

Role of Digital Health Insurance Platforms in Enhancing Financial Security of the Policyholders

Bindushree H.N.^{1,*}, Pavithra B.²

Abstract

This study focuses on how digital health insurance platforms help improve the financial risk protection of policyholders, the key objective was to examine the effect of awareness of digital health insurance, financial literacy, ease of use, digital platforms, and trust and security on financial risk protection, a descriptive research design was used, and primary data were collected from 105 policyholders in Bangalore urban through a structured questionnaire using the convenience sampling technique, the data were examined using descriptive statistics, ANOVA, and multiple regression analysis, the findings showed that most respondents had a positive opinion about digital health insurance platforms, especially for online policy management, claim submission, easy access, and overall convenience, the regression results revealed that trust and security ($\beta = 0.357$, $p < 0.001$), digital platform ($\beta = 0.227$, $p = 0.012$) & ease to use ($\beta = 0.209$, $p = 0.021$) had a significant positive effect on financial risk protection, while awareness of digital health insurance and financial literacy did not show a statistically significant individual effect, the overall regression model was statistically significant ($r^2 = 0.598$, $f = 29.452$, $p < 0.001$), explaining 59.8% of the variation in financial risk protection, the study concludes that secure, easy to use, and efficient digital health insurance platforms improve financial protection by making insurance services more accessible and reducing financial risks, the results also deliver useful info for insurance companies and policymakers to improve digital health insurance services and strengthen financial protection for policyholders.

Keywords: Digital health insurance, financial risk protection, trust and security, digital platforms, financial literacy.

INTRODUCTION

Health insurance shows a essential role in protecting individuals and families from the financial burden of unexpected medical expenses. It covers hospitalization, treatment, and medicine costs, reducing out-of-pocket spending and providing financial security during medical emergencies. As healthcare costs continue to rise, health insurance helps people avoid using their savings or borrowing money to meet medical expenses.

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The rapid growth of digital technology has transformed the health insurance sector by enabling services through mobile applications, websites, and online portals. Digital platforms make policy purchase, renewal, premium payment, and claim processing faster and more accessible. Factors – such as ease of use, efficiency, security, and user satisfaction – encourage the adoption of these services, ultimately improving financial risk protection and enhancing the overall experience of policyholders.

LITERATURE REVIEW WITH RESEARCH GAP

Patel et al. (2026) [1] examined the structural alteration of the Indian health insurance segment from 2015 to 2025 and its impact to financial safety and universal health coverage. Secondary records on top rate growth coverage insurance coverage invasion declare decision ratios & out of pocket fees have been estimated for the research. The populations insurance extended from 27. 13% to 40. 25% medical health insurance rates improved extensively. The failure of out-of-pocket healthcare charges at the identical time implies that families have received financial safety. It determined the order to complete sufficient healthcare finance in India, microinsurance develop, rural out wealthy and controlling improvement are essential.

Dr. P. Kowsalya et al. (2025) [2] assessed the productivity of digital health insurance platforms in emergency service delivery for policyholders. The examinees how digital services – such as online premium costs, approach to policy knowledge, and claim tracking – make easier insurance developments and decrease paperwork. The study features that policyholders prefer digital platforms due to easy availability and quick service effect. The authors establish that digital platforms considerably improve service value when they are reliable and user accessible.

Dr. Sonali Roy (2025) [3] provided a thorough assessment of the India's medical insurance market and evaluates its status in reducing financial risk and developing access to healthcare forces. The study analyzes that health insurance is critical for minimizing out-of-pocket expenditure and developing healthcare accessibility. However, it highlights that despite the growth of combined Public & Private insurance schemes, several challenges persist, involving high medical costs, low awareness, and limited employment of insurance services.

Yogidhra Wavikar et al. (2025) [4] examined the effect of the increasing insurance collection platforms on Indian policyholders. Given to the report consumers can more easily compare to changed insurances policies and select the best solutions thanks to these online platforms. It examines how collector platforms enhance clarity and assist consumers in making well informed decisions and the findings additionally highlights how these platform's growth consumer knowledge – understanding of insurance products.

