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EXPLORATORY STUDY OF NON-ACCEPTANCE OF MEDICLAIM INSURANCE BY THE INDIVIDUALS IN RURAL AREAS

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Keywords

Mediciam insurance,
Exploratory research,
Text mining

Abstract

Mediciam insurance is a need of an hour post covid-19. The objective of the study is to examine causes of non-acceptance of health insurance policies among the individuals in rural areas. Mixed research design is used to explore the non- acceptance among the non-users & parametric test is applied to examine the significant causes of non-acceptance. It is seen that No returns, lack of awareness, high premium, fear of claim rejection, poverty, underestimating medical expenses, Ignorance of health risk, Loss of savings, Fear of shutting down of companies, Unemployment, Generic, Government schemes indicating significant causes of non-acceptance of Mediciam insurance. Further studies can be conducted evaluating non-acceptance of Mediciam insurance in urban area.

1. INTRODUCTION

Insurance can be defined as an easy route in managing financial hazards, also safeguarding oneself and one family from any unforeseen economic calamities, which the company is liable to pay the insurer in case of any evil occurrences in life. A person who isn't insured becomes liable to bear all the expenses that come with mishaps. There are many advantages involved in having various insurances: tax benefits, Death benefits, medical benefits, easy loan options, etc. Multiple forms of insurance help an individual secure the fate of themselves and their family members. Many insurance policies can be taken by individuals, such as life insurance, property insurance, automobile insurance, and most importantly, health insurance which should be given priority.

Mediciam is one type of health insurance that bears all medical expenses in case of health emergencies. It gives the insurer an option to either gain cashless facilities or surrender the hospital bills for reimbursement in times of accidents or any other illness. Mediciam can also be taken for family members. There are various

plans available from which the best can be selected for the benefit of the entire family, irrespective of their age. It should also be noted that Mediciam is a branch of health insurance, not the whole health insurance. There is a difference between the two, where Mediciam only covers the bills of hospitalization and definite illness covered in the agreement of the policy. In contrast, health insurance covers all types of health issues and has extensive health coverage.

It can be seen that Mediciam is generally not bought by many people in our country for various reasons, one of which is costly if the entire family has to be insured, which affects the pocket badly. It can also be said that people are hesitant to invest in such policies because they feel it is a waste of money if they don't fall ill or are careful in maintaining their health. Also, it can be said that the majority population of India belongs to the Middle class and find it difficult to pay such hefty premiums. It is to be noted that there are no cash return benefits in Mediciam like other various policies. Civil hospitals in the country are known not to provide quality medical care, which encourages people towards private hospitals, which are out of their budget.

To promote Mediciam, working with the rural and urban populations is necessary. It is a fact that India has a sizeable rural population; almost 450 million people in India belong to rural India, and yet there is hardly any insurance coverage in that area. The insurance coverage is at most 10% and needs to be expanded on a priority basis. There is a need for premiums to be reduced and made pocket friendly. The policies should be affordable, even for family insurance. It should be accessible to all.

2. Review of Literature

Binny., & Dr. Gupta, M. (2017). The authors of the study of Health Insurance in India examined the challenges faced by individuals and insurance companies. The authors believe that health insurance in India is gaining momentum. They pointed out in their study that the agents in the field need to gain proper knowledge regarding the policies and cooperate reasonably with the companies. Also, it was noted that insurance premium is sky high and have become a significant issue. Secondly, insurers sometimes need to be more honest in their record sharing, leading to unnecessary rejections or delays in claims.

Aggarwal, A., Kapoor, N., & Gupta, A. (2013). The authors of the study examined Health insurance innovations and challenges. There are several schemes available for health insurance that can be benefited by individuals as well as by the family. Previously there were limited illnesses and diseases covered by health insurance, but with changing times and advancements in health issues, many new diseases are being considered. Conditions like Alzheimer's, kidney transplant, paralysis, blindness, and even deafness, etc., are covered by health insurance. The authors think there should be at least a 50% increase in health insurance. They also pointed out that it is a significant challenge in these times for the health insurance sector.

Singh, R.R., & Singh, A. (2020). The authors pointed out that life is very unpredictable, and families should not suffer the consequences of an individual's passing or any form of financial difficulty. Health should be given priority, and proper care needs be taken to ensure the safety of oneself and their family. Health insurance is the pressing priority. General insurance should be prioritized over other unnecessary things in life. The authors also noted that the healthcare sector is seeing a massive increase since privatizing healthcare insurance.

