

ASPECTS INFLUENCING PERSONAL LIFE AND HEALTH INSURANCE PURCHASE

Steve Matthew Sanjaya^{1*}, Tuntun Salamatus Zen²

School of Business and Management, Bandung Institute of Technology, Indonesia^{1,2}
steve_matthew@sbm-itb.ac.id¹, tuntun@sbm-itb.ac.id²

ABSTRACT

The study aims to identify the factors that influence the purchase decision of life & health insurance in Indonesia and determine how those factors influence. The method used in this study is qualitative method with semi-structured interviews. A total of 17 respondents were interviewed from insurance customers, non-insurance customers, and insurance agents in Bandung City. The result of this study indicates that demographic factors such as income level, assets, educational background, financial dependency, and health status directly influence life & health insurance purchase decisions. Insurance product benefits, price, trust in insurance companies, trust in insurance agents, and perceived value insurance were found to influence life & health purchase decisions too directly. Additionally, multiple factors were found to influence insurance trust. These factors include the insurance company brand, selling practices used by insurance agents, perceived service quality of insurance, and insurance literacy. Furthermore, insurance perceived value was also influenced by other factors such as insurance literacy, culture, and environment. Above all aspects, the insurance agents have direct control over the selling practices, service quality, and insurance literacy that someone experience. This study also proved that insurance agents were responsible for the insurance industry's bad reputation in Indonesia. This result will equip insurance agents to know their customers better and adjust their selling practices to suit potential customers. Insurance agents are also strictly prohibited from mis-selling insurance products.

Keywords: *Insurance; Service Quality; Perceived Value; Trust; Insurance Purchase Decision*

INTRODUCTION

One of the most crucial aspects of personal financial planning to take into account is insurance, particularly health and life insurance. The best and quickest approach to set aside emergency funds to cover considerable costs in the event of disasters is through personal insurance. Life insurance can protect against an early demise and help the family left behind to make up for lost income. Health insurance can assist in paying hospital bills, protecting us from incurring catastrophic hospital costs. While you cannot work, a disability can safeguard and replace your income (Billingsley et al., 2017). Several types of personal insurance are life insurance, total and permanent disability (TPD), income protection (IP), and critical illness covers, sometimes called trauma cover.

Studies revealed that insurance plays a crucial role in fostering economic progress, led that particularly in economically developed nations with high GDP per capita, like the United States, Great Britain, Japan, Germany, France, and Sc progress. It is further corroborated by the fact that insurance penetration is low in nations with low GDP per capita (Musurmanovich, 2020). In addition, insurance is a sector of the economy that boosts savings rates, lowers the amount saved for unnecessary precautions, and turns idle capital into active capital by reducing the level of risk that individuals and businesses in various economic sectors are exposed to (Kajwang, 2020).

The insurance market in Indonesia has been expanding quickly; from 2000 to 2007, gross written premiums climbed by almost 26% year, and from 2007 to 2013, they increased by over 16% annually (Agrawal et al., 2016). Additionally, a KPMG analysis found that Indonesia's insurance market is one of the most attractive growing markets in the Asia Pacific due to the country's large population, market size, and low entry barrier. Insurtech, a new approach to using technology to improve the efficiency of the insurance industry further, has also started gaining traction. The main forces driving Indonesia's insurance industry's digital transformation include the nation's high internet penetration (KPMG, 2022).

However, Indonesia's number is falling behind other countries based on two insurance indicators: insurance penetration and insurance density. According to OECD, 2022, Indonesia's insurance penetration in 2021 is at 1.6%, much lower than the global average of insurance penetration of 6.8%. Even compared to neighboring countries in ASEAN and APAC like Singapore, Japan, Malaysia, Philippines, and Vietnam which ratios are 9.3%, 8.3%, 5.3%, 2%, and 2.3%, respectively (Atlas Magazine, 2022). Indonesia's insurance penetration number is one of the lowest among ASEAN countries.

