A STUDY ON POLICYHOLDER'S PERCEPTION TOWARDS MOTOR VEHICLES INSURANCE IN KUMBAKONAM TOWN

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ARTICLE DETAILS	ABSTRACT
Research Paper	Motor insurance contributes to one third of the premium income for the general insurance industry in India. The growth of the economy & consequently the standard of living of the people further supported by increased choice for the consumer and entry of large no of automobile players led to a sharp increase in motor insurance. The ultimate aim of the motor insurance is to protect the people from the loss arising out of accident. It covers loss made vehicle. The awareness of the people towards insurance is low in India. Generally, it is very difficult to create the buying attitude among the prospective buyers towards the different kinds of insurance. The study aims to identify the perception of the policy holders towards motor vehicle insurance in Kumbakonam Town. The study was done based on questionnaire with a sample of 120 respondents, the findings were analyzed using percentage analysis and chi-square test, Findings reveals that majority of the respondents are choosing govt institutions. The study also found that the faith in the insurance company was the first perception factor of the policy holders to choose the particular insurance copy.
Keywords : *Insurance, Motor Insurance, General Insurance, Policy holder's Perception*	

INTRODUCTION

In the dynamic landscape of the insurance industry, understanding the perceptions and preferences of policyholders is crucial for both insurers and policymakers. This research paper delves in

policyholder perceptions towards motor vehicles insurance, focusing specifically on the vibrant and culturally rich town of Kumbakonam. The motor vehicles insurance sector is a critical component of the broader insurance domain, serving as a financial safeguard for individuals and businesses against the uncertainties associated with vehicular ownership and usage. In the context of Kumbakonam, a town with a unique blend of tradition and modernity, understanding policyholder's perceptions becomes imperative for insurance providers looking to tailor their offerings to the specific needs and expectations. This research aims to bridge the existing knowledge gap by exploring the factors that influence policyholders' attitudes, preferences, and decision-making processes related to motor vehicles insurance.

MOTOR INSURANCE

Motor vehicle insurance, commonly referred to as car insurance or auto insurance, is a type of insurance protection that gives automobile owners financial security against potential losses and liabilities stemming from collisions, theft, damage, or other unanticipated events involving their vehicles. The owner of the car enters into a contract with the insurance provider, agreeing to pay recurring payments in return for the insurer's pledge to pay for any covered occurrences. Because it serves to protect both the owner of the vehicle and those parties involved in an accident or incident, motor vehicle insurance is crucial. In case the insured's car is involved in an accident for which the insured is legally liable, it provides coverage for physical damage to the insured vehicle as well as third-party liability coverage, which compensates for the damages or injuries caused to others. Policyholders' attitudes towards the introduction of motor vehicle insurance might differ based on a number of variables, including their prior insurance experience, their comprehension of the advantages and disadvantages of the situation, and the cultural and social environment in which they live. However, there are several widespread misconceptions that policyholders may hold regarding auto insurance. A type of insurance that safeguards consumers in the event of a car accident is known as vehicle insurance, sometimes known as auto insurance or car insurance. If a person had car insurance, the cost of the damage a car accident causes wouldn't have to be covered in full. Driving without car insurance is against the law in many places. The car insurance provider receives a premium from the motorist. In return, the business will cover any potential damages and financial losses brought on by driving. Everyday drivers should only be required to get liability insurance at the absolute minimum. It differs from state to state, so it's crucial to have the bare minimum as specified by law. You can get a ticket, have your driver's license suspended, or even end up in jail. The purpose of liability is to shield other

motorists from the harm you may cause while driving. By firm, insurance costs can differ significantly. Your car's value can impact the cost of your auto insurance. If you have an accident, the repairs to your car can be different from those of other people.

OBJECTIVES

1. To find the policyholders perception towards motor vehicle insurance.

2. To understand different types of policies covered under motor insurance.

3. To understand the procedure for claiming losses arising due to motor accidents.

4. To suggest any suitable changes for service improvement in insurance policies.

REVIEW OF LITRERATURE

Eling and Kraft., (2020), have examined how telematics are used in insurance and how it affects risks' ability to be insured. They listed several future research questions that could result from the application of telematics in the insurance industry. They went over previous studies in detail. 52 academic research and industrial articles that were published between 2000 and 2019 were used. The conclusion focused on how new information affects information asymmetry and risk pooling.

Akhter et al., (2020) observe that the goal of this study is to evaluate the demand for insurance in a number of OECD and Asian nations during the financial crisis. During the time of the global financial crisis, they gathered information from 55 rising Asian and OECD nations. The outcome demonstrates that the global financial crisis has a negative impact on the demand for general insurance in high income areas. Higher reliance rates in Asia will generally reduce insurance demand, but knowledge that a crisis in Asia will significantly affect insurance demand shows that higher proficiency rates can be helpful in attracting the anticipated clientele.

