Role of COVID-19 on Health Insurance Sector in Andhra Pradesh (With reference to Guntur district)

Dr. M. SRINIVASA NARAYANA

Professor CDOE department, KL University, KLEF, Vijayawada mail: msn@kluniversity.in

Abstract

Corona virus has affected almost every industry and sector worldwide, including the security sector. India is among the nations most severely impacted. Businesses in numerous fields have been forced to make significant changes as a result of the corona epidemic, and the health insurance market is no exception. Due to the prolonged closure after COVID-19, insurance companies now primarily rely on their digital infrastructure. which includes everything from proposing new methods to the customer to resolving claims. Many insurance companies are now developing individualised strategies to address the issue of coverage gaps. The purpose of this article is to investigate the effects of the Corona virus on the health insurance market.

Key Words: Pandemic, lockdown, digital, customized, corona virus, COVID-19, Insurance industry

INTRODUCTION

COVID-19 has had a tremendous effect, since more and more individuals have begun making health insurance investments. According to data collected over the previous several weeks, health insurance related questions have increased by over 50%, and so has the amount of time spent on the phone answering such questions. The COVID-19 pandemic has the greatest potential to raise the uptake rate of health insurance in a relatively uninsured market. Many insurance firms now provide individually tailored policies to their clients. Insurance companies are only one of several businesses that have had to adapt their methods of operation in response to the epidemic. Insurance companies are now heavily reliant on their digital infrastructure for everything from marketing new regulations to resolving claims as a result of the prolonged lockdown that followed covid-19. Due to its many restrictions and limitations, many consumers believe that purchasing COVID-19 specialised insurance coverage is not financially advantageous when compared to standard medical insurance plans. While universal health care

insurance offers a variety of benefits to combat this epidemic. Plans tailored to COVID-19 cannot be relied upon for comprehensive protection. People may seem to have their financial houses in order, but they may be genuinely concerned about the threat to their own and their families' physical health. Because of this, more people than ever before recognise the significance of health, wellness, and lifestyles reporting.

OBJECTIVES

➢ To comprehend the many COVID-19 health insurance coverage options.

➢ To investigate consumer knowledge of COVID-19 insurance plans.

➢ To Examine the ways in which insurance mitigates financial risk in the context of COVID-19.

LITERATURE REVIEW

Qian, X. (2021) analysed the worldwide COVID-19 epidemic, which led to a study of how the pandemic affected people's need for insurance. One essential means of transmitting risk is insurance. This research examines how the pandemic has impacted issuance demand in 241 Chinese areas with confirmed cases of COVID-19 using data from insurance company revenue.

Babuna, P., Gyilbag, A., & Ngmenbelle, D. (2020) has investigated how COVID-19 is affecting the insurance sector. This study looks at how COVID-19 would affect Ghana's insurance market from March 2020 to June 2020. The sector provides stability and safety to individuals, groups, establishments, and businesses. The COVID-19 pandemic has dealt an unexpected and very severe jolt to the insurance business. The monetary impact is substantial, with earnings falling by 16.6% from March to June of 2020.

Gupta, S., Tyagi, R., Sharma, A., & Singh, H. (2021) the government and private health services have rethought their COVID19 support lines in light of the current crisis, which has been brought to a head. The importance of insurance in investors' long-term financial planning is crucial. Primary data were gathered by means of a questionnaire and in-person interviews for this investigation. A sample of 150 people were interviewed for the research. Based on the findings of this research, insurance has no significant role in budgeting.

Ramasamy, K. (2020) has observed that COVID-19 affects a number of global economies and industries. The insurance sector in India consists of 57 insurance companies, of which 24 provide life insurance and the other 33 offer non-life insurance. The Banking, Financial Services, and Insurance industry is referred to as BFSI. Industries and educational facilities have been shut down as a result of the COVID-19 shutdown. Despite the spread of the deadly COVID-19 virus, insurance firms are reaping financial benefits and expanding their client bases.

Gururaja, B. L., & Srinivas, S. (2020) They found that the global death toll from the Covid-19 epidemic was disproportionately high. When it comes to coronavirus, India is a major target. The study's overarching goal is to get a better understanding of the insurance industry in India and its impact on the country's gross domestic product.

