Determine the tactics and strategies used by insurance companies in the research area to advertise health insurance products

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Abstract

Health insurance should be made easier and less complicated, with standardized disease coverage and tariffication. TRAI has undergone significant changes, but they have not been well publicized or given the attention they deserve. Furthermore, new freestanding health insurance businesses should be permitted to enter the market in order to broaden the scope of health insurance coverage. Unlike other types of insurance, health insurance has the potential to improve the country's human capital by making better healthcare more accessible, as well as increase household savings. There is a larger need for universal health insurance coverage in a nation like India, where poverty and low income levels are quite prevalent. Paradoxically, yet, just about 2% of the nation's population in general has health insurance. Since the health insurance segment only accounts for a small portion of the general insurers' overall revenue, they have not given it the attention it deserves. This is further made easier by the fact that health insurance policies are typically seen as being extremely complicated because they must address the ever-changing landscape of illnesses and aging. As a result, coverage has not increased as much as it ought to have even after the insurance industry was liberalized, privatized, and globalized. All parties involved-the regulatory body, public and private insurance companies, insurance agents, and others-need to have their perspectives drastically altered in order to achieve this. Simplifying and simplifying health insurance, standardizing disease coverage, and lowering tariffs are all necessary. TRAI has undergone numerous revisions, but they have not gained widespread acceptance despite its significance.

Keywords: Insurance, Health Insurance, Body, Public, Private, Revisions

Introduction

From six insurers (including Life Insurance Corporation of India, four public sector general insurers, and General Insurance Corporation as the national reinsurer) in 2000 to 52 insurers operating in the life, non-life, and reinsurance segments in 2013, the number of participants in the industry has increased since the sector was opened up in 1991. Of these, 24 are in the life insurance business, 27 are in the non-life insurance segment, and General Insurance Company is in the re-insurance business.

Four of the non-life insurance businesses operate independently as health insurance firms: Max Bupa and Religare Health Insurance Company, Apollo Munich Health Insurance Company, and Star Health and Alliance Insurance Company. Twenty are joint ventures with foreign partners, out of the twenty-four insurance companies that have established operations in the life segment since the sector's establishment. Sixteen of the 27 insurers (including health insurers) who have started doing business in the non-life sector are working with international partners. As a result, forty-four private insurance businesses work together with well-known international insurance corporations throughout the nation.

The first-year premium, which is a gauge of newly secured business, insured by life insurers in 2012–13 was Rs. 107361 crore, up 84% annually from Rs. 9707 crore in 2000–01. The entire amount of premiums underwritten by the life insurance industry in 2012–13 was Rs. 287202 crore, up 60% from Rs. 34898 crore in 2000–01. Between 2000–01 and 2012–2013, the private sector's portion of the life insurance segment's total premiums climbed from 0.02 to 27.3%. From Rs. 10499 crore in 2000-01 to Rs. 62972 crore in 2012-13, the gross direct premium covered by non-life insurers increased by 41% annually. Over the same time period, the private sector's share of this segment increased from 0.07 to 44 percent.

Penetration and density of insurance
Two metrics-insurance penetration and insurance density-are commonly used to evaluate the insurance industry's performance and prospects. The ratio of premiums underwritten in a particular year to the nation's gross domestic product (GDP) is known as insurance penetration. The ratio of premiums underwritten in a particular year to the total population is known as insurance density, and it is expressed in US dollars. The percentage of people with life insurance increased steadily from 2.15 percent in 2001 to 4.60 percent in 2009 before declining to 3.17 percent in 2012. Over the previous 11 years, or since 2001, the country's non-life insurance sector's insurance penetration has stayed steady between 0.55 and 0.70 percent; however, in 2012, it increased to 0.78 percent. Although it peaked at US $55.7 in 2010, India's life insurance density increased from US $9.1 in 2001 to US $42.7 in 2012. From its 2001 level of US $2.4, the non-life sector's insurance density peaked in 2012 at US $10.5.

