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A Study on Consumer Perception in Life Insurance

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Abstract

Insurance provides financial protection against risks and uncertainties in life. This study focuses on analysing customer satisfaction in the insurance sector by examining factors such as service quality, claim settlement, and communication. The research is based on both primary and secondary data collected through questionnaires and various sources. The findings show that while most customers are satisfied with insurance services, issues like delays in claim processing and lack of clear information still exist. The study suggests that improving transparency, customer service, and digital facilities can enhance overall customer satisfaction and trust in the insurance sector.

Keywords: Insurance; Financial Protection; Risk Management; Customer Satisfaction; Claim Settlement

Introduction of the insurance

Insurance is a financial arrangement that provides protection against potential risks and uncertainties in life. It is a contract between the insurer (insurance company) and the insured (policyholder), where the insurer agrees to compensate the insured for specified losses in exchange for a premium. The main purpose of insurance is to reduce financial stress and provide security during unexpected events such as accidents, illness, death, or damage to property.

In today's uncertain world, insurance plays a vital role in both individual and business life. It helps individuals safeguard their future and ensures financial stability for their families. For example, life insurance provides financial support to dependents in case of the policyholder's death, while health insurance covers medical expenses. Similarly, general insurance includes protection for vehicles, property, and businesses against various risks.

Insurance is also an important component of the financial system and contributes to economic development. It promotes savings and investment by collecting premiums from policyholders and investing them in various sectors. This helps in the growth of infrastructure and industries, thereby supporting the overall economy.

Moreover, insurance companies play a key role in risk management by spreading the risk among a large number of people. This principle of risk sharing makes it possible for individuals and businesses to recover from losses without facing severe financial difficulties. In addition, insurance encourages entrepreneurship by providing security to business owners against unforeseen risks.

In recent years, the insurance sector has seen significant growth due to increased awareness, technological advancements, and government initiatives. Online policies, digital claim processing, and customer-friendly services have made insurance more accessible and efficient.

In conclusion, insurance is an essential tool for financial protection and economic stability. It not only provides security against risks but also promotes savings, investment, and overall development of society.

Objectives of Insurance

- To provide financial protection against risks and uncertainties
- To reduce the financial burden during unexpected events like accidents, illness, or death
- To ensure security and peace of mind for individuals and their families
- To promote savings and investment habits among people
- To compensate for losses and help in quick recovery
- To spread risk among a large number of people (risk sharing)
- To support economic growth by investing collected premiums
- To encourage business activities by reducing risk for entrepreneurs
- To provide stability in personal and business life
- To improve the standard of living by offering financial security

Research Problem

In the insurance sector, many customers face difficulties in understanding policy terms, claim procedures, and benefits offered by insurance companies. Despite the availability of various insurance products, there is still a lack of awareness and trust among customers. Delays in claim settlement, poor customer service, and complex documentation processes further reduce customer satisfaction. Therefore, the main problem of this study is to analyze the level of customer satisfaction in the insurance sector and identify the key issues affecting it, in order to suggest improvements for better service and customer experience.

Research Methodology

Research methodology refers to the systematic process used to collect, analyze, and interpret data for the study. In this research on the insurance sector, the methodology is designed to understand customer satisfaction and identify the factors influencing it.

The study is based on a descriptive research design, as it aims to describe the opinions and experiences of customers regarding insurance services. Both primary and secondary data are used for the study.

Primary data is collected through a structured questionnaire distributed to insurance policyholders. The questionnaire includes questions related to customer satisfaction, service quality, claim settlement, and overall experience.

Secondary data is collected from various sources such as company websites, journals, research articles, books, and online resources related to the insurance sector.

The sample size for the study consists of around 50–100 respondents, selected using the simple random sampling method. The respondents include customers who have taken insurance policies.

For data analysis, simple statistical tools such as percentage analysis, tables, and charts are used to interpret the data in an easy and understandable manner.

The study is limited to a specific area and time period, which may affect the generalization of the results.

In conclusion, the research methodology helps in systematically analyzing customer satisfaction in the insurance sector and provides a basis for drawing meaningful conclusions and suggestions.

Suggestions

- Insurance companies should improve customer service to increase satisfaction
- Claim settlement process should be faster and more transparent
- Policy terms and conditions should be explained in a simple and clear manner
- Companies should create more awareness about insurance through campaigns and advertisements
- Use of digital platforms (apps/websites) should be improved for easy access and services
- Regular communication with customers should be maintained
- Training should be given to agents to provide accurate and honest information
- Customer grievances should be resolved quickly and effectively
- Introduce customer-friendly policies based on different needs
- Build trust by maintaining transparency in all operations

Conclusion :

Insurance plays a vital role in providing financial protection and security against various risks and uncertainties in life. It not only helps individuals safeguard their future but also supports businesses in managing potential losses. The study highlights that customer satisfaction is an important factor in the growth and success of the insurance sector.

From the analysis, it is evident that most customers are aware of insurance policies and are generally satisfied with the services provided. However, certain issues such as delays in claim settlement, lack of clear communication, and complex policy terms still affect customer satisfaction.

Improving service quality, maintaining transparency, and increasing customer awareness are essential for enhancing trust and loyalty among policyholders. Insurance companies should focus on customer-centric approaches and adopt modern technologies to provide efficient and convenient services.

In conclusion, insurance is an essential part of the financial system and contributes significantly to economic development. By addressing the existing challenges and focusing on customer needs, insurance companies can achieve higher levels of satisfaction and long- term success.

Declaration of Conflicting Interests

The authors declare no potential conflicts of interest with respect to the research, authorship and publication of this article.

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