

# HEALTH INSURANCE: IDENTIFYING AWARENESS, PREFERENCES AND BUYING PATTERN IN MUMBAI

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## ABSTRACT

*When it comes to insurance, the Covid-19 pandemic has been a major game changer. The severe impact of the pandemic has changed the perception about insurance as the need for the financial back up was felt to meet unforeseen medical emergencies. It was an eye opener even for the young generation as they are exposed to much higher health risk due to fast changing life styles and increasing stress levels. A holistic health insurance plan became necessary to ensure the safety and wellbeing of the loved ones in times of distress. Health insurance in India is a growing segment of economy. By 2025, the Government of India is planning to increase public health spending to 2.5 per cent of the country's GDP. Although the demand for health insurance has increased considerably but still there is a sizeable section of society in India not yet covered by any health insurance scheme.*

*The present paper is an attempt to study people's awareness, perception and preferences towards health Insurance. The study aims to determine whether health insurance plans are fulfilling the needs of the society and to examine the factors taken into consideration while opting Health insurance policy.*

*The study is based on the information gathered from the Primary and Secondary sources. Primary data is collected with the help of well-designed questionnaire from respondents from Mumbai city and secondary data consists of information collected through various websites, newspapers and articles.*

**Keywords:** Health Insurance, Pandemic, Holistic.

## INTRODUCTION

Healthcare or medical costs are rising year on year. Inflation in Medicare in fact is higher than inflation in food and other articles. In 2021 among all Asian countries, India had the highest medical inflation rate of 14%.

The COVID-19 pandemic has had a tremendous impact on the entire world. It has made us to sit and realise that medical emergencies can arise at any point of time. These medical emergencies can drain our entire financial resources and sometimes we have to rely on borrowings from relatives and friends. These medical emergencies can be handled only when we are prepared in advance because arranging funds at the eleventh hour could be a task. One way to provide for health-related medical emergencies is taking health insurance.

Health insurance is a type of insurance coverage that pays for hospitalisation expenses of the insured and assures a more secure future both health wise and moneywise. Following the life and automobile insurance it is an emerging insurance sector in India. In the health sector, investment in India is increasing both in the government sector as well as in the private sector. There is greater scope for growth and penetration of health insurance in our country. India has a considerable section of population who are not yet covered by any health insurance scheme. There is need to educate the people in these areas to cover themselves with healthcare plans.

This paper intends to find out the awareness level, perception and preferences of people towards health insurance as well as to determine whether the plans available fulfil the needs of the society.

## OBJECTIVES

- 1) To find out the awareness level of health insurance.

- 2) To evaluate consumption patterns of health insurance.
- 3) To know the preference of individual regarding health insurance.
- 4) To assess the effectiveness of company services.

### LITERATURE REVIEW

1) Dr. Rana Rohit Singh and Mr. Abhishek Singh conducted research on the topic “A Study of Health Insurance in India published in International Journal of Management, IT & Engineering.” The paper was an attempt to study the concept and structure of health insurance in India as well as to describe the sector wise distribution of health insurance in India.

It was found that there is a large proportion of population still uncovered from the health insurance products. However, the sector has witnessed a rapid expansion over the last few years. The relative share of indigenous public sector insurance companies has declined but in absolute terms their business has significantly increased.

It was suggested that IRDA should frame policies to promote competition about health insurance sector and Government should include chapters on health insurance at appropriate levels of education.

2) Dr. Sp. Mathiraj, M. Vinoth, Shetty Deepa Thangam Geeta and N. Nagalakshmi. conducted research on the topic “A Study on Health Insurance Premium, Claims, Commission and its Growth of Select Companies in India.” The purpose of the study was to analyse the company profile of the selected health insurance companies in India and to examine the growth of health insurance premium and claims in India.

It was found that Indian Health insurance or medical insurance sector has been growing, since the country's economic reforms and the reason for growth is that it ensures good medical care from reliable health care institutions. There are numerous companies offering health insurance with a variety of health insurance plans and one need to compare policies to find the best health insurance policies or the best medical insurance plans.

It was suggested that financial incentives should be provided to policy holders and Liberal financial assistance should be available to the growers in the form premium loans and development loans.

### RESEARCH METHODOLOGY

The study is based on the descriptive research which includes primary as well as secondary data.

