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Health insurance policies and its awareness among the policyholders in Sivagangai district in Tamil Nadu: An analysis

K. Udhaya [1], G. Parimalarani [2] and M. Soundarya [3]

[1] Ph.D Research scholar, Department of Banking Management, Alagappa University, Karaikudi, Tamil Nadu, India.
[2] Professor, Department of Banking Management, Alagappa University, Karaikudi, Tamil Nadu, India.
[3] School of Management studies, Sathybama Institute of Science and Technology, Chennai, India.

Abstract

The increasing prevalence of lifestyle diseases such as diabetes, hypertension, stroke and heart attack among the young as well as the elderly people in India is becoming a major cause of concern. Having no family history of these conditions does not ensure protection from related complications. In today fast-paced life, the human beings must be prepared for a medical contingency at all times. This is where a robust health insurance policy can help. One of the major health insurance benefits, in the face of a medical emergency, is that it allows policyholder to take mind off the stress related to healthcare costs and focus on the treatment instead. The primary data were collected from policyholders in sivagangai district. The sample size used for the study is 150. The sampling technique used for the study is convenience sampling method. The findings of the study show that majority of the respondents were partially aware on the health insurance policy and also majority of the respondents were satisfied towards health insurance policy.

Keywords: Health Insurance; Awareness; Policyholder; Disease

1. Introduction

The health insurance sector in India has come a long way. It spans over 50 years and is one of the biggest industries in India. The need for health insurance arose from the high mortality rate and inadequate resources in the post-independence era. The government came up with health insurance to make healthcare more accessible and affordable to the Indian population. However, a large number of Indians remain uninsured. It is important to understand how the health insurance sector has evolved through the years and how it can help the healthcare industry fill in the gaps and make health insurance an affordable reality for all. During this period, government schemes were introduced in 1948 and after. These included the Employer State Insurance Scheme (ESIS) and the Central Government Health Insurance Scheme (CGHIS). These schemes insured organizational and government employees and their families against specific illnesses, disabilities and cases of death. In some cases, there was even maternity health and out-patient departmental (OPD) coverage. After that, the General Insurance Corporation introduced a voluntary medi claim policy in 1986. This medi claim insurance policy reimbursed inpatient and domiciliary (at home) hospitalization expenses for specific illnesses and injuries. Health insurance saw a massive boom in the 90s due to the rising healthcare costs. Paying for healthcare expenditures out of pocket became more and more expensive for the average citizen. Due to the high leap of inflation (the systemic price rise of goods and services) and the inadequate government health resources, the government felt a need to bridge the price gap. Moreover, due to the privatization of the health insurance sector and the establishment of the Insurance Regulatory and Development Authority of India (IRDAI) in 1991, there were several amendments and alterations to the scope of health insurance plans. Various sub-limits were extended, and price gaps removed altogether. More and more illnesses, disabilities, and health scenarios started to come under health insurance.

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* Corresponding author: M. Soundarya

Moreover, health insurance expanded to encompass diverse health contingencies and the people who might need healthcare, including:

Newborn babies, Senior citizens, Travellers, First-time/second-time mothers, corporate employers and employees

Some of the illnesses and disabilities now covered in health insurance include:

Critical illnesses, Vector-borne diseases, Maternity complications, Accidental death, Permanent/ temporary physical disability arising due to an accident, Mental ailments, Burns, fractures, broken bones and Lifestyle diseases (after a fixed waiting period).

In India the general insurance industry underwrote total direct premium of `2.21 lakh crores 2021-22 registering a growth of 11.06 per cent from previous year. Out of 25 private insurers (including standalone health insurers) operating in the year 2021-22, 24 insurers reported an increase in premium underwritten as compared to the previous year. In case of public sector general insurers in the year 2021-2022, the market share of all the public sector insurers except New India has decreased.

According to the IRDAI annual report, the health insurance business reported a growth of 26.27 per cent in 2021-22 making it the largest general insurance segment in India with a market share of about 36 per cent. The general and health insurers have issued 26.57 crores policies in the year 2021-22 reporting an increase of 7.68 per cent.

