

# A Study on Customer Awareness on Health Insurance Products

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**Abstract:** Right Health confers on a man or woman or corporations free from industrial sickness and the potential to appreciate one's capabilities. Health is quite essential base for defining a person's status of wellbeing. Health Insurance is emerging now days as an essential mechanism to finance healthcare fitness requirements of every individual. There is a need to cover perception of pooling of risks of unexpected charges of the ill people. In India, only 11% of the population is covered with health coverage as of now. Around 24 % persons are hospitalised in India in a year which are under Below Poverty Line. An analysis on insurance has found that the larger percentage of people are borrowing or selling their things to get cash for the ill health. Majority of the Indians are extra vulnerable in fundamental illness. Doing the campaigns on the issue of Marketing of the health coverage policies is very recommended to support the unexpected costs coming up of sudden ailments. This paper is focused on the customer awareness and the behaviour towards various types of health insurance policies.

**Keywords:** policies, insurance, health insurance, awareness.

## 1. Introduction

Emergencies of all types are mostly not imaginable. They have a tendency to render their sufferers susceptible, with accompanying fiscal shocks. If the particular sufferer is no longer financially ok for the emergency situations, they endure double suffering. Moderating Individuals, communities and the families to the financial burden of apocalypse and period of incapability is what insurance schemes seek to do. So one can say that Insurance is hazard sharing association.

Being identified with an ailment of hospitalizing may happen with male or female or rich and the poor, young or old. Heart problems, diabetes, stroke and cancer are simply to get customary these days. Fortunately, speciality hospitals are there and specialised doctors are available. But it comes at a cost. The very rich can manage or bear such cost but the poor and the middle men cannot afford that cost even though it is tight situation. For any sickness such as surgery, hospitalisation, the expenses run into six figures. A health insurance can cover such expenditure in a huge basis. Its accessibility has to be ensured first. At the same time the well to do sound segment of the population each in rural and urban areas can afford hospital treatment, but at the same time cannot be said about the persons who belong to Below Poverty Line in the society. It is known that more than 75 % of the population utilises medical care but it has gone out of reach to poorer section in the society.

### Health Insurance:

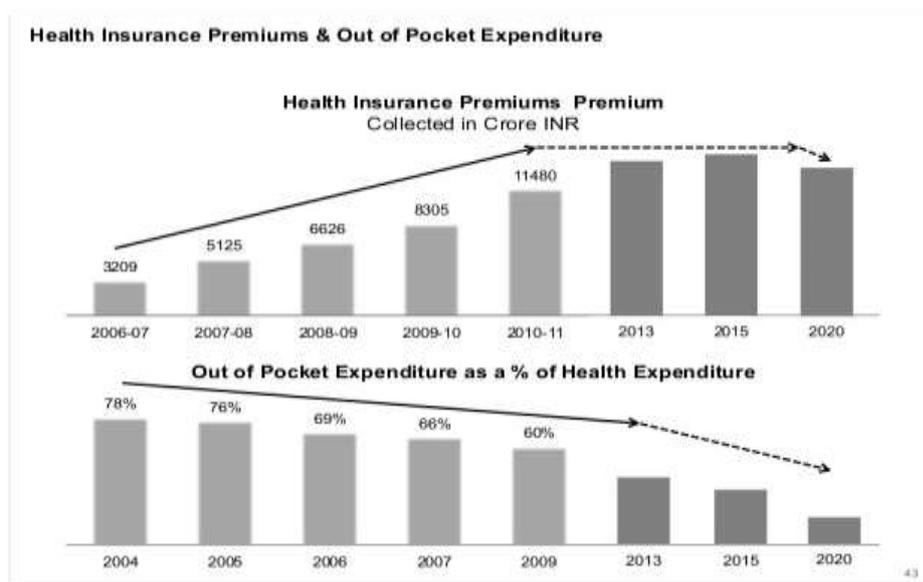
According to Health Association of America, Health Insurance is defined as “Insurance that provides for the payments of the benefits as a result of sickness or injury, includes insurance for the losses from accident, medical expense, disability or accidental death and dismemberment”.

