

Survey on Companies Awareness Level in Life Insurance in India

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Abstract – Monetary returns (15.4%) and well packaged schemes with all benefits (15.2%), (choice of hospitals, choice of doctors, elective surgery, ambulance, all medical costs, medical and hospital expenses incurred overseas, and other ancillary services) are other main attributes preferred by the respondents. Attribute like easy paying installments is preferred by 12.2 percent of the respondents followed by lesser paper work (9.1%) and relevant in way of simple terms and conditions (7.6%), availability (6.2%), simple language (5.5%), transparent (4.1%), convenience (3.5%), and quality of service (3.5%) are other preferred attributes for future health insurance policies. consumers prefer low premium with more benefits schemes and returns. The policies should be simple as complexity results in raising suspension in the customers minds and delays decisions. The customers should get policies on time as, after ascertaining the potential, creating a market and devising a product, it would be unfortunate if the customer does not get the product because of the lack of availability.

Key Words: Consumers, Transparent, Convenience, Respondents.

INTRODUCTION

It was in the twelfth century in which the idea of insurance was first conceptualized. Earlier it was used more as a tool for protection against financial loss of sea fears involved in foreign trade. It is basically the unforeseen contingencies of human life that has given a totally new looked to the industry. The Indian Insurance Industry was under state control with no private participation till late nineties. In the early nineties due to two major changes, first, the end of cold war and collapse of communism and second, India's entry into the World Trade Organization (WTO), lead to the beginning of liberalization era. First step was taken by appointing the Malhotra Committee in April 1993 to evaluate insurance industry and recommends future direction. The committee submitted its report in 1994 strongly recommending private participation in the industry. Life insurance is a contract between the policy owner and the insurer, where the insurer agrees to pay a sum of money upon the occurrence of the policy owner's death. In return, the policy owner (or policy payer) agrees to pay a stipulated amount called a premium at regular intervals.

REVIEW OF LITERATURE

Ancient Indian history has preserved the earliest traces of insurance in the form of marine trade loans or carriers' contracts. These can be found in Kautilya's *Arthashastra*, Yajnyavalkya's *Dharmashastra* and Manu's *Smriti*. These works show that the system of credit and the law of interest were well developed in India. They were based on a clear appreciation of the hazard involved and the means of safeguarding against it.

LIFE INSURANCE IN THE COLONIAL ERA

The business of life insurance in India in its existing form started in India in the year 1818 with the establishment of the Oriental Life Insurance Company in Calcutta, which failed in 1834. However, the success of Indian life insurance can be traced back roughly to the second decade of the nineteenth century when the Madras Equitable began transacting life insurance business in the Madras Presidency in 1829. After that, it was a rather dull phase with regard to the growth in life insurance enterprises. Till the 70s of the nineteenth century, insurance had found no real place in the scheme of things and only certain European companies operating in parts of India did life insurance business on some scale. But Indian enterprise in this sphere later began to expand and in the last three decades of the nineteenth century the following

companies were started in the Bombay Presidency: a) Bombay Mutual Life Assurance Society (1871), b) Oriental Life Assurance Company (1874) and c) Bharat Insurance Company (1896). Few other companies were also set up in other parts of India. However, this period was dominated by foreign insurance offices, which did good business in India, namely – Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance

OBJECTIVES OF PURCHASING HEALTH INSURANCE POLICY

Behind purchase of any policy there are certain objectives of the respondents. The table 1.describes the distribution of respondents on the basis of objectives of purchasing health insurance policy.

MATERIAL AND METHOD

Majority of the respondents are worried about their health and purchase the health policy against rising health care costs. Some have the compulsion of job whereas other purchase it for their individual purpose. So, the insurers must keep in mind these respective objectives and all efforts should be directed towards understanding the culture, social environment and individual insurance requirements of customers so that the company can cater to their varied needs.

