A Study on Health Insurance Awareness and Adoption in India

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Abstract - Health Insurance serves as a financial protection that helps individuals and families to cover medical expenses in the event of illness, injury, or disability. In India, where healthcare costs can be extremely high, health insurance is an essential tool for mitigating financial risks. Despite its importance, health insurance adoption remains low in India. This study aims to investigate the level of awareness and adoption of health insurance among Indian citizens, to identify the barriers faced by low-income families to purchase health insurance. It also aims to see how government programs help raise awareness about health insurance. The study is based on both primary and secondary data. The primary data is collected through online survey with the help of well-structured questionnaire. This study shows that it's very important to increase healthcare adoption in India. To make this happen, the government, insurance companies, and healthcare providers need to work together. By doing so, they can help more people to get health insurance, reduce financial stress and also improve overall healthcare in India.

Keywords: health care access, education, health insurance, adoption.

I. INTRODUCTION

Health insurance is a product which covers medical and surgical expenses of an insured individual. A health insurance plan is a contract between the insurance provider and policyholder. It provides financial coverage against hospitalization expenses, prescription fees, medical bills, etc. Health insurance is an agreement in which an insurance company covers some or all your medical expenses in exchange for a monthly premium payment. The primary goal of health insurance is to safeguard individuals and families from unexpected medical costs, making it easier for them to access necessary healthcare services without facing severe financial strain. Health insurance is an essential aspect of healthcare systems worldwide, offering protection against the financial risks of illness and medical emergencies. Health insurance offers numerous benefits, providing both financial security and access to quality healthcare.

II. HEALTH INSURANCE IN INDIA

Health insurance in India provides financial protection against medical expenses due to injuries, illnesses or hospitalizations. It includes individual, family floater, group, and specialized policies like critical illness and senior citizen plans. It also offers features such as cashless hospitalization, pre- and post-hospitalization coverage, and tax benefits. Health insurance providers include government and private insurers, regulated by IRDAI (Insurance regulatory and Development Authority of India) Despite its growth, health insurance penetration remains low, especially in rural areas, due to limited awareness and high out-of-pocket expenses. Government schemes like Ayushman Bharat and RSBY (Rashtriya Swasthya Bima Yojana) which aims to provide affordable coverage for low-income group families.

III. OBJECTIVE OF THE STUDY

a) To see how government programs help raise awareness about health insurance.
b) To compare how many people, choose private vs. public health insurance plans.
c) To assess the impact of COVID-19 on health insurance enrolment trends.
d) To identify the barriers faced by low-income families in purchasing health insurance.

IV. SCOPE OF STUDY

Individuals, families, are exposed to different types and levels of risks. These includes the risk of losses of life, health, etc. The study aims to examine the reasons for low health insurance uptake, especially in rural areas, focusing on issues like cost, awareness, and trust. It also studies how the government programs are working and their impact on accessibility. The study also investigates the effectiveness of awareness campaigns, the role of digital platforms, and emerging trends like micro-insurance and AI-based policies.

V. STATEMENT OF STUDY

This study explores the awareness and adoption of health insurance in India, analyzing the factors that influence decision-making, the challenges individuals face in obtaining coverage, and the impact of socioeconomic, demographic, and cultural factors. It aims to identify how initiatives taken by the government, private sector, and awareness programs enhance the health insurance to penetrate and provide financial protection against healthcare expenses.

VI. METHODOLOGY

The study based on both primary and secondary data. The primary data will be collected through online survey method. The relevant information and data will be collected by preparing a well-designed questionnaire. In the primary data collection there were total 150 participants. The primary data collected will be tabulated systematically and will be presented in a tabular form. The tabular method makes the presentation and analysis of data more effective. The secondary data collected was done through internet which includes research papers, e- books, etc.

VII. ANALYSIS AND INTERPRETATION

1. Table Showing the Gender of Respondents

Gender	Respondents	%
Male	66	44%
Female	84	56%
Total	150	100%

INTERPRETATION: The Above Table Shows That Out of Total 150 Responses, 56% were Female and 44% were Male.

