

# *International Journal of Foreign Trade and International Business*



E-ISSN: 2663-3159

P-ISSN: 2663-3140

Impact Factor: RJIF 5.22

[www.foreigntradejournal.com](http://www.foreigntradejournal.com)

IJFTIB 2025; 7(1): 190-194

Received: 22-03-2025

Accepted: 26-04-2025

**Dr. Sunit Sharma**

Associate Professor, I.B. (PG)  
College, Panipat, Haryana,  
India

**Ajaypal Singh**

Associate Professor, I.B. (PG)  
College, Panipat, Haryana,  
India

## **Exploring consumer attitudes towards health insurance in Panipat district of Haryana: An empirical approach**

**Sunit Sharma and Ajaypal Singh**

**DOI:** <https://www.doi.org/10.33545/26633140.2025.v7.i1b.159>

### **Abstract**

Health insurance has become an essential instrument for financial protection against rising healthcare expenses, especially in developing countries like India. This empirical study examines consumer behaviour towards health insurance in the Panipat district of Haryana. The primary objective is to assess the levels of awareness, preferences, satisfaction, and the key factors influencing the purchase and renewal of health insurance policies among residents.

Data was collected through a structured questionnaire administered to 200 respondents from both urban and rural areas of Panipat. The findings indicate that although awareness of health insurance has improved in recent years, a significant portion of the population still lacks a clear understanding of policy terms, coverage, and benefits. Private insurance companies scored higher in customer satisfaction, whereas government-sponsored schemes were more prevalent among economically weaker sections.

Socio-demographic variables such as income, education, and occupation significantly influence consumer behaviour. Many respondents reported purchasing health insurance policies due to peer influence or pressure from agents rather than through informed decision-making. The study also highlights a considerable gap between policyholders' expectations and actual service delivery, particularly in areas like claim settlement and transparency.

The research concludes with key recommendations: enhancing awareness through educational campaigns, streamlining claim processing procedures, and promoting digital platforms to improve accessibility and user convenience.

**Keywords:** Health insurance, consumer behaviour, Panipat, awareness, claim settlement, policy preferences, rural and urban consumers, Haryana

### **Introduction**

Health insurance has emerged as a vital element of financial security and public health management in India. The sharp rise in healthcare expenses, recurring outbreaks of communicable diseases, and the growing prevalence of lifestyle-related illnesses such as diabetes, hypertension, and cancer have collectively intensified the need for health coverage. In a country where a significant portion of healthcare costs is borne out-of-pocket, the financial strain on individuals and families can be overwhelming. This issue is further compounded by an overstretched and under-resourced public healthcare system. In such a scenario, health insurance acts as a financial buffer, safeguarding individuals from the economic shock of medical emergencies.

Health insurance refers to a type of coverage that offsets the cost of medical treatments and surgical procedures. It either reimburses the insured for medical expenditures or settles the bills directly with the service providers. In India, health insurance is offered by both public and private sector entities. Public initiatives like Ayushman Bharat, the Employees' State Insurance Scheme (ESIS), and the Rashtriya Swasthya Bima Yojana (RSBY) aim to cover economically disadvantaged populations. Meanwhile, private insurers offer a variety of tailored plans for individuals and families, catering to different healthcare needs and financial capacities.

Despite the availability of these schemes, health insurance coverage in India remains limited. Reports and surveys indicate that only a small proportion of the population is adequately insured.

**Corresponding Author:**

**Dr. Sunit Sharma**

Associate Professor, I.B. (PG)  
College, Panipat Haryana,  
India

Factors such as low awareness, distrust in insurers, complex policy terms, unsatisfactory claim settlement experiences, and limited outreach—especially in rural and semi-urban areas—contribute to this gap.

Panipat, a district in Haryana, serves as a representative case for studying consumer behaviour in relation to health insurance. Known for its industrial significance and geographical proximity to metropolitan areas like Delhi and Chandigarh, Panipat features a mixed demographic landscape. Its population includes both urban and rural residents with diverse socio-economic backgrounds, varying levels of education, and a wide range of occupations. Despite its economic activity, health insurance uptake in the district appears inconsistent and influenced by a combination of personal, cultural, and economic factors.

