

# Policy Holders Loyalty Towards Health Insurance Policy in Coimbatore City

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**Abstract - With the advent of private health care financiers and a general rise in health awareness, the health insurance industry in India has seen significant growth since deregulation. What we mean by "health insurance" is any arrangement that helps a person postpone, decrease, or prevent out-of-pocket costs associated with medical care. The insured has the option of receiving cashless care for their medical issues at any of the participating hospitals nationwide, or receiving reimbursement for any medical costs incurred as a result of using the coverage. Because of the prevalence of large service providers, market conditions are ideal. Keeping customers happy and policyholders from switching brands has become a massive challenge for businesses. This research looks at customer loyalty in the health insurance market in Coimbatore.**

**Keywords: Health Insurance Sector, Health Consciousness, Services, Policy Holders, Loyalty.**

## INTRODUCTION

The recent decades have seen India's economy grow at an unprecedented rate, making it a major player in the global economy. The economic liberalisation that began in the early 1990s paved the way for India to realize its full economic potential and improve the living conditions of its citizens. "Developing countries that invest in better education, healthcare, and job training for their record numbers of youth between the ages of 12 and 24 might create soaring economic development and significantly decreased poverty" (WDR 2007). Large amounts of money have been invested by India in this field in recent years. Insurance plays an important part in this expansion of the economy. A person or group of people pays a more financially stable organisation to assume their risk (of loss due to things like accidents, theft, natural catastrophes, illness, etc). (also known as premium). A rapidly developing nation like India can greatly benefit

from accurate risk pricing, as it is one of the most effective tools employed by the insurance business in setting the correct incentives for the allocation of resources.

Insurance has a long and storied tradition in India. India has a population of 1.4 billion people, however only 3.1% of them have access to health insurance (either publicly funded or privately purchased). Even after 57 years of Indian independence, the Bhore Committee's 1946 guiding principle that "No individual should fail to secure adequate medical care because of his inability to pay for it" seems unreachable, so it is necessary to analyse the importance of health insurance towards healthcare spending in both the public and private sectors. "Duty of State is to elevate the level of nutrition, the standard of living, and to improve public health," it says in Article 47 of the Directive Principles of State Policy. Despite the fact that the Indian government had pledged to provide "Health for all by the year 2000 AD" in 1978 (as part of the World Health Organization), very little had been accomplished by that time. Before 1978, the public sector provided 70% of hospital beds, while by 1998, the private sector provided 80% of hospital beds. In a country like India, where a sizable population lives below the poverty line, the declining importance of the public sector in healthcare is a cause for concern. Since human life is the most important economic factor in everyone's personal and professional lives, it deserves the same meticulous and scientific approach that we normally reserve for our material belongings. As with other fundamental rights, the right to health has constitutional protections. Protection of its availability and cost-effectiveness is essential. People from affluent backgrounds in both rural and urban areas have a more positive attitude about medical care and

can afford it if they choose to receive it. For the poorest members of society, access to quality healthcare is hampered by a lack of resources and information about available options. Households may be the ultimate contributors to insurance, which is a sort of financial intermediation. In India, 3.1% of GDP goes toward supporting the insurance industry, although a sizable portion of the cost of health care is not covered. The expansion of the health insurance market is the best hope for controlling rising healthcare costs and providing adequate public funding for medical services. Therefore, research and analysis into the various aspects of India's health insurance market are necessary.

#### LITERATURE SAMPLES

Several shifts in the health insurance and healthcare industries over the past decade have posed challenges to the expansion of health insurance as a healthcare financing mechanism in India, as stated by Rohit Kumar and Aditya Duggirala (2021). Health insurance underwriting loss is significantly correlated with earned premium, according to research by Madan Mohan Dutta (2020). In their study on the effects of COVID-19 on insurers, Pius Babuna et al. (2020) found that similar comparisons to prior pandemics like SARS-CoV, H1N1, and MERS allowed them to build frameworks for modeling the pandemic's effects. According to Rana Rohit Singh and Abhishek Singh (2020), a sizable segment of the population does not have access to medical coverage. A tremendous growth has been seen in this industry during the past decade. Compared to previous studies, Darius Erlangga et al (2019) 's findings on the beneficial benefits of health insurance on healthcare utilization are stronger and more consistent, while the data on financial security is murkier.

