A STUDY ON INSURANCE AWARENESS IN RURAL AREA OF BARDOLI REGION

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Abstract: **The study reveals that the awareness about insurance is low. Insurance companies should reach out to those who are uneducated and the lower age group people, by awareness campaigns like radio and television advertisements. The insurance companies should concentrate more on improving their services. The real growth in life insurance will occur when customers realize the true value of life insurance beyond tax saving. The awareness of insurance as a long term saving should be created both by the government, among the uneducated, low income group and the households having more earning members.**

Keywords: **Insurance, Awareness, Rural Area.**

1. INTRODUCTION

Rural area is a geographic area that is located out- side the cities. It is considered as any place with a population of not more than 5000 and with a population density of not more than 400 per square kilometer and where, more than 25% of men are engaged in agriculture. Where agriculture and farming is the primary occupation and the existence of poverty is very high. Some times its so happens where the farmers are unable to produce the food grains due to crop failure or any other reasons, there may be less production of milk because of death of cattle, sometimes there may be any risk happening to the farmer or his family member's health, in such cases they are unable to bare the loss. So insurance is a kind of solution for all such cases. Insurance is a risk transfer mechanism that ensures full or partial financial compensation for the damage or loss caused by events. Insurance is based on trust. Once that is established, its benefits can be better explained. Rural insurance is a form of risk management primarily used to hedge against the risk of a contingent uncertain loss caused by events to the rural people. India is well known for rural areas because more than 70% of the population belongs to rural areas. Most of the rural people are illiterate and they were not aware of insurance. So it is very important to study about rural sector, and bring awareness on insurance accordingly. This study gives basic idea about need, importance and awareness of insurance in rural areas. An agreement or a policy that a person purchases from an insurance company by paying premiums on monthly, quarterly or yearly basis to the insurance company is called insurance. The company protects the police holder or the buyer from any kind of risk or loss that may occur in future, basically it is a risk management scheme by using which the insured person can get protection, against possible eventualities such as financial loss, death, sickness, or loss done to his/her belongings. Insurance is the only financial instrument that helps to manage financial risks smoothly and reduces financial worries. The purpose and need of insurance as a method of transferring risk is to provide economic protection against the losses that may due to uncertain events caused by death of cattle, crop failure, floods or any other economic losses. The loss or risk may or may not occur during the operative time of the contract of insurance. People, therefore, opt for insurance purely for the reasons of uncertainties in life. Insurance helps people in reducing tensions, as the quality of being efficient will improve when the tensions and fears of rural people involving the risks are shifted to the insurer and the financial status of farmers and other rural people remains unaffected by the losses caused by the risks insured. Rural working population also enjoys better credit standing as the risks are transferred to the insurance company. Insurance also provides opportunity for investment as life insurance policies provides maximum benefit of protection and investment because the event insured against is sure to happen, thus life insurance investment offers attractive returns. Insurance sector is playing crucial role in tackling the problem of

unemployment in the country by offering employment opportunities to many rural educated people. Moreover there are large numbers of rural people who are working as insurance agents. Some rural insurance schemes offering attractive returns on the savings, which helps in increasing regular savings of people, it also provides funds for meeting various needs like children's education, marriage, and so on.

2. LITERATURE REVIEW

1. Altaf ahmad dar, shabir a bhat (2012) Exploration of awareness of life insurance:- a study rural areas of Kashmir valley. The objectives of study are to understand and determine the awareness of people under study on insurance. The study reveals that the awareness about insurance is low. Insurance companies should reach out to those who are uneducated and the lower age group people, by awareness campaigns like radio (jingles) and television advertisements. The insurance companies should concentrate more on improving their services.

2. Shoaib Alam Siddiqui Stephen Das (2017) life insurance, challenges and opportunities in rural india. The styudy aims life insurance, challenges and opportunities in rural india. Life insurers in rural market have not done well and much more efforts are required to tap the untapped rural market. Indian rural market has tremendous potential. It is evident that the state insurer Life Insurance Corporation of India has better hold of the Indian rural market and private insurers have to do a lot to earn trust of rural people. During last few years.

3. Shivany M Vinoth, (2018) Awareness, challenges and opportunities of health insurance in india. The objective of this study is to see the opportunities health insurance sector would have in the near future. Health insurance should be made mandatory all over India. There should be a basic policy mandatory for the population. But for the poor people who fall below the poverty line (BPL), they should be insured through any of the NHIS schemes as they offer very minimal premium. And the government employees must encourage the citizens by speeding up the process to get insurance policies so that it does not become the reason for them not obtaining one.

4. Suwarna Madhukumar(2012) Awareness and perception regarding health insurance in Bangalore rural population. The objective is To assess the various factors which act as barriers and ultimately obstruct the subscription of health insurance. For the low-income people, insurance was never considered to be an option in the past. They were assumed to be too poor to save and pay premium. Hence, the government assumed the responsibility of meeting health care needs of the poor. The government is continuing to provide free health services to the poor.

