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**THE FACTORS INFLUENCE ON BUYING INTENTION OF LIFE
INSURANCE POLICY**

NU NU LWIN
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**THE FACTORS INFLUENCE ON BUYING INTENTION OF LIFE
INSURANCE POLICY**

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Supervised by

Submitted by

(Supervisor)
Prof. Dr. Daw Soe Thu
Professor/Head
Department of Commerce
Yangon University of Economics

Nu Nu lwin
Roll No – 73
MBF 4th Batch

December, 2019

ABSTRACT

This thesis intends to analyze the customer attitude on life insurance policy in Yangon and analyze the influencing factors on customer's buying intention of life insurance policies in Yangon, In order to meet the objectives, the analytical descriptive research method and the linear regression model are used. Primary data is collected by using convenient sampling method and collected from respondents who are the insurance customers with survey questionnaires. The secondary data is collected on the basis of organizational profile, official record, magazines, articles and publication on insurance sector in Myanmar. This study found the price factors is mostly influenced on customer's attitude because customers know premium plays the important role in life insurance and they also concerned about policy termination because it occurs when they stop premium payment. In addition, the study found that customers do not want to renew their current life insurance policy by them after it expires and customers also do not want to buy new product of life insurance.

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CHAPTER I

INTRODUCTION

Human have need a sense of security both for the present and the future. It is because of a sense of security and assurance of the continuity of a life is an absolute thing that always desirable man. Then the man as a customer requires a product that can provide security and ensure the survival, their families and their businesses. We are familiar with the name of the insurance. Insurance plays a vital role in the welfare of human wellbeing by providing insurance to millions of people against life risks such as uncertain death or accident.

Customer attitude refers to the process by which a consumer selects, organizes, and interprets information, stimuli inputs to create a meaningful picture of the brand or the product. Several factors can influence on perception, causing it to change in certain ways. Different consumer may even deviate from what the producer or service provider or marketer had intended. This may cause serious problems in today's attention economy. In today's globalizing economy competition is getting more and fiercer. That means it becomes more difficult for products and services to differentiate themselves from other offerings than ever before. On the other hand, consumer attitude becomes more hybrids. Consumers are widely aware of their greater power.

Firm, especially life insurance, has realized the importance of consumer attitude because consumers are the back bone of life insurance business. Understanding consumer attitude helps life insurance companies to maintain a good competitive edge on its competitors. The proper understanding of consumers' needs and expectation help life insurance providers to bring betterment in products as well as service offered. In comparison with the developed foreign countries, the Myanmar Life Insurance industry has achieve only a little due of lack of experienced insurance professionals at all levels underdeveloped IT systems, product restrictions, lack of effective risk transfer mechanism. Lack of public awareness, absence of robust regulatory framework, absence of reserving standards and guidelines, absence of insurance industry association, absence of insurance statistic and lack of insurance products that meet people's need.

Nowadays, insurance companies, particularly life insurance companies provide covering needs of children, women and aged etc. under social security network and thereby reduce the burden on government, exchequer in providing their services. Government can save expenditure

on these items and can be utilized for more productive projects. To conclude, life insurance policies play an important role in economic development of the country.

1.1 Rationale of the Study

Insurance sector in Myanmar is now an uphill battle and need to develop this market. After being monopolistic and nationalized for about 60 years, most of Myanmar's citizens lack knowledge about insurance. People simply do not understand insurance. According to the current situation of Myanmar insurance market, life insurance uptake is very low than general insurance although life insurance is the key risk transfer mechanism for people lives, their families and for their future plans. However, some of the fundamental problems that underline the existing individual endowment product are; premium rates were developed nearly 60 years ago, maximum sum insured of 30 million kyat per life and average workers (Mild manager and below) cannot afford the premium.

In order to develop the life insurance market, companies need to try to get people awareness, need to know the influence of consumer attitude on buying life insurance policy, built trust and loyalty and understanding of insurance from the general public. There may be significant gap on consumer perception of life insurance products between from insurer's side. By knowing consumer attitude on the products provide by insurers, insurers can modify existing products and extend new products and services to develop the life insurance sector of Myanmar.

Buying life insurance policy is one of the most important financial decisions. Well, regardless of how much people earn, no one knows what the future holds. Lots of people die a prematurely every year from illness or accident and, if it happens to be the sole breadwinner in the family and the person were to pass away, it could have devastating consequences for one's loved ones-their ability to pay household expenses, debts and maintain the standard of living. The least people can do, therefore, is to secure family's financial future by buying a life insurance policy. Besides, do not overlook benefits of a life insurance during a person's lifetime, especially if the person is young.

1.2 Objective of the Study

There is main objective in this study:

To explore the influencing factors of buying practices of the respondents on life insurance policy.

1.3 Methodology and Sources of Data

The method of research applied in this study is descriptive method. In order to find out the consumer attitude and behavioral intention towards life insurance policy in Yangon, both primary and secondary data are used. Primary data is collected from 120 persons from 20% of the total respondents who are the insurance buyers with survey questionnaires. The convenient sampling method is used in this study. To meet the research objective, multi liner regression model was used to examine the factor influence on buying intention of life insurance policy. The duration of the data collection period is November to December, 2018. The secondary data is collected on the basic of organizational profile, official record, magazines, articles and publication on insurance sector in Myanmar.

1.4 Scope and Limitation of the Study

This study focuses on consumer's attitude towards life insurance policy in Yangon. The target consumers are the consumers who still have life insurance life-span and consumers who has used life insurance policy within 5 years in Yangon. In this study, 120 persons from 20% of the total respondents are selected to get the information about life insurance policy in Yangon region. This study does not focus on general insurance policy in Myanmar. This study also not covers the whole population in Myanmar.

1.5 Organization of the Study

This study is composed of five chapters. Chapter one aid an introduction that presents rationale of the study, the objectives of the study, methodology and sources of data, scope and limitation and organization of the study. Chapter two covers theoretical background of consumer perception. Chapter three presents the profile of life insurance market in Myanmar and the respondents' profile. Chapter four presents data analysis and the findings from the primary research conducted during the study. Chapter five highlights and gives summary of the main

findings in relation to the original aim of the study and also gives the appropriate recommendations based on the results obtained as well as the needs for the future study.

CHAPTER II

THEORETICAL BACKGROUND

This chapter explained theoretical background of the customer attitude that includes mainly importance of attitude, theories of attitude, behavioral intention and factors affecting consumer attitude. The conceptual framework with detail explanation is mentioned below.

2.1 Definition of Attitude

Business can gain a better understanding of the role of attitude in consumer behavior and buying decision by studying customer behavior. Companies can improve their marketing strategies when they have a firm grasp on the psychology of how consumers feel, think and reason of their way to a buying decision. Knowing how consumers are influenced by their environment, their information - processing abilities and perception of a product can help companies to more effectively reach consumers (Peter & Olson, 2008)

Knowing what the consumers need, want and desire is the key factor to success in any type of business. The key to business survival, profitability, growth and future success in highly competitive market place is its ability to identify and satisfy unfulfilled customer needs better and sooner than the competitors. As consumer, each of them has a vast number of perceptions on the attributes of a particular product or service. Individuals act and react on the basis of their perception to stimuli (agents, action or condition that elicit a response) which they are exposed, not on the basis of objective reality. For each individual, reality is a totally personal phenomenon, based on that person's needs, wants values and personnel experience. Thus consumer attitude are much more important than the market's knowledge of objective reality (Evens & Foxall & Jamal, 2011)

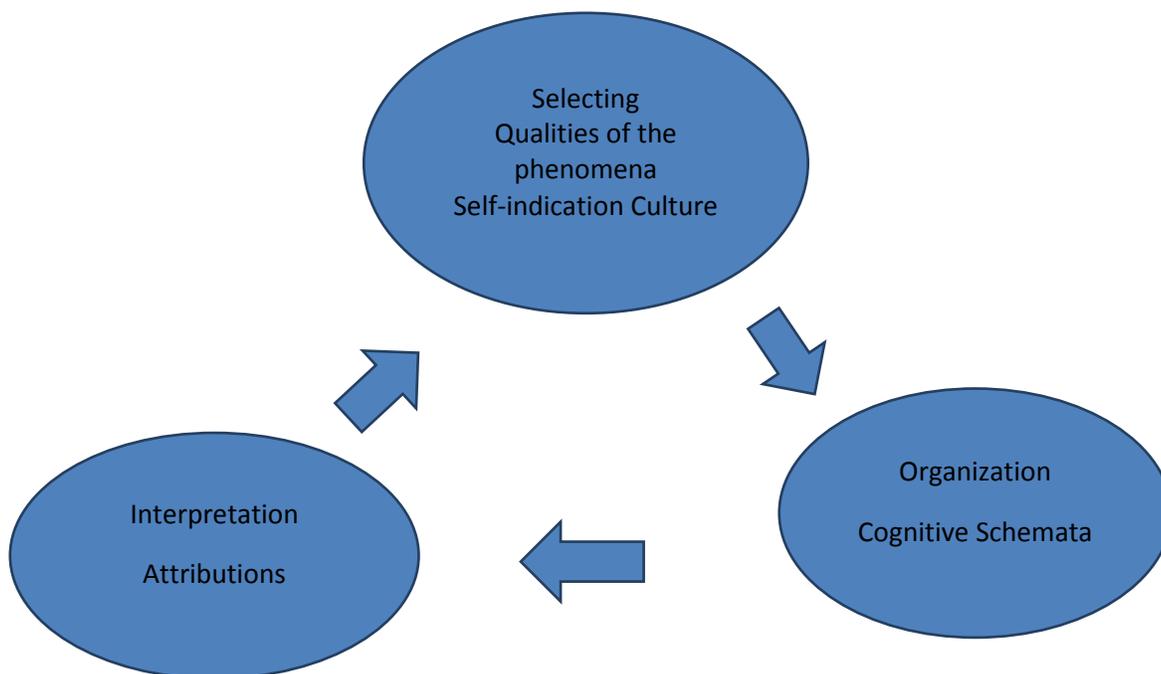
Depending on consumer's attitude, each product can be received quite differently; favorably, less favorably or not at all. Consumers are often willing to pay for a more expensive product over its less-expensive but identical counterpart just because they perceive it to be better product. Therefore, Attitude is one of the key psychological factors that influence consumer behavior and also key point to success of the business.

2.2 Importance of Attitude

From the side marketing, consumer attitude is a consumer's impression, awareness and consciousness about a company or its offering. Customer attitude is typically affected by advertising, review public relations, social media, personal experience and other channels (Armstrong & Kotler, 2003)

Lwon G. Sheffman and Leslie Lazar Kanuk, said that "Attitude" is a process by which an individual select, organizes and interprets stimuli into a meaningful and coherent picture of the world. It is also described that "how we see the world around us". Two individual may be exposed to the same stimuli under the same apparent conditions, but how each person recognizes, selects, organizes and interprets these stimuli is a highly individual process based on each person's own needs, values and expectation. The way one organizes and interprets the information follows a process that can be divided into three parts as follow:

Figure 2.1 Process of Attitude



Source: Schiffman, L.G. & Kanuk, L. L. (2010). Consumer Behavior (9th ed). New York: McGraw-Hill Irwin

(a) Selection; Consumer selects part of information that they are exposed to and tend to ignore others. It is critical for marketers to tailor the message according to the target audience it intends to deliver message. Messages that are created to speak to everyone usually ends up talking to no one.

