DETERMINANTS OF LIFE INSURANCE POLICY IN KOSHI PROVINCES

A Dissertation submitted to the Office of the Dean, faculty of Management in partial fulfillment of requirement for the Master of Business Studies

By

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**DETERMINANTS OF LIFE INSURANCE POLICY IN KOSHI PROVINCES**". The work of this dissertation has not been submitted previously for the purpose of conferral of any degree nor has it been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declared that all information sources and literature used are cited in the reference section of the dissertation.

Anusha Niroula

August, 2025

REPORT OF RESEARCH COMMITTEE

Mrs. Anusha Niroula has defended research proposal entitled "**DETERMINANTS OF LIFE INSURANCE POLICY IN KOSHI PROVINCES** ", successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Mr. Kamal Prakash Adhikari and submit the thesis for evaluation and viva voce examination.

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Dissertation Proposal Defended Date

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APPROVAL SHEET

We have examined the dissertation entitled "**DETERMINANTS OF LIFE INSURANCE POLICY IN KOSHI PROVINCES**" presented by Mrs. Anusha Niroula. for the degree of Masters of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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Any remaining errors are mine.

Anusha Niroula

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ABBREVIATIONS

ANOVA	:	Analysis of Variance
Edu	:	Educations
FL	:	Financial literacy
I	:	Income
LCM	:	Life cycle motives
LIP	:	Life insurance Policies
MSt	:	Marital status
N	:	Number
PM	:	Precautionary motives
SD	:	Standard Deviation
SPSS	:	Statistical Package for the Social Sciences
TU	:	Tribhuvan University
WAM	:	Wealth accumulation motives

ABSTRACT

The objectives of research are to assess the current status of life insurance policy demand, marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy in Koshi Province, to examine the relationship of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy with life insurance policy demand in Koshi Province and to analyse the effect of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy are on life insurance policy demand in Koshi Province. This study is employed descriptive and causal-comparative research designs to explore factors influencing life insurance policies demand. The data are collected using convenience sampling so the sample are 391. The nature of the data is primary in nature. The instrument of data collection is the Likert scale questionnaire. The statistical analysis such as descriptive, correlation and regression analysis are conducted. The finding show that the marital status, education, and income also show high mean values with low standard deviations, suggesting that most respondents are married, well-educated, and earn relatively higher incomes. These variables show consistency in responses, reflecting a stable demographic and socio-economic profile. The relationship of marital status, educations, income, life cycle motives, precautionary motives, and wealth accumulation positive and significant relationship to the life insurance policy. The financial literacy to the life insurance policy positive but not significant relationship. The marital status, educations, income and life cycle motives positive and significant effect to the life insurance policies. The precautionary motives, wealth accumulation motives and financial literacy to the life insurance policies is positive and but not significant.

Keywords: determinants, life insurance policies and Nepal.

CHAPTER-I

INTRODUCTION

1.1 Background of the study

Life insurance serves as a vital financial tool, helping individuals manage economic risks and uncertainties associated with life events. It provides financial protection for policyholders and their beneficiaries in the event of untimely death, disability, or unforeseen circumstances. Several elements such as demographic factors, personal saving goals, and financial literacy play key roles in shaping the demand for life insurance policies. Understanding these components is essential for policymakers, insurers, and financial advisors who aim to improve life insurance uptake in areas like Koshi Province, Nepal.

Koshi Province, emerging as a significant commercial and industrial region in Nepal, has seen economic development and a rise in income levels. However, despite this growth, life insurance penetration remains low. This can largely be attributed to socio-economic conditions and behavioral tendencies. In this region, the demand for life insurance is influenced by demographics including marital status, education, and income as well as individuals' saving behaviors and level of financial awareness. Exploring these factors can offer valuable insights into the reasons behind low adoption rates and inform strategies to encourage wider policy participation (Hagos & Shewakena, 2019).

Demographic factors have a considerable impact on financial decisions, especially when it comes to purchasing life insurance. Marital status, education level, and income are primary influences. Married individuals typically bear more financial responsibilities, which increases their likelihood of purchasing life insurance to provide for spouses and children in the event of death. In contrast, single individuals often have fewer financial dependents and may not prioritize life insurance. Education enhances awareness about financial planning and risk management, making educated individuals more inclined to value life insurance and evaluate policy options carefully (Bhatia et al., 2025). In Koshi Province, variations in education levels contribute to differences in policy uptake, with more educated people showing a higher tendency to invest in insurance. Income level is equally important those with higher earnings are better able to afford premiums and are more likely to view insurance as a worthwhile

investment. Lower-income individuals, however, may consider insurance an unaffordable expense, especially when faced with immediate financial needs. This highlights the importance of designing affordable insurance products for low-income groups in the region (Jnawali & Jaiswal, 2019).

Saving behavior is another critical factor in life insurance demand, as many policies offer investment features that generate returns. Three major saving motives that influence demand are life cycle motives, precautionary motives, and wealth accumulation motives. According to the life cycle hypothesis, individuals make financial decisions based on their current and expected future income. Their priorities shift with life stages young people may focus on education or starting a career, while middle-aged individuals may prioritize their family's security. Older adults might use life insurance for estate planning. These stages are clearly reflected in insurance adoption trends in Koshi Province. Precautionary motives drive individuals to seek financial security against unforeseen events such as illness, accidents, or job loss (Ngoc Huong Quynh et al., 2024). Life insurance provides such protection, and as economic and health-related uncertainties rise in Koshi Province, people with strong precautionary concerns are more likely to purchase policies. Additionally, some insurance products serve as long-term investment options like endowment and unit-linked insurance plans (ULIPs) which appeal to those aiming to build wealth and secure their financial future. The preference for such products varies across individuals in Koshi Province, depending on their financial goals and investment attitudes (Mahdzan & Victorian, 2013).

Financial literacy is a crucial factor influencing the demand for life insurance, as it affects how individuals perceive and understand financial products and risk management practices. It involves a grasp of financial principles, knowledge of investment options, and the ability to make well-informed financial decisions. People with higher levels of financial literacy are better equipped to appreciate the benefits of life insurance and to differentiate between various policy options. Their awareness of the importance of long-term financial planning and risk mitigation increases their likelihood of purchasing life insurance (Pant, 2024). Those with limited financial literacy may be unaware of how insurance works, leading to misunderstandings and a lower tendency to utilize insurance services effectively (Majid, 2023).

In Koshi Province, variations in financial literacy across different population groups influence life insurance uptake. Differences in education, income, and access to information contribute to uneven levels of financial understanding, which in turn affect insurance adoption. Initiatives focused on financial education and awareness are essential to bridging these gaps, helping individuals make more informed choices regarding life insurance. In this region, life insurance demand is shaped by an interplay of demographic characteristics, saving behaviors, and financial literacy. Factors such as marital status, educational attainment, and income influence how people prioritize their financial needs and whether they see life insurance as necessary (Nakum, 2021).

Moreover, motivations for saving such as life cycle needs, precautionary concerns, and goals for wealth accumulation play a significant role in determining insurance preferences. Financial literacy strengthens an individual's capacity to align these motives with appropriate insurance products. Therefore, improving financial education is essential to expanding insurance coverage in Koshi Province, as it empowers individuals to make informed, confident decisions about protecting their financial futures.

Therefor the research is conducted on "Determinants of Life Insurance Policy in Koshi Province".

1.2 Problem Statement

Life insurance plays a critical role as a financial tool, providing individuals and their families with economic security and protection against unexpected life events. However, despite its significance, life insurance coverage in Nepal particularly in Koshi Province remains relatively limited. This low level of adoption raises concerns about the region's financial resilience and preparedness in facing future uncertainties. Understanding the primary factors that influence life insurance policy demand in the region is essential for boosting participation and enhancing financial stability among the population (Nakum, 2021).

Multiple variables shape individuals' decisions to purchase life insurance, including demographic traits, saving behaviors, and financial literacy. Demographic factors such as marital status, education, and income levels have a direct impact on life insurance uptake (Hagos & Shewakena, 2019). Married individuals often have greater financial responsibilities, prompting them to secure insurance to protect their dependents. Similarly, a higher level of

education enhances one's understanding of financial planning and risk management, increasing the likelihood of engaging with life insurance. Income also plays a vital role, as those with higher earnings are better able to afford premiums and are more likely to perceive insurance as a worthwhile investment (Bhandari & Sapkota, 2024).

In addition to demographic factors, saving motives play a substantial role in influencing life insurance demand. According to the life cycle hypothesis, financial goals evolve across different stages of life, which impacts insurance purchasing behavior. For instance, individuals in their middle age often prioritize securing their family's financial future through life insurance (Hagos & Shewakena, 2019). Precautionary motives also drive demand, as people seek protection against uncertainties such as illness, disability, or economic downturns. Furthermore, individuals motivated by wealth accumulation are drawn to insurance products that combine financial protection with long-term investment opportunities (Jnawali & Jaiswal, 2019).

Financial literacy is another significant determinant of life insurance adoption. Individuals with a strong understanding of financial concepts are more likely to recognize the value of life insurance and select policies that suit their needs. In contrast, limited financial awareness can lead to misconceptions and underutilization of insurance services (Bhatia et al., 2025). In Koshi Province, low levels of financial literacy may prevent many residents from fully appreciating the long-term benefits of life insurance, thereby contributing to its low penetration rate (Majid, 2023).

Given these influencing factors, it is essential to assess the impact of demographic attributes, saving motives, and financial literacy on life insurance policy demand in Koshi Province. This study seeks to bridge the existing research gap by exploring the socio-economic and behavioral factors that affect life insurance adoption in the region (Nakum, 2021). The findings will offer valuable insights to policy demand makers, insurance providers, and financial educators, helping them develop targeted strategies to enhance life insurance penetration and promote financial security among Koshi Province's residents.

(i) What are the current status of life insurance policy demand, marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy in Koshi Province?

(ii) Is there any relationship of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy with life insurance policy demand in Koshi Province?

(iii) Does marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy are effect on life insurance policy demand in Koshi Province?

1.3 Objectives of the study

The objectives of the study are;

(i) To assess the current status of life insurance policy demand, marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy in Koshi Province.

(ii) To examine the relationship of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy with life insurance policy demand in Koshi Province.

(iii) To analyze the effect of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy are on life insurance policy demand in Koshi Province.

1.4 Hypothesis of the study

The hypothesis for the research on the impact of firm-specific variables on the stock price of Nepalese insurance companies can be formulated as follows:

Hypothesis`1

There is the significant effect of marital status on life insurance policy demand in Koshi Province.

Hypothesis 2

There is the significant effect of educations on life insurance policy demand in Koshi Province.

Hypothesis 3

There is the significant effect of income on life insurance policy demand in Koshi Province.

Hypothesis 4

There is the significant effect of life cycle motives on life insurance policy demand in Koshi Province.

Hypothesis 5

There is the significant effect of precautionary motives on life insurance policy demand in Koshi Province.

Hypothesis 6

There is the significant effect of wealth accumulation motives on life insurance policy demand in Koshi Province.

Hypothesis7

There is the significant effect of financial literacy are on life insurance policy demand in Koshi Province.

1.5 Rationale of the study

Life insurance is a vital financial tool that offers protection and economic stability to individuals and their families by mitigating the impact of unforeseen events such as death, disability, or financial hardship. It acts as a safeguard, ensuring that dependents can sustain their living standards and meet long-term financial goals even in the absence of the primary income earner. Despite its importance, life insurance coverage remains relatively low in Nepal, including in Koshi Province, raising concerns about the region's overall financial preparedness. Understanding the factors influencing life insurance policy demand is crucial for developing strategies to boost its adoption.

This study examines three key determinants affecting life insurance policy demand in Koshi Province: demographic characteristics, saving motivations, and financial literacy. These factors significantly influence individuals' decisions to purchase life insurance and offer important insights into how its acceptance can be improved.

Marital status is a major demographic factor, as married individuals generally have greater financial responsibilities and are more likely to secure life insurance to protect their dependents. In contrast, single individuals may not prioritize life insurance due to the absence of immediate financial obligations. Education also plays a vital role by increasing financial awareness, enabling individuals to make more informed decisions about insurance. However,

even those with formal education may lack specific knowledge about insurance, which can affect their willingness to invest in a policy. Income level directly impacts affordability higher-income individuals are more likely to view life insurance as a long-term financial strategy, while lower-income groups may consider it a financial burden and prioritize short-term needs.

Life stages also shape the perceived need for life insurance. Young adults and professionals may not view it as a priority, whereas individuals with families or approaching retirement are more inclined to see it as a crucial component of financial planning. Precautionary motives such as fear of illness, job loss, or other economic uncertainties drive some people to purchase life insurance, while those who perceive lower risks may not find it necessary. Additionally, life insurance products with investment components appeal to individuals seeking both protection and financial growth. Understanding how such features influence purchasing behavior can help insurers design more attractive and relevant products.

A lack of awareness and understanding about life insurance policies often leads to misconceptions and low adoption. Individuals with strong financial literacy are more likely to recognize life insurance as a valuable tool for financial protection and long-term planning. Therefore, public awareness campaigns and financial education programs are essential to improving knowledge and encouraging broader participation.

This research provides critical insights for policymakers, insurance providers, and financial educators. It supports the development of targeted strategies aimed at enhancing financial literacy, designing need-based insurance products, and addressing barriers to life insurance adoption. Ultimately, the study aims to strengthen financial security and improve the overall well-being of residents in Koshi Province by identifying and addressing the key factors that influence life insurance policy demand.

