Social Protection and the Demand for Private Insurance in Ghana

William Angko
Department of Banking and Finance, School of Business and Law, University for Development Studies, Wa Campus, Box UPW 36, Wa.
Email: angwillie@gmail.com/wangko@uds.edu.gh

Abstract
The study sought an insight into the activities of private life insurance companies in Ghana the kinds of products they offer and the extent to which they meet the social security needs of their customers and their implication for social protection. It also seeks to examine customers' perception of the impact of having life insurance policy. The research design was explorative in nature and primary data was collected using a structured questionnaire. Four insurance companies and their customers and sampled and studied namely. State Insurance Company (SIC), life, Vanguard life, Starlife and Capital Express insurance companies. Fifteen (15) staff from each company and 200 customers were purposefully sampled. A Five-point Likert Scale was used to determine the extent of consumers' awareness of life insurance products, customer satisfaction of the products and the factors taken into consideration in formulating life insurance products. The main finding revealed that customers had adequate knowledge on some life insurance products. Customers were also satisfied with some aspects of the services of the insurance companies. It also established that the age of customer; level of risk of business or job of customer; current or past medical record of customers; and income level of customer were the main factors considered by the insurance companies in formulating new products. Customers perceived a positive impact of life insurance policy in the event of their death and during retirement but not during working life. An inventory of the life insurance products was also taken. Among others, the study recommends that life insurance companies should adopt effective promotional strategies to increase the awareness level of their products among consumers.
Keywords: Social Protection, Private insurance, customer satisfaction, awareness and patronage

Introduction

The private insurance industry plays a number of important roles in Ghana's modern economy. Private life insurance supplements social protection provided by government to employees. Private insurance helps beneficiaries to ensure that their family's future is secured. Social Protection is the base of a secure and acceptable life. Its main objective is to tackle poverty and to protect people from risks and shocks caused by e.g. unexpected economic fluctuations. Social Protection is often financed by public funds and contributions. Most frequently in countries, where the majority is living under poverty, the introduction of Social Protection seems to be a serious problem. Especially during financial crises, food price risings or natural catastrophes, Social Protection Schemes are more needed to protect the citizens from negative impacts. Apart from the role private life insurance plays by relieving government of some of the burden of meeting financial security needs, private life insurance can assist economic development in general and the development of financial markets in particular. Obviously because they have thousands of policyholders, private insurance companies are able to mobilise funds that are important in supporting investment and the national economy. They thereby serve as financial intermediaries between investors and economic agents that lack sufficient financing: households, businesses and in some cases even governments (Amartey–Vondee, 2007).

The type of Life Insurance includes traditional life insurance and universal life insurance. The traditional life insurance include: term life insurance, whole life insurance and endowment insurance. The term life insurance provides for payment of the sum insured to beneficiaries on death of the insured, on condition that death occurs within a specified term or period. Should the insured survive to the end of the term, the insurance cover ceases, and no money is payable. Term life insurance is the cheapest form of protection and it can offer a high level of insurance cover for a low premium. Under a whole life insurance policy, the sum insured is payable on death of the insured whenever it occurs, and premiums are payable throughout life. Endowment insurance policies combine savings with life insurance. With this, the sum insured is payable in the event of death within a specified period. However, if the insured survives to the end of the period, the sum assured is also paid. In order to make their products more attractive to the public, the life insurance industry has moved away from these traditional or conventional policies with the introduction of what is referred to as universal life policies which combine features of the aforementioned policies, and as well, links the policy's performance directly to the underlying investments. Universal life policies are designed to be versatile enough to meet all the life insurance and investment needs of the policyholder throughout life (Hardy, 2003).

Historically, some form of social insurance existed in African society long before the introduction of the modern insurance (Osoka, 1992). These social schemes evolved through the existence of extended family system and social associations such as age grades, and other unions. The simplest form of the social insurance 'was practiced by means of providing cash donations, materials or sometimes organized collective labour to assist members of extended family and members of social or communal associations who suffer a mishap. The more modern schemes operate through funds accumulated from levies; or regular contributions imposed by an association on its members. The funds are used to assist members who may suffer misfortunes such as death, illness, unemployment; or sometimes members may be given financial assistance for marriages and other celebrations. Despite urbanization and the attendant loosening of family and communal ties, some form of social insurance is still widely practiced by community groups as well as sections of middle-class Africans (Osoka, 1992).

Formal Social security is a challenge- According to Amartey–Vondee (2007), there are 40 direct insurance and 2 reinsurance companies in Ghana. Seventeen (17) of the direct insurance and 1 reinsurance company underwrite life insurance. The life insurance industry has grown significantly over the past few years. Growth in premium income over the period 2000–2005 has on the average been over 60% per annum. The growth for this period may be attributed to several factors including the separation of the life insurance aspects of the various insurance companies from the non-life aspect, which has given the life insurance companies a direct focus, more modern marketing of products by the insurance companies, improvement in finances of the companies as well as stronger market regulations. In particular, over the period, several insurance companies have introduced new life insurance products with many of them incorporating retirement and investment elements. Furthermore, there has also been a drive by several companies to modernize their operations and improve their public image.

Despite these, the state of the life insurance industry is at a relatively low-level due, among other reasons, to the developing nature of the economy. There is a large informal sector which is estimated at over 80% of the country's active workforce (Amartey- Vondee, 2007). They are predominantly engaged in agriculture, fishing and retail trade, where incomes are often low and irregular and less use is made of the banking sector for arrangements to be made to deduct premiums on behalf of insurance companies.

The situation is worsened by the fact that the population is still high illiterate rate, and this group has often grown apart from the mainstream of affairs, yet, that group represents a huge amount of untapped grassroots capital which is yet to be fully exploited by the insurance companies (GLSS, 2008). Lack of requisite information on insurance is also a major setback. Many people hold the view that insurance is only for the elite and the affluent in society and very little is known of the different policies insurance companies in the country offer (Amartey- Vondee, 2007). Serious efforts should be made to reach this group through aggressive marketing. It is worth mentioning that in recent times, a significant amount of effort is being advanced by the insurance companies to provide a good number of attractive life insurance products to the Ghanaian market.

Now, the questions that arise are: what kinds of attractive life insurance products are being offered by the insurance companies to the Ghanaian market? How intense is the campaign? That is, are these products available to consumers all the times? Are consumers aware of them? What factors are taken into account when formulating the products? To what extent are consumers satisfied with such products?

