INVESTIGATING THE LEVEL OF SATISFACTION OF POLICYHOLDERS WITH LIFE INSURANCE POLICY

*P. JAMBULINGAM,
Part-time research scholar,H.H.The Raja's college,Pudhukkottai-622001
**Dr.C.Thiruchelvam,
Principal,Nainamohamed college of arts and science ,Rajendrapuram.Aranthangi.

Abstract

The importance of customer satisfaction in business prosperity is undeniable, so many organizations consider customer satisfaction as the main driver of their business growth and try to keep their customers satisfied. The business market has never been so competitive in most areas. This is the reason why things like customer experience and customer loyalty are more and more important and are considered an indicator to measure the success of the business. Based on this, in this research, we will examine the level of satisfaction of insurance policyholders with supplementary health insurance services in Tamilnadu using the SERVQUAL model. This model is one of the most common models used in the field of quality assessment in the service sector.

INTRODUCTION

Customer satisfaction is a hidden and qualitative variable, and to convert it into a measurable quantity, we need a suitable model and algorithm. With the help of a good algorithm and model, customer satisfaction can be converted into a numerical index and the factors affecting it can be measured quantitatively. In the last decade, several models have been proposed for customer satisfaction, including Kano model, SCSB model, ACSI model, and SERVQUAL model.

The SERVQUAL model is a mental model for measuring customer satisfaction with a company's services; In other words, this model works based on customers' perception of their satisfaction. The model directly uses the opinions of customers and presents an image of their satisfaction or dissatisfaction. The SERVQUAL model is one of the models that consider the perception and opinions of customers to measure the quality of services and is one of the most important models for measuring the quality of services It is widely used worldwide.

The service quality measurement tool was presented in 1985 by Parasuraman and his colleagues to measure service quality and was revised and modified in 1991, 1988, and again in 1994. The five dimensions of SERVQUAL are actually a summary of the most important criteria that customers use when evaluating the quality

of services. This tool is presented to measure the quality of services received in the form of 22 pairs of questions graded using a Likert scale.

THEORETICAL FOUNDATIONS AND BACKGROUNDS

During the last few decades, service quality has become one of the main areas of attention of managers and researchers. The reason for this attention is the effect of service quality on cost reduction, customer satisfaction, customer loyalty, profitability, and performance improvement. A lot of research has been done on the definition, modeling, measurement, data collection method, data analysis, etc., in the field of service quality and to measure satisfaction

In today's markets, the customer is the guarantor of the organization's survival. What the customer wants has value, and the organization must take steps toward the customer's wishes. Customers also find value in high quality at a reasonable price. Customers are the lifeblood and one of the most valuable assets of the organization, and without them, the performance of the organization will be meaningless and there will be no organizational jobs

The different models and patterns presented by quality management science researchers and economic and marketing scientists to measure customer satisfaction can be divided into two categories, which are described below:

➤Objective methods: These methods indirectly measure customer satisfaction by measuring indicators that have a strong correlation with customer satisfaction. Due to doubts about the validity and accuracy of these methods, these methods are used less.

➤Theoretical or conceptual methods: In these methods, customer opinions are directly used to measure customer satisfaction. Therefore, these methods are more valid than objective methods. The theoretical or conceptual methods are divided into two categories: characteristic and event-oriented methods

Customer satisfaction is a hidden and qualitative variable, and to convert it into a measurable quantity, we need a suitable model and algorithm. With the help of a good algorithm and model, customer satisfaction can be converted into a numerical index and the factors affecting it can be measured quantitatively. In the last decade, several models have been proposed for customer satisfaction, including Kano model, SCSB model, ACSI model, and SERVQUAL model.

The SERVQUAL model is a mental model for measuring customer satisfaction with a company's services; In other words, this model works based on customers' perception of their satisfaction. The model directly uses the opinions of customers and presents an image of their satisfaction or dissatisfaction. The SERVQUAL model is one of the models that consider the perception and opinions of customers to measure the quality of services and is one of the most important models for measuring the quality of services It is widely used worldwide.

