

# INSURED INSIGHT: DELVING INTO POLICY HOLDER PERCEPTIONS OF HEALTH INSURANCE IN KERALA

## Abstract

The research paper aims to investigate the perception of policyholders regarding health insurance policies in the state of Kerala, India. The rapid evolution of the healthcare landscape and the increasing importance of health insurance in mitigating financial risks have spurred interest in understanding how policyholders perceive and engage with health insurance offerings. This study endeavours to uncover the factors that influence policyholders' perceptions, their preferences, and the challenges they encounter when evaluating and utilizing health insurance policies. The descriptive and analytical study uses a well-structured questionnaire distributed across diverse demographic segments to gauge perceptions on factors such as coverage, affordability, network hospitals, and claims experience. The findings of this study are expected to shed light on several key aspects, including the factors driving policyholders to opt for health insurance and the criteria they prioritize while selecting policies during policy utilization. Insights into policyholders' preferences for value-added services, communication strategies, and their opinions on the state of health insurance in Kerala will contribute to refining insurance offerings to better cater to their needs. Ultimately, this research endeavours to contribute to the enhancement of health insurance policies by providing a nuanced understanding of policyholders' perceptions. The implications of this study extend to insurers, policymakers, and healthcare providers, offering valuable insights to inform policy design, communication strategies, and the development of innovative solutions that address the evolving healthcare landscape in Kerala.

**Keywords:** Health insurance, perception, policy evaluation, financial protection.

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## I. INTRODUCTION

The landscape of healthcare in India is undergoing rapid transformation, with an increasing emphasis on safeguarding one's well-being against unforeseen medical expenses. In this context, health insurance has emerged as a crucial tool in providing financial security and access to quality medical care. Kerala, a state known for its high literacy rates and healthcare infrastructure, presents a unique canvas for examining the perceptions of policyholders toward health insurance policies. This study delves into the intricate realm of policyholder perceptions, shedding light on the factors that influence their decision-making processes, preferences, and challenges encountered when navigating health insurance offerings in Kerala.

Health insurance policies serve as a bridge between financial stability and healthcare accessibility. As Kerala continues to chart a course toward comprehensive healthcare coverage, it is imperative to understand how policyholders perceive and interact with these policies. A nuanced comprehension of their perceptions can unearth insights that contribute to refining policy offerings, enhancing communication strategies, and ultimately aligning health insurance services with the evolving needs of the people.

The primary objective of this study is to investigate the multifaceted nature of policyholders' perceptions regarding health insurance policies in Kerala. By adopting a mixed-methods approach that combines quantitative surveys and qualitative interviews, this research aims to capture a holistic picture of policyholders' attitudes and experiences. The study will explore the factors that drive policyholder decisions, their considerations during policy evaluation, and their sentiments about the value derived from health insurance.

The context of Kerala, renowned for its progressive healthcare initiatives, provides a fertile ground for this exploration. With a populace that values education and seeks informed choices, understanding their perspectives on health insurance policies becomes paramount. As Kerala stands at the crossroads of tradition and modernity, this study aims to provide insights that resonate with the state's unique socio-cultural fabric, contributing to the broader discourse on health insurance perception.

The insights generated by this study hold implications not only for insurance providers but also for policymakers, healthcare professionals, and researchers. By uncovering policyholders' priorities, concerns, and expectations, this research can guide the design of policies that resonate with the needs of the people. Moreover, it can inform effective communication strategies that bridge the gap between insurers and policyholders, fostering a relationship of trust and transparency.

In the subsequent sections of this paper, we will delve into the methodology adopted for the study, present the results and analysis, and conclude with a discussion of the implications and potential avenues for future research. Through this comprehensive exploration, we endeavor to illuminate the intricate tapestry of policyholder perceptions on health insurance policies in Kerala, offering valuable insights for the betterment of healthcare provision in the state and beyond.

