

Addis Ababa University
Faculty of Business and Economics
Department of Management
Executive MBA Program

**The Impact of Demographic factors on the Attitudes of Life Insurance Policyholders
in the Case of Ethiopian Insurance Company**

Thesis

**Presented in Partial Fulfillment of the Requirements for the Executive Masters of
Business Administration in the Graduate School of Addis Ababa University**

By

Asseged G/medhine

Advisor

Dr. Mohammed Seid

February, 2015

Addis Ababa University
Faculty of Business and Economics
Department of Management
Executive MBA Program

**The Impact of Income on the Attitudes of Life Insurance Policyholders in the Case
of Ethiopian Insurance Company**

Thesis

By

Asseged G/medhine

Advisor

Dr. Mohammed Seid

Approved by the Board of Examiners

Advisor

Signature

Date

Examiner

Signature

Date

Examiner

Signature

Date

Declaration

I, Asseged G/medhine declare that this work entitled “**The Impact of Income on the Attitudes of Life Insurance Policyholders in the Case of Ethiopian Insurance Company**”, is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the research advisor.

This study has not been submitted for any degree in this University or any other university.

It is offered for the partial fulfillment of the executive MBA (EMBA).

By: Asseged G/medhine

Signature: _____

Date: _____

Acknowledgement

First of all I would like to praise almighty God for helping me and enabling me to carry out this study.

I am also greatly indebted to my Advisor Dr. Mohammed Seid for his patience, encouragement and continual help and advice. A great thank and special gratitude is addressed to Ethiopian Insurance Company management and staff, special thanks to Genet Fisehatsion and Saba Tafesse.

Table of Contents

	Pages
Declaration.....	3
Acknowledgement.....	i
Table of Contents.....	ii
List of Tables.....	vi
List of Figure.....	vii
Acronyms.....	viii
Abstract.....	ix
CHAPTER ONE: Introduction.....	1
1.1. Overview.....	1
1.2. Background of the Study.....	1
1.3. Statement of the Problem.....	2
1.4 Research Questions.....	3
1.5 Objective of the Study.....	3
1.5.1 General Objective.....	3
1.5.2 Specific Objectives of the study.....	4
1.6 Significance of the Study.....	4
1.7 Scope of the Study.....	5
1.8. Limitation of the Study.....	5
1.9 Hypotheses for this Research.....	5
1.10 Organization of the Study.....	6
CHAPTER TWO: Literature Review.....	7
2.1 Chapter Review.....	7
2.2 Development of insurance.....	7
2.2.1 Definitions.....	8

2.2.2 Risk	9
2.3 The Impact of Demography Factor on the Attitude of Life Insurance Policyholders	10
2.3.1 Religion Vs Life Insurance.....	10
2.3.2 Age Vs Life Insurance	11
2.3.3 Gender Vs Life Insurance	13
2.3.4 Education Vs Life Insurance	13
2.3.5 Income Vs Life Insurance	14
2.4 Types of Insurance	14
2.4.1 General insurance	14
2.4.2 Life insurance	15
2.5 World Insurance Service Trend.....	18
2.6 Overview of Ethiopian Insurance Industry.....	19
2.7 Empirical Review.....	22
2.7.1. Ethiopian Perspective Empirical Review	22
2.7.2 Global Perspective Empirical Review	23
2.7.3 Concept of Attitude.....	27
2.7.3.1 Definition of Attitude	27
2.7.3.2. Components of Attitude	28
2.7.3.2.1 Affective Component.....	28
2.7.3.2.2 Behavioral Component	28
2.7.3.2.3 Cognitive Component	29
2.7.4 Attitude formation	29

2.7.5 Attitude function.....	30
2.7.6 Attitude change.....	32
2.7.7 Implicit and explicit Attitude change	33
2.8 Conceptual framework	33
2.9 Determinants of Attitudes (use diagram)	35
CHAPTER THREE: Research Methodology.....	37
3.1 Research Overview	37
3.2 Research Methodology.....	37
3.3 Research Design.....	38
3.3.1 Study Population.....	38
3.3.2 Sample size.....	38
3.3.3 Source of Data.....	39
3.4. Data Collection Methods	39
3.4.1 Questionnaire Development and pre-testing.....	39
3.4.2 Final Administration.....	39
3.5 Data Analysis Tools	40
3.6 Multiple Regression Model.....	40
3.6.1 Validity and Reliability of Instruments.....	41
3.6.1.1 Reliability.....	41
3.6.2 Validity	42
CHAPTER FOUR: Result and Discussion	43
4.1 Result and Discussion Overview	43
4.2 Response Rate.....	43
4.3 Respondents Demographic.....	44

Coefficient of Beta(from table 8)	53
CHAPTER FIVE: Summary, Conclusion and Recommendation.....	58
5.1 Chapter Overview	58
5.2 Summary of Study.....	58
RQ1. What are the determinants of attitudes of life insurance policy holders’?	58
RQ2. To what extent do demographic factors influence the behavior policy holders?	59
RQ3. What is the relationship between attitude with income, religion, gender, age and education?	60
5.3 Theoretical implication	60
5.4 Conclusion.....	61
5.4 Recommendation for Future Area and Research	62
5.4.1 Increase Life Insurance Business by Addressing Demographic Factors.....	63
5.4.2 Enhance Marketing Channel	63
Bibliography	64
Appendices	

List of Tables

	Pages
Table 1: Crobache Alpha Reliability Test for Demographic Factors	42
Table 2: Characteristics of Respondents.....	44
Table 3: Descriptive Statistics	46
Table 4: Correlations.....	47
Table 5: Variables Entered/Removed ^a	48
Table 6: Model Summary ^b	48
Table 7: ANOVA ^a	49
Table 8: Coefficients ^a	49
Table 9: Residual Statistics ^a	50
Table 10: Case Processing Summary.....	50
Table 11: Reliability Statistics	51
Table 12: Inter-Item Correlation Matrix.....	51
Table 13: Summary Item Statistics.....	52
Table 14: Outward Business	55
Table 15: Underwriting Result.....	56

List of Figure

	Pages
Figure 1: source researcher	6
Figure 2: source the researcher	35
Figure 3: response rate	43

Acronyms

EIC	Ethiopian Insurance Corporation
GDP	Gross Domestic Product
NBE	National Bank of Ethiopia
SPSS	Statistical Package for Social Science

Abstract

The purpose of this study is to examine the impact of demographic factors on the attitude of life insurance holders in the case of Ethiopian Insurance Corporation. The study was conducted by collecting the response of policyholders through structured questionnaire on five point likert scale. Out of 200 questionnaires a total of 154(77%) usable responses were obtained to assess the level of awareness about demographic factors and their impact on policy holder attitude towards life insurance. Multiple regression Modeling (MRM) approach was used to analyze and test relationships among variables. The study found that Demographic factors such as income, religion, gender, education and age were found to have significance impact on the attitude of life insurance policyholders in Ethiopian Insurance Company's scenario. The implications of the study to management and theory are discussed and recommendations for future research have been made. The limitations of the study are also noted. The findings of the study may serve as an input for the Ethiopian Insurance Company in particular and the insurance industry in Ethiopia in general. It also aims to frame strategies how to increase the share of life insurance in the GDP of the country.

Key words: Ethiopian, Income, life Insurance, attitude, Demographic factors

CHAPTER ONE: Introduction

1.1. Overview

This chapter presents an overview of the research, the Background to the Study, Problem Statement, objective of the Study, scope of the study, limitation of the study, hypothesis of the research, research methodology, research design, and structure of the thesis.

1.2. Background of the Study

The focus on customer-centric marketing philosophies has received considerable attention in the marketing literature by scholars and both practitioners and scholars are increasingly looking for ways to understand, attract, retain and build intimate long term relationship with profitable customers (Kotler, 2006; Gronroos, 1994). One of the key areas in the customer-centered marketing paradigm is ensuring that existing customers are satisfied. As a result organizations have been studying major factors which have an impact on the attitude of their customers and developing strategies to satisfy customers and retain them for longer period. In order to maximize customer satisfaction and enhance growth, the study of attitude has been of fundamental concern. This study shows that demographic factors constitute a significant impact on the attitudes of policyholders (SPSS White paper, 2015, annex II)

According to Baumesiter and vohs,2007) affective component refers to feelings emotions, and moods in relation to an attitude object, this theoretical concept clearly tried to explain in this research in line with demographic factors.

According to Roy and Eli (2010), social psychologists used the term attitude to refer to a relatively general and enduring evaluation of an object or concept on a valence dimension ranging from positive to negative. Thus attitudes are the good /bad evaluations that we attached to objects in our social /business world. These evaluations can be attached almost anything, including people, social groups, physical object, behaviors and even abstract concepts.

Ethiopian insurance sector trend in life insurance shows that there is a very stagnant growth, as per the data obtained from National Bank of Ethiopia (NBE), insurance premiums, including life and general insurance, totaled Birr 4.8 Billion in the 2013/14 financial year representing merely 0.2% of GDP.(Annex I). In this study, it is proved that demographic factors such as income, religion, gender, education, and age have impact on the attitudes of life insurance policyholders. And thus the share of life insurance in the sector will be changed by reaching to independent variables.

1.3. Statement of the Problem

Studies consistently show that one measure of country's standards of living is per capita gross domestic product (GDP) and it is related to life insurance policy. Poor countries obviously have less to spend on preventive medical health care than wealthier countries. There is also a statistically meaningful relationship between demographic factors and attitudes of life insurance policyholders. Though the Ethiopian economy is growing on an average rate of 11% for more than 3 decades, the share of life insurance is not growing similarly with growth of the economy, it is only 0.06% (288million).

National Bank of Ethiopia (NBE), insurance premiums, including life and general insurance, totaled Birr 4.8 Billion in the 2013/14 financial year representing merely 0.2% of GDP.(Annex I). This means insurance companies have faced challenges in investment activities because of the fact that small size premium they generated from the market. In order to increase the size of premium to GDP more life insurance policyholders must participate by changing their attitude towards life insurance policy in the insurance industry. Therefore, this research is determined to address demographic factors which have impacts on the attitude of life insurance policyholders through statistical techniques.

1.4 Research Questions

For the above problem and purpose, the study seeks to answer the following specific research questions:

1. What are the determinants of attitudes of life insurance policyholders’?
2. To what extent do demographic factors influence the behavior policyholders?
3. What is the relationship between attitude with demographic factors, religion, gender, age and education?

1.5 Objective of the Study

1.5.1 General Objective

The main objective of the study is to examine or assess the impact of demographic factors on the buying decision or attitude of life insurance policyholders in the case of EIC.

