Study Microinsurance and Corporate Social Responsibilities

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Abstract : Both corporate social responsibility and profitability have a favorable effect on each other. In addition, CSR may also refer to the idea that businesses voluntarily incorporate social and environmental issues into their operations and stakeholder interactions. A broad number of dangers can be covered by micro insurance, just like standard insurance. These encompass dangers to one's physical and mental well-being as well as the possibility of harm to or loss of one's possessions. There is a vast array of microinsurance products available to cover these risks. Some examples include insurance for crops, animals, health, theft, fire, disability, term life, death, and natural catastrophes.

Keywords: Microinsurance, corporate, social, responsibilities

INTRODUCTION

As a phenomena, corporate social responsibility (CSR) refers to businesses' efforts to better the communities in which they operate. Corporate social responsibility (CSR) helps corporations tackle socio-economic issues and gives them legitimacy. Corporate social responsibility (CSR) may help firms gain exposure in society, which can lead to advantages, as Burke and Logsdon (1996) argued. It is well-known that CSR is not used for profit-making purposes, but rather to forge connections with society members. However, it can ultimately benefit a company's bottom line by increasing its brand awareness and exposure to potential customers (Sen and Bhattacharya, 2001). Waddock and Graves (1997) state that corporate social responsibility (CSR) has a favorable effect on profitability, and vice versa. Furthermore, CSR may also be defined as the voluntary incorporation of social and environmental issues into corporate operations and stakeholder interactions (Commission of the European Communities' Green Paper, 2001).

Micro insurance

Microinsurance protects low-income individuals, defined as those with a daily income of $1 to $4, from certain risks in exchange for recurring premium payments that are proportional to the risk's chance and cost. With the exception of the specified target market of low-income

individuals, this definition is identical to that which may be used for conventional insurance. In most cases, the intended beneficiaries are those who have never had access to suitable insurance products or who have been disregarded by large-scale commercial and social insurance programs.

A broad number of dangers can be covered by micro insurance, just like standard insurance. These encompass dangers to one's physical and mental well-being as well as the possibility of harm to or loss of one's possessions. You may protect yourself from these dangers with one of the many microinsurance policies available, such as those for crops, animals, health, fire, term life, disability, natural catastrophes, theft, and more. Microinsurance is defined as "the protection of low income households against specific perils in exchange for premium payments proportionate to the likelihood and cost of the risk involved" in a draft paper on the topic prepared by the Consultative Group to Assist the Poor (CGAP) research group".

Types of microinsurance

There are a variety of microinsurance packages to choose from, including general and life insurance.

Life microinsurance:

- Affordable term and whole life insurance policies with modest coverage levels and premiums.

- A death benefit to help support the policyholder's family when the policyholder passes away.

General microinsurance:

- Health insurance: Pays for medical treatment in the event of certain diseases or accidents.

- Personal accident insurance: helps pay for medical bills and other expenses after an accident.

- Property insurance: This policy safeguards a home, livestock, and business instruments against calamities like theft, fire, and natural disasters.

- Insurance for crops and livestock is part of agricultural insurance, which protects farmers from financial loss due to accidents on the farm.

Assistances of microinsurance

In order to improve their financial conditions, disadvantaged populations can reap various benefits from microinsurance.

- Financial protection: Shields against monetary shocks brought on by unforeseen circumstances like accidents, diseases, or the like.

- People with low or unpredictable wages can still get health insurance because to affordable prices and coverage limits.

- Financial inclusion: helps low-income and marginalized communities get access to a vital financial service, which in turn promotes financial stability.

- Access to advantages: Some products may come with extra perks, such a savings component or tax incentives, in particular locations.

- Microinsurance helps keep people out of poverty by covering their assets and livelihoods in the case of a disaster, which contributes to economic stability.

Social Responsibility's Effects on Microinsurance

1 Social responsibility as it pertains to the insurance business

Starting with the idea that insurance is essentially about sharing risk and responsibility in big groups or pools might be a good way to establish the area of insurance ethics. When considering these risk pools, we may next inquire as to the precise ethical duties that insurers and other stakeholders should have. Smart and proactive insurance planning might make a difference in areas like poverty, sustainable development, crime prevention, and the distribution of blame for careless technology management, as indicated in the introduction. Community development activities are an ongoing focus for the India First Life family as they work tirelessly to engage their workers, agents, and distributors.

