PERFORMANCE AND GROWTH OF HEALTH INSURANCE PRODUCT POLICY HOLDERS IN KRISHNAGIRI DISTRICT – AN OVERVIEW

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ABSTRACT: India is one of the very fastest growing counties in the world and also depends upon a federal government. Insurance sector is providing many schemes to contribute all the income level people to live safe and getting some benefits but not yet reached all the areas like semi urban and rural areas. That is reason beyond that insurance sector to extent branches all over India to providing offer life insurance and non-life insurance. Besides that many developed countries people to give the preference and using health insurance. In this respect, Insurance Regulatory and Development Authority of India to issued Health insurance product. Therefore, health insurance product is now emerging as a tool to manage financial needs of people to seek health services. Today, various health insurance schemes are available in the market and providing benefits from an individual to an entire family. During the year 2016-17, the gross health insurance premium collected by non-life insurance companies was more than 17,495Crore. Therefore it is necessary for people to understand the cost and benefits of health insurance. In India, the number of people covered under health insurance is less as compared to developed countries. And also insurance sector to give wide campaign like awareness programmes and basic literacy level in rural and semi urban areas. To protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto. In this way, this paper is analysed with the performance and growth of health insurance policy holders in India.

Key: IRDA, Life Insurance, Non- Life Insurance, Growth, Performance.

INTRODUCTION

Historically Health insurance is recognized as one of the important elements of health care. While the prevalence of health infrastructure and the technological advancements in medical field may offer a succor, they do not completely substitute for health insurance. The insurance sector in India which initially covered certain areas like life, motor, marine insurance is gradually making rapid strides to cover the exclusive health risks contingent on human lives. Health insurance premiums have been registering a significant CAGR of 24.6 per cent in the preceding ten years. The Gross health insurance premium underwritten which was R 2221 crore in the year 2005-06 has increased to R 20,096 crore by 2014-15. The number of lives covered under Health insurance policies during FY 2014-15 was 28.80 crore. As per the Census of India 2011, the population of India was 121.02 crore. As such, assuming that only one policy has been issued to one person, it may be estimated that approximately 24 per cent of India's total population has been covered under any of the health insurance policies during the FY 2014-15.It is projected that the non life industry has the potential to reach Rs 4, 80,000 crore of Gross Written Premium by 2025. Availability of health infrastructure also spurs the demand for health insurance. With an increase in the number of non-life insurers, there has been a significant improvement in the product innovation in the health insurance segment. Innovation in product development also offers ample opportunity to various categories of the population to get covered with much needed and specific health insurance solutions. Products are being brought out by various players for various non communicable diseases such as diabetes, cancer etc. The demand for specific health insurance solutions also leads to product innovation, which in turn enhances the penetration of health insurance.

STATEMENT OF THE PROBLEM

Health insurance in India is the different network of hospitals, primary health centre's, community health centres and speciality facilities financed and managed by the central, state and local governments. These facilities are officially available to the entire population either free or for nominal charges. Along with some other networks of village health workers, maternal and child health programmes and speciality disease prevention programmes these public facilities carry out a central role in India's primary health care system. Health care has always been a problem area for India, a nation with a large population and larger percentage of this population living in urban slums and in rural area, below the poverty line. Lack of awareness about various schemes has been one of the major challenges in spreading rural health insurance for economically weaker sections. In this regard many researchers studied and analysed with health insurance benefits, importance, etc., this research analysed with performance and growth of health insurance with reference to Krishnagiti district the present research work is undertaken.

HYPOTHESIS

The present research study consists of primary hypothesis, which have been formulated according to their relevance and importance. Formulated hypothesis have been tested with appropriate statistical tools. Such as there is significant association between age and Reason for using Health insurance.

OBJECTIVES OF THE STUDY

1. To know the overview of life insurance and non- life insurance product in India.
2. To analysis the performance and growth of health insurance policy holders in Krishnagiri District.
3. To offer summary of findings, suggestions and conclusion.

NATURE OF RESEARCH

The present research study is descriptive in nature with the use of both primary and secondary data.

RESEARCH METHODOLOGY

A Stratified Random Sampling technique was applied to select the respondents of Health insurance holders for study purpose. In the first stage, rural, semi-urban and urban areas were identified from the Krishnagiri district. In second stage, 66 respondents (33%) were taken as sample size for the study. In the third stage, 66 respondents from each area were chosen, of which 22 respondents are from each areas. Proportionate stratified random sampling techniques were applied to select the sample respondents.

