Customer Perception And Factors Effecting Selection Of Health Insurance Policy In Indore Region

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ARTICLE INFO	ABSTRACT
	A new social security tool for people with chronic illnesses and long-term health issues who cannot afford the healthcare system is health insurance. Medical costs spent by individuals and groups both prior to and following hospitalization are covered by health insurance policies. In order to ascertain the awareness, impact, and aspirations of health insurance policy holders in Indore City, the current study investigates respondents' perceptions of the various insurers' health insurance plans. A sample of 192 respondents was gathered for this purpose, and statistical analysis was performed using methods including percentage analysis for demographic data, insurer, approach, policy alternatives, and policy holders' satisfaction levels. Rankings were awarded to the factors based on the computation of weighted average scores for sources of awareness, reasons for obtaining a policy, and claim logged information on health insurance schemes.
	The impact of variables in choosing the health insurance policy and the highly impacted elements of claims logged in have been identified through the use of exploratory factor analysis. These findings will provide policy makers and marketers with well-informed guidance on how to implement operational implications and tactics aimed at lowering customer attrition and increasing retention in the future.
	Keywords: Health Insurance, Perception, Percentage Analysis, Weighted Average Scores, Exploratory Factor Analysis.

1. Introduction:

Health insurance is a crucial tool for securing the public's needs for medical treatment. Through the health insurance system, risks related to unanticipated hospital stays for individuals or specific populations experiencing serious illnesses and particular hospital demands must be pooled. In India, the health care system receives only a small portion of the national budget; the majority comes from personal out-of-pocket (OOP) expenses. The initiatives to increase insurance coverage in order to alleviate health disparities and lessen the financial burden of healthcare on consumers by establishing a variety of plans with reasonable premiums. Many people are aware of health insurance, which opens up new avenues and makes it a more desirable method of financing medical services in India.

By 2020, India would be among the top three markets in terms of incremental growth thanks to the expansion of financing health care services. The Indian health insurance market is expected to be worth $12860 million in 2022 and $30291.2 million in 2030, according to forecasts. In 2022–2023, the compound annual growth rate is 11.6%. Only 18% of people in urban areas and 14% of those in rural areas, according to a recent NITI Aayog poll, have any kind of health insurance coverage. The Indian government has launched a number of measures to boost usage and penetration across all segments in an effort to close this gap. Programs such as Pradhan Mantri and Ayushman Bharat Yojana the Pradhan Mantri Suraksha Bima Yojana, Aam Aadmi Bima Yojana (AABY), and Jan Aarogya Yojana (PM-JAY) have been implemented to offer health insurance to the economically disadvantaged segments of society. The financial inclusion programs and government initiatives have been instrumental in driving market expansion.

In order to fulfil the objectives and to determine respondents' awareness, impact, and expectations regarding health insurance plans in Indore City, the current study aims to ascertain respondents' perceptions of various

health insurance schemes.

2. Review of literature

Numerous research investigated respondents' perceptions, influences, and expectations regarding health insurance in various parts of India. The study on customers' perceptions of health insurance in the Bardoli and Mandvi region was examined by Nilay Panchal (2013). The researchers proposed that the reasons behind the high prices of health insurance policies include a lack of financial assistance and low knowledge. The study by Tanuj Mathur et al. (2015) looked into socioeconomic variables, consumer perceptions of health insurance products, and personality characteristics that are important when purchasing an insurance policy. In order to better understand perceptions and the variables influencing the purchase of private, voluntary health insurance policies, a study was conducted in the Lucknow region.

Priya and Srinivasan (2015) investigated how health insurance information might lessen a customer's financial burden when they are hospitalized in the city of Coimbatore. Sini and Karpagam (2016) focused on the variables impacting the payment of health insurance premiums while also discussing the understanding of various insurance firms' health insurance plans.

Anandhi (2016) determined the factors that influence a customer's decision to purchase an insurance policy from an insurance company and examined consumer purchasing patterns to ascertain the factors that influence a consumer's preference for insurance firms. In their 2017 study, Mehrdad Asghari and Harish Babu compared policyholders' expectations and views of the quality of service provided by Indian health insurance providers in Banglore. Anjali Jacob (2018) provided a description of the customers' awareness, happiness levels, and influencing factors of Ranny Thaluk health insurance. The researcher suggested that all ailments should be covered by health insurance policies and that the required arrangements be made to allow clients to obtain health insurance cards.