2 Facilitating microinsurance for the general public

A fair, transparent, cost-effective, regulated, and infrastructure-leveraging financial inclusion paradigm is necessary for insurance to reach the masses in India. India First Life Insurance is working to make insurance more accessible and appealing to the masses by providing reasonable, straightforward, comprehensive, and well-serviced policies to the general public.

3 Coverage for all financial needs (PMJJBY):

One insurance provider that is heavily involved in the Indian government's push for financial inclusion is India First Life. A group term assurance policy is associated with the PMJJBY bank account, which has a fixed premium of INR 330 and a cover of INR 200,000. This program is made available by the firm via its banking partners, and it is based on technology with a low-cost distribution approach and full integration. Almost 25 lakh lives were covered in only one year via

Challenges of CSR action

One of the biggest problems with CSR activity is how unestablished and dynamic the sector is. The environmental element is not stable, even if there is a tendency towards action that considers all three aspects—social, economic, and environmental. Accounting for carbon costs and the use of internal vs external environmental audits are topics of heated controversy in both academia and the real world. When dealing with stakeholders, it can be difficult to choose how extensive of a CSR initiative to launch and which factors to focus.

In order to shift an organization towards sustainability, certain steps must be taken, such as systematically reducing the ecological footprint, making efforts to address any potential social disadvantage within the business's influence, and reducing economic inequality. This is clearly not going to be free and will likely make the organization unpopular with most traditional financial players (Gray, 2006, 808-809). While acknowledging that CSR action does result in value creation, Gray (2006) argues that a broader definition of value is necessary to avoid reducing it to monetary terms. Life, society, and quality are all mentioned as valuable concepts by Gray (2006). Despite the extreme nature of Gray's perspective, it must be remembered that customers value these other aspects, and this approach might result in the development of financial value. Many are opposed to the Indian law that mandates some businesses allocate 2% of their profit before taxes (PBT) to corporate social responsibility (CSR). These are two of the most often asked questions about the subject::-

- By paying taxes to the government, companies are already fulfilling their responsibilities. The government's facilities (schools, hospitals, power outages, etc.) are still inadequate. Is the federal government, therefore, avoiding its basic duties?

- The money that a firm keeps as profit belongs to its shareholders. Therefore, what is the rationale for utilizing it for carbon footprint reduction? It is only fair that the

company's promoters and directors utilize their own money for CSR initiatives. After that, people like Azim Premji, Bill Gates, and Shiv Nadar are cited to back up that claim.

OBJECTIVES OF THE STUDY

1. To study on Impacts of CSR on Micro Insurance Services

2. To study on Challenges of CSR action

RESEARCH METHOD

Study design

The purpose of this study was to investigate the connection between microinsurance adoption by low-income families and CSR initiatives undertaken by Bangalore-based enterprises. The research methodology included both quantitative surveys and qualitative interviews. To fill out the qualitative section, we utilized a purposive sampling strategy to find people who would be able to talk about the subject at length. Eight to twelve CSR officers and non-governmental organization (NGO) partners engaged in microinsurance or financial inclusion initiatives were also included of the sample, as were twelve to fifteen home respondents representing covered and uninsured persons. To guarantee that all pertinent viewpoints and experiences were included, the qualitative sample persisted until topic saturation was achieved.

Population and study area

Quantitative and qualitative techniques were both used in the study's mixed-method sampling strategy. A sample of 400 houses was recruited for the quantitative survey. The need to estimate population proportions with a ±5% margin of error at a 95% confidence level and to guarantee sufficient statistical power for multivariable regression analysis with up to ten predictors drove the determination of this sample size. As a general rule, at least ten events per variable is recommended by this method. For the purpose of selecting households, a multi-stage cluster sampling procedure was utilized. In the initial phase, Bangalore's socioeconomic variety was captured by intentionally selecting five zones: North, South, East, West, and Central. In the second phase, clusters were formed by randomly selecting four wards from each zone. Lastly, a total of 400 respondents were obtained by applying systematic sampling inside each chosen ward and picking every k^{kh} home until the objective of about 80 families each zone was met.

