CONSUMER PERCEPTION TOWARDS INSURANCE COMPANIES

DISSERTATION PRESENTATION

PRESENTED BY

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INTRODUCTION

- 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.
- The benefits of insurance are manifold. For individuals, insurance provides financial protection against unforeseen medical expenses, accidents, property damage, and loss of income. It offers peace of mind and a sense of security, enabling individuals to plan for the future with confidence.

- For businesses, insurance safeguards against various risks, including liability claims, property damage, business interruption, and employee injuries.
- Insurance helps businesses manage risks, maintain financial stability, and ensure continuity in the face of adversities.
- There are various types of insurance available to address different needs and circumstances. Some common types of insurance include:
  1. Life Insurance: Provides financial protection to beneficiaries in the event of the policyholder's death.
  2. Health Insurance: Covers medical expenses, including doctor visits, hospitalization, and medications.
  3. Property Insurance: Protects against damage or loss of property, such as homes, buildings, or personal belongings, due to events like fire, theft, or natural disasters.
  4. Auto Insurance: Offers coverage for damages or injuries resulting from accidents involving vehicles.
  5. Liability Insurance: Protects individuals or businesses from legal liabilities and lawsuits resulting from injuries or damages caused to others.
  6. Business Insurance: Provides coverage for various risks faced by businesses, including property damage, liability claims, and business interruption.

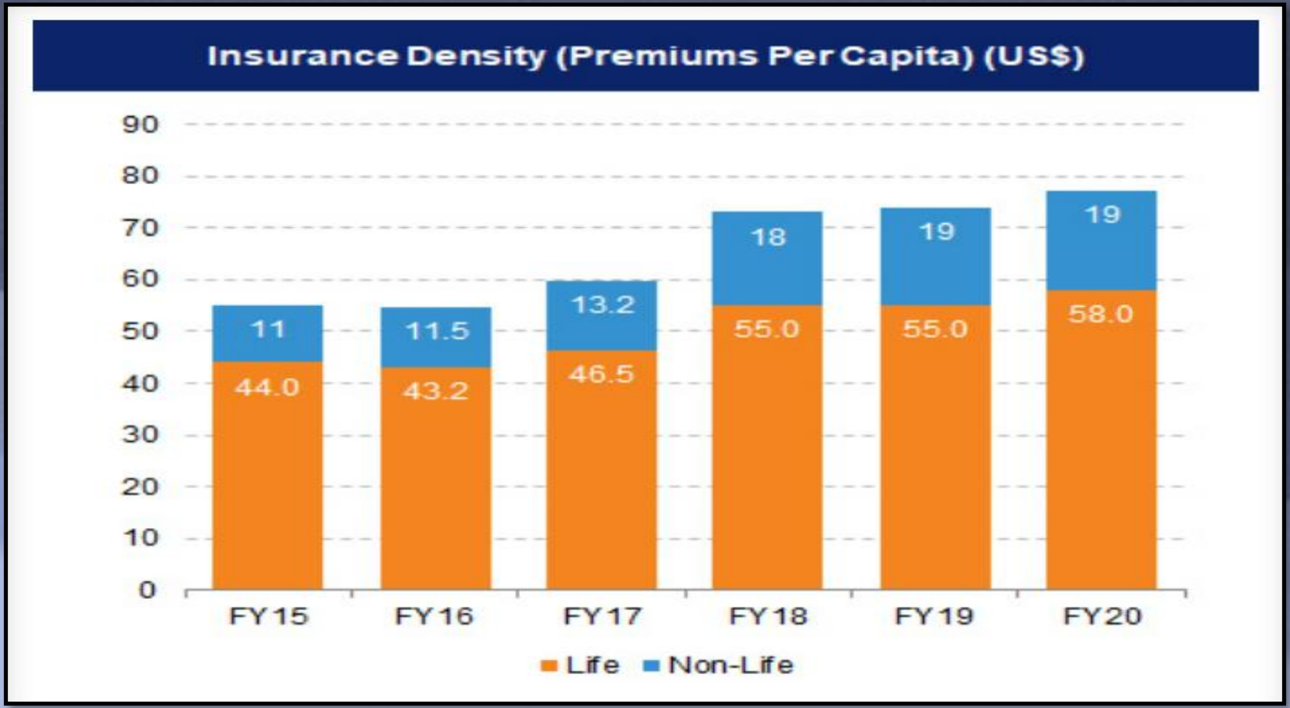
MARKET RESEARCH

- India is the fifth largest life insurance market in the world's emerging insurance markets, growing at a rate of 32-34% each year. In recent years the industry has been experiencing fierce competition among its peers which has led to new and innovative products within the industry.
- 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.

