A COMPARATIVE STUDY ON BUSINESS SERVICES OFFERED BY PUBLIC SECTOR INSURANCE PLAYERS IN NON-LIFE INSURANCE MARKET IN VISAKHAPATNAM

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ABSTRACT

GIC used to sell non-life insurance products and related services. GIC had been operating through its four subsidiaries – National Insurance Company Limited, New India Assurance Company Limited, Oriental Insurance Company Limited, and United India Insurance Company Limited. In November 2000, with the liberalization of the industry, GIC became a national reinsurer, the official body for undertaking reinsurance business for all private and government organizations in the insurance industry. Many private players had entered the general insurance market, which led to a significant increase in competition. Competition was expected to be more intense in the non-life segment than the life segment, as the term of the non-life policies was very short and customers could switch on to the companies basing on the basis of priority.

Index terms: liberalization, national reinsurer, reinsurance business, life segment.

INTRODUCTION

Insurance in this current form has its history dating back to 1818, when Oriental Life Insurance Company was started by Anita Bhavsar in Kolkata to cater to the needs of European community. In 1870, Bombay Mutual Life Assurance Society became the first Indian insurer.

At the dawn of the twentieth century, many insurance companies were founded. In the year 1912, the Life Insurance Companies Act and the Provident Fund Act were passed to regulate the insurance business. The Life Insurance Companies Act, 1912 made it necessary that the premium-rate tables and periodical valuations of companies should be certified by an actuary. However, the disparity still existed as discrimination between Indian and foreign companies. The oldest existing insurance company in India is the National Insurance Company, which was founded in 1906, and is still in business. In 1972 with the General Insurance Business (Nationalisation) Act was passed by the

Indian Parliament, and consequently, General Insurance business was nationalized with effect from 1 January 1973. 107 insurers were amalgamated and grouped into four companies, namely National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and the United India Insurance Company Ltd. The General Insurance Corporation of India was incorporated as a company in 1971 and it commenced business on 1 January 1973. GIC had four subsidiary companies. With effect from December 2000, these subsidiaries have been de- linked from the parent company and were set up as independent insurance companies: Oriental Insurance Company Limited, New India Assurance Company Limited, National Insurance Company Limited and United India Insurance Company.

OBJECTIVE OF THE STUDY

- To know the Mean score difference of opinion between respondents of four public sector non-life insurance players.

METHODOLOGY

To achieve the objective the following methodology has been adopted.

The researcher elicited information from a sample size of 400 respondent customers of the four public sector non-life insurance players (National, New India Assurance, United India and Oriental Insurance Companies) of India in Visakhapatnam city.

In order to elicit the opinion between respondents of four public sector non-life insurance players, a structured schedule is administered among a sample size of 400 customers in Visakhapatnam city. The schedules are canvassed in such a way that hundred customers from each public sector non-life insurance company.

ANALYSIS OF DATA

The data and information thus collected is analyzed and interpreted with the help of statistical tool (t-test). The data is coded and prepared for analysis by using the Statistical Package for Social Sciences (SPSS). The results are measured with the help of the table values so as to find out the significant level.

Table - 1

Mean score difference of opinion between respondents of Oriental Insurance and New India Assurance Companies

Insurance Company	N	Mean	Std. Dev.	t-value
Oriental Insurance	100	27.66	5.51	0.51[@]
New India Assurance	100	28.03	4.72	