In our study we concentrated on the degree of awareness, influence, and expectations of health insurance policy holders in our study. Additionally, we focused on the consumer's motivations for utilizing the policy, information from claim logs, and metrics related to level of satisfaction. We determined the impact of claim logged variables and their highly influenced factors while choosing the policy.

3. STATISTICAL ANALYSIS RESULTS

Table: 3.1: Details of Demography of Health Insurance policy Respondents

S. No.	Demographical Variables	Attributes	Frequency	Percentage
1	Gender	Male	125	65.10
		Female	67	34.90
		Total	192	100
2	Age	Less than 25Years	69	35.9
		25 to 40 Years	84	43.75
		40 to 60 Years	36	18.75
		Above 60 Years	3	1.6
		Total	192	100
3	Qualification/Education	Illiterate	1	0.52
		Primary	64	33.33
		Higher Secondary	59	30.73
		Graduation	7	3.65
		Post-Graduation	60	31.25
		Others	1	0.52
		Total	192	100.00
4	Source of Income	Employed	118	61.5
		Self Employed	14	7.3
		Labour or Daily Wagers	0	0
		Housewife	8	4.2
		Unemployed	28	14.6
		Professional	14	7.3
		Family Owned Business	7	3.6
		Retired	3	1.6
		Total	192	100
5	Income	Less than 1 Lakh	31	16.1
		1-5 Lakhs	40	20.8
		5-10 Lakhs	86	44.8
		10-15 Lakhs	29	15.1
		Above 15 Lakhs	6	3.1
		Total	192	100

6	Type of Family	Joint	50	26.04
		Nuclear	142	73.96
		Total	192	100

Table 3.1 shows that the major proportion of the respondents were male members - nearly 125 (65.1%) samples were males compared to female respondents who were 67 samples (34.9%). Most of the individuals belonging to the age groups of 25 to 40 years while claiming the health insurance and maximum respondents had completed primary education followed by post-graduation and higher secondary. Most of the respondents were employed and fall above 1 lakh income in the level of income group. This study collected samples from married respondents in which most of them are living in nuclear families. The graphical representations gave a better understanding of demographical variables

Table 3.2: Influence and Expectations on Health Insurance Policy

Variable	Attributes	Frequency	Percentage
Who persuaded you to BUY the policy?	Insurance Officials	19	9.9
	Relatives	20	10.4
	Friends	14	7.3
	Advertisement	8	4.2
	Income Tax Advocates	0	0
	Colleagues	18	9.4
	Yourself	94	49
	Others	19	9.9
	Total	192	100
Expectations from the Health Insurance Scheme	Better/Quality Health Package	99	51.6
	Awareness	11	5.7
	Accessibility and affordability	37	19.3
	Keep to Promises	10	5.2
	Medical Check-Up/ Free Registration	8	4.2
	Refund policy when not used	19	9.9
	Flexibility in Paying	3	1.6
	Provision of Mobile Health across all Areas	5	2.6
	Total	192	100

Table 3.2 Depicts the influence and expectations for choosing health insurance Policy. In this study respondents have voluntarily picked health insurance policy (nearly 94 samples (49%)) than the other types of influential variables and everyone was expecting of good/quality health packages (approximately 52%) over other expectations.

Table 3.3: Sources of Awareness:

S.No.	Attributes	WAS	Rank
1	Newspapers	6.80	1
2	Conference and Seminars	4.73	10
3	Incentives to policy holders	5.70	4
4	Renewal notice by insurance companies	5.07	6
5	Advertisement	6.5	2
6	Sponsoring event by insurance companies	4.89	8
7	Internet (World Wide Web)	6.02	3
8	Road shows, fare & festivals	4.83	9
9	Introducing saving linked insurance	4.98	7
10	Making health insurance mandatory	5.48	5

Table 3.3 shows the ranking of different sources to create awareness regarding the health insurance schemes. The study explores the highly influenced source of awareness of health insurance is News Papers which ranked top and advertisement (2nd) and Internet (3rd) occupied next preceding ranks. Least ranks were Conference (10th) and Seminars and Road shows, fairs & festivals (9th). From the observations we can conclude that the respondents have become are aware about Health insurance by Newspapers, Advertisements in various platforms and through internet sources.

