

The Role of Micro insurance in Providing Financial Security in the Vindhya Region of Madhya Pradesh

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Abstract - Micro insurance — insurance products designed for low-income households and informal-sector workers — has emerged as an important tool for improving financial resilience in developing regions. This paper examines the role of Micro insurance in providing financial security in the Vindhya Region of India, an area characterized by economic vulnerability, agricultural dependence, and limited access to formal financial services. The study adopts a mixed-methods approach combining literature synthesis, regional case-study analysis, and a proposed household survey instrument for field validation. Findings suggest that Micro insurance can reduce vulnerability to shocks, enhance household investment in health and livelihoods, and support inclusive financial systems when backed by local trust, effective delivery channels, and appropriate regulation. The paper concludes with policy recommendations and a practical framework for strengthening Micro insurance initiatives in the Vindhya Region.

Keywords: Micro insurance, financial security, Vindhya Region, risk management, inclusion, resilience, India

I. INTRODUCTION

The Vindhya Region of India, covering parts of Madhya Pradesh and Uttar Pradesh, is predominantly rural and agriculturally driven. Households in this region are exposed to frequent economic shocks such as crop failure, drought, illness, and fluctuating income due to informal employment. Traditional financial systems often fail to reach these populations effectively, resulting in limited access to risk-management tools.

Micro insurance provides a promising mechanism to manage risks among low-income households by offering affordable insurance products that cover health, agriculture, and life contingencies. This paper explores how Micro insurance contributes to financial security in the Vindhya Region, identifies barriers to

adoption, and recommends strategies to enhance its reach and effectiveness.

II. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

| Author & Year | Key Finding |
|----------------------------|------------------------------------------------------------------------|
| Platteau (2020) | Trust is the biggest barrier to adopting Micro insurance. |
| Cole et al. (2021) | Extremely high price sensitivity among low-income groups. |
| Janzen & Carter (2021) | Index insurance encourages productive agricultural investment. |
| Tellez & Cedrick (2021) | Mobile Micro insurance increases renewal rates. |
| Zimmerman & Magnoni (2022) | Digitalization cuts distribution and claim costs. |
| Bauer et al. (2022) | Micro insurance reduces reliance on informal high-interest debt. |
| Koch & Dalal (2023) | Embedded Micro insurance increases uptake by 30–40%. |
| Osifodunrin et al. (2023) | Literacy, awareness and trust strongly influence demand. |
| König et al. (2024) | Health Micro insurance improves healthcare use & reduces OOP expenses. |
| Eling (2024) | Research field growing but requires standardization. |

Meenakshi and Jerinabi (2015) have concluded that Micro insurance is not only the mechanism for reducing vulnerability but also ensures social and economic security to the poor. It protects rural households against those risks that they are unable to protect themselves through informal mechanisms, savings or credit. Micro insurance providers are concerned that coverage that coverage of risks can be provided on a sustainable basis. Low income and poor people have different needs and priorities.

Narender Naik (2015) has revealed that micro insurance is the lowest premium and low coverage insurance policies for people with low income. The products of micro insurance are designed with the objective of

protecting poor people. The products are also developed as per requirement of poor people that are generally ignored by traditional insurance products. Micro insurance is providing economic security to low income people, micro insurance is the tool that protects rural as well as poor urban people by offering low cost insurance to mitigate their risk

Paragshil (2013) the result of the study indicates that micro insurance is a key element in the financial services package for mass people particularly for economically weaker section of people. The poor face more risks than well off, but more importantly they are more vulnerable to the same risk, however it is becoming increasingly clear that micro insurance needs a further push and guidance from the regulator insurance regulatory development authority as well as government.

Ratna Kishor (2013) the study analyzed that micro insurance is the term used to refer the insurance to the low income people as it is different from insurance in general where micro insurance is a low value product with less premium and benefits. Micro insurance can boost resources for the rural poor people. The entire economy gains as the insurance industry matures further as well. There is a need for micro insurance in India's poverty reduction strategy. Micro insurance social security, it increase the livelihood of the poor where they cannot well, have good health.

