

THE INSURANCE INDUSTRY IN INDIA: A DIGITAL REVOLUTION

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PERCEPTION OF POLICY HOLDERS TOWARDS DIGITALIZATION OF INSURANCE SECTORS

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Abstract:

The current research paper is aim at exploring the perception of policy holders towards digitalization of insurance sector by identifying the Satisfaction and awareness towards digitalization and problems faced by policy holders towards digitalization of insurance sectors. Data for the study have been collected from 100 policy holders through issue of well- structured questionnaire by adopting snow-ball sampling method. Simple Percentage and has been used to analyze the data the study reveals that the majority of the policy holders are highly satisfied with digitalization of insurance sectors especially the payment on time , service quality , user friendly website and information related to policy for decision making. And majority of the policy holders are aware on online process and they agreeing that digitalization save their time by timely decisions. Moreover policyholders have fear of information theft.

Keywords: Digitalization, Insurance sectors, Satisfaction, Perception

Introduction:

In the recent era active digital user's rate is increased and the internet users rate too. Digitalization is the mantra for all the sectors in the society. And it changing and changed the entire service and other process easy and also created a reach in all the areas of the society. Insur -Tech created a revolutionary effect in the entire segment. Especially in this fast moving era policy holders on insurance needs a quick and efficient of solution for their needs and user friendly access of their information and policy related information in websites (**Ashish C Pius and Velmurugan.R, 2024**). So, the study is intended to know the Perception of policy holders. Insurance is an essential one for all the people it safeguard the people from the risk moreover digitalization in these sector create a new dimension. However now a day's policy holders experiencing a lot of merits and demerits in digitalization of insurance sectors especially in information theft, valid information, processing time, premium payment etc.,

Review of Literature:

- **Ms. Rathnavathi K and P.N.Udayachandra (2019)** in their research entitled “perception of policy holders towards digitalization of insurance sector – a study with reference to belthangady taluk” to analyze the understanding of policy holders' response towards digitalization of insurance sector. The result of this study indicates that policy holders prefer direct face-to-face interaction and they are not ready to take risk moreover Customers lack information about the Web site and also have a low level of awareness towards procedure of transaction and outcome.

- **P Thangadurai, Abdul Rahim (2015)**, in their study entitled “Policyholders Perception towards Online Insurance a Pilot Study in Mumbai”, to analyze the perception and satisfaction and attitude of policy holders on the online insurance. The study found that there is a strong and positive association between online insurance policy holder’s age, marital status, income, qualification, employment and level of satisfaction. And also found that policy holders give priority to the information availability through websites and brochures for decision making.
- **B. Kishori and Kumaran.R (2019)** , in their study entitled “A Study On Perception Of Insurees’ Towards Digital Transformation Of Insurance Industry”, to analyze that perception of insurees about digital transformation. The study finds that there is positive correlation between age and marital status among policy holders. Moreover policy holders are highly aware on digital platforms and they prefer to experience low transaction fees and reduced process.
- **Mugdha Relan and Manoj Kumar(2023)**, in their study entitled “Impact of Trust and Risk Factors on the Satisfaction level of the Policy Holder towards Digital Bancassurance Model” to identify the significant link between the aspects of policyholders trust, risk and satisfaction and the digitalized bancassurance channel. The study finds that societal changes changed people perception towards digital insurance and the study also suggest that insurance companies concentrate more on multi channel distribution based on the changing environment. Majority of the policy holders are worry about data privacy and digital fraud it seem that most of the policy holders not prefer to buy insurance through due to cyber fraud.
- **Ehiogu and Chizoba (2023)**, in their research paper entitled “Insurance Digitalization; Option for Effective Protection of Policyholders in Nigeria” to identify the adoption insurance digital tools in providing insurance policies for policyholders. The study finds that majority of the policy holders are purchases insurance policies through digital platforms. And it is identified that there is a fast and efficient premium payments. And problems like underwriting, claims handling and other issues are not efficiently resolved

Statement of the Problem

Insurance play a vital role in economic development of a nation by providing safety net to the policy holders. And technology development in insurance sector changed a provider of policy and policy holder’s experiences more efficient and user friendly through Insurtech. Insurtech reshaped an insurance industry. Digital developments like online platforms, mobile app in insurance Created tremendous changes in insurance sectors. In this context, is imperative to find out the Satisfaction towards digitalization of insurance sectors, problems faced by policy holders and awareness on digitalization of insurance sectors

Objectives

- To know the Satisfaction towards digitalization of insurance sectors
- To know the problems faced by policy holders towards digitalization.
- To know the awareness on digitalization of insurance sectors

Research methodology

The present study is based on primary data which have been collected through issue of well structured questionnaire. The data for the study have been collected From 100 policy holders. Snowball sampling technique has been adopted to collect data. The data collected have been analyzed using simple percentage.

Findings:

(i) Socio - Economic Profile

- **Area of Residence:** The number of policy holders in rural area is higher than those who reside at urban area.
- **Age:** Out of 100 policy holders, Majority 77 (77.0%) policy holders are belong to the age group is ranging between 25 and 35 years.
- **Gender:** Out of 100 policy holders, Majority of 57 (57.0%) policy holders are male.
- **Educational Qualification:** Of the total 100 policy holders 82 (82.0%) policy holders are post graduates.
- **Occupation:** Majority of policy holders belongs to Business sector.

(ii) Policy holders Level of Satisfaction towards digitalization of insurance sectors

Table: 1

Factors	Highly Satisfied	Satisfied	Dissatisfied
Websites are user friendly	60 (60.0%)	23 (23.0%)	17 (17.0%)
I easily access and update my the information on the website	40 (40.00%)	45 (45.00%)	15 (15.0%)
Online requested services are at on time	50 (50.0%)	20 (20.0%)	30 (30.0%)
I easily pay my premium payments on the digital mode of services	61 (61.0%)	22 (22.0%)	17 (17.0%)
Security of my information.	47 (47.0%)	14 (14.0%)	39 (39.0%)
Customer policy renewal and grievances redress are on time	45 (45.0%)	32 (32.0%)	23 (23.0%)
I experienced on time Claim settlement	60 (60.0%)	30 (30.0%)	10 (10.0%)
Digitalization fulfilled my expectation	57 (57.0%)	30 (30.0%)	13 (13.0%)
Digitalization is useful to gather information on terms and conditions.	60 (60.0%)	28 (28.0%)	12 (12.0%)
Digitalization is save time	72 (72.0%)	20 (20.00%)	08 (08.0%)

From the above table it I ascertained that most of the policy holders are highly satisfied with the digitalization of insurance sectors. With their user-friendly websites, payment of premium, claim settlement and information for decision making process. And policy holders have a fear of information theft while using online platform.

(iii) Problems faced by policy holders

- The study finds that majority of 57(57.0%) of the policy holders experience network problem while using platform.
- Majority of 60 (60.0%) the policy holders have fear of information theft in their mind this show safety of personal information and account details

(iv) Awareness on digitalization of insurance sectors

- Majority of the 75(75.0%) of the respondents are highly aware on the digitalization of insurance sectors

Conclusion

The study concludes that now a day people are rely more on information. The transition of traditional segment to modern segment by way digitalization creates a huge impact on insurance sector in India. It creates a way for nation's economic development and growth. The above study finds that people are ready to incorporate digital process but they have a fear of information theft but they are satisfied with services provided by the insurance sector. Continues development and awarness creation training is need for the policy holders to avoid problems and continues development.

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