ISSN 2467-950x(Print)

RESEARCH

Insureds' Perception towards Insurance Services in Pokhara

Jas Bahadur Gurung

ABSTRACT

The basic objective of this study is to analyze the perception or opinion of Insured on the services provided by the insurers, agents and surveyors in Pokhara valley. Study shows 71.57 percent respondents agreed insurance creates awareness among people. Similarly, 73.53 percent respondents agreed it also provides social security. Regarding interest rates on loan, 57.43 percent respondents are indifferent on their opinion that whether the rate of interest on loan is cheaper or not but 30.69 percent are agreed that interest on loan is cheaper. Sixty-six point six seven percent respondents are neutral that payment of loan installment is easier or not but 22.22 percent opined installment payment is easier in insurance companies. In the context of satisfactoriness of insurance services, 50.49 percent respondents agreed that services of insurance companies are satisfactory. Out of 92 respondents, 71.74 percent argued that they are satisfied with the services of insurance agents and 28.26 percent are not satisfied. Of the total respondents, 35.89 percent agreed on the performance of insurance surveyors is satisfactory and free of bias. But 33.33 percent respondents on the other are neutral about the performance and behavior of surveyors. On the whole, the above facts imply that the perception of insureds towards insurance services is satisfactory in Pokhara valley.

KEY WORDS

Perception

Insureds

Insurance Services

Performance

Satisfactory

MARINE INSURANCE WAS THE FIRST in the world history of insurance. Fire insurance was a later development. After fire insurance, life insurance came into existence. Conventionally, insurance was considered as a cooperative form of distributing a certain risk over a group of persons who are exposed to it. But now it is taken as a contract or an agreement in which it is agreed that a certain amount of money would be paid as compensation in case the loss or destruction occurs due to certain risks. In return, the insured agrees to pay a certain amount as premium.

People live in society. Society is full of risks and uncertainities. Insurance is a device providing financial compensation to those who suffer from misfortune. In other words, insurance is the best means for security to human life and property from various risks (Shrestha, 2001). It is a kind of investment, from which one gets return only when certain loss occur from predetermined incidents (Singh, 2009). Moreover, life insurance encourages savings in the society because insured is paid back a lump sum amount with some bonus if he/she is alive at the end of the period.

Insurance is necessary and has importance in human life. Insurance benefits the individual as well as the business but it also proves of multi dimensional advantage to the society. It helps in eliminating social evils like begging, theft, robbery and unemployment. It increases awareness of people in protection of life and property. It also enhances the living standard of the people of the society (Shrestha, 2001). Moreover, insurance also helps in meeting the financial needs for the education or marriage of the children as well as arrangement of old age and security of property. It mobilizes scattered savings in industrial and financial institutions to create capital.

People, especially the policy-holders or insured's are the main party of insurance. So, the insurers should give due importance to the policy-holders while discharging their services. Nowadays, people are found to be interested to get insured. With the increasing importance of insurance it is necessary to know about the perception of policy holders on insurance services. Seen in this light, the study of policy-holders perception on insurance service is developed as an interest. Thus, this article basically focuses on the study of insured' perception on insurance services provided by the insurers or insurance companies in Pokhara valley.

Literature Review

This section is divided into twofold analysis: theoretical framework and empirical literature based on the studies carried out by different scholars on insurance.

Theoretical Framework

Risk has several meanings. In general sense, risk refers to the possibility of meeting danger. It is the chance of something going wrong. In a broader sense, risk is uncertainty, unknown result of an event (Singh, 2009). Risk implies some form of uncertainty about an outcome in a given situation (Holyoake and Weipers, 2002). It is uncertainty of a financial loss (Mishra, 2004).

In our society, different kinds of risk occur which can be directly seen or heard, such as death, fire, accident, etc. Such incidents have a great loss to an individual, society or even to the state. It is always uncertain that when, where, how and why such incidents occur and what are the reasons behind them. Such uncertainty about the loss is known as risk (Thapa and Neupane, 2065 BS). Risk also has an opposite impact on society, directly or indirectly. As a result, it hinders the economic development of the society.

