

# A study on Awareness of Health Insurance among People with special reference to Ulhasnagar City (Thane District)

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## ABSTRACT

*As we are aware that only 56 % of India's population is having health insurance because of IRDA bill, performance of health insurance has increased. Reasons for lack of awareness will be many. Health Insurance is a necessity today. The importance of Health Insurance is undisputed. It includes several aspects of medical treatment and other expenses which can otherwise eat into savings. Health insurance is very settled in numerous nations. In India also awareness has increased about health insurance mainly in urban areas like Ulhasnagar. This study focuses on awareness of health insurance in urban area like Ulhasnagar.*

*Keywords: Health Insurance, Mediciclaim policies in India, Health care, IRDA*

## INTRODUCTION

India's population is around 1.3 billion and only 44% of population have a health insurance policy according to report by actuarial and consulting firm Milliman. Further this report specifies that compared to USA health care expenditure as percentage of GDP is just 4.7% in India and in US is 18%. Insurance is considered as backbone of country's risk management system. Insurance plays significant role in economic development of the country as well as it provides protection against illness, theft, fire, disaster etc. With the passing of Insurance Regulatory Development Authority Bill (IRDA) in the year 1999, A new era began for Indian Health Insurance, with a couple of international players investing in the Indian health insurance market by teaming up with local companies.

## HEALTH INSURANCE AND DIGITAL TECHNOLOGY

Digitally driven insurers are building mobile apps and a customer friendly websites to provide help to users during health insurance journey. This will result into improved customer experience. Companies are using chatbots and voice assistants for clarification of doubts of customers. Insurers are keep track of health related information with the help of Internet of Things for taking timely decision related to health.

Health Insurance is a necessity today. The importance of Health Insurance is undisputed. It includes several aspects of medical treatment and other expenses which can otherwise eat into savings. This insurance also provides tax benefits.

Health insurance policy prevents your savings from getting exhausted because of medical expenses.

An insurance policy not only provides coverage against hospitalization expenses but also covers other medical costs that may be incurred before, during and after the course of treatment. With competition, Health Insurance policies are evolving to include more and more items relevant to the insured.

Almost all insurance policies provide cashless treatment, in which the settlement of bill with hospitals is directly done by insurance company.

Many insurance policies are available in market which provide clubbing of policies and their benefits they are called family floater plans. The most preferred floaters is the one floater for the individual, spouse, and children, and other one is floater for parents.

Health care sector was in improper condition before India's independence, but India had made considerable improvement in increasing the health position and in India health insurance has become an important financial tool in meeting health care needs of the people. Thus a favorable demand, significant market potential with supportive infrastructure and regulatory environment has brought boom in the Health Insurance sector. Currently only 44 per cent of the Indian population has health insurance, which means that there is more scope for growth in this area.

### **OBJECTIVES**

1. To understand the level of awareness along with the perception as well as practice of health insurance among urban community.
2. To determine the relationship between awareness of health insurance with selected demographic variables.

### **REVIEW OF LITERATURE**

The review of literature for health insurance in India is important as consumer behaviour changes with passage of time and in order to have knowledge about the various authors review findings and suggestions on the concerned topic. So, the review of literature for the study is as follows:

**K. Selva Kumar and Dr. S. Vijay Kumar (2013)** in their article, "Attitude of policy holders in the direction of administration of general insurance companies with orientation to Madurai region" This research reveals that 23% insurance holders belongs to low level of attitude, 46% to medium level of attitude and 31% to high level of attitude. There is an important relationship between demographic variables like ages, sex, education, etc.

**R. Amsaveni and S. Gomathi (2013)** made an attempt to find out health insurance policy holder satisfaction, to recognize the reason for preferring policy to protect themselves and stay away from potential risk. The major problems faced by the respondents are improper communication and less number of hospitals covered by the health insurance companies.

The health insurance industry has changed rapidly in the changing economic environment throughout the world. The overall Insurance Industry contributes about seven percent GDP of our economy. The increased rate of market competition due to liberalization and privatization forced health insurers to be competitively serving in a better way to the customers. In that point view to huge untapped market, the concept of health insurance was introduced by the IRDA. Health insurance is a new and an emerging model of channel of distribution adopted by insurance players to increase the market share and insurance penetration.

