RURAL INSURANCE MARKETING

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ABSTRACT

The Insurance Industry has a significant contribution in socio-economic development. Insurance penetration is low in rural areas. The rural market offers tremendous growth opportunities for insurance companies. The main objective of this study is to know the Awareness of different rural Insurance products. For this study Mean, Chi-Square test were employed. This Feed is useful for Insurance organization while formulating strategies for rural insurance.

Keywords: Insurance Industry, Rural Awareness, Chi-Square test.

INTRODUCTION: The Insurance sector has been mostly confined to cities. However, in the rural areas where human life and income-generated rural assets need more protection, there is tremendous scope for developing insurance business. The following are the some of rural insurance products.

Poultry insurance: ‘Poultry’ for the purpose of the market agreement refers to (a) layers (b) broilers and (c) parent stock (exotic and cross-bred only). The agreement prescribes age limits and minimum number of birds to be insured.

The policy provides indemnity against death of birds due to accident (including fire, lightning, flood, cyclone / storm / tempest / earthquake, strike, riot, act of terrorism) or disease contracted or occurring during the period of insurance.

Cattle insurance: The word ‘Cattle’ for the purpose of the market agreement refers to the following animals, whether indigenous, exotic or cross-bred, within the age limit indicated.

- Milk Cows: 2 years to 10 years
- Milk Buffaloes: 3 years to 12 years
- Stud bulls (Cow / Buffalo species): 3 years to 8 Years
- Bullocks (Castrated bulls and Castrated male buffaloes): 3 years to 12 Years
Sheep and Goat Insurance: The policy provides indemnity (sum insured or market value, whichever is less) against death of sheep and goats due to – Accident (including fire, lightning, flood, cyclone, famine, strike, riot and civil commotion) or – Disease – Occurring or contracted during the period of insurance.

Agricultural pump set policy: The insurance is granted on Centrifugal Pump sets (electrical and diesel) up to 25 H.P. capacity of approved makes used for agricultural purposes only. The cover is in respect of unforeseen and sudden physical damage to pump sets (including starters) by (a) Fire, lightning,(b) Riot, strike, malicious damage, terrorism, (c) Mechanical, electrical breakdown and (d) Burglary (by violent forcible entry and provided the pump set is kept in a locked enclosure).

Flood risk can be granted on a selective basis at extra premium

The Insurance Institute of India prepared a Project Report on “Marketing of Life Insurance”, (1987). This project was undertaken to examine the following aspects: Extent of life insurance coverage, awareness, attitudes and beliefs of people on life insurance, perceptions, sense of identification of employees with Life Insurance Company. He concluded that LIC is a better avenue of investment than bank deposits. LIC products are sold easily among the consumers on account of its reliability.

Ashok Thampy and Sitharama; S. (2002) studies the highlights of rural insurance research, an Economic Approach. Two representative districts were selected from each area in the whole of rural India; affluent areas of western Uttar Pradesh are Andhra Pradesh. The study shows that the rural sector offers huge business opportunity and out of 124 million rural house hold, 27% already possess life policy and 51% of the respondents express to purchase a policy. This ensures that the insurance industry will grow in future.

Selvavinayagam, K. and Mathivanan, R. (2010) article has revealed that the competitive climate in the Indian insurance market has changed dramatically over the last few years. At the same time, changes have been taking place in the government regulations and technology. The expectations of policyholders are also changing. The existing insurance companies have to introduce many new products in the market, which have competitive advantage.
over the products of life insurance companies.

**OBJECTIVES:** The following are the main objectives of the study

1) To Study Socio-Economic Profile of the sample respondents
2) To Study the awareness levels of different Rural Insurance Products

**METHODOLOGY OF STUDY**

**Methodology of the Study:** The present study is mainly based on primary data and is behavioural in nature. However, the secondary data is also made use of at some places of the study wherever it became necessary. The primary data is collected through a structured schedule. The schedule is designed keeping in view the objectives of present research work. The relevant secondary data is gathered from the reports, books, journals, periodicals, dailies and magazines, and websites. The data and the information collected with the help of schedule are processed and analyzed using SPSS software.

**Sampling Design**

Sampling Method: Convenience method

Sample Size: 246 (Kurnool, Kadapa, Anantapur-rural areas)

**HYPOTHESES:** Based on the objectives the following hypotheses are formulated

H$_01$: There is no significance relation between Demographics and poultry insurance Awareness

H$_02$: There is no significance relation between Demographics and cattle insurance Awareness

H$_03$: There is no significance relation between Demographics and sheep and goat insurance Awareness

H$_04$: There is no significance relation between Demographics and Agricultural pump set policy Awareness

**DATA ANALYSES**

**Agricultural pump set policy:** Demographics of the respondents for this study are as follows. Age 30 and below =64, 31-40 years=81, 41 and above=101, Income Levels: Below 100000= 184, 100001-200000=32, 200001-and above =30, Marital Status: Married= 193 unmarried=53
Cattle insurance: Demographics of the respondents for this study are as follows. Age 30 and below =45, 31-40 years = 82, 41 and above=119, Income Levels: Below 100000= 162, 100001-200000= 46, 200001- and above = 38, Marital Status: Married= 186, unmarried= 60

