PURCHASING BEHAVIOUR OF HEALTH INSURANCE AMONG UNORGANIZED SECTOR POPULATION.

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Abstract

In India, Health Insurance policies and its services are gradually developing and acknowledging as a desirable requirement for each individuals to compensate their health expenditures especially for unorganized sector population, who are under below poverty line. The research aims to study the factors that are determining the purchasing behavior and satisfaction level of health insurance of insured respondents among unorganized sector population. The self-structured questionnaire and interviews were used to collect the primary data among 355 insured respondents of unorganized sector workers. The study was carried out by using quantitative method and factor analysis with the help of SPSS. This study involves various factors such product attribute, customer service attribute and agent attribute were significantly associated with purchasing behavior and level of satisfaction of health insurance by testing the validity and reliability that met the standard requirements. The health insurance benefit package should be expanded to include all of the conditions that affect the unorganized sector's population.

Key Words

Health Insurance, Health Services, Level of Satisfaction, Purchasing Behavior, Unorganized Sector.

INTRODUCTION

Health Insurance is in emerging stage and also growing faster than before. Health insurance is progressively acknowledged as an instrument to finance health care requirements. Many community based administrations such as NGOs, Health Insurance agencies have started micro insurance schemes to meet the various needs of healthcare and protect people especially, lower income population. Around 150 million of populations every year suffer from extreme poverty (World Bank report) mostly as a result they spend out-of-pocket for medical expenses. More than 800 million people spent at least 10% of their household income on health care (WHO). The majority of this group lives in low and middle-income countries, where they are below the poverty line. The large portion of informal sector that are under below poverty line, makes difficult for unorganized sector to purchase health insurance policies and services. The introduction of health insurance policies and services have designed to deliver financial risk protection for the population and to certify the reasonable contact of health insurance services, exclusively for the poor people that are below poverty line.

In the year 2021, India is the third-largest country in terms of purchasing power parity. (Economic Times). But, still health status remains a major concern. On overall when compared to the other economies in which we have attained better health status. The cost of private health expenditure is more (Wan et al., 2020); this is also the other reason for financial fear because many a times the health expenditure leads to out-of-pocket expenses and have serious consequences by forcefully pushing many households below poverty line. Hence, in view of this there is an essential to develop alternate instruments which can be established to deliver for enhanced healthcare at less per capita cost and having lesser significances for the net worth of households.

The aim of this paper is to analyses factors determining the purchasing behavior and satisfaction level of insured respondents among unorganized workers. Only a few research studies have investigated on the satisfaction of insured respondents when accessing to the health services as well as the purchase behavior of health insurance policies.

In light of the above, the researcher addresses the following questions. The shadow of the research article as follows: The first segment provides the research introduction. Second segment offers a review of the literature. The third segment offers the research study objectives. The fourth segment explains the research methodology. The fifth segment stipulates the data analysis and results. Section six provides conclusion and policy implications.

REVIEW OF THE LITERATURE

Many prior researchers (Addise et al., 2021; Arkorful et al., 2021; Badu et al., 2019; Gajula & Dhanavanthan, 2019; Pahlevan Sharif et al., 2021; Ramadhan & Soegoto, 2020; Shih et al., 2017; Wan et

al., 2020; Yellaiah & Ramakrishna, 2012) have examined the health insurance products and services purchasing behaviour and satisfaction level among the unorganized sector. For instance; **Addise et al., (2021)** Community-Based Health Insurance scheme (CBHIS) is an innovative method of preventing financial difficulties due to healthcare costs. The goal of the study was to find out level of satisfaction among the respondents who visited health facilities in the Southern Ethiopia. The researchers used descriptive statistics, as well as bivariate and multivariate logistic regression analysis. CBHIS satisfied around half of the respondents who visited health service center. As a result, increasing the magnitude of the respondent's pleasure with the system may need a significant amount of effort. **Arkorful et al., (2021)** Health insurance policies have evolved into important social policy initiatives aimed at extending healthcare to those who are most vulnerable. Due to this, Ghana established a Health Insurance program in 2003. However, there have been worries about healthcare and insurance quality, value, satisfaction, and trust. The study examines and predicted the impacts on actual health insurance utilization with the help of SEM analysis. According to the findings, a higher level of perception of service quality, value, trust, and contentment is very important in determining whether or not to utilize health insurance (i.e. enrollment, renewal, retention and usage). **Badu et al., (2019)** the main aim of the study is to find out how satisfied insured consumers are with the National Health Insurance system in Ghana. Poor satisfaction with health care was significantly connected with factors such as the insurance benefit package, willingness to pay a higher premium, and perceived discrimination. In policy initiatives, current support for and understanding of the use of health insurance as a prepayment plan should be promoted. The insurance benefit package should be expanded to include all disease disorders that affect the Ghanaian population. **Gajula & Dhanavanthan, (2019)** the current study aims to determine the perception levels of Non-Health Insurance Policy holders in Hyderabad City in order to determine their awareness, influence, expectations, and readiness to purchase a policy. Statistical analyses such as Frequency Distribution, Weighted Average Scores, and Exploratory Factor Analysis were performed on socioeconomic factors, purchasing variables, and factors influencing the purchase of health insurance policies among Non-Health Insurance Policy holders. In this research, the researcher discovered that socioeconomic circumstances, individual perceptions, and personality features influence the region's health insurance policy purchasing behavior. **(Pahlevan Sharif et al., 2021)** The purpose of this study is to investigate the relationship between consumer satisfaction with their health insurance and quality of life (QoL) among cancer patients, as well as the mediating function of perceived financial burden and the moderating effect of external locus of control (LoC). The findings reveal that the more satisfied patients are with their health insurance, the higher their quality of life is, with the link explained by a reduction in perceived financial burden in terms of disease direct and indirect costs. **(Ramadhan & Soegoto, 2020)** the goal of this study was to find out what impact participant satisfaction has on health insurance firms. The quality of service, which is impacted by tangibility, reliability, responsiveness, empathy, and assurances by assessing the validity and reliability that fulfill the standards, is one of the elements that

