CHAPTER II

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2.1 INTRODUCTION

Health Insurance was introduced only in 1912 when the first insurance Act was passed. In 1972 when the insurance industry was nationalized and 107 private insurance companies were brought under the umbrella of the General Insurance Corporation (GIC). With the entry of the private players and foreign collaboration penetration of health insurance has gone up. Health Insurance is important in the development schema of IRDA and has been taking many practical steps in this direction. As per the General Insurance council figures, up to Feb 2011, the industry’s health premium was Rs.10058 crores as against 7432 crores. During the previous year showing a growth rate of 35%. The population remains largely under penetrated because of various shortcomings that need to be addressed. Some shortcomings are low awareness, non development of new models of health insurance, non-coverage of out-patient care and existing diseases, inefficient cost management, product reach in rural areas and weak retail distribution model.

Based on the above study was carried on by various researchers and they have given their conclusions and suggestions to improve the health insurance market in India. The review of literature has been classified under the following:

1. Awareness
2. Product design & features of policy
3. Benefits
4. Claim
5. Comparative Study & Customer Satisfaction
6. Coverage Issues
7. Expectations of New Product Development & Willingness to Subscribe Health Insurance

Awareness

Awareness provides complete information about the health insurance policies, their benefits, features etc. There are various sources of awareness which helps the policyholder to decide on various policies. It educated the customers with regard to the importance of health insurance.

Ms. M. Mohanasundari and Dr. L. Balanaga gurunathan (2010), had projected that attention is to be given on awareness on health insurance among the public and the policy makers have to come out with more innovative products and concentrate on pricing, distribution channels and on marketing strategies. Authors had also suggested that health insurance policies should be implemented with affordable and should be easily accessible to the poor and weaker section of the society. They had also come out with suggestions for the research institutions and the policy makers to study about the diseases in various regions and how people can fit into that and draw out a policy norms for treatment.

The study had identified how the insurance can reach and spread to the rural and semi-urban areas using innovative distribution strategies. Lack of awareness, need and value of insurance products and complicated policies, lengthy process have discouraged people to take health insurance policies. Increase in employment, savings and growth in the economic status of the population, tax incentives, technology development have also promoted insurance policies as noted by Prof. Rachna Sharma and Prof Prema Ramachandran (2011).²

The study focused on the customer awareness and willingness to pay for health insurance with reference to Rajasthan. The survey results showed an increased level of awareness among the people towards health policies but the purchasing level was very low. The study showed that 33.6% of the people are...
covered under health policy. The 5 key factors which are acting as a block in the contribution of health insurance are lack of money to meet costly affairs, complex coverage and narrow policy options. The study on analyzing the non customers identified that the people are ready to take policies without any conditions and they continue only when their wants are satisfied and their conditions are fulfilled as laid down by **Dr. Dhiraj Jain and Ms. Swapnil Maheshwan (2012)**.

A survey was conducted in the rural area of Karnataka by **K. Mathiyazaghan (1998)**. The survey revealed that health insurance is very much accepted by the rural people of Karnataka. The study also stated that people in rural areas are interested in buying the health insurance products which suits their needs in the form of rural health schemes.

The study revealed that majority of the customers of mediclaim insurance company has taken only individual policy. Increasing medical expenses have forced many customers to go for Health Insurance. Customers also feel that the premium is high and the awareness is less amongst the customers. **Ms. Usharani and Malathi (2011)** have suggested that the company should take steps to improve the publicity through advertising strategy and measures should be taken for reducing the premium so that it can be utilized even by less income group.

The study had found TV was the most preferred media for customer’s education & awareness than other on consumer products. People give more attention to advertisement while watching TV and they involve themselves to judge the product before buying the same. **Mr. Dalip Raina, Mr. Kritika Khajuria (2012)**, suggested that marketers must be able to know the customer’s preference and how they evaluate the advertisement and decide to purchase the product. So they have to adopt a effective marketing strategy and develop a catchy advertisement.

There was lack of awareness about various health insurance products as identified by **Dr. Shashidharan Kutty (2011)**. Both public and social health insurance services are comparatively very limited and this leads to spending more
for medical expenses out of pocket as noted by author. The study also highlighted the expectations of policies from private health insurance companies which could satisfy the requirements of people based on their capacity to pay for premium.

