

# Online Insurance Management System

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**Abstract**— Our aim is “Customers want to be able to buy online insurance with confidence”. According to business experts the news came that the entire insurance industry will be adopted by the e-commerce. So the peoples those who still referring offline insurance to make them understandable, easily adoptable about online insurance our research will help them.

For a new generation of working professionals, online insurance is the bridge that connects the digital age and the challenges of adult life. With internet access is rising and a young generation of working middle class professionals reaching the cusp of adult life, online insurance business is gathering momentum.

Our research reveals that, while of course there are significant variations in customer attitudes and behaviours around the globe, driven by the diverse economic, demographic, competitive and regulatory environments, there are some underlying themes that are remarkably consistent. Listen to the voice of the customer.

**Keywords**— IRDA, Insurance, Online, Premium, Transaction, policy.

## I. INTRODUCTION

Our wide spectrum of articles that have been included in this edition touch on business, regulatory and accounting aspects that are currently topical and the subject matters of many debates. We explore the future of micro insurance, the challenges brought about by the implementation of Combine portal and its impact on the consolidation principles applied to insurance cells

This is an exciting and challenging time for insurers. Customer behavior is changing rapidly. Technology, and in particular the growth of online and social media, is driving a fundamental shift in customer expectations in terms of how products are marketed, priced, sold and serviced, and how companies are perceived. Pure internet businesses have set new standards for customer-centricity and engagement that raise the performance bar for players in every retail business sector.

Customers want to be able to buy with confidence in both the non-life insurance and life and pensions sectors, Customers want products, and the purchasing process, to be simple and transparent so they can understand what they are buying. They want to build long-term relationships with insurance providers based on trust, and to have confidence that the products they are buying are right for them and meet their needs.

So to fulfil the requirements and need of the insurer we have developed one methodology which will attract the people. And the system will be a user friendly so all peoples who have knowledge about insurance or not they all will accept the insurance.

## II. LITERATURE SURVEY

The response to online insurance products has amazed everyone. What started as a novelty product is being lapped up by the Indian consumers. The annual online sale projections of companies have been met in less than two months. The Indian Insurance regulator, IRDA, recently came up with an application to compare ULIP products (Unit Linked Insurance Product). So much so that the public sector life insurance giant LIC has plans for coming up with a game changing online term insurance product shortly.

We believe these trends suggest how the future of insurance is going to be in India. People are not just going online to check and compare insurance quotes because it is convenient, for growing number of Indians; it has now become a necessity. As with many sectors such as travel and retail, internet is now looking to transform the insurance sector in India.

The regulators, and the insurers, have been trying very hard to increase the insurance penetration in India. Despite that, insurance penetration (ratio of premium to GDP) is only 5.1% (IRDA Annual Report 2010-11), which is less than the world average. With nearly 50 insurers, each having multiple distribution channels, one hoped the insurance penetration would be better.

Comparing us with other countries with a more mature insurance market, one very clear difference is visible. Indian insurance has a very nascent online presence as compared with countries like the US, UK, Italy, Spain and Germany. Online insurance sales account for more than 30% of all sales in these countries compared to roughly 3% in India. The insurance industry there has seen a gradual shift from complete offline model to a more online, less offline, model. We think this is the way to go forward for the Indian insurance industry as well.

A country as big and diverse as ours has many challenges. One of the biggest challenges always, is to reach out to the maximum people at the lowest possible costs. Google is potentially reaching out to a large chunk of India's online population by providing customized searches in 10 Indian languages. Warren Buffet's Berkshire Hathaway recently opened its operations in India by 'not opening an office' – pure online model. They are selling motor and travel insurance through the internet and telephone, a model they have already proved to be highly successful. GEICO of US,

a USD 28 billion company, is the 3rd largest auto insurer in that country.

Online insurance may be a new and uncharted territory for many insurance shoppers in India; however it seems to be the way forward. With only 10% of the population being online, the potential is huge. India is the 3rd largest market for Facebook and it expects the country to reach the 1st rank in a not so distant future. This growth of the internet, supported by the ever increasing young population of this country, has fuelled the growth of many online trends. Ecommerce is a big success story. People have less time and an increased faith in products and services sold online.

