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POLICY HOLDERS SATISFACTION TOWARDS MEDI-CLAIM INSURANCE IN CHENNAI CITY

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Abstract:

'The first Wealth is Health'- Emerson. Insurance is a mechanism of risk transfer and sharing by pooling of risks and funds among agroup of individuals who are exposed to similar kinds of risks for the benefit of those who suffer loss on account of the risk.Health and wealth are two sides of a coin. One can have health without wealth and vice-versa. But in an ideal world one should have both. Health care is wealth care. When disease attacks, it becomes highly doubtful regarding meeting of hospital expenses. Insurance is, thus, a financial tool specially created to reduce the financial impact of unforeseen events and to create financial security. To overcome such inconvenient situation "medical insurance" plays a major role in today's context.This study attempts to find out the customer satisfaction towards medical insurance in Chennai city. The required data is collected from 100 respondents those who are insured and received claim. The study helps to find out the awareness level on medi-claim insurance, period of awareness, satisfaction particulars and also to suggest suitable measures for improvement.

Key Words: Medi-Claim, Health & Expenses

Introduction

Human life is perhaps the most important and invaluable asset. This asset is subject to risks of death and disability due to natural and accidental causes. When human life is lost or a person is disabled permanently or temporarily, there is a loss of income to the household. Though human life cannot be valued, it is possible to estimate the loss of income that would be suffered in future years in the event of a risk like death or disability. Insurers try to place a monetary value on such loss and provide insurance cover for such loss. Insurance is a financial cover for a contingency linked with human life, like death, disability, accident and retirement. A suitable general insurance cover is an absolute essential for every family. Insurance industry is classified into life and non life insurance. Insurance other than 'Life Insurance' falls under the category of General Insurance.

General Insurance comprises of insurance of property against fire, burglary etc, personal insurance such as Accident and Health Insurance, and liability insurance which covers legal liabilities. Non-life insurance companies have products that cover property against Fire and allied perils, flood storm and inundation, earthquake, burglary; theft forms a major chunk (heads) of non-life insurance business. General insurance companies have willingly catered to these increasing demands and have offered a plethora of insurance covers that almost cover anything under the Sun. This is a necessity to overcome uncertainties and risks prevalent in life. Indeed, everyone who wants to protect himself against financial hardship should consider insurance. India with more than 1.2 billion population needs a better management of health conditions. The saying "Health is Wealth" carries a lot of meaning for the well-being of the people and the country as a whole. Health care is wealth care.It is estimated that 22 million people are pushed below poverty line annually due to health care expenditure alone, 40% hospital expenditure is funded by borrowed money. Almost 80% of healthcare expenses in the country were borne out of pocket. Even worse, 47% of rural and 37% of urban population either borrowed money or sold assets to pay for medical expenses. Quality health care and affordability did not go hand. Those seeking affordability had to be content with government hospitals, while quality seekers had to spend their way into private hospitals. The wealth of nation has little to do with quality of health care its citizens can enjoy.

Review of Literature:

Ramesh Bhat Nishant Jain in their study (2006) "A Study of Factors Affecting the Renewal of Health Insurance Policy" in Anand district of Gujarat. We have used econometric analysis to find the factors affecting renewal of health insurance decision. Bhat and Jain have used Heckman two-step method to analyse factors affecting health insurance purchase. This method has been used to take care of the sample selection problem. In addition to income and health expenditure as independent variables, we use age, gender, education as control variables. One variable which represents that whether household have availed benefits of its health insurance policy or not was also used in the binary form where it took value of 1 if they have used the policy and 0 if not. As discussed above we have identified ten qualitative factors, which effect health insurance purchase decision.

Six of the factors are same as used in our previous study Bhat and Jain (2006), four extra variables are added here specifically to address issues related to renewal of health insurance policy. These factors have been identified after interviews and discussions with various stakeholders and based on references from health insurance literature. Respondents were asked to rate these variables on the scale of one to five where five indicates highest significant importance. These variables have been used as interval variable. Health insurance policies are not long-term policies and they are required to be renewed each year. The health insurance both private voluntary and micro health insurance schemes are growing and understanding the factors that affect the demand and renewal decisions of continuing in health insurance programme is imperative for future growth and development of this sector.

Jawaharlal, (2007), in his article on"Health care versus Health the Insurance" linkedthe health care scenario and the need for priorities. There is a huge demand on curative care – both in the case of health care management of the country and when it comes to providing commercial health insurance.

Joseph, Mathew; Stone, George and Anderson, Krista (2008) In his study, he stated that insurance being a subject matter of solicitation, competence of the agent helps in creating consumer confidence and purchase. Consumers of insurance frequently rely on the perceived competence of the agent in terms of the advice he provides.

