

**INSURANCE EDUCATION AND THE DEMAND FOR LIFE INSURANCE IN
NIGERIA**

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**A PROJECT SUBMITTED TO THE DEPARTMENT OF BANKING AND
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CERTIFICATION

This is to certify that this project work was carried out by **Awawu Odufa IKEME** with the matriculation number: **MGS1808237** in the Department of Banking and Finance (Insurance Programme), Faculty Management Sciences, University of Benin, Benin City, in partial fulfillment of the requirements for the award of B.Sc. in insurance.

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DEDICATION

This research work is dedicated to GOD Almighty for his sufficient Grace and Mercy and for seeing me through my academics all these years.

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It is of a grateful heart that the researcher writes this acknowledgement, it is on this note that the researcher wishes to acknowledge few personalities knowing fully well that good people are hard to come by, she gives her humble appreciation to God Almighty, the one that makes the earth as his foot stool for being his strength.

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ABSTRACT

The focus of this study is to investigate insurance education and the demand for life insurance in Nigeria. The study objectively determines the extent to which awareness creation enhance consumers' patronage of insurance policies and the level of insurance education in Nigeria.

The data for the study was collected using structured questionnaires administered to the target respondents. Data was analyses using descriptive statistics and the ordinary least square regression analysis techniques in testing the formulated hypotheses.

The findings revealed that awareness creation enhances consumers' patronage of insurance policies; there is an above average level of insurance education in Nigeria; there is a significant positive relationship between insurance education and the demand for life insurance; and there is also a statistical significant relationship between insurance education and insurance buying behaviour of consumers. In line with the findings, the study recommends among others that: there should be adequate sensitization on the need for people to take up insurance policies for their own good or for the wellbeing of their loved ones; insurance education should be a subject in both primary and secondary schools in Nigeria for people to have early knowledge on the need and benefits of insurance before they reach adulthood; and that insurance agencies should make insurance policies appealing and less cumbersome for those who intend to purchase an insurance package.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The federal government of Nigeria in an attempt to urge Nigerians to patronize the life insurance cover has put a number of policies, programmes and incentives in place without achieving any significant changes in the economy (CBN, 2006). Among the programmes put in place are compulsory national health insurance scheme, the insurance policy for all workers and health care services to the grass root level. In spite of all the efforts made by the government, the management and development of life insurance policy in Nigeria have been unimpressive, leaving the nation with low industrial production and the entire populace with a low quality of life (Mojekwu & Ibekwe, 2015). This antecedent has forced stakeholders to now look at how to build an appropriate framework that would educate consumers on the need for insurance policy. Consumer education is often considered an integral part of insurance schemes, a win-win solution that benefits both insurance practitioners and their clients. It is supposed to help potential clients make sound choices and practitioners stimulate demand. Insurance education gives consumers an overview of insurance and providers of comprehensive insurance knowledge (Datal & Maty, 2010). It can be acquired through formal and informal way.

The literacy level of a country can provide a picture of the percentage of the population with formal education and informal education which of course can give an insight of how people in such country are knowledgeable about insurance. It should

however be noted that not all those with formal education has an in-depth of what insurance really means, some of these people with formal education still thinks the best thing is self insurance which means that they prefer to maintain a fund to cover possible losses rather than by purchasing an insurance policy (Owusu, 2012). Research has shown that this set of people practice self insurance the most. A precious study by Garba and Jibril (2011) suggested that lack of knowledge about insurance product and to an extent misunderstanding of the concept of insurance account for low income population in Nigeria. Insurance education can be defined as a process whereby the knowledge of the consumers in relation to the insurance products and concepts, and the financial risks and protection is increased, so that the consumers can make the correct choices (Leppert, 2012). Insurance education is computed to give a quantifiable measure of a person's knowledge and attitude towards insurance (Owusu, 2012). Most people in the informal sector do not take formal insurance as a way of preparing towards future unforeseen misfortunes; this could be because the perception among some individuals who felt that preparing ahead of possible misfortunes is like inviting evil. Other reason given for low insurance up-take were: general lack of insurance knowledge amongst the populace, low income level and reliance on God protection to prevent calamities (Owosu, 2021).

Life insurance plays an important role in an individual's personal financial plan, as suggested by most personal finance and financial planning books (Sarwar & Qureshi, 2013; Bawa & Ruchita, 2011; Barkidie and Yusit, 2015). Life insurance helps individuals save money while protecting against personal risks in life. However, financial planners

and representatives of life insurance companies would attest that many individuals are often reluctant to allocate funds to life insurance and fail to see its underlying benefit as a personal risk management tool (Ojo, 2014).

Life insurance is a policy that replace lost stream of income that result from the death of an individual (Todd, 2004). Life insurance is undertaken to provide protection to the insured's family, creditors or others against the loss of earning capabilities of the insured in the event of his/her death or serious injury. According to Oke (2010) life insurance is a protection of an economic value of an asset. Adeyemi (2005) opines that the importance of insurance education and its overbearing contribution to the attendant growth of life and general insurance practices in Nigeria cannot be undermined. Similarly, Tjudeen (2009) are affirmative to the need for articulate insurance education as an indispensable tool of economic progress, growth and development. This research work is therefore carried out to examine the effect of insurance education on Demand for Life Insurance.

1.2 Statement of the Research Problem

The significance of insurance education to the demand of life insurance policies in Nigeria cannot be overstated, but despite the role played by the insurance industry to individuals, businesses and economic development to the nation at large, it is well known that people have poor attitude towards ownership and patronage of life insurance policies. When compared with other developed foreign countries, the Nigeria insurance industry

has achieved only a little because of the lack of insurance education, ineffective marketing strategies, poor affordability and low investment in insurance product (Obasi, 2010).

Several researches on the different products being marketed by the insurance companies identified poverty, low per capita income, lack of trust and confidence in insurance institution, and lack of awareness of insurance being responsible for the poor patronages for life insurance services in Nigeria. Identifying the bottlenecks to the growth of the insurance industry in Nigeria, Omar (2007) explains that low level of income; low level of education, lack of insurance awareness, low personal selling rate, low advertisement rate, low knowledge of insurance utility are some of the impediment to customer's patronage of insurance policies.

Other impediments to the growth of the insurance industry in Nigeria include, poorly developed distribution channels, poor capitalization; lack of requisite skill to participate in highly specialized transactions especially in high value risk segments such as marine, aviation and oil and gas; unsophisticated product offerings, with only a few companies creating new opportunities and exploring ways to filling existing gaps in the market; inability to attract and retain skilled talents, low technology leverage, and low investment and assets management. Therefore, this research study is carried out to examine the relationship between insurance education and the Demand for Life Insurance in Nigeria.

1.3 Research Questions

The undertaking of this research shall be guided by the following research questions:

1. How does awareness creation enhance consumers' patronage of insurance policies?
2. What is the level of insurance education in Nigeria?
3. To what extent does formal education a determinant of consumer buying behaviour of insurance?

