

Customer perception of Bancassurance: A Survey

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Abstract

Bancassurance as a channel of selling insurance has fast gained momentum in the Indian insurance scene. The customer, who is at the receiving end of the services jointly provided by the banks and insurance companies is influenced by a number of factors while making the purchase and looks out for different parameters to judge his satisfaction levels. The present study analyses the factors affecting the buying behaviour and satisfaction level from bancassurance of 400 respondents from 4 cities of Punjab. After agents, banks are the preferred medium of buying insurance because of banks commitment, cost effectiveness, return on investment. Also, given the benefits of updated policy information and ease in premium payments and claims receiving, a majority of the customers are willing to purchase their future insurance policies through the bancassurance mode. Hence, conveying that future of bancassurance can be bright in India too if the tying up companies can channelise their efforts effectively to tap the customer's needs.

Keywords: Insurance intermediary, Bancassurance, purchase decision, Service quality, satisfaction,

1. Introduction

Services are processes of activities aiming to provide solutions to customers' problems, with most other characteristics of service being consequences of their process nature (Gronroos, 2000; 2001). The essence of services is "intangibility" although certain tangible elements may be included (Zeithamal et al., 1990) and it is this intangibility that leads customers to perceive services in subjective and highly abstract ways (Gronroos, 2000). Insurance is an intangible service wherein the actual benefit of utility and hence the resultant satisfaction can be assessed only after the contingency has happened and the claim has arisen. Similarly, although banking is also a service, it has some element of tangibility in terms of ambience of the area, the comfortable location and set-up of the bank, etc. For life insurance companies, customers satisfaction is a function of safety, trust, product selection and appropriate handling of paper- work by the insurer (Kuhlemeyer and Allen 1999). While for banks, general satisfaction, trust, reliability and professionalism are the parameters of measuring customer satisfaction (Dash and Mahapatra, 2010). Hence combining the tangible and intangible is expected to reap higher benefits for both and this is what has been envisioned with bancassurance tie-ups.

In the entire framework, it is the customer who is at the receiving end and is the ultimate authority to evaluate the effectiveness of the entire mechanism by his level of satisfaction and dissatisfaction. On the part of the customer, there are various factors that play an important role in making the choice of an insurance product or company. The product factor, the promotional effort by the company, the customers expectations, the service quality of the provider and the risk-return factor of the product influence the customers's preference while purchasing an insurance policy (Chakraborty, 2006). A customer also prefers a company which gives more returns, charges lesser premiums, creates awareness about the products and associated benefits and offers a variety of insurance policies to choose from (Devasenathipathi et al 2007). The factors of brand image, returns from the policy, relationship with the selling intermediary, benefits from the product – tax saving, high growth, meeting future exigencies etc. are the other deciding factors influencing their purchase – whether from a private seller or the LIC (Raju, 2009). In bancassurance, it is "relative advantage, complexity, compatibility, trialability and observability" that lead to acceptance of the customer towards bancassurance (Boon et al., 2012). In addition to providing a comprehensive financial service under one roof, bancassurance benefits customers with better service quality, advice on financial planning, credibility, transparency in dealings, ease of renewals, electronic banking and the like (Kumaraswamy, 2012)

In a study conducted to study the factors indicating customer satisfaction regarding bancassurance channel w.r.t public and private bancassurance customers, it was concluded that "word of mouth publicity"; "cost to quality worthiness"; and "post purchase action" are the important satisfying factors. Improvements in service quality by understanding the customer requirements and expectations, further enhancing customers purchase intentions and

retaining their loyalties have become vital for financial institutions (Bishnoi and Dhillon, 2010). In another study conducted on 200 respondents of Jabalpur district, to know the level of customer awareness, satisfaction and perception towards buying life insurance products from bancassurance, it was found that 41percent of the respondents buy from banks because of trust; 24 percent buy because of convenience; while 19 percent buy it for the reason of easy accessibility whereas only 16percent of the respondents looked for expert advice from the bank staff in purchasing an insurance policy from the Bank (Tiwari and Yadav, 2012) .

