

**CHAPTER – VII**

**SUMMARY OF FINDINGS, SUGGESTIONS AND**

**CONCLUSION**

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# **Summary of Findings, Suggestions and Conclusion**

## **7.1 INTRODUCTION**

The conclusions arrived in the previous chapters have been brought together in this chapter so that some final observations may be made to arrive at a wholistic picture of demographic and life micro insurance profile of women policyholders, preferences for life micro insurance policy, awareness regarding various aspects of life micro insurance, impact of life micro insurance policy, constraints and factors facilitating intake of life micro insurance in Vellore division.

## **7.2 SUMMARY OF FINDINGS**

The summary of the study is presented below based on the specific objectives of the study.

### **7.2.1 DEMOGRAPHIC AND LIFE MICRO INSURANCE PROFILE**

The results reveals that 75.4 per cent of the women policy holders are married and majority (58.35%) of the respondents fall under the age group of 35 to 54 years. 75.2 per cent of the policy holders are educated up to 10<sup>th</sup> standard and 66.3 per cent of them live in joint families. In case of occupation 42.7 per cent are coolie workers.

The second section dealt with the economic profile of the respondents which states that 44.2 per cent of the respondents have monthly income of less than Rs.5,000 and 30.8 per cent of the respondents have income from petty shops as a main source of subsidiary income. 34 per cent of the respondents have savings between Rs.50 and Rs.500 per month and 28.8 per cent of the respondents save money for some future events.

The third section dealt with the respondents' awareness on general insurance. 43.3 per cent of the respondents were fully aware about the various concepts of general insurance, 62.7 per cent have opted for the policy from Life Insurance Corporation of India, 40.8 per cent of the respondents opted for general insurance policy for saving some money for future and 81.3 per cent of the respondents opted for life insurance.

The fourth section dealt with life micro insurance profile of the women policy holders. All the respondents are members of Self Help Groups and 54 per cent of the

respondents are in a group of 12 members. 48.8 per cent of the respondents are fully aware about the concept of life micro insurance and all the respondents in the study opted for Jeevan Madhur life micro insurance policy. 35.4 per cent of the respondents preferred life micro insurance policy because the premium is less and 68.1 per cent have opted life micro insurance on the basis of an emotional motive. All the 480 respondents in the study insured for life micro insurance and 53.7 per cent of the respondents opted for life micro insurance on the basis of information provided by Non Governmental Organizations.

#### **7.2.2 ASSOCIATION OF DEMOGRAPHIC VARIABLES WITH PREFERENCES FOR TAKING LIFE MICRO INSURANCE**

The section dealt with the relationship between demographic variables and preferences for taking life micro insurance policy. Chi - square test was applied to study the relationship between demographic profile and preferences for taking life micro insurance policy. The results reveal that:

There is a statistically **significant relationship** between:

- ❖ Savings and preferences for taking life micro insurance and
- ❖ Family type and preferences for taking life micro insurance.

There is **no** statistically **significant relationship** between

- ❖ Age and preferences for taking life micro insurance
- ❖ Marital status and preferences for taking life micro insurance
- ❖ Education and preferences for taking life micro insurance and
- ❖ Income and preferences for taking life micro insurance.

#### **7.2.3 AWARENESS ON LIFE MICRO INSURANCE**

Weighted average, factor analysis and Chi - square tests were applied to measure awareness on life micro insurance. Weighted average reveals that the respondents were having **high awareness** with respect to eight variables and **low awareness** with respect to five variables.

Factor analysis was applied and three levels of awareness on life micro insurance were identified as product awareness, procedural awareness and benefit awareness.

Chi - square test was applied to study the relationship between education and sources of information with awareness on life micro insurance. The following null hypotheses were set for the purpose.

**H<sub>0</sub>:** There is no significant relationship between education and awareness about life micro insurance.

After analyzing educational qualification with awareness on life micro insurance, the results were that out of thirteen variables only for three variables the calculated value of chi – square was less than the hypothetical value ( $\alpha = 0.05$ ) at 5 per cent level of significance namely:

- ❖ Additional benefits in life micro insurance (0.010)
- ❖ Benefits in life micro insurance (0.003)
- ❖ Technology in life micro insurance (0.025)

Hence, there is a statistically significant relationship between education and the above three aspects of awareness on life micro insurance.

