A STUDY ON BENEFICIARIES' ATTITUDE TOWARDS MEDICLAIM INSURANCE IN MADURAI CITY

Dr. M. Balamurugan
Assistant Professor, School of Commerce,
The American College, Madurai.
dr.balamurugan@americancollege.edu.in

R.S. Saroj Deborlin Christina
Student of M.Com, School of Commerce,
The American College, Madurai.

DOI: https://doi.org/10.34293/ICAICM-25.ch006

Abstract:

Mediclaim insurance is a vital component of financial planning, offering individuals protection against unforeseen medical expenses. However, beneficiaries often face challenges such as complex claim processes, lack of transparency, and limited customer support, which affect their overall satisfaction and trust in insurance providers. The advent of Artificial Intelligence (AI) presents an opportunity to revolutionize the Mediclaim insurance landscape, addressing these issues through automation, personalization, and enhanced service delivery. This study explores beneficiaries' attitudes toward Mediclaim insurance, with a specific focus on the transformative role of AI in shaping their experiences. It examines key factors influencing beneficiary perceptions, including ease of policy access, claim settlement efficiency, and trust in AI-driven processes. The research highlights how AI-powered tools such as automated claim verification, chatbots for customer support, predictive risk analytics, and fraud detection systems contribute to improving service quality and operational efficiency. The findings of this study reveal that while AI significantly enhances the operational aspects of Mediclaim insurance, its acceptance among beneficiaries varies depending on factors such as technological awareness, trust in automation, and perceived reliability. This research underscores the potential of AI to transform Mediclaim insurance into a more user-friendly and efficient service, fostering greater adoption and beneficiary satisfaction.

Introduction:

A healthy nation is a prosperous nation. Every country, particularly developing nations, strives to provide its citizens with access to high-quality healthcare services. The World Health Organization (WHO) defines a healthy nation as one where its people are both physically and mentally fit. According to the WHO, healthcare systems should be designed to ensure that medical services are affordable and accessible to all, regardless of their financial status. In this context, health insurance companies play a pivotal role by providing financial protection and enabling citizens to access essential healthcare services.

In India, the healthcare landscape has evolved significantly over the past few decades, with a growing recognition of the importance of financial security in the face of rising medical costs. Mediclaim insurance, a key component of this shift, offers individuals financial support during medical emergencies, thereby reducing the financial burden associated with unexpected healthcare expenses. The Insurance Regulatory and

Development Authority of India (IRDAI), established under the Insurance Regulatory and Development Authority Act, 1999, plays a crucial role in supervising and developing the insurance sector in India. The IRDAI aims to protect the interests of policyholders and promote the growth and sustainability of the insurance industry.

In India, the Mediclaim insurance market has witnessed substantial growth, with major players such as ICICI Lombard, HDFC ERGO, Star Health Insurance, and Apollo Munich Health Insurance offering a range of policies regulated under the IRDAI Act. According to the IRDAI, the Indian health insurance market saw a significant increase in gross premiums, with health insurance premiums growing by 24% in 2023. This surge highlights the growing awareness of the importance of health insurance as a tool for financial security in the face of rising healthcare costs. Despite this growth, a significant portion of the population remains underinsured or unaware of the benefits and features of Mediclaim insurance policies.

This study aims to explore the attitudes of beneficiaries towards Mediclaim insurance policies, particularly focusing on their awareness, utilization, satisfaction levels, and the factors influencing their decisions to opt for such policies. Additionally, the study will examine the challenges beneficiaries face when using these policies and the role of emerging technologies like Artificial Intelligence (AI) in shaping the future of Mediclaim insurance. AI has emerged as a game-changer in the insurance sector, with applications ranging from streamlining claims processing to personalizing services for policyholders. This research seeks to understand how AI influences beneficiaries' perceptions and experiences with Mediclaim insurance, providing insights that can help improve service delivery and customer satisfaction.

By examining these aspects, this study aims to contribute valuable insights into policyholders' attitudes and expectations towards Mediclaim insurance, offering recommendations for enhancing the effectiveness and accessibility of health insurance in India. Moreover, it strives to provide a comprehensive analysis of the factors that can enhance beneficiaries' satisfaction and increase the utilization of Mediclaim insurance policies.

Objectives:

- To assess the level of awareness and utilization of Mediclaim insurance policies among beneficiaries in Madurai City.
- To evaluate the satisfaction levels of policyholders with respect to various aspects of Mediclaim insurance policies.
- To examine the factors influencing beneficiaries' decisions to opt for Mediclaim insurance and the challenges they face while using the policies.

