

**A REPORT ON ORGANISATIONAL STUDY**

**AT UNITED INDIA INSURANCE CO.Ltd**

**AT West Veli Street Madurai.**

**A Summer Training Report (Subject code: BA5311)**

Submitted to

Anna University, Chennai

***For the partial fulfillment of the Award of Master of Business Administration***

**Submitted By**

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**MASTER OF BUSINESS ADMINISTRATION**

**K.L.N. COLLEGE OF ENGINEERING,**

**Pottapalayam, Sivagangai District .**

**May – June 2019**

**K.L.N COLLEGE OF ENGINEERING, POTTAPALAYAM**

**AFFILIATED TO ANNA UNIVERSITY, CHENNAI**

**DEPARTMENT OF MANAGEMENT STUDEIES**

**MBA – Summer Training Report**

**May – June 2019**

**BONAFIDE CERTIFICATE**

It is hereby certified that this is the Bonafide record of the work done by **T.P.BALAN** of Master of Business Administration in the subject **Summer Training** during the academic year 2019–2020.

**Faculty Incharge Director – MBA**

**Examiner**

**DECLARATION**

I **R.P.VENKATESH** hereby declare that the report entitled **“A REPORT ON ORGANISATIONAL STUDY AT UNITED INDIA INSURANCE CO.LTD.** submitted to Anna University in partial fulfillment of the requirements for the award of the degree of Master of Business Administration is a record of original work done during my period of study in the Department of Management Studies, K.L.N. College of Engineering.

Place: **R.P.VENKATESH,**

Date: (**910618631045)**

**COMPANY**

**CERTIFICATE**

**ACKNOWLEDGEMENT**

I dedicate this Summer Internship work to the benevolent persons who have co-operated sincerely their precious time for the consummation of the training.

I take up this opportunity to thank our Principal **Dr. A.V.RamPrasad** , **K.L.N. College of Engineering** for giving me this wonderful opportunity for doing the Summer Internship.

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I greatly thank my beloved **Parents & Friends** who helped me in all aspect.

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**CHAPTER – I**

**INTRODUCTION**

**1. INTRODUCTION**

**1.1 ABOUT TRAINING**

An organization is a social arrangement which pursues collective goals, which controls its own performance, and which has a boundary separating it from its environment. Organization is the association formed by a group of people who see that there are benefits available from working together toward some common goal.

Organization studies are the study of individual and group dynamics is an organizational setting as well as the nature of organization themselves. Whenever people interact in organization, many factors come into play. Organization studies attempt to understand and model these factors. Organization study is essential to any MBA graduate as it helps them to connect theory with practice.

Organization study refers to the study of organization as a whole and getting adequate knowledge with various departments in the organization. The study was carried out at **United India Insurance Co. Ltd** Madurai This study is based on the different aspects and dimensions of different department of the company. The study was carried out at the **United India Insurance Co. Ltd.** Madurai.

**1.2 AIM OF THE TRAINING**

The aim of the Industrial Training program is only for the graduates person, who are ready to face the professional working world. This training program also aims to provide the program related to different and relevant knowledge, like PHP, My SQL, Mobile app, company internship, marketing and sales and the HR & recruitment. The industrial training also provides opportunities for publishing it to the professional working world, which will make graduates more focused and appreciative of the hopes and expectations that the industry has for them. This program will also provide students with real work experience.

**1.3 NEEDS FOR TRAINING**

Training is essential because technology is developing continuously and at a fast rate. Systems and practices get outdated soon due to new discoveries in technology, including technical, managerial and behavioral aspects. Organizations that do not develop mechanisms to catch up with and use the growing technology soon become stale. However, developing individuals in the organization can contribute to its effectiveness of the organization.   
  
There are some other reasons also for which this training becomes necessary. Explained below are various factors, giving rise to the need for training.   
Employment of inexperienced and new labor requires detailed instructions for effective performance on the job.

* People have not to work, but work effectively with the minimum of supervision, minimum of cost, waste and spoilage.
* Increasing use of fast changing techniques in providing new innovative ideas to generate the working procedure.
* Old employees need refresher training to enable them to keep abreast of changing techniques and the use of sophisticated tools and equipment.
* Training is necessary when a person has to move from one job to another because of transfer, promotion or demotion.

Such development, however, should be monitored so as to be purposeful. Without proper monitoring, development is likely to increase the frustration of employees if when, once their skills are developed, and expectations raised, they are not given opportunities for the application of such skills. A good training sub-system would help greatly in monitoring the directions in which employees should develop in the best interest of the organization. A good training system also ensures that employees develop in directions congruent with their career plans. 

**1.4 BENEFITS OF TRAINING**

* As the business world is continuously changing and dynamic, organizations will need to provide to their employee training throughout their careers. If they do not not provide continuous training they will find it difficult to stay ahead of the competition.
* The other benefit of training is that it will keep employees motivated. New skills and knowledge can help to reduce or minimize boredom. It also demonstrates to the employee that they are valuable enough for the employer to invest in them and their development.
* Employee Training can be used to create positive attitudes through clarifying the behaviors and attitudes that are expected from the employee by employer.

**1.5 SCOPE OF THE STUDY**

The organization study at **United India Insurance Co. Ltd** aims at getting accustomed to the business environment of **United India Insurance Co. Ltd.** for a period of one month. The study will be conducted to understand the structure, function and process of various departments and their interdependence.