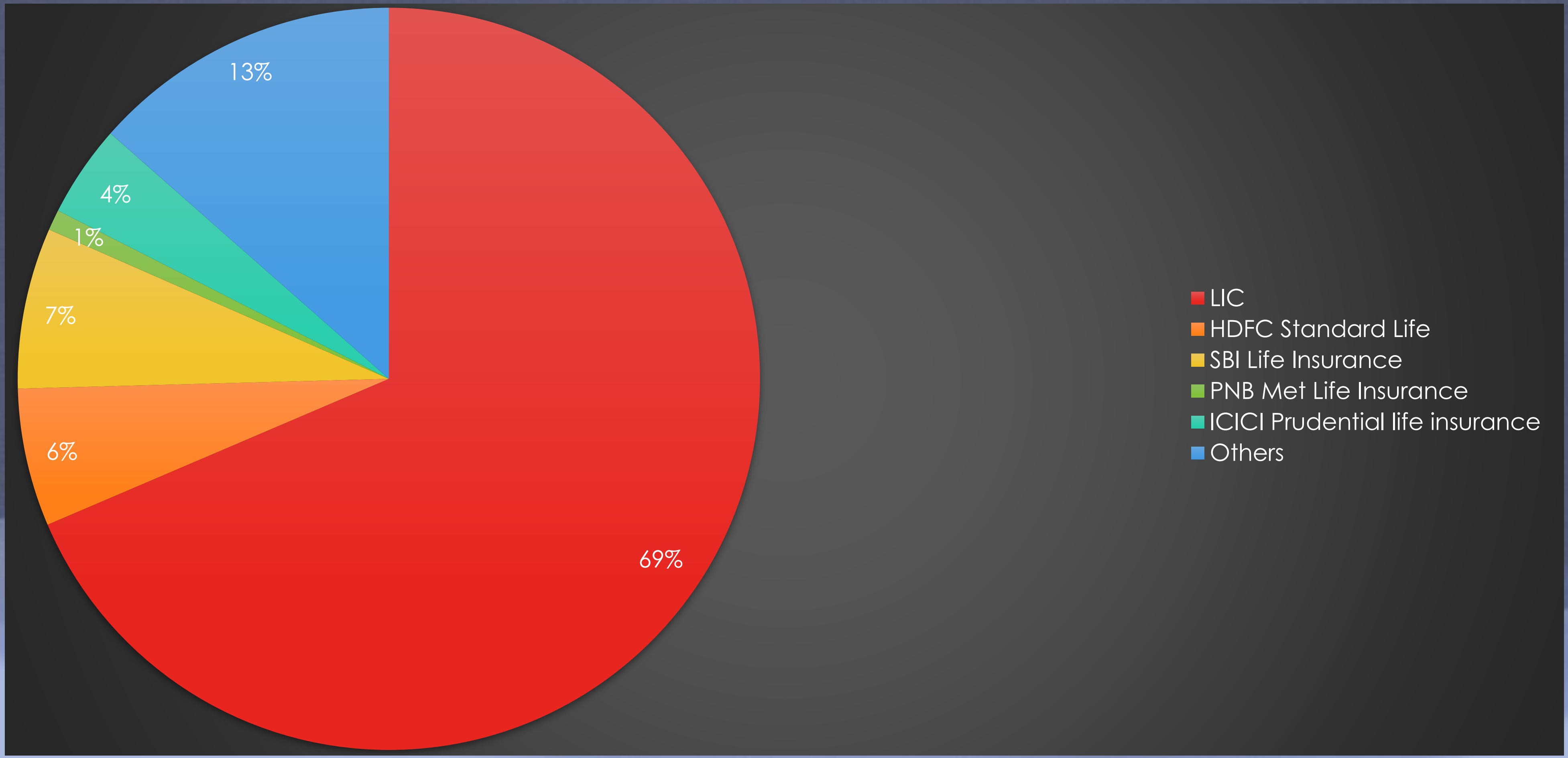
PRIVATE INSURANCE FIRMS WITH CSR

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

- India's insurance market has grown significantly in the past 20 years due to increased engagement from the private sector and enhanced distribution capacities.
- 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. Non-life insurance businesses received gross premiums of Rs. 220,772.07 billion.
- By 2026, 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.



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



LITERATURE REVIEW

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 favorable 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.

METHODOLOGY

RESEARCH QUESTION

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?

