

# “Claim Settlement of Life Insurance Policies in Insurance Services with Special reference to Life Insurance Corporation of India”

<sup>1</sup> Rajesh K. Yadav, <sup>2</sup> Sarvesh Mohania,

<sup>1</sup>Associate Professor & H.O.D, Department of Management, RKDF College of Engineering, Bhopal.

<sup>2</sup>Assistant Professor, CRIM (UTD), Barkatullah University, Bhopal

<sup>1</sup>drrajeshkyadav@yahoo.com, <sup>2</sup>sarveshmohania@yahoo.com

## Abstract

LIC of India is still leading life insurance provider. Due to strong management framework of claim settlement and uses of intranet technology, claims settlements are done in proper manner and within said durations. Now days most people are covered under the life insurance and they are also aware of various types of life insurance services. They consider claim settlement process and its ratio while buying any life insurance product. If not aware then employees of LIC of India provides information along with their support at the time of sell and claim settlement, which helps in increasing the sales. Chi-square test is applied in the paper to check the authenticity of data given by respondents. This study is focused on the claim settlement process, quality of services provided by LIC and its impact on the sales of life insurance policies.

## 1. Introduction

Insurance is a protection against economical loss arising due to an unexpected event. In any type of insurance coverage claim settlement plays very important part. Claims settlement is an integral part of the insurance business. Growth in insurance business is depended on the people, the customers and consumers of service. Insurance is an arrangement by which the losses incurred by a small number of insured are divided over many exposed to same type of risks. Insurance contract is a contract by which one party called the insurer promises to save the other party, the insured on payment of consideration known as the premium. A right of insured to receive the amount secured under the policy of insurance contract promised by insurer is called claim. Claims can be maturity claims arise because of survival up to the end of the policy term i.e. to the date of maturity, survival benefits due to survival up to a specified period during the term, death claims arise due to death of the life assured during the term. Policy holders or nominees must first file an insurance claim before any money can be provided. An insurance claim is provided by an insurance company. The insurance company may or may not approve the claim, based on their own assessment of the condition under which claim is made. Individuals pays regular or sometime single premium for their insurance coverage. Most of the time these premiums are used to settle another person's insurance claim or to build up the available assets of the insurance company. When claims are filed, the insured has to observe the settled rules and procedures and the insurer has also to reciprocate in a similar manner by undertaking appropriate steps for speedy disposal of claims. It is true that claims settlement is complex in nature, but it is the driving force to plant confidence in the hearts of people, in general and beneficiaries in specific. Insurance claim is a right of insured under a contract of insurance. The insurer promises to

save the insured or nominees/assignees of the insured on happening of event or risk insured. Disputes crop up in the payment of claim when the insurer and the insured understand the process of claims payment in a different way. It is obvious for the insurance company to protect and guard the interests of the policyholders. An insurance claim is the only way to officially apply for benefits under an insurance policy, but until the insurance company has assessed the situation it will remain only a claim, not a pay-out.

## 2. Life Insurance in India

In the year 1818 business of life insurance in India in its existing form started with the establishment of the Oriental Life Insurance Company in Kolkata. It was started by MrBipin Behari Dasgupta and Europeans living in India were their primary customers. The first native insurance provider in India was formed in 1870 with the name Bombay Mutual Life Assurance Society. As on till date there are total 23 Life Insurance Companies in India. Life Insurance Corporation of India, ICICI Prudential Life Insurance Company, Bajaj Allianz Life Insurance Company, and HDFC Standard Life Insurance Company Etc., are the few names of Public sector and Private sector companies. In life insurance there are two important parties to the contract, the policy holder and the insurer. Basically life insurance policies are legal contract between the policy holder and the insurer, terms and conditions are to be describing on it. It is a contract between the policy holder and the insurer to pay nominee a sum of money on the occurrence of the insured person's death or in the case of maturity of the policy, policy holder will receives whatever amount he has deposited as premium plus bonus on it. In return policy holder agrees to pay fix amount of premium on regular basis or in lump sum (one time premium payment) to the insurer. Life insurance is mainly taken for two objectives, first is for risk coverage and second is for the investment objective.

- Risk coverage: - Lump sum payment is provided if specific event occurred.
- Investment: -Money is invested with a motive of getting greater return.

