‘Research on Health Insurance Knowledge Among Rajasthani People’

Dissertation submitted to

The IIHMR University, Jaipur

For the partial fulfilment for the award of the degree of Master of Business Administration (MBA) in Hospital and Health Management

By:-

Dr. Puru Chhangani, Roll no.- 1167

Under the guidance of “Dr. Dhirendra Kumar”

MBA Healthcare and Hospital Management, 2020-2022

Declaration

By signing this document, I declare that this dissertation, **"Research on Health Insurance Knowledge Among Rajasthani People,"** is an accurate account of my original research. I certify that it has not been applied for a degree or diploma from any other university or institution. Information that was taken from other people's published or unpublished work has been properly acknowledged in the text.

Puru Chhangani

CERTIFICATE FROM FACULTY GUIDE

This is to certify that Puru Chhangani's dissertation, **Research on Health Insurance Knowledge Among Rajasthani People**, is a record of the research work he conducted under my guidance and supervision for the MBA (Hospital and Health Management) degree at the IIHMR University in Jaipur. His approach to the research study was sincere, scientific, and analytical.

Dr. Dhirendra Kumar

(Faculty Guide)

IIHMR University, Jaipur

Acknowledgement

I want to start by sincerely thanking everyone who helped me with my project report before I begin. Without their strong direction, participation, and comfort, I would not have made any progress on the assignment. I am inexpressibly obliged to Dr. P.R. Sodani, President of IIHMR University for his upright direction and support to finish this report. It is my radiant sentiment to place on record my best regards, and deepest sense of gratitude to Dr. Dhirendra Kumar my Mentor at IIHMR University and Dean of the University Dr. (Col) Mahender Kumar.

Finally, I'd like to thank everyone who helped me with this assignment, whether it was personally or indirectly. Any omission from this succinct assertion is not a sign of unappreciation.

Thank You.

Sincerely,

Dr. Puru Chhangani, Roll no. – 1167

Table of Content

Introduction

"Personal Insurance and General Insurance" includes health insurance. In India, medical insurance, often known as Mediclaim, is widely popular. There are many businesses in India that offer inexpensive medical insurance plans. Health insurance premiums in India started to rise in 1923, the year the "Workman's Compensation Act" was passed. In 1948, the ESI Act was initially proposed. Since then, the health insurance industry has resembled the West with continually shifting regulations.

In the event of disease or disability, Indian Health Insurance will pay for medical care. Receive top-notch medical care without having to pay a big price for it. A premium, strictly speaking, is the cost that an individual or a group pays up front to acquire health insurance.

Health insurance is widely used in many nations. It is an unfamiliar concept in India, save from those working in the organized sector. Public/social health insurance only accounts for about 2% of total health spending in India; the other 8% is covered by the government budget. Unless a health problem arises that is unanticipated and cannot be predicted in advance, a person's and family's lives are typically peaceful. If a family lacks sufficient resources or income, needs such as the desire to acquire a home, a car, or any other instrument of social status or other consumer durables of comfort can be postponed. Unexpected medical obligations, on the other hand, need immediate financial flow and have a negative influence on the family's finances. In addition to the wishes, financial commitments for medical reasons may jeopardize a family's long-term financial ambitions, which may include child schooling or marriage, as well as retirement plans.

Health insurance is a sort of general insurance that covers the costs of medication and surgery for the insured, whether they are an individual, a family, or a group. It is a contract in which an individual, a family, or a group pays a premium in advance to obtain health insurance coverage. In other words, health insurance is a contract that permits an insured to postpone, defer, reduce, or eliminate the cost of medical care. In any of the insurer's network hospitals across the country, the insurer will either provide cashless treatment for medical issues or repay medical expenses incurred under the policy.

The purpose of this study is to determine how well-informed the public in Rajasthan is about health insurance (India).

Research Question

What is the general knowledge about health insurance among Rajasthani population?

Objectives

1. Find out how well-informed Rajasthani's are about health insurance. Since many Indians are still unfamiliar with the concept of health insurance, which may allow them to benefit from discounted medical services.
2. Determine the proportion of people who are aware of health insurance and who purchase it.
3. To determine which health insurance firms Rajasthan residents prefer (India).