Anupam Dutta and Seema S. Singha (2025) [5] assessed the efficiency of coins less medical insurance possibilities for Indian policyholders. The study monitors how hospital-based cash lees claim payment systems work and looks at the practices of insured affected role. The effectiveness and convenience of cashless health insurance services can be improved by growing awareness and improving relationships among hospitals, insurance firms and third-party administrators.

Prof. Mukesh Kumar Jain and Ms. Divya Singh (2024) [6] examined the role of financial inclusion in improving access to insurance services across India, especially for low income and underserved people, the study explains that government schemes – such as PMJDY, PMJJBY, and RSBY – have helped increase insurance awareness and encouraged more people to accept insurance by linking banking services with suitable insurance products, it also highlights the growing importance of micro insurance and self-help groups in extending insurance coverage to rural households and workers in the informal sector, The Study more opinions out that digital platforms and Insurtech solutions have made it easier for people to understand, purchase, and manage insurance policies, however, limited financial literacy and a lack of trust are still main barriers that affect the effective use of insurance services.

Gaurav Bagga et al. (2024) [7] examined how digital technologies have made healthcare services more accessible & convenient, the healthcare industry in India, through telemedicine, artificial intelligence, and digital – health platforms, Making health care Services more accessible & efficient, the research also showed that these technologies support faster diagnosis and remote consultations, while proper data management helps protect patient information, the findings suggest that digital

healthcare can enhance patient outcomes and strengthen the healthcare system, provided that data security and privacy are well maintained.

Sandeep Sharma and Sawant Prakash Digambar (2023) [8] examined the growth of the health – insurance market in India and the key issues handled by the country’s healthcare system, the study explained that health insurance has been growing quickly with the support across both government and private sectors insurance providers, it also discussed the role of third party administrators in handling insurance services, processing claims, and improving coordination between hospitals and insurance companies, the authors concluded that efficient TPA services and stronger regulatory systems can improve the quality and overall efficiency of health insurance services in India.

Research Gap

Most previous studies on health insurance have mainly focused on areas – such as policyholder awareness, customer satisfaction, the convenience of digital platforms for premium payments, policy management, and claim tracking – some researchers have also explained how government health insurance schemes and digital healthcare technologies have improved access to healthcare services, however, many of these studies are based on secondary data and provide only a general understanding of digital insurance services, only a few researcher have investigated how digital health insurance platforms actually help policyholders manage financial risks during medical emergencies, there is still limited empirical evidence showing how these digital systems reduce out of pocket medical expenses and lessen the financial burden on policyholders, therefore, more research is needed to understand how effective digital health insurance is in improving financial risk protection among policyholders.

STATEMENT OF PROBLEM

Digital health insurance Platforms are progressively used for buying Policies, reviving them & managing claims online. But it is still undefined whether these platforms efficiently develop financial security for policy holders. Many policy holders face issues such as delays in claims payments & a lack of clarity about policy coverage. Therefore, technical difficulties & limited digital awareness can affect the proper use of these platforms; hence, there is a step to evaluate the efficiency of digital health insurance in strengthening financial security among policy holders.

NEED FOR THE STUDY

The digital health insurance division in India has faced rapid advancement in current years. At the same time growing medical costs have raised financial openings among individuals & families. This position creates a need to measure whether digital health insurance helps reduce out-of-pocket medical expenses. However, there is still limited research directing on the financial protection outcome of these platforms. So, improving digital insurance services is Important to support financial security for policy holders.

OBJECTIVES OF THE STUDY

- To understand the role of health insurance in financial security of policy holders.
- To identify the factors which influence policyholders in using digital health insurance platforms.
- To identify challenges and suggest improvements for enhancing digital platform usability.
- To assess the effectiveness of digital health insurance platforms in improving policy holder’s financial security.

