
A STUDY ON SERVICE QUALITY IN LIFE INSURANCE BUSINESS IN RURAL AREAS

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Abstract

Life insurance players have begun understanding that their business relies upon client service and consumer loyalty. Disregarding mindfulness about insurance in India, rural India actually needs terms of accessibility of different monetary items particularly the danger items like insurance. Rural insurance measurements actually demonstrate an essentially low infiltration and helpless thickness even after the privatization of insurance area in 1999. Rural India offers a tremendous scope for insurers where the security of human life and pay producing resources involves concern. Controllers have additionally attempted to force rural insurance commitments for the insurance organizations. There is a solid development potential in the India's Life Insurance Industry. The yearly development of the business is assessed at 12 to 15 percent for the impending years. Life Insurance Company should think of new system to be serious on the lookout and in which consumer loyalty ought to be the main goal. To accomplish similar organizations, need to comprehend different dimension of consumer loyalty. Through different examinations it has been demonstrated that service quality is the dimension toward consumer loyalty. Every one of the organizations in life Insurance business ought to comprehend that their business relies upon the consumer loyalty and client service and in this manner to improve client service quality is vital. India's semi-metropolitan and rural economy has on numerous occasions been perceived to fuel the monetary and financial development in India. It bolsters almost 75% of the populace and contributes somewhat less than half of its GDP. 40% of rural yield is gotten from agribusiness, making it a critical piece of our nation's economy. Hence, the present study has been done to give an overview on service quality in life insurance business in rural areas in India.

Keywords: *Rustic Environment, Customer Satisfaction, Potential Growth, Service Quality, Marketing Strategy, Rural Life Insurance Markets*

Introduction

Over 75% of India's populaces live in rural regions. However against any human markers the performance of rural India lingers a long ways behind metropolitan India. There are tremendous imbalances regarding instructive achievements, employment openings, buying force, wellbeing and its ascribes including, baby mortality, maternal mortality, general dreariness, financial security as far as guaranteed pay openings, etc. Rural India has scarcely 31% emergency clinics and 27% clinical work force. Scarcely

25% of the rural populace approaches clean drinking water. 97% of them have no disinfection office. One can well envision the low quality of life and its anticipation under these conditions. India today is in that period of financial change wherein populace blast and expanding movement to town are bringing about breakdown of the conventional family as a social help unit. Simultaneously there is expanding mix of rural and metropolitan economies. A few examinations, particularly that of the National Center for Applied Economic Research (NCAER) has shown that the requirement for merchandise and services in rural India coordinate that of metropolitan India. Indeed, as opposed to the overall conviction, there are adequate assets just as ability to spend among the rural populace for quality services. The service area in the rural zones is extending as quick as in the metropolitan regions. Expanded monetary services have many takers in rural zones, among the little just as large workers, for each have their particular necessities. The rural credit elements bring up that however the conventional area, for example banks, and so forth, has infiltrated all the way into the rural zones, the degree of casual credit systems and its profundity is still, more broad. Their profound established linkages with rural destitution and obligation are well-informed. A few Empirical investigations show that conventional credit access is more for the wealthy segments and in moderately created rural zones. Simple openness is the main factor in deciding the fame of the casual credit frameworks among the rural individuals. Further, the exchange costs as far as time are insignificant, in spite of the fact that expenses are dangerously high as far as interest. In such a situation, "the need currently is to set up a structure and arrangements which urge individuals to make arrangements for their own monetary security". Everybody deserves defensive arrangement to meet instant or startling requirement for additional cash: sudden passing of the provider, putting something aside for mature age, clinical and inability needs. Reserve funds and Insurance are two such monetary services that can deal with the monetary security needs of the populace. Government backed retirement is a fundamental requirement of social equity. Some Indian States have shown that it is feasible to make a fruitful endeavor to improve openness to the rural populace to improve their part through different social plans.