1.5.2 Specific Objectives of the study

The specific objectives of the study are to:-

1. Assess the impact of demographic factors on the policyholders in buying polices from EIC
2. Indentify which of the demographic factors have a significant impact on the attitude of policyholders.
3. Identify other factors that influence the attitude of life insurance policyholders in buying polices from EIC

1.6 Significance of the Study

The study is significant in various ways to business/marketing practitioners, policy makers and stakeholders.

To the management of Ethiopian's insurance companies, the findings and results that will be reported in this study will provide a more reliable scientific measure and perspective for describing and evaluating the level of their customer attitude with the services they deliver. It will also serve as a source of information that brings to lime light the switching intentions of their respective customers. This will provide empirical support for management strategic decisions in several critical areas of life insurance operations.

1.7 Scope of the Study

The study covers all life insurance branches in Ethiopian Insurance Company. The respondents, employees, clients, expertise were mainly in Addis Ababa although those clients in out sprite of Addis Ababa, at Bahir Dar district, Adama District Dire Dawa district, Hawassa district were contacted and interview on phone. The study sought to limit itself to life insurance.

1.8. Limitation of the Study

Respondents were not willing to complete questionnaire, with the assumption that, they were being sought to buy an insurance policy. The other one is scarcity of time to reach to relatively large number of branches on attitudes of life insurance policyholders.

1.9 Hypotheses for this Research

Hypothesis for Independent Variables

H1: Income has a significant impact on the attitude of life insurance policyholders

H2: Age has an impact on the attitude of life insurance policyholders

H3: Gender has an impact on the attitude of life insurance policyholders

H4: Education has an impact on the attitude of life insurance policyholders

H5: Religion has an impact on the attitude of life insurance policyholders

1.10 Organization of the Study

The research report is organized under five chapters (Figure 1). Chapter one is the introductory chapter that covers the Background to the study, Problem statement, Objectives, Limitations, scope of the study, hypothesis of the research, research methodology, research design, and Structure of thesis. Chapter two is review of relevant literature. Development of insurance industry, Insurance industry in Ethiopia, Concepts and Theoretical Framework of life insurance, concepts and theoretical frame works of attitude: Chapter three is the methodology section. It focuses on the research perspectives, data collection: population, sampling, research instruments, data collection, access strategies and credibility of the study. It identifies the hypotheses and explains in detail the main constructs and concepts as well as their indicators and measurement. Chapter four is presentation of data and analysis of results and findings. Chapter five is the summary, conclusion and implications.

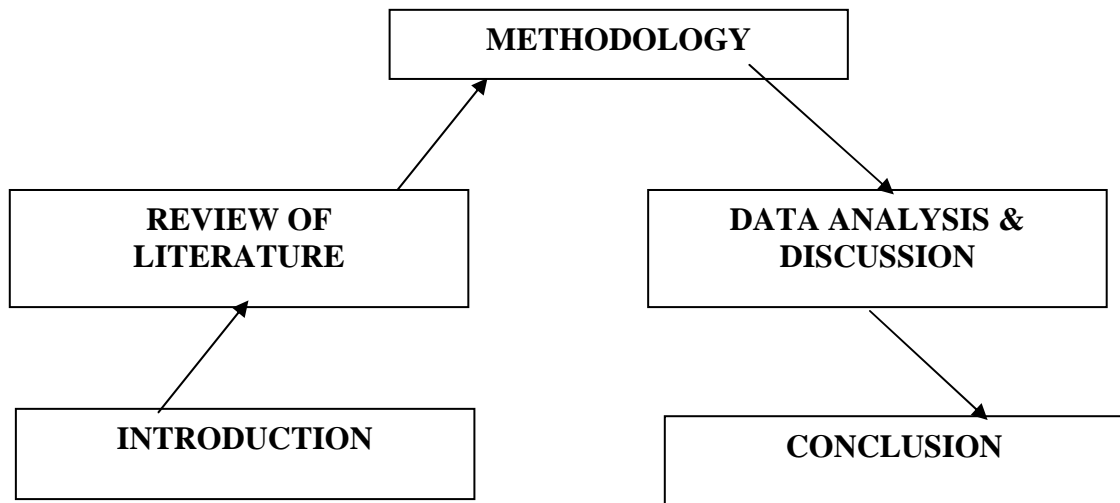


Figure 1: source researcher

CHAPTER TWO: Literature Review

2.1 Chapter Review

Under this section of thesis, the very concept of demographic factors, attitudes and insurance will be explained and some areas will be highlighted. It seeks to give an overall understanding of the impact of demographic factors on the attitudes of life insurance policyholders.

2.2 Development of insurance

Insurance is dated back as old as the story of mankind and the instinct which prompts business man of today in securing themselves against any incidental occurrences existed in primitive men also. There was the need to avert the evil consequences of these incidental occurrences' to make some sort of sacrifice in other to achieve security. The concept of insurance is a development of the recent past, especially after the industrial era, which is dated back almost 6000 years ago (<http://www.scribd.com/doc/10068289/Brief-History-of-Insurance>, downloaded on January 15, 2011).

The story of insurance is probably as old as the story of mankind. The same instinct that prompts modern businessmen today to secure themselves against loss and disaster existed in primitive men also. They too sought to avert the evil consequences of fire and flood and loss of life, and were willing to make some sort of sacrifice in order to achieve security (<http://www.scribd.com/doc/10068289/Brief-History-of-Insurance>, downloaded on January15, 2011).

2.2.1 Definitions

“Insurance may be defined as a system of combining much loss exposure, with the cost of the losses being shared by all the participants”. (Crane1980:8)

Article 654(2) of the commercial code of the Empire of Ethiopia (1960:140) provides a legal definition of insurance as follows:

An insurance policy is a contract whereby a person called the insurer undertakes against payment of one or more premiums to pay to a person, called the Beneficiary, a sum of money where a specified risk materializes.

The primary purpose of insurance is to provide financial compensation (to indemnify) the policyholder in the event the risk insured against materializes and a loss occurs to the policyholder, which leads to a decline in the financial position of the policyholder. Through indemnification, the policyholder would then be restored to his/her previous financial position except in the case of life and personal accident insurance.

Insurance provides various benefits to individuals, families, organizations, and the country as a whole. Firstly, insurance companies are business organizations and they strive to remain profitable and create value to their owners. The governments will also benefits in the form of tax collection. Secondly by providing cover to other organizations against variety of risks, insurance enables the sustainability of such organizations. Probably, many organizations that have to operate under risky environment would not have been established or would not become sustainable in the absence of insurance. In

the event of frequent and severe losses due to accidental misfortunes, organizations may be unable to raise the required finance from owners and /or creditors to replace the resource lost. Purchase of insurance provides organizations (policyholders) with financial compensation at all times in the event the risk insured against materializes and creates a loss.

Purchase of life or disability insurance enables the insured to protect his/her families against financial distress in the event the insured dies or sustains disability injury that leads to loss of job, which leads to loss of income. Insurance also reduce uncertainty and anxiety associated with the occurrence of misfortune.

In general, in addition to the above advantages insurance promotes financial stability it also facilitates trade and commerce. Both insurers and reinsurers have economic incentives to help insured's reduce losses and enabling risk to be managed more efficiently.

2.2.2 Risk

The whole of life is the management of risk but not its elimination. The term Risk is associated with an unfortunate incident that leads to undesirable outcome. (Hailu 2007:1)

Risk is the term used for the uncertainty about future losses. It is an unknown consequence of future that can raise future damage or loss. According to A.S Hornby in oxford dictionary

Risk has been more usual phenomenon that is occurring in daily life. Thus, to minimize this risk, people tend to insuring themselves.

Insurance Company insures wide variety of uncertain aspects of our life and society that can be classified as life and general in

2.3 The Impact of Demography Factor on the Attitude of Life Insurance Policyholders

2.3.1 Religion Vs Life Insurance

Religion is a set of coherent answers to the core existential questions that confront every human group. Religion is therefore, primarily concerned in the task of enjoining what is right and forbidding what is evil (Berger, 1969 in Scheve and Stasavage, 2006b). It is a product of an earliest attempt of the human mind to achieve a sense of security in the world (Scheve and Stasavage, 2006a). The religious who believes to be spiritually “insured” against the negative psychological effects may therefore be reluctant to take insurance policies.

Life assurance business play a vital role in the economy by providing for the future of an individual as Christianity has encourage in the bible in the book of 1 Timothy 5:8 “But if any provide not for his own and socially for those of his house, he denied the faith and is worse than an infidel”

These ideas of contemporary psychologists about religion as a buffer against external forces are also consistent with classic work in the field of psychology. So, although Freud (1927(2001)) took a negative view of religion, he too emphasized its role in providing individuals with a mental buffer against external forces.

Burnett and Palmer (1984) and Scheve and Statavage (2006) found that people who describe themselves as being religious tend to purchase significantly less life insurance than do non-religious people, this directly supports hypothesis 1 which states that Religion does not encourage the procurement of life assurance policies.

2.3.2 Age Vs Life Insurance

Age and Life-Cycle State People change the goods and services they buy over their lifetimes. Buying is also shaped by the stage of the family life cycle-the stages through which families might pass as they mature over time. Marketers often define their target markets in terms of life-cycle stage and develop appropriate products and marketing plans.

According to the life-cycle hypothesis of Ando & Modigliani (1963), individuals plan their saving behavior over the long-term. Since income varies over the individual's life cycle, saving differs depending on the individual's age. The same is true for contractual savings through life insurance. Age class of 18 to 30 is very heterogeneous. Some of the individuals get employed after age 18 while some continue education. Part of them gets married.

Consequently, insurance demand of the individuals belonging to this age class varies remarkably. During age between 30 and mid-40 individuals spend most of the income on dependent members of family and durable goods. Thus, less income is available for life insurance comparing to those in age class of mid-40 to mid- 50. Precisely, in the middle age of lifetime individuals have higher level of income and less pressure on consumption. The same is true for the following age period until retirement when income decreases. Truett & Truett (1990) and Showers & Shotick (1994) find positive relationship between age and life insurance demand

Outreville (1996) holds that life expectancy reflects the actuarial fair price of life insurance, the researchers usually categorize this variable among social and demographic ones (for problems associated with using life expectancy as proxy for life insurance price, see Ward & Zurbruegg (2002)). The influence of life expectancy on life insurance demand depends on types of life insurance policies. Precisely, longer life expectancy implies lower probability of death and lower demand for life insurance products that provide pure protection of death risk (term life). However, in the case of life insurance policies which, besides death risk protection, serve as instrument of contractual savings, higher life expectancy increases demand for life insurance. Beenstock et al. (1986), Outreville (1996) and Ward & Zurbruegg (2002) find positive correlation between life expectancy and demand for life insurance. Contrary results are shown by Li et al. (2007). Beck & Webb (2003) find that influence of life expectancy on life insurance demand is not robust.

