



## **Perception of Customers Regarding Health Insurance Benefit of Public Sector Insurance Companies - A Case Study of Karimganj District of Assam**

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### **Abstract**

*Health insurance sector plays excellent role for providing better health care facility to people of the country. Health insurance provides the much needed financial relief. The financial burden due to health care expenditure is a major issue still facing in India. Day by day health care cost is increasing both for out-patient and in-patient care. Changing pattern of diseases, mainly from communicable to non-communicable diseases, and the increasing proportion of the old age people, India have no sufficient social security system to tackle the issues. In the present paper, an attempt has been made to examine the perceptions of customers regarding assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam. The present research work is carried out with the help of both primary and secondary data. The perception of the customers was divided into three categories on the basis of the selected variables such as sex, age and educational qualification. To study the perceptions,  $\chi^2$  test for independence of attributes has been conducted for testing the null hypothesis. So, it is found that there exists the significant difference between sex and perception, age and perception, and also educational qualification and perception of the customers regarding the assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam. Certain suggestions have also been recommended to strengthen the performance of health insurance of public sector insurance companies in India.*

**KEYWORDS: Health Insurance Sector, Perception, Customers, Insurer, Insured.**

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**INTRODUCTION:** Health insurance is a form of insurance which involves the medical bills and expenditures. It is also popularly known as mediclaim in India. It is a contract between an insurer and an individual or a group of individuals, where the insurer pledges to provide specific medical insurance cover, against a fixed amount of 'premium', which is usually paid annually.<sup>1</sup> Health insurance is insurance which covers the whole or a part of the risk of a person incurring medical expenditures, spreading the risk over a large number of

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<sup>1</sup>. *health insurance*. Retrieved from best medical insurance plans in 2017. Health Insurance: Compare Now to Choose Affordable Plan on 02.09.2017.

individuals.<sup>2</sup> According to the Health Insurance Association of America, health insurance is defined as “coverage that provides for the payments of benefits as a result of sickness or injury. It includes insurance for losses from accident, medical expense, disability, or accidental death and dismemberment.”<sup>3</sup> Ahuja, and Narang, (2005), explained an overview of existing forms and emerging trends in health insurance for low income group of people in India. They concluded that health insurance schemes have considerable scope of improvement for the country like India by providing appropriate incentives, benefits, facilities and bringing these under the regulatory ambit of the health insurance schemes in India.

According to IRDA, five public sector insurance companies have been performing health insurance business in the country. It is observed from annual reports of IRDA that the number of policies is sold and the amount of premium is being collected has been gradually increasing in every year. In spite of all these, there are many regions/areas in India where health insurance is not even introduced. The five public sector insurance companies which have been operating the health insurance business in India are classified into two categories such as (i) Life Insurers of Public Sector and (ii) Non – Life Insurers of Public Sector. Moreover, Life Insurer of Public Sector is such as (i) Life Insurance Corporation of India. Life Insurance Corporation (LIC) of India is the only one Public Sector Life Insurance Company in India. It operates both Life Insurance and Health Insurance Business in India. On the other hand, the Non–Life Insurers of Public Sector are also classified into four categories such as (i) National Insurance Co. Ltd. (ii) The New India Assurance Co. Ltd. (iii) The Oriental Insurance Co. Ltd. and (iv) United India Insurance Co. Ltd.

The Non–Life Insurers of Public Sector deal with not only General Insurance, but also Health Insurance and Casualty Insurance Business in the country. Both life insurers and non-life insurers of public sector have been working in Karimganj District of Assam. The present study covers all the public sector insurance companies which work as Life Insurance Company as well as Non-Life Insurance Companies with regard to the health insurance management in Karimganj District.

Now health insurance has become a strategy to reduce out-of-pocket payments, it helps not only safety from financial risk but also tax benefits of the policy holders. Due to the lack of proper health care coverage in public sector health insurance, recent enactment has been made in the field of insurance sector in India. After introducing the Liberalisation, Privatisation and Globalisation programme in India, the private sector insurance players play a key role in the development of health insurance. The literature on health insurance would help to identify the existing work done and gaps in the area of health insurance, insurer and provider relationship, the impact of risk covered on the cost and its components.

