HEALTH INSURANCE AWARENESS AMONG THE CUSTOMERS - A STUDY IN UDUMALPET, TIRUPPUR DISTRICT

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ABSTRACT

Health care has become very much concern to each individual and the family too. Health care in the Easter years has been a house hold, where consumption of food itself was thought of as a health care, however, handy medicines were available in the home to take care of simple and manageable illness, for severe sickness people used to go the doctors for treatment, as of now food habit among the people is changing, most prefer to take fast foods, packed foods, etc, which are harmful to the health of the people, this often leads to sickness which are very much costly some sickness needs hospitalization, some with intensive care, etc. Mushroom growth of medical clinics, hospitals and dispensaries is being seen in today's' scenario. 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.

Introduction

Health care has become very much concern to each individual and the family too. Health care in the Easter years has been a house hold, where consumption of food itself was thought of as a health care, however, handy medicines were available in the home to take care of simple and manageable illness, for severe sickness people used to go the doctors for treatment, as of now food habit among the people is changing, most prefer to take fast foods, packed foods, etc, which are harmful to the health of the people, this often leads to sickness which are very much costly some sickness needs hospitalization, some with intensive care, etc. Mushroom growth of medical clinics, hospitals and dispensaries is being seen in today's scenario.

Commercialization has increased the cost of healthcare, where, a layman or a middle income group finds it difficult to meet their health care expenses, in such a situation health insurance has come into existence and handy for all income group. However, the awareness of health insurance is small slice among the population in India. In 1986, General Insurance Corporation of India introduced the mediclaim policy, this insurance policy was the first of its kind in India. An insurance against overall risk of incurring medical expenses among individuals and family members. In India, the health care delivery system can be classified into public and private. Public health care is associated with Government which comprises of limited secondary and territory care institutions in key cities and focuses on providing basic health care facilities in the form of primary health care in rural areas. Whereas, private sector provides majority of secondary, territory, and quaternary care with major concentration in metros and tier I and tier II cities.¹ **ibef.org** Healthcare market in India is expected to reach US\$372 billion by 2022, driven by rising income, better health awareness, life-style diseases and increasing access to insurance

It is projected that every year approximately 150 million people experience financial catastrophe, by spending more than 40 per cent on health expenses Health care awareness among the citizen in India is very less. As of 2018 health insurance penetration rate of retail and group health insurance across India was 26 per cent, and it is expected to increase by 6 per cent by the year 2030. Health insurance in India is a growing segment of India's economy. Policies are available that offer both individual and family cover. The survey carried out in the year 2014 found out that, more than 80% of Indians are not covered under any health insurance plan, and only 18 % (government funded 12%) of the urban population and 14% (government funded 13%) of the rural population was covered under any form of health insurance. The penetration rate of retail and group health insurance across India was over 26 per cent in the financial year 2018. This rate is expected to increase by 6 per cent by 2030.

Significance of the Study

Life is not guaranteed, in such a circumstance risk of health one must not take it granted that he or she is in good and sound health. We human can't predict any misfortune that could hamper health. These days in the middle of unhealthy living, busy life schedule and unwholesome diet, health related conditions are not anything that are to be assumed easy,

¹ <https://www.ibef.org/industry/healthcare-India.aspx>

unforeseen deterioration in health may lead to high cost that cannot be imagined, it may cause you to lose all your lifelong savings in setting the hospitalization costs and medical expenses. In such a circumstances, utmost relief and security is an ample medical insurance. Medical Insurance plans are specifically designed in such a way to provide monetary protection against medical and hospitalization costs due to illness, where one feels relaxed and provides peace of mind. There are very many benefits in taking health insurance. Apart from many benefits health insurance also comes with many other benefits such as restoration of benefits, lifelong renewal, alternative treatment options, free health checkup, etc. However health insurance segment still remains an unexplored territory in India. Jacob at Apollo Munich Health Insurance asserted, "Health insurance has become one of the most prominent segments in the insurance space today and is expected to grow significantly in the next few years. As spending on healthcare in India is expected to double in a couple of years, we believe that health insurance will eventually become the biggest contributor in the non-life segment."²

Many of the citizen are hesitance or ignorant about the health insurance, this is due to the lack of advertisements, lack of knowledge about the health insurance plans, not able to choose the appropriate plan, health insurance advisors are themselves unaware of the details of the plan, they are unable to explain the schemes properly to the needy, most citizen try for health insurance only at the last sequence, these are some the issues that lacks among the citizens, taking health insurance to the citizen is very important issue, this study highlights the importance of the health insurance and studies the awareness among the citizen of Udumalpet, in Tiruppur District, of Tamil Nadu.

Statement of the problem

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. In spite of above developments, 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

² Rohit Joshi and Siddharth Tak/Zee Research Group, http://zeenews.india.com/bby/exclusive/health-insurance-i-india-still-remains-an-untapped-market_877989.html, september 2013.

and bring an awareness to the consumers how health insurance would help in reducing their financial burden during hospitalization. This research has been undertaken in the Dindigul district by the researcher.