People always search for way to seek solution for future uncertainty. While searching for the solution to minimize harmful risk, insurance business has emerged. An individual or organization can transfer the financial effect of the risk to some other party. The most common form or mechanism of risk transfer is insurance. Insurance is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss. It is defined as the equitable transfer of the risk of a loss, from one entity to another, in exchange for payment (http://en.wikipedia.org/wiki:/insurance, Oct. 31, 012).

Insurance is defined as a cooperative device to spread the loss caused by a particular risk over a number of persons who are exposed to it and who agree to ensure themselves against the risk. It is referred as a social device to accumulate funds to meet the uncertain losses arising through a certain risk to a person insured against the risk (Mishra, 2004). Insurance is the means to get financial security against risk. Insurance is a way of reducing uncertainty of occurrence of an event. It is an investment, from which we get return only when certain loss occurred from predetermined incident (Singh, 2009).

Insurance reduces uncertainty of loss by better planning and administration. It removes all uncertainties and assured is given certainty of payment of loss. The insurer charges premium for providing the said certainty. Insurance also provides protection against the probable chances of loss. The time and amount of loss are uncertain and at the happening of the risk, the person will suffer loss in absence of insurance. Insurance protects the assured from sufferings. Moreover, when risk takes place, the loss is shared by all the persons who are exposed to the risk. It means insurance spreads the loss over a large number of persons who are agreed to cooperate each other at the time of loss (Mishra, 2004). It is also an investment, from which we get return as and when certain loss occurred from predetermined incident (Singh, 2009). However, pooling of losses, payment of accidental losses, risk transfer and indemnification are the basic characteristics of insurance.

Forms of insurance

Insurance can be divided from two angles -business point of view and risk point of view, which is given in Figure 1:

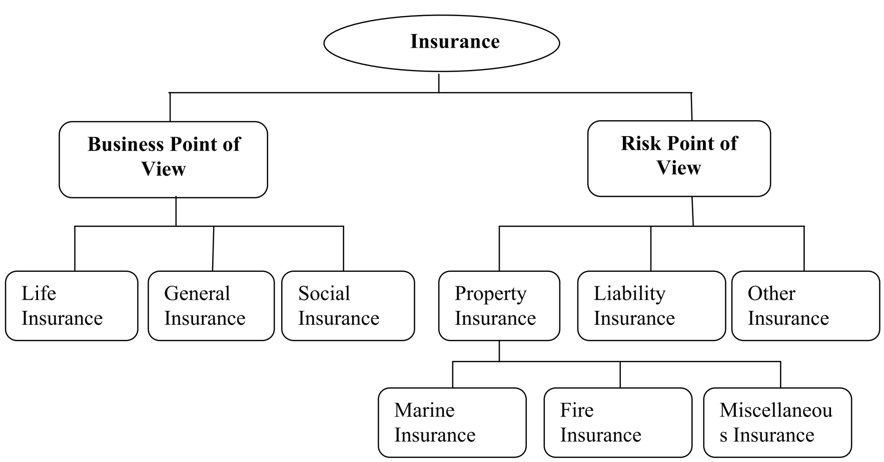

Figure 1: Forms of insurance

Source: Adapted from Mishra, 2004, P.12

Business point of view

Life insurance: Life insurance is different from other insurance in the sense that the subject matter of insurance is life of human being. The insurer will pay the fixed amount of insurance at the time of death or at the expiry of certain period. At present, life insurance enjoys maximum scope because the life is the most important property of an individual. Each and every person requires the insurance. This insurance provides protection to the family at the premature death or gives adequate amount at the old age when earning capacities are reduced. Under life insurance a payment is made at the accident. It is not only a protection but is a sort of investment because a certain sum is returnable to the insured at the death or at the expiry of a period.

General insurance: The general insurance includes property insurance, liability insurance and other forms of insurance. Fire and marine insurances are strictly called property insurance. Motor, theft, fidelity and machine insurances include the extent of liability insurance to a certain extent. The strictest form of liability insurance is fidelity insurance, whereby the insurer compensates the loss to the insured when he is under liability of payment to the third party.

Social insurance: The social insurance is to provide protection to the weaker section of the society who is unable to pay the premium for adequate insurance. Pension plans, disability benefits, unemployment benefits, sickness insurance and industrial insurance are the various forms of social insurance. With the increase of the socialistic ideas, the social insurance is an obligatory duty of the nation.

