



HEALTH INSURANCE COVERAGE AMONG THE FISHERFOLK OF THE COASTAL REGIONS

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Abstract

Health insurance is a financial risk aversion strategy to combat the uncertainties that happen to one's life. It facilitates the medical expenses and reduce the out of pocket expenditure if covered. As medical expenses are on rise, a health insurance coverage could mitigate the financial risk. Being a vulnerable category with income relying from the wealth from sea, the fisherfolk are susceptible to various health risks, which could take away a major share of their earned money. So, an advisable solution to minimize such unexpected expenses related to health is to open health insurance coverage.

This paper seeks to figure out the response of the fisherfolk towards the health insurance sector including the packages offered both by the Government as well the private sector. It tries to identify the general response of the 500 sample respondents residing in the coastal areas spread over the district of Ernakulam. A gender wise analysis is also covered to know the health insurance coverage. The level of awareness about the various health insurance schemes are considered along with knowing the preference of the people towards the private insurance sector. In addition, their knowledge on recent trends, knowledge and updates of health insurance schemes are also taken in this study.

The health insurance coverage is beneficial to the fisherfolk as well as to the health insurance companies. Despite its high scope in becoming a part to cover the health expenditure, the actual coverage of health insurance among the fisherfolk is found to be minimal. Absence of suitable health insurance plans, limited coverage by the agents, procedural complexities limited the participation of the fisherfolk in health insurance related activities. It is highly recommended for the health insurance companies to expand their engagements to bring these community to the ambit of health insurance coverages with suitable and convenient plans and policies for reciprocal benefits.

Keywords- Insurance, out of pocket expenditure, premium, information asymmetry.

Introduction

Fishing communities serve as the pillars of coastal sectors, dedicating themselves to the ancient and skilled practices of fishing. With their seasoned knowledge to gather seafood from various bodies of water, including rivers, lakes, and oceans, they lay a crucial role in ensuring the sustenance and economic prosperity. Depending on the fishing environment, the fishing sector is segmented into categories such as marine and inland fisheries, capture fisheries, mariculture and aquaculture.

The fisheries sector in Kerala is a significant contributor to the state's economy, accounting for approximately 1.58% of its total GDP. The state has 222 marine fishing villages and 113 inland fishery villages, which serve as the primary source of income for a large portion of the population. Kerala's abundant inland water resources present vast opportunities for the growth of aquaculture. The rich aquatic biodiversity and fish resources in the state offer livelihoods for over a million fisherfolk, along with fostering a range of related activities such as commercial fishing and aquaculture.

Ernakulam holds a distinctive position in the fisheries landscape among the 14 districts of the state. Having a coastal length of 46 km with 21 marine and 15 inland villages, the district contributes significantly to the state's fisheries sector with its rich aquatic resources and blended traditional and modern fishing practices in harnessing marine wealth. The fisheries sector is a cornerstone of the local economy, providing essential livelihood and sustenance.

Despite the hard work of fisherfolk that yields significant economic benefits along with creating job opportunities, underpinning family welfare, and promoting the advancement of rural communities, they are succumbed to many challenges. These challenges include confronting unpredictable weather patterns, changing climatic conditions, managing the intrinsic dangers linked to their occupation which involves perseverance and skill. They are susceptible to risks like death, permanent or partial disability, accidents, health issues and natural disasters. These vulnerabilities enlarge the scope of risk aversion via insurance coverage. Minimizing the out of pocket expenditure coupled with a better-quality health care can improve the standard of living.

As the health cost is on a rise, the scope for buying health insurance is growing. Many studies reveal that only a limited share of the Indian population owns any form of insurance coverage. The reach of awareness among the rural population especially to the vulnerable population continues to remain out of the purview.

This paper attempts to identify the prevalence of health insurance among the fisherfolk among the coastal areas of Ernakulam specially to understand their involvement in health insurance schemes. Additionally, it examines the barriers preventing these fishermen from joining in health insurance plans, despite the relatively high occupational risks they face.

