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**A STUDY ON CHALLENGES IN HEALTH INSURANCE CLAIM
SETTLEMENT IN INDIA**

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Abstract

The health insurance sector is a cornerstone of India's efforts to provide accessible and affordable healthcare to its citizens. However, a critical area of concern remains the settlement of health insurance claims, which often involves procedural complexities, delays, and rejections. These challenges undermine policyholder confidence and impede the effectiveness of the health insurance ecosystem. This study critically examines the issues faced in the claim settlement process by collecting **primary data directly from individuals who have filed health insurance claims** across both public and private sector insurance providers in India, focusing on constructs such as claim settlement efficiency, transparency, customer service responsiveness, documentation and procedural clarity, perceived fairness, and trust in insurers. The primary objectives are to assess policyholders' satisfaction levels, identify major obstacles in claim approval and reimbursement, evaluate the influence of communication and documentation requirements on perceptions, and propose strategies to enhance efficiency and fairness. The need for this research arises from the widening gap between the expansion of health insurance coverage and persistent grievances related to delays, rejections, and lack of procedural transparency, with the scope encompassing diverse policyholders across multiple insurers and policy types. The research adopts a descriptive and analytical design, employing a structured questionnaire for primary data collection and supported by secondary sources from industry reports and regulatory publications. Statistical techniques such as descriptive statistics, correlation analysis, and multiple regression will be applied to analyze relationships between constructs and test the formulated hypotheses. Anticipated findings are expected to reveal systemic inefficiencies, inadequate communication, and misinterpretation of policy clauses, which undermine consumer confidence. The outcomes will benefit policyholders through improved claim processing, insurers through enhanced trust and retention, and policymakers by identifying regulatory gaps for targeted intervention.

Keywords: Health Insurance, Claim Settlement, Policyholder Perceptions, Service Quality, Transparency, Insurance Regulation, Consumer Trust.

1. INTRODUCTION

Health insurance has emerged as a critical pillar of healthcare financing in India. Despite rapid growth in policy coverage, claim settlement remains a major challenge due to procedural delays, documentation issues, and frequent rejections. These gaps reduce trust in the insurance ecosystem and create barriers to effective healthcare access. The study addresses these concerns by evaluating claim settlement issues that affect consumer satisfaction and long-term sectoral growth.

Existing studies highlight inefficiencies in claim processing, low awareness among policyholders, and the role of insurer communication in influencing satisfaction (IRDAI, 2023; Kumar, 2021). Prior research also stresses the importance of transparency and trust in claim settlement (Mishra & Rani, 2020). However, there is limited evidence

integrating both customer perception and insurer practices, creating scope for a comprehensive assessment. The study follows a descriptive and analytical design. Primary data will be collected through a structured questionnaire targeting policyholders who have filed claims. Constructs include claim efficiency, documentation clarity, responsiveness, and fairness. Secondary data will be drawn from IRDAI reports, industry publications, and research papers. Statistical tools such as descriptive analysis, chi-square tests, correlation, and multiple regression are applied to test hypotheses and explore relationships among constructs. Preliminary findings indicate inefficiencies in claim settlement processes, inadequate communication between insurers and policyholders, and ambiguity in policy clauses. The analysis is expected to reveal significant correlations between communication clarity, documentation requirements, and policyholder satisfaction. Regression models will help identify the most critical predictors of trust and satisfaction.

The study concludes that procedural inefficiencies and communication gaps are the most critical barriers in claim settlement. Recommendations include streamlining documentation, adopting digital claim processing, enhancing grievance redressal mechanisms, and increasing transparency in insurer practices. The outcomes will benefit policyholders through timely settlements, insurers through higher trust and retention, and regulators by identifying areas for stronger oversight.

2. REVIEW OF LIETRATURE

2.1. Bhattacharjee, S., & Chatterjee, P. (2022). Determinants of policyholder satisfaction in health insurance services: Evidence from India

- The study examines the determinants of policyholder satisfaction in health insurance services in India, identifying key factors such as claim settlement, customer service, and premium costs. Using a survey-based approach to collect and analyze data from policyholders, the research highlights how these elements shape overall satisfaction levels. The findings suggest that health insurance providers can enhance policyholder satisfaction by improving claim settlement processes, strengthening customer service, and ensuring fair premium structures, thereby fostering greater trust and long-term engagement.

2.2. Choudhury, M., Datta, P., & Shukla, R. (2021). Health insurance and financial protection in India: Progress and challenges.