5. Dr. Vilas M. Kadrolkar (2012) Micro Insurance as Social Protection to the Rural Poor. The objective is to understand the role of insurance in humans' life. A key element of this empowerment is a base risk cover that covers elements of life, disability and health. This empowerment can only be achieved through the collaborative efforts of the government, regulators and private enterprises; they must be able to build commercially viable and scalable models for financial inclusion.

3. RESEARCH METHODOLOGY

Problem statement:

"Insurance awareness in rural areas"

Descriptive research is defined as a research method that describes the characteristics of the population or phenomenon that is being studied. This methodology focuses more on the "what" of the research subject rather than the "why" of the research subject. I have used primary as well secondary data collection methods. The total sample is 50 respondent of bardoli region.

Objectives:

- To understand and determine the awareness of people under study on insurance.

- To provide ideas to deal with the health costs among rural population.

- To determine the willingness to join and pay for health.

Analysis

Table 1: what do you think Insurance agencies approach towards customers is

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very good	13	26.0	26.0	26.0
	Good	9	18.0	18.0	44.0
	Neutral	8	16.0	16.0	60.0
	Bad	12	24.0	24.0	84.0
	very bad	8	16.0	16.0	100.0
	Total	50	100.0	100.0	

This table indicates that there are 13 respondents have selected Very Good, 9 have selected Good, 8 respondents have selected Neutral, 12 respondent have selected Bad and 8 respondent have selected Very Bad.

Table 2: why people don't take insurance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	because they think it to be an expenditure	7	14.0	14.0	14.0
	because not have proper knowledge about insurance	13	26.0	26.0	40.0
	because people don't want to spend for it	17	34.0	34.0	74.0
	because claiming is not easy	13	26.0	26.0	100.0
	Total	50	100.0	100.0	

This table indicated that there are 7 respondents who don't take insurance because they think it to be an expenditure, 13 respondents who have chosen because not have proper knowledge about insurance, 17 respondents who have chosen because people don't want to spend for it, 13 have chosen because claiming is not easy.

Table 3: Do you know Benefits of taking insurance?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	25	50.0	50.0	50.0
	NO	25	50.0	50.0	100.0
	Total	50	100.0	100.0	

Interpretation: There are 25 respondents who know about the benefits of taking insurance and there are 25 who are unknown about benefits of taking insurance.

Table 4: How many insurance companies are you aware of ?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SBI	13	26.0	26.0	26.0
	RELIANCE	12	24.0	24.0	50.0
	BAJAJ ALLIANCE	12	24.0	24.0	74.0
	HDFC	8	16.0	16.0	90.0
	LIC	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

Interpretation: There are 13 respondents who are of SBI, 12 respondents who are aware of Reliance, 12 respondents are aware of Bajaj Alliance, 8 respondents for HDFC, and 5 respondents are aware of LIC.

Table 5: What do you think getting insurance is?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	VERY EASY	13	26.0	26.0	26.0
	EASY	9	18.0	18.0	44.0
	NEUTRAL	8	16.0	16.0	60.0
	HARD	12	24.0	24.0	84.0
	VERY HARD	8	16.0	16.0	100.0
	Total	50	100.0	100.0	

Interpretation: There are 13 respondents who think getting insurance is very easy, 9 respondents think it is easy, 8 respondent think that getting insurance is neutral, 12 respondents think getting insurance is hard, 8 respondents think it is very hard.

Table 6(a): insurance is needful to

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	HUMAN	14	28.0	28.0	28.0
	VEHICLE	14	28.0	28.0	56.0
	BOTH	22	44.0	44.0	100.0
	Total	50	100.0	100.0	

Interpretation: There are 14 respondents who have think insurance is needful for human, 14respondents think insurance is needed for vehicle, and 22 respondents thinks insurance is needed for both humans and vehicle.

Table 6(b): Claiming insurance is

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	VERY EASY	13	26.0	26.0	26.0
	EASY	9	18.0	18.0	44.0
	NEUTRAL	8	16.0	16.0	60.0
	HARD	12	24.0	24.0	84.0
	VERY HARD	8	16.0	16.0	100.0
	Total	50	100.0	100.0	

Interpretation: There are 13 respondents who think claiming insurance is very easy, 9 respondents who think claiming insurance is easy, 8 respondents think claiming insurance is neutral, 12 respondents think claiming insurance is very hard.

Table 7: is insurance helpful to you

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	23	46.0	46.0	46.0
	NO	27	54.0	54.0	100.0
	Total	50	100.0	100.0	

Interpretation: There are 23 respondents who think this was helpful to them, and 27 respondents think this was not helpful to them.