Factors like awareness of health insurance, purchasing power, source of information, deciding authority in family, factors considered for buying health insurance products etc were chosen for study in the city of Bellary by G.P.Dinesh(2011) to identify the level of awareness towards Health Insurance. He found that awareness about insurance products are more but purchase of health products was less and mainly they prefer health insurance only for tax benefits. The study also suggested that consumers should be educated about health insurance products, awareness was to be given with regard to health insurance schemes. Also the insurers should bring out new products to suit the people of different category. Author had suggested that private players should concentrate on improving the trust and confidence in the minds of the people.

Insurance agents play a vital role in providing information about Health Insurance schemes. Rational behavior of Insurance Agent would result in low insurance coverage and coverage is also not possible as per the existing schemes. As insurance agent plays a crucial role in creating awareness about insurance and for assimilating more policyholders. Demand for health insurance is not only due to the income and educational background of people but also due to the agent’s behavior. The study also suggested that cash awards and incentives are to be given to agents for promoting the health insurance products as examined by Sukumar Vellakal (2011). NGO’s and SHG must be motivated for selling Health Insurance plans and they also suggested that awareness program should be carried on insurance and it can be included in schools and college curriculum to increase the awareness about Health insurance plans.
Product Design & Features of Policy

India is witnessing a consumer’s market and customer’s awareness has increased creating a demand for not only new products but also products and services with new features. Product features describes about the policy. It gives information about the coverage of age group, conditions or diseases which are covered under the policy, claim process and add on features.

Dr. Garima Malik, Tarvi Predham (2011)\textsuperscript{10}, on their study found that product features like tax rebate, investments, advertising and agent’s knowledge, low premium are the key factors in determining selection of an insurance company. The study also suggested that proper training should be given to the agents in all aspects like product knowledge, behavioral aspects, communication etc. More concentration should be given to advertisements or how the products should reach the customers. More care has to be taken in fixing the premium for the target customers. It was found that people are comfortable with internet services to get the information about the products.

Bajaj Allianz settles the health insurance claims within one week time of intimation and the processing time is also less as per the study made by Ms. Renuka Kanvinde(2011)\textsuperscript{11}. The company provides add on services at hospitals by giving discounts to customers and is technologically upgraded with facilities for electronic transfer of claims.

Mr. G.V.Rao (2011)\textsuperscript{12} observed that the insurance sector provides quality social service by covering the losses. But the social responsibility objective of insurance companies can be best achieved only when their efforts are used in bringing new products, changing the mind set of people to help the weaker sections of people. The study stated that Indian insurers have to follow the Japanese principle-by improving the quality of their products and by reducing the prices (premiums). The study also suggested that steps should be taken to bring the
uninsured population under the insurance coverage by creating awareness about insurance policies benefits, coverage, safety etc amongst the mass population.

Dr. Abhijeet V Ghosh (2014) stated that cashless system and the difficulties faced by insurance companies should be removed gradually so that it gives smooth working with policyholders. He also said that cashless system is much better compared with reimbursement models of health insurance. Various level of verification can be done during the process of both cashless & reimbursement which can provide smooth flow of processing.

The study stated about the IRDA regulations 2013. Jamuna Choudhary (2014) briefs the outline of the regulations which has become more customers friendly and is to the interest of the policyholders. The study shows that new regulation provides place for innovations, flexibility, clarity. It gives standard definitions for 40 terms and aims at uniformity across the industry. The regulation also provides grace period for renewal of the policy and it has been made flexible for claim process for genuine delays.

Benefits

Based on the various policies and their features, policyholders are interested in availing the benefits from the insurance company. Benefits vary from one health insurance provider to another. Benefits attract or impress the customers so that they can be retained by the insurance companies.

The study stated the role of Indian health insurance schemes and their acceptance by the customers. The study had found how the customers are utilizing the schemes when they are hospitalized and how the policy covers their requirements. They had also expressed the factors which are giving way to the success of health insurance sector- like innovative products and the regulations by the policy makers as studied by M. kent Ranson (2003).
The study showed as to what is the community based health insurance schemes and how it can be taken to the customers. The result focused on community based health insurance household. The study was done by Awaad Mataria, Rita Giacaman, Rana Khatib and Jean paul Moatti (2006)\textsuperscript{16}.