**1.6 OBJECTIVE OF THE STUDY**

The organization study was carried out in United India Insurance Co. Ltd. Madurai, is to achieve the following specify objectives.

* To familiarize with the organization structure and its functioning.
* To familiarize with the different departments in the organization and their functions and activities including documentation.
* To understand how the key business processes are carried out in an organization.
* To understand how information is used in organization for decisions making at various levels including data flow diagram.
* To understand the organization for various functions/activities.
* To understand the growth and diversification strategies, portfolio, structure of the organization.

* To study the overall performance of the organization
* To understand the performance measurement of employees and various employee welfare activities, training activities..

**1.7 TYPES OF TRAINING**

**1. Induction training**

Also known as orientation training given for the new recruits in order to make them familiarize with the internal environment of an organization. It helps the employees to understand the procedures, code of conduct, policies existing in that organization.

**2. Job instruction training**

This training provides an overview about the job and experienced trainers demonstrates the entire job. Addition training is offered to employees after evaluating their performance if necessary.

**3. Vestibule training**10

It is the training on actual work to be done by an employee but conducted away from the work place.

**4. Refresher training**

This type of training is offered in order to incorporate the latest development in a particular field. This training is imparted to upgrade the skills of employees. This training can also be used for promoting an employee.

**5. Apprenticeship training**

Apprentice is a worker who spends a prescribed period of time under a supervisor[**.**](http://cdn.yourarticlelibrary.com/wp-content/uploads/2014/04/clip_image00219.jpg)

**1.8 IMPORTANCE OF THE STUDY**

* It helps to analyze the interaction among various levels of management.
* It helps to find out the satisfaction level of meetings organized in the organization.
* It helps to analyze the scope for the improvement of existing system.
* It helps to find out the effectiveness of periodical training provides for the employee regularly in the organization

**1.9 LIMITATION OF THE STUDY**

There were some limitations in conducting the organization study at **United India Insurance Co. Ltd.**

* There were difficulties in obtaining data from executives and manager due to their busy work schedule.
* An in-death study of the company could not be carried out due to shortage of time.
* The reliability of data used for study is largely depends upon the companies reports and the information given by executives.
* The company has the limitation to disclose their financial details, so a detailed analysis of financial performance of the company is not possible.

**CHAPTER – II**

**INDUSTRY PROFILE**

# **Insurance Sector in India**

Insurance industry in India has seen a major growth in the last decade along with an introduction of a huge number of advanced products. This has led to a tough competition with a positive and healthy outcome.

Insurance sector in India plays a dynamic role in the wellbeing of its economy. It substantially increases the opportunities for savings amongst the individuals, safeguards their future and helps the insurance sector form a massive pool of funds.

With the help of these funds, the insurance sector highly contributes to the capital markets, thereby increasing large infrastructure developments in India.

## The Indian Insurance Sector

 The Indian Insurance Sector is basically divided into two categories – Life Insurance and Non-life Insurance. The Non-life Insurance sector is also termed as General Insurance. Both the Life Insurance and the Non-life Insurance is governed by the IRDAI (Insurance Regulatory and Development Authority of India).

The[role of IRDA](https://www.acko.com/articles/general-info/role-of-irdai-in-indias-insurance-industry/)is to thoroughly monitor the entire insurance sector in India and also act like a custodian of all the insurance consumer rights. This is the reason all the insurers have to abide by the rules and regulations of the IRDAI.

The Insurance sector in India consists of total 57 insurance companies. Out of which 24 companies are the life insurance providers and the remaining 33 are non-life insurers. Out which there are seven public sector companies.

Life insurance companies offer coverage to the life of the individuals, whereas the non-life insurance companies offer coverage with our day-to-day living like travel, health, our car and bikes, and home insurance. Not only this, but the non-life insurance companies provide coverage for our industrial equipment’s as well. Crop insurance for our farmers, gadget insurance for mobiles, pet insurance etc. are some more insurance products being made available by the general insurance companies in India.

The life insurance companies have gained an investment prospectus in the recent times with an idea of providing insurance along with a growth of your savings. But, the general insurance companies remain reluctant to offer pure risk cover to the individuals.

### Life Insurance Performance

### 

| **Life Insurance Business Performance:** | **2015-16** | | **2014-15** | | |
| --- | --- | --- | --- | --- | --- |
|  | Public Sector | Private Sector | | Public Sector | Private Sector |
| Premium Underwritten (Rs in Crores) | 266444.21 | 100499.02 | | 239667.65 | 88433.49 |
| New Policies Issued (in Lakhs) | 205.47 | 61.92 | | 201.71 | 57.37 |
| Number of Offices | 4892 | 6179 | | 4877 | 6156 |
| Benefits Paid (Rs in Crores) | 141201.05 | 60565.05 | | 144125 | 67054 |
| Individual Death Claims (Number of Policies) | 761983 | 114697 | | 755901 | 121927 |
| Individual Death Claims Amount Paid (Rs in Crores) | 9690.17 | 2946.49 | | 9055.18 | 2733.49 |
| Group Death Claims (Number of lives) | 247504 | 297833 | | 273794 | 192989 |
| Group Death Claims Amount Paid (Rs in Crores) | 2494.03 | 2303 | | 2037.27 | 1483.55 |
| Individual Death Claims (Figures in percent of policies) | 98.33 | 91.48 | | 98.19 | 89.4 |
| Group Death Claims (Figures in percent of lives covered) | 99.69 | 94.65 | | 99.64 | 91.2 |
| No. of Grievances reported during the year | 64750 | 139951 | | 80944 | 198048 |
| Grievances resolved during the year | 64750 | 145125 | | 80944 | 193119 |
| Grievance Resolved (in percent) | 100 | 103.69 | | 100 | 97.51 |

