Policy Buyers' Settlement Patterns: An Analytical Study of New India Insurance Scheme in Chhattisgarh

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Abstract: -

The fundamental objective of acquiring general insurance is to safeguard one's financial stability in the case of non-fatal or non-disabling occurrences; the secondary objective is to facilitate recovery from such risks. Claimants are notified upon reaching adulthood or in circumstances excluding incapacity or death. The method by which claims for general insurance services are settled by the New India Insurance Company is the subject of this research. With more and more people getting policies from New India Insurance, the company is seeing an increase in claims. Consequently, it is critical to have a claim settlement procedure that is clear to grasp. Data from Chhattisgarh's Balod District, both primary and secondary, form the basis of the research. The research shows that the "Customer First" approach is helping New India Insurance Company resolve claims.

Keywords: -Non-Life Insurance; New India Insurance schemes, Claim Settlement, IRDA

Introduction: -

All eyes are on the insurance industry as a key driver of national GDP development. That "a sound national insurance and reinsurance market is an essential attribute of economic progress" was one of the first allusions to the role of insurance in fostering macroeconomic development in the UNCTAD proceedings (UNCTAD, 1964). Overall insurance rates in India are increasing at a faster rate than in other nations, and the country's insurance sector is growing rapidly. In India, the insurance market has expanded throughout the last 17 years, with a CAGR of around 16.5 percent. For FY2017–18, insurance penetration was 3.69% and density was 73.10%, both of which were lower than comparable countries (IRDAI, 2019).

These dismal penetration and density numbers show that large portions of the Indian population lack health insurance. Low penetration rates are attributed to a number of factors, including severe budget constraints, affordability issues, adverse selection, and moral hazard. While India's life and non-life insurance penetration and density are lower than those of developed countries, they have been steadily increasing in recent years. Recent events have had a profound effect on the industry, including the nationalisation of both life and non-life insurance, the establishment of the Insurance Regulatory and Development Authority (IRDA), the opening of the market to private and foreign players, and the increase of the foreign investment ceiling to 49%. The sector is now more like a free market than a monopolistic state-run company.

Review of Literature: -

Ahirrao, Mukesh; Salunkhe, Harshal; and Kalani, Minal. that year (2013) Researchers looked examined LIC's claim settlement rates compared to other Indian insurance firms from 2009 to 2012 over four years. in addition to quickly surveying the Jalgaon branch to find out how LIC policyholders feel about the claim settlement policy. Sources of secondary data included public sources, newspapers, journals, and websites, while primary data came from interviews with firm workers and surveys filled out by LIC customers. When compared to other insurers in India, the LIC's very low claim pending percentage and high claim resolution ratio establish it as the top provider of insurance in the nation. The present

claim settlement system of the LIC is well-received by most consumers.

DamodarBasaula. (1717). Claims processing has long been an area of focus for the life insurance sector. It seems like Nepal's life insurance market is only starting off, but good claim management might make or break the sector. Claims paid, total claims received, and claims still outstanding are the three main metrics that will be used to describe and evaluate the life insurance claim settlement process during the last five years. The life insurance industry's claim settlement process is the topic of this article. The literature study exposed the shortcomings and delays in claim payout at Nepalese life insurance companies. In terms of total claims, the research indicates that Nepal's claim settlement procedure is now well-developed. The capacity of certain life insurance firms to pay claims has been greatly enhanced, ranging from 90.96% to 98.49%. The claim-settling performance of certain long-standing life insurance companies has been lacking, while the expansion of other more recent organisations has been adequate.

Rajesh Yadav 2014. Settlement of claims is an essential part of life insurance policies. Settlement of claims should be a top priority for all life insurance policyholders and prospective policyholders. Insurance policy sales are the lifeblood of every insurance company, and unjust claims processing may cut into profits. Primary data for the research came from the IRDA annual report, and it shows that LIC of India is still growing as a result of its fast claim settlement, robust insurance premium collections, and high sales volume.

Devi, A., and Desikan, Jayameena (2021) This article delves into the ways in which digital transformation impacts the efficiency, efficacy, and customer experience of insurance organisations. The purpose of this research was to identify ways in which the organisation can continue to lead the digital technology industry, as well as ways in which the insurance industry may take use of emerging technology and fresh perspectives to boost efficiency. We take a look at the insurance sector as it is right now and how digital transformation has affected it using the facts and statistics that are accessible. This article presents a case study examination of HDFC ERGO general insurance company's digital transformation.

Objectives: -

- To promote competition with the goal of raising consumer happiness by expanding product options and decreasing costs.

- The financial stability of the insurance market must be ensured.

- To improve operational efficiency by making insurance policies less physical; and

- To protect policyholders from the consequences of paper record loss.

