

A STUDY ON CUSTOMER AWARENESS AND SATISFACTION OF HEALTH INSURANCE PRODUCTS AND SERVICES WITH SPECIAL REFERENCE TO THRISSUR DISTRICT, KERALA STATE.

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Abstract

Policyholders' awareness and satisfaction measures are an important tool to fulfill the safety and security needs of the people. Customer expectations change frequently, they expect more and more from service providers. There are many factors influence the satisfaction of policyholders. This study is conducted to find out customer awareness and satisfaction level towards health insurance products and services in Thrissur district of Kerala State. This study used primary and secondary data. Primary data is collected from customers of health insurance policy holders in Thrissur district. Responses are collected from policy holders through a perfect questionnaire. The secondary data is used to become familiar with the research area. Secondary information is collected from internet, journals, Insurance Company Office. The study used a convenience sampling method. The sample size is considered 280. This study reveals that customers are well aware of the various features of health insurance policies available in the market. The study also indicates that customer awareness is associated with the satisfaction level of customers. The findings of the study can be useful for customer awareness, which is a valuable resource for health insurance.

Keywords: Awareness, Customer Satisfaction, Health insurance, Policyholders

INTRODUCTION

Health insurance is one of the fast growing insurance sectors in the country. Medical insurance has become necessary due to increasing health care expenses. High health care costs have convinced a large number of people to purchase health insurance policy. Health insurance is a protective tool to a person towards uncertain medical expenses. It also plays an important role in financial security of the people in the modern society. People are very conscious about their health and do regular health check-up and spend money on medical tests. In addition, increased income levels, price liberalization, and the introduction of private health care have led to greater popularity of health insurance. General insurance companies in the private sector have introduced many modern policies such as Critical illness plans, Family policies, Top-ups and Group policies. Many middle and lower class families are suffered due to the heavy medical expenses associated with hospitalization because of non-availability of suitable medical insurance facility. Despite the development of the health insurance sector, there is a gap in awareness of various features of medical policies among people. Customer satisfaction is very important in any service sector. If customer is not satisfied with the services provided by insurance companies, they may shift to another insurance company for better benefit.

The lack of health insurance coverage may be due to either a lack of finance for obtaining a policy or a shortage of awareness of health insurance products. Customer satisfaction towards health insurance products can vary depending on various factors such as features of policy, hospitals linked, and diseases covered, and premium offered etc. This paper investigates people's level of awareness of health insurance systems and also at what extent the awareness of health insurance products gives customer satisfaction.

STATEMENT OF THE PROBLEM

A medical policy is very important for individuals or family to avoid unexpected medical expenditure. A genuine health insurance would usually meet expenses incurred for doctor fees, medical test expenses, medicine cost, ICU charges, transportation charges, room rent and to some extent even recovery costs like post-hospitalization expenses. Rising health care costs are a major cause of financial problems among common and middle-class people. Most of them either depend on money lenders or dispose their jewelers or any other assets to meet the medical expenses. Lack of awareness of the health insurance policy prevents many people from obtaining a health insurance. Customer satisfaction is decided by their perception on the product, which is primarily based on awareness. Therefore, it is necessary to investigate customer awareness regarding health insurance products and also their interrelationship between customer awareness and satisfaction.

OBJECTIVES OF THE STUDY

- 1) To investigate the awareness of health insurance products among customers
- 2) To assess the role of policy awareness towards the level of customer satisfaction on health insurance products and services.

HYPOTHESIS

Ho (1) there is no sufficient awareness about health insurance products among customers.

Ho (2) there is no association between product awareness and satisfaction level of customers

RESEARCH METHODOLOGY

This study is aimed mainly for measuring the level of customer awareness and satisfaction towards health insurance products in Thrissur district. This investigation used primary as well as secondary data. Primary data is obtained from health insurance policyholders in Thrissur district and their responses are collected through a properly designed questionnaire. The purpose of secondary data is used to understand about the research area. Secondary information is collected from various books, articles, journals and from Insurance Company Office. The study adopted convenience sampling method. The sample size of the study is 280. The statistical tools used in the study are percentage analysis, one sample t test and Chi-square test.

