

Impact of Covid-19 on Insurance Industry: An Empirical Study with Special Reference to Chhattisgarh State

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Abstract: The insurance sector in India has come a long way after the privatization and liberalization of the insurance industry IRDA opened the doors of the insurance market for foreign investments in August 2000 and started accepting applications for their registration. The foreign companies could retain up to 26% ownership. There are many insurance providers in the market. Both general insurance and life insurance are in high demand and need on the market. However, the potential for expansion of insurance is only increasing as the need and awareness of insurance has still not joined hands. In the rural areas of India, where the majority of the country's population resides, the roots of insurance are still not so strong and for this reason the insurance sector can still grow further. This paper is attempting to study the importance of health and life insurance during COVID-19 pandemic and to investigate the deviation between service expected and service rendered by LIC.

Keywords: COVID-19, Digital, Insurance Sector Health Insurance Industry, Life Insurance, Lockdown.

INTRODUCTION:

Human life is full of uncertainties. In today's modern man, the same security instinct of fighting damages and disasters is found which was prevalent in the ancient man. He tried to avoid calamities like fire and flood and was also ready to make all kinds of sacrifices for his safety. So the men developed a method systematically that how to minimize the risk on their life and their family, now the term insurance is the result of the same process called mitigating and minimizing the risk of ones life and for the financial security of their family. In today's uncertain times, insurance is not just a luxury item or service but it is a basic necessity. Insurers want to enter new markets of insurance by finding out the needs of their potential customers or simply put, they want to create a new market. This market or needs depends on many factors like location, age, gender, occupation, family, health and wealth etc. Consumers, on the other hand, need to understand the different types of insurance policies best for them keeping in mind the needs of the family and the maximum benefits that an insurance policy can offer and choose the perfect one for themselves. There are many other factors that people keep in mind while choosing a policy for themselves like premium rate, claim settlement ratio, and any hidden rules and regulations. The value of life of a person cannot be paid as it is a priceless but it helps in mitigating the financial problems of his family financial arising out of insured events like personal accident death due to accident strike explosion and epidemic etc. loss is compensated so insurance protects us from loss due to uncertainty. The premium for life insurance or health insurance is paid as per the convenience and capability of the insured premium can be paid for one month, three month, one year or even in lump sum. In present time we have seen a very big uncertainty like COVID-19 pandemic we have even seen before the pandemic devastate the economic activities of the nations over the globe it run the men's earnings and their financial conditions very badly this epidemic COVID-19 not only effected the financial conditions but also the health of the humans it is therefore the importance of life and health insurance become prior. The investment in insurance (premium as a percentage of GDP) in India increased from 2.71% in 2001 to 3.69% in 2017. The share of private players in the non-life insurance market increased from 15% in FY 2004 to 56% in FY 2021 (as of April 2020). In the financial year 2020, the new business of private sector companies accounted for 31.3% share in the life insurance sector of the insurance market. The gross premium of life insurance companies in India, which was 2.56 trillion rupees (\$ 39.7 billion) in FY 2012, increased to 7.31 trillion rupees (\$ 94.7 billion) in FY 2020. Between FY 2012 and 2020, premiums from new business of life insurance companies in India grew at a growth rate of 15% to reach Rs 2.13 trillion (\$37 billion) in FY20. Overall, the share of insurance (premium as a % of GDP) reached 3.69% in 2017 from 2.71% in 2001.

LITERATURE REVIEW:

Yadav.b, suryavanshi.p (2021) have tried to find out the impact of the COVID-19 pandemic on the business of the Indian life sector result of the study showed that the advent of COVID-19 has reduced policy buyers and adversely affected premium and claim settlement in the life insurance business.

Newkhare.v.p, dr kale.v.a (2021) have tried to find out the impact of COVID-19 on the health insurance sector result of the study showed that in COVID-19 the health insurance company launched new policies and the insurance company is paying more attention to the customers need and their service.

Muthu.m. v (2019), has completed his study on health insurance schemes of chosen health insurance businesses study outcome you will obtain the best policy by completing a comparison study of companies based on your requirement.

Erlangga.d, Erlangga.et al (2019), have try to find out the public health insurance's effects on health care use, financial security, and health status in countries with a middle income study results impact on health insurance plan use is generally positive but more study in needed in different countries.

Tanner. m (2017), have tried analysing the influence of health insurance status on peoples health seeking behaviour in rural Ghana result of In order to increase rural residents' healthcare consumption, the study suggests promoting and improving the National Health Insurance Scheme's services.

Suryavanshi.p (2021), have tried to find out the after effects of cover 19 pandemic in life insurance sector in India. Results of the study showed that the uncertainties of life in the time of COVID-19 pandemic have seen a positive growth in the demand for life and health insurance.

OBJECTIVES OF THE STUDY:

The study has been undertaken with following objectives:

- To identify the significance of life insurance and health insurance during pandemic.
- To investigate the satisfaction level of policy holder.

COMPANY PROFILE: “Life Insurance Corporation of India” (abbreviated as LIC) is the largest life insurance company in India and also the largest investor company in the country. It is wholly owned by the Indian government's ministry of finance. On September 1st, 1956, the Life Insurance of India Act, which nationalized the Indian insurance sector, was passed by the Indian Parliament. It's headquarter is in Mumbai.

