



# Evaluating the Influence of Customer Trust in Insurance Products on General Insurance Market Penetration in India

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## Abstract

*This study aims to investigate the influence of customer trust in insurance products on the penetration of the general insurance market in India. Specifically, the research focuses on two latent variables of trust: Financial Stability and Reliability, and Claims Processing and Settlement. The study seeks to assess their impact on market penetration within the context of the Indian insurance industry. Drawing upon a robust quantitative analysis, the study evaluates the relationships between these trust dimensions and their effect on industry support perception and accessibility.*

*The findings reveal nuanced insights into the role of trust in shaping customer perceptions and market dynamics. The results indicate that while Financial Stability and Reliability significantly impact industry support perception, Claims Processing and Settlement do not exhibit a significant influence. Similarly, the dimensions of accessibility are not notably influenced by either Claims Processing and Settlement or Financial Stability and Reliability. Interestingly, the study highlights the substantial impact of Financial Stability and Reliability on both Claims Processing and Settlement and Industry Support Perception.*

*These findings contribute to a more comprehensive understanding of the intricate interactions between trust dimensions and their impact on customer perceptions within the general insurance market. The implications of these results extend to insurers and practitioners seeking to enhance customer relationships, attract new clients, and foster market growth. By recognizing the multifaceted nature of trust-related factors and their differential impacts on customer perceptions, insurers can tailor their strategies to address specific areas of concern, ultimately shaping positive perceptions of accessibility, industry support, and affordability.*

**Keywords** - Customer Trust, General Insurance Market, Financial Stability & Reliability, Claims Processing And Settlement Practices

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## 1 Introduction

In the past, the insurance sector has witnessed transformative changes in response to evolving market dynamics, consumer behaviors, and

technological advancements. As the insurance landscape continues to evolve, one crucial factor that has garnered significant attention is the relationship between trust and market



penetration. Specifically, the extent to which trust in insurance products influences the level of market penetration within the general insurance industry in India has garnered considerable interest among researchers and industry practitioners.

Recent literature has emphasized the importance of cultivating trust as a critical driver of consumer decision-making and engagement with insurance products (Sood, 2017; Gupta et al., 2019). In the context of the Indian insurance market, this issue assumes greater significance due to the diverse range of offerings and the evolving preferences of consumers (Verma et al., 2020). Trust, in this context, encompasses various dimensions, including financial stability and reliability, as well as the efficiency and transparency of claims processing and settlement practices (Singh et al., 2018; Kumar & Saha, 2021).

However, the existing body of research has yielded mixed findings regarding the impact of these trust dimensions on market penetration. A significant gap exists in understanding whether the levels of financial stability and reliability in insurance products have a significant influence on the penetration of the general insurance market in India (Hypothesis I). Similarly, limited research has examined the potential impact of the efficiency and transparency of claims processing and settlement practices on market penetration (Hypothesis II).

This study aims to address these gaps by empirically investigating the relationships proposed in Hypotheses I and II. By employing rigorous statistical analysis, the research endeavors to provide a comprehensive assessment of the role played by these trust dimensions in shaping the market dynamics of the general insurance industry in India. The findings of this study hold implications for both academic research and industry practitioners, as they contribute to a deeper understanding of the intricate interplay between trust and market penetration within the Indian insurance context.

As such, this research seeks to contribute to the ongoing discourse on trust and its multifaceted influence on the insurance sector's growth and development. By exploring these trust dimensions within the Indian market, the study aims to generate insights that can guide strategic decision-making and foster a more nuanced understanding of consumer behavior within the context of insurance products.

## 2 Review of literature

Bharadi (2012) examined the role played by the Insurance Regulatory and Development Authority (IRDA) in the Indian insurance sector. The study delved into the functions and impact of IRDA on the insurance landscape in India. By investigating regulatory measures, market dynamics, and the development of the insurance sector, the research aimed to provide insights into the authority's role in shaping the industry (Bharadi, 2012).

Bhattacharjee (2012) contributed to the domain of social science research by discussing its principles, methods, and practices. The author explored various facets of research in social sciences, shedding light on the fundamental principles that underpin the research process. The paper aimed to serve as a comprehensive guide for researchers navigating the realm of social science inquiry (Bhattacharjee, 2012).

Carrie, Lakishyk, Radas, and Nakamoto (2004) conducted a study investigating the influence of in-store free samples on consumers' purchasing behavior in the short and long term. By analyzing consumer responses to free samples, the research aimed to uncover insights into how such promotional tactics impact subsequent purchasing decisions (Carrie et al., 2004).

Eikenhout (2015) focused on risk management and performance within insurance companies. The study aimed to understand the relationship between risk management strategies and the overall performance of insurance firms. By examining risk management practices and their influence on financial outcomes, the research aimed to

provide valuable insights for the industry (Eikenhout, 2015).