Table 8: important factor of insurance

		Responses		Percent of Cases
		N	Percent	
factors did you consider being the most important	strongly agree	302	26.3%	604.0%
	Agree	241	21.0%	482.0%
	Neutral	206	17.9%	412.0%
	Disagree	229	19.9%	458.0%
	strongly disagree	172	15.0%	344.0%
Total		1150	100.0%	2300.0%

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Name and Reputation of the insurance company	.183	50	.000	.875	50	.000
Use of modern technology by insurance company	.167	50	.001	.881	50	.000
Courteousness of employees, brokers and corporate agents	.211	50	.000	.870	50	.000
Capability and knowledge of employees, brokers and corporate agents	.198	50	.000	.864	50	.000
Services provided by the employees, brokers and corporate agents	.182	50	.000	.878	50	.000
Availability of maximum consumable income	.183	50	.000	.875	50	.000
Use of extensive promotional activities	.167	50	.001	.881	50	.000
Maximum customers' satisfaction	.211	50	.000	.870	50	.000
Prompt claim processing with least of formalities	.198	50	.000	.864	50	.000
Availability of loan facility to meet all associated cost of health insurance	.182	50	.000	.878	50	.000
Minimum copayment involved	.183	50	.000	.875	50	.000
Minimum deductible applicable	.183	50	.000	.875	50	.000
Nominal premium charged	.167	50	.001	.881	50	.000
Wide policy options	.211	50	.000	.870	50	.000
Reliability of services offered	.198	50	.000	.864	50	.000
Employer's contribution toward premium payment	.182	50	.000	.878	50	.000
Comprehensive coverage	.183	50	.000	.875	50	.000
Cash less facility	.167	50	.001	.881	50	.000
Easy accessibility of linked hospitals	.211	50	.000	.870	50	.000
Easy availability of services in hospitals	.198	50	.000	.864	50	.000
Flexibility of policy offered	.183	50	.000	.875	50	.000
Availability of tax benefits	.167	50	.001	.881	50	.000
Goodwill and Linkage of company with Third Party Administrators (TPAs)	.211	50	.000	.870	50	.000

One-Sample Test

	Test Value = 2					
					95% Confidence Interval of the Difference	
	T	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Name and Reputation of the insurance company	4.174	49	.000	.86000	.4459	1.2741
Use of modern technology by insurance company	3.850	49	.000	.78000	.3728	1.1872
Courteousness of employees, brokers and corporate agents	4.358	49	.000	.90000	.4850	1.3150
Capability and knowledge of employees, brokers and corporate agents	1.656	49	.104	.28000	-.0599	.6199
Services provided by the employees, brokers and corporate agents	4.661	49	.000	.96000	.5461	1.3739
Availability of maximum consumable income	4.174	49	.000	.86000	.4459	1.2741
Use of extensive promotional activities	3.850	49	.000	.78000	.3728	1.1872
Maximum customers' satisfaction	4.358	49	.000	.90000	.4850	1.3150
Prompt claim processing with least of formalities	1.656	49	.104	.28000	-.0599	.6199
Availability of loan facility to meet all associated cost of health insurance	4.661	49	.000	.96000	.5461	1.3739
Minimum copayment involved	4.174	49	.000	.86000	.4459	1.2741
Minimum deductible applicable	4.174	49	.000	.86000	.4459	1.2741
Nominal premium charged	3.850	49	.000	.78000	.3728	1.1872
Wide policy options	4.358	49	.000	.90000	.4850	1.3150
Reliability of services offered	1.656	49	.104	.28000	-.0599	.6199
Employer's contribution toward premium payment	4.661	49	.000	.96000	.5461	1.3739
Comprehensive coverage	4.174	49	.000	.86000	.4459	1.2741
Cash less facility	3.850	49	.000	.78000	.3728	1.1872
easy accessibility of linked hospitals	4.358	49	.000	.90000	.4850	1.3150
Easy availability of services in hospitals	1.656	49	.104	.28000	-.0599	.6199
Flexibility of policy offered	4.174	49	.000	.86000	.4459	1.2741
Availability of tax benefits	3.850	49	.000	.78000	.3728	1.1872
Goodwill and Linkage of company with Third Party Administrators (TPAs)	4.358	49	.000	.90000	.4850	1.3150

Null Hypothesis (H0) :- It Is Important Factor For Taking Insurance.

Alternative Hypothesis (H1) :-It Is Not Important Factor For Taking Insurance.

Interpretation:- If The Significant Value Is Less Than 0.05 Then The Null Hypothesis I.E., H0 Is Rejected And H1 Is Accepted ,Similarly If The Significant Value Is More Than 0.05 Then H0 Is Accepted And H1 Is Rejected.

4. FINDINGS

- The second observation made is that 51% of the respondent's families were not provided health insurance by their employers. Some concerns of the employers are high cost of new medical technologies, poor employee understanding on how to use the insurance plan and many employees wanted to increase benefits which the employer could not afford.

- Survey based on the basis of unstructured questionnaire and interview were a major tool to collect information about awareness level of insurance sector and to measure level of opportunities in Indian rural market.

- The other observation made is that 51% of the respondent's families were not provided health insurance by their employers. Some concerns of the employers are high cost of new medical technologies, poor employee understanding on how to use the insurance plan and many employees wanted to increase benefits which the employer could not afford.

5. CONCLUSION

The study reveals that the awareness about insurance is low. Insurance companies should reach out to those who are uneducated and the lower age group people, by awareness campaigns like radio (jingles) and television advertisements. The insurance companies should concentrate more on improving their services. The real growth in life insurance will occur when customers realize the true value of life insurance beyond tax saving. The awareness of insurance as a long term saving should be created both by the government, among the uneducated, low income group and the households having more earning members.

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