2.3.3 Gender Vs Life Insurance

Gandolfi & Miners (1996) investigate influence of gender on life insurance consumption. Namely, demand for insurance could vary among men and women based on difference in lifetime. Following the assumption that the insurance demand is increasing with probability of death and the fact that men live shorter than women, they will demand insurance more.

2.3.4 Education Vs Life Insurance

Risk aversion is important reason why people decide to buy insurance in general despite the fact that they have to pay for insurance premium more than mathematical expectation of loss. Thus, it is expected that risk aversion has positive effect on life insurance purchase as well. According to Outreville (1996) individuals with higher level of education are more aware of risk and the importance of risk management. Thus, education increases risk aversion and encourages people to demand life insurance. Additionally, individuals with higher education have higher income and can expect that the income will continue to increase at faster rate and in long term compared to those of lower level of education. Consequently, more life insurance will be purchased by more educated individuals. Moreover, according to Browne & Kim (1993) higher education implies that individuals are dependent on family income earner. Thus, education could serve as additional proxy for dependence on the family breadwinner. (International Journal of Business and Social Science Vol. 4 No. 9; August 2013 67)

Additionally, as the family income earner is more educated, implying that he/she has higher income, there will be higher financial loss to the family in case of his/her death in comparison to those of with lower education. Education is found to be positively related to life insurance demand in empirical studies of Hammond et al. (1968), Truett & Truett (1990), Browne & Kim (1993), and Li et al. (2007).

2.3.5 Income Vs Life Insurance

Disposable income, the marginal propensity to consume and individual's attitude however plays a major role in religiosity and the procurement of insurance policy. Piketty (1995) argues that differing beliefs about the extent to which income is dependent on individual effort are an important determinant of individual attitudes.

A person's economic situation will greatly affect product choice. Marketers of income sensitive goods closely watch trends in personal income, savings, and interest rates. If economic indicators point to a recession, marketers can take steps to redesign, reposition, and repriced their products.

2.4 Types of Insurance

2.4.1 General insurance

Considers all insurance except life insurance it is also called pure insurance due to the nature of measuring any risk in terms of money.

2.4.2 Life insurance

Life assurance is by no means a modern invention (Chris; 2011). According to Chris Marshall some 2,000 years ago, in Roman times, a form of life assurance was practiced by burial societies by paying the funeral costs of members out of monthly payments.

Life Assurance and Annuity Association was the first life insurance company that was established in England by Dr Assheton on 4 October 1699. But this company failed after 46 years, going bankrupt due to premiums being set too low.

By the twentieth century, there were a large number of life offices doing business with different types of policies like health insurance, group policies, waiver of premium benefits and critical illness cover.

We all recognize that, unlike the value of property, the value of a human being cannot be measured in terms of money. But as far as insurance is concerned, the economic value of a person is basically represented by his income. Life insurance products like whole life, endowment policies have two components: savings and protection.

Life is uncertain. A man may die relatively young, leaving his dependent without adequate financial supports. So, life insurance plays a major role to overcome this deficiency.

Life insurance is a way to protect the survivors and dependents against financial hardship. A life insurance contract or policy is a legal agreement between the insured and insurance company that guarantees payment of the face value of the policy, upon death.

“As a social and economic device life insurance is a method by which a group of people may cooperate to ameliorate the loss resulting from the premature death of members of group” (Teklegiorigis, 2004; 134)

There are four basic classes of life insurance contracts:

- a. Term policy
- b. Whole-life
- c. Endowment and
- d. Annuities

A. Term Policy - Is the simplest product it only contains one element-it pays the beneficiary in the case where the policyholder dies within a specific period of time. (Tapen Sinha;39)

Term life insurance is cover provided under an agreement to pay a death benefit (the sum assured) only if the death of the insured occurs during a specified period of time that is the term covered by the policy.

Even if term insurance is inappropriate if one wish to save money for specific need or you wish to accumulate a fund for retirement, term insurance is inappropriate, it is beneficial for a short period of time and helps in immediate need. For example, it is a good choice of parents to have coverage of young children for term life insurance until their children grow enough to make living themselves.

B. Whole life - The basic life insurance need is to provide funds for the support of dependents after one's death. The person in modest circumstances relies heavily on whole life insurance to meet those needs, since it is the only plan that will meet them on a guaranteed basis; regardless of the date of the insured's death. Limited payment whole life policies are generally appropriate in a situation where the insured wishes to restrict the premium payment period to the years prior to his retirement age so as to eliminate the payment of premiums from reduced income.

C. Endowment-Endowment life insurance policies are appropriate for any situation in which a fund needs to be accumulated by the end of a specified period. Such a fund could be used to purchase or supplement retirement pension, to finance children's university education, to start a small business and a host of other purposes. In the meantime, the policy affords cover for dependents.

Thus, in endowment insurance the primary need is that of saving, insurance protection being only incidental. Before maturity, such saving can be drawn out as a loan to meet financial emergencies, or the policy used as a security for a loan from commercial bank, etc...

D. Annuities –an annuity is a periodic payment to an individual that continues for fixed period or for the duration of a designated life or lives. The

fundamental purpose of a life annuity is to provide a lifetime income that cannot be outlived to an individual.

“An old age without money can be tragedy, however, an annuity insurance operations transfers funds from those who die at a relatively early age to those who live to relatively old ages” (Teklegiorgis, 2004:140)

2.5 World Insurance Service Trend

In 2013/14 global life insurance premiums written were USD 2,608 billion; with growth slowing to 0.7% from 2.3 in 2012/13;

Premiums contracted by 7.7% in the US. This was mainly because large corporate deals that had boosted group annuity business in 2012/13 were not repeated;

Growth was solid in Latin America and Africa and resumed in china and India;

Average non-life premium growth slowed in emerging markets after the financial crisis, with exception of emerging Asia;

Relative to 10 years average, catastrophic related losses were moderate in 2013/14;

The nonlife insurance market was well capitalized but challenges remain

Overall profitability remained subdued and investment returns fell;

2.6 Overview of Ethiopian Insurance Industry

Ethiopia's insurance industry is relatively underdeveloped which is exemplified by the sector's low penetration levels as there are only an estimated 0.3 Million formal insurance clients in Ethiopia. As per the data obtained from National Bank of Ethiopia (NBE), insurance premiums, including life and general insurance, totaled Birr 4.8 Billion in the 2013/14 financial year representing merely 0.2% of GDP.

The two principal classes of business in the Ethiopian insurance industry are long term (Life) and general (property and liability). According to the National Bank of Ethiopia (Qune, 2014) Ethiopia has 17 insurance companies with a total of 273 branches operating throughout the country. There are also other new companies in the process of formation. Figures indicate that Ethiopia's insurance sector is skewed towards corporate clients who insure their assets (motor vehicle, buildings, warehouse, stocks and other properties), business (aviation, engineering) and insurance of the person (accident, health, workmen's compensation). General insurance dominates the sector (95%), with motor vehicle insurance representing the largest portion of general insurance - constituting 49 % of total insurance premiums and 88% loss ratio at industry level. On the other hand, life insurance constituted merely 3% of total premiums written (30th June 2014).

With respect to the legal and regulatory issues, the Ethiopian insurance industry has implemented the new regulation promulgated by council of ministers. The regulator, NBE has expended significant efforts on financial stability and prudential matters with respect to financial firms, generally, and insurers, specifically. The proclamation has

changed many things about the industry, repealing the Licensing and Supervision of the Insurance Proclamation of 1994. Notable changes that would be put into effect by the new Proclamation, among others, include, "No premium, No cover", a termination of credit services for customers with the exception of government bodies, and a restriction of individual and family shareholding to only 5 percent. A Competing Social Health Insurance Proclamation (Proclamation No. 690/2010) is expected to be in place, which might have an impact on health related insurance services. Moreover, the National Bank of Ethiopia (NBE) has issued directives that enable to establish national reinsurance companies effective from 2014.

During the year 2013/14, the total premium production of the industry amounts to Birr 4.8 Billion. Of which Long term insurance constitutes Birr 288.6Million (5%) and General Insurance comprises Birr 4.5 Billion (95%). The insurance industry has registered an average growth of 27.1% during the past 3 years (2009-12), however due to the implementation of third party compulsory insurance proclamation, and the rise in the volume of imported items, the amount of premium in 2011/12 had shown an exceptional surge which resulted in a growth to the tune of 54.3 %. However, the growth rate has slowed down to only 19% during the year 2012/13 and expected to Be lower or negative this year. According to National Bank of Ethiopia, as at march 2014, the industry's growth has shown a negative growth as compared to last year's performance. Accordingly, EIC's growth rate for the years covering (2009/10) was 25.3 % and its growth had reached 54.1% during the year 2011/12 almost similar to the industry's growth. Surprisingly, last year, EIC had registered a growth rate of 32.1%, which is well

above the industry's growth rate by 13.1%. However this year, the internal records have shown that the gross written premium registered by EIC has shown a slight decrease of (8.5%).

The market leader, Ethiopian Insurance Corporation (EIC) was established on 1st January 1976, under Proclamation No 68/1975 and is managed in accordance with the public enterprises Proclamation No. 25/1992. EIC was established with the objectives of engaging in the business of rendering insurance services and in any other related activities conducive to the attainment of its purpose. EIC has been providing insurance services to its customers for the last 38 years both as the only insurance service provider and as a competitive in the country since 1994. Since the liberalization of the financial sector in 1994, the Ethiopian insurance market has been opened-up for local investors and consequently private insurance companies have flourished in the country.

During the first nine months of the year 2013/14, the Corporation had registered a market share of 43% and the industry has registered a short fall growth of (6%). However the annual performance presented hereunder is based on provisional market data that can be adjusted when the actual data is obtained from the National bank of Ethiopia. Accordingly, EIC's general insurance and long term insurance premium share from the industry amounts to 41.2% and 34.8%) respectively. Tables 3 provides a snapshot of the relative performance of companies in the Ethiopian insurance industry, showing gross premiums written and their market share in respect of both classes of businesses.

2.7 Empirical Review

Under this section the researcher tried to view conclusions of some articles related with life insurance both from the Ethiopian and global perspective.

Under the Ethiopian perspective Dawit Mohammed studied the reasons for the underdevelopment of life insurance in Ethiopia and reached at the following conclusions.

Regarding the global perspective different authors like RabindraKedar, Fatima Alinvi and MairaBabri reached at different conclusions as depicted below.

