



## PERCEPTION REGARDING SERVICE QUALITY OF POLICY HOLDER IN INSURANCE COMPANIES

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**ABSTRACT-** The main aim of the study was to find out the perception regarding service quality of policy holders with respect to gender, locality and marital status. Survey method was adopted for this study. The sample consists of 800 policy holders in Ariyalur district. Simple Random Sampling Technique was used. Perception regarding Service Quality Scale for policy holder self made tool developed by the investigator (2019) was used to collect the data. The statistical technique used was 't' test and F test. The findings of the study were: (i) There is no significant difference among male, female and transgender policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality. (ii) There is no significant difference between semi urban and rural policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality and (iii) there is no significant difference between married and unmarried policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality. The educational implications and suggestions for further study are also given as per the findings of the study.

**Keywords:** Perception regarding service quality, Policy Holders, Insurance Companies

### I. INTRODUCTION

The transition of the insurance industry from a public monopoly to a competitive environment now presents very interesting challenges, both to the new players and to the customer. The benchmark of success of organization is not only determined by the rate of return but also by the quality of corporate governance. So, good corporate governance practices should be followed by the companies as well as by the regulator. Though LIC has done commendable work, there is still a great deal of scope for bringing in innovative products and distribution channels to tap insurance market. Currently the product-market relationship is dominated by personalized selling rendered by tied agents. So the agents should be able to understand the complexity to assess the requirement of the populace and then only advice on the appropriate policy, which suits, to the needs of the population. Also, companies will have to transform customer relationship management to the value-based client relationship. The majority of insurance companies today are under tariff that means insurance companies cannot price the product to suit the customer of customer group. The way to service customer is to segment the market and offer the correct product at the correct price to that market segment. There is a huge untapped potential in India, which needs to be targeted. The distribution channel is a medium to reach the masses in urban, semi-urban and rural areas. So, the insurance company should focus on pricing, distribution, risk management and investment decision-making.

#### **Need for the Study**

Liberalization and globalization made insurance industry a competitive one. It is one of the fastest growing industries in the world. The success of the life insurance depends on the awareness of the policy holders about the product and satisfaction of the policyholders. Insurance department employees and other staff are lethargic and least motivated to render prompt and sincere customer service. After sales customer grievance redressal mechanism is inefficient. Agents not taking into account the needs of people and promote policies having high commissions only. Very slow decision making and internal problems between top management and lower cadre staff. The top management or boss is mediocre and there is large scale corruption in main office. The development officers and agents who are the foundation pillars of LIC are not provided with extra funds and powers to promote its products aggressively. This study emphasizes the life insurance policy holders' perception regarding service quality among insurance companies in Ariyalur district.

#### **Operational Definitions of the Key Terms**

- **Perception regarding service quality:** Customers' perception of Service Quality and its impact on reputation in the Hospitality Industry. Customer satisfaction and the management of their expectations are a strategic component to the sustainability of any organisation.

- **Policy Holders:** The person who owns a life insurance policy, this is usually the insured person, but it may also be a relative of the insured, a partnership or a corporation.
- **Insurance Companies:** Insurance is a contract, represented by a policy, in which an individual or entity receives financial protection or reimbursement against losses from an insurance company. The company pools clients' risks to make payments more affordable for the insured. Insurance policies are used to hedge against the risk of financial losses, both big and small, that may result from damage to the insured or her property, or from liability for damage or injury caused to a third party.

#### Objectives of the Study

1. To find out the significant difference among male, female and transgender policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality.
2. To find out the significant difference between semi urban and rural policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality.
3. To find out the significant difference between married and unmarried policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality.

#### Null Hypotheses of the Study

1. There is no significant difference among male, female and transgender policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality.
2. There is no significant difference between semi urban and rural policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality.
3. There is no significant difference between married and unmarried policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality.

## II. METHODOLOGY

The researcher adopted the survey method to study the perception regarding service quality among policy holders in Ariyalur District.

#### Population and Sample

The population for the present study consisted of the policy holders in Ariyalur district. 800 policy holders were taken for this investigation. The investigator collected the data from LIC, PLI and private insurance companies in Ariyalur district. They were selected randomly from each company.

#### Tool used for the Study

The investigator has used self made tool. Perception Regarding Service Quality Scale for Policy Holder developed by the investigator (2019).

#### Statistical Techniques Applied

The statistical applications 't' test and F test were applied for the study.

#### Delimitations of the study

- The scope of the proposed research study is limited to the Ariyalur District only.
- The research covered insurance companies like LIC, PLI and Private Life Insurance companies only.
- The perception of policyholders of life insurance product will differ from individuals.
- The result of this industry study may differ from one domicile to another .

