



MARKETING OF INSURANCE PRODUCTS BY THE NATIONAL INSURANCE COMPANY LIMITED, RAJAPALAYAM

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Abstract:

Insurance is a way of reducing uncertainty of occurrence of an event. Insurance is an investment. Its basic purpose is to derive plans to counteract the financial consequences of unfavorable events. Insurance is a social device for eliminating or reducing the cost to society to certain types of risks. Insurance is essentially a co-operative endeavor. It is the function of the insurance to protect the few against the heavy financial impact of anticipated misfortunes by spreading losses among many who are exposed to risks of similar misfortune. In general, insurance can be broadly classified as Life Insurance and Non-Life Insurance. The term "Insurance Marketing" refers to the marketing of insurance services with the motto of customer - orientation and profit-generation. The insurance marketing focuses on the formulation of an ideal mix for the insurance business so that the insurance organizations survive and thrive in a right perspective. The quality of services can be improved by formulating a fair mix of the core and peripheral services. The marketing concept in the insurance business is concerned with the expansion of insurance business in the best interest of society vis-a-vis the insurance organizations. The present day socio-economic scenario leads to the inevitable basic need for general insurance.

Introduction:

In the present day insurance marketing scenario, the United India Insurance Company Limited plays a vital role supporting to the entrepreneurs, corporate sector, investors, government, and the general public.

Insurance:

Every risk involves the loss of one or the other kind. The function of insurance is to spread this loss over a large number of persons through the mechanism of co-operation. The persons who are exposed to a particular risk co-operate to share the loss caused by that risk whenever it takes place. Thus, the risk is not averted but the loss on its occurrence is shared by the members. Insurance not only equalizes losses and distributes heavy sudden losses over a long period of time, but it also takes the amount of loss from a business in such amounts and at such times that no vital want is left unsatisfied.

Forms of Insurance:

From the practical point of view the insurance can be classified into two broad categories such as:

- ✓ Life Insurance
- ✓ Non- Life Insurance

National Insurance Company Limited:

The national Insurance Company Limited is one of the four subsidiaries of General Insurance Corporation with its headquarters at Chennai is the second largest Insurer by size of premium and market share of the entire General Insurance business transacted throughout India. The Company's major thrust areas are Fire, Marine, Motor and Miscellaneous. To realise the corporate objective of carrying the message of insurance to the masses, the United India Insurance has countrywide presence through its 1,123 offices. "This vast network includes 21 regional offices, 313 divisional offices and 789 branch offices. Service to its largest clientele is done through 3820 officers, 3275 development officers, 11,777 supervisory and clerical staff and 2693 subordinate Staff¹.

Statement of the Problem:

The three words of Liberalisation, Globalization and Privatization have brought about radical changes in the world and have given a new orientation to the market conditions. The GIC has to face severe competitions from different angles. Due to privatisation, more than six players have come into the general insurance sector in India. As a result of liberalization, many private companies' with the collaboration of foreign insurance companies have started insurance business in some metro cities in India. These general insurance companies tend to extend their operations into the rural areas also. Moreover, the GIC has more than 180 products which are outdated in the present context as they are not suitable to the changing needs of the customers. The new players have come out with varieties of innovative products and so the GIC finds it difficult to reach the customer's expectations in terms of products offering and quality of service provided. The GIC has to face severe problems from the distribution side also. The GIC has to take some risks in strengthening the existing distribution channel and expanding the new channels on par with new players in the field.

Review of Literature:

There are certain studies undertaken at this branch level, taluk level as regards to all kinds of insurance.

Ms. J. Margaret Radha Rani has undertaken a study entitled. "Role of New India Assurance Company in providing Rural Insurance Schemes" in April 1990 in Madurai Kamaraj University. In her findings, she has stated that commanding majorities i.e., 68.30% of the respondents have taken policy only on compulsion from banks. Moreover, the advertisements given by the New India Assurance Company from rural insurance schemes have not reached the rural masses. Mr. R. Murugan in his project, titled, "Fire Insurance in Sivakasi" has highlighted the significance of fire insurance business to match and fireworks industries.

Ms. S. Kala has undertaken a study entitled "The workings and Evaluation of New India Assurance Company Limited.," in Sivakasi Taluk, in May 2000. In her findings, she has stated that 48.38% of the respondents have insured with the expectation of loss of property by fire and 21.74% of them for loss due to shortage and theft etc. Hence, the insurance policy was essential for industrial units.