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<sup>2</sup>. *Health insurance*. From Wikipedia, the free encyclopedia, [http://en.wikipedia.org/wiki/health\\_insurance#mw-head](http://en.wikipedia.org/wiki/health_insurance#mw-head)

<sup>3</sup>. *How Private Insurance Works: A Primer* by Gary Caxton, *Institution for Health Care Research and Policy*. Georgetown University, on behalf of the Henry J. Kaiser Family Foundation. PP- 225.

The relevant studies have been conducted on the exiting literature on health insurance sector.

## REVIEW OF LITERATURE

1. **Panchal, N. (2013)**,<sup>4</sup> in his paper, “Customer’s Perception towards Health Insurance” examined and observed that in India people are not purchasing the health insurance policies because of lack of awareness, financial hardship, high premium charges and lack of motivation. Health insurance is an essential part of health care of the people because health care expenditure is very high that cannot be maintained by people at any time as and when arises.
2. **Showers, and Shotick, (1994)**,<sup>5</sup> investigated the empirical literature on insurance demand by examining the impact of selected economic and social factors on the purchase of insurance. As either family size or age increases, the marginal increase in insurance expenditure diminishes. They examined that the size of the family and the number of earners in the household are positively related with expenditures on insurance premium. They also tested the curvilinear relationship between demand for life insurance and age.
3. **Truett, and Truett, (1990)**,<sup>6</sup> showed that age, education, and level of income are key factors which affect the demand for life insurance. The income elasticity of demand for life insurance is much higher in Mexico than in the United States.
4. **Bhattacharya, (2005)**,<sup>7</sup> advocated that bank assurance provided the best opportunities to tap the large potential in rural and semi urban areas as banks have a strong network of more than 40000 branches in these areas. It has been suggested that the insurers should highlight on Single Premium Policies, Unit Linked Insurance, Pension Market and Health Insurance which can not only help the common people but also motivate them for purchasing insurance product.
5. **Chandhok, (2009)**,<sup>8</sup> explored the role of MFIs in giving protection to the poor against various risks such as life, illness, death and health etc. the micro insurance can eradicate poverty and can lead to develop the country. From the study, it has been found that people become conscious about the health insurance in age of 41 – 50 years. The micro insurance supported the people for providing the treatment and health care.

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<sup>4</sup>.Panchal, N. (2013). Customer’s Perception towards Health Insurance. *An Indian Journal of Applied Research*, 3(4), 62-64.

<sup>5</sup>. Showers, V., Shotick, J. (1994). The Effects of Household Characteristics on Demand for Insurance: A Tobit Analysis. *Journal of Risk and Insurance*.61, 492-502.

<sup>6</sup>. Truett, D. B., and Truett, L. J. (1990). The Demand for Life Insurance in Mexico and the United States: A Comparative Study. *The Journal of Risk and Insurance*. 57 (2), 321-328.

<sup>7</sup>. Bhattacharya, A. (2005). Challenges before Life Insurance Industry. *Life Insurance Today*, 1 (8), 3-6.

<sup>8</sup>.Chandhok, G. Arun. (2009). Insurance–A tool to Eradicate and a Vehicle to Economic Development. *International Research Journal of Finance and Economics*. Issue: 24.

6. **Narayanan, (2008),<sup>9</sup>** observed that low expenditure on healthcare of people in India has led to vast inequities in the distribution of health care services between the different strata of the society.
7. **Bawa, and Ruchita, (2011),<sup>10</sup>** observed that the presence of seven key factors is acting as barriers to subscription to health insurance. These were lack of funds, lack of willingness, lack of awareness, lack of intermediaries, lack of reliability, and lack of accessibility to services. The study found that there exist significant relationship between age, gender, education, occupation and income of the respondents and the willingness to pay for health insurance. On the other hand, it was also found that there is no significant relationship between marital status and the willingness to pay for health insurance.

