



Health Insurance Policy–A Study on Consumer Behaviour in Coimbatore City

Ravi K

Research Scholar, Department of Commerce, Kaamadhenu Arts & Science College, Sathyamangalam, Bharathiar University, Coimbatore, Tamil Nadu

Dr. Prakash M

Research Supervisor, Asst. Professor & Head, Department of Commerce (CA), Kaamadhenu Arts & Science College, Sathyamangalam, Bharathiar University, Coimbatore, Tamil Nadu

ABSTRACT

The health infrastructure in India is facing daunting challenge of meeting the health goals and complexities emerging from the changing disease pattern. The proliferation of various healthcare technologies and increase in cost of care has necessitated the exploration of health financing options to manage problems arising out of increasing healthcare costs. Health insurance is emerging fast as an important mechanism to finance the healthcare needs of people. Further, the uncertainty of disease or illness is accentuating the need for insurance system that works on the basic principle of pooling of risks of unexpected costs of persons falling ill and needing hospitalization by charging premium from a wider population base of the same community. So a study on attitude and behaviour of the policyholders towards health insurance policy was conducted in Coimbatore City.

KEYWORDS

Health Insurance, Consumer Behaviour

INTRODUCTION

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.

Health Insurance policies insure against several illnesses and guarantee to stay financially secure should ever require treatment. They safeguard peace of mind, eliminate all worries about treatment expenses, and allow focusing energy on more important things, like getting better. Health is a major concern on everybody's mind these days. With sky rocketing medical expenses, the possibility of any illness leading to hospitalization or surgery is a constant source of anxiety unless the family has actively provided for funds to meet such an eventuality.

REVIEW OF LITERATURE

Bharat Paul, Vivek, J.S.Malik, Neelam Kumar (2015) in their article, "Health Insurance in India: Need to Address" Health insurance is a method to finance healthcare. Around 65 per cent of people remain in debt for life due to their expenditure on major health problems. Over 300 million people, or more than 25 percent of India's population, gained access to some form of health insurance by 2010. There is a large gap between healthcare delivery and financing in urban areas and rural areas. Health insurance is a minor contributor in the healthcare ecosystem. The main challenge is to see that it benefits the poor and the weak in terms of better cover-

age and health services at lower costs. With over 80% 'out-of-pocket' expense burden on the consumers, the market is ripe for health insurance entities including global players. The entire healthcare financing and delivery system is poised for a major change.

Purohit, B. (2014) in their article, "Community Based Health Insurance in India: Prospects and Challenges" They said that there is a great scope for CBHI in India to effectively expand the coverage to the uninsured, especially the ones who are poor and the one in the informal sector. But enrollment of people for such schemes is very challenging, keeping in the mind some of the management and designs issues of such schemes. The biggest challenge for such schemes is to tailor design benefit package to people's needs so that a right balance between equity and efficiency can be achieved. Success of such schemes can be achieved with collaborative efforts from both government and non-government organizations. Finally, research and academic work must focus on studying and addressing the piecemeal approach of such schemes in providing health insurance to the poor. This should be done by establishing collaborative links with the health system and various stakeholders like government, NGO's and other financing schemes.

A study conducted by B.Anuradha(2013), "Study On Factors Influencing Customers Towards Insurance Products", related with the factors influencing the customers to purchase the insurance products. An attempt has been made to study the customer buying preferences based on the source of information. The factors considered for the study are type of insurance company, media as source of information, factor influencing to purchase. Findings reveal that respondents less than 30 years are holding the life and health insurance policies in maximum. Internet, tax benefit and family members are some of the factors that have influenced the customers to purchase the insurance policy. The study has also found that the respondents, less than 30 years are holding both life and health insurance policy.

Ajay Mahal(2002) assessed that the entry of private health insurance could have adverse implications for some of goal

of health policy, particularly for equity. However an informed consumer and well defined and implemented insurance regulation regime could potentially address many of bad outcomes. There are areas where regulation with regard to health insurance

would be clearly useful in instituting benefits packages, restrictions on risk-selection procedure and addressing aspects of consumer protection.

R. P. Ellis et al., (2000) in their article, "Health insurance in India- Prognosis and Prospects" attempts to review a variety of health insurance system in India, their limitation and role of the general insurance corporation as an important insurance agency. They highlighted the need for a competitive environment. This paper recommends improvement in delivery of health care and its financing, efficient functioning of the ESIS and CGHS and amending the mediclaim system and alteration in exclusion clause.

OBJECTIVES OF THE STUDY

1. To evaluate the awareness level and source of information about health insurance policy.
2. To describe the type of health insurance policy preferred by the respondents.
3. To identify the reasons and purpose of taking health insurance.

RESEARCH METHODOLOGY

The present study is mainly based on primary data which is collected through issuing questionnaire. The questionnaire contains questions relating to details of health insurance policy holding, sources of motivation in taking up health insurance policy, motives for taking up health insurance policy and reason for choosing insurance company. The data required for the study have been collected from 200 policyholders in Coimbatore City by adopting convenient cum Purposive sampling method. The data collected are analyzed, interpreted and evaluated with the help of tables, percentage, weighted average score etc.

LIMITATIONS OF THE STUDY

Every study has certain limitations. This research has been a single-handed effort on the part of the researcher, and certain discrepancies might have occurred owing to the lack of specialized knowledge on this subject. The analysis based on the questionnaire only covers policy holders residing in Coimbatore City and also the sample is relatively small compared to the entire population.

