

SYNOPSIS

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Health insurance is emerging to be an important financing tool in meeting health care needs of individual and family. The growing affluence of the Indian middle-class accompanied with lifestyle-related diseases and inflationary healthcare costs are driving the demand for health insurance in India today. Launch of new hospital chains with a stress on holistic well-being is further accentuating this demand, especially in urban areas. Meanwhile the government is launching various schemes to provide low cost health insurance facility to all citizens. All factors combined contributed to nearly 40% compound annual growth rate in premiums of health insurance since the sector's liberalization more than a decade ago. In the globalized and liberalized business environment, health insurance sector also encounters a stiff competition to meet the requirements of the profitable ways of business. A good service delivery mechanism promotes the growth of health insurance sector and a secured life to the public.

The current study aims to evaluate the service quality of select health insurance companies in India i.e. New India Assurance Company and Bajaj Allianz General Insurance Company. Customers awareness about different health insurance policies, service quality expectation and perception level of policy holders and the factors influencing service quality of the firms form part of the study. To support the objectives of the study SERVQUAL technique was adopted by using 22 variables grouped under five dimensions – Tangibility, Reliability, Responsiveness, Assurance and Empathy using 7 points Likert scale. This was based on the SERVQUAL tool developed by Parasuraman et al (1988). The findings of the study revealed that in New India Assurance co., the perception level of the respondents exceeds the expectation level in 'Assurance' factor, showing that the respondents are highly satisfied with the assurance factor and the gap between the expectation and perception level of 'Tangibility' factor is higher i.e. (0.0500). The five factors of service quality accounted for 69.45 percent indicates that there is scope to improve the quality of service delivery. In Bajaj Allianz General Insurance co., The gap score is very less in 'responsibility' revealing that customers are highly satisfied with their responsiveness and the gap between the expectation and perception level of 'Reliability' factor is higher i.e. (0.2375), than the other factors. The five factors of service quality accounted for 72 percent indicating that there is scope to improve the quality of service delivery. Of the two companies, New India Assurance Company and Bajaj Allianz General Insurance Company, Bajaj Allianz seems to be the frontrunner in the delivery of quality insurance service.