



## AWARENESS OF HEALTH INSURANCE - A STUDY BASED ON CUSTOMER PERCEPTION IN CHENNAI, CHENGALPET AND KANCHEEPURAM DISTRICTS

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### 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. Selecting health insurance policy and premium commitment by the respondents in relationship to their annual income forms the first criteria of this study. The second one is to find the relationship between the 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. The study concludes that the people know about health insurance but they are not inclined to opt for health insurance facilities.*

**Key Words:** Health insurance, Awareness, Customer Perception, Utility.

### INTRODUCTION

Health Insurance has become an integral part of the Insurance Sector being a money spinner. Shift towards new age quality medical care, brought in by changing lifestyles, growing population, rise in literacy levels, affordability 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 care coverage takes care of the expenses of keeping up with your wellbeing just as the expenses of treating sicknesses and mishaps. It provides peace of mind and security by protecting against startingly high medical expenditures that are covered by network healthcare. 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, income and other factors which contribute towards non patronage for health insurance.

## **OBJECTIVES OF THE STUDY**

1. To study customers' perception towards Health Insurance.
2. To study Health Insurance as a product on offer.
3. To Suggest Measures for improving Health Insurance

## **REVIEW OF LITERATURE**

**Madan Mohan Dutta(2021)** suggested that with higher technological experience returning in from foreign partners and involvement by the IRDA, the insurance sector in Asian nation would spin and begin to earn profit.

**Deepali Garge, Snehal Tare, Smarjeet Das (2020)** The purpose of this study was to analyse the source as well as awareness of health insurance in India among 102 Maharashtra dwellers, Employers, the Internet, newspapers, friends, and television are all good places to learn regarding health insurance. It was discovered that there is a need to educate the general public. Investment in health insurance should not be based on a contingency, but rather on a regular basis.



**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 The Chi-square test revealed that there was no association between age and satisfaction on service provided, qualification and health insurance products purchased by customers.

**Tripathy P et al., (2018)** analyzed Customer awareness of health insurance; with an emphasis on 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.

**Anandalakshmy A & Brindha K (2017)** investigated the awareness and factors influencing purchase decisions for health insurance in Coimbatore and discovered a significant relationship between age and source of awareness among people.

**Arun Vijay and Dr.V. Krishnaveni (2017)** examined the awareness and purchasing patterns of health insurance policies among 150 people in the Ernakulam District of 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 related issues in Jamnagar's rural areas. Learning, financial status, and occupation were the determinants of health insurance selection.

## **RESEARCH METHODOLOGY**

The present study is analytical in nature. The study was conducted at Chennai, Kancheepuram and Chengalpet districts. A pre-tested questionnaire was used to collect data. The sample size of the study is



210. The study's secondary data was gathered from a variety of sources, including journals, periodicals, websites, and books.

### **Tools Used**

Percentage Analysis

Correlation

Regression.

## **LIMITATIONS OF THE STUDY**

Data was collected over a period of a few months. New plans launched by Insurance companies during the period of data collection could have biased the customers towards Health Insurance. Area of data collection is limited to three districts of Tamilnadu. Hence, findings cannot be interpreted to people belonging to a larger geographical area.

## **ANALYSIS OF DATA**

A tested questionnaire was developed to collect responses from 210 respondents. The acquired data was analysed and the results were interpreted using statistical methods.

**Table 1: Demographic Profile**

<b>Variable</b>	<b>Dominant group</b>	<b>Total (%)</b>
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)



	≤₹.500000	144 (69)
Yearly Income	₹.500001 – ₹.750000	43 (20)
	₹.750001 – ₹1000000	18(9)
	Above ₹.1000001	5 (2)

As per Table 1, 58 percent of those surveyed were female, and 50 percent were between 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 ₹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	Individual Health Insurance	26
	Group 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	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

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 ₹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**

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

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

Table 3 reveals that Annual Income and the Reasons for Choosing a Health Insurance Policy have a significant positive association.

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

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

R	R <sup>2</sup>	Adjusted R <sup>2</sup>	F Value	Independent factors	Beta value	t-value	p value
.205	.042	.033	4.510	(Constant)	1.081	6.793	.000
				Premium Commitment	.99	2.124	.036

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 variable is explained by the chosen independent variable. It is also found that the F = 4.510 and is significant at 5% level.



### Influence of Sum Assured on Premium Amount

<b>Table 5: Relationship between Premium Amount and Sum Assured</b>							
<b>R</b>	<b>R<sup>2</sup></b>	<b>Adjusted R<sup>2</sup></b>	<b>F Value</b>	<b>Independent factors</b>	<b>Beta value</b>	<b>t-value</b>	<b>p value</b>
.467	.218	.211	28.767	Premium Amount	.389	1.950	.054
				Sum Assured	.099	5.364	.000

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 a significant relationship between Premium Amount and the Sum Assured.

### 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.

### 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.

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