

A STUDY ON AWARENESS OF HEALTH INSURANCE AMONGST THE YOUTH PRE AND POST COVID-19

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Abstract

Human life is associated with a lot of uncertainty. Whether it concerns a global pandemic, the economy, finances or health, much of what lies ahead in life remains uncertain. With the advent of The Pandemic the importance of health insurance has arose to a very great extent. The perception of insuring one's self has been viewed variedly by different age groups. COVID-19 has witnessed a disparity in people's approach towards Health Insurance schemes and policies; particularly amongst the Youth. The same has been analysed through a survey conducted with the help of a Questionnaire, with 106 responses pertaining to Hyderabad.

Key Words- COVID-19, awareness, health insurance, youth

Introduction

COVID-19 has flipped the world upside down by disrupting the habitual human life. This resulted in an excess pressure put on the medical infrastructure and medical professionals due to the unpreparedness for the uncertainty. The best medical facilities being unaffordable by most sections of the society due to the ever-increasing prices which worsened during the lockdown as most of the work came to a standstill because of the irregular payment of wages and salaries. This led to the need of making one self aware to secure their life.

Health insurance is a means of protection that covers the whole or a part of the risk of a person incurring medical expenses. Therefore, insurance has become a present day necessity for all the age groups, especially for the youth as they make up India's majority population. Since they are the building blocks for the country's progress their physical and mental well-being should be prioritized.

According to the joint report of KPMG and FICCI, we find that only 27% of the people have health insurance in India. The number is undoubtedly very low in comparison to our mammoth population. Insurance Penetration and Insurance Density are the two benchmarks that signify consumption and awareness of insurance in a particular geographical area.

Insurance Penetration: It is calculated as a first-year new business premium to GDP, i.e., the percentage of the insurance premium to GDP. Currently, Insurance Penetration is one of the lowest at 3.69% in India.

Insurance Density: It is the ratio of premium in a given year to the total population. The insurance density in India was \$59.7 in 2016 (life 46.5 and general 13.2), as per the government and industry data.

This paper focuses on analysing the impact of COVID-19 as a primary variable influencing the youth's perception towards having themselves insured. Furthermore, studying the awareness amongst the people after the two deadly waves of COVID-19.

Objectives

- To observe the growth in health insurance sector post pandemic.
- To analyse COVID-19 as a factor influencing youth toward purchasing health insurance policies.
- To examine the trend in youth's perception towards health insurance prior and post COVID-19.

Literature Review

1. Vanshika Varlyani and Himangi Bharti (2022) in their research paper titled "Study on the Attitude of Working Youth towards Health Insurance" have studied the growth in health insurance industry during pandemic and factors influencing youth toward purchasing of health insurance policies. It was found that 40.7% of the population taken into survey purchased health insurance policy in the year 2020. It was also concluded that majority of working youth has a positive attitude towards health insurance, the knowledge of policy terms and awareness has also increased.