### Non-Life Insurance Performance

| **Non-Life Insurance Business Performance:** | **2015-16** | | **2014-15** | |
| --- | --- | --- | --- | --- |
|  | Public Sector | Private Sector | Public Sector | Private Sector |
| Premium Underwritten (Rs in Crores) | 47691 | 39694 | 42549.48 | 35090.09 |
| New Policies Issued (in Lakhs) | 8414 | 2389 | 8207 | 2200 |
| Number of Offices | 4892 | 6179 | 4877 | 6156 |
| Net Incurred Claims (Rs in Crores) | 38104.27 | 21764.44 | 31567.75 | 19430.46 |
| No. of Grievances reported during the year | 17808 | 41802 | 15860 | 44828 |
| Grievances resolved during the year | 17718 | 42493 | 16105 | 43318 |
| Grievance Resolved (in percent) | 99.49 | 101.65 | 101.54 | 96.63 |

## The Past of Insurance Sector In India

In the history of the Indian insurance sector, a decade back LIC was the only life insurance provider. Other public sector companies like the National Insurance, United India Insurance, Oriental Insurance and New India Assurance provided non-life insurance or say general insurance in India.

However, with the introduction of new private sector companies, the insurance sector in India gained a momentum in the year 2000. Currently, 24 life insurance companies and 30 non-life insurance companies have been aggressive enough to rule the insurance sector in India.

But, there are yet many more insurers who are awaiting for IRDAI approvals to start both life insurance and non-life insurance sectors in India.

## The Present of Insurance Sector In India

So far as the industry goes, LIC, New India, National Insurance, United insurance and Oriental are the only government ruled entity that stands high both in the market share as well as their contribution to the Insurance sector in India. There are two specialized insurers – Agriculture Insurance Company Ltd catering to Crop Insurance and Export Credit Guarantee of India catering to Credit Insurance. Whereas, others are the private insurers (both life and general) who have done a joint venture with foreign insurance companies to start their insurance businesses in India.

### **Life Insurance Companies**

Private Sector Companies

Aegon Life Insurance Co. Ltd.

* Aviva Life Insurance Co. India Ltd.
* Bajaj Allianz Life Insurance Co. Ltd.
* Bharti AXA Life Insurance Co. Ltd.
* Birla Sun Life Insurance Co. Ltd.
* Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.
* DHFL Pramerica Life Insurance Co. Ltd.
* Edelweiss Tokio Life Insurance Co. Ltd
* Exide Life Insurance Co. Ltd.
* Future Generaly India Life Insurance Co. Ltd.
* HDFC Standard Life Insurance Co. Ltd.
* ICICI Prudential Life Insurance Co. Ltd.
* IDBI Federal Life Insurance Co. Ltd.
* IndiaFirst Life Insurance Co. Ltd
* Kotak Mahindra Old Mutual Life Insurance Ltd.
* Max Life Insurance Co. Ltd.
* PNB MetLife India Insurance Co. Ltd.
* Reliance Life Insurance Co. Ltd.
* Sahara India Life Insurance Co. Ltd.
* SBI Life Insurance Co. Ltd.
* Shriram Life Insurance Co. Ltd.
* Star Union Dai-Ichi Life Insurance Co. Ltd.
* Tata AIA Life Insurance Co. Ltd.

### General Insurance Companies

Private Sector Companies

Aditya Birla Health Insurance Co. Ltd.

* Bajaj Allianz General Insurance Co. Ltd.
* Bharti AXA General Insurance Co.Ltd.
* Cholamandalam General Insurance Co. Ltd.
* Future Generali India Insurance Co.Ltd.
* HDFC ERGO General Insurance Co. Ltd.
* ICICI Lombard General Insurance Co. Ltd.
* IFFCO-Tokio General Insurance Co. Ltd.
* Kotak General Insurance Co. Ltd.
* L&T General Insurance Co. Ltd.
* Liberty Videocon General Insurance Co. Ltd.
* Magma HDI General Insurance Co. Ltd.
* Raheja QBE General Insurance Co. Ltd.
* Reliance General Insurance Co. Ltd.
* Royal Sundaram Alliance Insurance Co. Ltd
* SBI General Insurance Co. Ltd.
* Shriram General Insurance Co. Ltd.
* TATA AIG General Insurance Co. Ltd.
* Universal Sompo General Insurance Co.Ltd

### **Health Insurance Companies**

Apollo Munich Health Insurance Co.Ltd.

* Star Health Allied Insurance Co. Ltd.
* Max Bupa Health Insurance Co. Ltd.
* Religare Health Insurance Co. Ltd.
* Cigna TTK Health Insurance Co. Ltd.