The service quality measurement tool was presented in 1985 by Parasuraman and his colleagues to measure service quality and was revised and modified in 2010, 2011, and again in 2014. The five dimensions of

SERVQUAL are actually a summary of the most important criteria that customers use when evaluating the quality of services. This tool is presented to measure the quality of services received in the form of 22 pairs of questions graded using a Likert scale. The first 22 options are designed to evaluate the expectations of customers from services and the next 22 options are designed to measure the perceived level of received services (perceptions). The SERVQUAL model is a mental model for measuring customer satisfaction with the company's services; In other words, this model works based on customers' perception of their satisfaction. This model directly uses the opinions of customers and presents an image of their satisfaction or dissatisfaction. The SERVQUAL model is one of the models that take into account the perceptions and opinions of customers to measure the quality of services, and it is one of the most important models for measuring the quality of services that are widely used worldwide. Based on this service-quality model, researchers have identified five determinants of service quality (see Fig. 1), which include: Tangibles, Reliability, Responsiveness, Assurance, and empathy

Fig. 1.
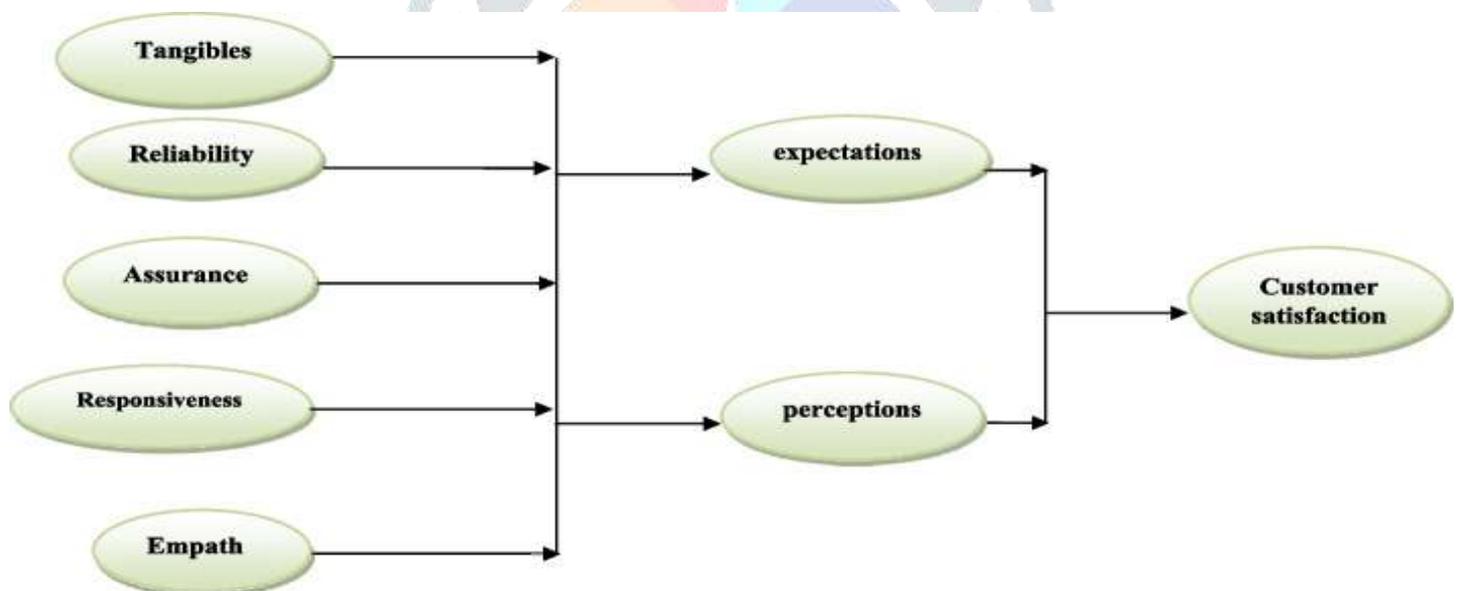
SERVQUAL model

The main reason for choosing the SERVQUAL model in this article is to pay attention to the desirable features of the SERVQUAL model, which will be presented below:

Periodic and consecutive use of SERVQUAL tool makes a company get closer to its desired result, which is "customer's understanding of service quality", and gain the ability to compare itself with other competitors.

