Demonstration on the Necessity of College Students' Participation in Micro Medical Insurance

Zi-jia Yi

Central University of Finance and Economics, Beijing, CHINA

*Corresponding author's email: yichao1667@163.com

Abstract. College students are in a transitional stage from family guardianship to independent living. Although they have been incorporated into the basic medical insurance system for urban and rural residents, gaps still exist in such aspects as reimbursement ratios and deductibles of the basic scheme. Characterized by low premiums, low deductibles and convenient claims settlement, micro medical insurance suits the daily small-sum medical needs of college students. Based on insurance demand theory and health economics analysis, this paper demonstrates the necessity of college students participating in micro medical insurance. Research shows that micro medical insurance can effectively compensate for the deficiencies of basic medical insurance, reduce economic burdens, foster risk awareness, and help build a multi-level security system of "basic medical insurance plus micro insurance", thus possessing important practical significance.

Keywords: College Students, Micro Medical Insurance, Medical Security, Multi-level Protection.

1 Introduction

Medical security is a core component of the social security system and concerns the health rights and interests of every citizen. As representatives of the youth group, college students' health status is not only related to their personal development but also to the national strategy for talent cultivation. In 2008, the State Council included college students in the Basic Medical Insurance System for Urban Residents, marking the gradual end of the free medical care era for college students. After more than a decade of development, although the coverage rate of basic medical insurance among college students has increased significantly, gaps in protection still exist.

Meanwhile, the rise of Internet insurance has given rise to a new product form: micro medical insurance. Characterized by low premiums (annual payments at the 100 Yuan level), low deductibles (0–500 Yuan), and high-frequency coverage (including outpatient services and small-sum inpatient care), such products are positioned differently from critical illness insurance with high coverage limits. For college students who are not yet financially independent but exposed to risks of daily medical

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expenses, whether micro medical insurance is necessary deserves in-depth investigation.

Micro medical insurance refers to insurance products with relatively low coverage (usually 10,000–50,000 Yuan), low premiums (annual payment of 100–500 Yuan), and mainly covering outpatient services and small-sum inpatient expenses. Compared with high-coverage critical illness insurance, the core differences of micro medical insurance lie in "low deductibles" and "high-frequency protection": the former mainly addresses severe illness risks, while the latter aims to fill gaps in daily medical expenses[1]. The micro insurance discussed in this paper covers two types of products: small-sum medical insurance and small-sum accident insurance[2].

2 Medical Security Status and Demand of College Students

2.1 The "Triple Dilemmas" of Medical Security for College Students

In recent years, studies have shown systemic dilemmas in college students' medical security. Regional data indicate that the insurance participation rate in some areas is only about 86%, far below full coverage[3]. Three structural dilemmas exist:

1. Low insurance recognition: Most students are healthy and lack initiative to enroll. With rising premium levels, many believe insurance is "expensive, rarely used, and uneconomical".
2. Fragmented management: Coordination between universities, medical insurance and tax departments is insufficient, with unclear responsibilities and no unified management system.
3. Conflicts between household and school registration: Under municipal-level pooling, students face duplicate or interrupted insurance. Freshmen and graduates often encounter complicated procedures, leading to unintended loss of coverage[4].

2.2 The Coverage Gap in Basic Medical Insurance

Take the 2026 basic medical insurance for students and children in Beijing as an example. Individual contribution: 435 Yuan per year. Government subsidy: 1,755 Yuan per year. Medical service scope: Students are required to select 3 designated hospitals on their own (32 Class A hospitals and all TCM and specialized hospitals are exempt from selection).

While basic medical insurance covers inpatient costs for serious illnesses, it has clear limitations: low outpatient reimbursement, no coverage for non-catalog drugs, and little practical reimbursement for small medical expenses. Such protection gaps can be effectively filled by micro medical insurance.

2.3 Medical Needs and Risk Exposure of College Students

Although college students are in a healthy life stage, they are not immune to illnesses and accidents. Their main medical needs include:

1. Common illnesses (colds, fevers, etc.), with single outpatient costs of 200-800 Yuan.

2. Accidental injuries (sports injuries, commuting accidents, etc.), with medical expenses ranging from several hundred to several thousand Yuan.
3. Chronic diseases (allergic rhinitis, etc.) requiring regular follow-up and medication.
4. Dental emergencies (wisdom tooth inflammation, etc.), partially covered by accident insurance.

College students' medical needs focus on outpatient treatment and sudden injuries, not hospitalization. Thus, micro medical insurance covering daily outpatient services and small accidental injuries are more suitable for them than critical illness insurance targeting severe illnesses and hospitalization.

3 Characteristics and Positioning of Micro Medical Insurance

3.1 Core Characteristics

1. Low premiums and low thresholds: Annual premiums are 100–500 Yuan, or from 9 Yuan monthly, costing less than 1.5 Yuan per day. This is highly affordable for students with a monthly budget of 1,500–2,000 Yuan.
2. Low deductible and low compensation threshold: Most micro medical insurance has a deductible of 0 or 100 Yuan, much lower than the 10,000 Yuan of major medical insurance. Even ordinary cold expenses can qualify for compensation.
3. High-frequency coverage for daily scenarios: It covers outpatient registration fees, examination fees, medication fees, and small-sum inpatient expenses, precisely addressing the most common medical needs of college students.
4. Convenient online claim settlement: Most products support online claims by uploading documents via apps or We Chat, with a review period of 3–5 working days, suiting college students as digital natives.

