

International Conference  
on  
BANKING SCHEMES TO PROMOTE BUSINESS

6<sup>th</sup> January 2015

PROCEEDINGS

EDITOR

DR. J. MAHIL . KAMALAM



Organized by

PG Department of Commerce  
Women's Christian College, Nagercoil

## **Author Index**

### **A**

Ajantha Thamayanthi Baylis.S  
Amal Jenita  
Angelin Femi  
Anisha Herlin  
Anisha.D  
Antony Selvam.S  
Anu Bama.B  
Archana.T.S  
Arice Mary.M  
Asmik .Rednaa.K

### **B**

Bala Subramania Raja.Dr

### **C**

Chithra James.Dr

### **D**

Deepha Jeya Merlin.D.Dr  
Divya.R.S

### **E**

Esakkiammal.S  
Esther.D.Dr  
Eugine Franco.C.Dr

### **F**

Farveen Fathima.P  
Fatima Poun Mary Shalini.S

### **G**

Gayathiri  
Gayathri.R.B  
Gnanlin Shiny.C.Dr

### **H**

Helena Hann.R  
Hema.R  
Hemsilin Nija.D.M.Dr  
Hepsibai.N  
Hepzibah Vinsyah Jeyaseeli.D  
Hermis.P.S

**I**

Indupriya.T

**J**

Jamuna.P

Jayanthi.N.Dr

Jeba Melvin.C.L.Dr

Jebasha Baby.J

Jenila.R

Jesintha.P

Jothimani.U

Joy Thanka.Y

**K**

Kalaiarasi.S

Kalyani.S.Vidya

Kamala Selvi.G.Dr

**L**

Lakshmanan.S.Dr

Listin P.T

**M**

Maheswari

Mahil.Kamalam.J.Dr

Mahimai Arul Ignatius.C.Dr

Mariammal.K.Dr

Mathavi.R.S

Miracle Muthu Mary.E

Monisha Barveen.M

Monisha.A

Monisha.V

Mugesh.T

**N**

Narayana Rajan.S.Dr

Nava Rethna Bala Kumari.S

Nithya.M

**P**

Padma Priya.C.S

PeterEmilJebakumar.S

Prabin.S

Prasanna Kumari.A

Prema.L

Priya.C  
Priyaangel.M  
Priyanga Gandhi.P  
Pushpalatha.S

## R

Rajeswari.A  
Rama Raginya.L  
Rameela.R.L  
Rathiha.R.Dr  
Rathiha.R.Dr  
Reem.H  
Rekha.L  
Renisha.N  
Renuha.T  
Ruby.N

## S

Sathya Kumar.C.Dr  
Seethalekshmi.N  
Shamnin Hinsha.S  
Sheeja.S  
Sheela.I.R  
Sheila Yesudas.Dr  
Sherin.T.P  
Shunmuga Thangam.P  
Shunmugavalli.M.Dr  
Sivakumar.I  
Sree Devi.D.Dr  
Subathra.C  
Subbulakshmi.S  
Subi  
Sudha.S.Dr  
Suganthi.R  
Suganyadevi.T  
Sujin.G  
Sunitha.C.K  
Surya.A  
Suseelan.C  
Sweetlin Subi.G.Dr

## T

Thanga Helina.S  
Thilakam.C.Dr  
Thilakam.C.Dr

Thilakam.C.Dr

Thilakam.C.Dr

Tiruptika.T

Tresa Josephine Rani.A.Dr

**U**

Uma.B.Dr

**V**

Valarmathi.R

Venu Kumar.B.S

Vichithra.N.C

Vinisha

# **HEALTH INSURANCE SCHEMES – A REAL BENEFICIARY TO THE INSURERS**

**C.K. SUNITHA, Asst Professor, Holy Cross College, Nagercoil**

## **INTRODUCTION**

As medicine has advanced, the cost of health care has risen, and health insurance has become more of a concern. In the early 20th century, researches began to understand more about infection and illness, and medical staffs were formally trained for the first time. Surgery was now conducted in sterile environments specially designed for the purpose rather than in private dwellings. As a result, mortality rates improved.

Different countries have different approaches to social health protection, but all have one thing in common a system called a risk pool. A risk pool allows a large group of people to share the risk that they may become ill and need expensive care. That means funds dedicated for health care are collected through pre-payment and managed in such a way as to ensure that the risk of having to pay for health care is borne by all the members of a pool and not by each contributor individually. At any given time, healthy people- who need only limited health care are subsidizing sick people, who must draw more heavily on the available health resources.

