CHAPTER V

FINDINGS,
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SUMMARY

In the current scenario, health insurance plays an important role in the insurance industry. After liberalization, privatization of insurance industry in 1999, private players and foreign players have entered the insurance market and tapped a huge profit. This has pushed up the awareness level of the customers towards health insurance. People are now very much impressed and satisfied with the health insurance policies. They have become more health conscious and don’t want to pay out from their wallets to meet the medical expenses. Both public and private insurance companies have come out with many new policies which suit the customer’s requirements. Customer’s opinion on awareness, benefits, product, features of policy, claim and coverage issues of health insurance were identified. Study also identified the level of satisfaction and their opinion about private and public health insurance companies.

The goal of the research was to study the new product development in health insurance with special reference to children affected with genetic disorder. The study focused on the problems faced by the policyholders whose children are affected with genetic disorder.

The study also covers the difficulties faced, financial problems and the methods they adopt to face the medical expenses of their children as they are not covered under health insurance and the expectations of the policyholders under new product for these children under coverage. The variables and indicators were considered after discussions with insurance agents, policyholders and through various websites.
The sample size for the research work was selected around 400 policyholders. Review of literature provides the related studies on health insurance. Research gap was identified from the literature and was considered for scope of the study based on the objectives of the study. Theoretical background describes in depth about the health insurance and the concepts are explained in detail with evidences of literature and with the current status of health insurance in India.

The researcher has adopted descriptive and inferential statistical tools which include percentage analysis, mean and standard deviation, t test, Anova, Chi-square, Friedman test, Correlation analysis, Multiple Regression analysis and Discriminant analysis. Various tools were applied to test the validity of the objectives of the study. SEM model was framed to test the fitness of the variables. The findings and conclusions are discussed below.

This chapter expounds the comprehensive view on the results drawn in the previous chapter of analysis and interpretation. It presents the analysis part and justifies the relationship between dependent and independent variables statistically.

5.1 FINDINGS

The preceding chapter deals with analysis and interpretation of the primary data through various statistical tools. In this chapter the researcher exhibits the findings of the study relating to the objectives. The results have led to the findings of the study based on the opinion of the policyholders of health insurance.
Findings on Demographic profile of Policyholders of Health Insurance, opinion of policyholders towards health insurance and comparison between private and public health insurance companies.

The study reveals the demographic profile of policyholders of health insurance as follows:

- From the sample, it is found that male respondents are higher with 63.5% than female respondents with 36.5%. Male are the family head and male are employed in the family.

- Maximum numbers of policyholders belong to the age group of 36-40 years (39.5%) followed by 28.3% in the age group 31-35 years and below 30 years only 16.0% which is the least age group. In the age group 36-40 years, people become more health conscious and at this period they get all sorts of health issues.

- Study reveals that majority i.e., 44.8% of the policyholders are graduates followed by post graduates with 41.5% and diploma holders are the least i.e., 13.7%. It looks like only graduates and post graduates are aware of health insurance and only they are interested in subscribing health insurance policies and this could also be because they are well placed.

- Employed policyholders are found to be higher of (51.8%) followed by self employed with (19.0%) and professionals are found the least with (5.0%). Most of them are employed as they have job security.

- Study reveals that respondents with annual income above Rs. 2,00,000 are higher with 64.3% and minimum respondents are with annual income below Rs.1,50,000 (10.7%). Respondents with annual income above Rs. 2,00,000 are able to spend some amount towards health insurance.
It is found from the sample that policyholders with one child affected with genetic disorder (53.5%) are higher and least percentage of (23.0%) of the policyholders have above two children affected with genetic disorder. The policyholders are aware of the medical consequences and have taken doctor advice before the next child to avoid such conditions.

Based on the nature of health insurance providers, majority of the policyholders (64.7%) are covered by private health insurance company and only 35.3 % of the policyholders are covered by public health insurance company.

It is found that 73.7 % of the policyholders have subscribed for family floater and only 26.3 % of policyholders have subscribed for individual policy.

