

A Study on Customer Awareness towards Health Insurance With Special Reference to Coimbatore City

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Abstract: Good Health confers on a person or groups' freedom from illness - and the ability to realize one's potential. Health is therefore best understood as the indispensable basis for defining a person's sense of well being. Health insurance is an insurance against the risk of incurring medical expenses among individuals. Health insurance remains vastly under-developed in India. Only 11% of population is presently covered with Health Insurance. Around 24% of all people hospitalized in India in a single year fall below the poverty line due to hospitalization (World Bank, 2002). An analysis of financing of hospitalization shows that large proportion of people borrows money or sells assets to pay for hospitalization (World Bank, 2002). Majority of Indians are more vulnerable to Major ailments. Marketing of Health insurance policies become paramount important to help people to meet out the untoward expenses arising out of unexpected ailments. It will be a win-win situation for Public and companies of increasing the penetration of health insurance products to its fullest potential. The benefit of health insurance has to be extended to the excluded population too. Clearly there is an urgent need to expand the health insurance net in India, in such a situation it is essential to understand the consumers how far they are interested in buying health insurance, consumers perception is to be recorded, it is essential to limit the out-of-pocket expenses of the consumers, and suggest and bring an awareness to the consumers how health insurance would help in reducing their financial burden during hospitalisation.

Keywords: Awareness, Factors, Customer satisfaction, Problems

I. Introduction

Growing demand for modern medical care, brought on by a rapidly, expanding population, rising literacy levels, and technological advancement lead to high expectation from the health services. This has shifted demand in favour of health care. According to the Health Insurance Association of America, health insurance is defined as "coverage that provides for the payments of benefits as a result of sickness or injury. Includes insurance for losses from accident, medical expense, disability, or accidental death and dismemberment".

Health Insurance Schemes

Based on ownership, the existing health insurance schemes can be broadly divided into categories such as:

- Government or state-based systems
- Market-based systems (private and voluntary)
- Employer-provided insurance
- Member organization (NGO or cooperative) based systems.

II. Objectives Of The Study

1. To examine the awareness level of the respondents towards the health insurance companies and the health insurance policies which was provided by the health Insurers.
2. To find out the factors which influences the respondents in selecting particular health insurance company and health insurance policies.
3. To analyze the customers level of satisfaction towards the services rendered by the health insurance companies and the settlement of claims.
4. To find out the problems faced by the Health Insurance Policy Holders.
5. To offer suggestions based on the results of the study.

III. Review Of Literature

The health insurance industry has changed rapidly in the changing economic environment throughout the world. The overall Insurance Industry contributes about seven percent GDP of our economy. The increased

rate of market competition due to liberalization and privatization forced health insurers to be competitively serving in a better way to the customers. In that point view to huge untapped market, the concept of health insurance was introduced by the IRDA. Health insurance is a new and an emerging model of channel of distribution adopted by insurance players to increase the market share and insurance penetration. The present empirical based study was conducted with an objective to understand the growth of health insurance in Indian health Insurance Industry and to measure the customer awareness, satisfaction and perception towards buying health insurance products from insurers. The various concepts related to health insurance have been discussed in this paper. Health insurance is accelerating the growth of Insurance business, decrease cost, Low awareness of health insurance among customers. This paper concludes that there is a tremendous scope and growth opportunity available for health insurance in future in the Indian Insurance market. **(Ramamoorthy and Dr. Senthil Kumar ,2013)**

People are not purchasing the health insurance because of low awareness, lack of finance and high premium charges in India. **(Panchal . N ,2013)**

The rural population are more vulnerable to risks such as illness, injury, accident and death because of their social and economic situation. There is need to provide financial protection to poor families for the same. Health insurance could be a way of removing the financial barriers and improving accessibility to quality medical care by the poor and also an effective social security mechanism. Awareness regarding health insurance is poor; therefore awareness creation is needed. Education, socio-economical status and occupation were favourable determinants for opting health insurance. **(Choudhary Maheshkumar. L,2013)**

IV. Research Design

Sample Design: The method of data collection is through sample survey, Convenience sampling is used in this survey.

Sample Size: The size of sample is 325

Analytical Tools:

The following are the analytical tools applied for the analysis of the data collected:

- ❖ Chi-Square test
- ❖ t –test
- ❖ One-way ANOVA
- ❖ Garrett rank technique etc.,

V. Analysis And Interpretation

Analysis Of Distribution Of The Respondents On The Basis Of Level Of Awareness:

(A)Level of Awareness about Health Insurance Companies

Null Hypothesis:

There is no significant difference in the mean awareness scores about Public Insurance Companies among the Customers.

Anova

SOURCE	DF	S S	M S	F
Between groups	3	28.485	9.495	8.49**
Within groups	1296	1449.822	1.119	

** - Significant at 1 % level

Since the F is significant the null hypothesis of no difference in the mean awareness score on about Public Insurance Companies among the Customers is rejected and there is significant difference in the mean awareness scores about Insurance Companies among Customers. The mean scores among the respondents is furnished below:

Public Insurance Companies

INSURANCE COMPANIES	AWARENESS MEAN SCORE	RANK
(i) The New India Assurance Co.Ltd.,	3.275	2
ii) The United India Insurance Co.Ltd.,	2.512	3
iii) The Oriental Insurance Co.Ltd.,	2.418	4
iv) The Life Insurance Corporation Ltd.,	3.792	1

Source: Primary data

The above table showed that the mean awareness scores about Public Insurance Companies among the Customers ranged from 2.418 to 3.792 and the LIC has secured higher mean score and stood at top whereas the OIC has secured least score and stood at last.

