



## HEALTH INSURANCE SERVICES (A SPECIAL REFERENCES TO SELECTED HEALTH INSURANCE SERVICE PROVIDERS IN COIMBATORE CITY)

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### ABSTRACT:

*Health insurance services means all services that we receive from insurance players including such services as "Issuance of policy, innovative products, customer care and facility, resolving complaints, treating new customer, respect to senior customer, solving problems and queries, after sale services, answering questions and respecting customers, reminder and notices, claim settlement, faster services, revival of policy, continuation of policy, facilities for payment of premium, mode of payments, infrastructure and up keeping front office, hospitality basic facilities for customers like water, chair, fans etc to focus on health on the customers"*

**KEYWORDS:** Health Insurance, HDFC, ICICI, Kotak Mahindra, SBI Life, ING VVSYA, Bancassurers.

### REVIEW OF LITERATURE

A number of studies have been referred to by the researchers to assess the bancassurance performance over period time, based on the different variables such as sources and applications of funds, interest and non-interest income and expenditure, policy services, gross yield on total assets, growth, efficiency and profitability etc. Some of the articles revealed related information on the present study. In this context, a few studies reviewed for the same purpose. Chidanbaram R.M. and Alamelu (1994) observed that private sectors banks have been registering both high profits and high rate of growth with respect to deposits, advances and reserves and compared to public sector banks. Deb and Kalpada (1998) found that the quantitative growth of the private sectors banks include some insurance services in terms of significant growth in national economy. D'Souza (2002) was skeptical about the performance of public sectors banks in offering insurance products closed to private sectors banks. Mathur (2002) concluded that the performance of the banking industry is based on insurance products and in near future its value may go to health oriented products to get additional value to their customers. D.S Chaubey and Rajat P. Dimri (2009) in their research articles, "investment pattern: A psychographic Study of the investors of Garhwal Region of Utrakhand" identify the investment perception and their behavior of designing effective investment policies include health insurance segments plays a vital role than the other mode of investment. RINKU CHAUDHURI, (2001) in his article "Customer service as a Source of Competitive Advantage" observes that, after the entry of new players including banks in the Indian insurance industry, there has been expectation of better customer service, especially in the areas of claim, settlement, insurance of policies and after sale services. It improves the quality of products, innovative schemes, and financial position of the banks.

### SCOPE OF THE STUDY

In India, the banking and Insurance sectors play a candid and heroic role by rendering various financial services with huge funds to their customers to boost other sectors of the economy for their overall development. Through Health insurance the banks pool the funds from the small and scattered depositors, customers and investors, whose interest must be protected, and many of them do not know how to consistently allot their savings for the future uncertainty. The study proposes to identify bancassurance who are all providing health insurance services to their customers through its windows and rank them based on the services and that helps the depositors, the customers and the investors to think better of whether they must consider the consistent of the bancassurers while dealing with a dealing with a bancassurer of their choice. For the purpose of this study we have identified the following five leading banks that are all providing health insurance products to their customers as follows: (The order has followed based on their entry in to the insurance industry)

- HDFC Standard life insurance company Limited. (HDFC STD LIFE).
- ICICI Prudential Life Insurance Company Limited. (ICICI PRU).
- Kotak Mahindra Old Mutual Life Insurance Company Limited.
- SBI Life Insurance company limited. (SBI LIFE)
- ING Vysya Life Insurance company Limited. (ING VYSYA)

### OBJECTIVES OF THE STUDY

- a) To rank these bancassurers based on the average test.
- b) To examine the quality of the health insurance services of the selected bancassurers.
- c) To study about satisfactions of customers with regard to health insurance services.
- d) To offer valuable suggestions to the depositors, the customers, the investors and the bancassurers.

### LIMITATIONS OF THE STUDY

The limitations of this study is that as the select bancassurers do not represent the entire banking and insurance sectors in India and do not control the whole Indian economy, and they are regulated and controlled by both RBI and IRDA.

