

Knowledge, Attitude, and Purchase of Life Insurance Among the Faculty Members of a State University

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ABSTRACT

Life insurance companies in the Philippines are active contributors to the country's social and national development. This study aimed to assess the purchase of life insurance among the faculty members of the Visayas State University-Main Campus in Baybay City, Leyte, Philippines. A stratified random sampling procedure was used to gather pertinent data from 195 participants. Descriptive measures, correlation analysis, and binary logit regression analysis were used to examine the socio-demographic data and the level of knowledge and attitude in regards to the faculties' decision to purchase life insurance. Results showed that educational attainment and knowledge on life insurance significantly influence the purchase of life insurance. Furthermore, purchase on life insurance increases as the faculty becomes more knowledgeable about the benefits of having life insurance coverage. Hence, life insurance companies should conduct a thorough orientation in view to their procedure, policy, and benefits to increase their purchase.



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1. Introduction

In the Philippines, life insurance industries are engaged in providing Filipinos with financial protection as well as savings and investment. According to Sukpaiboonwat et al. (2014), life insurance conveys confidence and financial security for all income individuals dwelling with uncertainties in life. In the study of Datu (2015), it is stated that life insurance financial soundness shows an essential role in the consumers and company stockholders since life insurance will enable to protect the policyholders against financial disaster. The life insurance industry is an active contributor to the country's social and national development through its significant investments in government bonds. Seemingly, insurance and corporate taxes are added to the national assets. To purchase or not to purchase a life insurance is one of the most important decisions an individual or a family must decide during their lifetime. Vijayan & Dinesh (2016) defined life insurance or life assurance as a contract between the policy owner and the insurer, where the insurer agrees to pay a sum of money upon the occurrence of the policy owner's death. In return, the policy owner (or policy payer) agrees to pay a stipulated amount called a premium at regular intervals.

The purchase of life insurance has a lot of things to consider, depending on the needs and characteristics of an individual. Hence, the life insurance companies need to examine first the individualities of a consumer, especially the age and income aspects. Perhaps, age of individuals behaves differently in regards to the life insurance demand. According to the study of Sarkodie & Yusif (2015); Luciano et al. (2015), as age increases, persons are more likely not to take life insurance since life insurance premiums increase with age and older age implies a lower need for insurance protection. On the other hand, Pliska & Ye (2007) stated that the demand of purchasing life insurance may significantly be affected by how much income is earned by an individual. Naturally, wealthy individuals do not demand life insurance since they relatively feel secured, on the other hand, low-income individuals are less endowed and usually, life insurance is considered beyond their range. In general, according to Dragos (2014), usually, middle-class individuals have an extreme interest in life insurance products.

The Harvard Humanitarian Initiative (HHI) DisasterNet-Philippines as cited by Balinbin (2019) reported that only 19% of Filipinos claimed to have life insurance. The relatively high proportion of the uninsured population in the Philippines raises concern on the vulnerability of dependents should the sudden death of the family's breadwinner occurs. Filipinos perceive insurance as an unnecessary financial burden and they do not consider the purchase unless necessary such as the Mortgage Redemption Insurance. Lack of knowledge about insurance products, and to an extent misunderstanding of the concept of insurance accounts for the low uptake of insurance (Ackah & Owusu, 2012), thus, many individuals are often reluctant to allocate funds in life insurance and fail to see its underlying benefits due to low awareness as a personal risk management tool (Akintaro & Adewoyin, 2015). Currently, insurance plays a significant role in the lives of many Filipino consumers. It provides protection and investment opportunities to the people. Nevertheless, the penetration rate of insurance companies in the Philippines remains low or about 1.69% of the population in 2019 (Caraballo 2020). This low penetration rate indicates there are influences for an individual's decision to purchase life insurance to include among others knowledge (Akhter & Khan, 2017), attitude (Shrivastava and Singh, 2017), and socioeconomic characteristics (Wireko et al., 2015). Conversely, the low penetration rate of insurance companies signifies that there is still much opportunity for further growth of life insurance in the country.

