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Awareness Towards Health Insurance Among Young Generation: An Empirical Study With Reference To Tiruchirappalli District

J. Nanthini[1], Dr. B. Kannan[2]

[1] Ph.D. Part-Time Research Scholar, P.G. and Research Department of Commerce, Thanthai Periyar Government Arts and Science College (Autonomous), Affiliated to Bharathidasan University, Tiruchirappalli 620023, Tamil Nadu, India.
Email: jnanthini2521@gmail.com
[2] Associate Professor and Research Advisor, P.G. and Research Department of Commerce, Thanthai Periyar Government Arts and Science College (Autonomous), Affiliated to Bharathidasan University, Tiruchirappalli 620023, Tamil Nadu, India.
Corresponding Author:
J. Nanthini
Ph.D. Part-Time Research Scholar, P.G. and Research Department of Commerce, Thanthai Periyar Government Arts and Science College (Autonomous), Affiliated to Bharathidasan University, Tiruchirappalli 620023, Tamil Nadu, India.
Email: jnanthini2521@gmail.com.

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KEYWORDS
Health Insurance, Young Generation, Awareness, Health Policy, Customer Relationship Management, Insurance Adoption, Healthcare Financing, Financial Protection.

ABSTRACT
Health insurance has become an indispensable financial protection mechanism in today's rapidly changing healthcare environment. The increasing cost of medical treatment, coupled with the rising incidence of lifestyle diseases, has highlighted the importance of health insurance, particularly among the younger generation. This study examines awareness towards health insurance among young individuals in Tiruchirappalli District. Primary data were collected from 358 respondents using a structured questionnaire comprising demographic variables and statements relating to awareness, adoption factors, satisfaction, and Customer Relationship Management (CRM) practices. A descriptive research design and convenience sampling technique were employed for data collection. Percentage analysis, mean score analysis, standard deviation, and weighted average ranking were used to analyse the collected data. The study reveals that although the majority of young people possess a basic understanding of health insurance, considerable gaps remain regarding policy benefits, claim settlement procedures, tax advantages, and specialised insurance products. The study recommends intensified awareness campaigns, digital education initiatives, simplified insurance products, and institutional collaborations to enhance health insurance awareness among the young generation..

1. INTRODUCTION

Health insurance has emerged as one of the most significant financial instruments for protecting individuals against unexpected medical expenses. The growing incidence of chronic diseases, increasing healthcare costs, and changing lifestyles have made health insurance an essential component of financial planning. Young adults represent a crucial segment of the population because they are beginning their professional careers and making independent financial decisions. Despite the availability of numerous public and private health insurance schemes in India, awareness among young individuals remains inadequate. Understanding their awareness level is important for improving insurance penetration and promoting financial security. Therefore, this study investigates the awareness towards health insurance among the young generation in Tiruchirappalli District.

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2. SIGNIFICANCE OF THE STUDY

The importance of health insurance has grown considerably due to escalating medical expenses and increasing health risks. Young individuals often underestimate the necessity of health insurance because they generally perceive themselves to be healthy. Consequently, low awareness may result in delayed policy adoption, inadequate financial preparedness, and increased economic burden during medical emergencies. This study contributes by identifying the existing level of awareness and the factors influencing health insurance adoption among the young generation. The findings will assist insurance companies, policymakers, educational institutions, and healthcare organisations in designing effective awareness campaigns, developing youth-oriented insurance products, and strengthening healthcare financing mechanisms in India

3. OVERVIEW OF HEALTH INSURANCE IN INDIA

Health insurance in India has experienced remarkable growth over the past two decades owing to government initiatives, technological advancements, increasing healthcare expenditure, and growing public awareness. Both public and private insurance companies provide various health insurance products, including individual plans, family floater policies, critical illness insurance, senior citizen policies, and government-sponsored health insurance schemes. Flagship initiatives such as Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PM-JAY) have significantly expanded healthcare access to economically weaker sections of society. The Insurance Regulatory and Development Authority of India (IRDAI) has introduced several reforms to improve transparency, claim settlement efficiency, digital accessibility, and consumer protection. Digital platforms, mobile applications, online aggregators, and InsurTech companies have further simplified policy comparison and purchasing processes. Despite these developments, insurance penetration remains relatively low among young adults due to insufficient awareness, misconceptions regarding premiums, limited financial literacy, and inadequate understanding of long-term healthcare planning. Strengthening awareness among youth is therefore essential for improving overall insurance coverage and achieving universal health protection.