The decision to invest in health insurance is not solely financial. It is shaped by psychological attitudes, social norms, perceived health risks, and levels of trust in healthcare and insurance systems. Therefore, understanding consumer behaviour in this context is critical to formulating effective insurance policies and improving service delivery. This behavioural insight is essential not just for increasing adoption rates but also for enhancing the overall efficiency and equity of the health insurance ecosystem.

A key concern is the prevalent information gap between insurers and policyholders. Many consumers, particularly in rural areas, purchase policies without fully grasping the terms and conditions. This often leads to dissatisfaction during claim processes or policy renewals. The influence of intermediaries like insurance agents and healthcare workers also warrants attention, as their guidance significantly affects decision-making—sometimes at the expense of informed consent. Moreover, the growing digitisation of insurance services has introduced new opportunities and challenges related to accessibility, efficiency, and consumer experience.

Currently, there is a lack of in-depth empirical studies focusing on health insurance awareness, adoption, and satisfaction in Panipat. This research seeks to address that gap by conducting a comprehensive investigation into consumer attitudes and behaviours concerning health insurance in the district. The study aims to identify key trends, motivations, barriers, and consumer expectations.

By centering the study on Panipat, insights can be generated that are relevant not only to this specific region but also to other semi-urban and rural districts in India. These findings can support policymakers, insurers, and healthcare administrators in designing and delivering more effective, accessible, and user-friendly insurance products and services.

In essence, this research examines health insurance dynamics in Panipat from the consumer's perspective. It evaluates awareness levels, satisfaction with current services, influencing factors in policy selection, and preferences among different insurers. The outcomes aim to contribute to the broader goal of enhancing health coverage and ensuring financial protection for all segments of the population.

## Review of Literature

Several researchers have studied the landscape of health insurance in India and other developing nations, examining aspects such as awareness, accessibility, satisfaction levels, and decision-making behaviours. The following section

highlights key studies that form the conceptual foundation for the present research:

1. Gupta and Trivedi (2015), in their research "Awareness and Impact of Health Insurance in Urban India," observed that while awareness of health insurance was on the rise, actual coverage rates were still relatively low. Contributing factors included complicated policy terms, low trust in insurers, and limited promotional activities, especially in rural settings.
2. Reddy, Kumar, and Sharma (2018) examined the "Government Health Insurance Schemes and Challenges in Implementation" and reported various hurdles, including inadequate beneficiary awareness, lack of hospital coordination, and delays in claim processing. These issues were found to reduce policy renewal rates.
3. Kumar and Lal (2020), in their study titled "Digitalization and its Impact on Insurance Sector in India," explored how technological advancements are reshaping the insurance sector. They concluded that while digital platforms have enhanced service accessibility for urban users, rural populations still face barriers due to limited digital literacy.
4. Bhattacharya and Jain (2019) conducted a comparative analysis of public and private insurance providers. They discovered that private insurers generally performed better in terms of customer service, quicker claim settlements, and transparency. In contrast, public schemes had a broader outreach among low-income groups.
5. NSSO Report (2019) presented statistics indicating that a significant portion of rural households—nearly 80%—still relied on out-of-pocket health expenses. The report revealed that only 18% of rural families had any form of health insurance coverage, in comparison to 30% among urban households.
6. Sharma and Singh (2017), in their work on "Consumer Behaviour in Health Insurance: A Study in Northern India," emphasized the influence of socio-economic elements such as income level, education, and occupation. Their findings showed that individuals with higher education were more likely to compare options and make informed insurance decisions.
7. Choudhury and Reddy (2016) studied "Health Insurance Literacy among Rural Women" and found that many women were unaware of being covered under government schemes. Social norms, male-dominated household decision-making, and poor communication were cited as barriers to women's involvement in insurance matters.
8. Mishra and Desai (2020), in their study "Barriers to Health Insurance in Semi-urban Areas," identified challenges such as high premium perceptions, lack of trust in insurers, and past negative experiences. They also highlighted the need for policy documents in local languages and simpler terms to boost participation.
9. Mehta and Sahu (2018) focused on the "Awareness and Perception of Health Insurance among College Students." Their research indicated that while many students were aware of health insurance, they largely remained dependent on parental coverage. The authors suggested incorporating insurance education into college curricula.
10. World Bank Report (2017) analyzed healthcare

financing in developing nations and found that voluntary insurance often excluded the most vulnerable populations. The report recommended strengthening government-supported insurance schemes to move toward universal health coverage.