K. Naga Nalini (2011)\textsuperscript{17} had analyzed the various factors for the growth of health insurance sector like role of intermediaries, new products in health insurance, channel of distribution etc. The need for health insurance due to increase in the out of pocket expenses for health care, new diseases by change in life styles, improving the level of awareness of health insurance have all created significant importance for the business of health insurance.

The study observed the role of technology in health insurance sector which is vital and role of technology in helping the insurance sector to have wider coverage of customers to have access of policy documents online, online premium payment and also giving information regarding policy coverage, issue of policy through demat, call centre where doubts can be clarified etc. The insurance companies or agents should be reachable through email and the claim process is to be made easy by the use of smart cards. The policy holder to be given the card which can be used at the hospitals and installation of software packages which can be used for detecting frauds as suggested by Sanjay Datta (2011)\textsuperscript{18}.

Hari Narayan, IRDA Chairman (2012)\textsuperscript{19} stated in his study the regulatory measures for renewal of health policy and he felt that there was increase in renewal premium on health schemes in the current year. He also insisted that Guidelines should be framed for increase in premium based on the entire base of policy holders and the various schemes chosen by them and it should not be on the basis of claims raised by individual policyholder.

The study done by Timothy Mc Cormic and Warren Hern(2009)\textsuperscript{20} analysed the benefits of health care System and the key factors for their success like
setting up of common objectives, better adoption of technology for free flow of information and prompt decision making.

Community health insurance scheme are very successful as noted by N. Devadasan, Kent Ranson, Win Van Damme, Bart Criel (2004)\textsuperscript{21}. The key factors for success was identified like society based organization, limited premium, compact package for consumers, the administrative control and customer satisfaction with the policy. The study also suggested that financial support to public with various health insurance plans and more regulations for policies are required in community health insurance.

\textbf{Dr. David Dror (2007)}\textsuperscript{22}, studied the micro health insurance in India. He selected particular health plan in selected states with respondents who are benefited by the scheme. The study identified the key factors which are to be concentrated for improving micro health insurance. The factors of low premium, better health plans, regulations of IRDA should be encouraged for more innovative products.

\textbf{Ahuja(2005)}\textsuperscript{23}, studied the various advantages of insurance which provides improvement in healthcare and reasons which motivates innovations that has lead to quality and efficiency of public health care system.

\textbf{Claim}

Increasing incidences and claim size is a challenge faced by the health insurance industry today. Customers are more concerned with claim process. Increasing medical expenses and spending out of pocket has made the insurance companies to take the claim process and procedure user friendly so that it becomes easy for customers.

The entry of private insurance market and varied policies and schemes have made the public unaware of the companies and the policies available in the market as noted by \textbf{Dr. K.C.Mittal, Sarvjeet Kaur(2009)}\textsuperscript{24}. The study stated that agents
and employees are not having product knowledge and the customers are not satisfied with the service provided by the companies and also claim procedures which are very complex and it takes longer period for settlement. They also suggested that better training programme was required for agents and employees and the claim procedure need to be modified to make it easy and simple.

C.L. Baradhwaj (2011)\textsuperscript{25} opined that private insurance companies have wide coverage of customer services through call centre and also to reach the customers in remote places. He also stated that agents services to customers are beyond their reach. Insurance companies should take care of their customers at the time of claim settlement and they should introduce new products for health insurance with low premium for weaker section of people to be more effective.

Alexander S. Preker, Peter Sweifel, Onno P(2011)\textsuperscript{26} revealed in their study that private health insurance companies were criticized for many reasons like adverse selection, cream skimming etc. It was found that private players obtained higher proportion of good risks where people would have a low probability of care required or with low cost care was required. The other factors which affect the reputation of the private players were for not clearing the claim in time, poor quality of services and affecting the households of poor people.

The panel of Dr. Suranjit Chatterjee, Anuj Gulati, Yashish Dahiya, K.K. Mishra and Kumar Anshuman (2012)\textsuperscript{27}, on their summit conducted by ‘The Week’ identified the penetration of health insurance in India. They felt that claim procedure is usually not clear to the customers and also they were not clear about the terms and conditions of the health policy and of what is included and what are exclusions. They have also stated that coverage should be made on the nature of disease, capacity to pay. They also suggested new health insurance products, level of awareness among customers and service which can reach the people easily and which can improve the health insurance sector.
The study highlighted the advantages of clearing house for claim process. **Anil Khanna (2014)** described the importance of clearing house and how claim processes are made through online submission. Clearing house replaces paper based claim process and made electronically exchange of data which is much faster and accurate. This gives a transparency to customers with regard to claim process.

