



ORIGINAL RESEARCH PAPER

Economics

A STUDY ON GENDER BASED DEMAND MICRO INSURANCE: WITH REFERENCE TO JHARKHAND STATE.

KEY WORDS: Micro insurance, Gender, Insurance aversion, need

CHANDA KUMARI RESEARCHER, RANCHI UNIVERSITY RANCHI, DEPARTMENT OF ECONOMICS

ABSTRACT

Micro insurance policy provided by the government is designed for the rural population. However in Jharkhand the policy is basically demanded by the women's group of society than men's group. This study examines this difference and finds the cause of men's aversion of micro insurance policy.

Introduction

In Jharkhand Ranchi district is a better performing state regarding micro insurance business. LIC is the prior insurance company for micro insurance business that is providing this policy to the rural population with very less and irregular in income flow. It is basically distributed by the NGOs and MFIs.

Review of literature

One study of risk aversion in the Ethiopian highlands found no difference in risk preferences between men and women (Yesuf and Bluffstone, 2009), though these results may not be generalizable to pastoralist Ethiopia given the substantial difference between the two settings.

Another study in the context of index insurance, Giné et al. (2008) find no relationship between demand and gender, but they suggest an interaction effect between risk aversion and knowledge in that risk averse individuals with little knowledge of the product are less likely to purchase than those with greater knowledge. In cases where women's knowledge of the product is systematically lower, this could translate to a gender effect associated with risk aversion. Similarly, a gender difference in perceived risk of, say, drought, could translate to a gender effect on demand operating through risk aversion. Given the lack of consistent, generalizable findings on gender and risk aversion, the relationship between gender, risk aversion and demand for livestock insurance remains an empirical question. Any differences in the impact of risk aversion on IBLI uptake by gender may be attributable to inadequate controls for product understanding, differences in trust of the product or of the insurance company. We can expect the effect of risk aversion on IBLI uptake to vary by gender, but the direction of the effect remains ambiguous.

Significance of the study

After study the research subject we come to know that women's are more aware than men's in choosing micro insurance products for their risk coverage. Information of this study can be useful for the government and the insurance company to use proper awareness strategies for micro insurance business.

Objectives of the study

1. To find out the gender based understanding and demand of micro insurance among the rural and poor society of Jharkhand.
2. To establish the factors affecting the rural population to being policyholder of micro insurance policy in Jharkhand.

Hypothesis of the study

1. There is women gender based demand of micro insurance policy in Jharkhand.
2. In Jharkhand men have more insurance aversion than women.

Methodology of the study

The study is based on inferential statistics based on primary data. As the study is focused in Jharkhand state therefore Ranchi district selected for the sample area. As in Ranchi district LIC performance is better than other insurance companies in micro insurance business therefore this company is selected for the sample of the

study. For the collection of data four villages are randomly selected from Ranchi district and from these four villages 100 respondents are selected by random proportionate method. In which fifty are the policyholders of micro insurance and fifty are non policyholders. For the hypothesis test chi square test has been used.

Limitation of the study

In Jharkhand, Ranchi district has the better performance especially by the LIC, a public sector insurance company in micro insurance business so the study limited only on this district.

Analysis of the study

(A) To gather first hypothesis that is "Demand of Micro insurance policy independent from gender based choice in Jharkhand." 100 respondents are taken out and taken as the key determinant of her and his willingness for the demand of micro insurance. Here three variables are taken out for the analysis which affects the demand of micro insurance and they are (i) Awareness of micro insurance, (ii) Need or demand of micro insurance by sample population, (iii) Marketing strategies, through sample population are being responsive for micro insurance policy.

Table- Variables affects demand of micro insurance.

VARIABLES	(O _i -E _i /E _i) ²		X ²	P	Remarks
Awareness	W	M	20.96	6.63	Significant *
Yes	5.24	3.35		Level.01	
No	7.55	4.82		d.f-1	
Demand			10.11	9.21	Significant **
Yes	0.18	0.08		Level.01	
No	5.63	2.65		d.f-2	
None of these	1.07	0.50			
Marketing strategies			25.82	9.21	Significant ***
Literacy camp	0.45	0.58		Level .01	
Neighbour	4.35	5.59		d.f-2	
SHGs meeting	6.52	8.33			

*X² = 20.96 > p = 6.63, at level .01. **X² = 10.11 < p = 9.21, at level .01. ***X² = 25.82 > p = 9.21, at level .01

Since the calculated value of X² in all variables are greater than the tabulated values of X² at 1% level of significance. Hence study concludes that there is significant difference in demand of micro insurance policy.

(b) To test the second hypothesis that is "In Jharkhand Men have more insurance aversion than women" Variables of financial literacy are taken out-

- (i) Knowledge about micro insurance
- (ii) Need of micro insurance.
- (iii) Knowledge about other insurance policy.
- (iv) Other Insurance policy holdings.

Table- Consumer's aversion towards micro insurance.

VARIABLES	(O _i -E _i /E _i) ²		X ²	P	Remarks
(i)Awareness of MI	W	M	20.96	6.63	Significant *
Yes	5.24	3.35		Level .01	
No	7.55	4.82		d.f.-1	
(ii)Need					Significant **
Yes	0.18	0.08	10.11	9.21	
No	5.63	2.65		Level .01	
None of these	1.07	0.50		d.f.-2	
(iii)Awareness of Other Comp.			22.14	11.34	Significant ***
Zero	7.39	4.72	d.f.-3	Level.01	
One	0.08	0.05		d.f.-3	
Two	0.58	0.37			
Three	5.28	3.67			
(iv)Other Insurance Policy Holdings			10.52	11.34	Not significant* ***
Zero	1.86	1.19		Level.01	
One	0.60	0.38		d.f.-3	
Two	1.44	0.92			
Three	2.52	1.61			

*X²=20.96>p= 6.63, at level .01.**X²= 10.11<p=9.21, at level .01.***X²=22.14>p=11.34, at level .01, ****X²=10.52 <p=11.34,at level.01.

Since three variables proves there is significant difference between both groups male and female (up to variable iii). From the variable iv there is no significance difference between the group and the both are the same in holdings of other general types of insurance products.

Findings of the study

1. With respect to first hypothesis "There is women gender based demand of micro insurance policy in Jharkhand." Study found out that Micro insurance product has been more demanded by women than men.
2. With respect to second hypothesis the result found that due to lack of awareness about micro insurance there is different less demand by men's group than women's group But as the other insurance policy holding more by the men's group therefore the men have not more insurance aversion than women. And through the proper awareness strategies this difference can be removed.

Suggestions of the study

Micro insurance companies should take special care of marketing strategies to make aware to the rural population as it influence the demand of the policy.

Conclusion

In Jharkhand due to market awareness strategies rural women have the more understanding and demand of micro insurance policy than men and this influence the demand for micro insurance policy.

References

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