Findings, Suggestions & Conclusion
CHAPTER V
FINDINGS, SUGGESTIONS AND CONCLUSION

The findings from the study are presented in a proper sequence appropriately representing various aspects of health insurance marketing. Major findings are listed as per the objectives of the study. Keeping in mind the scope of the study and the target audience every important suggestion given by the customer is included. The conclusion derived after analyzing the data are presented at the end of this chapter.

OBJECTIVE I:
To describe the profile of health insurance services, companies providing health insurance, their customers and other related groups

Personal Profile of the Health Insurance customers in the Coimbatore District:

➤ The majority of the customers holding health policies (288, 57.6%) are male.

➤ More of the respondents 233 (46.6%) are between the age groups of 20 to 40 years.

➤ Majority of (402 (80.4%) the consumers holding health policies have a graduate level of education.

➤ According to the occupational status, more of the respondents are 163 (32.6%) salaried employees.

➤ 275 customers (55%) of the total respondents are married persons.

➤ Among the health insurance customers responded to the study 234 (46.8%) consumers have 4 members in their family.

➤ 198 (39.6%) of the respondents are having 2 earning members in their family.

➤ More number of the respondents, 165 (33.0%) are having more than Rs.25000 but less than Rs.50000 as their monthly family income.
The very important expenditure segment of the family, healthcare expenditure constitutes 5% of the family monthly income in the case of 206 (41.2%) health insurance consumers selected for the study.

Health coverage available:

- Among the various types of health coverage's available to the public the health insurance policy is known to majority of respondents.
- 336 respondents (67.2%) are aware of the health cover / Health insurance policy offered by the Public Sector Insurance Companies.

Health Insurance companies known

- Among the four public sector insurance companies, majority of the respondents, 317 (63.4%) are aware of The New India Assurance Co. Ltd. which is supposed to be the Market leader in general insurance.
- More of the respondents 237 (47.4%) are aware of Bajaj Allianz GIC Ltd., among the private sector insurance companies offering health policies.

Health insurance products known

- Among the various health insurance products offered by public sector insurance companies it is found that majority of the consumers 414 (82.8%) are aware of Mediclaim policy.
- Among the policies offered by Private Insurance Companies, Health First Aid by Tata AIG 132 (26.4%) is the most known one.
- The personal factors like gender, age group, educational status, occupation, marital status, No. of member in the family, No. of earning members in the family, Income level and percentage of healthcare spending are having significant level of influence on the awareness level towards various insurance companies.
OBJECTIVE II: To study the awareness level of consumers towards health insurance services:

Health insurance products Purchased
➢ Majority 336 (67.2%) of the customers have purchased / availed the Mediclaim policy, a popular product of Public Sector undertakings.

Source of Information of Health Insurance Policies
➢ Majority of the customers 308 (61.6%) said that advertisement is the major source of information, relating to health insurance companies and policies
➢ 260 (52.0%) respondents have got the information from the agents who are appointed by insurance companies to sell their products.

Media of advertisements
➢ Out of various media of advertisements giving information about health insurance it is found that 249 (49.8) of the customers have reached the advertisement through newspapers and magazines and the powerful media, television comes only second in the list.

Purchase of new Health Insurance Policy and the choice of private sector
➢ Majority of the customers 290 (58%) are aware of the new type of health insurance policies introduced in the market from time to time.
➢ 308 (61.6%) customers are willing to buy the new health insurance policy available in the market
➢ Among those who are willing to buy the new health insurance policy, 202 (65.6%) customers have confirmed that their choice is to private insurance companies.
➢ Consumers who are willing to select the private sector for the purchase of new health policy have said that variety of policies, negotiable premium and better service at the time of renewal are the priority reasons for selecting the private sector.
Services of agents and third party administrators:

- Majority of the customers 350 (70%) were contacted by the agents frequently who provided the information on various health insurance policies.
- 414 (82.8%) customers are aware of the third party administrators.
- 218 (43.6%) of the customers know TTK as the third party administrators.
- 158 (31.6%) customers are aware of the TPA, MEDI ASSIST.
- Both the TPAs are rendering services in the district of Coimbatore.