1.4 Objectives of the Study

The major objectives of this research work are to explore the link between insurance education and demand for life insurance. While other specific objectives are:

- i. To determine the extent awareness creation enhance consumers' patronage of insurance policies.
- ii. To determine the level of insurance education in Nigeria.
- iii. To find out whether formal education is a determinant of consumer buying behaviour of insurance.

1.5 Research Hypotheses

The hypotheses for this study will be stated in the null form as follows:

H₀₁: There is no significant relationship between insurance education and purchase of life insurance in Nigeria.

H₀₂: There is no significant relationship between insurance education and insurance buying behaviour of consumers in Nigeria.

1.6 Significance of the Study

The study would help identify the reason for the level of patronage of insurance as a risk transfer mechanism and create a changed behaviour of people in Nigeria. Findings that emerged from the study would serve as a spring board to generate interest for further research into the other aspects of life insurance challenges. The research work would also be of enormous assistance to various levels of educational institutions in the country, especially the universities as reference material for further studies and research work on insurance education as a risks management strategy. The study would further contribute to the existing literature of insurance education and the demand for life insurance in Nigeria.

1.7 Scope and Limitation of the Study

The study was aim at evaluating the demand for life insurance in Nigeria with a special reference to public servants and small business owners in Oredo Local Government of Edo State.

The researcher encountered some constraints which limited the scope of the study. These constraints include but not limited to the following:

- a. **Availability of research material:** The research material available to the researcher is insufficient, thereby limiting the study.
- b. **Time:** The time allocated to the study does not enhance wider coverage as the researcher has to combine other academic activities and examinations with the study.

1.8 Definition of Terms

Insured: the person covered by an insurance policy.

Premium: the monthly or annual amount that you must pay in order to have the insurance coverage.

Face Amount: the dollar amount that the insurance policy would pay out upon the death of the insured.

Primary beneficiary: The persons designated to receive the proceeds of the life insurance policy if the primary beneficiary is no longer living.

Whole life coverage: the types of coverage that lasts for long as the insured is alive, provided that all the premiums are paid. This type of coverage usually keeps the same premium rate throughout the life of the policy.

Term life coverage: The type of coverage that lasts for only a specified period of time and has a defined ending date. The face amount would be paid to the designated beneficiary if the insured dies while the policy is in forces.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter reviews the literature on insurance education and the demand for life insurance in Nigeria. It discusses issues arising from the topic of interest as viewed from different perspectives, with a view of giving a theoretical and empirical foundation to the study.

2.2 CONCEPTUAL REVIEW

2.2.1 Concept of Life Insurance

According to Okhakia (2010), life assurance business is a contract on longevity of human life between the insurance company and the life assured wherein the insurer promises to pay a lump sum or agreed installment at maturity or prior death of the life assured, on the receipt of small installment payments/premiums on due date. Life assurance companies generally design and package different products to meet individual needs and these products include whole life policies (with or without profits), investment linked policies, group life policies, and health insurance scheme among others.

Life insurance provides financial protection for events like death, disability, accidents, retirement, etc. that are related to human life. Because of natural and unintentional causes, human life is vulnerable to the hazards of death and impairment. The household has a loss of income when a person dies, becomes permanently incapacitated, or suffers a

temporary disability. Even if a person's life cannot be measured in money, a figure may be calculated based on the amount of money they would have lost in subsequent years. In life insurance, the Sum Assured (or the sum that will be paid in the case of a loss) is therefore paid as a "benefit." When a life insured dies within the policy's term, or become disabled, life insurance policies offer a certain sum of money (Insurance Regulatory and Development Authority, 2020). Life insurance is a way for a group of individuals to work together to lessen the loss brought on by the early passing of group members. Life insurance may also be seen as a mechanism for people to put money aside for their present riches, which they can then utilize as an income source in their later years (Ahmeti, 2013).

According to Bakraci (2004), the primary categories of life insurance are:

Term Insurance: One of the earliest and most basic types of life insurance is term insurance. Only if the insured person passes away during the term of the contract will the insurance amount be paid, which implies that the payment will be made after the insured person has passed away. While the money belongs to the insurer if the person lives out the duration of the contract.

Whole Life Insurance: With this kind of insurance, the full sum is paid out once the insured individual passes away, regardless of when that death occurred. This kind of insurance also includes a saving component and has a set premium, among other things.

Insurance of the contracted amount in case of experiencing: In this situation, the insurer is only required to pay the amount if the client experiences it within the predetermined time frame. The insurer is not required to pay the insurance sum if the insured passes away before the end of the term.

Mixed life insurance: Mixed life insurance is also known as insurance in case of death and life. This is when the insurer pays the insured sum in the event of both the insured's death and their survival.

Renters insurance: This is a sort of insurance where the insured seeks to safeguard their future or the future of their family by paying the amount in whole or in installments.

2.2.2 Insurance Education

The role of life insurance in society is multifaceted. First, insurance offers protection against any loss arising from an unexpected event that may cause financial distress. This coverage is implemented when insurance companies collect premiums from the insured in exchange for security (Hussein & Alam 2019). Second, life insurance reduces the amount of capital needed by the state to cover those individuals who are not insured and contributes to a change in the lifestyle of those who are insured. Third, insurance plays a crucial role in supporting a sustainable economy by protecting governments and consumers from losses (Eling et al. 2014).

Insurance education therefore is the level of awareness and understanding an individuals or group of individuals have about insurance policy. Piekowska-Kamieniecka and Walczak's (2016) stated that, having enough insurance coverage that meets the demands of the consumer is strongly influenced by insurance education. One should pay attention to education, i.e. schooling and training, which contribute to improving the consciousness of individuals who often make life decisions, if one wants to be able to describe the notion of insurance education accurately.

According to Azowski (2008), insurance education is a collection of scientifically sound message aimed at comprehending the essence and guiding principles of the insurance industry as well as establishing the prerequisites for its future growth. Olejniki (2015) argues that knowledge of the insurance market is a component of financial knowledge and encompasses all the knowledge required to comprehend all problems relating to the efficient operation of the insurance market. Insurance education is "a set of scientifically structured pieces of information that are designed to help know the essence and fundamental principles of insurance as well as the circumstances of their continued growth in a changing environment" (Przybytniowski, 2009). The purpose of insurance education is not only to impart information and show how to use it, but also, and more importantly, to excite and increase the consciousness of those participating in the educational process (Przybytniowski, 2017).

2.2.3 Demand for Life Insurance

Yaari (1964, 1965) and Hakansson (1969) serve as the foundation for nearly all theoretical and empirical research on the demand for life insurance. Within the framework of the consumer's lifetime allocation procedure, the demand for life insurance is correctly taken into account (Outreville, 2015). In this paradigm, the consumer optimizes lifetime utility and several variables are employed to describe the potential outcomes of the decision being represented. Demand is a function of wealth (or total assets), projected income, expected rate of return on alternatives, and subjective discounting functions to assess these alternatives. Additionally, it is assumed that each utility-maximizing family has the same level of relative risk aversion in this situation (Outreville, 2015).

