

# A study on the awareness of Health insurance policies among rural population

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## Abstract

Health Insurance is a form of group insurance, where individuals pay premiums or taxes in order to protect themselves from high or unexpected health care expenses. Health insurance works by estimating the overall "risk" of healthcare expenses and developing a routine finance structure that will ensure that money is available to pay for the health care benefits specified in the insurance agreement. The healthcare benefit is administered by a central organization, which is most often either a government agency or a private or a non profit entity operating a health plan. People are more concerned for insuring their properties and belongingness, rather than insuring themselves against various diseases. Keeping this in regard , there is still a division in the rural and urban areas .The world, recently affected by a new variety of illness . Hence the study is a navigation to know the unwillingness of people especially in the rural areas. The study uses both primary and secondary data.

**Keywords :**Health insurance, impediments ,factors influencing

## 1.1 Introduction

It takes just one visit to a hospital to make us realize how vulnerable we are, every passing second. For the rich as well as poor make as well as old, being diagnosed with an illness and having the need to be hospitalized can be a tough or deal. Heart problems, diabetes, stroke, cancer are the list of lifestyle disease just seems to get longer and more common these days. The super-rich can affords such costs, but it is unaffordable for average middle class person. For an illness that requires hospitalization surgery, costs can easily run to five digit bills. A health insurance policy can cover such expense to a large extent. Health insurance is more important these days compared to old days. Health is a human right, which has also been accepted in the constitution. Its accessibility and affordability has to be insured. While the well to do segment of the population both in rural and urban areas have acceptability and affordability towards medical care at the same time cannot be said about the people who belong to poor segment of the society. It is well known that more than 75 percent of the population utilizes private sectors for medical care.

## 1.2 Statement of the problem

In India, the cost of health care is rising on a continuous basis throughout the year. Health Insurance is a viable solution to ensure access to basic health care services. Nearly 68 percent of India's population resides in rural areas. But the percentage of people under health insurance coverage is 14 percent. To cope up with the rising health care cost, health insurance is a good option. The number of people with health insurance coverage is low. The low proportion might be due to lack of awareness, misconception towards health insurance or lack of effective policies. Hence this study has been undertaken to now the awareness, perception and satisfaction level of customer regarding health insurance.

### 1.3 Significance of the study

Health insurance is a type of insurance coverage, wherein an insured can claim payments for his medical and surgical expense. Access to health insurance and health care are critical for people living in rural communities, where the safety is fragile. However, rural communities face challenges as they enroll uninsured people in the health insurance market place, educate newly insured individuals on how to use insurance, and coordinate care for those who remain uninsured.

### 1.4 Scope of the study

The study is confined to respondents chosen from Kerala . Hence the scope of the present study is confined to the motives and awareness level of health insurance among the rural population in Kerala and also provide suggestions to promote their literacy level regarding health insurance policies.

### 1.5 Objectives of the study

1. To find out the awareness level of health insurance among rural people
2. To identify the factors that influence customers in the selection of a particular health insurance company.
3. To know the preference of individual regarding health insurance.
4. To study the satisfaction level of the customer regarding insurance policy.

### 1.6 Methodology

The study is both descriptive and analytical in nature. The study was collected using primary and secondary data. The primary data was collected through a structured questionnaire among respondents. The secondary data was collected through books, magazines, online journals, internet publications, periodicals. The sampling technique used is judgemental sampling technique. Mathematical and statistical tools like percentages, mean and rank are used for the study.

### 1.7 Limitations of the study

1. The study was based on the opinion of the sample, which may not be always accurate and true the results may be influenced by inaccurate samples.
2. Since this study is conducted during short span of time its accuracy may be influenced.
3. The sample size is limited to 50 respondents. So, a broad analysis could not be made.

### 1.8 Review of Literature

**Goud (2014)** in their study highlighted the various types of health insurances which people prefer. The study concluded that effective information education and communication activities will improve understanding of insurance by the public and hence help in developing a market for health insurance.

Goel (2014) had depicted that health insurance companies should come out with clear cut policy details. Researchers have observed that due non-standardization of the procedure of claim settlement fraudulent activities had been increased customer complaints are also increased against TPAs. The role of TPAs are need to be redefined as per researcher's conclusion.

Anjor, Ali, Kumar, Verma (2014) have examined service quality of life insurance and concluded that that the expectation are higher than perception in terms of service quality in insurance sector. The results confirm that service quality is crucial to acquire loyal consumers, as well as the influence of service convenience on consumer loyalty.

Muthurkrishnan (2013) in their report mentioned that there is an immense need for massive propaganda to develop consciousness among the people regarding the need for financing health care in context of high out - of – pocket expense on health.

Choudhar (2013) in their research highlighted that awareness regarding health insurance is poor; therefore awareness creation is needed. Education, socioeconomic status and occupation were favorable determinants for opting health insurance. Reason for opting for health insurance was mainly related to medical care and financial aspects.