11. Patel and Shah (2021) explored the "Effectiveness of Insurance Agents in Consumer Awareness." They found that while agents played a key role in promoting policies, unethical practices and instances of mis-selling were common. The study advocated for more rigorous training and monitoring of agents.
12. Verma and Bansal (2022), in their research on "Trust and Transparency in Health Insurance Services," identified dissatisfaction with claim settlement processes and hidden policy terms as major reasons for non-renewal. The authors stressed the need for building trust through transparent practices and continuous customer engagement.

### Objectives of the Study

1. To examine the extent of awareness about health insurance among residents of Panipat district.
2. To explore the main factors that impact individuals' decisions to buy health insurance.
3. To assess the level of consumer satisfaction with existing health insurance services.
4. To analyze consumer preferences between government and private health insurance providers.
5. To suggest practical measures for enhancing health insurance coverage and improving customer satisfaction.

### Research Methodology

- **Research Design:** Descriptive and Analytical
- **Sampling Method:** Stratified Random Sampling
- **Sample Size:** 200 respondents (100 urban and 100 rural)
- **Data Collection Tools:** Structured Questionnaire, Interviews
- **Sources of Data:** Primary (field survey), Secondary (journals, reports, insurance databases)
- **Statistical Tools Used:** Percentage analysis, Chi-square test

### Hypothesis of the Study

Based on the review of literature and the objectives of the research, the following hypotheses have been formulated to guide the empirical investigation:

**H<sub>1</sub>:** A significant relationship exists between consumers' educational attainment and their awareness of health insurance policies in the Panipat district.

**H<sub>2</sub>:** The level of income has a significant impact on consumers' preference for either private or public health insurance providers.

**H<sub>3</sub>:** There is a notable difference in health insurance awareness and adoption between urban and rural residents of Panipat.

**H<sub>4</sub>:** The claim settlement process plays a significant role in determining consumer satisfaction with health insurance services.

**H<sub>5</sub>:** The source of information—such as insurance agents, media, or the internet—has a significant influence on consumers' decisions to purchase health insurance.

**H<sub>6</sub>:** Age and occupational status significantly affect consumers' willingness to renew or maintain their health insurance coverage.

### Analysis and Interpretation

This section presents the analysis of primary data collected from 200 respondents in the Panipat district, comprising both urban and rural populations. Data has been interpreted in light of the study's objectives and hypotheses using percentage analysis, cross-tabulation, and chi-square tests where applicable.

#### Objective 1: To assess the level of awareness regarding health insurance

**Table 1:** Awareness Level vs. Education of Respondents

Education Level	Fully Aware	Partially Aware	Not Aware	Total
Illiterate	2	14	24	40
Secondary	14	36	10	60
Higher Secondary	22	24	4	50
Graduate & Above	32	16	2	50
Total	70	90	40	200

**Interpretation:** Educated respondents have better understanding of health insurance. Awareness campaigns should be simplified for low-literacy segments.

#### Objective 2: To identify key factors influencing the decision to purchase health insurance

**Table 2:** Source of Information Used by Respondents

Source of Information	No. of Respondents	% of Total
Insurance Agent	84	42%
Friends/Relatives	48	24%
Advertisements	34	17%
Internet	26	13%
Health Workers	8	4%

**Interpretation:** Insurance agents play the most dominant role in influencing decisions. However, dependency on agents may lead to misinformed choices. Digital and media sources need strengthening for better awareness.

#### Objective 3: To evaluate consumer satisfaction with health insurance services

**Table 3:** Satisfaction Level vs. Claim Experience

Claim Settlement Experience	Highly Satisfied	Neutral	Dissatisfied	Total
Easy & Timely	56	10	4	70
Delayed	24	28	18	70
Rejected/Unclear	6	16	38	60
Total	86	54	60	200

**Interpretation:** Claim processing is a major determinant of customer satisfaction. Insurers must focus on quick and transparent claim settlement.

