CONSUMER PERCEPTION TOWARDS INSURANCE COMPANIES

Dissertation Submitted To

The IIHMR University, Jaipur

for the partial fulfillment for the award of the degree of

Master of Business Administration (MBA)

In

Hospital and Health Management

By

Dr. Mansy Bhargava

Under the Supervision and Guidance of

Dr. Deepti Sharma

Professor, IIHMR University, Jaipur

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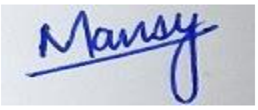
DECLARATION BY STUDENT

I hereby declare that this dissertation titled “Consumer Perception Towards Insurance Companies” is the bonafide record of my original research work. I declare that it has not been submitted to any other university or institution for the award of any degree or diploma. Information derived from the published or unpublished work of others has been duly acknowledged in the text.



Dr. Mansy Bhargava Date: 2 June 2023

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CERTIFICATE

This is to certify that dissertation titled “Consumer Perception Towards Insurance Companies” is a record of the research work undertaken by (Name of Student) in partial fulfillment of the requirements for the award of the degree of MBA (Hospital and Health Management)/MBA (Pharmaceutical Management)/MBA (Development Management) from the IIHMR University, Jaipur under my guidance and supervision and his/her approach to the research study has been sincere, scientific, and analytical.

Dr. Deepti Sharma
Professor & Faculty Guide
IIHMR University, Jaipur
Date: 2 June 2023

Dr (Col) Mahender Kumar
School Dean
IIHMR University, Jaipur
Date:

PLAGIARISM REPORT

This is to certify that the dissertation project report entitled **"CONSUMER PERCEPTION TOWARDS INSURANCE COMPANIES"** submitted by Dr. Mansy Bhargava for the partial fulfillment of the requirements for the award of the degree of MBA (Hospital and Health Management) from the IIHMR University, Jaipur has been evaluated for plagiarism by the university.

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ACKNOWLEDGEMENT

I am deeply grateful for the support and assistance provided by numerous individuals and organizations during the completion of this dissertation thesis, conducted in PNB MetLife Insurance.

First and foremost, I would like to express my heartfelt appreciation to PNB MetLife Insurance for their generous support and for providing me with the opportunity to undertake this research project. I am grateful to my external mentor Mr. Ravi Mishra (Process Head) for supporting me. I am especially grateful to the management and leadership team for their guidance and encouragement throughout the entire process. Their valuable insights and industry expertise have played a significant role in shaping the direction and relevance of this study. I extend my sincere gratitude to my internal faculty guide, Dr. Deepti Sharma at IIHMR University for her constant guidance, mentorship, and academic rigor. Her dedication to excellence and commitment to the advancement of knowledge have been instrumental in my intellectual and professional development. I am indebted to the numerous colleagues and professionals who have provided assistance, guidance, and feedback throughout this research endeavor. Their expertise and support have been indispensable in navigating complex industry dynamics and ensuring the relevance and applicability of this study.

I would like to express my gratitude to the library staff and research centers at IIHMR University for their support in accessing relevant literature and resources. Their assistance has been crucial in broadening the scope and depth of this research.

Lastly, I am immensely thankful to my family, friends, and loved ones for their unwavering support, encouragement, and understanding throughout this challenging journey. Their constant belief in my abilities has been a driving force behind my perseverance and determination.

Although it is not possible to acknowledge everyone individually, please accept my sincere appreciation for the collective contributions of all those who have supported and guided me in the successful completion of this dissertation thesis. Thank you all for your invaluable support and encouragement. This achievement would not have been possible without the collective efforts and collaboration of each and every one of you.

Dr. Mansy Bhargava

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TABLE FOR ABBREVIATIONS

S.NO.	ABBREVIATION	MEANING
1.	IRDA	Insurance Regulatory and Development Authority of India
2.	LIC	Life Insurance Corporation of India
3.	NICL	National Insurance Company Limited
4.	OLIC	Oriental Life Insurance Company Limited
5.	UIICL	United India Insurance Company Limited
6.	AICIL	Agriculture Insurance Company of India Limited
7.	GIC	General Insurance Corporation of India

TABLE

ABSTRACT

There have been insurance businesses for many years. Diverse insurance policies have been used by people in India to manage risk or as a means of investing.

Insurance does not assist in preventing disasters, but it does assist in absorbing their financial impact. In return for premium payments, insurance companies offer insurance plans to both individuals and businesses. Protection from risks and losses such property damage, disease, disability, and death is provided by the insurance plans. When necessary, insurance firms use the money they have received from policyholders' premium payments to settle claims. Additionally, they invest the premiums to create income and reduce risk. State and federal laws govern insurance businesses to guarantee that they conduct business fairly, openly, and with adequate reserves to cover claims.

What consumers believe about insurance firms will be revealed through this research study on "Consumer Perception Towards Insurance Companies".

" There are undoubtedly some reputable private insurance businesses as well, such as Pnb Met life Insurance, given that public insurance companies like "Life Insurance Corporation of India" have been around for decades and have developed a positive reputation in the eyes of consumers.

This study discusses data on various businesses as well as the subject of clearing settlement ratio. We will explore several types of insurances as well as various companies that offer those insurance policies in order to gain a better understanding of consumer behaviour in general and how it is changing. We'll learn about the role of IRDA, Banks & Private Companies in Insurance Sector. We'll conduct a survey to learn more about consumer attitudes towards both commercial and public insurance businesses.

KEYWORDS: IRDA, Insurance Firms, Insurance Plans, INDIA, Claims, Premiums, Protection, Return

Chapter 1

INTRODUCTION

1.1 INTRODUCTION TO INSURANCE

Insurance companies offer protection from a variety of hazards, including accidents, natural catastrophes, and mortality. As a means of transferring risk in exchange for premium payments, customers choose the insurance policies offered by these businesses. The study "Consumers Perception towards Private Insurance Companies" examines how people view and distinguish between private and public insurance businesses in light of their particular experiences.

In order to lessen their own exposure to risk, insurers can also purchase reinsurance from another company.

Through the money raised through premiums paid by many, insurance acts as a way to make up for financial losses suffered by a select few. There are numerous insurance options, including life, health, and property and casualty insurance. Through the provision of financial security and the reduction of risks brought on by unforeseen events, insurance companies play a significant role in the global economy. They are regulated to ensure consumer protection and industry stability.

1.2 HISTORY

Indian literature on conservation is far from complete. It finds mention in some of the writings.The document examines the link between goods that can be returned in the event of a disaster such as fire, flood, disaster and famine. This seems to be disguised as an early security measure. Perhaps the first savings occurred in ancient Indian history in the form of loans for the shipping industry and contracts for aircraft carriers.

India's security industry was on the rise at the time and was often influenced by foreign countries with their own governments, particularly the UK.

OLIC was established in Calcutta in the year 1818 and that marks the starting of the current Industry.

However, the business was shut down in 1834. During the Madras presidency in 1829, Madras Equity began its business of carrying historical securities. At the end of the 19th century, in the final three decades, Bombay Mutual Insurance (1871), Eastern Insurance (1874), and Indian Empire (1897) were all established in response to the British Insurance Act, which went into effect in 1870 founded in Mumbai.

However, the longterm control of production by some foreign insurance companies, which have been successful in India, makes it difficult for India to respond to the group's defense argument.The The Indian government started reporting the profits of Indian insurance companies in 1914. The Indian Life Insurance Companies Act of 1912 was the first piece of legislation governing the life insurance sector. The Insurance Act of 1938 contains extensive initiatives to harmonize and amend previous laws of 1938 to regulate the activities of insurance companies and protect the interests of insurance companies. Enterprises are also considered non-conforming. Hence, GOI has decided to foster the industry. The LIC was established in 1956 and the Life Insurance Act was passed on January 19 of the same year. A total of 245 Indian and foreign insurance companies (Indian- 154 and non-Indian -16 and Indian) are affiliated with LIC. 75 insurance companies. The industrialization of the West and the expansion of its 1000-year economy and trade have paid off in making universal health insurance a world of history. It was introduced to India under British rule. He founded Triton Insurance Company Ltd in England. 180 Kolkata is a pioneer in universal health care in India. British India Trade Insurance Company was founded in 1907. We are the pioneering business providing life insurance. A division of Indian insurance companies called the General Insurance Council was founded in 1957. In order to assure fair treatment and ethical commercial conduct, health authorities have set ethical norms. Insurance legislation was altered in 1968 to control investments and establish minimal operating capital requirements. The Intercommunal Advisory Committee was established after that. Introduction of the General Insurance (Nationalisation Act) in 1972 led to the recognition of general insurance as of January 1, 1973. In 2007, the insurance industry split into four companies: National Insurance Company and New India Insurance Company. Limited Liability Company, Oriental Insurance Company Ltd., United India Insurance Company Ltd. The General Insurance Company of India was founded in 1971 and started operations on 1 January 1973. Development of the West, maritime and commercial business after 1000 BC. It was introduced to India under British rule. Triton Insurance Co., Ltd. Made in the UK. Universal Health Insurance was founded in 180 AD in Calcutta, India. British Indian Commercial Insurance Company Limited was founded in 1907. We are the first company to launch a full-fledged property and casualty insurance business. An insurance company passed legislation to ensure fair and ethical business practices. The insurance law was changed in 1968 to tighten requirements and restrict investment. Then the Customs Commission was created. Property and casualty insurance was introduced on 1 January 1973 under the General Insurance (Nationalization) Act 1972. Seven different insurance firms were combined and divided into four separate firms: National Insurance Company

Limited, New India Assurance Company Limited, Oriental Insurance Ltd., and United India Insurance Company Ltd. India GIC was founded in 1971 and has been in business since January 1, 1973.

