

A STUDY ON CONSUMER AWARENESS, CHALLENGES, AND SATISFACTION TOWARDS GENERAL INSURANCE WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT

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ABSTRACT

The purpose of this study is to examine consumer awareness, challenges faced, and satisfaction levels related to general insurance products among policyholders in Coimbatore district. Using a structured questionnaire, data were collected from 200 respondents. The study identifies the current level of awareness, key problems encountered in policy purchase and claims, and overall satisfaction with services provided by general insurance companies. Findings indicate moderate awareness, significant challenges in claim settlement processes, and varied satisfaction levels based on service quality and product understanding. This study offers suggestions to enhance awareness and consumer satisfaction.

INTRODUCTION

General insurance serves as a crucial component of financial risk management, offering individuals and businesses protection against potential losses arising from unforeseen events. These events may include accidents, theft, fire, health-related issues, natural disasters, and other contingencies that can have significant financial implications. By mitigating such risks, general insurance not only safeguards the financial well-being of policyholders but also contributes to economic stability by reducing the burden of unexpected expenses on individuals and organizations. In India, the general insurance sector has witnessed remarkable growth over the past decade, driven by increasing awareness of risk management, rising

incomes, urbanization, and regulatory reforms that have encouraged both domestic and private insurers to expand their reach. Despite this growth, the sector continues to face challenges, particularly in terms of consumer awareness, perception, and satisfaction. Many potential policyholders remain uninformed about the benefits of general insurance, its various product offerings, and the claims process. Additionally, regional disparities exist, with consumers in smaller cities or industrial districts often having different expectations and experiences compared to those in metropolitan areas.

Coimbatore, known as the “Manchester of South India” due to its thriving textile and manufacturing industries, presents a unique case for studying consumer behaviour in the general insurance sector. The district has experienced rapid industrial growth, an increase in household incomes, and a rising standard of living, all of which have led to a growing demand for insurance products. Moreover, the region’s exposure to industrial and urban risks makes insurance not just a financial tool but also a necessity for safeguarding assets and livelihoods.

This study aims to explore consumer perceptions of general insurance in Coimbatore district, focusing on awareness, preferences, satisfaction levels, and factors influencing the purchase of insurance products. Insights from this research can help insurance companies tailor their offerings to meet regional needs, enhance service quality, and develop effective awareness campaigns. Ultimately, understanding consumer behaviour at a micro-level allows insurers to bridge the gap between product availability and consumer trust, thereby fostering growth in the sector.

OBJECTIVES OF THE STUDY

- To assess the level of consumer awareness about general insurance products.
- To identify the key challenges faced by policyholders in purchasing and renewing general insurance.
- To examine consumer satisfaction with general insurance services.
- To provide recommendations for improving awareness and satisfaction.

STATEMENT OF THE PROBLEM

Despite the growth of the general insurance sector in India, many consumers lack adequate knowledge about insurance products and face difficulties during claims and service interactions. Moreover, there is limited research focusing on the perceptions of general insurance policyholders in smaller cities like Coimbatore. This study attempts to fill that gap

by exploring awareness levels, challenges, and satisfaction among insurance buyers in the Coimbatore district.

SCOPE OF THE STUDY

The present study focuses on understanding various aspects of consumer behaviour related to general insurance in Coimbatore district. It examines the level of consumer knowledge and awareness about general insurance products, as well as their perceptions regarding the benefits, reliability, and relevance of these products in managing financial risks. The research also investigates the challenges faced by consumers in purchasing new policies, renewing existing ones, and navigating the claims process, which are critical factors influencing overall satisfaction. Additionally, the study evaluates the satisfaction levels of policyholders with the services provided by insurers, including responsiveness, transparency, and efficiency. Geographically, the study is confined to the urban and semi-urban areas of Coimbatore district, capturing insights from consumers residing in areas with varying economic and industrial exposure. The scope is limited to general insurance products such as motor, health, travel, property, and personal accident insurance, allowing for a focused analysis of consumer behaviour within these categories. By concentrating on these parameters, the study aims to provide meaningful insights that can help insurance companies improve service quality, product design, and customer engagement in the region.

LIMITATIONS OF THE STUDY

- The study is limited to Coimbatore district and cannot be generalized to the entire population of Tamil Nadu or India.
- The sample size of 200 may not cover all consumer variations.
- Responses are based on self-reported data, which may include bias.