**Primary data** is collected from public, men and women who belong to different age groups, working at different sectors and different culture. For the study survey, sample size was taken. The data is collected from 100 respondents who belongs to different demographic profile.

**Secondary data** is collected from different Journals and online resources including past studies on health insurance and awareness. It consists of published data collected through

Books, websites, research papers.

### ANALYSIS AND INTERPRETATION OF PRIMARY DATA COLLECTED

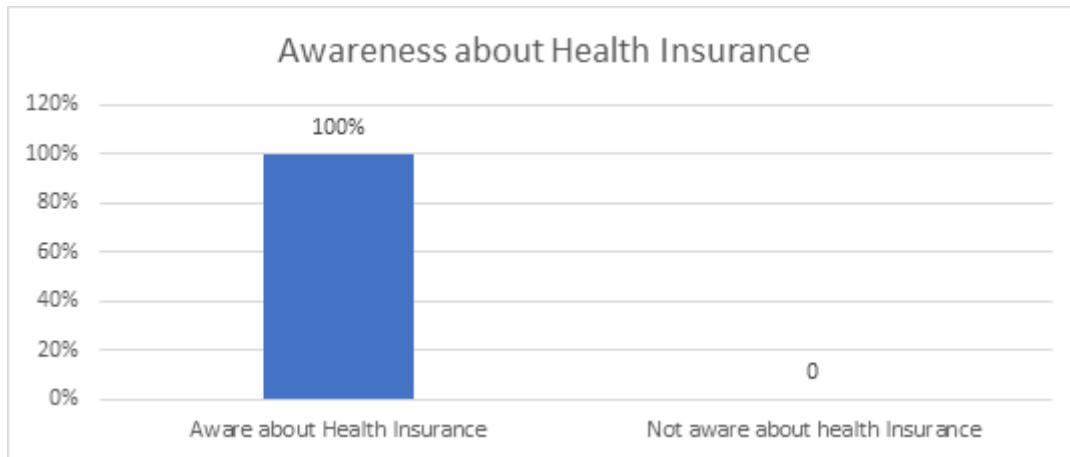
**Table 1:** Demographic factors of Respondents

		Number of Respondents
<b>Gender</b>	Male	56
	Female	44
	Total	100
<b>Age</b>	18-25	24
	26-35	32
	36-45	16
	Above 45	28
	<b>Occupation</b>	Private employee

	Government employee	29
	Businessman	28
<b>Monthly Income</b>	Below Rs. 10,000	16
	Rs. 10,000 to 25,000	16
	Rs. 25,000 to 40,000	28
	Above Rs. 40,000	40

**Table 2:** Showing awareness about Health Insurance.

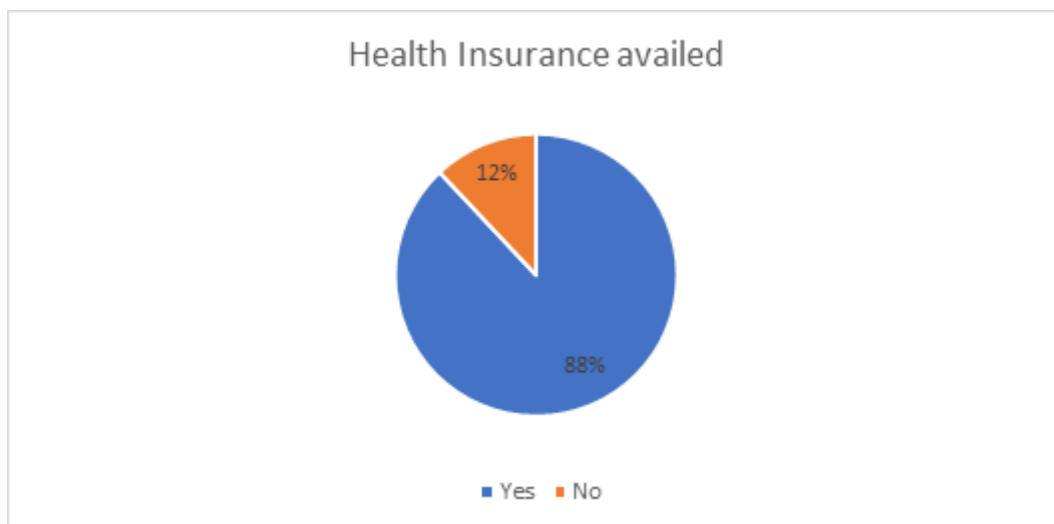
	Number of respondents
Aware about Health Insurance	100
Not aware about health Insurance	NIL



