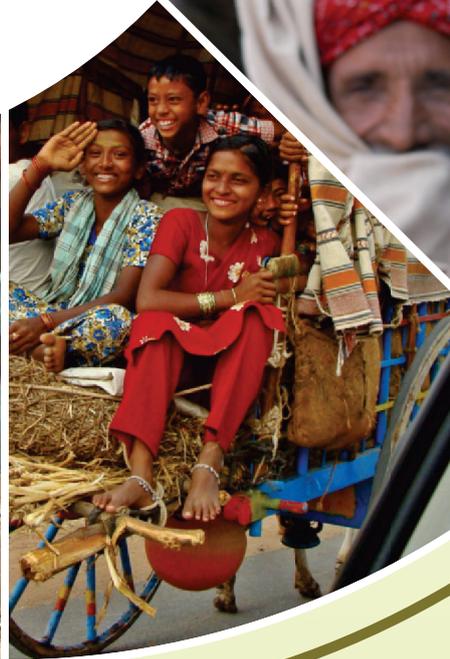




**CSC**  
Common Services Center  
**Digital India**  
Power To Empower



# **Role Of Common Service Centres (CSCs) In Inclusive Growth of Insurance**

**A Report by**



**NATIONAL  
INSURANCE  
ACADEMY**



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**A Report by**



**January, 2021**

**The report can be accessed online at [www.niapune.org.in](http://www.niapune.org.in)**

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## EXECUTIVE SUMMARY

There is a huge divide between urban and rural India. Vast majority of the population especially in the rural areas are outside the fold of Financial Inclusion. The benefits of economic growth have not reached the rural population. A large population living in rural India doesn't have access to various Financial Services. It is in this background that the concept of Common Service Centre (CSC) was introduced by the GOI to bridge this divide and to take Financial Services and Governance to the doorsteps of the rural population.

CSCs are telecentres or internet kiosks for delivering Government of India e-Services to the rural and remote locations where people largely do not have internet access. As mentioned, the aim of setting up of CSCs was to take the Government of India e-Services to the doorsteps of rural citizens and build a digitally enabled and financially inclusive society. The objective was to also promote rural entrepreneurship, build rural capacities and enable community participation for social improvement.

The topic of the Research Study was - the role of CSC in inclusive growth of insurance. The Study examines the CSC model, the services they provide, the systems and processes and assesses how the CSCs can be better leveraged to increase the reach of insurance and contribute to Financial Inclusion. In other words, the Study was aimed to understand as to how this e-Governance initiative is working and how it can be further strengthened and better utilised and leveraged to bring about insurance Inclusion. There is a huge network of nearly 2.50 lac CSCs spread across 1.50 lac panchayats across the country. These CSCs are already providing G to C and B to C services to citizens especially in the rural areas.

It is an Empirical study taking the exploratory approach. The study relies on both primary and secondary data. Primary data was collected through field visits using TWO Questionnaires. 1<sup>st</sup> for VLEs and 2<sup>nd</sup> for farmers and villagers.

FOUR Districts were selected based on HDI (human development index). Economic Survey of Maharashtra has divided the Districts into FOUR categories depending on HDI based on literacy rate and per capita income among other factors.

Pune with very high HDI- 0.814, Aurangabad with high HDI- 0.727, Amravati with medium HDI- 0.701 and Osmanabad with low HDI- 0.649 were selected to make the study more representative.

**Findings:**

- Awareness level of people about CSCs was high. Most of the villagers had visited the center and they were largely satisfied with the services offered.
- There are four kinds of CSCs operating in these districts which can be loosely characterized in four categories- CSCs which are already business centres, Gram Panchayat supported CSC, Independent and standalone CSCs, and Business Correspondents (BC) centres operating as CSCs.
- The CSCs which are already business centres e.g. cyber cafes, or photo copy shops or BC centres are running effectively and profitably. CSCs attached to gram panchayats are yet to take roots and attract villagers to avail various services. They also offer limited number of services.
- Very few VLEs have become RAPs (Rural Authorized Persons) as they found the process and the examination cumbersome.
- Knowledge of insurance was found to be low among most of the VLEs and very few of them were selling Insurance products and that too mostly government sponsored or government initiated schemes like PMFBY.
- Insurance being a complex product, the VLEs found insurance selling difficult and time consuming. They do not find insurance selling as a remunerative activity.
- VLEs running successful centres were busy in providing G to C services and did not have either time or inclination to diversify into other areas like insurance.
- Service charges/ commission varied and were not uniform across CSCs and were at variance with those displayed at the CSCs.
- Lack of insurance awareness among customers, lack of understanding and therefore lack of demand are among major obstacles and impediments in selling Insurance in rural areas.

## **Recommendations:**

Based on the findings and observations from the field the key recommendations are as follows:

- ✓ The CSCs have a huge network. Leveraging them by the Insurance companies will help them in improving the coverage especially in rural and semi urban areas. It will also help them in better service delivery including settlement of claims.
- ✓ It was found that Insurers were not very supportive so as to encourage and motivate VLEs in selling insurance products. Insurers should recognise the fact that CSCs can become effective channels of distribution of products and services.
- ✓ There were very few CSC products launched by insurance companies. In fact very few insurers had CSC products.
- ✓ VLEs need guidance and support in passing RAP exams. Some kind of coaching or tutorials for the VLEs by CSC-SPV or SDA (State Designated Agency) will help. Insurance COs may also take up this initiative. Such pre-exam coaching can also be given on line. With the new CPSC Regulations CSCs have started arranging for training and examination for VLE-Ins/ RAPs on their portal.
- ✓ The VLEs find the Commission low. This is because the ticket size/premium is low. There is a need to revisit the commission structure of all kinds of insurance products.
- ✓ CSCs can become after sales service points with wide presence. Insurers should take advantage of their strong presence at the taluka and panchayat levels. They already collect renewal premium including micro insurance renewal premium for the largest life insurer, the LIC.
- ✓ There appeared to be lack of communication between Insurance companies and CSCs. The CSCs/VLEs need to be engaged more so that the benefits are explained to them.

The new CPSC Regulations will hopefully address some of these issues as it allows all micro insurance products, Point of Sales (PoS) products, government initiated schemes and any other product approved by the Regulator to be sold at CSC outlets by VLE-Ins/RAPs who have successfully completed the training and examination as specified in the Regulation.

It is hoped that the enabling provisions of the new CPSC Regulations will help in achieving the twin objectives of increasing the reach of insurance and facilitate inclusive growth and Financial Inclusion and also make CSCs sustainable business models which can promote rural

entrepreneurship, build rural capacities and enable community participation for social improvement.

Covid 19 pandemic has created awareness about the need for life insurance protection. CSCs are receiving enquiries about life insurance products. The latest data shows that LIC and India First Life Insurance Company have tied up with CSCs for distribution of micro insurance products. LIC has tied up with CSC in October 2020 after the CPSC Regulations were notified. After the lockdown was gradually lifted, business activities picked up. LIC has sold 21352 micro insurance policies as on 31<sup>st</sup> January, 2021. Nearly 5800 VLE-Ins/RAPs have become active in selling micro insurance products in as many Common Service Centres. India First has created a new position of CSC channel head. It is hoped that all insurance companies will leverage the enabling features in the CPSC Regulations and provide insurance cover to the masses.

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## LIST OF ABBREVIATIONS AND ACRONYMS

B2C	-	Business to Consumers
BBPOU	-	Bharat Bill Payment Operating Unit
BC	-	Business Correspondents
CPSC	-	Common Public Service Centre
CSC	-	Common Service Centre
CSC-SPV	-	Common Service Centre Special Purpose Vehicle
e-KYC	-	Electronic Know Your Customer
EPIC	-	Electoral Photo Identity Card
FGD	-	Focus Group Discussion
G2C	-	Government to Citizens
GIS	-	Geographic Information System
GP	-	Gram Panchayat
HDI	-	Human Development Index
ICT	-	Information & Communication Technology
IRDAI	-	The Insurance Regulatory and Development Authority of India
MAVIM	-	Mahila Arthik Vikas Mahamandal
NEILIT	-	National Institute of Electronics & Information Technology
NIA	-	National Insurance Academy
PAN	-	Permanent Account Number
PMAY	-	Pradhan Mantri Awas Yojana (PMAY)
PMFBY	-	Pradhan Mantri Fasal Bima Yojana
POS	-	Point of Sales
PPP	-	Public-Private Partnership
RAP	-	Rural Authorised Person
SCA	-	Service Centre Agency
SDA	-	State Designated Agency
SHG	-	Self Help Group
SSDG	-	State Service Delivery Gateway
UIDAI	-	Unique Identification Authority of India
VLE	-	Village Level Entrepreneur



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## 1. INTRODUCTION

India is known as a country of villages. While it explains the socio-economic and cultural characteristic of the country, this identity also becomes a limitation for development of rural population. Lack of access to various services delivered by Government and private sector puts rural masses at great disadvantage in availing the fruits of development. People living in remote rural areas have to travel to taluka or district places to avail the benefits of any Government scheme or to obtain certificates/documents related to land records and identification proof among others or to purchase goods and services offered by the market. This is not only time consuming but also causes financial hardships to the people. At the same time, when the world was being envisaged as a global village because of digital integration, rural people were at a disadvantage because of increasing urban and rural digital divide. In this background the concept of Common Service Centre (CSCs) was introduced by the Government of India in the year 2006 to bridge this digital divide and to take governance to the doorsteps of rural populace.

Common service centre is a single window internet kiosk meant to provide access to various schemes, services and records to people living in rural areas. CSCs are telecentres that are established under the framework of Indian National e-Governance Plan (Shadrach and Sharma, 2013). The CSCs are expected to facilitate citizens' access to both public and private services in rural areas.

The aim of setting CSCs was to take Government of India e-Services to the doorsteps of rural population and build a digitally and financially inclusive society. CSCs are also aimed at promoting rural entrepreneurship and building rural capacities and livelihoods through community participation and collective action.

CSC was envisioned to reduce the transaction cost for the rural population by connecting government departments, business establishments, financial and educational institutions and thus bringing in the last mile digital connectivity. They are seen as enablers of community participation and collective action for engendering social change through a bottom-up approach with key focus on the rural citizen (Vikash Pedia<sup>1</sup>). The objective was to provide access to information and delivery of public services to rural citizens and empower the socially disadvantaged sections of the society leading to inclusive growth. The CSC is also meant to integrate the twin goals of entrepreneurship and social services, into a sustainable business

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<sup>1</sup> <http://vikaspedia.in/e-governance/resources-for-vles/common-service-centres-programme#section-1>

model for achieving rapid socio-economic change in rural India through collaborative framework. CSCs are positioned as change agents, promoting rural entrepreneurship and building rural capacities and livelihoods. CSCs are envisioned to grow into hubs of economic activity, encouraging rural entrepreneurship and empowering communities in rural areas. CSCs have also been trying to bridge the gaps in digital literacy and skills of rural citizens through a range of literacy initiatives focused on digital, financial and legal literacy and e-learning and skill development courses<sup>2</sup>.

In the first phase of implementation of the mission the target was to have one CSC for every six village. Thus one lakh CSC were planned to be opened. The target was revised in 2015 to have one CSC in every Gram Panchayat of India. India has 2.5 lakh Gram Panchayats. Thus, the target was to have 2.5 lakh CSCs preferably in the gram panchayat premises by the end of 2019. This second phase of expansion of CSCs was termed as CSC 2.0. The total no of CSCs registered are 3.71 lakh (CSC-SPV, 2019-20).

The increasing role of CSCs in bringing digital inclusion and digitisation of financial services has made it centre of attraction for all initiatives intending to bring financial inclusion. IRDAI had brought two regulations in 2015 and 2019 (revised) to guide insurers in utilising services of CSCs in distribution of insurance. These regulations are being seen as corner stone in growth of insurance in rural areas. This is an opportune time to understand the role of CSCs in bringing insurance inclusion. This study is aimed at examining role of CSCs in bringing insurance inclusion and identifying enablers for growth in this direction. The study team visited and called about sixty CSCs in four districts of Maharashtra and interviewed 38 CSC VLEs to understand their perspective.

### **1.1. Structure of CSC**

CSCs work in multiple-services-single-point model for providing facilities for multiple transactions at a single geographical location, mostly in rural and semi urban areas. It operates through online “Digital Seva Portal” specially created for the purpose.

CSCs operate under the PPP model in a 4-tier structure consisting of the CSC operator (CSC VLE), the Service Centre Agency (SCA), and State Designated Agency (SDA) and CSC Special Purpose Vehicle (CSC SPVL). The CSC operator called Village Level Entrepreneur or

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<sup>2</sup> <http://www.tele-law.in/static/csc-e-governance.php>

VLE based at village level is the contact point for the target rural population. The CSCs are run by the Village Level Entrepreneurs (VLEs), who are chosen through a selection process adopted by Service Centre Agencies (SCAs). Government is encouraging women and marginalized sections of the society to become VLEs. As per the latest data available, 32,361 women entrepreneurs have set up CSCs (CSC Guidelines paper, 2017).

The SCA is a district level body responsible for covering a group of districts in a state. SCAs have a service level agreement with the State Governments within the Public-Private Partnership (PPP) model. The SDA is identified by the respective State Government and operates at state level for managing the implementation of the CSC network over the entire State. These SDAs operate under guidance and monitoring of a Special Purpose Vehicle called the CSC e- Governance Services India Limited (CSC SPVL). It has been established with head office in New Delhi to oversee the functioning of these centres. Responsibilities of CSC-SPVL also include hand-holding and capacity building among the VLEs to deliver expected services to the citizens. CSC-SPVL was set up under the Companies Act, 1956 by the Ministry of Electronics & IT, Government of India in the year 2015 for implementation of second phase of the project.

