

A STUDY ON INSURANCE SAMADHAN: TO MEET THE UNMET NEEDS OF MISTREATED POLICYHOLDERS

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ABSTRACT: Numerous customers claim that their insurance providers misled them. Therefore, to address this issue, Insurance Samadhan, a grievance redressal organization, sends specialists from the insurance industry to assist an individual so they can discuss their case and aid in finding a suitable resolution for their grievances. Insurance Samadhan can deal with any issue relating to insurance, such as lapsed insurance policies, assistance with case resolution, claim recovery in the event of insurance fraud, support for NRIs in keeping their policies, and much more. To understand the experiences of policyholders and their awareness regarding the services of Insurance Samadhan, 122 policyholders were surveyed. The findings indicate that Insurance Samadhan and the services it provided were unfamiliar to the respondents. People also believe that applying for and claiming insurance involves too many hurdles. They also believe that there are too many vague terms used in the documentation process. Many customers had trouble getting their insurance claim because it was totally or partially rejected.

KEYWORDS: *Claim Rejection, Insurance Samadhan, Ombudsman, IRDA*

INTRODUCTION

Einstein: “Everything must be made as simple as possible, but not one bit simpler.”

In life, insurance is essential. It is the best option for someone to lessen the likelihood of a family losing money due to unforeseen situations. Since the Pandemic, the insurance industry has experienced growth. People increasingly understand the value of insurance and how it affects their lives. Although the insurance sector plays a crucial role in a person's life, it can be very challenging to comprehend the specific and technical steps involved in applying and claiming an insurance policy.

Insurance provides a person with a sense of relief and contentment, as well as a sense of tranquilly in their lives. However, occasionally, for unknown reasons, an insurance claim may be denied, which results in a panic in the insured's head.

This may happen because some people are ignorant and unaware about the laws that allow them to be taken advantage of, which results in their insurance being completely rejected or only paying out half of what it should. Claims settlement is crucial for receiving the benefits of insurance coverage. Since the customers, or consumers, are also a component of the product, insurance is thought to be special in this regard.

Since the introduction of LPG, India's economy has grown incredibly. The rivalry among insurance providers has spiked. The enormous insurance industry is expanding quickly, at a pace of 15-20%. Insurance services together with banking services boost the nation's GDP by roughly 7%.

The insurance industry is a blessing for economic growth since it increases the country's capacity to take risks while also providing long-term funding for infrastructure development.

In today's world, insurance is highly valued, however we notice that customers frequently experience difficulties while making claims or submitting applications for insurance. This is due to its growing complexity, insurance has become more hazy.

Insurance Samadhan addresses these problems by demystifying a complicated procedure and instructing the insured on how to use their insurance to minimize loss in the case of a catastrophe.

LITERATURE REVIEW

Ms.S.Subashini& Dr. R. Velmurugan (2019) found that the main reasons for policy lapse were an increase in complaints from current policyholders, financial strain on policyholders, and high premiums. Policyholders must base their policy and premium on their potential for earning an income. Similarly, insurance companies should not mis-market their goods to their uneducated policyholders.

Dr P. B. Ashturkar found that Private sector firms like ICICI Prudential, HDFC Life, and SBI Life are more capable than LIC in the area of claims payout within 30 days. It is clear from this analysis that private insurance companies have outperformed public sector insurance companies.

Minal Kalani, HarshalSalunkhe and Mukesh Ahirrao concluded that there may be instances of fraud in Claim Settlement, but if the policyholder takes the right steps, he can guard against fraud.

Dileep Mavalankar and Ramesh Bhat opined that there is not much experience with health insurance in India. The government's liberalisation of the insurance sector will cause health insurance to grow quickly in the future. The difficulty is recognising the positive features of increased coverage and health services at lower costs without the drawbacks of cost growth and excessive use of procedures and technology in the delivery of healthcare. India should take the initiative to create social health insurance that is universally covered, similar to the German model.

Dr. K. Vidyavathi and Avinash B N found that the financial market's convoluted financial contracts and low level of financial literacy always allow for the misselling of financial items, and the insurance industry is no different. Insurance policies must expire as a result of improper contract interpretation, a mismatch between product features and customer needs, a failure on the part of agents to sell need-based goods, agents' promotion of products based more on agent fees than on customer need, etc. Experts in the field estimate that death, maturity, and economic shock account for about 20% of premium loss, with the remaining 80% of premium loss being caused by the aforementioned factors.

