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## Exploring Policyholders' Views, Contentment, and Intentions to Continue Services with Health Insurance Firms: An Analytical Investigation

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### Abstract

This study investigates health insurance preferences among policyholders in the Chennai. Employing a quantitative research approach, structured surveys were conducted to gather data on insurance coverage preferences, premium payment distribution, payment methods, and policyholder engagement periods. Descriptive statistics were applied to analyze the data, revealing trends and insights. The findings informed the refinement of health insurance product offerings, pricing strategies, digital engagement, and intermediary support. The study contributes to understanding consumer behaviors and trends in the health insurance sector, particularly in the context of evolving preferences and engagement patterns. Given that health insurance policies predominantly operate on an annual renewal basis; the level of customer satisfaction significantly influences the decision to renew policies with the incumbent insurance provider. As the dynamics of the industry continue to evolve, this research underscores the vital role customer satisfaction plays in shaping the renewal patterns of policies within the health insurance landscape." As we embark on this analytical journey, we anticipate that the findings of our study will offer valuable guidance to health insurance companies seeking to adapt and refine their services according to the evolving expectations and preferences of policyholders. By probing into the intricate tapestry of policyholders' perceptions, contentment levels, and intentions to sustain their engagement, we aim to provide a robust foundation for informed decision-making within the realm of health insurance services.

**Keywords:** Health insurance, preferences, policyholders, quantitative analysis

### Introduction

In the contemporary landscape of healthcare, health insurance plays a pivotal role in providing individuals and families with financial security and access to medical services. As individuals seek to safeguard their well-being, the relationship between policyholders and health insurance companies becomes a crucial dynamic deserving of comprehensive examination. This study delves into the intricate interplay of policyholders' perspectives, their levels of satisfaction, and their intentions to maintain services with health insurance companies.

In an environment characterized by evolving healthcare needs and diverse consumer preferences, understanding how policyholders perceive their interactions with health insurance providers is paramount. By analyzing these perceptions, we can gain valuable insights into the factors that influence policyholders' satisfaction levels and their subsequent intentions to persist with their current health insurance arrangements. This analytical investigation aims to shed light on the multifaceted aspects of this relationship, contributing to both academic scholarship and the practical enhancement of service quality within the health insurance industry.

Through this study, we endeavor to offer a comprehensive exploration of policyholders' experiences, spanning from their initial perceptions of health insurance offerings to their

ongoing satisfaction throughout their engagement. By adopting a structured analytical approach, we aspire to uncover the nuanced drivers that underlie policyholders' decisions to either continue or discontinue their services with health insurance companies. This research not only contributes to the existing body of knowledge on consumer behavior and insurance-related attitudes but also offers actionable insights for health insurance companies to refine their strategies and bolster customer-centric practices.

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### Literature Review

In their study, Latha and Annamalai (2007) delved into the intricate web of personal and social factors influencing the acquisition of health insurance policies. Notably, they highlighted the pivotal role agents play in marketing health insurance products. Additionally, their research touched upon

the prevailing awareness and opinions regarding health insurance, shedding light on the broader landscape of health insurance practices.

Anita.J (2008) contributed to the discourse by characterizing health insurance as a complex iteration of insurance, largely due to the perpetual discord between policyholders and insurers. Intriguingly, the health insurance sector within India remained an underexplored domain, hinting at uncharted opportunities for business and research.

Moving forward, Ruchita & Bawa (2011) conducted an analysis of the performance and potential of health insurance within India. Their work extended to identifying the determinants impacting the operational efficiency of public sector insurance companies. By doing so, they offered insights into the structural dynamics and challenges prevalent within the health insurance landscape.

Kumar.P (2011) offered insights into the realm of customer expectations and satisfaction among insurance policyholders, focusing specifically on the services rendered by eleven life insurance companies in India. Notably, the study unveiled that while these companies presented distinct product offerings, they maintained similarities in service provisions, hinting at underlying trends in the industry.

Aggarwal, Kapoor, and Gupta (2013) explored the realm of recent innovations within the health insurance sector. Their research extended to pinpointing potential future avenues for innovation within this domain. However, their work also illuminated the intricate challenges and complexities entwined with health insurance, underscoring the multifaceted nature of this evolving sector.

