

The Impact of Covid 19- Towards Insurance and its Benefits to the Public

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Abstract

The COVID-19 impact is catastrophic, beyond imagination and its repercussions on the livelihoods of millions of people are going to be devastating. Pandemic intensifies the awareness towards insurance and the financial risks that could lead to loss of income and increased expenses. The world has witnessed a lot of awareness developed during this crisis is overwhelming, as it testifies to the importance of health insurance as well as life insurance across different channels such as social media, television commercials, advertising billboards, etc. The increasing death toll due to the covid pandemic has led to an awareness of various insurance schemes. Primary Data was collected from the respondents of Coimbatore region by using convenience sampling methodology. A total of 120 questionnaires were distributed and gathered from the participants in the study. The Data was collected through questionnaire survey method. Secondary data was obtained from various sources such as journals, websites, publications etc., The Ranking method and Weighted Average method are used to analyze the collected data. Results indicate that people start valuing the importance of insurance policies and their benefits.

Keywords: Insurance, Benefits, Importance, Policies

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INTRODUCTION:

Nowadays, health insurance is one of the most crucial investments to meet the rising medical

costs. It is one of the most uprising sectors that provides financial safety and protection against health expenditure, both pre and post hospitalization. There are many health companies in India that offer cheap Medici claim policies for individuals as well as families at an affordable rate. The COVID-19 pandemic has made people more aware of their medical expenses, making them realize the types of insurance available to aid in this situation. This paper explains the need for health insurance and general insurance during these pandemic times, which will benefit both public firms as well as private firms offering various types of insurances to make people aware of their benefits.

NEED FOR THE STUDY:

In this era of stiff competitions amongst the insurance providers, the number of products offered by them is increasing in life, health and general insurance sectors. Many buyers are suffering from difficulties to educate themselves about the products due to lack of information. The buyers are not able to understand the various product features like claims settlement procedures, risk coverage etc. Especially in case of health insurance, the riders offered by companies differ in their features like cashless hospitalization and reimbursement which affects the claim settlement process. Hence an attempt to identify the public people's awareness towards the schemes offered by the insurance companies regarding life insurance and general insurance.

LITERATURE REVIEW:

(FINANCIAL EDUCATION , COMMUNITY PARTICIPATION AND PURCHASE OF HEALTH INSURANCE A REPORT ON SUBMITTED TO BY DR MALINI JAYASURYA SMT V H D CENTRAL INSTITUTE OF HOME SCIENCE, 2015), concluded that lack of information, insufficient advertisement and lack of awareness were the main barriers in the optimum utilization of health insurance facilities. Proper information dissemination and aware programmes can increase person s willingness to purchase a health insurance protection.

(Braun et al., 2016), Provides comprehensive simulation results for a realistic competitive system that allows you to evaluate the effects of product change and market expansion. They said that if a policy has their preferred specifications, customers will receive substantial markups on the monthly premium. Also, the options vary considerably throughout the model. They explained that application-based product innovation is best suited to gain market share, avoid competitive price pressure and make extra profits. Finally, a set of estimated demand sensitivities and cost assumptions show that insurers need a deeper understanding of options to identify profit-enhancing costs.

(Banthin et al., 2020), found that the results based on evidence of the relationship between changes in unemployment and employer-based coverage from previous recessions and recoveries. And these workers are less likely to have employer-based coverage through their jobs and more likely to be enrolled in Medicaid before the pandemic than other workers. And discussed the key assumptions and the development of estimates in the Appendix.

(Khandelwal, 2021), Samples were collected from those who identified themselves as term insurance insurers, taking into account the characteristics that affect consumers when

purchasing a term life insurance plan in India. In addition, brand and payment options are the most important attributes of a term insurance plan, and at least the sales channel, term assurance and rider benefits have been identified..

OBJECTIVES OF THE STUDY

The foremost objective of this research is to study the awareness towards people on insurance during COVID- 19.

The secondary aim is studying about the schemes offered by insurance companies.

RESEARCH DESIGN:

In this study the convenient sampling is used which means sampling a group of subjects that are conveniently available to participate in the research. The data was collected by using survey method in which a self-administered questionnaire was riveted to 120 life insurance policy holders. The data analysis is based on simple statistical analysis and weighted average method

DATA ANALYSIS AND INTERPRETATION:

DEMOGRAPHIC PROFILE:

The information related to the Demographic profile of the respondent are depicted under the table below

Table: 1 Respondents Demographic profile

S. No	Variable	Category	Frequencies	Percentage (%)
1	Age	Below 25 Yrs	8	7%
		26 – 35 Yrs	51	42%
		36 – 45 Yrs	38	32%
		Above 45 Yrs	33	19%
2	Gender	Male	62	51.67
		Female	58	48.33
3	Education	SSLC/HSC	12	10
		Under Graduation	74	62
		Post-Graduation	22	18
		8 th Std	12	10
4	Occupational Status	Private Employee	76	63
		Business	7	6
		Government Employee	26	22