Following are the types of the Life Insurance:-

- Term Life Insurance
- Whole Life Insurance
- Endowment Life Insurance
- Money Back Life Insurance
- Unit Linked Insurance

### 2.1 Life Insurance Corporation Of India

There are various types of risk in life which can be covered with the help of Life Insurance policies, for this purpose Life Insurance Corporation of India (LIC) was created on 1<sup>st</sup> September 1956, after the parliament of India passed the Life Insurance Corporation act on the 19<sup>th</sup> of June 1956. Till 2000 it enjoyed a monopoly status and better known as synonymous of Life Insurance. LIC of India is one of India's leading financial institutions, offering complete financial solutions that cover every sphere of life. Its customer base is approx. 23 crores which is the largest in terms of Insurance Company. LIC has hundred divisional offices and has established extensive training facilities at all levels. They have their own Management Development Institute, seven Zonal Training Centers and 35 Sales Training Centers. As on till date LIC's staff strength is of 1.24 Lakh employees and 2048 branches and over Eleven Lakh agents. It is the second biggest Real Estate Owner after Indian Railways. In terms of Claim settlement, 97% maturity claim settled on or before due date, due to its prompt claim settlement LIC is No.1 insurance company in the world in terms of claim paid. LIC of India is one of India's leading financial institutions, offering complete financial solutions that encompass every sphere of life. From commercial banking to stock broking to mutual funds to life insurance to investment banking, the group caters to the financials needs of individuals and corporate. It has been started with the objectives of spreading Life Insurance widely and in particular to the rural areas; to meet the various life insurance needs of the community that would arise in the changing social and economic environment .The LIC has a net of over Rs. 1,800 crores.

### 2.2 Rationale Of The Study

Claim settlement is one of the most important parts of the life insurance services. Person who is holding or planning for the life insurance will always want to have prompt settlement. Due to globalization, today there are lots of choices available for the life insurance. LIC of India still strongly holds major market due to prompt claim settlement, trust and adaptability to change with changing environment.

### 3. Review Of Literature

Gupta P.K (2011), "Fundamental of Insurance", Himalaya Publication House Mumbai. In this book author covers various aspects of Life Insurance, Life insurance players and Products, Claim settlement and Procedural aspects. Author also conceptualizes the Risks Management and Control Systems. The recent changes in the Insurance Sector are due to increase complexity of financial services, new and alternative insurance products etc. This book is very helpful for understanding the overall Life insurance sector.

Karve Dr. ShrikrishnaLaxman (2009), "Principles of Life Insurance", Himalaya Publication House Mumbai. Through this book Author provide an Understanding of the elementary Principles of the life insurance and their Relevance, details nature of the life insurance contract and its applications, various factors affecting measurements of risk, in-depth details about various life insurance products and various legal provisions affecting life insurance contract and process and art of selling life insurance products. This book is found useful for even Layman who wants to understand the basic of life insurance.

Tripathy Prava Nalini and Pal Prabir (2011), "Insurance Theory and Practice", Prentice Hall of India Pvt. Ltd, New Delhi. The prime objective of the Authors is to provide insight into the operational policies, practices and vital issues with the latest trends in the insurance sector. In this book it is discuss into two parts, first part contains the overview of insurance and its importance in the service sector along with current development and future scope of insurance industry in India. The second part deals with various aspects of rural insurance and social insurance. This book broadly explains the dynamics of insurance services.

Bodla B.S, Garg M.C and Singh K.P (2003), "Insurance Fundamental, Environment and Procedures", Deep &Deep Publication Pvt. Ltd, New Delhi Here Authors attempt to provide productive and meaningful contents on Insurance. In this book fundamentals of insurance, insurance environment and procedural aspects of insurance are explained in detail.

Sharma Prasad Jagdish (2010), "Life Insurance Corporation of India, Marketing and Business", Satyam Publication House, New Delhi. Author presented the facts and figures related to the business and marketing activities of the life insurance corporation of India. This book examines the organizational and functional aspects, objectives, Marketing Policies and services provided to the policy holders of the LIC of India. This book is very useful for those who are interested in marketing and business activities of the life insurance.

Kothari Rajesh (2010), "Financial Services in India: Concept and application", Sage Publication India P. Ltd, New Delhi. Here Author discusses on the essential concepts of the financial system, regulatory frame work, and various data of Financial Services, along with analyzing latest trends, new emerging area of

banking, Insurance, mutual funds, securities and commodities. At the same time, it covers topics like real estate investment trust, consumer finance and Investment banking.