2. Review of Literature

Eshwaran et.al (2022) in their article examined the customer awareness towards health insurance. The level of customer awareness towards health insurance is the set objective. The sample of 260 respondents was selected from Madurai City by using convenience sampling method. Based on a thorough literature review a standardised questionnaire was used to analyse the data. The data was analysed by using statistical techniques. A demographic profile of the respondents; one-way ANOVA; and Garrett rank technique on the data using SPSS. The finding of the study shows that policyholders are more aware about health insurance policies.

Elizabeth Jacob (2021) in her article examined that the recent growth is just a temporary response to the pandemic, or whether the pandemic has indeed caused a permanent change in the mindset of the public towards health insurance. In addition to that, the perceived benefits and satisfaction derived by the policyholders from health insurance policies are also studied. **Priya (2015)** stated that there is an urgent need to expand the health insurance net in India. In such a situation, it is essential to understand the consumers' perception of health insurance. It is also essential to limit the out-of-pocket expenses of the consumers and suggest and bring awareness to the consumers and how health insurance would help in reducing their financial burden during hospitalisation.

Objective of the study

The main objective of the study is to analyze the policyholders awareness towards health insurance policies in Sivagangai district.

3. Material and method

The study was carried out by collecting both primary as well as secondary data. Primary data were collected from 150 health insurance borrowers from Sivagangai district in Tamil Nadu. Secondary data were collected from the annual reports published by Insurance Regulatory Development Authority in India.

3.1. Sampling method and size

Convenience sampling method was used to select the sample respondents. The sample size for the study is 150 collected from health insurance borrowers. There are 14 health insurance companies in study area.

3.2. Method of data collection

Interview method was adopted for collecting the data from the Policyholders who have availed health insurance policies. An interview schedule was used for the purpose of collecting the data.

3.3. Tools for analysis

Percentage analysis, Chi-square and ANOVA were used to analyze the data.

Table 1 Health insurance companies in Sivagangai District

S.No	Name of the company	No. of sample respondents
1	Star Health & Allied Insurance Co. Ltd	21
2	Kotak Mahindra General Insurance Co. Ltd	9
3	The Oriental Insurance Co. Ltd	7
4	SBI General Insurance Co. Ltd	9
5	Future General India Insurance Co. Ltd	9
6	Reliance General Insurance Co. Ltd	11
7	The New India Assurance Co. Ltd	9
8	ICICI Lombard General Insurance Co.Ltd	9
9	Bajaj Allianz General Insurance Co.Ltd	7
10	IFFCO Tokio General Insurance Co.Ltd	7
11	National Insurance Co. Ltd	16
12	United India Insurance Co. Ltd	7
13	Universal Sompo General Insurance Co.Ltd	7
14	Chola MS General Insurance Company Limited	8
15	Others	14
Total		150

Source: Primary Data

4. Result and discussion

4.1. Demographic Profile of the Respondents

Table 2 shows that 55 percent of the respondents are male members and 45 percent respondents are female members. Hence, it is concluded that the majority of the respondents contacted are male members.

From the above table it is inferred that 6 percent of the respondents are in the age group of below 20 years, 39 percent of the respondents are in the age group of 21-30 years, 27 percent of the respondents are in the age group of 31-40 years, 15 percent of the respondents are in the age group of 41-50 years, 13 percent of the respondents are in the age group of above 50 years. Hence, it is concluded that the majority of the respondents contacted are in the age group of 21-30 years.

Table 2 shows that 4 percent of the respondents are not formally educated, 13 percent of the respondents have completed their schooling, 9 percent of the respondents have completed their diploma course, 55 percent of the respondents are graduates, 19 percent of the respondents are Post graduate. Hence, it is concluded that majority of the respondents contacted are graduate people.

Out of 150 respondents, 8 percent of the respondents are business man, 31 percent of the respondents are self employee, 15 percent of the respondents are government employees, 46 percent of the respondents belong to other categories. 17 percent of the respondents monthly income is less than Rs.15000, 21 percent of the respondents monthly income is Rs.15001 to Rs.20000, 17 percent of the respondents monthly income is Rs.20001 to Rs.25000, 13 percent of the respondents monthly income is between Rs.25001 to Rs.30000, 35 percent of the respondents monthly income is above Rs.30000. Hence, it is concluded that the majority of the respondents monthly income is above Rs.30000.