2. Table Showing Age of the Respondents

AGE	Respondents	%
18-25	50	33.3%
26-35	61	40.7%
36-45	31	20.7%
46-60	8	5.3%

INTERPRETATION: The Above Table Shows That Out of Total 150 Respondents, 33.3% were between 18-25 Years, 40.7% were between 26-35 Years, 20.7% were between 36-45 Years and only 5.3% were between 46-60 Years. It means that the majority of respondents participated in the survey was between 26-35 Years.

3. Table Showing What is Health Insurance?

WHAT IS HEALTH INSURANCE?	Respondents	%
A type of savings plan	15	10%
A protection against medical expenses	117	78%
A government welfare program	1	0.7%
A type of investment	17	11.3%

INTERPRETATION: The Above Table Shows That out of Total 150 Respondents, 10% consider as ‘A Savings Plan’, 78% consider as ‘Protection against Medical Expenses’, 0.7% consider as ‘Government Welfare Program’, and 11.3% consider as ‘A Type of Investment’. It means that majority of respondents participated in the survey considers Health Insurance as ‘Protection Against Medical Expenses’.

4. Table Showing Which of the following is A Benefit of Health Insurance?

WHICH OF THE FOLLOWING IS A BENEFIT OF HEALTH INSURANCE?	Respondents	%
Tax benefits only	14	9.3%
Financial protection against Medical expenses	94	62.7%
Free medical check-ups	11	7.3%
All of the above	31	20.7%

INTERPRETATION: The Above Table Shows That Out of Total 150 Respondents, 9.3% consider as ‘Tax Benefits Only’, 62.7% consider as ‘Financial Protection against Medical Expenses’, 7.3% consider as ‘Free Medical Check-ups’, and 20.7% consider as ‘All of the above’. It means that majority of respondents participated in the survey considers ‘Financial Protection Against Medical Expenses’ as a Benefit of Health Insurance.

5. Table Showing What is the Primary purpose of Health Insurance?

WHAT IS THE PRIMARY PURPOSE OF HEALTH INSURANCE?	Respondents	%
To save money	17	11.3%
To invest in stocks	4	2.7%
To protect against medical expenses	107	71.3%
To plan for retirement	22	14.7%

INTERPRETATION: The Above Table Shows That out of Total 150 Respondents, 11.3% consider as 'To save money', 2.7% consider as 'To invest in stocks', 71.3% consider as 'To protect against medical expenses', and 14.7% consider as 'To plan for retirement'. It means that majority of respondents participated in the survey considers 'To Protect Against Medical Expenses' as the Primary Purpose of Health Insurance.

6. Table showing Which of the following influences your decision to buy Health Insurance?

WHICH OF THE FOLLOWING INFLUENCES YOUR DECISION TO BUY HEALTH INSURANCE?	Respondents	%
Age	3	2.3%
Income	4	2.4%
Family history of illness	51	34%
All of the above	92	61.3%

INTERPRETATION: The Above Table Shows That out of Total 150 Respondents, 2.3% consider as 'Age', 2.4% consider as 'Income', 34% consider as 'Family history of illness', and 61.3% consider as 'All of the above'. It means that majority of respondents participated in the survey considers 'All of the above' which influences your decision to buy Health Insurance.

7. Table showing What motivates you to purchase Health Insurance?

WHAT MOTIVATES YOUTO PURCHASE HEALTH INSURANCE?	Respondents	%
Financial Security	54	96%
Family Protection	93	62%
Employer Provided	3	2%
Government Initiatives	0	0%

INTERPRETATION: The Above Table Shows That Out Of Total 150 Respondents, 96% consider as 'Financial security', 62% consider as 'Family protection', 2% consider as 'Employer-provided', and 0% consider as 'Government initiatives'. It means that majority of the respondents participated in the survey considers 'Financial Security' that motivates to purchase Health Insurance.