2. Objectives

1. To study the awareness level of customers regarding banks selling insurance products.
2. To study the factors affecting buying behaviour of customers in purchasing the insurance policies through the banks
3. To compare the type of policies customers purchase from the banks.
4. To compare the satisfaction level of customers purchasing insurance policies through banks in different cities
5. To analyse the future buying pattern of the customers for insurance policies

		Amritsar		Patiala		Ludhiana		Chandigarh		Total	
		No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Age (years)	25-35	28	28.00	22	22.00	42	42.00	40	40.00	132	33.00
	35-45	56	56.00	67	67.00	22	22.00	46	46.00	191	47.75
	45-55	16	16.00	10	10.00	28	28.00	10	10.00	64	16.00
	55-65	0	0.00	0	0.00	8	8.00	4	4.00	12	3.00

3. Methodology:

To study the customer perception and satisfaction regarding Bancassurance as a medium of insurance distribution, a non – disguised questionnaire has been made comprising all relevant questions from all aspects of the study. A stratified sample of 400 customers of Life and Non – life insurance from the cities of Chandigarh, Ludhiana, Patiala and Amritsar dealing with the selected companies has been taken. The analysis of data has been done using statistical techniques like average, Chi Square test, F-test, Anova and Tukey’s test of significance etc.

4. The Data

4.1 Socio-Economic Profile of the Customers:

Before going for discussion on customers’ perception about bancassurance, it is relevant here to have an overview of the socio-economic profile of the customers. The socio-economic profile of customers may have direct or indirect bearings on their perceptions about bancassurance.

Table 1. Socio- Economic profile of the Customers

Gender	Male	80	80.00	96	96.00	72	72.00	62	62.00	310	77.50
	Female	20	20.00	4	4.00	28	28.00	38	38.00	90	22.50
Occupation	Business	28	28.00	30	30.00	24	24.00	18	18.00	100	25.00
	Service	44	44.00	46	46.00	48	48.00	44	44.00	182	45.50
	Professional	20	20.00	24	24.00	28	28.00	26	26.00	98	24.50
	Housewife	8	8.00	0	0.00	0	0.00	12	12.00	20	5.00
Income (Rs./Annum)	Rs. 1-5 lakh	32	32.00	8	8.00	32	32.00	38	38.00	110	27.50
	5-10 lakh	46	46.00	82	82.00	40	40.00	50	50.00	218	54.50
	10-15 lakh	22	22.00	8	8.00	24	24.00	10	10.00	64	16.00
	>15 lakh	0	0.00	2	2.00	4	4.00	0	0.00	6	1.50

The information given in Table 1 shows that the highest proportion i.e. 47.75 percent of the total respondents are in the age group of 35-45 years of age, followed by 33.00 percent in the age group of 25-35 years. Similar was the pattern in different cities except Ludhiana where the highest proportion i.e. 42.00 percent of the respondents belonged to the age group of 25-35 years. Based on gender, it is found that 77.50 percent of the total respondents are males while the remaining 22.50 percent are females. The highest proportion i.e. 45.50 percent of the total respondents was doing some sort of job either in public sector or in private sector. This occupation was followed by business (25.00%). Only 5 percent of them are housewives. Service was observed to be the most common occupation among customers of bancassurance in all the cities.

Table 1 also indicates that majority i.e. 54.50 percent of the total respondents are enjoying an annual income of Rs. 5 lakh to 10 lakh, followed by Rs. 1 lakh to 5 lakh (27.50%) and Rs. 10 lakh to 15 lakh (16.00%). There are only 1.50 percent of the total respondents who could enjoy an annual income of above Rs. 15 lakh.

4.2 Knowledge of Customers about Company Selling through Banks

The information contained in Table 2 indicates that a vast majority i.e. 85.50 percent of total respondents are equipped with the knowledge that their insurance company was selling the insurance through banks.