2.7.1. Ethiopian Perspective Empirical Review

Birritu No. 111, National Bank of Ethiopia, Dawit Mohammed (2011), studied Enhancing Life Assurance and its Economic and social Benefits and concluded that life insurance is not well developed in Ethiopia due to lack of awareness by the public about life assurance, little attention given to it by the majority insurers, unfair competition in the market (under pricing), under developed domestic financial markets, lack of experience and insurance technique, and absence of domestic actuarial service are some reasons behind it. Ethiopia is undergoing dynamic changes in social, political and economic spheres. These changing conditions will certainly give rise to new types of insurable risks and hence the need for protection will also result in the expansion of the middle class and the private sector. This will definitely trigger the rise in demand for life insurance service. Population size, dependency rate, cultural values and norms and above

all the level of income of the population as a whole are among the factors that favor market demand for life insurance.

Currently, competition in the Ethiopian insurance market is getting stronger. Private insurance companies- at least some of them are ambitious to increase their sales volume, have been granting unfair and unjustified discount to attract clients and attain their sales volume forecast. This aggressive pricing policy has led to an unhealthy spiral of premium cutting.

2.7.2 Global Perspective Empirical Review

Sigma No. 6/2013, Swiss Re Ltd (2013), a study on life insurance: focusing on the consumer. The results of this study show that large portion of the population lack adequate insurance coverage even though many are aware of the usefulness of life insurance. The extent of un- and under insurance is large and implies unnecessary financial hardship for families facing an unexpected loss. So there is a need for collective and coordinated communication programs to educate people on the role and importance of life insurance and risk mitigation. On the other hand understanding consumers and how they make decision will enable insurers to improve their approach. Technological developments and the spread of the internet and social media affect all facets of life, including consumer preferences and buying behavior. Life insurers must also adapt their distribution strategies to the digital age, communicate more effectively and foster long-term relationships with their customers. In addition to the above, consumer research is needed to close the knowledge gap and reach those who currently do not consider buying

life insurance. There is a long way to go in overcoming these challenges but the political rewards for society and life insurers from doing so are tremendous.

Rabindra KedarNepal (2012) studied insurance market in Nepal and came up with the following conclusion, Poor educational background; high poverty level and political instability are the key factors that have played a significant role in denying more participation in Insurance sectors. On the other hand Due to rapid advancement in information sectors, people's awareness towards insurance has been a key factor in this positive change. In the present context, people are being more knowledgeable about the importance and the benefits that insurance provides in their personal and professional life. These days insurance are not only the means of saving the money but it has been more like securing the future from uncertainty. These encouraging developments in insurance sector have opened a door for fierce competition in insurance industry.

Fatima Alinvi & MairaBabri (2007) on their study of Customers' Preferences of Insurance Services; Came up with the conclusion that insurance companies could benefit from providing services adjusted to the needs of people in different life situations e.g. students, parents, home-owners etc. providing information to a specific age group between 18 and 27, about insurances in combination with semester starts could be beneficial as many young people move out of their parents' houses. Furthermore, a customer-orientation with focus on each customer as an individual is essential. This individual focus would allow insurance companies to build trust-based, long-term relationships with potential as well as existing customers and enhance their ability of

providing individually adjusted services. Since insurance companies fight for the same customers, establishing an informative, honest, and open relationship with potential customers would allow a seed of trust to be planted with them. In the long run, trust and integrity along with good prices would allow better chances to keep loyal customers than acquiring them through hasty measures because insurance-takers are likely to switch services and even companies if they receive better offers. In order to achieve a customer-orientation with the possibility of building trust-based relationships with customers, the entire company needs to have a certain mindset. The company culture needs to be customer-oriented and this culture should be evident in all customer contact at all levels in the organization. Hence, it's suggested that making regular market studies would enhance this process.

The insurance industry in India has witnessed paradigm shift in a relatively short span of time since liberalization (1999). Since liberalization there has been surge in premiums, players and outreach in Indian insurance industry. Post liberalization and favorable regulatory environment put in force by the regulator (IRDA), has given fillip to insurance penetration and insurance density. The insurance industry, like many other industries, has also become competitive with insurers offering multiple products and with continued product differentiations. Combinations of these factors, along with strong economic growth during last decade or so, have positioned India as a regional insurance hub, and now aspire to become an international financial center.

In Post liberalization scenario insurance industry has changed significantly because of several factors. Channel innovation has ensured that insurers are able to reach to a wider customer base and technology innovations have enabled the industry to leapfrog over developed markets. The liberalization has also been extended to pricing by way of de-tariffication and in future may further be extended to product terms and structure. New business segments such as micro and health insurance have also grown very fast. However, given the global economic scenario and its fallout on the Indian economy, the Indian insurance industry has also witnessed the negative impact of the economic meltdown during the last one and a half year. A slowdown in premium growth rates was seen in the year 2009, which is expected to continue during the coming one or two years (Ernst & Young, 2010). The recent change in the market environment has forced players to revisit their expansion plans as well as their overall business strategy. Several players are seeking to undertake cost efficiency measures, process re-engineering, and are reviewing their organizational structure etc.

It is very surprising that increasing public reach, inflating premiums, product innovations has been accompanied by increasing underwriting losses, which remains the big issue even today. Against this backdrop, the study was aimed at evaluating the impact of liberalization on financial performance of insurance industry and how insurers are responding to these changes which is of utmost importance. In present study an attempt has been made in previous chapters to analyze the financial performance of public insurance and private insurance companies together with comparative financial performance of public and private insurers. The present study has particularly been

undertaken to gain insight into the impact of liberalization on various aspects under study insurance companies.

2.7.3 Concept of Attitude

2.7.3.1 Definition of Attitude

The study of attitude has been of fundamental concern to social psychologists in the history of the field. Attitude refers to our overall evaluations of peoples, groups, and objects in our social world (Baumeister and Vohs, 2007, Myers, 2005). According to Roy and Eli (2010), social psychologists used the term attitude to refer to a relatively general and enduring evaluation of an object or concept on a valence dimension ranging from positive to negative. Thus, attitudes are the good/bad evaluations that we attach to objects in our social world. These evaluations can be attached to almost anything. Including people, social groups, physical objects, behaviors, and even abstract concepts. Cantril 1937 (cited in Michael and Scot, 2001)

Defined attitude as a more or less permanently enduring state of readiness of mental organization which predisposes an individual to react in a characteristic way to any object or situation with which it is related. Gordon Allport (1935), an early attitude theorist, defined attitudes as a mental and neural state of readiness, organized through experience, exerting a directive or dynamic influence up on the individual's response to all objects and situations with which it is related. This is a rich and comprehensive definition and it still captures much that is essential about attitudes. Petty and Cacioppo (1996 cited in

Michael and Scot, 2001) refer to attitude as a general and enduring positive or negative feeling about some person, object, or issue.

2.7.3.2. Components of Attitude

Attitude has three components this are cognitive, affective and behavioral components.

2.7.3.2.1 Affective Component

Affective component refers to feelings. Emotions, and moods in relation to an attitude object (Baumesiter and Vohs. 2007). It consists of how people feel about the object-the feelings and emotions the attitude object arouse. It includes the emotion, feeling and sentiment component of attitude. An attitude here is capable of arousing affect of varying intensity centering on the object of the belief, other object or individuals and groups taking negative or positive position with respect to the object of belief or on the belief itself (Baumeister, & Finkel, 2010))

2.7.3.2.2 Behavioral Component

The behavioral component of attitude reflects predisposition or tendencies toward action or to action a certain way object (Baumesiter and Vohs. 2007)

This is the action component of attitude because the belief is accompanied by a response with varying of predispositions that lead to action when it is activated. The kind of action taken is dictated by the content of the belief. Thus, this component refers to the response

through action, and activity which is an expression of the cognitive and affective components (Baumesiter and Vohs. 2007).

2.7.3.2.3 Cognitive Component

The cognitive component incorporated cognition, thought or belief about the attitude objects. It is the reasons and explanations that people provide about the attitude they hold Hayes, 1998 (cited in Getachew, 2006)

This is what people know about an attitude object-the facts and beliefs they have about it. This represents a person's knowledge,, held with varying degree of belief, about what is true or false, good or bad, desirable or undesirable. This is the thought, information, and understanding component of attitude (Baumeister, & Finkel, 2010).

The three components of attitude in relation to attitude towards police could be illustrated as follows. Cognitive component (e.g. the belief expression that police is helpful for people), affective component (e.g. expression of admiration, appreciation for police), and Behavioral component (e.g. How likely a person would be to or not to seek police help.)

2.7.4 Attitude formation

According to Bernstein et al., (2000, cited in Getachew, 2006) people are not born with particular attitude towards specific objects or behaviors, but the attitudes they hold about new objects begin to appear in early childhood and continue to emerge throughout life.

The formation of attitude is mainly influenced by the principle of learning. According to learning theorists, attitudes are acquired in the same manner as other types of behaviors are formed. One of the basic processes underlying attitude formation is classical conditioning. We learn attitudes through association of various social happenings (Baumeister, & Finkel, 2010) attitude can also be formed through operant conditioning Sodorow (1998, cited in Getachew 2006): One most important way of developing or forming attitudes learned from consequences.

According to Social learning theory, many of our attitudes are formed through observing others. Through direct observation, one can learn many attitudes by modeling, imitating, and identifying oneself with parents, peers, teachers, neighbours, and other people which one usually consider them as models.

2.7.5 Attitude function

The development or formation of attitudes may be a consequence of a range of different motives the person has. They are developed, maintained and may change because of the functions they serve. Katz (1960) suggests that every attitude serves at least one of the following four functions:

First, the attitude helps us to avoid unpleasant things and obtain desirable things (Adaptive function). Second, the attitude helps us to understand the otherwise overwhelming amount of information in the world, they are short-cuts, helping us to simplify our perceptions of the world so that it becomes more manageable, predictable and safer (knowledge function). Third, attitudes help us to relate to ourselves and to

others, presenting a fairly unified image with which other can interact and which help to establish our identify for both ourselves and for other (self-expressive function; sometimes ego-expressive function). And forth, attitudes help to protect us from ourselves and from other, to explain why we've done something that could be seen as undesirable (Ego-defensive function) (Baumeistr, & Finkel, 2010).

Attitude is important to adapt and survive in different conditions, to make life/perception easier, to have healthier identify and interaction and to protect ourselves. Attitudes are pervasive in human life, and without having it people would have difficulty in constructing and reacting to events. In trying to make decisions and in making sense of their relationship with others in everyday life. It is view as an automatic reaction, and evaluation of virtually any aspect of the social world (Fazio 1998; Tesser & Martin, 1996).

Attitudes serve a number id useful functions. First they seem to operate as scheme mental frame works that help us to interpret and process many kinds of information. Moreover, they strongly color our perception and thoughts about the issues, persons, objects, or group to which they refer (Myres, 2005). In addition to this knowledge function, attitudes have self-identity function-they permit us to express our central value or beliefs. Attitudes serve a self-esteem function, helping us to maintain or enhance our feelings of self-worth, expressing these people to feel superior to others (Franzoi, 2000).

