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A Study on People's Awareness and Perception towards Health Insurance

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ABSTARCT

Health insurance plays a crucial role in ensuring access to quality healthcare and providing financial protection against medical expenses. Despite its importance, many individuals remain unaware of the benefits and provisions of health insurance policies. This study aims to assess the level of awareness and perception of people regarding health insurance, identify the factors influencing their attitudes, and understand the barriers that prevent them from availing of such services. Through a structured questionnaire and data collected from a diverse demographic sample, the study examines the extent of knowledge individuals possess about health insurance, their sources of information, and their overall perception of its necessity and affordability. The findings reveal significant gaps in awareness, particularly among rural populations and lower-income groups, and highlight the need for more effective educational campaigns and policy interventions to improve health insurance literacy. The study concludes by recommending strategies to enhance public understanding and trust in health insurance schemes, thereby promoting broader and more equitable access to healthcare services.

INTRODUCTION

Insurance is a means of protection from financial loss. It is a form of risk management, primarily used to hedge against the risk of a contingent or uncertain loss. An entity which provides insurance is known as an insurer, insurance company, insurance carrier or underwriter.

A person or entity who buys insurance is known as an insured or as a policyholder. The insurance transaction involves the insured assuming a guaranteed and known relatively small loss in the form of payment to theinsurer in exchange for the insurer's promise to compensate the insured in the event of a covered loss. The loss may or may not be financial, but it must be reducible to financial terms, and usually involves something in which the insured has an insurableinterest established by ownership, possession, or pre-existing relationship.

OBJECTIVES OF THE STUDY

To know the awareness level of consumers towards health insurance services.

•To analyze the personal and social factors influencing health insurance purchase.

•To study the purchase pattern, pre and post purchase-behavior towards health insurance policies.

•To measure and critically evaluate the level of customer satisfaction towards health Insurance.

•To recommend or suggest strategies for improvement.

SCOPE OF THE STUDY

To study the awareness and perception of health insurance among the respondents in Coimbatore city. Defines the specific benefits offered under the health insurance plan by determining the age groups eligible for the coverage. Give a clear picture about health insurance penetration and suggest the probable market potential available in the District of Coimbatore. Insurance companies, both private and public, will get an idea about customer expectations and preferences towards health insurance services, factors influencing the purchase pattern and pre and post purchase behavior of health insurance consumers.

RESEARCH METHODOLOGY

Research Design

This study adopts a **descriptive research design**, aiming to systematically collect data that describes the level of awareness, perception, and influencing factors related to health insurance among individuals.

Sampling Design

- Sampling Unit: Consumers in Coimbatore.

- Sample Size: 100 respondents.

- Sampling Technique: Convenience sampling. **Data Sources**

- Primary Data: Surveys and questionnaires distributed to respondents.

- Secondary Data: Articles, reports, and research papers on influencer marketing.

- Periodofstudy

December 2024 to February 2025.

Statistical Tools

- Percentage Analysis: To interpret data trends.

- Chi-Square Test: To measure relationships between variables.

LIMITATIONS

1. The study may not provide a clear definition of health insurance, which could lead to confusion among respondents.

2. The study may focus on a specific aspect of health insurance (e.g., awareness) while neglecting other important aspects (e.g., perceptions, behaviors).

3. The study may not account for culturaland socioeconomic factors that influence people's awareness and perceptions of health insurance.

4. 4.The study in restricted to Coimbatore city.

LITERATURE SURVEY

1.Several studies have been conducted over the years to understand the awareness, perception, and behavior of individuals towards health insurance, especially in developing countries like India where health expenditure is predominantly out-of-pocket.

2. *Ranson et al. (2023)*, lack of awareness about the existence and benefits of health insurance is one of the primary reasons for low penetration in rural and semi-urban areas. The study highlighted that many people are unaware of even government-sponsored schemes due to inadequate communication strategies.

3.*Bawa and Ruchita (2023)* conducted a survey in Punjab, India, which revealed that only 30% of respondents had proper knowledge of health insurance policies. Awareness was significantly higher among the educated and urban populations.

4.*Ghosh (2023)* emphasized that perception plays a vital role in the decision-making process for purchasing health insurance. Many individuals perceive health insurance as an unnecessary expense unless they are already suffering from a medical condition.

