

ANALYSIS AND INTERPRETATION

CHAPTER – IV

ANALYSIS AND INTERPRETATION

The current study aims to measure the service quality of select health insurance companies using SERVQUAL technique based on customer's expectation and their perception. Responses were gathered through structured questionnaire from 125 customers each from select health insurance companies in public and private sectors - The New India Assurance Company limited and Bajaj Allianz General Insurance Company Limited. Both the companies fall under the category of 'Top 10 insurance companies in India'. The SPSS software package 16.0 version was used for analysing the data collected for the study and are presented in the following headings.

4.1. Socio-economic profile of the respondents

4.2. Awareness about different health insurance policies among the respondents

4.3. Evaluation of service quality perceptions and expectations of the policy holders

A. Reliability analysis for the service quality expectation and perception scales

B. Chi-square analysis for the service quality expectation and perception levels of customers

C. Correlation analysis for the service quality expectation and perception levels of customers

D. Multiple Regression analysis for the service quality perception levels of customers

4.4. Determination of the factors influencing service quality of the firms

A. Measuring service quality using servqual

B. Factors analysis for the service quality expectation and perception levels of Customers

4.1. SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS OF NEW INDIA ASSURANCE COMPANY LIMITED AND BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

1. Age of the select respondents of the two companies

TABLE – 4(a) AGE GROUP OF THE RESPONDENTS

S.No	Age Group (In Years)	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	21-30	30	24.0	45	36.0
2.	31-40	42	33.6	40	32.0
3.	41-50	45	36.0	30	24.0
4.	51-60	7	5.6	8	6.4
5.	Above 60	1	.8	2	1.6
	Total	125	100.0	125	100.0

Source: Primary data

It is inferred from the Table – 4(a) that out of 125 respondents of New India Assurance Company Limited, 36 percent of respondents are in the age group of 41-50 years, 33.6 percent of the respondents belong to 31-40 years, 24 percent were between 21-30 years, only 5.6 percent belong to the age group of 51-60 years and 0.8 percent was above 60 years. In case of Bajaj Allianz General Insurance Company, 36 percent are in the age group of 21-30 years. 32 percent of the respondents belong to 31-40 years. 24 percent were between 41-50 years, only 6.4 percent belong to the age group of 51-60 years and 1.6 percent was above 60 years.

2. Gender of the respondents of the two companies

TABLE – 4(b) GENDER OF THE RESPONDENTS

S.No	Gender	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	Male	105	84.0	87	69.6
2.	Female	20	16.0	38	30.4
	Total	125	100.0	125	100.0

Source: Primary data

Table – 4(b) shows the gender of the respondents. In New India Assurance Company Limited, 84 percent of the respondents are male and 16 percent are female. In Bajaj Allianz General Insurance Company 69.6 percent of the respondents were male and female constitutes 30.4 percent.

3. Educational qualifications of the respondents of the two companies

TABLE – 4(c) EDUCATIONAL QUALIFICATIONS OF THE RESPONDENTS

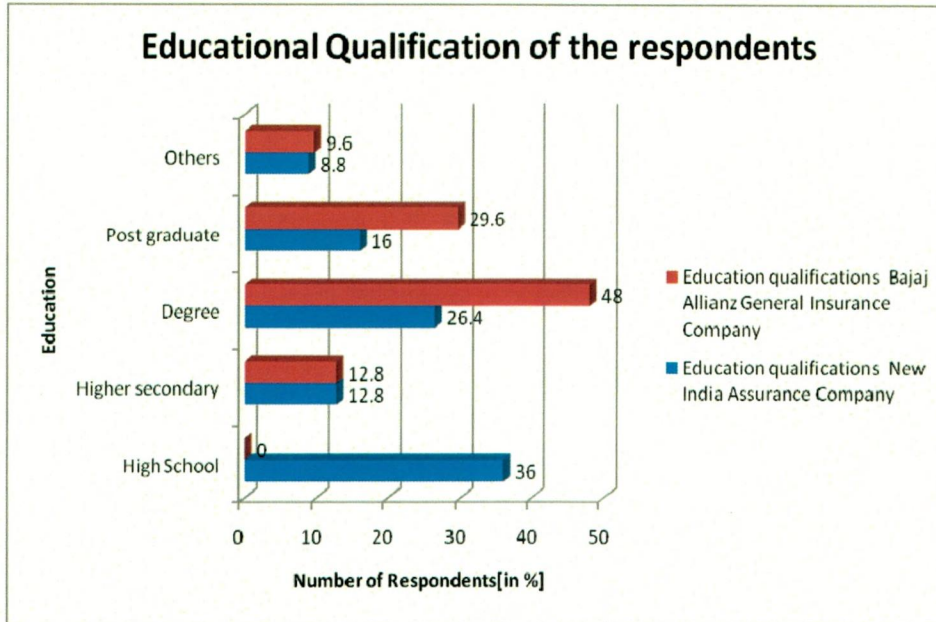
S.No	Educational qualifications	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	High School	45	36.0	0	0
2.	Higher secondary	16	12.8	16	12.8
3.	Degree	33	26.4	60	48.0
4.	Post graduate	20	16.0	37	29.6
5.	Others	11	8.8	12	9.6
	Total	125	100.0	125	100.0

Source: Primary data

The table – 4(c) presents the education qualifications of the respondents. In New India Assurance Company Limited, 36 percent of the respondents have completed high school;

26.4 percent of the respondents have completed degree, while 16 percent of the respondents had post graduation as their qualification. 12.8 percent had finished higher secondary. In Bajaj Allianz General Insurance Company 48 percent of the respondents have completed Degree, 29.6 percent have completed post graduate degree and 12.8 percent of the respondents had higher secondary as their qualification.

EXHIBIT - 3



4. Occupation of the respondents of the two companies

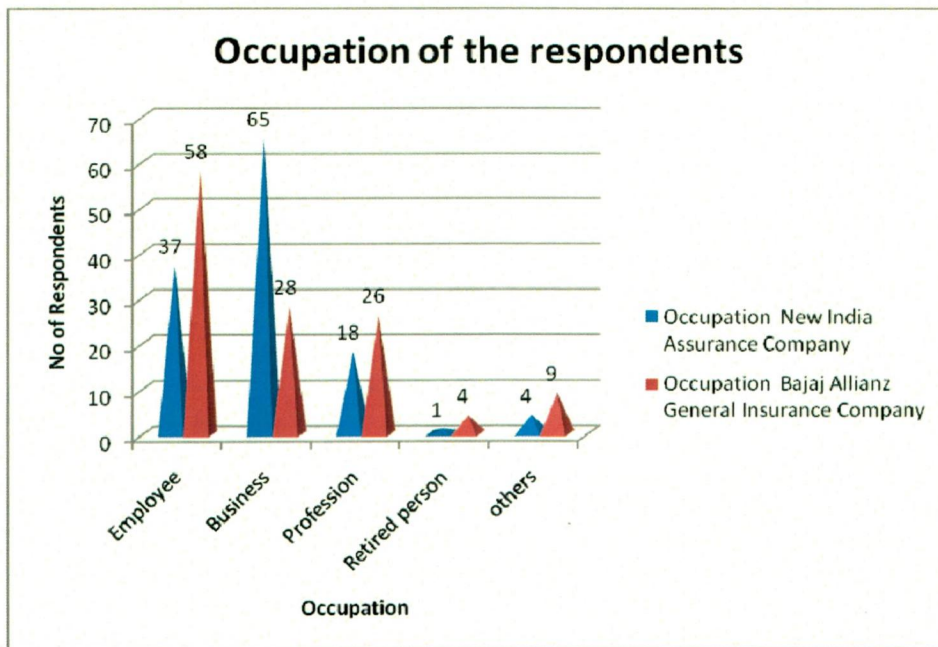
TABLE – 4(d) OCCUPATION OF THE RESPONDENTS

