
**A STUDY ON PERSONAL ACCIDENT INSURANCE SERVICE WITH
SPECIAL REFERENCE TO UNITED INDIA INSURANCE COMPANY
LIMITED IN VIRUDHUNAGAR DISTRICT**

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Abstract : Every risk involves the loss of one kind or the other. The function of insurance is to spread the loss over a large number of persons who have agreed to co-operative with each other at the time of loss. The risk cannot be averted but loss occurring due to certain.

Risk can be distributed amongst the agreed persons. They have to share the loss because the chances of loss, i.e., the time and amount payables to a person are not known. Any of them may suffer loss due to given risk, so, the rest of the persons who have agreed will share the loss. In fact, the loss is shared by them by payment of premium which is calculated on the probability of loss. In olden times the contribution by the persons was made at the time of loss. However, now that this activity is organized, the insurance companies collect the contributions in the form of premium even at the stage of agreeing to share the loss. The insurance is also defined as a social device to accumulate funds to meet the uncertain losses arising through a certain risk to a persons insured against the risk. The paper analyse that how the United Insurance Company is fulfilling the needs of the public through accidental insurance schemes.

Introduction : Insurance is defined as the simple mechanism of some people who are exposed to the same level of risks of suffering destruction of damage to their properties, that are the likely to be caused by perils like accident, fire, floods, earthquakes, etc., coming together and agreeing to share the loss sustained any one of the members” that is, the loss of one or more members is spread among all. Risk is uncertainty of a financial loss. It should not be confused with the chance of loss which is the probable number of losses out of a given number of exposures. It should not be confused with peril which is defined as the cause of loss or with hazard which is a condition that may increase the chance of loss. Finally, risk must not be confused with loss itself which is the unintentional decline in or disappearance of value arising form a contingency. Wherever there is uncertainty with respect to a probable loss there is risk. Every risk involves the loss of one kind or the other. The function of insurance is to spread the loss over a large number of persons who have agreed to co-operative with each other at the time of loss. The risk cannot be averted but loss occurring due to certain Risk can be distributed amongst the agreed persons. They have to share the loss because the chances of loss, i.e., the time and amount payables to a person are not known. Any of them may suffer loss due to given risk, so, the rest of the persons who have agreed will share the loss. In fact, the loss is shared by them by payment of premium which is calculated on the probability of loss. In olden times the contribution by the persons was made at the time of loss. However, now that this activity is organized,

the insurance companies collect the contributions in the form of premium even at the stage of agreeing to share the loss. The insurance is also defined as a social device to accumulate funds to meet the uncertain losses arising through a certain risk to a persons insured against the risk.

Need for the study : In our country, the general insurance companies, part of financial sector, are expected to show profits, though they are service oriented organizations. The days are gone, when the general insurance companies were set up with an exclusive motto of service instead of profit. The recent economic reforms urge the general insurance companies to introduce various accident insurance schemes in order to make profits by directing the schemes at target group of customers. The need for development of accident insurance is thus once again recognized and it will now be possible to introduce a variety of need based accident insurance schemes in our own market, similar to those in the overseas markets. This study will help the United Insurance Company to analyze its performance and to the corrective measures in the sphere of personnel accident insurance.

Statement of the Problem : Life Insurance Corporation has nearly eighty products, but investor knows only about a handful of them. That is because the agents of LIC push policies with the highest premium to pocket a higher commission. The same is the case with general insurance companies offering general insurance products- like medical, housing, motor and industrial insurance – have more than 150 products to sell. But awareness of the public about these products is even lower than about life insurance policies. May be, it is because general insurance companies lack the required marketing skills. The insurance sector in India has come a full circle form being open competitive market nationalization and back to a liberalized market again. Private companies with a minimum paid up capital of Rs.1 billion should be allowed to enter the industry. No company is allowed to deal in both life and general insurance through a single entity. Foreign companies are allowed to enter the industry in collaboration with domestic companies. Postal life insurance is allowed to operate in the rural market.

Objectives of the Study : The main objectives of the study are:

1. To study the factors influencing the policy holders
2. To study the importance of personal accident insurance
3. To study the problems faced by the policy holders with the insurer.
4. To suggest effective marketing strategies for the insurer.

Methodology : The reliability and validity of research depends upon the systematic methodology adopted for collecting relevant data and upon the meaningful analysis of the data collected.

Sample : The study used both primary as well as secondary data. The primary data were collected based on sampling method. For this purpose 150 sample respondents were selected randomly from the list of policy holders maintained by the United India Insurance Company Ltd, Virudhunagar branch.