In the gender comparison on renewing the present health insurance policy, it is revealed that majority of male and female policyholders are willing to renew their health policy as they have been benefited and satisfied with the policy.

The result of gender for willingness to subscribe health insurance policy if their children are affected with genetic disorder are covered under policy has found that both of male and female policyholders are willing to subscribe the policy. Based on the preference, maximum policyholders both and male and female prefer private health insurance company.

It is found from the study that opinion of policyholders towards level of awareness, benefits, product design, features shows moderate level of awareness as Indian population are slowly getting into the concept of health insurance.
Based on the opinion of policyholders towards level of claim process, coverage issues, customer satisfaction and expectation of new product development has found at moderate level as customers have not understood the concept of coverage and they are unaware of the claim process and satisfaction.

The result of overall opinion of policyholders towards health insurance and comparison between private and public health insurance companies as follows:

- The mean score of awareness exhibits that newspaper (3.83) is the most important source of awareness about health insurance followed by advertisement (3.66).

- It is found from the mean score of benefits that risk coverage against future illness (3.77) is the most preferred benefit by the policyholders followed by employers contribution (3.66). People are aware of various new diseases and when chances are very high to get prone to those diseases. So they want to get covered under health insurance packages to prevent from paying out of their pockets.

- Cashless facility at network hospital (3.69) is the exceptional product preferred by the policyholders based on the mean score followed by tailor made policy which covers the policyholder’s requirements (3.69).

- Bonus and discount for renewal (3.71) followed by clear cut terms and conditions of the policy (3.69) are the most important features of the policy based on the mean score.

- It is represented from the mean score of claim that free claim application process tops the priority (3.75) followed by claim fully or partially settled (3.63).
The mean score of customer satisfaction, it is seen that coverage of diseases (3.64) is the most important reason for satisfaction followed by handling customer complaint (3.63) and claim settled with limited terms and conditions (3.44) is the least.

On the comparison between private and public health insurance company, overall policyholders are satisfied with private health insurance companies. The mean score appears that advertisement (3.71) of private companies is the most important source of awareness, lower premium (3.74) of private company is the most preferred benefits. High level of quality services (3.63) of private company. A promotional benefit to suit customers (3.71) of public company is the most important for customer satisfaction.

The mean scores of problems of policyholders reveals that claim cannot be made until all policy requirements are satisfied (3.80) and delay in renewal of lapsed policy (3.76) are the most difficult problems faced by policyholders followed by documents not in regional languages and being difficult to understand (3.73).

Study on means to meet medical expenses for children with genetic disorder, it is seen that personal loan (3.76) is the most prominent means to meet medical expenses followed by pledging of jewels (3.75) and usage of savings (3.74).

Based on the mean score, genetic disorder not covered under health insurance (3.76) and high medical expenses (3.76) are the important reasons for financial problems faced by policyholders followed by lack of fund (3.74) mother not able to be employed due to their child’s health condition (3.74).

Emergency care / ICU expenses (3.93), surgical expenses (3.84) are the more valuable expenses which are expected by the policyholders to be covered under health insurance package followed by
prescription drugs and doctor fees (3.57), hospitalization expenses (3.57) and genetic testing expenses (3.57).

5.1.2 Findings on Inferential Analysis

Findings on significance between gender, nature of health insurance Company, types of health insurance policies and factors of health insurance using t-test

- From the t-test analysis, opinion of male respondents (105.28) is viewed to be surpassing than female respondents (98.26) in overall opinion about health insurance and also for expectations of new product development male respondents (22.23) is viewed high than female respondents (20.67).

- Based on mean score under the t-test, public health insurance companies (108.57) appears more preferred opinion from the respondents than private health insurance companies (99.53) with regard to overall opinion, customer satisfaction and expectations of new product development. The mean score of public health insurance companies for customer satisfaction was (18.33) and for expectation of new product development was (22.84). The mean score of private health insurance companies for customer satisfaction (16.74) and for expectation of new product development was (21.02).

