



An analytical study on awareness, satisfaction and perception of health insurance policyholders in Coimbatore

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Abstract

This study focuses on understanding customer satisfaction in the health insurance sector. It seeks to evaluate how customers perceive various aspects of health insurance, including premium affordability, claim processing, policy features, and digital services. The research also aims to identify the factors that influence satisfaction levels and pinpoint areas where insurers can improve to meet customer expectations better. By delving into customer experiences, this study hopes to provide valuable insights for insurance companies, helping them design customer-centric strategies. Improved customer satisfaction can lead to greater trust, stronger relationships, and a competitive advantage in the market. The findings will also be beneficial for policymakers and other stakeholders who are working towards creating a more customer-friendly health insurance ecosystem. Customer satisfaction is crucial for the success and growth of the health insurance sector. Addressing the challenges faced by policyholders and improving service quality can pave the way for a more reliable and efficient health insurance system that benefits both customers and insurers alike.

Keywords: Customer satisfaction, health insurance, premium affordability, claim processing, digital services

Introduction

Statement of the Problem

The health insurance industry plays a vital role in safeguarding individuals and families against rising healthcare costs. However, despite the increasing adoption of health insurance, customer satisfaction levels often remain inconsistent due to various challenges. These include lack of awareness about policy terms, difficulties in claim settlement, inadequate customer service, high premiums, and limited accessibility to digital tools. Moreover, the expectations of customers are continually evolving, influenced by factors such as technological advancements, personalized services, and competitive offerings in the market. Insurers often struggle to balance affordability, transparency, and customer-centric services, leading to dissatisfaction and attrition. This study seeks to address the underlying factors contributing to customer satisfaction and dissatisfaction in the health insurance sector. It aims to provide insights into customer experiences, identify critical gaps in service delivery, and suggest actionable improvements for enhancing customer satisfaction.

Objectives of the Study

- To assess the level of customer awareness regarding the products/services offered by businesses in the Coimbatore district.
- To analyze customer perception towards the quality, pricing, and branding of products/services in the region.
- To evaluate the level of customer satisfaction with respect to service delivery, product performance, and after-sales support in Coimbatore.
- To identify the key factors influencing customer satisfaction in various sectors (e.g., retail, banking, healthcare, etc.) within the district.
- To study the relationship between customer awareness, perception, and overall satisfaction.

Scope of the Study

The scope of this study focuses on evaluating customer satisfaction in the health insurance sector, specifically addressing the factors influencing their experiences and expectations. The study is designed to provide insights into the challenges and opportunities faced by both customers and insurance providers.

- **Geographical Coverage:** The study is conducted within a specific region, state, or country, depending on the availability of participants. The findings are intended to reflect the unique characteristics and dynamics of the chosen area.
- **Target Audience:** The research includes individuals who currently hold health insurance policies or have recent experiences with health insurance services. It covers diverse demographics, including age, gender, income levels, and occupation, to gain a comprehensive understanding of varying customer needs and perspectives.

Key Focus Areas

- **Customer Awareness:** Assessing the level of understanding customers have about their policies, benefits, and claim processes.
- **Policy Features:** Evaluating customer opinions on the coverage, terms, and conditions of health insurance plans.
- **Claims Settlement:** Analyzing the efficiency, transparency, and fairness of the claim settlement process.
- **Customer Service:** Measuring the quality and accessibility of support services provided by insurers.

- **Digital Services:** Exploring the role of technology, including mobile apps and online platforms, in enhancing customer experiences.

Research Methodology

Research methodology refers to the systematic approach used to conduct a study. It includes the strategies, techniques, and tools employed to collect, analyze, and interpret data to address the research problem effectively. The methodology ensures that the research is conducted in a structured, reliable, and valid manner, enabling the researcher to derive meaningful conclusions.

- **Research Design:** The study adopts a descriptive research design to analyze customer satisfaction levels, identify influencing factors, and assess trends.