Literature Review

K, Shrisharath and Kumar, Nanjesh and KM, Akshaya and S, Erappa and Dsouza, Neevan, in their work, Health Insurance Perception and Challenges: A Qualitative Study Among Fishermen of Coastal Karnataka (2024) stated the negative perception towards health insurance by the people which include lack of awareness on health insurance, lack of specific schemes for fishermen, past negative experience while utilizing health insurance, distrust in health insurance. Also, the work emphasised on the challenges with insurance including, pre-authorization related problems, complex procedure to avail health insurance, documentation related issues, out of pocket expenditure, reimbursement related issues, inability to pay due to varying income, seasonal income, limited health facilities listed under the scheme, limited knowledge about terms and conditions, insufficient information, limited knowledge of coverage.

Manuja, L. M., Viswanatha, P. G., & Nagendra, K. (2019) in their work Health insurance coverage and its awareness among population in the rural field practice area of Adichunchanagiri Institute of Medical Sciences, B G Nagara, Karnataka stated that awareness of health insurance in rural and low-income areas is significantly lacking. Several factors contribute to this, such as the existing financial burden on the poor, which makes them hesitant to consider policies designed for their benefit. Additionally, illiteracy, limited exposure, and the dominance of private sectors over public ones further worsen the issue.

Rudresha B T and B P Veerabhadrapa (2020) in their work titled A study on awareness of community-based health insurance schemes in Slum area households of Davanagere district mentioned the need for a shift from the present predominance of out-of-pocket payments to a health insurance program as it can cause financial burden, indebtedness or poverty.

Health insurance is an insurance product which enhances a financial safeguard in the event of accidents or emergencies. By covering medical expenses and related costs, health insurance minimizes the out of pocket expenses, financial burden caused by a sudden health crisis. This protection is essential in maintaining financial stability during challenging times that require medical attention. For fisherfolk who are fraught with danger, having a financial security in the event of a medical crisis is essential. The unpredictable nature of their profession makes them particularly vulnerable to health emergencies, so a health insurance coverage is required. The fisherfolk, whose occupation is inherently risky, having a health insurance plan ensures that they are protected against the financial burdens of healthcare costs, which can include medication, surgical procedures, consultations, hospital stays, and ambulance service. Given the unpredictable nature of their income and the unsafe conditions they often face, the availability of tailored health insurance plans bring a question before them. A health insurance policy represents an agreement wherein an individual agrees to pay a regular premium to an insurance company. The insurance company in return obliges to covering the individual's medical costs and ensures that the individual receives financial support for healthcare expenses, safeguarding against the financial constraints of medical emergencies or health care costs. The coverage of health insurance assures access to medical facilities despite the medical inflation, covers health expenses of critical illness, cashless treatment and even tax exemptions.

In India various insurance plans for the rural population are opened but the involvement and acceptance of the population on such schemes remain a question. The prominent schemes and plans include

Rashtriya Swasthya Bima Yojana (RSBY)- The Rashtriya Swasthya Bima Yojana delivers medical insurance at no cost to families living below the poverty line of the unorganized workers. The scheme covers the costs of hospitalization and transportation and it includes coverage for all pre-existing conditions. Beneficiaries can access cashless treatments. Each beneficiary family, consisting of up to five members, is insured for a total amount of Rs 30,000 on a floater basis.

Pradhan Mantri Jan Arogya Yojana (PMJAY)- Another flagship component under the Ayushman Bharat to achieve universal health coverage was the Pradhan Mantri Jan Arogya Yojana. It is considered as the world's largest health insurance or assurance scheme fully financed by the government, offering a coverage of Rs. 5 lakh per family per year for secondary and tertiary care hospitalization across public and private empanelled hospitals in India.

In Kerala, ***Group Insurance Scheme for Fishermen*** is a prominent scheme for the active fishermen who are insured by the Kerala Fishermen Welfare Fund Board (KFWFB). The Group Insurance Scheme is implemented at a premium of 50 per person and other scheme is for fishermen against accidental death, heart attack (while fishing at sea), missing, permanent and partial disability. The compensation for death/missing/total disability is Rs. 1 lakh and for partial disability is Rs. 50,000/-. The annual insurance premium is shared equally by the Central and State Governments (Department of Fisheries, Government of Kerala). The Matsyaboard is the implementing agency of this scheme.

