MICRO-INSURANCE IN INDIA:
TRENDS AND STRATEGIES FOR FURTHER EXTENSION

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ABSTRACT
Microinsurance refers to the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved. Microinsurance can help low income households to manage risk and facilitate their economic development. Furthermore, insurance markets in developing countries represent a substantial and largely untapped source of potential profits. Women are especially good candidates for microinsurance because they respond to different risks in different ways than men and are often particularly vulnerable. To reach them, microinsurance providers must pay attention to the unique characteristics of this segment. Achieving scale through cost-effective distribution is one of the biggest challenges facing insurers in low-premium environments where customers are typically unfamiliar with insurance products and often sceptical of providers. In an effort to effectively reach as large a client base as possible, the emphasis is increasingly falling on innovative new distribution models as alternatives to traditional microinsurance distribution approaches, which typically rely on distribution through microfinance institutions (MFIs). During the last decade, insurance providers and their distribution partners internationally have been experimenting with developing and extending products to clients in new and innovative ways.

KEYWORDS: microinsurance , protection, trends, likelihood.

REFERENCES


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