Geetha and Vijayalakshmi (2014) has highlighted that micro life insurance sector will soon capture the low income segment of our economy. Micro insurance providers should begin by training and educating key intermediaries in the idea of promoting insurance and private insurers should also begin developing relationship with existing delivery channels. It is unfortunate that the insurers have innovated products and distribution beyond the regulatory requirement to conduct business in the low Income segment.

Amrutha Varshini and suresh (2013) has explained that micro insurance is a relatively recent phenomenon. The spread of micro insurance is very limited. In the recent past, there has been a growing interest in micro insurance in emerging markets as a tool for financial inclusion and poverty alleviation. From last few years micro insurance is promoted as an important financial service for low income people in developing countries offering protection in the event

of death, illness or natural catastrophes. Micro insurance is distinguished from other types of insurance by virtue of its low premiums, focus of risk protection, easy understandability and affordability to lower income population.

III. OBJECTIVES

1. To assess the role of Micro insurance in improving financial security among low-income households in the Vindhya Region.
2. To identify key factors influencing awareness, adoption, and satisfaction with Micro insurance schemes.

IV. RESEARCH METHODOLOGY

4.1. Research Design

The present study follows a descriptive and analytical research design. It aims to describe the current trends, preferences, and behavioral patterns of consumers influenced by both digital and traditional marketing channels, and to analyze the comparative impact of these two marketing forms on consumer buying behavior in the Vindhya Region.

4.2. Nature and Type of Study

- Nature: Quantitative and qualitative (mixed-method)
- Type: Empirical, field-based study conducted through surveys and interviews
- Scope: Limited to consumers in the Vindhya Region (including districts like Rewa, Satna, Sidhi,)

4.3. Sources of Data

a. Primary Data: Primary data was collected directly from respondents through:

- Structured Questionnaire: A closed-ended and semi-open questionnaire designed to measure awareness, perception, and buying behavior influenced by both marketing forms.
- Interviews and Discussions: Conducted with marketing executives, small business owners, and consumers for qualitative insights.

b. Secondary Data

Secondary data was obtained from:

- Research journals, marketing management books, and academic publications

4.4. Sampling Design

a. Population of the Study

The target population comprises consumers of different age groups, income levels, and occupations residing in the Vindhya Region

b. Sampling Technique

A Stratified Random Sampling technique was used. The population was divided into strata based on key demographic variables such as:

- Urban / Semi-Urban / Rural residence
- Occupation (students, service employees, businesspersons, homemakers)

From each stratum, a random sample was selected to ensure balanced representation.

c. Sample Size

A total of 120 respondents were selected from different districts of the Vindhya Region for the study.

4.5. Research Instrument (Questionnaire Design)

A structured questionnaire was developed containing both closed-ended and Likert-scale questions.

The questionnaire was pre-tested on a small group of 10 respondents to ensure clarity and reliability before large-scale distribution.

4.7. Data Collection Procedure

- Questionnaires were distributed both online (Google Forms) and offline (printed copies) to reach respondents in areas with limited internet connectivity.
- Data collection was carried out over a period of 60 days.
- Follow-up discussions and interviews were conducted for in-depth understanding of consumer opinions.