### **OBJECTIVES OF THE STUDY**

The objectives of the present paper are hereunder:

1. To examine the perceptions of the customers regarding the assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam.
2. To study the different issues and challenges of health insurance faced by the customers, agents and administrators.
3. To recommend the necessary suggestions for enhancing the performance of health insurance of public sector insurance companies in India.

### **HYPOTHESIS OF THE STUDY:**

The present study is an attempt to test the following null hypothesis:

1. The perception of the customers regarding the assessment of benefit of health insurance and selected variables such as gender, age and educational qualification of customers of the study is independent.

### **METHODOLOGY OF THE STUDY:**

The study was carried out with the help of both primary and secondary data. The secondary data were collected and used from different books, journals, periodicals, IRDA: Annual Reports, LIC: Annual Reports, GIC: Annual Reports, reports and financial statements of different insurance companies, Government and Non-Government reports, statistical hand books, statistical information, data available in different handbooks published by Government of Assam and India etc. as well as from different relevant websites.

The primary data, on the other hand, were collected in the form of the opinions of the sample agents, and customers/policy holders through questionnaires/schedule, specially

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<sup>9</sup>. Narayanan, H. (2008). Healthcare Insurance. *Indian Insurance: A Profile*. Mumbai: 304-340, Jaico Publishing House.

<sup>10</sup>. Bawa, S. K., & Ruchita. (2011). Awareness and willingness to pay for Health Insurance: An Empirical Study with reference to Punjab India. *International Journal of Humanities and Social Science*. Vol. 1, No. 7, [Special Issue –June 2011].

developed for these two categories of the public sector insurance companies regarding the health insurance management in Karimganj District of Assam keeping in mind the objectives of the study.

The perception of the agents and customers/policy holders has been studied by collecting relevant information by schedule among the 60 number of agents and 125 numbers of customers/policy holders of public sector insurance companies of Karimganj District, Assam. So, it covers total 185 numbers of respondents from both agents and customers/policyholders for the study.

According to data available from different branch offices of public sector insurance companies, there are total numbers of 808 agents in public sector insurance companies of Karimganj District, out of which, 755 numbers of agents are in Life Insurance Corporation of India, 27 numbers of agents are in National Insurance Co. Ltd. (NIC), 08 numbers of agents are in the New India Assurance Co. Ltd. (NIAC), 11 numbers of agents in the Oriental Insurance Co. Ltd. (OIC), and 07 numbers in United India Insurance Co. Ltd. (UIIC).<sup>11</sup> Thus, out of 808 agents, the total numbers of 60 agents have been selected for the study purpose. Approximately, 7.43 per cent of agents have been selected by using simple random sampling method among the public sector insurance companies, for the present study. Therefore, 55 agents from LIC, 02 agents from NIC, 01 agent from NIAC, 01 agent from OIC, and 01 from UIIC have been selected for this study.

This research work is conducted on 125 numbers of customers/policyholders of public sector insurance companies of Karimganj District, Assam. The perception and awareness of the customers/policy holders has been studied among the 13.51 per cent of the total customers/policyholders of the selected public sector insurance companies. According to data from different branches of public sector insurance companies (PSIC), there are a total number of 925 customers, out of which, the total number of customers of Life Insurance Corporation in India are 724, National Insurance Co. Ltd. has 177 customers, the New India Assurance Co. Ltd. has 10 customers, the Oriental Insurance Co. Ltd. has 09 customers and United India Insurance Co. Ltd. has 05 customers.<sup>12</sup> Thus, again by using simple random sampling method, 100 customers from LIC, 20 from NIC, 02 from NIAC, 02 from OIC, 01 from UIIC have been studied. It covered the total numbers of 125 customers for the purpose of the study in Karimganj District of Assam.

