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A ROLE OF INSURANCE DURING COVID-19

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Abstract:

The COVID-19 has been a worldwide pandemic and it needs for studies related to effect on people's demand for insurance during the pandemic which is an important way to transfer risk. The purpose of the study is to explore different insurance coverage for covid-19. Public and Private insurance both insurance company provide various insurance coverage for covid-19. To understand awareness of covid-19 insurance schemes among customers. Methodology use for the study was primary data collected through questionnaires and personal interviews. Secondary data is collected from a variety of articles and journals written by a variety of authors. A questionnaire was created with four assertions on a five-point Likert scale. The study's major goals are to look into how insurance can help people deal with financial risk during Covid-19.

KEYWORDS: coronavirus, COVID-19, Insurance industry, GDP, Financial Planning, IRDAI

1.INTRODUCTION:

Insurance is a contract between two parties in which one undertakes to take on the risk of the other in exchange for a monetary payment known as a premium and promises to compensate the other in the event of an unforeseen occurrence. The major benefit of insurance is that it spreads the risk of a few individuals across a big group of people who are exposed to similar risks. India's financial planners have recognised insurance as a promising area. The insurance industry in India has a lot of room to expand, penetrate, and serve the Indian people. It's all about protection when it comes to insurance. There are two sorts of protection that an insured need: life and non-life. The general insurance industry deals with the insured's non-life protection, such as health insurance. COVID-19 is a worldwide epidemic that will have a significant impact on people's behaviour. Current study has looked at the impact of COVID-19

on people's investment consumption and risk-taking behaviour, but there is a scarcity of research linking COVID-19 and people's demand for insurance, which is an important risk transfer mechanism. Coronavirus illness, now known as COVID-19, has reached pandemic proportions over the world. According to the WHO, COVID-19 has caused 13,825,924 confirmed cases and 589,432 deaths in 216 countries, regions, and territories as of July 16, 2020. India As of July 16, 2020, India was the third most impacted country in the world, with 1,004,383 confirmed cases and 25,605 deaths. Life insurance and non-life insurance are the two major categories in the Indian insurance business. Non-life insurance, often known as general insurance, is a type of non-life insurance. The Insurance Regulatory and Development Authority of India regulates both life and non-life insurance in India (IRDAI). IRDAI's role is to regulate and oversee the whole insurance sector in India, as well as to be the supreme authority on all insurance consumer rights. In addition, non-life insurance firms provide coverage for industry, crop insurance for our farmers, mobile phone insurance, and pet insurance through general insurance companies in India.

Trends in Term Insurance That Are Changing :

The coronavirus outbreak has reached a tipping point. Many businesses in a range of industries have been forced to change their business practises as a result of the coronavirus outbreak. The insurance industry is the same way. This year's term insurance trends are as follows:

- Put together a contingency plan in case of a pandemic:

The coronavirus has wreaked havoc across the globe, resulting in a pandemic, making 2020 a challenging year for many. To ensure that policyholders are safeguarded in the future, many insurers have begun to offer protection against viruses-related diseases. This is what is known as a term insurance change.

- Solutions that are centred on the customer's needs:

Insurance companies used to have a one-size-fits-all philosophy, but that is no longer the case. Clients have become more aware than ever before, and they expect solutions that are personalised to their specific needs.

2.OBJECTIVES:

- To explore different insurance coverage for covid-19.
- To understand awareness of covid-19 insurance schemes amongst customers.
- To analyse how insurance help to overcome financial risk during covid-19.

3.REVIEW OF LITERATURE:

1. Nawkhare, P. V., & Kale, V. A. (2002) focused in the research paper upon the awareness of health insurance among India. The main objectives of the study are to understand the basics of health insurance market, the importance of cashless hospitals and its impacts on the buying behaviour. The data has been collected from 200 insurers and non-insurers are from age group of 19-72 years and different occupations.
2. Babuna, P., Gyilbag, A., & Ngmenbelle, D. (2020) has studied the effect of Covid-19 on the Insurance Industry. This study explores the effect of COVID-19 on the insurance industry by studying the case of Ghana from March to June 2020. The industry provides safety and balance to individuals, groups, institutions and businesses. The COVID-19 pandemic has caused a sudden and unpredicted shock to the insurance industry. The financial effect is vast with profits dropping by 16.6% within the period under review—March to June 2020.
3. Gupta, S., Tyagi, R., Sharma, A., & Singh, H. (2021) has concluded that COVID 19 situation has made the government and private health services to rethink in line to support the COVID19 gush. Insurance plays a vary essential role in the financial planning of investors. This study uses primary data collected through questionnaire and personal interviews. 150 individuals were interviewed as sample for the study. The outcome of this study is insurance have neutral roll in financial planning.
4. Ramasamy, K. (2020) has observed that, the COVID-19 affects various industries and economies across the globe. Insurance sector in India be made up with the total of 57 insurance companies, out of which 24 companies are the life insurance providers, and the remaining 33 are non-life insurers. Banking, Financial Services and Insurance industry are called as BFSI Section. Due to the COVID-19 lockdown, educational centre, Industries have been closed. Insurance companies are gaining profits and attracting more customers during this COVID-19 situation.
5. Gururaja, B. L., & Srinivas, S. (2020) in their study focused on the Covid-19 pandemic has resulted in a significant loss of human life around the world. India is one of the top defeat countries by coronavirus. The main motive of this study is to know the situation faced by the insurance sector in India and how this leads to affect the country's GDP.
6. More, A. (2021) study revealed that, COVID-19 affects various industries and economies across the world. India is one of the worst-affected countries, ranking third internationally. IRDAI's role is to regulate and oversee the whole insurance sector in India. Individuals' lives are protected by life insurance companies. Non-life insurance firms provide coverage for things like travel, health, and automobiles.