4. REVIEW OF LITERATURE

Recent studies indicate that awareness of health insurance among young people in India has improved, although several challenges continue to hinder effective adoption. Kumar and Sharma (2023) reported that while urban youth recognized the importance of health insurance, their understanding of policy coverage, exclusions, waiting periods, and claim procedures remained inadequate. The study identified affordability, trust in insurance providers, and digital accessibility as major determinants of policy adoption, recommending collaboration between insurers and educational institutions to improve financial literacy.

Patel and Mehta (2022) found that increasing healthcare costs have generated greater interest in health insurance among young professionals. However, limited understanding of policy terms and conditions continues to impede purchase decisions. The study emphasized that transparent communication, digital services, cashless hospitalization, and efficient claim settlement significantly enhance customer satisfaction and policy adoption. Singh and Verma (2021) further observed that parental education, family income, educational background, and exposure to digital media significantly influence awareness levels among college students. They recommended integrating financial literacy and insurance education into higher education curricula to encourage informed financial decision-making.

Gupta and Arora (2020) revealed that young consumers generally preferred private insurance companies because of better service quality and digital convenience. Nevertheless, inadequate knowledge regarding tax benefits, policy exclusions, co-payment clauses, and waiting periods remained a major concern. Likewise, Bhatia and Kaur (2023) found that digital literacy, previous hospitalization experience, and family background positively influenced awareness, while insufficient knowledge about portability, preventive healthcare, and tax benefits continued to limit informed policy selection.

The role of technology has become increasingly important in promoting health insurance awareness. Rao and Nair (2024) demonstrated that mobile applications, online comparison portals, artificial intelligence-based customer support, and social media campaigns significantly improved awareness and purchase intention among Generation Z consumers. However, the study also cautioned that misinformation on digital platforms could negatively affect consumer understanding. The IRDAI Annual Report (2023–24) similarly highlighted that technological innovations, including e-KYC, AI-enabled customer support, and digital insurance platforms, have enhanced accessibility, but consumer awareness regarding policy coverage, exclusions, riders, and claim procedures remains inadequate. The report stressed the need for coordinated awareness programmes involving insurers, educational institutions, employers, and regulatory agencies.

Customer satisfaction and relationship management have also emerged as critical factors influencing health insurance adoption. Chatterjee and Das (2022) reported that claim settlement efficiency, premium affordability, policy transparency, hospital network coverage, and digital accessibility significantly determine customer satisfaction. Joseph and Thomas (2021) identified affordability, trust, healthcare inflation, employer influence, and digital convenience as key drivers of purchase intention among young professionals, while emphasizing the importance of simplifying policy documents.

Furthermore, Sharma and Gupta (2024) concluded that effective Customer Relationship Management (CRM) practices—including personalized communication, mobile applications, renewal reminders, customer feedback mechanisms, and grievance handling—enhance customer satisfaction, trust, loyalty, and policy renewal intentions.

Overall, the reviewed literature suggests that although awareness of health insurance among India's young generation has improved considerably, significant knowledge gaps persist regarding policy features, claim procedures, and financial benefits. The studies consistently recommend strengthening financial literacy, improving digital awareness initiatives, simplifying policy information, and enhancing CRM practices to increase health insurance penetration and promote long-term financial security among young consumers.

5. STATEMENT OF THE PROBLEM

Healthcare expenditure in India has increased substantially due to rising medical inflation, changing lifestyles, and the growing prevalence of chronic diseases. Although numerous public and private health insurance products are available, insurance penetration among young adults remains comparatively low. Many young individuals perceive themselves to be less vulnerable to health risks and therefore postpone purchasing health insurance. Limited awareness regarding policy benefits, claim settlement procedures, premium calculation, tax advantages, policy exclusions, and government-sponsored health insurance schemes further contributes to inadequate insurance adoption. Moreover, misleading advertisements, complex policy documents, and insufficient financial literacy create confusion among potential policyholders. Educational institutions and workplaces often provide limited exposure to health insurance education, resulting in poor decision-making among first-time buyers. Since the younger generation represents the future workforce and contributes significantly to India's economic development, improving their awareness is essential for ensuring financial security and reducing the burden of unexpected medical expenses. Therefore, an empirical investigation is necessary to assess the level of awareness towards health insurance among the young generation, identify the factors influencing insurance adoption, evaluate satisfaction with existing insurance services, and examine the effectiveness of customer relationship management practices. The findings of the study are expected to support policymakers, insurers, educational institutions, and healthcare organisations in designing effective awareness programmes and youth-centric insurance products.