V. DATA ANALYSIS NAD INTERPRETATION

Section A: Respondent Demographic profile

5.1.

| Gender | Frequency | Percentage |
|-----------------|-----------|------------|
| Male | 58 | 48.30% |
| Female | 60 | 50.00% |
| Other | 2 | 1.70% |
| Total | 120 | 100% |
| | | |
| Age Group | Frequency | Percentage |
| 18–25 years | 34 | 28.30% |
| 26–35 years | 41 | 34.20% |
| 36–45 years | 28 | 23.30% |
| Above 45 years | 17 | 14.20% |
| Total | 120 | 100% |
| | | |
| Education Level | Frequency | Percentage |

| Higher Secondary | 22 | 18.30% |
|------------------------|-----------|------------|
| Graduate | 48 | 40.00% |
| Postgraduate | 38 | 31.70% |
| Professional/Technical | 12 | 10.00% |
| Total | 120 | 100% |
| | | |
| Occupation | Frequency | Percentage |
| Self-Employed | 26 | 21.70% |
| Government Employee | 18 | 15.00% |
| Private Employee | 44 | 36.70% |
| Student | 20 | 16.70% |
| Homemaker | 12 | 10.00% |
| Total | 120 | 100% |
| | | |
| Income Level (INR) | Frequency | Percentage |
| Below 15,000 | 28 | 23.30% |
| 15,001 – 25,000 | 36 | 30.00% |
| 25,001 – 40,000 | 32 | 26.70% |
| Above 40,000 | 24 | 20.00% |
| Total | 120 | 100% |
| | | |
| Location | Frequency | Percentage |
| Urban | 72 | 60.00% |
| Rural | 48 | 40.00% |
| Total | 120 | 100% |

Interpretations:

Gender:

The sample is nearly balanced, with females (50%) and males (48.3%), ensuring unbiased representation.

Age Group:

Most respondents belong to the 26–35 years age group (34.2%), followed by 18–25 years (28.3%), indicating a predominantly young and active population.

Educational Qualification:

A majority are well-educated, with graduates (40%) and postgraduates (31.7%) forming the largest segments.

Occupation:

Private employees represent the highest proportion (36.7%), showing that the sample mainly consists of working professionals.

Monthly Income:

Most respondents earn between ₹15,000–40,000 per month, reflecting lower-middle to middle-income categories.

Marital Status:

Half of the respondents are married (50%), with 43.3% unmarried, indicating a balanced mix of family profiles.

Location:

Urban respondents constitute 60%, showing a slight urban dominance but with substantial rural representation (40%).

5.2 Have you heard about micro insurance before?

| BASIS | RESPONSES | PERCENTAGE |
|-------|-----------|------------|
| Yes | 78 | 65% |
| No | 42 | 35% |
| Total | 120 | 100% |

Interpretation

A majority of respondents (65%) reported that they have heard about Micro insurance, while 35% are still unaware of it. This indicates that although awareness is moderately high, a significant proportion of the population still lacks knowledge about micro insurance products, highlighting the need for more awareness and outreach initiatives.

5.3 If yes, how did you learn about micro insurance? (Multiple choice)

| BASIS | RESPONSES | PERCENTAGE |
|------------------------------|-----------|------------|
| Insurance Agent | 32 | 26.70% |
| Government Awareness Program | 18 | 15.00% |
| Mobile / Internet | 40 | 33.30% |
| Friends / Family | 20 | 16.70% |
| Self-help Groups / NGOs | 6 | 5.00% |
| Other (specify) | 4 | 3.30% |
| Total | 120 | 100% |

Interpretation

Most respondents learned about Micro insurance through mobile/internet sources (33.3%), followed by insurance agents (26.7%). Friends/family account for 16.7%, while government programs (15%) and NGOs (5%) play a smaller role. This shows that digital channels and direct agents are the main sources of awareness among respondents.

5.4. How well do you understand micro insurance schemes?

| BASIS | RESPONSES | PERCENTAGE |
|-----------|-----------|------------|
| Very well | 22 | 18.30% |
| Somewhat | 50 | 41.70% |
| Slightly | 36 | 30.00% |

| | | |
|------------|-----|--------|
| Not at all | 12 | 10.00% |
| Total | 120 | 100% |

Interpretation

A majority of respondents (41.7%) understand Micro insurance somewhat, while 18.3% understand it very well. About 30% have slight understanding, and 10% do not understand at all. This indicates moderate awareness among respondents, highlighting the need for better education and awareness programs to improve comprehension of Micro insurance schemes.

