STUDYING THE CAUSES OF THE LACK OF PUBLIC INTEREST TO LIFE INSURANCE AND STRATEGIES TO INCREASE IT

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Abstract

The world witnessed the amazing transformation in all dimensions and Technology resulting from the transformation make human environment more complex and it is exposed to several risks such as loss of property, injury in work place and disability, and death. To reduce the unpleasant effects caused by these events, life insurance acts as an effective tool in many countries. So from the aspect of material prosperity, Heartsease and Psychological comfort it’s very effective. It can also act as a vehicle for saving. Due to the vast expansion of life insurance in the world, especially in developed countries, it plays an important role in the economy. Government, by directing funds from life insurance, to the investment required for their country, use insurance as a tool for economic growth and development. One of the important reason that insurance is unknown in our country is lack of proper research in this field. So in this research we try to identify effective factors for attitude of life and savings insurance.

Keywords: public Interest. Life Insurance. delay life time.

Introduction

"Danger," which has a history as old as human history, and the result of it, is only destruction and losses. Since the beginning of human creation it has joined to him and it has been a human obsession. At the beginning, the range of danger wasn’t very wide because Capital was low. Little by little, with the development of society and the progress of civilization, human wealth became greater(13)

Amount of human conflict with danger expanded every day. So that today, with the advancement of technology and the arrival of industrial products to human life, despite the many facilities for the welfare of human beings, it has entered new risks in society.(5)

Due to social and economic change and the structure of industrial society Compared to traditional society and One of the best ways to finance the future for family safety and reducing financial losses as a result of the loss of the head of households are Life insurance and savings insurance. , Life insurance and savings insurance are highest type of cooperation among individuals in society.(8)
This mechanism able to free family from losses due to unexpected events or in aging time is a resource for economic security for family and Individuals.(6)

Life insurance as a saving method, for determine investment is made by a person as a purchaser of life insurance. Security of life in old age and the aging of the disability and Unpredicted risks, make balance between family and also minimizes the risk of loss, now If there is sure to get rid of this insecurity, it can cause The growth and economic recovery of society and people can safely continue every day action. Life insurance can improve the future of economic life of the family, so some of the society problems that the source of it is poverty, becomelass. Also Ensure of future life, from the psychological side, it can cause fixity of Personality characteristics and social peace for the member of family and society, types of life insurance specially those type that In the case of life insurance or pension funds have been committed, are A variety of public savings And obviously having savings, especially when combined with insurance benefits can improve economic and financial state of society members higher and If we look at the issue from a macroeconomic point of view, we will notice that public saving, Especially the ones that are like life insurance long term and Play an important role in the economic development of the country. Another sign of the development of human society and social indicators is development of life insurance and savings. However, the rate of premium in the society is evidence of growth and dynamics in the society. If we accept the premium as a progress we should accept growth of life insurance doesn’t have good development and it doesn't move along with the other part financial development, and even the amount of premium is less than countries that spend term of developing same as us.(1)

**History of life insurance:**

The first life insurance policy that recognized the reign of Elizabeth I have been issued in London in 1583. Contract was signed on the life of William Gybnes, term of insurance and the premium rate for 12 month was 8%, The insured dies at the end of the year, after a lots of argument, finally recipients of premium, who where London merchants, Sentenced to pay back funds. It was in this century that the slaves that have commercial value and shipped from a port to another port, were insured such the goods, but after a short time, the insurers extended this insurance to other Passenger where in the ship. it was in this century that interest of Europeans turned to Tenanting.

Tonentin was an Italian banker who had settled in France and he suggest a plan for resolving government financial problem, and the plan known Tonentin as his name. Tonentin was an organization that people in same age, make some groups(2).