Study Objectives

The main objective of the study is to highlight the contribution of private life insurance companies in Ghana toward the provision of social insurance in Ghana. Specifically, the study seeks;

i. To examine the kind of people that acquire life insurance policy?
ii. To assess the level of awareness of insurance companies and their products by the consuming public (both formal and informal sector).
iii. To examine the factors that life insurance companies take into consideration when formulating a life insurance policy.
iv. To find out the extent to which the products meet the social security needs of both the formal and informal sector workers (customer satisfaction).
v. To find out customers' perception of the impact of having life insurance policies.

LITERATURE

Concept of Life Insurance

Life insurance is a contract between the policy holder and the insurer, where the insurer promises to pay a designated beneficiary a sum of money (a "claim") upon the death of the insured person. Life Insurance, like other forms of insurance, is based on three concepts. (1) Pooling many individuals into a group; (2) accumulating the fund arising from contributions and (3) paying from this fund, losses of those who die each year. Depending on the contract, other events such as terminal illness or critical illness may also trigger payment. In return, the policy holder agrees to pay a stipulated amount referred to as premium (at regular intervals or in lump sums). The value for the policy owner is the 'peace of mind' in knowing that the death of the insured person will not result in financial hardship.

Life policies are legal contracts and the terms of the contract describe the limitations of the insured events. Specific exclusions are often written into the contract to limit the liability of the insurer; common examples are claims relating to suicide, fraud, war, riot and civil commotion. Life-based contracts tend to fall into two major categories:

- Protection policies – designed to provide a benefit in the event of specified event, typically a lump sum payment. A common form of this design is term insurance.
- Investment policies – where the main objective is to facilitate the growth of capital by regular or single premiums. Common forms (in the US) are whole life, universal life and variable life policies Conant *et al*. (2008).

The Legal Insurance Environment

The Insurance Industry is governed by Insurance Act 2006, ACT 724. This Act complies significantly with the International Association of Insurance Supervisors (IAIS) Core Principles and gives better regulatory powers to the National Insurance Commission. (See Act and Regulations for more information on the Act). The Act, among other things, prohibits composite insurance companies. All composite insurance companies therefore had to separate their life and non-life operations into different companies (National Insurance Commission, 2007) Website, 2009). According to the NIC (2009), there are 17 life insurance companies in Ghana which includes: Capital Express Assurance (Gh) Ltd, Golden Life Assurance Co. Ltd, Donewell Life Insurance Company, Enterprise Life Assurance Company, Ghana Life Insurance Company, Ghana Union Assurance Life Company, Glico Life Insurance Company, IGI Life Assurance Ghana Limited Company, MetLife Insurance Ghana, Phoenix Life Assurance Company, Provident Life Assurance Company, Quality Life Assurance Company, SIC Life Company Ltd, Starlife Assurance Company, Unique Life Assurance Company, Vanguard Life Assurance Company, and Express Life Insurance.

The Performance of the Insurance Sector in Ghana

The performance of the insurance industry within 2002 to 2006 was characterized by a general increase in premium income. Gross premium income for all businesses increased from ¢472 billion in 2002 to ¢1.64 trillion in 2006. This represents a yearly average growth rate of 36.7%. Gross premium income for non-life business continued to grow over the five year period especially in motor, showing a yearly average growth rate of 31.9%. Premium income for non-life business increased from ¢382.1 billion in 2002 to ¢1.14 trillion 2006. (See Table 6.4).The life sector experienced a steady rise in premium income, increasing from ¢89.9 billion in 2002 to ¢496 billion in 2006, a yearly average growth rate of 53.35% (Bank of Ghana Financial Stability Report, 2008).

The continuous increase in growth of the life sector is an indication of the increase in public awareness and confidence. The continuous decrease in interest rates and inflation has also contributed to this growth. Companies have developed varied universal life products, which come along with some form of investments. This takes care of inflation and ensures that the policyholders' contributions are not "eaten away". The most recent addition is funeral insurance, which has received a very favourable response due to the Ghanaian culture. The life business however, experienced a sharp decline in growth rate between 2004 and 2005. This could be attributed to a shift to other investment opportunities, which showed high levels of profitability in the investment market (Bank of Ghana Financial Stability Report, 2008).

Table2. 1: Growth in Gross Premiums of Insurance Companies (Life), 2002-2006

Year	Premium Income(¢ billion)	Growth rate
2002	89.9	-
2003	141.7	57.7
2004	223.1	57.4
2005	312.5	40.1
2006	496.1	58.7

Source: Sector Profile of Ghana's Financial Services Industry, 2007

Inventory of Life Insurance Policies

According to Conant et al. (2008), permanent life insurance is life insurance that remains in force (in-line) until the policy matures (pays out), unless the owner fails to pay the premium when due (the policy expires OR policies lapse). The policy cannot be canceled by the insurer for any reason except fraud in the application, and that cancellation must occur within a period of time defined by law (usually two years). Permanent insurance builds a cash value that reduces the amount of risk to the insurance company and thus the insurance expense over time. This means that a policy with a million dollar face value can be relatively expensive to a 70 year old. The owner can access the money in the cash value by withdrawing money, borrowing the cash value, or surrendering the policy and receiving the surrender value. The four basic types of permanent insurance are whole life, universal life, limited pay and endowment.

Whole Life Insurance

Whole life is a form of permanent insurance, with guaranteed rates and guaranteed cash values. Whole life insurance provides for a level premium, and a cash value table included in the policy guaranteed by the company.

The primary advantages of whole life are guaranteed death benefits; guaranteed cash values, fixed and known annual premiums, and mortality and expense charges will not reduce the cash value shown in the policy. The primary disadvantages of whole life are premium inflexibility, and the internal rate of return in the policy may not be competitive with other savings alternatives. Also, the cash values are generally kept by the insurance company at the time of death, the death benefit is paid only to the beneficiaries. It is the least flexible form of permanent insurance (Manuel and chandrakala, undated).

Universal Life Insurance

Universal life insurance (UL) is a relatively new insurance product intended to provide permanent insurance coverage with greater flexibility in premium payment and the potential for greater growth of cash values. There are several types of universal life insurance policies which include "interest sensitive" (also known as "traditional fixed universal life insurance"), variable universal life (VUL), guaranteed death benefit, and equity indexed universal life insurance. Universal life is similar to whole life, except that you can change the death benefit (the money paid to the beneficiary when the insured person dies), the amount of premiums and how often you pay the premiums. A universal life insurance policy includes a cash value. Premiums increase the cash values, but the cost of insurance (along with any other charges assessed by the insurance company) reduces cash values. However, with the exception of VUL, interest is credited on cash values at a rate specified by the company and may also increase cash values. With VUL, cash values will ebb and flow relative to the performance of the investment subaccounts the policy owner has chosen. The surrender value of the policy is the amount payable to the policy owner after applicable surrender charges, if any.

