

**A Study to identify and analyse factors affecting the demand for Health Insurance
with respect to Suthan Bathery in Wayanad District of Kerala**

By
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Abstract

The health status of the people in the country is closely related with their wealth. Good health is one of the most important pre-requisite to human productivity which in turn leads to overall development of a society. Health is an important resource for a nation to pursue national development goals. It raises the productivity of the labor force and enhances economic growth. It plays a critical role in supplementing government effort in ensuring the availability and accessibility of health care services to the population. The objective of the present paper is to analyse the awareness of health insurance and the factors affecting the demand for health insurance in wayanad district, Kerala. For the analysis of data descriptive statistics, namely, mean, Standard deviation, 'r' test and 't' test have been applied. The sample size is 200 residents of wayanad district chosen according to stratified sampling method. The study highlighted that awareness of the people about health insurance is at average level. This study also found that there is a positive relationship between the attitude and awareness among individual in the sampled area regarding health insurance and rural and urban people are not differ in their level of awareness in health insurance.

Keywords: Awareness; Attitude in health insurance, Backwardness. Locality and Unemployment,

1. Introduction

Insurance is a social security tool because without insurance this human society would consists of helpless old people, helpless widows and unprotected orphans. Every economic activity is associated with risk and insurance is the risk buster. For operating and sustenance of any meaningful business, the risk appraisal and suitable insurance remedies are the basic necessities. The bereavement of the bread earner in a family deprives them of the major sources of sustenance and the family is thrown in the streets and it becomes a societal problem. Insurance takes care of these situations.

The Article 41 of the Directive Principles of State Policy states that the State, within the limits of its economic capacity and development, shall make effective provision for security - right to work, to education and to provide public assistance in case of unemployment, old age, sickness and disablement. The insurance schemes designed and developed by the insurance companies for the socially disadvantaged people aid in promoting the spirit of the directive principles of State policy.

The declaration of Human rights by UNO declared that everyone has a right to a standard of living including food, clothing, housing, medical care and security in the event of unemployment. Further, the social obligations of the insurer forces them to invest a chunk of their investable income in socially oriented projects like rural electrification, drainage, infrastructure and other people oriented projects. People's money for people good is the prime factor that impels insurance companies to invest in social projects.

2. The scope of the study

The present study will be confined to Wayanad, one of the fourteen district of Kerala and it will be conducted by collecting a sample of 200 individual. The collected samples will give a proper representation of 'locality', 'gender', 'attitude', with respect to the awareness on health insurance in Wayanad District of Kerala State.

3. Objectives of study

- 1) To study the status of health insurance in wayanad district
- 2) To study the various factors affecting the demand for health insurance
- 3) To study whether there is any relationship between attitude of individuals and Awareness of Health Insurance in the sampled area.
- 4) To study whether there is any difference *among the Rural and Urban individuals* in terms of Awareness of Health Insurance.

4. Hypothesis of the study

H₀: There is no significant relationship between Attitude and Awareness of Health Insurance.

H₀: There is no significant difference between *Rural and Urban individuals* in terms of Awareness of Health Insurance.

5. Methodology

Population and sample

For the present study, the population consisted of all the individuals in Wayand District. The sample in the present study consisted of 200 selected individuals. This was the population and samples, to which the investigator wanted to generalise the results of the present study.

Tools employed

The present study employed rating scale on attitude towards insurance and awareness on insurance. It was constructed and validated by the investigator.

Statistical Techniques

Different statistics that are used for analyzing various objectives under study were, percentage, Mean, Standard Deviation, and inferential statistics, namely 't' test and 'r' test.

6. Analysis of the study

In the present study, the investigator formulated for objectives. The details of the analysis is given below,

Objective one

The first objective was "to study the status of health insurance in wayanad district

This objective was analyzed by making use of descriptive statistics namely Mean, Median, Standard Deviation and. The data was graphically represented in the form of a bar diagram.

