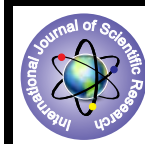


## Marketing of Health Insurance in Rural Area: a Study with Special Reference to Gulbarga and Raichur Distrcts of Karnataka



### Commerce

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### ABSTRACT

*Health is clearly not the mere absence of disease. Good health confers on a person of groups freedom from illness – and the ability to realize ones potential. As human beings, we are at, all times prone to falling sick or getting a disease. Sometimes even a change in the weather causes sickness. Health care is very expensive nowadays. More than the disease itself, it is often the cost of treatment that takes its toll. Health insurance policy covers medical expenses incurred during pre and post hospitalization stages. Health Insurance is an emerging social security instrument for the rural poor, for whom, chronic health problems, arising due to prevalence of diseases and inaccessibility to an affordable health care system is a major threat to their income earning capacity.*

### Introduction:

The English word "health" comes from the Old English word hale, meaning "wholeness, a being whole, sound or well." At the time of the creation of the World Health Organization (WHO), in 1948, health was defined as being "a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity" The term health insurance is generally used to describe a form of insurance that pays for medical expenses. It is sometimes used more broadly to include insurance covering disability or long term nursing or custodial care needs. It may be provided through a government-sponsored social insurance program, or from private insurance companies. For an individual, either at a personal level or the family front, of which he or she is a part, health is an extremely important subject, which needs to be given priority. The same concept can be extended to the level of the country, where the health of the citizens, comes at the core for its long term sustainable development.

### Need of the study:

Most of the people living in developing countries "health insurance" is an unknown word. It is generally assumed that, with the exception of the upper classes, people cannot afford such type of social protection. This is a pity as also poor people demand protection against the financial consequences of illnesses. For most people living in poor developing countries illness still represents a permanent threat to their income earning capacity. Beside the direct costs for treatment and drugs, indirect costs for the missing labour force of the ill and the occupying person have to be shouldered by the household. Health insurance schemes are an increasingly recognized factor as a tool to finance health care provision in low income countries. Given the high latent demand from people for health care services of a good quality and the extreme under-utilization of health services in several countries, it has been argued that social health insurance may improve the access to health care of acceptable quality. Whereas alternative forms of health care financing and cost recovery strategies like user fees have been heavily criticized, the option of insurance seems to be a promising alternative as it is a possibility to pool risk transferring, unforeseeable health care costs to fixed premiums.

### Review of the literature:

**Chakravarthi (2006)** reported that health insurance schemes are more complex and because of various demand and supply side imperfections there are inherent problems in the health insurance market. He also says that most of the perspective population is unaware of the pros and cons of the different schemes of health insurance.

**Ratna and Sarkar (2007)** reported that rural population treat health as an important aspect and are interested in a health insurance scheme. They reported that High costs of hospitalization and surgery is not posing financial risks for poor households. They also reported that Poor rural people are able to take

judicious decisions regarding the composition of a health insurance benefit packages.

**Vinod and Saharan (2007)** reported those general public are slowly becoming aware about the benefits of the health insurance and its importance in today's world. They say that the premium level and index of growth of health insurance business is continuously rising up in India. They also reported that public sector players are declining with their market share in health portfolio whereas the private sector players are on the rise in their contribution level.

**Pradip and Parthi (2007)** reported that Competition is yet to reach the pricing arena in health insurance. The oligopoly nature of market has turned to restrict the free play of market forces through product differentials. They also reported that health insurance has positioned itself today as one of the throbbing classes of insurance in non-life insurance sector in India.

### Statement of the problem:

Now a day's health care expenditure is consistently increasing, in this situation more money are required to paid hospital bill or expenses, most of the people use out of pocket for the health care expenses or in some cases also sell his or her personal assets. Low-income households are more vulnerable to risks and economic shocks. One way for the poor to protect their health is through insurance. By helping low-income households to manage their health risks, health-insurance can assist them to maintain a sense of financial confidence even in the phase of significant vulnerability. Insurance reduce a person's uncertainty concerning the time and amount of possible future expenses that may incur. There are various health insurance schemes such as social health insurance, private health insurance and so on. The basic principle is that people contribute a specified amount to an insurance fund which is used to finance health services.

### Objective of the study:

The main objective of the research study is find out the Knowledge of the rural consumers regarding private and public health insurance companies and their products

### Scope of the study

The scope of the study is restricted to surveying of rural consumers in Gulbarga, and Raichur districts of Karnataka. It attempts to throw lights on the Knowledge of the rural consumers regarding private and public health insurance companies and their products.

