AWARENESS AND PERCEPTION TOWARDS HEALTH INSURANCE IN WARANGAL URBAN DISTRICT OF TELANGANA STATE – AN EMPIRICAL STUDY

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Abstract: Health insurance is insurance which covers the future life risk of a person incurring medical expenses. Health has always been prime importance for every person. As human beings, often to become sick or may be getting any disease due to weather change, changing in food habits, heredity, stress at work place etc. Increasing cost in health care and uncertain risk have made health insurance utmost important. Health insurance has become an emerging segment of Indian insurance industry with vast potential and also emerging social security instrument for the nation people. Health insurance policy covers medical expenses incurred during pre and post hospitalization stages. Good health of every person that ultimately leads to economic growth of the nation. Health insurance has always been a matter of concern and challenge in India. It is directly or indirectly linked to financial and service industry. In this context, the present research study is undertaken to know the awareness and perception towards health insurance in Warangal urban district of Telangana State.

Keywords: Health Insurance, Awareness, Perception, Medical expenses, Service Industry, etc.

I. INTRODUCTION

The term health insurance is a type of insurance that covers all medical expenses risk. The awareness of health insurance is growing at faster rate in India. A medical cover policy is a contract between an insurer and an insured person. The contract is renewable per annum. Health insurance policy is to make sure that insured person obtain the necessary cure. The health insurance is significant because the coverage helps people obtain well-timed medical care and acquire improved live and wellbeing. The knowledge of health insurance has been vast in the several years. Now a day's health care expenditure is consistently increasing, more money required to pay hospital bill or expenses, most of the people use out of pocket for the health care expenses or in some cases also sell their personal assets. Low-income households are more vulnerable to risks and economic shocks. One way for the poor to protect their health is through insurance. By helping low-income households to manage their health risks, health-insurance can assist them to maintain a sense of financial confidence even in the phase of significant vulnerability. Insurance reduce a person's uncertainty concerning the time and amount of possible future expenses that may incur. There are various health insurance schemes such as social health insurance, private health insurance and so on. The basic principle is that people contribute a specified amount to an insurance fund which is used to finance health services. Health Insurance policies insure against several illnesses and guarantee to stay financially secure should ever require treatment.

Health insurance will safeguard peace of mind, eliminate all worries about treatment expenses and allow focusing energy on more important things. Health is a major concern on every person's mind in these days. With sky rocketing medical expenses, the possibility of any illness leading to hospitalization or surgery is a constant source of anxiety unless the family has actively provided for funds to meet such an eventuality the health insurance market in India is exclusive and has considered a strong growth potential in the current years with the opening of a lot of overseas company into the marketplace. The health insurance market in India was worth INR 5,125 crores with a compounded yearly development time of 37 per cent between 2002 and 2008. While the access of the health insurance market is reasonably little, it is one of the highest rising industries in India. Indian health insurance market is following other countries in terms of access. Indian health insurance is one of the most rapidly rising sectors in the Indian insurance sector. Also, Indian health insurance has gross premiums increased by 16 per cent from Rs 13,212 crore in 2011-12 to Rs 15,341 crore in 2012-13. The health insurance premium has registered a compounded yearly expansion rate (CAGR) of 32 per cent for the past eight financial years. The new healthcare scheme announcement was made on 1st February 2018 by Union finance minister to provide free medical care of up to Rs. 5 lakh each to 10 crore poor families such that about 50 crore beneficiaries assuming five members per family.

II. REVIEW OF LITERATURE

The review of past literature helps in better understanding of the issues involved and provides guidance in conducting the study with particular reference to the use of analytical tools. The review of past studies is presented below.

Devadasan, Ranson et al. (2004), Ahuja (2005) and Rao (2004) has concluded the issues and challenges for health insurance sector in India. These and other studies have tried to analyze the health insurance sector in India, but not much systematic empirical work has been done and this area is largely unexplored.

Hopkins and Kidd (1996) commented that the probable distribution of future health states is based on present and past Health status, Health care expenditure of the household may be anther proxy of health status of the household this view of the role of education in Health.

Van De Ven and Van Praag (1981) pointed out the education and incomes are generally positively correlated. Higher income generally decreases the opportunity cost associated with the purchase of private health insurance. Overall, increases in both income and education would be expected to lead to an increase in the probability of buying the insurance.

Bawa and Ruchita (2011) found that as far as there is lower level of awareness for health insurance. In addition to that people have less willingness to join for health insurance.

Nilay panchal (2013) concluded that respondents' knowledge and confidence about health insurance was good. Further research shown that awareness about the existence of health insurance was fine but liking is average. Most respondents' know about health insurance but some of them don't have any policy because of low awareness or lack of information regarding health insurance. Research concluded that there were clear possibilities for health insurance market in India; there were also possibilities for the public and private health insurance companies, come of respondents plays a vital role for purchasing health insurance.