Households and business representatives from the Bangalore metropolitan region made up the two categories that made up the study population. Households belonged to low- and lower-middle-income urban neighborhoods spread out over the city's five administrative zones: Central, North, East, and South. We intentionally chose these places to showcase the wide range of socio-economic backgrounds and the many ways in which financial inclusion initiatives are accessible. Representatives or CSR managers from medium- to large-sized businesses in Bangalore who are involved in CSR projects, especially those relating to microinsurance or financial inclusion, made up the corporate sample. In order to maintain consistency in field settings and reduce seasonal volatility in responses, data was collected for both home and business samples continuously throughout a three-month period, from July to September 2025.

Statistical analysis

In order to guarantee precision and reliability, quantitative data was meticulously handled and examined. While cleaning the data, we checked for range and consistency. If the number of missing values was less than 5%, we handled them by listwise deletion. If it was more than 10%, we used multiple imputation. For categorical variables, descriptive statistics were given as percentages and frequencies, while for continuous variables, they were given as mean ± SD or median (IQR). When comparing two groups, bivariate analyses used t-tests or Mann-Whitney U tests; when comparing multiple groups, analysis of variance (ANOVA) was used. Chi-square tests were used for categorical relationships. We used Pearson's or Spearman's coefficients, depending on the distribution of the data, to evaluate the correlations. We used logistic regression to find characteristics that would influence microinsurance enrollment, and we used linear regression to find factors that would influence satisfaction scores. In order to assess the efficacy of the model, diagnostics were conducted using measures such as multicollinearity (VIF), goodness-of-fit (Hosmer-Lemeshow), and pseudo-R^2 values.

RESULT

Table 1. Responsibilities and Demographics of the Participants (n = 400)

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	172	43.0
	Female	228	57.0
Age (years)	18–30	88	22.0
	31–45	174	43.5
	46–60	102	25.5
	>60	36	9.0
Education	No formal	36	9.0
	Primary	96	24.0
	Secondary	148	37.0
	Graduate & above	120	30.0
Monthly Household Income (INR)	<10,000	104	26.0
	10,000–25,000	204	51.0
	>25,000	92	23.0

Mean age = 38.6 ± 11.4 years; Median income = ₹16,000 (IQR ₹9,000–₹26,000)

The demographic and socioeconomic breakdown of the 400 participants is shown in Table 1. With 57.0% of the sample being female and 43.0% being male, it appears that women were slightly more likely to fill out the survey. It appears that the majority of participants were of working and economically active age, as 43.5% of the respondents were in the 31-45 age group, 25.5% were in the 46-60 age group, and 22.0% were in the 18-30 age group. As a whole, the participants' ages ranged from 38.6 to 39.5 years.

A fairly educated population was represented by the 37.0% who had finished secondary education and the 30.0% who were graduates or above. Only a tiny percentage had completed elementary school (24%) or none at all (9.0%). In terms of family income, 51.0% of the participants reported earning between 10,000 and 25,000 rupees per month, 26.0% earned less than 10,000 rupees, and 23.0% earned more than 25,000 rupees. Most families belonged to the low- and lower-middle-income categories, as indicated by the median monthly income of

₹16,000 (IQR ₹9,000-₹26,000). It appears from the demographic distribution that the study was able to collect data from a statistically valid sample of low-income, economically engaged urban families in Bangalore.

Table 2. Prevalence, Type, and Level of Knowledge About Microinsurance

Variable	Category	Frequency (n)	Percentage (%)
Consciousness of Microinsurance	Yes	272	68.0
	No	128	32.0
Microinsurance Enrollment at Present	Yes	168	42.0
	No	232	58.0
Microinsurance Type (among 168 enrollees)	Health	86	51.2
	Life	48	28.6
	Asset/Property	18	10.7
	Other (crop/livestock etc.)	16	9.5
Source of Consciousness	Employer/CSR	94	34.6
	NGOs	82	30.1
	Media	56	20.6
	Friends/Relatives	40	14.7

The forms of microinsurance, the extent to which families were aware of them, and the number of households that enrolled are all shown in Table 2. Microinsurance had a moderate level of public awareness in metropolitan Bangalore, with 68.0% of 400 respondents being familiar with the concept and 32.0% being completely unaware of it. However, there appears to be a significant disparity between knowledge and action, as only 42.0% of respondents were really participating in a microinsurance plan.