S.No	Occupation	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	Employee	37	29.6	58	46.4
2.	Business	65	52.0	28	22.4
3.	Profession	18	14.4	26	20.8
4.	Retired person	1	0.8	4	3.2
5.	Others	4	3.2	9	7.2
		125	100.0	125	100.0

Source: Primary data

The table – 4(d) illustrates that 52 percent of the respondents of New India Assurance Company Limited belong to Business category; 29.6 percent of the respondents are employed and 14.4 percent of the respondents are professionals. 3.2 percent belong to others and retired person accounted for 0.8 percent. 46.4 percent of the respondents of Bajaj Allianz General Insurance Company belong to employee category, 22.4 percent belong to business group, and 20.8 percent are professional. 7.2 percent belong to others and 3.2 percent are Retired person.

EXHIBIT - 4



5. Annual income of the respondents of the two companies

TABLE – 4(e) ANNUAL INCOME OF THE RESPONDENTS

S.No	Annual Income	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	Less than Rs.2,00,000	22	17.6	18	14.4
2.	Rs.2,00,001-Rs.5,00,000	99	79.2	92	73.6
3.	Rs.5,00,001-Rs.10,00,000	4	3.2	15	12.0
	Total	125	100.0	125	100.0

Source: primary data

The table – 4(e) shows the distribution of the respondents on the basis of their monthly income. In New India Assurance Company Limited 79.2 percent of the respondents’ income was between Rs. 2,00,001 –Rs.5,00,000; 17.6 percent of the respondents income was less than Rs.2,00,000 and 3.2 percent of the respondents’ income was between Rs.5,00,001 – Rs.10,00,000. It also highlights that in Bajaj Allianz General Insurance Company 73.6 percent of the respondents income was between Rs. 2,00,001- Rs.3,00,000, 14.4 percent of the respondents income was less than Rs.2,00,000 and 12 percent of the respondents’ income was between Rs. 5,00,001-Rs.10,00,000.

6. Marital status of the respondents of the two companies

TABLE – 4(f) MARITAL STATUS OF THE RESPONDENTS

S.No	Marital status	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	Single	19	15.2	34	27.2
2.	Married	106	84.8	91	72.8
	Total	125	100.0	125	100.0

Source: primary data

Table – 4(f) depicts that 84.8 percent of the respondents of New India Assurance Company Limited were married and 15.2 percent of the respondents are unmarried. In Bajaj Allianz General Insurance Company 72.8 percent of the respondents of are married and 27.2 percent of the respondents are unmarried.

7. Type of family of the respondents of the two companies

TABLE – 4(g) TYPE OF FAMILY OF THE RESPONDENTS

S.No	Type of family	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	Joint	77	61.6	83	66.4
2.	Nuclear	48	38.4	42	33.6
	Total	125	100.0	125	100.0

Source: primary data

Table – 4(g) shows that 61.6 percent of the respondents of New India Assurance Company Limited are Joint family and 38.4 percent of the respondents were nuclear family. It also shows that 66.4 percent of the respondents of Bajaj Allianz General Insurance Company are Joint family and 33.6 percent of the respondents belong to nuclear family.

4.2. AWARENESS ABOUT DIFFERENT HEALTH INSURANCE POLICIES AMONG THE RESPONDENTS OF NEW INDIA ASSURANCE COMPANY LIMITED AND BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

1. Source of information about health insurance policy of the respondents of the two companies

TABLE – 5(a) SOURCE OF INFORMATION ABOUT HEALTH INSURANCE POLICY

S.No	Source	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	Advertisements	25	20.0	58	46.4
2.	Agents	83	66.4	53	42.4
3.	Development officers	2	1.6	2	1.6
4.	Friends and relatives	15	12.0	12	9.6
	Total	125	100.0	125	100.0

Source: primary data

Table – 5(a) illustrates that 66.4 percent of the respondents of New India Assurance Company Limited have come to know the insurance company through their agent; 20 percent of the respondents have known through Advertisements; 12 percent by friends and relatives and 1.6 percent of the respondents through development officers. It also illustrates that 46.4 percent of the respondents of Bajaj Allianz General Insurance Company have come to know the insurance company through the Advertisements, 42.4 percent of the respondents have known through Agents, 9.6 percent came to know the health insurance by friends and relatives and 1.6 percent of the respondents are through development officers.

2. Total sum assured for the family of the respondents of the two companies

TABLE – 5(b) TOTAL SUM ASSURED FOR THE FAMILY

S.No	Sum Assured	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	< Rs.1 lakh	45	36.0	43	34.4
2.	Rs.1 lakh - 5 lakhs	76	60.8	76	60.8
3.	Rs.5 lakhs -10 lakhs	4	3.2	6	4.8
	Total	125	100.0	125	100.0

Source: primary data

Table – 5(b) shows the distribution of the respondents on the basis of total sum assured under their health insurance policy for the family. In New India Assurance Company Limited 60.8 percent of the respondents have taken family health insurance policy between Rs. 1lakh – Rs. 5lakhs; for 36 percent of the respondents it was less than Rs. 1lakh and 3.2 percent of the respondents have assured their family for health insurance between Rs. 5lakh –Rs.10lakh. In Bajaj Allianz General Insurance Company 60.8 percent of the respondents have taken family health insurance policy between Rs. 1 lakh – 5 lakhs; for 34.4 percent of the respondents it was less than Rs. 1lakh and for 4.8 percent of the respondents the value of health insurance for their family was between Rs. 5 lakhs -10 lakhs.

3. Number of policies taken by the respondents of the two companies

TABLE – 5(c) NUMBER OF POLICIES TAKEN BY THE RESPONDENTS

S.No	No of policies taken	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	1	100	80.0	67	53.6
2.	2	17	13.6	45	36.0
3.	3	2	1.6	9	7.2
4.	4	1	0.8	3	2.4
5.	5	5	4	0	0
6	6	0	0	1	0.8
	Total	125	100.0	125	100.0

Source: primary data

From the table – 5(c) it is inferred that about 80 percent of the respondents of New India Assurance Company Limited are having only one policy; 13.6 percent of the respondents have 2 policies and 4 percent are having 5 policies which includes for family members and 1.6 percent are having 3 policies for the family overall. In Bajaj Allianz General Insurance Company 53.6 percent of the respondents are having only one policy, 36 percent are having 2 policies. While 7.2 percent of them are having 3 policies and 2.4 percent have 4 policies covering the whole family members.