This collaboration with the foreign markets has made the Insurance Sector in India only grow tremendously with a high current market share. India allowed private companies in insurance sector in 2000, setting a limit on FDI to 26%, which was increased to 49% in 2014. IRDAI states –  Insurance Laws (Amendment) Act, 2015 provides for enhancement of the Foreign Investment Cap in an Indian Insurance Company from 26% to an Explicitly Composite Limit of 49% with the safeguard of Indian Ownership and Control.

Private insurers like HDFC, ICICI and SBI have been some tough competitors for providing life as well as non-life products to the insurance sector in India.

## The Future Of Insurance Sector In India

Though LIC continues to dominate the Insurance sector in India, the introduction of the new private insurers will see a vibrant expansion and growth of both life and non-life sectors in 2017. The demands for new insurance policies with pocket-friendly premiums are sky high. Since the domestic economy cannot grow drastically, the insurance sector in India is controlled for a strong growth.

With the increase in income and exponential growth of purchasing power as well as household savings, the insurance sector in India would introduce emerging trends like product innovation, multi-distribution, better claims management and regulatory trends in the Indian market.

The government also strives hard to provide insurance to individuals in a below poverty line by introducing schemes like the

Pradhan Mantri Suraksha Bima Yojana (PMSBY),

* Rashtriya Swasthya Bima Yojana (RSBY) and
* Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).

Introduction of these schemes would help the lower and lower-middle income categories to utilize the new policies with lower premiums in India.

With several regulatory changes in the insurance sector in India, the future looks pretty awesome and promising for the life insurance industry. This would further lead to a change in the way insurers take care of the business and engage proactively with its genuine buyers.

Some demographic factors like the growing insurance awareness of the insurance, retirement planning, growing middle class and young insurable crowd will substantially increase the growth of the Insurance sector in India.

**Other Public Insurers**

1. National Insurance
2. Oriental Insurance
3. Life Insurance Corporation of India.

**National Insurance**

NIC has "Trusted Since 1906" as its official tagline and motto. The oldest non-life public sector general insurance company of India, National Insurance Company boasts about the labor force of around 16000 skilled employees and approx 2000 office branches set up across India including its operations in neighboring Nepal. NIC was ranked as the 2nd largest general insurance company of India next New India Assurance at the end of the Financial Year 2014 on the basis of the company’s Gross Direct Written Premium (GDWP).NIC also holds a record for being the only Public Sector General Insurance Company (PSGIC) of India with its headquarters in Kolkata. National Insurance was the first Indian insurance Company to unite with the Strategic Alliances with the country’s major manufacturing company for automobiles M/s Maruti, M/s. Hero Moto Corp, biggest Two Wheeler manufacturing company and many other such renowned automobile companies. These connections escorted in a substantial swing in the Service Delivery process for Motor insurance in India. National Insurance Company was the first and foremost insurance company to have pioneered Bancassurance in India, by moulding hookups with India’s Largest Banks.

National Insurance Company Limited (NICL) is the oldest non-life general insurance company of India. It was established on 5th December 1906 at Kolkata. National Insurance Company was set up largely on the nationalism principles of Swaraj (self-government). NICL was nationalized after 66 years in the year 1972. Thereafter the company was merged with 21 foreign companies and 11 Indian insurance companies and that’s how National Insurance Company Limited was consolidated into one. It is now one of the 4 largest general insurance subsidiaries entirely owned by Government of India.

|  |  |
| --- | --- |
| Company Name | National Insurance Company Limited (NICL) |
| Established | 1906 |
| Nationalized | 1972 |
| Owner | completely owned by the Government of India |
| Official Tagline | "Trusted Since 1906" |
| Company Type | Public Sector General Insurance Company |
| Headquarters | Kolkata, West Bengal, India |
| Present CEO | K Sanath Kumar |
| Product Range | 200+ Policies offered |
| Number of Offices | around 2000 |
| Number of Employees | 16000 (approx) |
| Operates in | India & Nepal |
| Serving Region | South Asia |
| Total assets | 8,867 Crores (US$1.4 billion) |

National Insurance Company provides over 200 products to almost every industry or sectors present in the Indian market viz. Telecom, Aviation, Banking, Power, Information Technology, Agronomy, Oil & Power, Healthcare, Education, Tea, Environment, Automobile, Foreign Trade, Space Research etc. These services offered by NIC have significant value in the Indian economy. National Insurance policies have some unique qualities that separate them from all other insurance policies offered by different insurers in India.

**Oriental Insurance**

The Oriental Insurance Company Ltd. was incorporated at Mumbai on 12th September 1947. The Company was a wholly owned subsidiary of The Oriental Government Security Life Assurance Company Ltd and was formed to carry out General Insurance business. The Company was a subsidiary of Life Insurance Corporation of India from 1956 to 1973 ( till the General Insurance Business was nationalized in the country). In 2003 all shares of our Company held by the General Insurance Corporation of India were transferred to the Central Government.

The Company is a pioneer in laying down systems for smooth and orderly conduct of the business. The strength of the Company lies in its highly trained and motivated work force that covers various disciplines and has vast expertise. Oriental specializes in devising special covers for large projects like power plants, petrochemical, steel and chemical plants. The Company has developed various types of insurance covers to cater to the needs of both the urban and rural population of India. The Company has a technically qualified and competent team of professionals to render the best customer service.