1.6 Limitations of the Study

The limitations of the study are following.

i. Limited to respondents within Koshi Province only.
ii. Sampling bias due to small or non-random sample.
iii. Reliance on self-reported data may cause response bias.
iv. Exclusion of other influencing variables (e.g., psychological or cultural factors).
v. Lack of consideration for market and policy changes.

vi. Possible language or interpretation issues in the questionnaire.

vii. Limited generalizability to rural or other urban regions of Nepal.

CHAPTER- II

LITERATURE REVIEW

This chapter presents a review of relevant literature across three core sections. The theoretical review outlines essential concepts and theories relevant to the study. The empirical review examines previous research on the factors influencing life insurance purchasing decisions. The research gap highlights aspects that have not been thoroughly investigated in earlier studies.

2.1 Theoretical Review

2.1.1 Theory of Demographics for Life Insurance Demand influence

Demographic factors such as marital status, educational attainment, and income levels significantly influence individuals' decisions to purchase life insurance. According to the Family Life Cycle Theory, financial responsibilities tend to change as individuals move through different life stages particularly during milestones like marriage which often prompts a stronger need for life insurance to safeguard a family's financial future (Garman & Forgue, 2012). Similarly, education plays a critical role in shaping financial behavior. The Human Capital Theory suggests that individuals with higher education levels generally possess greater financial literacy and awareness of insurance benefits, enabling them to make more rational and informed financial decisions (Becker, 1964; Lusardi & Mitchell, 2014). Income is another key determinant. The Permanent Income Hypothesis and Life-Cycle Hypothesis indicate that individuals with stable or higher incomes are more likely to engage in forward-looking financial planning, including purchasing life insurance to ensure long-term financial security (Friedman, 1957; Modigliani & Brumberg, 1954). Collectively, these demographic variables are vital for understanding differences in life insurance adoption across populations.

2.1.2 Theory of Saving Motives

People save money for a variety of psychological and economic reasons. One of the most widely recognized models explaining this behavior is the Life-Cycle Hypothesis (LCH), which posits that individuals aim to balance their consumption and savings throughout their lives to sustain a consistent standard of living. According to this theory, people typically save during their working years and draw on those savings in retirement, thereby smoothing consumption over time (Modigliani & Brumberg, 1954). In contrast, the Precautionary Saving Motive

highlights saving as a protective response to future uncertainty. Individuals set aside funds as a safeguard against unforeseen events such as illness, job loss, or economic instability (Carroll, 1997). Another key reason for saving is Wealth Accumulation, where individuals build financial assets for investment purposes, to leave an inheritance, or to meet long-term financial objectives (Dynan, Skinner, & Zeldes, 2004). Together, these saving motives offer critical insights into personal financial behavior and serve as a foundation for effective financial planning and policy formulation.

2.1.3 Theory of Financial Literacy

Financial literacy is the ability to understand and effectively apply various financial skills, such as budgeting, saving, investing, and managing debt. It involves a broad set of knowledge that equips individuals to make sound and informed choices regarding their financial health. This competency is essential not only for managing day-to-day finances but also for achieving long-term objectives, such as preparing for retirement or purchasing life insurance. In the context of life insurance, financial literacy plays a critical role by helping individuals comprehend policy options, evaluate their specific needs, and make decisions that enhance their overall financial security.

2.1.3.1 Theory of Planned Behavior

The Theory of Planned Behavior (TPB) suggests that an individual's behavior is influenced by three key components: their attitudes toward the behavior, perceived social pressures (subjective norms), and their sense of control over performing the behavior (perceived behavioral control). Financial literacy plays a crucial role in shaping all three elements in the context of life insurance decisions. Individuals with higher financial literacy are more likely to develop favorable attitudes toward insurance, be influenced by social cues such as encouragement from family or peers who value financial protection and feel more capable of making informed financial choices. As a result, financial literacy empowers individuals to take greater control over decisions like purchasing life insurance (Ajzen, 1991).

Moreover, subjective norms social expectations and influences from one's community or close network are also shaped by financial literacy. Those with a solid understanding of financial concepts are typically more attuned to the financial values and priorities of their social environment. For instance, if financial stability is a shared value within their family or peer

group, financially literate individuals are more likely to internalize these norms and consider purchasing life insurance in response (Ajzen, 1991).

Perceived behavioral control, or the degree to which someone feels confident in their ability to take a particular action, is also strengthened through financial literacy. Individuals who possess financial knowledge tend to feel more assured in their capacity to navigate complex decisions. This confidence helps reduce barriers such as misunderstandings about policy terms or anxiety over costs. Financial literacy provides the tools needed to understand life insurance, compare different plans, and make decisions that support long-term financial goals (Ajzen, 1991).

2.1.3.2 Human Capital Theory

Human Capital Theory suggests that investing in education and knowledge enhances an individual's skills and productivity. Financial literacy is a crucial aspect of human capital, as it equips people with the ability to make informed financial decisions—such as purchasing life insurance. With an understanding of risk management and long-term financial planning, financially literate individuals are more capable of making choices that secure their financial well-being and support future stability (Becker, 1964).

Financial literacy provides individuals with the necessary tools to make decisions that align with their financial goals and security. For instance, a solid understanding of risk enables individuals to appreciate the role of life insurance in protecting their families and maintaining financial stability. Those with greater financial literacy are more likely to assess insurance policies carefully, understanding their structure, benefits, and how they fit into broader financial plans. As a result, financial literacy not only facilitates better decision-making but also strengthens long-term financial resilience by helping individuals navigate uncertainties and safeguard against economic challenges (Becker, 1964).

2.1.3.3 Behavioral Economics Theory

Behavioral Economics Theory explores how psychological factors and cognitive biases influence financial decision-making. Unlike traditional economic theories that assume individuals always act rationally, this perspective acknowledges that emotions and mental shortcuts often lead people to make suboptimal financial choices. In the context of life insurance, individuals with low financial literacy are especially susceptible to biases such as present bias the tendency to prioritize immediate needs or gratification over long-term financial

security. This can result in delaying or avoiding life insurance purchases, even when such protection is essential for their family's future (Kahneman & Tversky, 1979).

Financial literacy serves as a critical tool in recognizing and counteracting these behavioral biases. Individuals who are financially informed are more likely to understand the long-term benefits of life insurance and to approach such decisions with a rational, forward-thinking mindset. As a result, they are better positioned to view life insurance as a strategic investment in their family's financial stability. Behavioral Economics therefore underscores the importance of financial education in addressing the psychological barriers that often hinder sound financial planning (Kahneman & Tversky, 1979).

2.1.3.4 Financial Socialization Theory

Financial Socialization Theory suggests that individuals acquire financial knowledge and develop financial habits mainly through their interactions with family, friends, and social institutions. Early experiences play a vital role in shaping one's understanding of important financial skills such as budgeting, saving, investing, and managing risk. As people encounter different financial circumstances over time, their money-related beliefs and behaviors continue to be influenced by the social environment around them.

This theory highlights that financial literacy largely results from social learning, particularly during childhood and adolescence. Family values, peer influences, and cultural norms significantly shape how individuals view financial management and the importance they place on financial products like life insurance. Because financial literacy is shaped by these social factors, those who receive positive financial socialization are more likely to make wise financial choices, including recognizing the value of life insurance as a key element of long-term financial security (Shim et al., 2009).

2.2 Empirical Review

Bhatia et al. (2025) explored the reasons behind life insurance policy lapses. Despite the longstanding availability of life insurance, only a small proportion of people buy policies, and many of those policyholders eventually let their policies lapse. The authors introduced the Belief Hypothesis Model (BHM) to explain the link between policyholders' beliefs and their lapse behavior. Through semi-structured in-depth interviews with 42 policyholders and 11 insurance advisors, analyzed via grounded theory coding, the study found that lapses are

influenced by factors such as beliefs about the necessity and purpose of life insurance, attitudes toward policy processes, trust in insurers and advisors, and personal financial perspectives. Misunderstanding life insurance or viewing it as unnecessary, complicated documentation, and technical challenges were key reasons for lapsing. Trust and financial literacy also played important roles in whether policies were maintained or abandoned.

Bhandari and Sapkota (2024) examined the determinants of life insurance demand in a dynamic business environment. Using a descriptive, causal-comparative survey of 420 policyholders in Butwal Sub-Metropolitan City, the study identified demographic, economic, and motivational factors influencing demand. Variables like perception of insurance services, company image, peer influence, tax-saving motives, and wealth accumulation were significant. The study also found that the number of dependents significantly affected policy demand, based on Kruskal-Wallis test results. The authors suggest that insurance companies tailor strategies to better meet customer needs and boost policy uptake.

Ngoc Huong Quynh et al. (2024) analyzed factors influencing life insurance purchase decisions among university students in Hanoi. Through a quantitative survey, they found that perceived insurance value, purchase motivations, brand reputation, and the role of insurance consultants positively affected decisions, while perceived barriers discouraged purchases. Awareness and motivation had the strongest positive impacts.

Adhikari (2024) investigated the factors affecting individual life insurance purchase decisions in Nepal. Treating purchase decisions as the dependent variable, and company loyalty, premium cost, agent involvement, claim settlement efficiency, and company image as independent variables, the study applied correlation and regression analyses. Results indicated that company loyalty, affordable premiums, and efficient claim settlements positively influenced buying decisions, highlighting the need for customer-focused insurance services.

Pant (2024) studied factors influencing life insurance investment decisions in Surkhet, Nepal. Using structured questionnaires and judgmental sampling, the research assessed the effects of corporate image, perceived risk and return, tax incentives, claim settlement efficiency, and policy variety. Findings showed these factors significantly impact individuals' willingness to invest in life insurance, suggesting ways for insurers to enhance their appeal.

Majid (2023) explored how demographic factors affect life insurance investment decisions using a mixed-method approach combining quantitative data from semi-structured interviews and qualitative analysis. The study identified age, education, and occupation as significant influencers of investment behavior. Interestingly, policy innovation and company reputation were not statistically significant. However, tax benefits, risk coverage, savings motives, security, loan options, and support for dependents or children's education/marriage were important considerations for investors.

Khaing (2023) explored factors influencing the intention to purchase life insurance products at Dai-ichi Life Insurance Myanmar Ltd. A sample of 385 participants was selected through convenience sampling based on Cochran's formula. The study used both primary and secondary data and applied descriptive and quantitative methods, including multiple regression analysis. Findings revealed that attitude, subjective norms, financial literacy, and saving motives all significantly impacted purchase intentions, with saving motives being the strongest predictor.

Bista and Upadhyay (2023) examined life insurance purchase intentions in Chitwan, focusing on awareness levels and the relationship between perception, attitude, and awareness in purchase decisions. Using purposive sampling and SPSS for analysis, the study found significant correlations between independent variables like buying purpose, perception, and trust with the dependent variable of purchase decision. The research emphasized the vital role of perception and trust in shaping consumers' choices to buy life insurance.

Dhodary (2023) studied consumer attitudes and purchase intentions toward life insurance in Nepal's Kathmandu Valley, aiming to identify behavioral factors affecting these decisions. Through correlation and regression analysis, the study noted that most participants worked in the service sector. Among life insurance types, endowment policies were the most favored, followed by term and whole-life policies. The main motivation for buying insurance was risk protection, alongside savings, security, and peace of mind. Regression results also showed a strong link between insurance agents' influence, purchase decisions, and customer satisfaction.

Goet (2022) investigated the impact of various factors—such as product and premium features, service quality, customer proximity, technology, security, responsiveness, and brand image—on consumers' choice of insurance providers. Using primary data collected via a structured

questionnaire and convenience sampling, the study confirmed reliability with Cronbach's Alpha. Both correlational and causal analyses indicated that all variables except for product and premium significantly influenced the choice of life insurance providers.

Banjo et al. (2022) investigated the factors influencing public school teachers' decisions to invest in life insurance using a quantitative descriptive survey. The study employed statistical methods such as mean, standard deviation, frequency, percentage, and ANOVA. Demographic variables like age, gender, marital status, job position, and years of service were treated as independent variables, while premium offerings, company image, service quality, satisfaction, and company-client relationship served as dependent variables. The findings revealed no significant relationship between the demographic factors and the variables influencing life insurance decisions.

Jnawali and Jaiswal (2022) focused on identifying the factors affecting life insurance policy demand in Kapilvastu district. This pioneering study incorporated socio-demographic characteristics, saving motives, and financial literacy as key determinants. Primary data were collected via convenience sampling from 384 respondents. The analysis involved one-way ANOVA to explore demographic influences and chi-square tests for associations among categorical variables. Multiple regression was used to assess how financial literacy and saving motives (including precautionary, bequest, life cycle, and wealth accumulation) impacted policy demand. Results indicated that the number of dependents, education level, and income significantly affected life insurance demand. Bequest motives and financial literacy also positively influenced demand, while marital status had an insignificant effect, though unmarried individuals tended to hold more policies than married or widowed ones. Other saving motives showed no significant impact.

Nakum (2021) examined the influence of demographic factors on life insurance consumption in Ahmedabad city, based on responses from nearly 300 participants. The study used chi-square tests and found that education, occupation, and annual income significantly affected life insurance purchase decisions, whereas age showed no meaningful association.

Habte (2021) studied how income, awareness, advertising, and religion affected life insurance demand in Ethiopia through a mixed-methods approach with a primary quantitative focus. Descriptive analyses identified key drivers, and the research provided practical

recommendations for insurers to overcome challenges and increase uptake by tailoring marketing strategies based on consumer behavior insights.

Mai et al. (2020) explored the transition from purchase intention to actual life insurance buying in Hanoi and Ho Chi Minh City, Vietnam. Using online survey data from 358 respondents and analyses including Cronbach's alpha, exploratory factor analysis, and regression, the study found that intention, attitude, financial knowledge, and product accessibility influenced buying behavior. Despite this, overall demand remained low due to underdeveloped consumer attitudes, prompting recommendations for insurers to adopt targeted communication to improve perceptions.

