Insurance Awareness Among Students: A Study on Knowledge, Attitude, and Perception

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Abstract:

Insurance is an important component of financial planning and risk management, but awareness regarding insurance among the students has not been studied sufficiently, even though financial independence of students and their exposure to risk have increased. This study investigates the issue of insurance awareness among the students based on their knowledge, attitude, and perception towards it. Using a questionnaire-based approach, the study examines the extent of knowledge regarding different forms of insurance that students possess, their attitude towards buying insurance, and their perception regarding insurance. The findings of the study show that knowledge regarding insurance is poor due to a number of reasons such as educational exposure, family background, and financial literacy level of students. While the attitude of the students is moderately favorable, their perception is often flawed due to their lack of understanding regarding premium cost, claims process, and benefits of insurance.

Introduction:

Insurance is an economic tool aimed at protecting people and firms from any monetary losses arising from uncertainties. Insurance is very important in risk management in compensating losses as a result of unexpected occurrences such as illnesses, accidents, and even death. Insurance awareness can be described as the knowledge that people have about insurance products, benefits, characteristics, and the way insurance works. Insurance awareness is related to knowledge, attitude, and perception that determine whether a person buys or uses insurance products.

For developing countries such as India, where there is less penetration of insurance products than in other nations, awareness in particular demographics such as students is vital. People between the ages of 18 and 25 years are growing into financial freedom and are making big decisions regarding insurance products. Knowing the knowledge, attitude, and perception of the youth regarding insurance products is very important.

There is indeed a number of studies conducted regarding the knowledge and perception of insurance among general consumers; however, the studies regarding the knowledge of insurance among students are few. In most cases, the students have a low level of knowledge concerning insurance because of which they form some misconceptions regarding it, which makes them ill-prepared to cope with any risk related to finance. The purpose of this study is to explore the level of insurance knowledge among the students.

Research Objectives:

The main purposes of this study are:

1. To examine the insurance awareness of the students, specifically their knowledge, attitudes, and perceptions about insurance.
2. To investigate the relationship between the demographic variables (i.e., age, education, and course of study) of the respondents and insurance awareness, attitudes, and perceptions.

Research Methodology:

Design of Research

For the present study, descriptive research design is adopted which is further categorized as a quantitative approach. The population of this study includes undergraduates and postgraduates from different colleges in Surat city. Data was collected through a questionnaire.

Selection of Sample

Stratified random sampling technique was applied to select a sample of 150 respondents. The demographic factors included in the study were age, gender, education and field of study.

Instrument for Data Collection

Questionnaire was designed into four parts:

1. Demographic Variables (age, gender, education and field of study)
2. Knowledge Questions (knowledge about types of insurance, concept of premium, procedure of claim)
3. Attitude questions (importance of insurance, purchase intention of insurance)
4. Perception questions (usefulness of insurance, barriers of adopting insurance)

Respondents' responses have been measured through a five-point Likert scale, i.e., “Strongly disagree” to “Strongly agree”.

Data Analysis

For analyzing the data, descriptive statistics have been used. Percentage, graph and pie chart have been used in this study.

Review of Literature:

1. Insurance Awareness and Systematic Reviews

In their systematic review of the literature on insurance awareness, Noraini Ismail et al. noted several research gaps and called for additional empirical studies focusing specifically on different demographic groups, including students.

2. Health Insurance Literacy Among International College Students

Low levels of health insurance literacy were discovered among international college students in the study by Adegboyega et al.

3. Preparedness of College Students for the Health Insurance Acquisition

In the study indexed in the PubMed database, researchers examined the awareness and emotional state of college students regarding health insurance acquisition. It was revealed that although college students understand the importance of having health insurance, their knowledge about it is rather poor, and their emotional state in terms of this issue is quite stressful.

4. Awareness about Islamic and Conventional Insurance

Mohamed Naushad Mohamed Minaz et al. investigated awareness about the distinction between Islamic insurance or Takaful and conventional insurance among students in Sri Lanka. Findings suggest low awareness with misconceptions affecting students' perceptions.

5. Awareness and Perception in Consumers

Chyavana Kondapally et al. studied the impact of consumer awareness on their perceptions towards purchase of health insurance in Hyderabad. This study reveals a positive relationship between awareness and attitude.

6. Health Insurance Attitudes through Cross Section Study

Shet et al. conducted research on awareness and attitudes of health insurance among a sample of community in India. They observed differences in awareness and attitudes due to socio-economic variables. This research is not student specific.

7. Awareness of Takaful Among Students

The study by Aziah Abdul Rahman et al. on the awareness of Takaful products among students of polytechnics showed that even with existing awareness, there was still no proper understanding of product characteristics especially among younger students. This research outcome is consistent with those expected from conventional insurance awareness research.

8. Consumer Perception Towards Insurance Products

The study by Kaneria et al. on consumer perception towards insurance products among consumers in Pune revealed that perception was influenced by knowledge level, socio-economic factors, and promotions. Although this research was not conducted among students, its outcome will be useful in analyzing students' insurance perception.

9. Awareness of Insurance Policies

The research on the awareness levels of insurance policies by Paul Clifford et al. among a general population revealed that there was higher awareness among well-educated individuals.

10. Policy Satisfaction and Awareness

Research on health insurance awareness and satisfaction in cities like Chennai has shown that there is high correlation between policy awareness and satisfaction levels.

Collectively, these studies show that there is a presence of insurance knowledge among various demographics and educational groups, such knowledge influences attitude and perception, and finally students lack knowledge that necessitates action.