We analyse insurance buying trends and behaviour of the insurance buyer. The study reveals some interesting and surprising outcomes that should be of interest to all the stakeholders in the Indian Insurance Industry. Some of key trends that we observed are summarized below

### Online insurance demand state wise in India(Top 10 States)

Insurance is not being trended necessarily from the areas with maximum population. Delhi shows a very high demand across the spectrum of products analyzed although it ranks very low in terms of population as compared to the rest of the country.

The top 10 Indian states account for 81% of the study sample. These states make up for 63% of the country's population. Maharashtra, which ranked 2<sup>nd</sup> on the Census 2011 ranking leads, in the online ranking with 18% of the total demand. Delhi surprises with its huge online demand. With only 1% of the country's population it is ranked 2<sup>nd</sup> in its online demand. Uttar Pradesh, the most populated state of the country is a lowly 6<sup>th</sup> rank. Looking at the diversity across these states, one expects exciting trends if insurance products and their information is available to these regional visitors in the languages of their choice.

Exhibit 1: Online insurance demand (Top 10 States)

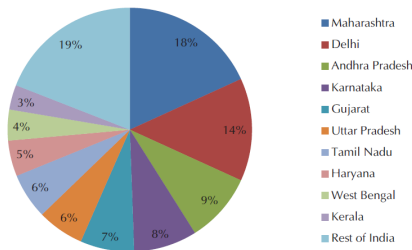


Fig 1: Online Insurance Demand

### How many Consumers Purchase Offline after Quoting Online?

Although the Internet is becoming a popular method of purchasing auto insurance, many consumers still choose to purchase offline. Even consumers who feel comfortable

quoting online still purchase through offline modes, with 80% of respondents who shopped online stating they then went offline to purchase. Of those who purchase offline after shopping online, 62% end up purchasing in person through a local agent and an additional 31% purchase with a local agent over the phone.

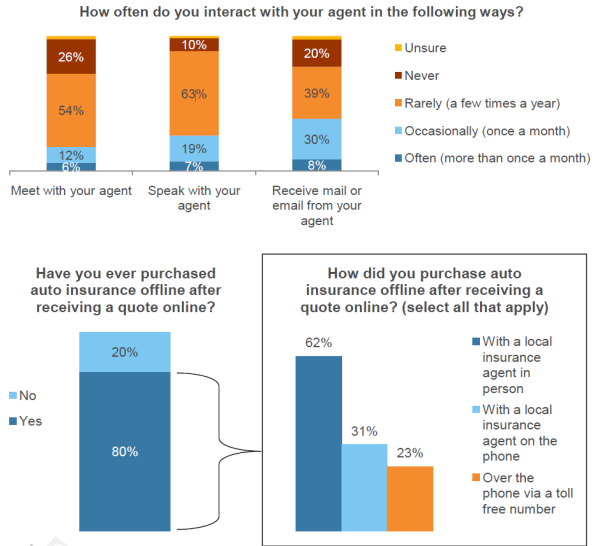


Fig 2.1: Survey of buying insurances

### How often do Consumers interact with their Agents?

For consumers who purchased their policy through a local agent, most interact with their agent a few times a year or less. The most common way consumers interact with their agents is speaking directly with them; with 89% indicating they do so at least a few times a year, compared to 72% who meet with their agent in person.

#### Survey about interaction with agents

From above geography it is clear that , how people aware about online insurance. Why people not accepting the online insurance? Where the online insurance industry is lagging? For that we have studied all the websites of the insurance companies.

### III. EXISTING SYSTEM

The existing system of insurance industry is as follows. It works on following track.

- > Self service
- > Take service through agents
- > Take service online

Means there are only three way to access the insurance and whole industry works on only these three tier.

If we want to buy a life insurance policy, we may select various ways. Either we should contact to bank, or we should contact an agent, or buy a policy online.

If we go to bank then 1<sup>st</sup> problem is where to enquire and how long is the procedure? And if we gets perfect place then

this will become very lengthy process. As there are so many faults in this possibility.

Then, although we bought the policy then bank is not going to provide him service. We have to do all things. In that condition for our betterment only we have to do work.

If we call an agent then whether the agent is IRDA certified or not? This is a big problem.

For their business these agents might be sells the policy in wrong way, in that, we, customer has to survive.

Advantages of existing system.

1. Face to Face Communication.
2. Agent does all work of filling forms.
3. Queries are solved whenever we want.

Faults of existing system.