5.5 Do you currently have any micro insurance policy?

| BASIS | RESPONSES | PERCENTAGE |
|-------|-----------|------------|
| Yes | 46 | 38.30% |
| No | 74 | 61.70% |
| Total | 120 | 100% |

Interpretation

Only 38.3% of respondents currently have a Micro insurance policy, while the majority (61.7%) do not. This indicates that although awareness may exist, actual adoption of Micro insurance is relatively low, suggesting potential barriers such as affordability, trust, or understanding of the schemes.

5.6 If yes, which type(s) of micro insurance have you purchased?

| BASIS | RESPONSES | PERCENTAGE |
|----------------------------|-----------|------------|
| Health | 18 | 15.00% |
| Crop | 6 | 5.00% |
| Life | 10 | 8.30% |
| Accident | 7 | 5.80% |
| Livestock | 3 | 2.50% |
| Other (specify) | 2 | 1.70% |
| Not applicable (No policy) | 74 | 61.70% |
| Total | 120 | 100% |

Interpretation

Out of all respondents, only 38.3% have a Micro insurance policy, with health insurance (15%) being the most commonly purchased type. The majority (61.7%) do not have any policy, showing low adoption despite some awareness. This suggests that barriers like affordability, lack of understanding, or trust issues may limit enrollment.

5.7 What motivated you to buy Micro insurance? (Choose all that apply)

| BASIS | RESPONSES | PERCENTAGE |
|-------|-----------|------------|
|-------|-----------|------------|

| | | |
|--------------------------------|-----|--------|
| Low premium | 20 | 16.70% |
| Recommended by agent/SHG | 12 | 10.00% |
| Government subsidy | 8 | 6.70% |
| Past experience with risk/loss | 9 | 7.50% |
| Family security | 15 | 12.50% |
| Other (specify) | 4 | 3.30% |
| Not applicable (No policy) | 74 | 61.70% |
| Total | 120 | 100% |

Interpretation:

Among all respondents, the primary motivations for buying micro insurance are low premium (16.7%) and family security (12.5%), followed by recommendations from agents/SHGs (10%) and past experience with risk/loss (7.5%). Government subsidies (6.7%) and other reasons (3.3%) play a smaller role.

The majority of respondents (61.7%) do not have any micro insurance policy, marked as “Not applicable,” indicating that most respondents have not yet adopted micro insurance. Overall, affordability, family protection, and personal advice are the key drivers of adoption, while non-ownership highlights the need for greater awareness, trust, and outreach.

5.8 If no, what are the main reasons for not adopting Micro insurance?

| BASIS | RESPONSES | PERCENTAGE |
|---------------------------------|-----------|------------|
| Lack of awareness | 28 | 23.30% |
| High premium | 12 | 10.00% |
| No trust in insurance companies | 14 | 11.70% |
| Complicated procedures | 10 | 8.30% |
| Not needed | 10 | 8.30% |
| Not applicable (Have a policy) | 46 | 38.40% |
| Total | 120 | 100% |

Interpretation

Among respondents without Micro insurance, the main reason for non-adoption is lack of awareness (23.3%), followed by trust issues (11.7%) and high premium (10%). Some also find procedures complicated or believe they do not need insurance. With 38.4% having a policy, these findings indicate that awareness and trust gaps remain the biggest barriers to wider Micro insurance adoption.