#### STATEMENT OF THE PROBLEM

In the current monetary climate, healthcare insurance provides the method for people and families to lessen the financial impact of medical bills. Therefore, what we really need is a well-designed, reasonably priced health insurance policy. Again, insurance providers need the appropriate product, correct pricing, and the proper promotional efforts to keep up with rising consumer expectations. Many people cannot afford healthcare because they lack access to such insurance and must instead go into debt to cover their medical

expenses. Medical inflation, longer life expectancies because of advances in preventative treatment, the rise of lifestyle disorders, and economic insecurity are only a few of the recent developments that have increased the visibility of health and healthcare issues. There is an immediate and pressing need for a national health insurance programme in India due to the country's lack of a health social security system and the large percentage of national health spending covered by households.

All of this necessitates a well-thought-out policy on the availability and cost of healthcare, as well as timely and appropriate involvement on the part of the government. To achieve this goal, public policy must be crafted to educate the public about right and wrong and to give people more of what they should have and less of what they shouldn't rather than what they want. A policy-driven, broad-based push for health insurance will improve people's lives and reduce medical costs, making coverage accessible to more people at more reasonable prices. As a result, the researcher thinks it's important to look into people's perspectives on health insurance, how they learn about it, what influences their choices, how happy they are with their coverage, and what obstacles they face when trying to sign up for coverage from specific companies in the public and private sectors.

#### OBJECTIVES OF THE STUDY

To analyze loyalty of policy holders towards health insurance policy.

#### RESEARCH METHODOLOGY

The study is analytical and is based on both primary and secondary data. The primary data is gathered from the policy holders of health insurance from both public and private sectors through questionnaire. The sampling technique adopted for the study for selecting the sample respondents is snowball sampling, where the subsequent respondents from each of the companies will be chosen based on the references from the initial respondents. The sample size adopted for the research is 100 covering all the administration zones of the city.

#### HYPOTHESIS OF THE STUDY

H<sub>01</sub>: There is no significant association between brand loyalty and their demographic profile of policy holders.

ANALYSIS AND DISCUSSION

Table-1: Demographic Profile of Respondents

Particulars		No. of Respondents	Percentage(%)
Gender	Male	55	55
	Female	45	45
Age	18 to 25 years	12	12
	26 to 35 years	31	31
	36 to 45 years	27	27
	46 to 55 years	23	23
	Above 55 years	07	07
Marital status	Married	82	82
	Unmarried	18	18
Education	School level	18	18
	Under graduation	43	43
	Post-graduation	27	27
	Professional	11	11
	Diploma	01	01
Occupation	Private employee	33	33
	Public employee	26	26
	Self employed	34	34
	Student	07	07
Type of family	Nuclear family	91	91
	Joint family	09	09
No. of members in the family	2	28	28
	3	51	51
	4	16	16
	Above 4	05	05
Monthly income (INR)	Less than 20,000	17	17
	20,001 to 30,000	41	41
	30,001 to 40,000	23	23
	40,001 to 50, 000	11	11
	More than 50,000	08	08
Sector of Health Insurance Policy	Public Sector	41	41
	Private Sector	59	59

Source: Primary Data

The table 1 represents the demographic profile of the policy holders. It has been inferred that

- 55 respondents are male,
- 35 respondents aged between 26 and 35,
- 82 respondents are married.
- 46 respondents are under graduates.
- 34 respondents are self-employed.
- 91 respondents belonged to nuclear family.
- 51 respondents have 3 members in their family.
- 41 respondents have monthly income to maximum of between INR 20,001 to 30,000
- 59 respondents have policy in private sector.

