AWARENESS TOWARDS VARIOUS ASPECTS OF INSURANCE: AN EMPIRICAL STUDY IN THE STATE OF RAJASTHAN

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ABSTRACT

The Indian Insurance industry is flourishing with several national and international players competing and growing at rapid rates. The reforms and the easing of policy regulations has allowed the Indian insurance sector to flourish and as we move further, this growth can only increase , with the period from 2010-2015 projected to be the ' Golden Age ' for the Indian insurance industry . But on the other hand when we see the awareness of the Indians towards various aspects of insurance, we find that a lot needs to be done. Indians have perceived insurance from different angles and never has a right idea ever been responded. The survey was conducted on around 200 respondents from the state of Rajasthan and an analysis was done to study the relationship between select demographic factors and the perception of the respondents towards various aspects of insurance.

KEYWORDS

awareness, insurance, perception, savings, security.

INTRODUCTION

Consumer awareness as a concept is of universal concern for all economies of the world. In the context of a booming Indian economy and unprecedented growth being witnessed by Insurance industry - specially life insurance -, it would be interesting to examine this concept in depth. Such a study will provide rare insights as to how to harness huge untapped market potential for life insurance to the benefit of vast rural and semi urban populace. And how to expand the reach of life insurance to every nook and corner of India and provide basic sense of security to masses. Low penetration of insurance in India, as elsewhere, has varied explanations, economic and sociological. One basic factor that puts a brake on growth is low propensity to consume: low propensity for life insurance, not necessarily because of considerations of affordability nor because of inadequate range of insurance products and services. The major determining factor is lack of awareness of life insurance per se. And this phenomenon is not confined to rural and semi rural segments of society: it pervades urban populace as well. Surprising, isn't it- but true.

Consumer awareness is the mainspring of demand creation which runs the wheels of industry

– any industry for that matter. To this 'demand' curve, suppliers and service providers respond,
– by making available to consumers what they want, meeting their needs and expectations.

This is the way two usages 'customer needs' and 'customer satisfaction' emerged. And these later travelled to domains of 'customer delight' and 'customer ecstasy'.

Today insurance occupies an important place in the complex modern world since risk, which can be insured, has increased enormously in every walk of life. This has led to growth in the insurance business and evolution of various types of insurance covers. The insurance sector acts as a mobiliser of savings and a financial intermediary and is also a promoter of investment activities. It can play a significant role in the economic development of a country, while economic development itself can facilitate the growth of the insurance sector.

But the success of insurance would be purely dependent upon the level of awareness of the people, their understanding as to what they think about it as a concept; and educating the people about its various aspects of which they were unaware. Hence, in order to make informed choices, people should be educated about the concept of insurance, the various types of insurance covers available, and the benefits that an insurance cover could yield. The present awareness study attempted to find out households' view on various aspects of insurance, including questions, such as: (i) what is insurance? (ii) how relevant is insurance? (iii) the kind of tool it is; and (iv) the benefits of insurance vis-à-vis other forms of savings.

