

**A STUDY ON HEALTH INSURANCE AWARENESS WITH
SPECIAL REFERENCE TO RURAL RESIDENTS OF
NAVSARI DISTRICT**

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Abstract:

Health insurance plays a crucial role in mitigating rising medical costs, yet awareness and adoption remain low in rural India. This study examines health insurance awareness and purchase behavior among rural residents of Navsari District, Gujarat, addressing a research gap in this specific region. Objectives include assessing awareness levels, analyzing the impact of demographic factors (gender, income, occupation, education, family type) on awareness and purchase, and identifying primary reasons for non-purchase. Findings reveal 84% awareness but only 33% purchase rate. Higher awareness was observed among males, higher-income groups, students, private sector employees, and joint families.

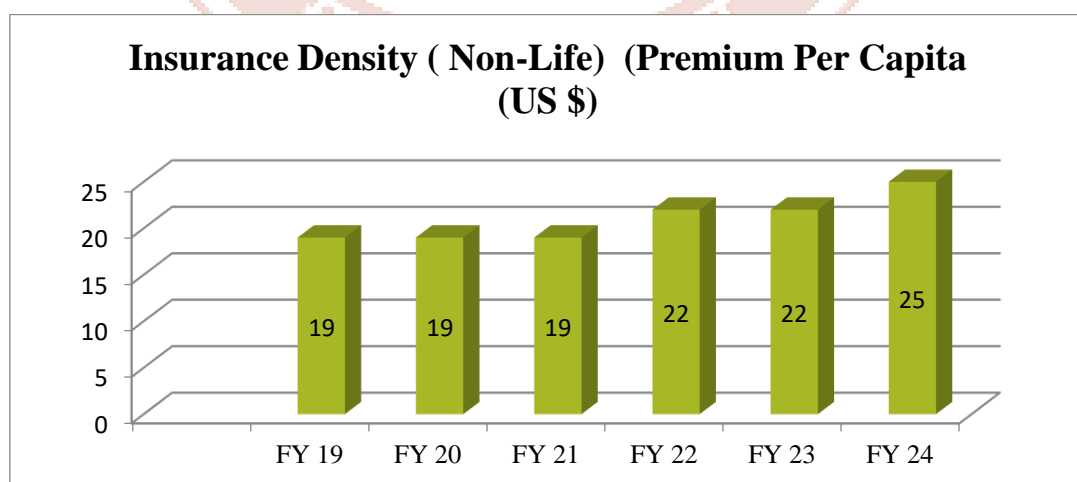
1. Introduction:

Insurance is a financial arrangement where individuals or entities pay premiums to an insurer in exchange for protection against potential losses or risks.

Health Insurance is a specific type of insurance that covers medical and surgical expenses incurred due to illness, injury, or preventive care. It typically includes hospitalization, outpatient treatments, medications, and sometimes wellness services, helping policyholders manage their healthcare costs and facilitate good medical care without significant cost to the insurance holder.

The global health insurance market has shown tremendous growth, thanks to rising healthcare costs, increasing consciousness towards health, inappropriate lifestyle, increasing level of stress, increasing chronic diseases and so on. In 2022, the market was valued at approximately USD 2.0-2.3 trillion, with gross written premiums reflecting steady expansion post-COVID-19.

Figure: 1 Insurance Density (Non-Life)



(Source: IRDAI)

According to the report of India Health Insurance Market, the India health insurance market size in terms of Gross Written Premium was estimated at USD 15.06 billion in the year of 2024 and is projected to grow at a CAGR of 20.9% from the year 2025 to year 2030. The India health insurance market size in terms of New Business Premium was estimated at USD 9.65 billion in 2024 and is anticipated to expand at a CAGR of 21.4% from 2025 to 2030. The medical expenses in India have increased at a rapid pace due to growing prevalence of chronic diseases, the costs of advanced medical treatments, and ongoing expansions of healthcare infrastructure. Top health insurance companies on the basis of market share and popularity in the year of 2025 includes Star Health and Allied Insurance, Niva Bupa Health Insurance, Care Health Insurance, Aditya Birla Health Insurance and soon.