Reasons for having Health Insurance:

Table 3.4: Weighted Average Scores (WAS) and Ranks

S.No	Attributes	WAS	Rank
1	Measures of Tax Planning	3.56	3
2	Travelling Abroad	2.58	6
3	Employer's Contribution	3.4	4
4	Existing Illness	2.64	5
5	Availing good quality medical treatment	4.86	1
6	Risk coverage against future illness, old age etc.	3.97	2

Table 3.4 shows the ranking of reasons for preparing health insurance scheme with weighted average scores. It shows that the most important factor for choosing health insurance is to get quality treatment for which respondents selected it as the highest preference. Risk coverage against future illness, old age etc. (2nd) and Tax Planning Measure (3rd) is the next preference of the respondents. And lowest in ranks were Existing Illness (5th) and Travelling Abroad (6th). Form the above table we can say that most of the respondents opted health insurance for availing good quality medical treatment than the other reasons.

Table 3.5: The Insurer, Policy Opted and Approach by Policy Holders

S.No.	Insurance Variables	Attributes	Frequency	Percentage
1	Do you have Insurance Policy?	Yes	192	100
2	Insurer Type	Public Company	76	39.6
		Private Company	115	59.9
		Others	1	0.5
		Total	192	100
3	Type of Health Insurance Policy	Individual	62	32.3
		Group	47	24.5
		Family Floater	81	42.2
		Others	2	1
		Total	192	100
4	Preferred time gap of Payment	Once in a month	28	14.6
		Once in Three Months	38	19.8
		Once in Six Months	26	13.5
		Once in a Year	100	52.1
		Total	192	100
5	Preferred Payment Methods	Individually to the Bank	141	73.4
		Through an Association (group)	21	10.9
		Through an Agent	21	10.9
		Others	9	4.7
		Total	192	100
6	Approach adopted in seeking health insurance coverage	Insurance agent seeked you out	66	34.4
		You seeked out insurance agent	76	39.6
		Others	50	26
		Total	192	100

Table 3.5 depicts that all the respondents have different types of health insurance schemes and most of the respondents opted Private Insurance Companies (nearly 115 (59.9%) than Public Companies (approximately 76(39.6%)). The respondents have chosen different types of health insurance policies in which family floater type isthe highest preference (nearly 42.2 %) than the individual (32.3%) and group (24.5%) insurance policies. Further the respondents are flexible in paying their policy premiums by yearly basis than the other types and interested in paying individually to the bank than the other methods. Though there is mixed opinion in seeking health insurance coverage, the respondents' sought out insurance agent for availing health insurance claims. The insurance parameters are shown as graphical representations.

3.6. Claim Logged Information of Policy Holders

Have you ever logged claim	Frequency	Percentage
Ombudsmen	81	42.2
Insurance Regulatory Development Authority Cell	111	57.8

Consumer Court	0	0
Others	0	0
Total	192	100.0

Table 3.6 explains about claim logged information of Policy holders in which 57.8% of the respondents logged claim with Insurance Regulatory Development Authority cell than Ombudsmen (42.2%). The table of frequencies ofclaim logged aspects represented below graphically.

Table 3.7: WAS for Claim Logged Statements of Health Insurance Policy Holders

Statements	WAS	Rank
a. Smooth claim application process	6.95	1
b. Smooth claim settlement process	6.84	2
c. Claim settlement in a short tenure	6.74	3
d. Fully settled claim amount	6	6
e. Partially settled claim amount	5.06	9
f. Claim settlement with T&C	6.48	5
g. Accessibility & response of TPA's	5.9	7
h. Accessibility & response of Surveyors	5.67	8
i. Accessibility & response of Insurance Company	6.65	4
j. Turnaround time at TPAs	4.99	10
k. Turnaround time at Surveyors	4.77	11

Table 3.7 shows that smooth claim application process, smooth claim settlement and Claim settlement in a short tenure were the most significant factors in logging of health insurance policy as its weighted average scores are6.95, 6.84 and 6.74 respectively. Least weighted average scores with Turnaround time at TPAs and Turnaround timeat Surveyors are 4.99 and 4.77.