Karunya Health Insurance Scheme is another insurance scheme that enables beneficiaries with chronic illnesses to receive treatment benefits. It provides coverage for procedures and treatments related to conditions like haemophilia, cancer, cardiovascular issues, palliative care, nephrology, etc.

Thus, the option for health insurance is wide opened for the people but the actual coverage and usage among the people marks a question.

From the data collected from the coastal population, 53.7% of the fisherfolk get average monthly earnings ranging from Rs. 5000-Rs. 10000. 46.3 % acquire an earnings of between Rs.10000 -Rs. 20000. Their income varies depending on the seasons. Being a hazardous occupation 35.7 % reported to have different types of ailments including skin diseases, musculoskeletal and respiratory issues.

Health Insurance coverage

In the coastal areas the insurance coverage was found limited. In the study 35.7 percent own a health insurance while 64.3 percent do not have.

A Z-statistic of -6.1522 is quite large in absolute value, which indicates a large difference between the two proportions relative to the variability in the data.

The proportion of people with insurance coverage is statistically different from the proportion of people without insurance coverage.

This insufficient coverage stems from the lack of awareness about the importance of health insurance, disinterest to pay a regular premium amount for an uncertain event, distrust towards insurance companies and even the minimal involvement of insurance companies and agents among the coastal population with suitable and convenient policies.

Out of the 35.7% of the coastal population having health insurance coverage opted for a payment of premium which is annually paid ranging from Rs. 500-Rs.1000.

Health insurance coverage in terms of gender

From the data collected from 500 samples, 23 percent male and 28 percent female have a health insurance coverage. A part of the saved income is used for paying the insurance premium to meet contingencies and unforeseen expenditure by them.

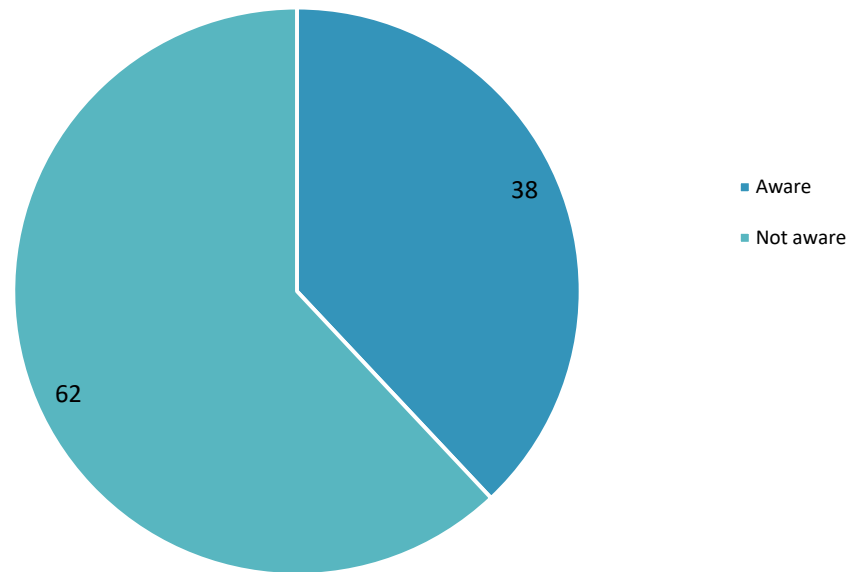
But the Chi square static value received is 1.4761 and p-value 0.224391.

There is no statistically significant difference in the proportions of males and females with insurance coverage. Gender does not significantly affect the likelihood of having insurance coverage.

Awareness on health insurance schemes

Awareness level among the coastal population regarding the different types of health insurance schemes available in the market both by the Government as well as the private sector is low. 62 percent are least aware of the various schemes. The information asymmetry, limited updates on insurance schemes and benefits, low prioritisation on health turn the coastal population away from a proper health insurance coverage. Limited participation of private sector insurance agents in these areas have further widened the gap.

