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The Intention to Purchase Life Insurance among Working Population in Klang Valley

Amri Bin Ahmad

Unitar International University

Email: amri_ahmad@unitar.my

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Abstract

Insurance is a contract represented by a policy between two parties, an insurance company, and the policyholder. Life and general insurance are the two most common insurance offered in the market. Life insurances provide a lump sum in the event of death or permanent disabilities. Meanwhile, general insurance offered protection for non-life coverage, such as medical insurance, home insurance, motor insurance, etc. This study aims to discuss the life insurance purchase intention from the working population that resides in Klang Valley, Malaysia. The researchers conducted an online questionnaire survey and performed quantitative research analysis using Statistical Product and Service Solutions (SPSS) to determine the relationship between independent and dependent variables. This research found that only three independent variables, namely financial literacy, saving motives, and income, significantly correlate with a life insurance purchase. The study also found that the hypotheses of financial satisfaction and product knowledge are unsupported in predicting the purchase intention of life insurance. Nevertheless, the researchers strongly recommend this study to be a reference for government, regulatory bodies, financial institutions, and educators to use in their endeavor to provide financial education for the public and their customers in Malaysia. Besides that, the insurance company shall use this information from this research to tackle half of the survey respondents that do not currently own life insurance.

Keywords: Life Insurance, Purchase Intention, Financial Literacy, Saving Motives, Income

Introduction

Overview of Study

Insurance is a protection contract binding between two parties, an insurance company, and a policyholder. It is an assurance that people purchase to protect themselves, their assets, or their loved ones in case of an unfortunate or unforeseen event .

Many unfortunate events happened in this rapidly changing world. For example, the impact of the ongoing COVID-19 pandemic had and still is causing many to fall ill, lose employment, business bankrupt, and many more. Hence, it is to provide financial security for the policyholder in such undesirable or unexpected situations.

Background of Study

The Insurance plan is commonly categorized into life and general insurance. According to , there are 15 Takaful operators and 35 insurance providers in Malaysia. The entities like AIA, Prudential, Etiqa, MSIC and Great Eastern are just a few.

Life insurance, as straightforward as it sounds, is to protect the policyholder's life. It pays a lump sum to the insured client if related harms such as death or disability happen to the person insured. The two main types of life insurance are term and whole life insurance. It represents the protection timeframe of the policyholder. Depending on the insurance provider, term life insurance can be as short as five, ten, thirty, or more years and the policyholder has the choice to renew them before it expires to prolong their protection. On the other hand, the coverage for whole life insurance covers the entire lifetime of the policyholder and will only expire when the policyholder passes away.

Life insurance is commonly offered in two types of plans, conventional and investment-linked plans. While both types of plans offer insurance protection, it differs by how the insurance funds are managed. Policyholders looking for zero risk protection can opt for a conventional plan which sometimes includes savings benefits like interest to be paid at the end of the policy period. Unlike conventional plans where investment risks are purely borne by the insurance company, policyholders can choose an investment-linked insurance plan, which depending on the investment funds they choose, could offer higher returns at the end of their term. That being said, if the investment turns out to be a loss, the policyholder will be directly impacted. General insurance is the protection offered that is non-life insurance. Examples of general insurance include but are not limited to medical insurance, which protects the insured person's health in case of the need for hospitalization or surgical expenses. A critically ill insured person will be paid a lump sum when diagnosed with critical diseases such as stroke, cancer, heart attack. Property insurance covers damages caused to the insured property. Motor insurance would cover the cost incurred to repair the insured vehicle in an accident; Savings and investment plans will protect clients and help them build their savings to achieve their short or long-term goals . Regardless of any insurance type purchase, they work the same way, where an individual pays a premium to the insurance agent in return for protection cover during a certain set period . Life is not predictable; while products like life insurance exist to protect us, many individuals still resist purchasing insurance coverage. Some often believe the odds of an unforeseen situation happening to them are very low and do not think such investments are worth it and would rather spend the money to buy something else. On the other hand, others might think that the premiums paid are relatively small in exchange for the peace of mind they received compared to the situation when something unfortunate happens .

According to , life insurance has an annual demand growth rate of 5.38% from 2020 to 2025. Although demand for insurance is still rising, consumer spending was hampered by the economic slowdown and anxiety brought on by the COVID-19 outbreak, which impacted the life insurance industry. As a result, the life insurance sector only grew by 4% in 2020, compared to a 9% growth in 2019.

Besides the macroeconomic factor, this research aims to study the intention to purchase life insurance among the working population residing in Klang Valley, Malaysia. This includes full

time and part-time employees, business owners, gig workers like freelancers, contract or temporary workers in Selangor, Kuala Lumpur, or Putrajaya. The researchers will be assessing the relationship between financial literacy, financial satisfaction, saving motives, product knowledge, and income to the intention to purchase life insurance.

Problem Statement

The notion of financial investment has promoted demand for life insurance such as health and medical plan purchases, especially in the rapidly aging population landscape like Malaysia. Nevertheless, in today's context, the bolster of demand is not only among retirees but also among the younger generation

According to , for countries under the Organization for Economic Co-operation and Development (OECD), every 1% increase in life insurance premiums translates to 0.06% real gross domestic product (GDP) and every 1% increase in total insurance penetration led to a 4.8% increase in economic growth per year. Malaysia is part of OECD countries, similar GDP – Insurance growth index can be applied for Malaysia.

The compound annual growth rate (CAGR) for the Malaysian insurance market was only 0.4% increase between 2015 and 2019. With the recent COVID-19 pandemic, the direct premiums contracted by 3.6% (RM 8.65 billion loss). The GDP growth is directly impacting the growth of insurance, and even though there was a decline, it managed to recover to a loss of -1.2% after the last three quarters of 2020. Yet, Malaysia’s insurance sector has consistently fallen short of other ASEAN countries' average .

Theoretically, the purchase of insurance is determined by many factors. There are two foreign direct investment factors. The first one is about traditional economic determinants that comprise income level, education level, life expectancy, and even the number of dependents. The second one is associated with a country's socio-cultural environment, such as income expectancy, economic climax, quality of living, etc. The determinants and their effects that influence the population to purchase insurance can be varied from one country to another.
Both psychographic and demographic factors, including gender, age, location, education level, and income level, have a significant relation with insurance ownership. Also, financial market conditions and performance of alternative investments were significantly responsible for short-term demand impacting the sentimental demand for insurance.

Past research shows that determinants - financial literacy, financial satisfaction, saving motives, product knowledge, and income level significantly impact Malaysian intention to purchase any insurance .

Therefore, additional research is necessary to test the relationship between various variables and their effects on purchasing life insurance. This research will focus on the relationship of financial literacy, financial satisfaction, saving motives, product knowledge, and income with the intention of Life Insurance purchase, targeting the working population in Klang Valley, Malaysia.

Research Questions

The research questions are as follows:

- What is the relationship between financial literacy and the intention to purchase life insurance among the working population in Klang valley?
- What is the relationship between financial satisfaction and the intention to purchase life insurance among the working population in Klang valley?
- What is the relationship between saving motives and the intention to purchase life insurance among the working population in Klang valley?
- What is the relationship between product knowledge and the intention to purchase life insurance among the working population in Klang valley?
- What is the relationship between income and the intention to purchase life insurance among the working population in Klang valley?

Research Objectives

The researchers will study the push factors of the working population to buy insurance by assessing the relationship between financial literacy, financial satisfaction, saving motives, product knowledge, and income to the intention to purchase life insurance from the working population in Klang Valley.

Significance of the Study

This study's findings will benefit individuals, insurance companies, and society, considering Malaysia's economic growth is closely tied to insurance penetration.

There is a significant relationship between financial literacy, financial satisfaction, saving motives, product knowledge, and income to purchase life insurance. Since the study targets the working population in the country's highest business activities area - Klang Valley, the study outcome should almost or at least come close to representing all population viewpoints in Malaysia.

With COVID-19 pandemic disruption and the current economic downturn, Malaysians should pay more attention to insurance policies these days, especially insurance products that can protect their families, properties, and themselves. The purchase of life insurance often brings benefits for all respective stakeholders.

Customer – Supporting individuals to understand the importance of insurance in restoring their financial position when an unexpected event happens. Insurance protects individuals and families by restoring their financial condition partially or in whole after a loss occurs due to unforeseen circumstances so that they can maintain their financial security. It safeguards the financial position of the insured and their dependents and, at the same time, helps to reduce financial worry and fear.

Insurance Company – Help assess the life insurance demand so that their products and services can be improved and later improve its revenue. Customer service effectiveness always guarantees the improvement and establishment of company performance; therefore, the company should invest and constantly achieve operational excellence. Besides that, insurance product prices must be reasonable and affordable to all levels of the population. The insurance products should be designed to cater to as many different grouping customer needs.

Government – Supporting the country's safety and social security practice framework so that government and regulatory bodies such as Bank Negara Malaysia, and Kementerian Kewangan Malaysia, can determine suitable policies to improve the overall quality of life of Malaysians and provide guidelines to govern the insurance industry.

For example, under the Employees' Social Security Act 1969 and the Employees' Social Security (General) Regulations 1971, every employee must enroll in a social security protection scheme. Social Security Organization (SOCSO) is an employment injury scheme and the invalidity scheme provided by Pertubuhan Keselamatan Sosial (PERKESO) to protect employees and dependents. The notion of SOCSO Social Security Protection is based on joint responsibility through the pooling of resources, sharing of risk, and replacement of income. It forms a basis to be fulfilled as agreed upon in the International Labor Organization (ILO) Convention 1952, namely, Convention 102: Minimum Standards for Social Security.

Definition of Terms

The definition of insurance was first discussed during 1963 when the startup of the insurance business was officially regulated. The generic conception was defined and called for a general scheme to distribute loss or for an application of the law of large numbers, but a legal definition can encompass even a single isolated transaction . From the viewpoint of the insured, the primary emphasis is on risk transfer, the promise of payment by the insurer, and the premium payment by the insured.

According to , the Commission on Insurance Terminology of the American Risk and Insurance Association defined insurance as transferring the possibility of losses to an insurance company that agrees to indemnify losses by providing monetary benefits to its policyholders when an unfortunate situation happens. On the other hand, the Malaysia Institute of Insurance defined insurance as the possibility of an event that brings undesirable consequences or risks. The definition is aligned with the Financial Services Act 2013. Nevertheless, the public understands that insurance is a risk transfer mechanism with paying a small, predictable amount of money (premium) to the insurance company to protect against an enormous unpredictable expense (loss/claim).

The theory of planned behavior identifies the influences that predict and change behaviors, where a person's attitudes, beliefs about whether individuals who are essential to them approve or disapprove of the behavior, and perceived control over performing the behavior influence the behavioral intention.

The term attitude refers to the degree of the favorable or unfavorable judgment of behavior. It encompasses attribute dimensions such as "important" and "not important," "damaging" and "helpful," and "pleasant" and "unpleasant," and "unpleasant" and "pleasant" and "unpleasant." .

Subjective norms pertain to the sensation of being in control or having confidence in doing a behavior. In contrast, perceived behavioral control refers to the sense of being in control or having faith in executing a behavior. Generally, the more positive an individual's moods, the higher their social expectations are, and the more in control they feel about completing a behavior, the more likely they will do so .

Nazahah & Sutina, (2012) utilized the theory of planned behavior to measure customers' desire to purchase, consume, and accept insurance products within the insurance industry. In a nutshell, buying insurance is the planned behavior of an individual's need and requirement in purchasing risk mitigation. It is a risk planning tool offered by insurers to replace their risks in life-related to finances and make their lives easier

Chapter Summary

This chapter provides the overview and background of the research on intention to purchase life insurance. The researchers identified the problem and significance of the study that will be discussed in the coming chapters

Literature Review

Introduction

The literature review focuses on the past research performed on all the variables used in this research. They are financial literacy, saving motives, financial satisfaction, income, product knowledge, and the intention to purchase life insurance.