(b) Organization: Consumers classify perception into different categories and group together to make sense out of stimuli. There can be different forms like grouping options and options that are closely related go together. That's why people associate their messages with such props and celebrities that have close traits and personality that goes with their intended message/product/services.

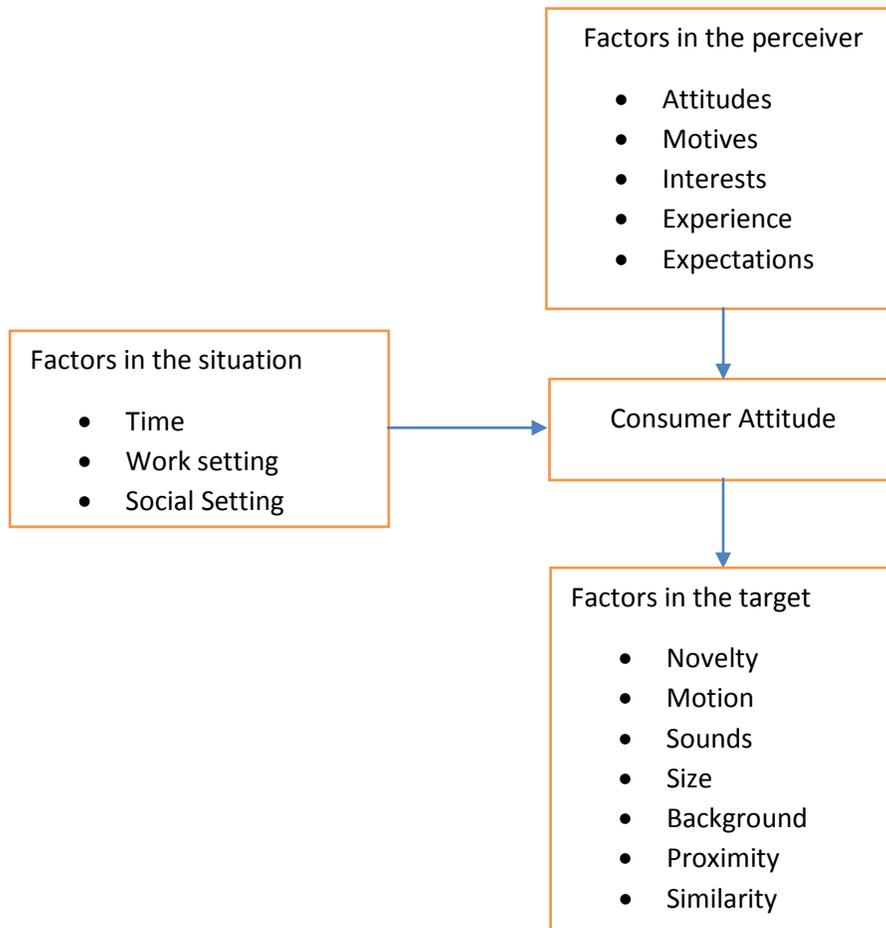
(c) Interpretation: Consumer apply previous learning and association to understand and give meaning to novel stimuli.

2.3 Factors influencing on Consumer Attitude

There are three different types of factors that influence the attitude which are Factors in the situation, factors in the perceiver and factors in the target. Perception is our sensory experience of the world around us and involves both the recognition of environmental stimuli and actions in response to these stimuli. Through the perceptual process, we gain information about properties and elements of the environment that are critical to our survival. attitude not only creates our experience of the world around us; it allows us to act within our environment. A number of factors operate to shape and sometimes distort perception. These factors can reside:

- (i) In the perceiver
- (ii) In the object or target being perceived or
- (iii) In the context of the situation in which the perception is made.

Figure 2.2 Factors influencing on consumer Attitude



Source: Schiffman, L.G. & Kanuk, L. L. (2010). Consumer Behavior (9th ed). New York: McGraw-Hill Irwin

2.3.1 Characteristics of the Perceiver: Several characteristics of the perceiver can affect perception. When an individual looks at a target and attempts to interpret what he or she stands for, that interpretation is heavily influenced by personal characteristics of the individual perceiver. The major characteristics of the perceiver influencing perception are:

(a) Attitudes: The perceiver's attitudes affect perception. For example, suppose Mr. X is interviewing candidates for a very important position in his organization- a position that requires negotiating contracts with supplier, most of whom are male. Mr. X may feel the women are not

capable of holding their own in tough negotiations. This attitude will doubtless affect his perceptions of the female candidate he interviews.

(b) Motives: Unsatisfied needs or motives stimulate individuals and may exert a strong influence on their perceptions. For example, in an organizational context, a boss who is insecure perceives a subordinate's efforts to do an outstanding job as a threat to his or her own position. Personal insecurity can be translated into the perception that others are out to "get my job" regardless of the intention of the subordinates.

(c) Interest: The focus of our attention appears to be influenced by our interests. Because our individual interests differ considerably, what one person notices in a situation can be reprimanded by his boss for coming late is more likely to notice his colleagues coming late tomorrow than he did last week. If you are preoccupied with a personal problem, you may find it hard to be attentive in class.

(d) Marketing Factors: Experience is the knowledge or mastery of an event or subject gained through involvement in or exposure to it. Terms in philosophy such as "empirical knowledge" or: a posteriori knowledge" are used to refer to knowledge based on experience. A person with considerable experience in a specific field can gain a reputation as an expert. The concept of experience generally refers to know-how or procedural knowledge, rather than propositional knowledge: on-the-job training rather than book-learning.

Product- Product experience is the entire set of effects that is elicited by the interaction between a user and a product, including: the degree to which all our senses are gratified (aesthetic experience); the meanings we attach to the product (experience of meaning); the feeling and emotions that are elicited (emotional experience)_ (Hekkert,2006)

Price- There are clear winners and losers in the battles to manage price perception in order to get this so-called "pricing credit" from consumers. Some consumers have regarded the company image with their experience on pricing. Price wars have broken out in consumer industries around the world. Many insurance companies have used price to position themselves against local competitors in their markets, pinching margins all around.

Benefit- something such as a pension or health insurance that an employee receives in addition to their salary which is equal to the meaning of money. For example, Management team usually use benefit for their staffs like "Management is trying to cut employee pay and benefit".

(e) Expectations: Finally, expectation can distort your perceptions in that you will see what you expect to see. The research findings of the study conducted by Sheldon S Zalkind and Timothy W Costello on some specific characteristics of the perceiver reveal

- Knowing oneself makes it easier to see others accurately
- One's own characteristics affect the characteristics one is likely to see in others
- People who accept themselves are more likely to be able to see favorable aspects of other people.
- Accuracy in perceiving others is not a single skill.
- These four characteristics greatly influence how a person perceives other in the environmental situation.

2.3.2 Characteristics of the Target

Characteristics in the target that is being observed can affect what is perceived. Physical appearance plays a big role in our attitude of others. Extremely attractive or unattractive individuals are more likely to be noticed in a group than ordinary looking individuals, Motion, sound, size and other attributes of a target shape the way we see it. The perceiver will notice the target's physical features like height, weight, estimated age, race and gender. Perceivers tend to notice physical appearance characteristics that contrast with the norm, that are intense, or that are new or unusual. Physical attractiveness often colors our entire impression of another person. Interviewer's rate attractive candidates more favorable and attractive candidates are awarded higher starting salaries.

Verbal communication from targets also affects our perception of them. We listen to the topics they speak about, their voice tone, and their accent and make judgments the target. The perceiver deciphers eye contact, facial expressions, body movements and posture all in an attempt to form an impression of the target. As a result of physical or time proximity, we often put together objects or events that are unrelated. For example, employees in a particular department are seen as a group. If two employees of a department suddenly resign, we tend to assume their departures were related when in fact, they might be totally unrelated. People, objects or events that are similar to reach other also tend to be grouped together. The greater the similarity, the greater the probability we will tend to perceive them as a group.

2.3.3 Characteristics of the Situation

The situation in which the interaction between the perceiver and the target takes place, has an influence on the perceiver's impression of the target. E.g. meeting a manager in his or her office affects your impression in a certain way that may contrast with the impression you would have formed, had you met the manager in a restaurant. The strength of the situational cues also affects social perception. Some situations provide strong cues as to appropriate behavior. In these situations, we assume that \pm i e individual's behavior can be accounted for by the situation, and that it may not reflect the individual's disposition. This is the discounting principle in social perception. For example, you may encounter an automobile salesperson that has a warm and personable manner, asks you about your work and hobbies and seems genuinely interested in your taste in cars. Can you assume that this behavior reflects the salesperson's personality? You probably cannot, because of the influence of the situation. This person is trying to sell you a car, and in this particular situation, he probably treats all customers in this manner.

(a) Time- Time perception is a field of study within psychology, cognitive linguistics and neuroscience that refers to the subjective experience or sense, of time which is measured by someone's own perception of the duration of the indefinite and unfolding of events. The perceived time interval between two successive events is referred to as perceived duration. Though directly experiencing or understanding another person's attitude of time is not possible, such an attitude can be objectively studied and inferred through a number of scientific experiments. Time perception is a construction of the sapient brain, but one that is distortable under certain circumstances. These temporal illusions help to expose the underlying neural mechanisms of time perception.

(b) Social Setting- is thing that affects lifestyle, such as religion, family or wealth. These can change over time. Food developers need to be aware of these changes to make foods that meet the needs of consumers. The situation in which interaction between perceiver and the target takes place has an influence on the perceiver impression of the target. The situation may include time, work setting, social setting. E.g. a person heavily dress inn a hot day will be perceived by other people whereas same person dress similarly on a cold day may be on notice. Here, both perceived and the targets are same but only the situation is different.

(c) **Work Setting-** Location where a task is completed. When pertaining to a place of employment, the work environment involves the physical geographical location as well as the immediate surroundings of the workplace, such as a construction site or office building.