Benefits of Insurance to Today's Youth:

Current socio-economic conditions have made life uncertain for today's youth because of issues like health hazards, uncertainty regarding work and employment, change in lifestyles, and increase in cost of living. Insurance is a financial tool that helps them deal with risks and attain financial stability. Some of the main benefits of insurance for today's youth are:

1. Financial Safety against Uncertainties:

One benefit of insurance is the financial protection against all uncertain events such as illness, accident, disability, and death. Young people are always optimistic regarding their health and well-being, however, at times some incident might create financial issues for them. Insurance guarantees that any cost arising out of these issues will not make a hole in their pockets.

2. Health Security and Accessibility to Quality Health Services

Health insurance helps to facilitate youth's accessibility to quality healthcare without incurring very high out-of-pocket costs. In the wake of increasing healthcare costs and health complications related to youth's lifestyle, health insurance helps them to get access to medical care, prevention, and mental health services.

3. Facilitation of Financial Discipline and Planning

Insurance is a tool that helps instill financial discipline and planning in youth because it involves regular payments and future planning. Insurance bought from their early years teaches youth proper financial planning and risk management. Life insurances act as a savings tool for the future.

4. Low Premium and Increased Coverage in Youth

Insurance purchased when one is young enables him/her to benefit from low premiums due to low mortality rates and health risks of youth. One can get increased insurance coverage

while still being young at affordable prices and without financial commitment. One can also benefit from no claim bonuses.

5. Income Insurance and Job Security

The insurance coverages such as term insurance, disability insurance and income insurance plans ensure that there are no losses of income in case of loss of jobs, accidents and illnesses. This is particularly true considering the labor market environment which is dynamic and consists of contractual and gig jobs.

6. Taking Care of Your Dependents/Family

The life insurance coverage takes care of the dependents in case of the unfortunate demise of the insured. This will prevent any complications that may arise considering that the youth is making income to take care of the dependents as well as any outstanding loan payments.

7. Insurance Makes Youths Become Risk Takers in Life

Having enough insurance, youths become risk takers in terms of education, business and job opportunities.

8. Tax Advantages and Financial Planning

There are several insurance plans that offer tax advantages according to the prevailing tax regulations, which enable youths to plan their finances in a systematic manner.

9. Protection Against Lifestyle Risks

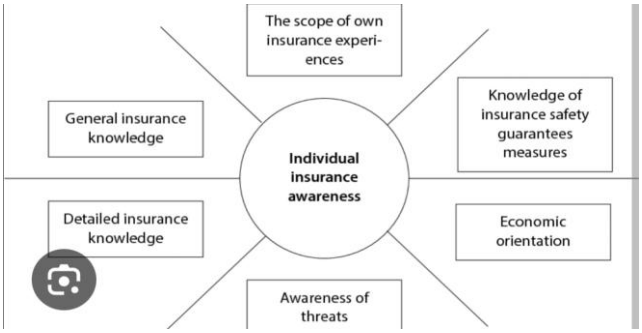
The youth in today's world face many risks related to their lifestyle in the forms of stress, lack of physical activity, accidents, and drug abuse. Insurance plans against these risks will ensure full protection for the future.

10. Importance in Achieving Stability and Independence

This will help them play an important role in stabilizing the economy by promoting insurance and minimizing their reliance on government or family support during hardships.

Dimensions of Insurance Awareness:

Figure 1: Dimensions of Insurance Awareness



(source: Google)

This model of Individual Insurance Awareness has been shown in the above figure and represents the various dimensions that constitute the insurance awareness of an individual. The figure very clearly suggests that Individual Insurance Awareness is a multidimensional concept that not only comprises of factual knowledge but also experience, economics and risk perception of individuals.

Individual Insurance Awareness is located at the heart of the model and stands for the overall awareness and preparedness of the individual towards the concept of insurance. This main concept is influenced by the following dimensions:

1. General Insurance Knowledge

General Insurance Knowledge is basically knowledge on basic concepts of insurance including the concept of insurance, different kinds of insurance (life, health, motor, and property), premium, policy period, and risks covered by insurance. This dimension refers to the base level of awareness that makes an individual understand the concept of insurance as a means of protecting oneself against financial risks. Youth and students gain this knowledge due to education, media, families, and peers.

2. Insurance Knowledge in Detail

Insurance knowledge in detail entails more than awareness; it involves deep knowledge about terms and conditions, exclusions, claim settlement processes, riders, premiums, and comparison of insurance policies. This attribute shows the capacity of people to analyze insurance policies before taking any action regarding them. Rational selection of insurance policies and reduction of misleading information are related to the high degree of insurance knowledge in detail.

3. Scope of One's Own Insurance Experiences

The scope of one's own insurance experiences entails the effect of personal or family experience with insurance through purchasing of insurance policy, claim process, and claim settlement process. Good experiences increase trust and awareness, whereas bad experiences increase mistrust. In the case of students, the experiences come indirectly from parents or other relatives.

4. Knowledge of Measures on Insurance Safety Guarantee

Insurance safety guarantee measure knowledge entails knowledge of regulatory framework, consumer protection measures, trustworthiness of insurers, claim handling process, and government measures. Having this kind of knowledge builds up the trust in insurance institutions and eliminates any fear of being cheated or of having claim rejections.

5. Economic Orientation

Economic orientation can be defined as a person's economic attitude that includes his awareness of finances, savings practices, budgeting skills, and orientation toward financial planning in the long run. People with high economic orientation tend to understand the importance of insurance from the standpoint of security and risk management. Economic orientation of youth is determined by their education, socioeconomic position, and financial literacy.

6. Perception of Threats

Perception of threats can be described as a person's perception of risks like health risks, accidents, income reduction, disabilities, and mortality. The higher degree of threat perception results in the increased necessity for insurance. Threat perception of contemporary youth is determined by lifestyle threats, employment insecurity, environmental threats, and increasing cost of healthcare services.

