



A study on
“Awareness of Health Insurance among people with
special reference to Rajasthan (India)”

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Abstract

Health Insurance is a part of “Personal Insurance and General Insurance”. The medical insurance or mediclaim policy is very well known in India. There are lots of companies which have been offering the cheap mediclaim policies in India. The history of health insurance in India traces back to 1923 when the ‘Workman’s Compensation Act’ was passed. The year 1948 saw the introduction of ESI Act. Since then, the health insurance market has been a wild frontier with rules constantly evolving

Indian Health Insurance covers medical treatment, in case of illness and accidents. Get good medical care without worrying about expensive treatment. In a narrow sense would be an individual or a group purchasing health care coverage in advance by paying a fee called premium.

Health insurance is very well established in many countries. But in India it is a new concept except for the organized sector employees. In India only about 2 per cent of total health expenditure is funded by public/social health insurance while 18 per cent is funded by government budget. This study focused upon the awareness of health insurance among layman in Rajasthan Area (India) This study also provides suggestions for health



insurance companies to deal with their limitations and to grab the opportunities more in the market

Keywords: *Health Insurance, Mediclaim policies in India, Health care, IRDA*

I. Introduction

The history of health insurance in India traces back to 1923 when the 'Workman's Compensation Act' was passed. The year 1948 saw the introduction of ESI Act. Since then, the health insurance market has been a wild frontier with rules constantly evolving.

In the late 19th century, "accident insurance" began to be available, which operated much like modern disability insurance. This payment model continued until the start of the 20th century in some jurisdictions (like California), where all laws regulating health insurance actually referred to disability insurance.

Indian Health Insurance covers medical treatment, in case of illness and accidents. Get good medical care without worrying about expensive treatment. In a narrow sense would be an individual or a group purchasing health care coverage in advance by paying a fee called premium

Historically, HMOs (Health Maintenance Organization) tended to use the term "health plan", while commercial insurance companies used the term "health insurance". A health plan can also refer to a subscription-based medical care arrangement offered through HMOs, preferred provider organizations, or point of service plans. These plans are similar to pre-paid dental, pre-paid legal and pre-paid vision plans

The year 1999, with the passing of Insurance Regulatory Development Authority Bill (IRDA), marked the beginning of a new era for Indian Health Insurance, with a couple of international players investing in the Indian health insurance market by teaming up with local companies.

Health care was not in good condition before 1947, but we have made considerable progress in improving the health status of our country and health insurance is an important emerging financial tool in meeting health care needs of the people of India. Thus a favorable demand, significant market potential with supportive infrastructure and regulatory environment will bring a boom in the Indian Health Insurance scenario. Currently only 10 per cent of the



Indian population has health insurance, which means that there is tremendous scope for growth in this area.

II. Objectives of the Study

1. To find out the awareness of health insurance among people of Rajasthan (India). Because in India, still people are not aware with the term health insurance exactly, from which they can get the benefits in medical services.
2. To find out the ratio among awareness and purchase of health insurance by people.
3. To find out preferable health insurance companies by people of Rajasthan (India).
4. To find out the Knowledge about health insurance company's terms and conditions among people.
5. To find out an appropriate way to improve the conditions of health insurance in India.

III. Review of Literature

The review of literature for health insurance in India is important as consumer behaviour changes with passage of time and in order to have knowledge about the various authors review findings and suggestions on the concerned topic. So, the review of literature for the study is as follows:

K. Selva Kumar and Dr. S. Vijay Kumar (2013) in their article, "Attitude of policy holders in the direction of administration of general insurance companies with orientation to Madurai region" The study reveals that 23% policy holders belongs to low level of attitude, 46% to medium level of attitude and 31% to high level of attitude. There is an important relationship between ages, sex, education, and marital status, type of family, community and level of their attitude headed for administration of services of public sector general insurance companies holds good.