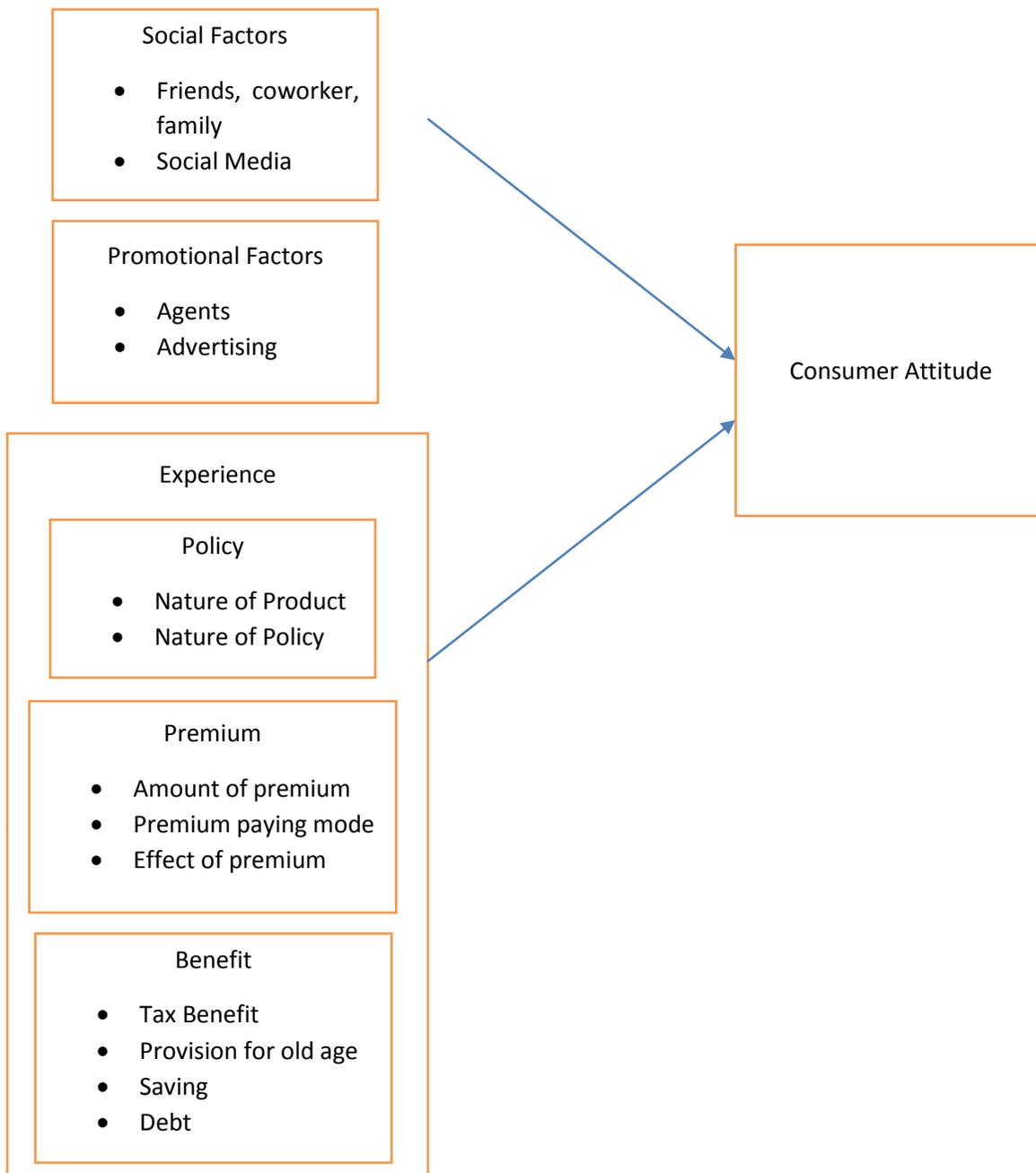
2.4 **Buying Intention**

Buying intention (BI) is defined as a person's perceived likelihood or "subjective probability that he or she will engage in a given buying". BI is buying-specific and operationalized by direct questions such as "I intend to [buying]," with Likert scale response choices to measure relative strength of intention. Intention has been represented in measurement by other synonyms (e.g., "I plan to [buying]") and is distinct from similar concepts such as desire and self-prediction (Armitage & Conner, 2001). BI reflects how hard a person is willing to try, and how motivated he or she is, to perform the behavior. In theory in which is it included, BI is the most proximate predictor of buying, and BI is ultimately the variable that most health communication interventions aim to influence. In this framework individual behaviors are in pursuit of a larger goal, such as better health or quitting smoking. BI has been found to have high productive validity in relation to behavior indication that respondents in general accurately rate their intention to perform the behavior in question. Meta-analyses reviewed, which included health behavior, found from 19% to 38% of variance in behavior explained by BI.

2.5 **The Conceptual Framework of the Study**

The conceptual framework includes factor influencing on buying decision, experience of consumers and behavioral intention. Firstly, factor influencing on buying decision will study with two factors: social factors and promotional factors. And then experience of consumers study with three factors: product, price and benefits. Finally, behavioral intention study in order to know consumer want to buy the same product or new products of life insurance, want to buy other type of insurance such as fire, motor etc., and want to recommend for friends, colleague, relatives and family members.

Factors Influencing on Buyer



Source: Own Compilation (2018)

2.5.1 Influencing factors on Buyer

There are social factor and promotional factor under influencing factors on buyers. The detail explanation of both factors will be discussed below.

(a) Social- workers, family members, relatives, neighbors, friends, seniors at workplace often form reference groups. Reference groups are generally of two types:

-Primary Group- consists of individuals one interacts with on a regular basis. Primary groups include:

- Friends
- Family Members
- Relatives
- Co workers

All the above influence the buying decisions of consumers due to following reasons: They above used the product or brand earlier. They know what the product is all about. They have complete knowledge about the features and specifications of the product. Tim wanted to purchase insurance for him. A consumer who has a wife and child at home would buy for them rather than spending on himself. An individual entering into marriage would be more interested in buying an insurance, house, car household items, and furniture and so on. When an individual gets married and starts a family, most of him buying decisions are taken by the entire family.

(b) Promotional Factors- The promotion factor is the blend of various promotional activities such as advertising, personal selling, sales promotion, public relations, direct marketing used by business in order to create, maintain and increase the demand for a certain product. Different promotional tools are required for the different types of product. Such as, for the industrial products Viz, machinery, equipment or land personal selling is more appropriate as a great deal of pre-sale and after-sale services is required for selling and installing such products. On the other hand, publicity and advertising are more suitable for the consumer goods, especially the convenience goods.

Use of a particular tool of promotion mix depends upon the type of goods to be marketed. More of personal selling is required for industrial products. The presence of designers or celebrities inside the store is required for the highly image-oriented products like fashion garment. For goods where not much difference is there in characteristics and performance, more sales promotion is required. Promotional factor is greatly influenced by the number and location of the customers. Personal selling is more likely to be effective in case the group of potential customers are small and are concentrated in a particular locality, then blend of advertising, personal selling, and sales promotion is required to sell the product.

2.5.2 Experience of Consumer

Regarding to the experience of consumer, there are: Product, price and benefits which are really important for consumer attitude. The detail will be explained later.

(a) Awareness of policy - Insurance products include a wide range of solutions. Common insurance products include home, auto, life, health, dental and mortgage and asset protection. Products can also be customized for various purposes, including protecting professional athletes from lost income due to injury. Policyholders may choose from a number of options for paying their insurance premiums. Some insurers allow the policyholder to pay the insurance premium in installments, such as monthly or semi-annual payments, or may require the policyholder to pay the total amount before coverage starts. Nature of product means the classification of the product and services considering its various attributes like'

1. Tangible/intangible
2. Separable/inseparable
3. Variable/invariable
4. Perishable/imperishable

(b) Premium - Life insurance costs can be a challenge to calculate because there are several types of life insurance, including whole life, universal life and term life insurance. The cost of life insurance is unique to each individual and depends on the type of policy you choose, the amount of coverage you want, and factors such as your age and overall health. An insurance premium is the amount of money that an individual or business must pay for an insurance policy. The insurance premium is income for the insurance company, once it is earned, and also represents a liability in that the insurer must provide coverage for claims being made against the policy. The price of an insurance premium for a given insurance policy can vary and depends on a variety of factors. Among those factors are the type of insurance coverage, the likelihood of a claim being made, the area where the policyholder lives or operates a business, the average of the person or business being covered, and the amount of competition that the insurer faces. For example, the likelihood of a claim being made against a teenage driver living in an urban area may be higher or lower compared to a teenage driver in a suburban area. In general, the greater the risk associated with a policy, the more expensive the insurance policy will be.

(c) Benefit- The health care items or services covered under a health insurance plan. Covered benefits and excluded services are defined in the health insurance plan's coverage documents. In Medicaid or CHIP, covered benefits and excluded services are defined in state program rules. A life insurance tax shelter uses investments in state program rules. A life insurance tax shelter uses investments in insurance to protect income or assets from tax liabilities. Life insurance proceeds are taxable (such as capital gains, dividends and interest income), consumers are often advised to purchase life insurance policies to either offset future tax liabilities, or to shelter the growth of their investments from taxation. This insurance product is also known as Private placement life insurance.

CHAPTER III

INSURANCE INDUSTRY IN MYANMAR

In this chapter, insurance sector in Myanmar is introduced by expressing brief history of insurance and current situation of insurance market. It includes background of insurance sector in Myanmar, insurance market in Myanmar, Type of insurance products in Myanmar, listing out the insurance companies, functions and features of life insurance plans and demographic factors of respondents are explained. This chapter presents the Historical Background of Insurance Sector in Myanmar, Structure of the Insurance Sector in Myanmar and Issues and Challenges of this sector. Then marketing mix of the private insurance companies in Myanmar will be presented. It explores about consumer perception about life insurance with two factors such as factors considered by life insurance buyer and experience of consumer.

3.1 Background of Insurance Sector in Myanmar

Myanmar Insurance, the stated-owned insurance company, was founded in 1952 and started as a life insurer but later it underwrites both life and non-life insurance. The effective nationalization process of the insurance sector began, first, when all insurance businesses were nationalized and state-monopolized under the Union Insurance Corporation in 1959, and second, when in 1964 the socialist government prohibited formation of any private insurance companies in the future. While the insurance habits and awareness almost disappeared over the next few decades.

The insurance sector in Myanmar has been active for quite some time, perhaps surprisingly so for those not familiar with the market. Following the signing of the peace treaty of Yandabon in 1826, which ended First Anglo-Burmese War, many English insurance companies came to Burma to buy life insurance.

The Burma National Insurance Company (BNIC) and the Burma Insurance Company, owned by local companies, entered the insurance market in 1940 before the Second World War. By nationalizing a local insurance company, the state-owned Union Insurance Board, was established in 1952. In 1952 State Insurance Corporation Law was established and BNIC was nationalized and the name changed to SIC and placed as a Division of the People's Bank of the Union of Burma to conduct life and general insurance business in the country.

From late 1595 to 1976, all insurance business activities were centralized under the Insurance Division of the People's Bank of the Union of Burma (PBUB) and Union Insurance Corporation (UIC). Under the union bank of the law (1975), banking functions were decentralized in 1976 and all insurance business activities were named Myanmar Insurance Corporation (MIC). The Myanmar Insurance law was enacted in 1993; it empowered MIC to engage in all insurance business activities (reinsurance business, determination of various insurance rates, etc.).

The Insurance Business Supervisory Board launched a license application process for private insurance companies in November 2012 to diversify the provision of insurance services and to modernize the sector. However, it was 2013 that proved a landmark year in the history of the country's insurance sector, marking the commencement in operation of 12 domestic insurers. Private Citizens were allowed to establish insurance companies and apply for insurance license. IBSB conditionally approved 12 private insurance companies (3 lifes + 9 composite).