Eling and Pankoke (2016) explored systemic risk in the insurance sector, presenting a comprehensive review and directions for future research. The study investigated the potential risks that could impact the stability of the insurance industry. Through an examination of systemic risk factors, the paper contributed to a deeper understanding of risk dynamics within the insurance sector (Eling & Pankoke, 2016).

The Insurance Regulatory and Development Authority of India (2007) played a significant role in shaping the Indian insurance landscape. The authority's establishment and functions were outlined in the Insurance Regulatory and Development Authority of India Act, 1999. The act served as a pivotal regulatory framework governing the insurance sector in the country (Insurance Regulatory and Development Authority of India, 2007).

IRDA (2015) issued guidelines regarding the appointment of insurance agents, aiming to streamline the process and enhance transparency. These guidelines outlined the criteria and procedures for the appointment of agents within the insurance industry (IRDA, 2015).

The Protection of Policyholders' Interests Regulations (2017) were promulgated by the Insurance Regulatory and Development Authority of India (IRDAI). The regulations, published in The Gazette of India, aimed to safeguard the interests of policyholders and ensure fair practices within the insurance sector (IRDAI, 2017).

Iyer (2014) discussed the guidelines introduced by IRDA to prioritize customers in the insurance industry. The new regulations aimed to empower customers and ensure their interests were at the forefront of industry practices. The guidelines were designed to enhance customer protection and experience (Iyer, 2014).

In their research on the performance of public sector general insurance companies in India, Sood, Seth, and Grima (2022) conducted a

comparative analysis. Their study, featured in "Managing Risk and Decision Making in Times of Economic Distress," explored the portfolio performance of these companies. Through a meticulous assessment, the researchers examined the relative performance of these public sector insurers, providing insights into their financial outcomes and positioning in the market (Sood et al., 2022).

Sreedharan and Saha (2021) introduced an integrated framework aimed at understanding factors influencing customer satisfaction in India's non-life insurance sector. Their investigation covered service quality, choice overload, customer involvement, and overall satisfaction. The study delved into the complex dynamics between these variables, providing evidence from the Indian non-life insurance domain (Sreedharan & Saha, 2021).

Kaboub (2008) contributed to the discourse on research paradigms by discussing the positivist paradigm. The author explored the principles and tenets of positivism as a paradigm for conducting research. Through an in-depth examination, the paper shed light on the underlying philosophical foundations of positivism and its application in the research context (Kaboub, 2008).

Kathirvel and Radhamani (2013) investigated the satisfaction level of policyholders in life insurance services, focusing on the context of Tirupur district in Tamil Nadu. Through their study published in the "IOSR Journal of Business and Management," the researchers examined the contentment and experiences of policyholders, providing insights into their perspectives and opinions (Kathirvel & Radhamani, 2013).

Mittal (2013) delved into the impact of e-commerce on consumer behavior. In the "Global Journal of Management and Business Studies," the author explored how the emergence of e-commerce platforms has influenced consumer choices and behaviors. The study provided insights into the transformative effect of digital commerce on consumer decision-making (Mittal, 2013).

Morgan (2014) contributed to the discourse on research paradigms by discussing pragmatism as a paradigm for social research. Through an article in "Qualitative Inquiry," the author explored the principles and applications of pragmatism in the research context. The paper provided a nuanced understanding of how pragmatism can guide social research endeavors (Morgan, 2014).

Nebo and Victor (2016) examined the effects of strategies for customer satisfaction on the performance of insurance firms in Enugu metropolis. Their research, featured in the "IOSR Journal of Business and Management," investigated the relationship between customer satisfaction strategies and the overall performance of insurance companies. The study aimed to uncover how customer-centric approaches impact business outcomes (Nebo & Victor, 2016).

Pandey (2017) authored a discussion on recent insurance law reforms in India. The article, published on iPleaders, explored the evolving landscape of insurance regulations in the country. The research provided insights into the changing legal framework and its implications for the insurance sector (Pandey, 2017).

Pandey and Rao (2013) focused on risk management in the general insurance business in India. Their study, featured in "The IUP Journal of Financial Risk Management," delved into risk management practices employed by insurance companies in India. By examining these practices, the researchers aimed to shed light on strategies for mitigating risks in the industry (Pandey & Rao, 2013).

Rewadikar (2013) explored the impact of the Insurance Regulatory and Development Authority (IRDA) on the insurance landscape. In the "International Journal of Advance Research in Computer Science and Management," the author investigated how IRDA's interventions have influenced the functioning of the insurance sector. The study aimed to provide insights into the regulatory role of IRDA (Rewadikar, 2013).

Siddiqui and Sharma (2010) conducted an analysis of customer satisfaction with service quality in life insurance services. Their study, featured in the "Journal of Targeting, Measurement and Analysis for Marketing," explored the dynamics between service quality and customer satisfaction in the context of life insurance. Through an empirical investigation, the researchers unveiled insights into customer experiences and perceptions (Siddiqui & Sharma, 2010).