REVIEW OF LITERATURE

Dr. T.V.Malick (2011) highlighted the robust growth and the potential in the Indian life insurance industry, the role played and customer's awareness on the private life insurance players in Vellore District, Tamil Nadu. **Krishnamurthy (2007)** pointed out that, the country was witnessing growing insurance awareness with such new generation products making entry, even in Tier 2 and Tier 3 cities. Private insurers have already made an impressive beginning. Liberalization has led to a new distribution channel, Bancassurance, a concept that is already firmly rooted in European countries. **Sheela (2007**) studied that the Indian market – both the urban and the rural offers tremendous growth opportunities for insurance companies, the need of the hour is to understand the changing needs of customers and their occupational structure. **Joy Chakraborty (2007)** examined that the Indian insurance industry underwent a drastic transformation with the entry of private players who captured a significant market share (26.6%) during 2005-06. **Hima Gupta (2007)** argued that to stimulate private health insurance growth, the Indian government should recognize health insurance as a separate line of business and distinguish it from other non-life insurance. She laid particular emphasis on the present health care scenario in India and international field generally. **Akash Acharya and M. Kent Ranson (2005)** studied that the health indicators in India have seen substantial improvements in the recent decades but quality and affordable health care services still continue to elude the poor. The authors concluded that while CBHI schemes were still in their infancy, to ensure a wider cover an acceptance, they could be attached to other decentralized agencies of governance such as panchayati raj institutions. **Venkata Ramana Rao (2008)** concluded that a good awareness campaign will start yielding results by the end of first quarter and unless the Company's processing centre was fine tuned to cope with the increased flow, the service quality would diminish, the processing time would increase and even the brand image could get damaged. **Punita Kumari (2009)** studied the importance of personal finance of an individual. And concluded that with introduction of private companies in life insurance, the scenario of the insurance sector has changed from security to investment opportunity. Her study aimed to find whether "Unit-linked insurance, as an insurance cover, was an alternative investment plan for providing solutions for all kinds of investors". **Mohd. Taqi , B. K. Suthar(2011)** focused on various aspects of health insurance sector of rural Gujarat by considering the peculiar features, namely; awareness and sources towards health insurance, awaked but unsubscribed rural Guajarati and their willingness to join and pay for it. Their study explores the low level of awareness and willingness to join and some barriers in health insurance subscription like: lack of funds, lack of awareness lack of willingness to join, lack of reliability and comprehensive coverage, lack of accessible services, narrow policy options, preference to investment alternatives and lack of intermediaries outreach and capabilities. Their study also explores on possible existence of significant association between general demographics and willingness to join and pay for health insurance. **Anil Gumber (2002)** examined that the main thrust of the state should be in initiative schemes for the poor. He also suggested an option that is without putting much strain on both physical and financial resources of the state. **Ahuja and De. (2004)** examined that the demand of health insurance falls down in case of health services supply is weak. It is also explained that the interstate variation and demands for health insurance by poor in relation to variation in healthcare infrastructure. **Ahuja and Narang (2005)** provided alternative trends in health insurance for low income segment of India and suggested to bring various health insurance schemes under one regulatory or bit to improve health insurance services in India.

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   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

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   APPENDIX/ANNEXURE

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BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

On the basis of the above Review of Literature the following objectives were framed for the study:

OBJECTIVES OF THE STUDY

1. To study the relationship between select demographic determinants and the class to which Insurance is relevant in the state of Rajasthan.
2. To study the effect of select demographic determinants on the perception towards the purpose for taking Insurance in the state of Rajasthan.

HYPOTHESIS FRAMED FOR THE STUDY

$H_{01:}$ There is no significant association between various demographic factors (Age, Annual Income, Educational Qualification, Profession) and the class to which insurance is relevant.

H_{02}: There is no significant association between various demographic factors (Age, Annual Income, Educational Qualification, Profession) and the purpose for which insurance cover is taken.

METHODOLOGY

- The study is based on the primary data collected through the state of Rajasthan.
- The respondents taken at least had a bank account so as assume financial inclusion.
- The field work was undertaken from October 2011- February 2012.
- Research design used was exploratory in nature.
- Convenient sampling technique was used.
- A sample of 200 respondents was taken from the four different places of Rajasthan – Jaipur, Jodhpur, Kota and Udaipur.
- A structured questionnaire was designed to collect data for the study. Before conducting the field study, the questionnaires were pre-tested. A few modifications were made as a result of the pretest exercise. All the questions were analyzed on the nominal scale.
- Chi-square test was used as the test for association or non-association of variables.
- Data has been presented in the form of tables in order to make the analysis easy.
- Statistical software and Microsoft Excel has been extensively used for the study.