Reopening procedure

In 1993, the government established a commission to propose reforms to the insurance sector. The Malhotra Commission Report's recommendations led to the creation of the IRDA in 1999 to direct and advance insurance activities. The agency may issue regulations under Section 114A of the Insurance Act of 1938, and since 2000 it has done so with a number of regulations that cover anything from registering insurance businesses to safeguarding policy accounts. Interests In December 2000, General Insurance Corporation of India subsidiaries underwent independent corporate restructuring, which also saw GIC become a national reinsurer. The Insurance Act of 1938's Section 114A grants the regulator the authority to enact regulations, and since 2000, it has done so with regard to everything from the registration of insurance businesses to the defense of policyholder rights.

1.3 ADVANTAGES OF INSURANCE POLICIES

Numerous benefits are provided by insurance plans to people, corporations, and society at large. The following are some significant benefits of insurance:

- Transfer of Risk: Through the use of insurance, people and companies can transfer their risk of potential financial loss to an insurance provider. Policyholders reduce their personal exposure by shifting the cost of future losses to the insurer by paying a premium.
- Insurance policies offer financial security against unforeseen occurrences and unanticipated losses. Whether it's for property damage, medical costs, or liability claims, insurance aids people and organisations in financially regaining their footing and getting back to business as usual.
- Peace of Mind: Being aware that you are covered by insurance can be calming. As a result, people and businesses may concentrate on what they are doing without constantly worrying about risks and losses.
- Firm continuity: Insurance is essential to keeping a firm running smoothly. In the event of a sizable loss or damage, insurance coverage can assist organisations in recovering,

replacing lost or broken assets, and carrying on with business as usual while minimising inconvenience and financial hardship.

- Legal and Contractual Requirements: Many insurance plans must be purchased in order to comply with the law or contracts. For instance, most jurisdictions require drivers to have auto insurance, and lenders frequently demand that borrowers have property insurance when obtaining a mortgage. Legal protection and financial stability are ensured by adhering to these rules.
- Health and Well-Being: Access to medical care, preventive services, and treatments are made possible by health insurance coverage, enhancing general well-being. They make it possible for people to access healthcare quickly and efficiently.
- Risk management: Insurance companies employ risk management specialists who evaluate potential hazards and provide advice on loss prevention and risk reduction techniques. This aids policyholders in identifying and lowering risks, which ultimately results in better safety procedures and risk management procedures.
- Insurance practises support both social and economic prosperity. Insurance firms offer monetary aid to impacted people and businesses in the wake of severe accidents or natural disasters, assisting in the process of rehabilitation and reconstruction.

- Investment Possibilities: Some insurance programmes, including life insurance and retirement plans, include investment possibilities. These insurance plans enable people to save money and earn returns over time, giving them a financial safety net for the future.
- Support for Dependents: In the event of the policyholder's passing, dependents are financially protected by life insurance policies. As a result, loved ones are protected financially and can continue living well even after the policyholder passes away.

- Understanding these advantages is essential when evaluating the need for insurance and aids insureds in defending their insurance purchase.
- While insurance policies undoubtedly provide many benefits, there are certain drawbacks to choosing any kind of insurance.

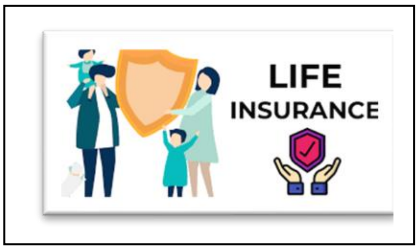
1.4 DISADVANTAGES OF INSURANCE POLICIES

- Cost: Insurance premiums can be expensive, particularly for comprehensive coverage or policies with high coverage limits. Insurance premiums can be expensive for both individuals and companies, especially when several policies are required.
- Insurance policies frequently have coverage exclusions, deductibles, and limitations. Policyholders are liable for any losses or damages that fall outside the purview of the policy since certain occurrences or conditions might not be covered. To comprehend the scope of coverage, it is crucial to thoroughly read the terms and conditions of the policy.
- Complex policies: It can be difficult to completely comprehend insurance plans due to their complexity. It may be challenging for policyholders to accurately grasp their coverage due to the complex jargon used in the terms, conditions, and exclusions. During the claims procedure, misunderstandings or a lack of clarity might result in disagreements.
- Procedure for Filing Claims: Filing claims can occasionally be a drawn-out and challenging process. The process of filing a claim may take a long time, require the policyholder to go through a lot of paperwork, and involve other bureaucratic hurdles. When urgent financial aid is required, in particular, this can be frustrating and expensive.
- The termination or non-renewal of a policy may occur if insurance premiums are not paid on time. When they most need coverage, this may leave people or businesses without it. In particular while facing financial hardship, maintaining premium payments can be difficult.
- Determining the proper level of insurance coverage can be difficult. Some people or corporations can end up with extra coverage and paying greater premiums than necessary. Others, on the other hand, can choose to purchase insufficient coverage, leaving them insufficiently protected in the case of a loss.
- Moral Hazard: When people or corporations assume they are protected by insurance, they may take unnecessary risks or act recklessly. As a result, everyone in the insurance pool may see an increase in claims and rates.
- Limited Options and Reduced Competition: In some areas or industries, insurance carriers may have few options, which lowers competition. Because of this, policyholders may pay higher rates and have fewer options.

- Exclusions and Conditions in the Policy: Exclusions and conditions that limit coverage under particular conditions are frequently included in insurance policies. Due to these exclusions, policyholders may be exposed to unforeseen coverage gaps and uninsured losses.
- Fraud and False Claims: Insurance fraud is a major risk for both insurers and policyholders. False claims or fraudulent activity can push up insurance rates for everyone and jeopardise the insurance system's integrity.

1.5 TYPES OF INSURANCE POLICIES

1. **Life Insurance :**



When you die, your loved ones will have financial security thanks to a type of insurance called life insurance. If u have a life insurance it gives you peace of mind because it ensures that your loved ones will be helped and supported financially even if you are not there.

2. **Health Insurance :**

Health insurance helps individual people and families to pay for their medical expenses. It helps reduce out-of-pocket costs which is associated with medical care, including doctor appointment, ipd’s, prescription medications, and surgical procedures. It also provide financial security related to medical. Individuals or companies must pay a monthly or annual premium to an insurance company or government programme to take benefit of health insurance.

3. **Car Insurance :**

Car insurance offers financial stability when any kind of theft, collision or something involving our car happens. Its purpose is to relieve the financial stress brought on by anticipated expenses for repairs, medical expenses, or legal obligations. Auto insurance is paid for by the policyholder making a regular monthly or annual premium payment to an insurance provider. The insurance company agrees to pay up to the policy's maximums in exchange for providing coverage for certain risks and losses. The particular coverage and perks change depending on the type of policy you choose and the provider.

4. **Education Insurance** :

A child education plan, a type of insurance, offers you the option to protect your child's future while also providing you with financial stability. Your child will receive the education they desire if you give them a lump-sum payment when they reach maturity or in the event of your untimely death. Its purpose is to shield students and their families against unanticipated occurrences that can prohibit them from finishing their education or cause financial damage.

5. **Home Insurance** :

Home insurance, commonly known as homeowner's insurance or property insurance, is a type of insurance coverage that covers homeowners financially. It provides coverage for a variety of hazards and potential damages that could affect a residential property or its contents. An example of property insurance is home insurance, which protects against monetary loss caused by theft, accident, or other misfortune.

1.6 TYPES OF INSURANCE COMPANIES

There are various insurance companies in India, both in state run sector as well as in private ownership sector.

Public Insurance Companies :

1. Life Insurance Corporation of India (LIC)
2. National Insurance Company Limited (NICL)
3. Oriental Life Insurance Company Limited (OLIC)
4. New India Assurance Company Limited (NIACL)
5. United India Insurance Company Limited (UIICL)
6. General Insurance Corporation of India
7. Agriculture Insurance Company of India Limited

1) **Life Insurance Corporation of India (LIC):**

The largest and most established life insurance provider in India, LIC offers a range of plans to suit the requirements of both individuals and groups.