In the period of serious advancement, privatization and globalization the opposition among the organizations is extremely extreme as there is a dainty line of distinction among the services and items being sold by various organizations which is practically immaterial. Associations need to offer better services as thought about than that of contenders to accomplish a serious situation in the worldwide market. Nature of services is a significant viewpoint which prepares towards a pool of fulfilled and steadfast clients. Life Insurance Services items are confidence items with not very many prompts that signal quality. In a life insurance industry, the client normally depends on extrinsic signals like brand picture to discover and see service quality particularly for a "unadulterated" service like insurance, which has minor substantial portrayals of its

quality and is exceptionally social during most exchanges. At whatever point a client buys a life insurance strategy the results of the equivalent are not prompt and accordingly, doesn't prompt snappy consumer loyalty. The future advantages of the insurance "item" bought are hard to predict and set aside a long effort to "demonstrate" its belongings. Subsequently the compatibility between the workers of Life Insurance Company and clients become more significant in high friendly association setting. Like many other monetary services ventures life insurance industry is additionally confronting ferocious rivalry and changing client demands. Like many other corporates or specialty unit's life insurance organizations likewise give top most need to their clients. Familiarity with client toward nature of service constrained organization to zero in on their technique toward client situating. In the event that the organizations neglect to meet the client assumption, client will move to other best option accessible on the lookout. In life Insurance this is noticeable as far as strategy slips by because of disappointed client from service nature of the organization.

Research Objectives

The present study associated with following objectives:

1. To know about the rural India and insurance companies.
2. To study the challenges faces by life insurance companies to rural buyers.
3. To concise the information on service quality maintenance and rural market opportunities of insurance sectors.

Reviews of Related Literature

Ahmed, Ashfaque. (2013) have done an investigation and summed up as notwithstanding mindfulness about insurance in India, rural India actually needs terms of accessibility of different monetary items particularly the danger items like insurance. Rural insurance insights actually demonstrates a fundamentally low entrance and helpless thickness even after the privatization of insurance area in 1999. Rural India offers a tremendous scope for insurers where the insurance of human life and pay producing resources involves concern. Controllers have likewise attempted to force rural insurance commitments for the insurance organizations. This paper looks at the current situation of rural life insurance in India and endeavors to investigate the issues and difficulties which prompted helpless infiltration of rural life insurance markets. A field study in Aligarh and Agra Region of the rural clients has been directed to analyze their discernment and mentality towards purchasing life insurance items. This paper additionally sum up the rural insurance showcasing rehearses by life insurance major parts in India and offers interesting comments for catching the rural potential and ultimately this paper examine about miniature insurance and its difficulties in short subtleties which is a chance just as a duty.

Siddiqui et al. (2017) have done an investigation and succinct as Life insurance is vital for ensuring human lives against mishaps, casualties and different kinds of dangers. Life insurance has been overwhelmed by open area (LIC) in India; be that as it may, with the advancement of Indian economy, private area passage in life insurance has momentum. The public area Insurance Company, for example LIC of India has accentuated on abusing the capability of rural India as rural life insurance gives immense scope. Yet at the same time its infiltration is low when contrasted with that in created countries. This paper features arising patterns, examples, and openings in Indian rural life insurance business. It additionally centers around the job of privately owned businesses in life insurance in India.

Mitra, Dr and Ghosh, Amlan. (2010) have summed up as Life insurance is of foremost significance for securing human lives against mishaps, casualties and different sorts of dangers. Life insurance has been overwhelmed by open area in India; notwithstanding, with the advancement of Indian economy, private area section in life insurance has momentum. The public area Insurance Companies, especially, LIC of India has stressed on abusing the capability of rural India as it gives immense scope even in the post globalized time. The paper features arising patterns and examples in Indian insurance business during post globalized period. It additionally centers on the job of private accomplices in life insurance in India.