The use of the SERVQUAL tool provides the opportunity for a company to evaluate its service quality performance based on each dimension both individually and as a whole.

Using the SERVQUAL model allows the company to classify its customers into different segments based on the obtained scores and to design different programs for each group to create more satisfaction in the future.

The approach to analyzing the SERVQUAL gap is a logical and straightforward concept, and the questionnaire has been explained in advance and can be easily adjusted if necessary.

Finally, it should be said that the SERVQUAL model is a test tool that can be used for marketing purposes in companies due to the use of a valid statistical tool and the possibility of updating and comparing the results after each SERVQUAL execution.

DATA AND METHODOLOGY

In this research, a questionnaire and a SERVQUAL model were used to obtain data. The service quality dimensions of SERVQUAL have considered independent variables and customer satisfaction with service quality is the dependent variable.

The hypotheses of the current research, which were formed based on the conceptual model of SERVQUAL, include one main hypothesis and five sub-hypotheses. The sub-hypotheses correspond to the five dimensions of the SERVQUAL model. These hypotheses are as follows: The main hypothesis is: Customers are satisfied with the quality of supplementary health insurance services provided by insurance companies in Tamilnadu.

SUB-HYPOTHESES:

Customers are satisfied with the tangible dimensions of insurance companies in Tamilnadu.

Customers are satisfied with the reliability of insurance companies in Tamilnadu.

Customers are satisfied with the responsiveness of the employees of insurance companies in Tamilnadu.

Customers are satisfied with the assurance of insurance companies in Tamilnadu.

Customers are satisfied with the empathy of employees of insurance companies in Tamilnadu.

In this research, a completely random sampling was done among policyholders of supplementary health insurance in Tamilnadu in 2024. The data was collected through a questionnaire and analyzed using structural equation modeling and statistical methods.

The statistical population included all policyholders of supplementary health insurance in Tamilnadu. Therefore, the size of the population is very large. If the size of the population is very large, Cochran's formula for indeterminate communities is used as follows .

$$n = \frac{t^2 \times p \times q}{d^2} \quad d = 0.05, t = 1.96, p = 0.5, q = .5 \quad n = 384$$

Six hundred eighty six people responded to the questionnaire, which according to the above formula is sufficient.

The data collection tool in this study was a questionnaire consisting of two parts. The first part contains questions about people's demographic information, and the second part contains questions to measure the quality of services provided, which measures the perceptions and expectations of the customers. For this purpose, SERVQUAL standard questionnaire was used and with the help of factor analysis and SPSS software, a scale

was designed for SERVQUAL service quality dimensions. Necessary care has been taken in designing the questions of the questionnaire so that the questions have enough simplicity and clarity.

Content validity was used to test the validity of the questions. To measure the validity of the content of the questionnaire, the opinions of specialists and expert experts were used. At this stage, by conducting various interviews and obtaining the opinions of the mentioned people, the necessary corrections were made and thus it was ensured that the questionnaire measures the same characteristic that the researchers wanted. Also, in order to determine the reliability of the questionnaire, Cronbach's alpha coefficient was calculated. It was equal to an acceptable value of 0.80.

SPSS version 26 statistical software was used in the statistical analysis in this research.

RESULTS

In order to analyze the descriptive statistics of the questionnaire, first, the demographic characteristics of the respondents, have been examined. The results are shown in Table 1. The statistical population included all policyholders of supplementary health insurance in Tamilnadu, and 686 people responded to the questionnaire.

Table 1.

Demographic characteristics of the sample

Variable	Percents in the Groups	
Gender	Male: 22.30%	Female:77.70%
Marital Status	Married: 79:20%	Single: 20.80%
Level of Education	Diploma and below: 10.80%, Master: 31.80%, Associate: 8.70%, Bachelor: 39.90%, PhD and above: 8.70%	
Employment Type	Employed in public: 28% Self-employed: 8.60%	

Variable	Percents in the Groups
	Housewife: 1.50%
	Employed in private: 55.80%
	Student: 1.60%
	Retired: 0.60%
	Other: 0.90%

About 19.80 percent of the respondents have one dependent (covered by insurance through insured) in health insurance, 25.4 percent of the respondents have 2 dependents, 20% of them have 3 dependents, 10.5% of them have 4 dependents, about 5.20% have 5 or more than 5 dependents and 19.1% of them have no dependents in health insurance. Also, about the number of years that respondents have the health insurance, maximum percent is related to first year of coverage (52.60%) and minimum percent is related to 4 years of coverage (7.90%).