The chapter is divided into six sections, focusing on underpinning theory, the review of independent and dependent variables, the conceptual framework, and hypothesis development.

Underpinning Theory

A theory widely used to examine the motivation of individuals' intention and behavior is the theory of planned behavior (TPB). It is the most popular theoretical framework to explain determinants and antecedents of purchase intention. For this reason, this theoretical framework was adopted in this study.

The TPB, proposed by Ajzen (1985), is a social cognitive model used in social psychology to explain the complexity of human behavior in terms of rational decision-making. This theory believes that an individual's intention is the most suitable predictive variable to explain behavior.

Ajzen (1985) 's theory of planned behavior is widely utilized as a model for predicting behavioral intentions . The theory predicts customer purpose and behavior and how the customers' behavioral attempts to change are made.

The idea focuses on deciphering individual voluntary behavior by examining the motivation for the action taken. The focus of the study is on the intentions to purchase life insurance. The aim and the result of that behavior will lead to a specific consequence. The independent variable determinants are all voluntary actions that the individual chooses to conduct.

According to the theory of reasoned action, stronger intentions lead to more efforts to do the behavior and directly improve the likelihood of the behavior being accomplished. People's norms and attitudes are the primary motivators for the theory of reasoned action. Researchers will learn more about whether someone will undertake the targeted activity by researching attitudes and subjective norms.

Review on Independent Variables

Financial Literacy

Overview of Financial Literacy

Financial knowledge and investment play a critical role in financial planning, particularly when looking for alternate security and asset creation sources, such as purchasing insurance. An individual with a higher level of investment literacy will have a more secure future in the event of a disaster, primarily when it affects financial spending because most people do not acquire knowledge when birth. They are free to seek financial guidance from a professional and act on it.

Without sufficient insurance knowledge and financial decision-making abilities, individuals may find themselves in a financial crisis at a critical time. As a result, there is a link between financial awareness and the desire to buy insurance.

Definition of Financial Literacy

According to Lusardi & Mitchell (2014), financial awareness and investment refer to a consumer's ability to effectively manage their connected financial difficulties and make outstanding investment decisions. Financial knowledge is typically defined as a consumer's competencies in effectively managing financial concerns.

Past Research on Financial Literacy

The strategy of protection and investment executed to establish an individual's portfolio for financial backup is one of the primary modules of a financial choice. It is the part of the financial backup that begins with setting a defined goal. These objectives include determining the annual earnings required for insurance and considering the individual's desire to have financial backup and protection. Second, a person seeks out sources of income that will assist them in meeting their financial obligations in an emergency, such as insurance. It will aid them in determining the portfolio's scope to support the financial backstop.

Financial knowledge is typically defined as a particular type of consumer competency in effectively managing connected financial concerns. According to previous research, many have low financial understanding, and this problem is linked to a lack of financial foresight and insufficient retirement savings. Insurance product knowledge, product awareness, and insurance company’s reputation are the most crucial factors affecting ones’ insurance purchasing intention . Similarly, Lajuni, et al. (2020) found that consumers’ knowledge was able to impact their insurance purchase decision. Deciding for financial-related matters required a lot of knowledge, as many Malaysians found they do not understand the terms and conditions of insurance policies, which resulted in many nonchalantly denied insurance protection .

Individuals must constantly choose between living a lavish life, spending money on enjoyable activities, and conserving money to ensure a safe financial future. As a result, self-control and basic financial literacy are essential topics to consider while making financial decisions and planning for acquiring insurance .

Financial behaviors taught during childhood may help individuals manage their financial situations. Children and teenagers' financial socialization may come from schools, peers, the

media, or family. Parents with money management abilities are also able to influence their children's financial investment behavior. According to the studies by Kimiyaghalan & Yap (2017), the country should re-look into the education system to provide adequate financial education for the young ones. Additionally, individuals aged 30 years old and above are also a suitable target group for financial education because the majority usually work and have a family at the same time. This helps improve their financial well-being and plan better for retirement.

Financial Satisfaction

Overview of Financial Satisfaction

In Malaysia, most of the population earn their income through employment full-time or part-time, running a business, providing services in exchange for money, and through investments. Regardless of the methods, money is essential and is needed to sustain one's needs and wants.

Since income forms a big part of the financial satisfaction equation, many past researchers often proposed methods to increase household income levels, targeting those lower-income groups. In Malaysia, household income has been classified into three categories: the B40, M40, and T20. Reference to the Department of Statistics Malaysia (2020), the B40 group earns the lowest income range, and they are made up of 40% of the total household in the country. This household earned below RM 4,850.00 monthly in 2020.

It is crucial that policymakers continuously review and revise the requirement of minimum wages from time to time. This will help increase the population's financial satisfaction, especially the lower-income group . The proposal by Koay was consistent with Lee, et. al. (2017) which suggested that policy makers raise the minimum wages requirement. Another suggestion also suggested by Koay, et. al. (2020), the government should increase the subsidies and continue to impose price controls on necessary goods such as rice, sugar, salt, flour, and cooking oil.

Definition of Financial Satisfaction

According to the Cambridge dictionary, financial is defined as “relating to money or the way money is managed,” and satisfaction is defined as “a pleasant feeling that you get when you receive something you wanted, or when you have done things that you wanted to do.”. Hence, financial satisfaction is defined as the pleasant feeling when money is being appropriately managed.

According to Lee, et al. (2017), financial satisfaction is a subjective opinion heavily influenced by personal attitudes and beliefs. This means that one may be satisfied but not the other, although both have the same wealth.

Past Research on Financial Satisfaction

The past studies on financial satisfaction had shown significant associations with financial literacy, household income level, household financial situation, savings, debts, the country taxation system, demographic, food security, and association with general insurance.

Household income is defined as the source of money that every family member brings home through salaried employment, investments, property appreciation gains, or running a business . The income level is strongly associated with financial satisfaction, and financial satisfaction increases according to the amount of money one makes . Koay suggested that with more money, social status and satisfaction will improve. These improvements are through living a better life with property ownership, premium cars, or luxurious holidays. Another study, Lee, et. al. (2017) also confirmed that financial satisfaction increases according to the amount of income a household makes due to living a better life after paying their expenses and saving some money for the future.

After deduction, savings are from the income of all spending to pay for expenses, mortgage, borrowing, and bills. . Lee mentioned that savings play a significant role in financial satisfaction because it helps assist unforeseen life events such as hospitalization and a worry-less retirement. Hence, it was suggested that the Malaysian government should implement policies to promote savings. These suggestions are consistent with Koay, et. al. (2020) which proposed that policymakers implement policies to encourage saving. A classic example of savings is through the purchase of general insurance.

Wangmo (2019) stated that financial satisfaction was identified as one crucial factor that led a person to buy general insurance. General insurance is seen as a form of savings that provides financial satisfaction .

Besides income level, the household financial situation is also linked to financial satisfaction. Koay, et. al. (2020) defined a household situation as how the entire family behaves financially in their daily lives, such as cash management, investments, credits, and saving.

The researcher confirmed that a household with savings for emergency funds would be more financially satisfied than those who spent all their household income without saving. Food security or basic needs that are required to live life also connect closely with financial satisfaction. When a household has sufficient money for basic needs, it tends to be happier and financially satisfied .

The researcher has researched the taxation system to examine its linkage to financial satisfaction. To balance the differences among different income level groups, the government implements tax policies that will transfer the wealth of the rich to the poor . Koay argued that transferring wealth to the poor may increase one's financial satisfaction because there are few past studies relating the progressive tax system to personal financial satisfaction. Also, the researchers proved that transferring wealth through the progressive tax system did not increase financial satisfaction among Malaysians. Still, it was seen as an unfairness because the hard work was not recognized and appreciated. However, similar research by Lee, et. al. (2017) shows that implementing Earned Income Tax Credit (EITC), a tax credit refund program for the lower-income group, could increase financial satisfaction.

From financial satisfaction to financial literacy, Rahayu et. al., (2018) confirmed that individuals with more excellent financial knowledge would reap better financial satisfaction. With sufficient knowledge of finance, they can manage finance better and improve their quality of life. Siti Nasuha & Fadilah, (2017) mentioned in their research that financial

satisfaction could be influenced by other factors such as financial solvency, education level, or marital status.

The demographic variables significantly impact financial satisfaction. Most households in Malaysia have dual incomes where husband and wife are working, compared to singles, which will have a better financial situation that links to their financial satisfaction (Koay, et. al., 2020). Koay mentioned that the age and gender factors did not add to the probability of being financially satisfied for individuals working in the public sector. However, according to Lee, et al. (2017), financial satisfaction increases along with people's age. This satisfaction came from the increase in assets and decrease in liabilities (an increase in savings and a decrease in debts). Lee, et. al. (2017) conceptualizes that older people have lower aspirations as they age or be wiser in handling finance. It was reported that the elderly spend within their means and are financially capable of buying with cash instead of credit. Besides that, they are also in the position of having lesser financial obligations and translating those extra monies into savings. On the other hand, the young are more exposed to debt, with many unable to finance their aspirations with the amount of money they make during the initial stages of life (Lee, et. al., 2017). Rahayu, et. al., (2018) also stated that younger employees need educational support about debt management to avoid bankruptcy situations. Moreover, younger employees should plan and manage their finances better as soon as possible because other commitments will surface as they journey through life.

Meanwhile, Lee, et. al. (2017) convey that the government should tighten the bank lending requirements, for example, revisit the credit cards approval criteria for younger age groups. From their study, it shows that the majority from the age 35 and below are high debts. Therefore, intervention is required before such social issues become a burden to the country system.

And, for gender, Rahayu, et. al. (2018) explained that gender will influence financial satisfaction. It is found that males are more financially satisfied because, generally, males are more financially literate.
Interestingly, Malaysian employed are found to have a higher level of financial satisfaction than those that are not (Lee, et. al., 2017). This could have resulted from money generated for employed people able to buy off their needs and wants.

Saving Motives

Overview of Saving Motives

Savings are the amount of money a person has left after deducting their monthly expenses. It could be cash in the house, bank, or other official schemes. Saving motives are the reason or the cause a person saves. The reasons are highly dependent on the individuals and the stages of life these individuals are currently in. They could include but are not limited to emergencies, property, land or vehicle purchases, education for themselves or their children, retirement, vacation, debt management, and many others. It is often advisable to allocate enough emergency money in a safe and high-liquidity place, while any additional money should be invested in various high-yield portfolios. Therefore, savings and investment of money are closely related and should not be treated separately. Better yet, investments could be viewed as just another way to diversify and park money, so they will grow and beat inflation for a better future .

According to the Department of Statistics Malaysia DOSM (2021), Malaysia's inflation rate rose 1.7% year-on-year in March 2021, which means monies a person has that is not invested with a return yield was higher than the average inflation rate and is ultimately losing value. Therefore, everyone needs to take charge of their wealth, be educated, and manage their finances well, so money can grow to achieve saving goals.

Some believe that investments are only for the rich. With others who think that they do not have any balance left to save, let alone invest. According to HSBC's Investment Insights Centre HSBC (2021), it is believed to be a myth while often offering a misconception about financial investment and the lack of financial education among the public. If investments are only for the rich, financial products and instruments like PRS, SPPN, ASB, or even EPF would not exist. Investments are often categorized according to various risk profiles. A low-risk profile would include saving money in fixed deposits, money markets, or bonds where the risk of the capital loss is minimal and low, yet in return with lower interest rates. Meanwhile, a medium-risk investment portfolio would include investing in investment-linked insurance products, real estate, mutual funds, etc., which potentially yields a higher investment return for the investor. But it will have a higher risk level. As for a high-risk portfolio, it could include commodities trading, stocks equity trading, peer-to-peer lending, cryptocurrencies, etc., which are also available for investors who can accept high volatility in their investments and are willing to take a higher chance of loss of capital for a potentially much greater return .