The present research study is descriptive in nature with the use of primary and secondary data. Primary data were collected with the help of structured interview schedule's which were distributed to the respondents of the Health insurance account holders. Secondary data were collected from the reports of Insurance Regulatory and Development Authority of India, Ministry of Finance, journals, magazines and books etc.

SCOPE OF RESEARCH WORK

The present research work is one of fact finding with respect to the performance and growth of health insurance policy holders in Krishagiri District.

REVIEW OF LITERATURE

Ramaiah Itumalla et, al (2016) concluded that health insurance in India is going to develop rapidly in future. The task of the government, private providers and the civil society is to solve the issues and challenges and to see that the health insurance benefits consumer most impotently the poor and the weak in terms of better coverage and health services at lower costs with quality without the negative aspects of cost increase and over use of procedures and delay in provision of health care.

Priya and **Srinivasan (2015)** delivered to health insurance industry is growing at a fast pace and so are the issues and challenges linked to bringing in synergy within the system. With the rising health care cost, increase in disposable income and high out-of pocket expenditure for funding healthcare, the only way forward for financing healthcare in a country like India is through health insurance mechanism.

Nagaraju (2014) explain that health insurance is an insurance coverage purchased in advance by an individual or a group after paying a fee called _premium'. It is a complimentary financing mechanism for enhancing access to quality health. Health insurance is one of the products offered by the general insurance companies as well as by life insurance companies in India. Health indicators of a nation are assessed through parameters like infant mortality, maternal mortality rate, life expectancy, birth and death rate. India recorded notable achievement in all the parameters since independence.

Candida A Quadros and **Arpita Agarwal (2014)** observed that health insurance for protection against high and unexpected medical cost, for some it is provided by the company and few others tax benefit is the main reason. Looking at the factors which are responsible for less insurance we can comprehend that health insurance companies should relook at the premium charged and provide easy and cheaper insurance options. They should also be more transparent in revealing the hidden costs. Hence Health Insurance companies should increase the number of linked hospitals and make an easy and transparent claim statement procedure with low documentation.

Nilay Panchal (2013) has suggested that as human beings, we are at, all times prone to falling sick or getting a disease. Sometimes even a change in the weather causes sickness. Health care is very expensive nowadays. More than the disease itself, it is often the cost of treatment that takes its toll. Health insurance policy covers medical expenses incurred during pre and post hospitalization stages. Health Insurance is an emerging social security instrument for the rural poor, for whom, chronic health problems, arising due to prevalence of diseases and inaccessibility to an affordable health care system is a major threat to their income earning capacity.

Table No.:1
Different Sectors Non- Life Insurance Product Premium Amount
(Health insurance)
(Rs.Crore) (%market share)

Market share	2010-11	%	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Public sector Non-life Insurance	6689	61	8015	61	9580	62	10841	62	12882	64
Private sector Non-life Insurance	2850	26	3445	27	4205	27	4482	26	4386	22
Stand-alone Health Insurance	1492	13	1609	12	1668	11	2172	12	2828	14
Total Non-Life Industry	11,031	100	13,070	100	15,453	100	17,495	100	20,096	100

Source: IRDA, Annual Report: 2014-2015

Table No.:1 indicate that Different Sectors Non- Life Insurance Product Premium Amount in health insurance, according to 61 per cent of the public sector non life insurance in 2010-11 (6689 crore), 61 per cent of the public sector non life insurance in 2011-12 (8015 crore), 62 per cent

of the public sector non life insurance in 2012-13 (6689 crore), 62 per cent of the public sector non life insurance in 2013-14 (10841 crore) and 64 per cent of the public sector non life insurance in 2014-15 (12882 crore). With respect to 26 per cent of the private sector non life insurance in 2010-11 (2850 crore), 27 per cent of the private sector non life insurance in 2011-12 (3445 crore), 27 per cent of the private sector non life insurance in 2012-13 (4205 crore), 26 per cent of the private sector non life insurance in 2013-14 82(4 crore) and 22 per cent of the private sector non life insurance in 2014-15 (4386crore). With reference to13 per cent of the stand alone health insurance in 2010-11 (1492crore), 12 per cent of the stand alone health insurance in 2011-12 (1609crore), 11 per cent of the stand alone health insurance in 2012-13 (1668crore), 12 per cent of the stand alone health insurance in 2013-14 (2172 crore) and 14 per cent of the stand alone health insurance in 2014-15 (2828 crore).