Universal life insurance addresses the perceived disadvantages of whole life – namely that premiums and death benefit are fixed. With universal life, both the premiums and death benefit are flexible. Except with regards to guaranteed death benefit universal life, this flexibility comes at a price: reduced guarantees. Depending on how interest is credited, the internal rate of return can be higher because it moves with prevailing interest rates (interest-sensitive) or the financial markets (Equity Indexed Universal Life and Variable Universal Life). Mortality costs and administrative charges are known. And cash value may be considered more easily attainable because the owner can discontinue premiums if the cash value allows it. Flexible death benefit means the policy owner can choose to decrease the death benefit. The death benefit could also be increased by the policy owner but that would (typically) require that the insured go through new underwriting. Another example of flexible death benefit is the ability to choose option A or option B death benefits - and to be able to change those options during the life of the insured. Option A is often referred to as a level death benefit. Generally speaking, the death benefit will remain level for the life of the insured and premiums are expected to be lower than policies with an Option B death benefit. Option B pays the face amount plus the cash value. If cash values grow over time, so would the death benefit which is payable to the insured's beneficiaries. If cash values decline, the death benefit would also decline. Presumably option B death benefit policies require greater premium than option a policies (Manuel and chandrakala, undated).

Variable Life Insurance

Variable life insurance is the riskiest form of permanent insurance, but it can also give you the best return for your money. Essentially, the life insurance company will invest your insurance premiums for you. If the investments do well, the death benefit and cash value of the policy go up. If they do poorly, they go down. It's a little like putting your savings into the stock market (Manuel and chandrakala, undated). **Limited-pay:** Another type of permanent insurance is Limited-pay life insurance, in which all the premiums are paid over a specified period after which no additional premiums are due to keep the policy in force. Common limited pay periods include 10-year, 20-year, and paid-up at age 65 (Manuel and chandrakala, undated).

Endowments: Endowments are policies in which the cash value built up inside the policy, equals the death benefit (face amount) at a certain age. The age this commences is known as the endowment age. Endowments are considerably more expensive (in terms of annual premiums) than whole life and universal life because the premium paying period is shortened and the endowment date is earlier. Endowment Insurance is paid out whether the insured lives or dies, after a specific period (e.g. 15 years) or a specific age (e.g. 65). **Group Life Insurance:** Many companies allow their employees to buy group life insurance through the company. Usually, you can get very good rates for this insurance but you have to give the insurance up when you stop working there. For that reason, group insurance can be a good way to buy a little extra life insurance, but it does not make sense to make it your main policy (Manuel and chandrakala, undated).

Accidental Death

Accidental death is a limited life insurance that is designed to cover the insured when they pass away due to an accident. Accidents include anything from an injury, but do not typically cover deaths resulting from health problems or suicide. Because they only cover accidents, these policies are much less expensive than other life insurances. It is also very commonly offered as "accidental death and dismemberment insurance", also known as an *AD&D* policy. In an *AD&D* policy, benefits are available not only for accidental death, but also for loss of

limbs or bodily functions such as sight and hearing, etc.
Accidental death and *AD&D* policies very rarely pay a benefit; either the cause of death is not covered, or the coverage is not maintained after the accident until death occurs. To be aware of what coverage they have, an insured should always review their policy for what it covers and what it excludes. Often, it does not cover insureds who put themselves at risk in activities such as: parachuting, flying an airplane, professional sports, or involvement in a war (military or not). Also, some insurers will exclude death and injury caused by proximate causes due to (but not limited to) racing on wheels and mountaineering. Accidental death benefits can also be added to a standard life insurance policy as a rider. If this rider is purchased, the policy will generally pay double the face amount if the insured dies due to an accident. This used to be commonly referred to as a *double indemnity coverage*. In some cases, some companies may even offer a triple indemnity cover (Manuel and chandrakala, undated).

Related Life Insurance Products

Family income life insurance: This is a decreasing term policy that provides a stated income for a fixed period of time, if the insured person dies during the term of coverage. These payments continue until the end of a time period specified when the policy is purchased. Family insurance: **A whole life policy** that insures all the members of an immediate family-husband, wife and children. Usually the coverage is sold in units per person, with the primary wage-earner insured for the greatest amount. Senior life insurance: Also known as graded death benefit plans, they provide for a graded amount to be paid to the beneficiary. For example, in each of the first three to five years after the insured dies, the death benefit slowly increases. After that period, the entire death benefit is paid to the beneficiary. This might be appropriate if the beneficiary is not able to handle a large amount of money soon after the death, but would be in a better position to handle it a few years later. **Juvenile insurance**: This is life insurance is on a child. Coverage is paid for by an adult, usually the parents or guardians. Such policies are not considered traditional life insurance because the child is not producing an income that needs to be protected. However, by buying the policy when the child is young, the parents are able to lock in an extremely low premium rate and allow many more years of tax-deferred cash value buildup.

Credit Life Insurance: This insurance is designed to pay off the balance of a loan if you die before you have repaid it. Credit life insurance is available for many kinds of loans including student loans, auto loans, farm equipment loans, furniture and other personal loans including credit cards. Credit life insurance can be purchased by an individual. Usually it is sold by financial institutions making loans, like banks, to borrowers at the time they take out the loan. If a borrower dies, the proceeds of the policy repays the loan directly to the lender or creditor. **Mortgage Insurance**: This decreasing term coverage is designed to pay off the unpaid balance of a mortgage if you die before the mortgage is paid off. Premiums are generally level throughout the term of the policy. The policy is usually independent of the mortgage, meaning that the financial institution granting the mortgage is separate from the insurance company issuing the policy. The proceeds of the policy are paid to the beneficiaries of the policy, not the mortgage company. The beneficiary is not required to use the proceeds to pay off the mortgage **Annuity:** An annuity is a form of insurance that enables you to save for your retirement. Basically, you give the insurance company money for a certain period of time, and then after you retire they will pay you a certain amount of money every year until you die. There are many different forms of annuities. Most people who buy annuities are 55 years or older (Manuel and chandrakala, undated).

Types of Premiums

Companies use life insurance premiums for both reserves and pricing. The premiums used in pricing are known collectively as pricing premiums. A pricing premium is the monetary amount per unit of coverage that an insurance company must collect from customers to cover an insurance product's cost of benefits plus the company's expenses for supporting the product, after net investment earnings. The company uses conservative estimates for the cost of benefits and administrative expenses. The element of conservatism in these estimates provides a spread that allows for adverse deviations or profits. For our purposes, premiums can take the following forms:

A single premium (SP) consists of one lump sum that covers all of the financial considerations for the life of the contract. One-year term life insurance policies are purchased with a single premium. ***Flexible premiums*** allow a customer to make payments to the company at any time to increase the savings element in a contract that was established with a single initial premium. Flexible premiums are used with universal life insurance.