Definition of Saving Motives

Saving is defined as the behavior in which part of the income has not been released for consumption. It refers to the leftover money a person has after subtracting their spending from their disposable income over a given period. It is the amount that could be accumulated or grown through investing. Although all investments come with risks, not investing cash is a definite loss. The saving motive is the desire or purpose people choose not to spend their money now and save instead for future benefits .

Past Research on Saving Motives

According to Zakaria, et al. (2017), financial literacy has a significant positive relationship with risk tolerance towards savings and investments. Even though most respondents in the study know the importance of savings for retirement, and despite the increase in access to financial education via the internet, the increase in financial products offered has become more complicated and not easily understood with minimal understanding of finance. They could be overwhelmed by the overflow of information and may be easily swayed by the advice they receive from financial advisors, family, and even friends. They could not be making informed decisions on their savings for retirement .

In the questionnaire completed by Janor, et al. (2016) to study financial literacy and investment decisions in Malaysia and the United Kingdom, respondents were asked questions reflecting their savings behavior and how they manage their money. For example, questionnaires like, are they purchasing based on their affordability, are they paying their bills promptly, are they controlling their spending, their saving behavior and borrowing habits, are they setting financial goals or budgeting for their household, and their selection method when choosing investments products were asked. The result shows that more than three-quarters of the Malaysian respondents were financially accountable and budgeted, with 97% having

clear savings habits. The study indicates that Malaysians save money to cover specific expenses in education, wedding plans, investment strategies, retirement, business, and careers. Also, they are aware of the critical elements of financial literacy and build financial security while reducing heavy reliance on credit.

As identified from the important factor affecting the saving behavior amongst Malaysians by Ismail, et. al. (2018), service quality from financial sectors, a person's religious belief, and level of financial knowledge highly influence their saving behavior. People are more likely to spend their money than save for emergencies, future use, and retirement. The lack of financial planning could cause financial problems, such as self-bankruptcy or delay in marriage plans. It is also reported there was an average of 83 personal bankruptcies being registered per day in Malaysia. Although savings have considerable implications in the welfare of households, macroeconomics, growth, and development, the savings rate in Malaysia is fluctuating over time. The authors believe there is a possibility that Malaysians are indeed saving more, but not through formal financial instruments. . Brahmana, et. al. (2018), and the underlying theory stated by Katona (1975) suggested that savings are dependent on the willingness and the capability of an individual to save based on the psychological and economic variables. The study shows that saving motives are a significant factor that could affect financial planning among young people, as most of them have the attitude of living now instead of saving for the future. Money is spent on instant satisfaction like shopping, eating out, travel, etc. The authors hypothesize that saving motives have positive and significant impacts on financial planning among university students. Individuals with low financial knowledge tend to have poor financial planning with no saving motives .

According to the researchers of the factors that influence financial planning in Malaysia, the lack of financial literacy is the leading cause of cash flow management failure, leading to low savings behavior, increased high household debt, and rise of bankruptcy rates. The high debt ratios are caused by mortgages, hire purchase loans, and credits spent on luxury goods which directly impact a person's ability to save for the future. The study highlights a severe financial planning problem among Malaysians, as saving for retirement is still perceived as a new concept. While most of the respondents in the focus group agreed that saving is important for accumulating wealth for their retirement, more than 50% of the respondents in the survey do not have sufficient emergency money to get through 6 months without employment, and 60% of the respondents did not have any personal retirement plans .

Product Knowledge

Overview on Product Knowledge

Not all insurance companies offer the same products and cater to the same customer base most of the time. In Malaysia, the most common personal insurance policies are life, health, auto, and homeowners. They are provided by most well-known companies, such as AIA Berhad, Etiqa Life Insurance Berhad, Great Eastern Life Assurance (M) Berhad, Prudential Assurance Malaysia Berhad, and many more.

Life insurance companies mainly issue policies that pay a death benefit as a lump sum upon the insured's death to their beneficiaries. Life insurance policies may be sold as term life which is less expensive and expires at the end of the term, or permanent life, which is more expensive but lasts a lifetime and carries a cash accumulation component. Life insurers may

also sell long-term disability policies that replace the insured's income if they become sick or disabled.

Insurance companies also offer auto, property, and casualty companies' insurance against accidents of non-physical harm, such as car crashes, damage to personal assets, lawsuits, and more. Meanwhile, insurance policies are available for particular needs, such as fire, floods, medical malpractice, and professional liability insurance.

Insurance plans are the main product of the sector. However, recent decades saw many changes with insurance companies competing with other financial asset providers on more products, such as corporate pension plans and annuities to retirees. Hence, many insurance agents are now branded as full-service financial advisors offering both protection products and investments, financial planning, and retirement planning. Many insurance companies now have their broker-dealer either in-house or in partnership.

Nevertheless, many insurance companies still struggle to present product information clearly and compellingly. Even, we do know that in some way, it is the insurers' effort to understand this well, it is equally essential that insurance agents are required to impart those varieties of products and the amount of unique subject knowledge to their potential customers. Only when insurance information is presented to make sense to the customer, the sales process becomes more effective.

Definition of Product Knowledge

Products may refer to anything that can be supplied to a market for acquisition, attention, use, or consumption to fulfil people's needs or wants. The concept of product measurement includes sizes, features, style, quality, brand name, and the benefits of using the product or service. All of this has been found to influence the customer decision-making process.

Product knowledge is an individual's level of understanding and awareness towards the product's information, including previous experience with the product. In the insurance sector, the insurance plan, brand reputation, company service performance, customer trust, and satisfaction with service quality are associated closely with the product knowledge.

Past Research on Product Knowledge

While there are different needs for life insurance products, such as retirement for life insurance products, Lim, et. al. (2020), confirmed that the quality of insurance products is among the strongest predictors of a customer's purchase decision, and it always has a positive influence on insurance product and purchase intention.

Nevertheless, many setbacks had prevented customers from making a meaningful decision toward purchasing life insurance. According to Chin (2021), product awareness is one of the important factors that stimulate the insurance industry's growth. It can be referred to as the passive participation from an individual towards insurance products and the improvement of interest. Today, insurance companies create such awareness mainly through television, online webinar, social and print media. However, the influence from family and friends and directly from insurance agents do contribute to a minor part of creating awareness. Patrick, et. al. (2020) mentioned that insurance marketers should organize more campaigns and awareness programs, especially in educational institutions, to help in promoting good

awareness and understanding of life insurance among the further generation. Also, adapting promotion strategies to popular reference groups such as celebrities or other influential people expedites a person's perception of social pressure for purchasing life insurance.

Not only that, Sapian, et. al., (2020) stated that company reputation is the next important factor towards purchase intention after product awareness. The corporation's prestige, popularity, and respect, a symbol of main characteristics and qualities derived from past behaviour, contribute toward the market competitive advantage. Such advantages help to create strong customer trust with the insurance company. Strong confidence in caring and trustworthy actions is often seen as one of the most significant histories of any company and cooperative business relationship.

Unfortunately, often, it has been discounted by the poor service quality resulting from the lack of planning and execution, especially from insurance agents themselves. Panigrahi, et al., (2017) suggested using real-time tracking techniques to collect data to improve the efficiency and effectiveness of intention-trust. It helps to confirm the influence of service quality. Service quality consists of 7 dimensions, and organizations use it to assess customer expectations and perceptions. There are:

Tangibility - Life insurance services are seen as highly intangible and complex services. Thus, the insurance providers need to be involved in relationship-building activities that emphasize effective communication and customer interaction. Once the intangible area of the offered service is not satisfied by their customers in the area of quality products and services, then the service quality rating remains to be low.

Reliability – It is related closely to the evaluation of the customer's physical factors of service, such as services design and the consistency and dependability of performance. It can be in the form of accessibility, performance, and continuity to meet the customers' expectations. It helps to increase customer's value by providing service requirements promptly, customer's involvement in fulfilling their needs, and solving operational problems if required

Responsiveness – It is the willingness of the staff of an insurance company towards the provision of service, such as giving customers feedback immediately, the ease of appointment making, etc., promptly. It was proven that responsiveness influenced customer satisfaction.
Empathy – It may define the ability to emotionally understand other people's feelings, see things from their point of view, and imagine yourself in their place. When staff cannot pay attention to a customer, it negatively affects the quality of service. It has been found that empathy is an important aspect of service quality.

Assurance – It is about the ability of the insurance companies to increase the trust and confidence reposed on them by the customers. Often, customers valued and accessed the aspects of quality service such as responsiveness, empathy, assurance, reliability, and tangibility and in return for insurance plan purchases.

Problem-Solving - The skill of problem-solving is always vital, which may lead to customer service recovery and retention. The customers will be satisfied when they obtain full support in problem-solving from the insurance company.

Helpfulness – Being helpful towards customers is necessary to increase the quality of service. The personal relationship of the insurance companies' staff with their customers is vital to see the staff as warm, friendly, and impulsive.

And the research from Chong, et. al. (2017) shows that service quality and social influence were insignificant influences toward customer loyalty or 2nd purchase decision. Some customers had unpleasant experiences with agent services and decided to make their 2nd purchase by themselves rather than rely upon the insurance agent.

Apart from this, the cost and scheme of insurance also impact the intention of insurance purchase from the past research studies. Azhar, et. al., (2016) proposed modifying the existing Auto Takaful scheme to divide into more partitions according to the cubic capacity to provide a better and appropriate model for a different range of vehicle users. And such initiative was well accepted by all categories of income earners. Chin Jun Kei, (2020) also demonstrated that many of their survey respondents earn below RM2,000 and suggested insurance companies create a lower price flood insurance product for non-flooding area residents to target those homeowners who are not buying any flood insurance yet. In another research study, Patrick et. al. (2020) also suggested that insurance companies introduce a particular insurance scheme that offers a lower initial premium for high coverage among the students.

Income

Overview of Income

People frequently measure their wealth by considering their pre-tax pay to represent their income, although it is rarely the same as what they receive in their pockets each month. Disposable income on the other hand provides a much clearer picture of how much money people have available to spend on essential things like rent, food, and clothing after subtracting the amount of money that comes into a household from the amount that goes out in taxes or other charges.

While money doesn’t buy happiness, it can definitely help guarantee an individual’s necessities are met, raise life satisfaction and increase the mental well-being of people who spent money to save time. For example, while a fancier car does not help you travel faster from one place to another, a car might help you save more time getting where you want to be compared to walking. While a robot cleaner does not help you clean every corner of the house, it provides free time for an individual to spend on their family or hobbies.

Individuals use their earnings to pay for their day-to-day expenses as well as to invest in the future. Increasing and diversifying income streams is therefore just as crucial as diversifying savings and investments. The few common types of income are earned income, which is the income an individual gets in return for their time and labor spent for a company. Passive income can be derived from assets or investments, such as buying a property and renting it out, dividends received from stocks, or interest generated from other investments. Capital gain income can be obtained by selling an asset, such as real estate, commodities, stocks, currencies, or funds, at a higher price.

Definition of Income

Income is defined as the recurring profit or the money that is earned by an individual in exchange for delivering a service or producing a product.

Past Research on Income

Two journals by Lim & Tan (2019) which studied the Demographic Profiling of Life Insurance Ownership have concluded that gender, ethnicity, education, and income have a substantial impact on life insurance ownership among people of Alor Setar and the Northern Regions of Malaysia. Males, highly educated individuals, Chinese, and middle-income earners are more likely to have life insurance policies. The report recommends that Malay and low-income earners be targeted for aggressive Takaful family and micro-insurance campaigns. According to the paper, future studies with a larger sample size should be done to cover a greater area to acquire more reliable results and generalization of findings.