Table 3.8: Factor Analysis for Claim logged Statements of Health InsuranceTable 3.8.1: KMO and Bartlett's Test

KMO Measure of Sampling Adequacy.		0.717
Bartlett's Test of Sphericity	Approximated Chi-Square	595.551
	Degrees of Freedom	55
	Significance	.000

Table3.8.2: Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.831	43.921	43.921	3.395	30.866	30.866
2	1.650	15.002	58.923	2.727	24.795	55.661
3	1.122	10.204	69.127	1.481	13.466	69.127
Extraction Method: Principal Component Analysis.						

Table 3.8.3: Factors influencing in Claim Logged in Health Insurance

Factors	Dimension	Factor Loadings (λ)	Eigen values	% Variance	Cronbach's Alpha (α)
1	Accessibility & response of TPA's	0.797	3.395	30.866	0.878
	Accessibility & response of Surveyors	0.761			
	Accessibility & response of Insurance Company	0.664			
	Turnaround time at TPAs	0.847			
	Turnaround time at Surveyors	0.840			
2	Smooth claim application process	0.827	2.727	24.795	0.834
	Smooth claim settlement process	0.902			
	Claim settlement in a short tenure	0.768			
	Fully settled claim amount	0.652			
3	Partially settled claim amount	0.854	1.481	13.466	0.547
	Claim settlement with T&C	0.721			

From table 3.8.1, sampling adequacy was computed through KMO measure of sampling adequacy (0.717) indicates that the samples are good enough for sampling. Also the overall correlation matrices has been verified withBartlett Test (approx. χ^2=595.551 and significant at p<0.000) provided the validity of data. The table 3.8.2 and 3.8.3 represents the variance percentage (69%) of all factors resulting from the factor analysis over 11

factors were clustered into 3 factors which is determined as linear combinations of homogeneous variables and most important parameters while claim logging of Health insurance policies through Principle Component Analysis. The first principle component accounted for 30.866% of variance with five statements as the "response of parties involved" (either TPA or Insurer). The second principal component accounted for 24.795% of variance and was indicated in 4 statements as the "Claim Process". The third principle component accounted for 13.466% of variance indicated with 2 statements as "Settlement Amount". Overall observations from the factor analysis is that the respondents are very particular about cooperation, attitudes and time taken by TPAs, Surveyors and employees from the Insurance Company than the claim settlements.

Table 3.9: Perceived Satisfaction Levels of Health Insurance Policy holders

S. No.	Insurance Variables	Attributes	Frequency	Percentage
1	Effective services delivered by the InsuranceCompanies	Yes	104	54.2
		No	46	24
		Indifferent	42	21.9
		Total	192	100
2	ss Chances of renewing the Policies afterexpiry of present Scheme	100%	108	56.3
		50%	56	29.2
		25%	14	7.3
		0%	14	7.3
		Total	192	100
3	Sufficient promotional efforts being taken by Insurance Companies	Yes	101	52.6
		No	91	47.4
		Total	192	100

Table 3.9 explains that approximately 54.2 % of the health insurance policy holders agreed that services by the Insurers are provided effectively and 56.3% of policy holders have 100% chance of renewing the same. Half of the respondents (52.6%) are satisfied with the promotional efforts taken by the insurance companies. Perceived satisfaction levels are satisfied by nearly half of health insurance policy holders agreed that provided services were delivered successfully; nearly 56% of the policy holders opted 100% chance of renewability; and expressed satisfaction towards promotional efforts.

Table 3.10: Impact of Variables of Selecting or Considered while Buying Health Insurance
Table 3.10.1: KMO and Bartlett's Test.