Bhattacharjee, I. (2021). The researcher has described the importance of health and its care which leads to progress after the COVID-19 pandemic health holds priority over everything else. This encouraged people towards health insurance. Data was collected through a survey of 170 people. The greatest challenge is to make medical facilities readily available as health and wellness have become crucial to all.

Dr. Pandey, A. & Dr. Chatteraj, A. (2021) This study elaborated on the availability of health insurance in rural India. Data was collected from Kerala and Uttar Pradesh to understand health insurance usage. Rural India is greatly affected by availability and convenience for the villager who has hardly any faith the government-run services.

Agrawal, S. (2020). The author believes that good or bad health is not class-conscious and can happen to anyone regardless of our caste. An individual with no health insurance and any illness befalls him becomes vulnerable to sky-high expensive hospital bills. There are several benefits to the purchase of health insurance yet there are few who invest in it. The author lists the reasons in her study lack of awareness, myths regarding claims not being approved, unaffordability, and being in good health always. The author suggests that people buy health insurance as it safeguards individuals and their families in times of need.

2.1 OBJECTIVES

- (I) To explore causes of non-acceptance of Mediclaim insurance in rural areas.
- (II) To analyze significant causes of non-acceptance of Mediclaim insurance in rural areas.

2.2 HYPOTHESIS

H₀: The causes of non-acceptance of Mediclaim insurance in rural areas are not significant (mean score < 3)

H₁: The causes of non-acceptance of Mediclaim insurance in rural areas are significant (mean score > 3)

3. MATERIAL AND METHOD

The current research is based qualitative research technique and inductive approach. Face to face interview of 32 non users Mediclaim insurance was taken and the conversation was converted into transcript. The software used for current study is NVIVO 12 and the technique used is text mining (word cloud, summary table.). Further descriptive research design is used to examine significant causes of non- acceptance of Mediclaim. Data has been collected from 60 non users and through structured questionnaire data has been collected using non-random purposive sampling method. (Minimum sample required as per faul et al to apply one sample t - test=45). The software used to apply one sample t-test one tailed is R studio.

