Review Article

Perception of home loan takers towards home insurance policy in sivakasi

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A B S T R A C T

The IRDA opened up the market in August 2000 with the invitation for application for registrations. Foreign companies were allowed ownership of up to 26%. The Authority has the power to frame regulations under Section 114A of the Insurance Act, 1938 and has from 2000 onwards framed various regulations ranging from registration of companies for carrying on insurance business to protection of policyholders' interests. In this project the policy holder are different types literate and illiterate, wealthy and poor, urban and rural and etc. whether these home loan takers have the awareness and acceptance of the home insurance policy and their readiness to report their grievances to the competent authority for redressed measures are the main problems to be investigated. The present study analyses about the home insurance policy in the study area, the perception level of home insurance holders.

1. Introduction

The IRDA opened up the market in August 2000 with the invitation for application for registrations. Foreign companies were allowed ownership of up to 26%. The Authority has the power to frame regulations under Section 114A of the Insurance Act, 1938 and has from 2000 onwards framed various regulations ranging from registration of companies for carrying on insurance business to protection of policyholders'[1] interests. In December, 2000, the subsidiaries of the General Insurance Corporation of India were restructured as independent companies and at the same time GIC was converted into a national re-insurer. Parliament passed a bill de-linking the four subsidiaries from GIC in July, 2002.[2] Today there are 31 general insurance companies including the ECGC and Agriculture Insurance Corporation of India and 24 life insurance companies operating in the country. The insurance sector is a colossal one and is growing at a speedy rate of 15- 20%. Together with banking services, insurance services add about 7% to the country's GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country.

Table 1: Perception level towardshome insurance policy

S.No	Level of perception	No. of respondents	Percentage (%)
1	Low satisfaction	32	40
2	Medium satisfaction	24	30
3	High satisfaction	24	30
Total		**80**	**100.00**

Source: Primary Data

From the above Table 3 it is found that out of 80 respondents, 60(75%) respondents are agreed that the premium payment process is easy, 52(65 %) respondents are agreed that the policy document is clearly explained by the agent, 53(66.3 %) respondents are agreed that the opinion is given by the agents for fixing the premium payment term, 47 (58.8 %) respondents are agreed that the agents are response to any Queries by the policy holders, 47(58.8 %) respondents are agreed that the immediate service of

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Table 2: shows the Attitude of the respondents towards the service quality of the Insurance Company and Agents.

S. No	Services	Strongly disagree	Disagree	No opinion	Agree	Strongly agree	Total
1	Premium payment process is easy	0 (0%)	1 (1.3%)	4 (5%)	60 (75%)	15 (18.8%)	80 (100%)
2	Clearly explained the Policy document by the agent	0 (0%)	1 (1.3%)	11 (13.8%)	52 (65%)	16 (20%)	80 (100%)
3	Opinion of agents for fixing term of premium payment	0 (0%)	3 (3.8%)	12 (15%)	53 (66.3%)	12 (15%)	80 (100%)
4	Agents response to any queries by the policy holders	0 (0%)	2 (2.5%)	15 (18.8%)	47 (58.8%)	16 (20%)	80 (100%)
5	Immediate services of agents when	0	2 (2.5%)	21 (26.3%)	47 (58.8%)	10 (12.5%)	80 (100%)

Source : Primary Data

agents is available when necessary, 50 (62.5 %) respondents are agreed that[3] the Quick settlement of claim is available, 47(58.8 %) respondents are agreed that the Social Security of the Policy is suitable for their needs, 47 (58.8 %) respondents are agreed that the reminder is issued by a home insurance company to pay the premium.

1.1. Age and the Factors considered by them while selecting a Home Insurance Company

To know the significant association between Age of the respondent and the Factors considered while selecting a Home Insurance Company, analysis had been made with the following Hypothesis.

1.2. Hypothesis–I

"There is no significant association between Age of the respondent and the factors considered by them while selecting a Home Insurance Company".

