Policyholders' Perceptions of Digital Health Insurance and Sustainable Transformation

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Abstract

The digital transformation of the health insurance sector has significantly enhanced service efficiency and customer experience while promoting sustainable business practices. This study examines policyholders' perceptions of digital health insurance and its contribution to sustainability. Primary data was collected from 100 respondents in Tenkasi District during January to February 2026 using a structured questionnaire. Analytical tools such as percentage analysis, mean score analysis, and Garrett ranking method were used. The findings reveal that policyholders have a positive perception towards digital health insurance, particularly in terms of convenience and transparency. However, challenges such as digital literacy and security concerns persist.

Keywords: *Digital Health Insurance, Policyholders' Perception, Sustainability, InsurTech*

Introduction

The emergence of digital technologies has transformed the traditional health insurance system into a more efficient and customer-centric model. Digital health insurance enables policyholders to access services such as policy purchase, premium payment, and claim settlement through online platforms.

Apart from improving operational efficiency, digitalisation also contributes to sustainability by reducing paper-based processes and enhancing resource utilization. Understanding policyholders' perceptions is crucial in evaluating the effectiveness of digital transformation and its long-term sustainability impact.

Objectives of the Study

1. To analyze policyholders' perceptions towards digital health insurance.
2. To examine the role of digital health insurance in sustainable transformation.

Research Methodology

Research Design

The present study adopts a descriptive research design in order to systematically analyze the perceptions and opinions of policyholders regarding digital health insurance. This design helps in describing the characteristics of respondents and understanding their viewpoints in a structured manner.

Nature of the Study

The study is both empirical and analytical in nature. It is primarily based on firsthand data collected directly from respondents, and further analyzed to derive meaningful insights and interpretations.

Sources of Data

The study is based on both primary and secondary sources of data. Primary data has been collected using a structured questionnaire distributed among policyholders. Secondary data has been gathered from various sources such as journals, reports, and relevant websites to support and strengthen the research findings.

Sampling Design

The study is conducted in Tenkasi District, focusing on policyholders in the region. A total of 100 respondents were selected for the study. The sampling technique adopted is convenience sampling, where respondents were chosen based on their availability and willingness to participate.

Tools for Analysis

Various statistical tools have been employed to analyze the collected data. Percentage analysis has been used to understand the distribution of responses. Mean score analysis has been applied to evaluate the average opinion of respondents, and the Garrett Ranking Method has been used to rank the factors influencing policyholders' perceptions.

Period of Study

The study covers a period of two months, from January 2026 to February 2026, during which the data collection and analysis were carried out.

Limitations of the Study

- The study is limited to Tenkasi District, which may restrict the generalization of the findings to other regions.
- The sample size of 100 respondents is relatively small and may not fully represent the entire population.
- The study is based on respondents' opinions, which may be influenced by personal bias and subjective perceptions.

Data Analysis and Interpretation

Socio-Economic Profile of Respondents

Table 1: Gender wise classification of the respondents

S. No.	Gender	No. of Respondents	Percentage %
1	Male	60	60%
2	Female	40	40%
Total		100	100

Source: Primary Data

The data indicates that male respondents constitute the majority (60%) of the sample, while female respondents account for 40%. This shows that although men still dominate in financial decision-making, women are increasingly participating in health insurance decisions. The growing involvement of women reflects rising financial awareness and independence, especially in semi-urban regions like Tenkasi.

Table 2: Age wise classification of the respondents

S. No.	Age Group	No. of Respondents	Percentage %
1	Below 25	20	20%
2	25–40	50	50%

3	Above 40	30	30%
Total		100	100

Source: Primary Data

A majority of respondents (50%) fall within the 25–40 age group, indicating that working professionals are the primary users of digital health insurance. Younger respondents (below 25) show moderate participation, suggesting growing digital adoption. Respondents above 40 represent 30%, indicating that even older individuals are gradually adapting to digital platforms.