Scope of the Study:

The present study focuses mainly on the potentialities of the marketing of various GIC products intended to cover the period from 2005 to 2010. The study also covers the progress of GIC policies, claims and premiums. The study concentrates on the role of agents and clients attitude towards the use of GIC products.

Objectives of the Study:

The following are the main objectives of the present study.

- ✓ To review the growth and progress of the National Insurance Company Limited.
- ✓ To analyse the various products offered by the National Insurance Company Limited.

Hypotheses:

In order to achieve the above objectives of the study, the following hypotheses have been framed:

- ✓ There is a positive relationship between claims incurred and premium received.
- ✓ There is a positive relationship between incurred claims and settlement of claims.
- ✓ Higher the income higher is the expenditure of the National Insurance Company Limited.

Definition of Concepts:

- ✓ **Premium:** The monetary consideration paid by the insured to the insurer under contract of insurance is called premium.
- ✓ **Peril:** It is an event that causes a personal or property loss.
- ✓ **Re-Insurance:** A system whereby an insurer having accepted a risk given off a part of the risk to another insurer so that his own ultimate liability is reduced.

Period of the Study:

The present study covers a period of 5 years from 2005-06 to 2009-10 in order to ascertain the latest trend in the insurance field.

Business Performance of the Branch:

As a result of liberalization and globalization the competition in the insurance sector is becoming intense. Despite competition from new insurance companies, the company has done an excellent business in the study area. The business performance of the branch in the study area is displayed in the Table 4.1.

Table 4.1: Business Performance of the Branch

S.No	Year	No. of Policies		Sum Assured		Amount of Premium	
			+/- %	(Rs in Crores)	+/- %	(Rs in Lakh)	+/- %
1	2005-06	1894	-	42.70	-	33.90	-
2	2006-07	2088	110.24	45.80	107.26	37.68	111.15
3	2007-08	2303	121.59	47.28	110.73	40.26	118.76
4	2008-09	2463	130.04	50.96	119.34	44.09	130.06
5	2009-10	2696	142.34	53.18	124.54	45.89	135.37
	Total	11,444		239.92		201.82	

Source: Primary Data

The above table shows that the business performance of the branch has been showing an increasing trend throughout the study period. The National Insurance Company Limited has sold 2696 policies for an assured sum of Rs. 53.18 crores with a premium income of Rs 45.89 lakhs in the year 2005-06, thus registering a growth of 142.34% on policies, 124.54% on sum assured and 135.37% on premium income over the study period. If it grows at this rate, their business performance would touch a level of 5225 in terms of policies, Rs. 58.43 crores on sum assured and Rs. 52.52 lakhs on premium income in 2009-10 as indicated by the following trend analysis which is exhibited in the Table 4.2.

Table 4.2: Trend Analysis on Business Performance of the Branch

Year	No. of Policies		Sum Assured		Amount of Premium	
	y	Yc	Y	Yc	Y	Yc
2003 – 04	1894	820.6	42.70	42.76	33.90	34.28
2004 – 05	2088	1554.7	45.80	45.37	37.68	37.32

2005-06	2303	2288.8	47.28	47.98	40.26	40.36
2006-07	2463	3022.9	50.96	50.60	44.09	43.40
2007-08	2696	3757.0	53.18	53.21	45.89	46.44
2008-09*	-	449 1. 1	-	55.82	-	49.48
2009-10*	-	5225.2	-	58.43	-	52.52
* Expected Figure						
Yc	=	a+bx				
a	=	y/5				
b	=	xy/5				
x	=	-2,-1, 0, 1, 2, 3, 4				

To achieve the above target, it is suggested that the study unit shall adopt various marketing strategies such as introduction of new schemes, restructuring of old plans, designing of new social security schemes, creation of awareness among rural people, reviewing the mode of premium and establishing customer relationship management.

Various Products Company Limited of the National Insurance Company Limited:

The national Insurance Company Limited offers various plans to protect the property of individuals and corporate customers. The policies of the company can basically be divided on the basis of:

- ✓ Fire Insurance
- ✓ Marine Insurance
- ✓ Motor Insurance

Fire Insurance Policy:

In the study unit, the performance of the company with regard to fire insurance has been analysed from different angles as stated below.