Lim et al. (2020) investigated factors shaping perceptions of life insurance through primary data and Structural Equation Modeling (SEM). The study concluded that perception plays a crucial role in purchase intentions, with social influences from family, friends, and digital platforms having a significant impact. The research highlighted the increasing importance of social networks in influencing consumer insurance decisions.

Jnawali and Jaiswal (2019) analyzed determinants of life insurance purchasing behavior in Nepal's Kapilvastu district using primary data from 384 policyholders gathered via purposive sampling. Their results indicated that premium payment behavior correlated significantly with gender, education, occupation, economic status, family size, and monthly income, but not with age, religion, or marital status. They suggested that insurers target higher-income, educated, and larger households to boost policy uptake.

Hagos and Shewakena (2019) examined the demand for life insurance policies and their determining factors at the household level in Dire Dawa city. To achieve this, they collected primary data from 373 households using a three-stage multiple random sampling method with structured questionnaires. Additionally, data were gathered through face-to-face interviews with insurance company managers and focus group discussions with selected respondents. The data from interviews and focus groups were analyzed using a concurrent triangulation strategy with descriptive narration, while the questionnaire data were analyzed using both descriptive statistics and a binary logit econometric model. The study revealed that awareness and demand for life insurance in the community were low. Furthermore, factors such as age, education, income, occupation, number of dependents, knowledge, awareness, institutional influences,

religion, and perception were statistically significant in shaping the community's willingness to purchase life insurance.

Dash and Im (2018) investigated the demographic and socio-economic factors influencing life insurance consumers' policy demand. The study used a descriptive research approach, as it aimed to analyze customer perceptions related to demographic and socio-economic variables and their buying behavior, which is best captured through descriptive methods. To examine variations and relationships among different groups, one-way ANOVA and correlation analyses were conducted. Additionally, exploratory and confirmatory factor analyses (EFA and CFA) along with multiple linear regression were employed to determine the significance of these factors.

Jayaraman et al. (2017) focused on customers' perceptions of health insurance products and the factors affecting both initial purchase and policy renewal. Guided by the stimulus-response (SR) model, the cross-sectional survey found that consumers mainly prioritize the reputation of insurance providers when making decisions. Interestingly, socio-demographic factors such as income, education, and age did not significantly influence decisions, which were also found to be independent of social influences like family or peers.

Shiferaw (2017) explored the factors affecting individuals' decisions to buy life insurance in Ethiopia, aiming to identify key drivers impacting customers and the life insurance sector's growth. Using a descriptive research design, primary data were collected via structured questionnaires and a convenience sampling method. The study applied descriptive and regression analyses, confirming a positive and significant relationship between individuals' health status and life insurance demand. Education level also showed a positive and significant effect on the demand for life insurance.

Annamalah (2013) examined how different socio-economic and demographic factors affect life insurance purchasing behavior and total expenditure on life insurance among married couples in Malaysia. Using primary data collected through surveys, the study applied a Logit model to evaluate both the chances of buying life insurance and the amount spent on it. Findings indicated that the household head's income and education significantly and positively influenced life insurance decisions, with higher income and education levels linked to a greater likelihood of purchasing life insurance and higher policy spending.

Table 1

Summary of Empirical Review

Authors'	Title	Objectives	Methodology	Finding
Bhandari and Sapkota (2024)	The Dynamics of Life Insurance Demand: Insights from Butwal Sub-Metropolitan City.	To investigate the factors influencing the demand for life insurance policies in this dynamic business environment.	The study used inferential statistical methods to assess how strongly the explanatory variables influence the demand for life insurance policies.	The study's findings showed that economic factors, perceptions of insurance services, insurance awareness, persuasion and influence, tax-saving motives, bequest motives, and wealth accumulation motives are the key factors driving life insurance policy demand. Additionally, the Kruskal-Wallis test indicated that the number of dependents in a respondent's family significantly affects their demand for life insurance policies.
Ngoc Huong Quynh et al. (2024)	Factors Influencing University Students' Decisions to Purchase Life Insurance in Hanoi, Vietnam.	To evaluate the factors that affect students' choices to buy life insurance in Hanoi.	A quantitative survey was carried out with students in Hanoi, Vietnam.	The results show that all the examined factors have a significant impact on the decision to buy life insurance. While barriers reduce the chances of purchasing insurance, factors like a strong awareness of its benefits and high motivation to buy have the strongest positive influence.
Adhikari (2024)	actors Influencing Individuals' Decisions to Purchase Life Insurance in Nepal	To examine the factors influencing individuals' choices when buying life insurance products in Nepal.	The study is based on primary data gathered from participants, using structured questionnaires designed to meet the research goals.	Correlation analysis and regression models were employed to evaluate the importance and impact of different factors on individuals' decisions to purchase life insurance products in Nepal. The results showed that company loyalty has a positive effect on the decision to buy life insurance, indicating that customers are more likely to select insurance products from companies that demonstrate loyalty to their clients.

Pant (2024)	Determinants Influencing Investment Decisions in Life Insurance Policies	To explore the factors that affect investment choices in life insurance policies in Surkhet.	Data was gathered using a structured questionnaire, with participants selected through judgmental sampling.	The study investigated the relationship between investment decisions and factors including corporate image, perceived risk and return, tax incentives, claim settlement efficiency, and the variety of insurance policy options.
Bista and Upadhyay (2023)	Determinants Influencing Customers' Life Insurance Policy Purchase Decisions in Chitwan.	To evaluate people's intentions regarding life insurance purchase decisions, analyze the level of awareness about life insurance in Chitwan, and examine the relationships among perception, attitudes, awareness, and purchase decisions.	Data was gathered using a non-probability purposive sampling approach and analyzed employing descriptive as well as inferential statistical methods.	The correlation between the independent variable, buying purpose, and the dependent variable, factors affecting customers' decisions to purchase life insurance policies, was found to be statistically significant.
Dhodary (2023)	Consumers' Perspectives and Intentions to Purchase Life Insurance in Nepal	To explore consumers' attitudes and their intentions to purchase life insurance in Kathmandu Valley, Nepal.	Correlation and regression analyses were performed.	The results show that the majority of individuals are employed in the service sector, rather than in government positions, business ownership, or other fields. Among those holding life insurance policies, endowment plans were favored more than whole-life or term insurance options.
Majid (2023)	Impact of Demographic Factors on Life Insurance Policyholders' Investment Decisions	To determine which demographic factors affect customers' decisions to invest in life insurance.	This study employs quantitative data obtained via semi-structured interviews, complemented by qualitative data collection.	Demographic variables like age, occupation, and education show a statistically significant connection with policyholders' decisions to invest in life insurance. In contrast, policy innovation does not have a significant impact on these investment choices. Moreover,

				respondents' gender and age groups are positively correlated with their investment decisions, whereas policy innovation and company reputation exhibit a negative relationship with such decisions.
Khaing (2023)	Determinants Affecting the Purchase Intention of Life Insurance at Dai-Ichi Life Insurance Myanmar LTD	To examine the factors that affect customers' intentions to purchase life insurance products at Dai-ichi Life Insurance Myanmar Ltd.	The survey used a non-probability sampling method, namely convenience sampling, to choose participants. It incorporated both descriptive and quantitative research approaches.	The study found that four out of five factors attitude, subjective norms, financial literacy, and saving motives significantly influence purchase intention, with saving motives having the greatest effect.
Goet (2022)	Determinants Influencing Customers' Selection of Life Insurance Companies in Nepal	To examine the relationship between factors like product and premium, service quality, customer proximity, technology, security, responsiveness, and brand image, and how these elements affect customers' selection of insurance companies and their choice of providers.	The study collected primary data using a well-structured questionnaire. Participants were selected through convenience sampling, and Cronbach's Alpha was used to assess the reliability of the survey instrument.	The findings revealed a positive and significant relationship between the factors influencing customers' decisions and their selection of life insurance providers. However, the factors of Product and Premium did not have a significant impact on the choice.
Banjo et al. (2022)	Consumers' Perceptions Regarding the Purchase of Life Insurance Policies in Lagos State	To determine the factors that affect public school teachers' decisions to invest in life insurance policies.	A quantitative descriptive survey design was used, incorporating mean and standard deviation calculations,	The study considered factors such as premium offered, company image, service quality, satisfaction level, and company-client relationship as dependent variables. The findings indicated no significant correlation between these

			frequency counts, and analysis of variance (ANOVA).	factors and the demographic characteristics of the respondents.
Jnawali and Jaiswal (2022)	Determinants of Demand for Life Insurance Policy in Kapilvastu District.	To accomplish the main goals of identifying the factors influencing life insurance policy demand in Kapilvastu district.	Primary data were gathered using convenience sampling from 384 individuals. One-way ANOVA tests were conducted to examine the relationship between demographic factors and life insurance policy demand.	The results confirmed that among all socio-demographic variables, the number of dependents, education level, and income level significantly affect the demand for life insurance policies. Likewise, bequest motives and financial literacy were identified as positive contributors to life insurance policy demand.
Nakum (2021)	A study of determinants impacting life insurance consumption with reference to Ahmedabad City	To examine the impact of different demographic factors on life insurance consumption.	The research hypotheses were empirically tested using the chi-square test, with the study's findings derived from nearly 300 responses collected from Ahmedabad city.	The study found that educational background, occupation, and annual income are significant demographic factors affecting life insurance consumption, while no significant relationship was observed between age and life insurance use.
Habte (2021)	Determinants Influencing the Demand for Life Insurance in Ethiopia	To evaluate the impact of income, awareness, advertising, and religion on life insurance demand in Ethiopia and provide relevant recommendations for insurers.	The study uses a mixed-methods approach, integrating both quantitative and qualitative research techniques.	This research primarily adopts a quantitative approach with a descriptive design to investigate the factors affecting the demand for life insurance in Ethiopia.
Mai et al. (2020)	A study on the purchasing behavior of life insurance in Vietnam.	To examine the process by which residents of Hanoi and Ho Chi Minh City, Vietnam's two	The research was conducted in Hanoi and Ho Chi Minh City, Vietnam, using an online survey	The results show that life insurance buying behavior is influenced by factors such as purchase intention, attitudes, financial knowledge, and ease of access to products. As

		largest cities, move from the intention to purchase life insurance to actual buying behavior.	directed at local residents. Data collected were analyzed using SPSS software through methods including Cronbach's alpha, exploratory factor analysis, KMO and Bartlett's tests, and regression analysis.	a result, the overall demand for life insurance remains quite low.
Lim et al. (2020)	Factors Influencing Perception of Life Insurance and Their Effect on Purchase Intention	To examine the factors that explain and shape perceptions of life insurance.	Using primary data and Variance-based Structural Equation Modeling (SEM), the study found that individuals' perceptions of life insurance significantly impact their intention to purchase the product	The findings showed that social influences from family, friends, and online platforms have a major impact on shaping people's perceptions of life insurance.
Jnawali and Jaiswal (2019)	Factors Influencing the Purchase of Life Insurance: A Study in Kapilvastu District.	To investigate the factors affecting life insurance purchase decisions in Kapilvastu district, Nepal.	Primary data were collected through a structured questionnaire administered to life insurance policyholders in Kapilvastu district, Nepal, with the sample selected via purposive sampling.	The study concludes that life insurance demand, indicated by the premiums paid, is significantly influenced by respondents' gender, education, occupation, economic status, family size, and monthly income. However, no significant relationship was found between demand and factors like age, religion, or marital status.
Hagos and Shewake na (2019)	Demand for life insurance and its determinants at household level:	To examine the demand for life insurance and its determining factors at the	The data were gathered through face-to-face interviews with insurance	The study's results showed that both the community's demand for life insurance policies and their awareness of such policies are low.

	Evidence from dire dawa city.	household level in Dire Dawa city.	company managers and focus group discussions with selected participants. Descriptive narratives using a concurrent	Additionally, factors such as age, education level, income, occupation, number of dependents, knowledge, awareness, institutional influences, religion, and perception were identified as statistically significant determinants of the community's willingness to buy life insurance.
Dash and Im (2018)	Determinants of life insurance demand: Evidences from India.	To identify the different demographic and socio-economic factors that influence life insurance consumers' decisions to purchase policies.	A descriptive research approach was used, followed by regression analysis.	Significant differences and relationships among the categories were identified using one-way ANOVA and correlation analysis. Additionally, factor analysis and linear multiple regression were applied to determine the significance of the variables.
Shiferaw (2017)	Determinants Influencing the Demand for Life Insurance: A Case Study on	To examine the factors that influence life insurance purchases, determine which factors significantly affect customers' decisions to buy life insurance policies, and assess the elements driving the growth of the life insurance sector in Ethiopia.	He used a descriptive research design and gathered primary data through a structured questionnaire. Respondents were chosen via convenience sampling. The data were then analyzed employing descriptive statistics and regression analysis.	The initial research hypothesis predicts a statistically significant and positive link between health status and life insurance demand. Additionally, there is a notable positive association between educational level and the demand for life insurance.
Annamalah (2013)	Analysis of demographics and purchasing behavior of life insurance policies among married couples in Malaysia.	To examine the various socioeconomic and demographic factors that affect life insurance purchasing decisions and overall spending on life insurance policies among	The study used primary data gathered via a survey and applied a Logit model to analyze both the decisions to purchase life insurance and the total	He found that the income and education level of the household head have a positive impact on the decision to buy life insurance.

	married couples in Malaysia.	expenditure on life insurance policies among married couples.