Knowledge acquisition in life insurance policy is an awareness about its facts and information to understand its advantage and benefits. On the other hand, attitude plays a vital role in making decisions in regards to purchasing life insurance which is based on an established way of reasoning or feeling about the policy. In VSU, there are a lot of employees who are capable of purchasing a life insurance. To date, no study has been conducted in VSU that deals with the life insurance demand. Hence, a better understanding of VSU's faculty

members' purchase of life insurance may help life insurance companies who want to enter the VSU market to formulate and implement marketing strategies to satisfy customer's needs, thus, increasing their purchase intentions for life insurance. In that case, it is important to examine the influences of an individual's decision to purchase a life insurance policy. This study may help life insurance companies improve their policy packages and formulate marketing strategies to increase sales of life insurance. Findings may play an important role in predicting purchase intention for insurance and thereby increase penetration of insurance by enabling insurers to prepare their business strategies and designing products that are needed.

1.1. Framework of the Study

The importance of life insurance companies as part of the financial sector has significantly increased nowadays, both as a provider of financial services and as a major investor (Beck & Webb, 2002; Nkotsoe, 2018). Individual decision-making for purchasing life insurance policies is complex. Many determinants are affecting the need of generation for life insurance and the influence of life insurance purchase intentions (Chimedtseren & Safari, 2016; Esau, 2015; Masud et al., 2020; Wireko, 2016). The conceptual framework of this study explains the process of how a buyer makes a purchase decision and the possible factors that will influence purchase decisions towards life insurance. Hence, this study examines the knowledge, attitudes, and socio-demographic profile influencing the purchase of life insurance. According to Lin & Chen (2006), product knowledge is a crucial element that influences the individual on awareness and purchasing a life insurance policy. Manik & Mannan (2017); Wang (2010) indicated that knowledge of life insurance is correlated to owning a life insurance policy. It implies that consumers with wider information of life insurance have a higher chance of purchasing life insurance. Perhaps, generating awareness and knowledge for life insurance ownership and benefits is essential to driving an increase of the demand of life insurance (Akhter & Khan, 2017; Sury et al., 2018). In the study of Shrivastava and Singh (2017), it is concluded that attitude towards life insurance influences consumer purchase decisions. It was proved that a negative attitude towards life insurance, resulted in lesser intention to purchase life insurance. The attitude of a person is classified as cognitive, affective, and behavioral (Bagozzi et al., 1979). According to Ostrom (1969), cognitive attributes of an attitude refer to the opinion or belief segment of an individual. While affective attributes deal with feelings or emotions towards an object or another individual. Further, behavioral attributes refer to the part of the attitude of an individual in which reflects the intention towards another person, or a person's tendencies to behave in a particular way towards an object or event.

Additionally, the study focuses on the relation of life insurance purchase with selected socio-economic variables namely: age, sex, number of dependents, civil status, religion, income, educational attainment, and employment status. Namasivayam et al. (2006) analyzed the socio-economic factors that are responsible for the purchase of life insurance and found out that age, educational level, and gender of the policyholders are unimportant, however, income level, occupation, and family size are major factors. Epetimehin (2011) expressed that socio-demographic and economic factors significantly affect consumers' attitudes towards insurance services. Hence, this study examines the factors that affect the purchase of life insurance of the Visayas State University faculty members. Generally, the study examined the purchase decision for life insurance among the VSU faculty members. Specifically, it aimed to: present the socio-demographic profile of the VSU faculty members; determine the level of knowledge and attitude about life insurance of the respondents; and examine the relationship between the socio-demographic characteristics, knowledge, and attitude about life insurance, and the decision to purchase life insurance of the VSU faculty members. Figure 1 shows the conceptual framework of the study which involves the independent variables (Knowledge and

Attitudes), exogenous independent variable (Socio-demographic profile) and dependent variable (Purchase decision).

