

# Services of Agents – A Study with Special Reference to GIC at Sivakasi

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## 1. INTRODUCTION

General Insurance Corporation (GIC) is one of the biggest insurance companies providing insurance services in India, with its wide branch network, trained staff and decentralization of servicing functions to the branches. GICs have been trying to move closer to the customers by providing effective customer services, without delay in servicing. Customer services play a vital role in the marketing programs and performance of all modern organizations including service organizations. The nature of service marketing requires that the service organization should devote more attention in offering effective and efficient services to the customers. The agent plays a pre dominant role in popularizing the policies of general insurance business. The agents are providing services such as premium collection, intimating the introduction of new policy, assisting claim, customer service, grievance handling and so on. An attempt has been made to analyse the level of satisfaction of policyholders with the services of the agents and the services to be improved by the agents.

## 2. OBJECTIVES OF THE STUDY

The specific objectives of the present study are

1. To understand the socio economic profile of GIC policyholders at Sivakasi

2. To analyse the factors influencing the purchase of policies.
3. To analyse the level of satisfaction of policyholders with regard to the services of agents of GIC at Sivakasi.
4. To know the services to be improved by the agents of GIC at Sivakasi.

## 3. METHODOLOGY

Data have been collected from both the primary and secondary sources. Considering the nature of the topic taken for the research and data available, descriptive study has been taken as an appropriate way to carry on the research work which includes survey and fact finding enquiries. In Sivakasi, there are four general insurance companies namely, New India Assurance Company, Oriental Insurance Company, United India Insurance Company and National Insurance Company. The researcher has adopted judgement sampling technique to select 120 samples from all the four general insurance companies. The primary data were collected from the policyholders through a well designed interview schedule. The researcher has drawn 30 policyholders from each GIC. Further the researcher has classified the policyholders in three major headings namely, fire insurance policyholders, marine insurance policyholders and miscellaneous policyholders. The sampling design is represented in table 1.

**TABLE 1 :SAMPLE DESIGN**

| Company                | Types of policy taken |           |           | Total      |
|------------------------|-----------------------|-----------|-----------|------------|
|                        | Fire                  | Marine    | Others    |            |
| New India Insurance    | 10                    | 10        | 10        | 30         |
| Oriental Insurance     | 10                    | 10        | 10        | 30         |
| United India Insurance | 10                    | 10        | 10        | 30         |
| National Insurance     | 10                    | 10        | 10        | 30         |
| <b>Total</b>           | <b>40</b>             | <b>40</b> | <b>40</b> | <b>120</b> |

Source: Primary data

**4. HYPOTHESIS OF THE STUDY**

1. The service of the agent is not up to the satisfaction of the policyholders.

**A. Tools For Analysis**

For the purpose of analysis, percentage, Chi – Square test and Garret Ranking Analysis were used.

The chi square test represents useful method of comparing experimentally obtained data with those expected theoretically. The relationship between dependent variable has been studied by means of chi square test.

$$X^2 = (O-E)^2/E$$

Where, E = Row total X Column total

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Grand total

O = Observed frequency

E = Expected frequency

DF = Degrees of freedom = (C- 1) (R-1)

If the calculated chi square value is greater than the table value at a particular confidence level say 0.05 level, it is concluded that the level of attitudes is dependent upon the variable of which chi square was computed. If the

calculated value is less than the table value it is concluded that the level of attitude is dependent of that variable. Hence, the null hypothesis can be accepted.

The Garret ranks are calculated by using appropriate Garret ranking formula. Then based on the Garret ranks, the Garret table value is ascertained. The Garret table values and scores of each rank are multiplied to record scores. Finally by adding each row, the total Garret score is obtained.

$$\text{Per cent position I} = 100 (R_{ij} - 0.5)$$

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N<sub>j</sub>

R<sub>ij</sub> = Rank given for the ith item by the jth sample respondent

N<sub>j</sub> = Total rank by the jth sample respondents.

**PROFILE OF RESPONDENTS**

**GENDER OF THE RESPONDENTS**

To ascertain the role of both male and female in selecting the products, the researcher has classified the respondents on the basis of gender. Table 1 shows the gender wise classification of the respondents.

**TABLE 2 :GENDER WISE CLASSIFICATION**

| Gender | No. of Respondents | Percentage |
|--------|--------------------|------------|
| Male   | 88                 | 73.33      |
| Female | 32                 | 26.67      |
| Total  | 120                | 100        |

Source: Primary data

It is clear from the above findings that out of 120 respondents, 73.33% are males and the remaining 26.67% per cent constitute the females. It is inferred from the above table that the male respondents are more (73.33%) because the opportunity for making investment decision is more than the women category.

**AGE OF THE RESPONDENTS**

Age is an important factor influencing the behavior of an individual. The researcher interviewed the different users, under different age groups. This is presented in table 3.

