Anusandhanvallari
Vol 2025, No.1s
January 2025
ISSN 2229-3388

Awareness Towards Health Insurance among Non-Policyholders in Madurai City

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Abstract: This study examines the awareness towards health insurance among non-policyholders in Madurai City. The study focuses on understanding the level of awareness regarding health insurance schemes, policy benefits, premium determination, financial protection, claim settlement procedures, and insurance-related services among individuals who do not possess health insurance policies. Primary data were collected from 100 non-policyholders using a structured questionnaire. The study also analyses respondents' awareness regarding insurance company reputation, transparency, customer service, and various health insurance facilities. Cluster analysis was employed to classify respondents based on their level of awareness towards health insurance. The findings of the study revealed three categories of respondents, namely highly aware, moderately aware, and less aware groups. Among the respondents, 52 percent belonged to the highly aware group, 18 percent belonged to the moderately aware group, and 30 percent belonged to the less aware group. The study indicates that awareness towards health insurance varies among non-policyholders based on their understanding of insurance benefits, procedures, and related services. The study emphasizes the importance of improving awareness programmes, communication strategies, and customer-oriented services to strengthen awareness towards health insurance among non-policyholders in Madurai City.

Keywords: Health insurance, awareness, non-policyholders, cluster analysis, insurance services, Madurai City.

Introduction

Health insurance has become an essential component of financial security due to the increasing cost of medical treatment and healthcare services. It provides financial assistance during medical emergencies and reduces the economic burden faced by individuals and families. Although several public and private health insurance schemes are available in India, many individuals still remain without health insurance coverage. Therefore, awareness towards health insurance has become an important area of study for improving insurance coverage and financial protection among the public.

Awareness regarding health insurance helps individuals understand the benefits, coverage, premium structure, and claim settlement procedures associated with insurance policies. Adequate awareness also enables individuals to gain knowledge about insurance companies, policy facilities, customer services, and financial protection provided through health insurance schemes. Lack of awareness regarding available schemes and insurance procedures may prevent individuals from understanding the importance of health insurance.

In Madurai City, increasing healthcare expenses and changing lifestyles have highlighted the need for health insurance protection. However, several individuals continue to remain non-policyholders due to limited awareness regarding insurance benefits, premium structures, claim settlement procedures, and insurance-related services. Awareness regarding customer service, transparency, company reputation, and availability of insurance facilities also plays an important role in shaping individuals' understanding towards health insurance.

The present study aims to examine the awareness towards health insurance among non-policyholders in Madurai City. The study focuses on respondents' awareness regarding health insurance schemes, insurance benefits, company-related services, claim procedures, and various health insurance facilities.

Statement of the Problem

Health insurance plays an important role in providing financial protection against unexpected medical expenses. Despite the availability of various health insurance schemes in India, a considerable number of individuals still remain non-policyholders. Many individuals possess limited awareness regarding health insurance benefits, premium determination, claim settlement procedures, coverage facilities, and insurance-related services.

Lack of awareness regarding insurance schemes, company reputation, transparency, customer service, and policy procedures affects individuals' understanding towards health insurance. Limited awareness may reduce public understanding regarding the importance of health insurance and its role in financial protection. Awareness relating to customer friendliness, timely issue of policies and renewal notices, claim settlement procedures, and availability of insurance services also influences individuals' knowledge regarding health insurance schemes.

Therefore, it becomes necessary to examine the awareness towards health insurance among non-policyholders in Madurai City in order to understand their level of awareness regarding health insurance benefits, procedures, services, and related facilities.

Review of Literature:

The researcher has reviewed several related studies, particularly focusing on the health insurance sector.