Table 3: Educational Qualification wise classification of the respondents

S. No.	Qualification	No. of Respondents	Percentage %
1	School Level	22	22%
2	Undergraduate	48	48%
3	Postgraduate	30	30%
Total		100	100

Source: Primary Data

The majority of respondents (48%) are graduates, followed by postgraduates (30%). This indicates that higher education levels contribute to better awareness and adoption of digital health insurance. Educated individuals are more likely to understand and utilize digital platforms effectively.

Table 4: Occupation wise classification of the respondents

S. No.	Occupation	No. of Respondents	Percentage %
1	Salaried	45	45%
2	Business	30	30%
3	Others	25	25%
Total		100	100

Source: Primary Data

Salaried individuals form the largest group (45%), as they often receive health insurance benefits and are more inclined towards digital services. Business respondents (30%) also show significant adoption due to flexibility and financial awareness. Others (25%) include students and self-employed individuals, indicating expanding reach.

Table 5: Monthly Income wise classification of the respondents

Sl. No.	Income Level	No. of Respondents	Percentage %
1	Below ₹15,000	28	28%
2	₹15,000–₹30,000	46	46%
3	Above ₹30,000	26	26%
Total		100	100

Source: Primary Data

The majority (46%) belong to the middle-income group, highlighting affordability as a key factor in adopting digital health insurance. Lower-income respondents show moderate participation, while higher-income groups demonstrate better adoption due to financial stability and awareness.

Digital Health Insurance

Table 6: Awareness of Digital Health Insurance

S. No.	Response	No. of Respondents	Percentage %
1	Aware	78	78%
2	Not Aware	22	22%
Total		100	100

Source: Primary Data

A high level of awareness (78%) indicates increasing digital penetration and effective promotion of digital insurance services. However, 22% lack awareness, suggesting the need for targeted awareness programs.

Table 7: Usage of Digital Platforms

S. No.	Platform	Percentage %
1	Mobile Apps	40%
2	Websites	35%
3	Agent-assisted digital	25%
Total		

Source: Primary Data

Mobile applications are the most preferred platform due to ease of access and user-friendly interfaces. Websites and agent-assisted services also play a significant role, especially for less tech-savvy users.

Table 8: Perception Analysis (Mean Score)

Statement	Mean
Easy to use	4.2
Faster claim processing	4.3
Transparency	4.1
Convenience	4.4

Source: Primary Data

The high mean scores indicate a positive perception among policyholders. Convenience (4.4) is the most influential factor, followed by faster claim settlement. This shows that digitalisation significantly enhances customer satisfaction.

Table 9: Sustainability Impact

Factor	Percentage %
Reduced paperwork	75%
Time saving	72%
Cost efficiency	68%

Source: Primary Data

Digital health insurance contributes to sustainability by minimizing paper usage and improving operational efficiency. Time and cost savings further enhance its long-term viability.

Table 10: Challenges Faced

Issue	Percentage %
Digital literacy	60%
Security concerns	50%
Awareness issues	55%

Source: Primary Data

Digital literacy is the major challenge, followed by security concerns. This indicates the need for user education and stronger security systems.

Table 11: Garrett Ranking Analysis

Problem	Mean Score	Rank
Digital literacy issues	52.0	I
Security concerns	49.8	II
Lack of awareness	47.2	III
Technical issues	44.5	IV
Lack of interaction	42.1	V

Source: Primary Data

Digital literacy emerges as the most significant barrier, indicating that technological skills are essential for adoption. Security concerns and awareness gaps also influence usage. The results highlight the importance of training and awareness programs.

Findings

- Majority respondents show positive perception
- Digital platforms improve efficiency
- Sustainability benefits are significant
- Literacy and awareness gaps exist

Suggestions

- Conduct digital awareness programs
- Improve cybersecurity measures
- Simplify user interfaces
- Promote eco-friendly practices

Conclusion

The study concludes that digital health insurance plays a vital role in transforming the insurance sector by enhancing efficiency, transparency, and sustainability. While policyholders show a positive perception, addressing challenges such as digital literacy and security concerns is essential for wider adoption.

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