



Effect of Demographic Factors on Selection of Type of Insurance Company in Haryana

KEYWORDS

Demographics Factors, Insurance Company etc.

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ABSTRACT

Health insurance can be broadly defined as financial mechanisms that exist to provide protection to individuals and households from the costs of health care incurred as a result of unexpected illness or injury. Mediclaim insurance policy is run by government owned general insurance companies and also with different name by other private insurance companies. It is one of the private voluntary health insurance schemes available in India currently. This scheme has been in operation since 1986 and from time to time a number of revisions have been carried out to address the needs of their clients. Present study is an effort to find the effects of demographic factors on selection of mediclaim policy of public and private insurance companies, so that it can help insurance companies to extend their market share.

INTRODUCTION

Health insurance can be broadly defined as financial mechanisms that exist to provide protection to individuals and households from the costs of health care incurred as a result of unexpected illness or injury. Under this mechanism insurer agrees to compensate or agrees to guarantee the insured person against loss by specified contingent event and provide financial coverage. The government-run General Insurance Corporation of India (GIC) and its four subsidiaries offer market based voluntary Mediclaim insurance product in India. These products are sold on voluntary basis to individuals, groups and corporate sector. The Government of India in 2001 has passed the Insurance Regulatory and Development Authority (IRDA) bill and permitted the private companies to enter into the insurance sector. An attempt is made to review some available literature.

T.N.R.Kavitha et al. (2012) find that respondents are highly satisfied for factors like product price, officers/agents location etc. Respondents are neutral towards factor like product type, office appearance, and guidance/help at time of purchasing the policy.

J. Jaypradha (2012) highlighted that the health insurance sector has registered 30% growth rate in 2010-11 and low awareness among public is responsible for low penetration of health insurance.

R. Amsaveni and S. Gomathi (2013) find that majority of mediclaim policyholders are satisfied. Age, education and income of respondents are influenced by reason for preferring mediclaim.

K. Selva Kumar and Dr. S. Vijay Kumar (2013) find that there is significant relationship between ages, sex, education, and marital status, type of family, community and level of their attitude towards Administration of services of public sector general insurance companies holds good.

OBJECTIVES OF THE STUDY

1. To describe the profile (gender, age, education, occupation, background and income) of mediclaim policyholders.

2. To find the effects of demographic factors on selection of mediclaim (health insurance policy) of different public and private insurance companies.

RESEARCH METHODOLOGY

The research methodology for this proposed study is as follow:-

Research Design

This study is the descriptive in nature. Descriptive research includes surveys and fact- finding enquiries of different kinds.

Sample Design

It is practically impossible to examine the entire universe due to lack of time and resources so researcher have to do sample survey.

SAMPLING TECHNIQUE

Convenience cum Purposive Sampling was used for proposed study.

Sample Area

Rohtak district of Haryana was selected for the study.

Sample Size

Total 100 mediclaim policyholders (respondents) are taken out of which 50 are mediclaim policyholders of public insurance companies and remaining 50 are the policyholders of private companies.

Nature and Sources of Data

The data used for this study are of primary as well as secondary type. In order to collect primary data the structure questionnaire was designed for studying the demographic factors and their effect on selection of insurance company. Secondary data was collected from journals, books etc.

Data Analysis

The data was analyzed, interpreted and evaluated with the help of various statistical tools such as tabulation, descriptive statistics and chi-square.

EFFECTS OF DEMOGRAPHICS FACTORS ON SELEC-

LECTION OF TYPE OF INSURANCE COMPANY

1. EFFECT OF GENDER ON SELECTION OF MEDICLAIM POLICY OF INSURANCE COMPANY.

H_{01} : There is no significant relationship between the gender and selection of types of insurance company.

Table-1.1

Gender	Public Insurance Co.	Private Insurance Co.	Total
Male	45(90%)	37 (74%)	82
Female	5(10%)	13(26%)	18
Total	50(100%)	50(100%)	100

Source: Researcher's Calculations *Figure in Brackets is showing column side percentage

Table 1.1 is showing gender based selection of type of insurance company by cross tabulation. Out of 50 respondents of public companies, 90% are male and 10% are female. In case of private companies 74% are male 26 % are female. It means female prefer public insurance companies.

Chi-square Test Table -1.2

	Value	DF	p-value
Pearson Chi-Square	4.336a	1	.037

Source: Researcher's Calculations

In table 1.2 chi-square value is .037 which is less than 0.05 so null hypothesis is not accepted i.e. there is significant relationship between gender and type of insurance company selected.

2. EFFECT OF AGE ON SELECTION OF TYPE OF INSURANCE COMPANY

H_{02} : There is no significant relationship between age and selection of insurance company.

Table 2.1
Age and Type of Insurance Company

Age	Public Insurance Co.	Private Insurance Co.	Total
less than 30 years	6(12%)	8(16%)	14
30-40 years	19(38%)	14(28%)	33
40-50 years	18(36%)	17(34%)	35
Above 50 years	7(14%)	11(22%)	18
Total	50(100%)	50(100%)	100

Source: Researcher's Calculations *Figure in Brackets is showing column side percentage

Table 2.1 is showing the age based selection of insurance company cross tabulation. Out of 50 customers of public companies, 12% have age less than 30 , 38% are 30-40 years old, 36% are 40 to 50 years old and 14% are above 50 years. Third column shows that out of 50 private insurance company customer 16% are less than 30 year old, 28 % are 30 to 40 year old. 34% are 40 to 50 years old and 22% are above 50 years.