OBJECTIVES

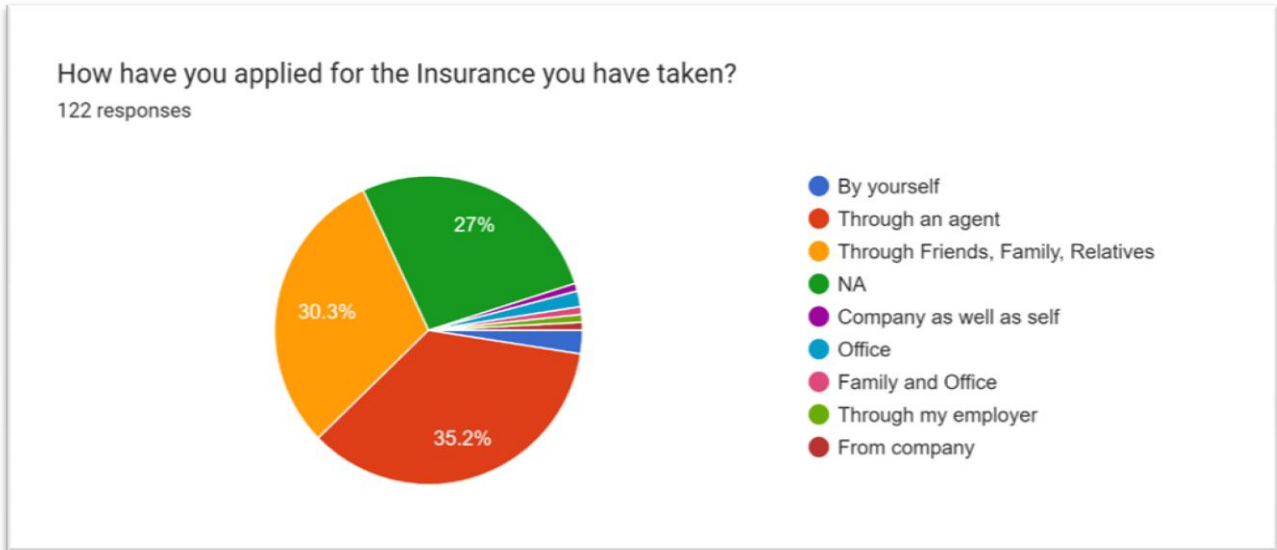
1. To identify most common reasons for claim rejections
2. To understand the psychology of the insured
3. To highlight the errors made by the insured
4. To analyse the reasons for complexity while claiming an insurance
5. To highlight the role of IRDA, Ombudsman

RESEARCH METHODOLOGY

The purpose of the study was to obtain data regarding the current insurance market and consumer burden associated with the claims process. A quantitative research approach was selected in order to conduct accurate analyses and demonstrate a clear association between variables. The study made use of a survey that was sent via a Google form. A Google form was filled by 122 people overall, across all age groups. All of the inquiries were made in an effort to comprehend the psychological makeup of the respondents, their problems, and their level of trust in the IRDA and the Ombudsman. Google form results that were displayed as graphs and pie charts were used to analyze the data. Analysis was carried out based on the statistically given results.