Analysis of Loyalty on Health Insurance Companies

The brand loyalty of the consumers of online food consumption is being presented in the table below.

	N	Minimum	Maximum	Mean	Std. Deviation
I will always have a health insurance policy for me and my family and no matter what happens of cost or otherwise	100	1.00	5.00	2.41	1.05
I recommend my preferred health insurance policy to friends and family	100	1.00	5.00	2.92	1.17
I am loyal towards my preferred health insurance company	100	1.00	5.00	2.82	1.43
I have favorable attitude towards my preferred health insurance policy	100	1.00	5.00	2.03	1.12

I am familiar about my preferred health insurance policy and company	100	1.00	5.00	1.96	1.42
I will not switchover to any other policy and stick on the same equivalent plan after the maturity	100	1.00	5.00	2.85	1.33

Source: Primary data

The above table depicts the descriptive statistics of the loyalty of policy holders. The various statements representing the consumer loyalty is being presented with mean and standard deviation. It is clear that the statement I recommend my preferred health insurance policy to friends and family has the better mean value (2.92), followed by I will not switchover to any other policy and stick on the same equivalent plan after the maturity (2.85), I am loyal towards my preferred health insurance company (2.82), I will always have a health insurance policy for me and my family and no matter what happens of cost or otherwise (2.41), I have favorable attitude towards my preferred health insurance policy (2.03) and finally I am familiar about

my preferred health insurance policy and company (1.96).

The statement I am loyal towards my preferred health insurance company has the better standard deviation (1.43), followed by I am familiar about my preferred health insurance policy and company (1.42), I will not switchover to any other policy and stick on the same equivalent plan after the maturity (1.33), I recommend my preferred health insurance policy to friends and family (1.17), I have favorable attitude towards my preferred health insurance policy (1.12) and I will always have a health insurance policy for me and my family and no matter what happens of cost or otherwise (1.05).

Association between the loyalty and demographic Profile of consumers

H<sub>01</sub>: There is no significant association between brand loyalty and their demographic profile of policy holders.

Table – 3: Chi-Square Analysis

S. No	Dependent Variable	Independent Variable	$\chi^2$	Sig. value	Hypothesis
1	Loyalty	Gender	.021	0.02*	Rejected
2	Loyalty	Age	11.258	0.04*	Accepted
3	Loyalty	Marital status	32.180	0.45	Rejected
4	Loyalty	Education	.668	0.05*	Accepted
5	Loyalty	Occupation	2.18	0.02*	Accepted
6	Loyalty	Family type	9.49	0.08	Rejected
7	Loyalty	Members in the family	16.35	0.04*	Accepted
8	Loyalty	Monthly Income	.899	0.00**	Rejected
9	Loyalty	Sector of Health Insurance Policy	1.07	0.00**	Rejected

Source: Primary data \* Significant at 5%. \*\* Significant at 1%

The above table depicts the chi-square analysis between loyalty of respondents and their demographic profile. It is clear from the table that the hypothesis is rejected for the variables gender, age, education, occupation, members in the family, monthly income and sector at 5 % and 1 % respectively. Hence, it is conferred that the association between the loyalty on and the demographic profile of policy holders do exist significantly via; gender, age, education, occupation, members in the family, monthly income and sector.

CONCLUSION

All people should be covered by health insurance. In addition to implementing efforts to keep healthcare costs down, improving access to healthcare facilities is

also essential. In the current liberal economic context, health insurance is expected to advance in a number of ways. However, a health insurance market with no or no oversight may cater solely to those who can afford premiums. Therefore, the difficulty lies in ensuring that the benefits reach the economically vulnerable segments of the community. It's important to foster government and non-government involvement that is both open and accountable. Social health insurance systems developed and marketed through cooperatives and rural associations will greatly help the enormous unorganized employment sectors currently ignored by the existing programs. When health insurance providers take these steps toward establishing trust with their customers and maintaining an ethical

business climate, they boost the reputation of their own brands while also winning the loyalty of their policyholders.

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