

An Analytical Study on Policyholders' Satisfaction and Service Quality of Health Insurance Organizations - With Special Reference to Delhi NCR

Prateksheet Dagar¹,

¹Research Scholar, Shri Venkateshwara University, Gajraula, UP

Dr. S. K. Bhogal²,

²Dean & Professor, Shri Venkateshwara University, Gajraula, UP

ABSTRACT:

The insurance industry, particularly the health insurance business area, places a premium on customer satisfaction and service excellence. It not only demonstrates a customer's loyalty but also aids in determining their demands. Health insurance is the most complicated of all insurance types. In addition to the insurer and the insured, the health insurance system also includes a number of other elements, including hospitals and other healthcare facilities as well as Third Party Administrators. Therefore, the mechanism of health insurance heavily depends on client pleasure. In the health insurance industry, it's more crucial to keep existing clients than to get new ones because doing so will demand less money and marketing effort. because more private sector businesses are emerging

INTRODUCTION

The process of economic development benefits greatly from insurance. It functions as a risk defense against things like disease, fire, accidents, and natural disasters. Insurance has a long history in India. In 1818, the Oriental Life Insurance Company of Calcutta established the first life insurance company in India. The insurance industry was nationalized by the Indian government in 1956. A dramatic transformation in the insurance industry was brought on by the liberalization initiatives. In 2000, the IRDA, which had been established in 1999, opened the market and permitted foreign firms to operate in the Indian insurance industry.

The IRDA classifies health insurance as a different type of company. The sales of the health insurance sector have increased by half during the past five years, jumping from 15453 crores to 30764.50 crores. Public limited companies are gradually losing their market share to private sector companies. If the customer is not satisfied, there is a probability that he will choose another insurance company. So customer satisfaction has pivotal role in retaining the existing customer.

LITERATURE REVIEW

Abaidoo (2015) aimed at identifying the customer satisfaction strategies in insurance industry for a successful implementation of business. The strategic importance of customer satisfaction to a business firm's growth largely depended on the satisfaction of the customers.

Hussen (2015) investigated the level of satisfaction and loyalty of the policyholder towards insurance companies. The study examined the customer satisfaction level through the application of two different customer satisfaction tools such as SERVQUAL and overall customer satisfaction models. Studies focused on the satisfaction among public and private limited companies and the type of policies in health insurance sector

were minimal. To fill this gap the current study has been carried out.

Aggarwal, Kapoor and Gupta (2013), examined the recent innovations in health insurance sector. Also, they identified the future areas for innovation in health insurance sector and associated challenges and complex issues involving health insurance.

Vazifehdust and Farokhian (2013) described the factors influencing the customer satisfaction of policyholders in insurance industry. Firstly the service quality factors were examined and then the customer satisfaction and other factors identified.

Thomas and Koshy (2013), according to them the three identified factors which involved the purchase of health insurance products by the consumer were personal, marketing and social. The study aimed at understanding the pattern of subscription of health insurance in different demographic groups and their awareness of health insurance.

Ruchita & Bawa (2011) analysed the performance and prospects of health insurance in India. They also identified the factors affecting the performance of public sector insurance companies.

Kumar.P (2011) examined the customer expectation and satisfaction of insurance policyholders towards the services provided by 11 life insurance companies in India. According to the study the companies were offering different products, though they were providing similar kinds of service.

Anita.J (2008), health insurance was considered as a complex version of insurance because of the never ending conflict between the insured and the insurers. Health insurance sector in India still remained an unexplored business sector.

Latha and Annamalai (2007) analysed the personal and social factors influencing in the purchase of health insurance policies. The agent played a crucial role in marketing health insurance products. They also discussed the awareness and opinion about health insurance and health insurance practices.

STATEMENT OF PROBLEM

Public sector firms including National, New India Assurance, Oriental, and United India hold the lion's share of the market share in the health insurance sector. Significant changes have been made to the Indian insurance industry as a result of liberalization measures, which have allowed private insurance providers access. As a result, insurance companies faced more competition. The total premiums collected from the health insurance industry in 2014–15 totaled 20096 Crores, of which 12882 Crores came from public sector businesses and 7214 Crores from private companies. The total amount of business in 2015–16 was 24849.05 crores, of which 15559.03 crores were contributed by public limited businesses and 9290.03 crores by private enterprises. The total amount of business in 2018–19 was 30764.50 crores, of which private firms contributed 11700.08 crores and public limited companies contributed 19064.42 crores. Consequently, it is clear that the public sector dominates the health insurance sector, despite the fact that their market share is shrinking. Market shares for the three years between 2017 and 2019 were 64.10, 62.61, and 61.96, respectively. In comparison to individual and family floater plans, it has typically been observed that group insurance policies have lower percentages of deductions and claim rejection rates during claim settlement. Do the types of policies and the diminishing market share have any part in how satisfied policyholders are? This issue is covered in the study.

