

A Study on Policyholder Opinion towards Health Insurance Policies of Public and Private Sector Insurance Companies in Sivagangai District

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DOI: <https://doi.org/10.5281/zenodo.18768673>

Published Date: 25-February-2026

Abstract: Health insurance is a financial mechanism that provides coverage for medical expenses incurred due to illness, injury, or hospitalization. It helps individuals manage healthcare costs by transferring the financial risk to an insurance provider. In India, health insurance is offered by both public and private sector insurance companies with varying features, benefits, and premium structures. Both Primary and Secondary data has been used for the study. Primary data has been collected from structured interview schedule. The sample size for the study is 150. The sampling technique used for the study is convenience sampling method. The findings of the study shows that the results reveal that Coverage and Benefits is the most significant factor influencing policyholders.

Keywords: Health Insurance Policies, Policyholders, Opinion, benefits.

1. INTRODUCTION

1.1 Introduction:

The health insurance sector in India has come a long way. It spans over 50 years and is one of the biggest industries in India. The need for health insurance arose from the high mortality rate and inadequate resources in the post-independence era. The government came up with health insurance to make healthcare more accessible and affordable to the Indian population. However, a large number of Indians remain uninsured. It is important to understand how the health insurance sector has evolved through the years and how it can help the healthcare industry fill in the gaps and make health insurance an affordable reality for all.

During this period, government schemes were introduced in 1948 and after. These included the Employer State Insurance Scheme (ESIS) and the Central Government Health Insurance Scheme (CGHS). These schemes insured organizational and government employees and their families against specific illnesses, disabilities and cases of death. In some cases, there was even maternity health and out-patient departmental (OPD) coverage. After that, the General Insurance Corporation introduced a voluntary medi claim policy in 1986. This medi claim insurance policy reimbursed inpatient and domiciliary (at home) hospitalization expenses for specific illnesses and injuries. Health insurance saw a massive boom in the 90s due to the rising healthcare costs. Paying for healthcare expenditures out of pocket became more and more expensive for the average citizen. Due to the high leap of inflation (the systemic price rise of goods and services) and the inadequate government health resources, the government felt a need to bridge the price gap. Moreover, due to the privatization of the health insurance sector and the

establishment of the Insurance Regulatory and Development Authority of India (IRDAI) in 1991, there were several amendments and alterations to the scope of health insurance plans. Various sub-limits were extended, and price caps removed altogether. More and more illnesses, disabilities, and health scenarios started to come under health insurance.

There was a significant increase in the number of private hospitals associating with up-and-coming health insurance companies which encouraged prospective buyers to get health insurance. The medi claim insurance policy became a standard and basic health insurance policy as more and more customizable good health insurance plans came up. Individuals and families started to buy health insurance, and those working in government and private organizations both received health insurance coverage.

The 21st century witnessed the massive growth of the health insurance sector in India. By the early to mid-2000s, many private insurance companies were set up and started to gain trust and reputation. As healthcare costs shot up, health insurance seemed like a viable solution. In the past decade, digital technology has boosted the reach of the health insurance sector by a large margin. Due to the shift from offline to online modes of communication and purchase, buying good health insurance plans became more convenient and quicker. The need for insurance agents was also reduced that made insurers lower premium prices and give additional discounts. This, in turn, helped gain customers and establish trust between an insurer and their customer. Moreover, health insurance expanded to encompass diverse health contingencies and the people who might need healthcare, including:

- New-born babies
- Children
- Senior citizens
- Travellers
- First-time/second-time mothers
- Corporate employers and employees

Some of the illnesses and disabilities now covered in health insurance include:

- Critical illnesses
- Vector-borne diseases
- Maternity complications
- Accidental death
- Permanent/ temporary physical disability arising due to an accident
- Mental ailments
- Burns, fractures, broken bones
- Lifestyle diseases (after a fixed waiting period)

Now, several insurance companies also offer innovative solutions and products that combine life insurance and health insurance for dual protection. Despite the significant development in the health insurance sector, there is still concrete progress that needs to be made. Up till now, only about 40% of the Indian population has health insurance. The onset of the COVID-19 pandemic fuelled this number, as many citizens rushed to buy health insurance to cover COVID-19 treatment costs.

