



The Influence Of Insurance Literacy On Female Workforce In India

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Abstract:

Insurance literacy is often hypothesised as an essential knowledge of financial matters and desirable attitudes which leads to outcomes related to money and finance. It is ideal to measure the insurance literacy through a combination of its most likely dimensions – Insurance policy knowledge, behaviour and attitude towards the insurance policies. This theory is related to how working women manage their ability to understand insurance products and services. The main aim of this study is how insurance literacy level of working women affects their awareness regarding insurance products. Descriptive research design was used for the research. The sample unit of this survey was working women in Coimbatore district, Tamilnadu. Total 127 working women having insurance policies were selected for this survey. Convenient sampling technique was used to collect the required data from working women. Analysis of the primary data employed methods such as simple percentage analysis, t-tests. The study reveals that improving insurance literacy can significantly boost awareness and uptake of government schemes. The involvement of both the government and private sector is crucial for driving this change.

Index Terms –Insurance Literacy, Women Policyholder Awareness, Financial Planning, etc

I. INTRODUCTION

Insurance literacy refers to an individual's knowledge and understanding of insurance products, concepts, and the ability to use this information to make informed decisions about financial protection. In the context of working women in India, insurance literacy is particularly significant due to the unique socio-economic factors they face. In recent years, insurance landscape has changed considerably becoming complex with the introduction of many new financial products.

II. OBJECTIVES OF THE STUDY

- 1.To know about the demographic and socio economic details of the respondents.
- 2.To study how insurance literacy level of working women affect their awareness regarding insurance products.

III. RESEARCH METHODOLOGY

Descriptive research design was used for the research. The sample unit of this survey was working women in Coimbatore district, Tamilnadu. Total 127 working women having insurance policies were selected for this survey. Convenient sampling technique was used to collect the required data from working women. The data was collected by questionnaire method. The questionnaire was in open and

close-ended format to obtain response from working women regarding their insurance knowledge, behaviour and attitude towards the insurance policies.

The insurance literacy score was obtained by adding the individual scores of three different dimensions of insurance literacy – insurance knowledge, financial behaviour and financial attitude. Financial attitudes and financial behaviour were measured on 5 point Likert scale, thus their maximum possible score is 5 each.

Insurance knowledge score has been calculated out of 13, which was further scaled down to 5. Thus the maximum possible score for insurance literacy is 15(5 for insurance knowledge, 5 for financial attitude and 5 for financial behaviour). SPSS 20 was used for analyzing the data and testing the hypothesis using T-test.

IV. DATA ANALYSIS AND INTERPRETATION

Table- 1

4.1 Demographic and Socio economic details of the Respondents.

Variables		Frequency	Percentage
Age	Upto 20	16	12.6
	21 to 40 years	32	25.2
	41 to 60 years	56	44.1
	Above 60 years	23	18.1
Marital status	Unmarried	90	70.9
	Married	37	29.1
Area of Residence	Rural	64	50.4
	Urban	63	49.6
Qualification	No formal Education	15	11.8
	10th Standard	36	28.3
	Higher Secondary	19	15.0
	UG	57	44.9
Type of family	Nuclear	95	74.8
	Joint	32	25.2
Status in family	Head	27	21.3
	Member	100	78.7
Monthly Income	Below Rs. 15,000	29	22.8
	15,001 – 25,000	72	56.7
	25,001 – 50,000	19	15.0
	Above 50,000	7	5.5
Family Income (per month)	Below Rs. 25,000	7	5.5
	25,001 – 50,000	92	72.4
	50,001 – 75,000	23	18.1
	Above 75,000	5	3.9

Source: Primary data

Table -1 indicates that the majority of respondents (44.1%) fall within the 41-60 age group, indicating a mature demographic with potentially more financial responsibilities, including insurance planning. The 21-40 age groups make up 25.2%, representing the early-to-mid-career segment. A smaller proportion of respondents are either very young (12.6% up to 20 years) or elderly (18.1% above 60 years), suggesting a lower representation.