Review of Literature:

S. Abirami (2020) – The study examines the satisfaction levels of Mediclaim policyholders in Madurai city. It focuses on identifying causes of dissatisfaction and areas where insurers need to strengthen customer relationships.

G. Srinivasan & S. Sukumar (2021) – This research in Dindigul highlights public awareness, misunderstandings of insurance, and their impact on healthcare utilization. It compares behavior in cash versus cashless insurance systems, emphasizing the low healthcare budget allocation in India.

Shyni Thankachan (2021) – Conducted in Kerala, the study evaluates policyholder perception and satisfaction with Mediclaim policies. It highlights the importance of meeting customer expectations to retain and attract policyholders.

Vijaya Chitra (2021) – Focusing on Chennai city, this research explores customer awareness and satisfaction with health insurance policies. With a sample of 283 respondents, the study shows a significant relationship between awareness and satisfaction levels.

Bino Joy (2021) – This exploratory study in Kerala examines how product awareness influences satisfaction among private health insurance customers. Factors such as product, price, and promotional activities play a key role in purchase decisions.

Rawal Rajendrakumar Y (2022) – Analyzing the market potential in Solapur city, this study discusses the introduction of innovative health insurance products and government initiatives like Ayushman Bharat Yojana to expand health insurance coverage.

Neeta P. Kundaliya (2022) – Conducted in Gujarat, the study focuses on claims and reimbursements under Mediclaim policies, relying on secondary data from IRDA and insurance companies. It emphasizes the accuracy of claims data for analysis.

Leela B (2023) – This research on Chennai city examines the effective utilization of Mediclaim policies to address medical emergencies. It highlights the limited health insurance coverage in India, primarily restricted to the organized sector.

Scope of Study:

The scope of the study was limited to the policy holders in Madurai city. The study deals level of awareness, utilisation and satisfaction of the respondents towards Mediclaim insurance policy and to find the obstacles and challenges faced by the Mediclaim insurance policy holders. AI's role is analysed in the context of existing challenges and may not cover all advanced AI technologies available globally. This research focuses on beneficiaries in diverse demographics, aiming to provide insights into how attitudes vary with age, income levels, and technology adoption.

Statement of Problem:

The rising healthcare costs, coupled with increased awareness of the need for financial planning, have made Mediclaim insurance a vital tool for individuals and families. However, despite its significant benefits, many beneficiaries in Madurai City express varying levels of satisfaction with their Mediclaim insurance policies. Factors influencing satisfaction include coverage offered, the claim settlement process, premium affordability, customer service, transparency in terms and conditions, and overall perceived value for money. Despite the crucial role Mediclaim insurance plays in mitigating financial risks associated with healthcare expenses, there is a notable lack of awareness among a significant portion of the population regarding the availability, benefits, and features of these policies. This lack of awareness leads to underutilization of Mediclaim insurance, leaving individuals and families in Madurai City vulnerable to unexpected medical costs. Therefore, this study aims to explore the attitudes of beneficiaries towards Mediclaim insurance, identify the factors influencing their satisfaction, and examine the extent of awareness and utilization of these policies.

Research Methodology

Primary Data

Primary data refers to data collected directly from the source for the specific purpose of the research. In this study on beneficiaries' attitudes towards Mediclaim insurance, primary data will be gathered through structured surveys and interviews with individuals who have purchased or are considering Mediclaim insurance policies in Madurai City. This data will help assess their awareness, satisfaction levels, utilization patterns, and the factors influencing their decisions regarding Mediclaim insurance. The use of questionnaires and interviews will allow for detailed insights into the beneficiaries' perceptions and experiences, particularly with respect to new developments like the integration of Artificial Intelligence (AI) in the insurance sector.

Secondary Data

Secondary data refers to data that has already been collected, analyzed, and published by other sources. In this study, secondary data will be sourced from existing reports, articles, government publications, industry surveys, and academic studies related to Mediclaim insurance, health insurance coverage in India, and the role of technology in the insurance industry. This data will provide a broader context for the findings, help validate the primary data, and offer additional insights into trends and patterns in Mediclaim insurance utilization and satisfaction.

Sampling Size

Based on the National Family Health Survey (NFHS-4), 28.2% of people in urban areas and 29.0% in rural areas of Madurai district have health insurance coverage. The sample for this study will include beneficiaries of Mediclaim insurance policies in Madurai City, with an appropriate sample size drawn to ensure a representative cross-section of policyholders. The sampling method will likely be random sampling to gather diverse views from different demographic groups within the city. The exact sample size will be determined based on the total population of Mediclaim policyholders in Madurai, ensuring sufficient coverage for reliable analysis.