Materials & Methods

Literature review:

- K. Selva Kumar and Dr. S. Vijay Kumar (2013) in their article, "Attitude of policyholders in the direction of the administration of general insurance companies with orientation to Madurai region"
- R. Amsaveni and S. Gomathi (2013)
- J. Jaypradha (2012) in the article, "Problems and prospects of health insurance in India"
- Ravikant Sharma (2011) in his paper, "A Comparison of Health Insurance Segment-India vs. China"
- 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"
- Ramesh Bhat and Falan Reuben (2001) in their article, "Analysis of claim and reimbursements made under mediclaim policy of general insurance corporation of India"

- R. P. Ellis et al., (2000) in the article, “Health insurance in India- Prognosis and Prospects”

Study design: Exploratory research with Primary and Secondary data

Study population: Rajasthan-based respondents

Study tools: Questionnaire for primary data and articles, newspapers, etc. for secondary data

Sample size:110

Sampling technique: Simple Random Sampling

Data Analysis and Interpretation

Personal characteristics such age, gender, level of education, type of family, occupation, and location were evaluated. (As shown in Table 1).

- The ages of the respondents were recorded, and it was determined that the majority (51.8 %) were between the ages of 30 and 40, while the minority (0.6%) were between the ages of above 50. Male respondents reported for 57.2% per cent of the total, while female respondents accounted for only 42.7% per cent.
- Table 1 reveals that the private sector had the highest percentage of respondents (35.45%), followed by (34.54 %) from the Business class, (23.63 %) from the government sector, (2.72%) per cent from housewives, and (3.6 %) from students.
- In addition, (43.63 %) of respondents lived in urban areas, (37.27 %) in Semi-urban areas, while just (19.09 %) of per cent lived in rural areas, according to Table 1.

n= 110

S.no	Parameter	Variable	Frequency	Percentage
1.	**Age**	20-30	22	5
		30-40	**57**	**51.8**
		40-50	24	21.8
		Above 50	7	0.6
2.	**Gender**	**Male**	**63**	**57.2**
		Female	47	42.7
3.	**Educational Qualification**	Illiterate	-	-
		High School	15	13.6
		Graduate	**50**	**45.45**
		Post-Graduate	45	40.9
4.	**Family type**	**Nuclear**	**81**	**73.36**
		Joint	29	26.36
5.	**Occupation**	Students	4	3.6

		Private Service	**39**	**35.45**
		Govt. Service	26	23.63
		Business	38	34.54
		Homemaker	3	2.72
6.	**Locality**	**Urban**	**48**	**43.63**
		Semi-urban	41	37.27
		Rural	21	19.09

Table 1: General Information

Precise Information:

2.1- Awareness of Health insurance-

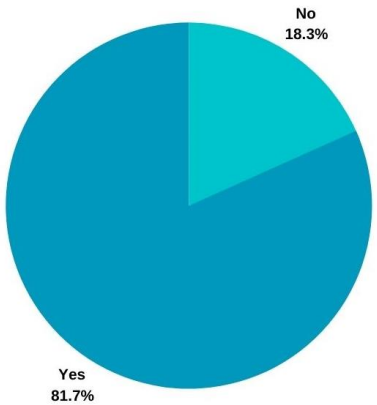
Questions on the participants' understanding of health insurance were posed. The results are shown in Table 2.1.

n= 110

S.no	Response	Frequency	Percentage
1.	**Yes**	**90**	**81.81**
2.	**No**	20	18.18

Table 2.1 shows that 81% of the public was aware of health insurance, whereas just 18% were unfamiliar with the concept.

Fig 2.1 Awareness of Health insurance



2.2 Health insurance policies bought by respondents:

Respondents' purchase patterns for health insurance policies were questioned and the results are shown in Table 2.2

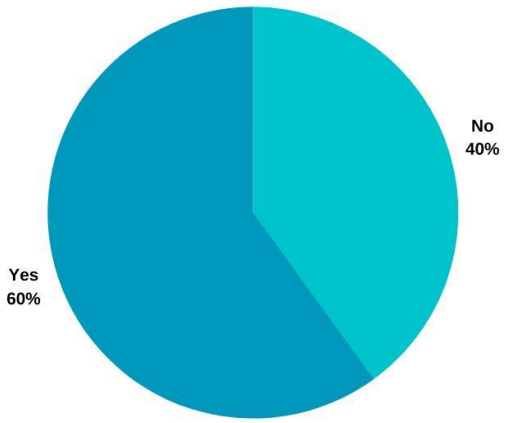
n= 110

S.no	Responses	Frequency	Percentage
1	**Yes**	**66**	**60**
2	No	44	40

Table 2.2: Health insurance policies bought by respondents

Only 60% of respondents had health insurance, with 40% having none, due to a lack of understanding of the benefits of health insurance policies, most individuals believe that such policies don't produce any profits, they tend to hesitate before investing, Lastly, majority of working professionals frequently rely on the insurance plans offered by their employers.