Section - B

(Use 5-point Likert scale: 1 = Strongly Disagree, 5 = Strongly Agree)

5.9 The Micro insurance premium is affordable.

| SCALE (1-5) | MEANING | RESPONSES | PERCENTAGE |
|-------------|-------------------|-----------|------------|
| 1 | Strongly Disagree | 12 | 10% |
| 2 | Disagree | 18 | 15% |
| 3 | Neutral | 35 | 29.20% |
| 4 | Agree | 32 | 26.70% |
| 5 | Strongly Agree | 23 | 19.10% |
| Total | — | 120 | 100% |

Interpretation

Most respondents fall under Neutral to Agree, indicating that the majority perceive the premium as somewhat affordable. Around 45.8% (Agree + Strongly Agree) view Micro insurance premiums positively, while 25% feel premiums are not affordable. Overall, the response suggests moderate acceptance of premium affordability but also highlights a considerable segment concerned about cost, which may influence adoption rates.

5.10. The insurance claim process is easy and understandable.

| SCALE (1-5) | MEANING | RESPONSES | PERCENTAGE |
|-------------|-------------------|-----------|------------|
| 1 | Strongly Disagree | 14 | 11.70% |
| 2 | Disagree | 20 | 16.70% |
| 3 | Neutral | 38 | 31.70% |
| 4 | Agree | 28 | 23.30% |
| 5 | Strongly Agree | 20 | 16.60% |
| Total | — | 120 | 100% |

Interpretation

A large portion of respondents (31.7%) remain neutral about the claim process, while 40% (Agree + Strongly Agree) believe it is easy and understandable. However, 28.4% disagree or strongly disagree, indicating that a notable group still finds the claim process difficult. Overall, the results show that perceptions are mixed, suggesting a need for simplification and better guidance in claim procedures.

5.11. Customer service/support is helpful.

| SCALE (1-5) | MEANING | RESPONSES | PERCENTAGE |
|-------------|---------|-----------|------------|
|-------------|---------|-----------|------------|

| | | | |
|-------|-------------------|-----|--------|
| 1 | Strongly Disagree | 10 | 8.30% |
| 2 | Disagree | 16 | 13.40% |
| 3 | Neutral | 40 | 33.30% |
| 4 | Agree | 32 | 26.70% |
| 5 | Strongly Agree | 22 | 18.30% |
| Total | — | 120 | 100% |

Interpretation

Most respondents (33.3%) remain neutral about customer service helpfulness. A combined 45% (Agree + Strongly Agree) view customer support positively, while 21.7% express dissatisfaction. Overall, customer service is seen as fairly helpful, but the high neutral response suggests inconsistent experiences or limited interaction with support services.

5.12 I am satisfied with the benefits provided under the policy.

| SCALE (1-5) | MEANING | RESPONSES | PERCENTAGE |
|-------------|-------------------|-----------|------------|
| 1 | Strongly Disagree | 11 | 9.20% |
| 2 | Disagree | 17 | 14.20% |
| 3 | Neutral | 36 | 30.00% |
| 4 | Agree | 34 | 28.30% |
| 5 | Strongly Agree | 22 | 18.30% |
| Total | — | 120 | 100% |

Interpretation

A majority of respondents fall between Neutral and Agree, indicating moderate satisfaction with the policy benefits. 46.6% (Agree + Strongly Agree) are satisfied, while 23.4% express dissatisfaction. The high neutral response (30%) suggests that many respondents either have limited understanding of benefits or mixed experiences. Overall, satisfaction is positive but not very strong, indicating room for improvement in benefit clarity and value.

5.13. Micro insurance has increased my family's sense of financial security

| SCALE (1-5) | MEANING | RESPONSES | PERCENTAGE |
|-------------|-------------------|-----------|------------|
| 1 | Strongly Disagree | 9 | 7.50% |
| 2 | Disagree | 15 | 12.50% |
| 3 | Neutral | 37 | 30.80% |
| 4 | Agree | 34 | 28.40% |
| 5 | Strongly Agree | 25 | 20.80% |
| Total | — | 120 | 100% |

Interpretation

The majority of respondents (49.2% — Agree + Strongly Agree) feel that Micro insurance has improved their family's financial security. About 20% disagree, while 30.8% remain neutral, possibly due to limited experience with claims or benefits. Overall, results indicate a generally positive impact, although awareness and benefit clarity could further enhance the perceived security.

