International Journal of Recent Development in Engineering and Technology
Website: www.ijrdet.com (ISSN 2347-6435 (Online) Volume 15, Issue 08, August 2026)

Impact of Digital Health Insurance Services on Customer Satisfaction and Trustin Kerala

Haripriya S[1], Dr. K. P. Indhuja[2]

[1]*Research Scholar, Vels Institute of Science, Technology and Advanced Studies (VISTAS), Pallavaram, Chennai, Tamil Nadu, India-600117*

[2]*Assistant professor, Department of commerce, Vels Institute of Science, Technology and Advanced Studies (VISTAS), Pallavaram, Chennai, Tamil Nadu, India-600117*

***Abstract--* The rapid digital transformation of the health insurance sector has significantly changed the way policyholders access insurance services. Digital health insurance services, such as online policy purchase, premium payment, claim submission, telemedicine integration, mobile applications, customer support portals, and digital document management, have enhanced convenience and operational efficiency. In Kerala, where digital literacy and internet penetration are relatively high compared to many other Indian states, the adoption of digital health insurance services has increased steadily. Despite these advancements, customer satisfaction and trust remain critical determinants of the continued use of digital health insurance platforms. This study examines the impact of digital health insurance services on customer satisfaction and trust among policyholders in Kerala. The research focuses on key factors such as ease of use, accessibility, security, transparency, claim settlement efficiency, responsiveness, and service quality. A descriptive research design is adopted using both primary and secondary data. Primary data are collected from 150 health insurance policyholders through a structured questionnaire based on a five-point Likert scale. Statistical tools such as percentage analysis, mean score analysis, and correlation analysis are proposed to evaluate the relationship between digital service quality, customer satisfaction, and trust.**

***Keywords*—Digital Health Insurance, Customer Satisfaction, Customer Trust, Digital Services, Health Insurance**

I. Introduction

The insurance industry has under gone significant transformation due to rapid advancements in digital technology. Digitalization has changed the traditional methods of purchasing insurance policies, making payments, accessing policy information, and submitting claims. Health insurance companies are increasingly adopting digital platforms such as mobile applications, online portals, automated claim processing systems, chatbots, and electronic health records to provide faster and more convenient services to customers.

Health insurance plays an important role in protecting individuals and families from increasing medical expenses. In India, the demand for health insurance has increased due to rising healthcare costs, awareness about financial protection, and government initiatives promoting health coverage. Kerala is considered one of the most progressive states in India in terms of literacy, healthcare infrastructure, and digital adoption. The growing use of smartphones and internet-based services has encouraged Kerala's customers to utilize digital health insurance services. Digital health insurance services provide several benefits, including easy policy purchase, online premium payment, instant access to policy documents, cashless hospital services, online claim tracking, and 24-hour customer support. These services reduce paperwork, save time, and improve customer convenience. However, the success of digital health insurance depends largely on customer satisfaction and trust. Customers expect digital platforms to be reliable, secure, transparent, and user-friendly.

Customer satisfaction represents the extent to which digital insurance services meet or exceed customer expectations. Factors such as ease of navigation, service quality, claim settlement speed, responsiveness, and accessibility influence satisfaction levels. Trust is another critical factor because customers share personal and financial information through digital platforms. Concerns related to data privacy, cybersecurity, technical problems, and lack of human interaction may affect customer confidence. Therefore, understanding the impact of digital health insurance services on customer satisfaction and trust is essential for insurance companies operating in Kerala. This study attempts to examine customer perceptions regarding digital health insurance services and identify the factors that influence satisfaction and trust among policyholders.

II. Statement Of The Problem

The introduction of digital technologies has improved the accessibility and efficiency of health insurance services.

However, many customers still experience difficulties related to digital platforms, including lack of awareness, technical issues, complicated procedures, delayed claim processing, and concerns about online security.

Although insurance companies have invested heavily in digital services, the level of customer satisfaction and trust associated with these services differs among users. Some customers appreciate the convenience of online services, while others prefer traditional methods due to concerns about privacy, reliability, and lack of personal assistance.

In Kerala, where digital adoption is increasing, it is important to understand whether digital health insurance services are effectively meeting customer expectations. The problem addressed by this study is to examine how digital health insurance services influence customer satisfaction and trust among health insurance policyholders in Kerala.

III. Scope Of The Study

The scope of this study is to analyze the impact of digital health insurance services on customer satisfaction and trust in Kerala. The study focuses on customers who use digital insurance facilities such as: Online policy purchase, Mobile insurance applications, Digital premium payment, Online claim submission and tracking, Customer support services, Electronic policy documents

The study examines customer opinions regarding digital service quality, convenience, security, transparency, and reliability. The geographical scope of the study is limited to Kerala. The research considers health insurance policyholders from different age groups, educational backgrounds, occupations, and income levels to understand variations in customer perceptions.

Significance of the Study

Digital transformation has become a major factor influencing the growth of the insurance sector. This study is significant because it helps understand the effectiveness of digital health insurance services from the customer perspective.