Data Analysis:

Demographic Profile

Table 1: Demographic Profile of Respondents

Variable		No. of Students	Percentage
Age	Below 18	06	4%
	18-21	81	54%
	22-25	37	24.67%
	Above 25	26	17.33
	Total	150	100%
Gender	Male	64	42.67%
	Female	86	57.33%
	Total	150	100%
Education Level	Under Graduation	77	51.33%
	Post Graduation	65	43.33%
	Others	08	5.33%
	Total	150	100%
Stream of Study	Commerce	121	80.67%
	Arts	18	12%

	Science	07	4.66%
	Management	02	1.33%
	Others	02	1.33%
	Total	150	100%
Monthly Family Income	Below 10,000	27	18%
	10,000-25,000	50	33.33%
	25,001-50,000	41	27.33%
	Above 50,000	32	21.33%
	Total	150	100%

Age Distribution

The greatest number of respondents (81 people, 54%) belong to the age range of 18-21 years old, which means they are young adults probably still attending college. The next largest group includes those aged 22-25 years (37 people, 24.67%), then the group above 25 (26 people, 17.33%), and the smallest group consists of those below 18 years old (6 people, 4%). This age bias indicates that the respondents are mostly undergraduates who lack life experience concerning finances.

Gender Distribution

Females make up the larger portion (86 students, 57.33%), compared to males (64 students, 42.67%). This slight female majority could reflect enrollment trends in the sampled institution(s). In the context of insurance awareness, gender differences might emerge if awareness campaigns or education target specific groups; studies often show varied financial literacy by gender, though this data alone doesn't indicate outcomes.

Education Level

Over half the respondents are undergraduates (77 students, 51.33%), closely followed by postgraduates (65 students, 43.33%), with a small "others" category (8 students, 5.33%). This indicates a balanced mix of academic progression, but with a tilt toward those still in foundational studies. Postgraduates might have higher insurance awareness due to advanced coursework or age-related exposure, while undergraduates could benefit more from targeted awareness programs.

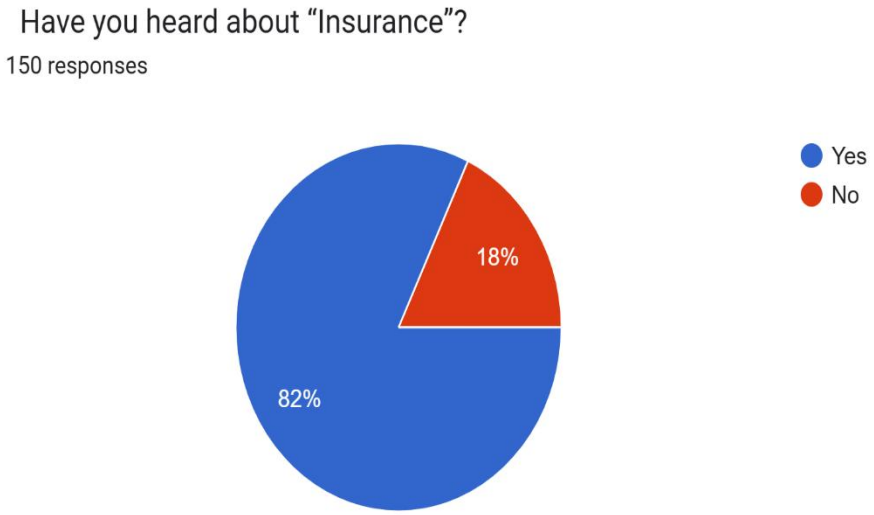
Stream of Study

Commerce dominates overwhelmingly (121 students, 80.67%), with arts (18 students, 12%), science (7 students, 4.67%), management (2 students, 1.33%), and others (2 students, 1.33%) forming minor shares. This heavy commerce focus suggests the sample is from business-oriented programs, where students are likely exposed to topics like finance and risk management. Consequently, insurance awareness might be higher in this group compared to a more diverse sample, as commerce curricula often include insurance concepts.

Monthly Family Income

The largest group earns 10,000-25,000 monthly (50 students, 33.33%), indicating lower-middle-income families. This is followed by 25,001-50,000 (41 students, 27.33%), above 50,000 (32 students, 21.33%), and below 10,000 (27 students, 18%). The distribution leans toward modest incomes, which could correlate with lower insurance penetration, as affordability and priority for insurance products often vary by socioeconomic status. Higher-income families might have greater exposure to insurance through parental experiences.