According to different branch offices of PSIC, there are no separate agents for dealing specifically with health insurance products/policies available in the market to the customers. In case of LIC, the agents deal with all the products of both life insurance and health insurance together. On the other hand, the agents of the non-life insurance companies like National Insurance Co. Ltd., The New India Assurance Co. Ltd., The Oriental Insurance Co. Ltd. and United India Insurance Co. Ltd. deal with all the products like general insurance, health insurance and casualty insurance together. Therefore, a large number of agents are

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<sup>11</sup>. Branch offices of public sector insurance companies of Karimganj District, as in August, 2017

<sup>12</sup>. Ibid.

working in the market, but a very limited no. of agents involve in health insurance business. Moreover, it is observed that customers/policy holders of health insurance are very limited due to unawareness regarding health insurance or lack of motivation for purchasing health insurance policies.

To study the perceptions of customers regarding the assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam,  $\chi^2$  test for independence of attributes has been conducted for testing the null hypothesis.

#### **LIMITATIONS OF THE STUDY:**

The limitations of the study are as follows:

1. The study does not cover legal provisions and technical aspects of health insurance in public sector insurance companies in India.
2. The research is based on both primary and secondary collection of data; there may be chances of human error and biasness.
3. The survey is concluded on a specific location of Karimganj District of Assam only, as such limitation is there.
4. Moreover, the correctness of the findings of the study is dependent upon the correctness of the responses made by the sampled customers/policy holders and agents of public sector insurance companies with regard to the health insurance management in India with special reference to Karimganj District of Assam.

#### **ANALYSIS AND INTERPRETATION:**

To address the first objective of the present paper i.e. to examine the perceptions of the customers regarding the assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam.

In order to test of the hypothesis, the perception of the customers was divided into three categories on the basis of the selected variables such as sex, age and educational qualification.

We set the null hypothesis as

$H_0$ : The perception of the customers regarding the assessment of benefit of health insurance and selected variables such as gender, age and educational qualification of customers of public sector insurance companies of the study is independent.

$H_1$ : The perception of the customers regarding the assessment of benefit of health insurance and selected variables such as gender, age and educational qualification of customers of public sector insurance companies of the study is not independent.

The above mentioned null hypothesis is to be tested under the following three categories by using  $\chi^2$  test for independence of attributes.

1. Sex and perception of the customers of public sector insurance companies;
2. Age and perception of the customers of public sector insurance companies;
3. Educational qualification and perception of the customers of public sector insurance companies.

**1. Gender (sex) wise perception of the customers of public sector insurance companies of Karimganj District of Assam.**

Table No. 1.1

Gender-wise perception of customers regarding assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam

Sex of Customers	Full Benefit of Health Insurance	Partial Benefit of Health Insurance	Total Customers
Male	58 (50.784)	11 (18.216)	69
Female	34 (41.216)	22 (14.784)	56
Total Customers	92	33	125

Source: Computed from the schedule.

Note: Figures in parentheses indicate the expected values of sex of customers both male and female of public sector insurance companies.

In case of (1) sex and perception of the customers of public sector insurance companies, the calculated value of

$$\chi^2 = 8.669$$

The d f = (2-1) (2-1) = 1, The tabulated value of  $\chi^2$  for 1 d f at 5 % level of significance is 3.841 and at 1% level of significance is 6.635.

Conclusion: Since calculated value of  $\chi^2$  is more than the tabulated value, null hypothesis may be rejected at 5% and 1% level of significance and we may conclude that there exists significant difference between sex and perception of the customers regarding the assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam.

**2. Age-wise perception of the customers of public sector insurance companies of Karimganj District.**

Table No. 1.2

Age-wise perception of customers regarding assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam

Age of Customers	Full Benefit of Health Insurance	Partial Benefit of Health Insurance	Total Customers
Below - 30Years	22 (18.592)	06 (9.408)	28

30 Yrs. - 40 Yrs.	32 (26.56)	08 (13.44)	40
40 Yrs. - 50 Yrs.	19 (25.232)	19 (12.768)	38
50 Yrs. - Above	10 (12.616)	09 (6.384)	19
Total Customers	83	42	125

Source: Computed from the schedule.

Note: Figures in parentheses indicate the expected values of ages of customers of different categories of public sector insurance companies.

In case of (2) age and perception of the customers of public sector insurance companies, the calculated value of

$$\chi^2 = 11.3706$$

The d f = (2-1) (4-1) = 3, since the tabulated value of  $\chi^2$  for 3 d f at 5% level of significance is 7.815 and at 1 % level of significance is 11.341.

