

Microinsurance and the Awareness Gap: A Quantitative Analysis of Demographic Determinants in the Ernakulam District of Kerala

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ABSTRACT

The Indian government includes micro insurance as a core component of its financial inclusion initiative because it enables risk protection for underprivileged groups. The current impact of micro insurance remains restricted because intended beneficiaries demonstrate minimal awareness of these products. This study investigates the influence of demographic factors on policyholder awareness of micro insurance products in the Ernakulam district of Kerala. The research utilized a planned survey approach to investigate micro insurance awareness patterns between different policyholder demographics including gender along with age levels and education types and occupational status and earnings. Insured women who are older as well as self-employed people display more informed knowledge of micro insurance than their counterparts. The results show education alongside income have no significant effect on micro insurance knowledge which means basic education or financial wealth level by themselves fail to predict understanding of micro insurance products. The results of the study demonstrate that efforts to enhance public understanding of micro insurance should focus on specific population segments. Targeted outreach campaigns among male workers who are young adults and have informal employment status would enhance the effectiveness of micro insurance as a security system. Research findings give authorities in policy and insurance the necessary tools to enhance their inclusion goals by developing better awareness programs.

Keywords: microinsurance, policyholder awareness, demographic factors, India, Ernakulam district.

INTRODUCTION:

Developing economies now use micro insurance as an essential part of their financial inclusion strategies because these territories experience high levels of informal work alongside limited access to formal financial options. A risk-covers system especially created for vulnerable populations can serve as both financial insurance and a poverty reduction service. Government initiatives and the expansion of micro insurance programs in India have not led to satisfactory enrolment numbers along with limited participatory engagement. This underperformance in program results primarily from the lack of awareness within the targeted population that obstructs both their decision intelligence and their enrolment in benefit programs.

Empirical data shows that poor awareness about policy terms and benefits prevents low-income households from adopting micro insurance products although the products align with their requirements. The demographic makeup of target recipients along with their social circumstances directly impacts how much they perceive about insurance-related information. The perception and ability to access and respond to micro insurance programs depends heavily on demographic factors which include gender, age, education level and occupation as well as income level. Ernakulam district

in Kerala serves as an appropriate research site because it contains diverse population segments that include urban residents and rural communities alongside multiple professions. The research investigates what factors related to policyholders' demographic background affect their knowledge of micro insurance products across this area. The study uses quantitative research methods to increase the available localized understanding about micro insurance awareness while building upon an emerging academic base. This research seeks to utilize the findings to create specific awareness campaigns which will boost both micro insurance equity and participation rates.

The research examines the ways key demographic variables including gender and age together with education level and occupation and income status affect policyholders' micro insurance awareness in Ernakulam district Kerala. The research goal is to create evidence-driven understanding for developing outreach methods that will boost participation within demographic-specific micro insurance programs.

LITERATURE REVIEW

Research studies show how micro insurance serves as a key tool to improve financial inclusion within developing countries because these nations have mostly

informal market systems. Multiple experts have demonstrated that policyholder awareness functions as a fundamental assessment factor to understand how micro insurance schemes perform in practice. A person with complete awareness needs to understand key policy characteristics and coverage details alongside enrollment requirements and system management systems. Many potential policyholders do not understand coverage limitations because of which under-enrolment occurs according to De Allegri et al. (2006). Successful product education initiatives serve as a solution by creating more opportunities for policyholders to obtain micro insurance benefits. Public officials together with insurers must establish educational initiatives that build trust as well as awareness to improve beneficiary decision-making and confidence levels.

According to Matul et al. (2013) subscription rates depend strongly on awareness programs yet Dror et al. (2006) found that cost does not affect low-income families who opt out because they lack understanding of the insurance terms. According to Churchill and McCord (2012) successful marketing solutions and distribution systems require specific methods for serving rural groups. The research of Giné and Yang (2009) investigates psychological and social barriers that prevent adoption of insurance products while Devadasan et al. (2012) explain that Indian policyholders lack knowledge about their product details because of communication breakdowns between insurers and intermediaries. The authors suggest that promoting insurance understanding requires culturally sensitive campaigns specifically for rural Indian audiences according to Ruchismita and Churchill (2014). Various studies have investigated how gender influences relevant awareness levels. Multiple studies show that gender creates substantial differences which impact financial literacy in addition to micro insurance participation. Women demonstrate superior financial knowledge because they manage household finances and belong to self-help groups according to Lusardi & Mitchell (2014) and Atkinson & Messy (2012). Gender-specific research data demonstrates the requirement for universal outreach programs which guarantee equal accessibility to men and women.