2.3 Research Gap

Although numerous studies have explored the determinants of life insurance demand across various contexts, several key research gaps remain unaddressed, particularly in the Nepalese setting. Bhandari and Sapkota (2024) examined multiple variables influencing life insurance policy demand in Butwal, focusing on demographic and economic factors, service perception, peer influence, and saving motives. However, their geographical focus is limited to a single sub-metropolitan area, restricting generalizability across Nepal's diverse regions. Similarly, while Adhikari (2024) and Pant (2024) investigated individual decision factors like premium cost, company image, and service efficiency, these studies largely overlook psychological dimensions such as risk aversion, perceived behavioral control, and financial planning attitudes.

Like those by Ngoc Huong Quynh et al. (2024) and Khaing (2023), emphasized the importance of purchase motivation and saving motives in international contexts, but lacked cultural contextualization for Nepal. Moreover, while Jnawali and Jaiswal (2022) included saving motives such as life-cycle, bequest, and precautionary motives, their findings showed inconsistent results, with life-cycle and precautionary motives showing no significant effect highlighting a need for deeper investigation using refined measurement tools and expanded samples.

Limited attention has been given to integrating behavioral economics with traditional demographic and economic models to explain life insurance decisions. While several studies (e.g., Dash & Im, 2018; Habte, 2021; Lim et al., 2020) explore demographic and socio-economic factors, the role of financial literacy, perception, and intergenerational support in shaping saving behavior and insurance policy uptake remains insufficiently studied in Nepal. Furthermore, most existing studies rely on cross-sectional survey designs with limited analytical depth, often omitting longitudinal or comparative analyses across regions, income levels, or age groups.

There exists a critical need for a comprehensive study that integrates demographic, economic, behavioral, and motivational factors using robust theoretical frameworks such as the Life-Cycle Hypothesis, Human Capital Theory, and Precautionary Saving Theory. Such a study, especially in a geographically diverse and demographically segmented context like Koshi Province or other major urban centers of Nepal, would provide a richer and more actionable understanding of life insurance policy demand in today's dynamic and uncertain economic environment.

CHAPTER- III

RESEARCH METHODOLOGY

The research methodology encompassed key components to ensure the study was carried out systematically and comprehensively. It started with outlining the research design, followed by defining the target population and sampling methods, as well as specifying the nature and sources of data utilized. The data analysis segment detailed the approaches and tools applied to process and interpret the data, which could involve statistical methods, thematic analysis, or models such as regression, depending on the study's structure. Additionally, the research framework presented the theoretical or conceptual foundation, illustrating the relationships among the study's variables.

3.1 Research Design

This study adopte both descriptive and causal-comparative research designs to examine the factors affecting the demand for life insurance policies. The descriptive approach is use to collect detailed information on the determinants of stock prices, while the causal-comparative approach aimed to analyze and compare the relationships and effects between the dependent and independent variables.

3.2 Population and Sampling and Sampling Design

The population of the Koshi Province city are infinity so the sample of the research are according to Krejice and Morgan (1970) 384 samples have been required. This indicates that a sample of at least 384 participants is necessary to attain the desired level of accuracy and confidence for the study. The data collection with totals of 413 questionnaires are distributed and using convenience sampling the sample size is 391.

3.3 Nature and Sources of Data Collection

The nature of the data is primary in nature. The source of data collects are from the respondent of the insurance member of Koshi Province.

3.4 Instrument of Data Collections

The instrument of data collection is the likert scale questionnaire, the questionnaire is distributed to the respondent of insured and data are collected.

3.5 Methods of Analysis

To attain the study's objectives, diverse financial and statistical tools/methods have been applied, including the following.

3.5.1 Statistical Analysis

Descriptive Analysis

Descriptive statistics encompass various measures such as mean, standard deviation, coefficient of variation, minimum, and maximum, among others. The mean often referred to as the average and considered alongside the median and mode as indicators of central tendency represents the expected value in a probability distribution. Standard deviation, on the other hand, measures the degree of variation or dispersion within a dataset. It is calculated as the square root of the variance, indicating how far individual data points deviate from the mean.

Arithmetic Mean

The arithmetic mean, or average, is determined by adding all the values in a dataset and dividing the total by the number of observations. It serves as an indicator of central tendency, representing a value that generally lies near the midpoint of the data range. This measure highlights the central position within the dataset. In this study, the arithmetic mean is applied to examine data from sample banks over a period of ten fiscal years. It is calculated as follows:

Mean $(\overline{X}) = \frac{\sum X}{n}$

Where, $\overline{X}$ = Mean

$\sum X$ = Sum of all the variable X

n = Variable involved

Standard Deviation (σ)

Standard deviation measures the degree of variation or spread within a dataset. It is obtained by taking the square root of the variance, which is calculated based on how far each individual data point lies from the mean. It is denoted by (**σ**).

Standard Deviation (**σ**): $S.D = \sqrt{\frac{\sum(X - \overline{X})^2}{N}}$

Where,

X=variables

= mean

N= No. of Period

Minimum

The minimum value denotes the smallest observation in a dataset, representing the lowest point in the data distribution for a given variable in the study. It is the value that is less than or equal to all other observations. When the data is organized in ascending order, the minimum value appears first. Each dataset contains only one minimum value, as it uniquely identifies the smallest entry in that set.

Maximum

The maximum value refers to the largest observation in a dataset, representing the highest point in the data distribution for a particular variable in the study. It is the value that is greater than or equal to all other observations. When the data is sorted in ascending order, the maximum value appears last. Each dataset contains only one maximum value, as it uniquely signifies the largest entry in that set.

Correlation Analysis

The relationship was analyzed using the Pearson correlation coefficient, which has a range from -1 to +1. A value of -1 signifies a perfect negative correlation, indicating that the variables move in completely opposite directions, while a value of +1 represents a perfect positive correlation, meaning the variables move together in the same direction. The formula is as follows:

$$r = \frac{n\sum XY - \sum X \sum Y}{[n\sum X^2 - (\sum X)^2][n\sum Y^2 - (\sum Y)^2]}$$

Regression Analysis

Regression analysis is a statistical method used to examine the relationship between one dependent variable and multiple independent (predictor) variables. Its primary aim is to forecast changes in the dependent variable based on fluctuations in the independent variables. This technique indicates how well the independent variables can explain or predict the dependent variable. In multiple regression, the coefficient of determination reflects the proportion of variation in the dependent variable that is accounted for by the model. For this study, the regression equation can be expressed as follows:

Model

$$LIP = \beta_0 + \beta_1 \times MSt + \beta_2 \times Edu + \beta_3 \times I + \beta_4 \times LCM + \beta_5 \times PM + \beta_6 \times WAM + \beta_7 \times FL + e$$

Where,

LIP= Life insurance Policies

MSt=Marital status

Edu=Educations

I=Income

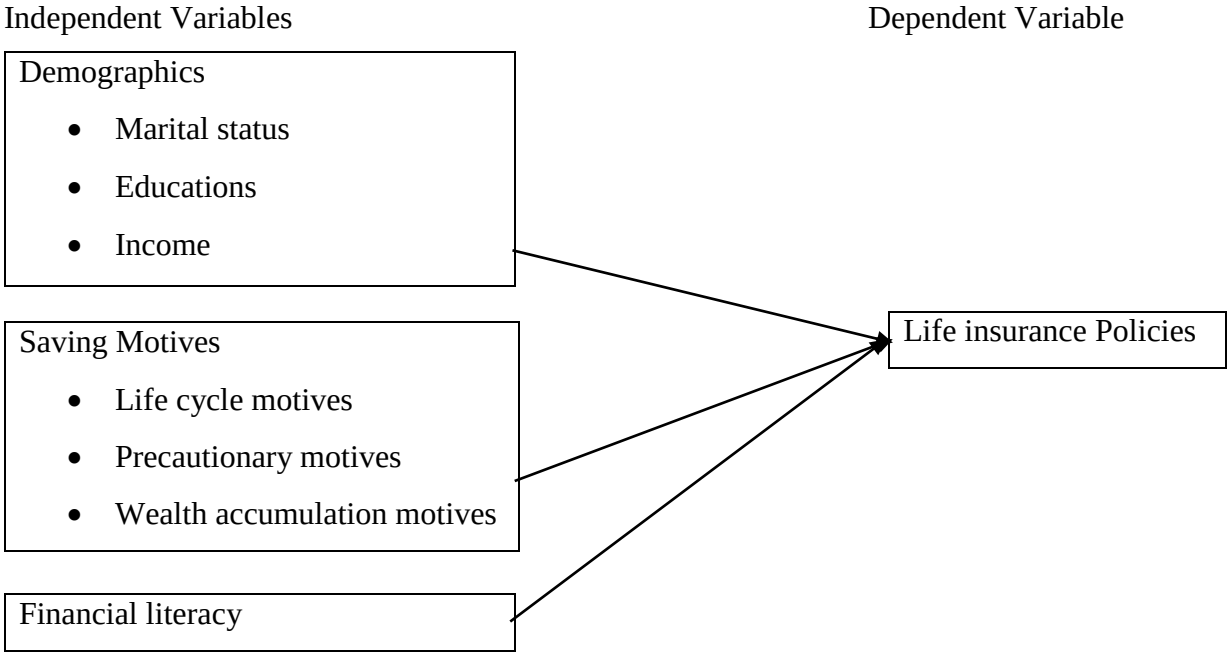
LCM=Life cycle motives

PM=Precautionary motives

WAM=Wealth accumulation motives

FL=Financial literacy

3.6 Research Framework and Definition of Variables



Source: *Jnawali and Jaiswal (2022).*

Figure: Research Framework

Operational Definitions

Dependent Variables

Life insurance Policies

Demographic factors play a crucial role in shaping financial decisions, including the decision to purchase life insurance. Key demographic variables influencing the demand for life insurance policies include marital status, educational attainment, and income level. Life insurance is closely linked to saving habits, as many policies feature investment components that generate returns over time. The primary saving motives driving life insurance demand include life cycle needs, precautionary purposes, and wealth accumulation goals. Additionally, financial literacy serves as an important determinant, as it shapes individuals' understanding of financial products and risk management (Pant, 2024). It encompasses knowledge of financial concepts, awareness of investment opportunities, and the capacity to make informed financial decisions.

Independent Variables

Demographics Variables

Marital status

Marital status significantly impacts the demand for life insurance policies, as married individuals typically face greater financial obligations than those who are single. Married people are more inclined to obtain life insurance to ensure financial security for their spouses and children. The requirement to replace lost income and protect dependents financially elevates the demand for such policies (Khaing, 2023). In contrast, single individuals may view life insurance as less essential, given the lack of financial dependents.

Educations

Education plays a crucial role in financial decision-making and awareness of risk management instruments like life insurance. People with higher levels of education are more likely to understand the importance of financial planning and the advantages of life insurance coverage. Education improves financial literacy, enabling individuals to assess various insurance options and make well-informed decisions (Nakum, 2021). In Koshi Province, variations in education levels may lead to differences in life insurance uptake, with more educated individuals demonstrating a stronger tendency to invest in life insurance policies.

Income level

Income is a key determinant of life insurance policy demand, as individuals with higher earnings are better positioned to pay insurance premiums. Higher-income earners typically have greater financial stability and disposable income, allowing them to allocate resources toward insurance coverage more easily. In contrast, individuals with lower incomes may perceive life insurance as an additional financial strain and prioritize immediate needs over long-term financial protection (Ngoc Huong Quynh et al., 2024). In Koshi Province, variations in income across different socio-economic groups can influence the adoption of life insurance, underscoring the importance of designing affordable insurance options for lower-income populations.

Saving Motives

Life cycle motives

The life cycle hypothesis posits that individuals' financial decisions are guided by their current and expected future income. As people move through various stages of life, their financial priorities change, which affects their demand for life insurance policies. Younger individuals often focus on savings for education and career development, middle-aged individuals prioritize ensuring their family's financial security, and older individuals may use life insurance for estate planning purposes (Dhodary, 2023). In Koshi Province, life cycle motives play a significant role in determining when and to what extent different age groups adopt life insurance.

Precautionary motives

Precautionary motives reflect individuals' intent to protect themselves and their families from unforeseen financial challenges. Life insurance offers financial coverage in situations such as death, disability, or serious illness. Uncertainties arising from events like job loss, accidents, or health issues drive higher demand for life insurance policies (Adhikari, 2024). In Koshi Province, where economic instability and healthcare expenses are increasing, individuals with strong precautionary motives are more likely to invest in life insurance to safeguard their financial security.

Wealth Accumulation Motives

Certain life insurance products serve as long-term investment instruments, enabling individuals to accumulate wealth over time. Policies like endowment plans and unit-linked insurance plans (ULIPs) offer both protection and opportunities for financial growth. Individuals motivated by wealth accumulation see life insurance as a means to secure their financial future and achieve long-term financial objectives (Ngoc Huong Quynh et al., 2024).In Koshi Province, the demand for these types of insurance products may differ according to people's financial goals and investment preferences.

Financial literacy

Individuals with higher financial literacy are more capable of understanding the benefits of life insurance and differentiating between various policy options. They appreciate the importance of long-term financial planning and risk management, making them more likely to purchase life insurance (Bhatia et al., 2025). Conversely, individuals with lower financial literacy may have limited awareness of life insurance products, resulting in misconceptions and underutilization of such services. In Koshi Province, variations in financial literacy across demographic groups influence life insurance adoption rates. Initiatives focused on financial education and awareness campaigns are crucial for improving knowledge and promoting informed decision-making regarding life insurance.

CHAPTER-IV

RESULTS AND DISCUSSION

To facilitate timely presentation of findings in line with the study's objectives, the results of the data analysis are provided in this chapter. The data were evaluated using the methodology outlined in Chapter Three to ensure accurate and meaningful outcomes. This chapter aims to introduce the procedures used for analyzing and interpreting the data. Based on the different methods and techniques applied to assess the relevance and relationships within the data, the analysis has been organized into categories. It focuses on examining primary data and presenting the resulting conclusions.