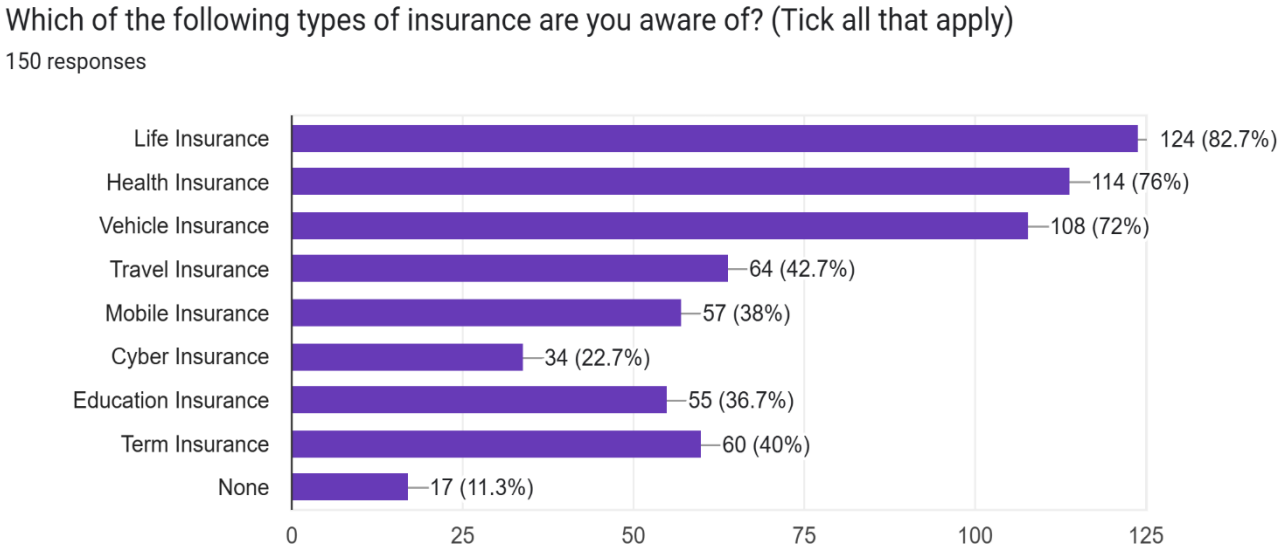
Figure 2:



Yes: 82% (123 respondents); No: 18% (27)

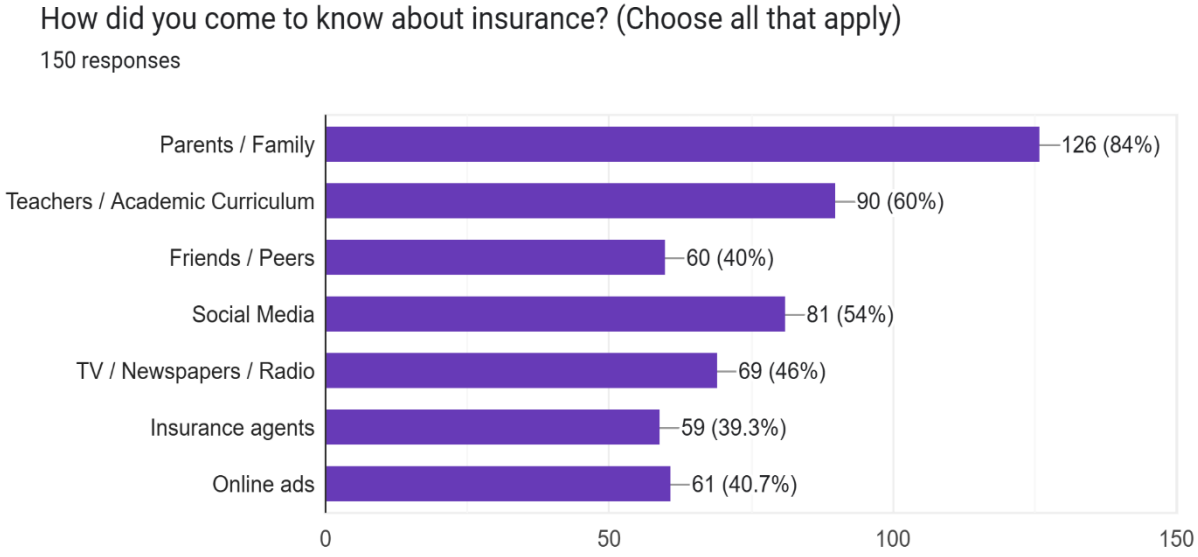
A strong majority have basic exposure, aligning with the commerce-heavy sample where financial topics are likely discussed. The 18% unaware highlights a gap, possibly among younger or non-commerce students, emphasizing the need for foundational education.

Figure 3:



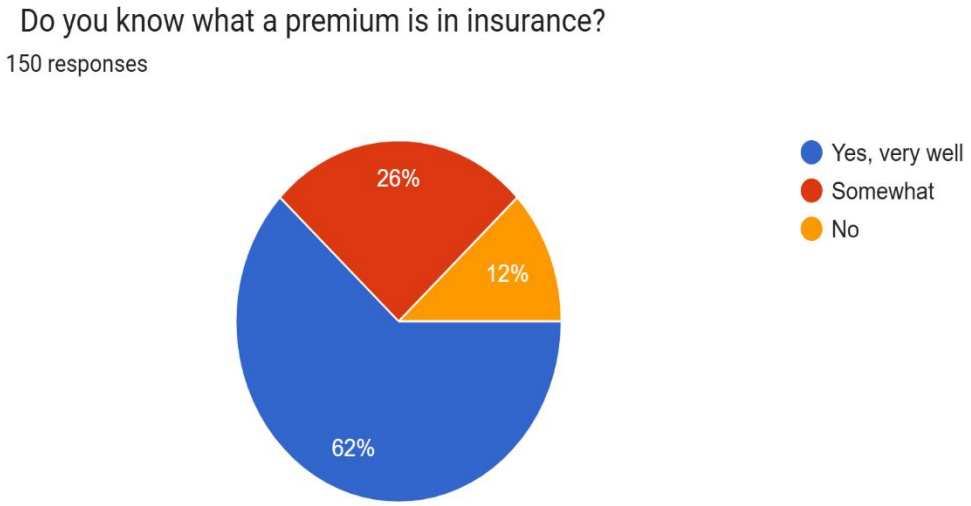
Awareness is high for core types (life, health, vehicle), likely due to everyday relevance and media exposure. Niche types like cyber and term show low awareness (under 25%), possibly because they are less marketed to students or not covered in curricula. No respondents selected "None," reinforcing overall familiarity.