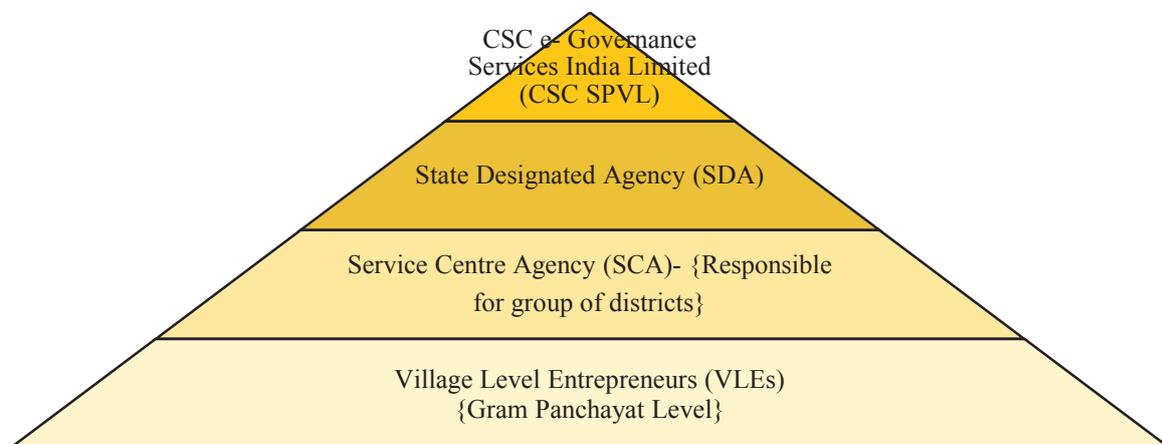


Fig 1: Structure of CSC

## 1.2. Types of CSCs

The study team observed during the field visits that CSCs are working under four arrangements. In the first type, some of the CSCs in states like Maharashtra are controlled and directed by Gram Panchayats. The service centres are situated in the premises of Gram Panchayats. Gram Panchayat pays a part of the salary to the VLEs which forms a fixed part of their remuneration. The variable component is in the form of commission/processing charges paid by the CSC

depending on the quantum of work. These CSCs primarily work on behalf of panchayats to provide documents and register birth and deaths in their area of jurisdiction and also extend services offered by the Government.

In second arrangement, the internet kiosks/ photo copy shops/computer training centres etc., who had their shops running previously have got registered as CSCs to diversify their business. They offer services depending on the demand in the area and convenience/expertise of the VLEs.

The third type of CSCs were observed to be opened by the VLEs with the sole aim to start a business based on services offered on CSC portal. These are new shops which are opened after announcement of the scheme and have got verified/ waiting to be verified and have got their login - passwords/are waiting to receive their login- passwords.

The fourth arrangement, though few in numbers are BCs offering services of the CSC. These BCs are primarily offering services of banks like opening of bank account and money transfer. Alongside they have registered to function as CSC to diversify their business and earn additional revenue.

### **1.3. Services Offered**

The services provided by the CSCs are Government, Financial, Social and Private Sector services in the areas of agriculture, health, education, entertainment, FMCG products, banking, insurance, pension, utility payments, etc. These services are offered under three categories - Government to Citizens (G2C), Business to Citizen Services (B2C) and Business to Business (B2B).

G2C is a concept under e-governance representing services provided by the various departments of the Government for its citizens. Under these services Government transfers documents and information to citizens using Information and Communications Technology (ICT) solutions. Various G2C services of Central Government, Ministries and departments, State-specific services have been integrated on the on-line CSC universal portal called “Digital Seva Portal” for delivery of all G2C services.

Business-to-Citizen or Business-to-Consumer or Business-to-Customer (B2C), entails activities of e-businesses serving end consumers with products and/or services. The services offered under B2C are classified under groups like Agriculture, Commercial, e-

Commerce/Online, Education, Entertainment, Primary Healthcare etc. These services offered through CSC vary from state to state. A detailed list of these services is given in the annexure.

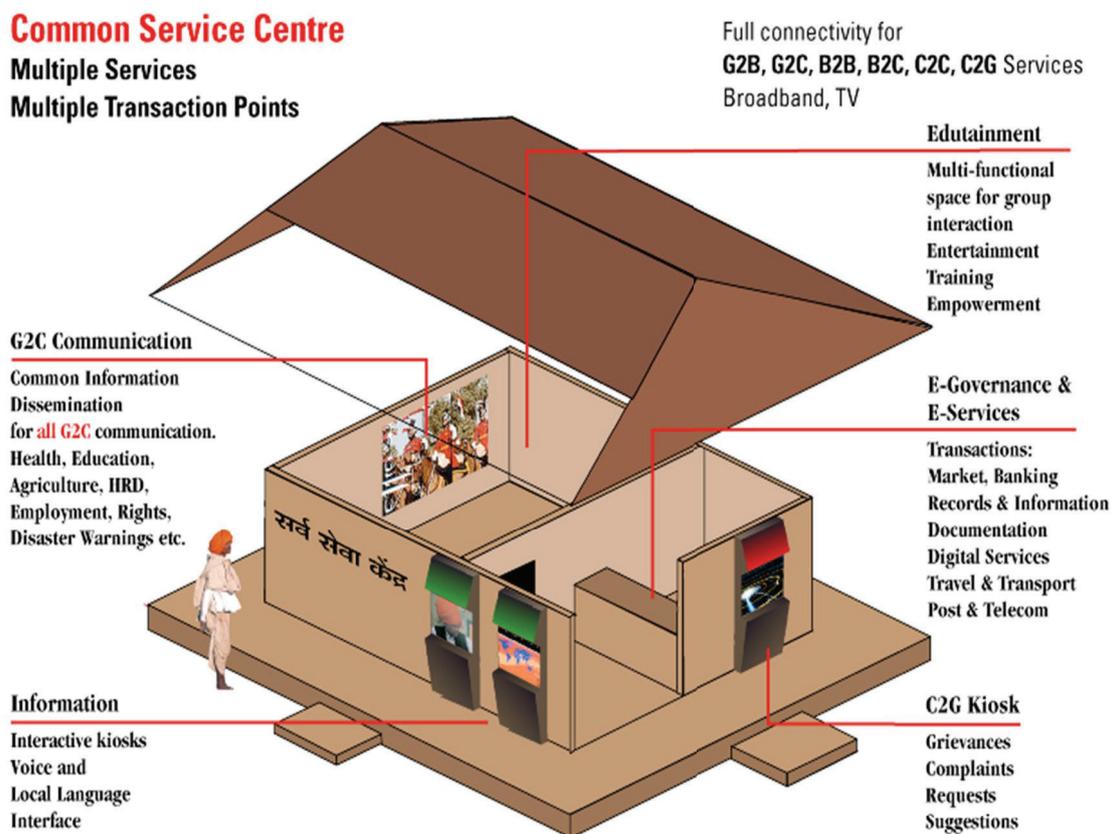


Fig 2: A visual representation of the role played by CSC (Source - CSC SPVL)

CSC SPV is also a Bharat Bill Payment Operating Unit (BBPOU). Under this function it uses Bharat Bill Pay services to enable the villagers to pay their Electricity, Water, Gas, DTH and Broadband & Landline Post Paid bills through CSCs. This function has diversified the B2C services of CSC.

The team also observed that different CSCs have specialised in different types of G2C services. For example, few of the CSCs which are near district collector offices are specialised in providing government documents. Some of CSCs located at taluka level are specialised in crop insurance enrolment. Some of them are famous for providing information of school related government schemes and documents.

## 1.4. CSC and Insurance

The envisaged widespread reach of CSCs expected to deliver variety of services at low cost makes it an easy attraction for initiatives related with financial inclusion. At the time when CSCs were expanding their reach, insurance inclusion was getting impetus by the prominent stakeholders like the Government of India and IRDAI. Insurance being the fourth pillar of financial inclusion needed a new vehicle for delivery with wide footprint. This made CSCs a natural attraction for delivery of insurance services.

### 1.4.1. Insurance Regulations to Facilitate Insurance Selling through CSC

CSC ventured into insurance selling in 2013 when CSC SPV was given a license by IRDAI to work as an Authorized Intermediary. As an intermediary, CSC SPV got permission to sell specific insurance products through certified VLEs. Under this arrangement, the VLEs had to pass an examination to be certified as Rural Authorized Persons (RAPs). The RAPs were given licence to sell insurance of select insurance companies. Insurance companies had to tie-up with CSC-SPV and make their products available on CSC portal to provide access to RAPs.

In 2015 the IRDAI came with the first CSC regulation to facilitate the sale of insurance products through CSCs under certain conditions. There were primarily four conditions for doing insurance business through CSCs. The first condition specified by the regulator was that the CSC-SPV had to get formally registered with IRDAI as an intermediary, which was extension of existing arrangement. The registration of CSC SPV needed to be renewed every three years. The second condition was that the CSC - VLEs had to pass a certification examination in insurance. The examination was conducted by an Authorised Examination Agency named National Institute of Electronics and Information Technology (NIELIT). After passing the

#### **Box 1**

*CSC SPV got license of insurance intermediary from IRDAI in 2013 to sell life and non-life insurance products through the Rural Authorised Persons. About 40,000 VLEs are registered as RAPs across the country and 36 insurance companies are offering their products through CSCs (2017).*

*In 2016-17, RAPs sold 2.16 lakh insurance policies (life and non-life) and collected premium of Rs. 23.9 Cr. They also collected renewal premium worth Rs. 310.3 Crs. from 8.3 lakh policy holders of 18 life insurance companies.*

*VLEs working as BCAs can also offer the three social security schemes – PMSBY, PMJJBY and APY*

*Source: <https://csc.gov.in/financialinclusion>*

exam, the VLEs were called Rural Authorised Persons (RAPs) and they became eligible to sell insurance. RAPs also needed to undergo 20 hours of training through CSC portal to become eligible to sell insurance. The third condition specified was that CSC-SPV shall get into agreement with an insurance company before offering their products on CSC portal named as 'Digital Sewa Portal'. The fourth condition was that the insurance companies had to offer only specially designed products for CSC. These products could be from any of the life, general or standalone health insurance companies.

Apart from these conditions, the regulation detailed out the procedure for registration of CSC-SPVL and RAPs, functions of CSC-SPVL and RAPs, remuneration of CSC-SPVL and RAPs, on boarding charges, procedure for agreement with insurance companies, guidelines for Life and General Insurance products under CSC model, obligations of insurers, code of conduct of CSC - SPVL and procedure for disciplinary proceedings in case of violations of guidelines.

The IRDAI revised this regulation in the year 2019 and came with the new regulation named the 'Common Public Service Centres (CPSC) Regulation 2019'. The new regulation increased the scope of services offered by the CSCs by including more products in the offerings by the CSCs. The Common Public Service Centres (CPSC) regulation 2019 allows CPSCs/ CSCs to sell simple 'Over the Counter' (OTC) insurance products as per specification in guidelines for Point of Sales person (PoS) detailed in Box 2, micro insurance products, and government sponsored social insurance schemes along with specified CSC products. Earlier, CSC products offered by insurance companies were very few under the regulation of 2015 and only CSC products approved by the regulator were allowed to be sold. The new CSC Regulations have added micro insurance, other life and general insurance products, and social insurance products into their offerings. These service centres are now called Common Public Service Centres (CPSCs) after the notification of CPSC Regulation 2019. Under the new regulation the prior requirement of registering each active CSC with insurance company by paying a fee of Rs 5000/- is removed. Now insurance companies can directly get into tie-up with CSC SPV and enrol the CSCs for doing business.

Another important change brought in by the 2019 regulation was that it lowered the eligibility criteria for selling insurance through CSC by adding 'VLE – Insurance' into the sales force. VLE-Insurance (VLE- INS) are given equivalence to 'Point of Salesperson' (specified under PoS regulation 2015 for Non-life and PoS regulation 2016 for Life) in terms of eligibility criteria (Box 2). The roles and responsibilities in insurance selling for VLE-Insurance are same

as that of RAPs. There is also difference in the commission of RAPs and VLE- insurance. RAPs will get 90% of the commission and service fee whereas; VLE-insurance will get 85% of the same.

### **Box 2**

As per CPSC Regulation 2019 of IRDAI, the eligibility criteria for VLE- Insurance and OTC insurance products will be same as specified in PoS guidelines. Summary of Guidelines for PoS Life and Non-Life Insurance, as specified under PoS regulation-2015- Non-life and PoS regulation-2016 - Life, is presented below:

#### **Who is PoS**

- “Point of Sales Person” means an individual who possess the minimum qualifications, has undergone training and passed the examination as specified in these guidelines and solicits and markets only certain pre-underwritten products approved by the Authority.
- Can represent an insurance company or an insurance intermediary
- Every policy sold by PoS shall be tagged with his/her PAN or Aadhar No

#### **PoS Eligibility**

- Minimum qualification – 10<sup>th</sup> pass
- Online training provided by NIELIT- National Institute of Electronics and Telecommunications
- Successfully passed examination of PoS by NIELIT

#### **PoS Products**

Point of Sale Product means the simple vanilla product wherein each and every benefit is predefined and disclosed upfront clearly at the time of sale and is simple to understand.

- Product name prefixed with PoS
- Pre-underwritten products generated by system

#### **Non-Life Products to be sold by PoS NL**

- Motor comprehensive insurance package policy for two wheeler, private car and commercial vehicle
- Motor third party liability policy for two wheeler, private car and commercial vehicle
- Personal accident policy,
- Travel insurance policy,
- Home insurance policy

#### **Guidelines of POS Life Products**

- Pure term insurance product with/without return of premium
- Non lined non-participating endowment product (can have money back feature)
- Immediate annuity product

#### **Other Features**

- Offered only as non-linked individual products
- Age 18-65 years
- Policy term- Minimum term 5 years and maximum as proposed in F&U
- Only non- medical underwriting
- Maximum Sum Assured limit- Rs 25 lakhs on a single life

In response to the CPSC regulation 2019 the CSC SPV revised the commission structure for various products offered through CSC. The revised commission structure is presented in the table below.

**Table1: Comparison of Commissions under CSC Regulation 2015 and CPSC Regulation 2019**

Products	Details	Commission	
		Regulation -2015	Regulation -2019
Life Insurance	Term and Variable plan	5% of premium	Rs 35 per renewal; Rs 6 per renewal for LIC
Life Insurance	Khata-Single premium plan	8.5% of plan	
Motor Insurance	TP (Liability)	Rs 50 per policy	2.5% of premium
Motor Insurance	Package Policy	10% of OD premium	<u>Age of vehicle-0-3 yrs :</u> Two wheeler - 17.5% of OD Other than 2 wheeler 15% of OD <u>Age of vehicle-4 yr onwards :</u> two wheeler - 17.5% of OD + 2.5% of TP Other than 2 wheeler - 15% of OD + 2.5% of TP
Personal Accident Insurance		15% of Premium	16.5 % of premium
Health Insurance	Insurance for individual and entire family	15% of premium	15% of premium
Hospital Cash	NA	NA	16.5 % of premium
PMFBY	Non-loanee farmer	Rs 30 per application	Rs 30 per application
Farmer Package Policy	Personal & Productive asset	15% of premium	16.5 % of premium
Agriculture Pump Set Insurance	Centrifugal and submersible pump set	15% of premium	NA
Cattle Insurance	Including small ruminants	15% of premium	
Fire & Allied Perils		10% of premium	16.5 % of premium
Marine Cargo	NA	NA	16.5 % of premium
Travel Insurance	NA	NA	16.5 % of premium

Source: Compiled by author from digital seva manual and various other sources

#### **1.4.2. Number of RAPs and VLE- Insurance**

The CSC SPV launched an insurance portal in 2015 to facilitate online selling of insurance products through CSC. It was followed by insurance portal for VLE – Insurance in the year 2020 after the notification of CPSC Regulation.