Table 2 Demographic Profile of the Respondents

Demographic Profile	Options	No of Respondents	Percentage
Gender	Male	82	55
	Female	68	45
	Total	150	100
Age	Below 20 years	9	6
	21-30 Years	59	39
	31-40 Years	41	27
	41-50 Years	22	15
	Above 50 Years	19	13
	Total	150	100
Educational Qualification	Not formally educated	6	4
	School	19	13
	Diploma	14	9
	Graduate	83	55
	Post Graduate	28	19
	Total	150	100
Occupation	Businessman	12	8
	Self employee	47	31
	Government employee	22	15
	Others	69	46
	Total	150	100
Monthly Income	Less than Rs.15000	26	17
	Rs.15001 to Rs.20000	32	21
	Rs.20001 to Rs.25000	20	17
	Rs.25001 to Rs.30000	19	13
	Above Rs.30000	53	35
	Total	150	100
Type of Health Insurance Sector	Public sector	47	31
	Private sector	80	54
	Stand-alone health insurance	21	14
	Schemes offered by the Government	2	1
	Total	150	100

Source: Primary Data

Table 2 shows that 31 percent of the respondents have taken their health insurance policies from public sector insurance companies, 54 percent of the respondents from private sector insurance companies, 14 percent of respondents have purchased their health insurance policy from stand-alone health insurance companies, one percent of the respondents got it from health insurance schemes which are offered by the government. Hence, it is concluded that majority of the sample respondents had taken health insurance policies from Private sector insurance companies.

4.2. Association between type of health insurance sector and Demographic profile of the respondents

Chi-square analysis was used to find the association between the type of health insurance company and the demographic profile of the respondents.

4.2.1. H₀: There is no significant association between the type of health insurance sector and Demographic profile of the respondents

Table 3 Association between the type of health insurance sector and Demographic profile of the respondents

Demographic Factor	Chi-Square Value	Sig.Value
Gender	2.826	0.000
Age	3.834	0.000
Educational Qualification	0.713	0.001
Occupation	4.324	0.000
Monthly Income	2.543	0.002

Source: Primary Data

It is observed that the significant value is less than 0.05 for the variable 'Age' the significant value is (0.000), 'Educational Qualification' the significant value is (0.001),'Occupation' the significant value is (0.000), 'Monthly Income' the significant value is (0.002) which indicates that there is an association between type of health insurance sector and demographic profile of the respondents. The chi-square value for the variables are 3.834, 0.713, 4.324, 2.543 and the significant value is 0.000.Therefore, it is concluded that there is an association between the type of health insurance sector and the demographic profile of the respondents. Observing the other remaining variables such as 'Family Income' the significant value is 0.386 and the chi-square value is 0.751. So, there is no significant association between the type of health insurance sector and demographic profile of the respondents.

4.3. Factors to be considered to avail health insurance policy of the respondents

Table 4 and Figure 1 exhibits the factors to be considered to avail health insurance policies of the respondents

Table 4 Factors to be considered to avail health insurance policies of the respondents

S.No	Factors	No. of respondents	Percentage %
1	Name/Reputation of company	29	19
2	Availability of tax benefits	35	23
3	Flexibility of policy offered	31	21
4	Reliability of services offered	24	16
5	Quick claim settlements	31	21
	Total	150	100