4.1 Results

4.1.1 Demographic Characteristics

Demographics variables include the different personal detail of the respondent. They are organization, age, qualification, experience and profession of the respondent. Following is the table which shows the detail of the respondent.

Insured Company

The respondents are from different insurance companies. The insurance companies name, their number of respondent and percentage of them are presented in the table.

Table 2

Respondents Insured Company

		Frequency	Percent
Valid	Himalayan Life Insurance Company	43	11.0
	National Life Insurance Company	63	16.1
	Surya Jyoti Life Insurance	69	17.6
	Sanima Reliance Company	71	18.2
	IME life Insurance	77	19.7
	Other	68	17.4
	Total	391	100.0

Source: *Questionnaire Survey, 2025*

Table 2 present the total 391 respondents of different insurance companies the highest number 77 and 19.7 percent are insured with IME Life Insurance, making it the most selected company among involved in the research. Sanima Reliance Life Insurance with 71 respondent of the

research and in percent 18.2 percent and Surya Jyoti Life Insurance with 69 respondents and 17.6 percent. National Life Insurance Company are 63 respondents and 16.1 percentage other Himalayan Life Insurance Company has the lowest representation among listed companies with 43 respondents and 11 percentages. The 68 respondents and 17.4 percentage are insured with companies listed as under Other categories.

Marital Status

The respondents belong to different marital status categories. The marital status of respondents, along with their respective number and percentage, is presented in the table below.

Table 3

Respondent Marital Status

		Frequency	Percent
Valid	Married	123	31.5
	Unmarried	263	67.3
	Divorce	5	1.3
	Total	391	100.0

Source: *Questionnaire Survey, 2025*

Table 3 presents a total of 391 respondents categorized by marital status. Among them, the majority 263 respondents or 67.3 percent are unmarried, making it the most common marital status among participants in this study. Married respondents account for 123 individuals or 31.5 percent, while only 5 respondents and they are 1.3 percent reported being divorced, indicating the lowest representation among the listed marital categories.

Gender of the Respondent

The respondents in the study represent various gender identities. The table below presents the gender-wise distribution of respondents, along with their respective frequency and percentage.

Table 4

Gender of the Respondent

		Frequency	Percent
Valid	Male	187	47.8
	Female	203	51.9
	Other	1	.3
	Total	391	100.0

Source: *Questionnaire Survey, 2025*

Table 4 shows the gender distribution of the total 391 respondents. Among them, the majority are female, accounting for 203 respondents (51.9%), followed closely by male respondents with 187 individuals 47.8%. Only 1 respondent (0.3%) identified as other, representing the least represented gender category in this study. This indicates a fairly balanced gender composition with a slightly higher participation from females.

Time of Insured

The respondents in this study have been insured for varying lengths of time. The following table shows how long respondents have held their insurance policies, categorized by time duration, along with their respective frequencies and percentages.

Table 5

Respondent Insured From

		Frequency	Percent
Valid	Below 1 years	50	12.8
	1-5 Years	138	35.3
	More than 5 years	203	51.9
	Total	391	100.0

Source: *Questionnaire Survey, 2025*

Table 5 presents the duration of insurance coverage among the 391 respondents. The majority, 203 respondents and they are 51.9 percentage, have been insured for more than 5 years, indicating long-term engagement with their life insurance providers. Another 138 respondents and they are 35.3 percentages have been insured for a period between 1 to 5 years, while only 50 respondents and 12.8 percentage have had their insurance policies for less than 1 year.

Age of the Respondent

The respondents in this study represent different age groups. The table below categorizes respondents by age range, showing the frequency and percentage distribution.

Table 6

Age of the Respondent

		Frequency	Percent
Valid	Below 20	305	78.0
	20-30 Years	52	13.3
	30-45 Years	34	8.7
	Total	391	100.0

Source: *Questionnaire Survey, 2025*

Table 6 presents the age-wise distribution of 391 respondents. A significant majority, 305 respondents and they are78.0 percentage, fall under the below 20 years' age group, making them the most dominant demographic in this study. This is followed by 52 respondents (13.3%) in the 20–30 years' category, and 34 respondents and they are 8.7 percentage in the 30–45 years' group.

Education of the Respondent

The educational background of respondents plays a crucial role in understanding their financial decisions and awareness. The table below presents the respondents' level of education, along with the corresponding frequencies and percentages.

Table 7

Education of the Respondent

		Frequency	Percent
Valid	Below SLC/ SEE	39	10.0
	SLC/ SEE	39	10.0
	Intermediate	152	38.9
	Bachelor	121	30.9
	Master Degree and Above	40	10.2
	Total	391	100.0

Source: *Questionnaire Survey, 2025*

Table 7 shows the education level of the 391 respondents. The highest number of respondents, 152 and they are 38.9 percentages, have completed the Intermediate level of education, followed by 121 respondents and they are 30.9 percentage with a Bachelor's degree. Both Below SLC/SEE and SLC/SEE categories include 39 respondents each and they are 10.0 percentage while 40 respondents and they are 10.2 percentage have attained a Master's degree or higher.

Respondent Professions

The respondents involved in this study come from various professional backgrounds. The following table provides the classification of respondents based on their profession, along with the respective frequency and percentage distribution.

Table 8

Profession of the Respondent

		Frequency	Percent
Valid	Business Person	68	17.4
	Employees	153	39.1
	Investors	119	30.4
	Student	51	13.0
	Total	391	100.0

Source: *Questionnaire Survey, 2025*

Table 8 present the occupational distribution of the 391 respondents. The highest number, 153 respondents and 39.1 percentage, are employees, indicating a strong representation from the working class. This is followed by 119 respondents and 30.4 percentage who identified as investors, and 68 respondents and they are 17.4 percentages who are business persons. The smallest group includes 51 respondents and they are 13.0 percentage who are students.

4.1.2 Reliability Analysis

In this study, Cronbach's alpha is employed to assess reliability. It measures the internal consistency of surveys that use multiple questions on a Likert scale. The interpretation of alpha values for Likert-scale data is as follows:

Table 9

Reliability Statistics

Variables	Cronbach's Alpha	N of Items	Internal Consistency
Marital status	0.718	5	Reliable
Educations	0.817	5	Reliable
Income	0.678	5	Reliable
Life cycle motives	0.640	5	Reliable
Precautionary motives	0.841	5	Reliable
Wealth accumulation motives	0.973	5	Reliable
Financial literacy	0.881	5	Reliable
Life insurance Demand	0.752	5	Reliable

Source: *Questionnaire Survey, 2025*

Table 9 shows that all variables have Cronbach's Alpha values above the acceptable threshold of 0.6, indicating reliable internal consistency among the items used for measurement. Notably,

wealth accumulation motives (α = 0.973) and financial literacy (α = 0.881) show very high reliability, while income (α = 0.678) and life cycle motives (α = 0.640) are slightly lower but still within the reliable range.

4.1.3 Descriptive Analysis

Descriptive analysis involves examining each dependent and independent variable using various statistical measures, including minimum, maximum, mean, and standard deviation. These measures provide insights into the current status and characteristics of each variable within the manufacturing companies.

4.1.3.1 Descriptive Analysis of Variable

Here the analysis is conducted for overall variables descriptive statistics. The variable is both dependent and independent. The explanation is based on standard deviation, mean, minimum and maximum.

Table 10

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Life insurance Demand	391	1.60	5.00	4.21	.723
Marital status	391	2.40	5.00	4.40	.644
Educations	391	1.60	5.00	4.23	.834
Income	391	2.20	5.00	4.14	.738
Life cycle motives	391	2.20	5.00	4.12	.705
Precautionary motives	391	3.80	5.00	4.51	.394
Wealth accumulation motives	391	4.00	5.00	4.55	.475
Financial literacy	391	3.60	5.00	4.46	.465

Source: *Questionnaire Survey, 2025*

Table 10 show the descriptive analysis shows that the average Life Insurance Demand among 391 respondents is relatively high, with values ranging from 1.60 to 5.00, a mean of 4.21, and a standard deviation of 0.723, respectively. The Marital Status variable indicates that most respondents are married or in committed relationships, with a minimum of 2.40, maximum of 5.00, mean of 4.40, and standard deviation of 0.644, respectively. Respondents are generally well-educated, as reflected by the Education variable, which has a minimum of 1.60, maximum of 5.00, mean of 4.23, and standard deviation of 0.834, respectively. The Income variable shows that participants tend to have higher earnings, with scores ranging from 2.20 to 5.00, a

mean of 4.14, and a standard deviation of 0.738, respectively. For Life Cycle Motives, the responses suggest that life events influence insurance decisions, with a minimum of 2.20, maximum of 5.00, mean of 4.12, and standard deviation of 0.705, respectively. The Precautionary Motives variable shows strong agreement, with a minimum of 3.80, maximum of 5.00, mean of 4.51, and standard deviation of 0.394, respectively. The Wealth Accumulation Motives variable indicates that life insurance is also seen as a saving tool, with values ranging from 4.00 to 5.00, a mean of 4.55, and a standard deviation of 0.475, respectively. The Financial Literacy variable reflects strong financial awareness, with a minimum of 3.60, maximum of 5.00, mean of 4.46, and standard deviation of 0.465, respectively.

The descriptive statistics indicate that the overall demand for life insurance among respondents is relatively high, with an average response leaning toward agreement. All variables show relatively high mean values and low to moderate standard deviations, indicating that respondents are financially literate, well-educated, mostly married, and have high income levels. Their life insurance demand is influenced strongly by life cycle, precautionary, and wealth accumulation motives reflecting a stable, aware, and financially responsible demographic.

4.1.3.2 Descriptive Analysis of Marital Status

This section presents a descriptive analysis of how individuals' marital situations affect their perception and motivation regarding life insurance. The analysis is based on responses collected through a structured questionnaire and evaluated using mean and standard deviation values.

Table 11

Descriptive Analysis of Marital Status

	Mean	Std. Deviation
I consider my current or future family responsibilities when thinking about life insurance.	4.56	.744
I feel that life insurance is valuable for individuals at any relationship stage.	4.24	1.112
As a single individual, I do not see life insurance as a priority.	4.32	.958
Being married or planning to marry increases my motivation to purchase life insurance.	4.327	1.020
Relationship commitments increase the importance I place on having life insurance.	4.539	.818

Source: *Questionnaire Survey, 2025*

Table 11, respondents strongly agreed with the statement "I consider my current or future family responsibilities when thinking about life insurance" the Mean is 4.56 and standard deviation is 0.744. The statement relationship commitments increase the importance I place on having life insurance" received a high mean score of 4.539 and SD is 0.818, highlighting the perceived relevance of insurance in the context of emotional and financial dependency. The motivation to purchase life insurance also appears to be influenced by marital intentions, as shown by the mean of 4.327 and SD is 1.020 for the statement being married or planning to marry increases my motivation to purchase life insurance. Interestingly, even single individuals seem to value life insurance to some extent, with a mean of 4.32 and SD is 0.958 for the statement "As a single individual, I do not see life insurance as a priority," suggesting moderate disagreement. The belief that "Life insurance is valuable for individuals at any relationship stage" scored a mean of 4.24 and SD is1.112.

4.1.3.3 Descriptive Analysis of Educations

This section presents a descriptive analysis of how individuals' educational backgrounds influence their perception and decision-making regarding life insurance. The analysis is based on responses collected through a structured questionnaire and evaluated using mean and standard deviation values.

Table 12

Descriptive Analysis of Educations

	Mean	Std. Deviation
My education has helped me understand the importance of life insurance.	4.30	1.034
I make informed insurance decisions because of my academic knowledge.	4.17	1.111
People with better education tend to purchase more life insurance.	4.27	1.085
Education level impacts how much life insurance coverage one considers necessary.	4.36	1.035
My ability to evaluate life insurance options improves with education.	4.04	1.213

Source: *Questionnaire Survey, 2025*

Table 12 present that respondents agreed with the statement "My education has helped me understand the importance of life insurance," with a mean of 4.30 and a standard deviation of

1.034, indicating that educational background plays a notable role in raising awareness about life insurance. The statement "Education level impacts how much life insurance coverage one considers necessary" received the highest mean of 4.36 and SD of 1.035, suggesting that higher education contributes to a more strategic approach in determining adequate coverage. Similarly, the belief that "People with better education tend to purchase more life insurance" had a mean of 4.27 and SD of 1.085, highlighting a perceived correlation between education and purchasing behavior. The statement "I make informed insurance decisions because of my academic knowledge" had a mean of 4.17 and SD of 1.111, reinforcing the idea that academic exposure supports better decision-making. Lastly, the statement "My ability to evaluate life insurance options improves with education" had the lowest mean of 4.04 and SD of 1.213, yet still indicates general agreement.

4.1.3.4 Descriptive Analysis of Income

This section presents a descriptive analysis of how respondents' income levels influence their perception, affordability, and purchasing behavior regarding life insurance. The responses were collected through a structured questionnaire and analyzed using mean and standard deviation to assess the central tendency and variability of views.