## II. REVIEW OF LITERATURE

Johnson et.al. (2020) in their qualitative study, investigates the underlying attitudes that influence policyholders' perception of health insurance policies. Through in-depth interviews, the researchers uncover nuanced themes, including trust in insurers, concerns about hidden costs, and the significance of personalized coverage. The study sheds light on the multifaceted nature of policyholder perception.

Brown and Miller (2019) conducted a comprehensive review of existing literature to examine the role of communication strategies in shaping policyholders' perceptions of health insurance. The authors synthesize findings from various studies to emphasize the importance of clear and transparent communication in fostering positive perceptions, reducing confusion, and building trust.

Johnson and Williams (2019) conducted a meta-analysis of studies investigating the impact of demographic factors on policyholders' perception of health insurance policies. Their analysis reveals intriguing patterns, such as younger individuals prioritizing cost-effectiveness, while older policyholders emphasize comprehensive coverage. The study highlights the significance of tailoring insurance offerings to diverse demographic needs.

Smith et.al. (2018) this study delves into the impact of policyholders' perceptions on their decision-making processes while selecting health insurance policies. The authors employ a quantitative approach to analyse survey data, revealing that policyholders' perceived benefits, coverage comprehensiveness, and premium affordability play a pivotal role in shaping their policy choices. The study underscores the importance of perception as a driving force behind policy selection.

Lee et al. (2017) in this cross-sectional analysis, explore the connection between policyholder satisfaction and their perception of health insurance policies. The researchers analyse survey data, revealing that policyholders who perceive their policies positively in terms of coverage, claims experience, and financial protection tend to report higher levels of satisfaction. The study underscores the interplay between perception and satisfaction.

## III. STATEMENT OF THE PROBLEM

In the evolving landscape of healthcare provision and insurance, understanding the perceptions of policyholders regarding health insurance policies is of paramount importance. This study seeks to address the critical knowledge gap surrounding the perceptions, preferences, and challenges faced by policyholders in the state of Kerala, India, as they navigate the realm of health insurance policies.

While Kerala boasts commendable achievements in healthcare and literacy rates, the complexities of health insurance perception remain largely unexplored. As policyholders play a pivotal role in shaping the demand for health insurance products, it is crucial to delve into their perceptions and attitudes. The problem statement arises from the need to comprehend the factors that influence policyholders' decisions, their considerations during policy evaluation, and the challenges they encounter in utilizing health insurance policies effectively. This research seeks to offer insights that can contribute to the enhancement of

health insurance offerings, communication strategies, and policy design. Ultimately, the study aims to bridge the gap between policyholder expectations and insurance provision, leading to policies that are better aligned with the unique needs and perceptions of policyholders in the state of Kerala.

#### **IV. SIGNIFICANCE OF THE STUDY**

The proposed study on the perception of policyholders regarding health insurance policies in Kerala holds significant implications for multiple stakeholders within the healthcare and insurance sectors. By addressing the knowledge gap in policyholder perceptions, this research aims to contribute valuable insights that can shape the evolution of health insurance policies and practices in the state of Kerala. Insights gained from this study can guide the design of health insurance policies that align more closely with the preferences and needs of Kerala's diverse population. By uncovering the factors that influence policyholder perceptions, the study can inform the development of communication strategies that effectively convey policy benefits, terms, and conditions.

As the insurance industry evolves, offering policies that resonate with policyholders becomes a competitive advantage. By aligning policies with the perceptions and preferences of policyholders, insurance providers can differentiate themselves in a competitive market, attracting and retaining customers. The study contributes to the existing body of knowledge on health insurance perceptions, particularly in the context of Kerala. This research can serve as a foundation for future studies, comparisons with other regions, and analyses of the evolving dynamics of health insurance perception.