**Comparative Study & Customer Satisfaction**

Customer satisfaction plays an important role in health insurance sector. Customers are aware of various policies and also compare among various companies and decide. Within a short span of time private players have captured the Indian insurance market. Reliability, brand confidence are certain areas where public health insurance companies have tapped the market and when it comes to service quality, innovative products private health insurance companies top the rank.

**Dr. K.C. Mittal, Mrs. Jyotsna Pahuja and Prof. Anmol Soi (2008)** in their study revealed that private players are better than public players due to ineffective distribution and marketing strategies and more steps should be taken by health providers, IRDA should develop the health insurance sector. The study stated that private insurers plays a vital role in bringing new insurance products for the specific target groups and creating awareness about health insurance. They have suggested that health insurance should be easily accessible by all groups of people and the government should make necessary development in insurance sector in India.

**Mr. Vikas Gautam (2011)** in his study in Hyderabad city, noted that LIC (Public sector insurance company) has got the high quality perception as compared to private sector insurance company. The study observed that customers’ base of LIC is very large and they need to be retained. In private players, ICICI tops the service quality in terms of tangibility. It is also found that both public and private players have given importance on all the five dimensions of service quality which includes tangibility, reliability, responsiveness, assurance and empathy. He
suggested that private players should give importance to reliability and they should come with more innovative products in competitive markets. The service quality dimensions like reliability, word of mouth plays a vital role.

**Ramesh Bhat (1993)** had analyzed the role played by private health care sector and the various policy which are suitable for the customers. The study suggested that the private players were to be considered by the policy makers and the policy regulations should be favorable to the private health insurance sector for their development in the future.

The study stated that Indian insurance sector has grown very fast in both life and non-life insurance. The Indian insurance companies are improving in the world class level. After liberalization, private players have entered the market and captured the market share and are coming with new insurance products. **M.V.S. Srinivas Rao (2011)**, stated in his study that there are more opportunities in the insurance market in future and Indian insurance players are ready to develop the sector with innovative products. Author also opined that only the players’ private or public who could build the scale and capture the market would be able to survive in the future.

The study by **K. Rajeswari and S. Kartheeswari (2011)** identified that against the public insurance players, private players are having good customer relationship and are charging low premium, have easy claim settlement and innovative products. However, the private players have not established the brand confidence in the customers and this is one of the main reasons for the private players not performing well in the general insurance also.

**Ms. Jyoti Vij and Shobha Mishra Ghosh (2011)** highlighted the improvement of quality in health care by providing health insurance schemes. The study showed that when quality is followed there is a rise in premiums in private insurance players. The insurance companies and hospitals should undergo the
accreditation process and register for quality standard under NABH (National Accreditation Board for healthcare providers and hospitals).

The study had analyzed three main factors responsible for the growth of health insurance in India. They are capturing the market by taking initiatives for spreading the awareness about health insurance in untapped areas, next was the settlement of claim through the Third Party Administration (TPAs) and the third with the introduction of cashless hospitalization which gave trust in the minds of the customers on health insurance companies. It was also observed by MR. A.V. Rajan (2012) that only after private players entered the market, the health insurance has grown tremendously. More concentration should be given on TPAs regarding standardization, claims procedures to improve the health insurance sector.

The study by Mr. Brainard Jeff cohen (2005) revealed that people prefer private health facilities due to factors like quality, cost and availability of the facilities in public care centres. The study also found that even though they are covered by health insurance in public they prefer to go for private health care schemes.

Mark B. McClellan and Sean R. Tunis (2005) studied the Health Insurance in rural India. The public facilities were not found satisfactory by the people because of low quality and lack of accessibility. He also revealed that the public facilities were not effective and had led to decrease in use of health insurance products.

Richard Frank, Karine Lamiraud (2008) studied the swiss market for health insurance. They observed that increased price, competition and more demand for health insurance products with best packages should be avoided. It was observed that there was very few customers who went for switch over plans. They also found that customers with more duration in health insurance package were not willing to switch the plan. Only the customers with short tenure and who were not satisfied
with the plans were held by them. Customers purchased the health plans through agents and preferred to pay fewer premiums.