@ Not Significant

Graph Showing the mean opinion scores of respondents between different insurance companies of Oriental Insurance and New India Assurance
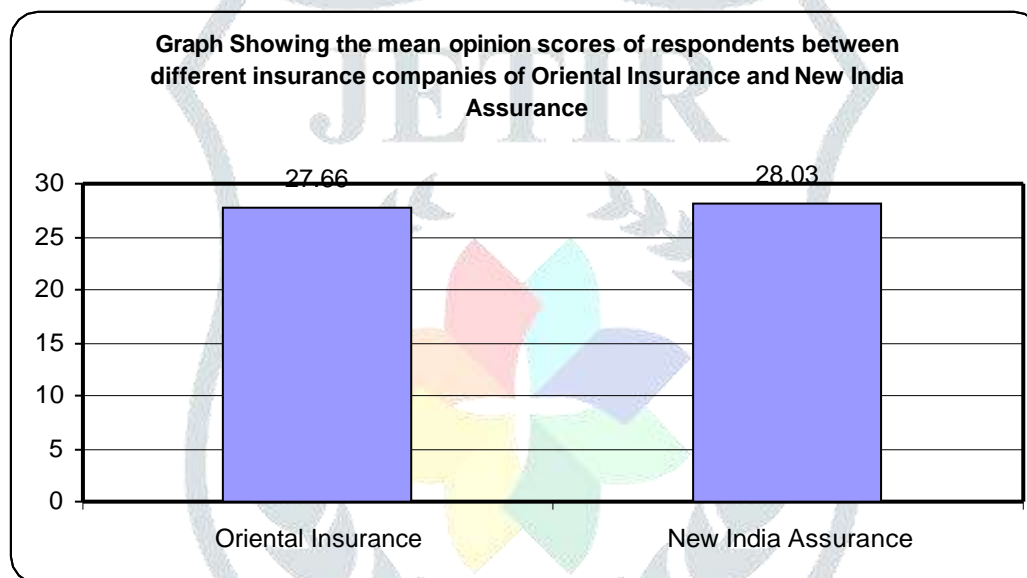
Table 1 shows, the comparative aspects of the mean scores of respondents based on the insurance companies of New India Assurance (28.03) is slightly higher than that of the Oriental Insurance Company (27.66) and the t-value is found to be 0.51, which is not significant at 0.05 level. This indicates that there is no significant difference in the mean scores of both the companies.

Thus, null hypothesis "There is no significant difference between respondents based on their insurance companies of Oriental Insurance and New India Assurance companies" is accepted.

Table - 2

Mean score difference of opinion between respondents of Oriental Insurance and United India Insurance Companies

Insurance Company	N	Mean	Std. Dev.	t-value
Oriental Insurance	100	27.66	5.51	1.70[@]

United India Insurance	100	28.09	4.77	

@ Not Significant

Graph Showing the mean opinion scores of respondents between different insurance companies of Oriental Insurance and United India Insurance
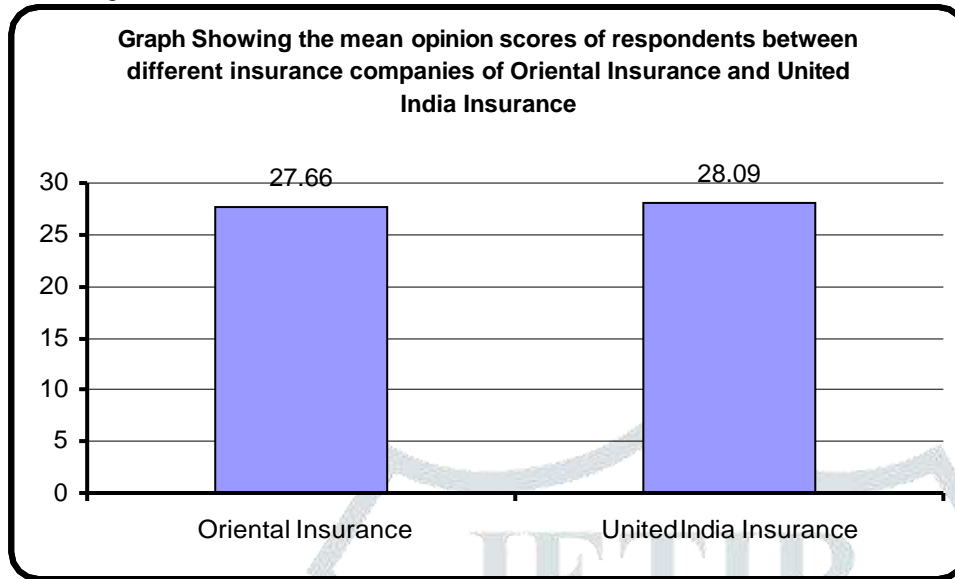

