Impact of Micro Insurance on SHG Members
{a special reference to Kaveri Grameena Bank. Mysore Dist. of Karnataka state}

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Abstract: Historically, efforts to deliver formal credit and financial services to the rural poor in developing countries have failed. Commercial banks generally do not serve the needs of the rural poor because of the perceived high risk and the high transaction costs associated with small loans and savings deposits. To fill the void many governments have tried to deliver formal credit to rural areas by setting up special agricultural banks or directing commercial banks to loan to rural borrowers. However these programs have all most all failed because of the political difficulty for governments to enforce loan repayment, and because the relatively wealthy and powerful, rather than the poor, received most of the loans (Adams et al.1984, Adams and Vogel 1986, world bank 1989).

Keywords: SHG, Impact, Micro insurance, Mysore, Karnataka.

I. INTRODUCTION

Micro insurance is the provision of financial services to low-income clients, including consumers and the self-employed, who traditionally lack access to banking and related services. More broadly, it is a movement whose object is "a world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit but also savings, insurance, and fund transfers." Those who promote microfinance generally believe that such access will help poor people out of poverty.

II. STATEMENT OF THE PROBLEM

The study titled “Impact of Micro insurance on SHG members’.” (Special reference to Kaveri Grameena Bank. Mysore district of Karnataka state). For the study purpose the data collected from primary method. The major objective of the study is to identify the impact of micro insurance on SHG members. The study conducted for the duration of 3 months from Jan 2015- march 2015.

III. REVIEW LITERATURE

Fetterman et.al (1996) identified that “through achieving both individual and group/community purposes to reach empowerment.”

Frankenberg and Thomas (2001), analyzed data on 5168 couples from decision making modules in Indonesian families, indicators of empowerment (as dependent variables) were the women role in household decision making; findings showed significant associations between education, and social status of family origin in decision making power.

Kabeer, (2005) Narayan, (2002) defined in their study Over the past two decades the issue of women empowerment has evolved from relative obscurity to a primary concern among the growing community of researchers and policy makers who are interested in the women's economic and social situation.

Magar, (2003) identified as individual and group capacities are enhanced, women’s empowerment is capable of becoming a political force that challenges and transforms the existing power structure. SHGs can achieve desired results through changes among both individuals and communities so that the eventual transformation of society takes place.

Akinsanmi(2005) defined the role of SHG In developing countries, rural women contribute to 65-70% of the labor in agriculture (World Bank, 2009). They play a vital role in agriculture, daily reproductive tasks and income generating activities, as most of them are illiterate or less educated and unable to attend formal training courses, social or economic services. But, in fact, less value is given to their contributions, and rural women are less likely to realize their capacity to make a life better for themselves, families and communities.
IV. OBJECTIVE OF THE STUDY

- To identify the impact of micro insurance on SELF HELP GROUP
- To identify the relation between socio economic factors of SHG members.

V. METHODOLOGY

A. Research Design:
The research method adopted in this study is analytical and descriptive in nature. This study enables to determine the extent of utilities that the SHG have been receiving. In order to conduct this study, 80 respondents are selected.

B. Sources of Data:
All the data required for this research work is obtained from primary and secondary sources. Primary data collected from interview and mainly structured questionnaire has been used as a primary instrument. Secondary data collected from online databases.

C. Sampling Plan:
- Targeted population: SHG members
- Sampling method: Judgement sampling
- Sample size: 80

VI. SCOPE OF THE STUDY

1. The study has helped the researcher to gain real time experience by interacting with the people and has helped to analyze “The impact of micro insurance on SHG members”.
2. The study will help for insurance companies for further marketing planning of micro insurance.

VII. LIMITATIONS

1. For the study purpose only SHG members of Kaveri Grameena Bank of Mysore were selected.
2. The outcome of the study restricted to Mysore geographical area only
3. The study majorly considers the primary data.

