

Identification of Perceptions and Levels of Health Insurance Literacy in Makassar Metropolitan Millennials

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ABSTRACT

The purpose of this research is to identify the perceptions of the millennial generation and their level of literacy towards health insurance and assess attitudes and perceptions about health insurance. Information about perceptions and literacy levels is very important because it can be the basis for health insurance counseling and mapping in Indonesian society. Data for this quantitative descriptive study were collected using Health Insurance Level Measurement Indicators (Health Indicator Level Measurement). The findings of this descriptive study are that millennial perceptions of health insurance are quite good. Likewise, the literacy rate for health insurance for millennials is quite good. From the factor analysis it is known that millennials perceive health insurance as something good to have, health insurance is a necessity, insurance is a good business, it is easy to maintain a policy, insurance is important for the country and will recommend health insurance. Millennials already know that there is special health insurance, health insurance provides a sense of security, funds for health insurance need to be prepared, awareness that insurance is a good way of managing money and health insurance is useful for society. is written concisely and factually, includes the background of research, the purpose of research, the method of research, the result of research, conclusion and recommendation.

Keywords: health, insurance, literacy, millennials, 3-6 keywords

1. INTRODUCTION

Indonesia's insurance conditions are still not as expected (Widiaty, 2012; Pratama, 2019). Based on data released by the Indonesian Life Insurance Association (AAJI), penetration of Indonesian life insurance in 2018 only reached a percentage of 1.3%, down from the previous year, which was 1.4% (Pratama, 2019).

The Indonesian insurance industry was ranked 74th in 2012, and when viewed from life insurance premiums, Indonesia is in 34th position (Setiawan, 2016), where this position is still far behind compared to 4 other Asian countries such as Japan, South Korea, China and Taiwan, which always enters the top ten rankings (Insurance Information Institute, 2019).

As is known, the insurance industry plays a significant role in supporting the national development process (OJK, 2016). Life insurance has a contribution to savings, liquidity and economic growth in any country (Siregar, Melati and Serpina, 2021). Insurance is one of the pillars of economic growth.

One of the most potential age groups as insurance policy holders is the age group of 17 to 37 years who are generally called millennials (Siregar, 2019). This age group is starting to dominate Indonesia's population structure, especially when the demographic bonus occurs later

(Worldometers, 2022). The millennial population currently has the highest percentage, namely 33.75% or the equivalent of 50.36% when measured from the total productive age population (Central Bureau of Statistics, 2018). This percentage will continue to increase rapidly, reaching a percentage of 70% in the next few years.

This will occur when Indonesia is experiencing a demographic bonus, which is a rare phenomenon that will only occur once in the history of a nation where the proportion of the productive age population at that time will be above 2/3 of the total population. However, this increase in the number of millennial populations has not been followed by a significant percentage of insurance penetration among Indonesian millennials. Data from the Indonesian Life Insurance Association (AAJI) show that currently, out of the total population of Indonesia, insurance penetration in Indonesia is lower than that of the older age segment. Around 67 percent of millennials understand banking and insurance products, and only 6-7 percent of millennials have insurance (Divianta, 2019).

Meanwhile, low financial literacy is often cited as the cause of low attitudes and purchase intentions for life insurance. Millennials are currently considered to have low financial literacy by the Financial Services Authority, which is only around 32.1%. This figure is actually higher when compared to Indonesia's financial literacy index, which is 29.66% (Tarmizi, 2017). Instead of buying protection through insurance, millennials are considered to be more concerned with fulfilling an urban lifestyle. Even if there are millennials who have insurance, the premium payments are usually borne by their parents, so when millennials are independent, they don't think insurance is important. This means that millennial self-confidence in life insurance plays an important role in this regard (Raharjo, 2019).

Millennials are also often associated with behavior that is different from the previous generation. The 2019 Indonesia Millennial Report (IMR) presents an interesting fact, that millennial spending on entertainment is greater than on insurance (Siregar, 2019). Regarding the attitude and purchase intention of millennials towards life insurance, according to AAJI, millennials still don't care about having life insurance. Millennial interest is considered low. This means that millennial attitudes are still low (Nurfadilah, 2018).

