



## Evaluate the Reason and Overall Satisfaction of Consumers to Buying Health Insurance Products

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### Abstract

The current study (article) investigated why people purchase health insurance products and why they do not, as well as how satisfied consumers are with insurance products overall following claim settlement. A systematic questionnaire was used to gather data from 140 respondents, and reliability tests, cross-tabulation, the Mann-Whitney U test, the Kruskal-Wallis test, weighted average means, and percentage analysis were employed. The study's key finding suggested that one motivation is to safeguard against the rising cost of healthcare, while lack of awareness is the cause of not purchasing it. The null hypothesis is fail-to-reject, indicating that there is no discernible difference between the means of overall service satisfaction with respect to demographic factors and the 77.2% of respondents who are satisfied with their health insurance policy.

## Introduction

As is well known, health insurance covers long-term care and disability benefits for policyholders and guards against financial hardships brought on by unexpected medical expenses for you and your dependent family members. If we have health insurance and are making our regular premium payments, our insurer agrees to cover your hospital expenses. Health insurance includes both individual and group coverage. The cost of health insurance is deducted by the payer from tax obligations or from other advantages received by the policyholders. In exchange for specific payments for risk mitigation, the insurer agrees to indemnify the insured. The various types of policies include group medical policies, Jan Arogya Bima policies, cancer policies, Bhavishya Arogya policies, overseas medical policies, and Videsh YatraMitra policies.

Thomas, V. (2013), Consumers in Kerala spend Rs 19001 on medical expenses each month, with 26% of families having a member hospitalised in the past two years. (Thomas, 2013). Sonal K. and Premila J. (2015), in this research paper, I want to look into the level of health insurance awareness among people in Rajasthan state, India. The majority of respondents, according to this study's findings, are aware of health insurance but do not wish to purchase it or other types of medical coverage. (Sonal & Premila, 2015). Anandalakshmy K. (2017) The study examined the knowledge of policyholders and the variables affecting purchasing choices for health insurance in the Coimbatore district. They discovered that the majority of respondents were over the age of 41, 54% of male members used life insurance, and 40% had a high school diploma or equivalent.. (Anandalakshmy and Brindha, 2017). Anjali (2018) conducted research on customer perceptions of health insurance products in Ranny Thaluk. The researcher has set out to access the level and source of awareness about health insurance, to identify the factors that influence customers in their selection of health insurance and of a particular health insurance company, and to know the level of customer satisfaction. The study

found that friends, family, and co-workers are the main sources of information about health insurance, and illness in the family or oneself is the cause.etc. (Anjali, 2018). Vijay and Krishnaveni (2018), researchers found that type of company and policy influence customer satisfaction, with group policies providing more satisfaction. (Vijay & Krishnaveni, 2018). Netra, G., and BA Varadaraja, R. (2019), Awareness, coverage, and willingness to avail of health insurance were found to be 66.8%, 46.6%, and 78.2%, respectively. (Netra & BA Varadaraja, 2019).

Through this study, health insurance companies can get an idea of their advertisement expenses and other promotional expenses based on this study and frame their products according to the needs of their customers. Nowadays, customer satisfaction plays a very important role in the invention of new products according to the wants and needs of the population.

### Objectives, Hypothesis and Tools and Technique

Table 1. Objectives, Hypothesis and tools and technique

Objective-1	To know most important reason to buy of health insurance	Frequency, Percentage, Weighted Average Mean
Objective-2	To know reason for not taking health insurance	Frequency, Percentage, Weighted Average Mean
Objective-3	To know overall performace of insurance sector	Frequency, Percentage,
Objective-4	To know the overall satisfaction level of consumers	
Hypothesis-1	H <sub>0</sub> : There is no significant the difference in the overall satisfaction level towards health insurance policy with respect to demographic factors of consumers at 95% confidencelevel.	
Hypothesis-1	H <sub>1</sub> : There is a significant the difference in the overall satisfaction level towards health insurance policy with respect to demographic factors of consumers at 95% confidencelevel.	
D.F*	Gender, Nature of the family	Mann Whitney-U test
D.F*	Age groups, Education Qualification, Marital Status, Number of Earner/s in the family, Dependent the family Member/s and Monthly Income of Consumer	Kruskal Wallis-test

Sources: self-constructed)\* Demographic Factors

### Methods

This study is based on analytical information, which means the researcher has to use facts or information already available and analyse it to make a critical evaluation of the data. Researchers have collected data from 140 teachers who are using health insurance products through a questionnaire. Respondents are teachers (professors) who are using health insurance in colleges and universities in Rajkot city. People who have not purchased life or health insurance policies are not included in the current study. The researcher has used a convenient sampling method for the collection of data. The researcher used frequency distribution (simple tabulation), the Kruskal-Wallis test, the arithmetic mean, the weighted average, and the Mann-Whitney-U test.