(Shet, 2019) The study titled "Awareness and Attitude Regarding Health Insurance among Insured and Non-Insured: A Cross-Sectional Study" aimed to assess the knowledge, attitude, and practices related to health insurance among people residing in the Uttar Kannada and Udupi districts. A community-based cross-sectional study was conducted over a period of two years (June 2016 to August 2018). A multistage sampling technique was employed for data collection. Out of the 550 study participants, 384 (69.8%) were Below Poverty Line (BPL) card holders. Among the participants, 348 (63.27%) were aware of and had subscribed to some form of health insurance, 115 (20.91%) were aware but had not subscribed, and 87 (15.82%) were not aware of health insurance. The primary sources of information were health workers (39.74%), friends and family members (38.44%), and the media (21.38%). Among the 348 participants who had health insurance coverage, only 89 (25.57%) had utilized the benefits. The major reasons for not availing health insurance, apart from lack of awareness, were the complicated enrollment process (42.08%) and partial coverage of medical expenses (24.26%). The main reasons for not utilizing health insurance included the non-availability of empanelled hospitals (74.34%), diseases not being covered under the scheme (23.17%), and lack of awareness regarding the claim process (12.36%). The study concluded that health insurance is an effective means of reducing the financial burden associated with healthcare expenses. Therefore, increasing community awareness regarding available health insurance schemes is essential to enable individuals to derive maximum benefits from them.

(KAMESSAN, 2024) The study titled "From Awareness to Action: The Journey of Non-Insurance Policyholders in Malaysia" aimed to investigate the factors influencing the level of life insurance ownership among non-life insurance policyholders in Malaysia. The study was conducted in the context of low insurance penetration, with only 40.4% of the Malaysian population covered by insurance in 2022. A total of 450 non-life insurance policyholders were selected as the target population, of whom 398 respondents (88.4%) met the inclusion criteria and participated in the study. Survey data were analyzed using SPSS Version 27.0, and various statistical techniques were employed for data analysis. The findings revealed that the insurance premium factor had the strongest influence on life insurance ownership, followed by pandemic-related risk factors. The study concluded that both premium affordability and perceived risks associated with pandemics significantly influenced the level of life insurance ownership in Malaysia. The findings provide valuable insights for insurance practitioners and researchers and offer directions for future research.

(Tam, 2021) The study titled "Determinants of Attitude and Intention Towards Private Health Insurance: A Comparison of Insured and Uninsured Young Adults in Australia" examined the factors influencing young adults' attitudes and intentions towards private health insurance (PHI) in Australia. Despite the availability of Medicare, Australia's publicly funded healthcare system, the proportion of PHI customers aged 20–29 years declined from 10.3% in 2012 to 9.4% in 2017. The study surveyed 594 Australian young adults aged between 18 and 30 years, with an equal representation of insured and uninsured individuals. The findings indicated that perceived value and trust in insurers, along with problem recognition and involvement, significantly influenced attitudes and intentions towards PHI. The study also identified differences between insured and uninsured groups, providing a comprehensive understanding of the factors motivating and constraining PHI enrolment among young adults in Australia.

(Shi, 2017) The study titled "Does Awareness of the Affordable Care Act Reduce Adverse Selection? A Study of the Long-term Uninsured in South Carolina" examined whether awareness of the Affordable Care Act (ACA) influenced health insurance enrolment among long-term uninsured individuals in South Carolina. The study utilized data collected through in-person surveys conducted between May 2014 and January 2015 using a multistage sampling method. The respondents were South Carolina residents aged 18 to 64 years who had been without health insurance for at least 24 consecutive months. The study analyzed factors such as self-reported health status, hospitalization during the previous year, emergency department utilization, and the presence of serious long-standing health problems in relation to attempts to obtain health insurance coverage. The findings revealed that self-reported health status was not significantly associated with attempts to enrol in health insurance. However, hospitalization in the previous year was significantly associated with attempts to obtain coverage among both individuals aware and unaware of the ACA mandate. Participants with serious long-term health problems were more likely to attempt enrolment among those unaware of the ACA, whereas this relationship was not statistically significant among those who were aware of the Act. The study concluded that individuals with poorer health conditions were more likely to seek health insurance coverage and that awareness of the ACA's individual mandate appeared to reduce adverse selection among the long-term uninsured population.