determine participant satisfaction. The findings are likely to serve as a benchmark for improving participant satisfaction in health insurance firms. **(Shih et al., 2017)** the goal of this study was to see how common among adults to buy Chinese herbal medicine (CHM) without a doctor's prescription and what characteristics were related with it. Researchers examined persons with and without a history of purchasing CHM in a multivariate logistic regression analysis. In Taiwan, getting CHM without a doctor's prescription is common, and it's linked to factors including socio-demographics, disease history, and medical-care-seeking behaviors. **(Wan et al., 2020)** the goal of this study was to look into the factors that influence people's decisions to get private health insurance in China. The decision to purchase PHI was estimated using Chi-Square tests and Logistic Regression Analysis. According to the findings, household socioeconomic circumstances play a significant effect in the decision to obtain PHI. The findings may be utilized by the insurance industry to inform steps to increase PHI coverage, as well as policymakers seeking to increase access to PHI equality. **(Yellaiah & Ramakrishna, 2012)** in this research work, the socioeconomic drivers of health insurance demand in India are studied using Hyderabad as a case study. The logistic model was used to determine the health insurance determinants. The research concluded that the occupation, income, health expenditure and awareness are the most important predictors of demand for health insurance in Hyderabad. Other factors like age and education are favorably correlated with health insurance demand, although they are not statistically significant.

Many prior studies have examined various aspects of health insurance, but the little concentration in the field of health insurance purchasing behaviour as well as satisfaction level among the unorganized sector. Therefore, the present study attempts to fill this research gap. Based on this research gap, the existing study is directed to attain the following objectives.

RESEARCH OBJECTIVES

1. To examine the factors those are influencing the purchasing behaviour of health insurance among unorganized sector workers.
2. To understand the satisfaction level of health insurance policies among unorganized sector workers.

MATERIAL AND METHOD

Research Methodology

The self-structured questionnaire as well as interview schedule was used to collect the primary data of 355 insured respondents from the unorganized sector workers. Puducherry union territory was the selected as research study area and the survey was done in the selected study area. The main target

respondent for this research study is insured respondents of unorganized sector people of the study area. In addition to the questionnaire, researchers also used secondary data obtained from IRDAI documents, journals, books, reports, etc. Factor Analysis was used with the help of SPSS in this study to find the factors affecting the purchase behaviour and satisfaction of health insurance among the insured unorganized sector workers. The respondents for the study were recognized through the approach of convenient sampling.

Data Analysis and Interpretation

Exploratory Factor Analysis (EFA)

Exploratory factor analysis (principal component analysis) is a data reduction procedure, which uses a large number of variables into a few related dimensions. Factor analysis attains parsimony by explaining the maximum extent of common discrepancy in a correlation matrix using the smallest explanatory contracts. It reduces a large set of data to a smaller subset of measurement variables.

Purchasing Behavior for Health Insurance among insured of unorganized sector workers

This study used factor analysis with 16 measurement items to identify the factors toward the difficulties of purchase health insurance products. Based on the principal component analysis, the rotation method exhibits three factors such as service, product and agent attribute. Table.01. represents the outcome of the factor analysis.

The items listed above are arranged in order of importance, with factor 1 being more significant than factor 2, factor 2 being more important than factor 3, and so on. Factors 1 and 2 have the biggest variance (14.875 percent and 11.127 percent, respectively) when compared to factor 3 (6.268 percent). Hence it is found that buying behaviour of health insurance identified the factors that service attribute, product attribute and agent attribute these three factors determine the demand for buying health insurance for unorganised sector workers.

Satisfaction towards Health Insurance among insured respondents of unorganized sector workers

The study is used factor analysis with 22 measurement items to identify the factors toward the satisfaction of health insurance products. Based on the principal component analysis, the rotation method exhibits three factors. Table.02. represents the outcome of the factor analysis.

