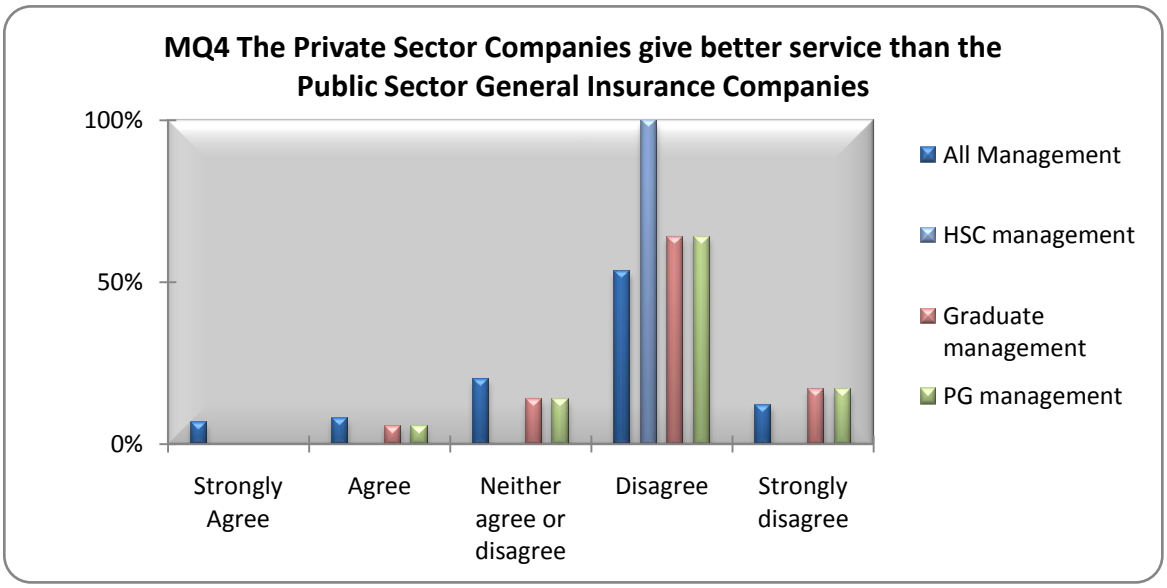
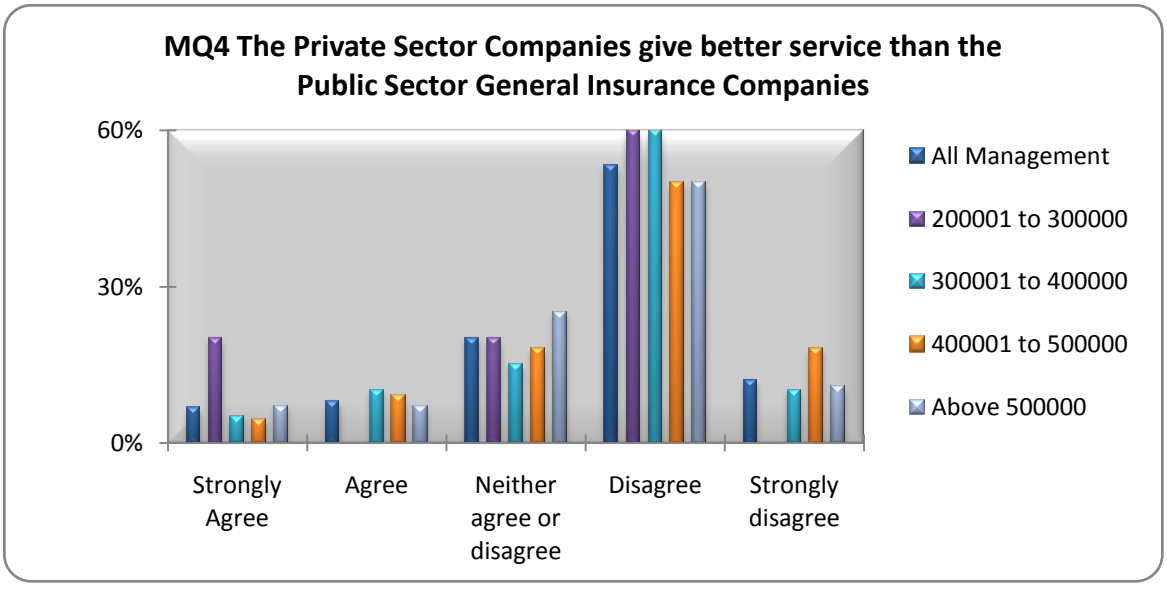


Figure M 24MQ4 The Private Sector Companies give better service than the Public Sector General Insurance Companies



MQ4 The Private Sector Companies give better service than the Public Sector General Insurance Companies

At 'all management' level, 65.33% do not agree that the private sector general insurance companies give better service than the public sector general insurance companies. Also more than 60% to 80% respondents at various levels and at all the categories do not agree to this statement. The public sector general insurance companies have adopted new technologies, special drives for agents' training and recruitments, advertisements and various media applications and trying to give better services to its customers. They have also introduced out sourcing claim services, cash less services, tie-up services and set up various settlement hubs to give fast and best services to customers.

Table M 8MQ5 Do you know about the various schemes of your company?

MQ5 Do you know about the various schemes of your company?	All of them (1)	Some of them	None of them	Can't say (4)
All Management	30.67%	64.00%	0.00%	5.33%
Top level management	40.00%	60.00%	0.00%	0.00%
Middle level management	33.33%	59.26%	0.00%	7.41%
Officers	25.00%	67.86%	0.00%	7.14%
Male management	38.00%	56.00%	0.00%	6.00%
Female management	16.00%	80.00%	0.00%	4.00%
HSC management	0.00%	0.00%	0.00%	100%
Graduate management	30.56%	66.67%	0.00%	2.78%
PG management	30.56%	66.67%	0.00%	2.78%
200001 to 300000	20.00%	40.00%	0.00%	40.00%
300001 to 400000	15.00%	80.00%	0.00%	5.00%
400001 to 500000	40.91%	54.55%	0.00%	4.55%
Above 500000	35.71%	64.29%	0.00%	0.00%

Figure M 25MQ5 Do you know about the various schemes of your company?

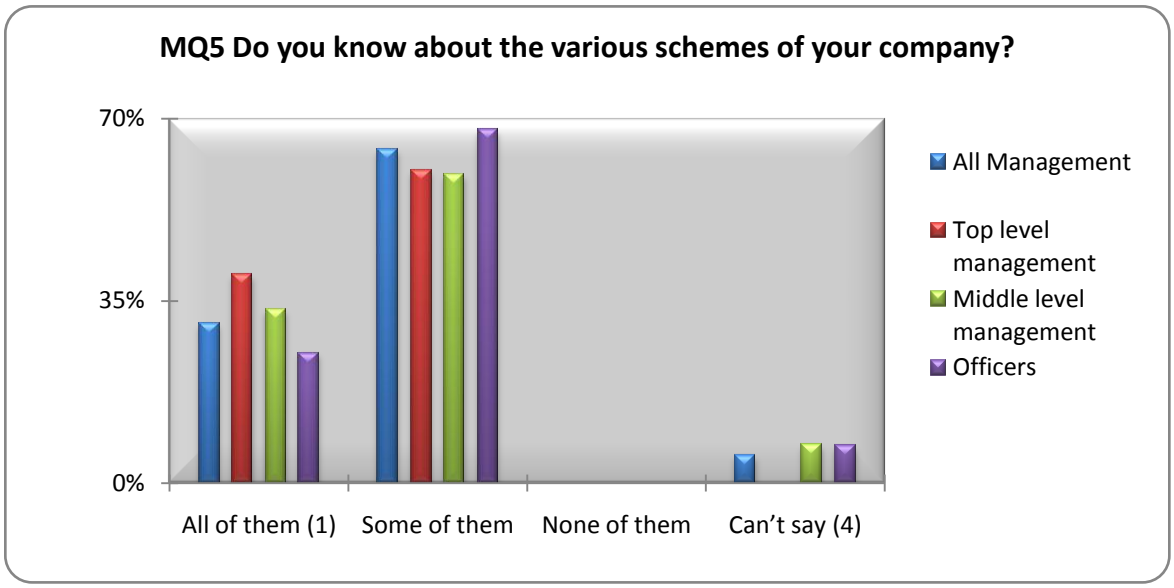


Figure M 26MQ5 Do you know about the various schemes of your company?

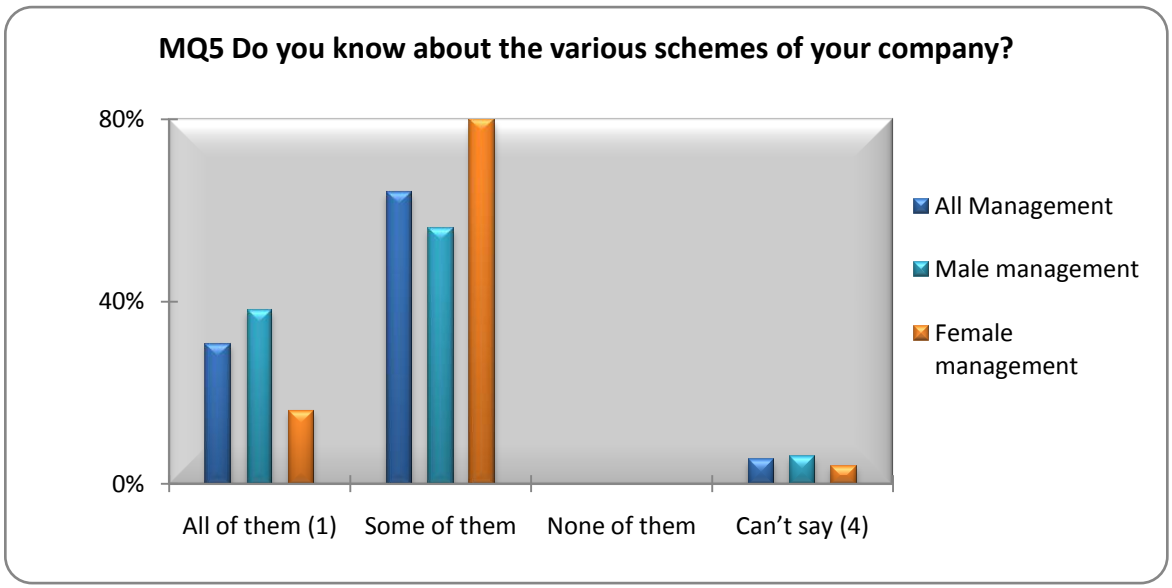


Figure M 27MQ5 Do you know about the various schemes of your company?

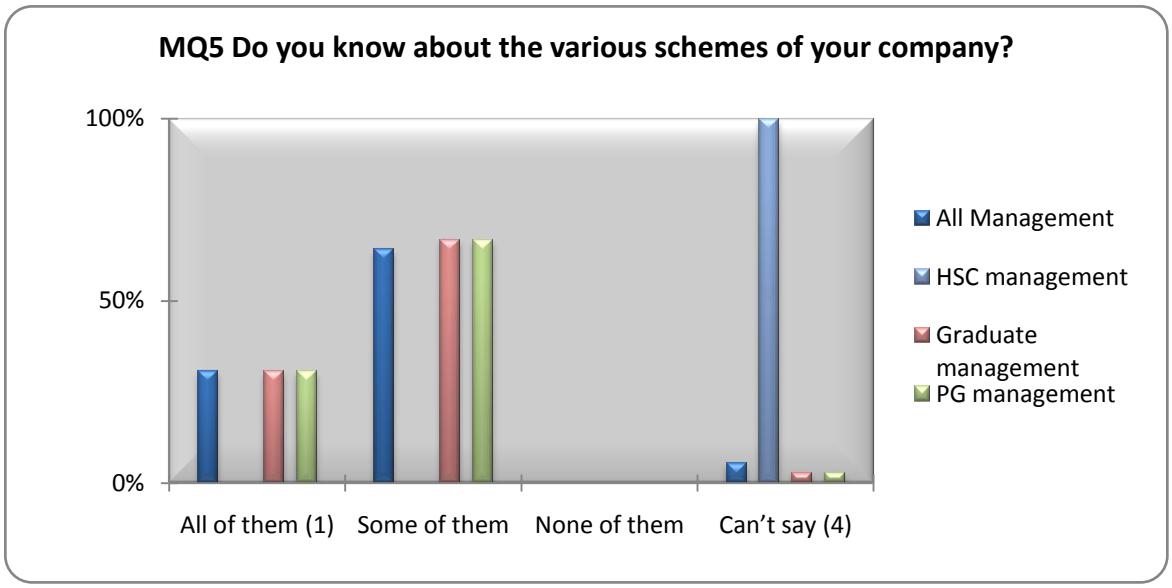
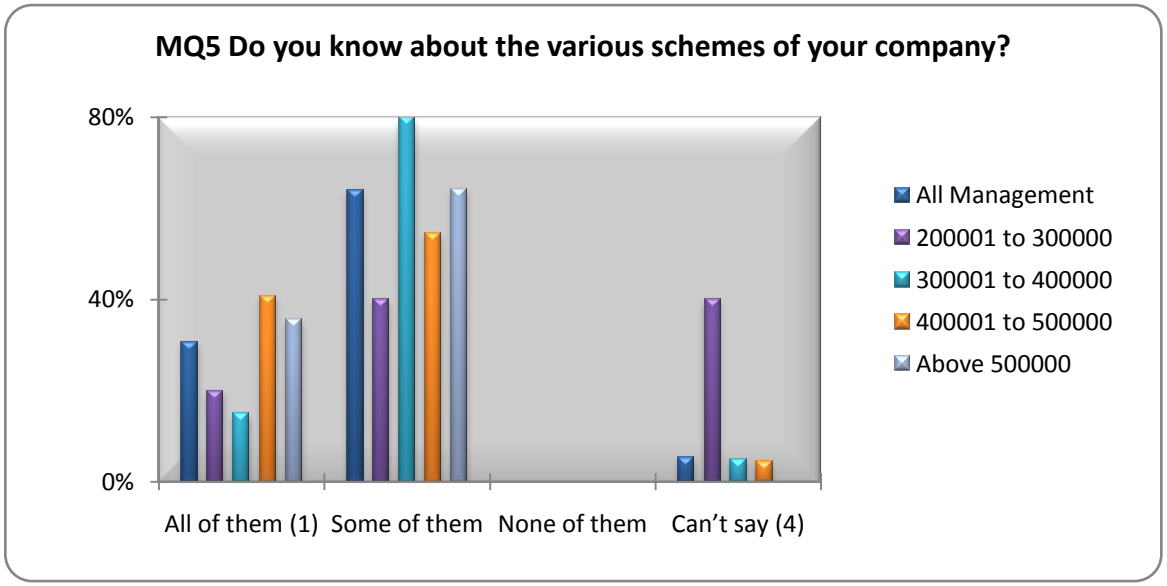


Figure M 28MQ5 Do you know about the various schemes of your company?



MQ5 Do you know about the various schemes of your company?

At 'all managements' level, 64% respondents of the respondents are of the opinion that they cannot say whether they know about the various schemes of their companies. Most of the respondents at various levels and at all the

categories are also of the same opinion and there is majority of the respondents saying this. The policies are issued to the customers as per their requirements and demands. This again depends of the area in which the office of the company is located. So the officer issuing these policies is familiar with these types of policies and not all the policies / schemes of the company. However, if other kinds of policies are required, those also can be arranged by him, whether is familiar with those schemes or not. Hence, many a times it is found that employees are aware about some of the schemes and not all the schemes.

Table M 9MQ6 Liberalisation has affected the general insurance business.

MQ6 Liberalisation has affected the general insurance business.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	10.67%	58.67%	5.33%	22.67%	2.67%
Top level management	6.67%	46.67%	6.67%	40.00%	0.00%
Middle level management	7.41%	55.56%	3.70%	25.93%	7.41%
Officers	17.86%	60.71%	7.14%	14.29%	0.00%
Male management	10.00%	54.00%	6.00%	26.00%	4.00%
Female management	12.00%	68.00%	4.00%	16.00%	0.00%
HSC management	0.00%	0.00%	0.00%	100%	0.00%
Graduate management	16.67%	55.56%	5.56%	16.67%	5.56%
PG management	16.67%	55.56%	5.56%	16.67%	5.56%
200001 to 300000	0.00%	40.00%	20.00%	40.00%	0.00%
300001 to 400000	10.00%	75.00%	5.00%	10.00%	0.00%
400001 to 500000	4.55%	54.55%	4.55%	31.82%	4.55%
Above 500000	17.86%	53.57%	3.57%	21.43%	3.57%

Statistics MQ6 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.52	1.04	0.24	3.76	3.28	0.88

Statistics M 3

Figure M 29MQ6 Liberalisation has affected the general insurance business.

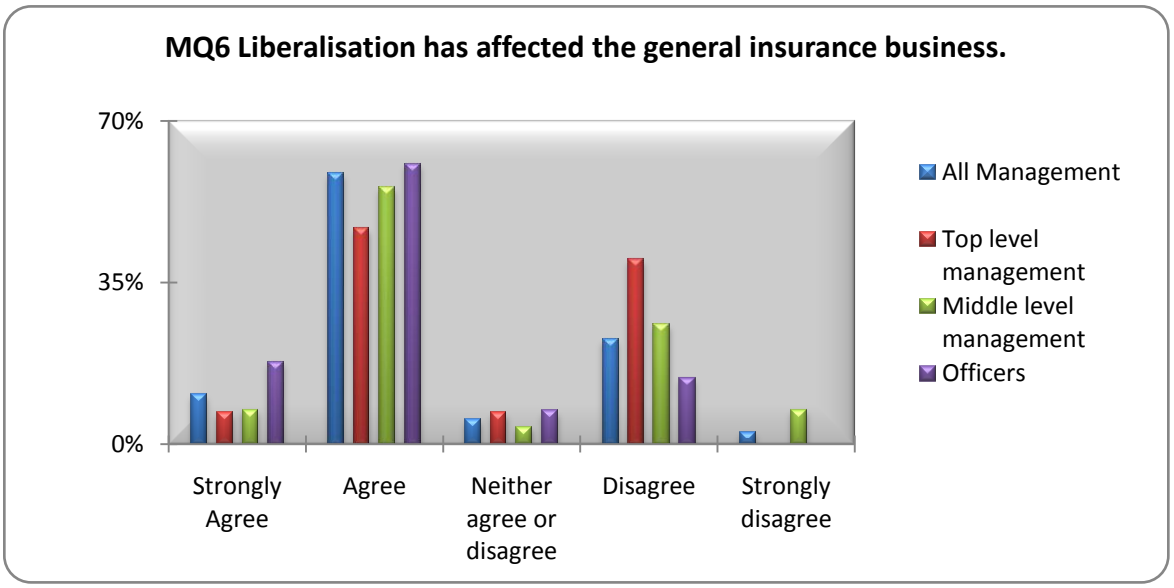


Figure M 30MQ6 Liberalisation has affected the general insurance business.

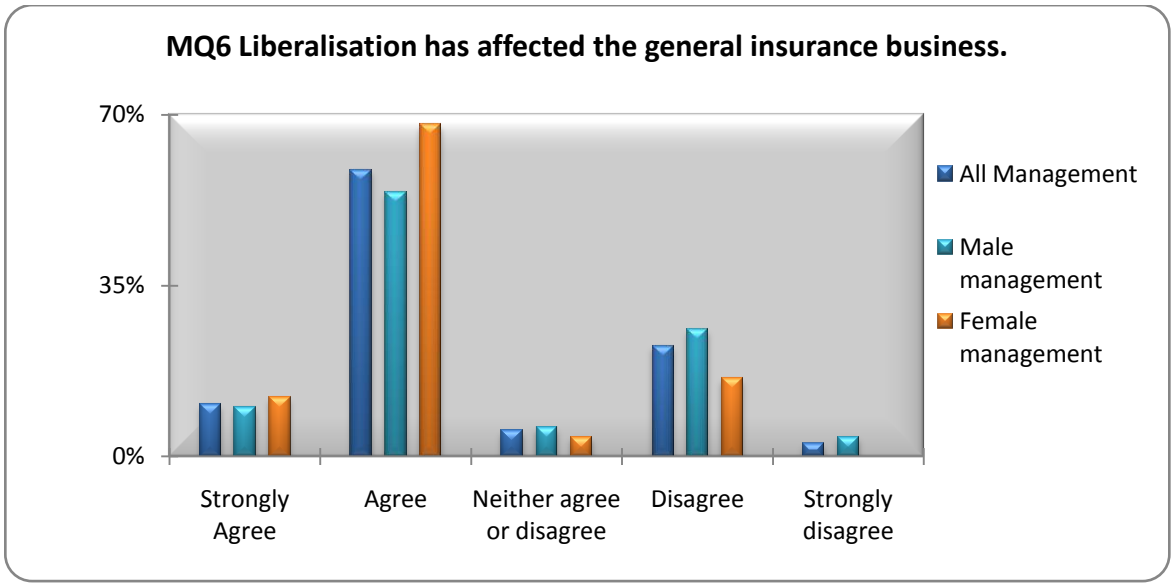


Figure M 31MQ6 Liberalisation has affected the general insurance business.

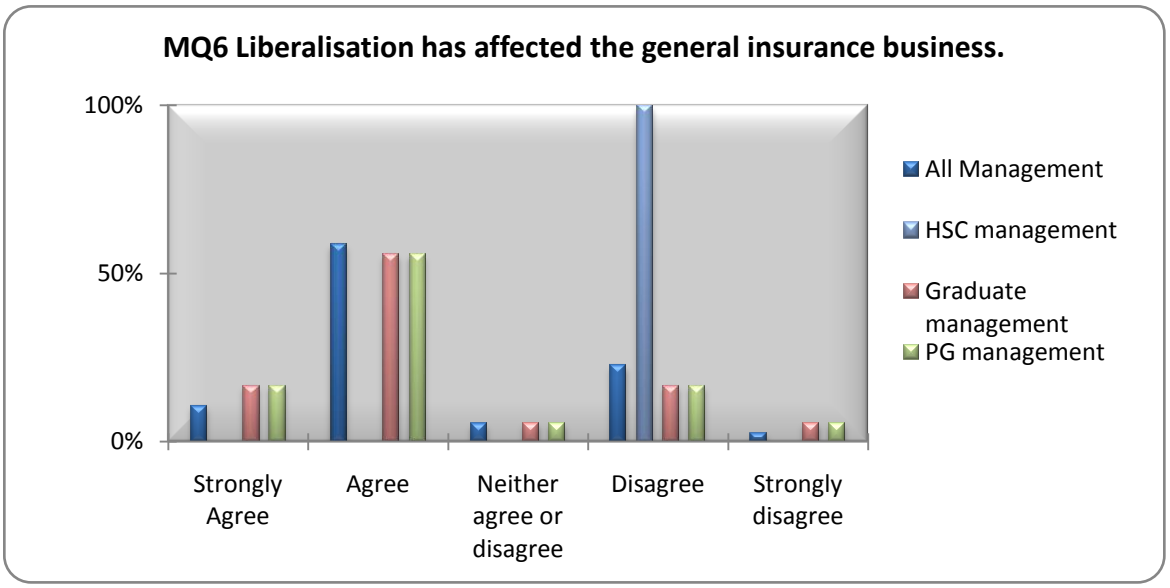
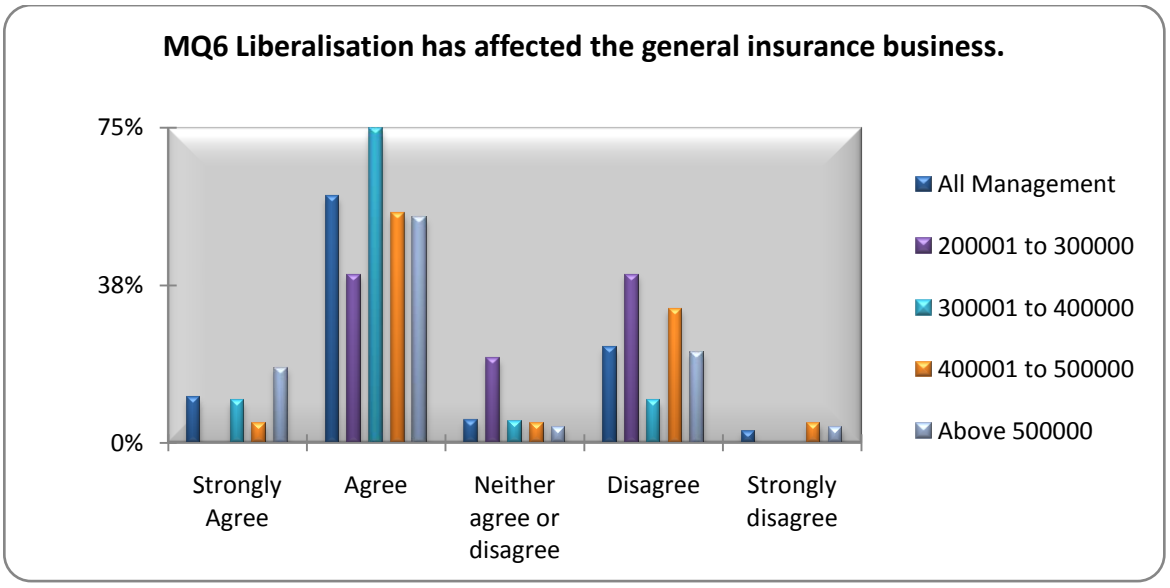


Figure M 32MQ6 Liberalisation has affected the general insurance business.



MQ6 Liberalisation has affected the general insurance business.

Overall 69.34% at 'all management' level say that the liberalization has affected the general insurance business. 53.34% respondents from top management, 62.97% from middle management and 78.59% officers are also of the same

opinion. At various levels and at all other categories also the respondents feel like this. This is because till liberalization, there was monopoly of public sector general insurance companies. The insurance business was concentrated in the hands of public sector general insurance companies. Because of entry of private companies the business has now been diverted to private companies also. Some of the experts from public sector general insurance companies have also joined private sector general insurance companies and this is how the business of public sector general insurance companies has been affected after liberalization.

Table M 10MQ7 What is the level of competition of your company with other general insurance companies?

MQ7 What is the level of competition of your company with other general insurance companies?	Intense (5)	High	Do not know	Low	Very Low (1)
All Management	17.33%	69.33%	5.33%	5.33%	2.67%
Top level management	20.00%	73.33%	0.00%	6.67%	0.00%
Middle level management	14.81%	70.37%	3.70%	7.41%	3.70%
Officers	14.81%	70.37%	3.70%	7.41%	3.70%
Male management	18.00%	68.00%	8.00%	4.00%	2.00%
Female management	16.00%	72.00%	0.00%	8.00%	4.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	13.89%	75.00%	8.33%	2.78%	0.00%
PG management	13.89%	75.00%	8.33%	2.78%	0.00%
200001 to 300000	0.00%	80.00%	0.00%	0.00%	20.00%
300001 to 400000	20.00%	75.00%	5.00%	0.00%	0.00%
400001 to 500000	18.18%	59.09%	9.09%	9.09%	4.55%
Above 500000	17.86%	71.43%	3.57%	7.14%	0.00%

Statistics MQ7 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.93	0.83	0.19	4.12	3.74	0.46

Statistics M 4

Figure M 33MQ7 What is the level of competition of your company with other general insurance companies?

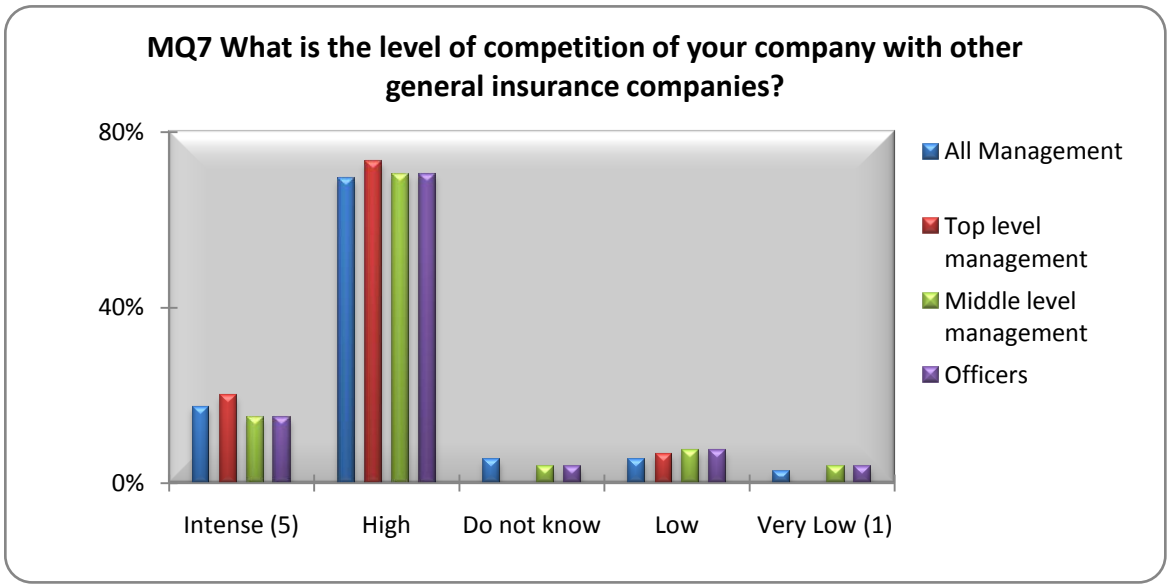


Figure M 34MQ7 What is the level of competition of your company with other general insurance companies?

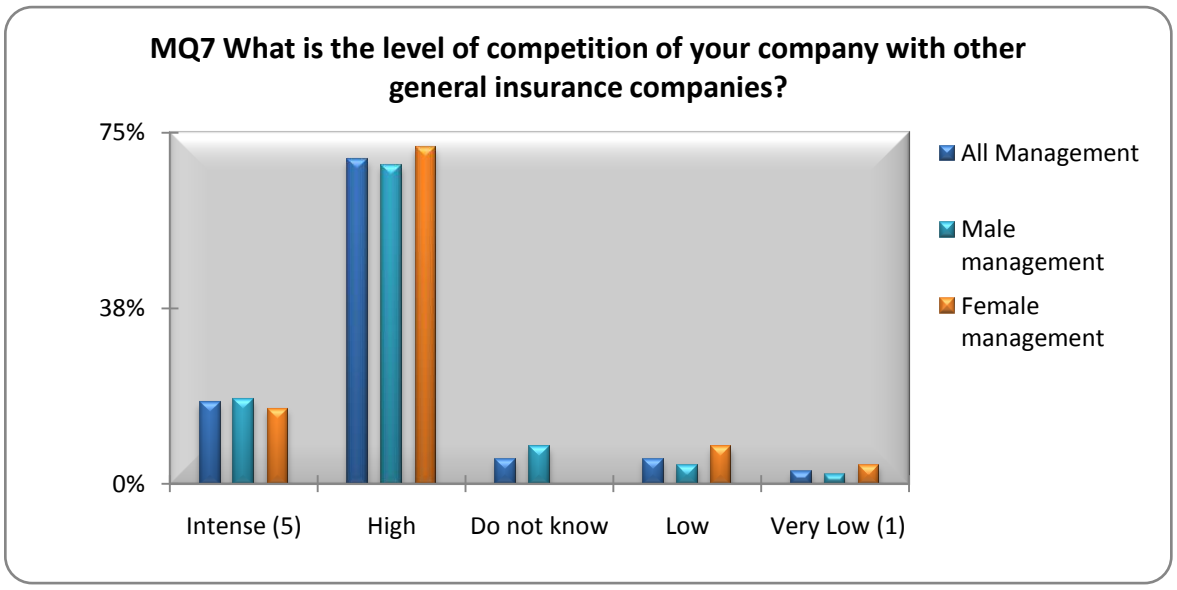


Figure M 35MQ7 What is the level of competition of your company with other general insurance companies?

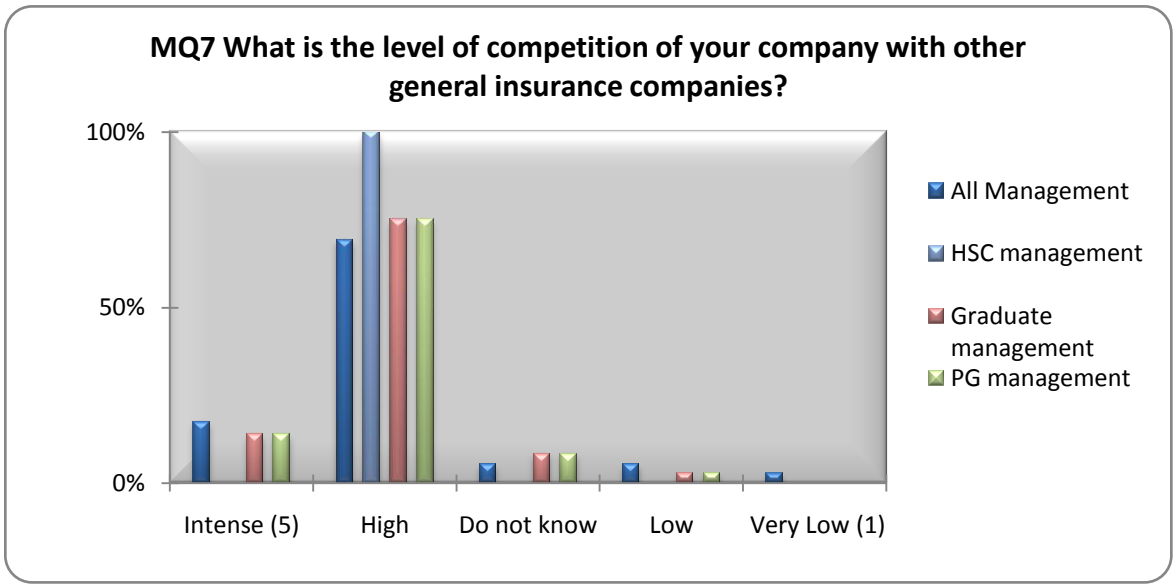
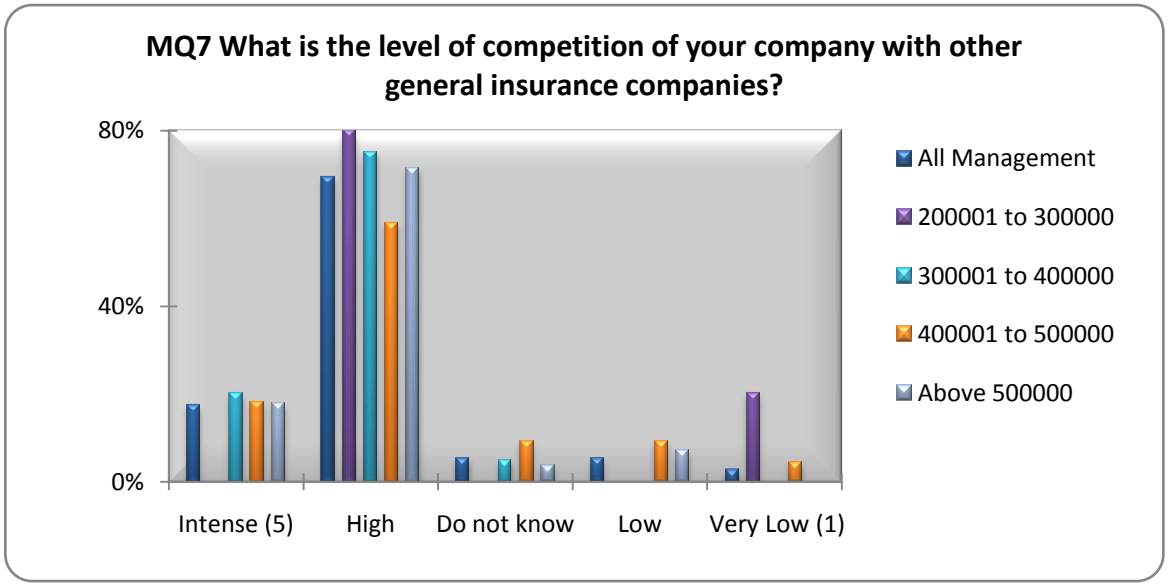


Figure M 36MQ7 What is the level of competition of your company with other general insurance companies?



MQ7 What is the level of competition of your company with other general insurance companies?

At 'all managements' level, 88.66% say that the level of competition of their company with other general insurance companies is very high. 95.30%

respondents into management, 85.18% in middle management and 85.11% in officers' level are also of the same opinion. At various levels in all the categories, more than 80% also feel the same way. This means that the experts/top management level staff has gone to private sector general insurance companies and with them the expert knowledge has also been transferred to them. Due to this corporate business has gone to private companies. Moreover, the private companies can afford to reduce rates as per their needs and they get the benefits of this, which public sector general insurance companies cannot do and therefore, to get business level of competition has increased very much.

Table M 11MQ8 The private sector general insurance companies are far ahead in marketing when compared with the public sector general insurance companies.

MQ8 The private sector general insurance companies are far ahead in marketing when compared with the public sector general insurance companies.	**Strongly Agree**	**Agree**	**Neither agree or disagree**	**Disagree**	**Strongly disagree**
All Management	6.67%	40.00%	10.67%	36.00%	6.67%
Top level management	0.00%	6.67%	13.33%	66.67%	13.33%
Middle level management	3.70%	48.15%	3.70%	33.33%	11.11%
Officers	14.29%	46.43%	14.29%	25.00%	0.00%
Male management	2.00%	38.00%	12.00%	40.00%	8.00%
Female management	16.00%	44.00%	8.00%	28.00%	4.00%
HSC management	0.00%	0.00%	0.00%	100%	0.00%
Graduate management	8.33%	38.89%	11.11%	27.78%	13.89%
PG management	8.33%	38.89%	11.11%	27.78%	13.89%
200001 to 300000	20.00%	20.00%	0.00%	60.00%	0.00%
300001 to 400000	10.00%	55.00%	5.00%	30.00%	0.00%
400001 to 500000	0.00%	40.91%	18.18%	31.82%	9.09%
Above 500000	7.14%	32.14%	10.71%	39.29%	10.71%

Statistics MQ8 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.04	1.14	0.26	3.30	2.78	1.03

Statistics M 5

Figure M 37MQ8 The private sector general insurance companies are far ahead in marketing when compared with the public sector general insurance companies.

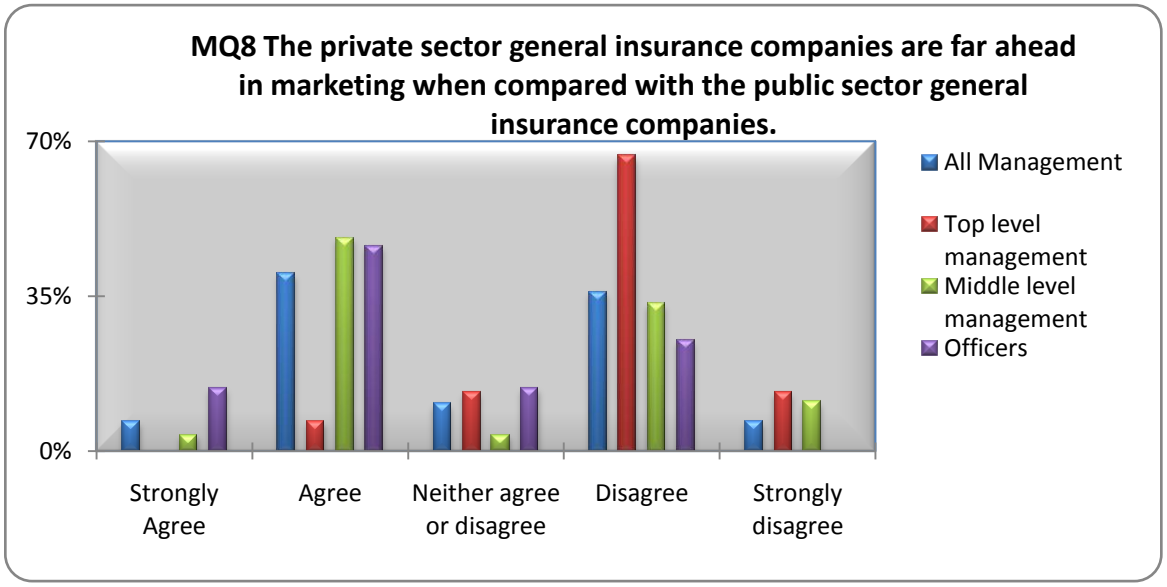


Figure M 38MQ8 The private sector general insurance companies are far ahead in marketing when compared with the public sector general insurance companies.

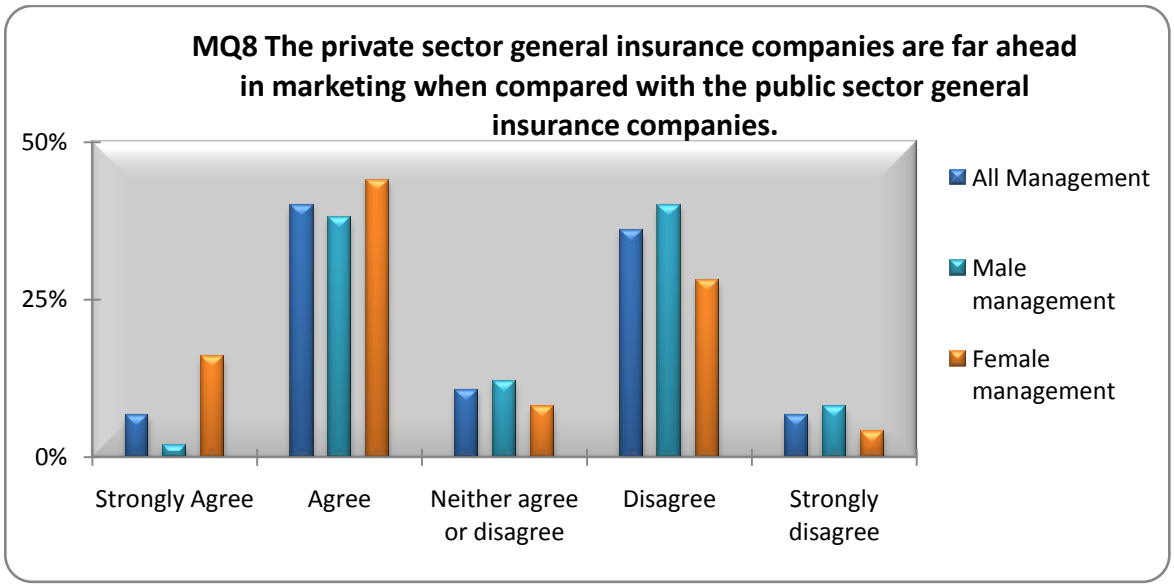


Figure M 39MQ8 The private sector general insurance companies are far ahead in marketing when compared with the public sector general insurance companies.

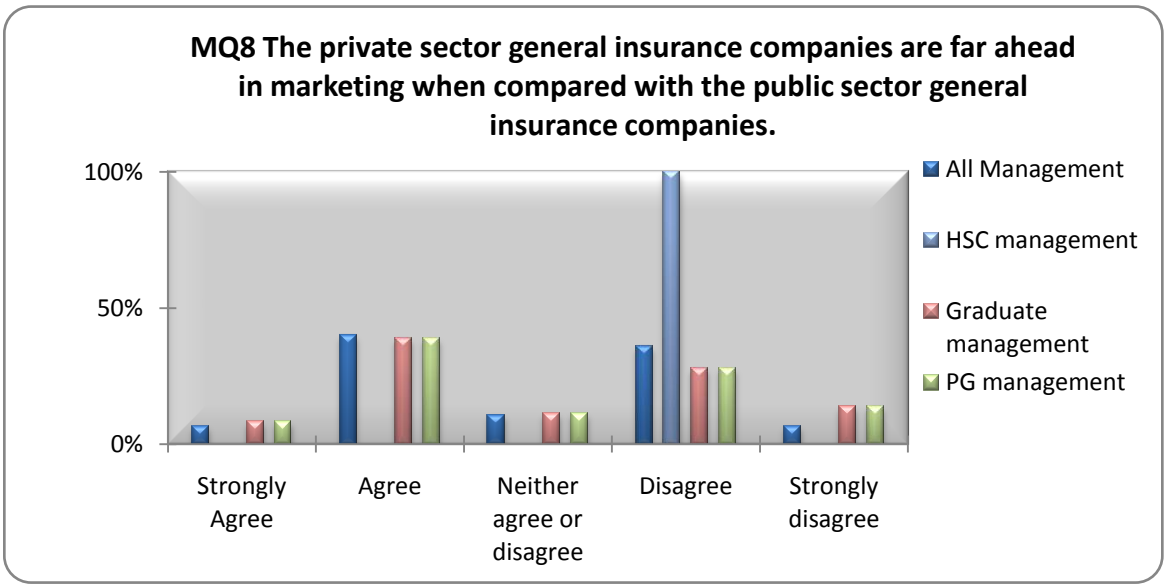
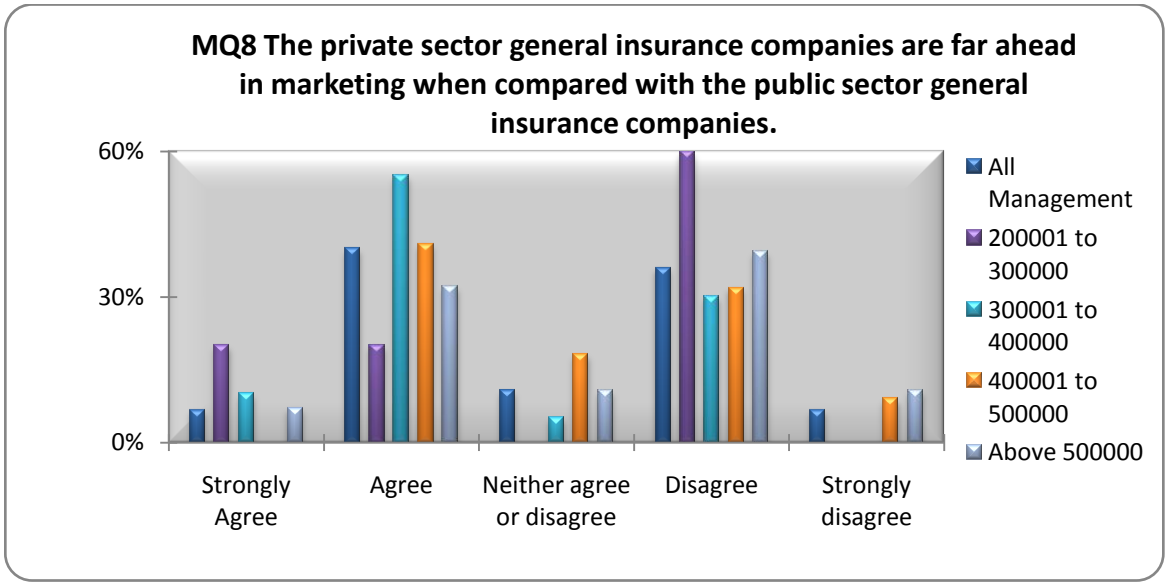


Figure M 40MQ8 The private sector general insurance companies are far ahead in marketing when compared with the public sector general insurance companies.



MQ8 The private sector general insurance companies are far ahead in marketing when compared with the public sector general insurance companies.

At 'all management' level, 46.67% respondents agree say that private sector general insurance companies are far ahead in marketing when compared with public sector general insurance companies, while 42.67% do not agree. At top management level, 80% agree, at middle management level, 51.85% agree and at officers' level, 60.72% also agree. The private companies are relatively new when compared with public sector general insurance companies. To withstand in the market, they have to advertise themselves in attractive way. However, public sector companies have been in market since long time and established with government support.

Table M 12MQ9 Your Company is making more profits every year.

MQ9 Your Company is making more profits every year.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	8.00%	36.00%	29.33%	25.33%	1.33%
Top level management	6.67%	40.00%	20.00%	33.33%	0.00%
Middle level management	11.11%	29.63%	37.04%	18.52%	3.70%
Officers	7.14%	42.86%	25.00%	25.00%	0.00%
Male management	6.00%	38.00%	32.00%	22.00%	2.00%
Female management	12.00%	32.00%	24.00%	32.00%	0.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	2.78%	41.67%	36.11%	19.44%	0.00%
PG management	2.78%	41.67%	36.11%	19.44%	0.00%
200001 to 300000	0.00%	20.00%	20.00%	60.00%	0.00%
300001 to 400000	5.00%	40.00%	35.00%	20.00%	0.00%
400001 to 500000	13.64%	54.55%	9.09%	18.18%	4.55%
Above 500000	7.14%	21.43%	42.86%	28.57%	0.00%

Statistics MQ9 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.24	0.97	0.22	3.46	3.02	0.83

Statistics M 6

Figure M 41MQ9 Your Company is making more profits every year.



Figure M 42MQ9 Your Company is making more profits every year.



Figure M 43MQ9 Your Company is making more profits every year.



Figure M 44MQ9 Your Company is making more profits every year.



MQ9 Your Company is making more profits every year.

At 'all management' level, 46% say that their company is making more profit every year, while in the same category, 26.66% do not agree and 29.33% say they cannot say. At top management level, 46.67% agree to this statement, however, 33.33% do not agree. At middle level, 44.74% agree and 37.04% cannot say. 50% at officers' level say they agree, 25% of them cannot say and

25% do not agree. The profit depends mostly on percentage of premiums and claims, which again depends on circumstances and situations. Some times in a particular year due to big claims substantial amounts are required to be paid resulting in loss and sometimes this is not the case. It is very very difficult to say exactly whether the company will continue to make profits every year.

Table M 13MQ10 In the absence of private sector general insurance companies the public sector general insurance companies would have had more business.

MQ10	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	18.67%	53.33%	8.00%	18.67%	1.33%
Top level management	20.00%	33.33%	13.33%	33.33%	0.00%
Middle level management	18.52%	48.15%	11.11%	22.22%	0.00%
Officers	21.43%	60.71%	3.57%	10.71%	3.57%
Male management	12.00%	56.00%	10.00%	22.00%	0.00%
Female management	32.00%	48.00%	4.00%	12.00%	4.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	19.44%	63.89%	5.56%	11.11%	0.00%
PG management	19.44%	63.89%	5.56%	11.11%	0.00%
200001 to 300000	0.00%	40.00%	0.00%	40.00%	20.00%
300001 to 400000	20.00%	70.00%	0.00%	10.00%	0.00%
400001 to 500000	27.27%	36.36%	13.64%	22.73%	0.00%
Above 500000	14.29%	57.14%	10.71%	17.86%	0.00%

Statistics MQ10 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.69	1.03	0.24	3.93	3.46	0.81

Statistics M 7

Figure M 45MQ10 In the absence of private sector general insurance companies the public sector general insurance companies would have had more business.

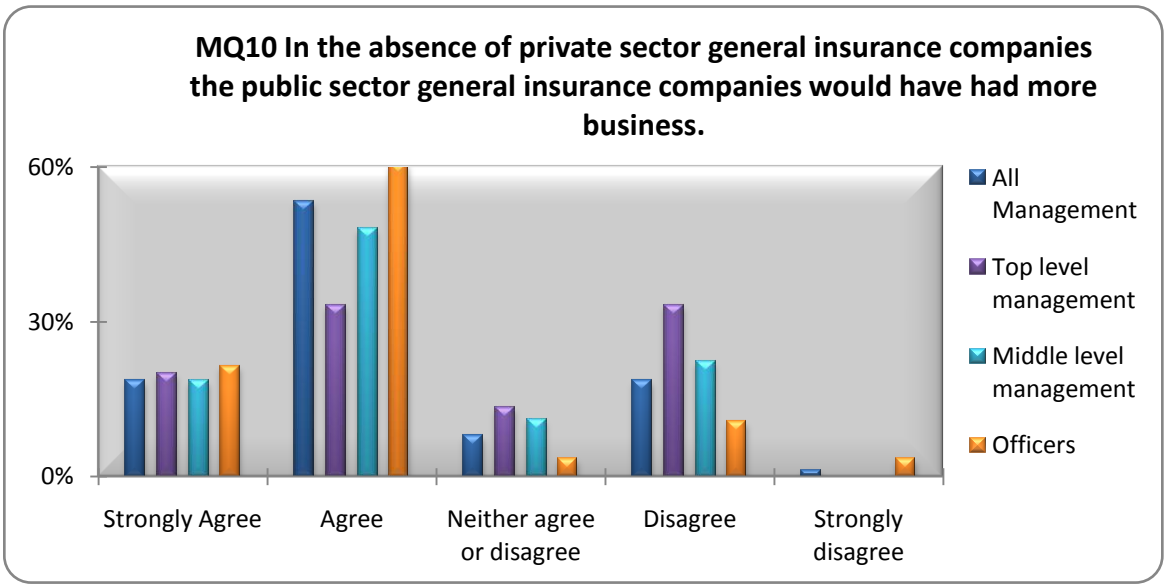


Figure M 46MQ10 In the absence of private sector general insurance companies the public sector general insurance companies would have had more business.

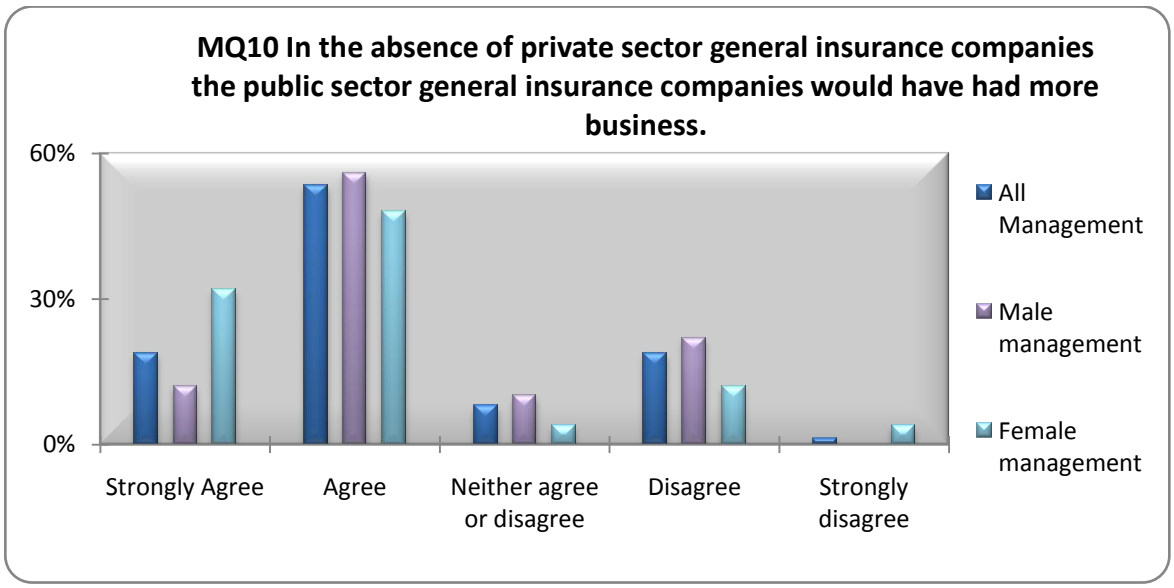


Figure M 47MQ10 In the absence of private sector general insurance companies the public sector general insurance companies would have had more business.

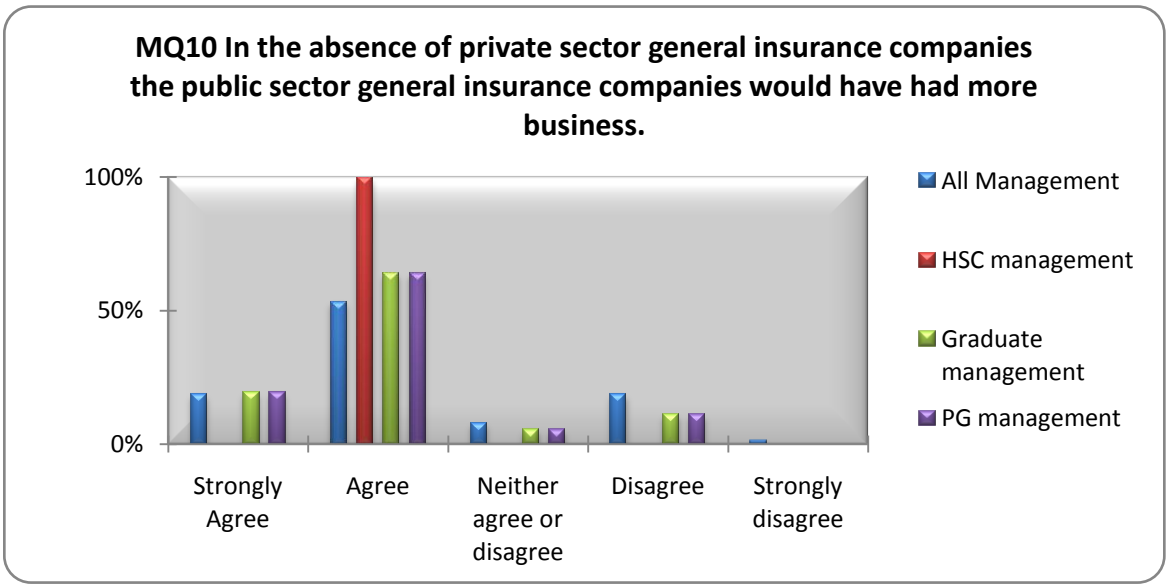
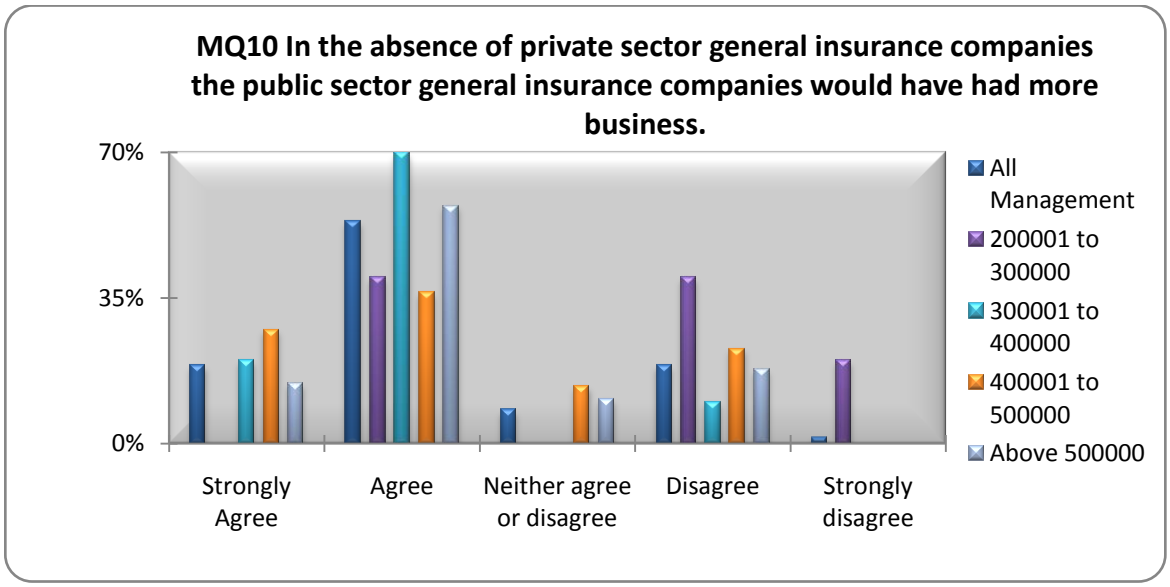


Figure M 48**MQ10 In the absence of private sector general insurance companies the public sector general insurance companies would have had more business.**



MQ10 In the absence of private sector general insurance companies the public sector general insurance companies would have had more business.

At 'all managements' level, 72% say that in the absence of private sector general insurance companies, the public sector general insurance companies would have had more business. 53.33% top management respondents, 66.67% middle management and 82.14% officers also agree to this statement. This is very true as had there been no private sector general insurance companies, the existing business as well as new business would have remained with public sector general insurance companies.

Table M 14MQ11 Some of the corporate business of public sector general insurance companies has gone to private sector general insurance companies.

MQ11 Some of the corporate business of public sector general insurance companies has gone to private sector general insurance companies.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	5.41%	74.32%	8.11%	12.16%	0.00%
Top level management	0.00%	86.67%	6.67%	6.67%	0.00%
Middle level management	3.70%	70.37%	11.11%	14.81%	0.00%
Officers	10.71%	71.43%	3.57%	14.29%	0.00%
Male management	2.04%	77.55%	8.16%	12.24%	0.00%
Female management	12.00%	68.00%	8.00%	12.00%	0.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	5.71%	74.29%	5.71%	14.29%	0.00%
PG management	5.71%	74.29%	5.71%	14.29%	0.00%
200001 to 300000	0.00%	100.00%	0.00%	0.00%	0.00%
300001 to 400000	5.26%	73.68%	5.26%	15.79%	0.00%
400001 to 500000	9.09%	54.55%	13.64%	22.73%	0.00%
Above 500000	3.57%	85.71%	7.14%	3.57%	0.00%

Statistics MQ11 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
4.27	4.71	1.09	5.36	3.18	1.14

Statistics M 8

Figure M 49MQ11 Some of the corporate business of public sector general insurance companies has gone to private sector general insurance companies.

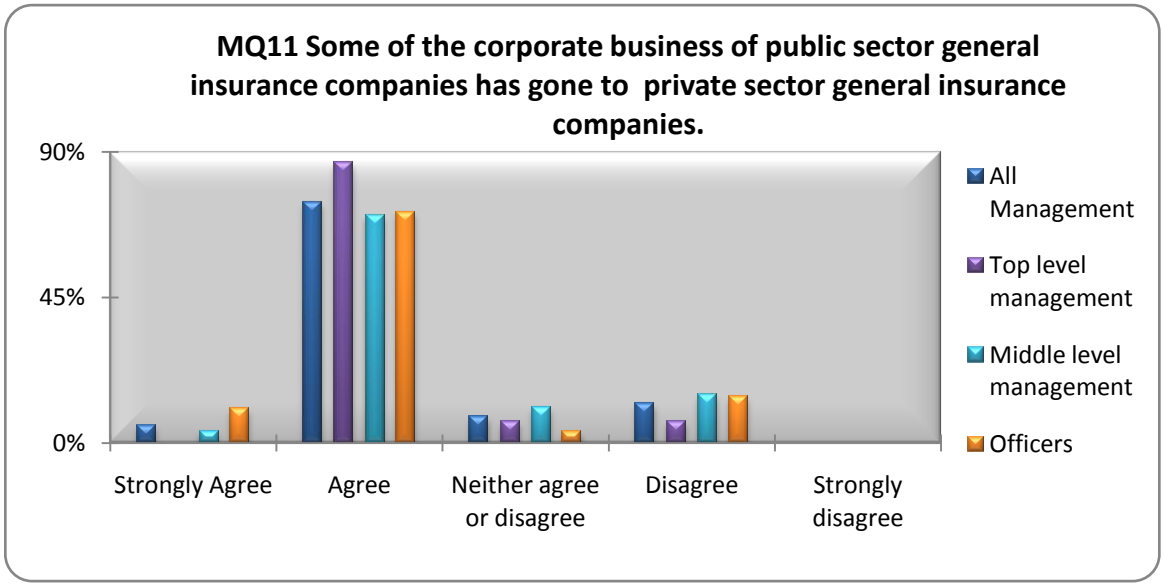


Figure M 50MQ11 Some of the corporate business of public sector general insurance companies has gone to private sector general insurance companies.

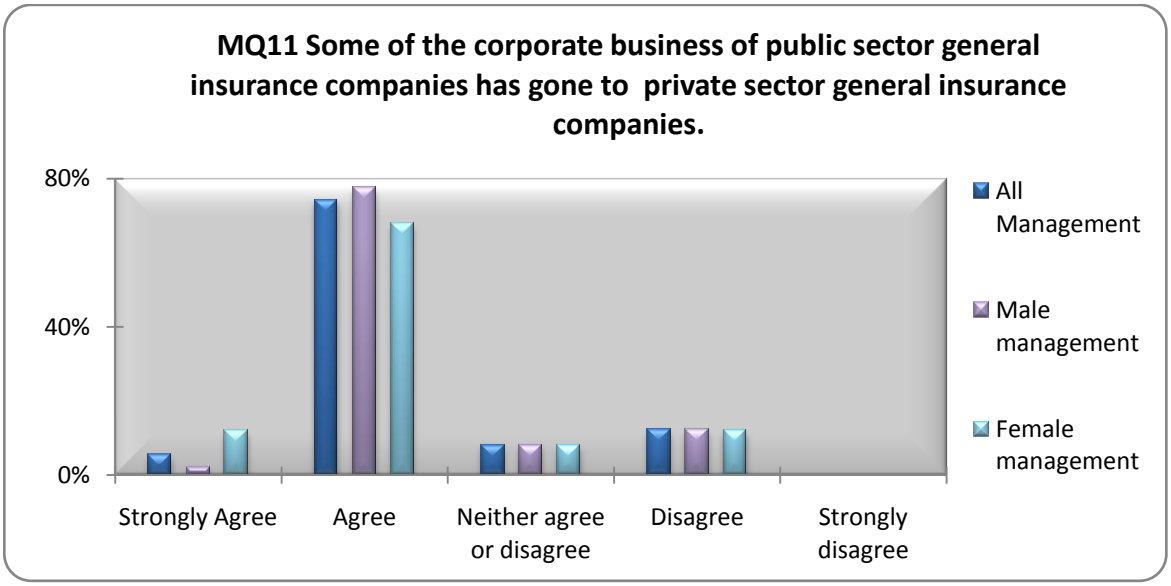


Figure M 51MQ11 Some of the corporate business of public sector general insurance companies has gone to private sector general insurance companies.

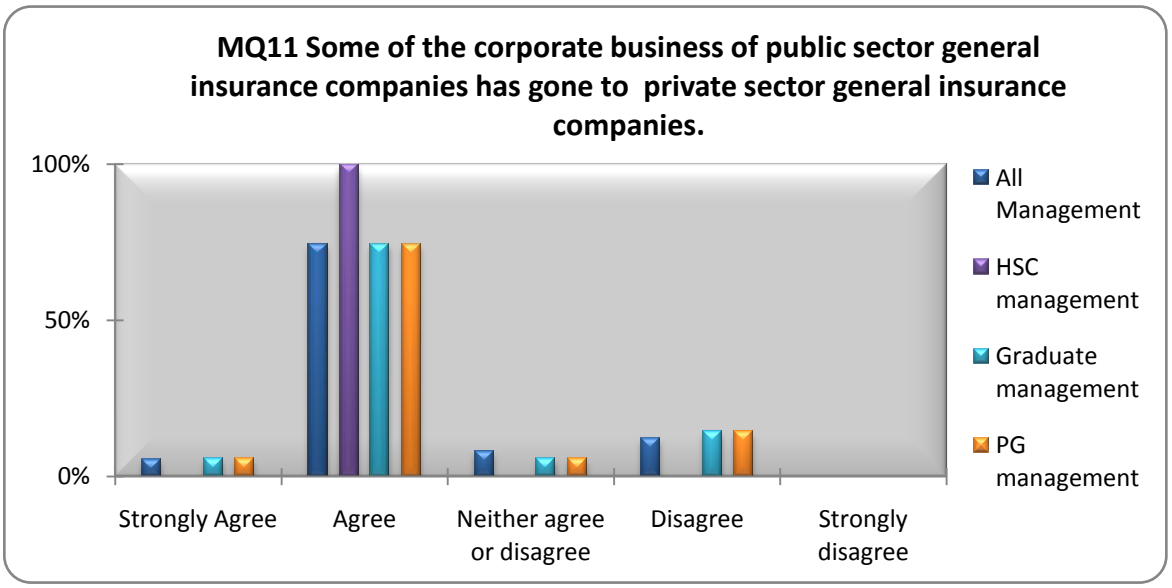
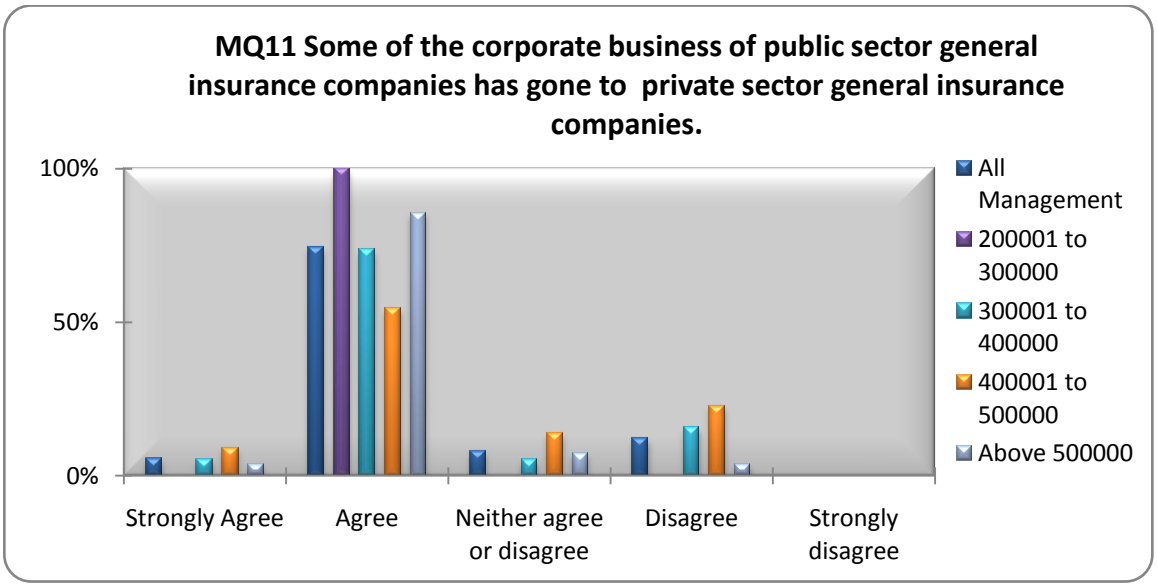


Figure M 52MQ11 Some of the corporate business of public sector general insurance companies has gone to private sector general insurance companies.



