



“THE EFFECTIVENESS OF CUSTOMER REDRESSAL MECHANISM WITH SPECIAL REFERENCE TO HEALTH INSURANCE INDUSTRY”

ABSTRACT

Purpose- Throughout today's competitive era, excellent customer support is the critical key to the success and development of the companies. Customer dissatisfaction and grievances are on the rise due to some unscrupulous practices performed by some insurers. This study makes use of secondary data and the researcher tries to lay out the details regarding the importance of customer grievance redressal, sources of customer dissatisfaction, different actions to be taken to resolve the issues and data related to complaints in the health insurance sector. The researcher has also made an effort to provide some suggestions regarding the betterment of the grievance redressal mechanism. The study indicates that the health insurance industry needs to raise awareness amongst the customers about redressing their complaints, and that the policy holders' should be more attentive and vigilant while taking up any policy.

Research Implication- This paper makes an attempt to provide a preliminary understanding of the significance of enhancing the effectiveness of the customer grievance redressal mechanism taking into consideration the sector of health insurance. Hence, future research should use alternative methods and verify the findings of the current research.

Originality/ Value- The paper highlights the effectiveness of customer redressal mechanism and suggestions to improve the effectiveness of the same with special reference to health insurance industry.

Index Terms- Customer Grievance, Grievance Redressal, Health Insurance, Redressal Mechanism.

INTRODUCTION

By the term Customer Redressal Mechanism, it is meant that the customers have the right to seek redress against unfair trade practices or unethical customer victimization. Under the ambit of Customer Redressal Mechanism, right to fair resolution of the customer's authentic damages (grievances) is also covered. Customers can seek redress of their grievances even through the aid of consumer organizations.

Grievance in health care means a complaint about the way medical health care plan gives attention. The health care insurer must focus on the redressal of the problems customers face in order to maintain the loyalty of customers and their profitability. Customer Grievance Redressal technique is not only helpful to the customers but it is also useful for the companies as it turns out to be an effective tool of self regulation.

OBJECTIVES

1. To highlight the importance of Customer Redressal Mechanism
2. To understand the effect of Customer Redressal Mechanism in the Health Insurance Industry.
3. To suggest the measures to enhance the effectiveness of Customer Redressal Mechanism.

REVIEW OF LITERATURE

- Dr. M. Syed Ibrahim and Shakeel – ul – Rehamn, (2012) in one of the articles written by them named “Consumer Grievance Redressal System in the Indian Life Insurance Industry – An Analysis” used secondary data for their diagnostic and explorative study. The main purpose behind conducting that study was to examine consumer awareness of grievance redressal mechanism followed by insurance companies and to provide the customers with a swift, simple and low- cost redress. It was established by them that the life insurance industry has substantially improved their performance in remedying the policy holders' grievances.
- Prof. R.C.S. Purohit and Renu Nawal, (2016) in their article entitled “Grievance Redressal Mechanism in Indian Life Insurance Industry : An Exploratory Study in Quantifying Relationships” tried to make an effort to evaluate the efficiency of both the life insurance industry and the

LIC relating to the grievance redress. They had also endeavored to find out the relationship between received complaints and the number of policies issued. The study conducted by them also tries to assess the different kind of grievances generally occurs. They found out that customer grievance redressal plays a vital role in maintaining better customer relationship. They came to conclusion that there can be a win-win situation created for both the parties, i.e., the company and the customers.

- Raman S. and Uma K., in a study conducted by them, labeled “Grievance Redressal Mechanism in Indian Life Insurance Industry” made an attempt to find whether the Life Insurance Industry has remarkably upgraded their performance with reference to the redressal of the grievances made by the customers. They discovered that the Life Insurance Industry has remarkably improved their performance with regards to customer grievance redressal. They also highlighted the role of pace, understanding and precision in the quicker resolution of the complaints.
- Johri, (2017) in an article written by him named “A Critical Look at the Grievance Redressal Mechanism in Indian Insurance Industry” tried to bring in to view the absolute scenario of the persuading grievance redressal mechanism which is obtainable by the customers in the General Insurance Industry. His area of focus to conduct the study was also to give attention to the main intention of the customers by recognizing their right to be heard in place of their right to seek redressal. He came to the conclusion that the health insurance industry needs to be more sensitive towards the complaints filed and should acknowledge with more care and concern while attending the grievances of the customers.