And any of them pay once or installments pay to a share fund, and that money spend on buying bonds for the government. Fundsporit depends on the age of buyer. 5% for youth and for the elderly was 12.5%

At the end of this period, Company capital became destroyed, the governments of the time were staunch advocate because the government by selling bond, taking stock funds in their hands, and spent them daily. During the 19th century efforts of scientists such as Bernoulli, The fusion of Probability science, and Computing Science came that called Aktvarya. Since then, life insurance based on a solid foundation of scientific. The first life insurance company was founded
in England in 1762 and the first scientific study was published in 1812 about life insurance. Since then many companies as joint or cooperative, in the European and American countries, were established. In 1912 the in France 20 joint stock company, 24 tonet company, and 19 foreign country were employed Life insurance operations.

**Definition of life insurance:**

Life insurance is one of the most important for individuals insurance. legally, life insurance is a contract whereby the insurer committed to receives insurance that in case of death of the insured or his surviving, a certain amount of time to be determined by the insurer or third party pay money. Technically, Life insurance is a type of insurance operations and its Obligations related to the human lifespan.

**Types of life insurance:**

- from Shape and arrangement of insurers obligations

1. Insurance of fixed capital: insurer only committed pay the insurance fund at once in the time of danger.

2. Pension insurance: in this kind of insurance, insurer committed his perform periodically, this insurance, may be danger subjected to death or life of an insured person or in the condition of live of him.

3. Co-insurance: insurer pay the pension for a while and then commitment a constant capital.

Types of life insurance for themselves or for survivors or persons of interest, or both, are divided into three categories:

1. Life insurance in the case of insured Alive.

2. Life insurance in the case of insured death.

3. Co-insurance

In general, life insurance can be divided into four groups as follows:

A-life insurance in the case of insured Alive.

1. A capital insurance, in condition of live insurer or No returns or return of premium. Contract is an insurance whereby insurer is obligated In exchange for receive premium, pay a fixed assets at the expiration of the period of insurance and in the case of insured Alive. In case of death of the insured, before the expiration, insurer doesn’t have any obligation.

2. A Life Insurance Immediate Pension And temporary immediate pension insurance:

According to the contract insurer is obligated to last year or every six months Or every three months from Insurance start date, pay a specific amount In the case of insurer live.

Premium of this type of insurance received at once. If the duration of pension is limited, it is called pension life insurance.
3. A retirement pension insurance

May be the date of paying pension be A few years after the contract In this case, it is called delayed pension insurance.if the premium of this insurance doesn’t pay at once, During the delay it can pay as installments. In fact, all type of retirement pension insurance is a form of this insurance. Paying pension may be conditioned on the survival of one or more persons. in case of delayed payment of pension, it should be paid until the last person Alive or Death of per person is reduced the amount that should be paid by insurer.in Double pension insurance, pension payments will continue until the Death of another person(8)

B- Life insurance in case of death of the insured

1. B Time life insurance or risk insurance of simple death by the time:

Contract is an insurance whereby the insurer in exchange receivesthe premium from the insured is obligated to pay the funds only if the insured dies before the expiration date. If the insured is alive at the end of the period mentioned, Insurer has no obligation. Another form of insurance with return of premium term , in the case of live insurer exist that rate of if, is higher than normal rate.in This insurance, If the insured does not die during the term of the insurance contract, The premium received from the insured will be refunded to him without interest(3).

Features of the time Life Insurance

1. time Life insurance is the cheapest insurance rates
2. preferred by people who are thought to secure the future of their loved ones.

2.B Life insurance death risk (single)

contract is an insurance whereby the insurer in exchange receive The premium from the insured is obligated to pay the funds In case of death of the insured. . The purpose of life insurance is the risk of Two people death, that the number of insured are two. In this insurance, the insurer is obligated to pay money for insurance in case of death of each other.

Features of Lifetime insurance death risk

1. like life time insurance, only the risk of death insured , With this difference that at any time the insured dies, Funds will be paid.
2. If the term is limited for paying thepremium,after paying the last installment or after that can be converted to another insurance.
3. Delayed life time insurance death risk

Contrast is an insurance whereby the insurer is obligate to pay insurance funds,after the expiration of the period of insurance, whenever the insured dies, if the insured dies within this period, insurer doesn’t have any obligation.(15)
Features of delay life time insurance:

This insurance is for completing Life time insurance, at the expiration of its term. Due to the financial situation, health and age of the insured, renew of insurance may not be possible.