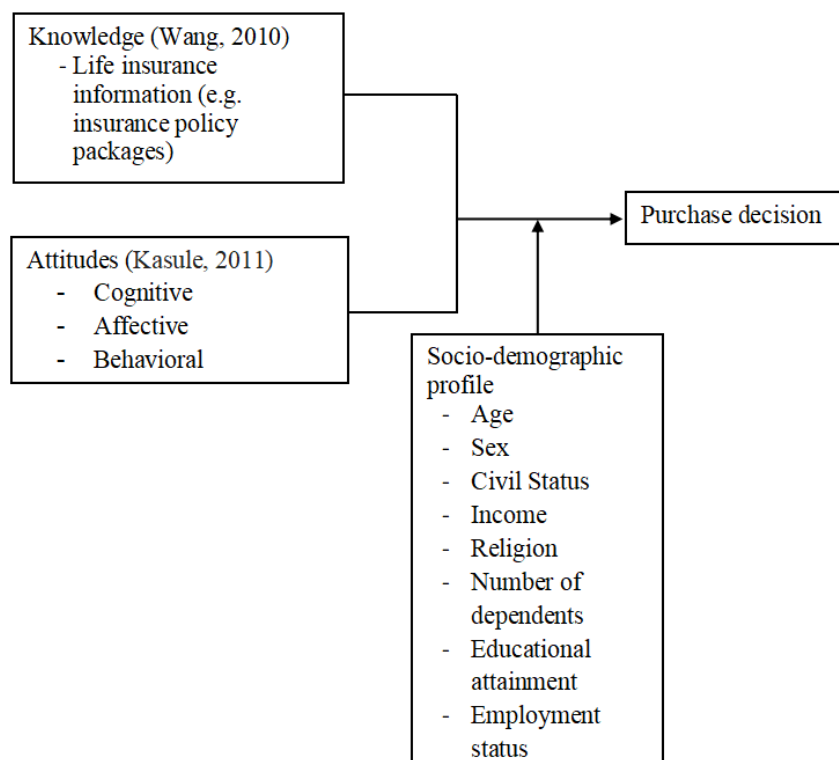


Figure 1 Conceptual framework model

2. Methods

2.1. Research Design

This study follows a research design that is correlational and causal-predictive. It determined the association between the socio-demographic characteristics, knowledge, and attitude towards life insurance, and the purchase decision of life insurance among the faculty members of the VSU. Moreover, it also examines whether the socio-demographic characteristics and the level of knowledge and attitude towards life insurance will lead to the purchase decision of the faculty.

2.2. Sampling Procedure and Ethical Procedure

This study was conducted at VSU, Baybay City, Leyte, Philippines. Stratified random sampling procedure with proportional allocation method wherein 50% of the population of all faculty members who are teaching at present at VSU main campus was selected and included in the sample. Age was used as a basis for stratification because it allows obtaining a sample population that best represents the entire population being studied since age is one important factor in getting a life insurance policy. Hence, proportionately allowed simple random sampling in each age group (stratum), 20 to 30, 31 to 40, 41 to 50, and 51 & above was used to give a homogeneous response on the determinant on life insurance purchase. Hence, the study employed 195 faculty members of VSU as participants. To gather the pertinent data about life insurance, the researchers gave first a letter of permission regarding the conduct of the study to the office of the President of VSU. After being permitted to conduct the said study, all randomly selected faculty members were informed that their participation was voluntary and educated that all gathered data from them was solely used for research purposes only.

2.3. Research Instrument and Data Collection

The questionnaire used in this study was adopted from Kasule (2011); Namasivayam et al. (2006) and was improved by the researchers to contain all the necessary items needed to generate the desired data for this study. These are the background characteristics of the respondents, knowledge on life insurance, and attitude towards life insurance, and purchase of life insurance. The questionnaire has four (4) parts. To present the profile of the respondents' background characteristics, the first part questionnaire was used to ask their personal data namely: age, sex, civil status, income, number of dependents, religion, educational attainment, employment status. The second and third parts of the questionnaire contain 15 Likert statements each about the respondent's knowledge and attitude towards life insurance following a 5-point rating scale: 1- strongly agree, 2- agree, 3- no opinion, 4- disagree, 5- strongly disagree. The second and third parts of the questionnaire has a Cronbach alpha of 0.91 and 0.90, respectively. This implies that the said questionnaires are reliable. Table 1 shows the range of median perception score of knowledge and attitudes towards life insurance and its corresponding descriptive equivalent.

Table 1 Range of median perception score and its description

Range of Median Perception Score	Description
1.00 – 1.80	Outstanding
1.81 – 2.60	Very Satisfactory
2.61 – 3.40	Satisfactory
3.41 – 4.20	Below Satisfactory
4.21 – 5.00	Poor

The last part of the questionnaire was about the respondent's purchase of life insurance, specifically if they buy life insurance and if they will be interested to buy life insurance shortly. This study employed a survey method in collecting pertinent data. The questionnaires were personally distributed to the respondents' offices. Answered questionnaires were collected back on the next day.

