THE DETERMINANTS OF LIFE INSURANCE DEMAND IN MALAYSIA DURING COVID-19 PANDEMIC

JOYCE POH
LIEW ZHI LING
TIEW SHIN YING
TOH WEI JIE
YONG JIA YUNG

BACHELOR OF BUSINESS ADMINISTRATION
(HONS) BANKING AND FINANCE

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF BUSINESS AND FINANCE
DEPARTMENT OF BANKING AND RISK MANAGEMENT

SEPTEMBER 2022

THE DETERMINANTS OF LIFE INSURANCE DEMAND IN MALAYSIA DURING COVID-19 PANDEMIC

BY

JOYCE POH

LIEW ZHI LING

TIEW SHIN YING

TOH WEI JIE

YONG JIA YUNG

A final project submitted in partial fulfillment of the requirement for the degree of

BACHELOR OF BUSINESS ADMINISTRATION (HONS) BANKING AND FINANCE

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF BUSINESS AND FINANCE
DEPARTMENT OF BANKING AND RISK MANAGEMENT

SEPTEMBER 2022

DECLARATION

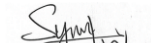
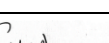
We hereby declare that:

(1) This undergraduate FYP is the end result of our own work, and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this FYP has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Equal contribution has been made by each group member in completing the research project.

(4) The word count of this research report is 12,904 words.

Name of student	**Student ID**	**Signature**
Joyce Poh	18ABB01459	
Liew Zhi Ling	18ABB06802	
Tiew Shin Ying	18ABB05152	
Toh Wei Jie	18ABB03688	
Yong Jia Yung	18ABB05499	

Date: 1 September 2022

ACKNOWLEDGEMENT

We would like to acknowledge the contribution to a number of people. It would be practically hard to list each and every person who assisted in this study, but certain people must be credited for the magnitude of their contributions and sacrifices of their precious time in assisting us throughout the study. We are grateful to those who guided, assisted and provided information to us for our research project. We would not complete our research project without these helps.

First of all, we would like to thanks to Universiti Tunku Abdul Rahman (UTAR) for giving us the opportunity of doing the research project in our final year. Therefore, we learned more deeper financial knowledge that related to our course, which will also be helpful for our future career.

Furthermore, we appreciated the database that provided by the UTAR Library, which makes our research projects conduct more smoothly, as we are able to find many past research projects and results in the database.

Moreover, we would like to express our gratitude to our supervisor, Mr. Koh Chin Min, for his patience, support, guidance, and valuable advice throughout the research process. He guided us step by step and provided us with many solutions for our research project. Without his supervision, we may not have been able to complete our study within the required time frame. We sincerely thank Mr. Koh for the guidance he provided to us.

In addition, we would like to thank the respondents who spent their valuable time helping us to complete the questionnaire. Their cooperation has made our work in collecting and analyzing the data much easier. Last but not least, we would like to express our deepest appreciation for the tolerance and commitment of our team members, without any of whom this task would not have been possible. We have learned a lot from each other.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

ABSTRACT

Life insurance is one of the approaches to manage personal financial risk. It can successfully protect the remaining members of the family from loss of income due to the premature death of the family breadwinner, especially with the recent COVID-19 pandemic. The primary objective of this study is to determine the factors that influencing the life insurance demand in Malaysia during the Covid-19 pandemic, based on the theory of reasoned action (TRA). The relationship between perception of life insurance benefits, risk perception, subjective norms, financial literacy, and life insurance demand is analysed. The methodology of this study is quantitative research method. The data collection instrument used to obtain the required information from the primary source was a questionnaire. The researcher used snowball sampling technique from non-probability sampling technique. After determining the reliability of the questionnaire, 480 questionnaires were randomly distributed to Malaysian residents aged 18 years and above from various occupational backgrounds without any gender restrictions. A total of 384 questionnaires were completed and returned. Based on the collected data, the researchers performed descriptive analysis, reliability test, Pearson correlation coefficient analysis and multiple linear regression analysis using SPSS software. The results showed that all independent variables (perception of life insurance benefits, risk perception, subjective norms, and financial literacy) exhibited a significantly positive impact on the dependent variable (life insurance demand). Some limitations and recommendations are included in the study to provide future researchers and life insurance service providers with better ideas to improve the purchasing behaviour of life insurance in Malaysia.

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

This chapter focus on a brief overview to the insurance industry and its products. From the research background of the study, some background of the insurance industry and insurance products can be understood. This study will then also attempt to examine and discuss the problem statement while setting the research objectives and listing the research questions to ensure that this study follows the sequence. In addition, the significance and contribution of this study will also demonstrate the importance of this study to academics, policy makers, and industry. Finally, at the end of this chapter, there will be a conclusion.

1.1 Research Background

Insurance was one of the earliest and well-known financial items, but often people are quite wary of and will not acquire insurance under their own volition. Individuals who are subjected to certain risks might obtain insurance to safeguard themselves financially from the implications of a specific incident. It was a form of security, particularly in monetary terms, in the case of a tragedy. Despite the unpredictability of life, insurance can protect individuals and reduce their financial losses in case of unforeseen events (Loke & Goh, 2012). Besides, insurance is a tool designed to deliver protection coverage for individuals and businesses from specific risks, and to preserve their possessions and livelihood. Individuals and organizations nowadays have financial protection in the event of accidents, destruction of property, or the premature loss of the sole earner (Razak et al., 2014).

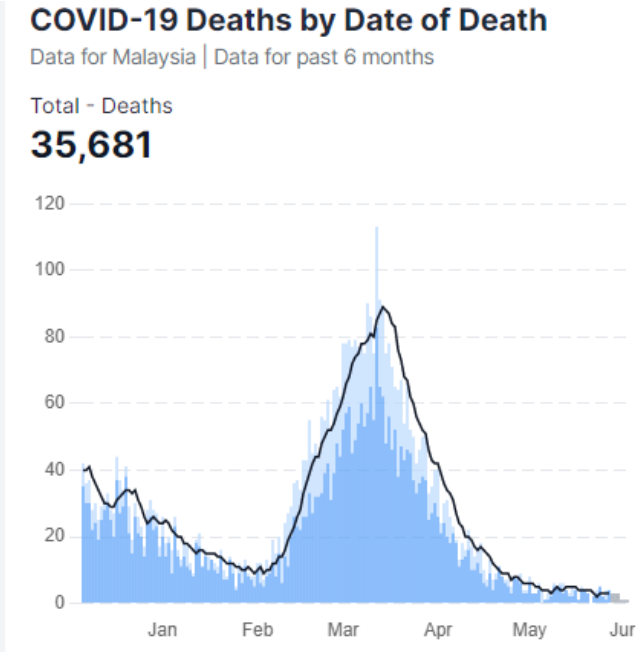
Malaysia's insurance business was separated into general insurance and life insurance (Bank Negara Malaysia, n.d.). General insurance is a type of non-life insurance product that does not cover the life of an insured. The general insurance products were divided into commercial lines, which were created for corporations,

and personal lines, which were designed for the public. In commercial lines, it involved liability, fire and burglary, marine and aviation insurance (Persatuan Insurance Am Malaysia, n.d.). Thus, general insurance was bought by corporations to indemnify third parties for actions in which the insured is subject to liability (Loon et al., 2019). Besides, under personal lines, it covered motor insurance, personal accident insurance, medical and health insurance, fire or house owner's insurance (Ng et al., 2018). Medical and health insurance protects individuals financially from health consequences (Selamat et al., 2020). According to Prudential Assurance Malaysia Berhad (n.d.), the medical card supports hospitalization and surgery expenditures, along with critical sickness. Hence, general insurance in personal lines addressed the insured's financial risk of unintentional injury and death (Razak et al., 2014).

Life insurance intends to financially protect the insured, the insured's family, lenders, and others in the loss of the insured's earnings potential in the occurrence of their death or permanent disability (Razak et al., 2014). There are few examples of life insurance which are term life insurance, whole life insurance, investment-linked life insurance, endowment life insurance, and life annuity plans (Beck & Webb, 2003). In the event that the primary wage earner passes away, life insurance can be used to pay for long-term expenses, including existing debts, medical expenses, college tuition for children and spouse's retirement expenses (Loon et al., 2019). Life insurance allows people to preserve income whilst still insuring themselves from personal financial risks. Thus, it serves a substantial portion in individuals and families' funding throughout their livelihoods (Zakaria et al., 2016). In contrast, Malaysians rather overlook the significance of life insurance as per the report by the head of Life Insurance Association of Malaysia (LIAM), which showed that more than 50% of Malaysians are excluded from life insurance coverage. Nearly 90% of those who are covered don't even have adequate financial protection for themselves and their loved ones (Krishnan, 2020). Financial experts and executives from life insurance companies assume that most people are unwilling to invest in life insurance as they don't realize the basic advantages of life insurance as a personal hedging tool (Mahdzan & Victorian, 2013).

The significance of life coverage in the context of the high growing number of death cases during the Covid-19 pandemic in Malaysia has prompted life insurance being selected as a study area within the insurance business.

Figure 1.1: The COVID-19 deaths in Malaysia for all time



Source: Ministry of Health Malaysia (2022)

In the framework of general insurance, personal lines products such as medical and health insurance, as well as motor insurance covered personal incidents and accidents (Persatuan Insurance Am Malaysia, n.d.). Workplace accidents are indeed being compelled to be reduced as a result of the Malaysian government's implementation of work from home restrictions during the Movement Control Order (MCO) period (Vyas & Butakhieo, 2020). Moreover, medical and health insurance covers basic hospitalization and operation expenses, rather than entire life as well as pandemic coverage. As the treatment costs for pandemics, such as Covid-19, are typically excluded in medical and health insurance (MHI) policies, thus the sector is looking into other methods to aid Malaysians in fighting against the disease (Raj, 2021). In addition, Malaysians were obliged to stay home due to social distance limitations, and there was an assumption of less concerns on motor insurance throughout the Covid-19 pandemic. In essence, the road accidents cases in Malaysia have founded to be fallen by 70% during the MCO period because of fewer motor vehicles abroad (Bernama, 2020).

On the other hand, life insurance neither only delivers financial assistance to relatives, but also provides tax benefits, allowing policyholders to maximize their investment gains in a perpetual life insurance policy (Gao & Ulm, 2015). Additionally, life insurance policies serve with the choice of receiving rapid income whilst insured is still living, as well as provide reimbursement following the insured's death (Monaco & Pierce, 2015). As per Sommers, Gawande, and Baicker (2017), the cash value of life insurance policies could be accessed during emergencies. General insurance financially protects an individual from a non-life perspective, whereas life insurance provides financial protection and savings against an individual's life (Md & Kasim, 2014). In short, it is essential to boost the life insurance adoption rates so that fewer individuals and their loved one's struggle from financial loss at their death or permanent disability, along with lost income owing to unemployment during the Covid-19 pandemic.

1.1.1 Past Studies

Based on the previous studies, numerous authors have conducted research to study the determinants of life insurance demand in the MENA region (Zerriaa & Noubbigh, 2016), Tunisia (Zerriaa et al., 2017), India (Dash, 2018), Malaysia (Loon et al., 2019) as well as Central and Southeastern Europe (Kjosevski, 2012). He (2020) and Mai et al. (2020) have studied the behaviours of purchasing life insurance in Vietnam and China respectively. Both authors found that financial literacy would increase the intention to purchase life insurance.

Besides, Lin et al. (2017) and Wang et al. (2020) conducted research on how financial literacy affects the life insurance demand. Mahdzan and Victorian (2013) examined the relationship between savings motives with life insurance demand and financial literacy. A number of authors also recognized that financial knowledge would affect the factors that influence Malaysians' demand for life insurance (Dragos et al., 2020; Lim & Mohidin, 2020; Lin et al., 2017). Furthermore, Kabrt (2021) investigated that people with higher education levels and income demonstrate more pension funds rather than life insurance. Also, vast studies have

tested empirically the relationship between the income level and life insurance demand (Fang & Kung, 2020; Hassan, 2022; Nainggolan & Soemitra, 2020).

Moreover, a study of demand for life insurance and its determinants at households' levels was conducted by Hagos et al. (2019). Ampaw et al. (2018) has also studied the determinants of life insurance among male and female households in Ghana. Meanwhile, a study was conducted on the analysis of demand for life insurance (Abdullah, 2012). Nomi and Sabbir (2020) have also conducted a related study on the factors that affect consumers' intention to buy life insurance. Other than that, Luciano et al. (2015) have assessed the impact of microeconomic factors for men and women in purchasing life insurance. Some authors have also examined how social, demographic, and economic factors affect the demand for life insurance (Dragos et al., 2017; Shahriari & Shahriari, 2016).

From previous studies, little is known about the relationship between infectious diseases and consumers' life insurance buying behaviour. Since the Covid-19 outbreak provides an appropriate scenario for exploring this topic, the determinants of life insurance demand during the pandemic will be further discussed in this study to fill the above-mentioned gap.

1.2 Problem Statement

This study's main focus is on the determinants affecting consumer demand for life insurance in Malaysia during the pandemic. The main function of life insurance is to offer financial security for individuals and families. When a family's primary earner dies prematurely, the loss of income can have dire financial consequences for surviving family members. By paying a defined benefit, life insurance mitigates the possible financial loss caused by the insured's death (Meko et al., 2018). Based on the fact that the Covid-19 crisis is still having a substantial impact on individuals, societies, businesses, and the global economy, it is also known that Malaysia is still dealing with the third wave of Covid-19 infections (Hashim et al., 2021). Over 30,000 coronavirus-related deaths have been reported since the pandemic began in

Malaysia, and this number continues to rise (Ministry of Health Malaysia, 2022). Thus, life insurance plays a critical role in personal and family financial planning because it serves as a hedge against the financial uncertainty created by the risk of death to which an individual is exposed (Gründl, 2016).

In the past two years, the Covid-19 pandemic has affected the labour market and caused significant economic hardship for workers as many small and medium-sized industries (SMEs) have closed (Vaghefi & Yap, 2021). In addition, there were health risks associated with jobs that did not allow work from home, and those frontline workers and service workers were at great risk (Tomer & Kane, 2020). Although it is important to have life insurance as a necessary protection plan, compared to developed Asian countries, developing economies such as Malaysia generally have lower overall life insurance density and penetration rates (Low et al., 2021). According to Life Insurance Association of Malaysia (LIAM) reported that the life insurance penetration in Malaysia has hovered at 54% for the past five years, meaning that about half of Malaysians are not insured against unpredictable life events (Krishnan, 2020). Excluding those with multiple life and takaful policies, this number may be further reduced to about 41% of the insured and it is still a long way from the 75% target set by the government (Bernama, 2022). In addition, only 4% of households in the low-income group have some forms of life insurance or Takaful (Krishnan, 2020). Thus, this will be a cause for concern as the rate of life insurance intrusion has not increased as dramatically as expected.

Moreover, according to John (2021), because of this pandemic, many people now consider sustainable financial and health protection plans to be critical to protecting themselves and their loved ones from unforeseen circumstances. In other words, life insurance is slowly moving out of the afterthought, with more and more people willing to adjust their savings and budgets to enroll in life insurance or Takaful plan or expand their coverage. Based on the 2020-2021 Global Consumer Study from ReAffirm Life found that young Malaysians in particular have been influenced to some extent by Covid-19 in their lifestyles and perceptions of life insurance ("More Malaysian Youth," 2021). However, the interviews conducted by Faber Consulting with Zurich Insurance Group from September 2020 to October 2020, showed that respondents generally agree that the Covid-19 pandemic has helped increase

insurance awareness, but few believe this increased awareness will translate into increased demand (Faber, 2021). In addition, a survey on the impact of the pandemic on protection, commissioned by Zurich, found that 84% of respondents in Malaysia observed that the Covid-19 pandemic has led to a greater awareness of the importance of insurance protection, but the increased awareness has not translated into action since more than a third (38%) of Malaysians still do not have any form of insurance coverage (Murugiah, 2021). Accordingly, the main objective of this study is to identify the factors that influence consumer demand for life insurance.

1.3 Research Objectives

1. To determine how perception of life insurance benefits will influence life insurance demand.
2. To determine how risk perception will influence life insurance demand.
3. To determine how subjective norms will influence life insurance demand.
4. To determine how financial literacy will influence life insurance demand.

1.4 Research Questions

1. How does perception of life insurance benefits influence life insurance demand?
2. How does risk perception influence life insurance demand?
3. How does subjective norms influence life insurance demand?
4. How does financial literacy influence life insurance demand?

1.5 Significant of Study

The study's finding will contribute to the existing literature and provide key policy prescriptions for practitioners and policy makers such as Bank Negara Malaysia (Central Bank of Malaysia), Malaysian Insurance Institute (MII), Life Insurance

Association of Malaysia (LIAM), insurance companies and agents, and academic institutions that provide insurance courses in implementing their strategies to raise penetration rate of life insurance in developing countries.

The government can first understand the current situation by referring to this study and then identify and consider better various policies for Malaysians to support the insurance industry in developing country during the pandemic. Besides, this study could provide a better understanding of the insurance needs of Malaysian citizens and the trends in insurance needs in Malaysia during the pandemic. It will assist the insurance industry innovative new products and services to protect individuals, families, communities and businesses from potential risks.

Furthermore, this study shall provide the insurance interest analyst to improve the efficiency of the product between both insurers and consumers, and then reach a balance between each other. Also, the insurance agents could provide the best financial planning solutions to meet the needs of their clients to prevent mis-selling of insurance leading to a decline in consumers' confidence and trust in insurance.

Last but not least, this study could benefit academics and educators by providing them with comprehensive information and vast understanding about the intentions of influencing buyers in related aspects. As there have been few research publications in the subject of insurance in the past, this study is committed to future research, particularly on the behaviour of life insurance purchases during infectious diseases. As a result, they may derivative it and publish more papers on the related topics and benefit the crowd.

1.6 Conclusion

The study's background has been properly explained and illustrated in this chapter. The problem statement, the research objectives and questions, and the significance of the study have been discussed in the study overview. The remainder of this paper is arranged in the following order. Chapter 2 presents the literature review. It

reviews past researchers who have been using empirical studies to conduct work related to the topic of this project. Chapter 3 describes the research methodology. It provides details on how the study evaluation was conducted, as well as an overview of the research methods used. The results of the empirical study and hypothesis testing are presented in Chapter 4. In Chapter 5, conclusions are drawn by summarizing and discussing the main findings, research limitations and implications, and recommendations for future work.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter discusses a comprehensive review of the relevant theoretical models. Then, the correlation between life insurance demand and each independent variable will be reviewed from previous literature. Finally, a conceptual framework is provided around the objectives and questions of the study.

2.1 Underlying Theory

2.1.1 Theory of Reasoned Action

Several studies have been undertaken to study insurance purchasing decisions using the theory of reasoned action (TRA). Hastings and Fletcher (1983) were among the first to apply the model of Fishbein and Ajzen (1975), which contends that life insurance purchases may be predicted by behavioural intentions, to assess the TRA model's relevance in the insurance field. Since intention influences an individual's actual behaviour, it seems acceptable to use TRA to investigate a customer's intention to purchase life insurance. Thus, behavioural attitudes and social factors, as well as subjective norms, might explain this behavioural purpose.

According to the TRA, attitude and subjective norms all influence intention. Attitude refers to a person's perception about a particular behaviour, which can have a positive or bad impact on their lives. Subjective norms analyse societal forces to do or refrain from performing a specific behaviour. Thus, the TRA explains the psychological control process that occurs while purchasing insurance, in which demand for life insurance is motivated by

attitudes toward the pursuit of subjective norms. In other words, the clearer the consumer's understanding of the insurance product, the more positive the consumer's attitude, the stronger the motivation to purchase, and the clearer the purchaser's intention to buy life insurance.

Previous study has discovered that people's perceptions about products and services are influenced by their various attributes and benefits. In other words, people's attitudes about a product or service are influenced by the benefits they perceive from it (Gautam & Kumar, 2012). In the case of life insurance, a positive view of life insurance is predicted to increase the desire to obtain life insurance (Litterer, 1965 as cited in Lim et al., 2020), since in order to make the appropriate decision, especially during the pandemic, when incomes are decreases, consumers must consider whether life insurance is valuable or not.

Meanwhile, in the TRA model, the findings of Ajzen (1991), Quintal et al. (2010), and Sandra et al. (2020) reveal that risk perceptions influence behavioural intentions. According to Slovic et al. (1977), the decision-making process for insurance needs is premised on the fact that if individuals believe that there is a potential problem or believe that the probability of an event occurring is low, they may not take the necessary steps to mitigate potential losses. Therefore, individuals will not purchase life insurance if they believe that the COVID-19 risk does not cause them a large loss.

Subjective norms are individuals' perceptions of the most important people in their lives, such as family, close friends, and co-workers, who think they should or should not act in a specific manner (Fishbein & Ajzen, 1975). Family members, friends, and co-workers may be regarded as the reference group that will impact customers' purchasing decisions. A consumer will strive to fit in with the group norm as a member of the group. If the reference group feels or thinks positively about purchasing life insurance, consumers will feel inspired to follow and are more likely to intend to do so. Hence,

during the pandemic, if people around consumers think that consumers should buy life insurance, consumers will be influenced to buy life insurance.

Furthermore, Ajzen (2008) also mentioned that, in addition to the initial TRA variables, the TRA is open to the insertion of additional predictors, but that predictors must fulfil extra requirements. Predictors should be behaviour-specific, conceptually independent of existing predictors of TRA, and potentially causative elements for the behavioural intention or actual behaviour being measured. Based on Huston (2010), financial literacy examines particular financial knowledge, which is different from what was initially assessed by the TRA factor. As a result, financial literacy fits all the criteria and may be included as a predictor. With respect to life insurance, people with greater financial literacy can better understand how life insurance works and how it operates, and thus may be willing to buy life insurance during the pandemic.

Therefore, the focus of this study is to examine the determinants that influence the demand for life insurance during the pandemic period. TRA will assist in the research of those behavioural factors that influence individuals' buying decisions in Malaysia, with the belief that individuals would have different purchase behaviours depending on the different behavioural factors. Thus, the key advantage of using TRA is gaining a deeper understanding of the factors that drive the demand for life insurance.

2.2 Review of Variables

2.2.1 Dependant variable: Life insurance demand

Life insurance is a contract between the insured and insurer represented by a policy (Kagan, 2021). Individuals purchased life insurance as a backup plan due to the uncertainty of psychology and concern for themselves or

their family members if any emergency event occurred unexpectedly (Jahan & Sabbir, 2018). According to a research from Kenya, life insurance provides a sense of security and peace of mind in uncertainty to its consumers (Haushofer et al., 2017). An insured would purchase life insurance purposely to ensure their family members can receive an income source to maintain their living standard after his disability or death (Beck & Webb, 2003; Mahdzan & Victorian, 2013). For example, the insured does not need to worry about their children's education as well as income sources after an unexpected incident happened.

Traditionally, life insurance is purchased so that the beneficiary receives a specific amount of money to cover the deceased's burial expenses. However, the importance of life insurance has expanded in recent years (Mahdzan & Victorian, 2013). Life insurance also functions for the insured to accumulate their wealth in a contractual and disciplined way for a long-term duration (Beck & Webb, 2003). According to Lee (2021), an individual should take life insurance as a holistic financial planning strategy. The solution and premium required for life insurance will change according to individuals' life stages and their financial situation (Lee, 2021). For instance, the life insurance structure of an individual who has children and is unmarried is different.

Many factors may affect the decision of an individual to purchase life insurance. For example, the current interest rate, inflation rate, or any economic factors will become an affecting factor for purchasing decisions (Elango & Jones, 2011; Lim & Haberman, 2003; Sawadogo et al., 2018). Additionally, individual and demographic factors and behavioural biases will also affect the consumer demand for insurance (Outreville, 2014; Shahriari & Shahriari, 2016). This study tends to highlight the influence of financial literacy, subjective norms, perception of life insurance benefits, and risk perception on the demand for life insurance among Malaysians during the Covid-19 pandemic.

2.2.2 Independent variable: Perception of life insurance benefits

The purpose of life insurance is to protect the dependents of the family from financial hardship in the event of the death of the primary earner, such as covering long-term expenditures (Loon et al., 2019). Based on Sommers et al. (2017), the accumulated cash value of life insurance policies can be accessed for emergencies. Thus, life insurance companies must raise consumer's knowledge of life insurance advantages through unique products in order to meet family's financial emergencies from unforeseen risks and uncertainties in the present Covid-19 pandemic outbreak (Tanti et al., 2021).

According to Jervis (2017), individual's purchasing actions are thought to be motivated by their personal perceptions. As life insurance policies provide intangible advantages at the time of sale, consumers must be motivated and persuaded to grasp the benefits of life insurance during the Covid-19 pandemic (Low et al., 2021). Besides, the demand for life insurance might be increased as positive reviews on their benefits increased (Widyanto & Saleh, 2018). The finding is in line with Alhassan and Biekpe (2016), who found that the perception of life insurance advantages has a considerable beneficial impact on life insurance consumption. The findings revealed that consumer's perceptions of life insurance benefits have a considerable impact on its demand.

Moreover, consumer's perception refers to the process by which consumers organize, analyse, and construct meaning to particular stimulus. Individual perceptions formed in response to similar stimuli would change their perception on life insurance benefits (Sendow, Mangantar & Gunawan, 2022). A favourable association between consumer perceptions of life insurance benefits and demand for life insurance was confirmed by the study of Dodamgoda and Canagasabey (2019). In addition, the consumer's perception of life insurance advantages influenced by other factors has a

positive relationship with demand for life insurance (Reddy & Jahangir, 2015). Also, the perceived benefits of life insurance involve trustworthiness, responsiveness, assurance, concreteness, and innovation (Meesala & Paul, 2018). The study showed a direct and significant consequence between perception of life insurance and consumer satisfaction, hence affecting the life insurance demand in Malaysia. Other studies in the past have also proven that consumer perceptions of life insurance benefits have a significant positive impact on Malaysia's demand for life insurance (Loon et al., 2019; Sarkodie & Yusif, 2015).