Pathak V. Bharati. (2011), “The Indian Financial System: Markets, Institutions and Services”, Pearson Education of India, South Asia. In this book Author explain the Indian financial system as a complex amalgamation of various institutions, markets, regulations and laws, analyst, transactions, claims and liabilities. Topics like risk management, systematic investment plans, reverse mortgage loans and financial inclusion are also discuss.

Fabozzi J. Frank, Modigliani Franco, Jones J. Frank and Michael G. Ferri (2001), “Foundations of Financial Markets and Institutions”, Prentice Hall of India Pvt. Ltd, New Delhi. Authors offered details of the revolutionary developments occurred in the world financial market and institution which includes innovations, globalizations and deregulations of the practices of the financial institutions. This book shows a unique perspective on how these institutions manage their assets and liabilities in a complicated environment.

SiddaiahThummuluri (2011), “Financial Services”, Prentice Hall of India Pvt. Ltd, New Delhi. This book provides framework of range of financial products and services which are offered by the different financial institutions in India. Simplified presentations of framework and discussions of concepts with the help of real-life Indian examples, boxes, questions and case studies are the main characteristics of this book.

Kutty k. Shashidharan (2008), “Managing Life Insurance”, Prentice Hall of India Pvt. Ltd, New Delhi. In this book Author provide analytical and complete view of every dimension of life insurance management in the sequence of its purpose, principles, purchase, products, process and people in a very easy to understand language. In this book details of the two core operations of an insurance company that is underwriting and claims are also discussed in detail.

### 3.1 Objectives Of The Study

- To study the Management frame work of Life Insurance corporation of India regarding Claim Settlement.
- To study impact of Claim Settlement on the sales of Life Insurance Policies in LIC of India.
- To study Claim Settlement process followed by LIC of India.
- To study awareness of Claim Settlement among the Customers.
- To analyse quality of services provided by LIC of India for Claim Settlement.

### 3.2 Hypothesis

- The effective claim settlement of Insurance policies make LIC of India as a market leader in Life Insurance services.
- LIC of India is following proper Claim Settlement Process

- Prompt Claim Settlement of Life Insurance Policies results in more Sales
- Customers of LIC are aware of claim settlement process of life insurance policies.

### 3.3 Research Methodology

Research Methodology is descriptive in nature.

#### Primary Data

The Primary data will collected from existing employees of LIC, LIC customers who have taken claims of their life insurance policies and from those whose are planning to take life insurance policies.

#### Secondary Data

The Secondary data will collect from Books, Journals, Magazines and Internet etc.