With data collected from Malaysia's Central Bank, the Malaysia Association for Life Insurance's reports (LIAM), Knoema, Data Stream, and the World Bank, Natasha Najla, et al., (2020) employed a data set of 30 years, from 1988 to 2017, to investigate the determinants of life insurance demand in Malaysia. This study discovered that inflation had no effect on the demand for life insurance in Malaysia. However, the per capita income of the country had a positive and significant relationship with life insurance demand. The researchers suggested that to improve demand for life insurance in Malaysia, insurance companies should be more involved in raising public awareness and knowledge of the product. Instead of just presenting the rewards after their death, the promotional plan can be more successful if the benefits of savings and investing are highlighted to the public.

According to Chung (2020), risk attitude, income level, product understanding, and income protection were shown to be the primary variables that prompted Generation Y in Klang Valley, Malaysia to obtain life insurance. The survey was conducted with 320 respondents and further analyzed using SPSS. Although it was determined that there were substantial correlations between income level, life insurance knowledge, income protection, risk attitude, and life insurance demand, the study is focused on Generation Y in Klang Valley and may not represent the view of other generations. Hence suggested that there is a huge room for future research to be carried out with a bigger sample population, while other components of life insurance demand, including but not limited to behavioral aspects of financial decision-making, such as risk aversion and an individual’s desire to invest in life insurance, should also be investigated further.

The researchers of the effect of social and demographic factors on life insurance demand, Shahriari & Shahriari, (2017) collected a sample of 223 participants who had prior life insurance experience and performed the Kolmogorov-Smirnov test and the Spearman correlation test via SPSS to analyze the data in this study. It was found that a person's saving motivations, marital status, and income had a considerable impact on their life insurance demand. Life insurance is a crucial component of human life, with the most important role in protecting the future welfare of households. As these factors played a significant role in the demand for life insurance, the researchers recommended more extensive and detailed information about people should be collected as well as attention paid to their wants and desires for future research.

Review on Dependent Variable

Overview on Purchase Intention of Life Insurance

Several different life insurance policies compensate for losses resulting from damage or uncertainties for property and assets. When the insurer is liable in an accident, the insurance company will pay for losses to 3rd parties.

Most insurance plans purposely aid in the financial security for family members, the payment of support to dependents, the repayment of outstanding financial commitments, and the provision of emergency funds. Therefore, individuals and families should be informed of the advantages and drawbacks. This will pique their interest and motivate them to choose the best insurance coverage for their needs.

Definition of the Purchase Intention of Insurance

A person's desire to purchase a specific product or service is referred to as purchase intention. Every customer will have their preferences in terms of what they plan to buy. According to Zakaria, et. al. (2016), an insurance plan is Malaysia's most extensively used financial safety planning for everyday purposes. In definition, the purchase intention of insurance means an individual's or business desire to purchase a coverage plan to transfer any related risks from self to the insurance provider.

Past Research on Purchase Intention of Insurance

Purchase intention has been proven to be one of the most important elements influencing actual behavior in previous investigations. According to Fishbein & Ajzen, (1975), the stronger the intention of an individual's behavior, the more likely it will be done. In businesses, purchasing intent is an important factor that influences sales .

With the increase of competition, there is an increasing focus on the direct and indirect impact of purchasing intention by many companies in the insurance industry. The higher purchase intention is critical in gaining an advantage over competitors during the competition.

Referring to Chimedtseren & Safari, (2016), individuals who fall short on future claims and premiums will have a lower purchasing intention and feel uneasy about it. When an insurance company improves its service quality, a study shows that it will increase customer loyalty and encourage insurance purchase. Furthermore, it stated that customers are hesitant to purchase insurance due to the lack of clarity concerning the premiums and future claims.

Conceptual Framework

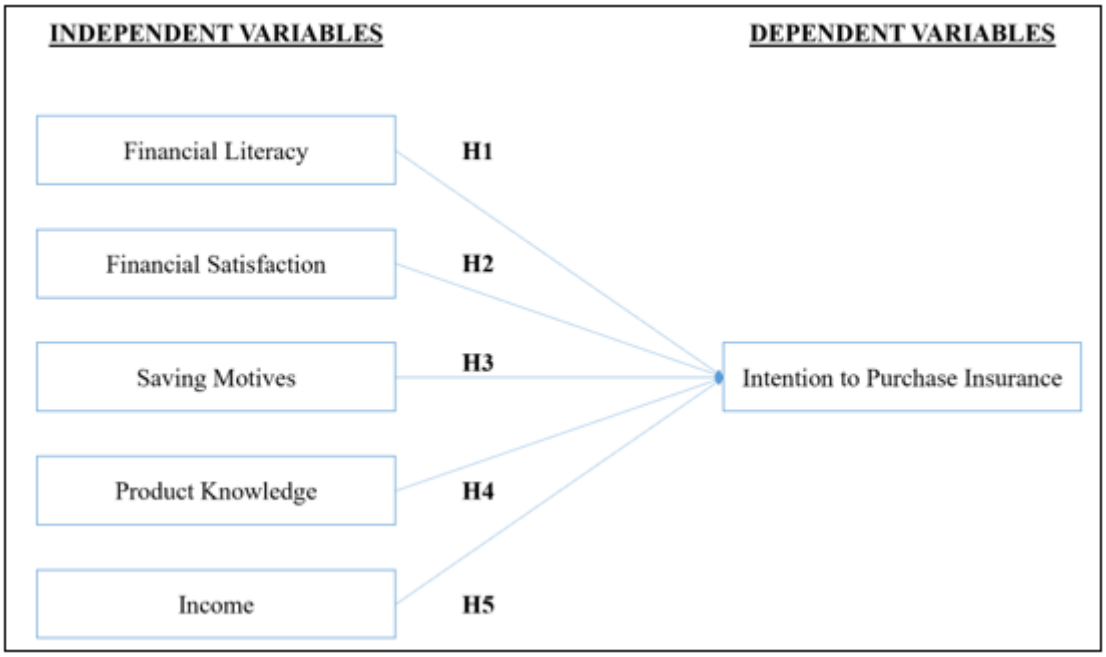

Figure 2.3: Conceptual Framework

Hypotheses Development

H1: There is a positive relationship between financial literacy and intention to purchase life insurance.

H2: There is a positive relationship between financial satisfaction and intention to purchase life insurance.

H3: There is a positive relationship between saving motives and intention to purchase life insurance.

H4: There is a positive relationship between product knowledge and intention to purchase life insurance.

H5: There is a positive between income and intention to purchase life insurance.

Chapter Summary

This chapter discussed past research studies about independent variables and dependent variables. Any changes in the independent variables may impact the intention to purchase general insurance, discussed in later chapters.

Research Methodology

Introduction

The research methods were to be discussed in this chapter. The questionnaires were to be developed and distributed to the responder for data collection purposes. And it will show and expound on the research's practical specifics.

Population and Sampling

Sampling Frame

A well-defined sampling frame ensures data analysis results to be accurate. The probability of the unit sample is unable to be measured if the sampling data is incomplete. It will demonstrate a probability selection result, which is not feasible due to constraints. For

example, the population is significant and dynamic. When data collected is found to be incomplete, it requires considerable cost and time efforts to resolve.

This research employs a commonly used sampling method that is known as the Krejcie and Morgan Sampling Method. This method was widely selected to ease the process of defining the sample size of the population. The recommended sample size as per the table below to formulate finite population in the research

Table 3.1
Sample Size tabulation, sources: Krejeie and Morgan, 1970

Population	Sample	Population	Sample	Population	Sample
10	10	220	140	1,200	291
15	14	230	144	1,300	297
20	19	240	148	1,400	302
25	24	250	152	1,500	306
30	28	260	155	1,600	310
35	32	270	159	1,700	313
40	36	280	162	1,800	317
45	40	290	165	1,900	320
50	44	300	169	2,000	322
55	48	320	175	2,200	327
60	52	340	181	2,400	331
65	56	360	186	2,600	335
70	59	380	191	2,800	338
15	63	400	196	3,000	341
80	66	420	201	3,500	346
85	70	440	205	4,000	351
90	73	460	210	4,500	354
95	76	480	214	5,000	357
100	80	500	217	6,000	361
110	86	550	226	7,000	364
120	92	600	234	8,000	367
130	97	650	242	9,000	368
140	103	700	248	10,000	370
150	108	750	254	15,000	375
160	113	800	260	20,000	377
170	118	850	265	30,000	379
180	123	900	269	40,000	380
190	127	950	274	50,000	381
200	132	1,000	278	75,000	382
210	136	1,100	285	1,000,000	384

Based on what was recommended by Krejcie and Morgan, this study will use the recommended 384 sample size for the research, as the population size for working adults in Klang Valley has more than one million population size.

Sampling Technique

According to Oklen & Rotem's (1986) prior results, sampling is the first step in evaluating and numerically investigating large data sets. It is a low-cost, reliable fundamental strategy that involves picking a subset of the entire population to forecast the total population. Although there are many other sample techniques available, the researchers will use convenience sampling for this study. It is a method adopted by researchers to collect market research data from a conveniently available pool of respondents. It is the most used sampling technique as it is incredibly prompt, uncomplicated, and economical. In many cases, members are readily approachable to be a part of the sample.

Sampling Size

The sample size is the essential factor in determining the validity of the study's results. The degree of precision will be determined by the number of samples collected and analyzed. In contrast, a study with fewer samples will infer possible errors and not tell an accurate picture. For this research, a sample size of 384 will be collected to perform analysis.

Data Collection Procedure

This is a quantitative study, and data will be collected through an online questionnaire survey. The survey is divided into two sections. The first section focuses on collecting the respondent's background, which is demographic data. The subsequent section establishes the association between the defined variables in the research boundary.

The characteristics of the survey questionnaire are categorized into two key areas: compulsory information and the description of the problem related to the research issue.
While the intent for the collected data is solely used for this research, with the participant's right, respondents can complete the survey voluntarily, and data privacy is going to apply strictly.

Measurement of Variables

The researchers will use a 5-point Likert scale to measure the variables in this study, representing people's views toward a topic and expressing the degree of reaction for each question for each variable.
It implies that attitudes can be quantified firmly. The Likert scale presupposes that the strength and intensity of the experience are linear. The response to the questionnaire will range from strongly agreeing to disagree strongly.

Research Method

There are three types of research methods: qualitative, quantitative, and a combination of the two. Often, the research method will be chosen based on the research's purpose.
Qualitative research is an open-ended method that does not predetermine the outcome of the study. This approach is still in its infancy. Typically, data is gathered from interviews, observations, documents, and video recordings. The analysis results are subsequently given in text and image analysis output, with the interpretation focusing on themes and patterns.

For this study, the researchers have chosen quantitative research, where quantitative data is a closed-ended method commonly used in questionnaires. The response is predetermined in quantitative analysis, and it was, and instrument-based questions directed methodology. Performance data, attitude data, observational data, and census data are the most common data types. The statistical analysis, as well as the interpretation, are frequently provided in the statistical analysis.

Explanatory Research

It is focused on cause-and-effect links. The researcher utilizes the hypothesis to define the subject that led to a specific outcome. It is often used to determine related cause factors with the connected variables for a study. It is frequently adapted during the trial phase to design the study method.

When the researcher responds to the study's question to determine the relationship between the variables, it will help to establish a complete oversight and framework. Hence, the explanatory research was opted by the researchers in measuring the cause-and-effect links between the independent and dependent variables.

Techniques of Analysis

The study results measure the data's normality, reliability, validity, correlation, and regression. The researcher is using SPSS to analyze collected data to provide analytical result output.

The research focuses on the relationship between defined variables and how each variable reacts to the others.

Normality

The normality test will include all variables. Once the data set has been analyzed, a raw distribution pattern will emerge to determine the distribution pattern. The normalcy data tabulation will be translated into a plot and histogram diagram.