Oriental Insurance: Made a modest beginning with a first year premium of Rs.99,946 in 1950. The goal of the Company was “Service to clients” and achievement thereof was helped by the strong traditions built up overtime.

ORIENTAL with its Head Office at New Delhi has 30 Regional Offices and nearly 1800+ operating offices in various cities of the country. The Company has overseas operations in Nepal, Kuwait and Dubai and has a total strength of around 13500 employees. From less than a lakh at its inception, the gross premium went up to Rs.58 crores in 1973 and at the end of the year 2017-18 the premium figure stood at Rs.11452  crores.

**life Insurance Corporation of India**

The story of insurance is probably as old as the story of mankind. The same instinct that prompts modern businessmen today to secure themselves against loss and disaster existed in primitive men also. They too sought to avert the evil consequences of fire and flood and loss of life and were willing to make some sort of sacrifice in order to achieve security. Though the concept of insurance is largely a development of the recent past, particularly after the industrial era – past few centuries – yet its beginnings date back almost 6000 years.  
  
Life Insurance in its modern form came to India from England in the year 1818. Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian Soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu Muttylal Seal, the foreign life insurance companies started insuring Indian lives. But Indian lives were being treated as sub-standard lives and heavy extra premiums were being charged on them. Bombay Mutual Life Assurance Society heralded the birth of first Indian life insurance company in the year 1870, and covered Indian lives at normal rates. Starting as Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. Bharat Insurance Company (1896) was also one of such companies inspired by nationalism. The Swadeshi movement of 1905-1907 gave rise to more insurance companies. The United India in Madras, National Indian and National Insurance in Calcutta and the Co-operative Assurance at Lahore were established in 1906. In 1907, Hindustan Co-operative Insurance Company took its birth in one of the rooms of the Jorasanko, house of the great poet Rabindranath Tagore, in Calcutta. The Indian Mercantile, General Assurance and Swadeshi Life (later Bombay Life) were some of the companies established during the same period. Prior to 1912 India had no legislation to regulate insurance business. In the year 1912, the Life Insurance Companies Act, and the Provident Fund Act were passed. The Life Insurance Companies Act, 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary.

**CHAPTER – III**

**COMPANY PROFILE**

**INTRODUCTION**

**Company Profile**

### About United India Insurance Company

United India Insurance Company Limited was incorporated as a Company on 18th February 1938. General Insurance Business in India was nationalized in 1972. 12 Indian Insurance Companies, 4 Cooperative Insurance Societies and Indian operations of 5 Foreign Insurers, besides General Insurance operations of southern region of Life Insurance Corporation of India were merged with United India Insurance Company Limited. After Nationalization United India has grown by leaps and bounds and has 18300 work force spread across 1340 offices providing insurance cover to more than 1 Crore policy holders. The Company has variety of insurance products to provide insurance cover from bullock carts to satellites.

United India has been in the forefront of designing and implementing complex covers to large customers, as in cases of ONGC Ltd , GMR- Hyderabad International Airport Ltd, Mumbai International Airport Ltd Tirumala-Tirupati Devasthanam etc. We have been also the pioneer in taking Insurance to rural masses with large level implementation of Universal Health Insurance Programme of Government of India & Vijaya Raji Janani Kalyan Yojana ( covering 45 lakhs women in the state of Madhya Pradesh) , Tsunami Jan Bima Yojana (in 4 states covering 4.59 lakhs of families) , National Livestock Insurance and many such schemes.

We have also made our presence in more than 200 tier II & III towns and villages through our innovative Micro Offices.

**Insurance Regulatory and Development Authority**

Insurance Regulatory and Development Authority of India(IRDAI) is a statutory body set up for protecting the interests of the policyholders and regulating, promoting and ensuring orderly growth of the insurance industry in India.

**Brief History of IRDAI**

* 1991: Government of India begins the economic reforms program and financial sector reforms
* 1993: Committee on Reforms in the Insurance Sector, headed by Shri R. N. Malhotra (Retired Governor, Reserve Bank of India) set up to recommend reforms in insurance sector.
* 1994: Malhotra Committee recommends reforms after studying the insurance sector and taking inputs from all the stakeholders. Key recommendations of Malhotra Committee are
* Private sector company should be allowed to promise insurance companies.
* Foreign promoters should also be allowed
* Government to vest its regulatory powers on an independent regulatory body answerable to Parliament
* 1996: Setting up of an interim body called the Insurance Regulatory Authority
* 1999: Enactment of the Insurance Regulatory and Development Authority of India(IRDAI) Act, 1999
* 2000: Formation of the Insurance Regulatory and Development Authority of India as an autonomous regulatory body on 19.4.2000

Since 2000, IRDAI has been serving as an independent regulatory authority for the insurance industry and to instill confidence among the policyholders in the financial viability of the insurance companies. IRDAI has been playing a pivotal role in the insurance sector with a fundamental commitment to discharge its mandate for orderly growth of insurance sector.