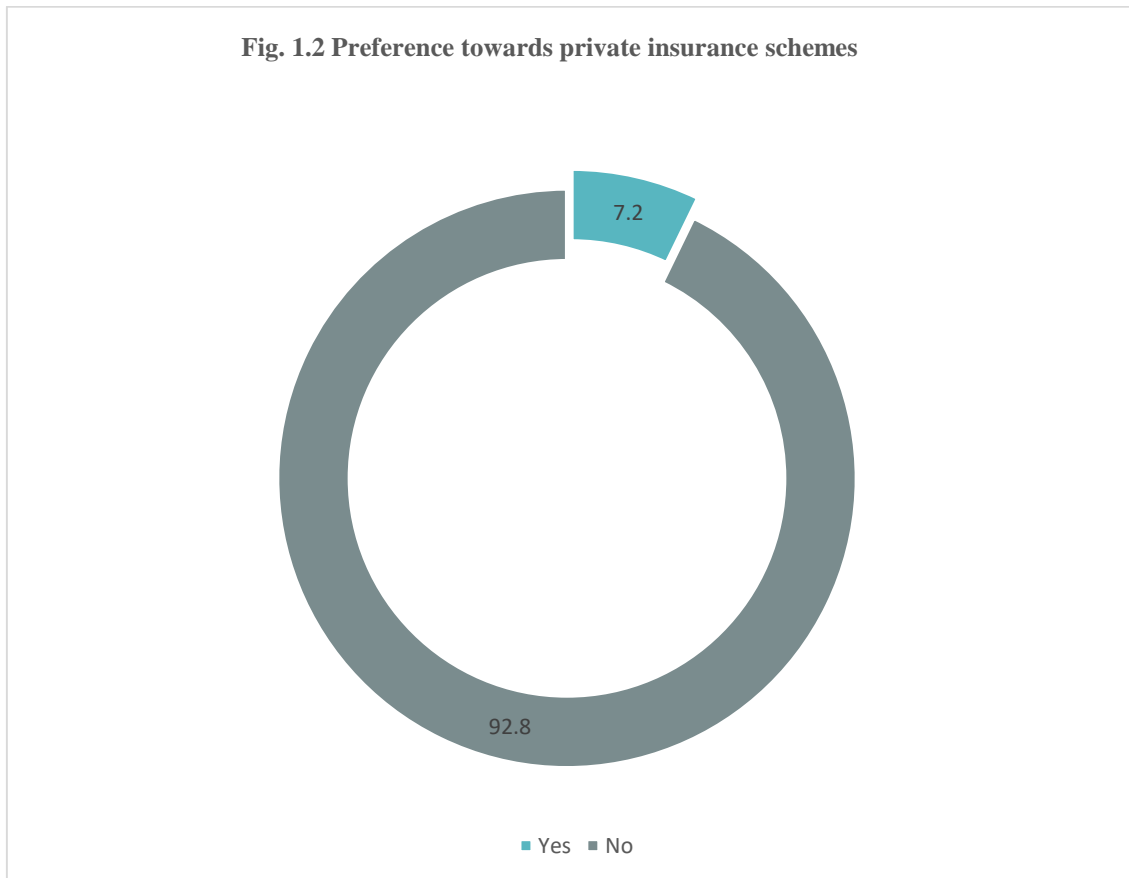
Fig 1.1- Awareness on Health Insurance Scheme



Preference towards private insurance

As private insurance companies offer a wide options and choices of health insurance in general, the preference towards them is also considered in the study. Their response is as follows