**H<sub>0</sub>:** There is no significant relationship between sources of information and awareness about life micro insurance

After analyzing sources of information with awareness on life micro insurance, the results were that out of thirteen variables only for five variables the calculated value of chi – square was less than the hypothetical value ( $\alpha = 0.05$ ) at 5 per cent level f significance namely:

- ❖ Procedures involved in life micro insurance (0.001).
- ❖ Products in life micro insurance (0.000)
- ❖ Types of products in life micro insurance (0.015)
- ❖ Concept of life micro insurance (0.012) and
- ❖ Benefits of life micro insurance (0.014)

Hence, there is a statistically significant relationship between sources of information and the above five aspects of awareness on life micro insurance.

Most of the respondents were graduates and were informed either through neighbors or LIC.

#### 7.2.4 IMPACT OF LIFE MICRO INSURANCE

Weighted average method and one way ANOVA was applied to measure the impact of life micro insurance. Weighted average results reveals that 21 statements were identified as **high impact** variables and 12 statements were identified as **low impact** variables on life micro insurance.

One way ANOVA test was applied to find out the relationship between amount of savings and income with impact on life micro insurance. 31 variables have significant relationship with amount of savings which are as follows:

- ❖ Improved courage (0.000)
- ❖ Created self confidence (0.000)
- ❖ Fulfilling own needs (0.001)
- ❖ Improvement in literacy level (0.000)
- ❖ Socially and financially independent (0.000)
- ❖ Satisfaction for supporting the family (0.000)
- ❖ Satisfaction for supporting family (0.000)
- ❖ Improved freedom of expression (0.001)
- ❖ Improved economic status (0.000)
- ❖ Earning activities (0.000)
- ❖ Increased standard of living (0.000)
- ❖ Increased savings (0.006)
- ❖ Increase in family income (0.040)
- ❖ Improved money management skill (0.000)
- ❖ Increase in extra income (0.000)
- ❖ Increased managerial abilities (0.000)
- ❖ Increased spouse support (0.000)
- ❖ More support from family for business involved (0.001)
- ❖ Improvement in family education level (0.000)
- ❖ More control in family decisions (0.000)
- ❖ Sustainability and cohesiveness in group (0.000)
- ❖ Improved freedom of expression (0.000)
- ❖ Improved role in decision making (0.001)
- ❖ Can spend money at own discretion (0.000)
- ❖ Recognition for earning in the society (0.000)
- ❖ Organizing ability (0.000)
- ❖ Co-ordination skill (0.006)
- ❖ Improved marketing skill (0.011)
- ❖ Improved communication skill (0.000)
- ❖ Financial management skill (0.000) and
- ❖ Decision making skill (0.000)

Regarding association between income and impact of life micro insurance, 27 statements have significant association with income of the respondents.

- ❖ Created self confidence (0.001)
- ❖ Improvement in literacy level (0.050)
- ❖ Socially and financially independent (0.000)
- ❖ Satisfaction for supporting the family (0.000)
- ❖ Improving economic status in the society (0.000)
- ❖ Helps women to undertake economic activities (0.000)
- ❖ Increasing standard of living (0.000)
- ❖ Increase in family income in future (0.004)
- ❖ Money management skill has increased (0.003)
- ❖ Increase in extra income (0.000)
- ❖ Increased managerial abilities of women (0.000)
- ❖ Easy to get assets against small savings (0.000)
- ❖ Increased spouse support for working in the family (0.000)
- ❖ Get more support for various business involved (0.000)
- ❖ Improvement in family education level (0.000)
- ❖ Helps in making more control in family decisions (0.000)
- ❖ Sustainability and cohesiveness in the group (0.000)
- ❖ Improved freedom of expression (0.000)
- ❖ Improved role in decision making (0.000)
- ❖ Can spend money at own discretion (0.000)
- ❖ Recognition for earning in the society (0.000)
- ❖ Development of planning skill (0.041)
- ❖ Development of organizing ability (0.001)
- ❖ Improvement in marketing skill (0.005)
- ❖ Improvement in communication skill (0.002)
- ❖ Improvement in financial management skill (0.000) and
- ❖ Improvement in decision making skill (0.000).

#### **7.2.5 CONSTRAINTS IN LIFE MICRO INSURANCE**

To explain the constraints of life micro insurance among policy holders, the study identified the following twelve factors:

1. Product constraints

2. Patron constraints
3. Aid constraints
4. Promotional constraints
5. Personal constraints,
6. Administrative constraints
7. Economic constraints
8. Assurance constraints
9. Facility constraints
10. Necessity constraints
11. Perceptive constraints and
12. Mediator constraints.

