Research Paper   **Management**

A Study on Awareness and Public Receptivity towards Health Insurance Products of ICICI Prudential Life Insurance Company

* Mrs.V.Abirami ** Mrs.R.Jayanthi

* Assistant Professor, GRD Institute of Management, Dr.G.R.Damodaran College of Science, Avanashi Road, Coimbatore – 14

* Associate Professor, GRD Institute of Management, Dr.G.R.Damodaran College of Science, Avanashi Road, Coimbatore – 14

ABSTRACT

Life insurance is one of the sectors in India with great potential and it is one of the most booming sectors today. In a country where LIC was a monopoly now has stiff competition is in the market with 16 other players. With the evolution of so many private companies, each player is coming out with innovative and customer-oriented products. ICICI Prudential being the number one private player in the industry has come out with four exclusive health plans.In today's health care scenario the country is in the midst of rising causes of many diseases that are not curable. This is coupled with spiraling health costs, high financial burden on the poor and erosion of incomes. With this main idea behind the mind, four health products have been introduced by the company which deals with 6 critical illnesses that are non curable in nature. The present study is conducted to know the awareness level of the respondents towards the health insurance plans of ICICI Prudential Life Insurance Company.

Keywords : Media, adolescents, positive impact.

1.1 Life Insurance in India
The insurance sector in India has come a full circle from being an open competitive market to nationalization and back to a liberalized market again. Tracing the developments in the Indian insurance sector reveals the 360-degree turn witnessed over a period of almost two centuries. The business of life insurance in India in its existing form started in India in the year1818 with the establishment of the Oriental Life Insurance Company in Calcutta.

As the insurance sector has developed, there's been a growing acceptance by most policyholders that the assured return era is a thing of the past. This in fact has also been one of the reasons why many investors have shifted to market linked plans. Another positive change has been the increasing level of people buying term plans. This is good from a policyholder's perspective as a term plan offers a higher sum assured at a minimal cost. This was not the case till a couple of years ago.

1.2 Company Profile
ICICI Prudential Life Insurance Company is a joint venture between ICICI, a premier financial powerhouse and Prudential PLC, a leading international financial service group headquarters in the United Kingdom. ICICI prudential was amongst the first private sector insurance companies to begin operations in December 2000 after receiving approval from insurance Regulatory Development Authority (IRDA).

ICICI Prulife's equity base stand at Rs.3.75 billion with ICICI Bank and prudential Plc holding 74% and 26% stake respectively. As of December 31, 2002, the company has insured nearly 230,000 policies with sum assured of over Rs.6, 500 crore and premium income in excess of Rs.340 crore. Today the company is the number one private life insurer in the country having 38% market share of private insurance companies. Brand track puts ICICI Prulife as the number one with the highest brand call. It has got the most diversified distribution with the largest agency force and the most diversified portfolio with basket of the traditional, linked and pensions products today. ICICI Prulife has 13 of its product in the market.

2. NEED FOR THE STUDY
Life insurance companies are facing stiff competition between them. There are 16 private life insurance players in the market today. All the companies try to reach the minds of the customer through their various innovative products. In this aspect ICICI Prudential has come up with four health products that exclusively cater to critical illnesses. This study was conducted by questioning customers who have already bought the product, prospective customers who are willing to buy the product and prospective customers who are using similar kind of products. The study is conducted with the objective of giving insights in to the customers' needs and preferences regarding health insurance products. The study is limited to the Coimbatore district only and the level of awareness and receptivity is analyzed with reference to the above place.

3. SCOPE OF THE STUDY
The awareness and receptivity of a product is the critical stage of any product life cycle because it is the initial introduction and promotional level of the product. This study helps to ascertain the extent of receptiveness of the new health products that have been introduced by ICICI Prudential. This study at the initial evolution of the product would help the company in identifying the set of people who would buy the product with special attention to the demographic profile such as age, income, gender and occupation. Thus the company would find in easy as to which segment of the market it has to focus in order to promote the product.

4. OBJECTIVES OF THE STUDY
1. To understand the customers awareness towards the health insurance products of ICICI Prudential Life Insurance Company.
2. To identify the customer base who have preferred the health product with regard to certain demographic factors such as age, income, gender and occupation.
2. To determine the factors that have influenced and motivated the customers to purchase the health product of ICICI Prudential.