The government of a country must provide social insurance to its masses.

Risk point of view

Property insurance: Under the property insurance of a person are insured against a certain specified risk. The risk may be fire or marine perils, theft of property or goods, damage to property at accident.

a) Marine insurance: Marine insurance provides protection against loss of marine perils. The marine perils are collision with rock, or ship attacks by enemies, fire and capture by pirates, etc. These perils cause damage, destruction or disappearance of the ship and cargo and non-payment of freight. So marine insurance insures ship (Hull), cargo and freight.

b) Fire insurance: Fire insurance covers risks of fire. In the absence of fire insurance, the fire waste will increase not only to the individual but to the society as well. With the help of fire insurance, the losses arising due to fire are compensated and the society is not losing much. The individual is protected from such losses and his property or business or industry will remain approximately in the same position in which it was before the loss.

c) Miscellaneous insurance: The property, goods, machine, furniture, automobile, valuable articles, etc, can be insured against the damage or destruction due to accident or disappearance due to theft. There are different forms of insurances for each type of the said property whereby not only property insurance exists but liability insurance and personal injuries are also insured.

Liability insurance: The general insurance also includes liability insurance whereby the insured is liable to pay the damage of property or to compensate the loss of personal injury or death. This insurance is seen in the form of fidelity insurance, automobile insurance and machine insurance, etc.

Other forms of insurance: Besides the property and liability insurances, there are certain other insurances which are included under general insurance. Export-credit insurance, civil servant insurance, etc. are the examples of such insurance. The insurer guarantees to pay certain amount at the certain events. This insurance is extending rapidly these days.

Adverse selection and insurance: Insurance is a cooperative form of distributing a certain risk over a group of persons exposed to it. All individuals generally do not have equal level of risk of loss. Some of them may have been facing higher than average chance of loss. The insurer should deal with the probability of loss exposed to the applicants while accepting and determining the premium.

If a person is exposed greater than average risk, he/she will be more eager to ensure to cover the higher risk. So the insurer must find out the level of risk exposed to him/her before accepting insurance proposal. Otherwise, the problem of adverse selection arises. Adverse selection is the tendency of persons with a higher than average chance of loss to seek insurance at standard/average rates, which if not controlled by underwriting that results in higher than expected loss levels. Adverse selection arises when (Singh, 2009),

- a person with serious health problem seeks life or health insurance at standard rates
- a careless driver with weak eyesight seeks auto insurance at standard rates
- a business firm that has been repeatedly robbed or burglarized and that seeks crime insurance at standard rates of premium

If the applicants with a higher than average chance of loss succeed in obtaining the coverage at standard rate, at that situation we say adverse selection has been made by insurance company. If it is not controlled by using rules and regulations adverse selection can result in higher than expected loss levels. However, adverse selection cannot be completely eliminated but by careful underwriting, it can be controlled. Underwriting means the process of selecting and classifying applicants for insurance. Applicants who meet underwriting standards are insured at standard rates and vice versa. The insurer demands extra premium from the applicants, who are unable to meet the underwriting standards (Thapa and Neupane, 2065 BS). The adverse selection of insurance arise when applicants who has chance of loss higher than average are successful to achieve at standard rates. Adverse selection can be controlled by using policy provisions. For example by making provision of suicide clause in life insurance and preexisting conditions clause in health insurance (Thapa and Neupane, 2065 BS).

Insurance and gambling compared: Insurance and gambling seem to be same in some extent. Insurance is often erroneously confused with gambling. There are two differences between them (Rejda, 2009). First, gambling creates a new speculative risk while insurance is a technique for handling an already existing pure risk. The second difference between insurance and gambling is that gambling is socially unproductive, because the winner's gain comes at the expense of the loser. In contrast, insurance is always socially productive, because neither the insurer nor the insured is placed in a position where the gain of the winner comes at the expense of the loser. The insurer and insured both have a common interest in the prevention of a loss. Both parties win if the loss does not occur. Moreover, frequent gambling transactions generally never restore the losers to their former financial position. In contrast, insurance contracts restore the insureds financially in whole or in part if a loss occurs.