- Family floater (105.00) is sighted to be more desirable than individual policy (96.29) on overall opinion about health insurance, and expectations of new product development. The mean score of family floater (22.26) for expectation of new product and individual policy was (19.97).

- Based on mean score of t-test analysis, family floater (17.62) has higher quality than individual policy (16.40) with regard to customer satisfaction.
Findings pertaining to significance difference among age group, educational qualification, occupation, annual income & number of children affected with genetic disorder of policyholders and factors of health insurance with the help of ANOVA Analysis

- The mean score of anova analysis represents that opinion of policyholders above 40 years have the highest mean of (112.12) followed by policyholders of age group 36-40 years (106.19) on overall opinion about health insurance, customer satisfaction and expectation of new product development. The highest mean score of customer satisfaction (18.94) followed by the mean score (17.87). The mean score for expectation of new product development (22.94) is the highest followed by (22.49).

- From the anova analysis, it is seen that policyholders with post graduation degree (105.33) have the highest mean value followed by graduates (104.04) on the overall opinion about health insurance, customer satisfaction highest (17.58) followed by (17.57).

- Policyholders who are Graduates (22.11) appeared to have high preference on expectation of new product development in health insurance.

- Based on the mean score of occupation of respondents, overall opinion about health insurance and customer satisfaction, self employed policyholders (111.09) have the highest mean score followed by businessmen (110.39) and employed (102.05).

- For expectation of new product development, respondents who are doing business shows the highest mean score of (23.50) followed by self employed (23.24) and housewife having the least mean score of (18.88).
It is found from the anova analysis of annual income of policyholders that policyholders with annual income above Rs.2,00,000 (105.80), (17.80) and (22.31) have the highest mean score followed by policyholders with annual income Rs.1,50,000 – Rs.2,00,000 (101.99), (17.24) and (21.51) in overall opinion about health insurance, customer satisfaction and expectations of new product development.

Based on the mean score of number of children affected with genetic disorder, it is seen that policyholders with more than two children (109.74) have the high mean score followed by policyholders having two children affected with genetic disorder (103.88) on the overall opinion about health insurance, customer satisfaction and expectations of new product development.

Factors of Health Insurance and their Associations

- Clear association is identified between the factors of health insurance and the level of customer satisfaction towards health insurance. Factors of health insurance includes awareness, benefits, product design, features of policy, claim process and coverage issues. The test shows that they are significant at 1 %.

- It is evident that there exists an association between factors of health insurance and the level of expectation of new product development. Factors of health insurance are at 1 % significant.

- Association is found between demographic variables and number of children affected with genetic disorder. Test was carried on age, educational qualification, annual income and type of insurance policy. It is found that age, educational qualification and type of insurance policy are significant at 5 % and annual income is significant at 1 %.
Findings pertaining to opinion of policyholders and their expectations of new product development using Friedman Test Analysis

- Based on mean rank, respondents have given their maximum opinion to coverage issues (3.83) followed by features of policy (3.52) and least opinion about benefits (3.36).

- Under the friedman test on customer satisfaction, it is found that policyholders are satisfied with coverage of diseases (3.12) which has the top mean rank followed by handling customer complaints (3.11) and least rank towards policy benefits (2.83).

- Policyholders have given their opinion regarding meeting medical expenses as pledging of jewels (4.08) as the most required means for meeting medical expenses followed by personal loan (4.05) and the least help from support group (3.91).

- Friedman test on financial problems faced by policyholders reveal that genetic disorder not covered under health insurance (3.71) ranks the top as the reason for financial problem followed by high medical expenses (3.65) and least rank as no help from friends and relatives (3.14).

- Based on mean rank of expectations for new product development, emergency care/ICU expenses in the linked hospital or any other hospital (3.94) is been considered the highest followed by surgical expenses (3.79) and least ranked for various medical test (3.13).
Findings pertaining to factors of health insurance, customer satisfaction and expectation of new product development using Correlation Analysis

- The correlation coefficient between opinion of policyholders on awareness and benefits is 0.741, which indicate positive relationships between awareness and benefits.