- The study discusses the progress and challenges of health insurance in providing financial protection in India, emphasizing issues such as limited coverage and high out-of-pocket expenses. Relying on a review of existing literature and data analysis, the research evaluates the effectiveness of current health insurance schemes in addressing these concerns. The findings suggest that policies should focus on expanding coverage and reducing out-of-pocket expenditures to strengthen financial protection and improve access to healthcare for individuals and households.

2.3. Deloitte. (2023). Indian health insurance sector: Evolving dynamics and challenges.- The report examines the evolving dynamics and challenges in the Indian health insurance sector, highlighting key trends such as the growing demand for health insurance alongside challenges like rising healthcare costs. Drawing on industry research and data analysis, it provides insights into how these factors are reshaping the sector. The findings suggest that health insurance providers must adapt to shifting consumer needs and comply with evolving regulatory requirements in order to remain competitive and sustain growth in the changing market landscape.

2.4. Ghosh, S. (2020). Public and private health insurance in India: Coverage, claim settlement, and consumer trust

The study compares public and private health insurance in India, highlighting significant differences in areas such as coverage, claim settlement, and consumer trust. Using a review of existing literature and data analysis, the research evaluates the strengths and limitations of both types of providers. The findings suggest that to enhance effectiveness, both public and private health insurance providers should prioritize improving coverage, streamlining claim settlement processes, and strengthening consumer trust to better meet the needs of policyholders.

2.5. Insurance Regulatory and Development Authority of India (IRDAI). (2023). Annual report 2022–23.

The report provides an overview of the Indian insurance industry, outlining key trends, challenges, and regulatory developments shaping the sector. Drawing on industry research, data analysis, and regulatory review, it examines how evolving market dynamics and policy changes impact insurance operations. The findings suggest that regulatory bodies must continue to closely monitor the industry and adapt frameworks in response to changing trends and consumer needs, ensuring stability, growth, and greater consumer protection.

2.6. Kumar, A., & Singh, R. (2021). The role of third-party administrators in India's health insurance market: Issues and prospects.

The study examines the role of third-party administrators (TPAs) in India's health insurance market, highlighting their

influence on critical aspects such as claim settlement and customer service. Using a review of existing literature and data analysis, the research evaluates the performance and challenges faced by TPAs in managing health insurance services. The findings suggest that TPAs should prioritize enhancing claim settlement efficiency and improving customer service in order to boost policyholder satisfaction and strengthen trust in the health insurance system.

2.7. McKinsey & Company. (2022). Building resilience in health insurance: Lessons for emerging markets.

The report discusses strategies for building resilience in health insurance markets, drawing lessons from emerging economies to address sectoral challenges. Using a combination of industry research, data analysis, and expert interviews, it explores approaches to strengthen stability and adaptability in the face of evolving demands. The findings suggest that health insurance providers should focus on enhancing resilience by aligning with changing consumer needs, adhering to regulatory requirements, and responding proactively to market trends, thereby ensuring long-term sustainability and competitiveness.

2.8. Ministry of Health and Family Welfare (MoHFW). (2021). Annual report 2020–21.- The report provides an overview of the Indian healthcare system, highlighting key trends, challenges, and policy developments shaping the sector. Drawing on industry research, data analysis, and policy review, it examines how healthcare delivery and access are evolving in response to growing demands. The findings suggest that policymakers should continue to prioritize healthcare and adapt policies to meet changing needs and emerging trends, ensuring improved accessibility, affordability, and quality of care for the population.

3. OBJECTIVES OF THE STUDY

1. **To evaluate policyholders' satisfaction** with the claim settlement process across public and private health insurance providers in India.
2. **To identify the major obstacles** (such as procedural delays, documentation requirements, misinterpretation of clauses, and rejections) faced by policyholders during claim settlement.
3. **To assess the role of communication, transparency, and responsiveness** of insurers in influencing policyholders' trust and perception of fairness in claim settlement.
4. **To analyze the relationship between service quality dimensions** (efficiency, responsiveness, fairness, and documentation clarity) and policyholders' satisfaction levels using statistical techniques.
5. **To propose actionable strategies and policy recommendations** for insurers and regulators to improve claim settlement efficiency, transparency, and consumer trust.

