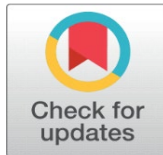
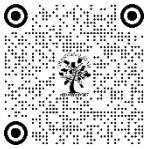


# AN EVALUATING STUDY ON AWARENESS AND UNDERSTANDING OF BIKE INSURANCE

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## ABSTRACT

Insurance is a contract between vehicle owner and the insurance company. The law mandates that every owner of a motor vehicle must have one motor insurance policy. Driving a motor vehicle without insurance in a public place is a punishable offence in terms of the Motor Vehicles Act. Insurance offers a range of benefits that protect both the rider and their investment. It provides financial protection for both the bike and the rider, covers a range of potential accidents and damages, and offers liability protection in case of legal claims. The present study is based on primary collected through Google Forms by circulating in various social media platforms with the objectives of to know the awareness level about insurance and factors consider while buying insurance policy. It has been found in the study is most of the respondent are aware about the insurance policy and most of the respondent considers the extend of coverage of risk by the insurance policy.

**Keywords:** Insurance, Awareness, Risk

## 1. INTRODUCTION

Insurance is a contract between vehicle owner and the insurance company. The insurance company will pay the financial losses to the vehicle owner in return of premium received. A motor insurance policy is a mandatory policy issued by an insurance company as part of prevention of public liability to protect the general public from any accident that might take place on the road. The law mandates that every owner of a motor vehicle must have one motor insurance policy (The Economics Time). In India, under the provisions of the Motor Vehicles Act, 1988, it is mandatory that every vehicle should have a valid insurance to drive on the road. Any vehicle used for social, domestic and pleasure purpose should be insured. Motor insurance gives protection to the vehicle owner against (i) Damages to his/her vehicle and (ii) pays for any Third Party Liability determined as per law against the owner of the vehicle. Third Party Insurance is a statutory requirement. The owner of the vehicle is legally liable for any injury or damage to third party life or property caused by or arising out of the use of the vehicle in a public place. Driving a motor vehicle without insurance in a public place is a punishable offence in terms of the Motor Vehicles Act, 1988 (Kulkarni, 2018).

## 2. IMPORTANCE OF INSURANCE

Insurance is an important aspect of a responsible bike owner; it offers a range of benefits that protect both the rider and their investment. Whether a person rides a bicycle for commuting, leisure, or competitive sports, having adequate insurance coverage can make a significant difference in case of unforeseen events. Following are some of the benefits of insurance one can avail

### 1) Financial Protection

One of the primary reasons for having bike insurance is financial protection. Bikes, especially high-end models or those used for professional purposes can be relatively expensive. If the bike is stolen or damaged, insurance can help to cover the repairs or replacement costs, ensuring that owner don't face a significant financial burden. This is particularly important for those who have invested heavily in their bikes and equipment.

### 2) Coverage for Accidents

Accidents are an inevitable part of cycling, whether they involve collisions with vehicles, other cyclists, or even falls. Bike insurance often includes coverage for medical expenses resulting from such accidents. This can cover hospital bills, rehabilitation costs, and other related expenses, reducing the financial impact on the rider.

### 3) Liability Protection

Bike insurance can also include liability coverage, which is crucial if a person involved in an accident that causes injury or property damage to others. Without insurance, he/she could be held for financially responsible for significant damages or legal fees. Liability coverage helps to protect from these potential costs, offering peace of mind that he/she are protected against claims from other parties.

### 4) Comprehensive Coverage

Many bike insurance policies offer comprehensive coverage, which can include protection against theft, vandalism, and damage that occurs out of accidents. This can be particularly valuable if a person regularly park his/her bike in public places where it might be at risk of theft or vandalism. Comprehensive coverage ensures that he/she is protected from a wide range of potential issues.

### 5) Compliance with Regulations

In some regions, bike insurance might be a legal requirement, especially for certain types of bikes or for competitive riders. Ensuring that one must have the necessary insurance not only keeps you compliant with local regulations but also demonstrates responsibility and commitment to safety. It's important to be aware of the specific requirements in your area to avoid potential legal issues.

## 3. REVIEW OF LITERATURE

(Mallik & S, 2018) Studied about the customer awareness and perception towards car insurance and factors influencing in the choice of insurance company based on primary data. Their study reveals that customer is not aware about the terms and conditions, basis of premium calculation, claims settlement procedure of the policies. They advocate that it is very much important to have clear concept and awareness about the importance of vehicle insurance before they ride their vehicle in the road.

(Rao & Pandey, 2013) Studied the factors influencing claims in general insurance business in India. The study reveals that there exists an association between various segments of insurance and the study also suggests a claims projection model for the general insurance stakeholder. They recommend that the insurance company should not treat claims settlement strategies in isolation of segment rather they can use suggested model in projecting the claims and reduce underwriting losses.