- The correlation analysis denotes positive relationship between awareness and product which has the coefficient as 0.753.

- The correlation coefficient between awareness and features of policy is 0.669, which implies positive relationships between awareness and features of policy.

- The study based on correlation analysis found that there is a positive relationship between coefficient between awareness and claim process which has the coefficient as 0.674.

- The correlation analysis reveals that the coefficient between awareness and coverage issues is 0.631, connotes positive relationships between awareness and coverage issues.

- The correlation coefficient between opinion of policyholders on awareness and customer satisfaction is 0.707, which indicate positive relationships between awareness and customer satisfaction.

- The correlation analysis represents between opinion of policyholders on benefits and customer satisfaction is 0.688 implies a positive relationships between benefits and customer satisfaction.

- From the correlation analysis, it is found that coefficient between opinion of policyholders on product and customer satisfaction is 0.700 pinpointing positive relationships between product and customer satisfaction and also for the rest of the cases.
The study indicates that the correlation coefficient between opinion of policyholders on awareness and expectations of new product development is 0.677, which denotes positive relationships between perception on awareness and expectations of new product development.

The correlation analysis was also carried on the opinion of policyholders on benefits, product, features of policy, claim process, coverage issues, overall opinion about health insurance and customer satisfaction. The result expresses positive relationships on the opinion of policyholders with regard to the above.

**Findings on Multiple Regression on Customer Satisfaction**

Based on the multiple regression analysis on customer satisfaction, the study reveals that there is a positive relationship between customer satisfaction and the independent variables – awareness, benefits, product, features of policy, claim process and coverage issues.

The R square value is 0.693 which indicate that variation in customer satisfaction is explained by the estimated SRP that uses awareness, benefits, product, features of policy, claim process, coverage issues.

Based on standardized coefficient from the analysis, features of policy (0.276) is the most important factor to extract customer satisfaction score, followed by coverage issues (0.193), claim process (0.167), product (0.139) and benefits (0.132).
Findings on Multiple Regression Analysis on Expectation of New Product Development

- Based on the analysis on expectation of new product development, it is found that the value indicates positive relationship between Expectations of new product development and seven independent variables of Awareness, Benefits, Product, features of policy, Claim process, Coverage issues and Customer satisfaction.

- Based on standardized coefficient, awareness (0.304) is the most important factor to extract expectation of new product development score, followed by benefits (0.174), product (0.145), claim process (0.131) and coverage issues (0.125).

Findings pertaining to public and private health insurance using Discriminant Analysis

- Based on discriminant analysis, it is found that product design is the most important factor F (19.005) followed by coverage issues F (17.326) and expectations of new product development F (14.086).

- Policyholders of public health insurance company (83.0%) are classified correctly and policyholders of private health insurance company (62.5%) are classified correctly. Overall 69.8% of the policyholders are correctly classified based on the opinion of the policyholders about health insurance.
Findings of SEM Analysis

- From the model analysis, it is found that the variables are indicating a positive relationship and model passes through that every increase in the variable leads to customer satisfaction and expectations of new product.

- Based on the standardized coefficient, features of policy rank the top to extract customer satisfaction followed by awareness and coverage issues.

5.2 SUGGESTIONS

Suggestions are classified under three parts such as General suggestions, suggestions for New Product Development and Suggestions for Health insurance providers.

General Suggestions

- Features of policy were found to be the main factor for extracting customer satisfaction. Hence insurance providers should take more care on framing the characteristics of the policy. The features should be simple and understandable by the customers. Unique features or any additional feature should be highlighted.

- Terms and conditions must be clearly given in the policy document. Also the insurance companies should consider that the policy documents can be provided in their respective regional language so that customers can understand the legal terms and conditions.

- Insurance agents should be given orientation program whenever new policies are introduced. They should explain in detail the unique features of the policy, benefits and whether the product suits the customer’s requirement.
In the health insurance context, it is found that coverage of diseases plays a vital role from policyholder’s opinion. They are very much alert and conscious with the coverage of diseases under the health policy. Companies should mention the list of diseases which are covered and the waiting period for pre-existing diseases. Due to the change in the lifestyle, there are many new diseases which take the people go below the poverty line.