Health Insurance is a primary option, which wishes to be viewed through the makers of Insurance and the planners. The fee of health insurance depends on the age, sum assured, present health condition and previous medical history of the person. Larger the premium, greater the sum assured. So, what's may be the best health insurance requirement? There is no standard answer for this. If we agree that Health insurance is fundamental, one has to look at their own style, health condition, age, historical past of diseases and income level. Most of the Insurance organisations kept a maximum of 5 lakhs as a limit. Additionally, one has to see that many insurance policies from different organisations are furnishing ambulance bills, daily allowance and hospitalisation.

Health Insurance is a type of team insurance the place the party pays premium or tax with the intention to support them from sudden healthcare charges. Health Insurance works with the aid of estimating the total risk of healthcare expenditure and builds an active finance structure to be able to be certain that money is available to pay for the health care emergency specified in the policy agreement. The healthcare advantage is run by a vital institution most commonly government institutions or other which running a health plan. Developing demand for state of the art of scientific care brought it on with the aid of increasing populace, improving literacy and technology development which may lead to increased expectation of health services.

### Back ground of Health care:

Health insurance began in India as a medical cover for individual citizens and their families, before proceeding to include reimbursement of hospital bills as well. But that came with individual ceilings on every single item listed in the policy.



The exclusive sector is the dominant sector with 50% of men and women searching for inpatient care and about 70% of them searching for ambulatory care from private health services. No longer most

effective have communicable ailments endured over time however like malaria have additionally developed insecticide resistant track at the same time others like tuberculosis are increasingly drug resistant. AIDS disease have of late assumed particularly chronic.

### **Status of Health Insurance sector in India:**

India in the previous years has witnessed a plethora of new discoveries, both by the central government and group of state governments also entering the mania of health insurance. One of the reasons for initiating such programs can be traced to the commitments that the governments in India have made to maximise the public spending in health care. Given the commitment to upscale government expenditure on health (state and central) from 1% to 3% of GDP, both governments were devising plans and procedures to include improved access and availability of necessary health services, protecting households from financial risk through different schemes such as Rashtritya Swasty Bhima Yojna, National Rural Health Mission. The goal specific initiatives include Rajiv Arogya shree ( Andhra Pradesh), Kalaighner's Insurance scheme for Life saving Treatment ( Tamil Nadu) and Vajpayee arogyasri Programme ( Karnataka) etc.,.

The health sector is growing at 13%; the total health sector is spending more than 210,000 crores during 2013. Personal health is the biggest factor in this expenditure in 2012 and estimated at Rs. 156,000 crores. As of now in 2020 its 60.72 lac crores. The Indian constitution lays a prime importance for public health for state governments. The total health spending of India is estimated out be anywhere between 4.5% to 5.5% of the GDP and the general public health care expenditure is lower than 1% of GDP. So, the personal expenditure on health in India is more than 80% and most of it is out of pocket charges. The country that has been witness to 3 health insurance packages until 2007 (ESI, CGHS, PHI) is now inundated with a plethora of inventions in insurance programmes.

Some primary health insurance institutions in India include nationwide insurance company, New India Assurance, United India Assurance, ICICI Lombard, HDFC standard Life etc.,. India's speedy developing demand for lesser cost is attracting larger trade awareness, with each life and non-life insurance corporations now getting into the shoes of marketing at progressive level. This severe competition is leading to the organisations by providing various schemes which are linked to new saving and funding.

### **Potential of the insurance market:**

India is about 1.2 billion of population and granting that not all the persons can be insurable, it makes a powerful case for potentiality of at least 50 crore persons to undergo at least one insurance policy. Unfortunately, even after opening of market the penetration has been bad and roughly best about 3.5 crores are covered under more than a few schemes as recounted above making the market massive at most scratched surface without effectively tapped.