According to Ajemunigbohun and Adeoye (2018), the primary driver of the demand for life insurance is the happiness that a customer has as a result of the increased level of financial security attained by shifting the risk of loss to an insurer. Numerous empirical studies have demonstrated that a variety of factors, including political, economic, legal, and social ones, can have an impact on the demand of insurance and its acceptance. Also, Adeleke, Olowokudejo, and Ajemunigbohun's (2016) argued that, there are a number of elements that influence life insurance demand, which include trust, publicity, fear of risk, and choice of insurance products.

Studies that look at how education affects people's demand for life insurance typically start off assuming that there is a positive link ((Mapharing, Otuteye & Radikoko, 2015). According to Li, Moshirian, Nguyen, and Wee (2007), education is linked to a higher motivation to look out for dependents and maintain their level of life. On the other hand, Beck and Webb (2003) hypothesized that education may promote risk aversion through improving comprehension of the advantages of risk management and long-term savings. Meanwhile, Hwang and Gao (2003) noted that awareness of the availability of life insurance policies is boosted by education. Outreville (1996) argued that from the standpoint of developed nations, education is a source of competitive advantage in the financial services industry. These research suggest that education and the demand for life insurance have a good relationship.

The demand for life insurance has also been linked to life expectancy. The number of years that a person may anticipate to live on average in a certain nation is known as the average life expectancy. This appears to be a proxy for the likelihood of dying (p), which is thought to be positively correlated with the demand, for life insurance (Mapharing et al., 2015). According to Brown and Kim (1993), life insurance demand is hypothesized to be inversely connected with life expectancy since the likelihood of death is positively correlated with it. Interestingly, Beck and Webb (2003) discovered that increased life expectancies result in larger savings from life insurance but lower mortality coverage costs and reduced perceived need for mortality coverage.

According to Li, Moshirian, Nguyen and Wee, (2007) the protection of dependents from financial troubles is the main factor fueling the demand for life insurance. The link was quantified by the authors using age dependence ratio (ratio of dependents under 15 and over 64/working age population aged between 15 and 64). It's interesting to note that Beck and Webb (2003) discovered a conflicting association between young dependency ratio and elderly dependency ratio, but not the other way around. Overall, it is hypothesized that the reliance ratio is positively correlated with the demand for life insurance.

The demand for life insurance has increased rapidly over the past few decades, significantly outpacing worldwide income growth. In addition, waves of globalisation and privatisation have profoundly influenced the insurance market worldwide, increasing direct trade and portfolio investment (Chaudhury & Das 2014). As a result, there has been a growing demand for insurance services, particularly in emerging markets. While research on the need for life insurance has attracted much attention since the 1960s, most studies have focused on cross-country studies or well-established markets in developed countries (Kakar & Shukla 2010).

Accordingly, Dragos (2014) argued that life insurance is attractive to the middle classes but may be unaffordable in lower-income countries. Moreover, life insurance demand is influenced differently by institutional indicators from the worldwide governance indicator database in emerging and transitioning markets than in developing ones (Dragos

et al. 2017). Dragos (2014) further argued that even though literature has been devoted to explaining the determinants of life insurance, there is still a vast difference between underdeveloped and developed countries.

It has already been proved in many studies that income is a key economic driver of life insurance consumption, with a positive influence, in both developed and transition economies (Chang & Lee, 2012). Also, an in-depth analysis of this field of literature takes into consideration the level of a country's development (Enz, 2010; Ward & Zurbruegg, 2012). They find evidence for different levels of income elasticity of the demand for life insurance between transition countries and developed ones. For transition countries the elasticity coefficients have greater values than those for the developed ones. Beck and Webb (2013) consider that life insurance policies are required primarily by the middle class, while in poor countries they are required by rich people. International studies with similar conclusions were made by Li et al. (2007) for 30 O.E.C.D. countries. In a recent study, Chang & Lee (2012) prove that the impact of the explanatory variables found as determinants for life insurance do vary with the level of economic development.

The comprehensive study by Elango and Jones (2011) of transition economies finds evidence of the gross national income per capita and the interest rate as economic determinants is having a significant positive effect on life insurance density, and of the G.D.P. growth rate and business freedom having a negative impact. For the transition

economies from Central and South-Eastern Europe, Kjosevski (2012) also proves that G.D.P. per capita and inflation are economic determinants of life insurance demand.

There are a lot of studies that have already shown evidence of the significant negative impact of inflation on life insurance demand, such as Ward and Zurbruegg (2002), Beck and Webb (2003), Chang and Lee (2012) and Lee and Chang (2015), but not all of the empirical research in this field has the same result. Elango and Jones (2011) on a sample of transition markets, Hwang and Gao (2003) for China or Lee and Chang (2015) find either an insignificant relationship between these two variables or the puzzling result of a positive correlation between them.

Many families in the Third World Countries, especially in Nigeria have no life insurance policies. The main hiccup, which is responsible for the growing apathy for life insurance products is based on assumption of the low level of disposable income of individual household. Which means that per capita income of majority Nigerians are very low, and people tend not to take insurance as a priority against other things related to them in the country (Magbagbeola & Omozejele, 2021). Gbede (2003) states that the Nigerian public is still very naive about the benefits and attraction of life insurance products, especially when compared with those of its compatriots in South Africa and Zimbabwe where the patronage of life insurance products are relatively higher. It is against this backdrop that Hassan-Odukale (2018) observed that: "Insurance is one of those things Nigerians do not like to hear about. Many people neither know much about insurance nor do they know

about what is being done. When you talk about insurance, the average Nigerian position is "not for me!" It has become the general perception that insurance is a luxury. In addition, the average Nigerian is of the opinion that having insurance does not exactly translate to a better life. Majority of them cannot be bothered and most people who understand the need get to see the benefit a little too late after their uninsured assets have been damaged. Sadly, this notion about insurance does more harm than good to Nigerians." Meanwhile, low level of education among Nigerian populace also makes the concept of life insurance and its associated benefits more difficult to grasp by them (Hassan-Odukale, 2018).

According to Gbede (2003), the average Nigerians perceive life insurance as another ploy by insurance companies to deprive them of their hard-earned income. They therefore invest in savings and fixed deposits accounts more than life insurance products. This low rate of patronage of life insurance products makes some of the assurance companies to resort to unwholesome, unethical and unprofessional marketing practices to snatch clients away from their competitors at the expense of the stability and growth of the industry (Cornejo, 2007).