Fig. 2.2: Health insurance policies purchased by respondents



2.3 Comprehending the terms and conditions of the health insurance business:

Each health insurance company has its own specific set of terms and conditions. About their comprehension of certain conditions and terminology, respondents were questioned.

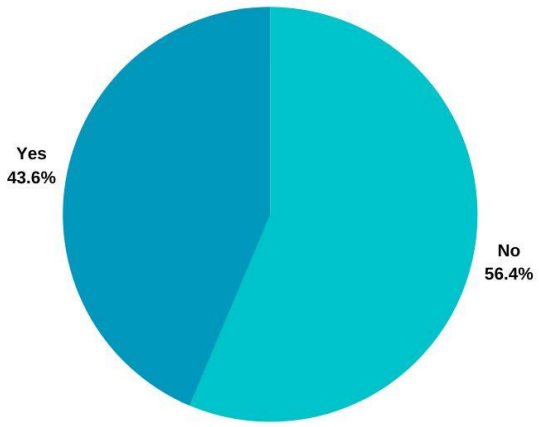
n= 110

S.no	Responses	Frequency	Percentage
1	Yes	48	43.63
2	**No**	**62**	**56.36**

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

According to the data, 56 per cent of respondents were uninformed of their health insurance policies terms and conditions since insurance advisors just summarized the policy without explaining the terms and conditions. Only 43% of respondents interviewed were familiar with health insurance policies, and only 43% were highly educated and comprehended the English language used in insurance contracts.

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



2.4 Clarity of health insurance companies:

Regarding the clarity of health insurance firms' contracts with clients, respondents were questioned. The results are shown in Table 2.4.

n= 110

S.no	Responses	Frequency	Percentage
1	Yes	12	10.9
2	**No**	**98**	**89.09**

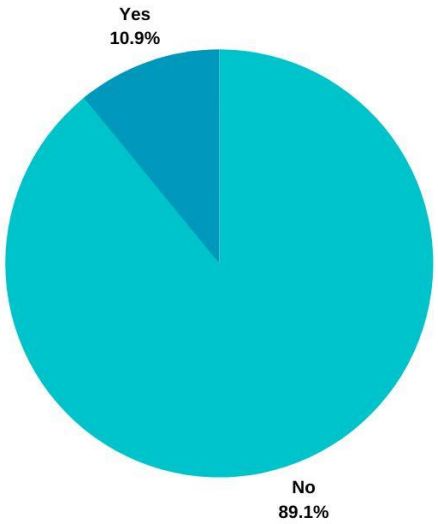
Table 2.4: Are Health insurance companies transparent

- According to Table 2.4, 89.09 per cent of respondents feel Health insurance companies' main objective is to maximize profits; as a result, they are not transparent. They are more concerned with pushing their health insurance products to consumers than teaching them on the importance, benefits, and hazards. During the contract signing process, the terms and conditions aren't even highlighted or clarified. As a result, this conclusion exposes the health insurance industry's lack of transparency.

- The lack of insurance education is the underlying basis for many people's skepticism of the insurance sector. Regardless of which sector of the insurance industry you work in, if a customer does not have a clear grasp of the policies and products a company offers, the issue of trust will continue to exist, as seen in the graph below.

- Many customers do not spend the time to carefully read the offer document and comprehend all its terms, including the exclusions, the list of diseases that are covered, and the claims procedure itself. Benefits of health insurance plans include, among others, pre- and post-hospitalization cost coverage, cashless hospitalization services, maternity coverage, and new-born baby coverage. Customers typically don't study the fine print, which makes it challenging to utilize their insurance policy.

Fig. 2.4: Health insurance companies are transparent



2.5 Accessibility of health insurance companies:

Table 2.5 shows statistics from easily accessible government or private health insurance firms, as well as the reasons for this.

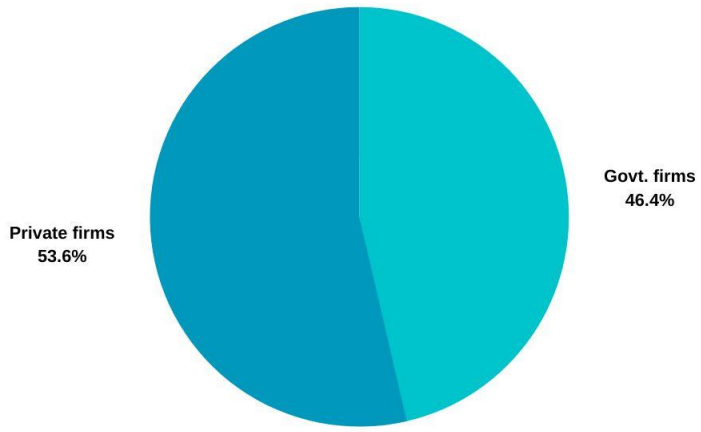
n= 110

S.no	Responses	Frequency	Percentage
1.	Govt. Health insurance firms	51	46.36
2.	**Private Health insurance firms**	**59**	**53.63**