(Philip, 2016) The study titled "Utilization of Comprehensive Health Insurance Scheme, Kerala: A Comparative Study of Insured and Uninsured Below-Poverty-Line Households" compared the socio-demographic characteristics, healthcare utilization patterns, and out-of-pocket (OOP) expenses of 149 insured and 147 uninsured below-poverty-line households covered under the Comprehensive Health Insurance Scheme in Kerala. The findings revealed that households with more than four members, the presence of a family member with a chronic disease, higher socioeconomic status, and an employed household head were more likely to be insured. Insured households exhibited higher utilization of inpatient healthcare services compared to uninsured households. However, only 40% of inpatient service utilization among insured households was covered by insurance. The study also found that the mean OOP expenditure for inpatient services was higher among insured households (INR 448.95) than uninsured households (INR 159.93), and the difference was statistically significant ($P = 0.003$). The study concluded that despite increased healthcare utilization among insured households, the insurance scheme provided limited financial protection, highlighting the need for government intervention to redesign and strengthen the scheme.

(Issac, 2024) The study titled "An Empirical Study of Health Insurance Literacy and Willingness to Pay" examined the perception, awareness, knowledge, and willingness to purchase health insurance among insured and uninsured individuals in Tamil Nadu following the COVID-19 pandemic. The study was conducted using a structured questionnaire administered to 400 respondents, comprising both insured and uninsured individuals, and achieved a response rate of 97.75%. The findings revealed that 66% of the respondents considered health insurance important and felt financially secure after obtaining coverage. The study further found a moderate

level of awareness regarding health insurance, policy benefits, claim procedures, and service locations. Despite not having insurance coverage, uninsured respondents demonstrated awareness of health insurance and expressed a willingness to purchase policies if transparent information regarding policy benefits and simplified claim settlement procedures were provided. The study concluded that enhancing health insurance literacy and awareness could improve insurance adoption and facilitate greater financial protection among the population.

Research Gap

The review of previous studies indicates that considerable research has been conducted on health insurance awareness, attitudes, insurance literacy, utilization, and willingness to purchase health insurance among insured and uninsured individuals. However, most of these studies have focused on comparisons between insured and uninsured groups, healthcare utilization patterns, insurance ownership, and factors influencing enrolment. Although a few studies have included uninsured individuals, limited research has exclusively examined non-policyholders' awareness and perceptions towards health insurance. Moreover, no specific study has been identified that investigates the awareness, knowledge of policy benefits, premium-related aspects, and perceptions of non-policyholders towards health insurance in Madurai City. Therefore, a research gap exists in understanding these aspects among non-policyholders in the local context of Madurai City. The present study attempts to fill this gap by focusing exclusively on non-policyholders and assessing their awareness towards health insurance.

Objectives:

1. To study the socio-economic profile of the non-policyholders in Madurai City.
2. To assess the awareness and perceptions of non-policyholders towards health insurance.
3. To offer suitable suggestions based on the findings of the study.

Research Methodology

The present study is descriptive in nature and aims to assess the awareness towards health insurance among non-policyholders in Madurai City. The study focuses on understanding the awareness, perceptions, and motivating factors related to health insurance among individuals who do not currently possess a health insurance policy.

Sample Design

The study is based on primary data collected from non-policyholders residing in Madurai City. Respondents were selected using the convenience sampling method to obtain information regarding their awareness and perceptions towards health insurance.

Sources of Data

The study is based on both primary and secondary data. Primary data were collected through a structured questionnaire, while secondary data were gathered from books, journals, research articles, websites, and insurance reports.

Sample Size

The study was conducted among 100 non-policyholders residing in Madurai City. The respondents were selected to assess their awareness and perceptions towards health insurance.