Table No.:2
Number of Persons Covered Under Health Insurance
(In lakh)

Class of sector	2010-11	%	2011-12	%	2012-13	%	2013-14	%	2014-15	%
Government	1891	74.59	1612	76.10	1494	71.97	1553	71.83	2143	74.40
Group (other than Govt.)	226	8.91	300	14.16	343	16.54	337	15.58	483	16.77
Individual	418	16.48	206	9.72	236	11.38	272	12.58	254	8.81
Total	2635	100	2118	100	2073	100	2162	100	2880	100

Source: IRDA, Annual Report: 2014-2015

Table No.:2 explains that number of persons covered under health insurance, according to 74.59 per cent of the government insurance in 2010-11 (1891crore), 76.10 per cent of the government insurance in 2011-12 (1612crore), 71.97 per cent of the government insurance in 2012-13 (1494 crore), 71.83 per cent of the government insurance in 2013-14 (1553crore) and 74.40 per cent of the government insurance in 2014-15 (2143crore). With reference to 8.91 per cent of the non government insurance in 2010-11 (226 crore), 14.16 per cent of the group (other than govt.)insurance in 2011-12 (300 crore), 16.54 per cent of the group (other than govt.)insurance in 2012-13 (343 crore), 15.58 per cent of the group (other than govt.) insurance in 2013-14 (337 crore) and 16.77 per cent of the group (other than govt.) insurance in 2014-15 (483 crore). With reference to, 16.48 per cent of the individual insurance in 2010-11 (418crore), 9.72 per cent of the individual insurance in 2011-12 (206crore), 11.38 per cent of the individual insurance in 2012-13 (236crore), 12.58 per cent of the individual insurance in 2013-14 (272 crore) and 8.81 per cent of the individual insurance in 2014-15 (254crore).

Table No.:3
Net Incurred Claims Percentage wise Health Insures
(In trend per cent)

Class of sector	2011-12	2012-13	2013-14	2014-2015
Government	90%	87%	93%	108%
Group (other than Govt.)	100%	104%	110%	116%
Individual	85%	83%	83%	81%
Total	94%	94%	97%	101%

Source: IRDA, Annual Report: 2014-2015

Table No.: 3 indicates that Net Incurred Claims trend Percentage wise Health Insures, according to Government sector in 2011-12 (90%), 2011-12 (90%), 2013-14 (93%) and 2014-15 (108%), with respect to Group (other than Govt.) in 2011-12 (100%), 2011-12 (104%), 2013-14 (110%) and 2014-15 (116%), with reference to individual, in 2011-12 (85%), 2011-12 (83%), 2013-14 (83%) and 2014-15 (81%).

Table No.:4
The top 5 states in Health Insurance Premium for Finance Year 2014-15

State/UT	Group business (other than RSBY &Govt Sponsored schemes)		Government business (only of RSBY & Other Govt sponsored		Individual Business		Total Health Business	
	Amt. in Rs. Crore)	% share in National Premium	Amt. in Rs. Crore)	% share in National Premium	Amt. in Rs. Crore)	% share in National Premium	Amt. in Rs. Crore)	% share in National Premium
Maharashtra	3,468	39	750	31	2,357	27	6,575	33
Tamil Nadu	1,237	14	482	20	768	09	2,487	12
Karnataka	1,521	17	92	04	509	06	2,123	10
Delhi	853	10	07	00	923	11	1,783	09
Gujarat	123	01	69	03	1,140	13	1,331	07
Rest of India	1,696	19	1,026	42	3,076	35	5,798	29
Total	8,898	100	2,425	100	8,772	100	20,096	100

Source: IRDA, Annual Report: 2014-2015

Table No.:4 the top 5 states in Health Insurance Premium for Finance Year 2014-15, according to the highest state of the Maharashtra 39 per cent of the Group business (other than RSBY & Government Sponsored schemes) (3,468 Crore), 31 per cent of the Government business (only of RSBY & Other Government sponsored (750 Crore), 27 per cent of the Individual Business (2,357 crore) and 33 per cent of the total health business (6,575). The lowest state of the Gujarat 01 per cent of the Group business (other than RSBY & Government Sponsored schemes) (123 Crore), 3 per cent of the Government business (only of RSBY & Other Government sponsored (69 Crore), 13 per cent of the Individual Business (1140crore) and 07 per cent of the total health business (1331 crore).