As per the data released by CSC SPV 2.3 lakh VLEs have registered on the insurance portal (November, 2020). About 50% of these registrations have happened in four states. The leading states in registration are Uttar Pradesh (19%), Maharashtra (12%), Bihar (9%), and Madhya Pradesh (8%).

The number of RAP certifications is about 80,000, which is 35% of the registrations on insurance domain. The leading states in RAPs are Uttar Pradesh (18%), Maharashtra (11%), Bihar (8%), Odisha (8%), West Bengal (7%), Haryana (7%), and Madhya Pradesh (7%). Together these states have more than 66% of RAPs.

The number of VLE- insurance registered on VLE- Insurance portal is 2.3 lakhs. Out of this 64% VLEs (1.47 lakh) have been licenced as VLE- Insurance (November, 2020). Uttar Pradesh has 23%, Maharashtra 13%, Bihar 10%, and Madhya Pradesh 9 % of licenced VLE- Insurance.

#### **1.4.3. Insurance Business through CSC**

The number of insurance companies who have entered in to agreement with CSC SPV to do insurance business was 41 by end of the year 2020. Out of these 20 are life insurance companies, 18 general insurance companies and 3 standalone health insurance companies. Most of the life insurance companies have agreement for renewal premium collection. Two companies namely LIC of India and India First Life have agreement for new business along with renewal premium collection through CSC.

According to one of the reports published by CSC SPV, the CSC collected a premium of Rs. 384 Cr new business in the year 2019-20. The premium generated from general insurance business was 99% of the total premium. The number of policies sold were 13 lakh. Insurance business done through CSC has registered significant growth in last three years (Fig.3 a,b).

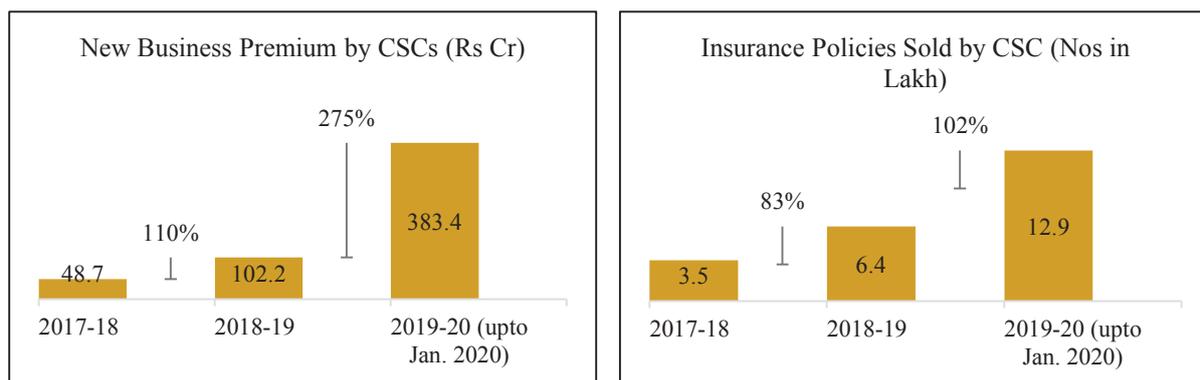


Fig 3: Insurance Business through CSC- a, b

In General insurance the main products sold through CSC are motor insurance and crop insurance. The majority of the business is done by companies like HDFC Ergo, Reliance General, ICICI Lombard, and Bajaj Allianz.

In Kharif 2020 CSCs collected crop insurance premium (PMFBY) worth Rs 5659.6 Cr. 72% of this premium came from Maharashtra and 16% came from Karnataka.

In life insurance LIC has single premium micro insurance and variable product whereas India First has a variable product in offering. About 99 % of life new business is done by LIC, rest is done by India First. In renewal premium also LIC has more than 90% market share. Other companies prominent in renewal business are SBI Life, Reliance Life and ICIC Prudential.

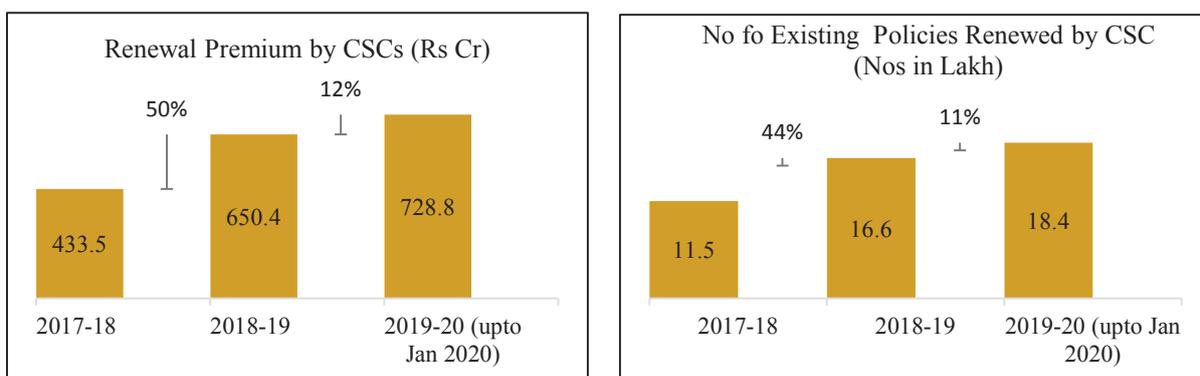


Fig 4: Renewal Premium & No. of existing policies by CSCs - a, b

The renewal premium collected by CSC was Rs. 728 Cr by servicing 18.4 lakh policies (Fig. 4-b) in the year 2019-20.

## **2. METHODOLOGY**

This study is aimed at examining role of CSCs in bringing insurance inclusion and identifying enablers for growth in this direction. The study examines the model of CSC, the services they provide, the systems and processes and assesses how CSCs can be better leveraged to increase the reach of insurance and contribute to financial (insurance) inclusion.

### **2.1. Objective**

Thus, the objective of this study is to:

1. Study the systems and processes of operations of CSCs;
2. Evaluate the suitability of CSCs in selling Insurance Products;
3. Assess the productivity and performance of VLEs/RAPs in insurance selling;
4. Examine the support provided by Insurers in selling insurance by CSCs;
5. Recommend improvements as to how CSCs can be leveraged in bringing about inclusive growth of insurance and facilitate financial inclusion.

Thus in a nutshell this study was aimed to understand the concept of CSC and assess how this platform can be better utilised for insurance inclusion. It will also bring out better understanding of the challenges faced by the system, which will help policymakers and other stakeholders to enhance the facility for better user experience.

### **2.2. Study Design**

This is an empirical study taking exploratory approach to examine the role of CSC model in increasing the reach of insurance. The systems and processes of CSC were examined through literature review and discussions with key stakeholders. Both primary and secondary data were collected to examine the performance and productivity of CSC and to understand the awareness level and perception of end users. Secondary data was readily available online. Primary data was collected through field visits using two questionnaires designed for VLEs managing the CSCs and users namely commoners, villagers and farmers. Focus Group Discussions (FGDs) with user groups were also done to understand awareness, level of acceptance, reach and delivery of service by the CSCs.

### 2.3. Sampling

Four districts namely Pune, Aurangabad, Amravati and Osmanabad were selected based on Human Development Index (HDI) published by the Government of Maharashtra. Economic Survey of Maharashtra 2017-18, has divided districts of Maharashtra into four categories depending on HDI. One district from each category was selected for study and data collection.

**Table 2: Districts of Maharashtra with HDI**

Categories	HDI	District selected
Very high HDI	0.841 - 0.742	Pune
High HDI	0.742 - 0.72	Aurangabad
Medium HDI	0.718 - 0.678	Amravati
Low HDI	0.671 - 0.604	Osmanabad

Pune with very high HDI (0.814), Aurangabad with high HDI (0.727), Amravati with medium HDI (0.701) and Osmanabad with low HDI (0.649), were selected to make the study more representative.

The study team visited ten to fifteen CSCs from eight to ten villages under three to four talukas in each district. In each taluka few villages located within a distance of 20 kms and few located more than 20 km away from the taluka Head Quarters (HQ) were selected for the study. This was done to reduce proximity bias and eliminate / reduce repetition of the same pattern of data.

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### 3. DISCUSSION AND ANALYSIS

The team visited and called about 60 CSCs located in 28 villages in 16 talukas of four districts of Maharashtra to understand the performance and the issues faced by CSCs in selling insurance. Out of these 60 CSCs, 32 were open and working at the time of the visit. The two member team interacted with the VLEs and conducted questionnaire based interview. The team also called about 20 VLEs to understand their work and business, out of them only 6 were available to respond to a telephonic interview. The team also interacted with the villagers/farmers to understand the awareness and usage of CSCs in the target segment and the difficulties faced by them that comes in way of optimal utilisation of the facility. The team also conducted one focussed group discussion with villagers to get full perspective of end users.

**Table 3: Number of Villagers and CSC Covered in Each District**

District	No of Talukas	No of Villages	No of Farmers / Villagers interviewed (n)	No of CSC Visited/Called (n)
Pune	6	12	12	10
Aurangabad	3	5	10	11
Amravati	5	4	8	10
Osmanabad	2	7	14	7
<b>Total</b>	<b>16</b>	<b>28</b>	<b>44</b>	<b>38</b>

#### 3.1. User Experience

The team talked to about sixty farmers/villagers during the field visit. Data was captured from 44 of them. The profile of the respondents and their experience of using CSCs is discussed in the following section.

The team captured data of 44 respondents in a two page questionnaire. The team talked to these people at the market place, in village haats, near the CSCs, Panchayat place, bus stops or other similar public places. Majority of the respondents (43%) were in the age group 25 to 45 years.

More than 80% of the people covered in the interview had decent level of education (secondary and above). Majority of the villagers were small and marginal farmers. Fifty percent of the villagers had farming as their main livelihood, 27% of them were engaged in non-farm

activities like government job or private job or engaged in business and trading. (Detailed demographic details of the respondents is in annexure II).

### 3.1.1. Awareness about CSC

Awareness among villagers about CSC is high as 89 % of people knew what CSC is. Out of them 95% knew where the nearest CSC was located (Fig 5 - a, b). Those who were not aware about the CSC were people who were migrant labourers and were engaged in non-farm menial labour or were studying.

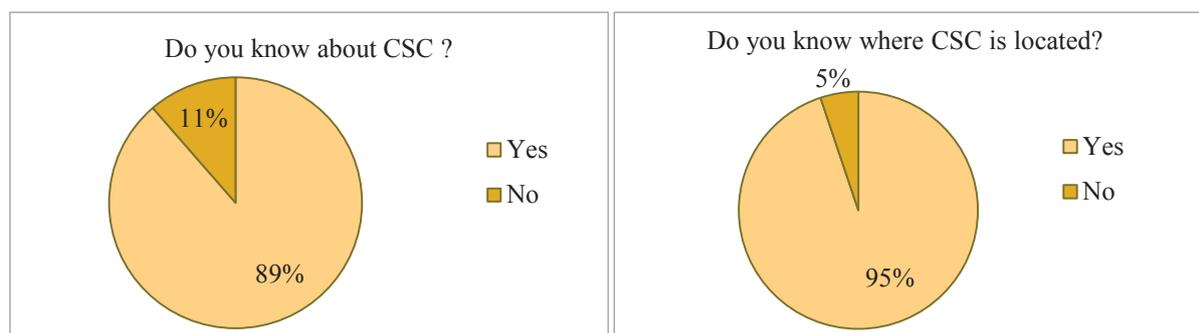


Fig 5: Awareness about CSC - a, b

Ninety per cent (35 Nos) of the villagers who knew about CSC (39 knew about CSC) were able to explain the purpose of opening a CSC in the Panchayat. However, only 28% knew about majority of the services offered by the CSCs (Fig 6 - a, b).

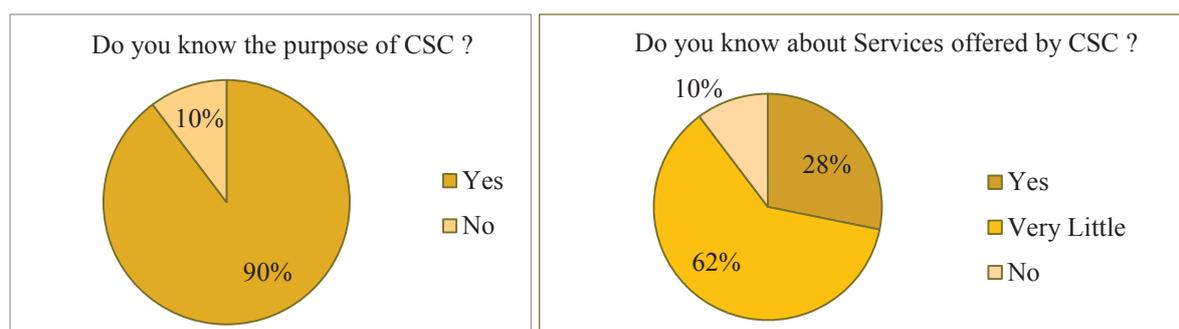


Fig 6: Awareness about CSC - a, b

When asked how they came to know about CSC, interestingly villagers responded that proximity made them aware about what is happening. Sixty seven per cent of the respondents said that they know about it because of proximity, 20% came to know about it through word of mouth while interacting with friends and relatives. Ten per cent came to know about it

through government offices and Panchayat. Only one per cent knew about it through advertisement, and no doubt that percentage belonged to highly educated category.

