A Study on Level of Customers Satisfaction Towards Mediclaim Insurance Policy in Madurai City

K. Nisha
Associate Professor, Department of Commerce, Lady Doak College, Madurai, Tamil Nadu, India
https://orcid.org/0000-0001-8266-9805

S. Abirami
M. Phil Scholar, Department of Commerce, Lady Doak College, Madurai, Tamil Nadu, India

Abstract
Health is a human right. Its accessibility and affordability have to be ensured. Health insurance provides an affordable way for the insured and his family to stay healthy and get medical care when an emergency health issue situation arises. The escalating cost of medical treatment is beyond the reach of the common man. Mediclaim or medical insurance is one of the most recent forms of insurance. Today with expensive treatment costs, even a mere health check-up has become unaffordable for many. It can extract a major amount of savings in just a few days or hours. But under the shelter of a medical insurance plan, the person can get relieved from this tension. As medical insurance policy offers to reimburse a pre-defined percentage of expenses incurred such as doctors consultation fees, pathological tests, x-ray, hospitalization, medicine, follow-ups, etc., The main purpose behind purchasing a health cover by the insured is to avail of quality health treatment without any burden of medical bills. A facility like cashless hospitalization entitles the insured to avail of the treatment on a cashless basis. Insured perception depends on the quality of service and products offered by the insurer according to the insured need. The purpose of this research is to study the level of satisfaction of the insured regarding the mediclaim policy in Madurai city. The research has been carried out to understand the cost of insured dissatisfaction and to determine the areas where the insurer needs to focus and strengthen its customer relationship. Therefore, an attempt has been made to study the perception of the insured regarding the mediclaim policy in Madurai city.
Keywords: Health insurance, Mediclaim, Hospitalization and Satisfaction.

Introduction

The insurance company is a major instrument for the mobilization of savings of people, particularly from the middle and lower class group. Insurance companies have huge funds accumulated through the payment of a small number of premiums from individuals. These funds are invested in ways that contribute substantially to the economic development of the country in which they do business. The growth performance of the insurance industry has increased tremendously since the establishment of IRDA in India, which supervises and controls the entire insurance industry. Individuals face many uncertainties in life like accidents, disabilities, etc. insurance helps them as a shield that protects the financial interest in case of unforeseen circumstances. The first life insurance company was established at Kolkata in 1818. Subsequently, the first general insurance company commenced operating in both life and general insurance segments. The insurance industry today is diverse, which offers a variety of policies and services. The insurance industry of India consists of 53 insurance companies of which 24 are in the life insurance business, and 29 are non-life insurers.[1]

1. *History of Insurance In India,* Insurance Regulatory and Development Authority (IRDA), https://www.irdai.gov.in.

Insurers are increasingly introducing innovative products to meet the specific needs of the insured. Buying insurance is one of the most important financial decisions because insurance acts as a savings and an investment portfolio for insured. The statistics of April 2015 to March 2016 period tells that the life insurance industry recorded a new premium income of Rs1.38 trillion (US$ 20.54 billion), indicating a growth rate of 22.5 percent. The general insurance industry recorded a 12% growth in Gross Direct Premium underwritten in April 2016 at Rs 105.25 billion (US$ 1.55 billion)[2].

Objectives of the Study

The objectives of the study are as follows:
1. To analyze the personal profile of the respondents who avail of medical insurance policy.
2. To study the respondent's choice of the insurance company.
3. To analyze the level of satisfaction among the insured regarding medical insurance.

Review of Literature

Sivaramakrishnan & Swaaminathan (2015), in their research on "Awareness and public receptivity for health insurance products a study concerning Kanchipuram town, India," attempted to determine the factors that influenced and motivated the customers to purchase the health products. The study revealed that the factor such as critical illness coverage, the compensation of loss of income, the full sum assured for health cover and the life coverage, post-hospitalization expenses are the various factors which matter to the customers in choosing an insurance plan.