The psychological propensity of assessing an item with some degree of favour or disfavour is denoted as attitude and perception. The perception of insurance benefits has found a positive relationship with the attitudes toward the demand for insurance products (Aziz et al., 2019). According to the study of Mamun et al. (2021), both attitude and perception on life insurance benefits have a significant impact on life insurance demand intention. Furthermore, a past study has shown a significant relationship between the perception of life insurance benefits and the demand for life insurance (Omar, 2007). The author explained that consumers consider life insurance to be a guarantee of benefits such as maintaining dependents' level of living in the case of their passing, financial protection in the event of disability, and other benefits. Additionally, the success of the life insurance business is significantly influenced by how well the life insurance product contributes to client satisfaction (Nekmahmud et al., 2017).

Furthermore, perceived benefits stand for the degree to which people believe that enhancing a specific utility will influence their attitude toward acquiring insurance (Dzulkipli et al., 2017). According to Berkman et al. (2011), perceived usefulness of insurance had a significant impact on attitudes regarding the willingness to demand insurance products. The study by Liaw and Huang (2013) also claimed that the perceived benefits of insurance are critical in influencing a person's attitude and behaviour in terms of purchase intentions. Other than that, the past study has revealed that the more the perceived benefit of insurance products, the greater the

desire to demand it (Tennyson, 2011). As a result, insurance companies should consider the perceived value in order to attract more demand on life insurance products.

2.2.3 Independent variable: Risk perception

Risk perception refers to how people perceive and feel about the threats they face, which is an important aspect of protective behaviour (Renner et al., 2015). Many health behaviours change theories include risk perception, or an individual's perceived sensitivity to risks (Ferrer & Klein, 2015). Risk perception study is critical because of the implications for risk exposure, risk communication, and risk management (Siegrist & Árvai, 2020). As a result of the increased risk awareness among customers, the pandemic may at the very least create the groundwork for a revival in life insurance sales (Battersby, 2021). Therefore, higher risk perception will affect the higher life insurance demand.

According to Werner (2016), the risk perception positively correlates with life insurance. From this research, it also stated that the high-risk perception, the high demand of life insurance. They attempt to get health or life insurance for protection in order to lower the danger of losing their wealth due to an accident, and maybe to lessen risks such as disease by paying medical expenses (Loon et al., 2019; Mishra, 2018). Similarly, Nam and Hanna (2019) also confirmed that the risk perception is correlated with the need of life insurance. Furthermore, a number of previous research have revealed that those with high sense of risk tend to purchase life insurance (Eling & Hanewald, 2021; Lim et al., 2020). Other than that, a study conducted by Eling and Ghavibazoo (2019) has indicated that the low life insurance demand is due to the low-risk perception. The finding was in line with Chung (2020) showed that there is a strong positive relationship between risk perception and the life insurance demand. This positive

relationship suggests that any rise in risk perception leads to an increase in life insurance demand and vice versa.

Moreover, Song et al. (2019) discovered that risk perception and life insurance have a positive relationship. As stated by the authors, the influence of an individual's risk perception on life insurance demand has received a lot of attention. Since they have a higher risk perception, they would rather buy more life insurance. This is due to the possibility that having more life insurance may reduce the stress associated with an early death. Furthermore, Zeng et al. (2015) also indicated that a positive correlation between risk perception and life insurance. The author interprets this result as due to the situation of high risk, where individuals tend to buy insurance to decrease the risk. Meanwhile, Mai et al. (2020) revealed that the life insurance demand will impact by risk perceptions positively. They indicate that individuals with high-risk perceptions will tend to purchase more insurance. In addition, Boyer et al. (2019) reach the same conclusion that risk perception significantly affects the demand for life insurance. The authors explain that individuals with low-risk perceptions will purchase less life insurance.

However, Huber and Schlager (2011) found a negative relationship between risk perception and behaviour related to buying life insurance in Switzerland. The authors explain that this may be due to the buying life insurance being seen as a loss. The individual will be concerned about the long premium payment period for life insurance and the uncertainty about when the benefits from life insurance will be paid. Therefore, consumers will not purchase life insurance when the likelihood of financial loss from having life insurance is perceived to be high. According to Boyer et al. (2017), Canada’s respondents are aware of the dangers, but the demand for life insurance remains low. According to the author, it is due to risk misperceptions, a lack of bequest motivation, and house ownership, which may serve as a replacement.

2.2.4 Independent variable: Subjective norms

The subjective norms are referred to as the perceived social pressure to do or not to do the behaviour (Hsu et al., 2017). Past research has shown that friends, family, employers, instructors, professional colleagues, consultants, agents, and the media have all been identified as potential sources of social influence (Anastasia & Santoso, 2020; Gultom, 2020). In light of the TRA, subjective norms are a predictor that can influence a consumer's behavioural intention to buy life insurance. Lerner et al. (2015) argued that if an individual has a strong affection for a person, they would be willing to buy more insurance for that person. Another study from Nomi and Sabbir (2020), revealed that subjective norms have a direct positive association with intention to obtain life insurance and have a significant impact on it. The authors further explained that the primary motivation for purchasing life insurance is to protect family members.

Besides, Bhatia et al. (2021) investigated the impact of recommendations from friends and family on the consumer's choice to acquire life insurance. The study discovered that word of mouth had a direct and significant positive impact on their decision to insure. Meanwhile, Mamun et al. (2021) found that subjective norms play a key role in shaping working Malaysians' propensity to purchase insurance. This suggests that consumers' purchasing decisions for insurance products and services are influenced by the people they consider important. Similarly, Lin et al. (2017) discovered information from financial advisors, media, relatives, family members, and friends had a positive influence on people's decisions to get life insurance. Other than that, the study of Stolper and Walter (2017) found that financial advisors, formal or informal sources of information, which including advertisements from financial institutions, and discussions with family and friends were positively related to the need for life insurance.

Most early studies as well as current work has indicated a significant and positive relationship between subjective norms and the demand for life

insurance (Ackah & Owusu, 2012; Cai et al., 2011; Tan et al., 2020; Masud et al., 2021). These outcomes are also in line with Nasir et al. (2021), social norms were found to be the main predictor of obtaining life insurance and takaful. This finding suggests that encouragement from the environment induces people to purchase life insurance and takaful. Furthermore, according to Low et al. (2021) and Sarkodie and Yusif (2015), most people are more likely to obtain insurance if their significant others refer and recommend them to an insurance agent. Moreover, a past study has proven that agents are a good source to improve individuals' product knowledge of insurance goods which would increase the demand for various insurance products (Brahmana et al., 2018). Also, Lim et al. (2020) revealed that social influences such as family members, friends and the Internet have a significant impact on people's perceptions of life insurance.

However, based on the study conducted by Ranong et al. (2019) in Thailand, subjective norms were found to have no impact on the purchase decision. The authors explained that purchasing life insurance is an important step. Consumers can listen to others, but ultimately, they must make their own decisions. Furthermore, the findings of the study by Krajaechun and Praditbatuga (2019) in Thailand also showed that the correlation between subjective norms and insurance purchasing behaviour is extremely low. The authors suggest that this may be due to purchase life insurance is a personal expense and people may not seek advice from others on this issue. Moreover, according to Mai et al. (2020), the effect of subjective norms on the demand for life insurance was insignificant in Vietnam, and the authors interpreted this result to mean that life insurance products are personal financial services products, which are not like tangible and information products. Therefore, the influence of other people's opinions does not affect much.

2.2.5 Independent variable: Financial literacy

Financial literacy refers to the ability of using knowledge and skills in managing financial resources effectively (Remund, 2010). Nomi and Sabbir (2020) mentioned that financial literacy is critical to making healthy financial decisions. Financial literacy will help individuals who intend to buy life insurance to make their decision, as well as the insurance companies in promoting and selling their life insurance products (Lin et al. 2017; Tóth et al., 2021). According to Mahdzan and Tabiani (2013), financial literacy is one of the most important elements that affect the need for life insurance. From the previous studies, Mai et al. (2020) mentioned that there is a positive relationship between financial literacy and demand for life insurance. The authors explained that higher financial literacy will promote the desire to purchase life insurance.

Besides, the empirical finding from Lin et al. (2017) stated that high financial literacy will lead to higher demand for life insurance. Meanwhile, Lim et al. (2020) has indicated that the higher financial literacy will result in their ability to more understand and appreciate the importance of life insurance. Moreover, financial literacy has been found to have a positive correlation with the demand for life insurance (Djoni & Rahardjo, 2021). Other than that, a study has also shown that higher financial literacy will enhance the awareness of life insurance benefits (Zerriaa et al., 2017). Furthermore, past research has revealed that financial literacy is significant to the demand for life insurance (Laing et al., 2016; Lim et al., 2020; Wang et al., 2020). Apart from that, Hassan (2022) mentioned that people with higher financial literacy will be more likely to buy life insurance because life insurance is an investment product to deal with financial catastrophe after the death of the breadwinner.

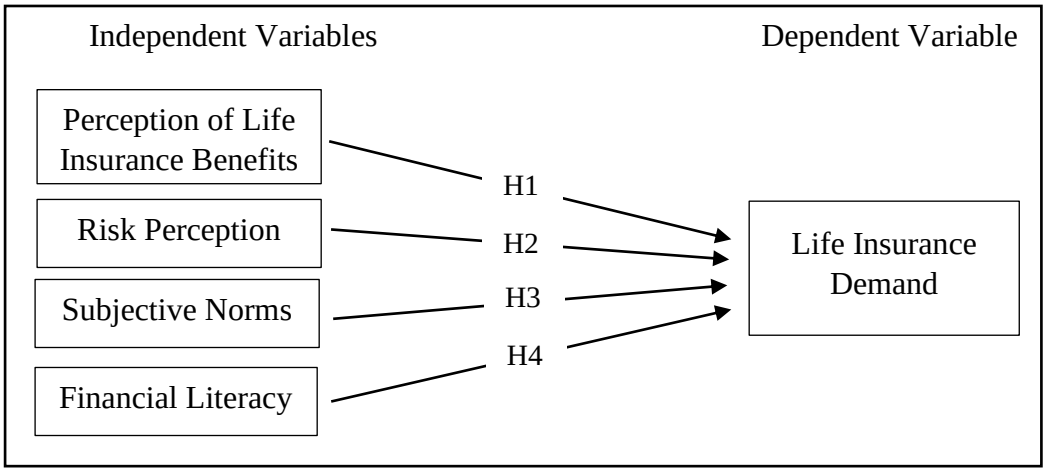
Moreover, a study in the United States shows that adults with high financial literacy are more willing to purchase life insurance (Allgood & Walstad, 2016). Besides, He (2020) studies the participation of life insurance in Chinese families worldwide. The author concluded that financial literacy would affect the willingness of purchasing life insurance. Other than that, Hagos et al. (2019) get the result of financial literacy will affect the intention

of purchasing life insurance after collecting the data from 373 households. Furthermore, according to the data from 315 respondents, financial literacy and the demand for life insurance have positive relationships in Bangladesh (Nomi & Sabbir, 2020). Apart from that, a study by Zakaria et al. (2016) among the staff of public universities in Malaysia shows that financial literacy will affect the willingness of purchasing life insurance. The authors mentioned that higher financial literacy will increase the awareness of the importance of being insured and this will lead to the intention to buy life insurance.

However, some early studies have shown that the results of financial literacy are insignificant to the demand for life insurance. Based on the literature review, a study shows that financial literacy has no impact on life insurance demand (Low et al., 2021). According to Mahdzan and Victorian (2013), they found that financial literacy is insignificant to the demand for life insurance. This is due to the fact that individuals could be sensitive to insecurities in life and then demand for life insurance regardless of whether the individuals have financial literacy or not. Therefore, financial literacy will not affect the intention of purchasing life insurance.

2.3 Proposed Conceptual Framework

Figure 2.1: Proposed Research Framework



Source: Developed for the research.

2.4 Development of Hypothesis

H1: Perception of life insurance benefits has a significantly positive effect on the demand of life insurance.
H2: Risk perception has a significantly positive effect on the demand of life insurance.
H3: Subjective norms has a significantly positive effect on the demand of life insurance.
H4: Financial literacy has a significantly positive effect on the demand of life insurance.

2.5 Conclusion

For a clear image and understanding of the research, the information discussed in Chapter 2 are essential. This chapter clearly defines the relationship between the dependent and independent variables. The appropriate research methodology is described in the next chapter.

CHAPTER 3: METHODOLOGY

3.0 Introduction

This chapter will detail the research design, sampling design, data collection methods, and proposed data analysis tools. The aim of this chapter is to generate the methodology being used and to test the hypotheses developed in Chapter 2.

3.1 Research Design

A research design is the framework for organizing and conducting a specific study. It includes procedures for collecting, analyzing, interpreting, and presenting the findings of a research project (Sileyew, 2019). This study's main objective was to identify the variables that influenced the Malaysians' demand for life insurance during the Covid-19 pandemic. Therefore, the descriptive research design is more appropriate for this research. This is because the descriptive research could demonstrate a clear phenomenon of the behavioural factors of life insurance products purchased by Malaysians.

In this study, quantitative methods were used to collect quantifiable data and to study the phenomenon. Quantitative research generates objective data that can be communicated clearly using statistics and figures (Williams, 2021). To explore the relationship between variables, the study was conducted through an online survey in which respondents were asked to complete a questionnaire.

3.2 Sampling Design

A sample design is a method of getting a sample from a given population. It refers to the researcher's approach or procedure for selecting sample items (Wills, Roecker

& D'Avello, 2020). A proper sampling framework is important to researchers because it allows researchers to reduce research and development costs, conduct research more efficiently, have greater flexibility, and provide greater accuracy.

3.2.1 Target Population

The target population can theoretically be called the definition of the population and the population that can be counted. Target population is defined as the total set of elements or objects that contain the information sought by the researcher and from which inferences are to be drawn (Banerjee & Chaudhury, 2010). The purpose of this study is to investigate the factors that influence the demand for life insurance in the Malaysian market. Therefore, the target population of this study will be Malaysian who are at least 18 years old with no gender restrictions, and there are approximately 25 million people in Malaysia who meet this requirement (Department of Statistics Malaysia, 2021).

3.2.2 Sampling Frame and Sampling Location

A sample frame is a list of all the things in your population. It is a comprehensive list of everyone or anything you wish to know about (Turner, 2003). Due to the large target population in Malaysia, non-probability sampling was used in this study, so the sampling frame was not applicable. Besides, the sampling location is the place chosen to collect the data (Taherdoost, 2016). Since the target population of this study was Malaysians who are at least 18 years old, the sampling location was within Malaysia.

3.2.3 Sampling Elements

A sampling element is a basic unit containing an element or group of elements of the population to be sampled. The targeted respondents were Malaysian and must be at least 18 years old, as this age group is an active workforce (Weedige et al., 2019), and had sufficient knowledge to make decisions and have purchasing power (Quoquab, 2017). These respondents also have different qualifications and income levels. Different types of people have different personalities and perspectives. Therefore, researchers may be able to assess a more correct and generalized result.

3.2.4 Sampling Technique

Sampling techniques are divided into two categories, namely probability sampling and non-probability sampling (McCombes, 2022). Probability sampling refers to the people in the targeted population who will have a specifiable chance of being selected for representing their population. Conversely, the approach of non-probability sampling will not give a specifiable chance of being selected for the people in the targeted population.

The sample technique used in this study was non-probability sampling. In this case, each individual does not have an equal probability of being part of the sample population, and these parameters are known only after the sample has been selected. Besides, snowball sampling is one of the types of non-probability sampling and it was chosen in this study. Snowball sampling is as known as chain referral and reputation sampling (McCombes, 2022). This sampling method is used to spread and refer the questionnaire to potential respondents by the people who have received the questionnaire and eligibility to respond to it. This non-probability sampling method was often used to collect feedback when time and money were limited.

3.2.5 Sampling Size

The number of individuals or observations included in a study is referred to as the sample size (Taherdoost, 2017). A sample size can be defined as a group of participants selected from the general population and considered to be representative of the real population in that particular study. From Table 3.1 it can be seen that, the sample size is determined by the given population. Based on the Department of Statistics Malaysia (2021), there are around 25 million people over the age of 18 in Malaysia. According to Table 3.1, the distribution of 384 questionnaires is sufficient. Therefore, in this study, 384 respondents were our sample size and a total of 480 questionnaires were distributed to avoid incomplete data or ambiguous data.

Table 3.1: Determining Sample Size

N	*S*	*N*	*S*	*N*	*S*
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size.
S is sample size.

Source: Krejcie, R. V., & Morgan, D. W. (1970)

3.3 Data Collection Method

Data collection is a method for gathering information, measuring and analyzing accurate data from all relevant sources to answer the research question, test the hypothesis, and examine the outcomes of the results obtained (Simplilearn, 2022). Every study relies heavily on data collection. Inadequate data collection can have an impact on a study, leading to incorrect findings and results.

3.3.1 Primary data

Data collected from first-hand experience is called primary data. Primary data can be collected by a variety of methods such as interviews, surveys, questionnaires, experiments, observations, and so on (Ajayi, 2017). A questionnaire will be used to collect data for this study. Because we will be collecting data from a large number of respondents in this study, questionnaires will be used as the measurement tool. Questionnaires are faster, less costly, and more efficient than collecting data face-to-face or by phone. Therefore, due to time constraints, questionnaires can save a lot of time and collect information from respondents faster than other methods.

3.3.2 Questionnaire Survey

A self-administered questionnaire was used to obtain data for this study. The survey was done through a questionnaire because it is a well-known method to obtain valid, accurate and valuable data from a large number of respondents. Closed-ended questions were used in the questionnaire. In this study, the questionnaire had three sections and included 35 questions. Part A contains respondents' personal data such as gender, marital status, age, educational qualifications, and income level. This part collected the demographic background of the respondents and consisted of multiple-choice questions selecting one of four or five options. Part B consisted of

24 questions related to the independent variables of the study (perception of life insurance benefits, risk perception, subjective norms, and financial literacy). Part C consisted of five questions related to the dependent variable (life insurance demand). For parts B and C, a five-point Likert scale was used ranging from 1 to 5, where 1 = strongly disagree and 5 = strongly agree.

The questionnaire for this study was completed by sending an email and using social media such as Facebook, WhatsApp, and so forth to the respondents with a link to a Google Forms. Hence, a large number of responses can be collected by using Google Forms since online questionnaires can reach people easily.

3.4 Research Instrument

3.4.1 Pilot Test

In this study, the draft questionnaire was piloted to assess its construct validity and reliability. The pilot test was used to determine whether respondents would provide predictable responses, to confirm the validity and reliability of the questionnaire, and to identify any flaws in the survey. A simple guideline for researchers based on Bujang et al. (2018) suggests that the sample size of the pilot test, especially for Cronbach alpha, should exceed 30. Therefore, to confirm the reliability of the questionnaire, 40 qualified respondents were selected for pilot testing.

3.5 Constructs Measurement

The four basic levels of measurement scales used to obtain data in the form of surveys and questionnaires are characterized as interval, nominal, ordinal, and ratio

(Frost, n.d.). Five-point Likert scales, ordinal scales, and nominal scales were used to create the questionnaires.

The first section of the questionnaire is about the respondents' demographic information, which might help identify between people who belong to the same group. In this section, a nominal scale (gender and marital status) and ordinal scale (age, educational qualifications, and income level) are used, and respondents have several options to choose from. The second and third sections allow for the identification of respondents' life insurance demand based on specific questionnaire items for independent variables, such as perceptions of life insurance benefits, risk perceptions, subjective norms, and financial knowledge, which are assigned by ordinal scale or Likert scale. In order to express the intensity of respondent's perceptions of the questions asked, a five-point Likert scale was chosen to answer those questions.

3.6 Data Processing

Before the acquired data can be analyzed, it must go through stages of data checking, editing, coding, cleaning, and identification of any specific or unusual data processing in order to get reliable information and results.

3.6.1 Data Checking

The purpose of the data check is to ensure that the data obtained is comprehensive and accurate (Seeda, 2020). Once all the responses have been collected, the entire questionnaire will be checked in detail. This is a precautionary measure to avoid any problems in the questionnaire and to take prompt remedial action as soon as practicable. Errors like misspellings and errors in question sequencing or logic can have an impact on the results of the study.

3.6.2 Data Editing

Data editing is described as the process of reviewing and adjusting the collected survey data. By correcting contradictory data using the methods described later in this paper, data editing helps develop rules to eliminate potential bias and ensure consistent estimates for clear analysis of the data set. The main goal of data editing is to improve the quality, correctness and adequacy of the data collected and to make it more appropriate for the reasons for which it was collected.

3.6.3 Data Coding

Data coding is the process of transforming acquired information or observations into meaningful, cohesive sets of categories (Linneberg & Korsgaard, 2019). Data coding is important for effective analysis because it allows the various responses to be condensed into a limited number of categories, including the critical information needed for analysis. In data coding, the researchers coded the data by assigning a numeric code to each of the respondent's responses, making the coded data simple to enter into the database and reducing the error rate. For example, Male was coded as 1, while Female was coded as 2. After coding was completed, the coded data were analyzed using the Statistical Package for Social Sciences (SPSS) software.

3.6.4 Data Cleaning

Data cleaning is the process of detecting and correcting errors and inconsistencies in a data set or database that are caused by corrupt or incorrectly entered data. Incomplete, incorrect, or irrelevant data is identified and replaced, modified, or deleted. Those questionnaires with

missing data were considered to be incorrect and should be removed after checking. This activity was undertaken to ensure that the results generated were reliable and valid for this study.

3.7 Data Analysis

The Statistical Package for Social Sciences (SPSS) will be used to analyze the respondents' data after processing and cleaning. The software will assist in the data management of this study and calculate statistics based on the data obtained from the surveys completed by the respondents. In addition, SPSS is less time consuming for beginners to operate than E-views. The software has two types of statistics, namely non-parametric statistics and parametric statistics (Pedamkar, n.d.). Parametric statistics include descriptive statistics and inferential statistics. Therefore, in this study, SPSS allowed the researchers to generate descriptive, scale, and inferential statistics.

3.7.1 Descriptive Analysis

According to Loeb et al. (2017), descriptive analysis is the transformation of raw data into an understandable and interpretable form. This analysis will rearrange, organize, and process the data to provide descriptive information. This study used descriptive analysis to show the distribution of demographic background information, such as gender, age, marital status, educational qualifications, and income level. In addition, it generates quantitative data analysis in the form of graphs, charts or tables by evaluating the collected questionnaires. Thus, all the data will be transformed into graphical, chart or tabular form and the researcher will be able to simply describe and interpret the data on the factors that influence the demand for life insurance.

3.7.2 Scale Measurement

3.7.2.1 Reliability Analysis

The quality of the measurement scales and the items that make up the scales can be studied using reliability analysis. Besides, the reliability analysis process can calculate a variety of frequently used measures of scale reliability, as well as information about the relationships between specific scale items. In addition, the reliability analysis able to determine whether the survey questions are related to one another. Hence, reliability will be assessed by using Cronbach's Alpha because it is the most commonly used type of reliability analysis.

Lee Cronbach developed Cronbach's alpha, also known as coefficient alpha, to measure reliability or internal consistency (Tavakol & Dennick, 2011). Reliability is sometimes referred to as "consistency". The Cronbach's alpha test was used to determine the reliability of a multi-question Likert scale survey. Thus, it will be used to measure how closely a set of test items are related to each other. If reliability test values less than 0.6 are considered poor, reliability test values in the range of 0.7 are considered acceptable reliability, reliability test values greater than 0.8 to 0.9 are considered satisfactory, and the closer the Cronbach's Alpha to 1, the greater the level of consistency.

Table 3.2: The Rule of Thumb of Cronbach

Cronbach's alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Source: Taber, K.S. (2018)

3.7.3 Inferential Analysis

3.7.3.1 Pearson Correlation Coefficient Analysis

Correlation Coefficient Analysis assesses the association, relationship, or correlation between two variables to determine if they are positively or negatively correlated, or if they are not correlated at all (Patrick et al., 2018). If a change in one variable affects a change in another variable, then they are said to be related. In measuring associations or relationships, correlation coefficients are used to indicate the degree of association or relationship between variables. In other words, the correlation measures how strongly two variables are related or correlated.

The correlation coefficient can be positive or negative, as well as high or low. The correlation coefficients range from -1 to +1, where -1 represents the absolute negative correlation coefficient and +1 represents the perfectly positive correlation coefficient, respectively, and 0 indicates no correlation, also known as a zero relationship (Obilor & Amadi, 2018). In addition, correlation coefficients less than 0.50, whether negative or positive, are regarded as low, those between 0.50 and 0.70 as moderate, and those larger than 0.70 as high. The table 3.3 shows the rules of thumb for Correlation Coefficient values.

Table 3.3: The Rule of Thumb of Correlation Coefficient

Correlation Coefficient	Interpretation
90 to 1.00	Very high correlation
.70 to .90	High correlation
.50 to .70	Moderate correlation
.30 to .50	Low correlation
.00 to .30	Negligible correlation

Source: Schober, P., Boer, C., & Schwarte, L. A. (2018)

3.7.3.2 Multiple Linear Regressions Analysis

Based on Bevans (2020), multiple linear regression (MLR) is a statistical approach for assessing the relationship between two or more independent variables and a dependent variable. Researchers can use MLR to assess how strongly two or more independent factors correlate with a dependent variable, as well as the value of the dependent variable for a given value of the independent variable.

Besides, R-squared measures the distribution of data points around the fitted regression line. It is also known as the coefficient of determination or, in the case of multiple regression, the multiple coefficients of determination (Frost, n.d.). In statistics, R-squares is used in MLR to demonstrate the percentage of life insurance demand that is accounted for by the explanatory variables. In addition, an R-squared value greater than 1 means that the difference between the observed and fitted values for the same data set is small. The R-squared is always between 0.00 and 1.00, the closer the R-squared value is to 1, the stronger the association (Frost, n.d.).

The following equation shows the MLR, which can be used to predict other variables:

$$Y = \beta_1 + \beta_1 X_1 + \beta_2 X_2 + \ldots\ldots + \beta_n X_n \quad (1)$$

In this study, we will use MLR to see whether four independent variables influence the demand for life insurance in Malaysia. Therefore, the MLR equation developed for the study will be:

$$LID = \beta_0 + \beta_1 PB + \beta_2 RP + \beta_3 SN + \beta_4 FL \quad (2)$$

Whereby,
LID = Life Insurance Demand *(Dependent Variable)*

PB = Perception of Life Insurance Benefits *(Independent Variable 1)*

RP = Risk Perception *(Independent Variable 2)*

SN = Subjective Norm *(Independent Variable 3)*

FL = Financial Literacy *(Independent Variable 4)*

3.8 Conclusion

In this study, the primary data were tested using SPSS software. Malaysian aged 18 years and above were the target respondents. The data analysis methods included descriptive, reliability, and inferential analysis. The collected questionnaire data were then examined, and results will be reported in Chapter 4.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

The study's findings are presented in this chapter. The questionnaire data enabled for several analyses with the SPSS software. This chapter will perform descriptive statistics, provide reliability tests, and show the findings of inferential analysis in order to accept or reject hypotheses.