		Professional	11	9
5	Marital Status	Unmarried	98	82%
		Married	22	18%
6	No. of Family Members	2 members	51	42
		3-4 members	61	51
		5-6 members	5	4
		Above 6 members	3	3
7	Earning Members	One	29	24
		Two	86	72
		Above 2	2	2
8	Annual Income	Below 2,00,000	3	2
		2,00,000-5,00,000	27	23
		5,00,00-15,00,000	69	58
		15,00,000- 25,00,000	17	14
		Above 25,00,000	4	3
9	Percentage of Salary Saved	Below 15%	43	36
		15%-20%	62	52

Source: Primary Data

INTERPRETATION:

The simple percentage analysis converts the raw data into a meaningful way helping better understanding. Majority of the respondents are in the age group belong to the age group of 26-35years, and most of the respondents are Male. The respondents (62%) have completed their under- graduation education which has led them to the understanding importance of taking insurance policy. Most of the respondents (58%) have their annual income of Rs. 5,00,000 – 15,00,000 with earning members of two. The respondents (52%) are saved 15%- 20% of salary.

RESPONDENTS PREFERENCE ON INSURANCE PLAN:

The information related to the respondent's preference on insurance plan are depicted under the table below

Table: 2 Respondents preference on Insurance plan

S. No	Variable	Category	Frequencies	Percentage (%)
1	Respondents Preference on type of Insurance	Govt. Health insurance company	116	97

	company	Private Health Insurance company	4	3
2	Name of the company in which the policy is taken	LIC	92	77
		BAJAJ ALLIANZ	4	3
		RELIANCE LIFE	6	5
		ICICI	11	9
		HDFC STANDARD	7	6
3	Type of Scheme taken	Life protection plan	49	41
		Educational plan	11	9
		Retirement plan	6	5
		Health plan	47	39
		Money growth plan	7	6
4	Awareness about Insurance policies	Highly well aware	13	11.5
		Well aware	55	46.2
		Neutral	35	28.8
		Least aware	10	7.7
		Not aware	7	5.8

Source: Primary Data

INTERPRETATION:

From the above table, Majority of the respondents (97%) preferred Government health insurance company, and most of the respondents (77%) choice is LIC. The respondent's preference towards insurance scheme are life protection plan (41%) and health plan (39%). The respondents (46.2%) awareness towards insurance policies are well aware.

RANKING ON PREFERENCE OF INSURANCE PLAN

Table3 - Which Insurance plans do you prefer

S. No	Plan	Rank
1	Team Insurance Plan	3
2	Unit Linked Insurance Plan	6
3	Endowment Plan	4
4	Money Back Plan	2
5	Whole Life Insurance Plan	1
6	Child Plan	7

7	Retirement Plan	5
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Source: Primary Data

INTERPRETATION

From the above table it was observed that Whole life insurance plan is in the First place, Money back plan in the Second place, team insurance plan in the Third-place endowment plan in the fourth- place retirement plan in the fifth-place unit linked insurance plan in the sixth place and child plan in the seventh place. It is inferred that the Whole life insurance plan in the First place.

WEIGHTED AVERAGEMETHOD

LEVEL OF IMPORTANCE TOWARDS THE FOLLOWING FACTORS

Table 5 - Level of importance towards fields

S. No.	Level of Importance	Weighted Average
1	Safety	40.3
2	Capital Growth	25.4
3	Liquidity	6.7
4	Return	8.2
5	Tax Benefits	16
6	Company Profile & Brand Name	3.4

Source: Primary Data

INTERPRETATION:

From the above table it was observed that safety is highly important with 40.3% Capital growth is important with 25.4% tax benefits with 16% return with 8.2% Liquidity with 6.7% and the least important is company profile and brand name with 3.4%. It is inferred that the Safety plan is the most important among all others

SUGGESTION:

The insurance company has to inspire the intermediaries about the policy according to individual necessities. The insurance products with new strategies and policies with less expensive and give more coverage. The company ought to conduct effective research for creating much more awareness about its products among potential customers through innovative promotional methods which helps the general public to comprehend the benefits of insurance plans.

The COVID-19 pandemic has undoubtedly raised the awareness level of life insurance in people. Buying insurance during this period can be a win-win situation for both insurer and policyholders. It is a good time to invest as stock markets are also low and future returns in them are expected to be high. Moreover, given the current environment, it would be prudent to consider additional life insurance coverage or a health rider in case one is not covered

adequately.

CONCLUSION:

Respondents are aware about health insurance policies but not for its benefits. They have less trust on private general insurance companies rather than public general insurance companies. According to respondents' health insurance companies are not transparent and they don't understand the terms and conditions of health insurance policies. Thus, health insurance still has wider scope in India but is supposed to be easy to understand and accessible.

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