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**RURAL POLICYHOLDERS' AWARENESS ON HEALTH INSURANCE****M. SHANMUGAPRIYA¹ Dr. M. CHITHIRAI SELVAN²**

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ABSTRACT

Health is a crucial factor in developing the Human Development Index of a country. Productivity and economic growth of a nation depends on the health of its people. Today, human life is subject to various risks – risk of death or disability due to natural or accidental causes. Of all the risks faced by the human beings, health risks pose the greatest threat to lives and livelihoods. Health insurance gives the opportunity to the people to finance their medical care so that they can alleviate some of their financial pressure. In India, health insurance has witnessed a significant increase in terms of both premiums and numbers over the past few years. But still a vast majority of the people in India is not covered by any type of health insurance. One main reason for this is that most of the insurance companies are operating in metros and urban cities and thus makes the rural people not to have frequent access to health insurance providers. Further, the rural people are comparatively less educated than the urban people. In this backdrop, the present study is intended to find out the rural policyholders' awareness on health insurance and the variables associated with their level of awareness. The study discloses that majority of the rural policyholders are aware of insurance companies that offer health insurance policies, their plans and benefits offered. Also, the present study depicts that socio-economic variables like educational qualification, occupation, status in the family, size of family, number of earning members in the family, monthly income, family expenditure per month and family expenditure on healthcare per month have significant association with the rural policyholders' level of awareness on health insurance.

Key words: Risks of Life – Health Risks – Health Insurance – Rural Policyholders' Awareness

INTRODUCTION

Health is a crucial factor in developing the Human Development Index of a country. Productivity and economic growth of a nation depends on the health of its people. There is a proverb that "When wealth is lost nothing is lost, when health is lost something is lost, when character is lost everything is lost". But however in practice when health is lost everything is lost. Today, human life is subject to various risks – risk of death or disability due to natural or accidental causes. Of all the risks faced by the human beings, health risks pose the greatest threat to lives and livelihoods. The uncertainty of the timings of illness, its huge treatment costs make financial provision difficult for households. Rapid increase in medical expenditure combined with the family's consumption expenditure has caused people to rethink about financing of their healthcare systems. Health insurance gives the opportunity to the people to finance their medical care so that they can alleviate some of their financial pressure.

In India, the health insurance is alternatively called as 'Healthcare Insurance' or 'Mediclaim Insurance'. In mid 1980's most of the hospital in India were Government owned and treatment was free of cost. With the advent of Private Medical Care the need for health insurance was felt and the four Public Sector General Insurance Companies namely, New India Assurance Company, National Insurance Company, Oriental Insurance Company and United Insurance Company introduced mediclaim insurance as a



product in the year 1987. Initially, these Companies offered the health insurance with limited ceilings and benefits and later these ceilings were removed and General Insurance Companies (GIC) revises the features of the health insurance schemes periodically to make them more effective. In the year 1999, the Indian insurance sector was liberalized and many private players entered into the Indian insurance market and thus have brought in a lot of innovation in the health insurance products. The introduction of TPA's in 2001 further simplified the service delivery procedure with cashless transaction brought in 2003 (Ramesh Bhat and Elan Benjamin Reuben, 2002; Rakesh Agarwala, 2009).

In India, health insurance has witnessed a significant increase in terms of both premiums and numbers over the past few years. Health insurance premium has risen to `8,300 crores in 2009-'10 from `2,200 crores in 2005-'06. It continues to be one of the most rapidly growing sectors in the Indian insurance industry with gross written premiums for health insurance which increased by 16 per cent from `13,212 crore in 2011-'12 to `15,341 crore in 2012-'13 and it has registered a Compounded Annual Growth Rate (CAGR) of 32 per cent for the past eight financial years. However, only about 12-13 per cent of population has some form of health insurance coverage, including those who are covered through some form of government schemes and this is abysmally low compared to other countries (Rohit Joshi and Siddharth Tak, 2013). This shows that there exists a huge potential in this sector and that is yet to be explored.