4. Mode of premium payment by the respondents

TABLE – 5(d) MODE OF PREMIUM PAYMENT BY THE RESPONDENTS

S.No	Mode of premium payment	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	By self	25	20	49	39.2
2.	Through agent	98	78.4	68	54.4
3.	Standing instructions through Bank	2	1.6	8	6.4
	Total	125	100.0	125	100.0

Source: primary data

From the table – 5(d) it was known that 78.4 percent of the respondents of New India Assurance Company Limited paid their premium through agents of the insurance company, 20 percent of the respondents paid the premium directly and 1.6 percent of them give standing instructions to their banker. It was also known that 54.4 percent of the respondents of Bajaj Allianz General Insurance Company paid their premium through agents of the insurance company, 38.4 percent of the respondents paid the premium directly; 6.4 percent of them give standing instructions to their banker and 0.8 percent of them by other modes.

5. Preference of settlement of the respondents of the two companies

TABLE – 5(e) PREFERENCE OF SETTLEMENT OF THE RESPONDENTS

S.No	Preference of settlement	New India Assurance Company		Bajaj Allianz General Insurance Company	
		Number of Respondents	Percentage	Number of Respondents	Percentage
1.	Through third party administrators	82	65.6	38	30.4
2.	Directly through insurance company	43	34.4	87	69.6
	Total	125	100.0	125	100.0

Source: primary data

Table – 5(e) shows that in New India Assurance Company Limited, 65.6 percent of the respondents preferred settlement of claims through the third party administrators, while 34.4 percent of them preferred the settlement to be made directly through the insurance company itself. It also shows that in Bajaj Allianz General Insurance Company, 69.6 percent of the respondents preferred of settlement of claims directly through the insurance company itself, while 30.4 percent of them preferred the settlement through the third party administrators.

4.3. EVALUATION OF SERVICE QUALITY EXPECTATIONS AND PERCEPTIONS OF THE POLICY HOLDERS

A. RELIABILITY ANALYSIS FOR SERVICE QUALITY EXPECTATION AND PERCEPTION SCALES

(i) Reliability analysis for New India Assurance Company Limited and Bajaj Allianz General Insurance Company Limited - service quality expectation scales

To test the reliability of the set of items forming the scale, a measure of construct reliability (Cronbach's alpha) was computed. Reliability analysis has been done with the help of Cronbach's alpha coefficients to measure the reliability of various factors that influence the expectation level for service quality of the respondents.

TABLE – 6(a) RELIABILITY ANALYSIS FOR SERVICE QUALITY EXPECTATION SCALES

Name of the insurer	Number of Items	Cronbach's alpha
New India Assurance Company Limited	22	0.968
Bajaj Allianz General Insurance Company Limited	22	0.888

Based on primary data

In any social science research a reliability coefficient of .70 or higher is considered "acceptable" suggesting that the items have relatively high internal consistency. The table – 6(a) shows that, the Cronbach's alpha for expectation level of the respondents of **New India Assurance Company Limited** is at **0.968** and for **Bajaj Allianz General Insurance Company Limited** it is at **0.888**. Hence, it is inferred that for expectation level all the factors namely Tangibility, Assurance, Reliability, Responsibility and Empathy have high reliability.

(ii) Reliability analysis for New India Assurance Company Limited and Bajaj Allianz General Insurance Company Limited - Service quality perception scales

To test the reliability of the set of items forming the scale, a measure of construct reliability (Cronbach's alpha) was computed. Reliability analysis has been done with the help

of Cronbach's alpha coefficients to measure the reliability of various factors that influence the perception level for service quality of the respondents.

TABLE – 6(b) RELIABILITY ANALYSIS FOR SERVICE QUALITY PERCEPTION SCALES

Name of the insurer	Number of Items	Cronbach's alpha
New India Assurance Company Limited	22	0.973
Bajaj Allianz General Insurance Company Limited	22	0.959

Based on primary data

The table – 6(b) shows that that, the Cronbach's alpha for the perception level of the respondents of **New India Assurance Company Limited** is **0.973** and for **Bajaj Allianz General Insurance Company Limited** it is at **0.959**. Hence, it is inferred that all the factors namely Tangibility, Assurance, Reliability, Responsibility and Empathy have high reliability.

B. CHI-SQUARE ANALYSIS FOR THE SERVICE QUALITY EXPECTATION AND PERCEPTION LEVELS OF CUSTOMERS

To study the association between the socio-economic factors and the level of expectation and the perception of the respondents regarding service quality of the select health insurers, chi-square test was done.

HYPOTHESIS

There is no association between the socio-economic factors and customer perception of service quality of the health insurance companies

(i) New India Assurance Company Limited

1. Age and the factors of Expectation and Perception level of Service quality scale

TABLE – 7(a) AGE AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.001	Significant	0.016	Significant
2	Reliability	0.013	Significant	0.000	Significant
3	Responsibility	0.000	Significant	0.003	Significant
4	Assurance	0.000	Significant	0.000	Significant
5	Empathy	0.010	Significant	0.002	Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. From the table – 7(a) it is known that in the **expectation level** all the chi-square significance values are zero, which shows that there is a **strong association between Age and all the factors of service quality** i.e. Tangibility, Reliability, Responsibility, Assurance and Empathy. In the **perception level** also the chi-square significance values are zero, which depicts that, there is a **strong association between all the factors of service quality** i.e. Tangibility, Reliability, Responsibility, Assurance and Empathy **and the Age** of the respondents of New India Assurance Company. Hence, the hypothesis is rejected.

2. Gender and the factors of Expectation and Perception level of Service quality scale

TABLE – 7(b) GENDER AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.699	Not Significant	0.337	Not Significant
2	Reliability	0.079	Not Significant	0.032	Significant
3	Responsibility	0.396	Not Significant	0.225	Not Significant
4	Assurance	0.0763	Not Significant	0.550	Not Significant
5	Empathy	0.320	Not Significant	0.015	Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. The table – 7(b) shows that in the **expectation level** all the chi-square significance values are more than zero, which infers that there is **no association between Gender and all the factors** of service quality i.e. Tangibility, Reliability, Responsibility, Assurance and Empathy. On the other hand, in the **perception level**, there shows a **strong association between Gender and the Reliability and Empathy** factors of service quality and **no association between Gender and the remaining factors i.e. Tangibility, Responsibility and Assurance** of the respondents of New India Assurance Company.

3. Education and the factors of Expectation and Perception level of Service quality scale

TABLE – 7(c) EDUCATION AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.001	Significant	0.000	Significant
2	Reliability	0.000	Significant	0.001	Significant
3	Responsibility	0.001	Significant	0.000	Significant
4	Assurance	0.000	Significant	0.000	Significant
5	Empathy	0.000	Significant	0.000	Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. From the table – 7(C) it is known that in the **expectation level** all the chi-square significance values are zero, this depicts that there is a **strong association between education and all the factors of service quality** i.e. Tangibility, Reliability, Responsibility, Assurance and Empathy. In the **perception level** also, there is a **strong association between all the factors of service quality** i.e. Tangibility, Reliability, Responsibility, Assurance and Empathy **and the educational qualification** of the respondents of New India Assurance Company. Hence, the hypothesis is rejected.