Abirami Sekaran (2016), in her research "A Study on Strategies to Improve Insured Perception In Mediclaim Insurance Sector – With Special Reference To Madurai City," made an attempt to study the difficulty faced by insured while buying a mediclaim policy. The study revealed that difficulties like lack of knowledge about policy strategies, complex pricing strategies, agent's attitude, and misinterpretation of terms and conditions are some of the difficulties insured commonly face while buying a policy. The study suggested that understanding insured perception will help the insurer to sustain and grow in the market.

Saravana Kumar, in his study on "Health Insurance Policy Holders Perception towards Public Sector Health Insurers in Erode District of Tamil Nadu," attempted to study the level of perception towards services offered by the public sector health insurers. The study revealed that the brand name is an important factor for the increase in the level of perception by the insured to select the health insurance provider because the brand name gives the insured an assurance about the quality of service and trust in the service provider.

Research Methodology

The data has been collected by the researcher, which specifically focused on insured perception towards the medical insurance policy. The study is based on both primary and secondary data.
1. The primary data are collected through a well-structured questionnaire consisting of open-ended, close-ended, multiple-choice, ranking, and Likert scaling questions to extract the viewpoints of the respondents.
2. The secondary data are compiled from journals, magazines, books, Insurance Regulatory, and Development Authority (IRDA), company website.
3. Sample design: The researcher has used a snowball sampling method for collecting the data. As the researcher was not permitted to access the list of insured in an insurance company; therefore, the researcher chose nonprobability sampling. Given the situation, the researcher was unable to apply probability sampling methods.
4. Sample size: Questioners were distributed by the researcher to 200 respondents, where 174 questioners were filled and returned. Therefore the study considers the samples from 174 respondents.
5. The framework of analysis: The statistical tools enrich the research with evidence for the study findings. The data is analyzed with the help of a statistical package available in the form of

2. *Indian Insurance Industry Overview & Market Development Analysis,* Indian Brand Equity Foundation, http://www.ibef.org/industry/insurance-sector-india.aspx.

software (i.e.) SPSS package. The data collected is analyzed with the help of statistical tools such as percentage analysis and one way ANOVA.

Demographic Profile of Respondents

Personal details of the respondents are being the base for determining the respondent's perception of the policy. Demographic factors such as gender, age, educational status, occupation status, and annual income are considered for the study.

Table 1: Demographic Factors of the Respondents

S. No	Variable		No. of Respondents	%
1	Age	20-30 years	47	27
		31-40 years	60	34.5
		41-50 years	48	27.6
		Above 50 years	19	10.9
2	Monthly Income	upto Rs.40,000	87	50
		Rs.41,000 – Rs.50,000	45	25.
		Rs.51,000 - Rs.60,000	25	14.4
		Above Rs.61,000	17	9.8
3	Level of Education	School level	16	9.2
		UG	91	52.3
		PG	34	19.5
		Professional	33	19
4	Occupation	Private employee	74	42.5
		Government employee	25	14.4
		Student	32	18.4
		Professional	31	17.8
		Homemaker	12	6.9
5	Gender	Male	101	58.0
		Female	73	42.0

Source: Primary Data

Table 1 depicts that 58% of the respondents are male, 34.5% of the respondents belong to the age group of 31-40years, 52.3% of the respondents belong to undergraduate level of education, 42.5% of the respondents are private employees, and 50% of the respondent's monthly income was up to Rs. 40,000.

Insurance Company

Different types of policies are provided by several companies. Selecting a company is the most crucial step as it is the company that gives peace of mind from a huge fiscal burden. Thus it is important to select the right company that can cater to the expected health needs. Policy scheme, service, income, reliability are some of the criteria the respondents have while selecting the company. Table 2 shows the name of the insurance company in which the respondents have taken a mediclaim policy.

