



# " A Comparative Study On Consumer Perception And Choice In Health Insurance Pre And Post Covid-19 Era"

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## Abstract:

This research used qualitative and quantitative surveys to gain deeper insight into how consumers felt and acted about health insurance before and after the COVID-19 outbreak. The findings revealed a significant gap in understanding health insurance products and benefits, as several participants indicated they did not know the available coverage options. Although interest rates were moderate, enrolment rates were disappointing, primarily due to perceived affordability, trust in providers, and the applicability of the insurance to personal circumstances.

The analysis highlighted a range of barriers to effectively utilizing health insurance, including complex language, ignorance of basic insurance principles, and financial difficulties. While the pandemic heightened people's awareness of health risks and the need for financial security, many remained confused about the use of insurance. The study, therefore, emphasized the need for greater consumer education and simpler insurance processes to increase coverage and utilization of insurance in the post-pandemic period.

Such a study would have influenced consumers' thoughts and preferences. It provided valuable information for policymakers and insurance providers to align with emerging market trends, making health coverage in India more accessible.

Key words: Insurance, Policy Makers, COVID 19, Health Insurance

## Introduction

The COVID-19 pandemic has fundamentally reshaped numerous sectors, with the health insurance industry experiencing one of the most profound transformations. As populations worldwide grappled with the health crisis, a significant shift in consumer perceptions and behaviors towards health insurance emerged. The pandemic highlighted vulnerabilities within health systems, prompting individuals to reassess their health risks and financial security related to medical emergencies. This research paper aims to explore the evolving landscape of health insurance consumer behavior, particularly in the context of the uncertainties and challenges posed by the pandemic.

Prior to COVID-19, health insurance preferences were predominantly influenced by traditional models, limited pandemic-specific coverage, and a lack of awareness regarding available options. However, the crisis intensified the need for comprehensive health coverage, including coverage for pandemic-related situations, testing, and treatment. The findings reveal a marked increase in consumer interest in health insurance, with many recognizing the importance of adequate financial protection against unforeseen health events.

Through a comparative analysis of consumer attitudes before and after the pandemic, this study leverages both qualitative and quantitative research methodologies to provide insights into the factors influencing health insurance choices. It addresses critical questions about changing preferences, emerging needs, and the overall perception of health insurance in a post-COVID-19 world. By understanding these dynamics, the paper aims to inform stakeholders, including policymakers and insurance providers, of the necessary adaptations to meet evolving consumer demands and enhance accessibility to health insurance coverage.

In shedding light on these transformations, this research contributes to the discourse surrounding health insurance in the post-pandemic era, ultimately fostering a more resilient and informed approach to health coverage in the future.

## Literature Review:

The health insurance industry has changed with the COVID-19 pandemic. While there is huge competition ahead, its growth is also rampant. According to Agarwal et al. (2023), the need for new insurance products and expanded coverage is especially acute for COVID-19 patients. Therefore, this change in consumer awareness has opened up new avenues to explore emerging markets, especially as demographics have an impact on life insurance purchasing decisions. Verguet et al. (2021) agreed. They added that the promotion of solidarity must be based on strong political commitment, as evidenced by the social leadership that supported community ownership of health insurance plans in Ethiopia; a challenge that overcomes data and the principle of human frailty such as scarcity. However, Patil et al. (2022) conducted a study in Mumbai showing that consumers' health insurance behaviour changed dramatically during the pandemic; these authors stated that women were more knowledgeable than men about health insurance and learned about it from television, rather than men who got their information from friends. The pandemic is encouraging investment in a health insurance plan that will help cover the financial risk of a medical event. Collectively, these insights point to major changes in the health insurance landscape, a need for greater coverage, and increased efficiency in the industry.

## Research Methodology:

### Research Objectives

- To understand preferences and behaviours related to health insurance before and after the COVID-19 outbreak.
- To study a comprehensive understanding of the healthcare industry.
- Understand any new needs or demands that have emerged among consumers in the health insurance market due to the pandemic.
- Understand shifts in consumer priorities and preferences when selecting health insurance plans pre- and post-COVID-19.

### Scope of the Study

The scope of a comparative study on public perception and choice in health insurance pre- and post-COVID-19 era encompasses analyzing shifts in attitudes, preferences, and behaviours towards health insurance due to the pandemic. This study will examine changes in factors influencing individuals' decisions regarding health insurance coverage, such as affordability, perceived value, and trust in insurance providers. By surveying a representative sample and comparing data from before and after the COVID-19 outbreak, the research aims to identify evolving trends, highlight potential gaps in coverage, and offer insights to improve the accessibility and relevance of health insurance in the current healthcare landscape.