4. Occupation and the factors of Expectation and Perception level of Service quality scale

TABLE – 7(d) OCCUPATION AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.060	Not Significant	0.002	Significant
2	Reliability	0.003	Significant	0.004	Significant
3	Responsibility	0.025	Significant	0.000	Significant
4	Assurance	0.000	Significant	0.002	Significant
5	Empathy	0.133	Not Significant	0.111	Not Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. It is known from the table – 7(d) that in the **expectation level** there is a **strong association between occupation and Reliability, Responsibility, Assurance** and **no association between occupation and other factors i.e. Tangibility and Empathy**. In the **perception level** also, there is a **strong association between all the factors of service quality except Empathy** i.e. Tangibility, Reliability, Responsibility, Assurance and the occupation of the respondents of New India Assurance Company. Hence, the hypothesis is rejected.

5. Marital status and the factors of Expectation and Perception level of Service quality scale

TABLE – 7(e) MARITAL STATUS AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.950	Not Significant	0.157	Not Significant
2	Reliability	0.174	Not Significant	0.664	Not Significant
3	Responsibility	0.017	Significant	0.351	Not Significant
4	Assurance	0.397	Not Significant	0.017	Significant
5	Empathy	0.734	Not Significant	0.334	Not Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. It is known from the table – 7(e) that as the chi-square significance value is zero, there is a **strong association between marital status and Responsibility in the expectation level and no association between marital status and the remaining factors**. In the perception level also, there is a **strong association between assurance factor and the marital status of the respondents and no association between marital status and the remaining factors** of the respondents of New India Assurance Company.

6. Nature of family and the factors of Expectation and Perception level of Service quality scale

TABLE – 7(f) NATURE OF FAMILY AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.080	Not Significant	0.017	Significant
2	Reliability	0.052	Not Significant	0.110	Not Significant
3	Responsibility	0.000	Significant	0.001	Significant
4	Assurance	0.025	Significant	0.025	Significant
5	Empathy	0.090	Not Significant	0.006	Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. From the table – 7(f) it was known that there is an **association between the nature of family and the Responsibility and assurance** factors of service quality **in the expectation level** and **no association between the nature of family and** the remaining factors i.e. **Tangibility, Reliability and Empathy**. In the **perception level**, there is a **good association between all the factors of service quality except Reliability and the nature of family** of the respondents of the respondents of New India Assurance Company. Hence, the hypothesis is rejected.

7. Annual income and the factors of Expectation and Perception level of Service quality scale

TABLE – 7(g) ANNUAL INCOME AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.000	Significant	0.013	Significant
2	Reliability	0.000	Significant	0.016	Significant
3	Responsibility	0.163	Not Significant	0.000	Significant
4	Assurance	0.122	Not Significant	0.220	Not Significant
5	Empathy	0.463	Not Significant	0.011	Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. The table – 7(g) indicates that in the **expectation level**, there is a **strong association between annual income and Tangibility, Reliability** factors of service quality scale and **no association between annual income and the remaining factors**. While in the **perception level**, there is a **good association between all factors except Assurance** factors of service quality **and the annual income** of the respondents of New India Assurance Company. Hence, the hypothesis is rejected.

(ii) Bajaj Allianz General Insurance Company Limited - Service quality expectation and perception levels

1. Age and the factors of Expectation and Perception level of Service quality scale

TABLE – 8(a) AGE AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.000	Significant	0.234	Not Significant
2	Reliability	0.018	Significant	0.000	Significant
3	Responsibility	0.012	Significant	0.001	Significant
4	Assurance	0.006	Significant	0.000	Significant
5	Empathy	0.020	Significant	0.000	Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. From the table – 8(a) it is known that in the **expectation level** all the chi-square significance values are zero, which shows that there is a **strong association between age of the respondents and all the factors** of service quality i.e. Tangibility, Reliability, Responsibility, Assurance and Empathy. In the **perception level** also, there is a **strong association between all the factors of service quality except Tangibility and the Age** of the respondents of Bajaj Allianz General Insurance Company. Hence, the hypothesis is rejected.

2. Gender and the factors of Expectation and Perception level of Service quality scale

TABLE – 8(b) GENDER AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.079	Not Significant	0.007	Significant
2	Reliability	0.065	Not Significant	0.003	Significant
3	Responsibility	0.080	Not Significant	0.095	Not Significant
4	Assurance	0.488	Not Significant	0.618	Not Significant
5	Empathy	0.230	Not Significant	0.130	Not Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. The table – 8(b) shows that in the **expectation level**, there is **no association between Gender and all the factors of service quality** i.e. Tangibility, Reliability, Responsibility, Assurance and Empathy. While in the **perception level**, there shows a **strong association between Gender and the Reliability and Tangibility** factors of service quality but **no association between Responsibility, Assurance and Empathy** of the respondents of Bajaj Allianz General Insurance Company. Hence, the hypothesis is rejected.

3. Education and the factors of Expectation and Perception level of Service quality scale

TABLE – 8(c) EDUCATION AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.001	Significant	0.001	Significant
2	Reliability	0.015	Significant	0.000	Significant
3	Responsibility	0.223	Not Significant	0.000	Significant
4	Assurance	0.001	Significant	0.000	Significant
5	Empathy	0.160	Not Significant	0.000	Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. From the table – 8(c) it is known that in the **expectation level**, there is a **strong association between educational qualification** of the respondents **and** three factors of service quality i.e. **Tangibility, Reliability, Assurance** except Empathy and Responsibility. In the **perception level**, there is a **strong association** between **all the factors** of service quality i.e. Tangibility, Reliability, Responsibility, Assurance and Empathy **and the educational qualification** of the respondents of Bajaj Allianz General Insurance Company. Hence, the hypothesis is rejected.

4. Occupation and the factors of Expectation and Perception level of Service quality scale

TABLE – 8(d) OCCUPATION AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.000	Significant	0.072	Not Significant
2	Reliability	0.137	Not Significant	0.017	Significant
3	Responsibility	0.008	Significant	0.004	Significant
4	Assurance	0.007	Significant	0.354	Not Significant
5	Empathy	0.083	Not Significant	0.004	Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. It is known from the table – 8(d) that there is a **strong association between occupation and Tangibility, Responsibility, Assurance in the expectation level**. In the perception level also, there is a strong association between **Reliability, Responsibility and Empathy** of service quality except Tangibility, Assurance and the occupation of the respondents of Bajaj Allianz General Insurance Company.

5. Marital status and the factors of Expectation and Perception level of Service quality scale

TABLE – 8(e) MARITAL STATUS AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.448	Not Significant	0.066	Not Significant
2	Reliability	0.059	Not Significant	0.008	Significant
3	Responsibility	0.024	Significant	0.000	Significant
4	Assurance	0.191	Not Significant	0.016	Significant
5	Empathy	0.411	Not Significant	0.001	Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. It is known from the table – 8(e) that there is a **strong association between marital status and Responsibility in the expectation level**. In the **perception level** also, there is a **strong association between all factor except Tangibility and the marital status** of the respondents of Bajaj Allianz General Insurance Company. Hence, the hypothesis is rejected.

6. Nature of family and the factors of Expectation and Perception level of Service quality scale

TABLE – 8(F) NATURE OF FAMILY AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.448	Not Significant	0.103	Not Significant
2	Reliability	0.059	Not Significant	0.004	Significant
3	Responsibility	0.000	Significant	0.000	Significant
4	Assurance	0.000	Significant	0.001	Significant
5	Empathy	0.630	Not Significant	0.000	Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. From the table – 8(f) it was known that there is an **association between the nature of family and the Responsibility and assurance** factors of service quality **in the expectation level**. In the **perception level**, there is **association all the factors of service quality except Tangibility factors and the nature of family** of the respondents of Bajaj Allianz General Insurance Company. Hence, the hypothesis is rejected.