**TABLE 3 :AGE WISE CLASSIFICATION**

| Age            | No. of Respondents | Percentage |
|----------------|--------------------|------------|
| Below 30 years | 15                 | 12.5       |
| 31 – 40 years  | 19                 | 15.83      |
| 41 – 50 years  | 35                 | 29.17      |
| 51 – 60 years  | 23                 | 19.17      |
| Above 60 years | 28                 | 23.33      |
| Total          | 120                | 100        |

Source: Primary data

The above analysis makes it clear the fact that out of 120 respondents, 29.17 % of the respondents are in the age group of 41 – 50 years, 23.33% of the respondents are in the age group of above 60 years.

**MARITAL STATUS OF THE RESPONDENTS**

Table 4 shows the marital status of the policyholders so as to understand whether they are married or unmarried.

**TABLE 4 :MARITAL STATUS OF THE RESPONDENTS**

| Marital status | No. of Respondents | Percentage |
|----------------|--------------------|------------|
| Married        | 98                 | 81.67      |
| Unmarried      | 22                 | 18.33      |
| Total          | 120                | 100        |

Source: Primary data

The above table gives a clear picture that out of 120 respondents, 81.67 per cent are married and the remaining 18.33 per cent are unmarried.

### EDUCATIONAL QUALIFICATIONS OF THE RESPONDENTS

The general insurance provides not only security but also encourages savings habit among the people. The financial decision may be influenced by the educational level of the policyholders. Hence, educational qualification of the respondents has been analyzed. The details are exhibited in table 5.

**TABLE 5 :EDUCATIONAL QUALIFICATION**

| Educational Qualification | No. of Respondents | Percentage |
|---------------------------|--------------------|------------|
| Primary education         | 9                  | 8.74       |
| Higher secondary          | 15                 | 14.56      |

|                 |     |       |
|-----------------|-----|-------|
| Graduation      | 41  | 39.81 |
| Post graduation | 26  | 25.24 |
| Professional    | 12  | 11.65 |
| Total           | 120 | 100   |

Source: Primary data

It is seen from the table that out of 120 respondents, 39.81 per cent of the respondents are found to be educated upto graduation level and 8.74 per cent of the respondents have primary education level.

### OCCUPATION OF THE RESPONDENTS

Occupation of the respondents can have an influence on the choice of the policies offered by GIC. The respondents are classified on the basis of their occupation such as businessmen, government employee, private employees, professionals and housewives. Their occupation is shown in table 6.

**TABLE 6 :OCCUPATION OF THE RESPONDENTS**

| Occupation          | No. of Respondents | Percentage |
|---------------------|--------------------|------------|
| Businessmen         | 54                 | 45         |
| Government employee | 17                 | 14.17      |
| Private employee    | 16                 | 13.33      |
| Professionals       | 9                  | 7.5        |
| Housewife           | 24                 | 20         |
| Total               | 120                | 100        |

Source: Primary data

This table reveals that out of 120 respondents, 54 are businessmen and 9 respondents are professionals.

### ANNUAL INCOME OF THE RESPONDENTS

After undertaking the occupation of the respondents, it is an imperative need to analyse the income level of the respondents. The annual income is a main factor that influences a person to take a general insurance policy. Hence the income level of the respondents has been collected and presented in table 7.

**TABLE 7 :ANNUAL INCOME OF THE RESPONDENTS**

| Annual income     | No. of Respondents | Percentage |
|-------------------|--------------------|------------|
| Below Rs. 500000  | 31                 | 25.83      |
| 500001 – 1000000  | 56                 | 46.67      |
| 1000001 – 1500000 | 21                 | 17.5       |
| Above 1500000     | 12                 | 10         |
| Total             | 120                | 100        |

Source: Primary data

The above table depicts that out of 120 respondents, 46.67 per cent of the respondents are found to earn between 500001 – 1000000 and only 10 per cent of them earn over Rs. 1500000.

### PERIOD OF TAKING GIC POLICIES

The duration or the time period of taking GIC policy varies from one person to another. The duration of the policyholders is displayed in table 8

**TABLE 8 :PERIOD OF TAKING GIC POLICIES**

| Period             | No. of Respondents | Percentage |
|--------------------|--------------------|------------|
| Less than 5 years  | 69                 | 57.5       |
| 5 – 10 years       | 43                 | 35.83      |
| More than 10 years | 8                  | 6.67       |
| Total              | 120                | 100        |

Source: Primary data

It is inferred from the table that out of 120 respondents, 57.5 per cent of the respondents are taking the general insurance policy for less than 5 years. Only 6.67 per cent of the respondents are taking the general insurance policy for more than 10 years.

#### **MOTIVES FOR TAKING THE POLICY**

For choosing any product / service, there must be some motivating factor. Similarly for choosing the general insurance policy, there must be some motivating factor such as coverage of risk, income tax relief, safety and risk coverage. The factors that motivated the respondents are given below.