Other indicators like insurance density compare the insurance premium to the total population. The figures also did not differ much from the insurance penetration. Indonesia's number is still the lowest among other countries in Asia. Indonesia's insurance density is the lowest in emerging insurance markets, with an insurance density of USD 70 in 2022. Other neighboring countries within ASEAN, like the Philippines and Vietnam, have higher figures with USD 72 and USD 95, respectively. Malaysia and Thailand have significantly higher insurance densities at 395 and 601 USD. India also has a higher number, with 91 USD. Indonesia's insurance density is also far behind developed countries such as Singapore and Korea, which are at 8304 and 3832 USD.

Several studies show that income can influence and impact the purchase decision and insurance penetration (Bah & Abila, 2022; Bhatia et al., 2013; Sen & Madheswaran, 2013). So we can compare the GDP per capita, one of the income indicators, to the insurance density to get a ratio. The result is that Indonesia has the lowest GDP Per Capita to Insurance Density ratio. It means that people were more reluctant to spend their money to buy Insurance in Indonesia.

The common-sense approach is to promote more insurance selling, however, the overall insurance industry in Indonesia had a bad reputation, primarily because of the common practice of mis-selling in Wulandari et al., (2023)-one of the issues of Health and Life Insurance in Indonesia regarding unit-linked products. Unit-linked life insurance is “the application of unit trust principles to the ‘savings element’ of each premium paid and the application of insurance principles to the remaining ‘insurance element’ only” (Melville, 1970). It is an insurance contract associated with investments *or Produk Asuransi yang Dikaitkan Dengan Investasi* (PAYDI) in Indonesian. On the application of selling unit-linked insurance, the focus often shifted to the investments part of the contract, and in reality, the interest is not as great as expected; even if the Insurance Acquisition costs are deducted, it can lead to losses, rather than profits and in the end, harm the customer if the customer did not aware in Harjo, (2020).

However, this is not the only reason why insurance penetration and density in Indonesia is low. Research suggests that also lack of financial literacy, insurance awareness, and also demographic factors can influence the purchase decision of life insurance (Everlin & Dahlan, 2020; Kang'ethe, 2019; Kansra & Gill, 2016; Sen & Madheswaran, 2013; Weedige et al., 2019). The novelty of this research is finding out the aspects and influencing people to buy personal health and life insurance in Indonesia, where there are many frauds and scams happening. This research also looks at how those factors influence the buying decision of insurance. Understanding these factors can help insurance marketers adjust how they sell so that potential customers can be more interested and ultimately increase insurance sales.

RESEARCH METHOD

This research will be conducted from the point of view of interpretivism. This point of view emphasizes how people think and see the world according to its sociocultural background; the researcher will also actively participate in the study since it is essential to develop a comprehensive understanding of the participant, as well as their behaviors, thoughts, and meaning (Phair & Warren, 2021). In addition to that, the inductive approach will fit the topics of this research regarding insurance, as there is not much research conducted in the field of insurance buying behaviors and the phenomenon behind the low number of insurance indicators. This research will then create new theories on why those phenomena happened.

In answering the research question in this study, the author needs to formulate what aspects influence the decision-making of buying insurance. The qualitative method is applied to this study to gain in-depth comprehension to ensure that the real root cause of the issue can be found. The qualitative method is also appropriate as it generally was associated with an interpretive philosophy (Denzin and Lincoln, 2011, as cited in Saunders et al., 2016). The strategy used in this study is action research, as this method will seek insight that will directly benefit the respondent in the sample (Phair & Warren, 2021). The benefits that this study can offer the respondent is with the study's insights. Insurance marketers and organizations that sell it can adjust their way of selling. They ultimately will increase insurance sales and also hugely benefit the insured if health and life risks happen, in a way giving back to the community.