Chen, Kalra and Sun (2009) in their research article stated that "Health Insurance has taken more meanings now.Insurance literature identifies the major determinants of purchase as being the probability of loss, the extent of loss, the insurance premium charged, and buyer's risk. These determinants have been shown to influence purchase of flood, life and health insurance".

P. Jain et al., (2010) in their paper, "Problems faced by the Health Insurance Policyholders of Different Public and Private Health Insurance Companies for Settlements of their Claims" measure the problem faced by customers. The objectives were to study reason for rejection of claim, satisfaction level of customer and difficulties faced by insured in getting their claim. Main reason for claim rejection was pre-existing disease and incomplete document. From public sector Undertaking (P.S.U.) out of 56, 48 respondents were satisfied with their insurer. From private sector undertaking, out of 44, 16 are satisfied and 20 are highly satisfied with their insurer.

Bawa et al (2011) in their paper "Third party administrators (TPAs) in India:An insight into role defined and role played with reference to IRDA" tell about introduction of TPAs was made by IRDA in order to regulate the healthcare services and costs. In this paper an attempt was made to examine all those conditions, code of conduct/role which is defined by IRDA and role in practice played by TPAs. The results of the study provided that parity exist in case of: providers of services as and when need; streamline and simplifies the claim process; automatic development of information system etc. Alternatively, deviation exist in case of: lack of knowledge about coverage and exclusion in policies; failure to meet the expectations of parties involved; delay in settlement of claims; failure to meet the service responsibility; indirect cost to consumer etc.

Ruchita Verma (2012) in her article, "A study of perspective and productivity of health insurance Business in India with reference to key determinants" examine productivity as well as change in productivity of health insurance business and to identify the various derives behind such changes. A period of 8 years from 2002-03 to 2009-10 is considered and public sector companies are mainly taken as key area of investigation. Data Envelopment Analysis (DEA) and two key determinants of input and one determinants of output is considered the result of DEA provides that TEPC, which comprises of EC, TC, PTEC and SEC followed diverse path during the period under consideration. In almost all the year the TFPC lies between first two categories i.e. either less than 1 or 1-2, except for the year 2004-05 to 2005-06 as during this year TFPC lies in 3rd category i.e. it was even more than 2.

K. Selva Kumar and Dr. S. Vijay Kumar (2013) in their article, "Attitude of policy holders towards administration of general insurance companies with reference to Madurai region" The study reveals that 23% policy holders belongs to low level of attitude, 46% to medium level of attitude and 31% to high level of attitude. 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. Out of nine factors eight factors are significant; only one factor i.e. social group of policyholder is not significant.

Praveen Yadav Co Authors: - Dr Geeta Bhardwaj, Dr. Anuradha Monga, Ms. Poonam Desai (2015) in their article - Achieving economy of Scale for sustainability in Health Insurance Discussed: With escalating costs of healthcare in India, it is time that payers of healthcare services gear up to minimize unwarranted costs and utilize the scarce financial resourcesfor benefit of insured and provision of quality healthcare. While increasing the premium is an unattractive way of compensating the losses, insurance companies should aim at reduction of cost incurred per policy.

Statement of the Problem:

India has thousands of hospitals and lakhs of doctors. For a population of billion, we haveOnly 17,000 public hospitals , 24,000 government run primary health centers and 1,40,000 sub enters. Health care structure,

presently available are insufficient to meet all the requirements of the people. Even facilities which are available, have not reached them properly. So long as there is the dominant private sector and people are paying huge proportion of their incomes on health care. Time has therefore come to shift attention to the important and critical health system issues and develop more effective strategic approaches by way of providing health based insurance. In this context it is important to study how far people of Chennai area are aware of various aspects of mediclaim insurance policy. To check their awareness, level of satisfaction and problems faced by them during the claim settlement of medi claim insurance policy.

Study Objectives:

- ✓ To examine the awareness of the respondents about the policy.
- ✓ To find out the problems faced by policy holders with regard to policy.
- ✓ To review the level of satisfaction of policy holders.

Sampling Plan and Tool:

The study depends on both primary and secondary data. Primary data have been collected by questionnaire method from respondents. For this collection respondents were selected through convenient sampling method. Tools used for analysis includes percentage method and chi-square test.

Area and Period of Study:

The proposed study is based on primary and secondary sources of data. The study is confined to Chennai city of Tamil nadu. . Chennai City Limit Covers West side up to PoonamalleeTaulk, Towards East Side ECR and OMR up to KovalamKelambakkam Region, North side Covers Manali Region and Minjur, towards South City Limit covers up to Vandalur Gate way of Chennai. The City of Chennai currently covers an area of 426 km and now includes adjoining sections of Tiruvallur and Kanchipuram Districts along with the 176 km of the Chennai District. The period of study ranges from December 2015 to May 2016

Scope of the Study:

Chennai has a diversified economic base anchored by the automobile, software services, hardware manufacturing, health care and financial services industries. People work on shift basis which acts as major threatening factor for health issues of floating crowd. People protects themselves from medical emergencies, they are brought into the umbrella either individually or group covered by family or company which acts as shied or protecting factor. This study confined to test the customer satisfaction in Chennai city in medi claim insurance. It brings to light the factors influencing the awareness of policy holders towards their companies. It identifies the problems faced by policy holders at the time of buying the policy and during lodging claim.It also measures the level of satisfaction, difficulties faced while claim processing and claim settlement.