6. OBJECTIVE OF THE STUDY

To examine the level of awareness towards health insurance among the young generation in Tiruchirappalli District.

Research Methodology

Research Design

The present study adopts a descriptive research design to examine awareness towards health insurance among the young generation in Tiruchirappalli District. The descriptive approach enables the researcher to systematically analyse respondents' awareness, perceptions, adoption factors, satisfaction levels, and the influence of customer relationship management practices.

Nature of the Study

The study is empirical in nature and is based on primary data collected directly from respondents using a structured questionnaire.

Area of the Study

The study was conducted in Tiruchirappalli District, Tamil Nadu, covering respondents from urban, semi-urban, and rural areas.

Sources of Data

Primary Data: Structured questionnaire administered to young respondents.

Secondary Data: Books, journals, IRDAI reports, Ministry of Health publications, research articles, and official government reports.

Sampling Technique

The study employed the Convenience Sampling Technique, considering accessibility and availability of respondents within the selected study area.

Sample Size

A total of 358 respondents participated in the study.

Instrument for Data Collection

A structured questionnaire consisting of five sections was used:

Demographic Profile

Awareness towards Health Insurance

Factors Influencing Adoption

Level of Satisfaction

Impact of Customer Relationship Management Practices

The instrument comprised demographic questions and 80 statements measured using a five-point Likert Scale ranging from Strongly Agree (5) to Strongly Disagree (1).

Statistical Tools Used

The collected data were analyzed using the following statistical techniques:

Percentage Analysis

Frequency Distribution

Mean Score Analysis

Standard Deviation

Weighted Average Ranking

7. RESULTS AND DISCUSSION

Table 1

Demographic Profile of the Respondents (n = 358)

Variable	Category	Frequency	Percentage
Age	Less than 20 Years	48	13.4
	21–25 Years	165	46.1
	26–30 Years	102	28.5
	Above 30 Years	43	12.0
Gender	Male	196	54.7
	Female	162	45.3
Education	High School	38	10.6
	Undergraduate	164	45.8
	Postgraduate	116	32.4
	Professional	40	11.2
Occupation	Student	112	31.3
	Private Employee	108	30.2
	Government Employee	46	12.8
	Self-employed	42	11.7
	Unemployed	50	14.0
Monthly Income	Below ₹10,000	102	28.5
	₹10,001–25,000	126	35.2
	₹25,001–50,000	88	24.6
	Above ₹50,000	42	11.7

The demographic profile indicates that the majority (46.1%) of respondents belong to the 21–25 years age group, confirming that the study primarily represents young adults. Male respondents (54.7%) slightly outnumber female respondents (45.3%). Nearly half of the respondents are undergraduate students, while one-third are pursuing postgraduate education, reflecting a relatively educated sample. Students and private-sector employees together account for over 60% of the respondents, demonstrating that the study captures individuals entering higher education and early employment. Regarding income, 63.7% of the respondents earn below ₹25,000 per month, indicating limited earning capacity among young adults. Overall, the demographic characteristics are appropriate for assessing awareness toward health insurance among the young generation.