Insurance and hedging compared: Hedging is an important method of protection against financial loss. A firm can offset possible losses especially by investing counter-balancing securities as a guard against loss such as price fluctuations. By hedging, we can transfer risk to a speculator through purchase of a future contract (Singh, 2005). An insurance contract, however, is not the same thing as hedging. Although both techniques are similar in that risk is transferred by a contract, and no new risk is created, there are some important differences between them (Rejda, 2009). First, an insurance transaction involves the transfer of insurable risks, because the requirements of an insurable risk generally can be met. However, hedging is a technique for handling risks that are typically uninsurable, such as protection against a decline in the price of agricultural products and raw materials.

A second difference between insurance and hedging is that insurance can reduce the objective risk of an insurer by application of the law of large numbers. As the number of exposure units increases, the insurer's prediction of future losses improves, because the relative variation of actual loss from expected loss will decline. Thus, many insurance transactions reduce objective risk, In contrast, hedging typically involves only risk transfer, not risk reduction. The risk of adverse price fluctuations is transferred to speculators who believe they can make a profit because of superior knowledge of market conditions. The risk is transferred, not reduced, and prediction of loss generally is not based on the law of large numbers.

Perception and attribution theory: Perception is an individual process that involves understanding, organizing and interpreting information received from the environment. The perceptual process begins when environmental stimuli are received through our senses and then it passes through internal cognitive process and results in final outputs in the form of emotions and behavior at work.

Attribution theory is concerned with the relationship between personal, social perception and interpersonal bebavior. There are a number of attribution theories, but they share the following assumptions (Luthans, 2005):

- We seek to make sense of our world,
- We often attribute people's actions either to internal or external causes,
- We do so in fairly logical ways.

A well-known social psychologist Horald Kelley stressed that attribution theory is concerned mainly with the cognitive process by which an individual interprets behavior as being caused by certain parts of the relevant environment. It is concerned with "why" questions of organizational behavior because most causes or attributes and "whys" are not directly observable, the theory says that people must depend on cognitions, particularly perception (Luthans, 2005). The attribution theorist assumes that humans are rational and are motivated to identify and understant the causal structure of their relevant environment. It is this search for attributes that characterizes attribution theory.

Following figure illustrates the basic attribution theory framework. To start this process, we observe behavior, either our own or someone else's.

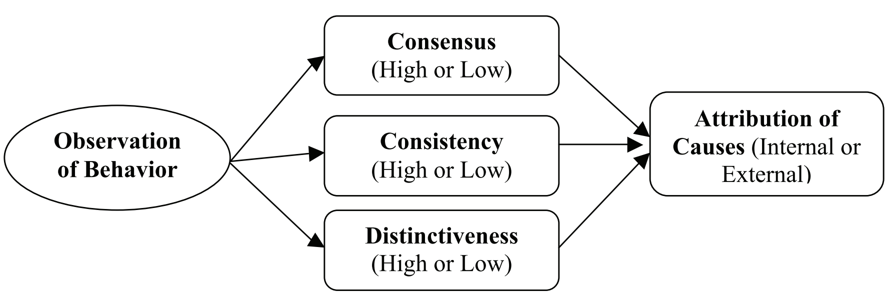

Figure 2: The attribution process

Source: Adapted from Moorhead and Griffin, 2001, P.102.

We then evaluate that behavior in terms of its degrees of consensus, consistency and distinctiveness (Moorhead and Griffin, 2001). Consensus is the extent to which other people in the same situation behave in the same way. Consistency is the degree to which the same person behaves in the same way at different times. Distinctiveness is the extent to which the same person behaves in the same way in different situations. We form impressions on attributions as to the causes of behavior based on various combinations of consensus, consistency and distinctiveness.

Suppose, you observe your subordinates being rowdy, disrupting others' work and generally making a nuisance of himself. If you can understand the causes of this behavior, you may be able to change it. If the employee is the only one engaging in the disruptive behavior (low consensus), if he behaves like this several times each week (high consistency), and if you have seen him behave like this in other settings (low distinctiveness), a logical conclusion would be that internal factors are causing his behavior. Similarly, you observe a different pattern: everyone in the person's work group is rowdy (high consensus) and although the particular employee often is rowdy at work (high consistency), you have never seen him behave this way in other settings (high distinctiveness). This pattern indicates that something in the situation is causing the behavior -that is, that the causes of the behavior are external.