Table 1 showing the percentage of scores on status of health insurance in Wayanad District

Status	No Individual	Scores in percentages
High	30	15%
Average	135	67.5%
Low	35	17.5%

From the above data, It was revealed that majority of the selected individual with respect to the status of health insurance were found to be at an average level at 67.5%., and only 15% have highly aware about health insurance and 17.75 have low awareness about health insurance in Wayanad District. The graphical representation of the data is given below.

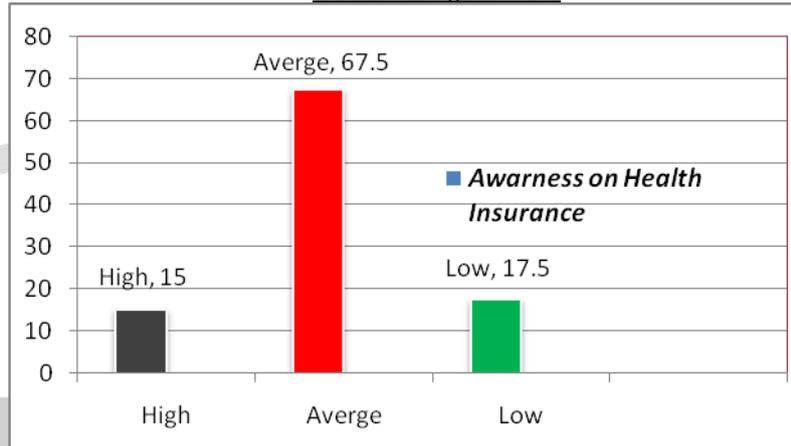


Figure 1: status of health insurance in Wayanad District

Objective Two

The second objective was “To study the various factors affecting the demand for health insurance. This following table shows various factors identified for the demand in health insurance,

Table 2 shows the variables identified and its ratings in percentage

No	Variables identified	Ratings
1	Complex process of claims	10%
2	All the hospitals are not covered	22%
3	Lack of comprehensive coverage.	16%
4	Hidden cost involved	16
5	Behaviour of insurance was not satisfactory	8%
6	Difficult to approach insurance agent	12%
7	If available with least formalities	38%
8	Better small investment schemes	44%
9	More deduction is applicable	4%
10	If the employer is ready to make some contribution	30%
Total		200

The above data indicates that major hurdles for health insurance is the preference of individual for Better small investment schemes (44%) , to get insurance with least formalities (38%), If the employer is ready to make some contribution (30%) and coverage of hospital (22%).

Objective three

The third objective was “to study whether there is a positive relationship between Attitude and Awareness on health insurance among the selected individuals in Wayanad District. In order to test the significance of the relationship between Attitude and Awareness on health insurance among the selected individuals in Wayanad District, the following hypothesis was formulated:

H₁: There is a significant relationship between Attitude and Awareness of Health Insurance among the selected individuals in Wayanad District.

In order to test the hypothesis, it was changed into a null hypothesis:

H₀: There is no significant relationship between Attitude and Awareness of Health Insurance among the selected individuals in Wayanad District.

In order to test the significance of relationship between Attitude and Awareness of Health Insurance among the selected individuals in Wayanad District as stated in the null hypothesis, ‘r’ significance

fixed at 0.05 level with a degree of freedom of 398 and the resultant value 0.681 was found to be significant. The result is given in Table 2

Table 3 showing Number (N) Mean (M), Median (Mdn), Standard Deviation (SD) of the distribution of scores on showing 'r' value of scores on attitude and Awareness of individuals in terms of Awareness of Health Insurance in Wayanad District.

Number	Variables	Mean	SD	'r' value	Results
200	Attitude	40.22	36	0.681	Significant at 0.01 level
200	Awareness	31.6	17.25		

Interpretation

It is revealed from table 3 that 'r' value between the scores Attitude and Awareness of Health Insurance among the selected individuals in Wayanad District is 0.6821 which is higher than the table value at 0.05 level with degrees of freedom 398. Hence the null hypothesis "There is no significant relationship between Attitude and Awareness of Health Insurance among the selected individuals in Wayanad District" is rejected and the alternate hypothesis "There is significant relationship between Attitude and Awareness of Health Insurance among the selected individuals in Wayanad Distri" is accepted.