The researcher has used the Chi-square test for testing the above Null hypothesis. The result of the Chi-square test is presented in the following Table 4

2. Review of Literature

Dr. D.M. Arvind Mallik and Suhaib. S (2018) have made study on "A study on customer awareness on car insurance policies with special reference to united India Insurance, Shiva mogga" to said that The purpose of this study is to understand the customer awareness on car insurance policies with special reference to United India Insurance with the important element to improve the customer awareness towards insurance policies based on literature review and case study of successful vehicle Insurance Company.[4] This study mainly focused on customer's awareness and satisfaction level on the car insurance policies offered by the company.

Dr. Shamshar Singhet al., (2014) have made a study on "A study of customer perception towards Service quality of life insurance companies in Delhi NCR Region" Economic performance of insurance companies is the outcome of

customer's satisfaction and their perception on service quality of the insurance service provider. The present study has focused on finding customer perception towards service quality as provided by the Life Insurance companies. The primary data has been collected from 139 respondents from Delhi NCR Region. The factor analysis and correlation has been used to find the perception of the customers. The study has found that there are four major factors which influence customer perception of service quality, namely responsiveness and assurance, convenience, tangible and empathy.[5] Only age of the respondents have been found to be significantly related with the customer perception and other demographic factors have no significant impact.

3. Objectives of the study

The following are the main objectives of this study.

1. To understand the socio-economic profile of respondents.
2. To identify the extent of perception of respondents towards Home insurance Policy.
3. To analyze the problems faced by the respondents with regard to their Home loans.
4. To offer suitable suggestions based on the findings of the study.

3.1. Hypotheses

1. There is no significant association Socio-economic profile of the respondents and the factors considered by them while selecting a home insurance company.
2. There is no significant association between Socio economic profile of the respondents and their perception towards home insurance policy.

3.2. Methodology

The primary data is collected from the home loan policy holder of Home loan takers in Sivakasi. The data is collected by conducting personal interview using thoroughly prepared interview schedule method.

Table 3: Age and Factors considered by them while selecting a Home InsuranceCompany – Result of Cross Table

Age of the Respondents	Factors considered while selection a Home Insurance Company				Total
	Premium Outflow	Company Reputation	Service Quality	Return on investment	
Below 25 years					
Count	0	0	2	0	2
Expect Count	.1	.7	1.2	.1	2.0
% within Age of the respondents	0.0%	0.0%	100.0%	0.0%	100.0%
25 to 30 years					
Count	1	3	7	0	11
Expect Count	.3	3.7	6.7	.3	11.0
% Within Age of the respondents	9.1%	27.3%	63.6%	0.0%	100.0%
30 to 35 years					
Count	0	10	21	0	31
Expect Count	.8	10.5	19.0	.8	31.0
% Within Age of the respondents	0.0%	32.3%	67.7%	0.0%	100.0%
35 to 40 years					
Count	1	8	16	2	27
Expected Count	.7	9.1	16.5	.7	27.0
% Within the Age of the respondents	3.7%	29.6%	59.3%	7.4%	100.0%
Above years					
Count	0	6	3	0	9
Expect Count	.2	3.0	5.5	.2	9.0
% within the Age of the respondents	0.0%	66.7%	6.1%	0.0%	100.0%
Total					
Count	2	27	49	2	80
Expect Count	2.0	27.0	49.0	2.0	80.0
% Within the Age of the respondents	2.5%	33.8%	61.3%	2.5%	100.0%

Source : Primary Data

Table 4: Age and Factors considered by them while selecting a Home Insurance Company

	Value	DF	Asymp.sig.(2-sided)
Pearson Chi-square	12.778	12	.385
Likelihood Ratio	13.635	12	.325
Liner-by-Linear Association	.717	1	.397
No of Valid Cases	80		

Source: Computed data

3.3. Analysis of perception of home insurance policy holders

The researcher has classified the respondents based on their socio-economic profiles namely, gender, age, marital status, educational qualification, occupation, monthly income etc.,

3.4. Divide variable into low, medium and high level for perception towards home insurance policy.

From the above Table 1 it is cleared that out of 80 respondents, 32 (40 per cent) respondents were low level satisfied with their home insurance policy, 24 (30 per cent) respondents were Medium level satisfied with their home insurance policy, 24 (30 per cent) respondents were High satisfied with their home insurance policy.