Preferential reasons for selecting private sector insurance companies

- Male respondents have given top priority for better service while renewal of policy.
- Those who are under the age group of below 40 have given top score for lower premium
- The respondents who have completed graduation have also given priority to lower premium.
- Majority of the consumer who have salaried income have given top score for variety of policies
- Married consumers have given top rank for better service in renewal.
- Respondents with 4 family members have given top priority for variety of policies.
- Respondents with two earning members in the family have given top priority to better service in renewal.
- Customers with a gross monthly income of Rs. 25000-Rs.50000 have given priority to lower premium.
- Customers who spend 5% of their monthly income towards healthcare, have given top rank for better terms and conditions in policy.
Gender, occupation, marital status and No. of earning members in the family are some of the personal factors having significant level of influence on the source of awareness.

Age, occupation, marital status and expenditure on healthcare have significant level of influence on the awareness of the media of advertisement.

Except gender and No. of members in the family all the other personal factors have significant level of influence on the frequency of contact by health insurance agents.

Except gender and No. of members in the family all the other personal factors have significant level of influence on the awareness of the Third Party Administrator service (TPA).

Among different genders, age groups, educational levels, occupational status, family composition, income level and healthcare consumption, the number of respondents who are aware of health insurance policies are significantly higher than the number of persons who have availed the various health policies except in the case of Mediclaim policy.

OBJECTIVE III: To study the personal and social factors influencing health insurance purchase

Role of Agents in Marketing:

The agents, advisors and brokers appointed by the insurance companies play a very significant role in marketing the products of health insurance as indicated by 242 (48.4%) of the consumers who are influenced by the agents.

Duration of stay with particular insurance company

12% of the customers remain loyal to the health insurance company staying with it and utilizing the products and services for more than 10 years.

More of the customers 218 (43.6%) are staying with the health insurance company for a short period of less than 3 years.
Level of Influence by various persons towards buyer behaviour:

- Both male and female respondents have given top priority for Agents among the persons influencing the purchase of Health Insurance Policies.

- The respondents under the age group of 20-40 have given top priority for Agents and others for Employer as the most influential persons towards purchase of Health Insurance Policies.

- Among the various persons influencing the purchase of Health Insurance Policies maturity of the respondents who completed school have given top priority for Agents and those who have completed graduation have also given priority to Agents.

- The respondents who have salaried income have given top priority for Doctors and the respondents who are doing business and profession have given priority to Agents among the persons influencing the purchase of Health Insurance Policies.

- Both married and unmarried consumers have given top priority for Agents as the most influential among various persons contributing towards the purchase of Health Insurance Policies.

- The respondents with 2 family members have given top priority for Doctors and the respondents with three, four family members have given priority to Agents as the most influential among various persons contributing towards the purchase of Health Insurance Policies.

- The customer with 1 earning member have given top priority for Employer and the respondents with two earning members have given priority to Agents as the most influential among various persons contributing towards the purchase of Health Insurance Policies.

- The customer with a gross monthly income of 25000 have given top priority for Employer and the respondents with a gross monthly income of 25000-50000 have given priority to agents as the most influential among various persons contributing towards the purchase of Health Insurance Policies.
The customers who spend 5% have given top priority for Agents and the respondents who spend 6-10% of their income on healthcare have also given priority to Agents as the most influential among various persons contributing towards the purchase of Health Insurance Policies.

Gender, occupation, marital status and No. of earning members in the family are some of the personal factors having significant level of influence on the duration of availing health insurance policies.

Gender, occupation, marital status and No. of earning members in the family are some of the personal factors having significant level of influence on the total sum assured.

Occupation, education, age and No. of earning members in the family are some of the personal factors having significant level of influence on the total premium paid.