Older people display an important role in determining micro insurance understanding. Persons under 25 years old possess social exposure to financial tools yet avoid micro insurance since they do not feel obligated to secure it (Lusardi & Mitchell, 2014). The 26–45 year old demographic group usually selects micro insurance to safeguard their expanding family structure (Atkinson & Messy, 2012). People older than 46 years often seek extended financial security because they have minimal knowledge about contemporary monetary instruments even though they may have reached retirement (Garman et al., 2018). Awareness strategies designed for age segments within the population lead to dramatic improvements in micro insurance program outcomes.

Research evidence about how education links to insurance acceptance displays conflicting results. Two studies by Schneider and Diop (2004) and Jowett (2003) demonstrate that better product comprehension through education leads to increased insurance enrolment but contrary findings exist in another research. According to Auerbach and Kotlikoff (1989) educated people tend to avoid insurance because increased knowledge leads them to feel secure about their financial stability and decrease their need for outside risk protection. Studying Bonan et al. (2011) together with Giné et al. (2008) reveals that education does not create any meaningful pattern regarding micro insurance adoption.

Researchers consider income to be a robust variable that influences insurance buying behaviour. Gandolfi and Miners (1996) along with Rubayah and Zaidi (2000) established that household income plays a vital role in determining both insurance purchasing ability and intentions since wealth affects affordability as well as necessity assessments. Churchill (2007) demonstrates that irregular financial flows among low-income households prevent them from sustaining their membership in micro insurance schemes. Insurance adoption depends on income, but other factors including financial knowledge and trust and perceived benefits determine how income influences purchase decisions.

At the national and cross-country levels multiple studies have researched the effect of demographic factors on micro insurance awareness and adoption however most deliver general assessments. Localized empirical investigation of policyholder awareness is scarce since the Ernakulam district of Kerala faces insufficient research in the analysis of socio-economic differences in insurance awareness. The authors address this void through their research which presents a data-centred evaluation of micro insurance awareness patterns based on demographic factors within this particular location.

OBJECTIVE OF THE STUDY

- To study the influence of demographic factors on the awareness levels of policyholders towards microinsurance policies in Ernakulam district, Kerala.

RESEARCH METHODOLOGY

4.1 Research Design

This study used a descriptive research design combined with quantitative methods to evaluate how aware policyholders are about micro insurance coverage. The research site was Ernakulam district in Kerala because it brings together citizens from different rural and urban areas at different stages of micro insurance adoption. Awareness measurement and analysis of these factors in relation to important population traits were the main goals of this study.

4.2 Sampling Procedure: The research included all active members of micro insurance policies throughout Ernakulam regardless of their insurance provider type (public or private or government-sponsored). A snowball sampling method was chosen because finding

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an appropriate representative sample within the low-income and informal sector participant group became difficult. The research started with participants obtained from microfinance institutions in addition to community leaders and insurance agents who extended participant referrals through their social networks that resulted in multiple referral chains for reducing potential bias and enhancing sample heterogeneity.

The minimum needed sample size calculation relied on Cochran's formula but an additional bias correction factor of 1.65 was incorporated to adapt for non-random sampling methods. Researchers employed an adjustment method that determined the minimum participant count to be 615. The research gathered 625 responses from valid participants which exceeded the initial sample requirement.

4.3 Instrumentation and Validity: The research design involved collecting data by using a structured questionnaire which measured both demographic responses and micro insurance social consciousness at multiple levels. The instrument underwent expert

examination to confirm its content validity. The reliability testing using Cronbach's alpha proved internal consistency by showing that all awareness-related scales surpassed 0.70. The establishment of construct validity occurred by performing both convergence tests and discrimination tests between survey variables.

The research aimed for diversity by choosing the first participants from different economic levels and geographical locations. The research protocol reduced some of the known weaknesses of snowball sampling particularly regarding the potential clustering of participant networks.

4.4 Ethical Considerations: All participants received a brief explanation about the research purpose followed by clear disclosure of voluntary participation which led them to provide informed consent. The research data collection process respected existing ethical procedures for both participant confidentiality and voluntary study participation.

RESULTS AND INTERPRETATION

The article analyses micro insurance awareness statistics regarding different demographic subgroups. T-tests for independent samples and one-way ANOVA proved essential for identifying potential differences that emerge between gender, age, educational, occupational, and economic groups. A summary of statistical findings exists in the tables followed by evidence-based contextual reasoning for each interpretation.

5.1 Gender-Based Variation in Awareness:

To assess gender-based differences in awareness, an independent samples t-test was conducted and a hypothesis was framed and tested.

H01: There is no significant difference in policyholders' awareness of microinsurance products across different gender groups.

The results are presented in Table 1.

