# THE POPULARITY OF THE SOCIAL HEALTH INSURANCE SCHEMES: EXPERIENCE FROM THE INDIAN HEALTH INSURANCE SECTOR

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**ABSTRACT**

*The Indian government has launched various health insurance policies for persons who cannot afford huge premium for traditional health insurance policies. In the present work, a competitive discussion on the familiarity of the different social health insurance schemes in rural, semi-urban and urban areas is done. For this study total 210 respondents from the three areas are chosen through a random sampling method and interviewed. The average sale of social health insurance policies is examined through one-way ANOVA test. Chi-Square test is applied to know the relationship between the popularity of the social schemes and the occupation of the residents.*

*One-way ANOVA test shows that the average sale of social health insurance policies differs in urban, semi-urban and rural areas. People in urban areas have less choice for health insurance schemes than rural areas. Chi-Square test says that the popularity of social health insurance policies is positively related to the occupation of the residents. Among housewives, the low priced social health insurance schemes are very popular than service personnel.*

*The findings of this work will help low-income family members in rural, remote areas to be aware of health insurance benefits and also the insurance companies can promote social health insurance policies to increase insurance penetration.*

*Keywords: Social health insurance schemes, beneficiaries, popularity, occupation, exclusions.*

## INTRODUCTION

In the recent times, lifestyle-related diseases have been increasing rapidly. The healthcare cost has also been amplified tremendously. So, the awareness of health insurance among new policyholders and enhancement of coverage among existing policyholders is witnessed. Generally, all the existing health insurance policies are indemnity-based. The Indian government introduces different social health insurance schemes to benefit residents below the poverty line. Through these schemes, households are protected against medical expenses. The employee state insurance scheme was India's first health insurance scheme in 1950. After that, the government made a lot of efforts to increase the country's health insurance penetration, especially for those lacking resources. Different states introduced various health insurance plans. Karnataka started the Yeshasvini health insurance scheme in 2003; Andhra Pradesh started Aarogyasri in 2007. Projects of a similar type have been launched by other state governments also. In 2008, Rashtriya Swasthya Bima Yojana (RSBY), a centrally sponsored scheme, was implemented nationwide for enormous health insurance exposure. Smart cards are provided for cashless service in network hospitals. Several stakeholders are related to the projects, including the government, insurance companies, hospital-like nodal agencies, and NGOs. Insurance companies conduct various marketing strategies to promote such policies. As per J. Yellaiah (2013), health insurance coverage in our country has been increased due to the implementation of various health insurance schemes sponsored by the Central or the State government. These schemes cover a maximum of the citizens through Rashtriya Swasthya Bima Yojana (RSBY) for social protection. Neeraj Sood (2018) explains life expectancy increases with chronic illnesses. Gagandeep (2018)

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reveals that the commercial presentation of Indian health insurance companies depends on profitability while analyzing the annual reports. As per the research paper, the operating efficiency of insurance companies rests on the claim management process, profitability, liquidity ratio, solvency ratio, management norms, and risk retaining limit. Gopalkrishna and Lewlyn LR Rodrigues (2016) talk about various metrics of service quality like tangibles, responsiveness, assurance, empathy and reliability. Their paper articulates that social responsibility is less critical to insurance companies.

There is undoubtedly a gap between the customer expectation and the insurance facility provided. Service quality also differs from region to region. The usage of Information technology is vital. Customers' responses and reactions should be entertained regularly to progress service quality. According to Satish Chander Sharma (2021), thirty per cent of the policyholders are not pleased with the insurance services. The study says that the customers' satisfaction level depends on less premium paid with a higher sum insured opted. Adequate and accurate information should be supplied in time. Binny (2017) explains the significance of health insurance in Indian society as this is the most emerging sector. Different opportunities related to health insurance are increasing awareness, rising health costs, the appearance of various new diseases due to changes in our lifestyle, escalating per capita income, etc. Now several private and foreign players contribute to the health insurance sector. Insurance products need to be designed as per the requirements of the customers. Many health insurance schemes sponsored by the government are also discussed in the paper. Innovative products and services in health insurance need to be incorporated to develop this sector. W. J. Daare (2016) mentions that capital adequacy is obligatory for the prosperity of insurance companies. The country's gross domestic product is optimistically correlated with the profitability of the non-life insurance companies. Pallavi Seth (2016) opines that insurance policies reach customers through several distribution channels like agents, brokers, corporate agents, banks, and NGOs. P.K. Singh (2016) describes that the Indian insurance sector, through deregulation, enters worldwide for its growth and development. According to Kattamuri Satish (2019), customers prefer private insurance companies for the latest technology, low premium, designing the products as per their demand and better claims processing. According to Rejikumar G (2019) many organisational alterations are estimated in the Indian insurance industry. The disinvestment policy in public sector insurance companies will change the insurance model significantly. Initiatives should be taken to improve the insurance service value so that customers buying behaviour progresses. The role of insurance agents is very significant as customers' involvement and service quality is directly observed by them.