RESEARCH METHODOLOGY:

The systematic collection, recording, and analysis of data regarding marketing products and services is known as research technique. Marketing research seeks to uncover and evaluate how altering aspects of the marketing mix affect customer behavior. The success of every study greatly depends upon the research methodology used for the purpose to achieve the objective of the project. Some of the main methods are as follows:

Descriptive: Survey and many types of fact-finding inquiries are included in descriptive research. The primary goal of descriptive research is to describe the current situation as it stands. Our adoption of this methodology in social science & commercial research is extremely common.

Exploratory: In this method we go in a detail method that explains the project in large extent and time taking. It is difficult to complete in short period of time.

Analytical: In this strategy, the researcher must take facts or information that are already available and examine them in order to produce a critical appraisal of material.

DATA COLLECTION METHOD:

The validity of the research methodology's findings depends on what is known right now on several important characters that are included in the study. Depending on the sort of information needed and the need itself, primary and secondary data gathering methods have been employed. These are listed below: The first data method is: The major data gathering method employed was the survey and face-to-face survey. (a) As a tool, we employed a questionnaire and in-person interviews. Secondary Data Method (ii) (a) Encyclopedias, periodicals, newspapers, and the internet. (b) Archives of research data files. Analyzing and interpreting data

DATA ANALYSIS & INTERPRETATION:

The survey found that 212 people are aware of life insurance; however, since Covid-19, people's attitudes toward life insurance have shifted, and its subscriber base has expanded. 6% of total respondents learnt about insurance on the internet, 55% through family and friends, 37% through an insurance agent, and 3% through a method not listed above. 83% have purchased life insurance to safeguard their families and lives, while 17% do not. Furthermore, 39% did not purchase a life insurance policy owing to a lack of interaction with an agent, and 25% did not purchase any coverage due to a lack of faith in life insurance. 0% of such folks were those who were unable to obtain insurance. 37% of persons are unable to pay their life insurance premiums and hence do not have an insurance coverage. Appropriate findings reveal that 100% of the 212 respondents had taken insurance; however, everyone's perspective and choice of insurance provider differs; 58% of the participants have taken insurance from the Life Insurance Corporation of India. SBI Life Insurance is held by 9% of the population. Max Life Insurance has been purchased by 8% of the population. 17% of people have HDFC Life Insurance, whereas 8% have Tata AIA. In this poll, we discovered that Life Insurance Corporate of India Firm is the best in public opinion, with 124 out of 212 respondents choosing this company. Appropriate results demonstrate that 100 percent of respondents pay a premium in various ways. Their agent pays 49% of the premium. The 15% premium is deducted automatically. 25% People can pay their premiums through Net Banking or UPI. 10% of consumers pay their premium by going to the office themselves. Appropriate results reveal that the primary goal of purchasing a life insurance policy differs. 17% of individuals want to save, 15% want to lessen the danger of their life, 2% want to benefit from taxes, 26% want to safeguard their family, and 40% want to invest.

Out of 212 responders, 56 had adopted the policy at the time of lockdown, while 158 had not, according to the appropriate findings. According to the relevant statistics, 11% of the 212 respondents who took the lockdown policy did it online while 89% did so offline. According to the results, each person's need and way of thinking will influence their decision to get life insurance during a lockdown. 82 persons have many goals, such as saving money for medical expenditures, paying for financial security, and covering 44 for financial security, 24 for medical expenses, 62 for savings, and 62 for savings. The right outcomes demonstrate that an insurance policy helped the insured during COVID-19. People have varied perspectives on this problem. 80% of respondents believe an insurance policy was beneficial to them because having it made them feel a little safer, while 20% say the policy was a problem for them because they were having difficulty paying the price. Appropriate data demonstrate that the number of persons who died as a result of COVID-19 varied depending on whether the principle was paid to life insurance nominees. 5% stated they were paid, 33% said they were not given money, and 61% said they had no information. According to the data, those who had health insurance received medical care throughout the Covid-19 period. However, 13% of those who received care claim they did not need him, while 68% say they did not receive it on time. The right outcomes demonstrate a life insurance company's capacity to reduce and transfer the risks to your life. While 21% of respondents claim they are unable to minimise risk, 79% of respondents claim they can transfer risk. According to the appropriate findings, 66% of individuals are able to lessen the financial burden of medical bills on their families, while 34% of respondents claim they are unable to do so. When asked if they are pleased with their insurance provider and whether they would recommend them to others, the appropriate results indicate that 91% of individuals are satisfied and 9% are dissatisfied.

CONCLUSION:

Study on Importance of Life and Health Insurance During covid-19 The purpose of the study was to find out what was the importance of life and health at the time of covid-19. According to the study, all the people have information about life insurance and most of the people have got the information through their family and friends 82% people have taken life insurance policy and but maximum of them has taken policy from life insurance Corporation of India. Before covid-19 the purpose of taking life insurance for people was to save life, benefit from tax and protect their family, but during covid-19 the purpose of taking a policy was financial security, medical expenditure cover and savings, it is clear from the study. That the importance of life insurance and health insurance has increased after Covid-19 as compared to before Covid-19. This study also revealed that the company provides good service to its customers after taking the policy

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