**Interpretation:** Above chart shows that, all respondents are aware about health insurance.

**Table 3:** Showing details whether respondents have any health insurance policy.

	Number of respondents
Yes	88
No	12

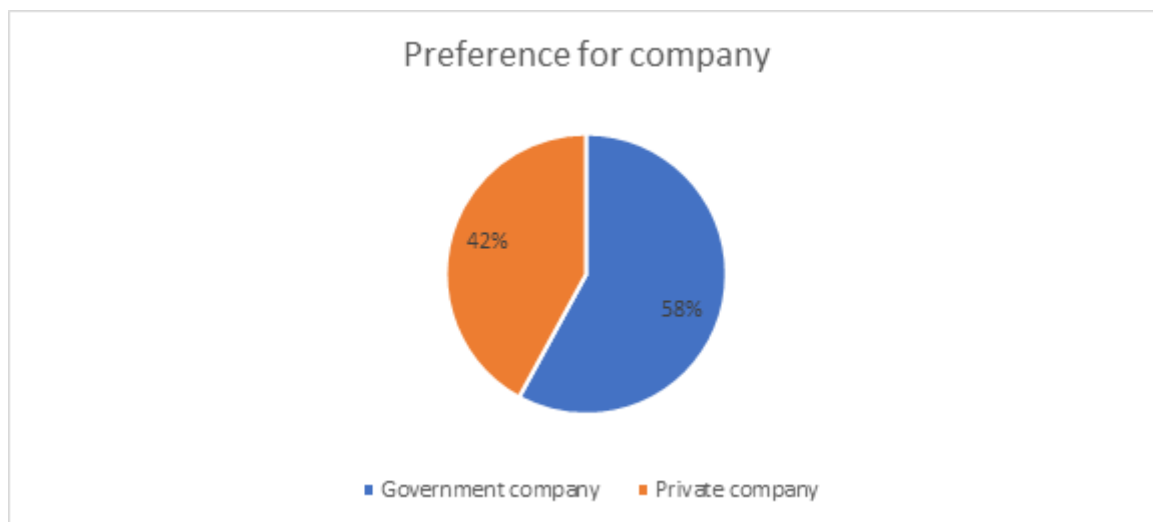


**Interpretation:** Above chart shows that , 88% of the respondents have health insurance policy, while only 12% of the respondents are not yet insured.

**Table 4:** Showing details about respondents' preference for Government company v/s Private company for health insurance.

	Number of respondents
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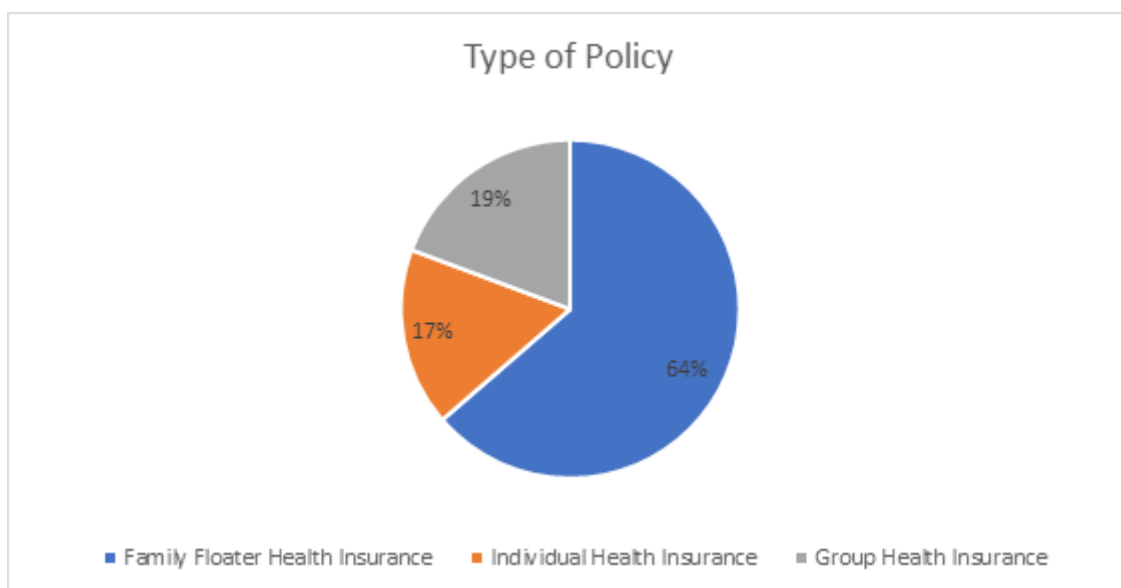
Government company	51
Private company	37



**Interpretation:** Above chart shows that, out of total insured respondents 58% have availed government companies’ health insurance policy while remaining 42% have chosen private company for health insurance.