Source: Primary Data

Table 1.4 shows that 19 percent of respondents have considered Name/Reputation of the company while choosing the health insurance policies, 23 percent of respondents were influenced by the tax benefits, 21 percent were influenced by flexibility of policy offered, 16 percent were influenced by reliability of services offered, 21 percent of respondents were prompted to buy the policy mainly due to quick claim settlement. Hence, it is concluded that majority of the sample respondents were considered availability of tax benefits is the major influencing factor while choosing the health insurance.
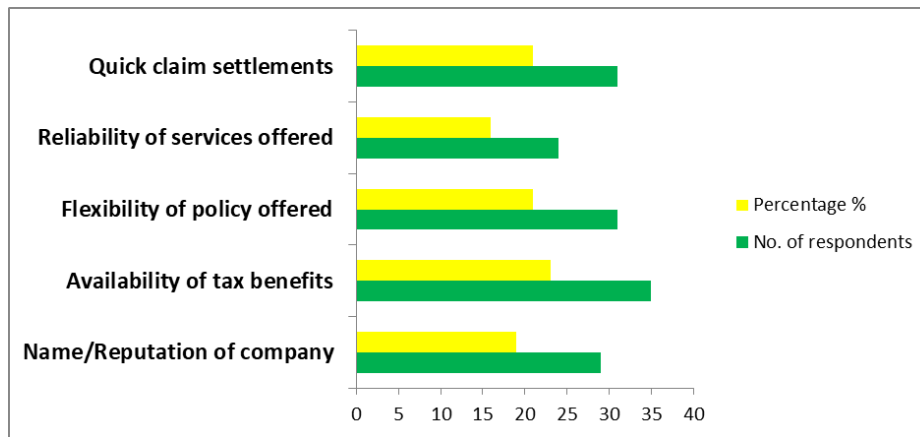
Figure 1 Factors to be considered to avail health insurance policies of the respondents

4.4. Awareness towards health insurance products of respondents

Table 5 exhibits the awareness towards health insurance policy of respondents

Table 5 Awareness towards health insurance policy of respondents

S.No	Products	Fully Aware	Somewhat Aware	Not at all Aware	Total
1.	Individual Health insurance	55 (37%)	54 (36%)	41 (27%)	150 (100%)
2.	Family floater Health insurance	50(33%)	70 (47%)	30 (20%)	150(100%)
3.	Senior citizens Health insurance	18 (12%)	65(43%)	67 (45%)	150 (100%)
4.	Critical illness insurance	11 (7%)	56 (38%)	83(55%)	150 (100%)
5.	Group health insurance	2 (1%)	36 (24%)	112(75%)	150 (100%)
6.	Others	1 (1%)	1(1%)	114 (98%)	150 (100%)

Source: Primary Data

Note: Figures in parentheses indicate percentage to total.

Following are the inferences of Table 5

- [1] Out of 150 respondents contacted for the study, 37 percent of the respondents were fully aware about the individual health insurance, 36 percent of them have somewhat aware about the individual health insurance, remaining 27 percent of the respondents were not at all aware about the individual health insurance. Hence, it could be concluded that majority of the respondents are somewhat aware on health insurance policies.
- [2] Out of 150 respondents approach for the study, 33 percent of the respondents were fully aware about the family floater health insurance plan, 47 percent of them are somewhat aware about the family floater health insurance, remaining 20 percent of the respondents were not at all aware about the family floater health insurance plan. Hence, it is concluded that majority of the respondents are somewhat aware about the family floater health insurance plans
- [3] Out of 150 respondents, 45 percent of the respondents were not at all aware about the senior citizens health insurance, 43 percent of the respondents were somewhat aware about the senior citizens health insurance, remaining 12 percent of the respondents were fully aware on the senior citizen health insurance. Hence, it could be concluded that majority of the respondents were not at all aware about the senior citizens health insurance.
- [4] Out of 150 respondents contacted for the study, 7 percent of the respondents were fully aware about the critical illness insurance, 38 percent of the respondents were partially aware about the critical illness, 55 percent of the respondents have are not at all aware on the critical illness insurance plans. Hence, it is concluded that majority of the respondents were not at all aware about the critical illness insurance.
- [5] Out of 150 respondents contacted for the study, 75 percent of them are not at all aware about the group health insurance, 24 percent of the respondents were partially aware about the group health insurance,

remaining one percent of the respondents are fully aware about the group health insurance. Hence, it could be concluded that majority of the respondents are not at all aware about the group health insurance plans.

- [6] Out of 150 respondents approached for the study, 98 percent of the respondents not at all aware of other types of health insurance plans, one percent of them are partially aware about the other types of products, another one percent of the respondents are fully aware about the other type of health insurance plans. Hence, it is concluded that majority of them not at all aware of other type of insurance plans.