4.1 Pilot Test

4.1.1 Reliability Test

Table 4.1: Reliability Analysis Result for Pilot Test

Variables	Cronbach's Alpha	No. of Items
Perception of Life Insurance Benefits	0.796	6
Risk Perception	0.774	6
Subjective Norms	0.885	6
Financial Literacy	0.846	6
Life Insurance Demand	0.889	6

Source: Developed for research

To confirm the reliability of the questionnaire, 40 qualified respondents were selected for pilot testing. According to Table 4.1, the results show that all variables are reliable because they show a Cronbach's Alpha above the threshold of $\alpha = 0.70$. Taber (2018) stated that the generally accepted rule of thumb is that the Cronbach's Alpha should be equal to or greater than 0.7 for such a scale to be regarded reliable for the study. Hence, the results all

meet the requirement, which means that each item in the questionnaire has good reliability and can be accepted to use for the target population.

4.2 Descriptive Analysis

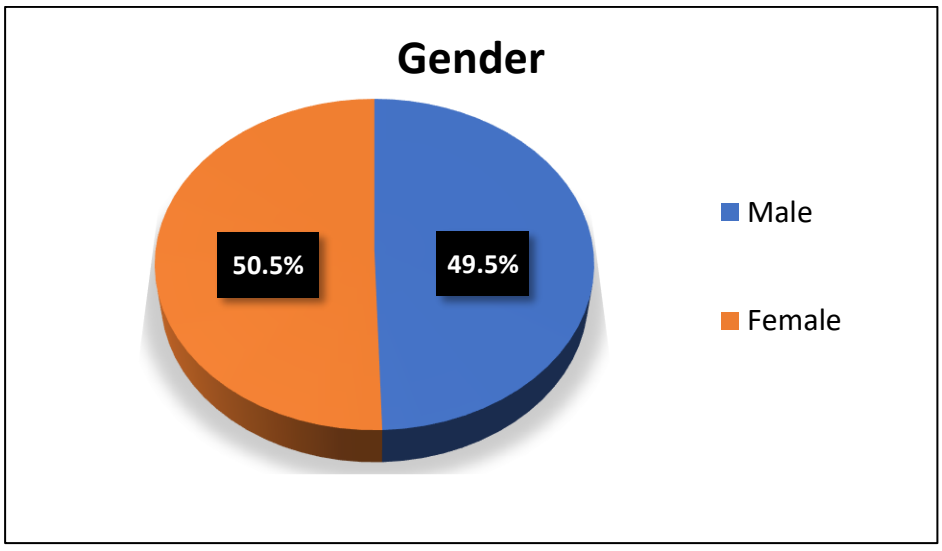
4.2.1 Gender

Table 4.2: Frequency Table for Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	190	49.5	49.5	49.5
	Female	194	50.5	50.5	100.0
	Total	384	100.0	100.0	

Source: Developed for research

Figure 4.1: Percentage of Respondents' Gender



Source: Developed for research

The survey findings on the distribution of respondents by gender are shown in Table 4.2 and Figure 4.1. The study's target respondents are all Malaysians. A total of 384 respondents participated in this survey. There are 194 female respondents participated, which took up more than half (50.5%)

of total respondent population. The remaining 49.5%, consists of 190 respondents participated are male respondents.

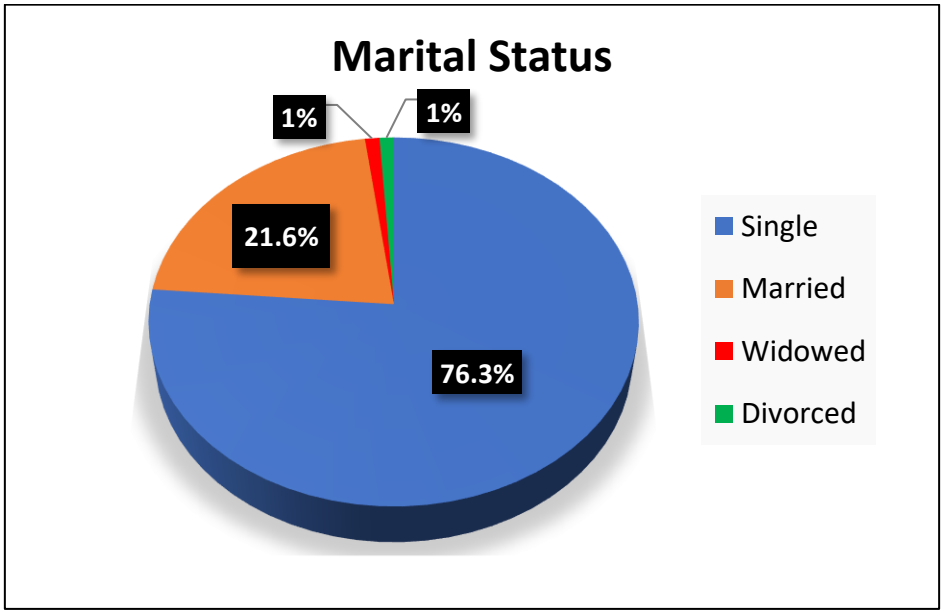
4.2.2 Marital Status

Table 4.3: Frequency Table for Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	293	76.3	76.3	76.3
	Married	83	21.6	21.6	97.9
	Widowed	4	1.0	1.0	99.0
	Divorced	4	1.0	1.0	100.0
	Total	384	100.0	100.0	

Source: Developed for research

Figure 4.2: Percentage of Respondents' Marital Status



Source: Developed for research

In Table 4.3 and Figure 4.2, the overall respondents' marital status is presented. Single group has the most respondents with 293 respondents, making up the largest response group (76.3%). Followed by the 83 married respondents which stand for 21.6% among all. The remaining are equally

distributed between the widowed and divorced groups, each of which has 4 respondents and contributes only 1% of the total respondents.

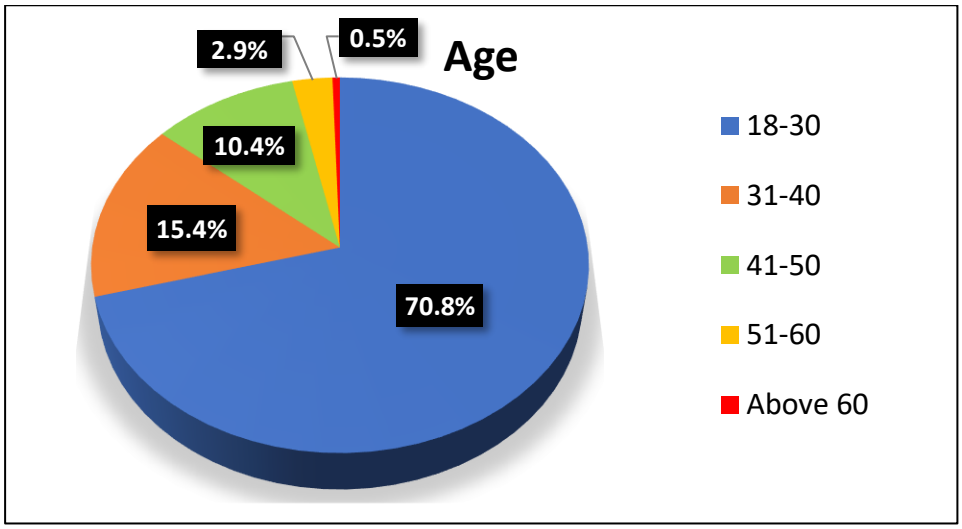
4.2.3 Age

Table 4.4: Frequency Table for Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 – 30	272	70.8	70.8	70.8
	31 – 40	59	15.4	15.4	86.2
	41 – 50	40	10.4	10.4	96.6
	51 – 60	11	2.9	2.9	99.5
	Above 60	2	.5	.5	100.0
	Total	384	100.0	100.0	

Source: Developed for research

Figure 4.3: Percentage of Respondents' Age



Source: Developed for research

The ratio for the respondents' age is showed in both Table 4.4 and Figure 4.3. The age range is divided into five age groups. Most respondents are between the ages of 18 to 30 which consists of 70.8% with 272 respondents. The age group of 31 to 40 with 59 respondents comprise 15.4% of the total and is slightly higher than the age group of 41 to 50 with 40 respondents at 10.4%. Moreover, the age group of 51 to 60 with 11 respondents contributes

2.9%. Lastly, there are only 2 respondents above the age of 60 received the lowest percentage of 0.5%.

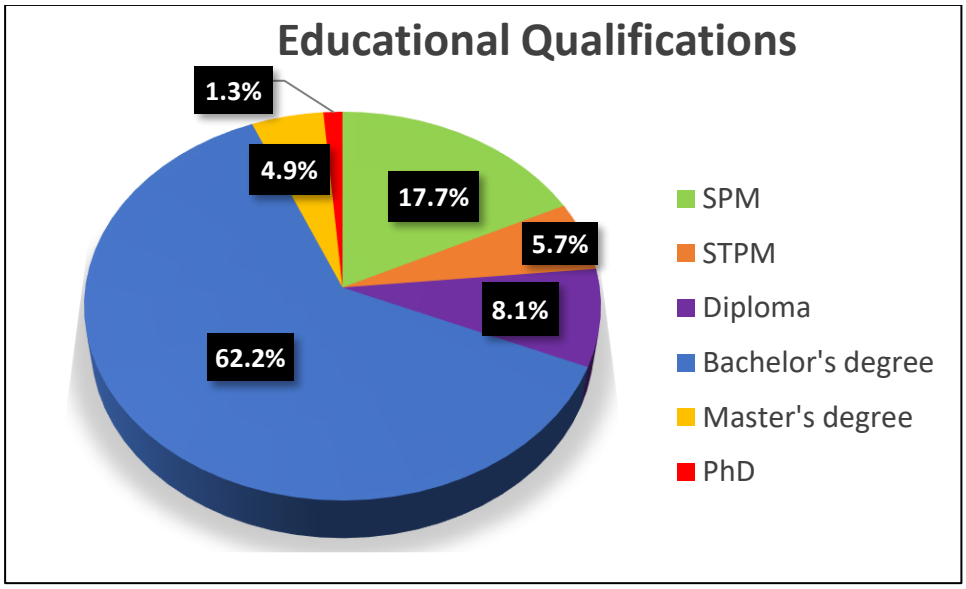
4.2.4 Educational Qualification

Table 4.5: Frequency Table for Educational Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM	68	17.7	17.7	17.7
	STPM	22	5.7	5.7	23.4
	Diploma	31	8.1	8.1	31.5
	Bachelor's degree	239	62.2	62.2	93.8
	Master's degree	19	4.9	4.9	98.7
	PhD	5	1.3	1.3	100.0
	Total	384	100.0	100.0	

Source: Developed for research

Figure 4.4: Percentage of Respondents' Educational Qualification



Source: Developed for research

The findings for the respondents' educational qualification are shown in Table 4.5 and Figure 4.4. This study looked at six levels of education qualification which are SPM, STPM, diploma, bachelor's degree, master's degree, and Doctor of Philosophy (PhD). The greatest percentage is 62.2% which refer to the 239 respondents who earned a bachelor's degree. The SPM completion rate, which included 68 respondents (17.7%) is the second-

highest group. While there were 31 respondents who finished their diploma, making up 8.1% of the overall education qualification. Followed by STPM of 22 respondents, master's degree of 19 respondents and Doctor of Philosophy (PhD) of 5 respondents, which occupied 5.7%, 4.9%, and 1.3% respectively.

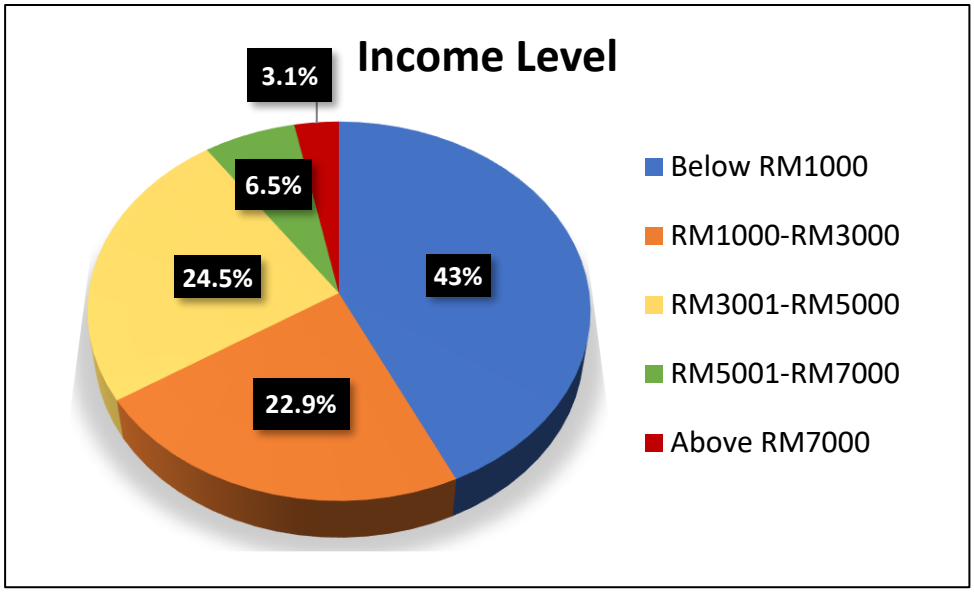
4.2.5 Income Level

Table 4.6: Frequency Table for Income Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below RM1,000	165	43.0	43.0	43.0
	RM1,000 – RM3,000	88	22.9	22.9	65.9
	RM3,001 – RM5,000	94	24.5	24.5	90.4
	RM5,001 – RM7,000	25	6.5	6.5	96.9
	Above RM7,000	12	3.1	3.1	100.0
	Total	384	100.0	100.0	

Source: Developed for research

Figure 4.5: Percentage of Respondents' Income Level



Source: Developed for research

The data of the income level of respondents are shown in Table 4.6 and Figure 4.5. A total of 165 respondents (43%) reported having a monthly

income of less than RM1,000. The income level between RM3,001 to RM5,000, was the second-highest range of respondents, which has 94 respondents and accounts for 24.5% of the total. Besides, there is 88 respondents, or 22.9% of the total, had income levels between RM1,000 and RM3,000. Lastly, there are 25 respondents (6.5%) earn between RM5,001 to RM7000, while only 3.1% of respondents make more than RM7,000.

4.3 Scale Measurement

4.3.1 Reliability Test

Table 4.7: Reliability Test

Variables	Cronbach's Alpha	No. of Items
Perception of Life Insurance Benefits	0.781	6
Risk Perception	0.793	6
Subjective Norms	0.854	6
Financial Literacy	0.837	6
Life Insurance Demand	0.828	6

Source: Developed for research

All the variables were regarded as highly reliable and consistent, as indicated in Table 4.7, with Cronbach's alpha values ranging from 0.70-0.90 for each variable. Among these variables, SN has the highest score (0.854) and is deemed to have good reliability. Next, is FL and LID with values of 0.837 and 0.828, respectively. In addition, RP has a Cronbach's alpha value of 0.793, while PB scored 0.781. Since all values exceed 0.7, this indicates that with a given sample size of 384 respondents, all items in the survey have a high internal consistency, and therefore the results generated could be trusted.

4.4 Inferential Analysis

4.4.1 Pearson Correlation Coefficient Analysis

Table 4.8: Pearson Coefficient Correlation

	PB	RP	SN	FL	LID
PB	1				
RP	.554**	1			
SN	.581**	.533**	1		
FL	.654**	.473**	.576**	1	
LID	.638**	.542**	.610**	.620**	1

**Correlation is significant at the 0.01 level (2-tailed).

Source: Developed for research

Table 4.8 shows the level of correlation between life insurance demand (LID) and the four independent variables (PB, RP, SN, and FL). According to Schober et al. (2018), states that the correlation coefficient values fall between ±0.5 and ±0.7, determining a moderate relationship. Thus, as shown in Table 4.8, the dependent and independent variables are therefore moderately positively correlated, with values ranging from 0.5 to 0.7.

Based on Table 4.8, PB has the highest and positive correlation with LID compared to other independent variables with a value of 0.638. Next, SN and FL are also positively correlated with LID, where the correlation coefficient values were 0.610 and 0.620, respectively. Lastly, RP and LID are also positively correlated; however, among the other independent variables, RP has the lowest correlation with LID with a value of 0.542.

Besides, the result shows that the p-value is below 0.01 significance level. This reveals a significant relationship between the dependent and independent variables. Overall, all independent variables (PB, RP, SN, and FL) had a significant relationship with the dependent variable (LID), since

their p-values were below the 0.01 alpha threshold. Therefore, H1, H2, H3, and H4 were accepted.

4.4.2 Multiple Linear Regression

Table 4.9: The Results of Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients			
Model	B	Std. Error	Beta	t	Sig.	Decision on Hypothesis
(Constant)	.730	.172		4.237	.000	
PB	.282	.057	.253	4.992	.000	Accept H1
RP	.152	.042	.160	3.642	.000	Accept H2
SN	.185	.036	.239	5.104	.000	Accept H3
FL	.217	.044	.241	4.969	.000	Accept H4

Dependent Variable: LID

R= 0.737; R-square= 0.543; P-value (Sig.) = < 0.01

Source: Developed for research

Table 4.9 shows that the model's R-square is 0.543, meaning that overall, the independent variables account for 54.3% of the total variation in LID, and the remaining 45.7% were contributed by other factors and could not be explained in this study. Moreover, the p-value of the model is very high, which smaller than the 0.01 significance level. Hence, four independent variables that are significant predictors of the demand for life insurance can be explained. As a result, it can be concluded that this model is a good fit for this study. Subsequently, a linear equation is formed:

$$LID = 0.730 + 0.282PB + 0.152RP + 0.185SN + 0.217FL$$

The above linear equation shows a positive relationship between each independent variables and the life insurance demand (LID).

PB and LID have a significant positive correlation. Based on the coefficient of PB, which is 0.282, the LID is estimated to increase by 28.2% when the

PB increases by 1. This outcome is consistent with numerous studies, which are Alhassan and Biekpe (2016), Dodamgoda and Canagasabey (2019), Loon et al. (2019), Widyanto and Saleh (2018). This is because life insurance provides guarantee of benefits such as preserving living standards for dependents in the event of death, financial protection in the event of disability, and other benefits, and therefore, consumers prefer to purchase life insurance with an increased number of benefits.

Besides, there is a significant positive correlation between RP and LID. The coefficient of RP is 0.152, which indicates that when RP increases by 1, the estimated LID will increase by 15.2%. This outcome is in line with Boyer et al. (2019), Chung (2020), Eling and Hanewald (2021), Lim et al. (2020), Nam and Hanna (2019), and Song et al. (2019), argued that consumers tend to purchase life insurance for protection in order to lower the danger of losing their wealth due to an accident, and maybe to lessen risks such as disease by paying medical expenses if they have higher risk perception.

Furthermore, the result shows a significant positive relationship between SN and LID. The coefficient of SN is 0.185, which can be explained by the fact that when SN increases by 1, the estimated LID will increase by 18.5%. This outcome is similar with Lim et al. (2020), Mamun et al. (2021), Masud et al. (2021), Nomi and Sabbir (2020), and Tan et al. (2020), indicated that encouragement from surrounding sources, such as financial advisors, family, peers, and friends, will go a long way in motivating people to purchase life insurance. In addition, some advertisement from financial institutions and the media will also increase the LID.

Lastly, FL and LID also show a significant positive relationship in this study. The coefficient of FL is 0.217, which indicates that when FL increases by 1, the estimated LID will increase by 21.7%. Djoni and Rahardjo (2021), Laing et al. (2016), Lim et al. (2020), Lin et al. (2017), and Wang et al. (2020) also support that FL has a significant positive effect on LID. This is due to higher financial literacy will result in consumers' ability to more understand and

appreciate the importance of life insurance, and therefore the LID will increase consequently.

4.5 Conclusion

In brief, this chapter present the results of each variable using SPSS software in in tabular form and pie charts. Afterwards, this chapter summarize a clear explanation of the data analysis for reviewers to understand. In the following chapter, the findings will be discussed further, and a summary of the entire study will be provided.

CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS

5.0 Introduction

This chapter provides a critical discussion of the finding, and the remaining parts are the implications of study, the limitations of this study and recommendations for future work, as well as the final conclusions of this study.

5.1 Discussion of Major Findings

The purpose of this research is to look into the factors that influence life insurance demand in the Malaysian market during the pandemic period. In this study, researchers focused on factors such as perception of life insurance benefits, risk perception, subjective norms, and financial literacy. According to the regression results, perceptions of life insurance benefits, risk perception, subjective norms, and financial literacy have a relative impact on the life insurance demand in Malaysia.

One of the major findings of this study is the life insurance demand and subjective norms have a strong correlation, as well as a significant positive relationship between these two variables with a beta coefficient of 0.185. This is perfectly in line with the reality of the Malaysian insurance market, where insurance contracts are passively purchased through the advice and persuasion of distribution channels such as agents or consultants, rather than buyers actively seeking products (Teng, 2021). The process of purchasing an insurance product is different from the process of purchasing a regular product because the terms and content of insurance are complex and confusing. Insurance products are designed for each individual and are not a commercial product. The buying process requires a certain level of knowledge, and the process must be supported by an intermediary, such as a financial advisor.

Besides, it is well known that Asian consumers place more emphasis on family values, while Westerners emphasize individual rights. As a result, Asians are more likely to purchase life insurance by getting advice from those around them to protect themselves and their loved ones from financial loss due to unforeseen events. This result is consistent with Nomi and Sabbir (2020), which suggests that the primary motivation for purchasing life insurance is to protect family members. Thus, the Asian cultural environment allows subjective norms to strongly contribute to the demand for life insurance in the event of a pandemic. Accordingly, when there are Malaysians who have the intention to purchase life insurance, adding one unit to the subjective norms will have a facilitative effect of 0.185 units to their actual purchase behaviour.

Moreover, risk perception and life insurance demand are also significantly and positively correlated in this study. This result may be due to the fact that a large proportion of the respondents who participated in this study were 18-30 years old. According to Dunsavage (2021), life insurance has attracted a lot of attention from young Malaysian consumers due to the pandemic. The growth in interest can be explained by the fact that young people are more likely to have minor children. In addition, if they die, there will be more outstanding mortgage debt to cover. Furthermore, the Malaysian government launched the Perlindungan Tenang Voucher (PTV) program in 2021, offering a RM50 voucher developed specifically to incentivize young people, young families and the B40 family group to purchase life insurance (Tan, 2021). This may lead Malaysians to purchase life insurance for themselves and their family as a kind of protection in these uncertain times, as they can use the vouchers to reduce their spending on purchasing life insurance. According to Linnerooth-Bayer et al. (2019), people are more willing to insure when the cost of purchasing insurance is, on average, lower than the expected loss to the consumer, and significantly lower than the expected loss during a pandemic. Accordingly, the increase in risk perception among Malaysians will be able to boost the demand for life insurance in Malaysia.

5.2 Implication of Study

Based on the study's findings, it may be useful to different parties. In order to achieve the government's target of having a 75% penetration rate of life insurance in Malaysia (Krishnan, 2020), the government will therefore be the first important party. Through this study, the government can understand the important variables that affect the life insurance demand in Malaysia during the pandemic period. According to the findings, financial literacy had a significant impact on Malaysia's demand for life insurance during the COVID-19 pandemic. This result implies that the government should improve the financial literacy of consumers, especially through financial education programs. The government could provide free educational programmes that inspire consumers to manage their resources wisely, as well as ways to invest and save. These programmes may encourage people to engage in certain forms of planning, such as life insurance planning. Additionally, the government may also encourage people to subscribe to a financial newsletter from a reliable source. It was created to help consumers advance their financial path by providing knowledgeable advice.

Besides, this study has found a positive relationship between risk perception and life insurance demand. In Malaysia, the government has a strong influence on raising public awareness of risk. On behalf of insurance companies, the government can actively promote the perceived risks and protections offered by life insurance to increase the consumers' risk perception. The government can inform and educate the public to reduce financial risks by having life insurance. For example, the government can increase the penetration of life insurance in Malaysia by hosting regular financial podcasts. Podcasts can be an excellent way for consumers to obtain financial news and thus increase awareness of life insurance.

Moreover, this study also confirms that both perceptions of life insurance benefits and subjective norms are positively correlated to the demand for life insurance. The results could give insurance companies an idea to implement training programmes for their staffs, particularly those in the sales division, to increase product and brand promotion in order to influence consumers' perceptions of life insurance product

benefits, a move that may benefit their customer outreach and capture a diverse range of those in need of life insurance. Furthermore, insurers should also ensure that their agents have the expertise to fully understand insurance policies and communicate accurate insurance policy information to consumers. In this regard, insurers can periodically review their agents for up-to-date knowledge of insurance policies and claimable benefits. Agents are a great source of increasing an individual's knowledge about life insurance products. When agents have the expertise and up-to-date insurance information, they can better influence and persuade consumers to purchase the most suitable type of insurance, thereby increasing consumer demand for life insurance products.

5.3 Limitations of The Study

Some limitations were identified while doing this study. The first limitation is that there are only four independent variables, which are perceptions of life insurance benefits, risk perception, subjective norms, and financial literacy, used in this study due to time constraints. These four independent variables may not examine all possible determinants of life insurance demand in Malaysia during the Covid-19 pandemic because the R^2 value in this study is only 0.543, which means that only 54.3% of the independent variables have an impact on the dependent variable. In other words, this study may have overlooked other important factors that could also have a significant impact on consumers' decisions to purchase life insurance during COVID-19. Hence, there is much room for improvement in research models.

