

## DIMENSIONS OF CUSTOMER SATISFACTION IN HEALTH INSURANCE

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### ABSTRACT

Health Insurance as a segment of insurance has grown multifold in the last decade or two. With health care and medical expenses getting more and more expensive and no free medical coverage for the citizens, India as a country is one of the highest booming economies as far as health insurance sector is concerned. This study identifies the various dimensions of customer satisfaction of health insurance products and also the effect of demographic factors on customer satisfaction. Customer satisfaction is measured using Agent related factors, Policy related and company related factors. Demographic factors of Age, Gender, Nature of employer and nature of policy has been used to identify the effect on customer satisfaction.

**Keywords:** Customer satisfaction, Health Insurance, Agent related factors, Policy related factors, and company related factors

### Introduction

Health Insurance as a segment of insurance has grown multifold in the last decade or two. With health care and medical expenses getting more and more expensive and no free medical coverage for the citizens, India as a country is one of the highest booming economies as far as the health insurance sector is concerned (IMARC, 2022). With liberalization, the number of service providers in India has increased in unimaginable proportions and there is still scope for more players with the majority of the population not coming under any health insurance scheme. This necessitates the need to understand the level of satisfaction which the health insurance policy holders are currently having and what are the gaps which need to be filled by the Insurers. There are public sector health insurance companies and private sector insurance companies and there is a need to identify whether there is a perceptual difference between them. Therefore, the present study is a comparison between the customer satisfaction of health insurance in the public sector and private sector.

### Need And Significance Of The Study

Insurance as a financial product is entirely different from other financial products. A bank deposit or investment in bonds, shares etc. are purely investment options, whereas Insurance should not be seen as an investment. The investors should be communicated and convinced that Insurance is a medium of risk reduction by spreading risk. Over the years the insurance companies have been able to communicate the same with much more effectiveness. Unfortunately, in India, insurance is normally sold rather than bought. Majority of us have bought our insurance policy due to the sales pressure of an agent. Health insurance is no exception to it. In case of health insurance, though the rules allow swapping of service providers, the policy holders hesitate to do that as changing insurers will freeze certain coverages for a limited period. Therefore, sticking on to one health insurance company need not be because of full satisfaction to the service provider. Therefore, there is a need to understand whether the insured are continuing with a specific insurer because of the quality of service or due to any other reason. This study tries to find the dimensions of customer satisfaction of health insurance service providers from the public sector and private sector in India.

With Union budget 2023, there was a slump in the share prices of insurance companies due to the emphasis given to the New Personal Tax Regime (NPTTR) which doesn't give any weightage for the savings to the taxpayer for tax deduction. It is imperative for the health insurance service providers to understand the pulse of the public in terms of the factors influencing the customer satisfaction. This will enable them to modify the operations and rectify any grievances in their existing operations.

### Review Of Literature

Any research work should undertake a conscious effort to review the existing literature for understanding the existing body of knowledge and also to find the research gap. The same exercise was adopted in this study as well. The review enabled the researcher to find out the variables to be considered in the study and also the existing relationship between the variables identified in the literature. Some selective reviews are given below.

Chitra (2021) in their article titled A study in customer awareness level and satisfaction of health insurance policies in Chennai city examines the product awareness of health insurance products on their satisfaction among the customers in Chennai district of Tamil Nādu. Using convenient sampling 283 responses were collected. The study found that the customers are aware of the health insurance companies and their products. The study found that the level of awareness and the level of satisfaction are positively correlated.

Vijay and Krishnaveni (2018) in their study titled A study on Policyholders' satisfaction of Health Insurance with Special reference to Ernakulam District, found that the satisfaction level of customers is more in the case of private sector health insurance policy holders. Group insurance policy holders seem to have more satisfaction than individual policyholders.

Narayanan (2017) in their paper titled Effect of Demographic variables on "Customer satisfaction of Health Insurance policy holders: A study of General Insurance companies in India" has collected data from 800 health insurance policy holders to understand the relationship. Chi square test was used to identify the association between demographic variables and the extend of satisfaction of health insurance policy holders. The study revealed association between demographic variables and satisfaction in case of public sector insurance companies except occupation of the respondent. In case of private sector insurance companies Age, Marital status and family income has been found to influence the level of customer satisfaction.

