eviating poverty is to make financial systems more inclusive, opportunities to finance investments accumulate capital or business. But, sk. First, it is group insurance that can cover thousands of fortimately they are more vulnerable to the same risk. Hence, it is ly a product r protection of the poor and their families against perils ciently and effectively. For ost is not only to promote business perspective but also, " Distribution Channels

Distribution of micro insurance products is dependent on factors such as collaboration, relationship and trust with the low-income group while holding down associated costs. Micro-finance institutions, NGOs, Regional Rural Banks, Self-Help Groups and their federations and co-operatives are the most-preferred distribution channels led by their vast established networks and proximity to the target market. In India, micro-finance institutions are predominately being used to distribute micro insurance products. However, insurers are continuously introducing distribution channels that are not only cost efficient but also have a wider reach. Technology is being extensively used to distribute micro insurance products more efficiently and effectively. For
example, mobile banking is gaining prominence as it is not only an enabler of client communications, but is also helpful in premium and data collection.

Problem of the Study

The lower strata of the Indian society not only face risks in the form of poverty, frequent natural catastrophes and less access to conventional forms of risk management, but also are least aware of the criticality to insure themselves against the same. The lack of equitable participation in the India growth story is of concern to the Government and financial services regulators. Micro insurance coverage of the economically disadvantaged sections of Indian society is dismally low, and will remain so, until the regulators and insurers bring in policy changes and go beyond the traditional distribution models.

Given the lack of social security, in the event of disability, meager financial savings and reliance on borrowings from unorganized lenders are the only options available to a majority of the poor. While the developed countries provide social security network to their citizens, India’s large population and low per capita income implies that provision for any sort of social security system is bound to be a significant drain on the country’s limited resources. Most customers in the target segment have low financial literacy and are unable to view insurance as a risk mitigation tool. Low awareness levels and lack of understanding of underlying benefits creates a barrier to purchase of intangible assets. Further, the insurance companies have been focusing on reducing losses and improving profitability rather than increasing cost effective distribution reach to the lower strata. Poorly designed policies, lack of education, mis-selling through inadequately trained agents and rejections during claims settlement has led to lack of trust with this customer segment.

Given their fatalistic attitude, the concept of insurance is linked to expenditure, rather than risk cover. Lack of adequate training to the distribution intermediary coupled with lack of motivation, makes it difficult to explain the products to largely uneducated customers. The feasibility of various products is also dependent on the availability of infrastructure, which is often lacking or low in quality. Limited incentive on a low premium product makes it difficult to cover operational costs of reaching out to the customers. Delays in claim settlement and complicated formalities by the insurance companies also pose as a roadblock. Poor governance structure of the intermediaries also poses a significant challenge in building a sustainable model between the intermediary and the insurance companies. Besides, the most significant constraint is the lack of base line data on potential claims that can help the insurers to design or price products. The consumption and saving patterns are also a critical aid to assess the insurance needs. Above all, spreading awareness among this segment of insurable population and capacity building of the delivery organizations are major challenges. In this context, the researcher is proposed to study the perception of beneficiaries towards micro insurance in Ramanathapuram district.

Objectives

This study will be conducted with the following objectives.

1. To study the awareness level of the beneficiaries towards micro insurance in Ramanathapuram district.
2. To study the socio-economic impact of micro insurance on beneficiaries in Ramanathapuram district.
3. To find out the problems of the beneficiaries towards micro insurance in Ramanathapuram district.
4. To offer suitable suggestions to improve the prospects of micro insurance in Ramanathapuram district.

Scope of the Study

The proposed study attempts to examine the perception of the beneficiaries towards micro insurance in Ramanathapuram district. There are 12 revenue blocks in Ramanathapuram district. The study will be confined only to 6 blocks. Micro insurance is a vast subject. Therefore, the most important aspects such as level of awareness of the beneficiaries, socio-economic impact of micro insurance and problems of beneficiaries in regards micro insurance only will be studied in the proposed work. Moreover, the study will be confined to rural beneficiaries only, thus urban beneficiaries of micro insurance are not covered in this study.

Sampling Methods

The study is empirical in character based on survey method. The study aims at examining the perception of the beneficiaries towards micro insurance in Ramanathapuram district. There are 12 revenue blocks in Ramanathapuram district. For the purpose of the study, multi-stage sampling will be adopted. At the first stage, 6 blocks i.e. 50 per cent of the blocks will be selected out of the 12 blocks. In the second stage, from each of the blocks, 10 village Panchayats will be selected out of the selected blocks by sing simple random sampling. In the final stage, from each of the sample villages, 15 beneficiaries will be selected using quota sampling. Therefore, the sample size will consists of 750 beneficiaries approximately.

Data Collection and Analysis

The study will encompass both primary and secondary data. As an essential part of the study, the primary data will be collected from 750 beneficiaries of the micro insurance in Ramanathapuram district. On account of low level of education and poor comprehension of the beneficiaries towards micro insurance, schedule method will be employed to collect primary data. The secondary data will be collected from books, journals, and published reports. In order to study the perception of the beneficiaries towards micro insurance, analysis of one-way variance, student t test, analysis of co-efficient of variation, multiple regression analysis and percentage will be employed.

Suggestions

- 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.
- 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.
- 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.
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.

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.

References