2.4. Data Analysis

The socio-demographic characteristics of the respondents were analyzed utilizing descriptive analysis specifically using means or averages, frequency counts, and percentages while median and mode were used to describe the respondent's level of knowledge and attitude towards life insurance. Correlation analysis and binary logistic regression were used to determine the effect of socio-demographic characteristics and level of knowledge and attitude on life insurance purchase decisions among VSU faculty members. The calculation was done with the aid of Statistical Packages for Social Sciences (SPSS) version 20.0.

3. Results and Discussion

3.1. Socio-demographic Profile

Table 2 depicted the socio-demographic profile of faculty members of a State University. The average age of the faculty members is 40 years old. These faculty members has an average number of dependents of 1. It was found out that the majority of the faculty were female (53.3%) and most of them were married (57.4%) followed by single (39.5%) then by separated (0.5%) and by a widow (0.5%). On the other hand, Christianity (99.0%) is the largest religious affiliation of the faculties with very few Muslims (0.5%) and another religious sect (0.5%). The study also revealed that most of the respondents had Master's degrees (43.1%) followed by Doctorate degrees (35.9%), and Bachelor's degrees (21.0%). Most of the

faculties in the University had the rank of Instructor 1 (36.4%). In terms of monthly income, 44.1% of the faculties are receiving a monthly salary of below P25,000.00, 14.4% receives P27,000.00 to P36,999.00, 13.8% receives P60,000.00 to P107,999.00, 12.3% receives P37,000 to P59,999.00, 9.2% receives P108,000.00 and above, and 6.2% receives P25,000.00 to P26,999.00.

Table 2 Socio-demographic profile of respondents

SOCIO-ECONOMIC VARIABLE	FREQUENCY	PERCENTAGE
Age		
<i>20 to 30 years old</i>	60	30.77
<i>31 to 40 years old</i>	51	26.15
<i>41 to 50 years old</i>	29	14.87
<i>51 and above</i>	55	28.21
Average age (in years): 40 years old		
The average number of dependents: 1		
Sex		
<i>Male</i>	91	46.7
<i>Female</i>	104	53.3
Civil Status		
<i>Single</i>	77	39.5
<i>Married</i>	112	57.4
<i>Separated</i>	3	1.5
<i>Widowed</i>	3	1.5
Religion		
<i>Christian</i>	193	99.0
<i>Muslim</i>	1	0.5
<i>Others</i>	1	0.5
Educational attainment		
<i>BS degree</i>	41	21.0
<i>MS degree</i>	84	43.1
<i>Doctoral degree</i>	70	35.9
Current rank/position		
<i>Part time</i>	4	2.1
<i>Substitute</i>	9	4.6
<i>Temporary</i>	1	0.5
<i>Instructor 1</i>	71	36.4
<i>Instructor 2</i>	8	4.1
<i>Instructor 3</i>	5	2.6
<i>Associate Professor 1</i>	7	3.6
<i>Associate Professor 2</i>	5	2.6
<i>Associate Professor 3</i>	2	1.0
<i>Associate Professor 4</i>	3	1.5
<i>Associate Professor 5</i>	21	10.8
<i>Assistant Professor 1</i>	12	6.2
<i>Assistant Professor 2</i>	8	4.1
<i>Assistant Professor 3</i>	9	4.6
<i>Assistant Professor 4</i>	6	3.1
<i>Professor 1</i>	1	0.5
<i>Professor 2</i>	1	0.5
<i>Professor 3</i>	6	3.1
<i>Professor 4</i>	1	0.5
<i>Professor 5</i>	4	2.1
<i>Professor 6</i>	11	5.6
Monthly salary (Peso)		
<i>Below 25,000.00</i>	86	44.1
<i>25,000.00 to 26,999.00</i>	12	6.2
<i>27,000.00 to 36,999.00</i>	28	14.4
<i>37,000.00 to 59,999.00</i>	24	12.3
<i>60,000.00 to 107,999.00</i>	27	13.8
<i>108,000.00 and above</i>	18	9.2

3.2. Respondents’ Level of Knowledge and Attitude toward Life Insurance

As shown in Table 3, the knowledge, cognitive and affective attitudes towards life insurance of the faculties are very satisfactory. This suggests that faculties are knowledgeable about life insurance’s characteristics and features. In the study of Manik and Mannan (2017), it is stated that information is crucial in buying life insurance in regards to its usefulness and benefits. In addition, thoughts, ideas, and feelings of faculties because of life insurance is considered as a positive attitude. Ackah & Owusu (2012) stated that a positive attitude indicates a higher likelihood of owning life insurance policy packages. Moreover, the behavioral attitudes of the faculties toward life insurance are satisfactory.