2.3 THEORETICAL REVIEW

The life cycle framework was initially used by Yaari in the year 1965 to create a model in which families optimize the predicted utility of their lifetime consumption. According to

Yaari's concept, buying life insurance will boost a person's predicted lifetime utility, which is determined by:

$$U(c) = \int_0^T \alpha(t)g[c(t)]dt + \beta(T)\varphi[S(T)] \quad (1)$$

where:

φ = utility of bequeaths and is non- decreasing and a negative $S(T)$ subtracts from utility,

T = the consumer's lifetime,

$\varphi[S(T)]$ = the instantaneous utility of bequeaths,

$g(c(t))$ = the instantaneous utility from consumption,

$\alpha(\cdot)$ and $\beta(\cdot)$ = discount factors.

This equation shows that consumer choice is dependent on the rate of consumption at each instant and $S(T)$, which stands for bequests at the time of death (Mapharing et al., 2015).

Lewis (1989) however treats the demand for life insurance differently from earlier theoretical studies by defining the purpose of the family as maximizing the predicted utility of beneficiaries (Mapharing et al., 2015) In the Lewis model, there are two categories of beneficiaries: spouses and children, with spouses possessing both capital stock and a bequest motivation at the time of the wage earner's death and children not having either of these at that time (Brown and Kim, 1993; Mapharing et al., 2015). Lewis (1989) demonstrates that the sum of the life insurance policies bought by the husband and each child equals the entire amount of life insurance issued, assuming that everyone in

the family has the same level of risk aversion. As a result, life insurance ownership is provided by:

$$(1-lp)F = \max \{ [1-lp/l(1-p)]^{1/\delta} TC - W, 0 \}, \quad (2)$$

where:

l = policy loading factor (ratio of costs of insurance to its actuarially fair value),

p = the probability of wage earners death,

F = the face value of all life insurance written,

Δ = a measure of the beneficiary's relative risk aversion,

TC = the present value of total consumption of each offspring until he/she leaves the household,

W = the household's net worth.

The consumption of life insurance, according to Equation 2, rises as the wage worker's risk of death (p) and the present value of the family's consumption, assuming the wage earner lives, both grow (TC). Consumption of life insurance is also correlated adversely with the family's wealth (W) and positively with the family's level of relative risk aversion (δ).

Since life expectancy is connected with the likelihood of dying, as demonstrated by equation 2 and in accordance with the adopted theory, life expectancy influences the demand for life insurance (p).

Lewis (1989) model, also demonstrates that family members' future consumption (TC) is dependent upon the wage earner's survival, which infers that personal disposable income (inc), dependency ratio (dr), and some level of education (educ) would all affect demand for life insurance (Brown and Kim, 1993; Mapharing et al., 2015).

The Neoclassical growth theory was first developed by Frank Ramsey in the 1920's but its popular version was put forth by technology change has a major influence on economic growth, and that economic growth will not continue unless there is continuous advancement in technology. Solow and Swan codified a model which involved a series of equations which showed that relationship between labour time, capital goods, output and investment. The model assumes that countries use their resources efficiently and that there are diminishing returns to capital and labour. From these two premises, the neoclassical model makes three important predictions. Firstly, increasing capital relative to labour creates economic growth, since people can be more productive given more capital. Second, poor countries with less capital per person will grow faster because each investment in capital will produce a higher return than rich countries with ample capital. Thirdly, because of diminishing returns to capital, economics will eventually reach a point at which any increase in capital will no longer create economic growth.

2.4 EMPIRICAL REVIEW

Sorsa, and Durga Rao (2018) carried out research on the effect of demographic factors on demand for life insurance in Ethiopia. The study focuses on the relationship of life insurance with eight selected individual variables namely gender, age, marital status, religion, organisation, monthly income, educational level and family size. Using logistic regression model was used to analyse the effect of explanatory variables, like gender, age, marital status; religion, organisation, monthly income, educational level and family size on the dependent variable which is intended to purchase life insurance. A total of eight explanatory variables were included in the regression. The results obtained from the analyses conclude that only age variable of the government employees have a significant impact on demand for life insurance on government employees. Finally, the study recommended that the insurance companies to provide policies based on the age of the people in the study area and it should be considered by insurance companies as a strategic determinant in their business.

Zerriaa, Amiri, Noubbigh and Naoui (2017) have investigated the determinants of life insurance demand in Tunisia using annual data for the period 1990 to 2014. The findings show that financial development, income, dependency, life expectancy and urbanization increase the demand for life insurance while pension expenditures have an opposite effect. Conversely, inflation and interest rates do not have significant influences. Alhassan and Biekpe (2016a) have assessed determinants of life insurance in a panel of 31 African countries for the period 1996 to 2010 to conclude that compared to financial factors,

demographic factors better explain the consumption of life insurance. According to the study, institutional quality, health expenditure, financial development and insurance consumption have a positive effect on life insurance subscriptions while the dependency ratio, life expectancy and inflation reduce life insurance consumption.

Shiferaw (2017) investigated on the factors affecting life insurance purchase, to determine what factors significantly affect customers towards the purchase of life insurance policies and to assess the factors affecting the development of life insurance in Ethiopia. Using a combination of descriptive form of data analysis and multiple regression analysis to analyse the primary data collected through self-administered questionnaire from buyers who have purchased life insurance from Ethiopian Insurance Corporation and aged 18 years or older. The findings of the study show that family size and gender factor, income level, age factor, education level and health status were found to be significant determinants of life insurance demand.

Buric, Bacovic, Cerovic, & Bozovic, (2017) analysed the significant factors that have important impact on life insurance products purchase in Montenegrin insurance market. Using chi-square test of independency and regression analysis to analyse the collected data. Testing results showed that age structure and education as demographic factors as well as level of employment as economic factor highly influence demand for life insurance in Montenegro while there is no evidence that different trust in insurance system, gender and region influenced purchase of life insurance.

Sulaiman, Migiro, & Yeshihareg (2015) carried out research on factors that influence life insurance market from Ethiopian perspective. The used secondary data on eleven independent variables – six of which are economic and five demographic variables for a period of 28 years from 1979/1980 to 2007/2008. The error correction mechanism (ECM), the Johansen cointegration test and the Augmented Dickey-Fuller test were utilized in the study econometric analysis. The result shows a long-term balanced connection amongst the variables. Inflation had a statistically noticeable negative impact on the demand and supply in the life insurance market. In addition, there was a statistically significant negative effect of young dependency ratio on life insurance market demand while old dependency ratio had a statistically significant positive relation to life insurance supply.

Weng Jun, Harn, Theng, Yee, & Choon (2014) carried out research on the determinants on health and life insurance demand among Malaysian. Using a combination of correlation form of data analysis and multiple regression analysis to analyse the extracted primary data. The result indicated, overall all the variables tested are reliable. Demand of health and life insurance appears to be significant and positively correlated with Income Level, Knowledge of Health and Life Insurance, Income Protection and Risk Attitude. However, the result shows social influence is insignificant relationship with demand of health and life insurance.

