A Study on the Claim Settlement Experience of Citizens of Surat City with Special Reference to Health Insurance Companies

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Abstract:

Health insurance plays a crucial role in reducing the financial burden of medical costs and ensuring access to healthcare in India. The evolution of the country's health insurance system has transitioned from informal support to formal public and private insurance frameworks. As coverage widens, the efficiency of claim settlements emerges as a pivotal factor influencing policyholder satisfaction and trust. This study focuses on the claim settlement experiences of individuals in Surat City and assesses specific health insurance companies. Key areas of investigation include policyholder awareness, the ease of claim processes, settlement durations, transparency, and overall satisfaction regarding the claims experience. Both public and private insurers are evaluated, highlighting significant challenges faced by insured individuals and identifying opportunities for improvement. The findings of this research intend to offer valuable recommendations for insurers, policymakers, and consumers, aimed at enhancing the efficiency of claim settlements and strengthening India's health insurance system.

Introduction:

Health insurance plays a crucial role in India's healthcare system, especially given the rising medical costs and health risks. Traditionally, healthcare costs were mainly covered by out-of-pocket expenses, with minimal financial protection. Initiatives from the government, including social health insurance and the emergence of private insurers, have significantly broadened health insurance access across various demographics. The true efficacy of health insurance, however, is most visible during claim settlements, which greatly affect policyholder satisfaction. Problems such as delays, rejections, and complicated processes can lead to dissatisfaction and distrust among insured individuals. In urban areas like Surat City, where health insurance awareness is high, understanding how residents experience claim settlement is vital. This study examines the claim settlement experiences of health insurance holders in Surat City, focusing on specific insurance companies. It aims to assess the effectiveness of claim procedures, identify common challenges faced by policyholders, and evaluate their satisfaction, ultimately providing insights for enhancing claim settlement practices in the health insurance industry.

Meaning and Definition of Health Insurance

Health insurance is the financial security system that guarantees policyholders' coverage for medical and surgical expenses. It may operate on the basis of risk pooling, in which individuals contribute their money to the pool in exchange for the insurer covering some, if not all, of their medical expenses in accordance with the policy's terms. Health insurance on

its own allows an individual to lower the financial risks associated with medical procedures, hospital stays, diagnostic tests, surgeries, and even preventive care.

As defined by the World Health Organization, health insurance is a "Mechanism for people to protect themselves from catastrophic health expenditures by paying premiums and receiving coverage in the event of illness." It serves as a means of access to health care without being burdened financially, particularly at this time when medical care is becoming very expensive.

Statement of Problem

Health insurance is vital for reducing the financial strain of medical expenses, protecting against debt and bankruptcy. In the UK and Germany, governments support health insurance through public systems, while the US provides it to select groups, prompting some reliance on private insurance. Developed countries promote awareness and access via policy and education, but India struggles with low health insurance awareness and coverage, leading to high out-of-pocket expenses and reliance on personal savings and loans, compounded by distrust of insurers. The people of a developed country believe that the claim settlement procedure is not so easy and speedy, so the research wants to analyse the perception about the claim settlement procedure.

Review of Literature

Sunil Kadyan et al. (2025) have conducted a study on ”“Impact of claim settlement procedure of health insurance companies on customer satisfaction during the pandemic: A case of third-party administrators”. The purpose of this study is to assess how policyholders perceive various hypothesized factors related to the third-party administrator's claim settlement process. The data used in the study came from policyholders in Delhi/NCR, India, who had made cashless claims within the previous three years. A total of 790 questionnaires were collected during the process. The KMO test, reliability evaluation using Cronbach's Alpha, and correlation evaluation were all part of the extractive factor analysis methodology. The study aimed to assess all elements that influence the third-party administrator's actions throughout the claim settlement process. From an Indian perspective, the study found a significant correlation between insurance company perceptions (0.162), network hospital perceptions (0.182), product design (0.180), insurance agent (0.332), communication (0.114), disclosure (0.122), internal practices (0.143), and TPA claim settlement prospects. Effective public policy management regarding the settlement of health insurance claims must keep an eye on and take into account the contextual influences on individual and group decision-making. The results of the study may aid insurers in developing business strategies that improve customer satisfaction and congruence among agents, policyholders, TPAs, and health insurance providers.