Table 3 Descriptive statistics of the knowledge on life insurance and attitudes (cognitive, affective, and behavioral) towards life insurance

	Knowledge on Life Insurance	Cognitive	Affective	Behavioral
Minimum	1	1	1	1
Maximum	5	5	5	5
Median	2.0	2.5	2.0	3.0
Description*	Very Satisfactory	Very Satisfactory	Very Satisfactory	Satisfactory

*Note: See Table 1 for details.

3.3. Correlation Analysis

Table 4 shows the relationship between the number of dependents, educational attainment, monthly salary, knowledge, and attitude toward life insurance, and age of faculty members. Results show that educational attainment is significantly correlated with age, the number of dependents, and monthly salary. This implies that an individual who has higher educational attainment is more likely an experienced person, more number of dependents, and higher monthly income. In the study of Blanden and Gregg (2004), it is indicated that there is a relationship between educational attainment and family income as age also increases. Moreover, Carlson and McChesney (2015), found out that educational attainment can sustain income through time, in other words, higher education level results in higher earnings. However, it is shown that educational attainment is not correlated to the knowledge of life insurance as well as cognitive and behavioral attitude (Table 4). Perhaps, Wang (2010) indicated that educated individuals may have less preference for life insurance, as they may have other forms of financial security, such as stable career earnings, company pension, medical care, and the likes. Hence, this implies that lower educated individuals may rely more on life insurance, as they may have less stable employment and fewer pension benefits. In addition, the study of Dragos (2014) found out that educational attainment is an unimportant factor in purchasing life insurance.

Table 4 also shows that the age of faculties is dependent on the cognitive and affective attitude towards life insurance. This result is parallel to the study of Wireko (2016) which stated that the likelihood of purchasing a life insurance policy might increase as the individual advances in age. In contrast, Sarkodie and Yusif (2015) observed that as age increases persons are more likely not to take life insurance because according to Luciano et al. (2015) life insurance premiums increase with age and because older age implies a lower need for insurance protection. However, Table 2 has shown that number of dependents has no relationship to knowledge and attitude towards life insurance. This result is not consistent with the studies of Sarkodie and Yusif (2015) which stated that the number of dependents influenced the odds of taking life insurance policy because individuals with dependents have a stronger propensity to bestow wealth in forms of life insurance. Hence, the likelihood of a breadwinner purchasing life insurance with such dependents is expected to be high. However,

the findings of Akhter and Khan (2017) concluded that larger family size can be a cause of financial sources limit indicating a negative relationship between dependents and insurance consumption. It results in lower savings funds availability, reduces purchasing power, and generates budget constraints to purchase insurance. Perhaps, Ćurak et al. (2013) noticed that households with fewer members in the family buy life insurance products because they have more income available compared to persons with more family members who spend more of their income on their dependents.

In addition, knowledge on life insurance is significantly correlated with the attitudes (cognitive, affective, and behavioral) towards life insurance (Table 4). One reason researchers have been interested in knowing is that it has long been assumed that increases in knowledge are associated with a greater influence of attitudes in a particular object or event (Ackah & Owusu, 2012; Akintaro & Adewoyin, 2015). It is found out that attitudes based on high amounts of knowledge were more predictive of environment-related behavior than were attitudes based on low amounts of knowledge. Wang (2010) indicated that an individual with a broader knowledge of life insurance has a higher probability of owning life insurance. In addition, Ackah and Owusu (2012) reasoned that low life insurance interest was caused by a lack of insurance policy and benefits information.