It is noted that most of the respondents were Low level satisfied with their home insurance policy.

3.5. Perception of policyholders towards the home insurance policy

The above Table 2 shows that out of 80 respondents, 67 (83.8%) respondents opined that they are agreed with the

statement.[6] " The application form of home insurance is easy to understand", 60(75%) respondents opined that they are agreed with the statement "The documentation procedure of bank is simple", 57(71.3%) respondents opined that they are agreed with "Relationship with agent is cordial", 55(68.8 %) respondents opined that they are agreed with "The insurance company is understanding customer's expectation", 55(68.8 %) respondents opined that they are agreed with "Proper communication about maturity", 37(46.3%) respondents opined that they are agreed with "Perception about SMS service provided by the insurance company", 38 (47.5 %) respondents opined that they are agreed with "A description of the new plan and services from the insurance company", 34 (42.5 %) respondents opined that they are agreed with "level of Interest rate of the insurance policy is nominal", 42 (52.5 %) respondents opined that they are agreed with "Quick service provided by the insurance company", 45(56.3 %) respondents opined that they are Agreed with "Telephone helpline facility for policyholders is provided".

3.6. Attitude towards service quality of the insurance company and agents.

Shows the Attitude of the respondents towards the service quality of the Insurance Company and Agents.Table 3

From the above Table 5 it is found that the significance value 0.385 is more than the acceptable value of 0.05. Hence the Null hypothesis framed for the analysis is accepted. It is concluded that there is no different significance between Age and Factors consider while selection a home insurance company.

3.7. Hypothesis- II

"There is no significant association between type of family of the respondents and their perception towards home insurance policy".

The researcher has used the Chi-square test for testing the above null hypothesis. The result of the Chi-square test is presented in the followingTable 6

From the above it is found that the significance value 0.108 is more than the acceptable value of 0.05. Hence the null hypothesis framed from the analysis is accepted. It is concluded that there is no significant association between type of family of the respondents and their perception towards home insurance policy.

4. Conclusion

The study reveals the overall performance of home insurance policy in the areas of productivity performance and investment along with the impact. The above suggestions offered by the researcher are fulfilled by the Home insurance policy, Home insurance policy holders

Table 5: Type of family of therespondents and their perception towards home insurance policy – Result ofcross table

Type of family of the respondents	Perception towards home insurance policy			Total
	Low satisfaction	Medium satisfaction	High satisfaction	
Nuclear family				
Count	12	4	4	20
Expected count	8.0	6.0	6.0	20.0
% within Type of family of the respondents	60.0%	20.0%	20.0%	100%
Joint family				
Count	20	20	20	60
Expected count	24.0	18.0	18.0	60.0
% within Type of the family of the respondents	33.3%	33.3%	33.3%	100%
Total				
Count	32	24	24	80
Expected count	32.0	24.0	24.0	80.0
% Within Types of family of the respondents	40.0%	30.0%	30.0%	100%

Source : Primary Data

Table 6: Type of family of the respondents and their perception towards home insurance policy

	Value	DF	Asymp.sig.(2-sided)
Pearson Chi-square	4.444	2	.108
Likelihood Ratio	4.380	2	.112
Linear-by-Linear Association	3.435	1	.064
No of Valid Cases	80		

Source : Computed Data

perceptions are will be described. In there is some indication of that the supply of the home insurance may be starting to increase in some areas, which should have a beneficial impact on prices and availability. This is more likely had reached adequate levels and loss costs appear to be under control. Once insurance is a large plan of investment, Do not base your decision on just what is cheapest, but look at what it provides. Home insurance used when unexpected situations arise. The right insurance policy can protect you and your family from unforeseen disaster. There by it has been identified that the performance of home insurance was good and satisfactory in settlement of claims.

In the present study perception of home loan takers towards home insurance policy in sivakasi area is analysed. And found out if the home insurance company is providing

quality trendy schemes at correct price.

5. Source of Funding

None.

6. Conflict of Interest

None.

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