1.2 Review of Literature:

K. Udhaya, G. Parimalarani and M. Soundarya (2023) in their article examined that health insurance policies and its awareness among the policyholders in Sivagangai district in Tamil Nadu, the researcher concluded that health insurance is a type of insurance that covers medical expenses that arise due to an illness. These expenses could be related to hospitalization costs, cost of medicines or doctor consultation fees. A health insurance plan acts as strong financial support during medical emergencies. The costs associated with critical illnesses like cancer, heart ailments, etc., can severely affect the financial standing of the people. The pandemic period has made the entire world sit up and realize that medical exigencies are unpredictable and can cause a financial upheaval that is tough to handle. So in this scenario health insurance has very advantageous to the people. From the findings it is revealed that majority of the respondents were partially aware on the health insurance policy and also majority of the respondents were satisfied towards their health insurance policy.

Dr. Vineeta Agrawal (2023) in their article examined that analysing the Performances of Health Insurance Sector in India, the analysis reveals a robust growth in the market size, dominated by major players, and a notable increase in policy uptake. However, challenges related to affordability, claim settlements, and regulatory frameworks persist, emphasizing the need for tailored solutions. Additionally, technological advancements, including digital transformation and telemedicine integration, present opportunities for enhancing customer experience and improving access to healthcare services. The findings of this research contribute to the understanding of the health insurance market in India, informing evidence-based decision making and strategies to promote accessible, affordable, and effective health insurance for all segments of the population.

Mamatha Varier (2016) in his article examined that Satisfaction of Health Insurance Policy Holders: Comparison between Public and Private Sector; the researcher concluded that one of the important insurance coverage provided by companies is health coverage, health being the most important factor influencing the ability of an individual in performing and sustaining life. Nowadays a major portion of family expenditure is spent on health related matters. This has increased the importance of insuring their health thereby enabling them to protect against the future medical ailments that may arise. The major concern for individuals is the medical expenses that may arise. Rather than keeping apart a portion of family earning, they find it easy to insure their health. Hence majority of the respondents have insured their health in public sector insurance companies. But measuring their satisfaction levels in various services provided, private sector companies are able to gain an upper hand especially premium amount charged. Even then a closer look will provide an insight to the fact that the trustworthy and long experience of public sector companies is helping them to attract a larger group of the population. But these public sector companies are required to take more effort in satisfying the population.

1.3 Objective of the Study:

The Main Objective of the study is to analyse the Policyholder opinion towards Health Insurance Policies of Public and Private Sector Insurance Companies in Sivagangai District.

1.4 Research Methodology:

The study was carried out by collecting both primary as well as secondary data. Primary data were collected from 150 health insurance borrowers from Sivagangai district in Tamil Nadu. Secondary data were collected from the annual reports published by Insurance Regulatory Development Authority in India.

1.4.1 Sampling method and size:

Convenience sampling method was used to select the sample respondents. The sample size for the study is 150 collected from health insurance borrowers. There are 14 health insurance companies in study area.

Table 1.1: Health Insurance Companies in Sivagangai District

S.No	Name of the Company	No. of Sample respondents
1.	Star Health & Allied Insurance Co. Ltd	21
2.	Kotak Mahindra General Insurance Co. Ltd	9
3.	The Oriental Insurance Co. Ltd	7
4.	SBI General Insurance Co. Ltd	9
5.	Future Generali India Insurance Co. Ltd	9
6.	Reliance General Insurance Co. Ltd	11
7.	The New India Assurance Co. Ltd	9
8.	ICICI Lombard General Insurance Co.Ltd	9
9.	Bajaj Allianz General Insurance Co.Ltd	7
10.	IFFCO Tokio General Insurance Co.Ltd	7
11.	National Insurance Co. Ltd	16
12.	United India Insurance Co. Ltd	7
13.	Universal Sompo General Insurance Co.Ltd	7
14.	Chola MS General Insurance Company Limited	8
15.	Others	14
Total		150

Source: Primary data

1.4.2 Method of data collection:

Interview method was adopted for collecting the data from the Policyholders who have availed health insurance policies. An interview schedule was used for the purpose of collecting the data.

1.4.3 Tools used for the analysis: Percentage analysis, Chi-square, ANOVA and Rank analysis was used to analyze the data.

1.5 Data Analysis and Interpretation:

1.5.1 Gender-Wise Classification of the Respondents:

Table 1.2 exhibits the gender- wise classification of the respondents.