MQ11 Some of the corporate business of public sector general insurance companies has gone to private sector general insurance companies.

At 'all management' level, 79.73% respondents say that some of the corporate business of public sector general insurance companies has gone to private sector general insurance companies. 86.67% top level management respondents, 74.07% middle management respondents and 82.14% officers also agree to this statement. At various levels, at all the categories also the majority of respondents agree to this. This is because due to de-tariffing of the premium rates, the private companies can reduce the rates which public sector companies cannot do because they have to follow rules and regulations. They are bound by rules, regulations and procedures. Another reason is that the some of the experts have joined the private companies as well and they are instrumental in getting the corporate business for private companies.

Table M 15MQ12 The intense competition brought about by deregulation /liberalisation has encouraged the industry to innovate in all areas.

MQ12 The intense competition brought about by deregulation /liberalisation has encouraged the industry to innovate in all areas.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	10.67%	73.33%	10.67%	5.33%	0.00%
Top level management	13.33%	80.00%	6.67%	0.00%	0.00%
Middle level management	11.11%	66.67%	14.81%	7.41%	0.00%
Officers	10.71%	71.43%	10.71%	7.14%	0.00%
Male management	8.00%	72.00%	14.00%	6.00%	0.00%
Female management	8.00%	72.00%	14.00%	6.00%	0.00%
HSC management	0.00%	100.00 %	0.00%	0.00%	0.00%
Graduate management	5.56%	72.22%	16.67%	5.56%	0.00%
PG management	5.56%	72.22%	16.67%	5.56%	0.00%
200001 to 300000	20.00%	80.00%	0.00%	0.00%	0.00%
300001 to 400000	5.00%	90.00%	5.00%	0.00%	0.00%
400001 to 500000	9.09%	63.64%	18.18%	9.09%	0.00%
Above 500000	14.29%	67.86%	10.71%	7.14%	0.00%

Statistics MQ12 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.89	0.65	0.15	4.04	3.74	0.39

Statistics M 9

Figure M 53MQ12 The intense competition brought about by deregulation /liberalisation has encouraged the industry to innovate in all areas.

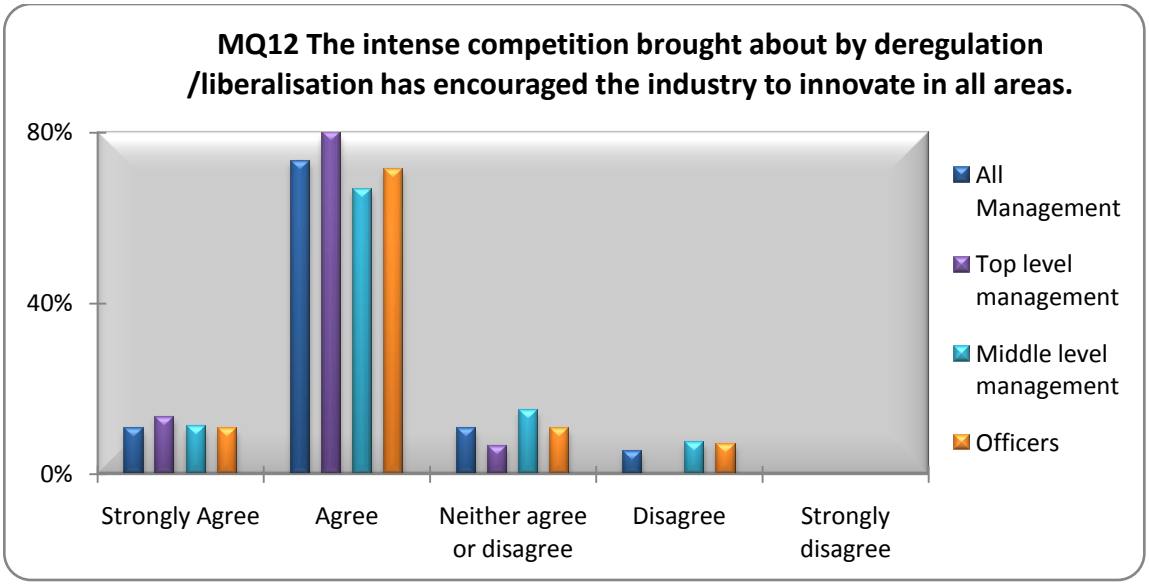


Figure M 54MQ12 The intense competition brought about by deregulation /liberalisation has encouraged the industry to innovate in all areas.

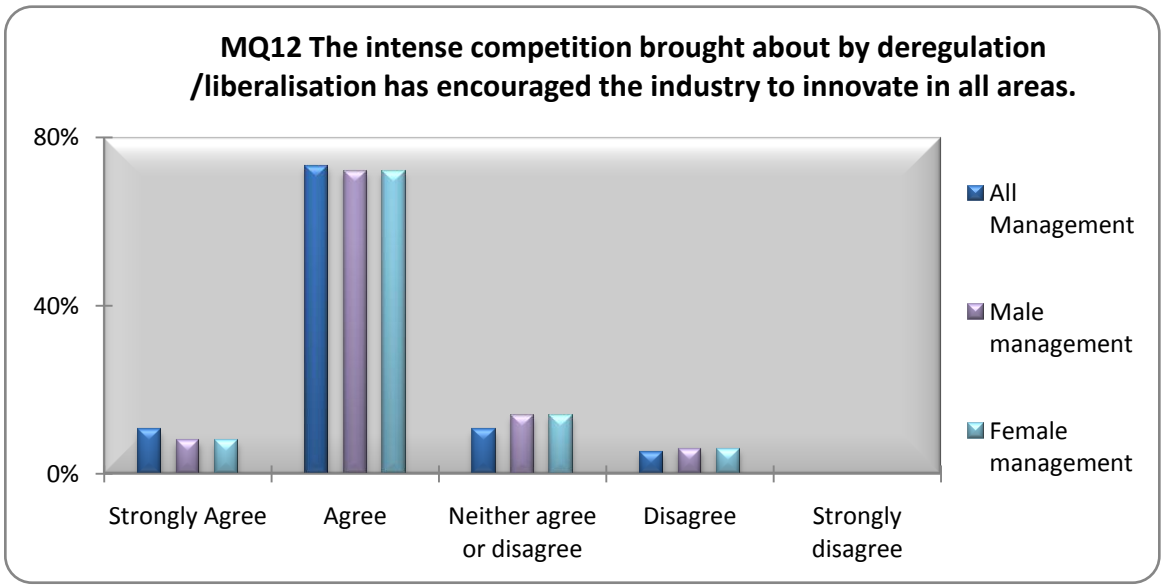


Figure M 55MQ12 The intense competition brought about by deregulation /liberalisation has encouraged the industry to innovate in all areas.

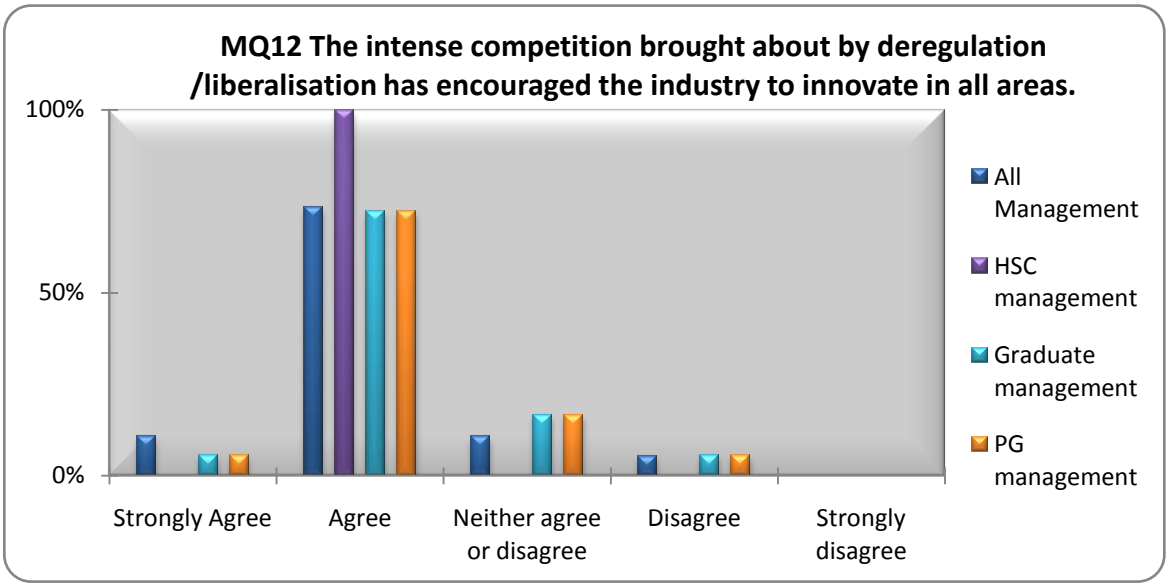
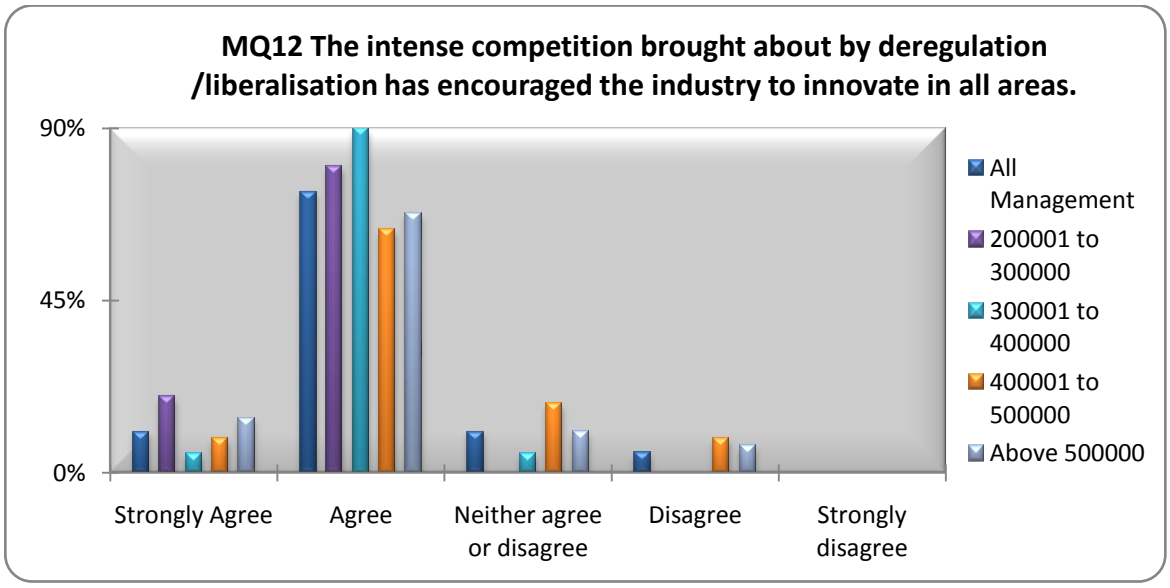


Figure M 56MQ12 The intense competition brought about by deregulation /liberalisation has encouraged the industry to innovate in all areas.



MQ12 The intense competition brought about by deregulation /liberalisation has encouraged the industry to innovate in all areas.

At 'all management' level, 84% respondents say that the intense competition brought about by deregulation/liberalization has encouraged the industry to innovate in all other areas. A majority of as high as 96.33% respondents in top management agree to this. 77.78% from middle management and 82.14%

respondents from officer level agree to this statement. The public sector general insurance companies had to do this to withstand the competition in the market. They had to do the computerization innovate in all areas to face the competition.

Table M 16MQ13 In which area is there a greater awareness about the general insurance business?

MQ13 In which area is there a greater awareness about the general insurance business?	Urban Area (1)	Rural Area (2)	Cannot say (3)
All Management	86.67%	8.00%	5.33%
Top level management	86.67%	6.67%	6.67%
Middle level management	85.19%	11.11%	3.70%
Officers	89.29%	7.14%	3.57%
Male management	84.00%	10.00%	6.00%
Female management	92.00%	4.00%	4.00%
HSC management	100.00%	0.00%	0.00%
Graduate management	86.11%	11.11%	2.78%
PG management	86.11%	11.11%	2.78%
200001 to 300000	60.00%	20.00%	20.00%
300001 to 400000	90.00%	10.00%	0.00%
400001 to 500000	90.91%	4.55%	4.55%
Above 500000	85.71%	7.14%	7.14%

Figure M 57MQ13 In which area is there a greater awareness about the general insurance business?

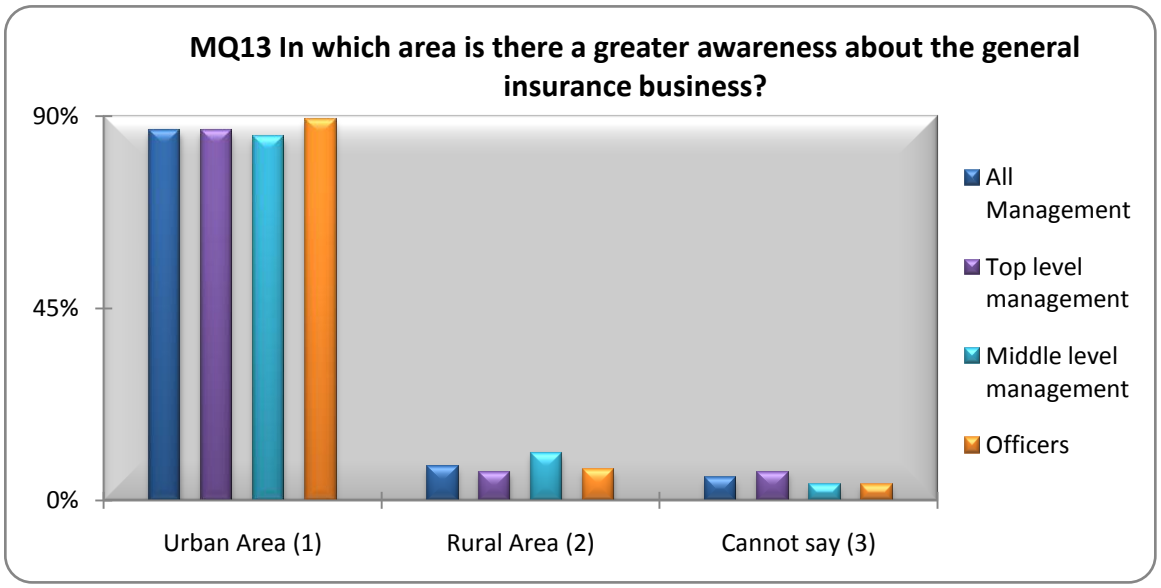


Figure M 58MQ13 In which area is there a greater awareness about the general insurance business?

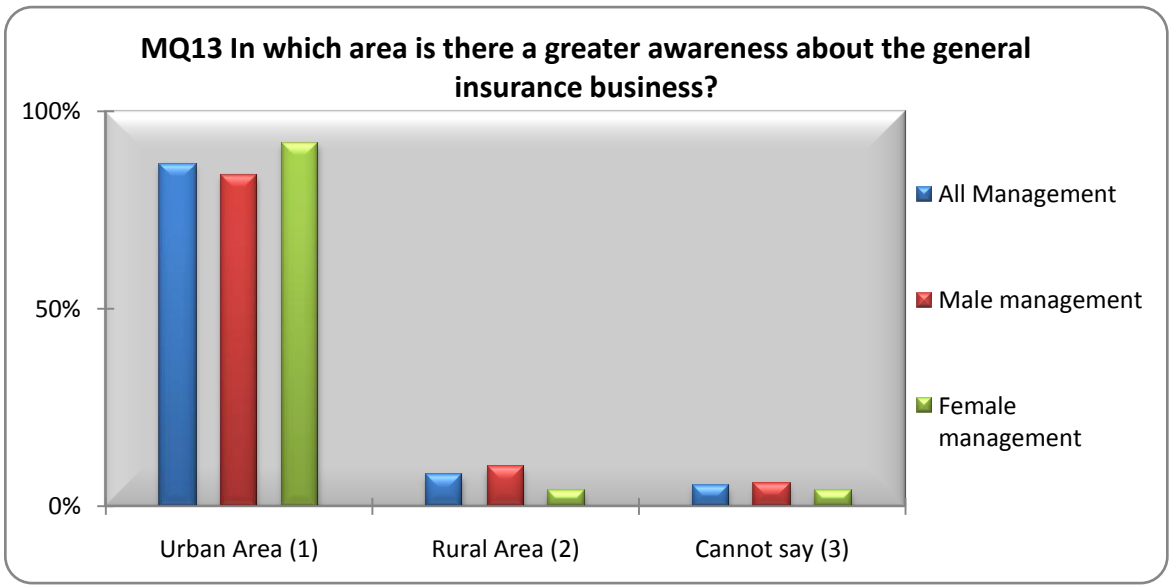


Figure M 59MQ13 In which area is there a greater awareness about the general insurance business?

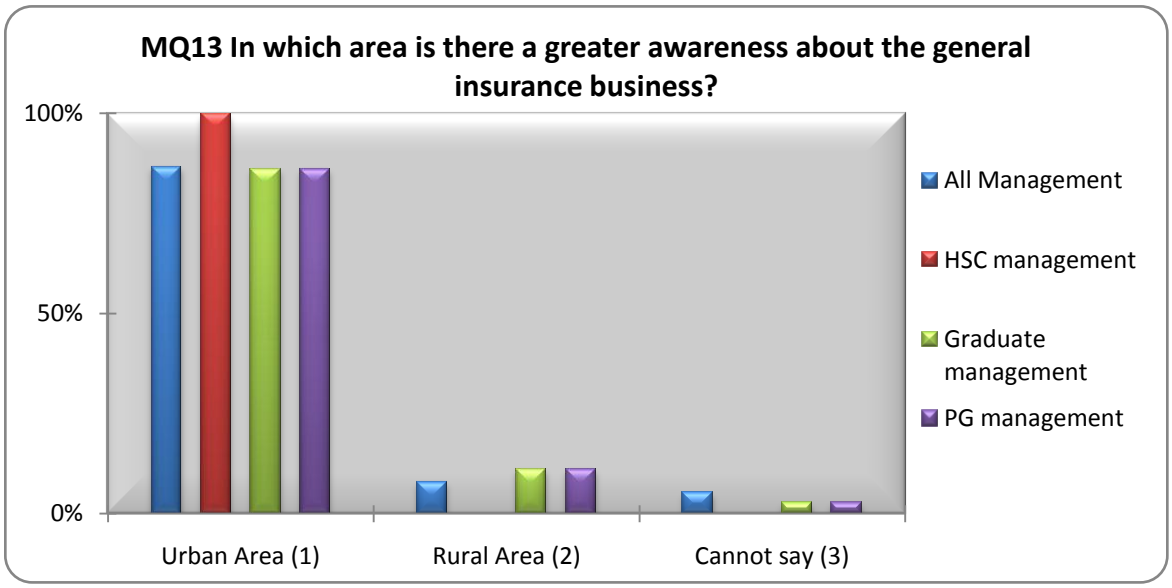
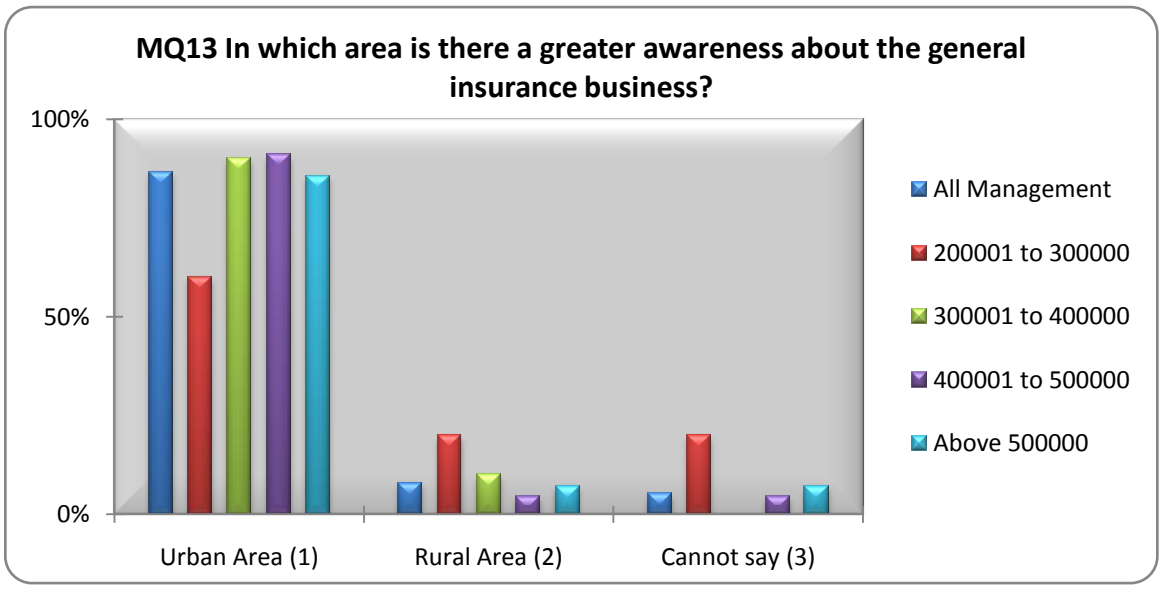


Figure M 60MQ13 In which area is there a greater awareness about the general insurance business?



MQ13 In which area is there a greater awareness about the general insurance business?

At 'all management' level, 86.67% respondents say that there is a greater awareness about general insurance business in urban areas. Equal percentage

from top management category agrees to this, 85.19 from middle management and 89.29% officers also agree. 84% male respondents and 92% female respondents also agree. At various levels in other categories also the percentage of respondents saying the same thing is also about 80% and more. Majority of respondents agree to this statement because in urban areas, the more number of people are educated, the income level of these people is also high as compared with rural people. Moreover, these people are insured by their employers. These people also have to follow the traffic rules in the urban areas and thus the awareness is also high in the urban areas. The media is also playing important role in educating these people and bringing awareness in urban areas.

Table M 17MQ14 The entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.

MQ14 The entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	0.00%	18.67%	12.00%	56.00%	13.33%
Top level management	0.00%	0.00%	13.33%	66.67%	20.00%
Middle level management	0.00%	18.52%	7.41%	59.26%	14.81%
Officers	0.00%	28.57%	10.71%	50.00%	10.71%
Male management	0.00%	14.00%	14.00%	56.00%	16.00%
Female management	0.00%	28.00%	8.00%	56.00%	8.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	0.00%	27.78%	8.33%	50.00%	13.89%
PG management	0.00%	27.78%	8.33%	50.00%	13.89%
200001 to 300000	0.00%	20.00%	0.00%	60.00%	20.00%
300001 to 400000	0.00%	45.00%	10.00%	45.00%	0.00%
400001 to 500000	0.00%	0.00%	27.27%	54.55%	18.18%
Above 500000	0.00%	14.29%	3.57%	64.29%	17.86%

Statistics MQ14 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
2.36	0.94	0.22	2.58	2.14	0.77

Statistics M 10

Figure M 61MQ14 The entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.

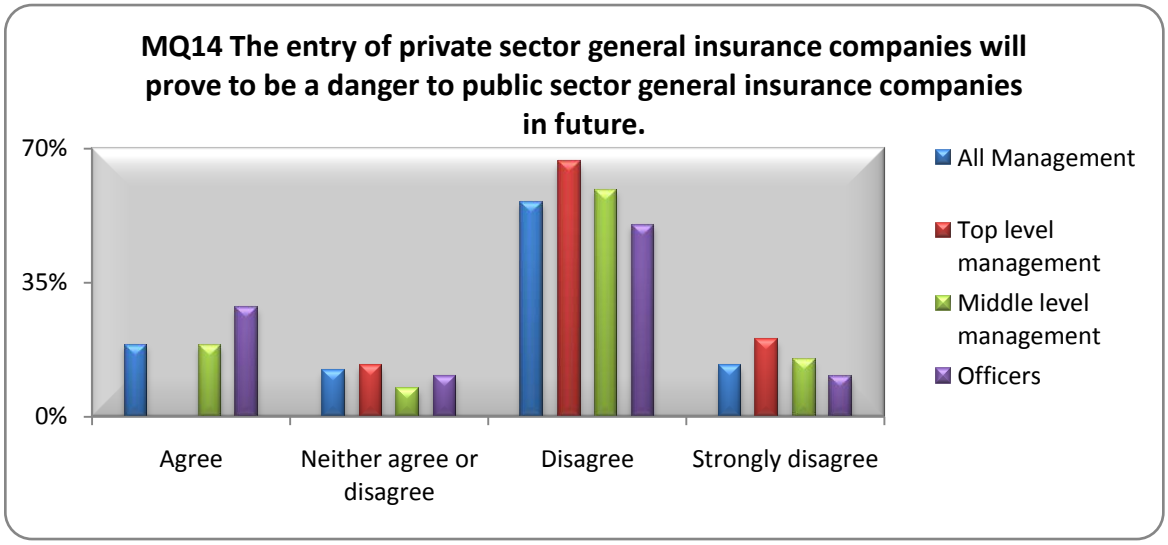


Figure M 62MQ14 The entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.

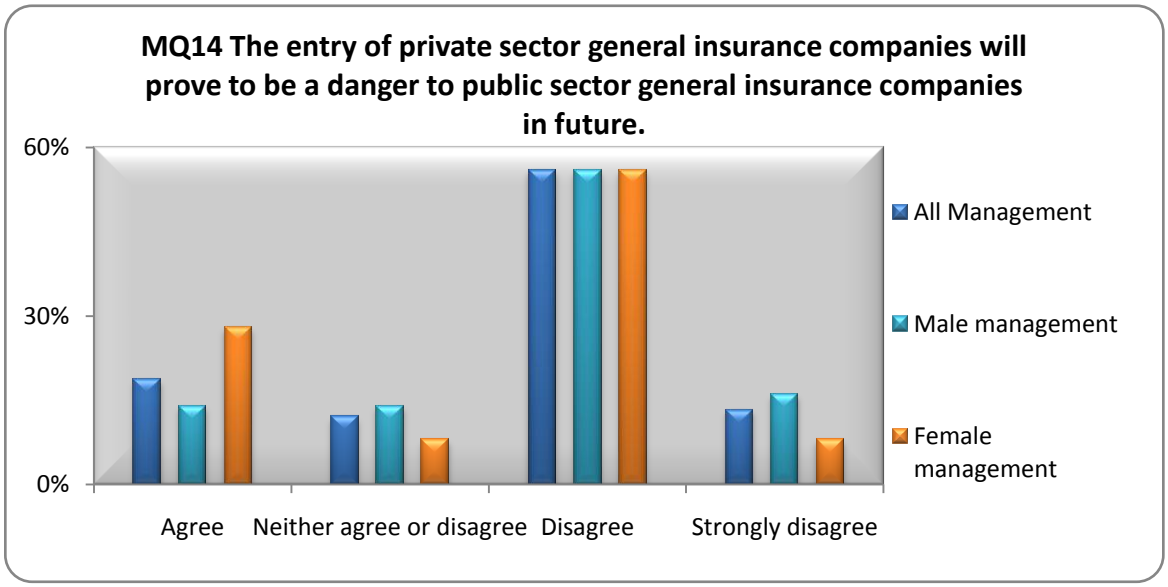


Figure M 63MQ14 The entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.

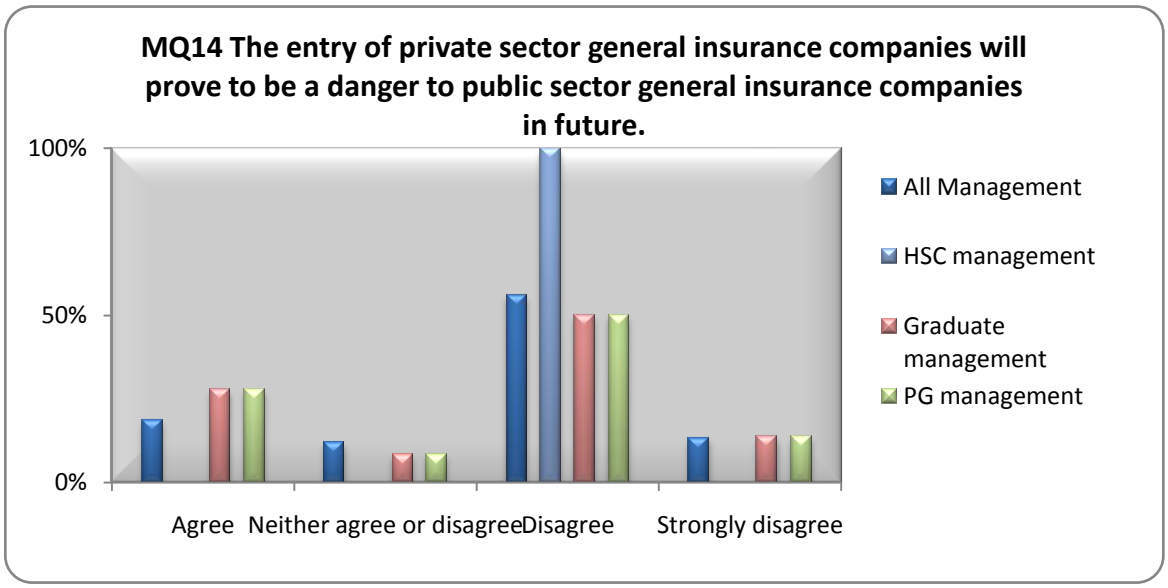
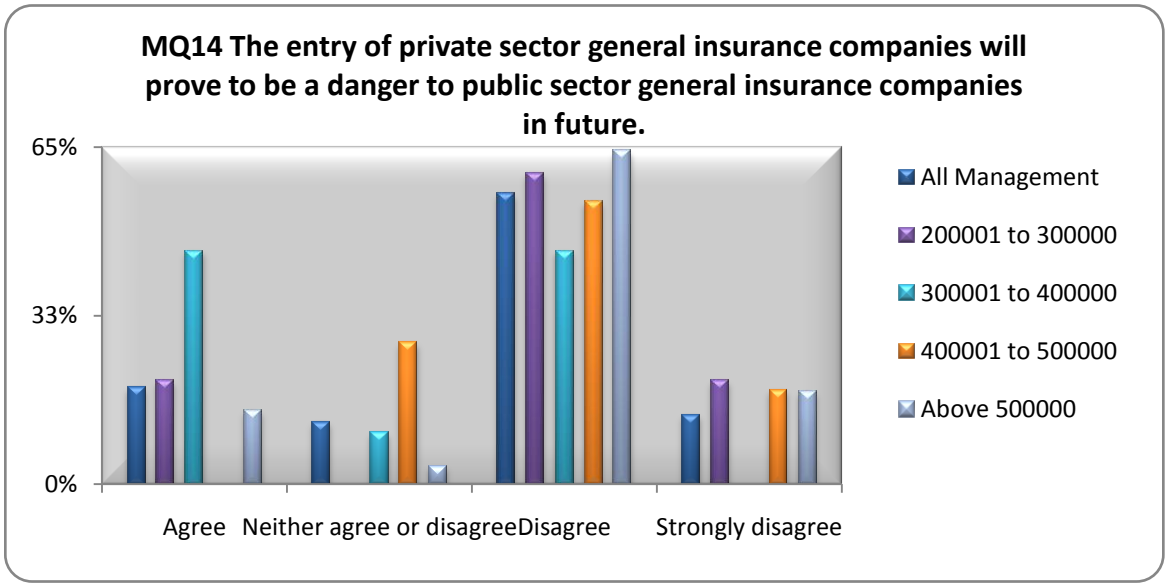


Figure M 64MQ14 The entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.



MQ14 The entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.

Overall 69.33% respondents at 'all management' level say that the entry of private sector general insurance companies will not prove to be a danger to public sector general insurance companies in future. 86.67% respondents from top management level, 74.07% from middle management level and 72% officers are also of the same opinion. The public sector general insurance companies are controlled by government. These companies have a strong base, good infrastructures and faith of the people at large and expertise available. They are also moulding themselves to suit in modern world by applying ultra-modern technologies and on this basis the respondents disagree that entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.

Table M 18MQ15 Because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.

	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	14.67%	68.00%	4.00%	12.00%	1.33%
Top level management	6.67%	66.67%	0.00%	26.67%	0.00%
Middle level management	11.11%	66.67%	7.41%	11.11%	3.70%
Officers	25.00%	64.29%	3.57%	7.14%	0.00%
Male management	12.00%	68.00%	2.00%	18.00%	0.00%
Female management	20.00%	68.00%	8.00%	0.00%	4.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	19.44%	63.89%	5.56%	11.11%	0.00%
PG management	19.44%	63.89%	5.56%	11.11%	0.00%
200001 to 300000		80.00%	0.00%	0.00%	0.00%
300001 to 400000	10.00%	85.00%	5.00%	0.00%	0.00%
400001 to 500000	18.18%	59.09%	9.09%	9.09%	4.55%
Above 500000	14.29%	60.71%	0.00%	25.00%	0.00%

Statistics MQ15 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.83	0.88	0.20	4.03	3.63	0.58

Statistics M 11

Figure M 65MQ15 Because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.

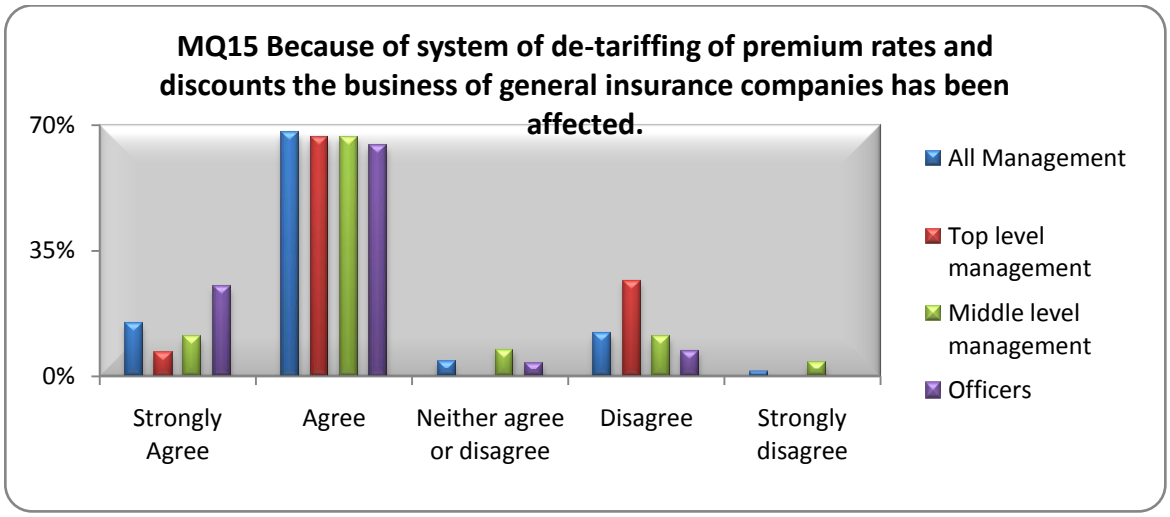


Figure M 66MQ15 Because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.

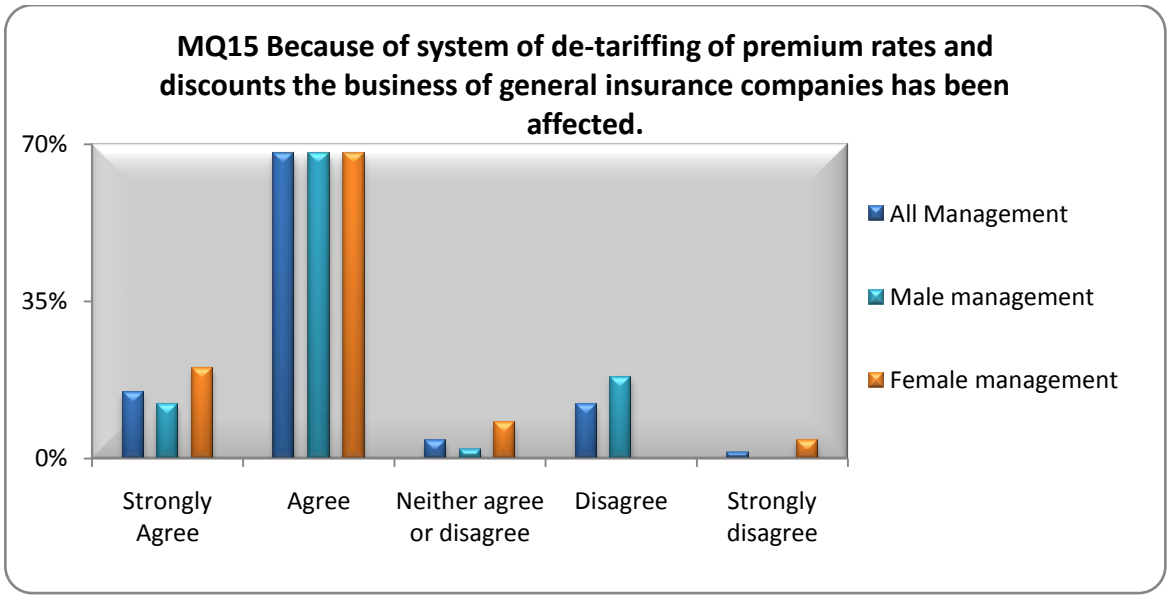


Figure M 67MQ15 Because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.

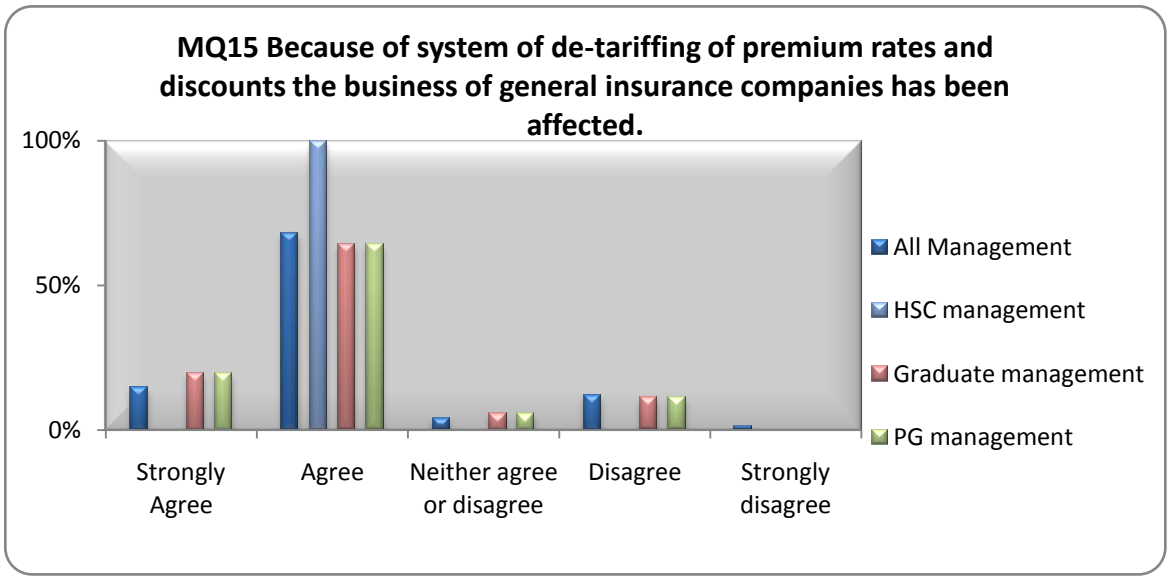
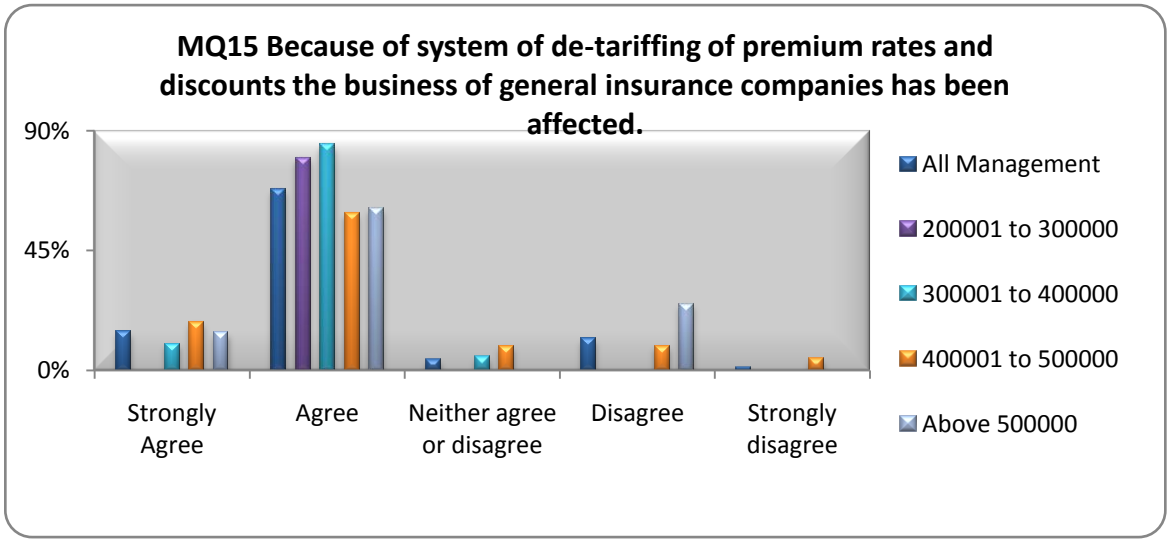


Figure M 68MQ15 Because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.



MQ15 Because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.

At 'all management' level, 82.67% respondents agree that because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected. 73.34% respondents from top management level,

77.78% from middle management and 89.29% officers agree to this. At various levels in other categories also about more than 80% respondents agree to this statement. This is because there is no any control on premium rating after de-tariffing. Further, due to stiff competition the companies try to attract customer by offering discounts and quote their lowest rates.

Table M 19MQ16 The entry of brokers has affected your profit margins.

MQ16 The entry of brokers has affected your profit margins.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	6.67%	52.00%	10.67%	29.33%	1.33%
Top level management	6.67%	40.00%	6.67%	40.00%	6.67%
Middle level management	3.70%	44.44%	11.11%	40.74%	0.00%
Officers	10.71%	67.86%	7.14%	14.29%	0.00%
Male management	6.00%	46.00%	14.00%	32.00%	2.00%
Female management	8.00%	64.00%	4.00%	24.00%	0.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	5.56%	55.56%	11.11%	25.00%	2.78%
PG management	5.56%	55.56%	11.11%	25.00%	2.78%
200001 to 300000	20.00%	40.00%	0.00%	40.00%	0.00%
300001 to 400000	0.00%	65.00%	5.00%	30.00%	0.00%
400001 to 500000	9.09%	36.36%	22.73%	31.82%	0.00%
Above 500000	7.14%	57.14%	7.14%	25.00%	3.57%

Statistics MQ16 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.33	1.02	0.23	3.57	3.10	0.92

Statistics M 12

Figure M 69MQ16 The entry of brokers has affected your profit margins.

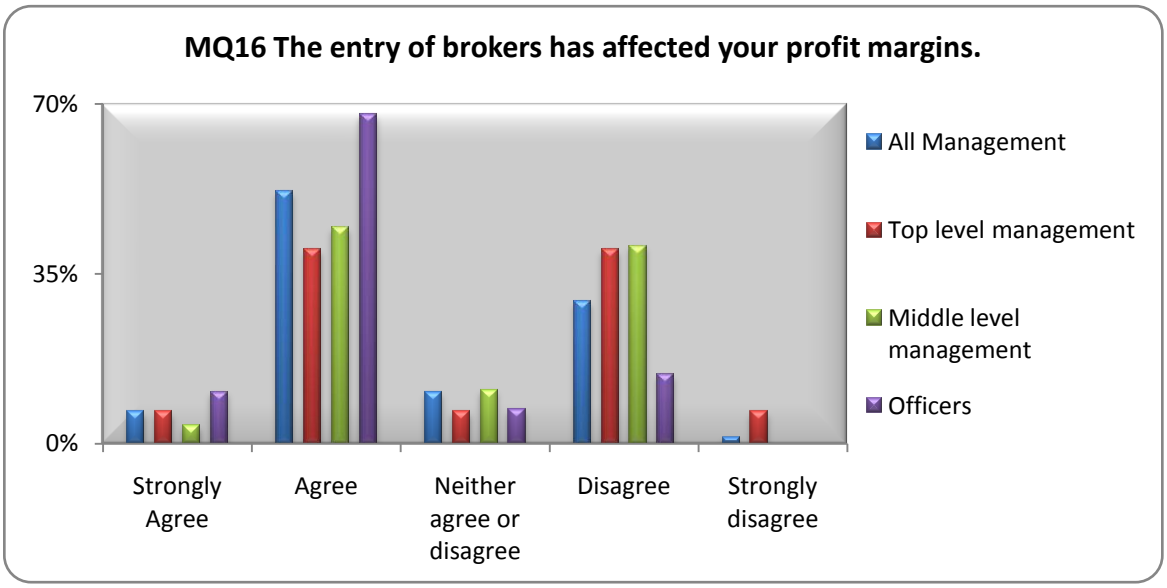


Figure M 70MQ16 The entry of brokers has affected your profit margins.

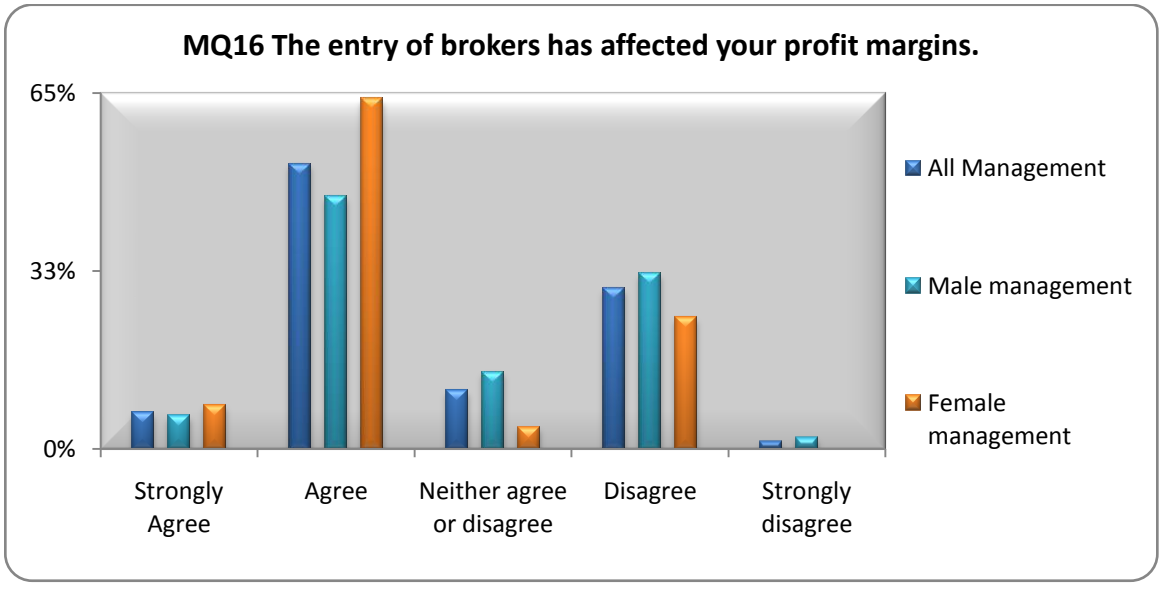


Figure M 71MQ16 The entry of brokers has affected your profit margins.

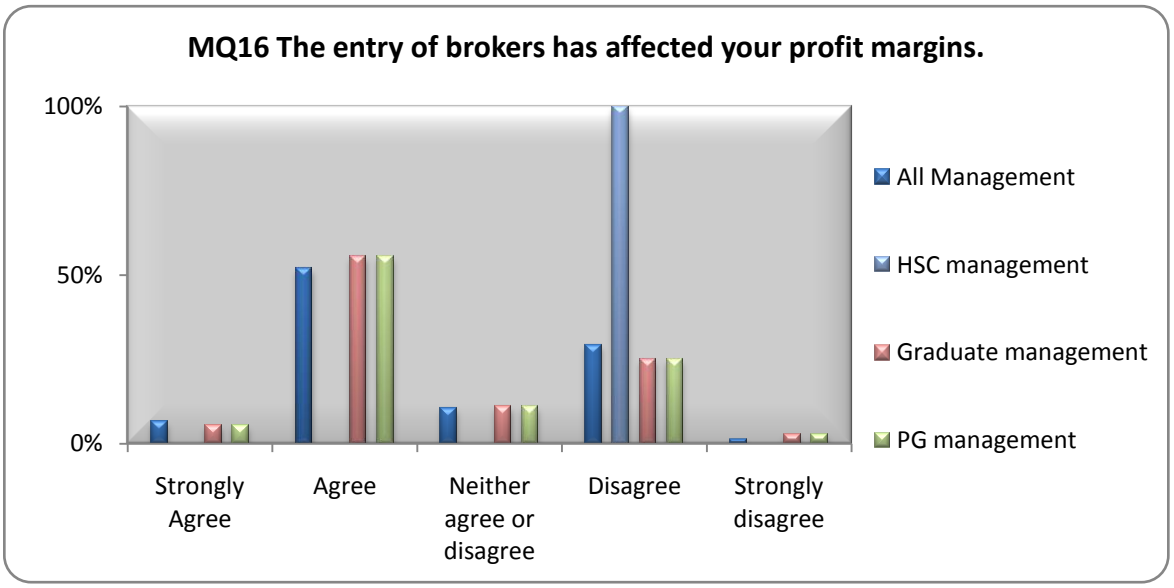
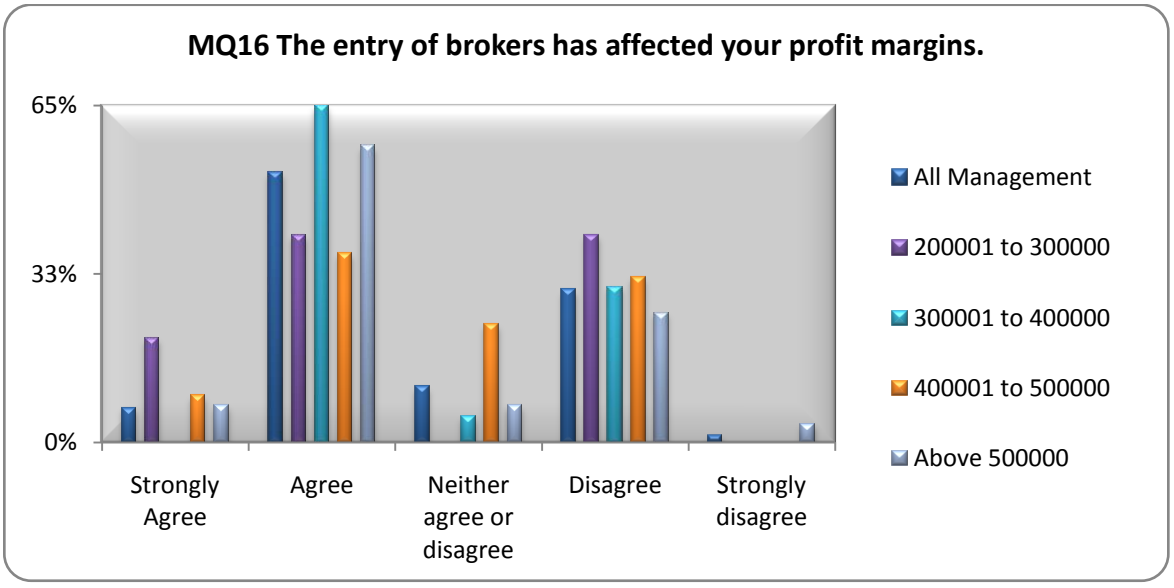


Figure M 72MQ16 The entry of brokers has affected your profit margins.



MQ16 The entry of brokers has affected your profit margins

At 'all management' level, 58.67% say that the entry of brokers has affected their profit margin. 46.67% respondents in the top management agree to this statement and equal percentage of top management respondents do not agree as well. In middle level, 48.14% and 78.51% officers agree to this. The brokers work for the corporate and naturally interested in their benefits. To give business

to companies many a times he pursues the management of companies to offer their lowest rates and hence the profit margins are affected.

Table M 20MQ17 People do react to your advertisement and come forward to enquire or buy the product immediately

MQ17 People do react to your advertisement and come forward to enquire or buy the product immediately.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	5.33%	61.33%	18.67%	13.33%	1.33%
Top level management	6.67%	60.00%	13.33%	20.00%	0.00%
Middle level management	7.41%	62.96%	18.52%	11.11%	0.00%
Officers	3.57%	57.14%	25.00%	10.71%	3.57%
Male management	4.00%	64.00%	20.00%	12.00%	0.00%
Female management	8.00%	56.00%	16.00%	16.00%	4.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	11.11%	61.11%	19.44%	8.33%	0.00%
PG management	11.11%	61.11%	19.44%	8.33%	0.00%
200001 to 300000	0.00%	60.00%	0.00%	20.00%	20.00%
300001 to 400000	0.00%	65.00%	30.00%	5.00%	0.00%
400001 to 500000	4.55%	72.73%	9.09%	13.64%	0.00%
Above 500000	10.71%	50.00%	21.43%	17.86%	0.00%

Statistics MQ17 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.56	0.84	0.19	3.75	3.37	0.69

Statistics M 13

Figure M 73MQ17 People do react to your advertisement and come forward to enquire or buy the product immediately.

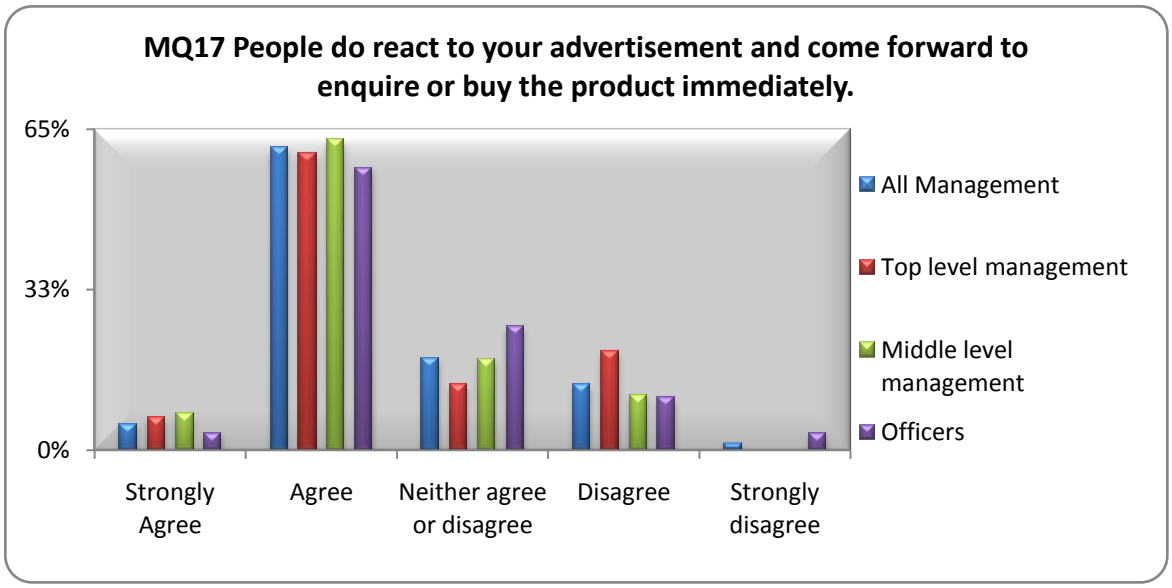


Figure M 74MQ17 People do react to your advertisement and come forward to enquire or buy the product immediately.

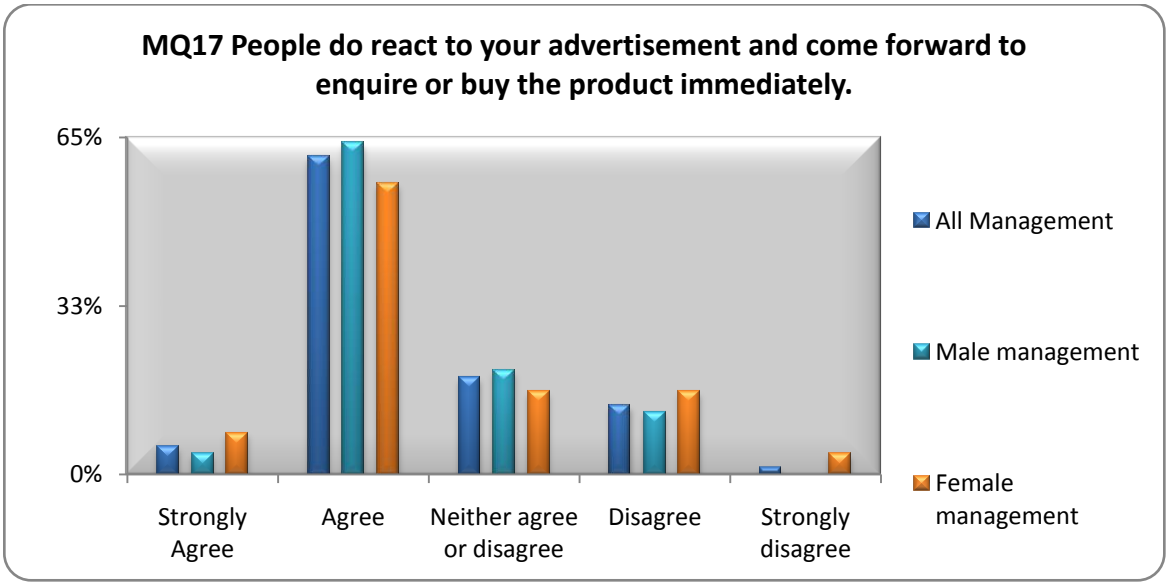


Figure M 75MQ17 People do react to your advertisement and come forward to enquire or buy the product immediately.

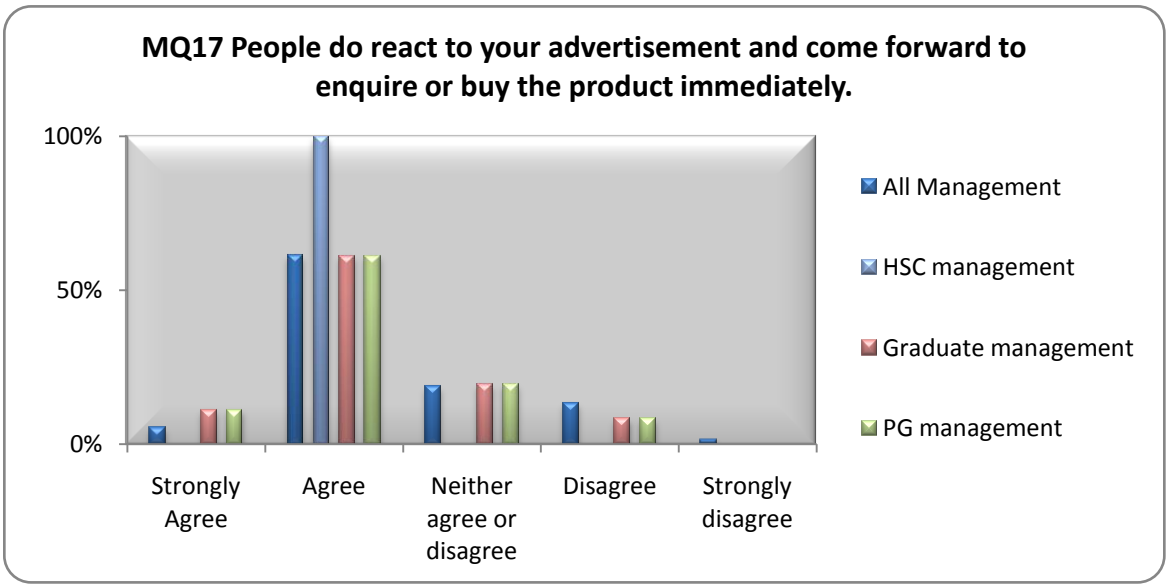
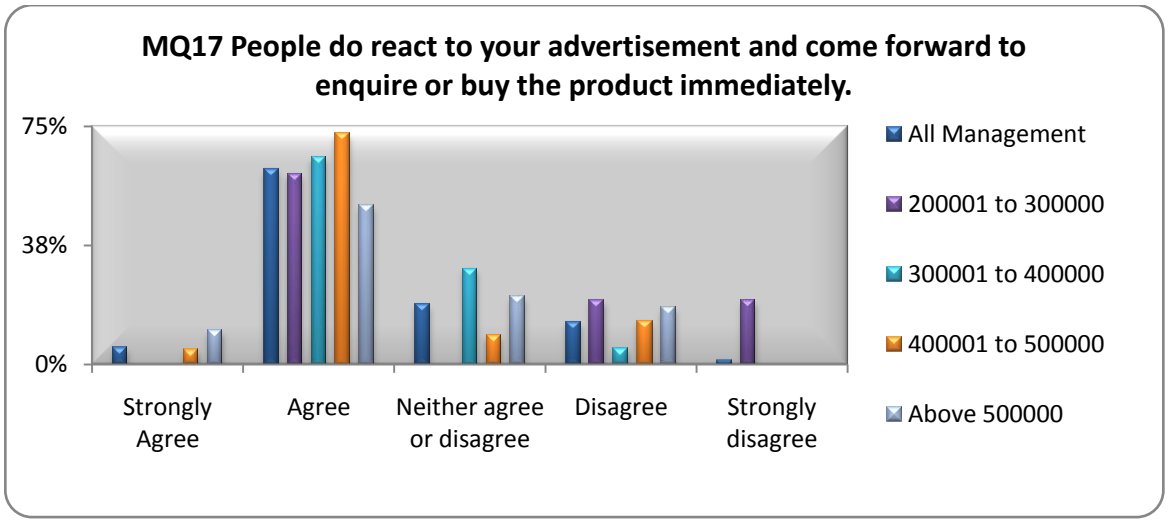


Figure M 76MQ17 People do react to your advertisement and come forward to enquire or buy the product immediately.



MQ17 People do react to your advertisement and come forward to enquire or buy the product immediately

Overall 66.66% in 'all managements' level say that people do react to their advertisement and come forward to enquire to buy the product immediately. In top management class 66.67%, in middle level 70.37 and in officers' level, 60.71

respondents agree to this statement. At various levels in other categories also about more than 60% respondents agree to this statement. This is because the companies can reach to people by media, televisions, papers, magazines etc. The agents also follow up with people and always after them to take the insurance covers. Therefore, the people come to know about the various insurance schemes, products and approach companies for the policies.

Table M 21MQ18 The surveyors appointed by you are all loyal to your Company.

MQ18 The surveyors appointed by you are all loyal to your Company.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	6.67%	41.33%	36.00%	16.00%	0.00%
Top level management	6.67%	33.33%	46.67%	13.33%	0.00%
Middle level management	3.70%	37.04%	40.74%	18.52%	0.00%
Officers	7.14%	50.00%	28.57%	14.29%	0.00%
Male management	6.00%	40.00%	38.00%	16.00%	0.00%
Female management	8.00%	44.00%	32.00%	16.00%	0.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	11.11%	41.67%	27.78%	19.44%	0.00%
PG management	11.11%	41.67%	27.78%	19.44%	0.00%
200001 to 300000	0.00%	40.00%	60.00%	0.00%	0.00%
300001 to 400000	5.00%	45.00%	30.00%	20.00%	0.00%
400001 to 500000	9.09%	45.45%	31.82%	13.64%	0.00%
Above 500000	7.14%	35.71%	39.29%	17.86%	0.00%

Statistics MQ18 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.39	0.84	0.19	3.58	3.19	0.72

Statistics M 14

Figure M 77MQ18 The surveyors appointed by you are all loyal to your Company.



Figure M 78MQ18 The surveyors appointed by you are all loyal to your Company.

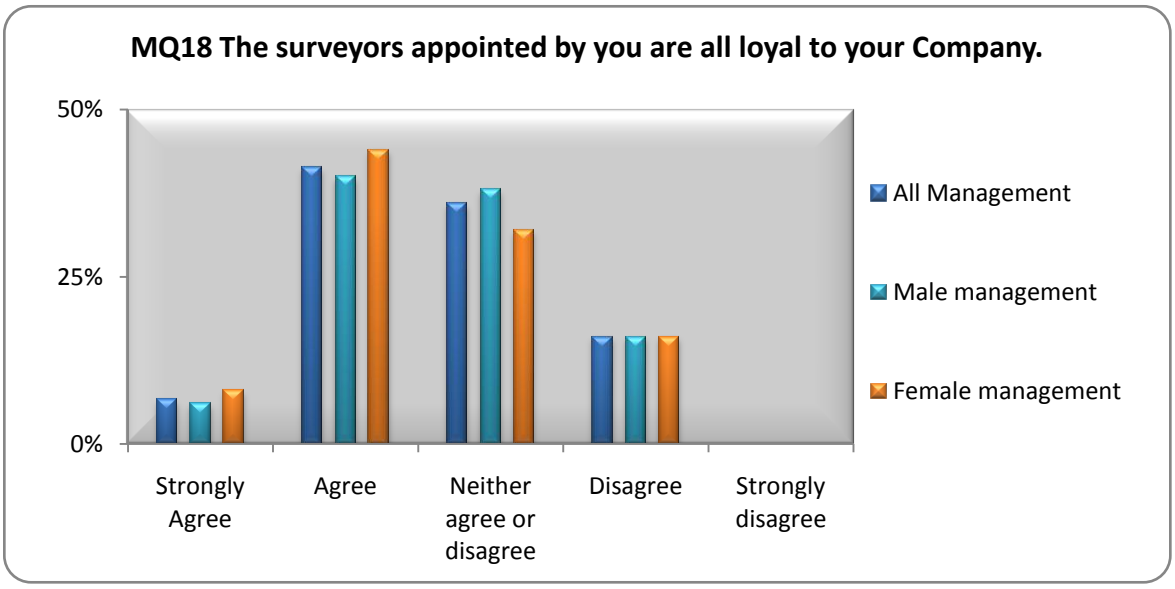


Figure M 79MQ18 The surveyors appointed by you are all loyal to your Company.