Data collection : To collect primary data from the 150 respondents a well structured interview schedule was prepared with the help of experts in the field

and faculty guide. First hand information was collected from the selected sample respondents through field survey method. For this purpose the researcher established good rapport with respondents and contacted everyone personally. This shows the researcher's interest as well as the style of motivation to obtain the data from the sample respondents. A pilot study was conducted to check the wording format and sequence of the interview schedule. Necessary modification was made based on the experience gained while conducting the pilot study.

Data analysis and tools used : The data was thus collected from the sample respondents were arranged in the simple tabular forms. Statistical tools like percentage, average, range, S.D. Two-way table and chi-square test were employed appropriately. Henry Garret ranking method was also used to ascertain the reasons for selecting and purchasing insurance policies and the Problems faced by the respondents.

Data analysis and Interpretation : They say, data are only some figures, if they are not logically analyzed, and some meaningful interpretations are made. Hence the researcher has endeavored to analyze some important data and to arrive at some conclusions. The data thus analyzed in the ensuing pages using tabular forms and statistical tools from this chapter. The table-1 shows that 86 percentages of the respondents were aware of personal accident insurance policy. On the other hand 14 percentages of the respondents were not aware of personal insurance policy. Thus from the table we can conclude that most of the respondents know what is personal accident insurance policy. Table No.2 clearly reveals the concern of the respondents for protection against personal accidents and health hazards, as nearly 87 percent of the respondents have purchased insurance cover against their uncertainty, 47.5 percent going in for individual personal accident policy and 16.3 percent for Janatha personal accident policy. Next comes mediclaim policy with a share of 24.7 percent. The other types like group personal accident policy and insurance policy for women and children are availed by around 13 percent of the respondents. From the above table, we can come to the conclusion that most of the people purchase insurance covers to have some security for them and their dependents, as 49.3 percent of the respondents have had this mind while purchasing insurance policies. The purpose of availing insurance covers in the case of 29.3 percent of the respondents concern for meeting family needs has motivated 12.7 percent of the respondents and concern for risks, which are unforeseen, has motivated 8.7 percent of the respondents to go in for insurance.

Age of Policy holders and Level of Satisfaction : Age is an important factor in decision making on any issue, particularly on personal accident insurance policy. In this analysis, we have made three categories. These categories are Young (Below 30 Years), middle aged (31-40 years) aged Elderly (above 41 years). The sample consists of 46 respondents (30.7 percent) in the first group, 55 respondents (36.7% percent) in the second and 49 (32.6 percent) in the third group. Thus, it is concluded that the middle aged respondents it could be seen the respondents who one middle aged and who are elderly constitute nearly two thirds of the total respondents. The level of satisfaction perceived by the middle aged respondents

ranged between 23 and 41 with an average of 34.44% that of the elderly ranged between 24 and 44 with an average of 32.6% and that of the young between 16 and 38 and the average worked out to the highest level of satisfaction is perceived by the middle aged respondents and the other two age groups following this level closely.

Age of policy holders and Level of Satisfaction (Two Way Table) : With a view to find the degree of association between age and level of satisfaction in utilizing personal accident insurance service, a two - way table was prepared and the analysis is presented below : It is found from the Table No.6 that the percentage of high level of satisfaction in utilizing insurance service was the highest at 46.3 among the middle aged respondents and the lowest at 20.2 among the young respondents. The percentage of medium level of satisfaction in utilizing insurance service was the highest at 40.0 among the elderly respondents and the lowest at 22.2 among the middle aged respondents. On other hand, the percentage of low level of satisfaction in utilizing insurance service was the highest at 52.0 among the young respondents and the lowest at 16.0 among the old aged respondents.

Sex of the policyholders and level of satisfaction : It is identified from table 7 that the maximum level of satisfaction in utilization insurance service was recorded among the men respondents and it ranged between 16 and 44 with an average of 34.13, whereas women respondents level of satisfaction in utilizing the insurance service ranged between 21 and 38 with an average of 30.79. Thus the table shows that the maximum level of satisfaction in utilizing insurance service was perceived by the men respondents in the study of the area.

Sex of the policyholders and level of satisfaction (Two Way Table) : With a view to find the degree of association between the sex of the respondents and their level of satisfaction in utilizing insurance services, a two way table was prepared and is shown in the following table.