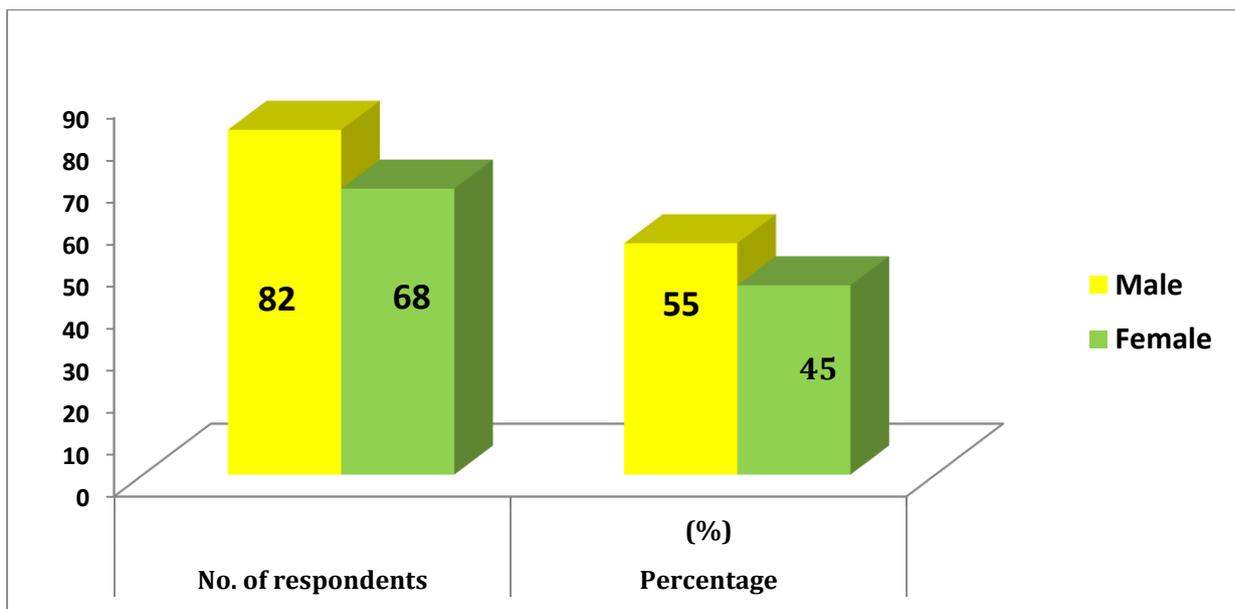
Table 1.2 Gender- wise Classification of the respondents

S.No	Gender	No. of respondents	Percentage (%)
1	Male	82	55
2	Female	68	45
Total		150	100

Source: Primary Data

Table 1.1 shows that 55 per cent of the respondents are male members and 45 per cent respondents are female members. Hence, it is concluded that the majority of the respondents contacted are male members.

Figure 1.1 Gender- Wise Classification of the respondents



1.5.2 Age-Wise Classification of the Respondents

Age-wise classification of the respondents were given in below table 1.3.

Table 1.3 Age-Wise Classification of the respondents

S.No	Age (in years)	No. of respondents	Percentage (%)
1	Below 20 years	9	6
2	21-30 Years	59	39
3	31-40 Years	41	27
4	41-50 Years	22	15
5	Above 50 Years	19	13
Total		150	100

Source: Primary Data

From the above table it is inferred that 6 per cent of the respondents are in the age group of below 20 years, 39 per cent of the respondents are in the age group of 21-30 years, 27 per cent of the respondents are in the age group of 31-40 years, 15 per cent of the respondents are in the age group of 41-50 years, 13 per cent of the respondents are in the age group of above 50 years. Hence, it is concluded that the majority of the respondents contacted are in the age group of 21-30 years.

1.5.3 Type of Health Insurance Company of the Respondents:

Table 1.4 exhibit the type of insurance company of the respondents.

Table 1.4 Type of Health Insurance Company of the respondents

S.No	Health insurance company	No. of respondents	Percentage %
1	Public sector	47	31
2	Private sector	80	54
3	Stand-alone health insurance	21	14
4	Schemes offered by the Government	2	1
Total		150	100

Source: Primary Data

Table 1.4 shows that 31 per cent of the respondents had taken health insurance policies from public sector insurance companies, 54 per cent of the respondents had taken from private sector insurance companies, 14 per cent of respondents purchased from stand-alone health insurance companies, 1 per cent of respondents got it from health insurance schemes which are offered by the government. Hence, it is concluded that majority of the sample respondents had taken health insurance policies from Private sector insurance companies in Sivagangai District.