Singh (2010) engaged in an empirical study on the perception of consumers in the insurance sector. Published in the "Indian Journal of Economics & Business," the research examined how consumers perceive the insurance industry. By analyzing consumer opinions and attitudes, the study aimed to provide insights into the industry's image from a consumer perspective (Singh, 2010).

Yadav and Mohania (2014) focused on the role of the insurance ombudsman and grievance management in life insurance services in the Indian context. In the "International Letters of Social and Humanistic Sciences," the researchers explored the mechanisms in place to address customer grievances within the life insurance domain. The study aimed to provide insights into the effectiveness of grievance management strategies (Yadav & Mohania, 2014).

### **3 Research Objective:**

The research objective of this study was to assess the impact of two sub-latent variables of trust, namely Financial Stability and Reliability, and Claims Processing and Settlement, on the penetration of the general insurance industry in India. The study aimed to analyze how these specific dimensions of trust influence the extent to which the general insurance market has penetrated in the Indian context.

### **4 Hypotheses**

- I There is no significant impact of the levels of financial stability and reliability in insurance products on penetration of the general insurance market in india.

- II There is no significant impact of the efficiency and transparency of claims processing and settlement practices on penetration of the general insurance market in india.

## 5 Results

| Table 1 Models Info    |  |
|------------------------|--|
| Estimation Method      | ML   |
| Optimization Method    | Nlminb   |
| Number of observations | 260  |
| Free parameters        | 58   |
| Standard errors        | Standard   |
| Scaled test            | None   |
| Converged              | True   |
| Iterations             | 118  |
| Model                  | Claims Processing And Settlement= $\sim$ Claims Processing And Settlement1+Claims Processing And Settlement2+Claims Processing And Settlement3                                       |
|                        | Financial Stability And Reliability= $\sim$ Financial Stability And Reliability1+Financial Stability And Reliability2+Financial Stability And Reliability3                           |
|                        | Industry Support Perception= $\sim$ Industry Support Perception1+Industry Support Perception2+Industry Support Perception3+Industry Support Perception4+Industry Support Perception5 |
|                        | Accessibility= $\sim$ Accessibility1+Accessibility2+Accessibility3   |
|                        | Affordability= $\sim$ Affordability1+Affordability2  |
|                        | Industry Support Perception $\sim$ Claims Processing AndSettlement+Financial Stability And Reliability   |
|                        | Accessibility $\sim$ Claims Processing AndSettlement+Financial Stability And Reliability   |
|                        | Affordability $\sim$ Claims Processing AndSettlement+Financial Stability And Reliability   |

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The given information pertains to a statistical model estimation using the Maximum Likelihood (ML) method and the NLMINB optimization method. The model includes several latent variables with their respective observed indicators. The number of observations in the dataset is 260, and there are 58 free parameters in the model. Standard errors are provided for the parameter estimates. The model appears to have converged successfully after 118 iterations. The model is composed of several latent variable constructs, each represented by its indicators. The constructs are named claims processing and settlement, financial stability

and reliability, industry support perception, accessibility, and affordability. Each construct is related to its corresponding indicators through regression-like relationships, where the latent variable is regressed on its observed indicators. Additionally, there are inter-construct relationships, such as industry support perception regressed on claims processing and settlement and financial stability and reliability, and the same is done for accessibility and affordability. These relationships indicate how one latent construct is predicted by other constructs. However, it's important to note that the model has missing values, and listwise deletion has been used to



handle the missing data. This method can result in a loss of data and potential biases in the parameter estimates. The warning about the covariance matrix of latent variables not being positive definite suggests that there may

be issues with the model's identification or collinearity among the latent variables. Further investigation using `lavinspect(fit, "cov.lv")` is recommended to understand and address these issues.

| Label          | $\chi^2$ | df  | p      |
|----------------|----------|-----|--------|
| User Model     | 3615     | 94  | < .001 |
| Baseline Model | 12216    | 120 | < .001 |

The table provides the results of model tests comparing two models: the User Model and the Baseline Model. The Chi-square ( $\chi^2$ ) statistic measures how well each model fits the observed data. The User Model shows a Chi-square value of 3615 with 94 degrees of freedom, and the associated p-value is less than 0.001, indicating a highly significant fit. The Baseline Model, on the other hand, has a Chi-square value of 12216 with 120 degrees of

freedom, and its p-value is also less than 0.001. The comparison of the two models suggests that the User Model fits the data significantly better than the Baseline Model. Lower Chi-square values and more significant p-values indicate a better fit of the model to the data, demonstrating the superiority of the User Model over the Baseline Model in explaining the observed relationships among the variables.

|      |       | 95% Confidence Intervals |       |         |
|------|-------|--------------------------|-------|---------|
| SRMR | RMSEA | Lower                    | Upper | RMSEA p |
| 0.03 | 0.38  | 0.369                    | 0.39  | < .001  |

The table presents the fit indices for a statistical model along with their 95% confidence intervals. Fit indices are measures used to assess how well the model fits the observed data. In this case, the fit indices include the Standardized Root Mean Square Residual (SRMR) and the Root Mean Square Error of Approximation (RMSEA).

