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The Feature Based Consumer Preference for Health Insurance Products in India

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Abstract

This researchhelps to understand the health insurance products and its features and consumer preferences towards the health insurance product features. This research is limited to the Hyderabad demographic region. We also can understand what are the demographic reference prefer the features. We also can analysis the market and the present existing product features and preference of the consumer. The features we are analysing cash less benefits, ambulance charges, pre and post hospitalization expenses, tax benefits, medical check and no claim bonus. This paper intends to study the preferences of customers when purchasing a health insurance policy. It looks at various features aspects which a customer may evaluate, before choosing the right health insurance policy for his / her family. Based on a questionnaire survey, customers were asked to rank various attributes as per their perceived importance. The attributes that were examined were type of the company / firm, product features. These views expressed by customers were then further discussed with other stakeholders in the industry. This study provides a holistic view of what customers expect from the health insurance industry and features of health polices and what the industry is prepared to provide.

Key words: *Feature Analysis, Features based comparison Analysis, Market analysis.*

Introduction

Health insurance provides benefits for medical expenses or for time lost caused due to Injury or illness. The health insurance coverage made available by insurance companies globally in private and public insurance companies, health insurance is also in the form of individual and group insurance. After covid-19 impact the health insurance importance has been increased. The reference to the features is benefits to the company and the features are most important from point of consumer and from industry.

These are the features of health insurance No-claim bonus, Tax benefits, Pre and Post hospitalization expenses, Medical check-ups, Ambulance charges, Cashless Benefits. The existing insurance schemes in India can be divided into the following categories Voluntary health insurance schemes or private for-profit schemes; Employer based schemes; The health insurance is one of the important aspect in our life, while purchasing the products we observation is that the combination of demographic factors effecting the purchase of insurance product, whereas insurance features are also the important factor while purchasing the health insurance.

Review of Literature

We work on what are the existing health insurance products and features compared with importance given to each feature in insurance market.

The main objective of the study is to problems faced by the health insurance holders from general insurance companies (in private and public sector). This study helps in giving suggestions to improve overall experience of the health insurance policy holders. This study is only in location Chandigarh where it can be extended to overall India. In this article we can observe the date is collected through primary and secondary data. And how the public sector service is and provided and private sector services are provided. (Garg*, 2013)

The objective of this study is examining the growth in health insurance industry. Choosingfour standalone insurance companies data for 5years (2013-14 to 2017-18), this study is further continued. In this article we can see standalone insurance companies focus on increase in claim settlement ratio and innovative products to attract more customers. (Kumar1 and, 2019)

The objective of this study is comparing the claims, commissions, expenses and solvency ratio of standalone insurance. In this article they have compared the overall performance using secondary data and giving ratings to the company accordingly. The main objective of this study is how the investment management works in insurance companies. The study is based on secondary data. This article talks about how the insurance evolved in India, how insurance companies started when and what are their primary objectives. How the deaths affecting the insurance companies? What are insurance boards and employees boards?(k and R, 2015)
The main objective is to study the emerging growth pattern and trends in health insurance and the opportunities. It is based on secondary data, and theoretical analysis has been done. In this article how the non-life and life insurance companies are growing with private and public sectors and their ideas.

In this article the insurance policy adumbrative process has been written. How total insurance policy works while starts with pinch to customer and renewal of policy. With insurance terminologies are used. (Devrangadi, Goel, Tadiparthi and Kalender Shihab, 2021)

In their article,(Mujalde, D. and Kandari, M., 2018) the study is about what are the factors influencing the decision while purchasing the insurance products with the help of AHP (analytical hierarchy process). (Factors Influencing Customer Purchase Intention Towards Insurance Products, 2020).In this article based on the Indian economy and characteristics of insurance products and helps to know the strength and weakness of insurance industry in India. .

It is an private and public insurance companies comparative analysis, their financial position, policies offered, what the features of these policies and present market position of insurance companies.

It is focused on relationship life and non-life insurance with the economic growth. It also examines the long term and short term insurance growth nexus over the period of 1980-2015.
It shows the positive relationship between life, non-life with growth of economy for selected companies and countries. (Din et al., 2020)

To study the insurance penetration, insurance destiny and life insurance sector in BRICS vs.India.(Dam, 2017). This article talks about the buying decision of insurance products among the customers with speciation to rural areas. It's an simple survey done for understanding the customer point of view on insurance products and the importance to their health.

This above reference article will help us to understand the insurance Boards, public and private sector companies, latest trends and updates of insurance policies, difference between the Standalone insurance companies and general insurance companies, Investment analysis in insurance industry, comparative health insurance policies analysis and its features. And the factors affecting the purchase of insurance products.Insurance offered by NGOs / community-based health insurance, and Mandatory health insurance schemes or Government run schemes (namely ESIS, CGHS).