1.6 Scope of the study

As seen, health insurance is an important vehicle for health care financing, especially in a country like India. The growth of health insurance in India will require: a better understanding of the perceptions of healthcare providers and the stakeholders; answers to question linked to relationship between hospitalization cost paid by the insurer, components of hospitalization cost (i.e. room rent, consultation charges, surgeon charges, investigations, medicine etc.) and risk covered by the insurers; the study helps in understanding the perception of the consumers towards taking up health insurance, in Udumalpet.

1.7 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 find out the problems faced by the Health Insurance Policy Holders.
4. To offer suggestions based on the results of the study.
- 5.

1.8 Methodology

The present research uses secondary and primary sources of data. Consumer data was collected using structured questionnaire.

Period of Study

The study period is between September 2021.

Sampling

Population under study is limited to the Dindigul District, in Tamil Nadu. Dindigul consist of population Male and Female in the adult age group of 1080938 and 1078837 respectively as per the 2011 census.

Category	Sample Size	No. of prospective response received
Udumalpet	100	82
Gandhi Nagar	100	58
Ramasamy Nagar	100	75
Bodipatti	100	50
Erisanampatti	100	60
Total	500	325

Review of Literature

Dr. Bawa, K. S., & Ruchita. (2011)³ analysed the awareness and willingness to pay for health insurance in Punjab and the outcomes showed that there was low level of awareness and willingness to join. There were seven key factors acting as barriers in subscription for health insurance. These are Lack of Funds to Meet Costly Affair; Lack of Awareness and Willingness to join; Lack of Intermediaries' Outreach and Capabilities; Lack of Reliability and Comprehensive Coverage; Lack of Availability and Accessibility of Services; Narrow Policy Options; and Prefer Other Mode to Invest (followed by friends, relatives etc).

Reshmi. B, et. al. (2012)⁴ Socio-economic status had a significant impact on the awareness and attitude of respondents towards health insurance. The association between socio-economic status and amount of premium payable were significant. The higher socio-economic status higher was the amount agreeable to be paid as premium. The health insurance companies should come out with a clear policy details, as many of the respondents had only vague ideas about their various benefits and risks involved in a policy. perceptions and develop packages that are accessible, affordable and acceptable to all sections of the society.

LEVEL OF AWARENESS ABOUT POLICIES

S.No.	Personal variable	Calculated variable	p.value	S/NS
1.	Gender	F val.(df:1, 323)= 2.94 ns	.421	NS
2	Age	F val.(df:3, 321)= 2.69	.035	S
3	Educational qualification	F val.(df:3, 321)= 0.68	.654	NS
4	Occupation	F val.(df:3, 321) =0.42	.241	NS
5	Marital status	F val.(df:1, 323)=5.48*	.044	S
6	Type of family	F val.(df:1, 323)=0.05	.005	S
7	Size of family	F val.(df:3, 321)= 1.06	.231	NS
8	Monthly income	F val.(df:3,321)= 3.06*	.004	s

S-significant NS- NotSignificant

The analysis of variance showed that there is no significant difference in the mean awareness score among the gender groups of respondents. The mean score ranged between 3.53 to 3.69 and it is on par among gender groups of respondents.

³ **Dr.Bawa, K. S., &Ruchita. (2011).** Awareness and Willingness to Pay for Health Insurance: An Empirical Study with Reference to Punjab India. International Journal of Humanities and SocialScience, 1 (7), 101-108.

⁴ **Reshmi Bhageerathy, Nair N.Sreekumaran, Sabu.K.M, Dr. Unnikrishnan. B,** "Awareness, Attitude And Their Correlates Towards Health Insurance In An Urban South Indian Population", Management in Health, Vol 16, No 1 (2012), pp.177-188.

The analysis of variance showed that there is significant difference in the mean awareness score among age groups of the respondents. The mean satisfaction score ranged between 2.50 to 2.85 and it is higher in below 20 yrs age group.

The analysis of variance showed that there is significant difference in the mean awareness score among education groups of the respondents. The mean score ranged between 2.53 to 2.69 and it is on par among educational group of respondents.

The analysis of variance showed that there is no significant difference in the mean awareness score among occupational groups of the respondents. The mean score ranged between 2.58 to 2.68 and it is on par among occupational group of respondents.

The analysis of variance showed that there is significant difference in the mean awareness score among marital groups of the respondents. The mean score ranged from 2.57 to 2.75 and it is higher in married among marital status group of respondents.

The analysis of variance showed that there is no significant difference in the mean awareness score among type of family groups of the respondents. The mean satisfaction score ranged between 2.61 to 2.62 and it is on par among type of family group of respondents.

The analysis of variance showed that there is no significant difference in the mean awareness score among community groups of the respondents. The mean satisfaction score ranged between 2.56 to 2.75 and it is on par among family size group of respondents.