Insurance services: This refers to all types of services provided by the insurers, insurance agents and surveyors to the insureds' during insurance period. Providing insurance policies, payment of premium, creating awareness to protect from risk and saving, granting loan to the Insured and payment of loan installment in case of life insurance and timely compensation of insured sum at the time of maturity. Similarly, proper valuation of property and fixing insured sum as well as timely valuation and proper compensation of loss in case of non-life insurance etc. are other services of insurance.

Empirical Literature

Skipper (2002) has carried a study on "Liberalization of Insurance Market: Issues and Concerns" and concluded that government intervention into insurance markets is essential but should be carefully targeted to minimize undue interference. In market regulated economy, consumers enjoy a wide range of fairly priced insurance from financially sound insurers.

Srivastava and Phatak (2004) have conducted a study on "Risk Perception of Indian Insurees towards Private Life Insurers" with the help of a close ended questionnaire and concluded that LIC of India is still the first choice for the Indian insurer due to the perceived safety than is associated with it. Marwah and Saklani (2005) have conducted a research on "Comparative Analysis of Agent's Perception in Public and Private Sector Insurance Companies" and concluded that agents in private sector have high perceptions about their companies and rate them above the public sector player in terms of performance. From a managerial perspective, agents' beliefs and its role in improving customer satisfaction and customer loyalty is vital.

Alwang, Siegel and Canagarajah (2005) have carried a study on "Viewing Microinsurance as a Social Risk Management Instrument: Potential and Limitations." The researchers concluded that there is potential for efficient and equitable risk management through micro-insurance, but also limitations. Microinsurance may be acceptable means of managing few limited forms of risk, but not all. Vanniarajan and Balasenthil (2008) have conducted a study on "Evaluation of Quality Dimensions in Life Insurance Market: Customer Segmentation Analysis" and concluded that the important quality dimensions in insurance are service, agents, product and technology quality. The private insurance players are trying to capture the rural market but failed to achieve since they are not properly designing the strategies to capture the market.

Ibrahim (2008) has carried a study on "Role of Life Insurance Corporation (LIC) of India in Financing the Corporate Sector". The study concluded that LIC is a major instrument for the mobilization of savings of people and these savings are channeled in to investments for the economic development of the country. Ghosh (2012) has written an article on "How India Drives Motor Insurance Market". Study reveals that the general insurance business has been growing at a healthy rate of 16 percent annually between 2004/05 to 2008/09 and general insurance in India is a Rs.300 billion business in terms of annual premium. The growth was led by motor insurance and health insurance which grew by 16 percent and 37 percent respectively, on an annual basis. Gurung (2011) has conducted a research on "Insurance and Its Business in Nepal" and concluded that the progressive trend of premium collection reached to 48 percent for non-life and 37.06 percent for life insurance in FY 2066/67 and contributed 1.70 percent in GDP of the economy. Moreover, the investment of insurance companies has been positively increasing. However, the correlation coefficient between total premium collection and total investment is positive with r=0.97 and significant as its PE is only 0.0163. These facts reveal that the performance of insurance business in Nepal is satisfactory.

Research Gap

Based on the above literatures, researches so far in insurance sector is very low. In case of Nepal, only few scholars have carried out their study on insurance. They basically focus on premium collection and their mobilization or investments in various sectors. Most of the studies done so far were mostly based on the secondary data. This study is different than those of previous studies. It is perhaps a new endeavor in the field of insurance as it studies the feeling, understanding or perception of insureds towards insurance services. It may provide a new conception in the field of insurance literature as it is based on primary data only.

Research Methods

This study is mainly based on the descriptive research design. Besides, explorative research design has also used. There are altogether 25 insurance companies viz. 8 life and 16 non-life and one offering both life and non-life insurance services in Nepal. In Pokhara valley, 24 branches of insurance companies are undertaking their businesses. All the insurance policy-holders of these branches are the sampling frame of this study. Purely random sampling method is used to select insureds or policy-holders. All branch companies are taken purposively as sample organizations for the study and 104 Insured have been sampled randomly from them as respondents in order to gather data about the perception on insurance services.