8. Table Showing Which type of Health Insurance Plan do you prefer?

WHICH TYPE OF HEALTH INSURA NCE PLAN DO YOU PREFER ?	Respondents	%
Individual	43	28.7%
Family floater	93	62%
Group insurance	2	1.3%
Government- sponsored	12	8%

INTERPRETATION: The Above Table Shows That Out of Total 150 Respondents, 28.7% consider as 'Individual', 62% consider as 'Family floater', 1.3% consider as 'Group insurance', and 8% consider as 'Government-sponsored'. It means that majority of the respondents participated in the survey considers 'Family Floater' as a type of Health Insurance plan which they prefer.

9. Table Showing What prevents you from buying Health Insurance?

WHAT PREVENTS YOU FROM BUYING HEALTH INSURANCE?	Respondents	%
Cost	36	24%
Lack of understanding	4	2.4%
Complexity of policies	7	4.9%
All of the above	103	68.7%

INTERPRETATION: The Above Table Shows That Out of Total 150 Respondents, 24% consider as 'Cost', 2.4% consider as 'Lack of understanding', 4.9% consider as 'Complexity of policies', and 68.7% consider as 'All of the above'. It means that majority of the respondents participated in the survey considers 'All of the above' that prevents you from buying Health Insurance.

10. Table Showing Which of the following is A Major Barrier to Health Insurance Adoption in India?

WHICH OF THE FOLLOWING IS A MAJOR BARRIER TO HEALTH INSURAN CE ADOPTION IN INDIA?	Respondents	%
Affordability	74	49.3%
Awareness	8	5.3%
Accessibility	2	1.4%
All of the above	66	44%

INTERPRETATION: The Above Table Shows That Out of Total 150 Respondents, 49.3% consider as

'Affordability', 5.3% consider as 'Awareness', 1.4% consider as 'Accessibility', and 44% consider as 'All of the above'. It means that majority of the respondents participated in the survey considers 'Affordability' as a major barrier to Health Insurance Adoption in India.

11. Table Showing How satisfied are you with your Health Insurance provider?

HOW SATISFI ED ARE YOU WITH YOUR HEALTH INSURANCE PROVIDER?	Respondents	%
Satisfied	113	75.3%
Very Satisfied	7	4.7%
Dissatisfied	30	20%
Very Dissatisfied	0	0%

INTERPRETATION: The Above Table Shows that out of Total 150 Respondents, 75.3% are 'Satisfied', 4.7% are 'Very Satisfied', 20% are 'Dissatisfied', and 0% are 'Very Dissatisfied'. It means that majority of the respondents participated in the survey are 'Satisfied' with the facilities provided by their Health Insurance provider.

12. Table Showing Which type of Health Insurance Plan do you prefer?

WHICH TYPE OF HEALTH INSURANCE PLAN DO YOU PREFER?	Respondents	%
Comprehensive	5	3.3%
Critical illness	71	47.3%
Maternity	13	8.7%
Other	61	40.7%

INTERPRETATION: The Above Table Shows That Out of Total 150 Respondents, 3.3% prefer 'Comprehensive', 47.3% prefer 'Critical illness', 8.7% prefer 'Maternity', and 40.7% prefer 'Other'. It means that majority of the respondents participated in the survey prefer 'Critical Illness' as a Health Insurance plan.

VIII.CONCLUSION

The study on health insurance adoption and awareness in India reveals a significant gap between knowledge and action. While awareness of health insurance has been steadily increasing among urban and educated populations, but considerably the adoption rates remain lower especially in rural areas and lower-income groups. Despite advancements in healthcare and government initiatives like Ayushman Bharat, a large portion of population remains uninsured, especially in rural and low-income segments. Government programs like Pradhan Mantri Jan Arogya Yojana (PM-JAY) have made a positive impact but need sustained efforts to reach their full potential by increasing transparency in insurance policies, and improving access to these schemes are essential. Private insurers must also develop affordable, user- friendly products to the population. The findings of the research give the both positive and negative aspects of health insurance adoption among the consumers.

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