ANALYSIS AND INTERPRETATION

TABLE 1: DEMOGRAPHIC PROFILE

		Insured		Total
		Uninsured	Insured	
Age	< 30 years	14	31	45
	30-40 years	25	38	63
	40-50 years	29	27	56
	50-60 years	7	19	26
	> 60 years	5	5	10
Total		**80**	**120**	**200**
Annual Income	< Rs 150000	20	29	49
	Rs 150000-300000	17	32	49
	Rs 300000-500000	26	40	66
	> Rs 500000	17	19	36
Total		**80**	**120**	**200**
Place	Jaipur	18	32	50
	Jodhpur	22	28	50
	Kota	24	26	50
	Udaipur	16	34	50
Total		**80**	**120**	**200**
Educational Qualification	Undergraduate	15	18	33
	Graduate	17	36	53
	Post graduate	27	38	65
	Professional	17	21	38
	Others	4	7	11
Total		**80**	**120**	**200**
Profession	Service	24	43	67
	Self employed	20	32	52
	Professional	26	21	47
	Others	10	24	34
Total		**80**	**120**	**200**

❖ The impact of various demographic factors on the perception regarding the class to which insurance is relevant has been studied and analyzed separately , the results of which are as under-

1. Extent of relationship between respondents' age and their perception regarding the class to which insurance is relevant(Table 2)

H_o: There is no association between age and his perception regarding the class to which insurance is relevant.

TABLE 2: ASSOCIATION BETWEEN AGE AND THE PERCEPTION REGARDING THE CLASS OF RELEVANCY

			Class of relevancy						Total
			Only for the rich	Only for the middle class	Only for the poor	For all	None	Can't say	
Age	< 30 years	Count	10	12	8	11	3	1	**45**
		Expected Count	6.3	10.4	12.4	11.5	2.3	2.3	**45.0**
	30-40 years	Count	9	15	19	14	3	3	**63**
		Expected Count	8.8	14.5	17.3	16.1	3.2	3.2	**63.0**
	40-50 years	Count	7	9	20	15	2	3	**56**
		Expected Count	7.8	12.9	15.4	14.3	2.8	2.8	**56.0**
	50-60 years	Count	2	8	7	5	1	3	**26**
		Expected Count	3.6	6.0	7.2	6.6	1.3	1.3	**26.0**
	> 60 years	Count	0	2	1	6	1	0	**10**
		Expected Count	1.4	2.3	2.8	2.6	.5	.5	**10.0**
Total		**Count**	**28**	**46**	**55**	**51**	**10**	**10**	**200**
		Expected Count	**28.0**	**46.0**	**55.0**	**51.0**	**10.0**	**10.0**	**200.0**
Chi Square (Calculated value)			20.660						
Degrees of freedom			20						
Tabulated value			31.41						

Level of Significance: 5%

As the calculated value is less than the tabulated value, the null hypothesis is accepted that there is a no significant association between the age and the perception regarding the class to which insurance is relevant.

2. Extent of relationship between respondents' Annual Income and their perception regarding the class to which insurance is relevant (Table 3)

H_o: There is no association between respondents' Annual Income and their perception regarding the class to which insurance is relevant.

TABLE 3: ASSOCIATION BETWEEN ANNUAL INCOME AND THE PERCEPTION REGARDING THE CLASS OF RELEVANCY

			Class of relevancy						Total
			Only for the rich	Only for the middle class	Only for the poor	For all	None	Can't say	
Annual Income	< Rs 150000	Count	8	7	20	10	2	2	**49**
		Expected Count	6.9	11.3	13.5	12.5	2.5	2.5	**49.0**
	Rs 150000-300000	Count	6	14	12	13	3	1	**49**
		Expected Count	6.9	11.3	13.5	12.5	2.5	2.5	**49.0**
	Rs 300000-500000	Count	6	18	15	18	4	5	**66**
		Expected Count	9.2	15.2	18.2	16.8	3.3	3.3	**66.0**
	> Rs 500000	Count	8	7	8	10	1	2	**36**
		Expected Count	5.0	8.3	9.9	9.2	1.8	1.8	**36.0**
Total		**Count**	**28**	**46**	**55**	**51**	**10**	**10**	**200**
		Expected Count	**28.0**	**46.0**	**55.0**	**51.0**	**10.0**	**10.0**	**200.0**
Chi Square (Calculated value)			13.627						
Degrees of freedom			15						
Tabulated value			24.996						