Curak et.al (2013) on their study on the effect of social and demographic factors on life insurance demand in Croatia identified that age, education and employment impact life

insurance demand of household in Croatia while gender, marital status and number of family members do not have statistically significant influence.

Mahdzan & Victorian (2013) investigated that the determinants of life insurance demand among life insurance policyholders of five major life insurance companies in Kuala Lumpur, Malaysia. Their results revealed that demographic variables and saving motives were significantly related to life insurance demand. Financial literacy, however, was found to be insignificant in determining life insurance demand. They showed that education level is significantly related to life insurance demand, where individuals with higher levels of education have higher life insurance demand.

Loke and Goh (2012) determined the socio-demographic and economic factors that have significant influence on the demand for life insurance in Malaysia. A hurdle count-data model is used to accommodate the separate decisions on the demand for life insurance which is divided into two parts: whether to purchase a life insurance policy and if so, how many policies to purchase. The results show that there are some slight differences in the factors that determine the decision to purchase life insurance and the quantity of life insurance policies that a consumer will purchase.

Gustina and Abdullah (2012), found that three variables that significantly influence the demand for life insurance, namely GDP per capita, saving and religion. The study reveals that there are two factors that negatively influence the demand for family tactful i.e.

Customer Price Index and Saving. Meanwhile, age, saving and religion are the three factors which give negative influence on life insurance.

Kjosevski (2012) found that GDP per capita, inflation, health expenditure, level of education and rule of law are the strongest predictors of the use of life insurance. Real interest rates, ratio of quasi-money, young dependency ratio, and old dependency ratio control of corruption and government effectiveness do not appear to be strongly associated with life insurance demand. Khan et al (2016) on their study on impacts of macroeconomic and demographic variables on the demand for life insurance in Pakistan identified that financial development, gross savings, income level are directly linked to life insurance demand while price of insurance are inversely linked with life insurance demand and the demographic variables of crude birth rate, crude death rate, old age dependency ratio, urbanization are positively related with life insurance demand for Pakistan. The short run dynamic regression shows price, real interest rate and gross domestic saving per capita are negatively correlated and significant predictors of demand for life insurance. Negative impact of real interest rate on the demand for life insurance in Ethiopia confirms the preferences of population towards alternative financial assets.

Browne and Kinn (1993) analyzed some factors which may affect demand for life insurance for countries around the world. After they studied previous research which has been done about this aspect and provided a list of these factors include: life expectancy, national income, dependency ratio, the portion of your adult population pursuing third

level education, religion, social security payments by the government, expected rate of inflation and policy loading charge or the price of insurance. Before they estimated their model, a schedule was provided by the authors for their expectations about the sign of each factor on the demand for life insurance. Income, dependency ratio and education were expected to be positive while life expectancy, religion, inflation and price of insurance were considered having negative effect. The sign of social security payments were ambiguous. Three version of log linear equation were estimated. Premium was used in the first version whereas life insurance in force was used in the second and third versions. For the first and second models data for year 1982 and for third modal data 1980 were considered. The results of the income, inflation, dependency ratio were statistically significant and had the expected sign in all versions. Education and religion has expected sign but significance in some versions. Social security (with a positive sign) and price were statistically significant in the models which they had been appeared. Life expectancy was nit significant in any of the model.

Hak (1996) examined the relationship between life insurance and economic growth theoretically and empirically by sending the life insurance effect on three aspects of economic growth: (1) the effect of life insurance and an increase in life insurance premium tax rate on economic savings and consummation. (2) the role of life insurance in economic productivity, and (3) the causality feedback between life insurance growth and economic growth. He suggest that growth in the life insurance industry causes an increase in economic growth. He develop a dynamic optimization model to determine the

effect of life insurance in individuals process of maximizing their expected lifetime utility and concluded that the availability of tax loaded life insurance affects the accumulation process of individual wealth, but no-aggregate wealth. The theoretical model also suggests that a permanent increase in the annuity premium in a leading economy decreases the steady state aggregate consumption and aggregate wealth. However, the dynamic effect of a permanent increase in the insurance premium tax rate in a borrowing economy on the steady equilibrium is undermined. Empirically, he found evidence suggesting that growth in the life insurance industry has contributed to productivity growth and economic growth. Also, the hypothesis that life insurance growth grander causes economic growth was supported. The conditional directional feedback from life insurance growth to it economic growth suggest that life insurance growth explains approximately 14% of the variance in economic growth. He found that a unit shock in life insurance growth has a positive impact on economic growth in both short run and the long run. He also found that a unit shock in the insurance premium tax rate has a positive impact on economic growth but a negative impact on life insurance growth in the short run.

Outrevielle (1996) investigated the correlation of life insurance premiums to GDP and other factors for the year 1986 for 48 developing countries. The result of the cross-sectional analysis contradicted his formal work (Outrevielle, 1990) by showing no significance for real interest rate on financial development (M2/GDP). Only the income elasticity was found to be similar to those found in formal works (Beenstock et al, 1998;

Outrevielle, 1990; Brown and Kim, 1993). Country indicator such as rural population or education level did not explain demand. Beck and Webb (2002) applied a cross-country and a time-series analysis for the relation between life insurance and penetration density and percentage in private savings as the dependent variables, while GDP, real interest rate, inflation volatility and others as the explanatory variables. Strong evidence was found for GDP, old dependency ratio, inflation and banking sector development. From the group of additional explanatory variables anticipated inflation, real interest rate, secondary enrolment and the private saving rate were found to be significant, when analyzing the share of life insurance in private savings, the result suggested that the ratio decreases with an increasing saving rate although the saving rate had a positive coefficient. This could be due to behaviour of the household to limit life insurance expenses transferring additional income to other saving vehicle. The cross-country analysis showed a negative coefficient for a country being of Islamic origin and adds institutional development to the indicator connected positively to insurance demand.

Lim and Haberman (2003) concentrated on the Malaysian life insurance market while the interest rate for savings deposits and price enter significantly in the equation; the positive sign for the interest rate puzzles the authors. This could be in line with findings of Webb et al (2002), who found the best results when insurance and banking sector are combined in the estimates.

Pei, Chien and Chin (2009) examined the relationship between the development of the life insurance market (using penetration and density measure) and economic growth within the context of various “conditional/factors” that possibly have the potential to influence such relationship. They employed the recent two-steers system, generalized method of moment (GMM), the conditional variables consists of economic, financial, demographic, income level, and regional conditions. What they found is an interesting piece of evidence that the development of life insurance market has a positive effect on economic growth. Moreover, the results clearly show that the conditional variables of middle income countries, Sub-Sahara Africa, saving, the real interest rate, social security, the stock market turnover ratio, and the young dependency ratio alleviate, the positive impacts of the development of the life insurance market on growth. By contrast, the conditional variables of low income countries and Latin America strengthen the positive impacts of the development of the life insurance market on growth. As they consider the marginal effect of adding conditions, the relationship between the development of the life insurance market and economic growth may become ambiguous. Thus, they validly demonstrate the reasons why similar developments in the life insurance market are characterize by the different performance of economic growth.