Chi-Square Tests Table – 2.2

	Value	DF	p-value
Pearson Chi-Square	1.961	3	.581

Source: Researcher's Calculations

Table 2.2 chi-square value is .581 which is greater than 0.05. So Null Hypothesis is accepted i.e. there is no significant relationship between age and selection of insurance company.

3. EFFECT OF EDUCATION ON SELECTION OF TYPE OF INSURANCE COMPANY

H_{03} : There is no significant relationship between education and type of insurance company selected.

Table 3.1
Education and Type of Company

Education	Public Insurance Co.	Private Insurance Co.	Total
Below matriculate	10(20%)	8(16%)	18
Intermediate	19(38%)	17(34%)	36
Graduate	15(30%)	20(40%)	35
Post-graduate Or above	6(12%)	5(10%)	11
Total	50 (100%)	50 (100%)	100

Source: Researcher's Calculations *Figure in Brackets is showing column side percentage

Table 3.1 shows education based selection of insurance company by cross tabulation. Out of 50 customer of public companies 20% are below matriculate.38% are intermediate, 30% are graduate and remaining 12% are post graduate or above. But in case of private companies 16% are below matriculate,34 % are intermediate, 40% are graduate and 10% are post graduate or above..A significant portion of mediclaim policyholders belongs to intermediate and graduate level of education.

Chi-Square Test Table -3.2

	Value	DF	p-value
Pearson Chi-Square	1.139 ^a	3	.768

Source: Researcher's Calculations

Table 4.22 shows value of chi-square i.e.768 which is greater than 0.05. So Null Hypothesis is accepted and it is concluded that there is no significant relationship between education and type of insurance company selected.

(4) EFFECT OF OCCUPATION ON SELECTION OF INSURANCE COMPANY

H_{04} : Here is no significant relationship between occupation and type of insurance co. selected.

Table -4.1
Occupation and Type of Insurance Company Selected

Occupation	Public insurance co.	Private insurance co.	Total
Private Employees	6(12%)	19(38%)	25
Self-employed	17(34%)	7(14%)	24
Businessman	13(26%)	8(16%)	21
Housewife	7(14%)	11(22%)	18
Retired	7(14%)	5(10%)	12
Total	50(100%)	50(100%)	100

Source: Researcher's Calculations *Figure in Brackets are

showing column side percentage

Table 4.1 presenting occupation of respondents based on type of insurance company selected. Out of 50 respondents of public companies maximum 34% are self-employed followed by businessmen who are 26%. Then after 14% are housewife and retired person. Minimum 12% are private employees. On the other hand out of 50 respondents of private companies 38% are private employees, 22% are housewife, 16% are business and remaining 10% are retired person.

Chi-Square Test Table- 4.2

	Value	DF	p-value
Pearson chi square	14.824a	4	0.011

Source: Researcher's Calculations

Table 4.2 depicts value of chi-square or value of p is .011 which is less than .05 so Null Hypothesis is not accepted and it is concluded that there is significant relationship between occupation and type of insurance company selected.

(5) EFFECT OF INCOME ON SELECTION OF TYPE OF INSURANCE COMPANY

H₀₅: There is no significant relationship between Income and type of insurance company selected.

Table 5.1
Income and Type of Insurance Company

Income (in Rs.)	Public Insurance Co.	Private Insurance Co.	Total
less than 50000	5(10%)	14(28%)	19
50000-100000	16(32%)	6(12%)	22
100000-150000	12(24%)	9(18%)	21
150000-200000	6(12%)	13(26%)	19
above 200000	11(22%)	8(16%)	19
Total	50(100%)	50(100%)	100

Source: Researcher's Calculations *Figure in Brackets are showing column side percentage

Out of 50 customers of public companies maximum 32% lies between 50000-100000, 24% lies between 100000-150000, 12% lies between 150000-200000 and 22% are above 200000. In case of respondents of private co. maximum 28% have income less than 50000 and minimum 12% have income between 50000-100000.

Chi-Square Test Table – 5.2

	Value	DF	p-value
Pearson Chi-Square	11.335 ^a	4	.023

Source: Researcher's Calculations

Table 5.2 shows chi-square value is 0.023 which is less than 0.05 so Null Hypothesis is not accepted and it is concluded that there is significant relationship between income and type of insurance company selected.

6. EFFECT OF BACKGROUND ON SELECTION OF INSURANCE COMPANY

H₀₆: There is no significant relationship between background and type of insurance company selected.

Table 6.1
Background and Type of Insurance Company

Background	Public Insurance Co.	Private Insurance Co.	Total
Rural	13(26%)	10 (20%)	23
Urban	37 (74%)	40 (80%)	77
Total	50(100%)	50(100%)	100

Source: Researcher's Calculations *Figure in Brackets are showing column side percentage.

Table 6.1 shows that out of 50 customers of public companies 26% are from rural and 74% are from urban area. While in case of customers of private companies 20% are from rural and 80% are from urban area.

Chi-Square Test Table-6.2

	Value	DF	p-value
Pearson Chi-Square	.508 ^a	1	.476

Table 6.2 shows value of chi-square i.e. .476 which is more than 0.05. So Null Hypothesis is accepted and it is concluded that there is no significant relationship between background and type of insurance company selected.

CONCLUSION

The results provided that a significant proportion of the sample was male members. Majority of the respondents belonged to the age groups of 40-50 years. Maximum respondents were intermediate followed by graduate and post graduation. A major percentage of the respondents fall in the annual income category of less than Rs. 50000 and Rs.50000- 100000. Mostly respondents are from urban area. On the one hand a significant association exist between the gender; occupation and income of respondents with their selection of type of insurance company. But no significant association exists in case of age, education and background of respondents.

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