Table 2: Distribution of respondents according to their knowledge about company selling insurance through banks

Knowledge	Amritsar		Patiala		Ludhiana		Chandigarh		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Yes	90	90.00	86	86.00	86	86.00	80	80.00	342	85.50
No	10	10.00	14	14.00	14	14.00	20	20.00	58	14.50
Chi-square = 4.11 d.f. = 3										

The pattern of knowledge was observed to be similar in all the selected cities as indicated by the chi-square value of 4.11. The analysis establishes that the customers are generally aware of the fact that the insurance companies use banks as intermediaries to sell their products.

Also, 74.00 percent of the total respondents reported that the bank officials are their main source of information about bancassurance. This source was followed by company officials (34.50%). The least common sources of knowledge about bancassurance are agents (5.50%).

Table 3: Source of knowledge about bancassurance among respondents

Source of Knowledge	Amritsar		Patiala		Ludhiana		Chandigarh		Total	
	No.	%age	No	%age	No.	%age	No.	%age	No.	%age
Media	30	30.0	8	8.00	18	18.0	16	16.00	72	18.0
Company Officials	42	42.0	48	48.0	20	20.0	28	28.00	138	34.5
Bank Officials	78	78.0	80	80.0	62	62.0	76	76.00	296	74.0
Friends/Relatives	16	16.0	16	16.0	16	16.0	10	10.00	58	14.5
Agents	4	4.00	2	2.00	8	8.00	8	8.00	22	5.50
Literature	2	2.00	0	0.00	28	28.0	18	18.00	48	12.0

4.3 Policy through Banks

A perusal of Table 4 shows that 58.50 percent of total respondents purchased the insurance policy through banks while the remaining 41.50 percent purchased the same from other sources

Table 4: Distribution of respondents according to having a policy through bank

Having Through Bank	Amritsar		Patiala		Ludhiana		Chandigarh		Total	
	No.	%age	No	%age	No	%age	No.	%age	No.	%age
Yes	40	40.00	48	48.00	72	72.0	74	74.00	234	58.5
No	60	60.00	52	52.00	28	28.0	26	26.00	166	41.5
Chi-square = 36.04** d.f. = 3										

In Amritsar and Patiala, only 40.00 and 48.00 percent of the respondents respectively purchase the policy through banks while this proportion is 72.00 and 74.00 percent in Ludhiana and Chandigarh respectively. The pattern of purchasing insurance policy through banks differs significantly in different cities as conveyed by the chi-square value of 36.04. This reveals that customers of Ludhiana and Chandigarh are highly learned about the bancassurance as compared to their counterparts in Amritsar and Patiala.

4.4 Reasons for not Purchasing Insurance through Banks

Table 5: Extent of agreement on the reasons for not purchasing a policy from banks

Reasons	Amritsar		Patiala		Ludhiana		Chandigarh		F-ratio	Tukey's significance
	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
Do not have knowledge about Banks selling Insurance	3.10	1.37	3.08	1.26	2.26	0.68	2.37	0.79	2.79*	1/3,1/4 2/3,2/4
I am satisfied with my agent	3.58	0.89	3.63	0.79	3.90	0.32	3.92	0.64	1.38	NS
The processing time will be too long	3.68	0.75	3.70	0.72	3.20	0.42	3.46	0.78	3.13*	1/3,1/4, 2/3,2/4
I believe 2 bosses cannot serve	3.84	0.64	3.37	1.01	3.70	0.48	3.23	0.93	3.24*	1/2,1/4 3/2,3/4
The Documentation formalities will increase	3.60	0.70	3.77	0.83	3.23	1.06	3.26	1.10	3.32*	1/3,1/4 2/3,2/4
There will be difficulty in claim settlement	3.70	1.06	3.62	0.87	3.16	1.07	3.11	1.12	2.64*	1/3,1/4 2/3,2/4
My agent fully understands my needs	3.65	0.84	3.56	0.85	3.90	0.32	3.69	0.85	1.41	NS
My bank does not provide it	3.23	0.99	2.89	1.01	2.78	1.08	3.08	1.12	1.56	NS
My agent gives me extra discounts	3.65	0.75	3.89	0.58	3.70	0.67	3.68	0.77	1.62	NS
Banks sell tied insurance products	3.00	1.00	3.37	0.93	3.42	0.48	3.31	0.63	1.74	NS
The premium rate charged will be more	2.77	0.84	3.04	0.94	3.40	0.70	3.15	0.90	1.47	NS