Sampling Method

- **Population:** Customers who hold health insurance policies across various providers.
- **Sampling Technique:** A stratified random sampling method to ensure representation of diverse demographics (age, gender, income, region).
- **Sample Size:** Determined based on 100 people to ensure statistical reliability and validity.

Data Collection

- **Primary Data:** Collected through structured questionnaire, and online surveys. Questions focus on customer awareness, expectations, satisfaction levels, and experiences with claim processes.
- **Secondary Data:** Sourced from industry reports, journals, insurance provider records, and government publications.

Tools for Data Analysis

1. **Quantitative Analysis:** Statistical tools such as percentages, chi-square test and ranking analysis to identify trends and relationships.
 2. **Qualitative Analysis:** Thematic analysis of open-ended responses to understand customer perspectives and identify areas for improvement
- **Scope of Analysis:** Examine factors like premium affordability, claim settlement efficiency, customer service quality, and the role of digital platforms.

Limitation of the Study

Limitation refers to the constraints, restrictions, or shortcomings of a study that may affect its scope, methodology, or findings.

- The study does not include other types of insurance (e.g., life or vehicle insurance).
- It may not consider internal operational factors of insurance companies, focusing instead on customer-facing aspects.
- Generalizations may be limited as the study focuses on Coimbatore district only.

Review of Literature

A literature review is a critical summary and synthesis of existing research on a specific topic. It describes, evaluates,

and organizes prior studies to provide a theoretical foundation for new research. The review includes various sources such as journal articles, books, government reports, and websites. Its purpose is to identify key findings, highlight gaps, and position current research within the broader academic conversation. A well-written literature review demonstrates understanding of the topic and supports the research process.

B. Manikandan and S. Parthasarathy (2005) ^[19] examined customer perceptions of health insurance services in Coimbatore. The study found that customers value risk coverage features and that overall satisfaction is strongly linked to satisfaction with specific service aspects.

S. Gunashekharan, (2006) ^[15], This study examines customer awareness of health insurance policies in Coimbatore, identifying factors influencing policy selection and satisfaction with services rendered by health insurance companies. It suggests that improving claim settlement processes and customer service can significantly enhance satisfaction levels

R.Vignesh and V. Rani, (2006), The author evaluates customer satisfaction in private hospitals in Coimbatore using the SERVQUAL model, focusing on service quality dimensions such as tangibility, reliability, responsiveness, assurance, and empathy. The findings suggest that improving these dimensions can lead to higher patient satisfaction and loyalty.

Mr. L Manivannan and Mr.S.A. Senthilkumar, (2007), This study was aimed at measuring the problems and prospects in marketing of health insurance services and the factors influencing in the buying of insurance policies by the policyholders of Coimbatore district.

M. Manikraja and P. Prakash, (2007) ^[20], In this study author explores customer attitudes, satisfaction levels, and factors influencing preferences towards healthcare insurance policies in Coimbatore. It highlights the impact of the COVID-19 pandemic on increasing awareness and adoption of health insurance policies.

S. Kumar, (2008), This research investigates consumer preferences for health insurance in Coimbatore district, analyzing factors such as policy features, premium costs, and service quality. The study highlights the importance of personalized services and flexible policy options in meeting customer expectations.

K. Saravanan, (2009), The author evaluates service quality levels and identifies gaps between customer expectations and actual services provided. Recommendations include enhancing service delivery and customer engagement to bridge these gaps.

Dr. M.R. Chandrasekar and T.D. Sastiga, (2009) ^[12], In this research author explores customer attitudes, satisfaction levels, and factors influencing preferences towards healthcare insurance policies in Coimbatore. The study highlights the impact of the COVID-19 pandemic on increasing awareness and adoption of health insurance policies.

Dr. D. Sivasakthi and Ms. J. Sreejaya, (2010), This project investigates customers' awareness of Star Health Insurance in Coimbatore City. The project aims to enhance customers' understanding of health insurance, enabling informed decision-making and optimal benefits during medical emergencies. The findings will help identify gaps in awareness and suggest improvements in communication strategies for Star Health Insurance and other insurers.