Level of Significance: 5 %

As the calculated value is less than the tabulated value, the null hypothesis is accepted there is a no significant association between the annual income and the perception regarding the class to which insurance is relevant.

3. Extent of relationship between respondents' Place and their perception regarding the class to which insurance is relevant(Table 4)

H_o: There is no association between respondents' place and his perception regarding the class to which insurance is relevant.

TABLE 4: ASSOCIATION BETWEEN PLACE AND THE PERCEPTION REGARDING THE CLASS OF RELEVANCY

			Class of relevancy						Total
			Only for the rich	Only for the middle class	Only for the poor	For all	None	Can't say	
Place	Jaipur	Count	7	15	9	10	6	3	**50**
		Expected Count	7.0	11.5	13.8	12.8	2.5	2.5	**50.0**
	Jodhpur	Count	6	10	17	11	2	4	**50**
		Expected Count	7.0	11.5	13.8	12.8	2.5	2.5	**50.0**
	Kota	Count	7	12	11	18	1	1	**50**
		Expected Count	7.0	11.5	13.8	12.8	2.5	2.5	**50.0**
	Udaipur	Count	8	9	18	12	1	2	**50**
		Expected Count	7.0	11.5	13.8	12.8	2.5	2.5	**50.0**
Total		**Count**	**28**	**46**	**55**	**51**	**10**	**10**	**200**
		Expected Count	**28.0**	**46.0**	**55.0**	**51.0**	**10.0**	**10.0**	**200.0**
Chi Square (Calculated value)			18.224						
Degrees of freedom			15						
Tabulated value			24.996						

Level of significance: 5 %

As the calculated value is less than the tabulated value, the null hypothesis is accepted there is a no significant association between the place of residence and the perception regarding the class to which insurance is relevant.

4. Extent of relationship between educational qualification and their perception regarding the class to which insurance is relevant (Table 5)

H_o : There is no association between the educational qualification and his perception regarding the class to which insurance is relevant .

TABLE 5: ASSOCIATION BETWEEN EDUCATION QUALIFICATION AND THE PERCEPTION REGARDING THE CLASS OF RELEVANCY

			Class of relevancy						Total
			Only for the rich	Only for the middle class	Only for the poor	For all	None	Can't say	
Educational Qualification	Undergraduate	Count	4	11	8	8	1	1	**33**
		Expected Count	4.6	7.6	9.1	8.4	1.7	1.7	**33.0**
	Graduate	Count	7	12	14	13	3	4	**53**
		Expected Count	7.4	12.2	14.6	13.5	2.7	2.7	**53.0**
	Post graduate	Count	10	12	19	17	4	3	**65**
		Expected Count	9.1	15.0	17.9	16.6	3.3	3.3	**65.0**
	Professional	Count	5	8	11	11	2	1	**38**
		Expected Count	5.3	8.7	10.5	9.7	1.9	1.9	**38.0**
	Others	Count	2	3	3	2	0	1	**11**
		Expected Count	1.5	2.5	3.0	2.8	.6	.6	**11.0**
Total		**Count**	**28**	**46**	**55**	**51**	**10**	**10**	**200**
		Expected Count	**28.0**	**46.0**	**55.0**	**51.0**	**10.0**	**10.0**	**200.0**
Chi Square (Calculated value)			6.117						
Degrees of freedom			20						
Tabulated value			31.41						

Level of significance : 5%

As the calculated value is less than the tabulated value, the null hypothesis is accepted that there is no association between the educational qualification and the perception regarding the class to which insurance is relevant.