Research Methodology: -

In order to get the intended results, the study focuses on numerical methods. In this research, numerical methods and primary and secondary data were used to reach results on the predefined goals. The Indian state of Chhattisgarh, specifically the Balod district, was chosen as the location of this research. Information is mostly sourced from Balod district insurance consumers. General insurance is offered by New India Insurance. It seems that the organisation excels in providing loans for rural regions, UNTB, automobiles, and fires. This study just focused on general insurance components and did not cover life insurance factors.

Participants required to have bought general insurance policies in order to be included for the research. New India Assurance's sales figures may

be better understood with the use of this research. The insurance business may use this data to identify both high- and low-performing locations. The insurance firm will have a better idea of its performance in terms of consumer satisfaction thanks to this research initiative.

The company's total performance was assessed by combining its results in areas such as service quality, addressing complaints, claims settlement, and more. The success formula was included in the domains that addressed service quality, complaint management, claim settlements, etc. Perceptions of the company's performance by division by insurance purchasers are also the subject of the research. It will be simpler to determine the company's overall performance and the areas of operation that are hindering its success if both sectional and overall performance are monitored. Raising the company's standing is doable if it focuses on strengthening its weak spots. This could boost the company's performance in the eyes of the consumer.

Statistical Evaluation and Determination: -

A customer would only get reimbursement in the event of a claim with a general insurance policy. Like the service quality part, this one contained five questions. Every question constituted a sub-section. Just like the service quality assessment, the claim settlement study was conducted. The major points covered in the parts pertaining to claim settlement were the timeliness of the process, the responsibilities of workers and agents, the amount offered as a claim, and the formalities required. The ROC curve for this section is shown in figure 1 below. (A simple yes/no question was used to gauge customers' satisfaction with the claims resolution process. (The scope of this reply was narrow.)
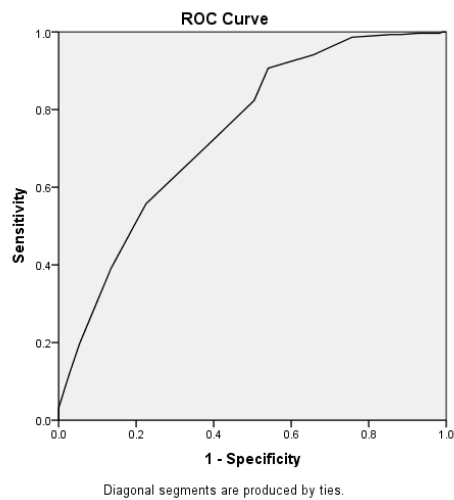

Figure 1 ROC characteristics for Section – Claim Settlement

The total satisfaction score for the section claim settlement was determined to be 3.5 utilising the coordinates and curve as the sub-sectional cut-off. Consequently, the service quality score would be reduced for a sector with a mean score below 3.5. Using descriptive statistics, we were able to determine the mean score for every part. The data is same in Table 1. You can find the sub-section dragging down the claim settlement for the New India Assurance firm in the table.

Table 1Sum of all sections' scores for the Claim settlement section

Sub-section	Average Score	Remark
Fast Claim Settlement	4.04	-
Role of Employee in Claim Settlement	3.92	-
Role of Agent in Guiding Claim Settlement	3.85	-
Formalities Involved in Claim Settlement	3.07	Less than cut-off
Amount Provided as Claim	3.97	-

According to the data in the chart, the only area where the firm falls short is in the paperwork involved with settling claims.

Recommendations: -

Quick and easy resolution of legitimate claims is critical for insurance companies, and claim settlement is an essential part of claim management. This serves as a standard by which the efficiency of the insurance company can be evaluated. After reviewing all of the relevant paperwork and determining what caused the occurrence, New India Insurance Company moved quickly to settle all of the claims. Insurance agents, surveyors, claim assessors, and underwriters are just a few of the numerous stakeholders involved in the claims settlement process. Proper and legal means must be used by the firm to enhance the process of claim settlement. Reputation takes a hit if they can't satisfy the insurer.

Even though fraud may happen in Claim Settlement, the policyholder can protect themselves by following certain procedures. New India Insurance provides superior corporate services for managing client claims, as shown by their consistently rising total claim settlement ratio of 98%. The Claim Pending Ratio is lower at 1.47% since New India Insurance meets the IRDA requirements for claim resolution sufficiently. New India Insurance has a solid reputation in the life insurance sector because to its low Claim Repudiation Ratio of 1.09%. All of the branches of the New India Insurance were mechanised. To make the Claim Settlement System more transparent and efficient, New India Insurance should ease certain paperwork requirements for policyholders and save all policy papers in electronic form, such as D-mat.

Conclusion

Finally, in order to prevent any customer from being inconvenienced at the most critical time due to the claim settlement procedure's complexity, it is essential that the process be customised to meet the demands of consumers. A faster claim settlement process reduces the cost of processing any claim, however avoiding several phases in the system increases the cost of claim settlement. In order to speed things along, policyholders need have the right information on a frequent basis. A quick and cutting-edge system for resolving claims is in place at the New India Insurance Company.

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