After conducting the descriptive statistics of the questionnaire results, we proceed to the inferential analysis of the obtained information.

Once participants expressed their perception of the services provided, and in this way, the perception scores were obtained. Once again, they were asked to express their expectations of the service that should be provided, and in this way, the scores of expectations were also obtained. The service quality gap was obtained from the difference between the scores of perceptions (the current state of service quality) and the scores of expectations (the desired state of service quality). If the score is positive, it means that the service provided exceeds the expectations of the customers, and if it is negative, it means that the service does not meet the expectations of the customers and there is a gap in quality, and if the score is equal to with zero, it means that there is no gap in quality, which indicates that the services provided to customers are within the expected range. Regarding the current questionnaire, the score was negative, which means there is a gap in service quality.

In this section, confirmatory factor analysis has been used to check to construct validity. The most important goal of confirmatory factor analysis is to determine the power of the predefined model with a set of observed data. Confirmatory factor analysis seeks to determine whether the number of factors and variable loadings measured on these factors is consistent with what was expected based on the theory and theoretical model. In other words, factor analysis tests the degree of conformity between the theoretical structure and the experimental structure. Here, factor analysis is used to investigate whether the five dimensions of the SERVQUAL model are loaded on the satisfaction variable, as predicted by the model.

To check the validity of the model, it is necessary to check the amount and level of significance of the paths between each of the latent variables with their related indicators. For the confirmatory factor analysis

of the entire questionnaire, it is necessary to estimate the significant coefficients of t and estimate the standard factor loadings. Factor loadings show the weight of each question in the level of satisfaction. To find the weight of each question, the method of confirmatory factor analysis and Liesel software was used to check the appropriateness of the general model of the questionnaire in addition to using factor loadings as the weight of the questions. The strength of the relationship between the factor (hidden variable) and the observable variable (questionnaire questions) is shown by the factor load. The final output of the factor analysis is shown in Fig. 2. All variables show a high correlation with their respective constructs.