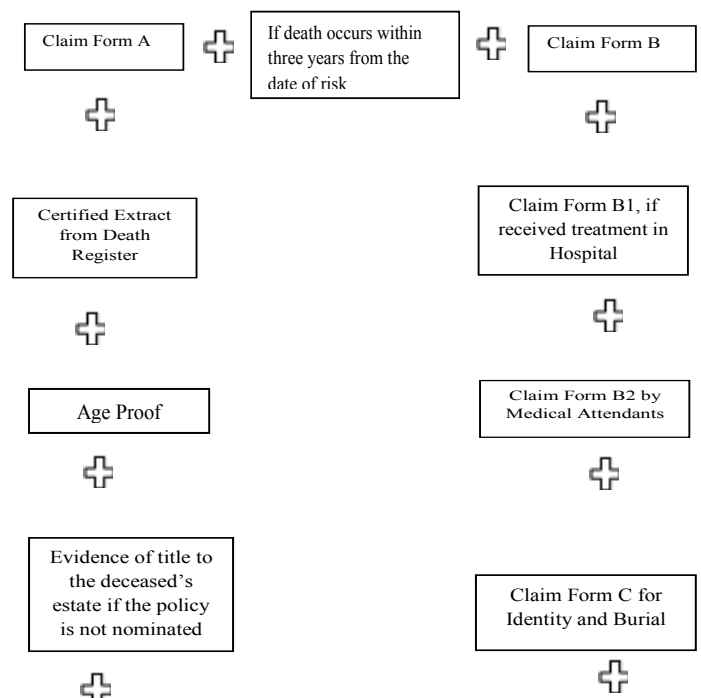
### 3.4 Limitations

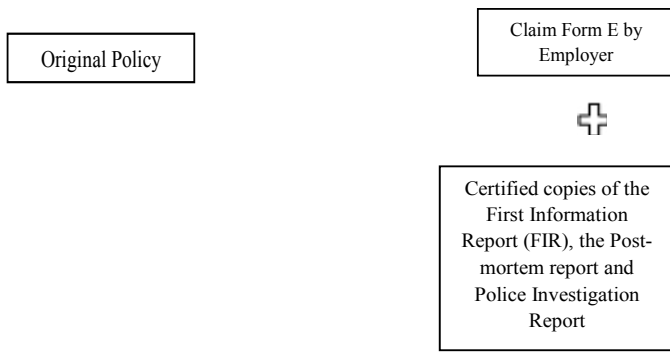
Data for the study will collect from primary source (through questionnaires) and secondary sources (Magazines, Journals and Internet etc.), due to that replies can be biased (in case of questionnaires) and validity of data can't be proving (in case of data collected through internet). The area of study is limited to Bhopal region; results may differ from place to place.

## 4. Claims settlement process followed by LIC of India

The LIC of India has laid emphasis on prompt settlement of death as well as maturity claims. Claims are normally paid however if found any fraudulent then it is referred to claim committee operating in zonal offices and central offices. The process for settlement of maturity and death claims is as follows as:

### 4.1 In case of Death Claims





The death claim amount is payable in both conditions, when policy's premiums is paid up-to-date and where the death occurs within the days of grace. After receiving information regarding death of the Life Assured the Branch office required following things:

- Claim form A – Claimant's Statement giving details of the deceased and the claimant.
- Certified extract from Death Register
- Documentary proof of age, if age is not admitted .
- Evidence of title to the deceased's estate if the policy is not nominated, assigned or issued under M.W.P. Act.
- Original Policy Document

The following additional forms are required if death occurs within three years from the date of risk or from date of revival/ reinstatement:

- Claim Form B – Medical Attendant's Certificate to be completed by the Medical Attendant of the deceased during his/ her last illness.
- Claim Form B1 – if the life assured received treatment in a hospital.
- Claim form B2 – to be completed by the Medical Attendant who treated the deceased life assured prior to his last illness.
- Claim Form C – Certificate of Identity and burial or cremation to be completed and signed by a person of known character and responsibility.
- Claim form E – Certificate by Employer if the assured was employed person.
- If death was due to accident or unnatural cause certified copies of the First Information Report (FIR), the Post-mortem report and Police Investigation Report. These additional forms are required at the time of investigation by the officials of the Corporation and to prove the genuineness of the claim.

**4.2 In case of Maturity Claims**

- Amount is payable at the end of the policy period when it is Endowment type of Policies, At least two months before the due date of payment the Branch which provide services

to the policy intimate the policyholder by sending a letter informing the date on which the policy amount is payable. Discharged form duly filled is requested in return from the policyholder along with the all policy document. After receiving documents postdated cheque is sent by post so as to reach the policyholder before the due date.

- Plans like Money Back Policies give periodical amount to the policyholders if premium due under the policies are paid up to the anniversary due for Survival Benefit. In cases where amount payable is less than up to Rs.60,000/-, cheques are released without calling for the Discharge Receipt or Policy Document. However, in case of higher amounts discharge receipt or policy document is mandatory.

1) Have you taken any life insurance coverage?

S.no	Opinion	Respondents	In Percentage
1	Yes	58	58
2	No	42	42
Total		100	100%

When asked about Life Insurance coverage out of 100 respondents, opinions for Yes are 58 and 42 for No.

2) Are you aware of various types of life Insurance services?

S.no	Opinion	Respondents	In Percentage
1	Yes	60	60
2	No	40	40
Total		100	100%

$$\chi^2 = 4 \quad DF = 1 \quad \chi^2 (.05) = 3.84$$

When asked about awareness of various type of Life Insurance services out of 100 respondents, opinions for Yes are 60 and 40 are No. Chi square value clearly indicates that respondents have given significantly different opinion for awareness of various types of life insurance services.

3) Is LIC of India is leading service provider in life Insurance?

