

Evaluating the Performance of Public and Private Health Insurance Providers in Haryana

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Abstract: Health insurance plays a crucial role in providing financial security during medical emergencies. This study compares private and public health insurance companies in Haryana by analyzing their efficiency, accessibility, claim settlement, customer satisfaction, and affordability. Using a sample of 300 respondents, both primary and secondary data have been utilized to provide an in-depth evaluation. The findings aim to offer insights into the strengths and weaknesses of both sectors, leading to practical suggestions for policy improvements.

Key words: Health Insurance, Public Sector, Private Sector, Claim Settlement, Haryana, Financial Security.

1. INTRODUCTION

Health insurance is a critical component of the healthcare system, providing financial protection against medical expenses. In India, health insurance is broadly categorized into public and private sector companies. Public insurance providers, such as the Employees' State Insurance Corporation (ESIC) and Rashtriya Swasthya Bima Yojana (RSBY), focus on affordable healthcare for economically weaker sections. In contrast, private insurers offer a range of policies with varying coverage, premiums, and benefits.

Haryana, being a progressive state, has witnessed significant growth in the health insurance sector. However, challenges persist in terms of claim settlement processes, customer satisfaction, and affordability. This study aims to compare public and private health insurers, evaluating their efficiency based on primary and secondary data.

Health insurance is an essential component of financial security, providing protection against unexpected medical expenses. With the rising cost of healthcare services, health insurance has become a necessity rather than a luxury. In India, the health insurance sector comprises both public and private players, each catering to different segments of society based on affordability, accessibility, and service efficiency.

Public insurance companies, such as Life Insurance Corporation (LIC) and New India Assurance, are government-backed institutions that offer standardized plans at relatively lower premiums. They aim to provide health coverage to a broader segment of the population, including lower-income groups and rural

communities. However, these public insurers often face challenges such as lengthy claim settlement processes, bureaucratic red tape, and limited customization of policies.

On the other hand, private insurance companies, such as ICICI Lombard, HDFC Ergo, and Max Bupa, operate in a competitive market environment, leading to innovation in policy structures, customer service, and claim processing efficiency. Private insurers provide a range of health insurance policies that cater to various customer needs, offering benefits such as cashless hospitalization, quick claim settlements, and additional riders. However, these benefits come at a cost, with higher premiums and sometimes stringent claim approval conditions.

The state of Haryana has witnessed a growing demand for health insurance due to increasing healthcare awareness and rising medical costs. Both public and private insurers play a crucial role in meeting this demand. The study aims to explore and compare the performance of these insurance providers in Haryana, analyzing factors such as claim settlement ratios, premium affordability, customer satisfaction, policy benefits, and regulatory compliance. Understanding these differences will help stakeholders make informed decisions about choosing suitable health insurance plans based on their needs.

Additionally, the study examines the regulatory framework governing the health insurance industry in India, highlighting the role of the Insurance Regulatory and Development Authority of India (IRDAI) in ensuring transparency, consumer protection, and market stability. By providing a comparative analysis, this research seeks to identify the strengths and weaknesses of both sectors, offering insights that can contribute to policy improvements and enhanced customer experience in the health insurance domain.

2. REVIEW OF LITERATURE

The review of literature provides a comprehensive understanding of previous research conducted on health insurance in India. Several studies have focused on the comparative analysis of public and private health insurance providers, claim settlement processes, premium rates, and customer satisfaction levels. Below is a detailed table summarizing key studies:

Author & Year	Title of Study	Key Findings
Gupta & Sharma (2008)	Comparative Study on Public and Private Health Insurance in India	Public insurers provide wider coverage, but claim processing is slower compared to private insurers.
Rao et al. (2009)	Impact of Health Insurance in India	Insurance penetration is low, but awareness is increasing.
Singh & Verma (2010)	Role of Private Insurers	Private insurers provide better customer service but higher premiums.
Mehta (2011)	Effectiveness of Claim Settlements	Public insurers have higher rejection rates than private insurers.
Patel & Kumar (2012)	Comparative Analysis of Health Schemes	Government schemes cover the rural poor effectively.
Sharma (2012)	Consumer Satisfaction in Health Insurance	Private insurers score higher in customer satisfaction.
Bansal (2013)	Trends in Health Insurance	Growth in private insurance due to rising incomes.
Joshi (2013)	Regulation and Health Insurance	Need for stricter policies to ensure transparency.
Rajan & Bose (2014)	Financial Sustainability of Insurance	Public insurers struggle with financial viability.

Kapoor (2014)	Claims Processing in Insurance	Private firm's process claims more efficiently.
Nair (2014)	Challenges in Public Insurance	Public schemes are underfunded and mismanaged.
Das & Sen (2014)	Future of Health Insurance in India	The sector needs regulatory improvement and innovations.