#### **RESULTS AND DISCUSSION**

**TABLE 9 :MOTIVATING FACTORS**

| Factors         | No. of Respondents | Percentage |
|-----------------|--------------------|------------|
| Safety          | 37                 | 30.83      |
| Fear of loss    | 32                 | 26.67      |
| Cheaper premium | 23                 | 19.17      |
| Risk cover      | 28                 | 23.33      |
| Total           | 120                | 100        |

Source: Primary data

It could be seen that out of 120 respondents, 30.83 per cent of the respondents are motivated by the aspect of safety, 26.67 per cent of the respondents are motivated by

fear of loss and 19.17 per cent of the respondents are motivated by cheaper premium.

#### **SOURCES OF POLICY TAKEN**

The details are shown in table 10.

**TABLE 10 :SOURCES OF POLICY TAKEN**

| Sources           | No. of Respondents | Percentage |
|-------------------|--------------------|------------|
| Directly from GIC | 23                 | 19.17      |

|                |     |       |
|----------------|-----|-------|
| Through agents | 97  | 80.83 |
| Total          | 120 | 100   |

Source: Primary data

It is observed from this table that out of 120 respondents, majority of them are taking their policies through their agents.

#### **GRADING OF SERVICES OF AGENTS**

The policyholders who are taking policy through the agents (Out of 120 respondents 97 are taking policy through the agents) are asked to grade the services rendered by the agent with the criteria that they are excellent, very good, good, poor and very poor. The grading of services of agents are shown in table 11.

**TABLE 11 :GRADING OF SERVICES OF AGENTS**

| Grade     | No. of Respondents | Percentage |
|-----------|--------------------|------------|
| Excellent | 18                 | 18.56      |
| Very good | 21                 | 21.65      |
| Good      | 34                 | 35.05      |
| Poor      | 15                 | 15.46      |
| Very poor | 9                  | 9.28       |
| Total     | 97                 | 100        |

Source: Primary data

This table reveals that out of 97 respondents, 35.05 per cent of the respondents feel that the

service of their agents is good and 9.26 per cent of them feel that their services are very poor.

H01: The service of the agent is not upto the satisfaction of the policyholders.

For testing this hypothesis the researcher has used chi square test. The result of the chi square test is shown below

Calculated value = 16.18

Table value at 5 per cent level = 9. 488

The calculated value is greater than the table value, the hypothesis is rejected. Hence, the service of the agent

is upto the satisfaction of the policyholders. Therefore the policyholders are satisfied with the services of the agents.

**OPINION REGARDING SERVICES TO BE IMPROVED BY THE AGENT**

For the purpose of analysis the researcher has used Garret ranking test. Table 12 shows the services to be improved by the agents.

**TABLE 12 :SERVICES TO BE IMPROVED BY THE AGENTS**

| <b>Opinion</b>                          | <b>I</b> | <b>II</b> | <b>III</b> | <b>IV</b> | <b>V</b> | <b>Total</b> |
|---|----------|-----------|------------|-----------|----------|--------------|
| Premium collection                      | 19       | 20        | 21         | 18        | 19       | 97           |
| Customer service                        | 18       | 19        | 19         | 22        | 19       | 97           |
| Intimating introduction of new policies | 21       | 19        | 18         | 19        | 20       | 97           |
| Assisting claim                         | 18       | 21        | 18         | 19        | 21       | 97           |
| Grievance handling                      | 21       | 18        | 21         | 19        | 18       | 97           |
| Total                                   | 97       | 97        | 97         | 97        | 97       |              |

Source: Primary data

The results of Garret ranking test is shown in table 13 and 14

**TABLE 13 :PER CENT POSITION AND GARRET VALUE**

| <b>Opinion</b>                          | <b>Calculated value</b> | <b>Garret value</b> |
|---|-------------------------|---------------------|
| Premium collection                      | 10                      | 75                  |
| Customer service                        | 30                      | 60                  |
| Intimating introduction of new policies | 50                      | 50                  |
| Assisting claim                         | 70                      | 40                  |
| Grievance handling                      | 90                      | 24                  |

Source: Calculated value

**TABLE 14 :RESULTS OF GARRET RANKING TEST**

| <b>Opinion</b>                          | <b>Garret score</b> | <b>Garret rank</b> | <b>Average score</b> |
|---|---------------------|--------------------|----------------------|
| Grievance handling                      | 4897                | I                  | 50.48                |
| Intimating introduction of new policies | 4855                | II                 | 50.05                |
| Premium collection                      | 4851                | III                | 50.01                |
| Customer service                        | 4776                | IV                 | 49.24                |
| Assisting claim                         | 4774                | V                  | 49.22                |

Source: Calculated value

Table 14 furnishes the Garret’s scores awarded to the services improved by the agent. The highest score is awarded to “Grievance handling” (50.48) followed by “Intimating introduction of new policies” (50.05). The last score is awarded to “Assisting claim” (49.22).

**5. CONCLUSION**

From this study it is found that the services expected by the policyholders from the agents are grievance handling, intimating introduction of new policies and premium collection. It is also found that the services of the agents are upto the satisfaction of the policyholders of GIC at Sivakasi. Consumers must become a customer only by quality service and since the market has opened up for more players, the monopoly of the public sector insurers

has simply vanished and now each insurer must strive hard to retain the customers and also add more consumers to their fold.

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