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

OBJECTIVES OF THE STUDY

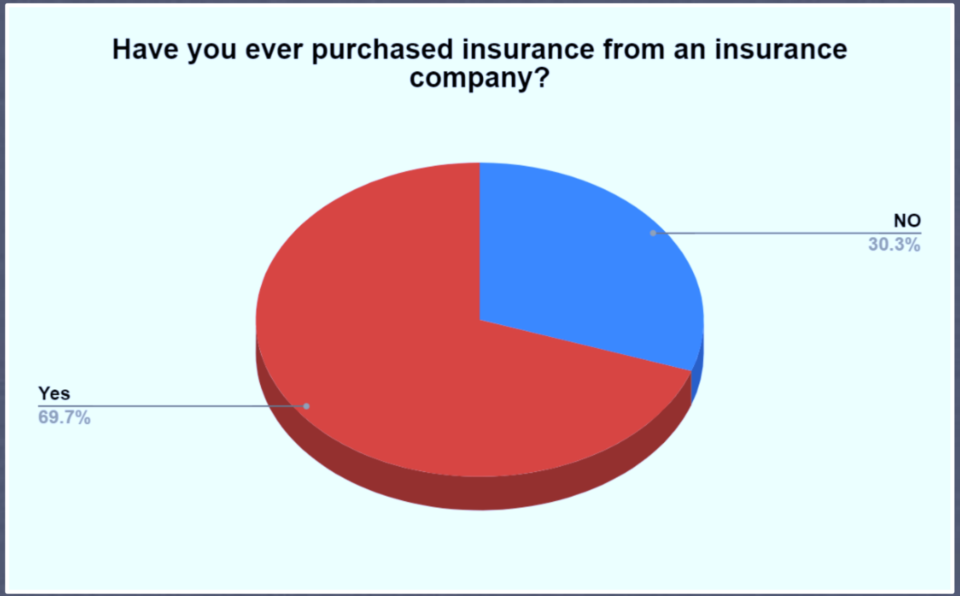
To compare public and private insurance companies .

To Understand how various demographic characteristics affect consumer investment decisions in insurance.

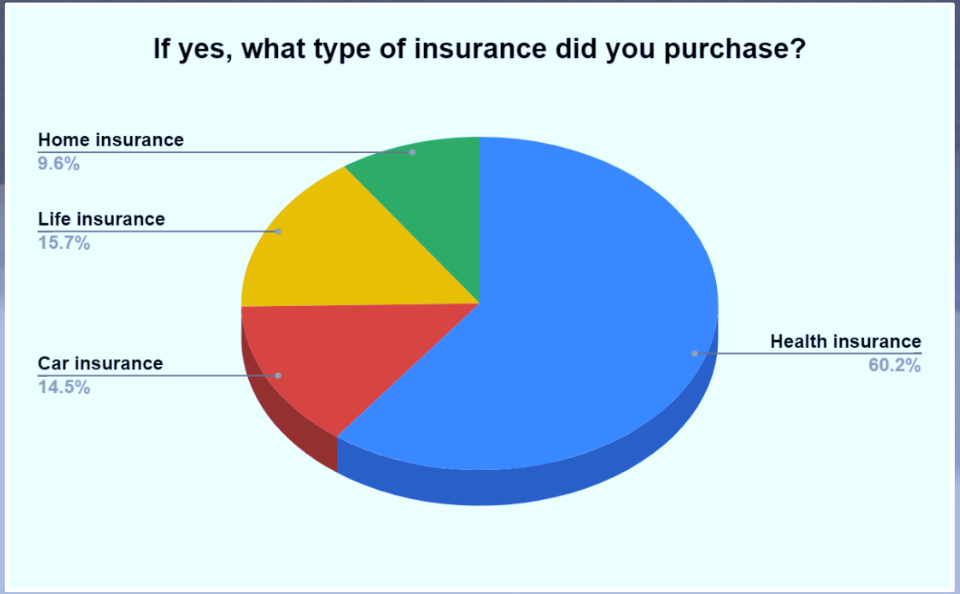
To explore the consumers' attitudes regarding insurance as a form of investment.

To explore the factors impacting customer investment decisions in insurance.