However, according to Wardhana (2019), millennials are increasingly agreeing with health insurance. The results of the Alvara Research Center survey in 2016 showed that there were as many as 48.5% of middle-class urban millennials who already had insurance. Financial literacy is considered an important factor that makes concern for having insurance increase. Information openness and connectedness with many sources of information make millennial knowledge about insurance adequate.

It is difficult to find a number of studies on previous health insurance involving factors of purchase intention, attitude, financial literacy, perceptions of trust, as well as demographics using millennial respondents as their focus (Adiandari and Winata, 2017; Ali et al, 2018; Antunes, Martinez, and Martinez, 2022). Even though insurance awareness should be better if started early (Twenge and Campbell, 2012 Weedige et al., 2019; Williams, Pensa, and Olson, 2021; Upadhyay et al., 2022). Therefore, this study aims to identify these factors in millennial respondents in order to see not only the extent to which these factors are strong in predicting interest in buying life insurance, but also to find the main causes that have contributed to the low penetration ratio of life insurance in Indonesia.

This research is expected to provide benefits to various parties, both academics and non-academics. This research can provide insight to insurance service providers regarding consumer behavior with the demographics of a millennial customer base who have a birth year range of 1980-1999, namely those aged 22 to 42 years (Divianta, 2019). In addition, this research can also provide information for millennials as well as information technology and telecommunications companies, where this can be valuable input for creation and innovation in

business development. For academics and researchers, this research can be a reference material for further research in the field of insurance in the future.

2. THEORETICAL BASIS

2.1. State of The Art

Research by Liu, Lin, and Feng (2018) shows that interest in buying insurance is mainly influenced by attitudes and subjective norms, rather than perceived behavioral control. Meanwhile, research by Shrivastava and Singh (2017) shows a correlation analysis between attitudes and interest in purchasing life insurance where negative attitude responses from respondents correlate with low respondents' interest in buying life insurance. Likewise, the research by Aziz, Husin, Hussin and Afaq, (2019) proves that attitude has a positive influence on the intention to buy family insurance.

According to Cucinelli, Lippi, and Soana, (2021) financial literacy has a positive and significant influence on attitudes toward life insurance. Research by Lin, Hsiao, and Yeh (2017) proves that the level of financial literacy influences the purchase of life insurance. Tarmizi (2017) revealed that there are three factors underlying consumption behavior in insurance, namely financial literacy, attitude, and consumer buying interest. Consumer attitudes indirectly influence purchasing decisions through intention and financial literacy.

Research Aziz et al. (2019) proved that perceptions of trust have an influence on attitudes toward insurance. In his research, perceptions of trust also fully mediate the relationship between religious perceptions and attitudes toward insurance. Research by Valentina-Daniela and Gheorghe (2015) also shows that there is a relationship between trust and attitudes towards insurance where 55% of the respondents investigated have a high level of confidence in guarantees. Research by Shrivastava and Singh (2017) proves that demographics which include age, income, and marital status have an influence on attitudes toward life insurance. Likewise, Valentina Daniela and Gheorghe (2015) found a relationship between demographic factors such as age, income, marital status, domicile, education, and gender with attitudes toward insurance.

According to Farooq, Roman, Mohsin, Riaz, and Anwar (2015) having health insurance is very important, especially for those who have life dependents. Health insurance can provide peace of mind by realizing that illness will not bring new financial problems for the family left behind. Health insurance can function as protection in times of illness. An analysis was delivered from Life Insurance Marketing & Research Association (LIMRA) which states that if the breadwinner of a family with dependent children is sick, the family can only bear living expenses for a few months and 4 out of 10 families will experience immediate distress.

2.2. Perception

Perception is a process of selecting, organizing, and interpreting information about a product or service by consumers. Perception does not only occur in the form of physical stimulation but is also influenced by existing marketing conditions, related to the surrounding environment and the circumstances of the individual concerned (Herdjiono, Damanik and Musamus, 2016).

In this perception, there are two kinds of factors that affect perception, namely internal factors, namely those related to psychological needs, educational background, sensory organs, personality and experience of self-acceptance, and individual circumstances at a certain time (Holst et al, 2021).