**Table 5:** Showing details about type of Health Insurance policy availed by the respondents.

	Number of respondents
Family Floater Health Insurance	56
Individual Health Insurance	15
Group Health Insurance	17

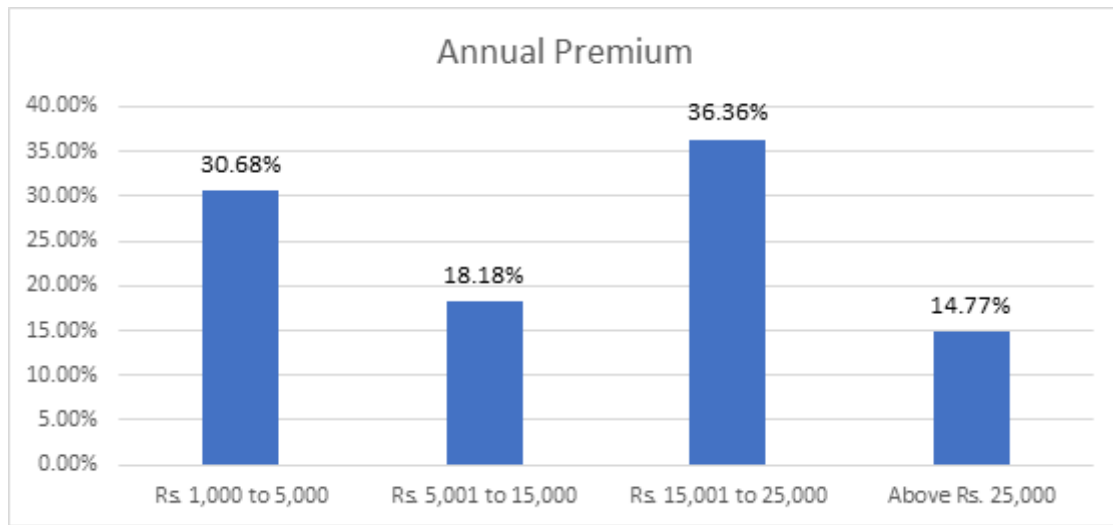


**Interpretation:** Above chart shows that, 64% respondents have opted for Family Floater health insurance policy, 17% have Individual policy while 19% of the respondents are insured against Group health insurance plan.

**Table 6:** Showing details about annual premium paid by the respondents.

	Number of respondents
Rs. 1,000 to 5,000	27

Rs. 5,001 to 15,000	16
Rs. 15,001 to 25,000	32
Above Rs. 25,000	13



**Interpretation:** Above chart shows that the 36.36% pays annual premium in the range of Rs. 15,000 to Rs. 25,000 , while 14.77% of the respondents pays annual premium above Rs. 25,000.

**Table 7:** Showing details about respondents experience with current health insurance company regarding service quality.

	Number of respondents
Very satisfied	17
Satisfied	60
Not much satisfied	11
Dissatisfied	00

