

A study on satisfaction level and problems of policy holders in medical insurance

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Abstract

(Health Insurance policy is being purchased by families and individuals who can afford to pay the medical bills. But the Govt. of India is putting all its efforts to encourage people to buy health insurance and specialized insurance companies are promoted which are exclusively dealing in health insurance. The researchers have analyzed to identify the satisfaction level and problems of policy holders of health insurance in Coimbatore City with 100 respondents. For the purpose of analysis percentage analysis, ANOVA and ranking techniques have been used. The findings of the study states that there is no significant difference between Annual Income and Satisfaction factors like Flexible Premium, Company is clear & true and overall experience and Settlement Amount is lower than what it is claimed as the major problem faced by the policy holders. Hence, it is identified that policyholders felt difficult to get treatment in the hospital in which the insurance company were made tie-up. So when there is reduction and eradication of these problems it is definite that growth of Health Insurance would be higher in future.)

Keywords: satisfaction level, policy holders, medical insurance

Introduction

“Health insurance is an insurance, which covers the financial loss arising out of poor health condition or due to permanent disability, which results in loss of income.”

With the increasing cost of health services and medical bills which a common man cannot afford, this class of insurance has a growing market. It is estimated that a family spends an average of 10% of its monthly income on health care. In India where there is no Social Insurance for the public the individual has to take care of himself and his family. A prolonged illness or disability can spell havoc for the family budget and upset all the planning. While the importance of Health Insurance cannot be denied, it is unfortunate that so far in India the Health Insurance policy is being purchased by families and individuals who can afford to pay the medical bills. But the Govt. of India is putting all its efforts to encourage people to buy health insurance and specialized insurance companies are promoted which are exclusively dealing in health insurance. The life insurance companies are also permitted to issue the health insurance policy.

Review of Literature

Dr. Abhijit Kar (2014) found that “The Health Insurance, Introduced regulations on renewability, portability, pre-existing diseases, cost of pre-insurance medical examination minimum entry age under health policies, free look period, penal interest provision, standardization of an idea that this health insurance schemes should run efficiently for the benefit of the people of India, without any has less and grievances”.

Richard Saito (2015) says in his research “The financial health plan of the provider is believed to be positive associated with customer satisfaction, as solvency and surplus funds create the flexibility necessary to elaborate programs that better meet customers’ demands”.

Statement of the Problem

India has made considerable progress in improving its health status. The increasing health care costs in the country are

likely to contribute to the development of more health insurance products. Hence this study deals with the satisfaction of the policy holders in health insurance industry. Though purchasing of health policy is increasing, the policyholders are not much satisfied. Hence this study focuses on problems faced by the policyholders while taking the policy and at the time of Claim settlement.

Objectives of the Study

- To assess the satisfaction of policyholders in Health insurance industry.
- To find out the problems faced by the policyholders in health insurance industry

Research Methodology

Period of the Study

The survey to know about Satisfaction and Problems faced by policyholders in Health Insurance has been done for 3 months.

Area of Study

The study has been undertaken in Coimbatore City

Source of Data

Primary data has been used for the study. Primary data was collected by means of questionnaire and analysis has been made on the basis of response received from the customers.

Sample Size

A sample size of 100 respondents have been taken for the study by adopting convenience sampling technique

Statistical Tools Used for the Study

The following statistical tools have been used for analysis of data

- Percentage analysis
- ANOVA
- Ranking

All the tests were carried out at 5% level of significance.

Limitations of the Study

The study is subject to the following limitations.

- Sample size is limited to only 100 and therefore the sample size may not represent the policyholders as a whole
- Time and Resources were the major constraints in the study

Table 1: showing demographic profile of the respondents

Demographic Factors		Frequency	Percentage
Gender	Male	62	62.0
	Female	38	38.0
Age	20-29 Years	34	34.0
	30-39 Years	27	27.0
	40-50 Years	32	32.0
	Above 50 Years	7	7.0
Marital Status	Married	67	67.0
	Single	33	33.0
Qualification	School Level	32	32.0
	Undergraduate	42	42.0
	Postgraduate	22	22.0
	Others	4	4.0
Occupation	Business	19	19.0
	Agriculture	2	2.0
	Professional	12	12.0
	Employee	39	39.0
	Others	28	28.0
Annual Income	BelowRs.1,00,000	45	45.0
	Rs.1,00,000-Rs.3,00,000	27	27.0
	Rs.3,00,000-Rs.5,00,000	16	16.0
	AboveRs.5,00,000	12	12.0

Source: Primary

Interpretation

The above table shows that 62% of the respondents are male and 38 % of the respondents are female. 34% of the respondents of the study are aged between 20-29, 27% of the respondents are aged between 30-39, 32% of the respondents are aged between 40-50 and 7% of the respondents are of age above 50.

The table also depicts that 67% of the respondents are married, 33% of the respondents are single. 32% of the respondents have completed school level, 42% of the respondents are undergraduate, 22% of the respondents are postgraduate, 4% of the respondents are others. It also shows that 19% of the respondents are doing their own business, 2% of the respondents are in agriculture, 12% of the respondents are in professional, 39% of the respondents are employee, 28% of the respondents are others.

The table also shows that 45% of the respondent's annual income is below Rs.1 lakh, 37% of the respondent's annual income is between Rs.1 lakh - Rs. 3 lakhs, 16% of the

respondents annual income is between Rs.3 lakhs – Rs.5 lakhs, 12% of the respondents' annual income are above Rs.5 lakhs.