More, A. (2021) The research showed that COVID-19 has global implications for a wide range of sectors and economies. India, which is ranked third globally, is among the hardest hit countries. The goal of IRDAI is to oversee and manage the insurance sector as a whole in India. Life insurance businesses safeguard the lives of its clients. Insurance companies that do not cover deaths provide protection for things like vacations, medical care, and vehicles.

Goel (2014), had suggested that medical insurance providers provide specifics of their plans. The health insurance purchasing habits of people in Rohtak, Haryana (one of the wealthiest regions in north India), have been investigated.

Sonal Kala and Dr. Premila Jain (2015), The secular population of the Rajasthan Area (India) was the primary research population in this study about health insurance knowledge. The research also offers suggestions on how health insurance providers might work around their weaknesses and make the most of market possibilities.

Satakshi Chatterjee, Dr. Arunangshu Giri, Dr. S.N. Bandyopadhyay (2018), Describes the state of India's healthcare insurance market, examines the insurance models of other nations, and identifies the key difficulties facing India's healthcare insurance business.

M. Vinoth (2019), health insurance plans of chosen Indian businesses are the focus of this research, which will also examine the claims, settlements, and premiums of these businesses to determine their relative strengths and weaknesses.

Sushil Kumar, Dr. Harpreet Singh (2019), The current research aims to analyse the expansion of the healthcare insurance sector. For this research, we chose to look at four different health insurance providers over the course of five years, from 2013–2014 to 2017–2018.

RESEARCH METHODOLOGY:

Primary data acquired via questionnaires and in-person interviews is used in this research. The study's main source of data was 120 insured consumers in the Guntur District. Secondary data is collected from a broad spectrum of periodicals and papers authored by a broad spectrum of writers. A five-point Likert scale was used to generate a questionnaire containing four statements. The four assertions are: who persuaded you to get insurance during COVID-19; difficulties encountered during COVID-19 claim settlement; difficulties encountered while purchasing COVID-19 policy; and satisfaction rating with purchasing COVID-19 insurance.

DATA ANALYSIS AND INTERPRETATION:

The frequency distribution approach was used for data analysis, and the results are as follows:

Respondents' Profiles:

- The majority of the 120 respondents, 60 respondents were female. The majority of respondents were recent graduates. Out of 120 responders, students made up the majority (47), followed by workers in the private sector (13). And they earn between 15,000 and 25,000.

- The majority of respondents, at 55 respondents (46%) and 65 respondents (54%), do not have a separate covid-19 insurance coverage. 66 respondents, or the majority, have a public insurance firm.

- The bulk of the 120 respondents, or 42 (35%), had a LIC Arogya Raksha policy from Life Insurance Corporation (LIC).

- 85 responders (71%) are aware of the various insurance plans for COVID-19. 35 responders pay RS 1000–1500 each month as their monthly payment.

- 70 respondents failed to claim the COVID-19 policy, which prevented them from receiving the full claim settlement. 50 respondents (42%) agreeing that insurance helps

people manage financial risk in CVID-19.

Decision-making steps for the challenges you encountered with covid-19 claim settlement:

THE PROBLEMS FACED BY WHILECLAIM SETTLEMENT OFCOVID-19	VERY DISSATISFIED		DISSATISFIED		UNSURE		SATISFIED		VERY SATISFIED		Total	
	No. Of Resp.	% Of Resp.	No. Of Resp.	% Of Resp.	No. Of Resp.	% Of Resp.	No. Of Resp.	% Of Resp	No. Of Resp	% Of Resp	No. Of Resp.	% Of Resp.
FINDING TECHNOLOGY DIFFICULTY	24	21%	16	13%	10	6%	30	26%	40	34%	120	100%
FRAUD	17	15%	40	35%	22	19%	31	26%	10	5%	120	100%
DELAYED IN CLAIM SETTLEMENT	8	6%	21	18%	22	18%	29	24%	40	34%	120	100%
WANT UNNECESSARY DOCUMENT	28	23%	35	29%	12	10%	28	24%	17	14%	120	100%

Table: 1

Most responders (40/100) are pleased with the solution to the issue of technical difficulties and delay in claim settlement experienced in covid-19. Only 24% are OK with the situation regarding the need for unneeded documentation. Forty people who responded were unhappy with the fraud issue.