Of the 168 people who filled out the survey, 51.2% were covered by health-related microinsurance, 28.6% by life insurance, 10.7% by asset or property insurance, and 9.5% by

other types of insurance, such as farm or animal insurance. This trend shows that low- and lower-middle-income urban families prioritize health protection.

Among the many factors that contributed to the spread of knowledge, employer-sponsored CSR programs accounted for a disproportionate share (34.6%), followed by non-governmental organizations (NGOs) (30.1%), the media (20.6%), and personal connections (14.7%). This highlights the importance of corporate social responsibility initiatives and outreach spearheaded by NGOs as means of increasing community awareness of and access to microinsurance.

Table 3. Microinsurance Enrollment and the Association Between Awareness and CSR Exposure

Variable	Category	Enrolled (n=168)	Not Enrolled (n=232)	χ^2 Value	p-value
Consciousness of Microinsurance	Aware (n=272)	156 (57.4%)	116 (42.6%)	156.2	<0.001*
	Not Aware (n=128)	12 (9.4%)	116 (90.6%)		
Responsible Business with an Employee Benefits Plan	Yes (n=140)	94 (67.1%)	46 (32.9%)	58.7	<0.001*
	No (n=260)	74 (28.5%)	186 (71.5%)		
Education Level	Up to Primary	42 (30.0%)	98 (70.0%)	9.3	0.025*
	Secondary	68 (46.0%)	80 (54.0%)		
	Graduate & above	58 (48.3%)	62 (51.7%)		

p < 0.05 statistically significant.

The correlation between respondents' knowledge, CSR exposure, degree of education, and microinsurance membership status is shown in Table 3. Enrollment was shown to be significantly related to awareness of microinsurance (χ^2 = 156.2, p < 0.001). There was a significant difference in enrollment rates between those who were aware of microinsurance (57.4% vs. 9.4%). Evidence like this suggests that people's level of knowledge is a major factor in whether or not they join microinsurance programs.

The same holds true for the strong and significant connection between enrollment and exposure to employer-based CSR insurance schemes (χ^2 = 58.7, p < 0.001). The enrollment rate was much higher (67.1%) among respondents whose workplaces offered CSR-linked insurance compared to those without such exposure (28.5%), demonstrating the beneficial effect of corporate participation in promoting financial security.

Further analysis revealed a statistically significant correlation between enrollment and education level (χ^2 = 9.3, p = 0.025). From 30.0% among those with a primary education to 48.3% among graduates and above, enrollment rates improved with greater education. This indicates that education improves comprehension and confidence in microinsurance products. Taken together, the results highlight the importance of education, CSR involvement, and awareness in influencing microinsurance enrollment among Bangalore's urban families.

Table 4. A Twenty-Item Data Set on the Relationship Between CSR Intensity and Enrollment Rate

Variable 1	Variable 2	Pearson's r	p-value
CSR Intensity Score	Enrollment Rate (%)	0.32	<0.001*

Across all 20 of Bangalore's wards, Table 4 displays the relationship between CSR intensity and the rate of microinsurance enrollment. There is a strong and statistically significant association (r = 0.32, p < 0.001) between CSR activity levels and microinsurance enrollment rates in locations where the former is more prevalent. The modest link between the two variables does, however, point to the significant role that CSR efforts like awareness campaigns, premium subsidies, or collaborations with insurance providers have in enticing people to enroll in microinsurance schemes. This study highlights the significance of community involvement driven by corporate social responsibility in increasing low- and middle-income urban residents' access to financial services and social protections.

Table 5. The dependent variable in logistic regression is the enrollment status of microinsurance policies, which can take values of 1 or 0.

Predictor	β (Coefficient)	Adjusted Odds Ratio (aOR)	95% CI for aOR	p-value
Awareness (Yes vs No)	1.81	6.10	3.20–11.60	<0.001*
Employer CSR Presence (Yes vs No)	0.74	2.10	1.50–2.90	<0.001*
Income (10k–25k vs <10k)	0.26	1.30	0.90–1.90	0.12
Education (Graduate+ vs ≤Primary)	0.59	1.80	1.10–2.90	0.02*
Gender (Female vs Male)	0.08	1.08	0.70–1.60	0.54
Constant	—	—	—	—

Nagelkerke R^2 = 0.38; Model $\chi^2(5)$ = 112.4, p < 0.001.