Rural India and Insurance Companies

Insurance is purchased lesser in India by rural populace. General insurance is regularly purchased in light of the fact that there are impulses under the law or from the lenders requesting insurance as insurance security. On account of life insurance, there is next to no impulse. The inclination is to concede the choice. The chance of death is overlooked by the rural individuals; anyway there is greater chance of such mishap for individuals lives in rural territories. The rural individuals never accept that they can surrender to fate and they figure they will live a long and solid life. The rural populace in India is without life insurance cover and this piece of the populace is likewise dependent upon feeble government backed retirement and annuity frameworks with barely any mature age pay security. It is a pointer that development potential for the insurance area is immense. In spite of the fact that the Government has found a way to advance rural insurance, for almost twenty years this field has not made any head way. One of the needs for guaging extension of rural insurance would recognize of beneficial potential and explicit insurance needs in territories not yet came to by insurer and upgrading collaboration among insurance and rural credit offices or institutions. The purchasing conduct of rural shopper is impacted by the pay levels and circulations and advertisers endeavors on special exercises. The rural clients are hazard avoider accordingly insurance can't have any significant bearing the comparative technique that they apply to dispatch items in metropolitan regions.

Insurance organizations can add about Rs. 1000 crore to their total assets from almost 200 million rural people that are searching for substitute investment funds channels for their excesses gave these come out creative plans at moderate premium, as per The Associated Chambers of Commerce and Industry of India (ASSOCHAM). ASSOCHAM paper on 'Rural India and Its New Investors adds that insurance organizations can bait this financial backers part in any event, for Agri, Housing, Personal, Education and Auto advances after these have insured them under its new plans. At present, just 8-10% rural families are covered under life insurance conspires and staying 90% can be focused for new creative insurance plans. As per ASSOCHAM, rural India's pay has ascended because of moving of its occupation from horticulture to non-ranch agrarian pay and it has become a significant feature of rural India. This pay predominantly comes from dairy, food handling and bundling, product exchanging and foundation development pay. The non-farming bases of rural occupation and pay have been filling in rural GDP figures that are assessed at 45%.

Challenges Faces by Life Insurance Companies to Rural Buyers Untapped Market Segments

It is critical to build the client base in semi-metropolitan and rural zones which offer a colossal potential. The way that a significant piece of business for LIC comes from these territories remain as a declaration to this undeniable actuality. There are troubles in moving toward this segment which will take us back issues of client education.

Risk Management

With the environment changes in the financial situation of the country the danger scene has gone through critical changes. With the opening up of economy and the passage of MNC in practically all areas, there has been a flood in the pay levels, particularly in the working class. The globalization has likewise brought about social trades more than before.

Human Resource Management

The insurance market is presently loaded up with players, who are experienced, around the world conspicuous and enormous parts in the transnational serious worldwide serious insurance market. Every one of them has capacity to impact the market. The human asset competency will be another large test.

Documentation and Certification

A portion of the essential documents gave to the insurance organizations by the rural individuals are age evidence, FIR, passing authentication, and so on still standards and documentation interaction ought to be relatively basic for the rural zones. Harvest insurance, insurance against creature's life and so on needs exceptional consideration and less complex yet compelling documentation. Tweaked Product Design and rick

confronted, the rural populace ought to be modified by the term of estimating, effortlessness in item include, premium paying choice and cycle requirement.

Managing the Regulatory Authority

As the opposition intense, the client turns out to be more powerless against the notions on market environment. The controllers have a dual obligation. They needs to guarantee that the insure hold fast to sound insurance standards and practices just as keep up sufficient monetary assets to meet their liabilities.

Distribution of Products

Segmentation of business sectors, selling segment arranged items, zeroing in on more full fulfillment of client's yearning misquotes different appropriation net works. While the conventional channel of tied up specialists or consultants would be the main circulation channel, insurers ought to develop and discover new strategies for conveying items to clients.

Distribution Channels for Rural Network

The insurance specialists assume a significant part in making mindfulness, propelling buy and delivering other rural insurance services. Specialist's commitment in dissemination of insurance arrangements in rural and semi-metropolitan market is critical and wonderful. The new organizations need backing of in any event a restricted specialist network for their conveyance framework. Savvy alternatives exist for utilizing existing rural institutions for conveyance of insurance items and services.

Cut Threat Competition

Progression will make intense rivalry in the insurance market. Wild rivalry to expand volume and piece of the pie will proceed as an ever increasing number of players join the race for the more prominent Indian insurance.

Customer Relationship Management

Client conduct will be impacted by environmental factors just as intrinsic individual yearnings. The environmental factors are financial and segment factors, contributions of insurance guides, the organization's endeavors to manage consumer loyalty and experience.