5. LIMITATIONS OF THE STUDY
1. The size of the sample compared to population was very small. Therefore, some of the findings may slightly vary with that of a larger population.
2. The study is restricted to the Coimbatore city only.

6. RESEARCH METHODOLOGY
6.1 Research Design
The present study has utilized the descriptive research design.

6.2 Methods of Data Collection
6.3 Sample Size
150 samples from respondents were collected.

6.4 Sampling
Non Probability - Convenience sampling is used for the study.

6.5 Analytical Tools
Weighted Average Method and Chi- Square Test.

7. ANALYTICAL FRAMEWORK
7.1 Ranking Method Based On Weightage
The weighted score of all the ranking questions are calculated and the overall ranks are assigned to the various factors based on the weighted score. The final ranks are assigned based on the weighted score calculated for each factor.

Table 7.1.1 Preference for Choosing the Health Product

RANKS	1	2	3	4	5	TOT	WA	RANK
WEIGHT (Y)	5	4	3	2	1			
Critical Illness Coverage (X1)	30	20	28	10	12	100	3.46	1
X1*Y	150	80	84	20	12	346		
Health Cover+Life Cover (X2)	14	24	22	22	18	100	2.94	4
X2*Y	70	96	66	44	18	294		
Post Hospitalization Expenses (X3)	12	4	16	32	36	100	2.24	5
X3*Y	60	16	48	64	36	224		
Full Sum Assured (X4)	12	28	14	30	16	100	2.96	3
X4*Y	60	112	42	60	16	290		
Loss Of Income (X5)	32	24	20	6	18	100	3.46	2
X5*Y	160	96	60	12	18	346		

The Respondents have ranked the factor Critical illness coverage and the compensation of loss of income as First, Full Sum assured as Third, Health cover and the life coverage as Fourth, post hospitalisation expenses as Fifth among the various factors which matter to them while choosing an insurance plan.

7.1.2 Table Showing the Rating of the various Features of Health Insurance Products

FACTORS	EXCELLENT	VERY GOOD	GOOD	FAIR	POOR	TOTAL	WA*	RANK
WEIGHT(Y)	5	4	3	2	1			
Coverage of diseases(X1)	48	16	18	6	12	100	3.82	1
X1*Y	240	64	54	12	12	382		
No medical bills required (X2)	32	18	24	26	0	100	3.56	3
X2*Y	160	72	72	52	0	356		
Claim procedures (X3)	0	16	54	17	13	100	2.73	7
X3*Y	0	64	162	34	13	273		
Term of policy (X4)	16	12	26	36	10	100	2.88	5
X4*Y	80	48	78	72	10	288		
Eligibility condition(X5)	32	2 7	22	15	4	100	3.68	2
X5*Y	160	108	66	30	4	368		
Premium amount (X6)	2	35	24	19	20	100	2.80	6
X6*Y	10	140	72	38	20	280		
Premium payment frequency(X7)	13	22	30	22	13	100	3.00	4
X7*Y	65	88	90	44	13	300		

The Respondents have ranked the factor Coverage of diseases as First, Eligibility condition as Second, No medical bills required as Third, Premium payment frequency as Fourth, Term of policy as Fifth, Premium amount as sixth, Claim procedures as seventh among the various factors.

7.2 Chi – Square Test
7.2.1 Testing the Homogeneity between the Various Insurance Companies

COMPANY	OBSERVED (Oi)	EXPECTED (Ei)	Chi – Square ($x2$) $(Oi – Ei)2 / Ei$
ICICI Prudential	108	26.4	252.21
LIC	16	26.4	4.09
TATA AIG	3	26.4	20.74
Birla sun life	3	26.4	20.74
Other	2	26.4	22.55
TOTAL	132	132	320.33

➢ Calculated Chi- Square ($x2$) Value = 320.33
➢ Level Of Significance = 0.05
➢ Degrees Of Freedom (N-1) = 4
➢ Table Value = 9.49

Calculated $x2$ Value is greater than the Table Value, so Null Hypothesis (H0) is rejected. Therefore, there is a significant difference between the various insurance companies.