5.*Mahumud et al. (2023)* conducted a study in Bangladesh and found that trust in insurance providers and the complexity of policy terms are major factors affecting people's perception. The lack of transparency and user-friendly information has led to skepticism among potential policyholders.

6.*Dror et al. (2022)* found a strong correlation between income levels, education, and health insurance enrollment. The study indicated that lower-income households were less likely to purchase insurance due to cost concerns, even when they were aware of its benefits.

DATA INTERPRETATION AND ANALYSIS

TABLE NO 1

AVERAGE MONTHLY MEDICAL EXPENSES OF THE FAMILY

S NO	MEDICAL EXPENSES	NO OF RESPONDENTS	PERCENTAGE
1	UP TO 500	17	17
2	RS 501 TO 1000	38	38
3	RS 1001 TO 2000	33	33
4	ABOVE 2000	12	12
	TOTAL	100	100

SOURCE: Primary Data

Interpretation: The above exhibit indicates that 17% of the respondents are upto 500,38% of the respondents spend 501 to 1000,33% of the respondents spend 1001 to 2000 and 12% of the respondents spend above 2000.

Highest of 38% of the respondents spend 501-1000 monthly for medical expenses.
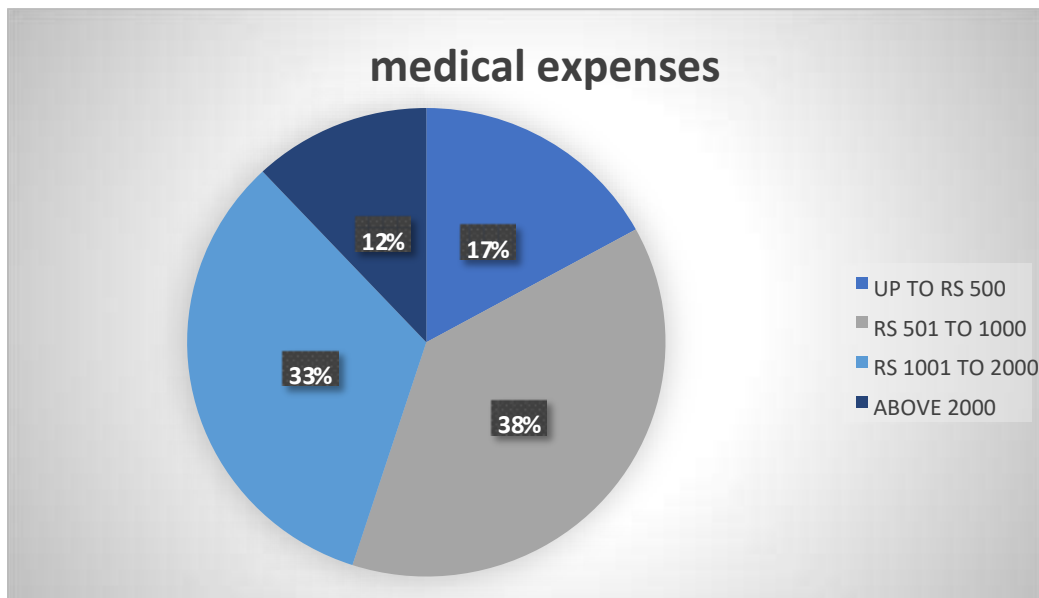
CHART 1

AVERAGE MONTHLY MEDICAL EXPENSES OF THE FAMILY

TABLE NO 2

INFLUENCE TO PURCHASE HEALTH INSURANCE

S NO	INDLUENCE TO PURCHASE	NO OF RESPONDENTS	PERCENTAGE
1	SELF	26	26
2	SPOUSE	15	15
3	FRIENDS/COLLEAGUES	31	31
4	INSURANCE AGENT	19	19
5	SOCIAL MEDIA	9	9
	TOTAL	100	100

 SOURCE: Primary Data

Interpretation: The above exhibit indicates that 26% of the respondents are themselves purchasehealth insurance policy,15% of the respondentsare influence by spouse to purchasehealth insurance policies,30% of the respondentsare recommended by friends /colleagues to purchase health insurance policies ,19% of the respondent's influence by insurance agent to purchasehealth insurance policiesand 9% of the respondents are influence by social media.