If people from different institutions, under the group agreement, only during the service they are under the time life insurance and afterretirement, they insurance will be expire, they buy delay life time insurance because they could use the benefit of it during their retirement time. And they pay the premium in the period that they were employment. In this type of insurance, there is no medical exam. Because insurance is in the condition of being alive.(16)

c. co –life insurance

c.1 Single and two-player co-insurance savings

in this insurance, Insurance Funds, in case of death of the insured, During the period of insurance, if he was alive, At the expiration of the period of insurance is payable.

2. C Fixed-term insurance or paying funds in the expiration date

Insurance fund, At the end of the period stipulated in the insurance policy, will paid to insurer. However, Insured is still alive or not.

D. children’s Funds Insurance

Like term insurance, its constant, and Funds will be paid after death. With the condition that One of the people that using insurance in the following, be still alive:

1. Child is defined in the contract.
2. Brothers and sisters of this child who are alive or will born during the contract.

Comparisons between capital formation in life insurance and saving in bank:

Cause family income is limit and The daily cost of savings is quite difficult, households should considered to that kind of saving that be available when needed and be profitable. therefore, Comparative discussion, To inform families and Select the type of saving and Its impact on family income and finally The family's wealth, Appears to be necessary and useful.(12)

In structure of the life insurance and savings, How capital formation, Total benefits, Duration and the use of savings, With what is common in the banking system, has an essential different.

to clarify the difference It is necessary to have a Comparison about capital formation in life insurance and saving insurance.

A. In the banking system, Depositor have to bring the whole deposit to the bank at once, this issue is impossible for many individuals and families, but in life insurance and saving insurance, choosing the Total Funds, The insurer is responsible Which little by little takes shape.
We can say that the most significant advantage of life insurance and savings. The insurer with paying the first installment of the premium, in case of death he would be the owner of Funds. In the case of being alive at the end of the insurance period, total Funds will be returned at once. The purpose of the depository in the banking system is earning profits from bank investment and the profitability of deposit require more time; it means however investment time became more (Maximum 5 years) the profit is higher. But in life insurance and saving insurance, its Optional and the premium is based on the family's economic status.

B. Insurance companies for fighting against inflation, to avoid losing Funds, and getting insurer satisfaction, share the benefits of to invest stocks with their Insurer. And from this point increase their insurance Funds. Insurance companies with this method support their insurer but this is not possible in the banking system.

C. The life insurance and savings insurance, Insurer can use the facilities of this type of insurance. For example, Based on this he could use place of Reserve, Redemption of insurance or use.

The facility that related to insurance loan, without Cancellation of insurance. But the banking system, the Depositor until the last day of obligation, except profits of their funds, he has no right to use the original deposit. If he owns the amount of deposit, He will not receive any benefit. And in some cases, some Part of the paid profit, According to Time it will be return, so we can say that, life insurance and saving insurance, Greatly meet the Essential needs of the family, When is necessary and families By determining and payment of premium and they Can take full advantage of this insurance defense umbrella.

**Benefits and advantage of life insurance:**

Life insurance benefits can be listed as follows:

1. Supply risk of households death
2. Pension Supply
3. Supply risk of Disability
4. Reliable and regular savings

- Life insurance advantage are:

1. Acceptable cost of life insurance of legal entities
2. Separation of life insurance funds from Heritage
3. Tax Exemption
4. Life insurance Funds Exemption from income tax
5. no tax for funds from Heritage

**origin of attitude:**

The most obvious attitude is To change significantly, From a person to another person, from the group to another group.
The factors that consist origin of attitude are:

1. Culture  
2. Groups  
3. Family  
4. Personal Experience

In social studies Researchers pay attention to this attitude because they know it as behavior background. Attitude is the hidden mental construction in character. It can know as a special preparation, mentally, Faced with the phenomena, Events and react with excitement.

However, people attitude depend on their past and their different experiences in life. Like personality development, prominent people, have great influence on development and shaping of attitudes.