World health organization (2010) has considered health insurance an important source to achieve universal health care coverage.

III. OBJECTIVES OF THE STUDY

The present study titled "Awareness and perception towards Health Insurance in Warangal urban district of Telangana State – An empirical study" has been taken up with the following objectives:

1. To know the awareness and perception about health Insurance by the sample respondents.
2. To know the significant relationship between demographical factors and awareness and perception towards health insurance by the sample respondents.
3. To offer pertinent suggestions in the form of conclusion for improving the performance of health insurance sector.

IV. RESEARCH METHODOLOGY

4.1 Data Sources

The present study entitled "Awareness and perception towards Health Insurance in Warangal urban district of Telangana State" is under taken with the help of primary and secondary data. The primary data is collected from the respondents who are belonging to Warangal urban district by administering a structured questionnaire specially designed for the purpose. The secondary data was collected from various research articles, books, studies, magazines, websites, etc.

4.2 Sample Area, Size and Sampling Method

The respondents selected for the study belonging to Warangal Urban district of Telangana State the base for selecting the sampling unit. A sample of 100 respondents was selected on the basis of convenience sampling method.

4.3 Framing of Questionnaire

The questionnaire employed for this study consists of three parts. The first part questions pertain to the demographic variables of respondents based on nominal scale, the second part focused on the questions related to health insurance policy holders based on both nominal and ordinal scale to know their awareness and perception towards existing health insurance policy and the third part of questions related to cover Non- Health insurance policy holders to know the reasons for not buying health insurance policy.

4.4 Tools of Analysis

The data was processed, analyzed and presented in a systematic way. The 5 – Point likert scale was used to test the respondent's level of awareness and perception towards health insurance. Statistical technique like Chi-square test used to know the significant relationship between selected variables and ranking test is used to know the most important factor for not buying health insurance policy by the sample respondents. Statistical tools such as mean, standard deviation used for analyze the data effectively.

4.5 Testing of Hypothesis

Some of the variables are randomly selected to test the relationship between demographical factors and awareness and perception of health insurance and non-health insurance policy holders, which can be transformed into hypothesis as follows:

1. Ho: There is no significant relationship between Age and Type of Health Insurance policy.
2. Ho: There is no significant relationship between Occupation and Source of Awareness towards Health Insurance.
3. Ho: There is no significant relationship between Occupation and Type of health insurance policy.
4. Ho: There is no significant relationship between Occupation and Willingness to buy health insurance policy.
5. Ho: There is no significant relationship between Educational qualification and Willingness to buy health insurance policy.
6. Ho: There is no significant relationship between Income and Type of health insurance policy.
7. Ho: There is no significant relationship between Income and Willingness to buy health insurance policy.
8. Ho: There is no significant relationship between Educational qualification and Awareness of health insurance policy.

V. DATA ANALYSIS AND INTERPRETATION

The analysis of data divided into two parts. The first part deals with demographical factors of sample respondents. The second part is devoted to examine the awareness and perception of respondents who bought health insurance policy and the third part examines the awareness and perception of respondents who did not buy health insurance policy.

Table No.5.1: age and type of health insurance policy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.210	9	.023
Likelihood Ratio	9.116	9	.427
Linear-by-Linear Association	2.394	1	.122
No of Valid Cases	100		

Source: Primary Data

The above Table No.5.1 depicts that P-value (0.023) is less than alpha value (0.05). Hence, we reject Null hypothesis (Ho) and accept Alternative hypothesis. Therefore, it can be concluded that there is statistically significant relationship between age and type of health insurance policy.

Table No.5.2: occupation and source of awareness towards health insurance

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	78.411	24	.000
Likelihood Ratio	75.387	24	.000
Linear-by-Linear Association	6.260	1	.012
No of Valid Cases	100		

Source: Primary Data

Table No.5.2 depicts that P-value (0.000) is less than alpha value (0.05). Hence, we reject Null hypothesis (Ho) and accept Alternative hypothesis. Therefore, it can be concluded that there is statistically significant relationship between occupation and source of awareness towards health insurance.

Table No.5.3: occupation and type of health insurance policy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.297	12	.900
Likelihood Ratio	9.216	12	.684
Linear-by-Linear Association	5.165	1	.023
No of Valid Cases	100		

Source: Primary Data

It is clear from the Table No.5.3 that P-value (0.900) is greater than alpha value (0.05). Hence, we accept Null hypothesis (Ho). Therefore, it can be concluded that there is no significant relationship between occupation and type of health insurance policy.

Table No.5.4: occupation and willingness to buy health insurance policy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	27.048	16	.041
Likelihood Ratio	34.364	16	.005
Linear-by-Linear Association	5.550	1	.018
No of Valid Cases	100		

Source: Primary Data

From the Table No.5.4 it can be understood that P-value (0.041) is less than alpha value (0.05). Hence, we reject Null hypothesis (Ho) and accept Alternative hypothesis. Therefore, it can be concluded that there is statistically significant relationship between occupation and willingness to buy health insurance policy.