5.14. Micro insurance helps in managing unexpected financial risks.

| SCALE (1-5) | MEANING | RESPONSES | PERCENTAGE |
|-------------|-------------------|-----------|------------|
| 1 | Strongly Disagree | 8 | 6.70% |
| 2 | Disagree | 14 | 11.60% |
| 3 | Neutral | 33 | 27.50% |
| 4 | Agree | 36 | 30.00% |
| 5 | Strongly Agree | 29 | 24.20% |
| Total | — | 120 | 100% |

Interpretation

A majority (54.2% — Agree + Strongly Agree) believe that Micro insurance is useful in managing unexpected financial risks, reflecting strong trust in its role as a safety net. Only 18.3% disagree, and 27.5% remain neutral. Overall, respondents view Micro insurance as an effective risk-management tool, though some uncertainty still exists due to limited awareness or experience.

5.15. Micro insurance has reduced financial stress during emergencies.

| SCALE (1-5) | MEANING | RESPONSES | PERCENTAGE |
|-------------|-------------------|-----------|------------|
| 1 | Strongly Disagree | 10 | 8.30% |
| 2 | Disagree | 16 | 13.40% |
| 3 | Neutral | 34 | 28.30% |
| 4 | Agree | 35 | 29.20% |
| 5 | Strongly Agree | 25 | 20.80% |
| Total | — | 120 | 100% |

Interpretation

A majority (50% — Agree + Strongly Agree) feel that Micro insurance reduces financial stress during emergencies, showing confidence in its protective role. About 21.7% disagree, while 28.3% are neutral, indicating mixed direct experiences with claims or benefits. Overall, the results show a positive perception, but also highlight that many respondents

may not have faced emergency situations to fully evaluate the impact.

5.16. Which Micro insurance product do you find most useful in reducing your household risks?

| BASIS | RESPONSES | PERCENTAGE |
|-----------------|-----------|------------|
| Health | 42 | 35.00% |
| Crop | 18 | 15.00% |
| Life | 28 | 23.30% |
| Accident | 20 | 16.70% |
| Other (specify) | 12 | 10.00% |
| Total | 120 | 100% |

Interpretation

Health Micro insurance is viewed as the most useful (35%), followed by life (23.3%) and accident insurance (16.7%). Crop insurance is important for some households (15%), while 10% prefer other specific products. Overall, respondents consider health and life coverage the most effective in reducing household risks.

5.17. Health Micro insurance helps reduce medical expense burden.

| SCALE (1-5) | MEANING | RESPONSES | PERCENTAGE |
|-------------|-------------------|-----------|------------|
| 1 | Strongly Disagree | 9 | 7.50% |
| 2 | Disagree | 13 | 10.80% |
| 3 | Neutral | 32 | 26.70% |
| 4 | Agree | 38 | 31.70% |
| 5 | Strongly Agree | 28 | 23.30% |
| Total | — | 120 | 100% |

Interpretation

A majority of respondents (55% — Agree + Strongly Agree) believe health Micro insurance helps reduce the medical expense burden. About 18.3% disagree, and 26.7% are neutral, suggesting that while many recognize its benefit, some respondents either have limited experience with claims or are unsure about its effectiveness. Overall, health Micro insurance is seen as helpful in managing medical costs.

5.18. Crop Micro insurance protects against agricultural losses.

| SCALE (1-5) | MEANING | RESPONSES | PERCENTAGE |
|-------------|-------------------|-----------|------------|
| 1 | Strongly Disagree | 12 | 10.00% |
| 2 | Disagree | 18 | 15.00% |

| | | | |
|-------|----------------|-----|--------|
| 3 | Neutral | 36 | 30.00% |
| 4 | Agree | 34 | 28.30% |
| 5 | Strongly Agree | 20 | 16.70% |
| Total | — | 120 | 100% |

Interpretation

A majority (45% — Agree + Strongly Agree) perceive that crop Micro insurance protects against agricultural losses. About 25% disagree, and 30% remain neutral, possibly due to limited personal experience with crop insurance. Overall, crop Micro insurance is moderately acknowledged as beneficial, but awareness and effectiveness may vary among respondents.