5. Extent of relationship between the Profession and their perception regarding the class to which insurance is relevant (Table 6)

H_o : There is no association between the Profession and the perception regarding the class to which insurance is relevant.

TABLE 6: ASSOCIATION BETWEEN PROFESSION AND THE PERCEPTION REGARDING THE CLASS OF RELEVANCY

			Class of relevancy						Total
			Only for the rich	Only for the middle class	Only for the poor	for all	None	Can't say	
Profession	Service	Count	11	15	19	18	1	3	**67**
		Expected Count	9.4	15.4	18.4	17.1	3.4	3.4	**67.0**
	Self employed	Count	6	13	14	11	5	3	**52**
		Expected Count	7.3	12.0	14.3	13.3	2.6	2.6	**52.0**
	Professional	Count	7	10	13	14	1	2	**47**
		Expected Count	6.6	10.8	12.9	12.0	2.4	2.4	**47.0**
	Others	Count	4	8	9	8	3	2	**34**
		Expected Count	4.8	7.8	9.4	8.7	1.7	1.7	**34.0**
Total		**Count**	**28**	**46**	**55**	**51**	**10**	**10**	**200**
		Expected Count	**28.0**	**46.0**	**55.0**	**51.0**	**10.0**	**10.0**	**200.0**
Chi Square (Calculated value)			**7.518**						
Degrees of freedom			**15**						
Tabulated value			**24.996**						

Level of significance: 5%

As the calculated value is less than the tabulated value, the null hypothesis is accepted that there is no association between the respondents' status of insurance and the perception regarding the class to which insurance is relevant.

6. Extent of relationship between whether the respondents are insured or not and their perception regarding the class to which insurance is relevant(Table 7)

H_o: There is no association between respondents' status of insurance and his perception regarding the class to which insurance is relevant.

TABLE 7: ASSOCIATION BETWEEN WHETHER INSURED OR NOT WITH THE PERCEPTION REGARDING THE CLASS OF RELEVANCY

			Class of relevancy						Total
			Only for the rich	Only for the middle class	Only for the poor	For all	None	Can't say	
Insured	Uninsured	Count	14	16	21	23	2	4	**80**
		Expected Count	11.2	18.4	22.0	20.4	4.0	4.0	**80.0**
	Insured	Count	14	30	34	28	8	6	**120**
		Expected Count	16.8	27.6	33.0	30.6	6.0	6.0	**120.0**
Total		**Count**	**28**	**46**	**55**	**51**	**10**	**10**	**200**
		Expected Count	**28.0**	**46.0**	**55.0**	**51.0**	**10.0**	**10.0**	**200.0**
Chi Square (Calculated value)			3.983						
Degrees of freedom			5						
Tabulated value			11.07						

Level of Significance: 5 %

As the calculated value is less than the tabulated value, the null hypothesis is accepted that there is no association between the educational qualification and the perception regarding the class to which insurance is relevant.

❖ The impact of select demographic factors on the perception regarding the purpose for which Insurance is taken is studied and analyzed separately , the results of which are as under-

1. Extent of relationship between whether the respondents' Educational Qualification and their perception regarding the purpose for taking Insurance (Table 8)

H_o: There is no association between respondents' Educational Qualification and his perception regarding the purpose for taking Insurance.