Basically primary data has been used in this study. In order to collect data, first of all, a well structured questionnaire is prepared and then the researchers paid visit to the policy-holders. Detailed and relevant data have been collected from the policy-holders with the help of questionnaire. The collected data, then, have been manipulated according to the need of the study. Statistical tool like univariate analysis has been used in this study. In univariate analysis various tables, charts, and figures as well as percentage have been used to illustrate and clarify the presentation of the collected data.

Data Analysis and Interpretation

Respondent profile: The age groups of respondents are divided as below 16, 16-25, 26-35, 36-45 and above 45 with their number of 7, 23, 38, 28 and 8 respectively. Out of 104 respondents, 46 are master degree holders and 29 are bachelors' and no PhD respondents found during the study. This reveals that the people of masters and bachelor degree holders are more interested in insurance. The majority of the respondents are of employees with 57 in number followed by students 19 in number and businessmen of 14. The married respondents are of higher than that of unmarried one. Out of 104 respondents, married are 69 (i.e. 66.35 percent) and unmarried 35 (i.e. 33.65 percent). Based on the opinion of respondents, 52 respondents are life insurance Insured, 29 are of both types and 23 are of only non-life Insured. This reveals that peoples are more interested in life insurance and its services.

Who motivates to insurance: Motivation is the process of inspiring people to act something with the aim of achieving stated objectives. In this study, respondents were asked about who motivates them in doing insurance and selling their insurance policies that are as follows:

Table 1: Parties motivating respondents

Motivators	No. of respondents	Percent
Friends	22	21.15
Neighbors	11	10.58
Media	13	12.50
Insurance agent	49	47.12
Insurance company	3	2.88
Self-study	6	5.77
Total	**104**	**100.00**

Source: Field visit, 2013

Table 1 shows that insurance agents are the main motivators in selling insurance policies in Pokhara. It occupies 47.12 percent and followed by friends of 21.15 percent. Motivation by insurance companies and self-study of policy-holders are the least. So, insurance agents, friends, media and neighbors are the major parties involved in motivating and issuing insurance policies in Pokhara valley.

Reasons for inspiring to do insurance: There are many reasons for inspiring insurance to the respondents. They are described categorically based on ranking of the reasons which are as follows:

Table 2: Reasons for inspiring insurance

Ranking	Reasons									
	Reduce risk		Saving		Bonus		EHM child		Tax rebate	
	No.	%	No.	%	No.	%	No.	%	No.	%
I	66	**68.04**	28	30.11	Nil	00.00	5	6.02	3	3.61
II	22	22.68	47	**50.52**	9	10.71	6	7.23	7	8.43
III	6	6.19	14	15.05	42	**50.00**	10	12.05	11	13.25
IV	2	2.06	3	3.23	19	22.62	50	**60.24**	8	9.64
V	1	1.03	1	1.08	14	16.67	12	14.46	54	**65.06**
Total	**97**	**100.0**	**93**	**100.0**	**84**	**100.0**	**83**	**100.0**	**83**	**100.0**

Note: Some respondents do not respond at all and some at part

Source: Field survey, 2013

Table 2 presents that the main reason for doing insurance is to reduce risk of loss as it is ranked first with 68.04 percent out of total respondents. It is followed by the category savings (50.52 percent) as second rank, bonus (50.00 percent) third rank, education, health and marriage (EHM) of children (60.24 percent) fourth rank and tax rebate (65.06 percent) fifth rank.

Indemnification at maturity or loss: Insurance indemnified at the event of loss and insured sum at maturity in case of life insurance. During study, the respondents were asked whether insurance companies indemnify easily at the event of loss and at maturity the insured sum. Their opinion on this question is as follows:

Table 3: Opinion on indemnification at maturity or loss

Opinion	No. of respondents	Percent
Yes	61	63.54
No	35	36.46
Total	**96**	**100.00**

Note: Eight respondents do not respond at all on the question

Source: Field survey, 2013

The above table clearly reveals that 61 respondents (63.54 percent) out of 96 opined that insurance companies indemnify loss at the event of loss in time. Only 35 respondents (36.46 percent) opined that they do not timely compensate the loss at accident or insured sum at maturity.