KMO Measure of Sampling Adequacy.		0.866
Bartlett's Test ofSphericity	Approximated Chi-Square	1880.947
	Degrees of Freedom	253
	Significance	.000

Table 3.10.2: Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.034	34.929	34.929	4.662	20.271	20.271
2	2.255	9.806	44.735	3.538	15.384	35.654
3	1.917	8.333	53.068	2.731	11.875	47.530
4	1.249	5.429	58.497	2.522	10.967	58.497

Table 3.10.3: List of variables in Selection of Health Insurance Policies

Factors	Dimension	Factor Loadings (λ)	Eigen values	% Variance	Cronbach's Alpha (α)
1	More number of policy options	0.522	4.662	20.271	0.885
	Employer part payment in premium	0.505			
	Comprehensive coverage	0.613			
	Facility like cash less	0.791			
	Availability in the network hospitals	0.819			
	Easily available and accessible services in hospitals	0.800			
	Policy has flexibility	0.726			
	Tax deduction on policy subscription	0.567			
	Accessibility of TPA linked with Insurer	0.491			
2	Familiarity of insurer in market	0.561	3.538	15.384	0.774
	Digitalized Processes	0.513			

	High disposable salary	0.613			
	Insurer promotional activities	0.686			
	Low co-payment by insured	0.697			
	Low deduction in the claim amount	0.690			
3	High satisfaction of customer	0.595	2.731	11.875	0.762
	Processing of claims with least formalities in time	0.628			
	Alternative sources of funds for healthcare	0.491			
	Low premium offered	0.676			
	Reliability of services offered	0.547			
4	Response of Insurer, TPA's, agents	0.779	2.522	10.967	0.797
	Knowledge of Insurer, TPA's & agents	0.841			
	Additional services by Agents, Insurer& Brokers	0.767			

From the tables 3.10.1, it is evident that sampling adequacy which was computed through KMO measure of sampling adequacy (0.866) indicates that the sample is considered for sampling. Also the overall correlation matrices has been tested with Bartlett Test (approx. χ^2=1880.947 and significant at p<0.000) for the validity of data. Before the applying factor analysis, checked the reliability of variables were verified using Cronbach's alpha. The value of variables ranges from 0.762 to 0.885, representing the internal consistency. The table 3.10.2 and 3.10.3depicts the variance percentage (58.49%) of factors through initial Eigen values and rotated sum of squared loadingsof factor analysis of over 23 factors that were clustered into 4 factors which is determined as linear combinations of homogeneous variables and considered essential while considering Health insurance policies through Principal Component Analysis. The first principle component accounted for 20.271% of variance with nine statements as "Policy Benefits". The second principle component explored for 15.384% of variance and was indicated as "Reputation or Brand". The third principle component depicts for 11.875% of variance indicated by "Process of Claim Settlements". The fourth principle component accounted for 10.967% of variance indicated by "Intermediaries Response".

Conclusion

According to the study, people subscribe to health insurance coverage voluntarily. Referrals from family members, coworkers, and insurance representatives also affect the decision to subscribe. Subscriptions to health insurance primarily demand a high-quality health package that is both affordable and easily accessible. While roadshows, sponsored events, and other events have little effect on awareness efforts, newspapers, commercials, and the internet appear to be effective vehicles for disseminating information. Therefore, in order to raise public knowledge of health insurance, insurers must concentrate on using the media and online marketing platforms. The main justifications for having health insurance appear to be high-quality medical care, risk management, and tax planning. Furthermore, the family floater that requires an annual payment is recommended. The majority of covered people subscribe to private insurance. The accessibility and cost of high-quality medical care should be the insurer's main concerns. Policy subscribers view the expedited claim settlement process and the ease of filing claims as critical elements. In order to resolve concerns pertaining to claims, subscribers are contacting the IRDAI grievance cell and the Ombudsman.

The study identifies the key elements influencing the choice to purchase an insurance policy as being policy coverage, insurer reputation, and the claim settlement procedure. In a similar vein, TPA participation, the settlement procedure, and the amount of time required all affect claim tracking during claim processing. To have a happy customer, the insurer must have a good reputation and streamline the claim settlement procedure. In a similar vein, handling health insurance policy subscriptions and claims requires familiarity with TPAs and agents.

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