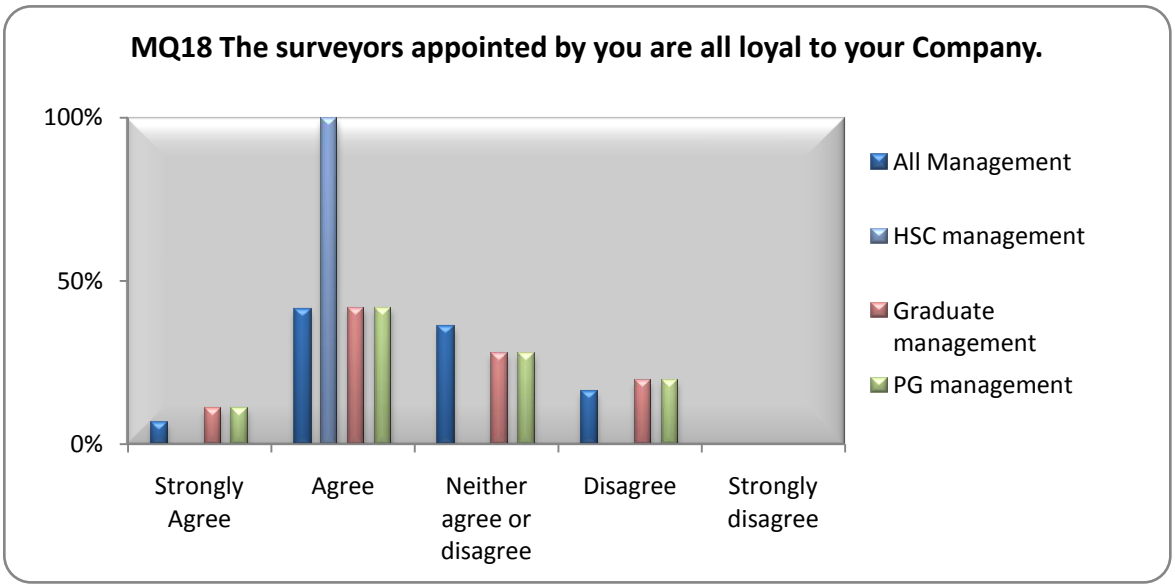


Figure M 80MQ18 The surveyors appointed by you are all loyal to your Company.



MQ18 The surveyors appointed by you are all loyal to your Company.

Overall 48% in 'all management' level agree that the surveyors appointed by them are all loyal to their company, but 36% in the same level either agree or disagree. Also in case of top management level, 40% agree and

46.67%respondents neither agree nor disagree. In middle management level, equal percentage i.e.40.67% respondents agree and neither agree or disagree. 57.14% officers agree and 28.57% either agree or disagree. This is because the surveyors are not the employees of the companies. They work for all the companies in public and private sector. Therefore it becomes difficult to check their integrity and loyalty.

Table M 22MQ19 There is overstaffing in your Company.

MQ19 There is overstaffing in your Company.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	4.00%	12.00%	21.33%	52.00%	10.67%
Top level management	0.00%	13.33%	20.00%	66.67%	0.00%
Middle level management	7.41%	14.81%	14.81%	51.85%	11.11%
Officers	3.57%	10.71%	32.14%	39.29%	14.29%
Male management	4.00%	14.00%	18.00%	60.00%	4.00%
Female management	4.00%	8.00%	28.00%	36.00%	24.00%
HSC management	0.00%	0.00%	0.00%	0.00%	100.00%
Graduate management	2.78%	16.67%	25.00%	47.22%	8.33%
PG management	2.78%	16.67%	25.00%	47.22%	8.33%
200001 to 300000	20.00%	0.00%	0.00%	60.00%	20.00%
300001 to 400000	0.00%	10.00%	30.00%	50.00%	10.00%
400001 to 500000	0.00%	9.09%	13.64%	54.55%	22.73%
Above 500000	7.14%	17.86%	25.00%	50.00%	0.00%

Statistics MQ19 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
2.47	0.98	0.22	2.69	2.24	0.80

Statistics M 15

Figure M 81MQ19 There is overstaffing in your Company.

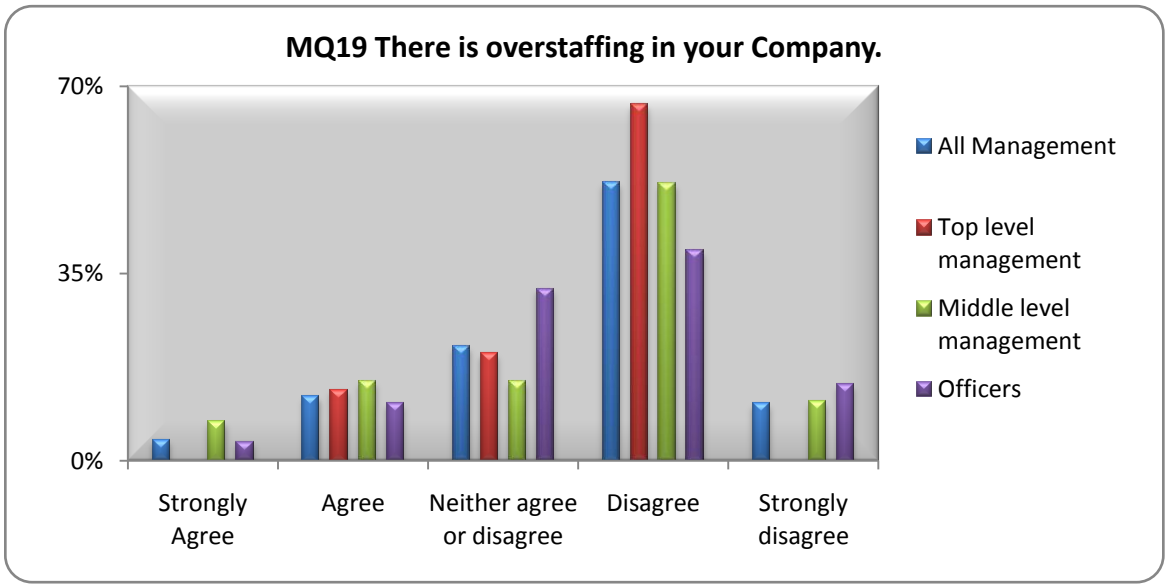


Figure M 82MQ19 There is overstaffing in your Company.

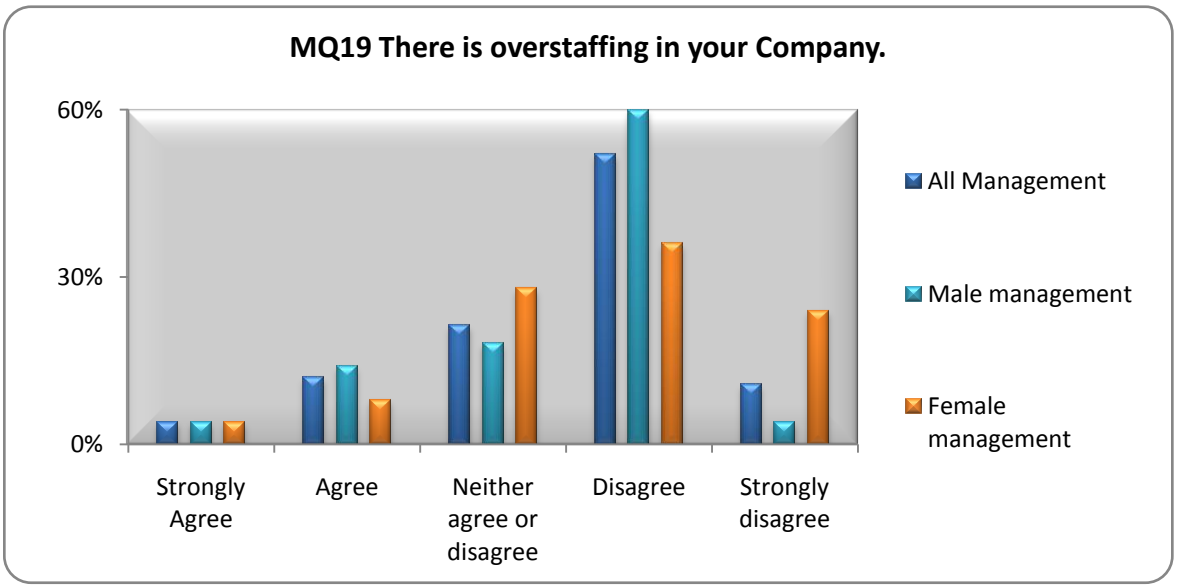


Figure M 83MQ19 There is overstaffing in your Company.

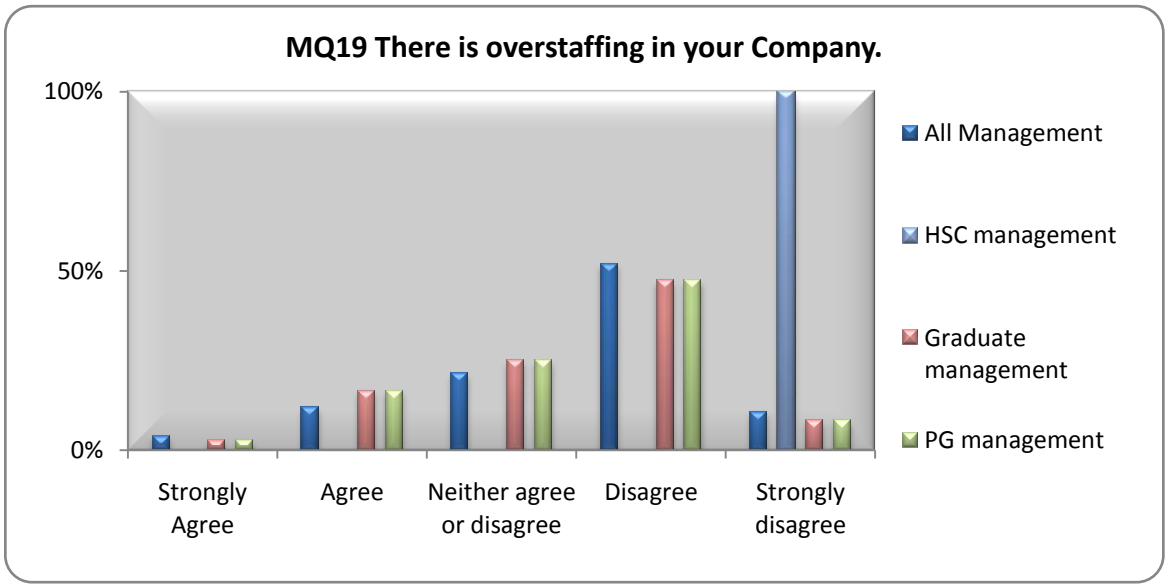
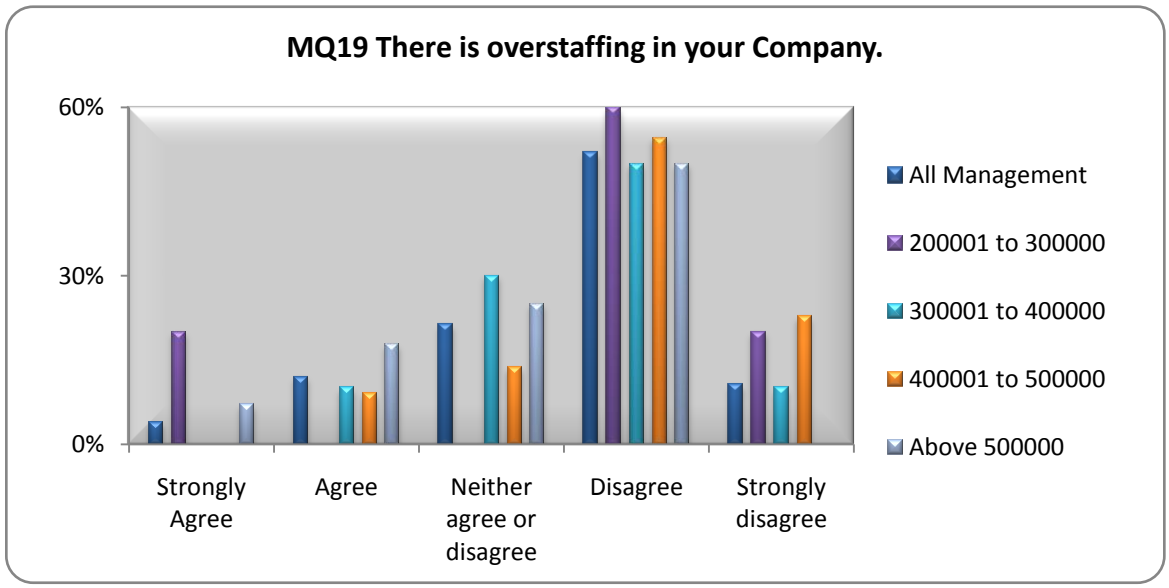


Figure M 84MQ19 There is overstaffing in your Company.



MQ19 There is overstaffing in your Company.

At 'all management' level, 62.61% respondents disagree that there is overstaffing in their company. From top management level, 66.67% disagree, from middle management level, 62.96% disagree and 53.58% officers also disagree that there is overstaffing in their company. Almost all the offices of public sector general insurance companies are loaded with work. Because of special VRS

schemes, the number of employees has been reduced and the rate of new recruitment is very slow compared to the requirement.

Table M 23MQ20 Often there are procedural delays in settlement of claims.

MQ20 Often there are procedural delays in settlement of claims.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	1.33%	46.67%	12.00%	37.33%	2.67%
Top level management	0.00%	26.67%	13.33%	60.00%	0.00%
Middle level management	3.70%	48.15%	7.41%	37.04%	3.70%
Officers	0.00%	50.00%	14.29%	32.14%	3.57%
Male management	2.00%	38.00%	14.00%	42.00%	4.00%
Female management	0.00%	64.00%	8.00%	28.00%	0.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	0.00%	52.78%	11.11%	30.56%	5.56%
PG management	0.00%	52.78%	11.11%	30.56%	5.56%
200001 to 300000	0.00%	40.00%	40.00%	20.00%	0.00%
300001 to 400000	0.00%	70.00%	0.00%	30.00%	0.00%
400001 to 500000	0.00%	36.36%	22.73%	36.36%	4.55%
Above 500000	3.57%	39.29%	7.14%	46.43%	3.57%

Statistics MQ20 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.07	1.00	0.23	3.30	2.84	0.92

Statistics M 16

Figure M 85MQ20 Often there are procedural delays in settlement of claims.

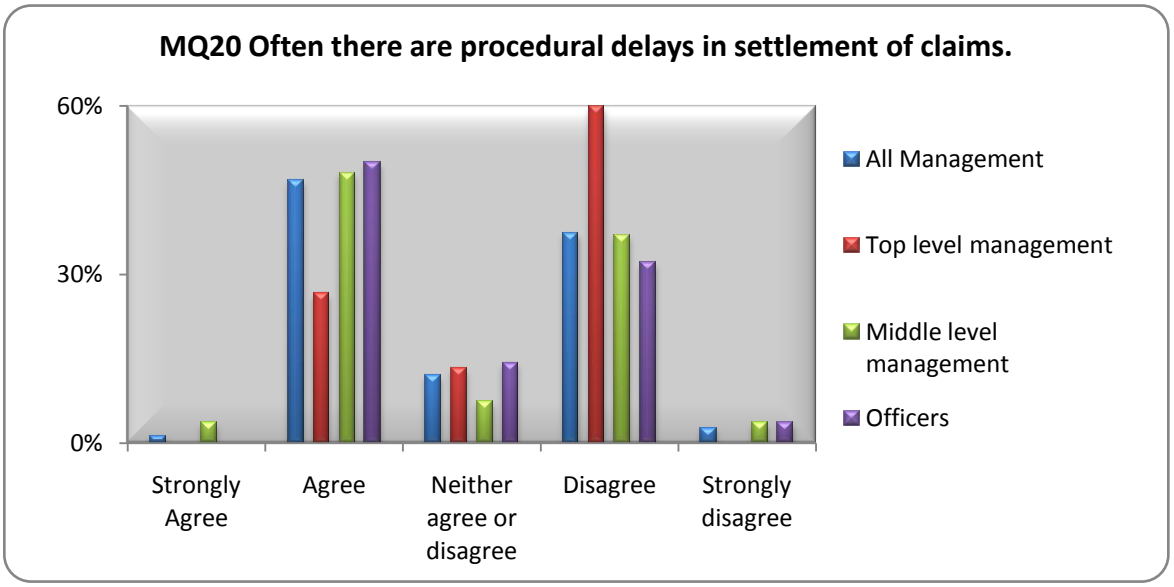


Figure M 86MQ20 Often there are procedural delays in settlement of claims.

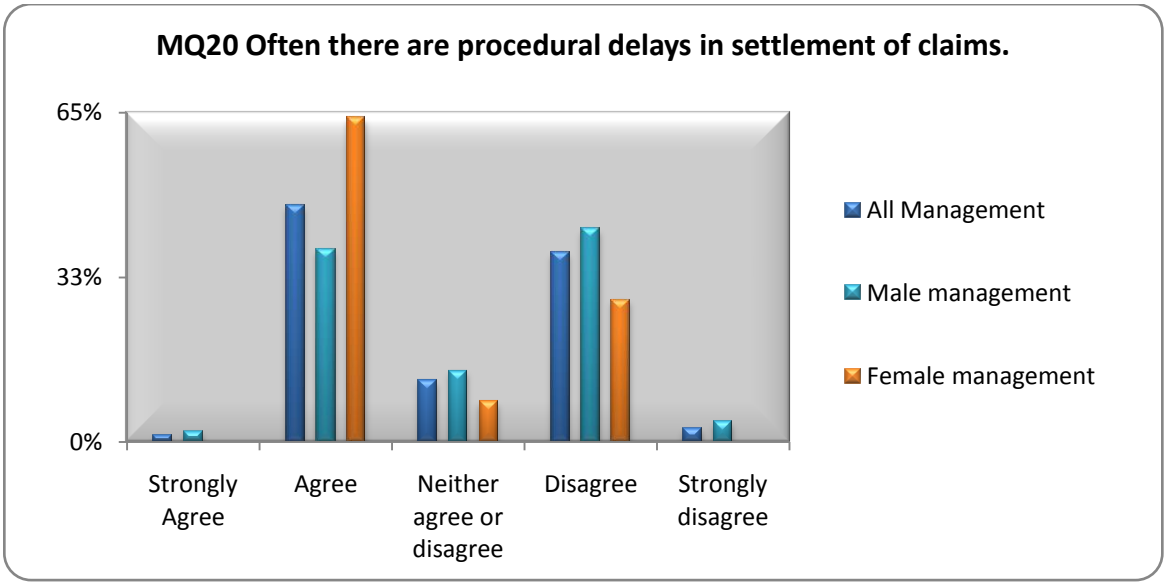


Figure M 87MQ20 Often there are procedural delays in settlement of claims.

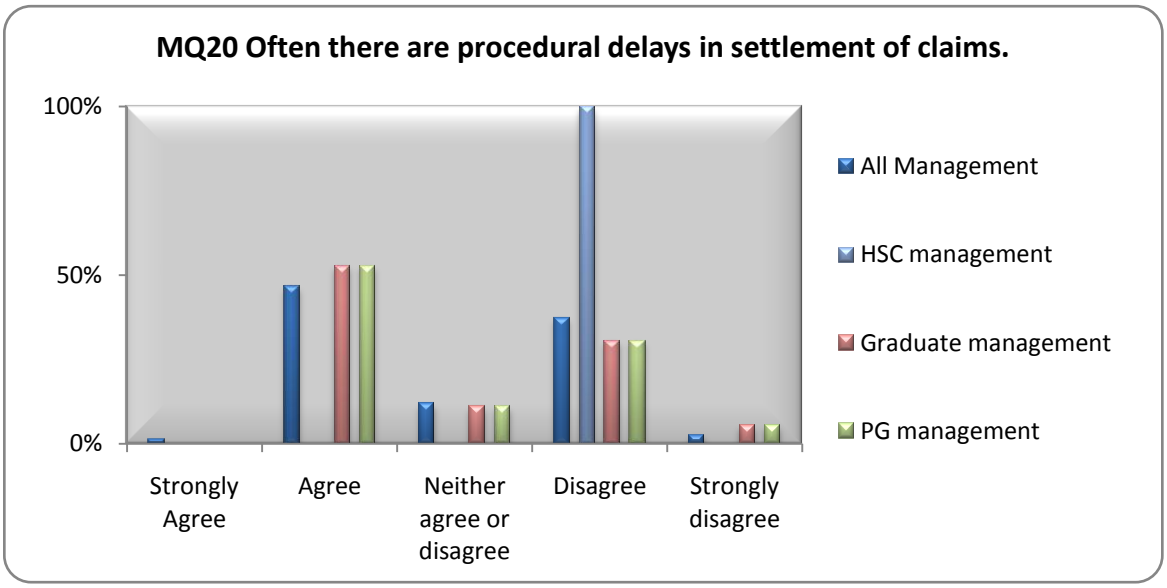
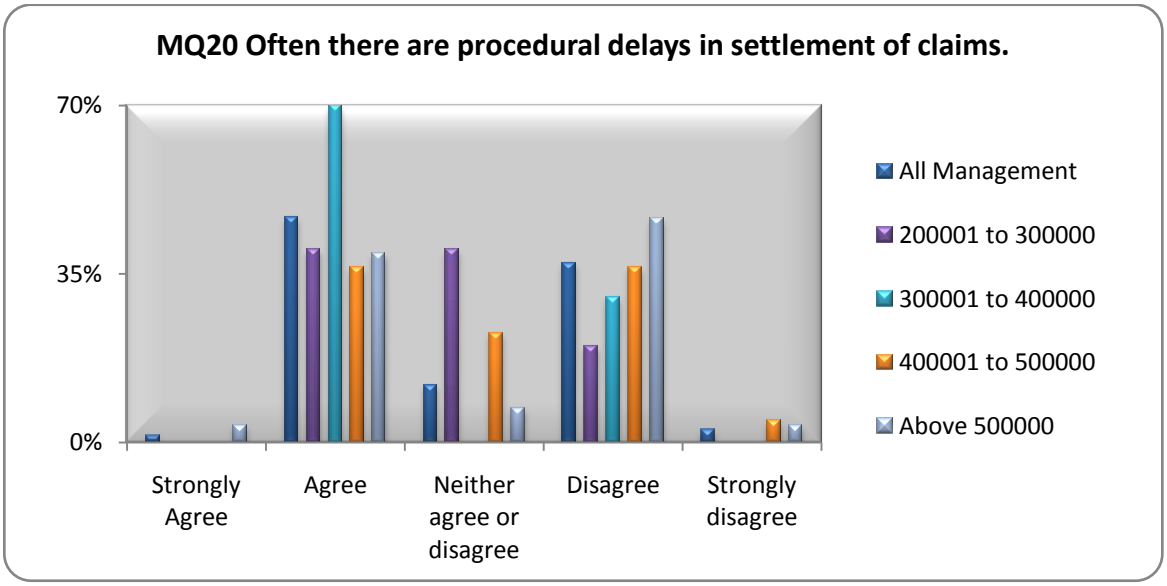


Figure M 88MQ20 Often there are procedural delays in settlement of claims.



MQ20 Often there are procedural delays in settlement of claims.

At 'all management' level, 48% agree that there are procedural delays in settlement of claims and 40% disagree, at top management level, 26.67% agree and 60% disagree, at middle management level, 51.85% agree and 40.74% disagree and at officers' level, 50% agree and 35.71% disagree. Therefore, there is a mixed response from all the respondents at various levels in all categories. If

at all there are procedural delays it is solely due to strict rules and regulations and the limited authorities as per the hierarchy.

Table M 24MQ21 The government should exercise lesser control on the business of general insurance

MQ21 The government should exercise lesser control on the business of general insurance	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	4.00%	54.67%	20.00%	20.00%	1.33%
Top level management	0.00%	66.67%	0.00%	33.33%	0.00%
Middle level management	3.70%	66.67%	14.81%	14.81%	0.00%
Officers	7.14%	39.29%	35.71%	14.29%	3.57%
Male management	4.00%	64.00%	12.00%	20.00%	0.00%
Female management	4.00%	36.00%	36.00%	20.00%	4.00%
HSC management	0.00%	0.00%	0.00%	0.00%	100.00%
Graduate management	2.78%	47.22%	25.00%	25.00%	0.00%
PG management	2.78%	47.22%	25.00%	25.00%	0.00%
200001 to 300000	20.00%	40.00%	20.00%	0.00%	20.00%
300001 to 400000	0.00%	65.00%	15.00%	20.00%	0.00%
400001 to 500000	4.55%	40.91%	31.82%	22.73%	0.00%
Above 500000	3.57%	60.71%	14.29%	21.43%	0.00%

Statistics MQ21 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.40	0.90	0.21	3.61	3.19	0.78

Statistics M 17

Figure M 89MQ21 The government should exercise lesser control on the business of general insurance

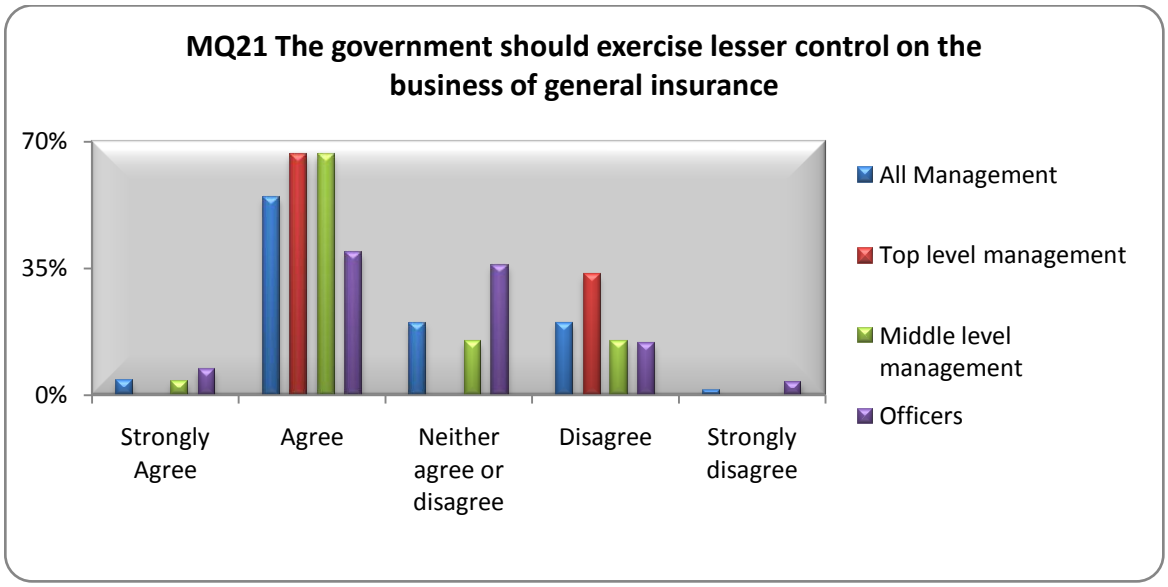


Figure M90MQ21 The government should exercise lesser control on the business of general insurance

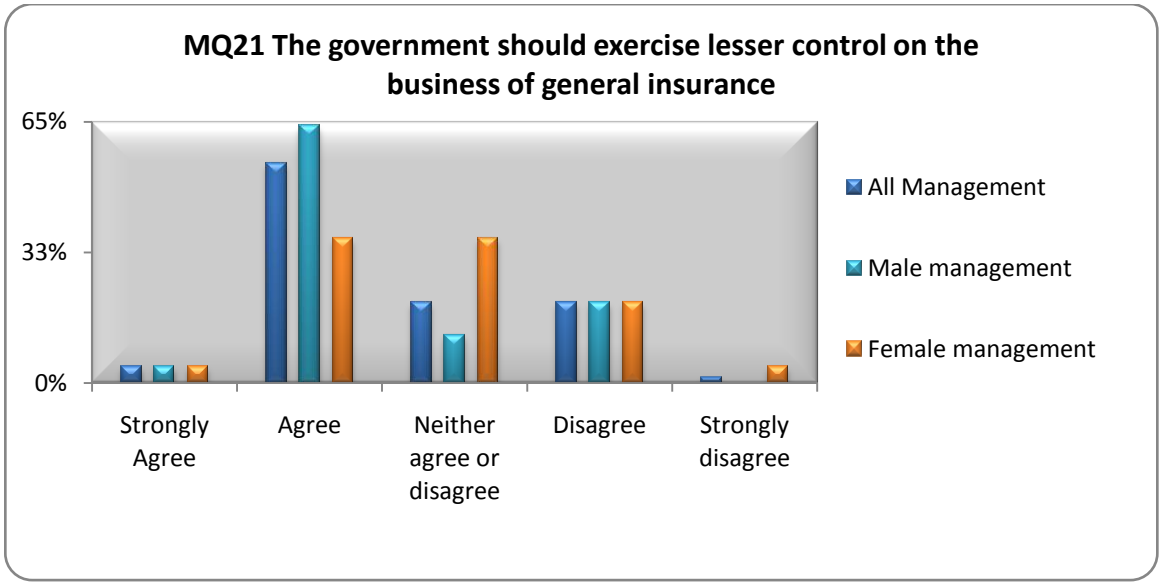


Figure M 91MQ21 The government should exercise lesser control on the business of general insurance

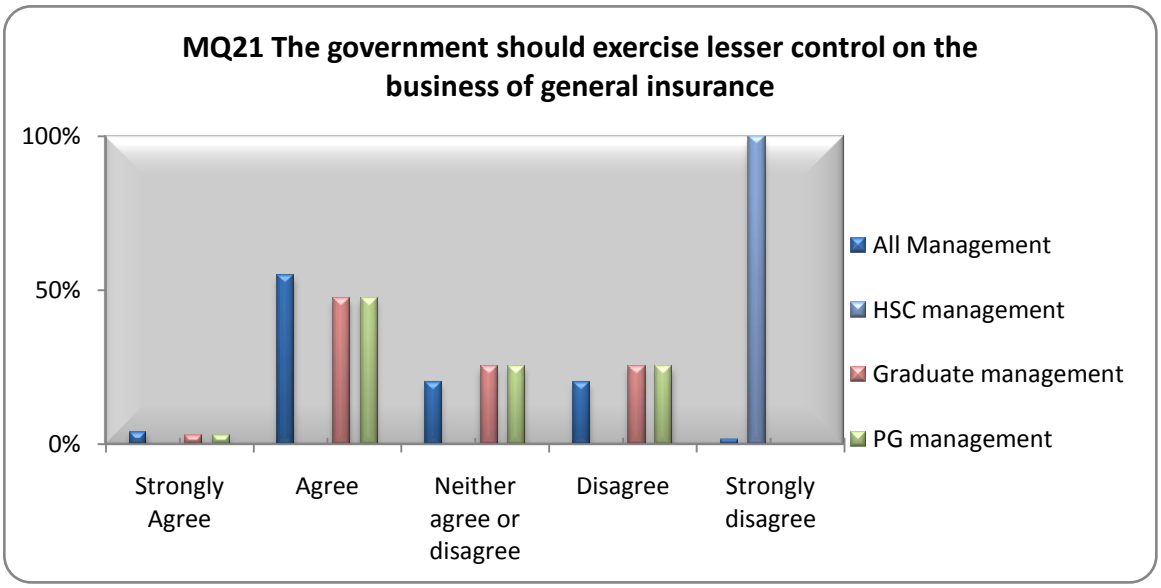
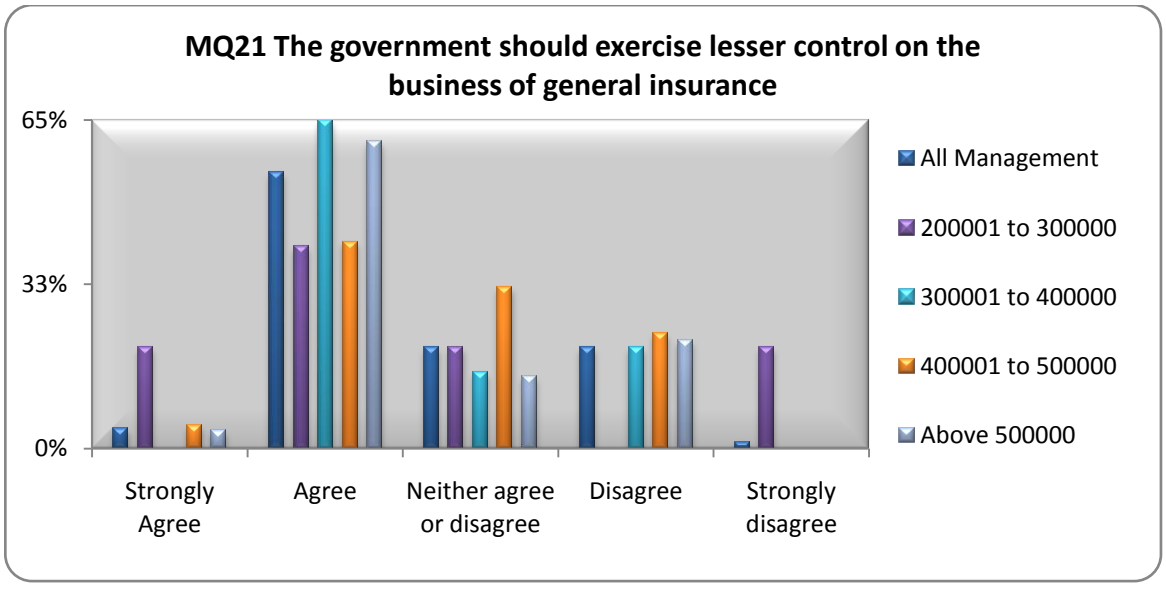


Figure M 92MQ21 The government should exercise lesser control on the business of general insurance



MQ21 The government should exercise lesser control on the business of general insurance

Overall at 'all management' level, 58.67% say that the government should exercise lesser control on the business of general insurance, while 66.67% top

management level respondents agree to this. In case of middle management and officers' level, the percentage of those who agree is 70.30 and 46.43 respectively. In the income group of 2 to 3 lakhs, 60% respondents agree, 65% agree in income group of 3 to 4 lakhs and over 64% agree from the income group of over 5,00,000 lakhs. This is because the management people are required to furnish the detailed statistical data and reports very frequently to the government which is a cumbersome job and unproductive also.

Table M 25MQ22 The process of calculating the premium rates is complicated.

MQ22 The process of calculating the premium rates is complicated.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	1.33%	24.00%	14.67%	57.33%	2.67%
Top level management	0.00%	6.67%	26.67%	66.67%	0.00%
Middle level management	0.00%	33.33%	7.41%	55.56%	3.70%
Officers	3.57%	25.00%	14.29%	53.57%	3.57%
Male management	0.00%	20.00%	16.00%	60.00%	4.00%
Female management	4.00%	32.00%	12.00%	52.00%	0.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	0.00%	16.67%	16.67%	63.89%	2.78%
PG management	0.00%	16.67%	16.67%	63.89%	2.78%
200001 to 300000	20.00%	20.00%	20.00%	40.00%	0.00%
300001 to 400000	0.00%	35.00%	5.00%	60.00%	0.00%
400001 to 500000	0.00%	27.27%	13.64%	54.55%	4.55%
Above 500000	0.00%	14.29%	21.43%	60.71%	3.57%

Statistics MQ22 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
2.64	0.92	0.21	2.85	2.43	0.82

Statistics M 18

Figure M 93MQ22 The process of calculating the premium rates is complicated.

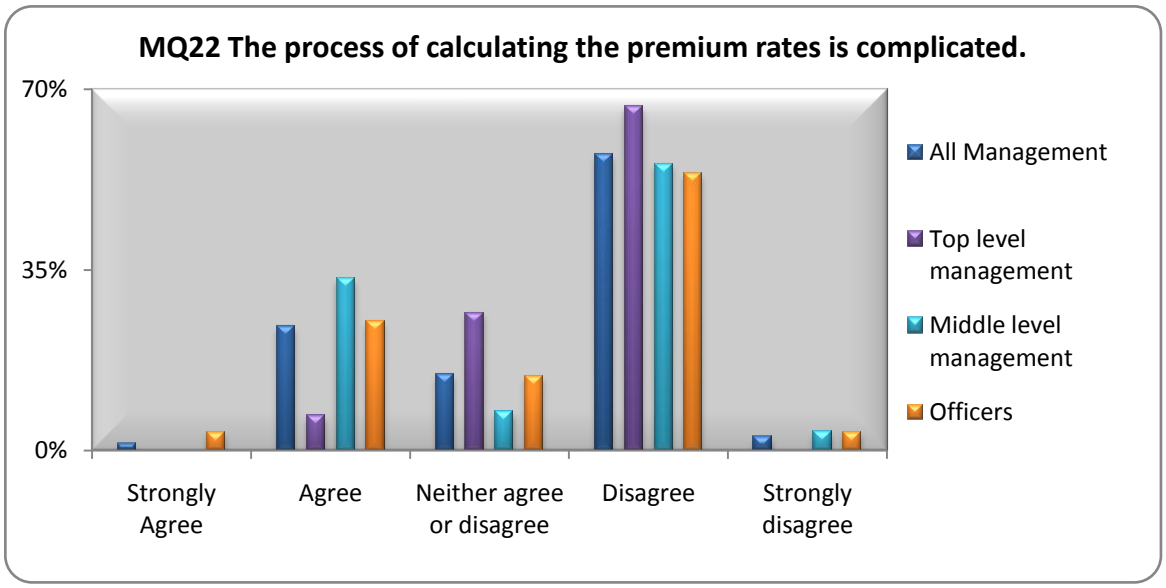


Figure M 94MQ22 The process of calculating the premium rates is complicated.

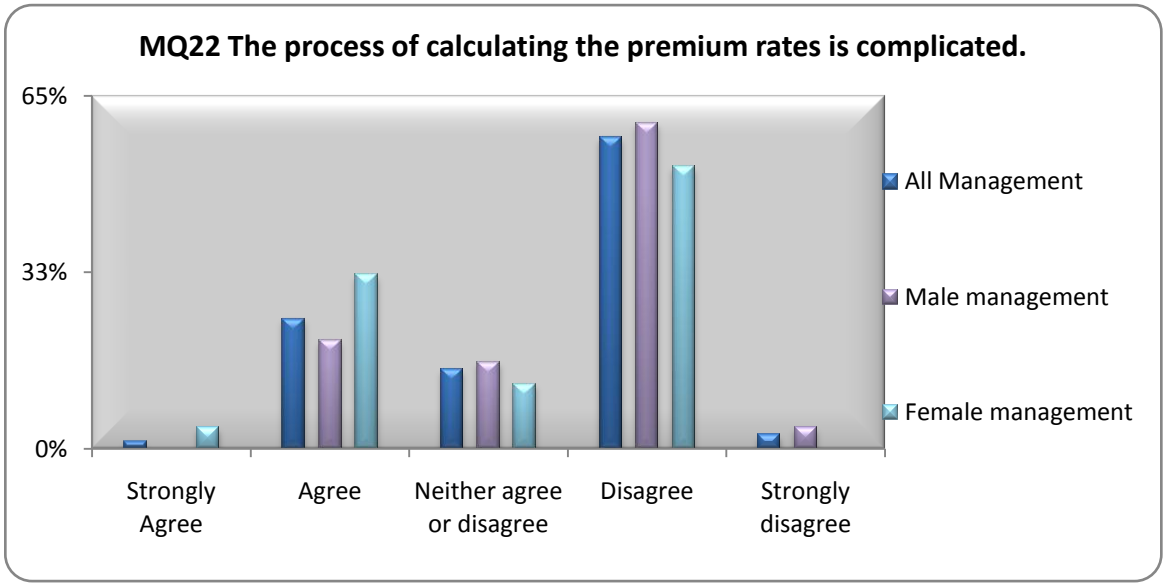


Figure M 95MQ22 The process of calculating the premium rates is complicated.

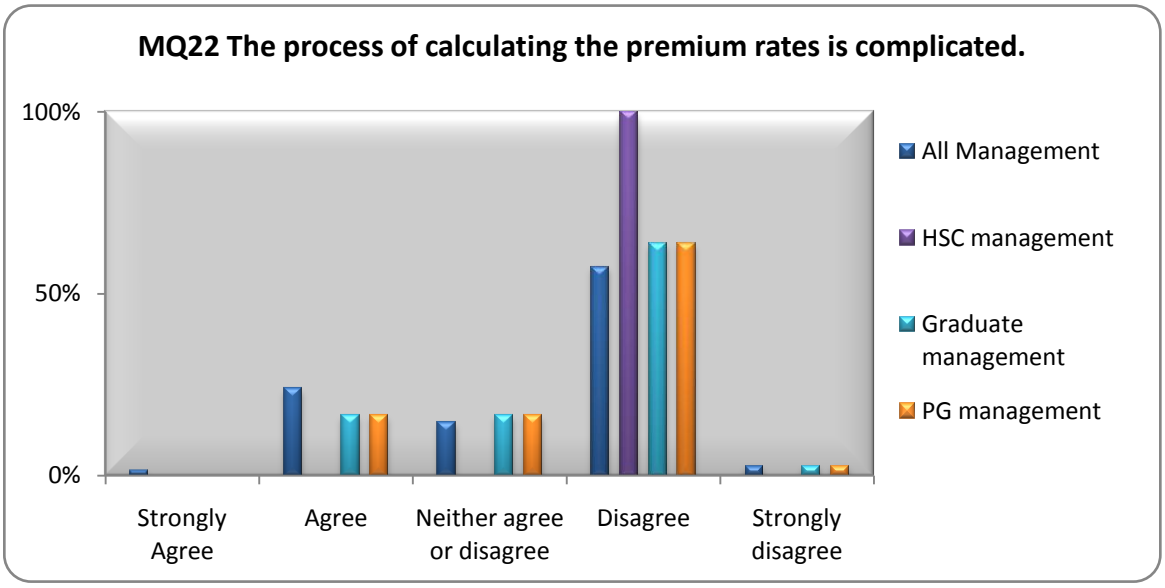
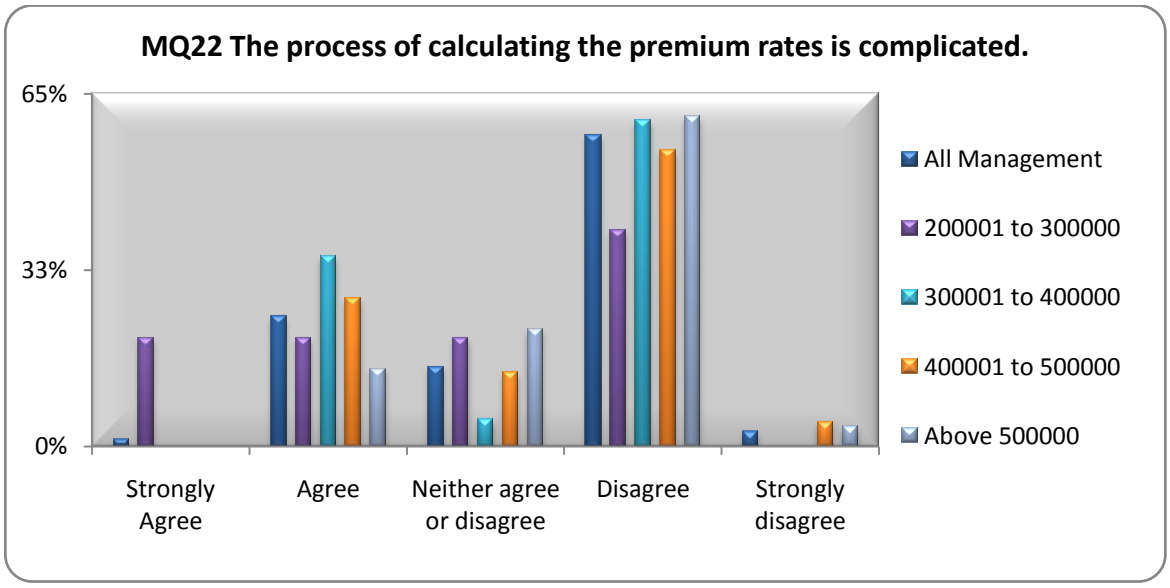


Figure M 96MQ22 The process of calculating the premium rates is complicated.



MQ22 The process of calculating the premium rates is complicated

At 'all management' level, 60% respondents disagree that the process of calculating the premium rates is complicated. 66.67% in top management disagree, 59.26% in middle management disagree and in officers' level, 57.14% disagree. At various levels the percentage of respondents who agree is very less, except in case of income group of 2, 00,000 to 3, 00,000 lakhs it is only 40%. For

calculation of premiums, various readymade charts are available with the company. They use the ultramodern software systems for calculating the premium etc. and hence the process is no more complicated.

Table M 26MQ23 Your company has adequate infrastructure

MQ23 Your company has adequate infrastructure.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	8.00%	65.33%	16.00%	10.67%	0.00%
Top level management	6.67%	80.00%	13.33%	0.00%	0.00%
Middle level management	11.11%	74.07%	11.11%	3.70%	0.00%
Officers	7.14%	50.00%	17.86%	25.00%	0.00%
Male management	8.00%	72.00%	14.00%	6.00%	0.00%
Female management	8.00%	52.00%	20.00%	20.00%	0.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	13.89%	63.89%	11.11%	11.11%	0.00%
PG management	13.89%	63.89%	11.11%	11.11%	0.00%
200001 to 300000	0.00%	40.00%	40.00%	20.00%	0.00%
300001 to 400000	0.00%	55.00%	25.00%	20.00%	0.00%
400001 to 500000	4.55%	68.18%	13.64%	13.64%	0.00%
Above 500000	17.86%	75.00%	7.14%	0.00%	0.00%

Statistics MQ23 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.71	0.77	0.18	3.88	3.53	0.59

Statistics M 19

Figure M 97MQ23 Your company has adequate infrastructure

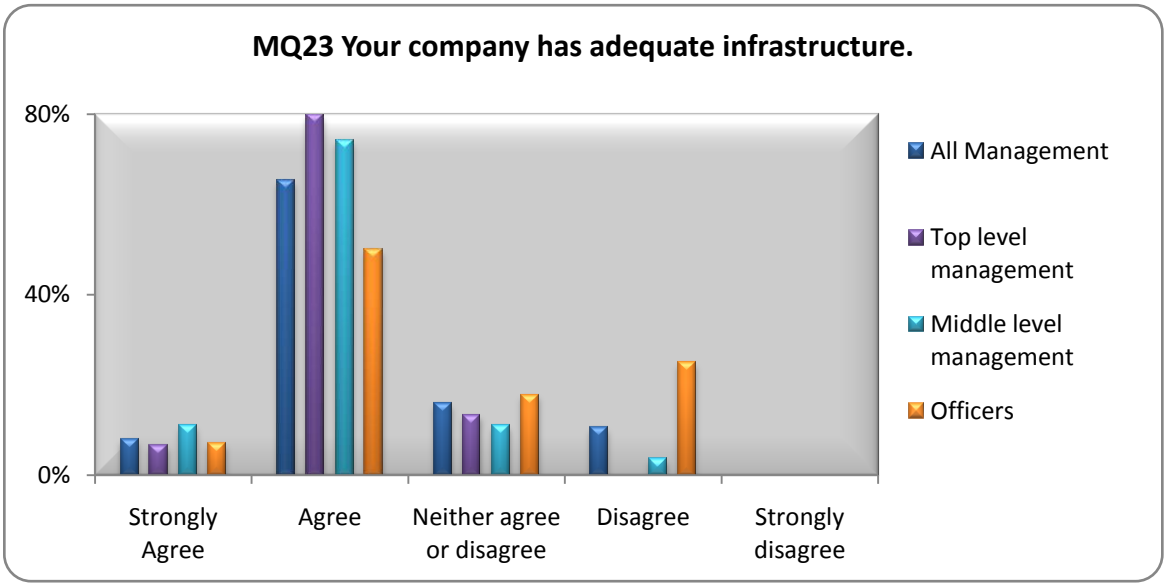


Figure M 98MQ23 Your company has adequate infrastructure

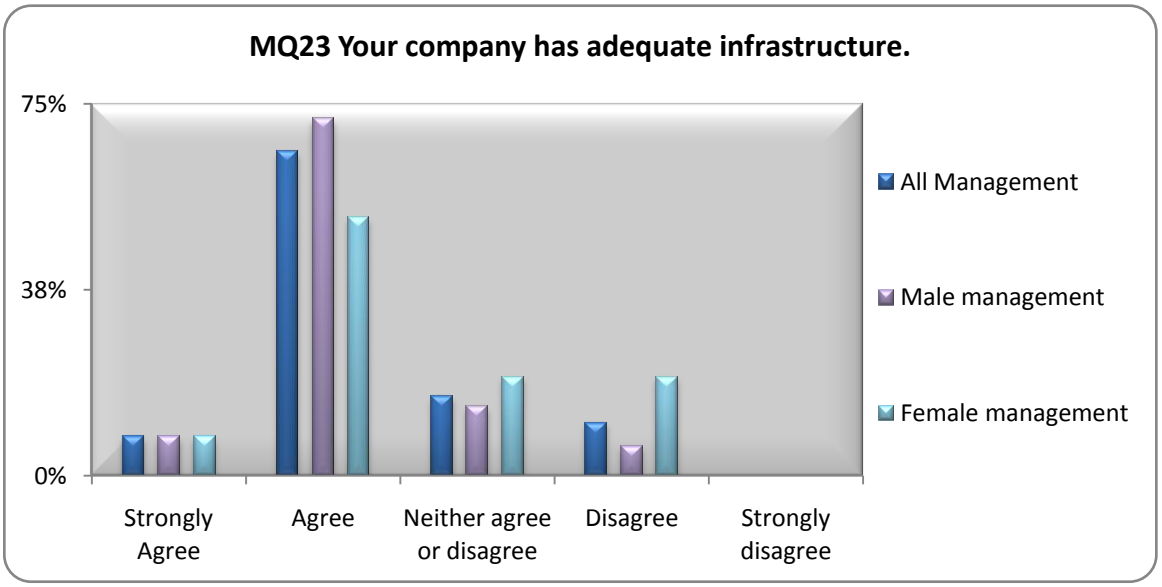


Figure M 99MQ23 Your company has adequate infrastructure

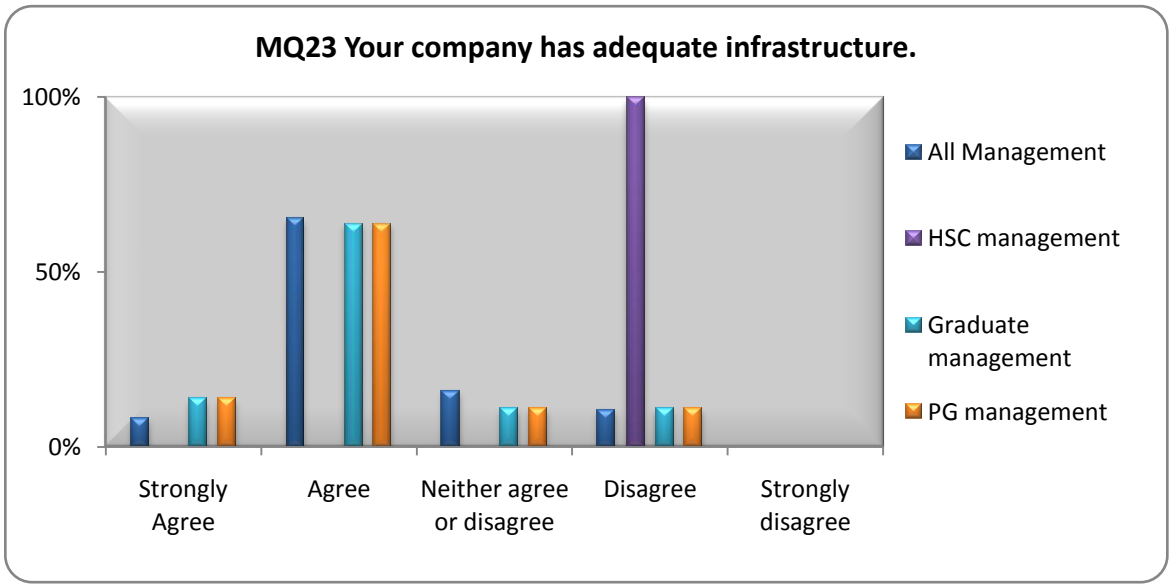
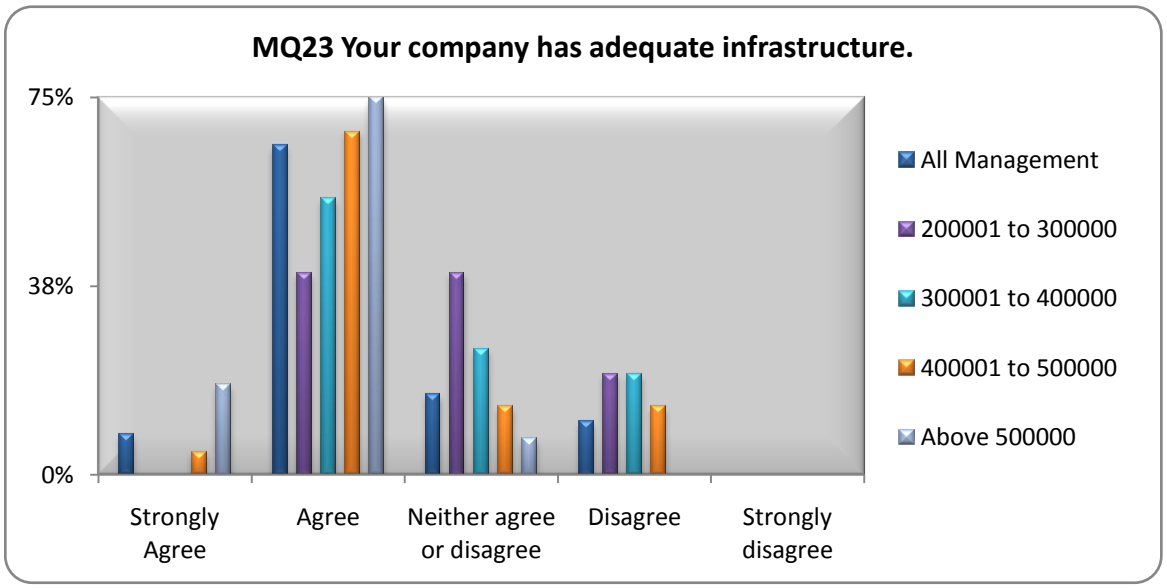


Figure M 100MQ23 Your company has adequate infrastructure



MQ23 Your company has adequate infrastructure

Overall 73.33% respondents from 'all management' level, say their company has adequate infrastructure, 86.67% respondents from top level management agree to this. In middle management level, 85.18% agree and in case of officers' 57.14% agree. 80% male respondents agree, 60% female agree and in case of income group of above 5, 00,000, 92.86% respondents agree to this statement.

This is because the public sector general insurance companies are government based companies; they have strong support of the government. They get all the required facilities from the government like infrastructure etc.

Table M 27MQ24 The available infrastructure is used by the general insurance companies to its fullest capacity.

MQ24 The available infrastructure is used by the general insurance companies to its fullest capacity.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	5.33%	50.67%	17.33%	24.00%	2.67%
Top level management	6.67%	53.33%	20.00%	20.00%	0.00%
Middle level management	3.70%	62.96%	14.81%	14.81%	3.70%
Officers	7.14%	39.29%	17.86%	32.14%	3.57%
Male management	4.00%	56.00%	20.00%	18.00%	2.00%
Female management	8.00%	40.00%	12.00%	36.00%	4.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	8.33%	50.00%	16.67%	25.00%	0.00%
PG management	8.33%	50.00%	16.67%	25.00%	0.00%
200001 to 300000	20.00%	20.00%	20.00%	20.00%	20.00%
300001 to 400000	0.00%	50.00%	25.00%	25.00%	0.00%
400001 to 500000	9.09%	54.55%	13.64%	22.73%	0.00%
Above 500000	3.57%	53.57%	14.29%	25.00%	3.57%

Statistics MQ24 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.32	0.99	0.23	3.55	3.09	0.87

Statistics M 20

Figure M 101MQ24 The available infrastructure is used by the general insurance companies to its fullest capacity.

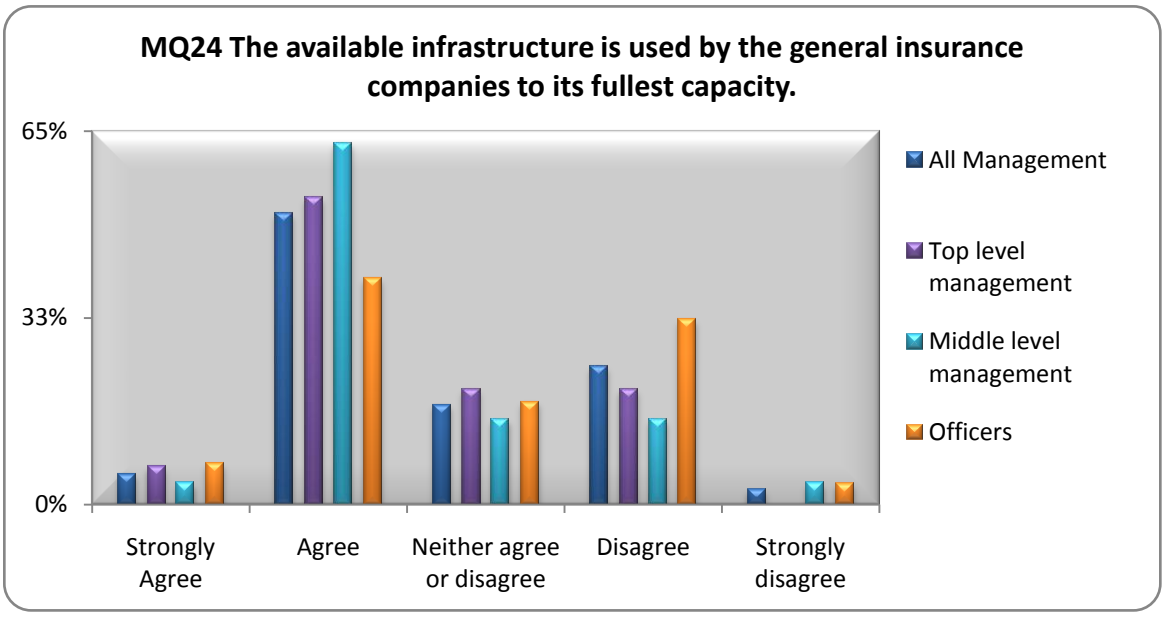


Figure M 102MQ24 The available infrastructure is used by the general insurance companies to its fullest capacity.

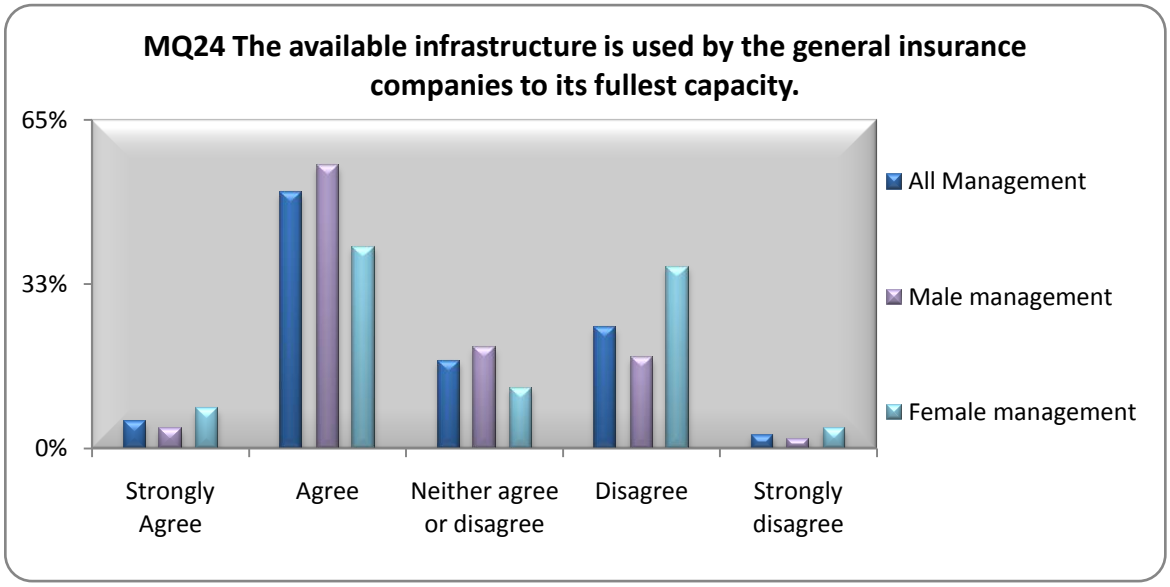


Figure M 103MQ24 The available infrastructure is used by the general insurance companies to its fullest capacity.

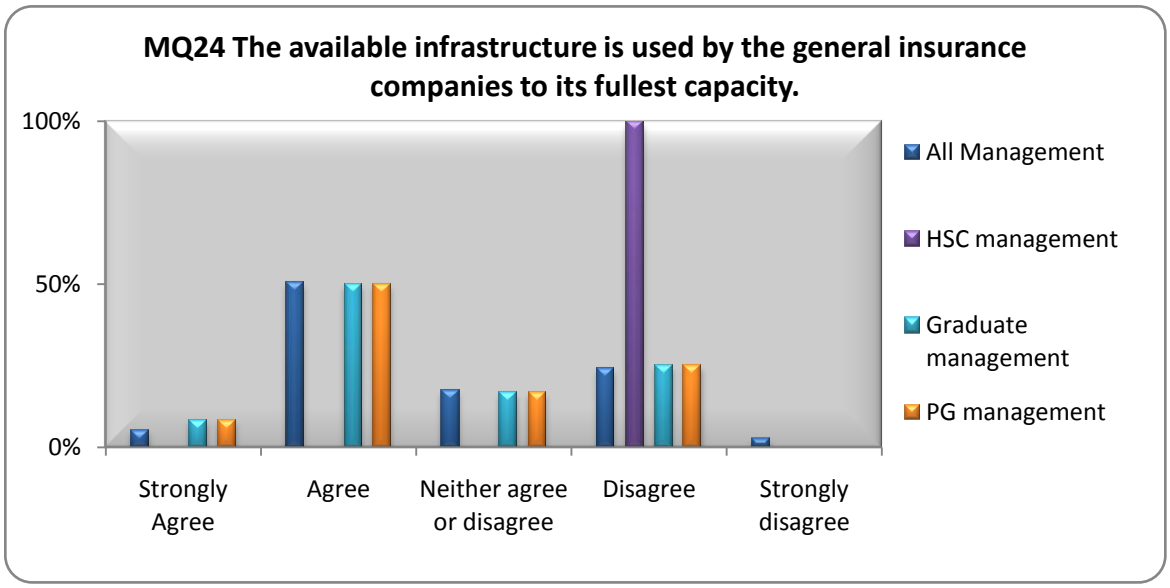
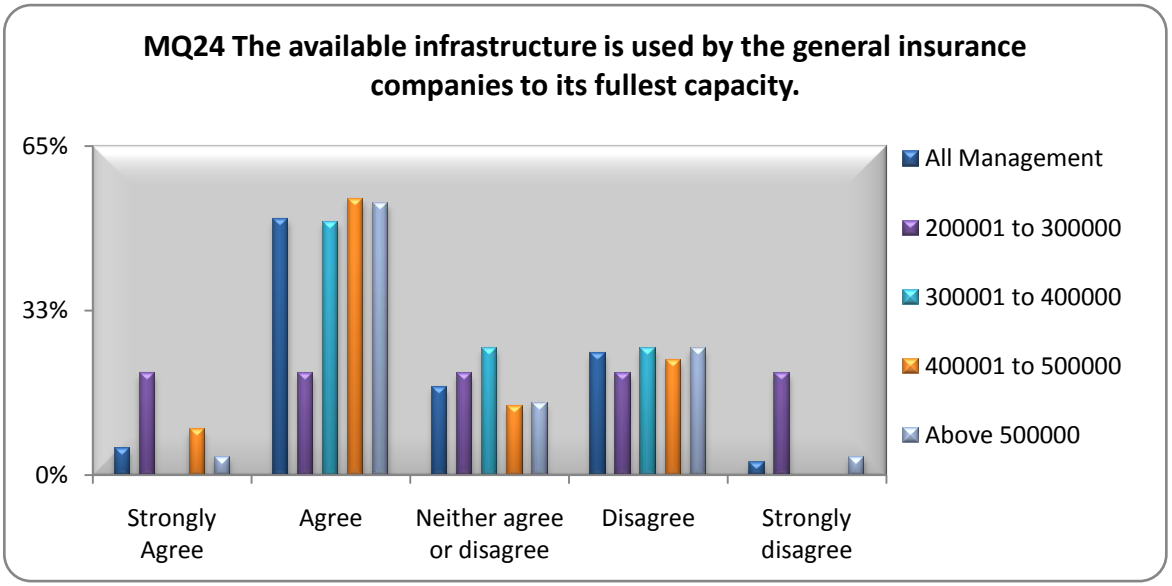


Figure M 104MQ24 The available infrastructure is used by the general insurance companies to its fullest capacity.



MQ24 The available infrastructure is used by the general insurance companies to its fullest capacity.

At all managements' level, 56& say that the available infrastructure is used by the general insurance companies to its fullest capacity, 60% top management level

respondents, 66.66% middle management level and 46.43% officers also agree to this statement. 60% male respondents and 48% female respondents also agree to this. This is because the respondents are satisfied with the infrastructure and feel the same as adequate.