Table 4 Matrix Spearman correlation on at least ordinal variables

	No. of Dependents	Educational Attainment	Monthly Salary	Knowledge on life insurance	Cognitive attitude	Affective attitude	Behavioral attitude	Age
No. of Dependents	1.000	.236*** (0.001)	.245*** (0.001)	-.081 ^{ns} (0.259)	-.019 ^{ns} (0.791)	-.030 ^{ns} (0.682)	-.076 ^{ns} (0.288)	.298*** (<0.001)
Educational Attainment	.236*** (0.001)	1.000	.747*** (<0.001)	-.056 ^{ns} (0.436)	.074 ^{ns} (0.303)	.128* (0.073)	-.030 ^{ns} (0.675)	.637*** (<0.001)
Monthly Salary	.245*** (0.001)	.747*** (<0.001)	1.000	-.078 ^{ns} (0.280)	.156** (0.029)	.169** (0.018)	.103 ^{ns} (0.151)	.777*** (<0.001)
Knowledge on life insurance	-.081 ^{ns} (0.259)	-.056 ^{ns} (0.436)	-.078 ^{ns} (0.280)	1.000	.422*** (<0.001)	.555*** (<0.001)	.333*** (<0.001)	.046 ^{ns} (0.521)
Cognitive attitude	-.019 ^{ns} (0.791)	.074 ^{ns} (0.303)	.156** (0.029)	.422*** (<0.001)	1.000	.563*** (<0.001)	.545*** (<0.001)	.190*** (0.008)
Affective attitude	-.030 ^{ns} (0.682)	.128* (0.073)	.169** (0.018)	.555*** (<0.001)	.563*** (<0.001)	1.000	.465*** (<0.001)	.183** (0.010)
Behavioral attitude	-.076 ^{ns} (0.288)	-.030 ^{ns} (0.675)	.103 ^{ns} (0.151)	.333** (<0.001)	.545** (<0.001)	.465** (<0.001)	1.000	.106 ^{ns} (0.141)
Age	.298** (<0.001)	.637** (<0.001)	.777** (<0.001)	.046 ^{ns} (0.521)	.190*** (0.008)	.183*** (0.010)	.106 ^{ns} (0.141)	1.000

Note: Values indicate the computed Chi-square test for independence and p-values are enclosed with parenthesis.

- * - significant at 10% level.
- ** - significant at 5% level.
- *** - significant at 1% level.

Concerning the relationships between respondents’ socio-demographic characteristics, their knowledge and attitude toward life insurance, and their purchase of life insurance, results reveal that the purchase of life insurance is significantly correlated with age, civil status, educational attainment, salary, knowledge on life insurance, cognitive attitude, and behavioral attitude (Table 5). This result is inconsonant to the findings of several researchers that deal of determinants affecting the needs of life insurance and its intention to purchase (Chimedtseren & Safari, 2016; Esau, 2015; Masud, 2020; Shrivastava & Singh, 2017; Wang, 2010; Wireko, 2016).

Table 5 Association between the purchase of life insurance and socio-demographic profile

	Age	Sex	Civil Status	Religion	No. of Dependents	Educational Attainment	Employment Status	Salary	Knowledge	Cognitive	Affective	Behavioral
Purchase of Life Insurance	34.2* (0.08)	0.1 ^{ns} (0.80)	8.4** (0.04)	2.2 ^{ns} (0.34)	11.5 ^{ns} (0.18)	11.4*** (0.003)	22.6 ^{ns} (0.31)	10.9* (0.052)	10.9** (0.03)	32.5*** ($<.001$)	8.9 ^{ns} (0.26)	15.2*** (0.004)

Note: Values indicate the computed Chi-square test for independence and p-values are enclosed with parenthesis.

- * - significant at 10% level.
- ** - significant at 5% level.
- *** - significant at 1% level.

3.4. Binary Logistic Regression Model

In the study of Manik and Mannan (2017); Wang (2010), it is found out that information has directly influenced the individual to own a life insurance plan. Hence, this section examines the level of educational attainment and knowledge of faculties if it positively influences the purchase of life insurance using a binary logistic model. The goodness-of-fit statistics of the binary logistic regression model are shown in Table 6. The Log-Likelihood statistic is 245.22 which indicates a relatively poor predictive power of the model. However, the p-value of the Hosmer and Lemeshow Statistic is 0.072 indicates that the model has a good fit on the data. Additionally, 8.8% and 11.9% of the variations of the purchase of life insurance can be explained by the predictor variables in the model based on the Cox & Snell R² and Nagelkerke R², respectively. Hence, the model suggested that knowledge is more likely influencing the faculty members of VSU to purchase a life insurance.