The type of action research used in this research is Participatory Action Research (PAR). This type of action research is suitable because the characteristic of this research is in line with the attributes of PAR, according to (Kindon et al., 2009). This research seeks to alter selling practices used by insurance marketers, viewing the participant as capable objects as the informants in this research is the source of data. This research also deals with real-life issues regarding insurance dissatisfaction. This research also studies the local values and beliefs regarding insurance and also incorporates the participant in formulating the results based on the experience the local community has regarding insurance. By doing this, this research can create new insights regarding insurance selling practice activity. This research was done in a cross-sectional time horizon because this was done as a requirement to graduate and was done in the period of April – July 2023, which was not a long time. However, the observation of the insurance phenomenon started in July 2020, but the author has not gathered any proof of data.

The method of data collection in this research is semi-structured interviews. Semi-structured interview type is used because it provides guidance for the author on what to ask the informant, but also, at the same time, the method provides flexibility in using spontaneous questions to explore more, deepen understanding, and clarify answers to questions (Wilson, 2014). In collecting the data, there are guidelines on the fundamental questions to ask, the themes of the interviews, and the problems discussed in the conversation to achieve the goals of the interviews that are already predetermined. This preparation aligns with the planning and development process of the semi-structured interview by Wilson (2014).

All of the informants in this research were based in Bandung with various demographic backgrounds. The demographic backgrounds ranged from high school to master graduate working in various occupations such as bank employee, entrepreneur, lecturer, and insurance agents to provide holistic data. The interview was done with insurance customers and people who have not bought insurance to understand why they bought or have not. During the interviews, the author recorded all the conversations and transcribed them word by word.

To analyze the data, inductive analysis is used to reduce the extensive data into a brief, summary format and then construct a model from it. Inductive analysis is the method where concepts, themes, or a model are derived from comprehensive raw data readings by an evaluator or researcher, who then interprets the data (Thomas, 2006). To help process the data, inductive coding will be used by reading all of the interview's transcript and then segments it into the upper and lower level categories, then continuously revising it until the data produces new points of view.

To validate the data, triangulation is used to achieve validity and reliability. Triangulation is defined as a validation procedure in which the researcher establishes themes or categories by searching for convergence among multiple and different sources of information (Creswell & Miller, 200 as cited in Golashani, 2003). In this research, the data triangulation will be done by combining the results from multiple informants and validating some of the information from an

informant with other informants and, lastly, validating the data again with an expert insurance agent with more than seven years of experience and previous literature discussing the same topics.

RESULT AND DISCUSSION

From interviews with 17 informants from various backgrounds, the author formulates multiple aspects influencing insurance purchase decisions. The author found four aspects directly influencing insurance purchase decisions: trust, perceived value, demographic aspects, the insurance product itself, and other reasons, such as existing insurance policies.

Trust

The first aspect influencing insurance purchase decisions is trust. Trust plays a significant role when deciding whether to buy health and life insurance. Conversely, many customers did not want insurance because they had trust issues with the company or the agent's representation. This hindered them from doing so, or they even decided to lapse their insurance. This is because people who believe in the credibility of agents and insurance companies to deliver on their promises will be more likely to buy insurance—the author also three parts of trust that influence purchase decisions. The three components of this trust factor are trust in the insurance firm, the insurance agent, and the regulatory framework.

Because it has to do with a person's confidence that their insurance claim will be paid, a person's trust in an insurance business has a direct impact. Therefore, an insurance company's capacity to settle disputes for its clients establishes trust. Trust in insurance agents is equally important, if not more so. Since an agency is the most frequent way to sell insurance in Indonesia, the majority of customers who purchase life and health insurance do so from an agent or marketer. According to AAJI, reported in (Fatmah, 2017), bancassurance accounted for 35% of insurance sales in 2015, followed by insurance distribution through agencies or insurance brokers at roughly 44%. Even those who purchase insurance through a bank (bancassurance) will have a dedicated PIC who manages their needs for insurance within the bank. Because insurance products and policy contracts are complicated, customers frequently need the assistance of agents who understand them better to ensure that their claims can be paid. This highlights the importance of customer trust in agents and marketers. If the claim is initially refused, the agent may typically assist in planning for the claim to be paid. To try to get the claim settled, the agent looks for gaps in the law. In this manner, the client feels confident that their insurance will cover the expense of their medical care. In this way, confidence in the insurance agent is one of the significant factors that might influence a person's decision to buy insurance. A person is more likely to choose not to get insurance if they feel uneasy that their insurance needs will be met once they do so if the agent they were approached by cannot be trusted.