OBJECTIVE IV: To study the purchase pattern, pre and post purchase behaviour towards health insurance policies.

Period of subscription

- 47.6% of health insurance customers are very new to the market and their purchase of health insurance is recent in nature.

Family composition

- Majority (82.2%) of the health insurance policies are individual policies with customer alone as the major beneficiary.

Sum assured

- More number (28.6%) of customers have taken a policy for an amount less than Rs.50000.
- Only 10.8% of the customers have realized the benefits of Health insurance Policies and covered all the major medical risks with a policy amount exceeding Rs.3 lakhs.
Health Insurance Premium

- More number (30.8%) of the customers pay a premium of Rs 2000 towards health insurance policy.

Mode of Payment

- 74% of the customers pay the health insurance premium personally.

Medium of Payment of premium

- Majority (75.8%) of the customers pay their premium by cash.

Premium Collecting Centers

- More number (43.6%) of the customers pay their premium at the collecting centers of Companies’ Branch Offices.

Motive behind health insurance purchase

- The psychological feeling of the need for a medical insurance cover is the primary motive of buying for 48.0% of customers and it is also the secondary reason for 30% of the customers.

Changing Health Insurance policy

- Majority of the respondents do not switch over from one policy to the other.
- Low premium is the major source behind the selection of various schemes by the customers who often switch over from one scheme to another scheme.

Changing health Insurance company

- 82.6% of the respondents do not change the company and only 14.4% of the respondents change the company for purchasing health insurance policies.
- Policy coverage and reputation of the companies are major reasons for switching over from one company to another company.

Claim Lodged

- Majority of the respondents 313 (63%) have not lodged any claim against the medical insurance policy.
- In the year 2004-2005 maximum numbers of respondents have lodged one claim at least.
Claim Settlement

- More number of the customers have got their claims within 15 days at the same time it is very discouraging to know 1% of claims settlements have gone up to 180 days.
- Majority of customer have given a positive statement on claim settlement procedure adopted by the health insurance companies, providing health policy and have said that the procedure was customer friendly.
- The unnecessary documents called for and delay by the employees are the reasons for the time taken by the company to settle health insurance claims.

Discontinuing policy

- Majority of the customers 400 (80%) of the customers selected for the study have stated that they never discontinue the policy.
- The prime reason for discontinuing policy is not paying the premium in time and as a result the policy has been lapsed.

Reason for the purchase decision

- Irrespective of gender, age group, level of education, occupational status, marital status, family composition, income level and healthcare expenditure, majority of the customers who have responded to our study said that the priority reason for buying a health insurance policy is the psychological security of need for insurance.

Decision for changing Insurance schemes:

- Irrespective of gender, age group, level of education, occupational status, marital status, family composition, income level and healthcare expenditure, majority of the consumers who have responded to our study said that the priority reason for changing from one health insurance scheme to another health insurance scheme of the same company is reduction in premium.

Change over to new insurance company

- Irrespective of gender, age group, level of education, occupational status, marital status, family composition, income level and healthcare expenditure, majority of the
customers who have responded to our study said that trust / reputation of the company, better service in policy insurance, policy coverage are major reasons for changing from one health insurance to another company.

Delay in claim settlement
- Irrespective of gender, age group, level of education, occupational status, marital status, family composition, income level and healthcare expenditure, majority of the customers who have responded to our study said that the priority reason for delay in claim settlement is the companies procedure of calling for unnecessary documents at the time of settling claims.

Discontinuing policy
- Majority of the health insurance customers belonging to the same age group and those respondents having 2 earning members in the family have given lapse of policy due to non-renewal as the major reason for discontinuing the policy. Whereas for all the others irrespective of gender, educational status, family composition, salaried income, expenditure on health the reason for discontinuing the previous policy is that they wanted to switch over to a new and a better policy.