Level premiums are periodic premium payments that are equal in amount. Level premiums are generally paid monthly, quarterly, or annually. Multi-year term life insurance policies and whole life insurance policies are typically purchased with level premiums. Any single premium is equivalent to several sets of level premium payments of different frequencies, such as monthly, quarterly, and annual payments, all having present values equal to that single premium. Any set of equal annual payments having a present value equal to a given single premium is called a level annual premium (LAP).

Benefits of Life Insurance Policies

According to (Manuel and chandrakala, undated) life insurance policies have the following benefits; Life insurance policies, first and foremost, is superior to any other savings plan: Unlike any other savings plan, a life insurance policy affords full protection against risk of death. In the event of death of a policy holder, the insurance company makes available the full sum assured to policy holder's near and dear ones. In comparison, any other savings plan would amount to only the total savings plan accumulated till date. If the death occurs prematurely, such savings can be much less than the sum assured which means that the potential financial loss to the family is sizable. In addition to being superior to any other form of savings, life insurance policies encourage and force thrifts: A saving deposit can easily be withdrawn. The payment of life insurance premium, however, is considered sacrosanct and is viewed with the same seriousness as the payment of interest on a mortgage. Thus, a life insurance policy in effect brings about compulsory savings. Furthermore, life insurance policies provide easy settlement and protection against creditors: A life insurance policy is the only financial instrument the proceeds of which can be protected against the claims of a creditor of the assured by effecting a valid assignment of the policy. Life insurance policies also act as legacy for beneficiaries: Speculative or unwise expenses can quickly cause the proceeds to be squandered. Several policies have foreseen this possibility and provide for payment over a period of years or in a combination of installments and lump sum amounts.

Ready marketability and suitability for quick borrowing is also a benefit of having life insurance policy: A life insurance policy can, after a certain time period (generally three years) be surrendered for a cash value. The policy is also acceptable as a security for a commercial loan, for example, a student loan. Disability and accidental death benefitss: Death is not the only hazard that is insured; many policies also include disability benefits. Typically, these provide for waiver of future premiums and payment of monthly installments spread over a certain time period. Many policies can also provide for an extra sum to be paid (typically equal to the sum assured) if death occurs as a result of accident Manuel and chandrakala (unpublished).

Consumer Attitudes towards Life Insurance Policies

In a study by Moller (2004), on quality of life in developing countries with reference to South Africa, income and social security (own wages, ability to provide for family, insurance against illness/death and income in old age) have been treated as one of the major indicators of quality of life. This standpoint stresses the significance of insurance to human life. Ironically, insurance services seem not to have been enthusiastically accepted in developing countries. Yet the abysmal level of insurance culture in developing economies has attracted relative interest among researchers and practitioners alike. Omar (2005) assessed consumers' attitudes towards life insurance patronage in Nigeria and found out that there is lack of trust and confidence in the insurance companies. Other major reason for this attitude is lack of knowledge about life insurance products. But apart from knowledge, the demand for life insurance in a country may be affected by the unique culture of the country, for example, the population‘s risk aversion (Douglas and Wildavski, 1982). Udry (1994) identified risk as a central fact of life in the rural areas of less-developed countries. Some of the problems associated with this have been marketing. For example, Omar (2005) assesses consumers' attitudes towards life insurance patronage in Nigeria and found out that there is lack of trust and confidence in the insurance companies. Other major reason for this attitude is lack of knowledge about life insurance products. The drawback to Omar‘s study is its inability to capture attitude to non-life insurance products, which include automobile, home contents, goods in transit, marine and aviation, fidelity guarantee and so on. Omar‘s study also suffers from limited sampling and raises fundamental marketing questions for insurance practitioners.

As noted by Douglas and Wildavski (1982), the demand for life insurance in a country may be affected by the unique culture of the country to the extent that it affects the population‘s risk aversion. Henderson and Milhouse (1987) argue that an individual‘s religion can influence their altitude to life insurance, and understanding religion is an important component of understanding a nation‘s unique culture. Zelizer (1979) further observed that religion historically has provided a strong source of cultural opposition to life insurance as many religious people believe that a reliance on life insurance results from a distrust of God‘s protecting care. Until the nineteenth century, European nations condemned and banned life insurance on religious grounds. In the same observation, Zelizer (1979) also states that religious antagonism to life insurance still remains in several Islamic countries.

In similar vein, Wasaw and Hill (1986) tested the effect of Islam on life insurance consumption using an international data set. The results of their study indicate that, *ceteris paribus*, consumers in Islamic nations purchase less life insurance than those in non-Islamic nations. This becomes more evident in the fact that there is comparatively very low ratio of Muslims in developed countries with the majority residing in medium to low human development countries. From the thirty-five low human development countries as defined by the Human Development Report (2004), seventeen have a majority Muslim population and a further five have a Muslim population of over 20 percent. Muslims around the world are commonly faced with low-income levels, and lack access to social security systems, healthcare, education, sanitation, and employment opportunities (Patel, 2004). The above assertions have been corroborated in another related study of insurance penetration in Nigeria, a developing nation where the marketing of an interest-free insurance scheme gained the support and patronage of the Muslim population (Yusuf, 2006). This becomes attractive mainly because the scheme is interest free; hence it is regarded as having religious backing.

Insurance is understood by most people to be critical to a well-functioning economy (Pritchett *et a*l., 1996). By providing payment in the event of unexpected losses, insurance introduces security into personal and business situation. It also serves as a basis of credit as no financial institution would lend money for purchase of capital goods. The main themes in the literature of attitude and perception of life insurance policyholders have largely focused on factors predicting these attitudes (Skinner and Dubinsky, 1984; Ozdemir and Kruse, 2004), purchase decision-making responsibility (Barron and Staten, 1995), consumers perceived value (Smith, 2006) and satisfaction (Kuhlemeyer and Allen, 1999). For example, in a survey of 1,462 families, Skinner and Dubinsky (1984) found out that employment status of the wife and education of the husband discriminate mostly between which family member(s) is responsible for insurance purchasing decision. Other significant variables include wife‘s educational level, husband‘s employment status, family income, and husband‘s occupation. Ozdemir and Kruse (2004) explore the relationship between individual‘s risk perceptions and their willingness-to-pay for increased safety in a low-probability, high-consequence event. They found out that the perceived severity of tornado risk has the largest effect on willingness-to-pay and presence of children in the house significantly increases the willingness-to-pay.