A) Details of Fire Insurance Policies: A fire insurance policy is usually for a period of one year only and can be renewed after that period. The different types of fire insurance policies issued by the study unit are analysed in the Table 4.3

Table 4.3: Details of Fire Policies

S.No	Policies	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Fire Policy	276	6.75	5.37	264	7.26	5.49	272	6.75	5.03	284	9.50	8.63	292	10.83	9.23
	'A'	(41)	(53)	(65)	(38)	(55)	(64)	(39)	(50)	(47)	(40)	(59)	(71)	(39)	(68)	(73)
2	Fire Policy	291	0.13	0.08	307	0.19	0.10	312	0.78	1.05	297	0.96	0.46	315	0.99	0.48
	'B'	(43)	(1)	(2)	(44)	(1)	(1)	(45)	(6)	(10)	(41)	(6)	(4)	(42)	(6)	(4)
3	Fire Policy	109	3.16	1.76	110	3.06	1.98	107	2.45	1.78	127	0.72	0.16	139	0.87	0.18
	'C'	(15)	(25)	(21)	(16)	(23)	(23)	(15)	(18)	(17)	(18)	(5)	(1)	(18)	(5)	(1)
4	Other Fire	5	2.78	0.99	9	2.79	1.06	3	3.35	2.83	7	4.72	2.87	4	3.32	2.73
	Policies	(1)	(21)	(12)	(2)	(21)	(12)	(1)	(26)	(26)	(1)	(30)	(24)	(1)	(21)	(22)
	Total	681	12.82	8.20	690	13.30	8.63	694	13.33	10.69	715	15.90	12.12	750	16.01	12.62

Source: Primary Data

Note: Figures in brackets indicate percentages

N - Number of policies; S - Sum Assured (in crores); A - Amount of premium (in lakhs)

The above table clearly portrays that among the various types of fire insurance policies, the fire policy 'A' plays a vital role followed by fire policy 'B' and fire policy 'C'. Only limited policyholders have taken other fire policies.

B) Industry-Wise Analysis of Fire Policies: Having seen the types of policies, an attempt has been made to gather information regarding the industry-wise coverage of fire policies and the outcome of the attempt has been shown in the Table 4.4

Table 4.4: Industry-Wise Details

S No.	Policies	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Fire	138	3.38	2.67	132	3.63	2.75	136	3.38	2.52	142	4.75	4.32	146	5.42	4.62
	Works	(40)	(52)	(65)	(38)	(55)	(64)	(39)	(51)	(47)	(40)	(60)	(71)	(41)	(68)	(73)
2	Match	146	0.07	0.04	154	0.09	0.05	156	0.39	0.53	149	0.48	0.23	158	0.50	0.24
	Works	(43)	(1)	(1)	(45)	(1)	(1)	(45)	(6)	(10)	(41)	(6)	(4)	(40)	(6)	(4)
3	Printing	53	1.58	0.88	55	1.53	0.99	54	1.23	0.89	64	0.36	0.08	70	0.44	0.09
	Industries	(16)	(25)	(21)	(16)	(23)	(23)	(15)	(18)	(17)	(18)	(5)	(1)	(19)	(5)	(1)
4	Others	3	1.39	0.50	5	1.40	0.53	1	1.68	1.42	4	2.36	1.44	2	1.66	1.37

	Industries	(1)	(22)	(13)	(1)	(21)	(12)	(1)	(25)	(26)	(1)	(29)	(24)	(1)	(21)	(22)
	Total	340	6.42	4.09	346	6.65	4.32	347	6.68	5.36	359	7.95	6.07	376	8.02	6.32

Source: Primary Data

The above table has brought to light the predominant role being played by the fire policies in the fireworks industry. Its share ranges between 40% and 41 % on number of policies, 40% and 68% on sum assured and 60% and 73% on premium during the study period. It is followed by the match industry and printing and other industries.

