

An Analytical Approach to Policyholder Perception and Claim Settlement in Lici

Miss.Soubhagya V Hosamath, ## Dr.Sadashiv O Halasagi

Research Scholar, Rani Channamma University, Belagavi

Research Guide, Rani Channamma University, Belagavi

Submitted: 02-02-2021

Revised: 18-02-2021

Accepted: 22-02-2021

ABSTRACT: The most important service that a life insurance company gives to its policyholders is the claim settlement. Life Insurance Company has to handle claims settlement in a systematic manner with organized procedure and the time required for settlement of claims is done with honesty within the structure of specified rules and regulation of IRDA. The main purpose of investing in a life insurance policy is to make secure the future and risk handling because future is uncertain. Therefore, everyone is ready to invest their savings in life insurance plans. The present study has primary objective of focusing on the customer satisfaction level on claim settlement process of life insurance services of LIC of India on Maturity claim. In these study Descriptive calculations with M- estimators are applied to check the veracity of data given by policyholders. The paper focused on actual age of the policyholders with respect to the area and sex. The collected data has been classified and obtained a frequency and percentage distribution based on demographic factors and sex was done through primary data using questionnaire method, observations and interviews by 500 policyholders.

Key words : Life Insurance Policy – Policyholders –satisfaction - maturity claim.

I. INTRODUCTION :

Life insurance corporation of India is one of the leading financial sector. Insurance service is collaborative tool of providing losses, protecting an individual/his family by making huge amount of nominal expenditure to secure them against heavy loss and for future life. Life insurance contract may be defined as the contract, whereby the insurer in consideration of a premium undertaken to pay a certain sum of money either on the death of the insured or on the expiry of a fixed period. An insurance claim is nothing but it is the formal request made by a policyholder to an insurance company for compensation of life insurance plan covered. The investigation of

policyholders/claimants of LIC in of different aged in the rural and urban area of Belgaum district of Karnataka state is dealt by researchers. In this paper, descriptive techniques with M- estimators are applied for actual age of the policyholders with respect to the area and sex. The collected data has been classified and obtained a frequency and percentage distribution basing on demographic factors and sex. The mean, median, standard deviation and skewness were tested by using descriptive and M- Estimators.

II. REVIEW OF LITERATURE :

Crocker and Tennyson (2002): Examines the optimal claim settlement strategy for a liability insurer when claimants can permanently. This represents their losses by engaging in costly claim falsification. It shows that optimal indemnification profile involves systematic underpayment of claims at the margin as a means to deter loss exaggeration.

Wondon Lee Ph.D. Korea (Aug 2005): ‘Costly State Verification By A Claimant’ – in this paper insurance claiming environment of a risk neutral claimant and insurer is considered on the contrary to the usual state verification model and costly state falsification model and actual magnitude of a loss is private information to the insurer and the claimant can be observe the loss only by incurring a cost. The insurer’s systematic underpayment phenomenon is explained.

Fola Daniell (3 Jan 2013): ‘Prompt Claim Settlement, the Best Advert for Insurance Firms Commissioner for Insurance’ Mr. Fola Daniel, in this interview with Festus Akanbi, says any insurance company that still indulges in delayed claim settlement and associated vices will be digging its grave, insisting prompt settlement of claims is the best advertisement for insurance firms

III. RESEARCH METHODOLOGY:

This study was conducted at Belgaum district. The primary data was collected from the policyholders. The study was conducted on claim settlement procedure on maturity claim and satisfaction level sample of respondents at Belgaum district. A structured questionnaire was designed to collect the primary data. The questionnaire was developed by identifying the variables based on literature review and the objective of the study. Primary data was collected through questionnaire, observation and interviews. The uni-variate and bi-variate data analysis was presented for the descriptive statistical data, which is the simple and best way to present numeric percentage. The significance of equality of means and variance of demographic factors area, sex of the respondents by using case summary and