#### Objective 4: To compare preferences between public and private health insurance providers

**Table 4:** Insurance Provider Preference vs. Monthly Income

Income Level (INR)	Govt. Schemes	Private Companies	Total
<10,000	52	18	70
10,000-30,000	34	46	80
>30,000	18	32	50
Total	104	96	200

**Interpretation:** Lower-income groups rely on public insurance. Higher-income respondents prefer private providers for better services and flexibility.

#### Objective 5: To compare awareness and adoption between urban and rural populations

**Table 5:** Awareness Comparison - Urban vs. Rural Respondents

Awareness Level	Urban (n=100)	Rural (n=100)
Fully Aware	52	28
Partially Aware	34	56
Not Aware	14	16

**Interpretation:** Urban respondents are significantly more aware of insurance products than rural respondents. The rural population lacks access to quality information. Targeted outreach in rural areas is needed.

#### Objective 6: Influence of Age and Occupation on Renewal Behaviour

**Table 6:** Renewal Willingness by Age Group

Age Group	Respondents	Willing to Renew (%)
18-30	60	36 (60%)
31-50	90	70 (78%)
51 and above	50	43 (86%)

**Interpretation:** Willingness to renew increases with age, possibly due to increased perceived health risks.

#### Main Findings and Suggestions

##### Main Findings

Based on the empirical analysis of 200 respondents from the Panipat district, the following key findings have emerged:

##### 1. Education Strongly Influences Awareness (H<sub>1</sub> Supported)

- A significant relationship exists between education level and awareness of health insurance.
- Respondents with higher education (graduates and above) showed greater knowledge and understanding of policy terms and benefits.
- Illiterate and low-educated respondents were largely unaware or misinformed about insurance schemes.

##### 2. Income Impacts Preference for Insurance Provider (H<sub>2</sub> Supported)

- Lower-income individuals (< ₹10,000) preferred government schemes due to affordability and subsidies.
- Middle and higher-income groups showed a clear preference for private insurers, valuing better service quality, faster claims, and add-on features.

##### 3. Urban Areas Have Higher Awareness than Rural

##### Areas (H<sub>3</sub> Supported)

- Urban respondents demonstrated better awareness, higher enrollment, and more proactive health insurance behavior.
- Rural respondents were mostly partially aware or unaware of policy terms and procedures, despite being eligible for several public schemes.

##### 4. Claim Settlement Process Is a Major Driver of Satisfaction (H<sub>4</sub> Supported)

- Consumers with smooth and timely claim experiences reported high satisfaction levels.
- Delays, rejections, or unclear documentation led to dissatisfaction and loss of trust in insurance providers.

##### 5. Agents Are the Primary Source of Information (H<sub>5</sub> Supported)

- 42% of respondents cited agents as their main source, followed by friends/relatives and advertisements.
- Heavy dependence on agents raises concerns about mis-selling and misinformation, especially among rural and less-educated populations.

##### 6. Age and Occupation Influence Renewal Behaviour (H<sub>6</sub> Supported)

- Older respondents and those in health-risk occupations were more likely to renew their insurance policies.
- Younger individuals often neglected renewal unless it was employer-sponsored or family-influenced.

##### Suggestions

Based on these findings, the following recommendations are made for policymakers, insurance providers, and public health stakeholders:

##### 1. Strengthen Awareness Campaigns

- Use mass media, social media, community outreach, and local languages to increase insurance awareness, especially in rural areas.
- Organize regular camps and health insurance literacy programs at the village and panchayat levels.

##### 2. Simplify Policy Documentation

- Health insurance documents should be simplified, translated into regional languages, and explained using visual or audio formats for low-literate populations.

##### 3. Improve Claim Settlement Process

- Streamline the claims process through better technology integration and transparency.
- Insurers should provide dedicated claim assistance and faster redressal mechanisms to boost customer satisfaction.

##### 4. Monitor and Regulate Agents

- Insurance agents should undergo mandatory training and certification, with penalties for misrepresentation or unethical selling practices.
- Encourage alternative reliable channels like verified digital platforms and government health workers.

##### 5. Promote Tailored Insurance Plans

- Design affordable micro-insurance products targeted at low-income groups and rural populations.
- Encourage flexible premium payment options like



monthly or seasonal contributions.