Reliability

The Cronbach Alpha reliability score is used to analyze the reliability. It is used to measure the consistency and accuracy of the data obtained. It will assess the consistency of the scores of the variables that have been developed.

When the greater the alpha coefficient, the more reliable the data is. And, when the lower the alpha coefficient, the more contradicts it is. The degree of reliability of 0.6-0.7 is acceptable, while 0.8 or above is exceptional. Meanwhile, values greater than 0.95 do not always mean excellent. It could indicate redundancy in the data set .

However, when displaying the Cronbach alpha, the reference point is 0.50. Low reliability is indicated between 0.50 to 0.70, good reliability ranges from 0.70 to 0.90, and excellent reliability is indicated by a value of 0.90 and above .

Validity

One of the criteria used to demonstrate that the research is reflected and accepted is to exhibit the actual data alongside the sampling data. The better the data quality, the measurement will be in line with the research objectives.

The validity test for this study will be conducted utilizing the Kaiser-Meyer-Olkin (KMO) and Bartlett's test in SPSS. KMO appropriate score is 0.50; if it is less, the result factor analysis is not standard and is unlikely to be valid. According to Bartlett's test of sphericity, the correlation matrix is an identity matrix that will reveal the relationship between the variables. For factor analysis to be accepted, the significance level must be less than 0.05.

Correlation

The correlation analysis is to determine the strength of a relationship between defined quantitative variables. When there is a correlation between the two variables, it indicates that a systematic relationship has occurred. If one variable moves with another, it is called a positive relationship; when one variable moves against another, it is called a negative relationship. If the result is positive, it indicates a good association. But, if the result shows negative, there is undoubtedly a negative association.

The significance data are the influencing figure of the defined variable in regression analysis. When a defined variable's value is less than or equal to 0.05, it means that the variable influences another variable. It is a method for determining which aspects are most significant and minor can be overlooked.

In the statistical analysis, the dependent variable will be labeled as Beta. Its purpose is to demonstrate the dependent variable's influence on the independent variable. If the Beta value is significant, the Beta is the domain and significantly impacts the independent variable.

Multiple Regression Analysis

It is a method that tests the relationship of independent variables to the dependent variables. This method could predict an unknown value based on the known values of two or more variables. All predicted variables will be widely scattered. The association and significance test will be altered if the variables are not distributed normally (highly skewed or kurtosis variables, or variables with significant outliers).

The correlation coefficient r represents the strength of a relationship between two variables. However, it is unable to characterize and distinguish between the dependent and independent variables when the dependent variable is predicted to impact both . When the variables are mutually regressed on the dependent variable, the multiple correlations clarify the differences between the single correlations.

Chapter Summary

This chapter outlined methods and processes used in the next chapter when researchers perform data analysis. This includes population and sampling, data collection procedure, measurement of variables, and the respective techniques of analysis that will be used.

Data Analysis

Introduction

Data analysis is crucial in any research. This chapter will analyze data collected from an online questionnaire survey (Title: Intention to purchase Life Insurance among the working population in Klang Valley). The collected data will be examined using SPSS. A comprehensive

discussion based on the results obtained from the normality test, correlation analysis, and regression analysis will be demonstrated.

The initial section of this chapter will provide a background of respondents who participate in the survey, its response rate, data pre-processing, and the demographic landscape before performing relevant data analysis. The outcome will be presented in the form of discussions, tables, charts, or diagrams.

Response Rate

The researchers developed a digital survey form using Microsoft Forms and distributed it through social media platforms and email. The survey was open for four weeks and resulted in 447 respondents. The researchers stopped the Microsoft Forms when the total number of useable samples reached 384 based on the research population as described in the earlier chapter.

Preliminary Data Screening

Data realization exercise was performed by the researchers against requirements. The first criteria are to filter those that did not agree to participate in the survey. The researchers employed survey ethics which allow survey respondents to reject the survey and exit the survey at any point in time.

Table 4.1
Research preliminary data screening result

No	Criteria		Percent (%)
1	Agree to take the survey?		
	Yes	434	97.1
	No	13	2.9
	Total	447	100
2	Residing in Klang Valley		
	Yes	411	94.7
	No	23	5.3
	Total	434	100
3	Income Earner		
	Yes	384	93.4
	No	27	6.6
	Total	411	100

As shown in Table 4.1 above, 13 respondents, or 2.9%, did not agree to participate in the survey. After filtering out those who disagreed, there are 434 remaining respondents. Out of the 434 respondents, 411 or 94.7% of respondents are staying in Klang Valley. The last criteria that were filtered out were those that are not income earners or not working, and the result shows 27 respondents, or 6.6%, were not currently earning any income. After the preliminary screening, only 384 respondents' data were considered for analysis by the researchers.

Data Coding

Before data could be analyzed, data coding was conducted. The three tables below explain the encoding of the survey data. The respondent ID was not encoded and remained the as-it-is state because it served as a unique identifier for each transactional data.

Table 4.2 lists down the coding reference against the survey questionnaire. The researchers started by coding the pre-qualifying questions before moving on to demographic questions and, lastly, the independent and dependent variables. The researchers have coded the questions from all six variables, starting with B1, B2, B3, B4, B5, B6, and so forth. Additionally, form data from the demographic section have also been coded as a single text, such as age, gender, academic, income, and the policyholder

Table 4.2
Encoding of questionnaire form

Category	Form Data	Encoding
Pre-Qualifying	Do you agree to participate in the survey?	AgreeSurvey
	Are you residing in Klang Valley?	KlangValley
	Are you currently an income earner?	IncomeEarner
Section 1 - Demographic	What is your age group?	Age
	What is your gender?	Gender
	What is your academic level?	Academic
	What is your annual household income?	Income
	Are you an existing general insurance policyholder?	PolicyHolder
Section 2- Financial Literacy	I read many resources (e.g. books, news, articles, social media, etc.) to increase financial literacy.	B1
	I always surf the Internet for investment and income protection information.	B2
	I am able to budget my monthly income accurately.	B3
	I am able to maintain adequate financial records on my monthly spending.	B4
	I always consider if my income is enough before spending.	B5
	Do you agree that education will help increase financial literacy?	B6
Section 3- Saving Motive	I save money to improve my living standards.	C1
	I save money for retirement.	C2
	I save money for my next generation's inheritance.	C3
	I invest to get extra income for future spending.	C4
	I often balance between saving and spending money.	C5
	I invest to save money for financial independence.	C6

Section 4- Product Knowledge	I read many resources (e.g., insurance products brochure, social media, etc.) and aware of the importance of life insurance.	D1
	I will perform product research and product comparison before purchasing any life insurance.	D2
	I often choose insurance with more product features such as investment or health features comparing to the price.	D3
	I often choose the lowest-priced option while purchasing any life insurance.	D4
	I will purchase life insurance from a reliable and responsive insurance provider.	D5
	I will purchase life insurance based on the good reputation and performance of the insurance provider.	D6
Section 5- Income	I will buy life insurance for myself regardless of how much income I earn.	E1
	I will also buy life insurance for my family members, regardless of how much income I earn.	E2
	I will increase my life insurance premium when my income increases to maintain my lifestyle.	E3
	I will buy life insurance to cover my loans, such as personal loans, car loans, and home loans, in case of an unfortunate event.	E4
	I will buy life insurance to protect my children's education in case of an unfortunate event.	E5
	I will buy life insurance to protect my dependents' livelihood in case of an unfortunate event.	E6
Section 6- Intention to Purchase Life Insurance	I think insurance is one of the essential items.	F1
	I purchase insurance to protect myself and my loved ones in case of an unfortunate event.	F2
	I purchase insurance because I am aware of its benefits.	F3
	I maintain adequate insurance coverage.	F4
	I purchase insurance to protect for future loss in case of an unfortunate event.	F5
	I purchase insurance to gain investment returns.	F6

Table 4.3 below shows the encoding for responses for the survey questions into a numeric form to be inserted into SPSS analysis software later. For example, the age group of 'Below 19 years old' is coded as '1' and so forth as described in the table

Table 4.3
Encoding of respondents' answer from questionnaire

Category	Form Data	Encoding
Age	Below 19 years old	1
	20 – 29 years old	2
	30 – 39 years old	3
	40 – 49 years old	4
	50 – 59 years old	5
	Above 60 years old	6
Gender	Male	1
	Female	2
Academic	SPM / SPM-V / GCE - O Level and below	1
	STPM / GCE - A Level / Matriculation / Certification	2
	Bachelor's Degree / Professional Qualification	3
	Master's Degree	4
	Doctorate Degree and above	5
Income	Less than RM 30,000	1
	RM 30,001 – RM 58,200	2
	RM 58,201 – RM 85,200	3
	RM 85,201 – RM 131,600	4
	RM 131,601 – RM 181,000	5
	More than RM 181,000	6
PolicyHolder	Yes	1
	No	2
AgreeSurvey	Yes	1
	No	2
KlangValley	Yes	1
	No	2
Likert Scale Answer	Strongly disagree	1
	Disagree	2
	Neutral	3
	Agree	4
	Strongly agree	5

In table 4.4, the researchers encoded the mean value for the five independent variables and one dependent variable for analysis with SPSS. These coding are required later to perform analysis of normality test, correlation test, and regression test.

Table 4.4
Encoding of Independent Variables and Dependent Variables

Category	Form Data	Encoding
Independent Variable	Financial Literacy	IV_FL
	Financial Satisfaction	IV_FS
	Saving Motives	IV_SM
	Product Knowledge	IV_PK
	Income	IV_IL
Dependent Variable	Intention to buy Life Insurance	DV_LIP

Research Demography
Descriptive statistics summarize the demographic view of the respondents for this study as per Table 4.5 below. The demographic landscape data was obtained from the 384 respondents, and it covers only age, gender, academic level, and income level. The researcher will discuss each demographic profile in detail in the subsequent section. The mean and standard deviation for the descriptive statistic on the demographic landscape does provide much meaningful information. For example, table 4.5 below shows that the survey participants are almost balanced in gender.

Table 4.5
Descriptive Statistics of Demographic landscape

Demographic Items	Minimum	Maximum	Mean	Standard Deviation
Age Group	2	6	3.78	1.272
Gender	1	2	1.50	0.501
Academic Level	1	5	3.46	0.781
Income Group	1	6	4.34	1.003
Existing General Insurance Policy Holder	1	2	1.51	0.501

N=384

An analysis of the gender of the respondents found that 193 (50.3%) respondents are male, and the remaining 191 (49.7%) are female, as shown in Table 4.5 below.

Table 4.6
Gender of Respondents

Gender	Frequency	Percent (%)
Male	193	50.3
Female	191	49.7

Table 4.7 below shows the breakdown of age group breakdown. It was found that no one below the age of 19 participated in the survey. It is found that the biggest contributing group is from the age group of 40 to 49 years old, which has 106 respondents (27.6%), followed by those from 50 to 59 years old, which has 89 respondents (23.2%). The remaining age groups of respondents were 20 to 29 years old with 86 respondents (22.4%), 30 to 39 years old with 69 respondents (18.0%), and those above 60 years old with 34 respondents (8.9%)

Table 4.7
Age Group of Respondents

Age group	Frequency	Percent (%)
20 – 29 years old	86	22.4
30 – 39 years old	69	18.0
40 – 49 years old	106	27.6
50 – 59 years old	89	23.2
Above 60 years old	34	8.9

As for the academic level, the majority of the respondents have a higher level of academic background. Refer to table 4.8, the survey was participated mostly by the bachelor's degree or professional qualification respondents (61.2%), followed by respondents with master's degree (22.4%) and the rest are made up with Doctorate Degree and above (13.5%) plus 2.9% from either having an academic level of STPM / GCE-A level and SPM / SPM-V / GCE-O level.