Mediclaim Scheme
The first health insurance was introduced by the government insurance companies in 1986 under the name Mediclaim. Since then, Mediclaim has undergone revisions to make it a more appealing product. Mediclaim is a hospitalization insurance program that is based on reimbursement. Outpatient treatments are not covered. According to recent health insurance figures, only over 2 million of the world's 1 billion people are insured by the Mediclaim program. There could be a number of reasons why this plan isn't popular. It is believed that GIC and its subsidiary companies, which operate in the non-life insurance market, which is dominated by mandated insurance like accident, fire, and marine, lack experience in marketing health insurance, which is why this scheme is unpopular. Health insurance products are typically complex. Additionally, health insurance makes up a relatively small portion of GIC's and its subsidiaries' overall business; for this reason, they haven't concentrated on this sector either. The GIC businesses don't care about the program or have the resources to keep an eye on it. It should be acknowledged that a number of onerous regulations have hindered the scheme's acceptability due to the intricacies of the health service industry.

Significance of the study
Throughout the years, the insurance industry has expanded quickly, mobilizing household savings. Even after accounting for Mediclaim's inception, health insurance is still relatively new in India, especially when compared to the insurance industry as a whole. In India, as was previously said, a very small percentage of the population is covered by health insurance, highlighting the enormous untapped market. In addition to offering medical benefits to the insured, expanding health insurance coverage will increase household savings mobilization. In this context, it is necessary to analyze the approaches and tactics used by businesses involved in the health insurance market in order to identify ways to enhance or change them. On the one hand, this will make it easier to increase the scope of coverage offered by health insurance policies.

Review Of Literature
Bhattacharya, (2004) [10] In India, the insurance liberalization process has been underway for more than a decade. The passage of the Insurance Regulatory and Development Authority Act, 1999, was the first key step in this path. This, together with modifications to the Insurance Act of 1983, the LIC and GIC Acts, prepared the path for private companies to enter the market and possibly privatise the LIC and GIC, which were previously state monopolies. The opening of the insurance market to the private sector, including foreign participation, has created a number of opportunities and challenges.

According to Enthoven (2019) [1], after the Indian economy was liberalised in the 1990s, private sector investment in the healthcare business exploded. The number of significant private hospitals, as well as non-profit and philanthropic hospitals, began to rise. The non-profit hospitals catered to low-income families that couldn't afford to go to corporate hospitals, despite the fact that they believed government hospitals were delivering poor service. Despite the fact that the insurance industry was opened up to the private sector in 2000, medical insurance penetration remained quite low. Only about 10% of the Indian population is expected to be covered by some form of healthcare, whether it is private health insurance or government-sponsored programmes.

Patients have had distinct experiences as a result of developments in business structures, marketing and promotion, and technological use, according to Garg (2019) [2]. Although medical insurance was established in the country in the late 1980s, it was met with scepticism by the general population, and the product itself was tainted by various factors related to its abuse. Moral hazard was cited as the most significant element in its demise. Furthermore, delays in bill settlement, inadequate policy servicing, and other factors were cited as causes for the product's failure to take off as expected. In the liberalised government, Third Party Administrators were established to alleviate several of these problems. The institution itself had some tough days in the beginning, but it has now stabilised, and the number of complaints about bad health insurance contract servicing has significantly decreased in recent months.

According to Gupta and Dasgupta (2019) [3], health insurance is well-established in several nations. Except for personnel in the organised sector, it is a novel notion in India. Only approximately 2% of overall health expenditure in India is covered by public/social health insurance, while the other 18% is covered by the government budget. The contribution of social health insurance is substantially higher in many other low and medium income nations.

Objectives of the study
The following aims guide this research:
1. To investigate the characteristics of respondents in the study area who had health insurance policies
2. Determine the tactics and strategies used by insurance companies in the research area to advertise health insurance products

Research Methodology
The multi-stage random sampling approach is used in the

sample design. The city of Chennai was chosen as the sample region in the first round since it is home to all of the main health insurance firms. The sample companies have been identified in the second step. Because they sell more than half of all health insurance policies, this includes all four public sector companies: National Insurance, New India Assurance, Oriental Insurance, and United India Insurance. More than ten private sector organisations are active in this section of industry, with ICICI Lombard, Tata AIG, Bajaj Allainz, and Birla Sun Life being the top performers. These four companies account for over 75% of the private health insurance business, hence they were chosen as model companies.