ANALYSIS AND INTERPRETATION

Table-1: Demographic profile of the Respondents

Variable	Classification	No.of respondents	Percentage
Gender	Male	175	62
	Female	105	38
	Total	280	100
Age	Below-30 years	74	26
	30-40	65	23
	40-50	89	32
	Above-50	52	19
	Total	280	100
Residential status	Rural	105	38
	Urban	175	62
	Total	280	100
Marital status	Married	180	64
	Unmarried	101	36
	Total	280	100
Educational qualification	Upto school level	42	15
	Graduate	90	32
	Postgraduate	73	26
	Professional	55	20
	Others	20	7
	Total	280	100
Occupation	Business	59	28
	Govt. Employee	81	29
	Private Employee	85	30
	Others	35	13
	Total	280	100
Type of family	Joint	105	38
	Nuclear	175	62
	Total	280	100
Annual income	Below Rs.3 lacs	75	27
	3 – 6 lacs	90	32
	6 – 10 lacs	77	28
	Above 10 lacs	38	13
	Total	280	100
Source of information	Family members	25	9
	Friends	29	10

	Advertisement	95	34
	Agents	120	43
	Others	11	4
	Total	280	100

(Source: Computed from Primary Data)

Table 1 shows the demographic profile of customers in the study area. Out of 280 customers, the majority 175(62%) are from male category. Regarding the age category, the most 89(32%) of customers are in the age group of 40-50 years. In terms of resident status, the majority of customers are from the urban area at 175(62%). As far as marital status is concerned, most 180(64%) of customers are married. In terms of education, the majority 90(32%) of the customers' education is college graduates. In terms of occupation status, the majority, 85(30%) of customers work in private organizations. Regarding family type, most of the respondents 175(82%) are from nuclear family type. The frequency distribution also shows that the majority 90(32%) of the customers' annual income is Rs 3 to 6 lakhs. The source of information about policies, the majority 120(43%) of respondents believe that from Agents.

Ho (1): There is no sufficient level of awareness about the Health Insurance Products among the customers.

Table 2:- One sample t-test for awareness of health insurance products

Awareness	N	Mean	SD	t	p
Features of health insurance product	280	3.74	1.013	12.143	<0.001**
Policy Terms	280	4.37	0.886	25.788	<0.001**
Diseases covered in policy	280	4.19	0.826	24.106	<0.001**
Hospitals Linked for cashless treatment	280	3.67	1.105	10.014	<0.001**
Third Party Administrators	280	3.88	0.974	15.078	<0.001**
Renewal options	280	3.85	1.140	12.357	<0.001**
Procedures followed for Claim settlement	280	3.93	1.235	12.469	<0.001**
Lodging grievances	280	3.84	0.888	15.659	<0.001**

(Source: Computed from Primary Data)

Table 2 shows the one-sample t-test for health insurance product awareness among customers in Thrissur district. Mean values of awareness of health insurance products range from 3.67 to 4.37 with a standard deviation from 1.105 to 0.886. The results show that the overall awareness of health insurance products is <0.001. Hence null hypothesis is rejected at 1% level of significance. The study thus proved that all customers are well aware of health insurance products.

Ho (2) There is no association between product awareness and satisfaction level of customers

Table 3: Chi-square test to know the product awareness is associated with satisfaction level of customers

Product Awareness	Level of Satisfaction			Total
	Low	Moderate	High	
Low	36	26	24	86
	(41.3)	(30.24)	(28.2)	(100.0)
Moderate	30	57	32	119
	(25.0)	(48.4)	(26.6)	(100.0)
High	21	17	37	75
	(27.5)	(22.5)	(50.0)	(100.0)
Total	87	100	93	280
Df:4	chi-square :12.18		P Value: 0.017	Significant 5%

(Source: Computed from Primary Data)

Table 3 indicates that health insurance policyholders those who know well about the product have high level of satisfaction. Health insurance policyholders, who know less about the product, have low level of satisfaction. Thus, it is inferred that policyholders who have high product awareness have high level of satisfaction. Since the calculated P value is less than 0.05, the null hypothesis is rejected and alternative hypothesis is accepted that there is association between the product awareness and the level of satisfaction.

SUGGESTIONS

The public needs to be educated about health insurance through area wise campaign. Many corporations and State Governments have taken the initiative in providing health insurance to their employees as group insurance category for meeting their medical needs at low cost premium. Kerala government has brought a low premium health insurance for the benefit of the poor people in Kerala, which may motivate other State Governments to start such welfare schemes for the people. The Insurance Companies should implement suitable procedures for settlement of claims expeditiously for the satisfaction of their clients. Insurance Companies should conduct health insurance awareness programmes for updating the knowledge of policyholders. It is recommended that help-desk may be available in hospitals to advise the policyholders to settle their grievances at the earliest. Counselors may be appointed in hospitals, who can clearly explain and suggest for a suitable health insurance policy for a person or family.

CONCLUSION

The study mainly addressed to assess the customer awareness and their satisfaction level with health insurance products and services in Trissur district in Kerala state. It is observed from the study that the customers felt that health insurance is absolutely necessary and also helpful for financial protection for unexpected medical expenses. The results of the study also shows that the customers are well aware of various features of health insurance policies, diseases covered, hospitals linked for cashless treatment, renewal conditions, procedures for claim settlements and lodging complaints. The study also revealed that there is association between product awareness and satisfaction level of customers.

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