

An INVESTIGATION ON HEALTH INSURANCE IN THE CITY OF THOOTHUKUDI

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ABSTRACT

There are 57 insurance companies in India's insurance market. 33 insurers are not life insurers, while 24 are in the life insurance industry. Life Insurance Corporation (LIC) is the only company in the public sector that provides life insurance. In the non-life insurance business, there are six public sector insurers. In addition to these, General Insurance Corporation of India is the only national re-insurer (GIC Re). Agents (individual and corporate), brokers, surveyors, and third-party administrators handling health insurance claims are other market participants in India. Nature is unpredictable and uncertain. The same is true for a person's life, which in this unstable world is full with hazards and uncertainties. Any type of misfortune can result in anything from mild to severe injuries to even death. Diseases do not ever come knocking at our bodies' doors. Insurance is the ideal way to deal with difficult times in our lives and the lives of our loved ones when we depart for our heavenly abode. Money has never been able to buy life or heal diseases, and it never will. The present study is an attempt to summarize the current state of the general insurance, which includes health insurance, industry in India. Due to the introduction of private health care funders, rising health consciousness among all societal segments, rising household income, price and service competition among health insurers and a lack of bureaucracy, the health insurance sector in India has experienced tremendous growth since liberalization in employees with health insurance.

Key Words: General insurance, health insurance, private health care.

INTRODUCTION

In a strict meaning, health insurance refers to "a person or group that purchases health care coverage in advance by paying a cost called a premium." About 10% of the population in India is covered by the little health insurance industry. India spends about 6% of GDP on health insurance, which is a lot more than most other nations at its level of economic development. 4.7% of it is private, and the rest is made public. Buyers of private insurance are willing to pay a premium to an insurance provider who pools individuals who face similar risks and insures them

against medical expenses. The General Insurance Corporation (GIC) and its four subsidiary businesses, the Life Insurance Corporation of India (LIC), the New India Assurance Company, the Oriental Insurance Company, and the United Insurance Company, offer optional insurance in the public sector. You can avoid the financial hardship a medical emergency causes by having health insurance. You can create a safety net with health insurance to shield you from monetary difficulties in the event of a medical emergency. It is a wise investment to ensure your future financial security. You can create a safety net with health insurance to shield you from monetary difficulties in the event of a medical emergency. It is a wise investment to ensure your future financial security. In the past, having health insurance was a luxury available exclusively to a certain group of people. But the Indian government started a number of government-sponsored health insurance schemes to ease the financial load and to adhere to the principle of health for all (GSHIS). These GSHIS are privately owned health insurance firms that are both centrally and state-sponsored.

OBJECTIVES OF THE STUDY

1. to research the significance and notion of health insurance in India.
2. To outline the current health insurance trend in India.
3. To determine the health insurance policy holders' awareness, expectations, and information sources.

MARKET SIZE

In India, it is anticipated that the insurance business will be worth US\$ 280 billion in 2020.

The government's initiative to cover the uninsured has progressively increased insurance penetration and the number of insurance plans available in the nation. From Rs. 2.56 trillion (US\$ 39.7 billion) in FY12 to Rs. 7.31 trillion (US\$ 94.7 billion) in FY20, the gross premiums collected by life insurance companies in India grew. Life insurance premiums from new business in India climbed at a CAGR of 15% between FY12 and FY20, reaching Rs. 2.13 trillion (US\$ 37 billion) in FY20. India's overall insurance penetration (premiums as a percentage of GDP) increased from 2.71% in FY02 to 3.71% in FY19. In October 2020, life insurers reported an increase in individual annualised premium equivalent (APE) of 14% YoY, up from 4% YoY in September 2020. Private sector businesses increased their market share in the non-life insurance industry from 15% in FY04 to 56% in FY21 (till April 2020). Private companies had a market share of 31.3% in new business in the life insurance industry in FY20. Health insurance premiums rose in October 2020 to Rs. 4,074.8 crore (US\$ 553.93 million) from Rs. 3,840.6 crore

(US\$ 554.29 million), a 6% year-over-year increase. Premiums for retail health increased by 30% to Rs. 1,982.6 crore (US\$ 269.69 million).