SCOPE OF THE STUDY

Due to the dramatic increase in medical costs, health insurance has become an absolute requirement for the average person. For insurance businesses that operate in the health insurance sector, the study's findings will be useful in enhancing the quality of their services. As private companies have already done, the study will assist public limited companies propose many policy alternatives depending on client needs.

OBJECTIVE OF STUDY

- The purpose of the survey is to determine how satisfied policyholders are with public and private limited health insurers.
- The study looks at how various rules affect obtaining customer satisfaction.

RESEARCH METHODOLOGY

Based on descriptive research, the study uses both primary and secondary data. Policyholders who received treatment at hospitals that have contracts with health insurance were the source of the primary data. Secondary information on health insurance and consumer satisfaction was gathered from a variety of journals and online sources. 150 people with health insurance who fit different demographic categories provided the information. Frequency percentage tests and chi-square tests were two of the analysis procedures used.

DATA ANALYSIS AND INTERPRETATION

Table 1: Demographic Details

Sl. No.	Particulars	Classification	Number of Respondents	Percentage
1.	Age	Up to 30	17	11.33
		30 to 50	99	66.00
		Above 50	34	22.66
2.	Gender	Male	79	52.66
		Female	71	47.33
3.	Area of Residence	North Delhi	42	28.00
		South Delhi	78	52.00
		NCR	30	20.00
4.	Education Qualification	SSLC	8	5.33
		HSC	14	9.33
		Diploma	23	15.33
		Graduate	58	38.66
		Post Graduate	25	16.66
		Professional	22	14.66
5.	Marital Status	Single	19	12.66
		Married	131	87.33
6.	Occupation	Employee	44	29.33
		Business	23	15.33
		Homemaker	16	10.66
		Retired	13	8.66
		Professional	42	28.00
		Self employed	12	8.00
7.	Monthly Income	Up to 40000	46	30.66
		40001-80000	72	48.00
		Above 80000	32	21.33

Of the 150 policyholders, the age of a majority ranged 30 to 50 and it was 66 percent. 52.66 percent of the policyholders were male and 47.33 female. Among the policyholders a majority of them were semi-urban

residents, this was 52 percent.

38.66 percent policyholders' educational qualification was graduation. Hence, most of the policyholders were graduates. Among the policyholders, a majority of them were married and it was 87.33 percent. 29.33 percent of the policyholders were employees and 28 percent professionals. The income of most of the policyholders ranged between 40000 and 80000, which was 48 percent.

Table 2: Insurance Details

Sl. No.	Particulars	Classification	Number of Respondents	Percentage
1.	Sum Assured (in Lakh)	Up to 1	6	4.00
		1-2	31	20.66
		2-3	72	48.00
		3 and Above	41	27.33
2.	Type of Policy	Individual	25	16.66
		Family Floater Health Policy	60	40.00
		Group Health Policy	65	43.33
3.	Insurance Company	Public Sector	70	46.66
		Private Sector	80	53.33

The sum assured plan of most policyholders ranged between 2 Lakh and 3 Lakh, which was 48 percent, followed by policyholders whose sum assured plan was above 3 Lakh, which was 27.33 percent. 43.33 percent of the policyholders have availed themselves of health insurance policy through group insurance, followed by family floater policies, which was 43.66 percent. 53.33 percent of the policyholders have purchased health insurance policy from private sector companies and 46.33 from public sector companies. Thus a majority of the policyholders were private sector insurance customers.

CHI-SQUARE ON SATISFACTION

To examine if the type of insurance company was associated with the level of satisfaction, the following hypothesis was framed and tested.

Ho: Type of insurance company is not associated with satisfaction

Table 3

Insurance Company	Level of Satisfaction			Total
	Low	Moderate	High	
Public	30 (42.9)	19 (27.1)	21 (30.0)	70 (100.0)
Private	18 (22.5)	30 (37.5)	32 (40.0)	80 (100.0)
Total	48	49	53	150
Df:2	Chi-square :7.1008		P Value: 0.0287	Significant

Private sector health insurance policyholders have high level of satisfaction. Public sector health insurance policyholders have low level of satisfaction. Thus, it is inferred that private sector policyholders have high level of satisfaction on health insurance policies. As the calculated P value is less than 0.05, there exists a highly significant association between type of insurance company and level of satisfaction. Hence, the null hypothesis is rejected. To examine if type of policy was associated with level of satisfaction, the following hypothesis was framed and tested.