**Background of research:**

Between various fields of insurance, life insurance because their human coverage, Are very important and between life insurance, life insurance and saving insurance, because of their advantages they have particular importance. This insurance is designed to each of society member with any the amount of income,

, they could provide a significant investment for them self and their family for their financial goals and financial security for the future and be safe from Natural Disasters, Economic, Social and future. Life insurance is such important that in global study, Sometimes be used as a reliable indicator. To assess development. (7)

**Method of research:**

Methods used in this research, According to the objectives and research hypotheses, is Chi-square method, Based on data collection with using statistical methods will be considered and analyzed.

Data collection methods are generally divided into two categories:

1. Library method  
2. Field methods

Statistical population of research:

Statistical population of research examined in this research is the educated people of Galan who are over 20 years.

Considering that the population size is very wide and we couldn’t study the whole society, we attempted to sampling.

Method of sampling:
Method of sampling is consisting of scientific random sampling or Classified and cluster Method of sampling. Random sampling was used in this study. The statistical sample in this paper is certain number of people living in Rasht.

In determining the sample size, Personal estimation method is used that The minimum sample size is 30 subjects that in this paper is the same.

**Statistical methods in used:**

with help of redundancy table Description performed And to test of hypotheses Chi-square method is used.

To calculate Chi-square we use this Formula \( x^2 = \Sigma ((F_o - F_e)^2) \) and To calculate Chi-square with The correction Bates we use this Formula

\[
F_e \quad x^2 = \Sigma (\left| F_o - F_e \right| - 0.5)^2
\]

\( F_o \) is the redundancy of Observed that is real, redundancy It is expected

\( Df \): Degrees of freedom \( \rightarrow (1 - \text{The number of rows in the table})(1 - \text{theNumber of columns in the table}) = DF \)

\( D \): Level of Assurance, normally it is %95

\( T \): Level of error %5

**Measurement tool:**

The data collection tool is :

- The data collection tool that used in this paper is Questionnaire.
- The questionnaire contain three parts: Introduction, General questions and Specific questions
- Questionnaire is standardized and it has reliability and validity.

**Methods of data analysis**

1. Descriptive Analysis
2. Inferential analysis

Data analysis was performed by SPSS software

With using of this soft ware some data such as:

1. redundancy of Observed
2. The expected redundancy
3. The row percent
4. The Column percent
5. Chi square with correction Bates
6. Degrees of freedom
7. The significance level
8. The minimum redundancy expected
9. Number of houses with expected values less than 5 redundancy
10. Number of missing data redundancy

It's available for researchers

**The conclusion:**

The first hypothesis:

It seems that trusting to Insurance companies will affect on attitude towards Life insurance and savings insurance.

Second hypothesis:

It seems that Fatalism, will affect on attitude towards Life insurance and savings insurance.

Third hypothesis:

It seems that Knowledge of life insurance and savings insurance will effect on attitude towards Life and savings insurance.

**The result of first hypothesis:**

According to the analysis that done and Chi-square test, this hypothesis was confirmed. However, trusting to the insurance company is one of the affecting factor to people attitude towards Life insurance and savings insurance. This variable can also effect on interest or Lack of public interest.

**The result of second hypothesis:**

This hypothesis, according to the result of the analyze of the chi-square test, rejected this hypothesis. This indicates that Knowledge of life insurance and savings insurance doesn’t have any affect towards attitude and it show the Level of knowledge cannot be the cause of interest people from life insurance and savings.

**Suggestions:**

As the results show, fatalism and Trust to insurance companies that they are a part of the cultural factors, they could affect their attitude towards the community, life insurance and saving insurance and they can Cause of interest people from life insurance and savings insurance. Insurance companies are necessary for increasing people interest in life insurance and saving insurance in society. By providing financial facilities and loans, Of financial resources of life insurance to buyer and their Timely obligations, they can cause People trust to the insurance companies And other community members who have not purchased life
insurance, and they have been influence by fatalism, lead to demand for life insurance. It's better that insurance company operate under the supervision of government.

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