Furthermore, the second limitation of this study is the unbalanced results of the demographic information, also known as sampling bias. The data for this study were collected using snowball sampling, which is a non-probability sampling technique. The main reason for selecting this method of data collection was due to the time constraints of this study, as non-probability sampling methods would be more time efficient. However, the limitation of snowball sampling is that it will lead to sampling bias because the sample respondents were not selected from the sampling frame. According to the result of descriptive analysis, the majority of respondents

were between 18 to 30 years old (70.8%) and generally have the educational qualification of bachelor's degree (62.2%). In addition to this, the majority of the responses received were single (76.3%). Life insurance is not just for the highly educated or the younger generation of consumers. Even single and married people can also have very different views of life insurance demand. Therefore, the results of this study are not representative of all citizens in Malaysia, and the sampling bias may lead to inaccurate results.

5.4 Recommendations for Future Research

The following are some recommendations that could be used to overcome the limitations of the study. Firstly, other suitable independent variables such as saving attitude, precautionary motives, and self-efficacy can be included in future studies to address the issue of factor constraint. If future researchers include other significant independent variables in their study to examine the demand for life insurance, and the dependent variable can be adequately explained by the newly added independent factors., they may achieve a higher R^2, which will reduce the proportion of remaining explanation, therefore better results can be obtained.

Besides, future researchers may try utilising other sampling methods to acquire data to overcome the problem of uneven results for demographic information. It is suggested that future researchers may decide to use probability sampling methods rather than non-probability sampling methods. This is due to the fact that probability sampling techniques have a greater degree of generalization to the population and equal chance of selection for every member of the population. In this study, researchers found that most respondents were from the younger generation, highly educated, and single, thus the results obtained may not reflect the view of the entire Malaysian population. Future researchers are therefore encouraged to ensure a balance of sampling elements when obtaining data, which must be collected equally from respondents with different demographic profile. Although the process of obtaining the sampling frame may be time consuming and costly, the data will make the results of the study more accurate and reliable.

Lastly, time constraints are always a major problem for researchers in this study. To deal with this issue, future researchers will need to make careful scheduling plans before beginning their research.

5.5 Conclusion

In summary, this chapter has discussed the major findings of the variables in the previous chapter. Additionally, the implications of this study for different aspects such as the government and insurance companies are also being discussed. Lastly, researchers also listed the limitations of this study and provided some suggestions to help future scholars conduct further research on the topic.

REFERENCES

Abdullah, N. I. (2012). Analysis of demand for family takaful and life insurance: A comparative study in Malaysia. *Journal of Islamic Economics, Banking and Finance, 8*(4), 67-86. https://ibtra.com/pdf/journal/v8_n4_article5.pdf

Ackah, C.G., & Owusu, A.Y. (2012). Assessing the knowledge of and attitude towards insurance in Ghana. https://paperzz.com/doc/8748715/assessing-the-knowledge-of-and-attitude-towards-insurance

Ajayi, V. O. (2017). Primary sources of data and secondary sources of data. *Quantitative Social Research*. http://dx.doi.org/10.13140/RG.2.2.24292.68481

Ajzen, I. (1991). The theory of planned behaviour. *Organizational Behaviour and Human Decision Processes, 50,* 179-211. https://doi.org/10.1016/0749-5978(91)90020-T

Ajzen, I. (2008). Consumer attitudes and behavior. *Handbook of Consumer Psychology,* 529-552. https://www.researchgate.net/publication/264000611_Consumer_attitudes_and_behavior

Alhassan, A. L., & Biekpe, N. (2016). Determinants of life insurance consumption in Africa. *Research in International Business and Finance, 37,* 17-27. https://doi.org/10.1016/j.ribaf.2015.10.016

Allgood, S., & Walstad, W. B. (2016). The effects of perceived and actual financial literacy on financial behaviors. *Economic inquiry, 54*(1), 675-697. https://doi.org/10.1111/ecin.12255

Ampaw, S., Nketiah-Amponsah, E., & Owoo, N. S. (2018). Gender perspective on life insurance demand in Ghana. *International Journal of Social Economics, 45*(12), 1631-1646. https://doi.org/10.1108/IJSE-03-2017-0120

Anastasia, N., & Santoso, S. (2020). Effects of subjective norms, perceived behavioural control, perceived risk, and perceived usefulness towards intention to use credit cards in Surabaya, Indonesia. *SHS Web of Conferences*, *76*(3). https://doi.org/10.1051/shsconf/20207601032

Aziz, S., Husin, M. M., Hussin, N., & Afaq, Z. (2019). Factors that influence individuals' intentions to purchase family takaful mediating role of perceived trust. *Asia Pacific Journal of Marketing and Logistics*. https://doi.org/10.1108/APJML-12-2017-0311

Banerjee, A., & Chaudhury, S. (2010). Statistics without tears: Populations and samples. *Industrial psychiatry journal, 19*(1), 60-65. https://doi.org/10.4103/0972-6748.77642

Bank Negara Malaysia. (n.d.). *Chapter four: Insurance sector*. https://alumni.bnm.gov.my/documents/20124/1069429/fsmp_en_ch04.pdf

Battersby, M. (2021). Risk perception and life insurance sales: Lessons from Covid-19. *Society of Actuaries*. https://www.soa.org/sections/marketing-distribution/marketing-distribution-newsletter/2021/may/nd-2021-05-battersby/

Beck, T., & Webb, I. (2003). Economic, demographic, and institutional determinants of life insurance consumption across countries. *World Bank Economic Review, 17(1),* 51-88. https://openknowledge.worldbank.org/handle/10986/17169

Berkman, N. D., Sheridan, S. L., Donahue, K. E., Halpern, D. J., & Crotty, K. (2011). Low health literacy and health outcomes: an updated systematic

review. *Annals of internal medicine*, *155*(2), 97-107. https://doi.org/10.7326/0003-4819-155-2-201107190-00005

Bernama. (2020). Road accidents fall by 70 percent during MCO. *Malaysiakini*. https://www.malaysiakini.com/news/521491

Bernama. (2022). DITO Licence Framework to spur growth of insurtech sector - Deloitte. *Bernama.com*. https://web15.bernama.com/en/news.php?id=2057928

Bevans, R. (2020). Multiple linear regression | a quick and simple guide. *Scribbr*. https://www.scribbr.com/statistics/multiple-linear-regression/

Bhatia, R., Bhat, A. K., & Tikoria, J. (2021). Life insurance purchase behaviour: A systematic review and directions for future research. *International Journal of Consumer Studies, 45*(6), 1149-1175. https://doi.org/10.1111/ijcs.12681

Boyer, M., Donder, P., Fluet, C., Leroux, M. L., & Michaud, P. C. (2017). Long-term care insurance: Knowledge barriers, risk perception and adverse selection. *National Bureau of Economic Research*. https://www.nber.org/papers/w23918

Boyer, M., Donder, P., Fluet, C., Leroux, M. L., & Michaud, P. C. (2019). Long-term care risk misperceptions. *The Geneva Papers on Risk and Insurance-Issues and Practice, 44*(2), 183-215. https://doi.org/10.1057/s41288-018-00116-4

Brahmana, R., Brahmana, R. K., & Memarista, G. (2018). Planned behaviour in purchasing health insurance. *The South East Asian Journal of Management, 12*(1). https://doi.org/10.21002/seam.v12i1.7465

Bujang, M. A., Omar, E. D., & Baharum, N. A. (2018). A review on sample size determination for Cronbach's alpha test: a simple guide for researchers. *The*

Malaysian Journal Of Medical Sciences, 25(6), 85–99. https://doi.org/10.21315/mjms2018.25.6.9

Cai, J., De Janvry, A., & Sadoulet, E. (2011). Social networks and insurance take up: Evidence from a randomized experiment in China. *International Labour Organization, Microinsurance Innovation Facility Research Paper.* http://www.impactinsurance.org/publications/rp8

Chung, J. F. (2020). The demand for life insurance: a quantitative study among "generation y" in the Klang Valley, Malaysia. *Sociological work and research in the social sciences and humanities, 5*(25). https://doi.org/10.46652/rgn.v5i25.662

Daas, P., & Arends-Tóth, J. (2012). Secondary data collection. *Statistics Netherlands, The Hague/Heerlen*. http://pietdaas.nl/beta/pubs/pubs/2012Secundarydatacollectionart.pdf

Dash, G. (2018). Determinants of life insurance demand: Evidences of India. *Asia Pacific Journal of Advanced Business and Social Studies, 4*(2), 86 – 99. https://doi.org/10.25275/apjabssv4i2bus10

Department of Statistics Malaysia. (2021). Current population estimates, Malaysia, 2021. https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=155&bul_id=ZjJOSnpJR21sQWVUcUp6ODRudm5JZz09&menu_id=L0pheU43NWJwRWVSZklWdzQ4TlhUUT09

Djoni, K., & Rahardjo, D. (2021). Analysis of financial literacy, income and premium on Millennials' purchase intention of life insurance product. *Budapest International Research and Critics Institute-Journal, 4*(4), 11523-11535. https://doi.org/10.33258/birci.v4i4.3216

Dodamgoda, N., & Canagasabey, D. (2019). Factors driving the purchase of life insurance among millennials in Sri Lanka. *International Journal of*

Business Marketing and Management, 4(5), 49-61. http://www.ijbmm.com/paper/May2019/424307930.pdf

Dragos, S. L., Dragos, C. M., & Muresan, G. M. (2020). From intention to decision in purchasing life insurance and private pensions: Different effects of knowledge and behavioural factors. *Journal of Behavioral and Experimental Economics, 87*. https://doi.org/10.1016/j.socec.2020.101555

Dragos, S. L., Mare, C., Dragato, I., Dragos, C. M., & Muresan, G. M. (2017). The nexus between the demand for life insurance and institutional factors in Europe: New evidence from a panel data approach. *Economic Research - Ekonomska Istraživanja, 30*(1), 1477-1496. http://dx.doi.org/10.1080/1331677X.2017.1325764

Dunsavage, J. (2021). Pandemic drives life insurance sales, especially among young consumers. https://www.iii.org/insuranceindustryblog/pandemic-driveslife-insurance-sales-especially-amongyoung-consumers/

Dzulkipli, M. R., Zainuddin, N. N. N., Maon, S. N., Jamal, A., & Omar, M. K. (2017). Intention to purchase medical and health insurance: Application of theory of planned behavior. *Advanced Science Letters*, *23*(11), 10515-10518. https://doi.org/10.1166/asl.2017.10092

Eling, M., & Ghavibazoo, O. (2019). Research on long-term care insurance: Status quo and directions for future research. *The Geneva Papers on Risk and Insurance-Issues and Practice, 44*(2), 303-356. https://doi.org/10.1057/s41288-018-00114-6

Eling, M., Ghavibazoo, O., & Hanewald, K. (2021). Willingness to take financial risks and insurance holdings: A European survey. *Journal of Behavioral and Experimental Economics, 95*. https://doi.org/10.1016/j.socec.2021.101781

Faber. (2021). Malaysian insurance highlights 2020. *Faber Consulting AG*. https://faberconsulting.ch/files/faber/pdf-pulse-reports/MIH_20_Final_Web.pdf

Fang, H., & Kung, E. (2020). Why do life insurance policyholders lapse? The roles of income, health, and bequest motive shocks. *Journal of Risk and Insurance, 88*(4), 1-34. https://doi.org/10.1111/jori.12332

Ferrer, R. A., & Klein, W. M. (2015). Risk perceptions and health behavior. *Current Opinion In Psychology, 5*, 85-89. https://doi.org/10.1016/j.copsyc.2015.03.012

Fishbein, M., & Ajzen, I. (1975). Belief, attitude, intention and behaviour: An introduction to theory and research. *Philosophy and Rhetoric 10*(2), 130-132. https://philpapers.org/rec/FISBAI

Frost, J. (n.d.). How to interpret r-squared in regression analysis. *Statistics By Jim*. https://statisticsbyjim.com/regression/interpret-r-squared-regression/

Frost, J. (n.d.). Nominal, ordinal, interval, and ratio scales. *Statistic By Jim*. https://statisticsbyjim.com/basics/nominal-ordinal-interval-ratio-scales/

Gao, J., & Ulm, E. R. (2015). Optimal allocation and consumption with guaranteed minimum death benefits, external income and term life insurance. *Insurance: Mathematics and Economics, 61*, 87-98. https://doi.org/10.1016/j.insmatheco.2014.12.004

Gautam, V., & Kumar, M. (2012). A study on attitudes of Indian consumers towards insurance service. *Management Research and Practice, 4*(1), 51-62. http://mrp.ase.ro/no41/f5.pdf

Gründl, H., Dong, M., & Gal, J. (2016). The evolution of insurer portfolio investment strategies for long-term investing. *OECD Journal: Financial*

Market Trends, 1. https://www.oecd.org/investment/evolution-insurer-strategies-long-term-investing.pdf

Gultom, S. (2020). The influence of attitude and subjective norm on citizen's intention to use e-goverment services. *Journal of Security and Sustainability Issues, 9*, 173-187. http://doi.org/10.9770/jssi.2020.9.M(14)

Hagos, H. A., Kebede, E. Y., & Shewakena, B. (2019). Demand for life insurance and it's determinants at household level: Evidence from Dire Dawa City. *Research Journal of Finance and Accounting, 10*(17), 51-66. https://doi.org/10.7176/RJFA/10-17-06

Hashim, J. H., Adman, M. A., Hashim, Z., Radi, M. F. M., & Soo, C. K. (2021). Covid-19 epidemic in Malaysia: Epidemic progression, challenges, and response. *Public Health*. https://doi.org/10.3389/fpubh.2021.560592

Hassan, F. A. (2022). Is life insurance crucial to society and the economy? Evidence from Asian countries both before and after the global financial crisis. *Asian Development Policy Review, 10*(1), 35-46. https://doi.org/10.18488/5008.v10i1.4416

Hastings, W. J., & Fletcher, K. P. (1983). The relevance of the Fishbein model to insurance buying. *The Service Industries Journal, 3*, 296- 307. https://doi.org/10.1080/02642068300000037

He, J. (2020). Risk attitude, financial knowledge and commercial life insurance needs. *Modern Economy, 11*(1). https://doi.org/10.4236/me.2020.111016

Hsu, C. L., Chang, C. Y., & Yansritakul, C. (2017). Exploring purchase intention of green skincare products using the theory of planned behavior: Testing the moderating effects of country of origin and price sensitivity. *Journal of Retailing and Consumer Services, 34*, 145–152. https://doi.org/10.1016/j.jretconser.2016.10.006

Huber, C., & Schlager, T. (2011). To buy or not to buy insurance? The antecedents in the decision-making process and the influence of consumer attitudes and perceptions. *Working Papers on Risk Management and Insurance, 90*, 136-175. https://www.ivw.unisg.ch/~/media/internet/content/dateien/instituteundcenters/ivw/wps/wp90.pdf

Huston, S. (2010). Measuring financial literacy. *Journal of Consumer Affairs, 44*, 296-316. https://doi.org/10.1111/j.1745-6606.2010.01170.x

Jervis, R. (2017). *Perception and Misperception in International Politics: New Edition*. Princeton University Press. https://doi.org/10.1515/9781400885114

John, J. (2021). Market profile - Malaysia slowdown in the life sector. *Asia Insurance Review*. https://www.hla.com.my/CMS/News-Admin/Articles-Print-Ads/2021/Malaysia-Slowdown-in-the-life-sector/Malaysia-Slowdown-in-the-life-sector.aspx

Kabrt, T. (2021). Life insurance demand analysis: Evidence from Visegrad Group Countries. *Eastern European Economics*. https://doi.org/10.1080/00128775.2021.1996248

Kjosevski, J. (2012). The determinants of life insurance demand in central and southeastern Europe. *International Journal of Economics and Finance, 4*(3), 237-247. https://doi.org/10.5539/ijef.v4n3p237

Krajaechun, S., & Praditbatuga, P. (2019). Factors related to insurance purchase intention in Thailand. *AU E-Journal of Interdisciplinary Research, 4*(2). http://www.assumptionjournal.au.edu/index.php/eJIR/article/view/4087

Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and psychological measurement, 30*(3), 607-610.

https://home.kku.ac.th/sompong/guest_speaker/KrejcieandMorgan_article.pdf

Krishnan, D. B. (2020). LIAM urges Malaysians to get life insurance coverage. *New Straits Times.* https://www.nst.com.my/news/nation/2020/09/623238/liam-urges-malaysians-get-life-insurance-coverage

Laing, E., Kasuma, J., & Zaid, M. F. M. (2016). Relationship between financial literacy, savings motive and level of knowledge towards life insurance demand: A case of Miri City, Sarawak. *International Social Sciences Academic Conference*. http://www.mnnfpublisher.com/uploads/4/6/9/3/46931833/relationship_between_financial_literacy_savings_motive_and_level_of_knowledge_towards_life_insurance_demand_a_case_of_miri_city_sarawak.pdf

Lerner, J. S., Li, Y., Valdesolo, P., & Kassam, K. S. (2015). Emotion and decision making. *Annual Review of Psychology, 66*, 799-823. https://doi.org/10.1146/annurev-psych-010213-115043

Liaw, S. S., & Huang, H. M. (2013). Perceived satisfaction, perceived usefulness and interactive learning environments as predictors to self-regulation in e-learning environments. *Computers & Education, 60*(1), 14-24. https://doi.org/10.1016/j.compedu.2012.07.015

Lim, T. S., Dzulkifli, D. Z., Osman, Z., Mohidin, R., & Jamal, A. A. A. (2020). Determinants of perception toward life insurance and its impact on intention to purchase. *Labuan Bulletin of International Business and Finance, 18*(1), 16-26. https://jurcon.ums.edu.my/ojums/index.php/lbibf/article/view/2735

Lim, T. S., Mohidin, R., & Budin, D. S. A. (2020). The role of financial knowledge on life insurance and family takaful awareness. *Malaysian Journal of Business and Economics, 7(1),* 131-142. https://www.researchgate.net/publication/348453750_THE_ROLE_OF_FI

NANCIAL_KNOWLEDGE_ON_LIFE_INSURANCE_AND_FAMILY_TAKAFUL_AWARENESS

Lin, C., Hsiao, Y-J., & Yeh, C-Y. (2017). Financial literacy, financial advisors, and information sources on demand for life insurance. *Pacific-Basin Finance Journal, 43*, 218-237. https://doi.org/10.1016/j.pacfin.2017.04.002

Linneberg, S. M., & Korsgaard, S. (2019). Coding qualitative data: a synthesis guiding the novice. *Qualitative Research Journal, 19*(3), 259-270. https://doi.org/10.1108/QRJ-12-2018-0012

Linnerooth-Bayer, J., Surminski, S., Bouwer, L. M., Noy, I., & Mechler, R. (2019). Insurance as a response to loss and damage? *Climate Risk Management, Policy and Governance*, 483-512. https://doi.org/10.1007/978-3-319-72026-5_21

Loeb, S., Dynarski, S., McFarland, D., Morris, P., Reardon, S., & Reber, S. (2017). Descriptive analysis in education: a guide for researchers. *National Center for Education Evaluation and Regional Assistance.* https://eric.ed.gov/?id=ED573325

Loke, Y. J., & Goh, Y. Y. (2012). Demand for life insurance in Malaysia. *International Proceedings of Economics Development and Research*, *43*(22), 104-108. http://www.ipedr.com/vol43/022-ICFME2012-X00004.pdf

Loon, A. C., Tee, K. H., & Santhanarajan, M. E. (2019). Factors influencing life insurance consumption in Malaysia. *EBIMCS '19: Proceedings of the 2019 2nd International Conference on E-Business, Information Management and Computer Science, 16*, 1-5. https://doi.org/10.1145/3377817.3377825

Low, D. E. S., Narhan, R. J., Gorgenyi-Hegyes, E., & Fekete-Farkas, M. (2021). The demand for life insurance in a developing country and the mediating

role of persuasion. *Journal of International Studies, 14*(3), 138-154. https://doi.org/10.14254/2071-8330.2021/14-3/9

Luciano, E., Outreville, J. F., & Rossi, M. (2015). Life insurance demand: Evidence from Italian households; A micro-economic view and gender issue. *Netspar Discussion Paper, 5*. http://dx.doi.org/10.2139/ssrn.2608482

Mahdzan, N. S., & Tabiani, S. (2013). The impact of financial literacy on individual saving: An exploratory study in the Malaysian context. *Transformations in Business and Economics, 12*(1), 41-55. http://www.transformations.knf.vu.lt/28/se28.pdf

Mahdzan, N. S., & Victorian, S. M. P. (2013). The determinants of life insurance demand: A focus on saving motives and financial literacy. *Asian Social Science, 9*(5), 274-284. https://doi.org/10.5539/ass.v9n5p274

Mai, T. H., Nguyen, T. C., Vu, L. L., Bui, V. H., Nguyen, T. T. C., & Do, D. T. (2020). A study on behaviors of purchasing life insurance in Vietnam. *Management Science Letters, 10*(8), 1693-1700. http://doi.org/10.5267/j.msl.2020.1.011

Mamun, A. A., Rahman, M. K., Munikrishnan, U. T., & Permarupan, P. Y. (2021). Predicting the intention and purchase of health insurance among Malaysian working adults. *SAGE Open, 11*(4). https://doi.org/10.1177/21582440211061373

Masud, M. M., Ahsan, M. R., Ismail, N. A., & Rana, M. S. (2021). The underlying drivers of household purchase behaviour of life insurance. *Society and Business Review, 16*(3), 442-458. https://doi.org/10.1108/SBR-08-2020-0103

McCombes, S. (2022). Sampling Methods | Types and Techniques Explained. *Scribbr*. https://www.scribbr.com/methodology/sampling-methods/

Meesala, A., & Paul, J. (2018). Service quality, consumer satisfaction and loyalty in hospitals: Thinking for the future. *Journal of Retailing and Consumer Services, 40,* 261-269. https://doi.org/10.1016/j.jretconser.2016.10.011

Meko, M., Lemie, K., & Worku, A. (2018). Determinant of life insurance demand in Ethiopia. *Journal of Economics, Business and Accountancy, 21*(3). http://dx.doi.org/10.14414/jebav.v21i3.1474

Ministry of Health Malaysia. (2022, March 2). COVID-19 deaths in Malaysia. *Covidnow*. https://covidnow.moh.gov.my/deaths/

Ministry Of Health Malaysia. (2022, March 2). Total coronavirus deaths in Malaysia. *Covidnow*. https://covidnow.moh.gov.my/deaths/

Mishra, A. K. (2018). Assessment of effect of globalization on Indian insurance industry. *Journal of Advanced Research in Business Law & Technology Management, 1*(3), 1-4. http://dx.doi.org/10.13140/RG.2.2.15309.28648

Monaco, K., & Pierce, B. (2015). Compensation inequality: evidence from the National Compensation Survey. *Monthly Labor Review,* U.S. Bureau of Labor Statistics. https://doi.org/10.21916/MLR.2015.24

More Malaysian youth turning to insurance. (2021). *ReMark Group*. https://www.remarkgroup.com/en/insights/more-malaysian-youth-turning-to-insurance

Murugiah, S. (2021). More than a third of Malaysians do not have any personal insurance protection, says Zurich. *The Edge Market*. https://www.theedgemarkets.com/article/more-third-malaysians-do-not-have-any-personal-insurance-protection-says-zurich

Nainggolan, L. M., & Soemitra, A. (2020). The contribution income, investment results, and claim expenses on Sharia life insurance income. *Journal of*

Islamic Economics and Business, 6(2), 201-220. https://doi.org/10.20473/jebis.v6i2.21734

Nam, Y., & Hanna, S. D. (2019). The effects of risk aversion on life insurance ownership of single-parent households. *Applied Economics Letters, 26*(15), 1285-1288. https://doi.org/10.1080/13504851.2018.1546044

Nasir, N. F., Roslin, R. M., Nasir, M. N. F., Nasir, M. F., Nasir, M. A., & Mohamed, N. A. (2021). Investigating knowledge as a possible predictor of purchase intention among Muslims in Malaysia for life insurance and takaful. *International Journal of Academic Research in Business and Social Sciences, 11*(2), 727-740. http://dx.doi.org/10.6007/IJARBSS/v11-i2/8880

Nekmahmud, M., Shahedul, A. S. M., & Ferdush Rahman, M. (2017). Measuring Peoples Attitude towards the Life Insurance in Rangpur City Corporation in Bangladesh. *International Journal of Economics &Management Sciences, 6*(2). https://www.academia.edu/35569453/Measuring_Peoples_Attitude_towards_the_Life_Insurance_in_Rangpur_City_Corporation_in_Bangladesh?auto=citations&from=cover_page

Ng, J. B., Ramlan, R., Mohamad, F., & Yassin, A. M. (2018). Performance of Malaysian insurance companies using data envelopment analysis. *Indonesian Journal of Electrical Engineering and Computer Science, 11*(3), 1147-1151. http://doi.org/10.11591/ijeecs.v11.i3.pp1147-1151

Nomi, M., & Sabbir, M.M. (2020). Investigating the factors of consumers' purchase intention towards life insurance in Bangladesh: An application of the Theory of Reasoned Action. *Asian Academy of Management Journal, 25*(2), 135-165. https://doi.org/10.21315/aamj2020.25.2.6

Obilor, E. I., & Amadi, E. C. (2018). Test for significance of Pearson's correlation coefficient (r). *International Journal of Innovative Mathematics, Statistics*

& Energy Policies, 6(1), 11-23. https://seahipaj.org/journals-ci/mar-2018/IJIMSEP/full/IJIMSEP-M-2-2018.pdf

Omar, O. E. (2007). The retailing of life insurance in Nigeria: an assessment of consumers' attitudes. *The Journal of Retail Marketing Management Research*. https://uhra.herts.ac.uk/bitstream/handle/2299/746/900827.pdf

Patrick, S., Christa, B., & Lothar, S. A. (2018). Correlation coefficients: appropriate use and interpretation. *Anesthesia & Analgesia, 126*(5), 1763-1768. http://doi.org/10.1213/ANE.0000000000002864

Pedamkar, P. (n.d.). What is SPSS? *EDUCBA*. https://www.educba.com/what-is-spss/

Persatuan Insurance Am Malaysia. (n.d.). *About Us.* https://piam.org.my/about-us/

Prudential Assurance Malaysia Berhad. (n.d.). *Product Details.* https://www.prudential.com.my/en/our-products/products/prumymedical-plus/

Quintal, V. A., Lee, J. A., & Soutar, G. N. (2010). Risk, uncertainty and the theory of planned behavior: A tourism example. Tourism Management, 31(6), 797-805. https://doi.org/10.1016/j.tourman.2009.08.006

Quoquab, F., Pahlevan, S., Mohammad, J., & Thurasamy, R. (2017). Factors affecting consumers' intention to purchase counterfeit product: empirical study in the Malaysian market. *Asia Pacific Journal of Marketing and Logistics, 29*(4), 837-853. https://doi.org/10.1108/APJML-09-2016-0169

Raj, A. P. (2021). PIAM: Medical and health policies do not provide coverage for Covid-19. *The Edge Markets.* https://www.theedgemarkets.com/article/piam-medical-and-health-policies-do-not-provide-coverage-covid19

Ranong, T. N., Suesawadwanit, P., & Boonpattarakan, A. (2019). Application of the extended theory of reasoned action to life insurance purchase decision. *22nd Pattaya Int'l Conference On Economics, Education, Humanities & Social Sciences*, 12-14. http://uruae.org/siteadmin/upload/2202UH0819438.pdf

Razak, M. I. M., Kasim, S. H., Ghazali, R. M., Paramasivam, S., & Mello, G. J. P. D. (2014). An overview of demand for life insurance in Malaysia. *International Journal of Humanities and Social Science*, *4*(4), 244-250. http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.1048.7905&rep=rep1&type=pdf

Reddy, P. R., & Jahangir, Y. (2015). Consumer buying behaviour towards life insurance products in rural market's case study of Nalgonda district, Telangana state. *International Journal of Scientific Research*, *4*(3). https://www.doi.org/10.36106/ijsr

Remund, D. L. (2010). Financial literacy explicated: The case for a clearer definition in an increasingly complex economy. *The Journal of Consumer Affairs*, *44*(2), 276-295. https://onlinelibrary.wiley.com/doi/pdf/10.1111/j.1745-6606.2010.01169.x#:~:text=Financial%20literacy%20is%20the%20ability,knowledge%2C%20skills%20and%20life%20changes.