7.2.2 Testing the Homogeneity between Various Factors Influencing To Insure

FACTORS	OBSERVED (Oi)	EXPECTED (Ei)	Chi – Square ($x2$) $(Oi – Ei)2 / Ei$
LOWER PREMIUM RATE	25	25	0
TERMS AND CONDITIONS	16	25	3.24
RETURNS AND COVERAGE	32	25	1.96
TAX BENEFIT	27	25	0.16
TOTAL	100	100	5.36

➢ Calculated Chi- Square ($x2$) Value = 5.36
➢ Level Of Significance = 0.05
➢ Degrees Of Freedom (N-1) = 3
➢ Table Value = 7.81

Calculated $x2$ Value is smaller than the Table Value, so Null Hypothesis (H0) is accepted. Therefore, there is no significant difference between the various factors of Insurance plan.

7.2.3 Testing the Homogeneity between Various Products In Which The Respondents Have Insured

NAME OF THE PLAN	OBSERVED (Oi)	EXPECTED (Ei)	Chi – Square ($x2$)
			(Oi – Ei)2 / Ei
Health Assure	26	25	0.04
Health Assure Plus	66	25	67.24
Cancer care	8	25	11.56
Diabetes care	0	25	25
TOTAL	100	100	103.84

➢ Calculated Chi- Square ($x2$) Value = 103.84
➢ Level Of Significance = 0.05
➢ Degrees Of Freedom (N-1) = 3
➢ Table Value = 7.81

Calculated $x2$ Value is greater than the Table Value, so Null Hypothesis (H0) is rejected. Therefore, there is a significant difference between the various plans in which the respondents have insured.

7.2.4 Testing the Homogeneity between Various Critical Illness in Which the Respondents Are More Keen

NAME OF THE PLAN	OBSERVED (Oi)	EXPECTED (Ei)	Chi – Square ($x2$)
			(Oi – Ei)2 / Ei
Cancer	16	16.67	0.02
Heart attack	25	16.67	4.16
Kidney failure	11	16.67	1.92
Major organ transplant	27	16.67	6.40
Stroke	5	16.67	8.16
By pass surgery	16	16.67	0.02
TOTAL	100	201	20.68

Calculated Chi- Square ($x2$) Value = 20.68
Level Of Significance = 0.05
Degrees Of Freedom (N-1) = 5
Table Value = 11.07

Calculated $x2$ Value is greater than the Table Value, so Null Hypothesis (H0) is rejected. Therefore, there is a significant difference between the various critical illness in which the respondents are more keen while insuring.

8. FINDINGS of the study
1. Among 132 respondents having insurance 81.81% of them have insurance with ICICI Prudential Life Insurance Company.
2. Among 108 respondents insured in ICICI 95.37% of them are aware of its health insurance products.
3. Among 103 respondents aware of ICICI health insurance products 97.08% of them have insured in ICICI.
4. Among the 100 respondents having insured in ICICI health insurance products 26% of them had chosen health assure product, 66% of them had chosen health assure plus product, 8% had chosen cancer care product.
5. 100% of the respondents are satisfied with their current health insurance products.
6. Among 8 respondents not having health insurance 62.5% is due to lack of awareness and 37.5% of them are not satisfied with current products.
7. Among 18 respondents not having any insurance 50% is due to lack of awareness, 22.22% of them consider premium charges are high and remaining think insurance is not necessary.
8. There is a significant difference between the various investment factors, various plans, various critical illnesses in which the respondents are more keen while insuring.

9. Suggestions
1. The company is advised to focus on a set of demographic profile for keen selling of the product.
2. The people aged 35-50 years should be targeted for selling the product because they are prone to heart attacks more than the younger aged.
3. The project should be marketed to professionals and private sector employees as they seem to be more aware of the necessity of taking a health product.
4. Company should take more initiation to create awareness among people regarding health insurance.

10. CONCLUSION
As it is a new product the company has to apply many promotional and adverting techniques in order to market and sell this product. In this tough competition in private life insurance sector the company has to focus on the demographic profile of clients and target those customers. Tax saving benefits could be highlighted more for promoting the insurance products.

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