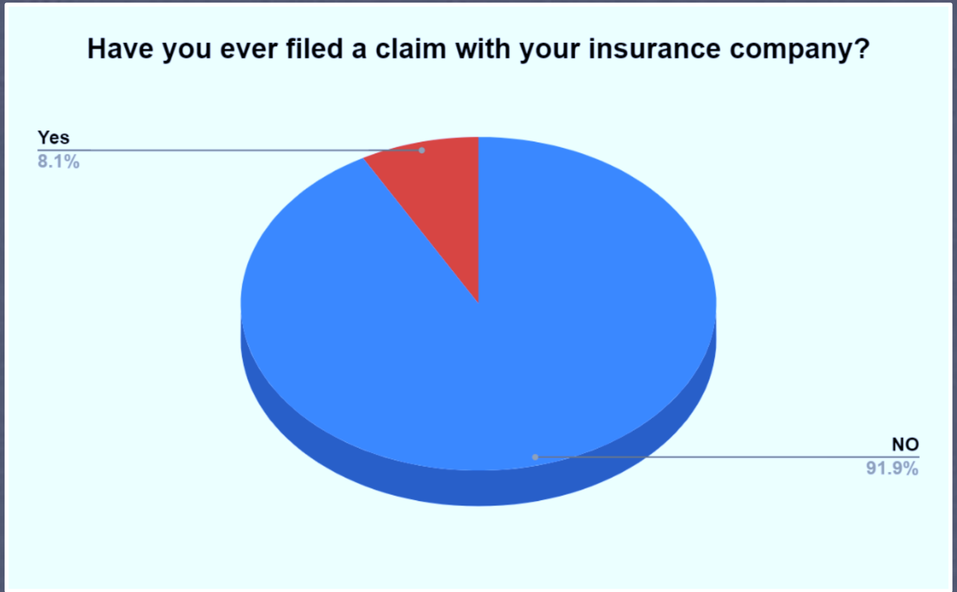
DATA ANALYSIS AND INTERPRETATION



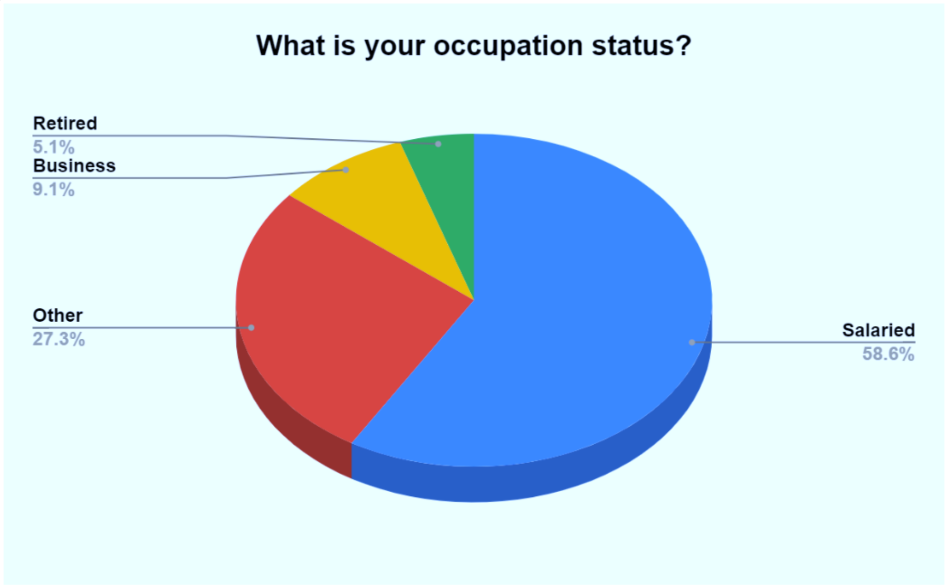
INTERPRETATION : The above data shows that 69.7% people have purchased insurance whereas 30.3% have not bought any insurance.



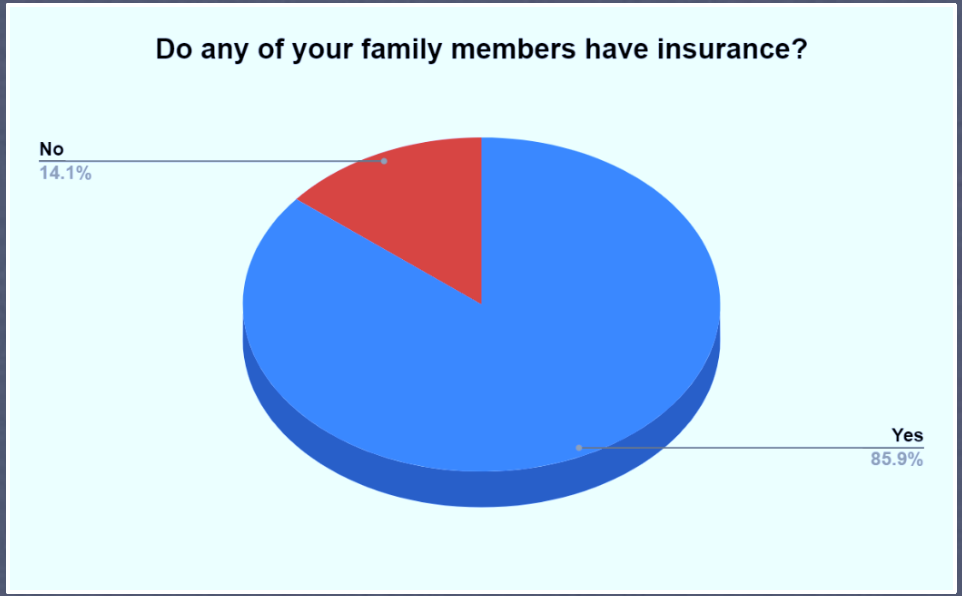
INTERPRETATION : Above data shows that people are more inclined towards health insurance i.e., **60.2%** followed by Life Insurance i.e., **15.7%** after that Car & Home Insurance.