## Data Analysis

Table 2. Factors inducing Reason purchase of health insurance policy

Sr.No	PARTICULAR	$\frac{\sum WX}{\sum W}$	W.A.M (Avg)	W.A.M	RANK
1.	Protection from rising cost of healthcare	594/21	4.24	28.29	1
2.	Tax benefits	549/21	3.92	26.14	3
3.	Attractive schemes	385/21	2.75	18.33	6
4.	Expecting health problems	472/21	3.37	22.48	4
5.	Better healthcare for the family	553/21	3.95	26.33	2
6.	Cover big expenses	388/21	2.77	18.48	5

Source: Field Survey (January-March, 2020) in Rajkot City

The graph above depicts the weighted average mean reasons for purchasing a health insurance policy. The reason for the highest means (WAM) is to protect against rising health-care costs. With 26.33, the second highest W.A.M. is due to better health care for the family. The third rank of the mean is tax benefits. The fourth and fifth ranks of the W.A.M. are given to expecting health problems and covering big expenses, respectively. The lowest mean of the attractive schemes available is (WAM) 18.33.

## Reasons for not Taking Health Insurance Policy

Table 3. Factors dissuading purchase of health insurance policy

Sr.No	PARTICULAR	$\frac{\sum WX}{\sum W}$	W.A.M (Avg)	W.A.M	RANK
1.	Do not feel the Need	490/21	3.5	23.333	3
2.	High Premium Charge	576/21	4.11	27.429	2
3.	Poor services and coverage	435/21	3.10	20.714	5
4.	Less Return on Investment	476/21	3.4	22.667	4
5.	Lack of Awareness	604/21	4.31	28.762	1
6.	Shortage of funds at disposal	363/21	2.59	17.286	6

Source: Field Survey (January-March, 2020) in Rajkot City

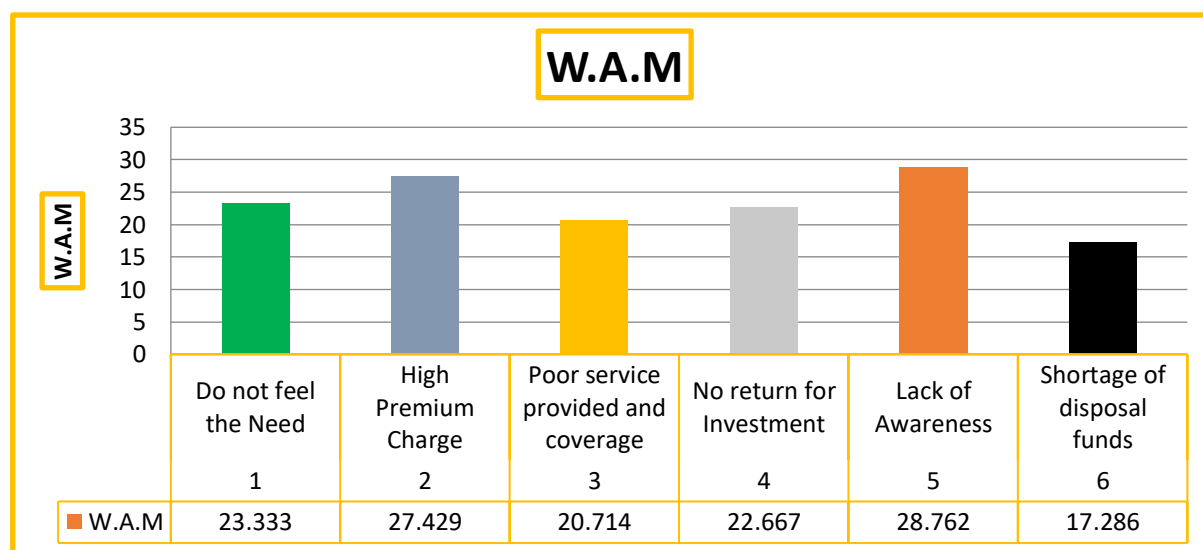


Figure 1. Bar Diagram Of W. A. M. Of Reasons For Not Taking Health Insurance Policy

The above chart shows a weighted average of the reasons for not having a health insurance policy. The highest mean is lack of awareness at 28.762. The second highest mean is a higher premium charge of 23.33. The third and fourth rank, according to mean, are not feeling the need and receiving no return on investment. The fifth rank according to mean is given to poor service provided and coverage. We rank the last shortage of funds disposal at 17.28.