Levels of satisfaction with the decision to purchase insurance at each stage of covid-19:

RATE OF	STRONGLY	DISSATISFIED	SATISFIED	STRONGLY	TOTAL

SATISFACTION TO TAKE INSURANCE POLICY DURING COVID-19	DISSATISFIED						SATISFIED			
	No. Of Resp.	% Of Resp	No. Of Resp.	% Of Resp	No. Of Resp.	% Of Resp	No. Of Resp.	% Of Resp	% Of Resp	% Of Resp
PROVIDING HOSPITALIZATION EXPENSES	22	18%	20	17%	45	38%	33	28%	120	100%
PROVIDING HOME CARE TREATMENT	13	11%	26	22%	58	48%	23	19%	120	100%
PROVIDING E-CONSULTATION	19	16%	17	14%	44	36%	40	33%	120	100%
PROVIDING FREE HEALTH CHECK-UP	18	15%	25	21%	55	46%	22	18%	120	100%
FINANCIAL SAFETY	17	14%	24	20%	53	44%	26	22%	120	100%

Table: 2

While 45 people (38%) are pleased with the coverage of in-patient care costs during covid-19, 11 people (12%) are very unhappy with this coverage. Fifty-five people said they appreciated getting a free health checkup. Twenty percent of those who were asked about their feelings on the topic felt financially secure.

The decision to get insurance during covid-19 is influenced by the following factors:

WHO INFLUENC	NOT AT ALL	SLIGHTLY INFLUENTI	SOMEWHA T	VERY INFLUENTI	EXTREML Y	TOTAL

ED YOU TO GET AN INSURANCE POLICY DURING COVID-19	INFLUENTIAL	AL		INFLUENTIAL	AL			INFLUENTIAL	AL		
	No. Of Resp	% Of Resp	No. Of Resp	% Of Resp	No. Of Resp	% Of Resp	No. Of Resp	% Of Resp	No. Of Resp	% Of Resp	No. Of Resp	% Of Resp
THE MEDIA	27	22.5%	15	12.5%	17	14.16%	22	18.33%	39	32.5%	120	100%
INSURANCE AGENT	11	9.16%	20	16.66%	30	25%	12	10%	47	39.16%	120	100%
FEDERAL GOVERNMENT	40	33.33%	15	12.5%	28	23.33%	19	15.83%	18	15%	120	100%
FRIENDS	21	17.5%	35	29.16%	19	15.83%	27	22.5%	18	15%	120	100%
FAMILY	33	27.5%	29	24.16%	18	15%	16	13.33%	24	20%	120	100%
COLLEAGUES	29	24.16%	28	23.33%	17	14.16%	23	19.16%	23	19.16%	120	100%
OTHERS	42	35%	28	23.33%	14	11.66%	15	12.5%	21	17.5%	120	100%

Table: 3

The insurance agent has a significant impact on the lives of the majority of respondents (49, or 39%). Twenty-seven people say they are not swayed by the media. Only 18.33% of people say they are not influenced by federal government at all. Just under a third (29%) of respondents say they're somewhat influenced by their pals. 15% and 20% responses are slightly affected by family and greatly impacted by others.

Decision-making steps involved in the purchase of a covid-19 policy or any other kind of insurance

PROBLEM FACED FOR TAKING COVID -19 POLICY OR OTHER POLICY IN DURATION OF COVID	STRONGLY DISSATISFIED		DISSATISFIED		STRONGLY SATISFIED		SATISFIED		Total	
	No. Of Resp	% OfResp	No. OfResp	% Of Resp	No. Of Resp	% Of Resp	No. Of Resp	% Of Resp	No. Of Resp	% Of Resp
LOTS OF DOCUMENTATIONS	37	31%	25	21%	25	21%	33	27%	120	100 %
NETWORK ERROR	20	17%	19	15%	43	36%	38	32%	120	100 %
SERVER PROBLEM	33	27.5%	29	24%	25	21%	33	27.5 %	120	100 %
MANY MEDICAL TESTS	24	20%	38	31.66 %	25	20.83 %	33	27.5 %	120	100 %
OTHERS	26	22%	30	25%	19	16%	45	37%	120	100 %