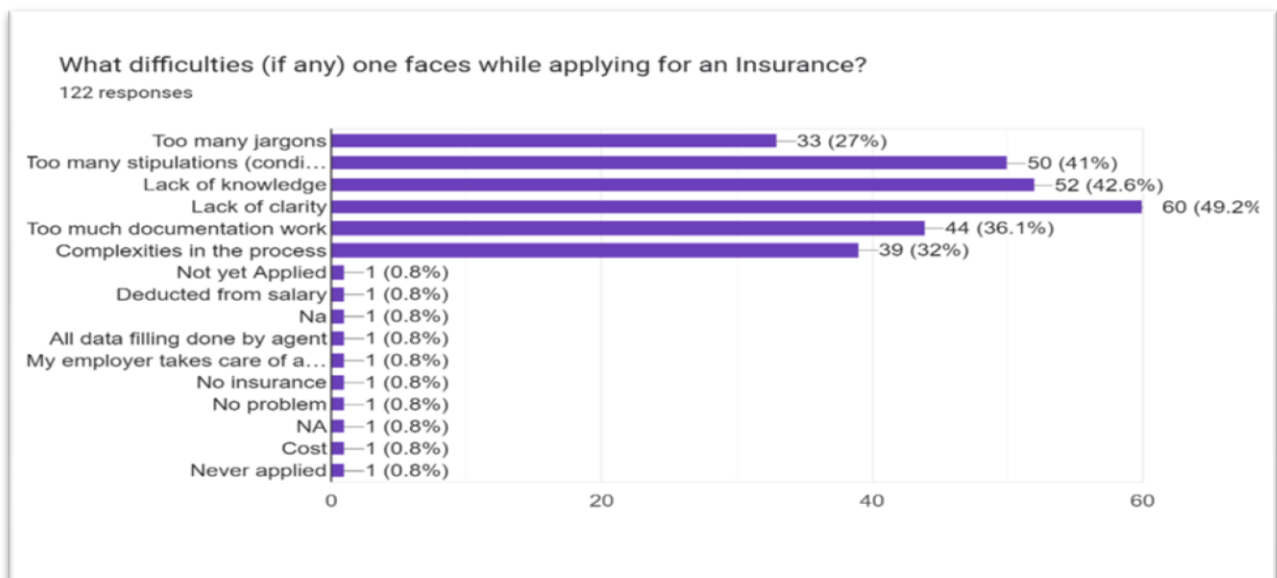
DATA ANALYSIS AND FINDINGS

FIGURE 1



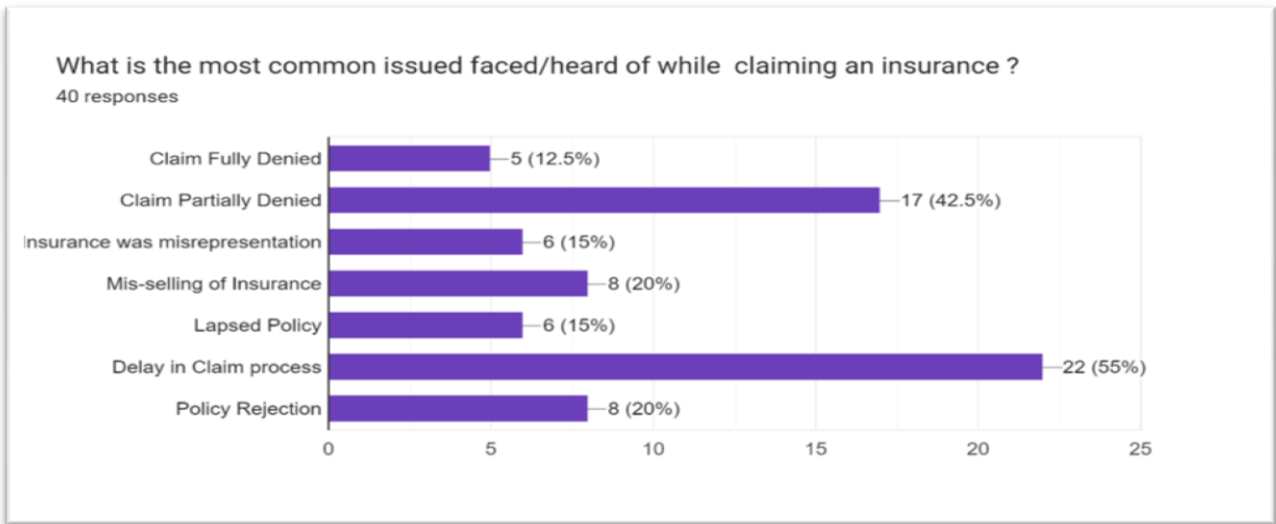
According to the aforementioned information, most insurance applications are made through an insurance agent, a member of the applicant's family, or a close friend. We observe that several individuals are additionally covered by insurance through their office.

