



A Study on Micro Insurance policy with special reference to Kodagu District

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Introduction

A considerable proportion of the Indian population belongs to the lower income bracket and faces socio-economic disadvantage, making them unable to avail any form of assistance provided by the banking sector, financial institutions and credit facilities. Micro insurance was established with the objective of offering assistance for specific group or individuals, facilitating their access to financial products and services.

It pertains to safeguarding individuals with low income against specific circumstances where they are obligated to pay the standard premium for the coverage or assistance that they have received.

Objectives of micro insurance policy

- To elucidate the present state of micro insurance policy concerning the Kodagu district.
- To illuminate the role of the micro insurance policy as a risk management tool to mitigating the financial vulnerability.
- This study aims to determine the level of awareness among the residents of the Kodagu district regarding availability of micro insurance products.
- To access the affordability of the premium offered to them.

Suggestions

- ❖ The majority of individuals residing in the Kodagu district exhibit a lack of awareness concerning the presence of micro insurance policy, resulting in its failure to reach the most vulnerable.
- ❖ These findings highlight the existence of a substantial untapped market for micro insurance, which can be addressed through the implementation of suitable delivery channels, comprehensive coverage options and efficient collection of premium.
- ❖ In order to address this issue, it is imperative for the government to undertake necessary measures aimed at generating awareness among the populace regarding the availability of the policies.
- ❖ Additionally, steps should be taken to provide the people with more convenient mode of premium payment.
- ❖ It is also crucial to rectify the disparity in premium amounts for certain policies, as they presently impose relatively lower premiums.
- ❖ It is worth noting that individuals residing in the specific zone display awareness primarily of general insurance policies with lower premiums, rather than micro insurance policy.
- ❖ It is observed that a significant number of respondents encounter difficulties in opting for online payment methods due to internet-related problems.

- ❖ The micro insurance poses a higher level of risk in comparison to regular insurance and thus companies must implement necessary measures to effectively disseminate and educate the public about the micro insurance policies.
- ❖ Additionally, the government must take action to enhance regulations pertaining to micro insurance.
- ❖ It is advisable to government to concentrate on targeting larger groups to achieving higher volumes.
- ❖ Innovations should be implemented at all stages particularly regarding product, pricing policy and delivery channels.
- ❖ Among the various insurance options available personal accident insurance and health insurance are the most commonly utilized by vulnerable individuals. Insurance companies and the government sector must undertake appropriate measures to effectively communicate and make accessible all available policies to the populace.
- ❖ Furthermore, it is crucial to minimize the half yearly, quarterly and annual premium associated with the micro Bachat and LIC JeevanMangal plan, as the target audience is often unable to afford substantial amounts.

Conclusion

The insurance sector is experiencing exponential growth and is considered an emerging market. By expanding its outreach, the sector can truly showcase its potential. Micro insurance policies are specifically tailored to provide coverage to economically vulnerable segments. They are integral part of financial inclusion, offering financial support to individuals who lack social security coverage, particularly among the deprived sector. Policy induced initiatives and institutional innovations are being implemented to promote insurance with this significant portion of the population. In order to enable access to insurance for all family members, micro insurance products need to be designed in a manner that accommodates respondents who are denied coverage solely based on premium constraints.

Micro Insurance policy display certain limitations when observed in the context of Kodagu district. The inhabitants of Kodagu remain uninformed about existence of the micro insurance policies in their area. According to the study, respondents who have opted for the micro insurance policy express highest level of satisfaction and would prefer to continue their policies. These policies have proven to be helpful during times of financial emergencies by offering crucial financial aid. It is imperative for the government to undertake essential measures to raise awareness among the population, enabling them to access the benefits provided.

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