Renner, B., Gamp, M., Schmälzle, R., & Schupp, H. T. (2015). Health risk perception. *International Encyclopedia of the Social & Behavioral Sciences*, 702–709. https://doi.org/10.1016/b978-0-08-097086-8.14138-8

Sandra, M. S.C., Javier, L.C.R., Guzmán, M.F., & Fernando J.F.G. (2020). Impact of the perceived risk from Covid-19 on intention to travel. *Current Issues in Tourism*, *24*(1). https://doi.org/10.1080/13683500.2020.1829571

Sarkodie, E. E., & Yusif, H. M. (2015). Determinants of life insurance demand, consumer perspective-A case study of Ayeduase-Kumasi Community,

Ghana. *Business and Economics Journal, 6*(3), 1-4. https://pdfs.semanticscholar.org/3164/6400a12f47b2677f6765c5367108908694a3.pdf

Schober, P., Boer, C., & Schwarte, L. A. (2018). Correlation coefficients: appropriate use and interpretation. Anesthesia & Analgesia, 126(5), 1763-1768. https://doi.org/10.1213/ANE.0000000000002864

Seeda, P. (2020). *5 Basic Data Quality Check about Your Data analysis*. https://towardsdatascience.com/5-basic-data-quality-check-about-your-data-analysis-5234de90b3d3

Selamat, E. M., Ghani, S. R. A., Fitra, N., & Daud, F. (2020). Systematic review of factors influencing the demand for medical and health insurance in Malaysia. *International Journal of Public Health Research*, *10*(2), 1242-1250. https://spaj.ukm.my/ijphr/index.php/ijphr/article/view/272/269

Sendow, I. R., Mangantar, M., & Gunawan, E. (2022). The influence of Manado generation-z's perception and attitude toward the purchase intention on life insurance. *Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, *10*(1), 162-171. https://ejournal.unsrat.ac.id/index.php/emba/article/download/37676/34620

Shahriari, S., & Shahriari, M. (2016). The effect of social and demographic and economic factors on life insurance demand. *International Journal of Management and Social Science Research Review, 1*(28), 200-207. https://www.researchgate.net/publication/311065392_The_Effect_of_social_and_demographic_and_economic_factors_on_life_insurance_demand

Siegrist, M., & Árvai, J. (2020). Risk perception: Reflections on 40 years of research. *Risk Analysis*, *40*(S1), 2191-2206. https://doi.org/10.1111/risa.13599

Sileyew, K. J. (2019). Research design and methodology. *Cyberspace*. https://doi.org/10.5772/intechopen.85731

Simplilearn. (2022). *What is data collection: methods, types, tools, and techniques*. https://www.simplilearn.com/what-is-data-collection-article

Slovic, P., Fischhoff, B., Lichtenstein, S., Corrigan, B., & Combs, B. (1977). Preference for insuring against probable small losses: insurance implications. *The Journal of Risk and Insurance, 44*(2), 237-258. https://doi.org/10.2307/252136

Sommers, B. D., Gawande, A. A., & Baicker, K. (2017). Health insurance coverage and health – what the recent evidence tells us. *New England Journal of Medicine, 377*(6), 586-593. http://doi.org/10.1056/NEJMsb1706645

Song, I. J., Park, H., Park, N., & Heo, W. (2019). The effect of experiencing a death on life insurance ownership. *Journal of Behavioral and Experimental Finance*. https://doi.org/10.1016/j.jbef.2019.03.003

Stolper, O. A., & Walter, A. (2017). Financial literacy, financial advice, and financial behavior. *Journal of Business Economics, 87*, 581-643. https://doi.org/10.1007/s11573-017-0853-9

Taber, K.S. (2018). The use of Cronbach's alpha when developing and reporting research instruments in science education. *Research in Science Education, 48*, 1273-1296. https://doi.org/10.1007/s11165-016-9602-2

Taherdoost, H. (2016). Sampling methods in research methodology; how to choose a sampling technique for research; how to choose a sampling technique for research. *International Journal of Academic Research in Management, 5*(2), 18-27. https://dx.doi.org/10.2139/ssrn.3205035

Taherdoost, H. (2017). Determining sample size; how to calculate survey sample size. *International Journal of Economics and Management Systems*, *2*, 237-239. https://hal.archives-ouvertes.fr/hal-02557333/document

Tan, J. (2021). Safety net for B40 families. *The Star*. https://www.thestar.com.my/metro/metro-news/2021/11/06/safety-net-for-b40-families

Tan, P. B. K., Zakaria, W. N. W., & Mohdali, R. (2020). Factors influencing purchase intention of life insurance among engineering students. *International Journal of Informatics, 8*(1), 1-9. https://oiji.utm.my/index.php/oiji/article/view/32

Tanti, D. S., Nathan, R. J., Sulistyo, P. B., Soekmawati, Hanim, F., & Sarjuni, V. (2021). Empowering cross-border women entrepreneurs via mobile ICT: Framework for Malaysian and Indonesian women-led MSMEs. *Journal of Nusantara Studies, 6*(2), 340-357. http://dx.doi.org/10.24200/jonus.vol6iss2pp340-357

Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. *International Journal Of Medical Education, 2*, 53-55. https://doi.org/10.5116/ijme.4dfb.8dfd

Tennyson, S. (2011). Consumers' insurance literacy: Evidence from survey data. *Financial Services Review*, *20*(3), 165.https://www.researchgate.net/profile/Sharon-Tennyson/publication/267094407_Consumers'_Insurance_Literacy_Evidence_from_Survey_Data/links/5c90058845851564fae6c36b/Consumers-Insurance-Literacy-Evidence-from-Survey-Data.pdf

Tomer, A., & Kane, J. W. (2020). To protect frontline workers during and after COVID-19, we must define who they are. *Bookings*. https://www.brookings.edu/research/to-protect-frontline-workers-during-and-after-covid-19-we-must-define-who-they-are/

Tóth, R., Zoltan, Z., Túróczi, I., & Kása, R. (2021). The system of relationships between sustainable corporate governance and corporate financial literacy. *Polish Journal of Management Studies, 23*(1), 418-435. https://doi.org/10.17512/pjms.2021.23.1.26

Turner, A. G. (2003). Sampling frames and master samples. *United Nations Secretariat Statistics Division*. https://unstats.un.org/unsd/demographic/meetings/egm/sampling_1203/docs/no_3.pdf

Vaghefi, N., & Yap, J. Y. (2021). Helping SMEs rise to challenges posed by the Covid-19 pandemic. https://penanginstitute.org/publications/issues/helping-smes-rise-to-challenges-posed-by-the-covid-19-pandemic/

Vyas, L., & Butakhieo, N. (2020). The impact of working from home during COVID-19 on work and life domains: An exploratory study on Hong Kong. *Policy design and practice, 4*(1), 59-76. https://doi.org/10.1080/25741292.2020.1863560

Wang, H., Zhang, D., Guariglia, A., & Fan, G. (2020). 'Growing out of the growing pain': Financial literacy and life insurance demand in China. *Pacific- Basin Finance Journal, 66*. https://doi.org/10.1016/j.pacfin.2020.101459

Weedige, S. S., Ouyang, H., Gao, Y., & Liu, Y. (2019). Decision making in personal insurance: impact of insurance literacy. *Sustainability, 11*(23), 6795. https://doi.org/10.3390/su11236795

Werner, K. (2016). Insurance demand and heterogeneity in risk perception. *Journal of Insurance Issues*, 69-91. https://www.jstor.org/stable/43741102

Widyanto, H. A., & Saleh, T. A. R. (2018). The influence of customers' perception and attitudes toward customer purchase intention at Gramedia

Lembuswana, Samarinda. *Firm Journal of Management Studies, 3*(1), 84-97. https://pdfs.semanticscholar.org/e76c/b51afecb18f2ede17670cc8b0dc5d003f333.pdf

Williams, T. (2021). Why is quantitative research important? *Grand Canyon University*. https://www.gcu.edu/blog/doctoral-journey/why-quantitative-research-important

Wills, S., Roecker, S., & D'Avello, T. (2020). Sampling design. *Statistic For Soil Survey*. http://ncss-tech.github.io/stats_for_soil_survey/chapters/3_sampling/3_sampling.html

Zakaria, Z., Azmi, N. M., Hassan, N. F. H. N., Salleh, W. A., Tajuddin, M. T. H. M., Sallem, N. R. M., & Noor, J. M. M. (2016). The intention to purchase life insurance: A case study of staff in public universities. *Procedia Economics and Finance, 37,* 358-365. https://doi.org/10.1016/S2212-5671(16)30137-X

Zeng, X., Wang, Y., & Carson, J. M. (2015). Dynamic portfolio choice with stochastic wage and life insurance. *North American Actuarial Journal, 19*(4), 256-272. https://doi.org/10.1080/10920277.2015.1041987

Zerriaa, M., & Noubbigh, H. (2016). Determinants of life insurance demand in the MENA region. *The Geneva Papers on Risk and Insurance – Issues and Practice, 41,* 491-511. https://doi.org/10.1057/gpp.2016.1

Zerriaa, M., Amiri, M. M., Noubbigh, H., & Naoui, K. (2017). Determinants of life insurance demand in Tunisia. *African Development Review, 29*(1), 69-80. https://doi.org/10.1111/1467-8268.12239

APPENDICES

Appendix 3.1 Survey questionnaire

SECTION A: DEMOGRAPHIC QUESTION

In this section, we would like you to fill in your personal details. Please tick (✓) the following answer box for each question.

1. Gender

   ☐ Male ☐ Female

2. Marital Status

   ☐ Single ☐ Married ☐ Widowed ☐ Divorced

3. Age:

   ☐ 18 – 30
   ☐ 31 – 40
   ☐ 41 – 50
   ☐ 51 – 60
   ☐ Above 60

4. Educational Qualifications

   ☐ SPM
   ☐ STPM
   ☐ Diploma
   ☐ Bachelor's degree
   ☐ Master's degree
   ☐ PhD
   ☐ Others: _____

5. Income level

   ☐ Below RM1,000
   ☐ RM1,000 – RM3,000
   ☐ RM3,001 – RM5,000
   ☐ RM5,001 – RM7,000
   ☐ Above RM7,000

SECTION B: Independent Variables

Please indicate the extent to which you agreed or disagreed on the following question by using 5 points Likert scale:

Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4 and Strongly Agree = 5

Please circle one number to indicate the extent to which you agree or disagree with the following question

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Perception of Life Insurance Benefits					
I would drive my demand for life insurance mainly based on my perception on life insurance benefits.	1	2	3	4	5
I have a positive perception towards life insurance benefits.	1	2	3	4	5
I feel the guaranteed death benefit in life insurance policy is the critical design element.	1	2	3	4	5
I think that life insurance is important for protection needs.	1	2	3	4	5
I think that life insurance could delivers livelihood expenses after the insured's death to financially protect his/her loved ones.	1	2	3	4	5
I am satisfied with the 'savings plans' advantages provided under the life insurance policy.	1	2	3	4	5
Risk Perception					
I am a risk-perception person.	1	2	3	4	5
I believe that COVID-19 has serious negative consequences on my life.	1	2	3	4	5
I believe that COVID-19 is extremely harmful.	1	2	3	4	5
I think I am at risk of contracting coronavirus.	1	2	3	4	5

I think getting sick with the coronavirus can be serious.	1	2	3	4	5
I think I am at risk of losing my job due to the recession caused by COVID-19.	1	2	3	4	5
Subjective Norms					
My family would encourage me to purchase a life insurance policy.	1	2	3	4	5
My friends who are important to me would want me to purchase a life insurance policy.	1	2	3	4	5
My colleagues/peers whose opinions I value would prefer that I purchase a life insurance policy.	1	2	3	4	5
I often consult other people who have experience on the usage of life insurance to help me choose the best insurance product.	1	2	3	4	5
I would buy life insurance from an insurance agent if the agent was recommended by significant other.	1	2	3	4	5
Mass media advertising for life insurance products would drives me to consume life insurance products.	1	2	3	4	5
Financial Literacy					
I understand how life insurance work.	1	2	3	4	5
I understand that life insurance provides claims for death.	1	2	3	4	5
I understand that life insurance provides claims for total permanent disability.	1	2	3	4	5
I am aware of the importance of life insurance.	1	2	3	4	5
I am actively managing my financial for life insurance planning.	1	2	3	4	5
I understand that life insurance is an essential in our financial planning.	1	2	3	4	5

SECTION C: Dependent Variable

Please indicate the extent to which you agreed or disagreed on the following question by using 5 points Likert scale:

Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4 and Strongly Agree = 5

Please circle one number to indicate the extent to which you agree or disagree with the following question.

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Life Insurance Demand					
Purchase a life insurance policy is a "must" in my life cycle to prevent an emergency.	1	2	3	4	5
I tend to be more eager to purchase a life insurance policy if I suffer from health diseases.	1	2	3	4	5
Purchase life insurance would provide me with future protection.	1	2	3	4	5
I would purchase life insurance to reduce my pressure for uncertainty.	1	2	3	4	5
I need life insurance to maintain the living standard of my family if anything happens to me.	1	2	3	4	5
To me life insurance is just "nice to have".	1	2	3	4	5

Appendix 4.1 Reliability statistics for perception of life insurance benefits (PB)

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.781	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
PB1	20.8516	4.873	.558	.742
PB2	20.8698	4.573	.621	.724
PB3	20.8281	4.790	.568	.739
PB4	20.6458	4.913	.530	.748
PB5	20.7318	4.651	.519	.750
PB6	20.9557	4.758	.412	.783

Appendix 4.2 Reliability statistics for risk perception (RP)

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.793	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
RP1	20.3516	7.043	.380	.800
RP2	20.4193	5.999	.655	.733
RP3	20.2500	6.695	.552	.760
RP4	20.3255	6.272	.531	.767
RP5	20.2188	6.683	.595	.752
RP6	20.3229	6.715	.593	.752

Appendix 4.3 Reliability statistics for subjective norms (SN)

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.854	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
SN1	19.9818	10.451	.572	.842
SN2	20.2604	9.467	.665	.825
SN3	20.2161	9.084	.781	.802
SN4	20.2865	9.244	.659	.826
SN5	20.0417	10.620	.532	.848
SN6	20.3984	9.285	.644	.830

Appendix 4.4 Reliability statistics for financial literacy (FL)

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.837	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
FL1	21.0052	7.389	.458	.847
FL2	20.8568	7.423	.632	.807
FL3	20.8203	7.584	.609	.812
FL4	20.7734	7.528	.664	.803
FL5	21.0313	6.448	.668	.801
FL6	20.9297	7.162	.716	.791

Appendix 4.5 Reliability statistics for life insurance demand (LID)

Case Processing Summary

		N	%
Cases	Valid	384	100.0
	Excluded[a]	0	.0
	Total	384	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.828	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
LID1	20.8203	5.986	.571	.806
LID2	20.8880	5.739	.637	.792
LID3	20.7917	5.993	.670	.789
LID4	20.8854	5.543	.698	.779
LID5	20.8438	5.902	.633	.794
LID6	21.1224	6.071	.425	.842

Appendix 4.6 Pearson correlation coefficient analysis result

Correlations

		PB	RP	SN	FL	LID
PB	Pearson Correlation	1	.554**	.581**	.654**	.638**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	384	384	384	384	384
RP	Pearson Correlation	.554**	1	.533**	.473**	.542**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	384	384	384	384	384
SN	Pearson Correlation	.581**	.533**	1	.576**	.610**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	384	384	384	384	384
FL	Pearson Correlation	.654**	.473**	.576**	1	.620**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	384	384	384	384	384
LID	Pearson Correlation	.638**	.542**	.610**	.620**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	384	384	384	384	384

**. Correlation is significant at the 0.01 level (2-tailed).

Appendix 4.7 Multiple linear regression analysis result

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737[a]	.543	.539	.32367

a. Predictors: (Constant), FL, RP, SN, PB

b. Dependent Variable: LID

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.270	4	11.817	112.801	.000[b]
	Residual	39.705	379	.105		
	Total	86.975	383			

a. Dependent Variable: LID

b. Predictors: (Constant), FL, RP, SN, PB

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.730	.172		4.237	.000		
	PB	.282	.057	.253	4.992	.000	.470	2.129
	RP	.152	.042	.160	3.642	.000	.622	1.609
	SN	.185	.036	.239	5.104	.000	.550	1.817
	FL	.217	.044	.241	4.969	.000	.511	1.958

a. Dependent Variable: LID

(APPENDIX I)

FACULTY OF BUSINESS AND FINANCE

UNIVERSITI TUNKU ABDUL RAHMAN

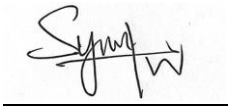
Date: 1/9/2022

SUBMISSION OF FINAL YEAR PROJECT /DISSERTATION/THESIS

It is hereby certified that Tiew Shin Ying *(Student Name)* (ID No: 18ABB05152) has completed this final year project entitled "The determinants of life insurance demand in Malaysia during COVID-19 pandemic." under the supervision of Mr. Koh Chin Min (*Name of the Supervisor*) from the Department of Banking and Risk Management, Faculty of Business and Finance.

I understand that University will upload softcopy of my final year project in pdf format into UTAR Institutional Repository, which may be made accessible to UTAR community and public.

Yours truly,



Tiew Shin Ying

*Delete whichever not applicable

(APPENDIX I)

Universiti Tunku Abdul			
Form Title : **Sample of Submission Sheet for FYP/Dissertation/Thesis**			
Form Number : **FM-IAD-004**	Rev No: **0**	Effective Date: **21 June 2011**	Page No: **1 of 1**

FACULTY OF BUSINESS AND FINANCE

UNIVERSITI TUNKU ABDUL RAHMAN

Date: 1/9/2022

SUBMISSION OF FINAL YEAR PROJECT /DISSERTATION/THESIS

It is hereby certified that Liew Zhi Ling *(Student Name)* (ID No: 18ABB06802) has completed this final year project entitled "The determinants of life insurance demand in Malaysia during COVID-19 pandemic." under the supervision of Mr. Koh Chin Min (*Name of the Supervisor*) from the Department of Banking and Risk Management, Faculty of Business and Finance.

I understand that University will upload softcopy of my final year project in pdf format into UTAR Institutional Repository, which may be made accessible to UTAR community and public.

Yours truly,

Zhiling

Liew Zhi Ling

*Delete whichever not applicable

(APPENDIX I)

Universiti Tunku Abdul			
Form Title : **Sample of Submission Sheet for FYP/Dissertation/Thesis**			
Form Number : **FM-IAD-004**	Rev No: **0**	Effective Date: **21 June 2011**	Page No: **1 of 1**

FACULTY OF BUSINESS AND FINANCE

UNIVERSITI TUNKU ABDUL RAHMAN

Date: 1/9/2022

SUBMISSION OF FINAL YEAR PROJECT /DISSERTATION/THESIS

It is hereby certified that Joyce Poh *(Student Name)* (ID No: 18ABB01459) has completed this final year project entitled "The determinants of life insurance demand in Malaysia during COVID-19 pandemic." under the supervision of Mr. Koh Chin Min (*Name of the Supervisor*) from the Department of Banking and Risk Management, Faculty of Business and Finance.

I understand that University will upload softcopy of my final year project in pdf format into UTAR Institutional Repository, which may be made accessible to UTAR community and public.

Yours truly,

JOYCE POH

Joyce Poh

*Delete whichever not applicable

(APPENDIX I)

Universiti Tunku Abdul			
Form Title : **Sample of Submission Sheet for FYP/Dissertation/Thesis**			
Form Number : **FM-IAD-004**	Rev No: **0**	Effective Date: **21 June 2011**	Page No: **1 of 1**

FACULTY OF BUSINESS AND FINANCE

UNIVERSITI TUNKU ABDUL RAHMAN

Date: 1/9/2022

SUBMISSION OF FINAL YEAR PROJECT /DISSERTATION/THESIS

It is hereby certified that Toh Wei Jie *(Student Name)* (ID No: 18ABB03688) has completed this final year project entitled "The determinants of life insurance demand in Malaysia during COVID-19 pandemic." under the supervision of Mr. Koh Chin Min (*Name of the Supervisor*) from the Department of Banking and Risk Management, Faculty of Business and Finance.

I understand that University will upload softcopy of my final year project in pdf format into UTAR Institutional Repository, which may be made accessible to UTAR community and public.

Yours truly,

Toh Wei Jie

*Delete whichever not applicable

(APPENDIX I)

Universiti Tunku Abdul			
Form Title : **Sample of Submission Sheet for FYP/Dissertation/Thesis**			
Form Number : **FM-IAD-004**	Rev No: **0**	Effective Date: **21 June 2011**	Page No: **1 of 1**

FACULTY OF BUSINESS AND FINANCE

UNIVERSITI TUNKU ABDUL RAHMAN

Date: 1/9/2022

SUBMISSION OF FINAL YEAR PROJECT /DISSERTATION/THESIS

It is hereby certified that Yong Jia Yung *(Student Name)* (ID No: 18ABB05499) has completed this final year project entitled "The determinants of life insurance demand in Malaysia during COVID-19 pandemic." under the supervision of Mr. Koh Chin Min (*Name of the Supervisor*) from the Department of Banking and Risk Management, Faculty of Business and Finance.

I understand that University will upload softcopy of my final year project in pdf format into UTAR Institutional Repository, which may be made accessible to UTAR community and public.

Yours truly,

Yong Jia Yung

*Delete whichever not applicable

GROUP NO: 22BF06J

*Circle
BF / RK

(APPENDIX F)

Universiti Tunku Abdul Rahman			
Form Title : Supervisor's Comments on Originality Report Generated by Turnitin for Submission of Final Year Project Report (for Undergraduate Programmes)			
Form Number: FM-IAD-005	Rev No.: 0	Effective Date: 01/10/2013	Page No.: 1of 1

FACULTY OF BUSINESS AND FINANCE

Full Name(s) of Candidate(s)	Joyce Poh; Liew Zhi Ling; Tiew Shin Ying; Toh Wei Jie; Yong Jia Yung
ID Number(s)	18ABB01459; 18ABB06802; 18ABB05152; 18ABB03688; 18ABB05499
Programme / Course	Bachelor of Business Administration (Hons) Banking and Finance
Title of Final Year Project	The Determinants of Life Insurance Demand In Malaysia During COVID-19 Pandemic.

Similarity	**Supervisor's Comments (Compulsory if parameters of originality exceeds the limits approved by UTAR)**
Overall similarity index: 15 % **Similarity by source** Internet Sources: 10 % Publications: 5 % Student Papers: 8 %	
Number of individual sources listed of more than or equal to 3% similarity: 1	Standard term / definition
Parameters of originality required, and limits approved by UTAR are as follows: (i) Overall similarity index is 20% and below, and **(ii) Matching of individual sources listed must be less than 3% each, and** **(iii) Matching texts in continuous block must not exceed 8 words** ***Note: Parameters (i) – (ii) shall exclude quotes, bibliography and text matches which are less than 8 words.***	

Note Supervisor/Candidate(s) is/are required to provide softcopy of full set of the originality report to Faculty/Institute

Based on the above results, I hereby declare that I am satisfied with the originality of the Final Year Project Report submitted by my student(s) as named above.

Signature of Supervisor

Name : Koh Chin Min

Date : 30/08/22

The determinants of life insurance demand in Malaysia during COVID-19 pandemic

ORIGINALITY REPORT

15%	10%	5%	8%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	eprints.utar.edu.my Internet Source	3%
2	Submitted to Universiti Teknologi MARA Student Paper	1%
3	Jee Fenn Chung. "The demand for life insurance: a quantitative study among “generation y” in the Klang Valley, Malaysia", Religación. Revista de Ciencias Sociales y Humanidades, 2020 Publication	1%
4	Loon Ann Chi, Tee Kien Hui, Marcia Edna Santhanarajan. "Factors Influencing Life Insurance Consumption In Malaysia", Proceedings of the 2019 2nd International Conference on E-Business, Information Management and Computer Science, 2019 Publication	<1%
5	Submitted to Strathmore University Student Paper	<1%

The determinants of life insurance demand in Malaysia during COVID-19 pandemic

by 22BF06J TIEW SHIN YING

Submission date: 22-Aug-2022 12:55PM (UTC+0800)
Submission ID: 1873621485
File name: life_insurance_demand_in_Malaysia_during_COVID-19_pandemic.docx (187.62K)
Word count: 12904
Character count: 71216

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

This chapter focus on a brief overview to the insurance industry and its products. From the research background of the study, some background of the insurance industry and insurance products can be understood. This study will then also attempt to examine and discuss the problem statement while setting the research objectives and listing the research questions to ensure that this study follows the sequence. In addition, the significance and contribution of this study will also demonstrate the importance of this study to academics, policy makers, and industry. Finally, at the end of this chapter, there will be a conclusion.