The Myanmar Insurance Law and The Insurance Business Law were established authorizing MIC to conduct 17 types of insurance business (1 life; 16 general) in Myanmar. Rules for Board of Directors and Management of MIC established. Insurance Business Supervisory Board (IBSB) established. IBSB was authorized to grant license to private companies to conduct insurance business and supervise them. However, public were not invited to apply for insurance license.

Myanmar's insurance industry began the transaction from a centrally controlled operation to something closer to a free market in late 2013, when Insurance Business Regulatory board (IBRB) invited insurance license applications from private insurance companies as part of the financial sector reform to diversify the provision of insurance services and to modernize the insurance sector. Insurance companies, which focus their business on life insurance only, required a total paid-up capital of MMK 6 billion. The companies which will engage in the life- and non- life insurance business required a total paid-up capital of MMK 46 billion (MMK 6 billion for life Insurance and MMK 40 billion for non-life insurance). Those private Insurance companies have to deposit 60% of their capital at a state-owned bank and can withdraw this money after one year. Furthermore, 10% must be deposited into an interest bearing MEB account as a provision for emergency compensation, and the remaining 30% should be used to purchase treasury bonds. The companies have to pay a MMK 3 million license fee and a MMK 1 million

annual fee. IBSB supervises all private insurance companies. Operations must start within one year after licensing. Private insurers are only permitted to underwrite business in ten of the forty-eight recognized insurance categories in the country. State owned MIC would retain its monopoly over the remaining thirty-eight categories. If Myanmar Insurance is counted as one, then the total number of insurance will be 13. But private companies are not allowed to have their autonomy to create their own products and service and competition is stagnant and there is a definite lack of insurance products and services. Private insurance companies are allowed to sell 7 types of insurance products. Myanmar Insurance continued to operate as state-owned insurance company and offer all 17 insurance products. At the moment, local insurance can only work with local companies (with the exception of a few overseas insurance firms working with local business in the Special Economic Zone).

3.2 Insurance Market in Myanmar

Insurance sector is now an uphill battle in Myanmar. After being monopolistic and nationalized for about 60 years, most of Myanmar's citizens lack knowledge about insurance. People simply do not understand insurance. Therefore, companies are now trying to educate people about insurance and their benefit by advertising on TV, radio and making conferences. Building trust and educate people is the best way to attract consumer for Myanmar Insurance Market.

The insurance sector has now opened up; it currently has enormous potential for growth. According to Ministry of Finance (MOF), only 0.5% of the Myanmar population (300,000 of the total population of 60 million people) were insured at the time the market opened up. There is a huge potential for growth in insurance sector. Economists forecast that Myanmar's insurance penetration rate would reach 1.4% by 2030.

Therefore, the world's top insurance firms are setting their sights on Myanmar. The opportunities are many; a large population, economic reforms and natural resources could combine to create rising wealth among Myanmar's people. The market is likely to prove lucrative for foreign insurers. In 2014, several multinational insurers established their representative offices and making themselves ideally positioned to enter the Myanmar insurance market as soon as it is open for foreign investment. This is the big challenge for local insurance companies because they have lack of experienced insurance professionals at all levels underdeveloped IT systems, product restrictions, lack of effective risk transfer mechanism, lack of public awareness,

absence of robust regulatory framework, absence of reserving standards and guidelines, absence of insurance industry association, absence of insurance statistic and lack of insurance products that meet people's need. Therefore, local insurance companies are trying to be ready to compete with foreign insurance companies and to penetrate speeding the insurance market of Myanmar.

3.3 Myanmar Insurance Business

There are three main types of life Insurance Business in Myanmar. They are;

- (1) State-owned Myanmar Insurance Corporation**
- (2) Local Private Insurance Companies**
- (3) Foreign Insurance Companies**

3.3.1 State-owned Myanmar Insurance Corporation

Myanmar Insurance, the state-owned insurance company, was founded in 1952 and started as a life insurer but later it underwrites both life and no-life insurance. It's insurance products, currently underwrites are shown in Appendix I.

Myanmar Insurance is using agency system extensively and from time to time new agents are recruited and trained. Myanmar Insurance is a state-owned insurer and the law requires that all the foreign investor must buy insurance only from it. Its head office is situated at no.627/635, Merchant Street, Yangon, Myanmar and it has 38 branch offices at cities and town nationwide.

Myanmar Insurance has huge reserve fund (Life Fund Kyats 12183.025 MIO, General Fund Kyats 82858.965 MIO, and General Reserve Fund Kyats 6355.785 MIO) and has a substantial reinsurance cover. It has Marine Excess of Loss Reinsurance Treaty, Fire Excess of Loss Reinsurance Treaty and Motor Facultative Obligatory Treaty and Energy Treaty. These Reinsurance Treaties are placed with top-notch reinsurers. Furthermore Myanmar Insurance is backed by the Government, which assumes all the liabilities of it under the Myanmar Insurance Law. So, Myanmar Insurance is the insurer who will never be liquidated. Myanmar Insurance is also reputed as the insurer who will never run away from a legitimate claim and it has paid total of kyats 2981.612 million in claims in the last financial year (2014-2015). Myanmar Insurance, like all other insurers, is using agency system extensively and from time to time new agents are recruited and trained. Since Myanmar Insurance is a state-owned insurer, the laws require that all the foreign investors must buy insurances only from it.

3.3.2 Local Private Insurance Companies

The Insurance Business Regulatory Board has been phasing in the liberalization of insurance market to the private sector; therefore, Insurance Business Regulatory Board announced its selection of the following 12 private companies to be granted the license on 5th September, 2012. Five private companies were first issued the license on 25th May , 2013 and the other four private insurance companies were issued the license on 14th June, 2013 and 3 private insurance companies on 6th October, 2014. Licensed private insurance companies, their affiliated companies and the products they are providing are shown in Appendix 2.

All private general/composite insurers sell identical products, at the same prices, with the same benefits and policy wordings prescribed by the IBSB. Non-life insurance products that are allowed to be sold by them are Fire and Allied Perils Insurance, Comprehensive Motor Insurance, Cash In Safe Insurance, Cash In Transit Insurance, Fidelity Insurance, Cargo Insurance and Travel Insurance for Express Ways.

Similar to general/composite insurance, all private life insurers also sell identical products, at the same prices, with the same benefits and policy wordings prescribed by the IBSB. The life insurance products that are allowed to be sold by the private insurers are Public Life Assurance, Group Life Assurance, Sport Men Life Assurance, Snake Bite Life Assurance and Health Insurance.

The insurers distribute their products through insurance agents only. This limits the reach of insurance services and increases transaction costs for the consumers. The private insurance companies are required to use agents trained by MIC. However travel insurance can be distributed through highway express bus line offices, travel agencies and MFIs/NGOs also. This is the only exception to the regulatory restrictions against an organization acting as a distribution channel. Insurance agents in Myanmar do not collect premium; it is normally paid in cash or by cheque at the offices of the insurance company or at the branches of selected banks.

Because the insurance sector has now opened up, it currently has enormous potential for growth. According to the Ministry of Finance, only 0.5% of the Myanmar population (300,000 of the total population of 60 million people) was insured at the time the market opened up. MIC, which covers the country via its approximately 40 offices and around 1,500 staff members, now faces competition from the private sector.

3.3.3 Foreign Insurance Companies

The world's top insurance firms are setting their sights on Myanmar. The opportunities are many; a large population, economic reforms and natural resources could combine to create rising wealth among Myanmar's people. Its population of nearly 60 million makes it one of the largest in the region. Per capita gross domestic product is also over \$850, near the \$1,000 mark that insurers say is the threshold where individuals begin buying insurance. There is also money to be made by providing cover for the impending boom in construction projects. It is estimated that the country will eventually generate between Kyats 1.3 trillion (US\$1.35 billion) and Kyats 2.4 trillion (US\$2.5 billion) of insurance premium revenue every year. The market is likely to prove lucrative for foreign insurers.

The year 2014 saw several multinational insurers establishing their representative offices and making themselves ideally positioned to enter the Myanmar insurance market as soon as it opens to foreign investment. The companies that have representative offices in Myanmar at present are: Sampo Japan Insurance, Mitsui Sumitomo Insurance Co, Tokio Marine & Nichido Fire Insurance Co, Taiyo-life Insurance, Cim Poema Insurance, American International Assurance Co, The Great Eastern Life Assurance Co, Prudential Holdings, ACE INA International Holdings, Pana Harrison (Asia) Pte, Manulife Financial Life Insurance, Maung Thai Life Assurance and consultancy services to both domestic insurers and the country's insurance regulator. This process will allow these multinationals to gain key strategic insights and contacts in the Myanmar insurance industry, and grant them an early mover advantage that could be worth hundreds of millions in dollars once the market opens to foreign insurers.

In May 2015, the government permitted three Japanese insurance companies, Sampo Japan Nipponkoa, Mitsui Sumi Tomo Insurance Co and Tokio Marine & Nichido Fire Insurance Co to operate within the Thilawa Special Economic Zone.

3.4 Types of Insurance Policy

There are two main types of life insurance policy in Myanmar. They are;

(1) Long Term

- Government Personnel Life Insurance

- Military Personnel Life Insurance
- Public Life Insurance

(2) Short Term

- Group Life Insurance
- Athletes Life Insurance
- Travel Life Insurance
- Health Insurance
- Snake Bite Life Insurance

3.4.1 Long Term Life Insurance

Term life insurance or term assurance is life insurance that provides coverage at a fixed rate of payments for a limited period time, the relevant term. After that period expires, coverage at the previous rate of premium is no longer guaranteed and the client must wither forgo coverage or potentially obtain further coverage with different payments or conditions. If the life insured dies during the term, the death benefit will be paid to the beneficiary. Term insurance is typically the least expensive way to purchase a substantial death benefit on a coverage amount per premium dollar basis over a specific period of time.

(a) Government Service Personnel Life Insurance

Government servants under the age 50 shall affect compulsory life insurance and government servants who over the age of 55 are exempt from compulsory life insurance. The maximum sum insured is kyats 30 million. Premium is calculated based on the term of insurance policy ad sum insured. If the proposer is between the age of 18 and 50 or the sum insured id under kyats 1,000,000/-, the proposer is exempt from doing a medical check-up. If the sum insured is over kyats 1.000.000/- and/or the proposer is above the age of 50, he has to make a medical check-up with a specialist. (Medical report in respect of X-rays, E.C.G, Ultra Sound, Diabetes, Hepatitis B, and Hepatitis C is to be submitted.)

(b) Military Personnel Life Insurance

The officer and other ranks between the age of 18 and 55 shall affect compulsory life assurance. The maximum sum insured is kyats 30 million. If the sum insured is under kyats 1,000,000/-, the proposer is exempt from having a medical check-up. If the sum insured is over

kyats 1,000,000/-, the proposer has to make medical check-up with a specialist. (Medical report in respect of X-rays, E.C.G, Ultra Sound, Diabetes, Hepatitis B, and Hepatitis C is to be submitted). The military life assurance policy can be purchased for 5, 10 or 15 years term.

