ABSTRACT
This paper aims at evaluating the quality of insurance services in India through customers’ assessment, with the objective of finding how this can be used to boost the demand for insurance which is presently low in India. Questionnaire was administered to wide spectrum of insurance customers who had insurance policies in India, in order to gather information related to their perception of quality. Descriptive analysis such as percentage and table presentations was used to analyze the collected data. The study revealed among other things that prompt claim settlements is the most important factor considered by the customers of insurance companies in India in their evaluation and measurement of quality of the policies they are holding. The study therefore recommended that the culture of delay in premium payment or non-payment should be stopped and organizations should look inward to see the reasons why the payment of premium is a problem.

KEY WORDS: Service, Quality, Insurance, Customer, India.
improvising its global ranking to 19th in comparison to 26th in last year. The insurance density of life insurance sector had gone up from USD 9.1bn in 2001 to USD 55.7bn in 2010. Similarly, insurance penetration had gone up from 2.15 per cent in 2001 to 4.60 in 2009, before slipping to 4.40 per cent in 2010. The number of insurance companies stood at 48 at the end of 2010-11, consisting of 23 life insurers, 24 non-life insurers and a reinsurer. Edelweiss Tokio Life Insurance Company was granted registration in the year 2011-12, leading to total number of insurance companies increasing to 49 as at end-September 2011. (Directories Today Report)

In recent years, insurance customers in India are increasingly aware of their expectations and standards of services required from their insurance companies. This is partly due to the fact that customers are more educated and knowledgeable about services provided by insurance companies. Therefore it is becoming desirable and important for insurance companies to come up with approach that will give customer a central role for future growth and survival.

In the same vein, insurance companies in India have also recognized the fact that service quality is imperative to achieve competitive advantage while poor quality brings about competitive disadvantage. Siddique & Sharma (2010) observed that quality insurance services help to differentiate one from others who are also offering identical services; also it offers a way of achieving success among competitors. Therefore, this study aims at evaluating the quality of insurance services in India using customers' assessment, so as to come out with effective strategies that will offer best value to the customers, profitability to the insurance companies; and overall boost the demand for insurance in India.

Review of Literature

A service has been described as an activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything with its production been or otherwise not tied to a physical product (Kotler & Armstrong 2008). Services however, can be distinguished from goods by the following characteristics namely; intangibility, inseparability, variability, perishability, and ownership. Quality has been defined as the degree to which a product meets the expectations of the customer (Stanton et al, 2001). Crosby (1984) defined Quality as conformity to requirement while Zeithaml et al, (1993) suggested that quality is capable of been assessed by three levels of expectation namely, the consumers expectation about the desired level of service; what the customer wants and the predicted service level. Insurance services has been described as having the following features, intangibility, inseparability, variability, ownership of a thing of title that can be transferable, and for insurance it is usually issued to last for a year except for life assurance policies, highly regulated in some countries.

Brady and Cronin (2001) said that quality is not really different from the satisfaction that a consumer can derive from the consumption of that service and hence, satisfaction can serve as a means of measuring quality. Walker and Baker (2000) opined that one of the crucial elements of insurance quality understands of customers’ expectation because their expectations serve as standards against which service performance is measured. Taylor (2001) in his study on service recovery analysis in insurance industry noted that quality of service and customer satisfaction and loyalty are fundamental for the survival of insurers. He further stated that development of close relation with the customers, quality after sales services and good customer relation can lead to very positive results for the insurers.

As a result, many organizations are paying increasing attention to improve service quality. In some manufacturing industries "service quality" is considered a more important order winner than "product quality" (Ghobadian et al., 1994). Service quality improvements will lead to customer satisfaction and cost management that result in improved profits (Stevenson, 2002). Contemporary service sector firms are compelled by their nature to provide excellent service
in order to prosper in increasingly competitive domestic and global marketplaces (Sultan and Simpson, 2000). As service firms find themselves in an increasingly competitive and complex business environment, they are inevitably driven to examine their service delivery processes critically. The focus of such internal analysis is ultimately about customer satisfaction, and how bottom-line results can be actualized through delivering quality services to customers via flawless interface platforms. This is not only the case in the private sector, but it also is increasingly so in the public sector. Public sector firms are trying to make administration more efficient and more citizen-oriented (Scharitzer and Korunka, 2000)

Methodology Adopted
The aim of this study is to understand what customers of insurance in India perceive as measuring quality, which constitutes a basis for the purchase of insurance policies or renewal of existing ones when the agreed upon time for cover expires. The data for this study was collected through a self administered questionnaire from policy holders in Northern Parts of India especially Delhi/NCR and UP Regions of India. The reason for choosing India is because it is the commercial capital of India and a sizeable number of insurance companies and consumers are located here. The study used a descriptive survey research design with 300 questionnaires to obtain data from the respondents. These are those who had different types of insurance policies within these regions. Of the 273 questionnaires returned, 212 were found usable for analysis representing 77.66%.

Results and Discussions
• Personal characteristics of the respondents
Gender, though was not an important variable for the study but meant to show that both sexes were covered as part of the study. And of the number of questionnaire collected from respondents and found to be useable for this study 156 were male representing 73.6% of the entire study population while 56 were female representing 24.6% of the entire study population.

• Prompt claims settlement
One of the factors observed as positively contributing to customers' evaluation of the quality of insurance in India is prompt payment of claim by the insurance companies when the insured reports his loss. Table 2 showed that 71.2% agreed to a very high extent that this affects customers' evaluation of the quality of insurance in India,14.1% to a high extent,4.72% to an average extent,5.1% to a low extent,3.8% to a very low extent and 0.9% to no extent at all.