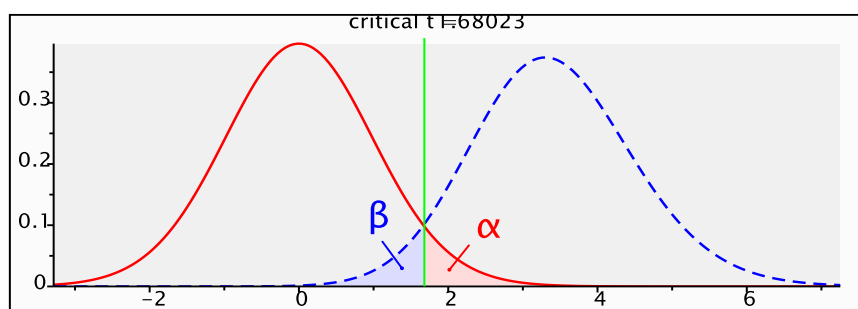


Figure 1: Convergence Graph showing Critical Intersection Point

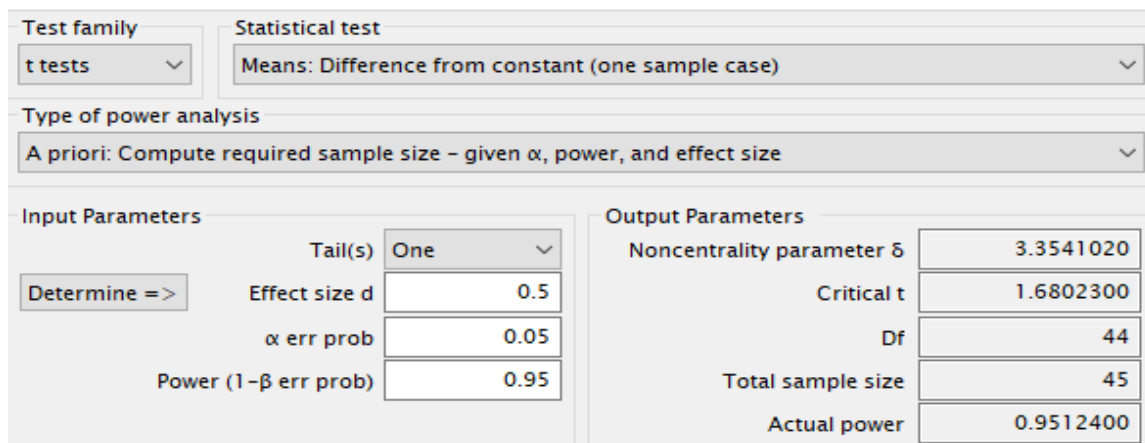


Figure 2: Statistical Test Result

4. DATA ANALYSIS AND INTERPRETATION

Table 1: Summary of keywords

Word	Length	Count	Weighted Percentage (%)
No Returns	6	38	11.08
Lack of awareness	9	36	10.50
High Premium	7	34	9.91
Fear of claim Rejection	9	32	9.33
Poverty	7	31	9.04
Underestimating medical expenses	8	30	8.75
Ignorance of health risk	9	27	7.87
Loss of savings	7	26	7.58
Fear of shutting down of companies	9	25	7.29
Unemployment	13	25	7.29
Generic medicines	7	20	5.83
Government schemes	10	19	5.54

From the above summary it is shown seen that people who are non-acceptance of Mediciam users are No return with 38 count and 11.08 weighted percentage , lack of awareness with 36 count and 10.50weighted percentage , high premium with 34 count and 9.91 weighted percentage , fear of claim rejection with 32 count and 9.33 weighted percentage , poverty with 31 count and 9.04 weighted percentage , underestimating with 30 count and 8.75 weighted percentage , ignorance of health risk with 27 count with 7.87 weighted parentage , loss of savings with 26 count and 7.58 weighted percentage , fear of shutting down of companies with 25 count and 7.29 weighted percentage , unemployment with 25 count and 7.29 weighted percentage , generic medicines with 20 count and 5.83 weighted percentage and government schemes with 19 count and 5.54 weighted percentage.



Figure 3: Word Cloud

Table 2: One sample t test

Items	t– statistics	P – value	Ha: The causes of non-acceptance of Mediciam insurance in rural areas are significant
No Return	13.55	0.000	Significant Cause
Lack of awareness	12.01	0.000	Significant Cause
High Premium	12.92	0.000	Significant Cause
Fear of claim Rejection	13.20	0.000	Significant Cause
Poverty	13.36	0.000	Significant Cause
Underestimating medical expenses	12.47	0.000	Significant Cause
Ignorance of health risk	-12.10	1	Insignificant Cause
Loss of savings	-12.26	1	Insignificant Cause
Fear of shutting down of companies	12.34	0.000	Significant Cause
Unemployment	-13.12	1	Insignificant Cause
Generic	12.01	1	Insignificant Cause
Government schemes	12.00	0.000	Significant Cause

Parametric one sample t – test (one tailed) is applied to examine significant cause of non-acceptance of Mediciam insurance. It is seen that p – value < 0.05 and t statistics > 1.96 for No return, lack of awareness, high premium, fear of claim rejection, poverty, Underestimating medical expenses, Ignorance of health risk, Loss of savings, Fear of shutting down of companies, Unemployment, Generic , Government schemes indicating non-acceptance of Mediciam insurance.

5. CONCLUSION

The Insurance companies must arrange the awareness drives on the medical insurance policy and try to show the advantage of the having medical policies. The companies need to come up with new return embedded Medical policies so that individuals are encouraged to invest in medical insurance policy, yet there are some

medical insurance which includes money back plan, but still the scope needs to be increased. The Investors also face a fear of shutting down of Insurance companies, for this the Regulatory authorities must stricter rules and regulation regarding working standards and transparency of the company. The companies must design Policies and Premium for Poor people keeping in mind about Income of the Individual, for this the Union and State government must initiate more schemes. The Company and the regulatory authority must make sure about the proper Settlement of the Insurance claims, so that all the claims can be settled properly without any hurdles for the individual investors. The Medical expenses has been increasing constantly to avoid such situation the companies must create more awareness about the Insurance product and how Insurance helps to settle the payments of Hospital Expenses. The Government Awareness about the schemes and yojana's are very low, because all hospitals do not appoint the Patient Relation Officer for such schemes to be availed by economically weak individuals.

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