Highest of 30% of the respondents influence by friends/colleagues to purchasehealth insurance policies.17%

38%

33%

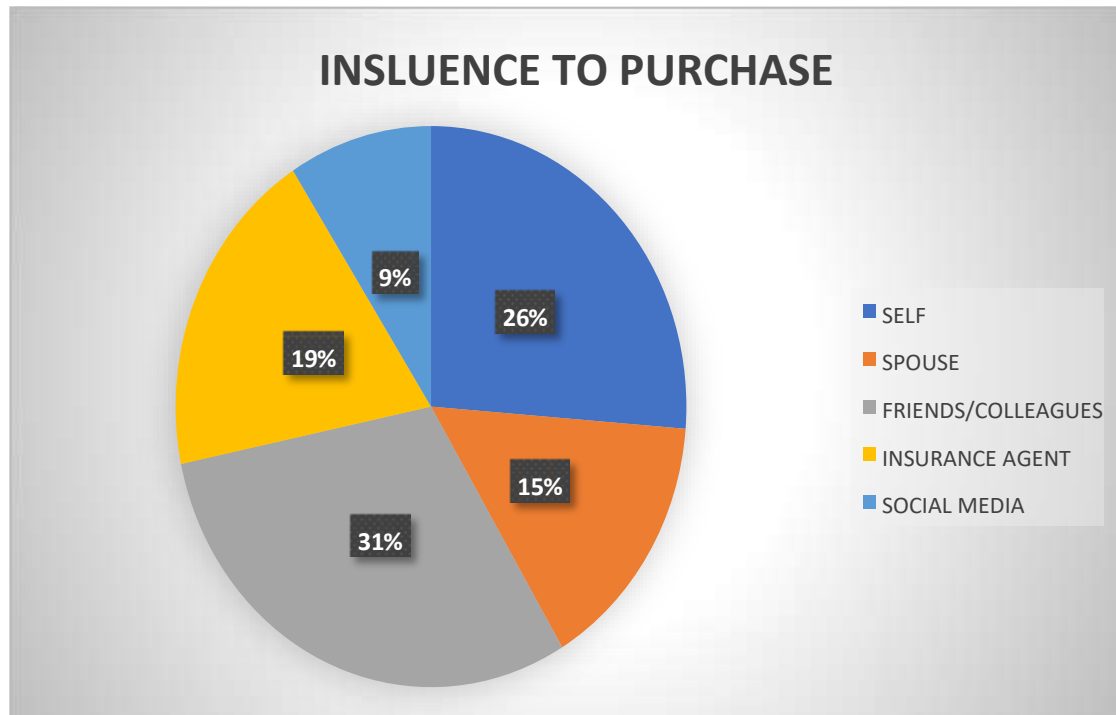**CHART 4.1.14** INFLUENCE TO PURCHASE HEALTH INSURANCE **12%**

INSLUENCE TO PURCHASE

SELF 26%
SPOUSE 15%
FRIENDS/COLLEAGUES 31%
INSURANCE AGENT 19%
SOCIAL MEDIA 9%

TABLE NO 3

SCHEMES OF HEALTH INSURANCE OF THE RESPONDENT

S NO	SCHEMES	NO OF RESPONDENTS	PERCENTAGE
1	1	27	27
2	2	29	29
3	3	27	27
4	4 & ABOVE	17	17
	TOTAL	100	100

SOURCE: Primary Data

Interpretation: The above exhibit indicates that 27% of the respondents have 1 scheme,29% of the respondents have 2 scheme ,27% of the respondents have 3 scheme and 17% of the respondents have 4& above schemes.