## **Procedure Followed In The Decision Making Process Including Channels Of Supervision And Accountability**

Procedure Followed In The Decision Making Process Including Channels Of Supervision And Accountability

The decision making process of the Company is through the following Channels

BOARD OF DIRECTORS

CHAIRMAN-CUM-MANAGING DIRECTOR

GENERAL MANAGERS

EXECUTIVES

Overall management of the Company is vested with the Board of Directors of the Company. The Board of Directors is the highest decision making body within the Company.

The United India Insurance Company Limited being a Public Sector Undertaking (PSU) the Board of Directors of the Company is accountable to the Government of India.

The Powers which are not delegated are exercised by the Board of Directors subject to the restrictions and provisions of the Companies Act 1956 Insurance Act-1938 General Insurance Business (Nationalisation) Act 1972 (since amended in 2002) and IRDA Act-1999.

**United India Insurance – Product & Services**

The story of insurance is probably as old as the story of mankind. The same instinct that prompts modern businessmen today to secure themselves against loss and disaster existed in primitive men also. They too sought to avert the evil consequences of fire and flood and loss of life and were willing to make some sort of sacrifice in order to achieve security. Though the concept of insurance is largely a development of the recent past, particularly after the industrial era – past few centuries – yet its beginnings date back almost 6000 years.  
  
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**United India Health Insurance**

It is a wel-known company in the general insurance industry . It carries a good market reputations and has maintained the same for over a long period of time. The company offers effective health products. It has a wide range of products so that you can easily choose the best one as per your needs. With many options it is easier for you to get the best suited one. The helpful products offered by this company will allow you to deal with any unwanted medical emergency.

**Travel Insurance**

Like other categories the company the company is offering wide range of travel insurance products. You can buy it for single trip or multiple trips. There are special plans for students who stayed abroad for studies. All plans come with attractive and effective features.

**Home Insurance**

Home is the most valued thing in a person’s life and securing the same is also essential. Thus with the understanding of the same concept, United India Insurance is offering a wide range of home insurance products that would easily go well with your needs.

**Business Insurance**

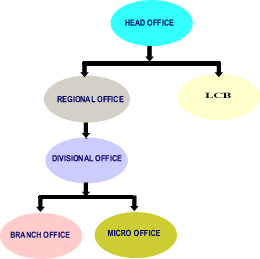
An effective product for all types of business owners. Securing the business are always been a smart choice as that the protects you and your business from unwanted situation or losses. You must consider buying one for your business if not already bought. Apart from the above most popular plans the company is dealing with the several other products as well such as shop keepers policy marine insurance, liability insurance and much more. It is advisable for all consumer to first understand their needs of having an insurance policy and then go for it. With you will be able to save a lot of money and time as well.

## **Organizational Structure**

|  |  |
| --- | --- |
| Type of Office | Nos. |
| Head Office | 1 |
| Corporate Learning Centre | 1 |
| Regional Offices | 30 |
| Large Corporate & Brokers Unit(LCB) | 8 |
| Divisional Offices | 432 |
| Branch Offices | 677 |
| Micro Offices | 1034 |
| Service Hubs | 67 |
| Total | 2248 |

**Employee Strength (approx)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| CLASS I | CLASS II | CLASS III | CLASS IV | TOTAL |
| 4834 | 1953 | 8158 | 2416 | 17361 |

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**CHAPTER – IV**

**FUNCTIONAL DEPARTMENT**

**Vigilance Department**

### **Procedure for Lodging Complaints**

* Complaints against Employees and Officials of our Company can be lodged with CVO.
* Complainants to mention their Name, Address and Contact Phone / Mobile Numbers, since Company does not entertain Anonymous / Pseudonymous Complaints as per CVC guidelines.
* Complaints must contain Factual details and Verifiable facts so as to facilitate Investigation and disposal. Complaints with Sweeping Remarks & Vague allegations are liable to be filed
* Please ensure that the Complaint is addressed directly to CVO and all Correspondence will be treated as 'Strictly Confidential'.

**Information Technology Department**

* UIIC has IT department In all branches
* The purpose of IT department is to maintain all systematic works
* IT department is a private company inside of the UIIC
* HCL company provides all the systems and networking assembling systems
* The IT will provide all systems and other equipments,
* Maintaining software and hardware networking connections.

**Personal Department**

* **Recruitment**
* **Promotion**
* **Transfer**
* **Retirement**
* **Termination**
* **Voluntary Retirement**

**Recruitment**

As per Rule a candidate should get pass in Insurance exam and select in interview session, then only that candidate will be get the job in that company

**Promotion**

Employers promotion exam will be applicable once in three years if the employer wants to get promotion should atten the exam and get pass

**Transfer**

When the employer got the promotions that employee can work only 5 years in that branch after that employer will transfer to other city , if the employee want get transfer before 5 years that employee will transfer to the other branch inside of home town.

**Retirement**

Employee will be retired in the age of 60.

**Termination**

Employee will fire from the company for doing any criminal offense.

**Retirement Voluntary**

Employee can take voluntary Retirement but with the valuable reason.

**A**nd the personal department are maintaining the Employee salary and

Pension for Retired Employers and Employees.

**Accounts Department**

An accounting department provides accounting services and financial support to the organization it belongs to. The department records accounts payable and receivable, inventory, payroll, fixed assets and all other financial elements. The department's accountants review the records of each department to determine the company's financial position and any changes required to run the organization cost-effectively.