INVESTMENTS AND RECENT DEVELOPMENTS

The insurance industry in India has seen several significant investments and advances, some of which are listed here. Businesses are attempting to use strategic partnerships to provide the following services: Bus passengers can get domestic travel insurance starting in December 2020 thanks to a partnership between SBI General Insurance and IntrCity RailYatri. Under the terms of this partnership, SBI General Insurance will offer a variety of coverage, such as accidental death, total and permanent disability, and emergency evacuation. In order to rethink and co-create India's first digitally supported group of health insurance products, ICICI Lombard General Insurance has teamed with Plum, India's fastest growing employee health insurance start-up. ICICI Lombard and Plum intend to use cutting-edge technologies including real-time pricing, onboarding, programme management, and claims to address four crucial aspects of community health insurance. In order to provide insurance on gold jewellery, Bajaj Allianz General Insurance and Muthoot Finance teamed together in November 2020. This plan is designed to give customers of the latter insurance protection for their gold jewellery at the time that the gold loan is closed and the ornaments are released. It will offer insurance protection to Muthoot Finance's customers as a reward programme. The International Financial Services Centers Authority (IFSCA) joined the International Association of Insurance Supervisors on December 2, 2020. (IAIS). Some of the important participants in IAIS include the Financial Conduct Authority (FCA) of the United Kingdom, the National Association of Insurance Commissioners (NAIC) of the US, the Federal Insurance Office of the US Department of Treasury Insurance (FIO), the Monetary Authority of Singapore (MAS), and the Insurance Regulatory and Growth Authority of India (IRDAI). To provide consumers with a comprehensive selection of general insurance products, HDFC ERGO General Insurance Company and NSDL Payments Bank Limited, a National Securities Depository Ltd (NSDL) Subsidiary, teamed together in November 2020. In order to support financial inclusion in the nation, this cooperation will merge the sizable distribution network of NSDL Payments Bank and the sizable innovation pipeline of HDFC ERGO. An abbreviation for "Atmanirbhar Agents New Business Digital App," or the on-boarding procedure with the help of the agent or broker to obtain a life insurance policy through a paperless module, was introduced by Life Insurance Corporation of India in November 2020.

GOVERNMENT INITIATIVES

The Indian government has launched a variety of steps to support the insurance sector. Here are a few of them: 100% foreign direct investment (FDI) was allowed for insurance intermediaries under the Union Budget 2019–20. International travellers will be able to purchase a "COVID-19 Insurance Policy" from Uttarakhand beginning in December 2020. To establish

unique life insurance plans for foreign visitors, a proposed request has been made to Mr. Prahlad Patel, Union Tourism Minister. IRDAI declared on December 3, 2020 that it has authorised up to 5% of the current premium rates to adjust the basic premium as a one-time measure. With this action, viability and longevity for a seamless changeover of the present items were ensured. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) will be made available to clients in November 2020, according to an announcement made by India Post Payments Bank (IPPB) in partnership with PNB MetLife India Insurance Company. For Indian insurance companies seeking to sell shares through an IPO, the Insurance Regulatory and Development Authority of India (IRDAI) intends to release revised initial public offering (IPO) criteria. In order to increase the number of eligible investors for the banks, IRDAI has permitted insurers to invest up to 10% in additional tier 1 (AT1) bonds that are issued by banks to supplement their tier 1 capital. The Andhra Pradesh government launched a free crop insurance programme for farmers in the state in October 2020.

SIGNIFICANCES OF HEALTH INSURANCE SAVINGS

The benefit of health insurance that keeps your finances intact in the event of a medical emergency is its best feature. All costs, including hospital, medication, and other charges, will be covered by the insurer. A trustworthy way to guarantee a healthy and secure future is through a health insurance policy.

SECURITY OF FAMILY'S HEALTH

It is important to look out for your own and your family's or parents' health. By making monthly investments in the family floater plan, which also provides health insurance for your parents, you can safeguard your family. All forms of medical care are covered by this kind of health insurance.

HIGH MEDICAL COSTS

You might not be able to afford therapy due to the high cost of healthcare services. However, if you have health insurance, you may access top-notch care at the best network hospitals. Network hospitals are ones with whom insurance have a partnership that enables you to receive care without paying cash. With this facility, the insurance provider pays the hospital's bills directly.

LIFESTYLE CHANGES

Our hurried lives have changed the way we live. Our general health is impacted by factors like work stress, junk food consumption, smoking, environmental changes, etc., which increases our risk of developing life-threatening conditions including cancer, liver problems, kidney failure, and others. Health insurance will in such cases pay for the medical and surgical

costs associated with an illness. It is a well-known method of planning for medical or health emergencies.

REVIEW OF LITERATURE

According to the study by **V. Sini*** and **Dr. C. R. Karpagam (2016)**, a sample of 150 people was gathered, and the data was analysed using percentage analysis, chi-square tests, and weighted average. The study's conclusion is that the respondents have no opinion about tax benefits, risk coverage and saving, or security with high returns, indicating that they are unaware of the relevant factors. Additionally, if the business makes an effort to run more product commercials, the level of product awareness may rise in the future. The degree of satisfaction of the policy holders can rise in the future if the company makes an effort to shorten the respondents' claim span. Similar efforts were made in the Madhya Pradesh city of Gwalior by Narware (2017). In Bhubaneswar, the capital of the state of Odisha, Tripathy et al. (2018) undertook an empirical study to examine the impact of demographic, socioeconomic, and economic aspects on insurance awareness. However, there is no proof that research was done to raise awareness of buying health insurance in Hyderabad. This study makes an effort to understand consumer knowledge, influence, and desire to buy policies among those without insurance policies. Health insurance in India: Opportunities and problems, Binny, Dr. Meenu Gupta, 2017. The topic of the essay is the current state of the Indian health insurance market. The sector's problems and growth prospects are noted. According to the survey, India's health insurance market is expanding. Companies must expand their operations by introducing fresh business strategies and cutting-edge goods. It is acknowledged that universal health insurance is necessary to provide coverage for families living in poverty. In India, the medical tourism industry is also expanding, and health insurance providers can profit from it to boost their clientele. Additionally, it is suggested that the industry establish a shared information bank so that clients may assess the costs, value, and services offered by health insurance providers. A study on operational effectiveness of selected general insurance companies in India by **BC Lakshmana, P Jayarami Reddy, and P Sravan Kumar, 2019** is undertaken on a sample of general insurance businesses to see how insurance premiums are structured, how claims are handled, and how well the companies are performing. An review of the insurance premiums collected by both public and private insurance companies in terms of a percentage indicated a considerable increase from 13.55% to 24.29% between 2011 and 2013, which then fell to 13.42% in 2018. From 2010 to 2018, the average growth rate was 13.85%. After the study was completed, it became clear that in order to compete with their private counterparts, general insurance providers in the public sector needed fresh and cutting-edge products. It was suggested