1.5.4 Association between type of health insurance sector and Demographic profile of the respondents:

Chi-square analysis is used to find the association between the type of health insurance company and Demographic profile of the respondents.

H₀: There is no significant association between the type of health insurance sector and Demographic profile of the respondents.

Table 1.5 Association between the type of health insurance sector and Demographic profile of the respondents.

Demographic Factor	Chi-Square Value	Sig. Value
Gender	1.582	0.000
Age	2.825	0.000
Educational Qualification	0.765	0.001
Occupation	3.542	0.000

Source: Primary Data

It is observed that the significant value is less than 0.05 for the variable ‘Age’ the significant value is (0.000), ‘Educational Qualification’ the significant value is (0.001), ‘Occupation’ the significant value is (0.000), which indicates that there is an association between type of health insurance sector and demographic profile of the respondents. The chi-square value for the variables is 1.582, 2.825, 0.765, 3.542 and the significant value is 0.000. Therefore, it is concluded that type of health insurance sector and demographic profile of the respondents. So, there is no significant association between type of health insurance sector and demographic profile of the respondents.

1.6 Policyholder Opinion Towards Health Insurance Policies of Public and Private Sector Insurance Companies – Mean Score Analysis:-

Policyholder opinion refers to the perceptions, attitudes, and satisfaction levels of individuals who have purchased health insurance policies. It reflects how policyholders evaluate various aspects such as premium, coverage, claim settlement, customer service, and overall trust in the insurance provider. Table 1.6 denotes that policy holders opinion towards health insurance policies towards public and private sector insurance companies.

Table 1.6 Policyholder Opinion Towards Health Insurance Policies of Public and Private Sector Insurance Companies

S. No.	Variables	Mean Score	Rank
1	Awareness and Knowledge	4.756	2
2	Premium and Affordability	4.654	3
3	Coverage and Benefits	4.829	1
4	Claim Settlement	4.543	4
5	Trust and Reliability	4.281	6
6	Accessibility and Convenience	4.386	5
7	Policy Transparency	3.894	7
8	Grievance and Redressal Mechanism	3.764	8

Source: Primary Data

The above table presents the mean scores and ranks of various factors influencing policyholder opinion towards health insurance policies of public and private sector insurance companies. The results reveal that **Coverage and Benefits (Mean = 4.829, Rank 1)** is the most significant factor influencing policyholders. This indicates that respondents give highest importance to the extent of medical coverage, inclusions, and benefits provided under the **Awareness and Knowledge (Mean = 4.756, Rank 2)** occupies the second position, showing that policyholders are fairly well-informed about their insurance policies. This suggests that awareness initiatives and communication by insurers are effective to a considerable extent.

Premium and Affordability (Mean = 4.654, Rank 3) is ranked third, indicating that cost considerations also play a vital role in shaping customer opinion. Policyholders perceive that the premium charged is reasonably aligned with the benefits offered. **Claim Settlement (Mean = 4.543, Rank 4)** is another important factor, reflecting moderate to high satisfaction with the claim settlement process, though there is still scope for improvement in terms of speed and simplicity.

Accessibility and Convenience (Mean = 4.386, Rank 5) and **Trust and Reliability (Mean = 4.281, Rank 6)** indicate that policyholders are generally satisfied with the ease of accessing services and the credibility of insurance companies, but these factors are slightly less influential compared to the top-ranked variables. On the other hand, **Policy Transparency (Mean = 3.894, Rank 7)** and **Grievance and Redressal Mechanism (Mean = 3.764, Rank 8)** receive relatively lower scores. This implies that policyholders face difficulties in understanding policy terms and are less satisfied with complaint handling systems. These areas require significant improvement from both public and private sector insurers.

1.7 Policyholders Satisfaction Level Towards Health Insurance Products – Descriptive Statistics:-

Table 1.7 exhibits the Policyholders satisfaction towards health insurance products.