(c) Public Life Insurance

A citizen can purchase the Public Life assurance voluntarily. Limit of age is from 10 to 55. The minimum sum insured is kyats 50,000/- and the maximum sum insured, kyats 30 million. Every proposer need to make a medical check-up with a specialist. (Medical report in respect of X-rays, E.C.G, Ultra Sound, Diabetes, Hepatitis B, and Hepatitis C is to be submitted). Premium can be paid in quarterly or biannual or annual installment. Public life insurance policy can be purchased for 5, 10 or 15 year term.

3.4.2 Short Term Life Insurance

(a) Group Life Insurance

All employees from age 18 to 60 years can insure. Group Life needs at least 5 employees. Boss or employees can insure. Employees can insure at least 10000 kyats to at most 50 lakh (kyats). Term is only 1 year and the insured needs to pay the premium mount 1 time. All employees who are in good health from age 18 years to 45 years do not need to report medical check-up. Age above 45 years or sum assured is above 10 lakhs need medical report by specialist. If insured suicide himself, using narcotic drugs, get injury by involving in criminal case employees cannot get benefit. After the employees quit from job or fired, insurance company does not responsible for his death and injuries and employees also cannot get any benefits.

(b) Athletes Life Insurance

Sportsman's life assurance can be purchased at the school-age level of Myanmar selection and athletes between the age of 18 and 60 who are from quarter, village, township, district and divisional areas. Athletes can purchase the maximum sum insured of ks. 5,000,000. For the sum insured of kyats 1,000,000/-(one unit) for one year-term, the premium is kyats 5,000/- whatever (sports). If the insured lose their life during the competition and the training, the beneficiary can claim kyats 1,000,000/-. If the insured got injured, appropriate amount of benefit based on the medical report and in accordance with terms of rate shall be paid. Myanmar Insurance underwrites Insurance exemption from medical check-up. The proposer can mention the

nominate beneficiary in the proposal. The caddie can also purchase this insurance together with the golfer. The selected country representative athletes competing at the foreign country can get the cover for death and body injury. The athletes can get the maximum kyats 10,000/- per week, up to 52 weeks entitled for hospitalization.

(c) Travel Insurance

The travel Insurance is in the event of the accident caused by any vehicle/ vessel/ aircraft on the route against of the death or bodily injury to insured person as per policy condition. Kinds of Travel Insurance are:

1. Highway Special Travel Insurance
2. Air Travel Insurance
3. Tour Operator Travel Insurance
4. Pilgrimage Travel Insurance
5. Tourist Travel Insurance

Full benefit paid to the nominated beneficiary in the event of death of the proposer caused by accident during the duration of this cover. For injury, appropriate amount of benefit based on the extent of injury shall be paid. Exclusions of the following situations:

- a. any defect or infirmity suffered by the insured;
- b. suicide;
- c. intentional self-injury;
- d. unrelated of accident of vehicle childbirth or pregnancy in case of women;
- e. any breach of law with criminal intent;
- f. using narcotic drugs;
- g. war, strike, riot and civil commotion;

(d) Health Insurance

Health Insurance cover can be purchased by every person between the age of 6 and 65 who is in good health. Together with the Basic Health Insurance cover, one can also purchase Additional Health Insurance cover and Optional (1) and (2) covers. One can purchase Additional and Optional covers only after he/she has purchased 1 unit of Basic Health Insurance cover. The units of the Optional Health Insurance covers must not exceed the units of Basic Health Insurance cover purchased. After one unit of Basic Health Insurance cover has been purchased, one unit to eight units of the Additional Health Insurance cover and one unit to ten units of

Optional Health Insurance covers (1) & (2) could be freely purchased according to one's consent. The Table of the rate of premium for Health Insurance is shown as the appendix. The policy term is 1 year. For 1 unit of Basic Insurance cover, the insured could request 20,000 kyats per day up to the maximum 60 days in the case of accidental hospitalization. 2,000,000 kyats could be claimed in the case of death by accident. 1,000,000 kyats could be claimed in the case of death by disease and in the case of total disability.

For 1 unit of Additional Health Insurance cover, the insured can claim 10,000 kyats per day up to maximum 60 days of hospitalization expenses. And kyats 1,000,000 could also be claimed for the accidental death, death by disease by disease and total disability. For 1 unit of Optional Health Insurance cover (1), the insured could claim the actual expense of surgical case and/or minimum of 500,000 kyats. In the case of losing pregnancy, the insured could claim 300,000 kyats, and maximum of 500,000 kyats where surgical case is needed. For 1 unit of Optional Health Insurance cover (2), kyats 1,000,000 could be claimed in the case of tumor which can lead to cancer, paralysis and heart failure. The insured must inform the insurer for his/her hospitalization and he/she could claim the benefit during 10 days of post-hospitalization period. Health Insurance could be underwritten through insurance agents. 10% of the premium is the commission for the agents. The insured must submit the requirements for the requested by the insured in 3 months. If not, the insured would lose his/her benefit.

(e) Snake Bite Life Insurance

No limit of age and gender. Adult proposer can purchase for infant proposer. The sum insured is kyat 500,000/- for one unit, the premium of one unit for one year is kyats 500/-. One purchase up to 10 units, whose maximum sum insured is kyats 5,000,000/-. If the insured die by snake bite within the covered period, the beneficiary can get kyats 500,000. The maximum benefit for medical treatment for the injury in 80,000 kyats. If the hospitalization and kyats 5,000 for transportation charges can be claimed. If the insured bitten by the snake got P.T. D, maximum benefit kyats 250,000/-will be paid by the recommendation of health department for total and irrecoverable loss of sight of both eyes, loss of limbs and permanent total disablement. If death or injury were occurred, the beneficiary could claim the compensation from Myanmar Insurance within 6 months inceptor date of snake bite with the following document; recommendation of medical treatment by the rural health center, or the cottage hospital, or the

township, or the department of health, hospitalization treatment report document copy, death certificate copy and recommendation of ward administration.

3.5 Terms and Conditions of Long Term and Short Term Life Insurance

The proposer can claim surrender, maturity, death. Loan, discounted value and permanent disablement for public life assurance. The proposer can claim surrender, maturity, death, loan, paid up value and permanent disablement for government service personnel life assurance. The proposer can claim surrender, maturity, death, loan, discounted value, and permanent disablement for military personal life assurance. Unlike major medical or long term plans, short term insurance also allow to purchase the exact amount of days that is required, but typically require paying upfront for the period that the customer needs coverage. Short-term policies are specially designed to cover both medical and travel experiences for a period of one year or less. The customer is allowed to choose their own policy maximum and deductible, permitting to stay in control of the customer's coverage and the price. Many short-term plans exclude pre-existing condition coverage-Meaning that if the customer develops a condition on the first plan, it may not be covered if the customer purchases a second short-term plan.

CHAPTER IV

THE FACTORS INFLUENCE ON BUYING INTENTION OF LIFE INSURANCE POLICY

This chapter describes consumer attitude towards life insurance policy in Yangon. It includes the analysis of behavioral intention and influencing factors of buyer and experience of consumers.

4.1 Research Design

Respondents who have 500000 and above bought life insurance than other category level because want to get coverage for both life and financial. This study analyzed 120 persons from 20% of the respondents who are the insurance buyers.

This reach is analyzes the consumer attitude towards life insurance policy in Yangon. A structured questionnaire as attached using five Likert Scales in measuring five dimensions of service quality are used for primary data collection. In addition, secondary data and information are collected through published sources in order to validate the results of quantitative analysis. Questionnaires of this exploratory research consist of 3 parts. Part A is about gender, material status, age, education, occupation and income level. Part B consists of Influencing factors of buying Life Insurance.

Part C used five point Likert scale model from strongly disagree to strongly agree (Ranking from Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4 to 5 = Strongly Agree". Twenty-two questions are asked in the survey in order to collect data about the life insurance customers.

As a sampling method, the random sampling was employed in this study. The random sampling technique is used in this research paper to approach the respondents and collect the data on time and also to avoid low response rate. In the process of sampling, 120 questionnaires are distributed by hand and @ mail to selected life insurance customers and enough time given to respondents to fill the questionnaire to reduce sampling error.

After doing analysis and coding for the collected date, the researcher will be evaluated the investigated information based on the data got from respondents. Descriptive research is utilized to analyze the collected date including frequency analysis, validity and probabilities.

Statistical package for Social Science (SPSS) analyze the collected data shift into statistical array for the social sciences SPSS.

4.2 Demographic Characteristics of the Respondents

This is important to study the demographic characteristic such as Gender, Education background, Age and Occupation .This section was provided data of demographic information from the questionnaires which was interpreted and summarized in frequency distribution and percentage distribution. The frequency analysis of respondent's demographic data is illustrated in pie chart for graphical display.

4.2.1 Number of Respondents by Gender

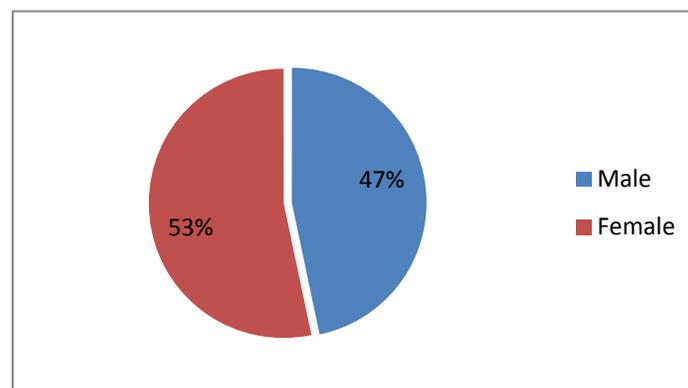
The respondents are not only males, but also females. Table (4.1) and figure (4.1) show the gender of respondents.

Table (4.1) Number of Respondents by Gender

Gender	Number of Respondents	Percentage
Male	56	47
Female	64	53
Total	120	100

Source: Survey Results 2018

Figure (4.1) Number of Respondents by Gender



Source: Survey Results 2018

As shown in Table(4.1) and Figure (4.1), the sample consists of 56 (47%) males and 64(53%) females. At the time of survey, numbers of female respondent is slightly more than male because female concern for future, family and financial strength more than male. And then the numbers of single respondents are more than married because of consumer's occupation and hobbies such as diving, nevis swing and skydiving etc.

4.2.2 Number of Respondent’s Material Status

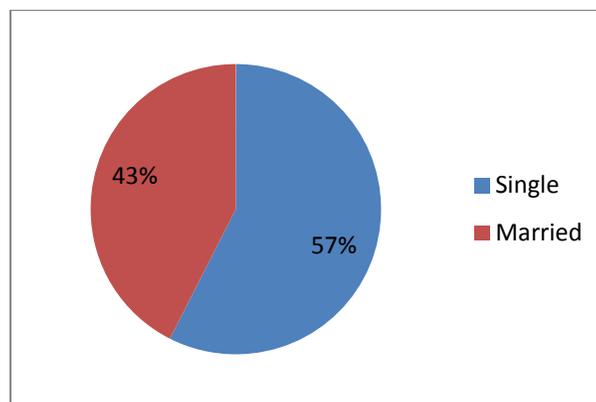
The respondents are not only single, but also married. Table (4.2) and figure (4.2) show the material status of respondents.