Table M 28MQ25 The rotation/ transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees

MQ25 The rotation/ transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees.	**Strongly Agree**	**Agree**	**Neither agree or disagree**	**Disagree**	**Strongly disagree**
All Management	12.00%	56.00%	12.00%	16.00%	4.00%
Top level management	0.00%	60.00%	6.67%	26.67%	6.67%
Middle level management	14.81%	55.56%	11.11%	14.81%	3.70%
Officers	10.71%	57.14%	14.29%	14.29%	3.57%
Male management	4.00%	58.00%	12.00%	22.00%	4.00%
Female management	28.00%	52.00%	12.00%	4.00%	4.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	11.11%	55.56%	13.89%	13.89%	5.56%
PG management	11.11%	55.56%	13.89%	13.89%	5.56%
200001 to 300000	0.00%	60.00%	0.00%	20.00%	20.00%
300001 to 400000	15.00%	75.00%	5.00%	5.00%	0.00%
400001 to 500000	27.27%	40.91%	18.18%	13.64%	0.00%
Above 500000	0.00%	53.57%	14.29%	25.00%	7.14%

Statistics MQ25 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.56	1.03	0.24	3.80	3.32	0.84

Statistics M 21

Figure M 105MQ25 The rotation/ transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees

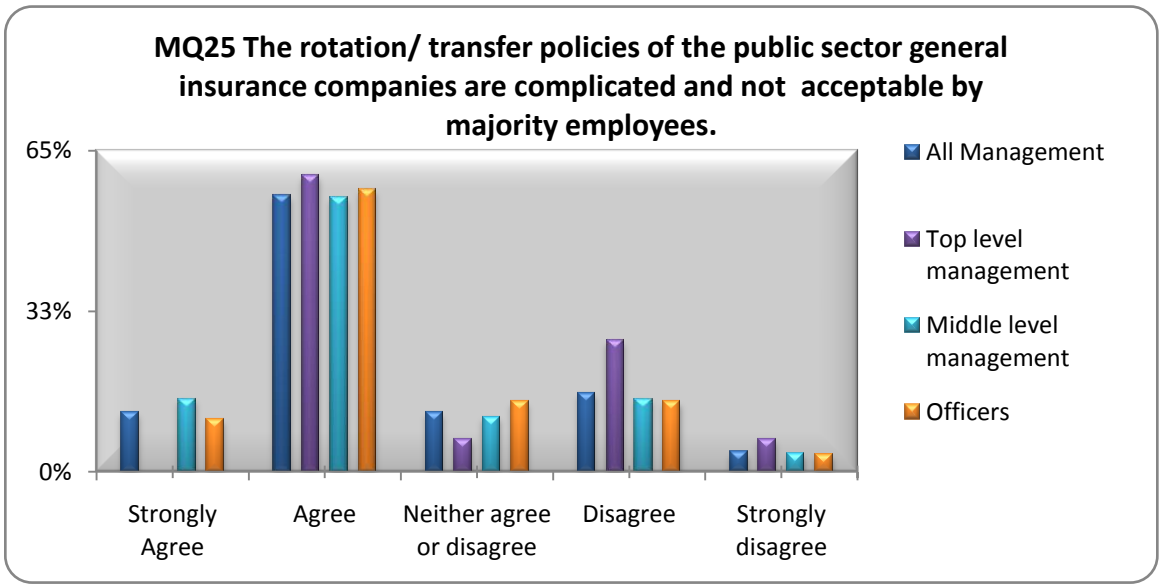


Figure M 106MQ25 The rotation/ transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees

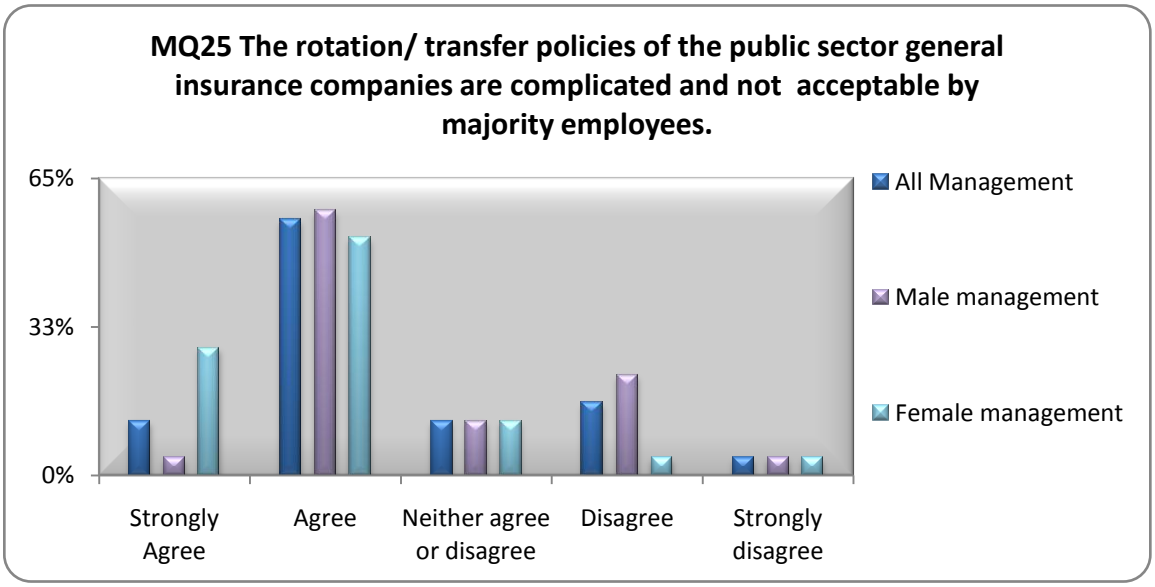


Figure M 107MQ25 The rotation/ transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees

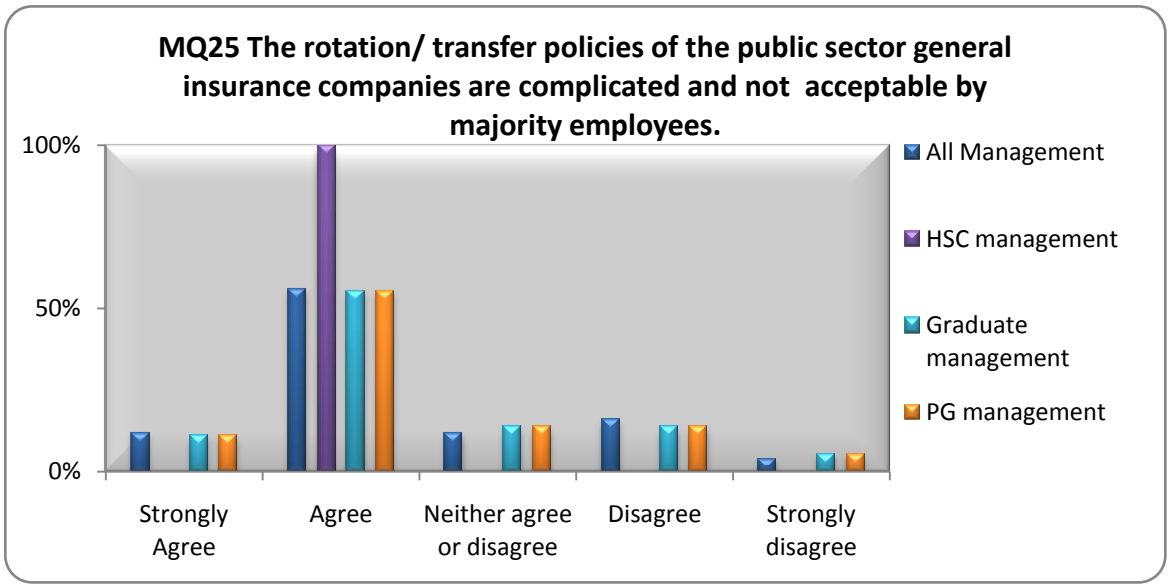
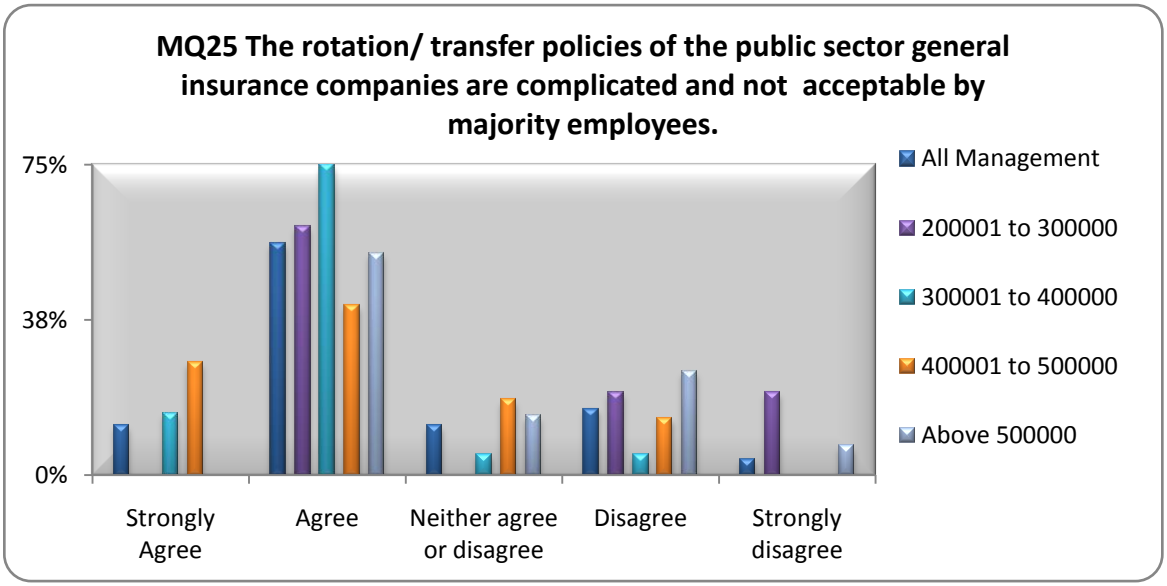


Figure M 108MQ25 The rotation/ transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees



MQ25 The rotation/ transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees

Overall 80% female respondents say that the rotation/transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees. 60% male respondents also agree to this. At all managements' level,68% agree, at top management level,60%, at middle management level,70.30% and at officers' level, 67.85% respondents agree to this statement. Also, 90% in the income group of 3,00,000 to 4,00,000 lakhs and 68.18% in the income group of 4,00,000 to 5,00,000 lakhs agree to this. This is because the transfers of employees cause inconvenience to the employees, they have to incur extra expenditure. A lot of travelling to their home town is involved. They may face physical problems due to this. Home sickness is another reason. They have to stay away from their homes and their near-ones. Because of this they cannot work properly and cannot concentrate also. They often tend to take leaves and due to these reasons, the transfer/rotation policies are not acceptable to them and feel complicated.

Table M 29MQ26 The public sector general insurance companies are facing the problem of fake claims.

MQ26 The public sector general insurance companies are facing the problem of fake claims.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	9.33%	44.00%	20.00%	25.33%	1.33%
Top level management	0.00%	46.67%	20.00%	33.33%	0.00%
Middle level management	11.11%	33.33%	25.93%	25.93%	3.70%
Officers	14.29%	50.00%	14.29%	21.43%	0.00%
Male management	8.00%	42.00%	16.00%	32.00%	2.00%
Female management	12.00%	48.00%	28.00%	12.00%	0.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	5.56%	44.44%	22.22%	25.00%	2.78%
PG management	5.56%	44.44%	22.22%	25.00%	2.78%
200001 to 300000	0.00%	60.00%	20.00%	20.00%	0.00%
300001 to 400000	5.00%	70.00%	20.00%	5.00%	0.00%
400001 to 500000	13.64%	31.82%	22.73%	27.27%	4.55%
Above 500000	10.71%	32.14%	17.86%	39.29%	0.00%

Statistics MQ26 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.35	1.01	0.23	3.58	3.12	0.88

Statistics M 22

Figure M 109MQ26 The public sector general insurance companies are facing the problem of fake claims.

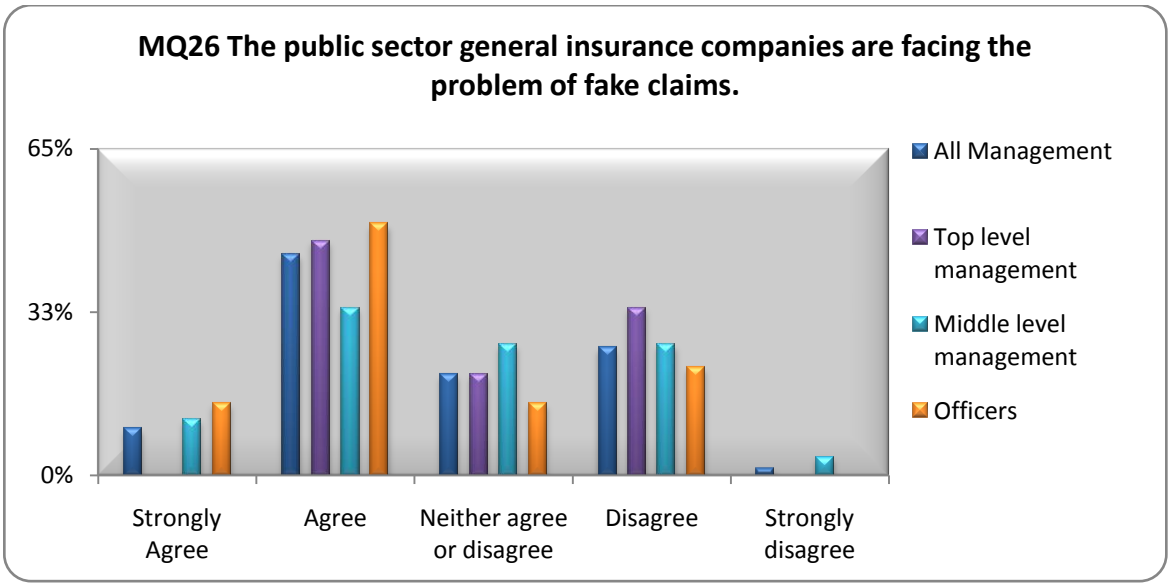


Figure M 110MQ26 The public sector general insurance companies are facing the problem of fake claims.

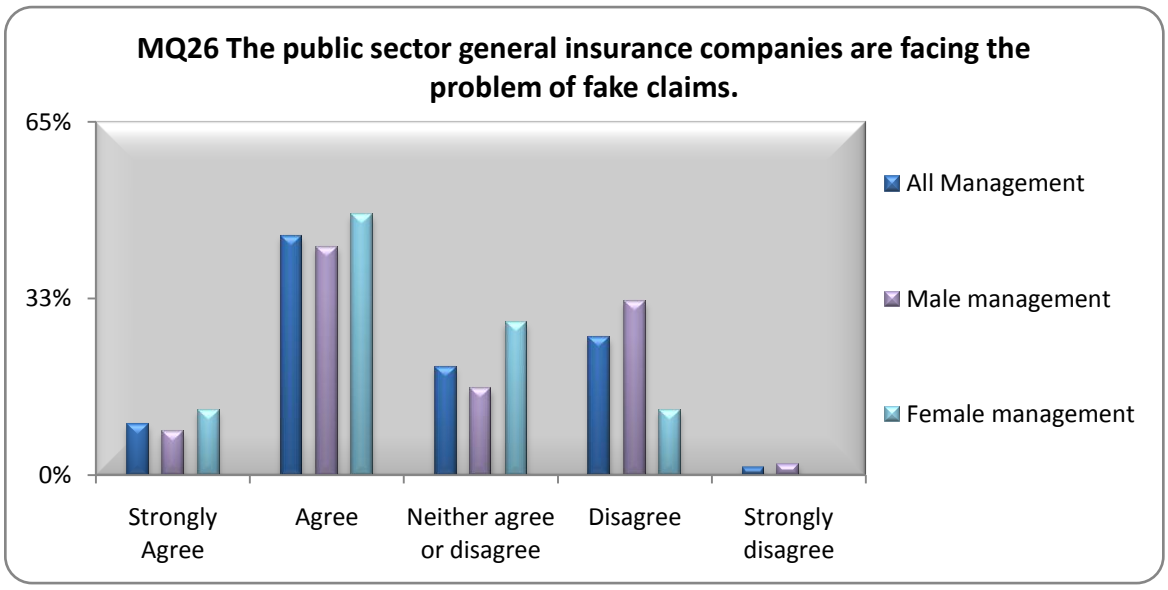


Figure M 111MQ26 The public sector general insurance companies are facing the problem of fake claims.

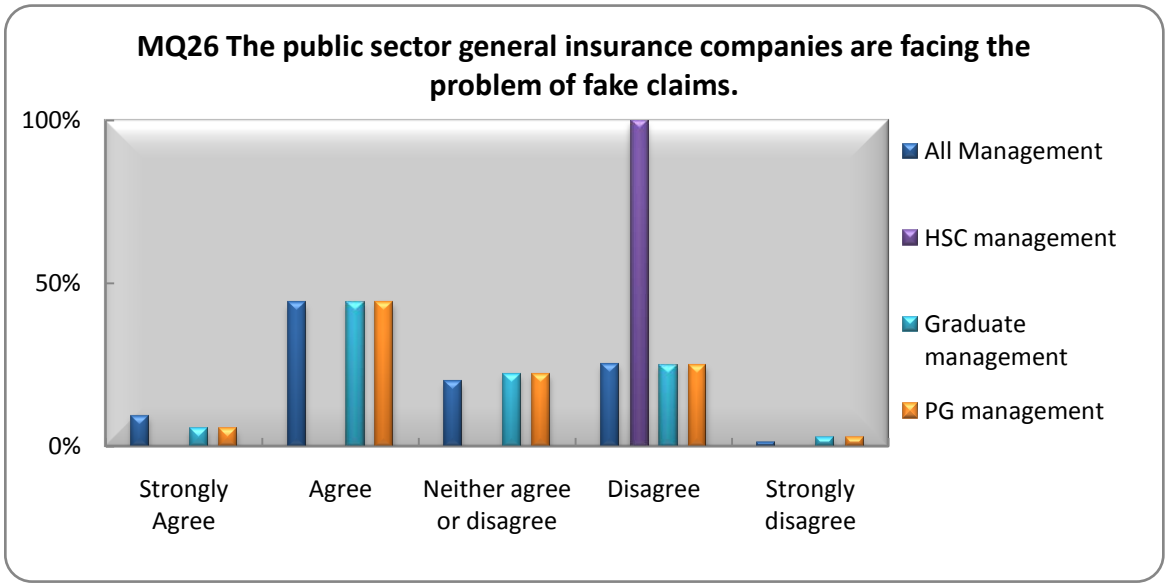
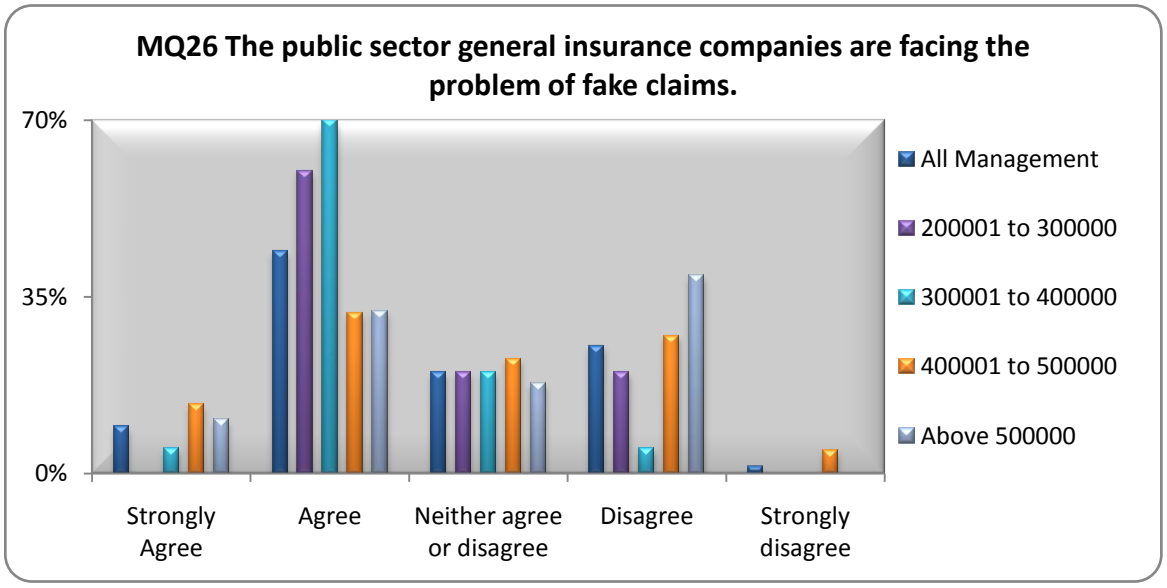


Figure M 112MQ26 The public sector general insurance companies are facing the problem of fake claims.



MQ26 The public sector general insurance companies are facing the problem of fake claims.

At 'all management' level, 53.33% respondents say that the public sector general insurance companies are facing the problem of fake claims, 46.67% in top management, 44.44% in middle management and 64.29% in the officers' level

agree to this. 50% male respondents and 60% female respondents agree and in the income group of 3,00,000 to 4,00,000 lakhs 75% and in the income group of 2,00,000 to 3,00,000 lakhs 60% respondents agree to this statement. In some cases, people tend to submit fake documents to take undue advantage of rules & regulations.

Table M 30MQ27 Some public sector general insurance companies follow unethical practices.

MQ27 Some public sector general insurance companies follow unethical practices.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	2.67%	18.67%	28.00%	37.33%	13.33%
Top level management	0.00%	26.67%	26.67%	26.67%	20.00%
Middle level management	3.70%	18.52%	25.93%	40.74%	11.11%
Officers	3.57%	14.29%	25.00%	42.86%	14.29%
Male management	4.00%	24.00%	26.00%	34.00%	12.00%
Female management	0.00%	8.00%	32.00%	44.00%	16.00%
HSC management	0.00%	0.00%	0.00%	0.00%	100.00%
Graduate management	2.78%	13.89%	19.44%	47.22%	16.67%
PG management	2.78%	13.89%	19.44%	47.22%	16.67%
200001 to 300000	0.00%	40.00%	40.00%	0.00%	20.00%
300001 to 400000	0.00%	25.00%	30.00%	35.00%	10.00%
400001 to 500000	4.55%	18.18%	22.73%	40.91%	13.64%
Above 500000	3.57%	10.71%	28.57%	42.86%	14.29%

Statistics MQ27 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
2.60	1.03	0.24	2.84	2.36	0.81

Statistics M 23

Figure M 113MQ27 Some public sector general insurance companies follow unethical practices.

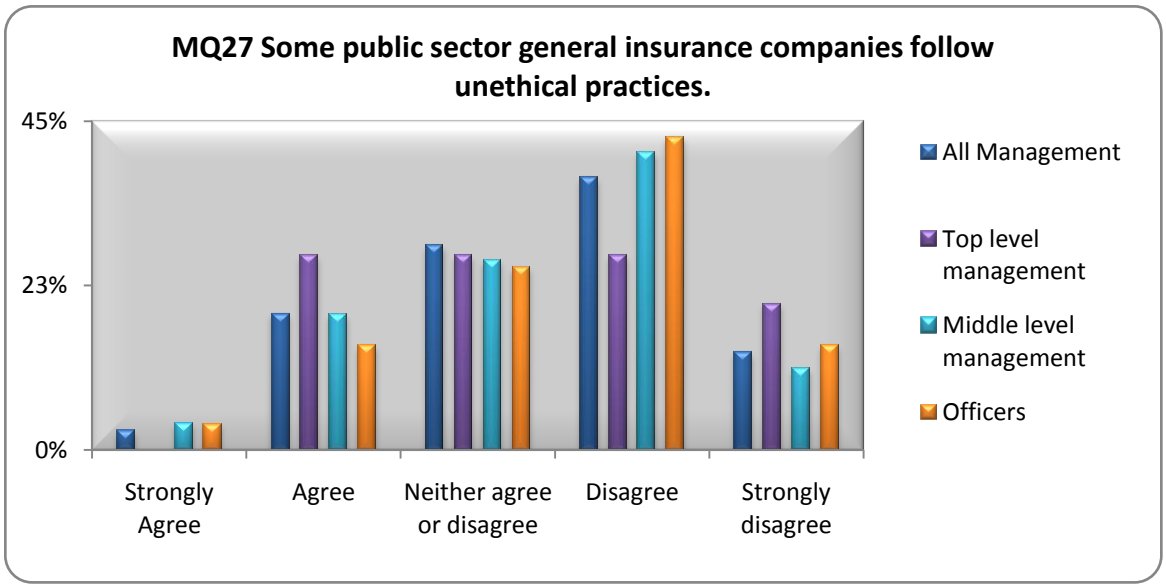


Figure M 114MQ27 Some public sector general insurance companies follow unethical practices.

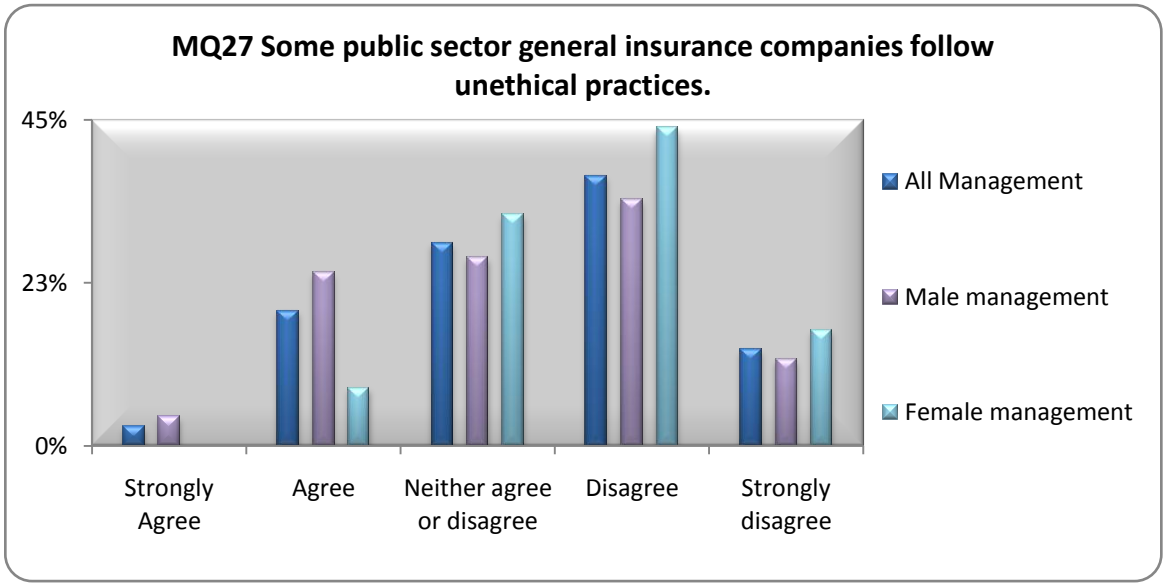


Figure M 115MQ27 Some public sector general insurance companies follow unethical practices.

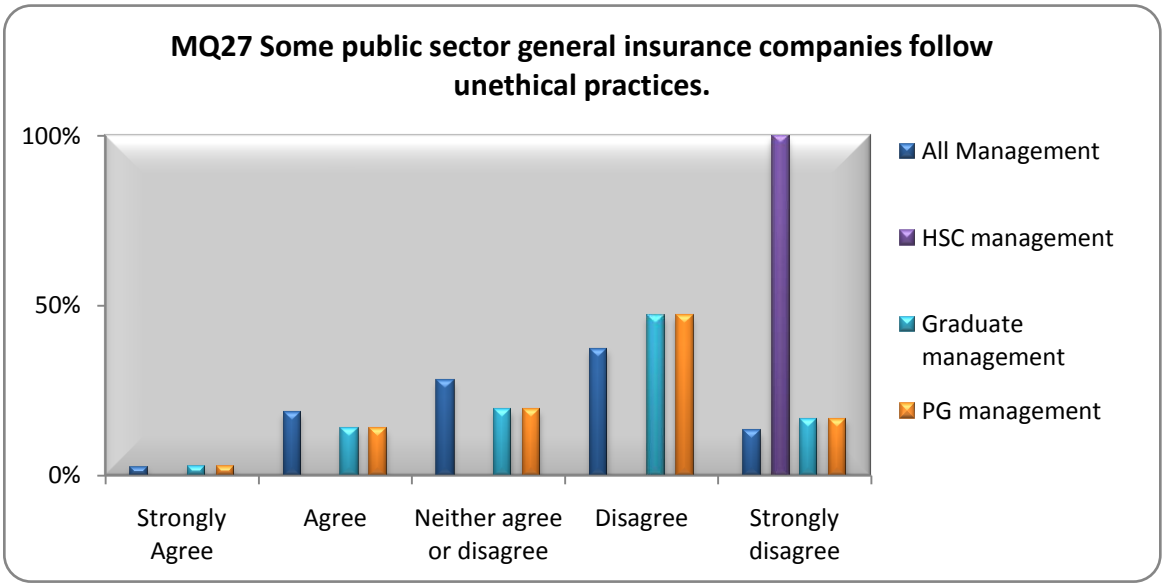
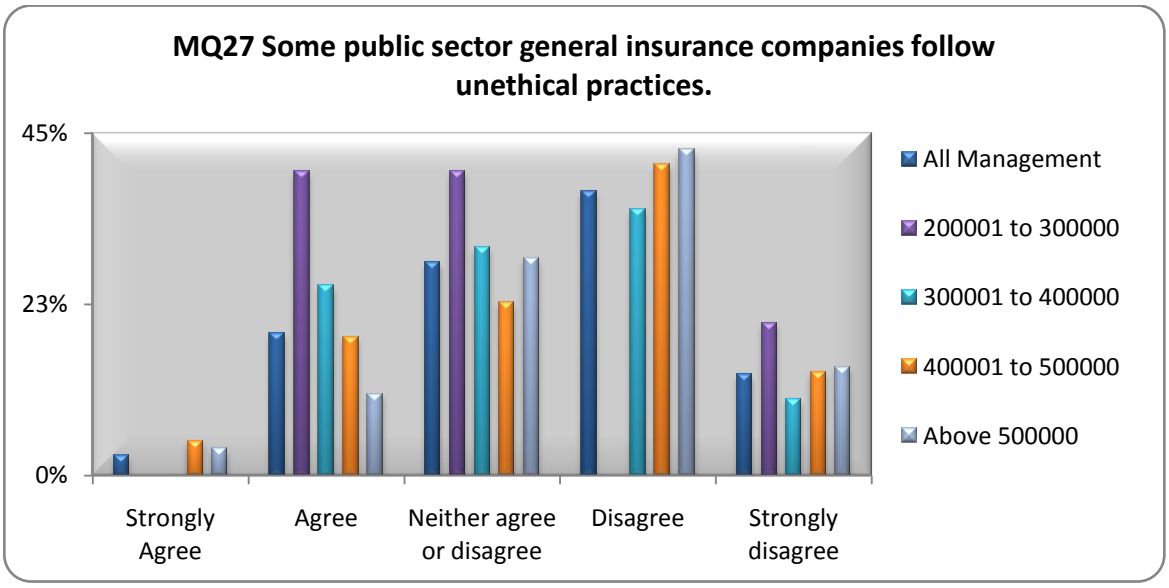


Figure M 116MQ27 Some public sector general insurance companies follow unethical practices



MQ27 Some public sector general insurance companies follow unethical practices.

At 'all management' level, 50.66% respondents disagree that some public sector general insurance companies follow unethical practices. In case of top management level, 46.67% disagree, in middle management level, 51.85% disagree and in officers' level, 57.15% disagree. This is because of strict

government control and they have to work within the framework of rules and regulations. Also the use of advance online computer technology and transparency in claim settlement procedure and RTI, it is difficult to follow unethical practices.

Table M 31MQ28 The government should give aid or some special package to the public sector general insurance companies.

MQ28 The government should give aid or some special package to the public sector general insurance companies.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	12.00%	36.00%	16.00%	30.67%	5.33%
Top level management	0.00%	33.33%	6.67%	60.00%	0.00%
Middle level management	22.22%	37.04%	11.11%	22.22%	7.41%
Officers	10.71%	32.14%	25.00%	25.00%	7.14%
Male management	12.00%	42.00%	8.00%	34.00%	4.00%
Female management	12.00%	24.00%	32.00%	24.00%	8.00%
HSC management	0.00%	0.00%	0.00%	0.00%	100.00%
Graduate management	13.89%	33.33%	19.44%	30.56%	2.78%
PG management	13.89%	33.33%	19.44%	30.56%	2.78%
200001 to 300000	0.00%	20.00%	0.00%	40.00%	40.00%
300001 to 400000	10.00%	45.00%	15.00%	30.00%	0.00%
400001 to 500000	13.64%	54.55%	13.64%	13.64%	4.55%
Above 500000	14.29%	17.86%	21.43%	42.86%	3.57%

Statistics MQ28 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.19	1.16	0.27	3.45	2.92	1.02

Statistics M 24

Figure M 117MQ28 The government should give aid or some special package to the public sector general insurance companies.

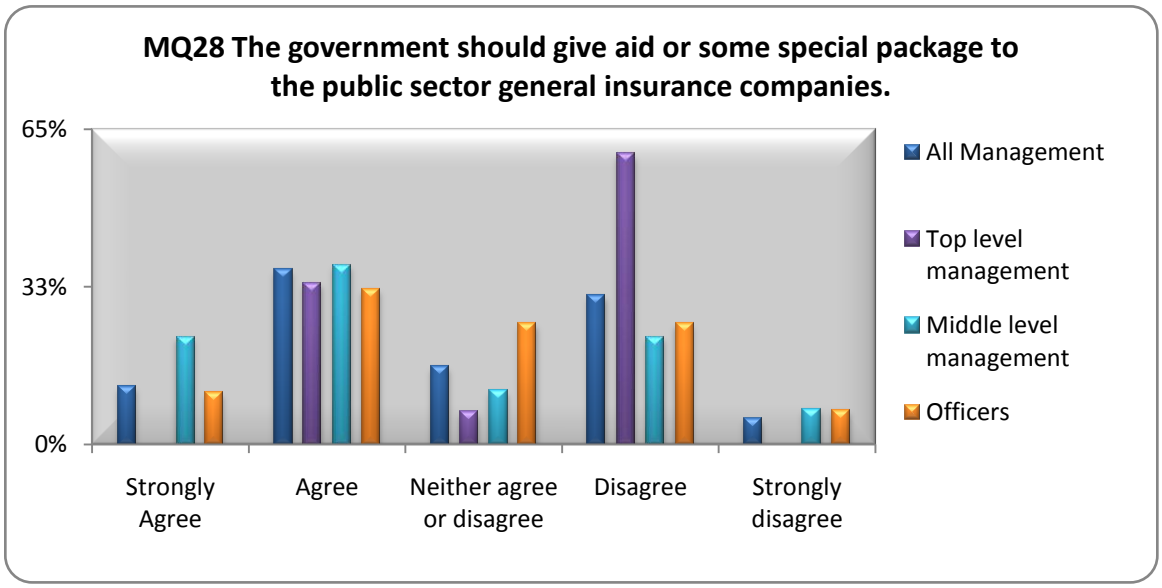


Figure M 118MQ28 The government should give aid or some special package to the public sector general insurance companies.

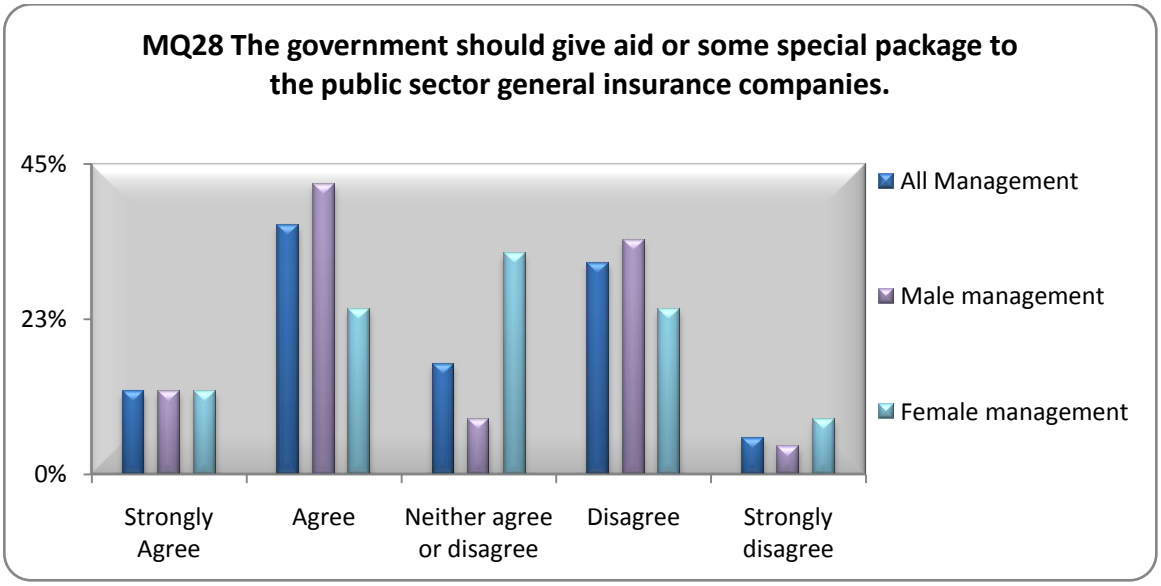


Figure M 119MQ28 The government should give aid or some special package to the public sector general insurance companies.

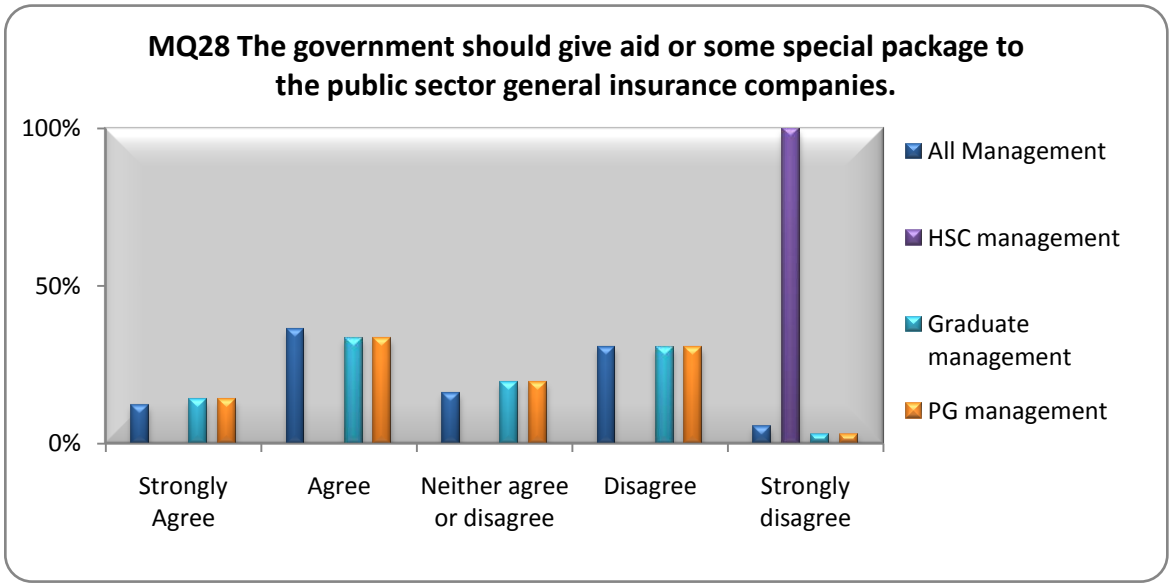
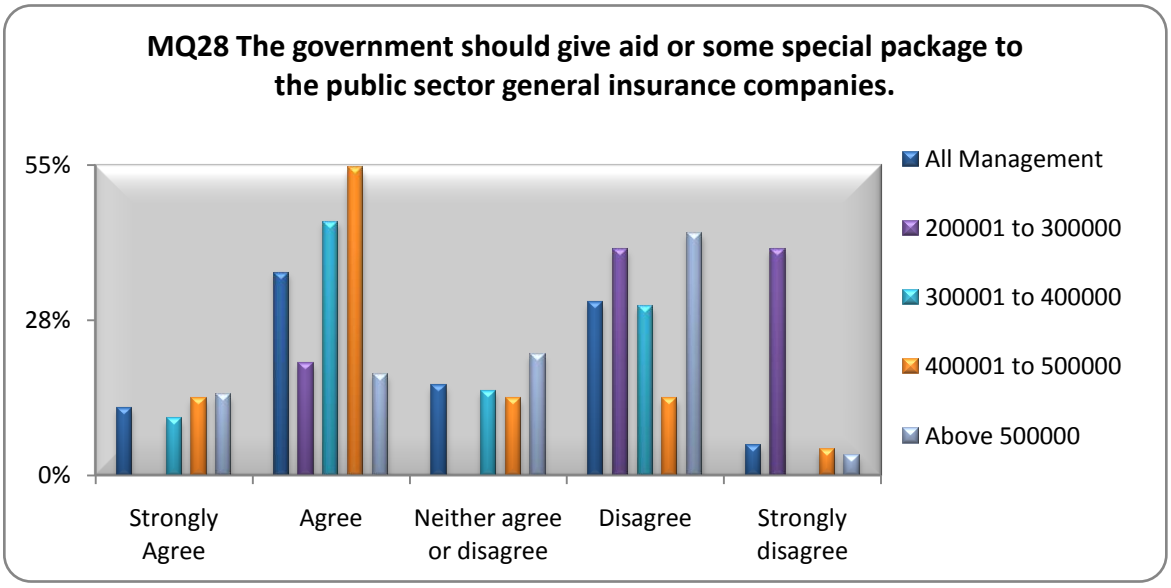


Figure M 120MQ28 The government should give aid or some special package to the public sector general insurance companies.



MQ28 The government should give aid or some special package to the public sector general insurance companies.

At 'all management' level, 47% respondents say that government should give aid or some special package to the public sector general insurance companies. 59.26% from middle management level agree to this. In the officers' level, 42.85% agree. But in the top management 60% respondents disagree with this.

This is because the top management respondents feel that public sector general insurance companies can do better with some more efforts and they have good knowledge, good infrastructure facilities, and trust of people being Government Company and related experience to face the competition and survive even without special aid or package from the government.

Table M 32MQ29 The government's policies towards general insurance sector are favourable.

MQ29 The government's policies towards general insurance sector are favourable.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	2.67%	30.67%	32.00%	29.33%	5.33%
Top level management	0.00%	20.00%	40.00%	33.33%	6.67%
Middle level management	0.00%	33.33%	40.74%	25.93%	0.00%
Officers	7.14%	32.14%	14.29%	35.71%	10.71%
Male management	2.00%	34.00%	30.00%	30.00%	4.00%
Female management	4.00%	24.00%	36.00%	28.00%	8.00%
HSC management	0.00%	0.00%	0.00%	0.00%	100.00%
Graduate management	2.78%	41.67%	27.78%	25.00%	2.78%
PG management	2.78%	41.67%	27.78%	25.00%	2.78%
200001 to 300000	20.00%	0.00%	60.00%	0.00%	20.00%
300001 to 400000	0.00%	40.00%	30.00%	25.00%	5.00%
400001 to 500000	0.00%	36.36%	27.27%	31.82%	4.55%
Above 500000	3.57%	25.00%	32.14%	35.71%	3.57%

Statistics MQ29 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
2.96	0.96	0.22	3.18	2.74	0.77

Statistics M 25

Figure M 121MQ29 The government's policies towards general insurance sector are favourable.

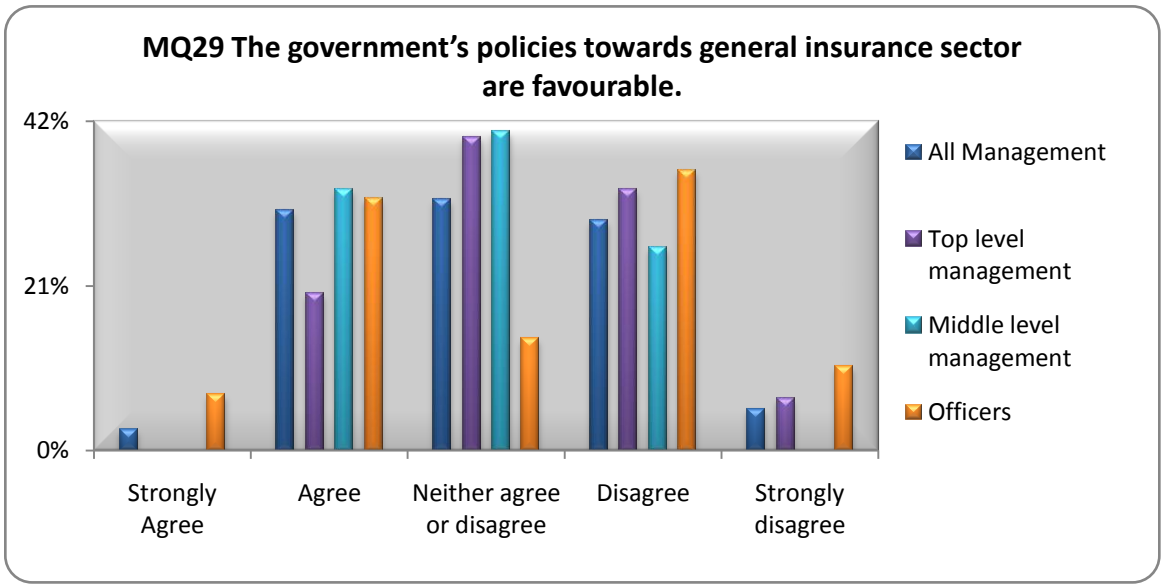


Figure M 122MQ29 The government's policies towards general insurance sector are favourable.

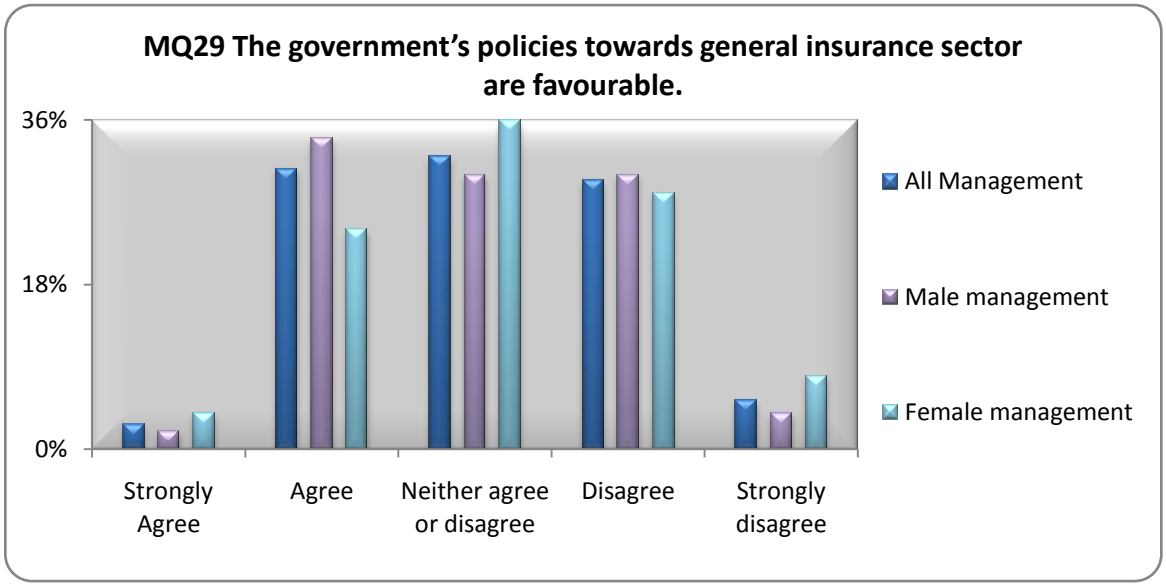


Figure M 123MQ29 The government's policies towards general insurance sector are favourable.

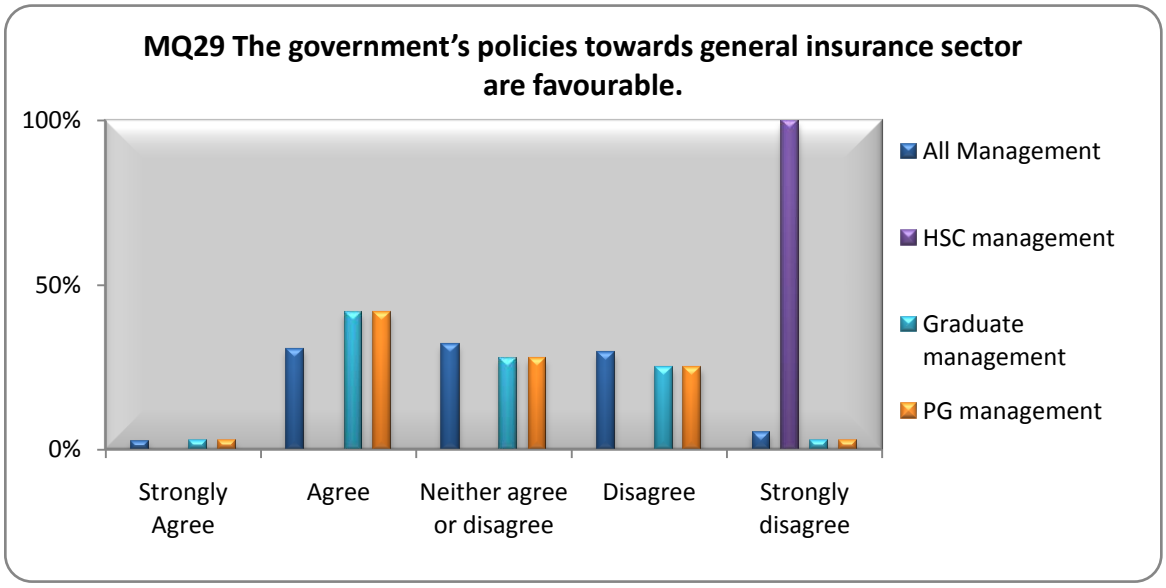
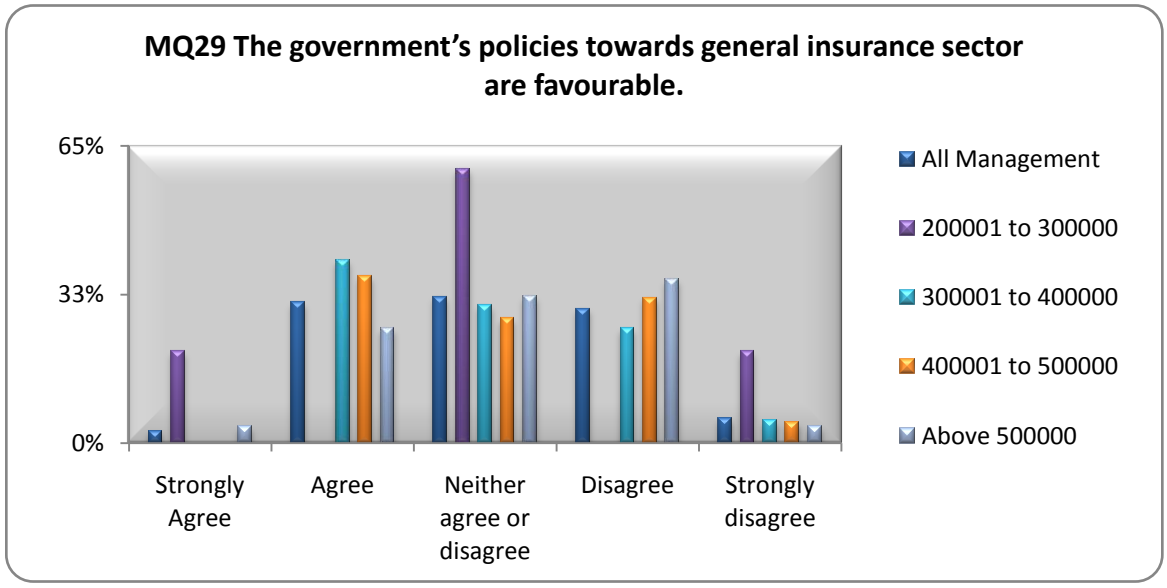


Figure M 124MQ29 The government's policies towards general insurance sector are favourable.



MQ29 The government's policies towards general insurance sector are favourable.

There is mixed response to this statement. As can be seen, 33.34% respondents at 'all management' level, say that the government policies towards general insurance sector are favourable and in the same category, 34.66% do not agree with this. At various levels, in all the categories, also there is mixed response.

However, 40% respondents in the top management level category do not agree with this statement. This is because the government has allowed and want private sector general insurance companies to contribute to Indian economy. The government also want to reduce the burden of running the public sector companies. Therefore majority of respondents feel that the government's policies towards general insurance sector are not favourable.

Table M 33MQ30 Which type of general insurance companies do you think have succeeded in creating new business after globalization?

MQ30 Which type of general insurance companies' do you think have succeeded in creating new business after globalization?	Public Sector (1)	Private Sector (2)	Both (3)
All Management	26.67%	20.00%	53.33%
Top level management	20.00%	6.67%	73.33%
Middle level management	29.63%	18.52%	51.85%
Officers	25.00%	32.14%	42.86%
Male management	28.00%	18.00%	54.00%
Female management	24.00%	24.00%	52.00%
HSC management	100.00%	0.00%	0.00%
Graduate management	22.22%	19.44%	58.33%
PG management	22.22%	19.44%	58.33%
200001 to 300000	20.00%	40.00%	40.00%
300001 to 400000	10.00%	10.00%	80.00%
400001 to 500000	45.45%	31.82%	22.73%
Above 500000	25.00%	14.29%	60.71%

Figure M 125MQ30 Which type of general insurance companies do you think have succeeded in creating new business after globalization?

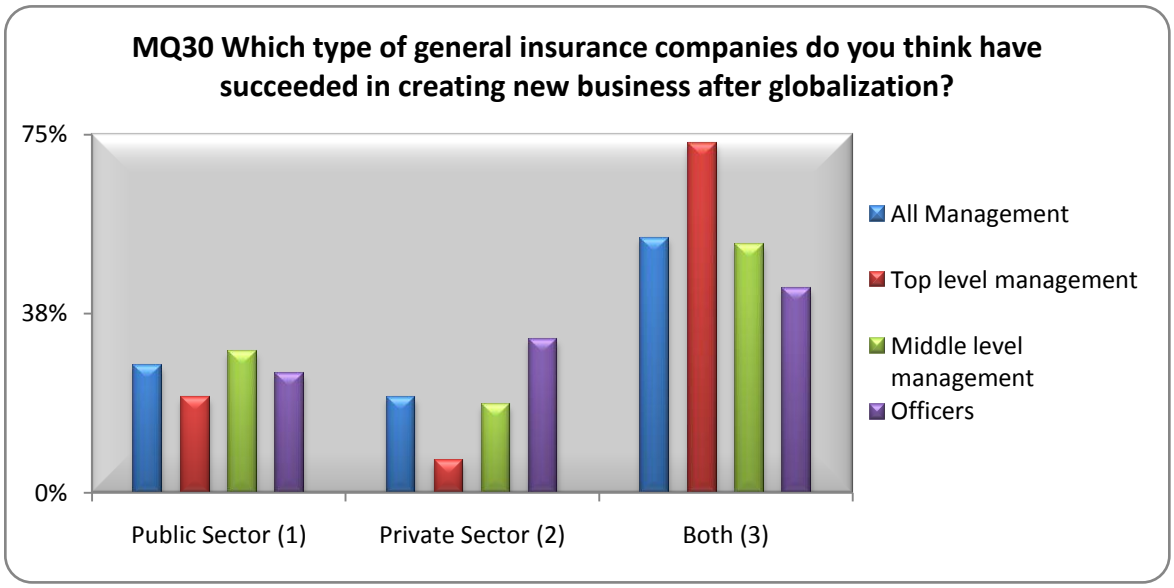


Figure M 126MQ30 Which type of general insurance companies do you think have succeeded in creating new business after globalization?

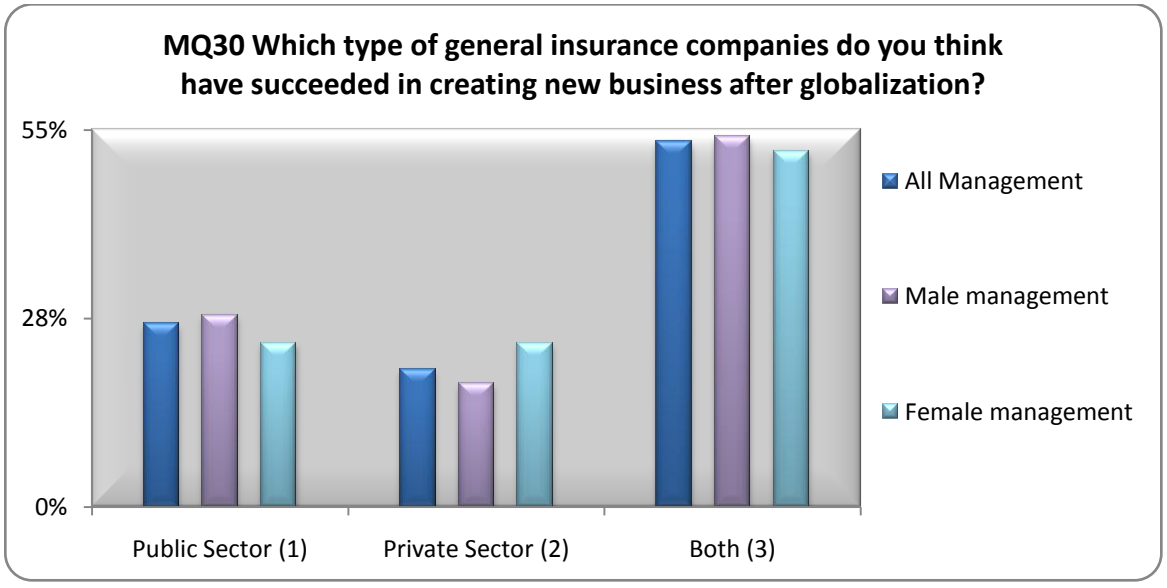


Figure M 127MQ30 Which type of general insurance companies do you think have succeeded in creating new business after globalization?

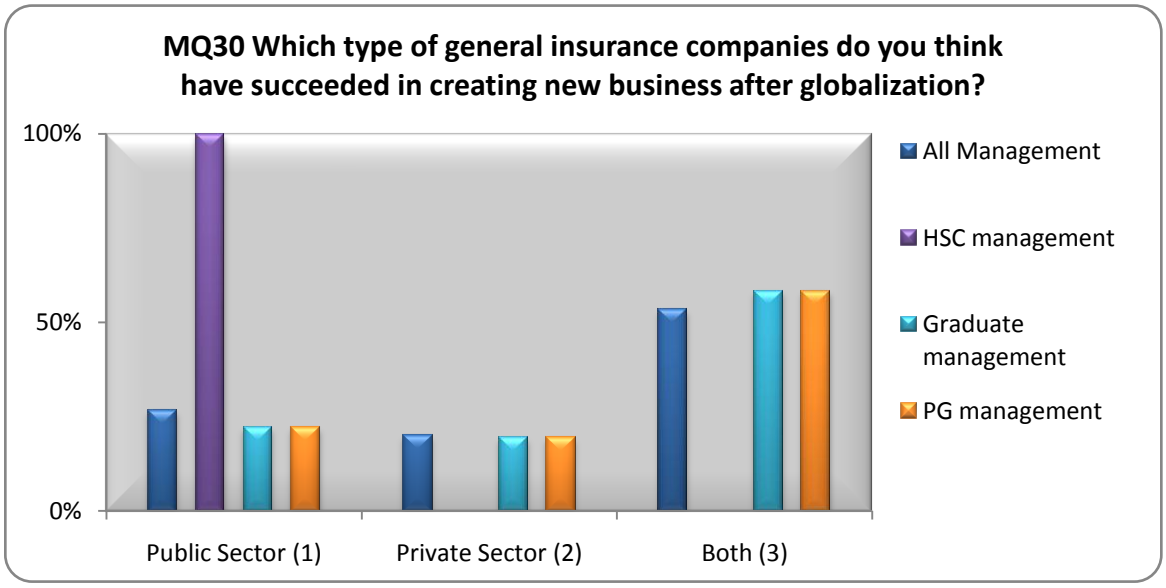
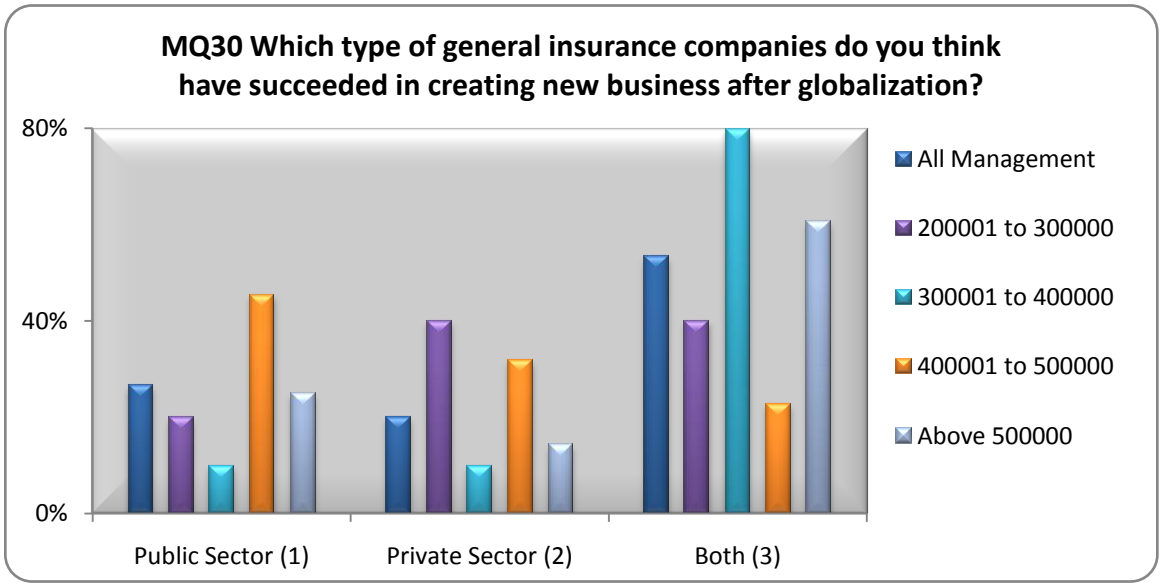


Figure M 128MQ30 Which type of general insurance companies do you think have succeeded in creating new business after globalization?



MQ30 Which type of general insurance companies do you think have succeeded in creating new business after globalization?

At 'all management' level, 53.33% respondents say that both types of companies have succeeded in creating new business after globalization. In top management level category 73.33% are of the same opinion, 51.85% in middle management level also say the same thing and in case of officers 42.86% are of the same

opinion. In the income group of 3,00,000 to 4,00,000 lakhs, 80% respondents also say both types of companies have succeeded. 54% male respondents and 52% female also say both types of companies have succeeded. If seen education wise, 58% are of the same opinion. The general insurance business has lot of scope in India. The people who are aware of this business are very less. India is a potential market for general insurance business. For all the private sector and public sector general insurance companies, there is still lot of business and therefore new private sector companies are entering India for the business. This is equally true for public sector companies also and both types of companies have succeeded in creating new business after globalization in India.

Table M 34MQ31 Because of globalization there is ever increasing competition.

MQ31 Because of globalization there is ever increasing competition.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	22.67%	70.67%	5.33%	1.33%	0.00%
Top level management	20.00%	73.33%	6.67%	0.00%	0.00%
Middle level management	14.81%	74.07%	7.41%	3.70%	0.00%
Officers	32.14%	64.29%	3.57%	0.00%	0.00%
Male management	14.00%	76.00%	8.00%	2.00%	0.00%
Female management	40.00%	60.00%	0.00%	0.00%	0.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	19.44%	77.78%	0.00%	2.78%	0.00%
PG management	19.44%	77.78%	0.00%	2.78%	0.00%
200001 to 300000	40.00%	60.00%	0.00%	0.00%	0.00%
300001 to 400000	20.00%	80.00%	0.00%	0.00%	0.00%
400001 to 500000	13.64%	77.27%	4.55%	4.55%	0.00%
Above 500000	28.57%	60.71%	10.71%	0.00%	0.00%

Statistics MQ31 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
4.15	0.56	0.13	4.28	4.02	0.39

Statistics M 26

Figure M 129MQ31 Because of globalization there is ever increasing competition.

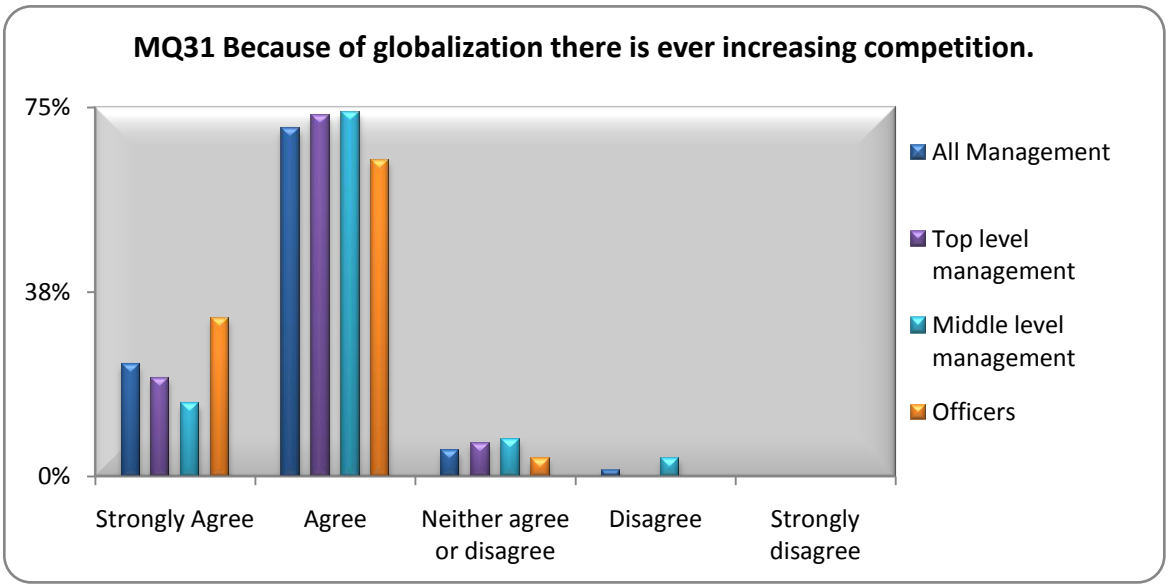


Figure M 130MQ31 Because of globalization there is ever increasing competition.

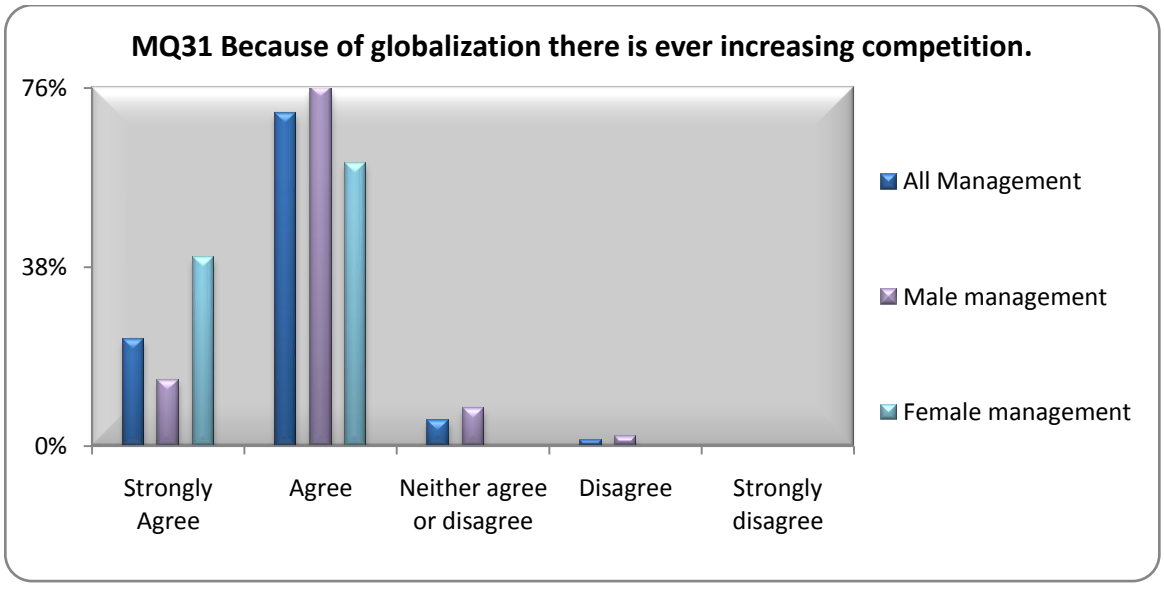


Figure M 131MQ31 Because of globalization there is ever increasing competition.