Table 13

Descriptive Analysis of Income

	Mean	Std. Deviation
My income level allows me to afford life insurance premiums.	3.99	1.223
Higher income encourages me to invest in multiple life insurance plans.	3.90	1.269
I consider life insurance a good use of my disposable income.	4.23	1.015
People with higher income tend to buy more comprehensive insurance.	4.30	1.06
My income influences the sum assured I choose.	4.29	.988

Source: *Questionnaire Survey, 2025*

Table 13 present that respondents moderately agreed with the statement my income level allows me to afford life insurance premiums," with a mean of 3.99 and standard deviation of 1.223, reflecting that affordability may still be a consideration for some. The statement "Higher income encourages me to invest in multiple life insurance plans" received a slightly lower

mean of 3.90 and SD of 1.269, suggesting that while income positively influences investment in life insurance, not all higher-income individuals diversify across multiple plans. The highest mean of 4.30 and standard deviation 1.060 was recorded for people with higher income tend to buy more comprehensive insurance, indicating strong agreement with this perception. Likewise, my income influences the sum assured I choose scored a mean of 4.29 and SD of 0.988, suggesting that income plays a crucial role in determining coverage level. The belief that "I consider life insurance a good use of my disposable income" had a mean of 4.23 and SD of 1.015, further supporting the view that income positively shapes attitudes toward insurance as a financial priority.

4.1.3.5 Descriptive Analysis of Life Cycle Motives

This section presents a descriptive analysis of how life cycle stages and significant life events influence individuals' motivation to purchase life insurance. The responses were gathered through a structured questionnaire and analyzed using mean and standard deviation values to understand the role of life events and age-related responsibilities in shaping insurance decisions.

Table 14

Descriptive Analysis of Life Cycle Motives

	Mean	Std. Deviation
I bought life insurance based on the stage of life I am in.	4.29	.986
Life events such as marriage or childbirth prompted me to purchase insurance.	4.11	1.05
I see life insurance as essential at certain stages of life.	3.88	1.23
I consider future family responsibilities when choosing life insurance.	3.97	1.26
Life insurance becomes more relevant with age and responsibility.	4.33	.92

Source: *Questionnaire Survey, 2025*

Table 14 shows that respondents strongly agreed with the statement life insurance becomes more relevant with age and responsibility, which recorded the highest mean of 4.33 and a standard deviation of 0.92, indicating a strong perception that increasing age and responsibilities significantly influence the relevance of life insurance. The statement I bought life insurance based on the stage of life I am in also received a high mean score of 4.29 and SD is 0.986, suggesting that life stage is a key determinant in the decision to purchase insurance.

The influence of specific life events is reflected in the statement life events such as marriage or childbirth prompted me to purchase insurance, with a mean of 4.11 and a standard deviation of 1.05, indicating notable agreement. Meanwhile, the statement I consider future family responsibilities when choosing life insurance had a mean of 3.97 and SD is1.26, showing that future obligations are also taken into account, though with slightly less consensus. The lowest mean score of 3.88 and SD is 1.23 was observed for the statement I see life insurance as essential at certain stages of life, reflecting moderate agreement among respondents.

4.1.3.7 Descriptive Analysis of Precautionary Motives

This section presents a descriptive analysis of how precautionary motives influence individuals' decisions to purchase life insurance. The responses were collected through a structured questionnaire and analyzed using mean and standard deviation to assess the central tendency and consistency of the views expressed.

Table 15

Descriptive Analysis of Precautionary Motives

	Mean	Std. Deviation
I purchased life insurance to prepare for unforeseen events.	4.50	.515
I view life insurance as a safety net for emergencies.	4.52	.500
I consider insurance as a form of financial precaution.	4.52	.500
I want to ensure financial support for my family in case of my untimely death.	4.53	.499
Life insurance helps me feel secure about future risks.	4.50	.505

Source: *Questionnaire Survey, 2025*

Table 15 present a strong consensus among respondents regarding the precautionary motives behind purchasing life insurance. The statement "I want to ensure financial support for my family in case of my untimely death" received the highest mean score of 4.53 with a very low standard deviation of 0.499, indicating widespread and consistent agreement on the importance of life insurance for family protection. Similarly, the statements "I view life insurance as a safety net for emergencies" and "I consider insurance as a form of financial precaution" both recorded high mean scores of 4.52 and SD is 0.500, reflecting the perception of insurance as a vital tool for managing financial uncertainty. The items "I purchased life insurance to prepare for unforeseen events" and "Life insurance helps me feel secure about future risks" also received high mean scores of 4.50 with standard deviations of 0.515 and 0.505, respectively,

showing that respondents strongly associate life insurance with future financial security and risk mitigation.

4.1.3.8 Descriptive Analysis of Wealth Accumulation Motives

This section presents a descriptive analysis of how wealth accumulation motives influence individuals' decisions to purchase life insurance. The responses were collected through a structured questionnaire and analyzed using mean and standard deviation to assess respondents' attitudes toward the role of life insurance in building long-term financial assets.

Table 16

Descriptive Analysis of Wealth Accumulation Motives

	Mean	Std. Deviation
I use life insurance as a tool to build long-term wealth.	4.55	.497
I believe life insurance helps in accumulating savings over time.	4.56	.496
Some insurance plans are good for investment purposes.	4.54	.508
I prefer insurance policies that offer returns on maturity.	4.56	.496
Life insurance is part of my wealth-building strategy.	4.54	.49

Source: *Questionnaire Survey, 2025*

Table 16 reveals strong agreement among respondents regarding the use of life insurance as a tool for wealth accumulation. The statements "I believe life insurance helps in accumulating savings over time" and "I prefer insurance policies that offer returns on maturity" received the highest mean scores of 4.56, each with a low standard deviation of 0.496, indicating widespread and consistent belief in the savings and return-generating aspects of life insurance. Similarly, the statement "I use life insurance as a tool to build long-term wealth" recorded a high mean of 4.55 and SD is 0.497, showing that many respondents see insurance as an integral part of their financial planning. The items "Some insurance plans are good for investment purposes" and "Life insurance is part of my wealth-building strategy" both received mean scores of 4.54, with standard deviations of 0.508 and 0.490 respectively, further highlighting the investment-oriented mindset of policyholders

4.1.3.9 Descriptive Analysis of Financial Literacy

This section presents a descriptive analysis of respondents' financial literacy in relation to life insurance. The responses were gathered through a structured questionnaire and analyzed using

mean and standard deviation to evaluate individuals' understanding, awareness, and confidence in making informed insurance-related financial decisions.

Table 17

Descriptive Analysis of Financial literacy

	Mean	Std. Deviation
I have a good understanding of how life insurance works and its benefits.	4.47	.567
I am aware of the different types of life insurance policies available in the market.	4.46	.566
I understand the importance of life insurance in financial planning.	4.45	.566
I can accurately compare premium rates and coverage of different insurance policies.	4.47	.562
I am confident in my ability to make informed financial decisions regarding life insurance.	4.48	.563

Source: *Questionnaire Survey, 2025*

Table 17 indicates a high level of financial literacy among respondents in relation to life insurance. The highest mean score of 4.48 with a low standard deviation of 0.563 was recorded for the statement "I am confident in my ability to make informed financial decisions regarding life insurance," suggesting strong self-assurance among individuals in managing life insurance-related choices. Similarly, the statements "I have a good understanding of how life insurance works and its benefits" and "I can accurately compare premium rates and coverage of different insurance policies" both received high mean scores of 4.47, reflecting a solid grasp of both conceptual knowledge and practical evaluation skills. The item "I am aware of the different types of life insurance policies available in the market" also scored highly with a mean of 4.46 and SD is 0.566, indicating good market awareness. The lowest yet still strong agreement was for "I understand the importance of life insurance in financial planning," with a mean of 4.45 and SD is 0.566.

4.1.3.10 Descriptive Analysis of Life Insurance Policies

This section presents a descriptive analysis of respondents' perceptions, satisfaction, and behavioral tendencies regarding life insurance policies. The data, collected through a structured questionnaire, were analyzed using mean and standard deviation to assess the degree of agreement and variability in views related to policy relevance, satisfaction, and future actions.

Table 18

Descriptive Analysis of Life Insurance Policies

	Mean	Std. Deviation
Life insurance is an important part of my financial planning.	4.17	1.11
I am satisfied with my current life insurance policy/policies.	3.99	1.11
I believe life insurance provides financial security to my family.	4.17	1.111
I am likely to purchase additional life insurance in the near future.	4.53	.499
I regularly review and update my life insurance coverage.	4.17	1.111

Source: *Questionnaire Survey, 2025*

Table 18 shows that respondents generally view life insurance policies positively. The highest mean score of 4.53 with a low standard deviation of 0.499 was recorded for the statement "I am likely to purchase additional life insurance in the near future," indicating a strong inclination toward expanding insurance coverage. Three statements "Life insurance is an important part of my financial planning," "I believe life insurance provides financial security to my family," and "I regularly review and update my life insurance coverage" each received an identical mean of 4.17 and standard deviations around 1.11, reflecting consistent but moderately varied agreement about the role, importance, and maintenance of life insurance policies. The statement "I am satisfied with my current life insurance policy/policies" had the lowest mean of 3.99 and SD is 1.110, suggesting a relatively lower though still positive—level of satisfaction with current policies.

4.1.4 Correlation Analysis

Correlation analysis examines the relationship between dependent and independent variables. In this study, the correlations were calculated between the dependent variable Life Insurance Policies and the independent variables, which include Financial Literacy, Precautionary Motives, Life Cycle Motives, Wealth Accumulation Motives, Income, Marital Status, and Education.

Table 19

Correlation of the Variables

		LIP	MSt	Edu	I	LCM	PM	WAM	FL
LIP	Pearson Correlation	1							
	Sig. (2-tailed)								
MSt	Pearson Correlation	.661**	1						
	Sig. (2-tailed)	.000							
Edu	Pearson Correlation	.777**	.731**	1					
	Sig. (2-tailed)	.000	.000						
I	Pearson Correlation	.675**	.618**	.704**	1				
	Sig. (2-tailed)	.000	.000	.000					
LCM	Pearson Correlation	.620**	.603**	.657**	.636**	1			
	Sig. (2-tailed)	.000	.000	.000	.000				
PM	Pearson Correlation	.205**	.048	.030	.065	.023	1		
	Sig. (2-tailed)	.000	.347	.560	.202	.649			
WAM	Pearson Correlation	.198**	.037	.003	.070	.028	.920**	1	
	Sig. (2-tailed)	.000	.465	.950	.165	.584	.000		
FL	Pearson Correlation	.034	.029	-.035	.016	-.003	.260**	.200**	1
	Sig. (2-tailed)	.501	.562	.485	.751	.960	.000	.000	

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

Source: *Questionnaire Survey, 2025*

Table 19 show the correlation between the independent and dependent variables. In this research the independent variables are Marital status, Educations, Income, Life cycle motives, Precautionary motives, Wealth accumulation motives and Financial literacy.

The Pearson correlation coefficient between marital status and life insurance policies is 0.661, which is statistically significant at the 0.01 level i.e. sig is .000. This indicates a strong positive relationship, meaning that marital status plays a significant role in influencing individuals' life insurance decisions.

The correlation between education and life insurance policies is 0.777, also significant at the 0.01 level i.e. sig 0.000. This represents a very strong positive relationship, suggesting that

individuals with higher educational attainment are more likely to purchase or value life insurance policies.

The correlation between income and life insurance policies is 0.675, with significance at the 0.01 level i.e. 0.000. This strong positive correlation implies that as income levels increase, so does the likelihood of owning life insurance policies.

The Pearson correlation coefficient between life cycle motives and life insurance policies is 0.620, significant at the 0.01 level i.e. 0.000. This strong positive correlation indicates that life events and age-related responsibilities such as marriage, childbirth, or nearing retirement strongly influence the decision to purchase life insurance.

The correlation between precautionary motives and life insurance policies is 0.205, with a significant sig-value of 0.000. Although statistically significant, this is a weak positive relationship.

The Pearson correlation coefficient between wealth accumulation motives and life insurance policies is 0.198, also significant at the 0.01 level i.e. 0.000. Like precautionary motives, this reflects a weak but positive relationship.

The correlation between financial literacy and life insurance policies is 0.034, and it is not statistically significant i.e. sig value is 0.501. This implies that there is no meaningful relationship between financial literacy and the ownership or perception of life insurance policies in this sample.

4.1.5 Regression Analysis

The quality of your regressions as a predictor may be inferred from their multiple regression results. A determination may also be seen as the proportion of variance in the dependent variables that the regression equation can account for.

Table 20

Model Summary of the Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827[a]	.683	.678	.41

a. Predictors: (Constant), Financial literacy, Life cycle motives , Wealth accumulation motives , Marital status , Income, Educations, Precautionary motives

Source: *Questionnaire Survey, 2025*

Table 20 present a strong relationship the R is 0.827 between the independent variables and life insurance policies. About 68.3% of the variation in life insurance policy decisions is explained by factors such as marital status, education, income, life cycle motives, precautionary motives, wealth accumulation motives, and financial literacy the R^2 is 0.683. The adjusted R^2 is 0.678 confirms the model's reliability, and the standard error is 0.41 indicates a moderate prediction accuracy.

Table 21

ANOVA of the Regression

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	139.597	7	19.942	118.083	.000[b]
	Residual	64.682	383	.169		
	Total	204.279	390			

a. Dependent Variable: Life insurance Policies
b. Predictors: (Constant), Financial literacy, Life cycle motives , Wealth accumulation motives , Marital status , Income, Educations, Precautionary motives
Source: *Questionnaire Survey, 2025*

Table 21 present ANOVA table tests the overall significance of the regression model. The F-value of 118.08 with a significance level is sig value of 0.000 indicates that the model is statistically significant. This means the combination of predictors marital status, education, income, life cycle motives, precautionary motives, wealth accumulation motives, and financial literacy has a significant effect on life insurance policy decisions.