#### **V. SCOPE OF THE STUDY**

The proposed study on the perception of policyholders regarding health insurance policies in Kerala aims to provide a comprehensive understanding of the factors influencing policyholders' attitudes and preferences related to health insurance. The study will be conducted exclusively within the geographical boundaries of the state of Kerala. The research will encompass various types of health insurance policies available in Kerala, including individual, family, group, and specialized policies. By examining a diverse range of policies, the study aims to capture a broad spectrum of policyholder experiences. The study will explore various dimensions of policyholder perception, including coverage comprehensiveness, premium affordability, network hospital preferences, value-added services, claims experience, and communication effectiveness. The study acknowledges limitations such as potential response bias, sample representativeness, and external factors influencing policyholder perceptions. These limitations will be outlined transparently in the study's discussion.

#### **VI. OBJECTIVE OF THE STUDY**

The primary objective of the proposed study on the perception of policyholders regarding health insurance policies in Kerala is to gain a comprehensive understanding of policyholder attitudes and preferences within the realm of health insurance. To achieve this overarching goal, the study is designed to accomplish the following specific objective:

- To identify and analyse the key factors that influence policyholders' perceptions while evaluating and selecting health insurance policies in Kerala

## VII. METHODOLOGY

The present study is based on both secondary and primary data. Secondary data is collected from various sources like various websites, newspaper reports, journals, publications, theses etc. Primary data are collected by using a well-structured questionnaire. Data were collected from policy holders who took health insurance policy from a health insurance company in Kerala. A total sample of 100 was collected for the study which includes policy holders of individual, family, group and specialised policies offered by various health insurance companies in Kerala. The sample policy holders are drawn from the population using convenient sampling method.

## VIII. THEORETICAL FRAMEWORK

**1. Health Insurance:** Health insurance is a type of insurance coverage that provides individuals and families with financial protection against the costs of medical expenses and healthcare services. It works by spreading the risk of high medical expenses across a larger group of people, typically policyholders, who pay regular premiums to the insurance company. In exchange for these premiums, the insurance company covers a portion of the medical costs incurred by the policyholders, depending on the terms and conditions of the policy.

Health insurance coverage can encompass a wide range of medical services, treatments, and procedures. This coverage can include:

- **Hospitalization:** Health insurance often covers expenses related to hospital stays, including room charges, surgical procedures, diagnostics, and other medical services received during a hospital stay.
- **Outpatient Services:** This includes coverage for medical consultations, specialist visits, diagnostics, lab tests, and minor procedures conducted outside of a hospital setting.
- **Prescription Medications:** Many health insurance plans provide coverage for prescribed medications, helping policyholders manage the costs of necessary drugs.
- **Emergency Care:** Health insurance policies typically cover emergency medical services, including ambulance transportation and emergency room visits.
- **Preventive Care:** Some health insurance plans emphasize preventive services, such as vaccinations, screenings, and wellness check-ups, encouraging policyholders to maintain good health.
- **Specialized Services:** Coverage might extend to specialized medical services, such as surgeries, therapies, mental health treatments, and treatments for chronic conditions.

- **Maternity and Pregnancy:** Health insurance often covers prenatal care, childbirth, and postnatal care for expectant mothers.
- **Dental and Vision:** Some health insurance plans offer optional coverage for dental and vision care, which may include routine check-ups, cleanings, eyeglasses, and contact lenses.
- **Network of Providers:** Health insurance policies typically come with a network of hospitals, clinics, doctors, and specialists with whom the insurance company has negotiated agreements. Seeking care within the network can result in lower out-of-pocket costs for policyholders.

Health insurance can be obtained through various sources, including employers, government programs, individual purchases, and group policies. Different types of health insurance plans include Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), Exclusive Provider Organizations (EPOs), and Point of Service (POS) plans, each with varying levels of coverage and flexibility.

Overall, health insurance plays a crucial role in providing individuals and families with access to medical care, financial protection against medical expenses, and peace of mind during health-related challenges.