The items listed above are arranged in order of importance, with factor 1 being more significant than factor 2, factor 2 being more important than factor 3, and so on. Factors 1 and 2 have the biggest variance (15.675 percent and 12.187 percent, respectively) when compared to factor 3 (7.468 percent). Hence it is found that satisfaction level of health insurance identifies the factors; Product Attributes, Agent Related

Attributes and Customer Service Attributes. These three factors contribute for satisfaction level of health insurance for unorganised sector workers.

Suggestion

Only a small minority of people are willing to buy health insurance without any strings attached. Insurers should focus their efforts on these individuals in order to educate and market their health insurance policies. Because the service business requires increased engagement with people, it is critical to make efficient use of this resource in order to satisfy them. Through good interaction between executives, insurers must grasp the demands of the public. They should inform them about the merchandise and take their comments into consideration. To raise awareness and provide better service to the rural population, particularly the unorganised sector, more service centres may be constructed at the village level, or more marketing personnel may be dispatched to the interior villages.

CONCLUSION

This paper makes an attempt to understand the factors affecting health insurance purchasing behaviour and satisfaction towards health insurance among the unorganized sector population. The outcome of the research article suggests that the decision to purchase health insurance is positively associated to the household's income. The households belonging to lower income groups would have lesser possibility of purchasing health insurance. The government has to make sure that poor people under below poverty line are covered and should become a member of any health insurance schemes that are available in the market.

The health insurance is commonly used as a source of funding to health care requirements in case of emergence. However, most of the insured respondents of unorganized sector population were satisfied with the service providers. They received satisfaction level out of many challenges that are been faced by the insured clients while accessing to the health services. Factors, such as agent attribute, customer service attribute and product attribute are related to the perceived satisfaction of health services. Health care facilities should take steps to ensure that respondents receive prompt responses. On the other hand, the current insurance benefit package should be expanded to cover all disease conditions that are required for the Puducherry union territory population, particularly unorganized sector workers.

Table: 01 Purchasing Behavior for Health Insurance among insured of unorganized sector workers

Variables	Mean	S. D	Factor Loading	Eigen value	% of Variance
Factor: 1 Service Attribute					
Reputation and brand loyalty	4.27	.684	.743	2.667	14.875
Ambience and experience	4.37	.603	.645		
Comfort and promptness	4.45	.551	.638		
Quality of service offered	4.31	.596	.612		
Hassel free paper work and documentation	4.34	.754	.719		
Factor:2 Product Attribute					
Health care service provider	4.21	.824	.731	2.003	11.127
Pre and post sales services	4.21	0791	.515		
Type of health insurance plan	3.45	1.117	.685		
Risk coverage	3.47	2.868	.730		
Claims Settlement	3.41	1.148	.685		
Premium or cost coverage	3.21	.965	.670		
Factor:3 Agent Attribute					
Mode of renewal	4.24	.773	.726	1.128	6.268
Agent provides error free services	3.20	1.096	.662		
Committed to fulfill promises timely	3.44	1.024	.591		
Providing satisfactory services	3.70	.824	.712		
Prompt, responsive and reliable	4.01	.816	.601		
Primary data					

Table 02: Satisfaction towards Health Insurance among insured respondents of unorganized sector workers

Variables	Mean	S.D	Factor Loading	Eigen Value	% of Variance
Factor: 1 Product Attributes					
Enough Coverage	4.37	.684	.743	2.667	15.675
Ease terms and conditions	4.33	.645	.740		
Exclusion of the policy	4.17	.603	.645		
Policy period opted by you (term period)	4.05	.551	.638		
Cost/premium of insurance is adequate and affordable	4.01	.596	.612		
Risk coverage aspects at the time of filling application	4.1	.754	.719		
Premium rate for the policy	4.2	.645	.785		
Policyholder access to convenient of healthcare providers	4.2	.751	.744		

Factor:2 Agent Related Attributes					
Help provided by agents at the time of filling application	4.21	.824	.731	2.453	12.187
Acknowledgements given for payment made to agents	4.21	0791	.515		
Cooperation was extended by the agent	3.45	1.117	.685		
Comfort was created by agent during conversation	3.47	2.868	.730		
Insistence of documents in the initial stage	3.41	1.148	.685		
Agent clarified problems on the basis of his past experienced	3.21	.965	.670		
Agent shown individual consideration and maintain confidentiality	3.147	.987	.690		
Factor:3 Customer Service Attributes					
Requirement in the application form (Data Details)	4.54	.773	.726	2.178	7.468
One-time settlement of the claims/ grievances	3.30	1.096	.662		
Time taken for processing application	3.24	1.024	.591		
Easy claim procedure is must	3.60	.824	.712		
Convenient claim intimation and registration	3.45	.816	.601		
Simple documentation, processing and settlement	3.35	.876	.645		
Customer service representative was very cooperative	3.325	.856	.685		
Primary data					

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Author Contributions

All authors contributed significantly to the work reported, whether through conception, study design, execution, data acquisition, analysis, or interpretation, and participated in the drafting, revising, or critical review of the article; gave final approval of the version to be published; agreed on the journal to which the article was submitted; and agreed to be accountable for all aspects of the work. The final manuscript has been read and approved by all authors.

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