S.no	Opinion	Respondents	In Percentage
1	Strongly Agree	55	55
2	Strongly Disagree	0	0
3	Agree	38	38
4	Disagree	7	7
Total		100	100%

$$\chi^2 = 80.72 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked whether LIC of India is leading service provider in life Insurance, out of 100 respondents, opinions for Strongly agree are 55, Agree are 38, Disagree are 7 and Strongly disagree is 0. Chi square value clearly indicates that the respondents have

given significantly different opinion about leading service provider in life Insurance.

4) Are you aware of claim settlement process of LIC of India?

S.no	Opinion	Respondents	In Percentage
1	Well Aware	28	28
2	Slightly	32	32
3	Not Sure	28	28
4	Don't Know	12	12
Total		100	100%

$$\chi^2 = 9.44 \quad DF = 3 \quad \chi^2(.05) = 7.82$$

When asked about awareness of claim settlement process here out of 100 respondents, opinions for Well Aware are 28, Slightly are 32, Not sure are 28 and Don't know are 12. Chi square value clearly indicates that the respondents have given significantly different opinion for awareness of claim settlement process in LIC of India.

5) While buying any Life insurance product do you take into consideration claim settlement ratio? Scale your Importance.

S.no	Opinion	Respondents	In Percentage
1	Always	48	48
2	Seldom	32	32
3	Never	3	3
4	Don't Know	17	17
Total		100	100%

$$\chi^2 = 45.04 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

Respondents scale their importance for consideration of claim settlement ratio while buying any Life Insurance product here out of 100 respondents, opinions for Always are 48, Seldom are 32, Never is 3 and Don't know are 17. The chi square value clearly indicates that opinion of the respondents was significantly different.

6) Do you think proper Management frame work is essential for claim settlement?

S.no	Opinion	Respondents	In Percentage
1	Yes	68	68
2	No	10	10
3	Not Sure	10	10
4	Don't Know	12	12
Total		100	100%

$$\chi^2 = 98.72 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked about importance of proper Management framework for claim settlement, here out of 100 respondents,

opinions for Yes are 68, No are 10, Not sure are 10 and Don't know are 12. The chi square value clearly indicates that opinion of the respondents was significantly different.

7) Prompt settlement of claims motivates you to buy other life Insurance products?

S.no	Opinion	Respondents	In Percentage
1	Yes	63	63
2	No	17	17
3	Seldom	10	10
4	Never	10	10
Total		100	100%

$$\chi^2 = 78.32 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked about prompt settlement of claims motivates respondents to buy other life Insurance products, here out of 100 respondents, opinions for Yes are 63, No are 17, Seldom are 10 and Never are 10. The chi square value clearly indicates that opinion of the respondents was significantly different.

8) Have you ever taken any claim on your life insurance policies?

S.no	Opinion	Respondents	In Percentage
1	Yes	18	18
2	No	82	82
Total		100%	100%

$$\chi^2 = 40.96 \quad DF = 1 \quad \chi^2 (.05) = 3.84$$

When asked to respondents, ever they taken any claim on their life insurance policies, here out of 100 respondents, opinions for Yes are 18 and 82 are No. Chi square value clearly indicates that the respondents have given significantly different opinion about the claim on their insurance policies.

9) Is proper process was followed during claim settlement?

S.no	Opinion	Respondents	In Percentage
1	Yes	10	10
2	No	10	10
3	Not Sure	8	8
4	Don't Know	72	72
Total		100	100%

$$\chi^2 = 117.92 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked about whether proper process was followed during claim settlement, here out of 100 respondents opinions for Yes are 10, No are 10, Not sure are 8 and Don't know are 72. Chi square value clearly indicates that the respondents have given significantly different opinion for process followed during the claim settlement process in LIC of India.

10) Is your claim was settled within said duration?

S.no	Opinion	Respondents	In Percentage
1	Yes	10	10
2	No	8	8
3	Can't Say	82	82
Total		100	100%

$$\chi^2 = 102.73 \quad DF = 2 \quad \chi^2 (.05) = 5.99$$

When asked to respondent's weather their claim was settled within said duration, here out of 100 respondents, opinions for yes are 10, No are 8 and for can't say are 82 because they were not in need for claim on their policies. The chi square value clearly indicates that opinion of the respondents was significantly different.