(Arif & Sirajuddin, 2016) Their study aims to identify the perception of policyholder towards motor vehicle insurance. They studied the perception of policyholder about risk coverage, quickness of services and faithfulness of service. The study has also found that the Faith in the insurance company was the first perception factor of the policyholders to choose the particular insurance company. The future growth of the motor insurance sector will largely rely on effectiveness of the company in providing services that can satisfy clients' needs and wants adequately. It also revealed that the capability of the motor insurance company in changing the perception of clients is another key factor.

(Ali, Hadejia, & Godara, 2021) Recommended that company should focus on location, branch network, effective service delivery, simplicity in opening account, interest rates, infrastructure so as to effectively satisfy customers' wants. And also, appropriate marketing strategies to retain and stimulate potential customers in order to ensure that their market share is continuously increasing. There should be effective method of educating the customers about the benefits of insurance services their investment opportunities in terms higher return earnings.

#### 4. STATEMENT OF THE PROBLEM

It has been seen that majority Indian household uses two wheelers for their day-to-day short distance travel e.g. to drop their children at school, going to office, daily marketing purpose etc. bike accident rate has been rapidly increasing. It is the insurance that only can recover the financial loss. It is essential for people to take precaution to prevent any kind of accidental, burglary loss etc. Therefore, it is important to have knowledge and awareness about insurance. Hence this study tries to identify the levels of awareness about insurance among people.

#### 5. OBJECTIVES OF THE STUDY

- 1) To know the awareness level about insurance.
- 2) To know the factors which influence to buy insurance policy?

#### 6. RESEARCH METHODOLOGY

The study is descriptive and analytical in nature. Both primary and secondary data has been used. The researcher has used Google form to collect primary data and secondary data has been used from various journals magazines, and website. The researcher has circulated the questionnaire through Google form through various social media platforms and received 95 responses. These 95 recorded responses have been used in the study.

#### 7. ANALYSIS AND INTERPRETATION OF DATA

The collected data has been analysed and interpret using SPSS software. Finding of the study are note down on the basis of analysis of data.

**Table 1**

		Age Group				Total
		18 years to 23 years	24 years to 29 years	30 years to 35 years	36 years and above	
Gender	Male	5 5.26%	34 35.79%	34 35.79%	9 9.47%	82 86.32%
	Female	1 1.05%	11 11.58%	1 1.05%	0 0%	13 13.68%
Total		6 6.32%	45 47.37%	35 36.84%	9 9.47%	95 100
Source Primary survey and compilation by the researcher						

From the table age group of the respondent depicts that 86.32 % of the respondent are male and rest of female. Majority (47.37%) are from the age group of 24 years to 29 years, 36.84% are from the age group of 30 years to 35 years, 9.47% are from the age group of 36 years and above and only 6.32% are from the age group of 18 years to 23 years. Most of the female respondent i.e. 11.58% is from the age group of 24 years to 29 years.

**Table 2**

Cross tabulation						
Educational qualification and present occupation						
present occupation		Educational qualification				Total
		Graduation	Post Graduation	Research Scholar	Below Higher Secondary	
Student	Count	2	4	4	14	24

	% of Total	2.1%	4.2%	4.2%	14.7%	25.3%
Salaried Employee	Count	2	11	19	6	38
	% of Total	2.1%	11.6%	20.0%	6.3%	40.0%
Self Employed / Business	Count	2	20	9	2	33
	% of Total	2.1%	21.1%	9.5%	2.1%	34.7%
Total	Count	6	35	32	22	95
	% of Total	6.3%	36.8%	33.7%	23.2%	100.0%
<b>Source</b> Primary survey and compilation by the researcher						

From the cross table educational qualification and present occupation of the respond of the study it has been found that the 40% of the respondent are salaried employee out of which 11.6% are post graduate and 20% are research scholar. 34.7% of the respondent are self-employed out of which 21.1% are post graduate. 25.3% of the total respondents are regular student. Overall, the respondents are well qualified.