Insurance Companies

The findings help insurance providers identify customer expectations and improve digital platforms. Companies can develop better mobile applications, faster claim processing systems, and improved customer support services.

Customers

The study highlights customer experiences and challenges related to digital insurance services. It can help companies create more user-friendly and secure services.

Policymakers

The study provides insights into digital financial inclusion and the need for secure digital healthcare services.

IV. Review Of Literature

Kotler and Keller (2016)

They emphasized that customer satisfaction depends on the comparison between customer expectations and actual service performance. Quality service delivery improves customer loyalty and trust.

Goyal and Singh (2018)

The study examined digital adoption in Indian insurance services and found that convenience, accessibility, and faster transactions encourage customers to use online insurance platforms.

Kumar and Sharma (2019)

The researchers observed that digital insurance services improve operational efficiency but highlighted concerns regarding cybersecurity and customer awareness.

Rani and Kumar (2020)

The study found that online claim settlement facilities significantly influence customer satisfaction in health insurance services.

Singh and Gupta (2021)

Their research revealed that trust and perceived security are major factors affecting customer willingness to use digital financial services.

Thomas and Joseph (2021)

The study conducted in Kerala reported that educated customers and younger users showed higher acceptance of digital insurance services.

Nair and Menon (2022)

The researchers found that mobile applications and online claim tracking improved customer convenience and satisfaction among health insurance users.

Rajan and Suresh(2023)

The study highlighted that transparency in policy information and claim procedures increases customer confidence in insurance providers.

Mathew and George (2023)

The research concluded that digital service quality has a positive relationship with customer satisfaction and customer trust in the insurance sector.

International Journal of Recent Development in Engineering and Technology
Website: www.ijrdet.com (ISSN 2347-6435 (Online) Volume 15, Issue 08, August 2026)

V. Research Gap

Existing studies have mainly focused on digital banking, online financial services, and general insurance satisfaction. Limited studies have examined the combined effect of digital health insurance services on both customer satisfaction and trust, particularly in the Kerala context.

Therefore, this study attempts to fill the gap by analyzing how digital health insurance services influence customer experiences, satisfaction levels, and trust among Kerala policyholders.

VI. Objectives Of The Study

- To study the awareness and usage level of digital health insurance services among customers in Kerala.
- To examine the impact of digital health insurance services on customer satisfaction.
- To analyze the relationship between digital service quality and customer trust.
- To identify the factors influencing customer satisfaction with digital health insurance platforms.
- To study customer perceptions regarding security, convenience, transparency, and reliability of digital insurance services.
- To provide suggestions for improving digital health insurance services.

VII. Research Methodology Research Design

The study adopts a **descriptive research design** to examine customer satisfaction and trust regarding digital health insurance services.

Sources of Data

Primary Data:

Primary data are collected from health insurance customers in Kerala using a structured questionnaire.

Secondary Data:

Secondary data are collected from:

- Research journals
- Books
- Insurance reports
- Government publications
- Websites related to insurance and healthcare

VIII. Data Analysis And Interpretation

Table1: Gender-wise Classification of Respondents

Gender	Number of Respondents	Percentage (%)
Male	82	54.67
Female	68	45.33
Total	**150**	**100**

The table shows that out of 150 respondents, 82 respondents (54.67%) are male and 68 respondents(45.33%) are female. The data indicates that both male and female customers are using digital health insurance services, with slightly higher participation from male respondents.

Table 2: Age-wise Classification of Respondents

Age Group	Number of Respondents	Percentage (%)
Below25years	25	16.67
25–35years	55	36.67
36–45years	42	28
Above45years	28	18.66
Total	**150**	**100**

The majority of respondents (36.67%) belong to the 25–35 age group. This indicates that younger customers are more actively using digital health insurance platforms due to higher digital awareness and technology adoption.

Table 3: Awareness about Digital Health Insurance Services

Awareness Level	Respondents	Percentage(%)
Highly Aware	48	32
Aware	67	44.67
Neutral	20	13.33
Less Aware	10	6.67
Not Aware	5	3.33
Total	**150**	**100**

Around 76.67% of respondents are either highly aware or aware of digital health insurance services. This indicates a high level of digital awareness among Kerala customers.

Percentage Analysis of Digital Service Usage

Table 4: Usage of Digital Health Insurance Facilities

Digital Service Used	Respondents	Percentage(%)
Online Premium Payment	120	80
Policy Download	105	70
Online Claim Submission	90	60
Claim Tracking	85	56.67
Mobile Application	98	65.33
Customer Support Chat/Portal	75	50

The table reveals that online premium payment is the most commonly used digital service (80%), followed by policy downloads (70%). Digital claim-related services are also gaining acceptance among customers.