Figure 4:



Family is the top source, followed by education and media. This highlights informal learning's role, but lower agent influence suggests limited direct marketing to students.

Figure 5:



Yes, very well: 62% (93); Somewhat: 26% (39); No: 12% (18).

Over 88% have at least partial knowledge, suggesting academic influence (e.g., commerce curricula). However, the 12% with no knowledge indicates room for clearer explanations in entry-level education.

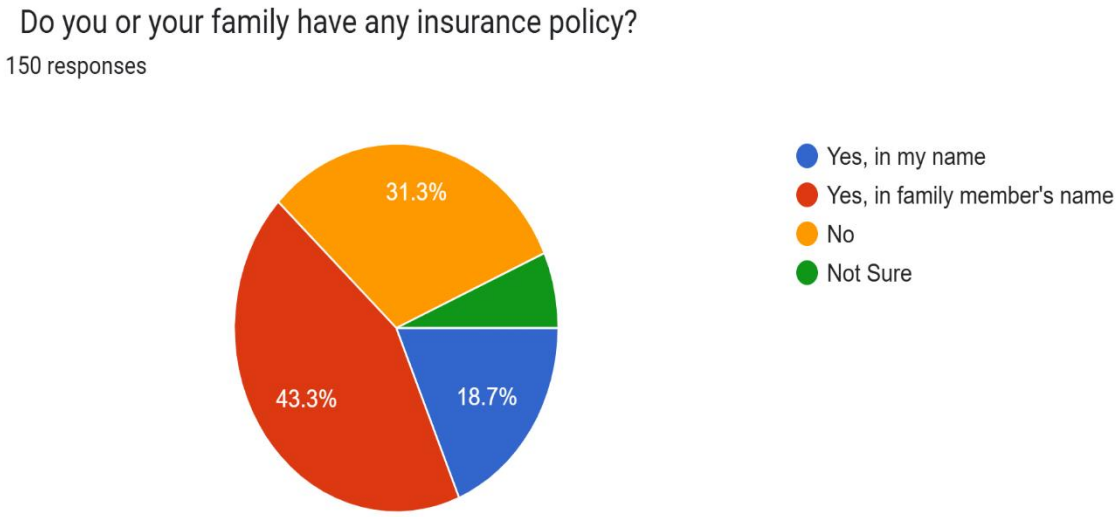
Figure 6:



Yes: 86% (129); No: 14% (21).

High brand recall reflects effective marketing or familial discussions, but the minority unaware may correlate with lower-income groups where insurance penetration is lower.

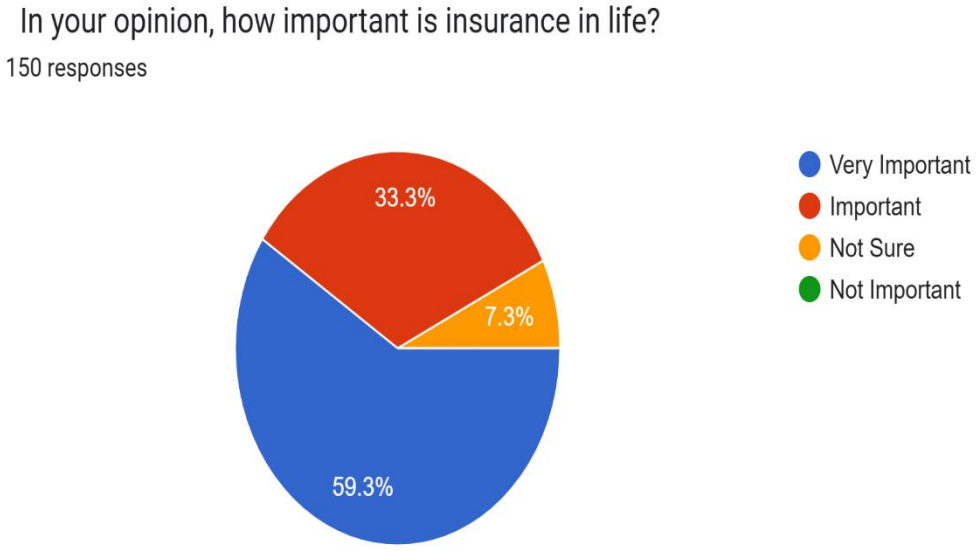
Figure 7:



Yes, in family member's name: 43.3% (65); No: 31.3% (47); Yes, in my name: 18.7% (28); Not sure: 6.7% (10).

About 62% have exposure through family or self, correlating with higher awareness. The 31.3% without may link to lower incomes, as noted in demographics.

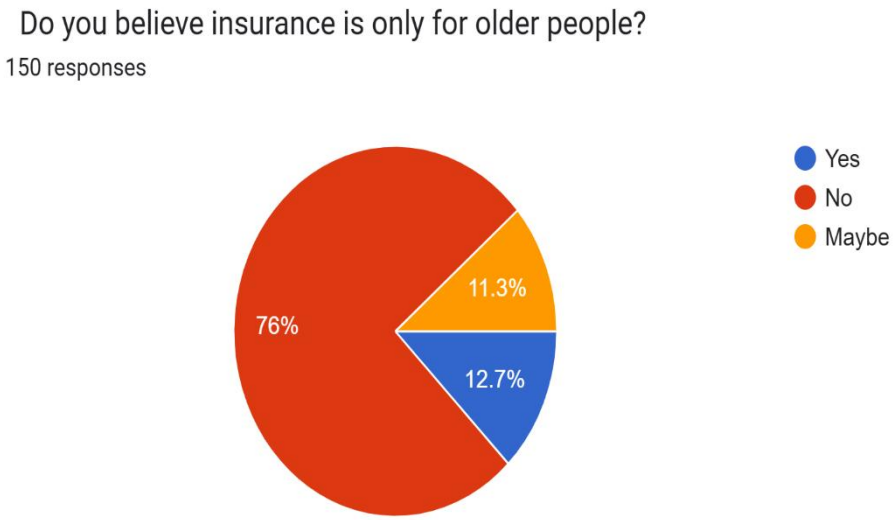
Figure 8:



Very important: 59.3% (89); Important: 33.3% (50); Not sure: 7.3% (11); Not important: 0% (0).

