

# Awareness of Health Insurance - A Study Based on Customer Perception in Chennai, Chengalpet and Kancheepuram Districts

**Prof. Arpita Kothari**

Asst. Professor and Research Scholar

St. Rock's College of Commerce and Science, Borivali (W), Mumbai, India

**Abstract:** *The overall Insurance Industry contributes about seven percent GDP to our economy. The increased rate of market competition due to liberalization has forced insurers to serve customers better. Leveraging on the demand for quality healthcare and following global practices, the concept of health insurance was introduced by the IRDA. For penetrating Health Insurance among customers Insurance Companies had to follow innovative and emerging trends of distribution. First aim of this study is to identify the relationship between the annual income of the family with the reasons for selecting health insurance policy and premium commitment by the respondents. Secondly, to find the relationship between premium amount and the sum assured. Health insurance has been a game changer and utility for the insurance industry, medical fraternity and the common man making peace of mind affordable. It is concluded from the study that the people are aware of health insurance but they are not inclined to purchase health insurance facilities.*

**Keywords:** Health insurance, Awareness, Customer Perception, Utility

## I. INTRODUCTION

Health Insurance has become an integral part of the Insurance Sector being a money spinner. Demand for modern medical care, brought in by changing lifestyles, growing population, rising in literacy levels, shift in search for quality healthcare and technological advancement are blessings for the Health Insurance Sector. Health Insurance stands for insurance coverage for ill-health or injury, needing hospitalization arising due to lifestyle diseases, accidents, etc.,

## IMPORTANCE OF THE STUDY

Health insurance covers essential health benefits critical to maintaining your health and treating illness and accidents. It protects from unexpected high medical costs being covered in network healthcare thereby delivering peace of mind and security. It induces preventive care, like vaccines, screenings, & regular check-ups, closely monitoring our health and in-turn facilitating a healthy lifestyle.

## STATEMENT OF THE PROBLEM

Changing lifestyles, unhealthy eating habits, minimal physical activity, longer and untimely working hours and sleep debt have been responsible for many new age lifestyle diseases and created a demand for quality healthcare. With the cost of healthcare services sky-rocketing, need for health insurance is gaining popularity among the literate. In India, more than 80% of healthcare expenditure is still out of pocket expense. Lack of awareness and foresight has led to lower patronage for health insurance products among the people. There is a need to understand the barriers for not subscribing to health insurance and to study the effect of education level, salary and other factors associated with the non-purchase of health insurance by the public.

## OBJECTIVES OF THE STUDY

- To study customers' perception towards Health Insurance.
- To study Health Insurance as a product on offer.

- To Suggest Measures for improving Health Insurance

## II. REVIEW OF LITERATURE

**Madan Mohan Dutta(2021)** analysed the performance of Health insurance sector in India using Regression analysis and found that with better technological expertise coming in from the foreign partners and involvement by the IRDA, the health insurance sector in India would turn around and start to earn profit.

**Deepali Garge, Snehal Tare, Smarjeet Das (2020)** aimed to evaluate the source, awareness of health insurance in India among 102 respondents from Maharashtra. Sources of awareness of health insurance include employer, the Internet, newspaper, friends, and television. It was found that there is a need to create awareness among people for health insurance. Health insurance investment should not look at contingency, but it must be a regular habit. **Dandekar V M (2019)** investigated the scope for growth of the health insurance market in the Bilaspur region among 200 health insurance agents and found that there were difficulties of customers in deciding to opt for the health insurance plan. Government should encourage companies to propagate health insurance facilities to more and more people and agents should explain the benefits of health

insurance to customers and to target groups.

**Vijeta Chaudhary (2019)** discussed customer satisfaction and awareness of health insurance among 124 respondents using . Percentage analysis and Chi-square test and found that there was no significant association between age and satisfaction on service provided, qualification and health insurance products purchased by customers.

**TripathyP et al., (2018)** analyzed customer awareness towards health insurance with special reference to Bhubaneswar City with a sample size of 200 consumers. The study concluded that there was no significant association of awareness of health insurance policies of the customers.

**AnandalakshmyA and Brindha K (2017)** studied the awareness and factors influencing purchase decisions towards health insurance in Coimbatore and found that there was a significant relationship between age and source of awareness among people.