(Unnikrishnan et al., 2021) In their research paper entitled "Health insurance schemes: A cross-sectional study on levels of awareness by patients attending a tertiary care hospital of coastal south India" studied the awareness, participation, Cause for Nonparticipation of Health Insurance among patients visiting public/private hospitals in Mangalore. This was done using the structured questionnaire. This data shows that majority of them know term Health Insurance and also, they have buyed the health insurance policy Hospitalization due to expenditure was faced by highest proportion of households, and the main reason for not enrolling in HI schemes was unawareness. Health Insurance was something of which everyone had heard but only very few were covered under it.

(Thakur, 2016) Undertook a study on "Study of Awareness, Enrollment, and Utilization of Rashtriya Swasthya Bima Yojana (National Health Insurance Scheme) in Maharashtra, India". To analyse the existing scenario of Rashtriya Swasthya Bima Yojana (RSBY) in Maharashtra, with respect to its awareness generation and enrolment utilisation. SPEC (Social, Political, Economic and Cultural) factors influencing awareness of the scheme. Quantitative data was collected using the systematic multistage sampling in rural and urban areas. Qualitative data was collected using Stakeholder Analysis, Focused Group Discussions and In-Depth Interviews. In this study it has been found that there is Limited success of RSBY in Maharashtra. The study suggests that RSBY like initiative may carry on in Maharashtra with tailored focus and execution strategies.

Objective of the Study

To Analyse the difference in the opinion of gender on their claim settlement experience. To Analyse the difference in the opinion of respondents having different income levels on their claim settlement experience.

Hypothesis

- H01: There is no significant difference in opinion of gender on their claim settlement experience.
- H02: There is no significant difference in opinion of gender on their claim settlement experience.

Research Methodology

The study is descriptive in nature and mainly based on the primary data. Primary data has been collected through the self-constructed questionnaire. 108 responses collected through a convenient sampling method. Google Form. Mann-Whitney Test and Kruskal-Wallis Test were conducted to analyze the data.

Data Analysis and Interpretation (Results/Discussion)

Mann-Whitney Test

- H0: There is no difference in the opinion of the gender on the claim settlement experience inregards to the health insurance company
- H1: There is no difference in the opinion of the gender on the claim settlement experience in regards to the health insurance company

Table 1 Ranks

Claim Settlement Experience	Gender of Respondents	N	Mean Rank	Sum of Ranks
Response from agent at the time of claiming	Male	79	56.06	4428.50
	Female	29	50.26	1457.50
	Total	108		
Full amount sanctioned	Male	79	54.36	4294.50
	Female	29	54.88	1591.50
	Total	108		
Formalities while claiming	Male	79	56.63	4474.00
	Female	29	48.69	1412.00
	Total	108		
Claim settlement process	Male	79	56.64	4474.50
	Female	29	48.67	1411.50
	Total	108		
Sympathy and assurance given by company during the customer in trouble	Male	79	56.34	4451.00
	Female	29	49.48	1435.00
	Total	108		

The above table shows the details of Gender-wise rank analysis of claim settlement experience, which reveals that male respondents generally report higher satisfaction levels than female respondents regarding agent response, claim formalities, overall settlement process, and support from insurance companies. Males consistently exhibited higher mean ranks, suggesting a more positive experience, except in the case of the full amount sanctioned, where perceptions

were nearly identical between genders. Overall, there are significant gender-based differences, with males expressing greater satisfaction in their experiences.

Table 2 Test Statistics

Claim Settlement Experience	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
Response from agent at the time of claiming	1022.500	1457.500	-.984	.325
Full amount sanctioned	1134.500	4294.500	-.083	.934
Formalities while claiming	977.000	1412.000	-1.291	.197
Claim settlement process	976.500	1411.500	-1.286	.199
Sympathy and assurance given by company during the customer in trouble	1000.000	1435.000	-1.095	.273
a. Grouping Variable: Gender of Resondents				

The above table shows Asymp. Sig. (2-tailed) values for every variable are greater than 0.05, the Mann–Whitney U test results show that there is no statistically significant difference between male and female respondents with regard to any aspect of the claim settlement experience. In particular, the agent's response at the time of the claim (p = 0.325), the full amount sanctioned (p = 0.934), the formalities involved in the claim (p = 0.197), the claim settlement procedure (p = 0.199), and the company's empathy and assurance during difficult times (p = 0.273) all fall short of statistical significance. Therefore, it can be said that policyholders' experiences with claim settlement at the chosen health insurance companies are not significantly impacted by gender.