7. Annual income and the factors of Expectation and Perception level of Service quality scale

TABLE – 8(g) ANNUAL INCOME AND THE FACTORS OF EXPECTATION AND PERCEPTION LEVEL

S.No	Factors	Expectation		Perception	
		Chi-square significance value[p]	Asymptote [Two tailed]	Chi-square Significance value[p]	Asymptote [Two tailed]
1	Tangibility	0.264	Not Significant	0.904	Not Significant
2	Reliability	0.778	Not Significant	0.023	Significant
3	Responsibility	0.029	Significant	0.001	Significant
4	Assurance	0.857	Not Significant	0.041	Significant
5	Empathy	0.010	Significant	0.255	Not Significant

Based on primary data

In chi-square test, the sum of the observed and expected frequencies is always zero. The table – 8(g) indicates that **in the expectation level**, there is a **good association between annual income and Responsibility, Empathy** factors of service quality scale. While in the **perception level**, there is a **good association between all factors except Tangibility, Empathy** factors of service quality and the **annual income** of the respondents of Bajaj Allianz General Insurance Company. Hence, the hypothesis is rejected.

C. CORRELATION ANALYSIS FOR THE SERVICE QUALITY EXPECTATION AND PERCEPTION LEVELS OF CUSTOMERS

To find out the relationship between the expectation and perception level of service quality by the respondents, the correlation analysis was done.

(i) New India Assurance Company

TABLE – 9(a) CORRELATIONS FOR EXPECTATION AND PERCEPTION LEVEL

Correlations			
		Expectation level	Perception level
Expectation level	Pearson Correlation	1	.726
	Sig. (2-tailed)		.000
	N	125	125
Perception level	Pearson Correlation	.726	1
	Sig. (2-tailed)	.000	
	N	125	125

Based on primary data

From the table – 9(a) it is inferred that there is a strong positive correlation i.e. 0.726 exist between expectation and the perception level of New India Assurance company as the expectation level increases, the perception level increases and vice versa. Thus New India Assurance Company holds good image in the minds of the customers.

(ii) Bajaj Allianz General Insurance Company

TABLE – 9(b) CORRELATIONS FOR EXPECTATION AND PERCEPTION LEVEL

Correlations			
		Expectation level	Perception level
Expectation level	Pearson Correlation	1	-.015
	Sig. (2-tailed)		.868
	N	125	125
Perception level	Pearson Correlation	-.015	1
	Sig. (2-tailed)	.868	
	N	125	125

Based on primary data

From the table – 9(b) it is inferred that there is a negative correlation i.e. -0.015 exist between expectation and the perception level of Bajaj Allianz General insurance company which implies that expectance level had not been met as with the perception of the respondents. Thus, Bajaj Allianz General insurance company should increase its service quality so as to meet the expectation level of its policy holders.

D. MULTIPLE REGRESSION ANALYSIS FOR THE SERVICE QUALITY PERCEPTION LEVELS OF CUSTOMERS

To identify the variables that contribute for higher level of perception of respondents regarding service quality of the insurance companies, multiple regression analysis was done.

(i) Regression analysis for perception levels of customers of New India Assurance Company Limited

TABLE – 10(a) MULTIPLE REGRESSIONS

S.No	Perception level		Beta coefficients	Partial correlations	Significance
1	Tangibility	Convenient branch locations	.389	.409	.000
2	Reliability	Fulfil promises in timely manner	.450	.627	.000
3	Responsibility	Faster service	.270	.377	.000
4	Assurance	Knowledge and competence to solve problem	.370	.656	.000
5	Empathy	Convenient operating hours	.415	.575	.000

Based on primary data

From the table – 10(a), using beta coefficients of multiple regression, it is inferred that among the various variables of five factor dimensions, the variables that contribute for higher level of perception are convenient branch locations (Tangibility), fulfilling promises in timely manner (Reliability), faster service (Responsibility), knowledge and competence to solve problem (Assurance) and convenient operating hours (Empathy). The beta coefficient values of the above variables exceed 0.25 indicating that all the derived variables are highly significant.

(ii) Regression analysis for perception levels of customers of Bajaj Allianz General Insurance Company Limited

TABLE – 10(b) MULTIPLE REGRESSIONS

S.No	Perception level		Beta coefficients	Partial correlations	Significance
1	Tangibility	Information availability	.559	.396	.000
2	Reliability	Accurate records to the customers	.326	.414	.000
3	Responsibility	Hassle free claims settlement	.263	.203	.000
4	Assurance	Knowledge and competence to solve problems	.455	.624	.000
5	Empathy	Keeping customers informed about services and charges	.451	.563	.000

Based on primary data

From the table – 10(b), using beta coefficients of multiple regression, it is inferred that among the various variables of five factor dimensions, the variables that contribute for higher level of perception are information availability (Tangibility), accurate records to the customers (Reliability), hassle free claims settlement (Responsibility), knowledge and competence to solve problems (Assurance) and keeping customers informed about services and charges (Empathy). The beta coefficient values of the above variables exceed 0.25 indicating that all the derived variables are highly significant.

4.4. Determination of the factors influencing service quality of the firms

A. Measuring service quality using servqual

SERVQUAL is a research methodology designed to identify the gaps between what customers expected from an excellent product or service provider and what they perceive the service to be from their current suppliers of that product or service. The genetic questionnaire as used by Parasuraman et al (1988) has been used here with 22 statements under here with 22 statements under 5 dimensions. The responses have been captured in 7 point Likert scale and gap score is calculated by deducting perceptions from expectations (E-P). The results are presented in Table -11(a).

(i) New India Assurance Company

TABLE – 11(a) AVERAGE GAP SCORE OF NEW INDIA ASSURANCE COMPANY

Variables	Expectation level (E)	Perception level (P)	GAP SCORE (E-P)
Tangibility			
Physical appearance of the staff	5.6240	5.6320	-0.008
Convenient branch locations	5.8480	5.6640	0.184
Latest technology in providing services	5.8800	5.5920	0.288
Information availability	5.8000	5.4800	0.32
Total	23.152	22.368	0.784
Average Gap Score [Total of E-P/4]	5.788	5.592	0.196
Reliability			
Fulfil promises in timely manner	5.7440	5.3840	0.432
Service right in first instance	5.6160	5.3120	0.304
Flexible premium payment schedule	5.4960	5.0880	0.408
Accurate records to the customers	5.4720	5.1840	0.288
Prompt service	5.4080	5.1920	0.216
Total	27.736	26.16	1.648
Average Gap Score [Total of E-P/5]	5.5472	5.232	0.3296
Responsibility			
Efficient grievance handling mechanism	5.3120	5.3600	0.048
Hassle free claims settlement	5.4480	5.3520	0.096
Faster service	5.4400	5.3280	0.112
Approaches from customers point of view	5.3920	5.3760	0.016
Total	21.592	21.416	0.272
Average Gap Score [Total of E-P/4]	5.398	5.354	0.068
Assurance			
Knowledge and competence to solve problem	5.3440	5.4320	-0.088
Misusing personal information	5.7520	5.8400	-0.088
Trustworthy and honest	5.9280	6.0640	-0.136
Clarity in explaining policy's terms and conditions	5.5280	5.4880	0.04
Simple and less time consuming procedure	5.6240	5.4720	0.152
Total	28.176	29.296	-0.12
Average Gap Score [Total of E-P/5]	5.6352	5.8592	-0.0024

Empathy			
Informed about service performed and price charged	5.6240	5.6160	0.008
Concern and understanding of customer's problem	6.1680	5.6000	0.568
Customers best interest	5.6800	5.6640	0.016
Operating hours convenient	5.6640	5.5680	0.096
Total	23.136	22.448	0.688
Average Gap Score [Total of E-P/4]	5.784	5.612	0.172

Based on primary data

The unweighted score was calculated to normalise the total average of each dimension.