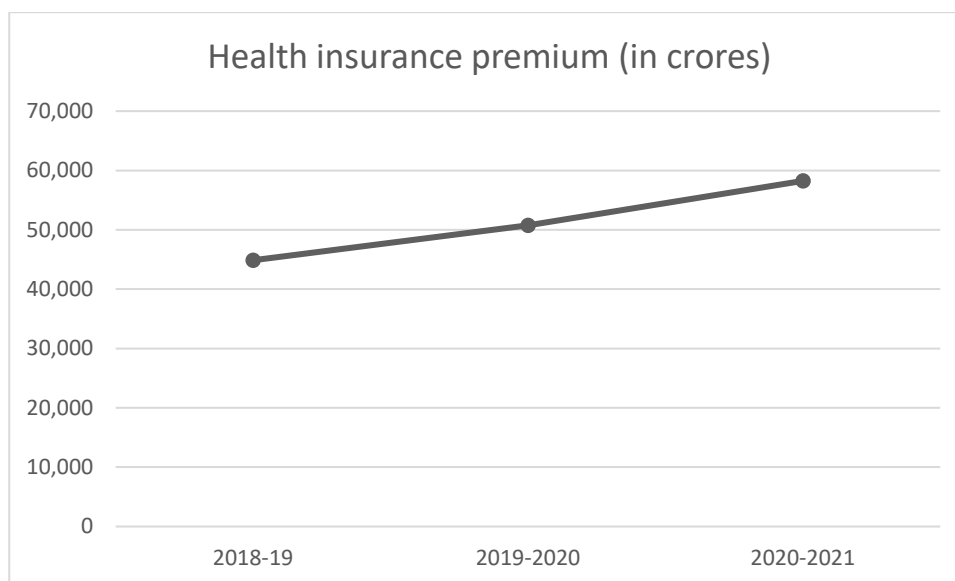
2. Balakamakshi T Y and Dr. R Savithri (2021) in their paper “Awareness of Health Insurance - a study based on customer perception in Chennai, Chengalpet and Kancheepuram districts” studied the relationship between annual income of the family and reasons for selecting health insurance policies with premium commitments and relationship between sum insured and premium amount. Using percentage analysis, correlation and regression it was found that there is a positive relationship between the variables mentioned above. The paper concluded that there exists awareness but people are not inclined to buy health insurance policies.
3. A. Priya and Dr. R Srinivasan (2015) in their work titled “A Study on Customer Awareness towards Health Insurance with Special Reference to Coimbatore City” examined the Level of awareness about Health insurance companies, sources of awareness, Satisfaction of consumers and Problems faced by them using Analytical tool such as Chi- square Test, t-test etc. It was suggested in the paper that the public must be educated through intensive campaign, similar to Life and general insurance. Also, clarity of the disease covered by the policy, when and how a claim has to be submitted with the insurance company, procedures and documents to be submitted in case of critical and other hospitalization with the insurance company, etc. should also be addressed and explained to the public.
4. Pranali V. Nawkhare and Dr. Vinita Ahire Kale (2020) in the paper titled “Impact of COVID-19 on Health Insurance Sector” observed that Insurers believe that there has been greater concern and awareness about health, and enquiries about health insurance policies have increased by 30–40 per cent. By using t-test, it was also found that there is a significant relationship between behaviour of people towards health insurance post COVID-19
5. Prof. Sushama Sathe et.al (2021) studied that there was no association between sociodemographic factors and awareness about health insurance except for the income of the respondents in their paper “Knowledge and perception of employees to invest in health insurance during COVID-19 pandemic”. It was concluded that these findings are applicable to all the states of India due to similarity in the economic and sociodemographic factor across the country.
6. Dr. D. Y Patil et al (2022) in their research paper titled “Study Of Factors Influencing Consumer Perception Towards Health Insurance Policies During COVID-19 Pandemic” listed Compatibility of premium with the services, Awareness, Transparency in service follow up, Tax Benefits, Accuracy and clarity of service procedures, Availability of enough manuals and information in detail, Claim settlement ratio and Number of network hospitals as the main factors influencing consumer’s decision making while purchasing health insurance policy. Through Chi-square test it

was also validated that there is a considerable relation between gender and importance of Health Insurance, awareness about health insurance and reasons for investing in Health Insurance.

Research Methodology

The primary data required for the study was collected through a structured questionnaire. A total of 106 responses were collected through convenient sampling techniques. Secondary data was gathered from sources like trusted websites, journals and research articles. The data collected is analysed through descriptive statistics.

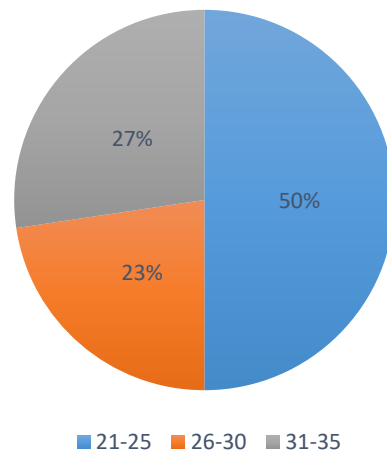
Analysis and interpretation



The above trend line depicts an increase in the health insurance premium collected during the fiscal years 2018-19, 2019-20, 2020-21. There has been an upsurge during the pandemic due to the huge rush by people to protect themselves and their families from catastrophic out-of-pocket medical expenses arising from the COVID-19 pandemic and increase in the premium cost.