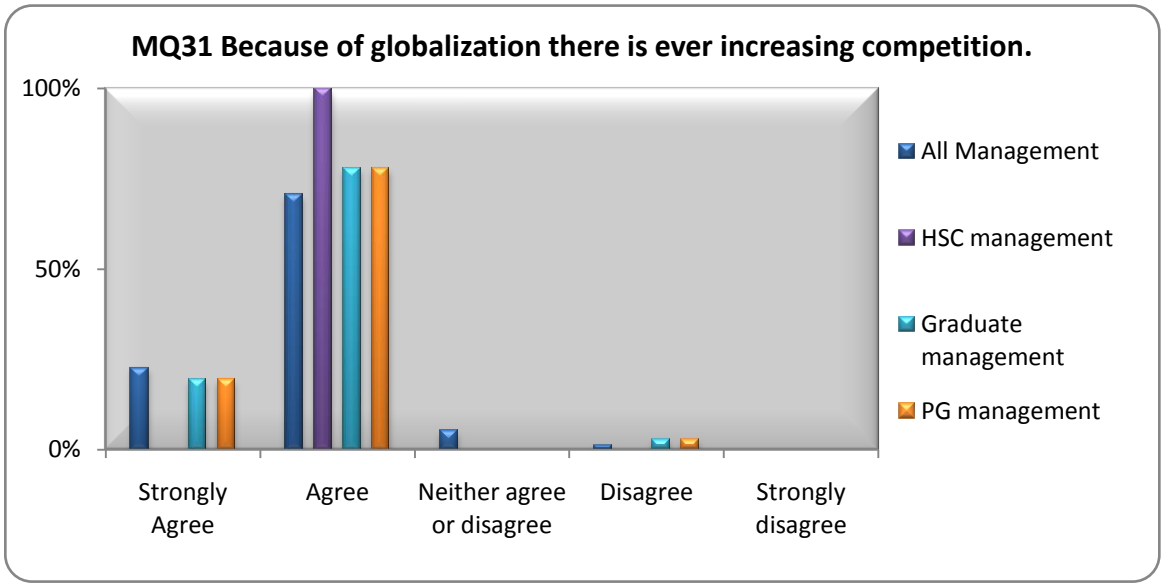
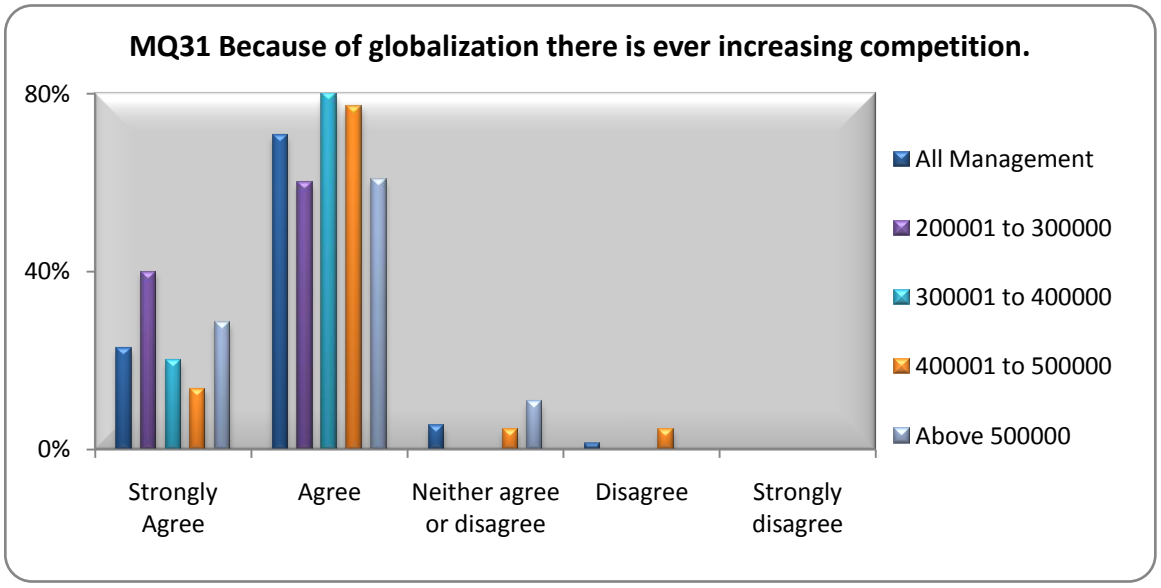


Figure M 132MQ31 Because of globalization there is ever increasing competition.



MQ31 Because of globalization there is ever increasing competition.

High majority 93.34% of respondents at 'all management' level, 93.33% in top management level, 88.88% middle level management level and 96.43% in officers' level say that because of globalization there is ever increasing competition. All the 100% female respondents and 90% male respondents agree

to this statement. In the income level of 2, 00,000 to 3, 00,000 lakhs and 3, 00,000 to 4, 00,000 lakhs, all the 100% respondents also are of the same opinion. Because of globalization, more and more private sector general insurance companies are entering India because of vast scope here. The existing companies have to face the competition because of this and also to survive and get more and more business. Therefore, there is competition between all the companies for business especially because of globalization.

Table M 35MQ32 The existing business is getting rotated amongst the insurance companies.

MQ32 The existing business is getting rotated amongst the insurance companies.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	9.33%	56.00%	14.67%	20.00%	0.00%
Top level management	6.67%	60.00%	13.33%	20.00%	0.00%
Middle level management	11.11%	55.56%	7.41%	25.93%	0.00%
Officers	10.71%	50.00%	21.43%	17.86%	0.00%
Male management	8.00%	56.00%	12.00%	24.00%	0.00%
Female management	12.00%	56.00%	20.00%	12.00%	0.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	5.56%	50.00%	22.22%	22.22%	0.00%
PG management	5.56%	50.00%	22.22%	22.22%	0.00%
200001 to 300000	20.00%	80.00%	0.00%	0.00%	0.00%
300001 to 400000	0.00%	75.00%	15.00%	10.00%	0.00%
400001 to 500000	13.64%	50.00%	13.64%	22.73%	0.00%
Above 500000	10.71%	42.86%	17.86%	28.57%	0.00%

Statistics MQ32 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.55	0.92	0.21	3.76	3.34	0.78

Statistics M 27

Figure M 133MQ32 The existing business is getting rotated amongst the insurance companies.

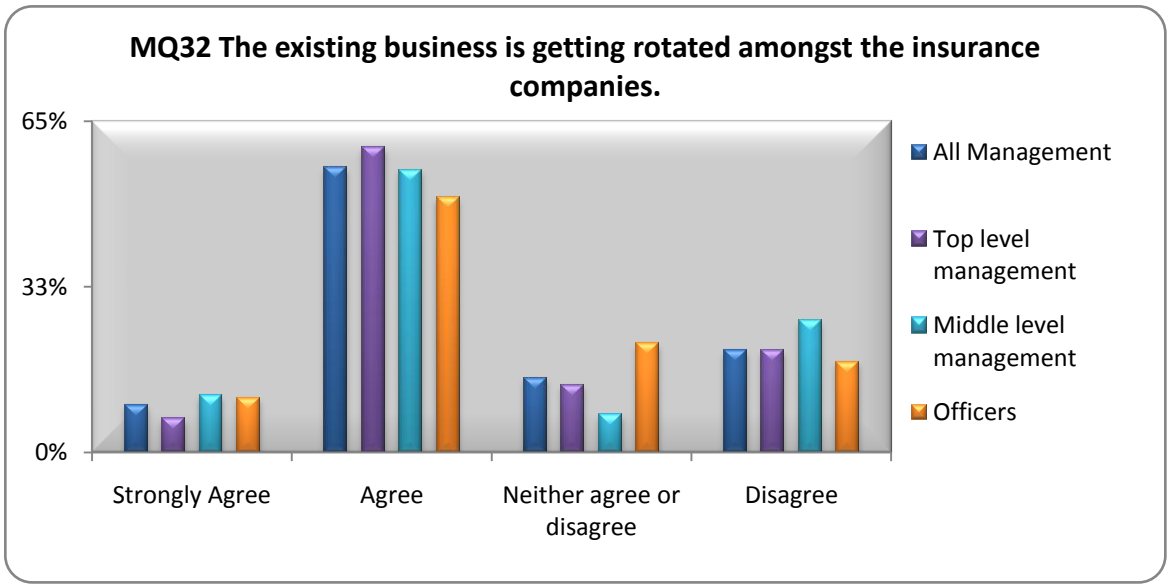


Figure M 134MQ32 The existing business is getting rotated amongst the insurance companies.

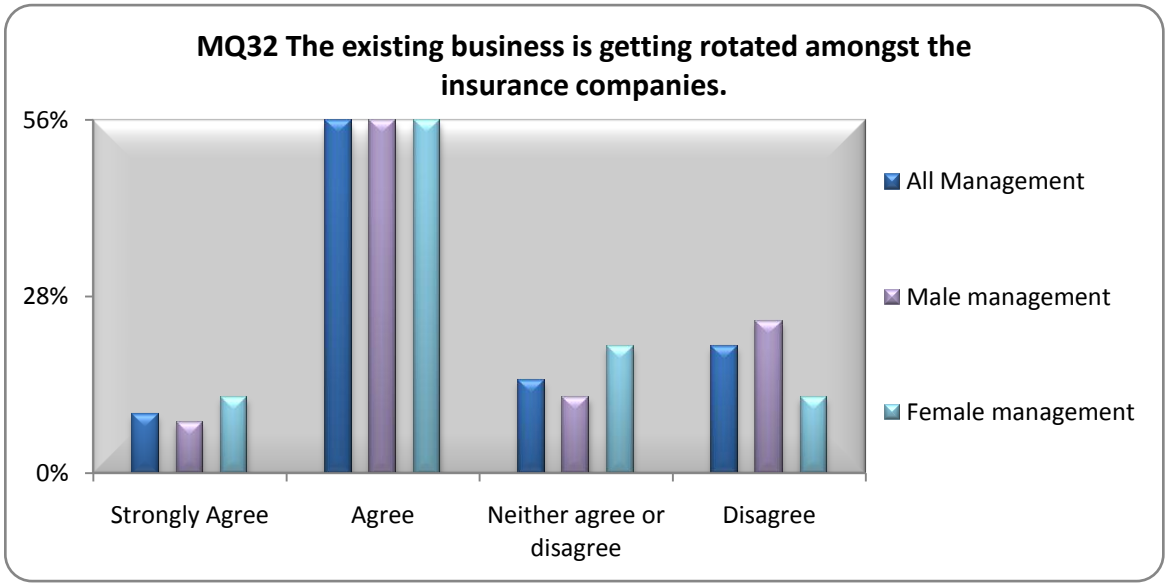


Figure M 135MQ32 The existing business is getting rotated amongst the insurance companies.

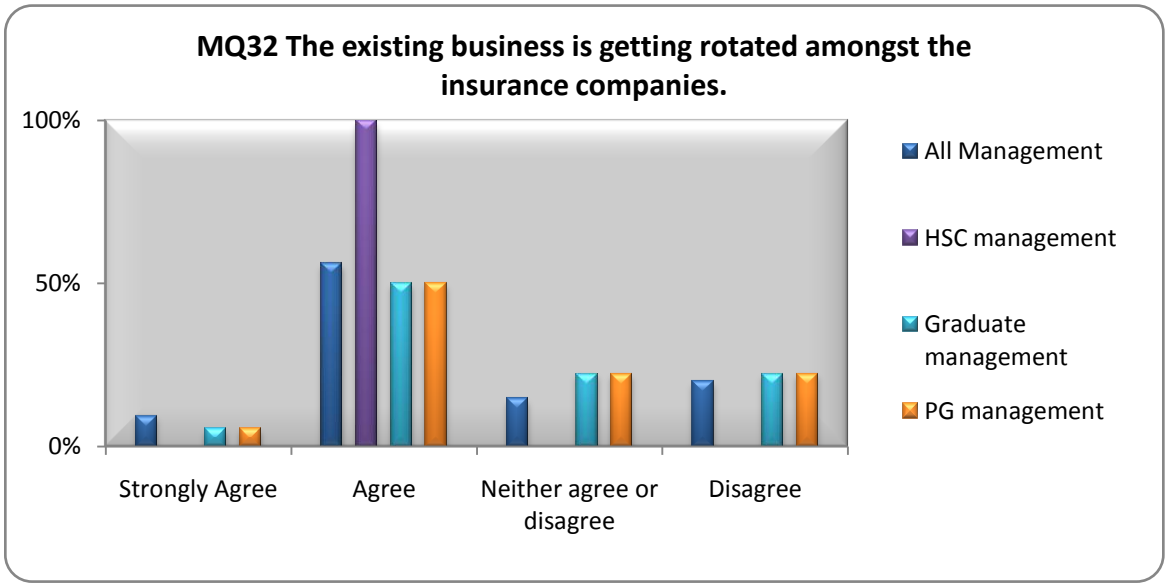
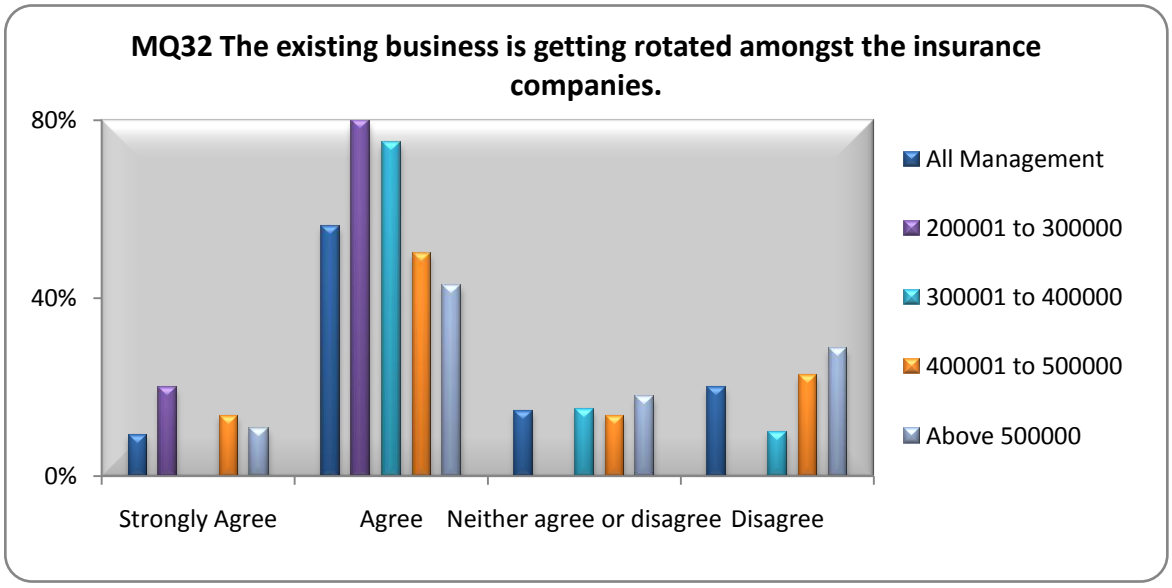


Figure M 136MQ32 The existing business is getting rotated amongst the insurance companies.



MQ32 The existing business is getting rotated amongst the insurance companies.

At 'all management' level, 63.33% respondents say that the existing business is getting rotated amongst the insurance companies. 66.67% top management level, 67.67% middle management level and 60.71% officers are also of the same opinion. The 62% male and 68% female respondents agree to this. In the

income group of 2,00,000 to 3,00,000 lakhs 100% respondents and in the income group of 3,00,000 to 4,00,000 lakhs 75% respondents agree to the statement. The agents and the companies cannot reach all the people across India, but while doing this they have to see that at least the existing business remains with them as the companies are trying to grab this business from other companies. The agents who get business for the companies also cannot reach all the people or villages to get new business and therefore, the companies are targeting the existing business and hence the existing business is getting rotated amongst insurance companies.

Table M 36MQ33 Settlement of claims by private sector companies is faster compared to public sector general insurance companies.

MQ33 Settlement of claims by private sector companies is faster compared to public sector general insurance companies.	**Strongly Agree**	**Agree**	**Neither agree or disagree**	**Disagree**	**Strongly disagree**
All Management	2.67%	32.00%	16.00%	42.67%	6.67%
Top level management	0.00%	26.67%	6.67%	53.33%	13.33%
Middle level management	0.00%	51.85%	0.00%	40.74%	7.41%
Officers	7.14%	10.71%	39.29%	39.29%	3.57%
Male management	0.00%	34.00%	8.00%	52.00%	6.00%
Female management	8.00%	28.00%	32.00%	24.00%	8.00%
HSC management	0.00%	0.00%	0.00%	0.00%	100.00%
Graduate management	0.00%	36.11%	19.44%	38.89%	5.56%
PG management	0.00%	36.11%	19.44%	38.89%	5.56%
200001 to 300000	20.00%	20.00%	20.00%	20.00%	20.00%
300001 to 400000	5.00%	45.00%	15.00%	35.00%	0.00%
400001 to 500000	0.00%	27.27%	13.64%	54.55%	4.55%
Above 500000	0.00%	28.57%	17.86%	42.86%	10.71%

Statistics MQ33 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
2.81	1.05	0.24	3.05	2.57	0.94

Statistics M 28

Figure M 137MQ33 Settlement of claims by private sector companies is faster compared to public sector general insurance companies.

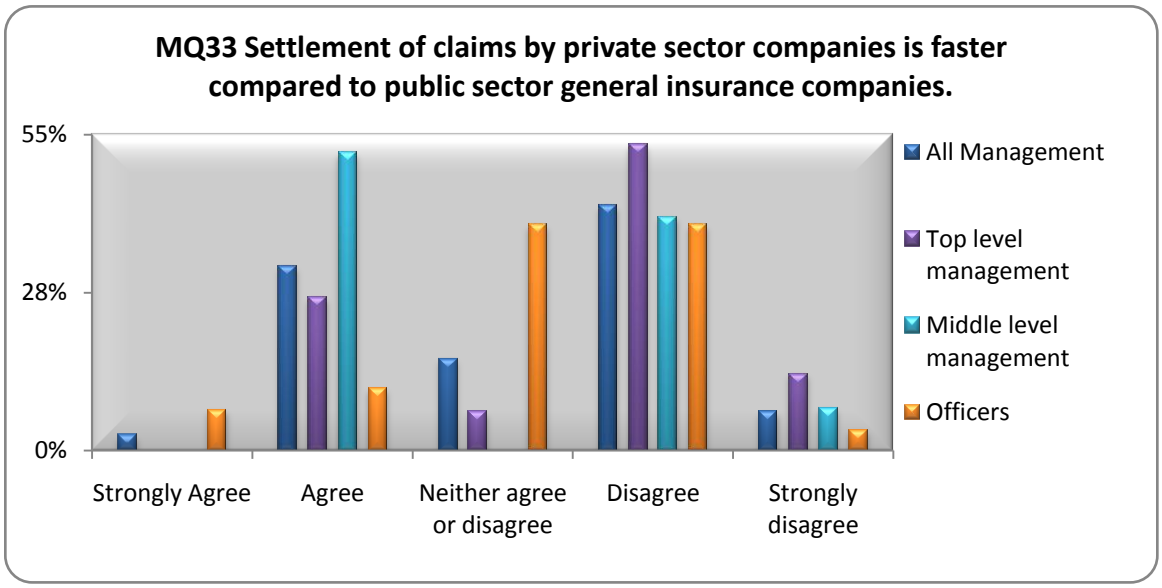


Figure M 138MQ33 Settlement of claims by private sector companies is faster compared to public sector general insurance companies.

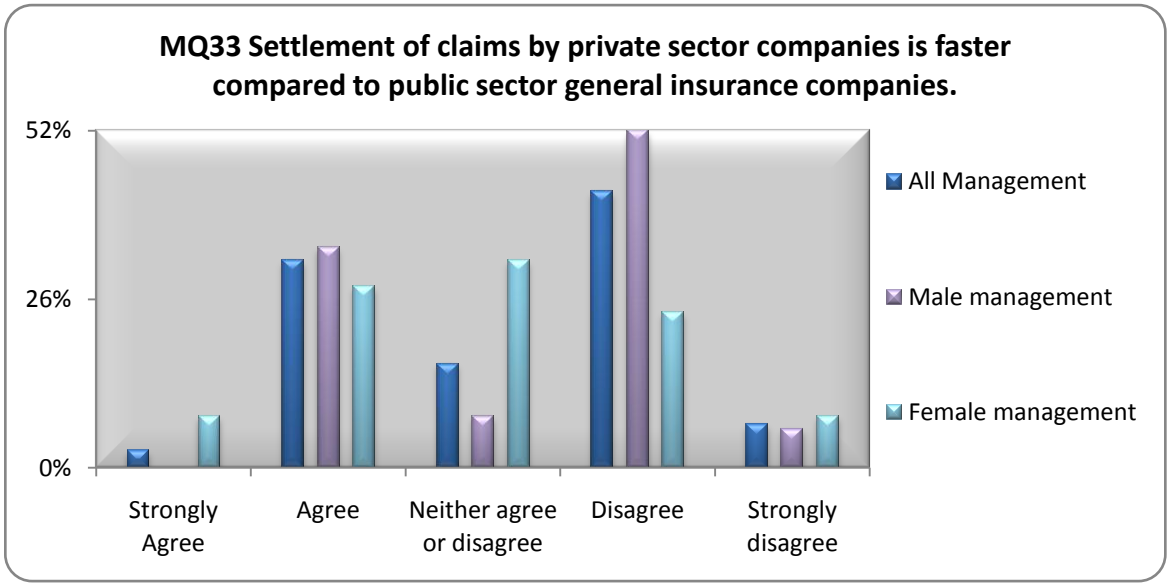


Figure M 139MQ33 Settlement of claims by private sector companies is faster compared to public sector general insurance companies.

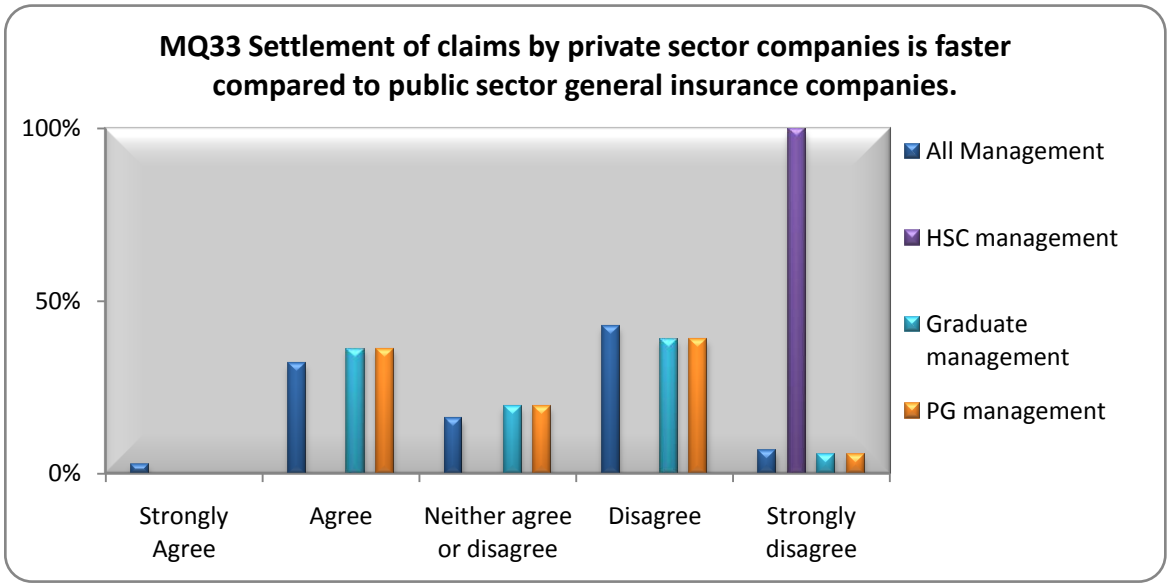
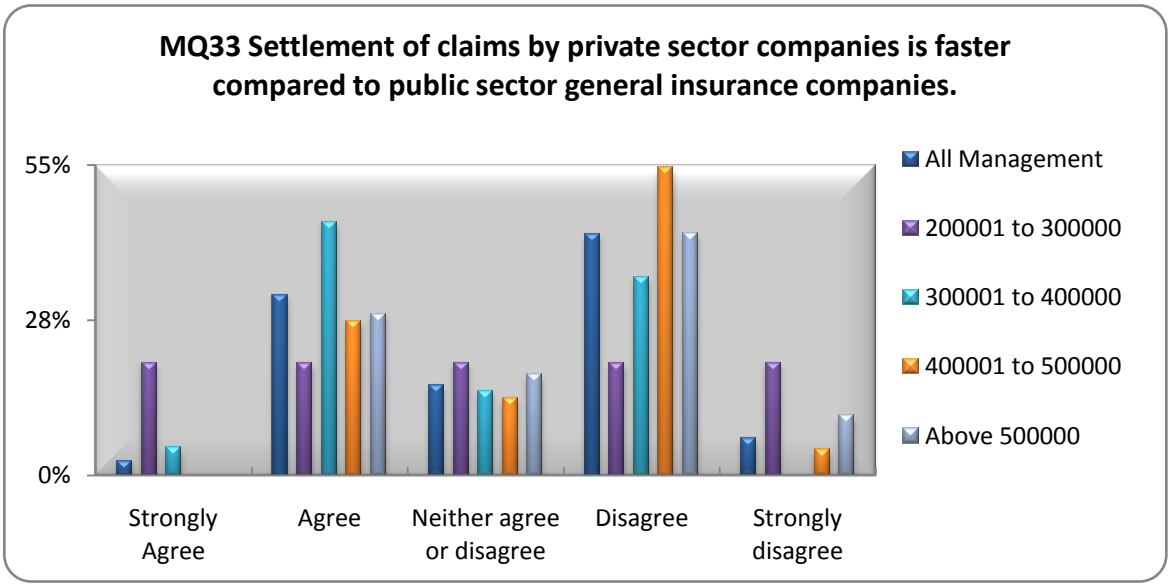


Figure M 140MQ33 Settlement of claims by private sector companies is faster compared to public sector general insurance companies.



MQ33 Settlement of claims by private sector companies is faster compared to public sector general insurance companies.

At 'all management' level, 49.34% respondents say that the settlement of claims by private sector general insurance companies is faster compared to public sector general insurance companies. 66.67% top management level, 48.15% middle management level and 42.86% officers are also of the same opinion. The

58% male respondents agree to this. In the income group of 4, 00,000 to 5, 00,000 lakhs 59.10% respondents and in the income group of more than 5,00,000 lakhs 53.57% respondents agree to the statement. This is solely due to the procedural delays, strict rules and regulations and the limited authorities as per the hierarchy.

Table M 37MQ34 The public sector general insurance companies need to improve the service.

MQ34 The public sector general insurance companies need to improve the service.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	20.00%	61.33%	5.33%	13.33%	0.00%
Top level management	13.33%	66.67%	13.33%	6.67%	0.00%
Middle level management	18.52%	62.96%	0.00%	18.52%	0.00%
Officers	28.57%	53.57%	7.14%	10.71%	0.00%
Male management	18.00%	60.00%	6.00%	16.00%	0.00%
Female management	24.00%	64.00%	4.00%	8.00%	0.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	22.22%	52.78%	0.00%	25.00%	0.00%
PG management	22.22%	52.78%	0.00%	25.00%	0.00%
200001 to 300000	40.00%	60.00%	0.00%	0.00%	0.00%
300001 to 400000	15.00%	75.00%	0.00%	10.00%	0.00%
400001 to 500000	18.18%	54.55%	4.55%	22.73%	0.00%
Above 500000	21.43%	57.14%	10.71%	10.71%	0.00%

Statistics MQ34 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.88	0.88	0.20	4.08	3.68	0.60

Statistics M 29

Figure M 141MQ34 The public sector general insurance companies need to improve the service.

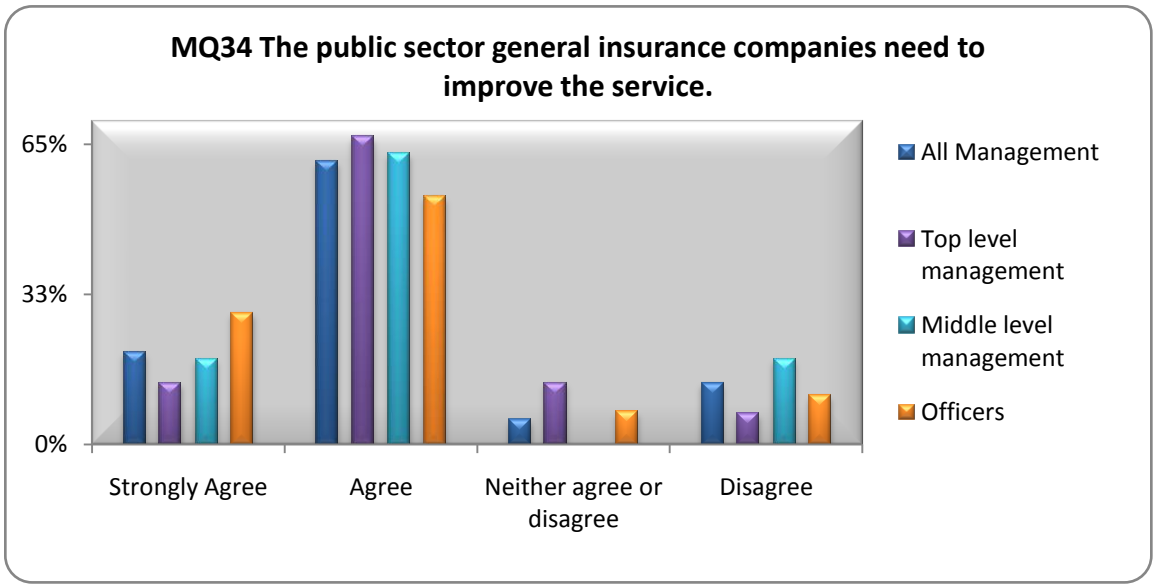


Figure M 142MQ34 The public sector general insurance companies need to improve the service.

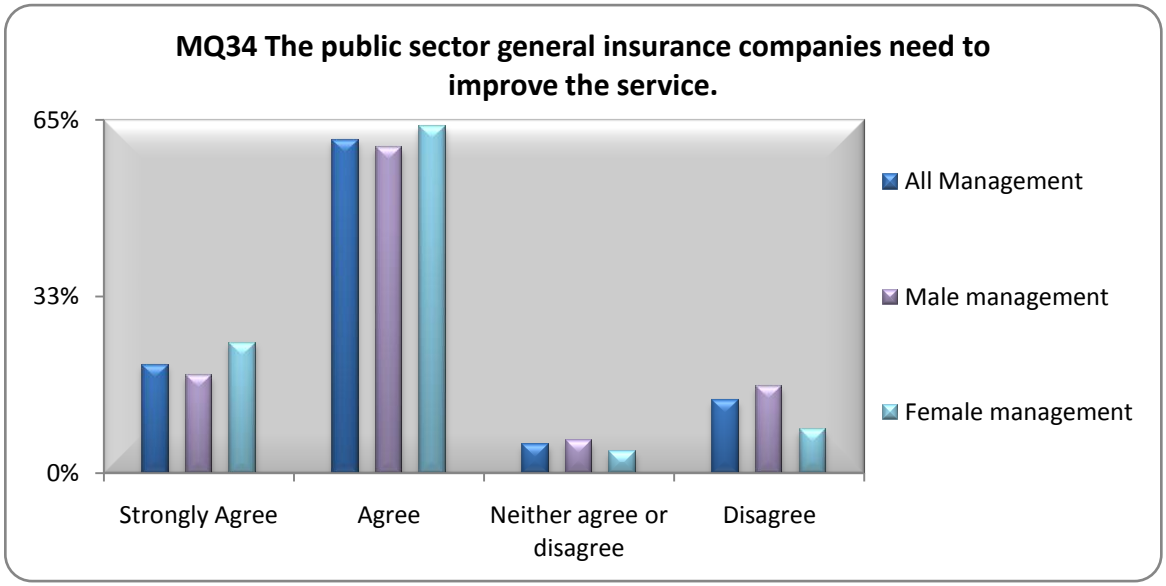


Figure M 143MQ34 The public sector general insurance companies need to improve the service.

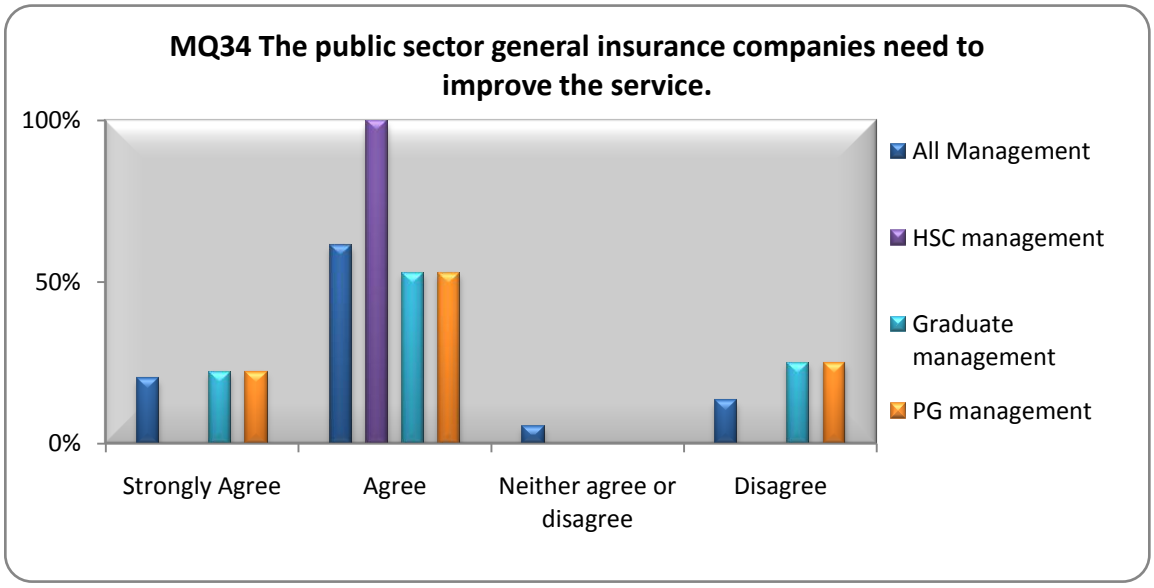
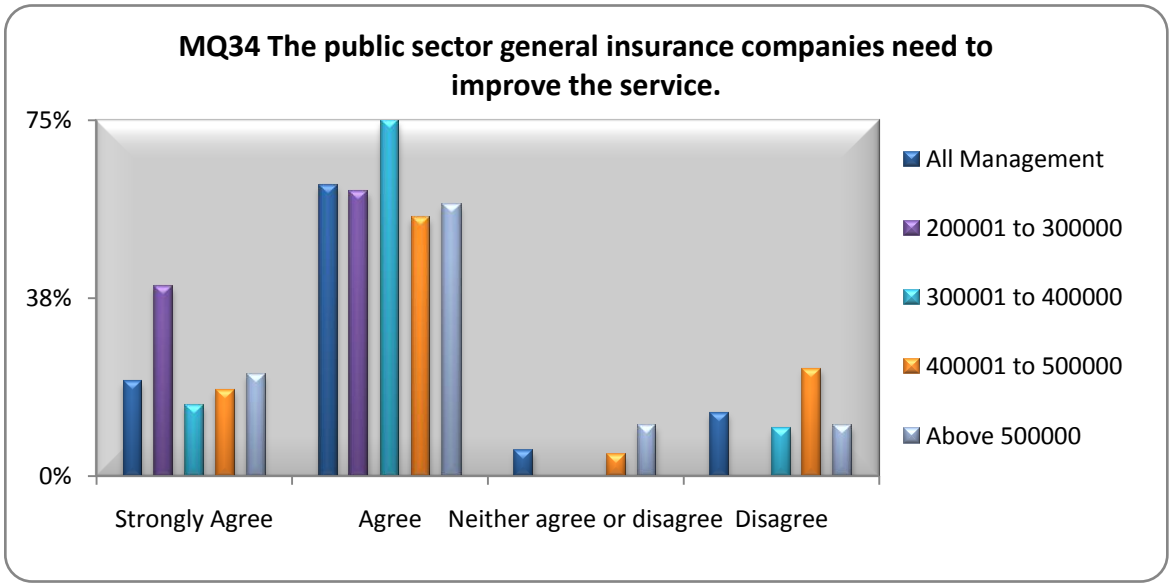


Figure M 144MQ34 The public sector general insurance companies need to improve the service.



MQ34 The public sector general insurance companies need to improve the service.

At 'all management' level, 81.33% respondents say that the public sector general insurance companies need to improve the service. 80% top management level, 81.48% middle management level and 82.14% officers are also of the same opinion. The 78% male and 88% female agree to this. In the income group of

2,00,000 to 3,00,000 lakhs, all the 100% and in the income group of 3,00,000 to 4,00,000 lakhs 90% respondents agree to this statement. Majority of respondents feel like this because there are procedural delays in public sector companies. They have to approach higher authorities for approval and all that. Also they have limited authority and the delays take place, unlike private sector general insurance companies and but they have to improve the service.

Table M 38MQ35 Most of the employees are not fully aware about the IRDA, its duties and functions etc.

MQ35 Most of the employees are not fully aware about the IRDA, its duties and functions etc.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	5.33%	61.33%	10.67%	20.00%	2.67%
Top level management	0.00%	66.67%	20.00%	13.33%	0.00%
Middle level management	7.41%	51.85%	7.41%	25.93%	7.41%
Officers	7.14%	64.29%	10.71%	17.86%	0.00%
Male management	4.00%	62.00%	8.00%	22.00%	4.00%
Female management	8.00%	60.00%	16.00%	16.00%	0.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	2.78%	69.44%	5.56%	19.44%	2.78%
PG management	2.78%	69.44%	5.56%	19.44%	2.78%
200001 to 300000	20.00%	80.00%	0.00%	0.00%	0.00%
300001 to 400000	0.00%	75.00%	5.00%	20.00%	0.00%
400001 to 500000	4.55%	50.00%	13.64%	31.82%	0.00%
Above 500000	7.14%	57.14%	14.29%	14.29%	7.14%

Statistics MQ35 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.47	0.96	0.22	3.69	3.25	0.82

Statistics M 30

Figure M 145MQ35 Most of the employees are not fully aware about the IRDA, its duties and functions etc.

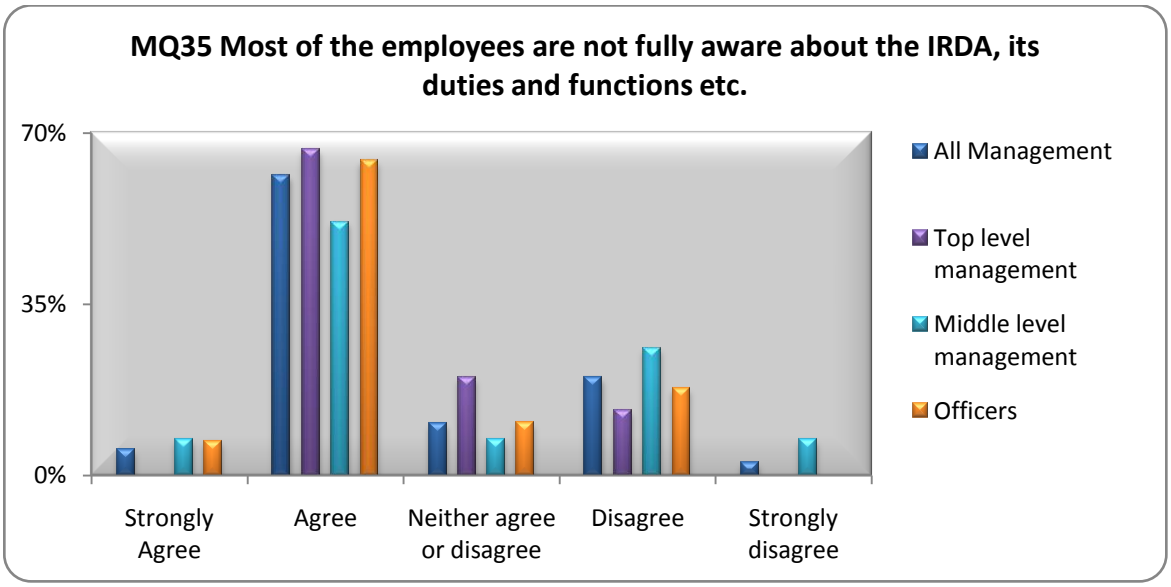


Figure M 146MQ35 Most of the employees are not fully aware about the IRDA, its duties and functions etc.

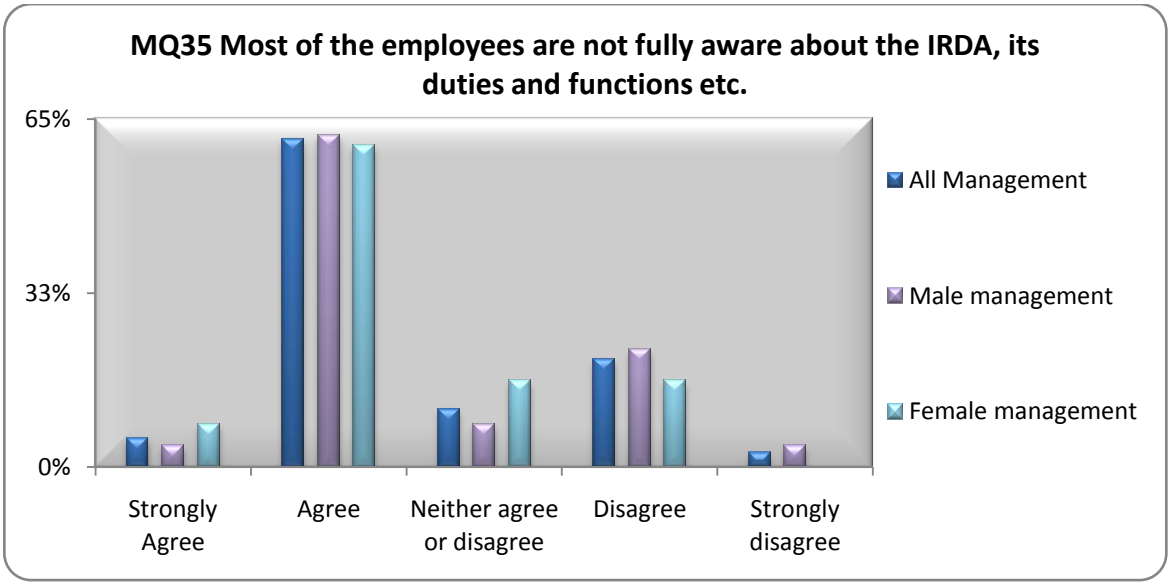


Figure M 147MQ35 Most of the employees are not fully aware about the IRDA, its duties and functions etc.

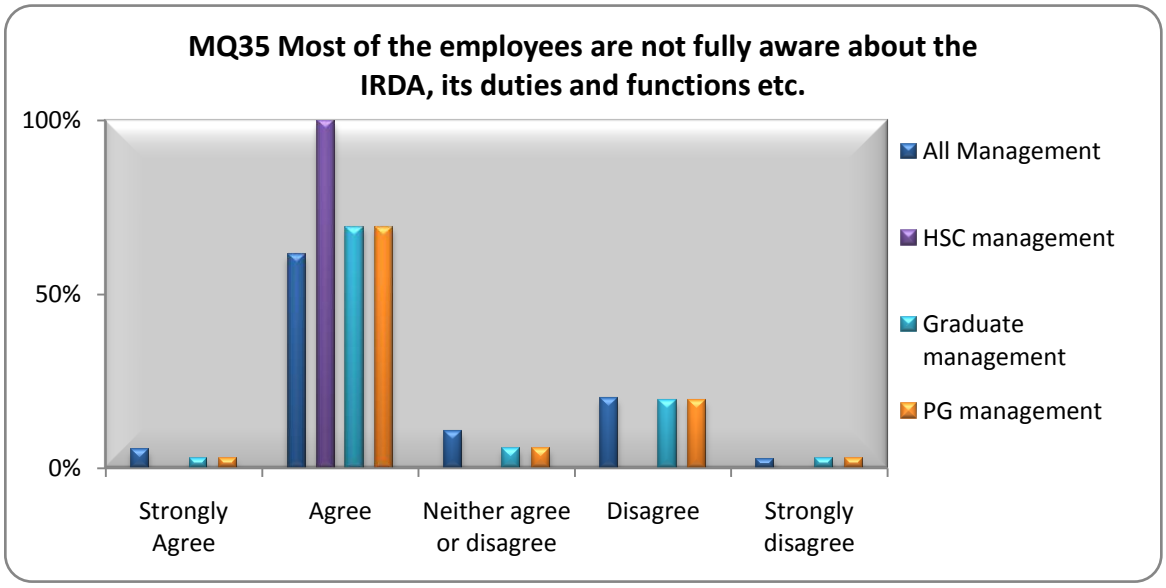
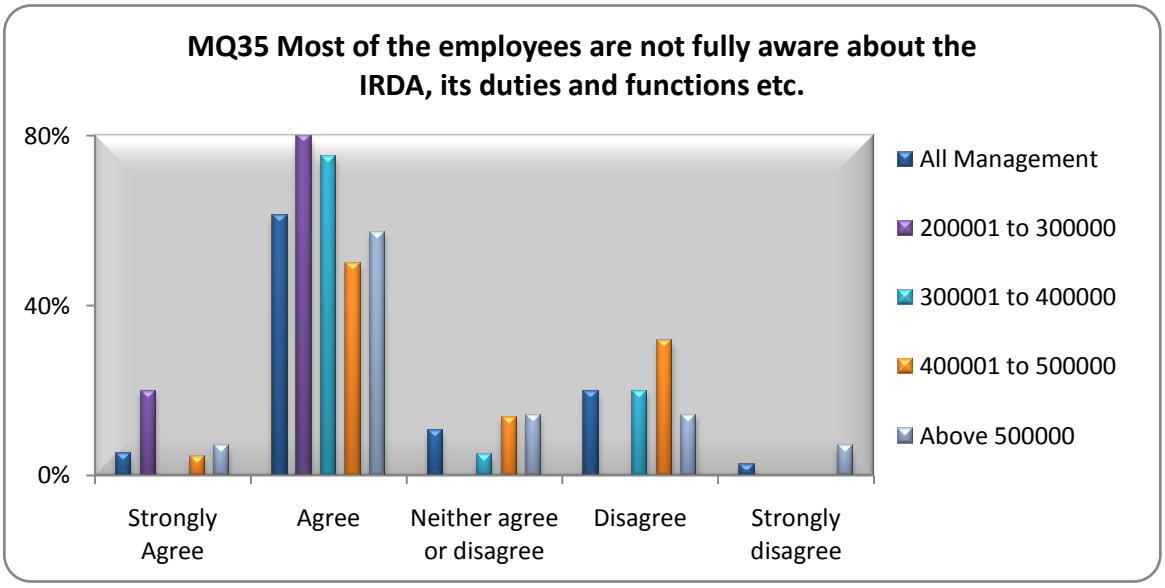


Figure M 148MQ35 Most of the employees are not fully aware about the IRDA, its duties and functions etc.



MQ35 Most of the employees are not fully aware about the IRDA, its duties and functions etc.

At 'all management' level, 66.66% respondents are of the opinion that most of the employees are not fully aware about the IRDA, its duties and functions. 66.67% top management, 59.26% middle management level and 71.70% officers say the same thing. The 66% male and 68% female respondents agree to this.

72.22% graduate and post graduate respondents also agree to this. In the income group of 2, 00,000 to 3, 00,000 lakhs and 75% respondents in the income group of 3, 00,000 to 4, 00,000 lakhs agree to this statement. This is because the employees are not directly concerned about IRDA, its functions, duties etc. as they are busy in their day to day work and not too much keen to acquire this knowledge.

Table M 39MQ36 All the insurance Agents/Brokers have sufficient knowledge about the procedure.

MQ36 All the insurance Agents/Brokers have sufficient knowledge about the procedure.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	0.00%	26.67%	18.67%	52.00%	2.67%
Top level management	0.00%	20.00%	40.00%	40.00%	0.00%
Middle level management	0.00%	29.63%	11.11%	55.56%	3.70%
Officers	0.00%	28.57%	14.29%	53.57%	3.57%
Male management	0.00%	26.00%	18.00%	54.00%	2.00%
Female management	0.00%	28.00%	20.00%	48.00%	4.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	0.00%	47.22%	13.89%	38.89%	0.00%
PG management	0.00%	47.22%	13.89%	38.89%	0.00%
200001 to 300000	0.00%	0.00%	0.00%	80.00%	20.00%
300001 to 400000	0.00%	35.00%	25.00%	40.00%	0.00%
400001 to 500000	0.00%	31.82%	9.09%	59.09%	0.00%
Above 500000	0.00%	21.43%	25.00%	50.00%	3.57%

Statistics MQ36 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
2.69	0.90	0.21	2.90	2.49	0.81

Statistics M 31

Figure M 149MQ36 All the insurance Agents/Brokers have sufficient knowledge about the procedure

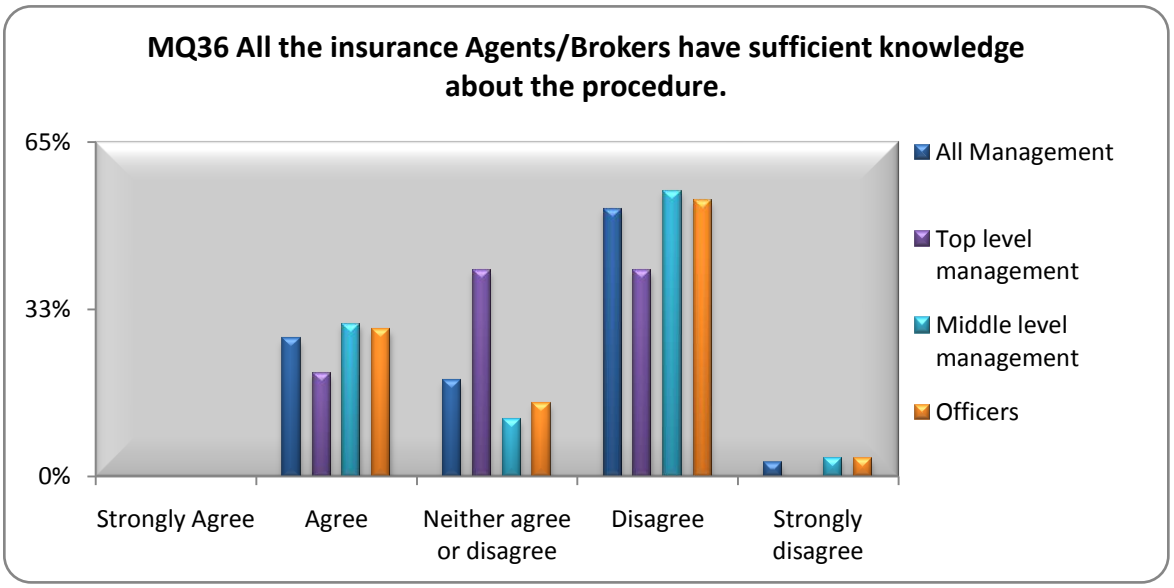


Figure M 150MQ36 All the insurance Agents/Brokers have sufficient knowledge about the procedure.

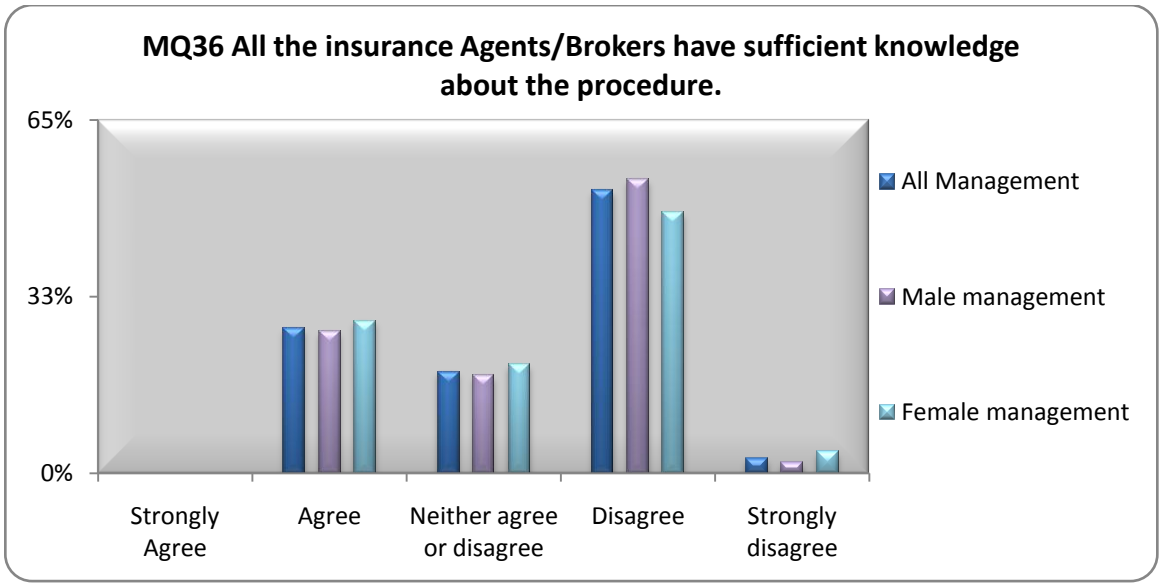


Figure M 151MQ36 All the insurance Agents/Brokers have sufficient knowledge about the procedure

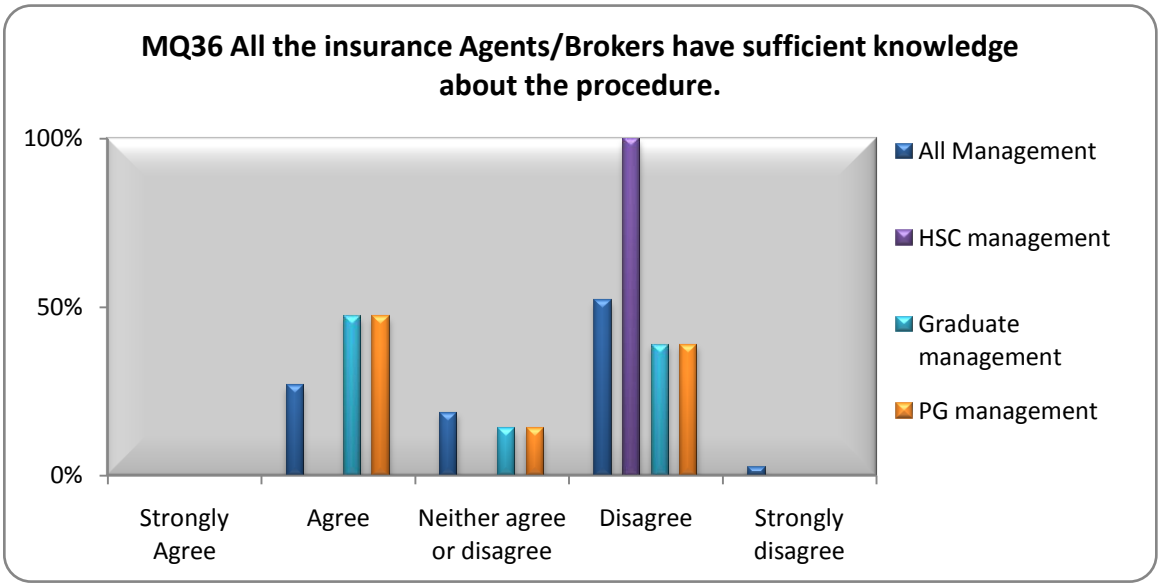
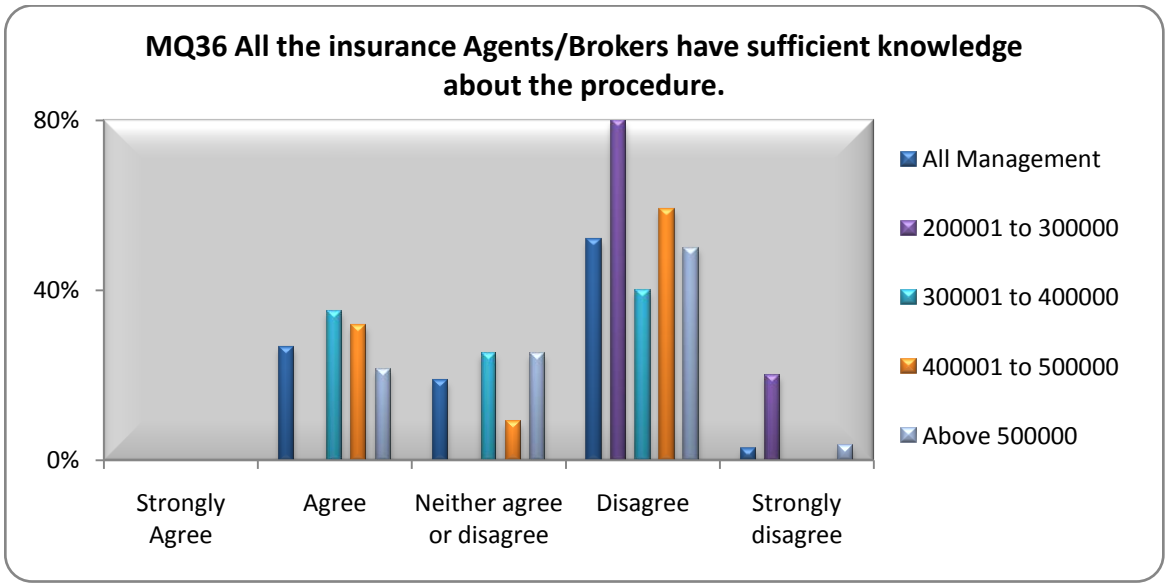


Figure M 152MQ36 All the insurance Agents/Brokers have sufficient knowledge about the procedure



MQ36 All the insurance Agents/Brokers have sufficient knowledge about the procedure.

At 'all management' level, 54.67% respondents disagree with the statement that all the insurance Agents/Brokers have sufficient knowledge about the procedure. 40% top management level agrees and 40% say neither agree nor disagree. 59.26% middle management level and 57.14% officers also do not agree. 56%

male and 52% female respondents disagree. In the income group of 2, 00,000 to 3, 00,000 lakhs all the 100% and in the income group of 4, 00,000 to 5, 00,000 lakhs, 59.09% respondents also disagree with this statement. The training is given to the agents at the time of their recruitment and in rare cases refresher training is arranged. Calculation of premium is different because of wide range of products. Many a times new products are introduced in the market. This information is circulated in the office first and agents need to update their knowledge about this. Hence, many a times the management people are not sure whether the agents have sufficient knowledge about the procedure. Therefore this statement has got mixed response.

Table M 40MQ37 Any training and development programme for the staff will help you face the competition more efficiently and effectively.

MQ37 Any training and development programme for the staff will help you face the competition more efficiently and effectively.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	34.67%	62.67%	2.67%	0.00%	0.00%
Top level management	33.33%	66.67%	0.00%	0.00%	0.00%
Middle level management	29.63%	62.96%	7.41%	0.00%	0.00%
Officers	42.86%	57.14%	0.00%	0.00%	0.00%
Male management	32.00%	64.00%	4.00%	0.00%	0.00%
Female management	40.00%	60.00%	0.00%	0.00%	0.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	36.11%	61.11%	2.78%	0.00%	0.00%
PG management	36.11%	61.11%	2.78%	0.00%	0.00%
200001 to 300000	20.00%	80.00%	0.00%	0.00%	0.00%
300001 to 400000	20.00%	80.00%	0.00%	0.00%	0.00%
400001 to 500000	36.36%	63.64%	0.00%	0.00%	0.00%
Above 500000	35.71%	57.14%	7.14%	0.00%	0.00%

Statistics MQ37 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
4.32	0.52	0.12	4.44	4.20	0.47

Statistics M 32

Figure M 153MQ37 Any training and development programme for the staff will help you face the competition more efficiently and effectively.



Figure M 154MQ37 Any training and development programme for the staff will help you face the competition more efficiently and effectively.

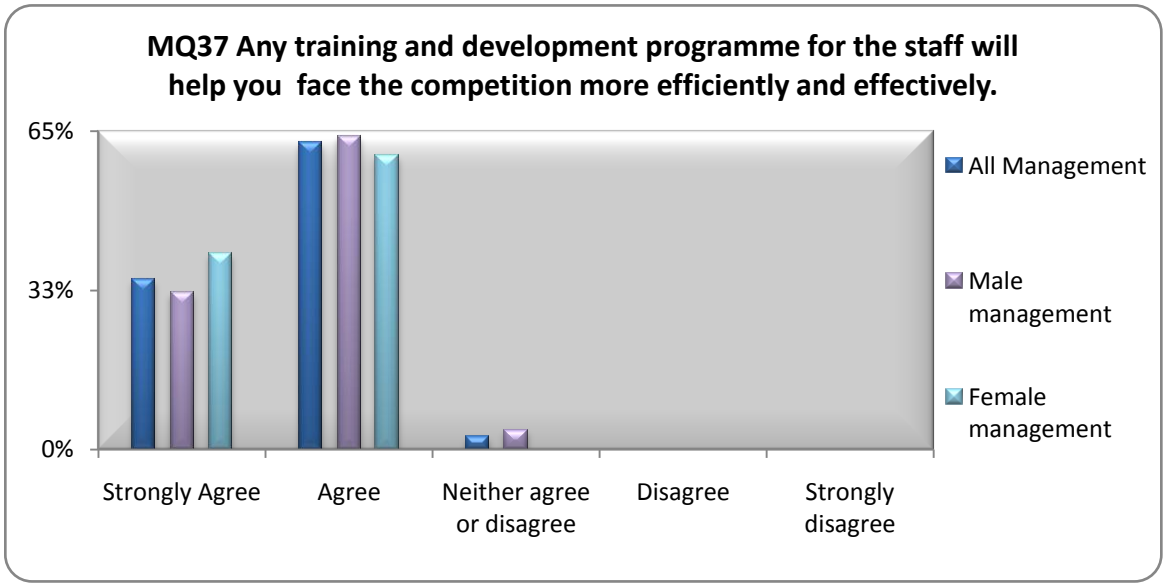


Figure M 155MQ37 Any training and development programme for the staff will help you face the competition more efficiently and effectively.

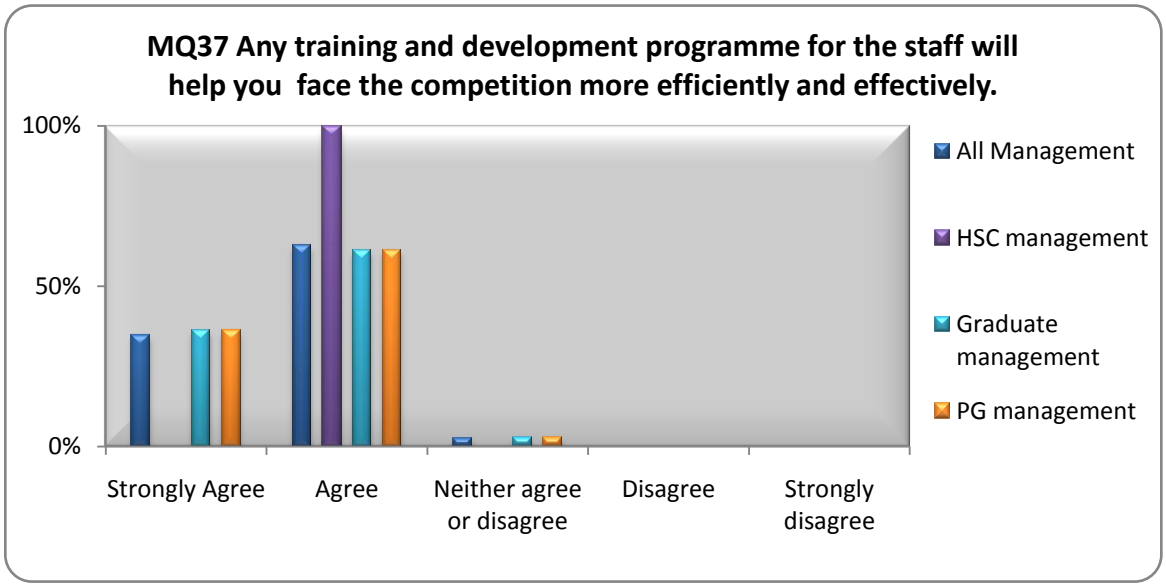
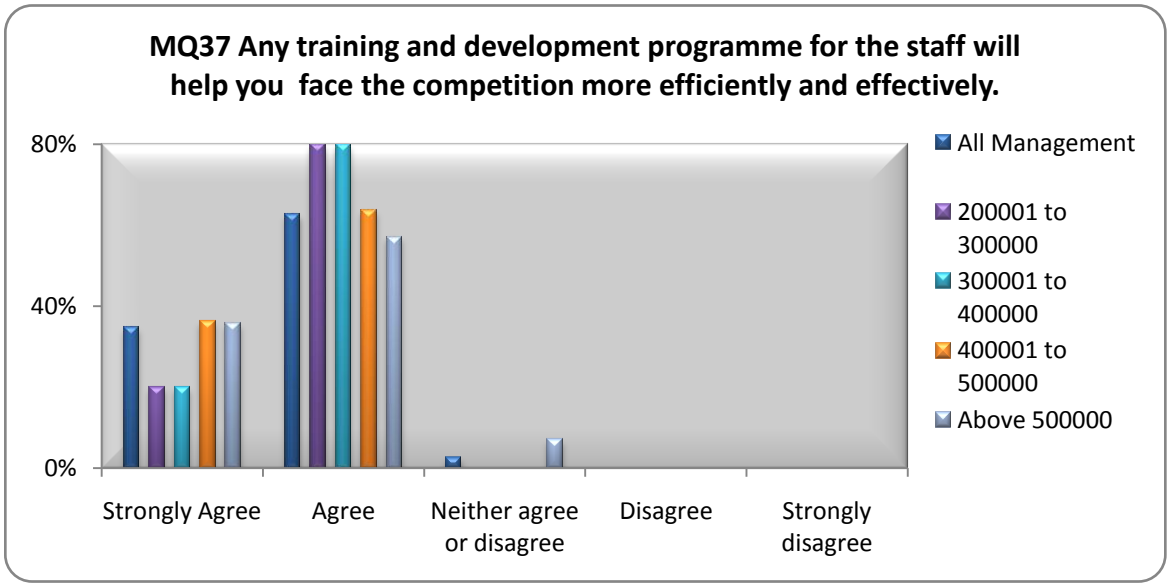


Figure M 156MQ37 Any training and development programme for the staff will help you face the competition more efficiently and effectively.



MQ37 Any training and development programme for the staff will help you face the competition more efficiently and effectively.

Almost all the respondents at various levels in all the categories say that any training and development programme for the staff will help them face the competition more efficiently and effectively. At 'all management' level,97.34%, at top management level, 100%, at middle management level,92.59%, all 100% at

officers' level, 96% male and 100% female respondents agree to this.97.22% graduates and 97.22% post graduate respondents agree to the statement. In the income groups of 2,00,000 to 3,00,000 lakhs, 3,00,000 to 4,00,000 lakhs and 4,00,000 to 5,00,000 lakhs, all the 100% respondents agree to this. And in case of income more than 5,00,000 lakhs 92.85% respondents agree to this statement. Training to employees would definitely make them face competition because most of the employees are not aware about the rules, regulations, and procedures. Proper training can help them know everything and they can work more efficiently and effectively.

Table M 41MQ38 Better trained and committed staff will help in getting more business in view of the stiff competition.

MQ38 Better trained and committed staff will help in getting more business in view of the stiff competition.	**Strongly Agree**	**Agree**	**Neither agree or disagree**	**Disagree**	**Strongly disagree**
All Management	45.33%	52.00%	2.67%	0.00%	0.00%
Top level management	33.33%	66.67%	0.00%	0.00%	0.00%
Middle level management	44.44%	51.85%	3.70%	0.00%	0.00%
Officers	57.14%	39.29%	3.57%	0.00%	0.00%
Male management	38.00%	58.00%	4.00%	0.00%	0.00%
Female management	60.00%	40.00%	0.00%	0.00%	0.00%
HSC management	100.00%	0.00%	0.00%	0.00%	0.00%
Graduate management	44.44%	52.78%	2.78%	0.00%	0.00%
PG management	44.44%	52.78%	2.78%	0.00%	0.00%
200001 to 300000	60.00%	40.00%	0.00%	0.00%	0.00%
300001 to 400000	45.00%	55.00%	0.00%	0.00%	0.00%
400001 to 500000	40.91%	54.55%	4.55%	0.00%	0.00%
Above 500000	46.43%	50.00%	3.57%	0.00%	0.00%

Statistics MQ38 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
4.43	0.55	0.13	4.55	4.30	0.52

Statistics M 33

Figure M 157MQ38 Better trained and committed staff will help in getting more business in view of the stiff competition.