Fig. 2.
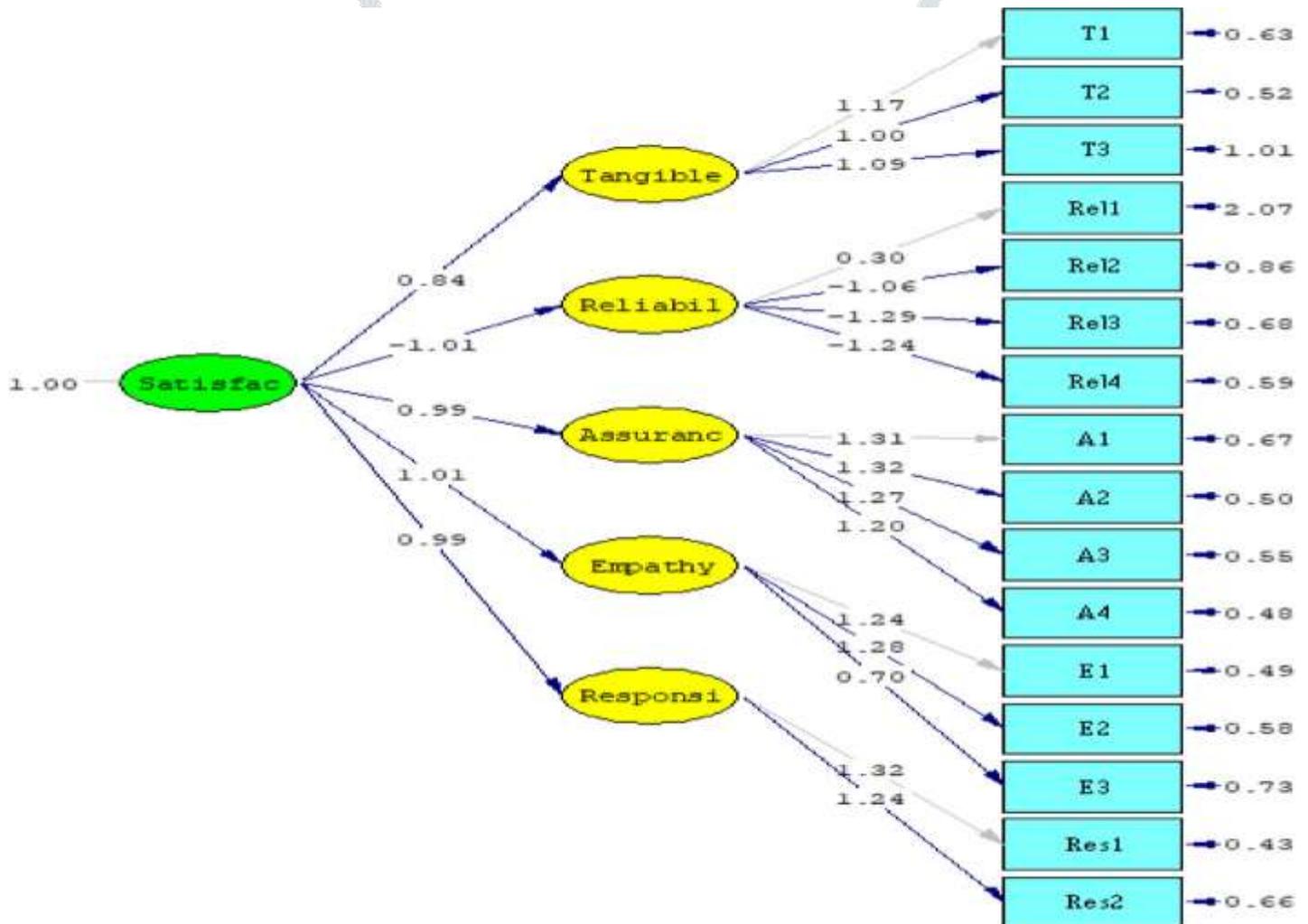
The final output of the factor analysis

An important point to note is that the fit of the model should be evaluated through different methods and criteria to check its fit from different dimensions. One of the main indicators is the ratio of chi-square to degrees of freedom, also known as relative chi-square, in which values less than 3 are interpreted as very good. Another main index that is examined is the Root Mean Square Error of Approximation (RMSEA), which emphasizes the error of approximation that values less than 0.1 indicate an acceptable fit of the model. Some sources recommend the use of Non-Normed Fit Index (NNFI) and Comparative Fit Index (CFI) to check model fit. Also, other indices such as Normed Fit Index (NFI) and Incremental Fit Index (IFI5) can also be used to check the fit of the model.

Some of the important indicators resulting from the factor analysis and the target range for their acceptance are shown in Table 2. As can be seen, the analyzed indicators show the appropriateness of the model.

Table 2.

Confirmatory factor analysis model estimation results

Indicator	$\chi 2df$	RMSEA	NFI	NNFI	CFI	IFI
Acceptable domain	Smaller than 3	Smaller than 0.1	Greater than 0.9	Greater than 0.9	Greater than 0.9	Greater than 0.9
Model estimation	1.70	0.094	0.98	0.98	0.98	0.98

Source: Primary Data

The results of the table and the figure show the approval of all the routes in the conceptual model of SERVQUAL for customers. In other words, all the factors mentioned in the conceptual model have an effect on the response variable, which is the level of customer satisfaction.

In order to perform further statistical analysis, the normality of the data frequency distribution is first checked by means of the Kolmogorov-Smirnov test. If the data has a normal distribution, it is possible to use parametric tests. In this paper, due to the non-normality of the variables, non-parametric tests have been used. It is worth mentioning that in all tests, p-value less than 0.05 indicates the significance of the corresponding test and the rejection of the null hypothesis.