Attitudes also sometimes serve as ego-defensive function cited in Baron and Byrne, 2004, helping people to protect themselves from unwanted information about themselves. Finally, attitudes also serve as impression motivation function.

2.7.6 Attitude change

According Leon Festinger's cognitive dissonance theory, attitudes change when there is an inconsistency in attitudes or beliefs held. Social desirability bias operates as people want to appear to have consistent attitudes (brown, 2006). According to different literatures the second way attitudinal change take place is through persuasion. The characteristics of the person presenting message, Its content and the characteristics of the receiver influence the persuasibility and possibility of attitudinal change.

According to Hovland, Janis and Kelley (1953), three general variables (the communication source, message and audience) are involved in persuasion and there are four steps in the process of attitude change: attention comprehension, acceptance and retention (ibid).

Persuasion can result due to elaboration or heuristics. It also occurs without awareness.

According to Dijksterhuis, Aarts, & Smith, (2005), although the vast majority of persuasion research has considered the degree to which conscious thought processes influence how individuals respond to persuasive appeals, a number of experiments have tested whether attitudes might change in the absence of conscious awareness (Kruglanski, & Higgins, 2007).

2.7.7 Implicit and explicit Attitude change

In many cases we freely express and are aware of our attitude. An attitude falling into this category is known as an explicit attitude which operates on a conscious level, so we are aware of the cognitive underpinnings of them-and are conscious of how they relate to behavior. They operate via controlled processing and take some cognitive effort to activate. It is these explicit attitudes that we often find having a directive effect on behavior. Many of our attitudes operate on this conscious level; there are others that operate unconsciously. This form of an attitude is known as an implicit attitude. It is defined as “actions or judgments that are under control of automatically activated evaluation without the performer’s awareness of that causation. In other words, implicit attitudes affect behaviors automatically, without conscious thought, and belief the level of awareness Michael (2005).

2.8 Conceptual framework

The conceptual framework indicates the crucial process, which is useful to show the direction of the study. Therefore the aim of this research assess the impact of income on the attitude of life insurance policyholders and to find out other demographic factors that contribute to the impact on the attitudes of life policy insurance users.

Identifying the real factors which contribute to the attitude of life insurance policyholders in the insurance industry is very crucial issue to look into because the industry regulators need to be empirically informed regarding how consumers generally feel about the quality of the policy types, the degree to which existing life insurance policies respond to

their desire (religion, gender) , the rate of dispersion to different region and the level of the intensity of awareness made by insurance companies in the insurance industry. A few empirical evidences exist on consumer satisfaction for specific companies in the insurance industry. In this regard in is not only feasible to look for satisfaction it should be grass root assessment of on the customer awareness for insurance.

Inflation/income can touch nearly every aspect of life insurance policyholders but not always equates with their perception towards their religion and educational level. The timing and magnitude of the near-term relationship between policy holders' income level and their education, religion, gender, age will matter tremendously in case of any life insurance policies they are using. The retention of more business underwritten depicts increasing risk bearing capability of insurers, which is a healthy sign in insurance business. However, the growing reinsurance ratio also indicates the growing capability to handle risks efficiently.

2.9 Determinants of Attitudes (use diagram)

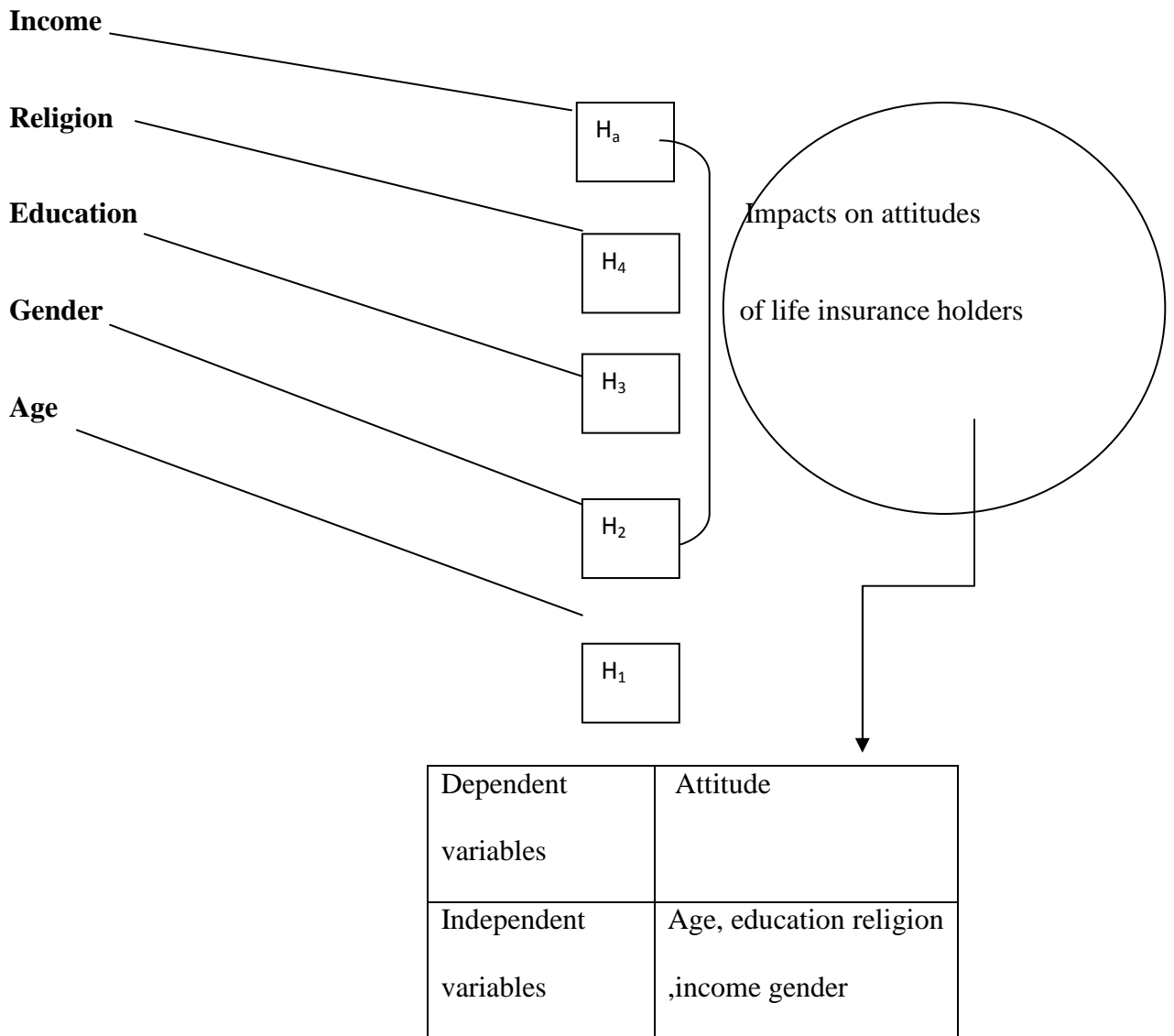


Figure 2: source the researcher

Based on the above conceptual frame work the following were hypothesized

H1: Income has significant impact on the attitude of life insurance policy holders.

H2 Age has an impact on the attitude of life insurance policy holders

H3 Gender has an impact on the attitude of life insurance policy holders

H4 Education has an impact on the attitude of life insurance policy holders

H5 Religion has an impact on the attitude of life insurance policy holders

CHAPTER THREE: Research Methodology

3.1 Research Overview

Under this section research methodology, study population, sample size, data collection method, data analysis tools and multiple regression models are presented.

3.2 Research Methodology

To meet the objectives of the present research work structure question is used as data collection method. And a sample of 200 respondents in 6 districts, and 8 branches of Ethiopian Insurance Corporation policyholders 190 from 1900 policyholders and experts.(10% of 100 experts).

The structure questionnaire contains 28 questions from which 18 questions deal with income and socio-demographic and 10 questionnaire measuring attitude of the respondent towards life insurance on time point likert type scale. The mode to be used, multiple regressions and the response rate is 77% completely filled questionnaires were used for analysis. To test the reliability of the set of items from the share measuring of construct reliability (Cronbach's alpha) was computed. Cronbach's alpha is useful in measuring how well a set of variables or items measure a single one dimensional latent construct.

The period of observation of the assured lives was limited to between policy anniversaries in holder and at the year end of 2009, policies previously as well as those assured after 2013 were not considered because of the quality of such data with respect to the objective of the study. Also, the study covers only insuring population within the age

bracket of 25 to 60 years. This approach reflects what is happening in Ethiopian insurance company pursuant to changes in all variables in the study. A comparison of results can then be carried out in years to the end of changes which later used to recommendation and conclusion.

3.3 Research Design

Descriptive research design was used in this study complement with secondary data and information from observation.

3.3.1 Study Population

According to Cooper and Schinder (2003), population is a well detail or set of people, services, elements, events groups or households that are being investigated. This definition ensured that population of interest is homogenous. The target population composes of life insurance policies holders in all branches insurance experts and professionals. A sample of 14 branches out of which 10 are in Addis Ababa and 4 branches are outside the spirit of capital city i.e. Dire Dawa, Bahir Dar, Hawassa and Nazareth were used in the study.

3.3.2 Sample size

The sample size is determined using simple random method. Out of fifty six insurance branches only fourteen (ten from Addis Ababa, the rest four outside) are selected. The researcher used convenience sampling method because it is very difficult to find all target population at the same time and use probability sampling

3.3.3 Source of Data

Primary question are design and secondary data was collected and used in the study. This includes annual reports of selected branches, operational reports of the branch and other relevant reports.

3.4. Data Collection Methods

The method adopted in the study was largely quantitative and face to face administer of both insurance experts and professionals and customer questionnaire..

3.4.1 Questionnaire Development and pre-testing

The questionnaire was prepared together data from respondents (Appendix –A) . They were prepared in the context of life insurance and sought respondent attitude and their behavioral response analyzed from independent variable i.e. income, religious gender, education and age. The question include 10 attitude question and 18 question from independent variable used in the research as a preliminary draft of the questions was pre-tested to improve up on the clarify of the question items., sample of 23 customers from different districts and branches in Addis Ababa. The size was suggested by think (2003b in Saundere et al 2004) that the minimum of ten (10) members for pretesting is adequate.

3.4.2 Final Administration

Finally, after the items are refined the questionnaire will be administrative to the target population through researcher personal contact and his assistance. The content of

respondents was sought with the help of the forms informed the purpose, assured anonymity and confidentiality of response during supplying the questionnaire in person and through assistants. In all respondents will be given question to be completed and return it to the researcher after completion.