The literature suggests that while public insurers ensure affordability and broader accessibility, private insurers excel in efficiency and customer service. However, challenges such as claim rejections, premium affordability, and rural penetration remain crucial areas of concern.

3. OBJECTIVES OF THE STUDY

1. To analyze the accessibility and affordability of private and public health insurance in Haryana.
2. To compare claim settlement efficiency between public and private health insurers.
3. To assess customer satisfaction levels for both sectors.
4. To evaluate the challenges faced by policyholders in public and private health insurance.
5. To provide policy recommendations based on findings.

4. RESEARCH METHODOLOGY

4.1 Data Collection

- Primary Data: Collected through surveys and interviews from a sample size of 300 policyholders in Haryana.
- Secondary Data: Collected from reports, insurance company records, government policies, and scholarly articles.

4.2 Sampling Technique

- Stratified random sampling method was used.
- 150 respondents from public insurance and 150 from private insurance.

4.3 Data Analysis Techniques

- ✓ Descriptive statistics
- ✓ Comparative analysis through tables and graphs
- ✓ Hypothesis testing using t-tests and chi-square tests

5. ANALYSIS AND INTERPRETATION

The analysis is conducted based on the objectives outlined earlier, using primary and secondary data.

Table 1: Claim Settlement Ratio Comparison

Company Type	Average Claim Settlement Time (Days)	Claim Settlement Ratio (%)
Public	30-45	85%
Private	10-20	92%

Interpretation: Private insurance companies have a faster claim settlement process and a slightly higher claim settlement ratio compared to public insurers.

Table 2: Customer Satisfaction Levels

Criteria	Public Insurance (%)	Private Insurance (%)
Customer Service Satisfaction	65	80
Ease of Policy Issuance	70	85
Claim Process Transparency	60	78

Interpretation: Private insurers offer better customer service and policy issuance experience, whereas public insurers have lower transparency in the claim process.

Table 3: Premium Affordability

Income Group	Public Insurance Monthly Premium (INR)	Private Insurance Monthly Premium (INR)
Low	300	1200
Middle	700	2500
High	1500	5000+

Interpretation: Public insurance is significantly more affordable, making it a preferable option for low and middle-income groups.

Table 4: Policyholder Distribution by Location

Location	Public Insurance (%)	Private Insurance (%)
Rural	75	25
Urban	40	60

Interpretation: Public insurance dominates in rural areas, while private insurance is preferred in urban areas.

Table 6: Impact on Healthcare Accessibility

Factor	Public Insurance	Private Insurance
Access to Premium Hospitals	Limited	High
Ease of Reimbursement	Moderate	High
Coverage of Pre-Existing Conditions	High	Moderate

Interpretation: Public insurance ensures financial security for lower-income groups, while private insurance provides premium healthcare access.

6. FINDINGS AND SUGGESTIONS

6.1 Findings:

1. Public insurance is more affordable but lacks efficient claim settlement.
2. Private insurance has better customer service but is costlier.
3. Policyholders in rural areas prefer public insurance, whereas urban populations opt for private insurance.
4. Bureaucratic inefficiencies in public insurance lead to delays.
5. Awareness programs are lacking in both sectors.
6. Healthcare accessibility is better with private insurance, but public insurance provides essential financial security.

6.2 Suggestions:

1. Government initiatives to streamline public insurance claim processes.
2. Introduction of hybrid insurance models integrating public and private benefits.
3. Awareness campaigns to educate consumers about their insurance options.
4. Digitization and AI-driven customer support to improve efficiency.
5. Regulatory measures to ensure fair pricing and claim settlement.

7. CONCLUSION

This study provides a comprehensive comparison of public and private health insurance providers in Haryana, highlighting key differences in claim settlement efficiency, affordability, customer satisfaction, and policyholder distribution. While public health insurance is more affordable and accessible to low-income and rural populations, it faces bureaucratic delays and lower customer satisfaction. On the other hand, private insurance providers offer faster claim settlement and better customer service but remain costly and inaccessible to a significant portion of the population.

The findings suggest a pressing need for policy reforms to enhance the efficiency of public health insurance while ensuring that private insurance remains affordable. Government initiatives should focus on streamlining public insurance processes, reducing delays, and increasing awareness among the masses. Simultaneously, regulatory frameworks must ensure that private insurers maintain fair pricing and transparent claim processes.

The study also emphasizes the role of technology in improving health insurance services. Digital platforms, AI-driven customer support, and automated claim processing can enhance the efficiency of both public and private insurers. Future research could explore the long-term impact of digitalization in health insurance and assess post-2014 trends in the sector.

By addressing these gaps, policymakers, insurers, and stakeholders can create a more inclusive and efficient health insurance ecosystem that benefits all sections of society.

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