Out of 39 (n = 39) people who were aware of CSC, 90% know about services offered by the CSC, though 62% had limited knowledge about the services offered. Most of the people related CSC with copy of land records and Government schemes. As 30 villagers (77% of those who knew about CSC) said that they can get land related papers from CSC, 15 (38 %) said that they can enrol in government schemes through CSC (Fig 7). Out of 15 villagers who said that they can enrol into government scheme, six named PMFBY scheme indicating that they have fair level of awareness about PMFBY scheme. However, none of them were aware about any other insurance services available thorough CSC. The data also indicates that awareness about other B2C services is negligible among the masses.

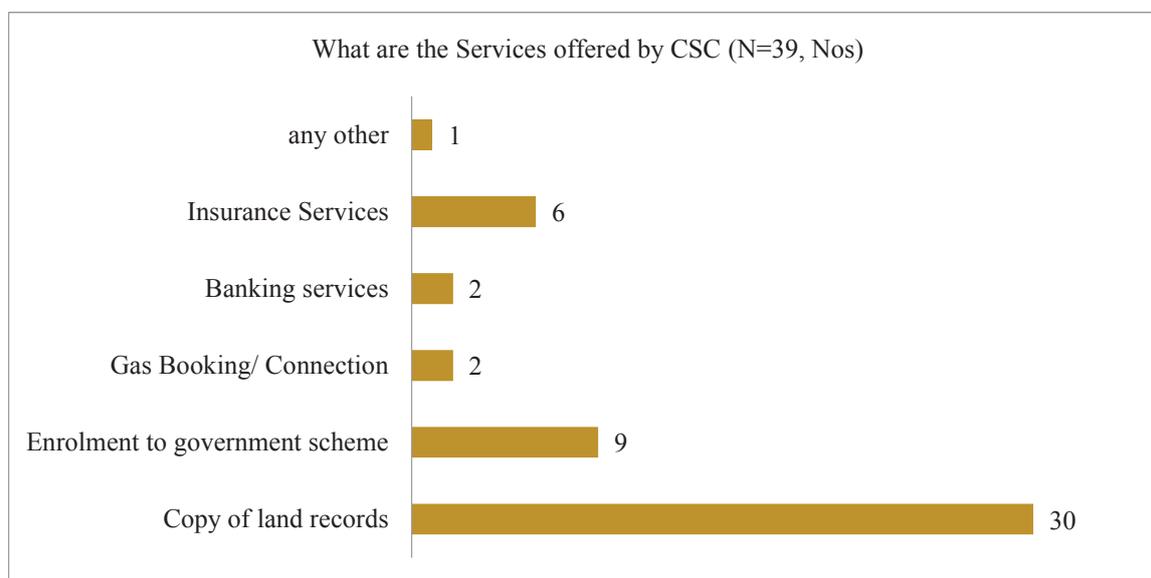


Fig 7: Services offered by CSC

### 3.1.2. Usage of CSC

Eighty six per cent of respondents who knew about CSC (n = 39) had visited a CSC at least once, indicating high usage of the CSC. However the percentage of usage goes down to 73% if total number of person contacted (44 no's) is taken into account (Fig 8 - a).

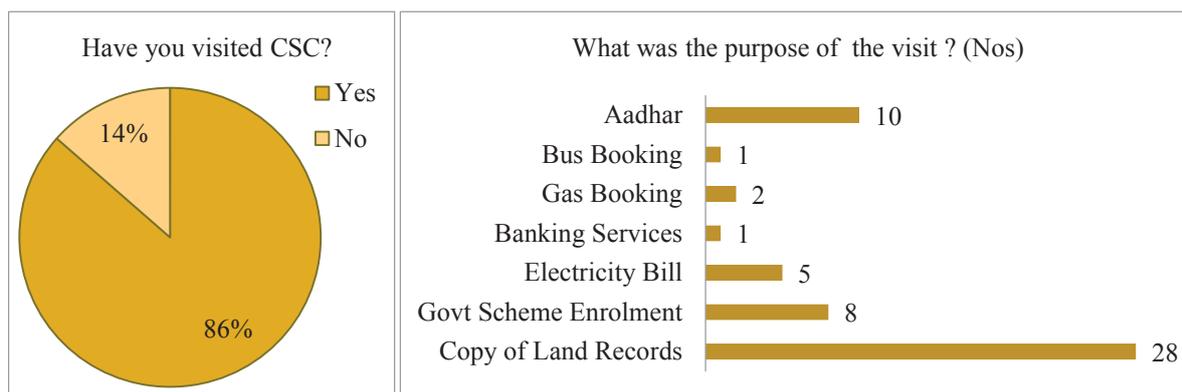


Fig 8: Usage of CSC - a, b

When asked about the purpose of visit, 28 respondents said that they went to get copy of land record (7/12; *saat barah* as they are commonly referred to) and 8 of them said that they went for enrolment in government scheme, primarily PMFBY. Next major usage of CSC was related with Aadhar card. They also approached CSC for getting new aadhar card or if they needed any change/correction related with aadhar card. Many people also approached CSC to pay their electricity bills. Few of them also went there for gas booking, bus booking or to avail banking services (Fig 8 - b). Here it is to be noted that people visit CSC for multiple reasons ranging from one to seven.

### 3.1.3. User Experience at CSC

In general respondents were happy with the services provided by the CSCs. About 94 % of them were satisfied with the services (Fig 9 - a). Those who were not satisfied with the services of the CSCs complained that CSCs were not open most of the time, or were open for limited time only and they charged extra/exorbitant money for the services.

When asked whether the service charges of CSC were reasonable, 81 per cent agreed (Fig 9 - b). Those who did not agree said that fee should not be charged for providing these services as the government has set up these centres for public services. Few of them mentioned that CSC VLEs charged exorbitant fee for enrolling them in the PMFBY scheme. According to the respondents the fee charged by CSC VLEs ranged between Rs 10 and Rs 60 depending on the type of service. However, the fee for enrolment in PMFBY scheme ranged between Rs 100 and Rs 500.

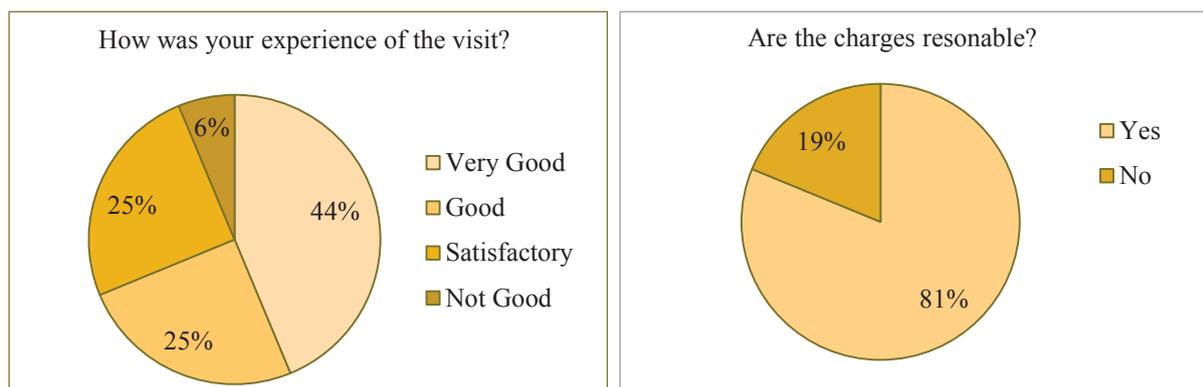


Fig 9: Experience at CSC - a, b

Study team observed that many of the CSC had a chart displayed for the service fee prescribed for the various services. However, in districts like Osmanabad and Amravati there were no public display of the charges. This may have led to such practices of charging high service charges by the CSC VLEs. The misconception and lack of awareness about entrepreneurship model among villagers also could have led to the expectation that the services provided by the government should be free.

### 3.2. Assessment of CSCs and Performance of CSC VLEs

The team visited about 60 CSCs in the four districts following the list of CSCs available on the website (CSC Locator). Out of these 32 CSCs were open and functioning at the time of visit. The team visited these CSCs between 9 AM and 7 PM. The team made repeated attempts to meet the VLEs of the CSCs which were not open. The team also attempted to contact these VLEs by calling on the numbers displayed on the sign board and by enquiring from the neighbourhood shops and people around them. After the CPSC regulation 2019 was notified, the team also contacted about 20 VLEs by calling over phone. The response rate in telephonic interview was only 30%. None of the respondents of telephonic call gave demographic details. They were also reluctant to give details of asset owned by them.

The team observed that about 70% of the CSCs visited were found to be functional at different level of activities. The level of activity depends on the type of CSCs, duration of opening, location and expertise of the VLEs. The team interacted and interviewed thirty two VLEs in the four districts. Seven of them were running GP level CSC, 11 were running different types of shops and were successful business centres. Ten of them were newly opened CSCs and were at different stages of functioning. Four of them were Business Correspondents working with nationalised banks and also registered as CSCs to diversify their business.

The team also observed that at village level GP CSCs were more prominent, but half of them were closed at the time of visit. In some cases the VLEs were hurriedly called by villagers to have an interaction. Half of the new CSCs were also found to be closed. The team got some information from the nearby shops. In many cases people showed ignorance about the whereabouts of the VLEs and the functioning of the centres. Some of the VLEs who were present said that they are waiting to receive log-in ID and password. Most of the business centres/shops who have registered as CSC are located in the main market at taluka level. All of them were available for interaction, only one CSC refused to talk and engage with the team in Aurangabad

**Table 4: Description and Type of CSCs Covered in the Study**

Sr. No.	Type of CSCs	Description of CSCs	No of CSCs visited
1.	GP CSCs	Controlled and directed by Gram Panchayats	7
2.	Business Centre CSCs	Internet kiosks/ photo copy shops/computer training centres /internet café	13
3.	New CSCs	Only CSC work	12
4.	BC CSCs	BC's offering services of the CSC	6

The team interacted with 44 CSCs in four districts, out of which reasonably complete data of 38 VLEs was available for analysis. Analysis of this data is presented in this section.

### 3.2.1. Demographic Profile of CSC VLEs

Majority of the VLEs interviewed were in the age group of 25 to 35 years with a share comprising of 59%. VLEs in the age group 18 to 24 years and 35 to 45 years were 17 % each and 7 % were in the age group of 45 to 55 years(Fig 10 - a). About 70 % of the VLEs are highly educated with 50% of them being graduates and 20% post graduates. Few of them had professional qualification of MCA and M Ed. whereas, 7 % had technical qualification like Diploma in Engineering (Fig 10 - b).

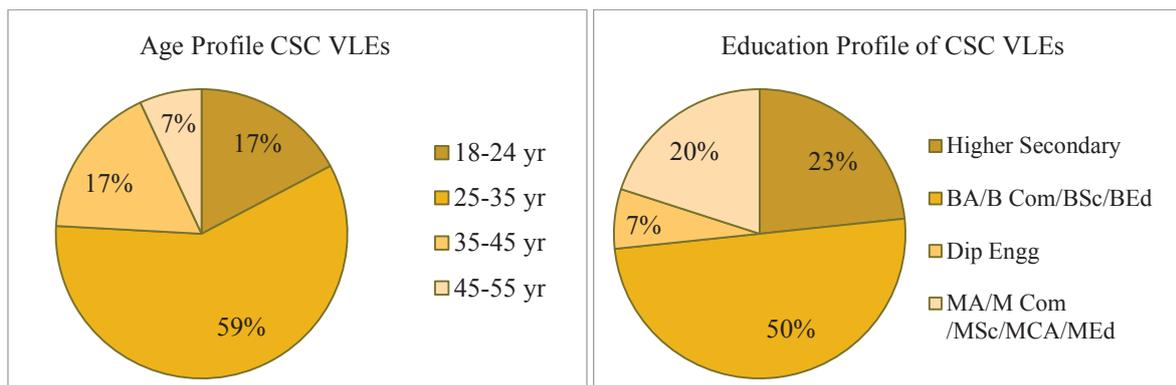


Fig 10: Demographic Profile of CSC VLEs - a, b

Only 12 (n = 12) of the CSCs revealed their economic status when asked about how much land and other assets they own. Out of these 12, 83 % had less than 5 acres of land (Fig 11 - a). When asked about sources of income 50 % of the VLEs said that CSC is the only source of income they have. Rest 50 % have other sources of income in terms of farming (10%), Business (17%), Banking Correspondence (17%) and other salaried jobs (6%)(Fig 11 - b).

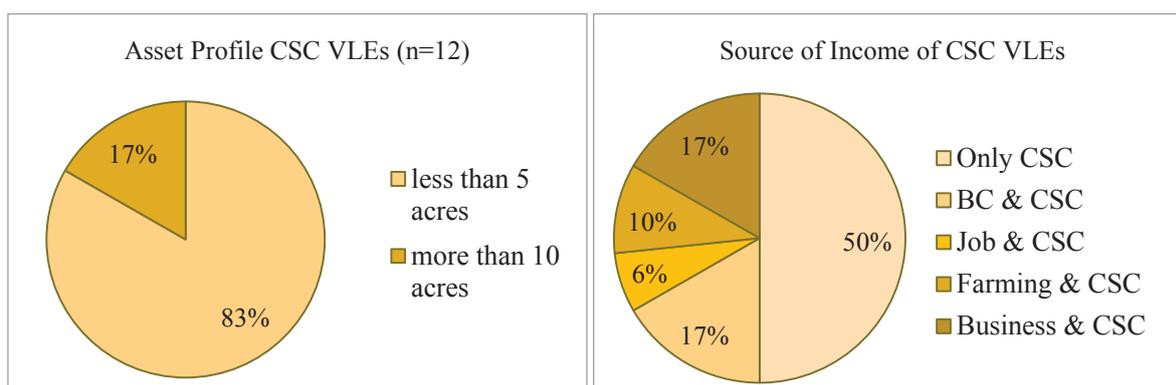


Fig 11: Demographic Profile of CSC VLEs - a, b

### 3.2.2. Characteristics of CSCs Covered in the Study

Data from this survey indicates that 30% of CSCs were opened during last three years and 27% were opened in last one year (Fig 12 - a). These new centres and Panchayat CSCs were opened during CSC 2.0. About 23% of the CSCs are more than 5 years old and they are business centres/ shops that were already working as such before the concept of CSC was brought in. When asked about the source of information, 36% of the VLEs said that they were working with some department of the Government and through these offices they came to know about it. The second major source of information was friends and relatives (30%) who were

associated with Government or were running similar shops in other areas, 17 % came to know about the scheme through advertisement and 17 % saw it on social media(Fig 12 - b).