There are 60, 52, 28 and 26 percent of the respondents in Amritsar, Patiala, Ludhiana and Chandigarh respectively who did not purchase insurance through the banks. The analysis reveals that the extent of agreement on bank related demerits like not having knowledge about bancassurance, longer processing time in banks, increase in documentation facilities in banks and difficulty in claim settlement through banks was higher among customers from Amritsar and Patiala as compared to those from Ludhiana and Chandigarh. This shows that the customers of Ludhiana and Chandigarh are highly in favour of purchasing insurance through banks in comparison with those of Amritsar and Patiala.

4.5 Type of Policy Purchased through Banks

The distribution of respondents who purchased insurance policy through banks according to the type of policy they purchased is given in Table 6.

Table 6: Distribution of respondents according to type of policy purchased from bank

Type of Policy	Amritsar (40)		Patiala (48)		Ludhiana (72)		Chandigarh (74)		Total (234)	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Life insurance	21	52.50	27	56.25	46	63.89	42	56.76	136	58.12
General insurance	13	32.50	10	20.83	10	13.89	22	29.73	55	23.50
Both	6	15.00	11	22.92	16	22.22	10	13.51	9	3.85

Out of total 234 respondents, majority i.e. 58.12 percent purchased life insurance policies through banks, followed by general insurance policies (23.50%) and both life and general insurance policies (3.85%). City wise analysis showed that majority of the respondents purchased life insurance policies through banks. This proportion came to be 52.50, 56.25, 63.89 and 56.76 percent in Amritsar, Patiala, Ludhiana and Chandigarh respectively. Thus, life insurance policies are more popular through bancassurance as compared to the general insurance policies.

4.6 Methods of Selling Policies by Banks

There are 40, 48, 72 and 74 respondents in Amritsar, Patiala, Ludhiana and Chandigarh respectively who purchased the insurance policy through bank, totalling 234 respondents out of 400. These respondents are asked the methods how the insurance policy was sold to them by the bank. Their multiple responses are given in the Table below.

Table 7: Methods of selling the policy by the bank

Methods	Amritsar (40)		Patiala (48)		Ludhiana (72)		Chandigarh (74)		Total (234)	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Asked for it	4	10.00	10	20.83	14	19.44	40	54.05	68	29.06
Tied with product	14	35.00	8	16.67	22	30.56	26	35.14	70	29.91
Special privilege offer	14	35.00	22	45.83	28	38.89	30	40.54	94	40.17
Discount benefit	18	45.00	10	20.83	14	19.44	22	29.73	64	27.35
Forced upon	4	10.00	4	8.33	12	16.67	12	16.22	32	13.68

The information indicates that the “special privilege offer” by the banks emerged as the most common method adopted by the banks to sell insurance policies which was reported by 40.17 percent of the total 234 respondents. This method was followed by “policy tied with other banking product” such as term deposit, personal loan, housing loan, etc. (29.91%) and the respondents themselves asked to purchase an insurance policy from the bank in 29.06 percent of the cases. The lowest proportion i.e. 13.68 percent of total respondents reported that the insurance policy was forced upon them by the bank in lieu of getting some privilege, followed by discount benefit on loan, policy, etc. (27.35%).

4.7 Insurance Policy Tied with the Products

Table 8: The product with which the insurance policy was tied through the bank

Product tied with	Amritsar		Patiala		Ludhiana		Chandigarh		Total	
	No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
Personal Loan	16	16.00	12	12.00	12	12.00	22	22.00	62	15.50
Housing Loan	12	12.00	10	10.00	28	28.00	16	16.00	66	16.50
Vehicle Loan	20	20.00	16	16.00	8	8.00	13	13.00	57	14.25
Credit Limit	2	2.00	6	6.00	2	2.00	8	8.00	18	4.50
Credit Card	6	6.00	6	6.00	14	14.00	11	11.00	37	9.25
Total	56	56.00	50	50.00	64	64.00	70	70.00	240	60.00
Not Tied	44	44.00	50	50.00	36	36.00	30	30.00	160	40.00

The highest proportion i.e. 16.50 percent of the total respondents reported that the insurance policies are tied to the housing loan, followed by personal loan (15.50%) and vehicle loan (14.25%). The lowest proportion i.e. 4.50 percent of the total respondents reported that the insurance policies are tied to credit limit, followed by credit card (9.25%).