FIGURE 2



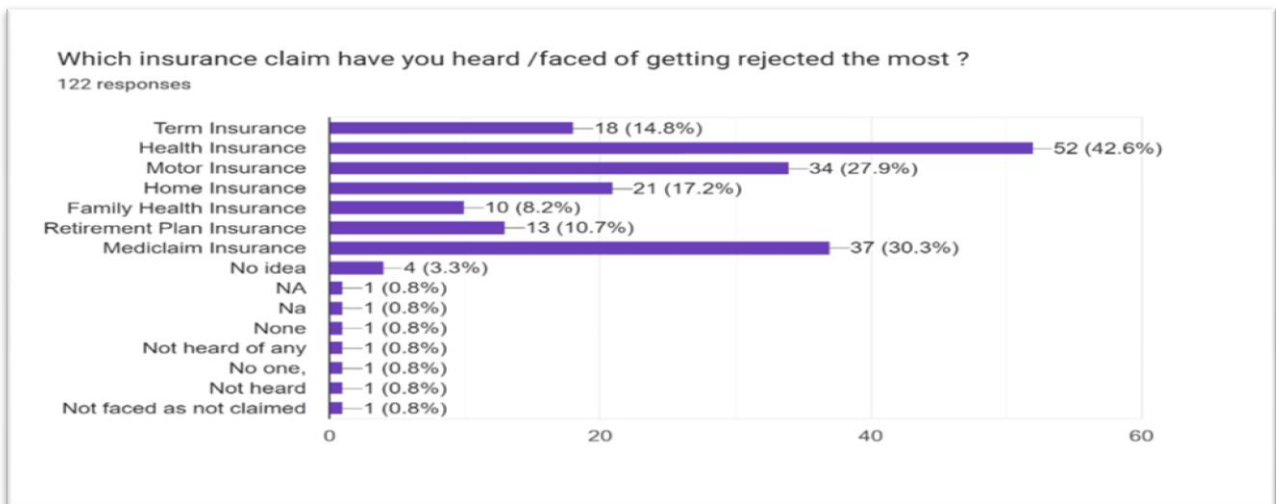
According to the data gathered, most of the people (about 49%) think there is a lack of clearness when applying for insurance. This is followed by lack of knowledge. The procedure for applying for insurance and how to go about claiming the same is unknown by people. We also observe a problem that people are submitting documents without understanding the reason of why they are doing it. Also a major problem in the Indian insurance industry is that there are too many technical jargons and many other stipulations which are not understood by layman.

FIGURE 3



These are some of the problems people have while filing a claim, according to the graph above. The most frequent problem is that claims are delayed, which can occasionally be fatal in an emergency. We can also see that, for various reasons cited by the company, certain claims are partially rejected, necessitating payment from the insured for the remaining balance.

FIGURE 4



We can tell from the data concerning that health insurance claims have been rejected the most frequently. There are several potential causes for the same, including ignorance, a pre-existing illness, the acceptance of only hospitalisation that is medically essential, and more. Following health insurance, we notice that there are several claims' problems brought on by a lack of clarity, as seen in Figure 2.