Table 2

Awareness towards Health Insurance

Particulars	Mean	SD	Rank
Basic purpose of health insurance	4.36	0.71	I
Coverage of medical expenses	4.28	0.76	II
Public and private insurance awareness	4.14	0.82	III
Network hospitals	3.96	0.89	IV
Claim procedure	3.78	0.95	V
Policy renewal	3.72	0.91	VI
Tax benefits	3.61	0.98	VII
Health insurance riders	3.42	1.04	VIII

Overall Mean = 3.91

The findings reveal that respondents possess reasonably good awareness regarding the basic purpose of health insurance and the coverage provided under health insurance policies. However, comparatively lower awareness exists regarding tax benefits, claim procedures, policy riders, and renewal conditions. The overall mean score of 3.91 indicates a moderate-to-high level of awareness among young individuals. The results suggest that respondents understand the general concept of health insurance but require greater knowledge concerning technical and policy-related aspects. Insurance companies, educational institutions, and government agencies should therefore organize awareness campaigns emphasizing practical aspects such as claim settlement, policy comparison, exclusions, and tax incentives to improve informed decision-making among young consumers.

Table 3

Factors Influencing Adoption of Health Insurance

Factor	Mean	SD	Rank
Affordable Premium	4.42	0.69	I
Cashless Treatment	4.35	0.74	II
Wide Hospital Network	4.28	0.76	III
Claim Settlement	4.21	0.81	IV
Customer Service	4.10	0.83	V
Digital Services	4.04	0.88	VI
Family Recommendation	3.95	0.90	VII
Advertisement	3.58	1.01	VIII

Affordable premiums emerge as the most influential factor affecting the adoption of health insurance among young adults. Respondents also place considerable importance on cashless treatment facilities, extensive hospital networks, and efficient claim settlement. Digital services and customer support further influence purchasing decisions. Traditional advertisements receive the lowest ranking, suggesting that young consumers rely more on digital information, peer recommendations, and service quality than on conventional promotional activities. These findings indicate that insurers should prioritize affordability, service quality, and digital accessibility to enhance policy adoption among younger populations.

Table 4

Satisfaction towards Health Insurance Services

Dimension	Mean	SD	Rank
Digital Services	4.26	0.73	I
Cashless Facility	4.18	0.77	II
Customer Service	4.10	0.82	III
Hospital Network	4.03	0.84	IV
Premium Payment Process	3.96	0.86	V
Claim Settlement	3.82	0.93	VI
Policy Information	3.74	0.95	VII
Grievance Redressal	3.60	1.02	VIII

The respondents express relatively high satisfaction with digital services and cashless hospitalization facilities offered by insurance providers. Customer service and hospital network coverage are also viewed positively. However, respondents are comparatively less satisfied with grievance redressal mechanisms, policy clarity, and claim settlement procedures. These findings suggest that insurers should focus on improving transparency, simplifying policy documentation, and strengthening grievance handling systems to increase customer satisfaction and policy renewal among young consumers.

Table 5

Impact of CRM Practices

CRM Practice	Mean	SD	Rank
Renewal Reminder	4.34	0.71	I
Digital Communication	4.25	0.75	II
Mobile App Services	4.19	0.78	III
Personalized Information	4.12	0.81	IV
Customer Feedback	4.06	0.84	V
Health Awareness Updates	3.98	0.88	VI
Workshops	3.74	0.96	VII
Dedicated Relationship Manager	3.58	1.02	VIII

CRM practices positively influence respondents' perceptions toward health insurance providers. Renewal reminders and digital communication receive the highest satisfaction scores, indicating the growing importance of technology-enabled customer engagement. Personalized information and mobile applications also contribute significantly to customer experience. However, respondents perceive educational workshops and dedicated relationship managers as less effective due to their limited availability. Insurance companies should strengthen CRM initiatives by offering regular awareness programmes and personalized support to improve customer loyalty and policy retention.

Table 6

Overall Awareness Level

Awareness Level	Frequency	Percentage
Low	54	15.1
Moderate	186	52.0
High	118	32.9

The results indicate that a majority (52.0%) of respondents possess a moderate level of awareness toward health insurance, while 32.9% exhibit high awareness. Only 15.1% fall under the low-awareness category. This suggests that although general awareness has improved, substantial knowledge gaps remain regarding policy details, claim procedures, and available insurance options. Targeted educational initiatives can help move respondents from moderate to high awareness.

Table 7

Sources of Awareness

Source	Frequency	Percentage	Rank
Social Media	128	35.8	I
Family & Friends	92	25.7	II
Educational Institutions	56	15.6	III
Advertisement	48	13.4	IV
Workplace	34	9.5	V

Social media serves as the primary source of awareness among respondents, followed by family and friends. Educational institutions contribute modestly, indicating an opportunity to integrate financial literacy and insurance education into academic programmes. Workplaces play the least significant role, suggesting that employers could enhance employee awareness through orientation sessions and health insurance workshops.

