ORIGINAL RESEARCH PAPER

Commerce

A STUDY OF CUSTOMERS PREFERENCE TOWARDS HEALTH INSURANCE IN RURAL AREA OF ANNUR TALUK (COIMBATORE DISTRICT)

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ABSTRACT

Health Insurance, like all other insurance, is to protect us against risks by pooling in resources. Health insurance policy covers medical expenses incurred during pre and post hospitalization stages. Health Insurance is an emerging social security instrument for the rural poor, for whom, chronic health problems, arising due to prevalence of diseases and inaccessibility to an affordable health care system is a major threat to their income earning capacity. In present study evaluating customer preferences in health insurance emphasizing to study the factors influencing the purchase decision of customers in purchasing health Insurance policies.

INTRODUCTION

The rural populations are more susceptible to risks such as illness, injury, accident and death because of their social and economic situation. There is need to provide financial protection to poor families for the same. Health insurance could be a way of removing the financial barriers and improving accessibility to quality medical care by the poor and also an effective social security mechanism.

Review Of Literature

Yelliah (2012) found that 33.5 percent of the respondents had aware of health insurance and 66.5 percent of the respondents had unaware of health insurance. Education, annual income, occupation of the respondent and religion plays vital role of the Determinants of awareness of the health insurance. Higher education and higher annual income increase awareness of health insurance also will increase. He suggested that the health insurance companies should come out with clear cut policy details, as many of the respondents had vague ideas about the various benefits and risks involved in a policy and also to develop a viable health insurance scheme, it is important to understand people's perceptions and develop a package that is accessible, available, affordable and acceptable to all sections of the society.

Maregoud R, Ashokreddy Patil B (2014), conducted a study on Marketing of Health Insurance in Rural Area an effort was made in present study to examine the customer's perception regarding health insurance and the peculiar feature of it lies in multi-dimensions. Although, the health insurance is not a new concept and the people are also getting aware about it, which mainly comes from TV followed by newspaper, agents, friends etc, but this awareness has not yet reached the level of subscription. The result has also provided with the fact that although there is variation in the number of services provided with respect to providers' linkage and subsidies received by them, yet this variation is not significant. The reason might be attributable to the fact that those operating with the linkage of insurance companies or receiving assistance/ subsidies from the government are also bound to pay them back in consideration, which can be in the form of premium and loan component, which will exactly offset the enhanced benefits received by associating with the insurance companies or receiving assistance from government and other. So the government should come forward to subsidies the health care mechanism with more in the form of assistance and lesser in the form loan component. The government should also extend necessary intervention for the effective and efficient functioning of CHI schemes in India.

Abhijit Pandit (2016) investigated the role of Third Party Administrators in Health Insurance in India. Health Insurance is emerging as an important mechanism to finance the healthcare needs of people. The basic role of Third Party Administrators is to function as an intermediary between the insurer and the insured and facilitate the cash-less service of insurance. TPAs insist on standardization in pricing of medical services and various procedures. Some of the major treatments excluded are congenital abnormalities, diabetes, hernia, HIV, pregnancy related care, ophthalmic treatment and cosmetic surgery. The key activities of the TPA are to enquire about duration of stay in hospital, room rates, scrutinizing the bills and treatment protocols. TPAs do not arrange for any specialized consultation on the patient condition. TPAs devote more attention on financial issues than on care management issues. Majority of the hospitals report that TPAs always delay in settling claims. While the agreed time for claim settlement with the TPA is less than 1 month, actual time for claim settlement varies from 2 to 3 months. The insurance sector faces challenge of institutionalizing the TPA services and there is substantial scope for improvements.

Objectives Of The Study
- To study about the socio-economic characteristics of customers on health Insurance companies.
- To study the factors influencing the purchase decision of customers in purchasing health Insurance policies.

Research Methodology

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.

Sampling Technique: Simple Random Sampling

Sample Unit: Respondents from Rural area of Annur taluk (Coimbatore District-Tamil Nadu)

Sample Size: 50

Tools for Data Collection: Questionnaire

Tools for Data Analysis: Simple percentage analysis

Data Analysis and Interpretation

S. No	Characteristics of the Respondent	No. of Respondents	Percentage
1	Gender		
	Male	30	60.0
	Female	20	40.0
2	Age		
	20 & below	5	10.0
	21 – 30	14	28.0
	31 – 40	16	32.0
	41 – 50	10	20.0
	Above -51	5	10.0
3	Type of Family		
	Nuclear	35	70.0
	Joint	15	30.0
4	Education		
	Illiterate	4	8.0
	Below Graduation	10	20.0

	Graduation	22	44.0
	Professional	6	12.0
	Other	8	16.0
5	Occupation		
	Employed	15	30.0
	Self employed	10	20.0
	Professional	6	12.0
	Own business	10	20.0
	Others	9	18.0
6	Income (In Rs)		
	1000-5000	5	10.0
	5001-10000	15	30.0
	10001-15000	12	24.0
	15001-20000	8	16.0
	Above-20001	10	20.0

(Source: Primary data)

In the above table, majority of the respondents (60%) are male. Majority of the respondents (70%) are belonging to nuclear family group. Most of the respondents (32%) are belonged to the age groups of 31-40 years. Maximum of the respondents (44%) are completed graduation. Most of the respondents (30%) are belonging to the private employee group. Most of the respondents (30%) are belonging to the monthly income group between Rs.5001 to Rs.10,000.

Most Important Reason To Take A Health Insurance

S.No	Reason	No. of Respondents	Percentage
1	Tax planning measure	5	10.0
2	To protect from rising cost of healthcare	10	20.0
3	Better healthcare for family	15	30.0
4	Avail good quality medical treatment	10	20.0
5	Risk coverage against future illness, old age etc	10	20.0
	Total	50	100

(Source: Primary data)

In the above table, reveals the most important reason for take a health insurance policy. Out of 50 respondents, about 10 per cent of respondents are having tax planning measure, 20 per cent of respondents are having to protect from rising cost of healthcare, 30 per cent of respondents are having better healthcare for family, 20 per cent of respondents are having avail good quality medical treatment, 20 per cent of respondents are having risk coverage against future illness, old age etc. It is concluded that, most of respondents (30 per cent) are having Better healthcare for family.

Type Of Health Insurance Policy Insured

S. No	Types of Health Insurance Policy	No. of Respondents	Percentage
1	Individual health insurance	14	28.0
2	Group health insurance	5	10.0
3	Family floater health insurance	23	46.0
4	Others (specify)	8	16.0
	Total	50	100.0

(Source: Primary data)

In the above table, clearly indicates that 28 per cent of respondents are having individual health insurance, 10 per cent of respondents are having group health insurance, 46 per cent of respondents' family floater health insurance, 16 per cent of respondents are having others. It is concluded that, most of respondents (46 per cent) are having family floater health insurance.

Suggestions

1. Awareness about the insurance is very poor in rural area, so the company has to take measures in educating the rural people regarding what insurance is and also about the services.
2. Customization in the insurance product is highly essential to tap the rural market as their need is focused only on family safety.

CONCLUSION

In this context, the present study is undertaken to analyse the rural people preference on health insurance especially those who have availed the policy. From the study, it is identified that (i) tax planning measure, (ii) to protect from rising cost of healthcare, (iii) better healthcare for family, (iv) avail good quality medical treatment, (vi) risk coverage against future illness, old age and to face unexpected medical expenses are the prominent reason for choosing the health insurance policy.

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