Table 22

Coefficient of the Variables

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	-.715	.313		-2.28	.023		
Marital status	.135	.049	.120	2.73	.007	.427	2.34
Educations	.431	.043	.497	9.97	.000	.333	3.00
Income	.166	.043	.169	3.88	.000	.437	2.28
Life cycle motives	.112	.042	.109	2.65	.008	.491	2.03
Precautionary motives	.091	.138	.050	.65	.511	.146	6.87
Wealth accumulation motives	.198	.113	.130	1.74	.082	.149	6.69
Financial literacy	.011	.047	.007	.230	.818	.913	1.09

a. Dependent Variable: Life insurance Policies
Source: *Questionnaire Survey, 2025*

Table 22 shows the coefficient of manufacturing. The coefficient of different seven manufacturing companies totals 391 respondents of questionnaire. Here independent variable financial literacy, precautionary motives, life cycle motives, wealth accumulation motives, income, marital status, educations and dependent variable is life insurance policies. Here coefficient table shows the individual variable variation to the dependent variable, their accuracy, significant level and multi collinearity.

The unstandardized coefficient beta 0.135 and significant value is 0.007 indicates that marital status has a positive and statistically significant influence on life insurance policy decisions. The VIF value is 2.34 and within acceptable limits, suggesting no multi collinearity concern.

Education has the strongest positive impact beta 0.431 and significant value is 0.001 on life insurance policy decisions. This implies that higher education levels significantly increase the likelihood of owning life insurance. The VIF of 3.00 is also acceptable, indicating moderate correlation but no serious multi collinearity.

Income is also a significant positive predictor beta is 0.166 and sig value 0.001. As income increases, so does the tendency to purchase life insurance. The VIF value is 2.28 and that is well below the minimum of 10 level.

Life cycle motives significantly influence life insurance decisions value beta is 0.112 and sig value is 0.008, indicating that insurance decisions vary by life stage. With a VIF of 2.03, multi collinearity is not an issue.

The positively influence with beta value is 0.091, precautionary motives are not statistically significant because the significant value is 0.511, suggesting they do not strongly influence insurance decisions in this model. The VIF of 6.87 indicates acceptable level of multi collinearity because the value is below the 10.

This variable shows a positive but statistically insignificant effect of wealth accumulation motives to the life insurance policies to the insurer and the effect is 0.198 and significant value is 0.082. The VIF value is 6.69 is high, indicating multi collinearity concerns, which might be inflating the standard error and affecting significance.

Financial literacy shows a very less and statistically insignificant effect by beta value of 0.011 and significant value is 0.818 so the effect is insignificant. The low VIF of 1.09 suggests no multi collinearity, but it also confirms the minimal impact of this variable in the current model.

4.1.6 The Summary Hypothesis

The hypothesis of the study is presented in the table below.

Table 23

Hypothesis Summary

Summary	Results	Remark
There is the significant effect of marital status on life insurance policy demand in Koshi Province.	.007	Accepted
There is the significant effect of educations on life insurance policy demand in Koshi Province.	.000	Accepted
There is the significant effect of income on life insurance policy demand in Koshi Province.	.000	Accepted
There is the significant effect of life cycle motives on life insurance policy demand in Koshi Province.	.008	Accepted
There is the significant effect of precautionary motives on life insurance policy demand in Koshi Province.	.511	Not Accepted
There is the significant effect of wealth accumulation motives on life insurance policy demand in Koshi Province.	.082	Not Accepted
There is the significant effect of financial literacy are on life insurance policy demand in Koshi Province.	.818	Not Accepted

Source: *Questionnaire Survey, 2025*

Table 23 present that marital status, education, income, and life cycle motives have a significant impact on the demand for life insurance policies in Koshi Province. These factors play a meaningful role in influencing individuals' decisions to purchase life insurance. In contrast, precautionary motives, wealth accumulation motives and financial literacy do not show a significant effect, indicating that they are less influential in shaping insurance demand in this context.

4.2 Discussion

The first objective of research is to assess the current status of life insurance policy demand, marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy in Koshi Province. It is found that the descriptive statistics indicate that the overall demand for life insurance among respondents is relatively high, with an average response leaning toward agreement. The result is consistent with the

result of Bista and Upadhyay (2023). Marital status, education, and income also show high mean values with low standard deviations, suggesting that most respondents are married, well-educated, and earn relatively higher incomes. The result is consistent with the result of Goet (2022). These variables show consistency in responses, reflecting a stable demographic and socio-economic profile. The result is consistent with the result of Adhikari (2024).

The second objective of research is to examine the relationship of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy with life insurance policy demand in Koshi Province. It is found that the Pearson correlation coefficient between marital status and life insurance policies positive and statistically significant. The result is consistent with the result of Dash and Im (2018). The correlation between education and life insurance policies positive and significant. The correlation between income and life insurance policies is positive with significance at the level of one percent. The result is consistent with the result of Hagos and Shewakena (2019). The Pearson correlation coefficient between life cycle motives and life insurance policies is significant and positive. The result is consistent with the result of Lim et al. (2020). The correlation between precautionary motives and life insurance policies is significant and positive. The result is consistent with the result of Mai et al. (2020). The Pearson correlation coefficient between wealth accumulation motives and life insurance policies is positive and significant. The result is consistent with the result of Bhandari and Sapkota (2024). The correlation between financial literacy and life insurance policies is positive but not significant relationship. The result is consistent with the result of Ngoc Huong Quynh et al. (2024).

The third objective of research is to analyze the effect of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy are on life insurance policy demand in Koshi Province. It is found that the unstandardized coefficient indicates that marital status has a positive and statistically significant influence on life insurance policy decisions. The result is consistent with the result of Adhikari (2024). Education has the strongest positive impact and significant on life insurance policy decisions. The result is consistent with the result of Majid (2023). Income is also a significant positive predictor to purchase life insurance. The result is consistent with the result of Khaing (2023). Life cycle motives significantly influence life insurance decisions indicating that insurance decisions vary by life stage. The result is consistent with the result of Dhodary (2023). The

positively influence to precautionary motives are not statistically significant to the insurance decisions. The result is consistent with the result of Banjo et al. (2022). This variable shows a positive but statistically insignificant effect of wealth accumulation motives to the life insurance policies to the insurer. The result is consistent with the result of Bista and Jnawali and Jaiswal (2022). Financial literacy shows a very less and statistically insignificant effect to the life insurance policies. The result is consistent with the result of Habte (2021).

CHAPTER-V

SUMMARY AND CONCLUSION

This chapter presents the summary, conclusions, and implications of the research. The summary provides a comprehensive overview of the study from start to finish. The conclusions are drawn based on the study's objectives and findings. The implications highlight the potential applications and future uses of the research outcomes.

5.1 Summary

Life insurance serves as a vital financial tool that enables individuals to manage economic risks and uncertainties associated with life events. It provides financial protection to policyholders and their beneficiaries in cases of premature death, disability, or other unexpected circumstances. The demand for life insurance is influenced by various factors, including demographic characteristics, saving motives, and financial literacy. Many life insurance policies also function as savings instruments, offering investment components that generate financial returns over time. Key saving motives driving life insurance demand include life cycle motives, precautionary motives, and wealth accumulation motives. According to the life cycle hypothesis, individuals make financial decisions based on their current and expected future income. Financial literacy plays a crucial role in shaping life insurance demand, as it affects individuals' understanding of financial products and risk management strategies. It encompasses knowledge of financial concepts, investment opportunities, and the ability to make informed financial decisions. Overall, saving motives and financial literacy significantly impact life insurance policy demand, highlighting the importance of financial education programs to enhance insurance adoption in the region. Therefor the research is conducted on "Determinants of Life Insurance Policy in Koshi Province".

The problems of the research are what are the current status of life insurance policy demand, marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy in Koshi Province? Is there any relationship of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy with life insurance policy demand in Koshi Province? Does marital status, educations, income, life cycle motives, precautionary motives,

wealth accumulation motives and financial literacy are effect on life insurance policy demand in Koshi Province? The problems are solve using the objective and they are to assess the current status of life insurance policy demand, marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy in Koshi Province, to examine the relationship of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy with life insurance policy demand in Koshi Province and to analyze the effect of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy are on life insurance policy demand in Koshi Province. This study is employed descriptive and causal-comparative research designs to explore factors influencing life insurance policies demand. The data collection with totals of 413 questionnaires are distributed. The data are collected using convenience sampling so the sample are 391. The nature of the data is primary in nature. The instrument of data collection is the likert scale questionnaire. The statistical analysis such as descriptive, correlation and regression analysis are conducted. The finding show that the marital status, education, and income also show high mean values with low standard deviations, suggesting that most respondents are married, well-educated, and earn relatively higher incomes. These variables show consistency in responses, reflecting a stable demographic and socio-economic profile. The relationship of marital status, educations, income, life cycle motives, precautionary motives, and wealth accumulation positive and significant relationship to the life insurance policy. The financial literacy to the life insurance policy positive but not significant relationship. The marital status, educations, income and life cycle motives positive and significant effect to the life insurance policies. The precautionary motives, wealth accumulation motives and financial literacy to the life insurance policies is positive and but not significant.

5.2 Conclusion

The first objective of the research is to assess the current status of life insurance policy demand, marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy in Koshi Province. It is found that the marital status, education, and income also show high mean values with low standard deviations, suggesting that most respondents are married, well-educated, and earn relatively higher incomes. These variables show consistency in responses, reflecting a stable demographic and

socio-economic profile. In conclusion the variables show consistency in responses, reflecting a stable demographic and socio-economic profile.

The second objective of the research is to examine the relationship of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy with life insurance policy demand in Koshi Province. It is found that the relationship of marital status, educations, income, life cycle motives, precautionary motives, and wealth accumulation positive and significant relationship to the life insurance policy. The financial literacy to the life insurance policy positive but not significant relationship. In conclusion the relationship of marital status, educations, income, life cycle motives, precautionary motives, and wealth accumulation positive and significant relationship to the life insurance policy.

The third objective of the research is to analyze the effect of marital status, educations, income, life cycle motives, precautionary motives, wealth accumulation motives and financial literacy are on life insurance policy demand in Koshi Province. It is found that the marital status, educations, income and life cycle motives positive and significant effect to the life insurance policies. The precautionary motives, wealth accumulation motives and financial literacy to the life insurance policies is positive and but not significant. In conclusion the marital status, educations, income and life cycle motives positive and significant effect to the life insurance policies.

5.3 Implications

The implication of the research is following.

Institutional Implications

i. Target married individuals in insurance campaigns to tap into their higher likelihood of purchasing life insurance.
ii. Focus on educated and higher-income groups as key segments for product promotion and sales.
iii. Design life insurance products aligned with life-cycle stages like marriage, childbirth, and retirement.
iv. Develop inclusive insurance policies to reach underserved and lower socio-economic groups.

General Implications

i. Recognize the importance of life events in shaping insurance decisions.
ii. Raise awareness about the role of precautionary and wealth accumulation motives to increase participation.
iii. Improve financial literacy through accessible and practical education programs.
iv. Promote socio-economic development as it indirectly supports higher insurance uptake.
v. This research is useful for future researcher for references.

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APPENDIX

Appendix1

Questionnaire

June, 2025

Dear Respondent,

I am conducting this questionnaire survey for an academic research as required by the MBS program. The title of my research is "DETERMINANTS OF LIFE INSURANCE POLICIES IN KOSHI PROVINCE". I would to like to state that this research is purely for an academic propose and I am simply interested in yourself and honest answer. I assure you that strict confidentiality will be maintained and the information furnished by you will be used only for academic purpose.

Thank you for your cooperation.

Anusha Niroula

Shanker Dev Campus

Part I: Personal detail

1. **Your Full Name (optional)**

_____

2. **Company where you are Insured**

◯ Himalayan Life Insurance Company [ ]

◯ National Life Insurance Company [ ]

◯ Surya Jyoti Life Insurance [ ]

◯ Sanima Reliance Company [ ]

◯ IME life Insurance [ ]

◯ Other

3. **Marital status**

◯ Married [ ]

◯ Unmarried [ ]

◯ Divorce [ ]

4. **Gender**

- Male [ ]
- Female [ ]
- Other [ ]

5. You are insured from?

- Below 1 years [ ]
- 1-5 years [ ]
- More than 5 years [ ]

6. Age

- Below 20 [ ]
- 20-30 [ ]
- 30-45 [ ]
- More than 45 [ ]

7. Educations

- Below SLC/ SEE [ ]
- SLC/SEE [ ]
- Intermediate [ ]
- Bachelor [ ]
- Master degree and above [ ]

8. Your profession?

- Business person [ ]
- Employees [ ]
- Investors [ ]
- Student [ ]

Part II: Likert Type Questions

Below are several statements about you with which you may agree or disagree. Using the response scale below, indicate your agreement or disagreement with each item by choosing the appropriate number. Please give your responses as follows