Conclusion: Since calculated value of  $\chi^2$  is more than the tabulated value, null hypothesis may be rejected at 5% and 1% level of significance and we may conclude that there exists significant difference between the age and perception of the customers regarding the assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam.

### 3. Educational qualification-wise perception of the customers of public sector insurance companies of Karimganj District.

Table No. 1.3

Educational qualification-wise perception of the customers regarding the assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam.

Educational Qualification	Full Benefit of Health Insurance	Partial Benefit of Health Insurance	Total Customers
Below HSLC	01 (1.344)	01 (0.656)	02
HSLC	34 (31.584)	13 (15.416)	47



HSSLC	27 (23.52)	08 (11.48)	35
Graduation	16 (18.816)	12 (9.184)	28
Post-Graduation	06 (8.736)	07 (4.264)	13
Total Customers	84	41	125

Source: Computed from the schedule.

Note: Figures in parentheses indicate the expected values of educational qualification of customers of public sector insurance companies.

In case of (3) educational qualification and perception of the customers of public sector insurance companies, the calculated value after pooling

$$\chi^2 = 5.5377$$

The d f = (2-1) x (5-1) - 3 = 4 - 3 = 1, since 3 d f. are lost because of the method of pooling. The tabulated value of  $\chi^2$  for 1 d f at 5 % level of significance is 3.841 and at 1% level of significance is 6.635.

Conclusion: Since calculated value of  $\chi^2$  is more than the tabulated value, null hypothesis may be rejected at 5% level of significance and we may conclude that there exists significant difference between the educational qualification and perception of the customers regarding the assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam. Thus, the calculated value of  $\chi^2$  is less than the tabulated value, null hypothesis may be accepted at 1% level of significance and we may conclude that there is no significant difference between educational qualification and perception of the customers regarding the assessment of benefit of health insurance of public sector insurance companies of Karimganj District of Assam.

It is found from the testing of the hypothesis that the perception of the customers regarding the assessment of benefit of health insurance and the selected variables such as sex, age and educational qualification of customers under the study is not independent. In other words, they do not continue to hold different perceptions independently with regard to the health insurance management in public sector insurance companies.

## **KEY CHALLENGES AND ISSUES OF HEALTH INSURANCE SECTOR**

**The various difficulties faced by the customers, agents and administrators regarding health insurance of public sector insurance companies**

### **2.1. Difficulties Faced by the Customers/Policyholders Regarding Health Insurance**

1. Customers are not willing to purchase the products/policies of health insurance, because there is no maturity benefit of the product of health insurance.

2. Sometimes, there is also no chance to revive of the health insurance policy which is another drawback of health insurance.
3. There is insufficient and inadequate information about various health insurance schemes. Shortages of data and information are also barriers of health insurance sector.
4. Most of the health insurance policies of the existing schemes are on hospital expenses.
5. Lack of co-operation and co-ordination with providers are the key constraints of customers. Private hospitals and nursing homes are not receptive to the suggestions/recommendations or demands of the insurer, as a result the insured persons suffer a lot.
6. One of the important mechanisms for settlement of claims of insured is Third Party Administrators (TPAs) in case of health insurance sector. The customers are not satisfied up to the mark of the activities of TPAs, such as delay settlement of claims, exclusion of various expenses at the time of treatment of the insured etc.
7. Most of the cases, customers face difficulties due to un settled, partial settled or non-settled of the claims of health insurance, while suffering from ailments or during the period of hospitalisation, they expect to settle the entire expenditure of illness but in fact the terms and conditions of health insurance policy might not be allowed to them.
8. There is non-availability of uniform billing protocol and standardization of tariff.
9. Customers are not satisfied because of lack of product innovation in respect of health insurance in public sector insurance companies in India.
10. All customers are not aware regarding the products/policies, features, benefits, terms and conditions etc. of the health insurance scheme of public sector insurance companies.
11. Income of people is also responsible for purchasing the products/policies of health insurance.
12. Educational level is the cause of awareness for purchasing the products/policies of health insurance.
13. Customers may suffer due to poor services provided by the public sector insurance companies with regard to health insurance schemes.
14. The claim is settled providing minimum coverage in spite of submitting all necessary documents.