3.2 Comparison of Micro Medical Insurance, Basic Medical Insurance and Critical Illness Medical Insurance

Basic medical insurance is a public welfare security system that provides fundamental medical protection for all citizens. Micro medical insurance, as a commercial supplementary product, features low premiums, low deductibles and convenient claims, which is suitable for covering daily outpatient and small-sum medical expenses. Critical illness medical insurance focuses on high medical costs caused by serious diseases with a high insured amount but a high compensation threshold. The three form a gradient security system from basic daily protection to major risk protection.

For college students, micro medical insurance precisely fills the gap of basic medical insurance in reimbursing small outpatient expenses.

3.3 Target User Profile

According to market research, target users of micro medical insurance are those with limited income, premium-sensitive, and exposed to minor illnesses or accidental risks. They include students, young employees, freelancers, homemakers and the elderly.

College students are at the core of this group: financially dependent, highly price-sensitive, facing higher accident risks due to frequent activities, and having coverage gaps despite basic medical insurance.

4 Necessity of Micro Medical Insurance Participation for College Students

4.1 Fill the "Protection Gaps" of Basic Medical Insurance

1. Outpatient Reimbursement Vacuum: Basic medical insurance prioritizes serious illnesses, with limited reimbursement for small outpatient costs after deductibles. For a 300-yuan visit, only 100 Yuan may be reimbursed, leaving 200 Yuan self-paid. Micro medical insurance's low or zero deductible effectively supplements this.

2. Accidental Injury Protection Gap: College students often face sports and commuting injuries, but basic insurance covers accidents poorly. Micro accident insurance covers injury, disability, medical costs and allowances, paying most expenses for incidents like sports sprains.

3. Self-Funded Coverage Blind Spot: Basic insurance only covers items in the medical catalogue, requiring self-payment for outside drugs and treatments. Some micro-insurance covers non-social security expenses, filling this gap.

4.2 Low-Cost Hedging against High-Frequency Small-Sum Expenditure

1. Cost-Effectiveness Analysis: Micro-insurance costs 100–500 Yuan annually, fewer than 1.5 Yuan per day. A 300-yuan premium can often be fully recovered via reimbursements for 1–2 outpatient visits, bringing high cost-effectiveness for students with regular medical needs.

2. Mitigating Minor Financial Pressure from Illness: While severe poverty from illness is rare, temporary financial strain is common among students. Treatment costing 300–800 Yuan can burden those with a 1500–2000 Yuan monthly allowance, and micro medical insurance eases such pressure.

3. Opportunity Cost Perspective: Though healthy students may not file claims, the 300-yuan premium can secure thousands in compensation for illness or accidents. As insurance hedges uncertain risks with small fixed costs, it represents a rational investment in financial security.

4.3 Foster Risk Awareness and Financial Independence

1. The transition from "relying on the family" to "independent management": College students are transitioning to independent living. Buying micro medical insurance serves as financial literacy training: understanding terms, comparing products and settling claims helps build their risk management and financial planning skills.

2. "Peace of Mind Effect" and Mental Health: Insurance provides not only financial security but also psychological protection. Studies have shown that individuals with insurance coverage experience lower anxiety when facing uncertainty. For college

students living away from home, the sense of security offered by a small-sum insurance policy carries immeasurable value.

3. Early Cultivation of Insurance Awareness: Studies show that information on critical illness costs and government programs significantly raises students' willingness to buy supplementary insurance. This suggests insurance awareness can be fostered. Low-threshold micro medical insurance helps form long-term risk management habits and supports future comprehensive coverage[5].

4.4 Serving as "Capillaries" of the Multi-Level Medical Security System

1. Easing Family and Social Medical Burdens: Medical expenses for students are often covered by families. Micro medical insurance shares these costs, relieving family financial pressure and reducing related social issues.

2. Complementary Interaction between Commercial and Social Insurance: Basic medical insurance is the first defense line, and micro medical insurance the second. They complement each other. As students mainly need outpatient and accident coverage, micro medical insurance effectively meets this demand and improves participation.

3. Supporting the Healthy China 2030 Strategy: College students' participation in micro medical insurance is a practical implementation of building a multi-level medical security system among young people.

5 Potential Controversies and Responses

5.1 College Students are Healthy and do not Need Insurance

Response: This view confuses "good health" with "zero risk". Although students are generally healthy, risks such as sports injuries, acute gastroenteritis and accidental falls still exist. For individuals, such risks are binary and micro medical insurance offers low-cost protection against them.

5.2 Basic Medical Insurance is Sufficient

Response: Basic medical insurance has limitations in outpatient reimbursement and self-funded items. Micro medical insurance does not replace it but fills coverage gaps. "Basic medical insurance + micro medical insurance" forms an ideal protection package for students.

5.3 Claims are Troublesome, so not Worth Buying

Response: This is a stereotype of traditional insurance. Modern online insurance supports quick online claims with document upload, completing review within 3–5 working days, greatly improving the claims experience.

6 Conclusions and Recommendations

6.1 Conclusions

1. College students face medical security gaps that micro medical insurance can effectively fill, especially in outpatient care, accidental injuries and non-reimbursable items.

2. Micro medical insurance is highly suitable for college students, matching their affordability, protection needs and online consumption habits.

3. Micro medical insurance provides multiple values: it offers financial protection and cultivates risk awareness and financial planning abilities.

4. "Basic medical insurance + micro medical insurance" forms an ideal, complementary protection system for college students.

6.2 Recommendations

1. For College Students: Prioritize basic medical insurance. Choose supplementary micro medical insurance based on your economic and health conditions, read insurance terms carefully, and keep medical documents for claims.

2. For Universities: Incorporate insurance knowledge into new student orientation, cooperate with qualified insurers, and provide subsidies for needy students.

3. For Insurance Institutions: Develop customized semester-based micro medical insurance, optimize online claims, and promote insurance knowledge in student-friendly ways.

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