## Research Design

Philips had evolved that "Research Design is the blueprint for the collection, measurement, and analysis of data." Since, in today's era, each business is in extreme need of research. Research proves to be quite helpful in gaining a competitive advantage over the competitors. Research design is a framework that gives the answers of what, where, when, how much, and by what means a research study will be conducted.

Descriptive research design is purely on a theoretical basis where the individual collects data, analyses it, prepares it, and then presents it understandably. It is the most generalised form of research design. A descriptive research design was undertaken to understand the characteristics and needs of the investors.

Experimental research collects data to assist us in making better judgments. This method is used for analysis of the equity derivative market.

## Sampling Plan

### Population

This study will collect the data from Ahmedabad only.

### Sample unit

Health insurer

### Sample size

The total sample size of the project is 100.

### Sampling Method

A non-probability convenience sampling method is used.

### Research instrument

A structured questionnaire was prepared to collect respondents' data.

### Research/statistical tool

SPSS software and MS Excel were the data analysis tools used in the project.

- Chi-Square Test
- ANOVA Test
- Independent samples Test
- Paired samples Test

## Data Collection Sources

### Primary data

Primary (100 Samples through Questionnaire) and Secondary data collection sources/method (38 LR).

## Limitation of study

Gathering the data may be challenging as if it's not readily available or there are inconsistencies in the data sources. There may be some errors due to the respondent's bias.

## Data Analysis and Interpretation of Demographic Details:

DEMOGRAPHIC CRITERIA	RESULTS
<b>Gender</b>	While males dominated at 72, female respondents were 29, and there was no representation of any other gender.
<b>Age</b>	The largest portion of respondents, 64.4%, belonged to the 18-30 age group, and support decreased proportionately as age increased.
<b>Education Qualification</b>	46.5% of the respondents were graduates, with post-graduates counting 27.7%, whereas undergraduates and professionals formed 15.8% and 9.9%, respectively.
<b>Income</b>	Nearly half of the respondents (48.5%) had an income between ₹2,50,001-₹5,00,000, followed by equal proportions (20.8%) in the below ₹2,50,000 and ₹5,00,001-₹7,50,000 categories, with 9.9% earning above ₹7,50,001.
<b>Marital Status</b>	The respondents were almost evenly split, with 55.4 percent married and 44.6 percent unmarried, and no representation from widowed or divorced individuals.
<b>Number of Dependents</b>	The majority of respondents (48.5%) had 2-4 dependents, followed by 38.6% with less than 2, and 12.9% with more than 4 dependents.

## Analysis and Interpretation

### ANOVA

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Satisfied Coverage	Between Groups	2.195	3	0.732	1.396	0.249
	Within Groups	50.315	96	0.524		
	Total	52.51	99			
Satisfied List of hospitals	Between Groups	4.304	3	1.435	2.2	0.093
	Within Groups	62.606	96	0.652		
	Total	66.91	99			
Satisfied Services	Between Groups	0.76	3	0.253	0.363	0.78
	Within Groups	67.08	96	0.699		

	<b>Total</b>	<b>67.84</b>	<b>99</b>			
<b>Satisfied Processing</b>	<b>Between Groups</b>	<b>0.029</b>	<b>3</b>	<b>0.01</b>	<b>0.014</b>	<b>0.998</b>
	<b>Within Groups</b>	<b>64.721</b>	<b>96</b>	<b>0.674</b>		
	<b>Total</b>	<b>64.75</b>	<b>99</b>			
<b>How satisfied are you with the current insurance provided?</b>	<b>Between Groups</b>	<b>2.288</b>	<b>3</b>	<b>0.763</b>	<b>0.96</b>	<b>0.415</b>
	<b>Within Groups</b>	<b>76.302</b>	<b>96</b>	<b>0.795</b>		
	<b>Total</b>	<b>78.59</b>	<b>99</b>			

### Interpretation:

The table presents the results of ANOVA analyses for five satisfaction measures related to an insurance provider: coverage, list of hospitals, services, processing, and overall satisfaction. For each measure, the F-ratio and significance (Sig.) values are provided. None of the satisfaction measures show a significant difference between groups, as all Sig. Values are above the conventional threshold of 0.05. Specifically, the p-values range from .093 to .998, indicating that the differences in satisfaction scores among the groups are not statistically significant. This suggests that there is no substantial evidence to conclude that the satisfaction level differ across the groups for any of the measures analyzed.