FIGURE 5

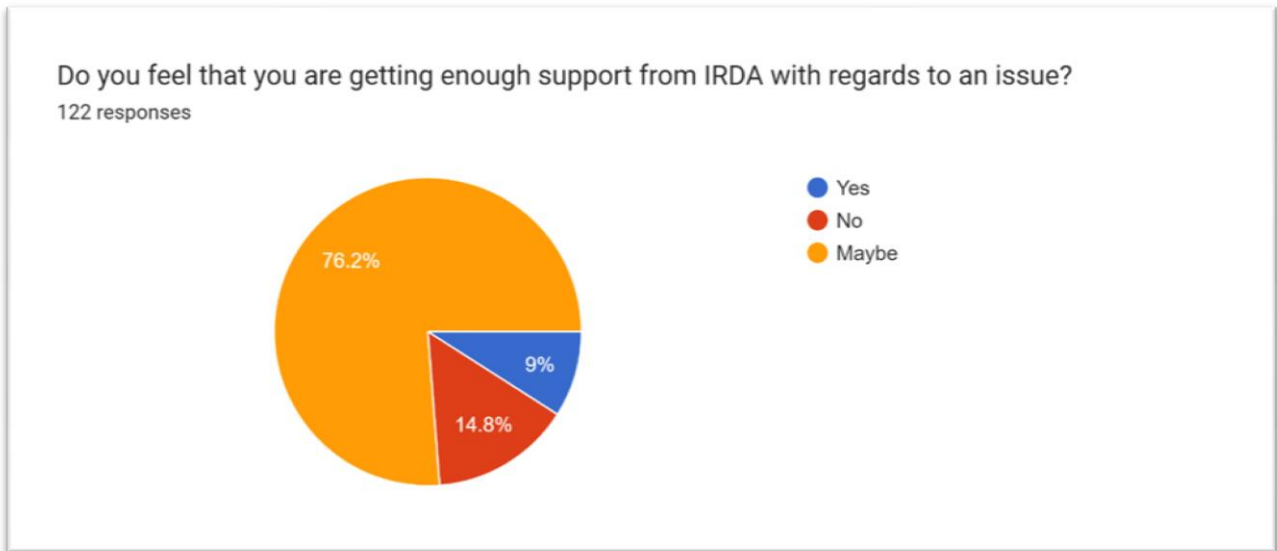


FIGURE 6

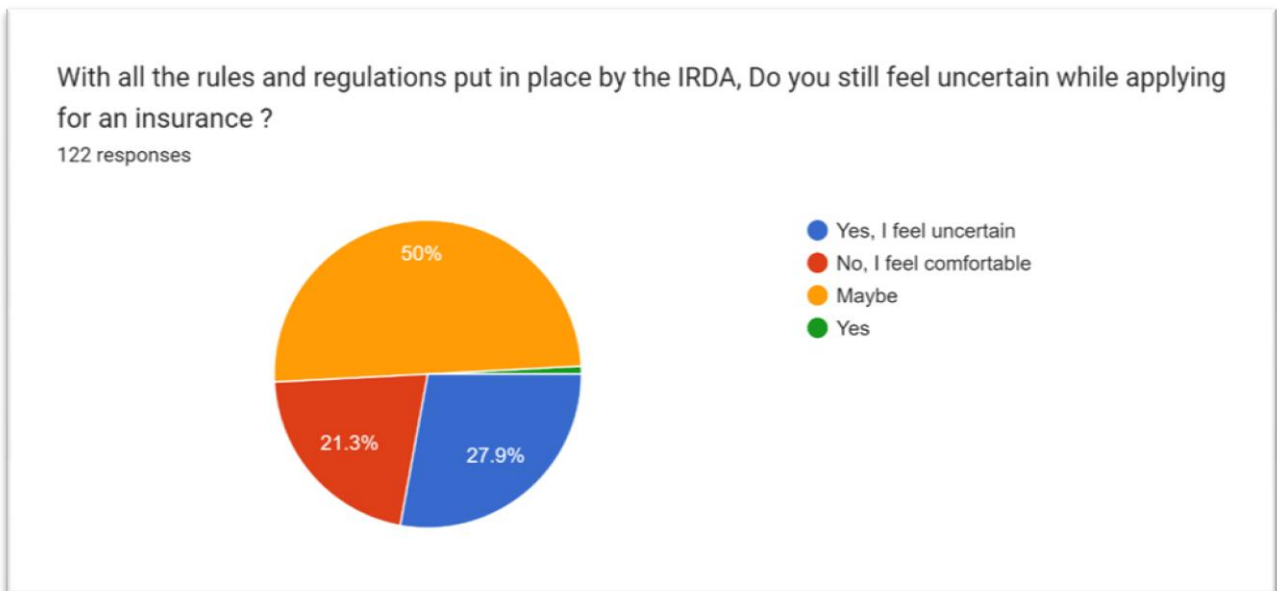
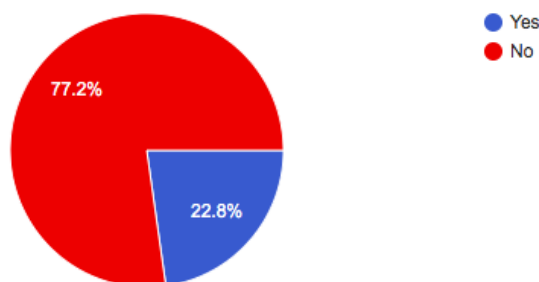