Table No.5.5: educational qualification and willingness to buy health insurance policy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.788	20	.073
Likelihood Ratio	33.287	20	.031
Linear-by-Linear Association	1.642	1	.200
No of Valid Cases	100		

Source: Primary Data

The Table No.5.5 shows that P-value (0.073) is greater than alpha value (0.05). Hence, we accept Null hypothesis (Ho). Therefore, it can be concluded that there is no significant relationship between educational qualification and willingness to buy health insurance policy.

Table No.5.6: income and type of health insurance policy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.577	9	.010
Likelihood Ratio	11.224	9	.261
Linear-by-Linear Association	3.368	1	.066
No of Valid Cases	100		

Source: Primary Data

The above Table No.5.6 depicts that P-value (0.010) is less than alpha value (0.05). Hence, we reject Null hypothesis (Ho) and accept Alternative hypothesis. Therefore, it can be concluded that there is statistically significant relationship between income and type of health insurance policy.

Table No.5.7: income and willing to buy health insurance policy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.737	12	.467
Likelihood Ratio	12.033	12	.443
Linear-by-Linear Association	3.374	1	.066
No of Valid Cases	100		

Source: Primary Data

The Table No.5.7 shows that P-value (0.467) is greater than alpha value (0.05). Hence, we accept Null hypothesis (Ho). Therefore, it can be concluded that there is no statistically significant relationship between income and willing to buy health insurance policy.

Table No.5.8: educational qualification and awareness of health insurance policy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	40.932	10	.000
Likelihood Ratio	47.978	10	.000
Linear-by-Linear Association	1.680	1	.195
No of Valid Cases	100		

Source: Primary Data

The above Table No.5.8 depicts that P-value (0.000) is less than alpha value (0.05). Hence, we reject Null hypothesis (Ho) and accept Alternative hypothesis. Therefore, it can be concluded that there is statistically significant relationship between educational qualification and awareness of health insurance policy.

Table No.5.9: reasons for not buying health insurance policy

Reasons	Ranking
Non-availability of adequate information about health insurance policy	1
Low salary or non availability of funds	4
Do not like to buy	5
Prefer to invest money in some other areas	3
Not taken by friends, relatives etc.	2
Linked hospitals are not easily accessible	6
Difficulty in availing service in hospitals	8
Lack of comprehensive coverage	7
No nominal premium payment	9

Source: Primary Data

An analysis of Table No.5.9 reveals that Non-availability of adequate information about health insurance policy is the major reason (Rank 1) followed by Not taken by friends, relatives etc. (Rank 2) for not buying health insurance policy. Prefer to invest money in some other areas ranked the third. Low salary or non availability of funds and do not like to buy occupied fourth and fifth places respectively. Linked hospitals are not easily accessible, Lack of comprehensive coverage, Difficulty in availing service in hospitals and No nominal premium payment ranked sixth, seventh, eighth and ninth positions respectively.

VI. FINDINGS OF THE STUDY

It can be observed from the study that the majority of the respondents who are in the age group of 35 - 40 years with an account of 43 per cent and followed by 30-35 age group with an account of 36 per cent. The majority of the respondents were male with an account of 76 per cent, possessing P.G graduation with an account of 40 per cent. It is observed from the study that majority of the respondents living as joint family with an account of 51 per cent, 90 per cent of the respondents were got married, 58 per cent of respondents were employed and 46 per cent of the respondents income was falling between Rs.3,00,000 to Rs. 4,00,000 per annum.

The majority of the respondents are aware about health insurance policy with an account of 52 per cent and 47 per cent of the respondents were willing to buy health insurance policy. It can be understood from the study that the majority of the respondents do not have health insurance policy with an account of 92 per cent and 6 per cent of the respondents who bought private ltd health insurance policy and followed by 2 per cent of the respondents who bought public ltd health insurance policy. It can be concluded that the majority of the respondents bought family floater health insurance and influenced by insurance agents.

The majority of the respondents who agree that they seek name and reputation of the health insurance company for buying policy with an account of 5 per cent and majority of the respondents got maximum customer satisfaction with claim settlement. The majority of the respondents agree that easy availability of linked hospitals for consultation.

VII. CONCLUSION

From the study, it can be concluded that health insurance plays an important role for every person future life risk. An insured person can happily live having no tensions to fulfill his dreams. It is an important to note from the study that 92 per cent of the respondents do not have health insurance. Hence, Ministry of finance, Government of India and the Insurance Regulatory and Development Authority of India (IRDA) have to initiate large efforts to aware people and develop health insurance as an alternative and acceptable method of personal finance risk management tool. The whole aim should be to divert towards popularizing health insurance as a concept in rural and urban areas of India. On the other hand, the health insurance companies should come out with policies which suit the middle and low socio-economic groups as potential market to be tapped.

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