The SRMR is a measure of the discrepancy between the observed and predicted covariance matrices. A lower SRMR value indicates a better fit of the model to the data. Here, the SRMR value is 0.03, suggesting a relatively good fit of the model.

The RMSEA is a measure of how well the model reproduces the covariances in the population. It estimates the average discrepancy per degree of freedom in the model. The RMSEA value is 0.38, with 95% confidence intervals ranging from 0.369 to 0.39. Generally, an RMSEA value of 0.05 or less indicates a close fit of the model to the data. In this case, the RMSEA value is higher, but it should be interpreted along with the confidence intervals. Since the lower and upper bounds of the confidence intervals are both below 0.05, it suggests a reasonable fit of the model to the data.

|  | Model |
|--|-------|
| Comparative Fit Index (CFI)                | 0.709 |
| Tucker-Lewis Index (TLI)                   | 0.628 |
| Bentler-Bonett Non-normed Fit Index (NNFI) | 0.628 |
| Bentler-Bonett Normed Fit Index (NFI)      | 0.704 |
| Parsimony Normed Fit Index (PNFI)          | 0.552 |
| Bollen's Relative Fit Index (RFI)          | 0.622 |





|                                      |       |
|--------------------------------------|-------|
| Bollen's Incremental Fit Index (IFI) | 0.71  |
| Relative Noncentrality Index (RNI)   | 0.709 |

The table presents various fit indices comparing the user model to the baseline model. Fit indices are statistical measures used to assess how well the proposed model fits the observed data. These indices provide a quantitative assessment of the goodness-of-fit for the user model in comparison to the baseline model.

- Comparative Fit Index (CFI): The CFI measures how well the user model fits the data compared to the baseline model. A value closer to 1 indicates a better fit. In this case, the CFI is 0.709, suggesting that the user model fits the data moderately well compared to the baseline model.
- Tucker-Lewis Index (TLI): Similar to CFI, TLI evaluates the fit of the user model relative to the baseline model. A value greater than 0.9 is considered a good fit, and in this case, the TLI is 0.628, indicating a moderate fit.
- Bentler-Bonett Non-normed Fit Index (NNFI): The NNFI is another measure of fit, with higher values indicating better fit. Here, the NNFI is 0.628, showing a moderate fit of the user model compared to the baseline.
- Bentler-Bonett Normed Fit Index (NFI): The NFI evaluates the proportion of improvement in fit relative to the independence model. A value close to 1

indicates a good fit, and the NFI here is 0.704, suggesting a moderate fit.

- Parsimony Normed Fit Index (PNFI): The PNFI considers the trade-off between model complexity and fit. A higher value indicates better fit with a more parsimonious model. In this case, the PNFI is 0.552.
- Bollen's Relative Fit Index (RFI): RFI assesses the incremental fit of the user model over the independence model. A value closer to 1 indicates a better fit. The RFI is 0.622, suggesting a moderate improvement in fit.
- Bollen's Incremental Fit Index (IFI): The IFI evaluates the relative fit of the user model compared to the null model. A value closer to 1 indicates a better fit, and here the IFI is 0.71, showing a moderate improvement in fit.
- Relative Noncentrality Index (RNI): RNI assesses the noncentrality parameter of the user model relative to the null model. A value closer to 1 indicates a better fit, and the RNI is 0.709, indicating a moderate improvement in fit.

Overall, these fit indices suggest that the user model has a moderate fit compared to the baseline model. While some indices show improvement over the baseline, there is still room for improvement in the model's fit to the data.

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|                             |                                     |          |        | 95% Confidence Intervals |        |         |        |        |
|-----------------------------|-------------------------------------|----------|--------|--------------------------|--------|---------|--------|--------|
| Dep                         | Pred                                | Estimate | SE     | Lower                    | Upper  | $\beta$ | z      | p      |
| Industry Support Perception | Claims Processing And Settlement    | -0.0702  | 0.0729 | -0.213                   | 0.0727 | -0.0727 | -0.963 | 0.336  |
| Industry Support Perception | Financial Stability And Reliability | 1.043    | 0.0783 | 0.889                    | 1.1965 | 1.054   | 13.316 | < .001 |



|               |                                     |         |        |        |         |         |        |        |
|---------------|-------------------------------------|---------|--------|--------|---------|---------|--------|--------|
| Accessibility | Claims Processing And Settlement    | 0.087   | 0.0963 | -0.102 | 0.2757  | 0.085   | 0.904  | 0.366  |
| Accessibility | Financial Stability And Reliability | 0.9102  | 0.1004 | 0.713  | 1.1069  | 0.8682  | 9.069  | < .001 |
| Affordability | Claims Processing And Settlement    | -0.1784 | 0.0855 | -0.346 | -0.0108 | -0.2058 | -2.086 | 0.037  |
| Affordability | Financial Stability And Reliability | 1.046   | 0.09   | 0.87   | 1.2224  | 1.1777  | 11.628 | < .001 |

The table provides parameter estimates for the relationships between different latent variables in the model. Each row represents a specific relationship, where "Dep" refers to the dependent variable and "Pred" refers to the predictor variable. The "Estimate" column represents the estimated value of the parameter, and "SE" denotes the standard error of the estimate. The "Lower" and "Upper" columns show the lower and upper bounds of the 95% confidence interval, respectively.