1.1 Research Background

Insurance was one of the earliest and well-known financial items, but often people are quite wary of and will not acquire insurance under their own volition. Individuals who are subjected to certain risks might obtain insurance to safeguard themselves financially from the implications of a specific incident. It was a form of security, particularly in monetary terms, in the case of a tragedy. Despite the unpredictability of life, insurance can protect individuals and reduce their financial losses in case of unforeseen events (Loke & Goh, 2012). Besides, insurance is a tool designed to deliver protection coverage for individuals and businesses from specific risks, and to preserve their possessions and livelihood. Individuals and organizations nowadays have financial protection in the event of accidents, destruction of property, or the premature loss of the sole earner (Razak et al., 2014).

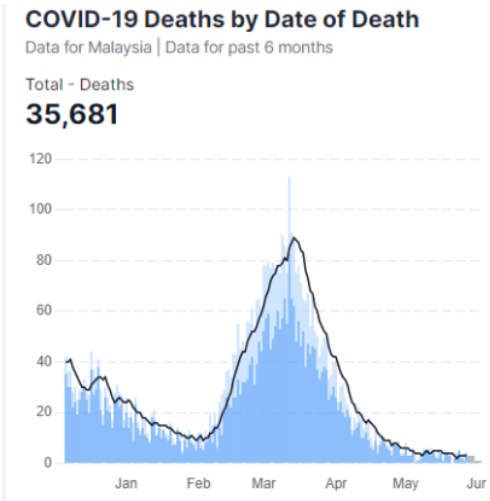
Malaysia's insurance business was separated into general insurance and life insurance (Bank Negara Malaysia, n.d.). General insurance is a type of non-life insurance product that does not cover the life of an insured. The general insurance products were divided into commercial lines, which were created for corporations,

and personal lines, which were designed for the public. In commercial lines, it involved liability, fire and burglary, marine and aviation insurance (Persatuan Insurance Am Malaysia, n.d.). Thus, general insurance was bought by corporations to indemnify third parties for actions in which the insured is subject to liability (Loon et al., 2019). Besides, under personal lines, it covered motor insurance, personal accident insurance, medical and health insurance, fire or house owner's insurance (Ng et al., 2018). Medical and health insurance protects individuals financially from health consequences (Selamat et al., 2020). According to Prudential Assurance Malaysia Berhad (n.d.), the medical card supports hospitalization and surgery expenditures, along with critical sickness. Hence, general insurance in personal lines addressed the insured's financial risk of unintentional injury and death (Razak et al., 2014).

Life insurance intends to financially protect the insured, the insured's family, lenders, and others in the loss of the insured's earnings potential in the occurrence of their death or permanent disability (Razak et al., 2014). There are few examples of life insurance which are term life insurance, whole life insurance, investment-linked life insurance, endowment life insurance, and life annuity plans (Beck & Webb, 2003). In the event that the primary wage earner passes away, life insurance can be used to pay for long-term expenses, including existing debts, medical expenses, college tuition for children and spouse's retirement expenses (Loon et al., 2019). Life insurance allows people to preserve income whilst still insuring themselves from personal financial risks. Thus, it serves a substantial portion in individuals and families' funding throughout their livelihoods (Zakaria et al., 2016). In contrast, Malaysians rather overlook the significance of life insurance as per the report by the head of Life Insurance Association of Malaysia (LIAM), which showed that more than 50% of Malaysians are excluded from life insurance coverage. Nearly 90% of those who are covered don't even have adequate financial protection for themselves and their loved ones (Krishnan, 2020). Financial experts and executives from life insurance companies assume that most people are unwilling to invest in life insurance as they don't realize the basic advantages of life insurance as a personal hedging tool (Mahdzan & Victorian, 2013).

The significance of life coverage in the context of the high growing number of death cases during the Covid-19 pandemic in Malaysia has prompted life insurance being selected as a study area within the insurance business.

Figure 1.1: The COVID-19 deaths in Malaysia for all time



Source: Ministry of Health Malaysia (2022)

In the framework of general insurance, personal lines products such as medical and health insurance, as well as motor insurance covered personal incidents and accidents (Persatuan Insurance Am Malaysia, n.d.). Workplace accidents are indeed being compelled to be reduced as a result of the Malaysian government's implementation of work from home restrictions during the Movement Control Order (MCO) period (Vyas & Butakhieo, 2020). Moreover, medical and health insurance covers basic hospitalization and operation expenses, rather than entire life as well as pandemic coverage. As the treatment costs for pandemics, such as Covid-19, are typically excluded in medical and health insurance (MHI) policies, thus the sector is looking into other methods to aid Malaysians in fighting against the disease (Raj, 2021). In addition, Malaysians were obliged to stay home due to social distance limitations, and there was an assumption of less concerns on motor insurance throughout the Covid-19 pandemic. In essence, the road accidents cases in Malaysia have founded to be fallen by 70% during the MCO period because of fewer motor vehicles abroad (Bernama, 2020).

On the other hand, life insurance neither only delivers financial assistance to relatives, but also provides tax benefits, allowing policyholders to maximize their investment gains in a perpetual life insurance policy (Gao & Ulm, 2015). Additionally, life insurance policies serve with the choice of receiving rapid income whilst insured is still living, as well as provide reimbursement following the insured's death (Monaco & Pierce, 2015). As per Sommers, Gawande, and Baicker (2017), the cash value of life insurance policies could be accessed during emergencies. General insurance financially protects an individual from a non-life perspective, whereas life insurance provides financial protection and savings against an individual's life (Md & Kasim, 2014). In short, it is essential to boost the life insurance adoption rates so that fewer individuals and their loved one's struggle from financial loss at their death or permanent disability, along with lost income owing to unemployment during the Covid-19 pandemic.

1.1.1 Past Studies

Based on the previous studies, numerous authors have conducted research to study the determinants of life insurance demand in the MENA region (Zerriaa & Noubbigh, 2016), Tunisia (Zerriaa et al., 2017), India (Dash, 2018), Malaysia (Loon et al., 2019) as well as Central and Southeastern Europe (Kjosevski, 2012). He (2020) and Mai et al. (2020) have studied the behaviours of purchasing life insurance in Vietnam and China respectively. Both authors found that financial literacy would increase the intention to purchase life insurance.

Besides, Lin et al. (2017) and Wang et al. (2020) conducted research on how financial literacy affects the life insurance demand. Mahdzan and Victorian (2013) examined the relationship between savings motives with life insurance demand and financial literacy. A number of authors also recognized that financial knowledge would affect the factors that influence Malaysians' demand for life insurance (Dragos et al., 2020; Lim & Mohidin, 2020; Lin et al., 2017). Furthermore, Kabrt (2021) investigated that people with higher education levels and income demonstrate more pension funds rather than life insurance. Also, vast studies have

tested empirically the relationship between the income level and life insurance demand (Fang & Kung, 2020; Hassan, 2022; Nainggolan & Soemitra, 2020).

Moreover, a study of demand for life insurance and its determinants at households' levels was conducted by Hagos et al. (2019). Ampaw et al. (2018) has also studied the determinants of life insurance among male and female households in Ghana. Meanwhile, a study was conducted on the analysis of demand for life insurance (Abdullah, 2012). Nomi and Sabbir (2020) have also conducted a related study on the factors that affect consumers' intention to buy life insurance. Other than that, Luciano et al. (2015) have assessed the impact of microeconomic factors for men and women in purchasing life insurance. Some authors have also examined how social, demographic, and economic factors affect the demand for life insurance (Dragos et al., 2017; Shahriari & Shahriari, 2016).

From previous studies, little is known about the relationship between infectious diseases and consumers' life insurance buying behaviour. Since the Covid-19 outbreak provides an appropriate scenario for exploring this topic, the determinants of life insurance demand during the pandemic will be further discussed in this study to fill the above-mentioned gap.

1.2 Problem Statement

This study's main focus is on the determinants affecting consumer demand for life insurance in Malaysia during the pandemic. The main function of life insurance is to offer financial security for individuals and families. When a family's primary earner dies prematurely, the loss of income can have dire financial consequences for surviving family members. By paying a defined benefit, life insurance mitigates the possible financial loss caused by the insured's death (Meko et al., 2018). Based on the fact that the Covid-19 crisis is still having a substantial impact on individuals, societies, businesses, and the global economy, it is also known that Malaysia is still dealing with the third wave of Covid-19 infections (Hashim et al., 2021). Over 30,000 coronavirus-related deaths have been reported since the pandemic began in

Malaysia, and this number continues to rise (Ministry of Health Malaysia, 2022). Thus, life insurance plays a critical role in personal and family financial planning because it serves as a hedge against the financial uncertainty created by the risk of death to which an individual is exposed (Gründl, 2016).

In the past two years, the Covid-19 pandemic has affected the labour market and caused significant economic hardship for workers as many small and medium-sized industries (SMEs) have closed (Vaghefi & Yap, 2021). In addition, there were health risks associated with jobs that did not allow work from home, and those frontline workers and service workers were at great risk (Tomer & Kane, 2020). Although it is important to have life insurance as a necessary protection plan, compared to developed Asian countries, developing economies such as Malaysia generally have lower overall life insurance density and penetration rates (Low et al., 2021). According to Life Insurance Association of Malaysia (LIAM) reported that the life insurance penetration in Malaysia has hovered at 54% for the past five years, meaning that about half of Malaysians are not insured against unpredictable life events (Krishnan, 2020). Excluding those with multiple life and takaful policies, this number may be further reduced to about 41% of the insured and it is still a long way from the 75% target set by the government (Bernama, 2022). In addition, only 4% of households in the low-income group have some forms of life insurance or Takaful (Krishnan, 2020). Thus, this will be a cause for concern as the rate of life insurance intrusion has not increased as dramatically as expected.

Moreover, according to John (2021), because of this pandemic, many people now consider sustainable financial and health protection plans to be critical to protecting themselves and their loved ones from unforeseen circumstances. In other words, life insurance is slowly moving out of the afterthought, with more and more people willing to adjust their savings and budgets to enroll in life insurance or Takaful plan or expand their coverage. Based on the 2020-2021 Global Consumer Study from ReAffirm Life found that young Malaysians in particular have been influenced to some extent by Covid-19 in their lifestyles and perceptions of life insurance ("More Malaysian Youth," 2021). However, the interviews conducted by Faber Consulting with Zurich Insurance Group from September 2020 to October 2020, showed that respondents generally agree that the Covid-19 pandemic has helped increase

insurance awareness, but few believe this increased awareness will translate into increased demand (Faber, 2021). In addition, a survey on the impact of the pandemic on protection, commissioned by Zurich, found that 84% of respondents in Malaysia observed that the Covid-19 pandemic has led to a greater awareness of the importance of insurance protection, but the increased awareness has not translated into action since more than a third (38%) of Malaysians still do not have any form of insurance coverage (Murugiah, 2021). Accordingly, the main objective of this study is to identify the factors that influence consumer demand for life insurance.

1.3 Research Objectives

1. To determine how perception of life insurance benefit will influence life insurance demand.
2. To determine how risk perception will influence life insurance demand.
3. To determine how subjective norm will influence life insurance demand.
4. To determine how financial literacy will influence life insurance demand.

1.4 Research Questions

1. How does perception of life insurance benefit influence life insurance demand?
2. How does risk perception influence life insurance demand?
3. How does subjective norm influence life insurance demand?
4. How does financial literacy influence life insurance demand?

1.5 Significant of Study

The study's finding will contribute to the existing literature and provide key policy prescriptions for practitioners and policy makers such as Bank Negara Malaysia (Central Bank of Malaysia), Malaysian Insurance Institute (MII), Life Insurance

Association of Malaysia (LIAM), insurance companies and agents, and academic institutions that provide insurance courses in implementing their strategies to raise penetration rate of life insurance in developing countries.

The government can first understand the current situation by referring to this study and then identify and consider better various policies for Malaysians to support the insurance industry in developing country during the pandemic. Besides, this study could provide a better understanding of the insurance needs of Malaysian citizens and the trends in insurance needs in Malaysia during the pandemic. It will assist the insurance industry innovative new products and services to protect individuals, families, communities and businesses from potential risks.

Furthermore, this study shall provide the insurance interest analyst to improve the efficiency of the product between both insurers and consumers, and then reach a balance between each other. Also, the insurance agents could provide the best financial planning solutions to meet the needs of their clients to prevent mis-selling of insurance leading to a decline in consumers' confidence and trust in insurance.

Last but not least, this study could benefit academics and educators by providing them with comprehensive information and vast understanding about the intentions of influencing buyers in related aspects. As there have been few research publications in the subject of insurance in the past, this study is committed to future research, particularly on the behaviour of life insurance purchases during infectious diseases. As a result, they may derivative it and publish more papers on the related topics and benefit the crowd.

1.6 Conclusion

The study's background has been properly explained and illustrated in this chapter. The problem statement, the research objectives and questions, and the significance of the study have been discussed in the study overview. The remainder of this paper is arranged in the following order. Chapter 2 presents the literature review. It

reviews past researchers who have been using empirical studies to conduct work related to the topic of this project. Chapter 3 describes the research methodology. It provides details on how the study evaluation was conducted, as well as an overview of the research methods used. The results of the empirical study and hypothesis testing are presented in Chapter 4. In Chapter 5, conclusions are drawn by summarizing and discussing the main findings, research limitations and implications, and recommendations for future work.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter discusses a comprehensive review of the relevant theoretical models. Then, the correlation between life insurance demand and each independent variable will be reviewed from previous literature. Finally, a conceptual framework is provided around the objectives and questions of the study.

2.1 Underlying Theory

2.1.1 Theory of Reasoned Action

Several studies have been undertaken to study insurance purchasing decisions using the theory of reasoned action (TRA). Hastings and Fletcher (1983) were among the first to apply the model of Fishbein and Ajzen (1975), which contends that life insurance purchases may be predicted by behavioural intentions, to assess the TRA model's relevance in the insurance field. Since intention influences an individual's actual behaviour, it seems acceptable to use TRA to investigate a customer's intention to purchase life insurance. Thus, behavioural attitudes and social factors, as well as subjective norms, might explain this behavioural purpose.

According to the TRA, attitude and subjective norms all influence intention. Attitude refers to a person's perception about a particular behaviour, which can have a positive or bad impact on their lives. Subjective norms analyse societal forces to do or refrain from performing a specific behaviour. Thus, the TRA explains the psychological control process that occurs while purchasing insurance, in which demand for life insurance is motivated by

attitudes toward the pursuit of subjective norms. In other words, the clearer the consumer's understanding of the insurance product, the more positive the consumer's attitude, the stronger the motivation to purchase, and the clearer the purchaser's intention to buy life insurance.

Previous study has discovered that people's perceptions about products and services are influenced by their various attributes and benefits. In other words, people's attitudes about a product or service are influenced by the benefits they perceive from it (Gautam & Kumar, 2012). In the case of life insurance, a positive view of life insurance is predicted to increase the desire to obtain life insurance (Litterer, 1965 as cited in Lim et al., 2020), since in order to make the appropriate decision, especially during the pandemic, when incomes are decreases, consumers must consider whether life insurance is valuable or not.

Meanwhile, in the TRA model, the findings of Ajzen (1991), Quintal et al. (2010), and Sandra et al. (2020) reveal that risk perceptions influence behavioural intentions. According to Slovic et al. (1977), the decision-making process for insurance needs is premised on the fact that if individuals believe that there is a potential problem or believe that the probability of an event occurring is low, they may not take the necessary steps to mitigate potential losses. Therefore, individuals will not purchase life insurance if they believe that the COVID-19 risk does not cause them a large loss.

Subjective norms are individuals' perceptions of the most important people in their lives, such as family, close friends, and co-workers, who think they should or should not act in a specific manner (Fishbein & Ajzen, 1975). Family members, friends, and co-workers may be regarded as the reference group that will impact customers' purchasing decisions. A consumer will strive to fit in with the group norm as a member of the group. If the reference group feels or thinks positively about purchasing life insurance, consumers will feel inspired to follow and are more likely to intend to do so. Hence,

during the pandemic, if people around consumers think that consumers should buy life insurance, consumers will be influenced to buy life insurance.

Furthermore, Ajzen (2008) also mentioned that, in addition to the initial TRA variables, the TRA is open to the insertion of additional predictors, but that predictors must fulfil extra requirements. Predictors should be behaviour-specific, conceptually independent of existing predictors of TRA, and potentially causative elements for the behavioural intention or actual behaviour being measured. Based on Huston (2010), financial literacy examines particular financial knowledge, which is different from what was initially assessed by the TRA factor. As a result, financial literacy fits all the criteria and may be included as a predictor. With respect to life insurance, people with greater financial literacy can better understand how life insurance works and how it operates, and thus may be willing to buy life insurance during the pandemic.

Therefore, the focus of this study is to examine the determinants that influence the demand for life insurance during the pandemic period. TRA will assist in the research of those behavioural factors that influence individuals' buying decisions in Malaysia, with the belief that individuals would have different purchase behaviours depending on the different behavioural factors. Thus, the key advantage of using TRA is gaining a deeper understanding of the factors that drive the demand for life insurance.

2.2 Review of Variables

2.2.1 Dependant variable: Life insurance demand

Life insurance is a contract between the insured and insurer represented by a policy (Kagan, 2021). Individuals purchased life insurance as a backup plan due to the uncertainty of psychology and concern for themselves or

their family members if any emergency event occurred unexpectedly (Jahan & Sabbir, 2018). According to a research from Kenya, life insurance provides a sense of security and peace of mind in uncertainty to its consumers (Haushofer et al., 2017). An insured would purchase life insurance purposely to ensure their family members can receive an income source to maintain their living standard after his disability or death (Beck & Webb, 2003; Mahdzan & Victorian, 2013). For example, the insured does not need to worry about their children's education as well as income sources after an unexpected incident happened.

Traditionally, life insurance is purchased so that the beneficiary receives a specific amount of money to cover the deceased's burial expenses. However, the importance of life insurance has expanded in recent years (Mahdzan & Victorian, 2013). Life insurance also functions for the insured to accumulate their wealth in a contractual and disciplined way for a long-term duration (Beck & Webb, 2003). According to Lee (2021), an individual should take life insurance as a holistic financial planning strategy. The solution and premium required for life insurance will change according to individuals' life stages and their financial situation (Lee, 2021). For instance, the life insurance structure of an individual who has children and is unmarried is different.

Many factors may affect the decision of an individual to purchase life insurance. For example, the current interest rate, inflation rate, or any economic factors will become an affecting factor for purchasing decisions (Elango & Jones, 2011; Lim & Haberman, 2003; Sawadogo et al., 2018). Additionally, individual and demographic factors and behavioural biases will also affect the consumer demand for insurance (Outreville, 2014; Shahriari & Shahriari, 2016). This study tends to highlight the influence of financial literacy, subjective norms, perception of life insurance benefits, and risk perception on the demand for life insurance among Malaysians during the Covid-19 pandemic.

2.2.2 Independent variable: Perception of life insurance benefits

The purpose of life insurance is to protect the dependents of the family from financial hardship in the event of the death of the primary earner, such as covering long-term expenditures (Loon et al., 2019). Based on Sommers et al. (2017), the accumulated cash value of life insurance policies can be accessed for emergencies. Thus, life insurance companies must raise consumer's knowledge of life insurance advantages through unique products in order to meet family's financial emergencies from unforeseen risks and uncertainties in the present Covid-19 pandemic outbreak (Tanti et al., 2021).

According to Jervis (2017), individual's purchasing actions are thought to be motivated by their personal perceptions. As life insurance policies provide intangible advantages at the time of sale, consumers must be motivated and persuaded to grasp the benefits of life insurance during the Covid-19 pandemic (Low et al., 2021). Besides, the demand for life insurance might be increased as positive reviews on their benefits increased (Widyanto & Saleh, 2018). The finding is in line with Alhassan and Biekpe (2016), who found that the perception of life insurance advantages has a considerable beneficial impact on life insurance consumption. The findings revealed that consumer's perceptions of life insurance benefits have a considerable impact on its demand.

Moreover, consumer's perception refers to the process by which consumers organize, analyse, and construct meaning to particular stimulus. Individual perceptions formed in response to similar stimuli would change their perception on life insurance benefits (Sendow, Mangantar & Gunawan, 2022). A favourable association between consumer perceptions of life insurance benefits and demand for life insurance was confirmed by the study of Dodamgoda and Canagasabey (2019). In addition, the consumer's perception of life insurance advantages influenced by other factors has a

positive relationship with demand for life insurance (Reddy & Jahangir, 2015). Also, the perceived benefits of life insurance involve trustworthiness, responsiveness, assurance, concreteness, and innovation (Meesala & Paul, 2018). The study showed a direct and significant consequence between perception of life insurance and consumer satisfaction, hence affecting the life insurance demand in Malaysia. Other studies in the past have also proven that consumer perceptions of life insurance benefits have a significant positive impact on Malaysia's demand for life insurance (Loon et al., 2019; Sarkodie & Yusif, 2015).

The psychological propensity of assessing an item with some degree of favour or disfavour is denoted as attitude and perception. The perception of insurance benefits has found a positive relationship with the attitudes toward the demand for insurance products (Aziz et al., 2019). According to the study of Mamun et al. (2021), both attitude and perception on life insurance benefits have a significant impact on life insurance demand intention. Furthermore, a past study has shown a significant relationship between the perception of life insurance benefits and the demand for life insurance (Omar, 2007). The author explained that consumers consider life insurance to be a guarantee of benefits such as maintaining dependents' level of living in the case of their passing, financial protection in the event of disability, and other benefits. Additionally, the success of the life insurance business is significantly influenced by how well the life insurance product contributes to client satisfaction (Nekmahmud et al., 2017).

Furthermore, perceived benefits stand for the degree to which people believe that enhancing a specific utility will influence their attitude toward acquiring insurance (Dzulkipli et al., 2017). According to Berkman et al. (2011), perceived usefulness of insurance had a significant impact on attitudes regarding the willingness to demand insurance products. The study by Liaw and Huang (2013) also claimed that the perceived benefits of insurance are critical in influencing a person's attitude and behaviour in terms of purchase intentions. Other than that, the past study has revealed that the more the perceived benefit of insurance products, the greater the

desire to demand it (Tennyson, 2011). As a result, insurance companies should consider the perceived value in order to attract more demand on life insurance products.

2.2.3 Independent variable: Risk perception

Risk perception refers to how people perceive and feel about the threats they face, which is an important aspect of protective behaviour (Renner et al., 2015). Many health behaviours change theories include risk perception, or an individual's perceived sensitivity to risks (Ferrer & Klein, 2015). Risk perception study is critical because of the implications for risk exposure, risk communication, and risk management (Siegrist & Árvai, 2020). As a result of the increased risk awareness among customers, the pandemic may at the very least create the groundwork for a revival in life insurance sales (Battersby, 2021). Therefore, higher risk perception will affect the higher life insurance demand.

According to Werner (2016), the risk perception positively correlates with life insurance. From this research, it also stated that the high-risk perception, the high demand of life insurance. They attempt to get health or life insurance for protection in order to lower the danger of losing their wealth due to an accident, and maybe to lessen risks such as disease by paying medical expenses (Loon et al., 2019; Mishra, 2018). Similarly, Nam and Hanna (2019) also confirmed that the risk perception is correlated with the need of life insurance. Furthermore, a number of previous research have revealed that those with high sense of risk tend to purchase life insurance (Eling & Hanewald, 2021; Lim et al., 2020). Other than that, a study conducted by Eling and Ghavibazoo (2019) has indicated that the low life insurance demand is due to the low-risk perception. The finding was in line with Chung (2020) showed that there is a strong positive relationship between risk perception and the life insurance demand. This positive

relationship suggests that any rise in risk perception leads to an increase in life insurance demand and vice versa.

Moreover, Song et al. (2019) discovered that risk perception and life insurance have a positive relationship. As stated by the authors, the influence of an individual's risk perception on life insurance demand has received a lot of attention. Since they have a higher risk perception, they would rather buy more life insurance. This is due to the possibility that having more life insurance may reduce the stress associated with an early death. Furthermore, Zeng et al. (2015) also indicated that a positive correlation between risk perception and life insurance. The author interprets this result as due to the situation of high risk, where individuals tend to buy insurance to decrease the risk. Meanwhile, Mai et al. (2020) revealed that the life insurance demand will impact by risk perceptions positively. They indicate that individuals with high-risk perceptions will tend to purchase more insurance. In addition, Boyer et al. (2019) reach the same conclusion that risk perception significantly affects the demand for life insurance. The authors explain that individuals with low-risk perceptions will purchase less life insurance.

However, Huber and Schlager (2011) found a negative relationship between risk perception and behaviour related to buying life insurance in Switzerland. The authors explain that this may be due to the buying life insurance being seen as a loss. The individual will be concerned about the long premium payment period for life insurance and the uncertainty about when the benefits from life insurance will be paid. Therefore, consumers will not purchase life insurance when the likelihood of financial loss from having life insurance is perceived to be high. According to Boyer et al. (2017), Canada's respondents are aware of the dangers, but the demand for life insurance remains low. According to the author, it is due to risk misperceptions, a lack of bequest motivation, and house ownership, which may serve as a replacement.

2.2.4 Independent variable: Subjective norms

The subjective norms are referred to as the perceived social pressure to do or not to do the behaviour (Hsu et al., 2017). Past research has shown that friends, family, employers, instructors, professional colleagues, consultants, agents, and the media have all been identified as potential sources of social influence (Anastasia & Santoso, 2020; Gultom, 2020). In light of the TRA, subjective norms are a predictor that can influence a consumer's behavioural intention to buy life insurance. Lerner et al. (2015) argued that if an individual has a strong affection for a person, they would be willing to buy more insurance for that person. Another study from Nomi and Sabbir (2020), revealed that subjective norms have a direct positive association with intention to obtain life insurance and have a significant impact on it. The authors further explained that the primary motivation for purchasing life insurance is to protect family members.