## **2.2. Difficulties Faced by the Agents in respect of Health Insurance**

1. The agents suffer due to lack of awareness of customers, as a result; customers are not motivated to purchase the health insurance policies/products which can support during the period of their ailments.
2. All customers are not interested to renew the existing policy of health insurance because benefit or return of health insurance is not available.
3. Another important difficulty is the chance of lapse of the policy of health insurance.
4. The policies and products of the health insurance sectors may not be advertised regularly, as a consequence, people might not have any knowledge regarding the benefit of the health insurance policy.

5. Customers are not acquainted about the terms and conditions of the policy/plan of health insurance, on the other hand, they expect all the benefits of health insurance schemes during the period of settlement of the claim of the health insurance policies/plans.
6. Agents face a lot of difficulties while assisting the customers for lodging the claim, because most of the customers might not have any knowledge regarding the process of lodging claims of health insurance policies which are unsettled, partial settled or not at all settled of public sector insurance companies.
7. Another important drawback is lack of technical, managerial or institutional arrangements for better performance of agents with regard to health insurance.
8. Inadequate provision of health care facilities to insured persons like essential packages, reimbursement schemes etc. which has resultant dissatisfaction of customers in respect of health insurance schemes.
9. The majority of Indian population is unable to access high quality healthcare due to poor source of income. They are also unable to purchase the health insurance policy; as a result there is no smooth penetration of health insurance sector.
10. One of the important difficulties is overcharging by some health care providers from insured persons.
11. Agents suffer due to manipulation of the patient history at the time of purchasing the product of health insurance.
12. The selling of health insurance product is limited due to younger age groups are not motivated to buy health insurance product.
13. Agents face the problem a lot due to lack of health seeking behavior and cultural beliefs and practices.
14. One of the major difficulties is that the health insurance is not hassle free for settlement of claim.
15. Agents of public sector insurance companies face competition with private sector insurance companies for selling the products of health insurance or dominate the health insurance market in India.

### **2.3. Difficulties Faced by the Administrators Regarding Health Insurance**

1. The management also suffers due to the adverse selection of more number of persons with pre-existing ailments opt of the coverage and more number of older and unhealthy persons get enrolled for the coverage of health insurance. Persons with high probability to fall sick buy health insurance product.
2. There is lack of awareness amongst people about the benefits, features, terms and conditions etc. of the products/policies of health insurance sector.
3. Management suffers due to the requirement of huge cost for conducting awareness programme among the people of the society regarding health insurance schemes.
4. There is low revenue collection from health insurance schemes and high expenditure for the purpose of administration.
5. Most of the existing health insurance schemes focus on hospital expenses of the policy holders/customers. As a consequence, customers are demotivated to purchase the products/policies of health insurance of public sector insurance companies.

6. Management also suffers due to the lapse of the policies of health insurance schemes.
7. Another important difficulty is no maturity benefit in case of health insurance policies, it has resultant people are demotivated to purchase the health insurance product of public sector insurance companies.
8. One of the important drawbacks is to face the competition with private sector insurance companies regarding health insurance scheme.
9. The non-availability of reliable data on the diseases pattern and the costs of the treatment have increased to the uncertainty on the information required in designing the health insurance product specifications, product development and pricing.
10. Globalization and trade liberalization which is the expansion of private insurance and other financial and commercial markets are the cause of decentralisation of people.
11. The administration faces a lot of difficulties due to different tariff rates for similar services in various hospitals.
12. Non-life insurers prefer group policies, whereas individual policyholders are not a priority which is also the problem related to the insurer.
13. Lack of underwriting discipline is a major drawback of health insurance schemes of public sector insurance companies.
14. Other problem is claim settlement, especially of mediclaim which takes longer period of time; as a result, customers are dissatisfied to purchase the health insurance product.
15. In order to penetration of health insurance sector, there is imbalance coverage of rural and urban area of the country due to the factors like source of income, education level, standard of living etc. of people.
16. Major limitation is reluctance of the health insurance companies to promote their products and lack of innovation of health insurance product to motivate the customers.
17. Another important drawback is changes in regulation (service tax being imposed) in health insurance sector.