4.8 Importance of Different Factors Affecting Purchase Decision

The respondents are asked to explain the level of importance of different factors that affect their decision of purchasing insurance policies through banks

Table 9: Importance of different criteria that affect the purchase decision of respondents while buying an insurance policy from bank

Criteria	Amritsar		Patiala		Ludhiana		Chandigarh		F-ratio	Tukey's significance
	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
Convenience	4.04	0.53	3.96	0.60	3.86	0.97	3.42	0.93	1.57	NS
Location	3.46	1.11	3.40	1.21	3.56	0.99	3.08	1.03	1.25	NS
Trust	4.56	0.50	4.64	0.48	4.32	0.79	4.32	0.55	1.43	NS
Brand Image	3.88	1.21	4.22	1.25	3.98	1.06	3.78	1.23	1.56	NS
Professionalism	4.42	0.61	4.38	0.95	3.98	0.94	3.58	1.01	2.11	NS
Commitment	4.72	0.45	4.54	0.50	4.40	0.76	4.40	0.53	1.63	NS
Cost	4.78	0.46	4.84	0.37	4.26	0.80	4.58	0.64	1.16	NS
Return on Investment	4.88	0.33	4.80	0.40	4.34	0.85	4.70	0.54	1.76	NS
Relation with the sales force	3.98	0.47	3.74	0.72	3.48	0.81	3.32	0.91	2.21	NS
Helps build rapport	3.62	0.70	3.54	0.73	3.30	0.71	3.14	0.90	2.13	NS

The comparison of level of importance reveals that there is no significant difference in the level of importance among respondents from the 4 selected cities. All the factors depicted the similar trend in all the cities. Thus it can be said that though there was slight variations in the most and least important factors in different cities, but the level of importance came to be similar. The level of importance of different factors ranged between 'extremely important to neutral' in Amritsar, Patiala and Chandigarh while it ranged between 'fairly important to neutral' in Ludhiana. No factor came to be unimportant for the customers. Hence there was no significant difference among respondents as far as importance of different affecting their purchase decision is concerned.

4.9 Satisfaction of Respondents with Aspects of Purchasing Bancassurance

The respondents were asked to express their level of satisfaction on different aspects of purchasing bancassurance in terms of 'highly satisfied = 5', 'satisfied = 4', 'neutral = 3', 'dissatisfied = 2' and 'highly dissatisfied = 1'. The average level of satisfaction was worked out and compared between different cities.

Table 10: Level of satisfaction among respondents on different aspect of purchasing bancassurance

Aspects	Amritsar		Patiala		Ludhiana		Chandigarh		F-ratio	Tukey's Significance
	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
Explanation of Policy Details	3.88	0.48	4.00	0.00	3.68	0.94	3.78	0.63	1.55	NS
Amount of Premium	3.88	0.52	4.43	0.69	3.73	0.80	3.97	0.60	2.13	NS
Details of Insurance Benefits	3.78	1.11	4.18	0.90	3.68	0.85	3.73	0.90	2.23	NS
Dealing Staff Behaviour	3.78	0.89	4.07	0.66	3.49	0.87	3.49	1.02	2.11	NS
Complaint Attending by Staff	3.72	0.95	3.79	0.83	2.57	0.96	2.89	1.07	4.37**	1/3,1/4,2/3,2/4
Timely Disbursement of Benefits	3.90	0.61	4.04	0.33	3.30	0.66	3.05	0.74	3.98**	1/3,1/4,2/3,2/4
Loan Facility against Policy	3.66	0.82	4.04	0.96	3.16	0.99	3.16	0.96	3.61*	1/3,1/4,2/3,2/4
I am informed about Overhead Costs	3.36	0.98	3.29	1.01	3.11	0.70	3.16	0.96	1.21	NS
Recontinuation of Lapsed Policy	3.76	1.02	3.71	0.90	3.14	0.71	3.05	0.97	2.95*	1/3,1/4,2/3,2/4
I receive Updated information about my policy	4.06	0.55	4.21	0.42	3.35	0.82	3.76	0.89	3.01*	1/3,2/3
I receive Timely intimation of Payments due	4.16	0.82	4.36	0.49	3.51	0.90	4.11	1.07	2.37	NS