Ho: Type of policy is not associated with satisfaction

Table 4

Type of Policy	Level of Satisfaction			Total
	Low	Moderate	High	
Individual Health	8 (32.0)	13 (52.0)	4 (16.0)	25 (100.0)
Family Floater Health	28 (46.7)	22 (36.7)	10 (16.6)	60 (100.0)
Group Insurance	17 (26.1)	30 (46.2)	18 (27.7)	65 (100.0)
Total	53	65	32	150
Df:4	Chi-square : 13.73			P Value: 0.008 Significant

Group insurance

policyholders have high level of satisfaction on health insurance policies. Individual policyholders have low level of satisfaction on health insurance policies. Thus, it is inferred that group insurance policyholders have high level of satisfaction on health insurance policies. As the calculated P value is less than 0.01, there exists highly significant association between type of policy and level of satisfaction, Hence, the null hypothesis is rejected.

FINDINGS

The majority of policyholders are in their 30s to 50s.

- The majority of policyholders—52 percent—live in South Kolkata areas, with males making up 52.66 percent of the population and females 47.33 percent.
- Graduates, postgraduates, and professionals make up 69.98% of policyholders.
- 87.33 percent of policyholders are married, which is a majority.
- Professionals and workers make up the majority of policyholders (57.33%)
- The majority of policyholders' (48%) monthly income falls between \$40,000 and \$80,000.
- Among policyholders, those in the private sector report higher levels of satisfaction than those in the public sector.
- Individual insurance policyholders are less satisfied than group insurance policyholders, who report higher levels of satisfaction.
- Since workers and professionals make up the majority of policyholders, group insurance accounts for 43.33 percent of all policies.
- Low percentage deductions and better coverage are typically seen with group insurance policies; as a result, this may be the cause of group policyholders' higher levels of satisfaction.
- Policyholder satisfaction with private health insurance businesses is higher; as a result, there may have been a significant shift in momentum in favor of private sector insurance companies' market share.

SUGGESTIONS

One of the most vibrant and quickly expanding segments of the Indian insurance business is health insurance. The gross premium collected increased by 99.21 percent during the last five years, from 2015 to 2020, from 15453 crores to 30764.50 crores. Understanding client demands is essential for survival in this fiercely competitive and perhaps dangerous climate. The health insurance sector has undergone major changes as a result of various technological developments. Private sector businesses are advocating a range of cutting-edge health programs and adopting a more customer-focused strategy. Companies from the public sector are falling behind in these industries. The public sector companies will need to place the highest priority on customer satisfaction if they want to maintain their leadership in the health insurance sector.

CONCLUSION

It has been determined that the type of insurance company and policy have a big impact on how satisfied health insurance policyholders are. Health insurance policyholders who have used private limited company policies are happier with them than those who have policies with public limited businesses. The kind of policies also has a significant impact on how satisfied policyholders are. Individual and family floater policy holders are less happy with their health insurance than group policyholders are. Insurance firms will need to place more attention on policyholder happiness because it plays a significant role in renewing policies and choosing businesses.

BIBLIOGRAPHY

- [1] Abaidoo GG, "Customer Satisfaction Factors in Life Insurance Growth in Ghana (Published thesis)", *Walden University, Minnesota*, (2015).
- [2] Aggarwal A, Kapoor N & Gupta A, "Health Insurance: Innovations and Challenges Ahead", *Global Journal of Management and Business Studies*, Vol.3, No.5, (2013), pp.475-880.
- [3] Anita J, "Emerging Health Insurance in India- an Overview", *10th Global Conference of Actuaries*, (2008).
- [4] Hussen S, "Service Quality, Customers Satisfaction and Loyalty: A Study on Insurance Companies in Adama, Ethiopia", *European Journal of Business and Management*, Vol.7, No.4, (2015), pp. 269-276.
- [5] Kumar P, "A Study of Customer Satisfaction of Life Insurance in India", *Journal of Doctoral Studies*, Vol.1, No.1-2,(2011), pp.6582.
- [6] Latha M N & Annamalai R, "A Study on Awareness, Satisfaction and Problems of Customers towards Health Insurance (Published Thesis)", *Bharathiar University, Coimbatore*, (2007).
- [7] Ruchita BSK, "Performance and Prospectus of Health Insurance in India(Published Thesis)", *Guru Nanak Dev University, Amritsar*, (2011).
- [8] Varghese T & Koshy MP, "Determinants of Consumer Purchasing Decisions of Health Insurance Sector in Kerala(Published Thesis)", *School of Management Studies Cochin University of Science and technology, Kochi*,(2013).
- [9] Vazifehdust H & Farokhian S, "Factors influencing customer satisfaction with the success factors identified in the insurance industry", *African Journal of Business Management*, Vol.7, No.21, (2013), pp.2026-2032.