that IRDA, the industry's regulating body, provide uniform guidelines and standards that both public and private sector participants should adhere to.

STATISTICAL ANALYSIS RESULTS

Table-3.1: Demographic Profiles of Health Insurance Policy Respondents:

| S. No. | Demographical Variables | Attributes | Frequency | Percentage |
|--------|-------------------------|------------------------|-----------|------------|
| 1 | Gender | Male | 85 | 72.0 |
| | | Female | 33 | 28.0 |
| | | Total | 118 | 100.0 |
| 2 | Age | Less than 25 Years | 50 | 42.3 |
| | | 25-40 Years | 58 | 49.2 |
| | | 40-60 Years | 08 | 6.7 |
| | | Above 60 Years | 2 | 1.7 |
| | | Total | 118 | 100.0 |
| 3 | Education | Illiterate | 1 | .8 |
| | | Primary | 33 | 28.0 |
| | | Higher Secondary | 45 | 38.1 |
| | | Graduation | 32 | 27.11 |
| | | Post-Graduation | 7 | 5.9 |
| | | Total | 118 | 100.0 |
| 4 | Occupation | Employed | 55 | 46.6 |
| | | Self Employed | 36 | 30.5 |
| | | Labour or Daily wagers | 0 | 0 |
| | | Housewife | 7 | 5.9 |
| | | Unemployed | 7 | 5.9 |
| | | Professional | 13 | 11.0 |
| | | Retired | 0 | 0 |
| | | Total | 118 | 100.0 |
| 5 | Income | Less than 1 Lakh | 48 | 40.7 |
| | | 1-5 Lakhs | 42 | 35.6 |
| | | 5-10 Lakhs | 19 | 16.1 |
| | | 10-15 Lakhs | 4 | 3.4 |

| | | | | |
|---|----------------|----------------|-----|-------|
| | | Above 15 Lakhs | 5 | 4.2 |
| | | Total | 118 | 100.0 |
| 6 | Type of Family | Joint | 42 | 35.6 |
| | | Nuclear | 76 | 64.4 |
| | | Total | 118 | 100.0 |

118 of the participants 72% of the respondents are men, 79% have health insurance, 49% are between the ages of 25 and 40, 38% are from the upper class, 55% are employed, 40% have an annual income of less than Rs. 100,000, and 64% are from single-parent households.

Table-3.2: Awareness, Expectations and Sources of Information from Health Insurance Policy holders

| Variable | Attributes | Frequen cy | Percenta ge |
|---|--|---------------|----------------|
| Expectations from the Health Insurance Scheme | Good/Quality Health Package | 57 | 48.3 |
| | Thorough awareness | 7 | 5.9 |
| | Accessibility and affordability | 16 | 13.6 |
| | Keep to Promises | 10 | 8.5 |
| | Free Registration/Medical Check-Up | 5 | 4.2 |
| | Refund if not used | 15 | 12.7 |
| | Flexible Payment System | 2 | 1.7 |
| | Provision of Mobile Health across all Areas | 6 | 5.1 |
| | Total | 118 | 100.0 |
| Sources of Information | TV | 20 | 16.9 |
| | Newspaper | 20 | 16.9 |
| | Agents | 11 | 9.3 |
| | Family | 10 | 8.5 |
| | Friends | 33 | 28.0 |
| | Movies | 2 | 1.7 |
| | Insurance Companies Employees | 10 | 8.5 |
| | Doctors and Tax Consultants | 1 | .8 |
| | Others | 11 | 9.3 |
| | Total | 118 | 100.0 |

| | | | |
|---|--------------|-----|-------|
| Options for Payment of Health Insurance Policy | Half monthly | 1 | 0.8 |
| | Monthly | 30 | 25.4 |
| | Quarterly | 21 | 17.8 |
| | Half yearly | 18 | 15.3 |
| | Yearly | 48 | 40.7 |
| | Total | 118 | 100.0 |

In a survey of 118 people, 48% said they expected a high-quality health package from their insurance plan, 28% said they got their information from friends, and 41% said they paid for health insurance annually.

CONCLUSION

The process by which potential customers convert non-subscribers into subscribers of the health insurance policy is customization of the product design. Prospective consumers' decisions appear to be significantly influenced by the agent's availability and expertise. Insurers must take the initiative in agent training and development if they want health insurance to prosper in the future.

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