A large proportion (70.9%) of the respondents is unmarried, which could suggest fewer immediate family obligations and possibly different insurance needs (e.g., less life insurance, more individual health or pension insurance). The remaining 29.1% are married, possibly indicating a group with more responsibilities and a higher likelihood of engaging in family-based insurance decisions.

The sample is nearly evenly split between rural (50.4%) and urban (49.6%) areas, indicating a balance between these demographics. This distribution suggests the need to consider differences in insurance literacy, as rural women might have less access to insurance information and products compared to urban women.

A significant number of respondents hold advanced degrees, with 44.9% having a under graduate, 28.3% with 10th standard, and 15% completed their higher secondary education. This suggests that the majority of respondents are highly educated, which may positively impact their financial literacy, including understanding of insurance products. Only 11.8% hold no formal education, possibly indicating lower access to specialized financial knowledge among this group.

The majority of respondents (74.8%) belong to nuclear families, which could suggest greater financial independence and more direct decision-making concerning personal and family insurance needs. A quarter (25.2%) lives in joint families, which may imply shared financial responsibilities and collective decision-making, potentially influencing insurance uptake.

A small proportion (21.3%) is heads of their families, which indicates that only a minority are directly responsible for financial decisions, including insurance planning. The majority (78.7%) are family members, meaning they might rely on other family members, often male, to make financial decisions.

The largest segment (56.7%) earns between Rs. 15,001 and Rs. 25,000 monthly, representing a moderate-income group that may be price-sensitive but aware of the need for insurance. A smaller portion (22.8%) earns below Rs. 15,000, possibly limiting their ability to purchase comprehensive insurance products. Those earning between Rs. 25,001 and Rs. 50,000 (15%) and above Rs. 50,000 (5.5%) are likely in better positions to afford comprehensive or higher-value insurance plans.

Most respondents come from families with a combined income between Rs. 25,001 and Rs. 50,000 per month (72.4%), which suggests a middle-class demographic. Only 5.5% have family incomes below Rs. 25,000, and 3.9% have incomes above Rs. 75,000, indicating that the majority are neither in poverty nor extremely wealthy, but rather in the middle-income category.

4.2 Awareness Level of Insurance Products between High and Low Insurance Literacy Group

In order to examine how salaried individuals' insurance literacy level affects their awareness regarding financial products, respondents were categorized into two groups namely "High Insurance Literacy Group" and "Low Insurance Literacy Group". The respondents whose insurance literacy score was greater than median were put in "High Insurance Literacy Group" and those respondents whose insurance literacy score were either equal to or less than median were put in "Low Insurance Literacy Group". Mean awareness level of respondents falling in these two groups were calculated and compared.

H₀: Awareness level of working women for various insurance products are independent of insurance literacy level.

H_a: Awareness level of working women for various insurance products are not independent of insurance literacy level.

Table- 2 shows the awareness level of high and low insurance literacy groups for various insurance products.

Table -2

S.No	Insurance Products	High Insurance Literacy Group	Low Insurance Literacy Group	t-Value	Significance
		Mean Awareness Level	Mean Awareness Level		
1	Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA)	4.13	3.97	-2.621*	.009
2	Pradhan Mantri Jan Dhan Yojana (PMJDY)	4.11	3.85	-4.270*	.000
3	Janani Suraksha Yojana (JSY)	3.89	3.75	-1.737	.083
4	Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	3.63	3.43	-2.375*	.018
5	Pradhan Mantri Suraksha Bima Yojana (PMSBY)	3.62	3.63	.150	.881
6	Muthulakshmi Reddy	3.30	3.24	-.604	.546

	Maternity Benefit Scheme				
7	Chief Minister's Comprehensive Health Insurance Scheme (CMCHIS)	3.25	3.15	-1.174	.241
8	Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY)	3.17	3.10	-.629	.529
9	Aam Aadmi Bima Yojana (AABY)	3.07	2.88	-2.096*	.037
10	Sukanya Samriddhi Yojana (SSY)	2.69	2.37	-3.365*	.001
11	Beti Bachao Beti Padhao (BBBP) Scheme	2.53	2.35	-1.982*	.048
12	Arignar Anna Free Marriage Assistance Scheme	2.37	2.28	-1.022	.307

Source : Primary Data

* Significant at 5% level.