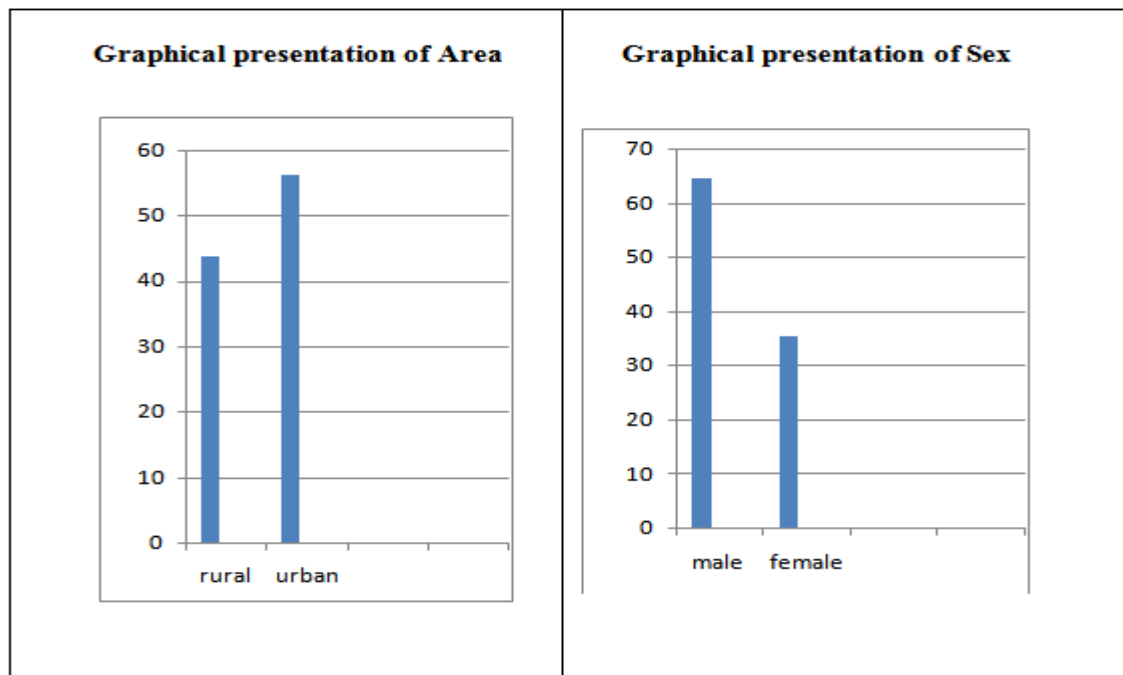
descriptive method. Further data is explored statistics with computed M-estimators to assess normality of numeric scale variable with special inferential statistics and detailed diagnostic plots.

IV. PRELIMINARY ANALYSIS OF CLASSIFIED DATA :

The classified data was collected from various policyholders and analyzed by the researchers. The frequency and percentage of policyholders are 500 claimants with various insurance policy plans with respect to area wise and with respect to gender wise of the policyholders. Frequency and percentage distribution of area and sex of life insurance of the policyholders is presented in the following table.

Table 4.1: Allocation of Respondents by Demographical Characteristics

Area	Frequency	No of claimants (%)	Sex	Frequency	Number of claimants (%)
Rural	219	43.8%	Male	323	64.6%
Urban	281	56.2%	Female	177	35.4%
Total	500	100%	Total	500	100%



4.1 a) With respect to Area : Case Processing Summary

area	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Rural	219	100.0%	0	0.0%	219	100.0%
Urban	281	100.0%	0	0.0%	281	100.0%

Descriptive analysis :				
Area			Statistic	Std. Error
Rural	Mean		29.84	.220
	95% Confidence Interval for Mean	Lower Bound	29.40	
		Upper Bound	30.27	
	5% Trimmed Mean		29.80	
	Median		30.00	
	Variance		10.569	
	Std. Deviation		3.251	
	Minimum		22	
	Maximum		39	
	Range		17	
	Interquartile Range		5	
	Skewness		.143	.164
	Kurtosis		-.382	.327
Urban	Mean		29.36	.205
	95% Confidence Interval for Mean	Lower Bound	28.95	
		Upper Bound	29.76	
	5% Trimmed Mean		29.35	
	Median		29.00	
	Variance		11.859	
	Std. Deviation		3.444	
	Minimum		22	
	Maximum		39	
	Range		17	
	Interquartile Range		5	
	Skewness		.079	.145
	Kurtosis		-.530	.290

M-Estimators

Area	Huber's M-Estimator ^a	Tukey's Biweight ^b	Hampel's M-Estimator ^c	Andrews' Wave ^d
Rural	29.86	29.77	29.79	29.77
Urban	29.31	29.30	29.33	29.30

From the above table it reveals that the actual mean of rural policyholder is 29.84, Standard deviation is 8.73 and median is 30, where the actual mean of urban policyholder is mean 29.36 years, standard deviation is 3.44 and median is 29. The mean and Standard deviation of urban area policyholder is less than the mean and standard deviation of rural area policyholders.