7. In their study, Qian, X. (2021) focused on the COVID-19 pandemic, which was a worldwide pandemic that necessitated research into the effect on people's need for insurance during the pandemic, which is an important means to transfer risk. The goal of this research is to look into the influence of the COVID-19 pandemic on issuance demand in China, using data from 241 cities with verified COVID-19 cases as well as insurance company revenue.

8. Binny and Gupta (2017) examined opportunities and challenges of health insurance in India. These opportunities are facilitating market players to expand their business and competitiveness in the market. But there are some structural problems faced by the companies such as high claim ratio and changing need of the customers which entails companies to innovate products for the satisfaction of the customers.

9. Gambhir et al. (2019) studied out-patient coverage of private sector insurance in India. It was revealed that the share of the private health insurance companies has increased considerably, despite of the fact that health insurance is not a good deal.

10. Chauhan (2019) examined medical underwriting and rating modalities in health insurance sector. It was revealed that while underwriting a health policy one has to keep in mind the various aspects of insured including lifestyle, occupation, health condition and habits. There have been substantial studies on health insurance done in India and abroad. But there has not been any work on performance of health insurance sector based on underwriting profit or loss.

4. RESEARCH METHODOLOGY:

The study uses primary data collected through questionnaire and personal interviews. The core data for this study was gathered from 102 insured clients in Mumbai. Secondary data is collected from a variety of articles and journals written by a variety of authors. A questionnaire was created with four assertions on a five-point Likert scale. The following are the four statements: who influenced you to get an insurance policy during COVID-19, problem faced while claim settlement of covid-19, problem faced for taking covid-19 policy or any other policy during covid-19, satisfaction rate to take insurance policy during covid-19.

5. DATA ANALYSIS AND INTERPRETATION:

Data analysis was done with the help of frequency distribution method and following are the results:

5.1. Profile of the Respondents:

- Out of 102 respondents, majority of the respondents were female i.e., 66 respondents. Many of respondents were graduated and post graduated. Out of 102 respondents, majority of the respondents were students (49) and private sector employees (13) respondents. And their income is 10,000 to 20,000.

- Majority respondents i.e.,53 respondents (52%)do not cover covid-19 risk and 66 (65%) respondents does not have separately covid-19 insurance policy .majority respondents have public insurance company i.e.,66.
- Out of 102 respondent's majority of the respondents have LIC's Arogya Raksha policy from Life Insurance Corporation (LIC) i.e.,36(37%).
- 85 (83%) respondents know about different insurance coverage for covid-19. 34 respondents pay their monthly premium under RS. 500-1000.
- 69 respondents did not claim covid-19 policy that's why they did not received full claim settlement. 45 (44%) respondents are agreeing that insurance help to overcome financial risk during covid-19.

5.2. stages of deciding the problems faced by you while claim settlement of covid-19:

THE PROBLEMS FACED BY WHILE CLAIM SETTLEMENT OF COVID-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	21	21%	13	13%	7	6%	26	26%	35	34%	102	100%
FRAUD	15	15%	36	35%	20	19%	26	26%	5	5%	102	100%
DELAYED IN CLAIM SETTLEMENT	6	6%	18	18%	18	18%	25	24%	35	34%	102	100%
WANT UNNECESSARY DOCUMENT	23	23%	30	29%	10	10%	25	24%	14	14%	102	100%

Table:1

Majority of the respondents i.e.,35(34%) is very satisfied with the problem faced while claim settlement of covid-19 are finding technology difficulty and delayed in claim settlement.24% respondents satisfied with the problem of they want unnecessary documents.36 respondents dissatisfied with the problem of fraud.