### **Health Insurance is divided into three types in India.**

1. Social
  - A) ESIS ( Employees State Insurance Scheme)
  - B) CGHS ( Central Government Health Scheme)
  - C) SEWA (Self Employed Women's Association).
2. Community based
3. Private
  - a) Individual policy

b) Group Mediciclaim Policy(GMC)

**Review of Literature:**

Mahesh kumar L (2013) published Health insurance can be a way of removing the financial barriers and improving accessibility to quality medical care by the poor and also an effective social security mechanism. Awareness creation is needed because awareness about health insurance is poor. The determinants may be education, social status, economic status and occupation.

Tanja Ahlin, Mark Nitcher, Gopu krishnan Pillai "Health Insurance in India: What do we know and Why is ethnographic research needed" (2016) raised issues relating to the minimal expenditure on health care sector by the Government of India and how health care expenditures are largely out-of-pocket (OOP) expenditures in India. They also bring out the reasons for rising interest in health insurance and how more and more people want to take up health insurance.

Das Gupta, et al (2010), as described in their paper "How Might India's Public Health Systems Be Strengthened? Lessons from Tamil Nadu" published in 'Economic & Political Weekly', the central government's policies have inadvertently de-emphasised environmental health and other preventive public health services in India since the 1950s. Diseases resulting from insanitary conditions impose high costs even among the more affluent, and rapid urbanisation increases the potential for disease spread. The paper suggested establishing a public health focal point in the health ministry, and revitalising the states' public health managerial and grassroots cadres. There needs to be phased progress in four areas: (1) enactment of public health acts to provide the basic legislative underpinning for public health action; (2) establishment of separate public health directorates with their own budgets and staff; (3) revitalisation of public health cadre; and (4) health department engagement in ensuring municipal public health.

Ahuja explained that health insurance was rising as a principal financing instrument (2004) in meeting the health care desires of the people. Households which have higher health expenditures and revenue have greater likelihood of renewing the health insurance policy plan.

Prof. K. Srinath Reddy "A Critical Assessment of the Existing Health Insurance Models in India" (2011) talks about how Health insurance can be used as a tool to improve access to healthcare and reduce catastrophic expenditures only if the objectives of the insurance program are clearly defined and backed by a well thought out plan of implementation. He also says that it requires serious thinking and planning on all aspects of a health insurance program including – target community, provision of care, governance of insurance, management of risk, and constant monitoring to improve the whole process.

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**Objectives of the study:**

1. To study the awareness regarding the health insurance and source of information.
2. To test the demographic and socio-economic properties of the selected sample.

- To determine the reasons for not going to take the insurance even though they have awareness about health insurance.

### Need for the Study:

The financial burden due to health care expenditure is a major issue still facing India. Day by day health care cost is increasing both for out-patient and in-patient care. Changing pattern of diseases, mainly from communicable to non-communicable diseases, and the increasing proportion of the old age people, India have no sufficient social security system to tackle these issues. Health insurance system is one of the solutions. How far the coverage of health insurance available to Indians, both in rural and urban areas? Who can afford to pay for health insurance coverage? These issues are rarely included in the large-scale surveys. There is a need to look into the nature and magnitude of health insurance coverage in India, which is expected to grow rapidly in coming years.

### Research Methodology:

For the purpose of the article, specified area selected on the assumption that the specific area-based study expected to give ample and significant information. Present study was done in Hyderabad city. It is planned to give true representation of three colonies i.e., Sai nagar, Nizampet, Sardar Patel nagar. Thereafter the selection of sample of respondents is made by convenience sampling and on a whole a sample of 200 was planned from general colony people. By taking permission from head of the family or any member from the family and the data was stored and documented. The respondent during the survey, the purpose of my study is explained and interviewed to know the awareness and the type of health insurance they are subscribing. The respondents who are aware and not subscribed to any insurance policy are also interviewed to investigate the reasons for it.