2) **National Insurance Company Limited (NICL)** :

Indian general insurance provider NICL also offers life insurance protection. It is a life insurance company that operates in the public sector and provides a range of life insurance products. It was founded in 1906 by Gordhandas Dutia and Jeevan Das Dutia, with its headquarters in Kolkata.Its portfolio comprises of a wide range of general insurance products that are provided to a large clientele representing various economic sectors. NICL serves Nepal in addition to being a top insurance company in India.

3) **Oriental Life Insurance Company Limited (OLIC)** :

Incorporated in 1947, The Oriental Insurance Company Ltd. The General Insurance Corporation of India ceded all of its shares in the company to the Indian government in 2003. As of the end of the third quarter of 2016, the company has 13923 employees throughout 1924 offices across the nation.

4) **The New India Assurance Company Limited** :

On July 23rd, 1919, Sir Dorabji Tata created the business; it was nationalized in 1973 through the amalgamation of Indian firms. As of 31.03.2016, the Company had 18783 employees across 2329 offices.

With more than 170 products covering nearly all market sectors for general insurance, the company offers insurance services to its clients. Authorised capital for the company is Rs. 300 crore, while paid-up equity capital is Rs. 200 crore.

5) **UIICL :**

It was founded in the year 1938 and has 2080 offices and 16345 employees at the end of March 2016, with 200 crores authorized capital and 150 crores paid-up equity capital.

6) **GIC :**

GIC was founded in 1972 and merged 107 insurers into four companies. It became the Indian Reinsurer in 2000 and assumed ownership of its subsidiaries in 2003. It has 558 employees and Rs. 1000 crore in authorised capital and Rs. 430 crore in paid-up equity capital.

7) **AICIL :**

It was established on December 20, 2002, in accordance with the Companies Act, 1956, to serve the insurance requirements of individuals working in agriculture and related businesses in India. Four public sector general insurance firms, GIC, NABARD, and others helped fund a portion of the company's share capital. The Company started conducting business as of April 1st, 2003, as soon as the IRDA has given its permission.

Private Insurance Companies :

1. ICICI Lombard
2. HDFC ERGO
3. Bajaj Allianz Company
4. Reliance
5. Tata AIG
6. Bharti AXA
7. Future Generali India
8. SBI

9. IFFCO Tokio
10. Universal Sompo General Insurance
11. Liberty General Insurance
12. Go Digit General Insurance
13. Edelweiss
14. Religare Health
15. Max Bupa Health
16. Star Health and Allied Insurance
17. Apollo Munich Health Insurance (Now merged with HDFC ERGO Health Insurance)
18. Manipal Cigna Health
19. Aditya Birla Health Insurance
20. Care Health Insurance (Formerly known as Religare Health Insurance)
21. Pnb Met Life Insurance

Here are some private insurance companies with claim settlement ratio.

Table 1.1- Private insurance firms with CSR

Firms	Total Claims %
Aditya Birla Sun Life	98.07
Aegon Life	99.03
Ageas Federal	97.03
Aviva Life	98.39
Bajaj Allianz	99.02
Bharti Axa Life	99.09
Canara HSBC	98.44
Edelweiss Tokio	98.09
Exide Life	99.09
Future Generali	96.15
HDFC Life	98.66
ICICI Prudential	97.82
India First	96.92
Kotak Life	98.82
Max Life	99.34
PNB Met Life	97.33
Pramerica Life	98.3

Reliance Nippon	98.67
Sahara Life	97.08
SBI Life	97.05
Shriram Life	95.82
SUD Life	97.42
Tata AIA Life	97.42

1.7 CLAIM SETTLEMENT RATIO (CSR)

When obtaining life insurance, replacement factor is a crucial component to take into account. The loss ratio compares the percentage of life insurance claims that were filed by the insurer during the accounting year to the total number of claims that were received during that time, including pending claims from the previous year. In its most recent annual report, the Insurance Regulatory and Development Authority of India (IRDAI) presented data on claims for all different kinds of life insurance contracts.

With a claim settlement percentage of 99.34% for the years 2021–2022, Max Life Insurance has the largest number of claims. Exide Life Insurance and Bharti Axa Life Insurance took second place with a death settlement ratio of 99.09 percent. A claim settlement percentage of greater than 98 percent is held by as many as 14 life insurance companies.

1.8 HOW INSURANCE COMPANY WORKS

In return for recurrent monthly payments, insurance businesses work by offering individuals or organisations financial protection against prospective dangers. Here is a general explanation of how insurance firms function:

1. **Risk assessment:** Insurance providers assess the dangers posed by the covered party or policyholder. They evaluate variables including age, health, occupation, location, and the characteristics of the insured asset to ascertain the degree of risk present.
2. **Design of the Policy:** The insurance provider creates insurance policies that specify the coverage and conditions based on the risk assessment. These policies outline the occurrences or dangers that are covered, as well as any exclusions or limits, premium costs, and other pertinent information.
3. **Payment of Premiums:** Customers of the insurance firm pay recurring premiums. The level of risk, the scope of coverage, and the length of the policy are some of the variables that affect the premium cost. Potential claims are covered by a pool of money created by the insurance company's premiums.

4. **Risk Pooling:** In order to build a reserve fund, insurance firms pool the premiums they receive from policyholders. When policyholders suffer losses that are protected, this fund is used to pay claims. Insurance firms are able to distribute the cost of losses among the covered group by pooling the risks of numerous people or organisations.
5. **Claims Management**: When a policyholder experiences an insured loss or an insured incident, they may submit a claim to the insurance provider. The insurance provider examines the claim, ascertains its legitimacy, and determines the size of the loss. If the claim is **satisfied,** the insurance **company compensates** the **owner** financially **according to** the terms of the contract.
6. Underwriters and actuaries evaluate risks, establish premium rates, and guarantee financial stability.
7. **Investment Management:** To produce additional income and maintain the company's financial stability, insurance companies invest the premiums they earn. To balance risk and return and fulfil the insurance company's long-term responsibilities, these assets are carefully managed.
8. Insurance businesses offer policyholders customer service and support services. This entails helping with questions about policies, the premium payment system, claims processing, and resolving any issues or concerns brought up by policyholders.

Noteworthy Anniversaries

Year 1818:

The OLIC, the first company of life insurance in India, was founded in Kolkata in 1818. It gave Indians access to life insurance.

1870:

The development of life insurance in India was significantly influenced by the Bombay Mutual Assurance Society, which was founded in 1870. It was the first company in the area to offer individual life insurance.

1906:

National Indian Association which came in 1906 encouraged Indians to purchase life Insurance. It not only encouraged Indians to purchase life insurance but also made an effort to increase awareness about their benefits.

1912:
Indian Life Assurance Businesses Act (1912), regulates how life insurance companies have to work in India.

Cooperative life insurance company in the early 20th century:
The cooperative life insurance movement gained prominence in the first decade of the 20th century. Throughout India's diverse areas, a variety of cooperative societies were created to provide life insurance protection to their members.

Early 20th-century Contribution of Gopala Krishna Gokhale:
Gopala Krishna Gokhale, a prominent Indian social and political figure, emphasized the value of life insurance and called for its promotion among Indians.His initiatives helped increase people's understanding and acceptance of life insurance.

Development of Indigenous Insurance Companies:
In the early 20th century, indigenous companies began to appear alongside the development of foreign life insurance companies in India. These businesses aspired to offer life insurance protection to the Indian populace and promoted the development of the domestic life insurance market.

1956:
The central government took control of and nationalised **245** insurance and provident societies in India and abroad. Under this act, **the Life Insurance Corporation of India (LIC) was established with a Rs. 5 crore initial commitment from the Indian government.** As the sole supplier of life insurance services in the nation, LIC unified the sector under a single organisation. With this action, the Indian life insurance industry was intended to become more regulated, under better control, and stable.

In the late 1990s, the first ULIPs (unit-linked insurance plans) were introduced:
The first ULIPs became available in India in the late 1990s. Customers who purchased ULIP benefited from both the insurance cover and the investment option. They offered policyholders the ability to spread their premiums across multiple investment funds, such as debt or stocks, based on their risk tolerance.

INDIAN INSURANCE LIBERALIZATION

1994:

The insurance industry has welcomed private sector participation to promote competition between different insurance companies and provide customers with choices.

1997:

1. The establishment of India's IRDAI, a self-governing body charged with overseeing and regulating the insurance business.
2. The establishment of joint ventures or wholly owned subsidiaries by foreign insurance companies was permitted on the Indian market.
3. From 26% to 49% of foreign direct investment (FDI) may now be made in the insurance sector.
4. The goals of these modifications were to broaden consumer options, promote competition, and improve the effectiveness of the insurance sector as a whole.
5. To sum up, the 1997 events opened the door for private and foreign involvement in the Indian insurance sector, boosting competition and giving clients additional options.