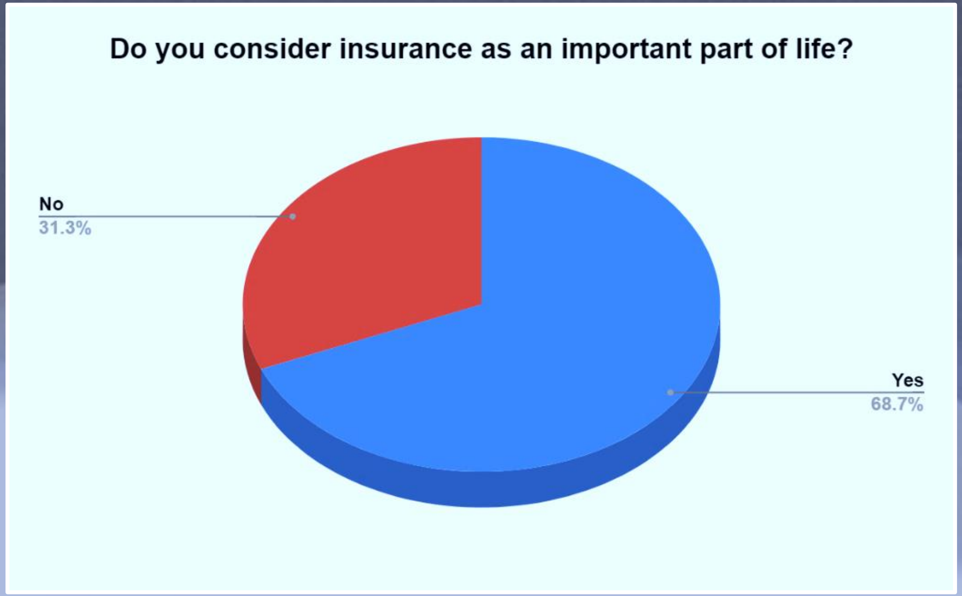
INTERPRETATION : Above graph shows that majority of respondents have not filed any insurance i.e., **91.9%** whereas **8.1%** people have filed the insurance.



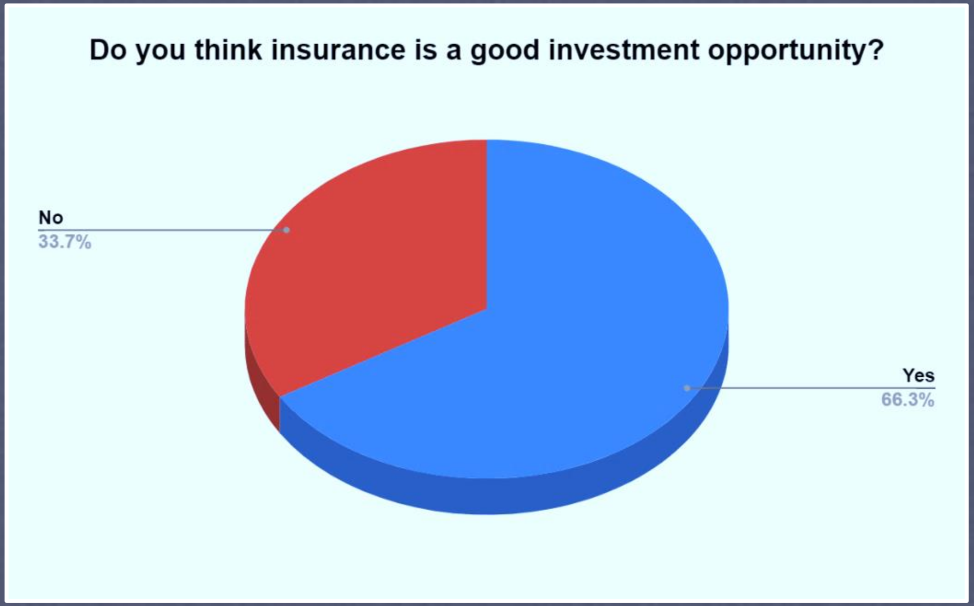
INTERPRETATION: Above graph shows that majority of respondents are salaried i.e., **58.6%, 9.1%** belong to business class, **5.1%** belong to retired class and **27.3%** belongs to other.