The second factor is the external factor, this factor is used for objects that are perceived as people or circumstances, the environment, and the strength of the stimulus will also determine whether the stimulus is based or not. For this factor using product sub-variables, insurance premiums, and promotions.

According to the Insurance Services Office (2016) insurance products are everything that is offered to the market to be able to meet the needs and desires of customers related to the transfer of risk in the future. Product is the whole concept of an object or process that provides a number of value benefits to customers. which communicates the benefits of a product and persuades target consumers to buy the product, while the insurance premium is the sum insured, which is a payment of an amount of money made by the insured to the insurer to compensate for loss, damage or loss of expected profits due to an agreement arising on the transfer of risk from the insured to the guarantor (Waldi N, 2016).

This is because consumer perception is one of the internal factors that influence consumers to make decisions. The definition of perception according to Schiffman and Kanuk (2004), "Perception is the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world".

Understanding from this definition, that perception is a process that makes a person choose, organize, and interpret the stimuli received into a meaningful and complete picture of his world. Perception arises because there is a stimulus (stimulus) from outside that will affect a person through his five senses. The stimulus will be selected, organized and interpreted by each person in their own way. There are two main factors in perception, namely:

1. Stimulus factors, are the physical properties of an object such as size, color, weight, taste, and others.
2. Individual Factors, are individual traits that include not only sensory processes but also experience in the past on the same thing.

Individual perception of an object is formed by the role of the perceiver, target, and situation. Perceivers or individuals who perceive are stimulated and carry out perceptual processes based on needs, expectations, and experiences. The stimulus received is a target that can be in the form of a product or service. On targets in the form of services, individuals perceive targets based on assurance, empathy, reliability, and the form of objects.

In perceiving the target, the situation is the atmosphere around the target such as lighting, aroma, sound, and temperature. The process of forming perceptions of an object may receive interference from outside/distortion in the form of stereotypes, halo effects, first impressions, or straight to conclusions, which can cause deviations in individual perceptions.

2.3. Insurance

Insurance is a way or method to care for humans in avoiding various risks (threats) of danger that will occur in their lives or in their economic activities. One way to find out consumer behavior is to analyze their perceptions of products. With consumer perceptions, companies can find out what are the strengths or weaknesses, opportunities or threats for the products being marketed.

However, the public's low understanding of insurance financial institutions and their benefits is a common concern for industry players. Insurance literacy for the community is important, if the implementation of insurance education is carried out the goal is for the wider community so that it can help overcome the risks that will occur. For the literate community, insurance provides great benefits, such as:

1. Help overcome the risks that occur such as death, accident, illness.
2. Avoid investing in unscrupulous financial instruments.
3. Gain an understanding of the benefits and risks of insurance services.
4. Increasing customer interest in choosing insurance.

Literacy comes from the Latin term 'literature' and the English word 'letter'. Literacy is the quality or ability to be literate/literate which includes the ability to read and write (Remund, 2010; 37. Paez et al., 2014; Tipirneni et al., 2018). But more than that, the meaning of literacy also

includes visual literacy which means "The ability to recognize and understand ideas that are conveyed visually.

Financial literacy is a basic need for everyone to avoid financial problems (Kim, Braun and Williams, 2013; Muvuka et al, 2020). Financial difficulties are not only a function of income alone (low income), financial difficulties can also arise if there are errors in financial management (miss-management) such as misuse of credit, and no financial planning (Barry and Charpentier, 2020).

Financial limitations can cause stress and low self-confidence (Bhai, Nayana, Asha, 2017). Financial literacy occurs when an individual who is competent (literate) is someone who has a set of skills and abilities that make that person able to utilize existing resources to achieve goals.

Proficiency (literacy) is an important thing that must be possessed to achieve certain goals (Dragoş, Mare and Dragoş, 2019; Edward, Thompson and Wiggins, 2022.). Financial literacy is defined as a person's ability to obtain, understand and evaluate relevant information for decision making by understanding the resulting financial consequences (Edward et al, 2019).