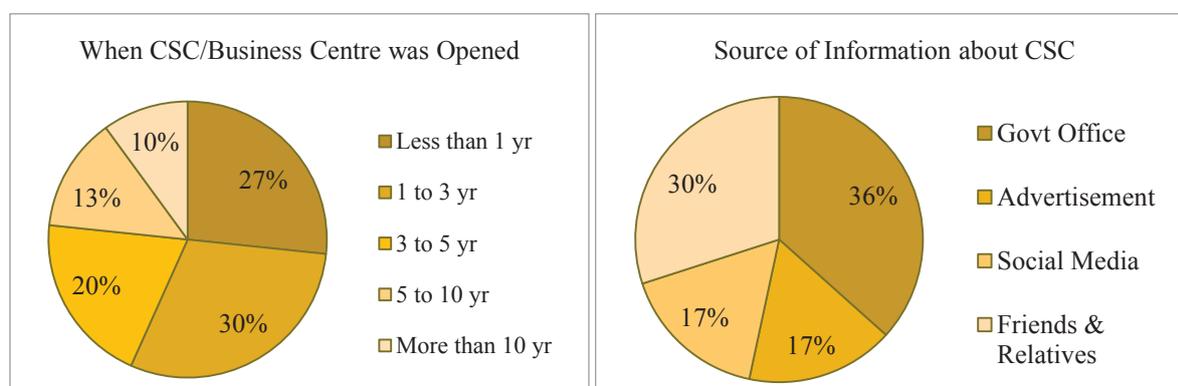


Fig 12: Characteristics of CSCs - a, b

These service centers are offering multiple services, each having some area of specialisation. Papers related with land records is the most common service offered (17 centres, 57%), followed by PAN card (13 centres, 43%), crop insurance (12 centres, 40%) and enrolment to Governemnt schemes (11 centres, 37%) (Fig 13 - a). When asked about how many people visit the centres per day, most of them said that business is seasonal. If enrolment under a governemnt scheme in going on, then maximum people visit in a short period of time. For example, heavy foot fall is seen at the time of enrolment of PMFBY during Kharif and Rabi season. The business centres/ shops receive as high as 400-500 people in the peak season; however,such centres are only 10 % of the total centeres covered in the study. A foot fall of 100 to 200 is seen in 20% of the centres and 10-50 in 30% of the centres (Fig 13 - b).

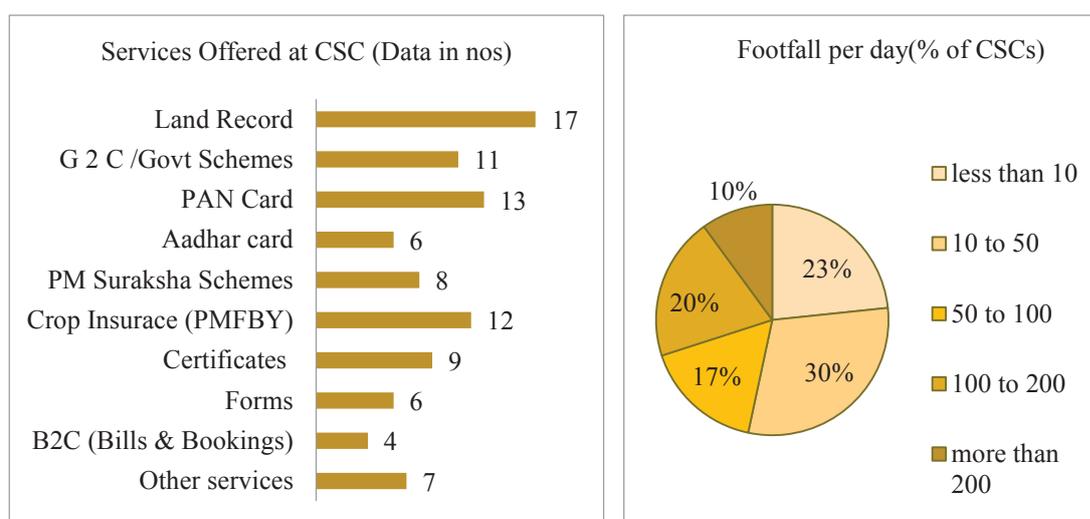


Fig 13: Characteristics of CSCs - a, b

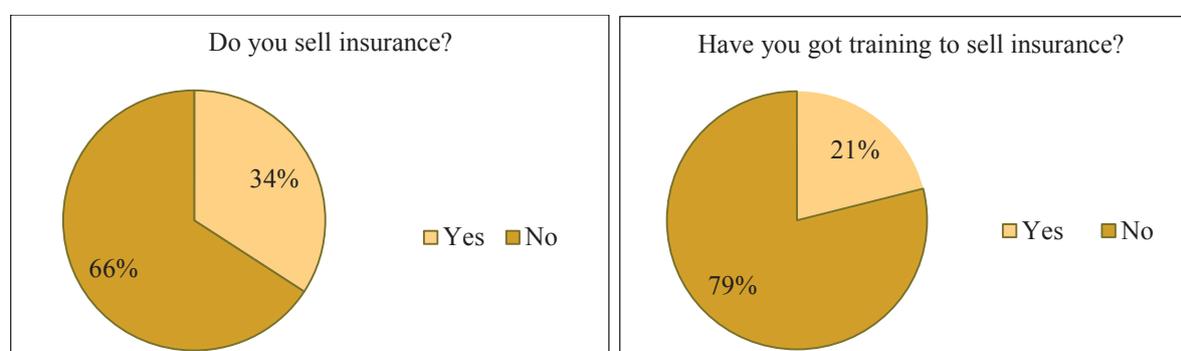
### 3.2.3. Experience of Selling Insurance

Out of 38 VLEs only 7 have passed RAP exam. Rest four have got licence of VLE - Insurance. Out of these eleven RAPs/VLE-INS, 4 are running CSCs as Business centre CSC, which means they already had an established business along with CSC work. This is despite the fact that 70% of the VLEs are graduates and post graduates. Though most of them are aware what an RAP is, they find it difficult to pass the exam. Few of them have attempted more than two times but could not pass the exam. Many of them said that they will be able to pass the exam if they get training and hand holding.

**Table 5: CSC VLEs who are RAP / VLE-Ins in each category**

Sr. No	Type of CSCs	No of CSCs visited/called	RAPs	VLE-Ins License
1.	GP CSCs	7	0	0
2.	Business Centre CSCs	11	6	2
3.	New CSCs	10	1	0
4.	BC CSCs	4	0	2

Out of 38 respondents, only 34% of the VLEs (13 centres) are selling insurance (Fig 14 - a). This does not include schemes like PMFBY and pension schemes (PM Shramyogi Man-Dhan Yojana). Eight out of thirty eight VLEs are selling any kind of insurance apart from government schemes. Also, not all the seven RAPs are selling insurance, though they are qualified and eligible to sell insurance. One of these VLEs was a life insurance agent prior to opening the CSC. Out of these 13 VLEs only 8 (21% of the total number) have received any kind of training on insurance (Fig 14 - b).



**Fig 14: Exp. of Selling Insurance by VLEs - a, b**

When asked about the reasons of not selling insurance, majority of VLEs said that they do not have proper understanding of insurance. Only three out of 38 VLEs said that they understand insurance and can sell insurance. This was because one of them was working as a life insurance agent for last 13 years. Rest two were working as BCs, and were highly educated. The percentages of VLEs who are not comfortable with concept of insurance are 50%. Only 28% of the VLEs said that they have basic /primary understanding of insurance (Fig - 15a).

When asked if they can explain insurance to their customers 36 % of the VLEs said that they struggle to talk about and explain insurance. Only 7% of them can explain Jan Suraksha schemes basics. Rest 73% of the VLEs either do not understand insurance or cannot explain insurance to their customer (Fig - 15b). These findings indicate that there is an urgent need of intensive insurance education of the VLEs to increase insurance business. These educational programs need to be run at frequent interval to reinforce learning. The trainings also need to have functional component, so that it can help the VLEs in developing skill to explain and sell insurance.

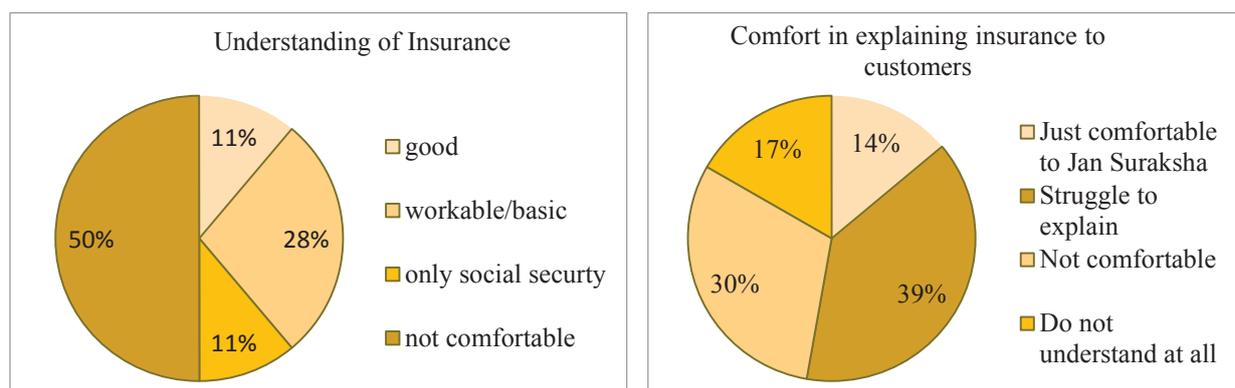


Fig 15: Exp. of Selling Insurance by VLEs - a, b

VLEs also cited one more reason for not selling insurance being lack of demand and lack of understanding of insurance among villagers. When asked whether people enquire about insurance, 34% of the VLEs said that very few villagers come asking about it, that too when some government scheme is announced (Fig - 16a). When asked if their customers understand what insurance is, 60% VLEs said that very few understand insurance in the villages, leading to lack of demand (Fig - 16b). The enquiry for insurance has relatively increased after the advent of COVID 19. However, VLEs are not able to convert these inquiries into selling, as they do not have sufficient knowledge and struggle to explain insurance.

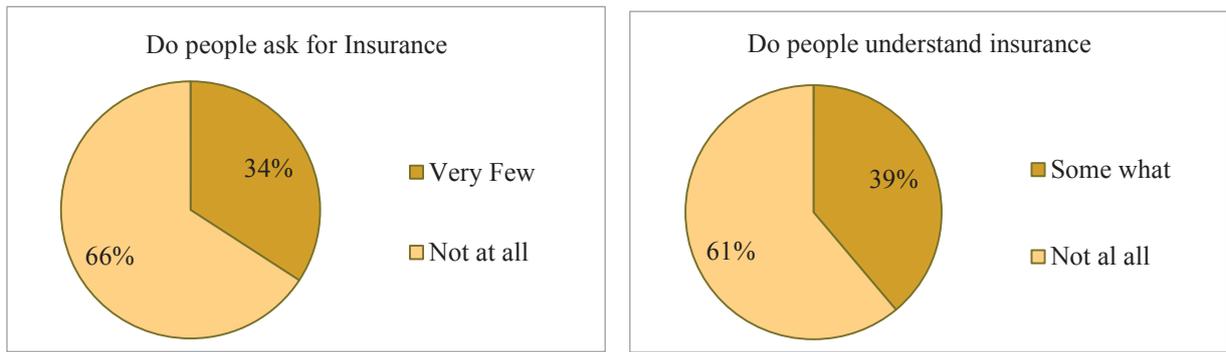


Fig 16: Exp. of Selling Insurance by VLEs - a, b

VLEs said that they give services to people who visit them asking for specific services. They do not have time to explain products to people who do not understand them. Majority of them said that they are not interested in selling insurance. They do not find it remunerative enough to spend time convincing customers to buy insurance, as time taken is high compared to return they get from such profession. They were also apprehensive about the benefits received and the claims process. Another issue in insurance selling is their low understanding of insurance and inability to explain the products to the customers. They were apprehensive that if they are not able to answer queries of their customers. In case they do not get support from insurance companies, they will spoil their relationship with customers and name in the market (Fig 17). One of the VLEs also said that customers do not trust the service level of CSC when it comes to large ticket size insurance. Customers have apprehension regarding claim support and they prefer conventional channel.

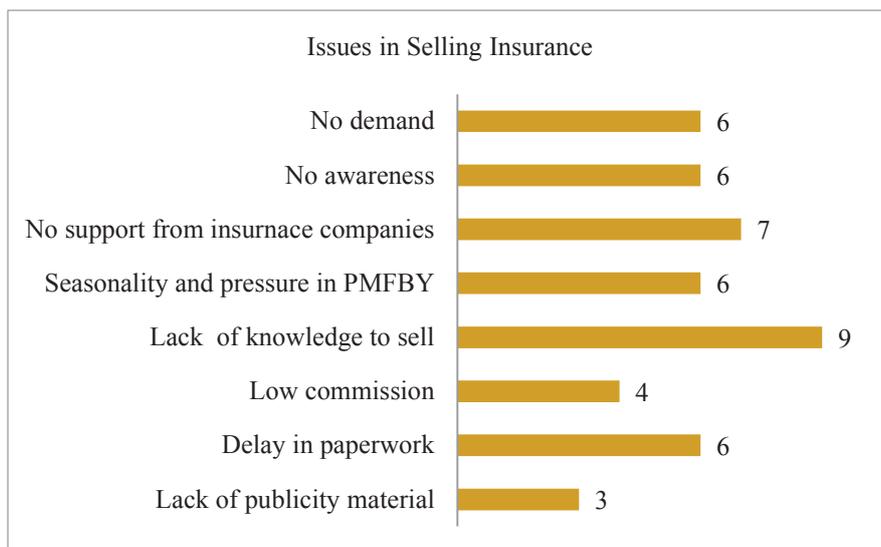


Fig 17: Issues in Selling Insurance by VLEs

Out of 18 (n = 18) VLEs 6 said that there is no demand for insurance in the villages. Six of them said that villagers are not aware of insurance so it is difficult for them to explain about insurance. The seven VLEs (50%) who are selling insurance/helping villagers in enrolment in Government schemes said that they do not get support from insurance companies when needed. Out of 12 VLEs who are selling insurance, nine said that they do not have enough knowledge to sell insurance.