Table 5 displays the outcomes of the multivariate logistic regression study that looked at factors that might have predicted whether or not respondents would enroll in microinsurance. The greatest predictor of enrollment was awareness of microinsurance, with those who were informed having more than six times the odds of enrollment compared to those who were oblivious (aOR = 6.10; 95% CI: 3.20-11.60; p < 0.001). The existence of employer CSR was also found to be a strong positive predictor; participants whose employers provided CSR-linked insurance programs had a 2.10 odds ratio (aOR), 95% confidence interval (CI): 1.50-2.90, p < 0.001.

Higher levels of education were associated with a greater likelihood of enrollment in microinsurance products, as compared to individuals with just a basic school education or less (aOR = 1.80; 95% CI: 1.10-2.90; p = 0.02). The p-values for income (0.12) and gender (0.54) did not indicate that they were statistically significant factors in this model. Overall, the model matched the data well, as shown by $\chi^2(5)$ = 112.4, p < 0.001, and it had a Nagelkerke R^2 of 0.38. These results show that education, CSR involvement, and public knowledge are the three most important variables affecting family participation in microinsurance schemes in Bangalore.

Table 6. Households Enrolled in Microinsurance and Their Level of Satisfaction

Satisfaction Item	Mean Score (1–5)	SD
Premium affordability	3.55	0.94
Claim procedure ease	3.42	0.91
Timeliness of right	3.38	0.97
Overall gratification	3.62	0.92

Cronbach's α = 0.81, indicating good internal consistency.

Table 6 provides a summary of the 168 families' satisfaction scores with several components of the microinsurance services. Overall satisfaction (3.62 ± 0.92), premium affordability (3.55 ± 0.94), convenience of the claim procedure (3.42 ± 0.91), and timeliness of claim settlement (3.38 ± 0.97) were the items from which respondents rated moderate satisfaction. From what we can see, families have a generally favorable impression of microinsurance services, but we can definitely make some improvements, especially when it comes to how quickly and accurately claims are processed. The items consistently measured the underlying concept of service satisfaction, and the reliability of the satisfaction scale was validated by a Cronbach's α of 0.81, which indicates strong internal consistency.

Discussion

Microinsurance enrollment among urban low- and lower-middle-income households in Bangalore may be influenced by awareness, education, and corporate social responsibility (CSR) programs, according to this study's findings. In line with other research on financial inclusion in urban India, this study found that while 68% of the population was aware of the program, only 42% actually enrolled. Among low-income households, health-related microinsurance was the most often used product, indicating a preference for healthcare protection over life, asset, and livestock insurance. Households exposed to employer-supported insurance efforts were considerably more likely to enroll, validating the favorable impact of corporate participation in improving financial access. This finding further highlights the usefulness of CSR-driven programs. Enrollment was further aided by education, which may indicate that confidence and want to engage are enhanced by increased literacy and comprehension of insurance principles.

The majority of enrolled households were moderately satisfied, although there was need for improvement in the areas of affordability, claim process convenience, and timeliness, which received significantly lower marks. The significance of well-coordinated awareness and outreach initiatives is further shown by the favorable relationship between CSR intensity and ward membership. Microinsurance adoption and financial protection among economically vulnerable urban communities can only be improved via concerted efforts to raise awareness, provide educational support, and involve CSR.

CONCLUSION

The study concludes that awareness, educational attainment, and employer-driven CSR programs have a substantial impact on microinsurance membership in Bangalore. There has to be targeted intervention to overcome the hurdles of affordability, trust, and operations, even when CSR programs and awareness campaigns successfully encourage involvement. The knowledge-to-enrollment gap is still rather large. Policymakers, insurers, and firms should work together to improve microinsurance knowledge and acceptance through CSR-led outreach, streamlined claim procedures, and personalized education, according to the findings. Microinsurance has the potential to significantly impact the lives of low- and lower-middle-income families in urban India by tackling these concerns and providing them with social safety and financial inclusion.

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