### METHODOLOGY

As the study is predominantly based on primary data, 160 structured questionnaires were sent to policyholders who purchased bancassurance policies from the five banks' branches in North, East, West and Southern parts' branches In North, East, West Southern Parts of the Coimbatore city. A structured interview schedule was also used for collecting primary data to obtain personal view on their health insurance services from the bank officers as well as their policyholders. Convenience sampling method was employed. Out of 160 questionnaires, only 155 filled up the questionnaires and returned them. After detailed and thorough scrutiny, 151 questionnaires were found to be suitable for the analysis. The required data was collected during the period from January 2010 to December 2010. Then the data was tabulated, codified and analyzed according to the objectives of the study and evaluated.

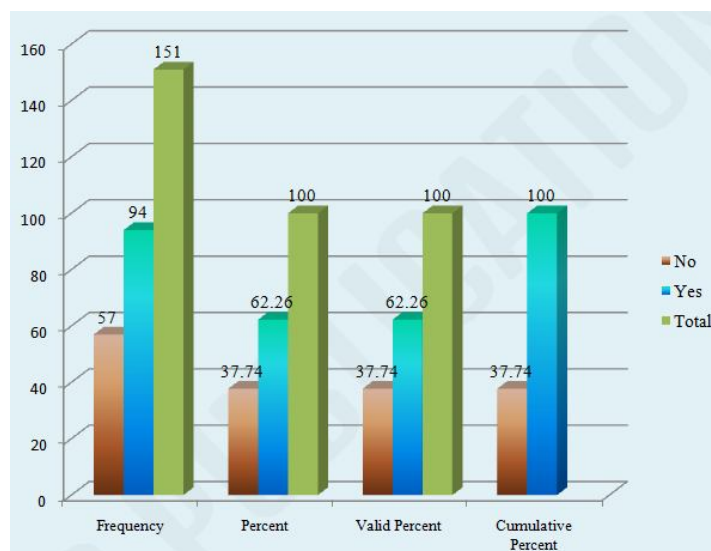
### AWARENESS OF HEALTH INSURANCE SERVICES

In general, the concept of Health Insurance is a new one and not very popular in the Indian context. Many policyholders of bancassurers were not able to define the world Health Insurance. Services may be measured and evaluated with perception level of policyholders towards knowledge about the bancassurer, experiences of buying policies, availability of health Insurance products etc. It motivated the researcher to find out more about the level of awareness about Health Insurance service in the study. Out of 151 respondents, 57 were not able to say anything about Health Insurance, its

services, and the other 94 respondents were able to say a little about Health Insurance and its services. Therefore, the level of awareness about health Insurance service is good in Coimbatore city.

**Table 1 Awareness of health Insurance services**

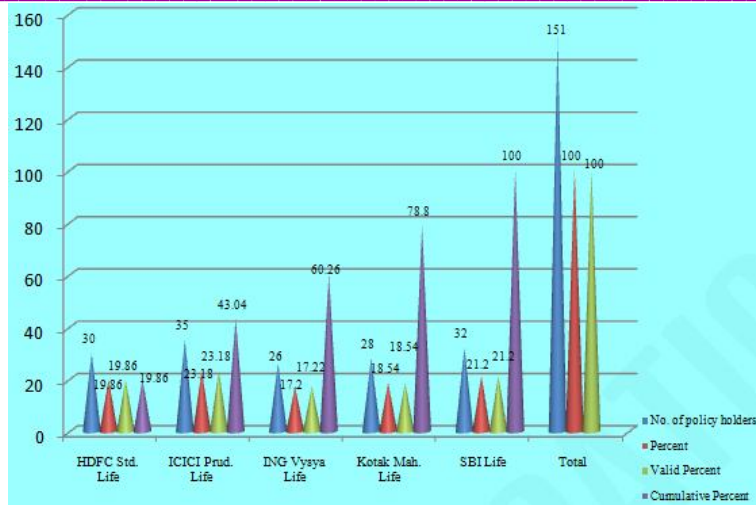
Awareness	Frequency	Percent	Valid Percent	Cumulative Percent
No	57	37.74	37.74	37.74
Yes	94	62.26	62.26	100.0
Total	151	100.0	100.0	