Awareness and Education

The greatest test in insurance organization is to change its discernment as a danger moderation instrument. This should be possible by spreading mindfulness about how insurance functions on a basic level. As per a report by FICCI-ING Rural Insurance advanced establishment of examination, preparing and training, a significant degree of mindfulness about insurance is must. Insurance is to a great extent seen as a danger

cover instrument and very little as investment alternative. Purposes behind taking life insurance approaches are additionally normal like little girl's marriage, kids' schooling, and so forth Respondent of all luxuriousness levels concurred that the advantage of non-life issuance is security of resources, in spite of its low infiltration and mandatory nature.

Service Quality Maintenance and Rural Market Opportunities of Insurance Sectors

Taking into account the funds and maintaining the economy, India's rural and semi-metropolitan areas have been gaining incredible headway each spending day. The miniature business venture in these business sectors assumes a fundamental part in giving employment and pay to poor people and the jobless in rural zones. Furthermore, very much like some other market, this also has its own arrangement of difficulties that ought not be sabotaged in any viewpoints, particularly from the part of business or insurance. Obliging the accounts and maintaining the economy, the area has been gaining extraordinary headway each spending day. A portion of the legitimate purposes behind not misjudging it as far as business and insurance are as per the following:

Term Insurance

Life insurance has verifiably been utilized as a duty saving instrument or reserve funds cum-investment item. Unadulterated assurance items, which give higher danger inclusion at a lesser cost, were not promoted as forcefully as other regular items. It is a hot market for the correct item which ought to be properly showcased in the correct soul when it advances toward the client. The second-greatest test is the evaluating of the item when contrasted with the reasonableness of the client. The ascent in discretionary cashflow combined with the presentation of life insurance's month to month mode payment is overcoming any issues on the two sides. Accordingly, whenever promoted appropriately, there exists an immense market for life insurance, growing its points of view of accomplishment. The rising in schooling alongside developing mindfulness and measures taken by controllers to facilitate the business' obstructions (POS items) is additionally boosting the demand for lifestyle security, and subsequently, higher aggregate insured.

Health and Personal Accident

India is among the nations that have the most elevated cash based medical services consumption. On the off chance that the figures are to be viewed, a report delivered by NHA in October 2019 for FY17 states the nation spends around an incredible 63 percent for medical services, making it an intensely financed area. Diving into the subtleties, the business is supported 63.2 percent as cash based by Indian customers, and 26.2 percent by different focal and state government plans. Private

players contribute just 4.7 percent to the area. Individuals have no alternative left but to depend on the loaned cash, offer of resources, or mix of both to meet the costs. The state wellbeing insurance programs have been re-intended to cover a higher number of individuals with expanded inclusion, and that opens a ton of entryways regarding advancing wellbeing insurance and securing assorted lifestyles of various individuals. There is sufficient information accessible for one to make a statement about private wellbeing insurance being set up as a metropolitan and metro phenomenon. The customers in semi-metropolitan and rural showcases barely purchase private wellbeing insurance and in this manner, a gigantic market can be taken advantage of. The items should be planned with the client base and target-segment as a main priority and not the opposition. It should be valued, advanced, conveyed, and serviced appropriately to make it effective. According to an examination by Oxford Economics and Haver Analytics, private medical care consumption has been developing quickly from some time. Taking off from \$2.5 billion of every 2010, it is currently expected to contact \$3.7 billion out of 2021. The Indian purchaser base is to such an extent that they endeavor to get their incentive for cash and will in general lose revenue in the event that they don't discover the advantages or benefits worth their investment and time. Wellbeing insurance endures that element and consequently Personal Accident and Hospicash arrangements make a decent supplement as it comes generally at a lower and more moderate cost and gives smooth income assurance, preferring the client.