The significance level greater than equals 0.05 so that  $H_0$  is Accepted.

### Hypothesis

( $H_0$ ) There is no significant difference in satisfaction with the insurance premium, insurance coverage, list of hospitals, services provided, and insurance processing across different income levels.

( $H_1$ ) There is a significant difference in satisfaction with the insurance premium, insurance coverage, list of hospitals, services provided, and insurance processing across different income levels.

### Independent Samples Test

Independent Samples Test								
	Levene's Test for Equality of Variance s		t-test for Equality of Means					
	F	Sig .	t	df	Sig. (2-tabl ed)	Mean Differen ce	Std. Error Differen ce	95% Confidence Interval of the Difference
								Lower Upper

Has the COVID-19 pandemic changed your perception of the importance of health insurance?	Equal variances assumed	0.602	0.44	-2.486	98	0.015	-0.712	0.286	-1.28	-0.144
	Equal variances not assumed			-2.134	7.873	0.066	-0.712	0.334	-1.483	0.059

### Interpretation:

The table shows the results of Levene's test for equality of variances and a t-test for equality of means concerning whether the COVID-19 pandemic has changed the perception of the importance of health insurance. Levene's test has an F-value of 0.602 and a significance (Sig.) value of 0.440, indicating that the assumption of equal variances holds. The t-test with equal variances assumed reveals a significant difference between the means ( $t = -2.486$ ,  $df = 98$ ,  $p = 0.015$ ), with a mean difference of -0.712 and a 95% confidence interval ranging from -1.280 to -0.144. This suggests that the pandemic has significantly changed perceptions, with the mean perception score differing by -0.712 units. The alternative t-test, assuming unequal variances, is not significant ( $p = 0.066$ ), but the primary result (equal variances assumed) supports the conclusion of a significant change in perception.

The significance level greater than equals 0.05 so that  $H_0$  is Accepted. Hypothesis:

( $H_0$ ) There is no association between the COVID-19 pandemic's impact on the perception of health insurance importance and the regular renewal of health insurance policies among policyholders.

( $H_1$ ) There is an association between the COVID-19 pandemic's impact on the perception of health insurance importance and the regular renewal of health insurance policies among policyholders.

### Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	80.662a	18	.000
Likelihood Ratio	82.370	18	.000
Linear-by-Linear Association	24.026	1	.000
N of Valid Cases	100		

### Interpretation:

The Chi-Square test results indicate a significant association between changes made to health insurance due to the COVID-19 pandemic and the type of changes implemented. The Pearson Chi-Square value of 80.662 with 18 degrees of freedom and a p-value of .000, along with similar significant results for the Likelihood Ratio and Linear-by-Linear Association, suggests that the changes are statistically significant and not randomly distributed. This implies that the pandemic influenced individuals' decisions on health



insurance modifications.

The significance level is less than 0.05 so  $H_0$  is Rejected.

### Hypothesis:

( $H_0$ ) There is **no association** between the two categorical variables being tested. ( $H_1$ ) There is an **association** between the two categorical variables being tested.

### Paired Samples Test

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Do you have health insurance before COVID? - Do you have health insurance after COVID?	0.08	0.526	0.053	-0.024	0.184	1.522	99	0.131

### Interpretation:

The table presents the results of a paired samples t-test comparing the prevalence of health insurance coverage before and after the COVID-19 pandemic. The mean difference between the two-time points is 0.080, with a standard deviation of 0.526 and a standard error mean of

0.053. The 95% confidence interval for the mean difference ranges from -0.024 to 0.184. The t-value is 1.522 with 99 degrees of freedom, and the significance (Sig. 2-tailed) is 0.131. This p-value indicates no statistically significant difference in health insurance coverage before and after the COVID-19 pandemic, suggesting that the pandemic did not substantially alter the overall health insurance coverage rates among the respondents.

The significance level greater than equals 0.05 so that  $H_0$  is Accepted.

### Hypothesis:

( $H_0$ ) There is no significant difference in the proportion of individuals with health insurance before and after the COVID-19 pandemic.

( $H_1$ ) There is a significant difference in the proportion of individuals with health insurance before and after the COVID-19 pandemic.