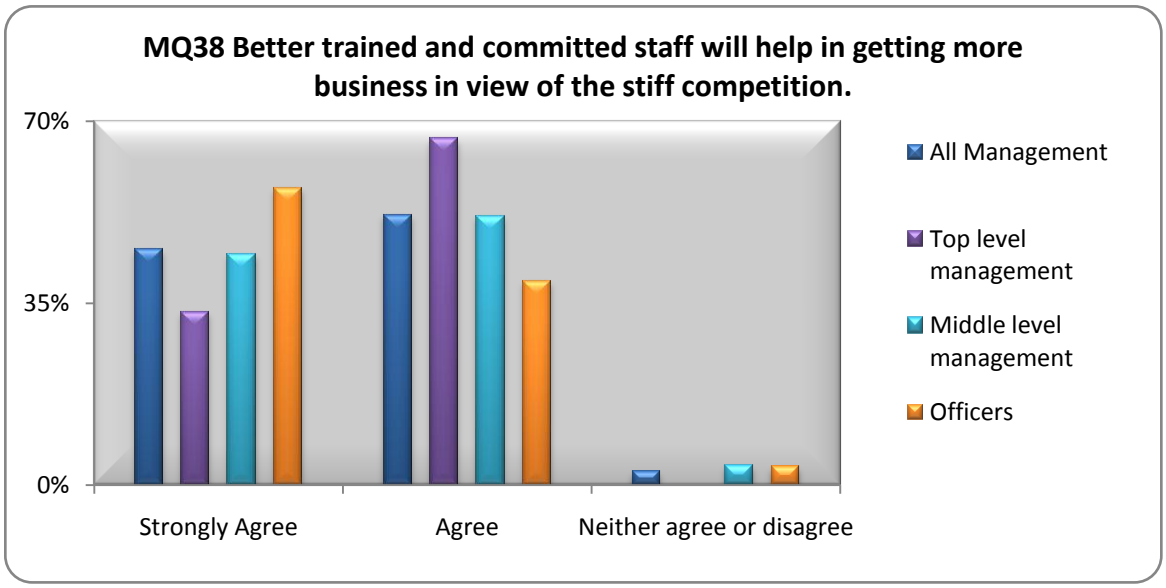


Figure M 158MQ38 Better trained and committed staff will help in getting more business in view of the stiff competition.



Figure M 159MQ38 Better trained and committed staff will help in getting more business in view of the stiff competition.

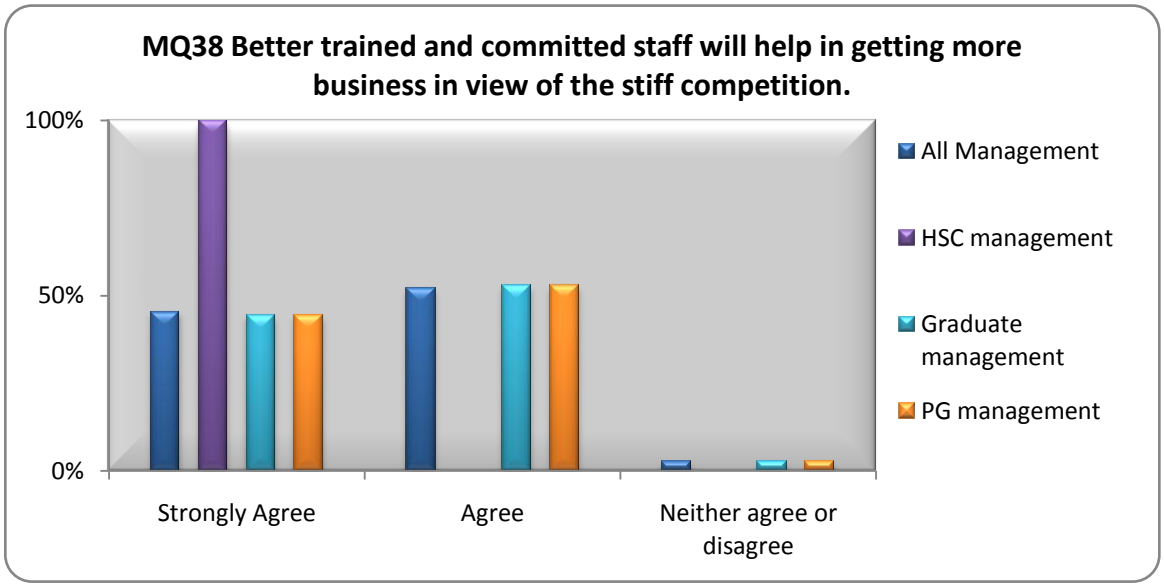
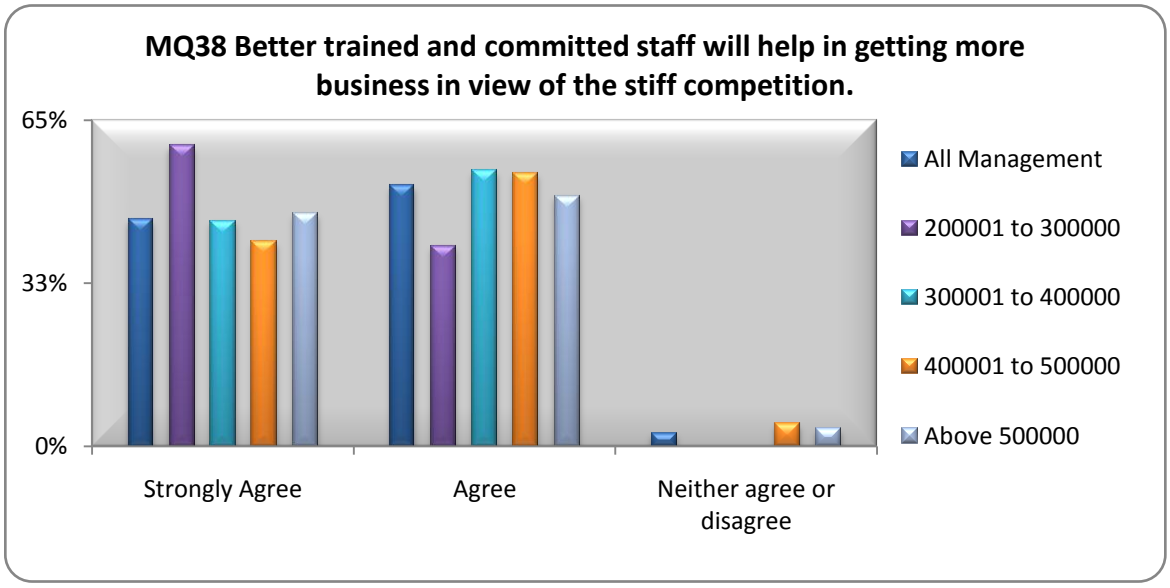


Figure M 160MQ38 Better trained and committed staff will help in getting more business in view of the stiff competition.



MQ38 Better trained and committed staff will help in getting more business in view of the stiff competition.

At 'all management' level, 97.33% respondents say that better trained and committed staff will help in getting more business in view of the stiff competition. All 100% top management, 96.29% middle management and 96.43% officers also agree to this.96% male & 100% female agree also agree to this. In the

income group of 2,00,000 to 3,00,000 lakhs and 3, 00,000 to 4,00,000 lakhs all 100% respondents agree to this statement. In other categories also the respondents agreeing to this statement is more than 90%. Till liberalization, it was sellers' market and after that there has been stiff competition and to withstand this competition, new techniques, new ideas new policies are required to be implemented and for this the staff is required to be trained to enable companies to attract more business.

Table M 42MQ39 It is often said that the procedure involved in settlement of claims is often complicated.

MQ39 It is often said that the procedure involved in settlement of claims is often complicated.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	0.00%	49.33%	10.67%	36.00%	4.00%
Top level management	0.00%	33.33%	20.00%	40.00%	6.67%
Middle level management	0.00%	55.56%	0.00%	40.74%	3.70%
Officers	0.00%	46.43%	14.29%	35.71%	3.57%
Male management	0.00%	50.00%	10.00%	36.00%	4.00%
Female management	0.00%	48.00%	12.00%	36.00%	4.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	0.00%	52.78%	8.33%	36.11%	2.78%
PG management	0.00%	52.78%	8.33%	36.11%	2.78%
200001 to 300000	0.00%	40.00%	20.00%	20.00%	20.00%
300001 to 400000	0.00%	75.00%	5.00%	20.00%	0.00%
400001 to 500000	0.00%	54.55%	4.55%	40.91%	0.00%
Above 500000	0.00%	28.57%	17.86%	46.43%	7.14%

Statistics MQ39 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.05	1.01	0.23	3.29	2.82	0.93

Statistics M 34

Figure M 161MQ39 It is often said that the procedure involved in settlement of claims is often complicated.

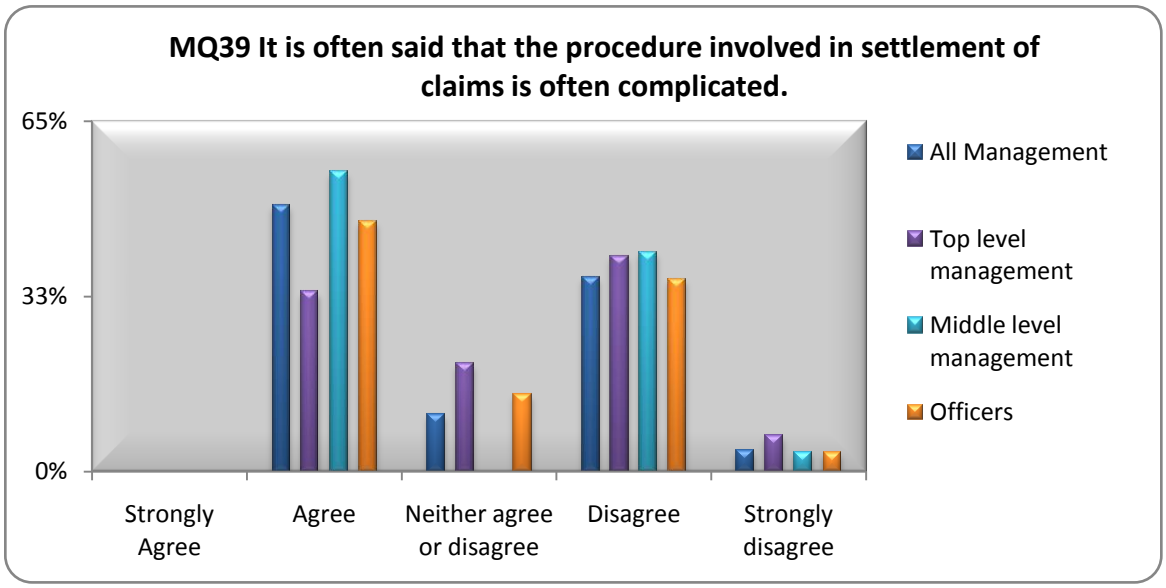


Figure M 162MQ39 It is often said that the procedure involved in settlement of claims is often complicated.

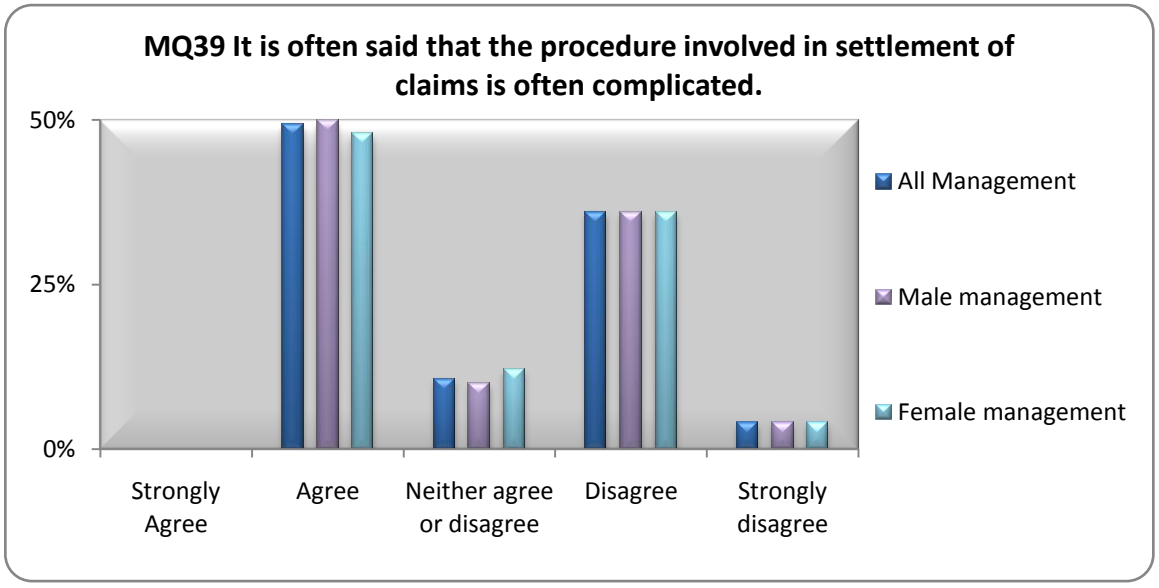


Figure M 163MQ39 It is often said that the procedure involved in settlement of claims is often complicated.

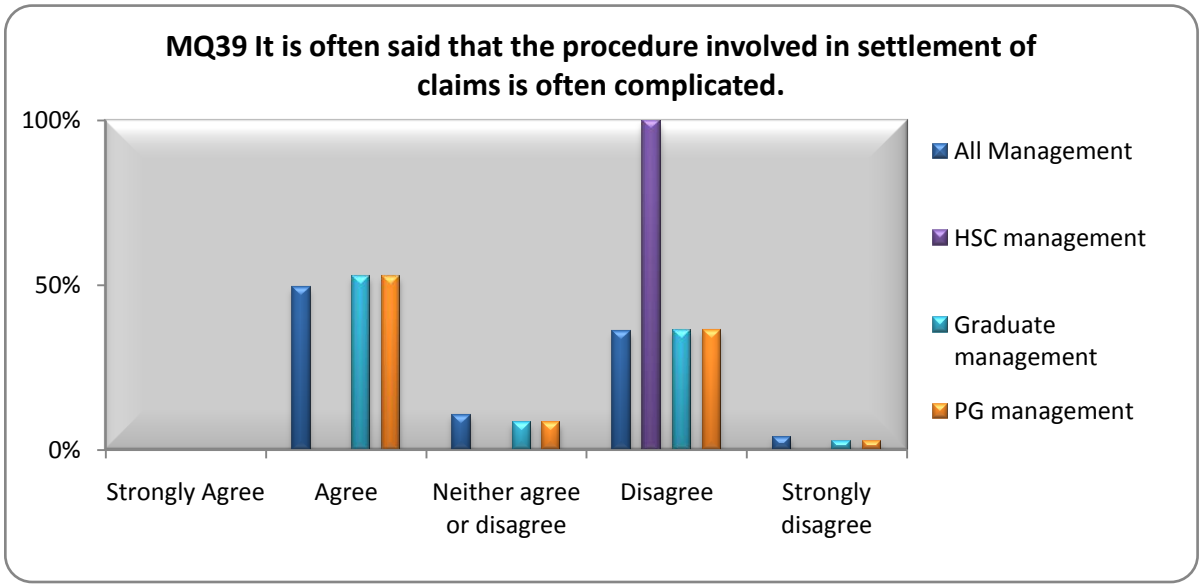
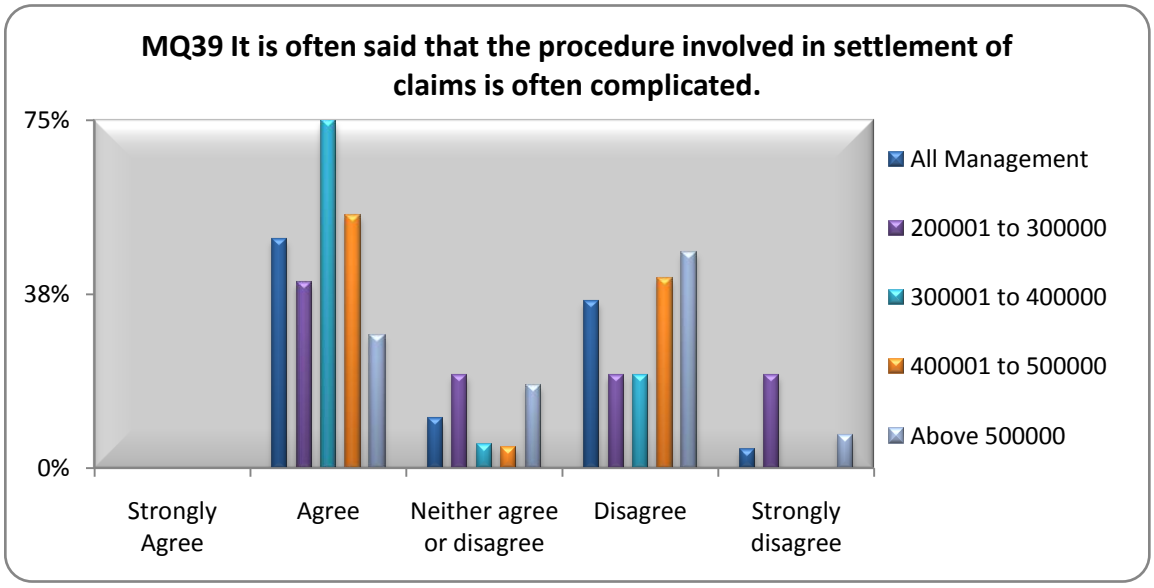


Figure M 164MQ39 It is often said that the procedure involved in settlement of claims is often complicated.



MQ39 It is often said that the procedure involved in settlement of claims is often complicated.

At 'all management' level, 49.33% respondents say that the procedure involved in settlement of claims is often complicated and in the same group 40% do not agree to this. At top management level, 33.33% only agree and 46.67% do not agree to this. In case of officers also, there is mixed response where 46.43%

agree and 40% disagree. The percentage of respondents agreeing strongly is nil and that of neither agree or disagree is negligible. The procedure of settlement of claims depends on the availability of particular or related documents, whenever these documents are available, the procedure is not found to be complicated but in the opposite case, the same may be found complicated one and hence there is a mixed response to this statement by the respondents.

Table M 43MQ40 Giving maturity bonus on policies will boost insurance business.

MQ40 Giving maturity bonus on policies will boost insurance business.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	5.33%	58.67%	18.67%	17.33%	0.00%
Top level management	0.00%	53.33%	13.33%	33.33%	0.00%
Middle level management	7.41%	70.37%	14.81%	7.41%	0.00%
Officers	7.14%	53.57%	17.86%	21.43%	0.00%
Male management	6.00%	58.00%	20.00%	16.00%	0.00%
Female management	4.00%	60.00%	16.00%	20.00%	0.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	2.78%	55.56%	25.00%	16.67%	0.00%
PG management	2.78%	55.56%	25.00%	16.67%	0.00%
200001 to 300000	20.00%	60.00%	0.00%	20.00%	0.00%
300001 to 400000	0.00%	55.00%	25.00%	20.00%	0.00%
400001 to 500000	4.55%	63.64%	22.73%	9.09%	0.00%
Above 500000	7.14%	57.14%	14.29%	21.43%	0.00%

Statistics MQ40 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.52	0.84	0.19	3.71	3.33	0.72

Statistics M 35

Figure M 165MQ40 Giving maturity bonus on policies will boost insurance business.

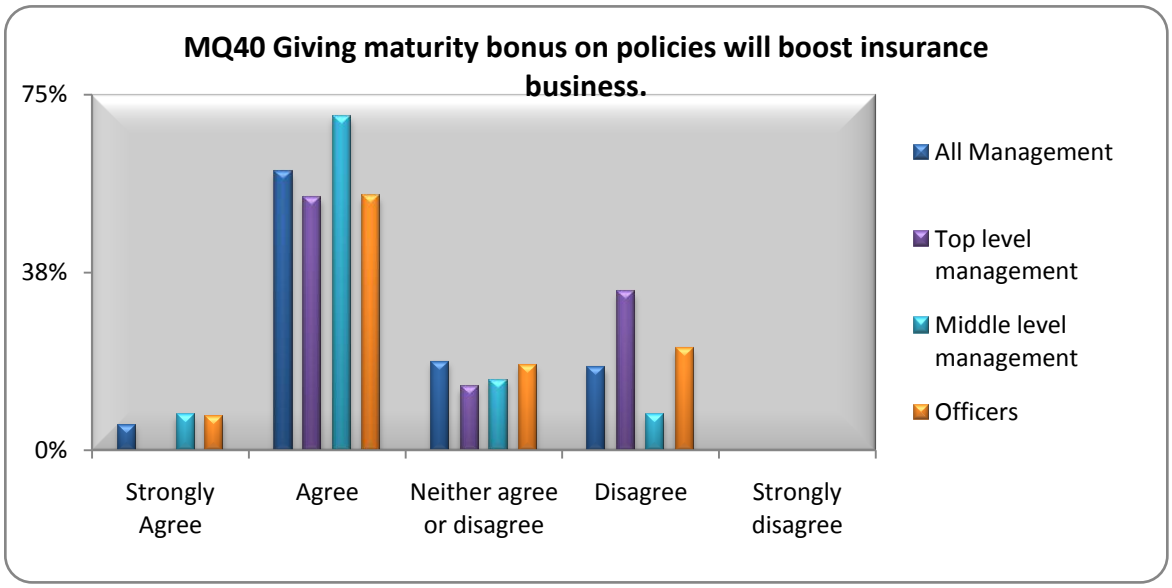


Figure M 166MQ40 Giving maturity bonus on policies will boost insurance business.

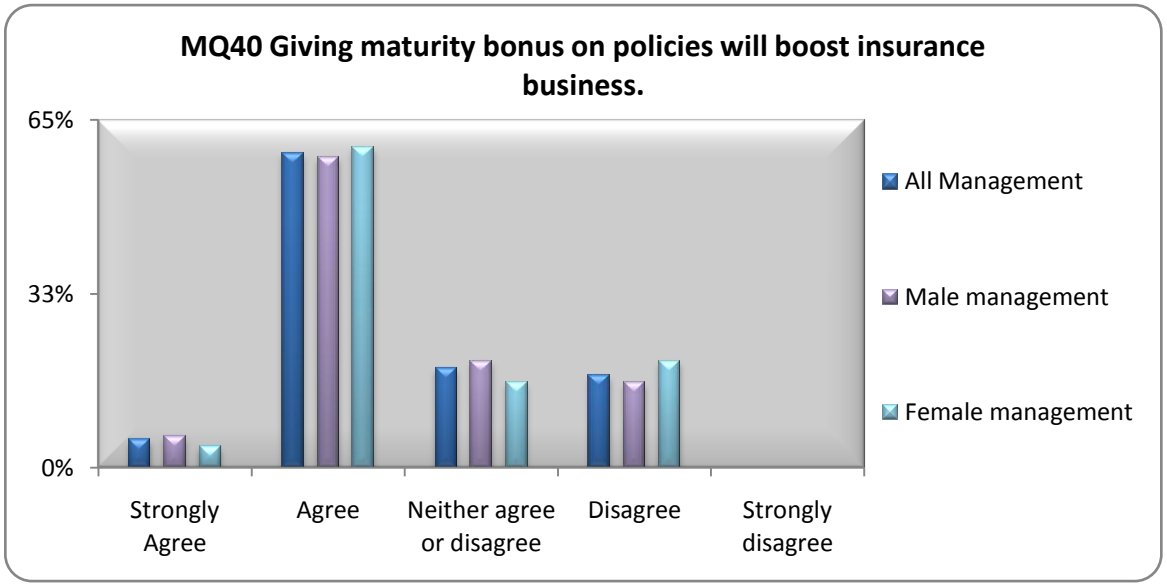


Figure M 167MQ40 Giving maturity bonus on policies will boost insurance business.

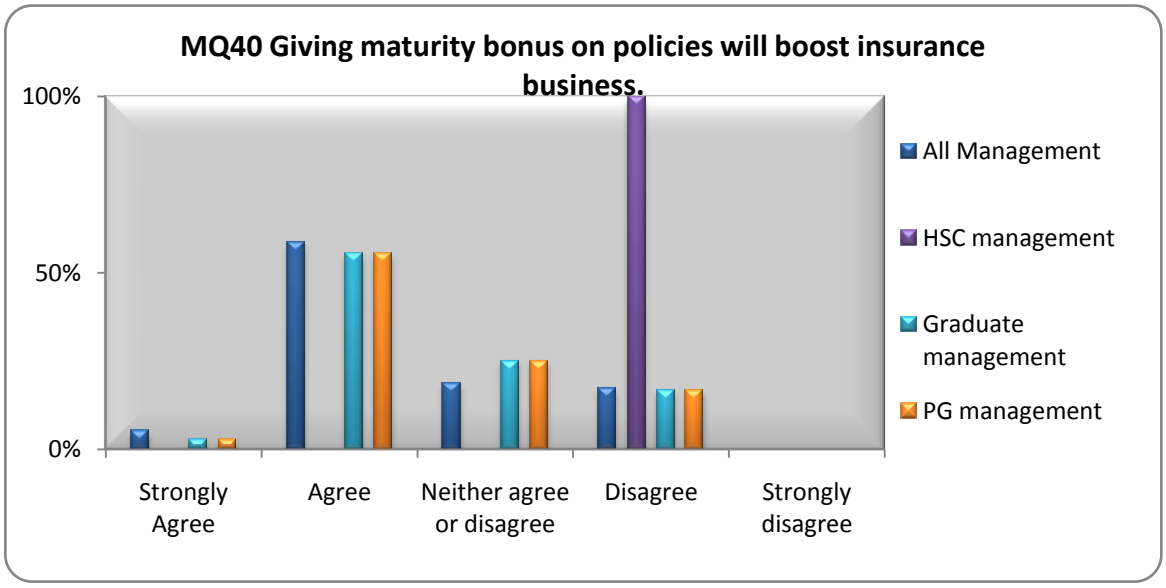
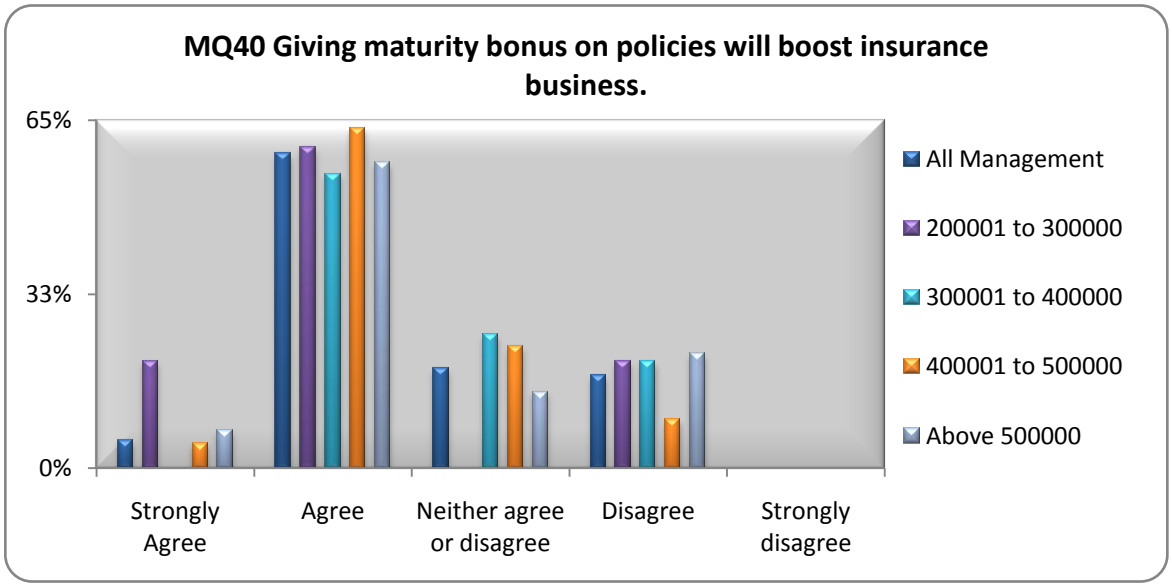


Figure M 168MQ40 Giving maturity bonus on policies will boost insurance business.



MQ40 Giving maturity bonus on policies will boost insurance business.

At 'all management' level, 64% say that giving maturity bonus on policies will boost insurance business. In the top management level, 53.33%, in middle management level, 77.78% & in officers' level, 60.71% respondents agree to this. 64% each male and female respondent agree to this. In the income group of

2,00,000 to 3,00,000 lakhs, 80%, in income group of 3,00,000 to 4,00,000 lakhs 55% and 68.19% in the income group of 4,00,000 to 5,00,000 lakhs agree to this statement. This is but natural because the customers get attracted whenever they get any bonus or discount and really get value for their money.

Table M 44MQ41 Your Company thoroughly understands customer needs.

MQ41 Your Company thoroughly understands customer needs.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	14.67%	60.00%	21.33%	4.00%	0.00%
Top level management	40.00%	53.33%	6.67%	0.00%	0.00%
Middle level management	18.52%	59.26%	22.22%	0.00%	0.00%
Officers	0.00%	64.29%	25.00%	10.71%	0.00%
Male management	18.00%	62.00%	18.00%	2.00%	0.00%
Female management	8.00%	56.00%	28.00%	8.00%	0.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	11.11%	66.67%	19.44%	2.78%	0.00%
PG management	11.11%	66.67%	19.44%	2.78%	0.00%
200001 to 300000	0.00%	0.00%	80.00%	20.00%	0.00%
300001 to 400000	0.00%	65.00%	30.00%	5.00%	0.00%
400001 to 500000	18.18%	59.09%	18.18%	4.55%	0.00%
Above 500000	25.00%	67.86%	7.14%	0.00%	0.00%

Statistics MQ41 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.85	0.71	0.16	4.02	3.69	0.51

Statistics M 36

Figure M 169MQ41 Your Company thoroughly understands customer needs.

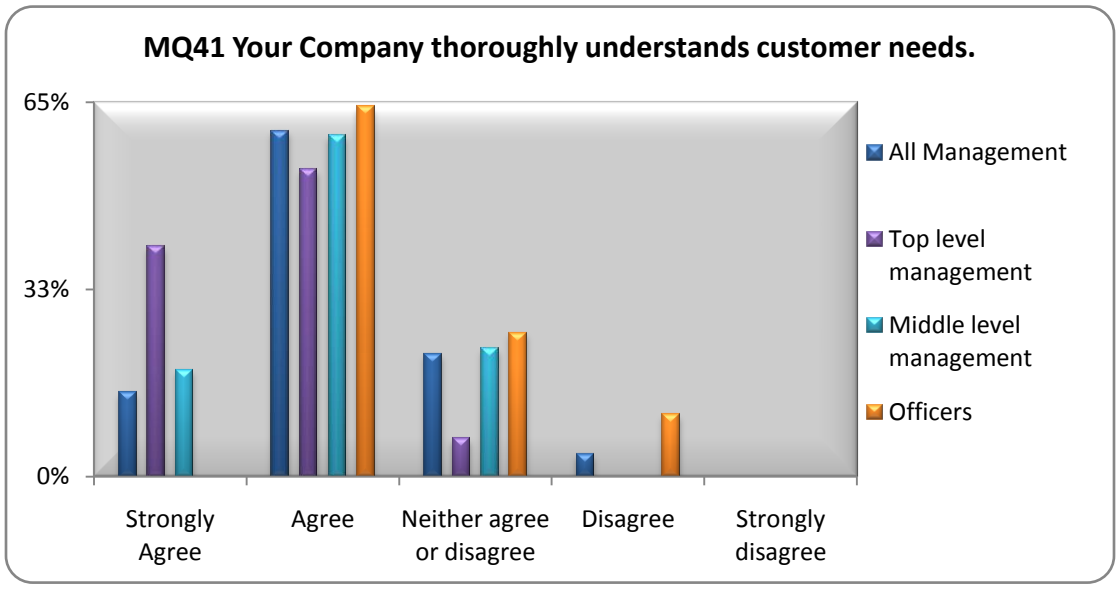


Figure M 170MQ41 Your Company thoroughly understands customer needs.

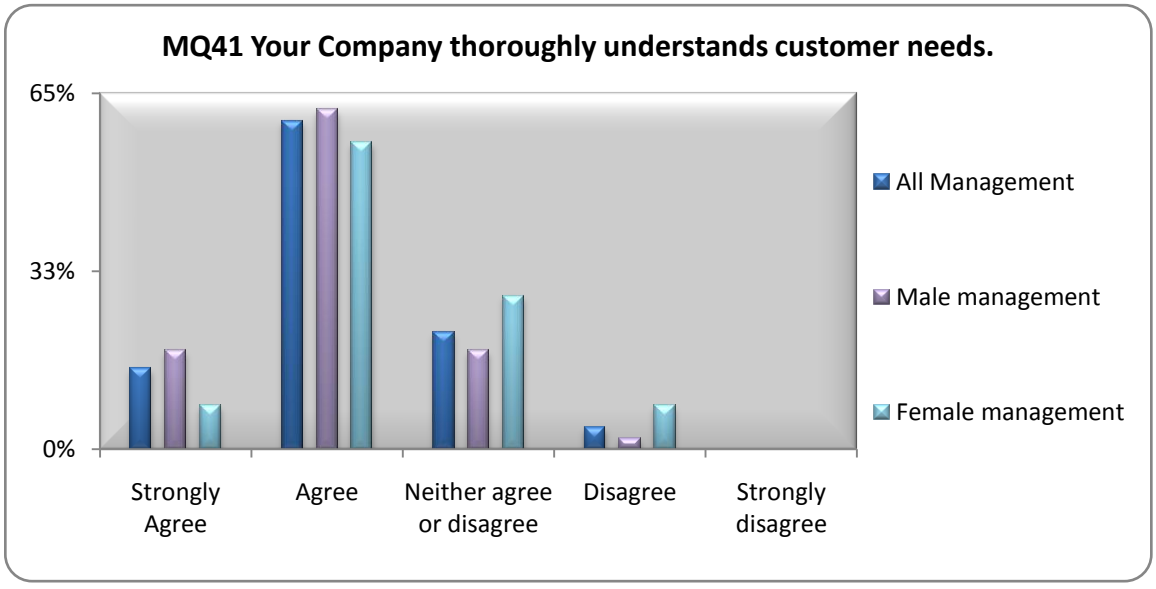


Figure M 171MQ41 Your Company thoroughly understands customer needs.

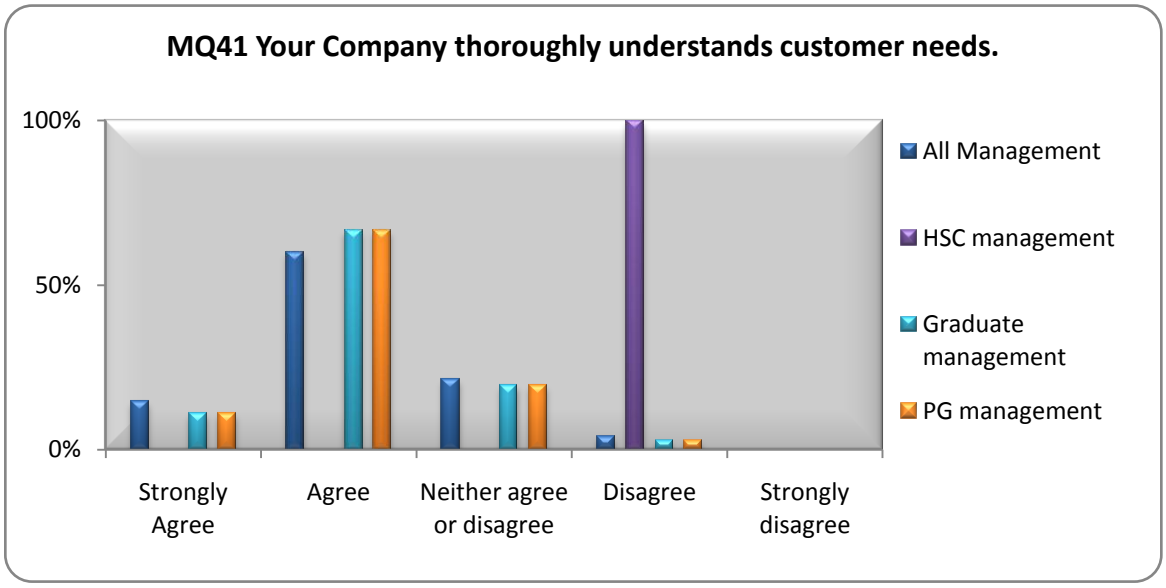
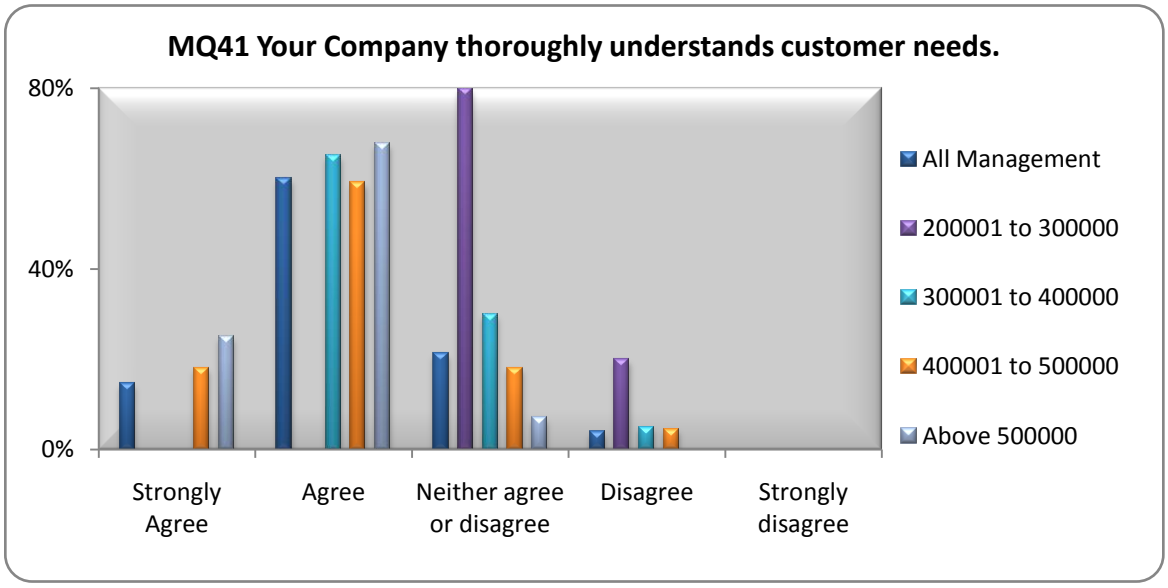


Figure M 172MQ41 Your Company thoroughly understands customer needs.



MQ41 Your Company thoroughly understands customer needs.

Overall 74.67% in the 'all management' level say that their company thoroughly understands customer needs, 93.33% in the top management level, 77.78% in middle management level and 64.29% in officers' level agree to this. 80% male and 64% female are also of the same opinion. 77.78% graduates and equal

percentage of post graduates also agree to this. At various levels in the income group categories about 65% and more respondents agree to this statement. The public sector general insurance companies have been operating since long in India since nationalization towards the goals decided by government and by now they are very well aware about the nerve of rural and urban Indian customers and understand their needs.

Table M 45MQ42 Your company has built strong relationships with intermediaries such as agents.

MQ42 Your company has built strong relationships with intermediaries such as agents.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	14.67%	57.33%	18.67%	8.00%	1.33%
Top level management	26.67%	66.67%	6.67%	0.00%	0.00%
Middle level management	18.52%	44.44%	22.22%	14.81%	0.00%
Officers	7.14%	67.86%	17.86%	3.57%	3.57%
Male management	14.00%	58.00%	22.00%	6.00%	0.00%
Female management	16.00%	56.00%	12.00%	12.00%	4.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	13.89%	61.11%	22.22%	2.78%	0.00%
PG management	13.89%	61.11%	22.22%	2.78%	0.00%
200001 to 300000	0.00%	20.00%	40.00%	20.00%	20.00%
300001 to 400000	10.00%	65.00%	25.00%	0.00%	0.00%
400001 to 500000	22.73%	45.45%	18.18%	13.64%	0.00%
Above 500000	14.29%	67.86%	10.71%	7.14%	0.00%

Statistics MQ42 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.76	0.85	0.20	3.96	3.56	0.64

Statistics M 37

Figure M 173MQ42 Your company has built strong relationships with intermediaries such as agents.

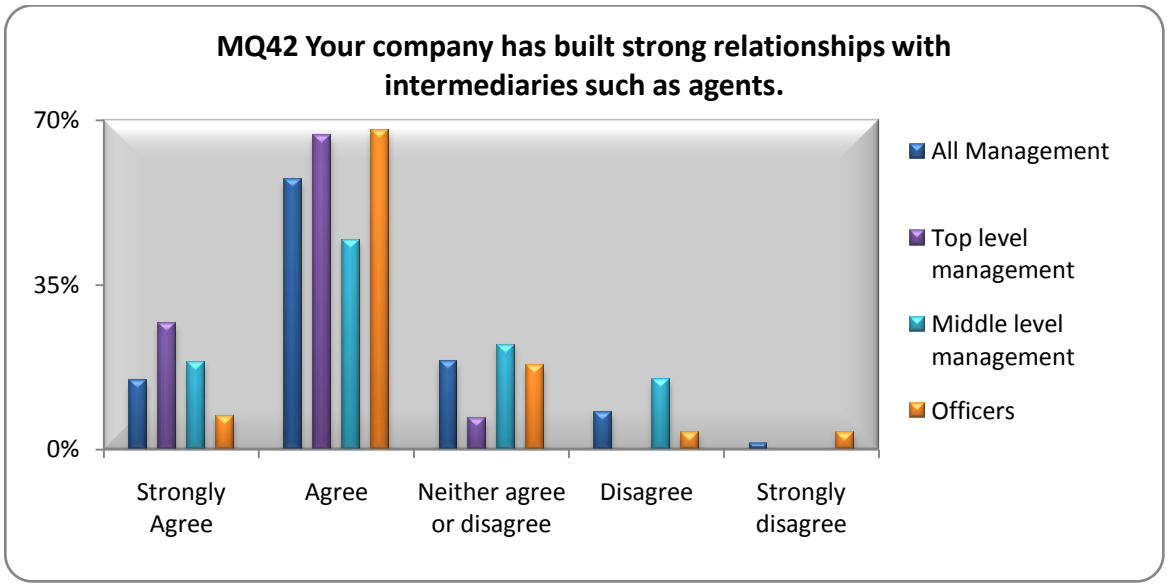


Figure M 174MQ42 Your company has built strong relationships with intermediaries such as agents.

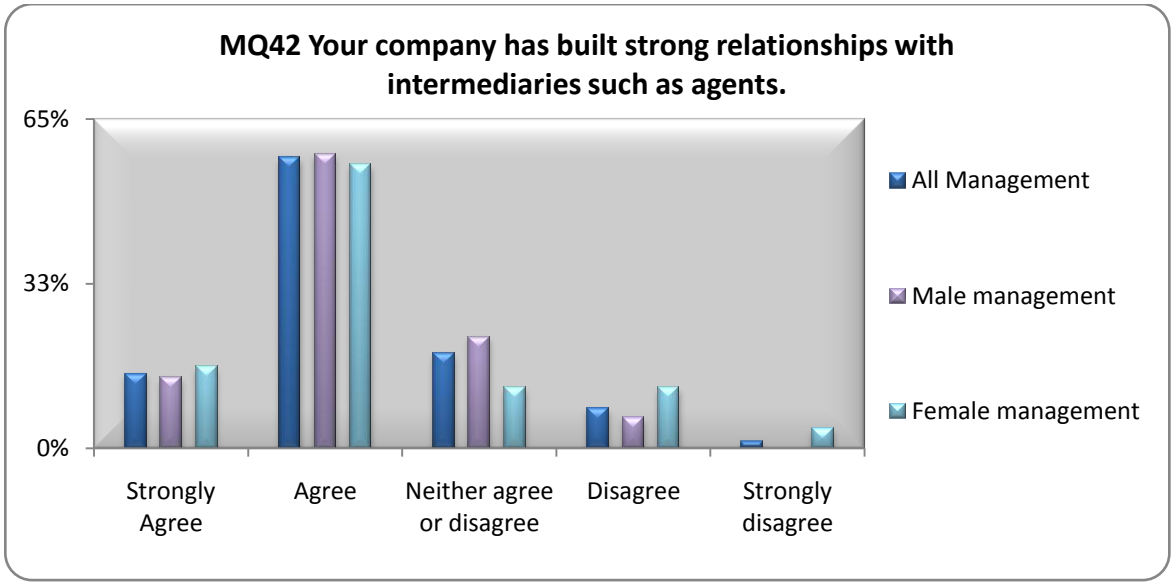


Figure M 175MQ42 Your company has built strong relationships with intermediaries such as agents.

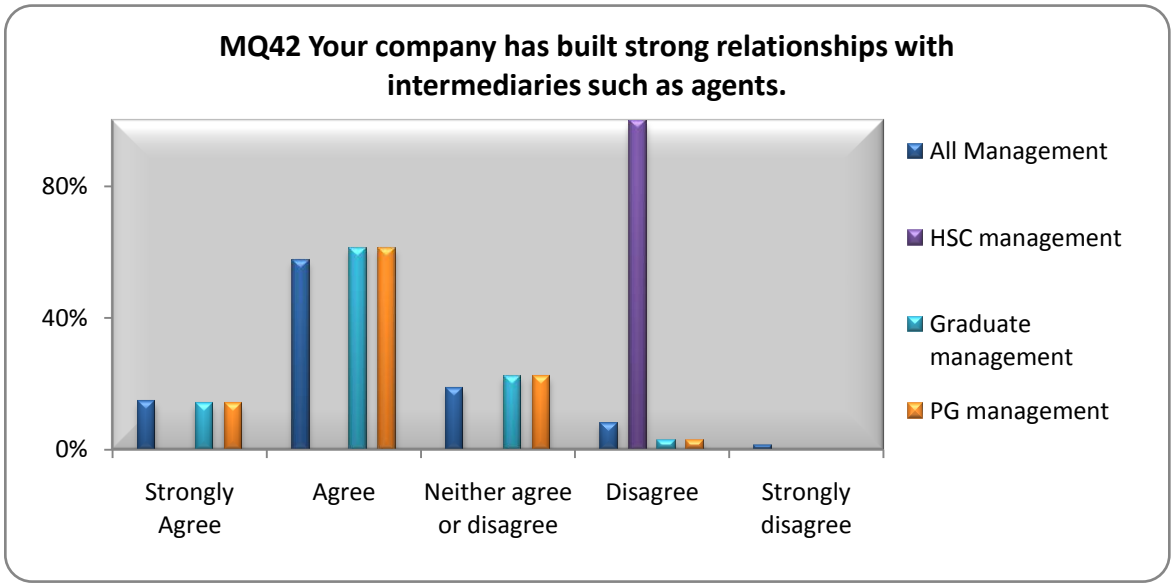
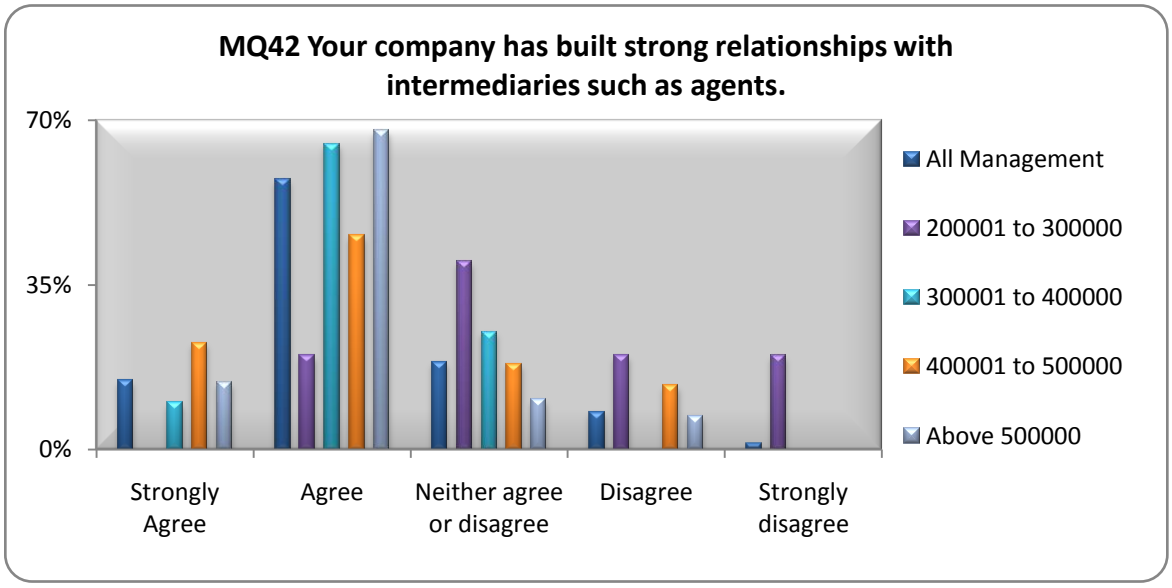


Figure M 176MQ42 Your company has built strong relationships with intermediaries such as agents.



MQ42 Your company has built strong relationships with intermediaries such as agents.

At 'all management' level, 72% respondents say that their company has built strong relationships with intermediaries such as agents. At top management level, 93.34% respondents agree to this. In middle management level, 62.96 and in officers' level, 75% agree. 72% male and female are of the same opinion. 75%

graduates and post graduates also agree to this. At various levels in the income categories, more than about 65% respondents agree to this statement. Majority of respondents agree to this statement because these companies have realised the importance of agents who can directly reach masses and create the image of the company. He can also work as an intermediary between company and the customers. So, public sector general insurance companies have started efforts to develop and nurture the agency force in companies.

Table M 46MQ43 Your Company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.

MQ43 Your Company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	6.67%	64.00%	21.33%	8.00%	0.00%
Top level management	26.67%	66.67%	0.00%	6.67%	0.00%
Middle level management	3.70%	62.96%	22.22%	11.11%	0.00%
Officers	0.00%	64.29%	28.57%	7.14%	0.00%
Male management	8.00%	66.00%	20.00%	6.00%	0.00%
Female management	4.00%	60.00%	24.00%	12.00%	0.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	5.56%	66.67%	25.00%	2.78%	0.00%
PG management	5.56%	66.67%	25.00%	2.78%	0.00%
200001 to 300000	0.00%	20.00%	40.00%	40.00%	0.00%
300001 to 400000	0.00%	65.00%	30.00%	5.00%	0.00%
400001 to 500000	9.09%	68.18%	18.18%	4.55%	0.00%
Above 500000	10.71%	67.86%	14.29%	7.14%	0.00%

Statistics MQ43 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.69	0.72	0.16	3.86	3.53	0.57

Statistics M 38

Figure M 177MQ43 Your Company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.

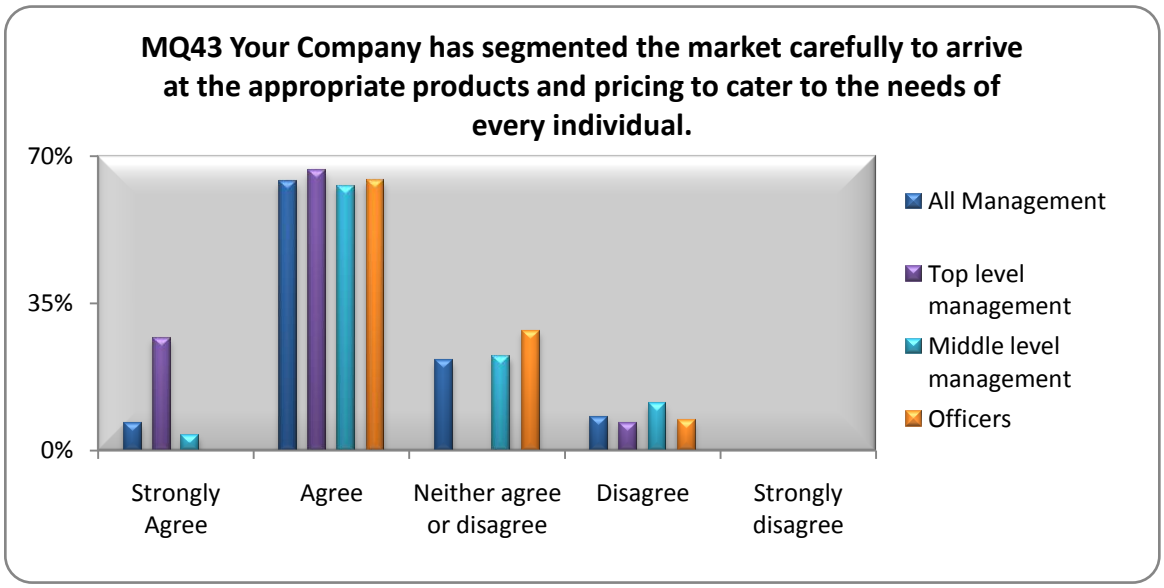


Figure M 178MQ43 Your Company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.

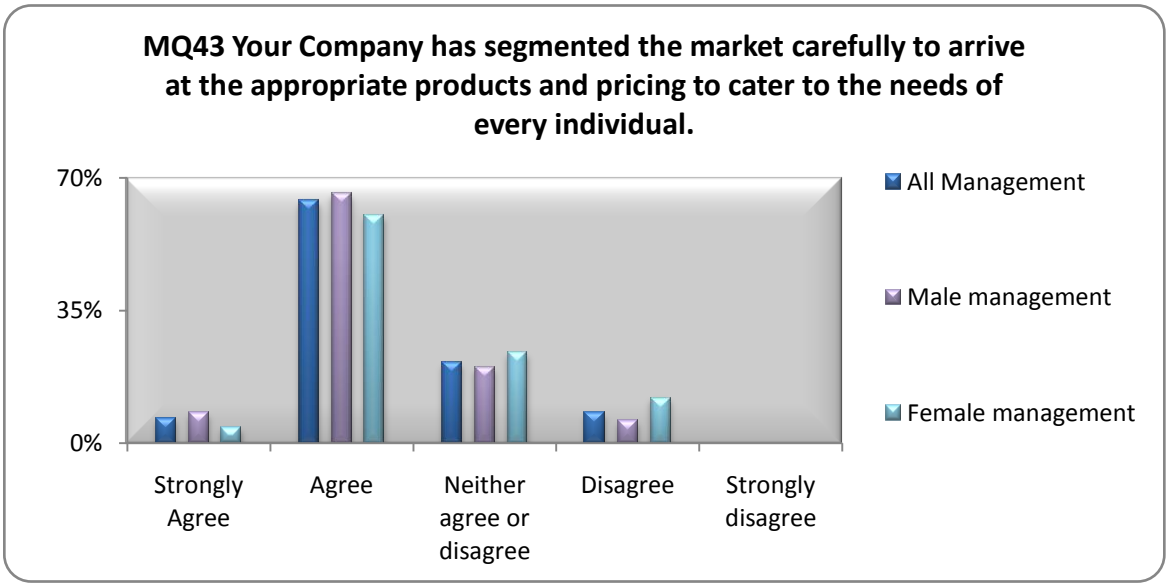


Figure M 179MQ43 Your Company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.

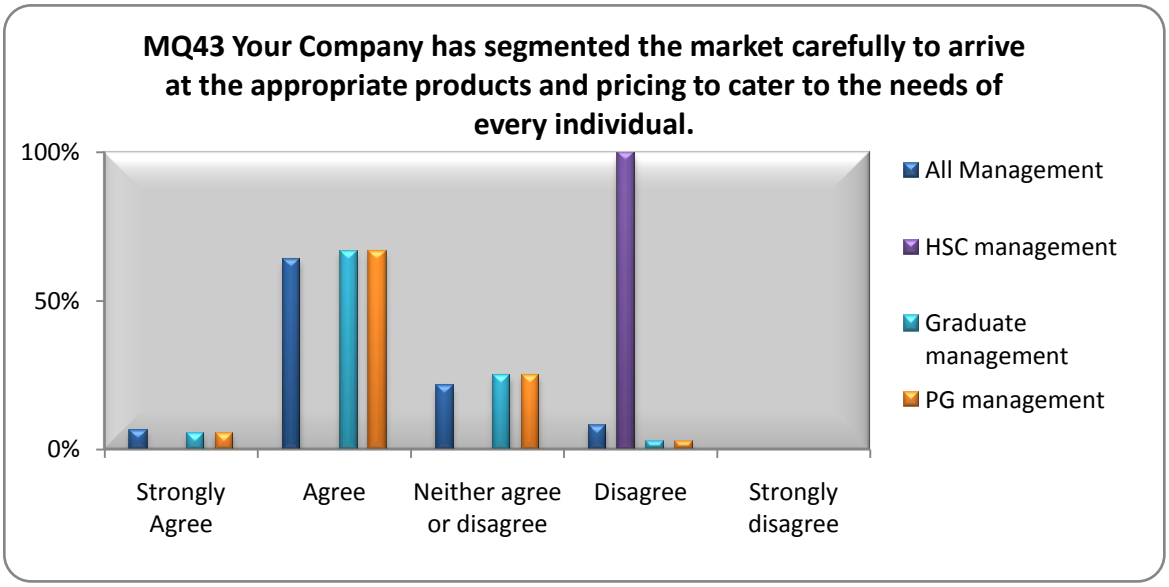
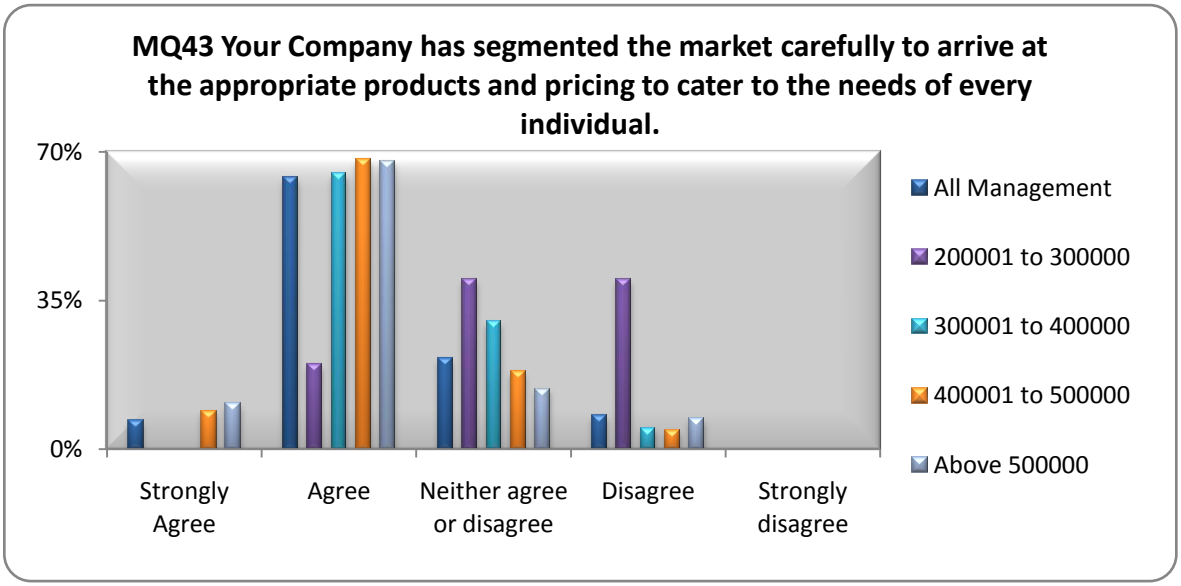


Figure M 180MQ43 Your Company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.



MQ43 Your Company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.

At 'all management' level, 70.67% respondents say that their company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual. 93.34% top management level, 66.66%

middle management level and 64.29% officers' respondents agree to this. 74% male and 64% female respondents are of the same opinion. In the income categories, in the 4, 00,000 to 5, 00,000 lakhs level, 77.27% and 78.57% respondents whose income is more than 5, 00,000 also agree to this statement. In public sector companies, the motto is to cater for the welfare of the masses and at the same time to earn the reasonable profit.

Table M 47MQ44 Your Company has moved along a continuum from pure service products to pure commodity products and has explored new outlets for selling the products.

MQ44 Your Company has moved along a continuum from pure service products to pure commodity products and has explored new outlets for selling the products.	**Strongly Agree**	**Agree**	**Neither agree or disagree**	**Disagree**	**Strongly disagree**
All Management	2.67%	49.33%	26.67%	20.00%	1.33%
Top level management	6.67%	73.33%	13.33%	6.67%	0.00%
Middle level management	3.70%	40.74%	25.93%	29.63%	0.00%
Officers	0.00%	46.43%	35.71%	14.29%	3.57%
Male management	2.00%	56.00%	22.00%	20.00%	0.00%
Female management	4.00%	36.00%	36.00%	20.00%	4.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	5.56%	50.00%	33.33%	11.11%	0.00%
PG management	5.56%	50.00%	33.33%	11.11%	0.00%
200001 to 300000	0.00%	20.00%	60.00%	20.00%	0.00%
300001 to 400000	0.00%	45.00%	40.00%	15.00%	0.00%
400001 to 500000	4.55%	54.55%	13.64%	27.27%	0.00%
Above 500000	3.57%	53.57%	21.43%	17.86%	3.57%

Statistics MQ44 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.32	0.87	0.20	3.52	3.12	0.76

Statistics M 39

Figure M 181MQ44 Your Company has moved along a continuum from pure service products to pure commodity products and has explored new outlets for selling the products.

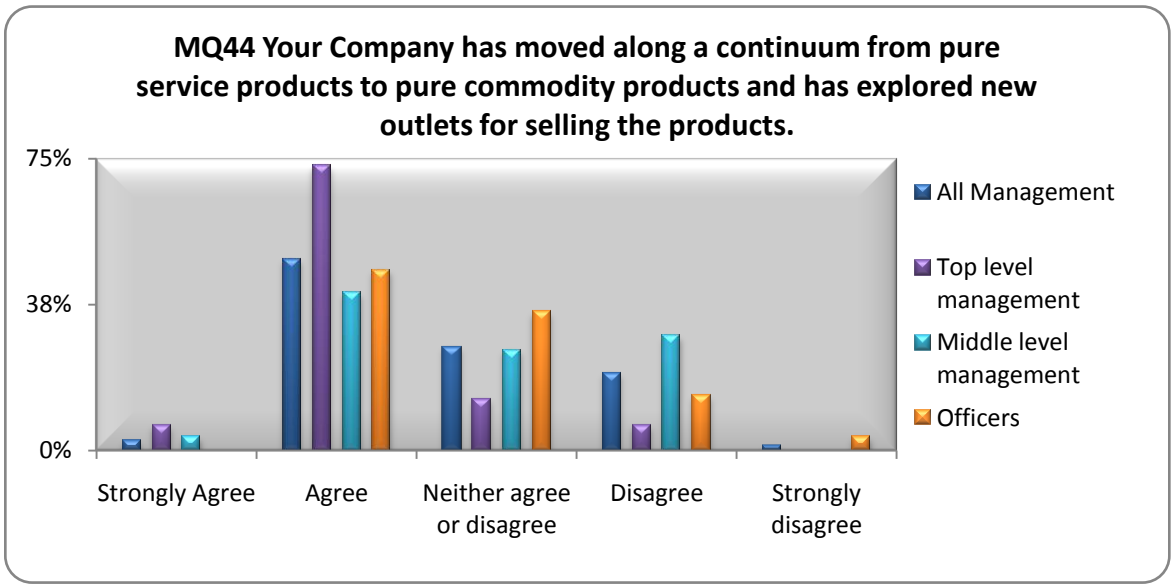


Figure M 182MQ44 Your Company has moved along a continuum from pure service products to pure commodity products and has explored new outlets for selling the products.

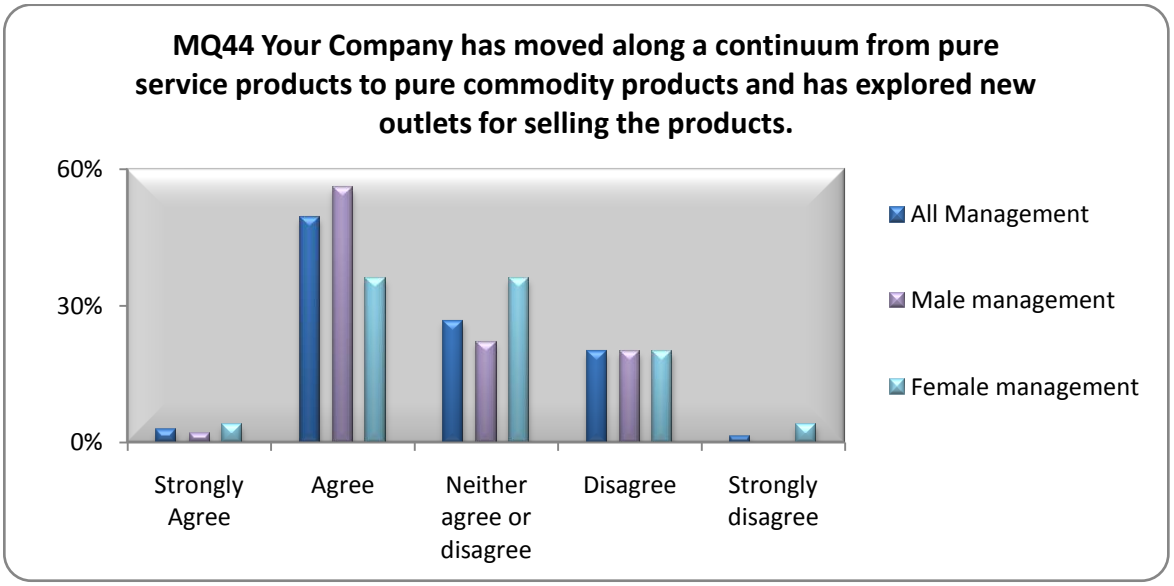


Figure M 183MQ44 Your Company has moved along a continuum from pure service products to pure commodity products and has explored new outlets for selling the products.