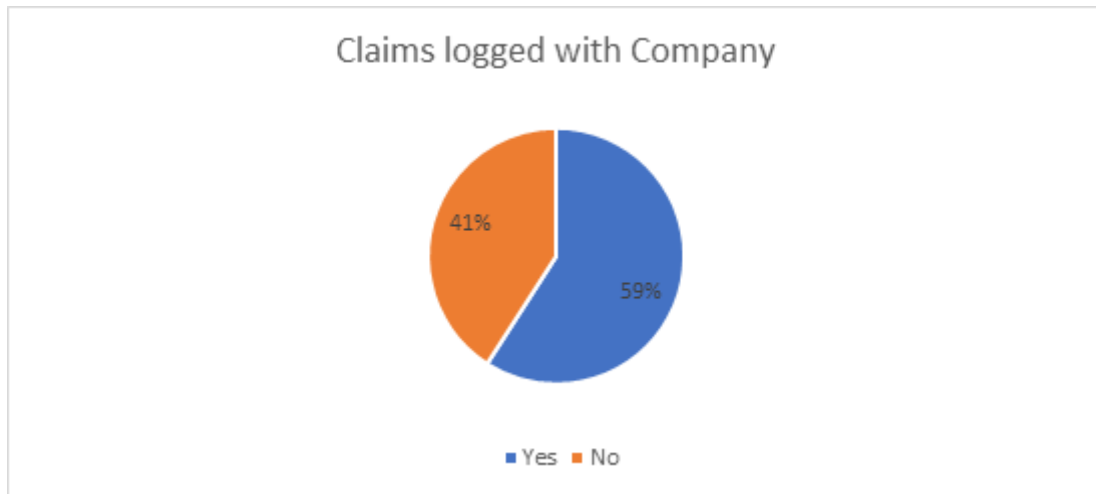


**Interpretation:** Above chart shows that 19.31% of the respondents are completely satisfied with the service quality of the Insurance companies , 68.18% respondents are moderately satisfied, 12.50% respondents are not much satisfied while no one is completely dissatisfied about the service quality of insurance companies.

**Table 8:** showing details whether respondents have ever logged claim with the Insurance company.

	Number of respondents
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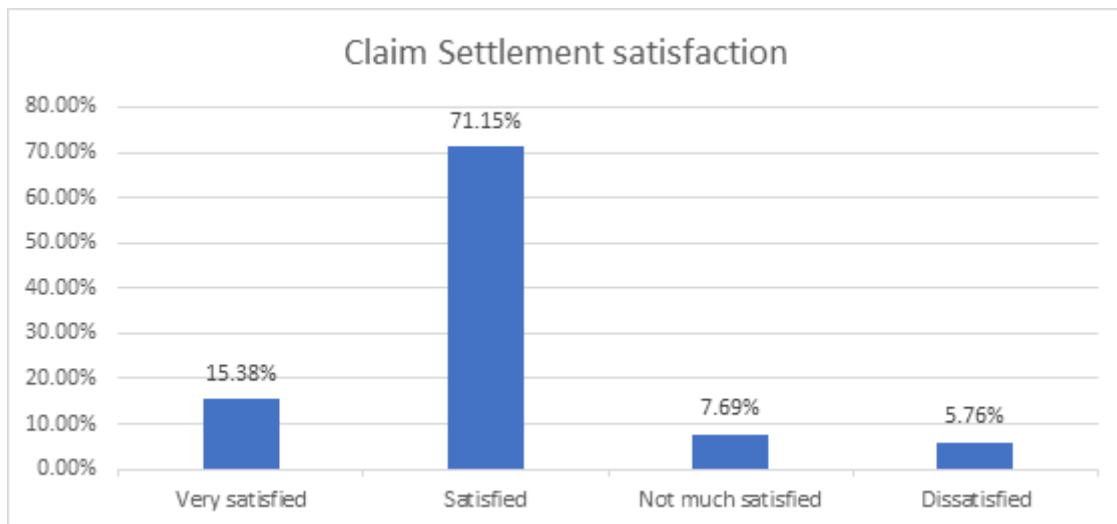
Yes	52
No	36



**Interpretation:** Above chart shows that 59% of the respondents have filed claim with the insurance company while 41% respondents have not yet logged any claim with the insurance company.

**Table 9:** Showing details about respondents experience regarding claim settlement.

	Number of respondents
Very satisfied	8
Satisfied	37
Not much satisfied	4
Dissatisfied	3