1.9 ROLE OF IRDA

IRDA is a key player in the insurance industry, providing vital guidelines to numerous insurance-related businesses. The insurance industry would experience a development spurt in the infrastructure sector if the IRDA gave the go-ahead for insurance companies to invest in venture capital funds. The amount of money the insurance companies could put into venture capital funds for infrastructure-based projects is limited to around 5% of the overall investment. 699,375 crores of rupees are the combined total assets under the life insurance firms. It decided on the proposed changes to the rules governing insurance companies' investments at the board meeting held on March 25, 2008. The investing norms have undergone a number of other changes as well. The addition of mortgaged securities and initial public offerings to the list of sanctioned investments, which they were previously excluded from, is the second significant change. To approve the plan the IRDA board would be asked. By the end of March 2008, the final version had been published in the Central Government Gazette. In addition to giving insurers flexibility, the changes would aid in the development of investment products. Increased margins would be offered for investments in term deposits and bank-issued certificates of deposit.

IRDAI's main responsibilities and tasks are listed below:

1. Regulatory Body
2. Registration and licencing
3. Policy Approval
4. Consumer Protection
5. Solvency regulation
6. Market Development
7. Supervision and Enforcement
8. Policy Advocacy and Research

1.10 BANKS ROLE IN INSURANCE

Banks plan to enter the sector, which is expected to reach $60 billion by 2010. Major Indian banks such as Union Bank, Federal Bank, Allahabad Bank, Bank of India, Karnataka Bank, Indian Overseas Bank and Bank of Maharashtra are setting up their own insurance companies.

Due to a number of factors, Indian banks intend to enter the insurance market alone rather than in collaboration with insurance providers. One significant factor is that by forming agreements with other insurance industry leaders, they would receive better profits than the commission they would receive. Additionally, this would assist them in branching out from their current normal banking activities. The Indian banks' plans to enter the nation's insurance market have an impact on the insurance businesses. This is because banks are currently hard to come by for insurance companies to collaborate with in order to advertise their products.

Through bancassurance, distribution channels, partnerships with insurance companies, premium collecting, consumer education, cross-selling opportunities, and help with claim settlement, Indian banks play a significant role in the insurance market. They serve as middlemen, promoting insurance services to clients, taking payments for premiums, and assisting with the resolution of claims. In addition to reducing their own risk through credit-linked insurance products, banks make money through commissions, fees, and investments tied to insurance activities.

Overall, the dynamics of the insurance market may change as a result of Indian banks' participation. Increased competition, potential for bank growth, and difficulties for current insurance businesses are all brought about by it. The Indian insurance industry may adopt new business strategies, alliances, and innovations as a result of the changing environment.

1.11 PRIVATE COMPANIES ROLE IN SECTOR

One of the top private insurance companies in India is Max New York Life Insurance Company, which is a significant player in the Indian insurance market. One of India's top private insurance firms is Max New York Life Insurance Company Ltd., presently known as Max Life Insurance Company. A top-tier private insurance provider in India is Max New York Life Insurance Company. Actually, the insurance industry is one in which the private sector is quite essential. The business, one of India's biggest private insurance providers, is currently known as Max Life Insurance Company. In March 2008, when it launched the "lifeline" health insurance policy on a nationwide level, the company increased the scope of its product offering to cover both life and health insurance.

India allowed foreign firms to operate in the insurance industry in 2000 and limited foreign direct investment to 26 percent. This level was raised to 49% in 2014 and to 74% in the Union Budget (February 21). From 15% in 2004 to 49.3% in 2021, market share held by private enterprises in non-life insurance increased. In the Indian insurance industry for both life and non-life products, private insurers like HDFC, ICICI, and SBI have been intense rivals.

Bajaj Allianz Life Insurance, a private insurance company, and City Union Bank, one of India's oldest private sector banks, have entered into a strategic partnership. Through the bank's 727 offices, this relationship allows the private insurance company to offer a variety of life insurance options to both current and potential customers. Max Life Insurance has the highest payout ratio with a payout ratio of 99.22 percent. After that, 99.07% and 99.06% are HDFC Life Insurance and Tata AIA Life Insurance respectively.

1.12 MARKET SIZE

Due to more engagement from the private sector and enhanced distribution capacities, India's insurance market has significantly expanded during the past 20 years. Between 2021 and 2023, private life insurers' retail APE is predicted to increase at a CAGR of over 17%, tripling new retail premiums in five years. In October, LIC expanded its market share by

67.72%, and premiums rose by 34.71% from a year earlier. The market for life insurance is expected to grow at a CAGR of 5.3 between 2019 and 2023. Indian insurance increased by 4.2% in 2011, with life insurance contributing 3.2% and non-life insurance 1.0% of the rise. In October 2022, life insurance companies' new business premiums climbed by Rs. 15,920.13 crore. Between April 2021 and March 2022, non-life insurance businesses received gross premiums of Rs. 220,772.07 billion. In May 2021, six independent, for-profit health insurance providers saw a gross premium growth of 66.6%. By 2026, it is anticipated that the Indian insurance market will be worth USD 222 billion. **In the upcoming three to five years, the market for life insurance in the nation should expand by 14 to 15% annually.**

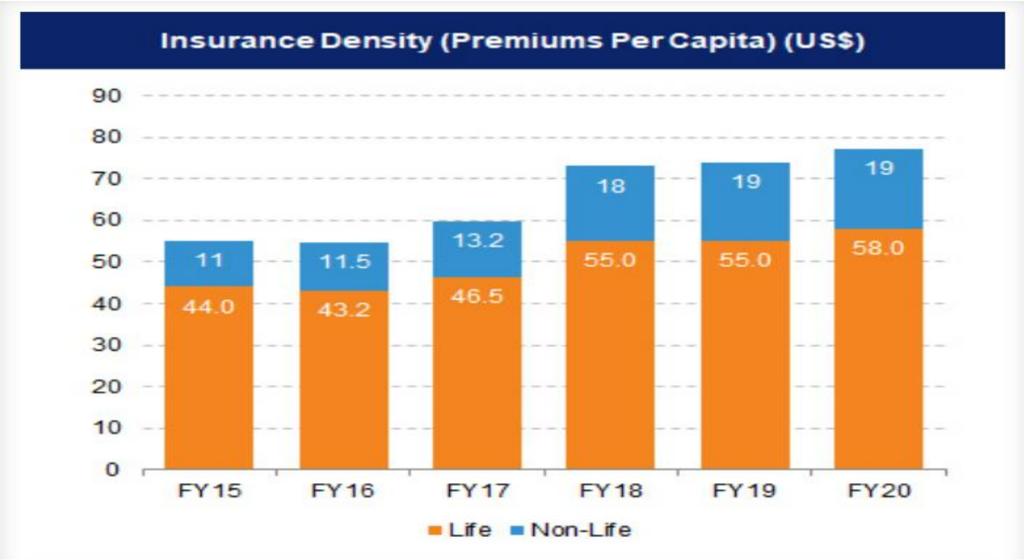


Fig 1.1: Insurance Density

1.13 INITIATIVES BY GOVERNMENT

There are various initiatives taken by Government of India. Here are some of them:

- The Union Budget 2023-24 proposed to limit income tax exemption to life insurance policies with total premium not exceeding Rs. 5 lakhs ($6,075).
- PMFBY and AB PMJAY resulted in a significant increase in crop insurance premiums. For a price of Rs. 50,000, the Indian government plans to offer a 7% stake in LIC in 2022. The Union Cabinet agreed a $6,000 investment in 2021 for organizations that provide export insurance.

- In August 2021, the parliament approved the draft law on the privatization of non-life insurance (nationalization) of state liability insurance companies.
- In the 2021 budget of the Union, the limit of direct insurance investments was raised and Digilocker digital insurance was announced.
- Finance Minister Nirmala Sitharaman announced IPO of LIC in FY22, expanded health coverage and added Rs. 3,000 million to state non-life insurance companies.