It is found that the product constraints are the highly dominating constraints among all the existing constraints. These constraints explained 28.30% of the variance. Hence it is concluded that product constraints possesses more influence compared to other constraints.

#### **7.2.6 FACTORS FACILITATING INTAKE OF LIFE MICRO INSURANCE**

Friedman test and one way ANOVA was applied to find out the factors facilitating intake of life micro insurance. Friedman's test was applied to rank the statements on factors facilitating intake of life micro insurance. The statement, "Insurance agent provides service at door step" with a mean score of 16.19 was assigned rank one and micro insurance makes it easy to get asset against small savings with a mean score of 11.93 was assigned the last rank (twenty seven). Majority of the respondents were professionals and most of the respondents who opted for life micro insurance had monthly income less than Rs.5,000. In addition to Friedman test, the research findings on the basis of ANOVA are presented below:

**H<sub>0</sub>:** There is no significant relation between occupation and factors facilitating intake of life micro insurance.

In order to test the above hypothesis one way ANOVA was applied. The results indicated that eleven variables on factors facilitating intake of life micro insurance has not accepted the null hypothesis and it is concluded that there is a statistically significant relationship between occupation and these eleven factors facilitating intake of life micro insurance.

- ❖ Requires fewer premiums (0.000)
- ❖ Do not need much education or knowledge to understand the concepts (0.000)
- ❖ Easy way to secure future (0.033)
- ❖ Cheapest way to insure life (0.005)
- ❖ Better products compared to other products (0.000)
- ❖ No personal effort needed to pay premium (0.000)
- ❖ Can carry out individually some business and get the premium done (0.000)
- ❖ Good quality care offered (0.033)
- ❖ Agent service at door step (0.005)
- ❖ Trust in LIC (0.000)
- ❖ Less time required for paying premium (0.000)

**H<sub>0</sub>:** There is no significant relation between income and factors facilitating intake of life micro insurance.

In order to test the above hypothesis one way ANOVA was applied. The results indicated that twenty one variables on factors facilitating intake of life micro insurance has not accepted the null hypothesis and it is concluded that there is a statistically significant relationship between income and these twenty one factors facilitating intake of life micro insurance.

- ❖ Requires fewer premiums (0.001)

- ❖ Do not need much education or knowledge to understand the concepts (0.000)
- ❖ Do not have money for other insurance policies which require more money (0.015)
- ❖ Easy way to secure future (0.000)
- ❖ Gives respectable place in the society (0.005)
- ❖ Cheapest way to insure life (0.000)
- ❖ Better products compared to other products (0.000)
- ❖ Less legal formalities involved (0.000)
- ❖ Support from family to save money for future (0.001)
- ❖ No personal effort needed to pay premium (0.007)
- ❖ Makes it easy to repay debt (0.001)
- ❖ Helps to get asset against small savings (0.000)
- ❖ Good quality care offered (0.015)
- ❖ Helps to cover expenses from accidents (0.000)
- ❖ Agent service at door step (0.005)
- ❖ Trust in LIC (0.000)
- ❖ Less time required for paying premium (0.000)
- ❖ No statistical data on benefits (0.000)
- ❖ To meet uncertain contingencies (0.001)
- ❖ Opinion is considered if you have money (0.007)
- ❖ Do not feel life is successful without savings (0.014)

### **7.3 SUGGESTIONS**

The study intends to provide a number of suggestions with regard to the potential growth and complementary allotment of life micro insurance in the survey area which will certainly give indications as to how one should deal with similar situations in rural life insurance markets. The widespread calculation of innovative life micro insurance products will be of major scale given the fact that proceeds in the life micro insurance business are highly focused by economies of scale. As a result of present research, the following suggestions are made:

1. Most of the respondents in the study are satisfied with the risks covering capacity of the product but certain segments of population are still out of the reach. For example, if crop damage, children education and business damage are included in the product life micro insurance, it would have been more beneficial to the policy holders.
2. Majority of the respondents find it hard to come within the reach of the provider in insurance of their choice and make a selection of product because majority of the providers in insurance are found in the urban areas. Irregular meetings with the concerned authorities or intermediaries are not sufficient for the assessment of product features or increase in the number of policy holders for a particular product.
3. The reach of the product to its client and ensuring trust for insurance providers is completely missing. So the product should reach its customers by itself and this can be done only through a retail outlet in the village.
4. The companies have the attitude of focusing on the rural poor only when they do not have sufficient market from the urban side. This has to change and certain percentage of business should necessarily be focused on the rural sector.
5. IRDA has clearly stated that all insurance Companies should have at least 20% of their business set up in rural areas in either case which can lead to payment of fine of huge amount as fine or break down of the insurance company. Still majority of the Companies do not maintain the minimum ratio been set up but still concentrating on working in urban areas. IRDA should take severe steps against companies not maintaining minimum ratio mentioned and make the insurance companies incline at least some portion of their business to rural areas compulsorily.

6. Among the policy holders majority of the respondents seem to be aware of the concept behind life insurance. But when asking more detailed questions it turns out that there is quite a share of clients who are unaware or confused about the range of benefits included in their policy. Hence, it is extremely important to educate clients very profoundly about the content of their policy and sell their policy under clear premises.
7. Marketers need to have coerced approach rather than endowment kind of approach.
8. Quality assurance and service delivery issues have to be well addressed when a company takes idea with regard to promotion of the insurance product and its nature.
9. The rural poor have limited resources and hence, if they have an alternative to get a loan on the policy besides being a policy holder they can avail the facility to utilize the amount in installments in times various needs creep in.
10. Educating the rural consumers as to how a product suits the requirement of the particular customer and how it differs from other products is a must.

#### **7.4 CONCLUSION**

To conclude the study on awareness and impact of life micro insurance among women policy holders in Vellore Division, Tamil Nadu, which focused on Jeevan Madhur life micro insurance policy of LIC, the policy has to still travel a long way to find its each factual beneficiary because it is not yet penetrated fully into the life of the rural poor women. The study which seeks to analyze awareness about life micro insurance proves that the policy holders are aware of the basic features of the product only. There is a need to provide an in - depth awareness on the product and its related features.

There are a wide variety of factors which facilitate intake of life micro insurance. But there are a few who have dropped out of the life micro insurance policy which makes it obvious that the product features should be revised to facilitate more intake of life micro insurance. There is a throng of constraints hindering the growth of life micro insurance where the real problem exists with corporate who are still not ready to give much importance to the rural market as much as the urban

market. In order to tackle the issues, the Company should involve youth from rural areas who can understand the policy holders and their surroundings.

These problems can be handled if concept of life micro insurance and the need for such policy is effectively communicated to rural people. The need for the hour is a long term strategy where the rural buyer must be treated like any other buyers because they also have needs, desires, likes and dislikes. So this sector needs a long - term perspective that combines sensitivity to client priorities with market development and financial feasibility thereby replacing the current preoccupation with immediate profits.

## **7.5 MANAGERIAL IMPLICATIONS**

The findings of the study can assist in successful provision of life micro insurance and momentous client tutoring. The study can assist administrator and policy makers to understand the managerial effectiveness from the perspective of personal traits. The study points to some elements worthy of consideration which include making provision of diverse products for meeting different requirements, making the payment of premium in tune with the income flow of the individual, assessing various formal and informal insurance options so as to arrive at better understanding of effective demand and de - linking micro credit and life micro insurance.

An evaluation of the gaps in the market and the complementarities will recommend where the greatest opportunities subsist for micro insurance to expand service rider and superiority care to those presently un - served. The state and Central Government, NGOs, MFIs and banks also has a role to play in the safeguard of the rural poor through systems that enforce the rule of law and promote safe communities. Dogmatic systems that set building codes to reduce the risks faced by the poor are other areas where these intermediaries has a role to play.

## **7.6 SCOPE FOR FUTURE RESEARCH**

1. A research attempt can be made to study the popularity of Jeevan Madhur Micro Life Insurance at state level. The study may be extended to other districts also.

2. A separate research attempt can be made to study the role of providers and intermediaries in promoting micro insurance.
3. Those who have research interest in this area can also make a research attempt to make a comparative study between Jeevan Madhur life micro insurance policy of LIC and Grameen Shakthi life micro insurance policy of SBI.
4. The present study focuses only on the popularity and perceived impact of micro insurance since the claims have not yet been settled. In future an attempt can be made to study the actual impact of micro insurance relating to claim settlement.
5. A separate study is also feasible to find out the reasons why all the 16 micro insurance providers other than LIC have dropped from offering life micro insurance products.