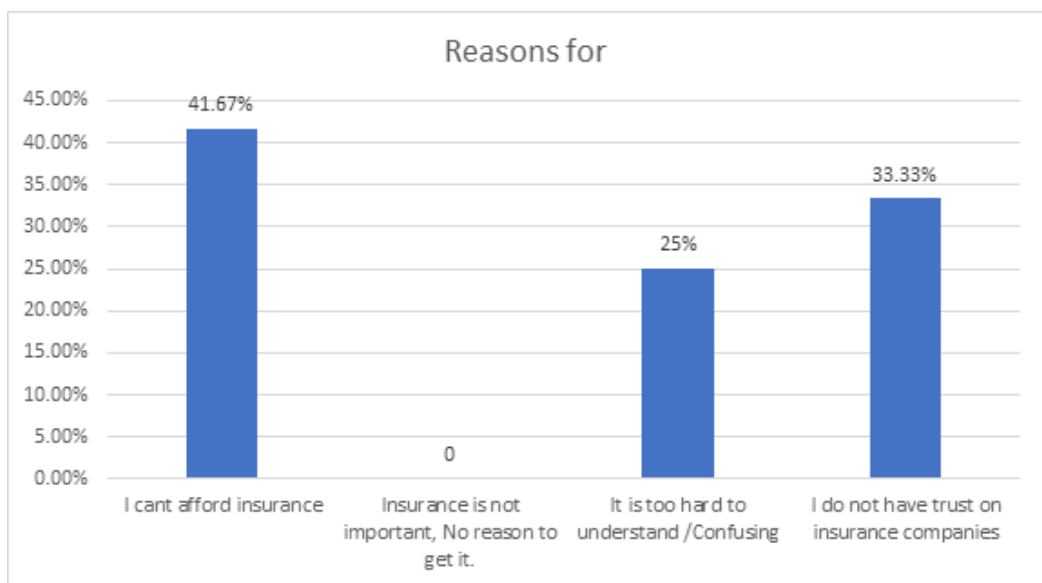


**Interpretation:** It can be observed that majority of the respondents (71.15%) are satisfied with the insurance company regarding claim settlement while only 5.76% respondents are dissatisfied .

**Table 10:** Showing details about the reasons given by the respondents who do not have any health insurance.

	Number of respondents
I can't afford insurance	5
Insurance is not important, no reason to get it.	0
It is too hard to understand /Confusing	3

I do not have trust on insurance companies.	4
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**Interpretation:** Above chart shows that 41.67% of the respondents do not have insurance policy because they cant afford to pay insurance premium, 25% respondents find insurance very complex to understand, while 33.33% respondents do not have trust on insurance companies regarding claim settlement.

**HYPOTHESIS TESTING**

1) H0: There is no significant relationship between Gender and type of company preferred for Health insurance.

**Table 11:** Showing respondents preference for Government v/s Private company.

	Number of respondents		Percentage
<b>Government company</b>	Male	28	54.90%
	Female	23	45.10%
	<b>Total</b>	<b>51</b>	<b>57.95%</b>
<b>Private company</b>	Male	21	56.76%
	Female	16	43.24%
	<b>Total</b>	<b>37</b>	<b>42.05%</b>

By performing **Chi Square test** on the above data , significance value of **0.862731** is obtained which is greater than **0.05**. It means that null hypothesis is accepted and our results are consistent with null hypothesis. **Thus there is no significant between Gender and type of company preferred for health insurance.**

2) H0: There is no significant relationship between Gender and satisfaction level of respondents with respect to service quality of Insurance companies.

**Table 12:** Showing respondents satisfaction level regarding service quality of Insurance companies.

	Number of respondents		
	Male	Female	Total
<b>Very satisfied</b>	09	08	17
<b>Satisfied</b>	34	26	60
<b>Not much satisfied</b>	06	05	11
<b>Total</b>	<b>49</b>	<b>39</b>	<b>88</b>

By performing **Chi Square test** on the above data , significance value of **0.960269** is obtained which is greater than **0.05**. It means that null hypothesis is accepted and our results are consistent with null hypothesis. Thus there is no significant between Gender and satisfaction level of respondents with respect to service quality of Insurance companies.

## CONCLUSION

It can be observed that almost all are aware about the health insurance and its importance. Majority of people, particularly falling in high income or upper middle-class groups are insured and the preference for family floater health insurance plan is high as compared to other health insurance policies. Majority of policy holders are satisfied with the service quality and the claim settlement process of the insurance companies. The present study clearly indicates that there is a section of population yet not covered with any health insurance plan, the major reason being they can't afford to pay high premium. Purchasing health insurance for uninsured family members is not practical because of their limited incomes.

Health insurance really matters because lack of insurance of any family member has the potential to affect the financial and emotional well-being of all members of the family. Although Government has initiated various health insurance programmes like Ayushman Bharat, Pradhan Mantri Suraksha Bima Yojna etc., there is need to spread more awareness about their benefits and the modes to avail such benefits. Also, a universal health insurance program at low cost should be initiated which should be made compulsory for all with an intention to insure each and every citizen of the country especially those who are residing below the poverty line.

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