Alharbi (2017) in the study titled Satisfaction with Cooperative Health Insurance in Saudi Arabia: The Role of Customer Knowledge, Service Characteristics, and National Culture, conducted a study with 395 samples in Saudi Arabia. Satisfaction with Cooperative Health Insurance in Saudi Arabia: The Role of Customer Knowledge, Service Characteristics, and National Culture. The result of the impact of national culture as a mediator was insignificant.

### Objectives Of The Study

1. To identify the factors influencing the customer satisfaction of health insurance policy holders
2. To identify the level of customer satisfaction of public sector health insurance companies

### Research Methodology

The methodology adopted in the study is of a descriptive study. The researcher undertook extensive literature review and identified the research gap. Further to the review, expert opinions were sought from industry experts and health insurance agents on the various variables to be covered in the study. Population of the study was taken as people who have/had health insurance policy for themselves or for their family. Convenient sampling method was adopted. A structured questionnaire was designed. Data was collected through google forms. Out of 205 sample points 2 samples were not usable and the rest were considered for data analysis. Secondary data was collected through various e-databases.

### Data Analysis

Any study is incomplete without a proper analysis of the data collected and making sense of the numbers. In this study 203 samples only were considered for the final analysis. Outliers/incomplete responses were ignored. Basic tools like frequency analysis and statistical tools like One-way ANOVA were used in the study.

### Demographic Variables

Gender of the Policy holder	Frequency	Percentage
Male	125	61.58
Female	78	38.42
Total	203	100.00

Table 1

Age interval of the policy holder	Frequency	Percentage
Up to 30	52	25.62
31-40	40	19.70
41-50	77	37.93
51 & above	34	16.75
Total	203	100.00

Table 2

Highest Educational Qualification of the policy holder	Frequency	Percentage
Up to SSLC	9	4.43
Plus Two	4	1.97
Under graduation	25	12.32
Professional diploma	4	1.97
Post-graduation and above	155	76.35
PhD	6	2.96
Total	203	100.00

Table 3

Nature of employer of the policy holder	Frequency	Percentage
Government employee (salary paid by Government)	89	43.84
Private sector employee	80	39.41
2 employed	12	5.91
Others	22	10.84
Total	203	100.00

Table 4

Did you consider the income tax exemption while purchasing the health insurance policy?	Frequency	Percentage
Yes	157	77.34
No	46	22.66
Total	203	100.00

Table 5

I have taken health insurance policy for	Frequency	Percentage
Self and Family	182	89.66
Self	21	10.34
Total	203	100.00

Table 6

Health insurance policy was taken from	Frequency	Percentage
Public Sector	77	37.93
Private Sector	126	62.07
Total	203	100.00

Table 7

Mean values of statements to measure customer satisfaction on a five-point Likert scale	
Agent related factors	
The knowledge of the sales person of the health insurance company was adequate	3.90
I am satisfied with agents description of the terms and conditions of the policy	3.87
Behavior of the sales person was satisfactory	4.25
Company related factors	
The company gives prompt service	3.79
The company gives efficient service	3.67
The company gives courteous service	3.71
Premium payment options are satisfactory	4.26
Procedure/Documentation requirements for Policy issue are comfortable	4.21
Time taken for the policy issue was short	3.18
The Complaint redressal mechanism of the company is satisfactory	3.69
I am satisfied with the feedback system of the health insurance company	3.77
I am satisfied with the technology use by the insurance company such as online payment etc	4.00

Policy Related Factors	
Claim settlement process of the company is satisfactory	3.65
The coverage given by the policy is satisfactory	3.93
The policy allows me to add specific illness packages	3.37
I am satisfied with the cashless settlement options offered under this policy	3.79

Table 8

**Hypothesis 1**

Ho: There is no significant relationship between the factors influencing the customer satisfaction and the gender of the policy holder

H1: There is a significant relationship between the factors influencing the customer satisfaction and the gender of the policy holder.

ANOVA					
Customer Satisfaction					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.184	1	4.184	8.545	.004
Within Groups	98.417	202	.490		
Total	102.600	203			

Table 9 ANOVA

From table-9, an analysis of the data collected in terms of the significance of Gender of the respondent with regards to the Customer satisfaction (measured using three independent variables Agent related factors, policy related factors and company related factors) is being done. From the one-way ANOVA test, it is evident that the Gender has no significant role on the various dimensions of customer satisfaction of health insurance products. Since the calculated value of p i.e., 0.04 is less than 0.05, we accept the null hypothesis.

**Hypothesis 2**

Ho: There is no significant relationship between the factors influencing the customer satisfaction and the age of the policy holder

H1: There is a significant relationship between the factors influencing the customer satisfaction and the age of the policy holder.