M. Pranesh, (2011) ^[27], In this research author investigates consumer preferences for health insurance in Coimbatore district, analyzing factors such as policy features, premium costs, and service quality. The study highlights the importance of personalized services and flexible policy options in meeting customer expectations.

R Murugesan and P Thirumoorthi, (2012) ^[25], In this study author evaluates the impact of customer’s perceived service quality on relationship commitment, relationship satisfaction and trust as relationship marketing orientations and then examines the influence of these dimensions on customers’ buying behavior in a business to customer relationship from the customer perspective in insurance industry.

VL Lavanya, (2013) ^[18], The study attempts to analyze the willingness of households to join and pay for potential health insurance schemes and explore the various factors which act as impediments to join health insurance. The results showed that majority of the respondents are willing to join the health insurance and twelve factors acted as barriers for subscription to health insurance.

R Mathivanan and D Sasikala Devi, (2013) ^[22], The study aims to critically evaluate the customers’ perception towards health insurance services rendered by various public and private health insurance companies operating in India, with

special reference to Coimbatore City. It was examined from the study that customers have highly appreciated the feature of risk cover offered by the various health insurance companies.

Dr D Padmanaban and Ms. B Prasanna Soundari, (2014) ^[26], This study was undertaken to understand the quality of health care in Coimbatore district. The SWOT analysis was part of the large research regarding the allopathic care in the district. It also analyses the satisfaction level of policyholders towards health insurance services.

R.Malar and B Prabhu, (2015) ^[24], The author examines customer awareness of health insurance policies in Coimbatore, identifying factors influencing policy selection and satisfaction with services rendered by health insurance companies. It suggests that improving claim settlement processes and customer service can significantly enhance satisfaction levels.

**Analysis of Data
Simple Percentage Method**

Data Analysis is the systematic process of applying statistical and logical techniques to describe, summarize, and evaluate data. It helps extract meaningful insights and supports decision-making.

Table 1: Socio Economic Characteristics of the respondent

Socio Economic Characteristics	Number of the respondents	Percentage (%)
<i>Gender</i>		
Male	44	44
Female	56	56
Total	100	100
<i>Age</i>		
15-25	58	58
26-35	14	14
36-50	26	26
Above 50	2	2
Total	100	100
<i>Employment Status</i>		
Unemployed	2	2
Employed/ Self employed	50	50
Retired	2	2
Student	46	46
Total	100	100
<i>Marital Status</i>		
Single	58	58
Married	42	42
Total	100	100
<i>No. of Dependents</i>		
1-3	74	80.4
4-6	26	19.6
Total	100	100
<i>Family history of Chronic illness</i>		
Yes	86	86
No	14	14
Total	100	100
<i>Consumption of alcohol or smoking</i>		
Yes	0	0
No	100	100
Total	100	100
<i>Coverage of Health Insurance</i>		
Yes	66	66
No	34	34
Total	100	100
<i>Preferred type of Health Insurance</i>		
Individual	38	38

Family floater	50	50
Critical illness	8	8
Group	4	4
Total	100	100
<i>Specific needs or preferences regarding the coverage</i>		
Maternity benefits	18	18
Dental care	20	20
Accidental costs	38	38
Chronic Disorder	24	24
Total	100	100
<i>Health Insurance Policy providers</i>		
Star health	20	34
HDFC	2	2
Max Bupa	16	16
ICICI Prudential	20	30
Kotak Mahindra	6	6
Total	100	100
<i>Frequency of Healthcare Provider Visits</i>		
Monthly	28	28
Annually	30	30
Quarterly	18	18
Hardly	24	24
Total	100	100
<i>Coverage of Required Medical Services by Health Insurance Policy</i>		
Yes	82	82
No	18	18
Total	100	100
<i>Coverage of additional benefits by healthcare provider</i>		
Yes	40	39.8
No	33	33.3
Sometimes	27	27.1
Total	100	100
<i>Helpfulness of agents and Representatives</i>		
Yes	50	50
No	20	20
Sometimes	30	30
Total	100	100
<i>Speed of Customer Service Response</i>		
Very quickly	14	14
Quickly	46	46
Average	30	30
Slowly	10	10
Total	100	100
<i>Mode of communication used by the insurers</i>		
E-mail	30	30
Phone call	64	64
Website	6	6
Total	100	100
<i>Rating of the Claim Settlement Process</i>		
Excellent	10	10
Very good	36	36
Good	40	40
Average	14	14
Total	100	100
<i>Overall Satisfaction with your Health insurance provider</i>		
Excellent	10	10
Very good	38	38
Good	44	44
Average	10	10
Total	100	100
<i>Willingness to recommend Health insurance provider to others</i>		
Yes	80	80
No	20	20
Total	100	100