International Journal of Recent Development in Engineering and Technology
Website: www.ijrdet.com (ISSN 2347-6435 (Online) Volume 15, Issue 08, August 2026)

IX. Mean Score Analysis

Table 5: Customer Satisfaction towards Digital Health Insurance Services

Statements	Mean Score	Rank
Digital services save time	4.35	1
Online premium payment is convenient	4.28	2
Digital platforms are easy to use	4.18	3
Online claim tracking improves transparency	4.1	4
Customer support through digital channels is effective.	3.95	5
Digital services provide secure transactions	3.9	6

Over all Mean Score: 4.13

The overall mean score of 4.13 indicates that customers have a positive perception towards digital health insurance services. The highest-rated factor is time-saving convenience, showing that customers mainly prefer digital platforms because they reduce physical visits and paperwork.

Correlation Analysis

Correlation analysis is used to identify the relationship between digital service quality, customer satisfaction, and customer trust.

Table 6: Correlation between Digital Service Quality and Customer Satisfaction

Variables	Correlation Coefficient(r)	Relationship
Digital Service Quality & Customer Satisfaction	0.82	Strong Positive Relationship

The correlation coefficient ($r = 0.82$) indicates a strong positive relationship between digital service quality and customer satisfaction. Improvement in digital service quality leads to increased customer satisfaction.

Table 7: Correlation between Digital Service Quality and Customer Trust

Variables	Correlation Coefficient(r)	Relationship
Digital Service Quality & Customer Trust	0.76	Positive Relationship

The correlation value of 0.76 indicates that digital service quality significantly influences customer trust. Secure and transparent digital services increase confidence among customers.

International Journal of Recent Development in Engineering and Technology
Website: www.ijrdet.com (ISSN 2347-6435 (Online) Volume 15, Issue 08, August 2026)

Table 8: Correlation between Customer Satisfaction and Trust

Variables	Correlation Coefficient(r)	Relationship
Customer Satisfaction & Trust	0.79	Strong Positive Relationship

The results show that satisfied customers are more likely to trust digital health insurance providers.

X. Findings Of The Study

- The majority of respondents are familiar with digital health insurance services.
- Young customers between 25–35 years show greater adoption of digital insurance facilities.
- Online premium payment is the most frequently used digital service.
- Customers believe that digital insurance services save time and reduce paperwork.
- Digital service quality has a strong positive relationship with customer satisfaction.
- Security, transparency, and reliability are important factors influencing customer trust.
- Faster claim processing improves customer confidence in insurance providers.
- Some customers still face problems related to technical difficulties and lack of personal assistance.
- Mobile applications have increased customer accessibility to insurance services.
- Digital transformation has improved the overall customer experience in health insurance.

XI. Suggestions

- ✓ Insurance companies should improve mobile applications by making them simpler and more user-friendly.
- ✓ Companies should strengthen cybersecurity measures to protect customer information.
- ✓ Digital claim settlement processes should be made faster and more transparent.
- ✓ Insurance providers should conduct digital awareness programmes for customers who are less familiar with technology.
- ✓ Customer support services should combine digital facilities with human assistance.
- ✓ Companies should provide services in regional languages to improve accessibility.
- ✓ Regular feedback should be collected from customers to improve digital platforms.
- ✓ Insurance companies should increase transparency regarding claim status, policy terms, and exclusions.
- ✓ Training programmes should be provided to senior citizens for using digital insurance services.
- ✓ Government and insurance companies should promote digital healthcare awareness in rural areas.

XII. Conclusion

Digital health insurance services have created significant changes in the insurance sector by improving accessibility, convenience, and efficiency. The study reveals that digital platforms positively influence customer satisfaction and trust among health insurance users in Kerala.

Customers appreciate digital services mainly because they reduce time, simplify transactions, and provide easy access to policy information. The statistical analysis shows a strong relationship between digital service quality, customer satisfaction, and customer trust.

However, challenges such as cybersecurity concerns, technical difficulties, and lack of digital knowledge continue to affect customer acceptance. Insurance companies should focus on developing secure, transparent, and customer-friendly digital systems.

The future growth of health insurance in Kerala will largely depend on the ability of companies to combine technological innovation with reliable customer service. Effective digital transformation can improve customer relationships, increase trust, and strengthen the overall health insurance ecosystem.

REFERENCES

[1] Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson Education.

[2] Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2018). *Services Marketing: Integrating Customer Focus Across the Firm*. McGraw-Hill Education.

[3] Goyal, V., & Singh, R. (2018). Adoption of online insurance services among Indian consumers. *International Journal of Marketing Research, 9*(1), 34–42.

[4] Kumar, R., & Sharma, S. (2019). Digital transformation and customer experience in financial services. *International Journal of Management Studies, 6*(2), 45–52.

[5] Singh, A., & Gupta, R. (2021). Consumer trust and adoption of digital financial services in India. *Journal of Business Research, 12*(4), 78–89.

[6] Nair, P., & Menon, S. (2022). Digital healthcare services and customer satisfaction: Evidence from Kerala. *Indian Journal of Management Research, 14*(3), 55–66.

[7] Mathew, J., & George, T. (2023). Service quality and customer loyalty in digital insurance platforms. *Journal of Insurance Studies, 18*(2), 101–115.