Tools for Analysis

The collected data were analyzed using appropriate statistical techniques to derive meaningful conclusions. Percentage Analysis and Cluster Analysis were employed to achieve the objectives of the study.

Scope of the Study

The study is confined to non-policyholders residing in Madurai City. It focuses on examining their socio-economic profile, awareness, knowledge, and perceptions regarding health insurance. The findings of the study may help insurance companies, policymakers, and other stakeholders formulate effective strategies to enhance awareness and encourage the adoption of health insurance among non-policyholders

Data Analysis and interpretation

Data analysis and interpretation involve organizing and examining the collected information to derive meaningful findings. The responses obtained from the respondents were analyzed systematically to draw conclusions relevant to the study objectives.

Percentage Analysis

Percentage analysis was used to analyze the socio-economic profile of the respondents and their awareness towards health insurance. It facilitates the interpretation of data by expressing responses in percentage form.

$$\text{Percentage} = \frac{\text{Number of Respondents} \times 100}{\text{Total Number of respondents}}$$

Table -1 Demographics Of The Respondents

		No. of Respondents	Percentage
Gender	Male	75	75
	Female	25	25
	Total	100	100
Age	Below 30 Years	18	18
	31 – 40 Years	46	46
	41 – 50 Years	20	20
	Above 50 Years	16	16
	Total	100	100
Marital Status	Married	65	65
	Unmarried	26	26
	Others	9	9
	Total	100	100
Educational Qualification	Up to S.S.L.C	30	30
	Higher Secondary	2	2
	Graduate	2	2
	Diploma/ITI	15	15

	Post Graduate	35	35
	Professionals	16	16
	Total	100	100
Family Size	Up to 3	57	57
	4 – 5	27	27
	Above 5	16	16
	Total	100	100
Occupation	Government Employees	23	23
	Private Employees	39	39
	Business man	31	31
	Agriculturalist	3	3
	Professionals	4	4
	Total	100	100
Monthly Income	Below Rs. 30,000	47	47
	Rs. 30,001 – Rs. 40,000	14	14
	Rs. 40,001 – Rs. 50,000	18	18
	Rs. 50,001 – Rs. 60,000	11	11
	Above Rs. 60,001	10	10
	Total	100	100

Source: Survey Data (2025)

Table 1 highlight that 75 per cent of the respondents are male and 25 per cent are female, indicating that males constitute the majority of the sample. With regard to age, 46 per cent of the respondents belong to the 31–40 years age group, followed by 20 per cent in the 41–50 years category, 18 per cent below 30 years, and 16 per cent above 50 years. Regarding marital status, 65 per cent of the respondents are married, 26 per cent are unmarried, and 9 per cent belong to other categories. In terms of educational qualification, 35 per cent of the respondents are postgraduates, 30 per cent have studied up to SSLC, 16 per cent are professionals, 15 per cent possess Diploma/ITI qualifications, while 2 per cent each have completed Higher Secondary education and graduation. With respect to family size, 57 per cent of the respondents have up to three family members, 27 per cent have four to five family members, and 16 per cent have more than five family members. Concerning occupation, 39 per cent are private employees, 31 per cent are businessmen, 23 per cent are government employees, 4 per cent are professionals, and 3 per cent are agriculturists. The monthly income distribution reveals that 47 per cent of the respondents earn below Rs. 30,000, followed by 18 per cent earning between Rs. 40,001 and Rs. 50,000, 14 per cent earning between Rs. 30,001 and Rs. 40,000, 11 per cent earning between Rs. 50,001 and Rs. 60,000, and 10 per cent earning above Rs. 60,001. Thus, Table 1 indicates that the respondents are predominantly male, married, and belong to the 31–40 years age group, with a considerable proportion being postgraduates, employed in the private sector, and earning below Rs. 30,000 per month.