**Ramamoorthy and Dr. Senthil Kumar ,2013:** This study is conducted with the purpose of to understand the growth of Indian health Insurance Industry and to measure the customer awareness, satisfaction and perception towards health insurance products. The various concepts related to health insurance have been discussed in this paper. Health insurance is accelerating the growth of Insurance business, decrease cost, Low awareness of health insurance among customers. This paper concludes that there is lots of scope and growth opportunity available for health insurance in the Indian Insurance market.

**Panchal . N ,2013:** People will purchase the health insurance if awareness is increased, and if nominal premium is charged in India.

**Choudhary Maheshkumar. L,2013:** The rural population are more vulnerable to risks such as illness, injury, accident and death because of their social and economic situation. There is need to provide financial protection to poor families for the same. Health insurance could 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 regarding health insurance is increasing; Education, socio-economical status and occupation were determinants responsible for opting health insurance.

**RESEARCH METHODOLOGY**

This paper is based on exploratory research. The primary data was collected from people through a structured questionnaire. The Secondary data was collected from different sources; Indian and international journals, health insurance bulletins, news papers.

**Research Type:** - Exploratory

**Sampling Technique:** - Simple Random Sampling

**Sample Unit:** - Respondents from Ulhasnagar Area

**Sample Size:** - 60

**Tools for Data Collection:** - Questionnaire

**Tools for Data Analysis:** - Frequency percentage test

**DATA ANALYSIS AND INTERPRETATION****Data collected from respondents****1. General information (Personal and family information)**

The personal characteristics were studied in terms of age, gender, education level, family type, occupation and locality (Table 1) Age of the respondents was recorded and it was observed that maximum respondents (35%) belonged to the age group of 30-40 years and minimum respondents (3.33%) belonged to the age group of above 50 years. It was observed that 41 per cent of the respondents were male and only 58.33 per cent were female in respondents. The data pertaining to education revealed that all the respondents were educated. Maximum number of respondents (53.33%) was graduate or post graduate, 25 per cent respondents had qualification up to intermediate, 16.67 per cent respondents were high school pass and only 5 percent respondents had education up to primary level only. The data also revealed that 70 per cent respondents belonged to nuclear family and only 30 per cent belonged to joint family.

**Table-1 general information**

Sl. No.	Parameters	Variables	Frequency	Percentage
1.	Age	Below 20	4	6.67
		20-30	20	33.33
		30-40	21	35.00
		40-50	13	21.67
		Above 50	2	3.33
2.	Gender	Male	25	41.67
		Female	35	58.33
3.	Educational status	Illiterate	-	#VALUE!
		Primary	3	5.00
		High school	10	16.67
		Intermediate	15	25.00
		Graduate and above	32	53.33
4.	Family type	Nuclear	42	70.00
		Joint	18	30.00
5.	Occupation type	Govt.Service	10	16.67
		Private Service	14	23.33
		Business	23	38.33
		House wives	7	11.67
		Students	6	10.00

## 2. Specific information

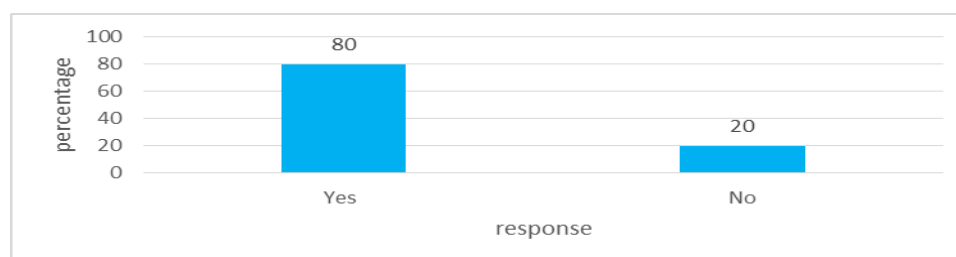
### 2.1 Awareness about health insurance

Respondents were asked about their knowledge and awareness of health insurance. Obtained results shown in Table 2.1