Besides, Bhatia et al. (2021) investigated the impact of recommendations from friends and family on the consumer's choice to acquire life insurance. The study discovered that word of mouth had a direct and significant positive impact on their decision to insure. Meanwhile, Mamun et al. (2021) found that subjective norms play a key role in shaping working Malaysians' propensity to purchase insurance. This suggests that consumers' purchasing decisions for insurance products and services are influenced by the people they consider important. Similarly, Lin et al. (2017) discovered information from financial advisors, media, relatives, family members, and friends had a positive influence on people's decisions to get life insurance. Other than that, the study of Stolper and Walter (2017) found that financial advisors, formal or informal sources of information, which including advertisements from financial institutions, and discussions with family and friends were positively related to the need for life insurance.

Most early studies as well as current work has indicated a significant and positive relationship between subjective norms and the demand for life

insurance (Ackah & Owusu, 2012; Cai et al., 2011; Tan et al., 2020; Masud et al., 2021). These outcomes are also in line with Nasir et al. (2021), social norms were found to be the main predictor of obtaining life insurance and takaful. This finding suggests that encouragement from the environment induces people to purchase life insurance and takaful. Furthermore, according to Low et al. (2021) and Sarkodie and Yusif (2015), most people are more likely to obtain insurance if their significant others refer and recommend them to an insurance agent. Moreover, a past study has proven that agents are a good source to improve individuals' product knowledge of insurance goods which would increase the demand for various insurance products (Brahmana et al., 2018). Also, Lim et al. (2020) revealed that social influences such as family members, friends and the Internet have a significant impact on people's perceptions of life insurance.

However, based on the study conducted by Ranong et al. (2019) in Thailand, subjective norms were found to have no impact on the purchase decision. The authors explained that purchasing life insurance is an important step. Consumers can listen to others, but ultimately, they must make their own decisions. Furthermore, the findings of the study by Krajaechun and Praditbatuga (2019) in Thailand also showed that the correlation between subjective norms and insurance purchasing behaviour is extremely low. The authors suggest that this may be due to purchase life insurance is a personal expense and people may not seek advice from others on this issue. Moreover, according to Mai et al. (2020), the effect of subjective norms on the demand for life insurance was insignificant in Vietnam, and the authors interpreted this result to mean that life insurance products are personal financial services products, which are not like tangible and information products. Therefore, the influence of other people's opinions does not affect much.

2.2.5 Independent variable: Financial literacy

Financial literacy refers to the ability of using knowledge and skills in managing financial resources effectively (Remund, 2010). Nomi and Sabbir

(2020) mentioned that financial literacy is critical to making healthy financial decisions. Financial literacy will help individuals who intend to buy life insurance to make their decision, as well as the insurance companies in promoting and selling their life insurance products (Lin et al. 2017; Tóth et al., 2021). According to Mahdzan and Tabiani (2013), financial literacy is one of the most important elements that affect the need for life insurance. From the previous studies, Mai et al. (2020) mentioned that there is a positive relationship between financial literacy and demand for life insurance. The authors explained that higher financial literacy will promote the desire to purchase life insurance.

Besides, the empirical finding from Lin et al. (2017) stated that high financial literacy will lead to higher demand for life insurance. Meanwhile, Lim et al. (2020) has indicated that the higher financial literacy will result in their ability to more understand and appreciate the importance of life insurance. Moreover, financial literacy has been found to have a positive correlation with the demand for life insurance (Djoni & Rahardjo, 2021). Other than that, a study has also shown that higher financial literacy will enhance the awareness of life insurance benefits (Zerriaa et al., 2017). Furthermore, past research has revealed that financial literacy is significant to the demand for life insurance (Laing et al., 2016; Lim et al., 2020; Wang et al., 2020). Apart from that, Hassan (2022) mentioned that people with higher financial literacy will be more likely to buy life insurance because life insurance is an investment product to deal with financial catastrophe after the death of the breadwinner.

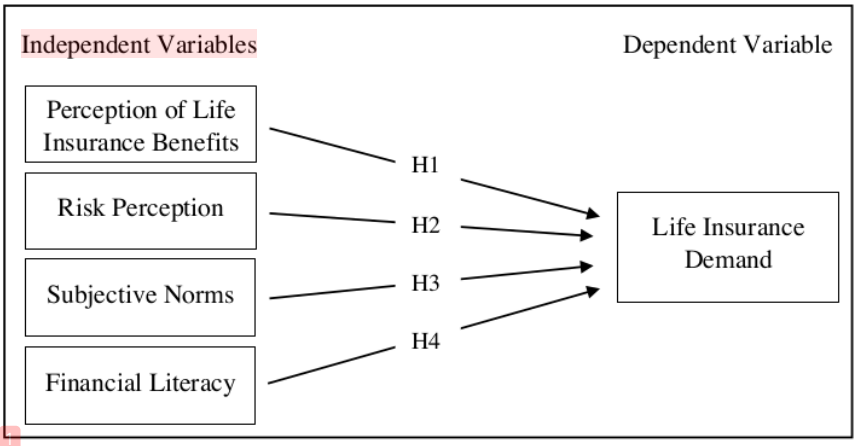
Moreover, a study in the United States shows that adults with high financial literacy are more willing to purchase life insurance (Allgood & Walstad, 2016). Besides, He (2020) studies the participation of life insurance in Chinese families worldwide. The author concluded that financial literacy would affect the willingness of purchasing life insurance. Other than that, Hagos et al. (2019) get the result of financial literacy will affect the intention of purchasing life insurance after collecting the data from 373 households. Furthermore, according to the data from 315 respondents, financial literacy

and the demand for life insurance have positive relationships in Bangladesh (Nomi & Sabbir, 2020). Apart from that, a study by Zakaria et al. (2016) among the staff of public universities in Malaysia shows that financial literacy will affect the willingness of purchasing life insurance. The authors mentioned that higher financial literacy will increase the awareness of the importance of being insured and this will lead to the intention to buy life insurance.

However, some early studies have shown that the results of financial literacy are insignificant to the demand for life insurance. Based on the literature review, a study shows that financial literacy has no impact on life insurance demand (Low et al., 2021). According to Mahdzan and Victorian (2013), they found that financial literacy is insignificant to the demand for life insurance. This is due to the fact that individuals could be sensitive to insecurities in life and then demand for life insurance regardless of whether the individuals have financial literacy or not. Therefore, financial literacy will not affect the intention of purchasing life insurance.

2.3 Proposed Conceptual Framework

Figure 2.1: Proposed Research Framework



Source: Developed for the research.

2.4 Development of Hypothesis

H1: Perception of life insurance benefits has a significantly positive effect on the demand of life insurance.

H2: Risk perception has a significantly positive effect on the demand of life insurance.

H3: Subjective norms has a significantly positive effect on the demand of life insurance.

H4: Financial literacy has a significantly positive effect on the demand of life insurance.

2.5 Conclusion

For a clear image and understanding of the research, the information discussed in Chapter 2 are essential. This chapter clearly defines the relationship between the dependent and independent variables. The appropriate research methodology is described in the next chapter.

CHAPTER 3: METHODOLOGY

3.0 Introduction

This chapter will detail the research design, sampling design, data collection methods, and proposed data analysis tools. The aim of this chapter is to generate the methodology being used and to test the hypotheses developed in Chapter 2.

3.1 Research Design

A research design is the framework for organizing and conducting a specific study. It includes procedures for collecting, analyzing, interpreting, and presenting the findings of a research project (Sileyew, 2019). This study's main objective was to identify the variables that influenced the Malaysians' demand for life insurance during the Covid-19 pandemic. Therefore, the descriptive research design is more appropriate for this research. This is because the descriptive research could demonstrate a clear phenomenon of the behavioural factors of life insurance products purchased by Malaysians.

In this study, quantitative methods were used to collect quantifiable data and to study the phenomenon. Quantitative research generates objective data that can be communicated clearly using statistics and figures (Williams, 2021). To explore the relationship between variables, the study was conducted through an online survey in which respondents were asked to complete a questionnaire.

3.2 Sampling Design

A sample design is a method of getting a sample from a given population. It refers to the researcher's approach or procedure for selecting sample items (Wills, Roecker

& D'Avello, 2020). A proper sampling framework is important to researchers because it allows researchers to reduce research and development costs, conduct research more efficiently, have greater flexibility, and provide greater accuracy.

3.2.1 Target Population

The target population can theoretically be called the definition of the population and the population that can be counted. Target population is defined as the total set of elements or objects that contain the information sought by the researcher and from which inferences are to be drawn (Banerjee & Chaudhury, 2010). The purpose of this study is to investigate the factors that influence the demand for life insurance in the Malaysian market. Therefore, the target population of this study will be Malaysian who are at least 18 years old with no gender restrictions, and there are approximately 25 million people in Malaysia who meet this requirement (Department of Statistics Malaysia, 2021).

3.2.2 Sampling Frame and Sampling Location

A sample frame is a list of all the things in your population. It is a comprehensive list of everyone or anything you wish to know about (Turner, 2003). Due to the large target population in Malaysia, non-probability sampling was used in this study, so the sampling frame was not applicable. Besides, the sampling location is the place chosen to collect the data (Taherdoost, 2016). Since the target population of this study was Malaysians who are at least 18 years old, the sampling location was within Malaysia.

3.2.3 Sampling Elements

A sampling element is a basic unit containing an element or group of elements of the population to be sampled. The targeted respondents were Malaysian and must be at least 18 years old, as this age group is an active workforce (Weedige et al., 2019), and had sufficient knowledge to make decisions and have purchasing power (Quoquab, 2017). These respondents also have different qualifications and income levels. Different types of people have different personalities and perspectives. Therefore, researchers may be able to assess a more correct and generalized result.

3.2.4 Sampling Technique

Sampling techniques are divided into two categories, namely probability sampling and non-probability sampling (McCombes, 2022). Probability sampling refers to the people in the targeted population who will have a specifiable chance of being selected for representing their population. Conversely, the approach of non-probability sampling will not give a specifiable chance of being selected for the people in the targeted population.

The sample technique used in this study was non-probability sampling. In this case, each individual does not have an equal probability of being part of the sample population, and these parameters are known only after the sample has been selected. Besides, snowball sampling is one of the types of non-probability sampling and it was chosen in this study. Snowball sampling is as known as chain referral and reputation sampling (McCombes, 2022). This sampling method is used to spread and refer the questionnaire to potential respondents by the people who have received the questionnaire and eligibility to respond to it. This non-probability sampling method was often used to collect feedback when time and money were limited.

3.2.5 Sampling Size

The number of individuals or observations included in a study is referred to as the sample size (Taherdoost, 2017). A sample size can be defined as a group of participants selected from the general population and considered to be representative of the real population in that particular study. From Table 3.1 it can be seen that, the sample size is determined by the given population. Based on the Department of Statistics Malaysia (2021), there are around 25 million people over the age of 18 in Malaysia. According to Table 3.1, the distribution of 384 questionnaires is sufficient. Therefore, in this study, 384 respondents were our sample size and a total of 480 questionnaires were distributed to avoid incomplete data or ambiguous data.

Table 3.1: Determining Sample Size

N	*S*	*N*	*S*	*N*	*S*
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size.
S is sample size.

Source: Krejcie, R. V., & Morgan, D. W. (1970)

3.3 Data Collection Method

Data collection is a method for gathering information, measuring and analyzing accurate data from all relevant sources to answer the research question, test the hypothesis, and examine the outcomes of the results obtained (Simplilearn, 2022). Every study relies heavily on data collection. Inadequate data collection can have an impact on a study, leading to incorrect findings and results.

3.3.1 Primary data

Data collected from first-hand experience is called primary data. Primary data can be collected by a variety of methods such as interviews, surveys, questionnaires, experiments, observations, and so on (Ajayi, 2017). A questionnaire will be used to collect data for this study. Because we will be collecting data from a large number of respondents in this study, questionnaires will be used as the measurement tool. Questionnaires are faster, less costly, and more efficient than collecting data face-to-face or by phone. Therefore, due to time constraints, questionnaires can save a lot of time and collect information from respondents faster than other methods.

3.3.2 Questionnaire Survey

A self-administered questionnaire was used to obtain data for this study. The survey was done through a questionnaire because it is a well-known method to obtain valid, accurate and valuable data from a large number of respondents. Closed-ended questions were used in the questionnaire. In this study, the questionnaire had three sections and included 35 questions. Part A contains respondents' personal data such as gender, marital status, age, educational qualifications, and income level. This part collected the demographic background of the respondents and consisted of multiple-choice questions selecting one of four or five options. Part B consisted of

24 questions related to the independent variables of the study (perception of life insurance benefits, risk perception, subjective norms, and financial literacy). Part C consisted of five questions related to the dependent variable (life insurance demand). For parts B and C, a five-point Likert scale was used ranging from 1 to 5, where 1 = strongly disagree and 5 = strongly agree.

The questionnaire for this study was completed by sending an email and using social media such as Facebook, WhatsApp, and so forth to the respondents with a link to a Google Forms. Hence, a large number of responses can be collected by using Google Forms since online questionnaires can reach people easily.

3.4 Research Instrument

3.4.1 Pilot Test

In this study, the draft questionnaire was piloted to assess its construct validity and reliability. The pilot test was used to determine whether respondents would provide predictable responses, to confirm the validity and reliability of the questionnaire, and to identify any flaws in the survey. A simple guideline for researchers based on Bujang et al. (2018) suggests that the sample size of the pilot test, especially for Cronbach alpha, should exceed 30. Therefore, to confirm the reliability of the questionnaire, 40 qualified respondents were selected for pilot testing.

3.5 Constructs Measurement

The four basic levels of measurement scales used to obtain data in the form of surveys and questionnaires are characterized as interval, nominal, ordinal, and ratio

(Frost, n.d.). Five-point Likert scales, ordinal scales, and nominal scales were used to create the questionnaires.

The first section of the questionnaire is about the respondents' demographic information, which might help identify between people who belong to the same group. In this section, a nominal scale (gender and marital status) and ordinal scale (age, educational qualifications, and income level) are used, and respondents have several options to choose from. The second and third sections allow for the identification of respondents' life insurance demand based on specific questionnaire items for independent variables, such as perceptions of life insurance benefits, risk perceptions, subjective norms, and financial knowledge, which are assigned by ordinal scale or Likert scale. In order to express the intensity of respondent's perceptions of the questions asked, a five-point Likert scale was chosen to answer those questions.

3.6 Data Processing

Before the acquired data can be analyzed, it must go through stages of data checking, editing, coding, cleaning, and identification of any specific or unusual data processing in order to get reliable information and results.

3.6.1 Data Checking

The purpose of the data check is to ensure that the data obtained is comprehensive and accurate (Seeda, 2020). Once all the responses have been collected, the entire questionnaire will be checked in detail. This is a precautionary measure to avoid any problems in the questionnaire and to take prompt remedial action as soon as practicable. Errors like misspellings and errors in question sequencing or logic can have an impact on the results of the study.

3.6.2 Data Editing

Data editing is described as the process of reviewing and adjusting the collected survey data. By correcting contradictory data using the methods described later in this paper, data editing helps develop rules to eliminate potential bias and ensure consistent estimates for clear analysis of the data set. The main goal of data editing is to improve the quality, correctness and adequacy of the data collected and to make it more appropriate for the reasons for which it was collected.

3.6.3 Data Coding

Data coding is the process of transforming acquired information or observations into meaningful, cohesive sets of categories (Linneberg & Korsgaard, 2019). Data coding is important for effective analysis because it allows the various responses to be condensed into a limited number of categories, including the critical information needed for analysis. In data coding, the researchers coded the data by assigning a numeric code to each of the respondent's responses, making the coded data simple to enter into the database and reducing the error rate. For example, Male was coded as 1, while Female was coded as 2. After coding was completed, the coded data were analyzed using the Statistical Package for Social Sciences (SPSS) software.

3.6.4 Data Cleaning

Data cleaning is the process of detecting and correcting errors and inconsistencies in a data set or database that are caused by corrupt or incorrectly entered data. Incomplete, incorrect, or irrelevant data is identified and replaced, modified, or deleted. Those questionnaires with missing data were considered to be incorrect and should be removed after

checking. This activity was undertaken to ensure that the results generated were reliable and valid for this study.

3.7 Data Analysis

The Statistical Package for Social Sciences (SPSS) will be used to analyze the respondents' data after processing and cleaning. The software will assist in the data management of this study and calculate statistics based on the data obtained from the surveys completed by the respondents. In addition, SPSS is less time consuming for beginners to operate than E-views. The software has two types of statistics, namely non-parametric statistics and parametric statistics (Pedamkar, n.d.). Parametric statistics include descriptive statistics and inferential statistics. Therefore, in this study, SPSS allowed the researchers to generate descriptive, scale, and inferential statistics.

3.7.1 Descriptive Analysis

According to Loeb et al. (2017), descriptive analysis is the transformation of raw data into an understandable and interpretable form. This analysis will rearrange, organize, and process the data to provide descriptive information. This study used descriptive analysis to show the distribution of demographic background information, such as gender, age, marital status, educational qualifications, and income level. In addition, it generates quantitative data analysis in the form of graphs, charts or tables by evaluating the collected questionnaires. Thus, all the data will be transformed into graphical, chart or tabular form and the researcher will be able to simply describe and interpret the data on the factors that influence the demand for life insurance.

3.7.2 Scale Measurement

3.7.2.1 Reliability Analysis

The quality of the measurement scales and the items that make up the scales can be studied using reliability analysis. Besides, the reliability analysis process can calculate a variety of frequently used measures of scale reliability, as well as information about the relationships between specific scale items. In addition, the reliability analysis able to determine whether the survey questions are related to one another. Hence, reliability will be assessed by using Cronbach's Alpha because it is the most commonly used type of reliability analysis.

Lee Cronbach developed Cronbach's alpha, also known as coefficient alpha, to measure reliability or internal consistency (Tavakol & Dennick, 2011). Reliability is sometimes referred to as "consistency". The Cronbach's alpha test was used to determine the reliability of a multi-question Likert scale survey. Thus, it will be used to measure how closely a set of test items are related to each other. If reliability test values less than 0.6 are considered poor, reliability test values in the range of 0.7 are considered acceptable reliability, reliability test values greater than 0.8 to 0.9 are considered satisfactory, and the closer the Cronbach's Alpha to 1, the greater the level of consistency.

Table 3.2: The Rule of Thumb of Cronbach

Cronbach's alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Source: Taber, K.S. (2018)

3.7.3 Inferential Analysis

3.7.3.1 Pearson Correlation Coefficient Analysis

Correlation Coefficient Analysis assesses the association, relationship, or correlation between two variables to determine if they are positively or negatively correlated, or if they are not correlated at all (Patrick et al., 2018). If a change in one variable affects a change in another variable, then they are said to be related. In measuring associations or relationships, correlation coefficients are used to indicate the degree of association or relationship between variables. In other words, the correlation measures how strongly two variables are related or correlated.

The correlation coefficient can be positive or negative, as well as high or low. The correlation coefficients range from -1 to +1, where -1 represents the absolute negative correlation coefficient and +1 represents the perfectly positive correlation coefficient, respectively, and 0 indicates no correlation, also known as a zero relationship (Obilor & Amadi, 2018). In addition, correlation coefficients less than 0.50, whether negative or positive, are regarded as low, those between 0.50 and 0.70 as moderate, and those larger than 0.70 as high. The table 3.3 shows the rules of thumb for Correlation Coefficient values.

Table 3.3: The Rule of Thumb of Correlation Coefficient

Correlation Coefficient	Interpretation
90 to 1.00	Very high correlation
.70 to .90	High correlation
.50 to .70	Moderate correlation
.30 to .50	Low correlation
.00 to .30	Negligible correlation

Source: Schober, P., Boer, C., & Schwarte, L. A. (2018)

3.7.3.2 Multiple Linear Regressions Analysis

Based on Bevans (2020), multiple linear regression (MLR) is a statistical approach for assessing the relationship between two or more independent variables and a dependent variable. Researchers can use MLR to assess how strongly two or more independent factors correlate with a dependent variable, as well as the value of the dependent variable for a given value of the independent variable.

Besides, R-squared measures the distribution of data points around the fitted regression line. It is also known as the coefficient of determination or, in the case of multiple regression, the multiple coefficients of determination (Frost, n.d.). In statistics, R-squares is used in MLR to demonstrate the percentage of life insurance demand that is accounted for by the explanatory variables. In addition, an R-squared value greater than 1 means that the difference between the observed and fitted values for the same data set is small. The R-squared is always between 0.00 and 1.00, the closer the R-squared value is to 1, the stronger the association (Frost, n.d.).

The following equation shows the MLR, which can be used to predict other variables:

$$Y = \beta_1 + \beta_1 X_1 + \beta_2 X_2 + \ldots\ldots + \beta_n X_n \qquad (1)$$

In this study, we will use MLR to see whether four independent variables influence the demand for life insurance in Malaysia. Therefore, the MLR equation developed for the study will be:

$$LID = \beta_0 + \beta_1 PB + \beta_2 RP + \beta_3 SN + \beta_4 FL \qquad (2)$$

Whereby,

LID = Life Insurance Demand *(Dependent Variable)*

PB = Perception of Life Insurance Benefits *(Independent Variable 1)*

RP = Risk Perception *(Independent Variable 2)*

SN = Subjective Norm *(Independent Variable 3)*

FL = Financial Literacy *(Independent Variable 4)*

3.8 Conclusion

In this study, the primary data were tested using SPSS software. Malaysian aged 18 years and above were the target respondents. The data analysis methods included descriptive, reliability, and inferential analysis. The collected questionnaire data were then examined, and results will be reported in Chapter 4.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

The study's findings are presented in this chapter. The questionnaire data enabled for several analyses with the SPSS software. This chapter will perform descriptive statistics, provide reliability tests, and show the findings of inferential analysis in order to accept or reject hypotheses.

4.1 Pilot Test

4.1.1 Reliability Test

Table 4.1: Reliability Analysis Result for Pilot Test

Variables	Cronbach's Alpha	No. of Items
Perception of Life Insurance Benefits	0.796	6
Risk Perception	0.774	6
Subjective Norms	0.885	6
Financial Literacy	0.846	6
Life Insurance Demand	0.889	6

Source: Developed for research

To confirm the reliability of the questionnaire, 40 qualified respondents were selected for pilot testing. According to Table 4.1, the results show that all variables are reliable because they show a Cronbach's Alpha above the threshold of $\alpha = 0.70$. Taber (2018) stated that the generally accepted rule of thumb is that the Cronbach's Alpha should be equal to or greater than 0.7 for such a scale to be regarded reliable for the study. Hence, the results all

meet the requirement, which means that each item in the questionnaire has good reliability and can be accepted to use for the target population.

4.2 Descriptive Analysis

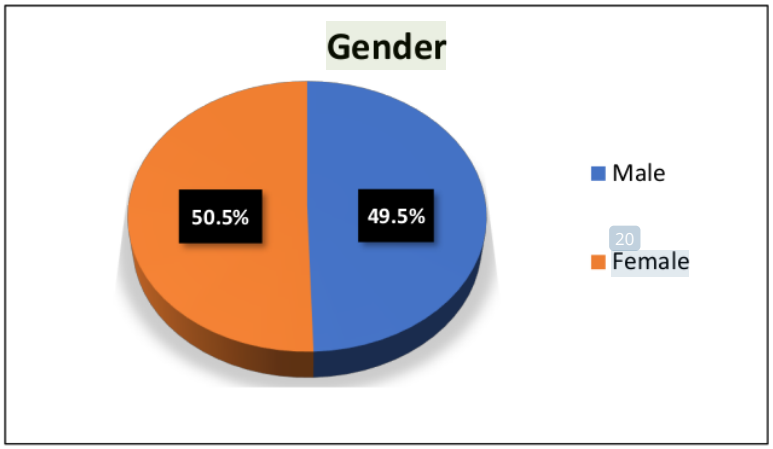
4.2.1 Gender

Table 4.2: Frequency Table for Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	190	49.5	49.5	49.5
	Female	194	50.5	50.5	100.0
	Total	384	100.0	100.0	

Source: Developed for research

Figure 4.1: Percentage of Respondents' Gender



Source: Developed for research

The survey findings on the distribution of respondents by gender are shown in Table 4.2 and Figure 4.1. The study's target respondents are all Malaysians. A total of 384 respondents participated in this survey. There are 194 female respondents participated, which took up more than half (50.5%)

of total respondent population. The remaining 49.5%, consists of 190 respondents participated are male respondents.

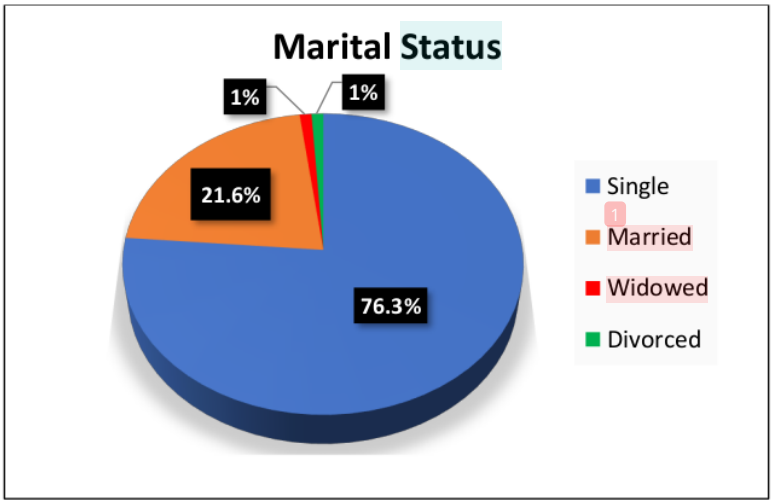
4.2.2 Marital Status

Table 4.3: Frequency Table for Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	293	76.3	76.3	76.3
	Married	83	21.6	21.6	97.9
	Widowed	4	1.0	1.0	99.0
	Divorced	4	1.0	1.0	100.0
	Total	384	100.0	100.0	

Source: Developed for research

Figure 4.2: Percentage of Respondents' Marital Status



Source: Developed for research

In Table 4.3 and Figure 4.2, the overall respondents' marital status is presented. Single group has the most respondents with 293 respondents, making up the largest response group (76.3%). Followed by the 83 married respondents which stand for 21.6% among all. The remaining are equally

distributed between the widowed and divorced groups, each of which has 4 respondents and contributes only 1% of the total respondents.