Highest of 29% of the respondents have 2 schemes

  CHART 3   SCHEMES OF HEALTH INSURANCE OF THE RESPONDENT
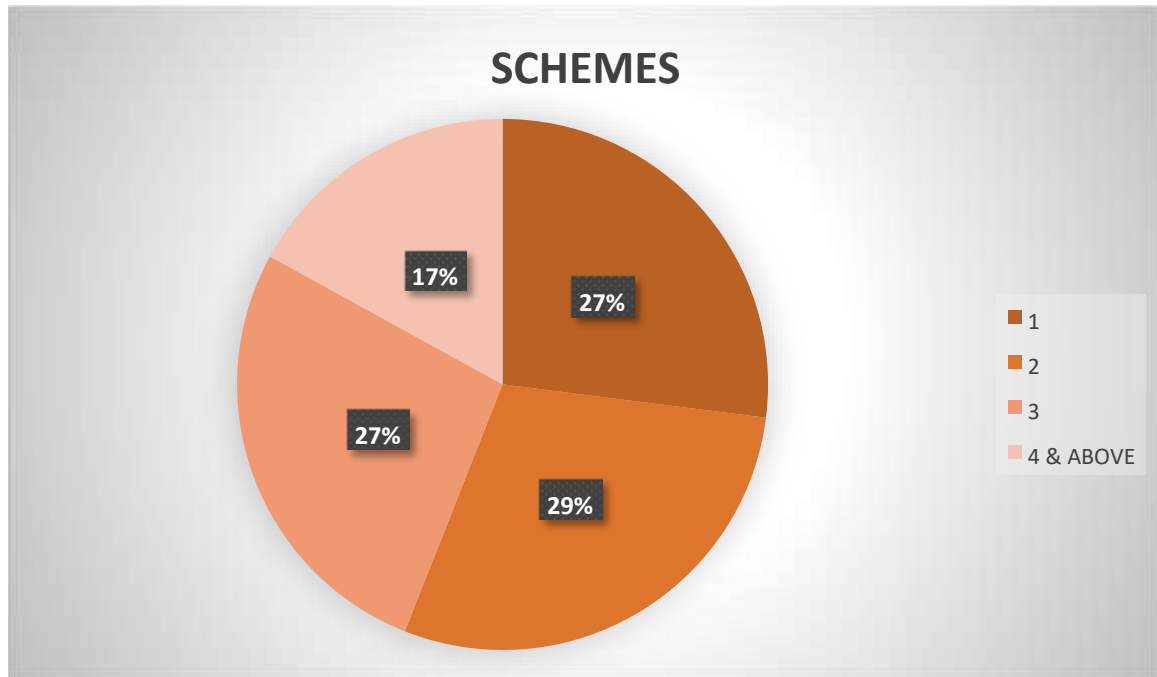
FINDINGS

O   Highest of 38% of the respondents spend 501-1000 monthly for medical expenses.

O   Highest of 30% of the respondents influence by friends/colleagues to purchase health insurance policies. *o* Highest of 29% of the respondents have 2 schemes.

SUGGESSTION

SUGGESSTIONS TO GOVERNMENT

1.Recognizing health insurance is a separate line of business.

2.Reduce capital requirement for health insurers from RS 100 crores to RS 30 –50 crores.

3.Introduce capital monitoring and product level norms for health insurance.

4.Accreditation and bench marking of health insurance providers. They should be some quality standards and protocols to be followed.

SUGGESSTIONS TO INSURANCE COMPANIES

1.Creating more awareness regarding health insurance.

2.Strong underwriting and claim management.

3.Introduction of new products for different market segments.

4.Offer products for specific treatments to profitable segments.

SUGGESSTIONS TO HEALTH INSURANCE CUSTOMERS

1.Take health insurance policy at a very young age.

2.Customers should fully be aware of the various health coverages available.

3.Customers should know about the various health insurance schemes and various health insurance companies.

4.Customer should take decisions relating to the features of the policy, sum assured, premium paid, persons cover after careful analysis.

CONCLUSION

The study about health insurance, upon implementation, promises to revolutionize access to healthcare services while simultaneously alleviating financial burdens on individuals and families. By offering affordable coverage, the study ensures that individuals can seek necessary medical attention without the fear of exorbitant costs. This not only promotes early detection and treatment of illnesses but also prevents medical expenses from spiraling into financial crises. Moreover, through the promotion of preventive care and routine check-ups, the study fosters a culture of proactive health management, ultimately leading to improved population health outcomes. However, realizing the full potential of the study requires meticulous planning, robust regulatory frameworks. Overcoming challenges such as funding mechanisms and ensuring provider network adequacy will be crucial for its sustained success. Nevertheless, the benefits of enhanced healthcare accessibility, financial security, and improved health outcomes make health insurance a worthy endeavor with the potential to transform the healthcare landscape for the better.

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