ANOVA					
Customer Satisfaction					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13.133	3	4.378	9.738	.000
Within Groups	89.467	200	.450		
Total	102.600	203			

Table 10 ANOVA

From Table-10, an analysis of the data collected in terms of the significance of Age of the respondent with regards to the Customer satisfaction (measured using three independent variables Agent related factors, policy related factors and company related factors) is being done. From the one-way ANOVA test, it is evident that the age of the respondent has no significant role on the various dimensions of customer satisfaction of health insurance products. Since the calculated value of p i.e., 0.00 is less than 0.05, we accept the null hypothesis.

**Hypothesis 3**

Ho: There is no significant relationship between the factors influencing the customer satisfaction and the educational qualification of the policy holder

H1: There is a significant relationship between the factors influencing the customer satisfaction and the educational qualification of the policy holder.

ANOVA					
Customer Satisfaction					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	12.599	6	2.100	4.573	.000
Within Groups	90.001	197	.459		
Total	102.600	203			

Table 11 ANOVA

From Table-11, an analysis of the data collected in terms of the significance of educational qualification of the respondent with regards to the Customer satisfaction (measured using three independent variables Agent related factors, policy related factors and company related factors) is being done. From the one-way ANOVA test, it is evident that the educational qualification of the respondent has no significant role on the various dimensions of customer satisfaction of health insurance products. Since the calculated value of p i.e., 0.00 is less than 0.05, we accept the null hypothesis.

**Hypothesis 4**

Ho: There is no significant relationship between the factors influencing the customer satisfaction and the nature of employer of the policy holder

H1: There is a significant relationship between the factors influencing the customer satisfaction and the nature of employer of the policy holder.

ANOVA					
Customer Satisfaction					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	12.599	6	2.100	4.573	.000
Within Groups	90.001	197	.459		
Total	102.600	202			

Table 12 ANOVA

From Table-12, an analysis of the data collected in terms of the significance of nature of employer of the respondent with regards to the Customer satisfaction (measured using three independent variables Agent related factors, policy related factors and company related factors) is being done. From the one-way ANOVA test, it is evident that the nature of employer of the respondent has no significant role on the various dimensions of customer satisfaction of health insurance products. Since the calculated value of p i.e., 0.00 is less than 0.05, we accept the null hypothesis.

**Hypothesis 5**

Ho: There is no gender wise difference on the factors influencing customer satisfaction of health insurance policy

H1: There is gender wise difference on the factors influencing customer satisfaction of health insurance policy.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Agent related factors	Between Groups	2.438	1	2.438	4.176	.042
	Within Groups	117.331	202	.584		
	Total	119.769	203			
Company related factors	Between Groups	4.604	1	4.604	8.915	.003
	Within Groups	103.795	202	.516		
	Total	108.398	203			
Policy related factors	Between Groups	5.470	1	5.470	5.817	.017
	Within Groups	189.020	202	.940		
	Total	194.490	203			

Table 13 ANOVA

From Table-13, an analysis was done to identify whether there is gender wise difference on the factors influencing customer satisfaction. The factors influencing customer satisfaction were identified as Agent related factors, Company related factors and Policy related factors. From the one-way ANOVA test, it is evident that the Agent related factors and policy related factors are having significant influence on the customer satisfaction of the policy holder. Since the calculated value of p i.e., 0.042 (Agent related ) and .017 (Policy related) are not less than 0.05, we fail to accept the null hypothesis. Therefore, we can conclude that agency related and policy related customer satisfaction could vary with gender of the policy holder.

However, the study reveals that gender wise significant differences are not observed on company-wide factors of customer satisfaction of health insurance policy, as the calculated value of p i.e., 0.03 is less than 0.05, we accept the null hypothesis.

### Conclusion

Study on the dimensions of customer satisfaction of health insurance was carried out with a sample size of 203 respondents from different parts of the state of Kerala, India. Customer satisfaction of Health insurance products are measured with three dimensions, i.e., Insurance agent related factors, insurance company related factors and the insurance policy related factors. The study concludes that the customer satisfaction of health insurance products is not gender, age or nature of the employer dependent, however all these demographic variables have influence on certain factors of customer satisfaction as the study found in the case of Gender having a significant relationship on the agent related and policy related factors. There is further scope of research to find the impact of various other demographic factors on each specific factor of customer satisfaction.

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