Significant Difference in Awareness for Most Schemes:

The t-values show that several insurance products have a statistically significant difference in awareness between the high and low insurance literacy groups, indicated by a p-value less than 0.05. This means that individuals with higher insurance literacy tend to have better awareness of these schemes compared to those with lower literacy.

Highly Significant Schemes: In Pradhan Mantri Jan Dhan Yojana (PMJDY) the awareness level in the high literacy group (4.11) is significantly higher than the low literacy group (3.85), with a strong t-value of -4.270 and a significance level of 0.000. This suggests that this scheme is widely known among the high literacy group. In Sukanya Samriddhi Yojana (SSY) there is also a notable difference in awareness, with the high literacy group having a mean awareness of 2.69 compared to 2.37 in the low literacy group, with a significance level of 0.001. This indicates that women with higher insurance literacy are more aware of SSY, which targets financial security for girls. In Beti Bachao Beti Padhao (BBBP) there is a statistically significant difference in awareness ($p = 0.048$) between the groups, with a higher awareness level among the high literacy group (2.53 compared to 2.35).

Moderately Significant Schemes: The t-value of Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA) is (-2.621) and a significance level of 0.009 suggest that the high literacy group (mean = 4.13) has significantly better awareness of this maternity benefit scheme than the low literacy group (mean = 3.97). Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a significant difference ($p = 0.018$) indicates better awareness in the high literacy group (mean = 3.63) compared to the low literacy group (mean = 3.43). In Aam Aadmi Bima Yojana (AABY) the difference between the two groups is also significant ($p = 0.037$), with higher literacy respondents showing better awareness (mean = 3.07 compared to 2.88).

No Significant Difference in Awareness: For some insurance schemes, there is no statistically significant difference between the high and low insurance literacy groups, as indicated by p-values greater than 0.05. These schemes include Janani Suraksha Yojana (JSY) despite some difference in means (3.89 vs. 3.75), the p-value of 0.083 indicates no significant difference. Pradhan Mantri Suraksha Bima Yojana (PMSBY) the mean awareness levels (3.62 vs. 3.63) are almost identical, with no significant difference ($p = 0.881$). Muthulakshmi Reddy Maternity Benefit Scheme is no significant difference ($p = 0.546$) it suggests similar awareness levels in both groups. Chief Minister's Comprehensive Health Insurance Scheme (CMCHIS) and Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY) both the schemes show no significant awareness difference between the two groups, with p-values of 0.241 and 0.529, respectively. Arignar Anna Free Marriage Assistance Scheme has the awareness between the groups is also not significantly different ($p = 0.307$).

V. LIMITATIONS OF THE STUDY

1. The study is restricted to sample size of 127 working women in Coimbatore.
2. All the limitations of primary data are applicable to this study.
3. The statistical tools used to analyse the data have their own limitations.

VI. CONCLUSION

The insurance literacy of working women in India is improving but remains insufficient to meet their financial security needs. Higher insurance literacy consistently correlates with greater awareness of most insurance schemes, particularly those focused on financial security (like PMJDY, SSY) and life insurance (like PMJJBY). This implies that improving insurance literacy can significantly boost awareness and uptake of government schemes.

The lower awareness in the low insurance literacy group indicates a gap in outreach or communication. These groups might not fully understand the benefits or access these schemes, suggesting a need for targeted awareness programs. Certain schemes, such as PMSBY and Muthulakshmi Reddy Maternity Benefit Scheme, show no significant difference in awareness between the two groups, possibly due to widespread promotion or targeted outreach campaigns.

To bridge the gap, government and financial institutions may need to focus on improving literacy in under-served groups and enhancing the reach of information on insurance schemes through more inclusive and accessible means. It requires addressing socio-economic, cultural, and technological barriers through a combination of targeted products, financial education, and increased access to information through both traditional and digital platforms. The involvement of both the government and private sector is crucial for driving this change.

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