**Employees Questionnaires**

1) Do you explain Insurance plan to every customer in detail?

S.no	Opinion	Respondents	In Percentage
1	Always	20	100
2	Sometime	0	0
3	Seldom	0	0
4	Never	0	0
Total		20	100%

$$\chi^2 = 60 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

Here out of 20 Employee's respondents, opinions for Always are 20 since employees provide information to every customer in detail, for Sometime is 0, Seldom is 0 and Never is 0. The chi square value clearly indicates that opinion of the employee's respondents was significantly different.

2) Do you explain management framework of LIC of India regarding claim settlement to the customers?

S.no	Opinion	Respondents	In Percentage
1	Always	8	40
2	Sometime	8	40
3	Seldom	4	20
4	Never	0	0
Total		20	100%

$$\chi^2 = 8.8 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked to Employee's respondents do they explain management framework of LIC of India regarding claim settlement to the customers, Here out of 20 Employee's respondents, opinions for Always are 8, Sometime are 8, Seldom are 4 and Never is 0. The chi square value clearly indicates that opinion of the respondents was significantly different.

3) Do you agree that better claim settlement increases sales of life insurance policies?

S.no	Opinion	Respondents	In Percentage
1	Always	8	40
2	Sometime	0	0
3	Seldom	12	60
4	Never	0	0
Total		20	100%

$$\chi^2 = 21.6 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked to Employee's respondent's whether they agree that better claim settlement increases sales of Life insurance policies, Here out of 20 respondents, opinions for Always are 8, Seldom are 12, Sometime is 0 and Never is 0. Chi square value clearly indicates that the respondents have given significantly different opinion for better claim settlement increases sales of life insurance policies.

4) Do you agree that LIC of India is following proper claim settlement process?

S.no	Opinion	Respondents	In Percentage
1	Strongly Agree	10	50
2	Strongly Disagree	0	0
3	Agree	10	50
4	Disagree	0	0
Total		20	100%

$$\chi^2 = 20 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked to Employee's respondents do they agree that LIC of India is following proper claim settlement process, Here out of 20 Employee's respondents, opinions for Strongly agree are 10, Agree are 10, Disagree is 0 and Strongly disagree is 0. Chi square value clearly indicates that the respondents have given significantly different opinion on LIC of India is following proper claim settlement process.

5) Do you agree that customers of LIC of India are aware of claim settlement process?

S.no	Opinion	Respondents	In Percentage
1	Strongly Agree	0	0
2	Strongly Disagree	0	0
3	Agree	18	90
4	Disagree	2	10
Total		20	100%

$$\chi^2 = 45.6 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked to Employee's respondents do they agree that customers of LIC of India are aware of claim settlement process, Here out of 20 Employee's respondents, opinions for Agree are 18, Disagree is 2, Strongly agree is 0, and Strongly disagree is 0. The chi square value clearly indicates that opinion of the respondents was significantly different.

6) Do you agree that effective claim settlement make LIC of India Market Leader in Life Insurance services?

S.no	Opinion	Respondents	In Percentage
1	Strongly Agree	18	90
2	Strongly Disagree	0	0
3	Agree	2	10
4	Disagree	0	0
Total		20	100%

$$\chi^2 = 45.6 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked to Employee’s respondents about effective claim settlement make LIC of India market leader in life insurance services, Here out of 20 Employee’s respondents, opinions for Strongly agree are 18, Agree is 2, Disagree is 0 and Strongly disagree is 0. The chi square value clearly indicates that opinion of the respondents was significantly different.

7) Do you provide any support at the time of the claims of life Insurance?

S.no	Opinion	Respondents	In Percentage
1	Always	20	100
2	Sometime	0	0
3	Seldom	0	0
4	Never	0	0
Total		20	100%

$$\chi^2 = 60 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked to Employee’s respondents weather they provide any support at the time of the claims of life Insurance, Here out of 20 Employee’s respondents, opinions for Always are 20 since employees are willing to support during claims process, for Sometime is 0, Seldom is 0 and Never is 0. The chi square value clearly indicates that opinion of the respondents was significantly different.

8) Is customers are provided their claim settlement with in specified time limit?

