

# Health Insurance Literacy: Bridging the gap between Financial Knowledge and Purchase Intention

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## Abstract

It is a matter of serious concern that in spite of having the financial capacity, a significant portion (30%) of India's population referred to as the 'Missing Middle'- lacks health insurance due to limited awareness [1](#ref-0001). The present research tries to understand how health insurance literacy influences purchase intentions and how financial knowledge contributes to this relationship. This study aimed to explore and understand the mediating role of health insurance literacy in the relationship between an individual's financial knowledge and their intention to purchase health insurance. Data was collected through a cross-sectional survey using a structured questionnaire and analysed using the PLS-SEM technique with SmartPLS software. The results are in the expected direction and the findings confirm that an individual's subjective financial knowledge does affect their purchase intention which is mediated by health insurance literacy. These insights have implications for stakeholders in the health insurance industry as well as policy makers, suggesting the need for targeted educational efforts aimed at different and distinct population segments.

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