## **TYPES OF LIFE AND HEALTH INSURANCE POLICIES**

A life insurance policy that provides coverage for the whole of the insured's life is called whole life insurance. A policy that covers a set time period, such as five or ten years is called term life insurance or endowment insurance. Endowment insurance pays benefits if the insured dies during the policy term and also pays benefits if the insured survives the policy term. Payment provoked because physical or mental incapacity prevents the insured from being able to work is called disability income insurance. If the incapacity prohibits the insured's activities of daily living, it is called long-term care insurance.

## **REVIEW OF LITERATURE**

1. Pranav Prashad in his essay, Catalyst for Financial inclusion- Insurance in the Rural & social sector asserts that several production systems of the rural folk have associated risks which may lead to income and revenue loss; and these can be mitigated through insurance leading to stabilization of income and reduced poverty. (IRDA journal, April, 09).

2. Dr. Ranjan Das and C. Ravindra argue that there is excellent opportunity in insurance industry to employ access based positioning by targeting the rural insurance sector. The rural market for Life Insurance is differing from urban market in terms of needs, income levels and distribution, penetration of media and so on. So far, except for LIC, no other player has paid any attention of focus on the rural sector.
3. David Chandrasekharan opines that the corporate agency, especially where a bank is the corporate agent seems to hold much promise in rural areas. The full potential of this new distribution channel is yet to be fully tapped.
4. Ruth Vargas Hill and Maximo Torero observe that there is a need to develop insurance products that complement financial products currently used by the households in many parts of the developing world. When well developed, borrowing and saving can be an efficient way for household to manage risks they face. Without insurance, however these financial products are also at risk. It is hard to develop credit markets in contexts of high risk; asset stocks become depleted and ineffective in times of repeated shocks.
5. Fin and Wicher (1998) and Lurie et al. (1984, 1986) study Insurance impact using the cancellation of some insurance benefits for former U.S. veterans in Seattle and some poor households in Los Angeles. In both cases, health status of the insured was not strongly correlated with the choice by the Seattle V a Medical Center and the state of California. Respectively, to withdraw insurance coverage. The authors found that the cancellation of insurance for both groups of people was associated with reduced use of medical care and increases in blood pressure.

## **STATEMENT OF THE PROBLEM**

The cost of the medical treatment is very high and even the well-to-do people cannot bear it. There is lack of awareness regarding the various schemes offered by the insurance companies in Kanyakumari and hence it is studied below.

## **OBJECTIVES OF THE STUDY**

- To know the various schemes offered by the Insurance Corporation.
- To know the relationship between the income and premium amount of the sample respondents.

## **THE LIFE INSURANCE CORPORATION (LIC) OFFERS**

**The Asha Deep Plan:** It provides cover for cancer, paralytic stroke resulting in permanent disability, renal failure and coronary artery disease where by-pass surgery has been done. It caters to people between 18-65 years.

**Jeevan Asha:** The Jeevan Asha policy is the other healthcare product offered by LIC. It is an open-ended scheme covering many surgical procedures.

While LIC deals with insurance for life coverage only, the GIC deals with the other aspects of insurance, including health. Following are the main health policies offered by the Indian Insurance Companies. These policies are regulated by the General Insurance corporation and are marketed by the four big insurance companies, United India insurance co ltd, New India Assurance co Ltd, Oriented Insurance co ltd, and National insurance co ltd.,

## **THE INSURANCE POLICIES OFFERED BY GIC ARE**

**Mediclaim:** Insures against any hospitalisation expenses that may arise in future. This policy is designed to prevent the insured, from paying for any hospitalization expenses owing to illness or injury suffered by the insured, whether the hospitalization is domiciliary or otherwise.

1. **Jan Arogya Bima policy:** It insures hospitalisation or domiciliary hospitalisation expenses incurred on medical or surgical treatment for any illness or injury. Any person in the age group of three months to 70 years can be insured under this. The risk insured include sudden illness like heart attack, jaundice, pneumonia, appendicitis, paralytic attack, food poisoning or accidents that require hospitalisation. This insurance policy was designed for the lower income group of society and the common masses. The entire idea was to protect them from high costs of hospitalisation.
2. **Overseas Mediclaim policy:** Any person going abroad on holiday, business, study or employment can avail this policy. Coverage under the medical expenses section of this insurance is intended for use by the insured person in the event of a sudden and unexpected sickness or accident arising when the insured is outside the Republic of India.
3. **Personal Accident Policy:** The policy compensates an individual against death, loss of limbs, loss of eye sight, permanent total disablement, permanent partial disablement and temporary total disablement, solely and directly resulting from accidental injuries.



4. **Critical illness policy:** Critical illness policy is an exclusive benefit policy for individuals in the age group of 20-65 years covering coronary artery surgery, cancer, renal failure, stroke, multiple sclerosis and major organ transplants like kidney, lung, pancreas, or bone marrow.
5. **New India Assurance Bhavishya Arogya:** This caters to persons between 3 to 50 years. This policy is essentially to take care of medical expense of persons in their old age. The policy provides for expenses in respect of hospitalisation and domiciliary hospitalisation during the period commencing from the policy retirement age selected till survival. This is selected by the insured for the purpose of commencement of benefits in the policy.

