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Study on Companies Awareness Level in Life Insurance in India

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Abstract – Studies on purchasing and preference on health insurance policy was carried on. It 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. 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.

Key words: Satisfaction level, respondents, satisfied, dissatisfied, claim settlement.

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INTRODUCTION

The IRDA (Registration of Indian Insurance Companies) Regulations, 2000, define 'Health Insurance Business' or 'health cover' as effecting of contracts which provide sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient, on an indemnity, reimbursement, service, pre-paid, hospital or other plans basis, including assured benefits and long term care1.

General definition

In the words of John Magee,'' Insurance is a plan by themselves which large number of people associate and transfer to the shoulders of all, risks that attach to individuals2.''

Fundamental definition

In the words of D.S. Hansell, ''Insurance accumulated contributions of all parties participating in the scheme3.''

Contractual definition

In the words of Justice Tindall, ''Insurance is a contract in which a sum of money is paid to the assured as consideration of insurer's incurring the risk of paying a large sum upon a given contingency4.''

So, it can be said that health insurance is a safeguard against rising medical costs. Health insurance is a contract between an insurer and an individual or a group, in which the insured pay an amount called premium and the insurer in return provides him the reimbursement for expenses associated with illnesses and injuries.

REVIEW OF LITERATURE:

The Origin and history of insurance

The Biblical story of Joseph during the famine in Egypt has been cited as the first insurance case in recorded history. The Egyptian ruler Pharaoh had a dream one night in which he stood on the bank of the Nile and saw seven fat and glossy cows coming out of the river followed by another set of seven cows which were lean and hungry. The latter devoured the former. Pharaoh was so disturbed by the experience that he sent for Joseph to interpret the dream. According to Joseph, the seven fat cows represented seven years of good crops and seven lean cows forebode seven years of famine. He advised Pharaoh to take one-fifth of the crop of each prosperous year to be used in the years of famine. Joseph (Yusuf in Islamic lore) himself was entrusted with the implementation of the scheme. The story illustrates, though symbolically, the insurance principle of spreading the risk and the wisdom of setting aside

some portion of wealth in the prosperous present to care for the needs of an uncertain future5.

Around 6000 years ago, Babylonians, whose home in the Tigris- Euphrates Valley lay at the crossroads of early world traffic, had developed business practices to a high degree. Babylon had become the clearing house of trade as all the important land trade routes converged in that territory. From Armenia in the North, China and India in the East, Egypt in the West, caravans came laden with merchandise.

The travelers by land were exposed to the risk of robbery, which then was considered not so abominable a means of livelihood and the same view held good for piracy on the high seas. Besides, during those days, the ships were entirely at the mercy of winds. Under such conditions, till the goods reached their destination, the consignor was constantly worried about its safety. Human ingenuity was set to work and, in course of time, a practice developed where traders were encouraged to assume the risks of the caravan trade through loans that were repaid (with interest) only after the goods had arrived safely- a practice resembling botomarry and given legal force in the code of Hammurabi (c.2100 B.C.). The Phoenicians and the Greeks applied a similar system to their seaborne commerce. The Romans used burial clubs as a form of life insurance, providing funeral expenses for members and later payments to the survivors.

MATERIAL AND METHOD:

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.

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.

It is clear from the table that 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 purchases 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.

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 instalments is preferred

by12.2 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.

CONCLUSION:

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

Tables, 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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