### Research methodology

The nature of the study is descriptive research. The study is mainly based on primary data. Primary data has been collected by in-terracing with various people, getting the questionnaires filled by them. The data was collected by means of questionnaire

and was classified and analyzed carefully. Questionnaires constructed so that the objectives are clear to the respondents. In this research, the questionnaire was formed as a direct and structured one. The questions were mostly close ended questions. Open-ended question has been used only for deriving suggestions from the respondents. The method used for collecting requisite data is 'Convenience Sampling', which is a type of non-probability sampling technique. Data has been obtained from different health insurance policy holders and non policy holders of Gulbarga, and Raichur districts of Karnataka through structured interview schedule.

**Secondary Data**

The secondary data collected from periodicals such as magazines, business news papers, and from subject related books.

**Sample**

To carry out the above said adjective a sample of 200 respondent's in general and a separate sample of 200 rural people is drawn from two districts of Gulbarga and Raichur to assess the Knowledge of the rural consumers regarding private and public health insurance companies and their products.

**Data analysis:**

**TABLE NO.01  
SAMPLES SELECTED FROM THE STUDY AREA**

Si no	Districts	no of respondents
1	Gulbarga	100
2	Raichur	100
TOTAL		200

Table no. 01 shows that we have been selected total 200 sample respondents out of 100 from Gulbarga District and remaining 100 are from Raichur District.

**Affordability:**

Affordability of the people is measured through annual income. Ownership of land and possession of livestock and wages to workers. These three are together as an index of Affordability because these from sources of income. Table No.02 shows the annual income of the families.

**TABLE NO: 02  
ANNUAL INCOME OF THE RESPONDENTS**

Si No	Income ( In RS)	No of Respondents	Percentage
1	1000-5000	67	33.50
2	5001-10000	45	22.50
3	10001-15000	40	20.00
4	15001-20000	28	14.00
5	Above-20001	20	10.00
Total		200	100.00

Source: Field Investigation

As per above table, 33.50 % respondents the income between Rs.1000 and Rs.5000. This is because these 67 respondents get their income only from wages by working in the field as agricultural labourer. The remaining respondents have their own land and livestock. The per capita income of 45 respondents ranges between Rs.5001 to Rs.10000. 40 respondents are earning between Rs.10001 to 15000, it constitute 20 % of the total. Only 20

respondents are having more than 10 acres of land and other sources of income like Kirana shop and interest income from money lending. It represents the 10% of the sample selected. The income of agricultural labourers is low because they get income only for 4 to 6 months in a year. For the rest of the period they remain unemployed.

**TABLE NO.03  
ANNUAL INCOME OF THE RESPONDENTS**

Si No	Education Level	No of Respondents	Percentage
1	Primary	07	03.50
2	High School	106	53.00
3	Higher Secondary	30	15.00
4	Degree	36	18.00
5	Other	19	09.50
6 Illiterates		02	01.00
TOTAL		200	100.00

Source: Field Investigation

Above Table shows that 3.50% of the respondents had primary education, 53% has high School education, 15 % possessed Higher Secondary level education and 18 % had pursued degree. Further, only 01 % remained illiterate and the difference was statistically not significant ( $x^2=1.43$ ,  $P=0.928$ , Correlation = 0.07268,  $t=1.5736$ ).

**Suggestion:**

Here some are useful suggestion for health insurance provider which help them to running health business.

1. Health Insurance companies should apply new marketing strategies for their products.
2. It should offer higher insurance amount of health Insurance at lower premium for middle class and lower middle class of society.
3. It should increase the number of hospitals under coverage.
4. It should provide an easy claim statement system and low documentation.
5. Companies should also focus on the customers of rural area.
6. Make easy and transparent claim settlement procedure.

**Conclusion:**

The health insurance companies should come out with clear cut policy details, as many of the respondents had vague ideas about the various benefits and risks involved in a policy. The middle and low socio-economic groups are a potential market to be tapped as they are ready to spend a reasonable amount as premium payable per annum rather than huge medical expenses in case of any adversities. If the private insurance players want to venture in the market, they should try to imbibe trust in the people as most of the respondents preferred government health insurance schemes, the reason being guarantee for their capital. To develop a viable health insurance scheme, it is important to understand people's perceptions and develop a package that is accessible, available, affordable and acceptable to all sections of the society. To conclude, most of the respondents were of the opinion.

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