Table 4.8
Academic Level of Respondents

Academic Level	Frequency	Percent (%)
SPM / SPM-V / GCE - O Level and below	3	0.8
STPM / GCE - A Level / Matriculation / Certification	8	2.1
Bachelor's Degree / Professional Qualification	235	61.2
Master's Degree	86	22.4
Doctorate Degree and above	52	13.5

Next, the income group, based on table 4.9, the highest group of 212 respondents (55.2%) earns between RM85,201 to RM 131,600, followed by 67 respondents (17.4%) above RM 181,000 annually, 58 respondents (15.1%) earn between RM 131,601 to RM 181,000, 35 respondents (9.1%) fall into the income group of RM 58,201 to RM 85,200, 8 respondents (2.1%) are from RM 30,001 to RM 58,200 grouping and only 4 respondents (1.0%) earning less than RM30,000 in their household.

Table 4.9
Income Level of Respondents

Income Level	Frequency	Percent (%)
Less than RM 30,000	4	1.0
RM 30,001 – RM 58,200	8	2.1
RM 58,201 – RM 85,200	35	9.1
RM 85,201 – RM 131,600	212	55.2
RM 131,601 – RM 181,000	58	15.1
More than RM 181,000	67	17.4

Subsequently, the researcher would also like to demonstrate the number of respondents that own at least one life insurance policy. This is not demographic-related, but it will help the researchers to understand the status of life insurance policy ownership among the respondents. As shown in Figure 4.10 below, the analysis shows that 189 (49.2%) or less than half of the respondents already own at least one life insurance policy.

Table 4.10
Respondents' General Insurance Policy Ownership

Policy Holder	Frequency	Percent (%)
Yes	189	49.2
No	195	50.8

Normality Test
The normality test to determine whether the data collected are normally distributed. There are two well-known normality tests methods, namely the Kolmogorov-Smirnov test and the Shapiro-Wilk test. For this study, the researchers used the Shapiro-Wilk Normality test method to assess the normally distributed data.

There are two methodologies used to assess the normality of data. The first one is to use graphical views such as histograms, Q-Q plots, or box plots. The other is to use the numeric method. For a numeric way of testing for normality, the 'p' range is defined as 'p > 0.05' indicating that the data is normal or 'p < 0.05' indicating that the data is NOT normal.
Table 4.11 below shows that all variables' data are NOT normally distributed because the Shapiro-Wilk test of normality result shows that all significant or 'p' values are less than 0.05

Table 4.11
Shapiro-Wilk Normality test of variables

Variable	Statistic	Significant
IV = Financial Literacy	0.984	< 0.001
IV = Financial Satisfaction	0.984	< 0.001
IV = Saving Motives	0.967	< 0.001
IV = Product Knowledge	0.946	< 0.001
IV = Income	0.966	< 0.001
DV = Life Insurance Purchase Intention	0.968	< 0.001

N=384

Financial Literacy Normality Test
As mentioned, a histogram is one of the graphical methods to examine the normality of data. Below figure 4.1 shows the histogram of financial literacy. Financial literacy has a mean value of 3.71 with a standard deviation of 0.529. Based on the histogram, the data of financial literacy is normally distributed.

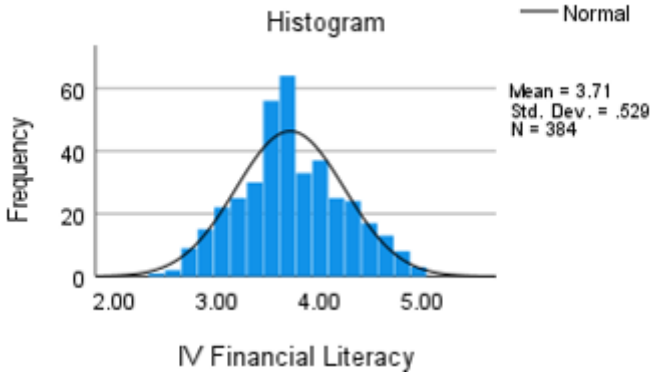

Figure 4.1: Histogram of Financial Literacy Normality Test

The Q-Q plot from figure 4.2 below for financial literacy is also being examined. Almost all points are located along the normal line. The findings are similar to the histogram shown in figure 4.1 above, which is that financial literacy data is normally distributed.

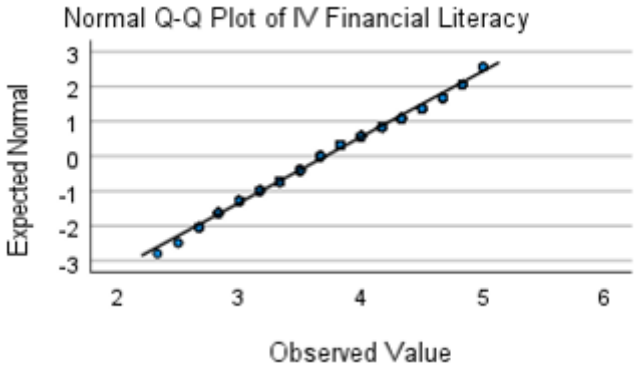

Figure 4.2: Q-Q Plot of Financial Literacy Normality Test

The box plots were also examined by the examiner. Figure 4.3 below shows the box plots for financial literacy. A similar result shows data is normally distributed.

Figure 4.3: Box plots of Financial Literacy

Financial Satisfaction Normality Test

The histogram of financial literacy shown in figure 4.4 below, shows that the data is normally distributed at the mean value of 2.87 and standard deviation of 0.718.

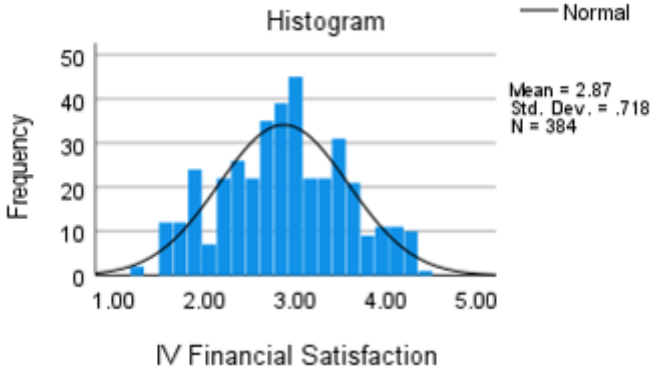

Figure 4.4: Histogram of Financial Satisfaction Normality Test

The Q-Q plot shown in Table 4.5 below for financial satisfaction yields similar results with the histogram shown in figure 4.4 above. All points are located near the normal line except for one which is slightly off.

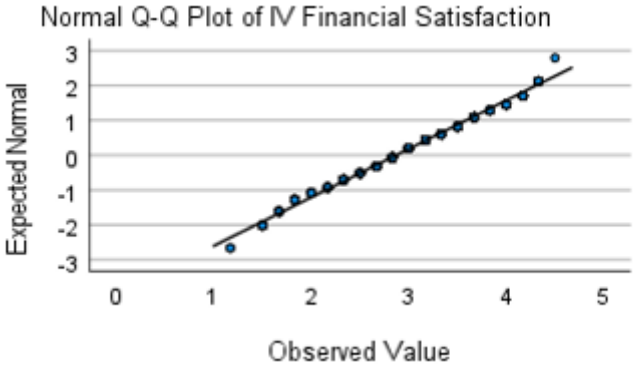

Figure 4.5: Q-Q Plot of Financial Satisfaction Normality Test

Figure 4.6 below shows the box plots for financial satisfaction. Similar conclusions were found that the data is normally distributed

Figure 4.6: Box plots of Financial Satisfaction

Saving Motive Normality Test

Figure 4.7 below show the histogram for saving motive. Similarly, the value is seen at the rightward with a mean value of 3.71, with a standard deviation of 0.559. Again, it is also normally distributed

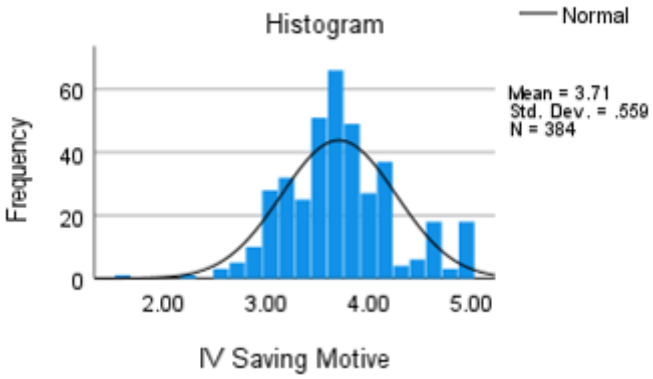

Figure 4.7: Histogram of Saving Motive Normality Test

The Q-Q plot shown in figure 4.8 below for saving motives shows similar results, with a few points slightly deviating from the normal line. This can be considered that the data is normally distributed.

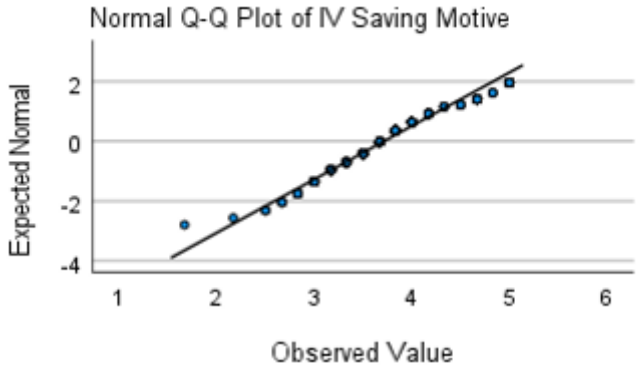

Figure 4.8: Q-Q Plot of Saving Motive Normality Test

Moving on the box plots from saving motives. Figure 4.9 below shows that data is normally distributed for saving motives, and there are two outliners in the data set.

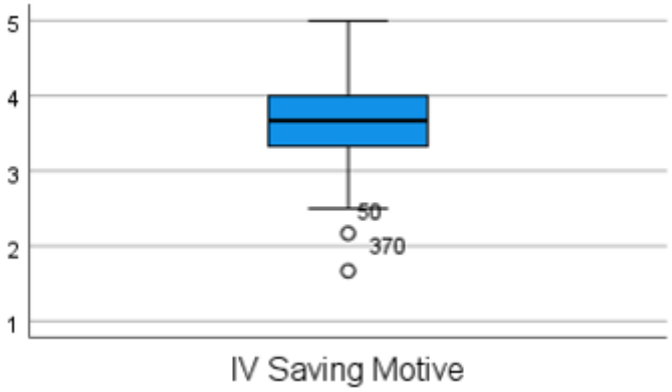

Figure 4.9: Box plots of Saving Motive

Product Knowledge Normality Test

Figure 4.10 below shows the histogram for product knowledge. This time the histogram differs from the previous three and it can be seen that it is skewed to the left with a mean value of 3.85 and a standard deviation of 0.45. This shows that data for product knowledge is NOT normally distributed

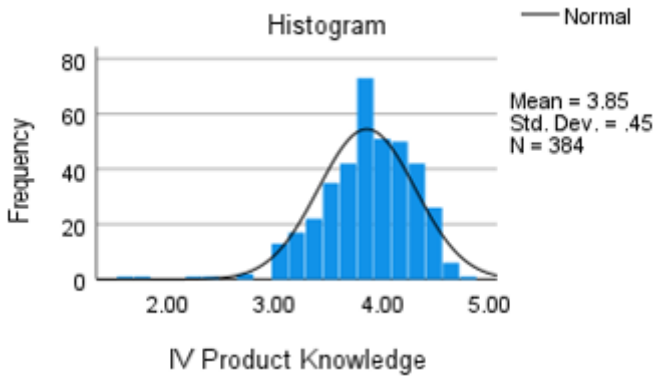

Figure 4.10: Histogram of Product Knowledge Normality Test

Similarly, the Q-Q plot shown in figure 4.11 below for product knowledge shows similar results with the histogram above, which shows data is not distributed normally with few points deviating away from the normal line.