Basis	Interpretation
Age	Out of the 106 responses, 50%(53) are of the age group 21-25
Occupation	The majority of the respondents i.e., 55.7% (59) are Private Employees followed by profession 24.5%(26), Business 13.2%(14) and Government Employees 6.6%(7)
Monthly Income	43.4% of the respondents monthly income ranges between 20000 to 40000
Insurance Offered by Employer	64.2% of the respondents are offered health insurance by the employer
Insured before Covid-19	59.4% of the respondents were insured before the COVID-19 pandemic
Coverage	Out of the 106 respondents, 63 were insured before the COVID-19 pandemic, 34.9% respondents have their insurance coverage above 400000
Type of Health Insurance	50.8% of the respondents chose Family Floater type of health insurance.
Reasons	The major reason that prompted the respondents to take the health insurance was to safeguard their family.
Insurance Company Chosen	84.1% of the respondents took their insurance from Private Company.
Insurance taken during Pandemic	Out of 106 respondents, 43 did not buy insurance before the COVID-19 pandemic, 81.3% of them bought health insurance during/after the pandemic.
Reason for not purchasing health insurance earlier	Lack of awareness was rated as the main reason for not buying health insurance earlier
Purchasing Health Insurance in Future	Majority of the respondents who have not bought health insurance during/after the pandemic have decided to buy it in the future.

Age Group of the Respondents



The above pie chart depicts the various age groups taken into consideration for the survey.

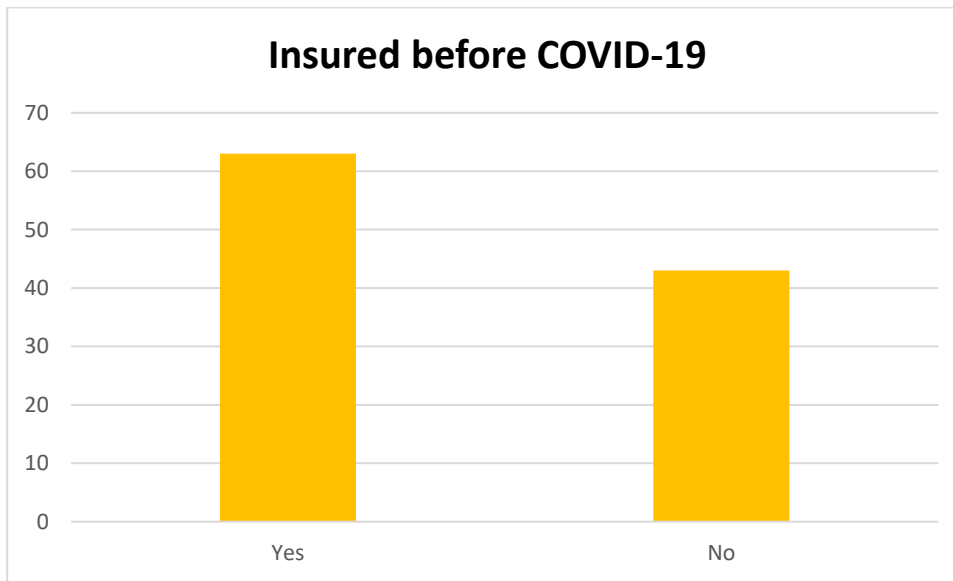
The age groups that were studied were ranging from 21 to 35 years, divided into 3 categories

21-25 years, 26-30 years, 31-35 years.

50% of the respondents fall in the age group of 21-25.