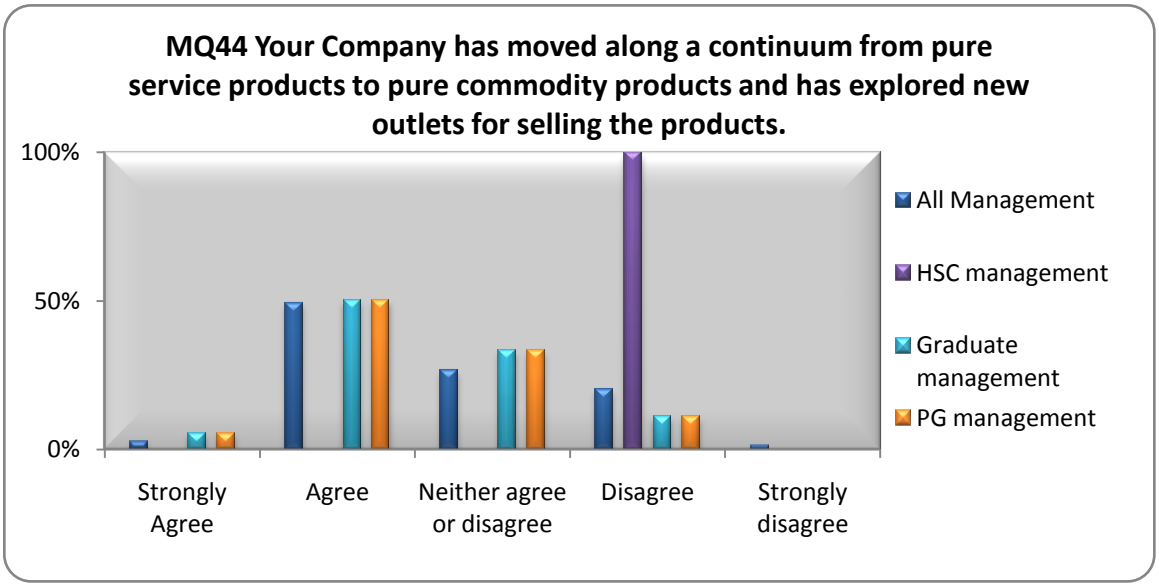
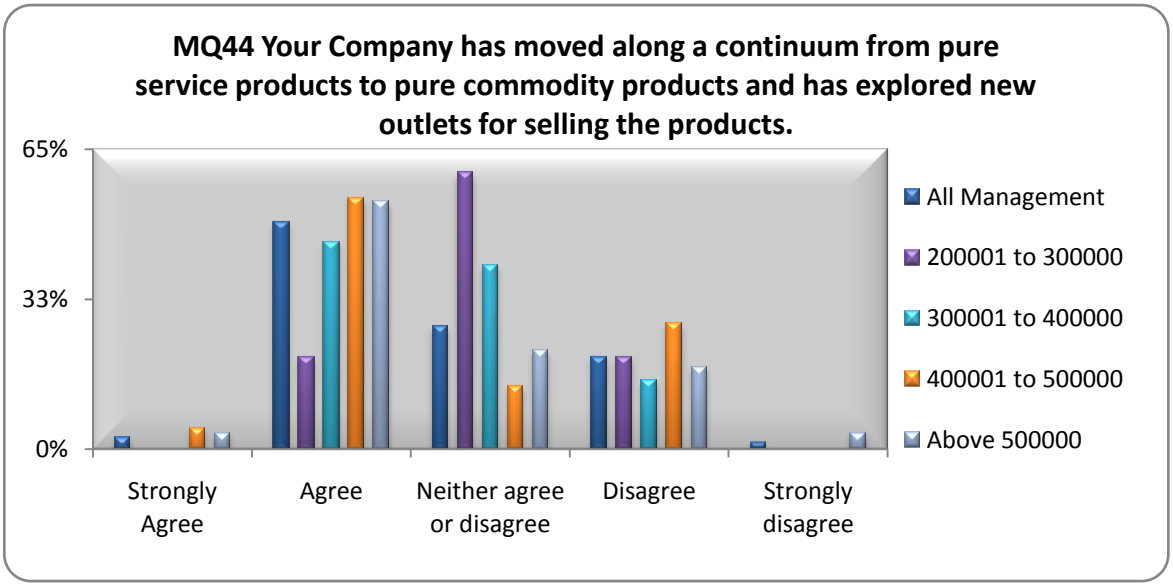


Figure M 184MQ44 Your Company has moved along a continuum from pure service products to pure commodity products and has explored new outlets for selling the products.



MQ44 Your Company has moved along a continuum from pure service products to pure commodity products and has explored new outlets for selling the products.

Overall at 'all management' level, 52% say that their company has moved along a continuum from pure service products to pure commodity products and has

explored new outlets for selling the products. In the top management level, 80% agree, in the middle management level, 44.44% and in the officers' level, 46.43% agree to this. The percentage of graduates who agree is 55.56% and that of post graduates is also 55.56%. In the income group categories, 59.10% respondents from income category of 4,00,000 lakhs to 5,00,000 and 57.14% respondents whose income is more than 5,00,000 lakhs also agree to this statement. These companies have to face the cut throat competition raised by private sector general insurance companies. So to attract more customers and to create new business, there is no alternative but to enter pure commodity products and have to explore new outlets for selling the products.

Table M 48MQ45 The public sector general insurance companies still call the shots despite incursion of private sector general insurance companies.

MQ45 The public sector general insurance companies still call the shots despite incursion of private sector general insurance companies.	**Strongly Agree**	**Agree**	**Neither agree or disagree**	**Disagree**	**Strongly disagree**
All Management	5.33%	60.00%	14.67%	18.67%	1.33%
Top level management	6.67%	60.00%	20.00%	13.33%	0.00%
Middle level management	0.00%	70.37%	14.81%	14.81%	0.00%
Officers	10.71%	46.43%	14.29%	25.00%	3.57%
Male management	6.00%	62.00%	14.00%	18.00%	0.00%
Female management	4.00%	56.00%	16.00%	20.00%	4.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	8.33%	52.78%	19.44%	19.44%	0.00%
PG management	8.33%	52.78%	19.44%	19.44%	0.00%
200001 to 300000	20.00%	60.00%	0.00%	20.00%	0.00%
300001 to 400000	0.00%	75.00%	0.00%	20.00%	5.00%
400001 to 500000	4.55%	50.00%	22.73%	22.73%	0.00%
Above 500000	7.14%	57.14%	21.43%	14.29%	0.00%

Statistics MQ45 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.49	0.91	0.21	3.70	3.28	0.77

Statistics M 40

Figure M 185MQ45 The public sector general insurance companies still call the shots despite incursion of private sector general insurance companies.

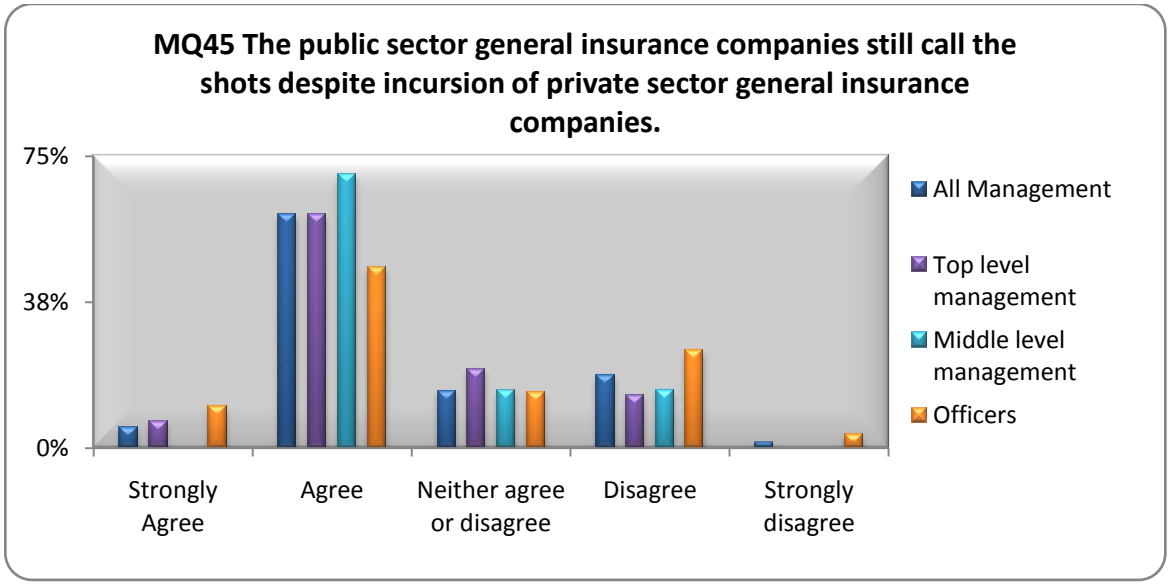


Figure M 186MQ45 The public sector general insurance companies still call the shots despite incursion of private sector general insurance companies.

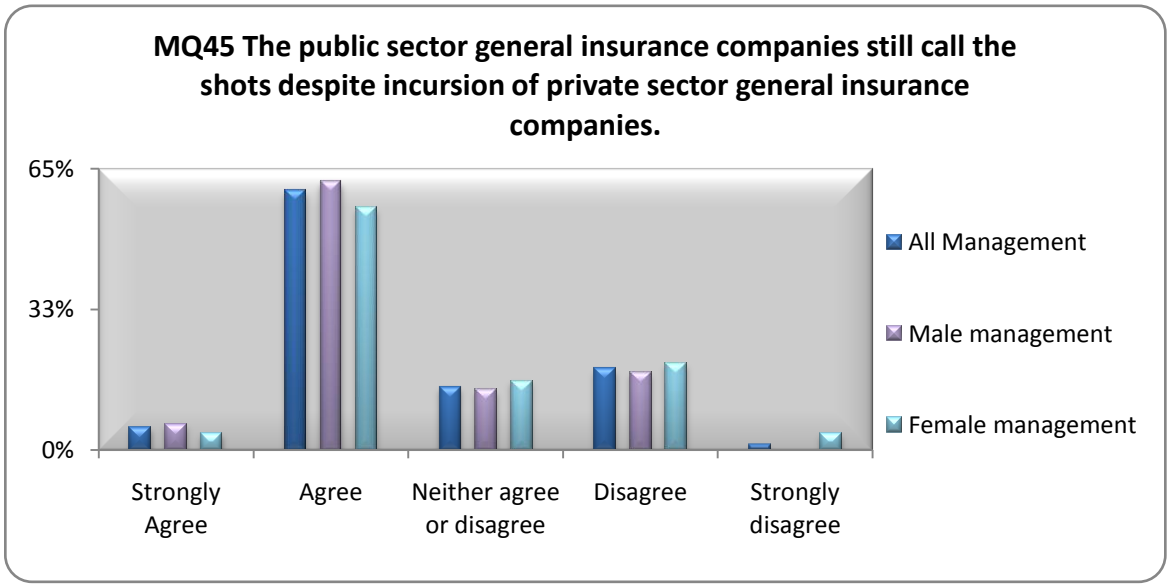


Figure M 187MQ45 The public sector general insurance companies still call the shots despite incursion of private sector general insurance companies.

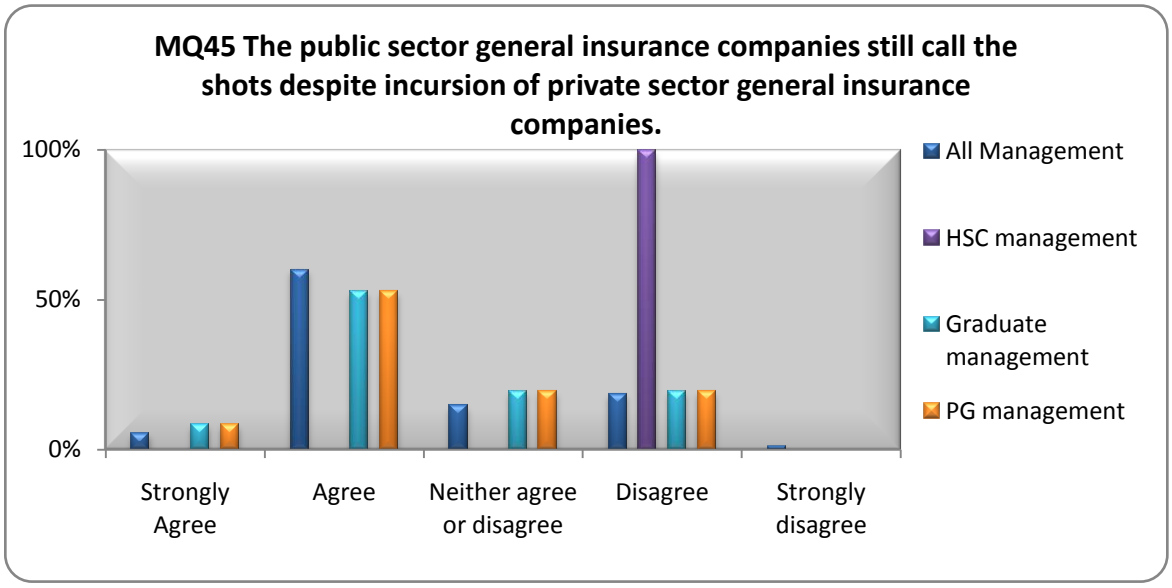
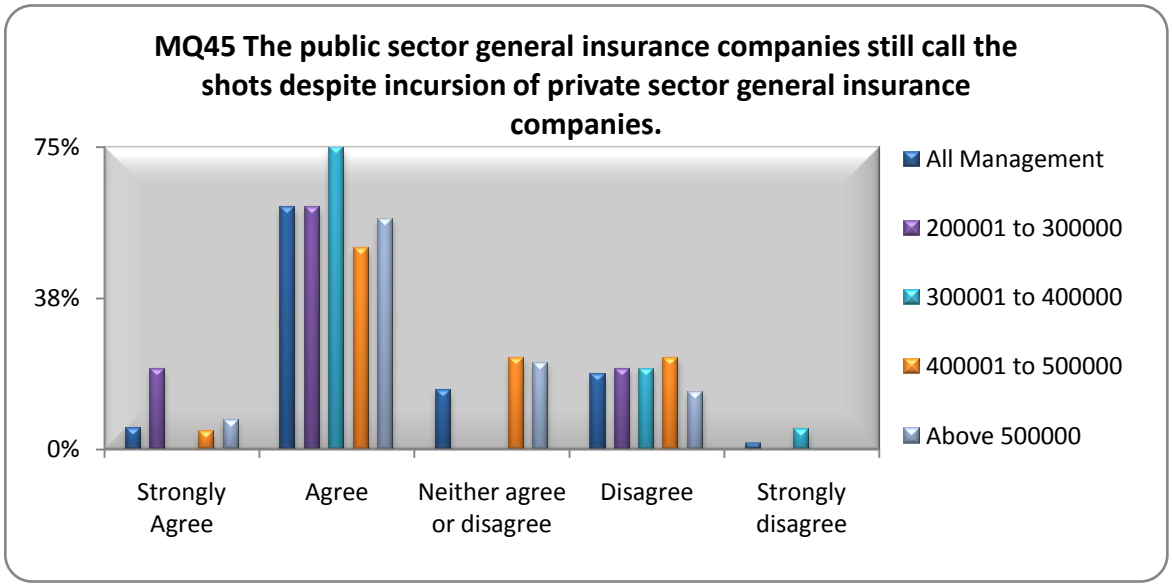


Figure M 188MQ45 The public sector general insurance companies still call the shots despite incursion of private sector general insurance companies.



MQ45 The public sector general insurance companies still call the shots despite incursion of private sector general insurance companies.

At 'all management' level,65.33%, at middle management level, 66.67%, at officers' level, 57.14% respondents say that the public sector general insurance companies still call the shots despite incursion of private sector general insurance companies. Also 68% male and 60% female respondents agree to

this. In the income category in the 2, 00,000 to 3, 00,000 level, 80% and in the income category in the 3, 00,000 to 4, 00,000 lakhs level, 75% respondents agree to this statement. This is due to the fact that the public sector general insurance companies have government support, good infrastructure facilities and thorough knowledge about the subject. These companies have been trying to mould them to suit the changing environment to withstand in the market.

Table M 49MQ46 The general insurance industry now deals with customers who know what they want and when

MQ46 The general insurance industry now deals with customers who know what they want and when	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	8.00%	64.00%	18.67%	9.33%	0.00%
Top level management	0.00%	73.33%	13.33%	13.33%	0.00%
Middle level management	11.11%	62.96%	18.52%	7.41%	0.00%
Officers	10.71%	67.86%	14.29%	7.14%	0.00%
Male management	2.00%	74.00%	16.00%	8.00%	0.00%
Female management	20.00%	44.00%	24.00%	12.00%	0.00%
HSC management	0.00%	100.00%	0.00%	0.00%	0.00%
Graduate management	11.11%	58.33%	16.67%	13.89%	0.00%
PG management	11.11%	58.33%	16.67%	13.89%	0.00%
200001 to 300000	20.00%	60.00%	20.00%	0.00%	0.00%
300001 to 400000	10.00%	40.00%	45.00%	5.00%	0.00%
400001 to 500000	9.09%	63.64%	9.09%	18.18%	0.00%
Above 500000	3.57%	82.14%	7.14%	7.14%	0.00%

Statistics MQ46 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.71	0.75	0.17	3.88	3.53	0.58

Statistics M 41

Figure M 189MQ46 The general insurance industry now deals with customers who know what they want and when

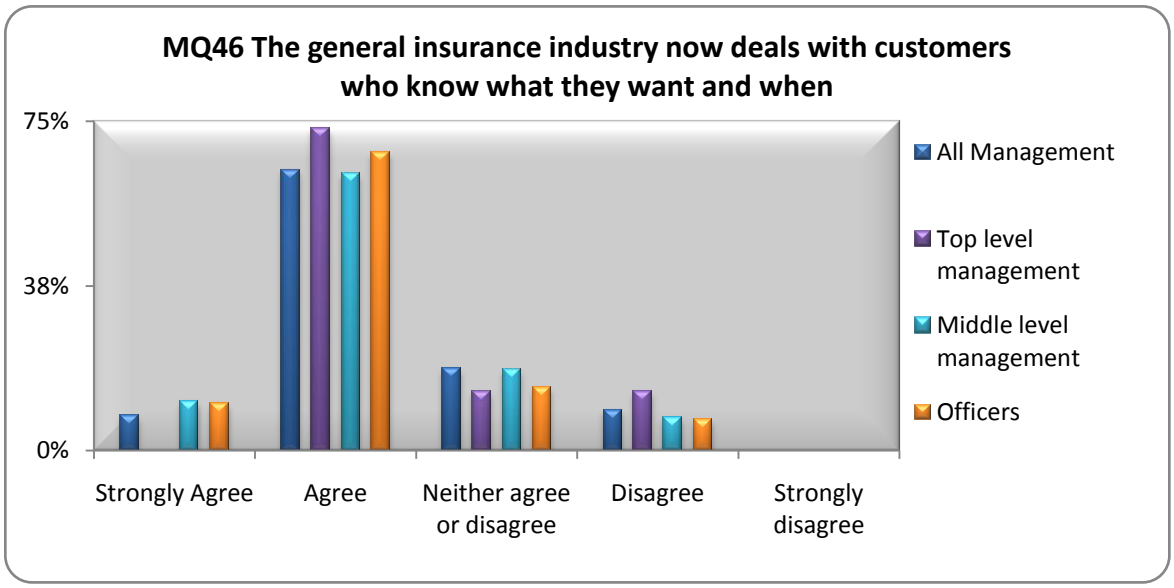


Figure M 190MQ46 The general insurance industry now deals with customers who know what they want and when

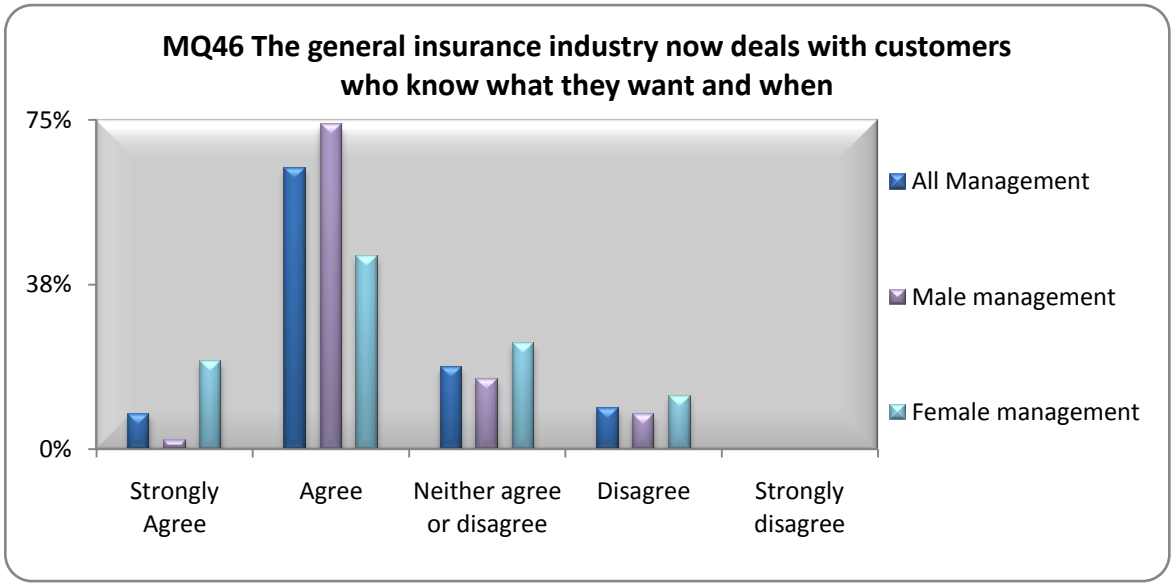


Figure M 191MQ46 The general insurance industry now deals with customers who know what they want and when

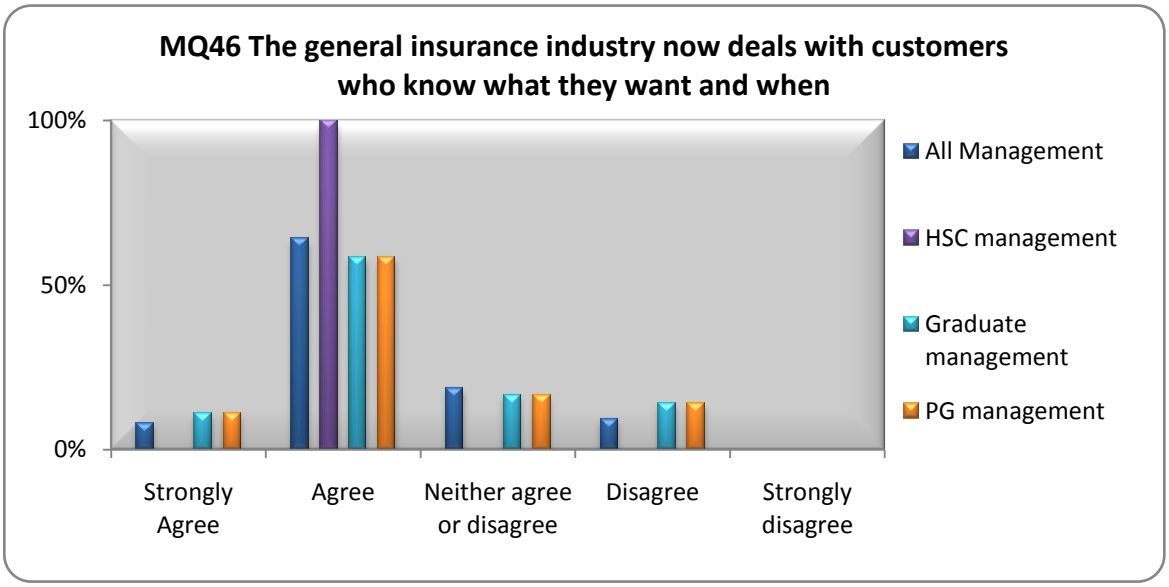
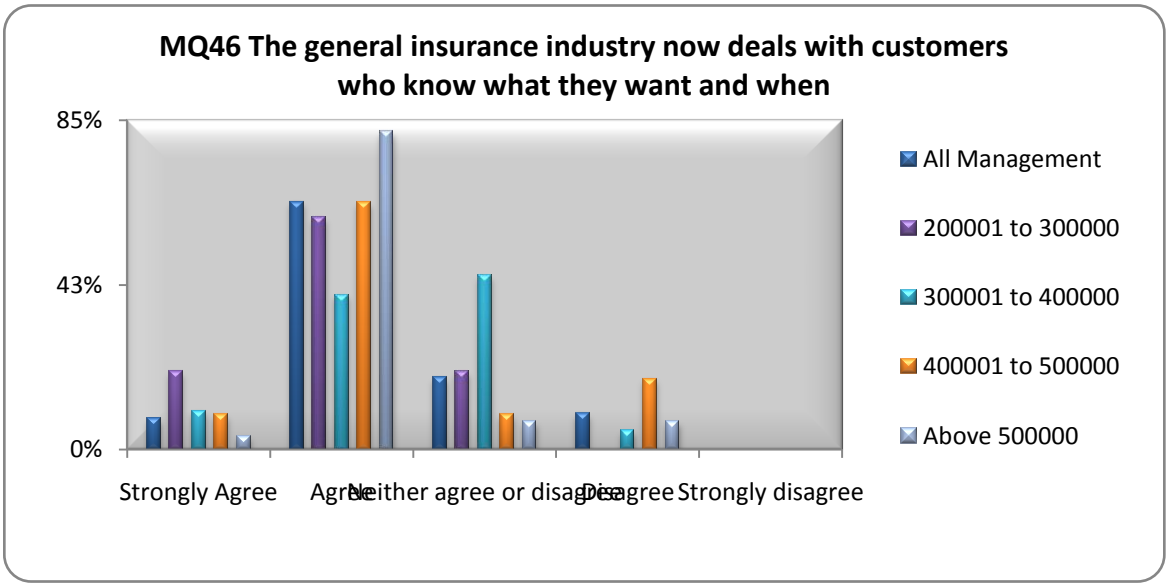


Figure M 192MQ46 The general insurance industry now deals with customers who know what they want and when



MQ46 The general insurance industry now deals with customers who know what they want and when

Overall at 'all management' level, 72% respondents, in the top management level,73.33% in the middle management level, 74.07% and in the officers' category, 78.57% respondents say that the general insurance industry now deals with customers who know what they want and when. 76% male and 64% female

respondents agree to this. In the income group category, 80% respondents in the level of 2,00,000 to 3,00,000, 72.33% in the level of 4, 00,000 to 5,00,000 lakhs also agree to this. In the income level of more than 5,00,000 lakhs, 85.77% respondents agree to this statement. The education level of customers has increased and the awareness level has also increased mainly due to the entry of private companies in this sector through media. The customers now know better their requirements.

Table M 50MQ47 With increased competition among insurers, quality of service is a key issue

MQ47 With increased competition among insurers, quality of service is a key issue	Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
All Management	48.00%	50.67%	1.33%	0.00%	0.00%
Top level management	46.67%	53.33%	0.00%	0.00%	0.00%
Middle level management	51.85%	48.15%	0.00%	0.00%	0.00%
Officers	46.43%	50.00%	3.57%	0.00%	0.00%
Male management	36.00%	62.00%	2.00%	0.00%	0.00%
Female management	72.00%	28.00%	0.00%	0.00%	0.00%
HSC management	100.00%	0.00%	0.00%	0.00%	0.00%
Graduate management	50.00%	47.22%	2.78%	0.00%	0.00%
PG management	50.00%	47.22%	2.78%	0.00%	0.00%
200001 to 300000	60.00%	40.00%	0.00%	0.00%	0.00%
300001 to 400000	45.00%	55.00%	0.00%	0.00%	0.00%
400001 to 500000	45.45%	50.00%	4.55%	0.00%	0.00%
Above 500000	50.00%	50.00%	0.00%	0.00%	0.00%

Statistics MQ47 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
4.47	0.53	0.12	4.59	4.35	0.51

Statistics M 42

Figure M 193MQ47 With increased competition among insurers, quality of service is a key issue

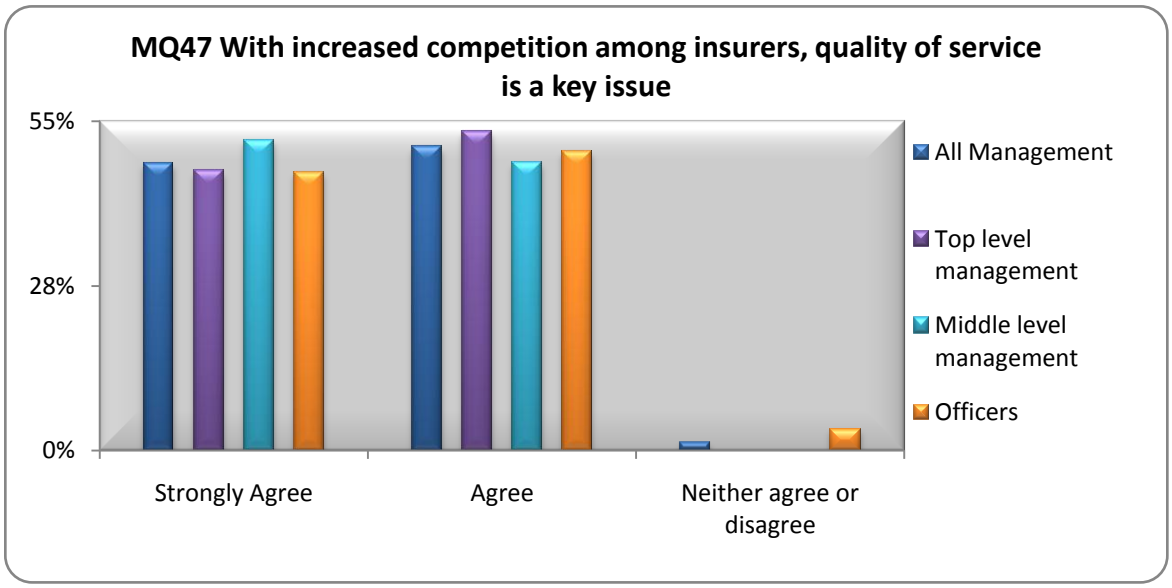


Figure M 194MQ47 With increased competition among insurers, quality of service is a key issue

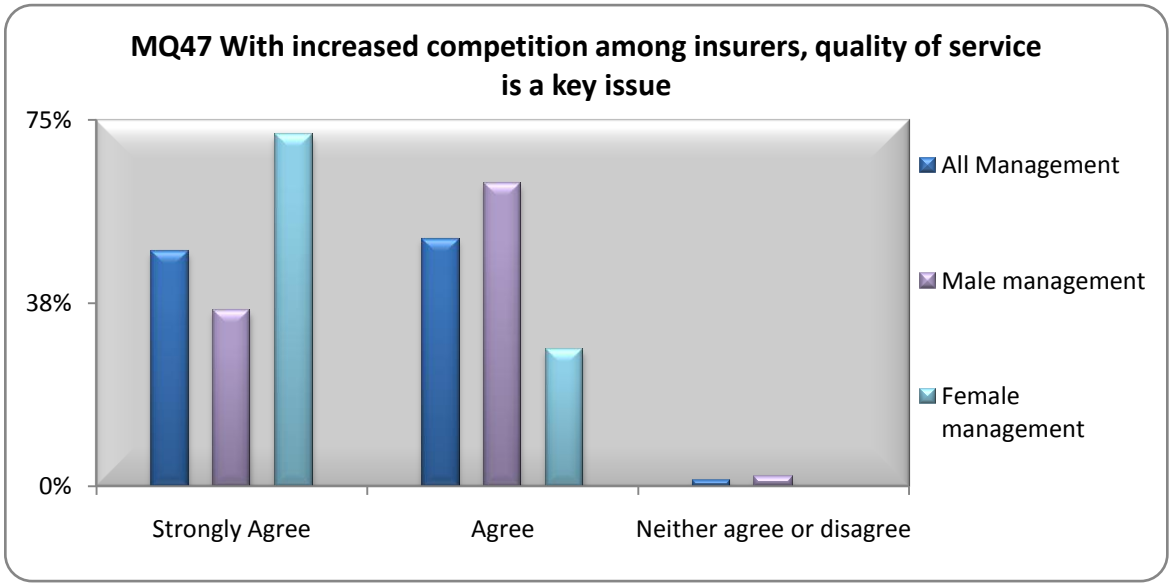


Figure M 195MQ47 With increased competition among insurers, quality of service is a key issue

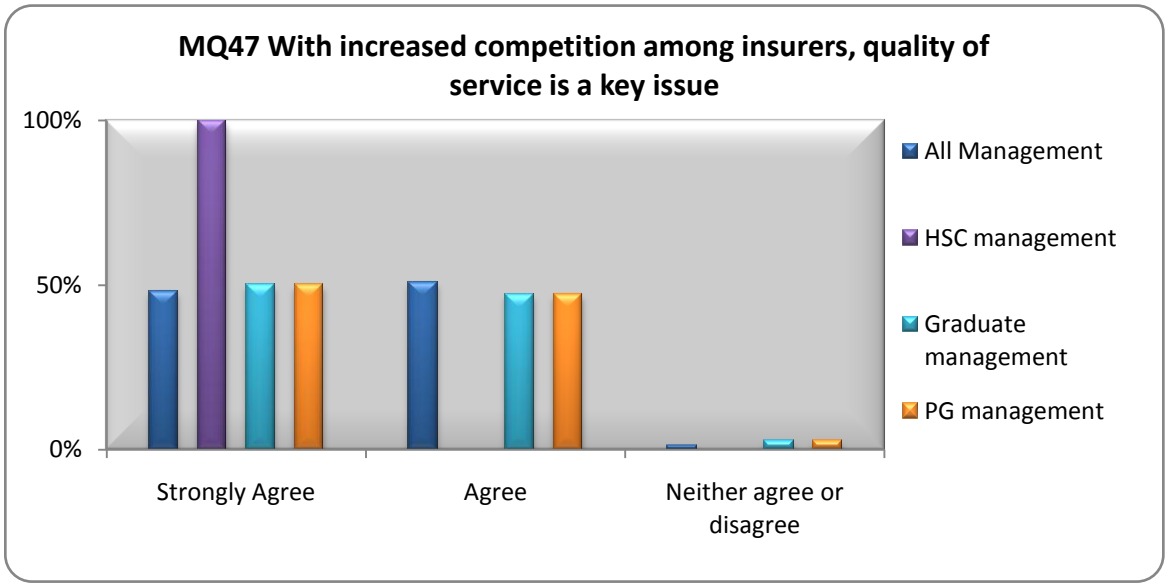
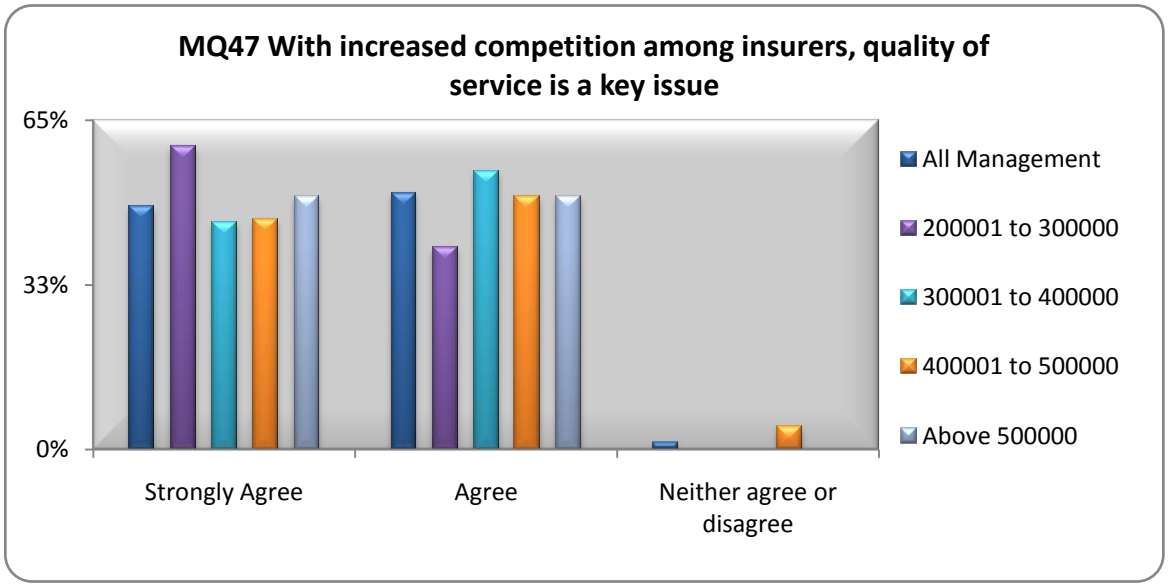


Figure M 196MQ47 With increased competition among insurers, quality of service is a key issue



MQ47 With increased competition among insurers, quality of service is a key issue

At 'all management' level 98.67%, in top management level and middle management, 100% and in officers' level, 96.43% respondents say agree that with increased competition among insurers, quality of service is a key issue. 98% male and 100% female agree to this. At various levels in the income categories

also at all levels, 100% respondents agree to this statement except in case of 4,00,000 to 5,00,000 category but the percentage of respondents who agree with this statement in this case is also 95.45%. To attract new business and also to retain existing business, improvement in the quality is a must. The customers will always approach the companies who give them quality service and hence in the competitive market the quality of service is a key issue.

Table M 51MQ48 The merger of all the four public sector general insurance companies would attract more business.

MQ48 The merger of all the four public sector general insurance companies would attract more business.	**Strongly Agree**	**Agree**	**Neither agree or disagree**	**Disagree**	**Strongly disagree**
All Management	24.00%	32.00%	13.33%	26.67%	4.00%
Top level management	13.33%	26.67%	13.33%	33.33%	13.33%
Middle level management	25.93%	33.33%	14.81%	22.22%	3.70%
Officers	28.57%	32.14%	7.14%	32.14%	0.00%
Male management	26.00%	34.00%	12.00%	22.00%	6.00%
Female management	20.00%	28.00%	16.00%	36.00%	0.00%
HSC management	0.00%	0.00%	0.00%	100.00%	0.00%
Graduate management	22.22%	27.78%	11.11%	33.33%	5.56%
PG management	22.22%	27.78%	11.11%	33.33%	5.56%
200001 to 300000	40.00%	20.00%	0.00%	40.00%	0.00%
300001 to 400000	15.00%	40.00%	10.00%	35.00%	0.00%
400001 to 500000	31.82%	31.82%	13.64%	22.73%	0.00%
Above 500000	21.43%	28.57%	17.86%	21.43%	10.71%

Statistics MQ48 for management					
Average	Std Deviation	Confidence interval at 95%	Upper limit	Lower limit	Average Deviation
3.45	1.23	0.28	3.74	3.17	1.09

Statistics M 43

Figure M 197MQ48 The merger of all the four public sector general insurance companies would attract more business.

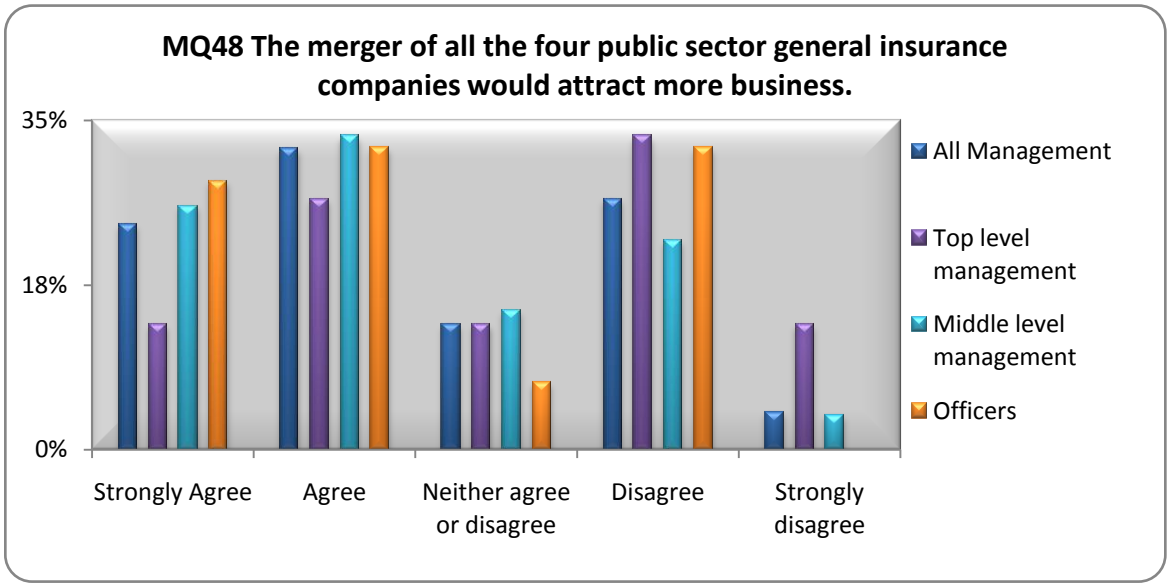


Figure M 198MQ48 The merger of all the four public sector general insurance companies would attract more business.

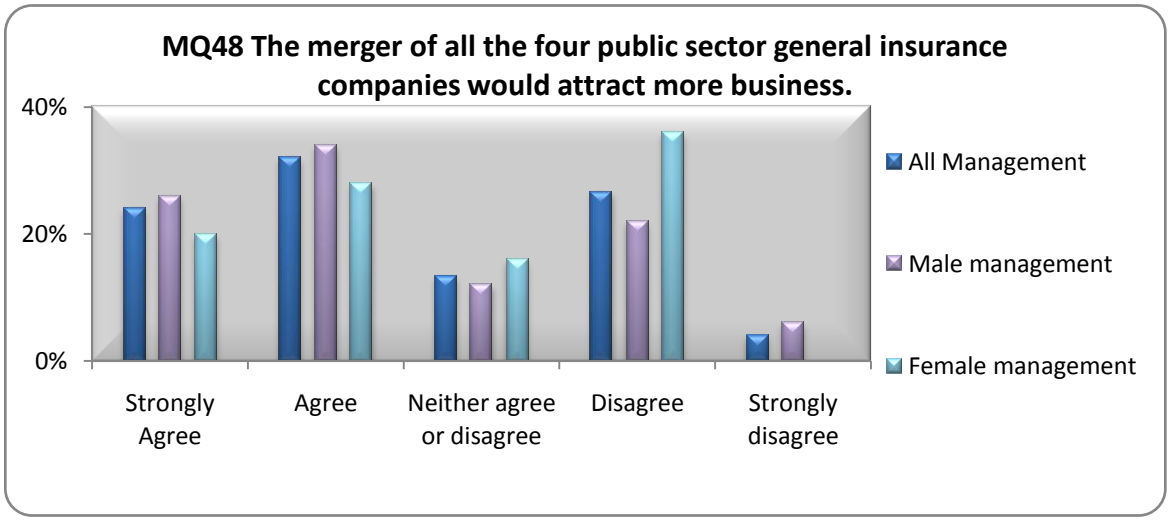


Figure M 199MQ48 The merger of all the four public sector general insurance companies would attract more business.

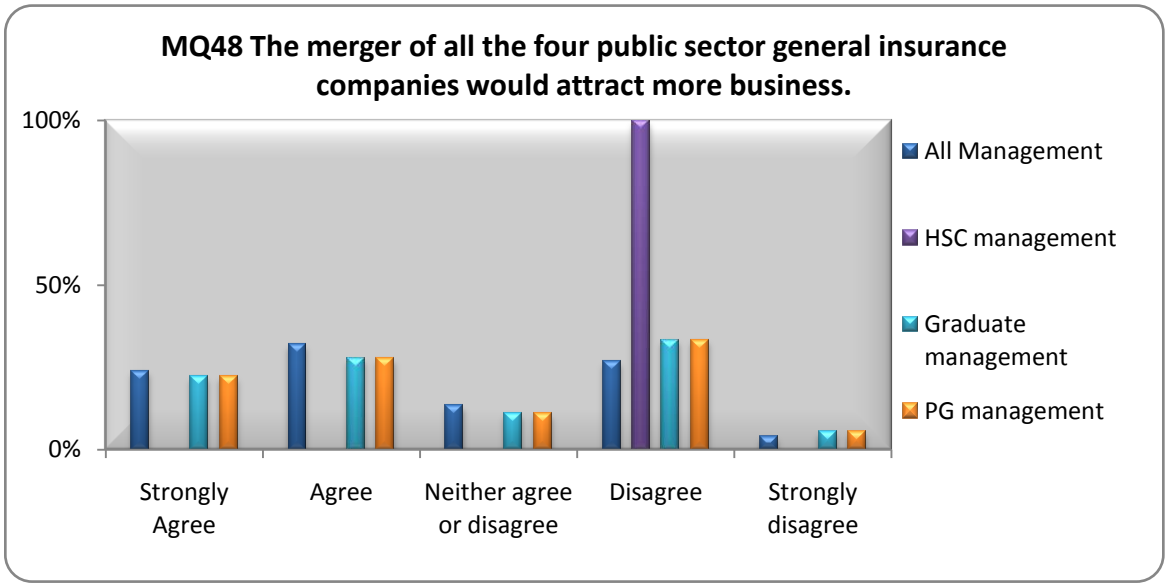
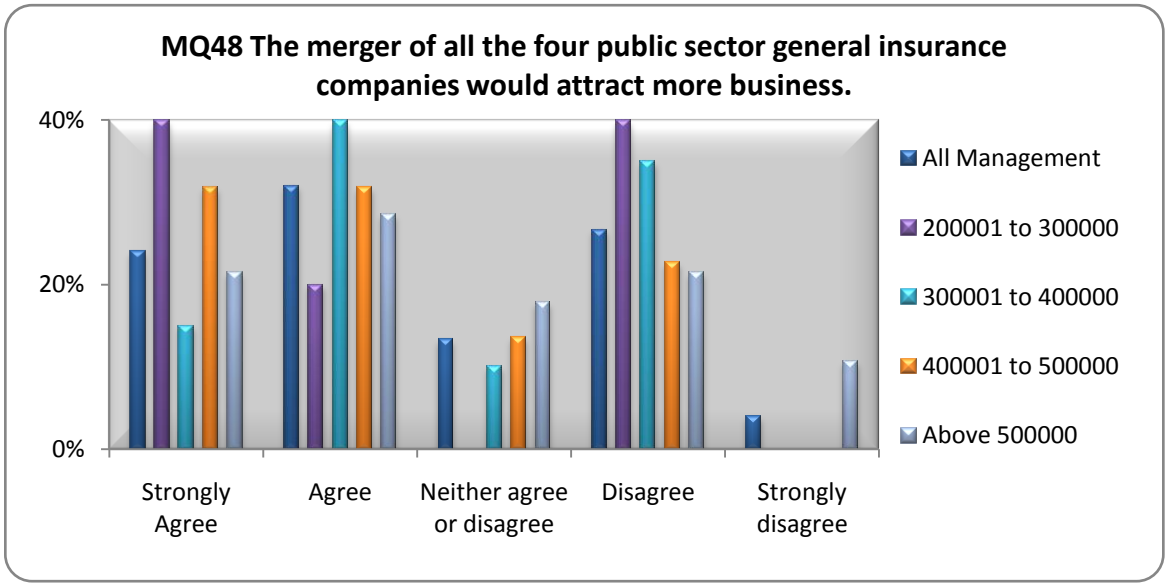


Figure M 200MQ48 The merger of all the four public sector general insurance companies would attract more business.



MQ48 The merger of all the four public sector general insurance companies would attract more business.

At 'all management' level, 56% respondents, at top level, 40%, at middle management level,59.26% and at officers' level, 60.71% say that the merger of all the four public sector general insurance companies would attract more business. 60% male and 48% female respondents agree to this. In the category

of income at 2, 00,000 to 3, 00,000 level, 60% and at 4, 00,000 to 5, 00,000 lakhs level, 63.64% respondents agree with the statement. This is because the competition between the four public sector general insurance companies will cease and they can compete more effectively with other private sector companies. These companies can smartly frame development policies because of merger.

Chapter VI - Discussions & Findings

The tables and graphs presented in Chapter V disclosed interesting fact and facets of the topic under study. These are disclosed in the present chapter.

6.1 Policy Holders

Part I Personal Information

Gender

The educational background of the sample in question has presented some revealing facts. At all policy holders' level, 71.34% male respondents are post graduates, 82.46% males are post graduates and male SSC respondents are 60.67% and others are female respondents. In the occupational background, 73.33% males are professionals, 88% are businessmen, 76% males are in salaried class and 68% males are students and others are female respondents. As high as 90.63% male respondents are in the income above 5,00 000.In other income levels also 70% male respondents are there. There are 60.67% students who are male and remaining are female respondents. It indicates that majority of male respondents have responded to the questionnaire than female respondents.

Educational Background

The educational background of the sample in question also presented some revealing facts. At all policy holders' level, more than 55% respondents are post graduates and Ph.D. holders. The percentage of female respondents who are graduates and above is 66.20% and that of male is 51.33%. 92% students are post graduates. In the occupational class also more than 65% respondents are graduates and post graduates. In other class also about 65% respondents are at least graduates. It is therefore indicative that majority of respondents are from learned class, who can understand the subject in a better way.

Occupational Background

The 300 questionnaires were equally distributes to all the respondents of four classes, i.e. students, salaried class, professionals and business class people and hence 75 respondents each from these classes have responded. The percentages of male and female respondents are almost the same. It is seen from the table that 45.31% professionals have income more than 5,00,000 lakhs. 94.94% respondents are students, which is obvious. 66% and 83.33% of the SSC and HSC respondents are also business. But in case of higher income groups, the percentage of salaried and professional class is more. It means that amongst higher education, the respondents have opted for jobs and their own professions.

Annual Income

It is seen from the table that all the students are in the income group of 0 t0 50,000, which is obvious as they do not have earning being students. There is no significant difference between the earnings of male and female respondents, The SSC & HSC respondents are in the low income group and they are in the bracket of 33% to 34%. 22.94% graduates are in the income group of 2,00,000 to 3,00,000. The 38.95% and 38.67%post graduates and the Ph.D. holders respectively are having income more than 5,00,000 lakhs. It is clear that the higher the qualification the earnings are more and this is applicable to professional class as well.

Part II Awareness of general insurance business, problems, and prospects

For which item you have taken Insurance Cover

It is seen from the table that 80.67% respondents at all policy holders have taken insurance cover for two wheelers and 53.33% have taken the same for their four wheelers. This is followed by 48.33% in case of health cover. There is no significant difference between male and female respondents taking insurance covers for two wheelers, four wheelers and health. At all the other levels in all the categories, the same trend continues. The inference can be drawn here that

taking insurance cover for two and four wheelers is compulsory and also in the interest of respondents, that is why most of the people take these covers. In case of health, also the respondents are aware about their health and expenses which they may incur if they do not take this cover. For other items, the respondents are not much bothered to take the covers, may be because it is not compulsory or do not want to spend money because of other priorities.

Have you taken the Mediclaim policy for you

At 'all policyholders' level, 58.86 % respondents have taken medical policy for them. In case of male and female the percentage is almost equal. The 88.89% SSC respondents have not taken policy for them and 66.67% HSC respondents have also not taken policy. 67.54% graduates, 57.32% Ph.D. holders, 78.67% professionals and 69.33% salaried class respondents have taken policy for them. In case of income level more 5,00,000 lakhs, 85.94% respondents have taken the cover and at all other levels, in other income groups also more than 60% respondents have taken the policies for them. It indicates that higher the income level or education, more is the number of respondents taking the covers and also more is the awareness.

Have you taken Mediclaim policy for children and wife

All the students say that they have not taken policy for children and wife, which is quite possible as they are all unmarried. At all policy holders' level, 49.39% respondents have not taken covers for their children and wife. At all the other various levels, in all the categories also 50% to 60% respondents have not taken the insurance covers for their children and wife. In case of students one can understand but most of the respondents who take covers for themselves have not taken covers for their children and wife, the reason may be that they find it more essential for them and not for their children and wife.

One must take General Insurance Policies for items stated in Q.2 and for every year

At 'all policy holders' level and also at all the other various levels, almost more than 65% to 70.00% respondents in all the categories are of the opinion that one must take general insurance policies for items stated in question 2. The indication here is that the respondents feel everybody should take policies for all the items for other items also in their own interest. The majority also feel that one should take insurance cover every year.

Do you go for General Insurance because it is Compulsory and to cover risk, cover must for everybody

A thumping majority of 77.33% at 'all policy holders' level say that they do not take insurance policy because it is compulsory, but it is taken in their own interest and for their benefits. 75.98% male respondents and 81.69% female respondents are also of the same opinion. At other levels, in all other categories also more than 70% to 80% respondents have registered this. The majority of 80% and more respondents have also stated that they take insurance covers to cover risk. It can be seen most of the respondents do take insurance covers voluntarily and not because it is compulsory and also because it covers risk factors.

Awareness about the terms and conditions and various schemes of the policies taken

At 'all policy holders' level, 52.67% respondents say they are aware, male percentage is 53.71 and female percentage is 48.57. 50.88% graduate respondents and 56.71% post graduates say the same thing.. At all other levels, in other categories, 50 to 72% respondents are of the same opinion that they are aware of terms and conditions of the policies. As far as various schemes are concerned the response is same. However, the percentage of respondents who neither agree nor disagree is also not negligible. The opinion seems to be divided in case of the responses of the respondents.

There was a monopolistic situation for Public Sector General Insurance companies

At ‘all policy holders’ level, 73.34% respondents are of the opinion that there was a monopolistic situation for public sector general insurance companies. At all other various levels, and in all the other categories, most of the respondents above 60% and more have registered the same opinion. This is because almost all are aware that they had no chance and they had to deal only with public sector companies only prior to globalization

The Tariff rates for comprehensive policy are very much on higher side.

At ‘all policyholders’ level, 65.33% respondents feel that the rates for comprehensive policy are very much on higher side. At all the other levels and in all the categories it is seen that about 65% to 88% respondents also feel that these rates are very much on higher side. The comprehensive policies cover almost everything including the third party obligations and majority of the respondents are aware that due to this the rates of comprehensive policies are higher.

About the timely service, quality of the service of the company, satisfaction about the time required for settlement of claims, record of company in doing work accurately etc.

As can be seen from the tables, at ‘all policyholders’ level and at all the other various levels in different categories also majority of respondents have opined that they do get timely and quality of service from their general insurance companies. They are also happy about the time required for settlement of their claims and also responded positively to the work accuracy of their company. This is an indication that they are quite happy with the companies from where they have taken their general insurance policies.

Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies

There is a mixed response for this statement from all the respondents, i.e. there is no much difference between the opinions of the respondents. The percentage of respondents saying neither agree nor disagree is also substantial. It indicates that most of them do not have experience of other companies as the policies are taken from one company and do not know much about the other companies, since not dealt with them.

Which types of general insurance companies are more reliable according to you and are insurance companies essential for economic growth

A thumping majority of respondents at 'all policy holders' level, and at all other levels in all the categories with percentage range of 70% to 90% are of the opinion that public sector general insurance companies are more reliable according to them and almost same percentage of respondents also have confirmed that the general insurance companies are essential for economic growth of the country. The significantly positive responses recorded here confirm their belief in public sector general insurance companies and general insurance companies' contribution for the economic growth.

I know about the IRDA, its duties and functions etc., duties of an insurance agent fully.

At 'all policyholders' level, 41% respondents, 77.78% SSC respondents and 66.67% business class respondents have opined that they do not know about the IRDA, it's duties and functions. Almost same percentage i.e., 41.33% at all policy holders' level, 77.78% SSC respondents and 62.67% business class respondents have also opined accordingly. A majority of respondents are not aware about the IRDA and the duties of the agents fully.

The General insurance agents have sufficient knowledge about the procedures.

There is a mixed response from the various categories of respondents. i.e. education qualifications, occupation, income groups including all policy holders' levels to the statement that The General insurance agents have sufficient knowledge about the procedures, i.e. there is no much different between the opinions of the respondents. The respondents are not sure about this.

I know how the tariff rates and premium rates are arrived at by the general insurance and the procedure of settlement of claims.

At 'all policyholders' level, 52.13% disagree that know how the tariff rates and premium rates are arrived at by the general insurance companies. Around 49% respondents from the category by education disagree, 65.34% business policy holders in the occupation category and nearly 68% respondents from the income group of 3 to 4 lakhs also disagree. This is indicative factor about their awareness about the calculations of tariff rates and premium rates.62% of the respondents disagree that they know the procedure of settlement of claims, but in all other various category levels it is observed that there is no marginal difference between the percentage of respondents who agree and disagree to this statement. About the procedure of settlement of claims there seems to be confusion and the respondents are not so sure about the same.

Have you ever gone into litigation against the general insurance company for non-settlement of your claims as per your expectations?

It is observed from various levels in the various categories, the percentage of respondents who have never gone into litigation against the general insurance company for non-settlement of your claims is very high. In the all policy holders case it is 93%, 97.33% in case of student policyholders and even 100% in case of income group level of 3 to 4 lakhs. It can be inferred that the respondents across levels, at all categories are happy with the working of their companies and do not have disputes with them.

What made you choose your current general insurance company?

AT ‘all policyholders’ levels 50% say that the brand image of the general insurance company made them choose their current general insurance company. 66.67% HSC policy holders say the same thing. All the Ph.D. respondents have preferred efficient services the reason for this. In the occupation levels 36% endorse the same reason. 61.40% graduate policy holders say other reasons made them chose the company and in the income group level of 1 lakh to 2 lakhs, 70 % has preferred brand image as the reason. The second preference by majority of respondents has been given to efficient services which made them to choose their company. It seems brand image of the company has made more respondents to choose their general insurance company.

From which channel did you purchase your policy

At ‘all policyholders’ level, 52.33% of respondents say that they have purchased the general insurance policy from retail. 41.33% professional policy holders have purchase from retail. In the students category 50% of them have purchased from telesales and remaining 50% have purchased from bank assurance. This indicates that more respondents have given preference to purchase their policy through retail. The second preference is given to telesales and third preference given to bank assurance.

What are your reasons for dissatisfaction?

At ‘all policyholders’ levels, 48.75% respondents say that they are not satisfied by the service provided by their general insurance company as they are dissatisfied by the agent’s services and equal percentage in the same category are of the same opinion but they have given the reason as delay in settlement of claims. The respondents are mostly not satisfied by the services rendered by their agents and another reason being the delay in settlement of their claims.

The service of the claim representative of your general insurance company was

At ‘all policyholders’ level, 86% say that the service of the claim representative of their general insurance company was good. All the SSC and HSC policy holders also agree to this. All Ph.D. holders and all the respondents in the income group of 50,000 to 1, 00,000 also say like this. In the occupation category the range is from 75% to over 95% who hold the same view. This indicates that the respondents are happy with the services of their claim representative and no disputes as far as claim settlements are concerned.

How do you rate your general insurance company overall

71% respondents at ‘all policyholders’ level, 71.62% male respondents, 69.01% female respondents, all the 100% Ph.D. holders rate their general insurance company as good. At other various levels, in all the categories also more than 70% respondents are of the same opinion. This means that majority of the respondents have no disputes with their company and they are happy with their companies.

How likely are you to recommend your general insurance company to others?

At various levels and in all the categories at various levels equal numbers of respondents say yes and cannot say about this. These are the two opinions expressed by the respondents. There seems to be confusion in their minds and firm opinion has not been recorded.

I always prefer to deal with general insurance companies through Agent only

Overall 65% respondents agree to this. It is seen that in the category of education wise 96%, in occupation category 65% and in the income group category 66.65% respondents agree to this statement. The inference can be drawn from these facts that they have faith in their agents or may not be confident enough to deal with the companies directly.

There is poor awareness amongst people in India about the General Insurance

Overall 84.33% agree, all the HSC and Ph.D. holders agree to this, others in education category 85% agree to this. The percentage in case of occupation wise and income group wise is 84.33% and 82.86%. A majority of respondents feel that there is poor awareness in India about the general insurance business.

I have checked up the credibility of my agent before taking general insurance policy

Overall 51.33% have not checked up the credibility of their agent.77.78% SSC, 83.33% HSC have not checked up, but 55.49% PG holders and 100% Ph.D. holders have checked up credibility of their agent. It is essential to check the credibility of the agents before taking general insurance policies but the observation indicates that highly educated respondents do check the credibility as compared to low educated people.

These days there is fierce competition between general insurance companies

Overall 88% respondents agree to this. All the SSC, HSC, Graduate, Ph.D. holders agree and 85.98% PG holders agree to this. In the education category, 88% agree to this and if seen from income group wise, 89% respondents agree that there is fierce competition between general insurance companies. A thumping majority of respondents are of the opinion that there is fierce competition these days between general insurance companies.

Have you ever changed the general insurance company for some reasons

Overall 80% have never changed their general insurance company for any reason. From the category of education wise, 80.57% respondents have not changed the company. 80% respondents irrespective of their occupation have never changed their company and if seen from income wise, 77.30% have never changed their company for some reason. That means majority of them are happy

with their companies and may not be facing problems while dealing with the companies. This also means they believe their general insurance companies.

The Public Sector General Insurance companies in India have good prospects

Overall 80% respondents agree that the public sector general insurance companies in India have good prospects. All the Ph.D. holders and SSC respondents agree to this. Other education category, other 77.58% respondents also agree to this. Occupation wise, 80% respondents agree and income wise, 82.27% respondents agree to this statement. Majority of the respondents at various levels in all the categories are of the opinion that the public sector general insurance companies in India have good prospects.

The policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand.

Overall 85.33% respondents agree that the policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand. All the Ph.D. holders feel like this and other 89.89% respondents from the same category agree to this statement. Occupation wise, 85.33% respondents agree and if seen by income wise, 84.14% respondents agree with this statement. The percentages who do not agree is negligible and those who strongly disagree is nil. This is but natural as not only the respondents but everyone would like and want the policy document very simple, short and clear.

The Public Sector General Insurance companies have a grievance redressal system

Overall 65% policy holders are not aware that there is grievance redressal system in the public sector general insurance companies. Education wise, all the Ph.D. respondents are not aware about this and other than these there are 65% respondents who are not aware of this. Income wise, another 65% respondents

are not aware. This clearly indicates the negligence on the part of the respondents. It is their duty to have knowledge about the company with which they are dealing.

6.2 Management

Part I personal information

Management Hierarchy

At 'all management' level', 41.33% management personnel are in the middle level management position, also 46% male personnel are in the same level. 20% personnel are in the top management level. The percentage of female is 64% in the officers' cadre. At the officers' level, there is majority of female respondents, except in case of income group 3, 00, 00 to 4, 00,000 and above 5, 00,000. There are only 4% female respondents in the top level.

Gender

At 'all management' level, 66.67% male and 33.33% female respondents have responded. 93.33% male respondents are in top management level and only 6.67% female respondents are in top management. More or less equal percentage male and female respondents are in officers' category. 75% male respondents are graduates, 25% females are graduates, and the pattern is same in case of post graduate respondents. The percentage of male respondents is 68.18% in 4, 00,000 to 5, 00,000 lakhs level and 85.71% in income level above 5,00,000. It indicates that everywhere the male respondents are ahead of their counterparts.

Qualification

Overall, 'at management' level, 50.67% respondents are post graduates and 48% are graduates. In top management 73.33% are post graduates and 26.73% are graduates. At officers' level, 57.14% are graduates. 60% female respondents are post graduates and they are in the income group of 2, 00,000 to 3, 00,000.

This shows that majority of the respondents are from learned class and having well educated background.

Annual Income

It can be seen that at 'all management' level, 66.66%, in top management level, 80%, in middle management 85.18% respondents are in high income group, i.e. 4,00,000 to 5,00,000 lakhs. 78% male respondents are in the income group of 4,00,000 to 5,00,000 lakhs, but only 44% female are in the income group of 4,00,000 to 5,00,000 lakhs. Graduates and post graduates respondents are in the high income group and low qualified respondents are in the low income group of 2,00,000 to 3,00,000 lakhs. Therefore it is noticed that the respondents at high level and well qualified are taking more salary and it seems obvious.

Part II - Awareness of the management personnel about the work that they are carrying out

The insurance premium rates, charged by the Public Sector general Insurance Companies, are often on the higher side.

A thumping majority of respondents as high as 80% to 100% all various levels and in all the categories do not agree with the statement that the insurance premium rates charged by the public sector general insurance companies are often on the higher side. It means that they believe that the rates quoted by the government are always lower side and also it is the government that can only provide services at affordable rates.

Are you fully aware of the terms and conditions of the policies that you are offering?

In this case most of the respondents, about 68% and 60% at other levels are of the opinion that they are fully aware of the terms and conditions of the policies that they are offering. Since they are working in the general insurance companies at various management levels in the officer's cadre levels and at responsible positions, they have to have this basic knowledge.

The Private Sector Companies give better service than the Public Sector General Insurance Companies

At 'all management' level, 65.33% do not agree that the private sector general insurance companies give better service than the public sector general insurance companies. Also more than 60% to 80% respondents at various levels and at all the categories do not agree to this statement. Thus majority of respondents feel that the services offered by public sector general insurance companies are also good.

Do you know about the various schemes of your company?

64% respondents of the respondents at 'all management' level are of the opinion that they cannot say whether they know about the various schemes of their companies. Most of the respondents at various levels and at all the categories are also of the same opinion and there is majority of the respondents saying this. This indicates that there are so many schemes and they may not be aware of all these schemes. They are aware about some schemes but not sure about all the schemes.

Liberalisation has affected the general insurance business.

Overall 69.34% at 'all management' level say that the liberalization has affected the general insurance business. 53.34% respondents from top management, 62.97% from middle management and 78.59% officers are also of the same opinion. At various levels and at all other categories also the respondents feel like this. This indicates that now because of new entrants in this sector there is tough competition and hence because of liberalization, the business of public sector general insurance companies has been affected.

What is the level of competition of your company with other general insurance companies?

At 'all management' level, 88.66% say that the level of competition of their company with other general insurance companies is very high. 95.30% respondents into management, 85.18% in middle management and 85.11% in

officers' level are also of the same opinion. At various levels in all the categories, more than 80% also feel the same way. It means that the respondents are aware that the public sector general insurance companies have to face tough competition with other public sector general insurance companies as well as with private companies to withstand and survive in the business.

The private sector general insurance companies are far ahead in marketing when compared with the public sector general insurance companies.

46.67% respondents at 'all management' level, agree say that private sector general insurance companies are far ahead in marketing when compared with public sector general insurance companies, while 42.67% do not agree. At top management level, 80% agree, at middle management level, 51.85% agree and at officers' level, 60.72% also agree. Majority of respondents are of this opinion and feel like this.

In the absence of private sector general insurance companies the public sector general insurance companies would have had more business and also some of the business of public sector has gone to private sector companies

At 'all management' level, 72% say that in the absence of private sector general insurance companies, the public sector general insurance companies would have had more business. 53.33% top management respondents, 66.67% middle management and 82.14% officers also agree to this statement. The opinion of majority of respondents indicates that if there were no private companies, all the business would have remained with their company and which is true. Also they feel that private sector general insurance companies have grabbed their business.

The intense competition brought about by deregulation /liberalisation has encouraged the industry to innovate in all areas.

Most of the respondents at various levels and all the respondents at various categories are of the opinion that the The intense competition brought about by

deregulation /liberalisation has encouraged the industry to innovate in all areas. The respondents are aware that to with stand the competition and survive, they have to think out of the box and have to innovate in all the possible areas.

In which area is there a greater awareness about the general insurance business

A thumping majority of respondents at various levels, and at all the categories have registered their opinion that there is a greater awareness about the general insurance business in urban areas. It indicates that majority of them are working in the urban areas and they are aware of the response which they are getting from the respondents in urban areas.

The entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.

Overall 69.33% respondents at 'all management' level say that the entry of private sector general insurance companies will not prove to be a danger to public sector general insurance companies in future. 86.67% respondents from top management level, 74.07% from middle management level and 72% officers are also of the same opinion. It indicates that with the existing set up, expertise, long standing in the market and with government support they will be able to face the private sector general insurance companies and these companies will not prove to be a danger to the public sector general insurance companies.

Because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.

At 'all management' level, 82.67% respondents agree that because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected. 73.34% respondents from top management level, 77.78% from middle management and 89.29% officers agree to this. At various levels in other categories also about more than 80% respondents agree to this statement. Majority of respondents agree to this statement as they are aware that

if the premium rates are de-tarrifed and if discounts are offered, naturally the business is going to be affected.

The entry of brokers has affected your profit margins.

Most of the respondents at 'all management' levels and at various levels in other categories are not sure about this statement. This may be due to the fact that they do not have direct access to the documentary proofs with them to express their opinion about this statement.

People do react to your advertisement and come forward to enquire or buy the product immediately

About 60% and more respondents at various levels in all the categories are of the opinion that people do react to their advertisement and come forward to enquire or to buy the product immediately. It indicates that now a days the general insurance companies are advertising their products through various media and are getting responses from the people who are approaching them for buying or enquiring about the various products.

The surveyors appointed by you are all loyal to your Company.

Overall 48% in 'all management' level agree that the surveyors appointed by them are all loyal to their company, but 36% in the same level either agree or disagree. Also in case of top management level, 40% agree and 46.67 respondents neither agree or disagree. In middle management level, equal percentage i.e.40.67% respondents agree and neither agree or disagree. 57.14% officers agree and 28.57% either agree or disagree. Here it seems the opinions of the respondents are divided and no any particular inference can be drawn.

There is overstaffing in your Company.

More than 60% respondents at 'all management' levels, and also at various levels in other categories have opined that there is no overstaffing in their companies. This indicates that all the employees have been allotted the work load equally.

Often there are procedural delays in settlement of claims.

There is a mixed response from all the respondents at various levels in all categories. This indicates that l there are procedural delays due to strict rules, regulations and the delegation of powers by the management to its employees the limited authorities as per the hierarchy.