## **Health insurance products from some private insurance companies**

**Bajaj Allianz Health Guard:** It provides cashless facility across various hospitals across India. Here in pre-existing illness and injuries are covered in the year of cover, if the insured renews his policy consecutively for 5 years.

**Royal Sundaram Health Shield Gold:** Covers individuals between 5 to 55 years from 91 Days to 75 years and also persons above the age of 55 years are covered as a part of family and not on individual basis. All in hospitalisation expenses are covered (period of stay in hospital should be more than 24 hours) pre hospitalisation expenses are covered for a period of 30 days & post hospitalisation for 60 days. Maternity treatment charges are covered up to the extent of Rs.20000. These include expenses incurred in hospital/nursing homes as in patient in India.

**Birla Sun Life:** Birla sun life insurance is combined together with the Aditya Birla group and sun life financial of Canada to enter the Indian insurance sector. The Aditya Birla group, a multinational conglomerate has over 75 business units in India and Overseas with operations in Canada, USA, UK, Thailand, Indonesia, Philippines, Malaysia and Egypt name a few.

**HDFC Standard Life:** HDFC Standard Life insurance co Ltd is a joint venture between HDFC Ltd India's largest housing finance institution and standard life assurance company, Europe's largest mutual life company.

**ICICI Prudential Life Insurance:** ICICI prudential life insurance is a joint venture between the ICICI group and prudential plu, of the UK, ICICI started off its operations in 1955 with

providing finance for industrial development, and then it has diversified into housing finance, consumer finance, mutual funds to being a virtual universal bank and its latest venture life insurance.

**Om Kotak Mahindra:** Established in 1985 as Kotak Capital Management Finance promoted by **Om Kotak** the company has come a long way since its entry into corporate finance. It has dabbled in leasing, auto finance, hire purchase, investment banking, consumer finance, broking etc.

## **Tata AIG General Insurance Company**

The Tata AIG Joint venture is a tip up between the established Tata group and American International Group Inc. The Tata group is one of the largest and most respected industrial houses in the country. While AIG is a leading US based insurance and financial services company with a presence in over 130 countries and jurisdictions around the world.

**Max India:** Max India limited is a multi-business corporation that has business interests in telecom services, bulk pharmaceuticals electronic components and specially products. It is also the service-oriented business of health care, life insurance and information technology.

**Bhavishya Arogya Policy:** This scheme has been designed so as to enable a person to provide himself for medical needs during an old age security under this policy the medical expenses to be incurred over the balance life span after a predetermined age of retirement will be reimbursement up to the amount of the sum insured with a limit of an amount per any illness or injury. The scheme is available to all Indian citizens provided his/her age at the time of taking policy is within the age group of 25 years to 55 years. The amount of maximum total benefit available under the basic policy is Rs. 50,000 during the life time of the insured commencing from the policy retirement age and does not exceed Rs. 20,000.

## **RESULTS AND DISCUSSION**

The relationship between the income and premium amount is analysed with the help of Chi-Square test.

Comparison between Income and Premium amount

Income	Below 10000	10000-20000	20000-30000	30000-40000	Above 40000	Total
Below 5000	3	15	5	-	-	23
5000-7000	3	5	3	1	-	12
7000-10000	2	1	4	1	1	9
Above 10000	1	1	2	1	1	6
Total	9	21	15	3	2	50

Calculated value	15.90
Table value	21.03
Level of satisfaction	0.5
Degree of freedom	12

The calculated value is (15.90) less than table value (21.03). Hence there is no relationship between Income and Premium amount of the sample respondent.

### **POLICY IMPLICATIONS**

- Customers are not satisfied with the services of the agent.
- If various source of income increase surely the people must take the health insurance policy.
- People do not have any idea with regard to some of the schemes and its usage. So proper awareness can be given to the public either through advertisement or any other media

### **CONCLUSION**

The researcher made a detailed study with regard to the various schemes offered by the insurance companies. There is no relationship between the income of the respondents and the premium amount paid by them.

### **REFERENCE**

1. Avid Chandrasekharan et. al. (2009) "Health insurance in the need of the hour".
2. Fin and Wicher (1998) "Multiple dimensions of private information; Evidence from the long term insurance market".
3. Pranav Prashad, "catalyst for financial inclusion", IRDA journal, April 09.

4. Ranjan Das and Ravindra C in kisan world, (2008), "In Insurance in Rural India, Vol. 34.
5. Ruth vargas Hill and Maximo Torero in kisan world (2006), "In insurance in Rural India" Vol. 32.