REVIEW OF LITERATURE

The studies which are carried out in India and abroad are reviewed in the following paragraph.

Maumita Gosh (2013) identifies that a less percentage of people are aware about health insurance and their sources of awareness are agent and tax consultant followed by television, newspaper, friends / family and doctor. Sarwar Aamir and Qureshi Hamza Ahmad (2013) observe that majority of the respondents are aware of private health insurance and the main sources of information are found to be friends and insurance agents. Television, newspapers and family also plays an important role in creating awareness regarding health insurance. Harshal T Pandve and Chandrakant V Parulekar (2013) find that majority of the rural people are not heard about health insurance and the source of information is mainly from an insurance agent. Kasirajan (2012) finds that majority of the people are aware of health insurance and source of information for awareness is identified as television / radio followed by family / friends, newspapers, insurance agent and internet. Jangati Yellaiah (2012) reveals that a less percentage of respondents are aware of health insurance and the sources of information for awareness is observed as newspaper followed by family / friends, television, insurance agents, radio and internet. Further, he identifies that religion, type of family, education, occupation and annual income are the factors which determine the level of awareness on health insurance. Pooja Kansra and Guar Pathania (2012) find that majority of the people are aware of health insurance and the source of information for awareness is newspaper followed by television, radio and agents. Sumninder Karur Bawa and Ruchita (2011) find that majority of the people are aware of health insurance and the major source of awareness is found as television followed by newspaper, agents, friends, employees of insurance companies, etc. Sansui and Awe (2009) reveal that majority of the consumers are aware of the National Health Insurance Scheme and the variable namely, employment level is a significant factor that affect the level of awareness of the programme while gender, income level, size of the family, marital status and educational status are not significant factors influencing the awareness of respondents about the programme. Reshmi et al. (2007) disclose that majority of the respondents are aware of health insurance through family and friends followed by newspaper, television and radio. Further, they reveal that religion, type of family, occupation, family income per month, educational status and socio-economic status are the determinants of awareness on health insurance. Bimal Balasingham (2007) reveals that majority of the respondents desire to purchase a health insurance product for their children and the average age of owning a health insurance policy in India is 28 years which is a positive sign and indicates a growing awareness



amongst the youth towards the need and importance of insurance. Avinash Pandey and Leah Thomas (2003) find that awareness of healthcare products and schemes are found low amongst the selected respondents.

The above studies carried out in India and abroad disclose that no researcher, so far, has made an attempt to study about the rural policyholders' awareness on health insurance. Thus, it provides an opportunity and initiation to make an attempt to choose the rural policyholders' awareness on health insurance.

STATEMENT OF THE PROBLEM

Health insurance in India was dominated by the four Public Sector General Insurance Companies till the insurance sector was opened up to the private players in the year 1999. After liberalization, there are many private players in alliance with the foreign players have established their business in India. And at present there are 25 general insurance companies and 24 life insurance companies are offering health insurance and hence the growth in this sector is tremendous especially for the past one decade (www.irdanindia.org). But still a vast majority of the people in India is not covered by any type of health insurance. One main reason for this is that most of the insurance companies are operating in metros and urban cities and thus makes the rural people not to have frequent access to health insurance companies. As a result, majority of the people in rural area are not aware of the policies and features offered by the health insurance companies. Further, the rural people are comparatively less educated than the urban people. This raises several questions like: What is the rural policyholders' socio-economic profile? What are the sources of awareness on health insurance? What is their level of awareness on health insurance? and What are variables associated with their level of awareness?

OBJECTIVES OF THE STUDY

To find out solutions for the questions raised above, the following objectives are framed.