4. LIMITATIONS OF THE STUDY

1. The study is geographically limited to respondents accessible within selected regions of India, which may not fully represent the national scenario.
2. Data is based on policyholders who have filed claims; hence, perceptions of non-claiming policyholders are not included.
3. Respondents' opinions may be influenced by personal experiences, leading to subjective bias in responses.
4. The study focuses on claim settlement processes and does not evaluate other aspects of health insurance such as premium pricing, product design, or coverage adequacy.
5. Time and resource constraints may limit the sample size, thereby restricting the generalizability of results.

5. NEED FOR THE STUDY

1. Despite the expansion of health insurance coverage in India, persistent grievances regarding delays, documentation hurdles, and rejections undermine consumer confidence.
2. Existing studies often focus either on insurer practices or policyholder perception; there is a lack of integrated research combining both dimensions.

3. Rising healthcare costs and the growing dependency on health insurance make claim settlement efficiency vital for strengthening healthcare financing in India.
4. Identifying systemic gaps and inefficiencies will help insurers design customer-centric claim processes, thereby improving trust and retention.
5. Policymakers and regulators require evidence-based insights to frame targeted reforms in grievance redressal, transparency, and standardization of claim procedures.

6. SCOPE OF THE STUDY

1. The research covers **both public and private health insurance providers** in India to ensure a comparative perspective.
2. The focus is on **policyholders who have filed claims**, thereby capturing real experiences of claim settlement.
3. Constructs studied include **claim settlement efficiency, documentation clarity, insurer communication, responsiveness, fairness, and consumer trust**.
4. Both **primary data (questionnaires)** and **secondary data (IRDAI reports, industry publications, and prior studies)** will be used.
5. The scope is analytical as well as prescriptive: it not only identifies problems but also suggests solutions for insurers, regulators, and policymakers.
6. The study emphasizes **consumer perception and systemic practices**, contributing to academic literature, industry reforms, and policy debates.

7. RESEARCH METHODOLOGY

The study follows a descriptive and analytical design. Primary data will be collected through a structured questionnaire targeting policyholders who have filed claims. Data was collected from 132 respondents who have filed health insurance claims. Constructs include claim efficiency, documentation clarity, responsiveness, and fairness. Secondary data will be drawn from IRDAI reports, industry publications, and research papers. Statistical tools such as descriptive analysis, correlation, and multiple regression are applied to test hypotheses and explore relationships among constructs.

8. HYPOTHESIS

Hypothesis (H1):

Transparency, communication efficiency, documentation clarity, grievance redressal awareness, third-party administrator services, and product design significantly influence policyholders' overall satisfaction with health insurance claim settlement in India.

Null Hypothesis (H0):

There is no significant relationship between transparency, communication efficiency, documentation clarity, grievance redressal awareness, third-party administrator services, product design, and policyholders' overall satisfaction with health insurance claim settlement in India.

9. DATA ANALYSIS AND INTERPRETATION

MAJOR CHALLENGES IN HEALTH INCURANCE CLAIM SETTLEMENT

1. Most Common Challenges
 - *Lack of transparency in the claim process and delay in communication from the insurer* were the top-reported issues.

- *Incomplete or unclear explanations of rejections and complexity in submitting bills/documents* also emerged as major concerns.
2. Policy & Process Issues
 - Many respondents highlighted *hidden terms and conditions* as a serious problem, indicating policyholders often feel misled.
 - *Claim process differing from what was initially explained* reflects a gap between promises and practice.
 3. Service-Related Challenges
 - *Poor customer service and untrained/uncooperative staff* significantly added to claimant dissatisfaction.
 - Some respondents faced *difficulty in tracking claim status*, showing lack of digital/transparent systems.
 4. Hospital & Reimbursement Issues
 - A considerable number reported *hospital denying cashless facility* despite policy coverage.
 - *Delay in reimbursement after claim submission* further compounded trust issues with insurers.

10. CONSTRUCTS:

1. TOTAL COMMUNICATION(TC)
2. TOTAL DISCLOSURE AND POLICY CLARITY(TDPC)
3. TOTAL DOCUMENTATION AND FAIR PRACTICES(TDFP)
4. TOTAL GRIEVANCE REDRESSAL AWARENESS(TGRA)
5. TOTAL THIRD-PARTY ADMINISTRATORS(TTPA)
6. TOTAL PRODUCT DESIGN AND NETWORK HOSPITALS(TPDNH)
7. TOTAL OVERALL SATISFACTION(DEPENDENT VARIABLE)