### Data Analysis:

- The demographic characteristics follows:

#### Religion base:

Religion	Respondents	Percentage
Christians	24	12
Muslims	18	9
Hindus	120	60
others	38	19

#### Income level:

Income level	Respondents	Percentage
Upto 15000	19	9.5
15001- 25000	129	64.5

25001-50000	20	10
50001-100000	12	6
100001-125000	6	3
125001-150000	6	3
150001 and above	8	4

**Family type :**

type	Respondents	percentage
Nuclear	170	85
joint	30	15

**Education level:**

Level	Respondents	percentage
Illiterate	12	6
Primary school	34	17
High school	49	24.5
Intermediate	25	12.5
Degree	48	24
Post graduate	26	13
Above post graduate	6	3

**Age level:**

Age in years	Respondents	Percentage
20 -30	69	34.5
31-40	83	41.5
41-60	28	14
51-60	17	8.5

Above 61	3	1.5
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**Gender basis:**

Gender	Respondents	Percentage
Female	38	19
Male	162	81

**2. Awareness and sources of information about health insurance among the respondents:**

Item	Awareness of the total respondents	Response	percentage
Awareness	Yes	62	31
	No	138	69
<b>Source</b>			
	Websites	24	38.7
	Television	6	9.67
	Radio	3	4.83
	Friends	11	17.74
	Relatives	3	4.83
	Insurance agents	13	20.96
	newspaper	2	3.22
<b>Total</b>		<b>62</b>	<b>99.95</b>

The entire study is based on the awareness of the respondents of the sample. 31% of the respondents were aware of health insurance. Of the total 200 respondents, 42% of the respondents were aware of health insurance whereas 58 % are not having any idea regarding insurance policy of health. The going study found that the respondents have low awareness of the health insurance. The above table gives the information regarding the source from where they got the details followed by whom.

**3. Type of subscriptions:**

Type	Respondents	Percentage
NGO based	26	50.98
Health organisation based	22	43.13

Public financed	2	3.921
Private financed	1	1.960
<b>Total</b>	<b>51</b>	<b>99.991</b>

The above table shows that out of 51 subscriptions, 50.98 % are NGO based health insurance followed by health organisation based 43.13%, public financed by 2% and private financed by 1%.

#### 4. Reasons for non subscription of health insurance:

Reason	Respondents	Percentage
Complicated process	52	42.62
Time taking	17	13.93
High premium	28	22.95
Not interested	5	4.098
Social reasons	12	9.836
Other	8	6.5573
<b>Total</b>	<b>122</b>	<b>99.9913</b>

The above table depicts that the sample persons in spite of knowing the importance of health insurance. 42.62% of the respondents felt the procedure is complicated followed by 22.95% who felt they cannot afford high premium, only 13.93% people felt its time taking process.

#### Conclusion

In this present study the general common people belonging different demographic characteristics are surveyed. This study tried to measure the level of awareness and level of awareness regarding health insurance in Hyderabad. Moreover, the study tried to determine the barriers in having insurance policy. From the study we can conclude that the determinants and factors of awareness are: religion, age, income level, education, type of family and occupation. Education and income play important role in selecting any choice for the decision. Higher the education and higher the income leads to higher awareness. 79% of the sample population was not aware of Health Insurance as this population is from low economic level in terms of occupation, income, education and majority of them belongs to middle class category. Newspapers and friends are the main source of information for the awareness of Health Insurance. The subscriptions of Health Insurance by population is mainly due to Ngo based is appreciable and he subscriptions due to private financed is negligible. The main obstacle for not attempting for insurance is cost or premium and the complicated process.

#### Suggestions:

There is a need to develop the health insurance which should be in a position to be feasibility to the low-income group and low economic people. Linking such insurance scheme with Below Poverty Line (BPL) to contribute compulsorily is an efficient initiation as majority of the population is under BPL.

The government and the insurance organisations should boost the policy with the help of NGO's, private and public finance companies. This may result in increased subscription and high advertising leads to increase the awareness among the population. Health staff plays a vital role among population and requires mighty know-how, schooling and communication movements to reap higher insurance policy to hinder out the expenses and better usage of health insurance services by using the population.

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