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A Critical Study of Effectiveness and Customer Perception Towards Selected Healthcare Insurance Policies in Coimbatore City

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Abstract

Changing lifestyles, unhealthy eating habits, minimal physical activity, longer and ultimately working hours and sleep debt have been responsible for many new age lifestyle diseases and created a demand for quality healthcare. With the cost of healthcare services sky-rocketing, need for health insurance policies is gaining popularity nowadays. Managing an insurance company is a big challenge. In order to add significance to their business, companies need to know their customer's buying behavior for healthcare

insurance policies. COVID 19 pandemic has created a greater awareness of the importance of healthcare insurance policies. So, there is a need to understand the customer perception towards the policy to identify the underlying factors that are influencing their decision-making process. The study explore the customer's attitude, level of satisfaction and the factors that influence the customer's preferences towards the policy to understand the reasons behind their decision to either adopt or reject the policy.

Keywords: Customer Satisfaction, Customer Awareness, Coimbatore City, Healthcare Policy, Premium, Health, Claims and Coverage

1. Introduction and Design of the Study

1.1 Introduction

For an individual, either at a personal level or the family front, of which he or she is a part, health is an extremely important subject, which needs to be given priority. In short, life is unpredictable. Nowadays health care expenditure is consistently increasing in this situation more money are required to paid hospital bill or expenses, most of the people use out of pocket for the healthcare expenses or in some cases also sell his or her personal assets. Heart problems, diabetes, stroke, renal failure, cancer the list of lifestyle diseases just seem to get longer and more common these days. Thankfully there are more specialist hospitals and specialist doctors but all that comes at a cost^[1]. In the world of uncertainties, people face different types of risks in their daily lives. It is not feasible to predict all the risks and calamities that are in store for us. Climate change, cyclones, or draughts, as well as people themselves, have all contributed to a number of pandemics during the past fifty years. COVID-19, the most recent pandemic, has sparked a lot of discussion regarding how to deal with pandemics that aren't predicted. These risks cannot be eliminated altogether but can be reduced by taking certain precautionary measures. As a result, human well-being has always been the most crucial consideration.

1.2 Statement of Problem

Changing lifestyles, unhealthy eating habits, minimal physical activity, longer and ultimately working hours and sleep debt have been responsible for many new age lifestyle diseases and created a demand for quality healthcare. With the cost of healthcare services sky-rocketing, need for health insurance policies is gaining popularity nowadays. Managing an insurance company is a big challenge. In order to add significance to their business, companies need to know their customer's buying behavior for healthcare insurance policies. COVID 19 pandemic has created a greater awareness of the importance of healthcare insurance policies. So, there is a need to understand the customer perception towards the policy to identify the underlying factors that are influencing their decision-making process. The study explore the customer's attitude, level of satisfaction and the factors that influence the customer's preferences towards the policy to understand the reasons behind their decision to either adopt or reject the policy.

1.3 Objective of the Study

1. To study the various Healthcare Insurance Policies.

2. To know the customer preference towards various Health Insurance policies.
3. To know the awareness level about Health Insurance policy among public.
4. To know the satisfaction level of the customer towards Healthcare insurance policies.

1.4 Research Methodology

Research methodology is a way to systematically solve the research problem. It specifies the approach the researcher intends to use with respects to proposes steady scientifically. The scope of research methodology is wider than that of research methods, thus we talk of the research methodology, we use the context of our research study and explain why we are using a particular methods or technique any why we are not using others so that research results are capable of being evaluated either by the researcher himself or by others.

1.5 Limitation of the Study

- The sample size has been limited to 145.
- The sample size does not represent the total population.
- The report has been conducted within a limited time frame.
- The study confined to Coimbatore city only and hence the result cannot be generated to other areas.

2. Review of Literature

Deepali Garge, Snehal Tare, Smarjeet Das (2020) ^[1] aimed to evaluate the source, awareness of health insurance in India among 102 respondents from Maharashtra. Sources of awareness of health insurance include employer, the Internet, newspaper, friends, and television. It was found that there is a need to create awareness among people for health insurance. Health insurance investment should not look at contingency, but it must be a regular habit.

Vijeta Chudhary (2019) ^[2] discussed customer satisfaction and awareness of health insurance among 124 respondents using percentage analysis and chi-square test found that there was no significant association between age and satisfaction on service provided, qualification and health insurance products purchased by customers.

D. Siddhartha and M. Sumanth (2017) ^[3] analyzed the factors that influence a customer in selecting a particular insurance company while buying an insurance policy. Respondents from Visakhapatnam city were considered for the study. The overall attitude of customers towards life insurance was positive. It was observed in the study that most of the investors in Insurance policies had invested with the main objective of tax saving and earning return rather than the actual objective of insurance that is risk coverage. During the study it was also seen that the major factors which influence the choice of an insurance company are image of the company and customer relationship.

3. Analysis and Interpretations

Introduction

In this chapter the analysis and interpretation of the study on effectiveness and customer perception towards selected healthcare insurance policies based on the information supplied by a sample of 145 respondents selected from Coimbatore city.

This chapter contains four different analysis namely:

- Simple percentage analysis
- Rank analysis

- Weighted average analysis
- Chi-Square analysis

3.1 Simple Percentage Analysis

Simple percentage analysis is one of the basic statistical tools which is widely used in the analysis and interpretation of primary data. It deals with the number of respondents response to a particular question in percentage arrived from the total population selected for the study.