Over 92% view it positively, underscoring recognition of risk management. The lack of "not important" responses shows consensus, potentially influenced by recent global events like COVID-19.

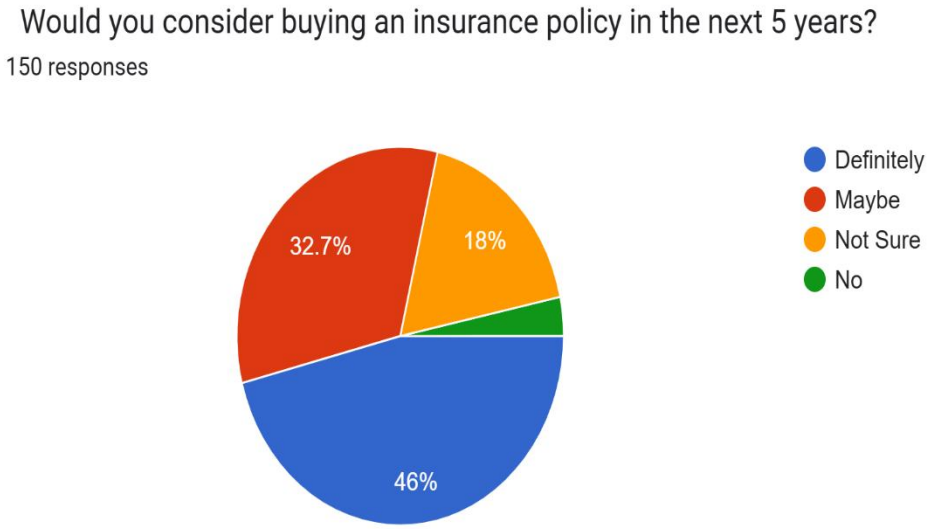
Figure 9:



No: 76% (114); Yes: 12.7% (19); Maybe: 11.3% (17).

Most reject age stereotypes, aligning with youth-oriented products (e.g., student health plans). This bodes well for early adoption.

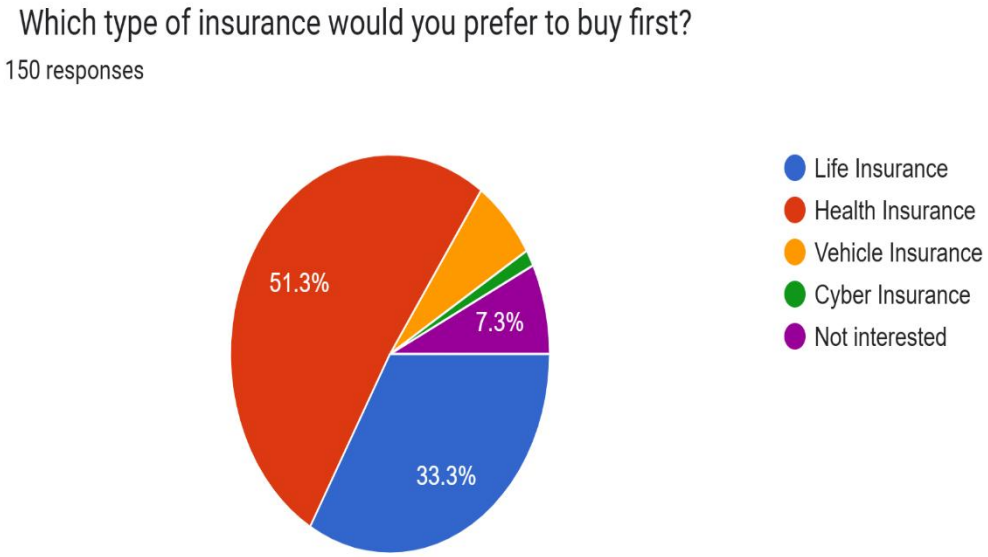
Figure 10:



Definitely: 46% (69); Maybe: 32.7% (49); Not sure: 18% (27); No: 3.3% (5).

Nearly 79% are open, indicating intent among young adults entering the workforce. Uncertainty may stem from financial inexperience.

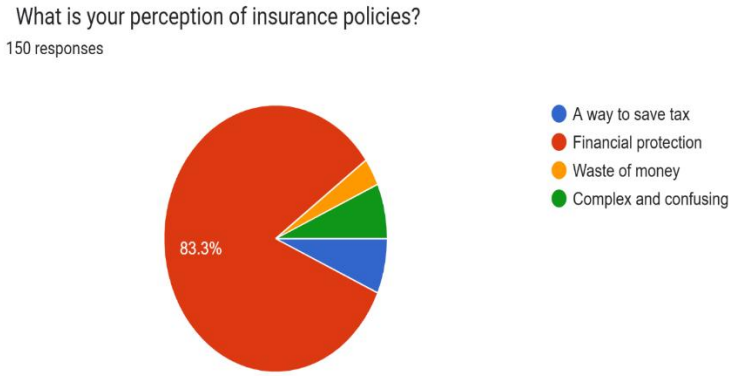
Figure 11:



Health Insurance: 51.3% (77); Life Insurance: 33.3% (50); Vehicle Insurance: ~4-7% (estimated ~10); Cyber Insurance: 7.3% (11); Not Interested: ~4% (estimated ~6). (Note: Small segments approximate based on visual; total sums to 150.)