Perception or opinion on insurance services

a) Insurance creates awareness of insured: One of the objectives of insurance is to create awareness among insured against possible loss. The opinion of respondents in creating awareness of insured or Insured is as follows:

Table 4: Opinion on awareness of insured

State	No. of respondents	Percent
Strongly agree	14	13.73
Agree	73	71.57
Neutral	12	11.76
Disagree	1	0.98
Strongly disagree	2	1.96
Total	**102**	**100.00**

Note: Two respondents do not respond at all.

Source: Field survey, 2013

Table 4 reveals that 71.57 percent respondents agree on insurance creates awareness among people. Only one respondent (0.98 percent) do not agree on this opinion and two others are also strongly disagree on this opinion.

b) Insurance provides social security of insured: Providing social security is another major objective of insurance. The opinion of respondents on social security is as follows:

Table 5: Opinion on social security

State	No. of respondents	Percent
Strongly agree	14	13.73
Agree	75	73.53
Neutral	12	11.76
Disagree	1	00.98
Strongly disagree	Nil	00.00
Total	**102**	**100.00**

Note: Two respondents do not respond at all

Source: Field survey, 2013

The above table shows that out of 102 respondents, 75 respondents (73.53 percent) agreed on insurance provides social security of the insured. Fourteen (13.73 percent) respondents strongly agree on this opinion whereas nobody strongly disagree on the same in this study.

c) Interest on loan is cheaper: Insurance provides loan facility to the insured at certain rate of interest. The opinion of respondents on interest rates on loan is give as follows:

Table 6: Opinion on interest rate on loan

State	No. of respondents	Percent
Strongly agree	2	1.98
Agree	31	30.69
Neutral	58	57.43
Disagree	8	7.92
Strongly disagree	2	1.98
Total	**101**	**100.00**

Note: Three respondents do not respond at all

Source: Field survey, 2013

Table 6 depicts that whether the interest on loan is cheaper or expensive, the respondents' opinion is neutral. Out of 101 respondents, 58 respondents (57.43 percent) are indifferent on this issue. But 30.69 respondents agreed that the interest on loan from insurance is cheaper than that of other sources of loan. Two respondents of each strongly agree and strongly disagree on this opinion.

d) Payment of installment is easier: Payment of installment is necessary after getting loan from the insurance companies. The respondents were asked whether the payment of installment is easier or not. The opinion of respondents on this question is as follows:

Table 7: Opinion on installment payment

State	No. of respondents	Percent
Strongly agree	5	5.05
Agree	22	22.22
Neutral	66	66.67
Disagree	6	6.06
Strongly disagree	Nil	00.00
Total	**99**	**100.00**

Note: Five respondents do not respond at all

Source: Field survey, 2013

The above table presents that the majority of respondents (66.67 percent) are indifferent on whether the payment of installment is easier or not. Twenty two point two two percent respondents agree that installment payments are easier. No respondents are strongly disagreeing on this issue in the study.

e) Insurance company's services are satisfactory: Insurance provides various kinds of services to satisfy the insured and people in general. The satisfactoriness of insured is measured as follows:

Table 8: Opinion on satisfaction of insurance services

State	No. of respondents	Percent
Strongly agree	3	2.91
Agree	52	50.49
Neutral	44	42.72
Disagree	4	3.88
Strongly disagree	Nil	00.00
Total	**103**	**100.00**

Note: Only one respondent do not respond at all

Source: Field survey, 2013

The above table shows that 50.49 percent respondents agreed that insurance services are satisfactory whereas 42.72 percent respondents are indifferent on this opinion. There is no strong disagreement at all about the insurance services in Pokhara valley.

Services of insurance agents: Insurance agents are licensed members involved in motivating and selling insurance policies to the people. They provide various services to their clients or insured or policy-holders. In this study, respondents are asked the services of insurance agents as follows:

Table 9: Are you satisfied with the services of insurance agent?