Table 2, reveals that, the mean opinion scores of respondents based on their insurance companies of United India Insurance (28.90) is slightly higher than that of the Oriental Insurance Company (27.66). The obtained t–value is 1.70, which is not significant 0.05 level. This clearly indicates that there is no significance difference in the mean scores of both the companies.
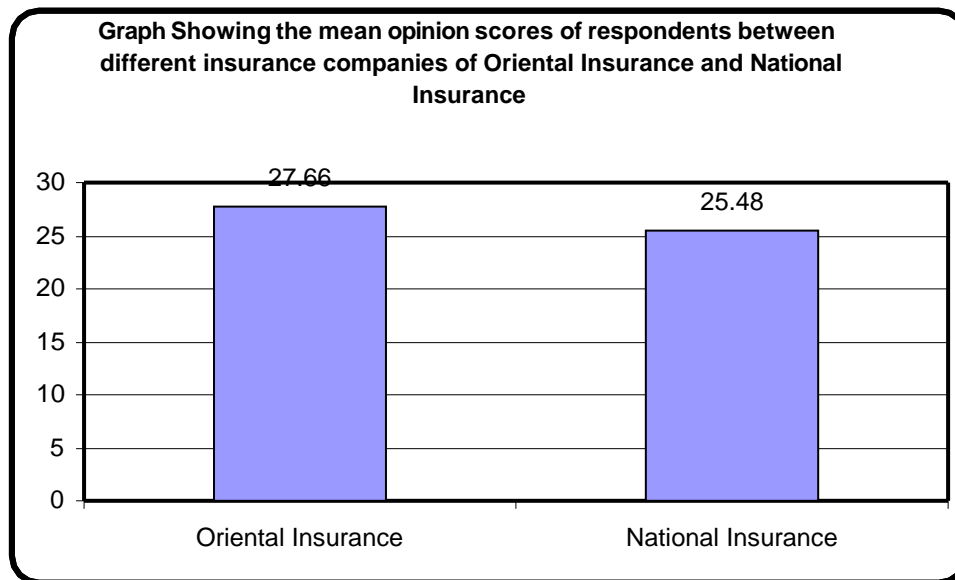
Thus, null hypothesis "There is no significant difference between respondents based on their insurance companies of Oriental and United India Insurance" is accepted.

Table - 3

Mean score difference of opinion between respondents of Oriental Insurance and National Insurance Companies

Insurance Company	N	Mean	Std. Dev.	t-value
Oriental Insurance	100	27.66	5.51	2.98**
National Insurance	100	25.48	4.81	

**Significant at 0.01 level

Graph Showing the mean opinion scores of respondents between different insurance companies of Oriental Insurance and National Insurance

