

TO STUDY THE CONSUMER SATISFACTION AND EXPECTATION OF CLAIM SETTLEMENT - BY STAR HEALTH COMPANY WITH REFERENCE TO COIMBATORE CITY

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Abstract: Health insurance has become an essential part of financial security, protecting people against unexpected financial burdens of health care costs. Among the top health insurance companies, Star Health and Allied Insurance Company has successfully created a niche in the Indian insurance industry with a variety of insurance plans catering to the needs of customers. One of the most important aspects of gaining trust and retaining customers is the claim settlement process, which represents the level of efficiency, transparency, and service standards offered by the company. This study aims to explore the level of consumer satisfaction regarding claim settlement in Coimbatore city.

Keywords: Health Insurance, Claim Settlement, Consumer Satisfaction, Star Health Insurance, Transparency, Customer Support, Coimbatore

INTRODUCTION

The Indian health insurance market has grown significantly in recent times due to increasing costs of healthcare, lifestyle diseases, and increased awareness of the need for financial protection. The market is highly regulated by the Insurance Regulatory and Development Authority of India (IRDAI), which lays emphasis on transparency and consumer protection. In this competitive market, claim settlement is found to be the key differentiator for winning consumer trust.

Coimbatore, known for its high growth rate, is considered to be an ideal location for conducting this study on consumer perception in the context of claim settlement in health insurance policies.

OBJECTIVES OF THE STUDY

1. To analyse the level of consumer satisfaction pertaining to claim settlement of Star Health Insurance Company Limited.
2. To understand the consumer expectations in terms of speed, transparency, and fairness in claim settlement.
3. To understand the challenges faced by policyholders in claim settlement.
4. To assess the effectiveness of customer support services offered by the company.
5. To improve consumer satisfaction and loyalty by making recommendations to the company.

SCOPE

The study is restricted to the Coimbatore city. It is based on localized knowledge of the claim settlement experiences. It is focused on the aspects of quickness, transparency, fairness, and customer service. Demographics have also been taken into consideration in the study.

LIMITATIONS

- Study is based on a small sample size.
- Geographical study is restricted to the Coimbatore city.
- Study is based on self-reported data.
- Study is time-bound as digitalization is a continuous process.
- Hospital coordination and third-party administrator performance have not been taken into consideration in the study.

LITERATURE REVIEW

- Parasuraman et al. (1988)
SERVQUAL model was proposed as a measure of service quality. It includes reliability, responsiveness, assurance, empathy, and tangibles as dimensions of service quality.
- Zeithaml (1990)
Perceived fairness in claim settlement is related to the level of trust that consumers have in the company.
- Anderson & Fornell (1994)
Satisfaction is the main factor that affects customer loyalty and drives customer behaviour.
- Grönroos (1994)
Distinction is drawn between technical and functional qualities. Technical quality is related to the claim settlement or payment, while functional quality is related to the staff's behaviour and communication skills.

RESEARCH METHODOLOGY

The descriptive research methodology is applied in this study to analyse consumer satisfaction in claim settlement with Star Health Insurance in Coimbatore.

Area of Study: The city of Coimbatore was chosen for this study due to its growing need for medical facilities and awareness of health insurance.

Population & Sample: Policy holders of Star Health Insurance are considered for this study. The sample size is limited for this study, and convenience sampling is applied.

Data Collection:

- Primary Data: Questionnaires are used to collect data on satisfaction, expectation, and challenges faced by policy holders in claim settlement with Star Health Insurance in Coimbatore.
- Secondary Data: Literature survey, reports, and guidelines from IRDAI are used for this study.

Tools of Data Collection: Questionnaires are used to collect data from policy holders on their satisfaction in terms of speed, transparency, fairness, and customer support in claim settlement by Star Health Insurance in Coimbatore.

Data Analysis: Data is analysed using percentages, ratios, and statistical tools for better results in the form of graphs and tables.

Limitations: The sample size of this study is limited, and restricted to Coimbatore city.

DATA ANALYSIS AND INTERPRETATION

Demographic Profile of the Respondents

- Age Group: The majority fall in the age group of 25-35 years (41.6%), and the next highest percentage is below 25 years (25.7%).
- Gender Distribution: The majority are male (69.3%), and the remaining are female (30.7%).

- Qualification Level: The highest percentage is graduates (39.6%), and the next highest is professionals (15.8%).
- Occupation Category: The majority are salaried employees (37.6%), and the next highest is students (27.7%).
- Income Level: The highest percentage is above ₹60,000 per month (30.7%).

Claim Settlement Experience

- Association with Star Health: The majority have an association with Star Health between 1-2 years (27.7%).
- Type of Policy: Family floater policies have the highest percentage (58.2%), and the majority were not aware of the type of policies they have (49%).
- Number of Claims Used: The majority have used two claims (28.7%), and the next highest is that they have not used any claims (21.8% had not yet made any claims).
- Settlement Method: Cashless claims dominate (53.6%), followed by third-party assistance (46.4%).

Satisfaction Analysis

- Speed of Settlement: The weighted average score is 2.30, which indicates moderate dissatisfaction.
- Transparency: The average score is 2.78, which also indicates moderate expectations.
- Customer Support: The score is 2.54, which is below average.
- Time Taken: The lowest score is 1.74, which is indicative of strong dissatisfaction.
- Procedure: The score is 2.34, which is below average.
- Communication: This is relatively better with a score of 2.79, which is moderate.
- Claim Amount: The score is 2.81, which is indicative of moderate satisfaction.

Key Issues Identified

- The most significant issue is the longtime taken, with 43.6% of the respondents agreeing.
- The complex documentation process and lack of communication are also issues, with 20.8% and 16.8% agreeing, respectively.
- A reduced claim amount is reported by 15.8% of the respondents.

Renewal Intentions

- The neutral responses are the highest at 26.7%, while the positive responses (“Likely” and “Very Likely”) account for 41.6%.
- The negative responses (“Unlikely” and “Very Unlikely”)

CONCLUSION

The literature and findings clearly indicate that the settlement of claims is the truth test for health insurance. In the case of Star Health in Coimbatore, it is imperative that the speed, transparency, and empathy in the settlement of claims must be enhanced to build trust and loyalty with customers. This would enable Star Health to overcome issues such as documentation and delay, and hence remain competitive in the Indian health insurance industry.

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Website

Star Health and Allied Insurance Company Limited. Official Website.

Available at: <https://www.starhealth.in>

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