S.no	Opinion	Respondents	In Percentage
1	Always	4	20
2	Sometime	16	80
3	Seldom	0	0
4	Never	0	0
Total		20	100%

$$\chi^2 = 34.4 \quad DF = 3 \quad \chi^2 (.05) = 7.82$$

When asked to Employee’s respondents weather customers are provided their claims with in specified time limit, Here out of 20 Employee’s respondents, opinions for Always are 4,

Sometime is 16, Seldom is 0 and Never is 0. The chi square value clearly indicates that opinion of the respondents was significantly different.

### 5. Finding

- Here the overall percentage of respondents who are covered under Life Insurance is 58 % and 42 % are not covered under Life Insurance.
- 60 % of respondents are aware of various types of Life Insurance services and 40 % of respondents lack information about life insurance services.
- LIC of India is leading life insurance provider, 55% of respondents are strongly agree , 38% of respondents are agree and 7% of respondents are disagree about it.
- 28% of respondents are well aware and 32 % of respondents are slightly aware about claim settlement process of LIC of India where as 28% of respondents are not sure and 12% of respondents don’t know the process.
- 48% of respondents always and 32% of respondents seldom take into consideration claim settlement ratio while buying any Life Insurance product. Whereas 3% of respondents never and 17% of respondents don’t know about it.
- Proper management frame work is essential for claim settlement, 68 % of respondents respond yes and 10% of respondents respond not sure where as 10 % of respondents respond no and 12% of respondents respond don’t know about it.
- 63% of respondents respond yes and 10% of respondent respond seldom as they are motivated to buy other life insurance products by prompt claim settlement whereas 17 % of respondents respond no and 10 % of respondents respond never about it.
- 82% of respondents respond no, as they have never taken any claims on their life insurance policies and 18% of respondents respond yes about it.
- 10% of respondents respond yes as proper claim settlement process was followed during their claim where as 8% of respondents responds not sure, 10% of respondents respond no and 72% of respondents respond don’t know about it.
- 10% of respondents respond yes and 82% of respondents respond can’t say where as 8 % of respondents respond no about it as their claims were not settled in said duration.
- 100% of employee’s respondents respond always as they explain insurance plan in detail to every customer.
- Management framework of LIC of India regarding claim settlement is explained to customers, 40% of employee’s respondents respond always, 20 % of employee’s respondents respond seldom and 40% of employee’s respondents respond sometime.

- 40% of employee's respond are always and 60% of employee's respond are seldom that better claim settlement increases sales of life insurance policies.
- 50% of employee's respondents are strongly agreed and 50% of employee's respondents are agree that LIC of India is following proper claim settlement process.
- Customers of LIC of India are aware of claim settlement process as 90% of employee's respondent are agree and 10% of employee's respondents are disagree.
- 90% of employee's respondents are strongly agree and 10% of employee's respondents are agree that due to effective claim settlement, LIC of India becomes market leader in Life insurance services.
- 100% of employee's respondents respond always as they provide support at the time of claims of life insurance.
- 80% of employee's respondents respond sometime and 20% of employee's respondents respond always for customers are provided their claim settlement with in specified time limit.

## 6. Conclusion

Life Insurance coverage is taken to overcome risk of uncertainty. So it is very much essential that importance should not only focus at time of buying any Life Insurance policies, but also during settlement of claims. LIC of India is leading Life Insurance provider and they are able to settle claims on time due to its strong management framework, predefine simple and prompt claim settlement process, employee's contribution towards claim settlement and maintaining the quality of services to the customers which helps in more sales of their life insurance policies. Those customers who didn't have fill any claims on their policies are satisfy and highly aware of claim settlement process. The study found that LIC of India is able to provide effective claim settlement and its employee's ensures that customers are aware and satisfy with their prompt services.

## 7. Suggestion

- By increasing the awareness about various life insurance products and services of LIC of India, more people can be motivated to buy life insurance policies.
- Periodically information about claim settlement process, Management framework of LIC of India should be provided by the employees to the policy holders. This will help in better understanding.
- Claim settlement ratio of life insurance policies should be updated regularly and publish in various sources of information, it will be helpful for increasing the sales of Life Insurance policies.
- Quality of services related with claim settlement of life insurance can improve with constant feedback from both cus-

tomers and employees.

- There should be proper transparency and more time oriented activities in claim settlement process in order to enhance overall process.
- LIC of India can also increase their sales of life insurance policies by prompt settlement of claims.

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