Table 6 Goodness-of-fit statistics for the purchase of life insurance under binary logistic regression model

Log-Likelihood	Cox and Snell R ²	Nagelkerke R ²	Hosmer and Lemeshow Statistic	p-value
245.215	0.088	0.119	10.121*	0.072

Note: * - significant at 10% level

Table 7 shows that the odds of a respondent who is a master’s degree holder and purchased life insurance are 3.13 times higher than those respondents who are bachelor’s degree holders assuming all other variables held constant. In addition, the odds of a respondent who is a doctor’s degree holder and purchased life insurance are 3.60 times higher than those respondents who is a bachelor’s degree holder assuming all other variables held constant. The odds of a respondent purchasing life insurance increases as the respondent is more knowledgeable about life insurance’s positive effect/advantages assuming all other variables are held constant. Hence, the binary logistic regression model confirms that the educational attainment and knowledge of faculties predict the purchase of life insurance. These variables significantly explain the purchase of life insurance. According to Luciano et al. (2015), educational attainment is generally conjectured to be positively related to insurance owning because individuals with higher education earn higher income compared to those with low educational attainment. Moreover, Truett and Truett (1990) also explained that if the education level is high, any individual will be aware of different types of life insurance due to its attained knowledge. It is also found out by Çelik and Kayali (2009) that there is a positive and statistically significant relationship between education level and demand for life insurance. Moreover, Akintaro and Adewoyin (2015) hypothesized that level of education and knowledge improves proper appreciation of the significance of insurance policy for a better life in the future and may enable people to have the aspiration to offer security for dependents

against risks and safeguard their standard of living. Furthermore, according to Akhter and Khan (2017), knowledge in life insurance policy may ignite their awareness in view to the benefits and importance of personal risk management.

Table 7 Binary logistic regression model for the purchase of life insurance

Variables	β	S.E.	Wald	Sig.	Exp(β)
Educational Attainment (M.S.)	1.142	0.401	8.112***	0.004	3.133
Educational Attainment (Ph.D.)	1.281	0.419	9.349***	0.002	3.599
Knowledge on Life Insurance	-0.665	0.268	6.173**	0.013	0.514
Constant	0.706	0.599	1.386 ^{ns}	0.239	2.025

Note: ** - significant at 5% level.
 *** - significant at 1% level

The binary logistic regression model has the capacity of correctly classifying 64.1% of the whole sample (Table 8). On average, 148 respondents purchased life insurance, 97 of them are correctly classified and 51 are misclassified. On the other hand, 47 respondents did not purchase life insurance, 28 of them are correctly classified and 19 are misclassified. The overall misclassification rate is 35.9%, which means that about 64.1% of the observed category is being match to the predicted one (Liu & Zhang, 2017). Hence, there is a moderately strong likelihood to say that most of the faculty members of VSU are purchasing life insurance. According to Dragos (2014), dominant of the individual who has a strong interest in purchasing a life insurance are the middle-class people.

Table 8 Classification rates of the purchase of life insurance

Observed		Predicted		Percentage (%)
		Purchase Life Insurance		
		No	Yes	
Purchase Life Insurance	No	28	51	35.4
	Yes	19	97	83.6
Overall Percentage				64.1
Overall Misclassification				35.9

4. Conclusion

This study examined the influencing factors of the purchase decision for life insurance among the faculty members in a State University. Results revealed that the educational attainment of the faculties and knowledge on the life insurance policies and benefits significantly explained the purchase of life insurance. It is concluded that the higher the educational attainment of the respondent is, the higher the chances that the respondent will purchase life insurance. In addition, a respondents’ purchase of life insurance increases as the respondent becomes more knowledgeable about life insurance’s positive effect/advantages in their future life. Moreover, knowledge is significantly related to attitudes towards life insurance. This means that information has a greater influence on attitudes. Conclusively, it is suggested that insurance companies may provide better training to their insurance agents to equip them with the latest knowledge in the benefits of being insured. Insurance companies should take the initiative to conduct more innovative and creative information campaigns to promote the importance of life insurance. Like for example advertising at the radio station, school newspaper, or joining University’s activities such as anniversaries, fun runs, etc., to increase influence in creating a strong purchase intention among respondents. Agents must target more on those with minimal educational attainment so that they may embrace and appreciate the role of life insurance.

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