Table 1.7 Policyholders Satisfaction towards health insurance products

S.No	Products	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
1	Individual Health Insurance	7 (5%)	59 (39%)	49 (33%)	21 (14%)	14 (9%)	150 (100%)
2	Family floater Health Insurance	13 (9%)	67 (45%)	34 (23%)	12 (7%)	24 (16%)	150 (100%)
3	Senior citizens Health Insurance	7 (5%)	58 (38%)	68 (45%)	16 (11%)	1 (1%)	150 (100%)
4	Critical illness Insurance	12 (8%)	37 (25%)	57 (38%)	39 (26%)	5 (3%)	150 (100%)
5	Group health Insurance	1 (1%)	9 (6%)	86 (57%)	45 (30%)	9 (6%)	150 (100%)
6	Others	20 (13%)	27 (18%)	43 (29%)	31 (21%)	29 (19%)	150 (100%)

Source: Primary Data

- 1) Out of 150 respondents conducted for the study, 5 per cent of the respondents were highly satisfied with the individual health insurance, 39 per cent of the respondents were satisfied with the individual health insurance, 33 per cent of the respondents were neither satisfied nor dissatisfied with individual health insurance, Another 14 per cent of them dissatisfied with individual health insurance, remaining 9 per cent of them were highly dissatisfied with the individual health insurance. Hence, it could be concluded that majority of the respondents were satisfied with the individual health insurance.
- 2) 9 percent of the respondents were highly satisfied with the family floater health insurance, 45 per cent of them were satisfied with the family floater health insurance, Another 23 per cent of the respondents were neutral with the family floater health insurance, 7 per cent of them were dissatisfied with the family floater health insurance, 16 per cent of the respondents were highly dissatisfied with the family floater health insurance. Hence, it is concluded that majority of the respondents were satisfied with the family floater health insurance.
- 3) 5 percent of the respondents were highly satisfied with the senior citizen health insurance, 38 per cent of them were satisfied with the senior citizen health insurance, 45 per cent of them were neutral with the senior citizen health insurance, another 11 percent of the respondents were dissatisfied with the senior citizen health insurance, remaining 1 percent of the respondents were highly dissatisfied with the senior citizen health insurance. Hence, it is concluded that majority of the respondents were neither satisfied nor dissatisfied with the senior citizen health insurance.
- 4) 8 percent of the respondents were highly satisfied with the critical illness health insurance, 25 per cent of them were satisfied with the critical illness health insurance, 38 per cent of the respondents were neutral with the critical illness health insurance, Another 26 per cent of them were dissatisfied with the critical illness health insurance, remaining 3 per cent of the respondents were highly dissatisfied with the critical illness health insurance. Hence, it is concluded that majority of the respondents were neither satisfied nor dissatisfied with the critical illness health insurance.
- 5) 1 percent of the respondents were highly satisfied with the group health insurance, 6 per cent of them were satisfied with the group health insurance, 57 per cent of them were neutral with the group health insurance, another 30 per cent of the respondents were dissatisfied with the group health insurance, remaining 6 per cent of the respondents were highly dissatisfied with the group health insurance. Hence, it is concluded that majority of the respondents were neither satisfied nor dissatisfied with the group health insurance.
- 6) 13 percent of the respondents were highly satisfied with the other type of health insurance, 18 per cent of them were satisfied with the other type of health insurance, 29 per cent of the respondents were neutral with the other type of health insurance, Another 21 per cent of them were dissatisfied with the other type of health insurance, remaining 19 per cent of the respondents were highly dissatisfied with the other type of health insurance. Hence, it is concluded that majority of the respondents were neither satisfied nor dissatisfied with the other type of health insurance.

1.8 Conclusion:

The analysis of policyholder opinion clearly indicates that respondents are generally satisfied with health insurance policies offered by both public and private sector insurance companies. Among all factors, **coverage and benefits, awareness, and affordability** emerge as the most influential determinants, highlighting that policyholders primarily seek comprehensive protection, clear understanding, and reasonable cost in their insurance policies. At the same time, factors such as **claim settlement, accessibility, and trust** show a moderate level of satisfaction, suggesting that while insurers are performing adequately, there is still room for improvement in service efficiency and reliability.

However, the relatively lower scores for **policy transparency and grievance redressal mechanisms** point out critical areas of concern. Policyholders experience difficulties in understanding policy terms and are not fully satisfied with complaint handling systems. This indicates a need for insurance companies to enhance clarity, communication, and responsiveness in addressing customer issues. Overall, the study concludes that although policyholders have a positive opinion towards health insurance policies, improving transparency and strengthening grievance redressal systems will significantly enhance customer satisfaction and trust in both public and private sector insurance companies.

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