Smith K A. et al (2019) investigated the pattern of insurance claims and client retention. According to the report, one element that affects policyholders' decisions to renew their insurance is pricing. By categorizing the data to make the data's inherent data structure clear, undirected data gaps were used to investigate claim patterns. Missing data is acknowledged as one of the practical approaches to solving problems.

Nayak et al., (2019) research on the strategic imperatives of digital technology for inclusive social health models for Bop customers, a country's social health insurance system serves as a public indicator of its approach to caring for its population that cannot afford or access high-quality medical care. Utilizing semi-structured surveys. The report highlighted three main themes for technology

adoption in the social health insurance sector: cost-effective operation, risk management analytics, and customer experience improvement. A study shows how utilizing technology can help insurers improve their coverage of the BOP population. ,

Langat W. K. Et al (2017) studied how consumer behaviour affected the use of insurance goods and looked into the elements that influence insurance uptake in emerging countries. According to the study, there is a strong correlation between customer economic aspects and insurance uptake. One element that determines whether customers take into account factors like claim settlement and product awareness is their age. Additionally, the primary factors influencing the use of insurance services are income, wealth, and interest rates.

Rani D M S and Gobana S K (2017) examined the costs and services provided by both public and private insurance providers, and evaluated the key drivers of competition among them. According to the study, there is a huge disparity in risk assessment, which is related to the fact that the wrong risk assessment can spell doom for a firm while the right risk assessment results in effective operations. Additionally, it showed that the public insurer is dominated by public sector investments. Competitions are based on a higher rate.

Dara S. and Dhanraj S. (2016) Analyze Indian motor insurance claims. According to the analysis, there were more claims made between 2009 and 2010 and less after that. It also showed that although the actual growth rate is steadily decreasing, claims are on the rise. It also discovered that the number of claims made under NET has grown.

Ariff U T and Sirajuddin K (2016) investigate policyholders' attitudes towards motor vehicle insurance with a focus on Pollachi Taluk. Based on the chi square test, the study found a substantial correlation between gender and monthly income. Additionally, it was shown that the majority of policy holders value the insurance company's reputation for rapid service, nice employees, and other positive attributes. The ability of the business to deliver services that can effectively meet customers' requirements and wants will be a key factor in determining how quickly the motor insurance market expands in the future. It also showed that another important component is the auto insurance company's capacity to alter customers' perceptions.

Dutta M M and Mitra G (2015) Analysed the variables influencing the expansion of motor insurance in India. The net growth rate of auto insurance premiums has increased by 42%, while annual

vehicle sales have increased by 13.7% from 2005 to 2006 to 2013 to 2014. This happened as a result of the roads' increasing quality and increased public awareness of their safety and rules. Additionally, it is revealed that India's motor insurance premiums are rising steadily. The car industry's expenses have been the main factors affecting its growth.

Das., (2013), In order to determine the extent to which Indian insurance companies have adopted socially responsible reporting practices and HR disclosures, as well as to learn more about these topics, research was done. According to the survey, general insurance businesses revealed a lot less social information than life insurance companies. Additionally, the results of a paired difference t-test indicate that private general insurance businesses provide more social information when the difference is significant.

N. Namasivayam, **S. Rajendran and R. Eswaran (2012)** examined how socioeconomic factors affected policyholders' attitudes towards SBI life insurance schemes. The study found that factors like age, gender, occupation, family structure, and income levels play a significant role in influencing policyholder preferences, whereas factors like educational attainment, caste, and marital status of the respondents revealed that they have no bearing on policyholder preferences. The complaint about general insurance is more than the complaint about life insurance, according to **(Rao and Pandey, 2013)**. Investigate the general insurance claim behaviour to reduce operating losses and ensure operational excellence. An empirical finding of the study shows that there is a connection between different sectoral types, such as public and private, and insurance segment types, such as fire, marine, and miscellaneous.

RESEARCH METHODOLOGY

RESEARCH DESIGN: The research design is used in this study is descriptive research design.

 SOURCES OF DATA: Primary and secondary sources of data will be used for collecting the data. Questionnaires shall be used to collect the primary data and secondary data is to be collected through the Google website, journal thesis.

SAMPLE SIZE: In this study the sample size is 120 respondents.

TOOLS OF ANALYSIS: Chi-square Percentage,Table and chart.

Table No. 1.1

Non Renewal of Respondents

Reasons	No. of respondents	Percentage
Carelessness	52	43.3
Don't use	41	34.2
Loss of vehicle	20	16.7
Other	7	5.8
Total	120	100.0

Source: Primary Data

Inference:

The above table represents the no. of. respondents and their percentage based on reasons for not renewed their motor vehicle insurance policy. According to this, there are 43.3% of respondents are in careless, consist of 52 respondents. 34.2% of respondents said don't use, consists of 41 respondents.16.7% of respondents said loss of vehicle, consist of 20 respondents and 5.8% of respondents said some other reasons, consists of 7 respondents. The most of the respondents are in careless i.e., 52 respondents with 43.3%.