2. Review

A comprehensive review related to health insurance awareness in rural India has been done for present study and researcher found that there is low to moderate awareness levels, having range ranging from 10% to 62% across diverse regions and demographics and found that education level, income range, trust in agents have impact on awareness and purchase of health insurance.

Ranjan and Kumar (2024) found that 38% awareness and 22% utilization in North India, linking gaps to lower level of educational and income level, while Sriram et al. (2023) studied health insurance literacy at 29/100 via NFHS-5 data, found that women with school education has higher literacy level but having trust issues with agent. Panda et al. (2022) reported 32% awareness related to health insurance but only 18% of respondents have purchased policy in Odisha, while Gupta and Singh (2021) pinpointed lack of awareness (52%) and mistrust (37%) as a main barrier which obstructing people to buy health insurance in rural Uttar Pradesh. Joshi (2016) who found 22% awareness among Maharashtra's rural women due to impact of media.

In Gujarat, Sharma and Patel (2019) found only 25% of poor villagers having awareness about health insurance. The main reason behind poor awareness was lack of education. Patel et al. (2014) saw just 18% awareness among tribal people. 49% didn't trust outsiders (agents), so they don't prefer to purchase health insurance. Patel et al. (2013) in Valsad district found only 15.71% of level of awareness among rural families, with insurance agents as the main source of information (63.63%)

Patel et al. (2012) surveyed farmers in Banaskantha district and found that level of awareness was only 21%, which was due to insurance agents. Similarly, Shah and Desai (2015) have conducted study at Ahmedabad of 300 rural household and found that awareness level

was 28 percent with a gender gap (19 percent for women). Gandhi and Joshi (2013) observed 23% awareness in low-income villages near Surat; they found that education level has significant impact on awareness level as only 8 percent of illiterate people having awareness about health insurance. They also found that pamphlets of insurance related information in local (Gujarati) language can certainly increase awareness and penetration of insurance level.

2.1 Research Gap

Literature review found that no extensive study on awareness has been conducted in rural areas of Navsari District. Further studies regarding awareness of health insurance across demographic factors and purchase of health insurance across demographic factors have not been conducted at rural areas of Navsari. Though studies were conducted nearer to Navsari like Dang, Surat and Valsad but Navsari was never the area of study.

2.2 Purpose of Study

The main purpose of study is to know awareness about health insurance and purchasing pattern in rural areas of Navsari District. This study will help health insurance service providers to improve their campaigns regarding what rural area people exactly looking for health insurance, service providers will also come to know about reasons for not purchasing health insurance, so they can also minimize reasons of failure of service. Further consumers also get better service once service providers improve their offerings.

3. Research Methodology

3.1 Objectives

1. To study awareness of health insurance among rural area people of Navsari District.
2. To study impact of Demographic factors on awareness of health insurance among rural area people of Navsari District.
3. To study impact of demographic factors on purchase of health insurance among rural area people of Navsari District.
4. To study primary reason behind not purchasing health insurance among rural area people of Navsari District

3.2 Hypothesis

Null Hypothesis

There is no relationship between demographic factors and awareness about health insurance

There is no relationship between demographic factors and purchase about health insurance

3.3 Methodology

For the purpose of present study, the researcher has selected descriptive research design. The researcher has prepared a questionnaire comprising of two sections. The first section was related to demographic profile of respondents of rural areas of Navsari district. The second section was related to measuring awareness of health insurance, preference of health insurance companies, major reason to purchase and not purchase health insurance. As awareness is a subjective phenomenon, the researcher has also asked six questions to measure awareness about health insurance also. Initially researcher has done pilot testing of 20 respondents and on the basis of pilot testing, final questionnaire has been prepared. The researcher has used non-probability convenience sampling method to conduct survey in rural areas of Navsari district. A total of 120 surveys have been conducted during time period of September-October 2025 and after data cleaning, the final sample size was 112. For the present study, sampling units were business men, employees of government and private job, students, home-maker and people working in agriculture sector also have been taken. Proper statistical tools were used to do data analysis for the present study.