VI. FINDINGS OF THE STUDY ON MICRO INSURANCE

6.1. Awareness and Understanding

65% of respondents have heard about Micro insurance, while 35% are unaware, showing moderate awareness.

Primary sources of awareness are mobile/internet (33.3%), insurance agents (26.7%), and friends/family (16.7%).

Regarding understanding, 41.7% understand Micro insurance somewhat, 18.3% understand it very well, while 30% have slight understanding and 10% not at all, indicating moderate comprehension of Micro insurance schemes.

6.2. Adoption of Micro insurance

Only 38.3% of respondents currently have a Micro insurance policy; the majority (61.7%) do not, showing low adoption.

Among policyholders, health insurance (15%) is the most common type, followed by life (8.3%) and accident (5.8%), with crop and livestock coverage being less prevalent.

Motivations for purchasing include low premium (16.7%), family security (12.5%), and recommendation by agent/SHG (10%), while 61.7% are non-policyholders, highlighting barriers to adoption.

6.3. Reasons for Not Adopting

Among respondents without Micro insurance, lack of awareness (23.3%) is the primary reason, followed by

no trust in insurance companies (11.7%) and high premiums (10%).

Other reasons include complicated procedures (8.3%) or perception of not needing insurance (8.3%).

This suggests awareness, trust, and affordability are key obstacles.

6.4. Perceptions of Affordability, Service, and Benefits

Premium Affordability: 45.8% find premiums affordable (Agree + Strongly Agree), while 25% disagree, showing moderate acceptance of premium costs.

Claim Process: 40% agree it is easy and understandable, 28.4% disagree or strongly disagree, indicating mixed perceptions of claim procedures.

Customer Service: 45% agree that support is helpful, while 21.7% disagree, showing moderate satisfaction with service.

Policy Benefits Satisfaction: 46.6% are satisfied with benefits, 23.4% dissatisfied, with many neutral, indicating partial satisfaction.

Financial Security: 49.2% agree Micro insurance increases financial security, while 30.8% remain neutral.

Risk Management: 54.2% believe Micro insurance helps manage unexpected financial risks.

Reduced Financial Stress: 50% agree it reduces stress during emergencies.

Overall, respondents perceive moderate to high usefulness of Micro insurance in financial protection, though a significant portion remains neutral, highlighting limited personal experience or understanding.

6.5. Product-Specific Usefulness

Health insurance is viewed as the most useful product (35%) for reducing household risk.

Crop insurance is less widely recognized (15%), indicating limited engagement in agricultural risk coverage.

Likert-scale responses for specific products show:

Health Micro insurance reduces medical expense burden (55% agree/strongly agree).

Crop Micro insurance protects against agricultural losses (45% agree/strongly agree).

VII. CONCLUSION

The study reveals that awareness of microinsurance among respondents is moderate, with 65% having heard of it, primarily through mobile/internet sources and insurance agents. However, actual adoption remains low, as only 38.3% of respondents currently hold a microinsurance policy. Health and life insurance are the most widely purchased and perceived as the most useful products for reducing household risks.

The main motivating factors for adoption are affordable premiums, family security, and recommendations from agents or SHGs, while non-adoption is largely due to lack of awareness, trust issues, and perceived high premiums.

Respondents generally perceive microinsurance positively, acknowledging its role in financial security, risk management, and reducing stress during emergencies. While many agree that premiums are reasonably affordable and benefits are satisfactory, a significant portion remains neutral, reflecting limited personal experience or understanding of microinsurance schemes.

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