Health insurance literacy is an individual's ability to understand and evaluate information about health insurance that is carried out based on overall and specific principles in order to know the benefits and advantages as well as the implications that may arise when registering as a participant in health insurance as a consideration for making decisions about the consequences will happen.

Health insurance literacy is a form of activity in supporting the growth of Islamic finance in the future, because understanding and awareness are the keys to its growth (Garg and Singh, 2018). However, the public's low understanding of insurance financial institutions and their benefits is a common concern for insurance industry players (Grohmann, 2018). Insurance literacy for the community is important, if the implementation of insurance education is carried out the aim is for the wider community so that it can help overcome the risks that will occur. In this study the problems included:

2.4. Millennial Generation

Millennials are a demographic group after Generation X (Garnesia, 2019; Francis, 2020). Social researchers often classify this generation born between the 1980s and 2000s as the millennial generation (Parry, et al., 2012). So it can be said that the millennial generation is today's young generation who are currently in the range of 22-42 years.

Compared to the previous generation, the millennial generation is indeed unique. The research results released by the Pew Research Center, for example, clearly explain the uniqueness of the millennial generation compared to previous generations (Raharjo, 2019). What is striking about this millennial generation compared to previous generations is the use of technology and pop/music culture (Sarginson, 2017). The life of the millennial generation cannot be separated from technology, especially the internet, entertainment has become a staple for this generation.

According to Francis (2019) there are a number of characteristics that make the millennial generation distinguishable from other generations. These characteristics are:

1. The Adventurer, Inspiring, convincing, full of dynamics, and willing to voice their political and religious views. Telling bitter truths rather than sweet lies they think is better. Luckily, their sensitivity to other people can help them communicate real intent. As consumers, they buy products that project a social image.
2. The Visionary, Wanting to work with the heterogeneous community around them, they tend to be neutral to avoid sensitive conversations about beliefs and religion. The Visionaries are the millennial type who will prepare all possibilities by designing a plan B. For their consumption patterns, this type of millennial will not be tempted by brands, they prioritize function.

3. The Artist, The Artist is a millennial type who has many ideas, unique perspectives, aesthetic orientation, and spontaneity. Millennials with this personality like to create ideas, experiment with combining the new perspectives they get. For consumption patterns, they don't hesitate to buy products that have an authentic story behind them.
4. The Leader, charismatic, goal-oriented, and has leadership skills. The Leaders always follow the latest news through television, digital media, newspapers and social media. They tend to have strong opinions about politics and religion, but are very careful about voicing their views in public. In terms of consumption, The Leaders will consider the credibility and functionality of the product before deciding to purchase.
5. The Socializer, the type of person who is fun, open, and values togetherness. The Socializers tend to keep opinions related to religion and politics because they don't want to breaking the bonds they have built with the heterogeneous groups around them. Regarding products, they prefer goods with attractive offers and create their social image.
6. The Conservative, reliable, simple, and happy to maintain peace in society. Being actively involved in their religious community does not prevent conservative type millennials from expressing opinions regarding religious and political issues. As consumers, they tend to pay more attention to the "honesty" of product quality than brands.
7. The Collaborator, very tolerant, full of ideas, and great when working in teams. Keeping up with the latest news and trends on religion and politics doesn't make them the type of millennial who voices their opinion on these two sensitive topics.

Regarding millennial characteristics and insurance purchasing behavior, it can be seen first how the attitude of millennials towards health insurance itself. According to Garnesia (2019) most of the research related to the prediction of behavior from attitude variables is carried out within the framework of the theory of reasoned action. This theory tries to explain the relationship between attitude, purchase intention, and buying behavior where a person acts in accordance with the intention or interest determined by one of the attitudes. This psychological perspective is then combined with a number of literature reviews related to consumption behavior which are interrelated between financial literacy, perceptions of trust, and demographics and the relationship then to millennial buying attitudes and intentions in health insurance.

The Millennial Generation was born in an era with easy access to financial institutions (Medhin, 2015). Millennials are the first generation to grow up with computers and the internet, it will be easier for millennials to learn the financial sector quickly and apply it to life (Pratiwi and Hartoyo, 2014). To invest, millennials only need to access everything they need via the internet on their gadgets.