### **Statement of the Problem**

Within the context of the health insurance landscape, a series of interconnected challenges and uncertainties have emerged, warranting focused attention and examination. As the demand for health insurance policies continues to evolve, several key issues have arisen that necessitate thorough investigation and analysis.

Firstly, there exists a notable gap in understanding the multifaceted influences of personal and social factors that shape individuals' decisions to procure health insurance policies. Despite the critical role played by agents in marketing these products, the comprehensive impact of their efforts on customer choices remains insufficiently explored.

Secondly, the inherent complexity of health insurance, characterized by an ongoing discord between policyholders and insurers, presents a significant challenge.

### **Scope of the Study**

This study is focused on a comprehensive exploration of various dimensions within the realm of health insurance policies and practices, with a specific emphasis on the Indian context. The scope of the study encompasses a range of factors, interactions, and dynamics that collectively contribute to shaping the landscape of health insurance.

The primary scope of this research involves an in-depth analysis of the personal and social factors that influence individuals' decisions to acquire health insurance policies. The study will delve into the role of agents as crucial intermediaries in the marketing of health insurance products, evaluating their impact on customers' choices. Additionally, the awareness levels and perceptions of individuals regarding health insurance will be examined, shedding light on the prevailing practices and attitudes within this domain.

### **Objectives**

**Objective 1:** Tailor health insurance product offerings to align with the prevalent coverage preference of Rs.5 Lakhs-Rs.10 Lakhs, while introducing affordable options for coverage up to Rs.5 Lakhs. Refine pricing strategies to cater to diverse income groups.

**Objective 2:** Strengthen digital engagement by enhancing user-friendly online premium payment platforms. Bolster the role of health insurance agents as intermediaries for personalized customer support and seamless premium transactions.

### **Research Methodology**

The research employs a descriptive methodology, encompassing both primary and secondary data sources. Primary data were obtained from policyholders who received treatment at health insurance hospitals. Secondary data were drawn from diverse journals and online sources, encompassing prior studies on health insurance and customer contentment. Data was gathered from health insurance policyholders representing diverse demographic backgrounds. Analytical techniques included frequency percentage tests and chi-square tests for thorough examination.

**Table 1:** Data analysis and Interpretation

Variables	Options	Frequency	(%)
Amount of Health Insurance Policy (Insurance Coverage)	Upto Rs.5 Lakhs	101	21.70
	Rs.5 Lakhs – Rs.10 Lakhs	274	58.90
	Rs.10 Lakhs – Rs.20 Lakhs	53	11.40
	Above Rs.20 Lakhs	37	8.00
Amount of annual premium paid for Health Insurance	Less than 10,000	114	
	Rs.10,000 – Rs.15,000	278	59.80
	Rs.15,001 – Rs.25,000	42	9.00
	Above Rs.25,000	31	6.70
Payment Option used for Health Insurance Premium	Through Health Insurance Agents	285	
	Direct (other than Agents)	180	38.70
	ECS (Automatic debit)	89	19.10
	Cheques	182	39.10
	Cash	71	15.30
	Online	123	26.50
Period of Consumer/Policyholder of the Health Insurance Company	Less than 3 Years	53	
	3 to 5 Years	193	41.50
	6 to 10 Years	146	31.40
	More than 10 Years	73	15.70

The table presents a breakdown of various variables related to health insurance policies, coverage, premium payments, payment methods, and the duration of consumers' engagement with health insurance companies. Each variable is divided into distinct options, and corresponding frequencies and percentages are provided to offer insights into the distribution and patterns within the dataset.

#### Analysis of Variables and Options

The table provides a comprehensive breakdown of key variables related to health insurance policies, coverage, premium payments, payment methods, and the duration of consumers' engagement with health insurance companies. The analysis of these variables sheds light on the distribution and trends within the dataset, offering valuable insights into consumer preferences and behaviors.

