

Factors Influence on Low Life Insurance Policy Demand in Sri Lanka

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ABSTRACT

Introduction – Life insurance contributes to the country by ensuring the economic and financial protection of people. Even though those crucial things have life insurance, Sri Lankan people tend to have a life insurance policy. The purpose of this study is to determine the factors that influence this low life insurance policy demand in Sri Lanka.

Design/Methodology/Approach - A survey conducted for collection of data through a questionnaire distributed to people who lived in Moneragala District. The study follows the convenient sampling method to collect data; the researcher has distributed 260 questionnaires and 250 responses get back. Cronbach's alpha, Multiple Linear Regression and Pearson Correlation used for data analysis, and SPSS used as statistical software to analyse the survey data.

Findings – Survey result shows that the life insurance literacy, trust on life insurance companies, life insurance agent's Behaviour, monthly income levels have a significantly impact life insurance demand. Trust in life insurance companies and life insurance agents' Behaviour shows a negative relationship with life insurance demand and life insurance literacy. Monthly income levels show a positive relationship with life insurance demand.

Conclusion – The study fulfils the research gap of the limited number of studies regarding this research topic. In addition to that study suggest to life insurance companies offer how to overcome this low life insurance policy demand.

Keywords: *Life insurance literacy, life insurance companies, Life insurance agent's behaviour, Moneragala District, Low life insurance*