Table No: 1.1
One way ANOVA for Income and Purpose of Health Insurance
Purpose of Health Insurance and Useful of Families

Ho: There is no significant difference between Purpose of Health Insurance and useful of families.

Source of Variation	**Sum of Squares**	**df**	**Mean Square**	**F**	**p-value**
Between Groups	.970	3	.324	1.306	.280**
Within Groups	15.092	62	.247		
Total	**16.062**	**65**			

Note: ** Denotes significant at 1 % level.

The above table number 1.1 reveals that the p-value is less than 0.01; the null hypothesis is accepted at 1 per cent level of significance. It is concluded that there is a significant difference between Purpose of Health Insurance and useful of families. (F= 1.306; p<0.01).

Table No: 1.2
Purpose of Health Insurance and Savings Future

Ho: There is no significant difference between Purpose of Health Insurance and Savings Future.

Source of Variation	**Sum of Squares**	**df**	**Mean Square**	**F**	**p-value**
Between Groups	.548	3	.183	.718	.545
Within Groups	15.514	62	.254		
Total	**16.062**	**65**			

Note: ** Denotes significant at 1 % level.

The above table number 1.2 reveals that the p-value is less than 0.01; the null hypothesis is accepted at 1 per cent level of significance. It is concluded that there is a significant difference between Purpose of Health Insurance and Savings Future. (F= .718; p<0.01).

Table No: 1.3
Purpose of Health Insurance and Secured Health

Ho: There is no significant difference between Purpose of Health Insurance and Secured Health.

Source of Variation	**Sum of Squares**	**Df**	**Mean Square**	**F**	**p-value**
Between Groups	.856	3	.285	1.181	.324**
Within Groups	14.744	62	.242		
Total	**15.600**	**65**			

Note: ** Denotes significant at 1 % level.

The above table number 1.3 reveals that the p-value is less than 0.01; the null hypothesis is accepted at 1 per cent level of significance. It is concluded that there is a significant difference between Purpose of Health Insurance and secured health. (F= 1.181; p<0.01).

Table No: 1.4
Purpose of Health Insurance and Risk Benefits

Ho: There is no significant difference between Purpose of Health Insurance and Risk Benefits.

Source of Variation	**Sum of Squares**	**df**	**Mean Square**	**F**	**p-value**
Between Groups	.315	3	.105	.406	.749
Within Groups	15.747	62	.258		
Total	**16.062**	**65**			

Note: ** Denotes significant at 1 % level.

The above table number 1.4 reveals that the p-value is less than 0.01; the null hypothesis is accepted at 1 per cent level of significance. It is concluded that there is a significant difference between Purpose of Health Insurance and Risk Benefits. (F= .749; p<0.01).

Table No: 1.5
Purpose of Health Insurance and Premium Benefits

Ho: There is no significant difference between Purpose of Health Insurance and Premium Benefits.

Source of Variation	**Sum of Squares**	**Df**	**Mean Square**	**F**	**p-value**
Between Groups	.340	3	.113	.440	.725
Within Groups	15.721	62	.258		
Total	**16.062**	**65**			

Note: ** Denotes significant at 1 % level.

The above table number 1.5 reveals that the p-value is less than 0.01; the null hypothesis is accepted at 1 per cent level of significance. It is concluded that there is a significant difference between Purpose of Health Insurance and Premium Benefits. (F= .725; p<0.01).

Table No. 1.6
Age and Reason for using Health insurance

Age	Reason for using health insurance				Total
	Location convenience	Insurance service	Service quality	Recommended by friends	
Below- 30 years	3	4	4	4	15
31-40 years	6	6	12	3	27
41-50 years	0	8	6	5	19
Above 51 years	2	0	2	1	4
Total	11	18	24	13	66

Chi-Square Tests

	Value	Df.	Asymp.Sig(2-sided)
Pearson Chi-Square	10.024[a]	9	.349
Likelihood Ratio	13.868	9	.127
Linear-by-Linear Association	.688	1	.407
Pearson Chi-Square	10.024[a]	9	.349
No. of Valid Cases	66		

a. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .62.