With the use of the information acquired from the respective companies, the third stage picked 55 buyer-respondents at random from each of the eight sample companies. All types of buyers have been considered, including those with low and high incomes, those with less and more education, men and women, and so on. Similarly, 5 agents from each organization have been chosen as agent-respondents, with both newcomers and experienced agents involved. As a result, a total of 440 buyer respondents and 45 agent respondents were chosen as the study's sample respondents.

Results and Discussion

Table 1: Gender-Wise Educational levels of the Respondents

Educational Levels	Gender		Total
	Male	Female	
Upto Higher Secondary	9	7	16
	(62.1)	(37.9)	(100.0)
	[6.6]	[8.6]	[7.3]
Graduate	31	12	43
	(74.4)	(25.6)	(100.0)
	[21.3]	[15.6]	[19.5]
Post-Graduate and Above	48	22	70
	(67.7)	(32.3)	(100.0)
	[31.6]	[32.0]	[31.8]
Professional Degree	60	31	91
	(66.3)	(33.7)	(100.0)
	[40.4]	[43.8]	[41.5]
Total	149	71	220
	(68.0)	(32.0)	(100.0)
	[100.0]	[100.0]	[100.0]

Note: Figures in round brackets are row-wise percentages and those in square brackets are column-wise percentages.
Source: Field survey.

According to the respondents' educational backgrounds, 16 (7.3%) report having completed higher secondary school, 43 (19.5%) are graduates, 70 (31.8%) have Post-Graduate (PG) or higher degrees, and 91 (41.5%) have professional degrees. Regarding gender, of the 149 male respondents, 9 (6.6%) have completed higher secondary education, 31 (21.3%) are graduates, 48 (31.6%) have a postgraduate degree or higher, and 60 (40.4%) have professional degrees; of the 71 female respondents, 7 (8.6%) have completed higher secondary education, 12 (15.6%) are graduates, 22 (32%), have a postgraduate degree or higher, and 31 (43.8%) have professional degrees. As a result, of the respondents, 26.8% have completed their education, which is 27.9% of the males and 24.2% of the females. At the same time, 73.2% of the respondents have professional

degrees and PG and above qualifications, which is 72.1% of the males and 75.8% of the females.

Table 2: Testing the relationship between respondents' income and their choice for insurance company

Statistic	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	142.613***	0.000
Likelihood Ratio	227.582***	0.000
Linear-by-Linear Association	127.014***	0.000
N of Valid Cases	220	

Note: ***indicates significance at 1 percent level.
Source: Computed from field survey data.

According to the results, there is a significant correlation between the respondents' monthly income levels and the type of insurance company they choose, with the calculated Chi-square value of 142.613 being deemed significant at the 1% level and rejecting the null hypothesis. The linear-by-linear relationship between the two variables becomes positive, which is also significant at the 1% level, since those with higher incomes prefer to purchase health insurance plans from private companies.

Since public sector businesses are supported by the government, it is often believed that they are preferred over private sector businesses. But in recent years, private insurance firms have significantly increased their market share, and as a result, public sector businesses are beginning to lose market share. This implies that the goods offered by private sector businesses are more favored than those of the governmental sector and are therefore more trustworthy. The respondents' rankings for the dependability of the companies' products are used to evaluate this hypothesis. The values of these rankings, which go from 4 (very good) to 0 (poor), are added up at the individual level and subjected to a one sample t-test.

Table 3: Testing the difference in the rankings for the reliability of health insurance products

Variable	t-value	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Rankings for the Reliability of the Products	26.161***	239	0.000	133.368	165.062	298.441

Note: ***indicates 1 percent level of significance.
Source: Computed from field survey data.