The comparison of level of satisfaction revealed that there was no significant difference in the level of satisfaction among respondents from the 4 selected cities in case of policy details, premium amount, insurance benefits, staff behaviour, overhead costs and timely intimation by the bank. But significant differences appeared between cities in case of complaint attending attitude of the staff, timely disbursement of benefits, loan facility against policy, recontinuation of lapsed policy and updated information.

The level of satisfaction on complaint attending attitude of the bank staff came to significantly higher among respondents of Amritsar and Patiala as compared to those in Ludhiana and Chandigarh. Similar was the pattern in case of timely disbursement of benefits, loan facility against policy and recontinuation of lapsed policy

4.10 Difficulty in Getting Different Bank Services

The respondents are asked to register their level of difficulty in getting various services while purchasing the insurance policy through banks

Table 11: Extent of difficulty among respondents in getting different services while buying an insurance policy through bank

Services	Amritsar		Patiala		Ludhiana		Chandigarh		F-ratio	Tukey's significance
	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
Policy Document	1.82	0.52	1.53	0.50	1.86	1.13	2.03	0.58	1.76	NS
Premium Payment	1.90	0.68	1.80	0.89	1.59	0.86	1.59	0.97	2.13	NS
Complaint Attending	2.30	1.04	2.10	1.03	2.81	1.41	2.31	1.03	2.34	NS
Claim Settlement	2.00	0.86	2.14	1.00	2.54	1.14	2.77	1.09	2.72*	1/4,2/4
Loan Against Policy	2.34	0.85	2.43	0.89	2.81	1.05	3.10	1.05	2.69*	1/3,1/4, 2/3,2/4
Maturity Disbursement	1.88	0.92	2.18	0.83	2.57	0.83	2.54	0.85	2.19	NS
Recontinuation of Lapsed Policy	2.36	0.94	1.86	0.87	2.81	1.00	2.90	0.97	3.18*	1/3,1/4, 2/3,2/4
Policy Status	1.76	0.56	2.35	1.01	2.16	1.07	1.85	0.87	1.29	NS

The comparison of extent of difficulty in getting various bank services while purchasing insurance policy through banks revealed that there was no significant difference in the extent of difficulty among respondents from the 4 selected cities in case of getting policy documents, premium payment, complaint redressal, disbursement of maturity benefits and getting information about policy status. But significant differences appeared between cities in case of complaint settlement, getting loan against policy and recontinuation of the lapsed policy.

The extent of difficulty in claim settlement was significantly higher in Amritsar and Patiala as compared to that in Chandigarh. The extent of difficulty in getting loan against policy and recontinuation of the lapsed policy came to significantly higher among respondents of Amritsar and Patiala as compared to those in Ludhiana and Chandigarh.

4.11 Intention of Respondents to Buy Insurance from Bank in Future

The respondents were asked to express their intention of buying insurance policy through banks in future in terms of 'definitely will = 5', 'probably will = 4', 'can't say = 3', 'probably will not = 2' and 'definitely will not = 1'. The distribution of respondents, average extent of intention and their comparison between cities has been given in Table 12.

