

Determinants of Demand for Life Insurance: Evidence from Colombo District

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ABSTRACT

Introduction – This study investigates the impact of determinants of demand and Demographic Factors On Customer demand on Life Insurance Policies in Colombo District.

Design/Methodology - The study based on a quantitative approach used primary data for the multiple regression model. Entire life insurance policy holders are considered for the population, where 102 of policy holders are used as sample for the study.

Findings - The determinants of demand variables such as Level of education, Income Level, Health factors and demographic factors have positive impact. Urbanization and Dependency ratio has not impact to the customer demand of life insurance.

Conclusion – Based on the finding of this study life insurance companies in Sri Lankan Insurance industry should focus on the Health factors, middle level and high level of income people, high educated peoples to attract the life insurance policy. These three factors have significant relationship with demand on life insurance cover in Colombo district and also demographic factors have relationship with demand on life insurance policies in Colombo district.

Keywords: *Determinants, demographic factors, demand behaviour, life insurance policy, Colombo District.*