### Overall Satisfaction Level Towards Health Insurance Policy

Table 4. Overall Satisfaction Level Towards Health Insurance Policy

PARTICULARS		Frequency	Percentage
OVERALL SATISFACITON LEVEL OF HEALTH INSURANCE POLICY	HD	4	2.9
	D	6	4.3
	N	22	15.7
	S	75	53.6
	HS	33	23.6
	<b>Total</b>	<b>140</b>	<b>100.0</b>

Source: Field Survey (January-March, 2020) in Rajkot City

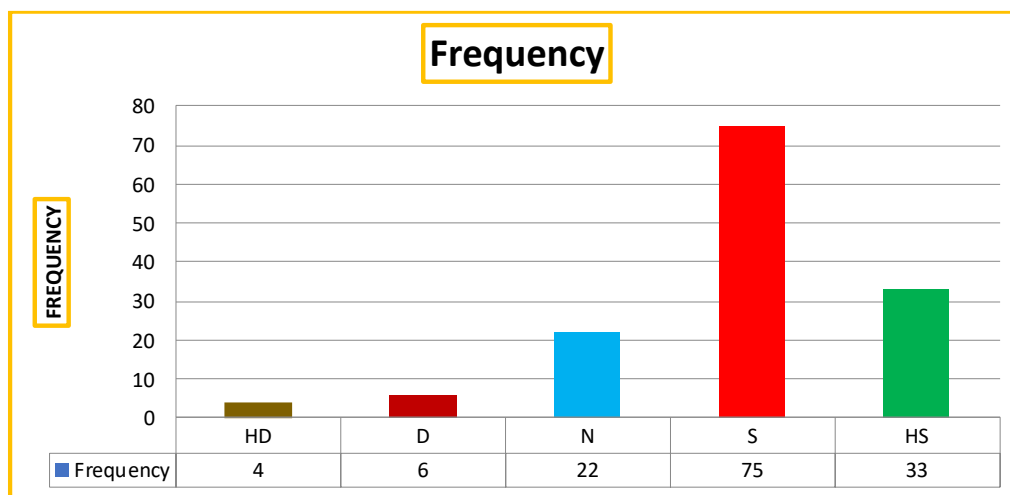


Figure 2. Bar Diagram of Overall Satisfaction Level Towards Health Insurance Policy

The above chart shows the overall service experience with health insurance service providers. I satisfied 75 out of 140 consumers with their experience with health insurance service providers. Someone was extremely pleased with the service provided (33 out of 140 customers). If we consider service experience, 22 consumers' opinions are neutral. Six (6) consumers are dissatisfied with the service provided by health insurance companies.

### Comparison of Gender and Nature of the Family with Overall Satisfaction Towards Health Insurance Policy

Mann Whitney-U test was conducted for analysing the difference between overall satisfaction levels towards health insurance policy with respect to gender.

H0: There is no significant the difference in the overall satisfaction level towards health insurance policy with respect to gender at 95% confidencelevel.

H1: There is a significant the difference in the overall satisfaction level towards health insurance policy with respect to gender at 95% confidencelevel.

Table 5. Comparison Of Gender And Nature Of The Family With Overall Satisfaction Towards Health Insurance Policy

Sr.No	Ranks				Asymp. Sig. (2-tailed) (P-V)	H <sub>0</sub> (Accept/Reject) at 5% significant Level (0.05)	
	GENDER	N	Mean Rank	Sum of Ranks			
1	PLEASE RATE YOUR OVERALL EXPERIENCE WITH HEALTH INSURANCE SERVICES	MALE	88	69.84	6145.50	0.782	Accepted
		FEMALE	52	71.63	3724.50		
		<b>Total</b>	<b>140</b>				
	NATURE OF THE FAMILY	N	Mean Rank	Sum of Ranks			
2	PLEASE RATE YOUR OVERALL EXPERIENCE WITH HEALTH INSURANCE SERVICES	NUCLEAR	62	71.45	4430.00	0.786	Accepted
		JOINT	78	69.74	5440.00		
		<b>Total</b>	<b>140</b>				

a. Mann Whitney Test  
b. Grouping Variable: Gender, Nature of The family

Source: Field Survey (January-March, 2020) in Rajkot City

In the above table, the significance value for overall service with gender is 0.425, which is higher than the level of significant; therefore the null hypothesis is accepted. There is no significant difference in the overall service experience with health insurance companies with respect to gender or the nature of the family. Because of calculated value is more than the P-value.

From the above table, the significance value in overall service with the nature of the family is 0.742, which is higher than the level of significant; therefore the null hypothesis is accepted. There is no discernible difference in overall service experience with Health Insurance Company based on the nature of the family.