C) Trader-Wise Analysis of Fire Policies: Following the industry-wise analysis, an in depth trader-wise analysis has been made and the results are depicted in the Table 4.5

Table 4.5: Trader-Wise Details

S.No	Trader's	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Paper stores, provisional stores & Textile shops	83	2.03	1.61	79	2.18	1.65	182	2.03	1.51	85	2.85	2.59	88	3.25	277
		(40)	(52)	(66)	(38)	(55)	(64)	(39)	(51)	(47)	(39)	(60)	(71)	(40)	(83)	(73)
2	Fireworks & Match works Agency	87	0.04	0.02	92	0.06	0.03	94	0.23	0.32	89	0.29	0.14	95	0.30	0.14
		(43)	(1)	(1)	(45)	(2)	(1)	(45)	(6)	(10)	(43)	(6)	(4)	(41)	(8)	(4)
3	Automobile & Gas Agency	33	0.95	0.53	33	0.92	0.59	32	0.74	0.53	38	0.22	0.05	42	0.26	0.05
		(16)	(25)	(22)	(16)	(23)	(23)	(15)	(18)	(17)	(17)	(5)	(1)	(18)	(6)	(1)
4	Others	2	0.83	0.29	3	0.84	0.32	1	1.01	0.85	2	1.42	0.86	1	0.10	0.82
		(1)	(22)	(11)	(1)	(20)	(12)	(1)	(25)	(26)	(1)	(29)	(24)	(1)	(3)	(22)
	Total	205	3.852.45	207	4.002.59	209	4.013.21	214	4.78	3.64	226	3.913.78				

Source: Primary Data

The above table points out the dominance of paper stores, provisional stores and textile shops in the case of fire policies, their share ranging between 39% and 40% on number of policies, 60% and 83% on sum assured and 71 % and 73% on premium during the study period. It is followed by fireworks and match works agency.

D) Organisation-Wise Analysis of Fire Policies: The table 4.6 portrays the details regarding the organization-wise analysis of the fire policies issued by the study unit.

Table 4.6: Organisation-Wise Details

S.	Organization's	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Banking & Insurance Companies	55	1.35	1.07	53	1.45	1.09	54	1.35	1.01	57	1.00	1.73	42	2.17	1.85
		(40)	(53)	(69)	(38)	(55)	(63)	(39)	(51)	(47)	(40)	(32)	(71)	(42)	(68)	(76)
2	Educational Institutions	58	0.03	0.02	61	0.04	0.02	62	0.16	0.21	59	1.09	0.09	58	0.19	0.01
		(43)	(1)	(1)	(44)	(2)	(1)	(45)	(6)	(10)	(42)	(34)	(4)	(39)	(6)	(1)
3	Government Institutions	22	0.63	0.35	22	0.61	0.41	21	0.49	0.36	25	0.14	0.03	27	0.17	0.04
		(16)	(25)	(23)	(17)	(23)	(23)	(15)	(18)	(17)	(17)	(4)	(1)	(18)	(5)	(2)
4	Others	2	0.56	0.10	2	0.56	0.21	1	0.67	0.57	1	0.94	0.57	2	0.66	0.55
		(1)	(21)	(7)	(1)	(20)	(13)	(1)	(25)	(26)	(1)	(30)	(24)	(1)	(21)	(21)
	Total	136	2.57	1.54	1.38	2.66	1.72	138	2.67	2.15	142	3.17	2.42	150	3.192.45	

Source: Primary Data

The above table reveals that the banking and insurance companies play a vital role, their share ranging between 40% and 42% on number of policies, 32% and 68% on sum assured and 71% and 76% on premium income during the study period.

E) Area-Wise Analysis of Fire Policies: Having seen the organization-wise analysis, area-wise analysis of fire policies has been made and the results are exhibited in the Table 4.7

Table 4.7: Area-Wise Details of Fire Policies

S. No	Area	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Urban	505	9.26	5.56	502	10.64	6.90	565	10.76	8.55	570	13.72	9.70	600	12.81	10.10
		(74)	(72)	(68)	(72)	(80)	(79)	(81)	(81)	(79)	(79)	(86)	(80)	(80)	(74)	(80)
2	Rural	176	3.56	2.64	188	2.66	1.73	144	2.57	2.14	145	2.18	2.42	150	2.20	2.52
		(26)	(28)	(32)	(28)	(20)	(21)	(19)	(19)	(21)	(21)	(14)	(20)	(20)	(26)	(20)
	Total	681	12.82	8.20	690	13.30	8.63	694	13.33	10.69	715	15.90	12.12	750	16.0112.62	

Source: Primary Data

It is apparent from the above table that, urban area occupies a major share in fire policies its share being 80% on number of policies, 74% on sum assured and 80% on premium during the study period. It is a welcoming trend. However, the trend is not so good in the case of rural areas.