Table – 11(b) shows the average unweighted score of the dimensions.

TABLE – 11(b) UN-WEIGHTED SCORE

S.No	Categories	Gap Score
1	Average score for Tangibles	0.2000
2	Average score for Reliability	0.3300
3	Average score for Responsiveness	0.0700
4	Average score for Assurance	-0.0030
5	Average score for Empathy	0.1800
Total		0.7770
Un-weighted score[Average (Total/5)]		0.1554

Based on primary data

Weights are assigned by the respondents to identify the level of importance given to each dimension. Table – 11(c) shows the average weights assigned by the respondents.

TABLE – 11(c) WEIGHTS ASSIGNED

	Dimensions	Weights
1	The appearance of the health insurer's staff/agents, physical facilities, equipment, personnel and communication materials.	25
2	Ability to perform the promised service dependably and accurately.	15
3	The health insurer's staff/agents' willingness to help customers and provide prompt service.	20

4	The knowledge and courtesy of the health insurer's staff/agents and their ability to convey trust and confidence	20
5	The health insurer provides prompt and hassle free claims settlement.	20

Based on primary data

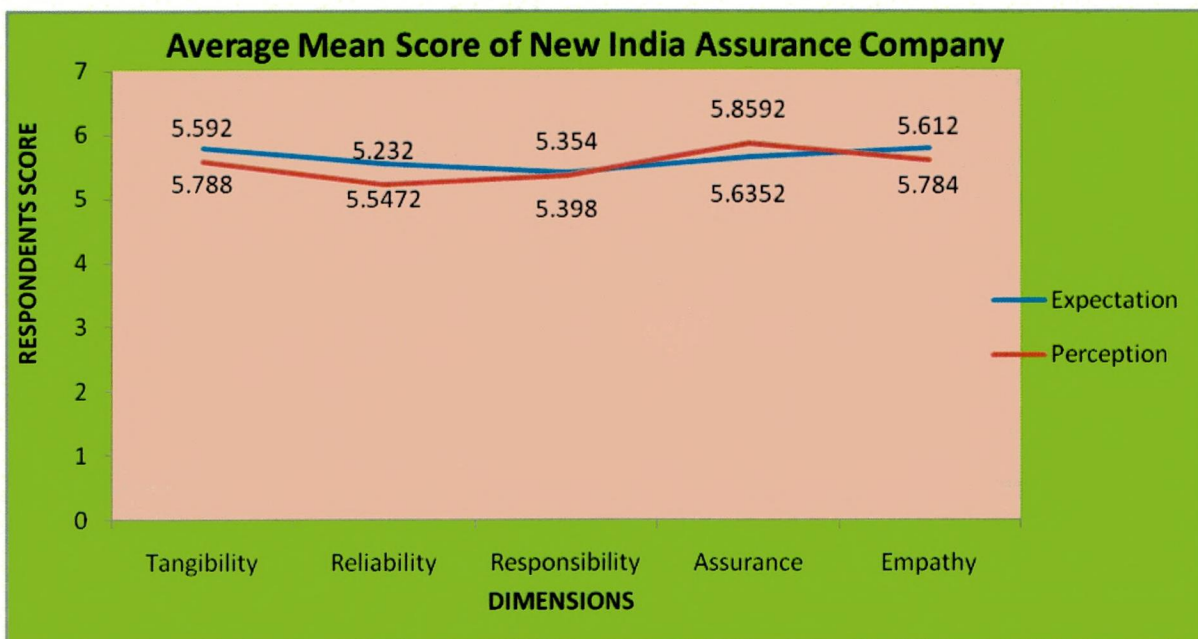
The weighted score highlights the area for improvement to satisfy the customers. Table – 11(d) shows the weighted score.

TABLE – 11 (d) WEIGHTED SCORE

Dimensions	Un-weighted score (U)	Weights (W)	Weighted score (U*W)
Tangibles	0.2000	0.25	0.0500
Reliability	0.3300	0.15	0.0495
Responsiveness	0.0700	0.20	0.0140
Assurance	-0.0030	0.20	-0.0006
Empathy	0.1800	0.20	0.0360
Total weighted score			0.1489

Based on primary data

EXHIBIT – 5



An attempt was made to analyze the quality of service provided by New India health Insurance Company regarding health insurance based on customer's expectation and perception. Table 11(a) and exhibit-5 reveals that the level of expectation of the customers for five dimensions namely tangibility, reliability, responsiveness, assurance and empathy are rated between '6' and '5' points and the level of perception regarding the above five dimensions of service quality also fall between '6' and '5' points. This implies that the respondents rated these dimensions between 'agree' and 'partially agree' for the service rendered by the New India Assurance Company. The perception level of the respondents exceeds the expectation level in 'Assurance' factor, shows that the respondents are highly satisfied with the assurance factor which includes the knowledge and competence of its employees to solve the customers problems, their trustworthiness and honest, maintaining confidentiality of customers' personal information. There was a very narrow gap between the expectation and perception level. Under the 7 point Likert scaling, the respondents have stated their satisfaction level between 6 and 5 points i.e. agree to partially agree. This indicates that there is scope for increasing the service delivery. So as to ensure maximum satisfaction to the policy holders i.e. reaching the 7 points in the scaling (strongly agree). Under the rule of SERVQUAL, the larger the gap score is, the more is the dissatisfaction – Parasuraman et al (1988). There was only a narrow gap between the expectation and perception level of the respondents. As the gap between the expectation and perception level of 'Tangibility' factor is higher i.e. (0.0500), the company can improve its tangibles like the branch offices, apply modern technologies and communicate the information in a better way. It can also concentrate on the other factors to highly suit the expectation of its customers.