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

Q.N.	Statements	S. D	D	N	A	S. A

Marital status		**1**	**2**	**3**	**4**	**5**
1.1	I consider my current or future family responsibilities when thinking about life insurance.	⬭	⬭	⬭	⬭	⬭
1.2	I feel that life insurance is valuable for individuals at any relationship stage.	⬭	⬭	⬭	⬭	⬭
1.3	As a single individual, I do not see life insurance as a priority.	⬭	⬭	⬭	⬭	⬭
1.4	Being married or planning to marry increases my motivation to purchase life insurance.	⬭	⬭	⬭	⬭	⬭
1.5	Relationship commitments increase the importance I place on having life insurance.	⬭	⬭	⬭	⬭	⬭
Educations						
2.1	My education has helped me understand the importance of life insurance.	⬭	⬭	⬭	⬭	⬭
2.2	I make informed insurance decisions because of my academic knowledge.	⬭	⬭	⬭	⬭	⬭
2.3	People with better education tend to purchase more life insurance.	⬭	⬭	⬭	⬭	⬭
2.4	Education level impacts how much life insurance coverage one considers necessary.	⬭	⬭	⬭	⬭	⬭
2.5	My ability to evaluate life insurance options improves with education.	⬭	⬭	⬭	⬭	⬭
Income						
3.1	My income level allows me to afford life insurance premiums.	⬭	⬭	⬭	⬭	⬭
3.2	Higher income encourages me to invest in multiple life insurance plans.	⬭	⬭	⬭	⬭	⬭
3.3	I consider life insurance a good use of my disposable income.	⬭	⬭	⬭	⬭	⬭
3.4	People with higher income tend to buy more comprehensive insurance.	⬭	⬭	⬭	⬭	⬭
3.5	My income influences the sum assured I choose.	⬭	⬭	⬭	⬭	⬭
Life cycle motives						
4.1	I bought life insurance based on the stage of life I am in.	⬭	⬭	⬭	⬭	⬭
4.2	Life events such as marriage or childbirth prompted me to purchase insurance.	⬭	⬭	⬭	⬭	⬭
4.3	I see life insurance as essential at certain stages of life.	⬭	⬭	⬭	⬭	⬭
4.4	I consider future family responsibilities when choosing life insurance.	⬭	⬭	⬭	⬭	⬭
4.5	Life insurance becomes more relevant with age and responsibility.	⬭	⬭	⬭	⬭	⬭
Precautionary motives						

5.1	I purchased life insurance to prepare for unforeseen events.	⬭	⬭	⬭	⬭	⬭
5.2	I view life insurance as a safety net for emergencies.	⬭	⬭	⬭	⬭	⬭
5.3	I consider insurance as a form of financial precaution.	⬭	⬭	⬭	⬭	⬭
5.4	I want to ensure financial support for my family in case of my untimely death.	⬭	⬭	⬭	⬭	⬭
5.5	Life insurance helps me feel secure about future risks.	⬭	⬭	⬭	⬭	⬭
Wealth accumulation motives						
6.1	I use life insurance as a tool to build long-term wealth.	⬭	⬭	⬭	⬭	⬭
6.2	I believe life insurance helps in accumulating savings over time.	⬭	⬭	⬭	⬭	⬭
6.3	Some insurance plans are good for investment purposes.	⬭	⬭	⬭	⬭	⬭
6.4	I prefer insurance policies that offer returns on maturity.	⬭	⬭	⬭	⬭	⬭
6.5	Life insurance is part of my wealth-building strategy.	⬭	⬭	⬭	⬭	⬭
Financial literacy						
7.1	I have a good understanding of how life insurance works and its benefits.	⬭	⬭	⬭	⬭	⬭
7.2	I am aware of the different types of life insurance policies available in the market.	⬭	⬭	⬭	⬭	⬭
7.3	I understand the importance of life insurance in financial planning.	⬭	⬭	⬭	⬭	⬭
7.4	I can accurately compare premium rates and coverage of different insurance policies.	⬭	⬭	⬭	⬭	⬭
7.5	I am confident in my ability to make informed financial decisions regarding life insurance.	⬭	⬭	⬭	⬭	⬭
Life insurance Policies						
8.1	Life insurance is an important part of my financial planning.	⬭	⬭	⬭	⬭	⬭
8.2	I am satisfied with my current life insurance policy/policies.	⬭	⬭	⬭	⬭	⬭
8.3	I believe life insurance provides financial security to my family.	⬭	⬭	⬭	⬭	⬭
8.4	I am likely to purchase additional life insurance in the near future.	⬭	⬭	⬭	⬭	⬭
8.5	I regularly review and update my life insurance coverage.	⬭	⬭	⬭	⬭	⬭

Thank you for your participation. Hope you have a great day!!!

Appendix 2

Result calculated from SPSS software

Insured Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Himalayan Life Insurance Company	43	11.0	11.0	11.0
	National Life Insurance Company	63	16.1	16.1	27.1
	Surya Jyoti Life Insurance	69	17.6	17.6	44.8
	Sanima Reliance Company	71	18.2	18.2	62.9
	IME life Insurance	77	19.7	19.7	82.6
	Other	68	17.4	17.4	100.0
	Total	391	100.0	100.0	

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	123	31.5	31.5	31.5
	Unmarried	263	67.3	67.3	98.7
	Divorce	5	1.3	1.3	100.0
	Total	391	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	187	47.8	47.8	47.8
	Female	203	51.9	51.9	99.7
	Other	1	.3	.3	100.0
	Total	391	100.0	100.0	

Insured From

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 years	50	12.8	12.8	12.8
	1-5 Years	138	35.3	35.3	48.1
	More than 5 years	203	51.9	51.9	100.0
	Total	391	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20	305	78.0	78.0	78.0
	20-30 Years	52	13.3	13.3	91.3
	30-45 Years	34	8.7	8.7	100.0
	Total	391	100.0	100.0	

Educations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below SLC/ SEE	39	10.0	10.0	10.0
	SLC/ SEE	39	10.0	10.0	19.9
	Intermediate	152	38.9	38.9	58.8
	Bachelor	121	30.9	30.9	89.8
	Master Degree and Above	40	10.2	10.2	100.0
	Total	391	100.0	100.0	

Profession

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business Person	68	17.4	17.4	17.4
	Employees	153	39.1	39.1	56.5
	Investors	119	30.4	30.4	87.0
	Student	51	13.0	13.0	100.0
	Total	391	100.0	100.0	

Reliability Statistics

Cronbach's Alpha	N of Items
.718	5

Reliability Statistics

Cronbach's Alpha	N of Items
.817	5

Reliability Statistics

Cronbach's Alpha	N of Items
.678	5

Reliability Statistics

Cronbach's Alpha	N of Items
.640	5

Reliability Statistics

Cronbach's Alpha	N of Items
.841	5

Reliability Statistics

Cronbach's Alpha	N of Items
.973	5

Reliability Statistics

Cronbach's Alpha	N of Items

.881	5

Reliability Statistics

Cronbach's Alpha	N of Items
.752	5

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I consider my current or future family responsibilities when thinking about life insurance.	391	1.00	5.00	4.5652	.74436
I feel that life insurance is valuable for individuals at any relationship stage.	391	1.00	5.00	4.2455	1.11220
As a single individual, I do not see life insurance as a priority.	391	1.00	5.00	4.3299	.95868
Being married or planning to marry increases my motivation to purchase life insurance.	391	1.00	5.00	4.3274	1.02043
Relationship commitments increase the importance I place on having life insurance.	391	1.00	5.00	4.5396	.81828
Valid N (listwise)	391				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
My education has helped me understand the importance of life insurance.	391	1.00	5.00	4.3069	1.03425
I make informed insurance decisions because of my academic knowledge.	391	1.00	5.00	4.1739	1.11191
People with better education tend to purchase more life insurance.	391	1.00	5.00	4.2711	1.08517
Education level impacts how much life insurance coverage one considers necessary.	391	1.00	5.00	4.3606	1.03547
My ability to evaluate life insurance options improves with education.	391	1.00	5.00	4.0486	1.21326
Valid N (listwise)	391				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
My income level allows me to afford life insurance premiums.	391	1.00	5.00	3.9949	1.22369
Higher income encourages me to invest in multiple life insurance plans.	391	1.00	5.00	3.9028	1.26927
I consider life insurance a good use of my disposable income.	391	1.00	5.00	4.2353	1.01571
People with higher income tend to buy more comprehensive insurance.	391	1.00	5.00	4.3018	1.06022

My income influences the sum assured I choose.	391	1.00	5.00	4.2941	.98862
Valid N (listwise)	391				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I bought life insurance based on the stage of life I am in.	391	1.00	5.00	4.2941	.98603
Life events such as marriage or childbirth prompted me to purchase insurance.	391	1.00	5.00	4.1125	1.05131
I see life insurance as essential at certain stages of life.	391	1.00	5.00	3.8824	1.23889
I consider future family responsibilities when choosing life insurance.	391	1.00	5.00	3.9770	1.26774
Life insurance becomes more relevant with age and responsibility.	391	1.00	5.00	4.3376	.92741
Valid N (listwise)	391				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I purchased life insurance to prepare for unforeseen events.	391	3.00	5.00	4.5013	.51578
I view life insurance as a safety net for emergencies.	391	4.00	5.00	4.5243	.50005
I consider insurance as a form of financial precaution.	391	4.00	5.00	4.5217	.50017
I want to ensure financial support for my family in case of my untimely death.	391	4.00	5.00	4.5371	.49926
Life insurance helps me feel secure about future risks.	391	3.00	5.00	4.5064	.50570
Valid N (listwise)	391				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I use life insurance as a tool to build long-term wealth.	391	4.00	5.00	4.5524	.49788
I believe life insurance helps in accumulating savings over time.	391	4.00	5.00	4.5627	.49669
Some insurance plans are good for investment purposes.	391	3.00	5.00	4.5448	.50881
I prefer insurance policies that offer returns on maturity.	391	4.00	5.00	4.5627	.49669
Life insurance is part of my wealth-building strategy.	391	4.00	5.00	4.5499	.49814
Valid N (listwise)	391				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I have a good understanding of how life insurance works and its benefits.	391	3.00	5.00	4.4706	.56707
I am aware of the different types of life insurance policies available in the market.	391	3.00	5.00	4.4604	.56645
I understand the importance of life insurance in financial planning.	391	3.00	5.00	4.4552	.56606
I can accurately compare premium rates and coverage of different insurance policies.	391	3.00	5.00	4.4783	.56288
I am confident in my ability to make informed financial decisions regarding life insurance.	391	3.00	5.00	4.4834	.56305
Valid N (listwise)	391				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Life insurance is an important part of my financial planning.	391	1.00	5.00	4.1739	1.11191
I am satisfied with my current life insurance policy/policies.	391	1.00	5.00	3.9923	1.11973
I believe life insurance provides financial security to my family.	391	1.00	5.00	4.1739	1.11191
I am likely to purchase additional life insurance in the near future.	391	4.00	5.00	4.5371	.49926
I regularly review and update my life insurance coverage.	391	1.00	5.00	4.1739	1.11191
Valid N (listwise)	391				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Life insurance Policies	391	1.60	5.00	4.2102	.72374
Marital status	391	2.40	5.00	4.4015	.64490
Educations	391	1.60	5.00	4.2322	.83432
Income	391	2.20	5.00	4.1458	.73849
Life cycle motives	391	2.20	5.00	4.1207	.70570
Precautionary motives	391	3.80	5.00	4.5182	.39439
Wealth accumulation motives	391	4.00	5.00	4.5545	.47510
Financial literacy	391	3.60	5.00	4.4696	.46506
Valid N (listwise)	391				

Correlations

		Life insurance Policies	Marital status	Educations	Income	Life cycle motives	Precautionary motives	Wealth accumulation motives	Financial literacy
Life insurance Policies	Pearson Correlation	1	.661**	.777**	.675**	.620**	.205**	.198**	.034
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.501
	N	391	391	391	391	391	391	391	391
Marital status	Pearson Correlation	.661**	1	.731**	.618**	.603**	.048	.037	.029
	Sig. (2-tailed)	.000		.000	.000	.000	.347	.465	.562
	N	391	391	391	391	391	391	391	391
Educations	Pearson Correlation	.777**	.731**	1	.704**	.657**	.030	.003	-.035
	Sig. (2-tailed)	.000	.000		.000	.000	.560	.950	.485
	N	391	391	391	391	391	391	391	391
Income	Pearson Correlation	.675**	.618**	.704**	1	.636**	.065	.070	.016
	Sig. (2-tailed)	.000	.000	.000		.000	.202	.165	.751
	N	391	391	391	391	391	391	391	391
Life cycle motives	Pearson Correlation	.620**	.603**	.657**	.636**	1	.023	.028	-.003
	Sig. (2-tailed)	.000	.000	.000	.000		.649	.584	.960
	N	391	391	391	391	391	391	391	391
Precautionary motives	Pearson Correlation	.205**	.048	.030	.065	.023	1	.920**	.260**
	Sig. (2-tailed)	.000	.347	.560	.202	.649		.000	.000
	N	391	391	391	391	391	391	391	391
Wealth accumulation motives	Pearson Correlation	.198**	.037	.003	.070	.028	.920**	1	.200**
	Sig. (2-tailed)	.000	.465	.950	.165	.584	.000		.000
	N	391	391	391	391	391	391	391	391

Financial literacy	Pearson Correlation	.034	.029	-.035	.016	-.003	.260**	.200**	1
	Sig. (2-tailed)	.501	.562	.485	.751	.960	.000	.000	
	N	391	391	391	391	391	391	391	391

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827[a]	.683	.678	.41095

a. Predictors: (Constant), Financial literacy, Life cycle motives , Wealth accumulation motives , Marital status , Income, Educations, Precautionary motives

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	139.597	7	19.942	118.083	.000[b]
	Residual	64.682	383	.169		
	Total	204.279	390			

a. Dependent Variable: Life insurance Policies

b. Predictors: (Constant), Financial literacy, Life cycle motives , Wealth accumulation motives , Marital status , Income, Educations, Precautionary motives

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-.715	.313		-2.281	.023		
	Marital status	.135	.049	.120	2.734	.007	.427	2.340
	Educations	.431	.043	.497	9.977	.000	.333	3.003
	Income	.166	.043	.169	3.886	.000	.437	2.287
	Life cycle motives	.112	.042	.109	2.654	.008	.491	2.039
	Precautionary motives	.091	.138	.050	.657	.511	.146	6.872
	Wealth accumulation motives	.198	.113	.130	1.743	.082	.149	6.696
	Financial literacy	.011	.047	.007	.230	.818	.913	1.096

a. Dependent Variable: Life insurance Policies

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