Other issues in selling insurance are seasonality in business, low commission, time taken in paperwork and lack of publicity material (Fig -18a). About 30% of the VLEs said that the commission/service charges for selling insurance are low (Fig -18b). Though complain about low insurance premium has reduced after the new CPSC regulation.



Fig 18 a: Exp. of Selling Insurance by VLEs

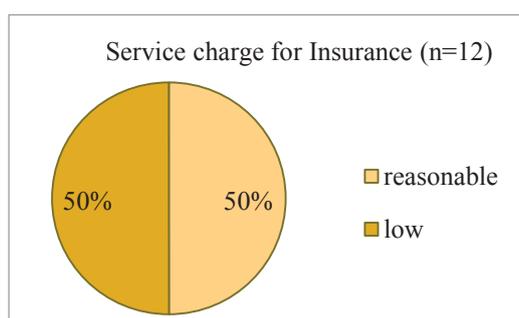


Fig 18 b: Exp. of Selling Insurance by VLEs

In response to the question as to what improvements will help them in selling insurance 50% of the VLEs who are selling insurance (n = 15) said that they need training. Two VLEs also said that they do not have enough number of insurance products, especially health insurance products to offer to their clients. Marketing of insurance to increase demand came as second

suggestion by 50% of VLEs who are selling insurance. Four VLEs said that access to handy information that will help them in explaining the products and publicity material that can be handed over to the clients will help them in better performing their job. They said that good quality printed publicity material helps in increasing trust and retention/recall of the information shared among the customers.

VLEs that showed interest in understanding and selling insurance emphasized that there should be enough publicity/ advertisement to create awareness. They should be given publicity material to display in their shops. Distribution of hand-outs in local language to customers after explaining helps. They are of the view that these hand-outs help customers in understanding the concept at their own pace and convenience. It also creates trust because customers can verify it from other educated people by showing it and investigating the fine prints. Also, people trust printed/ written material more compared to oral presentation.

### 3.2.4. Sustainability of CSCs

CSCs can convert into sustainable business centres as envisaged in the scheme if the CSCs are economically viable for the VLEs. VLEs will be able to continue in this business if the CSCs become an attractive source of livelihood. If the present levels of activities are not remunerative enough, VLEs will be interested in including more service options like insurance in their offerings. Also, if insurance becomes an attractive option for earning revenue, it will help them in sustaining their business. We asked the VLEs about their income to understand this aspect. A high percentage of 60% of VLEs felt that their incomes from CSCs are not sufficient for them to sustain their livelihood (Fig -19a).

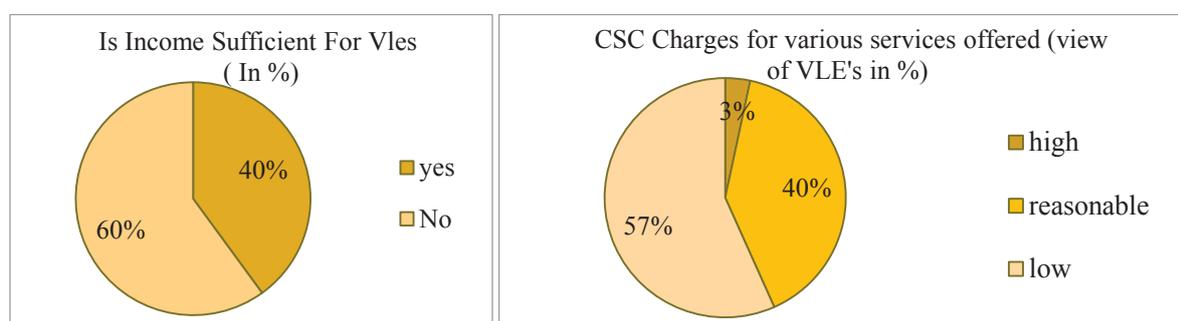


Fig 19: Sustainability of CSCs- a, b

Fifty seven per cent VLEs said that the charges they receive for the services are low (Fig -19b). Only 40% of them said that the charges are reasonable. The team also enquired about the fee they charge for the services, very few referred to the standard charges. Many of them evaded

the question saying that it varies from service to service and depends on the season. The team got an indication that VLEs take extra money from villagers whenever they can, depending on the urgency of the work to be done. It seems that demanding high service charges is a prevalent practice among the VLEs. It also depends on the competition in the market. The service charges are standardized at locations where more than one CSC is operating in the same area. It can also be looked upon as an attempt to bring viability to the business.

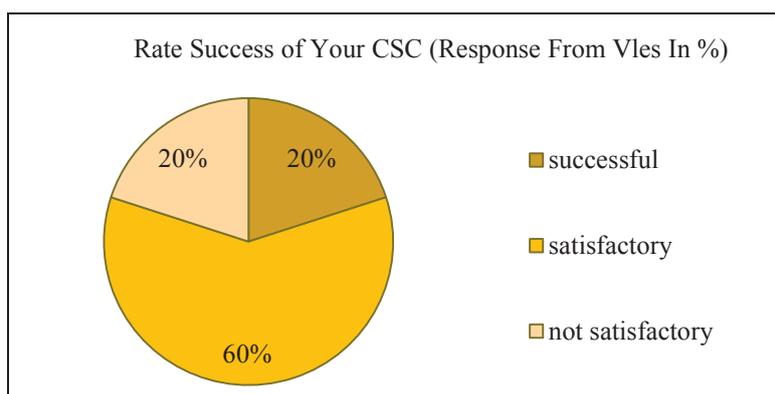


Fig 20: Sustainability of CSCs

When asked to rate the success of their business only 20% VLEs rated it as successful. Majority of them who find it successful have established clientele and additional business like photocopy/stationary shop etc. While 60% of the VLEs said that they are satisfied with the current level and are hopeful about the future growth of the business (Fig -20). Twenty per cent of them expressed unhappiness about the state of affairs with reference to income and running of the CSCs.

### 3.3. Observations : District wise Variations

The study team observed a wide variation in the structure and functioning of the CSCs in the four districts under study. The variations were observed in terms of types of CSCs which were more functional in each district, types of transactions/services popular with the CSCs, approach taken by various CSC VLEs, and awareness level and interest shown by the target segment consumers etc.

#### 3.3.1. Pune

In Pune district, majority of the CSCs are promoted and facilitated by the Panchayat. These CSCs are at different stages of development. Panchayats along with department of rural development have hired young graduates to run these centres. These VLEs are employees of

the Panchayats and part of their salary comes from the department of rural development. The Panchayat led CSCs are following a standard norm prescribed by the Governments. They display the services offered and service charges prominently in their premises. These centres are known as '*Aaple Sarkar e-Sewa Kendra*'. These centres are yet to become fully functional and are facing teething problems. CSC VLEs are in different stages of training and learning. They are not aware about the insurance services. Awareness level among the villagers about CSCs was relatively high but people complained about functioning of Sewa Kendra in Pune district.

### **3.3.2. Aurangabad**

In Aurangabad district the study team identified three models of functioning of CSCs - established shops, newly opened service centres and village level centres. Majority of the CSCs visited at taluka places are run by entrepreneurs who are running photocopy shops, stationary shops, internet cafe or computer training centre. In taluka places there are many CSCs running in close vicinity of Government offices. Here people know CSCs by the name of SETU Sewa Kendra. These centres have prominently displayed boards of 'CSCs' and 'Setu Sewa Kendra'. Many of them also have standees in front of the shops explaining functioning of the CSCs and services offered. Footfall level in these centres is relatively high in working hours. The VLEs are well trained in doing their jobs efficiently. They mention on-line trainings and self-learning through available online resources on you-tube.

The newly opened centres are trying to establish themselves and have the basic facilities like computers and printers available with them. These centres are open in working hours – throughout the day and VLEs are striving to build their customer base. They are curious to know and find out seasonal business opportunities like enrolment in government schemes and providing Aadhar services. They are eager to diversify their businesses and are registering themselves in various portals available on the CSC portal.

At village level also the CSCs seemed to be quite active in Aurangabad district. The centres are not as well set up in terms of facilities and ambience like those in Pune district. They are however, easy to identify from a distance, as they have prominently written boards displayed at the shop and boards on the walls inside the centres. Unlike the business centres at taluka level, they operate part time – for few hours in the morning and evening. The VLEs are also less active than other VLEs at taluka level or compared to the VLEs in Pune, as for many of

them it is a part time occupation. Few of them have just registered themselves as a VLEs in anticipation of the benefits given by the Government and waiting for things to happen favourably.

They are also aware about the prospects of insurance services available through these centres but are reluctant to include those in their portfolio. Few of the CSCs are so busy working as extension of government departments that they categorically said that they have no time to get into insurance business. However many of the VLEs said that they offer enrolment to PMFBY and did good business in the last two seasons despite issues in the portal and last minute pressure from farmers for enrolment.

In Aurangabad some of the CSCs are run by a GONGO named Mahila Arthik Vikas Mahamandal (MAVIM). It is the State Women's Development Corporation of Government of Maharashtra responsible to implement various women empowerment program through Self Help Groups (SHGs). MAVIM has trained SHG members to run the CSCs.

### **3.3.3. Osmanabad**

The team identified two different models working in this district - established shops, and village level centres. Osmanabad also has a number of CSCs working in taluka places, but the numbers are lesser compared to Aurangabad. Here, the centres are not prominently publicised and the team found it difficult to locate them. People identify the centres with the name of 'Grahak Sewa Kendra' and 'Setu Sewa Kendra'. They were not familiar with the names 'e-sewa Kendra' or 'Aple Sarkar Sewa Kendra' or 'CSC'. The team found two of the CSCs working prominently as Business Correspondents (BCs) for two nationalised banks. Presence of CSCs at village level is lesser in Osmanabad compared to Pune and Aurangabad.

The village level centres are not active and the team found it difficult to locate them. Villagers were observed to be indifferent to their presence at village level and preferred to visit taluka level CSCs to fulfil their needs.

The CSC VLES were interested to start insurance services but found it difficult to pass the exam and become a RAP. They said that they need handholding to pass the exam and start insurance selling. They see insurance as a good prospective business. However, they expressed their doubts about getting timely service and support from insurance companies. Few of the VLEs are specialised in enrolment for PMFBY as this business is exempt from RAP system or requirement.

Interestingly, villagers showed enthusiasm to visit CSCs at taluka level to enrol in the PMFBY scheme. One of the villagers observed that farmers are willing to even borrow or forgo a meal or two to save and enrol in the PMFBY scheme. This enthusiasm among villagers is because Osmanabad is a drought affected district and chances of getting claim is high.

Few of the CSC VLEs said that they contacted Insurance companies, but insurance companies said that they had no product for them. Afterwards in interaction with insurance professionals it came out that they discourage giving insurance in rural and suburban areas of this district because of high instances of fraudulent claims.

#### **3.3.4. Amravati**

Amravati was found to be most lukewarm in terms of presence of CSCs and their functioning. Here only first type of CSC, i.e. established shops were found to be working as CSCs. The board of the shops were not prominently displayed and the team found it extremely difficult to identify them. The VLEs were also not interested in talking to the study team. They gave evasive answers to the questions asked. Villagers were also not aware about CSCs and not interested in talking to the team.

Few of the VLEs opened up to the team after persistent efforts and discussed the issues. The in-depth discussions revealed three main issues of the CSCs in the district. The first one was related with the location. The CSCs were registered in the villages but operating at the taluka places because the volume of business was not viable at village level. Because of this reason the boards were not prominently displayed. The second reason cited for less popularity of CSCs in the district was low demand of PMFBY scheme. The demand for PMFBY scheme was low in the district because there were no compensations released in past few seasons. The third reason was the lukewarm support from the district manager. The visits of district functionaries were infrequent and lesser and they did not respond to the issues and queries raised by the VLEs.

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## **4. TAKE OF INSURANCE COMPANIES ON CSC**

The wide and prominent foot prints of CSC were seen as a potential distribution channel for insurance companies. The data from field presented in previous section indicates otherwise. It appears that CSC-VLEs do not share this view. Therefore it was important to take the views of insurance companies and understand their take on CSC as a potential distribution channel.

The secondary data collected about the insurance business done through CSCs indicates that the approach of insurance companies was lukewarm in the beginning towards this channel. However, the advent of CPSC regulation made CSC channel more attractive for insurance companies.

We talked to thirteen general and life insurance companies to understand their point of view on role of CSCs. In general insurance we talked to United India, National Insurance, New India and AICL in public sector insurance companies. The private general insurance companies contacted were HDFC Ergo, SBI General Insurance, Bajaj Allianz General Insurance, Reliance General Insurance, and Aditya Birla Health Insurance. LIC of India, SBI Life, Kotak Life and India First life are few life companies we talked to. The representatives from insurance companies were rural and government business heads, CSC vertical head and Micro Insurance division head. The selection of companies for the discussion and interview was based on the performance of companies in rural and micro insurance space in recent years.

The recent change in regulation with the notification of CPSC Regulation 2019 has made CSCs more attractive for insurance companies. The concept of VLE - Insurance has proved a shot in the arm. It has removed the hurdle of qualifying in an exam to become RAP. The regulation has also created wide space by allowing PoS products, Micro insurance products and social insurance products to be sold through CSC. It has made the channel more attractive by increasing the service fee. We talked to several CSCs to understand the changes. CSC- VLEs indicated that insurance companies have taken increased interest and they are being aggressively pursued by insurance companies to join as intermediaries.

### **4.1. General Insurance Companies on CSC**

The approach of life and general insurance companies appears to be different from each other. General insurance companies seem to be more up-beat in utilising the CSC channel. The general insurance product feature makes it more attractive to sell insurance through CSC. The

recent changes in Government's approach towards crop insurance and motor vehicle insurance gave a boost to rural insurance, bringing CSC in the front line of distribution.

There is wide difference in utilising CSC channel by public sector and private sector insurance companies. Private sector insurance companies appear to take keen interest in the development of the channel. The private sector insurance companies have a specified person responsible to oversee the functioning of the channel, whereas public sector general companies do not seem to be active in this direction as of now. The specific views expressed by insurance companies are presented below:

#### **4.1.1. Product**

Company representatives and industry experts expressed concern that product innovation has not happened to suit the channel. Insurance companies are pushing the conventional products through the CSC channel. The general insurance companies are targeting low hanging fruits like crop insurance and two wheeler insurance, which has back up of government schemes.