Table 1. Gender-Based Variation in Micro Insurance Awareness

Group	N	Mean Awareness	Standard Deviation (SD)	t-value	p-value
Male	228	2.4781	0.2643	-2.666	0.008
Female	397	2.5458	0.3268		

The results from Table-1 demonstrate that male and female policyholders have distinct micro insurance awareness levels which show statistical significance ($p = 0.008$). The p-value at 0.008 turned out to be lower than 0.05 which led to the rejection of the null hypothesis (H01) at a 5% significance level. The mean micro insurance awareness rating among females (2.5458) surpassed the rating among males (2.4781). Women possess better understanding of micro insurance products which can be attributed to their traditional household financial responsibilities and their access to community-based financial programs. This finding emphasizes the necessity to create gender-specific outreach strategies which target the lack of awareness particularly within male policyholder groups.

5.2 Awareness by Age, Education, Occupation, and Income:

To investigate how awareness varies by age, education, occupation, and income, a One-Way ANOVA was conducted and the following hypotheses was framed and tested.

H02: policyholders' awareness of microinsurance products shows no meaningful variation between different age groups.

H03: Mean awareness does not differ among policyholders classified based on educational qualification.

H04: Mean awareness does not differ among policyholders classified based on occupation.

H05: Mean awareness does not differ among policyholders classified based on annual income. Table 2 summarizes the results for each category.

Table 2. Demographic Variations in Micro Insurance Awareness

Demographic Variable	Group	N	Mean Awareness	SD	F-value	p-value
Age	18–25	25	2.5733	0.3736	9.626	0.000
	26–45	348	2.4866	0.2877		
	46–60	221	2.5329	0.3107		
	Above 61	31	2.7814	0.3110		
Education	Up to Elementary	487	2.5086	0.3141	1.836	0.160
	Higher Secondary	114	2.5653	0.2528		
	Higher Education	24	2.5648	0.3792		
Occupation	Farmer	26	2.5598	0.2024	11.657	0.000
	Labour (Daily Wages)	324	2.4722	0.3201		
	Employee	112	2.4851	0.3240		
	Self-employed	163	2.6367	0.2472		
Income (Monthly)	Up to ₹10,000	27	2.4486	0.3104	1.152	0.328
	₹10,001 – ₹15,000	144	2.4938	0.3285		
	₹15,001 – ₹20,000	310	2.5333	0.3025		
	₹20,001 – ₹25,000	144	2.5355	0.29314		

The results of the Table-2 are given below:

Age: Significant differences exist in micro insurance awareness between different age groups according to results from the one-way ANOVA analysis ($p = 0.000$). Since the p -value is less than 0.05 leads to the rejection of H_{02} at 5% significance which proves that microinsurance product awareness differs substantially between various age groups. Policyholders above 61 years demonstrated the highest level of mean awareness (2.7814) since they prioritize safeguarding their financial situation and health security during their advanced years. Participants aged between 46-60 displayed a considerable level of awareness regarding retiree health plans (2.5329) because at this life stage people become more risk conscious and organized in their planning. People between 26 and 45 years old documented the minimum awareness levels (2.4866) since they managed both maximum earnings and considerable responsibilities at this life stage. The awareness level among individuals aged 18 to 25 years old reached a moderate score of 2.5733 possibly due to better digital exposure though they might show lower purchasing motivation.

Education: The results indicate that educational attainment does not influence awareness levels because the obtained p value equals 0.160. Since the p -value is more significant than 0.05, the null hypothesis (H_{03}) accepted. This suggests no statistically significant difference in awareness of microinsurance among policyholders based on educational qualifications. Policyholders with higher secondary and higher education qualifications showed slightly higher awareness means compared to those with only elementary education. The education level differences between groups proved to be insignificant because formal education on its own does not guarantee better awareness of micro insurance concepts. Earlier research confirmed that financial literacy remains more

significant than academic abilities for insurance engagement.

Occupation: The research established that occupation had a statistically substantial impact on awareness levels ($p = 0.000$). Since the p -value is less than 0.05 leads to the rejection of H_{02} at 5% significance which proves that statistical differences exist in microinsurance awareness among insurance policyholders based on their occupations. The self-employed group displayed the strongest awareness (2.6367) since they encounter multiple financial services along with requiring individual risk mitigation systems. Farmers and employees followed, while daily wage labourers reported the lowest awareness. Job autonomy together with financial exposure enhance the level of awareness about micro insurance but workers in unorganized sectors who are the main target are still lacking sufficient awareness.

Income: The research reveals identical levels of awareness between different income groups because the statistical value reaches 0.328 ($p = 0.328$). Since the p -value (0.328) is greater than 0.05, the null hypothesis (H_0) was rejected, indicating no statistically significant difference in microinsurance awareness among policyholders across different income groups. The highest-income group demonstrated slightly better awareness while the lowest-income group exhibited the lowest awareness level despite nonsignificant statistical results. The data shows that financial status fails to demonstrate a significant link to awareness about micro insurance. Research data reveals no such pattern which indicates financial capability does not positively impact product comprehension or consumer involvement.