Health tops preferences, reflecting youth priorities (medical costs, pandemics). Life follows, possibly for long-term security. Low interest in vehicle/cyber aligns with student lifestyles (fewer owning cars or facing cyber risks). ~4% not interested suggests minimal outright rejection.

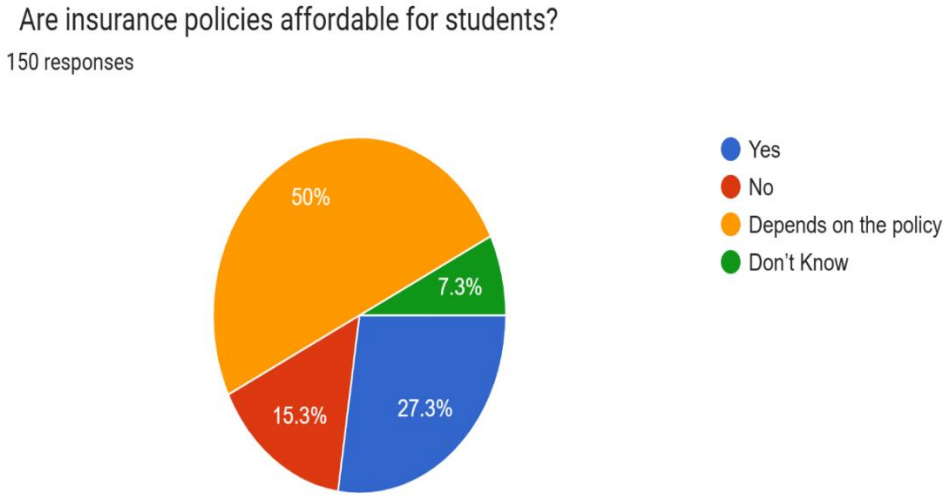
Figure 12:



Financial protection: 83.3% (125); A way to save tax: ~6.7% (10); Waste of money: ~5.3% (8); Complex and confusing: ~4.7% (7).

Dominantly positive, with most seeing insurance as protective. Negative views are minimal, indicating effective messaging, though small confusion hints at need for simplification.

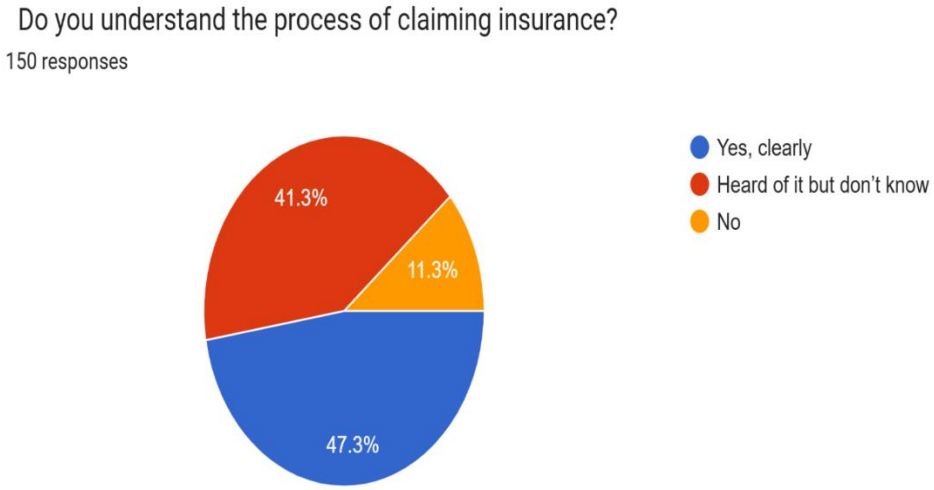
Figure 13:



Depends on the policy: 50% (75); Yes: 27.3% (41); No: 15.3% (23); Don't know: 7.3% (11).

Half see affordability as conditional, reflecting income demographics (modest families). This suggests tailored, low-cost student policies could boost uptake.

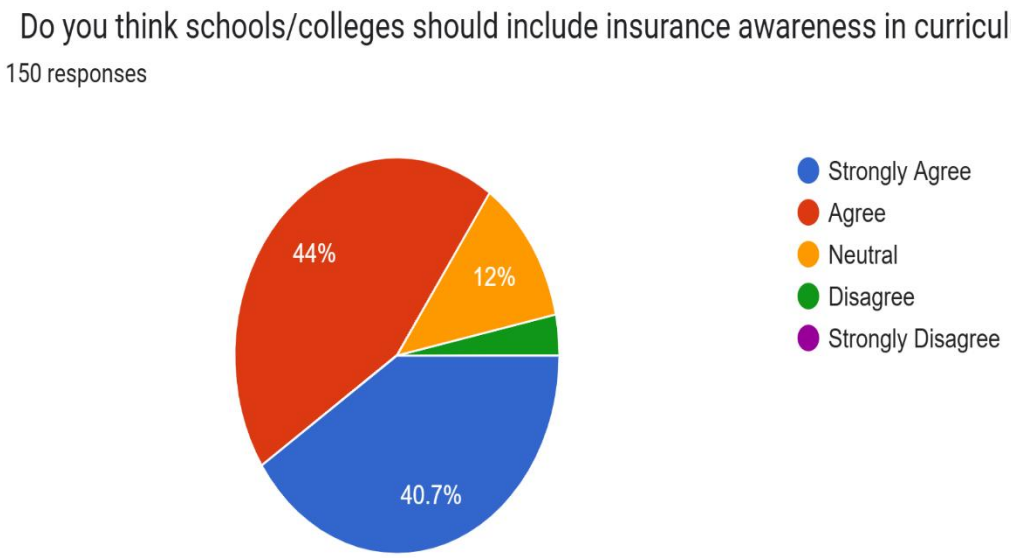
Figure 14:



Yes, clearly: 47.3% (71); Heard of it but don't know: 41.3% (62); No: 11.3% (17).