**Coverage Issues**

Coverage is the important tool for the health insurance policies. It provides the details of for the coverage of diseases under each type of policy. Based on the coverage norms, customers decide whether to subscribe the policy from the particular insurer. Age group will be specified, list of diseases excluded, conditions for pre-existing diseases etc. coverage plays an main role in the insurance market.

Randoll P. Ellis, Moneer Alam and Indrani Gupta (2000)\(^3\) had analyzed the various health insurance policies in India, their drawbacks and the contribution of General Insurance Corporation of India. The study also noted the steps taken to improve the regulations of health insurance with regard to coverage, exemptions, etc. The study suggested that the Indian health insurance should develop in such a way that more policies are brought as per the need and it should be made a competitive sector.

The need and demand for health insurance products in the rural areas of Iran was studied by Asgary, Willis, Taghvari and Regeian (2004)\(^4\). It also noted that majority of population live in rural areas and the health insurance schemes cover only the urban people. The study suggested that the policy makers should provide coverage to rural people as it is provided to urban people.

Indrani Gupta and Mayur Trivedi (2004)\(^5\) in their study emphasized that our country has to give importance to health programs and should bring health insurance reforms and new policies should be framed. The new strategies should be adopted which could bring changes in the attitudes of policymakers to set an objective of health insurance coverage for all rather than health for all. They had also examined the factors which would enable insurance sector to provide coverage to all sections of the economy.
Health insurance sector can be improved in the market by two ways like covering the government employees under the health insurance scheme and premium to be automatically deducted from their salary. Secondly, bringing the health insurance policies for the huge population with low premium and particularly covering the weaker section of population was suggested by M.V. Pauly(2009)\(^{42}\).

Population coverage under health insurance is below 5% of the population and it is mainly due to product which covers only rural population, low level of awareness, inadequate growth of health insurance sector etc., as noted by Rashi Yadav(2011)\(^{43}\). The study had also identified many factors which are responsible for better growth of health insurance sector in future like introduction of new health coverage policies, new product development, strategies, innovative marketing of products and the concern for health situation in India. Study also highlights the health insurance products which are based on disease management such as diabetes, cancer policy etc. Insurers sustaining in the market, customer care, statistical data of population, nature of diseases, age group, region wise new medical technologies, regulatory measures are the other factors which would contribute to the healthy growth of insurance sector.

Mr. Antony Jacob(2011)\(^{44}\) observed that increase in the number of unknown diseases and rise in medical costs have made the public aware of health insurance and their benefits. The study revealed that 3% of the customers are from metros and urban areas. He suggested that more steps have to be taken to reach the rural and urban areas and insurance should be easily accessible and affordable to all the people. Private insurers are helping the public more than the health insurance schemes which are run by state governments.

Jose Ferraz Nunes(2008)\(^{45}\) opined that there is high dependence on social insurance by woman having high educational level but with less level of health status. The study was evaluated on HIS Model which has three variables – Health,
Social Insurance and Income with different parameters. Author also stated that poor health is important factor for social insurance dependency.

Disabled population who were not covered under health insurance and respondents who could get health care and to return to work was the study carried for 6 months by Robert R, Weathers II, Chris Silanskis, Michelle stegman, John Jones, and susan Kalasumas(2010)\textsuperscript{46}. The author designed a Model Accelerated Benefit Demonstration. The study identified that 87% of the sample were satisfied with the benefits and only 12.7 of the beneficiaries (disabled) were not covered under health insurance. The study also revealed that the model should increase medical care and efforts to reduce unmet medical needs.

Disability on health plays a significant role as they are the source of income and also protecting factors for basic needs. Disability insurance should not be restricted by genetics alone as suggested by Susan M Wolf and Jeffrey P. Kakn(2004)\textsuperscript{47}. They also suggested that insurers must not reject the applicants on the restriction of genetic information. Also the disabled insurance should disallow exclusions with regard to pre-existing conditions (genetic information).

N.M.Behra (2014)\textsuperscript{48} in the study revealing the characteristics of Obama care which was introduced by the US government which has unique features that satisfies the needs of the people. The features included eliminating pre-existing conditions such that no one should be dropped under health coverage. It also included standardized glossary containing meaning of common terms. Also it has come out with ten health benefits which is required for all plans like ambulance services, maternity and new born care, mental health and disorder services etc.