For four main reasons, millennials want to have health insurance protection in the future, millennials need to prepare insurance from an early age (Tarmizi, 2017). Here are 4 reasons why insurance is important for millennials:

1. Cheaper Premium Costs, if you decide to have insurance at a young age, the premiums paid will be much cheaper. Health conditions that are still healthy at the age of 20-30 years are the reason for the low premium costs. It's different if you have insurance at the age of 40-50 years, the company will charge a higher premium because health conditions are different compared to when you were young and the risk of getting a disease is also higher.
2. Provide Protection, Insurance will provide protection when you experience risks in the future. The protection you get depends on the type of insurance you choose. If you choose health insurance, you will get protection for health care. Whereas in life insurance, the insurance company will bear the risk if the customer dies. By preparing insurance early on, you don't need to worry about losses due to uncertainties that occur in the future.
3. Greater Opportunities for Submitting Insurance, If you apply for insurance from a young age, then the chances of being accepted by the insurance company will be greater, because it is

assumed that you apply in a healthy condition without co-morbidities. It's different if the insurance application occurs at the age of 40-50, the insurance company will conduct a strict screening of prospective customers. This is because, in that age range, a person is at greater risk for disease and death.

4. To Manage Finances, by having insurance, money that is often used for lifestyle alone, can be used to pay insurance premiums every month.

3. RESEARCH METHODS

3.1. Research Design

The research method is quantitative with a descriptive research design. The population is taken from millennial residents who live in Makassar City with various considerations. First, currently, according to Worldometer (2019), more than half of Indonesia's population are urban residents, which is 55.8% (154,188,546 people). Second, still from the same source, Makassar is one of the cities with the largest population in Indonesia, such as Jakarta, Surabaya, Medan, and Bandung.

3.2. Operational Definition

3.2.1. Perceptions Of Insurance

Perception of insurance is a view of the existence, function, and role of insurance from a person (Cucinelli et al. 2021). This perception is measured by 16 statements abstracted from the results of research by Adiandari and Winata (2017); Garg and Singh, (2018), Edward et al., (2019) Cucinelli et al. 2021; Holst et al., (2021); and Upadhyay, et al. (2022) as follows:

1. Insurance companies are important to society
2. Insurance companies are important to the state
3. It's easy to manage the purchase of a policy
4. Easy to maintain the policy
5. It's easy to file an insurance claim
6. Insurance is a good business
7. Insurance is a business that guarantees future finances
8. Insurance is actually everyone's needs
9. Everyone should have insurance
10. Insurance is a good business
11. Health insurance is a financial burden today
12. Health insurance gives a sense of security when sick
13. Health insurance is good to have
14. I will have health insurance
15. I would recommend health insurance
16. Having health insurance helps the family when the policyholder suffers from illness

3.2.1. Insurance Literacy

Insurance literacy is knowledge possessed by someone about the existence, function, and role of insurance from someone Vandenbosch et al., (2016). Insurance literacy is measured by 16 statements abstracted from the research results of Vandenbosch et al., (2016); Adiandari and Winata (2017); Nekk Mahmud and Rahman (2017) Edward et al., (2019), Cucinelli et al. (2021) Holst et al., (2021) as follows:

1. I know there are many types of insurance
2. I know there is special health insurance
3. I know the things that need to be prepared in buying a health insurance policy
4. I know I need to set aside money for health insurance

5. It's easy to file an insurance claim
6. I know that health insurance can lighten the cost of buying medicine
7. I know health insurance can cover the cost of surgery and other health services
8. I know health insurance can create a sense of security
9. I know health insurance is useful for everyone
10. I know health insurance is useful for the general public.
11. Having a health insurance policy is a good way of managing money
12. Having a health insurance policy is a savings in the future
13. Having a health insurance policy is a guarantee for the family
14. Offering insurance policies increases knowledge regarding financial management in general
15. Having a health insurance policy is a way to maintain financial health in the future
16. Having an insurance policy is very important for the family

3.3. Population

According to Sugiyono (2019: 126) Population is a generalization area which consists of: objects/subjects that have certain quantities and characteristics selected by researchers to study and conclusions will be drawn. The population in this study is millennials whose number cannot be known and identified.