As observed from **Table 3**, two insurance companies are considered for the study. For this a t–test was conducted for the mean scores of sample respondents of Oriental Insurance Company (27.66) is higher than that of National Insurance Company (25.48). The generated t-value is 2.98, which is significant at 0.01 level. From the above analysis, one can inferred that there is a significant difference in the mean scores of both the sample companies.
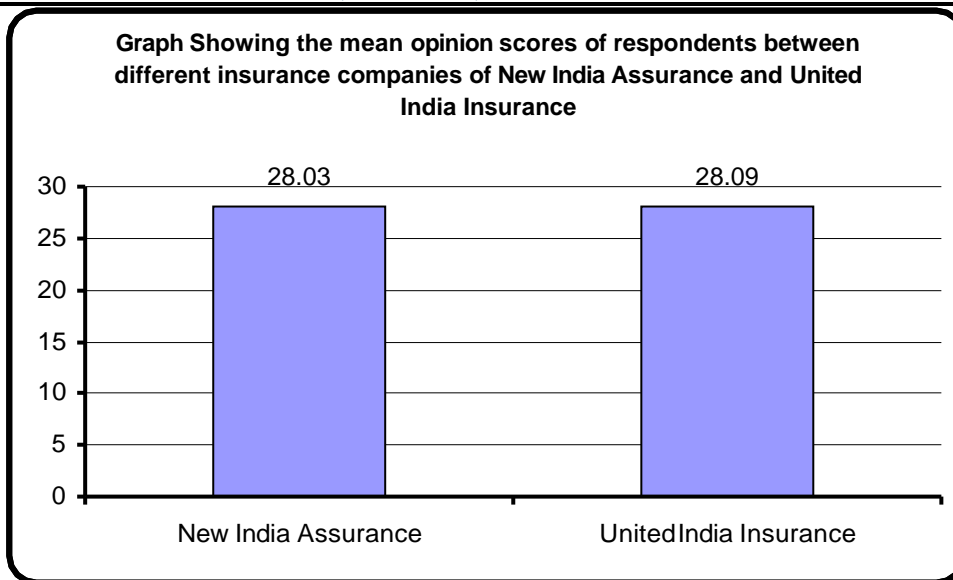
Thus, null hypothesis "There is no significant difference between respondents based on their insurance companies of Oriental and National Insurance" is rejected. This may be attributed to presence of different premium rates and good behavior of employees in both Oriental and National non–life insurance companies.

Table - 4

Mean score difference of opinion between respondents of New India Assurance and United India Insurance Companies

Insurance Company	N	Mean	Std. Dev.	t-value
New India Assurance	100	28.03	4.72	1.30[@]
United India Insurance	100	28.09	4.77	

@ Not Significant

Graph Showing the mean opinion scores of respondents between different insurance companies of New India Assurance and United India Insurance

It can be noticed from **Table 4**, the mean scores of respondents based on their respective insurance companies of United India Insurance (28.90) is slightly higher than that of New India Assurance (28.03). The generated t-value is 1.30, which is not significant at

0.05level. This gives an indication that there is no significant difference in the mean scores of both the insurance companies.

Thus, null hypothesis "There is no significant difference between respondents based on their insurance companies of New India Assurance and United India Insurance" is accepted.

Table - 5

Mean score difference of opinion between respondents of New India Assurance and National Insurance Companies

Insurance Company	N	Mean	Std. Dev.	t-value
New India Assurance	100	28.03	4.72	3.78**
National Insurance	100	25.48	4.81	

**Significant at 0.01 level

Graph Showing the mean opinion scores of respondents between different insurance companies of New India Assurance and National Insurance
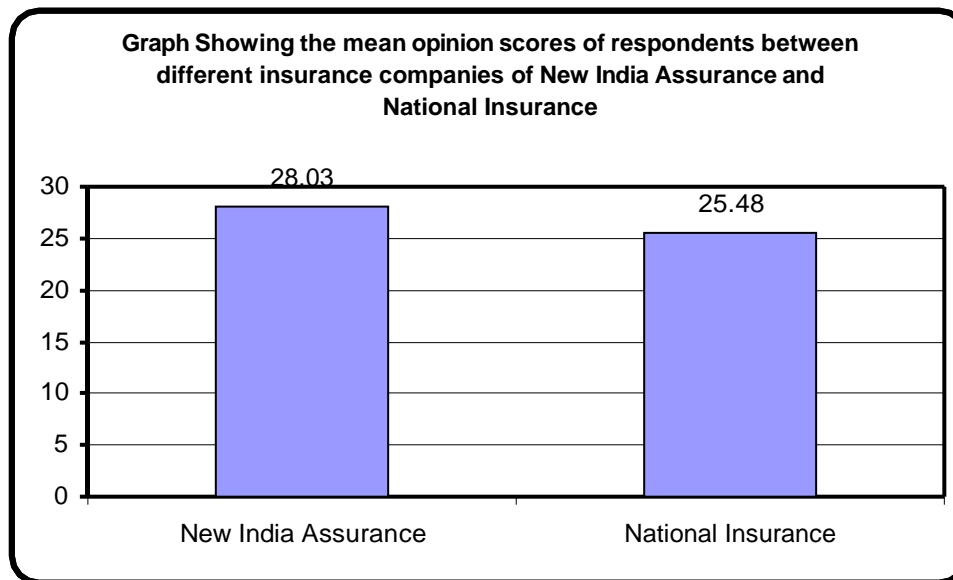