Opinion	No. of respondents	Percent
Satisfied	66	71.74
Not satisfied	26	28.26
Total	**92**	**100.00**

Note: Twelve respondents do not respond at all

Source: Field survey, 2013

The above table shows that 71.74 percent respondents are satisfied with the services of insurance agents. But 28.26 percent respondents are not satisfied with their services.

Do you agree on the valuation of property and insured sum at the time of insurance?

Respondents were asked this question and their opinion is as follows:

Table 10: Opinion on valuation of property and estimation of insured sum

Opinion	No. of respondents	Percent
Yes	20	60.61
No	13	39.39
Total	**33**	**100.00**

Source: Field visit, 2013

Table 10 depicts that out of 33 respondents, 20 respondents (60.61 percent) opined the valuation of property and estimation of insured sum is satisfactory whereas 13 respondents (39.39 percent) are not agreed on the same because of low valuation of property and long process in valuation of the property. This implies that property valuation and estimation of insured sum at the time of insured is satisfactory.

Performance of surveyors: Surveyors are the representatives of insurance companies in case of non-life insurance. The main function of surveyors is to visit site and conducting valuation of property and deciding the insured sum at the time of insurance. Similarly they are also involved in valuation of property and fixing the amount of compensation at the time of loss of property. The opinion of respondents on performance of surveyor in free of bias is as follows:

Table 11: Opinion on performance of surveyors

State	No. of respondents	Percent
Strongly agree	2	5.13
Agree	14	35.89
Neutral	13	33.33
Disagree	10	25.64
Strongly disagree	Nil	00.00
Total	**39**	**100.00**

Source: Field survey, 2013

Table 11 shows that out of 39 non-life insured, 14 respondents (35.89 percent) agreed on the performance of insurance surveyors is free of bias. But 13 respondents (33.33 percent) are indifferent on their services. Ten respondents, on the other, disagree that their performance is not of free of bias. It means their performance and behavior is not bias free. However, majority of respondents are agreed and indifferent (or neutral) in their opinion that the behavior of insurance surveyors is free of bias.

Conclusion

The main motivators of insurance are insurance agents followed by friends, media, neighbors, self-study and insurance companies respectively. Reducing risk is the main reason for doing insurance; it is followed by savings, getting additional bonus, education, health and marriage (EHM) of children, and tax rebate are other reasons for the same.

Majority of respondents opine that companies compensate loss in time in the event of loss. Only few of them are disagreeing in this opinion. On the opinion of insurance creates awareness among insured, majority of respondents agreed on this opinion and some respondents strongly agree on the same. Similarly, on the opinion of insurance provides social security, majority of respondents agreed on this opinion, some others agreed and few respondents are neutral in their opinion. Regarding interest rates on loan, majority respondents are indifferent on their opinion that whether the rate of interest on loan is cheaper or not but some respondents are agreed that interest on loan is cheaper. Two-third respondents are neutral that payment of loan installment is easier or not but some respondents opined installment payment is easier in insurance companies. In the context of satisfactoriness of insurance services, majority of respondents agreed that services of insurance companies are satisfactory whereas some respondents are indifferent in this opinion. These facts imply that the insureds perception on insurance services is satisfactory.

Regarding services of insurance agents, the main service of insurance agents is to provide insurance policies to the insured followed by help insurance premium payment of insured, creates awareness and installment payments of insured. Providing regular services to the Insured is the main responsibility of insurance agents. Majority of the respondents are satisfied with the services of insurance agents. Thus, the service of insurance agents is found satisfactory in Pokhara. Majority of property insureds have continuously doing insurance of their property. But few of the insured respondents are not ready to continue their property insured due to high insurance premium, unnecessary expenses and legal hassle. The valuation of property in the event of loss is found satisfactory and majority of the respondents get their compensation in time. The role of insurance surveyors in non-life insurance is found bias free and satisfactory in Pokhara valley.

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Jas Bahadur Gurung is a senior faculty in Financial Management and Strategic Management at Nepal Tourism and Hotel Management College, Pokhara, Nepal. He has seventeen years of experience in teaching and research. He has published a dozen of resarch articles in national and international journals . He also presented a half dozen of papers in diffrent conferences. His area of interests in research includes share market, mergers and acquisitions and insurance.

e-mail: gurung.jmk@gmail.com