The two way table reveals that is all the three levels of satisfaction, namely, high, medium and low, the highest level of satisfaction in utilizing insurance was seen among the men respondents at 93.8, 95.6 and 72 respectively. On the other hand, women respondents perceived lowest level of satisfaction in all the three levels at 6.3, 4.4 and 28 respectively.

Sex of the policyholders and level of satisfaction (Chi- Square Test) : To find the relationship between the sex of respondents and the level of satisfaction, a Chi-Square test was administered and the result of the test is shown in the following table; it could be seen from Table No.9 that the calculated Chi-square value is greater than the table value and the result is significant at 5% levels. Hence, the hypothesis "Sex and level of satisfaction in utilizing insurance service are associated" holds goods. It is found from the analysis that there is the very close relationship between sex and level of satisfaction in felt utilizing in insurance service.

Services offered by the insurance policy -Henry Garret ranking method : The respondents were requested to enumerate and rank the service offered by the insurance policy in the order of importance. The various features of the service offered in the process of availing the insurance policy by the respondents and the

ranks avoided to each feature using Henry Garret ranking method are presented in table 14:

Suggestions : There vast scope for creating awareness on the need for insurance among the public, irrespective of age and particularly among young persons.

- The insurance company will do well it could devise attractive schemes to induce the higher income groups of people to purchase insurance policies.
- At present agents and development officers seem to be the major persuaders for this policy. The company should find other methods of attracting potential buyers of insurance like attractive advertisements.
- In this study, there is material available to come to this conclusion.
- Technical methods should be adopted to provide prompt and quality services to the customers, particularly, while settling claims.

Conclusion : In the Insurance industry come across this study and initiate suitable measures tap the vast potential this big globe, now made small by new technologies and new economy policies, offers to this business and particularly in the context of opening the gates for foreign direct investment in India and at the same true enabling the Indian companies to spread their nets abroad.

References :

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3. Kothari, C.R. Research Methodology Methods & Techniques, Wishwa Prakashan New Delhi.

APPENDIX

Table No.1 Awareness of Personal Accident Insurance Policy

S.No.	Opinion	No. of respondents	Percentage (%)
1	Yes	129	86.0
2	No	21	14.0
Total		150	100.0

Source: Primary data

Table No. 2 Types of policy purchased

S.No.	Policy	No. of respondents	Percentage (%)
1	Janatha personal Accident policy	21	16.3
2	Group personal Accident policy	6	4.7
3.	Raj Rajeswari Mahila Kalyan Yojma policy	5	3.9
4.	Bhagyashree child welfare policy	6	4.7
5.	Individual personal accident insurance policy	59	45.7
6.	Mediclaim policy	32	24.7
Total		129	100

Source: Primary data

Table No.3 Purpose of policy taken

S.No.	Purpose	No. of respondents	Percentage (%)
1	Meeting family needs	19	12.7
2	Reducing risks	13	8.7
3.	Meeting medical needs	44	29.3
4.	Providing security	74	49.3
Total		150	100

Source: Primary Data

Table 4 Age of Policy holders and Level of Satisfaction

S.No	Age	No.of respondents	%	Average	Range		S.D
					Min	Max	
1.	Below 30 years	46	30.7	32.04	16	38	5.00
2.	31-40 years	55	36.7	34.44	23	41	3.94
3.	Above 40 years	49	32.6	34.78	24	44	3.40
Total		150	100				

Table 6 Age of policy holders and Level of Satisfaction

S.No.	Age	Policyholder			Total
		Low	Medium	High	
1.	Below 30 years	13 (52.0)	17 (37.8)	16 (20.2)	46
2.	31 – 40 years	8 (32.0)	10 (22.20)	37 (46.3)	55
3.	Above 40 years	4 (16.0)	18 (40.0)	27 (33.8)	49
Total		25	45	80	150

Table 7 Sex of the policyholders and level of satisfaction

S.No.	Sex	No.of respondents	%	Average	Range		Total
					Min	Max	
1.	Men	136	90.7	34.13	16	44	4.02
2.	Women	14	9.3	30.79	21	38	5.55
Total		150	100				

Table 8 Sex of the policyholders and level of satisfaction (Two Way Table)

S.No.	Sex	Level of Satisfaction			Total
		Low	Medium	High	
1.	Male	18 (72.0)	43 (95.6)	75 (93.8)	136
2.	Female	7 (28.)	2 (4.4)	5 (6.3)	14
Total		25	45	80	150

Table 9 Sex of the policyholders and level of satisfaction - Chi- Square Test

Factor	Calculated Value	Table Value	Degrees of freedom	Remarks
Sex	15.029	9.488	4	Not significant

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