

Perception towards Health Insurance - A Study of the Students of the R. K. Desai College

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Abstract: *Due to the increased stress in day-to-day life, the growth of demand of insurance increased. The purpose of the paper aims to present how insurance is useful to student, types of insurance and which types of insurance are demanded. In this research, the researcher has tried to study the perception of students towards health insurance. In this research, the benefits, various types of health insurance have been studied. The study starts with the brief introduction, Research objectives, analysis & interpretation & finally the conclusion. In this study finally discussed the future of the health insurance.*

Keywords: Insurance, plan, policy

1. Introduction

Health insurance in India is a growing segment of India's economy. The Indian health system is one of the largest in the world, with the number of people it concerns: nearly 1.3 billion potential beneficiaries. The health industry in India has rapidly become one of the most important sectors in the country in terms of income and job. Policies are available that offer both individual and family cover. In India, the health system mixes public and private providers. Public health facilities - local clinics providing basic care, regional hospitals, national hospitals - are funded by the federal states and the federal state and managed by the state authorities. The Indian social protection scheme covers insured persons against risks related to old age, invalidity, death, but also sickness and maternity, unemployment and finally accident at work and occupational diseases. All risks are placed under the supervision of the Ministry of Labor and Employment.

Top Health Insurance Companies in India:

- New India Assurance
- Oriental Insurance
- United India Insurance
- Max Bupa Health Insurance
- Apollo Munich
- Star Health and Allied Insurance Company Limited
- Reliance Health Insurance
- Bajaj Allianz General Insurance

Advantages of Health Insurance

- 1) **Convenience**
You can buy almost any policy online as well as from local agents.
- 2) **Selection**
So many types of policies are available so you can select any policy as per your requirement.
- 3) **Save Time & Travelling Cost**
User can select the policy from the internet or from any sources, no need to travel or finding the items in market. Local agent directly come to your home. It also give the facility of policy comparison.

- 4) **Tax Benefit:** Generally Maximum health insurance policies gives tax benefits.
- 5) First in first out treatment for case withdrawals.
- 6) Policy loans are income tax free
- 7) User can upgrade their policy with top-up plan.

Constraints of Helath Insurance:

- 1) Lots of paper works required.
- 2) Cash surrender values are usually less than the premiums paid.

Different Types of Health Insurance Plans in India

There are two types of health insurance policies -

- Indemnity Plans
- Defined-benefit Plan

Indemnity Health Insurance

These plans are the traditional health insurance that covers your for hospitalisation expenses up to the sum insured. These plans include:

- Medclaim Insurance
- Individual Coverage
- Family Floater Coverage
- Senior Citizen Coverage
- Unit Linked Health Plans

1) **Medical Insurance**

Mediclaime insurance compensates you for the hospitalisation expenses incurred due to illness or accidental stay. It includes in-patient expenses such as nursing charges, surgery expenses, doctor's fee, oxygen, anaesthesia etc. This insurance is known as Mediclaime Policy that is available in the market as group mediclaime, individual medical insurance overseas medical insurance etc.

2) **Individual Insurance**

Individual insurance policy is meant for an individual only. Under this policy, you are entitled to receive the incurred amount during a hospitalisation. The insured can claim up to the basic sum insured. With this policy, the covered members get individual sum insured. For instance, if you own an individual health cover of Rs. 1 lakh where your

spouse is also covered, you both can claim up to Rs.1 lakh, individually.

3) Family Floater Plan

This policy comes with a twist and meant for the entire family. You can cover your complete family under a single plan with Family Floater health insurance policy. The sum insured is equally divided among the members. One positive thing is that the premium that you shell out with these plans are comparatively lesser than the individual or mediclaim policies.

4) Unit Linked Health Plans

Unit Linked Plans, commonly known as ULIPs are investment cum insurance plans that come with the dual benefits of investment and insurance. With this plan, a portion of paid premiums are utilised in the stock market and the insured is offered with insurance coverage. The returns are based on how the market performs.

Definite-Benefit Plans

On the other hand, under a defined-benefit plan, the insured is compensated a lump sum amount on the detection of illness. These plans include:

- Critical Illness Plan
- Personal Accident Plan
- Hospitalization cash benefit plan

Critical Illness Plan

This plan is especially design to treat certain specific illness. With lifestyle disease are on the rise, covering yourself against these illnesses has become imperative. As treating these can be an expensive affaire, especial for a middle-class family, buying critical insurance you can mitigate those expenses up to an extent. On the detection of an illness, it pays a pre-decided amount towards treatment, irrespective of pre-or post hospitalisation expenses. The major diseases that are covered most of the critical illness plans include:

- Major organ transplant
- Cancer
- Stroke
- Aorta graft surgery
- Multiple sclerosis
- Kidney failure
- Paralysis
- Coronary artery bypass surgery
- First heart attack
- Primary pulmonary arterial hypertension

Hospital Daily Cash

This coverage is offered by some of the health as an in-built cover under their health insurance coverage. Under this policy, the insured is paid with a daily cash allowance up to a certain limit, apart from the hospitalisation expenses.