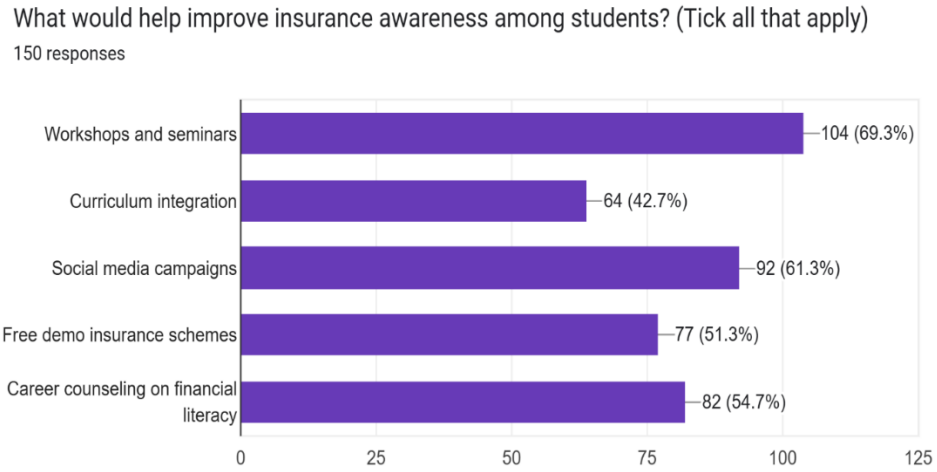
Awareness is moderate, with nearly half fully understanding, but over half lack clarity. This could deter uptake, as claim processes are often seen as bureaucratic; targeted workshops could address this.

Figure 15:



Strongly Agree: 40.7% (61); Agree: 44% (66); Neutral: 12% (18); Disagree: ~2% (3); Strongly Disagree: ~0.7% (1). (Approximate small segments.) Over 84% support inclusion, reflecting demand for formal education given gaps in knowledge.

Figure 16:



Interactive methods (workshops, social media) are favored over curriculum changes, aligning with youth preferences for engaging, digital content.

The data reveals moderate-to-high awareness, positive attitudes, and intent to engage with insurance, but gaps in practical knowledge (e.g., claims) and niche areas. Demographics suggest commerce students drive higher awareness, while income limits exposure. To boost penetration, focus on student-affordable products, digital campaigns, and educational integrations. Compared to global trends (e.g., low youth insurance uptake), this sample shows promise, but broader samples could reveal variations.

Suggestions:

Based on what the students said in the survey, here are some simple ideas to help more students learn about insurance:

1. **Run Workshops and Seminars:**

Most students (about 69%) think hands-on sessions like talks or group activities would help a lot. Schools and colleges can invite insurance experts to explain things in fun ways, like real-life stories or games.

2. **Use Social Media:**

Around 61% of students like this idea. Insurance companies can make short videos, posts, or ads on platforms like Instagram or TikTok to show why insurance matters, using easy examples for young people.

3. **Add It to School Lessons:**

Over 42% want insurance topics in their classes. Teachers can include basic info about insurance in subjects like business or life skills, starting from simple ideas like what a premium is.

4. **Offer Free Trials or Demos:**

About 51% suggested trying out simple insurance plans for free. Companies could give students low-cost or sample policies, like health coverage for a short time, to show how it works.

5. **Give Advice on Money Matters:**

More than half (55%) think career talks on handling money would help. Counselors can include insurance tips when guiding students about jobs and finances.

These steps can make insurance less confusing and more useful for students, especially since many come from families with average incomes and might not know much yet.

Conclusion:

This research on insurance awareness among 150 students shows some good signs but also clear areas for improvement. Overall, most students (82%) have heard about insurance, and a big chunk (88%) know basic things like what a premium means. They mostly see it as a

helpful tool for financial protection (83%), not a waste of money or something too confusing. Awareness is strong for common types like life (83%) and health insurance (76%), which makes sense because these relate to everyday worries like family health or future security. Students also think insurance is important in life (92%), and they're open to buying it soon—almost 79% say they might or definitely will in the next 5 years. This positive attitude is encouraging, especially since the group is young (mostly 18-21) and from commerce backgrounds, where they learn about money matters in class.

But there are real gaps that feel realistic for students. For example, only 47% fully understand how to claim insurance, which could scare them off from using it. Awareness drops for newer types like cyber insurance (just 23%), showing that education hasn't caught up with modern risks like online hacks. Also, 31% of students or their families don't have any policy, often linked to modest incomes (many from families earning under 25,000 a month). Affordability is a big issue—half say it depends on the policy, and since students don't earn much, cheap options are key. Plus, while family (84%) and school (60%) are top ways they learn, things like insurance agents reach only 33%, meaning companies aren't connecting well with young people.

In the end, this study highlights that students are interested and see the value in insurance, but lack of practical knowledge and money barriers hold them back. To make a real difference, schools should add simple lessons, companies should run fun social media campaigns, and offer student-friendly plans. If we do this, more young people can protect themselves early, leading to smarter financial habits as they grow up. These findings come from a specific group (mostly commerce students in one area), so future research could check other streams or regions for a fuller picture. Still, it's a solid start toward building better awareness and helping students face life's uncertainties with confidence.

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