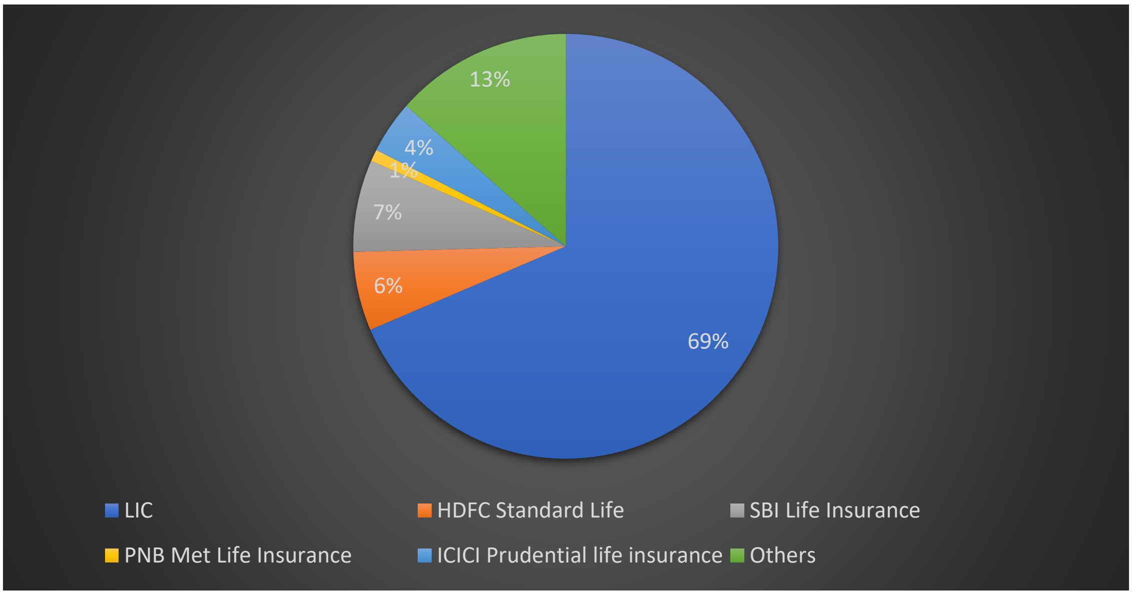


Fig: 1.2 PREMIUM MARKET SHARE IN FIRST YEAR LIFE INSURANCE (FY23*)

According to the latest business statement of life insurance companies released by IRDAI, the private life insurers' first-year premium for FY23 increased by 20.03% to 1,38,643.85 crore, and their market share increased to 37.42%.

Chapter 2

LITERATURE REVIEW

Table 2.1: Literature Reviews

S.No.	Title of Study	Name of Author	Year	Salient Features
1.	The Life Insurance Industry in India: Current State and Efficiency	Tapas Kumar Parida and Debashis Acharya	January 2016	This book examines the development of the Indian life insurance industry across time, analyses the factors affecting profitability, and evaluates the sector's performance using a variety of business indicators. It encourages a level playing field and provides regulatory bodies with information they may use to make educated judgements about the admission of foreign insurers.
2.	Evolution and regulatory framework of Life Insurance Companies in India : A conceptual Review	Shib Pada Patra, Siddhartha Sankar Saha and Mitrendu Roy	January 2022	This chapter's main goal is to conceptually review the following topics: (a) the development of the life insurance sector globally, particularly in India in the pre- and post-independence era; (b) the current structure

				of the life insurance sector operating in India; and (c) the regulatory framework governing life insurance business in the pre- and post-independence era, with a focus on the regulatory framework governing portfolio investments of life insurance.
3.	Life insurance : challenges and opportunities in VIRUDHUNAGAR district	Mrs. R. Gayathri	November 2018	Businesses that provide life and non-life insurance have been serving as financial middlemen and completing tremendously important responsibilities for our economy. With the passing of the IRDA Act, 1999, India's insurance industry was made available to foreign investment. Since that time, 22 private companies have been founded in the life insurance industry. To address the unique requirements of the potential policyholders, all of these players

				created cutting-edge products. Overall, my study highlights key components of the potential and problems facing life insurance businesses in product marketing.
4.	Consumer Perception Regarding Life Insurance Policies: A Factor Analytical Approach	Sandeep Chaudhary	6, Dec. 2016	a higher firm reputation, efficient service quality, consumer convenience, real benefits, and favourable client-client relationships, among others.
5.	Assessment of life insurance service quality dimensions and customer satisfaction through the SERVPERF model	H. Josiah, Babita Prem	05 January 2023	Through the SERVPERF model, the current study compares and analyses how customers' opinions of the service standards of life insurance in the public and private sectors. **The field study in Chennai city was completed by 400 respondents in total.** Out of 400 respondents, 100 were from the Life Insurance Corporation (LIC), and the remaining 300 came from the private sector life insurance

				companies ICICI Prudential, SBI Life, and HDFC Life Insurance Company Limited. The private players were selected according to their market share. The data are obtained and analysed using the SPSS programme version 21 (analysis). According to the analysis, both public and private life insurers offered their clients high-quality coverage.

Chapter 3

METHODOLOGY

METHODOLOGY

The systematic approach and methods used to conduct research and compile pertinent data for a particular study or investigation are referred to as research methodology. It describes the overall strategy for carrying out the research, along with the activities, processes, and tools used to meet the research goals.

I determined that the best strategy for the field study would be a questionnaire that would be completed by family members and friends of the college, local community, and schools, Jaipur.

The questionnaire was created by Google and sent to them via Whatsapp in order to encourage the populace, prevent outright rejection, and raise the response rate.

This study was initially intended to be exploratory, but it ended up being explanatory because I first had to learn about insurance in order to begin comprehending how customers perceive insurance firms. The linkages and correlations between these variables are then determined using this information.

PROBLEM STATEMENT

There are numerous insurance firms that customers can choose from in the current situation. It is crucial to comprehend what people believe about insurance firms and how they select between private and public insurance providers.

Objectives :

- To compare public and private insurance companies .
- To Understand how various demographic characteristics affect consumer investment decisions in insurance.
- To explore the consumers' attitudes regarding insurance as a form of investment.
- To explore the factors impacting customer investment decisions in insurance.

RESEARCH METHODOLOGY AND SAMPLING TECHNIQUE

RESEARCH APPROACH

We may say that random sampling has been done because the respondents were chosen at random. It is an investigational research study. Quantitative assessment is used.

SAMPLING UNIT

The respondents that answered the questionnaire were from the region of Rajasthan and IIHMR University. The sampling units are as follows. These respondents are made up of people who buy various insurance products via a range of channels.

SAMPLE SIZE

The sample size is of around 100 respondents.