Table: 4

Forty-three percent (43%) of respondents say they are completely pleased with the issue of network error.The other issue is satisfactory to 45 respondents.Among all respondents, 31% were very unhappy with the issue of having too many papers.A quarter of people are unhappy about the server issue.

THE RESEARCH FINDINGS:

- The research demonstrates the need of insurance coverage during covid-19, The financial protections and assistance with medical costs that consumers may get from insurance policies.

- The Arogya Rakshak coverage from Life Insurance Corporation (LIC) is widely held.

- For the purpose of analysing individual investors' financial plans and the part that insurance plays in such plans.

- The 57 insurance companies that make up India's insurance sector are divided into 24

companies that provide life insurance and 33 companies that offer non-life insurance.

- The study's overall findings suggest that most consumers are grateful for the protection against financial loss that their insurance policies provide during covid-19.

CONCLUSION:

Insurance companies were caught off guard by the spread of COVID-19.Liquidity, at-risk portfolio, reinsurance dependence, free assets, and reinsurer protection all had a role in how severely insurance firms were hit. People will become more health conscious as a result of the COVID-19 pandemic's 2020 outbreak and spread, which will increase demand for insurance, particularly health-related insurance. The only part of the BFSI that benefits from COVID-19 is the insurance industry. Insurance firms have seen an uptick in revenue and clientele during the current COVID-19 crisis. Gaining more knowledge about the Indian insurance industry and the variables influencing it is the main goal of this research. Gross Domestic Product. Insurance's place in financial planning for individual investors and other topics will be discussed. Overall, the data from covid-19 indicates that consumers are pleased with the help they get from their insurance while facing financial risk.

REFERENCE:

1. Gupta, S., Tyagi, R., Sharma, A., & Singh, H. (2019). HUMAN WEALTHSURANCE: ANALYTICAL STUDY ON FINANCIAL PLANNING OF COMMUNITY INVESTORS DURING COVID-19, 12(1), 1453–1473. https://doi.org/10.34218/IJM.12.1.2021.128

2. Qian, X. (2018). The impact of COVID-19 pandemic on insurance demand: the case of China. The European Journal of Health Economics , 1017–1024.

3. Babura, P., Gyi bag, A., & Nameable , D. (2016). The Impact of COVID-19 on the Insurance Industry, 2–15.

4. Gururaja, B. L., & Srinivas, S. (2015) IMPACT OF COVID-19 ON INSURANCE SECTOR IN INDIA,32(3), 1–6.

5. More, A. (2014). COVID-19 – Impact on Banking and Insurance Sector. European Journal ofMolecular & Clinical Medicine, 08(03), 2355–2362.

6. Nawkharar, P. V., & Kale, V. A. (2012). Impact of COVID-19 on Health Insurance

Sector. InternationalJournal of Scientific Research in Engineering and Management (IJSREM), 04(09), 2–5.

7. Ramasamy, K. (2013). Impact Analysis in Banking, Insurance and Financial services industry due toCOVID-19 Pandemic. Ramana Research Journal, 10(8), 19–29.

8. Chauhan, V. (2019), "Medical underwriting and rating modalities in health insurance", The Journal of Insurance Institute of India, Vol. VI, pp. 14-18.

9. Gupta, D. and Gupta, M.B. (2017), "Health insurance in India-Opportunities and challenges", International Journal of Latest Technology in Engineering, Management and Applied Science, Vol. 6,pp. 36-43.

10. Gambhir, R.S., Mali, R., Khosla, S., Singh, R., Bhardwaj, A. and Kumar, M. (2019), "Out-patient coverage: Private sector insurance in India", Journal of Family Medicine and Primary Care, Vol. 8 No.3, pp. 788-792.