The current restriction on ticket size has also emerged as a limitation for the growth of business through CSC. Insurance companies do not have much incentive in developing and introducing more products for this channel.

#### **4.1.2. Claim Management**

Insurance companies are of the view that products sold through CSCs are mostly over the counter (OTC) products. The claim settlement process of these products is relatively easy. In majority of the cases it can be done with minimum document requirement. In future it will help in developing trust of the rural market as turnaround time is decreasing.

However, the documentation process needs further simplification to make claim servicing efficient. As long as the insured has the required documents in place, the process goes smooth. But if there is any mismatch in document or shortfall in documentation, there is delay. This becomes a hindrance for new entrants to take up selling insurance products & provide efficient service delivery.

#### **4.1.3. Service Delivery**

Insurance companies do not have vernacular portal which can be integrated with e-seva portal of CSC SPV. Since VLEs are functioning in rural environment, it comes up as a challenge for them to use the portal effectively.

The channel is yet to find out ways and means to extend products like cattle insurance. Cattle insurance has good potential of growth in retail business in rural areas. But the process of insuring cattle involves examination and tagging of cattle, which makes it unsuitable for the CSC channel in its current form.

#### **4.1.4. Channel Management**

Training and retention of VLEs has emerged as a challenge for insurance companies. General Insurance companies are aggressively competing with each other in training and orientation of VLEs. They are competing to establish their identity and to become their preferred insurers. Each of the private sector insurance company covered in the study has come up with its strategic planning to educate the VLEs. The companies have chalked out plan to assist VLEs in insurance selling by providing banners, booklets and product brochures.

Insurers are also concerned at the low turnover of the channel. The average business per CSC has remained low, which is a challenge in making it viable. Most of the companies are selective in adopting territories for their promotion and development work. With increased competition, they are also not sure of the returns they will get out the investment they are making.

The companies with prior footprints are having first mover's advantage. Insurance companies are trying different ways of incentives to attract VLEs. This may lead to practices which can prove detrimental for growth of the channel in long run.

General insurance companies organised frequent trainings for CSC VLEs to train them in insurance selling during the lockdown. One of the rural heads of private insurance company shared that he has personally organised more than a thousand online trainings for the VLEs. His company has organised regular online trainings to make VLEs familiar and comfortable with the concept of insurance.

Insurance companies do not have direct access to the CSC channel. Insurance companies have to approach VLEs through CSC-SPV. This makes the channel development a long drawn process for insurance companies.

CSC channel is competing with the direct agent channel in rural areas. Insurance companies have attractive and innovative incentive structure to attract, motivate and retain sales force, whereas, there are restrictions on these activities when it comes to CSC channel. CSC VLEs, feel ignored in this environment. Insurance companies also feel restricted to extend the benefits to the channel.

The CSC channel has one major advantage over agency channel in faster realisation of service fee through CSC SPV. The VLE - Ins and RAPs get the service fee directly credited to their account after completing the transaction. Highlighting this aspect in communication may help insurance companies in establishing the channel.

#### **4.2. Life Insurance Companies on CSC**

Life insurance companies seem to be relatively lukewarm in their approach towards CSC. Most of the companies are focusing on only renewal premium collection through CSC in the short run. New business is the focus of only two companies - LIC of India and India First Life. SBI Life and Kotak Life are in different stages of product approval and integration of portal.

Most of the VLEs are busy and happy in offering the G to C services. Insurance does not fall under their priority business, especially if the centre is running on a business model. In this situation, entry of CSCs into insurance business becomes difficult and a challenge for insurance companies.

The long term policy contract, associated commission structure, requirement of refiling products, integration of online portal with e-seva portal, low skill level of VLEs are some other barriers in short term growth in life insurance business through CSC.

The low ticket size of product has both advantages and disadvantages with reference to business growth. In the one hand it is easy to sell such products as it does not require health check-up, on the other hand it results in low volume of business. It also looks unattractive in comparison to social security schemes like PMJJBY and PMSBY.

Channel management is appearing to be a major challenge in case of life insurance companies as well. Augmentation of sales force is a long drawn process. It requires constant training and handholding. The promising & talented RAPs get converted as insurance agents by other life companies. In this scenario insurance companies feel discouraged to invest in channel development.

If the ticket size is increased, associated formalities will make it difficult to sell in rural areas because of lack of health infrastructure. Out of box solution, product innovation and development of IT enabled health services will hold the key for future growth of the business through this channel. The companies are of the view that CSC is poised to emerge as a strong rural low ticket distribution channel in the long term.

### **4.3. Post COVID-19 Insights and Response**

The lockdown associated with COVID-19 highlighted the importance of CSC as a strong rural distribution channel. This period brought several insights to the industry. Life and business in villages were relatively active during the lockdown as villages were less impacted by Covid 19. Government transfer of money to the accounts of farmers and women under DBT has added to the liquidity in the rural areas. Both these aspects increased the importance of rural business for insurance companies.

People in rural areas have also become more aware about the health and life risks after the Covid -19 pandemic. It has resulted into more enquiry with CSCs about insurance, especially health insurance.

Lockdown and social distancing made online meetings and training a popular mode of engaging with stakeholders. Insurance companies having rural presence capitalised on this change to bring VLEs on board for insurance selling. Online orientation trainings were organised in large numbers by insurance companies to train the VLEs.

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## 5. FINDINGS

The findings based on analysis of the data and observations from the field interaction and views expressed by insurance companies and industry experts are presented in this section of the report. The findings are organised in two parts- status of CSC and status of insurance selling. Status of CSC discusses the findings on functioning of CSCs and status of insurance selling discusses the insurance selling by VLEs/RAPs and issues faced by them in selling insurance.

### 5.1. Status of CSCs

- There are four types of CSCs namely Gram Panchayat CSCs, Business Centre CSCs, New standalone CSCs and BC CSCs depending on the type, location and mode of opening. Their services also vary depending on duration of opening and expertise of the VLEs. Their status in the market can be explained by the figure below:

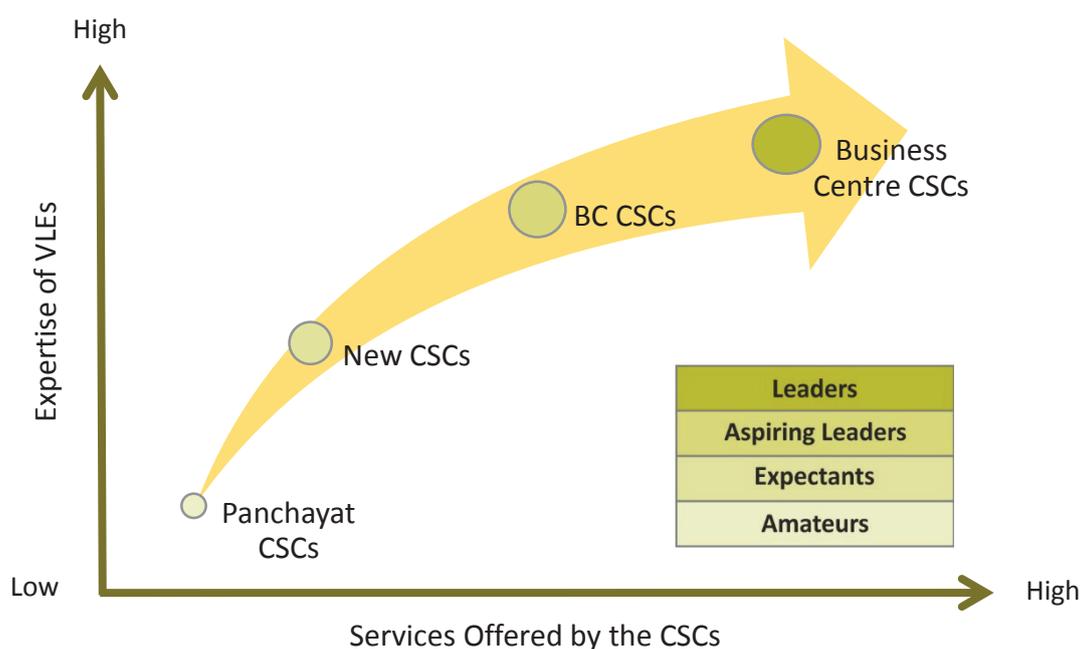


Fig 21: Status of CSCs in Market

The Business centre CSCs are leaders in running CSCs as they have more number of services in their offerings and the VLEs owning/running these CSCs have better expertise. These CSC have larger customer base and high footfall. Most of these CSCs are main source of income for the VLEs as the income from these CSCs are high. Many of these CSCs have also hired staff to provide services. BC CSCs are aspiring leaders, gearing up

to expand their business and customer base. These centres are manned by the BCs/ VLEs and helped in their work by a family member or spouse. The footfalls at these centres are seasonal and they hire staff to handle the business in peak seasons. The BCs are also relatively better educated and have better expertise to provide services. The centre owners VLEs are satisfied with their business volume and hopeful about their future.

The New Standalone CSCs are expectants, hoping to upscale their business. They are also exploring ways and means to expand their business. They have opened their shops in upcoming market areas have basic infrastructure to start the business. Right now their business volume is not high but they are hopeful that it will increase with time. They have some prior work experience and trying to learn the rules of business fast. The Panchayat VLEs are amateurs, fresh graduates looking at the CSC as a job prospect, expecting salaries from the government. The Panchayat CSCs have the basic infrastructure like computer, printer, and internet connectivity; but have to struggle with issues like power cuts and bad connectivity. They are not sure about customer base and therefore their future prospects. Their future will depend on the trainings and exposure they receive and improvement in the infrastructure.

- CSCs at taluka places are viable as they cater to multiple villages. Whereas, CSCs at village level do not have enough business and fail to sustain the interest of VLEs due to limited business prospects.
- The CSCs which are running as business units, e.g. Cyber café or photocopy shops or BC centres, are running more effectively. These shops take CSC work as an additional source of revenue. Also, they have better infrastructure and clientele which they are leveraging by adding CSC services.
- Most of the VLEs focus on few services according to the demand and their comfort level in offering various services. Accordingly CSCs are specialised in certain set of services.
- The CSCs attached to Panchayats are still at various stages of operations and in a way nascent stage of business.
- VLEs attached with Panchayats are generally in their early 20s fresh from school. Whereas the VLEs running independent centres are in their late thirties or forties and have prior work

experience. Young VLEs are still trying to understand the work, taking it as an employment opportunity; whereas the older ones' are running it with a business approach.

- In every Gram Panchayat(GP) more than one CSCs are registered but only one of them is operational. A GP has limited clientele and the VLEs manning these CSCs also have limited knowledge. Because of that they do not get sufficient volume of business. These limitations come in way of developing these CSCs as viable business centres.
- Panchayat CSCs also face issues of adequate infrastructure, regularity of electricity and internet, availability of stationary to name a few.
- Many VLEs have registered their CSCs at their village of residence, but they have their shops/ kiosks/ BC centres running at different locations, which are suitable and profitable for their business. They run their centres as proxy CSCs.
- There is no standardized fee charged by VLEs despite the fact that charges are fixed for each kind of service delivered. VLEs charge higher service fee from villagers for services that are urgent for villagers. In case of crop insurance some VLEs charge Rs 100 to Rs 500 per form when the deadline is closer.
- If there is competition in the market, i.e. if there are many CSCs operating in an area, the charges of services provided by VLEs are reasonable. If there is only one CSC, operators charge exorbitant fee at the time of high demand of services.
- VLEs are also of the view that income from CSCs alone is not sufficient. Incomes from other activities have made their shops viable.
- CSCs have scope of being developed as a promising source of livelihood for VLEs with some improvements as it is a single source of income for 50% of the VLEs interviewed.
- There are also examples of BCs of SBI and Central Bank of India operating as CSCs. Two VLEs were associated with Vakrangee<sup>3</sup>.

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<sup>3</sup> One Stop Shop Assisted Digital Convenience Stores offering an extensive array of services across various sectors by providing BFSI, ATM, E-Commerce & Logistics Services to the unserved and the underserved rural, semi-urban and urban population of the country. [https://www.vakrangee.in/who we are.html/p](https://www.vakrangee.in/who_we_are.html/p).

- There are district wise variations in the functioning of the CSCs. In Aurangabad and Osmanabad, CSCs have integrated the work of CSC, SETU and ‘Aple Sarkar e-Sewa Kendra’. In Amravati, all these three centres are running separately. Setu is looked at as work under Tehsildar (revenue department) and is closely working with Patwaries.
- Awareness level of villagers about CSC was found to be 89% which can be considered to be high. The percentage of villagers utilising services of CSCs is also high as 95% of villagers who knew about CSC visited CSC for some work or the other. Interestingly, proximity of CSCs has helped in increasing awareness about it as it is said, ‘seeing is believing’. Satisfaction level with the services received at CSCs is also high as more than 90% villagers found the services to be satisfactory.

## **5.2. Status of Insurance Selling**

- No of VLEs passing RAP exam is very few. Only seven VLEs qualified to become RAP out of 38 VLEs covered in the study.
- Examinations of RAPs and the process of certification seemed to be complex for the VLEs. Most of the VLEs found it difficult to deal with the process and pass the exam even after repeated attempts.
- The creation of VLE –Insurance position in the CPSC Regulation 2019 of IRDAI has made it easier for the VLEs to start insurance business. VLE-Insurance has become major attraction of insurance companies, as getting licence to do insurance business has become easier compared to certification and registration of RAPs.
- The number of VLEs selling insurance is few. Only 13 out of 38 VLEs are selling insurance, that too majority of them are selling government initiated social insurance schemes. However, things have changed in recent past. Two wheeler insurance, hospi-cash and PA policies are gaining traction in the rural market.
- The number of VLEs having functional knowledge of insurance is also very low. Twenty four (76%) VLEs said that they are not comfortable in explaining insurance to customers.