The last aspect of trust aspects is the regulatory environment. The one in charge of regulating the insurance industry in Indonesia is Otoritas Jasa Keuangan (OJK). This aspect of trust can influence insurance purchase decisions as the regulatory environment is a last resort for customers to rely on if there is a problem with their insurance. Someone who has faith in their ability to obtain the advantages offered by the insurance policy will feel secure buying insurance since they have trusted OJK to safeguard their interests. They can be sure they are not being duped if OJK monitors the insurance firm.

Factors Influencing Trust

In addition to the trust factor, there are also other factors that influence trust. The author identified four factors influencing trust in insurance: Selling Practice, Service Quality, insurance literacy, and the insurance company itself.

The first is regarding selling practice, which refers to the technique used in promoting insurance. A prospective client's perception of an agent may be impacted by overly direct and abrupt approaches, particularly if the prospective client has not encountered the agent in a while. Customers can also preemptively close their minds to hearing what the agent says. This behavior will prevent them from trusting insurance and lead them not to purchase it. The said agent will lose the trust of potential customers if they suddenly become clingy and close before beginning to sell insurance. Marketers cannot be viewed as someone whose duty it is to compel and harass consumers into making purchases. The buyer may experience trauma as a result, which will affect their trust in insurance marketing, especially when approached by insurance salesmen. This type of behavior might cause a person to close himself off because he feels uncomfortable being pressured to buy a product repeatedly. Pushy selling practices that constantly referred to the customer to sign and buy the insurance as fast as possible also impacted negatively as they will create a 'wall' first to self-defense. It is always safer to say no than say yes and take risks. This selling practice can cancel out all the interest and the customer's enthusiasm that the agent has built.

The second aspect that influences trust is service quality. Service Quality refers to the amount of satisfaction and competence experienced by customers as a result of the service offered by a firm (Ramya et al., 2019). In the case of insurance, it is the previous service quality experience in owning insurance. There was a case with one of the informants where the investment value in his insurance policy did not meet his expectations. This specific case led to trauma that made him did not trust insurance anymore.

The next aspect affecting trust is regarding insurance literacy. Insurance literacy refers to knowing the fundamental concept of insurance and well understood the insurance products one is considering, what the insurance policy covers, and the ability to apply said knowledge and understanding to make insurance decisions that are in line with the anticipated risk (Lin et al., 2019). Someone with good insurance literacy will know why there is an issue in someone's insurance policy or the reason insurance didn't pay someone's claim and therefore didn't affect the trust to insurance.

The last aspect influencing trust is the insurance company itself. An insurance company with bigger brands originating from outside Indonesia was found to be more trustworthy. They believe that big brands, specifically the ones that are multinational, are more reliable. The informant will also feel safer if the company has been around for a long time; he will be more confident that the company will exist longer in the future. They believe that big brands, specifically the ones that are multinational, are more reliable. The informant will also feel safer if the company has been around for a long time. He will be more confident that the company will exist longer in the future.

Perceived Value

The concept of insurance perceived value pertains to the subjective evaluation made by customers regarding the benefits and usefulness of an insurance product or service. If an individual comprehends the significance of insurance, which is to establish a contingency fund for an unforeseeable event in terms of timing and cost, as well as the potential consequences of lacking insurance coverage, it will have a favorable influence on their decision-making process regarding the acquisition of insurance. Given that perceived value is subjective, it will vary among individuals. Consequently, the author also evaluates the aspects contributing to an individual's perceived insurance value. The elements that have been identified include insurance literacy, cultural influences, and environmental factors.