R. Amsaveni and S. Gomathi (2013) made an attempt to find out mediclaim policy holder satisfaction, to recognize the reason for preferring mediclaim policy to safe guard themselves and stay away from future risk, majority of the respondents have taken personal scheme to employees. The major problems faced by the respondents are lack of timely communication and limited list of hospitals covered by the health insurance providers.

J. Jaypradha (2012) in the article, "Problems and prospects of health insurance in India" highlighted that the health insurance sector in India has registered 30% growth rate in 2008-09. The penetration of health insurance in India had risen to 4.8%, in 2008 from 1.2% in



1999-2000. The average medical expenditure of an Indian household is 6.7% of the annual income.

Ravikant Sharma (2011) in his paper, “A Comparison of Health Insurance Segment- India vs. China” seeks to compare both the economies India and China on health insurance aspect. Both economies have huge potential of health insurance and 45% of world’s population lives in both the countries.

P. Jain et al., (2010) in his paper, “Problems faced by the Health Insurance Policyholders of Different Public and Private Health Insurance Companies for Settlements of their Claims” Measure the problem faced by customers. The objectives were to study reason for refusal of claim, satisfaction level of customer and problems faced by them in getting their claim.

Ramesh Bhat and Falan Reuben (2001) in their article, “Analysis of claim and reimbursements made under mediclaim policy of general insurance corporation of India” analyses 621 claims and reimbursements data relating to policy beginning year 1997-98 and 1998-99 of Ahmadabad. They found that number of policies and premium collected have grown 30% during 1998- 00 and 50% during 1999-2000.

R. P. Ellis et al., (2000) in the article, “Health insurance in India- Prognosis and Prospects” tries to review a variety of health insurance system in India, their limitation and role of the general insurance corporation as an important insurance agency. They focused the need for a competitive environment. This paper recommends improvement in delivery of health care and its financing, efficient functioning of the ESIS and CGHS and amending the mediclaim system and alteration in exclusion clause.

IV. Hypothesis of the Study

The study proceeds with the following hypothesis, that:

Hypothesis 1: Health insurance in India have been badly lacking of awareness among Indian people.

Hypothesis 2: Government health insurance companies are more beneficial to customers than private health insurance companies.

Hypothesis 3: Government health insurance companies are difficult to access for customers than private health insurance companies.

Hypothesis 4: The Government health insurance companies have transparent procedure and have lesser hidden charges.



V. Research Methodology

This paper is based on exploratory research. The primary data was collected from people through a structured questionnaire. The Secondary data was collected from different sources; Indian and international journals, health insurance bulletins, news papers.

Research Type: - Exploratory

Sampling Technique: - Simple Random Sampling

Sample Unit: - Respondents from Rajasthan Area (India)

Sample Size: - 120

Tools for Data Collection: - Questionnaire (Both Open ended and Close ended questions)

Tools for Data Analysis: - Frequency percentage test

VI. Data Analysis And Interpretation

Data collected from respondents

1. General information (Personal and family information)

The personal characteristics were studied in terms of age, gender, education level, family type, occupation and locality (Table 1)

Age of the respondents was recorded and it was observed that maximum respondents (43.33%) belonged to the age group of 30-40 years and minimum respondents (2.5%) belonged to the age group of above 50 years. It was observed that 51.67 per cent of the respondents were male and only 48.33per cent were female in respondents.

The data pertaining to education revealed that all the respondents were educated. Maximum number of respondents (37.5%) was graduate or post graduate, 23.33 per cent respondents had qualification up to intermediate, 34.17 per cent respondents were high school pass and only 5 percent respondents had education up to primary level only. The data also revealed that 71.67 per cent respondents belonged to nuclear family and only 28.33per cent belonged to joint family.