3.5 Data Analysis Tools

Data will be analyzed using Statistical Package for Social Sciences (SPSS) version 20.0. the following desirable statistical methods will be used to analyses data:-

Descriptive statistical analysis part will be analyzed through mean, standard deviation and sample size for both dependent and independent variables.

In this regarding the dimension will be disused according to their means to determine the relative importance of independent variable on the attitude of life insurance policy holder.

3.6 Multiple Regression Model

Multiple regression analysis is a powerful technique used for predicting the unknown value of a variable from the known value of two or more variables- also called the predictors. The research used this to check the relationship between attitude which is independent variable with that of independent variables (age, religion, gender, education and income).

3.6.1 Validity and Reliability of Instruments

3.6.1.1 Reliability

Reliability refers to which a measurement instrument is able to yield consist result each time it is applied under similar conditions. It is the constituent of a measurement device that causes it to yield similar out come a results for similar inputs statically reliability is defined as the percentage of the inconsistency in the response to the survey that in the result of difference in the respond. This implies that response to a reliability survey will vary because the questionnaire items are confusing or ambiguous.

Reliability could be estimated mathematically or through pre-testing of instruments. In this study Conbach's Alpha could also be used to assess the reliability instrument. A reliability value of 6.0 to 0.70 and above are considered by researchers as accepted (Cooper and Schindllere, 2006; Anchorta, Birks, 2006). It indicated that composite Conbach's Alpha is within acceptable range, 6.0 to 0.70 0.7 and Each of independent demographic variables has reliability coefficient greater than the standard and thus they are found reliable.

Table 1: Cronbach Alpha Reliability Test for Demographic Factors

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.609	.642	6

3.6.2 Validity

Validity refers to the degree to which a statistical instrument measures what it is intended to mean. It emphasizes the accuracy of a measurement instruments (Copoper and Schindler, 2006). There are two types of validity namely internal and external. This study result is found to be valid using SPSS.(Table 16).

CHAPTER FOUR: Result and Discussion

4.1 Result and Discussion Overview

In this chapter, data is presented and discussed to address research questions and objectives. The following are the main headings

4.2 Response Rate

Out of 200 questions distributed 154(77%) were returned for analysis

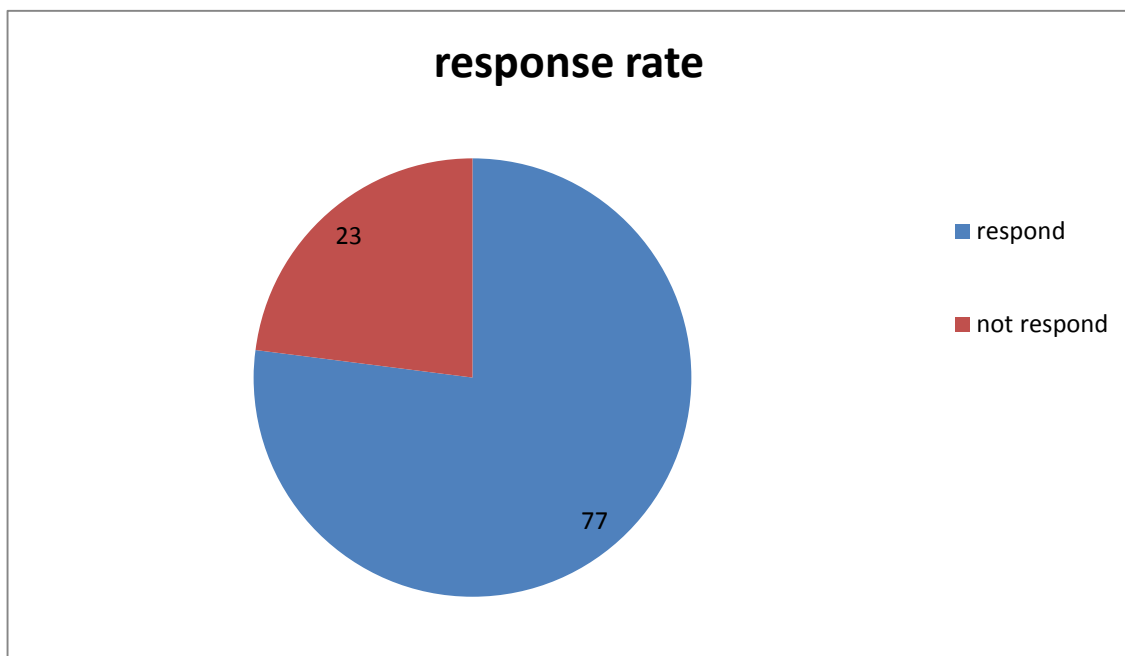


Figure 3: response rate

4.3 Respondents Demographic

The characteristics of the respondent are presented in the following table

Table 2: Characteristics of Respondents

Variable	Category	No.	%
Gender	Male	89	58%
	Female	65	42.0%
Age	18-30	39	38.5%
	31-45	64	64.17%
	46-60	51	51.0%
	ABOVE 60	0	0
Income (monthly)	1000-2000	25	16%
	2000-5000	38	25%
	5000-10000	35	22%
	>10000	56	37%
Education	HS	18	12%
	DIP	39	25%
	DEG	68	44%
	2 ND		
	DEGREE	29	19%

Table 1 Source: Own Computation, data, 2014

Discussion on characteristics of respondents

Present study included five demographic variables such as age, gender, level of education, region and economic variable.

AGE

Respondents who are Age between 31 and 45 have the highest share in responding the questions. and the lowest is those whose age is greater than 60

GENDER

In case of gender male respondents are greater than that of the female.

EDUCATION

There is a highest significant difference found between respondents with first degree and high school .

INCOME

Policyholders whose Income is greater than birr 10,000 is 37% which is more than two times of those who earns between birr 1000-2000. This implies that lesser policyholders as the level of monthly income goes down.

Table 3: Descriptive Statistics

Descriptive Statistics

	Mean	Std. Deviation	N
At	3.3666	.50909	154
Ag	3.5130	.84974	154
G	4.4091	.55559	154
Rg	3.2500	.86555	154
I	3.7885	.46175	154
E	3.2986	.37131	154

- Gender has the highest mean value of among all other variables thus is has impact on the attitudes of life insurance policyholders
- Religion and education have almost similar impact on the attitudes of life insurance policy holders
- Income has a significant impact up on the attitude of life insurance policy holders
- Following income age has also significant impact up on the attitudes of life insurance policy holders.

Table 4: Correlations

Correlations

		At	Ag	G	Rg	I	E
Pearson Correlation	At	1.000	.264	.101	.402	.351	.396
	Ag	.264	1.000	-.309	.482	.341	.057
	G	.101	-.309	1.000	-.037	.170	.085
	Rg	.402	.482	-.037	1.000	.549	.201
	I	.351	.341	.170	.549	1.000	.396
	E	.396	.057	.085	.201	.396	1.000
Sig. (1-tailed)	At	.	.000	.107	.000	.000	.000
	Ag	.000	.	.000	.000	.000	.243
	G	.107	.000	.	.323	.018	.146
	Rg	.000	.000	.323	.	.000	.006
	I	.000	.000	.018	.000	.	.000
	E	.000	.243	.146	.006	.000	.
N	At	154	154	154	154	154	154
	Ag	154	154	154	154	154	154
	G	154	154	154	154	154	154
	Rg	154	154	154	154	154	154
	I	154	154	154	154	154	154
	E	154	154	154	154	154	154

- Religion has a strong correlation with attitude and thus has the most significant impact up on the attitudes of life insurance policy holders.

- Education and income have also strong correlation with attitude and have significant impact on the attitudes of life insurance policy holders
- Gender has weak correlation with attitude and thus has an impact on the attitudes of life insurance policyholders.

Table 5: Variables Entered/Removed^a

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	E, Ag, G, Rg, I ^b		Enter

a. Dependent Variable: Attitude

b. All requested variables entered.

Table 6: Model Summary^b

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.538 ^a	.289	.265	.43635	.289	12.052	5	148	.000	1.495

.b dependent Variable: Attitude

- In the model summary the value of r is the acceptable value and all the hypothesis are accepted.

Table 7: ANOVA^a

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	11.474	5	2.295	12.052	.000 ^b
Residual	28.179	148	.190		
Total	39.653	153			

a. Dependent Variable: Attitude

- From table 7 the values are all positive and the hypothesis are accepted

Table 8: Coefficients^a

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error				Beta	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
(Constant)	.532	.467		1.139	.257	-.391	1.456						
Ag	.095	.051	.158	1.843	.067	-.007	.196	.264	.150	.128	.651	1.535	
G	.121	.070	.132	1.718	.088	-.018	.259	.101	.140	.119	.818	1.222	
Rg	.155	.053	.264	2.955	.004	.052	.259	.402	.236	.205	.600	1.666	
I	.003	.102	.002	.026	.979	-.199	.204	.351	.002	.002	.560	1.785	
E	.441	.104	.322	4.244	.000	.236	.646	.396	.329	.294	.836	1.196	

- The standardized coefficient beta and t values are all positive
- The implication of coefficient of beta and t-value is that all demographic factors have significant impact on the attitude of life insurance policy holders.

Table 9: Residuals Statistics^a

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.9425	3.9924	3.3666	.27385	154
Residual	-1.18150	.90528	.00000	.42916	154
Std. Predicted Value	-1.548	2.285	.000	1.000	154
Std. Residual	-2.708	2.075	.000	.984	154

a. Dependent Variable: At

Table 10: Case Processing Summary

Case Processing Summary

	N	%
Valid	154	100.0
Cases Excluded	0	.0
Total	154	100.0

- All demographic factors are valid enough to the study
- Hypothesis is accepted
- The entered variables both dependent and independent are valid

Table 11: Reliability Statistics

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.609	.642	6

- The value of Cronbach's Alpha Based on Standardized Items is within the standard range, the study is acceptable scientifically.
- All demographic factors have an impact on the attitudes of life insurance policyholders though the degree is different according to their values of correlation with attitude

Table 12: Inter-Item Correlation Matrix

Inter-Item Correlation Matrix

	At	Ag	G	Rg	I	E
At	1.000	.264	.101	.402	.351	.396
Ag	.264	1.000	-.309	.482	.341	.057
G	.101	-.309	1.000	-.037	.170	.085
Rg	.402	.482	-.037	1.000	.549	.201
I	.351	.341	.170	.549	1.000	.396
E	.396	.057	.085	.201	.396	1.000

- All demographic factors have an impact on the attitudes of life insurance policyholders though the degree is different according to their values of correlation with attitude

Table 13: Summary Item Statistics

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.604	3.250	4.409	1.159	1.357	.193	6
Item Variances	.398	.138	.749	.611	5.434	.071	6
Inter-Item Covariances	.082	-.146	.355	.500	-2.431	.012	6
Inter-Item Correlations	.230	-.309	.549	.858	-1.776	.049	6

- Gender has the highest mean value of among all other variables thus is has impact on the attitudes of life insurance policyholders
- Religion and education have almost similar impact on the attitudes of life insurance policy holders
- Income has a significant impact up on the attitude of life insurance policy holders
- Following income age has also significant impact up on the attitudes of life insurance policy holders.