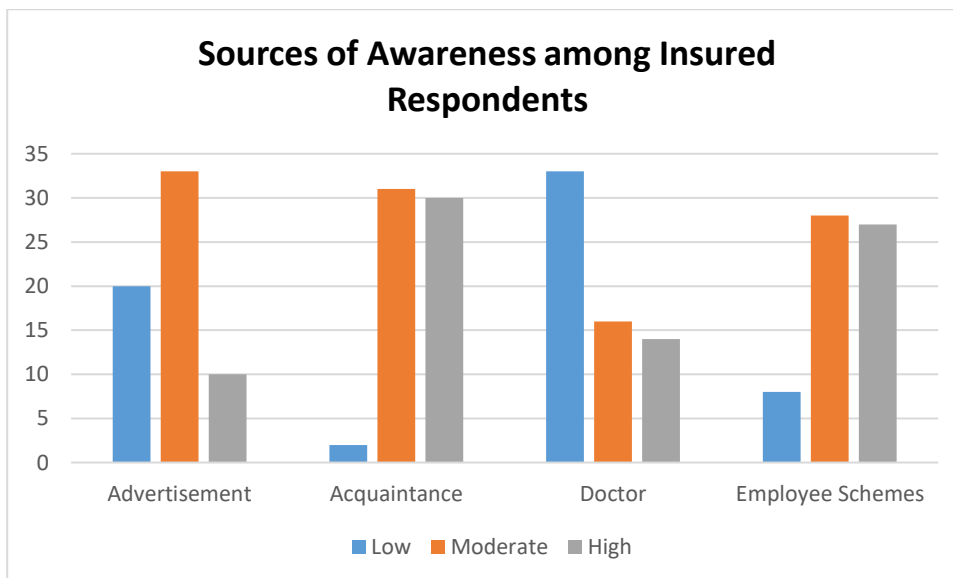
23% of the respondents fall in the age group of 26-30.

27% of the respondents fall in the age group of 31-35.



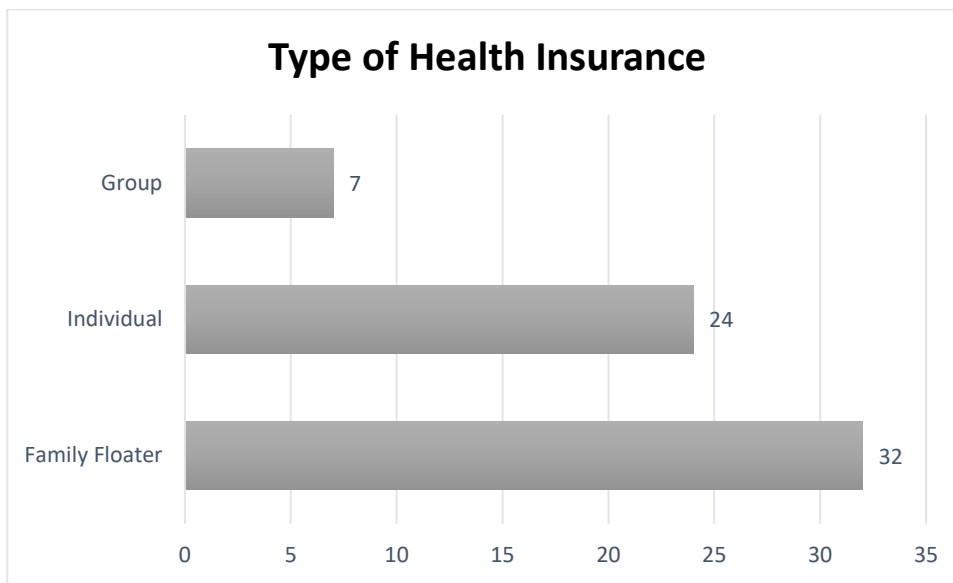
Out of the 106 responses, 59.4% of the respondents were insured before the COVID-19 pandemic and it was observed that the main reason for purchasing health insurance was to safeguard their family and deal with medical inflation.

These respondents bought health insurance from private company due to the vast amount of benefits offered.