TABLE 8: ASSOCIATION BETWEEN EDUCATIONAL QUALIFICATION AND PURPOSE OF INSURANCE

			Purpose of Insurance				Total
			Savings tool	**Protection tool**	**Both**	**None**	
Educational Qualification	Undergraduate	Count	6	16	11	0	**33**
		Expected Count	7.1	13.9	11.1	1.0	**33.0**
	Graduate	Count	13	22	17	1	**53**
		Expected Count	11.4	22.3	17.8	1.6	**53.0**
	Post graduate	Count	13	26	24	2	**65**
		Expected Count	14.0	27.3	21.8	2.0	**65.0**
	Professional	Count	8	17	11	2	**38**
		Expected Count	8.2	16.0	12.7	1.1	**38.0**
	Others	Count	3	3	4	1	**11**
		Expected Count	2.4	4.6	3.7	.3	**11.0**
Total		**Count**	**43**	**84**	**67**	**6**	**200**
		Expected Count	**43.0**	**84.0**	**67.0**	**6.0**	**200.0**
Chi Square (Calculated value)			5.409				
Degrees of freedom			12				
Tabulated value			21.026				

Level of Significance: 5 %

As the calculated value is less than the tabulated value, the null hypothesis is accepted that there is no association between the educational qualification and the perception regarding the purpose for which insurance is sought.

2. Extent of relationship between whether the respondents' Profession and their perception regarding the purpose for taking Insurance (Table 9)

H_o: There is no association between respondents' Profession and his perception regarding the purpose for taking Insurance.

TABLE 9: ASSOCIATION BETWEEN PROFESSION AND PURPOSE OF INSURANCE

			Insurance method				Total
			Savings tool	Protection tool	Both	None	
Profession	Service	Count	17	23	23	4	**67**
		Expected Count	14.4	28.1	22.4	2.0	**67.0**
	Self employed	Count	11	22	19	0	**52**
		Expected Count	11.2	21.8	17.4	1.6	**52.0**
	Professional	Count	9	19	17	2	**47**
		Expected Count	10.1	19.7	15.7	1.4	**47.0**
	Others	Count	6	20	8	0	**34**
		Expected Count	7.3	14.3	11.4	1.0	**34.0**
Total		**Count**	**43**	**84**	**67**	**6**	**200**
		Expected Count	**43.0**	**84.0**	**67.0**	**6.0**	**200.0**
Chi Square (Calculated value)			10.148				
Degrees of freedom			9				
Tabulated value			16.919				

Level of significance: 5%

As the calculated value is less than the tabulated value, the null hypothesis is accepted that there is no association between the profession pursued and the perception regarding the purpose for which insurance is sought.

3. Extent of relationship between the Annual Income and the perception regarding the purpose for taking Insurance (Table 10)

H_o: There is no association between Annual Income and his perception regarding the purpose for taking Insurance.

TABLE 10: ASSOCIATION BETWEEN ANNUAL INCOME AND PURPOSE OF INSURANCE

			Purpose of Insurance				Total
			Savings tool	Protection tool	Both	None	
Annual Income	< Rs 150000	Count	16	20	11	2	**49**
		Expected Count	10.5	20.6	16.4	1.5	**49.0**
	Rs 150000-300000	Count	7	21	21	0	**49**
		Expected Count	10.5	20.6	16.4	1.5	**49.0**
	Rs 300000-500000	Count	15	28	20	3	**66**
		Expected Count	14.2	27.7	22.1	2.0	**66.0**
	> Rs 500000	Count	5	15	15	1	**36**
		Expected Count	7.7	15.1	12.1	1.1	**36.0**
Total		**Count**	**43**	**84**	**67**	**6**	**200**
		Expected Count	**43.0**	**84.0**	**67.0**	**6.0**	**200.0**
Chi Square (Calculated value)			11.244				
Degrees of freedom			9				
Tabulated value			16.919				

Level of Significance: 5%

As the calculated value is less than the tabulated value, the null hypothesis is accepted that there is no association between the Annual Income and the perception regarding the purpose for which insurance is sought.

4. Extent of relationship between the place of residence and the perception regarding the purpose for taking Insurance (Table 11)

H_o: There is no association between place of residence and the perception regarding the purpose for taking Insurance.