Table 1: General Information

n=120

Sl. No.	Parameters	Variables	Frequency	Percentage
1.	Age	Below 20	4	3.33
		20-30	38	31.67
		30-40	52	43.33
		40-50	23	19.17
		Above 50	3	2.5
2.	Gender	Male	62	51.67



		Female	58	48.33
3.	Educational status	Illiterate	-	-
		Primary	6	5
		High school	41	34.17
		Intermediate	28	23.33
		Graduate and above	45	37.5
4.	Family type	Nuclear	86	71.67
		Joint	34	28.33
5.	Occupation type	Govt.Service	22	18.33
		Private Service	28	23.33
		Business	45	37.5
		House wives	14	11.67
		Students	11	9.17
6.	Locality	Urban	45	37.5
		Semi Urban	40	33.33
		Rural	35	29.17

It is clear from Table 1 that maximum respondent 37.5 percent were belonged to business class, 23.33 percent belonged to private service, 18.33 percent belonged to government service, 11.67 percent belonged to house wives and minimum 9.17 percent belonged to students. It is also clear from Table 1, that 37.5 per cent respondent lived in urban areas and only 29.17 percent in rural area.

2. Specific information:

2.1 Awareness about health insurance:

Respondents were asked about their knowledge and awareness of health insurance. Obtained results shown in Table 2.1



Table 2.1: Awareness of health insurance

n= 120

S.No.	Responses	Frequency	Percentage
1.	Yes	84	70
2.	No	36	30

It is clear from Table 2.1 that 70 per cent population were aware about health insurance and only 30 per cent were unaware about this term.

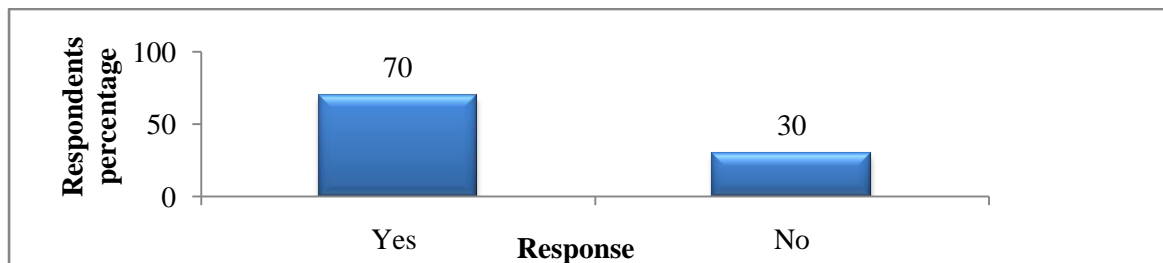


Fig. 2.1: Awareness of health insurance

2.2 Health insurance policies purchased by respondents:

Respondents were asked about their purchasing habit of health insurance policies, pertained result shown in Table 2.2

Table 2.2: Health insurance policies purchased by respondents

n= 120

S.No.	Responses	Frequency	Percentage
1.	Yes	63	52.5
2.	No	57	47.5

Only 52.5 per cent respondents have any health insurance policy and 47.5 per cent did not have because of lack of knowledge regarding benefits of health insurance policies.

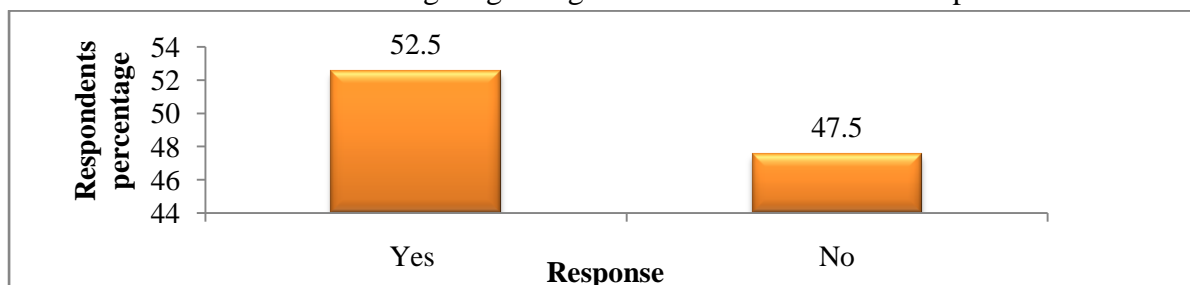


Fig. 2.2: Health insurance policies purchased by respondents



2.3 Preferable health insurance companies:

Respondents who have health insurance policies were asked about the name of the company from which they benefited those policies. Various known companies name were highlighted, in which mostly services was availed from all four government sector general insurance companies. In private sector health insurance companies ICICI Lombard, Star net health insurance, HDFC general insurance was highlighted.