Peng (2006) tested the role of property insurance and life insurance in China’s economic growth over the period of 1994 and 2007. The results showed that property insurance has positive non-significant effect on economic growth. The result also showed that the

combined impact of insurance penetration and bank loan ration was more notable on economic growth compared with their individual impact.

Ibiwoye et al (2010) examined the determinant of life insurance consumption in Nigeria during the period 1970-2005 within an error correction framework. Co-integration technique revealed that real gross domestic product and SAP positively and significantly influenced life insurance consumption in Nigeria. Indigenization policy and domestic interest rate and significant negative effect on life insurance consumption. They equally found the return on investment, inflation rate, openness of the economy and political instability were insignificant predictors of life insurance consumption in Nigeria. Finally, the result indicated a well-defined error correction term which was significant at 1 percent with a feedback effect of about 58 percent.

Pen-fen, Chin-Chiang and Chin-feng (2011) investigated the effects of life insurance on economic growth and what conditions affect the insurance growth nexus. These conditions include the degree of financial development, private savings rate, interest rate, social security expenditure, income, young dependency ratio, the expectancy, and geographic regions. The main findings confirmed the positive impact of the development of the life insurance market on economic growth. The insurance growth nexus varied across impact on economic growth is less in the middle income countries but high in the low income countries.

2.5 GAP IN EMPIRICAL REVIEW

The dearth in empirical literature on insurance education and the demand for life insurance in Nigeria is a huge gap in knowledge that requires intellectual attention and systematic research. Haven search thoroughly through many scholarly medium, I discovered that there is no empirical literature that has adequately look at insurance education and the demand for life insurance in Nigeria which therefore makes this study timely and relevant.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the methods and procedures that will be used to carry out the study. The purpose of this study is to examine insurance education and the demand for life insurance in Nigeria. The chapter looks at the research design, population and sample, data collection methods, research procedures and the data analysis methods employed in the study.

3.2 Research Design

The research design that will be used for this study is survey method. According to Creswell (1994), a descriptive survey method is the most appropriate method because it presents facts concerning the nature and status of a situation as it exists at the time of the study. This study will try to describe present conditions, events or systems based on the reactions of the respondents of the research study.

3.3 Population of the Study

A population is the total collection of elements about which the researcher wishes to make some inferences (Cooper and Shindler, 2005). The population for this study will comprise of both public servants and small business owners operating in Benin City who are capable of taking life insurance policy or any insurance policy of that nature. The

target population is a 1000 public servant and small business owners operating in Benin City.

3.4 Sample and sampling technique

The sample size for this study comprises of 100 public servants and small business owners operating in Benin City which is 10% of the target population.

The sampling technique for this study is simple random technique. The sample size will be randomly selected for this study.

3.5 Research instrument

A self administered questionnaire will be used to collect the data which will be administered to the public servants and small business owners within Benin Metropolis. This instrument will allow each person to respond to the same set of questions in a predetermined order. The questionnaire was researcher-developed and structured according to the specific objectives of the study. The instrument will be physically administered to each respondent, who will be allowed reasonable time to complete the questionnaires. The questionnaire will be divided into three sections A, B and C. Section A will contain demographic information of the respondents and Section B and C will consist of items relating to the study variables using a four-point likert scale of: Strongly Agree (SA), Agree (A), Disagree (D) Strongly Disagree (SD) respectively.

3.6 Validity of the Instrument

The instrument for this study will be face validated by the researcher's supervisor and all the necessary corrections will be effected before final distribution to the respondents.

3.7 Reliability of the Instrument

The reliability of the instrument will be done using test-retest reliability method. The process entails giving 20 copies of the instrument to 20 people who were randomly selected from the groups under the research. After a two-week break, the same instrument was handed to the same group of people. Both the first and second responses will be compiled and evaluated using the Cronbach's alpha coefficient to test the internal consistency of the instrument.

3.8 Data Analysis Methods

The data collected through the administration of questionnaire will be analyzed using the Statistical Packages for Social Sciences (SPSS). The research questions will be tabulated and analysed using frequency table, mean and standard deviation while the research hypotheses will be tested at 0.05 levels of significance.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

The purpose of this study was to investigate insurance education and the demand for life insurance in Nigeria. A total of 100 questionnaires were distributed, retrieved and used for the study. IBM's Statistical Package (version 24.0) was used for data analysis. The item means, standard deviations, and frequencies were used to provide answers to the study research questions and regression was used to test the hypotheses at 0.05 alpha level of significance.

4.2 Demographic Information on Respondents

Table 1: Respondents Gender

Gender	Frequency	Percentage
Male	42	42.00
Female	58	58.00
Total	100	100%

Source: Researcher's fieldwork survey, 2023

The table above reveals the gender characteristics of the participants. Although there were more female participants 58 (58.00%) than male participants, however the male participants were well represented to a reasonable extent in the study.

Table 2: Respondents Age Group

Age	Frequency	Percentage
25-30	3	3.00%
31-35	3	3.00%
36-40	30	30.00%
41-45	56	56.00%
46 & above	8	8.00%
Total	100	100%

Source: Researcher's fieldwork survey, 2023

The table above reveals the age distribution of the respondents. Majority of the respondents were between the age of 41-45 (56.00%) followed by 36-40 (30.00%).

Table 3: Respondents Religion

Religion	Frequency	Percentage
Christian	87	87.00%
Muslim	9	9.00%
Traditional worshipper	1	1.00%
Others	3	3.00%
Total	100	100%

Source: Researcher's fieldwork survey, 2023

The above table presents religion distribution of the respondents. It was discovered that majority of the respondents 87 (87.00%) were Christians, while 9 (9.00%) of the

respondents Muslims. degree. This therefore implies that majority of the study respondents are Christians.

Table 4: Respondents Occupation

Occupation	Frequency	Percentage
Civil servant	20	20.00%
Private employee	24	24.00%
Self employed	53	53.00%
Trader	3	3.00%
Total	100	100%

Source: Researcher’s fieldwork survey, 2022

The above table presents the occupational distributions of the study participants. It was observed that majority of the respondents 53 (53.00%) were self-employed, while 24 (24.00%) of the respondents were private employee. This therefore implies that large percentage of the respondents were owners of their own businesses.

Table 5: Respondents Highest Educational Qualification

Occupation	Frequency	Percentage
Primary/SSCE	10	10.00%
NCE/ND	18	18.00%
BSC/HND	63	63.00%
MSc.	7	7.00%
Ph.D	2	2.00%
Total	100	100%

Source: Researcher’s fieldwork survey, 2023

The above table presents the distributions of the highest educational qualification of the study participants. It was observed that majority of the respondents 63 (63.00%) were holders of BSC/HND certification, followed by 18 (18.00%) of the respondents who were holders of NCE/ND certification. This therefore implies that majority of the respondents highly educated.