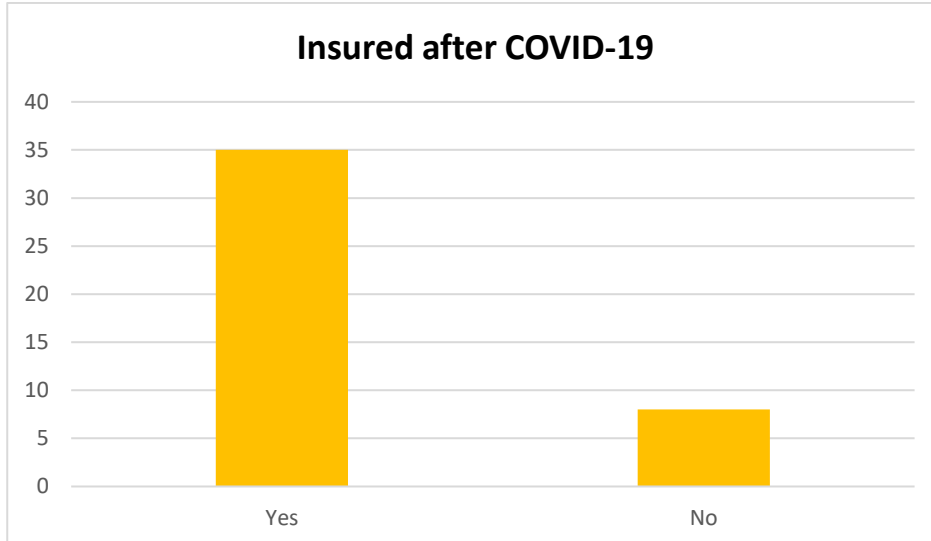


The already insured youth rated awarenesss from acquaintance, advertisement and doctor's advice as highest, moderate and least respectively.

Suggestions and inputs from friends, family and colleagues influence an individual's decision and thus inclines them towards purchasing health insurance



The above horizontal bar diagram shows the type of health insurance taken by the insured youth. As most of the youth claimed safety of their family as the primary reason, this coincides with maximum number of respondents purchasing 'family floater' type of insurance.



COVID-19 pandemic has seen an upsurge in the number of people who have purchased health insurance as they became more aware about the importance of insuring themselves.

Out of the 43 respondents who have not purchased health insurance prior COVID-19, 35(81.3%) have purchased the health insurance during the pandemic which shows the increased rate of awareness amongst the youth.

Relationship between gender and purchase of health insurance post COVID-19

Hypothesis

H₀: There is no association between the gender and being insured post COVID-19

Chi-square test was conducted to check if there is any association between gender and the purchasing trend of health insurance amongst the respondents.

Calculated Value	0.672962
Tabulated Value	3.841

Calculated value is less than tabulated value. So, we accept that there is no association between gender and purchasing trend of health insurance amongst the respondents.

Findings

Amongst the respondents, the majority were of the age of 21-25. It was observed that most of the respondents were provided health insurance policies by their employer.

A large proportion of the youth were already insured prior COVID-19 pandemic this indicates the awareness the people had. They preferred policies from private company as they offer wide range of benefits. Advertisements, acquaintances and employee schemes had moderate level of awareness whereas doctor's recommendations was rated as giving low level of awareness.

A certain section of youth that purchased insurance during the pandemic claimed to have less awareness earlier and also claim that policies from private companies are more accessible and viable.

The respondents who never acquired a health insurance policy was due to lack of awareness and necessity. But these respondents have decided to purchase a health insurance policy in future which indicates a positive response among the youth.

Limitations

This study was limited to the responses pertaining to the youth of Hyderabad city only.

Conclusion

‘A sound mind lives in a sound body’ and ‘Health is wealth’ are the most accurate sayings in the present time as they emphasize on the importance of good health. Medical inflation is expected to ascend in the near future, which thus would mean medical services costs will likewise see a precarious ascent. To stay away from this, insurance agency have planned a few medical coverage plans which are accessible at reasonable costs. This makes benefiting legitimate medical services facilities reasonable and available for all. COVID-19 has brought about a change in people’s perception about having one self insured.

With the advent of more inclusive schemes and policies, the knowledge and awareness amongst the people increased to a very great extent.

COVID-19 has witnessed a positive change in the youth’s approach towards health insurance. The youth were earlier hesitant in buying health insurance policies due to no personal obligations and the urge to spend more and save less are now insured due to the awareness received from various sources. But after the COVID-19 hit, people have become more conscious about their spending patterns and started investing their money in some useful avenues.

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