It was clear from the responses that most of the population has their health insurance policy from government sector general insurance companies.

2.4 Reasons to choose health insurance policies:

Respondents were asked about the reasons on behalf of which they choose a health insurance policy. Various reasons came in front like: for safety and security measures of health, to prevent huge medical expenses, to secure whole family's health under a single policy, to get reimbursement of medical expenses and to get better treatment in best hospitals.

2.5 Reasons for not to have health insurance policy:

Respondents were asked about the reasons behind not to choose any health insurance policy. Various reasons came in front like: they do not have trust over companies, do not feel necessity for having health insurance, already benefited with ESI facilities, no return on premiums after its maturity, lack of hospital networks of companies, complexity of terms and conditions and lack of transparency.

2.6 Preferable health insurance policies:

Respondents preferred different kind of health insurance policies according to their requirements. Various demographic factors affect their personal choices to choose any health insurance policy. Most preferred policies were: universal health insurance policy, personal accident policy, family floater policies, cashless plan and group health insurance policies.

2.7 Knowledge about health insurance company's terms and conditions:

Every health insurance company have its own terms and conditions for policies. Respondents were asked about their knowledge regarding those terms and conditions, as shown in Table 2.3

Table 2.3: Knowledge about health insurance company's terms and conditions

n= 120

S.No.	Responses	Frequency	Percentage
1.	Yes	54	45
2.	No	66	55



The data revealed that 55 per cent respondent did not have knowledge about terms and conditions of the health insurance policies because insurance advisors just explained them about policy and did not explain terms and conditions. Only 45 per cent respondents have knowledge about health insurance policies, those who was highly educated and understood English language written in insurance contract.

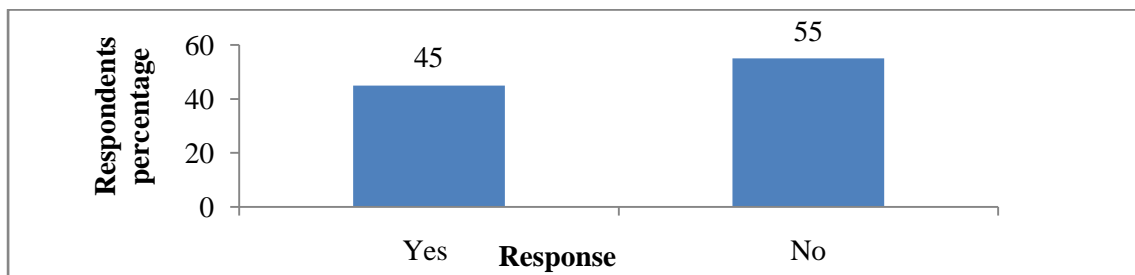


Fig. 2.3: Knowledge about health insurance company's terms and conditions

2.8 Transparency of health insurance companies:

Respondents were asked about the transparency of health insurance companies, while they entered into a contract with customer. Obtained results shown in Table 2.4

Table 2.4: Health insurance companies are transparent

n= 120			
S.No.	Responses	Frequency	Percentage
1.	Yes	9	7.5
2.	No	111	92.5

It is clear from Table 2.4 that 92.5 per cent respondents were agreed for that health insurance companies are not transparent because to maximize their business is only aim for them. They only want to sell their health insurance policies to customers rather than educate them about its necessity and benefits and warnings too. Even the terms and conditions are also not highlighted and explained during signing contract. So this result shows lack of transparency in health insurance companies.

