

Growth of Insurance in Rural Areas

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Abstract- Insurance is purchase lesser in India by rural population. The rural peoples are take only general insurance, but they don't focus on taking the life insurance. The proper distribution channels are helps to analyze and provide a good growth for the insurance companies. Every insurance companies mainly contributed there significance in the development of socio economic development. The implement of new product and services should satisfy based upon what is all the requirement need by the customers.

1. INTRODUCTION

In India the rural peoples are mainly earned their income by doing the agricultural and farming occupation and also incomes generates from other sources i.e, farming, cattle, fishing. Farmers also facing many risk of loss in there agricultural and also even there day today life. For reducing risk of loss a farmers which is possible only by insurance. The insurance benefits or insurance policies not only help the rural farmers but also helps to the other peoples also even rural and urban peoples. The both public and private sectors has expanded their insurance market sector by introducing new various policies which helps to the rural areas. According to 2016 report 18.1% of the persons having covered under health insurance scheme. But overall 13% of the rural population had access to insurance cover.

2. THEORETICAL BACKGROUND/CONCEPTUAL FRAMEWORK

Insurance companies are focusing mainly based on the customer satisfaction by introducing new premiums policies at lower price while giving the financial security of the insurance market.

3. REVIEW OF LITETRATURE

Harnam Singh, Dr. Madhurima Lall1 (2011) Insurance one of the fastest growing sector in India. The innovation of new insurance policies or product and services designed and offered as per the customers requirements. The research helps to identify the insurance economic growth relationship and the policies which are in the insurance

Akshay Deep Kalal, Naveen Goud Gajja2 good insurance companies will give the good quality services best future plans and it also reduces the level of risk and increases the level customer satisfaction towards the insurance industry. The different types of insurance policies holders to came out from several risks. In rural the insurance policies were taken for the animals, agricultural etc.

Dr.Mustafizul Haque3 in insurance they give the less return for the paid premium. In rural areas the insurance sectors the major challenges are educations, improper distributions channels for rural areas. Insurance sector companies for their growth the will create an awareness in the minds of rural peoples. Factors affecting are age, gender, life style.

Nagaraja Rao, Satyapriya Periyasamy4 (2014) insurance is not only selling the policies to customers. It also building a trust, strategy towards attracting the customers. The insurance companies growth both the rural and urban areas. For the rural peoples they give lesser convient amount.

Ravi Nawa5 (2008) the IRDA has introduce same of the new plans for rural areas peoples. This is gives the rural areas peoples to good source quality and satisfaction level.

Dr. N M Keeps and Dr. Sabat Kumar Diga6 for the growth of insurance sector in rural sector the public and private sector uses the strategies.First they taken to maximise customer satisfaction.

Ganesh S. S. S. D7 there is some growing difference between the developed countries and between the

developing countries in both the public and private companies. The life insurance company shows its interest to develop the rural areas.

Classification of insurance:

- Life insurance
- Property insurance
- Health insurance
- Fire insurance
- Third party insurance

Expansion of insurance companies to rural areas of India:

1. Various livestock i.e cattle, sheep etc.
2. Plantation and horticulture crops i.e, rubber
3. Property i.e, agricultural pump sets.
4. Persons i.e, accident.

Factors affecting the insurance:

- Market size
- Investment
- Government initiatives

4. OBJECTIVE OF THE STUDY

To study about the growth of insurance sector.

5. RESEARCH METHODOLOGY

Types of research:

Descriptive research- Descriptive research used for the study. It describes the facts, features and situations in a study.

Premium Growth Rate

INDIA	2013-14	2014-15	2015-16	2016-17	2017-18
Premium	-0.4	1.1	1.6	2.1	2.4

For the above table shows the increase in the premiums growth rate from -0.4 to 2.4.

Data interpretation:

Insurance penetration in India continues to be one of the lowest at 3.69%, according to the annual report by IRDAI.



Source: Insurance Regulatory and Development Authority – Sectorial Report

TOTAL REAL PREMIUM GROWTH RATE 2018			
Regions/Countries	Life	Non-Life	Total
Advanced markets	-2.7	1.9	-0.6
Emerging markets	14.0	6.1	10.3
Asia	5.6	5.8	5.7
India	8.0	16.7	10.1
World	0.5	2.8	1.5

In India the premium has growth in insurance was 10.1%.

6. FINDINGS AND SUGGESTION:

- Clients were not satisfying with the service provided by the insurance company
- Increase the levels of channel of distribution
- Know the customers perception level helps to growth the insurance
- Increasing GDP in rural areas
- Insurance companies creates the gap between the demand and supply of insurance and it affects growth
- Insurance clients were not satisfied with the various services provided by the insurance companies such as claiming of policies, process of applications etc.
- Rural insurance market sizes are smaller than the urban insurance market regions.

7. CONCLUSION

Indian insurance is expected to reach US\$280 billion by 2020. In the year 2019 premiums of life insurance increase 3.19%. Insurance companies are developing the new products but they are failing to reach those products in rural areas due to the lack of insufficient information, various improper of distribution channels. Marketers has establish a good planning strategy to attract the rural areas and it will helps to increase the growth rate from lower level to higher level.

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