The study by Suresh Sheth, P.Muraleedharan and Saji Paul (2014)\textsuperscript{49} observed that the innovations in biological sciences show ways to humanity and has found that new diseases are emerging but it is becoming a question mark to the insurers whether such conditions like genetic disorder, Gene therapy can be covered under health Insurance.
The study by P.C. James (2014) revealed that it is difficult for the rural population to be covered under universal health insurance. Author observed that people expect medical coverage to be made from birth to death including doctor consultation. The study also showed that coverage under Health Insurance in coming years will have a tremendous impact and would also increase in the future.

Margaret E. Kruk, Emily Goldman and Sandro Galeo (2009) found that 58% of the world population in the lower and middle income countries had been disposing assets and availing loans for meeting their medical expenses. The study was carried on with 40 countries and the study showed that people belonging to that group were not ready to pay for premium or were not interested in subscribing health insurance.

The study identified the main reason for dissatisfaction among customers as complaints on claim. The other reasons for dissatisfaction related to insurance company’s duties like the documents not clearly stating exclusion clause, the customers not being provided with the correct policy which they are looking for etc... Deepa Sharma (2011) also suggested that the insurance companies have to regulate the redressal committee and also the customer’s complaints. Need for proper orientation is to be given to their executives regarding the policy and also insisted for clear document to the policy holder with clear terms with details of conditions and exclusion clause also.

Dr. Tanvi Ruparel (2011) identified the predominant factors leading to the health insurance sector which include awareness and advantages of the health insurance, good quality health care facility, public health insurance policies and community based policies, rise in new diseases. The study also stated that there are forces which are against the emerging markets like health insurance companies which are not for innovative products and new marketing strategy. Affordability is also not considered either for fixing the premium nor for increased claim ratio as noted in the study.
K. Murali (2011)\textsuperscript{54} studied as to how frauds in health insurance sector leads to losses in the sector. The study also identified three types of frauds like firstly frauds done by customers by giving wrong information or false claim. The second type of fraud was by insurance companies and the last by service providers like doctors, hospitals, laboratories etc. The study also suggested the various steps to be taken for detecting and minimizing the frauds in various areas like monitoring in better way, audit system, having full customer details and regulatory norms to be made to reduce the frauds.

Study with six states of US revealed that market of health insurance was unsuccessful. It was found that strategies to achieve the goal for developing competitions and making the health insurance easily accessible also failed. Sabrina Coriette, Christine Monahan, Katie Keith and Kevin Lucia (2012)\textsuperscript{55} stated that there were no proper regulations or health reforms for insurance and there were no clear policies for selling health insurance products which resulted in very poor sale of insurance products.

The study found that more than 3 million government employees, pensioners and their dependents are covered under central government Health Services and provides more benefits to them like outpatient, in patients, prescription medicines, surgeries etc. Even though all facilities are provided, facilities are still lacking to satisfy the customers which can reduce the health expenditure and improve lifestyle as identified by Manoj Grover (2014)\textsuperscript{56}.

\section*{Expectations of New Product Development & Willingness to Subscribe Health Insurance}

Now the insurance market is customer centric where customers demand for the coverage of diseases, the claim procedure and they look for user friendly services. Customer’s expectations are at very high level. They expect the insurers to introduce innovative health policies as per their requirements. Customers are very
prompt in giving feedback on new product development. They demand for the new policies for diseases which are not covered under any type of policies.

Rajeev Ahuja and Alka Narang (2005) reviewed the present health insurance policies and the existing demand from the lower class of people in India. The study revealed the importance of micro insurance and their prospects; the various health insurance policies of low income group as per their expectations and requirements. As per the data from universal health insurance and UNDP, the attention was drawn towards micro insurance and health insurance policies.

Ms. K. Uma, S. Selvanayaki, M. Sankar (2011) identified that the customers usually looks for the complete policy terms and conditions which should be very clear from both the agent and the insurance players. They have also suggested that services should be provided till the policy period expires and customer care executives should take up the responsibility of clarifying the queries of policyholders. The study also highlights that the policy documents are to be issued to the customers immediately without any delay and payments are to be made to customers after the maturity date without any further delay.

The study by Ms. Subhashini Rajamani (2008) analyzed the steps to be taken to improve the growth of public health care institutions and how easily it should be accessible to public. The need to regulate the health care institutions as per the expectation of the people was also stressed upon. Regulatory frameworks to be made in health insurance industry to provide suitable coverage were examined for improvement in the insurance sector as a whole.