Table 2: Insurance Company

S. No	Name of the insurance company	Number of Respondents	Percentage
1	Star Health Insurance	32	18.4
2	Max Bupa Insurance	14	8
3	Apollo Munich Insurance Company Limited	20	11.5
4	Reliance General Insurance Company Limited	15	8.6
5	ICICI Lombard General Insurance Company Limited	16	9.2
6	Bajaj Allianz General Insurance Company Limited	15	8.6
7	Oriental Insurance Co. Ltd	12	7
8	United India Insurance Co. Ltd	15	8.6
9	New India Assurance Co. Ltd	21	12.1
10	National Insurance Co. Ltd	14	8
	Total	174	100

Source: Primary Data

It is observed from Table 2, that out of 174 respondents, 32(18.4%) of the respondents have insured in Star Health and Allied Insurance Company Limited, 21(12.1%) of the respondents have insured in New India Assurance Co. Ltd, 20(11.5%) of the respondents have insured in Apollo Munich Insurance Company Limited, 16(9.2%) of the respondents have insured in ICICI Lombard General Insurance Company Limited, 15(8.6%) of the respondents have insured in Reliance General Insurance Company Limited; Bajaj Allianz General Insurance Company Limited and United India Insurance Co. Ltd, 14(8%) of the respondent have insured in Max Bupa Insurance and National Insurance Co. Ltd, 12 (7%) of the respondents have insured in Oriental Insurance Co. Ltd.

Level of Satisfaction Among the Insured Regarding Mediclaim Insurance

Many companies are aiming for high satisfaction because insured who are highly satisfied will not shift to another insurer. High satisfaction insured will have an emotional bond with the insurer, thus creating loyalty. Loyalty can be a great asset to the firm, which increases the profit margin of the insurer. In the present study, the level of satisfaction of respondents has calculated by adopting the Likert scaling.

Hypothesis (H_0): There is no significant difference between demographical factors and the level of satisfaction among the insured regarding medical insurance.

Hypothesis (H_1): There is a significant difference between demographical factors and level of satisfaction among the insured regarding medical insurance.

To test whether there is a significant difference between demographical factors and level of satisfaction among the insured regarding medical insurance, ANOVA has been applied.

Table 3: Demographical Factors and Level of Satisfaction among the Insured Regarding Mediclaim Insurance -Result of ANOVA

Variable	Categories	N	Mean	SD	F value	P value
Age	20-30 years	47	17.9787	3.69188	1.352	.259
	31-40 years	60	18.7000	3.95868		
	41-50 years	48	17.0833	4.99290		
	Above 51 years	19	18.3684	4.11245		
	Total	174	18.0230	4.23303		
Level of education	upto HSC	16	17.2500	4.64040	.863	.462
	Under Graduate	91	18.4066	4.26348		
	Post Graduate	34	17.2059	4.18351		
	Professional courses	33	18.1818	4.01913		
	Total	174	18.0230	4.23303		
Occupation	Private employee	74	17.6892	4.59280	2.676	.034
	Government employee	25	17.2400	3.17910		
	Student	32	19.9688	3.37433		
	Professional	31	17.0645	4.50877		
	Homemaker	12	19.0000	3.93123		
	Total	174	18.0230	4.23303		
Monthly income	upto Rs 40,000	87	17.4253	4.19477	1.218	.305
	Rs 41,000- Rs 50,000	45	18.5333	4.88783		
	Rs 51,000- Rs 60,000	25	18.5200	3.46554		
	Above Rs 61,000	17	19.0000	3.37268		
	Total	174	18.0230	4.23303		

Source: Computed Data

It is clear from Table 3 that the P-value of the demographical factors Age (.259), Level of education (.462), Monthly income (.305) is greater than 0.05. So it is not significant. Hence the null hypothesis is "accepted" and proved that there is no significant difference between demographical factors and level of satisfaction among the insured regarding medical insurance. A p-value of occupation .034 is less than 0.05, so it is significant. Hence the null hypothesis "cannot be accepted" at a 5% level of significance and proved that there is a significant difference between occupation and level of satisfaction among the insured regarding medical insurance.

