A STUDY ON SATISFACTORY LEVEL OF HEALTH INSURANCE POLICYHOLDERS IN NAMAKKAL DISTRICT

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ABSTRACT

Health insurance means a promise by an insurance company or health plan to provide or pay for health care services in exchange for payment of premiums. If someone is ill and he or she is not able to pay the bill immediately, he or she is assured by a Health Insurance Policy. It is high time the health insurance awareness among the prospective buyers is tapped in the rural and urban areas. For this, among 15,996 Health Insurance Policy holders 450 were selected as sample respondents for the present study in Namakkal District. Primary and secondary data have been taken for this study. Percentage analysis and multiple regression analysis have been used to examine the satisfaction level of the policy holders. The research found that the variables age, educational level, occupation, wealth position, period of using and percepts impact of advertisement are positively associated with level of satisfaction of the policy holders.

KEYWORDS

1. INTRODUCTION

Making health care as a fundamental right has picked up by the great efforts taken by the non-governmental organizations. The government also launched a national health policy towards it. It has tried to make healthcare a fundamental right. The facilities which needed are apparently inadequate. Economically disadvantaged people who cannot afford healthcare expenditure in the private hospitals seek treatment in the government hospitals. Despite this, the government spends about one per cent of its Gross Domestic Product.

Health insurance is one of the mechanisms for financing healthcare requirements based on policy, the risks at a certain price, enabling purchasing of healthcare efficiently. Given the healthcare costs, increasingly demanding consumers, providing high-quality, accessible and financially sustainable healthcare to the population, are very challenging task for the government.

The marketing of health insurance policies involves unique practices and characteristics when compared to marketing of any other product or services. Health insurance policies are services and hence intangible in nature. So there is no immediate chance of realizing the services whether good or bad. It is the sales force that stands to struggle much to convince the buyers in all respects before materializing a contract. The process is all the more complex as the purchaser has to evaluate his decisions from the probable and improbable future events, which may cause a potential change in his monetary condition or result in loss.

2. REVIEW OF LITERATURE

According to Randall P. Ellis, Ching-to Albert Ma the less healthy employees value health insurance more than the healthy ones, when health insurance is newly offered job turnover rates for healthier employees decline less than turnover rates for the less healthy. They called this adverse job turnover, and it implied that a firm’s expected health’ costs will increase when health insurance is first offered. Health Insurance premiums may fail to adjust sufficiently fast because state regulations restrict annual premium changes, or insurers are reluctant to change premiums rapidly. Even with premiums set at the long run expected costs, some firms may be charged premiums higher than their current expected costs and choose not to offer insurance. High administrative costs at small firms exacerbate this dynamic selection problem. Discussion of Mark V. Pauly in his study on “The Evolution of Health Insurance in India and China” reveals that health insurance in rapidly developing countries such as India and China needs to be segmented. One challenge is that the main advantage of health insurance for a family is the financial protection that the insurance provides, which may trade off against public policy goals of increasing access, since greater access means higher premiums relative to the value of health benefits. As India and China continue on their path to development, they may increasingly face the problem of providing drug benefits, whose cost is
difficult to control or in constrain, especially in a setting where the country is producing for the world market.

Leighton Ku and Matthew Broaddus analyzed in their research that some proposals to expand health insurance coverage for people with low incomes were based on expansions of public programs, such as Medicaid or the State Children’s Health Insurance Program (SCHIP), while others rely on the use of tax subsidies for individuals to purchase private insurance. Analyses of data from the 2005 Medical Expenditure Panel Survey indicate that total the medical spending was much lower when coverage was provided by Medicaid or SCHIP than it was when coverage was provided by private insurance. Public insurance is particularly advantageous from the consumer’s perspective because associated out-of-pocket spending is far lower.

3. OBJECTIVES OF THE STUDY
To examine the satisfactory level of the health insurance policy holder in Namakkal district.

4. HYPOTHESIS OF THE STUDY
There is no positive association between selected independent variables and level of satisfaction of the policy holders.

5. RESEARCH METHODS
The questionnaire used in this study has been prepared by the researcher and collected data from 450 policy holders who were taken health insurance in Namakkal district of Tamil Nadu by using simple random sampling technique. Multiple regression analysis has been used for examining the satisfaction level of the policy holders in this research study.