• Staff attitude as affecting customers' evaluation of the quality of insurance in India
Respondents were asked to evaluate the sector based on the attitude of staff employed by insurance organizations and their response is contained in table 3, and this shows that 36.3% believed that it affects to a very high extent, 38.2% choose high extent, 17.4% average extent, 3.3% low extent, 3.3% very low extent, while 1.4% choose no extent at all. In all it can be established that majority of the respondents believed that the attitude of employees of insurance companies highly affects the customer evaluation of quality of insurance services in India.

• Advertisement as a factor that can change the customers' evaluation of the quality of insurance in India
As shown in Table 4, 32.1% of the respondents agreed that it will affect to a very high extent, 34.4% to a high extent, 19.8% to an average extent, 8% to low extent, 2.4% to a very low extent, while the remaining 3.3% agreed that it will affect to no extent at all. This implies that advertisement is a potent tool in changing the orientation of customers as far as evaluation of quality insurance services is concerned.
Premium charged will affect customers' evaluation of the quality of insurance in India. Table 5 indicated that 50.9% of the respondents' sampled said to a very high extent, 17.5% to a high extent, 13.2% to an average extent, 10.4% to a low extent, 6.6% to a very low extent and 1.4% to no extent at all. Premium charged by insurance companies is a very good parameter in measuring service quality in insurance industry. Unreasonably low premium due to competition can bring about poor service, while reasonably charged premium will bring high quality service to the customers and profitability to the company.

Ability to reach customers as a factor that may affect the customers' evaluation of the quality of insurance services in India

Respondents' were asked whether ability to reach customers will be a factor that affects their evaluation of the quality of insurance in India and their responses given show that 39.2% believed to a very high extent, 25.5% to a high extent, 19.3% to an average extent, 9.0% to a low extent, 5.2% to a very low extent and 1.9% to no extent at all. Majority of the respondents believed that proper penetration of insurance service will greatly affect their quality judgment because it is widely acknowledged that you can only evaluate what you know.

Financial incentives to customers as a factor affecting customers' evaluation of the quality of insurance in India

The data collected showed that 35.8% said to a very high extent, 22.2% to a high extent, 20.2% to an average extent, 10.8% to a low extent and 7.5% to a very low extent and 3.3% to no extent at all.

Premises where business is carried out as factor affecting customers' evaluation of the quality of insurance in India

A good number of the respondents placed aesthetics as influencing their evaluation of the quality of insurance in India with 49.1% choosing a very high extent, 19.3% high extent, 14.6% average extent, 9.9% low extent, 4.7% very low extent and 2.4% to no extent at all. Neat, conducive and peaceful environment, and well arranged environment will attract customers, while littered and scattered premises will send customers away and will portray the company in bad light. Even if the best of insurance services are rendered there.

Association with other organizations will be a factor affecting customers' evaluation of the quality of insurance in India.

Merger and acquisition was one event that took place in the insurance industry in India from 2006-2007. Respondents evaluation of the quality was now based on those that survived, those that were able to stand alone and those merged, the name of the organization they now adopted and how popular it is in the industry. 39.1% said to a very high extent, it determined quality, 22.6% to a high extent, 15% to an average extent, 13.6% to a low extent and 2.8% to a very low extent.

Caring for customers as factor affecting customers' evaluation of the quality of insurance in India

Table 10 shows that 45.3% of the respondents believed that proper care from the part of insurance company will affect their quality evaluation to a very high extent, 22.2% to a high extent, 19.3% to an average extent, 2.8% to a very low extent and 1.4% to no extent at all. The respondents preferred organizations that would like to be identified with them and be there for them at the time of loss and gain.

Deployment of technology

Technology usage has been one the innovative ideas that has the potentials of changing the fortune of the insurance industry in India. From Table 11, 36.8% respondents stressed that proper deployment of technology can enhance the quality of insurance services in India to a very high extent, 24.1% to a high extent, 17.9% to an average extent, 8% to a low extent, 8%
to a very low extent and 5.2% to no extent at all. Therefore proper deployment can help in improving the service delivery to the customer and also enhance the performance of the company.

Conclusion and Recommendation
This study was concluded on the premise that for insurance companies in India to remain competitive and attract more business as well increase its acceptance by their current customers and potential one's they must understand the following:

A) That quality is defined by customer and not by the producer or seller and
B) That customer assesses service quality by comparing their expectation to their perceptions of how the service will perform. And that since insurance provides for a futurist need which is the provision of security on the occurrence of a loss, no policyholder will be satisfied to be told that the claim cannot be paid.

The finding of the study show that prompt claims settlement is the most important factor considered by the customers of insurance companies in India in their evaluation and measurement of the quality of the policies they are holding. However, for the promotion of insurance as a sector that can really serve as a source from which investment fund can be sourced and an industry that can provide for security and welfare needs of citizens particularly for a developing country as India, where there are infrastructural inadequacy, and difficulty in raising fund required to grow the economy; a vibrant insurance sector is greatly needed to help in solving some of these problems.

Recommendations that should be put into consideration:

- Insurance company should desist from the culture of not paying premium.
- Insurance company should look inward to see the reasons why the payment of premium is a problem.
- Insurance company should make wise investment decisions, so that there will be fund to meet the cost of claim when they arise.
- Insurance company should make sure that it’s charging enough premiums, based on the risk brought before it by individual policyholder not just charging rate that will make it remain in business and when losses occur it will not be able to pay claims.
- Overall, marketing of insurance services should be step up so that more people will be favorably disposed towards the purchase of insurance in India.

References


Bibliography