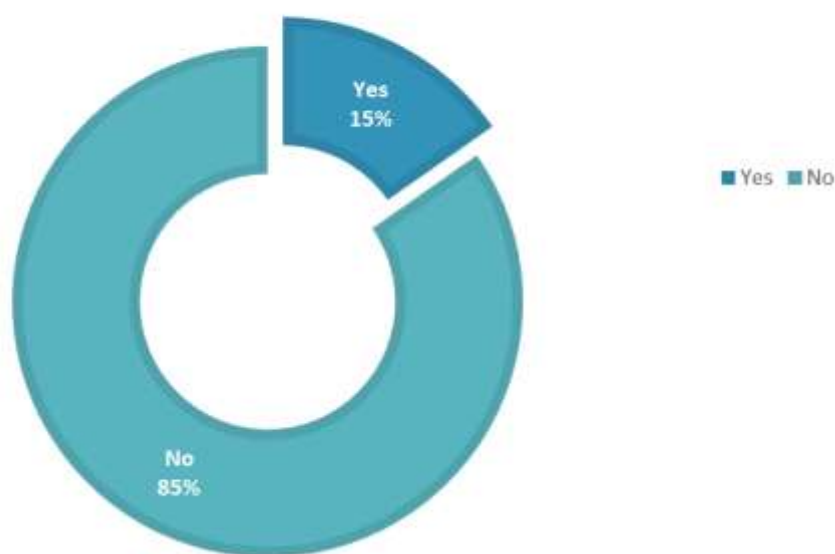
Fig. 1.2 Preference towards private insurance schemes



The cost of health insurance premium is exorbitant for many coastal residents, especially those with lower incomes. 92.8 percent of the fisherfolk did not prefer a private insurance plan. High premium for the private sector insurance and procedural difficulties for claiming the insured amount and limited participation of the service providers narrowed the scope of private sector insurance among them. Insurance providers generally communicate through agents, brokers, mobile phones, and representatives. However, only a small percentage of people feel they receive clear communication from these providers. Majority of the population are not clear of the communication and unfamiliar with the calculation of premium and their returns.

Knowledge on the updates of health insurance schemes

The knowledge on the updates in insurance sector especially the health insurance schemes are limited among the people. 85 percent of the study was found to be least aware on the recent trends, knowledge and updates of health insurance schemes and plans.

Fig 1.3 Knowledge on updates of insurance schemes

Findings

The scope of health insurance among the coastal population is quite high. But unfortunately, the penetration of insurance sector both Government as well as the private sector are found to be minimal. The existing coverage of health insurance was found insignificant despite the fisherfolk has many risk components including health risks. The out of pocket expenditure is high but still their preference to insurance was found to be low. Though the health insurance among the female respondents are slightly higher it is found to be insignificant when taking the fisherfolk. Lack of awareness, poor information on the latest schemes and benefits, pressure on paying the premium at regular intervals, procedural complexities, lack of suitable policies exclusively meeting the needs of fisherfolks, distrust on the insurance companies and fear of loss of money, communication gaps, educational limitations etc. prevent the fisherfolk from involving in insurance related matters.

Suggestions for improvements

1. Easy availability and accessibility of insurance services of government and private sector agents.
2. Tailor-made schemes and policies suiting the interests of fisherfolks.
3. Trust building.
4. Minimise the complexities to ensure a fair claim along with limiting the complicated procedural difficulties.
5. Information dissemination on various apt schemes and policies through local or community agents.
6. Awareness programmes to build the need for having insurance coverage.
7. Age-wise coverage of insurance policies especially for those who left the job due to old age.
8. Easy modes for collecting premium.

Conclusion

A significant portion of residents in coastal areas lack health insurance, leaving them vulnerable to financial hardship and health risks coupled with high out of pocket expenditure. Being a low-income category, they have hardships in paying health insurance premiums. Being seasonal workers, they have intermittent employment and lack a consistent health insurance coverage. Asymmetrical health insurance coverage by the government and private sector companies are visible throughout. Initiatives to be taken to have more participation of private sector offering affordable services. Tailored insurance schemes need to be designed to suit their interests. Limiting the complex administrative procedures and improving the quality of health insurance services can help to reap better

results. Financial incentives could encourage insurance providers and knowledge dissemination through community participants can expand the health insurance coverage and their operations in coastal areas, at minimum cost. An in-depth coverage of health insurance among this population will be beneficial both for the fisherfolk as well as the insurance companies as the scope is wide enough with high potential.

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