Influence of personnel factors
- Gender, occupation, marital status and No. of earning members in the family are some of the personal factors having significant level of influence on the duration of availing health insurance policies.

- Gender, occupation, marital status and No. of earning members in the family are some of the personal factors having significant level of influence on the total sum assured.

- Occupation, education, age and No. of earning members in the family are some of the personal factors having significant level of influence on the total premium paid.
OBJECTIVE V: To discuss the opinion of consumers about the various practices of health insurance marketing

Strength, weakness, opportunities and threats relating to various marketing practices

- The aspects like timely renewal of policy and trust/reputation of company are major strength factors and it is perceived by the customers if these aspects are properly taken care of the marketing of health insurance products will be a most successful record for all the insurance companies.

- Majority of the customers rightly point out that restricted product features, many conditions and exclusions in the policy, unnecessary investigation carried out by the company and tariff control are the most crucial weakness obstacles to be attended by the health insurance companies.

- Maximum Coverage of illness, networking with hospitals, doctors and healthcare providers and possibility of health education to the society are the opportunities available to the providers of health insurance products.

- Less number of hospitals covered under health insurance is considered as the immediate threat faced by the health insurance providers. The other threats to be faced by health insurance provider are low government spending on healthcare and lack of government focus on public health.

Priority scores given by customers towards SWOT

- "Reputation and trust of companies" is the most important strength factor with the highest score of 3.44 as agreed by majority of the respondents irrespective of their various personal profile.

- "Restricted product features" is the most important weakness factor with the highest score of 3.28 as agreed by majority of the respondents irrespective of their various personal profile.
“Possibility of health education” and “more coverage of illness” are the most important opportunity aspects with the highest scores of 3.49 and 3.22 as agreed by majority of the respondents irrespective of their various personal profile.

“Low government spending on health care” and “lack of government focus on health care” are the most important threat factors with the highest scores of 3.53 and 3.33 as agreed by majority of the respondents irrespective of their various personal profile.

Major factors of SWOT perceived by customers

- Strength - Possibilities of reduction in premium
- Weakness - Restricted product feature
- Weakness - Too many conditions and exclusions
- Weakness - Unattended grievances and feedback.
- Opportunity - Possibility of health education
- Opportunity - More coverage of illness.
- Threats - Lack of government focus on healthcare

Level of Agreeability among customers

Among the SWOT relating to Health Insurance Marketing, Strength factors contributes a maximum of 62.1%.

Level of agreeability between customers and companies

There exists a significant difference between consumers and the companies on

- “Strong marketing expertise” and
- “Qualified and skilled employees” among strengths,
- “Ignorance and malpractices by agents, hospitals etc.”
- “Tariff controls and fixed premium” and
- “Non-profitable claim ratio 130% - 140%” among weakness
• “Searching for foreign markets” among opportunities,
• And in all other cases the difference is insignificant.

➢ Further it is observed that in most of the aspects the level of agreeability of the consumers is more than the companies which indicates that the consumers are well aware of the various aspects relating to Strengths, Weakness, Opportunities and Threats in marketing the products of health insurance.

**OBJECTIVE VI:** To measure and critically evaluate the level of customer satisfaction towards health insurance.

**Customer Satisfaction**

Customers are highly satisfied with the following aspects of health insurance marketing mix (7 P’s)

➢ Product features of health insurance policies
➢ Prices / premium offered by the health insurance companies.
➢ Distribution practices of health insurance through agents.
➢ Functioning of the Third Party Administrators.
➢ Promotion policies adopted by companies selling health insurance.
➢ Claim settlement time and procedure
➢ Promptness in issuing and altering the policy.
➢ Reputation of the company
➢ Convenient location
➢ Access to high officials
➢ Friendly employee behavior
➢ Ethical settlement of grievances.
Priority scores given by customers towards satisfaction