**Arun Vijay and Dr.V. Krishnaveni (2017)** studied the awareness and purchasing patterns of health insurance policy among 150 respondents in Ernakulam District, Kerala. The reasons for purchasing health insurance policies and the trend among awareness and availing health insurance policies between different age groups was analysed . It was found that people were highly aware of health insurance but they were not willing to purchase health insurance facilities.

**Mohan Prakash N R and Nagaraj K V (2016)** studied health insurance and its impact on the operations of hospitals in India. The changing role of occupancy rate in hospitals and the implications of privatization on health insurance in India and whether government fund allocation was utilized for the development of hospital services were analysed.

**Choudhary& Maheshkumar L (2013)** studied awareness of health insurance and its related issues in rural areas of Jamnagar. Factors such as education, socio-economic status and occupation were the favorable determinants for choosing health insurance.

## III. RESEARCH METHODOLOGY

The present study is analytical in nature. The study was conducted at Chennai, Kancheepuram and Chengalpattu districts. Primary data was collected by administering a pre-tested questionnaire. To undertake this study a sample of 210 respondents had been selected by applying convenient sampling technique. Statistical tools namely percentage analysis, Correlation and Regression have been used to analyze the primary data. Secondary data for the study has been collected from various publications in journals, magazines, websites and books.

## IV. LIMITATIONS OF THE STUDY

The data collection was spread over a period covering several months and it is possible that introduction of new schemes into the market and personal reasons could have caused some changes in the attitude of people towards health insurance coverage. Area of data collection is limited to three districts of Tamilnadu. Hence, findings cannot be interpreted to people belonging to a larger geographical area.

**V. ANALYSIS OF DATA**

Responses were collected from 210 respondents through a tested questionnaire. Statistical tools were used to analyse collected data and interpreted it as results.

Table 1: Demographic Profile of the respondents

Demographic Variable	Dominant group	Total (%)
Gender	Male	88 (42)
	Female	122 (58)
Age	20-30	105 (50)
	30-40	56 (27)
	40-50	32 (15)
	50-60	10 (5)
	Above 60	7 (3)
Marital Status	Single	82 (39)
	Married	122 (61)
Education	School	68 (32)
	Under Graduate	81 (38)
	Post Graduate	41 (20)
	Professional	20 (10)
Occupation	Government	17 (8)
	Private	145 (69)
	Professional	11 (5)
	Self Employed	36 (18)
Annual Income	<Rs.500000	144 (69)
	Rs.500000 – Rs.750000	43 (20)
	Rs.750000 – Rs.1000000	18(9)
	Above Rs.1000000	5 (2)

Source: Primary Data

Table 1 shows that majority (58%) of the respondents were female. 50 % of the respondents in the age group of 20 -30. Majority of the respondents were married. Most of the respondents are graduates. 69% of respondents are private employees with less than Rs.500000 as annual income.

Table 2 : Customer Awareness about Health Insurance

Particulars	Variable	%
Awareness about Insurance Company	Public General Health Insurance	55
	Private Health Insurance	45
Awareness about Types of Health Insurance	Individual Health Insurance Group	26
	Health Insurance	47
	Family Floater Health Insurance	27
Preference for Annual Premium Amount	Less than 12000	71
	12000 - 15000	21
	15000-30000	4
	Above 30000	4
Preference for Premium Payment Frequency	Monthly	53
	Quarterly	9
	Half Yearly	7
	Annually	31
Source of Awareness	Advertisement	6
	Friends/relatives/colleagues	29
	Insurance agent	18

Internet	4
ESI	43

Sources: Primary Data

Table 2 shows that 55 percent of the respondents take Health Insurance from Public General Health Insurance companies. Majority (47 percent) of the respondents choose Group Health Insurance policy, 71 percent of the respondents pay less than Rs.12000 p.a as premium and 53 percent of the respondents pay their premium on monthly basis. 43 percent of the respondents know about Health Insurance through ESI (Employees State Insurance).

Relationship between Annual Income of the family and Reasons for selecting Health Insurance

H01: There is no significant correlation between Annual Income and the Reasons for selecting Health Insurance Policy.

H11: There is significant correlation between Annual Income and the Reasons for selecting Health Insurance Policy.

Table 3: Correlation between Annual Income and the reasons for selecting Health Insurance Policy

Factors	Annual Income	Reasons
Annual Income	1	
Reasons	.241*	1

Note: \* Correlation is significant at the 0.05 level (2-tailed).  
Results computed using SPSS 14.0

Table 3 shows that there is a significant positive correlation between Annual Income and the reasons for selecting Health Insurance Policy.