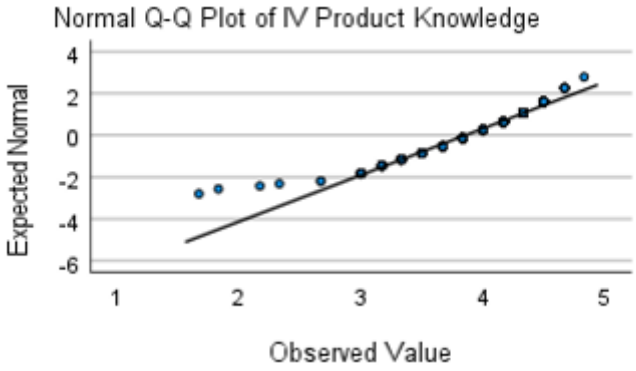

Figure 4.11: Q-Q Plot of Product Knowledge Normality Test

Box plots for product knowledge also show that the data are skewed to the left and exist outliers in the data set as shown in figure 4.12 below.

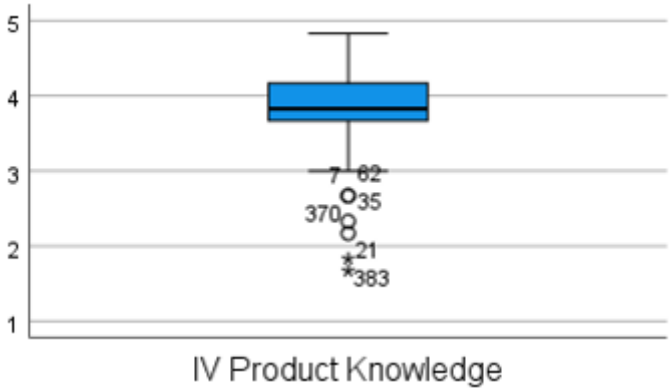

Figure 4.12: Box plots of Product Knowledge

Income Normality Test

Figure 4.13 below shows the histogram for income. Most values are between 2.5 to 4.5, with a standard deviation of 0.506 and the mean value at 3.75. Examining the normal line, income data are distributed normally

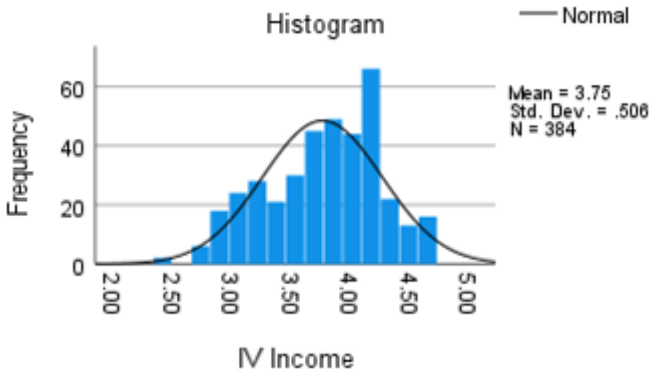

Figure 4.13: Histogram of Income Normality Test

Similarly, the Q-Q plot shown in figure 4.14 below for income shows similar results with the histogram shown in figure 4.13, which shows data is normally distributed.

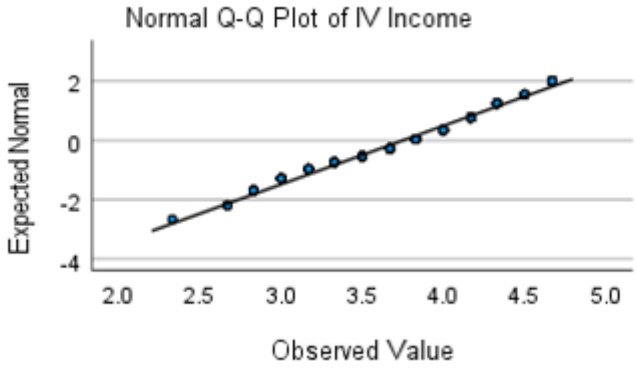

Figure 4.14: Q-Q Plot of Income Normality Test

Box plots for Income show similar results that indicate the data for income is normally distributed as per figure 4.15 below.

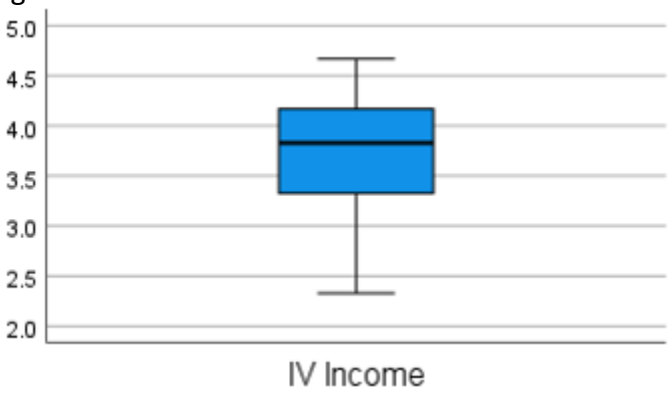

Figure 4.15: Box plots of Income

Intention to Purchase Life Insurance Normality Test

Figure 4.15 below shows the histogram for intention to purchase life insurance. This time for the dependent variable the histogram shows that the data value is between 3 to 4.5, with a standard deviation of 0.483 and the mean value at 3.97, and showing from the data is normally distributed

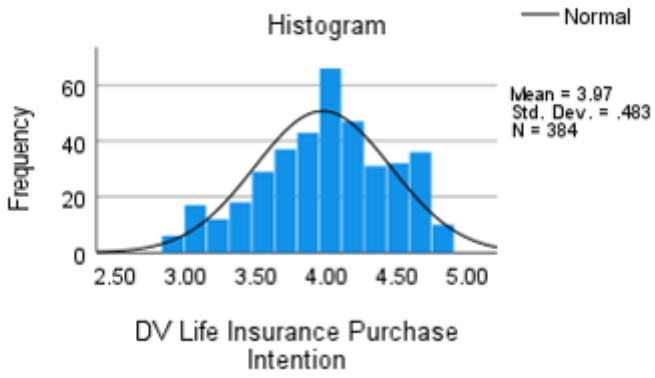

Figure 4.16: Histogram of Intention to Purchase Life Insurance Normality Test

The Q-Q plot shown in figure 4.17 below for intention to purchase life insurance show similar results where data are normally distributed too.

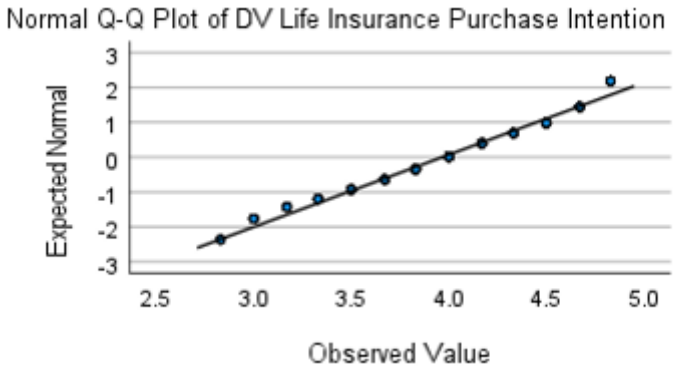

Figure 4.17: Q-Q Plot of Intention to Purchase General Insurance Normality Test

Box plot for life insurance purchase intention shown in figure 4.18 below yields a similar result with both the histogram and Q-Q plot, where data is normally distributed

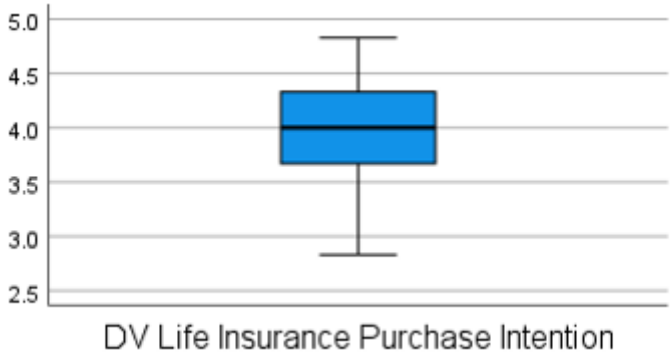

Figure 4.18: Box plots of Intention to Purchase Life Insurance

Reliability Test

Table 4.14 shows the reading of Cronbach's Alpha for each variable. It shows that financial literacy (0.671), financial satisfaction (0.822), saving motives (0.749), product knowledge (0.703), income (0.777) and intention to purchase general insurance (0.762)

Table 4.12

Reliability Statistic of Variables

Variable	N	Reliability statistic	
		No of Items	Cronbach's Alpha
IV = Financial Literacy	384	6	0.671
IV = Financial Satisfaction	384	6	0.822
IV = Saving Motives	384	6	0.749
IV = Product Knowledge	384	6	0.703
IV = Income	384	6	0.777
DV = Life Insurance Purchase Intention	384	6	0.762

The Cronbach's Alpha is being used to measure the internal consistency between items in each of the variables. The reliability analysis shows that all except independent variables – financial literacy, score 0.7 and above which indicates these variables have high reliability. The remaining independent variables - financial literacy have moderate reliability with a score between 0.50 to 0.70.

Taking a step further the researchers also check the reliability of the overall questionnaire of the survey. It is found that the reliability score of the overall survey is only 0.529. This result is obtained using the mean value for each variable as described in 4.4 in the earlier section. Table 4.13 shows the item total statistics which suggest that IV financial satisfaction being removed will increase the score of Cronbach Alpha to 0.629.

Table 4.13
Item-Total Statistics

Variable	Cronbach's Alpha if Item Deleted
IV = Financial Literacy	0.535
IV = Financial Satisfaction	0.629
IV = Saving Motives	0.421
IV = Product Knowledge	0.481
IV = Income	0.381
DV = Life Insurance Purchase Intention	0.418

Validity Test
As discussed in chapter 3, the validity test is to f determine if the data from this research weather is useful for factor analysis. The KMO test results will return a value between '0' and '1'. If the result is less than 0.5, this suggests that sampling is not adequate, and it is not normal and useful for factor analysis.

The overall results returned from SPSS show all KMO return values equal to or greater than 0.649, which means that sampling is enough for the researcher to determine the research outcome. The summary of KMO and Bartlett's test is as per table 4.14 below.

Table 4.14
Summary of KMO and Bartlett's Test on each variable

Variable	N	KMO	Bartlett's	Sig.
Financial Literacy	384	0.649	700.627	< 0.001
Financial Satisfaction	384	0.784	828.346	< 0.001
Saving Motive	384	0.808	475.356	< 0.001
Product Knowledge	384	0.762	440.612	< 0.001
Income	384	0.728	729.593	< 0.001
Life Insurance Purchase Intention	384	0.821	1021.847	< 0.001

Correlation Analysis

The correlation analysis is performed to assess the relationship between variables. It is used to obtain the strength of a relationship between variables. Several correlation coefficient types can be selected from SPSS, such as Pearson correlation, Spearman correlation, and Kendall's tau-b correlation. For this study, the researchers will be performing Spearman correlation because results from the Shapiro-Wilk Normality test, as shown in Table 4.11, show data are not normally distributed from the low significant value.