SCOPE OF THE STUDY

The study aims to evaluate the productivity of digital health – insurance in educating financial risk protection between policyholders. It observes significant factors such as claim payment effectiveness, reduction in out-of-pocket medical expenses, and overall financial security. The research is presented among policyholders who use digital platforms to spread their health insurance services. Learning is limited to defendants from Bangalore Urban. Based on the outcomes, it aims to offer propositions to improve digital health insurance services and funding financial protection for policyholders.

RESEARCH METHODOLOGY

- *Type of Research:* Descriptive Research.
- *Data Collection*
 - *Primary Data:* Through structured questionnaire.
 - *Secondary Data:* Collected from 5 years annual report of Star-Health & Allied Insurance Company, research papers, journals & websites.
- *Sample Frame:* Policy holders.
- *Sampling Technique:* Convenience sampling.
- *Sampling Area:* Selected areas of Bengaluru urban areas.
- *Sample Size:* 105.
- *Statistical Tool:* Multiple regression model.

CONCEPTUAL MODEL OF THE STUDY

The conceptual model shows how awareness, digital platforms, financial literacy, ease of use, and trust and security may influence the use of digital health insurance and improve financial risk protection (Figure 1).

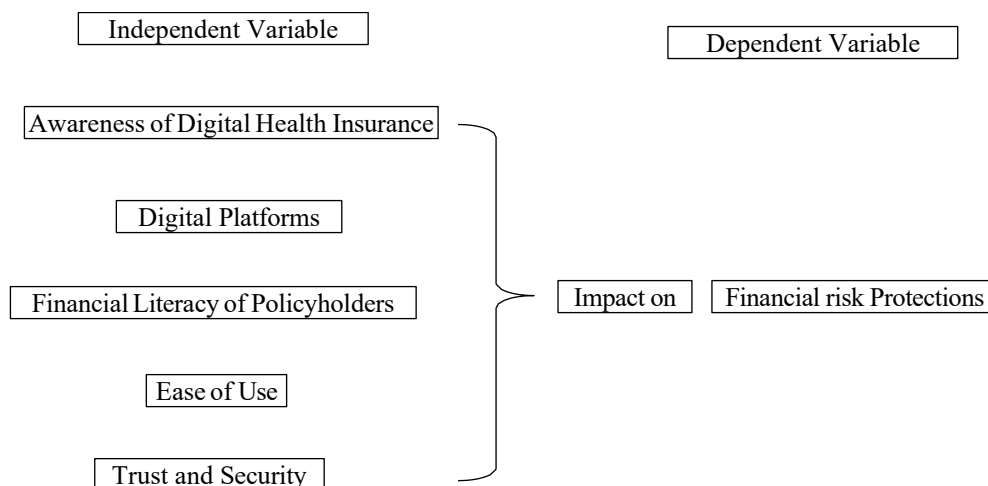


Figure 1. Conceptual model of study.

Source: Author's creation.

HYPOTHESIS OF THE STUDY

- *H₀:* There is no significant impact of Digital health insurance Platforms on financial risk protection of policyholders.
- *H₁:* There is a significant impact of Digital health insurance Platforms on financial risk protection of policyholders.

DATA ANALYSIS & INTERPRETATION

Table 1 presents the demographic profile of the 105 respondents based on age, occupation, educational qualification, and monthly income. The table shows the distribution of respondents across different demographic categories and provides the corresponding frequency and percentage.

Interpretation

Table 2 presents the demographic profile of the Respondents. The results indicate that most respondents belong to the age group of 31–40 years with 44 respondents (41.9%), followed by 41–50 years with 37 respondents (35.2%). In terms of occupation, most respondents are involved in business activities with 41 respondents (39%), followed by private employees with 39 respondents (37.1%). Regarding educational qualification, the highest number of the majority of respondents have an undergraduate degree with 56 respondents (53.3%), while Diploma holders account for 26 respondents

(24.8%). With respect to monthly income, many respondents earn between ₹60,001–₹80,000 with 61 respondents (58.1%), indicating a moderate-income level between the respondents. Overall, the data shows that the majority respondents are middle-aged, educated, employed in business or private sectors, and belong to a moderate-income group.