#### Impact of Annual Income on Commitment to Pay

H02: There is no significant relationship between Annual Income of the family and the Premium Commitment. H12:

There is significant relationship between Annual Income of the family and the Premium Commitment.

Table 4: Relationship between Annual Income of the family and the Premium Commitment

Model Summary						
Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate		
1	.205 <sup>a</sup>	.042	.033	.66112		
Analysis of Variance						
Model		SS	df	Mean Square	F	Sig.
1	Regression	1.971	1	1.971	4.510	.36 <sup>b</sup>
	Residual	45.019	103	.437		
	Total	46.990	104			
Regression Coefficient						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	$\beta$	Std. Error	$\beta$			
<b>(Constant)</b>	<b>1.081</b>	<b>.159</b>		<b>6.793</b>	<b>.000*</b>	
Premium Commitment	.99	.047	.205	2.124	.036	

a. Predictors: (Constant), : Commitment to pay b. Dependent Variable: Annual Income Note: Results obtained by using SPSS 14.0. \*Significant @ 5% level of significance;

Table 4 shows that R<sup>2</sup> value is 4.2% and adjusted R<sup>2</sup> value is 3.3%. It means 3.3% of the variation independent variables explained by the chosen independent variable. It is also found that the F = 4.510 and is significant at 5% level. Hence, the Null Hypothesis, **H02**, is rejected. Thus, there is a significant relationship between Annual Income of the family and the premium commitment.

Influence of Sum Assured on Premium Amount

H03: There is no significant relationship between Premium Amount and Sum assured. H13: There is significant relationship between Premium Amount and Sum assured.

Table5: Relationship between Premium Amount and Sum Assured

Model Summary						
Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate		
1	.467 <sup>a</sup>	.218	.211	.659		
Analysis of Variance						
Model		SS	Df	Mean Square	F	Sig.
1	Regression	12.488	1	12.488	28.767	.00 <sup>b</sup>
	Residual	44.712	103	.434		
	Total	57.200	104			
Regression Coefficient						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	$\beta$	Std. Error	$\beta$			
(Constant)	.389	.199		1.950	.054	
Sum Assured	.534	.099	.467	5.364	.000	

a. Predictors: (Constant), Premium Amount. b. Dependent Variable: Sum Assured Note: Results obtained by using SPSS 14.0. \*Significant @ 5% level of significance;

Table 5 shows that R<sup>2</sup> value is 2.18% and adjusted R<sup>2</sup> value = 2.11 %. It was found that F = 28.767, p = 0.000 were statistically significant @ 5% level. Hence, there is significant relationship between Premium Amount and the Sum Assured.

## VI. SUGGESTIONS

- Increase Awareness of Health Insurance Products and make it easily available to all.
- Create Tailor-made simple products to benefit customers
- Promote Healthy competition to benefit customers.
- Embrace service mentality shedding business orientation.

## VII. CONCLUSION

Healthcare has become a luxury in today's world. Health Insurance is rapidly moving towards becoming a product from being a concept. It is desirable to treat Health Insurance as an Investment for future unforeseen expenditure. Patronage for Health Insurance is low pertaining to awareness deficiency. Sufficient measures need to be taken to increase the awareness to possess Health Insurance which is capable of delivering peace of mind.

## REFERENCES

- [1]. Anandalakshmy, A., & Brindha, K. (2017). "Policy Holders' Awareness And Factors Influencing Purchase Decision Towards Health Insurance In Coimbatore District", International Journal Of Commerce And Management Research, 12-16.
- [2]. Jacob, A. (2018). "A Study On Customer Perception Towards Health Insurance In Ranny Thaluk", International Journal Of Advance Research And Development, 3 (12), 41 - 48.
- [3]. Sonal Kala, D. P. (2015). A Study On " Awareness Of Health Insurance Among People With Special Reference To Rajasthan ( India)", International Journal Of Business Quantitative Economics And Applied Management Research, 1 (12), 1 - 11.
- [4]. <https://www.insuranceinstituteofindia.com/>
- [5]. <https://www.policybazaar.com/health-insurance/individual-health-insurance/articles/best-health-insurance-plans-in-india/>

- [6]. <https://www.godigit.com/health-insurance/types-of-health-insurance>
- [7]. <https://www.insurancedekho.com/health-insurance/articles/why-is-public-awareness-of-health-insurance-a-must-in-india-363>