1. Customer not receiving proper service
2. Customer may be cheated by agents
3. There is no place where he can compare or do analysis of other products of other company
4. Customer can't collect proper information
5. There is no centralized data

#### IV. PROBLEM STATEMENT

The existing system of Insurance has lengthy procedure of getting a life insurance. Also it may contain a chain of middle men.

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If we call an agent then whether the agent is IRDA certified or not? This is a big problem. For their business these agents might be sells the policy in wrong way, in that, we, customer has to survive. It is not that all advisors are cheater but then also 90% advisors are not providing the proper knowledge. Sometimes advisors for their target or for achievements they do false promises to customer which makes customer away from insurance. 90% of agents are doing business within their circle. So customers keep blind faith on advisors. Sometime advisors are not giving the proper service to customer. So these are the problems with going this option.

The third option is online insurance. But in India online insurance is not as much as popular. Only educated peoples are doing online. There are two types of educated people first those who knows all online procedure but not ready to accept this. The reason behind that is they scared about online transaction and services. This is normal traditional way which has followed by industry since insurance funda came.

The problem which comes in front of us that is the entire industry is not centralized. This makes customer unreliable. Just take an example if there is one person he has 10 different policies of 10 different companies and he wants to monitor his all policies online. Then he has to visit all 10 different websites of respective company then do registration over there and fills information and then do login. Such that for all 10 websites he has to do this work which becomes hectic. There is no one roof solution. There is not proper comparison of products. There is not proper explanation online.

#### V. PROPOSED SYSTEM

As we have done study related to the insurance industry, we have come to the conclusion that this industry lacks the technology that the people demanding for. The following key factors we shall be implementing in the proposed system.

1. The first and the basic problem is that the entire insurance industry is not centralized, so we shall be trying to bring the all insurance companies under one roof.

2. This one roof solution will contain the proper comparison of all products of all the companies, where still all aggregators available in the market lagging to give proper comparison.

3. In the system will remove all the chain of middleman from these existing insurance industries, thus cutting the overhead cost.

4. To throw out this chain of middle man we are going to provide interactive video lectures, which will be given by authorized executive of respective person for respective product.

5. This system will contain the all premium calculators approved by IRDA.

6. For the customers query there will be a chat box, and this query also will get solved by experts of the respective company.

7. the most important facility is My Account. My account will keep track of customers all policies of all respective company.

8. From this one roof solution only the customer can do following things:-

- I. Customer can buy new policy.
- II. Customer can renew his policy.
- III. Customer can see his fund value.
- IV. Customer can switch his funds.
- V. Customer can do claim.
- VI. Customer can surrender his policy.
- VII. Customer can withdraw his money

#### VI. IMPLEMENTATION

In these, we are making the all the requirements as stated in proposed system.

#### Still How It Is Different From Others?

1. We are trying to bring bank near to customer. Means he need not go to the bank and second thing is that we are trying to minimize the work of agents. In our system agent will get thrown out from system.
2. Whole data get centralized at one place. Customer need not go everywhere he will get all info of all products of all branches at one place.
3. For customer query there will be a comment box or facility of live chat. There will be a video of all products of all banks.
4. There are total 26 life insurance companies in the India. And if customer wants to compare the products of all 26 companies then this will be ease for customer in our system.
5. When the new user will registered with our website, we will be providing unique number (holder id) to that customer but to make system more secure (because unique id can be stolen) we also add some identity of that person like mobile number or aadhar number. Once user registered he/she buy policy of any insurance company ha/she wants. Since in our system we are replicating this holder-id to all our related company's dummy database so as to link with every insurance company.
6. Customer can login anytime to see details regarding premiums and payment
7. Premium calculator facility.
8. Payment system
9. Proper feedback system to do dynamic changes in our system.

We are going to use - html, css, php, servelets, JavaScript (for data validation), Mysql database

#### VII. FUTURE SCOPE

1. Developed to be used by the all the people
2. Can be used by the students for study purpose.
3. It eradicates the fake policy providing websites.
4. Keeps the capability to centralize all the insurance industry in India and shall keep transparency in industry.
5. This project can bring a revolution in the insurance industry.

#### VIII. CONCLUSION

By the implementation of this website, there shall be a transparency in the field of insurance industry and will help in the centralization of the insurance taking policies. There has to be a control over the money invested but the insurance companies in a huge diversity like India. If such system is implemented it could result in various helps to the public as well as the governmental body for the development of the country.

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