Scope of Study

All through looking into the literature and insurance industry there are effects while purchasing and selling of insurance products we only see the factors effecting the purchase power but Features are also one of the factor but we I didn't find the what features are affecting and what are the features that helps to increase the purchase power and the industry growth. This study helps to understand the features of health insurance products and Comparison between present existing features and consumer preference. The way where there is scope of new health insurance with features advantage. This article is restricted to the Hyderabad.

Objective of Study

1. To determine the features of health insurance features.
2. Understand the Comparison of demographic characteristics and insurance product features.
3. Understand the difference between existing and preference of consumer on health insurance products.

In view of the objectives, it is hypothesised that there is no difference in the preferences of customers before and after being insured.

Research Methods

This analysis helps to understand the consumer preferences towards existing products and data collected from the health insurance company's products and the features from the already existing products. The data is collected from insurance websites as secondary data and primary data through the primary preference through

questioners and data analysis and secondary data through various insurance companies' websites, journals, and bulletins.

Sample Size

In this research 65 respondents is the sample size and were contacted using non probability sampling technique and started questionnaire for collection of data.

Limitations

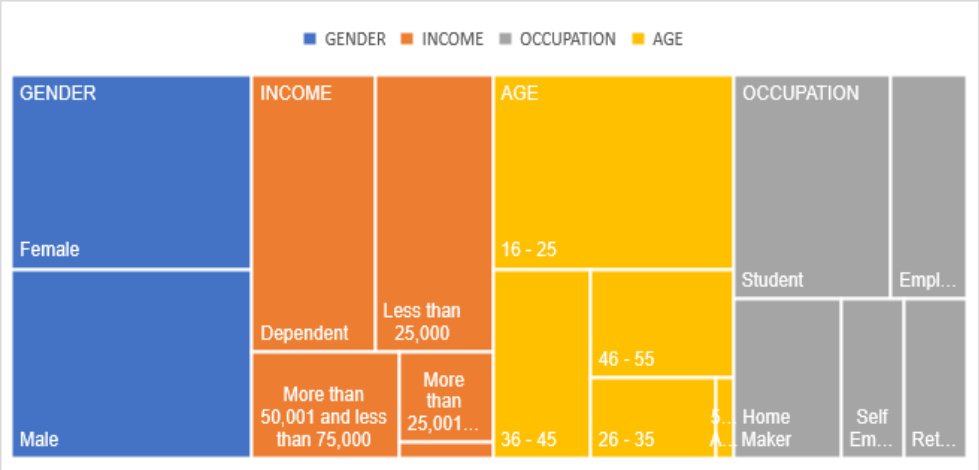
We can work on more features, and also it is restricted to Hyderabad we can also work on state wise and India context. Study could have collected more responses.Can also have worked on different insurances not just health insurance.

Data Analysis

In this section, the results of the study are presented. Firstly, the demographic characteristics of the respondents are presented to have a background picture about them. Secondly, it was hypothesised that there is no difference in the preferences of customers before and after being insured. This hypothesis is tested using paired t-test. Results are presented in the following tables.

Table 1: Demographic Characteristics

Demographics Characteristics	Category	Frequency	Percentage
Gender	**Male**	32	49.2
	Female	33	50.8
Income	Dependent	24	36.9
	Less than 25,000	23	35.4
	More than 25,001 and less than 50,000	6	9.2
	More than 50,001 and less than 75,000	11	16.9
	More than 75,001 and less than 1,00,000	1	1.5
Occupation	Student	25	38.5
	Employed	12	18.5
	Home Maker	12	18.5
	Self Employed	7	10.8
	Retired	7	10.8
Age	16 - 25	33	50.8
	26 - 35	7	10.8
	36 - 45	13	20.0
	46 - 55	11	16.9
	55- ABOVE	1	1.5



We can observe that most of the respondents are from the age group of 16-25 with 50.8% and least responses from age 55 and above is 1.5% which we can state that most of the respondents are youth.

From the respondents 49.2% are male and 50.8% are female with frequency of 32 and 33. From the collected data we observe that most of responses are students with 38.5% and least responses are self-employed and retired with 10.8%.

From the collected data we can observe that most of the responses are from dependent and least from more than 1 lakh people with 36.9% and 1.5%

Table 1: Offline Services or Online Services

	Frequency	Percept
Online	18	27.7
Offline	47	72.3
Total	65	100.0

In above table we can observe that many of the people prefer offline services more than online services with the 72.3% refer offline services.