Level of Awareness about Health Insurance Private Insurance Companies

Null Hypothesis:

There is no significant difference in the mean awareness scores about Private Insurance Companies among the Customers.

Anova

SOURCE	DF	SS	MS	F
Between groups	9	157.195	17.466	15.12**
Within groups	3241	3743.244	1.155	

**- Significant at 1 % level

Since the F is significant the null hypothesis of no difference in the mean awareness score on about Public Insurance Companies among the Customers is rejected and there is significant difference in the mean awareness scores about Insurance Companies among Customers. The mean scores among the respondents is furnished below:

Private Insurance Companies

INSURANCE COMPANIES	AWARENESS MEAN SCORE	RANK
i) Bajaj Alliance General Insurance Co.Ltd.,	3.30	1
ii) ICICI Lombard General Insurance Co.Ltd.,	2.98	3
iii) Royal Sundaram Insurance Co.Ltd.,	2.69	9
iv) Reliance General Insurance Co.Ltd.,	2.92	4
v) Cholamandalam Gic Ltd.,	2.61	10
vi) Hdfc Ergo Insurance Company	2.72	8
vii) Star Health and Allied Insurance Company	3.23	2
viii) Tata Aig Gic Ltd ...	2.80	5
ix) Bharati AXA General Insurance Company	2.74	7
x) Max Life Insurance	2.79	6

Source: Primary data

The above table showed that the mean awareness scores about Private Insurance Companies among the Customers ranged from 2.61 to 3.30 and the Bajaj Alliance General Insurance Co.Ltd., has secured higher mean score and stood at top whereas the Cholamandalam Gic Ltd., has secured least score and stood at last.

Analysis of Distribution of the Respondents On The Basis Of Source of Awareness of Health Insurance Companies:

(B) Source of Awareness about Health Insurance

S.No	SOURCE	RESPONDENTS	PERCENTAGE
1	Advertisement	89	27.4
2	Agents	148	45.5
3	Friends & Relatives	62	19.1
4	Doctors	24	7.4
5	Employees	2	0.6
	Total	325	100.0

It is seen from the above that among the respondents, 45.5 % of respondents aware of Health Insurance through advertisement, followed by 27.4 % through Agents, 19.1 % through friends & relatives. Thus the study showed that most of the respondents are aware of health insurance through Agents.

Analysis of Distribution of the Respondents On The Basis Of Level of Satisfaction towards Health Insurance:

(C) Level of Satisfaction towards Health Insurance

FACTORS	MEAN SCORE	RANK
Motivation given by the officials to purchase the policy	3.91	1
Procedure while followed taking the policy	3.77	3
Guidance rendered by the officials of the time of taking up the policy:-	3.75	4
Time taken for issuing the policy	3.83	2
Terms & conditions of the policy agreement	3.47	7
Time taken for issue of ID card	3.56	5
Premium payable	3.49	6
The amount sanctioned (or) claim settlement by the company	3.33	8

Source: Primary data

It is seen from the above table that among the total respondents, the mean satisfaction score about health insurance ranges from 3.33 to 3.91 and the item ‘Motivation given by the officials to purchase the policy’ has secured higher mean score and stood at top, followed by ‘Time taken for issuing the policy’ has secured next higher mean score and stood at second, ‘Procedure while followed taking the policy’ stood at third, ‘and finally ‘The amount sanctioned (or) claim settlement by the company’ secured least mean score and stood at last.

Analysis of Distribution of the Respondents On The Basis Of Problems Faced By Policy Holders

(D)Problems Faced By Policy Holders

S.NO	PROBLEMS FACED	SCORE		RANK
		TOTAL	MEAN	
1	Poor Service	16777.78	51.78	4
2	Less No Of Hospitals	18066.67	55.76	3
3	Terms & Conditions Stated By The Company	21766.67	67.18	1
4	More Formalities While Claiming	21611.11	66.70	2
5	Rate Of Premium	15055.56	46.47	5
6	Poor Response From Agents At The Time Of Claiming	14555.56	44.92	6
7	Mis-Statement Given By The Agents	13555.56	41.84	7
8	Delay In Claim Statements	10966.67	33.85	9
9	Expected Amount Not Sanctioned	13422.22	41.43	8

It is seen from the above table that among the total respondents, the mean score for problems faced ranges from 33.85 to 67.18 and the problem ‘Terms & conditions stated by the company’ has secured higher mean score and stood at top, followed by ‘More formalities while claiming’ has secured next higher mean score and stood at second, ‘Less no of hospitals’ stood at third, ‘and finally ‘Delay in claim statements’ secured least mean score and stood at last.

VI. Suggestions

The public must be educated through intensive campaign, similar to Life and general insurance. Though some corporate and Government have taken up initiative in providing health insurance to the employees, in Tamil Nadu government have brought up low premium health insurance for the benefit of the poor is an welcome measure. Clarity of the disease covered by the policy, when and how a claim has to be submitted with the insurance company, procedures and documents to be submitted in case of critical and other hospitalization with the insurance company, etc. It is suggested that an advisor must be available in all hospitals who can clearly explain and suggest a suitable policy for the person or the family.

VII. Conclusion

The Indian health insurance industry is growing at a fast pace and so are the issues and challenges linked to bringing in synergy within the system. With the rising health care cost, increase in disposable income and high out-of pocket expenditure for funding healthcare, the only way forward for financing healthcare in a country like India is through health insurance mechanism.

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