## Finding:

- The following patterns emerge concerning health insurance coverage by gender before and after COVID-19. Of the 100 respondents, 52 percent were male, and 48 percent were female. Males' 84.6 percent had health insurance before COVID-19, whereas 15.4 percent did not. For females, 79.2 percent had health insurance before COVID-19, but 20.8 percent did not.
- When it comes to health insurance coverage in general, 91 percent of respondents report having health insurance, while 9 percent do not. Of those who have health insurance, 13 percent report not having health insurance before COVID-19. Among those who do not have health insurance now, 9 percent also report not having it before COVID-19. So, as far as this data is concerned, coverage has increased slightly since the onset of the outbreak for the COVID-19 pandemic.
- We can evaluate perceptions about the affordability of health insurance both before and during the COVID-19 pandemic. Before the pandemic, 58% said that health insurance is affordable, and 42% do not. Since the start of the pandemic, perceptions have changed somewhat: 68% of respondents say health insurance is affordable, and 32% do not.
- The COVID-19 pandemic has considerably altered perceptions and behaviors toward health insurance among respondents. The majority, 65%, reported that the pandemic increased their sense of need for health insurance, and 23% said it did so significantly. Results on behavior change included the fact that 31% of respondents had changed their health insurance, at least in part, as a consequence of the pandemic. For those who had changed, 54% upgraded an existing plan, while another 23% moved to a different provider, and 23% bought health insurance for the first time ever. Contrary to this, 69% of the respondents reported having no change in health insurance during the pandemic. These findings reflect a significant shift in perception and behavior towards health insurance that was triggered by the challenges COVID-19 raised.

## Recommendation:

- Regularly survey an adequate representation of diversified consumers to understand their preferences and behavior patterns regarding health insurance.
- Use the focus groups to gain a more in-depth understanding and context of the trends identified through the quantitative survey results.
- Make use of advanced data analytics techniques to analyze trend patterns of consumer behavior and preferences over time.
- Monitor changes in claims from insurers, policy renewals, and new policy sign-ups before and after the pandemic. Continuously monitor market trends and the strategies of your competitors to be in line with changes in developing consumer preferences.
- Modify your insurance products and marketing strategy based on these same trends for effective response to consumer needs. Consult periodically with healthcare industry experts, policymakers, and other researchers in order not to lag in the latest developments and trends.
- Attend conferences, seminars, and webinars. Extensive market research would be done to understand the dynamics of the healthcare industry, as well as regulatory changes and technological discoveries and consumer behavior.
- Subscribe to industry reports and publications that will give fresh insights into the business. Partner with healthcare providers to learn about patient needs and preferences. Use this insight to customize your insurance products to focus on health care industry trends.
- Develop and offer insurance solutions to newly identified needs and demand by private individuals, for example, telemedicine, mental health, and treatment of pandemic-related conditions. Review and update the portfolio of insurance products often to stay up-to-date and in competition.



- Mobilize and make targeted campaigns of communication to inform consumers of new insurance products and their benefits. Keep sending transparent information on changes in policies and newly added coverage benefits. Ensuring feedback mechanisms that are strong to continually obtain consumer inputs on insurance products new and existing.
- Using that as a source of improvement that iterates to meet the consumer's needs even more. A holistic coverage approach in marketing and product development, thus focusing on the 'extensive health services, mental health support, and telehealth options'.
- Flexible plans, varying with priority and preferences of consumers. Invest and promote more digitized health services, including comprehensive telehealth in insurance packages.
- Provide easy access for consumers to remote consultations, digital health records, and online wellness programs. Make inclusion of mental health services as part of insurance packages. Work with mental health experts and organizations to empower clients and offer an extensive range of resources.

## Conclusion:

Based on the findings across the objectives, it is evident that the COVID-19 pandemic has profoundly influenced both consumer behaviours and the healthcare industry. Before the pandemic, health insurance preferences leaned towards traditional models with less emphasis on pandemic-specific coverage or digital health solutions. Post-COVID-19, however, there has been a notable shift.

Consumers are now more health-conscious and seek comprehensive coverage that includes pandemic-related contingencies like testing and treatment. Insurers have responded by adapting policies to accommodate these new demands, introducing innovative models and emphasizing wellness programs. Moreover, the pandemic has accelerated the global health insurance market's growth trajectory, reflecting heightened awareness and increased investment in healthcare amidst evolving health challenges. As the industry continues to navigate these changes, the focus remains on adapting to new consumer expectations while ensuring robust coverage and support for emerging health issues like COVID.

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