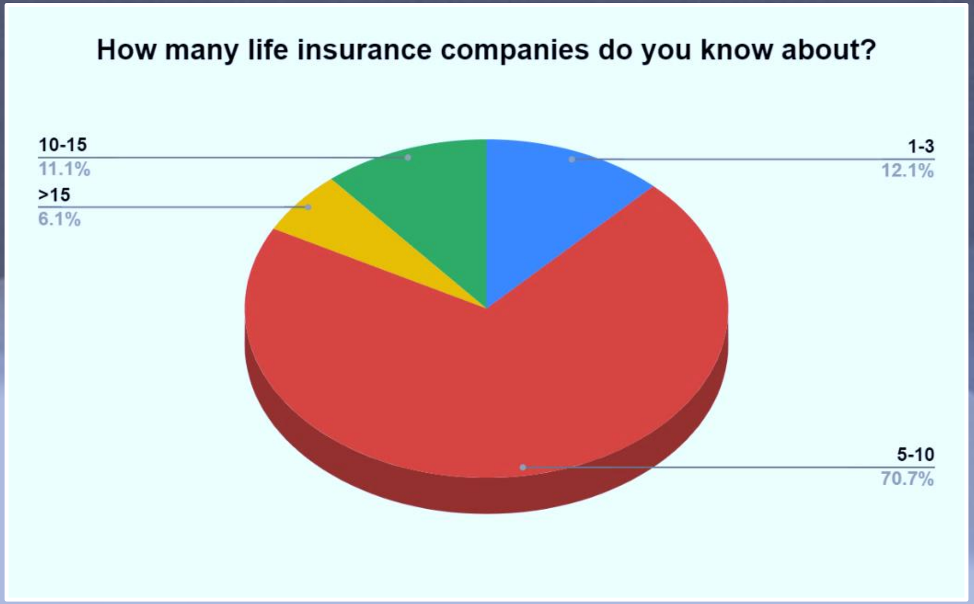
INTERPRETATION **:** From above graph it is visible that people do go for insurance to safeguard their life. **86%** families have insurance whereas only **14%** are left without Insurance.



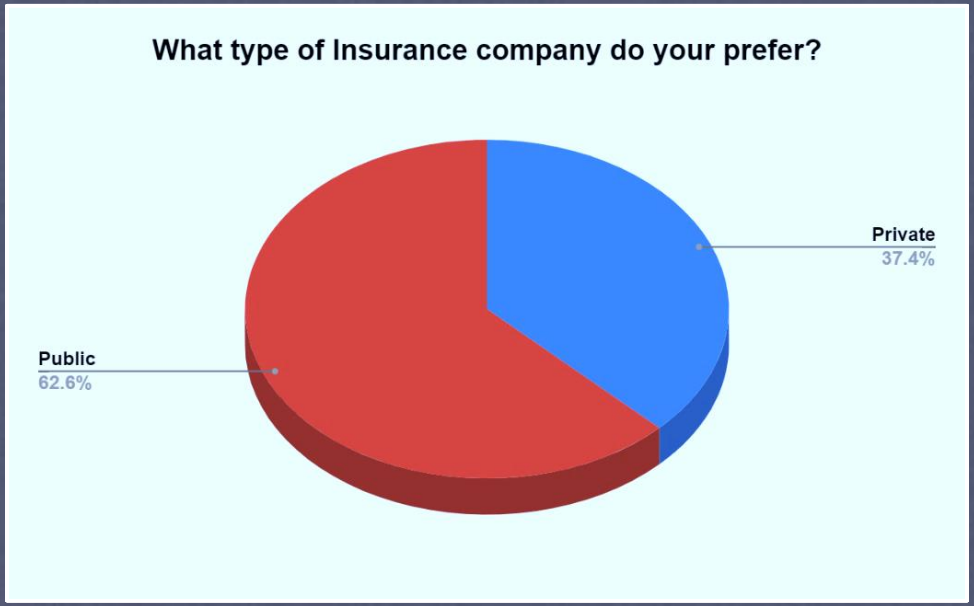
INTERPRETATION **: 69%** of respondents consider Insurance as important part of their life whereas only **31%** don't consider it important.



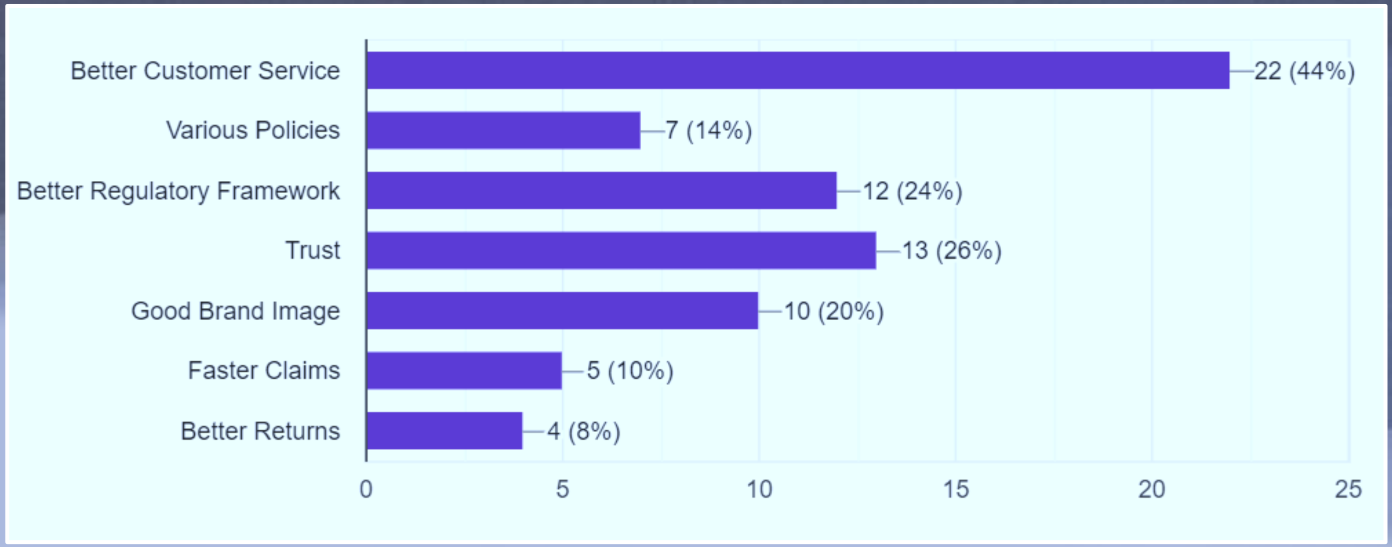
INTERPRETATION : From above graph it is visible that **66%** respondents think that Insurance is a good investment opportunity.