Table 12: Distribution of respondents according to their intention to buy any policy from bank in the future

Intention	Amritsar		Patiala		Ludhiana		Chandigarh	
	No.	%age	No.	%age	No.	%age	No.	%age
Definitely will not	0	0.00	0	0.00	6	6.00	0	0.00
Probably will not	20	20.00	8	8.00	18	18.00	4	4.00
Can't say	8	8.00	0	0.00	32	32.00	4	4.00
Probably will	44	44.00	70	70.00	32	32.00	26	26.00
Definite will	28	28.00	22	22.00	12	12.00	16	16.00
Mean	3.80		4.06		3.20		2.04	
SD	1.07		0.74		1.08		0.85	
F-ratio				5.16**				
Tukey's significance			1/3,1/4, 2/3,2/4,3/4					

The average score of intention came to be 3.80 (probably will) in Amritsar, 4.06 (probably will) in Patiala, 3.20 (can't say) in Ludhiana and 2.04 (probably will not) in Chandigarh. The differences in the extent of intention are found to be significant as indicated by the F-ratio of 5.16. Tukey's test of significance showed that the intention of buying insurance policy from banks in future was significantly higher among respondents from Amritsar and Patiala as compared to those in Ludhiana and Chandigarh. However, the extent of intention was significantly the lowest among respondents from Chandigarh amongst all the respondents.

4.12 Reasons of buying Bancassurance in future

There are 72, 92, 44 and 42 percent of the respondents in Amritsar, Patiala, Ludhiana and Chandigarh respectively who expressed their will to purchase insurance through the banks in future also. These respondents are asked to register their extent of agreement on different reasons of purchasing insurance through banks.

Table 13: Extent of agreement among respondents on different reasons to prefer to buy next policy from the bank

Reasons	Amritsar		Patiala		Ludhiana		Chandigarh		F-ratio	Tukey's significance
	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
I am tired from my agent's services.	3.16	0.99	3.30	0.96	2.90	1.17	2.14	1.01	3.34*	1/4,2/4,3/4
I can trust my bank	3.90	0.42	3.98	0.33	4.26	0.50	4.14	0.64	1.45	NS
The Bank understands my needs and my financial position better.	3.76	0.90	3.85	1.01	3.67	0.77	3.66	0.69	2.14	NS
It is easy to pay premium through banks	4.06	0.90	4.17	1.10	4.31	0.69	3.92	0.83	1.96	NS
The Bank gives excellent services	4.12	1.05	4.13	1.15	4.08	0.58	3.84	0.91	2.26	NS
The bank gives me special benefits	3.88	1.22	3.87	1.26	2.97	0.90	3.88	1.02	4.65**	1/3,2/3,4/3
It is convenient to operate insurance through bank	4.02	0.72	3.87	1.02	3.97	0.78	3.80	0.73	2.13	NS
It is economical to buy insurance from banks.	3.73	1.00	3.78	0.96	2.97	0.84	3.62	0.90	1.98	NS
I am assured of higher returns	3.67	1.01	3.78	0.76	3.49	0.79	3.96	1.03	2.03	NS
It helps me build rapport with the bank staff.	3.57	0.61	3.52	0.75	3.64	0.84	3.22	0.84	1.71	NS

The analysis given in Table 13 indicates that the average level of agreement on the reason 'I am tired of my agent's services' worked to be 3.16 (neutral) in Amritsar, 3.30 (neutral) in Patiala, 2.90 (neutral) in Ludhiana and 2.14 (somewhat disagree) in Chandigarh. The differences in extent of agreement are found to be significant as indicated by the F-ratio i.e. 3.34. Tukey's test of multiple comparisons indicated that the extent of agreement was significantly lower among respondents in Chandigarh as compared to that in Amritsar, Patiala and Ludhiana.

The average level of agreement on the reason 'I can trust my bank' worked to be 3.90 (somewhat agree) in Amritsar, 3.98 (somewhat agree) in Patiala, 4.26 (somewhat agree) in Ludhiana and 4.14 (somewhat agree) in Chandigarh. The differences in extent of agreement are found to be non-significant as indicated by the F-ratio i.e. 1.38. The average level of agreement on the reason 'The Bank understands my needs and my financial position better' worked to be 3.76 (somewhat agree) in Amritsar, 3.85 (somewhat agree) in Patiala, 3.67 (somewhat agree) in Ludhiana and 3.66 (somewhat agree) in Chandigarh. The differences in extent of agreement are found to be non-significant as indicated by the F-ratio i.e. 2.14.