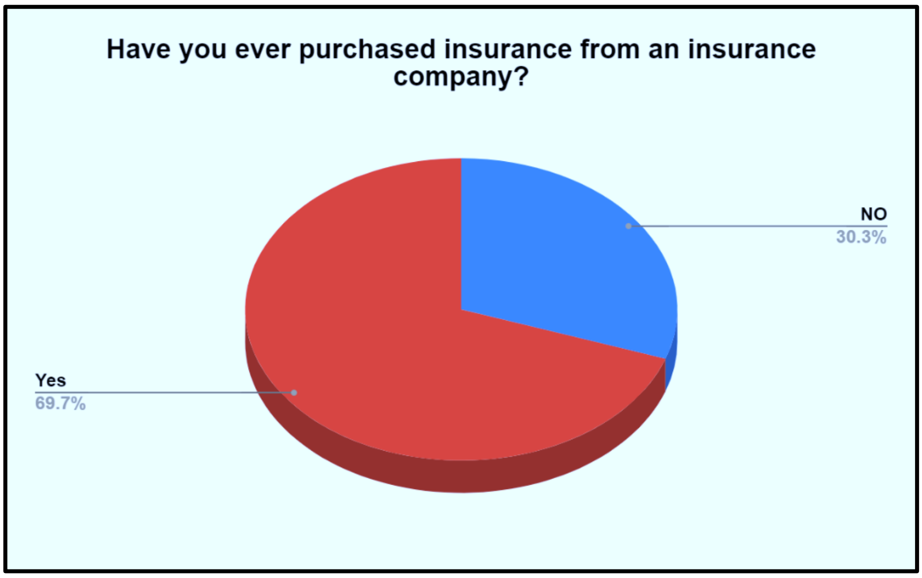
SAMPLING AREA

Rajasthan

CHAPTER – 5

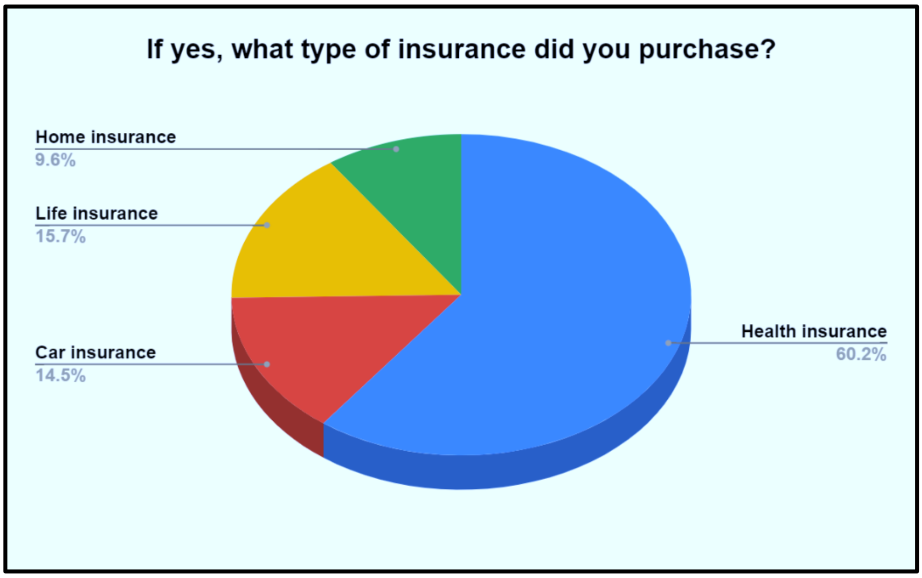
DISCUSSION

1. **Have you ever purchased insurance from an insurance company?**



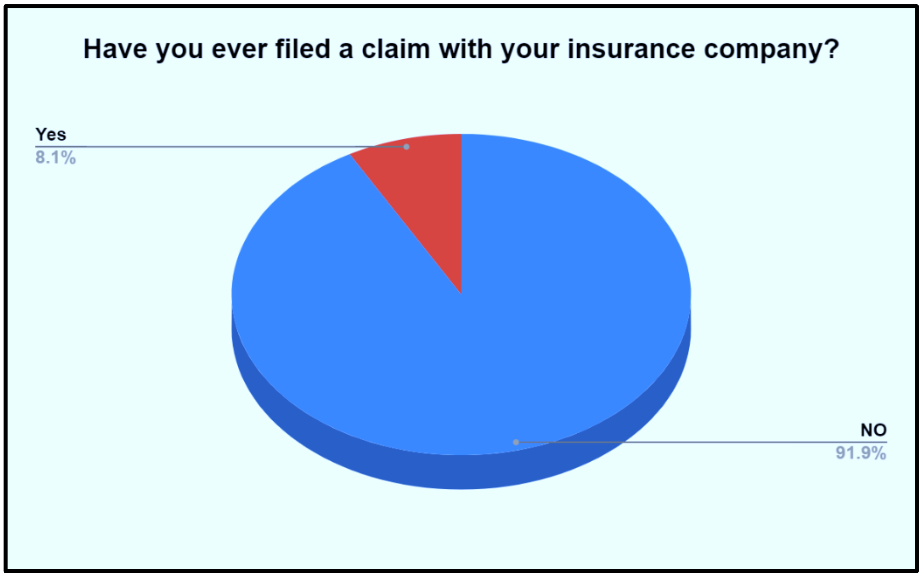
INTERPRETATION : The above data shows that 69.7% people have purchased insurance whereas 30.3% have not bought any insurance.

2. **If yes, what type of insurance did you purchase?**



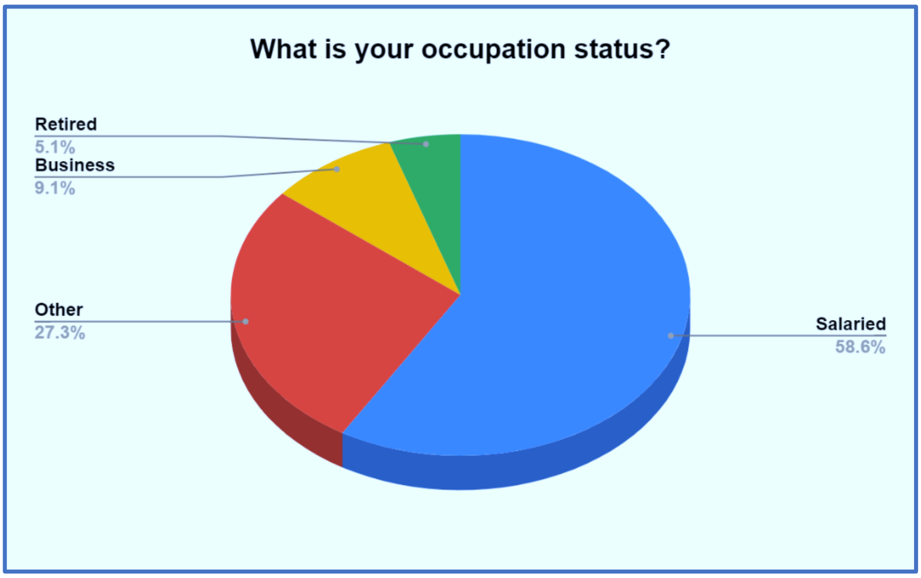
INTERPRETATION : Above data shows that people are more inclined towards health insurance i.e., **60.2%** followed by Life Insurance i.e., **15.7%** after that Car & Home Insurance.

3. **Have you ever filed a claim with your insurance company?**



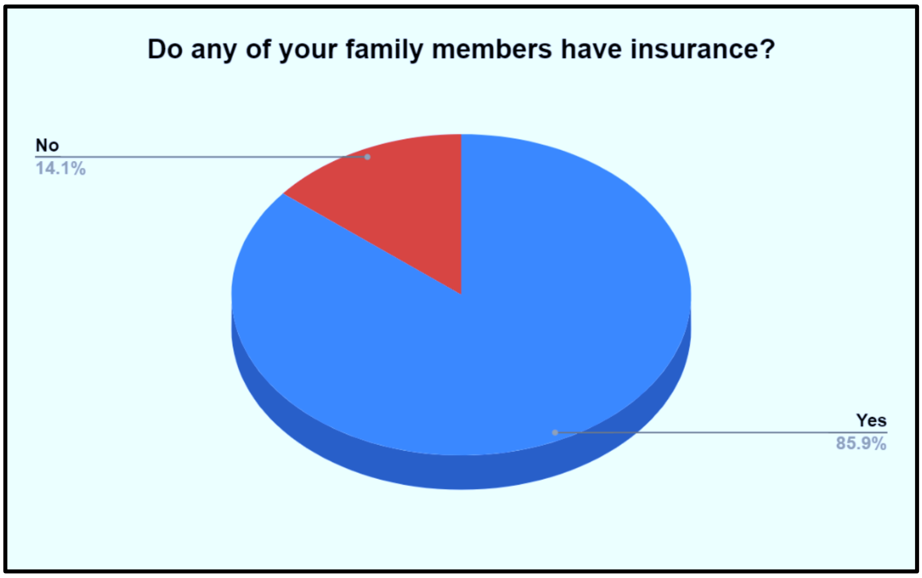
INTERPRETATION : Above graph shows that majority of respondents have not filed any insurance i.e., **91.9%** whereas **8.1%** people have filed the insurance.

4. **What is your occupation status?**



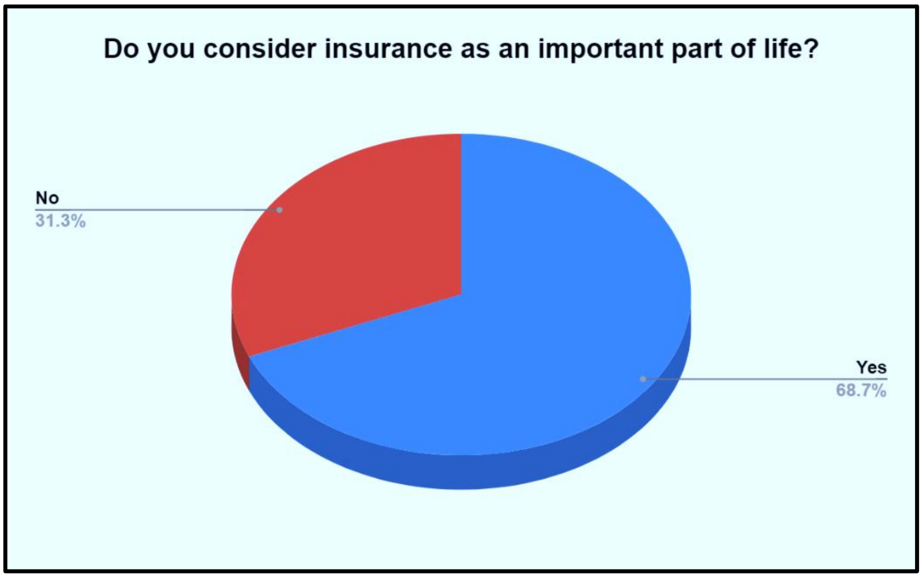
INTERPRETATION: Above graph shows that majority of respondents are salaried i.e., **58.6%, 9.1%** belong to business class, **5.1%** belong to retired class and **27.3%** belongs to other.