## **SUGGESTIONS**

**On the basis of the findings and observations made in the study, certain suggestions have been recommended to strengthen the performance of health insurance of public sector insurance companies in India. These suggestions are:**

1. Health insurance scheme should be mandatory for all, so that people can able to face and protect the financial crises during the course of ailments.
2. The benefit of health insurance should be extended to the excluded population-poor people also. There is an urgent need to expand the health insurance net in India.
3. There is also need to arrange and organise the regular orientation to the doctors regarding health insurance of public sector insurance companies.
4. Third Party Administrators (TPAs) should increase their network to various hospitals in all areas, which will lead to increased competition and more bargaining power for TPAs.
5. Third Party Administrators (TPAs) should be directed for prompt settlement of claims of the policy holders of health insurance sector.

6. The services of Third Party Administrators (TPAs) should be more simple and hassled free for settlement of claims of health insurance.
7. Third Party Administrators (TPAs) should support the customers for redressing all the difficulties by positive investigation report wherever applicable.
8. Government should recognize health insurance scheme as a separate line of business, so that it covers all people of different categories in India.
9. Government health trusts should provide facilities of health insurance of public-private partnership in a competitive environment.
10. The Government should provide universal access to free / low cost health care insurance which can be an important means of mobilizing resources, providing risk protection and improvement.
11. There should be time limit (minimum time) for providing benefits to the insured people of health insurance scheme.
12. The claims of the health insurance should be settled providing maximum coverage of public sector insurance companies in India.
13. There should be organised meetings from time to time with the various stake holders of health insurance sector.
14. Governments as well as insurers should take necessary initiative to cover all people of the country under the umbrella of health insurance sector which can assist to maintain better health care and lead tension free life.

#### **CONCLUDING OBSERVATION**

The health insurance is a key mechanism which is the only way forward for financing healthcare in India. Fact is that due to the rising health care cost, increase in disposable income and high out-of pocket expenditure for funding healthcare, the health insurance scheme is indispensable. The various health insurance schemes are available which should be implemented in proper way, so that the benefits under the schemes are hassled free and people can get the opportunity of these schemes during the period of ailments. Therefore, the Government and all the associated bodies should pay proper attention to operate the schemes in the health insurance market from time to time.

The present study reveals that the perception of the customers regarding the assessment of benefit of health insurance and the selected variables such as sex, age and educational qualification of customers under the study is not independent. In other words, they do not continue to hold different perceptions independently with regard to the health insurance management in public sector insurance companies. It is observed that there are many issues in handling the health insurance because of lack of awareness, lack of underwriting discipline, lack of product innovation, lack of product awareness, increased competition, increased claim cost etc. in India. Despite all these challenges there are huge opportunities in the way of health insurance sector. Some of the opportunities have become available due to rise of medical cost, specialized treatment has become frequent due to the rise in income pattern of people of the society, and low public expenditure on health and family welfare have also become available. Health care expenditure is not a temporary but a recurring

expenditure among all the classes, and age groups of people and also rising day by day with environmental degradation, urbanization, industrialization, changes in lifestyle, occupation and food habits of people. All these indicate towards a huge potential for the health insurance market. Once the penetration of health insurance increases, out of pocket payments will come down. The creation of the awareness of health insurance is very important, the Government and all the associated bodies should provide their best support in spreading health insurance awareness among people of the country, so that people are aware of the right to seek quality healthcare without any financial hardship. Therefore, key recommendations have been forwarded to strengthen the performance of health insurance of public sector insurance companies in India.

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**ACKNOWLEDGEMENT:** I express my gratitude to the Joint Secretary, UGC-NERO Guwahati, for grants in aid towards Minor Research Project (MRP). The present study is basically related to MRP of UGC.