Since the distribution of the data in the state of perception and expectation was non-normal, the difference between the average of the current and desired conditions of customers is checked using the Wilcoxon test. If the assumption of equality between perceptions and expectations is confirmed, the hypothesis of customer satisfaction with the services provided can be accepted, otherwise, the hypothesis of customer satisfaction with the services received is rejected Considering that the null hypothesis is the equality of the averages and the opposite hypothesis is the inequality of the averages of perceptions and expectations in the SERVQUAL model, the significance of the test means that the null hypothesis is correctly rejected.

CONCLUSION

In this research, the level of satisfaction of policyholders with supplementary health insurance in Tamilnadu was investigated. The findings of the current research showed that there is a negative and significant gap in all dimensions of service quality. The negative gap shows that from the point of view of the customers, the service provision is not up to their expectations and necessary measures should be taken to meet the expectations of the customers.. To improve the situation, they recommended that the transactions of insurance companies should be transparent and honest. Electronic services should be provided to customers. Employees should be polite. The cost of services should be reduced. Also, the results of showed that policyholders generally are not satisfied with the Life insurance products. To increase satisfaction, they suggested further research on the

key factors affecting customer satisfaction. The results of were slightly different. In this research, there was not a big gap between expectations and perceptions in the tangible dimension. This issue is due to the different nature of life insurance. Because most of the services to the insurance policyholders are in absentia. The biggest gap in this research was in the dimension of empathy.

Insurance companies should identify the factors affecting the dissatisfaction of policyholders with complementary health insurance services in order to reduce the churn of customers by eliminating them.

To reduce the gap in the dimension of empathy, a sense of compassion and respect and special attention to each customer should be included in the company's plans, and training and encouraging employees to deal with customers correctly can be one of the most important and effective measures in this field. In terms of reliability, performing the services promised to the policyholders in a certain time, making corrections at the first opportunity, recording the records of the policyholders without errors, and informing the policyholder of the exact time of doing the work helps to reduce the gap.

In terms of responsiveness and assurance, the employees' behavior with the policyholders should be such that over time the policyholders have confidence and trust in the company. The behavior of the employees with the policyholders should always be respectful and the employees should be trained in such a way that they have enough knowledge to answer the questions of the policyholders.

Among other factors that contribute to the improvement of the quality of services in supplementary health insurance, it is possible to mention the revision of the insurance processes when customers benefit from insurance services so that by reducing the administrative bureaucracy, the benefits of supplementary medical insurance can be used better. The use and promotion of offline services also prevent frequent visits of insurance policyholders and create more satisfaction for them.In future research, it is possible to use several customer satisfaction measurement models in supplementary medical insurance and compare the results. It also carried out customer satisfaction measurement for other insurance fields in Tamilnadu.

REFERENCES

1.AnvaryRostamy AA. Toward understanding conflicts between customers and employees' perceptions and expectations: evidence of Tamilnad union Bank. J Bus Econ Manag. 202015;10(3):241–254. doi: 10.3846/1611-1699.2009.10.241-254.

2.Ali Jadoo SA, Wan Puteh SE, Ahmed Z, Jawdat A. Level of patients' satisfaction toward National Health Insurance in Istanbul City-Turkey. BMC Public Health. 2016;12(Suppl 2):A5. doi: 10.1186/1471-2458-12-S2-A5.

3.Brown TA. Confirmatory factor analysis for applied research. New York, NY: Guilford Press; 2016.

4.Cochran WG. Sampling techniques. 3. New York: Wiley; 2017.

5.Dehghani A, Abbasi E & Haji Baqer Zanjani A. A study of effective factors in the insured's satisfaction of life insurance with the use of SERVQUAL Model (a case study: Novin Insurance Company).

6. othari and BahlPrinciple and Practice of Insurance, First Ed, Agra, Sahitya Bhavan, 1992. • Kotler Philip, Marketing Management, The Millennium Edition, Prentice Hall India Private Limited, New Delhi 2018.

7. Mamoria. C. B. Marketing Management, KitabMahal, New Delhi, 2000. • Mishra. M. W. Insurance Principles and Practices, Sultan Chand & Company Ltd, New Delhi, 2019.

8Mowbray. A. H ,Balanchand. R. H. And Williams. C. A. Insurance Sixth Ed, New York, McGraw Hill BookCompany,2019.