5. **Do any of your family members have insurance?**



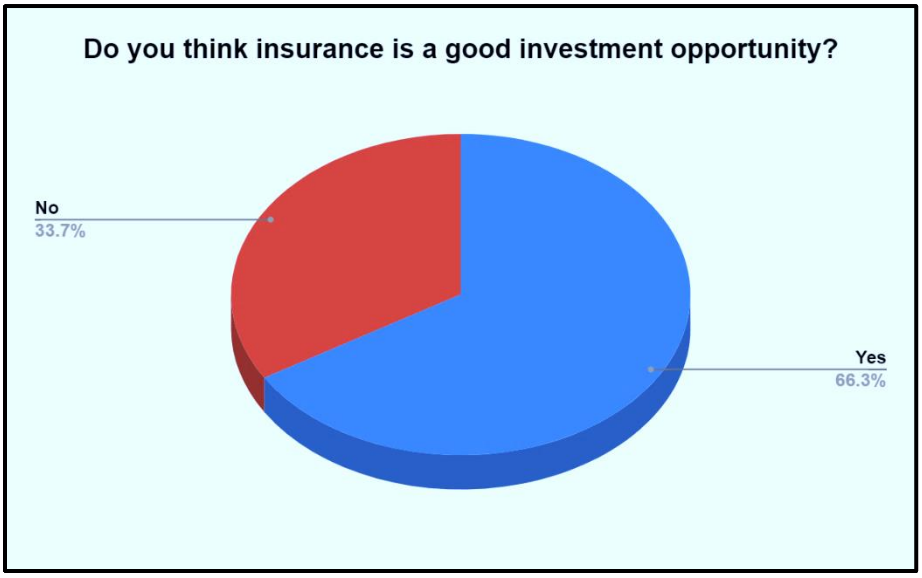
INTERPRETATION : From above graph it is visible that people do go for insurance to safeguard their life. **86%** families have insurance whereas only **14%** are left without Insurance.

6. **Do you consider insurance as an important part of life?**



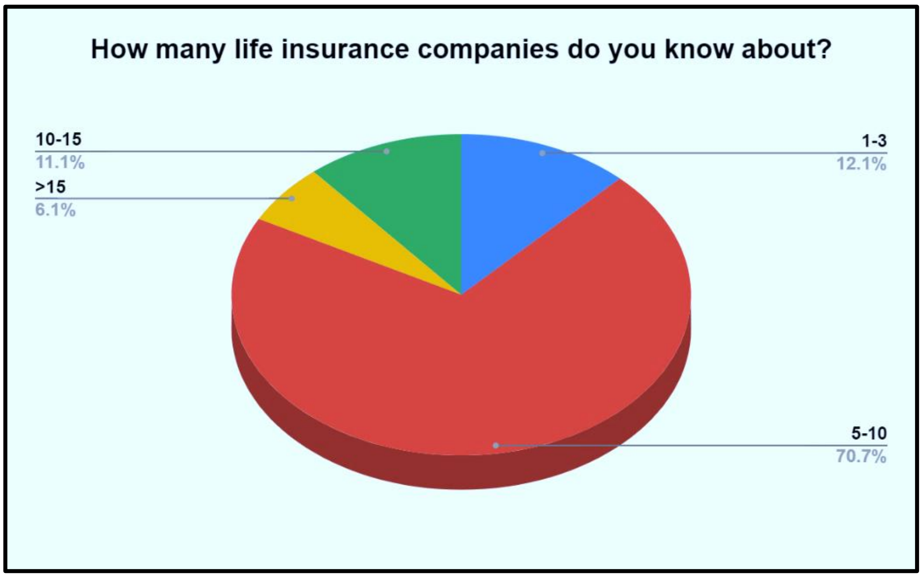
INTERPRETATION : 69% of respondents consider Insurance as important part of their life whereas only **31%** don't consider it important.

7. **Do you think insurance is a good investment opportunity?**



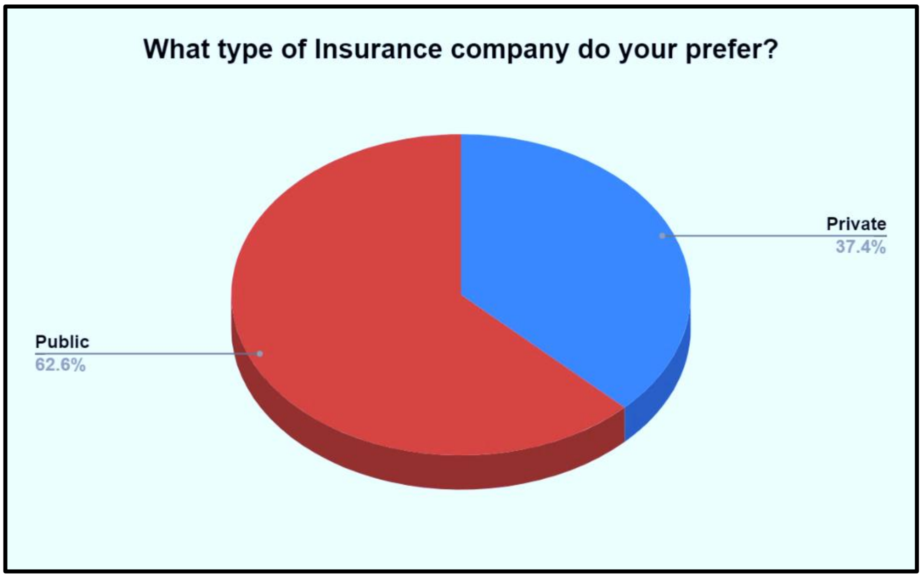
INTERPRETATION : From above graph it is visible that **66%** respondents think that Insurance is a good investment opportunity.

8. **How many life Insurance Companies do you know about?**



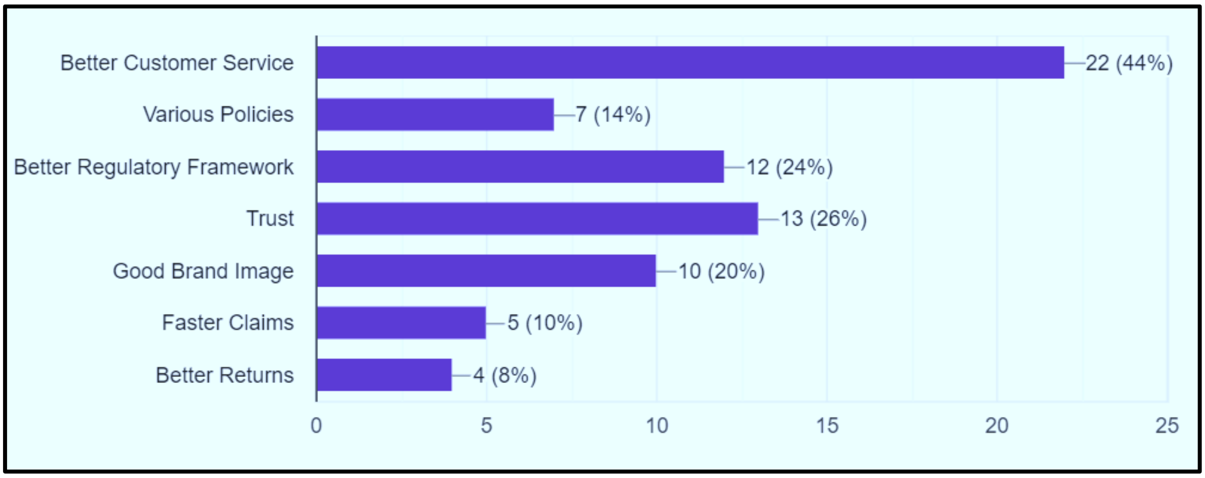
INTERPRETATION : From the above data, we can see that most of the respondents, or 71%, know only 5-10 insurance companies, which explains the lack of information about insurance companies.

9. **What type of Insurance Company do you prefer?**



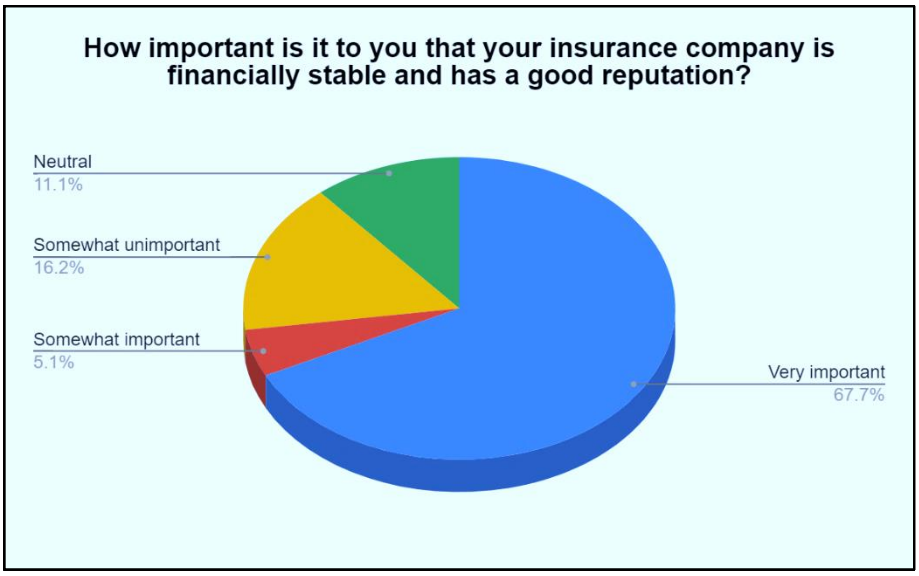
<u>INTERPRETATION</u> : As we all know people are more inclined towards Public sector due to trust in Government. So here we can also see that **63%** of respondents prefer Public Insurance company.