Table 6: Respondents Type of Job

Type of Job	Frequency	Percentage
Insurance	17	17.00%
Others	83	83.00%
Total	100	100%

Source: Researcher’s fieldwork survey, 2023

The table above reveals the distribution of participants’ type of job. Majority of the respondents 83 (83.00%) were doing other type of jobs while 17 (17.00%) were into Insurance type of job.

Table 7: Assessment of Respondents Interest in Insurance Policy

S/N	ITEMS	YES (%)	NO (%)	Total (%)
1.	Do you have an insurance policy?	25 (25.00)	75(75.00)	100(100.00)
2.	Have you taken an insurance policy before?	31 (31.00)	69(69.00)	100(100.00)
3.	Will you like to take an insurance policy if well enlightened?	82 (82.00)	18(18.00)	100(100.00)
4.	Do you think life insurance is beneficial for you in the long run?	84 (84.00)	16(16.00)	100(100.00)
5.	If you have the money, will you take life insurance policy?	31 (31.00)	69(69.00)	100(100.00)

The table above revealed that majority of the respondents 75 (75.00%) of the respondents do not have an insurance policy. Although majority saw the need for purchasing insurance policy but have not yet taking the decision to purchase insurance policy for themselves or their family members. This therefore implies that a lot of sensitization needs to be carried out to inform and persuade this demography on the need and benefit of purchasing an insurance policy.

4.3 Analysis of Research Questions

Research Question One: How does awareness creation enhance consumers' patronage of insurance policies?

Table 8: Descriptive statistics of how awareness creation enhance consumers' patronage of insurance policies

S/N	Items	SA	A	D	SD	Total	Mean	Std. Deviation	Variance
1.	Through awareness creation I might see the danger of not having in insurance policy	35.00	56.00	8.00	1.00	100%	1.75	0.64	0.41
2.	Through awareness creation on radio and television I might become aware of the benefits of insurance which could motivate me to take up insurance policy	28.00	66.00	5.00	1.00	100%	1.79	0.57	0.33
3.	Through awareness creation I might see the need to purchase insurance policy that will avert unforeseeable circumstances	35.00	49.00	13.00	3.00	100%	1.84	0.76	0.57
4.	Through insurance creation I might become informed about various insurance policies and which is best for me and my family	32.00	59.00	7.00	2.00	100%	1.79	0.66	0.43
5.	True awareness creation and might become accustomed with the best insurance policy for my specific b	29.00	57.00	14.00	0.00	100%	1.85	0.64	0.41
	GRAND MEAN						1.80	0.65	

Source: Researcher's fieldwork survey, 2023

The table above indicates the responses of the study participants on how awareness creation enhances consumers' patronage of insurance policies. It was revealed from the data analysed that, majority of the respondents with a grand mean value of 1.80 and standard deviation of 0.65 agreed to the items that seek to find out if awareness creation enhances consumers' patronage of insurance policies. Only a few of the respondents were either disagreed. This simply implies that awareness creation through radio and television and other relevant medium can enhances consumers' patronage of insurance policies.

Research Question Two: What is the level of insurance education in Nigeria?

Table 9: Descriptive statistics of level of insurance education in Nigeria

S/N	Items	SA	A	D	SD	Total	Mean	Std. Deviation	Variance
6.	Insurance is a way of managing risk due to sickness, accident, death, fire outbreak or unexpected disaster	40.00	55.00	5.00	0.00	100%	1.66	0.57	0.33
7.	Holding insurance policy protect you or your loved ones from certain unexpected risk such as accident, fire outbreak, death, sickness e.t.c	32.00	56.00	10.00	2.00	100%	1.83	0.68	0.47
8.	Premium is the amount of money you pay to be insured against events such as sickness, accident, death, fire outbreak or unexpected disaster	41.00	48.00	9.00	2.00	100%	1.72	0.71	0.50
9.	As a policyholder you are entitled to policy cover when you take up any insurance policy	31.00	57.00	8.00	4.00	100%	1.86	0.72	0.53
10.	Insurance agent sells insurance policies for an insurance company	28.00	61.00	8.00	3.00	100%	1.87	0.70	0.49
	GRAND MEAN						1.79	0.68	

Source: Researcher’s fieldwork survey, 2023

The table above indicates the responses of the study participants on the level of insurance education in Nigeria. It was observed from the data analysed, that, majority of the respondents with a grand mean value of 1.79 and standard deviation of 0.68 agreed that, Insurance is a way of managing risk due to sickness, accident, death, fire outbreak or unexpected disaster; holding insurance policy protect you or your loved ones from certain unexpected risk such as accident, fire outbreak, death, sickness e.t.c; Premium is the amount of money you pay to be insured against events such as sickness, accident, death, fire outbreak or unexpected disaster etc. This therefore implies that there is above average level of insurance education.

4.4 Test of Hypotheses

Ordinary least squares regression was used to determine the level of insurance education and the demand for life insurance in Nigeria. The hypotheses were tested with the aid of regression (t-test) at 5% level of significance. Our decision in accepting a hypothesis is based on the p-value, we reject the null hypothesis when $p\text{-value} < 0.05$ and we do not reject the null hypothesis when the p-value is > 0.05 (that is, we accept the null hypothesis).

Table 10: Coefficient of Determination**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.277 ^a	.086	.061	.45323	2.013

Source: Researcher's fieldwork survey, (2023)

- a. Predictors: (Constant), Insurance Education
- b. Dependent Variable: Demand for life insurance

The value of R^2 which is 0.86 indicates that all the independent variables (explain 86% of the systematic variation in the dependent variable (demand for life insurance). This means that there is a statistically significant relationship between the independent variables and the dependent variable. The Durbin-Watson value of 2.013 is 2 which indicate the absence of autocorrelation in the model.

Table 11: Regression Coefficients: Insurance education and the demand for life insurance in Nigeria

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.860	.434		8.905	.000
	Insurance Education	.057	.075	.068	.760	.038
	Insurance Education	.163	.076	.191	2.144	.023

a. Dependent Variable: Demand for life insurance

Source: Researcher's fieldwork survey, (2023)

Hypothesis One

There is no significant relationship between insurance education and purchase of life insurance in Nigeria.

The p-values of 0.038 shows that insurance education has a positive significant relationship on demand for life insurance because it is significant at 5% level of significance. We therefore reject the null hypothesis which states there is no significant relationship between insurance education and purchase of life insurance in Nigeria.

Hypothesis Two

There is no significant relationship between insurance education and insurance buying behaviour of consumers in Nigeria.

The p- values of 0.023 shows that insurance education has positive significant relationship on insurance buying behaviour of consumers because it's significant at 5% level of significance. We therefore reject the null hypothesis which states that There is no significant relationship between insurance education and insurance buying behaviour of consumers in Nigeria.