Cluster Analysis

Cluster Analysis was used to classify respondents into homogeneous groups based on their awareness and perceptions towards health insurance. This technique helps in identifying distinct clusters of non-policyholders with similar characteristics and awareness levels.

Agglomeration Schedule

Stage	Cluster Combined		Coefficients	Stage Cluster First Appears		Next Stage
	Cluster 1	Cluster 2		Cluster 1	Cluster 2	
1	21	28	.000	0	0	9
2	1	19	.000	0	0	6
3	15	17	.000	0	0	4
4	15	75	2.000	3	0	7
5	8	13	2.000	0	0	12
6	1	11	2.000	2	0	8
7	10	15	2.667	0	4	17
8	1	81	3.667	6	0	15
9	21	100	4.000	1	0	26
10	44	55	4.000	0	0	23
11	2	23	4.000	0	0	61
12	3	8	4.000	0	5	16
13	86	95	5.000	0	0	20
14	54	84	5.000	0	0	17
15	1	26	5.250	8	0	20
16	3	32	5.667	12	0	29
17	10	54	5.750	7	14	27
18	25	85	6.000	0	0	28
19	16	34	6.000	0	0	31
20	1	86	6.300	15	13	25
21	42	43	7.000	0	0	46
22	9	24	7.000	0	0	29
23	44	92	8.000	10	0	37
24	46	53	8.000	0	0	40
25	1	6	8.143	20	0	35

26	21	30	8.667	9	0	33
27	10	94	8.833	17	0	31
28	25	83	9.000	18	0	30
29	3	9	9.250	16	22	61
30	20	25	9.333	0	28	40
31	10	16	9.857	27	19	39
32	14	63	10.000	0	0	53
33	21	60	10.000	26	0	41
34	5	36	10.000	0	0	52
35	1	79	10.625	25	0	45
36	27	29	11.000	0	0	42
37	44	69	11.667	23	0	43
38	64	93	12.000	0	0	80
39	10	56	12.222	31	0	44
40	20	46	12.250	30	24	64
41	21	82	12.400	33	0	54
42	27	45	12.500	36	0	43
43	27	44	12.917	42	37	65
44	10	97	13.000	39	0	47
45	1	71	13.111	35	0	55
46	42	87	13.500	21	0	79
47	10	37	13.818	44	0	53
48	80	98	14.000	0	0	75
49	74	88	14.000	0	0	71
50	59	68	14.000	0	0	58
51	52	66	14.000	0	0	76
52	5	47	14.000	34	0	64
53	10	14	14.083	47	32	62
54	21	61	14.667	41	0	63
55	1	90	14.800	45	0	63
56	22	48	15.000	0	0	90

57	91	99	16.000	0	0	83
58	59	76	16.000	50	0	62
59	51	73	16.000	0	0	66
60	31	38	16.000	0	0	95
61	2	3	16.000	11	29	70
62	10	59	16.571	53	58	66
63	1	21	16.766	55	54	76
64	5	20	16.778	52	40	74
65	18	27	18.143	0	43	67
66	10	51	18.353	62	59	67
67	10	18	19.296	66	65	74
68	58	89	20.000	0	0	77
69	57	78	20.000	0	0	81
70	2	33	20.250	61	0	75
71	65	74	21.000	0	49	78
72	12	49	21.000	0	0	89
73	70	77	22.000	0	0	86
74	5	10	22.041	64	67	78
75	2	80	22.111	70	48	81
76	1	52	22.500	63	51	77
77	1	58	24.300	76	68	82
78	5	65	24.519	74	71	79
79	5	42	25.752	78	46	87
80	41	64	26.000	0	38	88
81	2	57	26.000	75	69	83
82	1	67	26.045	77	0	86
83	2	91	27.692	81	57	91
84	7	39	28.000	0	0	90
85	35	62	29.000	0	0	94
86	1	70	29.217	82	73	89
87	4	5	29.548	0	79	88