10. **Specify the reason for your above answer**



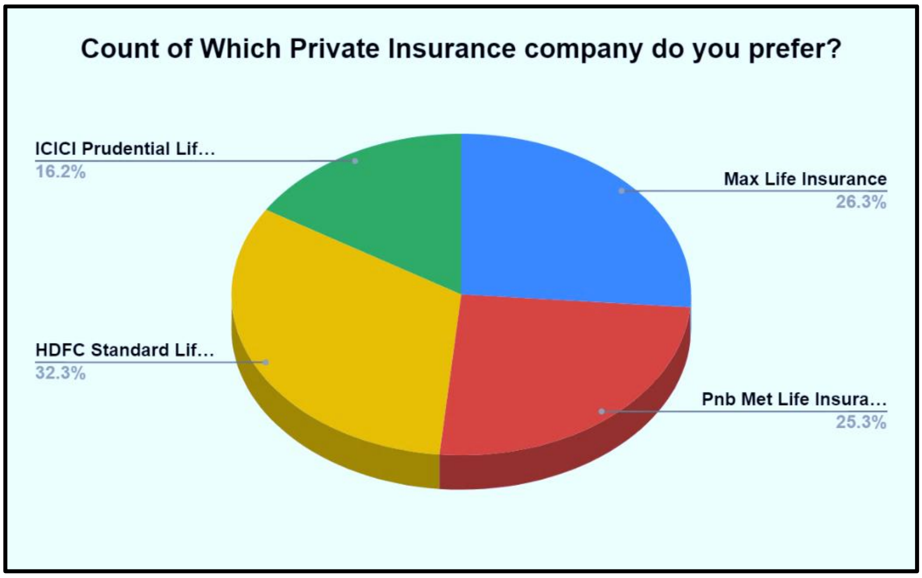
<u>INTERPRETATION</u> : From above Bar Chart it can be seen that **44%** of respondents chose **Public Insurance** due to Better Customer Service and after that they consider Trust as a major factor which build a consumer relationship with any company.

11. How important is it to you that your insurance company is financially stable and has a good reputation?



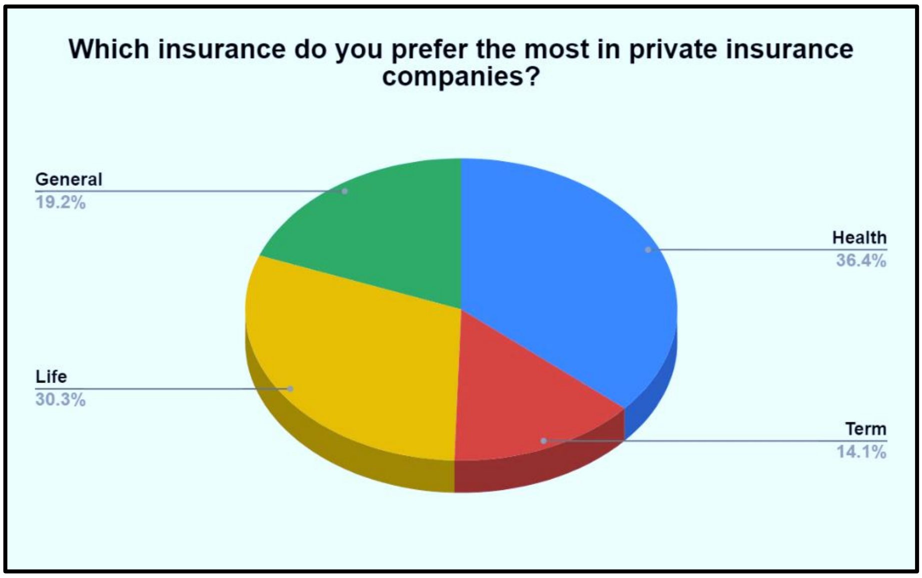
<u>INTERPRETATION</u> : It is clearly visible from graph that **68%** respondents consider financial stability and good reputation as a very important factor.

12. Which Private Insurance company do you prefer?



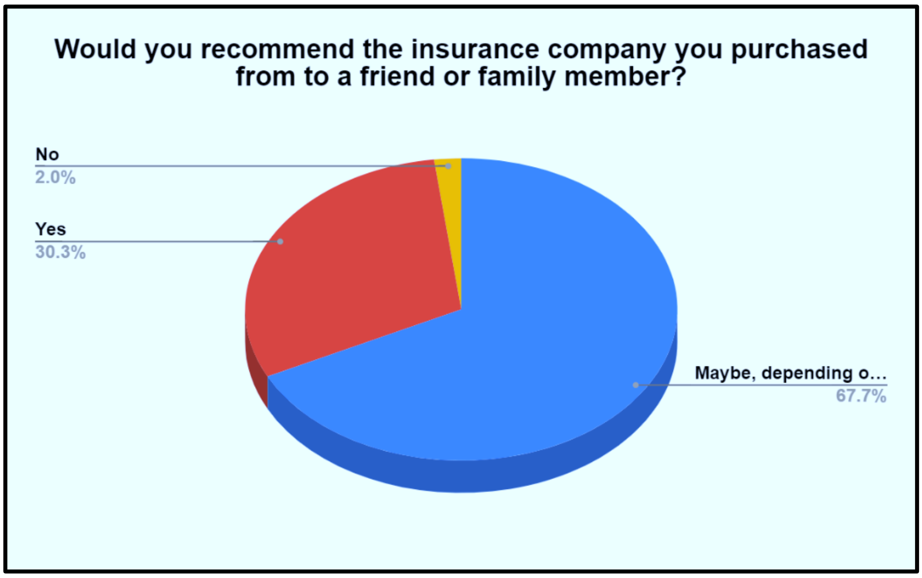
<u>INTERPRETATION</u> : When we asked respondents about which private company they will choose they were happy choosing **HDFC Standard Life Insurance (32%).**

13. Which insurance do you prefer the most in private insurance companies?



INTERPRETATION : As we can see from above graph that people chose Health Insurance i.e., **36.4%** and following this they chose Life Insurance i.e., **30.3%** as after covid every individual is worried about their health, expenses during any illness.

14. Would you recommend the insurance company you purchased from to a friend or family member?



INTERPRETATION : People always suggest any service to another person if they are satisfied with the existing service and this can also be seen in this graph that **68%** people chose to recommend depending on the situation and their experience.

CHAPTER – 6

CONCLUSION

- All secondary data indicates that insurance is very helpful for anyone to avoid any emergency and that it can help people avoid risks or appropriately manage them. In India, there are numerous insurance options available to protect against a variety of dangers to one's life, health, or property, among other things. The fact that there are numerous different insurance companies offering these insurance policies is another thing we learn.
- In order to stay current, we must continually gather data and conduct surveys to gather that data. We analyse the meaning of consumer behaviour and consumer perception and how it changes.
- In order to evaluate consumer perception towards insurance companies and insurance in general, we also look at how and what we discover through our own personal survey of a small sample of people and how they reply to our questions.
- Here are the things we can Interpret through the data collected:-
    1. Not all of the respondents in our sample size have chosen insurance, but the majority of them have one or more family members who have chosen some kind of insurance policy.
    2. We also found that **69%** of respondents found Insurance as an important part of their life.
    3. More than 50% of respondents i.e., **66%** also think that Insurance is a good Investment Opportunity.
    4. Majority of Respondents i.e., **60%** chose Health insurance for them.
    5. Most of the respondents only knew about 5 to 10 insurance companies.
    6. Most of the people opted for public sector of Insurance and when we asked them about which company do they look after they told that they trust in LIC most. As we all know people are more inclined towards Public sector due to trust in Government. So here we saw that **63%** of respondents prefer Public Insurance companies.

RECOMMENDATIONS

- It is advisable to reduce the variability of insurance expenses. A successful insurance company should have few peaks and valleys, low insurance costs, and other expenditures associated with risks.
- An excellent organization should maintain a low Joss ratio. The loss ratio of the company is something that the insurers will check. Businesses having a low loss ratio appeal to insurers.
- Insurance policies should be customizable. Customers should be able to purchase insurance as they become necessary.
- Businesses must offer their clients the appropriate tools. Customers aim to reduce the cost of their premium as much as possible.
- Businesses should give their customers the appropriate tools. Customers prefer to pay as little as possible for their premium.
- The businesses ought to be accessible to their clients when they need them. It's crucial to answer the client's queries and dispel any doubts.
- Make a website that is easier to understand so that clients can quickly grasp all the features and are not confused.

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ANNEXURE – A

PLAGIARISM REPORT

1319_2021-23_Dissertation_Hospital Management-Mansy Bhargava.pdf

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