After reviewing national or international literature on the subject, it is discovered that there is much research on pre-existing diseases, medical expenses, cashless service and coverage under health insurance policies. But there are few studies on social health insurance schemes in the Indian context. So the work on the volume of sales of such schemes in rural, semi-urban and urban areas is an accumulation of the present literature. There needs to be more previous work on the relationship between the popularity of such social schemes and the occupation of the policyholders. Often the renewal of such policies is not completed due to the rejection of claims. An investigator may sometimes be deputed against a reported health claim. A claim may also be rejected after due intimation to the claimant with the proper reason for rejection. On this premise, an effort is made by the researcher to observe the variance of sales volume of such schemes from rural to semi-urban to urban areas. So the present study is a task to fill the considerable research gap related to the health insurance sector.

### METHOD:
The usual research objective is to build a relationship between the popularity of social health insurance schemes and the occupation of the policyholders residing in different areas of West Bengal, India. And also confirm if the sale of these policies varies from rural areas to urban areas or not. The study is tentative and investigative in nature. We have taken 210 respondents (social health insurance policyholders) for the study. The respondents are randomly chosen from every section concerning age, gender, residence, education, income and occupation. Self-administered questionnaires are duly prepared, and responses are taken with due care and diligence from the rural, semi-urban or urban residents to know the difference in the sale volume of such products. The data is collected

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personally through face-to-face communication. The popularity of these social schemes is depicted on 3 point Likert scale to study the relationship between popularity and the occupation of the policyholders. The time consideration for this study ranges from FY 2016-17 to FY 2022-23.

## DATA ANALYSIS AND RESULTS

### Objective I:

We want to investigate the average sale of social health insurance policies in urban, semi-urban and rural areas through one-way ANOVA or single classification ANOVA as the population in these three areas have unlike opinions towards the social schemes. We cannot use other statistical methods to know the noteworthy difference among the means of independent members. Here we have taken a total of 210 samples from different regions.

The null hypothesis is:

$H_0$: The average sale of social health insurance policies is the same in urban, semi-urban and rural areas.

When we test the one-way ANOVA in SPSS software, the variables are serial numbers, areas and the insurance premium. Here the site is a factor, and insurance premium is the dependent variable. The output for one-way ANOVA is shown in the Figure 1and Figure 2.

**Figure 1:** Descriptive Statistics

| | N | Mean | Std. Deviation | Std. Error | Minimum | Maximum |
|---|---|---|---|---|---|---|
| Urban | 70 | 19.0286 | 12.14910 | 1.45210 | 2.00 | 32.00 |
| Semi urban | 67 | 8.7090 | 7.95353 | .97168 | 2.00 | 22.00 |
| Rural | 73 | 7.8630 | 7.14982 | .83682 | 2.00 | 22.00 |
| Total | 210 | 11.8548 | 10.59675 | .73124 | 2.00 | 32.00 |

*Table title: Total annual premium paid*

**Figure 2:** One Way ANOVA

| | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Between Groups | 5428.673 | 2 | 2714.336 | 31.145 | .000 |
| Within Groups | 18040.148 | 207 | 87.150 | | |
| Total | 23468.820 | 209 | | | |

*Table title: Total annual premium paid*

Figure 2 provides the result of the analysis for this hypothesis. In the first row (between groups), the variability is due to the area difference. In the second row (within groups), there is variability due to random error, and in the third row, there is total variability. Here the F- value is 31.145 and the corresponding p-value is 0.000 which is less than 0.01. Therefore we would reject the null hypothesis at 1% significance level. We can conclude that the average sale of social health insurance policies differs in urban, semi-urban and rural areas.

### Objective II:

Now we want to establish whether the popularity (on the Likert scale) of these health insurance policies depends on the occupation of the policyholders through the Chi-Square test. The popularity is placed on a nominal scale ranging from 1 to 3, where 1, 2, and 3 represent less popular, moderate widespread and high popularity, respectively. The occupations chosen are service personnel, retired personnel, businessman, housewife and others (cultivation).