88	4	41	29.969	87	80	91
89	1	12	31.380	86	72	93
90	7	22	32.000	84	56	97
91	2	4	32.328	83	88	92
92	2	72	35.738	91	0	94
93	1	96	37.407	89	0	95
94	2	35	37.726	92	85	97
95	1	31	38.071	93	60	96
96	1	50	40.267	95	0	98
97	2	7	41.203	94	90	98
98	1	2	44.076	96	97	99
99	1	40	60.919	98	0	0

Source: SPSS Output

The agglomeration schedule presents the hierarchical clustering process by showing the coefficient values at each stage of cluster formation. During the initial and intermediate stages, the coefficient values increase gradually, indicating the progressive combination of non-policyholders with relatively similar awareness and perception characteristics. In the final stages, a noticeable increase in the coefficient values is observed. The coefficient increases from 40.267 at Stage 96 to 41.203 at Stage 97, 44.076 at Stage 98, and finally to 60.919 at Stage 99. The largest increase occurs between Stages 98 and 99, with a difference of 16.843, indicating that relatively dissimilar clusters are being merged. Therefore, the clustering process was stopped at Stage 98, resulting in a two-cluster solution.

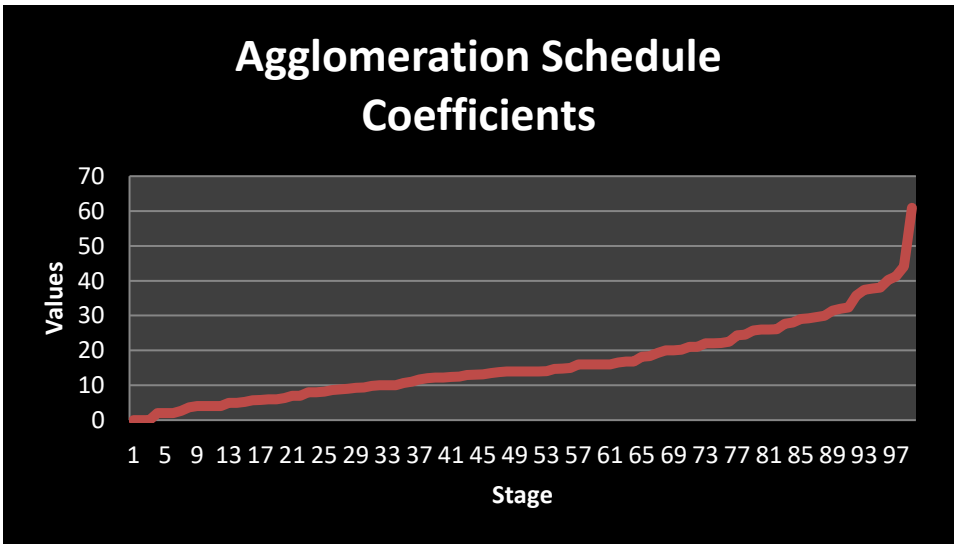

Figure 4.1 illustrates the agglomeration coefficients across the stages of hierarchical clustering. The graph shows a gradual increase in the coefficients followed by a sharp rise at the final stage. This visible elbow indicates the merging of relatively dissimilar clusters and supports the selection of a two-cluster solution.

Table 4.52 Number Of Clusters

Number of Cases	100
Step of 'elhow'	98
Number of Clusters	3

Table 4.53 Cluster Summary

CLUSTER	NUMBER OF CASES
Cluster 1 (Highly aware non policy holder)	52
Cluster 2 (Moderately aware non policy holder)	18
Cluster 3 (Less aware non policy holder)	30
Total	100

Source: SPSS Output

Table 4.53 presents the distribution of respondents across the three clusters identified through hierarchical cluster analysis. Out of the 100 non-policyholders, 52 respondents (52%) belong to Cluster 1, which is classified as Highly Aware Non-Policyholders. 18 respondents (18%) belong to Cluster 2, classified as Moderately Aware Non-Policyholders, while 30 respondents (30%) belong to Cluster 3, classified as Less Aware Non-Policyholders.