**Table 3**

Cross tabulation						
Educational qualification and Awareness about vehicle insurance						
Awareness about vehicle insurance		Educational qualification				Total
		Graduation	Post Graduation	Research Scholar	Below Higher Secondary	
Not Aware	Count	2	4	0	0	6
	% of Total	2.1%	4.2%	0.0%	0.0%	6.3%
Neutral	Count	1	3	2	2	8
	% of Total	1.1%	3.2%	2.1%	2.1%	8.4%
Aware	Count	0	5	13	10	28
	% of Total	0.0%	5.3%	13.7%	10.5%	29.5%
Highly Aware	Count	3	23	17	10	53
	% of Total	3.2%	24.2%	17.9%	10.5%	55.8%
Total	Count	6	35	32	22	95
	% of Total	6.3%	36.8%	33.7%	23.2%	100.0%
<b>Source</b> Primary survey and compilation by the researcher						

From the table III it has been seen that 55.8% and 29.5% of the total respondent are highly aware and aware respectively about the insurance policy and only 6.3% of the respondent are not aware about the insurance policy. It is a good indication that most of the respondents are conscious about insurance policy

**Table 4**

Cross tabulation						
Educational qualification and motive to buy insurance						
motive to buy insurance		Educational Qualification				Total
		Graduation	Post Graduation	Research Scholar	Below Higher Secondary	
To minimize the accidental loss	Count	4	27	21	17	69
	% of Total	4.2%	28.4%	22.1%	17.9%	72.6%

To minimize the loss of theft	Count	1	1	0	2	4
	% of Total	1.1%	1.1%	0.0%	2.1%	4.2%
To get rid of traffic challan	Count	1	7	11	3	22
	% of Total	1.1%	7.4%	11.6%	3.2%	23.2%
Total	Count	6	35	32	22	95
	% of Total	6.3%	36.8%	33.7%	23.2%	100.0%
<b>Source</b> Primary survey and compilation by the researcher						

From the above table it has been seen that 72.6% of the respondent buy insurance to minimize the accidental loss, 23.2% of the respondent buy insurance only to get rid of traffic challan and one important thing is that 11.6% and 7.4% of this 23.2% are research scholar and post graduate respectively. It indicates that there is lack of awareness about the importance and main purpose of the insurance among the research scholar.

**Table 5**

<b>Cross tabulation</b>						
<b>Educational qualification and Factors consider while purchasing insurance</b>						
<b>Factors consider while purchasing insurance</b>		<b>Educational Qualification</b>				<b>Total</b>
		<b>Graduation</b>	<b>Post Graduation</b>	<b>Research Scholar</b>	<b>Below Higher Secondary</b>	
Types of risk cover	Count	5	15	14	10	44
	% of Total	5.3%	15.8%	14.7%	10.5%	46.3%
Less Amount of Premium	Count	0	7	9	6	22
	% of Total	0.0%	7.4%	9.5%	6.3%	23.2%
Quality of the service provided	Count	1	13	9	6	29
	% of Total	1.1%	13.7%	9.5%	6.3%	30.5%
Total	Count	6	35	32	22	95
	% of Total	6.3%	36.8%	33.7%	23.2%	100.0%
<b>Source</b> Primary survey and compilation by the researcher						

From the above cross table on educational qualification and Factors consider while purchasing insurance, it has been seen that respondent are aware about various factors while buying insurance policies. 46.3% of the respondent considers types of risk cover by the insurance policy while purchasing policy, 30.5% of the respondent gives importance on the quality of service provided by the insurance company and 23.2% of the respondent thinks about the premium amount of the policy and while searching for less amount of premium on choosing policy.

## 8. FINDINGS OF THE STUDY

- More than 80% of the respondent is from the age group of 24 years to 35 years and more than 70% of the respondent is well qualified.
- Most of the respondents (40%) are salaried employees and 35% are self employed.
- It is interesting is that 85% of the respondent are aware about insurance for bike. And a negligible percentage of respondents are not aware about insurance policy.
- 72% of the respondent is aware about their accidental loss and to recover this accidental loss they buy insurance policy.

- It is also remarkable is that 23% of the respondents buy insurance to get rid of traffic challan and most of these respondents are post graduate and research scholar.
- 46.3% of the respondent considers types of risk cover by the insurance policy while purchasing policy, 30.5% of the respondent gives importance on the quality of service provided by the insurance company.
- 23.2% of the respondent thinks about the premium amount of the policy and while searching for less amount of premium on choosing policy.
- It is also found that 80% of the respondents are bought insurance by the respondent himself and 51% of the respondent choose the insurance company in his own, 18% said that their insurance company was selected by the vehicle dealers.

## 9. CONCLUSIONS

Bike insurance is an important consideration for any cyclist. It provides financial protection for both the bike and the rider, covers a range of potential accidents and damages, and offers liability protection in case of legal claims. Beyond these practical benefits, bike insurance also provides peace of mind, allowing riders to enjoy their cycling experiences with confidence. Whether a person is a casual rider or a serious enthusiast, having the right insurance coverage is a responsible and prudent choice that can safeguard both your investment and your well-being. There should be effective method of educating the customers about the benefits of insurance services and regulatory requirements of being having insurance policy.

## CONFLICT OF INTERESTS

None.

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