Further for mean of rural area policyholders skewness is 0.143, which shows (slightly right skewed) less variation in the actual of policyholders from their median. For the mean of urban area of policyholders skewness is 0.79, which shows (slightly right skewed) more variation in the actual area of policyholders from their median.

4.1 b) With respect to Sex: Case Processing Summary

Sex	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Male	323	100.0%	0	0.0%	323	100.0%
Female	177	100.0%	0	0.0%	177	100.0%

Descriptive analysis :				
sex			Statistic	Std. Error
Male	Mean		29.66	.189
	95% Confidence Interval for Mean	Lower Bound	29.29	
		Upper Bound	30.03	
	5% Trimmed Mean		29.64	
	Median		30.00	
	Variance		11.535	
	Std. Deviation		3.396	
	Minimum		22	
	Maximum		39	
	Range		17	
	Interquartile Range		5	
	Skewness		.077	.136
	Kurtosis		-.400	.271
Female	Mean		29.39	.249
	95% Confidence Interval for Mean	Lower Bound	28.90	
		Upper Bound	29.88	
	5% Trimmed Mean		29.38	
	Median		29.00	

Variance	10.966	
Std. Deviation	3.312	
Minimum	22	
Maximum	37	
Range	15	
Interquartile Range	5	
Skewness	.112	.183
Kurtosis	-.571	.363

M-Estimators

Sex	Huber's Estimator ^a	M-Tukey's Biweight ^b	Hampel's Estimator ^c	M-Andrews' Wave ^d
Male	29.72	29.70	29.68	29.70
Female	29.25	29.13	29.27	29.13

From the above table it reveals that the actual mean of rural policyholder is 29.66, Standard deviation is 3.396 and median is 30, where the actual mean of urban policyholder is mean 29.39 years, standard deviation is 3.312 and median is 29. The mean and Standard deviation of urban area policyholder is less than the mean and standard deviation of rural area policyholders.

Further for mean of rural area policyholders skewness is 0.77, which shows (slightly right skewed) less variation in the actual of policyholders from their median. For the mean of urban area of policyholders skewness is 0.112, which shows (slightly right skewed) more variation in the actual area of policyholders from their median.

V. CONCLUSION:

The data were analyzed speak that there is normality in equality of Means, Median, Standard deviation and Skewness with respect to Area and Sex and its Skewness shows 0.143 and 0.77 respectively for the two factors which shows less variation in the policyholders from their Median.

The research findings reveal that the factors like Area and Sex are influence the satisfaction level of policyholders mainly on for investment on life insurance.

REFERENCES :

- [1]. Hewitt, A. (2006). Claims Club Meeting. London, United Kingdom: Post Magazine.
- [2]. Holyoake, J. & Weipers, B. (2002). Insurance. A.I.T.B.S. Publishers and Distributers: New Delhi.
- [3]. Kalani, M., Salunkhe, H. A., & Ahirrao, M. B. (2013). Comparative study of claim settlement ratio of LIC with other insurance companies in India, Indian Journal of Applied Research, 3 (5), 389-391.
- [4]. N dubuishi, M. O. (2008). Management of Insurance Business in Nigeria, retrieved on 23/02/2010 from: <http://findarticles.com/p/articles/>
- [5]. Neuman, W. L. (2007). Social research methods 'qualitative and quantitative approaches'. Delhi: Pearson Education.



**International Journal of Advances in
Engineering and Management**

ISSN: 2395-5252



IJAEM

Volume: 03

Issue: 02

DOI: 10.35629/5252

www.ijaem.net

Email id: ijaem.paper@gmail.com