6. RESULTS AND DISCUSSION
Multiple regression analysis has been employed in this study to analyze the determinants of level of satisfaction of the health insurance policy holders. The level of satisfaction was taken as dependent variable and independent variables included in this study are age, sex, community, educational qualification, occupation, monthly income, and wealth position, and perception, period of using and impact of advertisement. In this analysis, the extent of impact these independent variables create on level of satisfaction of the health insurance policy holders is studied.

The main objective of using this technique is to predict the variability of the dependent variable based on its co-variants with all the independent variables. It is useful to predict the level of dependent phenomenon through multiple regression analysis, if the levels of independent variables are given. The following analysis shows the relationship between policy holders’ level of satisfaction about health insurance, and ten independent variables that were studied.
Table 1: Relationship between Selected Independent Variables and Level of Satisfaction

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>Coefficients</th>
<th>SE</th>
<th>‘t’ Value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.188</td>
<td>0.151</td>
<td>21.083</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>-8.89E-02</td>
<td>0.028</td>
<td>3.133</td>
<td>*</td>
</tr>
<tr>
<td>3</td>
<td>Sex</td>
<td>-0.362</td>
<td>0.046</td>
<td>-7.918</td>
<td>*</td>
</tr>
<tr>
<td>4</td>
<td>Community</td>
<td>-0.111</td>
<td>0.029</td>
<td>-3.828</td>
<td>*</td>
</tr>
<tr>
<td>5</td>
<td>Educational Level</td>
<td>7.715E-02</td>
<td>0.025</td>
<td>3.091</td>
<td>*</td>
</tr>
<tr>
<td>6</td>
<td>Occupation</td>
<td>0.132</td>
<td>0.029</td>
<td>4.519</td>
<td>*</td>
</tr>
<tr>
<td>7</td>
<td>Monthly Income</td>
<td>-7.50E-02</td>
<td>0.032</td>
<td>-2.334</td>
<td>**</td>
</tr>
<tr>
<td>8</td>
<td>Wealth position</td>
<td>-1.84E-02</td>
<td>0.034</td>
<td>0.542</td>
<td>NS</td>
</tr>
<tr>
<td>9</td>
<td>Percepts</td>
<td>2.762E-02</td>
<td>0.017</td>
<td>1.663</td>
<td>NS</td>
</tr>
<tr>
<td>10</td>
<td>Period of using</td>
<td>-0.108</td>
<td>0.018</td>
<td>6.036</td>
<td>*</td>
</tr>
<tr>
<td>11</td>
<td>Impact of advertisement</td>
<td>-6.02E-02</td>
<td>0.020</td>
<td>3.060</td>
<td>*</td>
</tr>
</tbody>
</table>

R Value 0.946  
R² Value 0.895  
F Value 757.75*

*S Significant @ 1 percent  ** Significant @ 5 percent  NS Not Significant

The multiple linear regression components are found statistically a good fit as R² value is 0.895. It shows that eight independent variables contribute about 89 percent on the variations in the level of satisfaction. The results indicates that the co-efficient of Age, Gender, Community, Educational level, Occupation, Gross monthly income, Period of buying, and After-sale service are positively associated with the level of satisfaction. Further, it indicates that these variables contribute to the level of satisfaction of policy holders and are statistically significant implying that their influence is stronger than the other variables. It is found that the policy holders level of satisfaction about health insurance is positively associated with the factors like age, educational level, occupation, wealth position, period of using and percepts impact of advertisement.

SUGGESTIONS AND CONCLUSION

Education level plays a vital role in health insurance. Hence, education about health and insurance should be given to children and adolescent in their young age itself. Separate papers should be included in higher education level about health insurance. Most of the low income group people and middle income group people are suffering more by spending huge money in private hospitals to meet the medical expenses. These financial crises can be avoided if they had taken health insurance policies. Hence the insurance companies should take the necessary initiative to make a wide coverage of advertisement through various media capitalizing on this point of unnecessary loss and financial strain. Policies should be in the regional languages. Policyholders do not get complete information due to language problems. Many insurance firms escape
from the liability because of the policy language.

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