Table 1 Objectives of purchasing health insurance policy

Objectives	Frequency	Percentage
Tax benefit	26	9.6
To fight against rising health care	156	57.8
As security	32	11.9
Compulsion	42	15.6
Hassle-free/Convenience	6	2.2
Invest the surplus amount	8	3.0
Total	270	100.0

Source: Primary data

The table .1 clearly brings out that majority of the respondents (57.8%) bought health insurance policy with an objective to fight against rising health care cost whereas 15.6 percent respondents bought because of mandatory reasons may be because of government policy. Security (11.9%) and tax benefits (9.6%) have been the other preferred objectives of the respondents. Some respondents (3.0%) have the objectives to invest the surplus amount and 2.2 percent of the respondents

purchase the policy for their convenience or hassle-free life.

PREFERENCE OF ATTRIBUTES OF THE FUTURE POLICY

Attributes of the product makes it attractive and acceptable to the general public. The following table describes the distribution of the respondents on the basis of preference of attributes of the future policy.

Table 2 Attributes preferences in future health insurance policies

Attributes	Frequency	Percentage
Relevant in way of Simple terms & Conditions	66	7.6
Simple Language	48	5.5
Well Packaged with all Benefits	132	15.2
Availability	54	6.2
Transparent	36	4.1
Low Premium	154	17.7
Convenience	30	3.5
Less Paper Work	78	9.1
Easy Paying instalments	106	12.2
Quality of Services	30	3.5
Monetary Returns	134	15.4
Total	868*	100

Source: Primary data

* The Frequency is more than the actual respondents as some of the respondents have responded to two or more attributes

The table .2 clearly brings out that low premium (17.7%) is highly preferred attribute. Monetary returns (15.4%) and well packaged schemes with all benefits (15.2%), (choice of hospitals, choice of doctors, elective surgery, ambulance, all medical costs, medical and hospital expenses incurred overseas, and other ancillary services) are other main attributes preferred by the respondents. Attribute like easy paying installments is preferred by 12.2 percent of the respondents followed by lesser paper work (9.1%) and relevant in way of simple terms and conditions (7.6%), availability (6.2%), simple language (5.5%), transparent (4.1%), convenience (3.5%), and quality of service (3.5%) are other preferred attributes for future health insurance policies.

It can be obtained from the table that consumers prefer low premium with more benefits schemes and returns. The

policies should be simple as complexity results in raising suspension in the customers minds and delays decisions. The customers should get policies on time as, after ascertaining the potential, creating a market and devising a product, it would be unfortunate if the customer does not get the product because of the lack of availability. So, insurers must keep these attributes in mind while designing for the policy as individual of different segments have different requirements. Satisfaction level regarding various features and services of health insurance policies

The subsequent table speaks about the satisfaction level regarding various features and services of health insurance policies.

CONCLUSION

Study clearly indicates the satisfaction level of the respondents with regards to various services offered by health insurance providers. With terms and conditions of the policy 46.7 percent of the respondents are neutral in their response, 36.3 percent are satisfied, 14.8 percent are dissatisfied and only 2.2 percent are highly satisfied. With premium schedule 51.1 percent of the respondents are neutral, 24.4 percent are satisfied, 20.0 percent are dissatisfied, 3.7 percent are highly satisfied and 0.7 percent are highly dissatisfied. 45.2 percent are dissatisfied with premium in one lot factor, 34.8 percent are neutral in their response, 9.6 percent are highly dissatisfied, 8.1 percent are satisfied and only 2.2 percent are highly satisfied. 54.1 percent of the respondents are dissatisfied with the distribution services whereas 20.7 percent are neutral and 25.2 percent are highly dissatisfied. With promotional services, 60.0 percent are highly dissatisfied, 36.3 percent are dissatisfied and only 3.7 percent are neutral in their response. 31.1 percent of the respondents are neutral and dissatisfied with TPAs' services, 26.2 percent are satisfied and 11.5 percent are highly dissatisfied. 55.7 percent of the respondents are neutral in their response with regard to process of claim settlement, 24.6 percent are dissatisfied, 13.1 percent are satisfied and 6.6 percent are highly dissatisfied. In case of time taken for settlement of claims, 45.9 percent are neutral in their response, 26.2 percent are satisfied, 19.7 percent are dissatisfied, 6.6 percent are highly dissatisfied and only 0.7 percent of the respondents are highly satisfied 42.6 percent of the respondents have neutral response

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