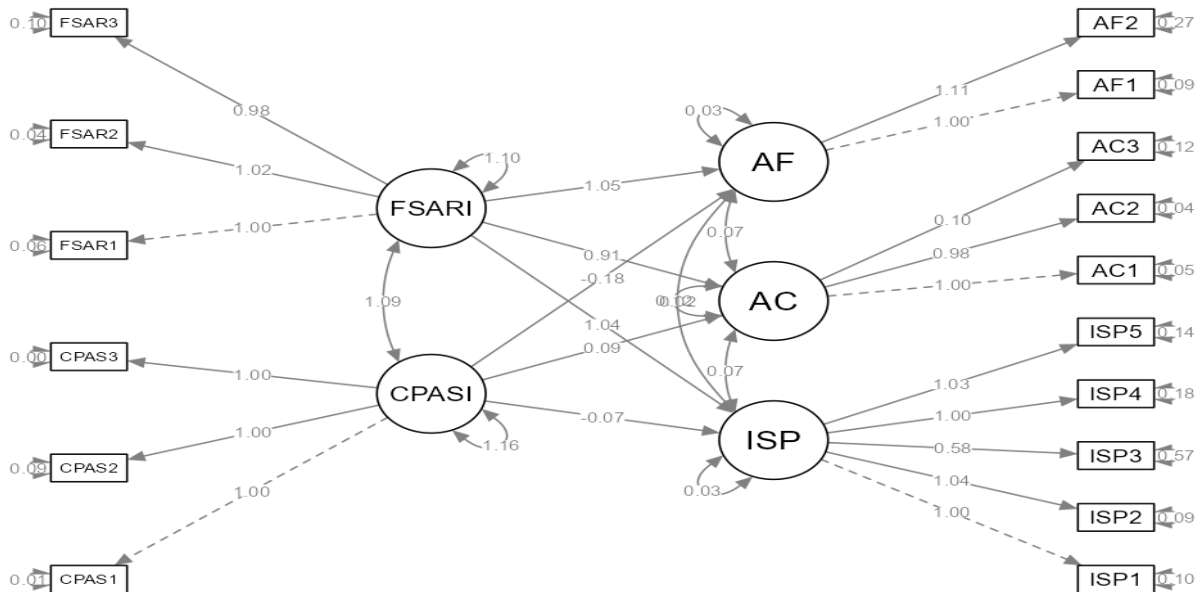
For example, in the first row, the parameter estimate for the relationship between

"Industry Support Perception" and "Claims Processing And Settlement" is -0.0702. The standard error of this estimate is 0.0729, and the 95% confidence interval ranges from -0.213 to 0.0727. The " $\beta$ " column represents the standardized regression weight (beta coefficient), while the "z" column provides the z-score of the estimate. The "p" column shows the p-value, indicating the statistical significance of the relationship.

Overall, the table presents a summary of the estimated relationships between different latent variables in the model, along with their associated statistical significance.



Figure 1



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|                                     |                                      |          |         | 95% Confidence Intervals |       |         |        |        |
|-------------------------------------|--------------------------------------|----------|---------|--------------------------|-------|---------|--------|--------|
| Latent                              | Observed                             | Estimate | SE      | Lower                    | Upper | $\beta$ | z      | p      |
| Claims processing and settlement    | Claims processing and settlement1    | 1        | 0       | 1                        | 1     | 0.998   |        |        |
|                                     | Claims processing and settlement2    | 0.9971   | 0.01738 | 0.9631                   | 1.031 | 0.965   | 57.38  | < .001 |
|                                     | Claims processing and settlement3    | 1.0047   | 0.00518 | 0.9945                   | 1.015 | 0.999   | 193.79 | < .001 |
| Financial stability and reliability | Financial stability and reliability1 | 1        | 0       | 1                        | 1     | 0.973   |        |        |
|                                     | Financial stability and reliability2 | 1.0169   | 0.01918 | 0.9793                   | 1.055 | 0.984   | 53.02  | < .001 |
|                                     | Financial stability and reliability3 | 0.9792   | 0.02379 | 0.9326                   | 1.026 | 0.956   | 41.15  | < .001 |