The null hypothesis is rejected based on the test result, which shows that the computed t-value of 26.1761 is statistically significant at the 1% level. This implies that private insurance businesses' health insurance policies are more dependable than those offered by public sector organizations. The short-term nature of health insurance products means that they expire at the end of the year, at which point the insured individuals are obliged to obtain another policy, commonly referred to as "renewal." Additionally, the sample respondents stated that the number of hospitals covered, the number of ailments covered, and the speed of reimbursement are all better in private sector health insurance programs.

According to the analysis, private sector businesses outperform the public sector in terms of the quantity of

media outlets they use to promote their health insurance products and the methods they employ to encourage agents to sell the products by offering them both monetary and non-monetary incentives. This suggests that private insurance businesses use more aggressive marketing techniques than do public sector companies. The respondents' thoughts regarding the aggressiveness of private sector enterprises are used to test this using the ANOVA method.

Table 4: Testing the variation in the opinions of the sample respondents about the aggressive nature of the insurance companies

Factor	Particular	Sum of Squares	F-value	p-value
Aggressive Nature of the Insurance Companies	Between Groups	265.841	23.006***	0.000
	Within Groups	4562.343		
	Total	4828.205		

Note: ***indicates significance at 1 percent level.
Source: Computed from field survey data.

The table indicates that the null hypothesis is rejected because the computed F-value of 23.006 is statistically significant at the 1% level. This demonstrates unequivocally that respondents' views on the aggressiveness of insurance firms' marketing of their health insurance products vary widely. According to the comments, private insurance companies market their health insurance products more aggressively than do public sector companies.

Based on the sample agents' perspectives regarding the number of techniques used by insurance firms and the use of technology in marketing health insurance products, this hypothesis is also investigated via the use of ANOVA.

Table 5: Testing the variation in the opinions of the sample respondents about the number of strategies adopted and the use of technology

Factor	Variation	Sum of Squares	F-value	Sig.
Number of strategies adopted	Between Groups	3.774	26.253***	0.000
	Within Groups	56.914		
	Total	60.700		
Use of Technology	Between Groups	1.651	10.180***	0.000
	Within Groups	64.242		
	Total	65.904		

Note: *** indicates significance at 1 percent level
Source: Computed from field survey data.

The null hypothesis is rejected based on the test result, which indicates that the computed F-values for the two factors are significant at the 1% level. This suggests that private sector businesses have a distinct advantage over public sector businesses because they employ more techniques and make greater use of technology in the marketing of their health insurance products.

Conclusion
In the current day, life insurance offers protection against risks associated with aging, illness, and disability. Business concerns benefit greatly from insurance. Both immediate and long-term help are offered by insurance. By spreading the loss over a wide number of people via the use of

professional risk bearers like insurers, the short-term relief seeks to safeguard the insured against loss of life and property. The west's Industrial Revolution and the ensuing expansion of maritime trade and industry in the 17th century are the origins of general insurance. It arrived in India as a result of British rule. The inception of general insurance in India dates back to 1850, when the British founded Triton Insurance Company Ltd. in Calcutta. After the General Insurance Business (Nationalization) Act was passed in 1972, the general insurance industry was nationalized on January 1st, 1973.

A high-powered committee led by Malhotra was established by the Indian government in 1993 to study the insurance industry's structure and suggest modifications to make it more competitive and efficient in light of structural shifts in other areas of the nation's financial system. The Committee suggested increasing LIC and GIC's capital base to Rs. 200 crores, with 50% of that amount going to the government and the remaining portion being sold to the general public with appropriate reservations for its employees; allowing the private sector to enter the insurance market with a minimum paid-up capital of Rs. 100 crores; and permitting foreign insurance to enter by establishing an Indian company, ideally a joint venture with Indian partners. The IRDA Act was passed in 1999 in response to these recommendations. Its purpose is to protect policyholders' interests in all matters pertaining to policy nomination, surrender value, insurable interest, settlement of insurance claims, and other terms and conditions of the insurance contract; it specifies the necessary qualifications and practical training for insurance intermediaries and agents; and it grants the applicant a certificate of registration and permits them to renew, modify, withdraw, suspend, or cancel such registration.

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