Allahham (2013) has revealed that the consumer satisfaction for health services is highly depend upon price charged from him or value delivered by health care institutions. Researcher has established direct relationship with the satisfaction level and brand loyalty in the research work done in the context of Syrian resident and Syrian health care service providers.

Jangati Yellaiah (2012) concluded in their study as the determinants of awareness of health insurance were religion, type of the family, education, occupation, annual income. Higher education and higher annual income increases awareness of health insurance.

Gautam and Vikas (2011) has examined service quality of public sector and private sector insurance companies and concluded that the insurance companies in the public sector should focus more on improving the infrastructure. The infrastructure not only involves the information technology input in the branches, regional offices and head office, but also the physical evidence, ambience and layout

Sandhu and Bala (2011) had examined service quality of life insurance corporation on the basis of seven-factors which consist of 34 parameters representing Proficiency; Media and presentations; Physical and ethical excellence; Service delivery process and purpose; Security, and dynamic operations; Credibility; and Functionality. Among these factors, three viz., Proficiency; Physical and ethical excellence; and Functionality have significant impact on the overall service quality of Life Insurance Corporation of India.

Reshma (2007) in their research stated that the middle and low socio economic groups are a potential market to be tapped as they are ready to spend a reasonable amount as premium payable. The private Insurance players should try to earn trust in the people as most of the respondents preferred government health insurance schemes.

## 1.9 Major Findings

Based on the objectives of the project entitled “A study on the awareness of Health insurance policies among rural population”. The following observations are made.

1. Out of 50 respondents all of them are aware of health insurance. But the respondents have no wider information about Health Insurance. Majority are satisfied with the services offered by health insurance companies.
2. Majority of the respondents prefer private sector health insurance policies because it is easy to approach them. Like public sector the formalities are lesser.
3. The factor that influences customers in the selection of a particular health insurance company is the easy accessibility of linked hospitals. .About 42 percent respondents have got information through friends and families.
4. Risk coverage against future illness is the major reasons for going in for health insurance policy.
5. There is neutrality of opinion regarding the services provided by the health insurance are delivered effectively. Most of the respondents prefer annually / yearly to pay health insurance premium
6. Half of the respondents not yet registered a claim and half of the respondents have registered a claim. Most of the respondents think that it is good have health insurance policy. Respondents agree that they provide a sense of security regarding themselves and their families.
7. Most of the respondents are not satisfied as health insurance companies have good response to queries and clarifications regarding health insurance companies but agree in times of critical emergencies health insurance policies are useful.

## 1.10 Suggestions

1. About 69 percent of India's total populations are living in rural areas or villages and the income level of rural people is very less, so it is important for the government to support financially with regard to medical expenses.
2. Private health insurance companies need to frame special health insurance policies for rural people. They should provide an easy claim settlement system and low documentation. All diseases should be covered under health insurance policies.
3. Government should conduct awareness programs to inform the people about the benefits of health Insurance. The hospital authorities have to become aware of the present status of health insurance awareness among the patients and take the necessary steps to make them aware of the need for health insurance to meet the ever rising medical expense in view of unpredictable illness and injuries to which anyone can be a victim.
4. Specialized insurance companies also should adopt different techniques to increase its health insurance coverage. Government should always introduce new health insurance schemes for the welfare of the people.

5. One of the main reasons for the low penetration and coverage of health insurance is the lack of completion in the sector. The Insurance Regulatory Authority of India (IRDA) which is responsible for insurance policies in India can create health circles, similar to telecom circles to promote competition.

## 1.11 Conclusion

A healthy physical state leads to a healthy mind. This further enables the person to think about various things and enjoy all of them. Unlike this an unhealthy individual can think of only how to recover his/her health. Any health ailment makes the person physically weak. This takes away the freshness and enthusiasm from life. Nobody wants to fall ill and taste the bitter medicines but the health ailments keep no bar in affecting one and all. Irrespective of age, health status and income level, sickness can come to anyone. The purpose of health insurance is to protect one and one's family financially in the event of an unexpected serious illness or injury that could be very expensive. The aim of this study is to assess the awareness, perception; characteristics of health insurance company's coverage, insurance benefits, cost, their usefulness, problems faced while getting claims identify factors that influence customers in the selection of health insurance and a particular health insurance company. The study also provided an important benchmark for analyzing ongoing developments in the health insurance coverage. There is lack of awareness of using insurance schemes. The respondents felt that if they did not fall sick they were unnecessarily paying a higher amount as premium which was wasted. The presence of government hospitals providing free treatment was another attraction in place of payment of health insurance premiums. Moreover, health insurance is now becoming cashless. The understanding of the respondents was that a person who fell sick had to pay first and then get reimbursement. This was not liked by the respondents. The awareness level of health insurance was extremely poor.

## 1.12 References

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