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RESEARCH ARTICLE

TROUBLES FACED BY THE POLICYHOLDER IN CLAIM SETTLEMENT IN LIC

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ABSTRACT

Insurance is a technique whereby the dubious dangers of people are joined in aggregate through little individual commitments out of which the individuals who endure misfortunes are repaid as a claim by the insurance agency if such a misfortune occasion fits in with the protection assenting i.e. the protection strategy archive. Accordingly, 'guarantee', which may come about because of such indeterminate occasion, is notice to the insurance agency that installment of a sum is expected under the terms of the protection arrangement. Cases administration is so basic in the working of an insurance agency that a company's prosperity is frequently characterized by one factor i.e. client's involvement in claims overhauling, which has likewise turned into a vital crossroads in the client relationship in protection firms. This paper features the substance of Claim settlement in LIC of India.

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INTRODUCTION

Life insurance is the greatest blessing that modern times have bestowed upon mankind. It enables men to overcome the barrier of death and also to overcome the grim fear that his loved ones may someday become dependents upon the charity of others. Insurance in its modern form originated in the Mediterranean during the 13th century. The earliest references to insurance have been found in Babylonia, the Greece and Italy. The use of insurance appeared in the accounts of North Italian merchant banks, which dominated the international trade in Europe at that time. Marine insurance is the oldest form of insurance followed by life insurance and fire insurance. The patterns that have been used in England followed in other countries also in these kinds of insurance. Claim settlement is a standout amongst the most essential administrations that an insurance agency can give to its clients. Insurance agencies have a commitment to settle guarantees speedily. Client should fill a claim shape and contact the money related guide from whom the client purchased their approach. Present every single applicable report to the backup plan to help the claim. The most essential factor in protection business is the administration of cases.

The productivity and reasonableness with which claims are taken care of by a backup plan decides the level of consumer loyalty and client maintenance. On the off chance that an extensive number of fulfilled clients prescribe the backup plan to others, it builds safety net provider's further business and results in a more extensive client base.

Objectives

- To know the Troubles faced by the policyholder in claim settlement in LIC
- To examine the Claim Management of Insurance Company

Scope of the Study

The processing and settlement of claims is one of the most important functions in an insurance organization. Proper settlement of claims requires sound knowledge of the law, principles and practices, which govern the insurance contracts, a thorough knowledge of the terms and conditions of the standard policies and also extensions and modifications there under. This Study focuses on the essence of Claim Settlement in LIC.

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Data Collection

Primary data: a) Questionnaire b) Interview

Survey Instrument of Questionnaire was used to get the data on Claim Management in LIC. The original form of this tool consisted of 16 questions based on topics.

Secondary data: Internet, b) Books, Journals, Articles etc.

Selection of Sample

Hundred LIC policyholders in prakasam District were randomly selected for the study. All types of policyholders who have different types of policies are selected, they were considered as sample for the study.

Limitations

- Due to time constraints it was not possible to go in detail.
- The study considered only the problems faced by LIC policyholders.

Statistical Analysis

Policyholders Details

The above table shows the Brief profile of the respondents. The strength of male respondents was 60% and women respondents were 40%. In survey the more respondents were from the age group of 26-45 years and the fewer respondents were from the age group of up to 25 years. In the survey 70% of the respondents were married and 30% respondents were unmarried. 55% of the respondents were from urban area and the remaining respondents were from semi urban and rural area. In the study 90% of the respondents were educated and only 10% of the respondents were uneducated. In the survey 20% of the respondents were agriculturalists, 30% of the respondents were Government employees, 20% of the respondents occupied as businessman, 20% of the respondents were private employees and the remaining 10% of the respondents were professionals. On the Income basis the sample was more from the group of above 500000 incomes and very less respondents were from the group of up to 150000.

Table 1. Policyholders details

	Percentage of respondents	Number of respondents
Sex		
Male	60%	60
Female	40%	40
Age		
Upto25	10%	10
26-45	45%	45
46-60	35%	35
Above 60	20%	20
Marital Status		
Married	70%	70
Unmarried	30%	30
Area		
Rural	20%	20
Semi Urban	25%	25
Urban	55%	55
Educational Qualification		
No formal Education	05%	05
School level	25%	25
College level	45%	45
Professional level	25%	25
Occupation		
Agriculture	20%	20
Business	20%	20
Profession	10%	10
Govt. Employee	30%	30
Private Employee	20%	20
Income		
Up to 150000	10%	10
150000-300000	20%	20
300000-500000	25%	25
Above 500000	45%	45

Table 2. Problems faced by the Policyholders

Problems	Male(60)					Female(40)				
	Bad	Ok	Good	Best	Total	Bad	Ok	Good	Best	Total
Operational Efficiency	15	27	15	3	60	10	20	5	5	40
On time Completion of claim settlement	12	20	18	10	60	8	14	12	6	40
Staff efficiency	14	26	15	5	60	10	17	9	4	40

- It is found that 25% of the respondents' opinion was bad about the operational efficiency. Insurers need to improve the operational efficiency of their claim management.
- Only 20% of the respondents' opinion was bad about the on time completion of claim settlement. But the LIC should concentrate and improve the on-time completion of claim settlement.
- 24% of the respondents' opinion was bad about the Staff efficiency. Insurers need to improve the staff efficiency in their work.

RESULTS AND DISCUSSION

A portion of the territories which can be considered by the safety net providers dynamically towards achievement of better consumer loyalty are:

- Insurance organizations should assemble some working model which can limit assert costs and also wipe out the superfluous costs related with claims dealing with and enhance the Operational proficiency.
- Administrative office should give appropriate rules and preparing to the staff to enhance the association of the staff with the clients.
- There should actualize strict guidelines and controls to finish the claim settlement on-time.
- Well prepared staffs are expected to work productively, so LIC should focus on enhancing the proficiency and the assurance of the staff.

Conclusion

The essential strategy of settling a claim on time is to give the customers the advantages of protection as right on time as could be allowed; and to fill the need for which they purchased protection.

It is recovery of confidence which the general population have rested in protection. The workplace ought to be exceptionally watchful in this major part of its capacity. The safety net provider realizes that similarly as it sold the strategy, it is its duty to see that the products of the same are passed on to the arrangement holders/recipients. In that lays the satisfaction of its honorable assignment. While assuming a key part in different circles, the backup plan is constantly aware of its essential obligations to the policyholders that are to render incite and better administration to them. In such manner the backup plan constantly surveys its working and streamlines its techniques.

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