- "Features of the policy" with maximum score of 3.65 is quoted by majority of the respondents as the most agreeable aspect of satisfaction towards product.
- "Price / premium of the policy" with maximum score of 3.39 is quoted by majority of the respondents as the most agreeable aspect of satisfaction towards price.
- "Timely renewal of policy" and "collection of policy copy" with maximum scores of 3.39 and 3.49 is quoted by majority of the respondents as the most agreeable aspect of satisfaction towards place / distribution.
- "Sales promotion by officers" with maximum score of 3.49 is quoted by majority of the respondents as the most agreeable aspect of satisfaction towards promotion.
- "Procedure in issuing policy" with maximum score of 3.38 is quoted by majority of the respondents as the most agreeable aspect of satisfaction towards process.
- "Reputation of the company" and "convenient location" with maximum scores of 3.48 and 3.45 is quoted by majority of the respondents as the most agreeable aspect of satisfaction towards physical evidence.
- "Employee response" with maximum score of 3.42 is quoted by majority of the respondents as the most agreeable aspect of satisfaction towards people / service.

Important factors influencing satisfaction level

- Product - Exclusion in the policy
- Product - Innovative policy development
- Product - Features of the policy
- Product - Conditions of the policy.
- Price - Discount on premium
- Price - Bonus of the policy.
- Place - Collection of the policy copy
Place - Claim settlement
Promotion - Effectiveness of advertisement
Promotion - media of advertisement.
Process - Procedure in issuing the policy
Process - Prompt issuance of policy
Process - Error free insurance policy
Physical evidence - Clean and spacious office
Physical evidence - Convenient location
Physical evidence - Quality and clear policy copy
People / Service - Employees Response
People / Service - Friendly Employee Behaviour
People / Service - Access to higher officials
People / Service - Ethical settlement of grievances
People / Service - Feedback Assessment
People / Service - Supply of current information

Level of Agreeability among customers
Among the various features of the health policies and services provided by companies the product mix explain (62.1%) more level of satisfaction than other aspects.

OBJECTIVE VII: To recommend or suggest strategies for improvement
Suggestions to Improve Services of Health Insurance

As it is now clear that insurance is the protection for high healthcare cost, means to get the latest treatment, it is time for all stakeholders to join hands to overcome the challenges for the growth of health insurance and thereby the social security. Regulations and managed insurance market can also play an important role in moving health financing towards greater equity. Some of the recommended steps may be as follows:
Suggestions to Government

- Recognising health insurance as a separate line of business.
- Reduce capital requirement for health insurers from Rs 100 crore to Rs 30-50 crore.
- Introduce capital monitoring and product level norms for health insurance.
- Accreditation and benchmarking of health providers. There should be some quality standards and protocols to follow.
- Invest in training doctors, providers, health economists, cost accountants, epidemiologists, hospital managers, record keepers in computerisation etc.
- Reform public health system by decentralising autonomy and invest more to ensure standards.
- Government-controlled health providers can facilitate public–private partnership in a competitive environment.
- Encouragement of HMO, PPOs and managed care for sustaining the health business.
- Public education and awareness needs to be increased through media as to use of insurance.
- Social insurance / employer-based insurance for organised sector.
- Encourage community initiatives in marketing and servicing of health insurance, especially in the rural communities in the form of offering micro-insurance products.
- The government should include mandatory provision in the regulations to bring unorganized sector within the health insurance net.
- Introducing incentive scheme for providers who meet or exceed the target in this sector is one way of motivating the providers.
- The government can also take the assistance of NGOs, gram panchayats, cooperatives, etc. in the marketing and delivery of health scheme for the financially weaker and unorganized section of the society.
Suggestions to Insurance Companies