While reviewing the performance of the insurance industry, Dorfman (1980) observes that even though life insurance industry engages in product innovation, the market for life insurance appears to have a serious weakness in that not many new improvements have been forthcoming in recent years. Some of the areas of deficiencies include lack of copyright protection for life products, regulatory opposition, consumer and salemen‘s attitudes. Kuhlemeyer and Allen (1999) find out that consumer satisfaction with life insurance products is largely accounted for by the trust they repose in the sales agents in contrast to those who purchase direct from the insurance companies. The surveyed population who purchased from sales agents were more satisfied with the insurance industry than those who purchased directly from insurance companies. This apparently justifies the view held earlier by Pritchett *et al*. (1996) that "insurance is sold rather than bought"

Customers' Satisfaction of Life Insurance Products

For more than two decades, customer satisfaction has been an intensively discussed subject in the areas of consumer and marketing research (Hennig-Thurau and Klee, 1997). This is not surprising as measuring customers‘ satisfaction has become an important issue in an effort to promote quality and ensure a more competitive economy (Fornell, 1992). Such a notion becomes pertinent because of its direct impact on the primary source of future revenue streams for most companies. Furthermore, it complements the traditional measures of economic performance, providing information not only to firms themselves, but also to shareholders and investors, government regulators, and buyers. The service literature, which also covers insurance services recognizes the importance of personal interaction in creating satisfied customers (e.g.Crosby and Stephens, 1987; Parasuraman *et al*., 1985; Solomon et al., 1985). Hence, according to Crosby et al. (1990), the lack of concreteness of many services of which insurance is one, increases the value of the persons responsible for delivering them. A service-encounter or "moment of truth" (Normann, 1983), occurs whenever the customers interact directly with any contact person. Frequently, the service salesperson is the primary source, if not sole-contact point, for the customer both before and after the purchase ("the salesperson is the company"). Under these conditions, the salesperson controls the level of service quality delivered.

LIMRA International (1997) provides extensive reporting of trends in US insurance industry based on data provided by contributing companies. In addition, LIMRA International (1996) published a study titled "Consumer Preferences for Buying Life Insurance Now and in the Future." This represents the only study that attempts to examine consumer preferences. The study is designed by the insurance industry as a means of helping agents and insurance companies better align their interests with those of the consumer. The study was designed to examine satisfaction of the consumer rather than preferences of the consumer. The study was limited to individual life insurance purchases as opposed to group life. Group life, although very significant, represented less than half of the life insurance in force (American Council of Life Insurers, 1999, p. 22) and did not involve selection by individual consumers. The group life purchasing decisions were usually made by the employer or the employer and an employee committee. Accordingly, most employees had no input into the purchasing decision, making employee satisfaction with the method of purchase difficult or impossible to measure. The study also compares agent assisted versus direct placement of individual life insurance.

METHODOLOGY

3.1 Research Design

The study is exploratory in nature that utilized a structured questionnaire to gather information. The structured questionnaire with both open-ended and closed-ended questions was used to gather information from four life insurance companies and their customers. The four insurance companies, namely SIC Life Vanguard Life, Star life and Capital Express Life, were included in the study. Overall, 15 respondents of each company and 200 customers (100 formal and 100 informal) were included in the study. Quinn (1990) explains that the advantage of a *quantitative* approach is the possibility to measure the reactions of a great many people to a limited set of questions. Thus, it facilitates comparison and statistical aggregation of the data and gives a broad, illustrative set of findings presented succinctly and parsimoniously. *Qualitative* methods typically produce a wealth of detailed information about a much smaller number of people and cases. This increases understanding of the cases and situations studied and also reduce the possibility of generalising (Quinn, 1990).

Sampling

The sampling area covered insurance companies in Ghana with branches in the Accra Metropolis. As at the time of the research, the insurance industry was made up as follows; 23 Non-Life companies, 17 Life companies, and 2 Reinsurance companies, (Source: NIC, 2011). However, the following Insurance companies were sampled from the sample frame of 17 life insurance companies representing 23.5% of the life insurance companies.

- SIC Life Insurance company
- Vanguard Life Insurance company
- Starlife insurance company and
- Capital Express insurance company

Similarly, a total of 60 employees (15 from each sampled life insurance companies) were included in the study. Regarding the number of customers (clients) of the selected insurance companies, a total of 200 respondents were selected (50 from each for the four life insurance companies). The customers constituted both formal and informal sector workers in Accra. A non-probability sampling technique specifically purposive sampling technique was used to select the insurance companies. Purposive sampling technique was used because not all the insurance companies were willing to provide information for the study. Also, employees of the selected insurance companies who had answers to items on the questionnaire were involved in the study. Also, only respondents with appreciable level of formal education and demonstrated willingness to provide information for the study were included. A questionnaire was used as the main data collection instrument. The items in the questionnaire were mostly closed- ended type of questions (pre-coded). The nature of the study was explained to respondents, and respondents' confidentiality of any information provided was also assured. Respondents were also provided with detailed instructions as to how the questionnaires were to be completed and returned. The rationale behind providing clear instructions and assuring confidentiality of information is based on the fact that this significantly reduces the likelihood of obtaining biased responses (Sekaran, 2003). The questionnaires were distributed to employees of the selected insurance companies and customers/clients they returned after one week. Saunders *et al.* (2003) state that the validity and the reliability of the data you collect, as well as the response rate you achieve, depend, to a large extent, on the design and the structure of your questionnaire. Two types of questionnaires were developed in this study, one for the insurance companies and other for the customers of the insurance companies.

The questionnaire distributed to the selected insurance companies consisted of three sections. The first section (Section A) constituted the profile of the companies as well as the demographic profile of the employees. Section B contained questions meant to take inventory of the life insurance products of the selected life insurance companies while the final section (Section C) contained items aimed at determining the factors insurance companies take into consideration when formulating life insurance products. Concerning the factors the life insurance companies consider when formulating a life insurance policy, respondents who were employees of the insurance companies were made to provide responses using the following five-point scale for a list of factors. 1= "*Not important"*; 2="*Less important"; 3=*"*Important*", 4="*More important*" and 5=*"Most important*". Sampled items included in this section are: Age of customer, educational background, employment status, past/ present medical records etc.