Findings and Suggestions

1. Customer satisfaction: Customer satisfaction is the true indicator of predictable revenue and lasting profitability. It cost five times more to acquire a new customer than to retain an existing customer. Hence the insurance company should concentrate on increasing customer satisfaction. A satisfied customer will stay with the insurance company rather than an unsatisfied customer. In this study, it was revealed that there was a difference of opinion regarding the level of satisfaction based on occupation. So the insurance company should concentrate on all occupation groups to have better satisfaction.

2. Know Your Customer Expectations: Banks have KYC (Know Your Customer) to know about the customers. The insurance company, too, can follow the same in keeping track of its customers. They can have KYCE (Know Your Customer Expectations), which is very important in today's competitive environment. It is important to know the expectations of the customers so that the insurance companies can give better services to the customers.

Conclusion

After having a detailed study on insured perception towards medical insurance, one can understand the level of awareness towards mediclaim policy, level of satisfaction towards the medical insurance, and the factors influencing insured in selecting the policy, differ from person to person. The level of awareness of the insured has been increasing nowadays. When the dissatisfying factors are identified by the insurer, they can rectify it and increase the insured level of satisfaction. Mediclaim insurance has a great future, but to be more successful, it is necessary to spread awareness about its benefit to noninsured's.

References

Krishnaswamy, O.R. and M. Renganathan. *Methodology of Research in Social Science*, Himalaya Publishing House, 2005.

Pillai, R.S.N. and Bagavathi, V. *Statistics*, Sultan Chand and Company Limited, 2002.

Sivaramakrishnan, L. and Ti. M. Swaaminathan. "Awareness and Public Receptivity for Health Insurance Products a Study with Reference to Kanchipuram Town, India." *International Journal of Current Research and Academic Review*, vol. 3, no. 5, 2015, pp. 112-121.

Sekaran, Abirami. "A Study on Strategies to Improve Insured Perception in Mediclaim Insurance Sector – With Special Reference to Madurai City." *Jamal Academic Research Journal: An Interdisciplinary,* vol. 9, 2016, pp. 247-251.

Saravana Kumar, P. "Health Insurance Policy Holders Perception towards Public Sector Health Insurers in Erode District of Tamil Nadu." *IOSR Journal of Humanities and Social Science*, vol. 1, pp. 6-10.

Manivannan, L. and S.A.Senthil Kumar. "A Study on Marketing Problems and Prospects of Health Insurance Policies in Coimbatore District." *Indian Journal of Marketing,* vol. 1, no. 4/4, 2007.

Madhukumar, Suwarna, et al. "Awareness and Perception Regarding Health Insurance in Bangalore Rural Population." *International Journal of Medicine and Public Health,* vol. 2, no. 2, 2012, pp. 18-22.

Jagannath, Sanjavkumar Patil. "A Study on Consumer Satisfaction towards Life Insurance Corporation of India." *International Journal of Marketing and Technology,* vol. 2, no. 7, 2012, pp. 210-224.

Gautam, Vikas, and Mukund Kumar. "A Study on Attitudes of Indian Customers towards Insurance Services." *Management Research and Practice,* vol. 4, no. 1, 2012, pp. 51-62.

http://www.medguideindia.com/medicalinsurance/ availlable-health-plans.html

https://www.apollomunichinsurance.com

https://www.tflguide.com/know-about-mediclaim-policy

https://www.policybazaar.com/health-insurance/ individual-health-insurance/articles/best-health-insurance-plans-in-india

https://www.irdai.gov.in

Author Details

Dr. K. Nisha, *Associate Professor, Department of Commerce, Lady Doak College, Madurai, Tamil Nadu, India,* ***Email ID****: nisha@ldc.edu.in.*

S. Abirami, *M. Phil Scholar, Department of Commerce, Lady Doak College, Madurai, Tamil Nadu, India.*