Table 4.15

Nonparametric Correlations – Spearman' Correlation Coefficient

		Independent Variable (IV)					Dependent Variable (DV)
		Financial Literacy	Financial Satisfaction	Saving Motive	Product Knowledge	Income	Life Insurance Purchase Intention
Financial Literacy	'r' value	--	.967	.093	.094	.391	.536
	'p' value		.020	.070	.066	.044	.032
Financial Satisfaction	'r' value		--	.090	-0.023	.076	.013
	'p' value			.078	.654	.136	.805
Saving Motive	'r' value			--	.377**	.511**	.453**
	'p' value				< 0.01	< 0.01	.003
Product Knowledge	'r' value				--	.311	.416
	'p' value					.029	.023
Income	'r' value					--	.685**
	'p' value						< 0.01
Life Insurance Purchase Intention	'r' value						--
	'p' value						

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

Table 4.15 above shows the correlations between variables obtained from SPSS. The researchers will be using the 'r' value scale shown in Table 4.16 below, as the definition of the intensity of the correlation based on the Guildford rule of thumb. Additionally, the table below does not have a negatively correlated value because the finding shows that all independent variables are all positively correlated with the dependent variables

Table 4.16
Rule of Thumb Interpreting Correlation

'r' value	Definition
less than 0.20	Negligible positive correlation
0.20 to 0.40	Weak positive correlation
0.40 to 0.70	Moderate positive correlation
0.70 to 0.90	Strong positive correlation
above 0.90	Very strong positive correlation

Based on the analysis outcome shown in table 4.15, it is found that all independent variables have a positive correlation with the intention to purchase life insurance. The strongest correlation can be seen from the independent variable - income with a correlation score of 0.685, and the significant value is at < 0.01, which is less than 0.05. This demonstrates that income has moderate positive relationships with the intention to purchase life insurance.
Similarly with the independent variables – financial literacy with a correlation score of 0.536 and significant value also less than 0.05 which translated that financial literacy having positive correlation at a moderate level.

Independent variables – saving motive and product knowledge have a weak positive correlation to the intention of life insurance purchase, but still, have a slightly positive correlation. Saving motives have an 'r' value of 0.453 and product knowledge having an 'r' value of 0.416, with both variables having a significant value less than 0.05.
However, the last independent variable – financial satisfaction has an only negligible positive correlation with the intention to purchase life insurance with 'r' value less than 0.20 and its significant value greater than 0.05. This means that financial satisfaction does not have an impact over the intention to purchase life insurance.

Multiple Regression Analysis
The multiple regression analysis is to test the five independent variables against the dependent variable. This mainly serves as a prediction to predict the value of dependent variables with at least one independent variable.

Based on the finding from Table 4.17 below, only 43.1% of the dependent variable ('r' square value) is affected by all the five independent variables, or in other words that all five independent variables only affect 43.1% on the intention to purchase life insurance. The adjusted 'r square' only has 0.424 or 42.4%, which translates that all five independent variables explain 42.4% variance in the intention to purchase life insurance.

Table 4.17
Multiple Regression Analysis Summary

Model	'r'	'r' Square	Adjusted 'r square'
1	.657[a]	0.431	0.424

a. *Predictors: (Constant), IV Income, IV Financial Literacy, IV Financial Satisfaction, IV Product Knowledge, IV Saving Motive*

Technically, an 'r square' value of greater than 0.7 is a good value, but it can not be necessarily accurate because this study attempts to predict the human intention to purchase life insurance. Often, humans' behaviours are difficult to predict and any attempt to predict human behaviour typically will have 'r square' value lower than 0.5 or 50% . And this is supported by the finding from Table 4.18 below, where the significant value for the regression is at less than 0.001.

Table 4.18
Anova Analysis Result

		Sum of Squares	df	Mean Square	F	Sig.
Model 1	Regression	38.563	5	7.713	57.351	< 0.001[b]
	Residual	50.834	378	0.134		
	Total	89.397	383			

The coefficients from table 4.19 below show that only three independent variables have a significant value below 0.05, which means that these three are significant to predict the dependent variable. They are financial literacy, saving motives and income. However, the remaining two which is financial satisfaction and product knowledge are not significant to predict the intention to purchase life insurance.

Table 4.19
Coefficients from Multiple Regression

		Unstandardized Coefficients	Sig.
Model 1	(Constant)	1.686	< 0.001
	IV = Financial Literacy	0.461	0.048
	IV = Financial Satisfaction	-0.041	0.517
	IV = Saving Motive	0.446	0.039
	IV = Product Knowledge	0.059	0.168
	IV = Income	0.641	< 0.001

Next, expanding further with those results represents the dependent variable - intention to purchase general insurance using a regression equation , where is our dependent variable and , , and is the five independent variables. For the purpose of this analysis, let us assume Table 4.20 below shows the movement of the dependent variable , when one of the variables is held constant.

Table 4.20
Multiple Regression equation results

Variable	y	β	$\beta_1 x_1$	$\beta_2 x_2$	$\beta_3 x_3$	$\beta_4 x_4$	$\beta_5 x_5$
Financial Literacy	2.791	1.686	held constant	-0.041	0.446	0.059	0.641
Financial Satisfaction	3.293	1.686	0.461	held constant	0.446	0.059	0.641
Saving Motives	2.806	1.686	0.461	-0.041	held constant	0.059	0.641
Product Knowledge	3.193	1.686	0.461	-0.041	0.446	held constant	0.641
Income	2.611	1.686	0.461	-0.041	0.446	0.059	held constant

Row number one demonstrates when the independent variable - financial literacy holds constant, then, the intention to purchase general insurance will increase 2.791 points. Similarly, this will apply to other independent variables when they are being held constant. For instance, the independent variable – financial satisfaction holds constant and the value will increase 3.293. When independent variable – saving motives held constant will have value increase 2.806 and when independent variable – product knowledge held constant, the value will increase by 3.193 points and lastly for independent variable – income when held constant, y will increase to 2.611. This shows that each independent variable has an impact positive on the dependent variable - intention to purchase life insurance.

Summary of Hypothesis Testing

Table 4.21

Hypothesis testing summary

No.	Hypothesis	β value	'p' value	Result
H1	There is a positive relationship between financial literacy and intention to purchase life insurance	0.461	0.048	supported
H2	There is a positive relationship between financial satisfaction and intention to purchase life insurance	-0.041	0.517	unsupported
H3	There is a positive relationship between saving motives and intention to purchase general insurance.	0.446	0.039	supported
H4	There is a positive relationship between product knowledge and intention to purchase general insurance.	0.059	0.168	unsupported
H5	There is a positive relationship between income and intention to purchase general insurance.	0.641	< 0.001	supported

Table 4.21 shows the hypothesis testing summary. Three hypotheses show supported results, and two hypotheses show the unsupported result. The supported hypothesis is as below:

H1 – There is a positive relationship between financial literacy and intention to purchase life insurance

H3 – There is a positive relationship between saving motive and intention to purchase life insurance

H5 – There is a positive relationship between income and intention to purchase life insurance

Although the remaining H2 and H4 are unsupported, based on the correlation analysis, the independent variable – financial satisfaction and product knowledge- positively correlates with the dependent variable.

Hence, the researchers concluded that the study was able to predict the intention to purchase general insurance. Although not all hypotheses are supported, the researchers believe that the situation will improve in future research by revisiting the questionnaire.

Discussion, Implication and Conclusion

Introduction

This final chapter will discuss the findings from the data analysis performed in the previous chapter. The discussion is based on the findings obtained from research demographic analysis, normality analysis, reliability analysis, validity analysis, correlation analysis, and multiple regression analysis. The implication and limitations for the study and the recommendation for future research are also discussed in this chapter.

Discussion of the Study

The research was administered to 384 working populations from Klang Valley, Malaysia. Some of the research results are consistent with the previous studies done in this area, but some were not. For example, their research found that consumer knowledge on insurance and its product will directly impact the purchase intention of life insurance among the population of

Sabah, but this research results are unable to show significance to influence the purchase intention of life insurance, however, it does show a positive correlation to it.

In addition to the above, the researchers believe that product knowledge could have been integrated into financial literacy. In their research, insurance companies sharing knowledge, tips, and information to a potential customer can influence the purchase intention of health insurance.

The analysis result from this research shows that financial literacy, saving motives, and income was significant to impact one's intention to purchase general insurance. One of the previous researchers has the same outcome that if consumers have appropriate knowledge such as investment return from insurance will affect the purchase intention of life insurance. Similarly, consumers from the higher income and middle-income group were found to significantly impact life insurance ownership (Chee-Chee Lim & Suang Sin Tan (2019). Another research also supported that income significantly relates to life insurance demand.

Lastly, the remaining independent variable - financial satisfaction is unable to significantly influence the purchase intention of life insurance, but it does show some positive correlation to it. The independent variable - financial satisfaction- was included in the study because, during the pilot test with 53 sample data, there is a relation to purchasing life insurance.

Implications of the Study

The primary purpose of this study is to investigate the factors affecting the purchase intention of life insurance. This study offers an additional understanding that the independent variables - financial literacy, financial satisfaction, saving motives, product knowledge, and income, could be important factors that affect an individual' s intention to own life insurance.

It helps to provide the government, regulatory bodies, financial institutions, and educators a study reference to use in their endeavor to provide financial education for the public and their customers in Malaysia. For example, it is confirmed from the result of data analysis that financial literacy, saving motives, and income was correlated with life insurance purchase intention.

Often, many individuals are unaware of the financial tools available in the market and are confused by the advice received from various sources. When inaccurate information is obtained and processed, individuals will be more likely to make a biased judgment with their financial planning.

This will directly affect their intention to plan or invest, even when insurance dramatically contributes to their financial health and retirement plans. Also, further education provided in these areas will improve the public's financial literacy and their ability to identify the importance of savings or investments and the nature of their intention to purchase general insurance in the long run.

Another critical step that the researchers suggest is that insurance companies must improve their strategies to tackle life insurance ownership among the population in Klang Valley. As recommended, results from chapter four earlier found that slightly more than half of the respondents did not have a life insurance policy.

Limitations and Recommendations for Future Research

The survey was conducted targeting the working population of Klang Valley. Malaysia. The samples collected targeted the highest-paid working population in the country to gauge the life insurance landscape but getting the actual picture of the landscape, the research demographic required to be more focused.

For example, Klang Valley may house the highest-paid population in the country, but Klang Valley is also a place with the highest income inequality. Future research can separate respondents by salary groups, such as the lower-income group B40, the middle-income group M40 and the T20, the higher income group. This research participant consists of the majority from the upper-middle-income group and above.

The next limitation of the research is the research variables. From the result of correlation analysis and multiple regression analysis, independent variables – financial satisfaction should be excluded in the future study as it is not significant to predict the intention of life insurance purchase. Hence, removing it totally in future research may yield a better outcome.

Besides that, the survey respondents filled up the questionnaire through invitations received from social media platforms or could be from emails sent to them as part of a larger group chat or group email. These respondents may have completed the survey based on personal perceptions, which may have included some biases, an act of goodwill and other factors. Future research, and if the situation of the COVID-19 pandemic improves, researchers can meet these respondents in person and perform a brief explanation to potential respondents so that whoever responded to the survey will be a more reliable sample or the intended research population. For example, the researchers can hold their survey at public places, like the shopping mall, public transport station etc.

Conclusion

In summary, all five hypotheses developed were tested, and they showed a positive relationship, although only three hypotheses are supported. The researchers discussed the effects of the five independent variables on the dependent variable - the intention to purchase life insurance. It is found to be consistent with the research objective, as stated in chapter one. It is to examine the relationship between these five independent variables to the intention of life insurance purchase.

The subject of insurance has been researched since the beginning of the economic penetration to human lives. It has been one of the regulated financial solutions for risk mitigation purposes, but the perspective toward insurance is still an option instead of essential for people's lives.

The relationship between behavior, focusing on the intention to purchase insurance was influenced by the selected elements, such as financial literacy, financial satisfaction, saving motive, product knowledge and income. Although the outcome may vary when different variables are incorporated into the research or simply the individual's behavior and perception towards the survey questions, the researcher believes that the result from this study can serve as a guideline and reference for future research.

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