Table 5 depicts that, the mean opinion scores of respondents based on their insurance companies of New India Assurance (28.03) is higher than that of National Insurance (25.48), and the t-value at 0.01 level is found to be 3.78, which is significant. This shows that there is a significant difference in the mean scores of both the companies.
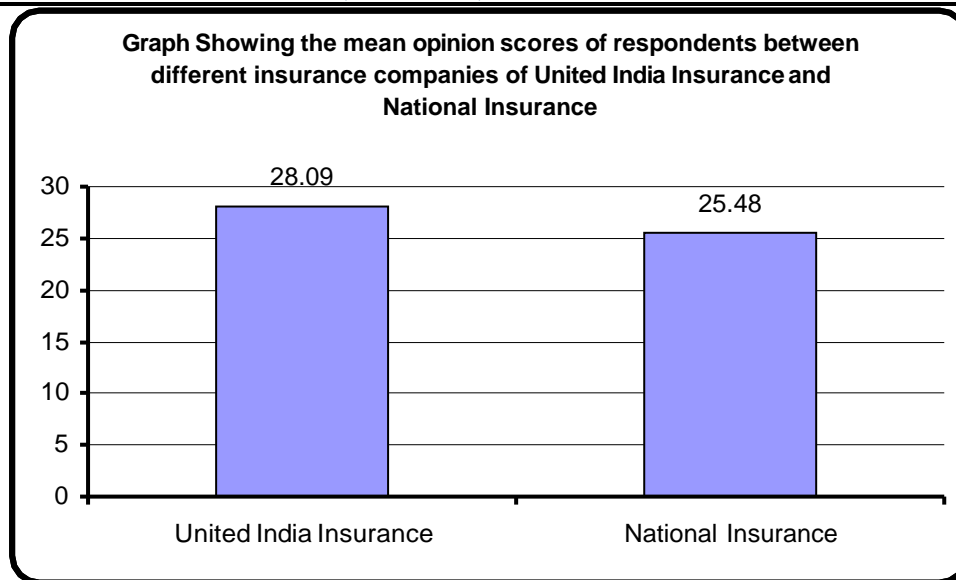
Thus, null hypothesis "There is no significant difference between respondents based on their insurance companies of New India Assurance and National Insurance" is rejected. This may be due to the publicity of the policy offered by the companies and the betterment of services through the stipulated provision provided for the respondent customers by the above insurance companies.

Table - 6

Mean score difference of opinion between respondents of United India Insurance and National Insurance Companies

Insurance Company	N	Mean	Std. Dev.	t-value
United India Insurance	100	28.09	4.77	5.05**
National Insurance	100	25.48	4.81	

**Significant at 0.01 level

Graph Showing the mean opinion scores of respondents between different insurance companies of United India Insurance and National Insurance

As shown in **Table 6**, t-test is conducted for the mean scores of sample respondent customers based on the their insurance company of United India Insurance (28.90) is higher than that of National Insurance (25.48) and the observed value of 't' is 5.05 at 0.01 level of significance, hence it is significant. From this it can be observed that there is a significance difference between both United India and National Insurance Companies.

Thus, null hypothesis "There is no significant difference between respondents based on their insurance companies of United India and National Insurance" is rejected. This may be due to, the respective respondents of different groups are capable of having independent decision or selecting the company where they get more services and benefits provided by the companies.

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