Marine Insurance Policy:

Having seen the fire insurance policy an attempt has been made to ascertain the role of marine insurance policies in the study area.

A) Policy-Wise Details of Marine Insurance Policies: The marine insurance policies are categorized as hull, cargo and freight policies. The various types of marine policies issued by the study unit are displayed in the Table 4.8

Table 4.8: Details of Marine Policies

S. No	Policies	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Hull	200	5.75	5.03	225	5.85	5.02	300	7.96	6.73	310	8.08	7.91	400	9.26	8.26
		(50)	(42)	(43)	(41)	(37)	(36)	(48)	(47)	(48)	(48)	(47)	(50)	(56)	(52)	(55)
2	Cargo	150	5.06	4.93	175	5.09	4.97	285	7.06	6.53	325	8.73	7.82	250	5.97	4.73
		(38)	(37)	(42)	(32)	(31)	(35)	(46)	(42)	(47)	(50)	(52)	(50)	(35)	(33)	(32)
3	Freight	50	2.85	1.82	150	5.06	4.03	40	1.89	0.72	10	0.19	0.02	60	2.73	1.92
		(12)	(21)	(15)	(27)	(32)	(29)	(6)	(11)	(5)	(2)	(1)	(0)	(9)	(15)	(13)
Total		400	13.66	11.78	550	16.00	14.02	625	16.91	13.98	645	17.00	15.75	710	17.96	14.91

Source: Primary Data

The above table brings to light the fact that among the various types of marine insurance policies, the hull policies play a significant role followed by cargo policies and freight policies.

B) Industry - Wise Analysis of Marine Policies: Having seen the details of marine insurance policies, an attempt has been made to gather the industry-wise details of marine insurance policies and they are represented in the following Table 4.9

Table 4.9: Industry - Wise Details

S.No	Industry's	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Fire Works	120	3.45	3.02	135	3.51	3.01	180	4.78	4.04	186	4.85	4.75	240	5.56	4.96
		(50)	(42)	(43)	(41)	(37)	(36)	(48)	(47)	(48)	(48)	(47)	(50)	(56)	(52)	(55)
2	Match Works	90	3.04	2.96	105	3.05	2.98	171	4.24	3.92	195	5.24	4.69	150	3.58	2.84
		(36)	(37)	(42)	(32)	(31)	(35)	(45)	(42)	(47)	(50)	(52)	(50)	(35)	(33)	(32)
3	Printing Industry & Others	30	1.71	1.09	90	3.04	2.42	24	1.13	0.43	6	0.11	0.01	36	1.64	1.15
		(14)	(21)	(15)	(27)	(32)	(29)	(7)	(11)	(5)	(2)	(1)	(0)	(9)	(15)	(13)
Total		240	8.20	707	330	9.60	8.41	375	10.15	8.39	387	10.20	9.45	4.26	10.78	8.95

Source: Primary Data

From the above table, it is apparent that the fireworks industry plays a dominant role in marine policies also. Their share ranges between 48% and 56% on number of policies, 47% and 52% on sum assured, and 50% and 55% on premium during the study period. It is followed by match works and printing industry.

Motor Insurance Policy:

Lastly, the performance of motor insurance has been analysed from various angles as stated below.

A) Details of Motor Insurance Policies: The motor insurance can be classified as third party, comprehensive and others. The details of various types of motor insurance policies are shown in the Table 4.10

Table 4.10: Details of Motor Policies

S.No	Policies	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Third Party	310	7.63	6.18	335	7.85	6.79	415	8.01	7.01	475	8.82	7.45	525	9.07	8.53
		(38)	(47)	(45)	(40)	(48)	(49)	(42)	(47)	(45)	(43)	(49)	(46)	(42)	(47)	(46)
2	Comprehensive	452	8.56	7.73	460	8.59	7.06	520	9.01	8.57	580	9.23	8.72	650	10.01	9.76
		(56)	(52)	(55)	(54)	(52)	(51)	(53)	(52)	(55)	(53)	(51)	(53)	(53)	(52)	(53)
3	Others	51	0.03	0.01	53	0.06	0.03	49	0.02	0.01	48	0.01	0.05	61	0.13	0.07
		(6)	(1)	(0)	(6)	(0)	(0)	(5)	(1)	(0)	(4)	(0)	(1)	(5)	(1)	(1)
Total		813	16.22	13.92	848	16.50	13.88	984	17.04	15.59	11.03	18.06	16.22	1236	19.21	18.36