### Comparisons of Selected Demographic Factors with Overall Satisfaction Level Towards Health Insurance Policy

In other part, Kruskal Wallis test was conducted for analysing the difference between overall satisfaction levels towards health insurance policy with respect to selected demographic factors.

H<sub>0</sub>: There is no significant the difference overall satisfaction level towards health insurance policy with respect to selected demographic factors, at 95% confidence level.

H<sub>1</sub>: There is a significant the difference overall satisfaction level towards health insurance policy with respect to selected demographic factors, at 95% confidence level.

Table 6. Comparisons of Selected Demographic Factors With Overall Satisfaction Level Towards Health Insurance Policy

Sr.No	Demographic Factors	N	Mean Rank	Asymp. Sig. (2-tailed) (P-V)	H <sub>0</sub> (Accept/Reject) at 5% significant Level (0.05)	
1	AGE GROUP	BELOW 20	1	21.50	0.054	Accepted
		21-30	30	55.58		
		31-40	41	68.15		
		41-50	29	80.26		

		51-60	31	76.97		
		ABOVE 60	8	84.19		
		<b>Total</b>	<b>140</b>			
2	EDUCATION QUALIFICATION	GRADUATE	3	71.83	0.772	Accepted
		POST GRADUATE	36	68.81		
		PH.D	92	72.22		
		PROFESSIONAL(OTHER)	9	59.22		
		<b>Total</b>	<b>140</b>			
3	MARITAL STATUS	SINGLE WITHOUT DEPENDENTS	25	61.68	0.187	Accepted
		SINGLE WITH DEPENDENTS	11	66.59		
		MARRIED WITHOUT CHILDREN	25	62.34		
		MARRIED WITH CHILDREN	79	76.42		
		<b>Total</b>	<b>140</b>			
4	NUMBER OF EARNER	ONE	48	69.18	0.884	Accepted
		TWO	49	73.89		
		THREE	22	67.91		
		FOUR OR MORE	21	68.33		
		<b>Total</b>	<b>140</b>			
5	DEPENDENT THE FAMILY MEMBER	NIL	30	59.48	0.281	Accepted
		ONE	22	77.86		
		TWO	28	71.25		
		THREE OR MORE	60	72.96		
		<b>Total</b>	<b>140</b>			
6	MONTHLY INCOME	LESS THAN 40,000	38	60.17	0.207	Accepted
		40,001 TO 1,00,000	39	71.18		
		1,00,001 TO 2,00,000	32	75.66		
		ABOVE 2,00,000	31	76.98		
		<b>Total</b>	<b>140</b>			
<b>a. Kruskal Wallis test</b>						
<b>b. Grouping Variable: Demographic Factors</b>						

*Source: Field Survey (Jan-Mar, 2020) in Rajkot City*

From the above table, the significance value in overall service experience with age group, marital status, different age groups, education qualifications, dependent family members, number of earners, and monthly income level is greater than in all cases, therefore the null hypothesis is accepted. This means there is no significant difference in overall satisfaction level with health insurance policy regarding selected demographic factors. Because the value of significance in the above table is greater than in all factors, they accepted the null hypothesis and concluded that there is no significant difference in the overall service experience with Health Insurance Company based on selected demographic factors.

## Conclusion

Conclusion: (1) As per the above calculation of the weighted average mean, it is clear that the most important reason to buy a health insurance policy is to protect against the rising cost of health care; (2) A second important reason is better healthcare for the family, because consumers' main objective in buying health insurance is to protect their families and themselves against any uncertain causes; (3) Most consumers want to take advantage of tax benefits from insurance premiums, so they want to purchase health insurance policies; (4) Other significant information is provided in the preceding table; (5) From the above table, most of the consumers said that due to a lack of awareness, they are not buying health insurance policies, and the weighted average mean in that statement is the highest (28.76). The high premium charges are another reason why people do not purchase health insurance. Other reasons include: consumers' lack of need for health insurance; a lack of return on investment; poor service and coverage;

and a lack of disposal funds; (6) Most consumers (53.6%) and 23.6% (77.2%) are satisfied with their health insurance policies, out of which 23.6% are highly satisfied; (7) Only 7.2% of consumers are dissatisfied, which means 4 are highly dissatisfied and 6 are dissatisfied. It can be seen that there is no significant difference in the mean of overall service satisfaction and demographic factors among consumers; (8) The null hypothesis is failed to reject based on the tests, indicating that there is no significant difference in the means of overall service satisfaction with respect to demographic factors (gender, education qualification, marital status, monthly income, and so on).

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