Analysis and Interpretation:

1.Age	Frequency	Percentage
Below 30 years	23	23
30 to 50 years	49	49
Above 50 years	28	28
Total	100	100
2.Gender	Frequency	Percentage
Male	54	54
Female	46	46
Total	100	100
3.Marital Status	Frequency	Percentage
Married	83	83
Unmarried	17	17
Total	100	100
4.Educational Qualification	Frequency	Percentage
Up to HSC	27	27
Degree/Diploma	38	38
PG	35	35
Total	100	100
5.Occupation	Frequency	Percentage
Salaried employee	42	42
Business	34	34
Profession	24	24
Total	100	100
6. Claims Made	Frequency	Percentage
Yes	65	65
No	35	35
Total	100	100

7.Problems Faced Relating to Claim Processing	Frequency	Percentage
Yes	12	12
No	88	88
Total	100	100

(Source: Primary data)

The age distribution of the respondents consisting (23%) below 30 yrs, (49%) are 30-50 yrs and (28%) are above 50 yrs. The gender distribution of respondents consist of (54%) of male and (46%) of female. Marital status (83%) married and (17%) unmarried. Education wise (27%) are upto HSC, (38%) consist of degree/diploma holders, (35%) of respondents are post graduates. Regarding occupation (42%) of respondents are salaried employees, (34%) are involved in business and (24%) are professionals. Out of 100 respondents (65%) made claim from insurance company and (35%) respondents have not made any claim from insurance company. Regarding problems faced while claim processing (12%) faced problems and (88%) have not faced any problems while processing claims.

Table 2: Chi-Square Test between Medical Coverage and Satisfaction

Hypothesis: There is no association between medical coverage and satisfaction

Medical Coverage	Satisfaction			
	Low	Medium	High	Total
Below Rs.50,000	7 (18.42)	28 (73.68)	3 (7.9)	38 (100)
RS.50,000 – 1,00,000	8 (17.77)	25 (55.55)	12 (26.68)	45 (100)
RS.1,00,000 – 2,00,000.	7 (63.63)	1 (9.09)	3 (28.28)	11 (100)
ABOVE RS.2,00,000	1 (16.66)	2 (33.33)	3 (50.01)	06 (100)
TOTAL	23	56	21	100

Calculated value of chi-square is 22.28, Table value is 12.6

Values with in parenthesis denotes percentage. Calculated value of chi square is 22.283 is greater than the table value12.6 at 5% level of significance. The hypothesis is rejected. Hence it is inferred that there is association between medical coverage and satisfaction.

Table 3: Type of Policy and Satisfaction

Hypothesis: There is no association between type of policy and satisfaction

Type of Policy	Satisfaction			
	Low	Medium	High	Total
Single	10 (26.31)	21 (55.26)	07 (18.43)	38 (100)
Family	13 (20.96)	35 (56.45)	14 (22.59)	62 (100)
Total	23	56	21	100

Calculated value of chi-square is 0.611, Table Value: 7.81

Values with in parenthesis denote percentage. Calculated value of chi-square is less than the table value 7.81 at 5% level of significance. The hypothesis is accepted. Therefore it is inferred that there is association between type of policy and satisfaction.

Suggestions:

- ✓ More awareness should be created among people regarding Medi-claim insurance policy through various media.
- ✓ The process of claim should be minimized.
- ✓ Renewal of policy by the policy holders should be encouraged.
- ✓ Network hospitals must be well trained to deal the cashless benefits to the policy holders.
- ✓ Renewal notices to be sent to the policy holders in advance.(repeated reminders).
- ✓ Customer relations can be improved.
- ✓ Procedures can be minimized at the time of claim settlement.

Conclusion:

India is a nation with a large population and portion of this population belongs to below average income group. Quality health care and affordability do not go hand in hand.only about 17% (2,162 lakh) of the Indian population currently has some type of health insurance cover. Various comprehensive health insurance schemes launched by the Central and State governments is a welcome step in expanding the horizon and extending some sort of health cover to the remaining 83% of the population. In India, majority of the population comprises of young adults who would enter the elder age bracket in a couple of decades. The youth population

(under the age of 35) at 825 million comprises of 66% of the Indian population as of November 2014. It is the largest in the world and will be the middle-aged to senior citizens of India in the coming decades, forming a large section of the population needing healthcare insurance and services. The study reveals that medi-claim insurance is not so popular in our country and awareness should be spread among individuals and in work place.

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