Source: Primary Data

The above table has brought to light the predominant role being played by comprehensive policy. Its

share ranges between 53% and 53% on number of policies, 51% and 52% on sum assured and 53% and 53% on premium during the study period. It is followed by comprehensive policy, the share of which has been showing a downward trend during the same period. Its share ranges between 43% and 42% on number of policies, 49% and 47% on sum assured and 46% and 46%. on premium. At the same time the other policies are also not popular.

B) Vehicle-Wise Analysis of Motor Policies: An attempt has been made to analyse the motor insurance policies canvassed during the study period on the basis of the type of vehicle insured and the results are presented in the Table 4.11

Table 4.11: Vehicle-Wise Details

S.No	Vehicle	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Private Car	155	3.82	3.09	168	3.93	3.40	208	4.01	3.51	238	4.41	3.73	263	4.54	4.27
		(38)	(47)	(44)	(40)	(48)	(49)	(42)	(47)	(45)	(43)	(49)	(47)	(42)	(47)	(45)
2	Motor Cycle	226	4.28	3.87	230	4.30	3.53	260	4.51	4.29	290	4.62	4.36	325	5.01	4.88
		(56)	(53)	(56)	(54)	(52)	(51)	(53)	(53)	(55)	(53)	(51)	(53)	(53)	(52)	(54)
3	Commercial Vehicle	26	0.02	0.01	27	0.03	0.02	24	0.01	0.01	24	0.01	0.03	31	0.07	0.04
		(6)	(0)	(0)	(6)	(0)	(0)	(5)	(0)	(0)	(4)	(0)	(0)	(5)	(1)	(1)
Total		407	8.12	6.97	425	8.26	6.95	492	8.53	7.81	552	9.04	8.12	619	9.62	9.19

Source: Primary Data

It is heartening to note from the above table that motor cycles occupy the first position, their share ranging between 53% and 53% on number of policies, 51% and 52% on sum assured and 53% and 54% on premium during the study period. It is followed by private car and commercial vehicle, the shares of which have been showing a downward trend throughout the study period and they have reached a share of 42% and 5% respectively on policies and 47% and 1% respectively on sum assured during 2009-10.

C) Trader-Wise Analysis of Motor Policies: Having seen the details of motor insurance policies on the basis of the nature of vehicle, an attempt has been made to analyse the policies on the basis of the type of traders. The details of these results are exhibited in the Table 4.12

Table 4.12: Trader-Wise Details

S.No	Traders	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Paper stores, provisional stores and Textile Shops	109	2.67	2.16	117	2.75	2.38	145	2.80	2.45	166	3.09	2.61	184	3.17	2.98
		(38)	(47)	(44)	(40)	(48)	(49)	(42)	(47)	(45)	(43)	(49)	(49)	(42)	(47)	(46)
2	Fire works and Match Works Agency	158	2.99	2.71	161	3.01	2.47	182	3.15	2.99	203	3.23	3.05	228	3.50	3.42
		(55)	(53)	(55)	(54)	(52)	(51)	(53)	(52)	(55)	(53)	(51)	(51)	(53)	(52)	(53)
3	Automobile, Gas Agency and Others	18	0.01	0.03	19	0.02	0.01	17	0.07	0.03	17	0.03	0.02	21	0.05	0.02
		(7)	(0)	(1)	(6)	(0)	(0)	(5)	(1)	(0)	(4)	(0)	(0)	(5)	(1)	(1)
Total		285	5.67	4.90	297	5.78	4.86	344	6.02	5.47	386	6.35	5.68	433	6.72	6.42

Source: Primary Data

The above table reveals that out of the various types of motor insurance policies for trader, fire works agency and match works agency occupy a major share their share being 53% on number of policies, 52% on sum assured and 53% on premium during 2009-10.

D) Area-Wise Analysis of Motor Policies: The details of these policies on the basis of area are exhibited in the Table 4.13.