**Tip**

An accounting department is a dedicated team of specialists who manage the finances of an organization. While not every member of the team will be a certified public accountant, team members will generally have training in bookkeeping processes and procedures. By developing an accounting department, a company can help ensure full transparency in its financial transactions, while also providing specialized, centralized support to other teams and managers. Quality financial management can help ensure the ongoing health of a business

## **Accounts Payable and Receivable**

The accounts payable section of an accounting department records goods and services that it receives and the payments it owes, such as inventory from a supplier or other expenses. The department records each accounts payable as a liability and accounts receivable as assets. Assets such as revenue and customers’ obligations pay for goods and services.

## **Payroll and Monitoring Employees' Time Off**

The payroll function of an accounting department ensures that the organization pays its employees accurately, including bonuses, commissions and benefits. The department monitors employees' time off, vacation and sick days. It pays the government taxes as well as union dues and other withholding from an employee's paycheck. The department reimburses employees for expenses and makes payments to vendors.

## **Inventory Cost Management**

A company's inventory is the goods owned for the purpose of sale. Inventory is usually sold within a year. An accounting department watches the cost of inventory over a specific period against its revenues to ensure that the cost of raw materials, labor and overhead do not negatively impact cash flow. The accounting department tries to find a balance between high inventory levels that satisfy customers but are costly to the company and low inventory levels that satisfy the company's expenses but may dissatisfy customers

## **Recording Fixed Assets**

In order to function effectively, a company may need machinery, equipment, vehicles and other fixed assets it uses over several years. The accounting department is responsible for recording fixed assets on a balance sheet with depreciation. Fixed assets could be intangible – such as goodwill or a trademark – or tangible – such as machinery. As the company needs an upgrade to remain competitive, its financial statements will determine what the business can afford.

**Medical Claim Department**

Working and retired premium yearly once claim service only for employee payment by TPA (Third Party Administrator)

**Formalities for a health insurance claim**

You can make a claim under a Health insurance policy in two ways

1. Cashless basis and
2. Reimbursement basis

**On a Cashless basis**

For a claim on cashless basis, your treatment must be only at a network hospital of the Third Party Administrator (TPA) who is servicing your policy. You have to seek authorisation for availing the treatment on a cashless basis as per procedures laid down and in the prescribed form. Please read the policy document as soon as you receive it to familiarise yourself with the process rather than wait for a claim to arise.

**Claims on reimbursement basis**

Read the clause relating to claims in your policy document as soon as you receive it to ensure that you understand the procedure and the documents required for making a claim on reimbursement basis. When a claim arises you should inform the insurance company as per procedures required. After hospitalisation, you have to ensure that you obtain and keep ready documents such as claim form, discharge summary, prescriptions and bills that you should submit for a claim

**TPA (Third Party Administrator) Department**

Third-party insurance is an insurance policy purchased for protection against the claims of another. One of the most common types is third-party insurance is [automobile insurance](https://www.investopedia.com/terms/a/auto-insurance.asp). Third-party offers coverage against claims of damages and losses incurred by a driver who is not the insured, the principal, and is therefore not covered under the insurance policy. The driver who caused damages is the third party.

### **The Basics of Third-Party Insurance**

Third-party insurance is essentially a form of [liability insurance](https://www.investopedia.com/terms/l/liability_insurance.asp) purchased by an insured (first party) from an insurer (second party) for protection against the claims of another (third party). The first party is responsible for their damages or losses, regardless of the cause of those damages.

There are two types of automobile third-party liability coverage. First, bodily injury liability covers costs resulting from injuries to a person. These injuries' costs could include expenses like hospital care, lost wages, and pain and suffering due to the accident. Second, property damage liability covers costs resulting from damages to or loss of property. Examples of property damage include the payment to replace landscaping and mailboxes, as well as compensation for loss of use of a structure.

### **KEY TAKEAWAYS**

* Third-party insurance covers an individual or firm against a loss caused by some third-party.
* An example is automobile insurance that will indemnify the insured if another driver causes damage to the insured's car.
* The two main categories of third-party insurance are liability coverage and property damage coverage.

### **Third-party insurance significance**

As required by law, drivers must carry at least a minimal amount of bodily injury liability and property damage liability coverage. A few states do not require both or have other limitations. Each state sets its minimum requirement for each type of coverage.

Even in “no-fault” states, liability coverage is all but essential. No-fault laws were established to reduce or eliminate ordinary injury lawsuits affixed with low-dollar price tags and an overwhelming number of claims for pain and suffering. Still, no-fault laws do not protect the insured from million-dollar injury lawsuits stemming from seriously injured third parties.

Both types of third-party insurance are important, specifically for individuals, such as homeowners, with substantial assets to protect. The more money and assets an insured has, the higher the limit should be for each type of liability coverage

### **Other Types of Third-Party Liability Insurance**

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In most countries, third-party or liability insurance is [compulsory insurance](https://www.investopedia.com/terms/c/compulsory-insurance.asp) for any party that may potentially be sued by a third party. Public liability insurance involves industries or businesses that take part in processes or other activities that may affect third parties, such as subcontractors, architects, and engineers. Here, the third-party can be visitors, guests, or users of a facility. Most companies include public liability insurance in their insurance portfolio to protect against damage to property or personal injury.