Table No. 1.6 shows that the calculated value is 1.024 E2 which means 10.024 and it significant at this level of significance 0.000 at degrees of freedom 9. If the significant value is more than 0.05 then reject null hypothesis and accept alternate hypothesis. In the above obtained result the significant value is more than 0.05 so, accept null hypothesis.

Hence there is significant association between age and Reason for using Health insurance.

Table No. 1.7
Age and Type of insurance Cross tabulation

Age	Type of Insurance sector		Total
	Private sector	Public sector	
Below- 30 years	6	9	15
31-40 years	14	13	27
41-50 years	8	11	19
Above 51 years	1	3	4
Total	29	37	66

Chi-Square Tests

	Value	Df.	Asymp.Sig(2-sided)
Pearson Chi-Square	1.373 [a]	3	.712
Likelihood Ratio	1.408	3	.704
No. of Valid Cases	66		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 1.78.

Table No. 1.7 indicate that the calculated value is 1.373 [a] E2 which means 1.373 and it significant at this level of significance 0.000 at degrees of freedom 3. If the significant value is more than 0.05 then reject null hypothesis and accept alternate hypothesis. In the above obtained result the significant value is more than 0.05 so, accept null hypothesis.

Hence there is significant association between age and types of insurance sector using Health insurance.

FINDINGS

1. On the whole, total individual and group businesses with respect to premium in 2004-05 (70.26 milns) and 2005-06 (93.98 milns), number of policies in 2004-05 (88.74 milns) and 2005-06 (47,006 milns) and lives covered in 2004-05 (86,620 milns) and 2005-06 (66,730 milns).

2. On the whole, Total Non-Life Industry belong to 100 per cent of the stand alone health insurance in 2010-11 (11,031crore), 100 per cent of the stand alone health insurance in 2011-12 (13,070 crore), 100 per cent of the stand alone health insurance in 2012-13 (15453 crore), 100 per cent of the stand alone health insurance in 2013-14 (17495 crore) and 100 per cent of the stand alone health insurance in 2014-15 (20096 crore).

3. On the whole, number of persons covered under health insurance, 100 per cent of the individual insurance in 2010-11 (2635 crore), 100 per cent of the individual insurance in 2011-12 (2118 crore), 100 per cent of the individual insurance in 2012-13 (2073 crore), 100 per cent of the individual insurance in 2013-14 (2162 crore) and 100 per cent of the individual insurance in 2014-15 (2880 crore).

4.On the whole, Net Incurred Claims trend Percentage wise Health Insures, in 2011-12 (94%), 2011-12 (94%), 2013-14 (97%) and 2014-15 (101%).

5. On the whole, majority of the state Maharashtra 39 per cent of the Group business (other than RSBY & Govt Sponsored schemes) (3,468 Crore), 31 per cent of the Government business (only of RSBY & Other Govt sponsored (750 Crore), 27 per cent of the Individual Business (2,357 crore) and 33 per cent of the total health business (6,575).

SUGGESTIONS

The public and private sector insurance companies to conducted awareness programmes through educated and uneducated people all the areas regarding life and non life insurance product policy. Besides that many companies providing health insurance to the employees but there is no awareness about these benefits schemes. In Tamil Nadu public and private sector insurance have brought up low premium policy towards health insurance for the benefit of the semi - urban and rural areas people getting benefits. The health insurance policy covered by only health diseases purpose and also insured to providing proper insurance company, documents and procedures to be submitted in case of critical stage and illness of policy holder. In this aspect insurance consultant must be obtainable in all hospitals that can be unmistakably explain and suggest a proper policy for the person or the family members.

CONCLUSIONS

It is concluded that Health Insurance is not a new concept and the people are getting more aware about it through employers, newspapers, insurance agents, television etc, but this awareness has not yet reached the level of subscription. It is also perceived that the health insurance should be sponsored by the central and state companies, institution, and individual. And also lack of awareness also acts as a hindrance for subscription of health insurance. It was observed that there is no major difference between male and female about the knowledge of health insurance. But there is a positive association between education and awareness about health insurance. So we can conclude that people are willing to buy health insurance but they are little uncertain about the coverage, cost and benefits of health insurance.

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