

# Customer Relationship in General Insurance Industry

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## Preface

During the era of competition, meeting the needs and wants of the customers is a very hard task, because there are a number of choices available to the customer from the large number of competitors. Every company, therefore, focuses on the satisfaction of the policyholders by building a healthy rapport with the customers. Now, the reforms also give the option for pricing to the insurance companies. Hence, the non life insurance companies are trying to find out the ways for attracting the customers by fixing reasonable prices and offering a variety of discount offers.

The nucleus part of a general insurance company is to handle the claims in a systematic way which will satisfy the customers and also increase the profitability and reputation of the company. Hence, the claim settlement can be used an effective marketing instrument for the successful survival in a competitive world. Actually, in satisfying the customers there is a need for proper managing of the claims rather than handling, i.e. the company will concentrate not only on the claim process but also the entire area of claim management. The processing of the claims of all the general insurance companies is almost similar in nature as per the guiding principle of IRDA. But these claims settlement procedures can be taken as a differentiating factor among the players of the general insurance market.

Motor insurance is one among the pinnacle areas where the relevance of customer relationship was emerged. Apart from acquiring the customers, their retention is also important. The competition in the field of insurance is increased due to the deregulation of the financial sector. On this occasion, it is very essential to analyse the present condition of relationship quality, customer satisfaction and customer loyalty. Fastest and hassle free claim settlement is also needed for the success of general insurance companies.

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We are responsible for the errors and omissions and other deficiency of the book.

M. DIVYA  
B. VIJAYACHANDRAN PILLAI

## Abbreviations

AARS	Average Adjusted R-Squared
APC	Average Path Coefficient
ARAI	Automobile Research Association of India
ARS	Average R-Squared
AVE	Average Variance Extracted
AVIF	Average block VIF
BAGIC	Bajaj Allianz General Insurance Company Ltd.
CFA	Confirmatory Factor Analysis
CRM	Customer Relationship Management
CV	Commercial Vehicle
ECSI	European Customer Satisfaction Index
EFA	Exploratory Factor Analysis
FDI	Foreign Direct Investment
GDPi	Gross Domestic Premium Income
GIBNA	General Insurance Business Nationalisation Act
GIC	General Insurance Corporation
ICAI	Institute of Chartered Accountants of India
ICICILGIC	ICICI Lombard General Insurance Company Ltd.
IDV	Insured Declared Value
IRDA	Insurance Regulatory and Development Authority
KMO	Kaiser-Meyer-Olkin
KMV	Key Moderating Variables
LISREL	Linear Structural Relationship
MACT	Motor Accident Claim Tribunal
MC	Motor Car

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NCB	No Claim Bonus
NIA	New India Assurance Company Ltd.
NIC	National Insurance Company Ltd.
NLBCDR	Nonlinear Bivariate Causality Direction Ratio
OD	Own Damage
PCA	Principal Component Analysis
PLS	Partial Least Squares
RQ	Relationship Quality
RSCR	R-Squared Contribution Ratio
RTA	Road Transport Authority
RTI	Right to Information
SD	Standard Deviation
SEM	Structural Equation Modeling
SPR	Sympton's Paradox Ratio
SSR	Statistical Suppression Ratio
TAC	Tariff Advisory Committee
TP	Third Party
TW	Two Wheeler
USP	Unique Selling Proposition
WWW	World Wide Web