Source: Primary data

Out of 100 respondents, 56% are female and 44% are male. The majority (58%) fall within the 15–25 age group.

Employment-wise, 50% are employed, 46% are students, while the rest are unemployed or retired. Most respondents

are single (58%) and have 1–3 dependents (80.4%). While 86% reported no family history of chronic illness, 14% indicated otherwise. All respondents (100%) reported no alcohol or smoking habits. 66% are covered by health insurance, and 50% prefer family floater plans. In terms of benefits, 38% require accidental coverage, followed by chronic disorder (24%), dental care (20%), and maternity benefits (18%). Star Health is the preferred provider for 34%, followed by ICICI (30%) and Max Bupa (16%). Notably, 34% did not prefer any listed providers. Regarding healthcare visits, 30% visit annually, 28% monthly, 24% rarely, and 18% quarterly. A majority (82%) is covered by the required medical services, and 40% receive additional benefits. 50% find agents helpful, while 30% find them sometimes helpful, and 20% do not. In terms of customer service, 46% experienced quick responses, 30% average, 14% very quick, and 10% slow. Most respondents (64%) are contacted via phone, 30% by email, and 6% through websites. The claim settlement process was rated as good by 40%, very good by 36%, excellent by 10%, and average by 14%. Regarding overall performance, 44% rated it good, 38% very good, 10% excellent, and 10% average. Lastly, 80% would recommend their health insurance provider to others.

Findings

1. Percentage Analysis

- 56% of respondents are male.
- 58% are aged between 15–25 years.
- 50% are employed, and 58% are single.
- 80.4% have 1–3 dependents.
- 86% have no family history of chronic illness.
- All respondents (100%) do not consume alcohol or smoke.
- 66% are covered by a health insurance policy.
- 50% prefer family floater coverage, and 38% seek accidental cost coverage.
- 20% prefer ICICI and Star Health as their insurance providers.
- 30% visit healthcare providers annually.
- 52% are covered by the required medical services, and 30% receive additional benefits.
- 50% find agents helpful.
- 44% reported quick customer service responses.
- 62% are contacted via phone by their insurer.
- 38% rated the claim settlement process as good.
- 42% rated their overall satisfaction as good.
- 79.6% would recommend their health insurance provider to others.

Suggestions

- Encourage hospitals and clinics to guide patients about suitable insurance plans.
- Conduct workshops or seminars in rural and urban areas alike.
- Promote user-friendly apps for policy purchase, renewal, and claim tracking.
- Ensure faster claim settlements and clearly explain the claim procedure.
- Offer family packages or community/group discounts to encourage participation.
- Combine government schemes (like Ayushman Bharat or CM's Health Insurance) with private plans to widen coverage.

Conclusion

The study reveals that while awareness of health insurance is gradually increasing among the residents of Coimbatore district, there remains a significant gap in in-depth understanding of policy details, benefits, and claim procedures—especially in rural and lower-income groups. Perception towards health insurance is largely positive, with many recognizing its importance in managing healthcare expenses. However, satisfaction levels vary depending on the type of insurance provider, service experience, and ease of claim settlement. It is evident that more proactive efforts are needed from both the government and private insurance companies to simplify policy communication, enhance transparency, and make insurance services more accessible to the general public. Increasing digital access, strengthening customer service, and conducting community-based awareness campaigns can play a crucial role in improving the overall effectiveness of health insurance in the region.

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