The findings indicate that the Highly Aware Non-Policyholders constitute the largest group (52.0%), followed by the Less Aware Non-Policyholders (30.0%) and Moderately Aware Non-Policyholders (18.0%).

This suggests that the non-policyholders are heterogeneous in terms of their awareness and perceptions towards health insurance. Although more than half of the respondents demonstrate a relatively high level of awareness, they have not yet opted for a health insurance policy. This indicates that awareness alone may not necessarily lead to health insurance adoption, and other factors such as affordability, perceived need, trust, policy complexity and financial priorities may influence the decision not to purchase health insurance.

ANOVA

One-way ANOVA is conducted in cluster analysis to identify the extent to which the mean values of the variables differ across the identified clusters. The table presents the ANOVA results for 23 variables, namely VAR00001 to VAR00023, including the cluster mean square, error mean square, degrees of freedom (df), F-value, and significance level (Sig.). Since the clusters are formed to maximize differences among cases, the F-tests are used only for descriptive purposes.

ANOVA						
	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		

VAR00001	12.410	2	.389	97	31.871	.000
VAR00002	6.067	2	.581	97	10.440	.000
VAR00003	9.655	2	.643	97	15.008	.000
VAR00004	15.777	2	.650	97	24.278	.000
VAR00005	9.558	2	.626	97	15.280	.000
VAR00006	9.836	2	.595	97	16.529	.000
VAR00007	13.951	2	.439	97	31.761	.000
VAR00008	18.546	2	.395	97	46.914	.000
VAR00009	8.129	2	.716	97	11.353	.000
VAR00010	6.925	2	.651	97	10.636	.000
VAR00011	10.477	2	.485	97	21.584	.000
VAR00012	20.676	2	.404	97	51.151	.000
VAR00013	15.552	2	.362	97	42.994	.000
VAR00014	11.946	2	.428	97	27.925	.000
VAR00015	7.999	2	.550	97	14.541	.000
VAR00016	11.382	2	.598	97	19.040	.000
VAR00017	13.382	2	.481	97	27.811	.000
VAR00018	17.676	2	.513	97	34.423	.000
VAR00019	4.993	2	.831	97	6.008	.003
VAR00020	8.191	2	.604	97	13.555	.000
VAR00021	11.285	2	.507	97	22.240	.000
VAR00022	22.071	2	.375	97	58.788	.000
VAR00023	16.853	2	.401	97	42.072	.000

The F tests should be used only for descriptive purposes because the clusters have been chosen to maximize the differences among cases in different clusters. The observed significance levels are not corrected for this and thus cannot be interpreted as tests of the hypothesis that the cluster means are equal.

The ANOVA results indicate that all 23 variables show statistically significant differences across the clusters. The significance values are less than 0.05 for all variables, with most variables having a significance value of 0.000 and VAR00019 is having a significance value of 0.003. This indicates that the mean values of the variables differ across the identified clusters.

Among the variables, VAR00022 has the highest F-value of 58.788, followed by VAR00012 with an F-value of 51.151 and VAR00008 with an F-value of 46.914. These variables show relatively greater differences among

the clusters and therefore contribute strongly to distinguishing the clusters. VAR00019 has the lowest F-value of 6.008, but its significance value of 0.003 indicates that it also contributes to the differentiation among the clusters.

Overall, the results indicate that the identified clusters are clearly differentiated across all 23 variables. However, the significance values should be interpreted descriptively rather than as formal tests of equality of cluster means, since the clusters were formed specifically to maximize differences among cases.

Suggestions

1. **Conduct awareness programmes:** Insurance companies and relevant institutions should organize regular awareness programmes in Madurai City to improve understanding of health insurance benefits, coverage, premium structure, and claim settlement procedures, particularly among less-aware non-policyholders.