FIGURE 7

Have you heard about **Insurance Samadhan?**

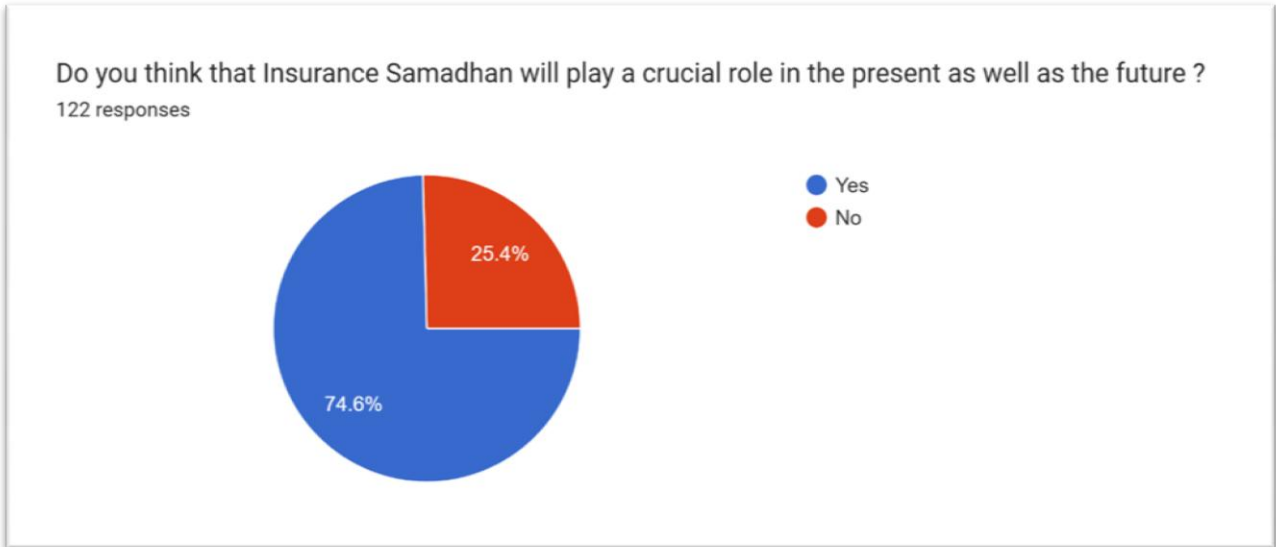
123 responses



Figures 5 and 6 show that despite the IRDA having several terms and conditions in place, people are still unsure of the assistance they would receive to resolve their claim concerns. People are still anxious about receiving their insurance coverage.

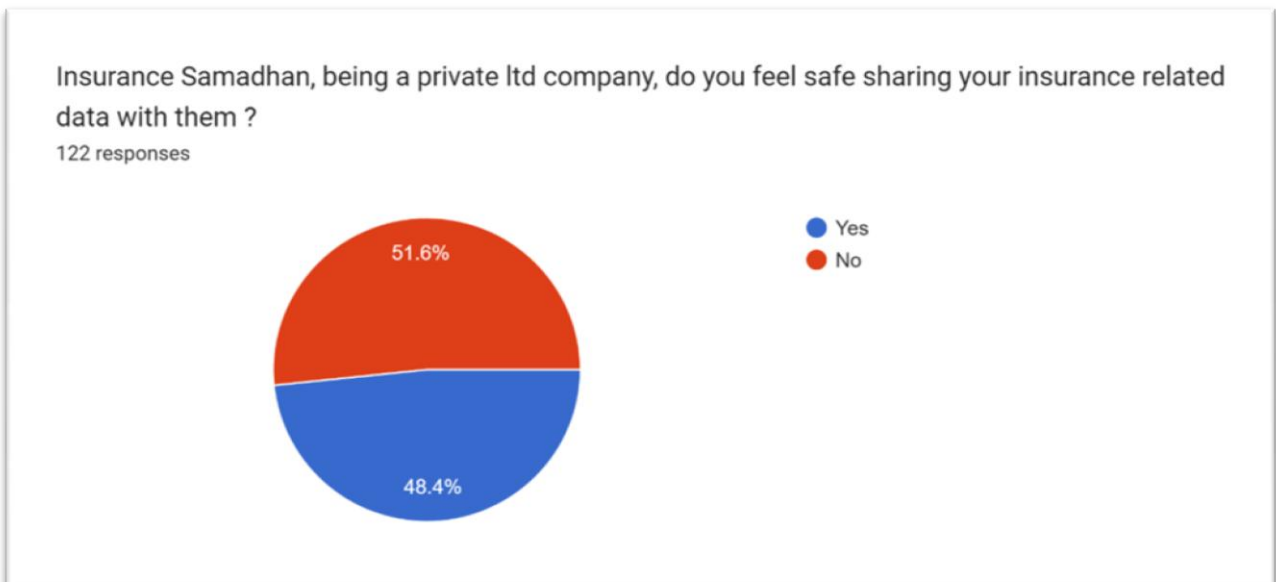
22.8% of the respondents are aware regarding Insurance Samadhan.