11. DESCRIPTIVE STATISTICS

TC		TDPC		TDFP		TGRA		TTPA		TPDNH	
Mean	11.5 151 5	Mean	9.13 636 4	Mean	8.92 424 2	Mean	9.09 090 9	Mean	8.74 242 4	Mean	9.13 636 4
Standard Error	0.34 254 3	Standard Error	0.25 984 5	Standard Error	0.24 913	Standard Error	0.24 416 7	Standard Error	0.25 645 1	Standard Error	0.26 338 2
Median	12	Median	9	Median	9	Median	9	Median	9	Median	9
Mode	12	Mode	9	Mode	9	Mode	9	Mode	9	Mode	9
Standard Deviation	3.93 552	Standard Deviation	2.98 539 1	Standard Deviation	2.86 228 8	Standard Deviation	2.80 526 9	Standard Deviation	2.94 639 4	Standard Deviation	3.02 602 6
Sample Variance	15.4 883 2	Sample Variance	8.91 256 1	Sample Variance	8.19 269	Sample Variance	7.86 953 5	Sample Variance	8.68 124	Sample Variance	9.15 683 6
Kurtosis	- 0.43 888	Kurtosis	- 0.38 074	Kurtosis	- 0.30 537	Kurtosis	0.02 403 2	Kurtosis	- 0.15 486	Kurtosis	- 0.57 173

Skewness	-0.13603	Skewness	-0.13399	Skewness	-0.09719	Skewness	-0.25885	Skewness	-0.40514	Skewness	-0.15583
Range	16	Range	12	Range	12	Range	12	Range	12	Range	12
Minimum	4	Minimum	3	Minimum	3	Minimum	3	Minimum	3	Minimum	3
Maximum	20	Maximum	15	Maximum	15	Maximum	15	Maximum	15	Maximum	15
Sum	1520	Sum	1206	Sum	1178	Sum	1200	Sum	1154	Sum	1206
Count	132	Count	132	Count	132	Count	132	Count	132	Count	132

- Disclosure & Policy Clarity (TDPC) and TPA Services (TTPA) emerge as the most influential constructs across relationships.
- Overall Satisfaction (dependent variable) is expected to be most influenced by:
 1. Communication (TC → TDPC, 0.80)
 2. Documentation & Fair Practices (TDFP → TDPC/TTPA, 0.75/0.67)
 3. TPA Services (TTPA → TGRA, 0.82)
- Grievance Redressal (TGRA) and Product Design/Network Hospitals (TPDNH) play secondary but supportive roles.
- The pattern shows that clear communication + transparent disclosure + strong TPA services = higher trust and overall satisfaction.

Overall satisfaction in health insurance claim settlement is most strongly driven by communication, policy disclosure, and effective TPA services, while grievance redressal and product design act as supportive enablers of consumer trust.

CORRELATION MATRIX

	<i>TC</i>	<i>TDPC</i>	<i>TDFP</i>	<i>TGRA</i>	<i>TTPA</i>	<i>TPDNH</i>
TC	1					
TDPC	0.802225	1				
TDFP	0.655402	0.746259	1			
TGRA	0.564086	0.696711	0.656843	1		
TTPA	0.665899	0.720854	0.676537	0.82482	1	
TPDNH	0.515825	0.682373	0.484175	0.64599	0.656379	1

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TABLE 1: REGRESSION ANALYSIS

SUMMARY OUTPUT	
<i>Regression Statistics</i>	
Multiple R	0.787801
R Square	0.620631
Adjusted R Square	0.602421
Standard Error	1.79661
Observations	132

1. Model Fit (Regression Statistics)

- **Multiple R = 0.7878** → Strong positive correlation between independent variables (predictors) and the dependent variable (overall satisfaction).
- **R² = 0.6206** → About **62.06% of the variation** in overall satisfaction is explained by the six predictors.
- **Adjusted R² = 0.6024** → After adjusting for sample size and predictors, the model still explains **60.24% of variance**, which is very good for social science/consumer perception studies.
- **Standard Error = 1.7966** → Average prediction error is moderate.

TABLE 2: ANOVA

ANOVA	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	6	660.0694	110.0116	34.08243	3.95E-24
Residual	125	403.4761	3.227809		
Total	131	1063.545			

F = 34.08 with **Significance F = 3.95E-24 (<0.001)** → The model as a whole is statistically significant.
 ✓ This means your independent variables collectively have a significant impact on overall satisfaction.

TABLE 3 : COEFFICIENTS.

