

PREFACE

The Indian health insurance industry has seen several positive changes in past 10 years to 15 years like establishment of the regulator 'IRDA', to liberalize the insurance market and open it for the private players, introduction of TPA as intermediary in the health insurance market, detariffication of premium rates, entry of standalone health insurers, establishment of 'Insurance Information Bureau' and 'Health Insurance Forum', regulation for protection of policyholders and portability of health insurance etc. These changes results into growth of total premium amount of health insurance industry year on year, introduction of cashless facility, number of innovative products in the market at economic price, availability of quick services etc. Along with theses good changes several new problems also have been arises side by side like increasing medical inflation, increasing number of cases going to insurance ombudsman, higher claim ratio of health insurance industry, lower level of awareness among people nullified/minimize the results of steps, taken by authorities for betterment of the industry, etc.

The main reason to open the health insurance market for private player was its lower penetration and slow development. Alone public insurers were not sufficient to deepen the penetration since they were in a monopoly situation. Now a layer of competition has been set among the player of the market with the entry of private players who are aggressive, prompt and up to date in using technology. Following the private sector players, public players have made several changes in their strategies, set up and processes to sustain the competition, coming from private players. Yet still the public players are on market leader position but at the cost of decreasing market share.

As it is self proved that where there is competition customer become king, because companies has to offer variety of products at competitive price, and quick and effective services to its existing and prospected customers to be in the market among competitors, hence customer automatically get bargaining power. But another aspect of this is that all this can be happen only if customer is aware enough about what the companies are offering and what is his rights? Other wise he feels confused.

Overall awareness plays a vital role to increase the market share. That is the reason that the regulator and insurance companies are trying hard to increase the awareness level among people. Apart from awareness, increasing healthcare cost, upward graph of life style disease, increasing middle class population, increasing income etc. are also the driving factors of health insurance market in India.

The study entitled "A Comparative Study of Public and Private Sector Health Insurers" is an attempt to make a comparison between health insurance products and services offered by the insurance companies from public and private sector. For study the market leader companies from public and private sector has been selected. In the study attempts has been made to know about what are the major driving factors of health insurance market?, and what is the mindset of customer for selecting a health insurance company from public/private sector? The study is organized in ten chapters and is based on both primary and secondary data. Statistical techniques like averages, percentages, mean, standard deviation, pie diagram and bar diagrams are used to present and analyze the data.

A detailed analysis of basic features, pricing (premium rates), and related services of individual mediclaim policy of the selected companies has been made to know that, products of which sector are better and what would be the reason for a customer to select a health insurance policy from public or private sector. The study found better the products of private sector as these has less capping and limits and has wider options to adjust as per the need of customers. In case of premium rate public sector companies seems ahead as their rates are lower so these companies has dual benefit of lower rates and blind trust of people as they are government sector companies. In case of services an analysis between public and private sector policyholders has made and it found that the private sector companies are far better, prompt and effective while providing services, and dealing with customers.

Based upon analysis done in study, some suggestions were made for improvement of public and private sector companies. For improving awareness companies should focus on advertisement campaigns. Companies should improve their agent base as these proved as main source of awareness during study. For improving customer base and to sustain competition the public sector insurance companies should left their bureaucratic approach and be vibrant, quick and more responsible towards their customer. Claim settlement procedure of both the sector (especially of public sector) should be very clear and fast so that customer can be retained for long time. Companies should focus to correct the underwriting guidelines so that losses can be minimized. Insurance companies should improve their current existing products rather to lurch the new one. Proper training should be given to all level of officials so that they can retain the existing customer and make agree the prospected customer to purchase the policy.

I hereby present myself with my own study and its results derived along with the suggestions for improvement. The research will be helpful to understand the different aspects of Indian health insurance industry.