Table 2.5: Accessibility of health insurance companies

According to Table 2.5, 53.6 per cent of respondents feel private insurance services are better due to their extensive network of insurance advisors that deliver door-to-door service, remind customers to pay their premiums, offer customer care services, and are devoted to specific customers, private health insurance companies are simple to get in touch with. Even though everyone in India has access to free healthcare in the public sector, private hospitals are becoming more and more popular among Indians because of the high quality and sophistication of care they provide. This greatly encourages private insurers to enter the market and provide more thorough medical insurance. Due to which we can see in Fig 2.5 the booming of private insurance players in the country. Whereas the Govt. insurance firms lack the quality of service and due to which the market share of Govt. insurance companies is rapidly decreasing.

Fig. 2.5: Accessibility of health insurance companies



Conclusion

According to the findings of this study, respondents are aware of the importance of health insurance yet refuse to purchase it or Mediclaim plans. When it comes to health insurance, nowadays people prefer to use private health insurance firms rather than public health insurance. Due to high out-of-pocket costs, there is minimal financial protection in the private sector. The comparatively low health insurance coverage and more expensive private sector delivery of healthcare services in India are to blame for the country's high out-of-pocket costs. People are in financial jeopardy because of hefty out-of-pocket costs.

Many respondents were unaware of the terms and conditions of health insurance policies, and they believe that health insurance providers are not transparent. As a result, health insurance not only in Rajasthan but in the entire country continues to have a broader reach, but it is expected to be simple to comprehend and use.

In India, most health insurance policies and products are not designed for the middle class. The intended market for private, voluntary health insurance is high-income groups. The missing middle cannot afford it. The public, particularly the missing middle, does not have access to reasonably priced contributing products because of the likelihood of adverse selection.

Suggestions

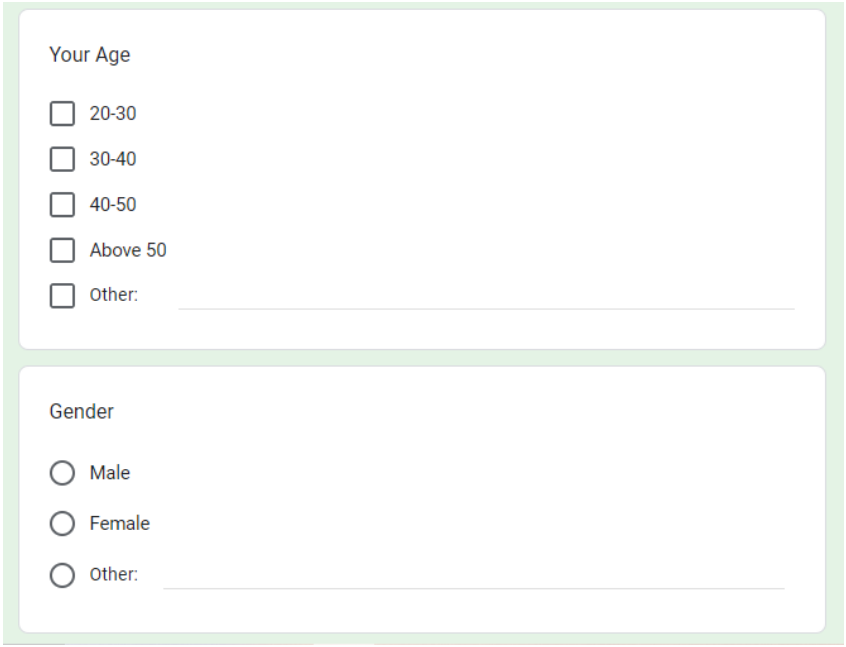
- A low-cost universal health insurance policy should be made necessary in states like Rajasthan, to ensure every citizen of the country, particularly those living below the poverty line.
- Those who are still hesitant will be enticed by innovation in products and services that respond to the different demands of the public. Health insurers should use creative business models to expand their customer base, revenue, and profits.
- Health insurance companies could promote health insurance portability to attract new customers by emphasizing their knowledge and benefits.
- Central and state governments should include insurance segments in textbooks at suitable levels of education, as well as undertake micro-awareness campaigns to enlighten the people about the benefits of health insurance.
- The government should adopt a variety of steps that support and complement the expansion of the private voluntary market to increase the uptake of health insurance and lessen some of the obstacles.
- The voluntary contributory health insurance product will only be successful if the risk pool is substantial and well-diversified. A substantial push on communication with prospective consumers is required for demand-generation in addition to growing knowledge of health insurance.