Tools for Analysis

In this study, Percentage analysis will be used as the primary tool for analyzing the collected data. Percentage analysis is a widely used statistical method to measure the distribution of respondents under various categories, which helps in understanding patterns and trends. This tool will be used to analyze factors such as socio-personal and economic characteristics of the respondents, their awareness levels, the extent of Mediclaim insurance utilization, satisfaction levels, and the influence of Artificial Intelligence on their experiences. This will provide valuable insights into the attitudes and expectations of policyholders, and help identify the key factors affecting their decisions and satisfaction with Mediclaim insurance policies.

Level of Awareness about the Mediclaim Insurance Policy

The level of overall awareness of the respondents towards various dimensions of Mediclaim insurance has been classified into three categories, namely fully aware, partially aware and not aware for analytical purpose. The different level of Awareness about various dimensions of Mediclaim insurance given in the following Table 1.

Table 1
Level of Awareness about the Mediclaim insurance policy

S.No.	Particulars	No. of. Respondents (n=57)	Percentage
1	High	16	28
2	Medium	26	46
3	Low	15	26

Source: Primary Data

It is evident from table 1 that 28 percent of the respondents have high level of awareness towards Mediclaim insurance followed by 46 percent of the respondents have Medium level of awareness and 26 percent of the respondents have low level of awareness. It is concluded that the majority of the respondents have medium level of awareness from Mediclaim insurance policy.

Utilization Pattern of the Respondents about the Mediclaim Insurance Policy

The success of Mediclaim insurance depends upon the better utilization of respondents who use effectively. The level of utilization of the respondents with regard to various dimensions of Mediclaim insurance is measured by score values calculated with the help of 11 statements which are grouped into 3 dimensions such as basic knowledge about Mediclaim insurance, mode of operation, and benefits. In order to evaluate the utilization level of the respondents, three-point - scaling technique was employed and mean-score was ascertained as Follows.

ISBN: 978-93-6163-437-6

Table 2
Utilization Pattern of the respondents about the Mediclaim insurance policy

S. No.	Dimensions	Variables	Highly utilized	Partly utilized	Not utilized	Total	Rank
1	Basic benefits under Mediclaim Insurance	Free cost of annual check ups	19 (33.33%)	22 (38.59%)	16 (28.07%)	114	III
		Day care treatments	13 (22.80%)	29 (50.87%)	15 (26.31%)		
2	Mode of Operations	No claim bonus	15 (26.31%)	22 (38.59%)	20 (35.08%)	228	I
		Cashless treatment	18 (31.57%)	24 (42.10%)	15 (26.31%)		
		Surgery charges	13 (22.80%)	26 (45.61%)	18 (31.57%)		
		Domiciliary hospitalization	14 (24.56%)	23 (40.35%)	20 (35.08%)		
3	Financial Benefits	Huge coverage against health insurance	14 (24.56%)	24 (42.10%)	19 (33.33%)	171	II
		Provides financial stability	18 (31.57%)	21 (36.84%)	18 (31.57%)		
		Secure long-term wealth	12 (21.05%)	29 (50.87%)	16 (28.07%)		

Source: Primary Data

It is found from the Table 2 that the mode of operations is ranked first with the highest Rank followed by financial benefits of Mediclaim insurance got second rank while Utilization regarding the basic benefits under Mediclaim insurance has got third. It is revealed that the respondents are not fully utilizing the basic benefits, such as the free cost of an annual checkup and daycare treatments.

Satisfaction of the Respondents towards Mediclaim Insurance Policy

The success of Mediclaim insurance depends upon the satisfaction of respondents who use effectively. The satisfaction of the respondents is measured through ten variables in likert five-point scale namely strongly agree. agree, neutral, disagree, and strongly disagree. Based on the response from respondents, satisfaction level of respondents in Mediclaim insurance are shown in table 3 Five -point -scaling technique was employed and mean-score was ascertained as follows:

Table 3

Satisfaction of the Respondents towards Mediclaim insurance policy

S. No.	Dimensions	Variable	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree	Tot	rank
1	Pre-documentation procedures	Sufficient amount of settlement	17 (29.82%)	23 (40.35%)	14 (24.56%)	3 (5.26%)	-	**171**	**II**
		Tenure of insurance policy period.	7 (12.28%)	30 (52.63%)	18 (31.57%)	2 (3.50%)	-		
		Services rendered by policy agents.	13 (22.80%)	23 (40.35%)	17 (29.82%)	4 (7.01%)	-		
2	Benefits acquired from Mediclaim insurance	claim amount	19 (33.33%)	17 (29.82%)	18 (31.57%)	1 (1.75%)	2 (3.50%)	**228**	**I**
		Premium charged on Insurance	9 (15.78%)	27 (47.36%)	20 (35.08%)	1 (1.75%)	-		
		Coverage of pre- and post-hospitalization expenses.	13 (22.80%)	22 (38.59%)	19 (33.33%)	3 (5.26%)	-		
		No need to approach any other source for medical expenses	11 (19.29%)	25 (43.85%)	16 (28.07%)	2 (3.50%)	3 (5.26%)		
3	Post documentation Procedures	Reliable and transparency settlement procedure.	12 (21.05%)	21 (36.84%)	20 (35.08%)	4 (7.01%)	-	**114**	**III**
		Reasonable Processing charge fee	17 (29.82%)	21 (36.84%)	16 (28.07%)	3 (5.26%)	-		

Source: Primary Data

It is expressed from Table 3 that out of 57 respondents from various dimensions, benefits acquired from Mediclaim insurance ranked first with the highest score of 228, followed by pre-documentation procedures got second rank with a score of 171 while post documentation procedures ranked third with a score of 114. It reveals that the respondents are not much satisfied with post-documentation procedures such as reliable and transparent settlement procedures and reasonable processing charges. Hence, it is concluded that the majority of the respondents were highly satisfied with the benefits acquired from Mediclaim insurance.

ISBN: 978-93-6163-437-6

Findings:

- High level of awareness towards Mediclaim insurance followed by 46 percent of the respondents have Medium level of awareness and 26 percent of the respondents have low level of awareness.
- The mode of operations is ranked first with the highest Rank, while Utilization regarding the basic benefits under Mediclaim insurance has got third.
- Benefits acquired from Mediclaim insurance ranked first with the highest score of 228, while post documentation procedures ranked third with a score of 114.

Conclusion:

The study on beneficiaries' attitudes towards Mediclaim insurance in Madurai City revealed key insights into their perceptions, preferences, and challenges. Beneficiaries recognize the importance of Mediclaim insurance for financial protection against medical expenses and access to quality healthcare. However, satisfaction levels vary, with common challenges including complex claim procedures, reimbursement delays, and insufficient claim amounts. Factors influencing policy selection include premium affordability, coverage scope, and transparency in the settlement process. Trust in the insurer and policy reliability play crucial roles in shaping attitudes. To improve utilization, insurers should focus on enhancing transparency, accessibility, and responsiveness.

References:

1. **S Abirami** (2020) M. Phil Scholar, Department of Commerce, Lady Doak College, Madurai, Tamil Nadu, India. "A Study on Level of Customers Satisfaction Towards Mediclaim Insurance Policy in Madurai City"
2. **G. Srinivasan, S. Sukumar** (2021) "A study Policy Holders Attitude Towards Mediclaim Insurance in Dindigul With Reference To Star Health And Allied Insurance Company Limited" ISSN (Online): 2455 – 5630
3. **Vijaya Chitra** (2021) "study on customer awareness level and satisfaction of health insurance policies in Chennai city" March
4. **Bino joy** (2021) "study Product Awareness and Customer Satisfaction: A Study on Private Health Insurance Customers in Kerala" Journal of The Asiatic Society Of Mumbai, ISSN: 0972-0766, Vol. XCVI, No.3, 2022 Government College of Kottayam.
5. **Shyni Thankachan** (2021) "study Perception and satisfaction of the policy holders towards Mediclaim insurance policy in Kerala" university of Kerala.
6. **Neeta p kundaliya** (2022) "study analysis of claims and reimbursements made under Mediclaim policies of the general insurance corporations in Gujarat" by Saurashtra University.
7. **Rawal Rajendrakumar Y** (2022) "study an Analytical Study on Market Potential of Mediclaim Insurance in Solapur City" by Swami Ramanand Teerth Marathwada University.

8. **Leela, B** (2023) "study Utilization health insurance services in Tamil Nadu a study with special reference to Mediclaim policy in Chennai city" by university of madras.

Websites

1. https://doi.org/10.34293/commerce.v8i3.3283
2. http://hdl.handle.net/10603/410410
3. International Journal of Research GRANTHAALAYAH 10.29121/granthaalayah.v9.i3.2021.3792
4. https://www.maxlifeinsurance.com/health-insurance-plans/what-is-mediclaim
5. https://www.nivabupa.com/health-insurance-articles/what-is-mediclaim.html
6. https://www.iciciprulife.com/health-insurance.html
7. https://www.policybazaar.com/health-insurance/individual-health-insurance/articles/health-insurance-an-overview/
8. https://www.hdfclife.com/insurance-knowledge-centre/about-life-insurance/health-insurance-meaning-and-types