Table (4.2) Number of Respondent’s Material Status

Marital Status	Number of Respondents	Percentage
Single	69	57
Married	51	43
Total	120	100

Source: Survey Results 2018

Figure (4.2) Number of Respondent’s Material Status



Source: Survey Results 2018

As shown in Table (4.2) and Figure (4.2), the sample consists of 69 (57%) single and 51 (43%) married. At the time of survey the numbers of single respondents are more than married because of consumer's occupation and hobbies such as diving, Nevis swing and skydiving etc.

4.2.3 Number of Respondent by Age Group

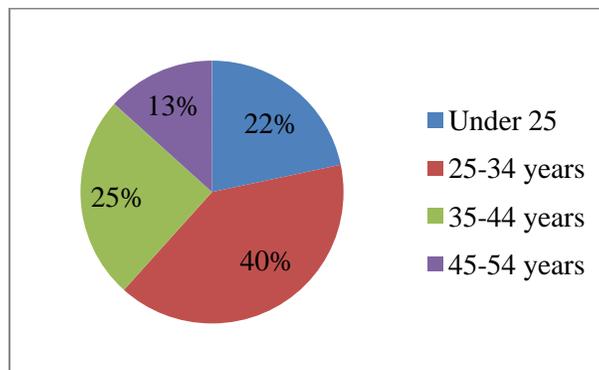
Age distributions of the respondents have effect on influencing factor to buy life insurance. Age of respondents are divided by four categories. They are Under 25, 25-34 years, 35-44 years and 45-54 years. Table (4.2) and figure (4.2) show the frequency distribution of age in year.

Table (4.3) Number of Respondents by Age Group

Age	Number of Respondents	Percentage
Under 25	26	22
25-34 years	48	40
35-44 years	30	25
45-54 years	16	13
Total	120	100

Source: Survey Results 2018

Figure (4.3) Number of Respondents by Age Group



Source: Survey Results 2018

As shown in Table (4.3) and Figure (4.3), the sample consists of 26 (22%) Under 25 , , the sample consists of 48 (40%) 25-34 years old , the sample consists of 30(25%) 35-44 years old, the sample consists of 16 (13%) 45-54 years old .So total sample consists of 120 (100%) of Respondents by Age group.. All the respondents were consumers of life insurance who live in Yangon Respondent that age between 25 to 34 years are really buy and interested in product because respondents have well knowledge about knowledge about life insurance and they believe that life insurance is the best way to transfer individual's risk.

4.2.4 Number of Respondent by Education Status

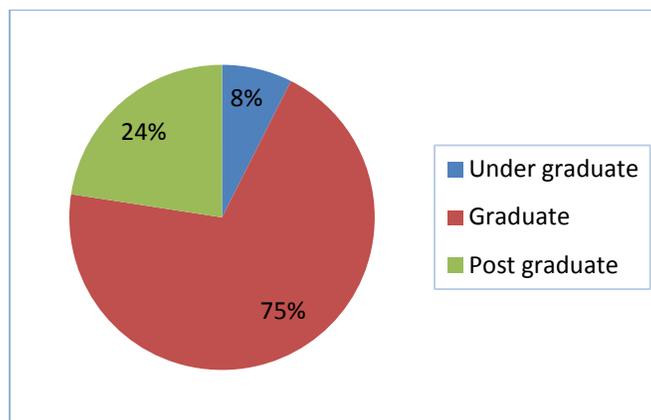
The researcher compromised with three main sections for this questionnaire. There are three categories for educational status in questionnaire: under graduated, graduated and post graduated. These are expressed in Table (4.4) and Figure (4.4).

Table (4.4) Number of Respondents by Education

Education	Number of Respondents	Percentage
Under graduate	1	8
Graduate	90	75
Post graduate	29	24
Total	120	100

Source: Survey Results 2018

Figure (4.4) Number of Respondents by Education



Source: Survey Results 2018

As shown in Table (4.4) and Figure(4.4), the sample consists of 1 (8%) Under Graduated, the sample consists of 90 (75%) Graduated and the sample consists of 29 (24.2%)

Post Graduated. At the time the numbers of graduate respondents are more than under graduate and post graduate because respondents realize about importance of life insurance and want to get security for their future.

4.2.5 Number of Respondent by Occupation Status

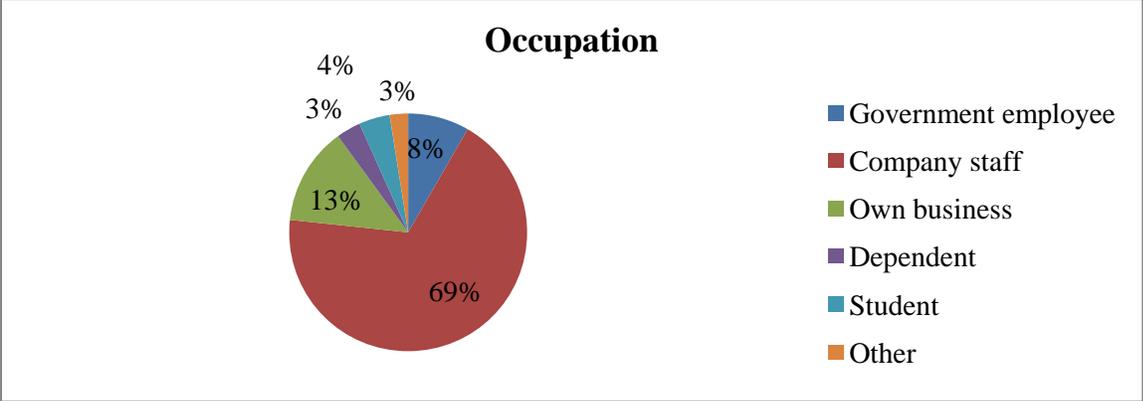
Basically, the occupational statuses are classified by six types which are Government employee, Company staff, Own business, Dependent, Student and others.

Table (4.5) Number of Respondents by Occupation

Occupation	Number of Respondents	Percentage
Government employee	10	8
Company staff	82	69
Own business	16	13
Dependent	4	3
Student	5	4
Other	3	3
Total	120	100

Source: Survey Results 2018

Figure (4.5) Number of Respondents by Occupation



Source: Survey Results 2018

From Table (4.5) 69 percent of the sampled respondents are company staffs who prefer to buy life insurance that is the highest percentage of buying life insurance and follow 13 percent are Own Business, 8 percent are Government employee , 4 percent are Students and remaining 6 percent are dependent and Others. Interestingly, the highest number of respondent for occupation level is company staff and most of company staff has life insurance policy because their employer bought for them in order to transfer risk from both employees and employers.

4.2.6 Number of Respondent by Income Level

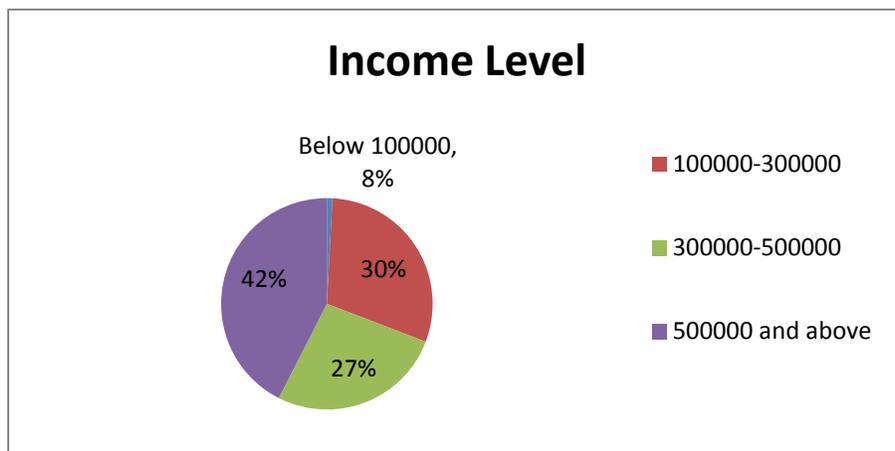
Income is one of the important and sensitive demographic variables. These are expressed in Table (4.6) and Figure (4.6).

Table (4.6) Number of Respondents by Income Level

Income (MMK)	Number of Respondents	Percentage
Below 1010000	1	8
100000-300000	36	30
300000-500000	32	27
500000 and above	51	42
Total	120	100

Source: Survey Results 2018

Figure (4.6) Number of Respondents by Income Level



Source: Survey Result (2018)

According to Table (4.6) and Figure (4.6) it can be found the most of Life insurance buying customers are having income amount MMK 500000 and .MMK 300000 – 500000 above

per month which is contributed to about 27% of the total, MMK 100000 – 300000 per month which is contributed to about 30% of the total. In other words, if can also that the less of customers are below MMK 100000 and below income status.

There are two main types of life insurance in Myanmar. They are Short term life insurance (Group life, Athletes, Travel, Health and Snake Bite) and long term life insurance (Government, Military and public). However, consumers bought short term life insurance than long term although it only has the specific period coverage. Term life insurance is easy to understand, a premium fee is reasonable, renew yearly and it can be cancelled before it expires. Nearly one-third of consumers bought life insurance because it can provide more benefit than short term although its policy terms and conditions are complicated than short term. Most consumers have used life insurance up to one year although life insurance market started from 2012 because consumers have not well knowledge for life insurance. However, consumer becomes better than earlier because insurance companies educate about the importance about life insurance.

4.3 Influencing Factors of buying Life Insurance Buyers

Factors considered by life insurance buyers are measured by two factors; social factors with four items (question) and promotional factors with five items (question).

4.3.1 Social Factors

To conduct mean value of social factors, average scale score is calculated for each statement regarding social factors. The results are shown as below:

Table (4.7) Social Factor to buy Life Insurance

No.	Statement	Mean Value
1	Suggestion from friends is an important	2.82
2	Recommendation from family members is an important	2.64
3	Advice from colleague is an important	2.67
4	Buying life insurance by organization is an important	4.18
	Overall Mean	3.07

Source: Survey Data (2018)

The mean value for all statement except "buying life insurance by organization is one of the important factors for having life insurance" is less than 3.5 because most of the respondents are company staff. Buyers have knowledge about life insurance because employer bought life insurance for them to reduce the risk from both employer and employees. And then employees start notice about life insurance and its benefits. Other social factors such as suggestion from friends, family members and colleague are not mainly considerable factors for life insurance buyers because buyers may not get advice from them.

4.3.2 Promotional Factors to buy Life Insurance

To conduct mean value of promotional factors, average scale is calculated for each statement regarding promotional factors. The results are shown as below:

Table (4.8) Promotional Factors

No.	Statement	Mean Value
1	Agents is the intermediary between insurer and insured	3.87
2	Life insurance information can get from agents	3.68
3	Agents can advise for consumers	3.54
4	Products information, benefits and reviews can easily find on their own website	3.59
5	Notice about life insurance from face book, TV and Radio advertising	3.85
	Overall Mean	3.70

Source: Survey Data (2018)

The mean value for all statement for promotional factors is over 3.5. This means that buyers notice about life insurance from both agents and advertising channels. All companies use both agents and advertising channels to penetrate insurance market in Myanmar and people get knowledge about life insurance plan and start recognize about the usefulness of life insurance.