Table 4.13: Area-Wise Details

S.No	Area	2005-06			2006-07			2007-08			2008-09			2009-10		
		N	S	A	N	S	A	N	S	A	N	S	A	N	S	A
1	Urban	528	10.54	10.05	561	10.53	9.02	646	10.08	9.13	717	10.74	10.54	953	13.49	11.93
		(65)	(64)	(72)	(66)	(63)	(65)	(65)	(59)	(58)	(65)	(59)	(65)	(85)	(70)	(60)
2	Rural	285	5.68	3.87	287	5.97	4.86	338	6.96	4.46	386	5.32	5.68	167	5.72	6.43
		(35)	(36)	(28)	(34)	(37)	(35)	(35)	(41)	(42)	(35)	(41)	(35)	(15)	(20)	(40)
Total		813	16.22	13.92	848	16.50	13.88	984			17.04	15.59	11.03	18.06	16.22	11.20

Source: Primary Data

The above table clearly establishes the fact that among the various types of motor insurance policies on

the basis of area, urban area plays a dominant role its share being 85% on number of policies, 70% on sum assured and 60% on premium income during 2009.10. It is followed by rural areas. It means that motor insurance is not popular in rural areas.

Net Premium-Wise Details of Policies: The premium income growth indicates the efficiency and the financial strength of insurance companies. The following table shows the premium-wise details of policies of the United India Insurance Company Limited.

Table 4.14: Net Premium-Wise Details

Year	Fire (Rs. In lakhs)	% to Total	Marine (Rs. In lakhs)	% to Total	Motor (Rs. In lakhs)	% to Total
2005-06	136	12.45	78	12.40	175	12.46
2006-07	192	17.58	115	18.28	247	17.59
2007-08	228	20.78	130	20.67	293	20.87
2008-09	255	23.35	146	23.21	328	23.36
2009-10	281	25.84	160	25.44	361	25.71
Total	1092	100	629	100	1404	100

Source: Primary Data

It is vivid from the above table that the net premium income has been regularly and constantly increasing year after year. It is found that all the three types of policies viz., fire, marine and motor contribute more or less an equal share towards premium income during 2009.10. It means that all the three types of policies are popular in the study area. It is a welcoming trend. Thus it is found that the study unit has successfully marketed its various insurance products in the study area.

Suggestions:

It is suggested that the company shall introduce standard fire policy and special perils policy covering all perils so as to attract the household and corporate sectors. It is suggested that the National Insurance Company Limited shall take all possible steps to popularize the fire insurance policy by pointing out its comparative advantages to these industries like the need for protecting buildings, plant and machinery, furniture, fixtures, fittings etc.,. It is suggested that the company shall take efforts to popularize the fire insurance policy by stressing the imperative need to insure automobile and gas agencies against fire since the nature of work they undertake are vulnerable to fire hazards. It is suggested that the company shall take more steps to popularize fire insurance policies to these organisations through advertisements, circulars etc., and by extending fire insurance policies at a concessional rate. It is suggested that the company shall devise new schemes for rural based industries and the tiny sectors functioning in the rural areas. It is suggested that the company shall encourage the other motor policies through wide publicity and door-to-door canvassing by agents. It is suggested that the National Insurance Company Limited shall encourage the commercial vehicles to insure through direct canvassing by agents. It is suggested that the company shall appoint specific functionaries and agencies in the rural areas, which can help to explore and exploit insurance business in the untapped rural market.

Findings:

On personal enquiry it was found that most of the policyholders prefer fire policy 'A' because they can be utilized as security for household and industrial sectors. Hence, they are popular in the study area. It is gratifying to note that the fire policies are more popular in the fireworks industry. It is heartening to note that the study unit has taken steps to improve the fire-insurance policy to traders during the study period. However, the automobile and gas agencies have not fully utilized the services of fire insurance. Fire insurance policies are not popular among, educational institutions, government institutions and others. It is evident from the above table that fireworks industry occupies a leading position in marine policies. It means that the benefits of these policies have not have reached the masses.

Conclusion:

The foregoing discussion on the marketing of general insurance products in Rajapalayam shows that the movement is picking up in the area. If the above suggestions are duly carried out, the National Insurance Company Limited will be able to market more effectively in the interest of the customers of this area as well as in the interest of the country as a whole.

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