3.4 Data Analysis Techniques

Data analysis performed in this research is descriptive analysis and factor analysis.

3.4.1. Descriptive Analysis

According to Ghozali (2018: 19) Descriptive analysis is to provide an overview of data that is looked at from the average value (mean), mode, median, standard deviation, minimum, and maximum.

3.4.2 Research Instrument Test

Validity test is used to test whether a questionnaire is valid or not. According to Ghozali (2018: 51), the validity test is used to measure the validity of the questionnaire, if the tools or questions in the questionnaire can reveal the content to be measured by the questionnaire then the tool or questionnaire is said to be valid.

This is done by correlating the score obtained on each item with the total score of each attribute. To find out whether each question item is valid or invalid, namely with the following conditions:

1. If $r \text{ count} \geq r \text{ table}$ (significance 0.05), then it can be said that the questionnaire items are valid..
2. If $r \text{ count} \leq r \text{ table}$ (significance 0.05), then it can be said that the questionnaire items are invalid.

Reliability Test is a measuring tool that is used as a questionnaire measurement tool which is an indicator of a variable or construct. The purpose of the Reliability Test is to test the consistency of one's answers in a questionnaire, if the respondents' answers to the questions from start to finish are the same or consistent then it can be said that the questionnaire is reliable or can be trusted. A variable can be said to be reliable if the result (Cronbach's Alpha) > 0.60 is reliable (Ghozali 2016).

3.4.3. Factor Analysis

What is meant by factor analysis is an analytical technique used to understand a symptom. The main objective of this technique is to convert the information contained in a large number of

variables into a group of smaller factors. The main aim of this technique is to determine the linear combination of variables that will assist in the investigation. In other words, it is used to identify the variables or factors that explain the pattern of relationships in a set of variables.

This technique is useful for reducing the amount of data in order to identify a small number of factors that can explain the variance being studied more clearly in a group of variables that are larger in number. The main use of factor analysis is to reduce data or in other words summarize a number of variables into smaller in numbers.

Reduction is done by looking at the interdependence of several variables that can be combined into one called a factor so that dominant or important variables or factors are found for further analysis.

Factor analysis, which is an analysis of the interdependence of several variables simultaneously with the aim of simplifying the form of the relationship between the several variables studied into a number of factors that are fewer or simpler. With this analysis, determinants can be identified.

4. RESULT AND DISCUSSION

4.1. Respondents' background

In this study, two aspects of the respondent's background were taken, namely age and gender

4.1.1 Age

Because this research targets millennials, age is something that is very important. The average age of the respondents was 31.32 years and the median was 32 years. The highest age was 42 years and the lowest age was 22. The most ages were 32 years and 24 years respectively with 10 respondents and 9 respondents. Followed by the age of 31 years with a total of 8 respondents and the least is the age of 42 years with one respondent. After being grouped into five age groups, namely from 20-24, 25-29, 30-34, 35-39 and 40-44, it was found that most respondents were in age group 3, namely between 26 to 30 years.

Respondents aged 30 years and under amounted to 76 people. 18 respondents aged between 16 to 20 years, 28 respondents aged 21 to 25 years, 30 respondents aged 26 to 30 years; as many as 17 respondents aged.

4.1.2. Gender.

Gender is quite decisive in the level of insurance literacy (Barry and Charpentier. 2020). Women tend to be more attentive and literate in insurance than men. In this study, the number of male respondents was more than female. A total of 54 respondents were male and 46 were female.

4.2. Perceptions of Health Insurance

Perceptions of health insurance are measured by 16 indicators. on average, respondents' answers ranged from 3.67 to 4.25 on a scale of 1 to 5, with 1 strongly disagreeing, while 5 strongly agreeing with the statements given. The average answer of 3.35 to recommend health insurance is in the category of answers that agree with the statement regarding the perceptions given about health insurance. While the average easy answer for making health insurance claims is 4.25, it is in the very agree category. This reveals that the average respondent believes that the process of submitting a health insurance claim is easy.