- To know the socio-economic profile of sample rural policyholders
- To find out the rural policyholders' awareness on health insurance and the variables associated with their level of awareness

RESEARCH METHODOLOGY

The present study is mainly based on primary data which is collected through issuing questionnaire. The questionnaire contains questions relating to socio-economic profile, sources of awareness and awareness on health insurance. The data required for the study have been collected by issuing questionnaires to 210 rural policyholders in Pollachi Taluk. Of the total 210 questionnaires issued, 198 questionnaires are collected and out of the 198 questionnaires collected, 190 questionnaires are taken for analysis because of incomplete information found in eight questionnaires. Convenient sampling method is adopted to select the sample rural policyholders. The data collected are analysed using (i) Simple Percentage and (ii) Chi-Square Test.

FINDINGS OF THE STUDY

The findings of the study are divided into three sections namely, socio-economic profile of the sample rural policyholders, their awareness on health insurance and the variables associated with their level of awareness.

i) Socio-Economic Profile of Sample Rural Policyholders

The findings relating to socio-economic profile of sample rural policyholders namely, gender, age, marital status, educational qualification, occupation, type of family, status in the family, number of members in the family, number of earning members in the family, number of non-earning members in the family, monthly income, family income, family expenditure per month and family expenditure on healthcare per month are presented below.



- Majority of 130 (68.42%) rural policyholders are female
- Majority of the rural policyholders, 113 (59.48%) belong to age group which ranges between 26 and 40 years
- Majority of the rural policyholders, 115 (60.53%) are married
- Majority of the rural policyholders i.e. 118 (62.11%) are post-graduates
- Majority of 109 (57.37%) rural policyholders are working in private sector
- Majority of the rural policyholders, 118 (62.11%) belong to nuclear family
- Majority of the rural policyholders, 164 (86.32%) are member of the family
- Most of the rural policyholders, 90 (47.37%) are vested with four members in their family
- Majority of 111 (58.42%) rural policyholders have two earning members in their family
- Most of 91 (47.89%) rural policyholders have two non-earning members in their family
- Most of 80 (42.11%) rural policyholders' earning per month is above `20,000
- Most of 79 (41.58%) rural policyholders' family income per month is between `25,001 and `40,000
- Majority of the rural policyholders, 96 (50.53%) family expenditure per month is up to `10,000
- Majority of 111 (58.42%) rural policyholders' family expenditure on healthcare per month is between `2,001 and `5,000

ii) Rural Policyholders' Awareness on Health Insurance

The findings relating to rural policyholders' period of awareness on health insurance, sources of awareness, medium of awareness, awareness on health insurance providers in India, awareness on various health insurance policies available in the market, awareness on various features of health insurance policies, awareness on Third Party Administrator (TPA) services in health insurance and variables associated with the level of awareness are given in the following paragraphs.

(a) Period of Awareness on Health Insurance

Most 100(52.63%) of the rural policyholders' period of awareness on health insurance is between three and four years

(b) Sources of Awareness

Majority of the rural policyholders are aware of health insurance through friends followed by family members, advertisements, agents, relatives, etc.

(c) Medium of Awareness

Majority of the rural policyholders are aware of health insurance through newspapers followed by television, radio, internet and the like.

(d) Awareness on General Insurance Companies that offer Health Insurance Policies

Majority of the rural policyholders, 142 (74.74%) are aware of general insurance companies that offer health insurance policies.

(e) Awareness on Life Insurance Companies that offer Health Insurance Policies

Majority of 126 (66.32%) rural policyholders are aware of life insurance companies that offer health insurance policies.

(f) Awareness on Various Health Insurance Policies Offered

Majority of the rural policyholders, 119 (62.63%) are aware of various health insurance policies available in the market.



(g) Awareness on Various Features of Health Insurance Policy

Majority of 136 (71.58%) rural policyholders are aware of various features of health insurance policy.