- i). **Amount of Health Insurance Policy (Insurance Coverage):** The distribution of insurance coverage reveals that a significant majority of policyholders (58.90%) opt for coverage between Rs.5 Lakhs and Rs.10 Lakhs. Notably, a substantial proportion (21.70%) chooses policies with coverage up to Rs.5 Lakhs, while a smaller percentage (11.40%) seeks higher coverage levels ranging from Rs.10 Lakhs to Rs.20 Lakhs. A modest portion (8.00%) of policyholders also opts for coverage above Rs.20 Lakhs, indicating a diverse range of coverage preferences.
- ii). **Amount of Annual Premium Paid for Health Insurance:** The majority of policyholders (59.80%) pay annual premiums in the range of Rs.10,000 to Rs.15,000, reflecting a common premium payment range. Notably, a significant proportion (24.50%) pays less than Rs.10,000, while a smaller group (9.00%) falls within the Rs.15,001 to Rs.25,000 range. A minor segment (6.70%) pays premiums exceeding Rs.25,000, signifying variability in premium affordability.
- iii). **Payment Option Used for Health Insurance Premium:** The analysis indicates that a substantial majority (61.30%) of policyholders prefer to pay their premiums

through health insurance agents, highlighting the importance of intermediaries in the payment process. A significant but smaller proportion (38.70%) chooses to pay directly, bypassing agents. Notably, 19.10% utilize the ECS (Automatic debit) payment method, indicating a degree of preference for automated transactions.

- iv). **Payment Method:** The majority of policyholders (39.10%) opt for payment through cheques, while a noteworthy percentage (26.50%) utilizes online payment methods. A smaller proportion (15.30%) prefers cash payments. The distribution suggests a growing acceptance of digital payment options among policyholders.
- v). **Period of Consumer/Policyholder of the Health Insurance Company:** The duration analysis reflects a diverse engagement timeline of policyholders with health insurance companies. A significant proportion (41.50%) has been policyholders for 3 to 5 years, highlighting a stable consumer base. Meanwhile, 31.40% have remained engaged for 6 to 10 years, indicating a sustained relationship. Smaller groups comprise those engaged for less than 3 years (11.40%) and more than 10 years (15.70%), revealing a range of policyholder tenures.

In summary, the analysis of these variables and their respective options provides valuable insights into the preferences, behaviors, and dynamics of health insurance policyholders. These findings can contribute to the formulation of targeted strategies and services that cater to the diverse needs of policyholders within the health insurance sector.

#### Findings

- i). **Insurance Coverage Preferences:** The study revealed that a significant majority of policyholders (58.90%) opt for health insurance coverage ranging from Rs.5 Lakhs to Rs.10 Lakhs. This suggests a common preference for moderate coverage levels that offer a balance between affordability and comprehensive protection. However, a

notable proportion (21.70%) also prefers coverage up to Rs.5 Lakhs, indicating the importance of more affordable options.

- ii). **Premium Payment Distribution:** The findings indicate that the largest portion of policyholders (59.80%) pays annual premiums within the range of Rs.10,000 to Rs.15,000. This suggests that this premium bracket is a popular choice among policyholders. However, a considerable number (24.50%) pays less than Rs.10,000, reflecting the diversity of premium affordability levels.
- iii). **Payment Methods:** The analysis shows that a significant majority (61.30%) of policyholders prefer to pay their premiums through health insurance agents. This highlights the ongoing importance of intermediaries in facilitating premium payments. Additionally, the popularity of online payment methods (26.50%) suggests an increasing digital adoption trend among policyholders.
- iv). **Policyholder Engagement Period:** The study demonstrates a diverse engagement timeline among policyholders with health insurance companies. A substantial proportion (41.50%) have remained policyholders for 3 to 5 years, indicating a stable consumer base. Additionally, a noteworthy percentage (31.40%) has maintained engagement for 6 to 10 years, underlining a sustained relationship with insurance providers.

### Conclusion

In conclusion, the findings of this study provide valuable insights into the preferences, behaviors, and trends within the health insurance sector. Policyholders exhibit a preference for moderate coverage levels, indicating a balanced approach between protection and affordability. The distribution of premium payments reflects the importance of flexible pricing to accommodate various income groups. The continued reliance on health insurance agents for premium payments signifies the enduring significance of intermediary services, while the growing adoption of online payment methods reflects evolving digital preferences.

The diverse engagement periods of policyholders underscore the importance of fostering long-term relationships within the health insurance industry. These findings collectively contribute to the understanding of customer dynamics within the health insurance landscape and can inform insurers' strategies for product design, pricing, and customer engagement.

It is important to note that the study's scope is limited to the Chennai, and the findings may not be entirely generalizable to broader regions. Further research is encouraged to encompass a wider demographic and geographic range for a more comprehensive understanding of health insurance trends and preferences.

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