Table 8

Preferred Type of Health Insurance

Policy Type	Frequency	Percentage
Individual	134	37.4
Family Floater	102	28.5
Employer Sponsored	76	21.2
Government Sponsored	46	12.9

Individual health insurance is the most preferred policy type among respondents, reflecting the increasing financial independence of young adults. Family floater policies also receive substantial preference, particularly among married respondents. Employer-sponsored and government-sponsored policies account for a smaller share, suggesting scope for increasing awareness of these schemes.

Table 9

Preferred Insurance Provider

Provider	Frequency	Percentage
Private Companies	214	59.8
Public Sector Companies	144	40.2

Nearly 60% of respondents prefer private health insurance companies, primarily due to perceptions of better customer service, digital platforms, and faster claim settlement. Public sector insurers continue to enjoy considerable trust, particularly among respondents seeking affordability and government-backed reliability.

Table 10

Overall Ranking of Major Dimensions

Dimension	Mean	Rank
Adoption Factors	4.12	I
CRM Practices	4.03	II
Awareness	3.91	III
Satisfaction	3.96	IV

Among the major dimensions, factors influencing adoption receive the highest overall mean score, highlighting the importance of affordability, claim settlement, and healthcare coverage in insurance decisions. CRM practices and awareness also receive favorable ratings, while satisfaction ranks slightly lower due to concerns about grievance handling and policy transparency. These findings indicate that insurers should improve customer support and educational initiatives while maintaining competitive products and digital services.

Major Findings

The study reveals that the majority of respondents belong to the 21–25 years age group, indicating that young adults constitute the primary population for health insurance awareness initiatives. Most respondents possess a moderate level of awareness regarding health insurance, particularly about its basic purpose and financial protection against medical emergencies. However, awareness concerning claim settlement procedures, policy exclusions, tax benefits, riders, and policy renewal remains comparatively low. Affordable premiums, cashless hospitalization, extensive hospital networks, and efficient claim settlement are the most influential factors encouraging health insurance adoption. Respondents express higher satisfaction with digital services and online premium payment facilities, whereas grievance redressal mechanisms and policy transparency require improvement. Customer Relationship Management (CRM) practices, particularly digital communication, renewal reminders, and personalized customer support, significantly influence customer satisfaction and policy retention. Overall, the findings indicate that although awareness is improving among young people, comprehensive financial literacy and insurance education remain essential for increasing health insurance penetration.

Major Suggestions

Health insurance companies should organise regular awareness campaigns targeting colleges, universities, workplaces, and youth organisations to educate young adults about the importance of health insurance. Educational institutions should incorporate financial literacy and insurance education into their curriculum to improve students' understanding of policy features, claim procedures, and tax benefits. Insurance providers should simplify policy documents using user-friendly language and enhance transparency regarding policy exclusions and waiting periods. Digital platforms, mobile applications, and social media should be effectively utilized to disseminate authentic and updated information about health insurance products. Companies should strengthen CRM practices by providing personalized communication, timely renewal reminders, digital claim tracking, and responsive customer support. Government agencies and the Insurance Regulatory and Development Authority of India (IRDAI) should collaborate with insurers and educational institutions to conduct nationwide awareness programmes. Affordable youth-oriented insurance products and flexible premium payment options should be introduced to encourage early policy adoption among the younger generation.

8. CONCLUSION

Health insurance has become an essential component of financial planning and healthcare security in modern society. The present study concludes that the young generation possesses a satisfactory level of awareness regarding health insurance; however, significant knowledge gaps continue to exist concerning policy details, claim settlement procedures, and financial benefits. Factors such as affordable premiums, digital accessibility, customer service quality, and effective CRM practices substantially influence insurance adoption among young consumers. Enhancing financial literacy, strengthening awareness programmes, simplifying insurance products, and improving customer relationship management will contribute significantly to increasing health insurance penetration. The findings of the study provide valuable insights for policymakers, insurance companies, educational institutions, and healthcare organizations in developing effective strategies to promote health insurance awareness among young adults..

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