Performance Evaluation of Rural and Nomads Social Insurance Fund: 
Case Study of Khorramabad Township

Neda Ebrahimi, Saeid Gholamrezai, Mehdi Rahimian and Shapoor Zarifian
1Department of Agriculture, Lorestan University, Khorramabad, Iran
2Department of Agriculture, Tabriz University, Tabriz, Iran

Abstract: Social Insurance is one of suitable solutions toward social welfare. One of the types of this phenomenon is social insurance for rural and nomad societies. Based on importance of insurance in Iran, more than ten years established the rural and nomads Social Insurance Fund. The purpose of this research is the performance evaluation of the rural and nomads Social Insurance Fund in west of Iran. This applied research was done by survey method. The statistical population of this research is all of rural members of Khorramabad Township that sample size estimate by Cochran’s formula (102 persons). Instrument which is used in this study for data collection was researcher-made questionnaire. Results show that the rural and nomads Social Insurance Fund based on pre determined goals in four categories common, disability, death and retirement are moderate scale. Among these objectives actions of Brokers deal proper with client, ease of administration affairs by broker, Speed up the administrative affairs, appropriate insurance premiums based on options and Ease in receipt of disability pension was recommended.

Key words: Performance evaluation, social insurance, rural and nomads social insurance fund, Khorramabad Township, goal-oriented evaluation

INTRODUCTION

The UN report said that most people feel insecure, more from area concerns related to everyday life than the accuracy of a catastrophic universal accident (Zahediasl, 2002). Such concerns forced man seeks to identify ways of providing future. Among these phenomena insurance exist (Reshnvadi and Dehnvavi, 2008). The task of insurance is prorating damage on a person or particular individuals within a group (Mosaddegh, 1993). In this way to compensate for losses caused by disasters, provides reliable situation for human lives. Generally, insurance divided into two types; social insurance and commercial insurance. Commercial insurance topics are broad topics that according to the content of the study, regardless of talking about it and paying attention to social insurance. Social insurance is one of the main subdivision plans in the country and legally in order to support the people are mandatory. Because of that such insurances are called insurance of law. Such programs are practical more about workers and low income classes. The people who on one side belongs to productive forces of society and on the other side they less think about future and their livelihoods (Karimi, 1999). The concepts of social insurance are used for describing the transfer programs with the intension of elimination or decrease the types of risk in life of the cycle of people (Feldstein, 2004). The thing that distinguishes this kind of insurance from the other types of insurance is premium payment. In case of need in social insurance, government for developing the public welfare is involved in perineum. This kind of dealing with the problem and on the other side its compulsory insurance gives support community. Presentations show the importance and necessity of high expansion of social insurance programs among the vulnerable population but unfortunately the rural sector Less attention has been due to lack of organized management in rural area (Badri, 2010), Remoiness (Anabestani et al., 2012), dispersal, infrastructure constrains and construction (Farahani et al., 2012; Mirzaamini, 2010), unclear tasks of the Brokerages responsible for development (Poortaheri and Nemati, 2012), poverty and economic challenges (MirzaAmini 2010), the lack of clear vision for development and uncertainty of the development strategy, the multiplicity of decision making Institutions (Oliai et al., 2009) and payless low awareness of rural society of the insurance services (Derakhshideh, 2011). The rural sector of country in terms of production has special and undeniable significance so they have rights to use social insurance.
programs as a way for spreading social protection and social welfare. A plan that in this regard thought in Iran is creating Rural and nomads Social Insurance fund. The formation of this fund came back to 2005 that it is the mile stone (Turning point) in the ground of using the inhabitants of rural areas and nomads from the social insurance benefit (Shafiezadeh et al., 2012). This applies to Article 29 of the constitution, Article 96 of the law and paragraphs 13-19- 21-43... general policy programs were emphasized (Rezvani, 2011). After the adoption of the comprehensive system of social welfare and security law in 2004, Rural and nomads Social Insurance fund in the date of 2005/7/5 were established. This fund as headquarters with some organizations and local institution including rural production cooperatives and councilor in all over the country and contract payment so as brokers fund social administration activities begins in the rural areas. Due to existing problems and issues on the needed ordinances and areas headquarters, fund dealers created in provincial capitals of the country whose duties included a extension of social insurance of villagers and nomads b/ collecting and consolidating all funds of the issue of fund c/ investment and the operation of the current and saved funds d/ implementation of commitments related regulations. Khorraramabad Township by the end of 2013 with the rural population about 132034 person with 18 brokerage it could only cover 45% of eligible individuals by fund. With regards to importance of social insurance and the need to develop it in remote and rural areas and conditions in rural areas, the purpose of this study is performance evaluation of Rural and nomads Social Insurance fund in the khorraramabad township. It causes successful and unsuccessful aspects of fund have been detected and to be determined that fund to what extend achieved the present objectives. This study aims to examine this hypothesis:

- The performance of Rural and nomads Social Insurance fund based on the total objectives is at acceptable level
- The performance of social insurance fund of villagers and nomads based on the four objectives: common, death, disability and retirement are at the acceptable level

**Literature review:** Despite the importance and necessity of social insurance particularly in rural areas, unfortunately a lot of research has not done in this field over the country. The following is a series of related research which will be referred.

Doei and Nikkhah Farkhani (2009) carried out operational performance and human resources evaluation at Karafarin insurance Brokerages. The results show these Brokerages are at high level operational and human efficiency and most of the time run by women.

Momemi et al. (2009) have attempted the performance evaluation of the social security organization and with using the balanced scorecard model and fuzzy deal model; they identified efficient and inefficient Brokerages.

Mirzaei (2011) by performance evaluation of representatives of insurance company by using the combination of indicators of organizational excellence and deal analysis they result that the combination of business excellence model as a qualitative and deal model as a quantities model is a suitable model for performance evaluation of insurance Brokerages.

Motmeni et al. (2012) tried to evaluate the performance of branches of an insurance company. Findings show that two criteria of the profitability of branches and customer satisfaction have basic role in growth of insurance branches. Rating that various provinces devoted in this case is as follows: 1- Booshehr 2- Hormozgan 3- Fars 4- Semnan 4-Gom .

Rezaee and Ahmadi (2013) tried to evaluate the performance of Novin insurance branches in four provinces Qazvin, Kermanshah, Hamedan, Semnan. They got that in measure of growth and learning, Qazvin branch is priority and in the financial measures internal process and customer oriented Kermanshah branch is in priority. However after a full weighting and ranking the branches in terms of the total criteria, the result showed Qazvin branch is in priority.

Karimi (2013) in his study with title “performance evaluation of insurance industry and explaining future prospects” did it from 2005-2013. According of this study, central insurance of Iran in the ninth and tenth governments upgraded according to world indices and effective actions have done in the overall policy Article 44 of the constitution.

Nemati and Kazemi (2013) during evaluating the performance of companies Iran insurance in 2008, 2009 and 2010 got result that showed the performance of insurance Brokerages Pasargad, Asia, Alborz, Saman, Omid, Karafarin, Iran, Dana, Mellat in the 3 years have been losses, but the performance of insurance Brokerages Persian, Novin, Iran Moein, Moalem, Razi, Toseh, Hafez have been profitable every three years, also Sina insurance in 2008, 2009 with losses and in 2010 have been profitable. In addition Day insurance in 2008 and 2009 profitable and in 2010 has been with losses. The