DISCUSSION

This research shows how policyholders' micro insurance awareness relates to their demographic factors throughout the Ernakulam district of Kerala. Statistical

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research indicated that gender together with age and occupation variables were responsible for influencing awareness levels yet education and income variables proved unimportant. This research paper further investigates these recorded results based on both statistical data and existing literature.

Research data demonstrates particular significance in the way awareness levels differ between male and female participants. Statistics revealed that female participants maintained greater understanding of these insurance options than the male participants. Research has indicated that women with household financial management roles tend to obtain information about protection tools for their families. The self-help memberships of participants in community-based financial literacy events likely enhances their interaction with micro insurance. Women increased financial awareness stands against common misconceptions about their avoidance of financial involvement by showing they should lead as main participants in educational programs.

Policyholders who were 61 and older proved the most conscious of the fact that they need micro insurance coverage. A life-cycle framework explains this finding because senior citizens put health protection together with financial security ahead of younger demographic groups. People aged 18 to 25 showed similar levels of awareness to older groups yet they may not adopt micro insurance products because they lack financial need and affordability. The middle-aged group aged 26 to 45 displayed the least awareness about micro insurance possibly due to several factors between job competition and insufficient educational materials about the subject. Self-employed professionals demonstrated the highest awareness levels since they encounter various financial instruments alongside needing to manage their own risks. Daily wage labourers who represent the most vulnerable population demonstrated the least awareness about pension. Such data serves to validate the fact that informal workers do not receive financial education through standard channels so authorities must create targeted outreach initiatives to support them.

The educational background as well as income status of respondents failed to show any significant statistical correlation with awareness levels. The study discovered there was no significant awareness difference between respondents even though education level varied. Formal educational institutions seem to provide insufficient practical understanding of micro insurance since these topics typically remain absent from mainstream curricula. The results showed income level failed to predict micro insurance awareness despite the presence of economic barriers between potential customers.

The current study demonstrates the deficiency of social-economic status indicators for creating awareness programs. The evidence urges researchers to introduce a new method which considers population behaviour together with social networks and real-life interactions. The acquisition of awareness depends on exposing

people to information along with their levels of trust as well as their community's understanding and their capability to reach the materials.

Policy Recommendations

Develop Demographically Targeted Awareness Campaigns: Create outreach initiatives that focus on raising awareness among three specific groups: younger adults, males and workers performing daily-wage labour since these demographic sections demonstrated poor levels of knowledge about the causes of burn injuries.

Leverage Women and Self-Employed Individuals as Awareness Catalysts: Self-employed individuals together with female policyholders should serve as peer educators and community ambassadors when running campaigns for micro insurance.

Integrate Micro Insurance Education into Existing Financial Literacy Programs: The promotion of micro insurance content should take place within financial inclusion programs targeting rural and semi-urban communities to uphold local significance.

Adopt Culturally and Linguistically Relevant Communication Strategies: A combination of local languages together with folk media programs and suitable messages enables successful community outreach among both formal education-limited organizations and media-unreachable audiences.

Use Local Institutions and Community-Based Networks: The organization should work together with self-help groups SHGs and microfinance institutions MFIs and local cooperatives and panchayat bodies to promote micro insurance awareness and establish trust. **Segment Marketing by Occupation and Risk Exposure:** The promotion of micro insurance products should focus on occupational vulnerabilities and risk exposure through specific advertisement strategies for informal workers and small farmers along with participants in the gig economy.

Bridge the Awareness-to-Adoption Gap with Assisted Enrolment: Community health workers and insurance agents should provide field-based assistance which helps low-awareness groups identify and enroll in suitable micro insurance plans.

Encourage Public-Private Partnerships (PPPs): The government should establish partnerships between its education programs and private insurance organizations to jointly create and distribute awareness messages spreading over a broad reach and enduring period.

Monitor and Evaluate Awareness Campaigns Rigorously: A system for impact evaluation needs implementation to evaluate which awareness strategies work best through continuous demographic-responsive feedback.

CONCLUSION

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The researchers studied how demographic traits impact policyholder understanding of micro insurance throughout Ernakulam district Kerala. The research data indicates that gender together with age and occupation level contribute to awareness, but education and income make no difference. Research results contradict the idea that economic resources and educational qualifications can predict financial literacy performance. Most of the population whose engagement with micro insurance depends on their life experience combined with social roles belongs to middle-aged women and older adults and self-employed individuals. The results demonstrate that daily wage earners and people of middle age require targeted communication tactics because their understanding of micro insurance remains low.

The research identifies demographic problem areas which enable the creation of targeted initiatives for awareness programs. Investigating both behaviour patterns and sustained effects from demographic-specific outreach methods will help achieve fair access to micro insurance according to future research requirements. The study presents a method to improve financial protection delivery that brings more accessibility and equal opportunities to underserved populations.

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