Health and life are interrelated. Only if a person is healthier, he can earn for his living and lead a happy life which would lead for economic development of a country. Generally insurance is classified as life insurance and general insurance. Health insurance comes under general insurance. This should be classified as life, health insurance and general insurance which develop awareness about health insurance. IRDA should implement the classifications in the next amendment.

Awareness about health insurance among the customers is satisfactory but lacking on awareness on how health insurance protects them against the future financial burden and how they are benefited with the help of health policies. Awareness about the available financial plan through health insurance is very much necessary in the current scenario.

IRDA should grant license for more number of standalone health insurance companies because as of now only five standalone health insurance companies are existing.

Amendments have to be made in the insurance act by IRDA directing the general insurance companies to extend CSR activities for children affected with genetic disorder.

IRDA should redefine the meaning of Group Insurance by including the genuine categories of children affected with congenital birth defects. This will pay the way for inclusion of members of registered societies formed for children affected with genetic disorder like LSDSS
Suggestions for New Product Development

- The concept of pre-existing diseases is defined by IRDA as 48 months prior from the time of taking the health policy. But this concept is required to be changed under certain health conditions. For children affected with genetic disorder, it should be modified as from birth and they should be considered for the coverage.

- One of the important concerns was children affected with genetic disorder are not covered under health policy. These children require a constant medical help to avoid more deterioration. They need to undergo surgery or ortho corrections or ENT care or even get hospitalized due to usual cold and fever. Policyholders face the challenges in meeting the medical expenses. Pledge of jewels and personal loans are the two important methods they adopt to meet the medical expenses for their children with genetic disorder. Hence, insurance companies should come forward with coverage to these children under health policy and provide some relief.

- There are registered support groups or societies created for the children affected with genetic disorder in Chennai. Health insurance companies can come forward to provide group medical policy for children with genetic disorder under the registered society. They can make each group of 25 children with a minimum yearly premium. It is found that parents of these children are willing to subscribe the policy for their children on their affordability.

- IRDA should consider the conditions of genetic disorder and the difficulties faced by the parents of those children, the rise in medical expenses and the frequency of medical aid required for these children...
and should come out with amendments of the health insurance act to remove the genetic disorder or birth defects conditions from the exclusion clause.

- Also genetic disorder conditions can be included in the pre-existing diseases and waiting period can be provided. IRDA can also direct the health insurance providers to provide the policy coverage for children with genetic disorder.

- Amendment should also be made that no health condition should be left behind under exclusions. Health insurance coverage should be available for all the conditions.

- Government should also take initiatives for these children. They can provide social health insurance scheme covering special children with certain disorders.

- Government can also give concession or tax benefits or bonus for the health insurance companies who come forward and provide coverage to children with genetic disorder. The policy can also to provide under corporate social responsibility (CSR).

- Governments can make mandatory to provide health insurance coverage immediately on birth of the child like birth certificate.

- IRDA should come out with guidelines directing the standalone health insurance companies as the first stage to introduce health coverage package for children with genetic disorder. Further it can be extended to general insurance companies.
Suggestions for Health Insurance Providers

- Health insurance providers can also provide a collective coverage for children with genetic disorder. They have come with the offer of coverage which covers surgical expenses, emergency care expenses or prescription expenses or genetic testing expenses or various test expenses. They can be given the option to select any three expenses which they feel most important and coverage can be provided.

- 28th February is observed every year as Lysosomal Storage Disorder Day (Rare Disease Day) in India. It is observed to create awareness among the public, government, health insurance providers to support them. So health providers should give them supporting hand by providing coverage and promote the activities of the support society.