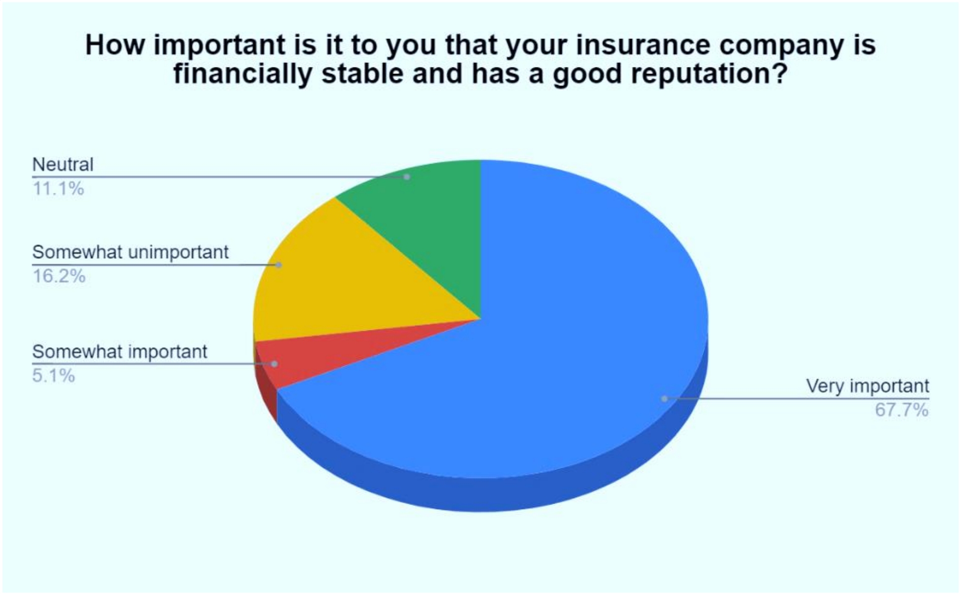
INTERPRETATION : From the above data, we can see that most of the respondents, or 71%, know only 5-10 insurance companies, which explains the lack of information about insurance companies.



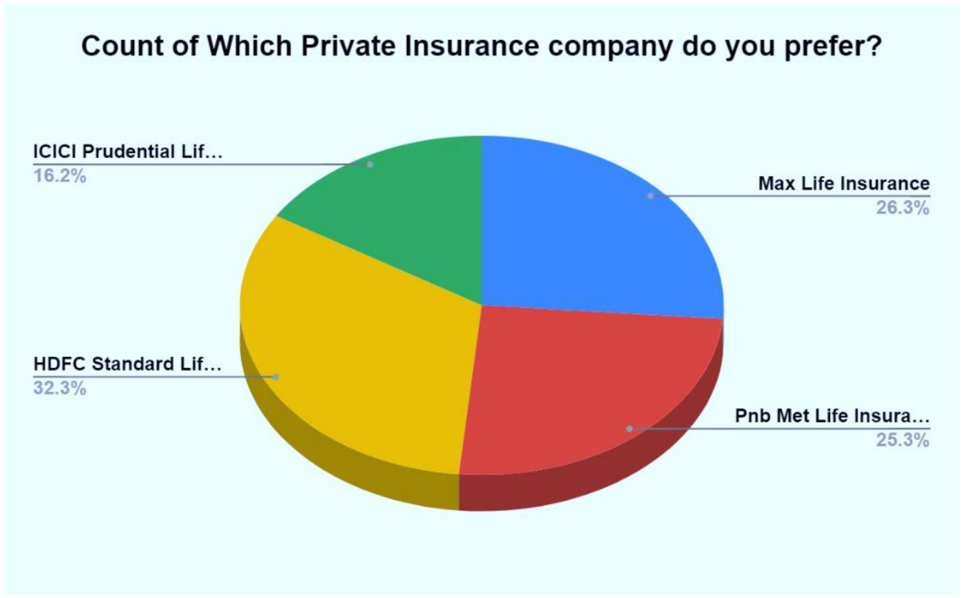
<u>INTERPRETATION</u> : As we all know people are more inclined towards Public sector due to trust in Government. So here we can also see that **63%** of respondents prefer Public Insurance company.