Table 1. Demographic profile of respondents (n = 105).

Variable	Categories	Frequency (%)
Age	Below 20 years	1 (1%)
	20–30 years	20 (19%)
	31–40 years	44 (41.9%)
	41–50 years	37 (35.2%)
	Above 50 years	3 (2.9%)
Occupation	Government Employee	6 (5.7%)
	Professional	16 (15.2%)
	Business	41 (39%)
	Private Employee	39 (37.1%)
	Retired	3 (2.9%)
Educational Qualification	SSLC/10th	7 (6.7%)
	PUC/12th	8 (7.6%)
	Diploma	26 (24.8%)
	Undergraduate Degree	56 (53.3%)
	Postgraduate Degree	8 (7.6%)
Monthly Income	Below ₹20,000	3 (2.9%)
	₹20,001–₹40,000	10 (9.5%)
	₹40,001–₹60,000	18 (17.1%)
	₹60,001–₹80,000	61 (58.1%)
	Above ₹80,000	13 (12.4%)
	Total	105 (100%)

Source: Self calculated through SPSS.

Table 2. Mean and standard deviation of study variables (n = 105).

Respondent opinions on the statements	Mean	SD
Awareness of digital health insurance		
Respondents' opinions about their can check their policy details online without difficulty	3.3524	1.03757
Respondents' opinions about their digital services help them submit health insurance claims easily.	3.6000	.98645
Respondents' opinions towards their digital health insurance reduced paperwork for them.	3.5429	1.10095
Respondents' opinions towards them receive timely updates on their policy through digital platforms.	3.6000	1.14858
Respondents' opinions towards their digital insurance improved their access to healthcare benefits.	3.5143	1.17763
Financial literacy		
Respondents' opinions towards their awareness of how premium coverage and claim procedures work.	3.4952	1.19393
Respondents' opinions towards their fulfillment with their ability to compare different health insurance plans.	3.3048	1.24131
Respondents' opinions towards them understand policy terms and conditions easily.	3.4952	1.12766
Respondents' opinions about their financial knowledge help them choose better insurance plans.	3.4857	1.23346
Respondents' opinions towards their awareness of how to make decisions about health insurance.	3.1524	1.18306
Easy to Use		

Respondents' opinions towards their awareness of how to use digital health insurance apps or websites.	3.7714	1.16237
Respondent's opinions about their digital services save their time compared to visiting offices.	3.6000	1.24499
Respondents' opinions towards them find it easy to upload documents online.	3.6190	1.14674
Respondents' opinions towards their awareness that digital processes reduce confusion in insurance services.	3.7238	1.13082
Respondents' opinions towards their perception that customer support services are easily available on digital platforms.	3.4190	1.23865
Digital Platforms		
Respondents' opinions towards their awareness that digital platforms are available whenever they need them.	3.5810	.24639
Respondent's opinions towards they receive notifications or reminders about premium payments.	3.6571	1.27723
Respondents' opinions towards their knowledge that they can track your claim status through digital platforms.	3.6286	1.23458
Respondents' opinions towards their awareness that digital platforms provide complete information about policies.	3.5048	1.20993
Respondents' opinions towards their awareness that digital platforms help them communicate with insurance providers.	3.1905	1.15272
Trust and Security		
Respondents' opinions towards their Trust – Digital platforms for making premium payments.	3.6381	1.26433
Respondents' opinions towards their awareness of security features – such as OTP or password protection – in digital insurance platforms.	3.4952	1.25670
Respondents' O pinions towards their ever-experienced fraud or security issues such as using digital insurance services.	3.5810	1.18306
Respondents' opinions towards their compensation with the safety of digital health insurance transactions.	3.5143	1.16944
Respondents' opinions towards their satisfaction with the safety of digital payments compared to cash payments for insurance transactions.	3.2857	1.29877
Financial risk protection		
Respondents' opinions towards their health insurance reduces them financial burden during a medical emergency.	3.6286	1.28045
Respondents' opinions towards their digital services help them receive claim amounts quickly.	3.7524	1.20720
Respondents' opinions about their belief that health insurance says it helped them avoid borrowing money for medical treatment.	3.5524	1.20081
Respondents' opinions towards their satisfaction that timely claim settlements improve their financial stability.	3.6667	1.19024
Respondents' opinions towards their satisfaction that digital health insurance improves them financial risk protection.	3.4476	1.17654

Source: Self calculated through SPSS.