4.3.2 Analysis for Hypothesis Testing

Coefficient of Beta(from table 8)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.532	.467		1.139	.257
Age	.095	.051	.158	1.843	.067
Gender	.121	.070	.132	1.718	.088
Religion	.155	.053	.264	2.955	.004
Income	.003	.102	.002	.026	.979
Education	.441	.104	.322	4.244	.000

From table 8 the following conclusion can be made

H1 income has significant impact up on the attitudes of life insurance policy holders.

The standardized coefficient Beta and t-value are (-002 and 026) is positive and acceptable.

H2 religion has the most significant impact upon the attitude of life insurance policy holders.

The standardized coefficient beta and t-value (.264 and 2.955) are positive and the highest among demographic factors.

H3 age has the next most significant impact upon the attitude of life insurance policy holders. The standard coefficient beta and t-value (.158 and 1.843) are positive and acceptable.

H4 education has the most significant impact upon the attitude of lie insurance policy holders.

The standardized coefficient beta and t-values (0.322 and 4.244) are positive and acceptable.

H5 gender has an impact on the attitude of life insurance policy holders.

The standardized coefficient beta and t-value (0132 and 1.718) are positive and acceptable.

Table 14: Outward Business

Class of Business	2013/14 Budget		2013/14 Actual		Variance
	Share (%)		Share (%)		(%)
	Reinsurers'	EIC's	Reinsurers'	EIC's	EIC's
	1	2	3	4	(4-2)
Motor	0.67	99.3	0.8	99.2	(0.1)
Fire	44.1	55.9	46.7	53.3	(2.6)
Marine	49.9	50.1	52.8	47.2	(2.8)
Liability	10.7	89.3	0.0	100.0	10.7
Aviation	93.9	6.1	100.9	(0.9)	(7.0)
Others	47.0	53.0	57.8	42.2	(10.8)
F/I-Total	33.5	66.5	37.1	62.9	(3.6)
Long-Term Insurance	3.5	96.5	-	100.0	3.5
Grand Total	31.2	68.8	35.2	64.8	(4.0)

Source annual performance report of eic 2013/14

From table 14 EIC's life insurance share in reinsurance is only 3.5%. This implies that almost the gross written premium generated from long term insurance is retained at home. This is an opportunity to insurance company strengthen the long term business by addressing demographic factors expand life insurance to its optimal.

Table 15: Underwriting Result

Class of business	Underwriting result			% share	Variance		Variance	
	2012/13	2013/14			(3-2) (in birr)`	(3/2) (%)	(3-1) (in birr)	(3/1) (%)
	Actual (1)	Budget (2)	Actual (3)					
Motor	67,457	59,126	109,124	20.9	49,999	84.6	F	41,668
Fire	48,908	50,916	65,749	12.6	14,833	29.1	F	16,841
Marine	210,365	284,914	257,827	49.5	(27,087)	(9.5)	UFF	47,462
Liability	18,463	19,857	27,427	5.3	7,570	38.1	UF	8,964
Aviation	(50,643)	15,962	(25,720)	(4.9)	(41,683)	(261.1)	F	24,923
Others	142,386	95,755	96,011	18.4	256	0.3	F	(46,375)
G.L- total	436,935	526,530	530,418	101.8	3,888	0.7	F	93,483
Long term	(1,888)	(2,471)	(9,424)	(1.8)	(6,954)	281.4	F	(7,536)
Grand total	435,047	524,059	520,994	100	(3,065)	(0.6)	UF	85,947

Source annual performance report of eic 2013/14

From table 15 the understanding writing result for the current year is unfavorable. This shows that the share of life insurance to GDP is stagnant and it also proved from the respondent that education has significant impact up on the attitude of life insurance policy holders. Therefore by changing the attitude of policyholders the size of premium would incurable and the participation of EIC in investment will be increase.

CHAPTER FIVE: Summary, Conclusion and Recommendation

5.1 Chapter Overview

This concluding chapter summarizes the purpose and objective of the study, findings and conclusion. It also discusses the managerial implication of the study and makes recommendation for further research.

5.2 Summary of Study

In this study the main purpose was to assess and analyze the impact of demographic factors on the attitude of life insurance policyholders in Ethiopian Insurance Company. Specifically, it sought to examine the determinant variable (age, gender, religion education and income) which have an impact on the attitudes of life insurance policy holders. The study was conducted using administrated structure questionnaire to the target population of 1900 customers and experts of Ethiopian Insurance Company. Out of 200 sampled customer 154 respond to the questionnaire administrated it also used secondary data (annual report of the corporation) based on an objective analysis of data and discussion of results, the following are the summary of major findings and conclusion.

RQ1. What are the determinants of attitudes of life insurance policy holders'?

The result of the reliability statistics for the measurement instrument are found to be very good according to the Cronbach alpha for variables that are presented this research.

From the reliability statistics and cronbach alpha results that the study identified all demographic factors such as age, gender, religion, income and education are determinants of attitudes of life insurance policy holders.

The study identifies demographic factors; age, gender, religion income and education have significant impact upon the attitude of life insurance policy holders.

RQ2. To what extent do demographic factors influence the behavior policy holders?

The result of the reliability statistics for the measurement instrument are found to be very good according to the Cronbach alpha for variables that are presented this research every dependent variables have an impact on the attitudes of life insurance policy holders. The result from the mean value of the regression shows income has significant impact on the attitudes of policy holders.

Demographic factors age, gender, religion, income and education were found to have a significant and positive impact on the attitudes of life insurance policy holders.

The mean and standard cronbachalphas, beta and t-values of the independent variables in the study are acceptable and as a result it is possible to made a conclusion that they all have an impact on the attitude of life insurance policy holders. Age, religion, gener and education have an impact on the attitude of life insurance policyholders differently from customary perception of impact of income on the attitude of life insurance policy holders.

RQ3. What is the relationship between attitude with income, religion, gender, age and education?

Every demographic variables have a strong relationship with the dependent variable (attitude). Religion has a strong co-relation than income and education. Gender is the least in the degree of co-relation with attitude. This shows that every variables have an influence in the minds of life insurance policyholders in their buying behavior of the policy. Therefore, in the literature review it has hypothesized that independent variables i.e. religion, education, gender and age would have an impact on the attitude and was correct.

5.3 Theoretical implication

Theoretically, the study contributes to the literature on the variables that have an impact on the attitudes of life insurance policyholders in Ethiopian Insurance Corporation.

In particular and insurance industry in general. The study is among the first to research into the variables (income, Age, education, gender, religion) which impacts on the attitudes of life insurance polices holder's Ethiopian insurance corporation.

The study specifically provides empirical support for the fact that relative importance of reliability demographic factors such as, age, education, religion gender and income that they have an impact on the attitude of life insurance policy holders.

5.4 Conclusion

From the discussion mentioned above it can be concluded in the present study that demographic factors have significant impact on the attitudes of life insurance policy holders. All variables mentioned in the study namely: Age, Gender, religion education and income are found to be significant in order to measure attitude with varying degrees.

Table 14 and 15 shows that life insurance market has stagnant growth. And findings of study also reflects that demographic factors have significant impact on the attitude of life insurance policyholders which is related with the buying behavior mentioned in literature review. Thus by changing the attitude of policyholder it is highly likely to enhance the those of life insurance business which ultimately increase its contribution to GDP.

Ethiopian Insurance corporation should focus its marketing communication on the young generation and religious oriented consumers since young generation of Ethiopian are not embraced by life insurance policy.

The insurance companies should incorporate such marketing activities which make people aware about the benefit of the insurance covers and also develop policy that address the interest of policy holder (i.e. religion, gender, age and education).

It is recommended for Ethiopian insurance correction that it should prepared customized Solution to different life insurance Consumers in the market as per their needs and requirements.

As the present study was focused only to problems related to the attitude of life insurance policyholders and findings of the study reflects that demographic factors have an impact on the attitude. It is evidenced by the study that life insurance is not luxury and even low income groups had demanded the security as high income group. Religion has an impact on the buying behavior of policyholders (i.e. if a readymade insurance policy that integrate policyholders religion, such as Islamic insurance), insurance companies will generate more of the gross written premium which in turn adds value to the GDP.

5.4 Recommendation for Future Area and Research

Ethiopian insurance corporation seeks to develop insurance policy based on the findings. Further studies can be made in Ethiopian Insurance Corporation to measure the effectiveness of adopted marketing strategies to take advantage of the opportunities offered by the finding of the present study about demographic factors which have impact on the attitude of life insurance policyholders.

This research used qualitative method in determining the demographic factors age, religion, education, income and gender on the attitude of life insurance policy holders. It is recommended that the future researcher should examine demographic factors in depth in order to address problems arising out of them and enhance the life insurance premium which in turn increase the capacity of EIC that allow to play leading role in investment that will add a consistent input in GDP.

5.4.1 Increase Life Insurance Business by Addressing Demographic Factors

The present study provides empirical support that the attitude of life insurance policyholders is impacted by demographic factor (age, gender, religion, education and income). These factors are critical to life insurance business in Ethiopian Insurance Corporation and for the insurance industry as a whole since the study found that demographic factors are key in affecting the attitude of life insurance policyholders, it is recommended that the management of EIC should be guided by the following marketing strategies in improving its life insurance share in the industry.

- 1) Enhance the knowledge of policyholders and potential buyers about life insurance by creating consistent awareness.
- 2) Prepare life insurance policies pursuant to the preference of policyholders (Islamic insurance policy).
- 3) Revised the existing policy that will address gender preferences.
- 4) Develop life insurance policies which address age preferences.
- 5) Diversify its existing policy to address the preference of different income level.

5.4.2 Enhance Marketing Channel

Since the study found that the contribution of life insurance to the GDP is very insignificant and EIC's role in investment as result very low, different marketing channel is recommended to utilize potential markets.

Bibliography

Aaker David A., and Georges S., Day, 1983. Marketing Release, Jhon Wiley, New York

Luck D. J. A. et al., 1978.

Attitude Measurement Standard Scale. Free Press, New York.

Bailer Kenneh D. 1978. Methods of Social Research the Free Press, New York.