VIII. DATA ANALYSIS AND INTERPRETATION

Table-1 Age group (in years)

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>PARTICULARS</th>
<th>NO.OF RESPONDENTS</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below 30 years</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>2</td>
<td>31-40 years</td>
<td>28</td>
<td>35</td>
</tr>
<tr>
<td>3</td>
<td>41-50 years</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>4</td>
<td>51-60 years</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

The above table shows that 30% SHG members are belong to below 30 year age group, 35% of SHG members are 31-40 year age group, 25% of SHG members are belong to 41-50 year age group and 10% of SHG members are belong to group of 51-60 age group.

Table-2 INCOME RANGE

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>PARTICULARS</th>
<th>NO.OF RESPONDENTS</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than 5000</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>5001-10000</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>10001-15000</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>Above 15001</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

The above table identifies the income level of SHG members. In the present study 10% of the SHG members earn Rs less than 5000, 25% of SHG members belong to Rs 5001-10000, 40% of SHG members belong to Rs 10001-15000 and 25% of SHG members belongs to more than Rs 15001 as monthly income.
Table-3 SIZE OF THE FAMILY

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>PARTICULARS</th>
<th>NO.OF RESPONDENTS</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to Three</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>Four</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Five</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>4</td>
<td>Six or more</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

The above table shows the family size of SHG members. 10% of the SHG members’ family size is below 3 members. 30% of SHG members’ family size restricted to 4 members, 50% of SHG members’ family size restricted to 5 members and 10% of SHG members’ family size is more than 6 members.

Table-4 EARNING FAMILY MEMBERS (in numbers)

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>PARTICULARS</th>
<th>NO.OF RESPONDENTS</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>One</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>Two</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>3</td>
<td>Three</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>4</td>
<td>Four or above</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

The above table shows the earning members of SHG members’ family. 25% SHG members’ family majorly depends on single person. 50% SHG members’ family depends on two persons, 19% SHG members’ family depends on three people and only 6% of SHG members’ family depends on more than four people, for maintain the family.

Table-5 Co-relation between age and income

<table>
<thead>
<tr>
<th>Age</th>
<th>Income</th>
<th>Family size</th>
<th>Earning members</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>8</td>
<td>8</td>
<td>20</td>
<td>8</td>
</tr>
<tr>
<td>28</td>
<td>20</td>
<td>24</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>20</td>
<td>32</td>
<td>40</td>
<td>15</td>
<td>32</td>
</tr>
<tr>
<td>8</td>
<td>20</td>
<td>8</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
</tbody>
</table>

Co-relation -0.1890

p-value 0.8110

The above table identified that co-relationship between age and income, the relationship age and income is -0.1890 with the p value of 0.8110. The relationship between income and family size is positive co-related of 0.8528 with the p value of 0.1472. The relationship between family size and family earning members of SHG members is positive correlated of 0.2365 with p value of 0.7635 and the relationship between family earning members of SHG members and income of family is negative relationship of -0.1387 with the p value of 0.8613.

IX. FINDINGS

- Majority of the members of SHGs are relatively young as 35% of them are in the age group of 30-40 years.
- Majority of the respondents are poor and illiterate.
- The majority of SHG members depend on Micro insurance for their protection.
- The majority of SHGs members belong to lower income category with annual income not exceeding 15000.
- About 50% of the respondents of SHGs belong to the family with double earning members.
- The income of the family and size of the family has the positive relationship but earning members of the family and income of the family is negative relationship is hold.
X. SUGGESTION

The micro insurance is very essential for SHG members. The major reason behind this suggestion is when the family size increases directly income also increases but simultaneous expenditure also increases. The family earning members and income of the family is negative in nature so protect the SHG members the micro insurance is essential. The micro insurance protect the SHG members from uncertainties.

XI. CONCLUSION

Micro insurance as a powerful tool for achieving the goal of financial inclusion has gained momentum all over the country. The role played by commercial banks in this task, particularly CKG bank, is not only stupendous, but also a model for other banks in the country. Micro insurance initiatives of CKG bank are driven by its consideration of promoting financial services to unorganized segments of rural and semi-urban sector. The CKG focus on bank SHG linkage is a grand step forward in achieving risk minimization of economically poor people in Mysore city. The result of this study based on sample survey clearly indicate high rate of success of bank- SHG linkage insurance delivery model.

REFERENCES


AUTHOR PROFILE

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