4.5. Relationship between the type of health insurance sector and awareness towards health insurance products – ANOVA

Analysis of Variance (ANOVA) is a statistical technique that is used to compare the means of more than two groups. The null hypothesis for this test is that there is no significant association between the type of health insurance sector and awareness towards health insurance products. The Table 1.6 deals with the association between the type of health insurance sector and awareness towards health insurance products.

4.5.1. H_0: There is no significant relationship between the type of health insurance sector and awareness towards health insurance products

Table 6 Relationship between the type of health insurance sector and awareness towards health insurance products – ANOVA

ANOVA						
Problems		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Individual Health insurance	Between Groups	42.285	4	11.842	13.462	0.000**
	Within Groups	481.764	146	0.754		
	Total	524.049	150			
Family floater Health insurance	Between Groups	56.912	4	45.891	3.453	0.000**
	Within Groups	451.652	146	0.864		
	Total	580.564	150			
Senior citizens Health insurance	Between Groups	89.321	4	97.561	2.365	0.481
	Within Groups	698.215	146	0.654		
	Total	787.536	150			
Critical illness insurance	Between Groups	89.632	4	3654.3	.240	0.000
	Within Groups	725.961	146	0.856		
	Total	815.593	150			
Group health insurance	Between Groups	85.631	4	4561.2	.393	0.000
	Within Groups	425.31	146	0.756		
	Total	510.941	150			

Source: Primary Data

The Table 6 reveals the results of the ANOVA. Based on the results, the significant value is lower than 0.05 for Individual health insurance plan, Family floater health insurance plan, Critical illness insurance plan, Group health insurance plan. So, the null hypothesis is rejected and it is concluded that there is a significant relationship between the type of health insurance sector and awareness towards health insurance products.

On the other hand, the significant value is above .05 for senior citizen health insurance (.481). Hence, it is concluded that the null hypothesis is accepted and there is no significant relationship between the type of health insurance sector and awareness towards health insurance products.

Suggestions

Based on the findings the following suggestions are proposed:

- The insurance companies should ensure better branch office location good reputation in the market, sound financial strength and regular correspondence with agents by meeting, accurate product line to increase satisfaction in the study area.
- The study reveals that most of the respondents have faced the major problems, namely final claim formalities are more tedious, delay in the settlement of the claim amount and legal requirements delay in the claiming process in the private sector insurance companies. Therefore, both the public and private sector insurance companies should resolve the problems to increase their policyholders satisfactions.

5. Conclusion

Health insurance is a type of insurance that covers medical expenses that arise due to an illness. These expenses could be related to hospitalization costs, cost of medicines or doctor consultation fees. A health insurance plan acts as strong financial support during medical emergencies. The costs associated with critical illnesses like cancer, heart ailments, etc., can severely affect the financial standing of the people. The pandemic period has made the entire world sit up and realize that medical exigencies are unpredictable and can cause a financial upheaval that is tough to handle. So in this scenario health insurance has very advantageous to the people. From the findings it is revealed that majority of the respondents were partially aware on the health insurance policy and also majority of the respondents were satisfied towards their health insurance policy.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest.

Statement of informed consent

Informed consent was obtained from all individual participants included in the study.

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Authors Short Biography

	K.Udhaya, she has completed MBA in the Department of Bank Management, Now currently she is pursuing Ph.D in the Department of Bank Management in Alagappa University. She has published the articles in various reputed journal.
	Dr.G.Parimalarani currently working as a professor in the Department of Bank Management, Alagappa University. She has sixteen years teaching and nineteen years research experience in the field of Management studies. She has published more than fifty papers in both national and international studies. She published the papers in Scopus Indexed, Web of science, UGC care and other reputed journals.
	Dr.M.Soundarya currently working as a Assistant professor in the School of Management studies in Sathyabama Institute of science and Technology, Chennai. She has five years research experience in the field of Management studies. She has published more than fifty papers in both national and international studies. She published the papers in Scopus Indexed, UGC care and other reputed journals.