Product liability insurance is typically mandated by legislation, the scale of which varies by country and often varies by industry. This type of insurance covers all major product classes and types, including chemicals, agricultural products, and recreational equipment; and protects companies against lawsuits over products or components that cause damage or injury.

**Own Damage**

**Own damage** car **insurance** covers the **damages** on your car while you are on the road. This is sometimes referred to as “collision **insurance**” or “**own damage** and theft.” There are two areas that this **coverage** includes: **damage** to your **own** car through an accident, and **insurance** against theft.

**Own Damage** (OD) Cover

Thus, as your car grows older, the IDV decreases. The **premium** for OD cover is**calculated** as a percentage of IDV as decided by the Indian Motor Tariff. Thus, formula to **calculate** OD **premium** amount is: **Own Damage premium** = IDV X [**Premium** Rate (decided by insurer)] + [Add-Ons (eg.

**How Premium Calculated**

The amount of insurance **premiums** charged by the insurance companies is**determined** by statistics and mathematical **calculations** done by the underwriting department of the insurance company. The level of insurance **premium** charged to a customer depends on statistical data that exists about life history, age and health.

**Basically, your life insurance premium consists of four key elements**

Mortality amount (“natural premium”);

Expenses element;

Investment element; and.

Contingency provision.

Dealing with accident happened around the office located place

In Madurai UIIC has several branches in Madurai but the Own Damage is only in Regional office

So they deals with accident happened around the Madurai and the policy issued at Madurai.

**Settlement**

* Settlement
* Intimation
* Driver Statement

## **Marketing of Insurance**

First of all, it’s important to understand the strengths of your agency and what makes your insurance company different than all the rest. Look at the plans you offer and the price points, of course, but also evaluate your customer service side as well. Being able to provide friendly, helpful tech support and answer most questions customers have about insurance plans is becoming as important to some customers as the cost of the plan itself. Having a system in place that ensures current and potential customers can get information quickly — since today’s world moves faster than ever — can be a key strength separating one agency from another.

The marketing strategy will want to focus on these strengths in a way that allows the message to be about those advantages. Consider your resources and your team. An incredibly efficient agency might focus on the speed with which they can get answers quickly; an agency with a lot of industry contacts might focus on the variety of insurance packages they can offer.

# **The Structure of the Insurance Market**

The insurance market has evolved from the establishment of the first automobile insurance policy to the various types of life insurance products that are available today. The insurance market has a structure that involves property and casualty insurers, life insurers as well as health insurers. Each of these types of insurers have regulations that apply to the policies that they provide. Insurers are regulated by a combination of state and federal laws, depending on the type of insurance they offer.

# **Middle Market Insurance**

# Middle market insurance does not have an exact definition, but it generally describes business insurance for mid-size companies. These companies, referred to as "middle-market" companies, may have total insurance premiums anywhere from $25,000 to $3 million or more in insurance premiums. Middle market insurance clients may seek middle market brokers and providers who may understand and meet their needs better than large providers.

**CHAPTER – V**

**SWOT ANALYSIS & SUGGESTIONS**

**SWOT Analysis of Insurance Secto**r

**Strength**

**New Projects**

A range of new products had been launched to cater to different segment of the market while traditional agents were supplemented by others channels including the internet and bank branches

**Business Growth**

These development were instrumental in propelling business growth in real terms of 19% in life premiums and 11.1% in non life permission between 1999 and 2003

**Rise In Per Capital Income**

India is a large population with an increase in per capita income

**Emerging Middle Income Group**

India’s middle income group rapidly increasing and emerging and would be emerging as a profitable market.

**Weakness**

**Low Investment**

India is among the lowest-spending nations in asia in respect of purchasing insurance (china with spent USD 36.3 per capita on insurance product & Indian spent USD 16.4)

**Dominance Of Public Sectors**

Even after the liberalization of the insurance sector the public sector companies have continued to dominate the insurance market

**Promotion as a Barrier**

In the long run other forms of non price competition like aggressive advertisement were as likely to lead increasing costs eventually harming the interest of the consumers

**Old Traffic Structure**

A key challenge for Indians non life insurance sector will be reform the existing traffic structure. From a pricing perspective the Indian non life segment is still heavily regulated

**Limited Facilities**

Reinsurance in only provide by GIC Therefore limited facilities hampers the insurance sector

**Opportunities**

Creation of Stronger Demand

India’s improving economic fundamental will support faster growth in per capita income in the coming years which will translate into stronger demand for insurance product

**Strong Future Growth**

String growth can be sustained for for 30 to 40 years before the market reaches the saturation. There is plenty room of growth in personal accident health and other liability classes

**Rise In Income Awareness**

Rising household income and risk awareness will be the key catalysts to spurring more demand for these lines of business in the future

**Health Insurance**

Health Insurance could potentially have an important role in driving insurance market development forward

**SUGGESSIONS**

* **Proper underwriting and**
* **cd settlements of claims**
* **Proper investments**

**CHAPTER – VI**

**CONCLUTION**

**CONCLUSION**

The organizational functions within the various departments are being carried out in an effective manner. The relationship of the customers with the management system are carried out thoughtfully .When the above suggestions are implemented the organization market can be stretched and many new customers can be attracted. This can enable the organization to achieve higher targets and attain increased profits.