From the result of the interview, insurance literacy has an influence on someone's perceived value. For instance, an individual's perception of insurance may involve the dual

purposes of providing protection and serving as a means of savings. This perspective is erroneous and may lead to the perception that the primary purpose of insurance is to facilitate financial growth. The perception of insurance as a means of generating profit is misguided and contradicts the fundamental principle of indemnity. According to this principle, insurance is designed to prevent the insured from gaining financially from a loss event. Instead, it aims to provide the insured with the necessary resources or motivation to recover and resume their work (Lin et al., 2019).

Cultural values regarding family tradition, religious beliefs, and the feeling of taboo discussing the risk of illness and death were also found to contribute to someone's perceived value. There are certain family traditions like Chinese people that were harder to trust their money to someone, especially the more conservative family. Some religious beliefs also prohibit the use of insurance. However, other people who do not have that belief can also have the same value where they just want to rely upon God instead of insurance. Someone who was still feeling taboo when discussing death and illness also will fail to get the value of insurance as their perspective of discussing those things is bad for them.

The next aspect that influences insurance's perceived value of someone is its environment. If insurance customers surround the person, the person will be more interested in buying insurance. This can also have the opposite effect; if a person's environment does not believe in insurance, that person is also unlikely to want to buy insurance. Another aspect of the environment that influences is if an individual has an insurance agent residing in their local community or within their social network, mainly if a close personal relationship exists with the insurance agent. Undoubtedly, the individual will receive an insurance offer from their acquaintance. The individual's confidence in purchasing insurance will likely increase when the provider is a familiar acquaintance whose personal history is known to them. Conversely, in the absence of familiar agents within one's area, the decision to purchase insurance may be influenced as there may be a lack of insurance agents available to cater to one's needs. However, despite the existence of informants who solely seek to purchase insurance from a familiar agent, he remains skeptical and unwilling to place his trust in the aforementioned individual. A solid familiarity with the insurance agent instills a greater sense of assurance that the agent will effectively address all insurance requirements during the coverage duration. The final aspect to consider about the influence of the environment on the perceived value of insurance is to its ability to mitigate the financial burden associated with emergency medical and death-related costs. Individuals who lack familial or close social support networks to assist with the financial burden of medical emergencies are more likely to place a higher value on insurance coverage than those with access to such assistance.

Trust is found to influence someone's perceived value too. For someone who does not trust insurance and its credibility, the insurance agents would not have a chance to educate said person on the importance and value of insurance. Even though they heard the agent, the person would not acknowledge what the agent said. Losing trustful belief in the insurance company and its product can also affect the same outcome.

Demographic

The demographic factors found to have influence are a person's level of income, how many assets he has, educational background, the number of people that depend financially on him, and also whether the person is healthy or not were found to be influencing insurance purchase decision directly.

The major aspect found to have a big influence is regarding income level. Someone with more income has more buying power to buy insurance; they also do not have to think about how they would fulfill basic necessities anymore; therefore, they would consider insurance. Someone

with more income was also exposed to more risk if they got sick and lost the ability to generate income. To maintain the same lifestyle, they will need to sell their assets. Another way that a higher level of income can positively influence is because higher income people were targeted more by insurance agents; therefore, they were offered insurance by many agents, increasing the probability of them buying insurance.

The next aspect is assets. Someone with more assets will consider insurance more as they will buy insurance for other motives, which is to protect their asset from being liquidated because of health and life risks. However, on the other hand, people with more assets can also fail to see the value of insurance since they already have many assets that can back them up when the risk happens. Therefore, their assets become their own insurance.