## III. DATA ANALYSIS AND FINDINGS OF THE STUDY

### Null Hypothesis 1

**Table 1**  
**Anova test for perception regarding service quality of policy holder with respect to gender**

Dimensions	Source of Variation	Sum squares	df	Mean	F Value	Remarks
Tangibles	Between samples	6.046	2	3.023	1.175	NS
	Within samples	2050.353	797	2.573		
Reliability	Between samples	10.941	2	5.471	1.005	NS
	Within samples	4337.158	797	5.442		

Responsiveness	Between samples	0.549	2	0.275	0.065	NS
	Within samples	3343.246	797	4.195		
Assurance	Between samples	21.989	2	10.994	0.730	NS
	Within samples	11999.250	797	15.056		
Empathy	Between samples	14.769	2	7.384	0.492	NS
	Within samples	11967.700	797	15.016		
Perception regarding Service Quality	Between samples	29.626	2	14.813	0.261	NS
	Within samples	45280.249	797	56.813		

(For 2,797 degrees of freedom at 5% level of significance the table value of 'F' is 3.00)

It is inferred from the above table that there is no significant difference among male, female and transgender policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality.

#### Null Hypothesis 2

**Table 2**  
**CR test for perception regarding service quality of policy holder with respect to residence**

Dimensions	Category	Number	Mean	Standard Deviation	CR Value	Remarks
Tangibles	Semi Urban	364	7.23	1.575	1.139	NS
	Rural	436	7.36	1.628		
Reliability	Semi Urban	364	10.59	2.464	0.226	NS
	Rural	436	10.63	2.220		
Responsiveness	Semi Urban	364	11.02	2.171	0.597	NS
	Rural	436	11.11	1.937		
Assurance	Semi Urban	364	19.55	3.682	0.044	NS
	Rural	436	19.56	4.040		
Empathy	Semi Urban	364	19.48	3.915	0.438	NS
	Rural	436	19.60	3.841		
Perception regarding Service Quality	Semi Urban	364	67.88	7.446	0.726	NS
	Rural	436	68.26	7.604		

(At 5% level of significance the table value of 't' is 1.96)

It is inferred from the above table that there is no significant difference between semi urban and rural policy holder in their tangibles, reliability, responsiveness, assurance, empathy and perception regarding service quality.

### Null Hypothesis 3

**Table 3**  
**CR test for perception regarding service quality of policy holder with respect to marital status**

Dimensions	Category	Number	Mean	Standard Deviation	CR Value	Remarks
Tangibles	Married	699	7.28	1.603	0.896	NS
	Unmarried	101	7.44	1.615		
Reliability	Married	699	10.60	2.303	0.308	NS
	Unmarried	101	10.68	2.541		
Responsiveness	Married	699	11.05	2.023	0.765	NS
	Unmarried	101	11.23	2.204		
Assurance	Married	699	19.47	3.920	1.857	NS
	Unmarried	101	20.18	3.537		
Empathy	Married	699	19.56	3.914	2.32	S
	Unmarried	101	19.47	3.588		
Perception regarding Service Quality	Married	699	67.96	7.507	1.268	NS
	Unmarried	101	68.99	7.671		

(At 5% level of significance the table value of 't' is 1.96)

It is inferred from the above table that there is no significant difference between married and unmarried policy holder in their tangibles, reliability, responsiveness, assurance and perception regarding service quality.

It is also inferred from the above table that there is significant difference between married and unmarried policy holder in their empathy. While comparing the mean scores of married and unmarried policy holder, married policy holder have better mean value (19.56) than unmarried (19.47) policy holder.

### Educational Implications

1. The insurance company provides much needed liquidity to speed up private reconstruction for a disaster in exchange for a risk based premium paid by the government. This premium cost may incentivize the government to encourage more risk reducing action by both the public and government.
2. Governments should offer more incentives to catalyze risk reduction in order to create more resilient communities.
3. The insurance industry and members of the public should encourage governments to contribute to data and risk analysis. Governments can stimulate the publically funded academic sector to improve risk analyses and models and then make data freely available to risk professionals.
4. The insurance industry should increase their risk management services to clients to offer solutions and motivate risk resilient behavior.

### IV. SUGGESTIONS FOR FURTHER RESEARCH

1. Only the few backgrounds are included in the present study. Some other variables may be included in the new studies.
2. The study was conducted to Ariyalur District only. The same study can be extended to other districts.

3. The policy holders are the population for this study. The same type of study may be extended to the account holders.

4. A few reasons for different findings are given in this study. They are speculative and based on the researcher's perspective. The study may be undertaken to find out the genuineness of these findings scientifically.

## V. CONCLUSION

Service quality has been viewed as one of the key factors of differentiation and thus has received considerable attention by any commercial bank, be it public or in private sector. In today's market, people of urban locality due to their ever increasing exposures, do not suffer from low level of awareness about the products and quality of services of various banks rather they are quite alert about the quality of services offered by various banks which are in operation in the vicinity of their office or residence. Many researchers, both in India and abroad, have carried out research on perception of customers about service quality of commercial banks by considering different dimensions of service quality. In India, based on the information and personal experience of customers, a common notion has been developed among the public that the service quality of private sector banks is generally better than that of public sector banks.

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