The second questionnaire elicited information from the customers (clients) of the sampled insurance companies. The questionnaire was organized into four sections. The first section (Section A) constituted the demographic profile of the respondents. Information such as; gender, age, marital status, educational qualification, size of family, employment status, income level etc were elicited from customers of the life insurance companies. Section B sought the opinions of the customers of the selected insurance companies about their level of awareness of the proposed life insurance products. Each statement was written so that consumers responding to the questionnaire could provide a response by the following Five-point Likert Scale: 1=*Not Aware*; 2= "*Slightly Aware"; 3=* "*Aware*", 4= "*More Aware*" and 5= *"Strongly Aware*". Section C measured the level of customer satisfaction of the life insurance products. Thirteen (13) items were provided in this section and respondents provided answers using the following Five-point scale: 1=*Strongly disagree*; 2= "*Disagree"; 3=* "*Indifferent*", 4= "*Agree*" and 5= *"Strongly agree*" with the statements. The survey methodology employed in this paper is based on the original work of Likert (Likert, 1932; Hayes, 1998). The last section of this questionnaire (Section D) assessed the strategic thinking of the customers regarding the impact and benefits of having life insurance policy, during their working life, in the event of their death and during retirement. Secondary sources of data collection were used to obtain additional information. The study relied on both unpublished and published data such as reports, brochures, catalogues, journal articles and the internet which are related to the topic. Sources of secondary data have been duly acknowledged at the reference section of the research.

RESULTS

Demographic Profile of Respondents

Table 4.2 represents the demographic characteristics of the respondents who were employees and customers of the selected insurance companies

Table 4.2: Demographic Profile Respondents

		Employees		Customers	
Profile	**Category**	**Number**	**%Freq.**	**Number**	**%Freq.**
Gender	Male	36	60.0	80	40.0
	Female	24	40.0	120	60.0
	Total	60	100.0	200	100.0
Age(years)	20-34yrs	23	38.3	60	30.0
	35-49yrs	37	61.7	100	50.0
	50yrs and above	0	0	40	20.0
	Total	60	100.0	200	100.0
Marital Status	Never Married	23	38.3	40	20.0
	Married	35	58.3	140	70.0
	Divorced/Separated	2	3.4	20	10.0
	Total	60	100.0	200	100.0
Educational background	Secondary	0	0	20	10.0
	Diploma	15	25.0	20	10.0
	Degree	37	61.7	160	80.0
	Masters/PHD	8	13.3	0	0
	Total	**60**	**100.0**	**200**	**100.0**

Source: Field Survey, 2011

4.1 Gender Distribution of Respondents

From Table 4.2, employees of the selected insurance companies who responded to the questionnaire were predominantly males with 60% (36 out of 60) of the respondents being males while the remaining 40% (24 out of 60) representing females. However, respondents who were customers of the insurance companies were female dominated with 60% (120 out of 200) being females while the remaining 40% (80 out 200) were males.

4.2 Age Distribution of Respondents

Regarding the age distribution of the respondents as indicated in Table 4.2, large majority of the employees of the selected insurance companies, 61.7% (37 out of 60) were within the age group of 35-49 years. This was followed by those employees within the age bracket 20-34years. This age group constituted the remaining 38.8% (23 out of 60) of the respondents. No employee of the selected insurance companies was found to be less than 20 years of age and above 50 years of age. Half of the customers, 50% (100 out of 200) were within the age group of 35-49 years. Following this age group were those within the age bracket 20-34years. This age group formed 30% (60 out of 200) of the customers. Finally, minority of the customers, 20% (40 out of 200) was found to be 50 years and above. The implication is that majority of the respondents were in the economically active age group of 35-49 years.

4.3 Marital Status Distribution of Respondents

With reference to Table 4.2, slightly more than half of the employees of the selected insurance companies, 58.3% (35 out of 60) were married followed by those who were never married. This group represented 38.3%

(23 out of 60) of the respondents. While 3.4% (2 out of 60) of the respondents were found to have jilted their spouse (divorced or separated) no respondent was identified as widow/widower. Of the customers, overwhelming majority, 70% (140 out of 200) of the respondents are married followed by those who were not yet married. This group formed 20% (40 out of 200) of the respondents. While 10% (20 out of 200) of the customers was found to be divorced/ separated, no respondent was identified as widow/widower.

4.4 Educational Qualifications of Respondents

Regarding the educational qualifications of the employees of the selected insurance companies, as presented in Table 4.2, majority 61.7% (37 out of 60) of the respondents held First Degree qualification. This was followed by 25 % (15 out of 60) of the employees who were found to have Diploma Certificates. While 13.3 % (8 out of 60) of the employees held Masters of Advanced Certificates, no employee was found to have Secondary education. About the educational qualification of the customers, preponderant majority, 80% (160 out of 200) held First Degree. This was followed by 10% (20 out of 200) of the customers who was found to hold Diploma Certificates. While 10% (20 out of 200) of the respondents had Secondary education, no respondent had Masters/Advanced qualification The implication is that, majority of all the respondents had Degree qualification or higher and therefore, may be competent enough to provide accurate and reliable information for study.

4.5 Employees' Tenure of Service

Table 4.3 represents the job tenure of the employees of the selected insurance companies as found in the survey. 33.4% of the respondents (20 out of 60) indicated that they have been working in the insurance companies for 6-10 years. This was closely followed by those who had 11-15 years working experience with the selected companies. This group constituted 30% (18 out of 60) of the respondents. While 18.3% (11 out of 60) claimed they had 16-20 years working experience with the companies, the same proportion of the employees had been working in their respective companies for less than 6years.

Table 4.3: Employees' Tenure Service

	Frequency	Percent
Less than 6years	11	18.3
6-10years	20	33.4
11-15years	18	30.0
16-20years	11	18.3
Total	60	100.0

Source: Field Survey 2011

Profile of the Selected Life Insurance Companies

Table 4.4 represents the profile of the companies included in the study. Regarding the ownership of the companies sampled, all four insurance companies were found to have partnership ownership structure. Neither was found to have sole proprietors and stock-holding ownership structure. Concerning the tenure of the selected insurance companies, SIC Life was found to be operation for about 49 years, Vanquard Insurance has been operating for 35 years, Starlife has been operating 20 years and Capital Express was found to be operating for about 10 years.

Table4. 4: Profile of Selected Life Insurance Companies

Profile	**SIC Life**	**Vanguard**	**Starlife**	**Capital Express**
Ownership	Partnership	Partnership	Partnership	Partnership
Business Tenure	49years	35years	20years	10years

Source: Field Survey, 2011

Inventory of life Insurance Products

The first specific objective of the study was to identify some of the life products sold by life Insurance companies in Ghana. Table 4.5 below represents the inventory of the life insurance products/policies offered by the selected insurance companies.

Table 4.5: Inventory of life Insurance Products

No.	SIC Life	Vanguard	Starlife	Capital Express
1	Family Security	Retirement plan (family life assurance)	Starlife provident fund	Guaranteed Education protection plan
2	Flexi-Child education plan	Universal pension trust	Mortgage protection plan	Universal life Assurance policy
3	Group life policy	Target plan (family welfare assurance)	Group life policy	Group life Assurance
4	Ultimate life plan	Corporate provident plan		I-Care

Source: Field Survey, 2011

The above life insurance products are reflective of what was observed in the literature review. As noted by Hardy (2003), life insurance industry has moved away from these traditional or conventional policies with the introduction of what is referred to as *universal life policies* which combine features of the traditional life insurance policies. All the selected insurance companies were observed to have one form of universal life policies or another. This may be due to the fact that universal life insurance policies are versatile enough to meet all the life insurance and investment needs of the policyholder throughout life.