The concept of health insurance in India from evolution was analyzed by Mr. Dilpreet Singh (2011). The study identified various health insurance schemes provided by the central or state government and also detected areas where insurance companies should concentrate more to improve the health insurance sectors. Study identified less awareness amongst the public in remote areas, need for regulation of
conditions and exclusion clause, need for new product development and reasonable pricing of the policies.

Mr. Girish Rao (2011)\textsuperscript{61} studied that there is no common health system in the universe and no country has provided excess budget for health sector. The study also identified that more involvement should be made on reducing the out of pocket expenses and to bring them under health coverage scheme and make up for the risk spread. He also found that out of pocket expenditure in India was very high.

Mr. Rajiv Jamkhedkar (2012)\textsuperscript{62} in his study highlighted the importance of direct relationship with the customers for the growth of insurance sector. The study came out with two methods to create relationship with customers. Firstly, improving the communication channel with the customers through intermediaries like agents who are invited for special customers for new policy launch. Secondly, through sales by internet without human involvement. Customers like to get all the information, payments, policy queries everything through online. The study stressed on the importance of relationship with customers which has a positive effect on the market.

Sanjay Dutta (2012)\textsuperscript{63} identified that maximum out-of-pocket expenditure in the world is spent by people of India. To minimize this, the central and state governments have come out with various governments funded Health Insurance Schemes for people who are below the poverty line. The author also suggested that steps should be taken by government for making health insurance mandatory as per the affordability of the population.

The insurers and insured have the right and duties to be carried on to have a smooth relationship as noted by Mr. Antony Jacob (2012)\textsuperscript{64}. He also stated that understanding full disclosure and transparent dealing only can ensure that the customers gets the best services from the insurance companies.
Kim Thuy Nguyen, Oanh Thi Hai Khuat, Shuangge Ma, Duo Ciong Pnam, Giang Thi Hong Khuat and Jennifer Prah ruges (2012) studied through a survey in Vietnam the impact of health insurance on health care cost. The result showed that out of pocket health expenditure was high and also to some extent health insurance was accepted by household in rural sectors and it has reduced the medical costs. The authors suggest more universal package scheme which should be standardized and should be made to the requirements of the consumers.

The Health Insurance plans are very limited for people of low income and for people in rural India. The survey carried on in different locations among rural and urban slum dwellers revealed that disease pattern is not uniform and the willingness for health insurance also varied in different locations. Out of pocket expenses were very high and people spent very less for health care. David M. Dror (2007) suggested that according to the diseases and the medical expenses, a new affordable, accessible package should be brought in health insurance sector.

Dr. Rohit Kumar and Prof. K. Rangarajan (2014) opined that due to increase in various unknown diseases in various classes of people in India, we should elevate the Health Insurance Market in the near future. Authors concluded that with the increase in medical expenses and disposable income an increase in out of pocket expenditure for health care can be managed only by proper health insurance mechanism by various insurance companies.

Lichen Zhang, Hong Wang, Lushang Wang, William Hsiao (2006), the study found that farmers were ready to subscribe community based health insurance policies in group and farmers showed interest in individual policies and were also willing to subscribe for the same and for government health schemes. Study also revealed the factors as awareness and features of health policies which had influenced the farmers towards health insurance.

The study identified that people in India were ready to spend 1.35% of their income towards health insurance if the policy covers their requirements. The study
also analyzed that “one-size-fits-all” health policies were not applicable for people whose income were very low. The reasons were different income levels, kinds of diseases and frequency of illness, policy makers private or public health insurance providers in different places as examined by Dror(2007)\textsuperscript{69}.

The study by Emily Gustafsson-wright, Abay Astaw, Jacques Van Der Gaag(2009)\textsuperscript{70}, using double bounded contingent valuation method (DBCV) had found that in Namibia, the people are willing to buy health insurance products and also suggested that innovative health products need to be brought into the market for low income group of people.

Smt. Nandita Banerjee(2012)\textsuperscript{71} identified the factors for loss in health insurance portfolio. Factors like increase in claim ratio, age group coverage under the health policy, high medical expenses and fraudulent dealings etc., have discouraged customers from adopting insurance. The study also suggested measures to improve health insurance market like modification in regulatory framework, innovative new products introduced in the market and reasonable price for various diseases and varied age groups. She also stressed on the need for measures to minimize fraudulent transactions.