Table 2: showing classification of respondents on the basis of nature of insurance.

Nature of insurance		Frequency	Percentage
Type of policy cover	Group Health Insurance	19	19.0
	Individual Health Insurance	58	58.0
	Family floater Insurance	23	23.0
Information about pre-existing disease	Yes	25	25.0
	Mentioned partly	12	12.0
	No	56	56.0
Submission of medical report	Agent Told	7	7.0
	Yes	46	46.0
Insurance cover	No	54	54.0
	Upto1 lakh	53	53.0
	1lakh-3 lakhs	26	26.0
	3lakhs-5 lakhs	18	18.0
Add on cover	Above5 lakhs	3	3.0
	Top up policy	26	26.0
	Daily hospitalization	22	22.0
	Personal Accident	31	31.0
	None	21	21.0

Source: Primary

Interpretation

The table 2 shows that 58% of the respondents have individual health cover, 23% of the respondents have family floater policy and 19% of the respondents have Group Insurance cover. The table also reveals that 56% of the respondents don't even know whether they have mentioned, 25% of the respondents have mentioned their pre-existing disease, 12% of the respondents have mentioned partly, and 7% of the respondents depends on agents and broker. The table also shows that 54% of the respondents have not submitted any medical report, 46% of the respondents have submitted medical report while taking the policy.

The table also depicts that 53% of the respondents have cover up to 1 lakh, 26% of the respondents have cover from 1 to 3 lakhs, 18% of the respondents have cover from 3 to 5 lakhs and 3% of the respondents have cover above 5 lakhs., 31% of the respondents have personal accident rider, 26% of the respondents have TOP UP policy, 22% of the respondents have daily hospitalization rider and 21% of the respondents have not taken any rider.

Hypothesis Ho: There is no significant difference between Annual Income and Satisfaction level

ANOVA

Table 3: Anova Table for Annual Income and Satisfaction Level

System variable	Source of variation	Sum of squares	Degrees of freedom	Means of square	F ratio	Sig.	Result Accepted/rejected
Flexible premium	Between groups	10.842	2	5.421	5.317	.006	Accepted
	Within groups	97.908	97	1.009			
	Total	108.750	99				
Communication of the employees	Between groups	16.989	3	5.663	5.924	.001	Rejected
	Within groups	91.761	96	.956			
	Total	108.750	99				
Minimum premium	Between groups	19.668	3	6.556	7.065	.000	Rejected
	Within groups	89.082	96	.928			
	Total	108.750	99				
Company is clear & true	Between groups	1.010	3	.337	.300	.825	Accepted
	Within groups	107.740	96	1.122			
	Total	108.750	99				
Policy with best benefits	Between groups	8.593	3	2.864	2.746	.047	Rejected
	Within groups	100.157	96	1.043			
	Total	108.750	99				
Overall experience	Between groups	2.293	2	1.147	1.045	.356	Accepted
	Within groups	106.457	97	1.097			
	Total	108.750	99				

Source: computed
At 5% significance

Interpretation

The above ANOVA result shows that the probability value is less than 0.05 between Annual Income and Satisfaction factor like Communication of the employees, Minimum premium and Policy with best benefits. Hence Null hypothesis is rejected and it is concluded that Communication of the employees, Minimum premium and Policy with best benefits differs significantly among the Annual Income of the respondents.

The above ANOVA result also shows that the probability value is greater than 0.05 between Annual Income and Satisfaction factors like Flexible Premium, Company is clear & true and Overall experience. Hence Null hypothesis is accepted and it is concluded that Flexible Premium, Company is clear & true and overall experience do not differ significantly among the Annual Income of the respondents.

Table 5: Ranking Table for the Problems Faced by the Policy Holder

Factors	Rank
a) Settlement Amount is lower than what it is claimed	1
b) Claim Settlement is not on Time	3
c) Claim Processing Fee is high	4
d) All the diseases are not covered under insurance in the tie up hospital	2
e) Insurance did not made tie up with the local hospital	5

Source: Computed
Interpretation

The above table states that majority of the policyholders said Settlement Amount is lower than what it is claimed (has ranked 1) and Claim Settlement is not on Time (has ranked 3) and Claim Processing Fee is high (has ranked 4) and All the diseases are not covered under insurance in the tie up hospital (has ranked 2) and Insurance did not made tie up with the local hospital (has ranked 5).

Suggestions

- There is lack of awareness about Health Insurance policy among rural people. So Insurance companies can do advertising to bring awareness among rural people.

- The Insurance Company has made tie up only with limited hospitals. It is suggested that the company can made tie up with all the hospitals which helps the policyholder to get treatment in any hospital.
- Health Insurance policy can be provided with Minimum premium and best benefits. So that all level of people can able to purchase Health Insurance policy.

Conclusion

This analysis has given a clear idea about the performance of Insurance Company in Health Insurance. The Insurance Company has introduced many health policies and schemes. From the study it is found that the policyholders has got maximum benefit from the policy provided and are satisfied. And also it is found that the policyholders faced some problems like Delay in Claim settlement, lack of Communication. It is identified that policyholders felt difficult to get treatment in the hospital in which the insurance company were made tie-up. So when there is reduction and eradication of these problems it is definite that growth of Health Insurance would be higher in future.

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