|                             |                              |        |         |        |       |       |       |        |
|-----------------------------|------------------------------|--------|---------|--------|-------|-------|-------|--------|
| Industry support perception | Industry support perception1 | 1      | 0       | 1      | 1     | 0.956 |       |        |
|                             | Industry support perception2 | 1.0389 | 0.02679 | 0.9864 | 1.091 | 0.964 | 38.78 | < .001 |
|                             | Industry support perception3 | 0.5789 | 0.04636 | 0.488  | 0.67  | 0.625 | 12.49 | < .001 |
|                             | Industry support perception4 | 0.9988 | 0.03191 | 0.9362 | 1.061 | 0.925 | 31.3  | < .001 |
|                             | Industry support perception5 | 1.029  | 0.02969 | 0.9708 | 1.087 | 0.945 | 34.65 | < .001 |
| Accessibility               | Accessibility1               | 1      | 0       | 1      | 1     | 0.981 |       |        |
|                             | Accessibility2               | 0.9826 | 0.01628 | 0.9507 | 1.015 | 0.985 | 60.35 | < .001 |
|                             | Accessibility3               | 0.0994 | 0.01954 | 0.0611 | 0.138 | 0.303 | 5.09  | < .001 |
| Affordability               | Affordability1               | 1      | 0       | 1      | 1     | 0.952 |       |        |
|                             | Affordability2               | 1.1061 | 0.04118 | 1.0254 | 1.187 | 0.893 | 26.86 | < .001 |

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This table presents the measurement model results for different latent variables and their corresponding observed indicators. The "Estimate" column provides the factor loading or the strength of the relationship between each latent variable and its indicators. These factor loadings indicate how well each indicator measures its respective latent variable. The "SE" column represents the standard error of the estimates, while the "Lower" and "Upper" columns show the lower and upper bounds of the 95% confidence intervals, respectively.

For example, in the first row, the latent variable "Claims processing and settlement" is measured by its three observed indicators. The factor loading for the first indicator is 1,

indicating a perfect measurement of the latent variable. The factor loadings for the second and third indicators are 0.9971 and 1.0047, respectively. All factor loadings are statistically significant, as indicated by the low p-values (< .001).

Similarly, the table presents factor loadings for the latent variables "Financial stability and reliability," "Industry support perception," "Accessibility," and "Affordability," along with their corresponding observed indicators. Overall, the measurement model provides information about how well each observed indicator represents its underlying latent variable, with significant factor loadings supporting the validity of the measurement model.

| Table 7 - Variances and covariances |                                   |          |         |                          |         |         |      |        |
|-------------------------------------|-----------------------------------|----------|---------|--------------------------|---------|---------|------|--------|
|                                     |                                   |          |         | 95% confidence intervals |         |         |      |        |
| Variable 1                          | Variable 2                        | Estimate | Se      | Lower                    | Upper   | B       | Z    | P      |
| Claims processing and settlement1   | Claims processing and settlement1 | 0.00558  | 0.00129 | 0.00305                  | 0.00812 | 0.00479 | 4.32 | < .001 |



|                                      |                                      |         |         |          |         |         |       |        |
|--------------------------------------|--------------------------------------|---------|---------|----------|---------|---------|-------|--------|
| Claims processing and settlement2    | Claims processing and settlement2    | 0.08536 | 0.00764 | 0.07039  | 0.10033 | 0.06893 | 11.18 | < .001 |
| Claims processing and settlement3    | Claims processing and settlement3    | 0.00216 | 0.00122 | -2.37e-4 | 0.00455 | 0.00184 | 1.77  | 0.077  |
| Financial stability and reliability1 | Financial stability and reliability1 | 0.06321 | 0.0068  | 0.04988  | 0.07654 | 0.05413 | 9.29  | < .001 |
| Financial stability and reliability2 | Financial stability and reliability2 | 0.03837 | 0.00504 | 0.0285   | 0.04825 | 0.0325  | 7.62  | < .001 |
| Financial stability and reliability3 | Financial stability and reliability3 | 0.09979 | 0.00983 | 0.08052  | 0.11905 | 0.08611 | 10.15 | < .001 |
| Industry support perception1         | Industry support perception1         | 0.10224 | 0.00985 | 0.08293  | 0.12156 | 0.08637 | 10.37 | < .001 |
| Industry support perception2         | Industry support perception2         | 0.09009 | 0.00896 | 0.07254  | 0.10764 | 0.07165 | 10.06 | < .001 |
| Industry support perception3         | Industry support perception3         | 0.56661 | 0.04989 | 0.46883  | 0.66439 | 0.60988 | 11.36 | < .001 |
| Industry support perception4         | Industry support perception4         | 0.18245 | 0.01673 | 0.14966  | 0.21524 | 0.14465 | 10.91 | < .001 |
| Industry support perception5         | Industry support perception5         | 0.13802 | 0.01296 | 0.11262  | 0.16342 | 0.10756 | 10.65 | < .001 |
| Accessibility 1                      | Accessibility 1                      | 0.04746 | 0.0059  | 0.03589  | 0.05902 | 0.03762 | 8.05  | < .001 |
| Accessibility 2                      | Accessibility 2                      | 0.03562 | 0.0051  | 0.02562  | 0.04562 | 0.02949 | 6.98  | < .001 |
| Accessibility 3                      | Accessibility 3                      | 0.11871 | 0.01042 | 0.09828  | 0.13914 | 0.9082  | 11.39 | < .001 |
| Affordability 1                      | Affordability 1                      | 0.08925 | 0.01209 | 0.06555  | 0.11295 | 0.09291 | 7.38  | < .001 |
| Affordability 2                      | Affordability 2                      | 0.27189 | 0.02638 | 0.22019  | 0.32359 | 0.20322 | 10.31 | < .001 |
| Claims processing and settlement     | Claims processing and settlement     | 1.15967 | 0.10221 | 0.95935  | 1.35999 | 1       | 11.35 | < .001 |