The other statements have an average between the two statements. The thing that is quite interesting is the perception that insurance is actually a need for everyone and insurance is a business that guarantees finances in the future. The high average for the two statements indicates that health insurance is considered a necessity, especially for those related to finance in the future.

These two aspects are very important for the health insurance business because they provide an overview of the potential absorption of insurance among millennials.

Perceptions of health insurance are measured by 16 indicators. On average, respondents' answers ranged from 3.67 to 4.25 on a scale of 1 to 5, with 1 strongly disagreeing, while 5 strongly agreeing with the statements given. The statement with the lowest score is 'I know the things that need to be prepared in buying a health insurance policy 3,080' and the highest is 'having a health insurance policy is a good way of managing money 4,225'.

The average answer of 3.35 to recommend health insurance is in the category of answers that agree with the statement regarding the perceptions given about health insurance. While the average easy answer for making health insurance claims is 4.25, it is in the very agree category. This reveals that the average respondent believes that the process of submitting a health insurance claim is easy.

4.3. Validity and Reliability Analysis

4.3.1. Validity Analysis

The validity of this research instrument was measured by item validity. The validity of the item is shown by the correlation or support for the total item (total score), the calculation is done by correlating the item score with the total item score.

From the results of the correlation calculation, a correlation coefficient will be obtained which is used to measure the level of validity of an item and to determine whether an item is suitable for use or not. In determining whether or not an item is appropriate, a correlation coefficient significance test is usually carried out at a significance level of 0.05, meaning that an item is considered valid if it has a significant correlation with the total score.

The r-table value for 100 respondents is 0.1966 (r-table 100 – 2). While the smallest r-count value is 0.3 for "easy to maintain the policy". This indicates that all items are valid and can be used for further analysis. Insurance literacy indicators also have a high level of validity.

4.3.2. Reliability Analysis

Perceived reliability and insurance literacy were measured using the Cronbach's Alpha score with the standard Cronbach's Alpha score for the social sciences being 0.6 or 0.7. Both indicators of perceptions of insurance literacy and insurance literacy pass the threshold with 0.723 for insurance perception and 0.738 for insurance literacy respectively.

4.4. Factor Analysis

4.4.1. Deployment Test – Bartlett Test Of Sphericity

As an initial step in factor analysis is examining the value of the Bartlett test of sphericity. This test compares the observed correlation matrix with the identity matrix to determine whether there are certain repetitions between the indicator variables that can be summarized in one factor. The null hypothesis of this test is that the variables are orthogonal, that is, they are not correlated. The alternative hypothesis is that the variables are not orthogonal, that is, the variables are sufficiently correlated to the point where the correlation matrix deviates significantly from the identity matrix.

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy value is 0.656 and the Approximacy Chi-Square Bartlett's Test of Sphericity value is 602.034 which is significant at a value of $\alpha = 0.00$. These values indicate that this indicator of perceptions of health insurance is indeed feasible to continue with factor analysis (Dugard, Todman, and Staines, 2022).

4.5. Discussion

Based on the Bartlett's Test of Sphericity and the KMO statistics above, it turns out that factor analysis is appropriate for analyzing research data. There are two methods and one must be chosen.

Based on the research objectives, the Principal Component Analysis (PCA) method was used. In PCA the total variance in or what is considered is the diagonal of the correlation matrix, each element is 1. And the full variance is used as the basis for factor formation, namely new variables as a replacement for the old variables, which are fewer in number which are no longer correlated with one each other. PCA is used if the goal is to reduce the number of original variables.

Based on factor analysis, both perceptions about insurance and insurance literacy can be simplified in a smaller number of indicators.

4.5.1. Perceptions of Insurance

The first factor comes from 5 indicators, namely the ownership of insurance is considered good for a sense of security. Health insurance is a financial burden at this time. Health insurance gives a sense of security when sick. Health insurance is good to have. I will have health insurance. The indicator with the highest factor loading is insurance ownership which is considered good for a sense of security. Because the word meaning of each indicator leads to good insurance ownership, this factor is called good insurance to have.