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	2.069287	0.608978	3.397968	0.000911	0.864045	3.27453	0.864045	3.27453
TC	-0.00171	0.070199	-0.02435	0.98061	-0.14064	0.137223	-0.14064	0.137223
TDPC	0.268155	0.117268	2.286682	0.023897	0.036067	0.500244	0.036067	0.500244
TDFP	-0.31148	0.089011	-3.49939	0.000647	-0.48765	-0.13532	-0.48765	-0.13532
TGRA	0.174912	0.106505	1.642287	0.103044	-0.03587	0.385699	-0.03587	0.385699

TTPA	0.468057	0.108061	4.331397	3.01E-05	0.25419	0.681923	0.25419	0.681923
TPDNH	0.159995	0.077879	2.05439	0.042022	0.005862	0.314128	0.005862	0.314128

Most Significant Predictors of overall satisfaction:

- **TTPA (0.468, p < 0.001)** → Most powerful driver.
- **TDFP (-0.311, p < 0.001)** → Strong negative impact (documentation complexity reduces satisfaction).
- **TDPC (0.268, p < 0.05)** → Policy clarity boosts satisfaction.
- **TPDNH (0.160, p < 0.05)** → Product design and network hospitals matter.

Non-Significant Predictors:

- **Communication (TC)** → Not significant.
- **Grievance Awareness (TGRA)** → Not significant.

Overall:

- Model is strong ($R^2 = 62\%$).
- Efficiency and transparency in **TPA services, policy clarity, and product design** significantly improve satisfaction.
- Excessive focus on documentation reduces satisfaction → simplification needed.
- Communication and grievance awareness, while important conceptually, did not show strong statistical influence in this dataset.

Major Findings

1. **Overall Model Strength**

- The regression model explains **62% of the variation in overall satisfaction** with health insurance claim settlement, indicating that the selected constructs are strong predictors of consumer experience.

2. **Key Positive Predictors of Satisfaction**

- **Third-Party Administrators (TTPA)** emerged as the **most influential factor** ($\beta = 0.468, p < 0.001$). Efficient and transparent TPA services significantly enhance policyholders' overall satisfaction.
- **Disclosure & Policy Clarity (TDPC)** has a significant positive effect ($\beta = 0.268, p < 0.05$). Clear policy terms, simple language, and transparent disclosure improve trust and satisfaction.
- **Product Design & Network Hospitals (TPDNH)** also positively influences satisfaction ($\beta = 0.160, p < 0.05$). Wider hospital networks and consumer-friendly product design add value to the claim experience.

3. **Negative Predictor of Satisfaction**

- **Documentation & Fair Practices (TDFP)** showed a **negative significant effect** ($\beta = -0.311, p < 0.001$). This suggests that **excessive or complex documentation reduces policyholder satisfaction**, even when intended to ensure fairness.

4. Non-Significant Factors

- **Total Communication (TC)** and **Grievance Redressal Awareness (TGRA)** did not show significant statistical influence on overall satisfaction. This indicates that while communication and grievance mechanisms exist, they may not be impactful enough to change consumer perceptions unless paired with efficiency in TPAs, policy clarity, and hospital networks.

5. Correlation Insights

- Strong associations were found between **TPA services and Grievance Redressal Awareness ($r = 0.82$)**, suggesting that improving TPAs automatically strengthens grievance handling.
- **Communication strongly correlates with Policy Clarity ($r = 0.80$)**, meaning effective communication practices lead to better understanding of policy terms.
- **Documentation correlates with policy clarity ($r = 0.75$)** but negatively impacts satisfaction, highlighting a gap between clarity and user-friendliness.

6. Systemic Gaps Identified

- Policyholders experience dissatisfaction due to **procedural complexity and excessive paperwork**, despite growth in coverage.
- **Service delivery through TPAs** plays a pivotal role in shaping satisfaction, overshadowing grievance redressal mechanisms and communication efforts.
- There exists a **mismatch between policyholder expectations and insurer practices** — clarity in terms is valued, but bureaucratic documentation frustrates consumers.

12. SUGGESTIONS

1. For Insurers

1. Strengthen TPA Services

- Monitor and evaluate TPA performance regularly to ensure faster, hassle-free claim settlement.
- Integrate digital platforms for real-time claim tracking between TPAs, hospitals, and policyholders.