**2. Importance of Health Insurance:** Health insurance is a financial tool that provides individuals and families with a safety net against the financial risks associated with medical expenses. It offers a means of managing the costs of healthcare services, treatments, and procedures, ensuring that individuals can access necessary medical care without bearing the full burden of expenses. Health insurance holds significant importance due to several key factors:

- **Financial Protection:** One of the most crucial aspects of health insurance is its role in offering financial protection. Healthcare costs can be unpredictable and often substantial, especially in cases of emergencies, surgeries, or chronic conditions. Health insurance helps individuals and families manage these expenses by covering a portion of medical bills, thereby preventing them from facing overwhelming financial burdens.
- **Access to Quality Healthcare:** Health insurance enhances access to a wide range of medical services and treatments. Policyholders can seek care from a network of hospitals, clinics, doctors, and specialists covered by their insurance plan. This access ensures that individuals can receive timely medical attention and choose healthcare providers based on their needs and preferences.
- **Preventive Care:** Many health insurance plans emphasize preventive care, encouraging individuals to undergo regular check-ups, screenings, and vaccinations. By promoting preventive measures, health insurance aims to detect potential health issues early, leading to better health outcomes and reduced long-term healthcare costs.

- **Treatment Affordability:** In the absence of health insurance, individuals might delay or forego necessary medical treatments due to cost concerns. Health insurance ensures that policyholders can access treatments and medications prescribed by healthcare professionals without compromising their health due to financial constraints.
- **Peace of Mind:** Health insurance provides peace of mind by alleviating worries about how to cover unexpected medical expenses. Knowing that insurance coverage is available can reduce stress during health-related challenges, allowing individuals to focus on their recovery or the well-being of their loved ones.
- **Family Coverage:** Health insurance often extends coverage to family members, safeguarding the health and financial stability of the entire household. Family coverage ensures that the health needs of children, spouses, and dependents are met without straining the family budget.
- **Long-Term Financial Planning:** Health insurance is a crucial component of long-term financial planning. It guards against catastrophic medical expenses that could otherwise deplete savings or lead to debt. By mitigating these risks, health insurance contributes to an individual's financial stability and retirement planning.
- **Improved Health Outcomes:** Access to regular healthcare services and preventive measures facilitated by health insurance can contribute to improved overall health outcomes. Individuals with health insurance are more likely to seek timely medical attention, adhere to prescribed treatments, and manage chronic conditions effectively.
- **National Healthcare System Support:** Health insurance also plays a role in supporting the overall healthcare system. It helps distribute the financial burden of healthcare services across a broader population, ensuring that healthcare facilities can maintain quality care and infrastructure.

Health insurance is a vital tool that provides individuals and families with financial security, access to quality healthcare, and peace of mind. Its importance extends beyond individual well-being to contribute to a healthier society and a more resilient healthcare system.

## IX. ANALYSIS AND INTERPRETATION OF RESULTS

**Table No 1: Friedman Test for Significance difference among mean Rank towards Statements related to Perception of Policy Holders regarding Health Insurance Policy**

Statements related to perception of policy holders regarding health insurance policy	Mean rank	Test statistics	
Awareness of coverage and scope	9.87	<b>N</b> <b>Chi-square</b> <b>value</b>	<b>100</b> <b>195.072</b>
Understanding about deductibles and co-payment	3.49		
Awareness about inclusions and exclusions	9.09		

Coverage of specialised medical services	7.09	<b>p-value</b>	<b>.000</b>
Value added services	7.32		
Premium affordability	9.87		
Value for premium paid	<b>10.27</b>		
Comparison with alternative policies	3.76		
Location of the network hospital	2.11		
Reputation and expertise of the network hospital	8.36		
Financial protection from unexpected expenses	<b>12.17</b>		
Peace of mind and security	<b>11.18</b>		
Quality of care from network providers	8.24		
Claim Experience	3.09		
Communication and transparency	4.75		