The second factor comes from three indicators, namely Insurance is actually a need for everyone, Insurance should be owned by everyone, Insurance is a good business. The highest loading factor for this factor is insurance that everyone should have. So this factor is called insurance as a necessity.

The third factor comes from Easy to manage buying policies, Insurance is a good business, Insurance is a business that guarantees finances in the future. The factor with the highest loading is insurance is a good business. So, these three factors can be combined with a new name, namely insurance is a good business.

The fourth factor is a combination of two factors, namely easy to maintain policies and easy to submit insurance claims. This factor is made a new factor with the name easy to maintain the policy.

The fifth factor comes from two indicators, namely important insurance companies for the community and important insurance companies for the state. The highest loading factor for this factor is an important insurance company for the state because the community is also part of the state.

The sixth factor comes from two indicators, namely health insurance that I will recommend and having health insurance helps families when the policyholder suffers from illness. The biggest loading factor is health insurance which will be recommended.

So from the sixteen indicators of perceptions about health insurance, after analysis it turns out that there are 6 indicators, namely insurance is good to have, insurance is a necessity, insurance is a good business, it is easy to maintain a policy, insurance is important for the state and would recommend health insurance.

4.5.2. Insurance Literacy

The first factor comes from 5 indicators, namely I know there are many types of insurance, I know there is special health insurance, I know the things that need to be prepared when buying a health insurance policy. Having a health insurance policy is a way to maintain financial health in the future. The highest loading factor in this group is knowing that there is special health insurance. Based on the highest loading factor, this factor is named 'know there is special health insurance'.

The second factor comes from four indicators, namely I know health insurance can reduce the cost of surgery and other health services; I know health insurance can create a sense of security; Health insurance is useful for everyone; Having an insurance policy is very important for families. The highest loading factor is knowing that health insurance can create a sense of security. Other indicators also point to this sense of security, so this factor is called health insurance providing a sense of security.

The third factor comes from three indicators, namely I know I need to set aside funds for health insurance; It's easy to file an insurance claim; I know that health insurance can lighten the burden of buying medicine. The indicator with the highest loading is the statement I know that I need to set aside funds for health insurance. Then this factor is called a fund for health insurance needs to be prepared.

The fourth factor comes from two indicators, namely having a health insurance policy is a good way of managing money; Having a health insurance policy is a future savings; Having a health insurance policy is a guarantee for the family. The indicator with the highest factor loading is Having a health insurance policy is a good way of managing money. So, this factor is called awareness of being insured, which is a good way of managing money.

The fifth factor comes from two indicators, namely I know health insurance is useful for the general public and offering insurance policies increases knowledge regarding financial management in general. The indicator with the highest factor loading is knowing that health insurance is useful for the general public. Thus, this factor is called health insurance useful for the community.

The level of insurance literacy among millennials is still at a moderate level. Of the 16 health insurance literacy indicators, it turns out that only 5 indicators or factors can be used. These factors are knowing that there is special health insurance, health insurance provides a sense of security, funds for health insurance need to be prepared, awareness of insurance is a good way of managing money and health insurance is useful for society.

5. CONCLUSION AND RECOMMENDATION

5.1. Conclusions

The Based on the discussion, it can be concluded:

1. Millennials' perception of health insurance is quite good. Millennials perceive health insurance as something good to have, health insurance is a necessity, insurance is a good business, easy to maintain policies, insurance is important for the country and will recommend health insurance.
2. The health insurance literacy level of millennials is quite good. Millennials already know that there is special health insurance, health insurance provides a sense of security, funds for health insurance need to be prepared, awareness that insurance is a good way of managing money and health insurance is useful for society.

5.2. Recommendations

Based on the findings of this study, it is suggested a number of things:

1. For insurance companies, it is better to increase the variety and promotion methods so that the perception of millennials towards health insurance is getting better and the literacy rate of health insurance is getting higher.
2. For future researchers: determining the respondents in this study by accidental sampling, which means that population representation is not taken into account, it is recommended that further research be carried out by taking a sample that pays more attention to population representation.

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