Objective Four

The fourth objective was "to study whether there is any difference among the employed and unemployed individuals in terms of Awareness of Health Insurance".

In order to test the significance of the difference between the means of the scores on Rural and Urban individuals in terms of Awareness of Health Insurance in Wayanad district, the following hypothesis was formulated:

H₁: There is a significant difference between Rural and Urban individuals in terms of Awareness of Health Insurance.

In order to test the hypothesis, it was changed into a null hypothesis:

H₀: There is no significant difference between Rural and Urban individuals in terms of Awareness of Health Insurance.

't' test was employed to test the null hypothesis and the level of significance was fixed at 0.05 level with degree of freedom at 398 and the resultant value 0.024 was not significant. The result is given in Table

Table 4 showing Number (N) Mean (M), Median (Mdn), Standard Deviation (SD) of the distribution of scores on showing 't' value of scores on Rural and Urban of individuals in terms of Awareness of Health Insurance in Wayanad District.

Variables	Number	Locality	Mean	SD	't' value	Results
Health awareness	200	Rural	61.5	15.62	0.024	Not significant at 0.05
	200	Urban	64.6	15.30		

From the table 4, it is observed that the 't' value 0.024 of Rural and Urban individuals in terms of Awareness of Health Insurance at 0.05 level. It is also observed from the table...the obtained t value 0.024 is less than that of theoretical value of 1.97. Therefore, the alternative hypothesis "There is a significant difference between Rural and Urban individuals in terms of Awareness of Health Insurance." is rejected and the null hypothesis formulated "There is no significant difference between Rural and Urban individuals in terms of Awareness of Health Insurance." accepted.

7. Major findings of the study

The major findings of the present study id summarized below,

- 1) Majority of the selected individual with respect to the status of health insurance were found to be at an average level
- 2) The findings of the data indicated that major hurdles for health insurance is the preference of individual for Better small investment schemes, to get insurance with least formalities employees wish to the employer's contribution to subscribe insurance schemes and think that coverage of hospital is not up to the mark.
- 3) There is significant relationship between Attitude and Awareness of Health Insurance among the selected individuals in Wayanad Distrit.
- 4) There is no significant difference between Rural and Urban individuals in terms of Awareness of Health Insurance.

8. Suggestions and Recommendations

The condition of health insurance in India is pathetic. 85% of Indian population does not use health insurance to finance their medical expenditure. These people pay for their medical expenditure from their pocket. As a result, many of these uninsured individuals either end up with poor quality healthcare or have to bear financial hardships. Thus, based on the findings of the present study, the following suggestion are brought into your attention,

- 1) There is a need to increase the number of insured individuals in India.
- 2) The Government should educate people about the rise of medical costs and the importance of these products
- 3) The Government and all the associated bodies should all offer their support in spreading health insurance awareness so that Indian citizens are aware of the right to seek quality healthcare without any financial thought.
- 4) Regulators should bring change in the guidelines, allowing only the right players to enter the health insurance market.
- 5) Health insurance providers should design products, according to health needs of target customers and encourage people to buy them. The combined efforts of all these bodies will surely bring some improvement.

9. Limitations of the study

- Time was the major constraints.
- Could not reach into all the respondents personally to collect the data.
- The study was confined only in a particular district "Wayanad in Kerala state"

10. Conclusion

In a country where less than 15 per cent of population has some form of health insurance coverage, the potential for the health insurance segment remains high. It seems that there is an urgent need to ramp up the health insurance coverage in the country as out-of-pocket payments are still among the highest in the world. The financial stress that is engendered due to rising medical expenses is believed to affect the lifestyle of all family members for years. If the same continues, how will the people of India pay their medical expenses in the future? How will the efforts of medical care providers be fruitful, when there will be no one to avail medical treatment?

Thus, there is a need to increase the number of insured individuals in India. Working in this direction, every individual, every medical care provider and every health insurance company should play an active role. It is only then possible that people would be able to avail quality healthcare in times of medical emergency. Insurers have designed plans, but people should be encouraged to buy them so that the overall condition of medical care insurance in the country can be improved.

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