Sheep and goat insurance: Demographics of the respondents for this study are as follows. Age 30 and below = 72, 31-40 years = 91, 41 and above = 83, Income Levels: Below 100000= 125, 100001-200000= 96, 200001- and above = 25, Marital Status: Married= 201, unmarried= 45

Poultry insurance: Demographics of the respondents for this study are as follows. Age 30 and below = 54, 31-40 years = 86, 41 and above=106, Income Levels: Below 100000= 43, 100001-200000= 109, 200001- and above = 94, Marital Status: Married= 210 unmarried= 158

Rural Insurance Product-Awareness

<table>
<thead>
<tr>
<th>Rural Insurance Product</th>
<th>Aware</th>
<th>Un-Aware</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poultry insurance</td>
<td>158</td>
<td>88</td>
<td>246</td>
</tr>
<tr>
<td>Cattle insurance</td>
<td>73</td>
<td>173</td>
<td>246</td>
</tr>
<tr>
<td>Sheep and goat insurance</td>
<td>81</td>
<td>165</td>
<td>246</td>
</tr>
<tr>
<td>Agricultural pump set policy</td>
<td>90</td>
<td>156</td>
<td>246</td>
</tr>
</tbody>
</table>

**H01**: There is no significance relation between Demographics and poultry insurance Awareness

<table>
<thead>
<tr>
<th>S.NO</th>
<th>HYPOTHESES</th>
<th>Asymp. Sig</th>
<th>STATISTICAL TEST</th>
<th>Null Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>H01</td>
<td>There is no significance relation between Marital Status and poultry insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
<tr>
<td>H02</td>
<td>There is no significance relation between Income and poultry insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
<tr>
<td>H03</td>
<td>There is no significance relation between Age group and poultry insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Interpretation: Significance value is < .05 hence rejected null hypotheses and Accepted Alternative Hypotheses. Concluded that there is a significance relation between Marital Status, Income, Age group and poultry insurance Awareness

**H02**: There is no significance relation between Demographics and cattle insurance Awareness
<table>
<thead>
<tr>
<th>S.NO</th>
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<th>Asymp. Sig</th>
<th>STATISTICAL TEST</th>
<th>Null Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₀₁</td>
<td>There is no significance relation between Marital Status and cattle insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
<tr>
<td>H₀₂</td>
<td>There is no significance relation between Income and cattle insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
<tr>
<td>H₀₃</td>
<td>There is no significance relation between Age group and cattle insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

**Interpretation:** Significance value is <.05 hence rejected null hypotheses and Accepted Alternative Hypotheses. Concluded that there is a significance relation between Marital Status, Income, Age group and cattle insurance Awareness

H₀₃: There is no significance relation between Demographics and sheep and goat insurance Awareness

<table>
<thead>
<tr>
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<tr>
<td>H₀₁</td>
<td>There is no significance relation between Marital Status and sheep and goat insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
<tr>
<td>H₀₂</td>
<td>There is no significance relation between Income and sheep and goat insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
<tr>
<td>H₀₃</td>
<td>There is no significance relation between Age group and sheep and goat insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

**Interpretation:** Significance value is <.05 hence rejected null hypotheses and Accepted Alternative Hypotheses. Concluded that there is a significance relation between Marital Status, Income, Age group and sheep and goat insurance Awareness

H₀₄: There is no significance relation between Demographics and Agricultural pump set Insurance
<table>
<thead>
<tr>
<th>S.NO</th>
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<th>Asymp. Sig</th>
<th>STATISTICAL TEST</th>
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</tr>
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<tr>
<td>H₀₁</td>
<td>There is no significance relation between Marital Status and Agricultural pump set Insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
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</tr>
<tr>
<td>H₀₂</td>
<td>There is no significance relation between Income and Agricultural pump set Insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
<tr>
<td>H₀₃</td>
<td>There is no significance relation between Age group and Agricultural pump set Insurance Awareness</td>
<td>.000</td>
<td>Chi-Square test</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

**Interpretation:** Significance value is <.05 hence rejected null hypotheses and Accepted Alternative Hypotheses. Concluded that there is a significance relation between Marital Status, Income, Age group and Agricultural pump set Insurance Awareness.

**Conclusion:** From this study it is concluded that most of the rural customers are unaware of rural insurance products- Cattle insurance=173 Un Aware, Sheep and goat insurance=165 Un Aware, Agricultural pump set policy=156 Un Aware and in Poultry insurance=88 Un Aware. This awareness has relation with Marital Status, Income and Age group. Hence while creating awareness insurance organizations has to consider Marital Status, Income and Age group of rural customers.

**Reference**


   a. Insurance, pg 73-88