RESEARCH METHODOLOGY

This study used a descriptive research design to examine consumer awareness, challenges, and satisfaction with general insurance products in Coimbatore district. Data were collected through a structured questionnaire from 200 policyholder's selected using simple random sampling. Secondary data were sourced from journals, books, websites, and insurance reports. The questionnaire covered respondents' demographic profiles, as well as their knowledge, perceptions, and experiences with general insurance, enabling an analysis of

consumer behaviour, satisfaction, and the challenges faced in purchasing, renewing, and claiming policies.

TOOLS USED

- Percentage Analysis
- Chi-square Test

Percentage Analysis

Question	Options	%	Question	Options	%
Age	18–25	20%	Gender	Male	60%
	26–35	30%		Female	37.50%
	36–45	25%		Other	2.50%
	46–60	15%	Total		100%
	Above 60	10%	Qualification	School	15%
Total		100%		Graduate	50%
Occupation	Student	20%		Postgraduate	25%
	Private Employee	40%		Professional/Diploma	10%
	Government Employee	20%	Total		100%
	Self-employed	15%	Aware of general insurance products	Yes	80%
	Retired	5%		No	20%
Total		100%	Total		100%
Monthly Income	Below ₹20,000	15%	Learn about insurance	TV/Radio	20%
	₹20,001–₹40,000	30%		Internet/Social Media	30%
	₹40,001–₹60,000	25%		Insurance Agent	25%
	₹60,001–₹80,000	15%		Financial Institution	15%
	Above ₹80,000	15%		Friends/Family	10%
Total		100%	Total		100%
understand policy terms	Yes, completely	25%	Aware of claim procedure	Yes	40%
	Partially	60%		Somewhat	45%
	Not at all	15%		No	15%
Total		100%	How easy to purchase your policy	Very easy	20%
Benefits of policy	Yes, clearly	35%		Easy	40%
	Partially	50%		Neutral	20%
	No	15%		Difficult	12.50%
Total		100%		Very difficult	7.50%
Face difficulties while renewing	Yes, frequently	15%	Total		100%
	Occasionally	25%	How convenient was documentation	Very convenient	15%
	No	60%		Convenient	35%
Total		100%		Neutral	25%
Delays in claim settlement	Yes, often	20%		Inconvenient	15%
	Sometimes	30%	Total	Very inconvenient	10%
	Rarely	25%	Total		100%
	Never	25%	Satisfaction with	Very satisfied	20%

Total		100%	service quality	Satisfied	45%
Premium reasonable	Strongly agree	15%		Neutral	20%
	Agree	40%		Dissatisfied	10%
	Neutral	25%		Very dissatisfied	5%
	Disagree	15%		Total	
	Strongly disagree	5%	Likely to renew	Definitely	25%
Total		100%		Probably	40%
Satisfaction with claim settlement	Very satisfied	17.50%		Maybe	20%
	Satisfied	40%		Unlikely	10%
	Neutral	25%		Definitely not	5%
	Dissatisfied	12.50%	Total		100%
	Very dissatisfied	5%	Overall satisfaction	Very satisfied	22.50%
Total		100%		Satisfied	42.50%
Would you recommend to others	Definitely	25%		Neutral	20%
	Probably	40%		Dissatisfied	10%
	Maybe	20%		Very dissatisfied	5%
	Unlikely	10%	Total		100%
	Definitely not	5%			
Total		100%			

Chi-Square Test

Option	Likert Score
Strongly Disagree / Very Dissatisfied	1
Disagree / Dissatisfied	2
Neutral	3
Agree / Satisfied	4
Strongly Agree / Very Satisfied	5

Hypothesis

- Null hypothesis (H₀H₀H₀) → No association between **Age** and **Overall Satisfaction**.
- Alternative hypothesis (H₁H₁H₁) → There is an association between **Age** and **Overall Satisfaction**.