3.4 Rationale behind Selecting Navsari as area for Study

Navsari District was selected for this study primarily due to research gap identification from Literature review, as very few comprehensive studies on health insurance awareness and purchase behavior have been conducted in its rural areas.

This region offers a representative rural Indian context with demographic diversity, including agriculture-dependent populations, low-to-moderate income levels, and traditional joint family structures, making it ideal for studying factors influencing health insurance awareness and purchase. Further healthcare infrastructure has already risen in Navsari district, so this study will definitely help policymakers to study purchasing pattern of health insurance in Navsari District.

3.5 Limitation of Study

1. Inherent limitations of primary and secondary data may prevail.
2. The study is limited to Navsari district only
3. The results will be limited to time period of study only.

3.6 Descriptive Statistics

The respondents in the study were rural residents of Navsari district, with age ranging from 17 to 50 years and a mean age of 31.7 years (SD = 14.4), which indicates that relatively young population with over 60% of respondents were below 30 years of age. In terms of annual income, the majority of respondents (approximately 58%) fell into the category of less than

2.5 lakh per annum, while only about 5% reported income in the highest bracket (above 10 lakh Rs. Per annum), reflecting the predominantly low-to-moderate income profile typical of rural areas. Regarding occupation, the largest group comprised students (around 30%), followed by private sector employees (26%), government employees (09%), farmers (15%), and business owners (11%), showcasing a diverse occupational distribution. Educationally, a significant portion (nearly 40%) had completed Higher Secondary (H.S.C), while 25% were graduates, 20% held postgraduate or higher degrees, and 15% had education below S.S.C., highlighting moderate to high literacy levels despite the rural setting. Finally, the majority of respondents (about 75%) lived in joint families, with only 25% in nuclear family structures, underscoring the persistence of traditional family systems in the study area.

4. Findings

Our of total respondents, 84 percent of respondents said that they were aware about health insurance. But only 33 percent of people have purchased health insurance.

Majority of respondents who have purchased health insurance were aware about majority of common terms of health insurance.

Table: 1Hypothesis Testing Regarding Awareness of Health Insurance across Demographic Factors

Sr.No	Factor	P-value @ 95 perc Confidence level	Result
1	Gender	0.00	Reject Null
2	Income	0.00	Reject Null
3	Occupation	0.00	Reject Null
4	Type of Family	0.00	Reject Null

From hypothesis testing it can be concluded that across all demographic factors, null hypothesis was rejected. So there is relationship between gender, income, occupation, type of family and awareness. From cross tabulation, it can be concluded that out of 55 male respondents, 44 were aware about health insurance while out of 58 female respondents, 50 respondents were aware. With respect to income, people with income range of above 10 lakh rupees per annum were more aware (87 percent) about health insurance compare to other groups. On the basis of occupation, students have highest level of awareness compare to any other group followed by people working in private sector. In case of type of family, joint family having higher level of awareness compare to nuclear family.

From hypothesis testing, it can be concluded that there is no relationship between gender and purchase of health insurance. On the basis of income, people with income range of less than 2.5 lakh have purchased health insurance more compare to other groups. Regarding occupation, people having private job tend to buy health insurance more compare to other groups followed by students. On the basis of education level, people who have higher education level tend to purchase health insurance more compare to other groups.

Table:2 Hypothesis Testing Regarding Purchase of Health Insurance across Demographic Factors

Sr.No	Factor	P-value @ 95 perc Confidence level	Result
1	Gender	0.536	Fail to Reject
2	Income	0.000	Reject Null
3	Occupation	0.000	Reject Null
4	Education	0.000	Reject Null
5	Type of Family	0.000	Reject Null

Further joint family tends to purchase health insurance more compare to nuclear family.

Major reason for not purchasing health insurance was people of rural area of Navsari were not able to afford health insurance.

The preference of health insurance toward public sector and private sector is almost same.

Majority people of Navsari district tend to purchase health insurance through agents while very few respondents have purchased health insurance online.

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