4.5 Level of Consumers' Awareness of Life Insurance products

The second specific objective of the study was to assess the level of consumers' awareness of life insurance companies and their products. The responses elicited from the consumers are summarized in Table 4.6.

Table 4.6: Level of Consumers' Awareness of Life Insurance products

Life Insurance policies	Aware		Not Aware	
	Freq	Percent (%)	Freq	Percent (%)
Group Life insurance	180	90	20	10
Accidental death	180	90	20	10
Annuity	180	90	20	10
Mortgage insurance	160	80	40	20
Endowments	160	80	40	20
Family insurance	140	70	60	30
Family income life insurance	140	70	60	30
Term life insurance	180	90	20	10
Guaranteed death benefit	180	90	20	10
Juvenile life insurance	140	70	60	30
Whole life insurance	160	80	40	20
Traditional fixed universal life insurance	140	70	60	30
Credit life insurance	40	20	160	80
Senior life insurance	60	30	140	70
Variable universal life insurance	60	30	140	70
Limited pay	80	40	120	60
Equity indexed universal life insurance	120	60	80	40
Variable life insurance	40	20	160	80

Source: Field Survey, 2011

The outcome shows that majority (more than 50%) of the consumers were "aware" of the following life insurance products: Group Life insurance Accidental death; Annuity; Mortgage insurance Endowments Family insurance; Family income life insurance; Term life insurance; Guaranteed death benefit, Juvenile life insurance; Whole life insurance; Traditional fixed universal life insurance, Credit life insurance; Senior life insurance; Equity indexed universal life insurance and Variable universal life insurance. Impliedly, these forms of insurance policies were less known to the customers. The implication is that these policies were largely known to the customers as more than half of the respondents indicated so. However, the consumers indicated that they were "not aware" of the following life insurance products: Limited pay; Credit life insurance; senior life insurance;

and Variable life insurance. The implication is that these form of life insurance policies were not known by the customers at all. The findings of this study somewhat confirm the similar observation made by Moller (2004) in South Africa who found that insurance services seem not to have been enthusiastically accepted in developing countries. Similarly, Omar (2005), in assessing consumers' attitude towards life insurance patronage in Nigeria found out that there is lack of trust and confidence in the insurance companies. The study cited lack of knowledge about life insurance products one of the reasons for this attitude. Udry (1994) made similar observation in less-developed countries and attributed the problem to low marketing of insurance products. Dorfman (1980) also observed that even though life insurance industry engages in product innovation, the promotion of life insurance policies appears to have a serious weakness leading to low level of aware of their products. Rajni (2008) further noted that low penetration of insurance in India, as elsewhere, has varied explanations, economically and sociologically. He observed that one basic factor that puts a brake on growth of insurance companies is low propensity to consume: low propensity for life insurance, not necessarily because of considerations of affordability nor because of inadequate range of insurance products and services. The major determining factor is lack of awareness of life insurance per se. And this phenomenon, as the study observed, is not confined to rural and semi-rural segments of society: it pervades urban populace as well.

Factors Considered by Insurance Companies When Formulating Life Insurance Products

The third specific objective of the study was to examine the factors that life insurance companies take into consideration when formulating a life insurance policy. The responses elicited from the employees of the selected insurance companies are summarized in Table 4.7.

Table 4.7: Factors Considered by Insurance Companies When Formulating Life Insurance Products

	Important		Not Important	
Factors	Freq.	Percent (%)	Freq.	Percent (%)
Age of customer	60	100.0	0	0
Level of risk of Business/Job	57	95.0	3	5.0
Current/past Medical Record	52	86.7	8	13.3
Income level of customer	58	96.7	2	3.3
Employment Status	60	100	0	0
Family size of customer	60	100	0	0
Gender of customer	60	100	0	0
Educational level of customer	54	90.0	6	10.0

Source: Field Survey, 2011

The output indicates the employees of the selected insurance companies all the factors listed on Table 4.7 as important to the insurance agents when formulating life insurance policies. The conclusion was arrived at because, for each factor, large majority (95% or more) noted that the identified factors were taken into account when formulating life insurance policies. As intimated by Investment & Financial Services Association (IFSA, 2002), most people think that insurance companies should be able to use, gender, age, current health, and past medical records when determining life policy premiums. This study has confirmed that these factors, in addition to other factors in Table 4.7, are indeed considered by insurance companies when formulating new insurance products. The level of consideration of each factor, however, may depend on the type of life insurance product being developed.

Customer Satisfaction of Life Insurance Product

The fourth specific objective of the study was to find out the extent to which the life insurance products meet the social security needs of both formal and informal sector workers (customer satisfaction). A five-point Likert Scale was used to measure the level of customers' satisfaction of the life insurance agents and their activities and the results obtained summarized in the Table 4.8. The output shows that the customers agreed with each of the following assertions: My agent fully meet my needs with life insurance products; As an agent is more competent the longer he stays in the profession; my agents always use insurance products that meet my financial needs; my agent explains life insurance products exceptionally well; My agents understand my financial goals and needs; My agent understand my financial goals and needs; My agent is knowledgeable; My agent puts my financial goals and needs above his/her own; I am satisfied with my life insurance agent; and I completely trust my agent. In these entire situation, between 70-90% of the customers agreed to the assertions. Impliedly, customers were satisfied with those aspects of the life insurance agents and their products.

However, the customers were also 'Indifferent or disagreed" with some assertions: My agents asked me about my financial goals and needs; I have a long business history with my insurance agent; and I plan to change life insurance agent in future. An 'indifferent' response means that the customers could not indicate whether or not they were satisfied with that aspect of their insurance agents and their products. Disagreeing with the assertion implies that the customers were not satisfied at all with those assertions.

Table 4.8: Customer Satisfaction of Life Insurance Product

	Agree		Indifferent		Disagree	
	Freq	Percent (%)	Freq	Percent (%)	Number	Percent (%)
My agent fully meet my needs with life insurance products	180	90	20	10	0	0
As an agent is more competent the longer he stays in the profession	180	90	20	10	0	0
My agents always use insurance products that meet my financial needs	160	80	40	20	0	0
My agent explains life insurance products exceptionally well	160	80	40	20	0	0
My agents asked me about my financial goals and needs	60	30	100	50	40	20
My agent understand my financial goals and needs	180	90	20	10	0	0
My agent is knowledgeable	160	80	40	20	0	0
My agent puts my financial goals and needs above his/her own	180	90	20	10	0	0
I am satisfied with my life insurance agent	140	70.0	40	20.0	20	10.0
I completely trust my agent	140	70.0	60	30.0	0.0	0
I have a long business history with my insurance agent	60	30.0	100	50.0	40.0	20
I plan to change life insurance agent in future	80	40	60	30	00	30

Source: Field Survey, 2011.