From the overall mean value, life insurance buyers are mostly influenced by promotional factors because companies use both agents and advertising channels to get the awareness about life insurance. Agents are mainly targeted the organization by doing corporate plan. By this way people know about life insurance and start noticing about their needs. And then people from outside of Yangon area that cannot reach agents get the information about life insurance through advertising mainly on radio. People also start understand about what is insurance and how it is important for all people. By this way insurance sector of Myanmar getting development.

4.4 Experience of Consumers

Consumer's experience about life insurance policy is measured by three factors such as product feature with six items (questions), price with five items (questions) and benefits with five items questions.

4.4.1 Awareness of Policy

Awareness of life insurance policy is measured by six items (question). To conduct means value, average scale was calculate for each statement regarding product feature of life insurance.

Table (4.9) Awareness of Policy

No.	Statement	Mean Value
1	Long term life insurance plan	3.47
2	Group life insurance plan	4.28
3	Athletes life insurance plan	3.03
4	Travel insurance plan	4.61
5	Health insurance plan	3.42
6	snake bite insurance plan	3.03
	Overall Mean	3.64

Source: Survey Data (2018)

The mean value of travel insurance and group life insurance is over 3.5. This means consumers have more interest on these two products. Travel insurance has the highest value

because insurance companies and express companies work together and sell it for every traveler by attaching at all ticket. And then consumer actually realizes about the benefit of travel insurance because insurance companies settle claim with speedy service. Travel insurance followed by group life insurance because employers and employees aware about it can reduce risks from both employers and employees. Group life insurance becomes popular among employees. Long term and health insurance followed by group life insurance and consumers have less interest on these products. The mean value for athletes and snake bite insurance is less than 3.5 because sportsman does not include in respondents and snake bite is not popular art Yangon.

4.4.2 Premium

Premium (Price) factor of life insurance is measured by five item (question). To conduct means value, average scale score were calculate for each statement regarding price factors of life insurance.

Table (4.10) Premium Feature

No.	Statement	Mean Value
1	Premium fees is an important factor	4.55
2	Premium fees depends on individual's occupation, age etc.	4.06
3	Penalty fees is reasonable	2.87
4	Policy termination is caused by absent of premium	4.33
5	Premium paying mode important factor	4.02
	Overall Mean	3.96

Source: Survey Data (2018)

The mean value for all statement expects penalty fees for late payment of premium is greater than 3.5. Therefore, it can be seen that consumer know the importance of premium fees and its calculation based on individual's risk (occupation, age gender and health condition) and that can effect on policy because they understand about each process of life insurance. Consumers also accepts that premium paying mode is one of the considerable factors because it depends on their monthly income level. But consumers do not serve about the penalty fees for late payment because consumers may have no experience about late payment or consumers may not notice about it on policy terms and conditions.

4.4.3 Benefit

Benefit factor of life insurance is measured by five item (questions). To conduct means value, average scale score were calculate for each statement regarding benefit factor of life insurance.

Table (4.11) Benefit of policy

No.	Statement	Mean Value
1	Having life insurance can save tax	3.67
2	Life insurance can earn interest	1.69
3	Having life insurance is better than saving at bank	2.18
4	Life insurance can repay for debt	1.86
5	Life insurance is also the provision for old age	2.11
	Overall Mean	2.30

Source: Survey Data (2018)

The mean value for benefit of life insurance is less than 3.5 except the statement, "Having life insurance can save tax" because consumers actually get tax benefit only. Life insurance policy in Myanmar is not up to date and it cannot compare with foreign policy. Therefore, consumers in Myanmar cannot get benefits like foreign policy and they have no variety of choice for products. But consumers bought life insurance although it can only provide basic benefit because they expect policy will improve after developing products.

From the overall mean value, consumer perception is mostly influenced by price followed by product feature and benefit. It can be assumed that consumers are concerning about price (premium) because premium fees can vary according to their risk. If consumer has to pay more premium than normal, it indicates that a consumer has more risk than other people. For example, a consumer works at construction. A consumer is not in good health. On the other hand, some consumers know well about usefulness of life insurance but consumers cannot afford premium fees or consumers think premium fees are more than benefits. Therefore, life insurance products have to develop with reasonable premium fees and provide appropriate benefit for consumers. And then insurance companies should educate them more and more about life insurance products and benefits because it can improve perception on life insurance.

4.5 Consumer Attitude on Life Insurance

Behavioral intention of consumer is measured with five items (question). To product means value, average scale score were calculating for each statement regarding behavioral intention factors of life insurance. The results are shown as below.

Table (4.12) Consumer Attitude on Life Insurance

No.	Statement	Mean Value
1	Renew current policy after it expire	3.56
2	Want to buy new product of life insurance	2.85
3	Want to buy other insurance such as motor insurance , fire insurance etc.	3.65
4	Suggest friends and co-workers to buy life insurance	2.95
5	Want to buy life insurance for my family	2.93
	Overall Mean	3.03

Source: Survey Data (2018)

The mean value of behavioral intention except from "want to buy new product of life insurance" and "want to buy other insurance such as motor insurance, fire insurance" are less than 3.5. This means that consumers have intention to renew their current life insurance after it expire and they also want to buy other insurance such as fire and motor insurance than life

insurance because consumers think current policy can provide their needs and want to protect their property.

4.6 Overall Attitude towards Life Insurance policy in Yangon

In the comparative analysis of six dimensions that high attitude on Price of buying life insurance and low attitude on Benefits of life insurance policy in Yangon. The overall mean average scores of each factor are illustrated in Table (4.13).

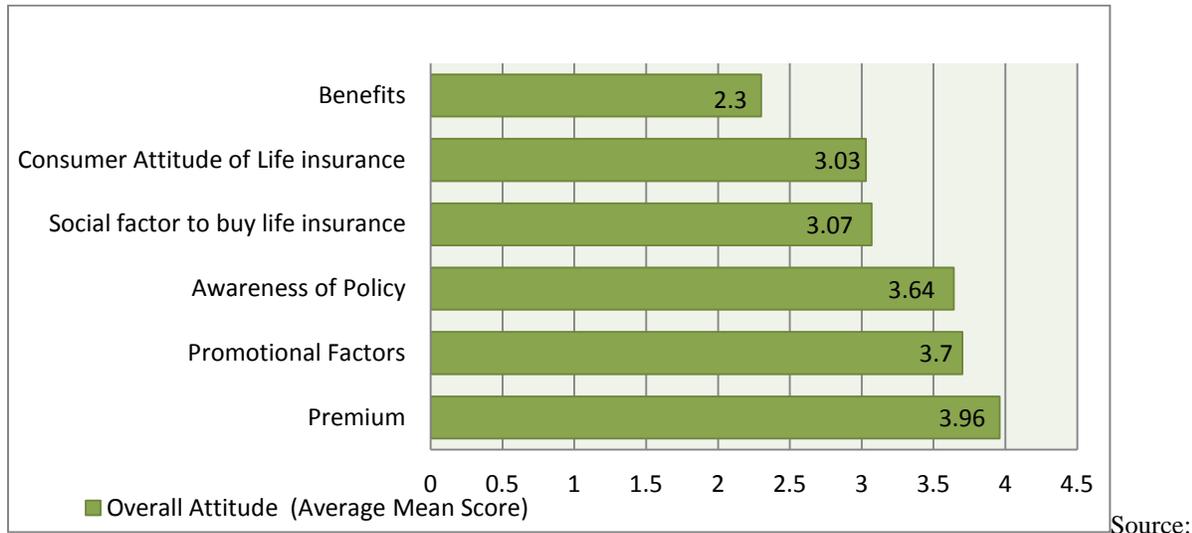
Table (4.13) Overall Attitude towards Life Insurance policy in Yangon

Dimensions	Overall Perception (Average Mean Score)
Social Factor to buy Life Insurance	3.07
Promotional factors	3.70
Awareness of Policy	3.64
Premium	3.96
Benefits	2.30

Source: Survey data (2018)

This Table (4.13) illustrates the consumer attitude towards life insurance in Yangon. It shows that overall average score of six dimensions, in which attitude on benefits is the lowest score among them. It can be seen that the Premium on life insurance policy is the highest level. Its score is 3.96. The second higher is promotional factors 3.70 and the third is awareness of policy is 3.64. The rest two of the overall attitude towards life insurance are not much different. They are Social factor to buy life insurance 3.07 and Consumer attitude on life insurance 3.03. Actually, in Myanmar Insurance policy is hedged with several kind of risk management by service provider which is barred not easy to buy for the entitlement to use available service of life insurance business.

Figure (4.7) Overall Attitude towards Life Insurance policy in Yangon



Survey data (2018)

Again in Figure (4.7) demonstrates that correspondind average scores of “Premium” is 3.96 which the highest scores as compare to other dimensions.It is the main reason to buy life insurance.And it can be clear seen that the attitude on benefits the lowest level is 2.3 which is expressed that most of people are not convenience for buying life insurance policy because life insurance is typically purchased for the benefit of others and usually only indirectly for the insured person.Cash surrender values are usally less than the premiums paid in the first several policy years and sometimes a policyowner may not recover the premium paid if the policy is surrendered.And the entitlement of the consumer who bought life insurance is low amount in myanmar.With this above reason the people are not trying to buy life insurance even in high income people who have excess money to save at bank.

4.7 Factor Influencing On Buying Intention of Life Insurance

There are many factors influencing on behavioral intention of life insurance buyers. For this study, influencing factors of buyers and experience of consumer factors which influence on behavioral intention on life insurance buyers are explored.

4.7.1 Effect of Promotional Factor & Social Factors on Buying Intention of Life Insurance

It is important to consider which factors out of the two facts can significantly explain the behavioral intention on life insurance. For this purpose, the multiple regression analysis is conducted and the results are reported in Table (4.2).

Table (4.14) Effect of Promotional Factor & Social Factors on Buying Intention

Model	Unstandardized Coefficient		t	Sig
	B	Std. Error		
(Constant)	2.648	0.208		
Promotional Factor	0.821	0.188	4.36	0.000
Social Factor	0.321	0.197	1.62	0.042
R Square	0.534			
Adjusted R square	0.452			
F Value	263.024 (.000)			

Source: Survey data (2018)

The above results show that all the coefficients in the model are significant at 1% level, which is indicated by the value of F-statistic. In addition, individual coefficients have expected positive signs. All of two independent variables namely social factor and promotional factor, all variable is significant. The magnitude of each coefficient indicates the amount how much the score of the dependent variable will change if the score of an independent variable increases by 1 unit while other things remain unchanged. That is, if the score of social factor increases by 1 unit, while promotional factor remains unchanged, the scores of behavioral intentions to insure will increase by 0.821. On the side of promotional factor, if the score of promotional factor increase by 1 unit, while social factor remains unchanged the scores of behavioral intentions to insure will increase by 0.321. As the performance of regression model, the model can explain 53.4% of the variation of the behavioral intention of customers. Therefore, among the two factor of buying decision, promotion factor are key determinants of consumer attitude intention.