Mr. Vepa Kamesam and Dr. V. Padmavathi(2011)\textsuperscript{72}, emphasized that insurers should put efforts to identify and rectify the drawbacks within their reach to contribute towards societal improvement. They also suggested that the insurance companies need to come forward and join hands with voluntary groups or NGOs to launch innovative products to cover vulnerable diseases and also reach weaker section.

The study analyzed that the health insurance companies should be aware about the customer’s health conditions and provides best services to them. The insurers should make sure that the family is covered under the policy including the new born. The terms and conditions should be clearly stated in the documents as identified by Ms. Neeraj Basur(2011)\textsuperscript{73}. He also stated that the insurers should
provide preventive health care measures, annual health checkups and the initiative steps should be taken by the company for their customers. The insurance companies should also have a good relationship with their customers and also provide periodic feedbacks.

**Praveen Yadav (2014)** identifies that health technology assessment (HTA) is a vital area and should be considered important as it decides whether screening for diseases or treatments have to be covered under any policy. Policy makers, government, Health Ministry should concentrate on HTA to have more healthy insurance business.

From the study of some of the developed and developing nations Health Insurance market, **Ashwin Parekh (2014)** opines that our country should move towards health maintenance. He studied about Germany, US, UK, Australia, France and Singapore health insurance market and identified that both in Singapore & France, Health Insurance industry has given importance to policyholder’s needs. In France, the policyholders have freedom in choosing their own physicians. Indian Health Insurance companies should come forward with more health products to satisfy the policyholders.

**Dr. Naresh Trehan (2014)**, has discussed about the proposal of new government with regard to health assurance for all. He lists out the difficulties faced such as lack of Regulations and guidelines and importance to be given to R&D innovations, how the objectives to be framed for providing affordable health care to people.

The study revealed that Health Insurance products have variety of products with mediclaim and new products having add on services which cover dental daily cash benefits. There is a need for long-term health policies which were not success in the past. New policies are expected by customers in terms of health savings plan with tax benefits and differentiated and multitier products etc. **Megha Asnani**
concluded that innovations in Health Insurance must concentrate on how the policy works rather than coverage.

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G.Srinivasan, CMD, New India Assurance, had stated that their focus was to make additions in products through new products and variations of the existing products on health insurance products which had brought them awards. They were more interested in bringing more products on their portals and apps and tailor made risk mitigation solution.

K.K.Mishra, CEO, TATA AIG General Insurance, had commented that the marketing strategy was strongly aligned through their website for promoting health insurance.

Dr. Amarnath Ananthanarayanan, MD & CEO, Bharthi AXA General Insurance, stated that in the years ahead, due to change in lifestyle, their company would be focusing on health insurance products to protect the customers due to change in lifestyle.

T.S Vijayan, Chairman IRDA, had stated that insurance business in India was expected to reach 4 lacs crore in the financial year 2013-14 compared to the previous year premium collection which was around 3.73 lac crore. He also opined that penetration of insurance industry had a potential to rise from 3.86% to 5.6%. The regulator had taken steps to convert the policies which come under push category to pull category.

La Forgia & Nagpal, in their study revealed that CGHS provides more benefits to central Government employees. It provides no exclusions for any pre-existing diseases or any limit is fixed on the coverage.

In the 8th Health Insurance Summit(2014), Dr. Harsh vardhan Health Miniter studied that assured health services will be made available to every
category. The assured package was expected with a clause for prevention and positive health for every disease and with a support of assured diagnostics and availability of medicines. He also assured that in future every patient’s disease would be taken care and diagnosed.

From the above references it is identified that health insurance is becoming popular among the public and the awareness level of health insurance shows a positive sign. Studies had been done on factors influencing health insurance, customer satisfaction towards health insurance, level of awareness and utilization of health insurance plans. Studies are also carried on claim settlement of health insurance, about various health insurance plans. It is also found that very few percentage of population is covered under health insurance and there are many uncovered areas under health insurance. Comparative study on public and private health insurance companies is restricted and study on uncovered diseases like genetic disorder has not been carried on. Hence there is a gap in these areas and the study was focused on the new product development for children affected with genetic disorder.
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