4.5 Discussion of Findings

From the data collated and analyzed, the result of the study shows that insurance education has a positive role to plays when it comes to the demand for life insurance in Nigeria.

Specifically, the result on research question one which find out how does awareness creation enhance consumers' patronage of insurance policies revealed that majority of the

respondents agreed to the items indicating that, awareness creation enhance consumers' patronage of insurance policies. Only a few of the respondents disagreed to with the items. This implies that awareness creation to a considerable extent enhance consumers' patronage of insurance policies according to data collected and analysed. This study is in line with the study of Adeleke, Olowokudejo, and Ajemunigbohun's (2016) stated that, there are a number of elements that influence life insurance demand, which include trust, publicity, fear of risk, and choice of insurance products.

The result on research question two which seek to find out the level of insurance education in Nigeria revealed that majority of the respondents agreed to the items indicating their level of insurance education. Majority of the respondents agreed that , insurance is a way of managing risk due to sickness, accident, death, fire outbreak or unexpected disaster; holding insurance policy protect you or your loved ones from certain unexpected risk such as accident, fire outbreak, death, sickness e.t.c; Premium is the amount of money you pay to be insured against events such as sickness, accident, death, fire outbreak or unexpected disaster; and so on. This result implies that majority of the respondents have above average level of insurance education in Nigeria. The result of the finding is in agreement with that of Azowski (2008) who stated that insurance education is a collection of scientifically sound message aimed at comprehending the essence and guiding principles of the insurance industry as well as establishing the prerequisites for its future growth.

From the result of the hypothesis tested on the significant relationship between the independent variables and dependent variable, the study discovered that: There is a significant positive relationship between insurance education and the demand for life insurance. There is also a statistical significant relationship between insurance education and insurance buying behaviour of consumers.

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter is concerned with the summary of findings from the data empirically analysed as well as the conclusion. The policy recommendation based on the finding is then offered for the intended policy action.

5.2 Summary of Findings

Sequel to the data collected from the questionnaires administered to the target respondents and the analysis made, using descriptive statistics and the ordinary least square regression analysis techniques in testing the formulated hypotheses, the following findings were the findings of the study:

- i. Awareness creation enhances consumers' patronage of insurance policies.
- ii. There is an above average level of insurance education in Nigeria.
- iii. There is a significant positive relationship between insurance education and the demand for life insurance.
- iv. There is also a statistical significant relationship between insurance education and insurance buying behaviour of consumers.

5.2 Conclusion

The result of this study presents an interesting insight into insurance education and demand for life insurance in Nigeria. A total sample of hundred (100) respondents was used for this study. The findings as we gathered through the analysis show that awareness creation enhances consumers' patronage of insurance policies and the level of insurance education in Nigeria is above average. Hence, we can conclude that, insurance education and the level of insurance education positively determine to greater extent the demand for life insurance in Nigeria.

5.3 Recommendations

Based on the result of the study and it is therefore recommended that:

1. There should be adequate sensitization on the need for people to take up insurance policies for their own good or for the wellbeing of their loved ones.
2. Insurance education should be a subject in both primary and secondary schools in Nigeria for people to have early knowledge on the need and benefits of insurance before they reach adulthood.
3. Insurance agencies should make insurance policies appealing and less cumbersome for those who intend to purchase an insurance package.
4. Government should subsidize certain insurance policies so that citizens can have access to insurance package especially health and life insurance.

5. Insurance companies should endeavour to settle promptly policy holders when the need arises rather than carrying out unnecessary paper verification to delay or not to pay the policy holder.

5.4 Contribution to Knowledge

This study has contributed to knowledge in the following way:

1. That this study uncovers empirically the level of insurance education and the demand for life insurance in Nigeria due to dearth in empirical studies on the subject matter in Nigeria.

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APPENDIX

DEPARTMENT OF INSURANCE
FACULTY OF MANAGEMENT SCIENCES
UNIVERSITY OF BENIN
BENIN CITY

QUESTIONNAIRE ON:

INSURANCE EDUCATION AND THE DEMAND FOR LIFE INSURANCE IN
NIGERIA

Dear Respondent,

This questionnaire is designed to generate data on “Insurance Education and the Demand for Life Insurance in Nigeria”. We therefore implore your honest opinion on the items provided below.

Note: The questionnaire is strictly for research purposes and all information provided will be treated with maximum confidentiality.

Thank you.

Yours faithfully,

Ikeme Awawu Odufa

Researcher

SECTION A: RESPONDENT SOCIO-DEMOGRAPHIC DATA

INSTRUCTION: Please tick (√) the option that suit your opinion

6. **Gender:** Male (), Female ()
7. **Age:** 25-30years (), 31-35years (), 36-40years (), 41- 45years (), 46 & above ()
8. **Religion:** Christian (), Moslem (), Traditional Worshiper (), Others ()
9. **Occupation:** Civil Servant (), Private Employee (), Self-Employed (), Trader ()
10. **Highest Educational Qualification:** Primary/SSCE (), NCE/ND (), BSC/HND (),
MSc. (), Ph.D. ()
11. **Type of Job:** Insurance (), Others ()

SECTION B: RESEARCH VARIABLES

Kindly tick (√) the appropriate response to the items below.

S/N	ITEMS	YES	NO
12.	Do you have an insurance policy?		
13.	Have you taken an insurance policy before?		
14.	Will you like to take an insurance policy if well enlightened?		
15.	Do you think life insurance is beneficial for you in the long run?		
16.	If you have the money, will you take life insurance policy?		

SECTION C: RESEARCH VARIABLES

Kindly tick (✓) the appropriate response to the items below.

Instructions:

- SA – Strongly Agree
- A – Agree
- D – Disagree
- SD – Strongly disagree

S/N	ITEMS	SA	A	D	SD
RQ 1	AWARENESS CREATION ENHANCE CONSUMERS' PATRONAGE OF INSURANCE POLICIES	SA	A	D	SD
17.	Through awareness creation, I might see the danger of not having an insurance policy				
18.	Through awareness creation on radio and television I might become aware of the benefits of insurance which could motivate me to take up insurance policy				
19.	Through awareness creation I might see the need to purchase insurance policy that will avert unforeseeable circumstances				
20.	Through awareness creation I might become informed about various insurance policies and which is best for me and my family				
21.	Through awareness creation, I might become accustom with the best insurance policy for my specific business or family need				
RQ2	LEVEL OF INSURANCE EDUCATION IN NIGERIA	SA	A	D	SD
22.	Insurance is a way of managing risk due to sickness, accident, death, fire outbreak or unexpected disaster				
23.	Holding insurance policy protect you or your loved ones from certain unexpected risk such as accident, fire outbreak, death, sickness etc.				
24.	Premium is the amount of money you pay to be insured against events such as sickness, accident, death, fire outbreak or unexpected disaster				
25.	As a policy holder, you are entitled to policy cover when you take up any insurance policy.				
26.	Insurance agent sells insurance policies for an insurance company				