(h) Awareness on Third Party Administrator (TPA) Services in Health Insurance

Most of the rural policyholders, 94 (49.47%) are highly aware about TPA services in health insurance.

iii) Variables Associated with Level of Awareness

In order to find out the association between the selected variables namely, gender, age, marital status, education qualification, occupation, type of family, status in the family, size of the family, number of earning members, number of non-earning members, monthly income, family income per month, family expenditure per month and family expenditure on healthcare per month and level of awareness on health insurance, Chi-square test have been made use of. Levels of significance chosen are one and five per cent. The following hypothesis is formulated and tested.

H₀: Socio-economic variables do not influence the level of awareness on health insurance

Table – 1: Selected Variables and Level of Awareness

Socio-Economic Variables	Level of Awareness			Total (N=190)	d.f.	Chi-square Value
	Low	Medium	High			
Gender						
Male	8 (13.30)	38 (63.30)	14 (23.30)	60 (100)	2	0.124
Female	15 (11.50)	84 (64.60)	31 (23.80)	130 (100)		
Age						
Up to 25 years	0 (00.00)	13 (100.00)	0 (00.00)	13	4	7.819
26 to 40 years	15 (13.30)	69 (61.10)	29 (25.70)	113		
Above 40 years	8 (12.50)	40 (62.50)	16 (25.00)	64		
Marital Status						
Married	10 (8.70)	78 (67.80)	27 (23.50)	115	2	3.396
Unmarried	13 (17.30)	44 (58.70)	18 (24.00)	75		
Educational Qualification						
Up to HSC	3 (21.40)	7 (50.00)	4 (28.60)	14	6	42.825**
Under-Graduate	0 (00.0)	12 (66.70)	6 (33.30)	18 (100.00)		
Post-Graduate	19 (16.10)	87 (73.70)	12 (10.20)	118 (100.00)		
Professional	1 (2.50)	16 (40.00)	23 (57.50)	40 (100.00)		
Occupation						
Public Sector Employee	3 (23.10)	10 (76.90)	0 (00.00)	13 (100.00)	10	30.307**
Private Sector Employee	17 (15.60)	57 (52.30)	35 (32.10)	109 (100.00)		
Agriculture	0 (00.00)	15 (100.00)	0 (00.00)	15 (100.00)		
Business	3 (16.70)	15 (83.30)	0 (00.00)	18 (100.00)		
Professional	0 (00.00)	25 (71.40)	10 (28.60)	35 (100.00)		



Socio-Economic Variables	Level of Awareness			Total (N=190)	d.f.	Chi-square Value
	Low	Medium	High			
Type of Family						
Joint	6 (8.30)	48 (66.70)	18 (25.00)	72 (100.00)	2	1.556
Nuclear	17 (14.40)	74 (62.70)	27 (22.90)	118 (100.00)		
Status in the Family						
Head	0 (00.00)	26 (100.00)	0 (00.00)	26 (100.00)	2	16.789**
Member	23 (14.00)	96 (58.50)	45 (27.40)	164 (100.00)		
Size of the Family						
Up to Three	5 (10.40)	38 (79.20)	5 (10.40)	48 (100.00)	4	20.716**
Four	18 (20.00)	51 (56.70)	21 (23.30)	90 (100.00)		
Above Four	0 (00.00)	33 (63.50)	19 (36.50)	52 (100.00)		
Number of Earning Members in the Family						
Up to One	0 (00.00)	30 (90.90)	3 (9.10)	33 (100.00)	4	24.845**
Two	20 (18.00)	69 (62.20)	22 (19.80)	111 (100.00)		
Above Two	3 (6.50)	23 (50.00)	20 (43.50)	46 (100.00)		
Number of Non-Earning Members in the Family						
Up to One	8 (13.60)	37 (62.70)	14 (23.70)	59 (100.00)	4	7.294
Two	15 (16.50)	56 (61.50)	20 (22.00)	91 (100.00)		
Above Two	0 (00.00)	29 (72.50)	11 (27.50)	40 (100.00)		
Monthly Income						
Up to `10000	6 (8.80)	34 (50.00)	28 (41.20)	68 (100.00)	4	29.517**
`10001 to `20000	11 (26.20)	30 (71.40)	1 (2.40)	42 (100.00)		
Above `20000	6 (7.50)	58 (72.50)	16 (20.00)	80 (100.00)		
Family Income Per Month						
Up to `25000	7 (15.20)	30 (65.20)	9 (19.60)	46 (100.00)	4	11.358*
`25001 to `40000	8 (10.10)	59 (74.70)	12 (15.20)	79 (100.00)		
Above `40000	8 (12.30)	33 (50.80)	24 (36.90)	65 (100.00)		
Family Expenditure Per Month						
Up to `10000	22 (22.90)	68 (70.80)	6 (6.30)	96 (100.00)	4	48.263**
`10001 to `20000	1 (1.80)	36 (63.20)	20 (35.10)	57 (100.00)		
Above `20000	0 (00.00)	18 (48.60)	19 (51.40)	37 (100.00)		
Family Expenditure on Healthcare Per Month						
Up to `2000	10 (15.60)	35 (54.70)	19 (29.70)	64 (100.00)	4	10.843*
`2001 to `5000	13 (11.70)	79 (71.20)	19 (17.10)	111 (100.00)		
Above `5000	0 (00.00)	8 (53.30)	7 (46.70)	15 (100.00)		