Baumeister, F. and Finkel, J, (2010). **Advanced Social Psychology, the State of Science**. Oxford University press, in 189 Madison Avenue, Ne York, 10016.

Cooper D.R and Schindler, (2006). **Business Research Method**. ninth edition.

Ethiopian life and benefit Report. CAXW 2013

Freidman, P (2002) **.Development of Attitude: Sydney national**

Getachew Tassew, (2006). **Adolescent Attitude towards Seeking Counseling and its relations with self esteem and Gender**. A thesis submitted for the partial fulfillment of master of art degree in Psychology

<http://www.my-insurance-guide.co.nz/roles-in-insurance.php>

Kotler, P. and Keller, K.L, (2009). **Marketing Management** (13th ed0.) New jersey Pearson education Inc, apper Sadle rivers.

Mechael, A.H, (2001), Blackwell. **Book of Social psychology**. Group processes, Blackwell publishers, USA, Massachusetts

Olivel, Richard (1997). **Satisfaction a Behavior Perspective on the Consumed**. New York Irwin McGraw Hill

Olivel, RL, (1980). **Cognitive, Affective and Attributes Bases of the Satisfaction Response**.

Roy F. Baumesiter and Katheen and Vohs (2007). **Encyclopedia of Social Psychology**. Sage Publication Limited.

SPSS White Paper (2014).

Stephen W. Lowe,(2012). **Risk Management Chartered Insurance and Institute**. Print edition 15BN; 085132015

Teklegeorgeis, 2004; Life Insurance.

Article 654(2) of the commercial code of the Empire of Ethiopia (1960:140)

Consumer Markets: Influences on Consumer Behavior, <http://referaty-seminarky.sk/consumer-markets-influences-onconsumer-behavior/>, 16.01.2012.

International Journal of Business and Social Science Vol. 4 No. 9; August 2013 67)

Annex I

Addis Ababa University

School of Graduate Studies

EMBA Program

Questionnaire Filled By Customers

Dear Respondent

This questionnaire is prepared for the fulfillment of EMBA program on the “Impact of demographic factors on the attitudes of life insurance policy holders.” I asked curteciuously to answer the following questions which are designed to collect raw data.

Confidentiality

This questionnaire though request specific information, it will not passed to third parties or attributed directly in any public way.

Part I: General Information

Instruction:

Please tick the item below that describe you

1. Gender M F
2. Age Group 18-30 31-45 46-60
3. Education level
High School Diploma First degree
Second degree and above
4. Your monthly salary
1,000-2,000 5,000-10,000
2,000-5,000 >10,000

Part II. Basic Research Question

Key

SA= Strongly Agree SHA= Some How Agree

A =Agree

D= Disagree

SD= Strongly Disagree

No.	Attitude	Alternatives				
		SA	A	SHA	D	SD
1	Do you agree that life insurance is luxury?					
2	Does product/policy met your expectation?					
3	Your satisfaction is increasing year after year during renewal of the policy?					
4	Majority of life insurance buyers are rich persons?					
5	Since the death of a person is certain buying life insurance does not provide peace of mind?					
6	I feel quite comfortable by purchasing life insurance due to inner psychological urge					
7	Life insurance is my preferences					
8	I would go to community in case of accident than buying life insurance?					
9	I would be better off without life insurance					
10	I have had experience with Social cooperation for life security than buying insurance					

11	I feel unsecured without the existence of life insurance					
	Age					
12	Do you agree life insurance is essential even at the retirement age?					
	Gender					
13	Mortality rate is difficult to predict however, the rate is greater than in male than female and thus, premium rate for female shall be lower than male?					
	Religion					
14	Do you agree that your religion has impact on your attitude to buy life insurance policy?					
15	What is your response if ready made policy is made to your religion?					
	Education					
16	Adequate knowledge is crucial to buy life insurance?					
17	Do you agree that as the level of your awareness is increased, you will buy more policies?					
18	Do you agree modernization has an impact on					

	your attitude to buy life insurance?					
19	Do you agree you will buy the current policy if you live in the rural area?					
20	The person who provide information about the policy to me was qualified and I was satisfied					
21	Do you believe that life insurance is adequately promoted?					
	Income					
22	Your income has influence in buying any packaging of life insurance policy?					
23	Is the premium of every policy is expensive?					
24	When inflation is high it is not attractive to buy any life insurance?					
25	Do you agree maturity period of life insurance policies are longer?					
26	People cancel policies even with a lower rate due to longer period of insurance?					
27	Do you agree that you continue to renew the policy with an increasing rate when the policy is near to mature?					
28	Cash value of one policy no longer motivate you to buy other?					

1,000-2,000

5,000-10,000

2,000-5,000

>10,000

ክፍል ለ

መሰረታዊ መረጃ

መግለጫ

5 እብእ=እጅግ በጣም እስማማለሁ 4 እ=እስማማለሁ 3 በእ=በመጠኑ እስማማለሁ

2 አ=አልስማማም 1 እብአ=እጅግ በጣም አልስማማም

ቁ.	ጥያቄዎች	አማራጮች				
		5	4	3	2	1
	አቲቴዩድ					
1	የህይወት መድን መግባት ቅንጦት ነው ብለው ይስማማሉ?					
2	የገዡት የህይወት መድን የጠበቁትን ያህል ጠቅሞታል?					
3	ውሎን ባደሱ ቁጥር እርካታዎ ይጨምራል?					
4	የህይወት መድንን የሚጠቀሙት አብዛኛዎቹ ባለጸጎች ናቸው?					
5	የህይወት መድን ኢንሹራንስ መጠቀም የአእምሮ ሰላምን ይሰጣል ብለው ያምናሉ?					
6	በውስጤ ካለው ግፊት የተነሳ የህይወት መድን ተጠቃሚ ሆኛለሁ?					

7	የህይወት መድን ኢንሹራንስ ምርጫዬ ነው?					
8	አደጋ ሲያጋጥመኝ ወደ ማህበረሰብ እሄዳለሁ እንጂ የህይወት መድን ኢንሹራንስ አልጠቀምም?					
9	የሕይወት መድን ባይኖረኝም እረጋጋለሁ?					
10	ከሕይወት መድን ይልቅ የማህበራዊ እርዳታ ተጠቃሚ ነኝ?					
11	የህይወት መድን ባይኖረኝ ኖሮ አልረጋጋም?					
	እድሜ					
12	የህይወት መድን ኢንሹራንስ ለጡረተኞች ወሳኝ ነው ብለው ይስማማሉ?					
	ፆታ					
13	ምንም እንኳ በህይወት የመቆያ ጊዜው አስቸጋሪ ቢሆንም የአረቦን ተመን ለሴቶች ያነሰ መሆን አለበት?					
	ሀይማኖት					
14	የሚያምኑት ዕምነት ወይም ሃይማኖትዎ የህይወት መድን እንዳይገዙ ተፅዕኖ ያደርግብዎታል?					
15	ለእምነትዎ/ሃይማኖትዎ ምቹ የሆነ የህይወት መድን ቢዘጋጅልዎ ምላሽዎ ምንድን ነው?					

	ትምህርት					
16	የህይወት መድን ለመግዛት በቂ ዕውቀት ያስፈልጋል?					
17	የህይወት መድን ኢንሹራንስ ግንዛቤዎ ቢጨምር የሁሉንም አይነት የህይወት ኢንሹራንስ መግዛትን ይስማማሉ?					
18	ዘመናዊነት የህይወት መድን ኢንሹራንስ አጠቃቀም ላይ ተፅዕኖ ያደርጋል ብለው ይስማማሉ?					
19	አሁን ካሉበት እጅግ ራቅ ባለ ክልል ቢኖሩ የህይወት መድን እገዛለሁ ብለው ያምናሉ?					
20	የህይወት መድን ስጠቀም መረጃውን በሰጠኝ ብቃት ረክቻለሁ?					
21	የህይወት መድን በበቂ ሁኔታ ተጠቃሚዎች እንዲያውቁት ተደርጓል ብለው ይስማማሉ?					
	ገቢ					
22	የገቢ መጠንዎ የኢንሹራንስ ውልን ለመግዛት ተፅዕኖ ያሳድርቦታል?					
23	የሁሉም የህይወት ኢንሹራንስ አረቦን ውድ ነው?					
24	የዋጋ ንረት የህይወት መድን ለመግዛት ያስቸግራል?					

25	የህይወት መድን አይነቶች የማብቂያ ጊዜ ረጅም በመሆኑ ይስማማሉ?					
26	የህይወት መድን አረቦን ዝቅተኛ ቢሆንም እንኳ ደንበኞች የውሉ ማቆሚያ ጊዜው በመርዘሙ ውላቸውን ይሰርዛሉ?					
27	የህይወት መድን ሽፋንዎ የማብቂያው ጊዜ ሲቃርብ የአረቦን ጭማሪ ቢደረግ ውሎን በመቀጠል ይስማማሉ?					
28	የህይወት መድን ከተጠቀሙ በኋላ ሌላ ዓይነት ውል ለመግዛት ይነሳሳሉ?					

Annex III

Market Share of Insurance Industry

Market Share as at 30th June,2014 ETB in Million							
SN	Name of Insurer	Gross Written Premium (GWP)					
		GWP LTI	SHARE (%)	GWPGI	SHARE (%)	Total	Share (%)
1	EIC	99.5	34.5	1,898.00	41.3	1,998	41.0
2	Awash	37	12.8	350	7.6	387	7.9
3	Africa	28	9.7	310	6.7	338	6.9
4	Nib	16	5.5	323	7.0	339	6.9
5	Nile	26.3	9.1	298	6.5	324	6.6
6	Nyala	41.3	14.3	256	5.6	297	6.1
7	UNIC	22.3	7.7	262	5.7	284	5.8
8	Oromia	1	0.3	220	4.8	221	4.5
9	Lion	0	0.0	155	3.4	155	3.2
10	Nice	0	0.0	145	3.2	145	3.0
11	Abay	0	0.0	109	2.4	109	2.2
12	Birhan	0	0.0	51	1.1	51	1.0
13	Global	0	0.0	57	1.2	57	1.2
14	Tsehay	0	0.0	81	1.8	81	1.7
15	ELIG	17.2	6.0	26.8	0.6	44	0.9
16	Lucy	0	0	41.5	0.9	42	0.8
17	Bunna	0	0	15.9	0.3	16	0.3
TOTAL		288.6	100.0	4,599.20	100.0	4,888	100.0
Combined Top 7		271.6	94.11	3,697.00	80	3,967.40	81
Combined Top 10		288.6	100	4,217.00	92	4,510.00	92.0

Source: Strategic Management Unit/industry data annual report Ethiopian Insurance Corporation.