Personal Accident Plan

This policy covers the owner/driver against an accidental injury or death. A lump sum amount is paid to the insured or its family in case of death, loss of income due to permanent partial or total disability.

Reasons to Buy Health Insurance at Young Age

Following are the reasons for buying health insurance at young age:

- 1) Comes with Lower Premium
Yes only if you buy it when you are young. Yes, the health insurance premium is much lower in this age than when it is in your old age. As you're less likely to fall sick in this stage, insurance companies offer health insurance plan at a lower premium considering the low-risk appetite. If you compare, the same premium that you pay at your 30s will cost you double in your 50s.
- 2) Easy to Get Insurance
It's quite difficult to avail health insurance with existing health issues. Even if you get that cost you a higher premium. If you don't disclose at the time of buying and claim for a complicity arising out of such illness, your claim will get rejected by default. At your young stage you less prone to such illness, so availing health insurance is easy.
- 3) Save More on Tax
The Section 80D of Income Tax Act 1961, benefits the insured with tax benefits for paying the health insurance premium. By health insurance at an early age, you enjoy tax benefit for a longer period as compared to a person who bought it in his/her middle age.
- 4) Reap the Benefits of Savings
In other words, health insurance is a kind of investment to cover yourself financially against unforeseen circumstances. If you invest at your young age, you will eventually develop the habit of savings. As inflation has a sharp impact on every sphere of our life, by growing the habit of savings you can cope up with this up to an extent.
- 5) No Waiting Period
Health insurance comes with waiting periods such as initial waiting period of 30 days, a pre-existing illness waiting period of 2 to 4 years etc. However, it may differ from insurer to insurer. When you are hale and hearty, you don't need to claim your insurance. This way you can serve the waiting period easily and a file your insurance without a hassle.
- 6) Avail Bonus
Health insurance comes with an additional bonus as well. One such bonus is No Claim Bonus that is offered for not claiming your insurance, which ranges from 20% to 50%. The NCB if offered as a discount in the premiums of consecutive years or as a hike in sum insured. When you are young there are less chances of claiming insurance and you can earn a maximum of NCB bonus and can make the best out of your health insurance policy.

2. Research Methodology

Objectives:

- 1) To find out about the awareness among the youth regarding Health Insurance.
- 2) To find out about preventive measures taken by the youth while taking health insurance.
- 3) To find out the most popular health insurance for student, that they use.

Method of Data Collection:

Primary Data: Structured questionnaire

Secondary Data: Websites, Reference Books, Journal

Sampling:

- **Sampling technique:** Convenience Judgmental Non-Probabilistic sampling.
- **Sample Size:** 100 students of R.K.Desai Group of Colleges.
- **Sampling Cost:** The cost of 100 questionnaire.

Limitations of the study

- a) Time period allotted to the research was short.
- b) Only 100 students were surveyed of one college.
- c) Too cover only health insurance

3. Data Analysis

- 1) As per the first objective, 100% of the total students are aware about Insurance . 50% of the students are aware about Health insurance and it's types & 30% of the total students are taken health insurance.
- 2) As per the second objective, 60% of the total students take preventive measures before taking Health Insurance.
- 3) The third objective reveals that 100% of the total students have been aware of Health Insurance. Most popular and reliable Insurance company are LIC and New India.

4. Conclusions

In India medical costs are high and it almost compulsory to own health insurance plan in India. You may find a variety of health insurance plans available and fulfill customer requirement. Before selecting any plan first research market. Hence, it becomes important to compare the different insurance types online in terms of their offerings, premium or claim settlement ratio of the insurers. It is observed that, most of the time we end up paying very high premium without getting the sufficient coverage. It wouldn't happen if you go with a proper comparison and buy. This study is very useful for selecting right one policy.

5. Suggestion

- 1) Spread awareness regarding health insurance among the parents.
- 2) Government should have mandate for health insurance of the student.
- 3) While taking policy, read the instruction properly.
- 4) Insurance companies should be more requirements friendly.

6. Summary

Not only student but each and every people need Health Insurance. It is a type of saving which helps during emergency.

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