As found by the study, respondents could not indicate whether or not they were satisfied with their life insurance agent and their products. The implication is that consumers could not indicate whether or not their life insurance policy could meet their social security needs. Kuhlemeyer and Garth (1999) in assessing customer satisfaction of life insurance agents using 2,500 life insurance customers representing American citizens with appropriate distribution by geographic region based on the relative size of each Metropolitan Statistical Area (MSA), found that consumers, for the most part, are highly satisfied with their agent and their life insurance company. Consumer satisfaction with the agent is driven by the "perceptions" of the consumer -- they believe their agent is trustworthy, knowledgeable, is using appropriate products and explains the products well. This study was conducted in developed countries were majority of the customers are aware of the insurance agents and have an appreciable level of understanding of their products. However, the present study was conducted in a developing country where the customers were found to have very little knowledge about the insurance agents and their activities.

Strategic Thinking and Planning

The researcher also found out the perception of the customers about the impact of having life insurance during ones working life, retirement and in the event of the customer's death. The responses elicited from the customers are summarized in table 4.9. Half of the respondents 50% (100 out of 200) indicated that life insurance policy had no effect on their lives during their working life. Whereas 30% (60 out of 200) noted that life insurance had positive impact of their lives 20% (40 out of 200) of the respondents were of the view that having life insurance policy during ones working life had negative impact on their lives. Concerning the effect of having life insurance policy on a customer's life during retirement, an overwhelming majority, 90% (180 out of 200) of the respondents were of the opinion that the impact was positive. However, 10% (20 out of 200) noted that the impact of having life insurance cover could not be felt (no effect). No respondent indicated a negative effect of having life insurance policy. Regarding the impact of having a life insurance policy in the event of one's death, large majority of the respondents, 85 %(170 out of 200) noted that the impact would be positive. While 15% (30 out of 200) noted that having life insurance policy would have no impact, no respondent indicated that having a life insurance policy would have a negative effect.

Table 4.9: Strategic Thinking and Planning

	Positively		Not Effect		Negatively	
	No.	Percent	No.	Percent	No.	Percent
During Customer's working life	60	30.0	100	50.0	40	20.0
During Customer's retirement	180	90.0	20	10.0	0	0
In the event of Customer's death	170	85	30	15.0	0	0

Source: Field Survey 2011

Overall, whereas the customers did not see the positive impact of having life insurance policy during their working life, they recognized the importance of having a life insurance policy during retirement age and in the event of their death. This is exemplified by the responses given by the customers on the advantages of having a life insurance policy. Some customers noted that having life insurance policy guarantees their future and others noted that it is a form of investment and further others thought it would supplement their pension contribution.

CONCLUSIONS AND RECOMMENDATIONS

The research sought to get an insight into the life insurance companies in Ghana, the kinds of products they offer and the extent to which the meet the social security needs of the consumers. Overall 260 respondents gave information for the study out of which Two Hundred (200) were customers of the selected insurance companies and the remaining 60 were employees of the insurance companies. A structured questionnaire was used to obtain information for the study. Based on an objective analysis of data and discussion of results and findings, the following are the summary of major findings and conclusions of this study. Demographically, more than half (60%) of the customers included in this study were females while the remaining, 40%, represent males. More than half (61.7%) of the employees had a Degree while 80% of the customers had similar qualification. All the employees of the selected insurance companies had 6years or more working experience with the insurance companies.

An inventory of the various life insurance products offered by the selected insurance companies was done and the output summarized in Table 4.4. Common life insurance policies amongst the insurance companies were: Group life insurance and universal life insurance. About consumers' awareness of life insurance products, the customers were aware of the following life insurance products: Group Life insurance; Accidental death; Annuity; Mortgage insurance; Endowments; Family insurance; Family income life insurance: Term life insurance; Guaranteed death benefit; Juvenile life insurance; Whole life insurance; Traditional fixed universal life insurance; Credit life insurance; Senior life insurance; and Variable universal life insurance. However, the consumers indicated that they were "not aware" of the following life insurance products: Limited pay; Equity indexed universal life insurance; and Variable life insurance.

Regarding the factors taken into account by life insurance agents when formulating life insurance products/policies, the following factors were considered more important: Age of customer; level of risk of business/job of customer; current/past medical record of customers; and income level of customer. Similarly, the following factors were considered important but not more important: Employment status of customers; family size of customer; gender of customer; and education level of customers. Concerning the level of customers' satisfaction of the assurance agents and their products the study found that the customers agreed with the following assertions: My agent fully meets my needs with life insurance products; my agents always use insurance products that meet my financial needs: and my agent explains life insurance products exceptionally well. Overall, customer could not indicate whether or not they were satisfied with the life insurance companies and the services they offer. Overall, whereas the customers did not perceive positive impact of having life insurance policy during their working life, they recognized the importance of having a life insurance policy during retirement age and in the event of their death. About the advantages of having life insurance policy, the customers noted that life insurance policy guarantees for their future. Others noted that it is a form of investment and further others thought it would supplement their pension contribution. Various life insurance products/policies have been introduced by the selected insurance companies. Different factors were found to have been considered by the insurance companies when introducing new products. Consumers were aware of some of the products introduced by the insurance companies. Consumers were satisfied with some aspects of the insurance companies and their products. Consumers were convinced that adopting life insurance policies could meet their social security need during retirement and in the event of their death but not during working life.

Specific Recommendations

On the basis of the findings of the study, the following recommendations are made;

- With regard to the insurance products, consumers responded at different rates, depending on the consumers characteristics. Hence Insurance companies should try to bring their new product to the attention of potential early adopters.
- The life insurance companies have to adopt better strategies to attract more customers but also, adopt

better strategies to providing better service to the existing customers.

- Private life insurance companies should adopt effective promotional strategies to increase the awareness level among the consumers.
- Life insurance companies should ask for their consumer feedback to know whether the consumers are really satisfied or dissatisfied with the service and product of the companies. If they are dissatisfied, then the reasons for dissatisfaction should be found out and should be corrected in future.

Recommendation for future research

Future studies should consider expanding the scope of the study especially, the number of insurance companies to make the findings generalizable. The instrument used (questionnaire) in this research to collect the data is a very common research instrument. Other methods could have been used for this study, e.g focused group discussions/discussion forum etc.

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