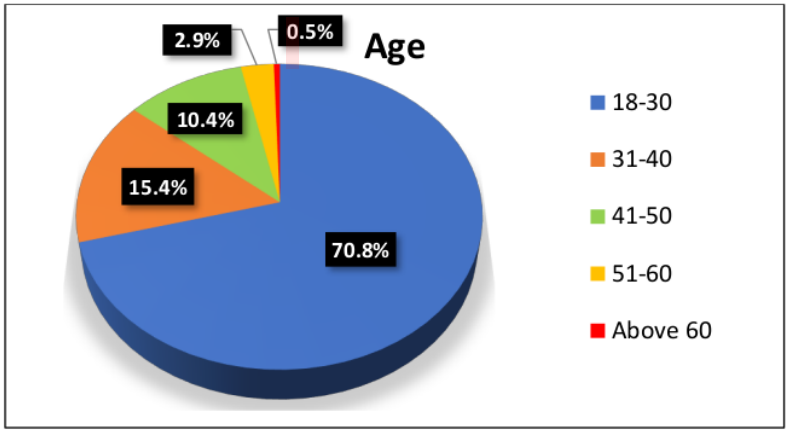
4.2.3 Age

Table 4.4: Frequency Table for Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 – 30	272	70.8	70.8	70.8
	31 – 40	59	15.4	15.4	86.2
	41 – 50	40	10.4	10.4	96.6
	51 – 60	11	2.9	2.9	99.5
	Above 60	2	.5	.5	100.0
	Total	384	100.0	100.0	

Source: Developed for research

Figure 4.3: Percentage of Respondents' Age



Source: Developed for research

The ratio for the respondents' age is showed in both Table 4.4 and Figure 4.3. The age range is divided into five age groups. Most respondents are between the ages of 18 to 30 which consists of 70.8% with 272 respondents. The age group of 31 to 40 with 59 respondents comprise 15.4% of the total and is slightly higher than the age group of 41 to 50 with 40 respondents at 10.4%. Moreover, the age group of 51 to 60 with 11 respondents contributes

2.9%. Lastly, there are only 2 respondents above the age of 60 received the lowest percentage of 0.5%.

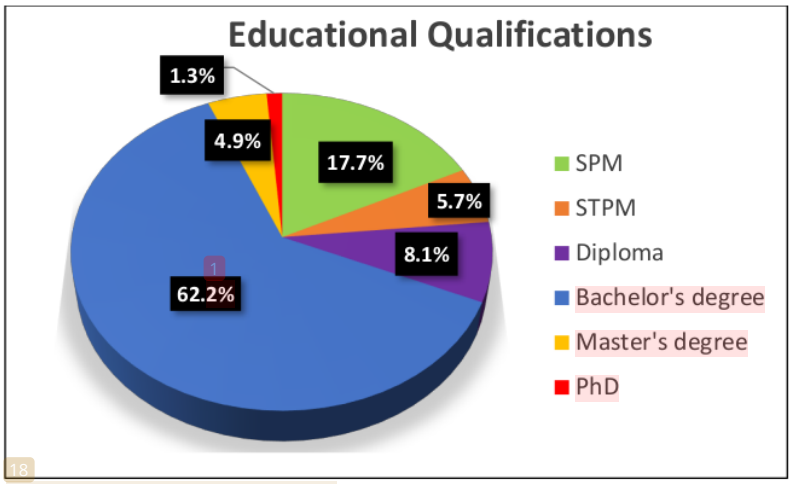
4.2.4 Educational Qualification

Table 4.5: Frequency Table for Educational Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM	68	17.7	17.7	17.7
	STPM	22	5.7	5.7	23.4
	Diploma	31	8.1	8.1	31.5
	Bachelor's degree	239	62.2	62.2	93.8
	Master's degree	19	4.9	4.9	98.7
	PhD	5	1.3	1.3	100.0
	Total	384	100.0	100.0	

Source: Developed for research

Figure 4.4: Percentage of Respondents' Educational Qualification



Source: Developed for research

The findings for the respondents' educational qualification are shown in Table 4.5 and Figure 4.4. This study looked at six levels of education qualification which are SPM, STPM, diploma, bachelor's degree, master's degree, and Doctor of Philosophy (PhD). The greatest percentage is 62.2% which refer to the 239 respondents who earned a bachelor's degree. The SPM completion rate, which included 68 respondents (17.7%) is the second-

highest group. While there were 31 respondents who finished their diploma, making up 8.1% of the overall education qualification. Followed by STPM of 22 respondents, master's degree of 19 respondents and Doctor of Philosophy (PhD) of 5 respondents, which occupied 5.7%, 4.9%, and 1.3% respectively.

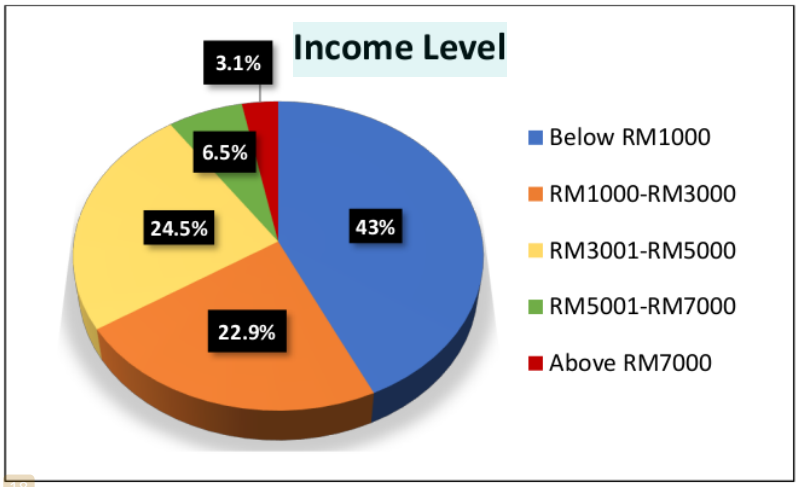
4.2.5 Income Level

Table 4.6: Frequency Table for Income Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below RM1,000	165	43.0	43.0	43.0
	RM1,000 – RM3,000	88	22.9	22.9	65.9
	RM3,001 – RM5,000	94	24.5	24.5	90.4
	RM5,001 – RM7,000	25	6.5	6.5	96.9
	Above RM7,000	12	3.1	3.1	100.0
	Total	384	100.0	100.0	

Source: Developed for research

Figure 4.5: Percentage of Respondents' Income Level



Source: Developed for research

The data of the income level of respondents are shown in Table 4.6 and Figure 4.5. A total of 165 respondents (43%) reported having a monthly

income of less than RM1,000. The income level between RM3,001 to RM5,000, was the second-highest range of respondents, which has 94 respondents and accounts for 24.5% of the total. Besides, there is 88 respondents, or 22.9% of the total, had income levels between RM1,000 and RM3,000. Lastly, there are 25 respondents (6.5%) earn between RM5,001 to RM7000, while only 3.1% of respondents make more than RM7,000.

4.3 Scale Measurement

4.3.1 Reliability Test

Table 4.7: Reliability Test

Variables	Cronbach's Alpha	No. of Items
Perception of Life Insurance Benefits	0.781	6
Risk Perception	0.793	6
Subjective Norms	0.854	6
Financial Literacy	0.837	6
Life Insurance Demand	0.828	6

Source: Developed for research

All the variables were regarded as highly reliable and consistent, as indicated in Table 4.7, with Cronbach's alpha values ranging from 0.70-0.90 for each variable. Among these variables, SN has the highest score (0.854) and is deemed to have good reliability. Next, is FL and LID with values of 0.837 and 0.828, respectively. In addition, RP has a Cronbach's alpha value of 0.793, while PB scored 0.781. Since all values exceed 0.7, this indicates that with a given sample size of 384 respondents, all items in the survey have a high internal consistency, and therefore the results generated could be trusted.

4.4 Inferential Analysis

4.4.1 Pearson Correlation Coefficient Analysis

Table 4.8: Pearson Coefficient Correlation

	PB	RP	SN	FL	LID
PB	1				
RP	.554**	1			
SN	.581**	.533**	1		
FL	.654**	.473**	.576**	1	
LID	.638**	.542**	.610**	.620**	1

**Correlation is significant at the 0.01 level (2-tailed).

Source: Developed for research

Table 4.8 shows the level of correlation between life insurance demand (LID) and the four independent variables (PB, RP, SN, and FL). According to Schober et al. (2018), states that the correlation coefficient values fall between ±0.5 and ±0.7, determining a moderate relationship. Thus, as shown in Table 4.8, the dependent and independent variables are therefore moderately positively correlated, with values ranging from 0.5 to 0.7.

Based on Table 4.8, PB has the highest and positive correlation with LID compared to other independent variables with a value of 0.638. Next, SN and FL are also positively correlated with LID, where the correlation coefficient values were 0.610 and 0.620, respectively. Lastly, RP and LID are also positively correlated; however, among the other independent variables, RP has the lowest correlation with LID with a value of 0.542.

Besides, the result shows that the p-value is below 0.01 significance level. This reveals a significant relationship between the dependent and independent variables. Overall, all independent variables (PB, RP, SN, and FL) had a significant relationship with the dependent variable (LID), since

their p-values were below the 0.01 alpha threshold. Therefore, H1, H2, H3, and H4 were accepted.

4.4.2 Multiple Linear Regression

Table 4.9: The Results of Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients			
Model	B	Std. Error	Beta	t	Sig.	Decision on Hypothesis
(Constant)	.730	.172		4.237	.000	
PB	.282	.057	.253	4.992	.000	Accept H1
RP	.152	.042	.160	3.642	.000	Accept H2
SN	.185	.036	.239	5.104	.000	Accept H3
FL	.217	.044	.241	4.969	.000	Accept H4

Dependent Variable: LID

R= 0.737; R-square= 0.543; P-value (Sig.) = < 0.01

Source: Developed for research

Table 4.9 shows that the model's R-square is 0.543, meaning that overall, the independent variables account for 54.3% of the total variation in LID, and the remaining 45.7% were contributed by other factors and could not be explained in this study. Moreover, the p-value of the model is very high, which smaller than the 0.01 significance level. Hence, four independent variables that are significant predictors of the demand for life insurance can be explained. As a result, it can be concluded that this model is a good fit for this study. Subsequently, a linear equation is formed:

$$\text{LID} = 0.730 + 0.282PB + 0.152RP + 0.185SN + 0.217FL$$

The above linear equation shows a positive relationship between each independent variables and the life insurance demand (LID).

PB and LID have a significant positive correlation. Based on the coefficient of PB, which is 0.282, the LID is estimated to increase by 28.2% when the

PB increases by 1. This outcome is consistent with numerous studies, which are Alhassan and Biekpe (2016), Dodamgoda and Canagasabey (2019), Loon et al. (2019), Widyanto and Saleh (2018). This is because life insurance provides guarantee of benefits such as preserving living standards for dependents in the event of death, financial protection in the event of disability, and other benefits, and therefore, consumers prefer to purchase life insurance with an increased number of benefits.

Besides, there is a significant positive correlation between RP and LID. The coefficient of RP is 0.152, which indicates that when RP increases by 1, the estimated LID will increase by 15.2%. This outcome is in line with Boyer et al. (2019), Chung (2020), Eling and Hanewald (2021), Lim et al. (2020), Nam and Hanna (2019), and Song et al. (2019), argued that consumers tend to purchase life insurance for protection in order to lower the danger of losing their wealth due to an accident, and maybe to lessen risks such as disease by paying medical expenses if they have higher risk perception.

Furthermore, the result shows a significant positive relationship between SN and LID. The coefficient of SN is 0.185, which can be explained by the fact that when SN increases by 1, the estimated LID will increase by 18.5%. This outcome is similar with Lim et al. (2020), Mamun et al. (2021), Masud et al. (2021), Nomi and Sabbir (2020), and Tan et al. (2020), indicated that encouragement from surrounding sources, such as financial advisors, family, peers, and friends, will go a long way in motivating people to purchase life insurance. In addition, some advertisement from financial institutions and the media will also increase the LID.

Lastly, FL and LID also show a significant positive relationship in this study. The coefficient of FL is 0.217, which indicates that when FL increases by 1, the estimated LID will increase by 21.7%. Djoni and Rahardjo (2021), Laing et al. (2016), Lim et al. (2020), Lin et al. (2017), and Wang et al. (2020) also support that FL has a significant positive effect on LID. This is due to higher financial literacy will result in consumers' ability to more understand and

appreciate the importance of life insurance, and therefore the LID will increase consequently.

4.5 Conclusion

In brief, this chapter present the results of each variable using SPSS software in in tabular form and pie charts. Afterwards, this chapter summarize a clear explanation of the data analysis for reviewers to understand. In the following chapter, the findings will be discussed further, and a summary of the entire study will be provided.

CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS

5.0 Introduction

This chapter provides a critical discussion of the finding, and the remaining parts are the implications of study, the limitations of this study and recommendations for future work, as well as the final conclusions of this study.

5.1 Discussion of Major Findings

The purpose of this research is to look into the factors that influence life insurance demand in the Malaysian market during the pandemic period. In this study, researchers focused on factors such as perception of life insurance benefits, risk perception, subjective norms, and financial literacy. According to the regression results, perceptions of life insurance benefits, risk perception, subjective norms, and financial literacy have a relative impact on the life insurance demand in Malaysia.

One of the major findings of this study is the life insurance demand and subjective norms have a strong correlation, as well as a significant positive relationship between these two variables with a beta coefficient of 0.185. This is perfectly in line with the reality of the Malaysian insurance market, where insurance contracts are passively purchased through the advice and persuasion of distribution channels such as agents or consultants, rather than buyers actively seeking products (Teng, 2021). The process of purchasing an insurance product is different from the process of purchasing a regular product because the terms and content of insurance are complex and confusing. Insurance products are designed for each individual and are not a commercial product. The buying process requires a certain level of knowledge, and the process must be supported by an intermediary, such as a financial advisor.

Besides, it is well known that Asian consumers place more emphasis on family values, while Westerners emphasize individual rights. As a result, Asians are more likely to purchase life insurance by getting advice from those around them to protect themselves and their loved ones from financial loss due to unforeseen events. This result is consistent with Nomi and Sabbir (2020), which suggests that the primary motivation for purchasing life insurance is to protect family members. Thus, the Asian cultural environment allows subjective norms to strongly contribute to the demand for life insurance in the event of a pandemic. Accordingly, when there are Malaysians who have the intention to purchase life insurance, adding one unit to the subjective norms will have a facilitative effect of 0.185 units to their actual purchase behaviour.

Moreover, risk perception and life insurance demand are also significantly and positively correlated in this study. This result may be due to the fact that a large proportion of the respondents who participated in this study were 18-30 years old. According to Dunsavage (2021), life insurance has attracted a lot of attention from young Malaysian consumers due to the pandemic. The growth in interest can be explained by the fact that young people are more likely to have minor children. In addition, if they die, there will be more outstanding mortgage debt to cover. Furthermore, the Malaysian government launched the Perlindungan Tenang Voucher (PTV) program in 2021, offering a RM50 voucher developed specifically to incentivize young people, young families and the B40 family group to purchase life insurance (Tan, 2021). This may lead Malaysians to purchase life insurance for themselves and their family as a kind of protection in these uncertain times, as they can use the vouchers to reduce their spending on purchasing life insurance. According to Linnerooth-Bayer et al. (2019), people are more willing to insure when the cost of purchasing insurance is, on average, lower than the expected loss to the consumer, and significantly lower than the expected loss during a pandemic. Accordingly, the increase in risk perception among Malaysians will be able to boost the demand for life insurance in Malaysia.

5.2 Implication of Study

Based on the study's findings, it may be useful to different parties. In order to achieve the government's target of having a 75% penetration rate of life insurance in Malaysia (Krishnan, 2020), the government will therefore be the first important party. Through this study, the government can understand the important variables that affect the life insurance demand in Malaysia during the pandemic period. According to the findings, financial literacy had a significant impact on Malaysia's demand for life insurance during the COVID-19 pandemic. This result implies that the government should improve the financial literacy of consumers, especially through financial education programs. The government could provide free educational programmes that inspire consumers to manage their resources wisely, as well as ways to invest and save. These programmes may encourage people to engage in certain forms of planning, such as life insurance planning. Additionally, the government may also encourage people to subscribe to a financial newsletter from a reliable source. It was created to help consumers advance their financial path by providing knowledgeable advice.

Besides, this study has found a positive relationship between risk perception and life insurance demand. In Malaysia, the government has a strong influence on raising public awareness of risk. On behalf of insurance companies, the government can actively promote the perceived risks and protections offered by life insurance to increase the consumers' risk perception. The government can inform and educate the public to reduce financial risks by having life insurance. For example, the government can increase the penetration of life insurance in Malaysia by hosting regular financial podcasts. Podcasts can be an excellent way for consumers to obtain financial news and thus increase awareness of life insurance.

Moreover, this study also confirms that both perceptions of life insurance benefits and subjective norms are positively correlated to the demand for life insurance. The results could give insurance companies an idea to implement training programmes for their staffs, particularly those in the sales division, to increase product and brand promotion in order to influence consumers' perceptions of life insurance product

benefits, a move that may benefit their customer outreach and capture a diverse range of those in need of life insurance. Furthermore, insurers should also ensure that their agents have the expertise to fully understand insurance policies and communicate accurate insurance policy information to consumers. In this regard, insurers can periodically review their agents for up-to-date knowledge of insurance policies and claimable benefits. Agents are a great source of increasing an individual's knowledge about life insurance products. When agents have the expertise and up-to-date insurance information, they can better influence and persuade consumers to purchase the most suitable type of insurance, thereby increasing consumer demand for life insurance products.

5.3 Limitations of The Study

Some limitations were identified while doing this study. The first limitation is that there are only four independent variables, which are perceptions of life insurance benefits, risk perception, subjective norms, and financial literacy, used in this study due to time constraints. These four independent variables may not examine all possible determinants of life insurance demand in Malaysia during the Covid-19 pandemic because the R^2 value in this study is only 0.543, which means that only 54.3% of the independent variables have an impact on the dependent variable. In other words, this study may have overlooked other important factors that could also have a significant impact on consumers' decisions to purchase life insurance during COVID-19. Hence, there is much room for improvement in research models.

Furthermore, the second limitation of this study is the unbalanced results of the demographic information, also known as sampling bias. The data for this study were collected using snowball sampling, which is a non-probability sampling technique. The main reason for selecting this method of data collection was due to the time constraints of this study, as non-probability sampling methods would be more time efficient. However, the limitation of snowball sampling is that it will lead to sampling bias because the sample respondents were not selected from the sampling frame. According to the result of descriptive analysis, the majority of respondents

were between 18 to 30 years old (70.8%) and generally have the educational qualification of bachelor's degree (62.2%). In addition to this, the majority of the responses received were single (76.3%). Life insurance is not just for the highly educated or the younger generation of consumers. Even single and married people can also have very different views of life insurance demand. Therefore, the results of this study are not representative of all citizens in Malaysia, and the sampling bias may lead to inaccurate results.

5.4 Recommendations for Future Research

The following are some recommendations that could be used to overcome the limitations of the study. Firstly, other suitable independent variables such as saving attitude, precautionary motives, and self-efficacy can be included in future studies to address the issue of factor constraint. If future researchers include other significant independent variables in their study to examine the demand for life insurance, and the dependent variable can be adequately explained by the newly added independent factors., they may achieve a higher R^2, which will reduce the proportion of remaining explanation, therefore better results can be obtained.

Besides, future researchers may try utilising other sampling methods to acquire data to overcome the problem of uneven results for demographic information. It is suggested that future researchers may decide to use probability sampling methods rather than non-probability sampling methods. This is due to the fact that probability sampling techniques have a greater degree of generalization to the population and equal chance of selection for every member of the population. In this study, researchers found that most respondents were from the younger generation, highly educated, and single, thus the results obtained may not reflect the view of the entire Malaysian population. Future researchers are therefore encouraged to ensure a balance of sampling elements when obtaining data, which must be collected equally from respondents with different demographic profile. Although the process of obtaining the sampling frame may be time consuming and costly, the data will make the results of the study more accurate and reliable.

Lastly, time constraints are always a major problem for researchers in this study. To deal with this issue, future researchers will need to make careful scheduling plans before beginning their research.

5.5 Conclusion

In summary, this chapter has discussed the major findings of the variables in the previous chapter. Additionally, the implications of this study for different aspects such as the government and insurance companies are also being discussed. Lastly, researchers also listed the limitations of this study and provided some suggestions to help future scholars conduct further research on the topic.

The determinants of life insurance demand in Malaysia during COVID-19 pandemic

ORIGINALITY REPORT

15%	10%	5%	8%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	eprints.utar.edu.my Internet Source	3%
2	Submitted to Universiti Teknologi MARA Student Paper	1%
3	Jee Fenn Chung. "The demand for life insurance: a quantitative study among “generation y” in the Klang Valley, Malaysia", Religación. Revista de Ciencias Sociales y Humanidades, 2020 Publication	1%
4	Loon Ann Chi, Tee Kien Hui, Marcia Edna Santhanarajan. "Factors Influencing Life Insurance Consumption In Malaysia", Proceedings of the 2019 2nd International Conference on E-Business, Information Management and Computer Science, 2019 Publication	<1%
5	Submitted to Strathmore University Student Paper	<1%

6	Chaonan Lin, Yu-Jen Hsiao, Cheng-Yung Yeh. "Financial literacy, financial advisors, and information sources on demand for life insurance", Pacific-Basin Finance Journal, 2017 Publication	<1 %
7	etd.uum.edu.my Internet Source	<1 %
8	Submitted to Segi University College Student Paper	<1 %
9	Submitted to Asia e University Student Paper	<1 %
10	Submitted to Multimedia University Student Paper	<1 %
11	Submitted to Nazareth Catholic College Student Paper	<1 %
12	Wookjae Heo. "The Demand for Life Insurance", Springer Science and Business Media LLC, 2020 Publication	<1 %
13	Mahdzan, Nurul Shahnaz, and Sarah Margaret Peter Victorian. "The Determinants of Life Insurance Demand: A Focus on Saving Motives and Financial Literacy", Asian Social Science, 2013. Publication	<1 %

14	Submitted to RICS School of Built Environment, Amity University Student Paper	<1%
15	Submitted to Universiti Malaysia Perlis Student Paper	<1%
16	Submitted to Universiti Tunku Abdul Rahman Student Paper	<1%
17	Submitted to Asia Pacific University College of Technology and Innovation (UCTI) Student Paper	<1%
18	Submitted to UCSI University Student Paper	<1%
19	media.proquest.com Internet Source	<1%
20	pt.scribd.com Internet Source	<1%
21	Submitted to Berjaya University College of Hospitality Student Paper	<1%
22	www.essaycompany.com Internet Source	<1%
23	Submitted to University Der Es Salaam Student Paper	<1%
24	es.scribd.com Internet Source	<1%

25	Submitted to HELP UNIVERSITY Student Paper	<1%
26	Submitted to Quest International University Perak Student Paper	<1%
27	Submitted to University of Cape Town Student Paper	<1%
28	Submitted to Laureate Education Inc. Student Paper	<1%
29	uniassignment.com Internet Source	<1%
30	www.growingscience.com Internet Source	<1%
31	Submitted to Universiti Teknologi Malaysia Student Paper	<1%
32	docplayer.net Internet Source	<1%
33	www.ukessays.com Internet Source	<1%
34	Submitted to Universiti Kebangsaan Malaysia Student Paper	<1%
35	pdfs.semanticscholar.org Internet Source	<1%
36	Submitted to 67523 Student Paper	

		<1%
37	Submitted to Westminster International College - Kuala Lumpur Student Paper	<1%
38	Submitted to Pusan National University Library Student Paper	<1%
39	Submitted to University of Greenwich Student Paper	<1%
40	www.redcover.com.my Internet Source	<1%
41	dspace.uta.edu Internet Source	<1%
42	www.ey.com Internet Source	<1%
43	Submitted to University of Leeds Student Paper	<1%
44	Submitted to University of Limerick Student Paper	<1%
45	link.springer.com Internet Source	<1%
46	scholar.ufs.ac.za Internet Source	<1%

47	Marie Haugli Larsen, Mass Soldal Lund, Frøy Birte Bjørneseth. "A model of factors influencing deck officers' cyber risk perception in offshore operations", Maritime Transport Research, 2022 Publication	<1 %
48	assets.hcca-info.org Internet Source	<1 %
49	docshare.tips Internet Source	<1 %
50	repository.ju.edu.et Internet Source	<1 %
51	repository.nwu.ac.za Internet Source	<1 %
52	zombiedoc.com Internet Source	<1 %
53	Submitted to Midlands State University Student Paper	<1 %
54	core.ac.uk Internet Source	<1 %
55	etd.hu.edu.et Internet Source	<1 %
56	vbn.aau.dk Internet Source	<1 %

57	www.coursehero.com Internet Source	<1 %
58	Aloys Ayako, Fidelis Wamalwa. "Determinants of Firm Value in Kenya: Case of Commercial Banks Listed at the Nairobi Securities Exchange", Applied Finance and Accounting, 2015 Publication	<1 %
59	dspace.lib.uom.gr Internet Source	<1 %
60	ir.csuc.edu.gh:8080 Internet Source	<1 %
61	ir.mu.ac.ke:8080 Internet Source	<1 %
62	ir.unimas.my Internet Source	<1 %
63	lup.lub.lu.se Internet Source	<1 %
64	umispace.umi.ac.ug Internet Source	<1 %
65	www.globalscientificjournal.com Internet Source	<1 %
66	Andrew K. G. Tan, Steven T. Yen, Abdul Rahman Hasan, Kamarudin Muhamed. "Demand for Life Insurance in Malaysia: An	<1 %

Ethnic Comparison Using Household Expenditure Survey Data", Asia-Pacific Journal of Risk and Insurance, 2014
Publication

67	Sara Emamgholipour, Mohammad Arab, Zahra Mohajerzadeh. "Life insurance demand: Middle East and North Africa", International Journal of Social Economics, 2017 Publication	<1 %
68	Submitted to Wawasan Open University Student Paper	<1 %

Exclude quotes	On	Exclude matches	Off
Exclude bibliography	On		