4.7.2 Effect of Experience on Buying Intention

It is important to consider which factors out of the three factors can significantly explain the behavioral intention of consumer's experience. To achieve this assessment, the multiple regression analysis is developed and the results are described in Table (4.3).

Table (4.15) Effect of Experience on Buying Intention

Model	Unstandardized Coefficient		t	Sig
	B	Std. Error		
(Constant)	1.000	0.319	3.13	0.002
Policy	0.138	0.120	1.14	0.042
Premium	0.224	0.134	1.68	0.023
Benefits	0.142	0.121	1.18	0.2341
R square	0.707			
Adjusted R square	0.520			
F value	124.107			

Source: Survey data (2018)

The results show that all the coefficients in the coefficients in the model are jointly significant at 1% level and the value of F-statistic is significant. In addition, individual coefficients have positive signs. All of three independent variables namely awareness of policy, premium and benefit,. Awareness of policy and premium are significant while the benefit is not significant according to the p-value. According to the coefficient of determination, it revealed that 70.7% of change in the variation of buying intention explained by change in awareness of policy, premium, and benefit.

The magnitude of each coefficient indicates the amount how much the score of the dependent variable will change if the score of an independent variable increase by 1 unit while

other things remain unchanged. That is, if the score of product by increase 1 unit, while other variables remain unchanged, the score of attitude intentions to insure will increase by 0.138. If the score of price factor increase by 1 unit, while other variables remain unchanged the scores of attitude intentions to insure will increase by 0.224.

CHAPTER V

CONCLUSION

In this chapter, the summary of findings and discussion from the previous chapters, suggestion and recommendation to these finding are presented and needs for further researcher is describer.

5.1 Finding and Discussions

It is found that promotional factors are the most influence factor on life insurance consumers. Life insurance consumers notice about life insurance from Facebook, TV, radio and agents advertising. And then buyers start to recognize about importance of life insurance and they want to buy it. Before buying life insurance, consumers prefer to discuss with agents or person who know well about life insurance or reviewing the other consumer's feedback that relate to their interested product from social media and their respective website. By this way, consumers think that they can choose the best product that can provide their need. Some consumers mostly prefer to discuss with agents because found that social factor is the second influence factor because consumers bought life insurance because of their family members, friends and colleague. Most of consumers have life insurance because their employer bought for them.

This found that consumers have life insurance by buying themselves or employer buy for them. After doing liberalization at insurance market, consumers start notices the existence of life insurance and aware about life insurance products and their benefits. Consumers gradually understand about the role life insurance by getting information from face Book, TV, radio, agents, family members, friends and colleague. But consumers are mostly interested in products that can provide for their needs. For example, consumers who work as company staffs are interested in group life insurance because it can provide both saving and death. At the same time, consumers who concern for their family are interested in long term insurance because it can support for their future financial needs.

It is found that price (premium) factor is influenced on consumer attitude and premium plays the important role in life insurance and they also concern about policy termination because it will occur when they stop premium payment. For consumers who bought long term insurance has difficulties in choosing premium paying mode (monthly, quarterly and yearly) because they

want to choose the mode that cannot make them some burden although premium will accumulate till the end of policy term as saving because they don't want to terminate their policy. At the same time, consumers who bought short term life insurance have the same worry about premium although they have to pay premium yearly and it is reasonable fees. But consumers have to renew yearly or end of the specific term, if not the policy will be terminated.

It is found that product feature is also influence factor on consumer attitude because consumers do not know all the products or they may not interested in other product that are not relate to them. Both travel and group life insurance is more interested by consumers than other products. This may depend on survey area because they survey question spread within only Yangon area. Athlete life insurance is popular among sportsmen and snake bite is well known at countryside. Consumers do not want buy long term insurance but some buy because its term is too long and benefits is not more than premium because of policy terms and conditions that was established since 1993 and it is not up to date to compare with foreign life insurance plan.

It is found that benefit is the last influence factor on consumer attitude of life insurance because consumers know the difference factors after comparing all products and benefits from foreign with Myanmar. Actually life insurance plans in Myanmar cannot provide enough coverage for consumers because it was established from 1993 and there is no customize product as according to the consumer needs. Although there are many weaknesses in life insurance plans in Myanmar, consumers bought because they want to develop life insurance sector.

After studying behavioral intention of consumers, consumers want to renew their current life insurance policy by after it expires. And then they do not want to buy new product of life insurance and consumers want to buy other insurance such as fire; motor insurance etc.

5.2 Suggestion and Recommendation

Insurance Business Regulatory Board and Insurance companies should collaborate to develop the insurance sector in Myanmar. Although some consumers getting knowledge about insurance, most people do not know what is insurance and why it is important. People also do not trust in insurance because of past histories and reputation of Myanmar Insurance. Therefore, insurance companies need to emphasize for public awareness by investing in advertising, conduct road show, and spend money on hoardings, so that it can better propagate awareness about life insurance.

There should be many insurance qualification holders in Myanmar and government has to establish insurance institute that can generate many young insurance expert. Insurance Business Supervisory Board should make team that includes insurance qualification holders in Myanmar and collaborate with foreign expert in order to reform laws and regulation of insurance. Consumer friendly documentation should be developed because it can make consumers to understand about offer and restriction of policy. Agents also one of the influence factor and they should go outside of Yangon especially rural area to educate and spread about insurance. Rural area cannot easily get information about life insurance through media and advertising channels and they prefer to meet and discuss with agent in order to get the best plan for them.

Consumers are now choosing life insurance plan by focusing price and product features. Actually consumers should mainly focus on benefits of life insurance products. But life insurance plans in Myanmar cannot provide enough coverage and benefit with international standard should be developed by several ways. Some special focus should be laid on individual risk coverage while designing the products. Products should be promoted as an instrument against risk and is profit.

If government and insurance companies do as according to the above suggestions and recommendation, life insurance industry will improve and become ready for competition with foreign insurance companies.

5.3 Needs for Further Research

The further study should analyze on the outside of the Yangon area such as Bago, Mandalay, in order to get better survey size which is more than 120. Another further study should analyze on other insurance products such as motor insurance, fire insurance in order to get the different groups dynamics of insurance buyers. Moreover, nest study should analyze about consumer purchase decision making process as well as the factor influence on buying intention of consumer attitude for life insurance by getting detail survey results of consumer attitude.

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APPENDIX Insurance Companies in Myanmar

No	Company Name	Remark
1	Myanmar Insurance	General insurance and life insurance
2	First National Insurance Public Co.,Ltd	General insurance and life insurance
3	I.K.B.Z Insurance (Public) Co.,Ltd	General insurance and life insurance
4	Young Insurance Global Co.,Ltd	General insurance and life insurance
5	Grand Guardian Insurance Public Co.,Ltd	General insurance and life insurance
6	Excellent Fortune Insurance Co.,Ltd	General insurance and life insurance
7	Aung Thitsar Oo Insurance Co.,Ltd	General insurance and life insurance
8	Pillar of Truth Insurance Co.,Ltd	General insurance and life insurance
9	Ayeyar Myanmar Insurance Co.,Ltd	General insurance and life insurance
10	Global World Insurance Insurance Co.,Ltd	General insurance and life insurance
11	Capital Life Insurance Co.,Ltd	Life insurance
12	Citizen Business Life Insurance Co.,Ltd	Life insurance
13	Aung Myint Mo Minn Insurance Co.,Ltd	Life insurance

Source: Myanmar Insurance (2018)

Consumer Attitude towards Life Insurance Policy in Yangon

1. What gender are you?
 - Mae
 - Female
2. Which of the following indicate your age?
 - 20 to 24
 - 25 to 34

- 35 to 44
 - 45 to 54
 - 55 and above
3. What is your current marital status?
- Single
 - Married
4. What is your educational level?
- Undergraduate
 - Graduate
 - Post Graduate
5. What is your occupation level?
- Government officer
 - Government staff
 - Company officer
 - Company staff
 - Own Business
 - Dependent
 - Student
 - Other
6. What is your monthly income level (Kyats)?
- Below 100000
 - 100000 – 300000
 - 300000 – 500000
 - 500000 and above
7. Do you know life insurance products in Myanmar?
- Yes
 - No
8. Have you ever bought life insurance before?
- Yes

- No
9. What type of life insurance did you buy?
- Short term
 - Long term
10. Do you still have life insurance life-span or your policy still alive?
- Yes
 - No
11. How long did you or have you used life insurance?
- Less than 3 months
 - 3 months to 1 year
 - Over 1 years
 - Over 2 years
 - Over 3 years
12. Is life Insurance a kind of gambling?
- Yes
 - No
 -
13. Is life insurance is a legal contract?
- Yes
 - No
14. Is life insurance a family protection plan?
- Yes
 - No
15. Is Life insurance benefit more than premium amount?
- Yes
 - No
16. Are life insurance policy terms and conditions easy to understand?
- Yes
 - No

Factors Influencing on Buying Decision

17. Social Factors

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Suggestion from friends is important for choosing life insurance plan					
2	Recommendation from family members is essential for buying life insurance plan					
3	Advice from colleague is one of the considerable factors for buying life insurance					
4	Buying life insurance by organization is one of the important factor for having life insurance					

18. Promotion Factors

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Agent is the intermediary between insurer and insured					
2	Agents are very helpful for acquiring life insurance information					
3	Agents can advice for your needs and financial goals and help you to choose the best plan					
4	Products information, benefits and reviews can easily find on their own website					
5	Notice about life insurance from Face book, TV and radio advertising					

Experience of Consumers

19. Awareness of Policy

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	long term life insurance plans (Government, military and public) can provide both death and saving benefits.					
2	Group life insurance can transfer risk from both employer and employees.					
3	Athletes life plan can provide coverage for only sportsmen					
4	Travel insurance can reduce the risk of loss for every traveller					
5	Health insurance can against high and unexpected medical cost					
6	Snake bite plan can provide both medical cost and death benefits					

20. Premium

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Premium fees is the one of the important factor for life insurance					
2	Premium fees depends on individual's Occupation, age, gender, health condition, etc					
3	Penalty fees for late payment of premium is reasonable					
4	Life insurance policy will be terminated when he/she stops paying premium					
5	Premium paying mode (monthly, quarterly, yearly) is also one of the considerable factors					

21. Benefit

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Having life insurance can save tax					
2	Life insurance can earn interest					
3	Having life insurance is better than saving at bank					
4	Life insurance can repay for debt					
5	Life insurance is also the provision for old age					

22. Behavioral Intention

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	I will definitely renew my current policy after it expire					
2	I really want to buy new product of life insurance					
3	I will surely buy other insurance such as motor insurance, fire insurance etc					
4	I will probably suggest my friends and co-workers to buy life insurance					
5	I will certainly buy life insurance for my family members					