2. **Simplify insurance information:** Insurance companies should present policy terms, exclusions, waiting periods, premium details, and claim procedures in simple and easily understandable language. This may help non-policyholders make informed decisions.

3. **Improve communication strategies:** Insurance companies should make greater use of digital platforms, social media, television, newspapers, and community-level communication to disseminate accurate information about health insurance schemes and their benefits.

4. **Provide transparent information:** Clear information regarding premium determination, coverage limits, exclusions, renewal conditions, and claim settlement should be provided before policy purchase. Transparency can improve confidence towards health insurance.

5. **Strengthen customer-oriented services:** Insurance companies should improve accessibility and responsiveness of their customer service channels. Prompt clarification of policy-related queries can improve awareness and trust among non-policyholders.

6. **Focus on the less-aware group:** Since 30 per cent of the respondents belong to the less-aware cluster, specific awareness initiatives should be designed for this group. Basic information about health insurance, financial protection, available schemes, and claim procedures should be communicated through simple educational programmes.

7. **Convert awareness into adoption:** The presence of 52 per cent highly aware non-policyholders indicates that awareness alone does not necessarily result in purchasing health insurance. Insurance companies should identify barriers such as affordability, perceived need, policy complexity, and lack of trust and develop suitable products and communication strategies.

8. **Promote affordable products:** Insurance providers should consider offering affordable and flexible health insurance products with suitable coverage options to encourage non-policyholders, particularly those belonging to lower-income groups, to obtain health insurance protection.

9. **Enhance claim-related awareness:** Greater emphasis should be given to explaining the claim settlement process, required documents, network hospitals, and reimbursement procedures. Better knowledge of these aspects may reduce hesitation towards health insurance.

10. **Use cluster-based strategies:** The three identified awareness groups—highly aware, moderately aware, and less aware—should be considered separately when designing promotional and educational strategies. A differentiated approach may be more effective than a uniform awareness campaign.

Conclusion

The present study examined the awareness towards health insurance among non-policyholders in Madurai City. The study considered the socio-economic profile, awareness, perceptions, insurance benefits, premium-related aspects, claim settlement procedures, company reputation, transparency, customer service, and other health insurance facilities.

The demographic findings indicate that the respondents are predominantly male, married, and belong mainly to the 31–40 years age group. A considerable proportion of the respondents are postgraduates, private employees, and belong to the lower monthly income category.

Cluster analysis classified the 100 non-policyholders into three distinct groups based on their awareness and perceptions towards health insurance. The highly aware group constituted 52 per cent of the respondents, while 18 per cent belonged to the moderately aware group and 30 per cent belonged to the less aware group. The findings demonstrate that awareness levels are not uniform among non-policyholders.

The ANOVA results further indicate that all 23 variables contribute to differentiating the identified clusters. VAR00022 recorded the highest F-value of 58.788, followed by VAR00012 with 51.151 and VAR00008 with 46.914, indicating relatively greater differences among the clusters for these variables. VAR00019 recorded the lowest F-value of 6.008 but remained statistically significant at the 5 per cent level. Since the clusters were formed to maximize differences among respondents, these ANOVA significance values should be interpreted descriptively rather than as independent hypothesis tests.

An important finding of the study is that a substantial proportion of non-policyholders possesses a relatively high level of awareness but has not yet obtained health insurance. This suggests that awareness by itself may not be sufficient to encourage health insurance adoption. Factors such as affordability, perceived necessity, trust, policy complexity, and understanding of benefits may influence the decision to remain without insurance coverage.

Therefore, insurance companies and other stakeholders should adopt targeted awareness programmes, transparent communication, simplified policy information, affordable products, and improved customer-oriented services. Special attention should be given to the less-aware group to improve their basic understanding of health insurance. Overall, improving health insurance awareness and addressing the barriers that prevent non-policyholders from obtaining coverage can contribute to greater financial protection and wider health insurance penetration in Madurai City

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