FIGURE 8



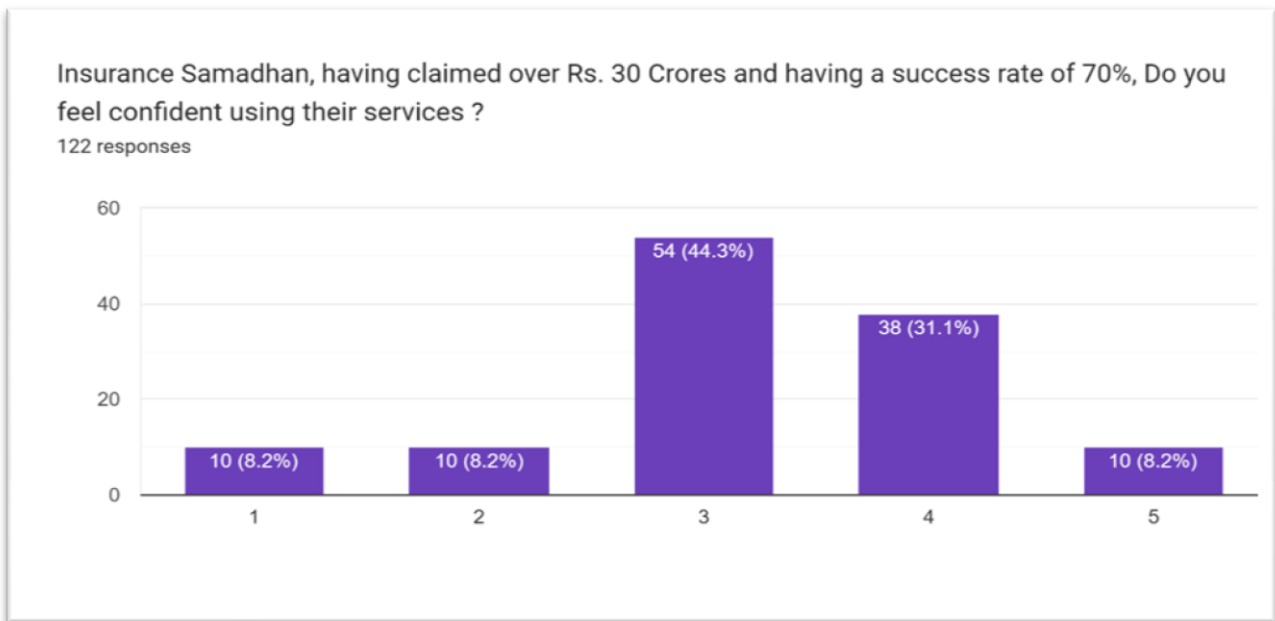
According to the statistics shown above, we can infer that Insurance Samadhan will be a firm to keep an eye on because the respondents were largely optimistic about the company's future, as the business aims to remain viable in the long run.