(ii) Bajaj Allianz General Insurance Company

TABLE – 12(a) AVERAGE GAP SCORE OF BAJAJ ALLIANZ GENERAL INSURANCE COMPANY

Variables	Expectation level (E)	Perception level (P)	GAP SCORE (E-P)
Tangibility			
Physical appearance of the staff	6.5040	5.9360	0.568
Convenient branch locations	6.4320	5.9280	0.504
Latest technology in providing services	6.4480	5.9840	0.464
Information availability	6.4240	5.8560	0.568
Total	25.808	23.704	2.104
Average Gap Score [Total of E-P/4]	6.452	5.926	0.526
Reliability			
Fulfil promises in timely manner	6.4880	5.4720	1.016
Service right in first instance	6.4560	5.4000	1.056
Flexible premium payment schedule	6.3200	5.4320	0.888
Accurate records to the customers	6.2720	5.3680	0.904
Prompt service	6.1840	5.2960	0.888
Total	31.72	26.968	4.752
Average Gap Score [Total of E-P/5]	6.344	5.3936	0.9504
Responsibility			
Efficient grievance handling mechanism	6.2160	5.1520	1.064
Hassle free claims settlement	6.2880	5.1360	1.152
Faster service	6.1120	5.3280	0.784
Approaches from customers point of view	6.0560	5.4560	0.6
Total	24.672	21.072	3.6
Average Gap Score [Total of E-P/4]	6.168	5.268	0.9
Assurance			
Knowledge and competence to solve problem	6.1040	5.6080	0.496
Misusing personal information	6.4400	5.8400	0.6
Trustworthy and honest	6.4800	5.7680	0.712
Clarity in explaining policy's terms and conditions	6.4640	5.5280	0.936
Simple and less time consuming procedure	6.4720	5.4960	0.976
Total	31.96	28.24	3.72
Average Gap Score [Total of E-P/5]	6.392	5.648	0.744

Empathy			
Informed about service performed and price charged	6.5360	5.2960	1.24
Concern and understanding of customer's problem	6.4480	5.2240	1.224
Customers best interest	6.3200	5.4720	0.848
Operating hours convenient	6.4800	5.8240	0.656
Total	25.784	21.816	3.968
Average Gap Score [Total of E-P/4]	6.446	5.454	0.992

Based on primary data

The unweighted score was calculated to normalise the total average of each dimension.

Table – 12(b) shows the average unweighted score of the dimensions.

TABLE – 12(b) UN-WEIGHTED SCORE

S.No	Categories	Gap Score
1	Average score for Tangibles	0.530
2	Average score for Reliability	0.950
3	Average score for Responsiveness	0.100
4	Average score for Assurance	0.740
5	Average score for Empathy	0.990
Total		3.31
Un-weighted score[Average (Total/5)]		0.662

Based on primary data

Weights are assigned by the respondents to identify the level of importance given to each dimension. Table – 12(c) shows the average weights assigned by the respondents.

TABLE – 12(c) WEIGHTS ASSIGNED

	Dimensions	Weights
1	The appearance of the health insurer's staff/agents, physical facilities, equipment, personnel and communication materials.	15
2	Ability to perform the promised service dependably and accurately.	25
3	The health insurer's staff/agents' willingness to help customers and	15

	provide prompt service.	
4	The knowledge and courtesy of the health insurer's staff/agents and their ability to convey trust and confidence	25
5	The health insurer provides prompt and hassle free claims settlement.	20

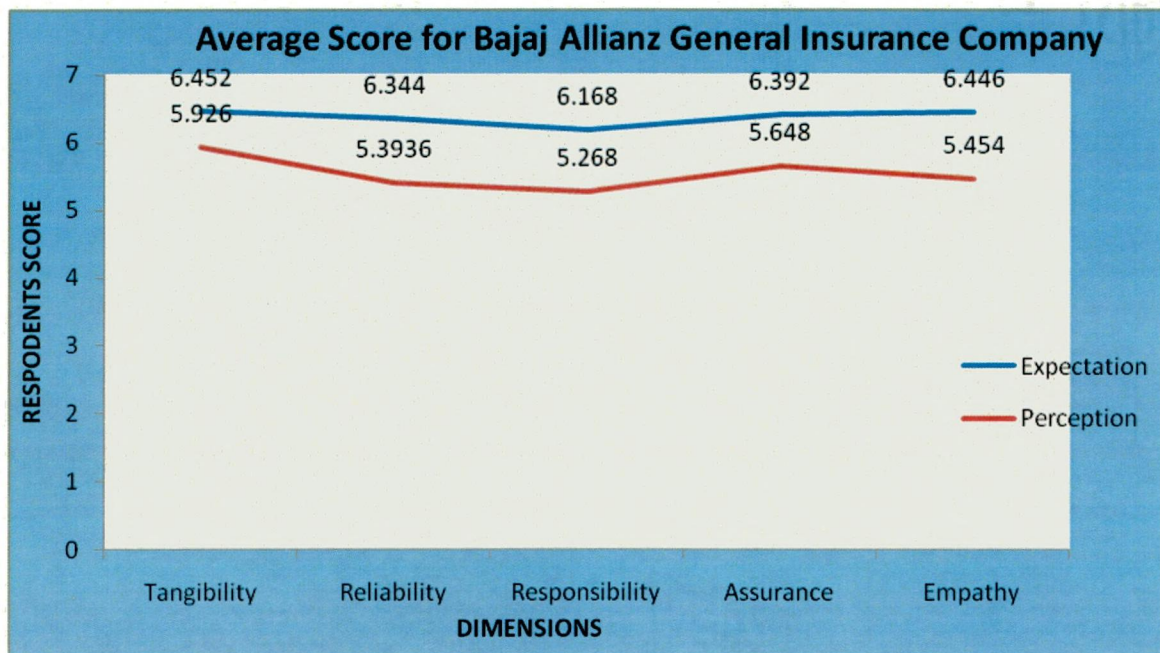
Based on primary data

The weighted score highlights the area for improvement to satisfy the customers. Table – shows the weighted score.

TABLE – 12(d) WEIGHTED SCORE

Dimensions	Un-weighted score (U)	Weights (W)	Weighted score (U*W)
Tangibles	0.530	0.15	0.0795
Reliability	0.950	0.25	0.2375
Responsiveness	0.100	0.15	0.015
Assurance	0.740	0.25	0.185
Empathy	0.990	0.20	0.198
Total weighted score			0.715

EXHIBIT - 6



An attempt was made to analyze the quality of service provided by New India health Insurance Company regarding health insurance based on customer's expectation and perception. Table 24 and exhibit-6 reveals that the level of expectation of the customers for five dimensions namely tangibility, reliability, responsiveness, assurance and empathy are rated between '7' and '5' points and the level of perception regarding the above five dimensions of service quality also fall between '7' and '5' points. This implies that the respondents rated these dimensions between 'strongly agree' and 'partially agree' for the service rendered by the Bajaj Allianz General Insurance Company. Since the gap score is very less in 'responsibility' it reveals that customers are highly satisfied with their efficient grievance handling mechanism, hassle free claims settlement and faster services. Under the rule of SERVQUAL, the larger the gap score is, the more is the dissatisfaction – Parasuraman et al (1988). There was only a narrow gap between the expectation and perception level of the respondents. As the gap between the expectation and perception level of 'Reliability' factor is higher i.e. (0.2375), than the other factors, the company can ensure quality service from the time the individual approaches the company for insurance service. It can also concentrate on the other factors to highly suit the expectation of its customers.

B. Factors analysis for the service quality expectation and perception levels of respondents

To determine the factors that influence the expectation and perception level of service quality of the respondents of both the health insurance companies, the factor analysis was done. For the purpose, Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy (MSA) and Bartlett's Test of Sphericity were applied and the appropriateness of data for factor analysis was tested.