Kruskal-Wallis Test

- H0: There is no difference in the opinion of the various income level respondents on the claim settlement experience regarding the health insurance company.
- H1: There is no difference in the opinion of the various income level respondents on the claim settlement experience regarding the health insurance company.

Table 3 Ranks

Claim Settlement Experience	Yearly Family Income	N	Mean Rank
Response from agent at the time of claiming	Below Rs 2,50,000	32	52.91
	Rs. 2,50,000 to Rs. 5,00,000	33	56.02

	Rs. 5,00,000 to Rs. 10,00,000	27	60.83
	Above Rs.10,00,000	16	43.88
	Total	108	
Full amount sanctioned	Below Rs 2,50,000	32	51.52
	Rs. 2,50,000 to Rs. 5,00,000	33	55.86
	Rs. 5,00,000 to Rs. 10,00,000	27	52.04
	Above Rs.10,00,000	16	61.81
	Total	108	
Formalities while claiming	Below Rs 2,50,000	32	51.81
	Rs. 2,50,000 to Rs. 5,00,000	33	53.86
	Rs. 5,00,000 to Rs. 10,00,000	27	62.17
	Above Rs.10,00,000	16	48.25
	Total	108	
Claim settlement process	Below Rs 2,50,000	32	50.00
	Rs. 2,50,000 to Rs. 5,00,000	33	57.17
	Rs. 5,00,000 to Rs. 10,00,000	27	53.91
	Above Rs.10,00,000	16	59.00
	Total	108	
Sympathy and assurance given by company during the customer in trouble	Below Rs 2,50,000	32	50.80
	Rs. 2,50,000 to Rs. 5,00,000	33	58.26
	Rs. 5,00,000 to Rs. 10,00,000	27	55.24
	Above Rs.10,00,000	16	52.91
	Total	108	

The above table displays the analysis of claim settlement experience based on income reveals distinct variances among different yearly family income groups. Respondents earning between ₹5,00,000 and ₹10,00,000 reported the highest satisfaction, particularly regarding agent responsiveness and claim formalities. Those in the ₹2,50,000 to ₹5,00,000 bracket had favorable perceptions concerning the claims process and the sympathy shown by insurance providers. Conversely, individuals with incomes exceeding ₹10,00,000 expressed satisfaction mainly regarding the total amount sanctioned, but demonstrated lower satisfaction in other aspects. These findings indicate that perceptions of service quality and claim support are influenced by family income levels, highlighting the importance of economic factors in the claim settlement experience.

Table 4 Test Statistics

Claim Settlement Experience	Chi-Square	df	Asymp. Sig.
Response from agent at the time of claiming	4.133	3	.247
Full amount sanctioned	1.641	3	.650
Formalities while claiming	3.060	3	.382
Claim settlement process	1.493	3	.684
Sympathy and assurance given by company during the customer in trouble	1.154	3	.764
a. Kruskal Wallis Test			
b. Grouping Variable: Yearly Family Income			

The above table shows the results of the Kruskal–Wallis test which indicate that there is no statistically significant difference in the claim settlement experience among respondents belonging to different yearly family income groups, as all the Asymp. Sig. values are greater than 0.05. Specifically, response from the agent at the time of claiming ($p = 0.247$), full amount sanctioned ($p = 0.650$), formalities while claiming ($p = 0.382$), claim settlement process ($p = 0.684$), and sympathy and assurance provided by the company during times of trouble ($p = 0.764$) do not show significant variation across income levels. Hence, it can be concluded that yearly family income does not have a significant influence on the claim settlement experience of policyholders with respect to the selected health insurance companies.

Conclusion

Demographic characteristics like gender and annual family income do not statistically affect policyholders' claim settlement experiences, according to analyses from the Mann–Whitney U test and the Kruskal–Wallis test. All significance values exceeded the 0.05

threshold in all aspects of claim settlement, including agent response, claim formalities, settlement process, amount sanctioned, and support from insurance firms, despite minor differences in mean ranks between gender and income groups. As a result, the null hypotheses are maintained, indicating that Surat City's health insurance policyholders' claim settlement experiences are generally consistent across a range of gender and income demographics.

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