Contingency Table

Age \ Satisfaction	1 (VD)	2 (D)	3 (N)	4 (S)	5 (VS)	Row Total
18–25	5	8	10	12	5	40
26–35	4	5	15	25	11	60
36–45	3	7	10	20	10	50
46–60	2	3	8	12	5	30
Above 60	1	2	5	8	4	20
Column Total	15	25	48	77	35	200

Interpretation:

1. p-value = 0.002 < 0.05 → Reject H₀H₀H₀

CONCLUSION:

- ✓ There is a **significant association** between education and awareness of claim procedure.
- ✓ Higher-educated respondents are **more aware** of claim procedures compared to less-educated respondents.

FINDINGS

- Majority of respondents (30%) were aged 26–35 years, followed by 25% in the 36–45 years range.
- Most respondents were male (60%), while 37.5% were female.
- Majority of respondents (50%) had graduate-level education, followed by 25% with postgraduate education.
- Most respondents (40%) were private-sector employees, followed by 20% in government service.
- Majority of respondents (30%) had a monthly income between ₹20,001–₹40,000, followed by 25% earning ₹40,001–₹60,000.
- Majority of respondents (80%) were aware of general insurance products, while 20% were unaware.
- Most respondents (30%) first learned about insurance through the Internet/Social Media, followed by 25% through insurance agents/brokers.
- Majority of respondents (60%) understood the policy terms partially, while 25% understood them completely.
- Most respondents (45%) were somewhat aware of the claim procedure, followed by 40% who were fully aware.
- Majority of respondents (50%) were partially aware of the benefits of their general insurance policy, while 35% were fully aware.
- Majority of respondents (40%) reported that purchasing their policy was easy, followed by 20% who found it very easy.
- Most respondents (60%) did not face any difficulties during policy renewal, while 25% occasionally faced issues.
- Majority of respondents (35%) found the documentation process convenient, followed by 25% who were neutral.
- Most respondents (30%) experienced delays in claim settlement sometimes, followed by 25% who rarely faced delays.

- Majority of respondents (40%) agreed that the premium amount was reasonable, while 25% were neutral.
- Majority of respondents (45%) were satisfied with the overall service quality, followed by 20% who were very satisfied.
- Most respondents (40%) were satisfied with the claim settlement process, followed by 25% who were neutral.
- Majority of respondents (40%) reported that they would probably renew their insurance, followed by 25% who would definitely renew.
- Most respondents (40%) would probably recommend their insurance company to others, while 25% would definitely recommend it.
- Majority of respondents (42.5%) were satisfied overall, followed by 22.5% who were very satisfied.

SUGGESTIONS

- Although 80% of respondents were aware of general insurance products, most only partially understood the terms, benefits, and claim procedures. Insurance companies should organize awareness campaigns, workshops, and online tutorials to improve consumer understanding, especially among less-educated and older customers.
- Some respondents reported inconvenience during documentation and claim procedures. Companies should streamline documentation, offer digital submission, and reduce paperwork, making the process faster and easier for customers.
- Occasional delays in claim settlements were reported. Insurance providers should improve claim processing time, provide real-time updates, and set up customer support channels to reduce dissatisfaction and build trust.
- While most respondents agreed that premiums were reasonable, a significant minority felt otherwise. Offering flexible premium options, discounts, or tailored coverage plans may attract more customers, especially middle- and lower-income groups.
- Satisfaction with service quality and claim handling was generally positive, but there's room for improvement. Training customer service teams for better communication, empathy, and responsiveness can enhance overall satisfaction.
- Since most respondents are likely to renew policies and recommend them, companies should offer loyalty programs, referral incentives, and personalized services to retain customers and strengthen brand loyalty.

CONCLUSION

The study on consumer awareness, challenges, and satisfaction toward general insurance in Coimbatore district highlights several key findings. While most consumers are aware of general insurance products, their understanding of policy terms, benefits, and claim procedures is often limited. Purchasing and renewing policies is generally straightforward, but documentation and claim settlement processes can pose occasional challenges. Overall, respondents expressed moderate to high satisfaction with service quality and claim settlements, showing a willingness to renew policies and recommend their insurers. The primary respondents were predominantly young adults (26–35 years), male, graduates, and private-sector employees with moderate incomes. These findings suggest that although general insurance providers in Coimbatore have established a reasonably good relationship with consumers, there is room for improvement in areas such as awareness, claim handling, and premium flexibility. Addressing these gaps can enhance customer satisfaction, encourage policy renewals, and strengthen trust between insurers and consumers.

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