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The null hypothesis ($H_0$) here is that social health insurance policies' popularity depends on the occupation of the people located in different areas. In other words, the popularity of social health insurance products is different for people with different career options.

The data is collected from 210 persons. The data is put into SPSS software, and while clicking on the 'analyze' button, Figure 3, Figure 4 and Figure 5 come out.

**Figure 3:** Case Processing Summary

|  | Cases | | | | | |
|---|---|---|---|---|---|---|
|  | Valid | | Missing | | Total | |
|  | N | Percent | N | Percent | N | Percent |
| Popularity * Occupation | 210 | 100.0% | 0 | 0.0% | 210 | 100.0% |

**Figure 4:** Popularity * Occupation Cross tabulation

| Count | | | | | | |
|---|---|---|---|---|---|---|
|  | Occupation | | | | | Total |
|  | Service | Retired person | Business man | Other | House wife |  |
| Less popular | 30 | 0 | 34 | 12 | 0 | 76 |
| Moderate popular | 24 | 4 | 7 | 12 | 0 | 47 |
| Very popular | 6 | 34 | 0 | 8 | 39 | 87 |
| Total | 60 | 38 | 41 | 32 | 39 | 210 |

**Figure 5:** Chi-Square Tests

|  | Value | df | Asymp. Sig. (2-sided) |
|---|---|---|---|
| Pearson Chi-Square | 165.854 | 8 | .000 |
| Likelihood Ratio | 203.018 | 8 | .000 |
| Linear-by-Linear Association | 23.168 | 1 | .000 |
| N of Valid Cases | 210 |  |  |

Figure 3 denotes the case processing summary where the particulars of popularity and occupation are given. Figure 4 is the cross-tabulation where descriptive statistics are shown. In the Figure 5, Chi-Square tests are conducted. While considering only the Pearson Chi-Square, at 8 degree of freedom, the p-value is 0.000, which is lower than 0.01 at a 1% significance level. So we can reject the null hypothesis and conclude that the popularity of social health insurance policies among people depends on the occupation of the people located in different areas.

**Research Limitations:**
- The work is connected to a particular geographical location, so this work shall not be generalized for the whole country.

- This study is also for time being. In later period of time the conclusions may be different.

- The biased nature of the respondents can also be taken into consideration.

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**CONCLUSION, IMPACT ON SOCIETY AND SCOPE FOR FURTHER WORK:**

Social health insurance policy is less popular among urban, educated working people. The situation of the rural people who could be more financially sound could be better. A comprehensive promotion in this respect is a challenging task. The government may be influential in encouraging the citizens to accept this coverage. Mediators involved with social service schemes may voluntarily come forward. Various other financial institutions, like banks, may sell their products with an option to subscribe to this product. The role of NGOs and other private organizations is also very significant. In addition to personal meetings with needy families, they may promote such plans with the extensive usage of banners, pamphlets, and posters.

Beneficiaries should be aware of health insurance benefits through health camps arranged by influential people in rural, remote areas. Recruitment of agents to promote such products should be made regularly. The community health insurance schemes provide secondary and tertiary healthcare to the seriously ill low-income primary insured and their family members. Some schemes are also criticized nationally and internationally for overlooking health issues.

With academic satisfaction this research work helps us to think matured about the health insurance aspects. This will also increase our awareness and consciousness among the community. The outcome of this study work will facilitate to enhance the pecuniary strength of the residents. With valid and reliable facts, information and charts this work opens various opportunities to us.

The government's Economic survey 2022-23 reveals that insurance penetration increases from 2.7% to 4.2%. Insurance density is calculated as the ratio of collected insurance premium to the total population of the country. As per Financial express data the level of health insurance density in our country is around 15% (in rural areas it is 14% and it is 18% in urban areas) which is very low in comparison to European countries. So there is ample chances of penetration in the untapped market and overall growth of the industry. Different other insurance schemes available in market shall also be taken for future study while making comparable studies in numerous areas and during various seasons. The acceptance of these schemes by the policy holders is also to be studied. The feedback from the customers is also needed for effective implementation. Government in alliance with the IRDA should publicize such other insurance products (tailor made) according to the need and requirements of targeted customers or inhabitants for expanding the penetration of insurance in the country and also the development of insurance industry.

**Abbreviations:**

RSBY        Rashtriya Swasthya Bima Yojana

ANOVA        Analysis of Variance

SPSS        Statistical Package for Social Sciences

NGO        Non-governmental Organization

IRDA        Insurance Regulatory and Development Authority of India

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