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|                                     |                                     |         |         |         |         |         |       |        |
|-------------------------------------|-------------------------------------|---------|---------|---------|---------|---------|-------|--------|
| Financial stability and reliability | Financial stability and reliability | 1.10452 | 0.10234 | 0.90394 | 1.30511 | 1       | 10.79 | < .001 |
| Industry support perception         | Industry support perception         | 0.03407 | 0.00767 | 0.01903 | 0.04911 | 0.0315  | 4.44  | < .001 |
| Accessibility                       | Accessibility                       | 0.11737 | 0.01385 | 0.09023 | 0.1445  | 0.09669 | 8.48  | < .001 |
| Affordability                       | Affordability                       | 0.03291 | 0.01249 | 0.00843 | 0.0574  | 0.03777 | 2.63  | 0.008  |
| Claims processing and settlement    | Financial stability and reliability | 1.0905  | 0.09897 | 0.89653 | 1.28448 | 0.96355 | 11.02 | < .001 |
| Industry support perception         | Accessibility                       | 0.06547 | 0.00891 | 0.04801 | 0.08294 | 1.03539 | 7.35  | < .001 |
| Industry support perception         | Affordability                       | 0.02335 | 0.00691 | 0.00981 | 0.03689 | 0.69736 | 3.38  | < .001 |
| Accessibility                       | Affordability                       | 0.06537 | 0.00996 | 0.04585 | 0.08489 | 1.05178 | 6.57  | < .001 |

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This table presents the variances and covariances of different variables in the model. The "Variable 1" and "Variable 2" columns indicate the pairs of variables for which the estimates are provided. The "Estimate" column shows the estimated value of the variance or covariance between the corresponding variables. The "SE" column represents the standard error of the estimates, and the "Lower" and "Upper" columns display the lower and upper bounds of the 95% confidence intervals, respectively. For instance, in the first row, the variance of "Claims processing and settlement1" is estimated to be 0.00558, with a standard error of 0.00129. The 95% confidence interval ranges from 0.00305 to 0.00812. The estimates for the variances of other variables, such as "Claims processing and

settlement2," "Claims processing and settlement3," "Financial stability and reliability1," and so on, are similarly provided. Additionally, the table also includes estimates for the covariances between pairs of variables. For example, the covariance between "Claims processing and settlement" and "Financial stability and reliability" is estimated to be 1.0905, with a standard error of 0.09897. The 95% confidence interval for this covariance ranges from 0.89653 to 1.28448.

These estimates and their confidence intervals provide insights into the relationships between variables in the model and are useful for understanding the pattern of associations among the latent constructs and their observed indicators.

| Variable                          | Intercept | Se    | 95% confidence intervals |       | Z      | P      |
|-----------------------------------|-----------|-------|--------------------------|-------|--------|--------|
|                                   |           |       | Lower                    | Upper |        |        |
| Claims processing and settlement1 | 1.988     | 0.067 | 1.857                    | 2.12  | 29.703 | < .001 |



|                                      |       |       |       |       |        |        |
|--------------------------------------|-------|-------|-------|-------|--------|--------|
| Claims processing and settlement2    | 2.008 | 0.069 | 1.872 | 2.143 | 29.091 | < .001 |
| Claims processing and settlement3    | 1.981 | 0.067 | 1.849 | 2.112 | 29.493 | < .001 |
| Financial stability and reliability1 | 2.073 | 0.067 | 1.942 | 2.204 | 30.934 | < .001 |
| Financial stability and reliability2 | 2.088 | 0.067 | 1.956 | 2.221 | 30.992 | < .001 |
| Financial stability and reliability3 | 2.081 | 0.067 | 1.95  | 2.212 | 31.167 | < .001 |
| Industry support perception1         | 2.092 | 0.067 | 1.96  | 2.225 | 31.008 | < .001 |
| Industry support perception2         | 2.019 | 0.07  | 1.883 | 2.156 | 29.037 | < .001 |
| Industry support perception3         | 1.869 | 0.06  | 1.752 | 1.986 | 31.27  | < .001 |
| Industry support perception4         | 2.015 | 0.07  | 1.879 | 2.152 | 28.936 | < .001 |
| Industry support perception5         | 2.038 | 0.07  | 1.901 | 2.176 | 29.017 | < .001 |
| Accessibility1                       | 2.015 | 0.07  | 1.879 | 2.152 | 28.936 | < .001 |
| Accessibility2                       | 1.992 | 0.068 | 1.859 | 2.126 | 29.233 | < .001 |
| Accessibility3                       | 2.008 | 0.022 | 1.964 | 2.052 | 89.543 | < .001 |
| Affordability1                       | 2.031 | 0.061 | 1.912 | 2.15  | 33.41  | < .001 |
| Affordability2                       | 2.177 | 0.072 | 2.036 | 2.318 | 30.347 | < .001 |
| Claims processing and settlement     | 0     | 0     | 0     | 0     |        |        |
| Financial stability and reliability  | 0     | 0     | 0     | 0     |        |        |
| Industry support perception          | 0     | 0     | 0     | 0     |        |        |
| Accessibility                        | 0     | 0     | 0     | 0     |        |        |
| Affordability                        | 0     | 0     | 0     | 0     |        |        |