FIGURE 9



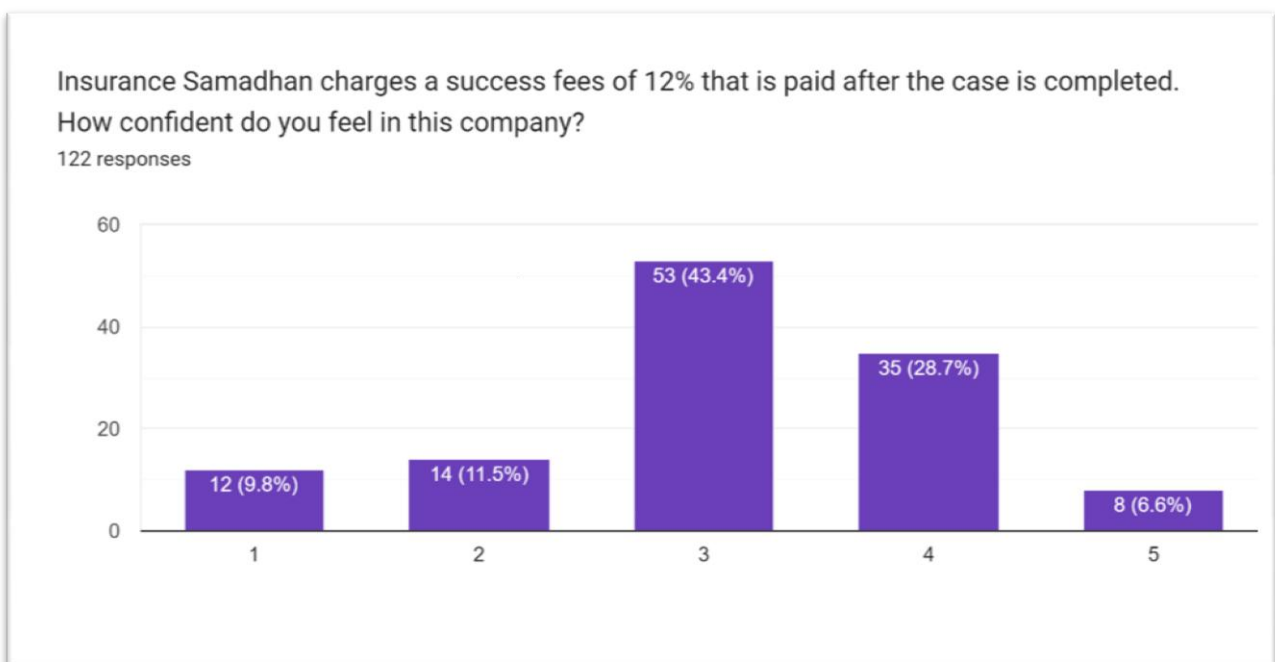
The data above reveals that respondents are not at ease disclosing information about their insurance to a private institution.

FIGURE 10



According to the data above, respondents appear to be relatively pleased with the company's success.

FIGURE 11



According to the aforementioned research, the respondents are satisfied with the commission fees that the company charges.

RECOMMENDATIONS

The following are the analysis of the suggestions given by the respondents:

1. The information provided must be clarified and made easier for locals to understand. Agents must assist candidates at every stage and ensure they comprehend complex phrases.
2. Multilingual videos on the application and claim process would be helpful. The bare minimum of paperwork should be requested at the time of application and claim. There must be more of these organizations to help them, as the bulk of the populace is ignorant of the claim process.
3. The procedure needs to be straightforward, without any obstacles for elderly people.

4. Ensuring that the procedure is accurate, moving along at a good clip, and laying forth a clearer, more comprehensible philosophy for those making their first insurance application. The insurance document should be written in a simple way so that it is understood easily by everyone.
5. Terms and conditions transparency. If applicable, a deduction amount should be predetermined in buckets or a given range.
6. For all claims, there should be a single platform. reply within 15 days, whether favorable or unfavorable. The coverage must be legible and clear. The claim should be paid out within a predetermined window of time. This will promote confidence in the insurance industries.

CONCLUSION

The IRDA should make sure that the procedure is simple and easy to understand so that an insured may apply for and receive their insurances without any obstacles. They should inform the people about the different kinds of insurance that are available and provide explanations of their coverages. In order to prevent the public from feeling nervous while filing an insurance claim, they should mandate that all firms provide assistance. People need to be made aware of the various tools at their disposal that might help them submit insurance claims. If the insured encounters issues submitting claims or making an insurance application, they must be sure to act promptly by contacting Insurance Samadhan, the Ombudsman, or the IRDA grievance cell for support. The insured should take precautions to avoid being duped or exploited when utilizing their insurance. They ought to work hard to educate themselves.

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