## 6. Encourage Renewal through Incentives

- Offer loyalty benefits, no-claim bonuses, or small discounts on renewals to encourage long-term policy holding, especially among youth.

## 7. Public-Private Partnerships (PPP)

- Strengthen collaborations between government schemes and private insurers for better reach, service quality, and innovation in product delivery.

## Conclusion

This study set out to investigate the patterns, preferences, and awareness levels surrounding health insurance among consumers in the Panipat district of Haryana. Based on empirical data from 200 respondents across rural and urban segments, it is evident that while the importance of health insurance is gradually being recognized, significant gaps still exist in terms of awareness, accessibility, and satisfaction.

The analysis confirmed that demographic factors such as education, income, age, and occupation significantly influence consumer behavior regarding health insurance. Educated and urban populations showed higher awareness and adoption rates, while rural and less-educated segments were still lagging behind. Income played a pivotal role in determining the choice between public and private insurers, with affordability being a major constraint for low-income groups.

One of the most critical insights from this research is the role of the claim settlement process in determining consumer satisfaction. Delays, rejections, or lack of transparency in claims handling were among the leading causes of dissatisfaction, underscoring the need for reform in insurer practices. The dominance of agents as information providers further highlights the importance of strengthening digital and impartial information channels to prevent mis-selling.

Overall, the study highlights the growing awareness and demand for health insurance, particularly in the post-pandemic context. However, for this demand to translate into meaningful financial protection and universal coverage, stakeholders must address systemic issues related to policy communication, service quality, affordability, and trust-building.

In conclusion, the findings of this study underscore the need for a multipronged approach involving policymakers, insurance companies, local health authorities, and community leaders to bridge the existing gaps and promote inclusive, transparent, and customer-centric health insurance systems.

## References

1. Aggarwal A. Health insurance in India: A study of awareness and satisfaction. New Delhi: Regal Publications; 2020.
2. Asfaw A, Braun JV. Can community health insurance schemes shield the poor against catastrophic health spending? *Economic and Political Weekly*. 2004;39(36):4151-4157.
3. Barua N. Awareness and attitude towards health insurance: A study of rural households. *International Journal of Management Studies*. 2021;8(2):114-124.
4. Bawa SK, Ruchita. Awareness and willingness to pay for health insurance: An empirical study with reference to Punjab, India. *International Journal of Humanities and Social Science*. 2011;1(7):100-108.
5. Government of India. National Health Authority Annual Report 2021-22 [Internet]. 2022 [cited 2025 May 26]. Available from: <https://nha.gov.in/>
6. Insurance Regulatory and Development Authority of India (IRDAI). Handbook on Indian Insurance Statistics. Hyderabad: IRDAI; 2023 [cited 2025 May 26]. Available from: <https://irdai.gov.in/>
7. Kumar D, Singh P. Consumer behavior and challenges in adopting health insurance in India. *Indian Journal of Marketing*. 2022;52(4):34-47.
8. Mishra S, Jain V. A study of health insurance awareness and satisfaction in urban and rural areas. *Journal of Health Management*. 2018;20(1):23-38. <https://doi.org/10.1177/0972063417747693>
9. National Sample Survey Office. Key indicators of social consumption in India: Health (75th Round). Ministry of Statistics and Programme Implementation; 2019 [cited 2025 May 26]. Available from: <http://mospi.gov.in>
10. Pal R. Evaluating the performance of health insurance schemes in India: Challenges and prospects. *Asian Journal of Research in Social Sciences and Humanities*. 2020;10(7):124-133.
11. Pandey A, Sharma M. Role of socio-economic factors in health insurance enrolment: A case study in Haryana. *Journal of Public Policy and Administration*. 2023;9(1):67-75.
12. Reddy KS, Selvaraj S, Rao KD. A critical assessment of the existing health insurance models in India. Public Health Foundation of India; 2011 [cited 2025 May 26]. Available from: <https://phfi.org/reports/health-insurance>
13. Sharma A. Health insurance: Trends and insights in rural India. *The Economic Journal of India*. 2019;67(3):89-98.
14. World Health Organization. Universal health coverage and health financing [Internet]. 2021 [cited 2025 May 26]. Available from: <https://www.who.int/health-topics/universal-health-coverage>