SIGNIFICANCE AND IMPORTANCE OF GRIEVANCE REDRESSAL

Dissatisfaction amongst the customers is an intimidating remark, due to which the insurance companies may face an obstruct in customer loyalty. The customers may feel dissatisfied if they have any sort of grievance or complaint towards the company, which may even lead to a high publicity done by them with respect to lack of performance of the company concern. A constructive grievance mechanism makes its headway around this context. A company who is at the verge of losing any customer can win back that customer by having an effective Redressal Mechanism. Also, by having an effective Redressal Mechanism, a company not only wins back its losing customers but also gains more loyal customers. If the complaints received by the customers are being dealt on time, it will create goodwill of the business in the forum. If the redressal mechanism of the company is good and effective, it will also help the company to understand the customer's point of view which will cater the company to make provisions in their service quality to make it better. Because of the aforementioned reasons, it is very significant to have a faster and effective Grievance Redressal System by every insurer.

LIMITATIONS OF THE STUDY

We as research scholars understand that the study includes collection of data only through the secondary sources like newspapers, websites, articles, journals, etc. and it does not include any primary sources. Hence, this may act as a limitation to the study.

FINDINGS

1. Most of the complaints filed by the customers are still on claim, which means no action has been taken and no heed has been paid by the insurance companies to the complaints registered by their clients.
2. The number of complaints registered in the private sector companies showed a comparatively decreasing trend whereas the grievances in the public sector companies increased significantly.
3. It has also been found out by the researcher while conducting the study that the major issue that the Health Insurance Industry faces is the lack of awareness that the consumers have about the rights they have.
4. Through this study, the researcher also found out that the procedure for settling a claim is complicated and lengthy. It is also time consuming to settle the claim due to which the customers crib about the delay.
5. The complaints filed by the customers are sometimes not acknowledged, and are not taken into consideration. When any customer files a complaint, it is not treated sympathetically and a delay is caused.
6. Another finding by the researcher was that most of the customers were not aware of the redressal mechanism they can avail. They are unaware of their rights, claim processes etc.

SUGGESTIONS AND RECOMMENDATIONS

1. Surveys should be conducted by the companies who provide Health Insurance to get a clearer picture of the expectations of the prospective customers and should work accordingly in formulating their policies.
2. Complaints which flare up again and again from time to time should be monitored closely.
3. Another reason which leads to grievances amongst the customers is the hostile (unfriendly) attitude of the employees. The knowledge of the employees relating to understanding the grievances and accordingly redressing them must be intensified in order to avoid recurring complaints.
4. Many clients of the country are still unaware of the grievance redressal system accessible to resolve their problems or grievances. In order to educate them about the value of their rights, claim process, grievance redressal the customers have at their hand etc., awareness campaigns should be carried out.
5. More extensive analysis at the top level is required as the Public Sector Health Insurance Customer Grievances is showing a rising trend.

CONCLUSION

After conducting this study the researcher came to the conclusion that the insurance sector has a very major role to play in the development of any nation. Customer grievance redressal mechanism is the key to maintain good and healthy relationships with the customers. The entire business of the Insurance sector is based on the reciprocal trust between the insurers and insured. Speed, accuracy and sensitivity must be maintained by the insurers in order to redress the grievances at a better pace and with less time. In order to give a tough competition to the rivals, the insurance companies are required to have a speedy and well organized redressal mechanism to resolve the issues of the policy holders'. By observing the grievances and redressing them on time with no delay, there can be a win- win situation formed by the organisation for them as well as the policy holders'.

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