**Table 2.1: Awareness of health insurance n= 120**

S.No.	Responses	Frequency	Percentage
1.	Yes	48	80
2.	No	12	20

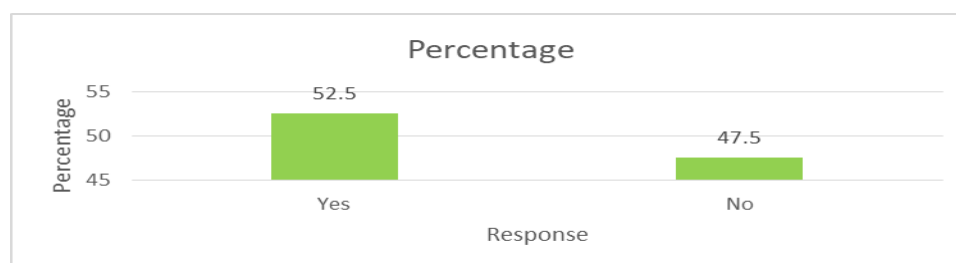
It is clear from Table 2.1 that 80 per cent population were aware about health insurance and only 20 per cent were unaware about this term.



**Table 2.2: Health insurance policies purchased by respondents n= 120**

S.No.	Responses	Frequency	Percentage
1.	Yes	32	52.5
2.	No	29	47.5

Only 52.5 per cent respondents have any health insurance policy and 47.5 per cent did not because of lack of knowledge



### 2.3 Preferable health insurance companies

Respondents who have health insurance policies were asked about the name of the organization from which they bought policies. Various known companies name were highlighted, In private sector health insurance companies ICICI Lombard, Star net health insurance, HDFC general insurance was highlighted.

### 2.4 Reasons to choose health insurance policies:

Respondents were asked about the reasons on behalf of which they choose a health insurance policy. Various reasons came in front like: for safety measures of health, to prevent huge hospitalization expenses, to secure whole family health under a single policy, to get reimbursement of medical expenses and to get better treatment in best hospitals.

### 2.5 Reasons for not to have health insurance policy

Respondents were asked about the reasons behind not to choose any health insurance policy. Various reasons came in front like: they do not have trust over companies, do not feel necessity for having health insurance, lack of hospital networks of companies, complexity of terms and conditions and lack of transparency.

**2.6 Preferable health insurance policies**

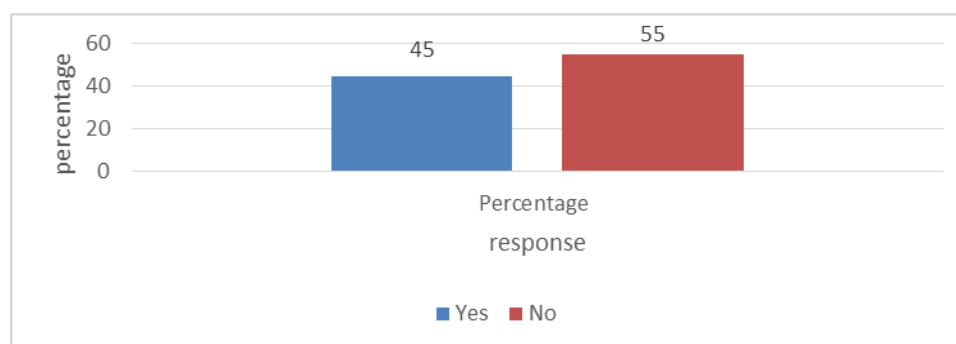
Respondents preferred different kind of health insurance policies according to their requirements. Various demographic factors affect their personal choices to choose any health insurance policy. Most preferred policies were: universal health insurance policy, family floater policies, cashless plan and group health insurance policies.

**2.8 Knowledge about health insurance company's terms and conditions**

Every health insurance company have its own terms and conditions for policies. Respondents were asked about their knowledge regarding those terms and conditions, as shown in Table 2.3

**Table 2.3: Knowledge about health insurance company's terms and conditions n= 120**

S.No.	Responses	Frequency	Percentage
1.	Yes	27	45
2.	No	33	55

**CONCLUSION**

It is concluded from this investigation that respondents are aware about medical coverage however denied to take health care coverage or mediclaim strategies. Individuals have trust on private general insurance agencies. Respondents were having very little knowledge with respect to medical coverage arrangements terms and conditions and as indicated by health insurance companies. It is assumed that health insurance has more scope in India.

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