5.3 CONCLUSION

In the current scenario, health insurance is the need of the hour. The study shows that the awareness level of health insurance policies and providers are high, but only a very few percentage of them have subscribed the health policies. Out of the total Indian population, merely 3-4% of them are covered under any of the health insurance policy. It is the responsibility of the policy makers to concentrate on the development of health insurance sector by offering innovative products which reach as the customers at affordable rates and is also accessible to the policyholders.

Health insurance is a device by which one can protect well in advance or it is a precautionary measure to protect against spending out of their pocket for future illness. People should understand the health insurance concept in depth. Insurance providers should take steps to popularize the importance of health insurance. In foreign countries, health insurance has become mandatory or compulsory. But in India it is not so.
Health insurance policy makers have to take steps to reduce the list of exclusion clause. People feel that there are too many in the exclusion clause. Under Obama care steps are initiated that no one person should be excluded from health insurance coverage. Such amendments should be implemented in Indian health insurance act. It is also required by the policy makers to provide the policy documents in regional languages and the meaning of important insurance terms.

On 9th May 2015, Prime Minister Mr. Narendra Modi has launched three social security schemes on insurance and pension scheme. the schemes are Pradhan Mantri Suraksha BimaYojana (accident insurance), Pradhan Mantri Jeevan Jyothi Yojana (Life Insurance) and Atal Pension Yojana. Life insurance scheme a term plan and can be renewed yearly or for a long term. Minimum premium is Rs.330 per year and will be automatically debited from the bank account.

It is mandatory that the policyholder should have a bank account. Improving the public health facilities and health insurance for all had been PM Modi’s one of the main reforms to be brought and health minister has been working for the same to provide affordable health for all. PM wants to provide health insurance for all covering the basic medical expenses. Premium will be based on income for middle class group and for poor it would be very nominal rate.

Indians are showing much interest on the importance about financial planning. Whether educated or illiterate, they go in search of financial planning and have the awareness about their financial needs across different life stages. People concentrate more on their children’s education, marriage, and purchase of property and on their retirement benefits. But they forget to plan for their own and family health care and financial planning for various health needs during the same life stages. This may be due to lack of awareness about own health care needs including the cost for the same and about the various health cost funding options available through health insurance.
It is an urgent need for the government and health insurance policy makers to join together and gather information about the prevailing diseases and the disorders which are affecting the children from birth. This would help them to frame the policy for coverage of children with genetic disorder and determine the premium which would be affordable.

To conclude, health insurance is growing very fast and showing very high increase in the premium collection. But majority of the population are left behind the coverage. Health insurance involves a lengthy process and factors like awareness level, customer satisfaction level. Features of policy are an important factor for selection of health insurance providers. Customers are satisfied based on the benefits provided, services rendered by the insurers, coverage of diseases and also the age group covered under the health insurance.

This study would help the health insurance companies to understand the satisfaction level of policies, services etc by customers. Study also shows the gap unfilled by the health insurance companies. It highlights the area uncovered by health insurance – children with genetic disorder, the financial difficulties faced by the parents, how much important is the health coverage for them. This study would be an eye opener to all health insurance providers and hoping that policy shall be introduced to cover the children with genetic disorder.

5.4 SCOPE FOR FURTHER RESEARCH

Health insurance is a vast area and a very small portion was considered for the current study. The study can be extended to identify the health insurance products which are considered most by the customers. The policies may include individual, family floater, critical care, mediclaim policy, accident policy. The study can be extended between Indian health insurance products and foreign health insurance products which will help us to understand the other countries products and how to improve our products. Comparative study between public and private health insurance companies can be extended in depth with regard to customer satisfaction, products, claim and benefits.
The study can be still extended to study in detail the other health conditions or disorders which are not covered under health insurance scheme. Also the study can be extended to other states or national level to create awareness on insurance products to children with genetic disorder which would provide deeper and broad understanding of those areas. Study about opinion towards health insurance in rural areas can be extended. This would help to understand the awareness level, how much they are satisfied with the rural health policies provided by the government and micro health insurance companies. Rural people’s earning capacity is also less and also opportunities are also very less compared to the urban population. This would help the insurance companies to tap the customers from the rural areas as per their requirements.