The government should exercise lesser control on the business of general insurance

More than 60% at 'all management' level have responded that the government should exercise lesser control on the business of general insurance, while 66.67% top management level respondents agree to this. In case of middle management and officers' level, the percentage of those who agree is 70.30 and 46.43 respectively. In case of various income levels also more than 60% respondents feel like this. This indicates that majority of them do not want interference from government in their work.

The process of calculating the premium rates is complicated

At 'all management' level, 60% respondents disagree that the process of calculating the premium rates is complicated. 66.67% in top management disagree, 59.26% in middle management disagree and in officers' level, 57.14% disagree. At various levels the percentage of respondents who agree is very less. Being in the officers' levels and working at various managements' levels, it seems that this is there routine work and they have to know how to calculate the premium rates and this is the reason for this response.

About the available infrastructure and it's utilisation

More than 70% respondents at all levels of management and also at various levels in the other categories are of the opinion that their general insurance companies have adequate infrastructure and the same is being utilised to it's capacity. This is the indication that being government owned, controlled and financed general insurance companies, this is really not a problem and the respondents at all levels are happy with the infrastructure.

The rotation/ transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees

Overall 80% female respondents say that the rotation/transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees. 60% male respondents, At all managements' level,68% agree, at top management level,60%, at middle management level,70.30% and at officers' level, 67.85% respondents agree to this statement. The transfer/rotation policies are not acceptable for the simple reason it is not convenient from any angle for various reasons.

The public sector general insurance companies are facing the problem of fake claims.

At 'all management' level, 53.33% respondents, 46.67% in top management, 44.44% in middle management and 64.29% in the officers' level, 50% male respondents and 60% female respondents feel that the public sector general insurance companies are facing the problem of fake claims. It indicates the officers are dealing with the claims know which claims are fake and which are right because of their experience.

Some public sector general insurance companies follow unethical practices.

There is a mixed response from all the levels of management and also from the various levels at various categories and there is division of opinion. The opinions are divided may be due to the fact that all may not have come across such situations.

About government policies about the public sector general insurance companies and giving aid or some special package to them

In response to both these questions, the opinions or the responses received from all levels of management and also the responses and opinions received from various levels at all the categories seem to be divided, i.e. mixed response. They

are not sure about the policies of government and also about the types of aid from the government.

Which type of general insurance companies do you think have succeeded in creating new business after globalization

At 'all management' level, 53.33% respondents, in top management level category 73.33% are of the same opinion, 51.85% in middle management level also say the same thing and in case of officers 42.86% are of the same opinion. In the income group of 3,00,000 to 4,00,000 lakhs, 80% respondents also say both types of companies have succeeded. 54% male respondents and 52% female also say both types of companies have succeeded. This means that the respondents are aware that the more and more private sector general insurance companies are entering Indian market and doing good business along with public sector general insurance companies and both these companies are surviving and have their own business settled in India.

Because of globalization there is ever increasing competition

A thumping majority of respondents, more than 90%, at all levels and in all the various categories are of the opinion that because of globalization there is ever increasing competition. It indicates that now there are so many companies to choose from for the insurance cover and really it is confusing from whom to get the same.

The existing business is getting rotated amongst the insurance companies

In this case also majority of respondents feel that the existing business of general insurance is getting rotated amongst all the general insurance companies. It is but natural on their part to feel like this as it is the tendency of all the business enterprises to try to generate the new business as well as to create new business.

Settlement of claims by private sector companies is faster compared to public sector general insurance companies.

It is very important here to consider the opinion of the top management level respondents as they are in a much better position to understand this issue. 66.67% top management level respondents feel like this. Also, 48.15% middle management level and 42.86% officers are of this opinion. This indicates that they are very well aware about the delays that take place in public sector general insurance companies because of rules, regulations, delegation of authority and procedures etc.

The public sector general insurance companies need to improve the service.

At 'all management' level, 81.33% respondents say that the public sector general insurance companies need to improve the service. 80% top management level, 81.48% middle management level and 82.14% officers are also of the same opinion. 78% male and 88% female agree to this. Thus the opinion of majority of respondents indicates that this is true because of the work culture of the public sector enterprises and various other factors like the delays, strict rules, procedural aspects, sanctions, approvals etc.

Most of the employees are not fully aware about the IRDA, its duties and functions etc.

More than 65% and, in some cases, above 70% respondents agree to this statement. This indicates that most of the employees are not directly affected about IRDA, its functions, duties etc. as they are busy in their day to day work and not too much keen to acquire this knowledge.

All the insurance Agents/Brokers have sufficient knowledge about the procedure.

There is a mixed response to this statement from all the respondents. This may be because the agents need to update their knowledge about the new products and about the various circulars from the IRDA or from the general insurance

companies. Hence, many a times the management people are not sure whether the agents have sufficient knowledge about the procedure. Therefore this statement has got mixed response.

Training and development programme for the staff and contribution of better trained staff

Almost more than 90% to 100% respondents from all levels and also at various levels from all the categories have responded that the training and development programme would definitely help for increasing the general insurance business. Not only that but they have further recorded that better trained and committed staff would help in increasing the general insurance business. It is but natural on the part of any management to have this opinion as this is obvious.

It is often said that the procedure involved in settlement of claims is often complicated.

All the respondents at all the levels have recorded a mixed response to this statement. This implies that if all the documents required for the settlement of claims are in order then the procedure may not seem to be complicated but sometimes the documentation part is not in order, the delays take place.

Your Company thoroughly understands customer needs.

A large percentage of respondents, 74.67% in the ‘all management’ level, 93.33% in the top management level, 77.78% in middle management level and 64.29% in officers’ level agree to this. 80% male and 64% female are also of the same opinion. This indicates that they have been dealing with the customers for a long time and, due to frequent interactions, by now they are familiar with the needs of the customers.

About strong relationships with intermediaries and segmentations of the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.

Most of the respondents have responded positively to this statement and this looks like their perceptions about the intermediaries and also about the products which they are offering.

The public sector general insurance companies still call the shots despite incursion of private sector general insurance companies and now deals with customers who know what they want and when

At 'all management' level,65.33%, at middle management level, 66.67% , at officers' level, 57.14% respondents say that the public sector general insurance companies still call the shots despite incursion of private sector general insurance companies. Also 68% male and 60% female respondents agree to this. The response about dealing with customers is also more or less the same. This means that the respondents are watching on day to day basis the response which they are getting from the customers for their products and also the business and hence feel like this.

With increased competition among insurers, quality of service is a key issue

A thumping majority of more than 98% and even 100% at various levels at all the categories have recorded this opinion. Being at top management level, middle management level and at officers' level, the respondents are very well aware that it is the quality of service only that will enable them to withstand and survive in the competition.

The merger of all the four public sector general insurance companies would attract more business.

At 'all management' level, 56% respondents, at top level, 40%, at middle management level,59.26% and at officers' level, 60.71% say that the merger of all the four public sector general insurance companies would attract more

business. This opinion reflects that fighting the competition jointly with the private sector general insurance companies would help to get more business rather than fighting amongst themselves.

Chapter VII - Conclusion

7.1 Policy Holders

The data collected from 300 respondents/ policyholders and 75 management personnel of the four different Public Sector General Insurance companies has been analysed in the earlier chapter and the following conclusion has been drawn from the same. Categories of policyholders include students, salaried people, business people and professionals. The management personnel include the officers of these four public sector general insurance companies working at various levels in these companies, viz. lower level, middle level and top level.

The conclusions are as under:

At an overall level 37.2% respondents agree that they have taken general insurance policy for their two wheelers. 23.2% respondents have taken General Insurance policy for four wheelers followed by 21% who have taken the same for health. It is the two wheelers, four wheelers and the health that matter most for the people than any other items such as home, travel, computer, jewellery insurance etc.

At an overall level 59% of the respondents have taken Mediclaim policy for themselves and the remaining 41% respondents have not at all taken Mediclaim policy for themselves. The percentage of respondents who have taken Mediclaim policy for their children is 54.5% and 29% for spouses.

About 84.5% of the respondents are of the opinion that one must take general insurance policy for the entire range of items viz. computer, laptops, travel, home, two & four wheelers etc. and for all the items as mentioned in the questionnaire. A negligible per cent, i.e. 2.4% do not agree for this, 13% having a neutral opinion.

At an overall level 77.3% respondents agree that one must take General Insurance cover every year for the assets as long as they last whereas 3.3% disagree and 19.3% are neutral about it.

At an overall level 22.7% agree that they go for General Insurance because it is Compulsory while 77.3% do not agree with it. This shows that majority of them are of the opinion that, even if it were not compulsory, one must take General Insurance cover for them.

At an overall level 89.3% of the respondents agree that they go for General Insurance to cover risk whereas 10.7% do not agree to it. This indicates that majority of respondents agree that they take out General Insurance to cover risk.

At an overall level 17% of the respondents are aware of the terms and conditions of the policy which they have taken, 30.3% are not aware and 52.7% have no idea about it.

At an overall level 44% of the respondents agree that they are aware about the various schemes of the general insurance companies whereas 28.3% are not aware and 27.7 % do not have any idea about it.

At an overall level 73.4% of the respondents agree, 3.3% disagree and 23.3% are neither agree or disagree that there was a monopolistic situation for Public Sector General Insurance Companies before the entry of Private Sector General Insurance Companies.

At an overall level 76.3% of the respondents agree, 6% disagree and 17.7% neither agree nor disagree that aggressive marketing strategies by the Private Sector General Insurance Companies will increase consumer awareness.

At an overall level 86% of the respondents agree, 3% disagree and 10.3% neither agree nor disagree that the insurance (General Insurance) cover is a must for everybody.

At an overall level 65.3% of the respondents agree, 8.7% disagree and 28.7% neither agree nor disagree that the Tariff rates for comprehensive policy are very much on higher side.

At an overall level 64% of the respondents agree, 7% disagree and 29% neither agree nor disagree to the statement “Your General Insurance Company gives you good service”.

At an overall level 47.3% of the respondents agree, 14% disagree and 38.7% neither agree nor disagree that Settlement of claims by Private Sector General Insurance Companies is faster as compared to Public Sector General Insurance Companies.

At an overall level 88% of the respondents agree, 2.3% disagree and 9.7% neither agree nor disagree that the General Insurance Sector is essential for the growth and development of the country.

At an overall level 36.6% of the respondents agree, 2.3% disagree and 9.7% neither agree nor disagree to the statement “I know about the IRDA, its duties and functions etc.”

At an overall level 34% of the respondents agree, 41.3% disagree, and 24.7% neither agree nor disagree to the statement “I know the duties of an insurance agent fully”.

At an overall level 37.7% of the respondents agree, 30.7% disagree, and 31.7% neither agree nor disagree that the General Insurance agents have sufficient knowledge about the procedures.

At an overall level 21.7% of the respondents agree, 52.4% disagree and 26% neither agree nor disagree that they know how the tariff rates and premium rates are arrived at by the general insurance company.

At an overall level 30.3% of the respondents agree, 48% disagree and 21.7% of the neither agree nor disagree that they know the procedure of settlement of claims.

At an overall level 24.7% of the respondents agree, 38% disagree and 37.3% neither agree nor disagree that they are satisfied with the time required for settlement of the claims.

At an overall level 7% of the respondents agree and 93% disagree to have ever gone into litigation against the General Insurance Company for non-settlement of their claims as per their expectations.

At an overall level 12.1% of the respondents say they choose their current General Insurance Company by Brand Image, 9.3% say Efficient Services, 5.9% say Low Cost, 25.9% say Quick Settlement of Claims and 46.7% say others.

At an overall level 24.9% say they purchase Online, 14.8% say through Telesales, 51.4% say through Retail, 2% say through Bank assurance and 6.9% say through Branch Walk-ins.

At an overall level 74.7% of the respondent says that they are satisfied and 25.3% says they are not satisfied by the services provided by their General Insurance Company.

At an overall level 9.3% of the respondents are dissatisfied by the services provided by their General Insurance Company such as Policy Document is not received on time, 36.4% are by dissatisfied by agents services, 36.4% by delay in claims settlement and 17.8% by other services.

At an overall level 93.7% of the respondents say good and 6.4% say poor to their General Insurance Company's record in doing the work accurately.

At an overall level 1.3% of the respondents say it is Excellent, 16% say Very Good, 75% say good, 7.3% say Poor and 0.3% say Very Poor in doing business with their General Insurance Company.

At an overall level 1.3% of the respondents say it is Excellent, 15% say it is Very Good, 71% say good, 11.7% say Poor and 1% say Very Poor to the service of the claim representative of the General Insurance Company.

At an overall level 1% of the respondents say excellent, 17.3% say Very Good, 70% say Good, 11% say Poor and 0.7% say Very Poor when asked to rate their satisfaction with the service they received.

At an overall level 2% of the respondents say Excellent, 19.7% say Very Good, 71% say Good, 6.7% say Poor and 0.7% say Very Poor when asked to overall rate their General Insurance Company.

At an overall level 4.3% of the respondents say Very likely, 46.7% say likely, 41.7% say Cannot Say, and 5.7% say Unlikely and 1.7% say Very Unlikely to recommend their General Insurance Company to others.

At an overall level 65% of the respondents agree, 14.7% disagree and 20.3% neither agree nor disagree that they always prefer to deal with General Insurance Companies through Agent only.

At an overall level 84.3% of the respondents Agree, 5% Disagree and 10.7% neither agree nor disagree that there is poor awareness amongst people in India about the General Insurance Business.

At an overall level 48.7% of the respondents agree whereas 51.3% disagree that they check up the credibility of the agent before taking general insurance policy through him.

At an overall level 88% of the respondents agree, 2.3% disagree and 9.7% neither agree nor disagree that these days there is fierce competition between general insurance companies because of liberalization.

At an overall level 20% of the respondents agree whereas 80% disagree to have ever changed the general insurance company for some reasons.

At an overall level 80.3% of the respondents agree whereas 19.7% disagree that they get good service from the company which they have chosen.

At an overall level 80% of the respondents agree, 2% disagree and 18% neither agree nor disagree that the Public Sector General Insurance Companies in India have good prospects.

At an overall level 61.7% of the respondents agree, 8.6% disagree and 29.7% neither agree nor disagree that the management of Public Sector General Insurance Companies has rigid approach towards its customers.

At an overall level 55.3% of the respondents Agree, 20.3% Disagree and 24.3% neither agree nor disagree that Income Tax rebate cannot be availed on any General Insurance policy.

At an overall level 85.3% of the respondents agree, 1.3% Disagree, and 13.3% neither agree nor disagree that the policy document should not be too long as to lose the accuracy nor should it be too short, thereby missing out on key facts and it should be simple to understand. It can be concluded that the current policy documents are too long and that policyholders are loath to read them thoroughly as a result.

At an overall level 35% of the respondents are aware whereas 65% are not aware that The Public sector GIC has grievance redressal system in place.

At an overall level 10.6% of the respondents register their complaints through Call Centre, 49.4% through Email Support, 12.5% through Branch Walk-ins and 27.6% through Letters and Faxes. This could be because the policyholders will have evidence that they had indeed registered a complaint. It could also be that respondents do not have confidence that call centres are reliable for resolving their complaints.

At an overall level 74.3% of the respondents Agree, 5.3% disagree and 20.3% neither agree nor disagree that they would like to continue with the same company for general insurance policy in future.

7.2 Management

At an overall level 9.3% of the respondents agree, 84% disagree and 6.7% neither agree nor disagree that the insurance premium rates charged by the Public Sector General Insurance Companies are often on the higher side.

At an overall level 68% of the respondents are aware, 17.3% are not aware and 14.7% are aware of some of the terms and conditions of the policies. It could be that staff is not trained thoroughly or that staff have been allocated specific areas

of the general insurance business to look after, thus not requiring thorough knowledge of all the terms and conditions of the various insurance products.

At an overall level 14.7% of the respondents agree, 65.3% Disagree and 20% neither agree nor disagree that the Private Sector General Insurance Companies give better service than the public sector general insurance companies.

At an overall level 30.7% of the respondents know All of the schemes of the company, 64% know some of them and 5.3% says can't say. This could be because staff are specialising in specific insurance products or that the training programmes are inadequate.

At an overall level 69.7% of the respondents agree, 25.4% disagree and 5.3% neither agree nor disagree that liberalization has affected the general insurance business.

At an overall level 86.6% of the respondents say high, 8% say Low and 5.3% say that they do not know about the level of competition of their company with other general insurance companies.

At an overall level 46.7% of the respondents agree, 42.7% disagree and 10.7% neither agree nor disagree that the Private Sector General Insurance Companies are far ahead in marketing when compared with the Public Sector General Insurance Companies.

At an overall level 44% of the respondents agree, 26.6% disagree and 29.3% neither agree nor disagree that their company is making more profits every year.

At an overall level 72% of the respondents agree, 20% disagree and 8% neither agree nor disagree that In the absence of Private Sector General Insurance Companies the Public Sector General Insurance Companies would have had more business.

At an overall level 80% of the respondents agree, 12% disagree and 8% neither agree nor disagree that some of the corporate business of Public Sector General Insurance Companies has gone to Private Sector General Insurance Companies.

At an overall level 84% of the respondents agree, 5.3% disagree and 10.7% neither agree nor disagree that the intense competition brought about by the deregulation/liberalization has encouraged the industry to innovate in all areas.

At an overall level 86% of the respondents say that there a greater awareness about the general insurance business in Urban Area, 8% in Rural Area and 5.3% cannot say about it. This could be because the general insurance business has been focusing urban areas for business.

At an overall level 18.7% of the respondents agree, 69.3% disagree and 12% neither agree nor disagree that the entry of Private Sector General Insurance Companies will prove to be a danger to Public Sector General Insurance Companies in future. At an overall level 82.7% of the respondents agree, 13.3% disagree and 4% neither agree nor disagree that because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.

At an overall level 58.7% of the respondents agree, 30.6% disagree and 10.7% neither agree nor disagree that the entry of brokers has affected their profit margins.

At an overall level 66.6% of the respondents agree, 14.6% disagree and 18.7% neither agree nor disagree that people do react to their advertisement and come forward to enquire or buy the product immediately.

At an overall level 48% of the respondents agree, 16% disagree and 36% neither agree nor disagree that the surveyors appointed by them are all loyal to the Company.

At an overall level 16% of the respondents agree, 62.7% disagree and 21.3% neither agree nor disagree that there is overstaffing in their company.

At an overall level 48% of the respondents agree, 40% disagree and 12% neither agree nor disagree that often there are procedural delays in settlement of claims.

At an overall level 58.7% of the respondents agree, 21.3% disagree and 20% neither agree nor disagree that the government should exercise lesser control on the business of General Insurance.

At an overall level 25.3% of the respondents agree, 60% disagree and 14.7% neither agree nor disagree that the process of calculating the premium rates is complicated.

At an overall level 73.3% of the respondents agree, 10.7% disagree and 16% neither agree nor disagree that their company has adequate infrastructure.

At an overall level 56% of the respondents agree, 26.7% disagree and 17.3% neither agree nor disagree that the available infrastructure is used by the general insurance companies to its fullest capacity.

At an overall level 68% of the respondents agree, 20% disagree and 12% neither agree nor disagree that the rotation/transfer policies of the Public Sector General Insurance Companies are complicated and not acceptable by majority employees.

At an overall level 53.3% of the respondents agree, 26.6% disagree and 20% neither agree nor disagree that the public sector general insurance companies are facing the problem of fake claims.

At an overall level 21.4% of the respondents agree, 50.6% disagree and 28% neither agree nor disagree that some Public Sector General Insurance Companies follow unethical practice. A significant minority agrees and that should be a matter for concern for the companies.

At an overall level 48% of the respondents agree, 36% disagree and 16 % neither agree nor disagree that the government should give aid or some special package to the public sector general insurance companies.

At an overall level 33.4% of the respondents agree, 34.6% disagree and 32% neither agree nor disagree that the government’s policies towards general insurance sector are favourable.

At an overall level 26.7% of the respondents say public sector, 20% say private sector and 53.3% say both type of general insurance companies succeeded in creating new business after globalization.

At an overall level 93.4% of the respondents agree, 1.3% disagree and 5.3% neither agree nor disagree that because of globalization there is ever increasing competition.

At an overall level 65.3% of the respondents agree, 20% disagree and 14.7% neither agree nor disagree that the existing business is getting rotated amongst the insurance companies.

At an overall level 34.7% of the respondents agree, 49.4% disagree and 16% neither agree nor disagree that settlement of claims by private sector general insurance companies is faster compared to public sector general insurance companies

At an overall level 81.3% of the respondents agree, 13.3% disagree and 5.3% neither agree nor disagree that the public sector general insurance companies need to improve the service.

At an overall level 66.6% of the respondents agree, 22.7% disagree and 10.7% neither agree nor disagree that most of the employees are not fully aware about the IRDA, its duties and functions. The response signifies a need for regular refresher sessions for the employees so that they are abreast of the changing insurance regulatory regime.

At an overall level 26.7% of the respondents agree, 54.7% disagree and 18.7% neither agree nor disagree that all the insurance Agents/Brokers have sufficient knowledge about the procedure.

At an overall level 97.4% of the respondents agree and 2.7% neither agree nor disagree that any training and development programme for the staff will help you face the competition more efficiently and effectively. This signifies that the current training and development programme has scope for improvement.

At an overall level 97.3% of the respondents agree and 2.7% neither agree nor disagree that better trained and committed staff will help in getting more business in view of the stiff competition.

At an overall level 49.3% of the respondents agree, 40% disagree and 10.7% neither agree nor disagree to the statement that “it is often said that the procedure involved in settlement of claims is often complicated”. It can be surmised that staff feel that the procedures for settlement of claims could be simplified.

At an overall level 64% of the respondents agree, 17.3% disagree and 18.7% neither agree nor disagree that giving maturity bonus on policies will boost insurance business.

At an overall level 74.7% of the respondents agree, 4% disagree and 21.3% neither agree nor disagree that their company thoroughly understands customer needs.

At an overall level 72% of the respondents agree, 9.3% disagree and 18.7% neither agree nor disagree that their company has built strong relationships with intermediaries such as agents.

At an overall level 70.7% of the respondents agree, 8% disagree and 21.3% neither agree nor disagree that their company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual.

At an overall level 52% of the respondents agree, 21.3% disagree and 26.7% neither agree nor disagree that their company has moved along a continuum from pure service products to pure commodity products and has explored new outlets for selling the products.

At an overall level 65.3% of the respondents agree, 20% disagree and 14.7% neither agree nor disagree that the public sector general insurance companies still call the shots despite incursion of private sector general insurance companies.

At an overall level 72% of the respondents agree, 9.3% disagree and 18.7% neither agree nor disagree that general insurance industries now deal with customers who know what they want and when.

At an overall level 98.7% of the respondents agree and 1.3% neither agree nor disagree that with increased competition among insurers, quality of service is a key issue.

At an overall level 56% of the respondents agree, 30.7% disagree and 13.3% neither agree nor disagree that the merger of all the four public sector general insurance companies would attract more business.

7.3 Hypothesis Testing

Hypothesis: Management

1. **Because of globalization there is ever increasing competition between all the insurance companies for business.**

   At an overall level 93.4% of the respondents agree, 1.3% disagree and 5.3% neither agree nor disagree that because of globalization there is ever increasing competition. Majority of respondents, as high as 93.4% agree to this statement.

   The hypothesis is positive and hence accepted.

H3: Because of globalization there is ever increasing competition between all the insurance companies for business.

One-Sample Z

Test of mu = 4.15 vs not = 4.15

The assumed standard deviation = 0.562

N	Mean	SE Mean	95% CI	Z	P
75	4.1500	0.0649	(4.0228, 4.2772)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that because of globalization there is ever increasing competition between all the insurance companies for business.

2. **There is more awareness in the urban area about the General Insurance Business.**

   At an overall level 86% of the respondents say that there a greater awareness about the general insurance business in Urban Area, 8% in Rural Area and 5.3% cannot say about it. 86% respondents agree to this statement.

   The hypothesis is positive and hence accepted.

3. **Liberalization has affected the business of public sector general insurance companies.**

   At an overall level 69.7% of the respondents agree, 25.4% disagree and 5.3% neither agree nor disagree that liberalization has affected the general insurance business. As high as 69.7% respondents agree to this statement.

   The hypothesis is positive and hence accepted.

H5: Liberalization has affected the business of public sector general insurance companies.

One-Sample Z

Test of mu = 3.52 vs not = 3.52

The assumed standard deviation = 1.044

N	Mean	SE Mean	95% CI	Z	P
75	3.520	0.121	(3.284, 3.756)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that Liberalization has affected the business of public sector general insurance companies.

4. **The public sector general insurance companies need to improve the quality of service.**

   At an overall level 81.3% of the respondents agree, 13.3% disagree and 5.3% neither agree nor disagree that the public sector general insurance companies need to improve the service. 81.3% respondents have endorsed this statement.

   The hypothesis is positive and hence accepted.

H6: The public sector general insurance companies need to improve the quality of service.

One-Sample Z

Test of mu = 3.88 vs not = 3.88

The assumed standard deviation = 0.885

N	Mean	SE Mean	95% CI	Z	P
75	3.880	0.102	(3.680, 4.080)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the public sector general insurance companies need to improve the quality of service.

5. **Proper training to the management personnel and the staff will attract more business.**

   At an overall level 97.3% of the respondents agree and 2.7% neither agree nor disagree that better trained and committed staff will help in getting more business in view of the stiff competition. As high as 97.3% respondents have agreed to this statement.

   The hypothesis is positive and hence accepted.

H7: Proper training to the management personnel and the staff will attract more business.

One-Sample Z

Test of mu = 4.43 vs not = 4.43

The assumed standard deviation = 0.55

N	Mean	SE Mean	95% CI	Z	P
75	4.4300	0.0635	(4.3055, 4.5545)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that Proper training to the management personnel and the staff will attract more business.

The hypothesis is positive and hence accepted.

6. **Rotation/transfer policies of the companies are complicated and not acceptable by majority of employees.**

   At an overall level 68% of the respondents agree, 20% disagree and 12% neither agree nor disagree that the rotation/transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees.

   The hypothesis is positive and hence accepted.

H8: Rotation/transfer policies of the companies are complicated and not acceptable by majority of employees.

One-Sample Z

Test of mu = 3.56 vs not = 3.56

The assumed standard deviation = 1.03

N	Mean	SE Mean	95% CI	Z	P
75	3.560	0.119	(3.327, 3.793)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that Proper training to the management personnel and the staff will attract more business.

7. **The public sector general insurance companies have been facing various problems in their day to day business.**

H1: The public sector general insurance companies have been facing various problems in their day to day business.

One-Sample Z

Test of mu = 3.347 vs not = 3.347

The assumed standard deviation = 1.007

N	Mean	SE Mean	95% CI	Z	P
75	3.347	0.116	(3.119, 3.575)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the public sector general insurance companies have been facing various problems in their day to day business

The hypothesis is positive and hence accepted.

MANAGEMENT QUESTIONNAIRE

Chi-Square Test

H0: There is significant relationship between level of Management and Awareness of the terms and conditions of the policy that they have taken.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Per cent	N	Per cent	N	Per cent
level of Management * Aware of the terms and conditions of the policies	75	100.0%	0	.0%	75	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.605[a]	4	.021
Likelihood Ratio	12.524	4	.014
Linear-by-Linear Association	2.451	1	.117
N of Valid Cases	75		

a. 4 cells (44.4%) have expected count les: than 5. The minimum expected count is 2.20.

Directional Measures

			Value	Asymp. Std. Error[a]
Nominal by Nominal	Lambda	Symmetric	.132	.041
		level of Management Dependent	.205	.067
		Aware of the terms and conditions of the policies Dependent	.000	.000
	Goodman and Kruskal tau	level of Management Dependent	.092	.042
		Aware of the terms and conditions of the policies Dependent	.080	.047

a. Not assuming the null hypothesis.

Directional Measures

			Approx. T[b]	Approx. Sig.
Nominal by Nominal	Lambda	Symmetric	2.858	.004
		level of Management Dependent	2.858	.004
		Aware of the terms and conditions of the policies Dependent	.[c]	.[c]
	Goodman and Kruskal tau	level of Management Dependent		.009[d]
		Aware of the terms and conditions of the policies Dependent		.018[d]

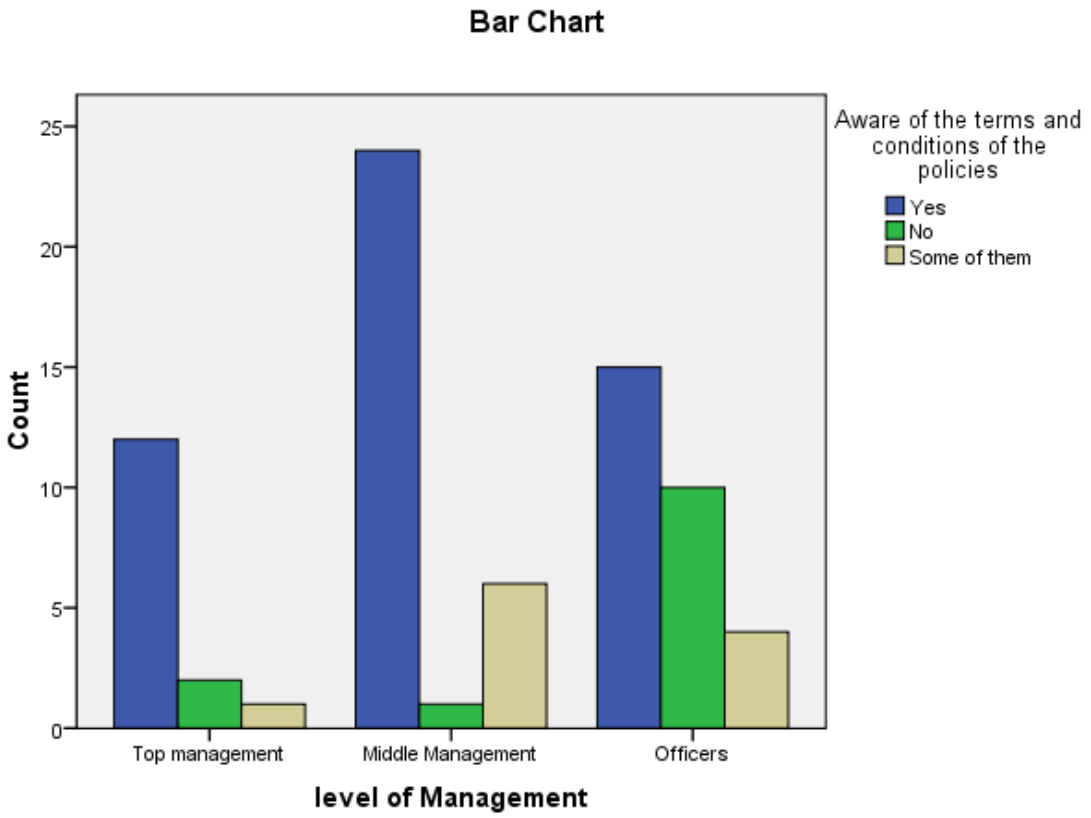
b. Using the asymptotic standard error assuming the null hypothesis.

c. Cannot be computed because the asymptotic standard error equals zero.

d. Based on chi-square approximation

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.393	.021
	Cramer's V	.278	.021
	Contingency Coefficient	.366	.021
	N of Valid Cases	75	



Interpretation: The Chi-Square Pearson value is 11.605. The test reads a Significance of 0.021 at 95% confidence level. This shows there is a significant relationship between the level of management and Awareness of the terms and conditions of the policy that they have taken. This proves the Hypothesis.

The Phi Coefficient is 0.399 indicating a moderate association between the variables and significant at 95% confidence level.

The Cramer's V value is 0.278 showing a moderate association and significant at 95% confidence level.

The Contingency Co-efficient is 0.366 also shows a moderate association between the variables and significant at 95% confidence level.

The Lambda Assymetric co-efficient is 0.205 which shows that there is 20.5% reduction in error in predicting the awareness of the terms and conditions of the policies if the level of management is known.

H1: The public sector general insurance companies have been facing various problems in their day to day business.

One-Sample Z

Test of mu = 3.347 vs not = 3.347

The assumed standard deviation = 1.007

N	Mean	SE Mean	95% CI	Z	P
75	3.347	0.116	(3.119, 3.575)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the public sector general insurance companies have been facing various problems in their day to day business.

The hypothesis is positive and hence accepted.

H2: The response and awareness of the customers towards the insurance business are poor.

One-Sample Z

Test of mu = 1.4667 vs not = 1.4667

The assumed standard deviation = 0.07413

N	Mean	SE Mean	95% CI	Z	P
75	1.46670	0.00856	(1.44992, 1.48348)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the response and awareness of the customers towards the insurance business are poor.

The hypothesis is positive and hence accepted.

H3: Because of globalization there is ever increasing competition between all the insurance companies for business.

One-Sample Z

Test of mu = 4.15 vs not = 4.15

The assumed standard deviation = 0.562

N	Mean	SE Mean	95% CI	Z	P
75	4.1500	0.0649	(4.0228, 4.2772)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that because of globalization there is ever increasing competition between all the insurance companies for business.

The hypothesis is positive and hence accepted.

H4: There is more awareness in the urban area about the General Insurance Business.

From the analysis of question number 13, it has been found that 86.7% of the respondents say that there is a greater awareness in urban area, 8% say rural area and 5.3% are neutral about General Insurance Business.

This proves the hypothesis that there is more awareness in the urban area about the General Insurance Business.

The hypothesis is positive and hence accepted.

H5: Liberalization has affected the business of public sector general insurance companies.

One-Sample Z

Test of mu = 3.52 vs not = 3.52

The assumed standard deviation = 1.044

N	Mean	SE Mean	95% CI	Z	P
75	3.520	0.121	(3.284, 3.756)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that Liberalization has affected the business of public sector general insurance companies

The hypothesis is positive and hence accepted.

H6: The public sector general insurance companies need to improve the quality of service.

One-Sample Z

Test of mu = 3.88 vs not = 3.88

The assumed standard deviation = 0.885

N	Mean	SE Mean	95% CI	Z	P
75	3.880	0.102	(3.680, 4.080)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the public sector general insurance companies need to improve the quality of service.

The hypothesis is positive and hence accepted.

H7: Proper training to the management personnel and the staff will attract more business.

One-Sample Z

Test of mu = 4.43 vs not = 4.43

The assumed standard deviation = 0.55

N	Mean	SE Mean	95% CI	Z	P
75	4.4300	0.0635	(4.3055, 4.5545)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that Proper training to the management personnel and the staff will attract more business.

The hypothesis is positive and hence accepted.

H8: Rotation/transfer policies of the companies are complicated and not acceptable by majority of employees.

One-Sample Z

Test of mu = 3.56 vs not = 3.56

The assumed standard deviation = 1.03

N	Mean	SE Mean	95% CI	Z	P
75	3.560	0.119	(3.327, 3.793)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that Proper training to the management personnel and the staff will attract more business.

The hypothesis is positive and hence accepted.

Hypothesis: Policy Holders

1. **The public sector general insurance companies in India have good prospects.**

   At an overall level 80% of the respondents agree, 2% disagree and 18% neither agree nor disagree that the Public Sector General Insurance companies in India have good prospects. As good as 80% respondents agree that public sector general insurance companies have good prospects.

   The hypothesis is positive and hence accepted.

H0: The public sector general insurance companies in India have good prospects.

One-Sample Z

Test of mu = 3.98 vs not = 3.98

The assumed standard deviation = 0.6791

N	Mean	SE Mean	95% CI	Z	P
300	3.9800	0.0392	(3.9032, 4.0568)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the public sector general insurance companies have been facing various problems in their day to day business.

2. **The response and awareness of the customers towards the insurance business are poor.**

   At an overall level 84.3% of the respondents Agree, 5% Disagree and 10.7% neither agree nor disagree that there is poor awareness amongst people in India about the General Insurance Business.

   The hypothesis is positive and hence accepted.

H2:The response and awareness of the customers towards the insurance business are poor.

One-Sample Z

Test of mu = 4.09 vs not = 4.09

The assumed standard deviation = 0.7857

N	Mean	SE Mean	95% CI	Z	P
300	4.0900	0.0454	(4.0011, 4.1789)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the response and awareness of the customers towards the insurance business are poor.

The hypothesis is positive and hence accepted.

3. **Because of globalization there is ever increasing competition between all the insurance companies for business.**

   At an overall level 88% of the respondents agree, 2.3% disagree and 9.7% neither agree nor disagree that these days there is fierce competition between general insurance companies because of liberalization.

   The hypothesis is positive and hence accepted.

H3: Because of globalization there is ever increasing competition between all the insurance companies for business.

One-Sample Z

Test of mu = 4.19 vs not = 4.19

The assumed standard deviation = 0.7134

N	Mean	SE Mean	95% CI	Z	P
300	4.1900	0.0412	(4.1093, 4.2707)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that because of globalization there is ever increasing competition between all the insurance companies for business.

The hypothesis is positive and hence accepted.

POLICY HOLDERS QUESTIONNAIRE

Chi-Square Test

H1: There is significant relationship between Qualification of Policy holders and Awareness of the terms and conditions of the policy that they have taken.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Per cent	N	Per cent	N	Per cent
Qualification * Awareness of terms and conditions of the policy	300	100.0%	0	.0%	300	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.731[a]	8	.003
Likelihood Ratio	22.563	8	.004
Linear-by-Linear Association	13.492	1	.000
N of Valid Cases	300		

a. 8 cells (53.3%) have expected count less than 5. The minimum expected count is .17.

Directional Measures

			Value	Asymp. Std. Error[a]
Nominal by Nominal	Lambda	Symmetric	.054	.026
		Qualification Dependent	.088	.046
		Awareoftrmsandconditions Dependent	.021	.027
	Goodman and Kruskal tau	Qualification Dependent	.036	.017
		Awareoftrmsandconditions Dependent	.031	.013

a. Not assuming the null hypothesis.

Directional Measures

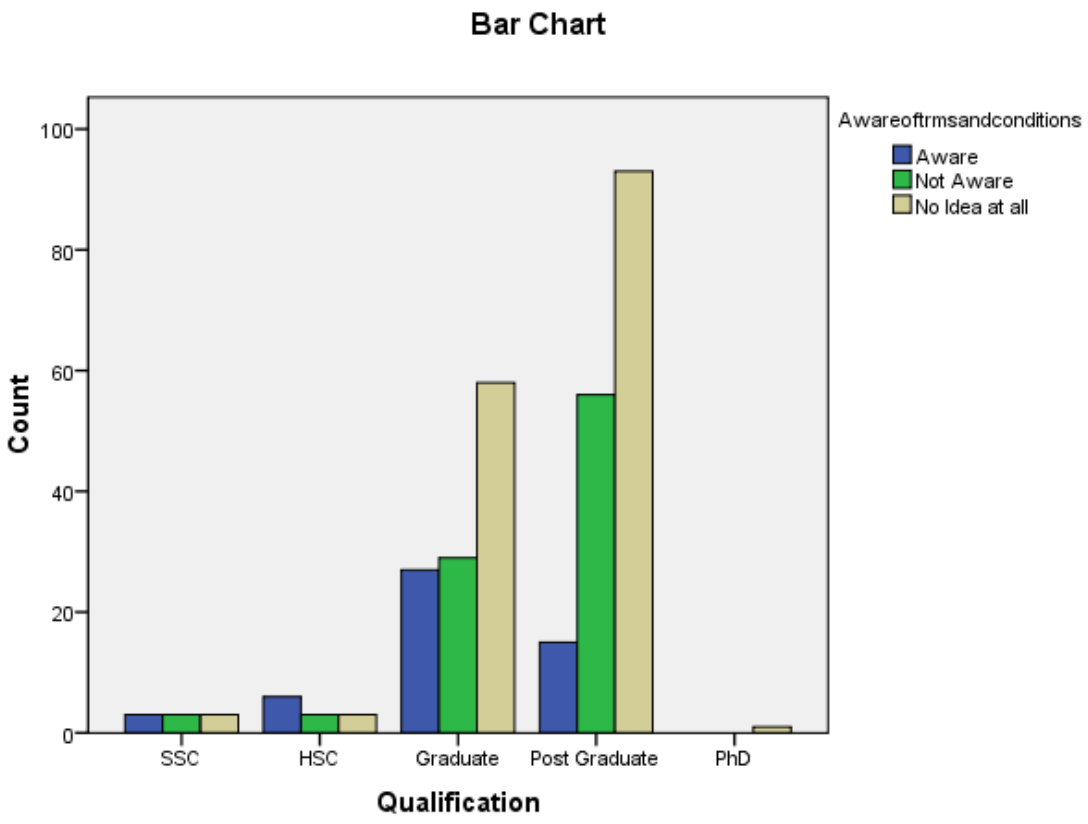
			Approx. T[b]	Approx. Sig.
Nominal by Nominal	Lambda	Symmetric	2.000	.046
		Qualification Dependent	1.862	.063
		Awareoftrmsandconditions Dependent	.775	.438
	Goodman and Kruskal tau	Qualification Dependent		.000[c]
		Awareoftrmsandconditions Dependent		.019[c]

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on chi-square approximation

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.281	.003
	Cramer's V	.199	.003
	Contingency Coefficient	.271	.003
	N of Valid Cases	300	



Interpretation: The Chi-Square Pearson value is 23.731. The test reads a Significance of 0.003 at 95% confidence level. This shows there is a significant relationship between the level of management and Awareness of the terms and conditions of the policy that they have taken. This proves the Hypothesis.

The Phi Coefficient is 0.281 indicating a moderate association between the variables and significant at 95% confidence level.

The Cramer's V value is 0.199 showing a moderate association and significant at 95% confidence level.

The Contingency Co-efficient is 0.271 also shows a moderate association between the variables and significant at 95% confidence level.

The Lambda Assymetric co-efficient is 0.088 which shows that there is 8.8% reduction in error in predicting the awareness of the terms and conditions of the policies if the qualification of the Policy Holders is known.

H0: The public sector general insurance companies in India have good prospects.

One-Sample Z

Test of mu = 3.98 vs not = 3.98

The assumed standard deviation = 0.6791

N	Mean	SE Mean	95% CI	Z	P
300	3.9800	0.0392	(3.9032, 4.0568)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the public sector general insurance companies have been facing various problems in their day to day business.

The hypothesis is positive and hence accepted.

H2: The response and awareness of the customers towards the insurance business are poor.

One-Sample Z

Test of mu = 4.09 vs not = 4.09

The assumed standard deviation = 0.7857

N	Mean	SE Mean	95% CI	Z	P
300	4.0900	0.0454	(4.0011, 4.1789)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that the response and awareness of the customers towards the insurance business are poor.

The hypothesis is positive and hence accepted.

H3: Because of globalization there is ever increasing competition between all the insurance companies for business.

One-Sample Z

Test of mu = 4.19 vs not = 4.19

The assumed standard deviation = 0.7134

N	Mean	SE Mean	95% CI	Z	P
300	4.1900	0.0412	(4.1093, 4.2707)	0.00	1.000

Interpretation: The hypothesis is significant at 95% confidence level. Hence the hypothesis is proved that because of globalization there is ever increasing competition between all the insurance companies for business.

The hypothesis is positive and hence accepted.

7.4 Limitations of the Study

The present study undertaken is subject to certain loose ends which need to be addressed in order to draw clear inferences on the topic.

1. The research study has been carried out about the management of problems and prospects of the general insurance companies in public sector in the city of Pune and the period of the study is the year 2000 to 2008.
2. The study is limited to the public sector general insurance companies in the Pune metropolitan area only and there are only four public sector general insurance companies, viz. Oriental General Insurance Company, New India Assurance Company, United India Assurance Company and National Insurance Company.
3. There are hundreds and thousands of policy holders. However, for the research purpose, the questionnaires were got filled up from 300 policyholder respondents. The respondents were 75 numbers each in salaried class, professional class, students and business people so as to have maximum variety of opinions from all sections of the society.
4. The other questionnaire was got filled up from 75 personnel working at various levels of management in these four public sector general insurance companies. The levels chosen were top management level, middle management level and officer level. Top level management respondents might respond otherwise to hide their unawareness abut certain facts and figures.
5. The respondent sample of top management level was somewhat reluctant to disclose some information since being at very high level positions, there might be some confusion or doubt in their minds about furnishing the correct information.

7.5 Areas for further research

The topic under study presents possibilities for further study and research, which I submit as under:

1. As already stated, the study period of the research work is from 2000 to 2008. Naturally, a further study and research is possible on the topic for any other period.

2. Due to liberalization, new entrants are entering India in the field of general insurance business and, therefore, there is always scope for carrying out research till the saturation of the market in view of the changing scenario.

3. Advance technology is another reason for further research because of advancement in technology, there are going to be changes in the whole concept, systems and procedures of general insurance business. The systems, procedures etc. may get further simplified and it would be much easier to deal with the general insurance companies than before.

4. The proposal for increasing FDI in general insurance business is under consideration of the government, which might bring about some statutory changes in this field. Raising FDI cap could also help insurers expand their coverage to rural and micro-insurance segments as penetration in such areas requires additional capital infusion. A higher stake is likely to attract more global players and greater focus by existing foreign participants in the Indian insurance industry, which needs companies with resources, innovative products, distribution ideas, and experience in penetrating markets.

5. Finally, if the merger happens of all the public sector general insurance companies, then one would witness lot of changes in the future.

Chapter VIII - Recommendations

8.1 Policy Holders

Awareness about the terms and conditions & various schemes of the general insurance policy

There is a mixed response from the respondents at all levels in all the categories. The respondents are not confident about their response. Whatever may be the case, the policyholders need to understand that it is in their own interest that they know the terms, conditions and the schemes of the policy. They should read the policy documents carefully in their own interest. The General Insurance Companies can also arrange the workshops for them and try to keep the policy document as short and simple as possible, also the language has to be kept simple and understandable by one and all.

Monopolistic situation of public sector general insurance companies before globalization

The Public Sector General Insurance Companies have to take serious note of the situation that their monopoly has ended and they now compete with private companies. They should come up with innovative ideas, products, technology etc. to take on the competition. They can make use of their image, government support, infrastructure, and experienced staff to face the private sector general insurance companies.

Aggressive marketing by private sector general insurance companies

It is recommended that the public sector general insurance companies too adopt aggressive marketing. Like private companies, they could start door to door marketing. They should remove the loop holes like procedural delays etc. They

have to think out of the box and come out with innovative products for policyholders.

Higher rates of comprehensive policies

At 'all policy holders' level, 65% respondents say that the tariff rates for the comprehensive policy are very much on higher side, followed by 71% in other category level, followed by 65% in the occupation class. It would be better for the PSGIC to become more efficient and productive.

Reliability of the Public Sector General Insurance Companies

Majority respondents at all the various category levels, viz. education, occupation, income groups including 'all policy holders' levels, say that the public sector general insurance companies are more reliable and the percentage for this is in the range of 67% to 93%. It is recommended seeing this overwhelming response, that the Public Sector General Insurance Companies should make all the efforts to be worthy of the belief and faith of the people and further try to improve their brand image.

Duties, functions of IRDA, duties of agents and their knowledge, calculation of tariff & premium rates, procedure of settlement of claims etc.:

It is seen that most of the respondents are not really aware about the duties of IRDA, agents and also not much aware about the calculation of insurance premium rates and the procedure of settlement of claims either. As has been recommended earlier, the people have to take efforts to these things for their benefit and in their own interests. It is however, also recommended that the IRDA has to take the responsibility, they have to educate the masses for this. Media can play an important role in this endeavour.

On litigation against the general insurance company for non-settlement of your claims

It is observed from various levels in the various categories, the percentage of respondents who have never gone into litigation against the general insurance company for non-settlement of your claims is very high. In the 'all policyholders'

case it is 93%, 97.33% in case of students policyholders and even 100% in case of income group level of 3 to 4 lacs. It seems customers are happy with the companies, may be because of transparency. The welfare of people is the motto of these companies, they think of policyholders and it is recommended that they have to always keep this in mind and serve customers better. On the other hand, because litigation is a long drawn out process in Indian courts, policyholders could be averse to taking legal action.

Majority of respondents always prefer to deal with General Insurance Companies through Agent only

Overall 65% respondents agree to this. It is seen that in the category of education wise 96%, in occupation category 65% and in the income group category 66.65% respondents agree to this statement. It is the agent who goes door to door to offer services and not the company. The agents are the people who get the business for the companies. It could also be the case that Public Sector General Insurance Companies do not have a customer friendly image or reputation.

It is therefore, recommended that the public sector general insurance companies should increase the number of agents to cover maximum areas as well as the customers.

Poor awareness amongst people in India about the General Insurance

Overall 84.33% agree, all the HSC and Ph.D. holders agree to this, others in education category 85% agree to this. The percentage in case of occupation wise and income group wise is 84.33% and 82.86%. A huge majority agree to this. Increasing awareness is in the interest of both the customers as well as companies. To increase the awareness, it is recommended that the general insurance companies should design a short and simple policy document easily understood by all. The policy document should be compact and should have clear wording and not be vague. The public sector general insurance companies are printing policy documents in English and Hindi only. Instead of this it is

recommended that they should also print the documents in the local language, i.e. the language of the respective states.

Credibility of the agents

Overall 51.33% have not checked up the credibility of their agent.77.78% SSC, 83.33% HSC have not checked up, but 55.49% PG holders and 100% Ph.D. holders have checked up credibility of their agent.

It is recommended that the general insurance companies should check the bio data of the agents, their experience, his previous work, certificates, and any appreciation letters and then they should appoint them as their authorised agents. The companies also should issue visiting cards to them and authorization letter. The list of such agents should be displayed in the respective companies at conspicuous places. They should put this list on the Internet as well. Also the customers should be asked to submit their papers along with the agency license of the agent issued by the company to the agent.

Fierce competition of all General Insurance Companies

Overall 88% respondents agree to this. All the SSC, HSC, Graduate, Ph.D. holders agree and 85.98% PG holders agree to this. In the education category, 88% agree to this and if seen from income group wise, 89% respondents agree that there is fierce competition between General Insurance Companies. Competition is fierce as monopoly of Public Sector General Insurance Companies has ended. It is recommended that because the Public Sector General Insurance Companies have very good infrastructure, should use the experience, capabilities and expertise of their staff to compete effectively with the privates sector.

Change of Public Sector General Insurance Company for some reason

Majority of respondents have responded that they have never changed their insurance companies. If the company is changed, the benefits are lost. Another reason could be that they are happy with their companies because of no

disputes. It could also be policyholder- inertia. Human beings are loath to make any change if they can avoid it.

It has to be stated here that the Public Sector General Insurance Companies are thinking of *"company portability",* but the law has not been enacted so far. It is recommended that Public Sector General Insurance Companies have to always keep this in mind and improve their quality of service further if this is to be avoided.

Income tax rebate on Mediclaim policy

It has been observed that most of the respondents are not aware that income tax rebate can be obtained only on the Mediclaim policy and on no other policy. It is recommended that the Public Sector General Insurance Companies should highlight this sentence in their policy documents and also advertise this through media in the interest of people as most of the people are interested in getting rebate in income tax. More number of people would certainly come forward to buy Mediclaim policies for saving on income tax.

About the policy document

It is recommended that the policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key points and it should be simple to understand. Almost 85.33% respondents agree to this, followed by all the PH.D. policyholders, by 89.89% in the education category and over 80% at all levels in all other categories.

Grievance redressal system at offices of Public Sector General Insurance Companies

Majority of respondents at 'all policyholders' level and also at various levels in different categories are not aware of the grievance redressal system even though this is written in the policy document. It is also mentioned here whom to approach in case of any dispute. The policyholders must read the document carefully and note the contents therein. It is recommended that the Public Sector General Insurance Companies should have help desks in their offices. They also should

appoint Public Relations Officers in their offices, who will guide all the agents as well as all the customers accordingly.

8.2 Management

Liberalisation has affected the General Insurance business

A majority of 69.34% at 'all management' level followed by 53.34% respondents from top management, 62.97% from middle management and 78.59% officers have responded that liberalization has affected the general insurance business. To face the changed situation, it is recommended that the management of these companies should use advanced technology. For example, they could start core insurance on the basis of core banking to provide all services under one roof etc. It is also recommended that they should start giving SMS services to the customers to inform about the validity, status etc. of their policy.

Level of competition of Public Sector General Insurance Companies with other General Insurance Companies

At 'all management' level, 88.66% say that the level of competition of their company with other general insurance companies is very high. 95.30% respondents into management, 85.18% in middle management and 85.11% in officers' level are also of the same opinion. At various levels in all the categories, more than 80% also feel the same way. This is but natural. It is felt that the Public Sector General Insurance Companies should study the working of Private Sector General Insurance Companies and improve their own working style.

Some of the corporate business of Public Sector General Insurance Companies has gone to Private Sector General Insurance Companies

Over 75% respondents at all levels in all the categories say that some of the corporate business of Public Sector General Insurance Companies has gone to private sector general insurance companies. It is recommended that the companies should ingtroduce competitive tariff and premium rates. They should also try to reduce the overheads and increase the productivity. They could get

back the business which has gone to other companies by increasing marketing efforts, for example.

In which area is there a greater awareness about the general insurance business

At 'all management' level, 86.67% respondents say that there is a greater awareness about general insurance business in urban areas. Equal percentage from top management category agrees to this, 85.19 from middle management and 89.29% officers also agree. 84% male respondents and 92% female respondents also agree. It is recommended that these companies should increase number of agents for rural areas, educate people. Rural areas are the untapped market. GICs need to tailor their products to needs of rural India. Apart from the standard products, new products such as agriculture insurance, insurance against crop failure, etc. could be developed The agents should also concentrate on rural areas and should reach villages for this matter. The companies should also check the possibilities of opening branches at villages.

Because of system of de-tariffing of premium rates and discounts the business of general insurance companies have been affected.

At 'all management' level, 82.67% respondents agree that because of system of de-tariffing of insurance premium rates and discounts the business of general insurance companies has been affected. 73.34% respondents from top management level, 77.78% from middle management and 89.29% officers agree to this. For overcoming this problem, the companies should increase the volume of their business. They should also introduce new products in the market.

The entry of brokers has affected your profit margins.

A majority of respondents, 58.67% at 'all management' level, followed by 46.67% respondents in the top management and also majority of respondents at other levels, say that the entry of brokers has affected their profit margins. It is recommended that the companies should ensure that brokers adhere to the

premium rates set by the companies. Further, commission rates could be negotiated.

The surveyors appointed by you are all loyal to your Company.

Majority of respondents say that they neither agree or disagree to this statement. While it is very difficult to say that the surveyors appointed by the company are all loyal to them, the code of conduct requires that the surveyors are objective and loyal to neither the company nor the policyholder.

The rotation/ transfer policies of the Public Sector General Insurance Companies are complicated and not acceptable by majority employees

Overall 80% female respondents say that the rotation/transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees. 60% male respondents also agree to this. At 'all management' level,68% agree, at top management level,60%, at middle management level,70.30% and at officers' level, 67.85% respondents agree to this statement. It is recommended that the companies should have a flexible policy and reshuffle the employees and not transfer to other cities. They also can rotate their employees for other types of work. If at all transfers are inevitable, the transfers should be local and not to other cities.

Because of globalization there is ever increasing competition.

High majority 93.34% of respondents at 'all management' level, 93.33% in top management level, 88.88% middle level management level and 96.43% in officers' level say that because of globalization there is ever increasing competition. All the 100% female respondents and 90% male respondents agree to this statement. In the income level of 2,00,000 to 3,00,000 lakhs and 3,00,000 to 4,00,000 lakhs, all the 100% respondents also are of the same opinion. It is but natural but at the same time, the public sector general insurance companies should take the benefit of their infrastructure. They should take the competition as opportunity to improve their working.

The existing business is getting rotated amongst the insurance companies.

Majority of respondents say that the existing business is getting rotated amongst the insurance companies. It is recommended that the public sector general insurance companies should try to issue the policies and rates as required by the customers. While doing this, these companies should also offer them good service. The PSGICs should break out of this cycle and because there is still and untappedurban and rural market, they should become more aggressive to win over potential customers.

Settlement of claims by private sector companies is faster compared to public sector general insurance companies

Most of the respondents say that the settlement of claims by private sector companies is faster compared to public sector general insurance companies. In public sector general insurance companies, there are various levels of authorities. They are at regional level, zonal level etc. It is recommended that the public sector general insurance companies should delegate the authority, approving aythority etc. to avoid delays in settlement of claims. These companies should review the old rules and change them to conform to the changing business environment.

Most of the employees are not fully aware about the IRDA, its duties and functions etc.

At 'all management' level, 66.66% respondents are of the opinion that most of the employees are not fully aware about the IRDA, it's duties and functions. 66.67% top management, 59.26% middle management level and 71.70% officers say the same thing. The public sector general insurance companies should train the employees, which can be done in-house the management people or externally as well by experts.

Training and Development of the employees

There is overwhelming response from the respondents and they say that the training and development is a must for employees. Any training and development

programme for the staff will help PSGICsface the competition more efficiently and effectively.Respondents are also of the opinion that better trained and committed staff will help in getting more business in view of the stiff competition. This is but natural and the companies should start the training and development workshops for their employees, if not already done. The internal as well as external experts can be appointed for this purpose.

Giving loyalty/no-claim bonus on policies will boost insurance business.

At all managements' level, 64% say that giving loyalty/no-claim bonus on policies will boost insurance business by retaining customers who could otherwise take their business elsewhere. In the top management level, 53.33%, in middle management level, 77.78% & in officers' level, 60.71% respondents agree to this. This is because at present the customers are not getting any loyalty/no-claim bonus on any policies. Once the premium is paid it is gone from their pocket. They get rebate in income tax only on Mediclaim policy and no other policy. If the public sector general insurance companies start to give such benefits on other policies, definitely the business would increase.

About the merger of all the four public sector general insurance companies

Majority of the respondents from 'all management' level and also respondents at various levels at other categories are of the opinion that business of the public sector general insurance companies would increase if the merger of all the public sector general insurance companies take place. This is true as the inter-public sector company competition between them would stop. They can compete with private companies with their united force. They can use their manpower in a better way. There also would be uniformity in their working and with all this they will be able to take up the competition with private sector general insurance companies in a more effective manner.

Appendix 1 Questionnaires

Questionnaire I Policy Holders

"A STUDY OF MANAGEMENT OF PROBLEMS AND PROSPECTS OF GENERAL INSURANCE COMPANIES IN PUBLIC SECTOR IN PUNE REGION FOR THE PERIOD 2000-2008"

Mr. Sharad N. Inamdar

Research Student

PUBLIC SECTOR GENERAL INSURANCE COMPANIES

INSURANCE POLICY HOLDERS

Name: -

_____

Phone No._____

Sex: Male □ Female □

Qualification:

SSC	HSC	Graduate	Post Graduate	Ph.D.

Occupation:

Student	Professional	Business	Salaried

Q. 1. Your annual income is (Tick any 1)

a	0 to 50,000	
b	50,001 to 1,00,000	
c	1,00,001 to 2,00,000	
d	2,00,001 to 3,00,000	
e	3,00,001 to 4,00,000	
f	4,00,001 to 5,00,000	
g	Above 5,00,000	

Q. 2. For which item below you have taken Insurance Cover?
(Please tick as many as appropriate)

a.	Vehicle i. Two Wheelers	
	ii. Four Wheelers	
b.	Home	
c.	Office	
d.	Jewellery	
e.	Locker	
f.	Computer/laptop	
g.	Mobile	
h.	Health	
i.	Travel	
j.	Marine	
k.	Any other thing	

Q.3. Have you taken the Mediclaim policy for you?

Yes □ No □

Q.4. Have you taken Mediclaim policy for children and wife?

For children □ For wife □ For both □ Not for both □

Q.5. One must take General Insurance Policies for items stated in Q.2.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.6. One must take General Insurance cover every year for the assets as long as they last.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.7. a. Do you go for General Insurance because it is Compulsory?

Yes ☐ No □

b. Do you go for General Insurance to cover risk?

Yes □ No □

Q.8. Are you aware of the terms and conditions of the policy which you have taken?

Aware □ Not aware □ No Idea at all □

Q.9. I am aware about the various schemes of the general insurance companies.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.10. There was a monopolistic situation for Public Sector General Insurance companies before the entry of Private Sector General Insurance Companies?

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.11. The aggressive marketing strategies by the Private Sector general insurance companies will increase consumer awareness.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.12. The insurance (General Insurance) cover is a must for everybody.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.13. The Tariff rates for comprehensive policy are very much on higher side.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.14. Your General Insurance company gives you good service.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.15. Settlement of claims by Private Sector General Insurance companies is faster compared than Public Sector General Insurance Companies

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.16. Which types of general insurance companies are more reliable according to you?

Public Sector □ Private Sector □

Q.17. The General Insurance Sector is essential for the growth and development of the country.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.18. I know about the IRDA, its duties and functions etc.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.19. I know the duties of an insurance agent fully.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.20. The General insurance agents have sufficient knowledge about the procedures.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.21. I know how the tariff rates and premium rates are arrived at by the general insurance company.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.22. I know the procedure of settlement of claims.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.23. I am satisfied with the time required for settlement of the claims.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.24. Have you ever gone into litigation against the general insurance company for non- settlement of your claims as per your expectations?

Yes □ No □

Q.25. What made you choose your current general insurance company?

a. Brand Image □ b. Efficient Services □

c. Low Cost □ d. Quick settlement of Claims □

e. Others □ ----------

Q. 26. From which channel did you purchase your policy?

a. Online □ c. Retail □

b. Telesales □ d. Bank assurance □

e. Branch Walk-ins □

Q.27. Are you satisfied by the services provided by your general insurance company?

Yes □ No □

If **No**, what are your reasons for dissatisfaction?

a. Policy Document not received on time □
b. Dissatisfied by the Agent's services □
c. Delay in claims settlement □
d. Others □

_____

Q.28. What is your general insurance company's record in doing the work accurately? (Tick any 1)

Excellent	Very Good	Good	Poor	Very Poor

Q.29. Is doing business with your general insurance company easy? (Tick any 1)

Excellent	Very Good	Good	Poor	Very Poor

Q.30. The service of the claim representative of your general insurance company was:

Excellent	Very Good	Good	Poor	Very Poor

Q.31. How do you rate your satisfaction with the service you received?

Excellent	Very Good	Good	Poor	Very Poor

Q.32. How do you rate your general insurance company overall?

Excellent	Very Good	Good	Poor	Very Poor

Q.33. How likely are you to recommend your general insurance company to others?

Very Likely	Likely	Cannot say	Unlikely	Very Unlikely

Q.34. I always prefer to deal with general insurance companies through Agent only

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.35. There is poor awareness amongst people in India about the General Insurance Business.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.36. I have checked up the credibility of my agent before taking general insurance policy through him

Yes □ No □

Q.37. These days there is fierce competition between general insurance companies because of liberalization.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.38. Have you ever changed the general insurance company for some reasons

Yes □ No □

Q.39. Do you feel that you get good service from the company which you

have chosen

Yes □ No □

Q.40. The Public Sector General Insurance companies in India have good prospects

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.41. The management of Public Sector General Insurance companies has rigid approach towards its customers

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.42. Income Tax rebate cannot be availed on any general insurance policy

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.43. The policy document should not be too long as to lose the accuracy nor should it be too short thereby missing out on key facts and it should be simple to understand.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.44. The Public Sector General Insurance companies have a grievance redressal system in place, are you aware of the same

Yes □ No □

Q.45. Which of the following mode did you use to register your complaint?

□ Call Centre □ Email Support

□ Branch Walk-ins □ Letters & Faxes

Q.46. I would like to continue with the same company for general insurance policy in future

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Signature: _____

Designation: _____

Date: _____

* The Research is purely for Academic Purpose.

* Confidentiality of the Respondents will be maintained.

Questionnaire II Management

"A STUDY OF MANAGEMENT OF PROBLEMS AND PROSPECTS OF GENERAL INSURANCE COMPANIES IN PUBLIC SECTOR IN PUNE REGION FOR THE PERIOD 2000-2008"

Mr. Sharad N. Inamdar

Research Student

PUBLIC SECTOR GENERAL INSURANCE COMPANIES

MANAGEMENT

Name of the General Insurance Company:
_____

Name: -
_____

Phone No._____

- Top Level Management: □ Middle Level Management: □
- Officers: □

Sex:

Male	Female

Qualification: Please Tick 1

SSC	HSC	Graduate	Post Graduate	Ph.D.

Q. 1. Your annual income is (Please Tick 1)

a	1,00,001 to 2,00,000	
b	2,00,001 to 3,00,000	
c	3,00,001 to 4,00,000	
d	4,00,001 to 5,00,000	
e	Above 5,00,000	

Q.2. The insurance premium rates, charged by the public sector general insurance companies are often on the higher side.

Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.3. Are you fully aware of the terms and conditions of the policies that you are offering?

Yes □ No □ Some of them □

Q.4. The private sector general insurance companies give better service than the public sector general insurance companies.

Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.5. Do you know about the various schemes of your company?

a.	All of them	
b.	Some of them	
c.	None of them	
d.	Can't say	

Q.6. Liberalisation has affected the general insurance business.

Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.7. What is the level of competition of your company with other general insurance companies?

Intense	High	Do not know	Low	Very Low

Q.8. The private sector general insurance companies are far ahead in marketing when compared with the public sector general insurance companies.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.9. Your company is making more profits every year

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.10. In the absence of private sector general insurance companies the public sector general insurance companies would have had more business.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.11. Some of the corporate business of public sector general insurance companies has gone to private sector general insurance companies.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.12. The intense competition brought about by deregulation/liberalisationhas encouraged the industry to innovate in all areas.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.13. In which area is there a greater awareness about the general insurance business?

Urban Area	Rural Area	Cannot say

Q.14. The entry of private sector general insurance companies will prove to be a danger to public sector general insurance companies in future.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.15. Because of system of de-tariffing of premium rates and discounts the business of general insurance companies has been affected.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.16. The entry of brokers has affected your profit margins.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.17. People do react to your advertisement and come forward to enquire or buy the product immediately.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.18 The surveyors appointed by you are all loyal to your Company.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.19. There is overstaffing in your company.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.20. Often there are procedural delays in settlement of claims.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.21. The government should exercise lesser control on the business of general insurance.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.22. The process of calculating the premium rates is complicated.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.23. Your company has adequate infrastructure.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.24. The available infrastructure is used by the general insurance companies to its fullest capacity.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.25. The rotation/transfer policies of the public sector general insurance companies are complicated and not acceptable by majority employees.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.26. The public sector generalinsurance companies are facing the problem of fake claims.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.27. Some public sector general insurancecompanies follow unethical practices.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.28. The government should give aid or some special package to the public sector general insurance companies.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.29. The government's policies towards general insurance sector are favourable.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.30. Which type of general insurance companies do you think have succeeded in creating new business after globalization?

Public Sector □ Private Sector □ Both □

Q.31. Because of globalization there is ever increasing competition.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.32. The existing business is getting rotated amongst the insurance companies.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.33. Settlement of claims by private sector general insurance companies is faster compared to public sector general insurance companies.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.34. The public sector general insurance companies need to improve the service.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.35. Most of the employees are not fully aware about the IRDA, its duties and functions etc.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.36. All the insurance Agents/Brokers have sufficient knowledge about the procedure.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.37. Any training and development programme for the staff will help you face the competition more efficiently and effectively.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.38. Better trained and committed staff will help in getting more business in view of the stiff competition.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.39. It is often said that the procedure involved in settlement of claims is often complicated.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.40. Giving maturity bonus on policies will boost insurance business.

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.41. Your company thoroughly understands customer needs

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.42. Your company has built strong relationships with intermediaries such as agents

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.43. Your company has segmented the market carefully to arrive at the appropriate products and pricing to cater to the needs of every individual

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.44. Your company has moved along a continuum from pure service products to pure commodity products and has explored new outlets for selling the products

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.45. The public sector general insurance companies still call the shots despite incursion of private sector general insurance companies

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.46. General insurance industries now deals with customers who know what they want and when

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.47. With increased competition among insurers, quality of service is a key issue

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Q.48. The merger of all the four public sector general insurance companies would attract more business

Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

Signature: _____Designation:

_____

Date: _____

* The Research is purely for Academic Purpose.

* Confidentiality of the Respondents will be maintained.

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