HYPOTHESIS

There is no significant difference in the customer perception regarding service quality of both the public and private sector health insurance companies

(i) New India Assurance Company Limited - Service quality perception level

TABLE – 13(a)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.934
Bartlett's Test of Sphericity	Approx. Chi-Square	2.824
	Df	231
	Sig.	.000

Based on primary data

TABLE – 13(b)

Rotated Component Matrix			Communalities
Variables	Components		
	1	2	
1. Physical appearance of the staff	0.663		0.690
2. Convenient branch locations		0.744	0.810
3. Latest technology in providing services		0.667	0.715
4. Information availability		0.734	0.761
5. Fulfil promises in timely manner	0.626		0.733
6. Service right in first instance		0.644	0.690
7. Flexible premium payment schedule	0.758		0.698
8. Accurate records to the customers	0.638		0.601
9. Prompt service	0.745		0.701
10. Efficient grievance handling mechanism	0.789		0.757
11. Hassle free claims settlement	0.765		0.754
12. Faster service	0.735		0.728
13. Approaches from customers point of view	0.818		0.768
14. Knowledge and competence to solve problem	0.776		0.712
15. Not misuse personal information		0.655	0.556
16. Trustworthy and honest		0.758	0.608
17. Clarity in explaining policy's terms and conditions		0.747	0.680
18. Simple and less time consuming procedure		0.682	0.730
19. Informed about service performed and price charged		0.614	0.539
20. Concern and understanding of customer's problem		0.728	0.642
21. Customers best interest		0.681	0.742
22. Operating hours convenient	0.637		0.726
Eigen value	14.171	1.108	

% Of variance	64.414	5.036	
Cumulative %	64.414	69.450	

Based on primary data

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy value was found to be excellent (0.934) and the estimated chi-square value of KMO and Bartlett's test was 2.824. It was statistically significant at one percent level ($p < 0.001$). It indicates that the estimated model had better fit to explain the variation in the dependent variable i.e. perception level of the respondents. The commonly used procedure of varimax orthogonal rotation for factors, whose Eigen values were greater than 1.0, was employed in the analysis. The factors so generated had Eigen values between 1.108 and 14.171. The values of communalities ranged from 0.539 to 0.810 for various statements which means that factor analysis extracted a good amount of variance in the statements.

- Factor I resulted with variables 7 and 9 which fall under reliability factor, 10, 11, 12 and 13 fall under responsibility factor and 14 under assurance factor. They account for 64.4 percent of the total variance.
- Factor II resulted with variables 2 and 4 falling under tangibility factor, 16 and 17 under assurance factor and 20 under empathy factor. They account for 5 percent of the total variance.

The factors identified from the factor analysis are presented in Table -13(c)

Table 13(c) – Factor Extraction

Factor 1	Factor 2
Flexible premium payment schedule	Convenient branch locations
Prompt service	Information availability
Efficient grievance handling mechanism	Trustworthy and honest
Hassle free claims settlement	Clarity in explaining policy's terms and conditions
Faster service	Concern and understanding of customer's problem
Approaches from customers point of view	
Knowledge and competence to solve problem	

The five factors presented in Table –13 (b) accounted for 69.45 percent of explained variance which is higher than the normal value of 50 percent. This indicates that there is scope for the New India Assurance Company to improve the quality of service delivery in order to achieve higher level of customer satisfaction. It can concentrate on introducing measures such as disclosing accurate records to its customers, simplification of policy procedures and informing the customers about new charges clearly with no hidden information and ensuring quality service from the time the individual approaches the company for insurance service.

(ii) Bajaj Allianz General Insurance Company Limited - Service quality perception level

TABLE – 14(a)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.886
Bartlett's Test of Sphericity	Approx. Chi-Square	2.866
	Df	231
	Sig.	.000

Based on primary data

TABLE – 14(b)

Variables	Rotated Component Matrix			Communalities
	Components			
	1	2	3	
1. Physical appearance of the staff		.833		.697
2. Convenient branch locations		.810		.704
3. Latest technology in providing services		.872		.781
4. Information availability		.830		.800
5. Fulfil promises in timely manner		.573		.645
6. Service right in first instance	.739			.696
7. Flexible premium payment schedule	.786			.780
8. Accurate records to the customers	.826			.770
9. Prompt service	.844			.780
10. Efficient grievance handling mechanism	.825			.796
11. Hassle free claims settlement	.814			.813
12. Faster service			.638	.786
13. Approaches from customers point of view			.708	.681
14. Knowledge and competence to solve problem			.784	.813

15. Not misuse personal information			.795	.681
16. Trustworthy and honest			.532	.590
17. Clarity in explaining policy's terms and conditions	.641			.692
18. Simple and less time consuming procedure	.693			.627
19. Informed about service performed and price charged	.761			.748
20. Concern and understanding of customer's problem	.674			.719
21. Customers best interest			.537	.703
22. Operating hours convenient		.556		.562
Eigen value	12.012	2.732	1.119	
% Of variance	54.601	12.419	5.088	
Cumulative %	54.601	67.020	72.108	

Based on primary data

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy value was found to be excellent (0.886) and the estimated chi-square value of KMO and Bartlett's test was 2.866. It was statistically significant at one percent level ($p < 0.001$). It indicates that the estimated model had better fit to explain the variation in the dependent variable i.e. perception level of the respondents. The commonly used procedure of varimax orthogonal rotation for factors, whose Eigen values were greater than 1.0, was employed in the analysis. The factors so generated had Eigen values between 1.119 and 12.012. The values of communalities ranged from 0.562 to 0.813 for various statements which means that factor analysis extracted a good amount of variance in the statements.

- Factor I resulted with variables 6, 7, 8 and 9 which fall under reliability factor; 10 and 11 fall under responsibility and 19 falls under empathy factor. It was significant at 54.6 percent.
- Factor II resulted with variables 1, 2, 3 and 4 which falls under tangibility factor namely physical appearance of the staff, convenient branch locations, latest technology in providing services and information availability. They account for 12.4 percent of the total variance.
- Factor III resulted with variable 13 which fall under responsibility factor and 14 and 15 falls under assurance category. They account for 5 percent of the total variance.

The factors identified from the factor analysis are presented in Table - 14(c)

Table 14(c) – Factor Extraction

Factor 1	Factor 2	Factor 3
Service right in first instance	Physical appearance of the staff	Approaches from customer's point of view
Flexible premium payment schedule	Convenient branch locations	Knowledge and competence to solve problem
Accurate records to the customers	Latest technology in providing services	Not misuse personal information
Prompt service	Information availability	
Efficient grievance handling mechanism		
Hassle free claims settlement		
Informed about service performed and price charged		

The five factors presented in Table – 14(b) accounted for 72 percent of explained variance which is higher than the normal value of 50 percent. This indicates that there is scope for Bajaj Allianz General Insurance Company to improve the quality of service delivery in order to achieve a higher level of customer satisfaction. It can concentrate on introducing measures such as providing faster service, training up its agents and other employees to explain the terms and conditions clearly, simplification of claim settlement procedures and understand the customer's problem to solve their grievances.

The perception level of the respondents regarding the service delivery of both the Public Sector Company (New India Assurance Company Limited) and Private Sector Company (Bajaj Allianz General Insurance Company Limited) differs. Hence, the null hypothesis is rejected. In New India Assurance Company, reliability holds the highest value and empathy holds the lowest value whereas in Bajaj Allianz General Insurance Company, tangibility holds the highest value and assurance holds the lowest value. So, there is scope for both the companies to improve their service delivery.