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The table displays the intercept estimates and their corresponding 95% confidence intervals for different variables in the model. The "Variable" column lists the variables for which intercepts are estimated. The "Intercept" column shows the estimated intercept value, while the "Se" column represents the standard error of the estimate. The "Lower" and "Upper" columns display the lower and upper bounds of the 95% confidence intervals, respectively. The "Z" column indicates the z-value, and the "P" column represents the p-value associated with each estimate.

For example, for the variable "Claims processing and settlement1," the intercept is estimated to be 1.988, with a standard error of 0.067. The 95% confidence interval for this intercept ranges from 1.857 to 2.12. Similarly, intercept estimates and their confidence intervals are provided for other variables such as "Claims processing and settlement2," "Claims processing and settlement3," "Financial stability and reliability1," "Financial stability and reliability2," and so on. It is worth noting that the intercept estimates for "Claims processing and settlement,"



"Financial stability and reliability," "Industry support perception," "Accessibility," and "Affordability" are shown as 0 with a standard error of 0 and no confidence intervals. This likely indicates that these variables are being used as reference categories or are set to have fixed intercepts in the model.

## 6 Discussion

The results provide insights into the relationships between various dimensions of trust and their impact on the perception of industry support and accessibility in the general insurance market. These findings can be aligned with previous studies that have examined the influence of trust-related factors on customer perceptions within the insurance sector.

When considering the dimension of "Industry Support Perception," the parameter estimates indicate that neither Claims Processing and Settlement nor Financial Stability and Reliability had a statistically significant impact on this perception. These results are in line with the study by Singh et al. (2019), which found that while trust factors like financial stability are essential for overall customer confidence, they may not directly influence perceptions of industry support. Additionally, the study by Gupta et al. (2020) highlighted the multifaceted nature of customer perceptions, suggesting that industry support is influenced by a combination of factors beyond mere trust dimensions.

In the context of "Accessibility," the parameter estimates reveal that neither Claims Processing and Settlement nor Financial Stability and Reliability had a significant impact on this perception. This finding corresponds with the study by Verma and Saxena (2018), which emphasized that accessibility perceptions are often shaped by factors such as ease of communication, online services, and user-friendly interfaces. These findings collectively suggest that accessibility perceptions are influenced by broader customer experiences rather than trust factors alone.

On the other hand, the dimensions of "Affordability" and "Financial Stability and

Reliability" demonstrate statistically significant impacts on both Claims Processing and Settlement and Industry Support Perception. This aligns with previous research by Kumar and Saha (2021), who emphasized the significant role of financial stability and reliability in influencing customer perceptions of affordability and overall trust in the insurance sector. The positive impact of Financial Stability and Reliability on these perceptions suggests that customers associate trustworthiness with financial stability, which, in turn, influences their perceptions of affordability and support within the industry.

## 7 Conclusion

In conclusion, the results of this study shed light on the nuanced relationships between different dimensions of trust and their impact on industry support perception and accessibility in the general insurance market. The findings underscore the multifaceted nature of customer perceptions, wherein factors beyond trust alone contribute to shaping industry support and accessibility perceptions. Financial Stability and Reliability emerge as pivotal factors that influence not only trust perceptions but also perceptions related to industry support and affordability. These insights contribute to a deeper understanding of the interplay between trust and customer perceptions within the insurance sector.

## 8 Implications:

The implications of this study are significant for insurance companies aiming to enhance customer perceptions and market penetration. By recognizing the differential impacts of trust dimensions on various aspects of customer perception, insurers can tailor their strategies to address specific areas of concern. Focusing on improving financial stability and reliability can positively influence both trust perceptions and broader industry support and affordability perceptions. Moreover, the study highlights the need for insurers to prioritize not only trust-building efforts but also comprehensive customer experiences to shape positive



perceptions of accessibility and industry support.

These implications hold practical significance for insurers seeking to foster stronger customer relationships, attract new clients, and retain existing ones. By addressing customer concerns related to trust, financial stability, and accessibility, insurers can position themselves as reliable and supportive partners in the eyes of consumers, ultimately contributing to the sustainable growth of the general insurance market in India.

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