Table 2: Health Insurance Policy Features

Pairs	Policy Features	Mean	Std. Dev.	MD	sd	t-test
Pair 1	[Cashless Treatment]	2.1231	0.48437	1.5538	0.97452	$t(64) = 12.9$, $p <$ .001.
	[Cash Less Treatment]	3.6769	1.45889			
Pair 2	[Medical Check-Up]	2.3077	0.61041	1.4308	0.72746	$t(64) = 15.9$, $p <$ .001.
	[Medical Check Up]	3.7385	1.33787			
Pair 3	[Ambulance Charges]	2.2769	0.67332	1.3846	0.71048	$t(64) = 15.7$, $p <$ .001.
	[Ambulance Charges]	3.6615	1.3838			
Pair 4	[Pre-Post Hospitalization Benefits]	2.2154	0.59928	1.3538	0.81459	$t(64) = 13.4$, $p <$ .001.
	[Pre-Post Hospitalization]	3.5692	1.41387			

Pair 5	[3-Claim Bonus]	2.1385	0.60922	1.4769	0.76796	$t(64) = 15.5, p < .001$
	[No-Claim Bonus]	3.6154	1.37718			
Pair 6	[Tax Benefits]	2.0615	0.63435	1.6616	0.75205	$t(64) = 17.8, p < .001$
	[Tax Benefits]	3.7231	1.3864			

From the above table we can observe that the cashless treatment feature expresses that the consumer preference is more than the already existing in the market. It is observed that the medical check-up feature expresses that the consumer preference is more than the already existing in the market. Further it is observed that the ambulance charges feature expresses that the consumer preference is more than the already existing in the market. It is clear that the pre- post hospitalization expenses feature expresses that the consumer preference is more than the already existing in the market. Itquite evident that the medical no-claim bonus feature expresses that the consumer preference is more than the already existing in the market. It is observed that the medical Tax benefits feature expresses that the consumer preference is more than the already existing in the market. Interestingly, all the pairs have reached statistical levels of significance which means that there is difference in the preferences after the insurance perceived by the insurers.

Table 3: Paired Samples Correlations

		Correlation
Pair 1	[Cashless Treatment] &Its Important [Cash Less Treatment]	-0.009
Pair 2	[Medical Check-Up] &Its Important [Medical Check Up]	-0.149
Pair 3	[Ambulance Charges] &Its Importance [Ambulance Charges]	0.018
Pair 4	[Pre-Post Hospitalization Benefits] &Its importance [Pre-Post Hospitalization]	0.001
Pair 5	[3-Claim Bonus] &Its importance [No-Claim Bonus]	-0.159
Pair 6	[Tax Benefits] &Its importance [Tax Benefits]	0.037

From the above table we can observe that the significance value is less than 0.05 in cashless treatment, ambulance charges, pre and post hospitalization benefits, and tax benefits. That means there is positive relation between already existing and consumer preference.

From the above table we can observe that the significance value is less than 0.05 in medical check-up and no-claim bonus. That means there is negative relation between already existing and consumer preference.

Discussions

In health insurance industry we can observe that the features are also an attribute in consumer purchase and preferences where the research is in Hyderabad region the demographic attributes, already existing features and preferences are interlinked. We can observe that there is a relation between all the features and need of

implementation depending up on positive and negative results, with relation to the demographic factors and we can also identify the market target audience with relation to the feature analysis.

We can observe that most of the respondents are from the age group of 16-25 with 50.8% and least responses from age 55 and above is 1.5% which we can state that most of the respondents are youth. the respondents 49.2% are male and 50.8% are female with frequency of 32 and 33. the collected data we observe that most of responses are students with 38.5% and least responses are self-employed and retired with 10.8%.From the collected data we can observe that most of the responses are from dependent and least from more than 1 lakh people with 36.9% and 1.5%.

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Implication

We have worked with primary data collection with the help of secondary data that coved impact helped increase in insurance industry and helped to know the present features in products and preferences by the customers and the customer perspective towards the health insurance and the scope of implementing the combination of features with products and the features required for the industry. We worked on frequencies, mean, standard deviations, and pared sample statistics and correlation.

Conclusion

In the health insurance industry we can observe that the features of the insurance policy havean impact on the industry sales and there is a difference and scope in the market in regards to features and market space. After coved impact the health insurance plays a major role in the insurance sector with services and policy references, we also have a scope with list of features and new products. Insurance plays a major role and it is consider as the security and gives most importance also we compare the options in market were as features are also an attribute consider and plays as benefit, As we can observe that the features in market with existing policies need to have more importance and preferences are given with the scope.

It is now to conclude by saying insurance plays a major role and features are important while purchasing the insurance products.

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