Table 1: Gender of the Respondents

S. No	Gender	No. of Respondents	Percentage
1.	Male	74	51%
2.	Female	71	49%
	Total	145	100%

Source: Primary Data

Interpretation:

It is observed from the above table 51% of them are belongs to male and remaining 49% of them are female.

Inference:

Majority 51% of the respondents are belonging to Male.

3.2 Ranking Analysis

Under this method the respondents are asked to rank the choices. This method is easier and faster. In this study, the respondents are asked to rank the quality of customer service provided by the healthcare insurance companies from 1 to 5. It does not matter which way the factors are ranked, factor number one may be the longest or it may be the smallest.

The scores of each expectation of 145 respondents were totaled and the total score has been arrived. Final ranking has been based on the total score and their ranks are given in the following table.

Table 2: Ranking the Quality of Customer Service Provided by the Healthcare Insurance Company

Features	1(5)	2(4)	3(3)	4(2)	5(1)	Total	Rank
Assistance in policy enrollment	59	26	22	16	22	145	I
Provision of information about insurance policy terms and conditions	295	104	66	32	22	519	
Processing and settlement of customer claims	15	58	35	24	13	145	II
	75	232	105	48	13	473	
Provision of digital platforms to view their policy details, submit Claims	21	32	60	16	16	145	III
	105	128	180	32	16	461	
Provision of health and wellness Programs	22	29	42	35	17	145	V
	110	116	126	70	17	439	
	24	34	43	19	25	145	IV
	120	136	129	38	25	448	

Interpretation:

From this ranking analysis, it is found that assisting in policy enrollment (Rank 1), which comes next followed by provision of information about insurance policy terms and conditions (Rank 2), Processing and settlement of customer claims (Rank 3), Provision of health and wellness programs (Rank 4), and Provision of digital platforms (Rank 5).

Inference:

Majority of the respondent's attitude towards getting assistance in policy enrollment ranks first and providing of digital platforms is last in ranking.

3.3 Weighted Average Analysis

Under this method, the respondents are asked to rank their choices. This method involves ranking of the factors given. To secure a ranking of all the factors involved, the researchers total the weights which are given to each factor. The heighted weighted score is ranked first and correspondingly the other ranks are assigned.

Table 3: Level of Satisfaction

Attributes	1(5)	2(4)	3(3)	4(2)	5(1)	Total	Mean Score
Customer service provided	66 330	46 184	29 87	0 0	4 4	145 605	4.48
Coverage offered	27 135	89 356	24 72	1 2	4 4	145 569	3.92
Attractive schemes offered	33 165	53 212	53 159	3 6	3 3	145 545	3.76
Resolution of the issue	27 135	63 252	36 108	14 28	5 5	145 528	3.64
Premium paid	35 175	57 228	38 114	1 2	14 14	145 533	3.68

Interpretation:

The above table shows the various satisfaction level towards given attributes. The highest mean score rise 4.48 for the customer service provided.

3.4 Chi-Square Analysis

A statistical test used to determine the probability of obtaining the observed by chance, under a specific hypothesis. It is used to test if the standard deviation of a population is equal to the specific value. Chi-square is a statistical significance test based on frequency of occurrence, it is applicable both to qualitative and quantitative variables. Among its many uses, the most common are tests of hypothesized probabilities or probability distributions, statistical dependence or independence and common population. A Chi-square test is any statistical hypothesis test in which the test statistic has a Chi-square distribution if the null hypothesis is true.

Relationship between Age of the Respondents and Period of Having Healthcare Insurance Policy Hypothesis

There is no significant relationship between age of the respondents and period of having healthcare policy by the respondents.

Table 4: Chi-Square Test

Factor	Calculation	Df	Table value	Remarks
Age	17.487 ^a	12	21.026	Accepted

Interpretation:

It is clear from the above table show that, the calculated value of chi-square at 0.05% level is less than the table value. Hence the hypothesis is accepted. So, there is no relationship between the age and the duration of having healthcare policy by the respondents.

4. Findings, Suggestion and Conclusion

4.1 Findings of the Study

- Majority 51% of the respondents are belonging to Male.
- Majority of the respondent's attitude towards getting assistance in policy enrollment ranks first and providing of digital platforms is last in ranking.

- Under weighted average method, it is found that the highest mean score rise 4.48 for the customer service provided and the least mean score is 3.64 for the resolution of the issue.
- There is no significant relationship between age of the respondents and period of having healthcare policy by the respondents.

4.2 Suggestion and Recommendations

- The insurance company should conduct an effective research for making more awareness about its products among potential customers by means of efficient agents which in turn will help in increasing its customers.
- To entice the customers, premium cost must be low and affordable for the general population along with more coverage options.
- The representatives of the Insurance Companies should define clearly about the policy updates and other important information frequently to their customers.

5. Conclusion

After having a detailed study on insured perception towards selected healthcare policies, one can understand the level of awareness towards healthcare policies, level of satisfaction towards customer service provided, coverage offered and premium paid. It also helps in identifying the factors that influence customers in selecting the particular policy. The level of awareness of the insured has been increasing nowadays. When the dissatisfying factors are identified by the insurer, they can rectify it and increase the insured level of satisfaction. As per the study, main source of awareness about healthcare insurance are relatives and friends. The main reason for purchasing healthcare policy is protection against unexpected medical costs. Majority 31% of the population size feels that their policy should have more coverage options. The healthcare insurance sectors shall focus on improving the quality of services more in digital when compared to normal healthcare services. The importance of healthcare insurance becomes more prominent nowadays due to rise in the medical costs and increasing financial burden. Insurance firms should improve their customer care services to entice members of the public to purchase coverage.

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