2. Simplify Documentation Processes

- Reduce paperwork and adopt **digital documentation** (e-KYC, e-claims, Aadhaar-linked records).
- Standardize claim forms across insurers to minimize confusion.
- Introduce pre-filled digital claim templates to save policyholders' time.

3. Enhance Policy Disclosure and Clarity

- Provide policies in **simple, consumer-friendly language** with highlighted inclusions/exclusions.
- Share **illustrative claim scenarios** to explain coverage clearly.
- Use multi-language formats to improve accessibility in rural and semi-urban India.

4. Improve Communication Channels

- Set up **24x7 multi-lingual helplines** and AI-enabled chatbots for claim queries.
- Send real-time SMS/email updates on claim status.
- Train customer service teams to handle claims with empathy and efficiency.

5. Revisit Product Design & Hospital Networks

- Expand empaneled hospital networks across rural and Tier-2/Tier-3 cities.
- Ensure **cashless claim settlement** in most network hospitals.
- Customize products to different demographics (senior citizens, women, gig workers).

2. For Regulators (IRDAI & Government)

1. Policy Standardization

- Enforce **uniform claim settlement timelines** across all insurers.
- Introduce simplified disclosure templates (one-page summary of policy terms).

2. Digital Transformation

- Mandate digital-first claim settlement processes under IRDAI guidelines.
- Encourage interoperability between insurers, TPAs, and hospitals for faster data exchange.

3. TPA Oversight & Accountability

- Develop a **TPA performance rating system** published annually.
- Penalize TPAs/insurers for unjustified claim delays and rejections.

4. Grievance Redressal Mechanisms

- Strengthen the **Integrated Grievance Management System (IGMS)** and ensure faster resolution.
- Create awareness campaigns about escalation mechanisms (Ombudsman, IRDAI portal).

3. For Policyholders

1. Awareness & Education

- Educate consumers on policy terms, inclusions, and exclusions at the time of purchase.
- Conduct financial literacy campaigns on how to file claims and use grievance mechanisms.

2. Proactive Documentation

- Maintain updated medical and financial records digitally for quick submission.
- Verify hospital empanelment and claim procedures before availing treatment.

13. CONCLUSION

The study critically examined the challenges in health insurance claim settlement in India by analyzing the impact of communication, policy disclosure, documentation, grievance redressal awareness, third-party administrators, and product design on overall policyholder satisfaction. The findings reveal that while health insurance coverage has expanded considerably, **claim settlement continues to face systemic inefficiencies that erode consumer trust**.

Among the constructs analyzed, **Third-Party Administrators (TPAs)** emerged as the strongest determinant of policyholder satisfaction, highlighting the pivotal role of intermediaries in ensuring smooth claim processing and hospital coordination. **Disclosure and policy clarity**, along with **product design and hospital networks**, were also found to significantly enhance satisfaction, indicating the need for insurers to prioritize transparency and accessibility. Conversely, **documentation and fair practices, though intended to safeguard insurers and consumers, negatively impacted satisfaction** due to procedural complexities and bureaucratic delays. Communication and grievance redressal mechanisms, while important, were found to exert limited statistical influence, suggesting that they remain underutilized or ineffective in practice.

Overall, the study concludes that **consumer-centric reforms are essential** to bridge the gap between health insurance penetration and consumer confidence in claim settlement. Insurers must streamline documentation, digitize claim

processing, and strengthen TPAs, while regulators should enforce standardized practices, monitor TPAs, and enhance grievance redressal systems. For policyholders, greater awareness of policy terms and proactive record maintenance is equally important.

In essence, the claim settlement process represents the true test of the health insurance system. Unless insurers and regulators address procedural inefficiencies, lack of transparency, and TPA accountability, the potential of health insurance as a tool for financial protection and healthcare access in India will remain under-realized. Future research may focus on **comparative analysis between public and private insurers, impact of digital health technologies on claim settlement efficiency, and longitudinal studies on policyholder trust**, to further strengthen the discourse on creating a resilient and consumer-friendly health insurance ecosystem.

14. STATEMENTS & DECLARATIONS:

Use of AI Statement

The authors declare that they have not used generative artificial intelligence, specifically ChatGPT in the writing of this manuscript and/or in the creation of images, graphics, tables, or their corresponding captions

Conflict of Interest and Declarations:

Authorship contribution statement: Sangeetha.G and Harshitha.M: Carrying the Experimental work, Data curation and writing the original manuscript and original draft. K.R Jalaja: Supervision and review of the draft.

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