### Bancassurers and their number of policy-holders.

**Table 2 Bancassurers and their number of policyholders**

Name of the Bancassurer	No. of policy holders	Percent	Valid Percent	Cumulative Percent
HDFC Std. Life	30	19.86	19.86	19.86
ICICI Prud. Life	35	23.18	23.18	43.04
ING Vysya Life	26	17.2	17.22	60.26
Kotak Mah. Life	28	18.54	18.54	78.80
SBI Life	32	21.20	21.20	100
Total	151	100.0	100.0	

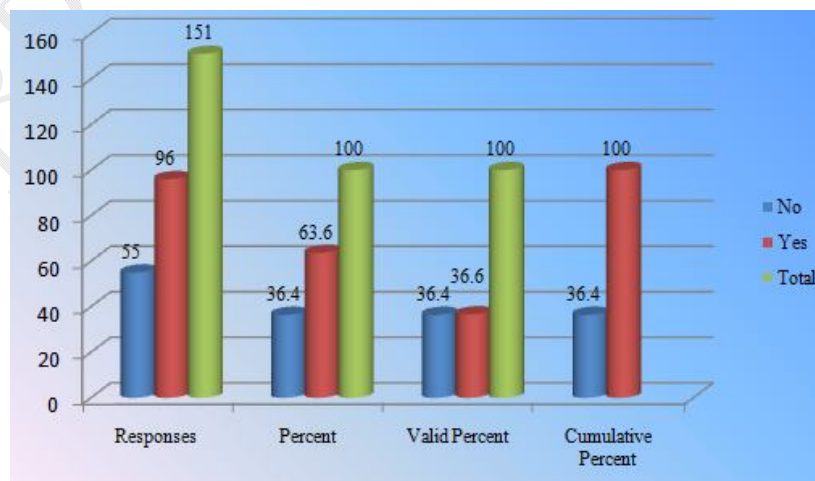


The above table explains the different bancassurers and the number of policy-holders. The maximum 35 respondents out of 151 from ICICI Prudential Life Insurance Company have taken bancassurance products. HDFC Standard Life Insurance Company stands second with 30 policyholders. Some of the bancassurance policyholders had policies in Life Insurance Corporation of India as well as other private Insurance Companies of India as well as other private insurance companies. The study on bancassurance services and the policyholder’s (customer’s) level of satisfaction were arrived at based on this table.

Has Privatization improved customer services through health insurance products It is undertaken to identify whether the level of insurance companies has improved or not as a result of privatization. The study revealed that 63.6% of the respondents were able to give a favourable answer about health insurance services.

**Table 3 Has Privatization improved health insurance services**

Has improved customer service	Responses	Percent	Valid Percent	Cumulative Percent
No	55	36.4	36.4	36.4
Yes	96	63.6	63.6	100.0
Total	151	100.0	100.0	