Education backgrounds was also found to be influential. According to the accounts provided by informants who work as agents, it is observed that a significant majority of clients they engage with tend to comprehend the importance of insurance, particularly if they have undergone education overseas. Several foreign countries are implementing a policy that requires all individuals within their borders, including international students, to possess health insurance. On the other hand, the level of education, on the other hand, does not necessarily determine one's belief in or recognition of the need for insurance. This is seen in the fact that some individuals hold a Ph.D. degree but do not subscribe to the value of insurance. The field of study pursued by an individual, such as financial planning or actuarial science, can impact their decision-making process regarding purchasing insurance.

The term "financial dependents" refers to the number of people who, in the trustee's judgment, are either entirely or partially dependent financially (Harwood, 1999) were also found to be influential. In the event of a health danger or death, financial dependents' presence can significantly impact their well-being. The possession of health and life insurance policies can mitigate the financial burden associated with medical expenses while offering a form of income protection in the event that the primary earner can no longer provide due to disability, serious illness, or untimely death. Consequently, the financial well-being of the dependents will remain unaffected as insurance coverage encompasses all relevant expenses and provides compensation to address daily living costs. However, it is plausible that individuals not in a committed relationship may opt to purchase health and life insurance policies to mitigate potential financial burdens resulting from unforeseen health complications or mortality.

The last part of the demographic that was found influential is health status. The first factor to consider is if an individual has relatives, such as parents, grandparents, or even extended family members, like aunts, uncles, or nephews, who have a documented history of disease. Additionally, if the individual has a personal history of illness, this may also influence their decision-making process when purchasing insurance. Individuals with a family history of illness or a prior medical problem are more inclined to consider purchasing insurance since they perceive an increased likelihood of falling ill.

In addition, there will be more steps in applying for insurance for someone who has a medical record. An individual may be granted insurance acceptance without any further stipulations or be admitted contingent upon excluding any pre-existing medical issues. Alternatively, there is the possibility of an increase in insurance premiums; in the worst-case scenario, the individual may be denied acceptance altogether. The offer may also lead to a confluence of elevated insurance premiums and the exclusion of pre-existing conditions. The existence of many potential offers can influence an individual's decision-making process when considering the purchase of insurance, as specific individuals may exhibit hesitancy in acquiring coverage under these novel conditions.

Insurance Product

People have different preferences in Insurance benefits, contracts, and payment requirements. Certain individuals may lack inclination towards purchasing insurance if required to make lifelong payments, leading them to opt out of acquiring insurance or allowing their current policy to lapse. However, an alternative product exists, typically in the form of a life insurance policy, which provides payment options limited to 5, 10, or 15 years. Certain individuals may exhibit a heightened level of interest in this particular product due to the assurance provided in the contractual agreement that they are only obligated to pay a predetermined insurance premium. This contrasts with other insurance products requiring monthly payments without a fixed duration.

The lack of diverse product knowledge among insurance agents or marketers, and the absence of diverse products offered by the insurance companies they represent, can impact the insurance purchasing decisions of potential customers. The potential consumer may perceive that none of the available insurance product options adequately address their demands.

Other Reasons

There are other reasons that were found to influence insurance purchase decisions. One of which is if the buyer already has insurance. The insurance can be in the form of employee benefits, from family, or from government insurance (BPJS). They were more reluctant to buy additional insurance policies because the office’s insurance already covered them. The same happened with people with insurance that their parents or family paid.

Another condition that can impact insurance buying decisions is timing. When insurance agents do offer insurance, not at the correct time, the buyer will be more reluctant to buy. For example, from the informants, one of the buyers is still in the process of financing his house, any decision-making the buyer is in the process of applying to study abroad. These types of circumstances can also affect someone’s insurance decision-making.

Gaps Model of Service Quality

A model was also found to represent the phenomena in the Insurance industry. The Gaps model of Service Quality can measure service quality in Insurance as the author found that insurance dissatisfaction resulted from unfulfilled customers’ expected service. The common gaps happened in the insurance industry is communication and customer gap.