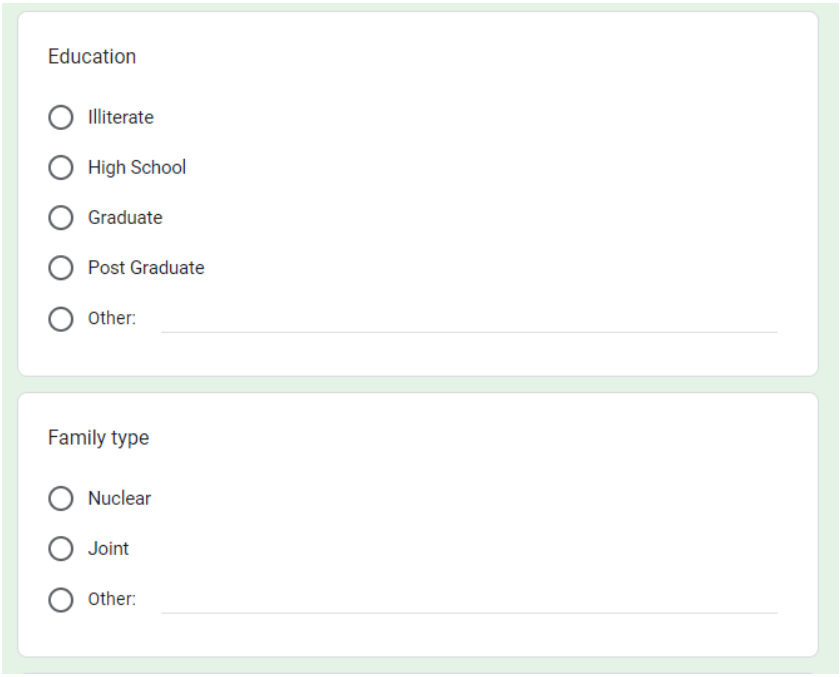
References

- Agarwala Amar Narain, "Health insurance in India", East End Publishers, the University of California, 13 Dec 2007, p 4.
- Amsavani, R. & Gomathi, S. (2013), "A study on satisfaction of Mediclaim policyholders with special reference to Coimbatore City", RVS Journal on Management, Volume 6, No 1, pp.10-23.
- Bhat, Ramesh & Reuban, Elan (2001), "Management of claim and reimbursements: the case of Mediclaim insurance policy", HELPONET, Vol 27, No 4, pp.16-28
- Dr. Ali Sajid, Mohammad Riyaz & Ahmad Masharique, "Insurance in India: Development, Reforms, Risk Management, Performance", Regal Publications, New Delhi, 2007, p 35
- Ellis, R.P., Alam, L.&Gupta, Indrani (2000), " Health Insurance In India-Prognosis and Prospectus" Economic and Political Weekly, Vol 5, No 2, pp.207-217
- Jain, P., Mittal, E.& Pahuja, J. (2010), "Problems faced by the health insurance policyholders of public and private health insurance companies for settlement of their claims-a case study of Punjab", SAARANSH, RKG Journal of Management, Vol 2, No 1, pp.86-93.
- Jayapardha, J. (2012), "Problems and Prospectus of Health Insurance in India" Aadyam, a journal of management, Vol 1, No 1, pp. 22-29
- Selvakumar, K.&Vijaykumar, S. (2013), "Attitude of Policy Holders towards the administration of General Insurance Companies concerning Madurai Region", SUMEDHA Journal of Business Management, Vol 2 No 2, pp.93-116.
- Sharma, R. (2011), "A Comparison of Health Insurance Segment - India and China" IJRFM, Vol 1, No 4, pp.58-68

Annexure

Questionnaire: Awareness regarding Health Insurance





Occupation

- ○ Students
- ○ Govt. Employee
- ○ Private service
- ○ Business
- ○ Home maker
- ○ Other: _____

Locality

- ○ Urban
- ○ Semi-Urban
- ○ Rural
- ○ Other: _____

Are you aware of Health Insurance

- ○ Yes
- ○ No
- ○ Other: _____

Have you purchased any health insurance policy

- ○ Yes
- ○ No

If yes then, from which sector

- ☐ Public
- ☐ Private
- ☐ Other: _____

Are you aware of the terms and conditions of your policy?

- ◯ Yes
- ◯ No

Do you think the Insurance companies are transparent?

- ◯ Yes
- ◯ No

Which is easily accessible

- ◯ Private
- ◯ Public
- ◯ Other: _____

Submit Clear form