Source: Primary Data

* Significant at five per cent level

** Significant at one per cent level



From the above table, it is noted that among the fourteen variables selected for testing their association with rural policyholders' level of awareness on health insurance, eight variables are found to be significant. Of them, educational qualification, occupation, status in the family, size of family, number of earning members in the family, monthly income and family expenditure per month are found to be significant at one per cent level. The variables like family income per month and family expenditure on healthcare per month are found to be significant at five per cent level.

SUGGESTIONS

The findings of the study and suggestions given by the rural policyholders at the time of data collection enable to formulate the following suggestions which might be helpful to the Policyholders, Agents, Insurance Companies, Insurance Regulatory and Development Authority (IRDA) and Government.

- The rural policyholders may inform the benefits and importance of holding the health insurance to their close associates. Further, they may visit the insurance company frequently which helps them to know the current offerings and trends in the health insurance.
- The agents may insist prospective policyholders' through the identified sources of awareness on health insurance namely, family members, friends and advertisements. Further, they should also explain clearly the inclusion and exclusion of the policy features.
- The Insurance Companies may establish more number of branches in rural area so that rural people have frequent access with the health insurance providers and they may choose the medium of advertisement as newspaper, television, internet and radio for spreading the benefits and importance of holding the health insurance.
- The IRDA should come up with new guidelines and measures to regulate the private health insurers in India to protect the interests of rural people on health insurance.
- The Government should insist the public to contribute compulsorily to a health insurance scheme and thereby they can avoid unnecessary out-of-pocket expenditures and also ensure better utilization of their health care facilities. Also, the Government should take necessary steps to include all the hospitals irrespective of private or public to provide health insurance benefits so that it would encourage more number of people to opt health insurance.

CONCLUSION

Health insurance in India is still in a nascent stage. It is because in India most of the insurance companies are operating in metros and urban cities. As a result people in rural area have less access with the insurance companies and they are not aware of many new health insurance policies offered in the market. Further, people in India are not giving much importance to avail health insurance policy. In this context, the present study is undertaken to analyse the rural policyholders' awareness on health insurance in Pollachi Taluk. It depicts that though a majority of the rural policyholders are aware of health insurance, still a remarkable percentage of policyholders are unaware about the health insurance. Further, the present study depicts that socio-economic variables like educational qualification, occupation, status in the family, size of family, number of earning members in the family, monthly income, family expenditure per month and family expenditure on healthcare per month have significant association with the rural policyholders' level of awareness on health insurance.

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