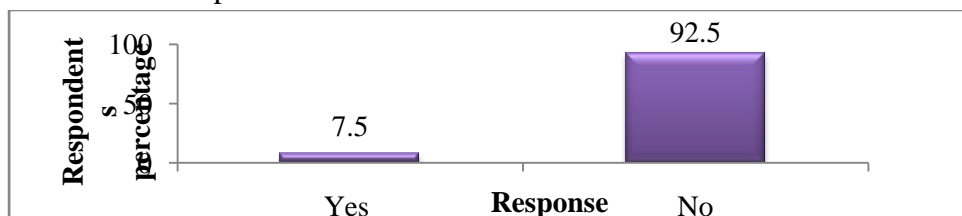


Fig. 2.4: Health insurance companies are transparent

2.9 Accessibility of health insurance companies:

Obtained data from regarding easy to accessible government or private health insurance companies and reasons behind it, shown in Table 2.5



Table 2.5: Accessibility of health insurance companies

n= 120

S.No.	Type of company	Frequency	Percentage
1.	Govt. Health insurance company	52	43.33
2.	Private Health insurance company	68	56.67

It can be seen from Table 2.5 that 56.67 percent respondents said that private health insurance companies were easy to access because they have good network with number of insurance advisors, who provides door to door service and reminds for premiums, provide customer care facilities and focused upon individual customer. 43.33 percent respondents said that government health insurance companies are easy to access because now they also have good network of advisors to provide services at home, have branches in all over India, trustworthy and do not have complexities in claim settlement process.

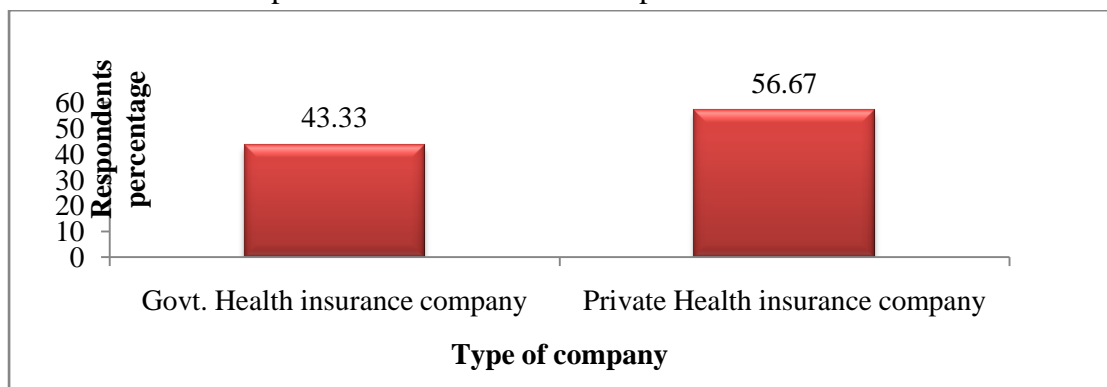


Fig. 2.5: Accessibility of health insurance companies

2.10 Benefits provide by health insurance companies:

Respondents were asked about the benefits which they get from health insurance companies. Most common benefits which they received were: medical bills reimbursement facility, cashless hospitalization facility, better treatment in best hospitals, easy and early payment facility, policy renewable benefit, family floater benefit and group insurance benefit.

2.11 Suggestions for health insurance companies to improve their conditions:

Suggestions were asked from the respondents for health insurance companies to improve their current conditions. Respondents suggested so many important points separately for government and private health insurance companies. Suggestions for government companies were that they should improve their customer support services, introduce money back policies, develop short claim settlement process, develop more cashless facilities network and issue health insurance card like identity card to Indian citizens.



VII. Conclusion

It is concluded from this study that respondents are aware about health insurance but denied to take health insurance or mediclaim policies. People have trust more on public general insurance companies rather than private general insurance companies to avail the health insurance policies. Respondents were not much aware regarding health insurance policies terms and conditions and according to them health insurance companies are not transparent. Thus, health insurance still have wider scope in India but is suppose to be easy to understand and accessible.

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