Table No. 1.2

Institution of the Respondents

Institution	No. of respondents	Percentage
Govt-institution	79	65.8
Private-institution	41	34.2
Total	120	100.0

Source: Primary Data

Inference:

According to the above table, it represents 65.8% of respondents takes govt-institution, consist of 79 respondents and 34.2% of respondents takes private-institution, consist of 41 respondents. The most of the respondent are choosing govt-institution i.e., 79 with 65.8%.

Table No. 1.3

If Government institution, Preferred Insurance Company

If Govt-institution, which company do you taken	No of respondents	Percentage
National insurance	51	42.5
United India	29	24.2
Oriental insurance	24	20.0
New India assurance	10	8.3
Other	6	5.0
Total	120	100

Source: Primary data

Inference:

The above table represents the no. of. respondents and their percentage based on govt-institution company. According to this, 42.5% of respondents are deciding national insurance, consists of 51 respondents. 24.2% of respondents are deciding united India, consists of 29 respondents. 20% of respondents are deciding oriental insurance, consists of 24 respondents, 8.3% of respondents are deciding new India assurance consists of 10 respondents.5% of respondents are deciding other companies, consists of 6 respondent. The most of the respondents are choosing national insurance i.e., 51 with 42.5%.

Table No. 1.4

If private-institution, Preferred Insurance Company

If private-institution, which company do you taken	No of respondents	Percentage
Bajaj insurance	60	50.0
Cholamandalam insurance	25	20.8
HDFC insurance	20	16.7
Tata AIG insurance	8	6.7
Other	7	5.8
Total	120	100.0

Source: Primary data

Inference:

The above table represents the no. of. respondents and their percentage based on private institution company. According to this, there are 60 respondents for Bajaj insurance with 50%, 25 respondents for Cholamandalam insurance with 20.8%, 20 respondents for HDFC insurance with 16.7%, 8 respondents for Tata AIG insurance with 6.7%, 7 respondents for other companies with 5.8%. The most of the respondents are choosing Bajaj insurance i.e., 60 with 50%.

Testing of Hypothesis:

Ho: There is no significance relationship between age and rating level of overall benefits offered by insurance company

H1: There is significance relationship between age and rating level of overall benefits offered by insurance company

Overall benefits offered by insurance policy						
Age	Excellent	Very good	Good	Average	Bad	Total
18years-28years	31	21	22	5	6	85
29years-38 Years	1	9	5	3	3	21
39years-49years	3	3	1	1	1	9
Above 50years	0	3	1	1	0	5

Total	35	36	29	10	10	120
Percentage	29.16	30	24.16	8.33	8.33	100

Chi-square test

Chi-square tests	Value	Df	Asymp.sig.(2-sided)
Pearson chi-square	15.579	12	0.211
Likelihood ratio	18.820	12	0.090
Linear-by-linear Association	1.736	1	0.188
N of valid cases	120		

Interpretation:

The calculated value is 0.211 is less than 0.05 at 5% of significance level. Therefore, the null hypothesis is rejected and alternative hypothesis is accepted. so, there is a relationship between age and rating level of overall benefits offered by insurance company.

FINDINGS:

The study reveals that 70.8% of respondents are aged 18-28, with a majority of them being male. The majority of respondents are graduates, with 74.2% being self-employed. The majority of respondents are between 21,000-30,000, with 92 using bikes. Most respondents are self-owned, with 106 owning motor vehicle insurance. The majority of respondents renew their insurance, with 83.3% choosing national insurance. The majority of respondents choose government-institution insurance, with 79 opting for Bajaj insurance. Full insurance is preferred by 90.5% of respondents. Some respondents take their insurance directly from insurance companies, while others claim their policy. The majority of respondents face problems in claim settlement, with a majority facing delays. Depreciation shield benefits are preferred by 46.3% of respondents. The majority of respondents need motor vehicle insurance, with 103 at 85.8%. Package policies are the most attractive option, with 86 at 71.7%. The majority of respondents prefer insurance, with 30% choosing it.

SUGGESSTIONS:

The study suggests streamlining policyholders' claims process through an online filing system,

precise proof requirements, and efficient communication channels. It recommends hiring skilled customer service representatives, developing user-friendly mobile applications, encouraging autonomous policy management, and offering options like changeable coverage limits and deductible selections. To improve insurance policies, avoid complicated language, implement loyalty programs, reduce accidents, encourage safe driving, use technologies like telematics and ADAS, and regularly ask policyholders for feedback through surveys or online reviews.

CONCLUSION

The study deriving policyholders' perception towards motor vehicle insurance emphasizes the importance of affordability, policy clarity, customer service, and additional benefits in shaping policyholders' opinions and behaviors. The findings of this study can guide insurance companies in improving their offerings to better meet the expectations and needs of their policyholders, ultimately leading to higher customer satisfaction and retention.

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