- Creating more awareness regarding health insurance.
- Strong underwriting and claims management.
- Review of mediclaim to cover ‘existing illness’, if possible with a higher premium.
- Introduction of new products for different market segments.
- Offer products for specific treatments to profitable segments.
- Remove life/non-life categorisation for writing reimbursement-based health policies.
- Agents and private players should target new markets in rural and semi-urban areas, rather than tapping the same market. This will increase the penetration of health insurance.
- Control costs by managing or controlling hospitals, i.e. shifting to the concept of Health Management Organisation (HMO).
- Extensive market research and introduction of new products by measuring the market potential, consumer needs, target market, product potential, pricing strategy, etc.
- India’s health insurance market is dominated by pure indemnity insurance. One consequence of this is that in a reimbursement scheme, the patient is not unduly concerned about either the cost or the quality of treatment received he is assured of reimbursement within his limits.
- The providers may also administer more medial care than what is appropriate or necessary. There is a need to shift from predominantly indemnity-based products.
- Introduce coinsurance to make the consumer also responsible for bearing considerable portion of the claim amount by restricting the percentage of reimbursement made.
- Policy exclusion should be very clear.
- Altering the limit for room category as per the policy coverage with a upper limit is important. For instance, patients get admitted in a Rs 15,000 presidential suite in leading hospitals increase the healthcare expenditure burden on insurance companies and this also reduces the limit available for subsequent hospitalisation within the same policy period.
Suggestions to TPAs

> TPAs should increase their network to hospitals in all areas, which will lead to increased competition and more bargaining power for TPAs.

> TPAs should be directed for faster settlement of claims.

> Selecting some specific hospitals for group insurance policies where the hospitals will be assured of some volume of business and in a position to offer better discounts.

> Indoor case paper and medical history can be made a regular document for the submission of the claim.

> All the problems should be supported by positive investigation report wherever applicable.

> Empanelling hospitals with fixed hospital schedule and not encouraging hospitals with negotiable doctor’s fees.

Suggestions to Hospitals

> Accreditations and standardizations of the tariff as far as possible for similar pattern of healthcare providers.

> Regular orientation to the doctors regarding health insurance.

> Concept of negotiable doctor’s fees should be discouraged as far as possible.

> The hospitals in co-ordination with the government should take a lead in dissemination of knowledge by being more proactive in spreading valuable information on the potential health impacts of substance abuse, various addictions, lack of exercise, etc, and the importance of a healthy lifestyle.

> The per capita health expenditure is relatively high for a developing country like India. Part of this can be attributed to the increased proportion of expenditure for curative healthcares as opposed to "preventive" healthcare.

> More spreading of message on preventive healthcare measures is also an important task of the hospitals.
Suggestions to Health insurance customers

➤ Taking health policy at very young age and covering all members of the family.
➤ Customers should be fully aware of the various health coverages available.
➤ Customers should know about the various health insurance schemes and companies providing these schemes.
➤ The attitude of customers should be always towards the preventive health care.
➤ Customers should take decisions relating to the features of the policy, sum assured, premium paid, persons covered, after careful analysis.
➤ They must be aware of the conditions and exclusions in the policy.
➤ They have to pay the premium in time and file the claims if any strictly as per rules and regulations.
➤ Take at most care towards ethics in reveling the pre existing disease
➤ Make use of the grievances cell in the case of any dissatisfaction relating to health insurance.

Conclusion

"Health coverage to all” should be the motto of the health insurance sector. There should be easy access to healthcare facilities and cost control measures should be in place. Health insurance is going to develop more in the current liberal economic scenario. But, a completely unregulated or very less regulated health insurance sector may concentrate only on those who have the ability to pay for the insurance cover. So, the challenge is in helping the benefits percolate to the economically weaker sections of the population. Transparent and accountable government and non-government participation should be encouraged. Developing and marketing social health insurance schemes through cooperatives and rural association would go a long way in benefiting the vast unorganized employment sectors currently neglected under the existing schemes. Also a thorough revamp of schemes like ESIS and CGHS is necessary for them to be more purposeful and efficient.

If the government, service provider, health care industry and the health insurance customers can incorporate all these suggestions given in the study, then the concept of health insurance will reach new heights in the near future and Mother India will be definitely, the most healthiest nation in the world.