Weather and Crop Insurance

India is known to be an agrarian economy. Agribusiness contributes 16% to the GDP and supports the job of 44% of the populace. Regardless of this, the agrarian type of revenue is as yet not completely covered. India is the third-biggest in the worldwide yield insurance market, with 41% entrance. Precipitation, dry spells, flooding, bugs, and illnesses represent a significant test before Indian horticulture biological system. With the effect of environmental change straightforwardly affecting rural profitability, the insurance area has a fundamental task to carry out. Over the most recent 20 years, the yield insurance plot has been steadily advancing. Be that as it may, its compelling implementation is yet to yield the outcomes. Starting today, practically all loanee ranchers are mandatorily covered yet non-loanee ranchers are still out of radar. Postponement in payment of cases and utilization of successful innovation remains the bottleneck to acquire the trust of ranchers and consequently penny percent inclusion.

Livestock/cattle and other General Insurance Products

With a swelling MSME presence in the semi-metropolitan market, any remaining subjects of insurance (other than close to home lines) likewise offer a colossal market, including auto, workmen remuneration, steers and domesticated animals, shops, instruction, fire/marine insurance, and so forth Despite the fact that there is no

particular number accessible, it is as yet assessed that anyplace between 85-93 percent of the labor force is putting themselves in the casual areas. This additionally gets cross-approved with the commitment of this area in GDP, which is assessed to be at 50%. Curiously, the information concerning claims uncovers that light business vehicles bring less cases and misfortunes, when contrasted with private vehicles in metropolitan business sectors. This further implies that it's a profoundly productive business for all the insurers. A great deal has been done yet much more should be done, beginning from now and henceforward.

Package Products

Finally, it's no news that low-ticket size items have high organization/operational expense. It bodes well to package the advantages of various items and sell as a blend of inclusions to these clients, that too on the month to month method of payments, which is a serious chance whenever paid regard to. Insurance organizations have begun dispatching new age items like "pay more only as costs arise" for vehicles and different items. Also, despite the fact that the public insurers do have such items; notwithstanding, information circulation actually stay a test. The taking off MSME industry is trusting that suitable arrangements will take care of it. All we currently need is a higher appropriation of innovation in the business and client driven items to reflect believability and acquire trust. Accordingly, the boundless acknowledgment of the danger alleviation apparatus called Insurance.

Conclusion

The entrance level of the current insurance major parts in the rural market isn't commendable. The reasons as broke down from essential and auxiliary information for low entrance in rural territories are recorded underneath. To support volume of business, the insurance organizations are depending on expensive arrangements. Offer of low ticket approaches in rural regions isn't given significance. But LIC of India, no other organization has restrictive rural driven items. Actual presence of at any rate satellite branch guarantees trust. However, over 79% of branch workplaces of life insurance organizations are in metropolitan regions. Private players' essence in miniature insurance area is irrelevant. Rural clients don't believe private players however much they trust LIC of India. This restricts their maneuverability in rural territories. Specialists, who are instrumental in selling in rural territories, feel that the results of insurance organizations are not rural client need based. In their discernment, organizations are not showing interest in rural territories. This draws out the immense potential market accessible for the insurance players. For this reason, insurance players can build the mindfulness level of the insurance items to the rural buyers, develop items satisfactory in the rural advertise and elevate rural specialists to guarantee trust among the clients. Satellite branches in rural zones can be opened up to advance the

insurance idea in rural market. Advertisers accordingly can design the procedures to enter and build up their essence in rural market that has gigantic freedoms.

The life insurance organizations in India are growing new items yet, they neglect to enter in rural regions where tremendous market lies. The infiltration level of life insurance in India is low contrasted with global principles and in this way has tremendous potential for development. Nonetheless, the market might be wealthy in potential, however new organizations confronting difficulties. The townspeople's mindfulness and improved dispersion networks are the keys for the market enrichment. Insurer should put proper asset to build up the dispersion network to get a handle on the capability of the rural market. The elective appropriation channels ought to investigate by the insurance organizations particularly for privately owned businesses. Specialists of rural market required appropriate preparing and spurred by motivations and more commission and so on To catch the rural insurance market, the life insurance organizations should create basic insurance item that is appropriate for the rural individuals. Investment connected insurance item with minimal premium might be acceptable alternative. The payment timetable of premium may base on reasonable season of reaping since horticulture is principle type of revenue of rural individuals. To sum up life insurance in rural India is goes through achievements of mindfulness, emotional appropriation channels, tweaked items, low premium, after deal services and speedy settlement of cases.

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