Interpretation

Table 3 shows that respondents have a moderately positive perception of digital health insurance services, with mean scores ranging from 3.1524 to 3.7714. The highest mean (3.7714) indicates good awareness of using digital health insurance apps/websites, while the lowest (3.1524) suggests a need for more guidance in making health insurance decisions. Standard deviations (0.98645–1.29877) indicate moderate variation in responses.

Model Summary

Table 3. Multiple regression model.

Model	R	R-square	Adjusted R-square	Std. error of the estimate	Change statistics				
					R-square change	F change	df1	df2	Sig. F change
1	.773 ^a	.598	.578	.51719	.598	29.452	5	99	.000

Predictors

Constant

Trust and Security, Awareness of Digital Health Insurance, Digital Platform, Financial Literacy, Ease to Use.

ANOVA

Table 4 presents the *ANOVA* results, showing that the regression model is statistically significant ($F = 29.452$, $p < 0.001$) in predicting financial risk protection.

Table 4. Dependent variable: Financial risk protection (FRP).

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	39.390	5	7.878	29.452	.000 ^b
	Residual	26.481	99	.267		
	Total	65.870	104			

Predictors

Constant

Trust and Security, Awareness of Digital Health Insurance, Digital Platform, Financial Literacy, Ease to Use.

Coefficient

Table 5 shows the regression results for the factors influencing financial risk protection. Ease of use, digital platforms, and trust and security have a significant positive effect.

Table 5. Regression coefficients for factors influencing financial risk protection.

Model		Unstandardized co-efficient		Standardized co-efficient	t	Sig.
		B	Std. error	Beta		
1	(Constant)	.215	.321		.669	.505
	Awareness of Digital Health Insurance	.114	.097	.092	1.183	.239
	Financial Literacy	.068	.097	.061	.702	.484
	Ease to Use	.205	.087	.209	2.352	.021
	Digital Platform	.227	.088	.227	2.572	.012
	Trust and Security	.348	.092	.357	3.802	.000

Note: Dependent Variable: Financial Risk Protection.

Source: Self calculated through SPSS.

Equation of Multiple Regression is $Y = 0.215 + 0.114X_1 + 0.068X_2 + 0.205X_3 + 0.227X_4 + 0.348X_5$.

Dependent variable	Financial risk protection (Y)
Independent variable	Awareness of Digital Health Insurance (X1).
	Financial Literacy (X2).
	Ease to Use (X3).
	Digital Platform (X4).
	Trust and Security (X5).

Interpretation

The multiple regression analysis indicates that the independent variables explain 59.8% of the variation in Financial Risk Protection ($R^2 = 0.598$). The overall Regression model is statistically Significant ($F = 29.452$, $p < 0.001$), indicating that the predictors collectively influence Financial Risk Protection. Among the variables, Trust and Security, Digital Platform, and Ease of use have a significant

Positive effect on Financial Risk Protection. However, Awareness of Digital Health Insurance and Financial Literacy do not show a statistically significant individual effect. Overall, the results indicate that secure, reliable, and user-friendly digital health insurance platforms have a positive effect on enhancing the financial risk protection of policyholders.