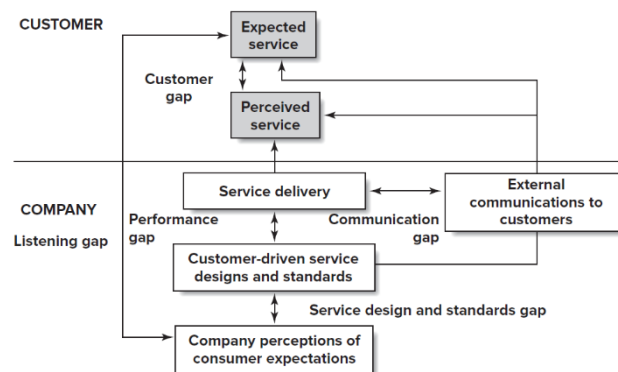


Figure 1 Gaps Model of Service Quality

This model can also explain the influence between selling practices and service quality. Incorrect selling practice that is common in insurance is mis-selling practice. The mis-selling in the insurance industry can occur when insurance agents engage in unfair selling practices, such

as providing misleading information or not disclosing essential policy details. This mis-selling practice creates a communication gap shown in the Gaps Model of Service Quality. The communication gap shows how the provision of services and the provider's external communications differ (Zeithaml et al., 2018). This happened when the insurance agents did not disclose necessary information in the policy or overpromised the benefits of the policy. The crucial essential details commonly not disclosed or overpromised are investment value, policy payment contract, and benefits.

Insurance literacies were also found to impact the service quality that someone perceives. The customer gap in the gaps model of service quality can explain this. Customer gap refers to the gap between the standards that the customer has in mind and the subjective assessment of the service experienced (Zeithaml et al., 2018). Customers' criteria are based on their current level of insurance knowledge. If an individual perceives insurance in a manner that deviates from its intended purpose, their understanding of insurance literacy is incorrect. This incorrect insurance literacy will make customer expectations higher than what the product is supposed to deliver, making the customer disappointed when they know the benefits they are getting.

CONCLUSION

This study concludes that four aspects directly influence insurance purchase decisions. The first direct factors are demographic factors, including income level, amount of assets, educational background, number of financial dependants, and the health condition of the potential insured. Another direct aspect identified is whether the insurance product suits the prospective insured; this aspect was related to the benefits, price, and payment contract. The next major direct aspect is trust. The trust aspects can be categorized into trust in the insurance company, insurance agents, and regulatory environment, which in this case is *Otoritas Jasa Keuangan* (OJK). The last aspect identified concerns the subjective perceived value of the insurance contract to the potential customer.

From the data analysis, this study also identified that four aspects influence a person's trust in insurance. Those aspects are selling practice which refers to the ways or techniques employed by salespeople to promote and sell products or services; service quality which refers to the subjective amount of satisfaction and competence experienced by customers from the service offered; insurance literacy which refers to the knowledge about insurance fundamental concepts, and the insurance company's brand reputation and company profile.

The perceived value aspect also has other factors that influence it. Insurance literacy is also found to influence perceived value, in which wrong literacy can lead to the wrong perceived value of insurance. Culture also has a role in shaping someone's insurance literacy. These cultural factors include family traditions and spiritual beliefs. The last aspect that influences perceived value is the environment surrounding the potential customer, where an environment filled with insurance agents and satisfied insurance customers can increase the probability of an insurance purchase.

Most importantly, the subject that was responsible for conducting selling practices, maintaining service quality, and shaping the right insurance literacy was insurance agents and marketers. Therefore, customers must choose the right insurance agents that were trusted and equipped with adequate insurance knowledge. Insurance agents must also take their job more professionally and continuously build their credibility and capability to serve customers. Insurance companies and OJK as regulators should establish stricter regulations in screening new insurance agents. Insurance agents can use the results of this study to equip insurance agents to understand potential insurance customers better and therefore increase the chance of selling insurance and, in the process, also fix problematic assurance policies.

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