5.2.stages of deciding rate of satisfaction to take insurance policy during covid-19:

RATE OF SATISFACTION TO TAKE INSURANCE POLICY DURING COVID-19	STRONGLY DISSATISFIED		DISSATISFIED		SATISFIED		STRONGLY SATISFIED		total	
	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	18	18%	16	16%	40	39%	28	27%	102	100%

PROVIDING HOME CARE TREATMENT	9	8%	21	21%	54	53%	18	18%	102	100%
PROVIDING E-CONSULTATION	15	15%	13	13%	39	38%	35	34%	102	100%
PROVIDING FREE HEALTH CHECK-UP	15	15%	20	20%	50	49%	17	16%	102	100%
FINANCIAL SAFETY	15	15%	18	18%	48	47%	21	20%	102	100%

Table 2.

Majority of the respondents i.e., 40 (39%) is satisfied with the providing hospitalization expenses during covid-19. 9% of respondents strongly dissatisfied with the providing home care treatment. 50 respondents satisfied with the providing free health check-up. 18% respondents dissatisfied with the providing financial safety .

5.3.stages of deciding influences you to get an insurance policy during covid-19:

WHO INFLUENCED YOU TO GET AN INSURANCE POLICY DURING COVID-19	NOT AT ALL INFLUENTIAL		SLIGHTLY INFLUENTIAL		SOMEWHAT INFLUENTIAL		VERY INFLUENTIAL		EXTREMELY INFLUENTIAL		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
THE MEDIA	26	25%	13	13%	13	12%	17	17%	34	34%	102	100%
INSURANCE AGENT	9	9%	17	17%	25	24%	9	9%	42	41%	102	100%
FEDERAL GOVERNMENT	34	33%	13	13%	23	22%	15	15%	14	14%	102	100%
FRIENDS	18	18%	30	29%	17	17%	22	21%	15	15%	102	100%
FAMILY	29	28%	25	24%	15	15%	14	14%	19	19%	102	100%
COLLEAGUES	26	25%	25	24%	15	15%	18	18%	18	18%	102	100%
others	38	37%	26	25%	12	12%	10	10%	16	16%	102	100%

Table 3.

Majority of the respondents i.e., 42(41%) is extremely influential by insurance agent. 26 respondents are not influence by the media. 15% respondents are very influence by federal government. 29% respondents are slightly influence by friends. 15% and 16% respondents are somewhat influence by family and extremely influence by others.

5.4. stages of deciding problem faced while taking covid-19 policy or any other policy:

PROBLEM FACED FOR TAKING COVID-19 POLICY OR OTHER POLICY IN DURATION OF COVID	STRONGLY DISSATISFIED		DISSATISFIED		STRONGLY SATISFIED		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
LOTS OF DOCUMENTATIONS	32	31%	21	21%	21	21%	28	27%	102	100%
NETWORK ERROR	16	16%	15	15%	38	37%	33	32%	102	100%
SERVER PROBLEM	28	28%	25	24%	21	21%	28	27%	102	100%
MANY MEDICAL TESTS	20	20%	33	32%	21	21%	28	27%	102	100%
OTHERS	22	21%	25	25%	15	15%	40	39%	102	100%

Table 4.

Majority of the respondents i.e., 33(32%) are strongly satisfied with the problem of network error.40 respondents are satisfied with other problem.31% respondents strongly dissatisfied with the problem lots of documents.24% respondents dissatisfied with the problem of server problem.

6.FINDINGS OF THE STUDY:

- The study shows that the role of insurance during covid-19, How insurance policy helps the people by providing financial facilities, providing hospitalization expenses.
- Majority of people have LIC's Arogya Rakshak policy from Life Insurance corporation(LIC).
- To analyse the financial planning of the individual investors and to analyse the role of insurance in the financial planning of individual investor.
- The Insurance sector in India be made up with the total of 57 insurance companies, out of which 24 companies are the life insurance providers, and the remaining 33 are non-life insurers.
- Overall analysis of the study shows that majority of people are satisfied with the insurances help to overcome financial risk during covid-19.

7.CONCLUSION:

The COVID-19 pandemic has posed a sudden and unexpected shock to the insurance industry. Insurance companies were affected differently depending on different factors such as liquidity, their portfolio at risk, reliance on reinsurance, level of free assets and protection that reinsurers have in place. The outbreak and spread of COVID-19 pandemic in 2020 promote people to pay more attention to their health, which will increase the demand for insurance, especially health related insurance. In the BFSI sector, Insurance is the only sector which is affected positively by COVID-19. Insurance companies are gaining profits and attracting more customers during this COVID-19 situation. The main motive of this

study is to know the situation faced by the insurance sector in India and how this leads to affect the country's GDP. To analyse the financial planning of the individual investors and to analyse the role of insurance in the financial planning of individual investor. Overall analysis of the study shows that majority of people are satisfied with the insurances help to overcome financial risk during covid-19.

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