Table 2
Monthly Income and level of awareness

Monthly Income	Respondent		level of awareness			
			Mean	Range		SD
	No	%		Min	Max	
Below Rs.10,000	52	16.0	2.53	1.09	3.77	0.58
Rs.10,000-20,000	78	24.0	2.74	1.22	4.00	0.63
Rs.20,000-30,000	89	27.4	2.49	1.00	4.09	0.65
Rs.30000 and above	106	32.6	2.69	1.02	4.45	0.61
Total	325	100.0	2.62	1.00	4.45	0.63

Source: Primary Data

*- significant at 5 % level

The analysis of variance showed that there is significant difference in the mean awareness score among background groups of the respondents. The mean satisfaction score ranged from 2.49 to 2.74 and it is higher for Rs.10,000 to 20,000 income group of respondents.

Level of awareness about public health insurance companies

Table 3
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.

Null Hypothesis

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

Table 3 (A)
Anova Table

Source	DF	SS	MS	F
Between groups	3	28.485	9.495	8.49**
Within groups	1296	1449.822	1.119	

Source: Primary Data

**- 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.

Level of awareness about private health insurance companies

Table 4
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) Chola mandalam 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.

Null Hypothesis

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

Table 4. (A)
Anova Table

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.

Level of awareness about health insurance policies offered by public insurance companies

Table 5
New India Assurance

Policies	Awareness mean score	Rank
a) Mediclaim 2007 Policy	3.10	1
b) Family Floater Mediclaim Policy	3.01	2
c) Janata Mediclaim Policy	2.80	3
d) Senior Citizens Mediclaim Policy	2.78	5
e) Personal Accident Policy	2.80	4
f) Overseas Mediclaim Policy	2.74	6

Source: Primary data

The above table showed that the mean awareness scores about Public Insurance Company policies among the Customers ranged from 2.74 to 3.10 and the Mediclaim 2007

policy has secured higher mean score and stood at top whereas the Overseas Mediclaim policy has secured least score and stood at last.

TABLE NO.6
Factors influence in availing health Insurance policies

S.no	Problems faced	Score		Rank
		Total	Mean	
1	Influence by agents	25892.86	79.67	1
2	Influence by funds & relatives	22264.29	68.51	2
3	Self- Decision	17764.29	54.66	3
4	Better services	17221.43	52.99	4
5	Attractive Advertisement	10921.43	33.60	6
6	Easy Access	10364.29	31.89	7
7	Any others (Please specify)	13555.56	41.84	5

Source : Primary data

It is seen from the above table that among the total respondents, the mean preference score for news items ranges from 31.89 to 79.67 and the item 'Influence by agents' has secured higher mean score and stood at top, followed by 'Influence by funds & relatives' has secured next higher mean score and stood at second, 'Self- Decision' stood at third, 'and finally 'Easy Access' secured least mean score and stood at last.

Table 7
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

Source : Primary data

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.

Table no.8

Level of awareness about insurance companies

Companies	Min.val	Max.val	Mean	SD	CV(%)
Public insurance	1.00	5.00	3.52	0.89	25.17
Private insurance	1.00	5.00	2.88	0.77	26.70

It is seen from the above table that the level of awareness about Public Insurance Companies score ranged from 1 to 5 with the mean score 3.52, SD 0.89 and coefficient of variation of 25.17 %. Whereas in Private Insurance Companies the score ranged from 1 to 5 with mean 2.88, SD 0.77 and coefficient of variation of 26.70 %.

Table 9

Level of awareness between insurance company

Insurance companies	Mean difference	Standard error of mean difference	Z-Value	Sig
Public vs Private	0.64	0.07	9.85**	Sig at 1 %

It is seen from the above table that the mean awareness about Insurance companies differs significantly between Public and Private Insurance Companies as the 'Z' value is significant and the level of awareness is higher in Private Companies than in Public Companies.

Table 10

Level of awareness about insurance company policies

Policies	Min.val	Max.val	Mean	SD	CV(%)
Public insurance	1.00	4.79	2.84	0.74	26.02
Private insurance	1.00	4.30	2.53	0.69	27.08

It is seen from the above table that the level of awareness about Public Insurance Company policies score ranged from 1 to 4.79 with the mean score 2.84, SD 0.74 and coefficient of variation of 26.02 %. Whereas in Private Insurance Companies the score ranged from 1 to 4.30 with mean 2.53, SD 0.69 and coefficient of variation of 27.08 %.

Table 11
Level of awareness between insurance company policies

Insurance company policies	Mean difference	Standard error of mean difference	Z-Value	Sig
Public vs Private	0.31	0.06	5.51*	Sig at 1 %

It is seen from the above table that the mean awareness about Insurance company policies differs significantly between Public and Private Insurance Companies as the 'Z' value is significant and the level of awareness is higher in Private Companies than in Public Companies.

CONCLUSION

Most of the citizen are aware of the health insurance, employment oriented health insurance is mostly sought, Public sector health insurance is mostly purchased by the citizen than the private, very few have taken health insurance from private sector insurance companies. This is due to the gestation period for insurance claim is very less in case of public sector insurance companies than that of the private sector. In most cases to be specific low income people tend to move towards government offered (chief Minister health insurance schemes) than taking up their own initiative towards health insurance, penetration of health insurance needs more efforts, educating the public is very much necessary towards health insurance.