The average level of agreement on the reason 'it is easy to pay premium through banks' worked to be 4.06 (somewhat agree) in Amritsar, 4.17 (somewhat agree) in Patiala, 4.31 (somewhat agree) in Ludhiana and 3.92 (somewhat agree) in Chandigarh. The differences in extent of agreement are found to be non-significant as indicated by the F-ratio i.e. 1.96. The average level of agreement on the reason 'the banks give excellent services' worked to be 4.12 (somewhat agree) in Amritsar, 4.13 (somewhat agree) in Patiala, 4.08 (somewhat agree) in Ludhiana and 3.84 (somewhat agree) in Chandigarh. The differences in extent of agreement are found to be non-significant as indicated by the F-ratio i.e. 2.26.

The average level of agreement on the reason 'the bank gives me special benefits' worked to be 3.88 (somewhat agree) in Amritsar, 3.87 (somewhat agree) in Patiala, 2.97 (neutral) in Ludhiana and 3.88 (somewhat agree) in Chandigarh. The differences in extent of agreement are found to be significant as indicated by the F-ratio i.e. 4.65. Tukey's test of multiple comparisons indicated that the extent of agreement was significantly less among respondents in Ludhiana as compared to that in Amritsar, Patiala and Chandigarh. The average level of agreement on the reason 'it is convenient to operate insurance through banks' worked to be 4.02 (somewhat agree) in Amritsar, 3.87 (somewhat agree) in Patiala, 3.97 (somewhat agree) in Ludhiana and 3.80 (somewhat agree) in Chandigarh. The differences in extent of agreement are found to be non-significant as indicated by the F-ratio i.e. 2.13.

The average level of agreement on the reason 'it is economical to purchase insurance through banks' worked to be 3.73 (somewhat agree) in Amritsar, 3.78 (somewhat agree) in Patiala, 3.87 (somewhat agree) in Ludhiana and 3.62 (somewhat agree) in Chandigarh. The differences in extent of agreement are found to be non-significant as indicated by the F-ratio i.e. 1.98. The average level of agreement on the reason 'I am assured of higher returns' worked to be 3.67 (somewhat agree) in Amritsar, 3.78 (somewhat agree) in Patiala, 3.48 (neutral) in Ludhiana and 3.96 (somewhat agree) in Chandigarh. The differences in extent of agreement are found to be non-significant as indicated by the F-ratio i.e. 2.03.

The average level of agreement on the reason 'It helps me build rapport with the bank staff' worked to be 3.57 (somewhat agree) in Amritsar, 3.52 (somewhat agree) in Patiala, 3.64 (somewhat agree) in Ludhiana and 3.22 (neutral) in Chandigarh. The differences in extent of agreement are found to be non-significant as indicated by the F-ratio i.e. 1.71.

The analysis revealed that the extent of agreement on all the reasons for purchasing insurance policy from banks in future was statistically at par in the selected cities except 'the bank gives special benefits' where extent of agreement was significantly lower in Ludhiana as compared to other cities. In general, the level of agreement was found to be 'somewhat agree'. It nowhere came to be in the form of disagreement

5. Conclusion

Overall it can be concluded that the customers are aware of bancassurance as a medium of insurance distribution and are also willing to adapt it as their future mode of buying life and non-life insurance. Respondents in Chandigarh are more in favour of purchasing directly through bancassurance while the intention of buying policy from banks in future is higher in the respondents of Amritsar and Patiala than in the other cities. The reasons for this shift have been noted as ease in payment of premium, timely intimation of policy details, staff behaviour etc. On the other hand, customers who doubt the complaint attending attitude of the bank staff and strongly feel that "two bosses cannot serve" are reluctant for relying in on banks as insurance intermediaries. Hence to tap this potential, the banks and insurance companies need to work on the whims and fancies of the customers and improve upon the factors that inhibit them from going ahead and accepting banks as a single window solution for all their investments need. If nurtured properly, banks can go a long way in contributing to the insurance growth in the country.

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