- Multiple insurance companies with multiple products make the subject complicated for the VLEs to understand and explain it to the customers. Insurance companies are aggressively campaigning to enrol VLEs. VLEs feel flummoxed by sudden rush of the companies.
- Many of the VLEs manning successful centres and having high footfall said that they are extremely busy in providing G2C services. They have no time to look at business expansion through insurance and do not find insurance business interesting. In other words, they do not see a business case in insurance selling.
- Some of the VLEs suggested that differential commission for selling insurance depending on the demand on their time, number of documents and premium amount paid will make it attractive for them. However, few of them suggested standard fee per form in the range of Rs 30-60. This can make the return on the time they invest attractive and so will be selling insurance.
- Some of the VLEs also understand the relationship between volume of business and per transaction related fee/commission, especially in the case of PMFBY scheme. If volume of transaction is high, they are happy with even low processing/transaction fee.
- VLEs expect higher transaction fee in case of high premium in crop insurance as they have to do more paperwork for higher premium.
- Lack of understanding of insurance among customers, lack of demand in the market and lack of support from insurance companies emerged as main issues and hurdles in insurance selling. Things are slowly changing after Covid 19. CSCs are getting quite a few enquiries from rural customers.
- The VLEs do not trust insurance companies and customers do not trust any of them when it comes to insurance. Customers are not sure if they will get proper service at the time of claim and VLEs do not trust that insurance companies will provide them enough support to extend services to the customers.
- The customers need assurance that there is someone to look after their grievances and sort out issues if things do not turn out as expected. This assurance will help in building trust in the rural and low ticket customers.

## **6. RECOMMENDATIONS**

- Adding insurance in the service offerings of CSCs will help VLEs in increasing their income as more than 50 % of VLEs do not find the income sufficient to sustain their livelihood. Both insurance companies and CSC SPV need to make it a business case.
- Commission structure needs to be revised to make insurance attractive for VLEs so that they get minimum Rs 40-60 per transaction/commission per policy as service fee. IRDAI also needs to provide flexible incentive system to insurance companies to attract VLEs to insurance business.
- VLEs need guidance and support in passing RAP examination. Initiating tutorials for VLEs by the CSC-SPVL or SDA to become RAPs will help more VLEs to pass examination and become RAPs.
- Phase wise intensive training and a system for hand holding of RAPs will go a long way in developing their insurance selling skills. This may be done by the insurance companies as VLEs also need information about various products.
- VLEs are prompt and savvy in receiving online inputs. This ability can be harnessed through online training in insurance. Insurance products are generally complex. Training is the key to make insurance selling easier for VLEs.
- Each type of CSCs needs a different approach to effectively utilise their expertise and their ability to reach out to the huge untapped market. Accordingly developing support system and learning and development programs will help in improving their performance.
- The rural population is large and uninsured. A targeted approach to develop VLEs for insurance selling depending on their qualification, interest and aptitude in insurance selling may help in increasing insurance coverage in rural areas.
- Insurance companies may chart a growth path for VLEs depending on their proficiency in insurance selling. This will help VLEs in visualising a better and more remunerative career in insurance selling and nudge them in learning insurance selling. Insurance selling can be a highly rewarding career for rural youth and women.

- A hand book on insurance selling may help VLEs in effectively canvassing insurance with their customers. This can be provided by the insurance companies with whom they have tie-up. Even though there are lot of printed literature available with the insurance companies, they have not reached VLEs/RAPs.
  - Insurance portal in vernacular language will help VLEs perform better.
  - Printed publicity material plays an important role in helping people understand and create trust. A small pamphlet in thick glossy paper will create impact; as paper that looks good creates trust among less educated villagers. It also creates feel good factor and people value it and find it worthy of keeping with them.
  - The understanding of insurance is limited in both seller and the buyers. Standardised products by all insurance companies will help in easing out the selling process. For example, the Sanjeevani health insurance product is sold by all the insurance companies, which reduces company wise variations and complexity resulting from it.
  - Insurance companies can engage CSC VLEs by building trust and taking proactive approach in servicing claims.
  - Right now people are not aware about the claim settlement process. Demystifying the claim settlement process by simplification and standardization of claim settlement procedure will help in building trust and confidence among VLEs.
  - Insurance companies have low visibility in rural areas. Hoardings are missing in rural and suburban areas. Intensive marketing efforts will educate the customers, generate pull in the market and bring customers to CSCs for their insurance needs.
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## 7. CONCLUSION

CSCs are in various phases of development across districts and they are distinctly different in structure, working style and types of services offered. Awareness level about CSCs and usage of services offered by CSCs is high among the villagers indicating that there is good potential for growth of CSCs and consequently the VLEs managing them. The CSCs which have converted themselves into business centres have high foot fall. These centres are running successfully and are viable and sustainable. They can be looked upon as successful CSC models. However, number of CSCs engaged in insurance selling is very low. Successful VLEs are not interested in insurance products as they do not find it attractive enough in terms of time and efforts consumed and the commission earned. The VLEs manning the new CSCs can be groomed into insurance selling so that they can diversify their business. Proper training and helping them pass the examination of RAP will go a long way in building this sales force in rural areas. CSC SPVL has already initiated efforts in this direction by giving online training to VLEs after the CPSC Regulation, 2019 were notified. This is a welcome development. New CSC VLEs are taking CSCs as promising source of career livelihood. However the satisfaction level in general from the CSC is low in terms of CSC earnings.

Creating a conducive environment by building trust and improving service delivery at the CSCs, a little guidance, handholding and training of VLEs will help in improving delivery of insurance products and services at the CSCs as well as in making these centres viable and sustainable. The enabling provisions of the new CPSC regulations has accelerated the growth of CSC channel. Advent of Covid 19 has pushed CSC in the front line of rural distribution channel. It is poised to grow faster in coming years. Growth of CSC in insurance distribution will help in achieving the twin objectives of insurance inclusion and rural entrepreneurship.

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## ANNEXURE

### I. Services offered through CSC

#### A. G2C Services

Central Government Services: PAN card Application, Passport Applications, Income Tax Return, Employment Service, Swachh Bharat Abhiyan, Pradhan Mantri Awas Yojana (PMAY), Agriculture Service, Soil Health Card, etc.

State Government Services: e-District/State Service Delivery Gateway (SSDG) services, Land Record, Ration Card, Birth/Death Certificate, Income, Caste, Domicile certificate, etc.

UIDAI Aadhaar Service: Aadhaar Print, Mobile Updates, Demographic Updates, Enrolments, e-KYC (Electronic Know Your Customer), Authentication, Seeding, printing of Aadhaar Card.

Election Commission Services: Electoral Registration, deletion of elector's details, Modification of elector's details, transposition, etc., Electoral Photo Identity Card (EPIC) Printing.

#### B. B2C Services

Indian Railway Catering & Tourism Corporation (IRCTC) Services, e- Recharge, Tour & Travels, Sale & purchase of seeds & farmer equipment's, e-Commerce, etc.

##### 1. Financial Services

Banking Services: Setting up of Business Correspondent Agents of various banks at CSCs. And providing the services like: New Account opening, Deposit, Withdrawal, and Remittance.

Insurance Services: Life Insurance (New Policy), Life Insurance (Renewal of Policies), General Insurance products like health, crop and motor insurance.

Aadhaar Enabled Payment System (AEPS) Services: Withdrawal of money only.

Pension : Providing the PFRDA services

2. Educational Services

National Digital Literacy Mission, (NDML) – Digital Saksharata Abhiyan (DISHA) / Pradhan Mantri Gramin (PMG) DISHA, CyberGram project, various courses through National Institute of Open Schooling (NIOS), National Institute of Electronics & Information Technology (NEILIT) Courses (Courses on Computer Concepts - CCC & Basic Computer Course -BCC), Tally, various coaching course (IIT, Civil Services), Financial and Legal Literacy

3. Skill Development

Courses on electronics, motor mechanic, mobile repair, health adviser etc are being offered

4. Utility Services

Electricity Bill Payment, electricity new connection

5. Health Services

Telemedicine, JAN Aushadhi, Diagnostic Services

**II. Demographic Characteristics of Users**

Majority of the respondents (43%) were in the age group 25 to 45 years, 25 % were in the age group 46 to 65 years of age. (Fig 22 - a,b)

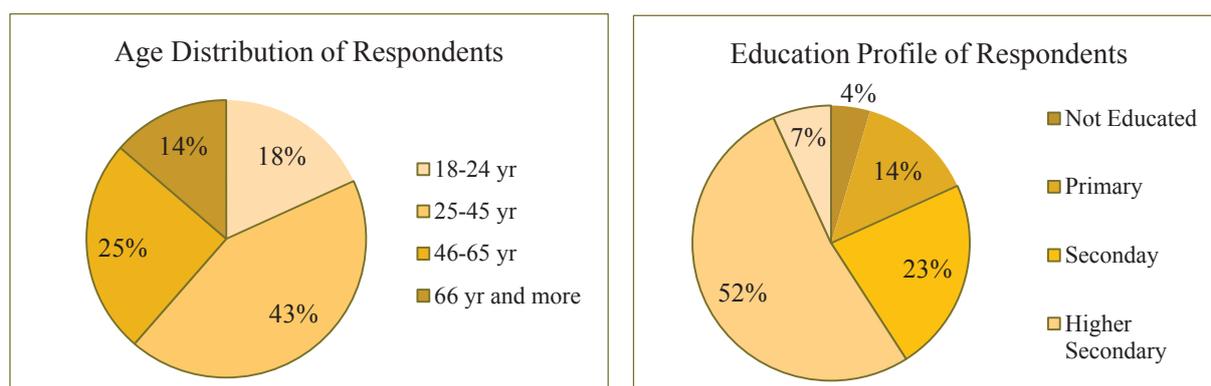


Fig 22- Demographic Characteristics of Users - a,b

More than 80% of the people covered in the interview had decent level of education (secondary and above). Only 4% were not educated and 14 % were educated up to primary level.

Majority of the villagers were small and marginal farmers as 36% of them had 1 to 2 acres of land and 23% of them had 2 to 5 acres of land. Eighteen per cent of them had medium size landholding, whereas 23% of them were landless farmers. Sixty four per cent of the farmers had unirrigated land. (Fig 23 – a, b)

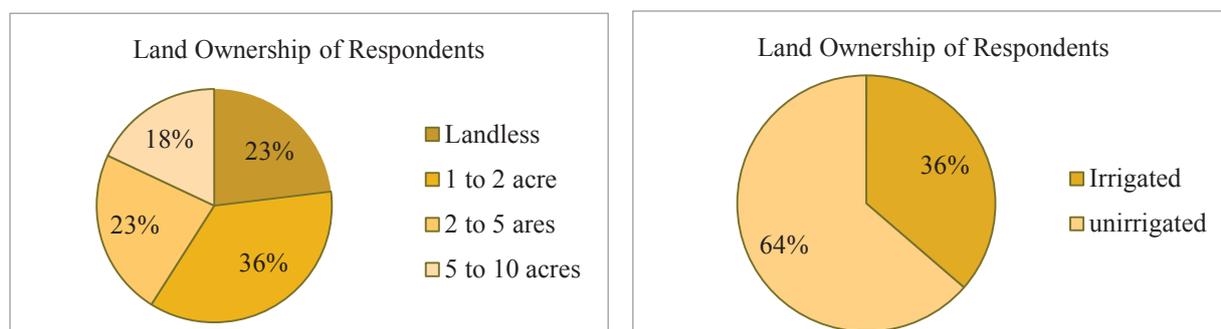


Fig 23: Demographic Profile - a, b

Fifty percent of the villagers had farming as their main livelihood, 27% of them were engaged in non-farm activities like government job or private job or engaged in business and trading. Rest 23% villagers were engaged in seasonal farming and some other non-farm activity for rest of the time to augment their income. Only 39 % of the people interviewed had cattle in their asset. (Fig 24 - a, b)

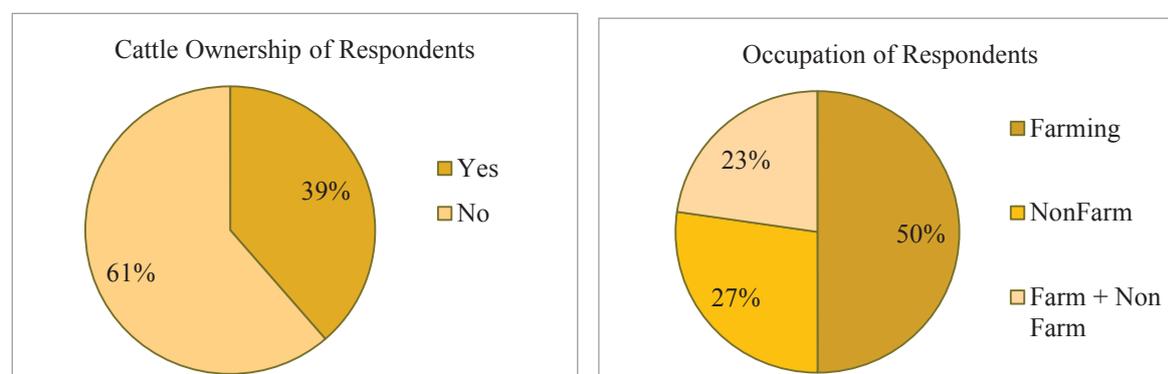


Fig 24: Demographic Profile - a, b

### **III. Questionnaire Used for Study**

#### **Questions for Farmers/Villagers/Users**

1. Demographic Information
2. Education
3. Occupation
4. Land /Cattle
5. Name the crops you take?
6. Do you know about CSC?
7. Do you know purpose of setting CSC?
8. How did you get information about CSC?
9. Are you aware about the services offered by CSC?
10. What are services offered by CSC
11. Do you know where CSC for your village is located?
12. Have you visited CSC?
13. If yes, what was the purpose of your visit?
14. How was your experience of the visit?
15. What improvement you would like to see?
16. What are the charges for services at your CSC?
17. Are the charges of CSC reasonable?
18. What are benefits of having a CSC in your village?

#### **Questionnaire for CSC VLEs**

1. Demographic Information
2. Education
3. Other occupation
4. Land /Cattle

5. How did you come to know about CSC?
  6. What are services you offer?
  7. How many people visit your CSC in a day/week?
  8. What is most popular service offered by you?
  9. Is your earning from CSC sufficient to sustain it?
  10. Do you sell insurance?
  11. Have you got training for insurance selling?
  12. What kind of insurance products you sell?
  13. Do you have understanding of insurance?
  14. Are you able to explain insurance products to your customers/villagers?
  15. Do people come to you asking for insurance?
  16. Do people understand what is insurance?
  17. Do insurance companies give enough support to you?
  18. What are the issues faced with insurance selling?
  19. What issues you face in your business?
  20. What improvement you would like to see in selling of insurance?
  21. What are charges of insurance services of CSC?
  22. Are the charges paid to CSCs reasonable?
  23. Is the service charge for insurance reasonable to sustain your business?
  24. Rate the success of your CSC
-

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