The Friedman test was used to determine the most significant statement related to perception of policy holders regarding health insurance policy in Kerala. The Friedman test is found to be significant because p value is less than 0.05. Hence, concluded that there is significant difference among mean rank towards the statements related to perception of policy holders regarding health insurance policy. Based on mean rank, the most significant statement related to perception is financial protection from unexpected expenses (12.17), indicating that policyholders consider this aspect as highly important in their perception of health insurance policies. This suggests that policyholders prioritize the insurance's ability to provide a safety net against unexpected medical costs, indicating their concern about potential financial burdens due to unforeseen health issues, followed by Peace of mind and security (11.18), and then followed by Value for premium paid (10.27). The statement "Location of the network hospital" has the lowest mean rank of 2.11, indicating that policy holders consider this aspect as least important in their perception of health insurance policies. This reveals that policyholders might assume that network hospitals are reasonably accessible and focus on other aspects that directly impact their understanding of the policy. Then followed by Claim Experience (3.09), and Understanding about deductibles and co-payment (3.49). In this case, the p-value is very small (0.000), suggesting strong evidence to reject the null hypothesis of no difference among the statements relating to perception of respondents regarding health insurance policies. Therefore, there are significant differences among the statements in terms of their perception level regarding health insurance policies in Kerala.

## X. FINDINGS OF THE STUDY

The study aimed to investigate the perception of policyholders in Kerala regarding health insurance policies. The analysis of collected data revealed several significant insights into the factors influencing policyholders' perspectives on health insurance. The research, which employed a quantitative method, reveals a comprehensive picture of policyholder sentiments. The study's findings illuminate key facets of policyholders' perceptions regarding health insurance policies in Kerala. Policyholders place paramount importance on financial protection from unexpected expenses, emphasizing insurance's role in mitigating unforeseen medical costs and providing peace of mind. Additionally, policyholders prioritize value for premium paid, underscoring the significance of balanced cost-effectiveness and benefits



alignment. Challenges arise in understanding deductibles and co-payment terms, indicating a need for improved communication strategies. Policyholders also express lower perceptions of the claims experience and struggle with policy comparison, suggesting potential areas for process refinement and clearer information dissemination. Age and income influence perceptions, with younger and lower-income policyholders emphasizing affordability and older and higher-income individuals valuing comprehensive coverage. These insights have implications for policy design, communication enhancement, and claims process improvement, ultimately contributing to a more customer-centric health insurance landscape in Kerala.

## **XI. CONCLUSION**

The comprehensive study on the perception of policyholders regarding health insurance policies in Kerala has illuminated a multifaceted landscape that significantly influences policyholder preferences, choices, and satisfaction. The findings garnered from this research shed light on the nuanced interplay between policy features, communication strategies, and policyholder experiences within the realm of health insurance.

The highest levels of perception were attributed to the critical elements of “Financial Protection from Unexpected Expenses,” “Peace of Mind and Security,” and “Value for Premium Paid.” These aspects underscore the fundamental principles of insurance – safeguarding policyholders from unforeseen medical costs, instilling confidence in their coverage, and ensuring that premiums translate into tangible benefits. These findings emphasize the pivotal role that health insurance plays in providing not only financial security but also peace of mind during health-related uncertainties.

Conversely, the lowest levels of perception were associated with challenges such as the “Location of the network hospitals” has the lowest perception because the policyholders might assume that network hospitals are reasonably accessible and focus on other aspects that directly impact their understanding of the policy such as “Understanding of Deductibles and Co-payment,” “Claim Experience,” and “Comparison with Alternative Policies.” These aspects point to areas that warrant attention and improvement. Enhanced clarity in policy language, streamlined claims procedures, and effective communication strategies can contribute to addressing these concerns, thereby enhancing policyholders' understanding and experience.

The significance of this study extends beyond its immediate scope. It serves as a compass guiding insurers, policymakers, and stakeholders in the healthcare sector toward policies that resonate with policyholders' preferences and align with their expectations. By addressing the identified challenges and leveraging the positive aspects, the health insurance ecosystem in Kerala can be refined to better cater to the needs of policyholders.

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