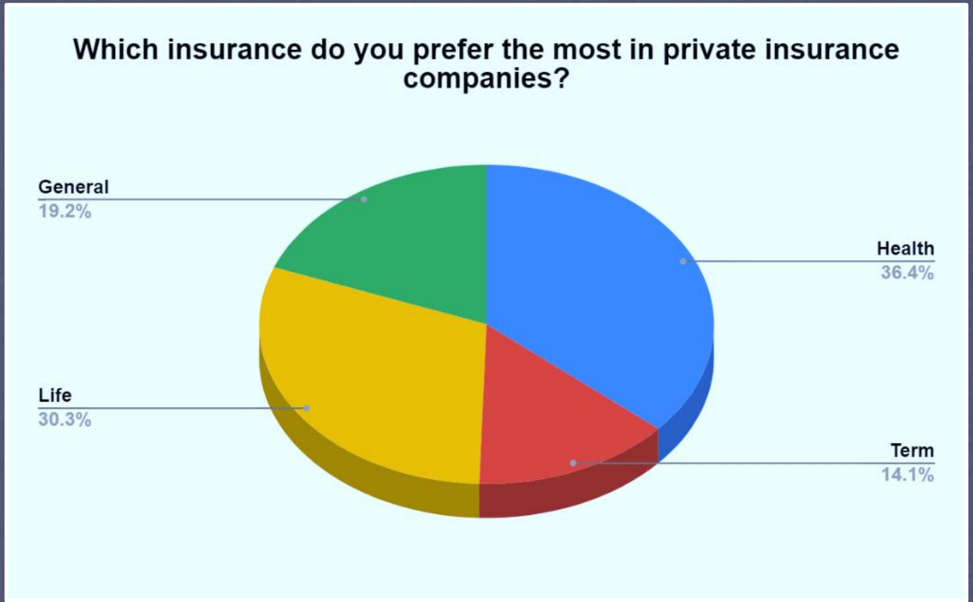
<u>INTERPRETATION</u> : From above Bar Chart it can be seen that **44%** of respondents chose **Public Insurance** due to Better Customer Service and after that they consider Trust as a major factor which build a consumer relationship with any company.



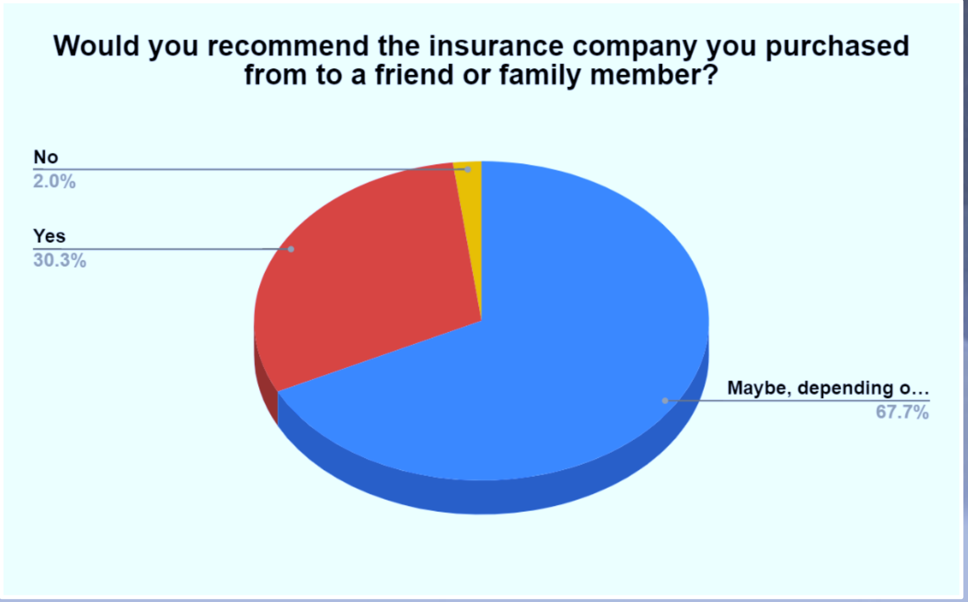
INTERPRETATION : It is clearly visible from graph that **68%** respondents consider financial stability and good reputation as a very important factor.



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



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.



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.

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 analyze the meaning of consumer behavior 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.


Thank You!