TABLE 11: ASSOCIATION BETWEEN THE PLACE TO WHICH THE RESPONDENTS' BELONG AND PURPOSE OF INSURANCE

			Purpose of Insurance				**Total**
			Savings tool	Protection tool	Both	None	
Place	Jaipur	Count	12	18	17	3	**50**
		Expected Count	10.8	21.0	16.8	1.5	**50.0**
	Jodhpur	Count	13	21	15	1	**50**
		Expected Count	10.8	21.0	16.8	1.5	**50.0**
	Kota	Count	13	21	16	0	**50**
		Expected Count	10.8	21.0	16.8	1.5	**50.0**
	Udaipur	Count	5	24	19	2	**50**
		Expected Count	10.8	21.0	16.8	1.5	**50.0**
Total		**Count**	**43**	**84**	**67**	**6**	**200**
		Expected Count	**43.0**	**84.0**	**67.0**	**6.0**	**200.0**
Chi Square (Calculated value)			8.876				
Degrees of freedom			9				
Tabulated value			16.919				

Level of Significance: 5%

As the calculated value is less than the tabulated value, the null hypothesis is accepted that there is no association between the place of residence and the perception regarding the purpose for which insurance is sought.

5. Extent of relationship between the Insurance Status and the perception regarding the purpose for taking Insurance (Table 12)

H_o : There is no association between the Insurance Status and the perception regarding the purpose for taking Insurance.

TABLE 12: ASSOCIATION BETWEEN INSURANCE STATUS AND PURPOSE OF INSURANCE

			Purpose of Insurance				Total
			Savings tool	Protection tool	Both	None	
Insured	Uninsured	Count	17	31	28	4	80
		Expected Count	17.2	33.6	26.8	2.4	80.0
	Insured	Count	26	53	39	2	120
		Expected Count	25.8	50.4	40.2	3.6	120.0
Total		Count	43	84	67	6	200
		Expected Count	43.0	84.0	67.0	6.0	200.0
Chi Square (Calculated value)			2.207				
Degrees of freedom			3				
Tabulated value			7.815				

Level of significance: 5 %

As the calculated value is less than the tabulated value, the null hypothesis is accepted that there is no association between the status of Insurance and the perception regarding the purpose for which insurance is sought.

6. Extent of relationship between the Age and the perception regarding the purpose for taking Insurance (Table 13)

H_o: There is no association between Age and the perception regarding the purpose for taking Insurance.

TABLE 13: ASSOCIATION BETWEEN THE AGE AND PURPOSE OF INSURANCE

			Purpose of Insurance				Total
			Savings tool	Protection tool	Both	None	
Age	< 30 years	Count	7	22	14	2	45
		Expected Count	9.7	18.9	15.1	1.4	45.0
	30-40 years	Count	12	27	24	0	63
		Expected Count	13.5	26.5	21.1	1.9	63.0
	40-50 years	Count	16	21	17	2	56
		Expected Count	12.0	23.5	18.8	1.7	56.0
	50-60 years	Count	6	10	8	2	26
		Expected Count	5.6	10.9	8.7	.8	26.0
	> 60 years	Count	2	4	4	0	10
		Expected Count	2.2	4.2	3.4	.3	10.0
Total		Count	43	84	67	6	200
		Expected Count	43.0	84.0	67.0	6.0	200.0
Chi Square (Calculated value)			8.430				
Degrees of freedom			12				
Tabulated value			21.026				

Level of significance: 5 %

As the calculated value is less than the tabulated value, the null hypothesis is accepted that there is no association between the age and the perception regarding the purpose for which insurance is sought.

CONCLUSION

Maslow's need hierarchy states that the security needs come after the fulfillment of the basic needs and hence the need for insurance should be different for people of different age and income groups. But the study shows that there is no association between the selected demographic factors and the class to insurance is relevant or the purpose for insurance cover is sought. Hence as serious awareness campaign regarding the need and reliance of insurance should be taken up by the regulators and the stakeholders concerned for the providing better social and financial security.

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