FINDINGS, SUGGESTIONS AND CONCLUSION

Findings of the Study

- Most of the respondents had a positive opinion about digital health insurance platforms. They felt these platforms were convenient and helped them complete insurance-related activities quickly, many users also believed that digital services made the overall process easier and more efficient [9].
- Trust and security were identified as the most important factors influencing the continued use of digital health insurance platforms, respondents were more comfortable using these services when they believed their personal information was protected and the platform was reliable, this clearly shows that safety plays a major role in building user confidence.
- The regression analysis showed that trust and security, digital platform, and ease of use had a significant positive effect on financial risk protection, however, awareness and financial literacy did not show a statistically significant individual effect in the regression model, even though they remain important factors in understanding digital health insurance.
- The regression model was statistically significant ($R^2 = 0.598$, $p < 0.001$), the results indicate that all the independent variables together explained 59.8% of the variation in financial risk protection, this suggests that the model has good explanatory ability and fits the study well [10].
- Based on the hypothesis testing results, the alternative hypothesis was accepted, and the null hypothesis was rejected. This confirms that digital health insurance platforms have a significant role in improving the financial risk protection of policyholders, supporting the main objective of the study.
- Although most respondents found digital health insurance platforms easy to use, a few of them still faced some practical difficulties, common problems included uploading required documents, understanding the claim process, and getting timely customer support, these findings suggest that improving platform usability and providing better customer assistance can enhance the overall user experience.

MANAGERIAL AND POLICY IMPLICATIONS

- Insurance companies should improve their digital health insurance platforms by designing websites and mobile applications that are simple and easy to use. They should also provide timely notifications and quick customer support, as these services can improve the overall experience of policyholders and make digital insurance more convenient.
- Greater efforts should be taken to increase awareness among policyholders through educational programs and awareness campaigns, providing clear information about digital health insurance can help users make better decisions, at the same time, simplifying the claim settlement process can reduce delays and help policyholders receive financial support with fewer difficulties.
- Companies should continue to strengthen data security and privacy measures, as protecting personal information helps build customer trust and confidence, they should also offer more affordable insurance plans and regularly improve their services by considering customer feedback and changing user needs.
- The usability of digital health insurance platforms should be improved by keeping the interface simple and easy to navigate, clear instructions for claim procedures, along with accessible and responsive customer support, can reduce the problems faced by users and encourage more people to adopt digital health insurance services.

CONCLUSION

The study concludes that digital health insurance plays an important role in improving the financial protection of policyholders by reducing the burden of unexpected medical expenses, digital platforms

have made services, such as policy purchase, renewal, premium payment, and claim tracking easier, faster, and more convenient, the findings also show that factors – like financial literacy, ease of use, trust, security, and accessibility – encourage people to adopt digital health insurance services.

At the same time, the study points out a few challenges that still need attention, limited awareness, technical difficulties, and concerns about cyber security continue to affect the effective use of digital health insurance platforms, the results further indicate that secure, reliable, and user-friendly platforms improve customer satisfaction while making insurance services more efficient, overall, the study shows that digital health insurance has strong potential to improve healthcare coverage and strengthen the financial security of policyholders in the coming years.

Limitations of the Study

- The study was conducted only in Bangalore Urban, so the results may not be applicable to policyholders in other regions with different demographic and economic conditions.
- The sample consisted of 105 respondents, which may not fully represent the views and experiences of all health insurance policyholders.
- This research focuses exclusively on digital health insurance platforms and does not include a comparison with traditional health insurance methods.
- Only selected factors, such as financial literacy, ease of use, digital platforms, trust, and security, were examined. Other factors that may influence the adoption and effectiveness of digital health insurance were beyond the scope of this study.
- The study was completed within a controlled period of six weeks, which restricted the amount of data that could be gathered and analyzed.

Scope for Future Research

- Future research can explore digital health insurance services in both urban and rural regions to understand regional differences in usage and effectiveness.
- Studies with a larger number of respondents may provide broader and more reliable results.
- Researchers can compare digital health insurance platforms with conventional insurance systems to evaluate differences in convenience, efficiency, and customer experience.
- Future studies may involve variables, such as digital literacy, customer trust, service quality, awareness levels, and technological readiness, for a more detailed analysis.
- Longitudinal research can help identify the long-term impact of digital health insurance on reducing financial stress caused by medical expenses.

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