Table 1
Source of Information for Health insurance

S.No	Sources of Awareness	Frequency	Percentage
1	TV / Radio	12	6
2	Newspaper/ Magazines	16	8
3	Internet	48	24
4	Agent	116	58
5	Relatives	8	4
Total		200	100

Table 1 shows clearly the sources from which respondents becomes aware about Health insurance. Agents play a very important role to become the respondents aware about Health insurance. 58% respondents said that they became aware about Health insurance through agents. After that internet plays a very important role. 24% respondent becomes aware about Health insurance through internet. Relatively television and newspaper plays small role to become respondents aware about Health insurance.

Table 2
Awareness Regarding Health insurance Elements

S.No	Statement regarding Health insurance	Yes	NO	Total
1	Terms and Conditions	114	86	200
2	Exclusions & Inclusions	78	122	200
3	Types of Health insurance policies	98	102	200
4	Maximum coverage	184	16	200
5	Other health insurance companies	80	120	200

Table 2 indicates awareness level of respondents regarding Health insurance policies. It indicates that respondents are not aware fully regarding different aspects and elements of Health insurance. Mostly respondents are aware about 'Maximum Coverage'. But many are not aware about all 'Terms and Conditions' of Health insurance and types of Health insurance policies. Only 40% are aware about other health insurance companies but 60% are not. In same way 49% are aware about different types of Health insurance policies but 51% respondents are not aware about it.

Table 3
Types of Health insurance Policy

S.No	Type of Health insurance Policy	Frequency	Percentage
1	individual Health insurance policy	168	84
2	family floater Health insurance policy	28	14
3	Others	4	2
Total		200	100

Table 3 depicts the frequency and percentage of respondents according to their type of Health insurance policy. A very large percentage (84%) of respondents has individual Health insurance policy, which shows very less interest in group Health insurance policies.

Various reasons for preferring Health insurance policy

Weighted Average Score (WAS) technique was applied to find out the mean score and rank of various reasons for preferring the Health insurance policy by using five point Likert Scale. Score given are as follow:-

- Most Important (Most Imp.) = 1
- More important (More Imp.) = 2
- Important (Imp.) = 3
- Less important (Less Imp.) = 4
- Least important (Least Imp.) = 5

Table 4
Weight and Ranks of Various Reasons for Preferring Health insurance Policy

S.No	Particulars	Most Imp	More Imp	Imp	Less Imp	Least Imp	WAS	Ranks
1	Tax Deductions.	4	88	24	58	20	3.07	2
2	Nominal Premium.	8	70	36	68	18	3.09	3
3	Avail Good Quality Medical Treatment.	10	0	98	40	52	3.62	4
4	Risk Coverage Against Future Illness	186	12	2	0	0	1.08	1
5	Existing Illness.	6	20	38	32	104	4.04	5

Table 4 reveals the mean scores and ranks of various reasons for preferring Health insurance policy. While analyzing the reasons for having Health insurance, most governing reason is protection against future illness. The mean score is lowest for

the reason of Risk Coverage against Future Illness. People prefer Health insurance policy to protect them against risk of future illness. Mainly they want protection from various disease and sudden financial crisis. Weighted Average Score (WAS) for reason risk coverage against future illness is 1.08 .Second main reason for preferring Health insurance is tax deduction whose Weighted Average Score (WAS) is 3.07. People want relaxation in their taxable income. Third main reason for preferring Health insurance is affordable nominal premium. WAS for this reason is 3.09. Respondents considered Health insurance claim within affordable limit and placed it at third position. WAS for reason of 'avail good quality medical treatment' and 'existing illness' is 3.62 and 4.04 respectively and have fourth and fifth position.

FINDINGS

58% respondents said that they became aware about Health insurance through agents. After that internet plays a very important role. 24% respondent becomes aware about Health insurance through internet. Relatively television and newspaper plays small role to become respondents aware about Health insurance.

Mostly respondents are aware about 'Maximum Coverage'. But many are not aware about all 'Terms and Conditions' of Health insurance and types of Health insurance policies. Only 40% are aware about other health insurance companies but 60% are not. In same way 49% are aware about different types of Health insurance policies but 51% respondents are not aware about it.

A very large percentage (84%) of respondents has individual Health insurance policy, which shows very less interest in group Health insurance policies.

CONCLUSION

It is concluded from this study that respondents are aware about it at low speed, which mainly comes from agents followed by internet, newspaper, friends etc, but this awareness has not yet reached the level of subscription and large chunk of the population is still financing health care expenditure without health insurance. Health insurance policyholders have little awareness regarding different aspects of Health insurance. Maximum policyholders have knowledge of maximum coverage but 50% respondents are not aware about terms and conditions, exclusions and inclusions and other health insurance companies. While analyzing the reasons for having Health insurance, it was found that most of the governing reasons were risk coverage against future illness and tax deductions followed by nominal premium, avail good quality medical treatment and existing illness. Maximum number of respondents opted for individual Health insurance policies.

REFERENECEES

1. Ellis,R.P.,Alam ,L.&Gupta ,Indrani (2000), " Health Insurance In India-Prognosis and Prospectus" Economic and Political Weekly ,Vol 5,No 2, pp.207-217.
2. Mahal,Ajay (2002), " Assessing private health insurance in India-potential impact and regulatory issue", Economic and Political weekly ,Vol 37, No (6), pp.559-571.
3. B.Anuradha(2013), "Study On Factors Influencing Customers Towards Insurance Products", PUJ, Vol.1, Issue No.1,pp-163-169.
4. Purohit, B. (2014) "Community Based Health Insurance in India: Prospects and Challenges", Health, **6**, 1237-1245. <http://dx.doi.org/10.4236/health.2014.611152>
5. Bharat Paul, Vivek, J.S.Malik, Neelam Kumar (2015), "Health Insurance in India: Need to Address", International Journal of Interdisciplinary and Multi-disciplinary Studies (IJIMS), 2015, Vol 2, No.9,64-67. <http://www.ijims.com>