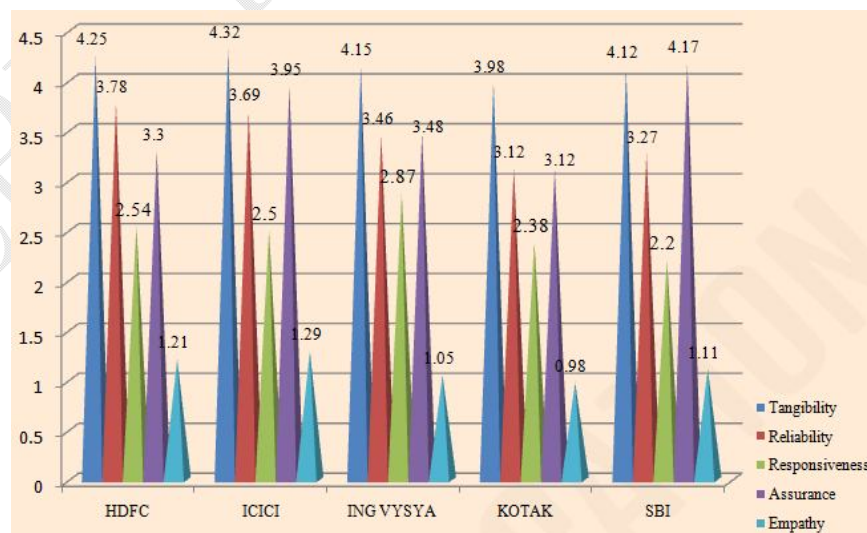


### QUALITY OF BANCASSURANCE SERVICES

The quality of bancassurance services can be classified into five components such as tangibility, reliability, responsiveness, assurance, and empathy. For the purpose of research work all bancassurance services and its quality rendered by the bancassurers will be grouped into the above five components. Research showed that bancassurers were perceived to be strongest on the reliability component of service quality and equally strong on assurance and tangible dimensions but it was found to be non-responsive and customers' problems, expectations, and lacking empathy skills. On the tangible components (appearance of the bancassurers branch office, sales persons, customer services, modern-looking environment etc.) ICICI Prudential Life Insurance scored over other bancassurers as it had a score of 4.32 on a five-point scale ranging from low to high. The HDFC Standard Life Insurance was a close second, with a perception score of 4.25. The SBI Life Insurance customers' perception was almost same, but compared to ING Vysya Life Insurance it had the lower score of 4.12. The lowest point were given to the Kotak Mahindra Old Mutual Life Insurance – 3.98. On the question of reliability (staff keeps their promises, accuracy of documents, timely issue of policy, etc.) about bancassurers, the policyholders rated HDFC standard Life Insurance (3.78) the best, followed by the ICICI Prudential Life Insurance which had reasonable points (3.69) and the least to Kotak Mahindra Old mutual Life Insurance (3.12). On the question of responsiveness, (reduction in the communication gap, giving prompt service, reminders, the policyholders rated ING Vysya Life Insurance (2.87) as the best, the second to HDFC Standard Life Insurance. On the question of assurance, (guarantees and assured bonus, returns employees consistently courteous, feel safe and trusty with bancassurers etc.) about bancassurers, the policyholders awarded SBI Life Insurance the highest score (4.17) followed by the ICICI Prudential Life Insurance with reasonable points (3.95) and lowest to Kotak Mahindra Old Mutual Life Insurance (3.12).

**Table 4 Quality of service of the Bancassurer in health insurance products**

Service quality parameters	HDFC	ICICI	ING VYSYA	KOTAK	SBI
Tangibility	4.25	4.32	4.15	3.98	4.12
Reliability	3.78	3.69	3.46	3.12	3.27
Responsiveness	2.54	2.50	2.87	2.38	2.20
Assurance	3.30	3.95	3.48	3.12	4.17
Empathy	1.21	1.29	1.05	0.98	1.11
Over all Rank	II	I	IV	V	III





Empathy (personalized services, recognition by name, employees understand the specific needs of customers, etc.) being one of the important components was found to be very low with all the bancassurers. That shows bancassurers were not bothered about welfare of their policyholders after issuing policies. They were able to concentrate on their business for the day but not for tomorrow. The respondents' opinions on these components can be described in the table 4.

### FINDINGS & CONCLUSION

- 1) In general, the study reveals that bancassurers taken keen interest in providing health insurance products to their customers.
- 2) Awareness about the bancassurance in Coimbatore city is very good. The concept of bancassurance and its health insurance products are well practiced in Coimbatore city.
- 3) Due to privatization of insurance industry, there is an opportunity to participate and private players including banking sectors can have healthy competition among the players and offer better services to the policyholders.
- 4) 63.6% or 96 respondents believed that the privatization of insurance industry improved in its customer services.
- 5) It gives room the existing insurance players to offer new health insurance products.
- 6) Indian Economy Growth is much better than in the past (2005 5.5% and 2010 7.8%)
- 7) On services basis there is Good improvement in collection or payment of premium through various methods such as Electronic Clearing Services, Net banking, Tele is banking.
- 8) Consumers are highly satisfied with the services provided by their insurers. They are all satisfied with the health products given to them.
- 9) The analysis of the data provided that almost all the five dimensions Tangibility, Reliability, Assurance, Responsiveness and Empathy – the perceived level of service quality was far lower than the desired one.
- 10) The study revealed that the overall services provided by the bancassurers were satisfactory for the majority of respondents.

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